

KEY INDICATORS – 10 JUNE 2016

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	53 175,15	-2,00%	4,89%
RESOURCE 10	30 560,77	-2,87%	20,34%
INDUSTRIAL 25	72 748,02	-1,79%	1,38%
FINANCIAL 15	15 051,02	-2,66%	-1,21%
SA LISTED PROPERTY	648,21	-1,03%	6,51%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	17 865,34	0,33%	2,53%
S&P 500	2 096,07	-0,15%	2,55%
NASDAQ	4 894,55	-0,97%	-2,25%
STOXX 600	332,92	-2,45%	-8,99%
NIKKEI 225	16 601,36	-0,25%	-12,78%
HANG SENG	21 042,64	0,46%	-3,98%
ASX ALL ORDINARIES	5 391,57	-0,02%	0,88%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 273,40	2,69%	20,10%
BRENT CRUDE	50,54	1,81%	35,57%
IRON ORE	50,86	5,54%	28,50%
PLATINUM	993,80	1,32%	11,45%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	15,23	0,91%	-1,53%
GBPZAR	21,70	-0,94%	-4,82%
EURZAR	17,13	-0,13%	2,10%

MARKET COMMENTARY

Local Update

The Johannesburg Stock Exchange (JSE) ended the week down with the resource and financial sectors being hardest hit.

During the week South Africa's first quarter GDP was released. A sharp contraction in mining tipped economic growth into negative territory in the first quarter of 2016. South Africa's economy shrank by 1,2% quarter-on-quarter (seasonally adjusted and annualised).

The rand reversed gains to end the week weaker at R15.23 to the US dollar.

Global Update

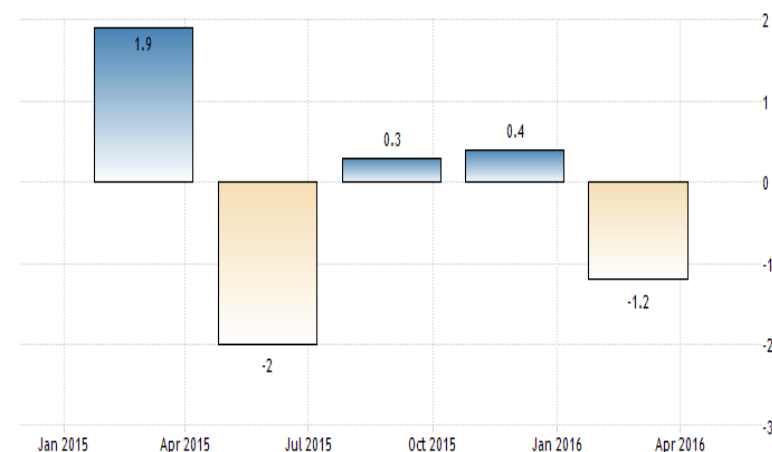
European markets were rattled by increasing speculation that the upcoming Brexit referendum is too close to call. New 'Brexit' polls show Brits leaning towards leaving. Our view is the fear factor of the unknown will prevail ("stay" vote will win).

Yields on Japanese government bonds and German bunds continued to hit record lows. This trend has helped push big money inflows to US corporate debt and government debt (US 10yr 1.67%). Global markets are jittery spurred by Brexit headlines coupled with US presidential rumblings out of the US.

The week ahead sees the meeting of the US Federal Reserve, investors will be vigilant on the funds rate decision and FOMC statement.

CHART OF THE WEEK

SOUTH AFRICA GDP GROWTH RATE

**What the chart is telling us**

The above chart illustrates South Africa's quarter-on-quarter GDP growth rates over the last five quarters.

A sharp contraction in mining tipped economic growth into negative territory in the first quarter of 2016. South Africa's economy shrank by 1,2% quarter-on-quarter (seasonally adjusted and annualised), according to the latest gross domestic product (GDP) figures published by Stats SA. Year-on-year growth for the same quarter was -0,2%.

This paints a dire picture for the economy and will certainly increase pressure for a ratings review in December 2016.