

ONE Minute Brief

26 September 2016

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Economic and Political News

Finance Minister, Pravin Gordhan stated that the world was losing trust and confidence in South Africa and urged leaders to regain it back.

Democratic Alliance indicated that its legal team will take the SABC's re-appointment of Hlaudi Motsoeneng as the acting COO back to the court following reports that the SABC plans to retain him in an acting capacity.

Gauteng premier David Makhura has appealed to businesses to cooperate with the Government for economic growth. He indicated that there will be an announcement on a township stock exchange in October in an attempt to create jobs and a more inclusive economy.

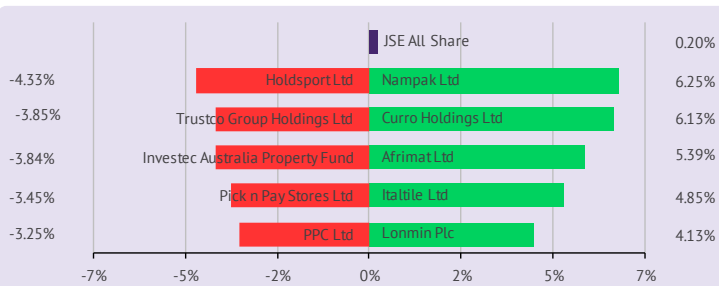
A survey by the Franchise Association of South Africa's (FASA) indicated that franchise turnover increased 6% in 2015 to ZAR493.00bn. FASA Chairman stated that industry growth was lower than in previous years.

Eskom's Group Executive for generation, Matshela Koko announced that the power utility would have ZAR150.00bn within the next decade to help finance a nuclear expansion programme planned by the Government.

South Africa Market ▲

South African markets closed higher

South African markets closed in the green on Friday, amid gains in banking sector stocks. The JSE All Share Index rose 0.2% to close at 51,999.45.



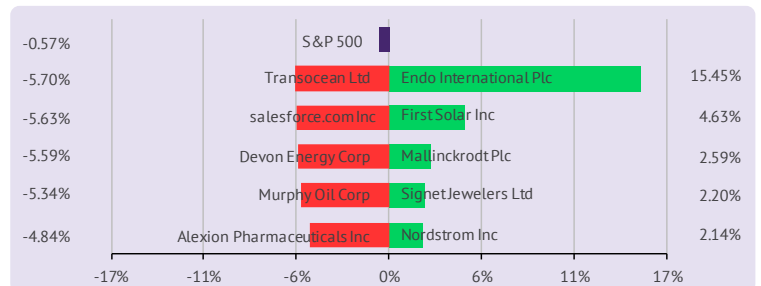
Key Indices

| | Last Close | 1 Day Chg | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|------------------|------------|-----------|-----------|-----------|-----------|-------------------|-----------|
| JSE All Share | 51999.45 | ▲ 104.27 | 0.20% | NA | -1.39% | -0.12% | 2.58% |
| JSE Top 40 | 45440.23 | ▲ 132.65 | 0.29% | NA | -1.77% | 0.75% | -0.78% |
| FTSE 100 | 6909.43 | ▼ -1.97 | -0.03% | NA | 1.89% | 0.85% | 10.69% |
| DAX 30 | 10626.97 | ▼ -47.21 | -0.44% | NA | 0.32% | 2.47% | -1.08% |
| CAC 40 | 4488.69 | ▼ -21.13 | -0.47% | NA | 1.14% | -0.04% | -3.20% |
| S&P 500 | 2164.69 | ▼ -12.49 | -0.57% | NA | -0.29% | -0.12% | 5.91% |
| Nasdaq Composite | 5305.75 | ▼ -33.78 | -0.63% | NA | 1.77% | 0.99% | 5.96% |
| DJIA | 18261.45 | ▼ -131.01 | -0.71% | NA | -0.76% | -0.17% | 4.80% |

US Market ▼

The S&P 500 futures are trading in the red

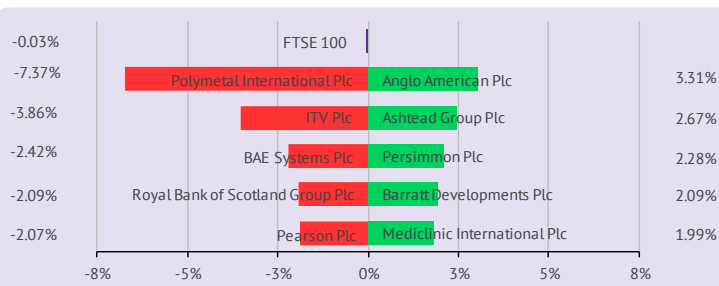
US markets closed lower on Friday, weighed down by losses in energy sector stocks. Data indicated that the preliminary Markit manufacturing PMI in the US expanded at a slower pace in September. The S&P 500 Index dropped 0.6% to close at 2,164.69.



