

# ONE Minute Brief

27 October 2016

**GTC**  
consult • partner • manage

## Economic and Political News

South Africa's Finance Minister, Pravin Gordhan, in the medium-term budget policy statement, announced that the consolidated budget deficit for 2016-17 is expected at 3.4% of GDP compared to 3.2% previously, citing that weaker economic growth had reduced tax revenue estimates. Further, the economy is forecasted to grow by 0.5% in 2016, 1.3% in 2017 and 2% in 2018. The nation's inflation is expected to rise by 6.4% in 2016, 6.1% in 2017 and 5.9% in 2018. Additionally, the Treasury will slash the expenditure ceiling by ZAR26.00bn and increase tax collection by ZAR43.00bn over the next two years.

South Africa's Public Protector indicated to President, Jacob Zuma, that the report on state capture is final.

National Treasury announced that South Africa will borrow USD6.00bn from international markets during the coming three years.

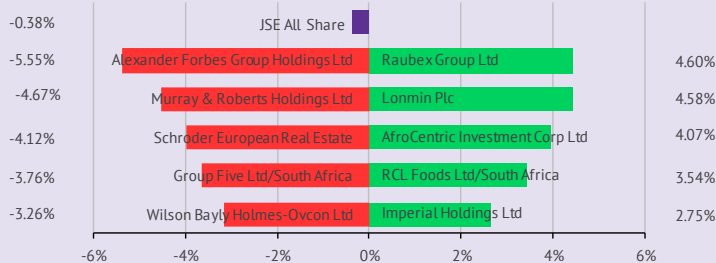
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51552.32	▼	-197.54	-0.38%	-0.15%	-0.77%	-1.49%
JSE Top 40	45011.09	▼	-190.51	-0.42%	-0.13%	-0.91%	-1.81%
FTSE 100	6958.09	▼	-59.55	-0.85%	-0.89%	0.85%	1.74%
DAX 30	10709.68	▼	-47.63	-0.44%	-0.01%	1.89%	-0.77%
CAC 40	4534.59	▼	-6.25	-0.14%	-0.03%	1.94%	0.23%
S&P 500	2139.43	▼	-3.73	-0.17%	-0.08%	-1.33%	-0.12%
Nasdaq Composite	5250.27	▼	-33.13	-0.63%	-0.14%	-1.16%	1.89%
DJIA	18199.33	▲	30.06	0.17%	0.30%	-0.59%	-0.50%

## South Africa Market ▼

### South African markets closed lower

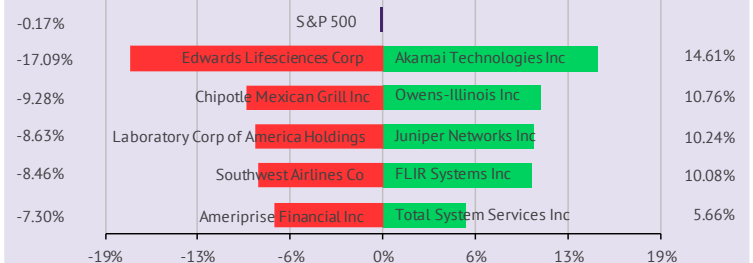
South African markets closed in the red yesterday, amid losses in platinum mining sector stocks. The JSE All Share Index fell 0.4% to close at 51,552.32.



## US Market ▼

### The S&P 500 futures are trading in the red

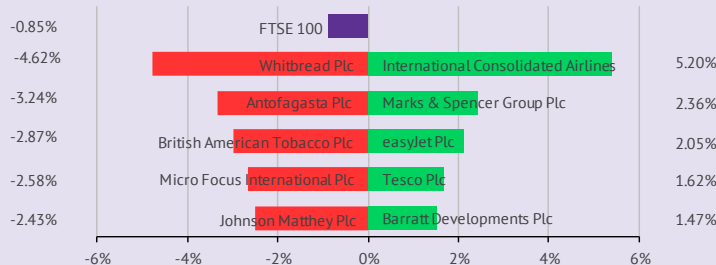
US markets closed mostly lower yesterday, weighed down by losses in real estate sector stocks. Data indicated that advance goods trade balance in the US recorded a deficit in September. The S&P 500 Index dropped 0.2% to close at 2,139.43.



