

ONE Minute Brief

28 November 2016

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Economic and Political News

Credit rating agency, Fitch, has reaffirmed South Africa's sovereign rating at 'BBB-'. However, the agency downgraded the country's outlook to 'negative' from 'stable', citing political infighting within the African National Congress (ANC) and Government, which would likely extend to next year, distract policymakers and undermine the investment climate, thus constraining GDP growth. Meanwhile, Moody's Investors Service kept the nation's sovereign rating unchanged at Baa2, with a negative outlook. Moody's warned that political risks, weak growth and unemployment were the greatest risks to the nation's economy.

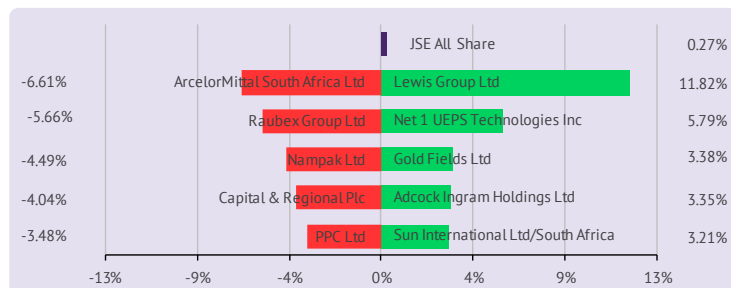
The National Treasury stated that the recent Moody's rating gave South Africa time to speed up growth enhancing strategies to minimise the costs associated with negative sentiment. Moreover, Finance Minister, Pravin Gordhan urged the nation to limit political turmoil and focus on growing the economy in order to avoid further rating downgrade.

The South African Reserve Bank's (SARB) Governor, Lesetja Kganyago, stated that the central bank is concerned that inflation expectations are not anchored more comfortably within its 3-6% target range.

South Africa Market ▲

South African markets closed higher

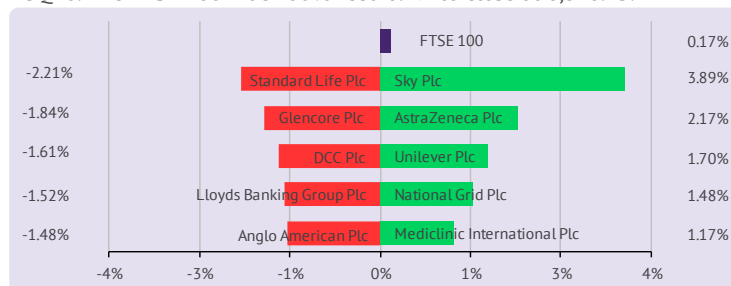
South African markets closed in the green on Friday, amid gains in gold mining sector stocks. The JSE All Share Index rose 0.3% to close at 50,696.10.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher on Friday, supported by gains in pharmaceutical sector stocks. Data indicated that the second reading on UK's GDP came in line with previous estimates on a quarterly basis in 3Q16. The FTSE 100 Index advanced 0.2% to close at 6,840.75.



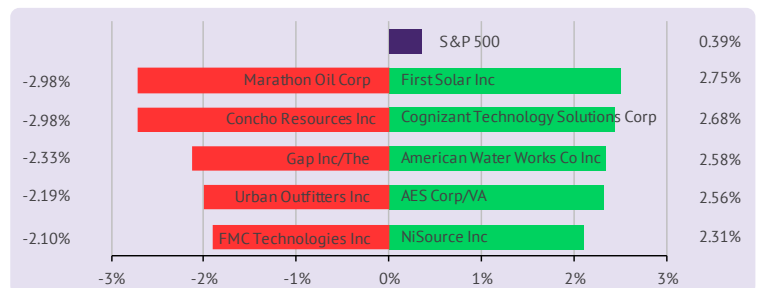
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50696.10	▲	134.67	0.27%	NA	0.21%	-2.62%	0.00%
JSE Top 40	44208.66	▲	126.46	0.29%	NA	0.43%	-3.10%	-3.47%
FTSE 100	6840.75	▲	11.55	0.17%	NA	-1.63%	0.80%	9.59%
DAX 30	10699.27	▲	10.01	0.09%	NA	0.32%	1.47%	-0.41%
CAC 40	4550.27	▲	7.71	0.17%	NA	0.91%	1.37%	-1.87%
S&P 500	2213.35	▲	8.63	0.39%	NA	4.10%	-1.94%	8.29%
Nasdaq Composite	5398.92	▲	18.24	0.34%	NA	4.04%	-2.31%	7.82%
DJIA	19152.14	▲	68.96	0.36%	NA	5.57%	-0.91%	9.91%

