

KEY INDICATORS – 3 JUNE 2017

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	52 889.70	-2.05%	4.41%
RESOURCE 10	30 350.86	-2.21%	-5.48%
INDUSTRIAL 25	72 808.84	-2.09%	13.26%
FINANCIAL 15	14 763.08	-2.39%	-2.09%
SA LISTED PROPERTY	629.11	-0.88%	-0.44%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	21 206.29	0.60%	7.31%
S&P 500	2 439.07	0.96%	8.94%
NASDAQ	6 305.80	1.54%	17.14%
STOXX 600	392.55	0.31%	8.61%
FTSE 100	7 547.63	0.00%	5.67%
TOPIX (Tokyo Index)	1 612.20	2.73%	6.16%
ASX ALL ORDINARIES	5 821.11	0.50%	1.78%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 276.80	0.73%	11.03%
BRENT CRUDE	49.95	-4.22%	-12.09%
IRON ORE	56.27	-8.13%	-29.44%
PLATINUM	951.70	0.20%	5.56%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	12.80	-0.45%	-6.81%
GBPZAR	16.50	0.12%	-2.51%
EURZAR	14.45	0.48%	0.09%

Source: Thomson Reuters

MARKET COMMENTARY

Local Update

The JSE All-Share Index (-2.05%) ended the week lower with losses in all three of the major sectors. Financials (-2.39%) led the market lower, followed by Resources (-2.21%) and Industrials (-2.09%).

Two key talking points during the week included Barclays PLC sale of 22 per cent of Barclays Africa Group which sees its stake in the African business reduced to below 50 per cent. Political fractions in the ANC was once again the other key talking point, sending the rand on a roller coaster ride, trading as low at 12.63 and as high as 13.21 to the USD over the week.

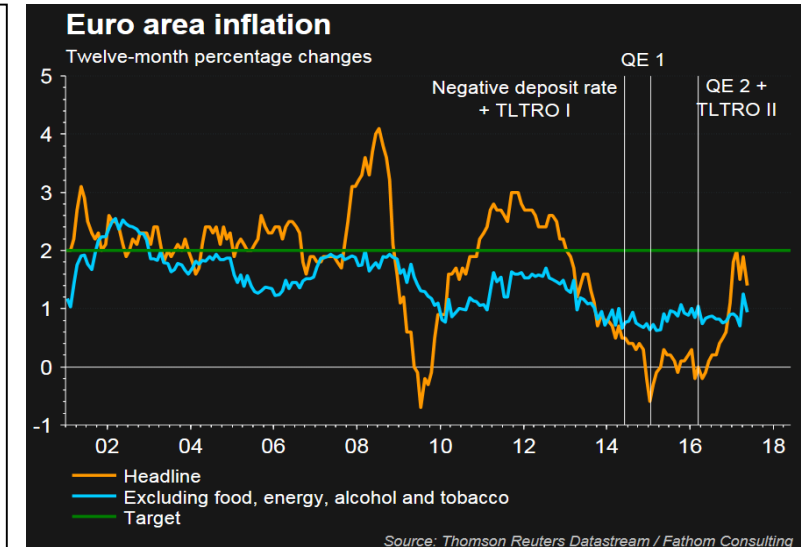
Meanwhile, ratings agencies, S&P Global Ratings and Fitch kept their credit rating for South Africa unchanged, with warnings that low economic growth and the recent cabinet reshuffle remain to be major risks for the economy.

Global Update

Global markets outperformed our local market with the Dow Jones (+0.60%), S&P 500 (+0.96%), NASDAQ (+1.54%), Stoxx 600 (+0.31%), and Topix (+2.73%) all ending the week stronger.

In the US, the second estimate of GDP recorded a rise of 1.2% for the quarter, more than expectations of 0.9%. Annualised GDP registered a rise of 2.1%. In Europe, ECB President, Mario Draghi, stated that economic upswing in the eurozone is becoming increasingly solid and continuing to broaden across sectors and economies but inflation pressures have remained subdued, below the medium-term objective of 2.0%.

CHART OF THE WEEK



What the chart is telling us

Both headline inflation and core inflation for the euro area fell in May. As the Easter effect faded, headline inflation dropped to 1.4% (from 1.9%) and more importantly, core inflation fell to 0.9% from 1.2%.

President, Mario Draghi, stated that the ECB will not act to tighten monetary policy until there is a durable and self-sustaining convergence of inflation towards the medium-term objective of 2.0%. He further added that the ECB will be in a better position at its June 8 meeting to reassess the outlook for growth and inflation.