

ONE Minute Brief

25 October 2016

GTC
consult • partner • manage

Economic and Political News

The Democratic Alliance indicated in the papers filed with the Constitutional Court that Cabinet's decision to end South Africa's membership of the International Criminal Court (ICC) is unconstitutional and a breach of the bill of rights.

Three MP's from the Democratic Alliance called on Finance Minister, Pravin Gordhan, to accelerate South Africa's economic growth by introducing structural reforms in his upcoming medium-term budget statement. Additionally, the opposition party suggested partial privatisation of South African Airways (SAA).

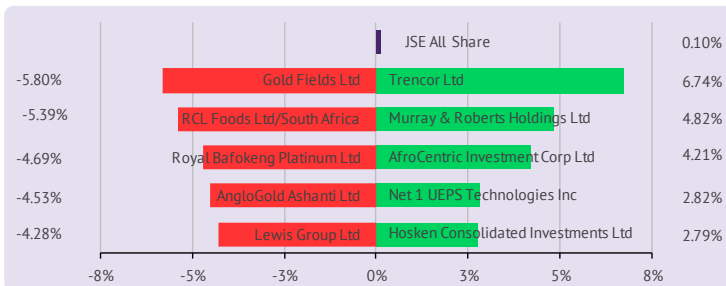
Data released by Statistics SA indicated that the number of companies liquidated in South Africa increased 15.4% on an annual basis, to 172 in September.

Freedom Under Law and the Helen Suzman Foundation filed legal papers, which stated that the National Prosecuting Authority's (NPA) charges of fraud against Finance Minister, Pravin Gordhan, were meritless and revealed NPA's ulterior motives.

South Africa Market ▲

South African markets closed higher

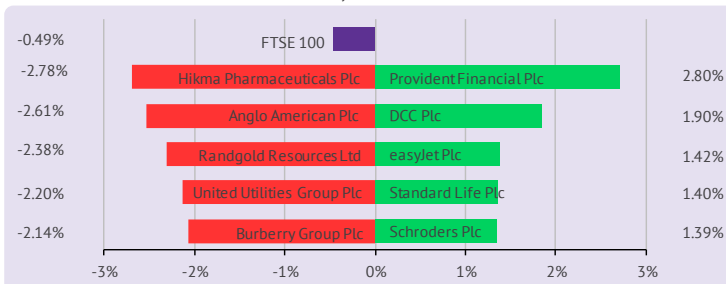
South African markets closed in the green yesterday, amid gains in banking and financial sector stocks. The JSE All Share Index rose 0.1% to close at 51,683.39.



UK Market ▼

The FTSE 100 futures are trading in positive territory

UK markets finished lower yesterday, weighed down by losses in mining and health-care sector stocks. Data indicated that UK's CBI total order book above normal unexpectedly dropped in October. The FTSE 100 Index declined 0.5% to close at 6,986.40.



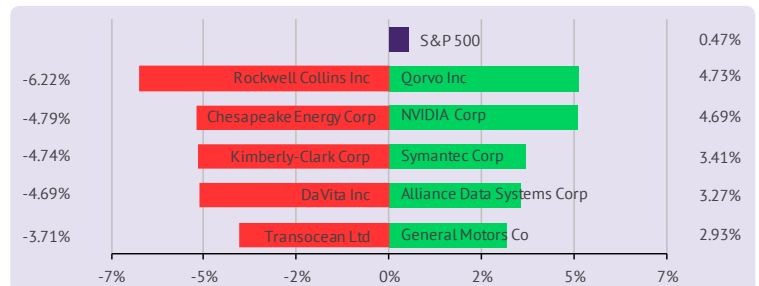
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51683.39	▲	54.16	0.10%	0.10%	-1.49%	1.95%
JSE Top 40	45134.28	▲	65.26	0.14%	0.14%	-1.81%	-1.45%
FTSE 100	6986.40	▼	-34.07	-0.49%	-0.49%	1.74%	11.92%
DAX 30	10761.17	▲	50.44	0.47%	0.47%	-0.77%	0.17%
CAC 40	4552.58	▲	16.51	0.36%	0.36%	0.23%	-1.82%
S&P 500	2151.33	▲	10.17	0.47%	0.47%	-0.12%	5.25%
Nasdaq Composite	5309.83	▲	52.43	1.00%	1.00%	1.89%	6.04%
DJIA	18223.03	▲	77.32	0.43%	0.43%	-0.50%	4.58%

