

## KEY INDICATORS – 2<sup>nd</sup> APRIL 2017

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	52,056.06	0.46%	2.77%
RESOURCE 10	32,322.78	5.96%	0.66%
INDUSTRIAL 25	68,354.20	1.35%	6.33%
FINANCIAL 15	14,583.35	-5.60%	-3.28%
SA LISTED PROPERTY	627.61	-3.17%	-0.68%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	20,663.22	0.32%	4.56%
S&P 500	2,362.72	0.80%	5.53%
NASDAQ	5,911.74	1.42%	9.82%
STOXX 600	381.14	1.23%	5.46%
FTSE 100	7,322.92	-0.19%	2.52%
TOPIX (Tokyo Index)	1,512.60	-2.03%	-0.40%
ASX ALL ORDINARIES	5,903.84	1.86%	3.23%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1,247.30	-0.07%	8.46%
BRENT CRUDE	52.83	4.00%	-7.02%
IRON ORE	86.84	-1.71%	8.89%
PLATINUM	948.20	-1.96%	5.17%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	13.42	8.01%	-2.27%
GBPZAR	16.84	8.67%	-0.55%
EURZAR	14.30	6.49%	-0.99%

Source: Thomson Reuters

## MARKET COMMENTARY

### Local Update

The JSE All-Share index (+0.46%) ended the week slightly higher with gains lead by resources (+5.96%) and industrial rand hedges. Financials fell 5.60% after a cabinet reshuffling was announced by Jacob Zuma on Thursday evening.

The rand weakened sharply by 8.01% to R13.42 against the US dollar post the cabinet reshuffling announcement, including the dismissal of finance minister Pravin Gordhan. SARB kept its benchmark repo rate unchanged at 7% on Thursday, in-line with expectations – saying that despite a better growth outlook for South Africa, the exchange rate had re-emerged as a risk to inflation, following an increase in domestic political uncertainty.

### Global Update

On Wednesday, UK Prime Minister Theresa May kick-started the process of leaving the European Union (EU). Despite this momentous event, the FTSE100 remained relatively quiet, ending the week down 0.19%.

Global equity markets mostly ended the week in positive territory with the Dow Jones (+0.32%), S&P 500 Index (+0.80%), Stoxx 600 Index (+1.23%), and the Nasdaq (+1.42%) all ending the week strongly. Gold was relatively flat (-0.07%), while iron ore and platinum both fell 1.71% and 1.96% respectively owing to over-supply issues. Brent Crude was up 4.00% due to lower than expected US inventory growth, declining supplies in Libya and hopes that OPEC will extend output cuts.

## CHART OF THE WEEK



Source: Thomson Reuters

### What the chart is telling us

The rand tumbled, weakening to R13.42 per US Dollar (-8.01%) following the cabinet reshuffling announcement by president Jacob Zuma. Most importantly, South Africa's highly acclaimed finance minister Pravin Gordhan was dismissed. This has been met with high degrees of criticism, even from key ANC members such as Cyril Ramaphosa.

In the space of 15 months, Zuma has fired two well-regarded finance ministers. Such political instability and the loss of Pravin Gordhan will be taken into account by credit rating agencies ahead of their re-rating announcement next week.