

ONE Minute Brief

29 November 2016

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Economic and Political News

South African President, Jacob Zuma survived a challenge to his leadership, after a motion by some members of the ANC to force him to step down at the party's National Executive Committee meeting failed. News reports indicate that the top six members of the party are now set to discuss the President's fitness to hold office before a consultative conference next year. The party will brief the media today on the outcome of the three-day meeting of the ANC's National Executive Committee (NEC).

The Democratic Alliance (DA) has asked President, Jacob Zuma, to reveal the representations submitted to the Presidency, by National Prosecuting Authority (NPA) head Shaun Abrahams, Prosecutors Sibongile Mzinyathi and Torie Pretorius, on why they should not be suspended pending an inquiry.

The South African Revenue Service (SARS) revealed that it had paid ZAR15.5bn in returns, issued fines to defaulting taxpayers of ZAR1.64bn and received 6mn tax returns at the end of the tax season.

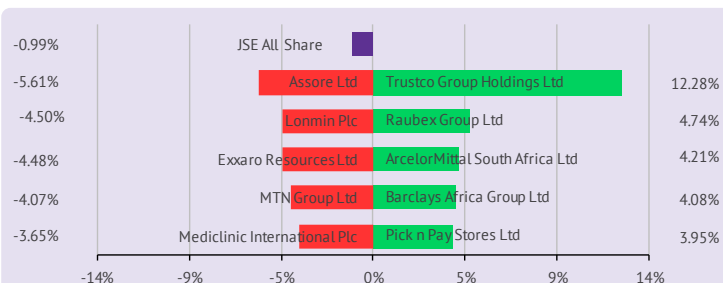
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50193.64	▼	-502.46	-0.99%	-0.99%	-0.78%	-2.62%	-0.99%
JSE Top 40	43616.91	▼	-591.75	-1.34%	-1.34%	-0.91%	-3.10%	-4.76%
FTSE 100	6799.47	▼	-41.28	-0.60%	-0.60%	-2.23%	0.80%	8.93%
DAX 30	10582.67	▼	-116.60	-1.09%	-1.09%	-0.77%	1.47%	-1.49%
CAC 40	4510.39	▼	-39.88	-0.88%	-0.88%	0.03%	1.37%	-2.73%
S&P 500	2201.72	▼	-11.63	-0.53%	-0.53%	3.55%	-1.94%	7.72%
Nasdaq Composite	5368.81	▼	-30.11	-0.56%	-0.56%	3.46%	-2.31%	7.22%
DJIA	19097.90	▼	-54.24	-0.28%	-0.28%	5.27%	-0.91%	9.60%

South Africa Market ▼

South African markets closed lower

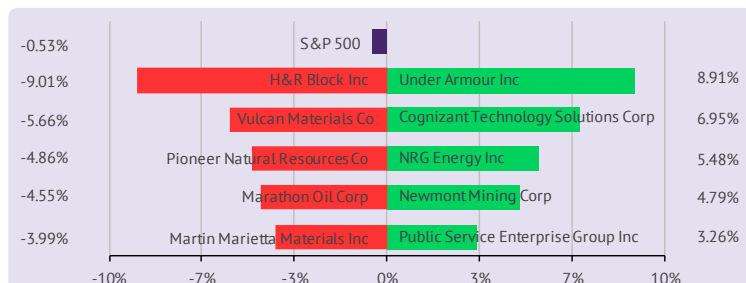
South African markets closed in the red yesterday, amid losses in resources, platinum and industrial sector stocks. The JSE All Share Index fell 1.0% to close at 50,193.64.



US Market ▼

The S&P 500 futures are trading in the red

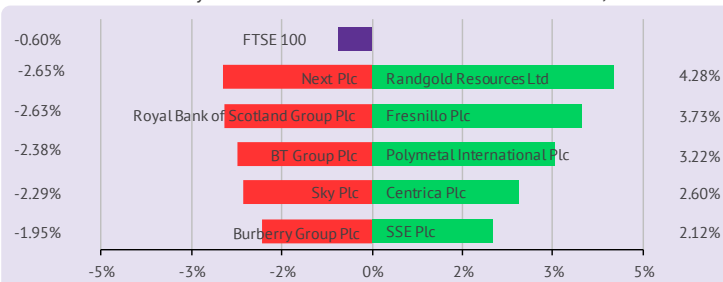
US markets closed lower yesterday, weighed down by losses in financials. The OECD forecast revealed that US economy will expand 2.3%, more than its previous estimate of 2.1% for 2017. The economy is expected to grow 3% in 2018. The S&P 500 Index fell 0.5% to 2,201.72.



