

ONE Minute Brief

30 August 2016

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Economic and Political News

Goldman Sachs stated that South Africa's credit rating would be slashed and the South African Rand would come under pressure if Finance Minister, Pravin Gordhan is removed from his post.

South African Reserve Bank Deputy Governor, Daniel Mminele stated that the central bank will not respond to short term volatility triggered by news of possible charges against Finance Minister Pravin Gordhan.

The South African Weather Service warned that the nation can expect little rainfall as high temperatures are anticipated to persist over the coming Spring season.

South Africa's state owned utility, Eskom expressed shock at the National Treasury's accusation that it has not cooperated in a probe into coal contracts with Gupta-owned Tegeta Exploration and Resources.

Democratic Alliance leader, Mmusi Maimane mentioned that he has demanded for a progress report from Public Protector Thuli Madonsela concerning her investigation into allegations of state capture by the Gupta family.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, amid gains in platinum mining sector stocks. The JSE All Share Index rose 0.1% to close at 53,563.93.



Key Indices

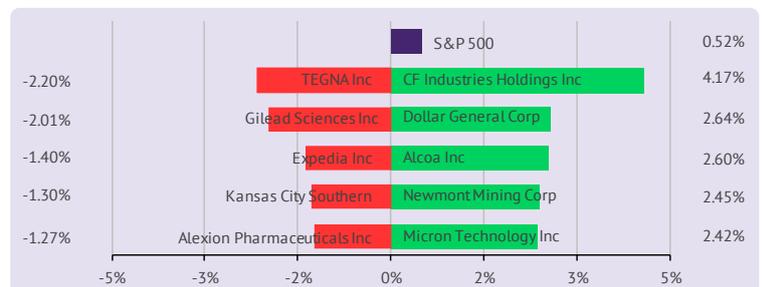
	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53563.93 ▲	57.31	0.11%	0.11%	1.45%	1.11%	5.66%
JSE Top 40	46912.46 ▲	105.72	0.23%	0.23%	2.17%	-0.13%	2.43%
FTSE 100*	6838.05 ▲	21.15	0.30%	0.00%	1.69%	3.38%	9.54%
DAX 30	10544.44 ▼	-43.33	-0.41%	-0.41%	2.00%	6.79%	-1.85%
CAC 40	4424.25 ▼	-17.62	-0.40%	-0.40%	-0.35%	4.77%	-4.59%
S&P 500	2180.38 ▲	11.34	0.52%	0.52%	0.31%	3.56%	6.68%
Nasdaq Composite	5232.33 ▲	13.41	0.26%	0.26%	1.36%	6.60%	4.49%
DJIA	18502.99 ▲	107.59	0.58%	0.58%	0.38%	2.80%	6.19%

*Values as on 26th August 2016

US Market ▲

The S&P 500 futures are trading flat

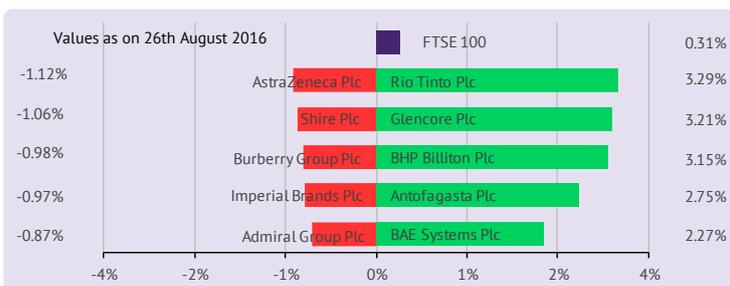
US markets closed higher yesterday, supported by gains in financial sector stocks. Data indicated that personal income in the US advanced as expected in July, while personal spending grew at a slower pace in the same month. The S&P 500 Index climbed 0.5% to close at 2,180.38.



UK Market ▲

The FTSE 100 futures are trading in positive territory

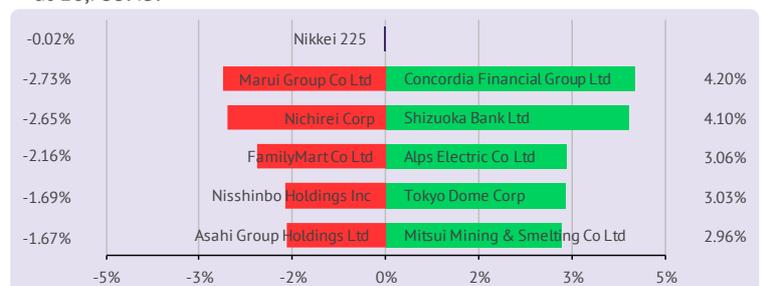
Markets in UK were closed yesterday on account of summer bank holiday.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Earlier in the session, data indicated that Japan's unemployment rate eased unexpectedly in July. The Nikkei 225 Index is trading marginally lower at 16,733.45.



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 firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% firmer against the South African Rand at R14.4190. Later today, traders will keep a close watch on US consumer confidence index for further direction. Additionally, South Africa's budget and private sector credit data will be on investors' radar.

