



# Update on market and economic developments

To 30 April 2020



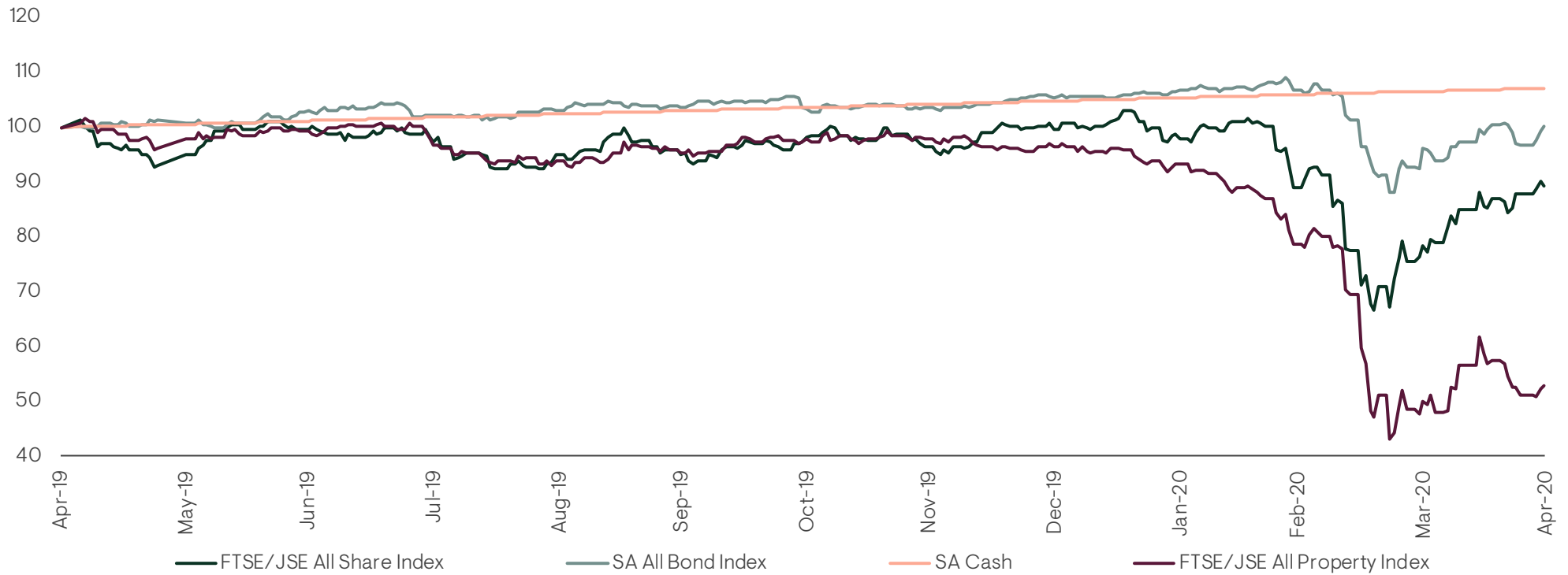
# Local market developments





# SA asset class returns

## 12 months to 30 April 2020

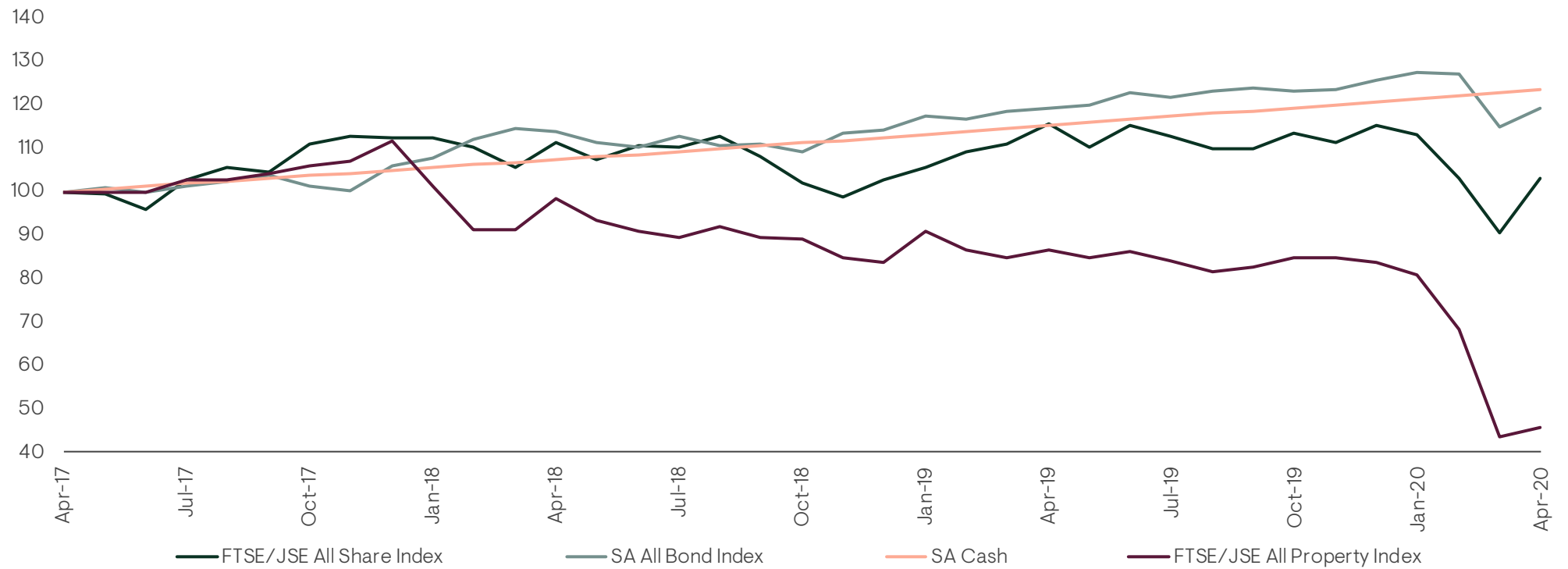


	2016	2017	2018	2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Apr 2020	YTD 2020	12 months
ALSI	2.6%	21.0%	-8.5%	12.0%	3.9%	-4.6%	4.6%	-21.4%	14.0%	-10.4%	-10.8%
