

ONE Minute Brief

15 November 2016

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Economic and Political News

Democratic Alliance Leader, Mmusi Maimane, announced that the party believes that there exists a criminal case against President, Jacob Zuma, which needs to be investigated and that he will lay criminal charges against him for his role in state capture report.

Finance Minister, Pravin Gordhan, stated that South Africa should start discussing about a revolution in its business culture towards more ethical outcomes. Moreover, he announced that the country needs national consensus and enough opportunities for participation of marginalised people in South Africa's economy. Further, he added that the country has followed sound fiscal policies which lowers the possibility of credit rating downgrade.

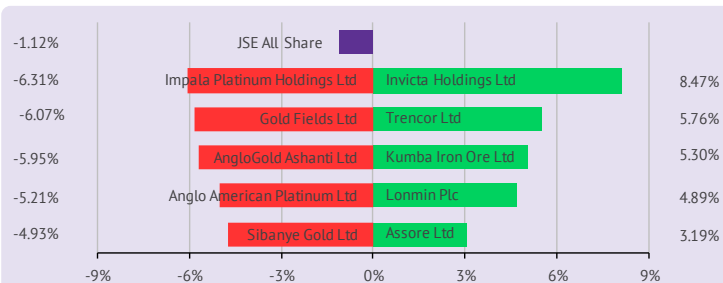
President, Jacob Zuma, refused to answer any questions asked by the MP's regarding former Public Protector's state capture report citing legal reasons.

Water and Sanitation Minister, Nomvula Mokonyane, indicated that when it comes to President, Jacob Zuma, breaching the Constitution, South Africans should remember that he has always accepted court decisions.

South Africa Market ▼

South African markets closed lower

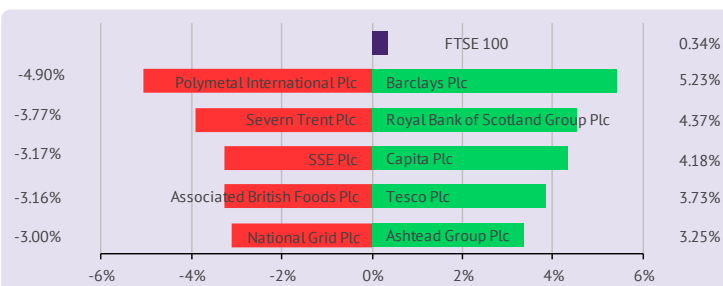
South African markets closed in the red yesterday, amid losses in gold and platinum mining sector stocks. The JSE All Share Index fell 1.1% to close at 49,731.89.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, supported by gains in banking, industrial and consumer discretionary sector stocks. The FTSE 100 Index advanced 0.3% to close at 6,753.18.



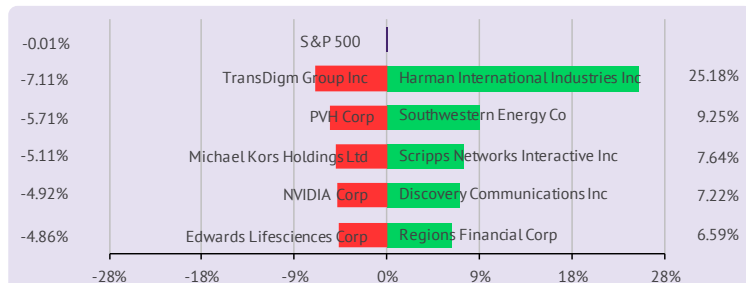
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	49731.89	▼	-562.83	-1.12%	-1.12%	-1.70%	-2.62%	-1.90%
JSE Top 40	43466.18	▼	-529.47	-1.20%	-1.20%	-1.26%	-3.10%	-5.09%
FTSE 100	6753.18	▲	22.75	0.34%	0.34%	-2.89%	0.80%	8.18%
DAX 30	10693.69	▲	25.74	0.24%	0.24%	0.27%	1.47%	-0.46%
CAC 40	4508.55	▲	19.28	0.43%	0.43%	-0.02%	1.37%	-2.77%
S&P 500	2164.20	▼	-0.25	-0.01%	-0.01%	1.79%	-1.94%	5.88%
Nasdaq Composite	5218.40	▼	-18.72	-0.36%	-0.36%	0.56%	-2.31%	4.21%
DJIA	18868.69	▲	21.03	0.11%	0.11%	4.00%	-0.91%	8.28%

