ONE Minute Brief

GTC consult • partner • manage

2 December 2016

Economic and Political News

South Africa's Barclays manufacturing PMI recorded a rise to 48.30 in November, compared to a level of 45.90 in the prior month. Separately, new vehicle sales fell YoY 9.6%, in November, compared to a drop of 10.1% in the previous month.

Electricity consumption fell 0.5% YoY, in October, compared to drop of 0.7%, in the previous month, while electricity production advanced 2.0% YoY, in October, compared to a rise of 1.1% in the previous month.

South African Finance Minister, Pravin Gordhan, has ordered an investigation into South African Revenue Service (SARS) amid rising tension between the Treasury and the tax collection authority.

South African Revenue Service stated that it is disappointed by reports about its leadership, and further added that the blame of lack of accountability on SARS is unjustified.

Public Protector, Busisiwe Mkhwebane, stated that views about her protecting President, Jacob Zuma, are unjustified and her office will hold an investigation against the President If necessary.

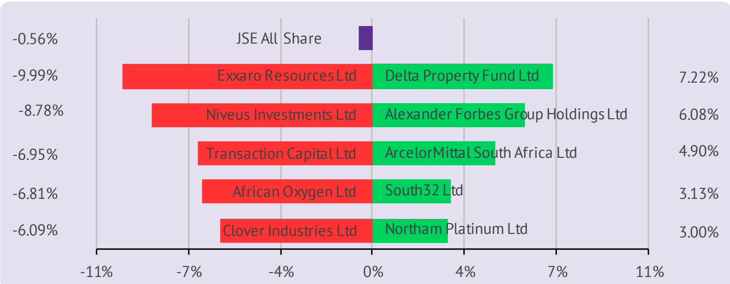
Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	49927.00	▼	-282.43	-0.56%	-1.52%	-0.56%	-0.75%	-1.51%
JSE Top 40	43412.41	▼	-279.01	-0.64%	-1.80%	-0.64%	-0.75%	-5.21%
FTSE 100	6752.93	▼	-30.86	-0.45%	-1.28%	-0.45%	-2.45%	8.18%
DAX 30	10534.05	▼	-106.25	-1.00%	-1.54%	-1.00%	-0.23%	-1.95%
CAC 40	4560.61	▼	-17.73	-0.39%	0.23%	-0.39%	1.53%	-1.65%
S&P 500	2191.08	▼	-7.73	-0.35%	-1.01%	-0.35%	3.42%	7.20%
Nasdaq Composite	5251.11	▼	-72.57	-1.36%	-2.74%	-1.36%	2.59%	4.87%
DJIA	19191.93	▲	68.35	0.36%	0.21%	0.36%	5.41%	10.14%

South Africa Market ▼

South African markets closed lower

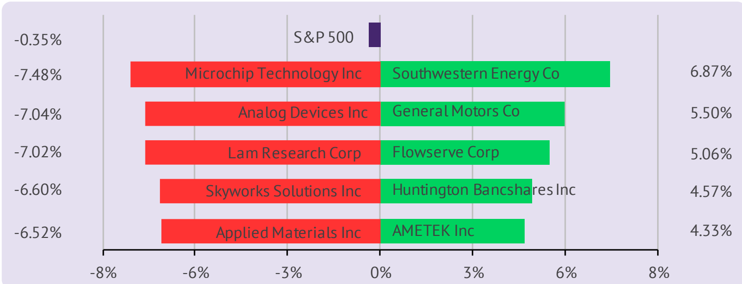
South African markets closed in the red yesterday, amid losses in gold mining sector stocks. South Africa's Barclays manufacturing PMI rose more-than-expected in November, albeit remaining in contraction territory. The JSE All Share Index fell 0.6% to close at 49,927.0.



