

ONE Minute Brief

8 December 2016

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Economic and Political News

In South Africa, the SACCI business confidence index climbed to 93.90 in November, compared to a level of 93.00 in the prior month. Moreover, the nation's net gold & forex reserves registered a more-than-expected drop to USD41.08bn in November, compared to a level of USD41.80bn in the previous month.

Treasury Deputy Director-General, Ismail Momoniat, indicated that before the acceptance of the Financial Intelligence Centre Amendment Bill by the Parliament, it was analysed carefully by the state law advisers, cabinet ministers, stakeholders and MPs.

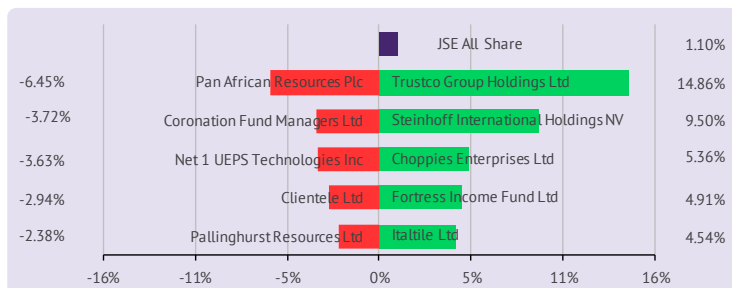
Deputy President, Cyril Ramaphosa, indicated that credit ratings agencies should not focus on the political developments but should be more concerned about the economy and how the government is managing the economy. Separately, he also stated that the proposed national minimum wage at ZAR3,500 is not a good living wage.

The South African Broadcasting Corporation (SABC) Board Chairman, Prof Mbulaheni Maguvhe, and his legal team, SABC executives and Head of Corporate Affairs, Hlaudi Motsoeneng, walked out of a parliamentary inquiry after the ad hoc committee decided to continue with its inquiry into the fitness of the SABC board.

South Africa Market ▲

South African markets closed higher

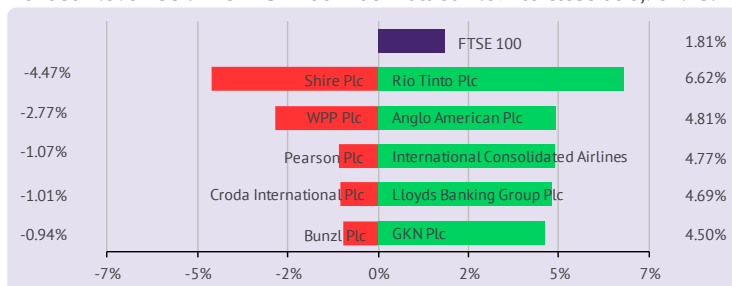
South African markets closed in the green yesterday, amid gains in retail, resources and platinum sector stocks. Data indicated that South Africa's SACCI business confidence index rose in November, its highest reading in 4 months. The JSE All Share Index rose 1.1% at 49,476.06.



UK Market ▲

The FTSE 100 futures are trading in positive territory

UK markets finished higher yesterday, led by gains in financial and mining sector stocks. Data revealed that UK's NIESR gross domestic product (GDP) rose in line with market expectations in the three months ended November. The FTSE 100 Index rallied 1.8% to close at 6,902.23.



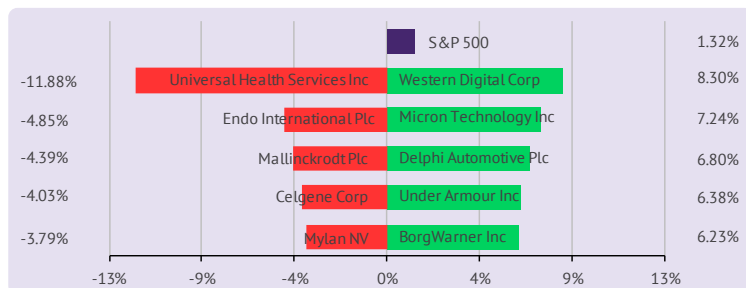
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	49476.06	▲	540.16	1.10%	0.45%	-1.46%	-0.75%	-2.40%
JSE Top 40	42927.17	▲	504.81	1.19%	0.25%	-1.75%	-0.75%	-6.27%
FTSE 100	6902.23	▲	122.39	1.81%	2.55%	1.75%	-2.45%	10.57%
DAX 30	10986.69	▲	211.37	1.96%	4.50%	3.26%	-0.23%	2.27%
CAC 40	4694.72	▲	62.78	1.36%	3.66%	2.54%	1.53%	1.24%
S&P 500	2241.35	▲	29.12	1.32%	2.25%	1.93%	3.42%	9.66%
Nasdaq Composite	5393.76	▲	60.76	1.14%	2.63%	1.32%	2.59%	7.72%
DJIA	19549.62	▲	297.84	1.55%	1.98%	2.23%	5.41%	12.19%