ALBI	15.5%	10.2%	7.7%	10.3%	3.7%	0.7%	1.7%	-8.7%	3.9%	-5.1%	0.1%
SA Cash	7.4%	7.5%	7.3%	7.3%	1.8%	1.8%	1.7%	1.7%	0.5%	2.2%	7.1%
ALPI	-0.4%	14.6%	-25.0%	-0.4%	1.5%	-4.2%	1.2%	-48.1%	5.7%	-45.1%	-47.1%



# SA asset class cumulative returns

## 3 years to 30 April 2020

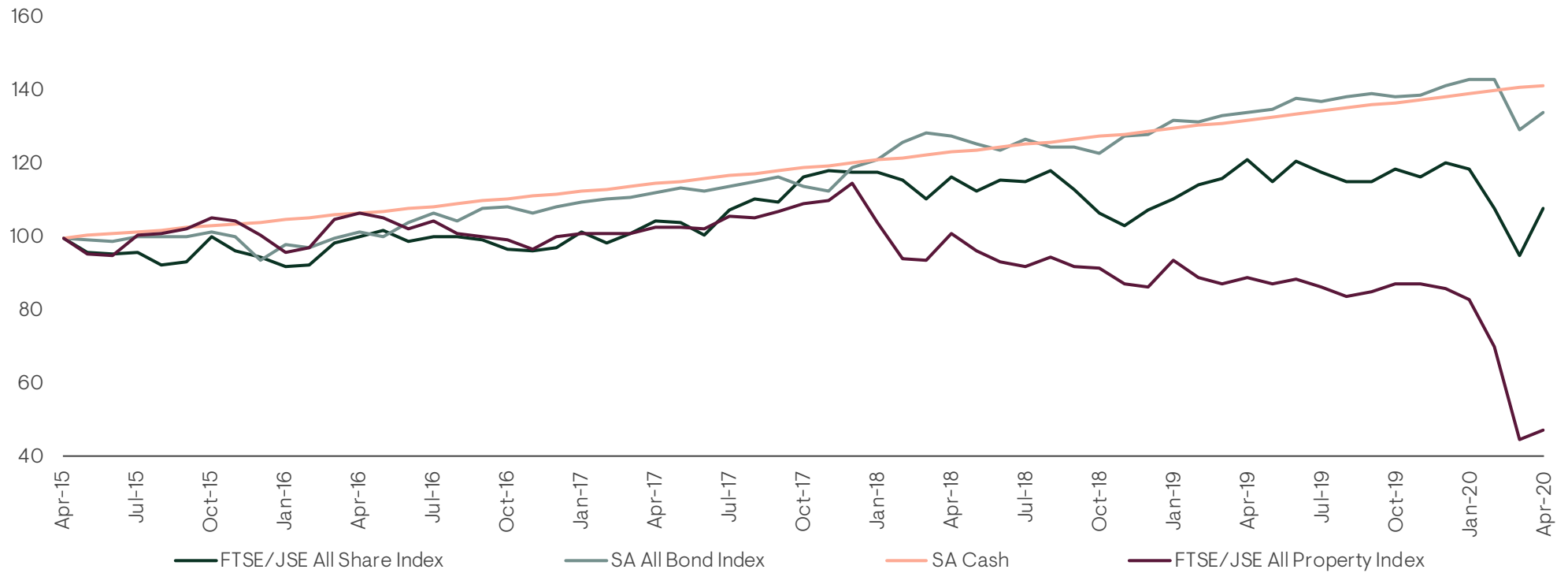


	Cumulative return	Annualised return
ALSI	3.3%	1.1%
ALBI	19.5%	6.1%
SA Cash	23.5%	7.3%
ALPI	-54.1%	-22.9%



