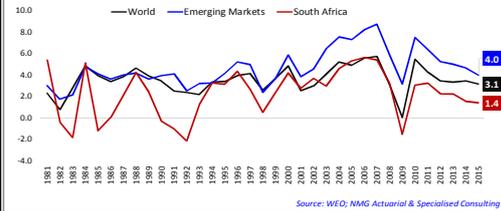
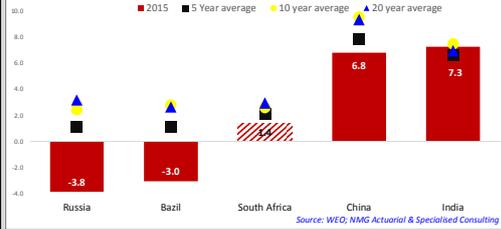


TOPICAL NEWS

Real GDP per capita growth



BRICS Economic Growth



SA Growth Forecasts Cut

The International Monetary Fund has drastically slashed South Africa's growth forecast for the current year and 2016 as the country continues to struggle amid structural issues. The IMF expects SA to grow by a mere 1.4% for 2015, down from its current estimate of 2.0%. The 2016 forecast has been sliced from 2.1% to 1.3%. These forecasts mark the lowest estimates among major institutions. The IMF has stated that South Africa would need to implement urgent reforms in order to break the barriers that hold back growth. They suggested that SA take steps to improve the electricity situation in the country and implement changes to both labour and education among others. The fact that SA had no major strikes this year as compared to previous years was a positive factor towards growth however poor confidence levels and falling corporate profitability has led to a lower level of investment within the country. Global economic growth also saw a decline in forecast to 3.1% and 3.6% for 2015 and 2016 respectively. Developed economies are expected to see a pick-up in growth, whilst lower commodity prices, falling currencies and declining capital flows will continue to act as an impediment to growth for emerging market nations. The possibility of the US hiking rates and the slower growth in the largest Asian economy, China, has placed Emerging markets in a

WEEK AHEAD

*Statistics of civil cases for debt, August 2015

*Selected building statistics of the private sector as reported by local government institutions, August 2015

LOCAL ECONOMY

The South African Finance minister is expected to table an austerity budget next week which looks to raise taxes and slice government expenditure. Without these tough measures it is unlikely that South Africa would be able to stick to its debt and deficit reduction targets. In other negative news, South Africa's key sectors, Mining and Manufacturing, have taken a number of hits this year. Manufacturing numbers dropped again in August, losing 0.2% for the period in question. The manufacturing sector has only seen 2 months of positive growth this year. Mining fell by 3.8% for the 8th month of 2015. Both mining and manufacturing make up approximately 20% of South Africa's economy. These worse-than-expected figures could spell out dismal growth for the third quarter of the year. Despite the poor growth from these large sectors, this is not expected to deter the Reserve Bank from hiking rates – in fact some analysts believe that the SARB could possibly increase rates by 25 basis points during its last meeting of the year.

GLOBAL ECONOMY

The Federal Open Market Committee (FOMC) released the minutes for the September 16 -17 meeting and showed the Fed wanted to wait to assess what slower growth in China means for US inflation and growth. In the meeting, the Fed acknowledged global developments now weigh more heavily on monetary policy than was traditionally the case. Now the probability of a December 2015 hike is now priced around 40% in federal funds futures markets, compared to above 60% ahead of last month's Fed meeting, based on the assumption that the effective fed funds rate will be 0.375% after lift-off. People's Bank of China (PBOC) has highlighted that the current reforms make the yuan more market-determined will make its exchange rate more flexible, floating around the equilibrium level in both directions. This is good for the world second-biggest economy because the currency will be consistent with the fundamentals. China is seeking to have the yuan added to the IMF's basket of reserve currencies, which currently includes the U.S. dollar, euro, pound and yen. China is planning some measures to strengthen the currency's case. These include participating in the IMF's coordinated portfolio investment survey, issuing three-month treasury bills on a weekly basis to establish 'a representative' yuan interest and exchange rates, and making the Chinese's bond and currency markets more open to foreign central banks. Last week the IMF cut its global outlook to 3.1% from a July 2015 forecast of 3.3% on mainly slowdown in emerging markets driven by weak commodity prices. IMF also warned that over-borrowing by companies has left emerging economies vulnerable to financial stress and capital outflows. Last week, Institute of International Finance reported that in 2015 emerging markets will see their first year of negative capital flows since 1988, as investors pull US\$541 billion from countries such as China and Brazil. IMF also advised that economies should maintain loose monetary policy where appropriate, while emerging markets need to pay special attention to foreign-currency exposures.