UK Market ▼

The FTSE 100 futures are trading in positive territory

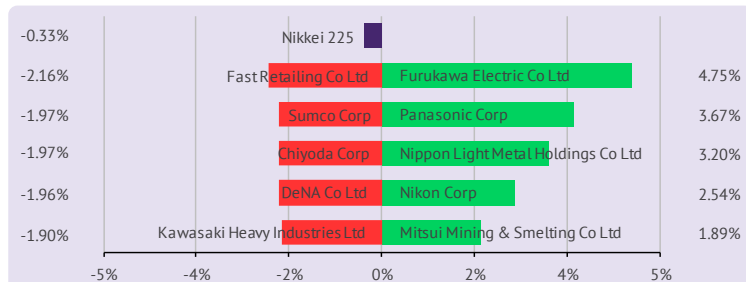
UK markets fell yesterday, led by losses in consumer discretionary, banks and energy sector stocks. The OECD projected that Britain's economy would grow 2% this year, although warning that the rate would be halved by 2018. The FTSE 100 Index fell 0.6% to 6,799.47.



Asian Market ▼

Trading mostly lower

Asian markets are trading mostly lower this morning. The OECD predicted that Japan's economy to grow 1.0% in 2017, compared to 0.7% previously estimated. The Nikkei 225 Index is trading 0.3% lower at 18295.92.



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

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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar is trading 0.6% firmer against the South African Rand at R13.8052. Later today, traders will keep a close watch on US annualized gross domestic product and consumer confidence index for further cues. Elsewhere, private sector credit in South Africa will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. Data indicated that US Dallas Fed manufacturing activity advanced more-than-expected on a monthly basis in November. Further, OECD projected that that US economy will grow 2.3%, more than its previous estimate of 2.1% for 2017. The economy is expected to expand 3% in 2018.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.4% higher against the South African Rand at R17.1090. Later today, traders will keep an eye on UK's net consumer credit and mortgage approvals for further direction.

The British Pound declined against the South African Rand yesterday. Moreover, OECD forecasted that Britain's economy is growing by 2% this year, greater than its previous estimate of 1.8%, albeit warning that the rate would be halved by 2018.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.5% firmer against the South African Rand at R14.6273. Going forward, market participants will keep a tab on sentiment indices in the Eurozone, scheduled in few hours. Separately, Germany's consumer price index will be on investors' radar.

The Euro weakened against the South African Rand yesterday. Data indicated that private sector loans in the Eurozone advanced less-than-expected on a yearly basis in October. Further, OECD revealed that Eurozone's economy is expected to grow 1.6% in 2017, compared to 1.4%, before expanding 1.7% in 2018. The ECB President, Mario Draghi, stated that the Eurozone proved to be resilient in 2016, despite uncertainty arising from the global economic and political environment. He further added that inflation has gradually edged up, and that the ECB's monetary stimulus has been a key ingredient of the ongoing recovery.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.4% higher against the South African Rand at R10.3070. Earlier in the session, data indicated that Australia's ANZ Roy Morgan Weekly consumer confidence index dropped compared to the previous estimate. Elsewhere, in China, Australia's largest trading partner, OECD revealed that China is growing at a slower pace this year of 6.7% to 6.4% in 2017, better than previous estimate.

The Australian Dollar fell against the South African Rand yesterday.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.8052	▲	-2.70%	-2.70%	1.96%	-1.91%	-11.31%
GBPZAR	17.1090	▲	-3.09%	-3.09%	3.32%	-7.38%	-25.27%
EURZAR	14.6273	▲	-2.59%	-2.59%	-1.56%	-4.15%	-13.36%
AUDZAR	10.3070	▲	-2.06%	-2.06%	0.22%	-2.60%	-9.66%
EURUSD	1.0592	▼	0.27%	0.27%	-3.33%	-2.28%	-2.33%
GBPUSD	1.2392	▼	-0.49%	-0.49%	1.40%	-5.63%	-15.80%
Brent (\$/barrel)	47.9	▼	2.12%	2.12%	-0.76%	-3.15%	29.40%
Gold (\$/oz)	1192.4	▲	1.05%	1.05%	-6.46%	-3.06%	12.32%
Platinum (\$/oz)	925.1	▲	1.65%	1.65%	-5.65%	-4.86%	3.54%
Copper (\$/MT)*	5865.8	▲	0.02%	0.02%	21.17%	-0.14%	24.65%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.1% higher to trade at \$1,192.40/oz.

Yesterday, gold prices rose 1.1% to close at \$1,190.80/oz, as weakness in the greenback and a decline in the stock market, increased the demand of yellow precious metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.6% to trade at \$47.93/bl.

