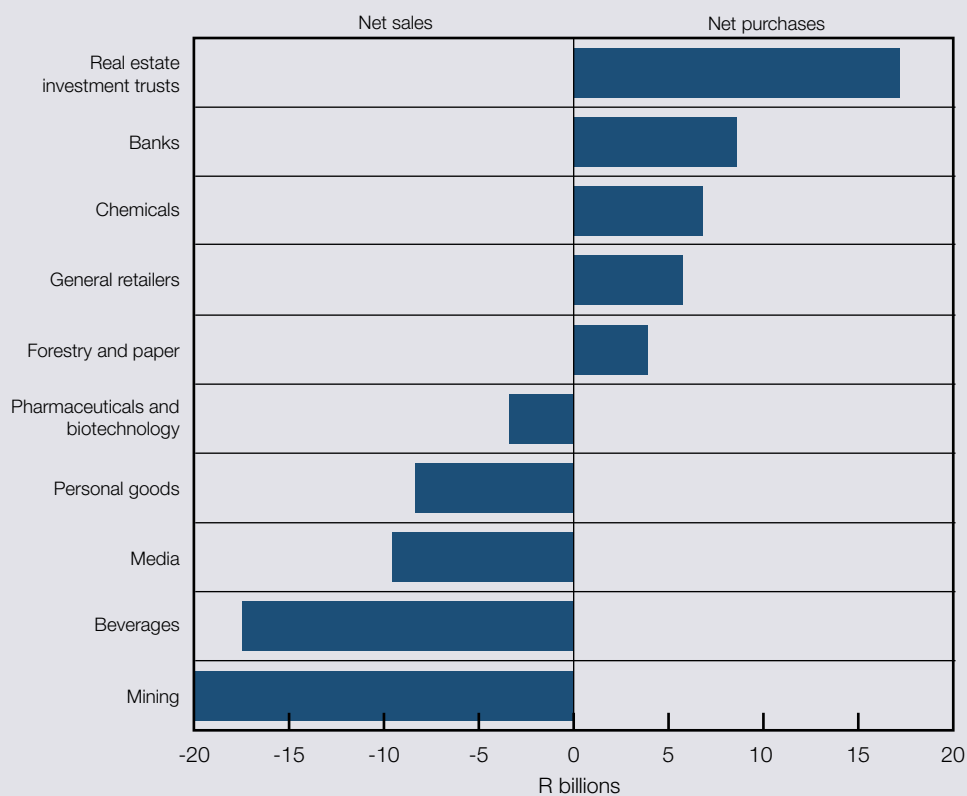


Box 4 Non-residents' secondary share market trading on the JSE by sector

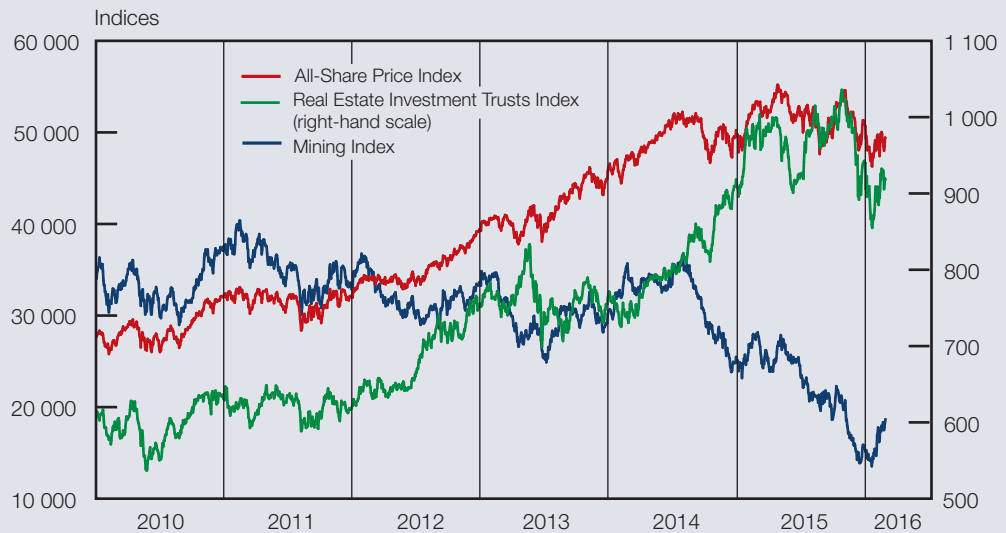
According to exchange-reported data, non-resident investors were net sellers of domestic shares on the JSE to the value of R40 billion in the fourth quarter of 2015, following the strain in domestic share prices, political woes, and economic growth concerns. These developments contributed to a reduction in the holdings of domestic shares by non-resident investors of R4 billion in 2015, compared with net purchases of R13 billion in 2014. The graph below depicts the sectors where non-resident investors were the largest net purchasers or sellers of listed shares on the JSE in 2015.

Sectoral breakdown: largest net purchases and sales of shares listed on the JSE by non-residents in 2015



As shown in the graph on the previous page, the highest net sales by non-residents were those of mining shares, amounting to R20 billion in 2015. This was on the back of negative returns recorded by the mining sector, in turn mainly attributable to the noticeable downward trajectory in commodity prices. Furthermore, the impact of the slowdown in domestic economic conditions, factors relating to labour unrest, electricity constraints, and recent political woes in South Africa also contributed to a decline in the returns of the mining sector. These difficult conditions were mirrored by the generally declining trend in the JSE Mining Index since mid-2014, as illustrated in the graph below.

FTSE/JSE share price indices



Meanwhile, real-estate investment trusts and banks stood out as the sectors with the largest net purchases of shares by non-residents in 2015, with the net purchases in the first-mentioned sector amounting to no less than R17 billion.