MARKET SNAPSHOT

| | CLOSE PRICE | WEEKLY % CHANGE | YTD 09 OCT 2015 | | CLOSE PRICE | WEEKLY % CHANGE | YTD 09 OCT 2015 |
|---------------------------------|-------------|-----------------|-----------------|--|-------------|-----------------|-----------------|
| FSE/JSE Indices | | | | Currencies | | | |
| All Share Index | 53,295.7 | 4.6% | 7.1% | Rand/Dollar | 13.34 | -2.8% | 16.5% |
| Top 40 Index | 47,809.9 | 4.7% | 8.7% | Rand/Pound | 20.32 | -1.9% | 13.2% |
| Resources Index | 20,243.2 | 15.1% | -11.8% | Rand/Euro | 15.16 | -1.5% | 8.3% |
| Industrials Index | 78,582.4 | 3.6% | 11.5% | Dollar/Pound | 1.14 | 1.3% | -6.1% |
| Financials Index | 44,455.4 | 2.3% | 8.5% | | | | |
| Interest Bearing Indices | | | | Commodities | | | |
| BEASSA All Bond Index | 504.1 | 1.3% | 4.8% | Gold (US\$) | 1,156.1 | 1.6% | -2.3% |
| STeFI 12 Month Index | 326.9 | 0.1% | 4.9% | Platinum (US\$) | 981.0 | 7.8% | -18.9% |
| Inflation-Linked Bond Index | 626.2 | 0.8% | 3.6% | Brent Crude Oil (US\$) | 52.7 | 9.4% | -8.2% |
| World Indices | | | | Major Economies Indices (base currency) | | | |
| MSCI World Index | 1,673.8 | 4.1% | -2.1% | S&P 500 (United States) | 2,014.9 | 3.3% | -2.1% |
| MSCI Europe Index | 1,586.8 | 5.4% | -1.3% | FTSE 100 (United Kingdom) | 3,508.6 | 4.1% | -0.7% |
| MSCI Emerging Index | 859.3 | 6.9% | -10.1% | Nikkei 225 (Japan) | 18,438.7 | 4.0% | 5.7% |

LOCAL MARKETS

South African markets ended off the week in positive territory, as mining stocks gained on the back of dovish comments after the Federal Reserve released its minutes. At Friday's close, the All Share and Top 40 had both gained 1.1%, whilst platinum added 7.7%. The property index saw losses for the day. Over the week, South African indices moved positively, as the All Share and Top 40 jumped 4.6% and 4.7% respectively. The BEASSA All Bond Index climbed by 1.3%. Resource shares had a fantastic week, moving up by 15.1%. The local currency also made some gains over the period to finish the week R13.34 against the US Dollar.

