

## KEY INDICATORS – 6<sup>th</sup> JANUARY 2017

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	51 216,00	1,11%	1,11%
RESOURCE 10	32 608,83	1,56%	1,56%
INDUSTRIAL 25	65 157,55	1,36%	1,36%
FINANCIAL 15	15 140,18	0,41%	0,41%
SA LISTED PROPERTY	639,91	1,26%	1,26%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	19 963,80	1,02%	1,02%
S&P 500	2 276,98	1,70%	1,70%
NASDAQ	5 521,06	2,56%	2,56%
STOXX 600	365,45	1,12%	1,12%
FTSE 100	7 210,05	0,94%	0,94%
ASX ALL ORDINARIES	5 808,98	1,57%	1,57%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 171,90	1,90%	1,90%
BRENT CRUDE	57,10	0,49%	0,49%
IRON ORE	75,73	-5,04%	-5,04%
PLATINUM	966,50	7,20%	7,20%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	13,73	-0,01%	-0,01%
GBPZAR	16,87	-0,35%	-0,35%
EURZAR	14,46	0,14%	0,14%

Source: Thomson Reuters

## MARKET COMMENTARY

### Local Update

During 2016 SA politics continued to dominate news headlines as tensions escalated between different factions (pro and anti-President Jacob Zuma) in the ruling ANC. This coupled with slowing SA growth and emerging market headwinds made it a particularly challenging environment for the local economy. Nevertheless, all three ratings agencies (S&P Global Ratings, Moody's and Fitch) retained SA at an investment grade rating.

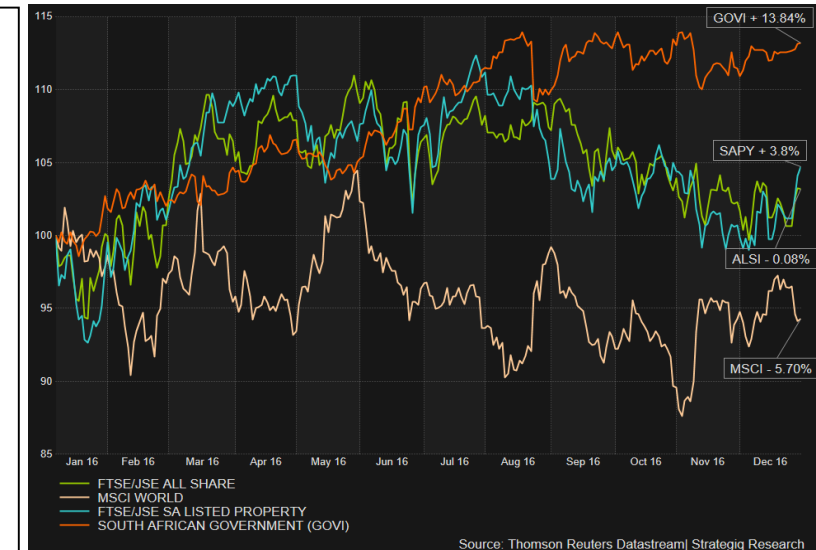
It was also a disappointing year for SA equities, returns were muted and volatility was high. Valuations are more compelling and we expect an improved overall return from the JSE this year. A weaker currency (on the back of a stronger USD), more attractive market multiples and the continued improvement of commodity prices we believe will provide a strong underpin for our local market.

### Global Update

In the US, following Trump's election victory equity markets recorded a series of all-time closing highs. The Dow Jones Industrial Average Index (+13.42%) and S&P 500 Index (+9.54%) both ended the year positively buoyed by renewed optimism around the new administrations agenda of fiscal stimulus in the form of infrastructure spending, tax cuts and regulatory reform.

In the year ahead we will be monitoring the following closely: Fed rate hikes; US economic outlook (as well as the start of the reformist Trump administration); magnitude of dollar strength, elections in Europe (Holland, France, and Germany) and the impact of a slowing Chinese economy (to mention a few).

## CHART OF THE WEEK



### What the chart is telling us

In a year that had its fair share of unexpected outcomes including Brexit, Trump's election victory and Italy's referendum where a large majority of voters rejected prime minister Matteo Renzi's constitutional reform plans, global equity markets ended the year strongly.

In our local market, the JSE All Share Index ended the year flat at -0.08%. The All Bond Index ended the year as the winner amongst the 3 major asset classes. The MSCI World Index had a strong year in USD but after adjusting for the rands appreciation of over 11% the index returned a negative 5,7% for the year ending 2016 (in local currency).