US Market ▼

The S&P 500 futures are trading in the red

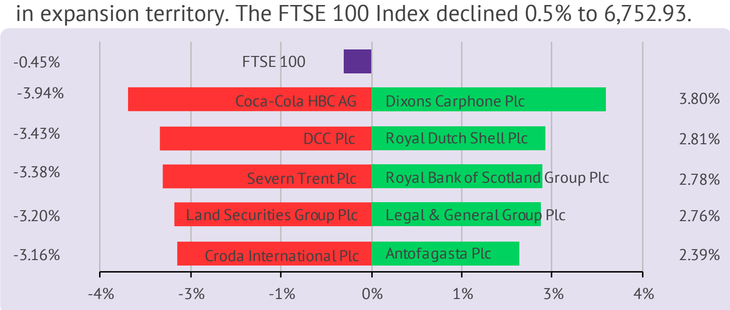
US markets closed lower yesterday, led by losses in information technology sector stocks. Data revealed that US ISM manufacturing PMI expanded at a faster-than-expected pace in November. The S&P 500 Index dropped 0.4% to close at 2,191.08.



UK Market ▼

The FTSE 100 futures are trading in negative territory

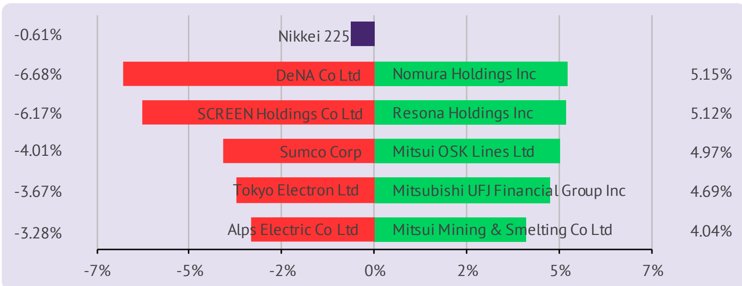
UK markets finished lower yesterday, led down by losses in consumer discretionary and staples sector stocks. Data indicated that UK's Markit manufacturing PMI surprisingly declined in November, albeit remaining in expansion territory. The FTSE 100 Index declined 0.5% to 6,752.93.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking overnight losses on Wall Street. The Nikkei 225 Index is trading 0.6% lower at 18,399.60.



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

An Authorised Financial Services Provider FSP No. 731
formerly Grant Thornton Capital

ONE Minute Brief

2 December 2016

GTC consult • partner • manage

USDZAR ▼

USD trading lower against ZAR

At 06:00 SAST, the US Dollar declined 0.3% against the South African Rand to trade at R14.0600. Later today, traders will keep a close watch on US unemployment rate, non-farm payrolls and average hourly earnings for further cues.

The US Dollar rose against the South African Rand yesterday, after data indicated that US ISM manufacturing PMI expanded more than market anticipations in November, marking its highest level in five months, led by miscellaneous manufacturing and petroleum and coal. Further, final Markit manufacturing PMI rose more-than-expected in November, marking its highest reading since March 2015. Additionally, nation's construction spending rebounded less-than-expected in October, to a seven-month high, amid gains in home building and public outlays. Moreover, the number of Americans filing for unemployment benefits advanced more than market expectations in the week ended November 26. Separately, South Africa's Barclays manufacturing PMI grew more than market anticipations, remaining in contraction territory.

GBPZAR ▼

GBP trading weaker against ZAR

At 06:00 SAST, the British Pound retreated 0.1% against the South African Rand to trade at R17.7410. Later today, traders will keep an eye on UK's Markit/CIPS construction PMI for further direction.

The British Pound advanced against the South African Rand yesterday. Data revealed that UK's Markit manufacturing PMI unexpectedly dropped in November, although continuing to be in expansion territory.

EURZAR ▲

EUR trading higher against ZAR

At 06:00 SAST, the Euro is trading marginally firmer against the South African Rand at R15.0311. Going forward, market participants will keep a tab on Eurozone's producer price index for further indications.

The Euro strengthened against the South African Rand yesterday. Data indicated that unemployment rate in the Eurozone unexpectedly declined in October, for the first time since April 2011. Further, final Markit manufacturing PMI rose in line with market anticipations in November, to its fastest pace in 34 months. Separately, in Germany, final Markit/BME manufacturing PMI expanded at a slower-than-expected pace in November, led by minor decline in the production output as well as new orders.

