

ONE Minute Brief

22 November 2016

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Economic and Political News

African National Congress (ANC) Secretary General, Gwede Mantashe, stated that the ANC met party veterans face-to-face to solve their issues. He added that the party has committed to hold another meeting with them before the close of December.

The Treasury has expressed concerns about the proposal to set the national minimum wage (NMW) at ZAR3,500 and has warned that a NMW of above ZAR3,000 will result in 715,000 job losses and a fall in GDP by 2.1%.

Agriculture South Africa's Chairman of labour policy committee, Neil Hamman, indicated that the association will consult with all stakeholders in the industry, especially farmers in drought stricken areas, regarding the proposed National Minimum Wage.

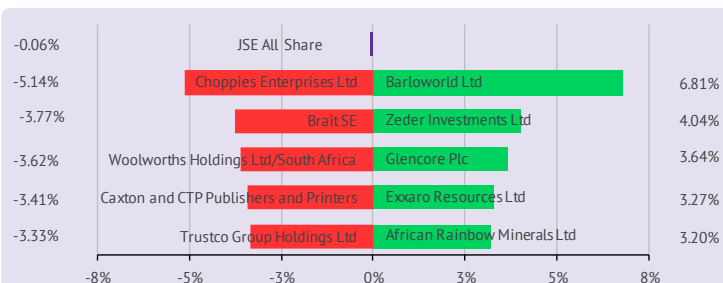
The South African government has hired Bain & Co. to advice on the strategy to improve performance of the nation's three loss making airlines.

Statistics SA has reported that accommodation income in the tourism sector grew 7.1% in September from the last year's same period.

South Africa Market ▼

South African markets closed lower

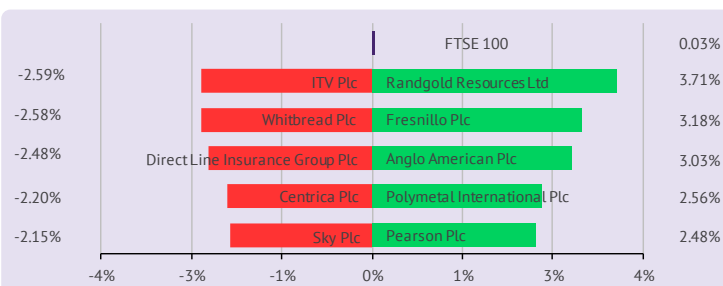
South African markets closed in the red yesterday, amid losses in retail, industrials and platinum mining sector stocks. The JSE All Share Index fell 0.1% to close at 50,596.52.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, supported by gains in material sector stocks. The FTSE 100 Index marginally advanced to close at 6,777.96.



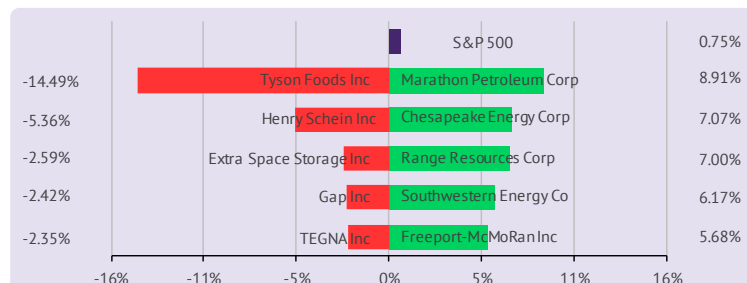
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50596.52	▼	-29.54	-0.06%	-0.06%	0.01%	-2.62%	-0.19%
JSE Top 40	44169.80	▼	-46.76	-0.11%	-0.11%	0.34%	-3.10%	-3.55%
FTSE 100	6777.96	▲	2.19	0.03%	0.03%	-2.53%	0.80%	8.58%
DAX 30	10685.13	▲	20.57	0.19%	0.19%	0.19%	1.47%	-0.54%
CAC 40	4529.58	▲	25.23	0.56%	0.56%	0.45%	1.37%	-2.32%
S&P 500	2198.18	▲	16.28	0.75%	0.75%	3.39%	-1.94%	7.55%
Nasdaq Composite	5368.86	▲	47.35	0.89%	0.89%	3.46%	-2.31%	7.22%
DJIA	18956.69	▲	88.76	0.47%	0.47%	4.49%	-0.91%	8.79%

