

ONE Minute Brief

30 November 2016

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Economic and Political News

South Africa's private sector credit rose 6.31% on an annual basis in October, compared to a rise of 7.19% in the prior month. Market expectation was for the private sector credit to climb 6.85%.

In South Africa, the BER business confidence index fell to a level of 38.00 in 4Q16 from a reading of 42.00 in the prior quarter.

The African National Congress (ANC) Secretary-general, Gwede Mantashe, stated that there had been a powerful and difficult discussion about President, Jacob Zuma's leadership but the party's National Executive Committee (NEC) did not support the call for Zuma to step down and felt that it was more important to focus on unity in the party.

Finance Minister, Pravin Gordhan, affirmed that positives for the South African economy far outweigh the hurdles facing the economy.

The National Assembly confirmed that the Economic Freedom Fighters (EFF) had filed an urgent application of no confidence vote against President, Jacob Zuma.

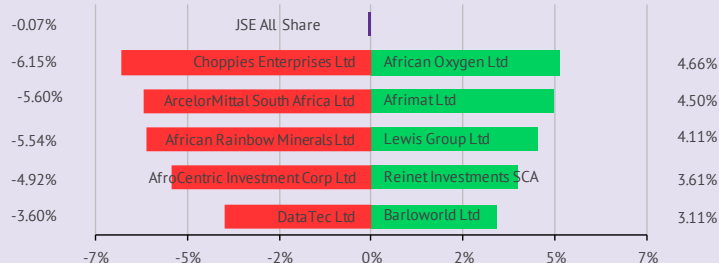
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50157.28	▼	-36.36	-0.07%	-1.06%	-0.86%	-2.62%	-1.06%
JSE Top 40	43602.72	▼	-14.19	-0.03%	-1.37%	-0.95%	-3.10%	-4.79%
FTSE 100	6772.00	▼	-27.47	-0.40%	-1.01%	-2.62%	0.80%	8.49%
DAX 30	10620.49	▲	37.82	0.36%	-0.74%	-0.42%	1.47%	-1.14%
CAC 40	4551.46	▲	41.07	0.91%	0.03%	0.94%	1.37%	-1.85%
S&P 500	2204.66	▲	2.94	0.13%	-0.39%	3.69%	-1.94%	7.86%
Nasdaq Composite	5379.92	▲	11.10	0.21%	-0.35%	3.68%	-2.31%	7.44%
DJIA	19121.60	▲	23.70	0.12%	-0.16%	5.40%	-0.91%	9.74%

South Africa Market ▼

South African markets closed lower

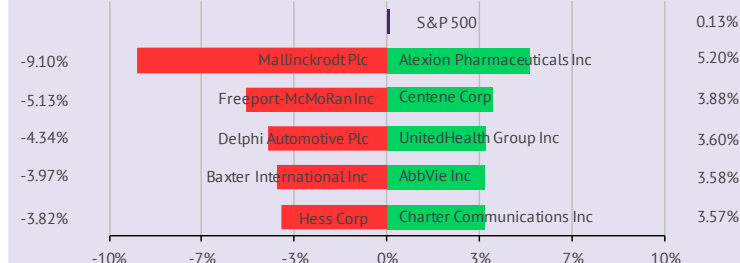
South African markets closed in the red yesterday, led by losses in resources, platinum and retail sector stocks. Data indicated that South Africa's private sector credit advanced less-than-anticipated on a yearly basis in October. The JSE All Share Index fell 0.1% to close at 50,157.28.



US Market ▲

The S&P 500 futures are trading in the red

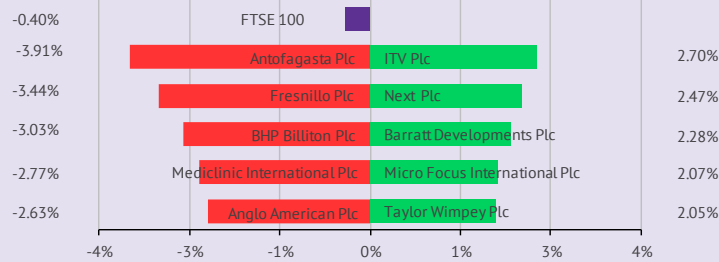
US markets closed higher yesterday, supported by gains in real estate sector stocks. Data indicated that US economy expanded at a faster-than-expected pace on an annual basis in 3Q16. The S&P 500 Index climbed 0.1% to close at 2,204.66.



UK Market ▼

The FTSE 100 futures are trading in negative territory

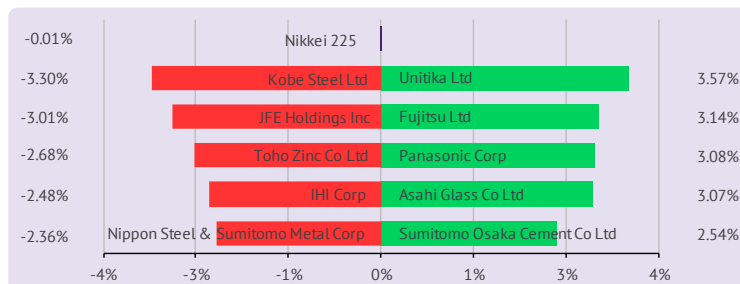
UK markets finished lower yesterday, amid losses in material and energy sector stocks. Data revealed that UK's net consumer credit advanced more-than-expected on a monthly basis in October. The FTSE 100 Index declined 0.4% to close at 6,772.00.



