

ONE Minute Brief

5 December 2016

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Economic and Political News

Standard and Poor's, kept the South Africa's foreign-currency debt unchanged at one level above junk but lowered the nation's local currency by one notch. It added that political events have delayed growth-enhancing reforms and that low GDP growth continues to affect the nation's economic and fiscal performance. Meanwhile, the Presidency stated that President, Jacob Zuma, has assured investors that the country will remain an important and strategic investment destination.

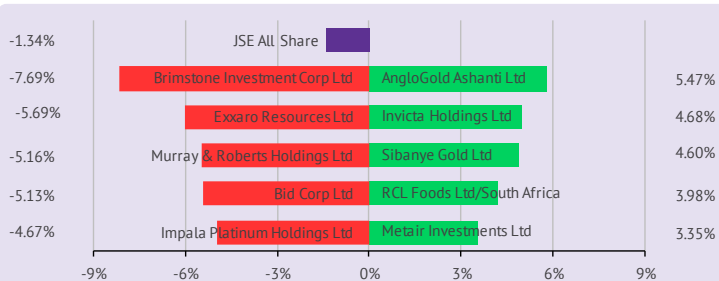
President, Jacob Zuma, has approached the North Gauteng High Court in Pretoria to review and set aside the recommendations by former Public Protector, Thuli Madonsela's State of Capture report and asked the court to send the matter back to Public Protector, Busisiwe Mkhwebane, for further investigation. Separately, Democratic Alliance (DA) leader, Mmusi Maimane, announced that the party will oppose the application filled by President, Jacob Zuma.

The DA stated that it will present a report today comprising of details of how the party has performed through the various parliamentary mechanisms available and how it has used its position as the Official Opposition.

South Africa Market ▼

South African markets closed lower

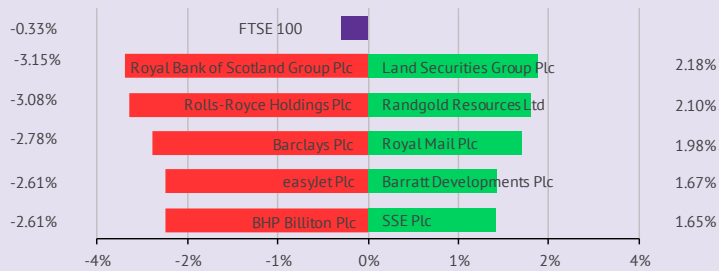
South African markets closed in the red on Friday, amid losses in platinum, retail and banking sector stocks. The JSE All Share Index fell 1.3% to close at 49,256.10.



UK Market ▼

The FTSE 100 futures are trading in negative territory

UK markets finished lower on Friday, weighed down by losses in oil and mining shares sector stocks. Data indicated that UK's Markit construction PMI expanded more-than-anticipated in November. The FTSE 100 Index declined 0.3% to close at 6,730.72.



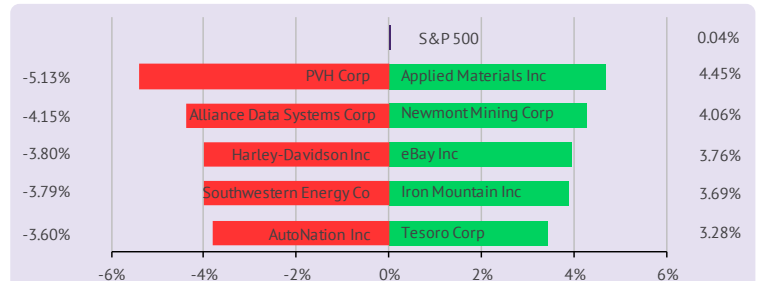
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	49256.10	▼ -670.90	-1.34%	NA	-1.90%	-0.75%	-2.84%
JSE Top 40	42822.16	▼ -590.25	-1.36%	NA	-1.99%	-0.75%	-6.50%
FTSE 100	6730.72	▼ -22.21	-0.33%	NA	-0.78%	-2.45%	7.82%
DAX 30	10513.35	▼ -20.70	-0.20%	NA	-1.19%	-0.23%	-2.14%
CAC 40	4528.82	▼ -31.79	-0.70%	NA	-1.08%	1.53%	-2.33%
S&P 500	2191.95	▲ 0.87	0.04%	NA	-0.31%	3.42%	7.24%
Nasdaq Composite	5255.65	▲ 4.55	0.09%	NA	-1.28%	2.59%	4.96%
DJIA	19170.42	▼ -21.51	-0.11%	NA	0.24%	5.41%	10.02%

