

KEY INDICATORS – 9 JUNE 2017

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	52 216,93	-1,27%	3,09%
RESOURCE 10	30 719,87	1,22%	-4,33%
INDUSTRIAL 25	71 428,69	-1,90%	11,12%
FINANCIAL 15	14 409,45	-2,40%	-4,43%
SA LISTED PROPERTY	634,09	0,79%	0,34%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	21 271,97	0,31%	7,64%
S&P 500	2 431,77	-0,30%	8,62%
NASDAQ	6 207,92	-1,55%	15,32%
STOXX 600	390,39	-0,55%	8,02%
FTSE 100	7 527,33	-0,27%	5,38%
TOPIX (Tokyo Index)	1 591,66	-1,27%	4,81%
ASX ALL ORDINARIES	5 715,46	-1,81%	-0,06%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 268,50	-0,65%	10,30%
BRENT CRUDE	48,15	-3,60%	-15,26%
IRON ORE	54,52	-3,11%	-31,64%
PLATINUM	939,10	-1,32%	4,16%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	12,94	1,15%	-5,74%
GBPZAR	16,50	0,01%	-2,50%
EURZAR	14,49	0,25%	0,35%

Source: Thomson Reuters

MARKET COMMENTARY

Local Update

The JSE All-Share index (-1,27%) ended the week weaker led by losses in Industrials (-1,90%) and Financials (-2,40%). Resources (+1,22%) and SA Listed Property (+0,79%) both ended the week stronger.

The Cape Peninsula was battered by a major storm whilst Knysna was engulfed in flames. South Africa also entered a recession for the first time in eight years, data showed on Tuesday, piling pressure on a government facing corruption allegations and credit downgrades. South Africa's economy contracted by 0.7 percent in the first three months of 2017 after shrinking by 0.3 percent in the fourth quarter of last year, lagging market expectations.

Global Update

Policy uncertainties occupy a sizable portion of our list of current market risks, highlighted last week as hearings on Capitol Hill related to the Trump administration and the U.K. election held investors' attention.

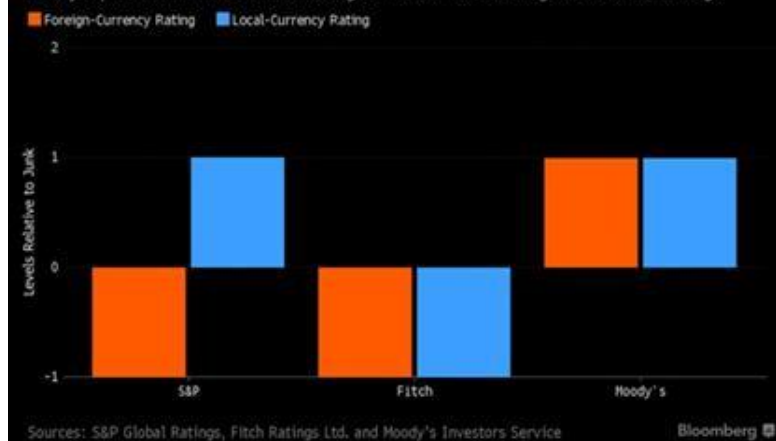
The Conservative Party won 318 seats, eight short of an overall majority, and down from the 331 that the Tories held prior to the election. It is undoubtedly an embarrassment for Theresa May, following her decision to hold a snap election to help the Conservatives deliver the "strong and stable leadership" she felt necessary to deliver Brexit. Clearly, that gamble has backfired.

Investors will be looking forward to the Federal Reserve's (Fed) next interest rate announcement, in which it is expected to raise short-term interest rates next Wednesday afternoon.

CHART OF THE WEEK

Credit-Ratings Risk

Moody's put South Africa's credit rating on review for a downgrade two months ago



What the chart is telling us

National Treasury issued a late-night statement on Friday, after Moody's announced that it had downgraded the country's long-term foreign and local currency debt ratings one notch from Baa2 to Baa3, and gave it a negative outlook.

Earlier this year, following the Cabinet reshuffle where President Jacob Zuma replaced former Finance Minister Pravin Gordhan with former Home Affairs Minister Malusi Gigaba, the ratings agency placed South Africa on review for a downgrade. At the time both Fitch and S&P downgraded the foreign currency rating to junk status.