

ONE Minute Brief

16 November 2016

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Economic and Political News

The Presidency announced that President, Jacob Zuma, had given notice of intention asking for the reason that why National Prosecuting Authority (NPA) head, Shaun Abrahams, Sibongile Mzinyathi and Torie Pretorius should not be suspended and whether the inquiry regarding their fitness to hold office should be initiated. Separately, the Presidency, revealed that President, Jacob Zuma, accepted the resignations of two board members of South African Broadcasting Corporation's (SABC), Vuyo Mhlakaza and Dr Aaron Tshidzumba.

The Democratic Alliance and the Economic Freedom Fighters (EFF) proposed to call former Public Protector, Thuli Madonsela, as a witness to testify in the inquiry into the crisis at the SABC.

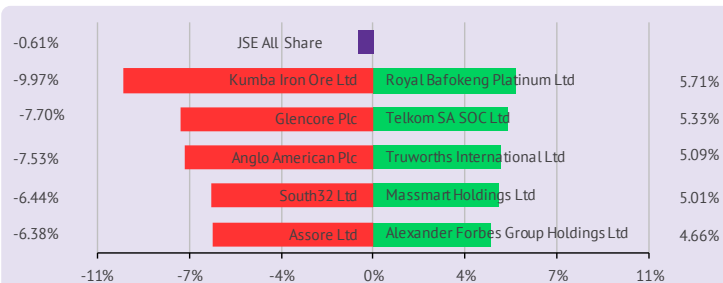
The EFF accused the African National Congress (ANC) of disrespecting its voters after the ruling party was unable to approve a crucial budget bill which provides the government with the money raised from taxes.

The Democratic Alliance leader, Mmusi Maimane, filed a criminal complaint against President, Jacob Zuma, at Johannesburg's Rosebank police station, accusing him of the corruptions charges revealed in the state capture report.

South Africa Market ▼

South African markets closed lower

South African markets closed in the red yesterday, amid losses in resources sector stocks. The JSE All Share Index fell 0.6% to close at 49,430.21.



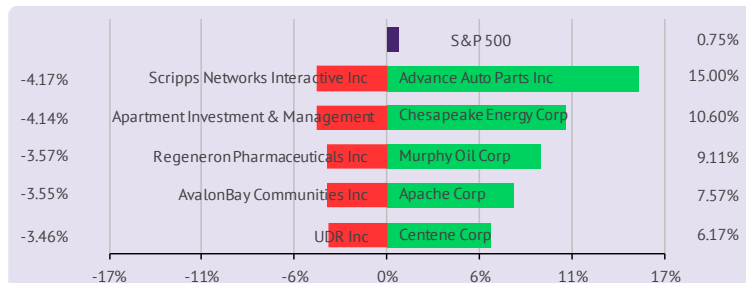
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	49430.21	▼	-301.68	-0.61%	-1.72%	-2.29%	-2.62%	-2.49%
JSE Top 40	43088.09	▼	-378.09	-0.87%	-2.06%	-2.12%	-3.10%	-5.92%
FTSE 100	6792.74	▲	39.56	0.59%	0.93%	-2.32%	0.80%	8.82%
DAX 30	10735.14	▲	41.45	0.39%	0.63%	0.66%	1.47%	-0.07%
CAC 40	4536.53	▲	27.98	0.62%	1.05%	0.60%	1.37%	-2.17%
S&P 500	2180.39	▲	16.19	0.75%	0.74%	2.55%	-1.94%	6.68%
Nasdaq Composite	5275.62	▲	57.23	1.10%	0.74%	1.67%	-2.31%	5.36%
DJIA	18923.06	▲	54.37	0.29%	0.40%	4.30%	-0.91%	8.60%

