

KEY INDICATORS – 24 JUNE 2017

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	51 503.52	1.32%	1.68%
RESOURCE 10	29 349.62	0.25%	-8.60%
INDUSTRIAL 25	71 196.46	2.92%	10.76%
FINANCIAL 15	14 430.15	0.43%	-4.30%
SA LISTED PROPERTY	633.12	0.46%	0.19%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	21 394.76	0.05%	8.26%
S&P 500	2 438.30	0.21%	8.91%
NASDAQ	6 265.25	1.84%	16.39%
STOXX 600	387.62	-0.25%	7.25%
FTSE 100	7 424.13	-0.53%	3.94%
TOPIX (Tokyo Index)	1 611.34	0.96%	6.11%
ASX ALL ORDINARIES	5 754.55	-0.92%	0.62%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 256.20	0.18%	9.23%
BRENT CRUDE	45.54	-3.86%	-19.85%
IRON ORE	54.73	0.05%	-31.37%
PLATINUM	928.50	0.28%	2.98%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	12.92	0.84%	-5.93%
GBPZAR	16.43	0.46%	-2.91%
EURZAR	14.47	0.92%	0.23%

Source: Thomson Reuters

MARKET COMMENTARY

Local Update

There was no shortage of local news during the week. The Public Protector released a final report on Monday regarding her investigation into the assistance provided by the SARB to Bankorp between 1985 and 1995 (acquired by Absa in 1992). She also ordered remedial action, directing Parliament to effect a constitutional amendment to the powers of SARB, from targeting inflation to promoting economic growth. This has been viewed by many as an attack on the SARB, sparking much controversy.

In other news, South Africa's top court ruled that the speaker of the National Assembly, Baleka Mbete, has the constitutional power to decide whether an upcoming vote of no confidence against President, Jacob Zuma, is to be conducted via secret ballot or not.

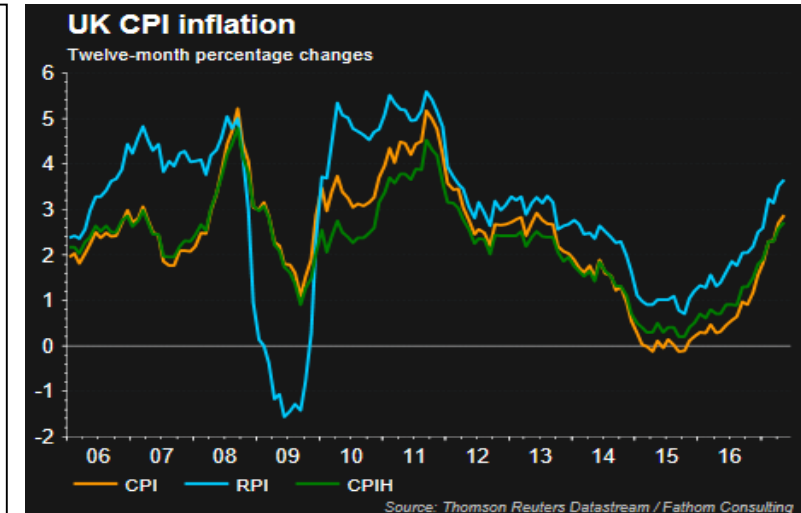
Despite this, the JSE All-Share Index (+1.32%) ended the week stronger, led by gains in Industrials (+2.92%). Financials (+0.43%) and Resources (+0.25%) also ended the week firmer. The rand remained volatile, ending the week weaker to the USD at R12.92.

Global Update

Global stock market moves were once again mixed, with the S&P 500 (+0.21%) and Dow Jones (+0.05%) slightly firmer, whilst technology stocks rebounded sharply, resulting in the NASDAQ (+1.84%) recovering all of last week's losses. Europe was softer with the Stoxx 600 (-0.25%) and FTSE 100 (-0.53%) both ending the week lower.

In economic news, the eurozone reported that inflation eased by 0.1% on a monthly basis in May, in-line with market expectations. In addition to this, its current account surplus narrowed more-than-expected. In the US, May existing home sales unexpectedly advanced to a level of 5.62mn, higher than market expectations of 5.55mn. In the UK, inflation came in ahead of expectations.

CHART OF THE WEEK



What the chart is telling us

UK inflation rose further in May with headline inflation quickening to 2.9%, up from 2.7% in April. This was above consensus expectations of 2.7% and reaching its highest level in 4 years.

At the press conference, Bank of England Governor, Mark Carney, downplayed the chances of a near-term interest rate hike, stating that Britain's economy cannot handle higher borrowing costs yet. He warned that given the mixed signals on consumer spending and business investment in the UK and subdued domestic inflationary pressures, now is not the time to raise interest rates.