

TRADER TALK

Global Markets

It was a week of extended losses on the global equity markets this past week. Any positive micro and macro-economic data was rebuffed by negative investor sentiment, which was fuelled by even more significant negative market news. 'All came tumbling down' on Wednesday, with the Dow recording its fifth largest decline this year, mainly due to the announcement that General Motors had its largest ever quarterly loss of \$39 billion, but also on the back of persistent sub prime concerns, a weakening dollar and surging oil prices. Morgan Stanley also came out with some negative news, reporting that it had \$3.7 billion in losses over the last two months from its sub prime related exposures.

The bleak economic outlook did not change as the week came to a close. On Thursday the US Fed Chairman, Ben Bernanke, painted a perilous economic picture, as he testified in front of the Joint Economic Committee of Congress. Bernanke said the U.S. economy will more than likely slow down in light of the housing market's slump, a possible surge in inflation, a weaker dollar and higher oil costs. The main news out of Europe was that the BOE and the ECB would leave interest rates unchanged. In Friday's early trade Asia was largely un-phased by Bernanke's statements, as analysts felt there was nothing new about what he had said. Asia closed mixed as exporters lost ground on the back of a stronger Yen against the dollar.

SEMINARS

[CLICK HERE](#) to view upcoming seminars and to register.

[Cape Town Training Sessions](#)

Spread and CFD platform training sessions

First Tuesday and Thursday of every month

Register with Candice Larcombe on 021 446 2180 or [email us](#)

Numbers are limited.



SA Markets

It was a volatile week for the ALSI, with a 1000 points trading range during the week. The most volatile movements were recorded as the market opened on Thursday, as the ALSI Dec futures gapped almost 400 points lower on the back of a poor U.S. close on Wednesday. However, as Thursday trading continued the ALSI rose sharply, following the news that BHP Billiton was looking to buy Rio Tinto.

The takeover bid was rejected by the Rio board, citing the offer as significantly undervaluing Rio and its prospects. The market rose sharply on the back of this possible M&A activity. If the BHP – Rio deal were to go through the combined group would be the largest suppliers of copper and aluminium in the world, they would control one third of the mined iron ore market and would also be a major player in coal, zinc and diamonds.

Kind Regards,
The Global Trader Team

GLOBAL TRADER
www.gt247.com

First World Trader (Pty) Ltd t/a Global Trader is an authorised Financial Services Provider by the Financial Services Board (FSB) of South Africa, FSB license number 22588. Global Trader is a derivatives member of the Johannesburg Stock Exchange.