

KEY INDICATORS – 5 AUGUST 2016

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	52 348,36	-0,85%	3,26%
RESOURCE 10	31 843,65	1,69%	25,40%
INDUSTRIAL 25	68 666,24	-2,34%	-4,30%
FINANCIAL 15	15 279,67	1,16%	0,29%
SA LISTED PROPERTY	659,53	-1,44%	8,37%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	18 543,53	0,60%	6,42%
S&P 500	2 182,87	0,43%	6,80%
NASDAQ	5 221,12	1,14%	4,27%
STOXX 600	341,38	-0,15%	-6,68%
FTSE 100	6 793,47	1,03%	8,83%
NIKKEI 226	16 254,45	-1,90%	-14,60%
ASX ALL ORDINARIES	5 585,64	-1,03%	4,51%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 336,40	-0,93%	26,04%
BRENT CRUDE	44,27	4,26%	18,75%
IRON ORE	60,19	6,32%	52,07%
PLATINUM	1 148,00	0,06%	28,74%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	13,72	-1,14%	-11,28%
GBPZAR	17,94	-2,28%	-21,30%
EURZAR	15,22	-1,83%	-9,30%

MARKET COMMENTARY

Local Update

The Johannesburg Stock Exchange ended the week down eight tenths of a percent. Market participants were focused on the local municipal elections where the ANC had its worst electoral performance since 1994.

The ANC has lost its grip on the major cities where millions of voters are now looking beyond its liberation struggle credentials and focusing on weak growth prospects. Voters, facing a lack of jobs and poor basic services, have been incensed by a string of corruption scandals that have engulfed the ruling party. No party has been able to win a majority in the three urban centres of Johannesburg, Tshwane and Nelson Mandela Bay ushering a new era of coalition politics.

Global Update

Job creation crushed estimates in July as the US economy added 255,000 positions (180 000 expected), according to the Labour Department. The headline unemployment rate held steady at 4.9%.

The stock market rose on the strong report and increased the chance for the Federal Reserve to hike interest rates. The probability for a September move rose from 12 percent to 18 percent while a hike before the end of the year moved from 34.4 percent to 46.5 percent.

The UK MPC meeting saw the first rate change in over seven years, providing a comprehensive package including a 25bp cut in Bank Rate to 0.25%. Whilst an outright recession is not foreseen there is currently little prospect for growth in the UK.

MUNICIPAL ELECTIONS 2016 | 2011 | 2006

South Africa - Leading Party								
ANC	SUPPORT	53.91%	DA	SUPPORT	26.89%	EFF	SUPPORT	8.2%
COUNCILS	SEATS	VOTES	COUNCILS	SEATS	VOTES	COUNCILS	SEATS	VOTES
176	5,163	16,103,206	24	1,782	8,033,502	0	761	2,448,493

South Africa - Leading Party								
ANC	SUPPORT	61.95%	DA	SUPPORT	23.94%	IFP	SUPPORT	3.57%
COUNCILS	SEATS	VOTES	COUNCILS	SEATS	VOTES	COUNCILS	SEATS	VOTES
198	5,631	16,548,970	18	1,555	6,393,890	5	352	954,021

South Africa - Leading Party								
ANC	SUPPORT	64.82%	DA	SUPPORT	16.24%	IFP	SUPPORT	7.53%
COUNCILS	SEATS	VOTES	COUNCILS	SEATS	VOTES	COUNCILS	SEATS	VOTES
200	5,251	12,784,494	7	1,026	3,203,896	25	676	1,484,621

What the chart is telling us

The tables above (source : IEC) illustrate the support of the three leading political parties in each of the last three municipal elections held in 2016, 2011 and 2006. The tables illustrate how the DA has grown into the largest opposition party and how the support for the ANC has reduced from 64.82% in 2006 to 53,91% in 2016. There will no doubt be some deep introspection in the weeks ahead for the ruling party, whilst the DA and EFF will continue to leverage off their growing support base. A political battle is on for the three key metros of Johannesburg, Tshwane and Nelson Mandela Bay, where a coalition will be required with the EFF in the position of kingmaker.