

ONE Minute Brief

9 December 2016

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Economic and Political News

South Africa's BER consumer confidence index rose to a level of -3.00 in 3Q16, compared to a reading of -11.00 in the previous quarter.

In South Africa, mining production unexpectedly dropped 2.9% YoY in October, compared to a revised rise of 4.70% in the previous month. The nation's gold production eased 3.7% YoY, in October, compared to a drop of 7.0% in the previous month. In October, the seasonally adjusted manufacturing production index unexpectedly eased 1.9% MoM, compared to an advance of 1.5% in the previous month.

The National Health Education and Allied Workers Union (NEHAWU), stated that the resignation of President, Jacob Zuma, will be a start to unite the African National Congress (ANC) and that Deputy President, Cyril Ramaphosa, should immediately lead the ANC.

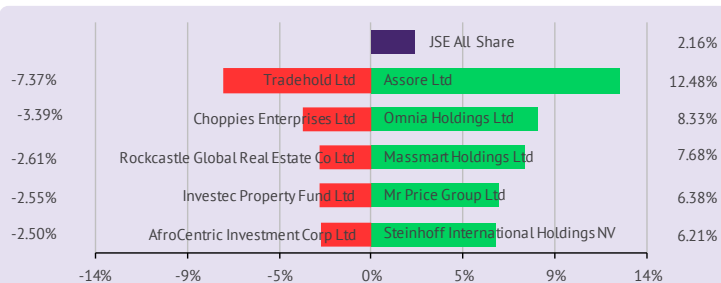
Democratic Alliance's 2016 cabinet report card marks President, Jacob Zuma, Mineral Resources Minister, Mosebenzi Zwane, and Co-operative Governance and Traditional Affairs Minister, Des van Rooyen, as the worst performers in the cabinet.

Fitch Ratings has revised the outlook on Eskom to negative from stable and affirmed its long-term local-currency issuer default rating (IDR) at BBB-.

South Africa Market ▲

South African markets closed higher

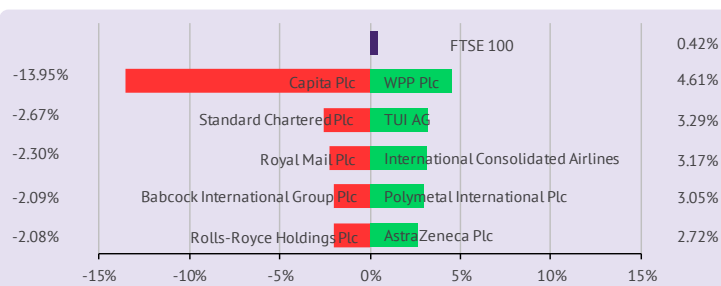
South African markets closed in the green yesterday, amid gains in retail and banking sector stocks. Data indicated that South Africa's BER consumer confidence index rose at a faster pace in 3Q16. The JSE All Share Index rose 2.2% to close at 50,543.44.



UK Market ▲

The FTSE 100 futures are trading in negative territory

UK markets finished higher yesterday, supported by gains in consumer discretionary and material sector stocks. The FTSE 100 Index advanced 0.4% to close at 6,931.55.



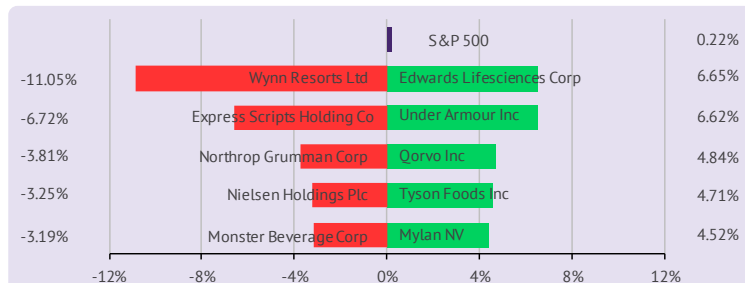
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50543.44	▲ 1067.38	2.16%	2.61%	0.67%	-0.75%	-0.30%
JSE Top 40	43891.07	▲ 963.90	2.25%	2.50%	0.46%	-0.75%	-4.16%
FTSE 100	6931.55	▲ 29.32	0.42%	2.98%	2.18%	-2.45%	11.04%
DAX 30	11179.42	▲ 192.73	1.75%	6.34%	5.07%	-0.23%	4.06%
CAC 40	4735.48	▲ 40.76	0.87%	4.56%	3.43%	1.53%	2.12%
S&P 500	2246.19	▲ 4.84	0.22%	2.47%	2.15%	3.42%	9.90%
Nasdaq Composite	5417.36	▲ 23.59	0.44%	3.08%	1.76%	2.59%	8.19%
DJIA	19614.81	▲ 65.19	0.33%	2.32%	2.57%	5.41%	12.57%

