

ONE  
Minute Brief

18 November 2016


  
consult • partner • manage

## Economic and Political News

South Africa's Deputy Finance Minister, Mcebisi Jonas, stated that the nation needs a leadership that looks beyond its own limitations. He also added that patronage and corruption had weakened efforts to build a trustworthy government, after an audit revealed that the government had made \$3bn in irregular expenditure this financial year. Separately, Minister in the Presidency, Jeff Radebe, expressed concern about the audit outcomes and stated that will take any necessary measures to improve financial controls.

Parliament's ad hoc committee Chairman, Vincent Smith, handling the inquiry into the fitness of the SABC board has requested the Police Minister, Nathi Nhleko, to provide protection to journalists and all other potential witnesses who may be targeted.

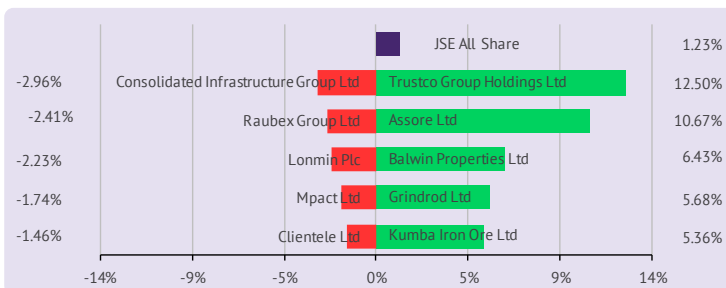
Democratic Alliance leader, Mmusi Maimane, accused President, Jacob Zuma, for not replying to the Public Protector's question about Deputy Finance Minister, Mcebisi Jonas, being offered a job by the Gupta family.

Deputy Finance Minister, Mcebisi Jonas, stated that though credit rating agencies have raised concerns about South Africa's fiscal targets, but the government had done a lot of work to avoid a credit rating downgrade.

## South Africa Market ▲

## South African markets closed higher

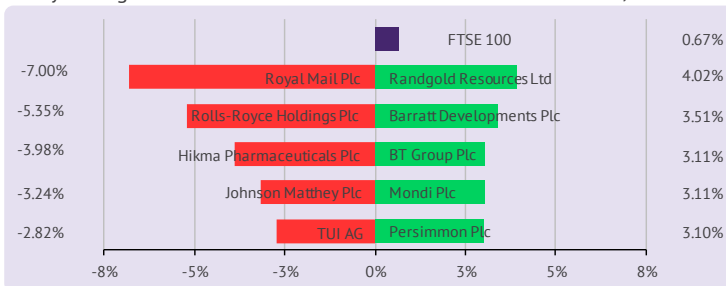
South African markets closed in the green yesterday, amid gains in resources sector stocks. The JSE All Share Index rose 1.2% to close at 50,617.57.



## UK Market ▲

## The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, led by gains in consumer discretionary sector stocks. Data indicated that UK's retail sales grew at a faster-than-expected pace on an annual basis in October, surging to a 14 year high. The FTSE 100 Index advanced 0.7% to close at 6,794.71.



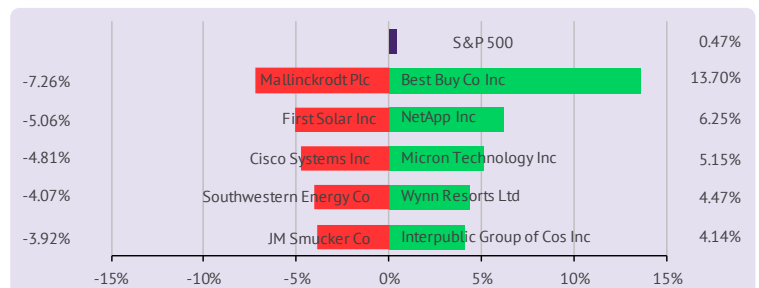
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50617.57	▲	612.75	1.23%	0.64%	0.05%	-2.62%	-0.15%
JSE Top 40	44171.47	▲	579.09	1.33%	0.40%	0.35%	-3.10%	-3.55%
FTSE 100	6794.71	▲	44.99	0.67%	0.96%	-2.29%	0.80%	8.85%
DAX 30	10685.54	▲	21.67	0.20%	0.16%	0.19%	1.47%	-0.53%
CAC 40	4527.77	▲	26.63	0.59%	0.86%	0.41%	1.37%	-2.36%
S&P 500	2187.12	▲	10.18	0.47%	1.05%	2.87%	-1.94%	7.01%
Nasdaq Composite	5333.97	▲	39.39	0.74%	1.85%	2.79%	-2.31%	6.52%
DJIA	18903.82	▲	35.68	0.19%	0.30%	4.20%	-0.91%	8.49%

