

ONE Minute Brief

10 October 2016

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Economic and Political News

South Africa's non-farm payrolls registered a drop of 0.7% on a quarterly basis in 2Q16. In the previous quarter, non-farm payrolls recorded a revised flat reading.

South Africa's net gold & forex reserves recorded a more-than-expected rise to USD41.95bn in September. The net gold & forex reserves had registered a reading of USD40.80bn in the previous month.

Deputy President, Cyril Ramaphosa, indicated that the probe carried by the Hawks against South Africa's Finance Minister, Pravin Gordhan, must be conducted in a way that it does not frighten investors away and create imbalance in the nation's economy.

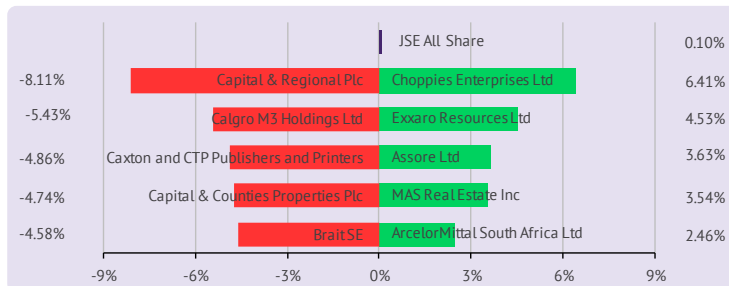
Agbiz Chief Executive Officer (CEO), John Purchase, reiterated that ongoing drought in South Africa would be pretty catastrophic and farmers as well as agribusinesses were facing huge losses.

Following South Africa's constitutional court's decision not to hear the National Prosecuting Authority's (NPA's) appeal for "spy tapes" judgment, the NPA announced that it will consult with senior counsel.

South Africa Market ▲

South African markets closed higher

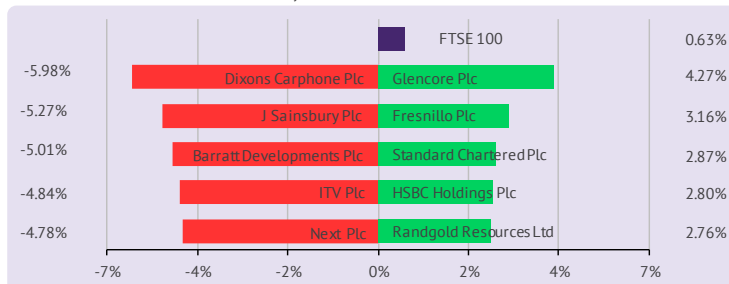
South African markets closed in the green on Friday, amid gains in banking and retail sector stocks. Data indicated that South Africa's non-farm payrolls dropped on a quarterly basis in 2Q16. The JSE All Share Index rose 0.1% to close at 51,662.07.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher on Friday, supported by gains in mining sector stocks. Data indicated that UK's NIESR GDP estimate advanced on a monthly basis in the three months to September. The FTSE 100 Index advanced 0.6% to close at 7,044.39.



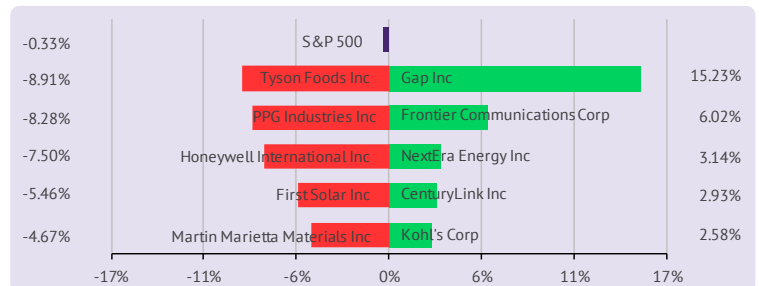
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51662.07	▲	51.29	0.10%	NA	-0.55%	-1.49%	1.91%
JSE Top 40	45112.11	▲	61.03	0.14%	NA	-0.69%	-1.81%	-1.50%
FTSE 100	7044.39	▲	44.43	0.63%	NA	2.10%	1.74%	12.85%
DAX 30	10490.86	▼	-77.94	-0.74%	NA	-0.19%	-0.77%	-2.35%
CAC 40	4449.91	▼	-30.19	-0.67%	NA	0.04%	0.23%	-4.04%
S&P 500	2153.74	▼	-7.03	-0.33%	NA	-0.67%	-0.12%	5.37%
Nasdaq Composite	5292.41	▼	-14.45	-0.27%	NA	-0.37%	1.89%	5.69%
DJIA	18240.49	▼	-28.01	-0.15%	NA	-0.37%	-0.50%	4.68%