US Market ▲

The S&P 500 futures are trading in the red

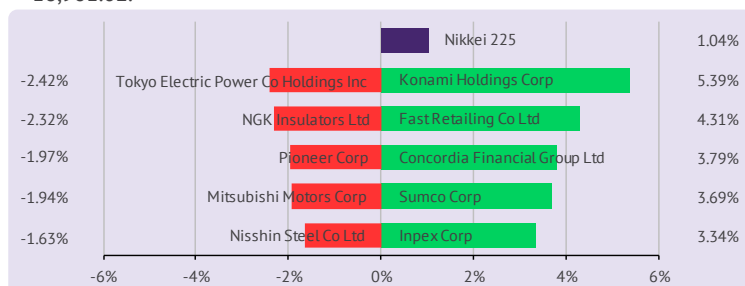
US markets closed higher yesterday, led by gains in financial sector stocks. Data revealed that US initial jobless claims dropped less-than-expected for the week ended December 3. The S&P 500 Index climbed 0.2% to close at 2,246.19.



Asian Market ▲▶

Trading mixed

Asian markets are trading mixed this morning. Data showed that China's consumer price index (CPI) advanced more-than-expected on a yearly basis, in November. The Nikkei 225 Index is trading 1.0% higher at 18,961.02.



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 stronger against ZAR

At 06:00 SAST, the US Dollar is trading 0.3% higher against the South African Rand at R13.6750. Later today, traders will keep a close watch on US Michigan confidence index and wholesale inventories for further cues. Moreover, South Africa's current account balance will be on investors' radar.

The US Dollar rose against the South African Rand yesterday. Data indicated that the number of Americans applying for unemployment benefits fell less than market expectations in the week ended December 3, indicating that labour market remained in expansion territory. In South Africa, BER consumer confidence index advanced at a faster pace in third quarter of 2016, but continued to be in the negative territory. Moreover, manufacturing production declined unexpectedly into negative territory on a monthly basis in October.

GBPZAR ▲

GBP trading firmer against ZAR

At 06:00 SAST, the British Pound is trading 0.2% higher against the South African Rand at R17.2110. Later today, traders will keep an eye on UK's total trade balance and construction output for further indications.

The British Pound advanced against the South African Rand yesterday.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading 0.1% stronger against the South African Rand at R14.5040. Going forward, market participants will keep a tab on Germany's trade balance, exports and imports for further direction.

The Euro strengthened against the South African Rand yesterday. The ECB kept its benchmark interest rate unchanged while extending its bond buying programme until the end of 2017. The current asset purchase programme of EUR80bn a month is scheduled to end in March 2017. The bond buying programme will then be cut to EUR60 billion a month from April 2017 and will continue until at least December 2017.

AUDZAR ▲

AUD trading stronger against ZAR

At 06:00 SAST, the Australian Dollar rose 0.2% against the South African Rand to trade at R10.1947. Earlier in the session, data revealed that Australia's home loans dropped and went into negative territory, less than the market anticipations, in October. Moreover, in China, Australia's largest trading partner, consumer price inflation increased more than market expectations on an annual basis in November. Further, producer price index came stronger-than-expected on a yearly basis in the same month, as prices of coal, steel and other building materials appreciated.

The Australian Dollar rose against the South African Rand yesterday. Data indicated that Australia's trade deficit advanced more-than-expected in October. Moreover, in China, Australia's largest trading partner, trade surplus narrowed more than market anticipations in November. Meanwhile, imports rebounded robustly in November while exports also unexpectedly bounced back into positive territory in the same month.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.6750	▲	1.34%	-1.10%	-3.13%	4.61%	-11.85%
GBPZAR	17.2110	▲	1.00%	-2.19%	-2.51%	6.86%	-24.65%
EURZAR	14.5040	▲	0.04%	-1.49%	-2.88%	0.88%	-13.77%
AUDZAR	10.1947	▲	1.00%	-1.11%	-2.11%	1.49%	-10.45%
EURUSD	1.0604	▼	-1.26%	-0.52%	0.28%	-3.59%	-2.31%
GBPUSD	1.2584	-	-0.29%	-1.06%	0.64%	2.14%	-14.64%
Brent (\$/barrel)	53.9	▼	1.68%	-1.05%	3.95%	6.64%	44.55%
Gold (\$/oz)	1169.2	▼	-0.44%	-0.45%	-0.09%	-8.04%	10.34%
Platinum (\$/oz)	935.3	▼	0.06%	1.19%	3.73%	-7.02%	5.84%
Copper (\$/MT)*	5781.3	▲	0.03%	0.40%	-0.55%	20.08%	22.86%

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices edged lower 0.1% to trade at \$1,169.20/oz.