## US Market ▲

## The S&amp;P 500 futures are trading in the red

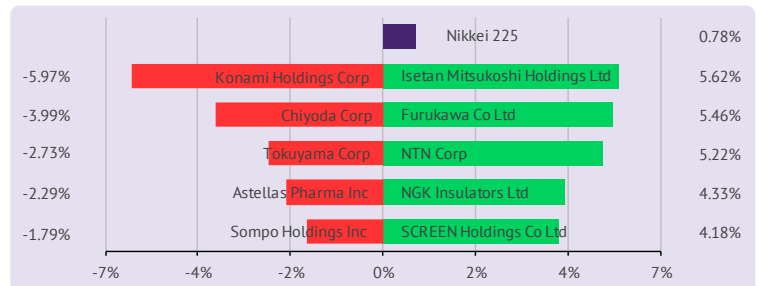
US markets closed higher yesterday, supported by gains in banking and consumer discretionary sector stocks. Data revealed that US consumer price index increased in line with market expectations on an annual basis in October. The S&P 500 Index climbed 0.5% to close at 2,187.12.



## Asian Market ◀▶

## Trading mixed

Asian markets are trading mixed this morning. Data indicated that house price index in China increased in October. The Nikkei 225 Index is trading 0.8% higher at 18002.05.



**Address:** GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.  
t: +27 (0) 21 412 1074 | e: oneminutebrief@gtc.co.za | w: www.gtc.co.za

An Authorised Financial Services Provider FSP No. 731  
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting •  
Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services

# ONE Minute Brief

18 November 2016

**GTC**  
consult • partner • manage

## USDZAR ▲

### USD trading higher against ZAR

At 06:00 SAST, the US Dollar gained 0.1% against the South African Rand to trade at R14.4407. Later today, traders will keep a close watch on CB leading indicator in the US for further cues.

The US Dollar rose against the South African Rand yesterday, after data indicated that consumer price index in the US climbed in line with market expectations on a monthly basis in October, to its highest level in six months, supported by rising gasoline costs and rents. Further, building permits unexpectedly advanced on a monthly basis in October. Additionally, housing starts rebounded more strongly-than-expected on a monthly basis in the same month, at its fastest pace since August 2007. Moreover, the number of Americans applying for unemployment benefits surprisingly dropped to a 43-year low last week.

## GBPZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading marginally firmer against the South African Rand at R17.9150.

The British Pound advanced against the South African Rand yesterday, after data indicated that retail sales in the UK advanced more-than-expected in October, growing on an annual basis to its highest level in 14 years, as cold weather increased sales at supermarkets.

## EURZAR ▼

### EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.1% weaker against the South African Rand at R15.3142. Going forward, market participants will keep a tab on Germany's producer price index for further direction.

The Euro strengthened against the South African Rand yesterday. Data revealed that final consumer price inflation (CPI) in the Eurozone advanced on an annual basis in October. While the CPI slowed down on a monthly basis in the same month. Further construction output declined on a monthly basis, for the first time in six months in September.

## AUDZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar declined 0.1% against the South African Rand to trade at R10.6775. Earlier in the session, data indicated that in China, Australia's largest trading partner, housing price index advanced compared to previous reading in October.