US Market ▼

The S&P 500 futures are trading in the green

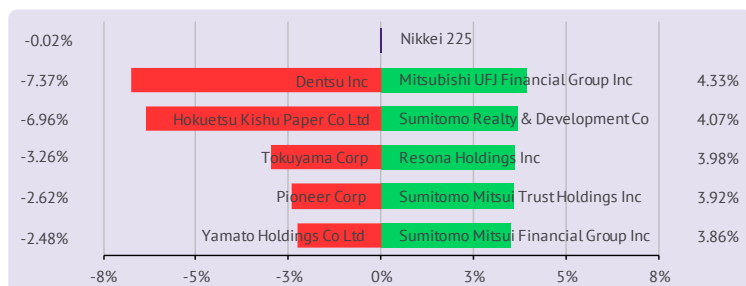
US markets closed marginally lower yesterday, led by losses in information technology sector stocks. The S&P 500 Index closed almost flat at 2,164.20.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The Nikkei 225 Index is trading marginally lower at 17,669.91.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.6% lower against the South African Rand at R14.3359. Later today, traders will keep a close watch on US advance retail sales and import price index for further cues. Moreover, South Africa's unemployment rate will be on investors' radar.

The US Dollar rose against the South African Rand yesterday.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound declined 0.7% against the South African Rand to trade at R17.8880. Later today, traders will keep an eye on UK's consumer price index, retail price index and house price index for further direction.

The British Pound declined against the South African Rand yesterday.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro dropped 0.5% against the South African Rand to trade at R15.4165. Going forward, market participants will keep a tab on gross domestic product and ZEW economic sentiment survey across the Eurozone, scheduled in few hours. Eurozone's trade balance will be on investors' radar.

The Euro weakened against the South African Rand yesterday. Data indicated that industrial production in the Eurozone declined less-than-expected on a monthly basis in September.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.5% lower against the South African Rand at R10.8365. Earlier in the session, the Reserve Bank of Australia's (RBA) November monetary policy meeting minutes reflected an upbeat tone of Australia's inflation rate. Moreover, the central bank remains worried that the Australian labour market may be weaker than it looks as employment growth has been concentrated in part-time jobs.

The Australian Dollar rose against the South African Rand yesterday. Data indicated that in China, Australia's largest trading partner, industrial production advanced less-than-expected on a yearly basis in October. Moreover, retail sales grew at a slower-than-expected pace in the same month.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.3359	▼	0.39%	0.39%	7.17%	-1.91%	-6.77%
GBPZAR	17.8880	▼	-0.62%	-0.62%	9.25%	-7.38%	-20.98%
EURZAR	15.4165	▼	-0.58%	-0.58%	4.74%	-4.15%	-7.81%
AUDZAR	10.8365	▼	0.39%	0.39%	6.34%	-2.60%	-4.14%
EURUSD	1.0753	▲	-1.07%	-1.07%	-2.23%	-2.28%	-1.22%
GBPUSD	1.2485	=	-0.90%	-0.90%	1.98%	-5.63%	-15.31%
Brent (\$/barrel)	45.2	▲	-0.72%	-0.72%	-8.60%	-3.15%	19.18%
Gold (\$/oz)	1225.7	▲	-0.21%	-0.21%	-4.04%	-3.06%	15.23%
Platinum (\$/oz)	944.0	▲	-1.02%	-1.02%	-4.60%	-4.86%	4.70%
Copper (\$/MT)*	5552.5	▲	0.21%	0.21%	14.70%	-0.14%	17.99%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged higher 0.3% to trade at \$1,225.70/oz.

Yesterday, gold prices fell 0.2% to close at \$1,221.70/oz, amid strength in the greenback.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil advanced 1.7% to trade at \$45.18/bl.

Yesterday, Brent crude oil dropped 0.7% to settle at \$44.43/bl, over increasing doubts whether OPEC producers will reach a deal later this month.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 1.1% higher to trade at \$944.00/oz.

Yesterday, platinum prices declined 1.0% to close at \$933.60/oz.



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Major South Africa Corporate News

AngloGold Ashanti Limited

In its 3Q16 market update, the company reported a significant jump in its free cash flow to \$161.00mn, further improving its net debt position despite a decline in ore grades at some of its operations and a challenging operating environment for its South African business. Additionally, its gold production was 900,000oz compared with 974,000oz in the 3Q15.

Invicta Holdings Limited

In its results for the six months ended September 30, 2016, indicated that its revenue rose to ZAR5.75bn from ZAR5.32bn recorded in the corresponding period of the previous year. Its diluted headline EPS increased 31.0% from the same period of the preceding year to 253.00c. Its profit before tax rose to ZAR398.74mn from ZAR385.45mn posted in the last year.