US Market ▼

The S&P 500 futures are trading in the green

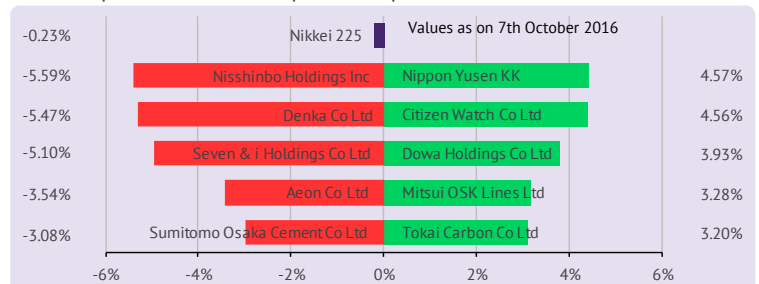
US markets closed lower on Friday, weighed down by losses in material sector stocks. Data revealed that non-farm payrolls in the US advanced less-than-expected in September, while unemployment rate ticked up in the same month. The S&P 500 Index dropped 0.3% to close at 2,153.74.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. Markets in Japan and Hong Kong are closed today on account of a public holiday. Data released over the weekend indicated that China's Caixin/Markit services PMI expanded at a slower pace in September.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.6% weaker against the South African Rand at R13.7884.

The US Dollar fell against the South African Rand on Friday, after data revealed that non-farm payrolls in the US advanced less-than-expected in September. Further, the nation's unemployment rate rose unexpectedly in the same month. Additionally, consumer credit widened more-than-expected in August. Moreover, the average hourly earnings advanced at a slower than expected pace in September from August. Elsewhere, South Africa's nonfarm payrolls dropped on a quarterly basis in the second quarter of 2016.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound fell 0.8% against the South African Rand to trade at R17.0990. Going ahead, traders will keep an eye on UK's BRC retail sales scheduled to release later in the day.

The British Pound declined against the South African Rand on Friday, after NIESR indicated that British economy expanded at a slower pace in the three months to September. Moreover, the nation's industrial production declined surprisingly on a monthly basis in August, while manufacturing production rebounded less-than-expected in August from July. Additionally, trade deficit widened more-than-expected in August.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro fell 0.7% against the South African Rand to trade at R15.4308. Going forward, market participants will keep a tab on Eurozone's Sentix investor confidence index for further cues. Moreover, Germany's trade balance data will be on investors' radar.

The Euro strengthened against the South African Rand on Friday. Separately, data indicated that Germany's industrial production rebounded on a monthly basis in August.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.6% against the South African Rand to trade at R10.4695.

The Australian Dollar fell against the South African Rand on Friday. Separately, data indicated that Australia's performance of construction index rebounded in September.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.7884	▼	-0.09%	NA	1.09%	-6.85%	-10.35%
GBPZAR	17.0990	▼	-1.58%	NA	-3.14%	-8.01%	-24.37%
EURZAR	15.4308	▼	0.37%	NA	0.72%	-6.12%	-7.52%
AUDZAR	10.4695	▼	-0.05%	NA	0.12%	-5.05%	-7.33%
EURUSD	1.1192	▼	0.45%	NA	-0.30%	0.69%	3.08%
GBPUSD	1.2399	▼	-1.44%	NA	-4.15%	-1.26%	-15.65%
Brent (\$/barrel)	51.5	▼	-1.10%	NA	3.47%	7.04%	39.30%
Gold (\$/oz)	1264.2	▲	-0.07%	NA	-4.90%	0.41%	17.80%
Platinum (\$/oz)	962.4	▲	-0.36%	NA	-6.79%	-2.36%	7.52%
Copper (\$/MT)*	4758.3	▲	0.44%	NA	-1.85%	5.26%	1.12%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged higher 1.2% to trade at \$1,264.20/oz.

