

KEY INDICATORS – 22 JANUARY 2015

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	47 661,87	1,49%	-5,98%
RESOURCE 10	23 969,18	3,79%	-5,61%
INDUSTRIAL 25	68 107,22	1,56%	-5,08%
FINANCIAL 15	13 914,57	1,69%	-8,67%
SA LISTED PROPERTY	562,11	-2,25%	-7,63%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	16 093,51	0,66%	-7,64%
S&P 500	1 906,90	1,41%	-6,70%
NASDAQ	4 591,18	2,29%	-8,31%
STOXX 600	338,36	2,58%	-7,50%
NIKKEI 225	16 958,53	-1,10%	-10,90%
HANG SENG	19 080,51	-2,26%	-12,93%
ASX ALL ORDINARIES	4 969,56	0,43%	-7,02%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 097,20	0,52%	3,48%
BRENT CRUDE	32,18	11,20%	-13,68%
IRON ORE	41,11	0,78%	3,87%
PLATINUM	829,70	0,48%	-6,95%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	16,45	-2,13%	6,39%
GBPZAR	23,48	-1,88%	2,96%
EURZAR	17,75	-3,12%	5,82%

MARKET COMMENTARY

Local Update

South African financial markets had another volatile week. The sell-off on Wednesday was particularly brutal.

By Thursday Chinese and global policymakers came out with market supportive comments which immediately impacted the resource sector. Local market participants will be focused on our 1st MPC meeting for the year (26-28 January). Will they raise rates and by how much – consensus is for 50 basis point hike.

Global Update

US, European and Asian markets all rallied after weeks of losses as oil prices bounced and policy makers pledged more support for the economy.

It was European Central Bank president Mario Draghi who provided the greatest boost to stock prices after his hint that more money printing and accommodative monetary policies will follow.

US earnings season is well underway, some mixed results but on a whole still supportive of a US economic recovery.

The movements in the oil price have been staggering, hitting new lows on the back of Iranian sanctions being lifted and then on Friday bouncing by \$5 per barrel!

CHART OF THE WEEK



What the chart is telling us

The chart above illustrates the collapse of oil prices of late. Earlier in the week oil was trading well below \$30 per barrel with some commentators talking about it reaching \$20 per barrel! The winners are global consumers of oil, the losers being the high-cost producers.

The Saudis are playing the long game, seemingly wanting to squeeze out competitors (Shale gas / alternative energy) and their Iranian Shiite neighbours. Low prices are creating a huge tailwind in keeping global inflation down and acting as a further stimulus to economic growth in both the developed and emerging markets.