

# ONE Minute Brief

30 September 2016

**GTC**  
consult • partner • manage

## Economic and Political News

The annual growth rate in SA producer price index unexpectedly fell to 7.2% in August from 7.4% in July. Annual growth in the private sector credit fell more than expected to 6.15% from 6.78% in the previous month.

The World Bank halved South Africa's GDP growth for 2016 to 0.4% from 0.8% in April, following a warning by the S&P Global Ratings that political turmoil in South Africa was making economic reforms more challenging to be achieved.

Minister in the Presidency, Jeff Radebe has asked the SABC board to abide by the Supreme Court of Appeal's ruling which set aside Mr Hlaudi Motsoeneng's appointment as the CEO of SABC.

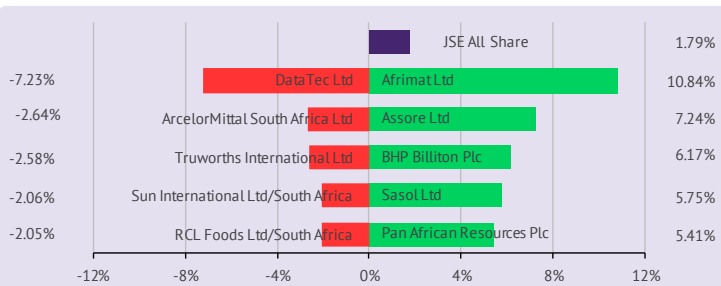
The South African Broadcasting Corporation declared that it posted a ZAR411.00mn net loss for the financial year ended March 31.

Energy Minister, Tina Joemat-Petterson, announced that South Africa will delay tendering for new nuclear power stations as requests for consultation and discussion made it impossible to start the process by the end of September, as previously estimated.

## South Africa Market ▲

### South African markets closed higher

South African markets closed in the green yesterday, amid gains in resources sector stocks. Data indicated that South Africa's producer price index advanced at a slower pace on an annual basis in August. The JSE All Share Index rose 1.8% to close at 52,698.58.



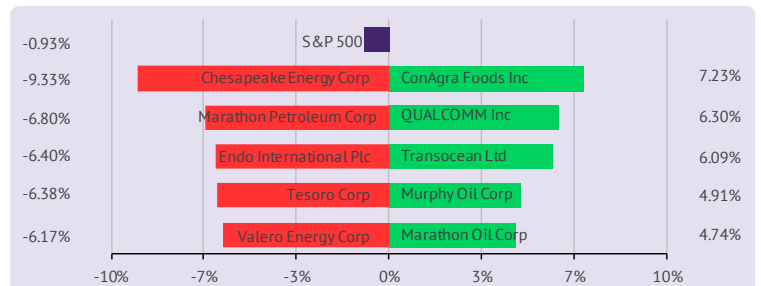
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	52698.58	▲ 925.08	1.79%	1.34%	-0.07%	-0.12%	3.95%
JSE Top 40	46095.38	▲ 861.12	1.90%	1.44%	-0.36%	0.75%	0.65%
FTSE 100	6919.42	▲ 70.04	1.02%	0.14%	2.03%	0.85%	10.85%
DAX 30	10405.54	▼ -32.80	-0.31%	-2.08%	-1.77%	2.47%	-3.14%
CAC 40	4443.84	▲ 11.39	0.26%	-1.00%	0.13%	-0.04%	-4.17%
S&P 500	2151.13	▼ -20.24	-0.93%	-0.63%	-0.91%	-0.12%	5.24%
Nasdaq Composite	5269.15	▼ -49.39	-0.93%	-0.69%	1.07%	0.99%	5.23%
DJIA	18143.45	▼ -195.79	-1.07%	-0.65%	-1.40%	-0.17%	4.12%

