

ONE Minute Brief

12 October 2016

GTC
consult • partner • manage

Economic and Political News

South Africa's manufacturing production index registered a rise of 2.2% in August on an annual basis, more than market expectations for an advance of 1.3%. In the previous month, the index had dropped by a revised 0.3%.

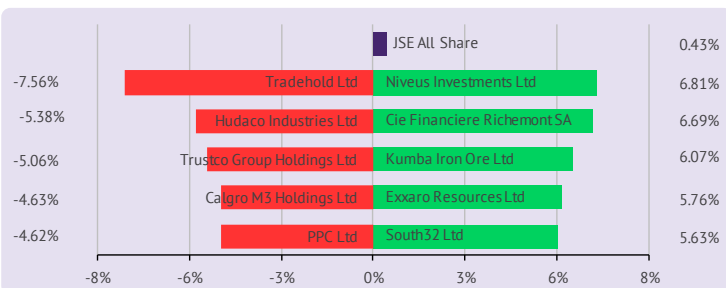
The National Prosecuting Authority's (NPA) Director, Shaun Abrahams, announced that he plans to prosecute South Africa's Finance Minister, Pravin Gordhan, along with former SARS Deputy Commissioner, Ivan Pillay and Commissioner, Oupa Magashula, for sanctioning Pillay's ZAR1.10mn pension without following correct procedures. Pravin Gordhan has been summoned to appear in court on November 2. Meanwhile, the Presidency stated that President, Jacob Zuma has reaffirmed his support for the Minister. Separately, Democratic Alliance's Shadow Minister of Finance, David Maynier, stated that charging Gordhan is a disaster for the nation's economy.

The controversial Gupta family's, Ajay Gupta has accused Public Protector, Thuli Madonsela, that she did not follow proper procedures in her probe into allegations of state capture involving the family.

South Africa Market ▲

South African markets closed higher

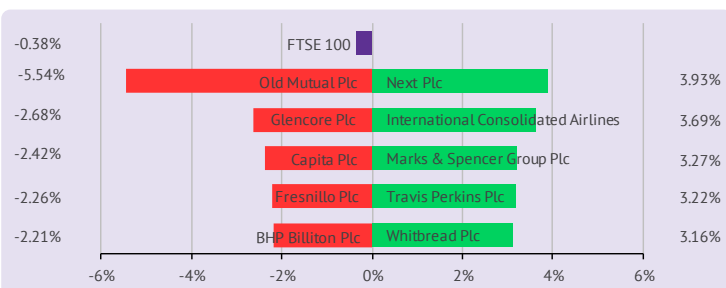
South African markets closed in the green yesterday, supported by gains in resources sector stocks. Data indicated that South Africa's manufacturing production rebounded strongly on an annual basis in August. The JSE All Share Index rose 0.4% to close at 51,898.82.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower yesterday, weighed down by losses in commodity sector stocks. The FTSE 100 Index declined 0.4% to close at 7,070.88.



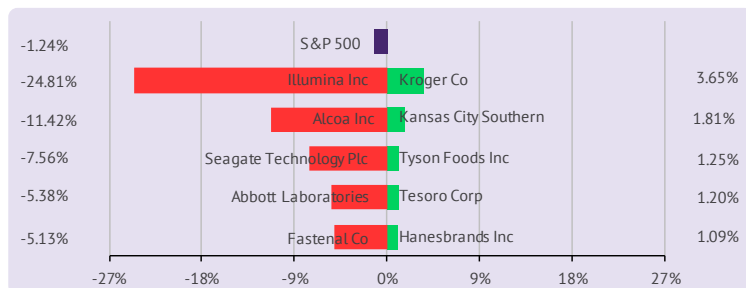
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51898.82	▲	223.31	0.43%	0.46%	-0.10%	-1.49%	2.38%
JSE Top 40	45395.72	▲	277.60	0.62%	0.63%	-0.07%	-1.81%	-0.88%
FTSE 100	7070.88	▼	-26.62	-0.38%	0.38%	2.49%	1.74%	13.27%
DAX 30	10577.16	▼	-46.92	-0.44%	0.82%	0.63%	-0.77%	-1.54%
CAC 40	4471.74	▼	-25.52	-0.57%	0.49%	0.53%	0.23%	-3.57%
S&P 500	2136.73	▼	-26.93	-1.24%	-0.79%	-1.45%	-0.12%	4.54%
Nasdaq Composite	5246.79	▼	-81.89	-1.54%	-0.86%	-1.23%	1.89%	4.78%
DJIA	18128.66	▼	-200.38	-1.09%	-0.61%	-0.98%	-0.50%	4.04%