## UK Market ▼

### The FTSE 100 futures are trading in negative territory

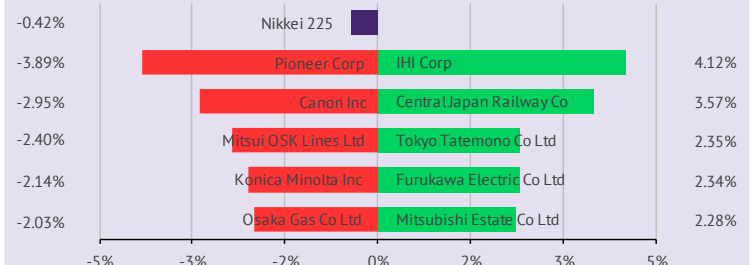
UK markets finished lower yesterday, led by losses in commodity sector stocks. Data indicated that BBA mortgage approvals in UK advanced more-than-expected in September. The FTSE 100 Index declined 0.9% to close at 6,958.09.



## Asian Market ▼

### Trading mostly lower

Asian markets are trading mostly lower this morning. Data indicated that annual industrial profits in China rose at a slower pace in September. The Nikkei 225 Index is trading 0.4% lower at 17,319.02.



**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

27 October 2016

**GTC**  
consult • partner • manage

## USDZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% higher against the South African Rand at R13.9101. Later today, traders will keep a close watch on US durable goods orders and initial jobless claims for further direction. Moreover, South Africa's producer price index will be on investors' radar.

The US Dollar rose against the South African Rand yesterday, after preliminary data indicated that Markit services PMI in the US accelerated more-than-expected in October. Moreover, the nation's new home sales rebounded strongly on a monthly basis in September. Additionally, advance goods trade deficit narrowed in September. Elsewhere, the South African rand lost ground after the nation's Finance Minister, Pravin Gordhan, slashed economic growth forecasts and expected wider budget deficits in the medium-term budget statement.

## GBPZAR ▼

### GBP trading lower against ZAR

At 06:00 SAST, the British Pound dropped 0.1% against the South African Rand to trade at R16.9840. Later today, traders will keep an eye on UK's gross domestic product and CBI retailing reported sales for further cues.

The British Pound advanced against the South African Rand yesterday. Data revealed that BBA mortgage approvals in the UK rose more than market expectations in September.

## EURZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading 0.1% higher against the South African Rand at R15.1635.

The Euro strengthened against the South African Rand yesterday. Data indicated that Germany's GfK consumer confidence index unexpectedly declined in November from October, reaching a six-month low.

## AUDZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar fell 0.1% against the South African Rand to trade at R10.6037. Earlier in the session, Australia's export price index rose in the third quarter of 2016. Meanwhile, import price index fell more-than-expected in the same quarter. Elsewhere, in China, Australia's largest trading partner, industrial profits grew at a slower pace on an annual basis in September.

The Australian Dollar rose against the South African Rand yesterday, after the consumer price index in Australia climbed more-than-expected on a quarterly basis in 3Q16. Elsewhere, in China, Australia's largest trading partner, Westpac-MNI consumer sentiment index advanced in October, reaching a six-month high.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.9101	▲	0.96%	-0.67%	1.11%	-6.85%	-10.33%
GBPZAR	16.9840	▼	1.46%	-0.61%	-4.50%	-8.01%	-25.43%
EURZAR	15.1635	▲	1.18%	-0.45%	-1.83%	-6.12%	-9.86%
AUDZAR	10.6037	▼	1.01%	-0.07%	0.92%	-5.05%	-6.59%
EURUSD	1.0900	▼	0.19%	0.23%	-2.92%	0.69%	0.38%
GBPUUSD	1.2210	▼	0.49%	0.11%	-5.60%	-1.26%	-16.93%
Brent (\$/barrel)	50.1	▲	-1.59%	-3.48%	-0.42%	7.04%	34.07%
Gold (\$/oz)	1267.3	▲	-0.55%	-0.09%	-3.56%	0.41%	19.47%
Platinum (\$/oz)	959.8	▼	-0.15%	3.44%	-6.62%	-2.36%	7.72%
Copper (\$/MT)*	4732.8	▲	0.22%	2.57%	-2.38%	5.26%	0.57%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged higher 0.1% to trade at \$1,267.30/oz.

Yesterday, gold prices fell 0.6% to close at \$1,266.60/oz, amid strength in the US Dollar and rising expectations for an interest rate hike by the US Fed dented demand for the precious yellow metal.

## Brent Crude Oil ▲

### Trading stronger

Brent crude oil advanced 0.2% at 06:00 SAST, to trade at \$50.06/bl., reversing previous session losses.

Yesterday, Brent crude oil dropped 1.6% to settle at \$49.98/bl, amid growing uncertainty over the success of OPEC's plan to slash crude output. Losses were limited after the US Energy Department reported that crude oil inventories fell by 553,000 bls in the week ended October 21.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices edged lower 0.1% to trade at \$959.80/oz.

