

DECODING THE MONTH

December 2021

Global

All Country	3.9%
Gold (Spot)	3.1%
EM Equity	1.9%
Nasdaq	1.2%
Bonds (WGBI)	-0.6%

Local

Financials	9.1%
Property	7.9%
Resources	5.5%
All Share	4.8%
Bonds	2.7%

Best Shares

Growthpoint	15.1%
ABSA	13.8%
Capitec	11.9%
Clicks	11.3%
Impala	11.2%

Worst Shares

Gold Fields	-7.5%
Aspen	-5.8%
Northam	-5.7%
AngloGold	-4.8%
Sibanye	-2.7%

Worth Noting

- Fitch Ratings unexpectedly upgraded its outlook on SA's credit rating.
- 2021 the best year for SA stocks in more than a decade.
- Bitcoin fell 19%, its largest monthly loss since May.

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Commentary

Another year has come and gone in a blink of an eye as the world yet again battled diligently against the ever-present COVID-19 pandemic. Just as the year was drawing to a close it seemed 2021 had to give her last hoorah and present us with the highly contagious Omicron variant. Initially the market sold off but has subsequently rallied significantly after early data surfaced showing that the Omicron variant's effects—specifically, hospitalisation and deaths for the vaccinated population—were not as bad as many health officials had initially feared.

Despite the ongoing coronavirus pandemic, the highest inflation seen in decades and shifting monetary policy decisions, investors have seemingly looked through the noise and drove major indexes to new all-time highs this year. US indices were the top performers with the S&P 500 and Nasdaq 100 ending the year up 28.2% and 27.2%, respectively. The UK focused FTSE 100 provided a return of 17.4% (in USD) while the Asian based indexes ended the year in the red (in USD).

Locally, the FTSE/JSE All Share Index ended the year up 29.3%, its best calendar year return since 2009. The index was buoyed by the strong performance of the Resources and Financial sectors. Listed Property and Preference shares also had a stellar year ending up 36.9% and 45.0% after both posted negative returns in 2020.

Looking ahead to 2022; COVID-19, the potential for a less supportive monetary policy, opposition to additional fiscal stimulus, elevated inflation, ongoing supply-chain disruptions, and lower economic growth from China are just some of the factors investors will be assessing as they position themselves for the next few months. Thus, in times of uncertainty the words of Alan Cohen resonate – “Do not wait until the conditions are perfect to begin. Beginning makes the conditions perfect”.

With that we at Corion wish you a happy new year and all the very best for the year ahead.

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

Positioning

Decoding
the Now

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

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