

ONE Minute Brief

10 November 2016

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Economic and Political News

South Africa's SACCI business confidence index recorded a rise to 93.00 in South Africa, in October. The index had recorded a level of 90.30 in the prior month.

Democratic Alliance (DA) stated that it has written an application to President, Jacob Zuma, requesting him to suspend NPA Head, Shaun Abrahams. Moreover, the party asked South Africans to urge MP's to vote in favour of the no confidence motion against President, Jacob Zuma.

The South African Reserve Bank (SARB) revealed that the nation's weak economic growth and heightened political risk are a threat to its investment grade sovereign credit rating.

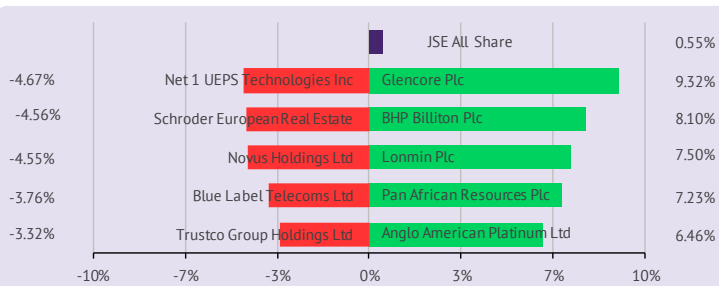
African National Congress (ANC) parliamentary Chief Whip, Jackson Mthembu, announced that the party will not support a no confidence vote against President, Jacob Zuma proposed by the DA.

Freedom Under Law and the Helen Suzman Foundation, filed an urgent application requesting President, Jacob Zuma, to suspend the head of the NPA, Shaun Abrahams pending an inquiry into their fitness to hold office.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green yesterday, amid gains in gold, resources and platinum mining sector stocks. Data indicated that South Africa's SACCI business confidence index advanced on a monthly basis in October. The JSE All Share Index rose 0.6% to close at 50,977.85.



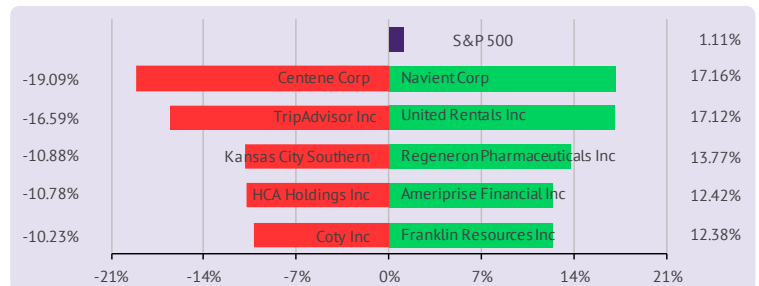
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50977.85	▲ 277.15	0.55%	2.60%	0.77%	-2.62%	0.56%
JSE Top 40	44494.27	▲ 294.48	0.67%	2.93%	1.08%	-3.10%	-2.85%
FTSE 100	6911.84	▲ 68.71	1.00%	3.27%	-0.61%	0.80%	10.73%
DAX 30	10646.01	▲ 163.69	1.56%	3.77%	-0.18%	1.47%	-0.90%
CAC 40	4543.48	▲ 66.59	1.49%	3.79%	0.76%	1.37%	-2.02%
S&P 500	2163.26	▲ 23.70	1.11%	3.74%	1.75%	-1.94%	5.84%
Nasdaq Composite	5251.07	▲ 57.58	1.11%	4.06%	1.19%	-2.31%	4.87%
DJIA	18589.69	▲ 256.95	1.40%	3.92%	2.47%	-0.91%	6.68%

US Market ▲

The S&P 500 futures are trading in the red

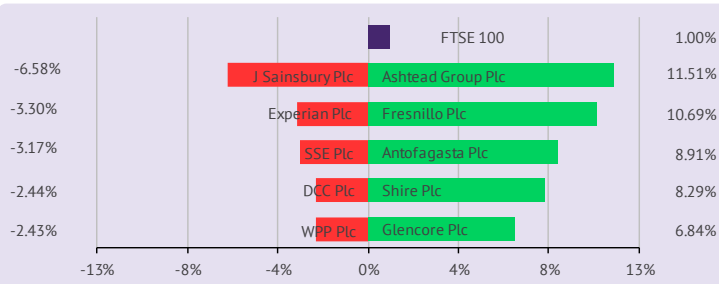
US markets closed higher yesterday, led by gains in financial sector stocks as traders assessed Donald Trump's victory in the US Presidential elections. The S&P 500 Index climbed 1.1% to close at 2,163.26.