US Market ▼

The S&P 500 futures are trading in the green

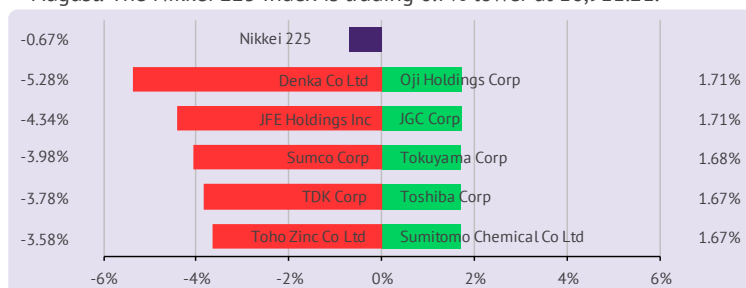
US markets closed lower yesterday, amid losses in health care sector stocks. The S&P 500 Index dropped 1.2% to close at 2,136.73.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. Earlier in the session, data revealed that Japan's machinery orders dropped less-than-expected on a monthly basis in August. The Nikkei 225 Index is trading 0.7% lower at 16,911.21.



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

12 October 2016

GTC
consult • partner • manage

USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar dropped 0.4% against the South African Rand to trade at R14.3157. Later today, traders will keep a close watch on the minutes of the FOMC's September monetary policy meeting for further cues.

The US Dollar rose against the South African Rand yesterday. Data indicated that the labour market conditions index in the US declined in September. The South African Rand lost ground following news that South Africa's Finance Minister, Pravin Gordhan, has been charged with fraud and summoned to appear in court early next month. Macroeconomic data indicated South Africa's annual manufacturing production rebounded more-than-expected in August.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound rose 1.0% against the South African Rand to trade at R17.6050. With no major economic news in the UK today, investor sentiment will be determined by global macroeconomic news.

The British Pound advanced against the South African Rand yesterday.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro dropped 0.4% against the South African Rand to trade at R15.8198. Going forward, market participants will keep a tab on Eurozone's industrial production data for further direction. Moreover, Germany's wholesale price index will be on investors' radar.

The Euro strengthened against the South African Rand yesterday, after data indicated that Eurozone's ZEW economic sentiment index jumped for October, its highest reading in four months. Moreover, Germany's ZEW economic sentiment index advanced more-than-expected for October, while the current conditions index jumped more than market expectations in the same month, indicating robust growth in Eurozone's largest economy.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% firmer against the South African Rand at R10.8456. Earlier in the session, data indicated that Australia's Westpac consumer confidence index advanced for October.

The Australian Dollar rose against the South African Rand yesterday. Separately, data indicated that Australia's home loans dropped more-than-expected in August, declining for a second straight 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.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.3157	▼	4.05%	3.58%	4.71%	-6.85%	-7.13%
GBPZAR	17.6050	▲	2.09%	1.08%	-2.09%	-8.01%	-23.55%
EURZAR	15.8198	▼	3.30%	2.24%	2.98%	-6.12%	-5.45%
AUDZAR	10.8456	▲	3.14%	2.94%	3.06%	-5.05%	-4.60%
EURUSD	1.1050	▼	-0.76%	-1.31%	-1.61%	0.69%	1.73%
GBPUSD	1.2291	▲	-1.93%	-2.50%	-6.54%	-1.26%	-17.76%
Brent (\$/barrel)	52.6	▲	-1.37%	0.92%	4.42%	7.04%	40.58%
Gold (\$/oz)	1259.3	▲	-0.36%	0.56%	-4.37%	0.41%	18.46%
Platinum (\$/oz)	949.9	▲	-1.61%	-1.36%	-8.05%	-2.36%	6.07%
Copper (\$/MT)*	4791.5	▼	-0.78%	0.70%	-1.17%	5.26%	1.82%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices climbed 0.3% to trade at \$1,259.30/oz.

