

# ONE Minute Brief

22 December 2016

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## Economic and Political News

The Constitutional Court has ruled in favour of Eskom in its case against Westinghouse, stating that the contract of ZAR5bn given to France's Areva for six steam generators to be provided to the power utility's nuclear Koeberg Power Station, was valid.

The Presidency stated that President, Jacob Zuma, will appoint a new board for South African Broadcasting Corporation (SABC) after the Parliament's inquiry into SABC is completed.

World Steel Association revealed that steel production in South Africa increased 3.1% on a yearly basis in November to 498,000 tons.

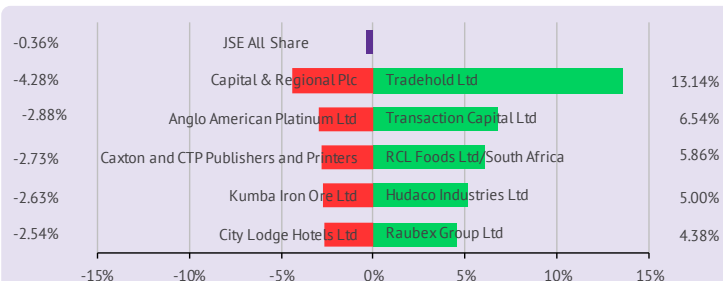
## Key Indices

	Last Close	1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	50163.92	▼	-179.32	-0.36%	0.95%	-0.09%	-0.75%
JSE Top 40	43563.99	▼	-191.04	-0.44%	0.92%	-0.29%	-0.75%
FTSE 100	7041.42	▼	-2.54	-0.04%	0.42%	3.80%	-2.45%
DAX 30	11468.64	▲	3.90	0.03%	0.57%	7.78%	-0.23%
CAC 40	4833.82	▼	-16.07	-0.33%	0.01%	5.58%	1.53%
S&P 500	2265.18	▼	-5.58	-0.25%	0.31%	3.02%	3.42%
Nasdaq Composite	5471.43	▼	-12.51	-0.23%	0.63%	2.78%	2.59%
DJIA	19941.96	▼	-32.66	-0.16%	0.50%	4.28%	5.41%

## South Africa Market ▼

### South African markets closed lower

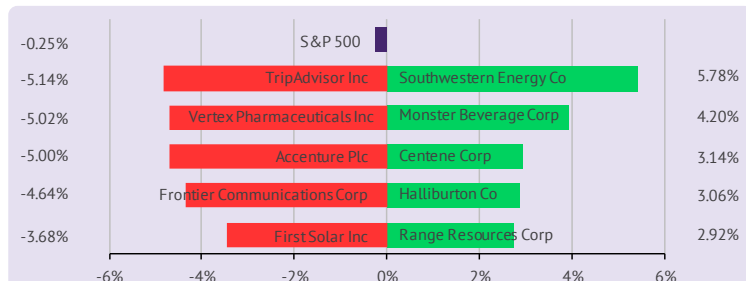
South African markets closed in the red yesterday, amid losses in platinum and resources sector stocks. The JSE All Share Index fell 0.4% to close at 50,163.92.



## US Market ▼

### The S&P 500 futures are trading in the red

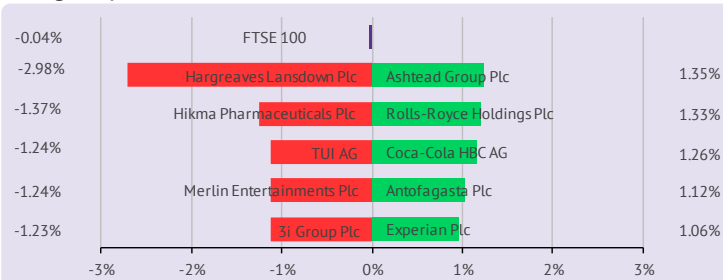
US markets closed lower yesterday, weighed down by losses in real estate sector stocks. Data revealed that US MBA mortgage applications rebounded for the week ended December 16, 2016. The S&P 500 Index dropped 0.3% to close at 2,265.18.



