



Market Update

Tuesday, 04 June 2019

Global Markets

Asian shares fell on Tuesday, following a volatile Wall Street session as weak economic indicators and an intensifying Sino-U.S. trade war inflamed concerns about global growth, supporting safe-haven assets such as bonds.

Investor focus has shifted to monetary policy this week with Australia's central bank all but certain to cut interest rates to a fresh low at its meeting on Tuesday and India also tipped to ease on Thursday. Comments from the Federal Reserve on Monday, meanwhile, raised expectations the U.S. central bank is moving closer to a rate cut, as did a closely watched U.S. factory survey. The ECB holds its next policy meeting on Thursday and is expected to keep settings unchanged though there is growing speculation it could shift to a more dovish footing.

Losses across Asian equity markets on Tuesday followed falls on Wall Street overnight that saw the Nasdaq drop into correction territory. MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.3%, after earlier rising as much as 0.18%. The broad index was pulled lower by Chinese shares. China's blue-chip CSI300 index was 1.17% lower, and the Hang Seng lost 0.65%. Seoul's Kospi gave up 0.16%. Defying the regional selloff, Australian shares were up 0.1% ahead of the expected interest rate cut by the Reserve Bank of Australia, as the bank hopes to revive growth. Japan's Nikkei gave up early gains to turn down 0.42%.

Underscoring slowdown concerns, U.S. manufacturing growth eased in May to its weakest pace in more than two-and-a-half years, defying expectations for a modest rebound. Hostile rhetoric between Washington and Beijing continued, on Monday as U.S. President Donald Trump's administration said that China was pursuing a "blame game" in recent public statements.

Adding to broader investor worries are fears that U.S. antitrust regulators could target Alphabet, Facebook, Apple and Amazon. News of U.S. government plans to investigate the tech giants dragged down tech shares on Monday, driving the Nasdaq 1.61% lower to 7,333.02. The drop took the index more than 10% lower than its May 3 closing record. The S&P 500 lost 0.28% to 2,744.45 and the Dow Jones Industrial Average eked out a 0.02% gain to 24,819.78.

Source: Thomson Reuters

Domestic Markets

South Africa's rand firmed on Monday, as a weakening dollar provided many emerging currencies with some breathing space, while stocks also gained. At 1530 GMT, the rand traded at 14.4800 per dollar, 0.72% stronger than its New York close on Friday.

The U.S. dollar fell on Monday as President Donald Trump hardened his trade stance toward countries beyond China. Trade tensions have taken centre stage in recent weeks as Trump has increased tariffs on Chinese imports, threatened to raise tariffs on Mexican imports and removed preferential trade treatment for India.

Locally, investors' focus was on first-quarter GDP numbers due on Tuesday, which are expected to show the economy contracted in the first three months of the year - partly because of power outages. South Africa's economic growth remains sluggish despite President Cyril Ramaphosa's pledges to woo investment and create jobs since he became president in February 2018.

In fixed income, the yield on the benchmark government bond maturing in 2026 fell by 6.5 basis points to 8.42%.

On the bourse, stocks closed stronger with the broader All-share index up 1.14% to 56,286 points, while the blue chips Top-40 index gained 1.26% to 50,213 points. Leading the Top-40 index was multinational drug maker Aspen up 4.75% to 102.59 rand after announcing that it completed the sale of its nutritional business.

Further gains were seen in gold stocks which rose 3.62% as gold prices hit their highest in a 10-week peak, lifting mining companies such as Goldfields up 3.99% to 68.05 rand and AngloGold up 3.610% to 201.70 rand.

