

KEY INDICATORS – 4th FEBRUARY 2017

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	52 265.16	-1.34%	3.18%
RESOURCE 10	34 426.56	-3.00%	7.22%
INDUSTRIAL 25	66 852.65	-0.73%	4.00%
FINANCIAL 15	14 734.46	-2.09%	-2.28%
SA LISTED PROPERTY	640.12	-0.26%	1.30%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	20 071.46	-0.11%	1.56%
S&P 500	2 297.42	0.12%	2.62%
NASDAQ	5 666.77	0.11%	5.27%
STOXX 600	364.07	-0.63%	0.73%
FTSE 100	7 188.30	0.05%	0.64%
NIKKEI 225	18 918.20	-2.82%	-1.03%
ASX ALL ORDINARIES	5 672.48	-1.61%	-0.82%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 218.50	2.56%	5.96%
BRENT CRUDE	56.81	2.32%	-0.02%
IRON ORE	80.15	-0.19%	0.50%
PLATINUM	1 003.20	2.59%	11.27%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	13.27	-1.47%	-3.38%
GBPZAR	16.56	-1.96%	-2.16%
EURZAR	14.31	-0.59%	-0.91%

Source: Thomson Reuters

MARKET COMMENTARY

Local Update

The All Share Index ended the week down by -1.34%, led lower by the resource (-3.00%) and financial (-2.09%) sectors. Industrials were slightly more resilient, declining by -0.73%.

Political news made the headlines again this week with a Sunday Times report alleging that Brian Molefe, former CEO of Eskom, may be added to the list of North West province's potential parliamentarians. The ANC have denied this claim. In the same week, Moody's stated that political tensions and weak economic growth in South Africa are the biggest challenge to its sovereign credit rating and hence kept the nation's rating at Baa2 with a negative outlook.

Global Update

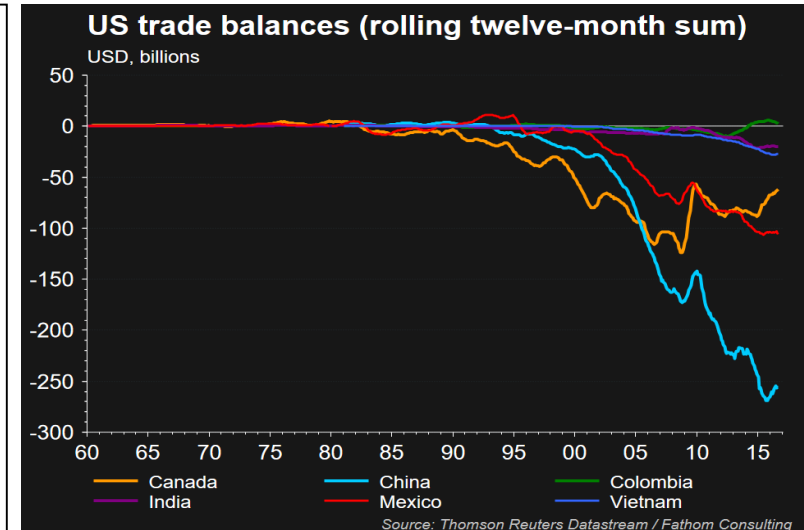
The S&P 500 Index (+0.12%) and Nasdaq (+0.11%) and FTSE 100 Index (+0.05%) all managing to end the week marginally positive, whilst the Dow Jones (-0.11%), Stoxx 600 (-0.63%) and Nikkei 225 Index (-2.82%) ended the week in negative territory.

In the US, nonfarm payrolls grew by 227,000 in January while the unemployment rate edged higher to 4.8%. Consensus expected payrolls to grow by 175,000 and the unemployment rate to hold steady at 4.7%.

Chinese Manufacturing PMI fell slightly to 51.3 in January from 51.4 in December while markets expected 51.2. It was the sixth straight month of growth but the lowest reading since October.

In the UK, the BoE kept interest rates on hold at 0.25% as expected. It also expects the economy to grow 2% in 2017, up from a November forecast of 1.4%.

CHART OF THE WEEK



Source: Thomson Reuters

What the chart is telling us

President Trump has said that "protection" will lead to greater prosperity and strength. Part of that approach could involve erecting tariffs on certain countries. Those economies with large trade surpluses with the US, such as China and Mexico, could be first targeted.