

ONE Minute Brief

21 December 2016

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Economic and Political News

South Africa's leading indicator remained unchanged at 94.40 in October.

Even though all the South African Broadcasting Corporation (SABC) members tendered their resignation, the Parliament's ad hoc committee Chairman, Vincent Smith, vowed to continue the inquiry into SABC.

Eskom has released a request for information (RFI) for the South African nuclear new build programme, officially commencing the process for 9.6 GW of nuclear energy. Moreover, the issue of the RFI by the power utility was welcomed by the South African nuclear energy bidders Russia and France.

South African Airways (SAA) spokeswoman, Mbali Zibi, indicated that the 2015-16 financial statements of SAA are signed by the board and will be presented in Parliament after a report from the auditor-general will be received for inclusion.

The Organisation Undoing Tax Abuse (OUTA) stated that the SABC's Former Executive, Hlaudi Motsoeneng, should face criminal charges over fraud and corruption he allegedly managed over at the public broadcaster.

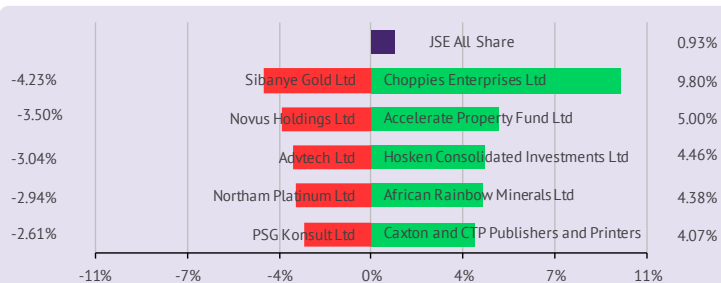
Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50343.24	▲	462.25	0.93%	1.31%	0.27%	-0.69%
JSE Top 40	43755.03	▲	422.86	0.98%	1.37%	0.15%	-4.46%
FTSE 100	7043.96	▲	26.80	0.38%	0.46%	3.84%	12.84%
DAX 30	11464.74	▲	38.04	0.33%	0.53%	7.75%	6.72%
CAC 40	4849.89	▲	27.12	0.56%	0.34%	5.93%	4.59%
S&P 500	2270.76	▲	8.23	0.36%	0.56%	3.27%	11.10%
Nasdaq Composite	5483.94	▲	26.50	0.49%	0.86%	3.01%	9.52%
DJIA	19974.62	▲	91.56	0.46%	0.66%	4.45%	14.63%

South Africa Market ▲

South African markets closed higher

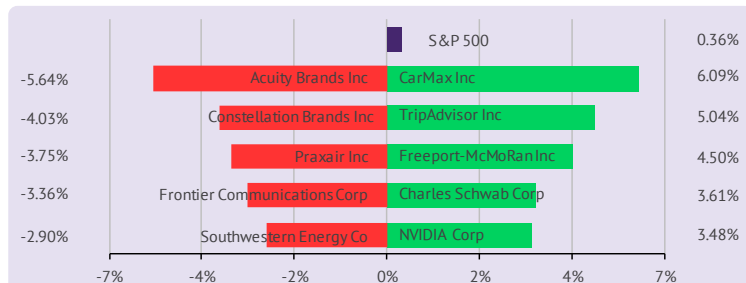
South African markets closed in the green yesterday, amid gains in property and financial sector stocks. Data revealed that South Africa's leading indicator remained unchanged in October. The JSE All Share Index rose 0.9% to close at 50,343.24.



US Market ▲

The S&P 500 futures are trading in the green

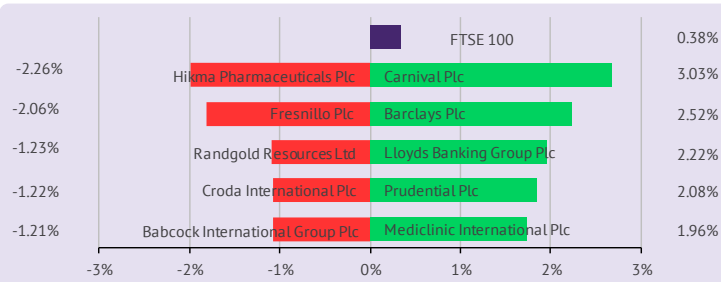
US markets closed higher yesterday, supported by gains in financial sector stocks. The S&P 500 Index climbed 0.4% to close at 2,270.76.



