

ONE Minute Brief

31 October 2016

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Economic and Political News

Citing reports, the Democratic Alliance stated that the National Director of Public Prosecutions (NDPP), Shaun Abrahams, had ignored crucial evidence in his decision to prosecute Finance Minister, Pravin Gordhan and two former top South African Revenue Service (SARS) officials.

South African Airways (SAA) Chairwoman, Dudu Myeni, stated that the airliner posted a loss of ZAR1.5bn in the 2015-16 financial year. Additionally, she mentioned that the airliner needs urgent and radical measures to return to financial sustainability.

United Nations Secretary-General, Ban Ki-moon, warned South Africa that exiting from the International Criminal Court (ICC) could send a wrong message on the country's commitment to justice. Further, Mr Ban Ki-moon also urged the South African President, Jacob Zuma, to reconsider the decision of withdrawing from ICC.

The Department of Energy stated that price of petrol will rise by 45c a litre and diesel prices will increase by 63 cents a litre from November 2.

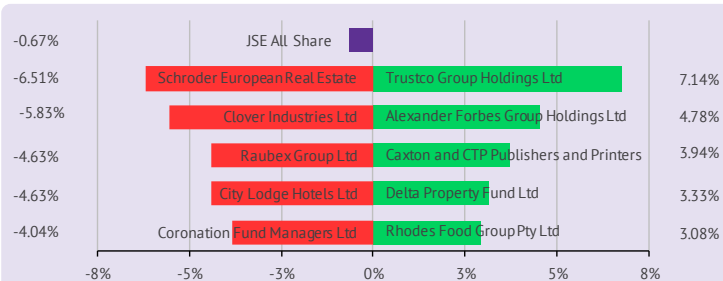
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50797.70	▼	-341.96	-0.67%	NA	-2.22%	-1.49%	0.21%
JSE Top 40	44308.17	▼	-282.88	-0.63%	NA	-2.46%	-1.81%	-3.25%
FTSE 100	6996.26	▲	9.69	0.14%	NA	1.40%	1.74%	12.08%
DAX 30	10696.19	▼	-20.89	-0.19%	NA	1.76%	-0.77%	-0.44%
CAC 40	4548.58	▲	15.01	0.33%	NA	2.26%	0.23%	-1.91%
S&P 500	2126.41	▼	-6.63	-0.31%	NA	-1.93%	-0.12%	4.03%
Nasdaq Composite	5190.10	▼	-25.87	-0.50%	NA	-2.29%	1.89%	3.65%
DJIA	18161.19	▼	-8.49	-0.05%	NA	-0.80%	-0.50%	4.22%

South Africa Market ▼

South African markets closed lower

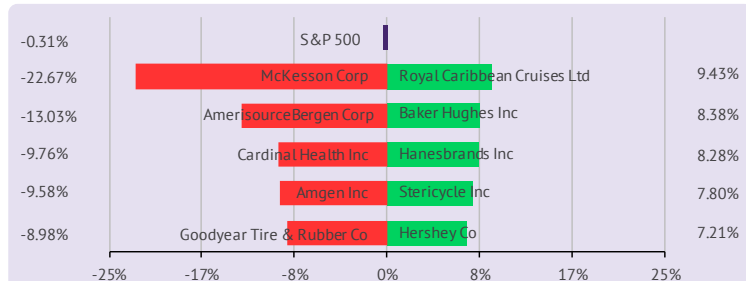
South African markets closed in the red on Friday, amid losses in financial sector stocks. Data indicated that South Africa's budget deficit narrowed in September. The JSE All Share Index fell 0.7% to close at 50,797.70.



US Market ▼

The S&P 500 futures are trading in the green

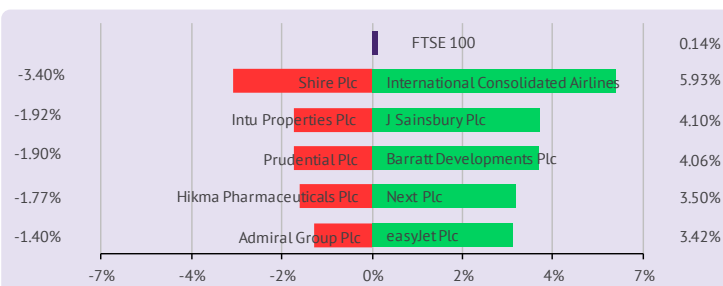
US markets closed lower on Friday, weighed down by losses in health care sector stocks. Preliminary data revealed that annualised gross domestic product in the US expanded more-than-expected in the third quarter of 2016. The S&P 500 Index dropped 0.3% to close at 2,126.41.