## US Market ▼

### The S&P 500 futures are trading in the red

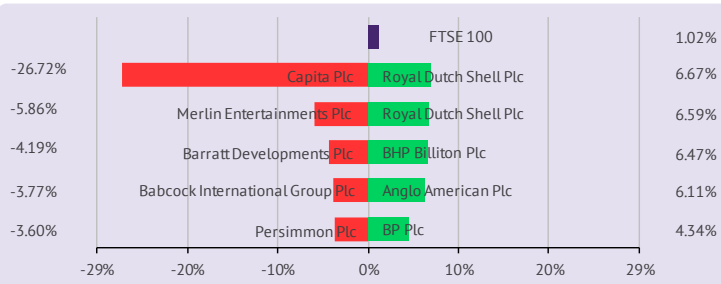
US markets closed lower yesterday, weighed down by losses in healthcare and banking sector stocks. Data indicated that the final annualised GDP in the US advanced more than previously estimated in 2Q16. The S&P 500 Index dropped 0.9% to close at 2,151.13.



## UK Market ▲

### The FTSE 100 futures are trading in negative territory

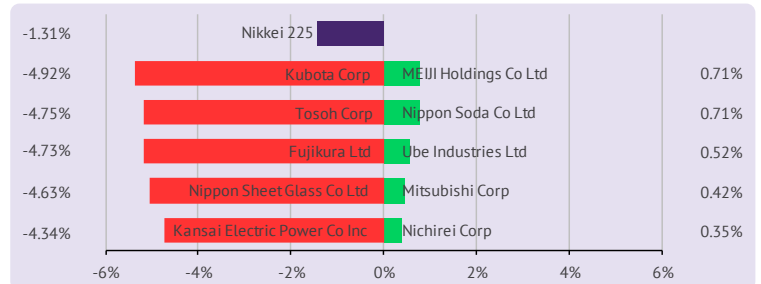
UK markets finished higher yesterday, led by gains in commodity sector stocks. Data revealed that UK's net consumer credit increased more-than-expected in August. The FTSE 100 Index advanced 1.0% to close at 6,919.42.



## Asian Market ▼

### Trading mostly lower

Asian markets are trading mostly lower this morning. Earlier in the session, data indicated that Japan's national consumer price index dropped on an annual basis in August, in line with market expectations. The Nikkei 225 Index is trading 1.3% lower at 16,474.49.



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

30 September 2016

**GTC**  
consult • partner • manage

## USDZAR ▼

### USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading marginally weaker against the South African Rand at R13.8930. Later today, traders will keep a close watch on US Personal income and spending data along with the Reuters/Michigan consumer sentiment index for further cues. Additionally, South Africa's budget and trade balance data will be on investors' radar.

The US Dollar rose against the South African Rand yesterday, after data revealed that gross domestic product in the US expanded more than previously estimated in the second quarter of 2016, on the back of improved business investment. Further, the number of people applying for the jobless benefits advanced less than expected during the last week. On the other hand, personal consumption growth was revised lower in 2Q16. Elsewhere, South Africa's producer price inflation slowed on an annual basis in August. Moreover, the nation's private sector credit slowed more-than-expected on a yearly basis in the same month.

## GBPZAR ▲

### GBP trading firmer against ZAR

At 06:00 SAST, the British Pound climbed 0.1% against the South African Rand to trade at R18.0300. Earlier in the session, UK's GfK consumer confidence rose in September, although remaining in the negative territory. Going ahead, traders will keep an eye on UK's gross domestic product data and total business investment for further direction.

The British Pound advanced against the South African Rand yesterday. Data revealed that UK's net consumer credit widened more than market expectations in August from July. On the other hand, the nation's mortgage approvals eased in August to their lowest level since November 2014.

## EURZAR ▼

### EUR trading weaker against ZAR

At 06:00 SAST, the Euro dropped marginally against the South African Rand to trade at R15.5805. Going forward, market participants will keep a tab on Eurozone's unemployment rate and consumer price index.

The Euro strengthened against the South African Rand yesterday, after data indicated that Eurozone's economic sentiment indicator advanced unexpectedly in September to its highest level in 2016. Moreover, the region's business climate indicator jumped more-than-expected in September to its highest level since October 2015. Further, industrial confidence rose in the same month, although remained in the negative territory. Separately, Germany's unemployment rate remained unchanged in September. On the other hand, the consumer price index advanced to reach a 16<sup>th</sup> month high on annual basis in September.

## AUDZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.1% against the South African Rand to trade at R10.5976. Earlier in the session, data indicated that Australia's private sector credit advanced less-than-expected on a monthly basis in August.

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	13.8930	▼	2.02%	1.28%	-5.69%	6.14%	-10.21%
GBPZAR	18.0300	▲	1.63%	1.44%	-6.89%	5.43%	-20.97%
EURZAR	15.5805	▼	2.03%	1.23%	-5.17%	5.96%	-7.25%
AUDZAR	10.5976	▼	1.25%	1.43%	-4.23%	4.86%	-6.64%
EURUSD	1.1215	▼	0.04%	-0.04%	0.57%	-0.14%	3.27%
GBPUSD	1.2972	▲	-0.39%	0.02%	-1.29%	-0.70%	-12.03%
Brent (\$/barrel)	48.9	▼	1.13%	7.30%	5.01%	7.72%	32.08%
Gold (\$/oz)	1325.7	▲	0.17%	-1.18%	1.06%	-3.05%	24.67%
Platinum (\$/oz)	1026.1	▼	0.83%	-2.48%	-2.15%	-8.44%	15.60%
Copper (\$/MT)*	4825.3	▲	0.51%	-0.16%	4.77%	-6.30%	2.54%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,325.70/oz.

Yesterday, gold prices rose 0.2% to close at \$1,321.70/oz, as decline in US equity markets increased demand for the precious yellow metal.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.6% lower to trade at \$48.93/bl

Yesterday, Brent crude oil advanced 1.1% to settle at \$49.24/bl, extending its previous session gains following OPEC's agreement to curb crude output.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged lower 0.5% to trade at \$1,026.10/oz.

Yesterday, platinum prices climbed 0.8% to close at \$1030.80/oz.

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

30 September 2016



## Major South Africa Corporate News

### Datatec Limited

In its trading statement for the six months ended 31 August 2016 the company stated that it expects its revenues to decrease to USD3.04bn from USD3.29bn reported in the similar period of the preceding year. It also expects its headline EPS to be approximately 9.10c.

## Major Global Economic News

### US

In 2Q16, the final annualised gross domestic product in the US registered a rise of 1.4% on a quarterly basis, compared to a revised rise of 0.8% in the previous quarter. Markets were expecting the annualised GDP to advance 1.3% and the preliminary figures had indicated a rise of 1.1%.

The seasonally adjusted initial jobless claims in the US registered a rise to 254.00K in the week ended September 24, 2016, compared to a revised level of 251.00K in the prior week. Market anticipation was for initial jobless claims to climb to a level of 260.00K.

In the US, the final personal consumption advanced 4.3% on a quarterly basis in 2Q16, lower than market expectations for a rise of 4.4%. In the previous quarter, personal consumption had registered a revised rise of 1.6% and the preliminary figures had indicated an advance of 4.4%.

In the US, pending home sales unexpectedly eased 2.4% on a monthly basis in August, compared to a revised advance of 1.2% in the prior month. Markets were anticipating pending home sales to record a flat reading.

### Asia

In August, the flash industrial production advanced 1.5% on a monthly basis, in Japan, more than market expectations for a rise of 0.5%. Industrial production had registered a drop of 0.4% in the prior month.

In Japan, the national consumer price index (CPI) slid 0.5% on an annual basis in August, at par with market expectations. The national CPI had recorded a drop of 0.4% in the prior month.

Unemployment rate in Japan climbed unexpectedly to 3.1% in August, compared to market expectations of a steady reading. In the prior month, unemployment rate had registered a level of 3.0%.

In China, Caixin/Markit manufacturing PMI climbed to 50.10 in September, at par with market expectations. Caixin/Markit manufacturing PMI had registered a reading of 50.00 in the prior month.

### Eurozone

In September, the economic sentiment indicator in the Eurozone registered an unexpected rise to a level of 104.90, compared to market expectations of a steady reading. In the previous month, the economic sentiment indicator had recorded a level of 103.50.

In the Eurozone, the business climate indicator climbed to 0.45 in September, compared to a revised reading of 0.03 in the previous month. Market anticipation was for the business climate indicator to rise to 0.05.