# SA asset class cumulative returns

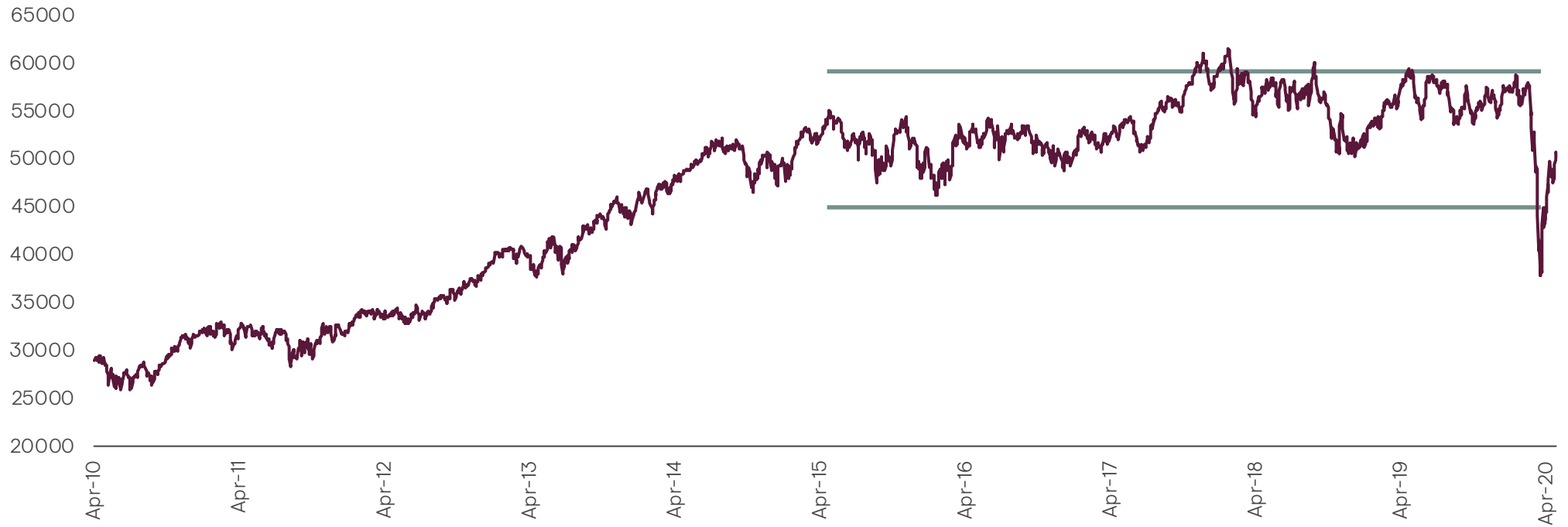
## 5 years to 30 April 2020



	Cumulative return	Annualised return
ALSI	8.2%	1.6%
ALBI	34.4%	6.1%
SA Cash	41.7%	7.2%
ALPI	-52.8%	-13.9%

