



# DECODING THE MONTH

November 2022

## Global (\$)

MSCI SA	19.6%
MSCI EM	14.8%
MSCI ACWI	7.8%
Nasdaq	5.6%
Bonds	4.5%

## Local

Resources	17.3%
All Share	12.3%
Property	6.3%
Financials	5.6%
Bonds	3.9%

## Best Shares

Prosus	39.0%
Naspers	38.7%
AngloGold	27.7%
Gold Fields	26.9%
Anglo American	23.7%

## Worst Shares

Aspen	-6.2%
Clicks	-5.2%
BAT	-4.7%
Mr Price	-4.3%
Sasol	-3.2%

## Worth Noting

- Over the past two months, the FTSE/JSE All Share Index has appreciated by 17.4%
- In rand terms, the Brent Crude Oil price depreciated by -16.8% during November
- The SA unemployment rate decreased by -1.0 % in the third quarter of 2022



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### Commentary

#### Same, same but different

The dominant market themes of monetary tightening, inflation, slowing global growth, COVID lockdowns in China and the ongoing war in Ukraine continue to influence the investment landscape.

Global indices, saw positive momentum in the beginning of the month on the back of the US Consumer Price Index (CPI) coming in lower than expected. The positive news raised optimism that the Federal Reserve may start to ease up on its restrictive monetary policies sooner than initially expected.

Stocks, bond rates and industrial commodity prices did, however, retrace some of their gains near the end of the month on the back of a wave of anti-COVID-lockdown protests in China. Markets were concerned that this would result in a crackdown by Beijing, which would further impede activity in the world's second-largest economy and hamper global growth. However, China's National Health Commission announced that it would increase COVID immunizations for the elderly, a move which is expected to eventually allow the government to loosen up on its restrictive COVID regulations, which seemed to appease some market concerns.

Despite the above, markets staged a late rally on the back of dovish remarks from the US Fed Chair, Jerome Powell, with the S&P 500 ending the month up 5.6% (-13.1% YTD). The Euro Stoxx 50 and FTSE 100 also had a strong month ending up 9.7% (-5.5% YTD) and 7.1% (6.3% YTD), respectively.

Locally, equities had a stellar month with the FTSE/JSE All Share Index rising by 12.3% (+6.0% YTD). This performance was driven by the strong performances in both the Resources and Industrials sectors which ended the month up 17.3% and 15.1%, respectively. South African bonds also fared better this month with the FTSE/JSE All Bond Index ending up 3.9% (3.6% YTD).

From an economic perspective, the inflation figure for October was worse than anticipated. From 7.5% in September, headline inflation increased to 7.6% on a yearly basis, with food and fuel remaining the largest contributors. In light of this, the MPC increased the repo rate by 75bps points to 7%. The MPC has front-loaded rate hikes, as is the case with other central banks, in an effort to reach positive real rates as quickly as possible rather than gradually raising rates and monitoring the situation as it develops.

With so many market variables at play, we thought we would take inspiration from the sensational Springbok win over England. Despite many obstacles in the way, never underestimate the power of agility to score a much needed try.

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

### Positioning

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