

## EY INDICATORS – 10 JUNE 2016

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	52 140,61	-1,95%	2,85%
RESOURCE 10	29 848,16	-2,33%	17,54%
INDUSTRIAL 25	71 300,95	-1,99%	-0,63%
FINANCIAL 15	14 791,95	-1,72%	-2,91%
SA LISTED PROPERTY	633,04	-2,34%	4,02%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	17 675,16	-1,06%	1,44%
S&P 500	2 071,22	-1,19%	1,33%
NASDAQ	4 800,34	-1,92%	-4,14%
STOXX 600	325,78	-2,14%	-10,94%
NIKKEI 225	15 599,66	-6,03%	-18,04%
HANG SENG	20 169,98	-4,15%	-7,96%
ASX ALL ORDINARIES	5 248,28	-2,66%	-1,80%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 292,50	1,50%	21,90%
BRENT CRUDE	49,17	-2,71%	31,89%
IRON ORE	50,55	-0,61%	27,72%
PLATINUM	965,70	-2,83%	8,30%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	15,11	-0,73%	-2,25%
GBPZAR	21,76	0,28%	-4,55%
EURZAR	17,05	-0,48%	1,60%

## MARKET COMMENTARY

### Local Update

The Johannesburg Stock Exchange (JSE), like other global markets had a torrid week. Global volatility surged with the pending historic decision of whether Britain will remain in the European Union.

Locally the rand remained volatile, selling off after a poor current account number only to recover later in the week.

Local markets continue to take their lead from the US (Fed meeting) and the anticipated outcome of the “Brexit” vote.

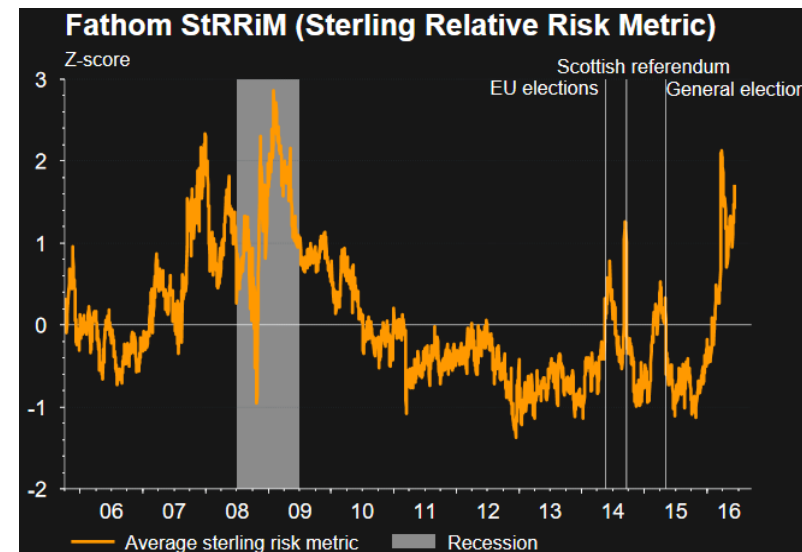
### Global Update

Yellen on Wednesday pointed to more permanent forces that could depress rates for longer, namely, slow productivity growth and aging societies, in the U.S. and throughout much of the world. The Fed left rates unchanged whilst also alluding to Brexit risks.

European markets continue to be rattled by increasing speculation of the upcoming Brexit referendum.

Asian markets were also negative over the week, with the yen trading near a two-year high, the stronger yen has become a major headache for the central bank because it restrains efforts to stoke inflation and spark growth, while making Japanese exports less competitive abroad.

## CHART OF THE WEEK



### What the chart is telling us

The above chart illustrates the sterling relative risk metric. The heightened relative risk metric is at higher levels than recent EU elections, the Scottish referendum and general elections held in May 2015.

Polls and betting markets indicate an increasingly uncertain Brexit referendum result. Consequently, risk premia on sterling-denominated assets have been increasing with uncertainty. The referendum will be held this coming week, with the result expected on the 24<sup>th</sup> June 2016. We are of the view that the risk of the unknown (exit) will favour the “remain” vote.