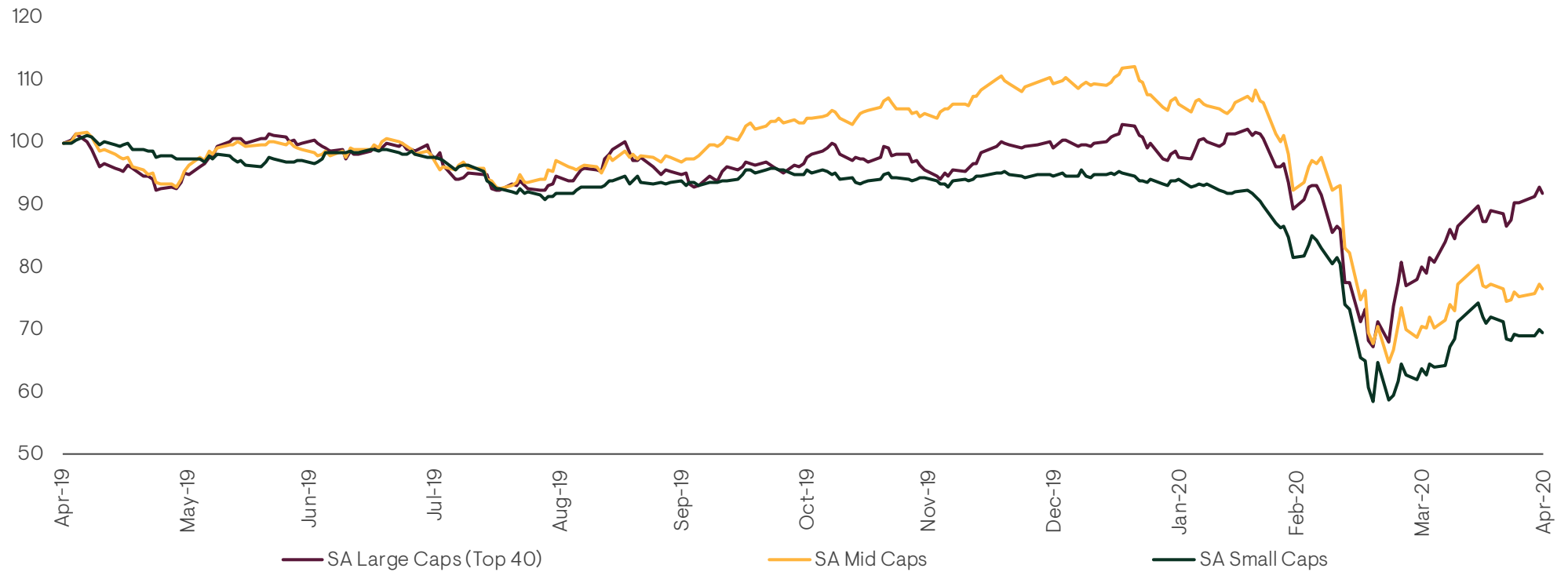
# SA equities rebounded in April

## The FTSE/JSE All Share Index (in ZAR) (50,337)



# SA equities: market cap returns

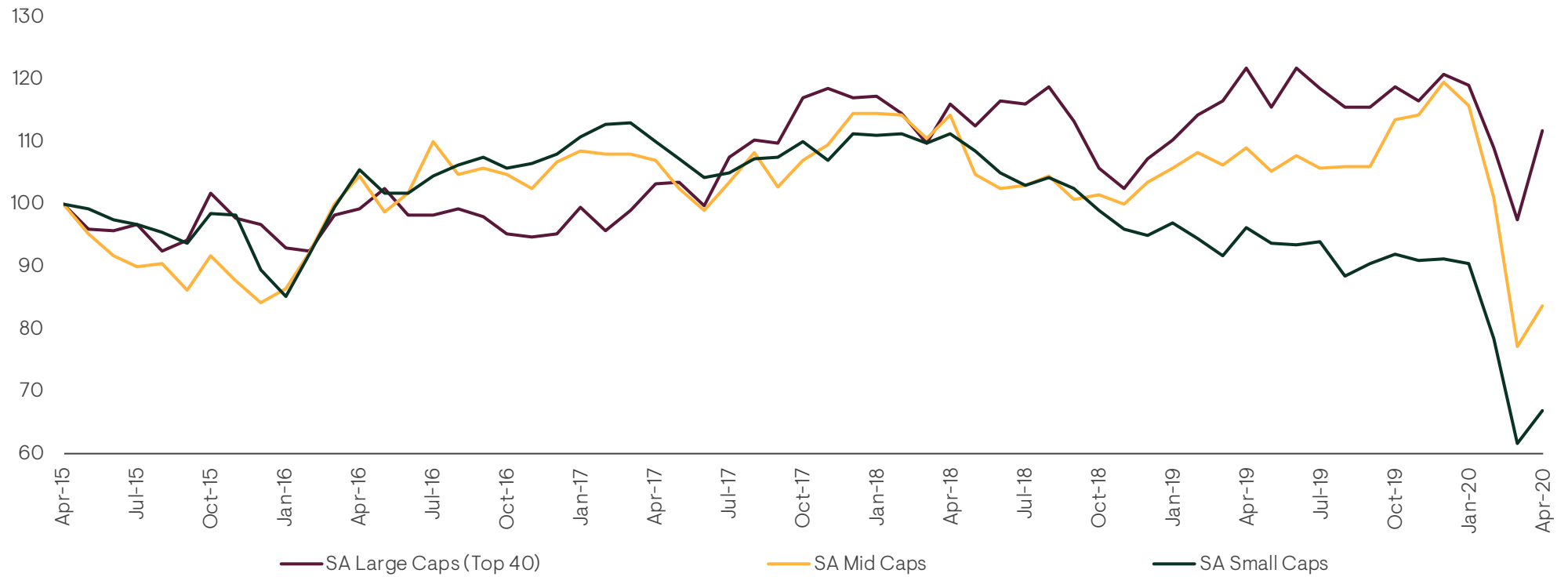
## 12 months to 30 April 2020



	2016	2017	2018	2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Apr 2020	YTD 2020	12 months
Large Caps	-1.6%	23.1%	-8.3%	12.4%	4.6%	-5.2%	4.5%	-19.2%	14.7%	-7.3%	-8.1%
Mid Caps	26.9%	7.4%	-9.7%	15.6%	1.5%	-1.8%	12.9%	-35.6%	8.5%	-30.1%	-23.4%
Small Caps	20.9%	3.0%	-14.6%	-4.1%	1.8%	-3.2%	0.7%	-32.6%	8.8%	-26.6%	-30.5%

# SA equities: market cap returns

## 5 years to 30 April 2020



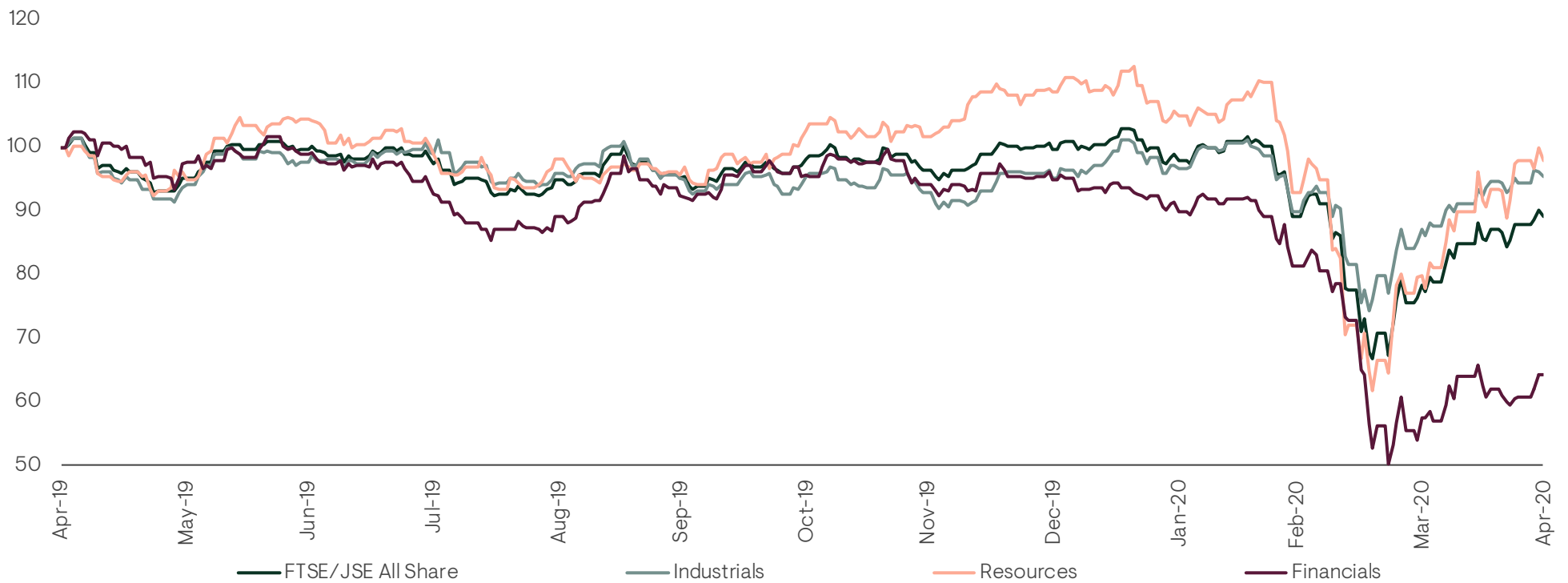
	Cumulative return	Annualised return
Large Caps	11.9%	2.3%
Mid Caps	-16.3%	-3.5%
Small Caps	-33.1%	-7.7%