The US Dollar rose against the South African Rand yesterday, after data indicated that personal income in the US grew most in three months in July, while personal spending advanced in line with market expectations in the same month.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.1% weaker against the South African Rand at R18.8690. Later today, traders will keep an eye on UK's consumer credit and mortgage approvals for further cues.

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

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading marginally weaker against the South African Rand at R16.1133. Going forward, market participants will keep a tab on Eurozone's sentiment indices, scheduled in a few hours. Moreover, Germany's consumer price index will attract market attention.

The Euro strengthened against the South African Rand yesterday.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar climbed 0.1% against the South African Rand to trade at R10.9123. Earlier in the session, data indicated that Australia's building approvals rebounded strongly on a monthly basis in July.

The Australian Dollar rose against the South African Rand yesterday, extending gains from previous sessions.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.4190	▲	0.26%	0.26%	3.80%	-5.76%	-6.89%
GBPZAR	18.8690	▼	0.11%	0.11%	2.87%	-6.41%	-17.18%
EURZAR	16.1133	▼	0.20%	0.20%	3.93%	-5.05%	-4.07%
AUDZAR	10.9123	▲	0.44%	0.44%	3.26%	-3.73%	-4.01%
EURUSD	1.1171	▼	-0.08%	-0.08%	0.13%	0.61%	2.97%
GBPUSD	1.3082	▼	-0.24%	-0.24%	-0.94%	-0.61%	-11.10%
Brent (\$/barrel)	49.3	▲	-1.32%	-1.32%	13.16%	-12.45%	32.14%
Gold (\$/oz)	1327.3	▲	0.17%	0.17%	-1.88%	2.15%	24.85%
Platinum (\$/oz)	1080.3	▼	0.32%	0.32%	-6.04%	12.64%	21.24%
Copper (\$/MT)*	4603.5	-	0.00%	NA	-6.34%	1.55%	-2.17%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,327.30/oz.

Yesterday, gold prices rose 0.2% to close at \$1,323.70/oz, extending previous session gains.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.1% higher to trade at \$49.31/bl.

Yesterday, Brent crude oil dropped 1.3% to settle at \$49.26/bl, as uncertainty increased that top oil producers may fail to reach an agreement over stabilising crude output at their meeting next month.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.1% lower to trade at \$1,080.30/oz.

Yesterday, platinum prices climbed 0.3% to close at \$1,081.10/oz.



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Major South Africa Corporate News

Anglo American Platinum Limited

The company announced that it has completed the sale of its 70.0% stake in the Foxleigh metallurgical coal mine in Queensland, Australia to a consortium led by Taurus Fund Management. The terms of the transaction remain confidential.

Super Group Limited

In its FY16 results, the company indicated that its revenue rose to R25.95bn from R19.82bn posted in the previous year, due to upbeat performances by FleetAfrica, SG Fleet and Dealerships as well as the inclusion of the results of Allen Ford (UK), SG IN tIME and NLC (through SG Fleet). Its headline diluted EPS increased 11.0% from the previous year to 287.30c. The company expects South African market conditions to remain challenging and competitive with various industries remaining under pressure.

The Bidvest Group Limited

In its FY16 results, the company stated that its turnover increased to R91.76bn from R88.63bn posted in the prior year. Its diluted headline EPS rose 2.7% from the preceding year to 1,050.40c. Its profit before taxation declined to R3.66bn from R4.76bn recorded in the previous year.

Major Global Economic News

US

In July, personal income in the US registered a rise of 0.4%, on a monthly basis, in line with market expectations. Personal income had registered a revised rise of 0.3% in the previous month.

In the US, personal spending advanced 0.3% on a monthly basis in July, in line with market expectations. Personal spending had registered a revised rise of 0.5% in the prior month.

In the US, the Dallas Fed manufacturing business index eased to -6.20 in August, compared to a level of

-1.30 in the prior month. Markets were anticipating the index to fall to a level of -3.90.

Asia

In Japan, unemployment rate dropped unexpectedly to a level of 3.0% in July, compared to market expectations of a steady reading. In the previous month, unemployment rate had recorded a level of 3.1%.

In Australia, the seasonally adjusted building approvals recorded an unexpected rise of 3.1% on a yearly basis in July, compared to a revised fall of 5.7% in the previous month. Markets were expecting building approvals to drop 8.3%.