US Market ▲

The S&P 500 futures are trading in the green

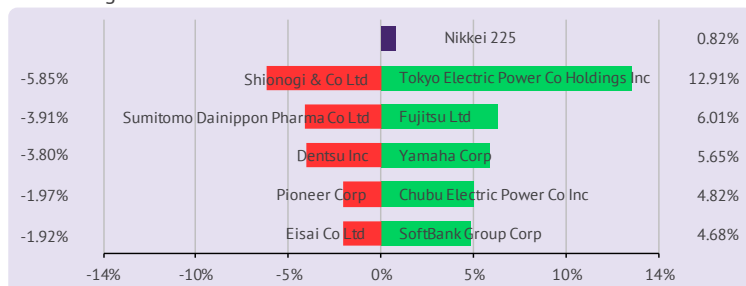
US markets closed higher yesterday, supported by gains in telecommunication sector stocks. Data indicated that US JOLTS job openings dropped less-than-expected in October. The S&P 500 Index climbed 1.3% to close at 2,241.35.



Asian Market ▲

Trading mostly higher

Asian markets are trading mostly higher this morning. Data showed that Japan's final GDP rose less-than-expected in 3Q16, as capital expenditure and inventories declined. The Nikkei 225 Index is trading 0.8% higher at 18647.



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USDZAR ▲

USD trading stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% higher against the South African Rand at R13.4800. Later today, traders will keep a close watch on US initial jobless claims for further indications. Separately, South Africa's BER consumer confidence and manufacturing production will be on investors' radar.

The US Dollar fell against the South African Rand yesterday. Data indicated that US JOLTS job openings slumped less than market expectations in October from September, suggesting resilience in the job market. Further, MBA mortgage applications rose at a faster pace and notched its highest level in two years, for the week ended December 2. Additionally, consumer credit advanced less-than-expected on a monthly basis in October. Separately, South Africa's SACCI business confidence index advanced to its strongest level in 4 months, in November, supported by new vehicle sales and manufacturing output.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound gained 0.2% against the South African Rand to trade at R17.0430.

The British Pound declined against the South African Rand yesterday. Data showed that UK's NIESR GDP rose in par with market anticipations in the three months ended November. Moreover, industrial production unexpectedly declined on a monthly basis in October, recording the most fall in 4 years, as oil and gas extraction slumped. Further, manufacturing production retreated more-than-expected in October from September, to its lowest level in eight months, led by a decline in pharmaceuticals.

EURZAR ▲

EUR trading firmer against ZAR

At 06:00 SAST, the Euro gained 0.3% against the South African Rand to trade at R14.5271. Going forward, market participants will keep a tab on European Central Bank Rate Decision for further direction.

The Euro weakened against the South African Rand yesterday. Data indicated that Germany's industrial production rebounded less-than-expected on a monthly basis in October, led by a decline in factory output and energy activity.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar advanced 0.3% against the South African Rand to trade at R10.1087. Earlier in the session, data indicated that Australia's trade deficit expanded more than market expectations in October. Separately, in China, Australia's largest trading partner, trade surplus narrowed more-than-expected in November. Moreover, imports strongly rebounded in November while exports also surprisingly bounced back into positive territory in the same month.