# SA equities: sector returns

## 12 months to 30 April 2020

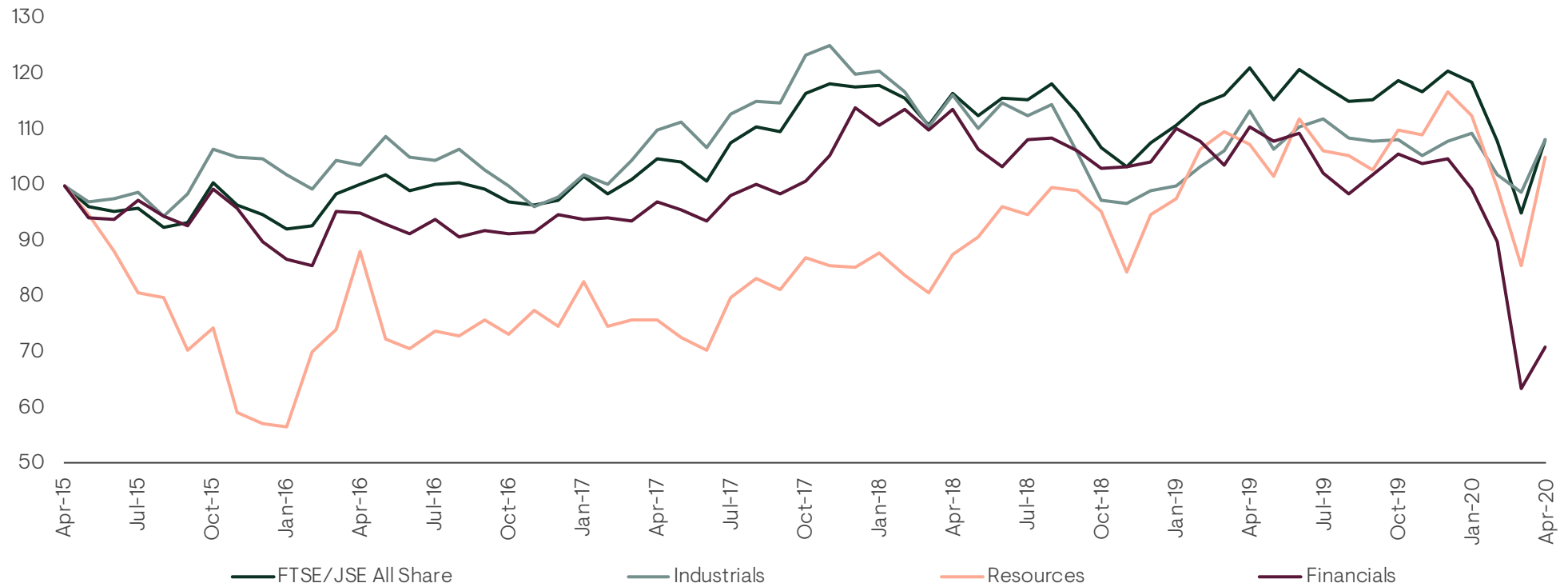


	2016	2017	2018	2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Apr 2020	YTD 2020	12 months
ALSI	2.6%	21.0%	-8.5%	12.0%	3.9%	-4.6%	4.6%	-21.4%	14.0%	-10.4%	-10.8%
Industrials	-6.5%	22.5%	-17.5%	8.9%	4.0%	-2.5%	0.0%	-8.4%	9.6%	0.3%	-4.6%
Resources	30.8%	14.1%	11.0%	23.3%	2.1%	-8.4%	13.7%	-26.7%	22.8%	-9.9%	-2.0%
Financials	5.4%	20.6%	-8.8%	0.6%	5.4%	-6.8%	2.8%	-39.5%	11.9%	-32.3%	-35.7%



# SA equities: sector returns

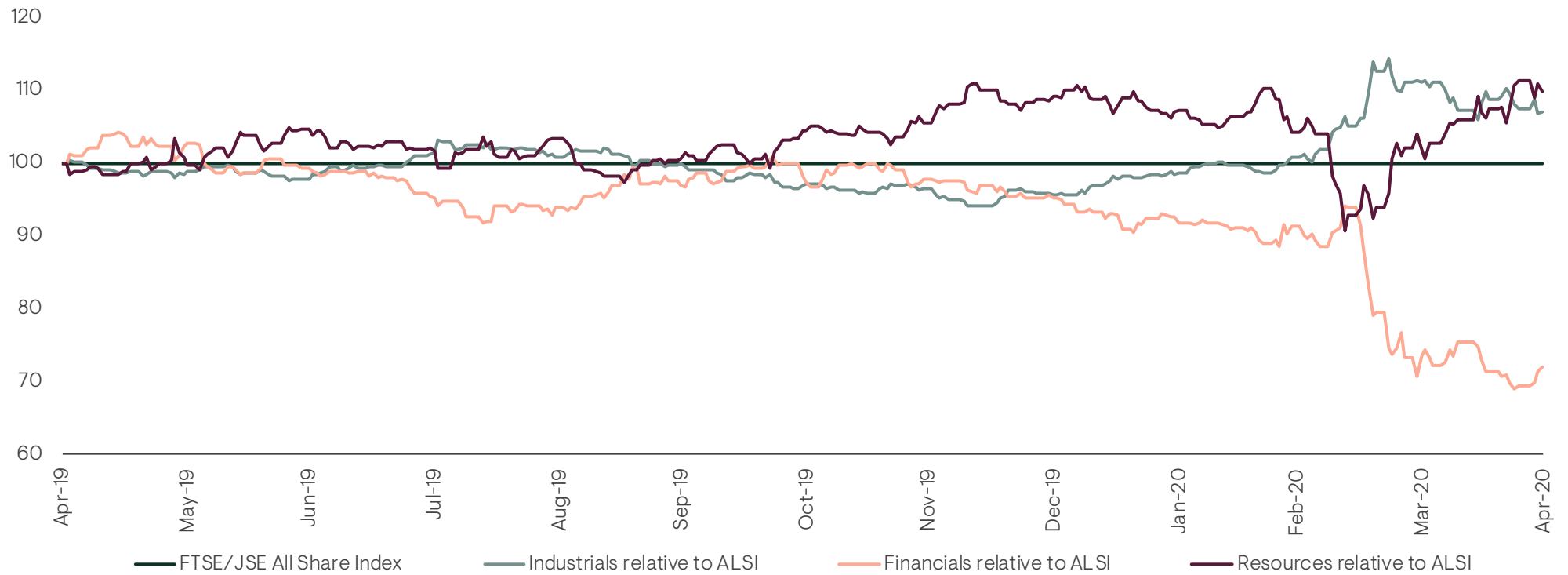
## 5 years to 30 April 2020



	Cumulative return	Annualised return
ALSI	8.2%	1.6%
Industrials	8.2%	1.6%
Resources	5.1%	1.0%
Financials	-29.0%	-6.6%