US Market ▲

The S&P 500 futures are trading in the green

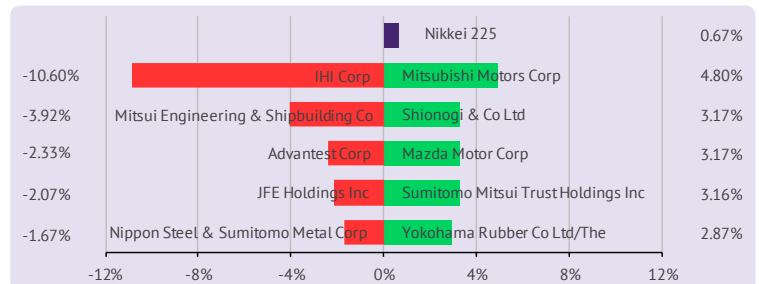
US markets closed higher yesterday, supported by gains in information technology sector stocks. Preliminary data revealed that Markit manufacturing PMI in the US surprisingly expanded in October. The S&P 500 Index climbed 0.5% to close at 2,151.33.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading 0.7% higher at 17,350.52.



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

25 October 2016

GTC
consult • partner • manage

USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar gained 0.1% against the South African Rand to trade at R13.9157. Later today, traders will keep a close watch on US consumer confidence index along with Richmond Fed manufacturing index for further cues. Additionally, South Africa's leading indicator will be on investors' radar.

The US Dollar fell against the South African Rand yesterday, despite data indicating that Markit manufacturing PMI in the US surprisingly rose in October, driven by strong production and growth in new business. Separately, the Fed Bank of St. Louis President, James Bullard, reiterated that one interest rate hike by the Fed is all that was needed for the time being. Additionally, the Chicago Fed President, Charles Evans, indicated that the central bank was ready to raise interest rate three more times by the end of 2017.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound marginally dropped against the South African Rand to trade at R17.0140. Later today, traders will keep an eye on BoE Governor, Mark Carney's speech for further direction.

The British Pound declined against the South African Rand yesterday, after data revealed that UK's CBI's total industrial orders unexpectedly dropped in October. Meanwhile, business optimism balance increased in October, albeit remaining in negative territory.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading marginally higher against the South African Rand at R15.1408. Going forward, market participants will keep a tab on ECB President, Mario Draghi's speech along with Ifo's business climate and economic expectation indices scheduled in a few hours.

The Euro weakened against the South African Rand yesterday, despite preliminary data revealing that Eurozone's Markit manufacturing PMI expanded more-than-expected in October, reaching a thirty-month high. Moreover, the region's business activity grew at its quickest pace so far this year in the same month. Elsewhere, Germany's manufacturing PMI climbed higher-than-expected in October, its strongest level since January 2014. Further, the nation's services sector growth notched its highest reading in 2016.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar gained 0.2% against the South African Rand to trade at R10.5996. With no major economic news in Australia today, investor sentiment will be determined by global macro-economic news.

The Australian Dollar fell against the South African Rand yesterday, extending previous session losses.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.9157	▲	-0.44%	-0.44%	1.34%	-6.85%	-10.12%
GBPZAR	17.0140	▼	-0.51%	-0.51%	-4.40%	-8.01%	-25.35%
EURZAR	15.1408	▲	-0.50%	-0.50%	-1.88%	-6.12%	-9.91%
AUDZAR	10.5996	▲	-0.36%	-0.36%	0.63%	-5.05%	-6.86%
EURUSD	1.0878	▼	-0.02%	-0.02%	-3.16%	0.69%	0.13%
GBPUSD	1.2225	▼	0.02%	0.02%	-5.68%	-1.26%	-17.00%
Brent (\$/barrel)	51.3	▼	-0.62%	-0.62%	2.53%	7.04%	38.04%
Gold (\$/oz)	1265.6	▲	-0.32%	-0.32%	-3.78%	0.41%	19.19%
Platinum (\$/oz)	932.7	▼	0.73%	0.73%	-9.06%	-2.36%	4.90%
Copper (\$/MT)*	4618.8	▲	0.10%	0.10%	-4.73%	5.26%	-1.85%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged higher 0.2% to trade at \$1,265.60/oz.