Source: Thomson Reuters



Chart of the Day – Asset Class returns to May 2019

All ranked on Year-to-Date (ytr) returns from best to worst

International in Local Currency € \$ £ ¥	May 19	3 mth	6 mth	ytd	12 mth	2 yr	3 yr	5 yr	7 yr	10 yr	15 yr
MSCI AUSTRALIA	2.3%	5.3%	15.9%	15.4%	12.1%	10.5%	11.1%	7.6%	11.7%	10.0%	9.1%
MSCI CANADA	-3.5%	1.1%	6.8%	13.3%	2.6%	5.5%	8.0%	5.2%	8.3%	7.1%	7.4%
EURO STOXX 50	-5.1%	1.9%	6.5%	12.0%	-0.2%	-0.4%	6.1%	3.9%	10.0%	7.1%	5.2%
S&P 500 COMPOSITE	-6.4%	-0.7%	0.7%	11.0%	3.8%	9.0%	12.0%	9.7%	14.0%	14.0%	8.4%
RUSSELL 1000 (EOD)	-6.4%	-0.9%	0.9%	11.0%	3.5%	8.9%	11.7%	9.5%	13.5%	14.0%	8.6%
DAX 30 PERFORMANCE	-5.0%	1.8%	4.2%	11.0%	-7.0%	-3.6%	4.5%	3.4%	9.4%	9.0%	7.6%
MSCI WORLD US	-5.7%	-0.9%	1.8%	10.1%	0.3%	6.1%	9.6%	6.2%	11.0%	10.6%	7.3%
FTSE 100	-2.9%	2.7%	5.0%	8.8%	-2.5%	1.8%	9.2%	5.0%	8.5%	9.0%	7.2%
MSCI EAFE US	-4.7%	-1.2%	2.8%	8.1%	-5.3%	1.4%	6.4%	1.8%	8.0%	6.7%	5.6%
HANG SENG	-8.4%	-4.9%	3.1%	5.7%	-8.2%	6.5%	13.0%	7.0%	9.3%	7.7%	9.1%
MSCI CHINA	-13.0%	-8.9%	-1.6%	4.8%	-18.0%	4.0%	12.3%	6.8%	7.7%	6.1%	11.1%
ISHARES MSCI EMERGING MARKETS ETF	-7.3%	-4.1%	0.6%	4.2%	-9.0%	1.5%	9.3%	1.2%	3.2%	4.1%	7.6%
NIKKEI 225 STOCK AVERAGE	-7.4%	-2.9%	-6.8%	3.8%	-5.3%	4.5%	8.2%	9.1%	16.0%	10.0%	5.9%

International in ZAR	May 19	3 mth	6 mth	ytd	12 mth	2 yr	3 yr	5 yr	7 yr	10 yr	15 yr
MSCI CANADA	-2.5%	1.9%	10.2%	15.8%	13.1%	10.8%	4.1%	7.3%	12.5%	11.3%	13.4%
MSCI AUSTRALIA	2.3%	6.1%	15.5%	15.0%	18.0%	12.0%	6.7%	8.1%	14.8%	15.1%	14.9%
RUSSELL 1000 (EOD)	-4.9%	2.6%	6.0%	12.4%	18.9%	14.4%	8.8%	16.7%	22.4%	21.0%	14.6%
S&P 500 COMPOSITE	-4.9%	2.8%	5.8%	12.0%	19.0%	14.0%	8.9%	17.0%	22.0%	21.0%	14.0%
MSCI WORLD US	-4.2%	2.6%	6.8%	11.4%	15.3%	11.4%	6.8%	13.2%	19.8%	17.3%	13.2%
EURO STOXX 50	-4.2%	3.3%	10.0%	11.0%	9.6%	4.2%	3.4%	6.3%	17.0%	11.0%	10.0%
DAX 30 PERFORMANCE	-4.1%	3.2%	7.6%	9.6%	2.1%	0.9%	1.9%	5.8%	16.0%	13.0%	13.0%
MSCI EAFE US	-3.2%	2.3%	8.0%	9.3%	8.9%	6.5%	3.6%	8.5%	16.5%	13.3%	11.4%
FTSE 100	-4.6%	0.7%	8.9%	9.0%	6.1%	5.7%	1.4%	5.7%	14.0%	13.0%	10.0%
HANG SENG	-6.9%	-1.4%	8.0%	6.8%	5.5%	12.0%	9.9%	14.0%	18.0%	14.0%	15.0%
NIKKEI 225 STOCK AVERAGE	-3.6%	3.1%	2.3%	6.2%	9.0%	11.0%	6.2%	15.0%	19.0%	15.0%	12.0%
MSCI CHINA	-13.5%	-8.6%	4.3%	6.0%	-12.5%	8.9%	7.9%	11.7%	15.0%	12.6%	18.6%
ISHARES MSCI EMERGING MARKETS ETF	-5.9%	-0.7%	5.6%	5.5%	4.6%	6.6%	6.5%	7.9%	11.0%	10.0%	14.0%

