

ONE Minute Brief

23 August 2016

GTC
consult • partner • manage

Economic and Political News

BMI Research, citing the African National Congress Secretary-General's comments that the national budget should be re-prioritised to focus on key economic and social policies, termed it as a threat to the fiscal consolidation efforts in South Africa and a risk to the nation's credit rating.

As per the World Steel Association, South Africa's steel production eased 11% YoY in July to an estimated 545,000 tonnes, after a rising 6.9% YoY in June to 545,000 tonnes.

Statistics SA revealed that fewer company liquidations were reported in July 2016, with a slight drop of 2.6% on a yearly basis in July, to 185.

The Democratic Alliance (DA) won control of the local government in Johannesburg and DA's newly elected Mayor, Herman Mashaba announced that the party will bring in change by creating employment for people and fight corruption.

Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52828.93	▲	56.98	0.11%	0.11%	0.06%	1.11%	4.21%
JSE Top 40	45994.96	▲	117.95	0.26%	0.26%	0.17%	-0.13%	0.43%
FTSE 100	6828.54	▼	-30.41	-0.44%	-0.44%	1.55%	3.38%	9.39%
DAX 30	10494.35	▼	-50.01	-0.47%	-0.47%	1.52%	6.79%	-2.31%
CAC 40	4389.94	▼	-10.58	-0.24%	-0.24%	-1.12%	4.77%	-5.33%
S&P 500	2182.64	▼	-1.23	-0.06%	-0.06%	0.42%	3.56%	6.79%
Nasdaq Composite	5244.60	▲	6.23	0.12%	0.12%	1.60%	6.60%	4.74%
DJIA	18529.42	▼	-23.15	-0.12%	-0.12%	0.53%	2.80%	6.34%

South Africa Market ▲

South African markets closed higher

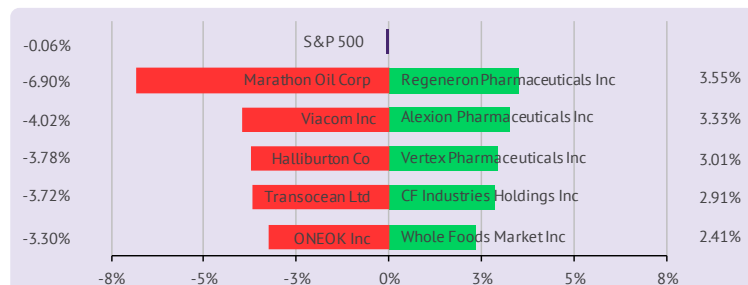
South African markets closed in the green yesterday, amid gains in industrial sector stocks. The JSE All Share Index rose 0.1% to close at 52,828.93.



US Market ▼

The S&P 500 futures are trading in the green

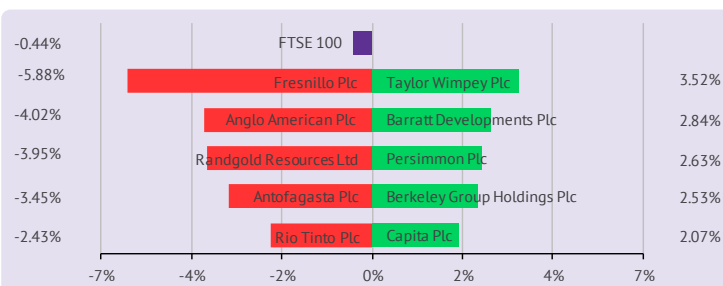
US markets closed lower yesterday, led by losses in energy sector stocks. The S&P 500 Index dropped 0.1% to close at 2,182.64.



UK Market ▼

The FTSE 100 futures are trading in positive territory

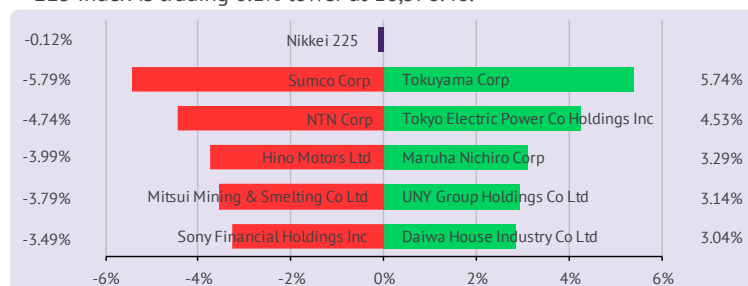
UK markets finished lower yesterday, weighed down by losses in mining sector stocks. The FTSE 100 Index declined 0.4% to close at 6,828.54.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Earlier in the session, Japan's Nikkei manufacturing Purchasing Managers' Index (PMI) rose in August from July, albeit remaining in contraction territory. The Nikkei 225 Index is trading 0.1% lower at 16,578.46.



