DECODING THE MONTH

November 2021

Global

Gold (Spot)	2.0%
Nasdaq	1.9%
Bonds (WGBI)	-0.1%
All Country	-2.4%
EM Equity	-4.1%

Local

Resources	6.8%
All Share	4.5%
Property	2.2%
Bonds	0.7%
Financials	-2.6%

Best Shares

Gold Fields	31.4%
Richemont	26.4%
AngloGold	21.0%
MTN	18.0%
Investec plc	16.7%

Worst Shares

Spar Group	-16.6%
Sanlam	-11.7%
Exxaro	-9.2%
Old Mutual	-7.5%
BID Corporation	-7.0%

Worth Noting

- The South African Reserve Bank raised interest rates by 0.25%.
- "It's time to stop using the word transitory", FED Chairmen, Jerome Powell.
- The CBOE Volatility Index increased the most since February 2020.

Data Source: Morningstar, FTSE/JSE Indices

CORION CAPITAL

DECODING THE MONTH

November

Commentary

Despite increased volatility, the local equity market managed to end the month in positive territory with the FTSE/JSE All Share Index ending up 4.5%. It wasn't however the case of a rising tide lifting all boats, as Resources and Industrials continued their positive run (up 6.8% and 6.4%, respectively) while Financials ended the month in negative territory (down 2.6%).

From an economic perspective, Finance Minister Enoch Godongwana delivered his maiden Medium-Term Budget Policy Statement during the month. In general, he made the right noises as he vowed to return state finances to a sustainable path. However, action speaks louder than words and many participants are once again waiting to get tangible evidence of the above coming to fruition. Furthermore, the MPC surprised many by raising rates by 0.25% with three out of five members in favour of a rate hike. The decision appeared to be influenced more by recent developments in global financial markets than a means to reduce heightened inflation in SA.

Globally, risk sentiment was uplifted by promising US payroll data, the approval of the much anticipated $1 trillion infrastructure bill and the announcement from the Federal Reserve that it was confident enough in the economy to start tapering its bond purchases - targeting the middle of next year to completely end its $120 billion-per-month program.

However, inflation risk once again spoilt the fun with the YoY US CPI print coming in considerably higher than expected at 6.2%. This caused investors to initially dump risk assets, but sanity soon prevailed as the market once again chose to favour the transitory inflation rhetoric.

As the year draws to a close, the investment community will be keeping a close eye on COVID-19 and the Omicron variant as it spreads around the globe. News of the new strain and fears around renewed lockdowns and the negative impact such may have on the global economy rattled markets in the last week of the month. Risk-off was the order of the day with investors dumping their positions in stocks that benefited from the reopening trade. With equity valuations remaining at elevated levels any perceived negative news may result in a further flight to safety as we head into the final month of the year.

Positioning

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