Commodities in US	May 19	3 mth	6 mth	ytd	12 mth	2 yr	3 yr	5 yr	7 yr	10 yr	15 yr
Bloomberg-Petroleum Index TR	-13.6%	-5.0%	5.7%	16.5%	-17.4%	9.8%	2.3%	-16.6%	-10.0%	-6.5%	-5.0%
Bloomberg-WTI Crude Oil Sub Index TR	-16.2%	-6.6%	3.7%	16.3%	-18.3%	6.4%	-1.1%	-20.7%	-13.2%	-10.3%	-8.1%
Bloomberg-Energy Index TR	-12.0%	-7.6%	-13.5%	6.4%	-15.3%	3.4%	-0.8%	-18.5%	-11.1%	-12.0%	-12.6%
Bloomberg-Industrial Metals Index TR	-5.9%	-8.3%	-2.7%	2.6%	-16.9%	1.9%	8.0%	-2.9%	-3.3%	-0.1%	2.8%
Bloomberg-Commodity TR	-3.4%	-3.9%	-4.7%	2.3%	-12.4%	-1.4%	-1.7%	-9.5%	-6.3%	-4.2%	-3.0%
Bloomberg-Gold Sub Index TR	1.7%	-0.7%	6.7%	1.8%	-0.1%	0.7%	1.6%	0.3%	-3.1%	2.3%	7.5%
Bloomberg-Copper Sub Index TR	-8.9%	-10.1%	-4.6%	0.9%	-14.0%	0.2%	6.7%	-4.3%	-4.4%	0.4%	5.9%
Bloomberg-Agricultur Sub Index TR	7.6%	1.7%	-1.7%	0.7%	-14.7%	-7.7%	-9.9%	-11.0%	-7.0%	-3.9%	-2.5%
Bloomberg-Softs Index TR	0.9%	-2.5%	-7.5%	-1.4%	-19.5%	-13.5%	-11.1%	-12.4%	-9.9%	-4.3%	-4.3%

Commodities in ZAR	May 19	3 mth	6 mth	ytd	12 mth	2 yr	3 yr	5 yr	7 yr	10 yr	15 yr
Bloomberg-Petroleum Index TR	-12.2%	-1.7%	11.0%	17.9%	-5.0%	15.3%	-0.3%	-11.1%	-2.9%	-0.8%	0.3%
Bloomberg-WTI Crude Oil Sub Index TR	-14.9%	-3.3%	8.9%	17.6%	-6.1%	11.8%	-3.6%	-15.4%	-6.4%	-4.8%	-3.0%
Bloomberg-Energy Index TR	-10.6%	-4.3%	-9.2%	7.7%	-2.7%	8.7%	-3.4%	-13.1%	-4.1%	-6.7%	-7.8%
Bloomberg-Industrial Metals Index TR	-4.4%	-5.0%	2.2%	3.8%	-4.5%	7.1%	5.3%	3.5%	4.3%	6.0%	8.5%
Bloomberg-Commodity TR	-1.9%	-0.5%	0.0%	3.5%	0.7%	3.6%	-4.2%	-3.6%	1.1%	1.7%	2.3%
Bloomberg-Gold Sub Index TR	3.3%	2.8%	12.0%	3.1%	14.8%	5.8%	-1.0%	6.9%	4.5%	8.5%	13.4%
Bloomberg-Copper Sub Index TR	-7.5%	-6.9%	0.1%	2.1%	-1.2%	5.3%	4.0%	2.0%	3.1%	6.6%	11.7%
Bloomberg-Agricultur Sub Index TR	9.2%	5.3%	3.2%	1.9%	-1.9%	-3.0%	-12.2%	-5.1%	0.3%	1.9%	2.9%
Bloomberg-Softs Index TR	2.4%	1.0%	-2.9%	-0.2%	-7.5%	-9.2%	-13.3%	-6.6%	-2.8%	1.6%	1.0%

SA Equity in ZAR	May 19	3 mth	6 mth	ytd	12 mth	2 yr	3 yr	5 yr	7 yr	10 yr	15 yr
FTSE/JSE INDUSTRIAL 25	-6.1%	3.5%	12.0%	8.8%	-2.4%	-1.5%	-0.4%	5.7%	14.0%	18.0%	19.0%
FTSE/JSE RESOURCE 10	-5.3%	-2.7%	22.0%	8.1%	14.0%	23.0%	15.0%	-1.1%	2.5%	3.1%	9.0%
FTSE/JSE TOP 40	-5.1%	1.2%	13.0%	7.6%	2.8%	5.7%	4.1%	5.2%	11.0%	12.0%	15.0%
FTSE/JSE ALL SHARE	-4.8%	0.7%	12.0%	7.1%	2.4%	5.2%	4.2%	5.4%	11.0%	13.0%	15.0%
FTSE/JSE SHAREHOLDER WEIGHTED TOP 40	-6.3%	1.4%	9.0%	5.8%	0.2%	2.7%	2.2%	4.9%	11.0%	13.0%	15.0%
FTSE/JSE FINANCIAL 15	-1.9%	0.5%	6.4%	5.1%	6.0%	12.0%	8.4%	8.1%	13.0%	16.0%	15.0%
FTSE/JSE SA LISTED PROPERTY	-0.9%	0.8%	2.7%	3.8%	-4.8%	-5.6%	-2.6%	5.9%	8.8%	13.0%	17.0%