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

An Authorised Financial Services Provider FSP No. 731
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting •
Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services

ONE Minute Brief

23 August 2016

GTC
consult • partner • manage

USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar declined 0.5% against the South African Rand to trade at R13.5187. Later today, traders will keep a watch on US Markit manufacturing PMI and new home sales for further direction. Additionally, South Africa's leading indicator will be on investors' radar.

The US Dollar rose against the South African Rand yesterday. Separately, data indicated that the Chicago Fed national activity index in the US advanced more-than-expected in July.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound retreated 0.4% against the South African Rand to trade at R17.7720. Later today, traders will keep an eye on UK's CBI industrial trends survey orders for further cues.

The British Pound advanced against the South African Rand yesterday, extending previous session gains.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.3% lower against the South African Rand at R15.3217. Going forward, market participants will keep a tab on Markit's survey on services and manufacturing PMI across the Eurozone and consumer confidence index, scheduled to be released in a few hours.

The Euro strengthened against the South African Rand yesterday, extending gains from previous sessions.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.5% weaker against the South African Rand at R10.3107. With no major economic news in Australia today, investor sentiment will be decided by global macro-economic news.

The Australian Dollar rose against the South African Rand yesterday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.5187	▼	0.48%	0.48%	-2.14%	-5.76%	-12.23%
GBPZAR	17.7720	▼	1.02%	1.02%	-2.80%	-6.41%	-21.74%
EURZAR	15.3217	▼	0.50%	0.50%	-0.90%	-5.05%	-8.53%
AUDZAR	10.3107	▼	0.44%	0.44%	-1.93%	-3.73%	-8.83%
EURUSD	1.1328	▲	-0.04%	-0.04%	1.31%	0.61%	4.18%
GBPUSD	1.3138	▲	0.47%	0.47%	-0.70%	-0.61%	-10.89%
Brent (\$/barrel)	48.6	▼	-3.38%	-3.38%	12.93%	-12.43%	31.87%
Gold (\$/oz)	1340.2	▲	-0.20%	-0.20%	-0.84%	2.15%	26.17%
Platinum (\$/oz)	1106.1	▼	-0.91%	-0.91%	-3.69%	12.64%	24.28%
Copper (\$/MT)*	4733.5	▼	-1.09%	-1.09%	-3.70%	1.55%	0.59%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,340.20/oz.

Yesterday, gold prices fell 0.2% to close at \$1,337.70/oz, amid strength in the greenback following rising speculation for an interest-rate increase this year.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 1.1% lower to trade at \$48.62/bl.

Yesterday, Brent crude oil dropped 3.4% to settle at \$49.16/bl, amid a stronger US Dollar and as fears surrounding the global glut of crude resurfaced after prospects for increased exports emerged from Iraq and Nigeria.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.2% lower to trade at \$1,106.10/oz.

Yesterday, platinum prices declined 0.9% to close at \$1108.20/oz.



ONE Minute Brief

23 August 2016



Major South Africa Corporate News

Advtech Limited

In its 1H16 results, the company stated that its revenue increased to R1.64bn from R1.28bn posted in the corresponding period of the prior year. Moreover, strong enrolment growth resulted into revenue increases of 20.0% in both the schools and tertiary divisions. Its diluted headline EPS rose 48.6% from the same period of the prior year to 36.40c. Its profit before tax climbed to R232.70c, from R152.40c recorded in the similar period of the preceding year.

ArcelorMittal South Africa Limited

The company announced that all outstanding matters have now been addressed and a settlement has been reached between the company and the Competition Commission. An application has been filed with the Competition Tribunal for confirmation of this settlement agreement for further approval. The company will pay an administrative penalty of ZAR1.50bn for allegedly fixing steel prices. The fine will payable over 5 years, in instalments of no less than ZAR300.00mn p.a., commencing in 2017.

Impala Platinum Holdings Limited

In its trading statement for FY16, the company indicated that headline EPS is expected to be lower in the range between 9.00c and 16.00c, compared with 36.00c posted in the prior year, due to lower metal prices. Basic loss is expected to be between 7.00c/share and 12.00c/share, compared with a loss of 603.00c/share posted in the previous year.

MTN Group Limited

The company announced that it will sell shares worth ZAR9.90bn, to black investors to meet government quotas on black ownership. The new black economic empowerment deal would be launched via a public offer. It will sell the shares at ZAR102.80. If the shares are fully subscribed, it will give black investors ownership of more than 30.0% of the company's South African operations.

