

ONE Minute Brief

15 August 2016

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Economic and Political News

Presidency Spokesman, Ronnie Mamoepa stated that Deputy President Cyril Ramaphosa has appointed the National Economic Development and Labour Council panel comprising of seven members to advise on the appropriate level to set a proposed national minimum wage.

The Bureau for Food & Agricultural Policy's new report on South Africa's agriculture sector is upbeat on its prospects. The report indicates that maize crop in the nation will recover from 2017 onwards following a 30% decline in the 2016/17 season.

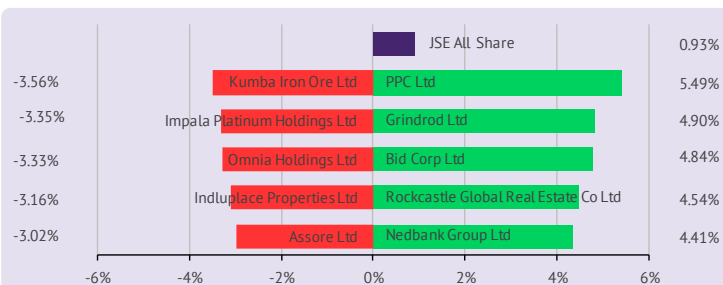
African National Congress secretary-general Gwede Mantashe announced that the party's national executive committee decided to take collective responsibility for the party's weaker performance at the recent elections and President Jacob Zuma would not be recalled.

SARB's Deputy Governor, Francois Groepe stated that South Africa's monetary policy stance remains accommodative and its tightening cycle would have been more aggressive if economic growth would have been buoyant.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, amid gains in retail and financial sector stocks. The JSE All Share Index rose 0.9% to close at 52,806.50.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher on Friday, supported by gains in energy sector stocks. Data indicated that UK's construction output declined marginally less-than-expected on a monthly basis in June. The FTSE 100 Index advanced marginally to close at 6,916.02.



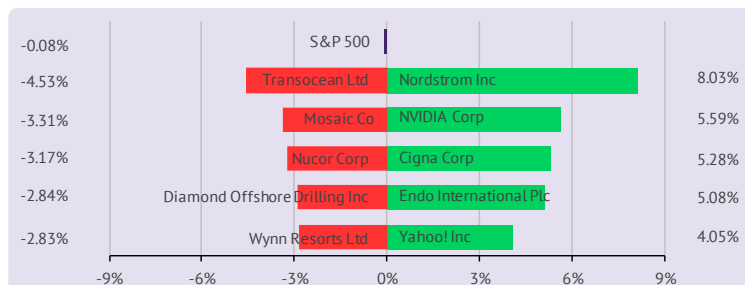
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52806.50	▲ 484.72	0.93%	NA	0.02%	1.11%	4.17%
JSE Top 40	45703.18	▲ 497.54	1.10%	NA	-0.46%	-0.13%	-0.21%
FTSE 100	6916.02	▲ 1.31	0.02%	NA	2.85%	3.38%	10.79%
DAX 30	10713.43	▼ -29.41	-0.27%	NA	3.64%	6.79%	-0.28%
CAC 40	4500.19	▼ -3.76	-0.08%	NA	1.36%	4.77%	-2.95%
S&P 500	2184.05	▼ -1.74	-0.08%	NA	0.48%	3.56%	6.85%
Nasdaq Composite	5232.90	▲ 4.50	0.09%	NA	1.37%	6.60%	4.50%
DJIA	18576.47	▼ -37.05	-0.20%	NA	0.78%	2.80%	6.61%