SA BONDS	May 19	3 mth	6 mth	ytd	12 mth	2 yr	3 yr	5 yr	7 yr	10 yr	15 yr
SOUTH AFRICAN ALL (ALBI)	0.6%	2.7%	5.9%	5.3%	7.3%	8.7%	10.2%	8.1%	7.8%	8.6%	8.9%
SOUTH AFRICAN GOVT. (GOVI)	0.6%	2.7%	5.9%	5.3%	7.8%	9.1%	10.5%	8.3%	8.0%	8.8%	9.0%

Foreign Exchange Rates	May 19	3 mth	6 mth	ytd	12 mth	2 yr	3 yr	5 yr	7 yr	10 yr	15 yr
USDEUR CURNCY	0.4%	1.8%	1.3%	2.7%	4.7%	0.3%	-0.1%	4.1%	1.5%	2.4%	0.6%
ZAREUR CURNCY	-1.7%	-1.8%	-3.8%	1.0%	-9.0%	-4.9%	2.4%	-2.4%	-6.0%	-3.7%	-4.7%
ZARGBP CURNCY	1.1%	1.4%	-4.0%	-0.6%	-8.3%	-4.2%	7.3%	-0.8%	-4.7%	-3.5%	-2.9%
ZARUSD CURNCY	-2.0%	-3.4%	-4.9%	-1.5%	-12.9%	-5.2%	2.5%	-6.2%	-7.4%	-5.9%	-5.3%

A negative number means the first-mentioned currency depreciated and a positive number that the first-mentioned currency appreciated

RSA Equity Sectors	May 19	3 mth	6 mth	YTD	12 Mth	2 yr	3 yr	5 yr	7 yr	10 yr	15 yr
Metals	2.4%	21.0%	78.0%	58.0%	65.0%	65.0%	64.0%	9.2%	1.4%	5.0%	14.0%
Platinum	-0.3%	-2.5%	62.0%	43.0%	120.0%	33.0%	11.0%	-7.7%	-6.3%	-6.9%	3.8%
Beverages	-7.5%	7.9%	11.0%	22.0%	1.4%	-2.1%	-12.0%	3.3%	13.0%	17.0%	17.0%
Gold	13.0%	-0.5%	47.0%	18.0%	61.0%	11.0%	-4.3%	4.7%	-5.4%	-4.2%	-0.2%
Naspers	-10.0%	7.6%	22.0%	17.0%	12.0%	12.0%	14.0%	24.0%	34.0%	34.0%	34.0%
Diversified mining	-1.6%	0.0%	35.0%	16.0%	31.0%	35.0%	24.0%	6.1%	6.5%	5.7%	11.0%
Richemont	1.5%	-0.6%	19.0%	14.0%	-7.3%	-0.5%	6.3%	0.7%	13.0%	21.0%	NA
Telecom	0.8%	20.0%	15.0%	11.0%	-4.4%	-3.4%	-0.8%	-6.3%	3.7%	5.7%	13.0%
British American Tobacco	-9.0%	0.7%	8.5%	9.8%	-17.0%	-23.0%	-16.0%	-0.6%	7.8%	13.0%	NA
Banks	-0.4%	2.6%	9.8%	8.3%	11.0%	21.0%	21.0%	14.0%	16.0%	18.0%	18.0%
Holding co's	-3.9%	3.6%	11.0%	5.0%	2.0%	-11.0%	-7.0%	0.6%	10.0%	12.0%	14.0%
Short term insurance	-9.7%	-0.4%	-2.3%	4.5%	1.1%	15.0%	15.0%	12.0%	13.0%	20.0%	20.0%
Property	-0.9%	0.8%	2.7%	3.8%	-4.8%	-5.6%	-2.6%	5.9%	8.8%	13.0%	17.0%
Retail food drug	-0.4%	2.2%	1.4%	1.1%	-3.5%	3.0%	4.6%	7.9%	9.5%	16.0%	23.0%
Financial services	-6.9%	-3.9%	0.6%	1.0%	-7.3%	-7.2%	-7.8%	0.7%	8.9%	11.0%	15.0%
Technology	-10.0%	7.7%	1.5%	0.6%	15.0%	-23.0%	-16.0%	-6.0%	1.5%	11.0%	12.0%
General industrials	-3.4%	-3.3%	-2.9%	-1.1%	-3.9%	-0.1%	3.1%	6.0%	12.0%	16.0%	19.0%
Life insurance	-3.2%	-1.9%	-1.4%	-2.5%	1.5%	11.0%	5.6%	6.9%	15.0%	19.0%	15.0%
Paper	-7.8%	-10.0%	-4.4%	-6.6%	-16.0%	-6.5%	1.4%	13.0%	24.0%	21.0%	9.6%
Travel and leisure	-2.2%	-5.3%	-7.6%	-8.4%	-15.0%	-9.1%	-6.8%	-3.5%	4.5%	6.1%	10.0%
Construction	-3.7%	-4.4%	-12.0%	-11.0%	-28.0%	-10.0%	-1.9%	-15.0%	-11.0%	-7.7%	4.0%
Food producers	-8.0%	-5.8%	-11.0%	-11.0%	-23.0%	-15.0%	-7.3%	0.4%	4.8%	9.8%	15.0%
Retail gen furn cloth	-6.3%	-2.3%	-12.0%	-11.0%	-13.0%	1.4%	-2.5%	3.0%	5.7%	15.0%	16.0%
Chemicals	-22.0%	-13.0%	-8.9%	-12.0%	-19.0%	-1.7%	-5.3%	-2.1%	6.9%	11.0%	11.0%
Health care	-12.0%	-21.0%	-21.0%	-19.0%	-43.0%	-28.0%	-24.0%	-12.0%	0.5%	8.8%	12.0%
Steinhoff	-35.0%	-35.0%	-25.0%	-22.0%	20.0%	-86.0%	-75.0%	-51.0%	-33.0%	-18.0%	NA