UK Market ▲

The FTSE 100 futures are trading in positive territory

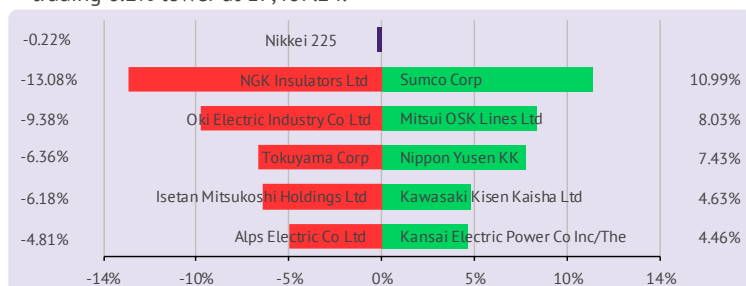
UK markets finished higher on Friday, supported by gains in consumer discretionary sector stocks. The FTSE 100 Index advanced 0.1% to close at 6,996.26.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. Earlier in the session, preliminary data indicated that Japan's industrial production came in flat on a monthly basis in September. The Nikkei 225 Index is trading 0.2% lower at 17,407.24.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.4% lower against the South African Rand at R13.7622. Later today, traders will keep a close watch on US personal income and spending data along with Dallas Fed manufacturing activity index for further cues. Additionally, South Africa's private sector credit and trade balance data will be on investors' radar.

The US Dollar rose against the South African Rand on Friday, after preliminary data indicated that US economy grew more-than-expected in the third quarter of 2016, expanding at its quickest pace in two years. Moreover, the annual growth in personal consumption slowed more-than-expected during the same period. Meanwhile, the final reading on the Reuters/Michigan consumer sentiment index was revised lower in October. Elsewhere, South Africa's budget deficit narrowed considerably in September.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound retreated 0.4% against the South African Rand to trade at R16.7740. Later today, traders will keep an eye on UK's net consumer credit and mortgage approvals for further direction.

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

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro retreated 0.6% against the South African Rand to trade at R15.0952. Going forward, market participants will keep a tab on Eurozone's gross domestic product and consumer price index scheduled for release in a few hours.

The Euro strengthened against the South African Rand on Friday, after data indicated that Eurozone's economic sentiment indicator rose higher than market expectations in October, notching its highest reading since December 2015. Moreover, the region's business climate indicator advanced in the same month, registering its highest reading since July 2011. Further, services sentiment indicator surprisingly advanced in October. Separately, Germany's preliminary consumer price index advanced in line with market expectations on a monthly basis in October.

AUDZAR ▼

AUD trading xx against ZAR

At 06:00 SAST, the Australian Dollar dropped 0.3% against the South African Rand to trade at R10.4662. Earlier in the session, data indicated that Australia's private sector credit rose on monthly basis in August.

The Australian Dollar fell against the South African Rand on Friday. Data revealed that Australia's producer prices advanced on a quarterly basis in the third quarter of 2016.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.7622	▼	-0.32%	NA	0.72%	-6.85%	-10.67%
GBPZAR	16.7740	▼	-0.12%	NA	-5.37%	-8.01%	-26.11%
EURZAR	15.0952	▼	0.44%	NA	-1.61%	-6.12%	-9.66%
AUDZAR	10.4662	▼	-0.23%	NA	-0.17%	-5.05%	-7.60%
EURUSD	1.0968	▼	0.82%	NA	-2.24%	0.69%	1.07%
GBPUSD	1.2184	▲	0.16%	NA	-6.11%	-1.26%	-17.38%
Brent (\$/barrel)	49.4	▼	-1.51%	NA	-0.96%	7.04%	33.34%
Gold (\$/oz)	1277.6	▲	0.58%	NA	-2.78%	0.41%	20.43%
Platinum (\$/oz)	979.1	▼	1.71%	NA	-4.59%	-2.36%	10.06%
Copper (\$/MT)*	4831.5	▲	1.05%	NA	-0.34%	5.26%	2.67%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,277.60/oz.

On Friday, gold prices rose 0.3% to close at \$1,276.80/oz, as weakness in the US Dollar reduced demand for the precious metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.6% lower to trade at \$49.43/bl.

