

ONE Minute Brief

11 October 2016

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Economic and Political News

The Presidency indicated that President, Jacob Zuma, wrote to the nation's Public Protector, Thuli Madonsela, asking her not to conclude her investigation as planned, until he is allowed to question witnesses interviewed in her probe into state capture. Meanwhile, the Democratic Alliance has criticized the President, calling it a ploy to delay the public protector's probe. Separately, Madonsela responded by urging the President to answer the questions put to him as part of her probe.

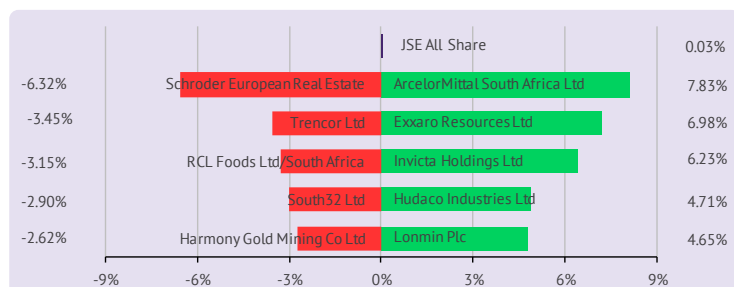
Democratic Alliance Federal Executive Chairman, James Selfe, indicated that the party has decided to approach the High Court to declare Hlaudi Motsoeneng's appointment as SABC group executive of corporate affairs invalid, after consulting its legal counsel.

Energy Minister, Tina Joemat-Pettersson, announced that Thabemetsi and Khanyisa were the preferred bidders of the first bid window for coal baseload programme after all bids were reviewed and evaluated by the independent power producers' office. She also stated that although the country remains committed to a low-carbon economy, it remained dependent on fossil fuels.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, amid gains in retail sector stocks. The JSE All Share Index rose marginally to close at 51,675.51.



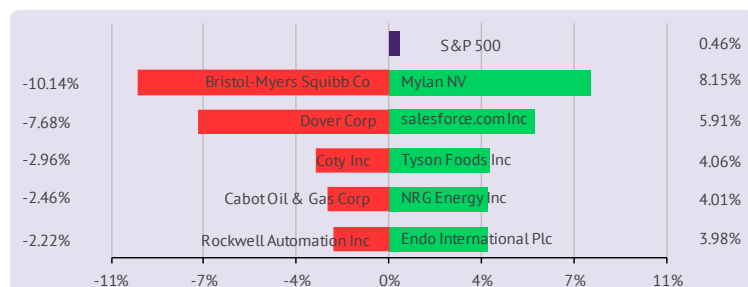
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51675.51	▲	13.44	0.03%	0.03%	-1.49%	1.94%
JSE Top 40	45118.12	▲	6.01	0.01%	0.01%	-1.81%	-1.48%
FTSE 100	7097.50	▲	53.11	0.75%	0.75%	1.74%	13.70%
DAX 30	10624.08	▲	133.22	1.27%	1.27%	-0.77%	-1.11%
CAC 40	4497.26	▲	47.35	1.06%	1.06%	0.23%	-3.01%
S&P 500	2163.66	▲	9.92	0.46%	0.46%	-0.12%	5.86%
Nasdaq Composite	5328.67	▲	36.27	0.69%	0.69%	1.89%	6.42%
DJIA	18329.04	▲	88.55	0.49%	0.49%	-0.50%	5.19%

US Market ▲

The S&P 500 futures are trading in the red

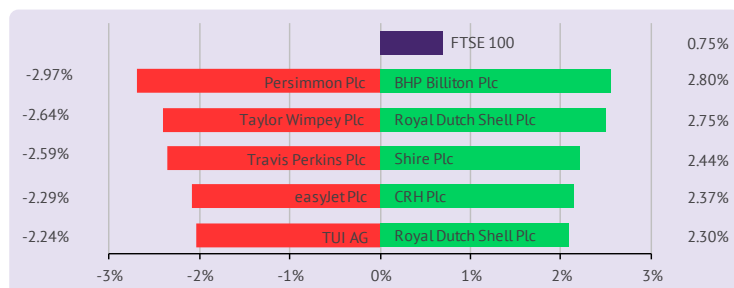
US markets closed higher yesterday, supported by gains in energy sector stocks following a rise in crude oil prices. The S&P 500 Index jumped 0.5% to close at 2,163.66.