On Friday, gold prices fell 0.1% to close at \$1,248.90/oz, extending its previous session losses.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.8% to trade at \$51.49/bl.

On Friday, Brent crude oil dropped 1.1% to settle at \$51.93/bl, after Baker Hughes reported that US oil rig count rose by 3 to 428 last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices climbed 0.4% to trade at \$962.40/oz.

On Friday, platinum prices declined 0.4% to close at \$958.80/oz.



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Major South Africa Corporate News

Pick n Pay Stores Limited

The company announced that it expected half-year headline profit to rise by up to 25%.

Major Global Economic News

US

In the US, non-farm payrolls recorded an increase of 156.00K in September, following a revised gain of 167.00K in the previous month. Markets were expecting non-farm payrolls to advance 172.00K.

In September, unemployment rate in the US registered an unexpected rise to a level of 5.0%, compared to market expectations of a steady reading. In the previous month, unemployment rate had recorded a reading of 4.9%.

In the US, average hourly earnings of all employees climbed 0.2% on a monthly basis in September, less than market expectations for an advance of 0.3%. In the prior month, average hourly earnings of all employees had risen 0.1%.

In the US, the seasonally adjusted final wholesale inventories fell 0.2% on a monthly basis in August, more than market expectations for a drop of 0.1%. The preliminary figures had indicated a fall of 0.1%, and in the previous month, the wholesale inventories had fallen by a revised 0.1%.

In August, consumer credit in the US recorded a rise of USD25.87bn, higher than market expectations for an advance of USD16.50bn. In the previous month, consumer credit had risen by a revised USD17.78bn

Eurozone

In August, the seasonally adjusted industrial production rose 2.5%, on a monthly basis in Germany, higher than market expectations for an advance of 1.0%. Industrial production had dropped 1.5% in the previous month.

UK

NIESR estimated gross domestic product (GDP) recorded a rise of 0.4% on a monthly basis, in the July-September 2016 period, in the UK. The GDP had risen by a revised 0.5% in the June-August 2016 period.

In August, industrial production unexpectedly fell 0.4% on a monthly basis, in the UK, compared to a rise of 0.1% in the prior month. Market expectation was for industrial production to rise 0.1%.

In the UK, manufacturing production recorded a rise of 0.2% on a monthly basis in August, lower than market expectations for an advance of 0.4%. Manufacturing production had dropped 0.9% in the prior month.

Asia

In September, the Caixin/Markit services PMI in China registered a drop to 52.00. In the prior month, the PMI had registered a reading of 52.10.



