

ONE Minute Brief

27 September 2016

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Economic and Political News

Data released by Statistics SA showed that 181 companies were liquidated in August 2016 compared with 177 in August 2015.

Finance Minister, Pravin Gordhan, stated that the preliminary expenditure in South Africa by national and provincial departments on consultants, travel, subsistence and entertainment was ZAR35.2bn in 2015-16 compared with ZAR49.5bn in 2014-15.

The Auditor-General, in his 2015-16 report on the Strategic Fuel Fund, indicated that the secret sale of South Africa's stockpile in December 2015 was illegal as it did not notify the National Treasury as required by the Public Finance Management Act.

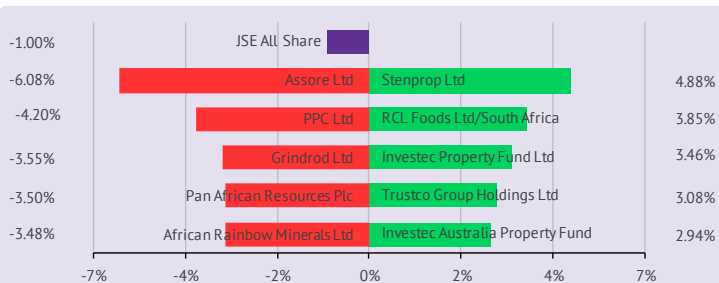
The National Union of Mineworkers has declared support for Deputy President Cyril Ramaphosa to succeed President Jacob Zuma to be the next leader of the ruling African National Congress (ANC).

According to the seventh Global Wealth Report, South African households are the 39th richest in the world on the basis of net per capita financial assets. The report, however, highlighted that asset growth slowed and debt levels remain stubbornly high.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, amid losses in gold mining and banking sector stocks. The JSE All Share Index fell 1.0% to close at 51,479.80.



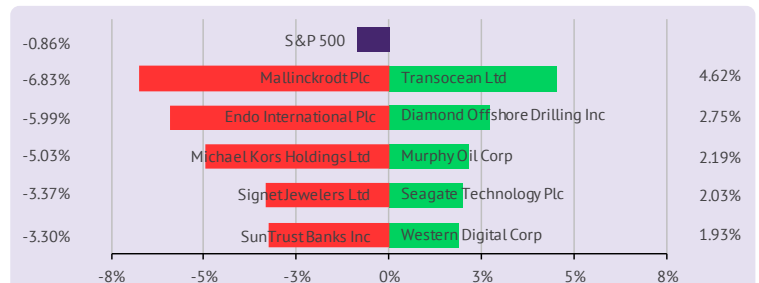
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51479.80	▼ -519.65	-1.00%	-1.00%	-2.38%	-0.12%	1.55%
JSE Top 40	44963.91	▼ -476.32	-1.05%	-1.05%	-2.80%	0.75%	-1.82%
FTSE 100	6818.04	▼ -91.39	-1.32%	-1.32%	0.54%	0.85%	9.22%
DAX 30	10393.71	▼ -233.26	-2.19%	-2.19%	-1.88%	2.47%	-3.25%
CAC 40	4407.85	▼ -80.84	-1.80%	-1.80%	-0.68%	-0.04%	-4.94%
S&P 500	2146.10	▼ -18.59	-0.86%	-0.86%	-1.14%	-0.12%	5.00%
Nasdaq Composite	5257.49	▼ -48.26	-0.91%	-0.91%	0.85%	0.99%	4.99%
DJIA	18094.83	▼ -166.62	-0.91%	-0.91%	-1.66%	-0.17%	3.84%

US Market ▼

The S&P 500 futures are trading in the green

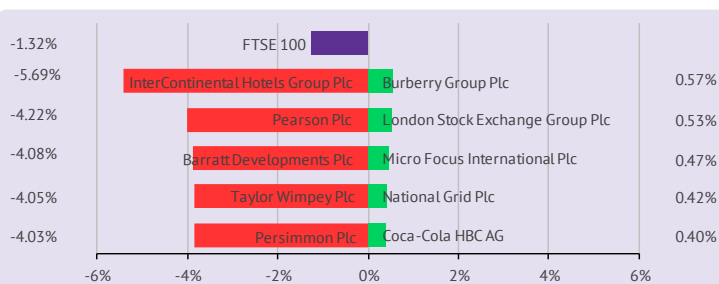
US markets closed lower yesterday, weighed down by losses in financial sector stocks. Data indicated that new home sales in the US dropped less-than-expected on a monthly basis in August. The S&P 500 Index dropped 0.9% to close at 2,146.10.