Yesterday, platinum prices declined 0.2% to close at \$960.50/oz.



# ONE Minute Brief

27 October 2016



**GTC**  
consult • partner • manage

## Major South Africa Corporate News

### Harmony Gold Mining Co Limited

In its FY16 results, the company stated that its revenue increased to ZAR18.33bn from ZAR15.43bn recorded in the previous year. Its diluted headline EPS rose 14.3% from the preceding year to 216.00c. Its recorded profit before tax of ZAR1.58bn against a loss of ZAR5.24bn posted last year.

## Major Global Economic News

### US

In the US, the flash Markit services PMI climbed to 54.80 in October, higher than market expectations of an advance to a level of 52.50. Markit services PMI had registered a reading of 52.30 in the previous month.

In September, new home sales advanced 3.1%, on monthly basis, to a level of 593.00K in the US, compared to market expectations of 600.00K. New home sales had registered a revised reading of 575.00K in the previous month.

Advance goods trade deficit in the US narrowed to USD56.10bn in September, compared to market expectations of a deficit of USD60.50bn. The US had registered a revised deficit of USD59.20bn in the previous month.

### UK

In the UK, BBA mortgage approvals recorded a rise to 38.25K in September, higher than market expectations of a rise to 37.35K. In the prior month, BBA mortgage approvals had recorded a revised reading of 37.24K.

### Asia

In Australia, the export price index climbed 3.5% on a quarterly basis in 3Q16, higher than market expectations for an advance of 2.0%. In the previous quarter, the index had risen 1.4%.

The import price index in Australia dropped 1.0% on a quarterly basis in 3Q16, more than market expectations for a drop of 0.8%. In the prior quarter, the index had registered a similar fall.

In China, industrial profits rose 7.7% on an annual basis in September, slowing sharply from 19.5% in August.

### Eurozone

In November, the GfK consumer confidence index in Germany fell unexpectedly to a level of 9.70, compared to market expectations of an unchanged reading. The index had registered a reading of 10.00 in the prior month.

# ONE Minute Brief

27 October 2016

**GTC**  
consult • partner • manage

## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
China	03:30	Industrial Profits (YoY) (Sep)	✓✓	7.70%*	19.50%	Monthly
Switzerland	08:00	UBS Consumption Indicator (Sep)	✓✓	-	1.53	Monthly
Spain	09:00	House Mortgage Approvals (YoY) (Aug)	✓	-	-14.90%	Monthly
Spain	09:00	Unemployment Rate (Survey) (Q3)	✓	19.30%	20.00%	Quarterly
Eurozone	10:00	Private Loans (YoY) (Sep)	✓	-	1.80%	Monthly
Eurozone	10:00	M3 Money Supply (YoY) (Sep)	✓	5.10%	5.10%	Monthly
Italy	10:00	Consumer Confidence (Oct)	✓	108.60	108.70	Monthly
Italy	10:00	Business Confidence (Oct)	✓	102.20	101.90	Monthly
UK	10:30	Gross Domestic Product (QoQ) (Q3) (P)	✓✓	0.30%	0.70%	Quarterly
UK	10:30	Index of Services (MoM) (Aug)	✓	0.10%	0.40%	Monthly
Italy	11:00	Wage Inflation (MoM) (Sep)	✓	-	0.00%	Monthly
South Africa	11:30	Producer Price Index (MoM) (Sep)	✓	0.20%	-0.10%	Monthly
South Africa	11:30	Producer Price Index (YoY) (Sep)	✓	7.10%	7.20%	Monthly
UK	12:00	CBI Distributive Trades Survey - Realised (Oct)	✓	-2.00%	-8.00%	Monthly
US	14:30	Initial Jobless Claims (22-Oct)	✓✓	255.00 K	260.00 K	Weekly
US	14:30	Durable Goods Orders (Sep) (P)	✓✓✓	0.00%	0.10%	Monthly
US	16:00	US Pending home sales (Sep)	✓	-	108.50	Monthly
US	16:00	Pending Home Sales (MoM) (Sep)	✓	1.10%	-2.40%	Monthly
US	17:00	Kansas City Fed Manufacturing Activity (Oct)	✓	3.00	6.00	Monthly
Eurozone	19:00	ECB's Mersch Speaks in Hachenburg, Germany	✓	-	-	As scheduled
Eurozone	23:30	SSM Board Member Dombret Speaks in Sao Paulo	✓	-	-	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