

KEY INDICATORS – 1st DECEMBER 2016

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	49 256,10	-2,84%	-2,84%
RESOURCE 10	32 847,98	-3,11%	29,35%
INDUSTRIAL 25	61 738,89	-3,55%	-13,96%
FINANCIAL 15	14 371,04	-1,81%	-5,67%
SA LISTED PROPERTY	598,25	-0,86%	-1,70%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	19 170,42	0,10%	10,02%
S&P 500	2 191,95	-0,97%	7,24%
NASDAQ	5 255,65	-2,65%	4,96%
STOXX 600	339,36	-0,90%	-7,23%
FTSE 100	6 730,72	-1,61%	7,82%
NIKKEI 225	18 426,08	0,24%	-3,19%
ASX ALL ORDINARIES	5 502,63	-1,22%	2,96%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 175,10	-0,26%	10,83%
BRENT CRUDE	54,46	15,28%	46,08%
IRON ORE	74,57	3,84%	88,40%
PLATINUM	931,00	2,67%	4,41%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	13,79	-2,22%	-10,80%
GBPZAR	17,56	-0,11%	-22,98%
EURZAR	14,71	-1,58%	-12,32%

Source: Thomson Reuters

MARKET COMMENTARY

Local Update

The JSE All-Share index ended the week 2,84% lower, with 3,55% losses in industrial shares leading the downward slide.

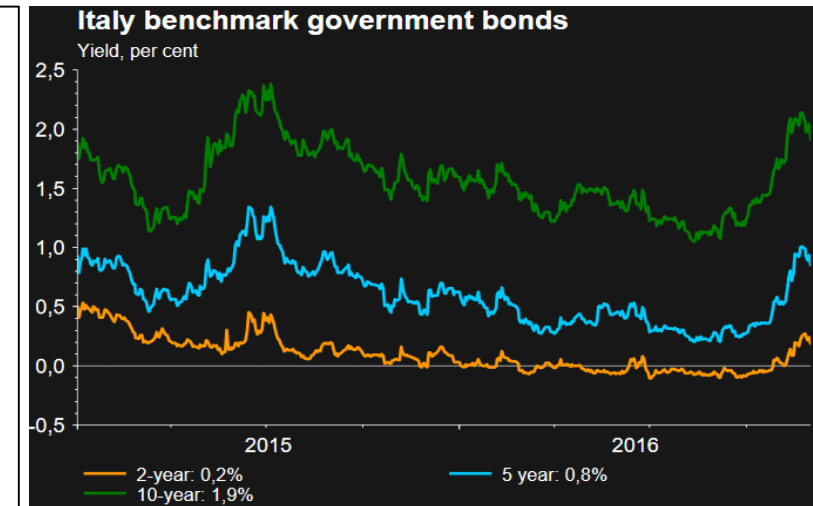
Late on Friday Standard & Poor announced that South Africa would not be downgraded to junk status. The rand immediately reacted strengthening to end the week at R13,79 to the USD. Standard & Poor's Global says political tensions and slow economic growth are still two of the major concerns facing the local economy but for now it's keeping its rating unchanged at BBB-. The agency has followed Moody's and Fitch in keeping their overall rating of South Africa unchanged. But it has lowered its long-term local currency rating to BBB.

Global Update

Stocks were mixed on the week as the Dow Jones Industrial Average was essentially flat, the S&P 500 fell modestly, and the NASDAQ fell by more than 2.5%. In addition, the energy sector rallied on the week as OPEC officially announced an agreement to collectively reduce oil production by 1.2 million barrels per day (3.6%) beginning January 1 for a six-month time period.

Investors will be focussing on the outcome of tomorrow's referendum in Italy. The referendum is about Constitutional reform and aims to improve Italy's governability; it's not about the EU or euro membership. A No vote, the political uncertainties that would induce and risks surrounding the banking sector are indeed a potential source of stress.

CHART OF THE WEEK



What the chart is telling us

(Source: Thomson Reuters) Italian government bonds have been rallying in recent days despite heightened uncertainty ahead of the constitutional referendum. If a "No" vote prevails, Prime Minister Matteo Renzi's future as leader would be under considerable pressure. On Sunday 4 December, Italian voters will decide the fate of the Constitutional reform in a referendum. The constitutional bill is a complex and comprehensive reform. The No vote has been leading in the polls since September. The lead has widened over the past month but remained around 5 points on average. A Yes vote would undoubtedly provide much-needed relief and limit the short-term political uncertainty, as Renzi would most likely stay in power.