

ONE Minute Brief

15 September 2016

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Economic and Political News

South Africa's retail sales rose less than forecast by 0.8% on an annual basis in July, compared to a revised rise of 1.4% in the prior month.

The SACCI trade activity index expanded in August following a contraction in the previous month on the back of higher sales volumes and new orders supporting job creation in the trade sector.

The BankservAfrica Economic Transactions Index (BETI) rose 0.6% in August, 1.4% higher compared to the same period of the preceding year.

VBS Mutual Bank CEO, Andile Ramavhunga indicated that that the bank's usual processes and conditions were applicable in reference to the home loan granted to President Jacob Zuma for repaying the money spent on his Nkandla residence upgrades.

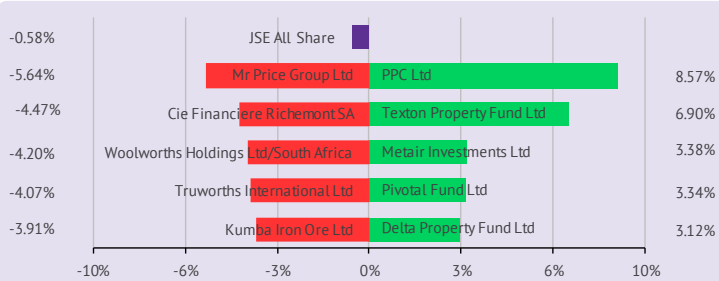
Moody Investors Service announced that it might slash the ratings of South African state-owned enterprises (SOEs), Eskom, Sanral, DBSA, IDC and the Land Bank, citing funding risks.

AgriSA has called on the Government for emergency aid for South African farmers, while stating that have not received any monetary support from the government.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, amid losses in retail sector stocks. Data revealed that South Africa's retail sales growth slowed on a yearly basis in July. The JSE All Share Index fell 0.6% to close at 52,501.97.



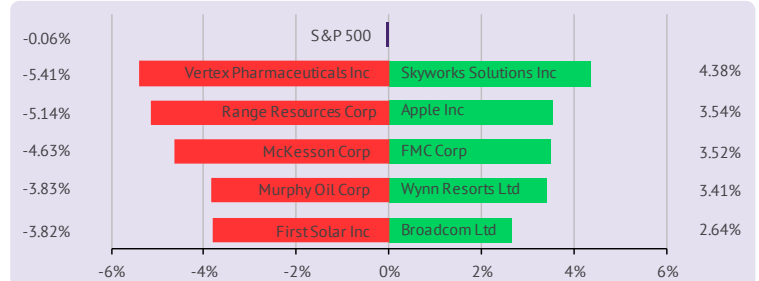
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52501.97	▼ -303.99	-0.58%	-1.58%	-0.44%	-0.12%	3.57%
JSE Top 40	45985.07	▼ -289.90	-0.63%	-1.60%	-0.60%	0.75%	0.41%
FTSE 100	6673.31	▲ 7.68	0.12%	-1.53%	-1.60%	0.85%	6.90%
DAX 30	10378.40	▼ -8.20	-0.08%	-1.84%	-2.02%	2.47%	-3.39%
CAC 40	4370.26	▼ -16.92	-0.39%	-2.70%	-1.53%	-0.04%	-5.75%
S&P 500	2125.77	▼ -1.25	-0.06%	-0.10%	-2.08%	-0.12%	4.00%
Nasdaq Composite	5173.77	▲ 18.52	0.36%	0.93%	-0.76%	0.99%	3.32%
DJIA	18034.77	▼ -31.98	-0.18%	-0.28%	-1.99%	-0.17%	3.50%

US Market ▼

The S&P 500 futures are trading in the green

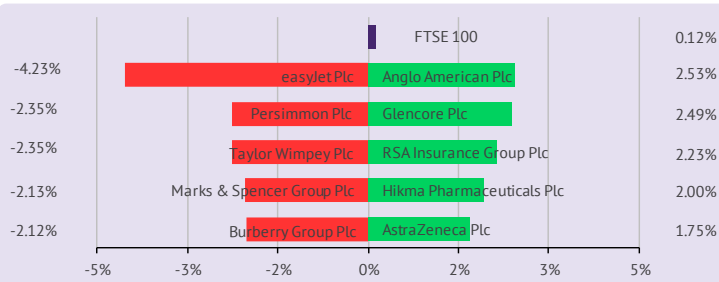
US markets closed lower yesterday, led by losses in energy sector stocks. Data revealed that import price index in the US dropped more-than-expected on a monthly basis in August. The S&P 500 Index dropped 0.1% to close at 2,125.77.



