STRATEGIQREVIEW

KEY INDICATORS – 1 JULY 2016

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	52,357.50	1.31%	3.28%
RESOURCE 10	30,864.83	4.37%	21.54%
INDUSTRIAL 25	70,820.91	0.43%	-1.30%
FINANCIAL 15	14,680.46	-0.16%	-3.64%
SA LISTED PROPERTY	649.41	3.02%	6.71%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	17,949.37	3.15%	3.01%
S&P 500	2,102.95	3.22%	2.89%
NASDAQ	4,862.57	3.28%	-2.89%
STOXX 600	332.24	3.19%	-9.18%
NIKKEI 225	15,682.48	4.89%	-17.61%
HANG SENG	20,794.37	2.64%	-5.11%
ASX ALL ORDINARIES	5,327.04	2.58%	-0.33%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1,336.70	1.27%	26.07%
BRENT CRUDE	50.35	4.01%	35.06%
IRON ORE	52.73	3.74%	33.22%
PLATINUM	1,054.70	6.89%	18.28%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	14.55	-3.37%	-5.88%
GBPZAR	19.31	-6.32%	-15.32%
EURZAR	16.21	-3.11%	-3.39%

MARKET COMMENTARY

Local Update

Following last week's initial panic selling as a result of the U.K.'s unexpected decision to leave the EU, the Johannesburg Stock Exchange (JSE) rebounded sharply this week, recovering all of its losses.

In particular, resource and listed property shares were strong, returning 4.37% and 3.02% respectively for the week. Expectations of the US Federal Reserve raising interest rates have been subdued as a result of Brexit, providing an underpin to these two sectors.

The rand was further supported after South Africa reported its strongest trade surplus since 1996, with exports rising by 14% and imports declining by 6.6%. For the week, the rand appreciated by 3.37% against the US Dollar.

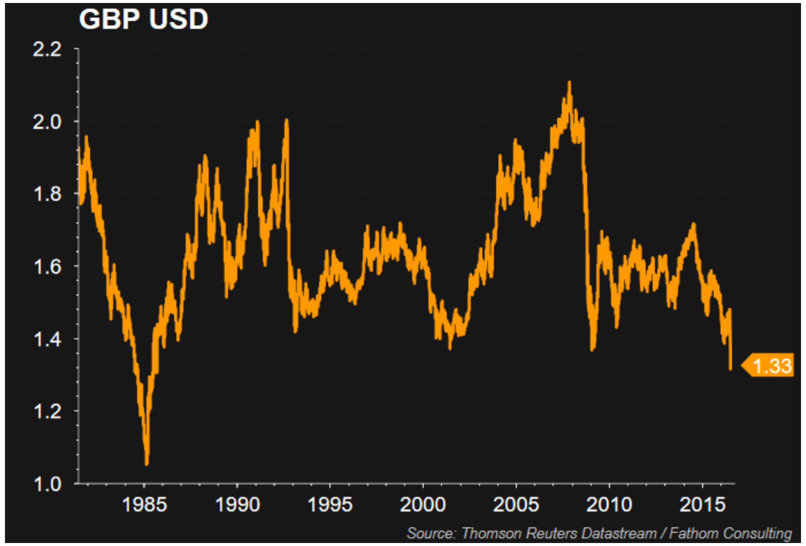
Global Update

In a surprise turn of events, global stock markets rebounded sharply this week, following last week's panic sell-off. The possibility of additional stimulus from central banks in the wake of Britain's vote to leave the EU sparked this rebound.

In Britain, the domestically focused FTSE 250 index rebounded by 2.35% after initially suffering heavy losses.

Markets are however expected to remain volatile in the near-term with Britain consumed by political infighting this weekend. The timetable or shape of an exit plan is still not clear.

CHART OF THE WEEK



What the chart is telling us

Following the vote for 'Brexit', sterling fell to its lowest rate against USD since 1985.

Heightened political and economic uncertainty and an extremely high current account deficit increase downward pressure on sterling.