

ONE Minute Brief

8 November 2016

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Economic and Political News

In South Africa, the net gold & forex reserves recorded a drop to USD41.80bn in October, compared to market expectations of a fall to a level of USD41.70bn. In the prior month, the net gold & forex reserves had registered a level of USD41.95bn.

Moody's has indicated that chances of South Africa avoiding a credit rating downgrade will be boosted by the recent three-year wage agreement between key producers and mine workers in the platinum sector.

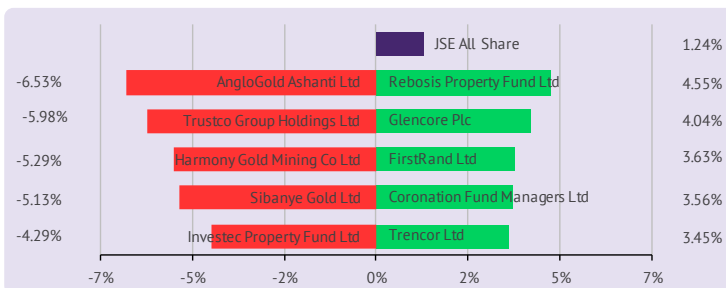
Presidency spokesman, Bongani Ngqulunga, announced that it has filed a complaint with the Public Protector's office regarding the leaking of an audio recording of President, Jacob Zuma's interview with Former Public Protector, Thuli Madonsela, during the investigation of state capture report.

NPA Head, Shaun Abrahams, announced that reports suggesting Finance Minister, Pravin Gordhan, is facing charges before Christmas were entirely without merit.

South Africa Market ▲

South African markets closed higher

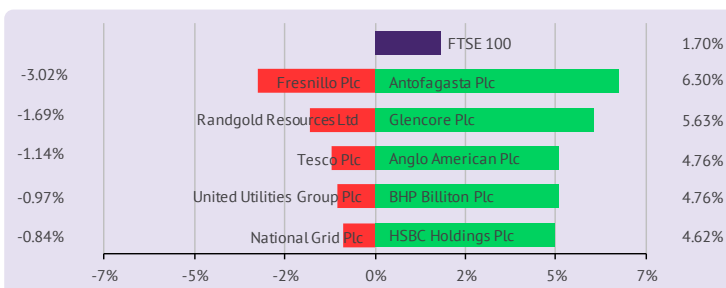
South African markets closed in the green yesterday, amid gains in banking, financial and retail sector stocks. The JSE All Share Index rose 1.2% to close at 50,303.77.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, led by gains in mining sector stocks. The FTSE 100 Index advanced 1.7% to close at 6,806.90.



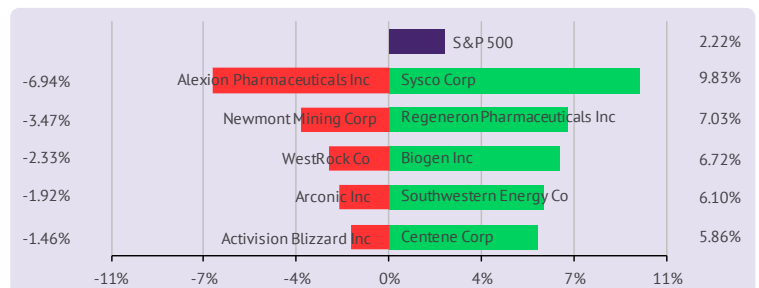
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50303.77	▲	617.67	1.24%	1.24%	-0.57%	-2.62%	-0.77%
JSE Top 40	43842.82	▲	613.17	1.42%	1.42%	-0.40%	-3.10%	-4.27%
FTSE 100	6806.90	▲	113.64	1.70%	1.70%	-2.12%	0.80%	9.04%
DAX 30	10456.95	▲	197.82	1.93%	1.93%	-1.95%	1.47%	-2.66%
CAC 40	4461.21	▲	83.75	1.91%	1.91%	-1.07%	1.37%	-3.79%
S&P 500	2131.52	▲	46.34	2.22%	2.22%	0.25%	-1.94%	4.28%
Nasdaq Composite	5166.17	▲	119.80	2.37%	2.37%	-0.44%	-2.31%	3.17%
DJIA	18259.60	▲	371.32	2.08%	2.08%	0.65%	-0.91%	4.79%