The Australian Dollar fell against the South African Rand yesterday. Data revealed that Australia's unemployment rate remained steady as people are shifting from full-time work, towards part-time employment. Moreover, employment change registered a less-than-expected rise in October.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.4407	▲	0.91%	0.42%	7.21%	-1.91%	-6.74%
GBPZAR	17.9150	▲	0.66%	-1.21%	8.60%	-7.38%	-21.46%
EURZAR	15.3142	▼	0.29%	-1.63%	3.63%	-4.15%	-8.79%
AUDZAR	10.6775	▼	-0.10%	-1.52%	4.32%	-2.60%	-5.96%
EURUSD	1.0604	▼	-0.56%	-2.07%	-3.22%	-2.28%	-2.22%
GBPUSD	1.2400	▼	-0.21%	-1.46%	1.41%	-5.63%	-15.78%
Brent (\$/barrel)	46.2	▼	-0.30%	3.89%	-4.36%	-3.15%	24.70%
Gold (\$/oz)	1208.2	▼	-0.57%	-0.60%	-4.41%	-3.06%	14.78%
Platinum (\$/oz)	927.6	▼	-0.15%	0.20%	-3.42%	-4.86%	5.99%
Copper (\$/MT)*	5485.3	▲	1.12%	-1.00%	13.31%	-0.14%	16.56%

\*As of Previous Close

## Gold ▼

### Trading in the red

At 06:00 SAST, gold prices edged 0.7% lower to trade at \$1,208.20/oz.

Yesterday, gold prices fell 0.6% to close at \$1,216.90/oz, amid strength in the greenback after US Federal Reserve Chairwoman, Janet Yellen, revealed the possibility of an interest rate hike in December.

## Brent Crude Oil ▼

### Trading weaker

At 06:00 SAST, Brent crude oil edged 0.7% lower to trade at \$46.16/bl.

Yesterday, Brent crude oil dropped 0.3% to settle at \$46.49/bl. However, losses were limited on rising expectations that the Organization of the Petroleum Exporting Countries (OPEC) will reach an agreement to curb output at its meeting in Vienna on November 30.

## Platinum ▼

### Trading in negative territory

At 06:00 SAST, platinum prices retreated 1.9% to trade at \$927.60/oz.

Yesterday, platinum prices declined 0.2% to close at \$945.10/oz.



# ONE Minute Brief

18 November 2016


**GTC**  
 consult • partner • manage

## Major South Africa Corporate News

### Investec Limited

In its 1H17 results, the company stated that its net interest income increased to GBP314.15mn from GBP284.14mn recorded in the corresponding period of the previous year. Its diluted headline EPS rose 18.1% from the same period of the preceding year to 24.80p. Its operating profit before tax stood at GBP304.54mn against GBP306.32mn posted in the similar period last year.

### Oceana Group Limited

In its FY16 results, the company revealed that its revenue advanced 34.0% from the preceding year to ZAR8.24bn. Its diluted headline EPS stood at 640.50c, compared with 532.20c recorded in the previous year. Its profit before tax rose to ZAR1.37bn against ZAR928.72mn posted last year.

### Peregrine Holdings Limited

In its 1H17 results, the company indicated that its operating revenue rose to ZAR1.15bn from ZAR1.09bn recorded in the corresponding period of the previous year. Its diluted headline EPS increased 6.0% from the same period of the preceding year to 118.50c. Its profit before tax rose to ZAR482.03mn against ZAR411.10mn posted in the similar period last year.

## Major Global Economic News

### US

In October, the consumer price index climbed 0.4%, on a monthly basis in the US, compared to an advance of 0.3% in the prior month. Market expectation was for the index to advance 0.4%.

In the US, the seasonally adjusted initial jobless claims dropped unexpectedly to 235.00K, in the week ended November 12, 2016, compared to a reading of 254.00K in the previous week. Markets were expecting initial jobless claims to advance to a level of 257.00K.

In October, housing starts advanced 25.5%, on monthly basis in the US, to an annual rate of 1323.00K, compared to a revised level of 1054.00K in the previous month. Markets were anticipating housing starts to advance to a level of 1156.00K.

In the US, building permits registered an unexpected rise of 0.3%, on monthly basis, to an annual rate of 1229.00K in October, compared to a reading of 1225.00K in the prior month. Market expectation was for building permits to fall to 1193.00K.

The Federal Reserve (Fed) Chairwoman, Janet Yellen, in her testimony before the Joint Economic Committee, confirmed investors' view that the US economy is strong enough to withstand an interest-rate rise soon. She further stated that holding off on a rate increase for too long could force the Fed to raise rates abruptly in the future to keep the economy from overheating. However, she reiterated that the bank expects to raise rates gradually over the next few years.

### UK

In the UK, retail sales advanced 7.4% on an annual basis, in October, more than market expectations for a rise of 5.3%. In the previous month, retail sales had risen by a revised 4.2%.