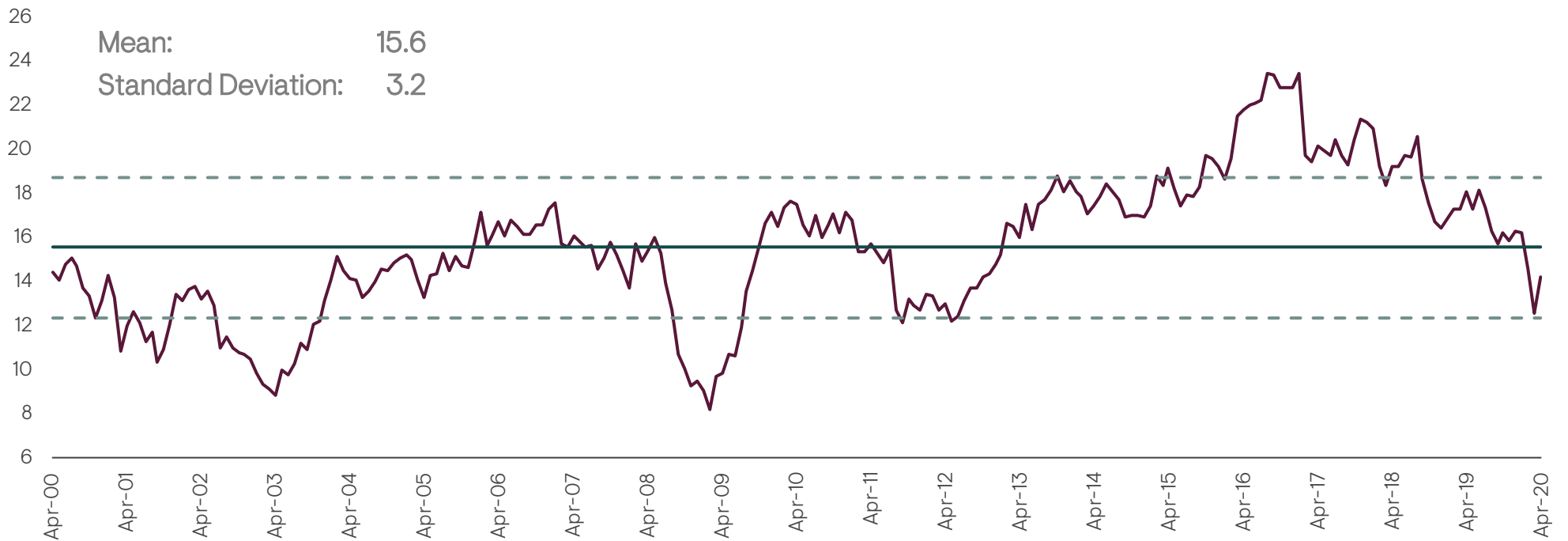
# Financials, industrials and resources

## SA equities: sector performances relative to the FTSE/JSE All Share Index: 12 months to 30 April 2020



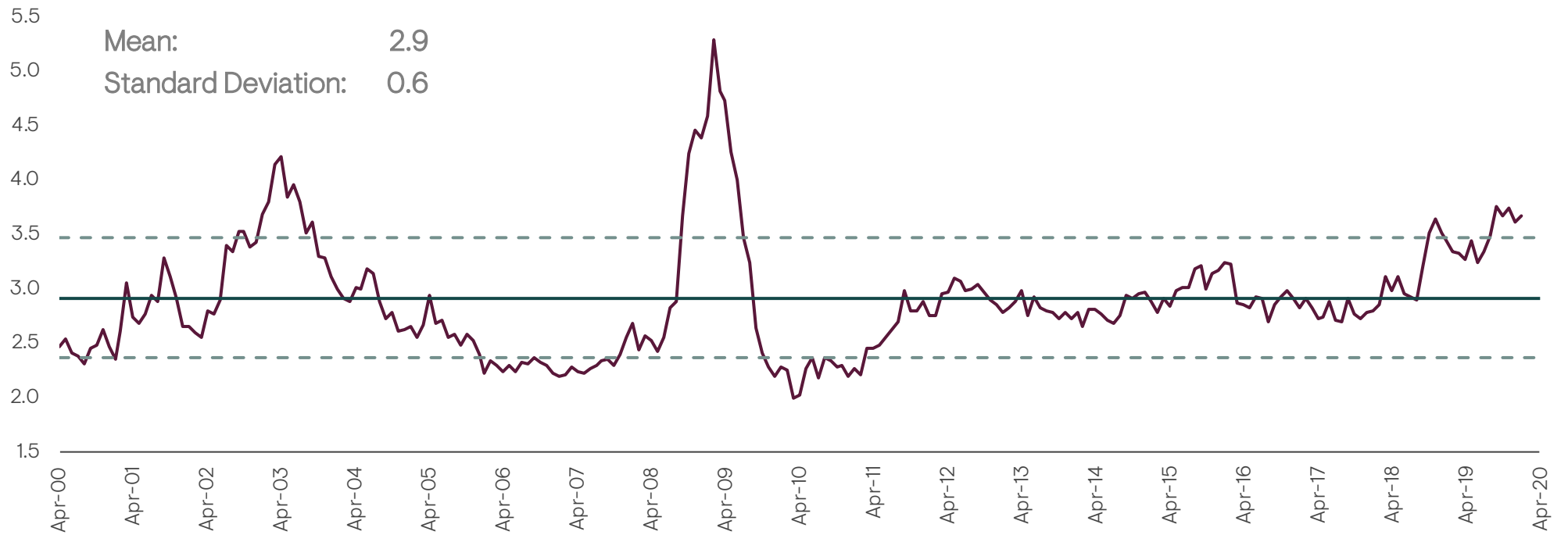
# SA equities (ALSI): trailing PE ratio

20 years to 30 April 2020 (14.2)