Yesterday, gold prices fell 0.4% to close at \$1,169.80/oz, as strength in the US Dollar lowered the demand for the precious yellow metal.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil edged 0.1% lower to trade at \$53.85/bl.

Yesterday, Brent crude oil advanced 1.7% to settle at \$53.89/bl, amid mounting expectations that a weekend meeting between OPEC and Non-OPEC producers will also see an output cut from the latter.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.9% lower to trade at \$935.30/oz.

Yesterday, platinum prices climbed 0.1% to close at \$943.80/oz.

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Major South Africa Corporate News

Howden Africa Holdings Limited

The company announced that Mr. Kevin Johnson, Chief Financial Officer (CFO) and Executive Director (ED), has resigned from his position effective, December 8, 2016. Additionally, the company announced the appointment of Mrs. Marinella Vigouroux, effective from December 8, 2016, to the position of CFO and ED of the company.

Major Global Economic News

Asia

In China, the CPI registered a rise of 2.3% on a yearly basis, in November, higher than market expectations. The CPI had registered a rise of 2.1% in the previous month.

In November, the producer price index (PPI) recorded a rise of 3.3% on an annual basis in China, compared to a rise of 1.2% in the prior month. Markets were expecting the PPI to climb 2.3%.

In Australia, the seasonally adjusted home loan approvals fell 0.8% on a monthly basis in October, compared to a revised advance of 1.5% in the prior month. Market expectation was for home loan approvals to ease 1.0%.

US

In the US, the seasonally adjusted initial jobless claims fell to a level of 258.00K in the week ended December 03, 2016, compared to a level of 268.00K in the prior week. Markets were anticipating initial jobless claims to drop to a level of 257.00K.

Eurozone

The ECB, at its latest monetary policy meeting, kept its key interest rate steady at 0.0%, meeting market expectations. The central bank announced a continuation of the asset-buying programme but reduced the pace of purchases from April next year. The current asset purchase programme of EUR80bn a month is scheduled to end in March 2017. The bond buying programme will then be cut to EUR60 billion a month from April 2017 and will continue until at least December 2017.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
Japan	01:50	BSI Large Manufacturing (QoQ) (Q4)	✓✓	7.50%*	2.90%	Quarterly
Japan	01:50	Money Supply M3 (YoY) (Nov)	✓	3.40%*	3.10%	Monthly
Japan	01:50	Money Supply M2+CD (YoY) (Nov)	✓	4.00%*	3.70%	Monthly
China	03:30	Consumer Price Index (MoM) (Nov)	✓✓	0.10%*	-0.10%	Monthly
China	03:30	Consumer Price Index (YoY) (Nov)	✓✓✓	2.30%*	2.10%	Monthly
China	03:30	Producer Price Index (YoY) (Nov)	✓✓✓	3.30%*	1.20%	Monthly
Switzerland	08:45	Unemployment Rate s.a. (Nov)	✓✓	3.30%	3.30%	Monthly
Germany	09:00	Exports (Oct)	✓	-	EUR106.40bn	Monthly
Germany	09:00	Imports (Oct)	✓	-	EUR82.00bn	Monthly
Germany	09:00	Labour Costs s.a. (QoQ) (Q3)	✓	-	0.20%	Quarterly
Germany	09:00	Exports s.a. (MoM) (Oct)	✓	0.90%	-0.70%	Monthly
Germany	09:00	Imports s.a. (MoM) (Oct)	✓	1.10%	-0.50%	Monthly
Eurozone	10:00	ECB's Smets Speaks at Banking Conference in Brussels	✓	-	-	As scheduled
South Africa	10:00	Current Account Balance (Q3)	✓✓	ZAR148.00bn	-ZAR134.00bn	Quarterly
South Africa	10:00	Current Account to GDP (Q3)	✓✓	-3.60%	-3.10%	Quarterly
UK	11:30	Construction Output s.a. (YoY) (Oct)	✓	-0.10%	0.20%	Monthly
UK	11:30	Total Trade Balance (Oct)	✓✓	-GBP4.30bn	-GBP5.22bn	Monthly
UK	11:30	Visible Trade Balance (Oct)	✓✓	-GBP11.88bn	-GBP12.70bn	Monthly
Eurozone	11:45	ECB's Knot Speaks in Maastricht	✓	-	-	As scheduled
Eurozone	14:00	ECB's Ilmars Rimsevics speaks in press conference	✓	-	-	As scheduled
US	17:00	Reuters/Michigan Consumer Sentiment Index (Dec) (P)	✓✓✓	94.10	91.60	Monthly
US	17:00	Wholesale Inventories (Oct) (F)	✓	-0.40%	-0.40%**	Monthly
Eurozone	18:00	ECB's Smets Gives NBB Forecasts in Brussels	✓	-	-	As scheduled

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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