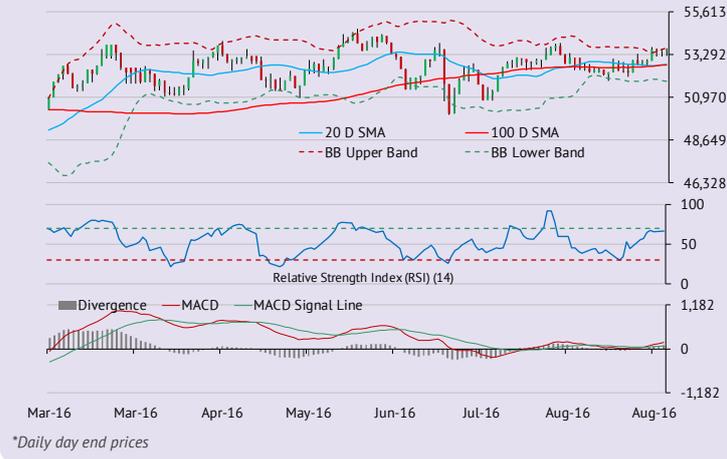
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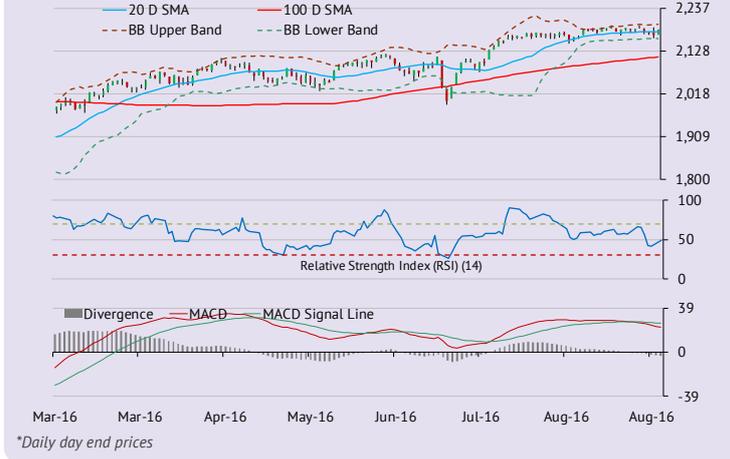
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 52,938.68, and a fall through could take it to the next support level of 52,313.42. The index is expected to find its first resistance at 53,939.02, and a rise through could take it to the next resistance level of 54,314.10.

S&P 500



The S&P 500 index is expected to find support at 2,162.71, and a fall through could take it to the next support level of 2,145.03. The index is expected to find its first resistance at 2,195.74, and a rise through could take it to the next resistance level of 2,211.09.

USDZAR



The pair is expected to find support at 13.7127, and a fall through could take it to the next support level of 13.0187. The pair is expected to find its first resistance at 14.8226, and a rise through could take it to the next resistance level of 15.2385.

XAU/USD



Gold is expected to find support at \$1,311.73/oz, and a fall through could take it to the next support level of \$1,299.77/oz. The precious metal is expected to find its first resistance at \$1,358.43/oz, and a rise through could take it to the next resistance level of \$1,353.17/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:30	Job-To-Applicant Ratio (Jul)	✓	1.37*	1.37	Monthly
Japan	01:30	Unemployment Rate (Jul)	✓✓	3.00%*	3.10%	Monthly
Japan	01:30	Household Spending (YoY) (Jul)	✓✓	-0.50%*	-2.30%	Monthly
Japan	01:50	Retail Trade s.a (MoM) (Jul)	✓	1.40%*	0.30%	Monthly
Germany	08:00	Import Price Index (MoM) (Jul)	✓	-0.10%	0.50%	Monthly
South Africa	08:00	M3 Money Supply (YoY) (Jul)	✓✓	5.73%	5.88%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Jul)	✓✓	6.90%	7.30%	Monthly
Spain	09:00	Consumer Price Index (MoM) (Aug) (P)	✓	0.10%	-0.70%	Monthly
Switzerland	09:00	KOF Economic Barometer (Aug)	✓✓	102.00	102.70	Monthly
Italy	10:00	Retail Sales s.a. (MoM) (Jun)	✓	-0.20%	0.30%	Monthly
UK	10:30	Gross Consumer Credit (Jul)	✓✓	-	GBP21.50bn	Monthly
UK	10:30	Net Consumer Credit (Jul)	✓✓	GBP1.70bn	GBP1.80bn	Monthly
UK	10:30	Mortgage Approvals (Jul)	✓✓	61.90 K	64.80 K	Monthly
Eurozone	11:00	Consumer Confidence (Aug) (F)	✓✓	-8.50	-8.50**	Monthly
Eurozone	11:00	Business Climate Indicator (Aug)	✓✓	0.36	0.39	Monthly
Eurozone	11:00	Economic Sentiment Indicator (Aug)	✓	104.10	104.60	Monthly
Eurozone	11:00	Industrial Confidence (Aug)	✓	-2.70	-2.40	Monthly
Eurozone	11:00	Services Sentiment Indicator (Aug)	✓	11.10	11.10	Monthly
Germany	14:00	Consumer Price Index (MoM) (Aug) (P)	✓✓	0.10%	0.30%	Monthly
South Africa	14:00	Budget Balance (Jul)	✓✓	-ZAR59.40bn	ZAR23.87bn	Monthly
Canada	14:30	Industrial Product Price (MoM) (Jul)	✓	-0.30%	0.60%	Monthly
Canada	14:30	Current Account (Q2)	✓✓	-CAD20.20bn	-CAD16.77bn	Quarterly
US	14:55	Redbook Index (YoY) (26-Aug)	✓	-	0.20%	Weekly
US	16:00	Consumer Confidence (Aug)	✓✓✓	97.00	97.30	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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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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