Yesterday, gold prices fell 0.3% to close at \$1,263.70/oz, amid strength in the US Dollar on the back of upbeat US manufacturing data.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged lower 0.3% to trade at \$51.33/bl.

Yesterday, Brent crude oil dropped 0.6% to settle at \$51.46/bl, after Iraq's Oil Minister, Jabar Ali al-Luaibi, announced that the nation wanted to be exempted from OPEC's planned production cuts as they required additional money to fight Islamic State militants.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged lower 0.3% to trade at \$932.70/oz.

Yesterday, platinum prices climbed 0.7% to close at \$935.40/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

25 October 2016



Major South Africa Corporate News

Famous Brands Limited

In its 1H17 results, the company, revealed that its revenue advanced 22.7% from the same period of the previous year to R2.45bn. Its headline diluted EPS stood at 408.00c, compared with 240.00c recorded in the same period of the previous year. Its profit before tax increased to R519.51mn from R349.73mn posted in the similar period last year.

MTN Group Limited

In its quarterly update for the period ended 30 September 2016, the group, stated that new President and Chief Executive Officer, Rob Shuter, to join on March 13, 2017. Its subscribers increased 0.9% quarter-on-quarter. Its Nigerian operations reported 1.2% decline in revenue for 3Q16 year-on-year compared to 6.2% decline in 1Q16, as the operation continued to deliver incremental improvements in revenue. Separately, it has commenced the repatriation of funds from MTN Irancell to MTN group.

Gold Fields Limited

In its operational update for the three months ended 30 September 2016, the company, stated that it produced 537.00k oz gold. In addition, it generated a revenue of USD1,329/oz compared with USD1,103/oz recorded in the similar quarter of the previous year. Separately, it announced the reinvestment plan for the Damang Gold mine in Ghana which will extend the life of mine by eight years from 2017 to 2024. The reinvestment plan, entails the firm's investing USD1.40bn (operating and capital expenditure) over the life of mine.

PPC Limited

The company revealed that it has now appointed Mr Nelson as the permanent Chairman with effect from October 24, 2016. Having successfully led the Board during the capital raising period and given his outstanding performance, the Board believes that Mr Nelson is well suited to lead the Board and the company on a permanent basis.

Major Global Economic News

Eurozone

The flash Markit manufacturing PMI in the Eurozone registered a rise to 53.30 in October, higher than market expectations of an advance to 52.70. The PMI had recorded a level of 52.60 in the previous month.

In the Eurozone, the flash Markit services PMI rose to a level of 53.50 in October, compared to market expectations of a rise to 52.40. The PMI had recorded a reading of 52.20 in the previous month.

In Germany, the preliminary Markit manufacturing PMI recorded a rise to 55.10 in October, compared to a reading of 54.30 in the prior month. Markets were expecting the PMI to climb to 54.40.

In October, the preliminary services PMI advanced to 54.10 in Germany, compared to market expectations of an advance to a level of 51.50. In the previous month, the PMI had recorded a level of 50.90.

US

In October, the preliminary Markit manufacturing PMI climbed unexpectedly to a level of 53.20 in the US, compared to market expectations of a steady reading. The PMI had recorded a reading of 51.50 in the prior month.

The Federal Reserve (Fed) Bank of St. Louis President, James Bullard, indicated that low interest rates will likely be the norm during the next two to three years. He further reiterated that a single US interest rate rise is all that's needed for the time being.

The Chicago Fed President, Charles Evans, stated that the central bank is likely to raise its policy rate three more times by the end of 2017. He also suggested that the Fed may need to keep interest rates lower for longer to convince investors and the public that the central bank is serious about reaching its 2.0% inflation target.