UK Market ▲

The FTSE 100 futures are trading in negative territory

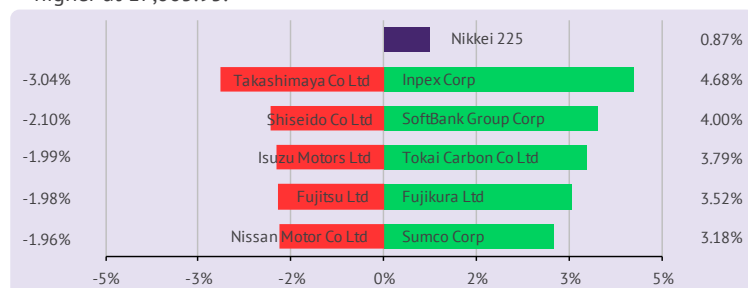
UK markets finished higher yesterday, led by gains in commodity sector stocks. The FTSE 100 Index advanced 0.8% to close at 7,097.50.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Earlier in the session, data indicated that Japan's trade surplus on a BOP basis narrowed less-than-expected in August from July. The Nikkei 225 Index is trading 0.9% higher at 17,005.95.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar rose 0.7% against the South African Rand to trade at R13.9118. Later today, traders will keep a close watch on US NFIB small business optimism index and labour market conditions index for further cues. Additionally, South Africa's manufacturing production data will be on investors' radar.

The US Dollar fell against the South African Rand yesterday, extending losses from previous sessions.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound climbed 0.4% against the South African Rand to trade at R17.1460. Earlier in the session, data revealed that UK's BRC like for like retail sales unexpectedly rebounded on an annual basis in September.

The British Pound declined against the South African Rand yesterday.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.7% firmer against the South African Rand at R15.4866. Going forward, market participants will keep a tab on Eurozone's ZEW economic sentiment index scheduled for release in a few hours. Moreover, Germany's ZEW survey on economic sentiment and current situation will grab market attention.

The Euro weakened against the South African Rand yesterday, despite data indicating that Eurozone's Sentix investor confidence index

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R10.4992. Earlier in the session, data indicated that Australia's home loans dropped more-than-expected in August, falling for a second consecutive month, while investment lending grew at a slower pace in the same month. Additionally, the NAB business confidence index remained steady in September, while business conditions advanced in the same month.

The Australian Dollar rose against the South African Rand yesterday, after data indicated that Australia's foreign reserves widened in September.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.9118	▲	-0.45%	-0.45%	0.64%	-6.85%	-10.75%
GBPZAR	17.1460	▲	-1.00%	-1.00%	-4.10%	-8.01%	-25.12%
EURZAR	15.4866	▲	-1.03%	-1.03%	-0.32%	-6.12%	-8.47%
AUDZAR	10.4992	▼	-0.19%	-0.19%	-0.07%	-5.05%	-7.51%
EURUSD	1.1131	▼	-0.55%	-0.55%	-0.85%	0.69%	2.51%
GBPUUSD	1.2323	▼	-0.58%	-0.58%	-4.70%	-1.26%	-16.14%
Brent (\$/barrel)	53.0	▼	2.33%	2.33%	5.88%	7.04%	42.54%
Gold (\$/oz)	1260.5	▲	0.92%	0.92%	-4.03%	0.41%	18.88%
Platinum (\$/oz)	971.4	▲	0.26%	0.26%	-6.54%	-2.36%	7.81%
Copper (\$/MT)*	4829.3	▲	1.49%	1.49%	-0.39%	5.26%	2.62%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices gained marginally to trade at \$1,260.50/oz.

Yesterday, gold prices rose 0.7% to close at \$1,260.40/oz.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.2% lower to trade at \$53.04/bl.

Yesterday, Brent crude oil advanced 2.3% to settle at \$53.14/bl, after Russian President, Vladimir Putin, announced that the nation was ready to cooperate for an output freeze and urged other oil producers to join in.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged higher 1.1% to trade at \$971.40/oz.

Yesterday, platinum prices climbed 0.3% to close at \$961.30/oz.



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Major South Africa Corporate News

Mondi Plc

The Group announced that it will buy Beepack, a Russian maker of corrugated packaging trays and boxes for agricultural products.

Major Global Economic News

Eurozone

In the Eurozone, the Sentix investor confidence index registered a rise to 8.50 in October, higher than market expectations of a rise to a level of 6.00. In the previous month, the index had registered a reading of 5.60.