UK Market ▲

The FTSE 100 futures are trading in negative territory

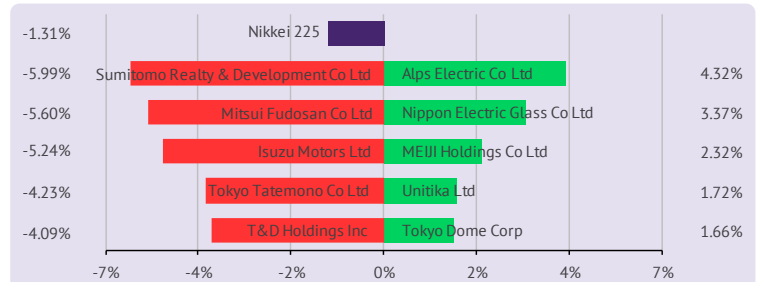
UK markets finished higher yesterday, supported by gains in mining sector stocks. Data indicated that UK's ILO unemployment rate remained unchanged in the three months to July. The FTSE 100 Index advanced 0.1% to close at 6,673.31.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. The Nikkei 225 Index is trading 1.3% lower at 16,397.01. Markets in China and South Korea are closed on account of public holidays.



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USDZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar advanced 0.2% against the South African Rand to trade at R14.3500. Later today, traders will keep a close watch on US advance retail sales, initial jobless claims, business inventories along with manufacturing & industrial production data for further cues.

The US Dollar fell against the South African Rand yesterday, after data indicated that import prices in the US dropped for the first time in six months in August, due to falling petroleum and food costs. Elsewhere, South Africa's retail sales advanced at a slower pace on an annual basis in July.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.4% firmer against the South African Rand at R19.0230. Later today, traders will keep an eye on the Bank of England's monetary policy meeting and retail sales data for further direction in the Pound.

The British Pound declined against the South African Rand yesterday. Separately, data released indicated that UK's ILO unemployment rate remained steady in line with market expectations for the three months ending July. Moreover, the number of people claiming unemployment benefits rose more than market expectations in August.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R16.1336. Going forward, market participants will keep a tab on Eurozone's consumer price inflation and trade balance data scheduled for release in a few hours.

The Euro weakened against the South African Rand yesterday, after data revealed that Eurozone's industrial output fell sharply on a monthly basis in July.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar gained 0.1% against the South African Rand to trade at R10.7022. Earlier in the session, data from the Australian labour market was mixed, with unemployment rate falling to its lowest level in three years in August, while the number of people employed dropped unexpectedly in the same month.

The Australian Dollar fell against the South African Rand yesterday. Separately, data indicated that Australia's Westpac consumer confidence index advanced for a second consecutive month in September.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.3500	▲	-0.51%	-0.66%	-2.79%	6.14%	-7.45%
GBPZAR	19.0230	▲	-0.22%	-0.92%	-2.06%	5.43%	-16.87%
EURZAR	16.1336	▲	-0.24%	-0.50%	-1.98%	5.96%	-4.13%
AUDZAR	10.7022	▲	-0.43%	-1.60%	-3.41%	4.86%	-5.85%
EURUSD	1.1239	▼	0.27%	0.15%	0.82%	-0.14%	3.53%
GBPUSD	1.3256	▲	0.32%	-0.24%	0.74%	-0.70%	-10.22%
Brent (\$/barrel)	46.0	▲	-2.65%	-4.50%	-2.22%	7.72%	22.99%
Gold (\$/oz)	1326.5	▲	0.18%	-0.65%	1.08%	-3.05%	24.69%
Platinum (\$/oz)	1037.2	▼	0.47%	-2.49%	-1.20%	-8.44%	16.73%
Copper (\$/MT)*	4754.5	▲	2.62%	3.03%	3.23%	-6.30%	1.04%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,326.50/oz.

Yesterday, gold prices rose 0.2% to close at \$1,322.00/oz, reversing its previous session losses.

Brent Crude Oil ▲

Trading stronger

Brent crude oil edged 0.4% higher at 06:00 SAST, to trade at \$46.03/bl.

Yesterday, Brent crude oil dropped 2.7% to settle at \$45.85/bl, after the US Energy Department reported that stockpiles of gasoline rose more than market expectations. Meanwhile, crude oil inventories fell by 600,000 bls last week. Further, Libyan officials announced plans to resume oil shipments from a closed port.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.4% lower to trade at \$1,037.20/oz.

Yesterday, platinum prices climbed 0.5% to close at \$1,040.90/oz.