UK

In October, the CBI's balance of firms reporting total order book above normal in the UK dropped unexpectedly to a level of -17.00, compared to a level of -5.00 in the prior month. Markets were anticipating total order book above normal to remain unchanged.

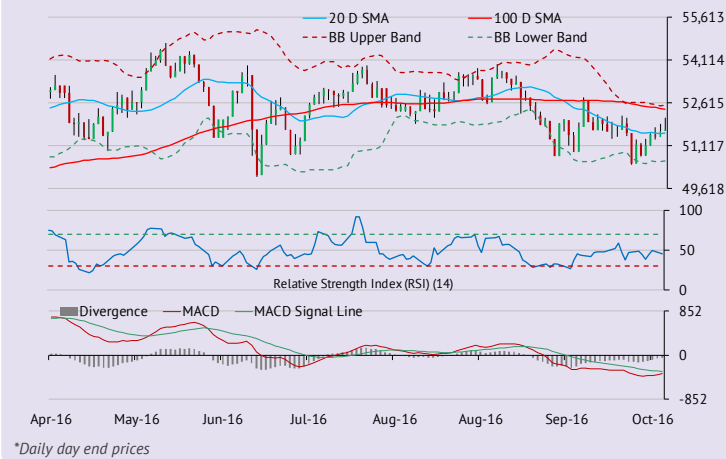
ONE Minute Brief

25 October 2016

GTC
consult • partner • manage

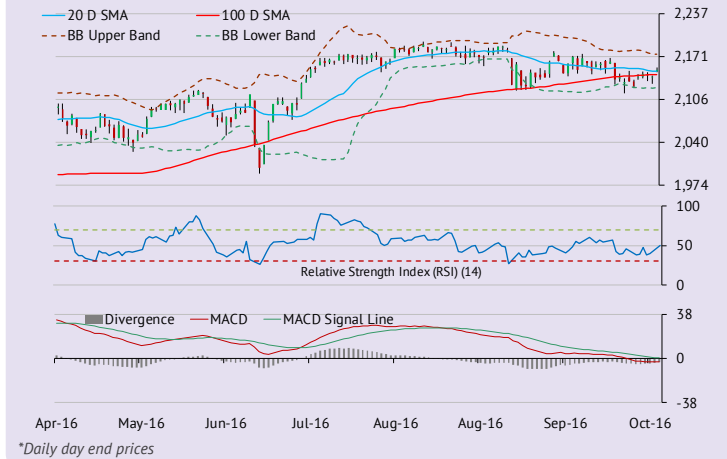
Technical Snapshot

JSE All Share



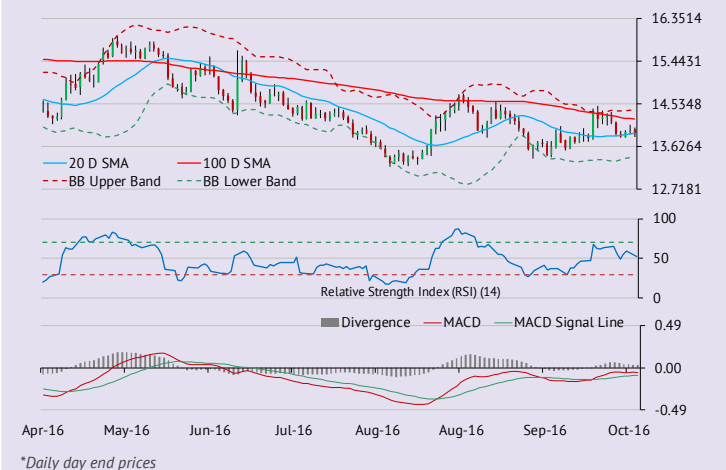
The JSE All Share index is expected to find support at 50,936.58, and a fall through could take it to the next support level of 50,189.78. The index is expected to find its first resistance at 52,262.62, and a rise through could take it to the next resistance level of 52,841.86.