US Market ▲

The S&P 500 futures are trading in the red

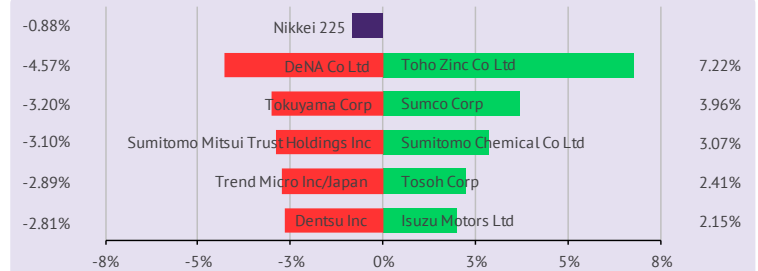
US markets closed marginally higher on Friday, supported by gains in real estate sector stocks. Data revealed that US unemployment rate decreased in November while nonfarm payrolls increased in the same month. The S&P 500 Index climbed to close at 2,191.95.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning following the resignation of Italian Prime Minister. Data indicated that China's services PMI rose more-than-expected in November. The Nikkei 225 Index is trading 0.9% lower at 18264.44.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.6% higher against the South African Rand at R13.8672. Later today, traders will keep a close watch on US ISM non-manufacturing PMI and Markit service PMI for further cues.

The US Dollar fell against the South African Rand on Friday, despite data indicating that unemployment rate in the US fell to a nine-month low in November, which raised the expectations of an interest rate hike. Further, non-farm payrolls advanced less-than-expected in November. Moreover, average hourly earnings growth unexpectedly dropped into the negative territory on a monthly basis in November.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound advanced 0.3% against the South African Rand to trade at R17.6070. Later today, traders will keep an eye on UK's Markit/CIPS services PMI, scheduled in few hours.

The British Pound declined against the South African Rand on Friday. Data indicated that UK's Markit construction PMI expanded more than market expectations in November, supported by business activity and new orders increasing at the fastest pace since March.

EURZAR ▼

EUR trading lower against ZAR

At 06:00 SAST, the Euro is trading 0.6% weaker against the South African Rand at R14.6188, after a heavy defeat in a referendum over plan to reform the constitution sparked resignation of Italian Prime Minister Matteo Renzi. Going forward, market participants will keep a tab on Markit services PMI across the Eurozone's along with retail sales and Sentix investor confidence for further indications.

The Euro weakened against the South African Rand on Friday. Data revealed that Eurozone's producer price index (PPI) advanced at faster-than-expected pace on a monthly basis in October, amid rise in energy prices led the index highest in more than 4 years.

AUDZAR ▲

AUD trading firmer against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.3% higher against the South African Rand at R10.3241. Earlier in the session, data indicated that Australia's AiG performance of service index advanced in November, compared to previous reading. Further, inventories rose more than market expectations in 3Q16. Moreover, in China, Australia's largest trading partner, services PMI expanded more-than-anticipated in November.

The Australian Dollar fell against the South African Rand on Friday. Data revealed that, in Australia, retail sales rose more-than-expected in October from September, pointing towards sustained growth in consumer spending.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.8672	▲	-2.19%	NA	-2.05%	4.61%	-10.87%
GBPZAR	17.6070	▲	-1.08%	NA	-0.33%	6.86%	-22.97%
EURZAR	14.6188	▼	-2.11%	NA	-1.41%	0.88%	-12.47%
AUDZAR	10.3241	▲	-1.56%	NA	-1.02%	1.49%	-9.44%
EURUSD	1.0549	▼	0.09%	NA	0.80%	-3.59%	-1.81%
GBPUUSD	1.2693	▼	1.02%	NA	1.72%	2.14%	-13.72%
Brent (\$/barrel)	54.0	▼	0.96%	NA	5.05%	6.64%	46.08%
Gold (\$/oz)	1178.8	▲	0.70%	NA	0.37%	-8.04%	10.84%
Platinum (\$/oz)	930.7	▼	2.35%	NA	2.51%	-7.02%	4.60%
Copper (\$/MT)*	5758.0	▼	-0.52%	NA	-0.95%	20.08%	22.36%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged higher 0.3% to trade at \$1,178.80/oz.