On Friday, Brent crude oil dropped 2.1% to settle at \$49.71/bl, as uncertainty rose surrounding OPEC's ability to freeze production. Moreover, Baker Hughes reported that US oil rig count fell by 2 to 441 last week.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices declined 0.2% to trade at \$979.10/oz.

On Friday, platinum prices climbed 2.0% to close at \$981.40/oz.



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Major South Africa Corporate News

Impala Platinum Holdings Limited

In its production report for the period 1 July to 30 September 2016, the company, announced that its gross refined platinum production during the quarter increased by 20.0% to 365,200 oz, compared with 304,100 oz reported in the prior corresponding period. This was primarily due to sustained good operational performances from Zimplats, Marula, Mimosa, Two Rivers and Impala Refining Services (IRS) and the impact of planned furnace maintenance at the Impala Rustenburg smelters last year.

Tiger Brands Limited

In its trading update for the year ended 30 September 2016, the company, indicated that its headline EPS from continuing operations except Tiger Branded Consumer Goods Plc is expected to be between 2,091c and 2,154c or between an unchanged amount and 3.0% higher than the 2,091c reported for the comparative period.

Major Global Economic News

Eurozone

In the Eurozone, the economic sentiment indicator recorded an unexpected rise to a level of 106.30 in October, compared to market expectations of a steady reading. In the prior month, the economic sentiment indicator had recorded a level of 104.90.

In October, the services sentiment indicator in the Eurozone unexpectedly advanced to a level of 12.00, compared to market expectations of a steady reading. In the previous month, the services sentiment indicator had recorded a reading of 10.00.

The business climate indicator in the Eurozone advanced to 0.55 in October, compared to a revised reading of 0.44 in the prior month. Market expectation was for the business climate indicator to rise to 0.46.

In Germany, the preliminary consumer price index (CPI) advanced 0.2% on a monthly basis, in October, meeting market expectations. The CPI had registered a rise of 0.1% in the previous month.

Asia

In Japan, the flash industrial production came in flat on a monthly basis, in September, compared to a rise of 1.3% in the prior month. Market expectation was for industrial production to advance 0.9%.

In September, retail trade in Japan came in flat on a monthly basis, compared to a revised fall of 1.2% in the prior month. Market expectation was for retail trade to climb 0.2%.

The private sector credit in Australia rose 0.4% in September on a monthly basis, meeting market expectations. In the prior month, the private sector credit had registered a similar rise.

US

In 3Q16, the flash annualised gross domestic product recorded a rise of 2.9% in the US, on a quarterly basis, compared to a rise of 1.4% in the prior quarter. Market expectation was for the annualised GDP to advance 2.6%.

In the US, the final Reuters/Michigan consumer sentiment index eased to 87.20 in October, lower than market expectations of a fall to a level of 88.20. The preliminary figures had indicated a fall to 87.90 and the index had registered a reading of 91.20 in the previous month.

In 3Q16, the preliminary personal consumption climbed 2.1% on a quarterly basis in the US, compared to an advance of 4.3% in the prior quarter. Market expectation was for personal consumption to advance 2.6%.