The Australian Dollar fell against the South African Rand yesterday. Data showed that the Australian economy dropped more than market anticipations on a quarterly basis in 3Q16. Moreover, AiG performance of construction index increased at a slower pace in November, remaining in the contraction territory.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.4800	▲	-1.27%	-2.40%	-4.40%	4.61%	-13.01%
GBPZAR	17.0430	▲	-1.69%	-3.15%	-3.47%	6.86%	-25.40%
EURZAR	14.5271	▲	-0.91%	-1.53%	-2.92%	0.88%	-13.81%
AUDZAR	10.1087	▲	-0.95%	-2.08%	-3.08%	1.49%	-11.33%
EURUSD	1.0776	▲	0.32%	0.76%	1.57%	-3.59%	-1.06%
GBPUUSD	1.2645	▲	-0.43%	-0.78%	0.93%	2.14%	-14.39%
Brent (\$/barrel)	53.0	▲	-1.72%	-2.68%	2.24%	6.64%	42.17%
Gold (\$/oz)	1180.1	▲	0.63%	-0.01%	0.36%	-8.04%	10.83%
Platinum (\$/oz)	952.4	▲	0.80%	1.13%	3.66%	-7.02%	5.78%
Copper (\$/MT)*	5779.3	▼	-1.64%	0.37%	-0.58%	20.08%	22.81%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,180.10/oz.

Yesterday, gold prices rose 0.6% to close at \$1,175.00/oz, as weakness in the US Dollar and rising uncertainty ahead of the key central bank meetings, increased the demand of safe haven asset.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged 0.1% higher to trade at \$53.03/bl.

Yesterday, Brent crude oil dropped 1.7% to settle at \$53.00/bl, after the US Energy Department reported that gasoline supplies rose by 3.4mn bls and distillate stockpiles advanced 2.5mn bls, although crude oil inventories fell by 2.4mn bls during the week ended December 2.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices rose 1.0% to trade at \$952.40/oz.

Yesterday, platinum prices climbed 0.8% to close at \$943.20/oz.

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Major South Africa Corporate News

Impala Platinum Holdings Limited

The company announced the appointment of Mr Nicolaas Johannes Muller as Chief Executive Officer and an Executive Director of Implats with effect from April 3, 2017.

Murray & Roberts Holdings Limited

In its trading statement, the company stated that it expects its basic EPS and headline EPS for the six months ended December 31, 2016 to be more than 20.0% lower than the basic EPS of 94.00c and headline EPS of 89.00c reported in the previous comparative reporting period.

Sanlam Limited

The company stated that it has achieved an overall solid operational performance for the first 10 months of FY16. Key trends remained broadly in line with those highlighted in the group's 1H16 results, but with some improvement in risk business claims experience at Sanlam Personal Finance and Sanlam Employee Benefits. Recent acquisitions, including Saham Finances and investments in Zimbabwe, continued to contribute to operational growth in FY16.

Steinhoff International Holdings NV

In its results for the quarter ended September 30, 2016, the company reported that its revenue advanced 12.1% from the same period of the preceding year to EUR3.40bn. Its operating profit increased to EUR327.00mn from EUR291.00mn recorded in the similar period last year.

Super Group Limited

In its FY16 results, the company indicated that its revenue rose to ZAR25.95bn from ZAR19.82bn recorded in the previous year. Its diluted EPS increased 12.8% from the same period of the preceding year to 291.30c. Its profit before income tax advanced to ZAR1.70bn from ZAR1.36bn posted last year.

Major Global Economic News

Asia

In Australia, the seasonally adjusted trade deficit widened to AUD1541.00mn in October, more than market expectations of a trade deficit of AUD610.00mn. Australia had registered a trade deficit of AUD1227.00mn in the prior month.

In Japan, the final annualized GDP advanced 1.3% on a quarterly basis in 3Q16, compared to an advance of 0.7% in the previous quarter. Market anticipation was for annualized GDP to rise 2.3%. The preliminary figures had recorded a rise of 2.2%.

In October, (BOP basis) trade surplus dropped to JPY587.60bn in Japan, compared to market expectations of a (BOP basis) trade surplus of JPY603.00bn. Japan had reported a (BOP basis) trade surplus of JPY642.40bn in the prior month.

US

In October, JOLTs job openings recorded a drop to 5534.00K in the US, compared to a revised reading of 5631.00K in the previous month. Markets were anticipating JOLTs job openings to fall to 5500.00K.