Yesterday, gold prices fell 0.4% to close at \$1,255.90/oz, as the US Dollar strengthened amid rising expectations for a rate hike by the US Fed in its December monetary policy meeting.

Brent Crude Oil ▲

Trading stronger

Brent crude oil edged higher 0.4% at 06:00 SAST, to trade at \$52.61/bl, reversing previous session losses.

Yesterday, Brent crude oil dropped 1.4% to settle at \$52.41/bl, after the International Energy Agency stated that global oil supply hit 97.20mn bls a day in September, up 600,000 barrels a day from August, and 200,000 bls a day higher on an annual basis with majority of output rise coming from Russia. Moreover, the agency stated that OPEC boosted its production by 160,000 bls a day to a record 33.64mn bls a day in September.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.4% higher to trade at \$949.90/oz.

Yesterday, platinum prices declined 1.6% to close at \$945.80/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

12 October 2016



Major South Africa Corporate News

Afrimat Limited

The company announced that it has agreed to purchase 60.0% of Diro Manganese (Pty) Limited and Diro Iron Ore (Pty) Limited from Diro Resources (Pty) Limited, as well as a cession and delegation agreement with Investec Limited to purchase all of its security. The aggregate purchase consideration payable for the acquisition of Diro is ZAR276.00mn.

Anglo American Platinum Limited

The company announced that its wholly owned subsidiary, Rustenburg Platinum Mines Limited has signed an agreement to dispose of mineral resources within the Amandelbult mining right, and surface properties above and adjacent to it, to Northam Platinum Limited for a consideration comprising ZAR1.00bn in cash and an ancillary mineral resource within Northam's Zondereinde mining right that borders Amandelbult's mining right and which provides the company with flexibility for the placement of future mining infrastructure. In addition to the proceeds, the transaction consideration includes an ancillary mineral resource located on the north-west corner of the Zondereinde mining right.

Famous Brands Limited

In its trading update for the six months ended 31 August 2016, the company, stated that it expects its headline EPS to increase in the range of 67.0% to 74.0% compared to the comparative prior period.

Major Global Economic News

Eurozone

In October, the ZEW economic sentiment index advanced to 12.30 in the Eurozone. In the prior month, the index had registered a level of 5.40.

In Germany, the ZEW economic sentiment index advanced to 6.20 in October, compared to a level of 0.50 in the previous month. Markets were anticipating the index to climb to a level of 4.00.

In October, the ZEW current situation index advanced to 59.50, in Germany, compared to a level of 55.10 in the prior month. Markets were expecting the index to rise to 55.50.

US

In September, the small business optimism index registered an unexpected drop to 94.10 in the US, compared to market expectations of an advance to a level of 95.00. In the prior month, the index had recorded a level of 94.40.

In September, the labour market conditions index in the US registered a level of -2.20, compared to a revised reading of -1.30 in the previous month. Markets were expecting the index to advance to 1.50.

Asia

The Westpac consumer confidence index in Australia registered a rise of 1.1%, on monthly basis, to a level of 102.40 in October. In the previous month, the index had registered a level of 101.40.

In August, machinery orders recorded a drop of 2.2% on a monthly basis, in Japan, less than market expectations for a fall of 4.7%. Machinery orders had climbed 4.9% in the prior month.

ONE Minute Brief

12 October 2016

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Machinery Orders (MoM) (Aug)	✓	-2.20%*	4.90%	Monthly
France	07:45	Consumer Price Index (Sep)	✓	-	100.58	Monthly
Germany	08:00	Wholesale Price Index (MoM) (Sep)	✓	-	-0.70%	Monthly
Japan	08:00	Machine Tool Orders (YoY) (Sep) (P)	✓✓	-	-8.40%	Monthly
Switzerland	11:00	ZEW Survey - Expectations (Oct)	✓✓	-	2.70	Monthly
Eurozone	11:00	Industrial Production s.a. (MoM) (Aug)	✓	1.50%	-1.10%	Monthly
Portugal	12:00	Consumer Price Index (MoM) (Sep)	✓	-	-0.20%	Monthly
US	13:00	MBA Mortgage Applications (07-Oct)	✓	-	2.90%	Weekly
US	16:00	JOLTs Job Openings (Aug)	✓	5800.00K	5871.00K	Monthly
US	20:00	Fed Releases Minutes of FOMC Meeting	✓✓✓	-	-	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