US Market ▲

The S&P 500 futures are trading in the red

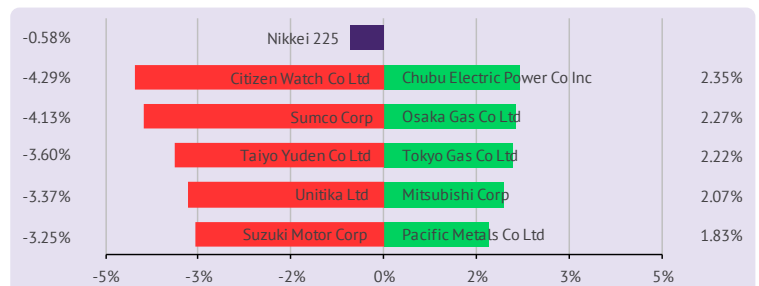
US markets closed higher on Friday, led by gains in utility sector stocks. Preliminary data revealed that Markit services PMI in the US expanded slightly less-than-expected in October. The S&P 500 Index climbed 0.4% to close at 2,213.35.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. The Nikkei 225 Index is trading 0.6% lower at 18,275.20.



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USDZAR ▼

USD trading weaker against ZAR

At 06:00 SAST, the US Dollar is trading 0.8% weaker against the South African Rand at R13.9877. Going ahead, traders will keep a close watch US annualized gross domestic product and consumer confidence index, scheduled for release tomorrow.

The US Dollar fell against the South African Rand on Friday, after data indicated that Markit services PMI in the US expanded at a slower pace in November. Moreover, wholesale inventories unexpectedly dropped on a monthly basis in October. Additionally, advance goods trade deficit widened more-than-expected in October.

GBPZAR ▼

GBP trading lower against ZAR

At 06:00 SAST, the British Pound is trading 0.5% weaker against the South African Rand at R17.4950.

The British Pound declined against the South African Rand on Friday. Data revealed that the second estimate for UK's gross domestic product (GDP) advanced as previously estimated in the third quarter of 2016. Moreover, business investment grew more than market expectations in the same period.

EURZAR ▼

EUR trading weaker against ZAR

At 06:00 SAST, the Euro is trading 0.3% lower against the South African Rand at R14.8977. Going forward, market participants will keep a watch on European Central Bank (ECB) President, Mario Draghi's speech for further direction.

The Euro strengthened against the South African Rand on Friday, extending previous session gains.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar fell 0.3% against the South African Rand to trade at R10.4502. With no major economic news in Australia today, investor sentiment will be determined by global macro-economic news.

The Australian Dollar rose against the South African Rand on Friday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.9877	▼	-0.30%	NA	4.79%	-1.91%	-8.84%
GBPZAR	17.4950	▼	-0.20%	NA	6.62%	-7.38%	-22.89%
EURZAR	14.8977	▼	0.05%	NA	1.06%	-4.15%	-11.06%
AUDZAR	10.4502	▼	0.02%	NA	2.32%	-2.60%	-7.76%
EURUSD	1.0650	▲	0.30%	NA	-3.60%	-2.28%	-2.60%
GBPUSD	1.2509	▲	0.21%	NA	1.90%	-5.63%	-15.38%
Brent (\$/barrel)	47.2	▼	-3.59%	NA	-2.82%	-3.15%	26.72%
Gold (\$/oz)	1194.7	▲	-0.92%	NA	-7.44%	-3.06%	11.15%
Platinum (\$/oz)	919.8	▲	-2.45%	NA	-7.18%	-4.86%	1.86%
Copper (\$/MT)*	5864.5	▲	0.19%	NA	21.14%	-0.14%	24.62%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 1.4% higher to trade at \$1,194.70/oz.