In the US, mortgage applications fell 0.7% on a weekly basis, in the week ended December 2, 2016. In the previous week, mortgage applications had dropped 9.4%.

In October, consumer credit advanced USD16.02bn in the US, compared to a revised rise of USD21.80bn in the previous month. Market expectation was for consumer credit to climb USD18.65bn.

UK

In the UK, NIESR estimated GDP recorded a rise of 0.4% on a monthly basis, in the September-November 2016 period, at par with market expectations. In the August-October 2016 period, NIESR estimated GDP had registered a similar rise.

In October, Industrial production unexpectedly fell 1.3% on a monthly basis in the UK, compared to a fall of 0.4% in the previous month. Market anticipation was for industrial production to climb 0.2%.

In the UK, manufacturing production registered an unexpected drop of 0.9% on a monthly basis in October, compared to an advance of 0.6% in the prior month. Markets were expecting manufacturing production to advance 0.2%.

Eurozone

In Germany, the seasonally adjusted industrial production climbed 0.3% on a monthly basis in October, compared to a revised drop of 1.6% in the previous month. Markets were expecting industrial production to advance 0.8%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	Gross Domestic Product Annualised (Q3) (F)	✓✓✓	1.30%*	2.20%**	Quarterly
Japan	01:50	Gross Domestic Product Deflator (YoY) (Q3) (F)	✓	-0.20%*	-0.10%**	Quarterly
Japan	01:50	Nominal Gross Domestic Product (QoQ) (Q3) (F)	✓✓	0.10%*	0.20%**	Quarterly
Japan	01:50	Bank Lending including Trusts (YoY) (Nov)	✓	2.40%*	2.40%	Monthly
Japan	01:50	Adjusted Current Account Total (Oct)	✓	JPY1928.90bn*	JPY1477.30bn	Monthly
Japan	01:50	Gross Domestic Product (QoQ) (Q3) (F)	✓✓	0.30%*	0.50%**	Quarterly
Japan	01:50	Trade Balance - BOP Basis (Oct)	✓✓	JPY587.60bn*	JPY642.40bn	Monthly
UK	02:01	RICS Housing Price Balance (Nov)	✓✓	30.00%*	23.00%	Monthly
Japan	04:00	Tokyo Average Office Vacancies (Nov)	✓	3.75%*	3.64%	Monthly
Japan	06:30	Bankruptcies (YoY) (Nov)	✓✓	-	-7.95%	Monthly
Japan	07:00	Eco Watchers Survey: Outlook (Nov)	✓✓	-	49.00	Monthly
Japan	07:00	Eco Watchers Survey: Current (Nov)	✓✓	-	46.20	Monthly
France	08:30	Nonfarm Payrolls (QoQ) (Q3) (F)	✓	0.30%	0.30%**	Quarterly
South Africa	09:00	BER Consumer Confidence (Q3)	✓	-	-11.00	Quarterly
South Africa	11:30	Gold Production (YoY) (Oct)	✓	-	-7.00%	Monthly
South Africa	11:30	Mining Production (YoY) (Oct)	✓	2.70%	3.40%	Monthly
South Africa	13:00	Manufacturing Production Index (YoY) (Oct)	✓	0.80%	0.00%	Monthly
South Africa	13:00	Manufacturing Production s.a. (MoM) (Oct)	✓	0.30%	1.50%	Monthly
Eurozone	14:45	ECB Monetary Policy Statement and Press Conference	✓✓✓	-	-	As scheduled
Eurozone	14:45	ECB Interest Rate Decision	✓✓✓	0.00%	0.00%	As scheduled
US	15:30	Continuing Jobless Claims (26-Nov)	✓	2048.00K	2081.00K	Weekly
US	15:30	Initial Jobless Claims (03-Dec)	✓✓	257.00K	268.00K	Weekly
US	17:30	EIA Natural Gas Storage Change (02-Dec)	✓	-	-50.00Bcf	Weekly
US	19:00	Household Change in Net Worth (Q3)	✓	-	USD1075.00bn	Quarterly

Note: ✓✓✓High ✓✓Medium ✓Low

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