GLOBAL MARKETS

Last week, the Germany's 10-year bond yield increased by 11 basis points to 0.62% and during the week it touched 0.63%, the highest since September. Spain's 10-year bond yield increased by six basis points to 1.83%. The yield spread between these securities contracted to 121 basis points from 127 basis points previous week. Last week's spread is the tightest in two months. German 10-year bond yields are currently about 0.43% lower than their 2015 high reached on June 10, 2015. The sterling gained 0.9% against the dollar to US\$1.53 last week. However, against the euro, it depreciated by 0.5%. The dollar depreciated 1.3% against the euro and 0.3% against the yen, last week and closed at US\$1.14 per euro and 120.27 yen per dollar as hedge funds and other money managers cut net bullish bets on the dollar to the lowest in more than a year. The Bloomberg Dollar Spot Index, which tracks the US currency versus 10 major peers, lost 1.4% and closed at 119.45 points, last week. This is the steepest plunge since the week ended June 12, 2015. However, it is still up 5.4% YTD 2015. Emerging market currencies recorded the biggest weekly gain in 17 years and stocks rallied as prospects for a US interest rate increase in 2015 receded and oil traded around the highest level since late August 2015. The Russian ruble was the best performer last week, with a gain of 7.9% against the dollar. Global funds pumped net US\$1.2 billion into the emerging markets stocks last week. The MSCI Emerging Markets Index climbed 6.9% last week whilst the Russia's Mixex Index, Shanghai Composite Index, and Hang Seng Index gained 7.3%, 4.3% and 4.4%, respectively. NMG still favours investments that performs well when the emerging currencies depreciates because we expect that emerging markets currencies will come under renewed pressure. We view that the delay in Fed rate hike was a catalyst to last week's strong equity markets and hence we do not believe it is the start of turnaround. S&P 500 Index was up 3.3%, the best weekly gain this year.

TOP PERFORMERS (TOP 40)

| NAME | CLOSE PRICE | WEEKLY % CHANGE | YTD 09 OCT 2015 |
|---------------------------------|-------------|-----------------|-----------------|
| Anglo American Plc | 147.22 | 26.9% | -26.8% |
| Sasol Limited | 460.17 | 17.7% | 11.7% |
| Anglo American Platinum Limited | 281.05 | 15.8% | -17.6% |

WORST PERFORMERS (TOP 40)

| NAME | CLOSE PRICE | WEEKLY % CHANGE | YTD 09 OCT 2015 |
|--|-------------|-----------------|-----------------|
| Capital&Counties Prop Plc | 85.84 | -5.5% | 30.6% |
| SABMiller Plc | 750.10 | -4.1% | 26.2% |
| Steinhoff International Holdings Limited | 83.63 | -2.0% | 40.8% |

COMMODITIES

Data from United States Department Agriculture (USDA) shows that Russia's wheat shipments may reach 23.5 million tonnes this season against 23.1 million tonnes from the US. Russian may surpass the US in wheat exports for the first time as global output of the grain rises to a record, spurring increasing competition among producers. USDA forecasts global wheat output to climb to an all-time high of 732.8 million tonnes. Soybean gained 1.3% last week, trimming YTD 2015 decline to 13%. Soybean harvested in the US, the world top soybean grower was at a record 3.93 billion bushels in 2014 and this year's harvest is set to be the second largest. USDA released a bearish report to corn farmers when it upgraded the corn yield estimate to 168 bushels per acre from last month's forecast of 167.5 bushels per acre. Corn for December delivery plunged 2.2% to US\$3.82 3/4 a bushel in Chicago Board of Trade (CBOT). The corn acreage that could be harvested this year dropped by 0.5% to 80.7 million acres from 2014's 81.1 million acres. The market is expecting 13.56 billion bushels, which is slightly lower than 13.59 billion bushels projected in September 2015. This year's harvest estimate would be 4.6% lower than 2014 harvest. Zinc jumped 12%, the most since 1989 after Glencore Plc, the biggest miner of Zinc said it would cut production by a third. Zinc has plunged 16% YTD 2015 as slowing hard commodities demand in China hurts the consumption outlook. Gold in dollar currency increased by 1.6% to US\$1 157.28 an ounce as minutes from the Fed's latest meeting increased speculation that it might hold off increasing the rates until 2016. Platinum gained 7.8% the biggest weekly gain since October 28, 2011. Brent crude oil capped its biggest weekly gain of 9.4% since August 28, 2015 to US\$52.65 on speculation that raising consumption and retreating supply will reduce the global glut. The number of oil rigs in the US oilfields dropped by nine to 605 last week. Last week, the Bloomberg Commodity Index swelled by 3.6%, the biggest weekly gain since July 2012.