Lonmin Plc

In its FY16 results, the company indicated that its revenue decreased to \$1.12bn, compared with \$1.29bn recorded in the corresponding period of the previous year. Its diluted headline loss fell significantly from the same period of the preceding year to 45.30c. Separately, it announced that the Marikana mining operations (including Pandora) produced 2.70mn tonnes during 4Q16 as planned, a decrease of 10.1% from the prior year period, reflecting the planned decrease in production from the generation 1 shafts in line with its strategy to reduce high cost production in a low-price environment.

Mr Price Group Limited

In its results for the 26 weeks ended October 1, 2016, the company reported that its revenue increased to ZAR9.17bn from ZAR9.03bn recorded in the corresponding period of the previous year. Its diluted headline EPS fell 13.7% from the same period of the preceding year to 351.20c. Its profit before tax declined to ZAR1.29bn from ZAR1.49bn posted in the similar period of last year.

New Europe Property Investments Plc

In its results for the nine months ended September 30, 2016, the company reported that its net rental and related income declined marginally from the same period of the preceding year to EUR103.69mn. Its diluted EPS stood at 31.07c, compared with 55.42c recorded in the corresponding period of the previous year. Its profit before tax fell to EUR105.29mn from EUR179.80mn posted in the similar period last year.

Niveus Investments Limited

In its 1H17 trading update, the company announced that it expects to report headline EPS between 80.30c and 85.00c, an increase of between 438.8% and 458.6%, compared with headline loss of 23.70c/share posted in the similar period last year.

Major Global Economic News

Eurozone

In the Eurozone, the seasonally adjusted industrial production dropped 0.8% on a monthly basis, in September, compared to a revised rise of 1.8% in the prior month. Markets were anticipating industrial production to fall 1.0%.

Asia

The Reserve Bank of Australia's (RBA) November monetary policy meeting minutes reflected an upbeat tone of Australia's inflation rate. However, the central bank remains worried that the Australian labour market may be weaker than it looks as employment growth has been concentrated in part-time jobs.

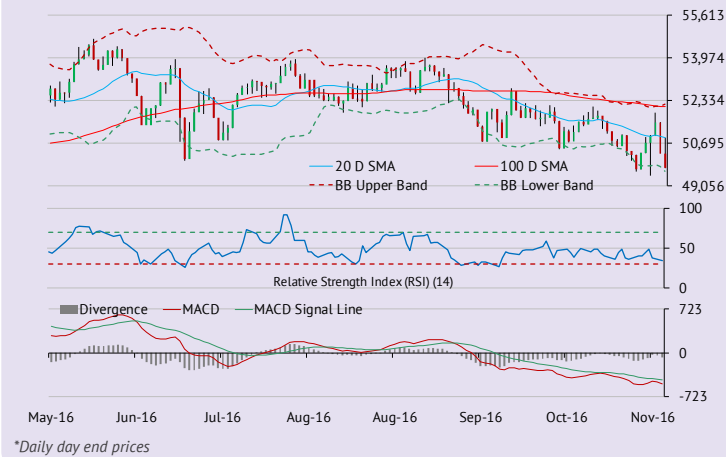
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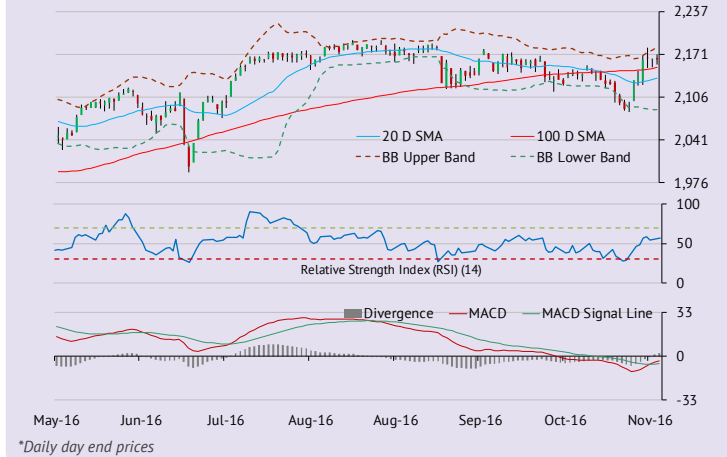
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 48,835.74, and a fall through could take it to the next support level of 47,939.60. The index is expected to find its first resistance at 51,243.48, and a rise through could take it to the next resistance level of 52,755.08.

