

ONE Minute Brief

14 October 2016

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Economic and Political News

South Africa's annual mining production dropped a less-than-expected 0.2% in August, compared to a drop of 5.4% in the previous month. Moreover, gold production registered a drop of 8.2% on a yearly basis, in August. Gold production had climbed 2.0% in the previous month. Additionally, platinum production registered a rise of 3.2% on a yearly basis, in August.

Former Finance Minister, Trevor Manuel, stated that South Africa was facing steady erosion of constitutional principles and the nation was going through leadership deficiencies. He added that the fraud charge against the current Finance Minister, Pravin Gordhan, was reckless.

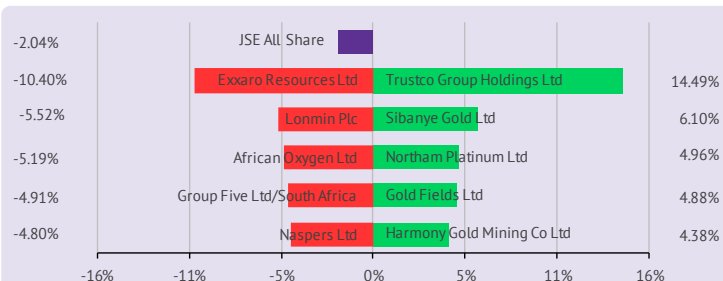
President Jacob Zuma's Spokesman, Bongani Ngqulunga, confirmed that the President has applied for an interdict which will prevent Public Protector, Thuli Madonsela, from releasing her report on state capture today, as previously planned.

Standard & Poor Africa's head, Konrad Reuss stated that South Africa's current situation was "not business as usual" and political tensions were signs of concern, ahead of a ratings decision in December.

South Africa Market ▼

South African markets closed lower

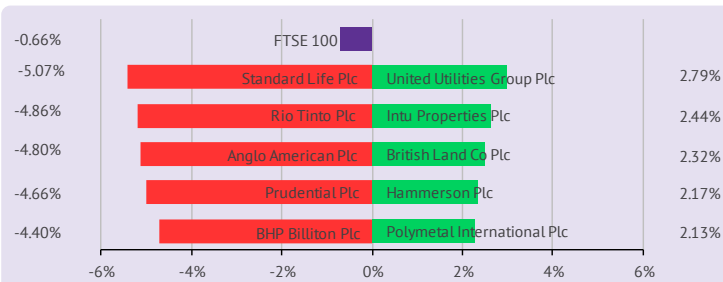
South African markets closed in the red yesterday, weighed down by losses in banking and financial sector stocks. The JSE All Share Index fell 2.0% to close at 50,494.51.



UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, amid losses in financial and commodity sector stocks. The FTSE 100 Index declined 0.7% to close at 6,977.74.



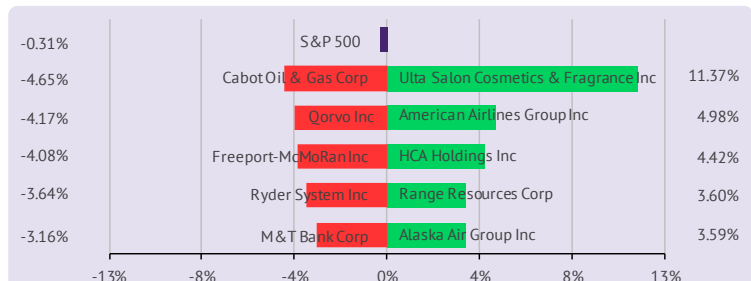
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50494.51	▼ -1053.62	-2.04%	-2.26%	-2.80%	-1.49%	-0.39%
JSE Top 40	44005.78	▼ -1042.79	-2.31%	-2.45%	-3.13%	-1.81%	-3.91%
FTSE 100	6977.74	▼ -46.27	-0.66%	-0.95%	1.14%	1.74%	11.78%
DAX 30	10414.07	▼ -109.00	-1.04%	-0.73%	-0.92%	-0.77%	-3.06%
CAC 40	4405.17	▼ -47.07	-1.06%	-1.01%	-0.97%	0.23%	-5.00%
S&P 500	2132.55	▼ -6.63	-0.31%	-0.98%	-1.65%	-0.12%	4.34%
Nasdaq Composite	5213.33	▼ -25.69	-0.49%	-1.49%	-1.86%	1.89%	4.11%
DJIA	18098.94	▼ -45.26	-0.25%	-0.78%	-1.14%	-0.50%	3.87%