US Market ▲

The S&P 500 futures are trading in the red

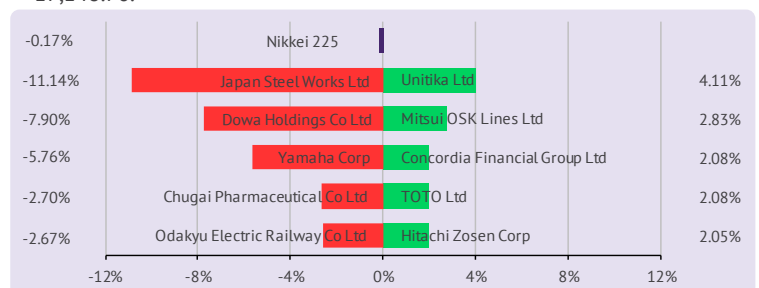
US markets closed higher yesterday, supported by gains in health care sector stocks. Data revealed that consumer credit in the US rose more-than-expected in September. The S&P 500 Index climbed 2.2% to close at 2,131.52.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data indicated that China's trade surplus in US Dollar terms expanded less-than-expected in October. The Nikkei 225 Index is trading 0.2% lower at 17,148.70.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% firmer against the South African Rand at R13.3900. Later today, traders will keep a close watch on US Presidential elections and NFIB small business optimism index along with Jolts job openings for further direction.

The US Dollar fell against the South African Rand yesterday. Data indicated that consumer credit in the US advanced more than market expectations in September.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.3% higher against the South African Rand at R16.6030. Earlier in the session, data revealed that UK's BRC like-for-like retail sales increased more-than-expected on a yearly basis in October. Later today, traders will keep an eye on UK's NIESR gross domestic product estimate along with manufacturing and industrial data for further cues.

The British Pound declined against the South African Rand yesterday.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro advanced 0.3% against the South African Rand to trade at R14.7924. Going forward, market participants will keep a tab on Germany's trade balance and industrial production data scheduled in few hours.

The Euro weakened against the South African Rand yesterday. Data indicated that the Sentix investor confidence index in the Eurozone advanced more-than-expected in November. Meanwhile, retail sales fell less-than-expected on a monthly basis in September. Elsewhere, Germany's factory orders unexpectedly dropped on a monthly basis in September. Whereas, the nation's Markit construction PMI expanded at a faster pace in October.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally firmer against the South African Rand at R10.3090. Earlier in the session, data indicated that Australia's NAB business confidence dropped in October, while business conditions eased in the same month. Elsewhere, in China, Australia's largest trading partner, trade surplus in Dollar terms widened less than market expectations in October.

The Australian Dollar fell against the South African Rand yesterday. Data indicated that Australia's performance of construction index contracted on a monthly basis, in October, to a 20 month low.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.3900	▲	-1.67%	-1.67%	-0.86%	-1.91%	-13.76%
GBPZAR	16.6030	▲	-2.51%	-2.51%	0.42%	-7.38%	-27.37%
EURZAR	14.7924	▲	-2.47%	-2.47%	-0.31%	-4.15%	-12.26%
AUDZAR	10.3090	▲	-0.99%	-0.99%	0.65%	-2.60%	-9.27%
EURUSD	1.1038	=	-0.87%	-0.87%	0.54%	-2.28%	1.58%
GBPUSD	1.2390	▼	-0.97%	-0.97%	1.26%	-5.63%	-15.91%
Brent (\$/barrel)	46.2	▲	1.25%	1.25%	-5.06%	-3.15%	23.79%
Gold (\$/oz)	1283.4	▲	-1.92%	-1.92%	0.49%	-3.06%	20.68%
Platinum (\$/oz)	1003.1	▲	-0.31%	-0.31%	2.33%	-4.86%	12.30%
Copper (\$/MT)*	5079.8	▲	2.05%	2.05%	4.93%	-0.14%	7.95%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.3% higher to trade at \$1,283.40/oz.