UK Market ▼

The FTSE 100 futures are trading in negative territory

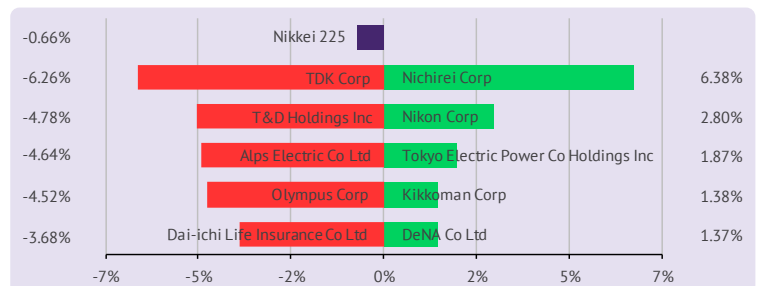
UK markets finished lower on Friday, despite gains in mining and housebuilding sector stocks. The FTSE 100 Index declined marginally to close at 6,909.43.



Asian Market ▼

Trading lower

Asian markets are trading lower this morning, tracking Friday's losses on Wall Street. The Nikkei 225 Index is trading 0.7% lower at 16,644.05.



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USDZAR ▲

USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.2% firmer against the South African Rand at R13.7478. Later today, traders will keep a close watch on US new home sales and Dallas Fed manufacturing activity for further direction.

The US Dollar rose against the South African Rand on Friday. Preliminary data indicated that Markit manufacturing PMI in the US advanced at the slowest pace in three months in September.

GBPZAR ▲

GBP trading higher against ZAR

At 06:00 SAST, the British Pound climbed 0.5% against the South African Rand to trade at R17.8470. Later today, traders will keep an eye on UK's BBA mortgage approvals, scheduled in a few hours.

The British Pound declined against the South African Rand on Friday.

EURZAR ▲

EUR trading stronger against ZAR

At 06:00 SAST, the Euro is trading 0.3% higher against the South African Rand at R15.4372. Going forward, market participants will keep a tab on German IFO business climate and expectations index for further cues.

The Euro strengthened against the South African Rand on Friday, after preliminary data revealed that Eurozone's Markit manufacturing PMI expanded more than market expectations in September, while private sector grew at the weakest rate since the beginning of 2015. Separately, Germany's Markit manufacturing PMI advanced to a three-month high in September, while the nation's private sector growth slowed to a 16 month low in the same month.

AUDZAR ▲

AUD trading higher against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally higher against the South African Rand at R10.4607.

The Australian Dollar rose against the South African Rand on Friday, extending gains from previous sessions.

Key Currencies & Commodities

| | Current | 1 D % Chg | WTD % Chg | MTD % Chg | Prev. Month % Chg | YTD % Chg |
|-------------------|-----------|-----------|-----------|-----------|-------------------|-----------|
| USDZAR | 13.7478 ▲ | 0.52% | NA | -6.88% | 6.14% | -11.34% |
| GBPZAR | 17.8470 ▲ | -0.48% | NA | -8.21% | 5.43% | -22.09% |
| EURZAR | 15.4372 ▲ | 0.66% | NA | -6.32% | 5.96% | -8.38% |
| AUDZAR | 10.4607 ▲ | 0.24% | NA | -5.58% | 4.86% | -7.96% |
| EURUSD | 1.1228 ▲ | 0.16% | NA | 0.61% | -0.14% | 3.31% |
| GBPUSD | 1.2979 ▲ | -0.86% | NA | -1.31% | -0.70% | -12.05% |
| Brent (\$/barrel) | 46.3 ▲ | -3.69% | NA | -2.13% | 7.72% | 23.10% |
| Gold (\$/oz) | 1337.3 ▼ | -0.24% | NA | 2.26% | -3.05% | 26.16% |
| Platinum (\$/oz) | 1042.8 ▼ | -0.55% | NA | 0.33% | -8.44% | 18.54% |
| Copper (\$/MT)* | 4833.0 ▼ | -0.04% | NA | 4.93% | -6.30% | 2.70% |

*As of Previous Close

Gold ▼

Trading in the red

At 06:00 SAST, gold prices dropped marginally to trade at \$1,337.30/oz.

On Friday, gold prices fell 0.2% to close at \$1,337.50/oz, reversing gains from previous sessions.