US Market ▼

The S&P 500 futures are trading in the green

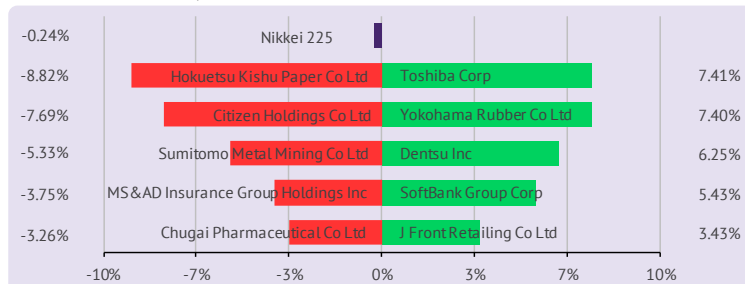
US markets closed mostly lower Friday, weighed down by losses in material sector stocks. Data indicated that advance retail sales in the US were unchanged in July from June. The S&P 500 Index dropped 0.1% to close at 2,184.05.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Earlier in the session, Japan's preliminary annualized GDP expanded less-than-expected in the second quarter of 2016. The Nikkei 225 Index is trading 0.2% lower at 16,879.00.



Address: GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.
t: +27 (0) 21 412 1074 | e: oneminutebrief@gtc.co.za | w: www.gtc.co.za

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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading marginally weaker against the South African Rand at R13.4707. Later today, traders will keep a close watch on US New York state manufacturing and NAHB housing market index for further cues.

The US Dollar rose against the South African Rand on Friday. Separately, data indicated that retail sales in the US were surprisingly flat in July from June. Moreover, the producer price index dropped unexpectedly on a monthly basis in July. Further, the preliminary reading on consumer sentiment in the nation indicated a lower than expected rise in August. On the other hand, business inventories advanced more-than-expected in June.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound is trading 0.1% firmer against the South African Rand at R17.4230. Going forward, traders will keep an eye on UK's consumer price index data and inflation report hearings scheduled for tomorrow.

The British Pound advanced against the South African Rand on Friday. Separately, data showed that UK's construction output fell slightly less-than-expected on a monthly basis in June.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro fell marginally against the South African Rand to trade at R15.0317. Going forward, market participants will keep a tab on Germany's wholesale price index for further direction.

The Euro strengthened against the South African Rand on Friday. The second estimate of Eurozone's gross domestic product advanced in line with previous estimates in the second quarter of 2016, although economic growth slowed compared to the previous quarter. On the other hand, the region's industrial production rebounded more-than-expected on a monthly basis in June. Separately, Germany's economic growth slowed less-than-market expectations in the second quarter of 2016. Moreover, the nation's final consumer price index remained unchanged in line with previous estimates in July.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R10.3024.

The Australian Dollar fell against the South African Rand on Friday. Elsewhere, in China, Australia's largest trading partner, industrial production increased a slower pace in July, while retail sales grew less than expected in the same month, indicating signs of a further slowdown in the world's second largest economy.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.4707	▼	0.56%	NA	-2.90%	-5.76%	-12.90%
GBPZAR	17.4230	▲	0.25%	NA	-5.14%	-6.41%	-23.63%
EURZAR	15.0317	▼	0.73%	NA	-3.09%	-5.05%	-10.55%
AUDZAR	10.3024	▼	-0.09%	NA	-2.38%	-3.73%	-9.25%
EURUSD	1.1156	▼	0.22%	NA	-0.11%	0.61%	2.72%
GBPUSD	1.2931	▲	-0.28%	NA	-2.34%	-0.61%	-12.36%
Brent (\$/barrel)	47.3	▲	2.02%	NA	7.90%	-12.43%	25.99%
Gold (\$/oz)	1344.8	▲	-0.50%	NA	-0.98%	2.15%	26.00%
Platinum (\$/oz)	1133.1	▲	-2.37%	NA	-1.85%	12.64%	26.65%
Copper (\$/MT)*	4749.0	▼	-1.88%	NA	-3.38%	1.55%	0.92%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices advanced 0.7% to trade at \$1,344.80/oz.

On Friday, gold prices fell 0.5% to close at \$1,335.80/oz, extending losses from previous sessions.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.6% higher to trade at \$47.26/bl.

On Friday, Brent crude oil advanced 2.0% to settle at \$46.97/bl, amid rising hopes that top oil producers will take measures to stabilise crude prices. Meanwhile, Baker Hughes reported that US oil rig count rose by 15 last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices gained 0.3% to trade at \$1,133.10/oz.

