

KEY INDICATORS – 18 MARCH 2016

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	53 824,28	4,03%	6,18%
RESOURCE 10	30 511,70	2,15%	20,15%
INDUSTRIAL 25	73 121,61	4,04%	1,90%
FINANCIAL 15	16 055,69	7,53%	5,38%
SA LISTED PROPERTY	654,33	2,27%	7,52%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	17 602,30	2,26%	1,02%
S&P 500	2 049,58	1,35%	0,28%
NASDAQ	4 795,65	0,99%	-4,23%
STOXX 600	341,71	-0,15%	-6,59%
NIKKEI 225	16 724,81	-1,26%	-12,13%
HANG SENG	20 671,63	2,34%	-5,67%
ASX ALL ORDINARIES	5 239,35	0,28%	-1,97%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 253,80	-0,39%	18,25%
BRENT CRUDE	41,20	2,01%	10,52%
IRON ORE	55,54	0,40%	40,32%
PLATINUM	970,00	0,08%	8,78%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	15,25	0,05%	-1,35%
GBPZAR	22,08	0,88%	-3,17%
EURZAR	17,17	1,13%	2,32%

MARKET COMMENTARY

Local Update

It was a positive week for South African financial markets with all the major sectors enjoying strong gains. The financial sector in particular was supported by the Reserve Banks rate hike and the outcome of the FED's meeting.

The rand was as volatile as ever spiking to R16,24 earlier in the week and then strengthening to end the week at R15,25 to the USD. This volatility remains concerning and is being driven by SA politics, SA interest rates and global factors (emerging markets and USD).

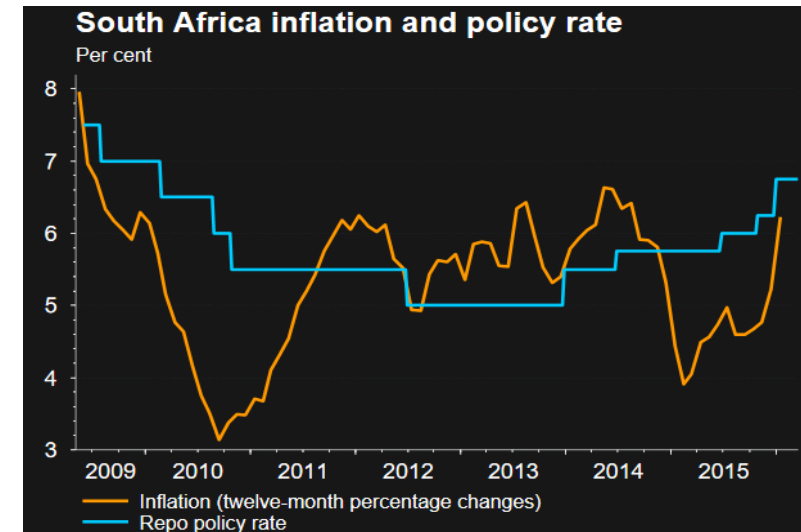
Global Update

Britain's referendum on the fate of its European membership is three months away. More and more attention is being paid to a possible exit scenario for Britain ("Brexit") and its possible implications. Recent surveys are pointing to the "remain" and "leave" camps running neck and neck.

The Federal Reserve left rates unchanged and altered its forecast from 4 hikes this year to 2 (global economics was highlighted as still posing future risk). Inflation continues to run below the Committee's 2% long-run objective.

Global markets were generally positive over the week with some of the major US markets turning positive year to date.

CHART OF THE WEEK



What the chart is telling us

The above chart illustrates the current relationship between South African inflation and the Repo rate. On Thursday the SA Reserve Bank announced a 25 basis point hike in the main repo interest rate lifting it to 7%. The move was largely expected by market analysts, the main motive was to combat our rising inflation rate. Whilst hiking rates needs to be a delicate balance in fending off future expected inflation (weaker currency) the risk remains of stalling SA's already fragile growth. The recent rise in oil prices will also be of concern in the inflationary outlook.