Yesterday, gold prices fell 1.9% to close at \$1,279.40/oz, as strength in the US Dollar and a rally in global equity markets reduced demand for the precious metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.1% higher to trade at \$46.21/bl.

Yesterday, Brent crude oil advanced 1.3% to settle at \$46.15/bl, after the OPEC's Secretary-General, Mohammed Barkindo, reiterated that the cartel remains committed to a deal to slash production made in Algiers late September. Moreover, an earthquake at the Cushing storage hub in Oklahoma raised concerns about crude supply.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$1,003.10/oz.

Yesterday, platinum prices declined 0.3% to close at \$1001.40/oz.



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Major South Africa Corporate News

Advtech Limited

The company announced the acquisition of Glenwood House School in George, Western Cape. Glenwood House School includes a Pre-Preparatory, Preparatory and College offering grade 000 to 12 with just over 800 students being added to the Schools division plus capacity for organic growth.

Gold Fields Limited

The company announced that it is buying half of Western Australian project Gruyere for AUD350mn (about ZAR3.65bn) from Sydney-listed Gold Road Resources.

Raubex Group Limited

In its 1H17 results, the company reported that its revenue advanced 22.5% from the same period of the preceding year to ZAR4.76bn. Its diluted EPS stood at 131.90c, compared with 107.10c recorded in the corresponding period of the previous year. Separately, the company declared a gross interim cash dividend from income reserves of 45.00c/share on November 7, 2016 for the six-month period ended August 31, 2016.

The SPAR Group Limited

In its FY16 trading statement, the company stated that it expects its headline EPS to be between 20.0% to 25.0% higher than the prior year.

Major Global Economic News

Asia

In Australia, the business confidence index fell to a level of 4.00 in October. In the prior month, the index had registered a level of 6.00.

In October, trade surplus rose to USD49.06bn in China, from a surplus of USD41.99bn in the previous month. Markets were expecting the nation's trade surplus to expand to USD51.70bn.

In China, exports fell 7.3% on an annual basis in October, more than market expectations for a fall of 6.0%. In the prior month, exports had recorded a drop of 10.0%.

In October, imports registered a drop of 1.4% on an annual basis in China, compared to a fall of 1.9% in the previous month. Markets were anticipating imports to drop 1.0%.

US

In the US, consumer credit advanced USD19.30bn, in September. Consumer credit had advanced USD25.87bn in the prior month.

Eurozone

In the Eurozone, the investor confidence index climbed to 13.10 in November, higher than market expectations of a rise to a level of 8.60. In the prior month, the index had recorded a level of 8.50.

In September, the seasonally adjusted retail sales eased 0.2% on a monthly basis in the Eurozone, compared to a revised similar fall in the prior month. Markets were expecting retail sales to drop 0.3%.

In Germany, the seasonally adjusted factory orders recorded an unexpected drop of 0.6% on a monthly basis in September, compared to market expectations for a rise of 0.2%. Factory orders had risen by a revised 0.9% in the prior month.

UK

In October, the BRC retail sales across all sectors advanced 1.7% on a yearly basis, in the UK, higher than market expectations for a rise of 0.6%. Retail sales had registered a rise of 0.4% in the previous month.