In August, the seasonally adjusted trade surplus in Germany expanded to EUR20.00bn, from a surplus of EUR19.50bn in the prior month. Markets were anticipating the nation to record a surplus of EUR19.50bn.

In Germany, the seasonally adjusted imports recorded a rise of 3.0% in August on a monthly basis, compared to a fall of 0.7% in the prior month. Market expectation was for imports to advance 0.70%.

The seasonally adjusted exports in Germany advanced 5.4% on a monthly basis in August, compared to a fall of 2.6% in the previous month. Markets were expecting exports to climb 2.2%.

UK

In the UK, the BRC retail sales across all sectors unexpectedly rose 0.4% on an annual basis, in September, compared to market expectations for a fall of 0.3%. Retail sales across all sectors had registered a drop of 0.9% in the prior month.

Asia

Trade surplus (BOP basis) in Japan dropped to JPY243.20bn in August, following a surplus of JPY613.90bn in the previous month. Markets were anticipating the nation to register a surplus of JPY116.50bn.

In Australia, the seasonally adjusted home loan approvals recorded a drop of 3.0% on a monthly basis, in August, higher than market expectations for a fall of 1.5%. In the prior month, home loan approvals had fallen by a revised 4.5%.

In Australia, the NAB business confidence index remained steady at 6.00 in September.

In September, the NAB business conditions index in Australia climbed to 8.00, compared to a reading of 7.00 in the prior month.

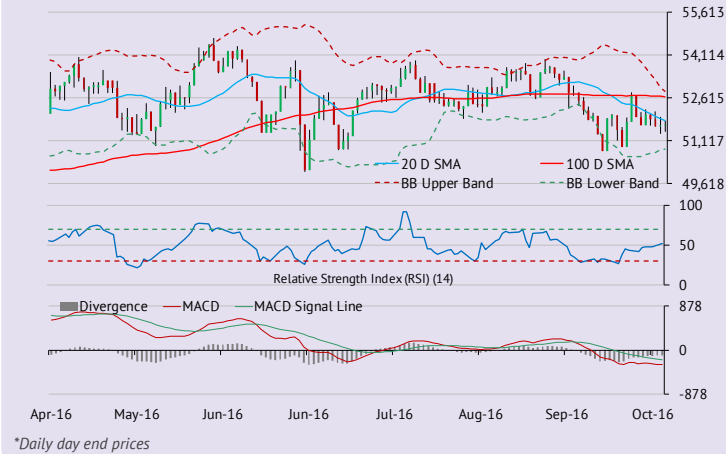
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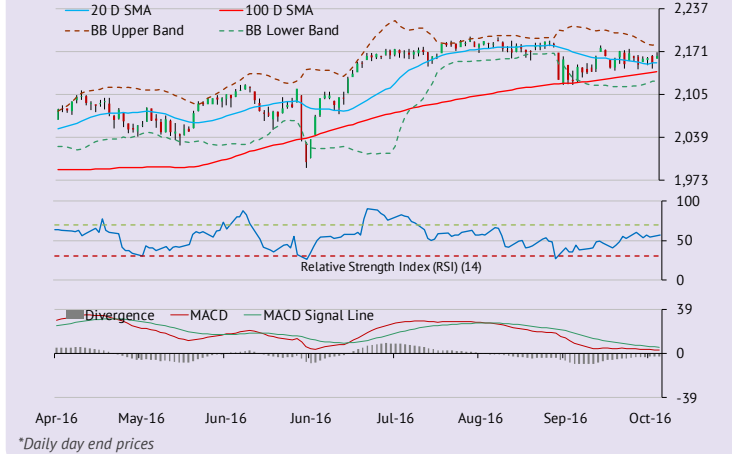
Technical Snapshot

