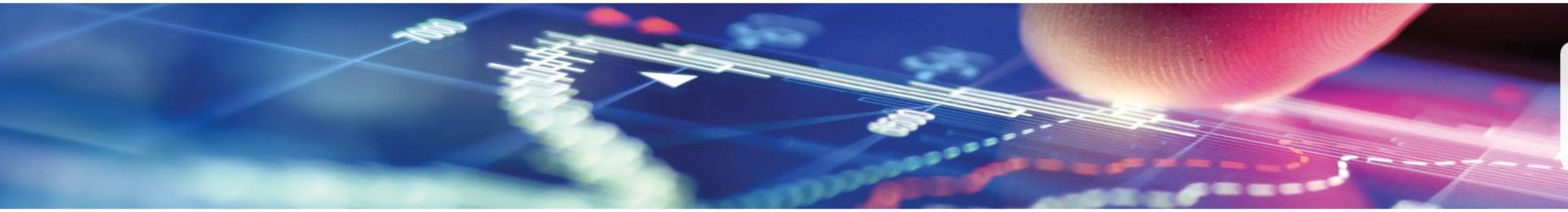


STRATEGIQ CAPITAL

KEY INDICATORS – 11 MARCH 2016

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	51 739,83	-0,88%	2,06%
RESOURCE 10	29 869,59	-3,71%	17,62%
INDUSTRIAL 25	70 282,77	-0,36%	-2,05%
FINANCIAL 15	14 931,75	-0,89%	-1,99%
SA LISTED PROPERTY	639,81	2,60%	5,13%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	17 213,31	1,21%	-1,22%
S&P 500	2 022,19	1,11%	-1,06%
NASDAQ	4 748,47	0,67%	-5,17%
STOXX 600	342,23	0,13%	-6,45%
NIKKEI 225	16 938,87	-0,45%	-11,01%
HANG SENG	20 199,60	0,11%	-7,82%
ASX ALL ORDINARIES	5 224,83	1,43%	-2,24%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 258,70	-0,88%	18,71%
BRENT CRUDE	40,39	4,31%	8,34%
IRON ORE	55,32	6,16%	39,77%
PLATINUM	969,20	-1,68%	8,69%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	15,25	-0,65%	-1,40%
GBPZAR	21,89	0,39%	-4,01%
EURZAR	16,98	0,81%	1,18%

MARKET COMMENTARY

Local Update

It was a mixed week for South African financial markets with the resource sector cooling after recent gains. On the corporate front Old Mutual announced its intention to restructure it's business, this has added to the recent Barclays review and seemingly is a vote against current SA specific risk.

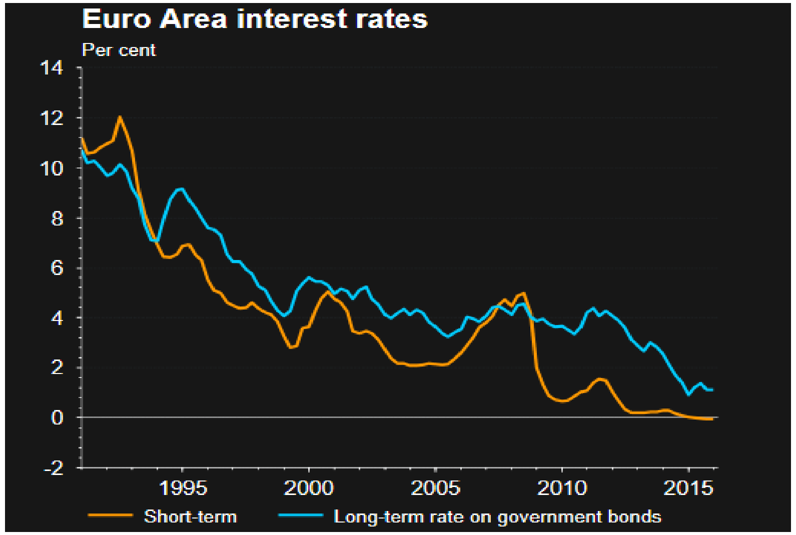
SA banks were also impacted by rating agency downgrades – following SA sovereign risks. The rand initially reacted to the ECB's announcement by briefly trading below R15/$ reversing to the current band between R15.20 – R15.50 to the USD. The recent surge in oil prices (if it holds) will fuel future domestic inflationary prospects.

Global Update

The ECB announced a comprehensive easing package, raising the amount of bonds the ECB can buy each month and also cut its deposit rate to -0.4%. This further loosening of monetary policy should continue to weaken the Euro and simultaneously strengthen the USD.

The S&P 500 (largest 500 companies in the US by market capitalization) ended the week strongly. US economic data was generally supportive of a US recovery and the ECB's actions reinforced the appeal of equities in a low interest rate environment.

CHART OF THE WEEK



What the chart is telling us

The above chart illustrates short-term and long-term euro rates. The recent announcement by the ECB to reduce interest rates further (-0,4%) and increase its bond buying program has eased some of the concerns of the underlying vulnerability of the euro banking sector. The ECB's key policy objective being to fight off deflation by encouraging spending (growth).

The unintended consequence is the risk of future asset bubbles that could "burst" when interest rates are hiked. With little signs of inflation in the developed world it would seem that rate hikes are some way off.