Yesterday, Brent crude oil advanced 2.1% to settle at \$48.24/bl, on rising hopes for members of the Organization of the Petroleum Exporting Countries (OPEC) to reach an agreement this week to curb oil production.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.2% higher to trade at \$925.10/oz.

Yesterday, platinum prices climbed 1.7% to close at \$923.30/oz.



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Major South Africa Corporate News

Capital & Counties Properties Plc

In its trading update for the period July 1, 2016 to November 28, 2016, the company revealed that 2016 to date has set a new record for leasing activity with 84 leases transacted representing GBP11.20mn of income. British brand Hotel Chocolat is the latest new signing to the market building and sets a new Zone A rental level of GBP650.00/square foot. Additionally, Olympia London continues to see good demand and recent shows include The Spirit of Christmas Fair and The Luxury Travel Fair.

Major Global Economic News

Eurozone

The European Central Bank (ECB) President, Mario Draghi stated that the Eurozone proved to be resilient in 2016, despite uncertainty arising from the global economic and political environment. He further added that inflation has gradually edged up, and that the ECB's monetary stimulus has been a key ingredient of the ongoing recovery. Regarding the impact of 'Brexit' on the Euro zone, Draghi urged the British government to disclose more information about its Brexit plans and stated that it was difficult to predict the precise economic implications of the event as it would depend on the timing, progress and outcome of the upcoming negotiations.

In October, private sector loans increased 1.8% on an annual basis, in the Eurozone. In the previous month, private sector loans had registered a similar rise.

Asia

In October, unemployment rate in Japan remained flat at a level of 3.0%, in line with market expectations.

The OECD predicted that Japan's economy to grow 1%, compared to 0.7% previously estimated. The world's third-largest economy is expected to register 0.8% growth in 2018. Moreover, OECD expects that China is growing at a slower pace this year of 6.7% to 6.4% in 2017.

US

In November, the Dallas Fed manufacturing business index registered a rise to 10.20 in the US, compared to a reading of -1.50 in the prior month. Market anticipation was for the Dallas Fed manufacturing business index to advance to 2.00.

The OECD forecast revealed that US gross domestic product will expand 2.3%, greater than its previous estimate of 2.1% for 2017. The economy is expected to grow 3% in 2018.

UK

The OECD forecasted that Britain's economy is growing by 2% this year, more than the previous estimate of 1.8%, although warning that the rate would be halved by 2018.

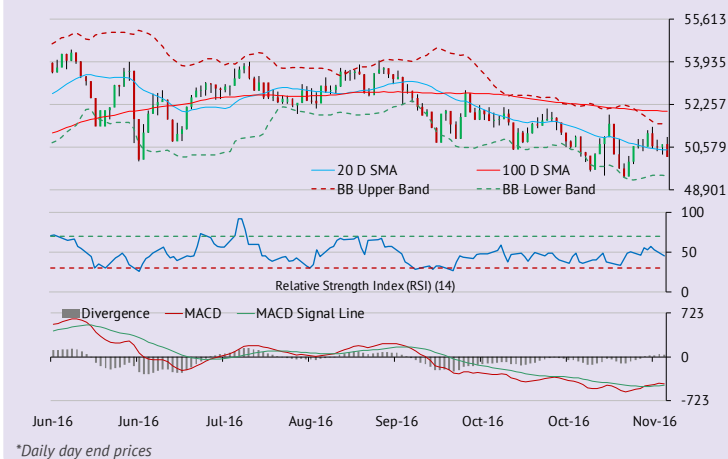
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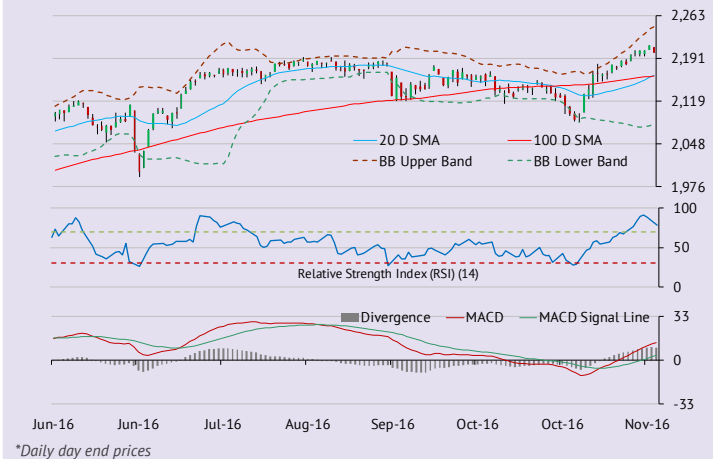
Technical Snapshot

JSE All Share



The JSE All Share index is expected to find support at 49,800.11, and a fall through could take it to the next support level of 49,406.59. The index is expected to find its first resistance at 50,980.69, and a rise through could take it to the next resistance level of 51,767.75.