# SA equities (ALSI): dividend yield

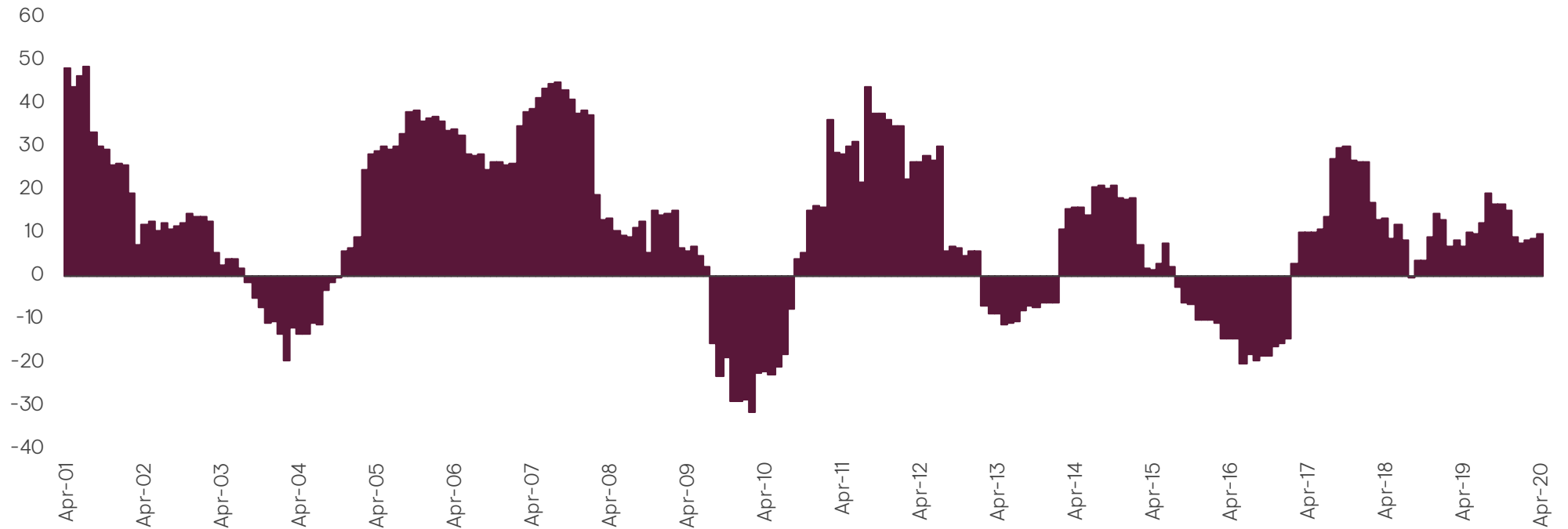
20 years to 30 April 2020 (4.2%)