US Market ▼

The S&P 500 futures are trading in the green

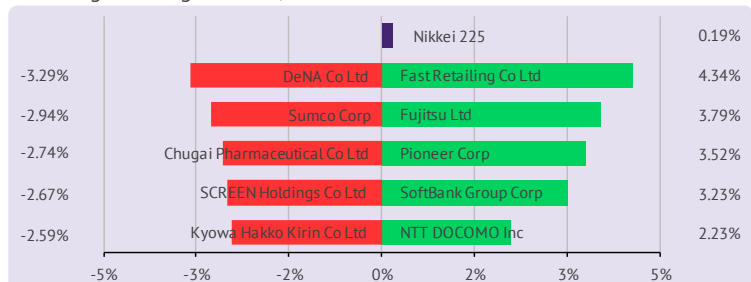
US markets closed lower yesterday, led by losses in financial sector stocks. Data revealed that initial jobless claims in the US remained unchanged during last week. The S&P 500 Index dropped 0.3% to close at 2,132.55.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Earlier in the session, data revealed that China's annual consumer inflation climbed higher than market expectations in September. The Nikkei 225 Index is trading 0.2% higher at 16,805.81.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading marginally firmer against the South African Rand at R14.2563. Later today, traders will closely watch the Federal Reserve Chairwoman, Janet Yellen's speech for further cues. Moreover, investors will keep a track on US advance retail sales, business inventories, producer price index and Reuters/Michigan consumer sentiment index, scheduled later in the day.

The US Dollar rose against the South African Rand yesterday, after data indicated that the number of people applying for new jobless benefits in the US remained steady last week, at a four year low. Moreover, the nation's import price index rebounded slightly less-than-expected on a monthly basis in September.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.2% weaker against the South African Rand at R17.4300. Later today, traders will keep an eye on UK's construction output data for further direction.

The British Pound advanced against the South African Rand yesterday, reversing previous session losses.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro retreated 0.2% against the South African Rand to trade at R15.7229. Going forward, market participants will keep a tab on Eurozone's trade balance data for August.

The Euro strengthened against the South African Rand yesterday. Data revealed that Germany's consumer price inflation advanced on a monthly basis in September, in line with preliminary estimates.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% higher against the South African Rand at R10.8106. Earlier in the session, in China, Australia's top trading partner, annual consumer price inflation rose more-than-expected in September, reaching a four-month high. Moreover, producer price index rebounded unexpectedly in September.

The Australian Dollar rose against the South African Rand yesterday. Data showed that Australia's consumer inflation expectations rose for October. Elsewhere, in China, Australia's largest trading partner, trade surplus in Dollar terms surprisingly narrowed in September, due to large a drop in the nation's exports.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.2563	▲	0.15%	2.74%	3.86%	-6.85%	-7.89%
GBPZAR	17.4300	▼	0.56%	1.30%	-1.88%	-8.01%	-23.39%
EURZAR	15.7229	▼	0.63%	1.40%	2.14%	-6.12%	-6.22%
AUDZAR	10.8106	▲	0.19%	2.40%	2.52%	-5.05%	-5.11%
EURUSD	1.1031	▼	0.45%	-1.29%	-1.59%	0.69%	1.75%
GBPUSD	1.2221	▼	0.41%	-1.45%	-5.53%	-1.26%	-16.88%
Brent (\$/barrel)	52.0	▼	0.42%	0.19%	3.67%	7.04%	39.57%
Gold (\$/oz)	1257.0	▼	0.30%	0.70%	-4.24%	0.41%	18.62%
Platinum (\$/oz)	934.9	▲	-1.01%	-3.12%	-9.69%	-2.36%	4.17%
Copper (\$/MT)*	4691.5	▼	-2.08%	-1.40%	-3.23%	5.26%	-0.30%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged marginally lower to trade at \$1,257.00/oz.

Yesterday, gold prices rose 0.3% to close at \$1,257.60/oz, amid weakness in the greenback and downbeat trade data from China increased demand for the safe haven yellow metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil marginally dropped to trade at \$52.01/bL.

