

## KEY INDICATORS – 16 SEPTEMBER 2016

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	51 832,55	-2,84%	2,25%
RESOURCE 10	30 603,96	-4,28%	20,51%
INDUSTRIAL 25	69 752,41	-2,56%	-2,79%
FINANCIAL 15	14 554,68	-2,81%	-4,47%
SA LISTED PROPERTY	617,75	-1,91%	1,51%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	18 123,80	0,21%	4,01%
S&P 500	2 139,16	0,53%	4,66%
NASDAQ	5 244,57	2,31%	4,74%
STOXX 600	337,82	-2,23%	-7,65%
FTSE 100	6 710,28	-0,98%	7,50%
NIKKEI 226	16 519,29	-2,63%	-13,21%
ASX ALL ORDINARIES	5 396,74	-0,80%	0,98%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 305,80	-1,83%	23,15%
BRENT CRUDE	45,77	-4,67%	22,77%
IRON ORE	57,03	-1,45%	44,09%
PLATINUM	1 016,00	-4,68%	13,94%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	14,17	-1,64%	-8,37%
GBPZAR	18,43	-3,63%	-19,16%
EURZAR	15,82	-2,28%	-5,73%

Source: Thomson Reuters

## MARKET COMMENTARY

### Local Update

The JSE All Share index ended the week sharply lower. All of the major sectors were down with the resource and financial sector hardest hit. This performance was in contrast to the gains in the US and more inline with losses in Europe and Japan.

In domestic politics pressure continues to mount on President Zuma, returning to parliament to face continued hostility from the opposition parties and a growing divide within the ANC.

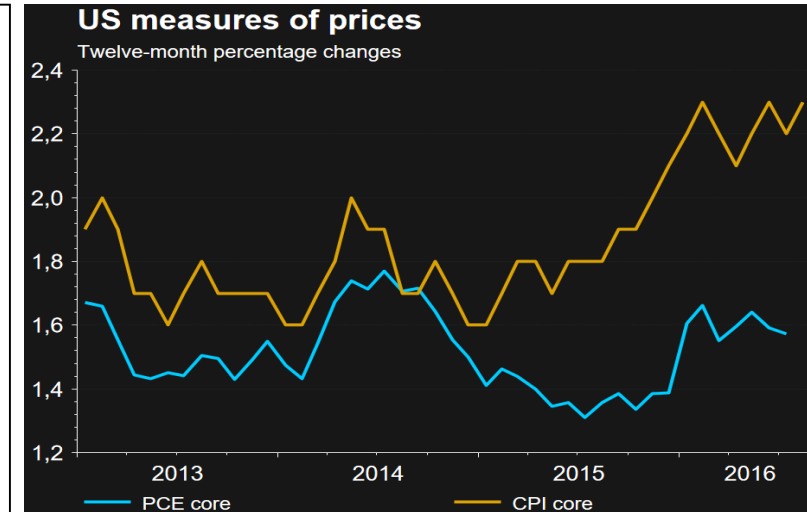
### Global Update

On Friday US inflation data for the month ending August 2016 was released, pointing towards an increase in prices and whilst the PCE of 1,572% (see chart of the week) was well within the FOMC target of 2%, the stage is set for a rigorous debate on whether to hike or not when the Fed meets on Wednesday next week.

We believe that recent economic data and the backdrop of global uncertainty (Brexit, the presidential election, sluggish economic growth) is likely to keep the Fed on hold. However they could move rates just to set a precedent, reminding the market who is in control (not our base case). The Bank of Japan meets hours earlier where we expect rates to remain on hold at -0,1 per cent, they will also release a comprehensive review which should give insight into the bank's plans.

In the week ahead investors thoughts will be dominated on whether the Federal Reserve will decide if the U.S. economy is ready for an increase in short-term interest rates.

## CHART OF THE WEEK



### What the chart is telling us

(Source: Thomson Reuters) Core consumer prices (CPI) in the United States increased by 2.3 percent year-on-year in August 2016. It is the highest inflation rate in four months, boosted by rising shelter and medical cost. In the United States, the core inflation rate tracks changes in prices that consumers pay for a basket of goods which excludes volatile food and fuel costs.

The Federal Open Market Committee (FOMC) judges that inflation at the rate of 2 percent (as measured by the annual change in the price index for personal consumption expenditures, or PCE) is most consistent over the longer run with the Federal Reserve's mandate for price stability and maximum employment (1.572%).