

KEY INDICATORS – 7th APRIL 2017

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	52 853,36	1,53%	4,34%
RESOURCE 10	34 172,63	5,72%	6,43%
INDUSTRIAL 25	69 652,33	1,90%	8,35%
FINANCIAL 15	14 228,57	-2,43%	-5,63%
SA LISTED PROPERTY	613,49	-2,25%	-2,92%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	20 656,10	-0,03%	4,52%
S&P 500	2 355,54	-0,30%	5,21%
NASDAQ	5 877,81	-0,57%	9,19%
STOXX 600	381,26	0,03%	5,49%
FTSE 100	7 349,37	0,36%	2,89%
TOPIX (Tokyo Index)	1 489,77	-1,51%	-1,90%
ASX ALL ORDINARIES	5 902,57	-0,02%	3,21%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 254,30	0,56%	9,07%
BRENT CRUDE	55,24	4,56%	-2,78%
IRON ORE	76,91	-11,43%	-3,56%
PLATINUM	959,00	1,14%	6,37%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	13,75	2,48%	0,16%
GBPZAR	17,02	1,10%	0,55%
EURZAR	14,58	1,98%	0,97%

Source: Thomson Reuters

MARKET COMMENTARY

Local Update

The JSE All-Share index (+1.53%) ended the week higher lead by strong gains in resources (+5.72%) and industrials (1.90%). The financials and listed property were again under pressure falling 2.43% and 2.25% respectively.

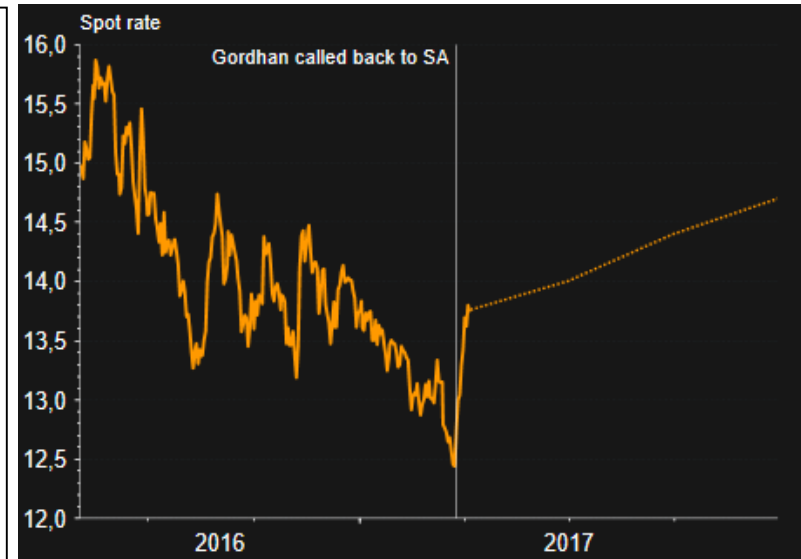
The rand ended the week at 13.75 to the US dollar, depreciating by 2.48% over the week. This movement is on the back of the credit rating downgrade and the downgrade of SA banks by S&P. On Friday credit rating agency Fitch followed in S&P's footsteps and downgraded SA's sovereign credit rating to junk. The downgrade makes Fitch the first of the agencies to cut the rating on SA's rand denominated debt to junk status, raising the prospect of a bond sell-off by investors whose mandates restrict them to hold only investment grade assets.

Global Update

This week US President Donald Trump met with Chinese leader Xi Jinping at a two-day summit hosted in the US. This meeting was seen to be important in developing a relationship with regards to global trade.

Global equity markets mostly ended the week in negative territory with the Dow Jones (-0.03%), S&P 500 Index (-0.30%), Nasdaq (-0.57%), and the TOPIX (-1.51%) all ending weaker. Gold was relatively positive (+0.56%), while iron ore fell 11.43% on the back of growth in low cost supply and expectations that Chinese iron ore port inventories are the highest they have been since 2004. Brent Crude Oil increased a further 4.56% as a result of US attacks on Syria as a response to the chemical attack which left more than 85 people dead.

CHART OF THE WEEK



Source: Thomson Reuters

What the chart is telling us

The South African rand depreciated sharply after President Zuma called Minister of Finance, Pravin Gordhan, back to South Africa and then fired him. The country's sovereign credit rating has since been downgraded to 'junk' status, as per the chart above further rand depreciation is expected from here.