S&P 500



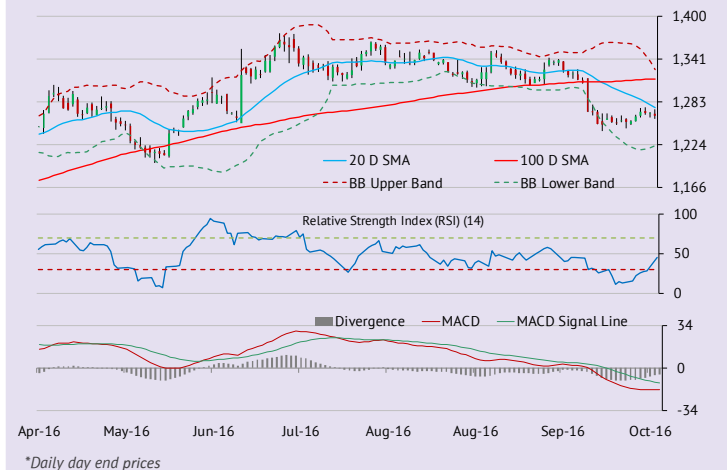
The S&P 500 index is expected to find support at 2,136.02, and a fall through could take it to the next support level of 2,120.70. The index is expected to find its first resistance at 2,160.72, and a rise through could take it to the next resistance level of 2,170.10.

USDZAR



The pair is expected to find support at 13.7571, and a fall through could take it to the next support level of 13.6075. The pair is expected to find its first resistance at 14.1057, and a rise through could take it to the next resistance level of 14.3047.

XAU/USD



Gold is expected to find support at \$1,254.43/oz, and a fall through could take it to the next support level of \$1,245.17/oz. The precious metal is expected to find its first resistance at \$1,274.43/oz, and a rise through could take it to the next resistance level of \$1,285.17/oz.

ONE Minute Brief

25 October 2016

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous	Frequency
France	08:45	Business Survey Overall Demand (Oct)	✓	-	12.00	Monthly
France	08:45	Business Climate (Oct)	✓	102.00	102.00	Monthly
France	08:45	Own-Company Production Outlook (Oct)	✓	9.00	10.00	Monthly
France	08:45	Production Outlook Indicator (Oct)	✓	8.00	7.00	Monthly
Spain	09:00	Producer Price Index (MoM) (Sep)	✓	-	-0.20%	Monthly
Spain	09:00	Producer Price Index (YoY) (Sep)	✓	-	-3.10%	Monthly
South Africa	09:00	Leading Indicator (Aug)	✓	-	91.60	Monthly
Germany	10:00	Ifo - Business Climate (Oct)	✓✓	109.60	109.50	Monthly
Italy	10:00	Industrial Orders s.a (MoM) (Aug)	✓	-	-10.80%	Monthly
Italy	10:00	Industrial Sales s.a. (MoM) (Aug)	✓	-	2.10%	Monthly
Germany	10:00	Ifo - Current Assessment (Oct)	✓✓	114.90	114.70	Monthly
Germany	10:00	Ifo - Expectations (Oct)	✓✓	104.50	104.50	Monthly
US	14:55	Redbook Index s.a. (MoM) (21-Oct)	✓	-	0.00%	Weekly
US	15:00	House Price Index (SA) (Aug)	✓✓	-	236.11	Monthly
US	15:00	Housing Price Index (MoM) (Aug)	✓	0.40%	0.50%	Monthly
US	16:00	Richmond Fed Manufacturing Index (Oct)	✓	-4.00	-8.00	Monthly
US	16:00	IBD/TIPP Economic Optimism (MoM) (Oct)	✓	47.50	46.70	Monthly
US	16:00	Consumer Confidence (Oct)	✓✓✓	101.50	104.10	Monthly
Eurozone	16:30	ECB President Draghi Speaks in Berlin	✓✓✓	-	-	As scheduled
UK	16:30	BOE's Governor Carney Speech	✓✓✓	-	-	As scheduled
UK	19:20	USD Fed's Lockhart Speaks on Community Development	✓	-	-	As scheduled
Eurozone	-	European Commission Economic Forecasts	✓✓	-	-	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