

KEY INDICATORS – 17th DECEMBER 2016

| SA MARKETS | LAST PRICE | WEEKLY MOVE | YTD MOVE |
|--------------------|------------|-------------|----------|
| JSE ALL-SHARE | 49 691.31 | -2.37% | -1.98% |
| RESOURCE 10 | 32 172.85 | -3.46% | 26.69% |
| INDUSTRIAL 25 | 62 763.21 | -1.95% | -12.53% |
| FINANCIAL 15 | 14 729.16 | -2.29% | -3.32% |
| SA LISTED PROPERTY | 601.88 | -1.88% | -1.10% |

| GLOBAL MARKETS | LAST PRICE | WEEKLY MOVE | YTD MOVE |
|--------------------|------------|-------------|----------|
| DOW JONES | 19 843.41 | 0.44% | 13.88% |
| S&P 500 | 2 258.07 | -0.06% | 10.48% |
| NASDAQ | 5 437.16 | -0.13% | 8.58% |
| STOXX 600 | 360.02 | 1.31% | -1.58% |
| FTSE 100 | 7 011.64 | 0.83% | 12.32% |
| NIKKEI 225 | 19 401.15 | 2.13% | 1.93% |
| ASX ALL ORDINARIES | 5 589.68 | -0.46% | 4.59% |

| COMMODITIES | LAST PRICE | WEEKLY MOVE | YTD MOVE |
|-------------|------------|-------------|----------|
| GOLD | 1 135.30 | -2.08% | 7.07% |
| BRENT CRUDE | 55.21 | 1.62% | 48.10% |
| IRON ORE | 79.89 | 1.27% | 101.84% |
| PLATINUM | 933.00 | 2.11% | 4.63% |

| CURRENCIES | LAST PRICE | WEEKLY MOVE | YTD MOVE |
|------------|------------|-------------|----------|
| USDZAR | 14.08 | 1.88% | -8.97% |
| GBPZAR | 17.57 | 1.05% | -22.96% |
| EURZAR | 14.70 | 0.73% | -12.40% |

Source: Thomson Reuters

MARKET COMMENTARY

Local Update

The JSE All-Share index ended the week -2.37% lower, with all three major sectors ending in negative territory. Resource shares were worst hit (-3.46%) followed by financial shares (-2.29%) and industrials (-1.95%). The rand also lost some ground to the US Dollar (ending the week at R14.08 to the USD) after the US Federal Reserve hiked interest rates for the first time this year.

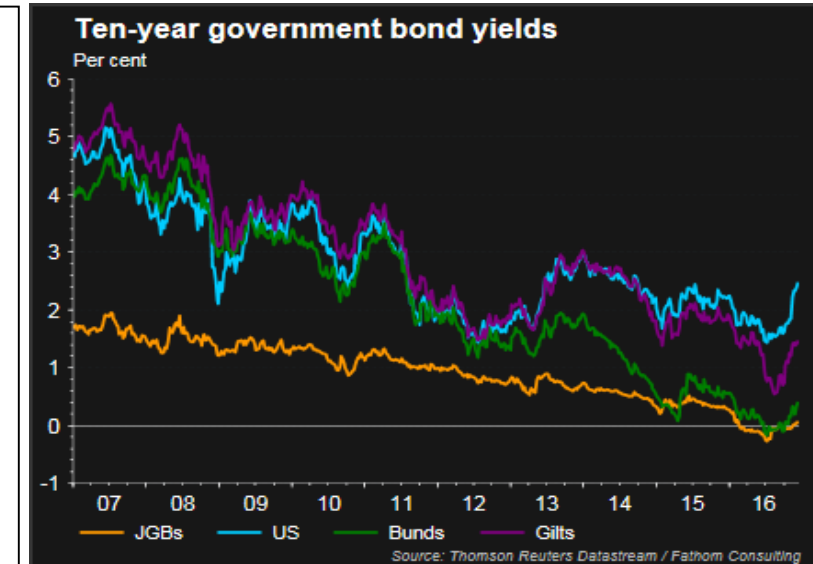
Rumours of a potential Steinhoff/Shoprite tie-up received further clarity this week after both companies issued a joint cautionary outlining a proposed transaction in which Shoprite will buy Steinhoff's African retail operations.

Global Update

Global markets focused their attention on the US Federal Reserve's interest rate decision which was announced on Wednesday. As expected, the Fed hiked rates by 25 basis points. This was the first time that they hiked interest rates this year and only the second interest rate hike for the US in a decade.

Whilst the 25 basis point hike was widely-expected, investors paid close attention to the outlook for interest rate hikes heading into 2017, whereby the Fed hinted at three more possible rate hikes over the next year. This aggressive outlook placed global markets under pressure, with emerging markets relatively worse impacted.

CHART OF THE WEEK



What the chart is telling us

Historically, with the exception of Japan, the yields on major economies debt have broadly followed each other. However, more recently, German Bunds have broken from UK Gilts and US Treasuries. Global bond yields have been suppressed in recent years in part because of the actions of Central Banks and also the low growth and inflation environment. The recent disconnect of German Bunds however, reflects Europe's lacklustre growth outlook and political uncertainty.