UK Market ▲

The FTSE 100 futures are trading in positive territory

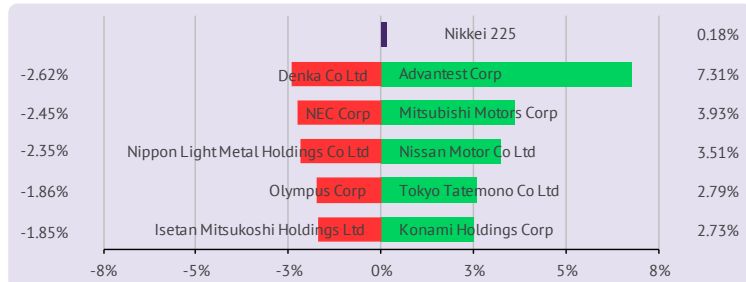
UK markets finished higher yesterday, led by gains in financial sector stocks. Data showed that CBI distributive trades survey's retail sales balance unexpectedly rose on a monthly basis in December. The FTSE 100 Index advanced 0.4% to close at 7,043.96.



Asian Market ▲

Trading higher

Asian markets are trading higher this morning, tracking overnight gains on Wall Street. Data showed that Japan's all industry activity index advanced more-than-expected on a monthly basis in October. The Nikkei 225 Index is trading 0.2% higher at 19,530.29.



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USDZAR ▲

USD trading flat against ZAR

At 06:00 SAST, the US Dollar is trading flat against the South African Rand to trade at R13.9840. Later today, traders will keep a close watch on US MBA mortgage applications and existing home sales for further direction.

The US Dollar fell against the South African Rand yesterday. Separately, South Africa's leading indicator remained steady in October.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound fell 0.1% against the South African Rand to trade at R17.3000. Later today, traders will keep an eye on UK's central government NCR and public sector net borrowings for further cues.

The British Pound declined against the South African Rand yesterday. Data indicated that CBI distributive trades survey's retail sales balance registered an unexpected rise in December from November, boosted by pre-Christmas consumer expenditure.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro gained 0.2% against the South African Rand to trade at R14.5555. Going forward, market participants will keep a tab on Eurozone's flash consumer confidence index for further indications.

The Euro weakened against the South African Rand yesterday. Data indicated that Eurozone's current account surplus expanded in October from September. Moreover, Germany's producer price index rose more than anticipated on a monthly basis in November.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading 0.1% weaker against the South African Rand at R10.1426. Earlier in the session, data showed that Australia's Westpac leading index advanced at a slower pace in November, compared to the prior reading of October.

The Australian Dollar fell against the South African Rand yesterday. The Reserve Bank of Australia, in its December monetary policy meeting minutes indicated that though the economy's growth slowed down in recent months, it is expected to bounce back in the first half of 2017. Moreover, inflation is anticipated to remain low, while wages are expected to increase. The central bank kept the benchmark lending rate steady at a record low of 1.50%.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.9840	▲	-1.02%	-0.68%	-0.71%	4.61%	-9.65%
GBPZAR	17.3000	▼	-1.23%	-1.44%	-1.74%	6.86%	-24.06%
EURZAR	14.5555	▲	-1.15%	-1.15%	-2.63%	0.88%	-13.55%
AUDZAR	10.1426	▼	-0.83%	-1.29%	-2.37%	1.49%	-10.68%
EURUSD	1.0408	▲	-0.16%	-0.59%	-1.89%	-3.59%	-4.43%
GBPUSD	1.2377	▲	-0.27%	-0.98%	-1.11%	2.14%	-16.12%
Brent (\$/barrel)	55.5	▲	0.78%	0.25%	6.77%	6.64%	48.47%
Gold (\$/oz)	1136.1	▲	-0.79%	-0.33%	-3.36%	-8.04%	6.73%
Platinum (\$/oz)	920.2	▼	0.73%	-1.08%	1.55%	-7.02%	3.62%
Copper (\$/MT)*	5488.5	▲	0.04%	-2.51%	-5.59%	20.08%	16.63%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices edged 0.4% higher to trade at \$1,136.10/oz.