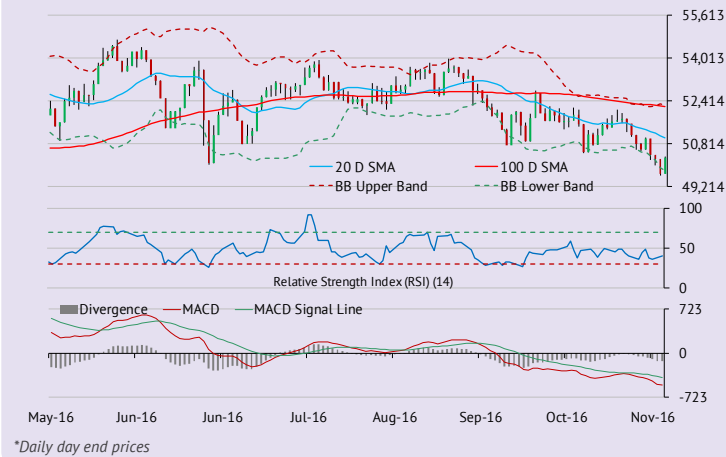
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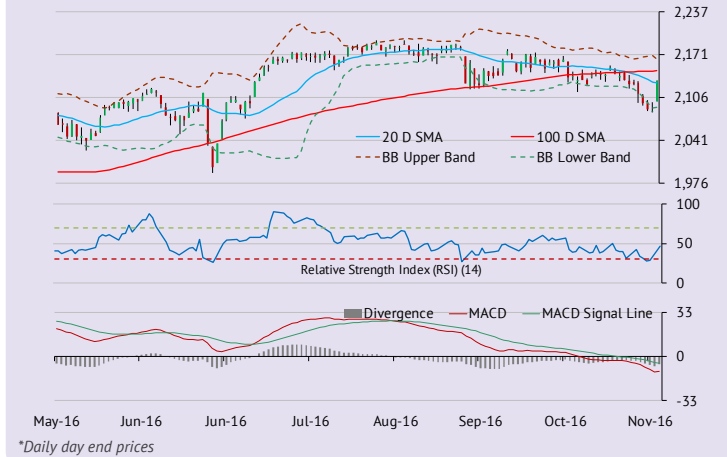
Technical Snapshot

JSE All Share



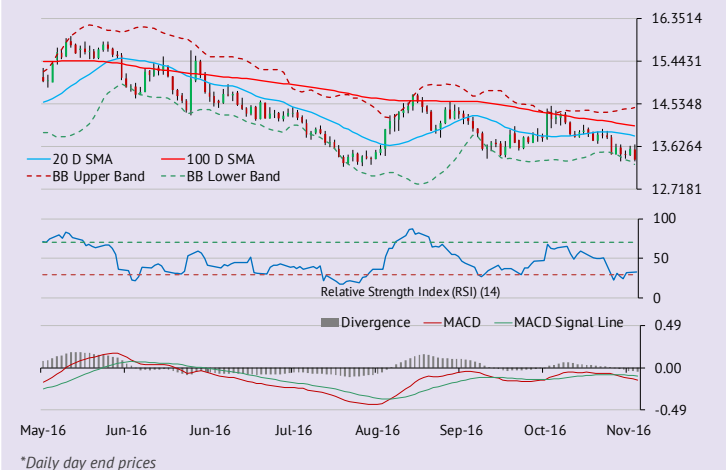
The JSE All Share index is expected to find support at 49,597.17, and a fall through could take it to the next support level of 48,890.56. The index is expected to find its first resistance at 51,024.11, and a rise through could take it to the next resistance level of 51,744.44.