US Market ▲

The S&P 500 futures are trading in the green

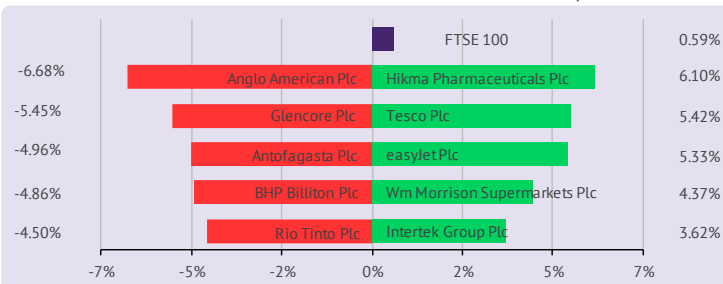
US markets closed higher yesterday, led by gains in energy sector stocks. Data revealed that US advance retail sales rose more-than-expected on a monthly basis in October. The S&P 500 Index climbed 0.8% to close at 2,180.39.



UK Market ▲

The FTSE 100 futures are trading in negative territory

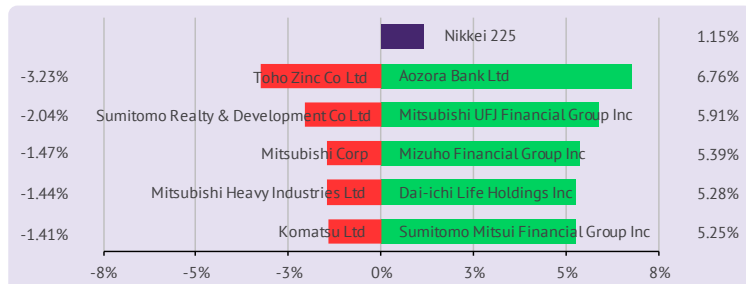
UK markets finished higher yesterday, supported by gains in industrial, energy and consumer staples sector stocks. Data indicated that UK's consumer price index advanced less-than-expected on a yearly basis in October. The FTSE 100 Index advanced 0.6% to close at 6,792.74.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data indicated that housing loans in Japan climbed on an annual basis in 3Q16. The Nikkei 225 Index is trading 1.2% higher at 17,871.65.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar retreated 0.1% against the South African Rand to trade at R14.1500. Later today, traders will keep a close watch on US MBA mortgage applications, industrial and manufacturing production along with the NAHB housing market index and producer price index for further cues. Elsewhere, in South Africa, retail sales will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. Data indicated that advance retail sales in the US advanced more than market anticipations in October. Further, import prices rose on a monthly basis in the same month. Additionally, export price index increased in line with market expectations. Meanwhile, business inventories grew at slower-than-expected pace in September.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 0% against the South African Rand to trade at R17.6520. Later today, traders will keep an eye on UK's claimant count rate and ILO unemployment rate for further direction.

The British Pound declined against the South African Rand yesterday. Data revealed that consumer price index in the UK advanced less-than-expected on an annual basis in October.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.1% firmer against the South African Rand at R15.2158.

The Euro weakened against the South African Rand yesterday. Data indicated that Eurozone's flash gross domestic product (GDP) expanded 0.3% on a quarterly basis in 3Q16, in line with market anticipations. Further, the ZEW economic sentiment index advanced more-than-expected in November. Additionally, trade surplus expanded more than market expectations in September. Separately, preliminary data indicated that Germany's economy grew at a slower-than-expected pace on a quarterly basis in the third quarter of 2016. Moreover, the nation's ZEW economic sentiment index rose more than market expectations in November.

AUDZAR ▼

AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar fell 0.1% against the South African Rand to trade at R10.6917. Earlier in the session, the Westpac leading index for Australia indicated that the economy is growing at a slower pace on a monthly basis in October. Further, wage cost index advanced less-than-expected on a quarterly basis in 3Q16.