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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Kumba Iron Ore Ltd	137	7.50%	10.73%	233.11%
Assore Ltd	173	9.08%	16.51%	178.58%
Harmony Gold Mining Company Ltd	42	-5.68%	-12.99%	170.51%
ArcelorMittal South Africa Ltd	12	6.99%	35.84%	168.67%
Anglo American Plc	185	-1.02%	7.99%	168.31%
African Rainbow Minerals Ltd	97	5.42%	17.76%	123.25%
Exxaro Resources Ltd	98	3.49%	15.35%	121.62%
Impala Platinum Holdings Ltd	54	0.13%	-21.96%	116.61%
South32 Ltd	26	-6.13%	-0.68%	116.28%
Niveus Investments Ltd	40	0.00%	8.11%	100.00%
Pan African Resources Plc	3	-6.20%	-7.20%	98.86%
Glencore Plc	41	0.84%	8.41%	96.83%
Bidvest Group Ltd	167	-1.22%	3.32%	87.76%
Northam Platinum Ltd	49	-6.15%	-5.07%	86.66%
Anglo American Platinum Ltd	329	0.30%	-14.86%	77.51%
AngloGold Ashanti Ltd	184	-6.56%	-16.80%	73.62%
Lonmin Plc	31	-2.30%	-13.89%	69.34%
Blue Label Telecoms Ltd	20	-4.99%	6.32%	66.26%
Sibanye Gold Ltd	38	-13.68%	-24.12%	64.25%
African Oxygen Ltd	20	-1.25%	-3.66%	51.92%
Royal Bafokeng Platinum Ltd	40	-6.91%	-21.48%	51.03%
Raubex Group Ltd	25	-2.16%	-0.16%	45.40%
Imperial Holdings Ltd	169	3.43%	1.14%	41.61%
Coronation Fund Managers Ltd	74	-4.97%	5.13%	39.58%
Barloworld Ltd	86	-1.11%	2.98%	38.37%
Clicks Group Ltd	122	-0.08%	-4.22%	36.82%
Ascendis Health Ltd	27	-5.09%	-3.34%	35.47%
Shoprite Holdings Ltd	191	0.26%	-0.20%	33.32%
Santam Ltd	244	-1.68%	8.86%	33.26%
Gold Fields Ltd	56	-8.93%	-16.58%	32.44%
Cashbuild Ltd	390	-0.24%	-7.56%	30.03%
Tongaat Hulett Ltd	120	0.17%	2.01%	29.37%
Wilson Bayly Holmes - Ovcon Ltd	145	2.14%	-5.90%	28.03%
Tsogo Sun Holdings Ltd	31	0.46%	-1.48%	26.78%
Capitec Bank Holdings Ltd	674	0.15%	4.92%	25.15%
Murray & Roberts Holdings Ltd	10	0.40%	-10.15%	25.00%
Invicta Holdings Ltd	56	-2.12%	-0.95%	23.58%
Standard Bank Group Ltd	139	0.06%	-1.13%	22.54%
Omnia Holdings Ltd	163	-0.51%	-3.56%	22.44%
Group Five Ltd	24	-1.02%	-12.40%	21.32%
JSE All Share Index	50798	-1.61%	-2.22%	0.21%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Industrial Production (MoM) (Sep) (P)	✓	0.00%*	1.30%	Monthly
Japan	01:50	Retail Trade (YoY) (Sep)	✓✓	-1.90%*	-2.20%	Monthly
Japan	01:50	Large Retailer's Sales (Sep)	✓✓	-3.20%*	-3.60%	Monthly
Japan	01:50	Retail Trade s.a (MoM) (Sep)	✓	0.00%*	-1.20%	Monthly
UK	02:01	Lloyds Business Barometer (Oct)	✓	37.00*	24.00	Monthly
Japan	06:00	Vehicle Production (YoY) (Sep)	✓	-	8.80%	Monthly
Japan	07:00	Construction Orders (YoY) (Sep)	✓	-	13.80%	Monthly
Japan	07:00	Housing Starts (YoY) (Sep)	✓	5.20%	2.50%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Sep)	✓	6.00%	6.15%	Monthly
Germany	09:00	Retail Sales (MoM) (Sep)	✓✓	0.20%	-0.40%	Monthly
Spain	11:00	Current Account Balance (Aug)	✓	-	EUR3.00bn	Monthly
UK	11:30	Net Consumer Credit (Sep)	✓✓	GBP1.50bn	GBP1.60bn	Monthly
UK	11:30	Mortgage Approvals (Sep)	✓✓	61.50 K	60.10 K	Monthly
Eurozone	12:00	Gross Domestic Product s.a. (QoQ) (Q3) (P)	✓✓	0.30%	0.30%	Quarterly
Eurozone	12:00	Consumer Price Index - Core (YoY) (Oct) (P)	✓✓✓	0.80%	0.80%	Monthly
Greece	12:00	Retail Sales (YoY) at constant prices (Aug)	✓	3.20%	9.70%	Monthly
Eurozone	12:00	Consumer Price Index (YoY) (Oct) (P)	✓✓✓	0.50%	0.40%	Monthly
South Africa	14:00	Trade Balance (Sep)	✓	ZAR0.80bn	-ZAR8.60bn	Monthly
US	14:30	Personal Income (MoM) (Sep)	✓✓	0.40%	0.20%	Monthly
US	14:30	Personal Spending (Sep)	✓✓	0.40%	0.00%	Monthly
Canada	14:30	Industrial Product Price (MoM) (Sep)	✓	0.40%	-0.50%	Monthly
Canada	14:30	Raw Material Price Index (Sep)	✓	0.50%	-0.70%	Monthly
US	15:45	Chicago PMI (Oct)	✓	54.00	54.20	Monthly
US	16:30	Dallas Fed Manufacturing Business Index (Oct)	✓	2.00	-3.70	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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