S&P 500



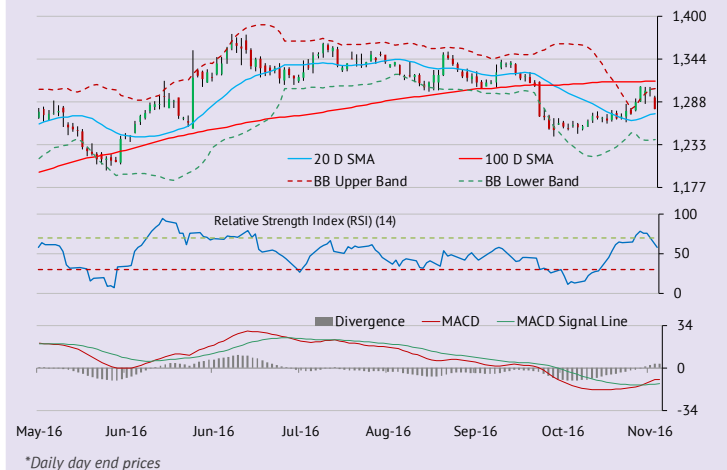
The S&P 500 index is expected to find support at 2,099.54, and a fall through could take it to the next support level of 2,067.56. The index is expected to find its first resistance at 2,147.75, and a rise through could take it to the next resistance level of 2,163.98.

USDZAR



The pair is expected to find support at 13.2066, and a fall through could take it to the next support level of 13.0695. The pair is expected to find its first resistance at 13.5804, and a rise through could take it to the next resistance level of 13.8171.

XAU/USD



Gold is expected to find support at \$1,267.37/oz, and a fall through could take it to the next support level of \$1,255.33/oz. The precious metal is expected to find its first resistance at \$1,300.37/oz, and a rise through could take it to the next resistance level of \$1,321.33/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Japan Foreign Reserves (Oct)	✓	USD1242.80bn*	USD1260.10bn	Monthly
UK	02:01	BRC Retail Sales Monitor - All (YoY) (Oct)	✓	1.70%*	0.40%	Monthly
China	04:40	Imports (YoY) (Oct)	✓✓	-1.40%*	-1.90%	Monthly
China	04:40	Trade Balance (Oct)	✓✓	USD49.06bn*	USD41.99bn	Monthly
China	04:40	Exports (YoY) (Oct)	✓✓	-7.30%*	-10.00%	Monthly
Japan	07:00	Coincident Index (Sep) (P)	✓	112.10	112.00	Monthly
Japan	07:00	Leading Economic Index (Sep) (P)	✓✓	100.50	100.90	Monthly
Switzerland	08:45	Unemployment Rate s.a. (Oct)	✓✓	3.30%	3.30%	Monthly
Germany	09:00	Exports s.a. (MoM) (Sep)	✓	-0.80%	5.40%	Monthly
Germany	09:00	Imports s.a. (MoM) (Sep)	✓	-0.20%	3.00%	Monthly
Germany	09:00	Trade Balance s.a. (Sep)	✓✓	EUR22.40bn	EUR20.00bn	Monthly
France	09:45	Budget Balance (Sep)	✓	-	-EUR96.00bn	Monthly
France	09:45	Current Account (Sep)	✓	-	-EUR2.10bn	Monthly
France	09:45	Trade Balance (Sep)	✓	-EUR4.20bn	-EUR4.26bn	Monthly
UK	11:30	Industrial Production (MoM) (Sep)	✓	0.00%	-0.40%	Monthly
UK	11:30	Manufacturing Production (MoM) (Sep)	✓	0.40%	0.20%	Monthly
US	13:00	NFIB Small Business Optimism (Oct)	✓	94.10	94.10	Monthly
Canada	15:15	Housing Starts s.a (Oct)	✓✓	195.00K	220.60K	Monthly
Canada	15:30	Building Permits (MoM) (Sep)	✓	-5.80%	10.40%	Monthly
US	15:55	Redbook Index s.a. (MoM) (04-Nov)	✓	-	-0.10%	Weekly
UK	17:00	NIESR GDP Estimate (3M) (Oct)	✓✓✓	-	0.40%	Monthly
US	17:00	JOLTs Job Openings (Sep)	✓	5488.00K	5443.00K	Monthly
US	19:20	Fed's Evans Speaks on Economy and Policy in New York	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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