Sun International Limited

In its FY16 results, the company revealed that its revenue from continuing operations advanced 15.5% from the preceding year to R12.19bn, driven by strong growth in new start-up businesses and acquisitions. Its diluted adjusted headline EPS from continuing operations stood at 593.00c, compared with 745.00c recorded in the previous year. It does not anticipate any meaningful growth in gaming revenue in its South African businesses until there is a recovery in the economy and renewed consumer confidence.

Major Global Economic News

Asia

In Japan the flash manufacturing PMI recorded a rise to 49.60, in August. Manufacturing PMI had registered a reading of 49.30 in the previous month.

US

In the US, the Chicago Fed national activity index registered a rise to 0.27 in July, higher than market expectations of an advance to a level of 0.20. In the previous month, the index had recorded a revised level of 0.05.

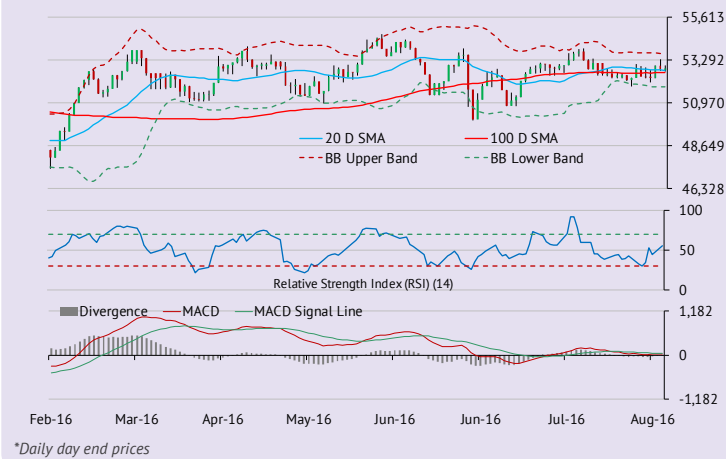
ONE Minute Brief

23 August 2016

GTC
consult • partner • manage

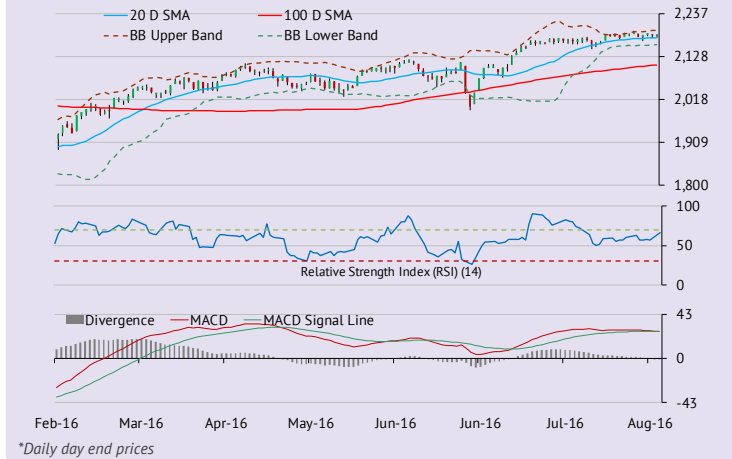
Technical Snapshot

JSE All Share



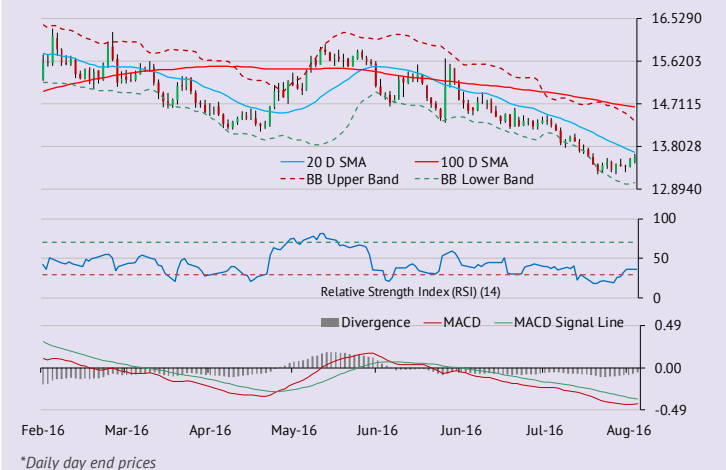
The JSE All Share index is expected to find support at 52,168.30, and a fall through could take it to the next support level of 51,507.68. The index is expected to find its first resistance at 53,409.95, and a rise through could take it to the next resistance level of 53,990.98.

