

## KEY INDICATORS – 12 FEBRUARY 2016

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	48 589,69	-2,34%	-4,15%
RESOURCE 10	26 109,74	0,07%	2,82%
INDUSTRIAL 25	67 325,20	-3,44%	-6,17%
FINANCIAL 15	14 261,39	-2,78%	-6,39%
SA LISTED PROPERTY	605,36	0,85%	-0,53%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	15 973,84	-1,43%	-8,33%
S&P 500	1 864,78	-0,81%	-8,77%
NASDAQ	4 337,51	-0,59%	-13,38%
STOXX 600	312,41	-4,14%	-14,60%
NIKKEI 225	14 952,61	-11,10%	-21,44%
HANG SENG	18 319,58	-5,02%	-16,40%
ASX ALL ORDINARIES	4 816,61	-4,16%	-9,88%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 239,10	7,02%	16,86%
BRENT CRUDE	33,36	-2,06%	-10,52%
IRON ORE	43,42	-1,41%	9,70%
PLATINUM	957,30	6,13%	7,36%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	15,86	-0,91%	2,59%
GBPZAR	23,02	-0,73%	0,97%
EURZAR	17,85	0,09%	6,40%

## MARKET COMMENTARY

### Local Update

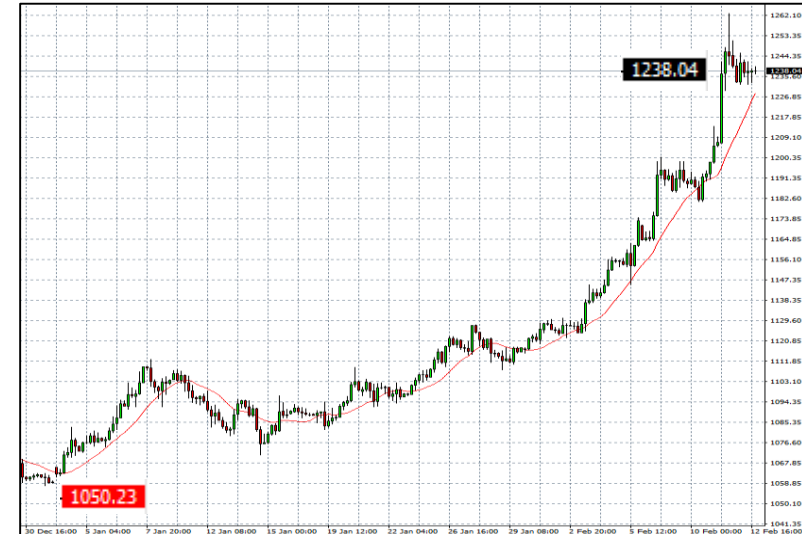
It was another volatile week for SA equities. European and Asian markets were sharply lower negatively impacting local shares. The FTSE/JSE All Share was down over 2% for the week with a strong bounce on Friday reversing some of the lows of the week. The sectors that most benefitted over the week were the gold and platinum miners. The annual mining Indaba was held in Cape Town where the dire state of the commodities market and its impact on miners was clearly evident. Unfortunately as expected the State of the Nation Address didn't deliver any new solutions to a slowing domestic economy. In summary it was another tough week with local market participants hopeful that the forthcoming budget speech will deliver some solutions. The Rand was stable(ish) over the week.

### Global Update

Global markets and more specifically European and Japanese markets were rocked by "European banking woes" and Japanese "negative" interest rates.

The Fed also reaffirmed that rate hikes will be data dependent and that negative rates were not off the table. This unsettled markets further with gold continuing to increase in value over the week (typically considered a secure investment in times of economic uncertainty).

## CHART OF THE WEEK



### What the chart is telling us

The chart above illustrates recent gains in the gold price. Gold is usually considered as a "flight to safety" trade. Since peaking in late August 2011 at approximately \$1900 an ounce it has steadily moved down to recent lows of \$1050 an ounce (mid December 2015). Recent gains are more in line with how one would expect gold to trade. Its interesting to note the last time gold peaked in August 2011 there was a similar "banking crisis" in Europe. Low global rates make the opportunity cost of holding gold attractive at these times of market uncertainty.