US Market ▲

The S&P 500 futures are trading in the green

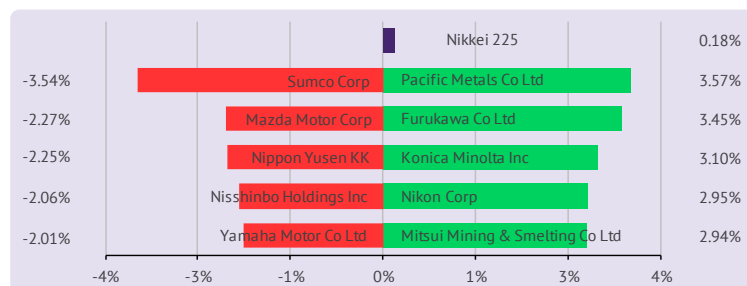
US markets closed higher yesterday, led by gains in energy sector stocks. Data indicated that US Chicago Fed National activity index advanced in October. The S&P 500 Index climbed 0.8% to close at 2,198.18.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning. The Nikkei 225 Index is trading 0.2% higher at 18138.84.



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USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% weaker against the South African Rand at R14.2000. Later today, traders will keep a close watch on Richmond Fed manufacturing index and existing home sales for further cues. Elsewhere, in South Africa, unemployment rate and leading indicator will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. Data indicated that US Chicago Fed National activity index increased above the previous estimate in October.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound is trading 0.3% lower against the South African Rand at R17.7353. Later today, traders will keep an eye on Public sector net borrowings for further direction.

The British Pound declined against the South African Rand yesterday.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro fell 0.3% against the South African Rand to trade at R15.0901. Going forward, market participants will keep a tab on Eurozone's consumer confidence index scheduled in few hours.

The Euro weakened against the South African Rand yesterday. The European Central Bank (ECB) President, Mario Draghi, stated that the Eurozone is recovering at a "moderate to steady pace and unemployment is falling", but added that the central bank still depends on the continuation of the current unprecedented level of monetary support to help the Eurozone inflation rate return towards the Bank's 2.0% target.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% higher against the South African Rand at R10.5037.

The Australian Dollar fell against the South African Rand yesterday. Data revealed that leading indicator in Australia advanced on a monthly basis in September.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.2000	▼	-1.56%	-1.56%	5.83%	-1.91%	-7.94%
GBPZAR	17.7353	▼	-0.47%	-0.47%	7.92%	-7.38%	-21.94%
EURZAR	15.0901	▼	-1.21%	-1.21%	2.38%	-4.15%	-9.90%
AUDZAR	10.5037	▲	-1.13%	-1.13%	2.42%	-2.60%	-7.67%
EURUSD	1.0629	▲	0.40%	0.40%	-3.21%	-2.28%	-2.20%
GBPUSD	1.2488	▼	1.19%	1.19%	2.03%	-5.63%	-15.27%
Brent (\$/barrel)	49.4	▲	4.35%	4.35%	0.60%	-3.15%	31.17%
Gold (\$/oz)	1217.5	▲	0.09%	0.09%	-4.97%	-3.06%	14.11%
Platinum (\$/oz)	949.3	▲	1.57%	1.57%	-4.30%	-4.86%	5.02%
Copper (\$/MT)*	5543.5	▲	2.43%	2.43%	14.51%	-0.14%	17.80%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.6% higher to trade at \$1,217.50/oz.

Yesterday, gold prices rose 0.1% to close at \$1,209.80/oz, as weakness in the US Dollar increased the demand of yellow precious metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil climbed 1% to trade at \$49.38/bl.

Yesterday, Brent crude oil surged 4.4% to settle at \$48.90/bl, boosted by optimism that major oil producing countries would reach an agreement to freeze the production next week.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 1.4% higher to trade at \$949.30/oz.

Yesterday, platinum prices climbed 1.6% to close at \$936.50/oz.



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Major South Africa Corporate News

Astral Foods Limited

In its FY16 results, the company indicated that its revenue rose to ZAR11.95bn from ZAR11.26bn recorded in the previous year. However, its diluted EPS decreased substantially from the preceding year to 964.00c while its profit before tax declined to ZAR526.21mn against ZAR1.09bn reported last year.