### Eurozone

In the Eurozone, the consumer price index registered a rise of 0.2% on a monthly basis, in October, lower than market expectations for an advance of 0.3%. The index had recorded a rise of 0.4% in the previous month.

In September, the seasonally adjusted construction output eased 0.9% on a monthly basis, in the Eurozone. In the prior month, construction output had climbed by a revised 0.1%.

The European Central Bank's October monetary policy meeting minutes revealed that rate setters agreed on the need to extend its €80.0 billion a month bond-purchase program, which is due to end in March. However, the policymakers widely agreed that it was better to wait until December to get a clearer picture of the inflation outlook to form a policy view. Fears over mounting protectionism, paltry wage growth and a lack of investment were among the risks flagged in the minutes.

### Asia

In China, the house price index recorded a rise of 12.3% on a yearly basis, in October. In the prior month, the index had climbed 11.2%.

**Address:** GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.  
 t: +27 (0) 21 412 1074 | e: oneminutebrief@gtc.co.za | w: www.gtc.co.za

An Authorised Financial Services Provider FSP No. 731  
 formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting •  
 Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services

# ONE Minute Brief

18 November 2016

**GTC**  
consult • partner • manage

## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
China	03:30	House Price Index (YoY) (Oct)	✓	12.30%*	11.20%	Monthly
Germany	09:00	Producer Price Index (MoM) (Oct)	✓✓	0.20%	-0.20%	Monthly
Germany	09:00	Producer Price Index (YoY) (Oct)	✓✓	-0.90%	-1.40%	Monthly
Eurozone	10:15	ECB's Draghi Speaks at European Banking Congress in Frankfurt	✓✓	-	-	As scheduled
Eurozone	11:00	Current Account s.a (Sep)	✓	-	EUR29.70bn	Monthly
Italy	11:30	Current Account (Sep)	✓	-	EUR3.37bn	Monthly
Germany	12:30	Bundesbank's Weidmann Speaks at Euro Finance Week in Frankfurt	✓	-	-	As scheduled
Eurozone	12:45	Fed's Bullard, SNB's Maechler Speak on Panel in Frankfurt	✓	-	-	As scheduled
Canada	15:30	Consumer Price Index (Oct)	✓✓	-	128.80	Monthly
Canada	15:30	Consumer Price Index s.a. (MoM) (Oct)	✓✓	-	0.20%	Monthly
Canada	15:30	Consumer Price Index Core (YoY) (Oct)	✓✓✓	1.80%	1.80%	Monthly
Canada	15:30	Consumer Price Index Core s.a. (MoM) (Oct)	✓✓	0.30%	0.10%	Monthly
Canada	15:30	Consumer Price Index (YoY) (Oct)	✓✓✓	1.50%	1.30%	Monthly
Canada	15:30	Consumer Price Index Core (MoM) (Oct)	✓✓	0.30%	0.20%	Monthly
US	17:00	Leading Indicator (MoM) (Oct)	✓✓	0.10%	0.20%	Monthly
US	18:00	Kansas City Fed Manufacturing Activity (Nov)	✓	-	6.00	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

### Disclaimer

This report and its contents are confidential, privileged and only for the information of the intended recipient. GTC (Pty) Ltd make no representations or warranties in respect of this report or its content and will not be liable for any loss or damage of any nature arising from this report, the content thereof, your reliance thereon its unauthorised use or any electronic viruses associated therewith. Please note that content does not necessarily represent or reflect the views and opinions of GTC (Pty) Ltd. This report is proprietary to GTC (Pty) Ltd and you may not copy or distribute the report without the prior written consent of the authors. Any feedback or contributions are most welcome. GTC (Pty) Ltd Registration No 1996/001488/07 FSP No 731. An authorised Financial Services Provider.

**Address:** GTC @Grant Thornton, The Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.  
t: +27 (0) 21 412 1074 | e: oneminutebrief@gtc.co.za | w: www.gtc.co.za

An Authorised Financial Services Provider FSP No. 731  
formerly Grant Thornton Capital

Employee Benefits Consulting • Employee Benefits Administration • Private Client Wealth Management • Healthcare Consulting •  
Short-Term Risk Solutions • Stockbroking • Derivatives Trading • Unit Trust Management • Asset Management • Fiduciary Services