

ONE Minute Brief

28 October 2016

GTC
consult • partner • manage

Economic and Political News

The annual growth in South Africa's producer prices cooled more than expected to 6.6% in September from 7.2% in August.

Finance Minister, Pravin Gordhan, stated that he will not answer whether he was certain of the political support of the ruling party, African National Congress (ANC).

Democratic Alliance Leader, Mmusi Maimane, announced that a letter will be written to Deputy Judge President of the North Gauteng High Court, to oppose President, Jacob Zuma's new attempt to postpone the release of 'Final Report' on state capture.

The BankservAfrica Disposable Salary index indicated that average disposable salary in South Africa declined in real terms on an annual basis by 0.3% in the first nine months of 2016.

The South African Communist Party (SACP) urged the Parliament to conduct a probe into National Prosecuting Authority (NPA) head, Shaun Abraham's fitness to hold office.

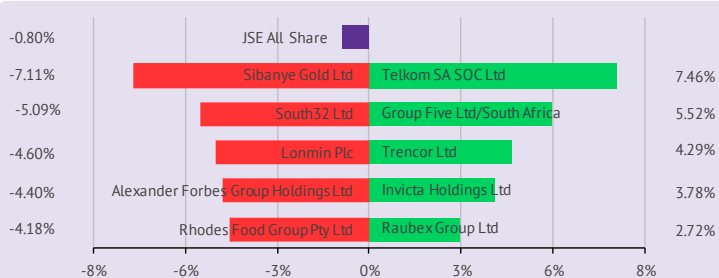
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	51139.66	▼	-412.66	-0.80%	-0.95%	-1.56%	-1.49%	0.88%
JSE Top 40	44591.05	▼	-420.04	-0.93%	-1.06%	-1.84%	-1.81%	-2.63%
FTSE 100	6986.57	▲	28.48	0.41%	-0.48%	1.26%	1.74%	11.92%
DAX 30	10717.08	▲	7.40	0.07%	0.06%	1.96%	-0.77%	-0.24%
CAC 40	4533.57	▼	-1.02	-0.02%	-0.06%	1.92%	0.23%	-2.23%
S&P 500	2133.04	▼	-6.39	-0.30%	-0.38%	-1.62%	-0.12%	4.36%
Nasdaq Composite	5215.98	▼	-34.29	-0.65%	-0.79%	-1.81%	1.89%	4.17%
DJIA	18169.68	▼	-29.65	-0.16%	0.13%	-0.76%	-0.50%	4.27%

South Africa Market ▼

South African markets closed lower

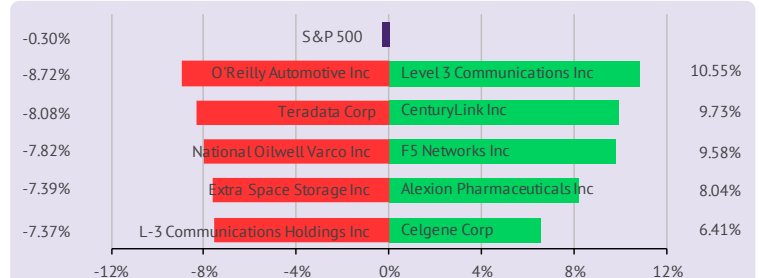
South African markets closed in the red yesterday, amid losses in gold mining sector stocks. Data indicated that the producer price index in South Africa advanced at a slower pace on a yearly basis in September. The JSE All Share Index fell 0.8% to close at 51,139.66.



US Market ▼

The S&P 500 futures are trading in the green

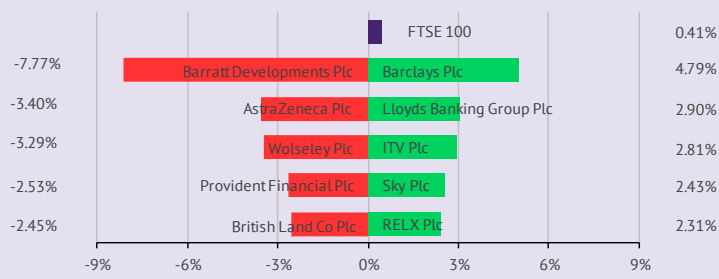
US markets closed lower yesterday, led by losses in real estate sector stocks. Data revealed that durable goods orders in the US unexpectedly fell in September. The S&P 500 Index dropped 0.3% to close at 2,133.04.