Yesterday, gold prices fell 0.8% to close at \$1,131.50/oz, as strength in the greenback and global equity markets decreased demand for the safe haven yellow metal.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil advanced 0.3% to trade at \$55.52/bl.

Yesterday, Brent crude oil advanced 0.8% to settle at \$55.35/bl, as traders are waiting for the reduction from world's biggest oil producers.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices edged 0.4% lower to trade at \$920.20/oz.

Yesterday, platinum prices climbed 0.7% to close at \$924.00/oz.



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Major South Africa Corporate News

Life Healthcare Group Holdings Limited

The company announced that it plans to raise as much as ZAR10.7bn (USD756mn) through a rights issue as the company seeks to reduce debt after it expanded into the UK market.

Telkom SA SOC Limited

The company announced that it has given ZAR1bn in financial assistance to its IT services subsidiary Business Connexion. The money will be used by BCX, among other things, to meet working capital requirements.

Major Global Economic News

Eurozone

In October, the seasonally adjusted current account surplus expanded to EUR28.40bn in the Eurozone. The Eurozone had reported a revised current account surplus of EUR27.70bn in the previous month.

In Germany, the producer price index advanced 0.3% on a monthly basis, in November, more than market expectations for an advance of 0.1%. The producer price index had registered a rise of 0.7% in the prior month.

UK

In the UK, the CBI distributive trade survey's retail sales balance unexpectedly advanced to a level of 35.0% in December, compared to market expectations of a fall to a level of 20.0%. In the prior month, the CBI distributive trade survey's retail sales balance had recorded a reading of 26.0%.

Asia

In Australia, the Westpac leading index climbed 0.02% on a monthly basis, in November. The index had advanced by a revised 0.1% in the prior month.

In Japan, all industry activity index rose to 0.2%, from 0.0% in the preceding month whose figure was revised down from 0.2%.

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Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	06:30	All Industry Activity Index (MoM) (Oct)	✓✓	0.20%*	0.20%	Monthly
Japan	07:00	Supermarket Sales (YoY) (Nov)	✓	-	0.60%	Monthly
France	09:45	Producer Price Index (MoM) (Nov)	✓	-	0.80%	Monthly
France	09:45	Producer Price Index (YoY) (Nov)	✓	-	-0.90%	Monthly
Switzerland	10:00	M3 Money Supply (YoY) (Nov)	✓	1.90%	2.90%	Monthly
Italy	11:00	Wage Inflation (YoY) (Nov)	✓	-	0.60%	Monthly
Italy	11:00	Wage Inflation (MoM) (Nov)	✓	-	0.10%	Monthly
UK	11:30	Public Sector Net Cash Requirement (Nov)	✓✓	-	-GBP3.40bn	Monthly
UK	11:30	PSNB ex Interventions (Nov)	✓	GBP12.20bn	GBP4.80bn	Monthly
UK	11:30	Public Sector Net Borrowing (Nov)	✓✓	GBP11.60bn	GBP4.30bn	Monthly
US	14:00	MBA Mortgage Applications (16-Dec)	✓	-	-4.00%	Weekly
Eurozone	17:00	Consumer Confidence (Dec) (P)	✓✓	-6.00	-6.10	Monthly
US	17:00	Existing Home Sales (Nov)	✓	5.50mn	5.60mn	Monthly
US	17:00	Existing Home Sales (MoM) (Nov)	✓	-1.80%	2.00%	Monthly
US	17:30	DOE Distillate Inventory (16-Dec)	✓	-	-762.00K barrels	Weekly
US	17:30	DOE Gasoline Inventories (16-Dec)	✓	-	497.00K barrels	Weekly
US	17:30	DOE Cushing OK Crude Inventory (Barrels) (16-Dec)	✓	-	1223.00K barrels	Weekly
US	17:30	EIA Crude Oil Stocks Change (Barrels) (16-Dec)	✓	-	-2.56mn barrels	Weekly

Note: ✓✓✓ High ✓✓ Medium ✓ Low

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