The Australian Dollar fell against the South African Rand yesterday. 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.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.1500	▼	-1.77%	-1.39%	5.27%	-1.91%	-8.42%
GBPZAR	17.6520	▼	-2.01%	-2.61%	7.06%	-7.38%	-22.57%
EURZAR	15.2158	▲	-1.91%	-2.48%	2.74%	-4.15%	-9.58%
AUDZAR	10.6917	▼	-1.69%	-1.31%	4.54%	-2.60%	-5.76%
EURUSD	1.0744	▲	-0.13%	-1.20%	-2.36%	-2.28%	-1.35%
GBPUSD	1.2471	▲	-0.26%	-1.16%	1.72%	-5.63%	-15.53%
Brent (\$/barrel)	46.8	▼	5.67%	4.92%	-3.41%	-3.15%	25.94%
Gold (\$/oz)	1231.6	▲	0.23%	0.02%	-3.82%	-3.06%	15.50%
Platinum (\$/oz)	940.8	▲	0.12%	-0.90%	-4.49%	-4.86%	4.82%
Copper (\$/MT)*	5530.0	▼	-0.41%	-0.19%	14.23%	-0.14%	17.52%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.6% higher to trade at \$1,231.60/oz.

Yesterday, gold prices rose 0.2% to close at \$1,224.50/oz, reversing its previous session losses.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.3% lower to trade at \$46.83/bl.

Yesterday, Brent crude oil advanced 5.7% to settle at \$46.95/bl, on news that OPEC members were trying to resolve their conflicts over a deal to cut production. Meanwhile, the American Petroleum Institute (API) reported that US crude oil inventories rose 3.65mn bls last week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.7% higher to trade at \$940.80/oz.

Yesterday, platinum prices climbed 0.1% to close at \$934.70/oz.

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Major South Africa Corporate News

Coronation Fund Managers Limited

In its FY16 results, the company stated that its revenue decreased to ZAR4.05bn from R4.44bn recorded in the previous year. Its diluted headline EPS fell 13.0% from the same period of the preceding year to 447.60c. Its profit before income tax fell to ZAR2.09bn from ZAR2.43bn posted last year.

Netcare Limited

In its FY16 trading statement, the company indicated that its headline EPS are expected to be between 30.0% and 32.5% lower than previous financial year.

Reinet Investments SCA

In its 1H17 results, the company indicated that consolidated net asset value rose to EUR5.51bn from EUR5.22bn posted in 2H16. Its headline EPS increased to EUR1.64 from EUR0.19 recorded in the similar period of the last year.

Telkom SA SOC Limited

In its 1H17 results, the company posted that its revenue advanced 20.6% from the same period of the preceding year to ZAR20.24bn. Its diluted headline EPS stood at 329.80c, compared with 68.60c recorded in the corresponding period of the previous year. Separately, the company has decided to amend the current dividend policy to a total dividend distribution of 60.0% of headline earnings for the year with an interim dividend of 40.0% of interim headline earnings.

Major Global Economic News

Eurozone

In November, the ZEW economic sentiment index climbed to 15.80 in the Eurozone, compared to a reading of 12.30 in the previous month.

In the Eurozone, the seasonally adjusted second estimate of gross domestic product (GDP) climbed 0.3% in 3Q16 on a quarterly basis, compared to a similar rise in the prior quarter. The preliminary figures had also recorded an advance of 0.3%. Market expectation was for GDP to advance 0.3%.

In September, the seasonally adjusted trade surplus in the Eurozone rose to EUR24.90bn, compared to a revised trade surplus of EUR23.40bn in the previous month. Market expectation was for the region to post a trade surplus of EUR22.10bn.

In Germany, the seasonally adjusted preliminary GDP registered a rise of 0.2% on a quarterly basis in 3Q16, compared to an advance of 0.4% in the previous quarter. Market expectation was for GDP to advance 0.3%.

In November, the economic sentiment index in Germany recorded a rise to 13.80, higher than market expectations of an advance to a level of 8.10. In the previous month, the index had recorded a reading of 6.20.

Asia

In October, the Westpac leading index climbed 0.06% on a monthly basis, in Australia. In the previous month, the index had registered a revised rise of 0.08%.