JSE All Share



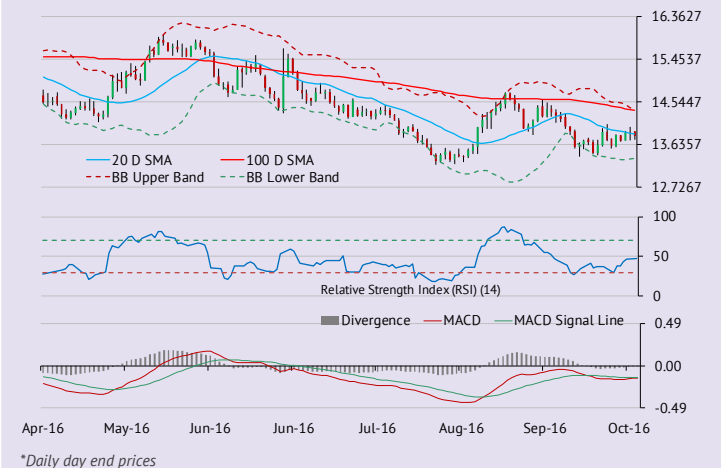
The JSE All Share index is expected to find support at 51,281.70, and a fall through could take it to the next support level of 50,887.88. The index is expected to find its first resistance at 52,146.78, and a rise through could take it to the next resistance level of 52,618.04.

S&P 500



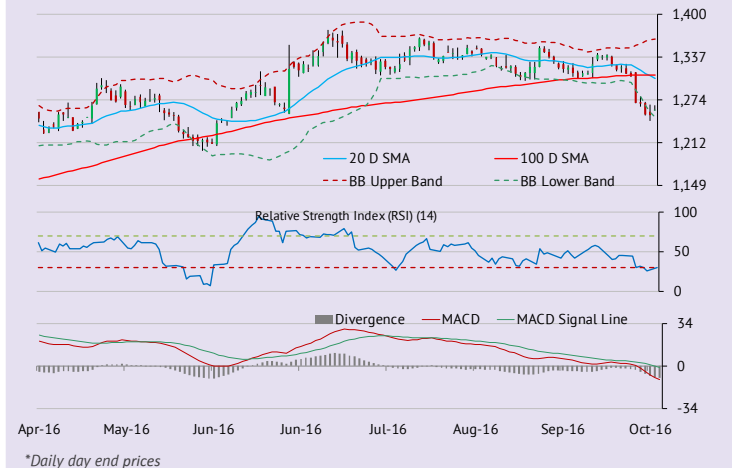
The S&P 500 index is expected to find support at 2,148.58, and a fall through could take it to the next support level of 2,133.50. The index is expected to find its first resistance at 2,174.17, and a rise through could take it to the next resistance level of 2,184.68.

USDZAR



The pair is expected to find support at 13.5875, and a fall through could take it to the next support level of 13.3652. The pair is expected to find its first resistance at 14.0210, and a rise through could take it to the next resistance level of 14.2322.

XAU/USD



Gold is expected to find support at \$1,230.60/oz, and a fall through could take it to the next support level of \$1,200.80/oz. The precious metal is expected to find its first resistance at \$1,302.80/oz, and a rise through could take it to the next resistance level of \$1,345.20/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	01:01	BRC Retail Sales Monitor - All (YoY) (Sep)	✓	0.40%*	-0.90%	Monthly
Japan	01:50	Trade Balance - BOP Basis (Aug)	✓✓	JPY243.20bn*	JPY613.90bn	Monthly
US	03:30	Fed's Evans Speaks on Economy and Policy in Sydney	✓	-	-	As scheduled
Japan	06:30	Bankruptcies (YoY) (Sep)	✓✓	-	14.87%	Monthly
Japan	07:00	Eco Watchers Survey: Current (Sep)	✓✓	45.80	45.60	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Sep)	✓✓	48.00	47.40	Monthly
Eurozone	11:00	ZEW Survey - Economic Sentiment (Oct)	✓✓	-	5.40	Monthly
Italy	11:00	Bank of Italy Publishes Monthly Report 'Money and Banks'	✓	-	-	As scheduled
Germany	11:00	ZEW Survey - Economic Sentiment (Oct)	✓✓✓	4.00	0.50	Monthly
Germany	11:00	ZEW Survey - Current Situation (Oct)	✓✓	55.50	55.10	Monthly
US	12:00	NFIB Small Business Optimism (Sep)	✓	95.00	94.40	Monthly
South Africa	13:00	Manufacturing Production Index (YoY) (Aug)	✓	1.30%	0.40%	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Aug)	✓	-	-1.50%	Monthly
Canada	14:15	Housing Starts s.a (Sep)	✓✓	190.00 K	182.70 K	Monthly
US	14:55	Redbook Index s.a. (MoM) (07-Oct)	✓	-	-0.40%	Weekly
Eurozone	18:00	ECB's Mersch Speaks in New York	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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