UK Market ▼

The FTSE 100 futures are trading in positive territory

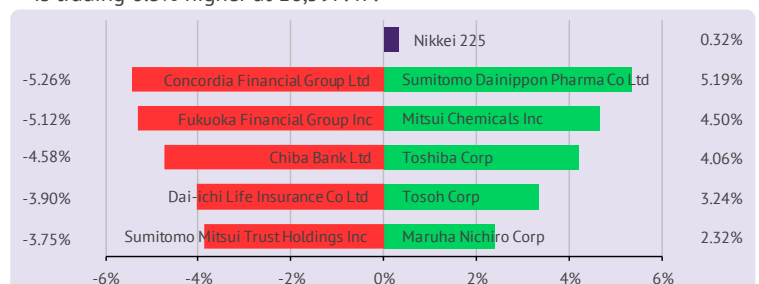
UK markets finished lower yesterday, led by losses in homebuilder sector stocks. The FTSE 100 Index declined 1.3% to close at 6,818.04.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The BoJ meeting minutes indicated that inflation is likely to reach its 2.0% target in 2017, albeit outlook remained marred by uncertainties. The Nikkei 225 Index is trading 0.3% higher at 16,597.47.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar dropped 0.6% against the South African Rand to trade at R13.5925. Later today, traders will keep a close watch on US flash Markit services PMI for further direction.

The US Dollar fell against the South African Rand yesterday, after data indicated that sale of new single family home in the US dropped less than market expectations in August from July. On the other hand, the Dallas Fed manufacturing index rose in September, although remaining in the negative territory.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound retreated 0.7% against the South African Rand to trade at R17.6470. Later today, traders will keep an eye on UK's CBI distributive trades survey for further cues.

The British Pound advanced against the South African Rand yesterday. Separately, data revealed that UK's BBA mortgage approvals dropped to a 20-month low in August.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro declined 0.8% against the South African Rand to trade at R15.2820. Going forward, market participants will keep a tab on Eurozone's private loans, scheduled in a few hours.

The Euro strengthened marginally against the South African Rand yesterday. Data indicated that Germany's Ifo business climate advanced to a 2-year high in September, while the expectations index jumped more-than-expected in the same month. Moreover, the nation's current assessment index also advanced higher than market expectations in September.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% weaker against the South African Rand at R10.4187. Earlier in the session, China, Australia's largest trading partner, industrial profits advanced to the highest level since 2013 in August.

The Australian Dollar fell against the South African Rand yesterday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.5925	▼	-0.27%	-0.27%	-7.14%	6.14%	-11.59%
GBPZAR	17.6470	▼	0.05%	0.05%	-8.17%	5.43%	-22.05%
EURZAR	15.2820	▼	0.03%	0.03%	-6.29%	5.96%	-8.35%
AUDZAR	10.4187	▼	-0.02%	-0.02%	-5.60%	4.86%	-7.98%
EURUSD	1.1243	▼	0.25%	0.25%	0.86%	-0.14%	3.57%
GBPUSD	1.2982	▲	0.07%	0.07%	-1.24%	-0.70%	-11.98%
Brent (\$/barrel)	47.2	▼	3.18%	3.18%	0.98%	7.72%	27.01%
Gold (\$/oz)	1338.6	▼	0.17%	0.17%	2.44%	-3.05%	26.37%
Platinum (\$/oz)	1043.4	▲	-1.33%	-1.33%	-1.01%	-8.44%	16.96%
Copper (\$/MT)*	4819.3	▼	-0.28%	-0.28%	4.64%	-6.30%	2.41%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged lower 0.1% to trade at \$1,338.60/oz.

Yesterday, gold prices rose 0.2% to close at \$1,339.80/oz, as decline in global equity markets increased demand for the precious yellow metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.3% lower to trade at \$47.23/bl.

Yesterday, Brent crude oil advanced 3.2% to settle at \$47.35/bl, amid rising hopes that the top oil producers will reach an agreement to limit production to support oil prices at its ongoing meeting in Algeria.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose marginally to trade at \$1,043.40/oz.

Yesterday, platinum prices declined 1.3% to close at \$ 1042.90/oz.