UK Market ▲

The FTSE 100 futures are trading in positive territory

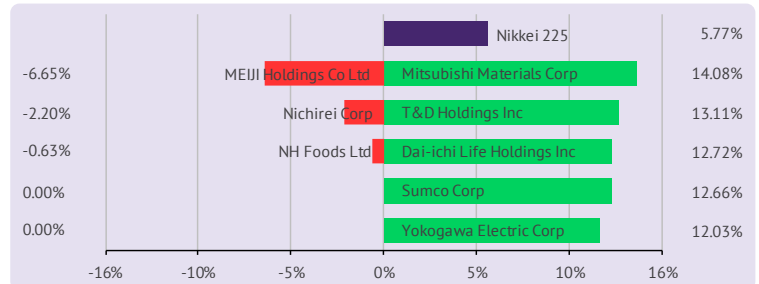
UK markets finished higher yesterday, supported by gains in material and industrial sector stocks. Data indicated that UK's trade deficit rose more-than-expected in September. The FTSE 100 Index advanced 1.0% to close at 6,911.84.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. Data revealed that machine orders in Japan dropped more-than-expected on a monthly basis in September. The Nikkei 225 Index is trading 5.8% higher at 17189.45.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar climbed 0.1% against the South African Rand to trade at R13.4480. Later today, traders will keep a close watch on US initial jobless claims for further cues.

The US Dollar rose against the South African Rand yesterday, after Donald Trump won the US Presidential elections. Further, wholesale inventories in the US increased less-than-expected in September, while wholesale trade sales dropped more than anticipated on a monthly basis in September. Additionally, mortgage applications declined in November. Elsewhere, in South Africa SACCI business confidence expanded on a monthly basis in October.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R16.6970. Later today, traders will keep an eye on UK's RICS house price balance for further direction.

The British Pound advanced against the South African Rand yesterday. Data indicated that total trade deficit in the UK widened at a faster pace more than market expectations in September.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro gained 0.3% against the South African Rand to trade at R14.7063.

The Euro strengthened against the South African Rand yesterday.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.5% higher against the South African Rand at R10.3052. Earlier in the session, data indicated that home loans unexpectedly rose on a monthly basis in September, while consumer inflation expectation declined in November.

The Australian Dollar rose against the South African Rand yesterday. Data indicated that Australia's Westpac Consumer Confidence declined in November for the first time in four months. Elsewhere, in China, Australia's largest trading partner, consumer price index advanced in line with market expectations on a yearly basis in October. Further, nation's producer price index rose more-than-expected on an annual basis in the same month.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.4480	▲	1.97%	-0.96%	-0.15%	-1.91%	-13.14%
GBPZAR	16.6970	▲	2.22%	-1.79%	1.16%	-7.38%	-26.84%
EURZAR	14.7063	▲	0.84%	-3.01%	-0.86%	-4.15%	-12.75%
AUDZAR	10.3052	▲	0.29%	-1.46%	0.17%	-2.60%	-9.70%
EURUSD	1.0937	▲	-1.03%	-2.03%	-0.64%	-2.28%	0.39%
GBPUSD	1.2416	▲	0.22%	-0.90%	1.32%	-5.63%	-15.86%
Brent (\$/barrel)	46.4	▲	0.70%	1.71%	-4.63%	-3.15%	24.36%
Gold (\$/oz)	1286.5	▲	-0.08%	-2.38%	0.03%	-3.06%	20.12%
Platinum (\$/oz)	1004.0	▲	-0.53%	-0.12%	2.52%	-4.86%	12.52%
Copper (\$/MT)*	5399.0	▲	3.45%	8.47%	11.53%	-0.14%	14.73%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 1% higher to trade at \$1,286.50/oz.

Yesterday, gold prices fell 0.1% to close at \$1,273.50/oz, amid strength in the US Dollar.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0% higher to trade at \$46.38/bl.

Yesterday, Brent crude oil advanced 0.7% to settle at \$46.36/bl, amid uncertainty following the victory of Mr. Donald Trump in the US Presidential Elections and as investors assessed the effect of his foreign and energy policies. Meanwhile, the Energy Information Administration (EIA) indicated that US crude oil inventories rose by 2.40mn bls last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose 0.1% to trade at \$1,004.00/oz.

Yesterday, platinum prices declined 0.5% to close at \$1003.30/oz.

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Major South Africa Corporate News

Consolidated Infrastructure Group Limited

In its FY16 results, the company revealed that its revenue advanced 25.7% from the preceding year to ZAR4.53bn. Its diluted headline EPS stood at 248.40c, compared with 214.50c recorded in the previous year. Its profit before tax fell to ZAR295.07mn from ZAR301.23mn posted in last year.