In Australia, the wage price index advanced 0.4% on a quarterly basis in 3Q16, lower than market expectations for a rise of 0.5%. In the previous quarter, the index had risen 0.5%.

In Japan, housing loans climbed 2.7% on an annual basis, in 3Q16. In the previous quarter, housing loans had climbed 2.4%.

US

In the US, advance retail sales rose 0.8% on a monthly basis, in October, more than market expectations for a rise of 0.6%. In the previous month, advance retail sales had recorded a revised rise of 1.0%.

In October, the import price index registered a rise of 0.5% on a monthly basis in the US, higher than market expectations for an advance of 0.4%. In the previous month, the index had climbed by a revised 0.2%.

In the US, business inventories climbed 0.1% on a monthly basis in September, less than market expectations for an advance of 0.2%. In the previous month, business inventories had registered a rise of 0.2%.

The Federal Reserve (Fed) Bank of Boston President, Eric Rosengren stated that market expectations for a December interest rate hike is likely correct, barring any unexpected developments. He further restated his concerns that waiting too long to raise rates could disrupt the US economic recovery and that he would like to see the Fed raise rates gradually.

UK

In October, the consumer price index (CPI) in the UK climbed 0.9% on an annual basis, less than market expectations for a rise of 1.1%. In the prior month, the CPI had climbed 1.0%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Housing Loans (YoY) (Q3)	✓	2.70%*	2.40%	Quarterly
US	10:00	Fed's Bullard Speaks in London on 'Monetary Policy after QE'	✓	-	-	As scheduled
Germany	10:30	ECB's Lautenschlaeger Speaks at Euro Finance Week	✓	-	-	As scheduled
UK	11:30	Average Earnings Including Bonus (3Mo/Yr) (Sep)	✓✓	2.40%	2.30%	Monthly
UK	11:30	Claimant Count Rate s.a. (Oct)	✓✓	2.30%	2.30%	Monthly
UK	11:30	ILO Unemployment Rate (3M) (Sep)	✓✓✓	4.90%	4.90%	Monthly
UK	11:30	Employment Change (3M/3M) (Sep)	✓✓	91.00K	106.00K	Monthly
South Africa	13:00	Retail Sales (MoM) (Sep)	✓	0.20%	0.30%	Monthly
South Africa	13:00	Retail Sales (YoY) (Sep)	✓	0.90%	0.20%	Monthly
US	14:00	MBA Mortgage Applications (11-Nov)	✓	-	-1.20%	Weekly
US	15:30	Producer Prices (Oct)	✓	-	192.90	Monthly
US	15:30	Producer Price Index (MoM) (Oct)	✓	0.30%	0.30%	Monthly
US	15:30	Producer Price Index (YoY) (Oct)	✓✓	1.20%	0.70%	Monthly
US	16:15	Capacity Utilisation (Oct)	✓	75.50%	75.40%	Monthly
US	16:15	Industrial Production (MoM) (Oct)	✓✓	0.20%	0.10%	Monthly
US	16:15	Manufacturing (SIC) Production (MoM) (Oct)	✓✓	0.30%	0.20%	Monthly
US	17:00	NAHB Housing Market Index (Nov)	✓	63.00	63.00	Monthly
US	17:30	DOE Distillate Inventory (11-Nov)	✓	-	-1948.00K barrels	Weekly
US	17:30	DOE Gasoline Inventories (11-Nov)	✓	-	-2841.00K barrels	Weekly
US	17:30	DOE Cushing OK Crude Inventory (11-Nov)	✓	-	28.00K barrels	Weekly
US	17:30	EIA Crude Oil Stocks Change (11-Nov)	✓	-	0.24mn barrels	Weekly
US	23:00	Net Long-Term TIC Flows (Sep)	✓✓	-	USD48.30bn	Monthly
US	23:00	Total Net TIC Flows (Sep)	✓	-	USD73.80bn	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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