UK Market ▲

The FTSE 100 futures are trading in negative territory

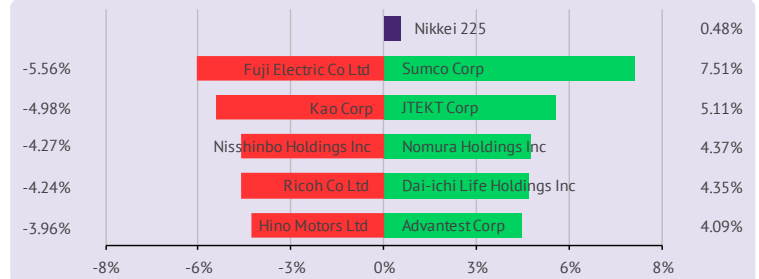
UK markets finished higher yesterday, supported by gains in banking sector stocks. Preliminary data indicated that UK's gross domestic product (GDP) advanced more-than-expected on quarterly basis in 3Q16. The FTSE 100 Index advanced 0.4% to close at 6,986.57.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Earlier in the session, data indicated that Japan's unemployment rate unexpectedly eased in September. The Nikkei 225 Index is trading 0.5% higher at 17,419.45.



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

28 October 2016

GTC
consult • partner • manage

USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar retreated 0.2% against the South African Rand to trade at R13.8400. Later today, traders will keep a close watch on US annualised gross domestic product and personal consumption data along with the Reuters/Michigan consumer sentiment index for further cues.

The US Dollar fell against the South African Rand yesterday, after data indicated that durable goods orders in the US declined unexpectedly in September. Further, the number of Americans filing for first-time unemployment benefits fell less-than-expected in the week ended October 21. Elsewhere, annual producer price inflation in South Africa grew at a slower than expected pace in September.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading marginally weaker against the South African Rand at R16.8600.

The British Pound declined against the South African Rand yesterday, despite data indicating that UK's economy expanded more than market expectations on a quarterly basis in the third quarter of 2016. Additionally, the nation's retailers posted robust increase in sales volume in a year in October.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro declined 0.1% against the South African Rand to trade at R15.1007. Going forward, market participants will keep a tab on the sentiment indices in Eurozone for further direction. Elsewhere, Germany's consumer price index will be on investors' radar.

The Euro weakened against the South African Rand yesterday. Separately, data indicated that Eurozone's private sector loans advanced on an annual basis in September.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% lower against the South African Rand at R10.5087. Earlier in the session, data revealed that Australia's producer prices advanced on a quarterly basis in the third quarter of 2016.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that Australia's export price index advanced 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 yearly basis in September.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.8400	▼	-0.06%	-0.73%	1.04%	-6.85%	-10.39%
GBPZAR	16.8600	▼	-0.80%	-1.40%	-5.26%	-8.01%	-26.03%
EURZAR	15.1007	▼	-0.22%	-0.67%	-2.05%	-6.12%	-10.06%
AUDZAR	10.5087	▼	-0.86%	-0.93%	0.06%	-5.05%	-7.39%
EURUSD	1.0906	▲	-0.12%	0.11%	-3.04%	0.69%	0.26%
GBPUSD	1.2179	▲	-0.69%	-0.59%	-6.25%	-1.26%	-17.51%
Brent (\$/barrel)	50.5	▲	0.98%	-2.53%	0.56%	7.04%	35.38%
Gold (\$/oz)	1272.2	▲	0.23%	0.14%	-3.34%	0.41%	19.74%
Platinum (\$/oz)	972.2	▲	0.46%	3.91%	-6.19%	-2.36%	8.21%
Copper (\$/MT)*	4781.5	▲	1.03%	3.62%	-1.37%	5.26%	1.61%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,272.20/oz.

Yesterday, gold prices rose 0.2% to close at \$1,269.50/oz, as downbeat US durable goods orders data in the US increased uncertainty for an interest rate hike by the US Fed before year-end.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.1% higher to trade at \$50.52/bl.

Yesterday, Brent crude oil advanced 1.0% to settle at \$50.47/bl, after a media report indicated that Energy Ministers from Persian Gulf members of the OPEC, including Saudi Arabia, informed Russia that they are willing to curb oil production by 4%.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.8% higher to trade at \$972.20/oz.

Yesterday, platinum prices climbed 0.5% to close at \$964.90/oz.



ONE Minute Brief

28 October 2016



Major South Africa Corporate News

Clicks Group Limited

In its FY16 results, the company stated that its revenue rose to ZAR25.53bn from ZAR23.28bn recorded in the corresponding period of the previous year. Its diluted EPS increased 14.2% from the same period of the preceding year to 438.50c. For FY17, the company stated that record levels of capital expenditure of ZAR577.00mn will be invested in stores, IT and supply chain to support the growth in the business.

Delta Property Fund Limited

In its results for the six months ended August 31, 2016, the company reported that its revenue advanced significantly from the same period of the preceding year to ZAR757.29mn. Its basic and diluted headline EPS stood at 55.30c, compared with 32.74c recorded in the corresponding period of the previous year. For FY17, the firm remains confident of achieving a full-year distribution growth of between 7.0% and 7.5%.