Brent Crude Oil ▲

Trading stronger

At 06:00 SAST, Brent crude oil edged higher 0.8% to trade at \$46.28/bl.

On Friday, Brent crude oil dropped 3.7% to settle at \$45.89/bl, after Saudi Arabia announced that oil producers were not likely to reach an agreement over stabilizing production levels at its meeting in Algeria this week. Moreover, Baker Hughes reported that US oil rig count rose by 2 to 418 last week.

Platinum ▼

Trading in negative territory

At 06:00 SAST, platinum prices retreated 1.3% to trade at \$1,042.80/oz.

On Friday, platinum prices declined 0.6% to close at \$1,057.00/oz.



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Major South Africa Corporate News

Adcorp Holdings Limited

The company revealed that Mr Amitava Guharoy, Chief Executive Officer, has resigned as an Executive Director with effect from October 01, 2016.

Harmony Gold Mining Company Limited

The company revealed that an employee was fatally injured in a rail-bound equipment accident at its Phakisa mine in the Free State province. Investigations into the accident are underway.

Anglo American Plc

The company announced the appointment of Stephen Pearce as Finance Director, following René Médori's decision to retire, as announced in April 2016. Mr Pearce will join Anglo American and its Group Management Committee on January 30, 2017, prior to joining the Board as an Executive Director and taking over as Finance Director with effect from April 24, 2017, thereby enabling a smooth transition and the completion of the 2016 financial reporting process.

Hospitality Property Fund Limited

The company announced that Tsogo Sun Holdings Limited will acquire a controlling stake in the company by vending a portfolio of ten hotel properties into the company in exchange for the issue of its ordinary shares and the restructure of its dual-class share capital structure to a single-class share capital structure.

Major Global Economic News

Eurozone

In September, the flash Markit manufacturing PMI in the Eurozone climbed unexpectedly to a level of 52.60, compared to a level of 51.70 in the previous month. Market expectation was for the manufacturing PMI to ease to a level of 51.50.

In the Eurozone, the preliminary Markit services PMI recorded an unexpected drop to 52.10, in September, compared to a reading of 52.80 in the prior month. Market expectation was for services PMI to record a steady reading.

In September, the preliminary Markit manufacturing PMI in Germany registered an unexpected rise to 54.30, compared to market expectations of a fall to a level of 53.10. Manufacturing PMI had recorded a level of 53.60 in the previous month.

In Germany, the flash Markit services PMI registered an unexpected drop to a level of 50.60 in September, compared to market expectations of an advance to a level of 52.10. Services PMI had registered a level of 51.70 in the prior month.

US

In the US, the flash Markit manufacturing PMI dropped unexpectedly to a level of 51.40 in September, compared to a level of 52.00 in the prior month. Markets were expecting the manufacturing PMI to record a steady reading.



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40 Best Performers on the All Share Index