On Friday, platinum prices declined 2.4% to close at \$1129.30/oz.



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Major South Africa Corporate News

City Lodge Hotels Limited

In its FY16 results, the company reported that its revenue advanced 14.6% from the preceding year to R1.49bn. Its fully diluted headline EPS stood at 862.50c, compared with 712.40c recorded in the previous year. The firm added that so far in FY17, it has experienced lesser occupancies than in the previous year, mainly due to the lead-up to and the additional public holiday for the August 03, 2016 local government election. With the completion of the elections and opening of limited new hotel rooms in South Africa, it believes that the upward occupancy trend that began in late 2011 will resume.

Harmony Gold Mining Co. Limited

In its trading statement for FY16, the company indicated that it expects headline EPS to be between 202.00c and 240.00c, compared with a headline loss of 189.00c/share reported for the prior year. It anticipates EPS to be between 1,244.00 and 1,282.00, higher than the loss of 1,044.00c/share reported for the previous year.

JSE Limited

In its 1H16 results, the stock exchange revealed that its revenue advanced 6.8% from the same period of the preceding year to R1.18bn. Its diluted headline EPS stood at 580.40c, compared with 485.90c recorded in the corresponding period of the previous year. Profit before income tax rose 17.8% from the similar period of the prior year to R689.57mn.

Major Global Economic News

Eurozone

The seasonally adjusted second estimate of GDP recorded a rise of 0.3% on a quarterly basis in 2Q16, in the Eurozone, meeting market expectations. The preliminary figures had also indicated a rise of 0.3% and GDP had recorded a rise of 0.6% in the previous quarter.

In the Eurozone, the seasonally adjusted industrial production climbed 0.6% on a monthly basis in June, higher than market expectations for an advance of 0.5%. In the previous month, industrial production had fallen 1.2%.

In 2Q16, the seasonally adjusted flash gross domestic product (GDP) in Germany rose 0.4% on a quarterly basis, compared to an advance of 0.7% in the prior quarter. Market expectation was for GDP to rise 0.2%.

In Germany, the final consumer price index recorded a rise of 0.3% on a monthly basis in July, at par with market expectations. The preliminary figures had also recorded a rise of 0.3% and the CPI had advanced 0.1% in the previous month.

Asia

On a quarterly basis, the preliminary annualized GDP in Japan rose 0.2% in 2Q16, lower than market expectations for a rise of 0.7%. Annualized GDP had recorded a rise of 1.9% in the previous quarter.

In Japan, the final industrial production climbed 2.3% in June, on a monthly basis. Industrial production had registered a drop of 2.6% in the previous month and the preliminary figures had indicated an advance of 1.9%.

US

In July, advance retail sales were flat on a monthly basis in the US, lower than market expectations for a rise of 0.4%. Advance retail sales had climbed by a revised 0.8% in the prior month.

In the US, producer price index unexpectedly eased 0.4% in July on a monthly basis, lower than market expectations for a rise of 0.1%. In the previous month, PPI had recorded a rise of 0.5%.

In the US, the flash Reuters/Michigan consumer sentiment index eased to 90.40 in August, compared to a level of 93.50 in the prior month. Markets were expecting the index to fall to 91.50.

In June, on a monthly basis, business inventories recorded a rise of 0.2% in the US, higher than market expectations for a rise of 0.1%. In the previous month, business inventories had registered a similar rise.

UK

On a yearly basis, construction output in the UK recorded a drop of 2.2% in June, compared to a revised fall of 1.6% in the previous month. Market expectation was for construction output to ease 2.1%.



