

KEY INDICATORS – 11th FEBRUARY 2017

SA MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
JSE ALL-SHARE	52 687.29	0.81%	4.02%
RESOURCE 10	34 433.60	0.02%	7.24%
INDUSTRIAL 25	67 255.24	0.60%	4.62%
FINANCIAL 15	15 037.66	2.06%	-0.27%
SA LISTED PROPERTY	643.62	0.55%	1.85%

GLOBAL MARKETS	LAST PRICE	WEEKLY MOVE	YTD MOVE
DOW JONES	20 269.37	0.99%	2.56%
S&P 500	2 316.10	0.81%	3.45%
NASDAQ	5 734.13	1.19%	6.52%
STOXX 600	367.39	0.91%	1.65%
FTSE 100	7 258.75	0.98%	1.62%
TOPIX (Tokyo Index)	1 546.56	2.08%	1.84%
ASX ALL ORDINARIES	5 771.59	1.75%	0.92%

COMMODITIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
GOLD	1 234.40	1.30%	7.34%
BRENT CRUDE	56.70	-0.19%	-0.21%
IRON ORE	84.11	4.94%	5.47%
PLATINUM	1 008.80	0.56%	11.89%

CURRENCIES	LAST PRICE	WEEKLY MOVE	YTD MOVE
USDZAR	13.35	0.62%	-2.78%
GBPZAR	16.67	0.65%	-1.53%
EURZAR	14.20	-0.75%	-1.66%

Source: Thomson Reuters

MARKET COMMENTARY

Local Update

The JSE All-Share index (+0.81%) ended the week stronger with gains across all major sectors. Financials (+2.06%) led the local market higher followed by the industrial sector (+0.60%), whilst resources (+0.02) managed to end the week marginally positive after being in negative territory for most of the week.

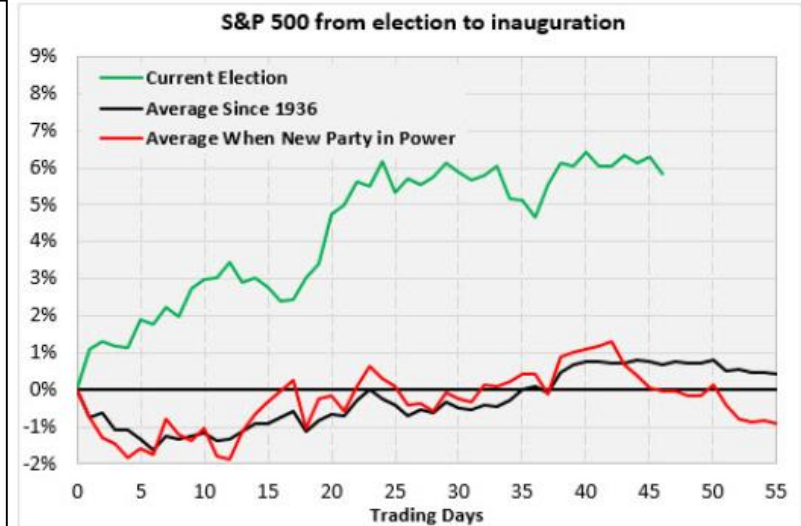
Despite a violent SONA on Thursday evening, financial markets appeared to be unaffected with the rand strengthening by 60bsp to the US Dollar on Friday, to end the week at R13.35/USD. The JSE All Share Index was also up +1.51% on Friday, suggesting that SONA had little impact on local markets.

Global Update

Global equity markets ended the week in positive territory with the Dow Jones (+0.99%), S&P 500 Index (+0.81%), Stoxx 600 Index (+0.91%) and UK's FTSE 100 Index (+0.98%) all ending the week strongly. The standout performer though was Japan, with the Topix Index advancing +2.08% for the week. Gold also ended the week stronger at \$1234.40 per ounce, whilst iron ore contracts increased by +4.94%.

Chinese Services PMI for January came in at 53.1 (consensus, 53.6), whilst Great Britain's year-on-year Halifax House Price Index also came in slightly below expectations at 5.7% (consensus, 6.0%). In the US, initial jobless claims came in at 234k vs the market's expectation of 250k. Finally, China reported a balance of trade of \$51.35bn vs expectations of \$47.9bn. The stronger number was due to both stronger than expected imports (16.7% vs 10% expected) and exports (7.9% vs 3.3% expected).

CHART OF THE WEEK



Source: Schaeffer's Investment Research

What the chart is telling us

The chart above shows the performance of the S&P 500 since the recent election and compares it to the average path of the index following past elections going back to 1936. Interestingly, stocks usually do poorly immediately following the election, and then trudge higher to a small gain before the inauguration. The chart above reiterates the importance of staying invested as opposed to attempting to time the market as equities often perform strongly when least expected.