

KEY INDICATORS – 2 SEPTEMBER 2016

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	53 500,07	-0,01%	5,54%
RESOURCE 10	31 713,92	-2,91%	24,89%
INDUSTRIAL 25	72 470,35	1,42%	1,00%
FINANCIAL 15	14 904,39	-0,41%	-2,17%
SA LISTED PROPERTY	627,03	-3,22%	3,03%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	18 491,96	0,52%	6,12%
S&P 500	2 179,98	0,50%	6,66%
NASDAQ	5 249,90	0,59%	4,84%
STOXX 600	350,44	1,96%	-4,20%
FTSE 100	6 894,60	0,83%	10,45%
NIKKEI 226	16 925,68	3,45%	-11,08%
ASX ALL ORDINARIES	5 470,57	-2,44%	2,36%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 322,10	0,05%	24,69%
BRENT CRUDE	46,83	-6,19%	25,62%
IRON ORE	58,05	-4,35%	46,66%
PLATINUM	1 059,50	-1,46%	18,82%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	14,47	0,70%	-6,41%
GBPZAR	19,25	1,98%	-15,58%
EURZAR	16,15	0,39%	-3,72%

Source: Thomson Reuters

MARKET COMMENTARY

Local Update

The JSE All Share index ended the week flat, the listed property sector was negatively impacted by the spike in bond yields following the continued uncertainty in the Finance Ministers future and the “halting” of loans to state owned enterprises by Futuregrowth (an asset manager in the Old Mutual stable).

This continuing battle between the ruling party leadership and the finance ministry is having a significant economic impact on an already struggling domestic economy. The stakes couldn't be higher and we expect this period to continue to be volatile, especially for the rand.

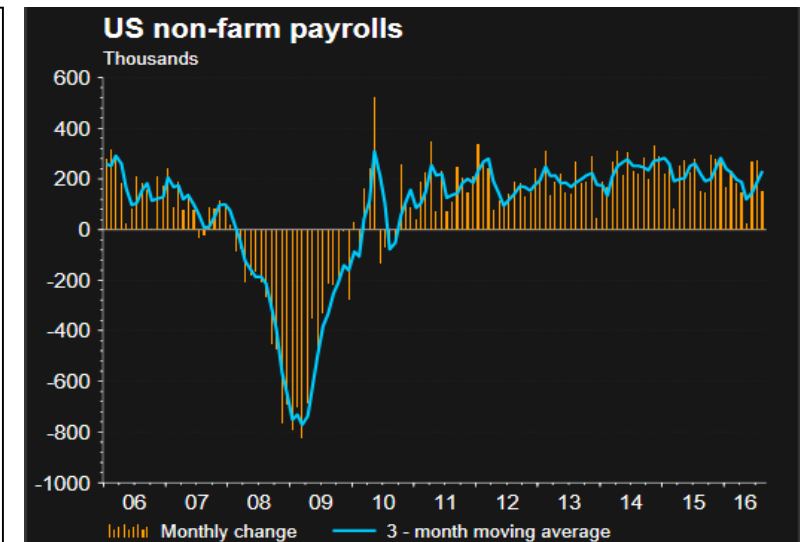
Global Update

The focus was on whether the Federal Reserve would consider the August nonfarm payrolls to be strong enough to raise interest rates, which it can do as early as its September meeting. Whilst there was little in the report to spur the Fed to hike rates at the September meeting it reinforced that the US economic recovery continues to move along.

The Nikkei had a strong week on the back of a weakening yen.

European markets ended the week stronger, spurred by a lower for longer interest rate outlook from across the Atlantic. The U.K.'s benchmark FTSE 100 index closed around 2.6 percent higher. The France's CAC ended 2.4 percent higher, while the German DAX was up 1.4 percent.

CHART OF THE WEEK



What the chart is telling us

(Source: Thomson Reuters) The US economy added 151,000 jobs in August, fewer than forecast, while the unemployment rate was unchanged at 4.9% as per data released by the US Bureau of Labor Statistics. Economists had forecast that nonfarm payrolls would grow by 180,000 jobs.

As per the chart above, over the past 3 months, job gains have averaged 232,000 per month (in excess of long-term average of 123k per month). Post the 2008 financial crisis the US economy has been steadily adding new jobs (over 12 million in the last 5 years). Approximately 40% of the jobs created are rated as low-wage jobs.