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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Harmony Gold Mining Company Ltd	60	-1.87%	-3.61%	286.86%
Kumba Iron Ore Ltd	139	-2.43%	2.48%	237.06%
Sibanye Gold Ltd	68	-1.19%	6.39%	198.91%
Assore Ltd	177	-1.78%	-4.58%	184.22%
AngloGold Ashanti Ltd	298	-0.27%	-1.61%	180.68%
Impala Platinum Holdings Ltd	67	3.65%	10.36%	168.85%
Anglo American Platinum Ltd	470	5.86%	6.82%	153.59%
African Rainbow Minerals Ltd	104	6.43%	5.15%	138.83%
Lonmin Plc	43	5.81%	-1.71%	132.73%
Pan African Resources Plc	4	-1.22%	1.50%	131.43%
Anglo American Plc	150	-2.64%	-1.91%	117.55%
Gold Fields Ltd	87	-0.31%	1.18%	105.55%
Northam Platinum Ltd	53	3.33%	3.15%	100.83%
Royal Bafokeng Platinum Ltd	53	4.57%	1.15%	97.37%
Bidvest Group Ltd	165	2.13%	3.63%	85.89%
Exxaro Resources Ltd	82	-0.90%	-1.77%	85.13%
Murray & Roberts Holdings Ltd	15	11.84%	12.88%	81.88%
African Oxygen Ltd	20	2.00%	2.00%	56.92%
Massmart Holdings Ltd	153	3.58%	5.51%	53.00%
Imperial Holdings Ltd	176	8.01%	6.16%	47.41%
Shoprite Holdings Ltd	209	1.37%	2.66%	45.68%
Blue Label Telecoms Ltd	18	-1.06%	-4.38%	45.68%
Clicks Group Ltd	127	1.78%	2.47%	43.07%
Niveus Investments Ltd	28	8.38%	-1.86%	42.25%
Coronation Fund Managers Ltd	74	0.58%	0.65%	40.36%
Barloworld Ltd	85	2.42%	3.21%	37.18%
Hyprop Investments Ltd	140	4.42%	4.10%	35.90%
Omnia Holdings Ltd	178	4.59%	7.88%	33.61%
Standard Bank Group Ltd	152	4.54%	9.35%	33.48%
Tongaat Hulett Ltd	124	2.88%	3.70%	33.11%
JSE Ltd	169	-3.94%	-0.67%	32.77%
Tsogo Sun Holdings Ltd	32	3.54%	9.93%	31.74%
Cashbuild Ltd	388	0.77%	2.92%	29.33%
Foschini Group Ltd	157	6.47%	5.54%	29.13%
Pick N Pay Stores Ltd	83	2.40%	5.67%	27.23%
Raubex Group Ltd	21	5.74%	10.99%	25.82%
Tiger Brands Ltd	395	1.21%	1.20%	24.68%
Redefine Properties Ltd	12	3.20%	-0.33%	23.20%
Ascendis Health Ltd	25	-1.67%	3.88%	22.82%
Aspen Pharmacare Holdings Ltd	380	0.86%	1.33%	22.79%
JSE All Share Index	52807	0.88%	0.02%	4.17%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	Rightmove House Price Index (MoM) (Aug)	✓	-1.20%*	-0.90%	Monthly
Japan	01:50	Gross Domestic Product (QoQ) (Q2) (P)	✓✓	0.00%*	0.50%	Quarterly
Japan	01:50	Gross Domestic Product Annualised (Q2) (P)	✓✓✓	0.20%*	2.00%	Quarterly
Japan	01:50	Nominal Gross Domestic Product (QoQ) (Q2) (P)	✓✓	0.20%*	0.80%	Quarterly
Japan	06:30	Capacity Utilisation (MoM) (Jun)	✓	1.50%*	-2.40%	Monthly
Japan	06:30	Industrial Production (MoM) (Jun) (F)	✓	2.30%*	1.90%**	Monthly
Switzerland	09:15	Producer and Import Prices (MoM) (Jul)	✓	-0.20%	0.10%	Monthly
US	14:30	NY Empire State Manufacturing Index (Aug)	✓	2.00	0.55	Monthly
Canada	15:00	Existing Home Sales (MoM) (Jul)	✓	-	-0.90%	Monthly
US	16:00	NAHB Housing Market Index (Aug)	✓	60.00	59.00	Monthly
US	22:00	Net Long-Term TIC Flows (Jun)	✓✓	-	USD41.10bn	Monthly
US	22:00	Total Net TIC Flows (Jun)	✓	-	-USD11.00bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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