S&P 500



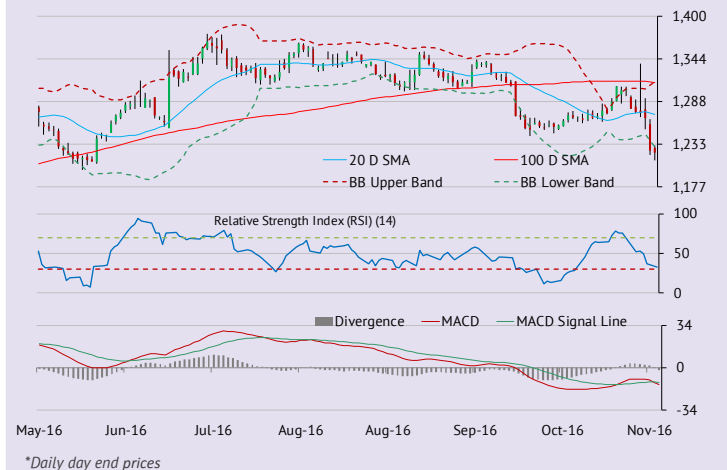
The S&P 500 index is expected to find support at 2,131.07, and a fall through could take it to the next support level of 2,097.95. The index is expected to find its first resistance at 2,189.81, and a rise through could take it to the next resistance level of 2,215.43.

USDZAR



The pair is expected to find support at 13.5526, and a fall through could take it to the next support level of 12.6801. The pair is expected to find its first resistance at 14.9051, and a rise through could take it to the next resistance level of 15.3851.

XAU/USD



Gold is expected to find support at \$1,175.70/oz, and a fall through could take it to the next support level of \$1,129.70/oz. The precious metal is expected to find its first resistance at \$1,303.00/oz, and a rise through could take it to the next resistance level of \$1,384.30/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous/ **Previous Est.	Frequency
US	00:00	Fed's Lacker Speaks at Washington College in Chestertown, MD	✓	-	-	As scheduled
US	01:30	Fed's Williams Speaks in San Francisco on Panel	✓	-	-	As scheduled
Japan	08:00	Machine Tool Orders (YoY) (Oct) (F)	✓✓	-	-8.90%**	Monthly
Germany	09:00	Gross Domestic Product s.a. (QoQ) (Q3) (P)	✓✓✓	0.30%	0.40%	Quarterly
UK	11:30	Consumer Price Index (MoM) (Oct)	✓✓	0.30%	0.20%	Monthly
UK	11:30	Retail Price Index (MoM) (Oct)	✓	0.20%	0.20%	Monthly
UK	11:30	Retail Price Index (Oct)	✓	265.30	264.90	Monthly
UK	11:30	Consumer Price Index (YoY) (Oct)	✓✓✓	1.10%	1.00%	Monthly
UK	11:30	Retail Price Index (YoY) (Oct)	✓	2.20%	2.00%	Monthly
South Africa	11:30	Unemployment Rate (Q3)	✓	26.80%	26.60%	Quarterly
Eurozone	12:00	Gross Domestic Product s.a. (QoQ) (Q3) (S)	✓✓	0.30%	0.30%**	Quarterly
Eurozone	12:00	Gross Domestic Product s.a. (YoY) (Q3) (S)	✓✓	1.60%	1.60%**	Quarterly
Eurozone	12:00	ZEW Survey - Economic Sentiment (Nov)	✓✓	-	12.30	Monthly
Germany	12:00	ZEW Survey - Economic Sentiment (Nov)	✓✓✓	8.10	6.20	Monthly
Eurozone	12:00	Trade Balance s.a. (Sep)	✓	EUR22.10bn	EUR23.30bn	Monthly
US	15:30	Import Price Index (Oct)	✓	-	120.60	Monthly
US	15:30	Advance Retail Sales (MoM) (Oct)	✓✓✓	0.60%	0.60%	Monthly
US	15:30	Retail Sales "Control Group" (MoM) (Oct)	✓✓	0.40%	0.10%	Monthly
US	15:30	Import Price Index (MoM) (Oct)	✓	0.40%	0.10%	Monthly
US	15:30	Import Price Index (YoY) (Oct)	✓	-0.30%	-1.10%	Monthly
Germany	16:15	Bundesbank's Dombret Speaks at Euro Finance Week in Frankfurt	✓	-	-	As scheduled
US	17:00	Manufacturing New Orders (Sep)	✓	-	USD453135.00mn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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