Asian Market ◀▶

Trading mixed

Asian markets are trading mixed this morning. Data revealed that Japan's industrial production rose at a slower pace on a monthly basis in October. The Nikkei 225 Index is trading marginally lower at 18,304.74.



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USDZAR ▲

USD trading higher against ZAR

At 06:00 SAST, the US Dollar advanced 0.3% against the South African Rand to trade at R13.9200. Later today, traders will keep a close watch on US ADP employment change, OPEC meeting, personal income & spending, pending home sales along with Fed's Beige book for further indications. Moreover, South Africa's trade balance data will be on investors' radar.

The US Dollar rose against the South African Rand yesterday, after data indicated that US annualized gross domestic product advanced at a faster pace in the 3Q16, notching its highest level in two years, as consumer spending increased and soybean export surged. Further, nation's consumer confidence index advanced more-than-expected to its highest level in nine years amid higher optimism about the US labor market and economy. Elsewhere, in South Africa private sector credit rose less than market expectations on an annual basis in October, whereas BER business confidence index registered a drop in 4Q16.

GBPZAR ▲

GBP trading stronger against ZAR

At 06:00 SAST, the British Pound climbed 0.2% against the South African Rand to trade at R17.3630. Earlier in the session, data indicated that UK's GfK consumer confidence index eased more-than-expected in November. Later today, traders will keep an eye on BoE's financial stability report for further direction.

The British Pound advanced against the South African Rand yesterday. Data indicated that net consumer credit in the UK surged more than market anticipations on a monthly basis in October, its strongest since October 2005. Additionally, the nation's mortgage approvals increased more-than-expected in October, to a 7-month high.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.2% firmer against the South African Rand at R14.7990. Going forward, market participants will keep a tab on Eurozone's consumer price index (CPI) along with Germany's retail sales and unemployment rate for further cues.

The Euro strengthened against the South African Rand yesterday. Data revealed that Eurozone's economic sentiment index rose less-than-expected to a 11-month high in November. Separately, Germany's consumer price inflation rose in line with market expectations on a yearly basis in November.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.2% higher against the South African Rand at R10.3982. Earlier in the session, data indicated that building approvals in Australia unexpectedly declined on a monthly basis in October. Further, private sector credit rose more-than-expected on a monthly basis in the same month.

The Australian Dollar rose against the South African Rand yesterday. Elsewhere, in China, OECD predicted that China is growing at a slower pace this year of 6.7% to 6.4% in 2017, better than previous estimate.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.9200	▲	1.09%	-1.65%	3.06%	-1.91%	-10.34%
GBPZAR	17.3630	▲	1.74%	-1.40%	5.12%	-7.38%	-23.97%
EURZAR	14.7990	▲	1.48%	-1.15%	-0.11%	-4.15%	-12.08%
AUDZAR	10.3982	▲	1.14%	-0.94%	1.36%	-2.60%	-8.63%
EURUSD	1.0631	▼	0.32%	0.60%	-3.02%	-2.28%	-2.02%
GBPUSD	1.2477	▼	0.60%	0.11%	2.01%	-5.63%	-15.29%
Brent (\$/barrel)	46.6	▲	-3.86%	-1.82%	-4.59%	-3.15%	24.41%
Gold (\$/oz)	1191.8	▲	-0.24%	0.81%	-6.69%	-3.06%	12.04%
Platinum (\$/oz)	920.0	▼	-0.22%	1.43%	-5.86%	-4.86%	3.32%
Copper (\$/MT)*	5690.0	▼	-3.00%	-2.98%	17.54%	-0.14%	20.92%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged higher 0.3% to trade at \$1,191.80/oz.

Yesterday, gold prices fell 0.2% to close at \$1,187.90/oz, amid strength in the US Dollar as expectations of a hike in the US interest rate increased followed by a positive US economic data.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.4% higher to trade at \$46.55/bl.

Yesterday, Brent crude oil sank 3.9% to settle at \$46.38/bl, amid rising uncertainty whether major oil producers will reach an agreement to curb production at a crucial OPEC meeting, scheduled today in Vienna.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged lower 0.1% to trade at \$920.00/oz.

Yesterday, platinum prices declined 0.2% to close at \$921.30/oz.

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Major South Africa Corporate News

Omnia Holdings Limited

In its 1H17 results, the company stated that its revenue increased to ZAR7.95bn from ZAR7.75bn recorded in the corresponding period of the previous year. Its diluted headline EPS fell 25.0% from the same period of the preceding year to 349.00c. Its profit before tax fell to ZAR361.00mn from ZAR457.00mn posted in the similar period last year.

