

KEY INDICATORS – 15th APRIL 2017

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	53 510.22	1.24%	5.64%
RESOURCE 10	33 677.71	-1.45%	4.88%
INDUSTRIAL 25	70 812.56	1.67%	10.16%
FINANCIAL 15	14 735.55	3.56%	-2.27%
SA LISTED PROPERTY	627.70	2.32%	-0.67%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	20 453.25	-0.98%	3.49%
S&P 500	2 328.95	-1.13%	4.03%
NASDAQ	5 805.15	-1.24%	7.84%
STOXX 600 (Europe)	380.58	-0.18%	5.30%
FTSE 100	7 327.59	-0.30%	2.59%
TOPIX (Tokyo Index)	1 459.07	-2.06%	-3.92%
ASX ALL ORDINARIES	5 925.87	0.39%	3.61%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 285.90	2.52%	11.82%
BRENT CRUDE	55.89	1.18%	-1.64%
IRON ORE	73.02	-5.06%	-8.44%
PLATINUM	973.70	1.53%	8.00%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	13.40	-2.53%	-2.38%
GBPZAR	16.81	-1.26%	-0.71%
EURZAR	14.23	-2.43%	-1.49%

Source: Thomson Reuters

MARKET COMMENTARY

Local Update

The JSE All-Share Index (+1.24%) ended the week higher, led by strong gains in financials (+3.56%) and industrials (+1.67%). Resources were under pressure, falling 1.54%.

The rand strengthened against the US Dollar over the week (+2.53%), partly driven by a weaker dollar, after President Donald Trump stated that the greenback was too strong, resulting in the US being less competitive. In addition to this, increasing pressure from opposition parties calling for President Jacob Zuma to step down has created a sense of optimism for some investors.

Global Update

Recent worries about global geopolitical risks intensified over the week amid worries that the US could launch further missile strikes on Syria. President Trump also reiterated that the US was prepared to act unilaterally against North Korea.

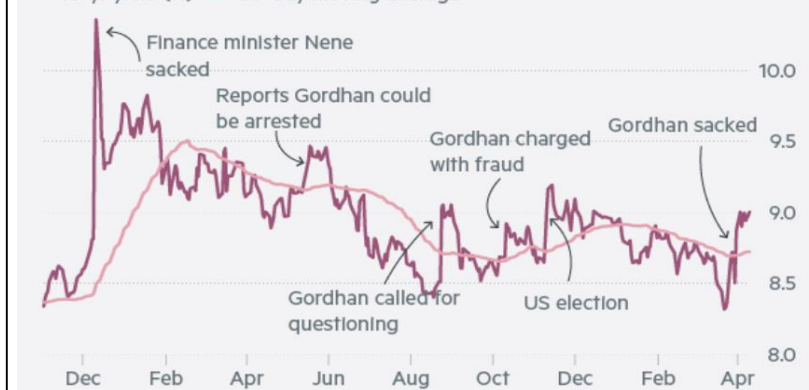
China reported a trade balance surplus of \$23.93bn in March, more than market expectations of a surplus of \$12.50bn. In Europe, industrial production unexpectedly dropped by 0.3% on a monthly basis in February, compared with a revised advance of 0.3% in the previous month.

Global equity markets ended the week in negative territory with the Dow Jones (-0.98%), S&P 500 Index (-1.13%), Stoxx 600 (-0.18%), and the TOPIX (-2.06%) all ending weaker. Gold (+2.52%) responded well to increased geopolitical risks, ending the week at \$1285.90 an ounce.

CHART OF THE WEEK

South African assets keep bouncing back

Govt bonds have quickly recovered each time yields rise above moving average



Source: Bloomberg; Graphic: Nicholas Megaw/FT

What the chart is telling us

When a major credit agency cuts a country's credit rating to junk status, the assets don't normally respond by rallying. But it hasn't been a normal few weeks for South African markets. Government bonds and the rand might have pulled back, but some investors are still counting on a rebound judging by activity in bond markets. According to Citibank, foreign investors have purchased more than ZAR20bn (\$1.4bn) worth of South African government bonds since President Jacob Zuma ordered his finance minister Pravin Gordhan to return from an investor trip last month.