

KEY INDICATORS – 27 MAY 2016

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	54,105.37	2.79%	6.73%
RESOURCE 10	31,679.83	1.56%	24.75%
INDUSTRIAL 25	73,710.46	3.30%	2.73%
FINANCIAL 15	15,405.47	4.43%	1.12%
SA LISTED PROPERTY	650.90	1.14%	6.96%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	17,873.22	2.13%	2.57%
S&P 500	2,099.06	2.28%	2.70%
NASDAQ	4,933.51	3.44%	-1.48%
STOXX 600	349.64	3.44%	-4.42%
NIKKEI 225	16,834.84	0.59%	-11.55%
HANG SENG	20,576.77	3.65%	-6.10%
ASX ALL ORDINARIES	5,469.72	1.01%	2.34%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1,213.80	-3.08%	14.48%
BRENT CRUDE	49.32	1.23%	32.30%
IRON ORE	54.94	-1.89%	38.81%
PLATINUM	980.50	-4.11%	9.96%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	15.70	0.54%	1.55%
GBPZAR	23.00	1.49%	0.89%
EURZAR	17.48	-0.27%	4.20%

MARKET COMMENTARY

Local Update

The Johannesburg Stock Exchange (JSE) followed world markets higher this week, with all three of the major sectors including industrials (+3.3%), resources (+1.6%) and financials (+4.4%) ending the week positively. Naspers, one of the biggest shares on the JSE, surged to an all-time high on the back of good results from Chinese internet giant, Tencent (Naspers owns a 34% stake in Tencent).

US Federal Reserve Chairperson, Janet Yellen's speech on Friday was an important data point for the rand as any suggestion of the US raising rates in June, would be negative for the rand and commodity prices.

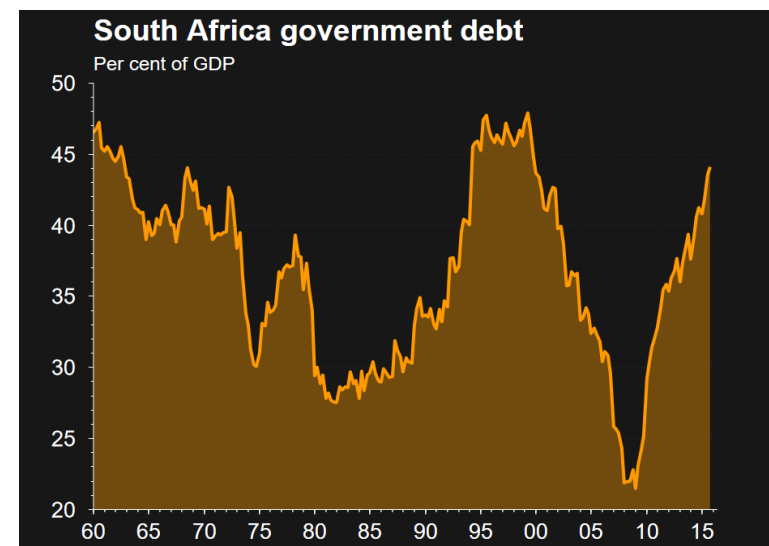
Global Update

"Brexit" was in the spotlight at the G7 meeting in Japan this week, with ministers stating that an exit would inflict a shock to the global economy.

Other important news included Janet Yellen's speech at Harvard University on Fri, where she suggested that US interest rates may go up in June or July by saying, "Probably in the coming months such a move would be appropriate".

U.S. economic growth for the first quarter was revised up slightly to 0.8% from 0.5% and globally, the price of Brent crude oil gained another 1.2%, breaching US\$50.00/bbl for the first time in 6 months at some point during the week.

CHART OF THE WEEK



What the chart is telling us

The above chart illustrates South Africa's spiraling government debt as a % of GDP. Finance Minister Pravin Gordhan pledged in his February budget to limit gross debt to 50.5% of GDP by 2019 by curbing spending and raising taxes.

Earlier this month, South Africa avoided a downgrade from ratings agency Moody's who affirmed SA's credit rating at two levels above junk. S&P will however release their rating on June 3 and Fitch is also examining its rating of South Africa.