



DECODING THE MONTH

March 2023

Global (\$)

Nasdaq	9.5%
Bonds	3.8%
MSCI SA	3.3%
MSCI ACWI	3.1%
MSCI EM	3.0%

Local

Resources	2.9%
Bonds	1.3%
All Share	-1.3%
Property	-3.4%
Financials	-5.8%

Best Shares

Gold Fields	44.8%
AngloGold	40.2%
Aspen	29.1%
Bidvest	10.0%
AB InBev	6.1%

Worst Shares

Investec Ltd	-16.4%
Investec PLC	-16.3%
Woolworths	-14.9%
MultiChoice	-12.5%
MTN	-12.0%

Worth Noting

- The SARB raised rates for the ninth consecutive time since Nov 2021.
- The recent banking crisis ignited the wildest swings in US Treasuries since 2008.
- Despite all of this, the Nasdaq had its biggest quarterly increase since June 2020.

Commentary

Surprise, surprise ... markets end the month on the rise

The first quarter of the year has flown by with global markets ending the month firmly in the green. However, the last month has been anything but calm with the major indices seesawing on the back of both economic and financial sector news.

Despite the volatility, the major equity indices showed an impressive performance over the month, reflecting renewed investor optimism that the recent struggles in the banking system may be contained. The waning concerns over spill over effects in the financial system boosted investor confidence and increased the appetite for riskier assets, resulting in a surge of interest in the higher-growth technology sector and the mega-cap technology companies in particular.

Furthermore, the Federal Reserve's recent decision to raise the US benchmark short-term interest rate by 25bps, along with a prevailing view that the central bank may hit the pause button on further rate hikes at the next meeting to avoid adding pressure to an already vulnerable regional banking system, gave a further lift to higher-growth stocks.

The NASDAQ 100 was a major beneficiary of this trend, posting an impressive monthly gain of +9.5% (+20.8% YTD) significantly outperforming the S&P 500 which posted a monthly gain of +3.7% (+7.5% YTD). Across the pond, the EURO STOXX 50 added to its yearly performance ending the month up +1.9% (+14.2% YTD). The FTSE 100 however lagged global benchmarks ending the month down -2.5% (+3.6% YTD).

Locally, the FTSE/JSE All Share Index also had a negative month declining by -1.3% (+5.2% YTD) impacted by the financial sector which ended the month down -5.8% (+0.4% YTD).

On the economic front, the month ended with a hawkish move by the South Africa Reserve Bank (SARB) which hiked the interest rate by another 50bps, ahead of the 25bps many expected. The decision to raise interest rates was supported by both the upward revision of the inflation estimate, which was anticipated, and the worry that inflationary pressures have widened. Core-inflation forecasts were raised from 5.5% to 5.9% in 2023 with the main drivers being government wage settlements, the rand exchange rate and the effect of load shedding on the economy. As a result the MPC appears to be set on guiding inflation back towards their mid-point of the target band in the context of volatile economic and financial conditions for the foreseeable future.

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

Positioning