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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Kumba Iron Ore Ltd	119	-4.22%	-4.22%	188.13%
Harmony Gold Mining Company Ltd	41	-15.09%	-15.09%	163.97%
Anglo American Plc	177	2.99%	2.99%	155.89%
Assore Ltd	154	3.85%	3.85%	148.29%
Impala Platinum Holdings Ltd	61	-11.71%	-11.71%	145.05%
ArcelorMittal South Africa Ltd	11	21.91%	21.91%	141.11%
Exxaro Resources Ltd	98	16.00%	16.00%	122.87%
South32 Ltd	27	0.65%	0.65%	119.17%
Pan African Resources Plc	3	-6.93%	-6.93%	99.43%
Bidvest Group Ltd	166	2.62%	2.62%	86.47%
African Rainbow Minerals Ltd	81	-1.91%	-1.91%	85.96%
Glencore Plc	39	2.28%	2.28%	85.69%
Anglo American Platinum Ltd	344	-11.08%	-11.08%	85.39%
Niveus Investments Ltd	37	-0.41%	-0.41%	84.75%
Lonmin Plc	34	-6.20%	-6.20%	84.48%
Royal Bafokeng Platinum Ltd	48	-6.36%	-6.36%	80.11%
AngloGold Ashanti Ltd	188	-15.18%	-15.18%	76.99%
Northam Platinum Ltd	46	-11.35%	-11.35%	74.31%
Blue Label Telecoms Ltd	21	11.00%	11.00%	73.58%
Sibanye Gold Ltd	39	-21.15%	-21.15%	70.68%
African Oxygen Ltd	20	-0.68%	-0.68%	56.62%
Raubex Group Ltd	26	4.93%	4.93%	52.82%
Cashbuild Ltd	443	4.86%	4.86%	47.50%
Imperial Holdings Ltd	168	0.27%	0.27%	40.38%
Coronation Fund Managers Ltd	74	5.35%	5.35%	39.89%
Gold Fields Ltd	59	-12.04%	-12.04%	39.64%
Clicks Group Ltd	124	-2.25%	-2.25%	39.63%
Ascendis Health Ltd	28	-0.50%	-0.50%	39.45%
Murray & Roberts Holdings Ltd	11	0.18%	0.18%	39.38%
Group Five Ltd	28	0.51%	0.51%	39.19%
Barloworld Ltd	86	3.42%	3.42%	38.97%
Wilson Bayly Holmes - Ovcon Ltd	156	1.36%	1.36%	37.91%
Tongaat Hulett Ltd	124	5.42%	5.42%	33.70%
Shoprite Holdings Ltd	191	-0.20%	-0.20%	33.32%
Tsogo Sun Holdings Ltd	32	3.24%	3.24%	32.85%
Standard Bank Group Ltd	146	4.12%	4.12%	29.04%
Invicta Holdings Ltd	58	3.16%	3.16%	28.70%
Famous Brands Ltd	167	0.92%	0.92%	28.09%
Capitec Bank Holdings Ltd	682	6.09%	6.09%	26.54%
Rhodes Food Group Pty Ltd	30	7.03%	7.03%	26.24%
JSE All Share Index	51662	-0.55%	-0.55%	1.91%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous	Frequency
Switzerland	07:45	Unemployment Rate s.a. (Sep)	✓✓	3.40%	3.40%	Monthly
Germany	08:00	Exports s.a. (MoM) (Aug)	✓	2.20%	-2.60%	Monthly
Germany	08:00	Imports s.a. (MoM) (Aug)	✓	0.70%	-0.70%	Monthly
Germany	08:00	Trade Balance s.a. (Aug)	✓✓	EUR19.50bn	EUR19.50bn	Monthly
France	08:30	Bank of France Business Sentiment (Sep)	✓	99.00	98.00	Monthly
Italy	10:00	Industrial Production s.a. (MoM) (Aug)	✓	-0.10%	0.40%	Monthly
Eurozone	10:30	Sentix Investor Confidence (Oct)	✓✓	6.00	5.60	Monthly
Greece	11:00	Industrial Production (YoY) (Aug)	✓	2.80%	4.10%	Monthly
Greece	11:00	Harmonised Index of Consumer Prices (HICP) (YoY) (Sep)	✓	0.60%	0.40%	Monthly
Greece	11:00	Consumer Price Index (YoY) (Sep)	✓	-0.60%	-0.90%	Monthly
Portugal	12:00	Trade Balance (Aug)	✓	-	-EUR0.56bn	Monthly
US	13:00	Composite leading indicator (Aug)	✓	-	-	Monthly
Eurozone	13:00	Composite leading indicator (Aug)	✓✓✓	-	100.20	Monthly
Eurozone	18:30	ECB's Visco Speaks in New York	✓	-	-	As scheduled
France	19:30	Bank of France's Villeroy on Globalization	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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