On Friday, gold prices fell 0.9% to close at \$1,178.40/oz, as a robust greenback and a rise in global equity markets, reduced demand for the safe-haven asset.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% lower to trade at \$47.17/bL.

On Friday, Brent crude oil dropped 3.6% to settle at \$47.24/bL, amid increased uncertainty following the upcoming OPEC meeting ahead in the week. Further, Baker Hughes reported that US oil rig count rose by 3 to 474 last week. Moreover, OPEC officials announced that Saudi Arabian oil officials won't attend a meeting today with their Russian counterparts and others, threatening plans to coordinate production cuts between the world's two largest crude producers.

Platinum ▲

Trading in the positive territory

At 06:00 SAST, platinum prices gained 1.3% to trade at \$919.80/oz.

On Friday, platinum prices declined 2.5% to close at \$908.30/oz.



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Major South Africa Corporate News

Grand Parade Investments Limited

The company referring to its announcement on October 31, 2016, in relation to the potential acquisition of additional ordinary shares in Spur Corporation Limited, stated that the transaction will no longer proceed as the Board of GPI have been advised that certain shareholders will not be supporting the proposed transaction and hence will not achieve the requisite shareholder approvals necessary to implement the acquisition.

Naspers Limited

In its 1H17 results, the company revealed that its revenue declined slightly from the same period of the preceding year to USD2.96bn. Its diluted headline earnings per N ordinary share stood at 126.00c, compared with 111.00c recorded in the corresponding period of the previous year. For 2H17, the company expects to deliver revenue growth and scale the more established ecommerce businesses. It will continue to invest in long-term opportunities such as letgo, and seek further promising models within the internet segment.

Major Global Economic News

UK

In 3Q16, the second estimate of gross domestic product (GDP) climbed 0.5% in the UK on a quarterly basis, compared to a rise of 0.7% in the previous quarter. Markets were expecting GDP to rise 0.5% and the preliminary figures had also indicated an advance of 0.5%.

In the UK, the preliminary total business investment registered an unexpected rise of 0.90% on a quarterly basis in 3Q16, compared to a rise of 1.0% in the prior quarter. Markets were expecting total business investment to fall 1.0%.

In November, the CBI distributive trade survey's retail sales balance recorded an unexpected rise to a level of 26.0% in November, compared to market expectations of a fall to 12.0%. In the prior month, retail sales balance had registered a reading of 21.0%.

US

In the US, the flash Markit services PMI unexpectedly fell to a level of 54.70 in November, compared to market expectations of an unchanged reading. In the prior month, services PMI had recorded a reading of 54.80.

In October, the seasonally adjusted flash wholesale inventories in the US registered an unexpected drop of 0.4% on a monthly basis, compared to market expectations for an advance of 0.2%. The wholesale inventories had recorded a rise of 0.1% in the previous month.

Advance goods trade deficit in the US increased to USD62.00bn in October, compared to market expectations of a deficit of USD59.20bn. The US had reported a deficit of USD56.00bn in the previous month.

Eurozone

In November, consumer confidence remained steady at a level of 98.00 in France, meeting market expectations.

