

TRADER TALK

Global Markets

A good week all around for the major international indices especially for the Dow which gained about 2% by Thursdays close - aided by some good earnings from Merck, Apple Inc and American Express at the beginning of the week. This gave the market some much needed confidence, despite relatively negative economic data, with month on month existing home sales down 8%, initial jobless claims still reasonably high at 331k and durable goods orders down 1.7%. In Asia, China's GDP came out at 11% on Thursday, sparking fears about the state of inflation. However, the Asian markets remained resilient in the face of adversity with the Hang Seng touching new highs on Friday's open. A busy week for the commodities saw crude oil trading back up close towards it's highs, mainly on the back of the planned Turkish incursion of Iraq. Gold continued to soar, mainly on the back of inflation worries. It's been interesting to watch how Gold has been trading in tandem with the Dollar. At times for every tick that USD weakens versus the EURO we see the price of Gold rise.

SA Markets

During the week, the local bourse took direction from the international markets, gaining 0.56 percent in early Friday trade. The market was pushed higher by commodity stocks as oil and metal prices continued to rise. The major

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highlights on the local financial scene - were the worse than expected inflation figures, at 6.7% and the acquisition of a 20 percent stake in Standard Bank by the Industrial and Commercial Bank of China (ICBC). The rise in inflation suggests that we could see another hike in interest rates, and therefore an extension in the interest rate cycle. The ICBC-Standard Bank deal was positively received by the market, pushing Standard Bank to a 52 week high of R119.50 during Friday trade.

Kind Regards,
The Global Trader Team

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