In September, the seasonally adjusted unemployment rate in Germany remained unchanged at a level of 6.1%, meeting market expectations.

In Germany, the preliminary consumer price index unexpectedly advanced 0.1% on a monthly basis in September, compared to market expectations for a flat reading. The consumer price index had recorded a flat reading in the previous month.

### UK

In the UK, net consumer credit registered a rise of GBP1.60bn in August, compared to an advance of GBP1.20bn in the previous month. Market expectation was for net consumer credit to climb GBP1.40bn.

In August, number of mortgage approvals for house purchases eased to 60.10K in the UK, compared to market expectations of a fall to a level of 60.20K. In the prior month, number of mortgage approvals for house purchases had recorded a level of 60.90K.

In the UK, the GfK consumer confidence climbed to -1.00 in September, compared to market expectations of an advance to a level of -5.00. In the previous month, the consumer confidence had recorded a level of -7.00.

# ONE Minute Brief

30 September 2016



**GTC**  
consult • partner • manage

## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	01:01	Lloyds Business Barometer (Sep)	✓	24.00*	16.00	Monthly
UK	01:01	Gfk Consumer Confidence (Sep)	✓✓	-1.00*	-7.00	Monthly
Japan	01:30	Unemployment Rate (Aug)	✓✓	3.10%*	3.00%	Monthly
Japan	01:30	Household Spending (YoY) (Aug)	✓✓	-4.60%*	-0.50%	Monthly
Japan	01:50	Industrial Production (MoM) (Aug) (P)	✓	1.50%*	-0.40%	Monthly
Japan	01:50	National Consumer Price Index (YoY) (Aug)	✓✓	-0.50%*	-0.40%	Monthly
China	03:45	Caixin/Markit Manufacturing PMI (Sep)	✓✓	50.10*	50.00	Monthly
Japan	06:30	Bank of Japan Governor Kuroda Speech	✓✓✓	-	-	As scheduled
Japan	07:00	Construction Orders (YoY) (Aug)	✓	-	-10.90%	Monthly
Japan	07:00	Housing Starts (YoY) (Aug)	✓	7.10%	8.90%	Monthly
UK	08:00	Nationwide House Prices s.a. (MoM) (Sep)	✓	0.30%	0.60%	Monthly
Germany	08:00	Retail Sales (MoM) (Aug)	✓✓	-0.20%	1.70%	Monthly
UK	10:30	Gross Domestic Product (QoQ) (Q2) (F)	✓✓	0.60%	0.60%**	Quarterly
UK	10:30	Total Business Investment (QoQ) (Q2) (F)	✓	0.50%	0.50%**	Quarterly
UK	10:30	Current Account (Q2)	✓✓	-GBP30.60 bn	-GBP32.60 bn	Quarterly
UK	10:30	Index of Services (MoM) (Jul)	✓	0.10%	0.20%	Monthly
Eurozone	11:00	Unemployment Rate (Aug)	✓✓	10.00%	10.10%	Monthly
Eurozone	11:00	Consumer Price Index - Core (YoY) (Sep) (P)	✓✓✓	0.90%	0.80%	Monthly
Eurozone	11:00	Consumer Price Index (YoY) (Sep) (P)	✓✓✓	0.40%	0.20%	Monthly
South Africa	14:00	Trade Balance (Aug)	✓	ZAR1.60 bn	ZAR5.20 bn	Monthly
US	14:30	Personal Income (MoM) (Aug)	✓✓	0.20%	0.40%	Monthly
Canada	14:30	Gross Domestic Product (MoM) (Jul)	✓✓	0.30%	0.60%	Monthly
Canada	14:30	Industrial Product Price (MoM) (Aug)	✓	-0.10%	0.20%	Monthly
Canada	14:30	Raw Material Price Index (Aug)	✓	-1.00%	-2.70%	Monthly
US	14:30	Personal Spending (Aug)	✓✓	0.10%	0.30%	Monthly
US	15:45	Chicago PMI (Sep)	✓	52.00	51.50	Monthly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Sep) (F)	✓✓✓	90.00	89.80**	Monthly
US	19:00	Fed's Kaplan Speaks in Dallas	✓✓✓	-	-	As scheduled

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