## UK Market ▼

### The FTSE 100 futures are trading in negative territory

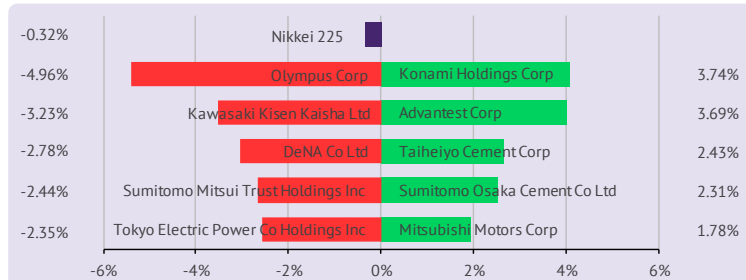
UK markets finished lower yesterday, led by losses in consumer discretionary sector stocks. Data showed that UK's public sector net borrowings grew more-than-expected in November. The FTSE 100 Index marginally declined to close at 7,041.42.



## Asian Market ▼

### Trading lower

Asian markets are trading lower this morning. The Nikkei 225 Index is trading 0.3% lower at 19,381.79.



**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 lower against ZAR

At 06:00 SAST, the US Dollar dropped 0.1% against the South African Rand to trade at R13.9800. Later today, traders will keep a close watch on US Durable goods, personal consumption expenditure and annualised gross domestic product along with initial jobless claims, house price index and leading indicator for further direction. Separately, South Africa's budget will be on investors' radar.

The US Dollar rose against the South African Rand yesterday. Data indicated that US MBA mortgage applications bounced back into positive territory for the week ended December 16. Further, existing home sales unexpectedly advanced on a monthly basis in November, reaching its highest level since early 2007.

## GBPZAR ▼

### GBP trading weaker against ZAR

At 06:00 SAST, the British Pound marginally retreated against the South African Rand to trade at R17.2888. Data revealed that UK's GfK consumer confidence survey unexpectedly rose, surpassing market forecast in December.

The British Pound declined against the South African Rand yesterday. Data showed that UK's public sector net borrowings recorded a more-than-expected deficit in November from October.

## EURZAR ▲

### EUR trading firmer against ZAR

At 06:00 SAST, the Euro is trading marginally higher against the South African Rand at R14.5967.

The Euro strengthened against the South African Rand yesterday. Data indicated that Eurozone's flash consumer confidence index advanced more than market anticipations in December, its strongest level in 20 months.

## AUDZAR ▼

### AUD trading weaker against ZAR

At 06:00 SAST, the Australian Dollar marginally declined against the South African Rand to trade at R10.1271.

The Australian Dollar fell against the South African Rand yesterday. Data revealed that Australia's Westpac leading index rose at a slower pace in November, compared to the prior reading of October.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.9800	▼	0.14%	-0.53%	-0.57%	4.61%	-9.52%
GBPZAR	17.2888	▼	-0.11%	-1.54%	-1.85%	6.86%	-24.14%
EURZAR	14.5967	▲	0.44%	-0.71%	-2.20%	0.88%	-13.17%
AUDZAR	10.1271	▼	-0.19%	-1.47%	-2.55%	1.49%	-10.84%
EURUSD	1.0438	▲	0.37%	-0.23%	-1.53%	-3.59%	-4.08%
GBPUSD	1.2366	▲	-0.11%	-1.08%	-1.22%	2.14%	-16.21%
Brent (\$/barrel)	54.6	▲	-1.61%	-1.36%	5.05%	6.64%	46.08%
Gold (\$/oz)	1132.8	▲	-0.04%	-0.37%	-3.39%	-8.04%	6.69%
Platinum (\$/oz)	916.5	▲	-1.04%	-2.11%	0.49%	-7.02%	2.55%
Copper (\$/MT)*	5500.8	▲	0.22%	-2.29%	-5.38%	20.08%	16.89%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices edged 0.2% higher to trade at \$1,132.80/oz.

Yesterday, gold prices fell marginally to close at \$1,131.10/oz.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.3% higher to trade at \$54.63/bl.

Yesterday, Brent crude oil dropped 1.6% to settle at \$54.46/bl, after the US Energy Department reported that crude oil inventories rose by 2.3mn bls in the week to December 16.

## Platinum ▲

### Trading in positive territory

At 06:00 SAST, platinum prices advanced 0.2% to trade at \$916.50/oz.

Yesterday, platinum prices declined 1.0% to close at \$914.40/oz.