Major Global Economic News

Eurozone

In November, the services sentiment indicator remained flat at 12.10 in the Eurozone, lower than market expectations of a rise to a level of 12.50.

In the Eurozone, the industrial confidence index eased unexpectedly to a level of -1.10 in November compared to a reading of -0.60 in the prior month. Markets were expecting the index to climb to a level of -0.50.

In November, the economic sentiment indicator advanced to 106.50 in the Eurozone, lower than market expectations of a rise to 106.80. The indicator had recorded a revised reading of 106.40 in the previous month.

In Germany, the flash CPI advanced 0.8% on a yearly basis, in November. The CPI had registered a similar rise in the prior month.

US

In the US, the second estimate of annualized gross domestic product (GDP) rose 3.2% on a quarterly basis in 3Q16, higher than market expectations for a rise of 3.0%. In the previous quarter, the annualized GDP had registered a rise of 1.4%. The preliminary figures had recorded a rise of 2.9%.

In November, the CB consumer confidence index advanced to 107.10 in the US, higher than market expectations of a rise to a level of 101.50. In the prior month, the index had registered a revised level of 100.80.

The Federal Reserve (Fed) Governor, Jerome Powell, stated that the case for raising interest rates has strengthened since the central bank's rate-setting committee met earlier this month, as US unemployment and inflation approach the Fed's goals. He also warned that moving too slowly could eventually mean that the committee would have to tighten monetary policy abruptly to avoid overshooting its objective.

UK

In the UK, net consumer credit recorded a rise of GBP1.60bn in October, compared to a revised rise of GBP1.50bn in the previous month. Markets were expecting net consumer credit to advance GBP1.50bn.

In October, number of mortgage approvals for house purchases advanced to 67.50K in the UK, compared to a revised level of 63.60K in the prior month. Market expectation was for number of mortgage approvals for house purchases to advance to a level of 65.00K.

In the UK, the Gfk consumer confidence recorded a drop to -8.00 in November, compared to a reading of -3.00 in the prior month. Market anticipation was for the consumer confidence to ease to a level of -4.00.

Asia

In October, the seasonally adjusted building approvals recorded an unexpected drop of 12.6% on a monthly basis in Australia, less than market expectations for an advance of 2.0%. Building approvals had dropped 9.3% in the prior month.

In October, the private sector credit rose 0.5% on a monthly basis in Australia, compared to a rise of 0.4% in the previous month. Markets were expecting the private sector credit to rise 0.4%.

In Japan, the flash industrial production climbed 0.1% on a monthly basis in October, compared to a rise of 0.6% in the prior month. Markets were expecting industrial production to advance 0.1%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Industrial Production (MoM) (Oct) (P)	✓	0.10%*	0.60%	Monthly
Japan	01:50	Industrial Production (YoY) (Oct) (P)	✓✓	-1.30%*	1.50%	Monthly
Japan	07:00	Small Business Confidence (Nov)	✓	48.30*	48.30	Monthly
Japan	07:00	Annualised Housing Starts (Oct)	✓✓	0.983 mn units*	0.98 mn units	Monthly
Japan	07:00	Housing Starts (YoY) (Oct)	✓	13.70%*	10.00%	Monthly
Germany	07:30	Short-Term Interest Rate (Oct)	✓	-	-0.30%	Monthly
Germany	09:00	Retail Sales (MoM) (Oct)	✓✓	-	-1.40%	Monthly
Germany	10:55	Unemployment Change (Nov)	✓✓✓	-	-13.00K	Monthly
Germany	10:55	Unemployment Rate s.a. (Nov)	✓✓	-	6.00%	Monthly
Greece	12:00	Retail Sales (YoY) at constant prices (Sep)	✓	-	-2.60%	Monthly
Eurozone	12:00	Consumer Price Index - Core (YoY) (Nov) (P)	✓✓✓	0.80%	0.80%	Monthly
Eurozone	12:00	Consumer Price Index (YoY) (Nov) (P)	✓✓✓	0.60%	0.50%	Monthly
US	14:00	MBA Mortgage Applications (25-Nov)	✓	-	5.50%	Weekly
South Africa	14:00	Trade Balance (Oct)	✓	-	ZAR6.70bn	Monthly
Eurozone	14:30	ECB President Mario Draghi speaks in Madrid	✓	-	-	As scheduled
US	15:15	ADP Employment Change (Nov)	✓✓	170.00K	147.00K	Monthly
US	15:30	Personal Income (MoM) (Oct)	✓✓	0.40%	0.30%	Monthly
US	15:30	Personal Spending (Oct)	✓✓	0.50%	0.50%	Monthly
US	16:00	Unfilled Orders/Shipments (Sep)	✓✓✓	6.69*	6.79	Monthly
US	16:45	Chicago PMI (Nov)	✓	52.50	50.60	Monthly
US	17:00	US Pending home sales (Oct)	✓	-	110.00	Monthly
US	17:00	Pending Home Sales (MoM) (Oct)	✓	0.10%	1.50%	Monthly
US	21:00	Fed's Beige Book	✓✓✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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