Barloworld Limited

In its FY16 results, the company revealed that its revenue advanced 6.1% from the preceding year to ZAR66.55bn. Its diluted headline EPS stood at 836.00c, compared with 811.10c recorded in the previous year. Its profit before tax advanced to ZAR2.81bn against ZAR2.36bn posted in the prior year.

Nampak Limited

In its FY16 results, the company revealed that its revenue rose 10.7% from the preceding year to ZAR19.14bn. Its diluted headline EPS stood at 107.30c, compared with 205.70c recorded in the previous year. Its profit before tax advanced to ZAR1.68bn from ZAR1.40bn posted in the prior year.

Netcare Limited

In its FY16 results, the company stated that its revenue increased to ZAR37.80bn from ZAR33.71bn recorded in the previous year. However, its adjusted headline EPS declined 5.6% from the same period of the preceding year to 199.50c while its profit before tax fell to ZAR1.88bn from ZAR3.37bn showed in the prior year.

Pioneer Food Group

In its FY16 results, the company stated that its revenue increased to ZAR20.60bn from ZAR18.75bn recorded in the previous year. Its diluted adjusted headline EPS rose 7.0% from the same period of the preceding year to 820.20c. Its profit before income tax advanced to ZAR2.32bn against ZAR1.77bn indicated last year.

Major Global Economic News

Asia

In China, the leading economic index climbed 0.8% on a monthly basis, in October. The index had risen 1.1% in the prior month.

In September, CB leading indicator climbed 0.5% in Australia. In the previous month, leading indicator had registered a flat reading.

US

In October, the Chicago Fed national activity index climbed to -0.08 in the US. The index had recorded a revised reading of -0.23 in the prior month.

Eurozone

The ECB President, Mario Draghi, in his statement to the European Parliament, indicated that the Eurozone is improving at a "moderate to steady pace and unemployment is falling", but the central bank still counts on the continuation of the current unprecedented level of monetary support to help the Eurozone inflation rate return towards the Bank's 2.0% target. Draghi also repeated his call for fiscal policies to support the region's economic recovery.

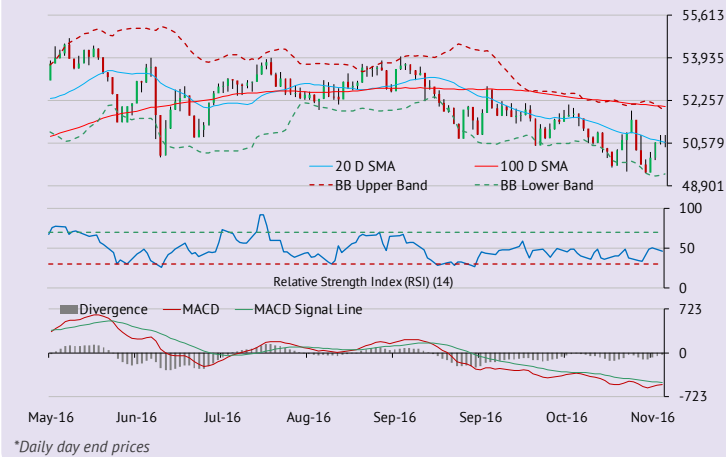
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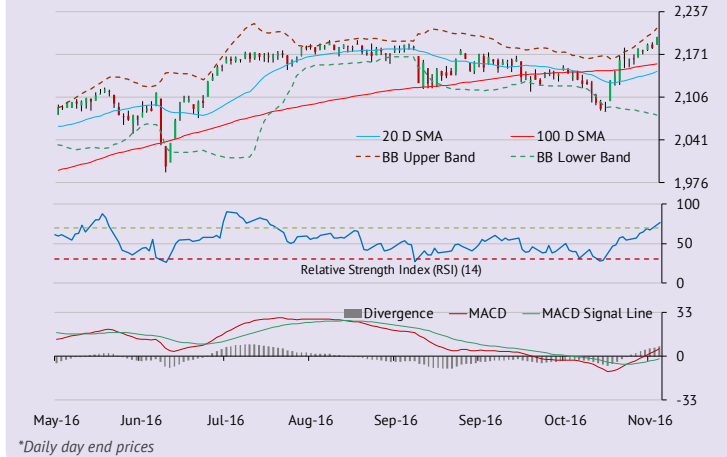
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 49,702.79, and a fall through could take it to the next support level of 48,809.05. The index is expected to find its first resistance at 51,189.61, and a rise through could take it to the next resistance level of 51,782.69.