On Friday, gold prices rose 0.7% to close at \$1,175.10/oz, as weakness in the US Dollar increased the demand for alternative investment.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged lower 0.9% to trade at \$53.98/bl.

On Friday, Brent crude oil advanced 1.0% to settle at \$54.46/bl, extending its previous week rally as investors continued to cheer OPEC's decision to curb the oil production.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices dropped 0.2% to trade at \$930.70/oz.

On Friday, platinum prices surged 2.4% to close at \$932.70/oz.



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Major South Africa Corporate News

Kumba Iron Ore Limited

In its trading statement for FY16, the company announced that its headline EPS reported for the comparative period were ZAR11.82, 20.0% higher than the comparative period translating to an increase of ZAR2.36. The expected increase in earnings is largely attributable to the increase in export iron ore prices during the year and the weaker average ZAR/USD exchange rate.

MMI Holdings Limited

The company announced that the tough economic conditions, and weak returns from equity markets, have continued to be a headwind on the company's financial performance in the three months to September 30, 2016. Recurring premium new business was up 18.0% over the quarter while single premium new business was down 23.0% against a relatively demanding comparative for 1Q16. Value of new business was up 24.0%, largely due to much improved new business volumes and margins from Metropolitan Retail.

Major Global Economic News

US

In the US, unemployment rate eased unexpectedly to 4.6% in November, compared to market expectations of a steady reading. In the prior month, unemployment rate had recorded a reading of 4.9%.

In November, non-farm payrolls registered a rise of 178.00K in the US, lower than market expectations of an advance of 180.00K. Non-farm payrolls had recorded a revised gain of 142.00K in the previous month.

Average hourly earnings of all employees recorded an unexpected drop of 0.1% on a monthly basis in November, in the US, less than market expectations for a rise of 0.2%. In the prior month, average hourly earnings of all employees had advanced 0.4%.

Asia

In Japan, the services PMI index recorded a rise to 51.80 in November, compared to a reading of 50.50 in the prior month.

In November, the Caixin/Markit services PMI index recorded a rise to 53.10 in China, compared to a reading of 52.40 in the prior month.

In Australia, the AIG performance of services index climbed to 51.10 in November. The index had recorded a reading of 50.50 in the previous month.

UK

In November, the construction PMI recorded an unexpected rise to a level of 52.80 in the UK, higher than market expectations of a drop to 52.20. The PMI had registered a reading of 52.60 in the previous month.

Eurozone

In the Eurozone, the PPI advanced 0.8% on a monthly basis in October, more than market expectations for a rise of 0.4%. The PPI had advanced 0.1% in the prior month.



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40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Kumba Iron Ore Ltd	158	-8.06%	-4.82%	283.50%
Assore Ltd	215	-12.75%	-5.90%	246.01%
Anglo American Plc	212	-2.76%	0.06%	207.46%
South32 Ltd	29	-2.52%	2.04%	139.67%
African Rainbow Minerals Ltd	104	-6.09%	-3.38%	138.83%
Glencore Plc	49	-2.09%	-0.69%	136.07%
ArcelorMittal South Africa Ltd	10	-0.57%	1.86%	130.89%
Harmony Gold Mining Company Ltd	32	-0.91%	0.10%	102.56%
Exxaro Resources Ltd	82	-21.90%	-15.11%	86.19%
Niveus Investments Ltd	36	-8.86%	-8.86%	80.00%
Bidvest Group Ltd	160	0.30%	-2.04%	79.38%
Pan African Resources Plc	3	-1.59%	-5.20%	77.14%
Impala Platinum Holdings Ltd	43	-8.99%	-3.10%	71.05%
Barloworld Ltd	106	3.06%	-1.24%	70.42%
Blue Label Telecoms Ltd	19	0.26%	0.68%	57.70%
Invicta Holdings Ltd	70	11.11%	7.69%	55.87%
Northam Platinum Ltd	41	-2.84%	-0.75%	55.36%
Anglo American Platinum Ltd	284	-3.05%	-1.58%	53.47%
AngloGold Ashanti Ltd	159	2.56%	2.52%	49.87%
African Oxygen Ltd	19	-0.84%	-4.96%	46.00%
Imperial Holdings Ltd	170	0.74%	0.40%	42.64%
Tongaat Hulett Ltd	128	-2.55%	-1.81%	37.15%
Lonmin Plc	25	-15.76%	-5.68%	36.94%
Murray & Roberts Holdings Ltd	11	-6.00%	-5.33%	33.13%
BHP Billiton Plc	231	-3.68%	-1.05%	33.05%
Clicks Group Ltd	118	-1.22%	-2.16%	32.58%
Coronation Fund Managers Ltd	70	-5.57%	-2.49%	32.34%
Raubex Group Ltd	22	-3.56%	-3.48%	31.75%
Royal Bafokeng Platinum Ltd	35	-4.47%	-1.80%	30.84%
Standard Bank Group Ltd	147	-2.32%	-2.71%	29.44%
Santam Ltd	236	1.68%	1.27%	28.98%
Sibanye Gold Ltd	29	-4.49%	0.62%	28.45%
Shoprite Holdings Ltd	184	-3.26%	-1.71%	28.26%
Pallinghurst Resources Ltd	4	7.50%	-2.27%	25.73%
Sappi Ltd	81	-1.82%	-2.76%	24.12%
Cashbuild Ltd	369	-0.78%	-1.39%	23.00%
Omnia Holdings Ltd	164	3.54%	0.99%	22.89%
Foschini Group Ltd	149	0.98%	0.44%	22.35%
Eoh Holdings Ltd	165	1.28%	-0.01%	22.22%
Wilson Bayly Holmes - Ovcon Ltd	138	-4.96%	-3.83%	21.84%
JSE All Share Index	49256	-2.84%	-1.90%	-2.84%