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Major South Africa Corporate News

Pinnacle Holdings Limited

The company warned its shareholders that it has been drawn into a case involving corruption charges against a senior defence force official.

Major Global Economic News

Eurozone

In September, the Ifo business expectations index registered an unexpected rise to 104.50 in Germany, compared to market expectations of an unchanged reading. In the prior month, the index had recorded a reading of 100.10.

The Ifo current assessment index in Germany registered a rise to 114.70 in September, compared to a level of 112.80 in the previous month. Markets were expecting the index to climb to 112.90.

In September, the Ifo business climate index climbed to 109.50 in Germany, compared to a level of 106.20 in the previous month. Markets were expecting the index to rise to a level of 106.30.

US

In August, new home sales in the US eased 7.6%, on monthly basis, to a level of 609.00K, higher than market expectations of 600.00K. In the previous month, new home sales had recorded a revised level of 659.00K.

In September, the Dallas Fed manufacturing business index in the US registered a rise to -3.70, compared to a reading of -6.20 in the prior month. Market expectation was for the index to rise to -3.00.

Asia

The Bank of Japan (BoJ), in its July meeting minutes, revealed that the nation's economy continues to rebound and inflation is likely to accelerate towards the 2.0% target in fiscal year 2017. However, the outlook remains marred by "considerable uncertainties," which could call for further monetary policy accommodation.

In China, industrial profits advanced 19.5% on annual basis in August. In the previous month, industrial profits had risen 11.0%.

UK

BBA mortgage approvals in the UK registered a drop to 37.00K in August, lower than market expectations of a drop to a level of 37.10K. BBA mortgage approvals had registered a revised reading of 37.67K in the previous month.

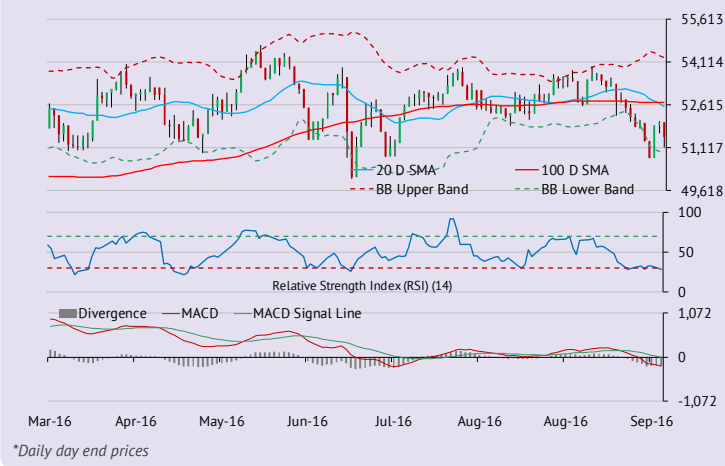
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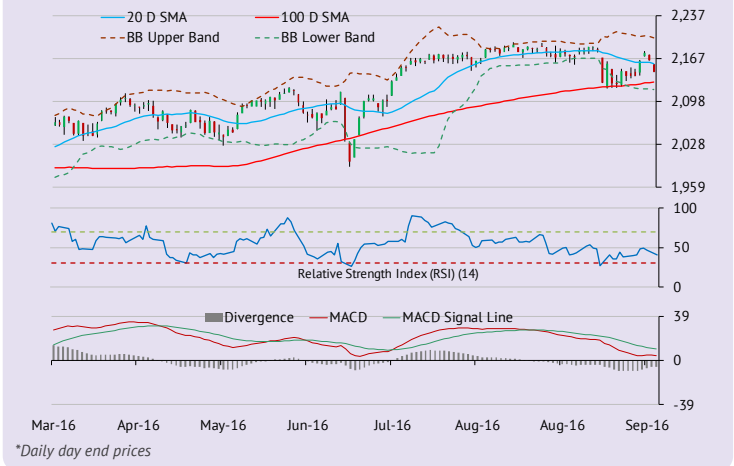
Technical Snapshot

