

## KEY INDICATORS – 23<sup>rd</sup> APRIL 2017

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	52,194.59	-2.46%	3.04%
RESOURCE 10	32,074.09	-4.76%	-0.11%
INDUSTRIAL 25	69,418.72	-1.97%	7.99%
FINANCIAL 15	14,549.92	-1.26%	-3.50%
SA LISTED PROPERTY	616.28	-1.82%	-2.47%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	20,547.76	0.46%	3.97%
S&P 500	2,348.69	0.85%	4.91%
NASDAQ	5,910.52	1.82%	9.80%
STOXX 600	378.12	-0.65%	4.62%
FTSE 100	7,114.55	-2.91%	-0.40%
TOPIX (Tokyo Index)	1,488.58	2.02%	-1.98%
ASX ALL ORDINARIES	5,885.65	-0.68%	2.91%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1,287.40	0.12%	11.95%
BRENT CRUDE	51.96	-7.03%	-8.55%
IRON ORE	70.93	-2.86%	-11.06%
PLATINUM	974.50	0.08%	8.09%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	13.12	-2.09%	-4.42%
GBPZAR	16.81	0.00%	-0.71%
EURZAR	14.06	-1.14%	-2.61%

Source: Thomson Reuters

## MARKET COMMENTARY

### Local Update

The JSE All-Share index (-2.46%) ended the week lower lead by weakness in all sectors. Resources (-4.76%) ended the week substantially lower owing to a stronger ZAR followed by industrials (-1.97%), SA property (1.82%) and financials (-1.26%).

The South African rand strengthened against the US dollar over the week (+2.09%), as offshore currencies came under pressure.

### Global Update

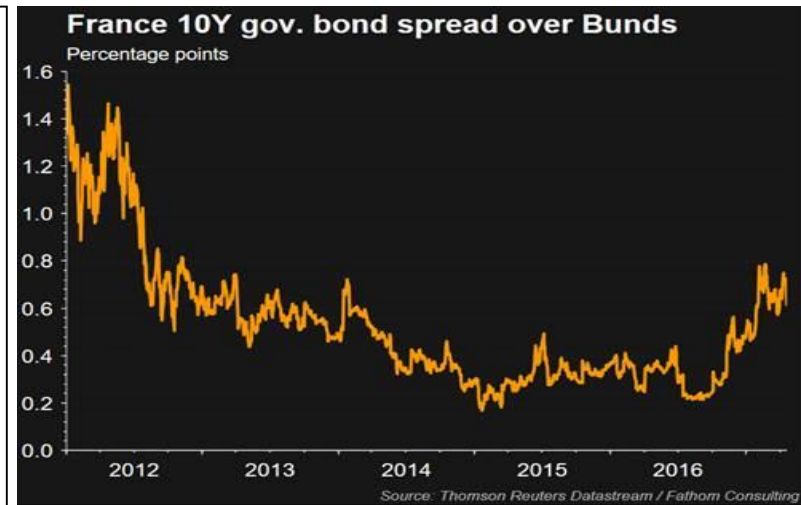
The beginning of the first-quarter earnings season and political headlines led to a choppy week for the markets.

First-quarter earnings season is under way, with about 10% of S&P 500 companies reporting results so far. As usual, many industrial and financial services companies have been the first to report, and results to date have been encouraging. The overall market, while down slightly from recent highs, remains at rather lofty valuations. On a price-to-earnings basis, the S&P 500 recently traded at 17.4 times estimated 2017 earnings, reflecting a high level of optimism.

Theresa May surprised everyone on Tuesday as she called for a UK general election on 8 June, which has since been approved. The markets reacted negatively to this news.

Global equity markets saw mixed movements with the Dow Jones falling (-0.46%), S&P 500 Index (+0.85%), Nasdaq (+1.82%) FTSE 100 (-2.91%), and the TOPIX (+2.02%) all ending weaker. Gold was relatively positive (+0.56%), while iron ore fell 11.43%.

## CHART OF THE WEEK



### What the chart is telling us

As we approach the first round of the French elections, the spread of French OATS over Bunds has been steadily increasing as investors become jittery.

Far-right candidate Marine Le Pen is likely to reach the second round, with her potential election seen as a step along the path to "Frexit".

Indeed, making any concrete predictions about what the French political landscape might look like 12 months from now is next to impossible. Such uncertainty is driving up the 10 year government bond yield.