Market Overview

MARKET INDICATORS		04 June 2019			
Money Market TB's		Last close	Difference	Prev close	Current Spot
3 months					7.33
6 months		not updated due to technical difficulties			7.76
9 months					7.91
12 months					8.12
Bonds		Last close	Difference	Prev close	Current Spot
GC21 (BMK: R208)	↓	7.59	-0.030	7.62	7.59
GC24 (BMK: R186)	↑	9.46	0.345	9.11	9.11
GC27 (BMK: R186)	↑	9.69	0.442	9.24	9.24
GC30 (BMK: R2030)	↑	10.13	0.010	10.12	10.12
GI22 (BMK: NCPI)	→	4.34	0.000	4.34	4.34
GI25 (BMK: NCPI)	→	4.90	0.000	4.90	4.90
GI29 (BMK: NCPI)	→	5.73	0.000	5.73	5.73
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,325	1.50%	1,305	1,328
Platinum	↑	821	3.66%	792	823
Brent Crude	↓	61.3	-4.98%	64.5	61.0
Main Indices		Last close	Change	Prev close	Current Spot
NSX (Delayed)	↑	1,343	1.09%	1,329	1,345
JSE All Share	↑	56,286	1.14%	55,650	55,962
SP500	↓	2,744	-0.28%	2,752	2,744
FTSE 100	↑	7,185	0.32%	7,162	7,148
Hangseng	↓	26,894	-0.03%	26,901	26,725
DAX	↑	11,793	0.56%	11,727	11,793
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↑	16,952	1.14%	16,761	16,825
Resources	↑	43,710	0.52%	43,486	43,615
Industrials	↑	69,995	1.61%	68,886	69,264
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↓	14.50	-1.45%	14.71	14.43
N\$/Pound	↓	18.36	-1.21%	18.58	18.29
N\$/Euro	↓	16.29	-0.93%	16.45	16.26
US dollar/ Euro	↑	1.124	0.65%	1.117	1.127
		Namibia		RSA	
Economic data		Latest	Previous	Latest	Previous
Inflation	→	4.5	4.5	4.4	4.5
Prime Rate	→	10.50	10.50	10.25	10.25
Central Bank Rate	→	6.75	6.75	6.75	6.75

Notes to the table:

- The money market rates are TB rates
- "BMK" = Benchmark
- "NCPI" = Namibian inflation rate
- "Difference" = change in basis points
- Current spot = value at the time of writing

Source: Bloomberg

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