AUDZAR ▼

AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar retreated 0.3% against the South African Rand to trade at R10.4171. Earlier in the session, in Australia, retail sales advanced more-than-expected on a monthly basis in October, pointing towards sustained growth in consumer spending.

The Australian Dollar rose against the South African Rand yesterday. Data indicated that Australia's AiG performance of manufacturing index expanded in November. Elsewhere, in China, Australia's largest trading partner, manufacturing PMI unexpectedly rose in November.

Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	14.0600	▼	0.14%	-0.03%	0.14%	4.61%	-8.87%
GBPZAR	17.7410	▼	0.75%	0.98%	0.75%	6.86%	-22.13%
EURZAR	15.0311	▲	0.72%	0.54%	0.72%	0.88%	-10.58%
AUDZAR	10.4171	▼	0.55%	-0.28%	0.55%	1.49%	-8.01%
EURUSD	1.0679	▲	0.71%	0.72%	0.71%	-3.59%	-1.90%
GBPUSD	1.2611	▲	0.70%	0.94%	0.70%	2.14%	-14.59%
Brent ($/barrel)	53.6	▼	4.05%	14.18%	4.05%	6.64%	44.69%
Gold ($/oz)	1176.6	▲	-0.33%	-0.98%	-0.33%	-8.04%	10.06%
Platinum ($/oz)	917.9	▲	0.15%	0.33%	0.15%	-7.02%	2.20%
Copper ($/MT)*	5788.0	▼	-0.43%	-1.30%	-0.43%	20.08%	23.00%

*As of Previous Close

Gold ▲

Trading in the green

At 06:00 SAST, gold prices gained 0.8% to trade at $1,176.60/oz.

Yesterday, gold prices fell 0.3% to close at $1,166.90/oz, amid strength in the US Dollar, supported by an upbeat US economic data that led the precious metal to its weakest level since February.

Brent Crude Oil ▼

Trading weaker

At 06:00 SAST, Brent crude oil retreated 0.6% to trade at $53.59/bl.

Yesterday, Brent crude oil advanced 4.1% to settle at $53.94/bl, extending its previous session gains and notched its highest level in about 16 months after OPEC and Russia reached an agreement to curb production to reduce oil supply.

Platinum ▲

Trading in positive territory

At 06:00 SAST, platinum prices edged 0.7% higher to trade at $917.90/oz.

Yesterday, platinum prices climbed 0.2% to close at $911.30/oz.

ONE Minute Brief

GTC consult • partner • manage

2 December 2016

Major South Africa Corporate News

Anglo American Plc

The company announced that it is in talks to sell the historic London headquarters of its De Beers diamond unit to Oaktree Capital Group and Quadrant Estates.

Growthpoint Properties Limited

The company announced that it is making a foray into Europe by acquiring a 26.9% stake in Romania-focused Globalworth Real Estate Investment.

MTN Group Limited

The Group's Executive Chairman, Phuthuma Nhleko, announced the selling of its shares worth about ZAR123mn as he prepares to hand over the day-to-day running of the company to incoming Chief Executive Officer Rob Shuter.

Major Global Economic News

US

In the US, the ISM manufacturing activity index registered a rise to 53.20 in November, compared to market expectations of a rise to 52.50. In the prior month, the index had recorded a reading of 51.90.

In November, the final Markit manufacturing PMI registered a rise to 54.10 in the US, compared to market expectations of a rise to a level of 53.90. The preliminary figures had recorded a rise to 53.90. In the previous month, the index had recorded a level of 53.40.

In the US, the seasonally adjusted initial jobless claims rose to a level of 268.00K in the week ended November 26, 2016, higher than market expectations of an advance to a level of 253.00K. In the prior week, initial jobless claims had registered a level of 251.00K.