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Major South Africa Corporate News

Ascendis Health Limited

In its FY16 results, the company indicated that its revenue advanced 39.1% from the previous year to R3.92bn. Its headline EPS stood at 55.56c, compared with 79.31c recorded in the previous year. Its profit before tax declined to R251.65mn from R292.56mn posted in the last year.

Ascension Properties Limited

The company announced that Ms Tsundzukani Mhlanga has resigned as the Financial Director and will serve her notice period until end of October 2016. Further, Mr Sanjay Chiboo has been appointed as the new Financial Director and will take charge from October 31, 2016.

EOH Holdings Limited

In its FY16 results, the company stated that its revenue increased to R12.76bn from R9.73bn recorded in the prior year. Its diluted EPS rose 25.1% from the preceding year to 668.00c. Its profit before tax advanced to R1.32bn from R0.95bn posted in the preceding year.

Major Global Economic News

Asia

In September, consumer inflation expectations fell to a level of 3.3% in Australia, compared to a reading of 3.5% in the prior month.

In Australia, the seasonally adjusted unemployment rate fell unexpectedly to a level of 5.6% in August, compared to a level of 5.7% in the prior month. Market anticipation was for unemployment rate to remain unchanged.

In Australia, on a seasonally adjusted basis, number of people employed dropped unexpectedly by 3.90K in August, following an increase of 26.20K in the prior month. Markets were anticipating number of people employed to rise 15.00K.

New Yuan loans in China climbed to CNY948.70bn in August, higher than market expectations of a rise to CNY750.00bn. In the previous month, new Yuan loans had registered a reading of CNY463.60bn.

US

In the US, the import price index slid 0.2% on a monthly basis in August, more than market expectations for a drop of 0.1%. In the prior month, the index had risen 0.1%.

Mortgage applications in the US advanced 4.2% on a weekly basis, in the week ended September 09, 2016. In the prior week, mortgage applications had recorded a rise of 0.9%.

UK

In the UK, the ILO unemployment rate remained steady at a level of 4.9% in the May-July 2016 period, meeting market expectations.

In the UK, number of unemployment benefits claimants climbed by 2.40K in August, higher than market anticipations of an advance of 1.80K. Number of unemployment benefits claimants had recorded a revised fall of 3.60K in the prior month.

Eurozone

In the Eurozone, the seasonally adjusted industrial production dropped 1.1% on a monthly basis in July, compared to a revised advance of 0.8% in the previous month. Markets were anticipating industrial production to ease 1.0%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
Switzerland	09:30	SNB Interest Rate Decision	✓✓✓	-0.75%	-0.75%	As scheduled
UK	10:30	Retail Sales (MoM) (Aug)	✓	-0.40%	1.40%	Monthly
Eurozone	11:00	Consumer Price Index (MoM) (Aug)	✓✓	0.10%	-0.60%	Monthly
Eurozone	11:00	Consumer Price Index (YoY) (Aug) (F)	✓✓✓	0.20%	0.20%**	Monthly
Eurozone	11:00	Trade Balance s.a. (Jul)	✓	EUR22.00bn	EUR23.40bn	Monthly
Greece	11:00	Unemployment Rate (Quarterly) (Q2)	✓	23.50%	24.90%	Quarterly
UK	13:00	BoE Interest Rate Decision	✓✓✓	0.25%	0.25%	As scheduled
UK	13:00	BoE Asset Purchase Facility	✓✓✓	GBP435.00bn	GBP435.00bn	As scheduled
US	14:30	Producer Prices (Aug)	✓	-	191.90	Monthly
US	14:30	Advance Retail Sales (MoM) (Aug)	✓✓✓	-0.10%	0.00%	Monthly
US	14:30	Producer Price Index (MoM) (Aug)	✓	0.10%	-0.40%	Monthly
US	14:30	Initial Jobless Claims (10-Sep)	✓✓	265.00K	259.00K	Weekly
US	14:30	NY Empire State Manufacturing Index (Sep)	✓	-1.00	-4.21	Monthly
US	14:30	Philadelphia Fed Manufacturing Survey (Sep)	✓✓	1.00	2.00	Monthly
US	14:30	Current Account (Q2)	✓✓	-USD121.00bn	-USD124.70bn	Quarterly
Canada	15:00	Existing Home Sales (MoM) (Aug)	✓	-	-1.30%	Monthly
US	15:15	Capacity Utilisation (Aug)	✓	75.70%	75.90%	Monthly
US	15:15	Industrial Production (MoM) (Aug)	✓✓	-0.20%	0.70%	Monthly
US	15:15	Manufacturing (SIC) Production (MoM) (Aug)	✓✓	-0.30%	0.50%	Monthly
US	16:00	Business Inventories (Jul)	✓	0.10%	0.20%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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