S&P 500



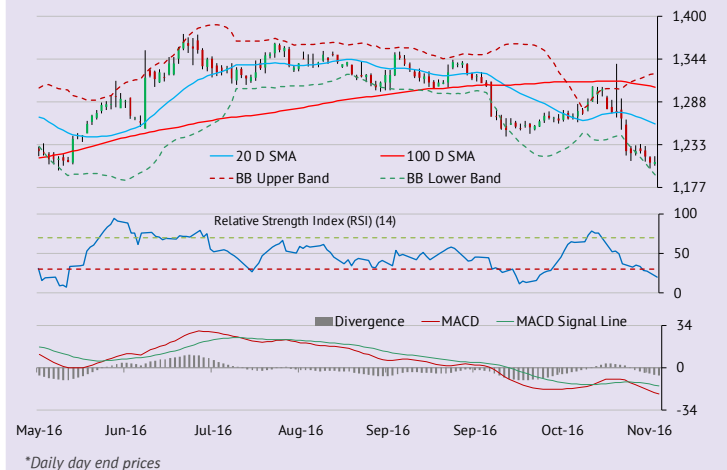
The S&P 500 index is expected to find support at 2,176.81, and a fall through could take it to the next support level of 2,155.43. The index is expected to find its first resistance at 2,209.13, and a rise through could take it to the next resistance level of 2,220.07.

USDZAR



The pair is expected to find support at 14.0145, and a fall through could take it to the next support level of 13.7841. The pair is expected to find its first resistance at 14.5602, and a rise through could take it to the next resistance level of 14.8755.

XAU/USD



Gold is expected to find support at \$1,196.37/oz, and a fall through could take it to the next support level of \$1,182.93/oz. The precious metal is expected to find its first resistance at \$1,228.17/oz, and a rise through could take it to the next resistance level of \$1,246.53/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous	Frequency
Japan	07:30	Nationwide Department Store Sales (YoY) (Oct)	✓	-	-5.00%	Monthly
Japan	07:30	Tokyo Department Store Sales (YoY) (Oct)	✓	-	-3.40%	Monthly
Switzerland	09:00	Exports (MoM) (Oct)	✓	-	4.30%	Monthly
Switzerland	09:00	Imports (MoM) (Oct)	✓	-	-3.30%	Monthly
South Africa	09:00	Leading Indicator (Sep)	✓	-	93.30	Monthly
Switzerland	09:00	Trade Balance (Oct)	✓✓	CHF3.88bn	CHF4.37bn	Monthly
UK	11:30	Public Sector Net Cash Requirement (Oct)	✓✓	-	GBP13.30bn	Monthly
UK	11:30	PSNB ex Interventions (Oct)	✓	GBP6.00bn	GBP10.60bn	Monthly
UK	11:30	Public Sector Net Borrowing (Oct)	✓✓	GBP6.00bn	GBP10.10bn	Monthly
South Africa	11:30	Unemployment Rate (Q3)	✓	26.60%	26.60%	Quarterly
UK	13:00	CBI Trends Selling Prices (Nov)	✓✓	-	8.00	Monthly
UK	13:00	CBI Industrial Trends Survey - Orders (Nov)	✓	-8.00	-17.00	Monthly
Canada	15:30	Retail Sales (MoM) (Sep)	✓✓	0.60%	-0.10%	Monthly
Canada	15:30	Retail Sales ex Autos (MoM) (Sep)	✓	0.50%	0.00%	Monthly
US	15:55	Redbook Index (YoY) (18-Nov)	✓	-	0.90%	Weekly
US	15:55	Redbook Index s.a. (MoM) (18-Nov)	✓	-	-0.10%	Weekly
Eurozone	17:00	Consumer Confidence Index (Nov) (P)	✓✓	-7.80	-8.00	Monthly
US	17:00	Richmond Fed Manufacturing Index (Nov)	✓	0.00	-4.00	Monthly
US	17:00	Existing Home Sales (Oct)	✓	5.44mn	5.47mn	Monthly
US	17:00	Existing Home Sales (MoM) (Oct)	✓	-0.60%	3.20%	Monthly

Note: ✓✓✓High ✓✓Medium ✓Low

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