S&P 500



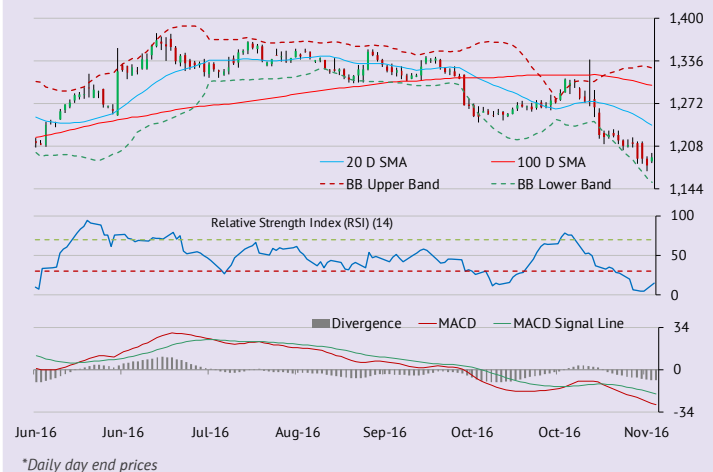
The S&P 500 index is expected to find support at 2,193.04, and a fall through could take it to the next support level of 2,184.35. The index is expected to find its first resistance at 2,211.88, and a rise through could take it to the next resistance level of 2,222.03.

USDZAR



The pair is expected to find support at 13.5100, and a fall through could take it to the next support level of 13.2964. The pair is expected to find its first resistance at 14.1153, and a rise through could take it to the next resistance level of 14.5070.

XAU/USD



Gold is expected to find support at \$1,167.10/oz, and a fall through could take it to the next support level of \$1,143.40/oz. The precious metal is expected to find its first resistance at \$1,217.70/oz, and a rise through could take it to the next resistance level of \$1,244.60/oz.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:30	Unemployment Rate (Oct)	✓✓	3.00%*	3.00%	Monthly
Japan	01:30	Household Spending (YoY) (Oct)	✓✓	-0.40%*	-2.10%	Monthly
Japan	01:50	Retail Trade (YoY) (Oct)	✓✓	-0.10%*	-1.70%	Monthly
Japan	01:50	Retail Trade s.a (MoM) (Oct)	✓	2.50%*	0.00%	Monthly
South Africa	08:00	Private Sector Credit (YoY) (Oct)	✓	6.85%	7.19%	Monthly
Germany	09:00	Export price index (Oct)	✓	-	103.90	Monthly
Germany	09:00	Import Price Index (Oct)	✓	-	97.40	Monthly
Germany	09:00	Import Price Index (YoY) (Oct)	✓	-0.80%	-1.80%	Monthly
Germany	09:00	Import Price Index (MoM) (Oct)	✓	0.70%	0.10%	Monthly
UK	11:30	Gross Consumer Credit (Oct)	✓✓	-	GBP22.00bn	Monthly
UK	11:30	Net Consumer Credit (Oct)	✓✓	GBP1.50bn	GBP1.40bn	Monthly
UK	11:30	Mortgage Approvals (Oct)	✓✓	65.00K	62.90K	Monthly
Eurozone	12:00	Business Climate Indicator (Nov)	✓✓	0.60	0.55	Monthly
Eurozone	12:00	Consumer Confidence (Nov) (F)	✓✓	-6.10	-6.10**	Monthly
Eurozone	12:00	Economic Sentiment Indicator (Nov)	✓	106.80	106.30	Monthly
Eurozone	12:00	Industrial Confidence (Nov)	✓	-0.50	-0.60	Monthly
Eurozone	12:00	Services Sentiment Indicator (Nov)	✓	12.50	12.00	Monthly
Germany	15:00	Consumer Price Index (MoM) (Nov) (P)	✓✓	-	0.20%	Monthly
Germany	15:00	Consumer Price Index (YoY) (Nov) (P)	✓✓	-	0.80%	Monthly
US	15:30	Gross Domestic Product Annualised (QoQ) (Q3) (S)	✓✓✓	3.00%	2.90%**	Quarterly
US	15:30	Gross Domestic Purchases Price Index (QoQ) (Q3) (S)	✓✓✓	1.50%	1.50%**	Quarterly
US	16:15	Fed's Dudley Speaks on Puerto Rico Economy	✓	-	-	As scheduled
US	17:00	Consumer Confidence (Nov)	✓✓✓	101.30	98.60	Monthly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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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

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