S&P 500



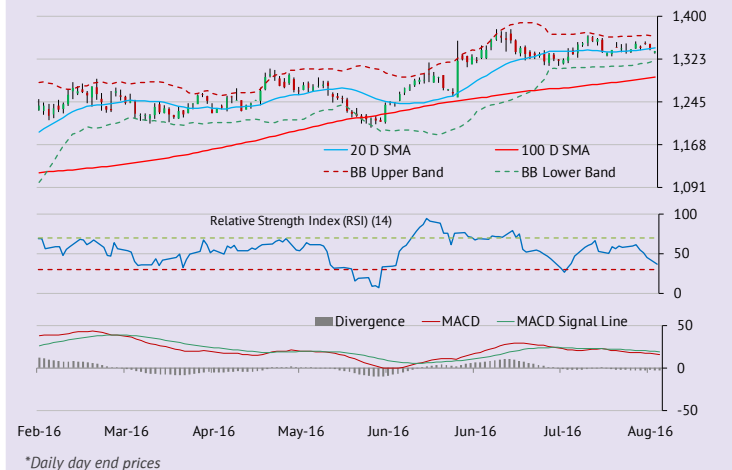
The S&P 500 index is expected to find support at 2,171.75, and a fall through could take it to the next support level of 2,160.86. The index is expected to find its first resistance at 2,190.28, and a rise through could take it to the next resistance level of 2,197.92.

USDZAR



The pair is expected to find support at 13.3124, and a fall through could take it to the next support level of 13.0438. The pair is expected to find its first resistance at 13.7485, and a rise through could take it to the next resistance level of 13.9160.

XAU/USD



Gold is expected to find support at \$1,329.00/oz, and a fall through could take it to the next support level of \$1,320.30/oz. The precious metal is expected to find its first resistance at \$1,350.70/oz, and a rise through could take it to the next resistance level of \$1,363.70/oz.

ONE Minute Brief

23 August 2016

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
China	03:45	MNI Business Sentiment Survey (Aug)	✓	54.30*	55.50	Monthly
Japan	04:00	Nomura/ JMMA Manufacturing PMI (Aug) (P)	✓✓	49.60*	49.30	Monthly
Japan	06:00	Kuroda Speaks at BOJ's Fintech Conference	✓✓	-	-	As scheduled
Switzerland	08:00	Trade Balance (Jul)	✓✓	-	CHF3.55bn	Monthly
France	09:00	Markit Services PMI (Aug) (P)	✓	50.50	50.50	Monthly
France	09:00	Markit Manufacturing PMI (Aug) (P)	✓	48.80	48.60	Monthly
South Africa	09:00	Leading Indicator (Jun)	✓✓	-	90.80	Monthly
Germany	09:30	Markit Manufacturing PMI (Aug) (P)	✓✓	53.60	53.80	Monthly
Germany	09:30	Markit Services PMI (Aug) (P)	✓✓	54.40	54.40	Monthly
Eurozone	10:00	Markit Manufacturing PMI (Aug) (P)	✓✓✓	52.00	52.00	Monthly
Eurozone	10:00	Markit Composite PMI (Aug) (P)	✓✓✓	53.10	53.20	Monthly
Eurozone	10:00	Markit Services PMI (Aug) (P)	✓✓✓	52.80	52.90	Monthly
UK	12:00	CBI Industrial Trends Survey - Orders (Aug)	✓	-10.00	-4.00	Monthly
Eurozone	12:30	ECB's Coeure, Lane, Smets on Panel in Geneva	✓	-	-	As scheduled
US	14:55	Redbook Index s.a. (MoM) (19-Aug)	✓	-	-0.30%	Weekly
China	15:00	Conference Board Leading Economic Index (Jul)	✓	-	-	Monthly
US	15:45	Markit Manufacturing PMI (Aug) (P)	✓✓	52.60	52.90	Monthly
Eurozone	16:00	Consumer Confidence Index (Aug) (P)	✓✓	-7.70	-7.90	Monthly
US	16:00	Richmond Fed Manufacturing Index (Aug)	✓	6.00	10.00	Monthly
US	16:00	New Home Sales (MoM) (Jul)	✓	-2.00%	3.50%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

Disclaimer

This report and its contents are confidential, privileged and only for the information of the intended recipient. GTC (Pty) Ltd make no representations or warranties in respect of this report or its content and will not be liable for any loss or damage of any nature arising from this report, the content thereof, your reliance thereon its unauthorised use or any electronic viruses associated therewith. Please note that content does not necessarily represent or reflect the views and opinions of GTC (Pty) Ltd. This report is proprietary to GTC (Pty) Ltd and you may not copy or distribute the report without the prior written consent of the authors. Any feedback or contributions are most welcome. GTC (Pty) Ltd Registration No 1996/001488/07 FSP No 731. An authorised Financial Services Provider.

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

An Authorised Financial Services Provider FSP No. 731
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting •
Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services