



DECODING THE MONTH

June 2021

Global Assets

Nasdaq	6.4%
All Country	1.3%
EM Equity	0.2%
Bonds (WGBI)	-1.1%
Gold (Spot)	-6.4%

Local Assets

Property	3.4%
Bonds	1.1%
All Share	-2.4%
Financials	-2.6%
Resources	-6.6%

Best Shares

Exxaro	9.5%
Bidcorp	6.6%
NEPI	5.3%
BA Tobacco	5.2%
Nedbank	4.8%

Worst Shares

Gold Fields	-26.0%
AngloGold	-22.0%
MultiChoice	-14.9%
Discovery	-10.2%
Amplats	-9.3%

Worth Noting

- The FTSE/JSE All Share Index posted its first negative month since Nov 2020
- Another huge trade surplus for SA for the month of May (R50 billion)
- Microsoft joins Apple as the only two companies with a value exceeding \$2 trillion.



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Commentary

"Where has the year gone?" is a common phrase uttered by friends and colleagues alike as we close the door on the first half of 2021. Maybe one could say that time does fly when markets reach new highs.

So, as we stand, US markets ended the first half of the year at all-time highs and to some, that may seem unfounded. Despite unprecedented stock valuations, inflation numbers running hot, lots of new taper talk, and the Delta variant spreading quickly in many parts of the world, stock market participants appear to be optimistic about the future. If the economy and corporate earnings continue to surprise to the upside it will be hard to bet against a rising tide. On the other hand, the Delta variant, rising inflation which proves not to be transitory and the Fed stepping in sooner than initially thought may just put a halt to the party.

Focusing more locally, the FTSE/JSE All Share Index ended its positive monthly record run with a -2.4% return for the month. The performance was mostly impacted by the negative return in the resources sector of -6.6%. Listed property ended up 3.5% for the month and remains the best performing asset class YTD.

From a local economic perspective, news flow has been dominated by political events. Although long overdue, the potential private acquisition of a majority stake in SAA, Eskom debt reduction, loosening of power generating restrictions on private players and Zuma's day in court are all steps in the right direction and may point to President Ramaphosa slowly gaining the upper hand within the ANC.

Unfortunately, this all comes at a time when our country enters a third wave of the Covid pandemic and has brought to the fore the poor management of our vaccine roll out. Hopefully as more vaccines hit our shores and daily vaccination rates increase, sentiment towards our economic recovery will start to improve.

Large Underweight	Mild Underweight	Neutral Weight	Mild Overweight	Large Overweight
Global Bonds & Local Income	Global Equity		Local Equity	Local Bonds & Global Income

Positioning

Data: Reuters. Indices are the FSTE/JSE, the MSCI and the WGBI.