Lewis Group Limited

In its 1H17 results, the company stated that its revenue decreased to ZAR2.75bn from ZAR2.80bn recorded in the corresponding period of the previous year. Its diluted headline EPS fell significantly from the same period of the preceding year to 194.50c. Separately, the newly acquired stores in the rest of Africa are expected to make a solid contribution to the group's revenue and profitability in the medium term.

Nampak Limited

In its trading statement for FY16, the company indicated that its headline EPS from continuing operations will differ by more than 20.0% from the results of the previous year, adversely impacted by higher interest costs and a higher tax rate compared with the previous year. It expects its trading profit before abnormal items to increase between 2.0% and 7.0%, supported by the turnaround at Glass, good trading in the rest of Africa, particularly Nigeria, volume increases from new customers and benefits from business and operational improvements.

Major Global Economic News

Asia

In Australia, the seasonally adjusted home loan approvals unexpectedly rose 1.6% on a monthly basis, in September, higher than market expectations for a drop of 1.6%. Home loan approvals had recorded a revised drop of 2.7% in the prior month.

In November, the consumer inflation expectations recorded a drop to 3.2%, in Australia. In the prior month, the consumer inflation expectations had recorded a reading of 3.7%.

As per the Bank of Japan's (BoJ) latest summary of opinions report, not all policymakers believe that the central bank's inflation target is attainable within the projected period. The BoJ has predicted the year-on-year consumer price index to reach its 2.0% target around fiscal 2018. Timing of 2.0% CPI target remains a contentious issue.

In September, machinery orders registered a drop of 3.3% on a monthly basis, in Japan, more than market expectations for a drop of 2.0%. In the prior month, machinery orders had recorded a drop of 2.2%.

UK

In the UK, total trade deficit rose to GBP5.22bn in September, following a revised total trade deficit of GBP3.77bn in the prior month. Market anticipation was for the nation to record a total trade deficit of GBP3.95bn.

US

In September, the seasonally adjusted final wholesale inventories recorded a rise of 0.1% on a monthly basis in the US, compared to a revised drop of 0.1% in the prior month. The preliminary figures had recorded a rise of 0.2%. Market expectation was for the wholesale inventories to advance 0.2%.

In the US, mortgage applications dropped 1.2%, in the week ended 04 November 2016. Mortgage applications had registered a similar fall in the prior week.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Machinery Orders (MoM) (Sep)	✓	-3.30%*	-2.20%	Monthly
Japan	01:50	Machinery Orders (YoY) (Sep)	✓✓	4.30%*	11.60%	Monthly
Japan	01:50	Money Supply M3 (YoY) (Oct)	✓	3.20%*	3.00%	Monthly
UK	02:01	RICS Housing Price Balance (Oct)	✓✓	23.00%*	18.00%	Monthly
Eurozone	03:00	OECD Economic Outlook	✓✓	-	-	As scheduled
Japan	04:00	Tokyo Average Office Vacancies (Oct)	✓	3.64%*	3.70%	Monthly
US	04:00	Fed's Williams Speaks on Economic Outlook in San Francisco	✓	-	-	As scheduled
Japan	08:00	Machine Tool Orders (YoY) (Oct) (P)	✓✓	-	-6.30%	Monthly
France	09:45	Nonfarm Payrolls (QoQ) (Q3) (P)	✓	0.10%	0.20%	Quarterly
France	09:45	Industrial Production (MoM) (Sep)	✓✓	-0.30%	2.10%	Monthly
France	09:45	Manufacturing Production (MoM) (Sep)	✓✓	-0.10%	2.20%	Monthly
Italy	11:00	Industrial Production s.a. (MoM) (Sep)	✓	-1.00%	1.70%	Monthly
South Africa	11:30	Gold Production (YoY) (Sep)	✓	-	-8.20%	Monthly
South Africa	11:30	Mining Production (YoY) (Sep)	✓	1.00%	-0.20%	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Sep)	✓	-0.30%	-1.00%	Monthly
South Africa	13:00	Manufacturing Production Index (YoY) (Sep)	✓	0.50%	2.20%	Monthly
US	15:30	Continuing Jobless Claims (29-Oct)	✓	2025.00K	2026.00K	Weekly
US	15:30	Initial Jobless Claims (05-Nov)	✓✓	260.00K	265.00K	Weekly
Canada	15:30	New Housing Price Index (MoM) (Sep)	✓	0.20%	0.20%	Monthly
Eurozone	16:50	ECB's Constancio Gives Speech in Stockholm	✓	-	-	As scheduled
US	17:30	EIA Natural Gas Storage Change (04-Nov)	✓	-	54.00Bcf	Weekly
US	21:00	Monthly Budget Statement (Oct)	✓✓	-USD70.00bn	USD33.40bn	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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