

KEY INDICATORS – 19 FEBRUARY 2016

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	48 940,43	0,72%	-3,46%
RESOURCE 10	26 973,53	3,31%	6,22%
INDUSTRIAL 25	66 933,67	-0,58%	-6,72%
FINANCIAL 15	14 650,86	2,73%	-3,84%
SA LISTED PROPERTY	618,11	2,11%	1,57%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	16 391,99	2,62%	-5,93%
S&P 500	1 917,78	2,84%	-6,17%
NASDAQ	4 504,43	3,85%	-10,04%
STOXX 600	326,37	4,47%	-10,78%
NIKKEI 225	15 967,17	6,79%	-16,11%
HANG SENG	19 285,50	5,27%	-12,00%
ASX ALL ORDINARIES	5 008,28	3,98%	-6,29%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 230,40	-0,70%	16,04%
BRENT CRUDE	33,01	-1,05%	-11,45%
IRON ORE	45,19	4,08%	14,17%
PLATINUM	944,60	-1,33%	5,93%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	15,38	-3,05%	-0,54%
GBPZAR	22,10	-3,99%	-3,06%
EURZAR	17,13	-4,04%	2,10%

MARKET COMMENTARY

Local Update

It was a mixed week for local markets, the Rand managed to hold onto recent gains and resource counters continued to enjoy some support. Locally all eyes will be focused Finance Minister Pravin Gordhan's budget speech on the 24th February 2016.

Global Update

Global markets were generally stronger over the week. The continued support of Central Banks in reassuring investors that they are "ready to act" had the necessary calming effect on markets.

US CPI was stronger than expected supporting a US recovery and the prospect of further rate hikes (driven by a stronger job market and consumer spending).

The market is closely monitoring the outcome of meetings between Russia and other leading oil producing countries in their attempt to manage oil output.

US politics was dominated by victories for Trump and Clinton. Florida Governor Jeb Bush dropped out and it now seems clear that Trump will be the Republican nominee for US elections to be held on 8th November 2016.

THE BUDGET

Budget Speech on 24th February 2016

Finance Minister Gordhan finds himself in another intricate budget balancing act. Government would have noted the impact of "illogical" political and economic moves (Nene) on the economy and the Rand. Government is also aware that rating agencies are looking to cut SA's credit rating to junk unless they see austerity on the part of government (cost-cutting), a more balanced budget (raising tax receipts) and investor-friendly policies (to attract foreign capital and increase growth).

Key areas to look out for in the budget:

- Personal income tax rates (SA has high comparative income tax rates);
- Davis Tax Committee's recommendations on Trusts, removal of tax concessions and continued co-operation between tax revenue authorities globally (there has been talk of an amnesty to regularize undeclared offshore funds);
- A potential 1% increase in VAT;
- Further privatization of battling state-owned enterprises (e.g. SAA);
- Wealth taxes – inclusion rates of CGT; Estate Duty and donations tax.