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Loans & Discounts Corp (YoY) (Oct)	✓	2.29%*	2.11%	Monthly
Japan	02:30	Markit Japan Services PMI (Nov)	✓✓	51.80*	50.50	Monthly
Japan	02:30	Markit/JMMA Composite PMI (Nov)	✓✓	52.00*	51.30	Monthly
China	03:45	Caixin/Markit Services PMI (Nov)	✓✓	53.10*	52.40	Monthly
China	03:45	HSBC China Composite PMI (Nov)	✓✓	52.90*	52.90	Monthly
Japan	05:45	BoJ Kuroda speaks at Europlace in Tokyo	✓✓	-	-	As scheduled
Japan	07:00	Consumer Confidence Index (Nov)	✓✓	42.80	42.30	Monthly
Germany	10:55	Markit Services PMI (Nov) (F)	✓✓	55.00	55.00**	Monthly
UK	11:00	New Car Registrations (YoY) (Nov)	✓	-	1.40%	Monthly
Eurozone	11:00	Markit Composite PMI (Nov) (F)	✓✓✓	54.10	54.10**	Monthly
Eurozone	11:00	Markit Services PMI (Nov) (F)	✓✓✓	54.10	54.10**	Monthly
UK	11:30	Official Reserves (Changes) (Nov)	✓✓	-	-USD1156.00mn	Monthly
Eurozone	11:30	Sentix Investor Confidence (Dec)	✓✓	14.30	13.10	Monthly
UK	11:30	Markit Services PMI (Nov)	✓✓✓	54.00	54.50	Monthly
Eurozone	12:00	Retail Sales (Oct)	✓✓	-	103.50	Monthly
Eurozone	12:00	Retail Sales (MoM) (Oct)	✓✓	0.80%	-0.20%	Monthly
Eurozone	12:00	Retail Sales (YoY) (Oct)	✓✓✓	1.70%	1.10%	Monthly
US	15:30	Fed's Dudley Speaks on Economy and Policy in New York	✓	-	-	As scheduled
Eurozone	16:00	ECB Governing Council's Weidmann Speaks in Munich	✓	-	-	As scheduled
US	16:25	Fed's Evans Speaks on Economy and Policy in Chicago	✓	-	-	As scheduled
US	16:45	Markit Composite PMI (Nov) (F)	✓✓	-	54.90**	Monthly
Eurozone	16:45	ECB Publishes Monthly QE Holdings	✓	-	-	As scheduled
US	16:45	Markit Services PMI (Nov) (F)	✓✓	54.80	54.70**	Monthly
US	17:00	ISM Non-Manufacturing PMI (Nov)	✓✓	55.50	54.80	Monthly
US	21:05	Fed's Bullard to Speak on U.S. Economic Outlook In Arizona	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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