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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Assore Ltd	242	9.57%	32.70%	289.94%
Kumba Iron Ore Ltd	156	-4.74%	14.17%	278.76%
Anglo American Plc	194	-6.36%	4.39%	180.48%
ArcelorMittal South Africa Ltd	12	-0.68%	1.91%	160.44%
African Rainbow Minerals Ltd	102	-2.31%	4.26%	133.95%
Exxaro Resources Ltd	102	-8.19%	2.50%	130.88%
South32 Ltd	27	-8.35%	3.09%	125.79%
Harmony Gold Mining Company Ltd	35	-7.08%	-15.45%	122.82%
Glencore Plc	46	-7.26%	14.04%	122.72%
Impala Platinum Holdings Ltd	51	-4.61%	-6.83%	101.68%
Niveus Investments Ltd	40	-1.25%	-3.66%	97.50%
Pan African Resources Plc	3	-2.33%	-0.88%	92.00%
Bidvest Group Ltd	163	2.50%	-2.65%	83.28%
Lonmin Plc	31	-9.17%	1.11%	69.45%
Northam Platinum Ltd	43	-5.71%	-12.05%	64.08%
Anglo American Platinum Ltd	300	-7.17%	-5.67%	61.69%
Blue Label Telecoms Ltd	19	-0.67%	-5.20%	59.18%
AngloGold Ashanti Ltd	164	-3.38%	-9.37%	54.08%
African Oxygen Ltd	20	7.38%	0.35%	52.31%
Royal Bafokeng Platinum Ltd	40	12.93%	-1.78%	51.07%
Murray & Roberts Holdings Ltd	12	11.16%	27.30%	46.88%
Sibanye Gold Ltd	33	-4.53%	-9.41%	45.69%
Raubex Group Ltd	24	-1.52%	-4.50%	42.43%
Barloworld Ltd	88	0.33%	0.74%	41.99%
Invicta Holdings Ltd	63	6.53%	13.04%	39.95%
Tongaat Hulett Ltd	130	11.51%	6.64%	39.66%
Coronation Fund Managers Ltd	74	4.11%	1.71%	39.45%
Imperial Holdings Ltd	165	3.79%	-3.32%	37.95%
Wilson Bayly Holmes - Ovcon Ltd	152	0.14%	0.00%	34.20%
Shoprite Holdings Ltd	190	5.11%	-4.66%	32.43%
Standard Bank Group Ltd	149	3.80%	4.15%	31.28%
Clicks Group Ltd	116	2.56%	-7.57%	30.34%
BHP Billiton Plc	224	-4.67%	10.00%	28.53%
Santam Ltd	233	0.53%	-3.82%	27.25%
Sappi Ltd	82	5.61%	8.71%	24.93%
JSE Ltd	157	2.46%	0.02%	23.74%
Ascendis Health Ltd	25	6.68%	-8.84%	23.27%
Nedbank Group Ltd	230	4.63%	4.16%	21.77%
Tsogo Sun Holdings Ltd	29	4.19%	-4.21%	21.16%
Advtech Ltd	18	1.92%	0.80%	20.47%
JSE All Share Index	50696	0.14%	0.21%	0.00%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus	Previous	Frequency
 Eurozone	10:00	Private Loans (YoY) (Oct)	✓	-	1.80%	Monthly
 Eurozone	11:00	M3 Money Supply (YoY) (Oct)	✓	5.00%	5.00%	Monthly
 Italy	11:00	Consumer Confidence (Nov)	✓	107.60	108.00	Monthly
 Eurozone	12:00	OECD Economic Outlook	✓	-	-	As scheduled
 Eurozone	15:10	ECB's Coeure speaks in Athens	✓	-	-	As scheduled
 Eurozone	16:00	ECB's Draghi Speaks at European Parliament in Brussels	✓	-	-	As scheduled
 US	17:30	Dallas Fed Manufacturing Business Index (Nov)	✓	1.50	-1.50	Monthly
 Eurozone	18:00	ECB President Draghi Speaks in Brussels	✓	-	-	As scheduled
 UK	-	Nationwide House Prices s.a. (MoM) (Nov)	✓	0.20%	0.00%	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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