In October, construction spending rose 0.5% on a monthly basis in the US, compared to a revised unchanged reading in the prior month. Markets were expecting construction spending to rise 0.6%.

Eurozone

In October, the unemployment rate registered an unexpected drop to 9.8% in the Eurozone, compared to a revised level of 9.9% in the prior month. Market expectation was for the unemployment rate to climb to a level of 10.0%.

In the Eurozone, the final manufacturing PMI recorded a rise to 53.70 in November, in line with market expectations. The manufacturing PMI had recorded a level of 53.50 in the prior month. The preliminary figures had also indicated a rise to 53.70.

In November, the final manufacturing PMI eased to 54.30 in Germany, lower than market expectations of a fall to a level of 54.40. Manufacturing PMI had recorded a reading of 55.00 in the previous month. The preliminary figures had recorded a fall to 54.40.

UK

In the UK, the manufacturing PMI fell unexpectedly to a level of 53.40 in November, compared to a revised level of 54.20 in the previous month. Market expectation was for the manufacturing PMI to climb to 54.40.

Asia

In Australia, the seasonally adjusted retail sales recorded a rise of 0.5% on a monthly basis in October, compared to a rise of 0.6% in the prior month. Market anticipation was for retail sales to rise 0.3%.

ONE Minute Brief

2 December 2016

GTC
consult • partner • manage

Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
Japan	01:50	Monetary Base (YoY) (Nov)	✓	21.50%*	22.10%	Monthly
Japan	01:50	Monetary Base (Nov)	✓✓✓	JPY419.80tn*	JPY417.60tn	Monthly
Switzerland	08:45	Gross Domestic Product (YoY) (Q3)	✓✓✓	1.80%	2.00%	Quarterly
Switzerland	08:45	Gross Domestic Product s.a. (QoQ) (Q3)	✓✓	0.30%	0.60%	Quarterly
Spain	10:00	Unemployment Change (Nov)	✓	-25.60K	44.70K	Monthly
UK	11:30	Markit Construction PMI (Nov)	✓✓	52.20	52.60	Monthly
Eurozone	12:00	Producer Price Index (YoY) (Oct)	✓✓	-1.00%	-1.50%	Monthly
Eurozone	12:00	Producer Price Index (MoM) (Oct)	✓	0.40%	0.10%	Monthly
US	15:30	Change in Household Employment (Nov)	✓	-	-43.00K	Monthly
US	15:30	Average Hourly Earnings (Nov)	✓✓	-	USD21.72	Monthly
Canada	15:30	Full Time Employment Change (Nov)	✓✓	-	-23.10K	Monthly
Canada	15:30	Unemployment Rate (Nov)	✓✓✓	7.00%	7.00%	Monthly
US	15:30	Average Hourly Earnings All Employees (MoM) (Nov)	✓✓	0.20%	0.40%	Monthly
US	15:30	Average Hourly Earnings All Employees (YoY) (Nov)	✓✓	2.80%	2.80%	Monthly
US	15:30	Average Weekly Hours All Employees (Nov)	✓	34.40	34.40	Monthly
US	15:30	Unemployment Rate (Nov)	✓✓✓	4.90%	4.90%	Monthly
US	15:30	Underemployment Rate (Nov)	✓✓	-	9.50%	Monthly
Canada	15:30	Net Change in Employment (Nov)	✓✓✓	-15.00K	43.90K	Monthly
US	15:30	Change in Non-farm Payrolls (Nov)	✓✓✓	180.00K	161.00K	Monthly
US	15:30	Change in Private Payrolls (Nov)	✓✓	170.00K	142.00K	Monthly
US	15:30	Change in Manufacturing Payrolls (Nov)	✓	-2.00K	-9.00K	Monthly
US	15:45	Fed Governor Brainard speaks in Washington	✓	-	-	As scheduled
US	16:45	ISM New York Index (Nov)	✓	-	49.20	Monthly
US	20:00	Fed's Tarullo Speaks at Financial Stability Conference	✓	-	-	As scheduled

Note: ✓✓✓High ✓✓Medium ✓Low

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