Yesterday, Brent crude oil advanced 0.4% to settle at \$52.03/bL, following a drop of 3.7mn bls in distillates and 1.9mn bls decline in gasoline. However, the US Energy Department reported that crude oil inventories rose by 4.9mn bls last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose 0.6% to trade at \$934.90/oz.

Yesterday, platinum prices declined 1.0% to close at \$928.90/oz.



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Major South Africa Corporate News

Kumba Iron Ore Limited

The company revealed that the Department of Mineral Resources, after taking all the relevant considerations into account, granted the residual 21.4% undivided share of the mining right for the Sishen mine to its subsidiary, Sishen Iron Ore Company (Pty) Limited following the completion of an internal appeal process.

Mondi Plc

In its trading statement for the half year ended 30 June 2016, the company announced that its operating profit is expected to increase by 3.0% from the similar period of last year. Its like-for-like sales is anticipated to be same as in the corresponding period of the prior year.

Major Global Economic News

Asia

In China, the consumer price index climbed 1.9% on a yearly basis, in September, higher than market expectations for a rise of 1.6%. The CPI had climbed 1.3% in the previous month.

In September, the annual producer price index (PPI) unexpectedly rose 0.1% in China, compared to market expectations for a fall of 0.3%. In the prior month, the PPI had dropped 0.8%.

Actual FDI registered a rise of 1.2% in China on a yearly basis in September, compared to an advance of 5.7% in the prior month. Markets were anticipating actual FDI to climb 3.2%.

US

In the week ended October 08, 2016, the seasonally adjusted initial jobless claims remained steady at a level of 246.00K in the US, compared to market expectations of an advance to a level of 253.00K.

The import price index in the US recorded a rise of 0.10% on a monthly basis, in September, less than market expectations for a rise of 0.2%. In the previous month, the index had recorded a drop of 0.2%.

Eurozone

In September, the final consumer price index (CPI) climbed 0.1% on a monthly basis in Germany, in line with market expectations. The preliminary figures had also indicated an advance of 0.1% and in the previous month, the CPI had recorded a flat reading.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Domestic Corporate Goods Price Index (MoM) (Sep)	✓	0.00%*	-0.30%	Monthly
China	03:30	Consumer Price Index (YoY) (Sep)	✓✓✓	1.90%*	1.30%	Monthly
China	03:30	Producer Price Index (YoY) (Sep)	✓✓✓	0.10%*	-0.80%	Monthly
China	03:30	Consumer Price Index (MoM) (Sep)	✓✓	0.70%*	0.10%	Monthly
Spain	09:00	Consumer Price Index (MoM) (Sep) (F)	✓	0.10%	0.10%**	Monthly
Switzerland	09:15	Producer and Import Prices (MoM) (Sep)	✓	0.10%	-0.30%	Monthly
UK	10:30	Bank of England Credit Conditions & Bank Liabilities Surveys	✓	-	-	As scheduled
UK	10:30	Construction Output (YoY) (Aug)	✓	1.20%	-1.50%	Monthly
Italy	11:00	Consumer Price Index (EU Norm) (YoY) (Sep) (F)	✓	0.10%	0.10%**	Monthly
Eurozone	11:00	Trade Balance s.a. (Aug)	✓	EUR20.40bn	EUR20.00bn	Monthly
Italy	11:00	Consumer Price Index (EU Norm) (MoM) (Sep) (F)	✓	1.90%	1.90%**	Monthly
Italy	11:00	Consumer Price Index (MoM) (Sep) (F)	✓	-0.20%	-0.20%**	Monthly
US	14:30	Advance Retail Sales (MoM) (Sep)	✓✓✓	0.60%	-0.30%	Monthly
US	14:30	Producer Price Index (MoM) (Sep)	✓	0.20%	0.00%	Monthly
US	14:30	Fed's Rosengren Gives Opening Remarks at Boston Fed Conference	✓	-	-	As scheduled
Canada	15:00	Existing Home Sales (MoM) (Sep)	✓	-	-3.10%	Monthly
US	16:00	Business Inventories (Aug)	✓	0.10%	0.00%	Monthly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Oct) (P)	✓✓✓	91.80	91.20	Monthly
US	18:00	Fed Chair Yellen Speaks at Boston Fed Conference	✓✓✓	-	-	As scheduled
US	20:00	Monthly Budget Statement (Sep)	✓✓	USD30.00bn	-USD107.10bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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