

KEY INDICATORS – 27 MARCH 2016

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	52 323,78	-2,79%	3,22%
RESOURCE 10	28 973,03	-5,04%	14,09%
INDUSTRIAL 25	71 528,32	-2,18%	-0,32%
FINANCIAL 15	15 417,24	-3,98%	1,19%
SA LISTED PROPERTY	650,22	-0,63%	6,84%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	17 515,73	-0,49%	0,52%
S&P 500	2 035,94	-0,67%	-0,39%
NASDAQ	4 773,51	-0,46%	-4,67%
STOXX 600	335,10	-1,93%	-8,40%
NIKKEI 225	17 002,75	1,66%	-10,67%
HANG SENG	20 345,61	-1,58%	-7,16%
ASX ALL ORDINARIES	5 151,62	-1,67%	-3,61%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 221,40	-2,58%	15,19%
BRENT CRUDE	40,44	-1,84%	8,48%
IRON ORE	55,82	0,50%	41,03%
PLATINUM	951,90	-1,87%	6,75%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	15,45	1,28%	-0,09%
GBPZAR	21,86	-1,00%	-4,14%
EURZAR	17,27	0,62%	2,96%

MARKET COMMENTARY

Local Update

It was a weaker week for SA equities with the resource sector in particular pulling back just over 5% over the week. The recent strength in the sector is being tested. Is it an oversold rebound or the start of a longer-term rally? We maintain our view of not buying into a long-term rally scenario until we see a meaningful reduction in excess supply.

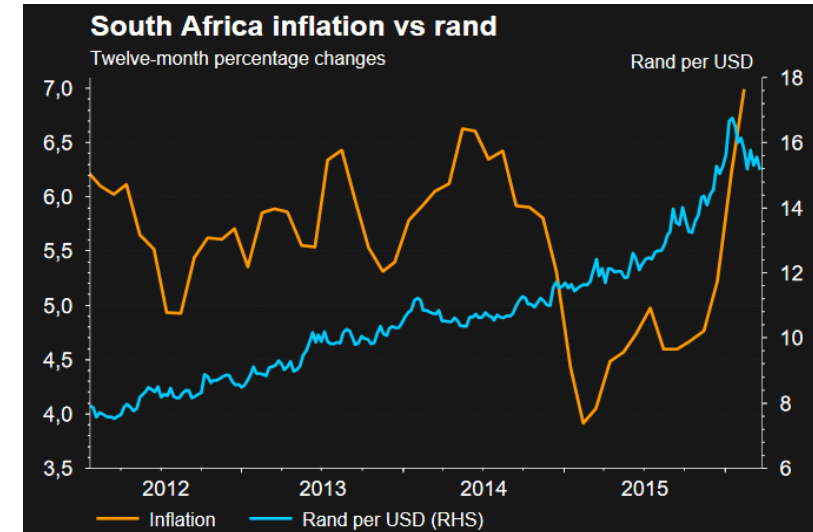
SA politics continued to dominate local headlines, it appears that this storm will get worse before it gets better. This will increase Rand volatility which in turn will negatively influence our already fragile inflationary outlook. This continues to be a major concern.

Global Update

The US by in large held onto recent equity gains whilst Europe was rocked by the terrorist attacks in Brussels. The frailties of Europe's ability to deal with these attacks was once again exposed, this will either ignite a new European patriotism (very much like 9/11 did for the US) or create more division in a very challenged union.

On Friday the US released fourth quarter GDP which was revised up to 1,4%. This is certainly not stellar but is also a far cry from a recession. Relatively strong consumer spending underscores the US economy's underlying strength.

CHART OF THE WEEK



What the chart is telling us

The above chart illustrates how South Africa's rising inflation rate has resulted in the central bank lifting interest rates in two consecutive meetings. Prices have risen by 7% in the twelve-months to end February, well in excess of the central banks inflationary target band of between 3% and 6%.

A weaker rand will continue to add pressure to this inflationary outlook. Higher inflation coupled with continuing political fiascos is doing little to instil confidence both locally and abroad, which continues to negatively weigh on the rand.