JSE All Share



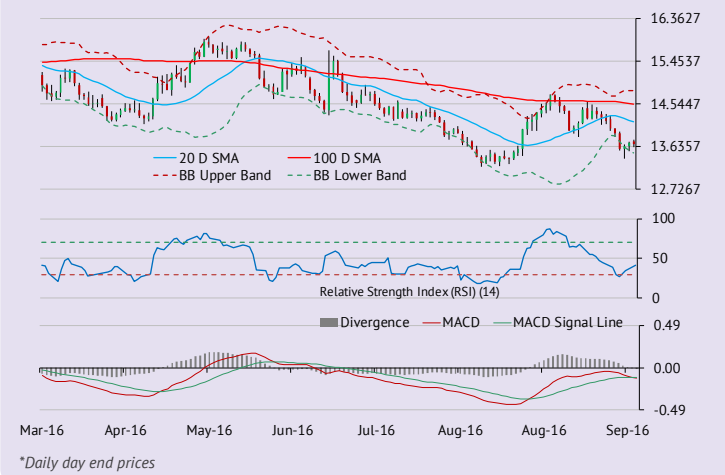
The JSE All Share index is expected to find support at 50,813.03, and a fall through could take it to the next support level of 50,146.27. The index is expected to find its first resistance at 52,091.35, and a rise through could take it to the next resistance level of 52,702.91.

S&P 500



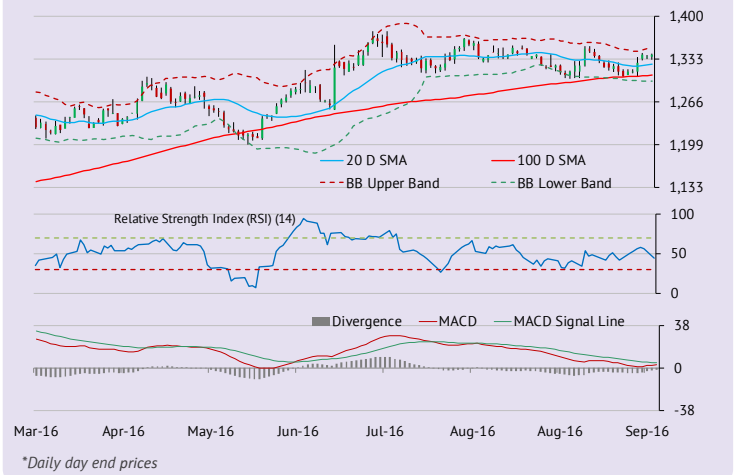
The S&P 500 index is expected to find support at 2,130.18, and a fall through could take it to the next support level of 2,114.27. The index is expected to find its first resistance at 2,171.00, and a rise through could take it to the next resistance level of 2,195.91.

USDZAR



The pair is expected to find support at 13.3637, and a fall through could take it to the next support level of 13.0475. The pair is expected to find its first resistance at 14.0114, and a rise through could take it to the next resistance level of 14.3429.

XAU/USD



Gold is expected to find support at \$1,316.53/oz, and a fall through could take it to the next support level of \$1,293.27/oz. The precious metal is expected to find its first resistance at \$1,353.23/oz, and a rise through could take it to the next resistance level of \$1,366.67/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Corporate Service Price (YoY) (Aug)	✓	0.20%*	0.30%	Monthly
Japan	01:50	BoJ Monetary Policy Meeting Minutes	✓✓✓	-	-	As scheduled
China	03:30	Industrial Profits (YoY) (Aug)	✓✓	19.50%*	11.00%	Monthly
Germany	08:00	Import Price Index (MoM) (Aug)	✓	-0.10%	0.10%	Monthly
Eurozone	10:00	Private Loans (YoY) (Aug)	✓	-	1.80%	Monthly
Italy	10:00	Industrial Orders s.a (MoM) (Jul)	✓	-	-2.80%	Monthly
Italy	10:00	Industrial Sales s.a. (MoM) (Jul)	✓	-	-1.10%	Monthly
UK	12:00	CBI Distributive Trades Survey - Realised (Sep)	✓	5.00%	9.00%	Monthly
US	14:55	Redbook Index s.a. (MoM) (23-Sep)	✓	-	-0.50%	Weekly
US	15:45	Markit Composite PMI (Sep) (P)	✓✓	-	51.80	Monthly
US	15:45	Markit Services PMI (Sep) (P)	✓✓	51.20	51.40	Monthly
US	16:00	Richmond Fed Manufacturing Index (Sep)	✓	-2.00	-11.00	Monthly
US	16:00	Consumer Confidence (Sep)	✓✓✓	99.00	101.10	Monthly
US	17:15	Fed's Vice Chair Fischer Discusses Economics	✓✓	-	-	As scheduled
Eurozone	-	ECB's Mersch, and SNB's Jordan Speak at Geneva Conference	✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

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