| Company Name | Last Close | 1 Week % Change | MTD % Change | YTD % Change |
|--------------------------------|--------------|-----------------|---------------|--------------|
| Harmony Gold Mining Co Ltd | 49 | 3.07% | -6.14% | 212.50% |
| Kumba Iron Ore Ltd | 118 | 0.42% | -11.71% | 186.84% |
| Impala Platinum Holdings Ltd | 68 | 8.17% | 19.55% | 169.57% |
| Anglo American Plc | 168 | 10.01% | 12.43% | 143.63% |
| Assore Ltd | 139 | -2.18% | -16.34% | 123.78% |
| Sibanye Gold Ltd | 50 | 1.63% | -12.68% | 117.94% |
| AngloGold Ashanti Ltd | 227 | 4.82% | -5.30% | 113.70% |
| Pan African Resources Plc | 4 | 11.41% | 2.49% | 112.00% |
| South32 Ltd | 25 | 0.32% | 19.37% | 107.27% |
| Anglo American Platinum Ltd | 384 | 3.46% | -2.99% | 106.92% |
| Lonmin Plc | 37 | 5.33% | -1.80% | 99.89% |
| ArcelorMittal South Africa Ltd | 9 | 1.49% | 17.77% | 97.33% |
| African Rainbow Minerals Ltd | 83 | 2.23% | -5.16% | 90.59% |
| Royal Bafokeng Platinum Ltd | 50 | 0.84% | 5.88% | 89.12% |
| Northam Platinum Ltd | 50 | 2.81% | 2.47% | 88.33% |
| Niveus Investments Ltd | 38 | 2.74% | -0.53% | 87.50% |
| Glencore Plc | 37 | 7.09% | 12.96% | 80.02% |
| Bidvest Group Ltd | 157 | 4.51% | 3.44% | 76.82% |
| Exxaro Resources Ltd | 77 | 4.39% | 2.45% | 75.00% |
| Gold Fields Ltd | 69 | 2.25% | -8.00% | 63.74% |
| Blue Label Telecoms Ltd | 19 | -1.52% | -1.42% | 54.57% |
| African Oxygen Ltd | 20 | -2.44% | -2.44% | 53.85% |
| Murray & Roberts Holdings Ltd | 12 | -3.68% | -3.68% | 53.75% |
| Barloworld Ltd | 89 | 2.85% | 7.00% | 43.65% |
| Group Five Ltd/South Africa | 28 | -1.35% | 10.86% | 42.54% |
| Raubex Group Ltd | 24 | 0.00% | 7.38% | 42.43% |
| Imperial Holdings Ltd | 169 | 6.00% | 7.15% | 41.59% |
| Clicks Group Ltd | 126 | -0.89% | 4.05% | 41.57% |
| Ascendis Health Ltd | 28 | -3.73% | 11.78% | 38.91% |
| Wilson Bayly Holmes-Ovcon Ltd | 156 | -6.07% | 4.76% | 37.59% |
| Cashbuild Ltd | 412 | -3.74% | 5.57% | 37.33% |
| Coronation Fund Managers Ltd | 71 | 7.80% | 2.02% | 34.50% |
| Shoprite Holdings Ltd | 191 | 5.91% | 1.38% | 33.39% |
| Italtile Ltd | 15 | 3.37% | 3.30% | 28.68% |
| Tongaat Hulett Ltd | 119 | 3.52% | -3.66% | 27.85% |
| Tsogo Sun Holdings Ltd | 31 | 5.74% | 1.68% | 27.81% |
| Standard Bank Group Ltd | 144 | 6.78% | 8.49% | 27.27% |
| Santam Ltd | 231 | 7.63% | 7.80% | 26.29% |
| JSE Ltd | 161 | 5.38% | 2.88% | 26.26% |
| Omnia Holdings Ltd | 168 | -1.89% | -2.73% | 26.19% |
| JSE All Share Index | 51999 | 0.32% | -1.39% | 2.58% |

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Economic Calendar

| Country | SAST | Economic Indicator | Relevance | Consensus/ *Actual | Previous/ **Previous Est. | Frequency |
|-------------|-------|--|-----------|-----------------------|------------------------------|--------------|
| Japan | 07:00 | Coincident Index (Jul) (F) | ✓ | - | 112.80** | Monthly |
| Japan | 07:00 | Leading Economic Index (Jul) (F) | ✓✓ | - | 100.00** | Monthly |
| Japan | 07:30 | BoJ's Kuroda makes a speech in Osaka | ✓✓ | - | - | As scheduled |
| Germany | 10:00 | IFO - Business Climate (Sep) | ✓✓ | 106.30 | 106.20 | Monthly |
| Germany | 10:00 | IFO - Current Assessment (Sep) | ✓✓ | 112.90 | 112.80 | Monthly |
| Germany | 10:00 | IFO - Expectations (Sep) | ✓✓ | 100.10 | 100.10 | Monthly |
| Italy | 10:00 | Retail Sales s.a. (MoM) (Jul) | ✓ | 0.00% | 0.20% | Monthly |
| UK | 10:30 | BBA Mortgage Approvals (Aug) | ✓✓ | 37.10K | 37.66K | Monthly |
| Switzerland | 11:30 | SNB's Jordan Speaks in Geneva | ✓ | - | - | As scheduled |
| Eurozone | 14:30 | ECB Executive Board Adviser Angeloni Speaks in London | ✓ | - | - | As scheduled |
| Eurozone | 15:15 | ECB's Coeure Speaks in Rome | ✓ | - | - | As scheduled |
| Eurozone | 16:00 | ECB's Draghi Speaks at European Parliament in Brussels | ✓ | - | - | As scheduled |
| US | 16:00 | New Home Sales (MoM) (Aug) | ✓ | -8.30% | 12.40% | Monthly |
| US | 16:30 | Dallas Fed Manufacturing Business Index (Sep) | ✓ | -3.00 | -6.20 | Monthly |
| Eurozone | 18:00 | ECB's Nowotny at Panel Discussion on Banking | ✓ | - | - | As scheduled |
| US | 19:30 | Fed's Kaplan Speaks in San Antonio Moderated Q&A | ✓ | - | - | As scheduled |
| Japan | - | Bank of Japan Governor Kuroda Speech | ✓✓ | - | - | As scheduled |

Note: ✓✓✓High ✓✓Medium ✓Low

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