Redefine International Plc

In its FY16 results, the company reported that its revenue advanced 12.4% from the same period of the preceding year to GBP89.60mn. Its diluted EPS stood at 2.00p, compared with 3.00p recorded in the corresponding period of the previous year. The company declared a second interim dividend of 1.575p/share to be paid on December 12, 2016.

Sibanye Gold Limited

In its trading and operating update for the quarter ended September 30, 2016, the company announced that its FY16 headline EPS would be at least 330.0% higher and normalised EPS would be at least 200.0% higher than in 2015.

Telkom SA SOC Limited

In its trading statement for the six months ended September 30, 2016, the company stated that its headline EPS is expected to increase between 370.0% and 390.0%, compared to the prior corresponding period.

Major Global Economic News

Asia

In September, unemployment rate in Japan dropped unexpectedly to a level of 3.0%, compared to a reading of 3.1% in the prior month. Markets were anticipating unemployment rate to record an unchanged reading.

In September, the national consumer price index (CPI) fell 0.5% on an annual basis in Japan, at par with market expectations. The CPI had registered a similar fall in the prior month.

In Australia, the PPI advanced 0.3% on a quarterly basis, in 3Q16. In the prior quarter, the PPI had advanced 0.1%.

US

In September, the preliminary durable goods orders recorded an unexpected drop of 0.1%, on a monthly basis, in the US, compared to market expectations for an unchanged reading. In the prior month, durable goods orders had advanced 0.1%.

In the US, the seasonally adjusted initial jobless claims dropped to 258.00K in the week ended October 22, 2016, compared to a revised level of 261.00K in the previous week. Market expectation was for initial jobless claims to ease to a level of 256.00K.

In the US, pending home sales recorded a rise of 1.5% on a monthly basis, in September, higher than market expectations for an advance of 1.0%. In the prior month, pending home sales had dropped by a revised 2.5%.

UK

In the UK, the preliminary GDP recorded a rise of 0.5% on a quarterly basis in 3Q16, more than market expectations for an advance of 0.3%. In the previous quarter, GDP had recorded a rise of 0.7%.

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

28 October 2016

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:30	Unemployment Rate (Sep)	✓✓	3.00%*	3.10%	Monthly
Japan	01:30	National Consumer Price Index (YoY) (Sep)	✓✓	-0.50%*	-0.50%	Monthly
Japan	01:30	Tokyo Consumer Price Index (YoY) (Oct)	✓	0.00%*	-0.50%	Monthly
France	07:30	Gross Domestic Product (QoQ) (Q3) (P)	✓	0.30%	-0.10%	Quarterly
France	08:45	Producer Prices (MoM) (Sep)	✓	-	0.00%	Monthly
France	08:45	Consumer Spending (MoM) (Sep)	✓	0.30%	0.70%	Monthly
Spain	09:00	Gross Domestic Product (QoQ) (Q3) (P)	✓	0.70%	0.80%	Quarterly
Spain	09:00	Consumer Price Index (YoY) (Oct) (P)	✓	0.30%	0.20%	Monthly
Switzerland	09:00	KOF Economic Barometer (Oct)	✓✓	101.80	101.30	Monthly
Spain	09:00	Consumer Price Index (MoM) (Oct) (P)	✓	0.80%	0.00%	Monthly
Eurozone	09:30	ECB's Coeure Speaks in Frankfurt	✓	-	-	As scheduled
Eurozone	10:00	ECB Governing Council Member Lane Speaks in London	✓	-	-	As scheduled
Eurozone	11:00	Economic Sentiment Indicator (Oct)	✓	104.90	104.90	Monthly
Eurozone	11:00	Services Sentiment Indicator (Oct)	✓	10.00	10.00	Monthly
Eurozone	11:00	Consumer Confidence Index (Oct) (F)	✓✓	-8.00	-8.00**	Monthly
Eurozone	11:00	Industrial Confidence (Oct)	✓	-1.60	-1.70	Monthly
Eurozone	11:00	Business Climate Indicator (Oct)	✓✓	0.46	0.45	Monthly
Germany	14:00	Consumer Price Index (MoM) (Oct) (P)	✓✓	0.20%	0.10%	Monthly
US	14:30	Gross Domestic Purchases Price Index (QoQ) (Q3) (P)	✓✓✓	1.30%	2.30%	Quarterly
US	14:30	Employment Cost Index (QoQ) (Q3)	✓✓	0.60%	0.60%	Quarterly
US	14:30	Personal Consumption (QoQ) (Q3) (P)	✓✓	2.60%	4.30%	Quarterly
US	14:30	Gross Domestic Product Annualised (QoQ) (Q3) (P)	✓✓✓	2.60%	1.40%	Quarterly
US	16:00	Reuters/Michigan Consumer Sentiment Index (Oct) (F)	✓✓✓	88.10	87.90**	Monthly

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