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## Major South Africa Corporate News

### Afrimat Limited

The company's proposed acquisition of a 60% shareholding in Diro Manganese and Diro Iron Ore has been approved unconditionally by the Competition Commission.

### Life Healthcare Group Holdings Limited

The company announced that it has undertaken a fully underwritten, renounceable rights offer of up to ZAR10.7bn to finance its UK Alliance Medical Group acquisition and reduce its debt.

## Major Global Economic News

### UK

In the UK, the public sector net borrowing has posted a deficit of GBP12.20bn, following a deficit of GBP4.30bn in the previous month. Markets were expecting public sector net borrowing to show a deficit of GBP11.60bn.

In December, the GfK consumer confidence recorded an unexpected rise to -7.00 in the UK, higher than market expectations of an unchanged reading. The consumer confidence had recorded a reading of -8.00 in the prior month.

### US

In the US, mortgage applications rose 2.5% on a weekly basis, in the week ended December 16, 2016. Mortgage applications had dropped 4.0% in the previous week.

In November, existing home sales recorded an unexpected rise of 0.7%, on monthly basis, to a level of 5.61mn in the US, compared to a revised reading of 5.57mn in the prior month. Market expectation was for existing home sales to fall to a level of 5.50 mn.

### Eurozone

In the Eurozone the preliminary consumer confidence index rose to a level of -5.10 in December, compared to a reading of -6.10 in the prior month. Markets were expecting the index to climb to a level of -6.00.

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous/ **Previous Est.	Frequency
UK	02:01	GfK Consumer Confidence (Dec)	✓✓	-7.00*	-8.00	Monthly
South Africa	14:00	South Africa Budget (Nov)	✓✓✓	-	-ZAR30.91bn	Monthly
Canada	15:30	Consumer Price Index Core (MoM) (Nov)	✓✓	-	0.20%	Monthly
Canada	15:30	Consumer Price Index Core s.a. (MoM) (Nov)	✓✓	-	0.00%	Monthly
Canada	15:30	Consumer Price Index s.a. (MoM) (Nov)	✓✓	-	0.20%	Monthly
US	15:30	Full Nominal GDP (Q3) (F)	✓	-	USD18657.90bn**	Quarterly
US	15:30	Gross Domestic Product Annualised (QoQ) (Q3) (F)	✓✓✓	3.30%	3.20%**	Quarterly
US	15:30	Gross Domestic Purchases Price Index (QoQ) (Q3) (F)	✓✓✓	1.40%	1.40%**	Quarterly
US	15:30	Durable Goods Orders ex Transportation (Nov) (P)	✓✓	0.20%	0.80%	Monthly
US	15:30	Personal Consumption (QoQ) (Q3) (F)	✓✓	2.80%	2.80%**	Quarterly
US	15:30	Continuing Jobless Claims (10-Dec)	✓	2010.00K	2018.00K	Weekly
US	15:30	Initial Jobless Claims (17-Dec)	✓✓	257.00K	254.00K	Weekly
US	15:30	Chicago Fed National Activity Index (Nov)	✓	-0.10	-0.08	Monthly
US	15:30	Personal Consumption Expenditure Core (QoQ) (Q3) (F)	✓	1.70%	1.70%**	Quarterly
US	15:30	Durable Goods Orders (Nov) (P)	✓✓✓	-4.80%	4.60%	Monthly
US	16:00	House Price Index s.a. (Oct)	✓✓	-	239.22	Monthly
US	16:00	Housing Price Index (MoM) (Oct)	✓	0.50%	0.60%	Monthly
US	17:00	Personal Income (MoM) (Nov)	✓✓	0.30%	0.60%	Monthly
US	17:00	Personal Consumption Expenditure Core (MoM) (Nov)	✓✓	0.10%	0.10%	Monthly
US	17:00	Personal Spending (Nov)	✓✓	0.30%	0.30%	Monthly
US	17:00	Leading Indicator (MoM) (Nov)	✓✓	0.10%	0.10%	Monthly
US	17:00	Personal Consumption Expenditure Core (YoY) (Nov)	✓✓	1.70%	1.70%	Monthly
US	18:00	Kansas City Fed Manufacturing Activity (Dec)	✓	4.00	1.00	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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**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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