

## KEY INDICATORS – 21 OCTOBER 2016

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	51 629,23	0,94%	1,85%
RESOURCE 10	32 578,11	1,70%	28,29%
INDUSTRIAL 25	67 697,77	0,17%	-5,65%
FINANCIAL 15	14 393,56	2,25%	-5,53%
SA LISTED PROPERTY	636,48	2,70%	4,59%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	18 145,71	0,04%	4,14%
S&P 500	2 141,16	0,38%	4,76%
NASDAQ	5 257,40	0,83%	4,99%
STOXX 600	344,29	1,28%	-5,88%
FTSE 100	7 020,47	0,10%	12,47%
NIKKEI 225	17 184,59	1,95%	-9,71%
ASX ALL ORDINARIES	5 513,85	-0,08%	3,17%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 265,90	1,02%	19,39%
BRENT CRUDE	51,78	-0,33%	38,89%
IRON ORE	56,60	0,82%	43,00%
PLATINUM	928,60	-0,78%	4,14%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	13,97	-2,40%	-9,66%
GBPZAR	17,11	-1,92%	-24,98%
EURZAR	15,22	-3,17%	-9,31%

Source: Thomson Reuters

## MARKET COMMENTARY

### Local Update

The JSE All Share Index had a volatile week ending nearly 1% stronger. The financial sector recovered some of its losses from the week before.

The rand lost around 4% against the dollar on October the 11<sup>th</sup> when state prosecutors announced fraud charges against Finance Minister Gordhan. Minister Gordhan is due to deliver his mid-term budget before parliament this week. The Finance Minister appears to be well supported having received backing this week from the deputy president as well as senior business leaders.

The rand ended the week just below the R14 level against the US dollar as hawkish comments by a Federal Reserve member and Donald Trump's failure to register a big win in the final presidential debate hardened the view that the bank will lift lending rates at its December meeting.

### Global Update

Stocks were broadly higher on the week as the US third quarter earnings season gained momentum. Investors continued to focus on corporate America, reviewing earnings from General Electric, McDonald's and other big companies. Earnings from banks and other financial companies have been mostly better than anticipated, which has helped boost that sector.

Next week investors will be focussed on the 3<sup>rd</sup> quarter US GDP reading, corporate earnings and the looming US election.

## CHART OF THE WEEK



SOURCE: WWW.TRADINGECONOMICS.COM | NATIONAL BUREAU OF STATISTICS OF CHINA

### What the chart is telling us

The Chinese economy expanded an annual 6.7 percent in the September quarter of 2016, the same pace as in the previous two quarters. The figure was in line with market expectations, supported by an increase in government spending, fixed asset investment and retail sales while industrial output eased.

For 2016, the Chinese government is targeting the economy to grow between 6.5 to 7.0 percent. A year earlier, the economy expanded by 6.9 percent, the weakest since 1990.

Many economists say they suspect China is exaggerating growth as the economy faces strong headwinds such as weakening overseas demand for its goods, overcapacity in heavy industries including steel, coal and aluminium, and fast-rising debt levels.