# SA equities: earnings growth

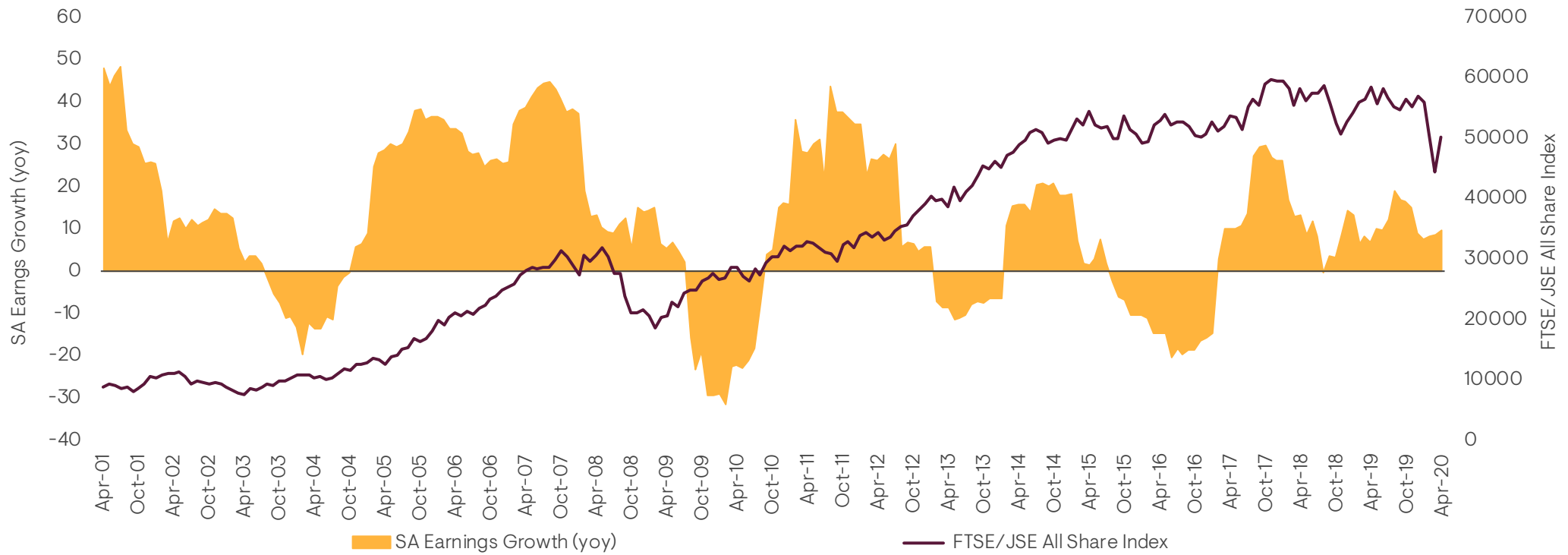
Rolling 12-month % change 9.8%

## FTSE/JSE All Share Index earnings growth



# SA earnings growth picked up in April

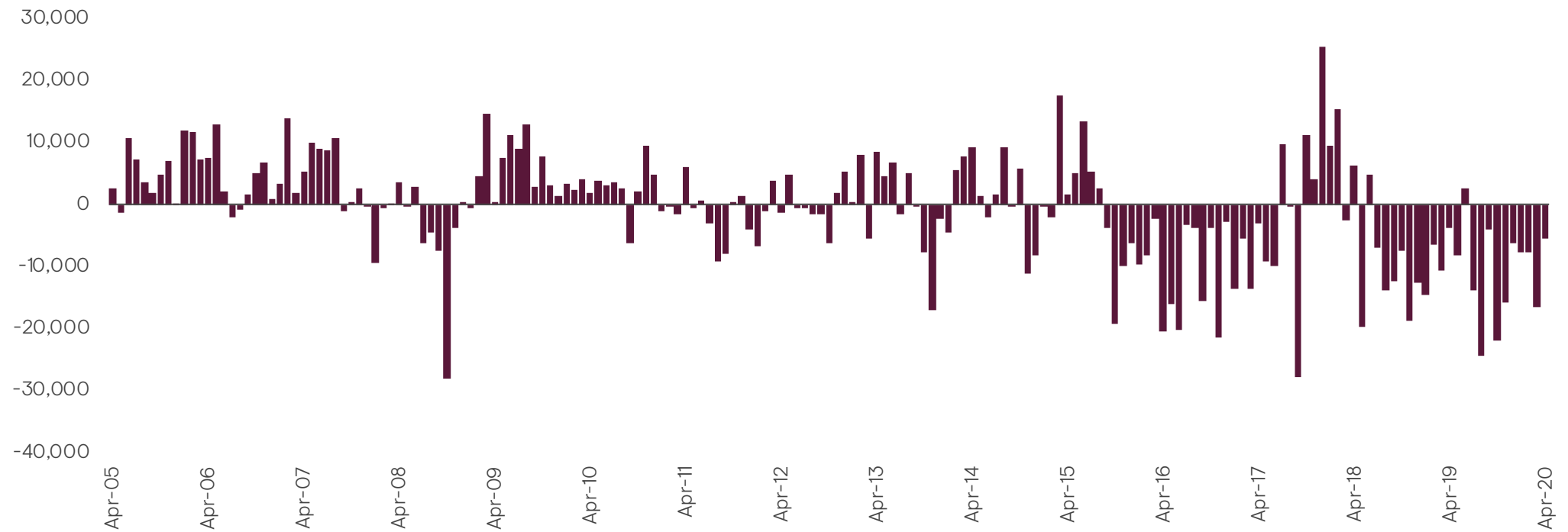
SA earnings growth (% change yoy) (9.8%) & FTSE/JSE All Share Index (50,337)





# Foreigners were net sellers of SA equities in April

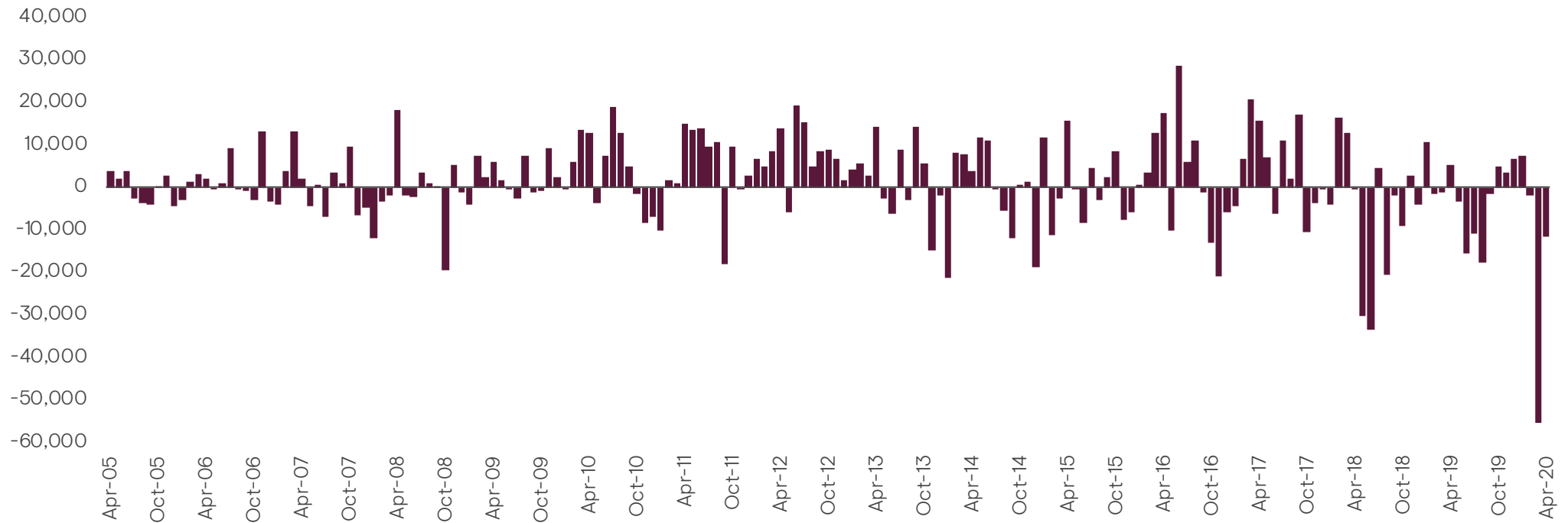
## 15 years to 30 April 2020





# Foreigners sold SA bonds in April

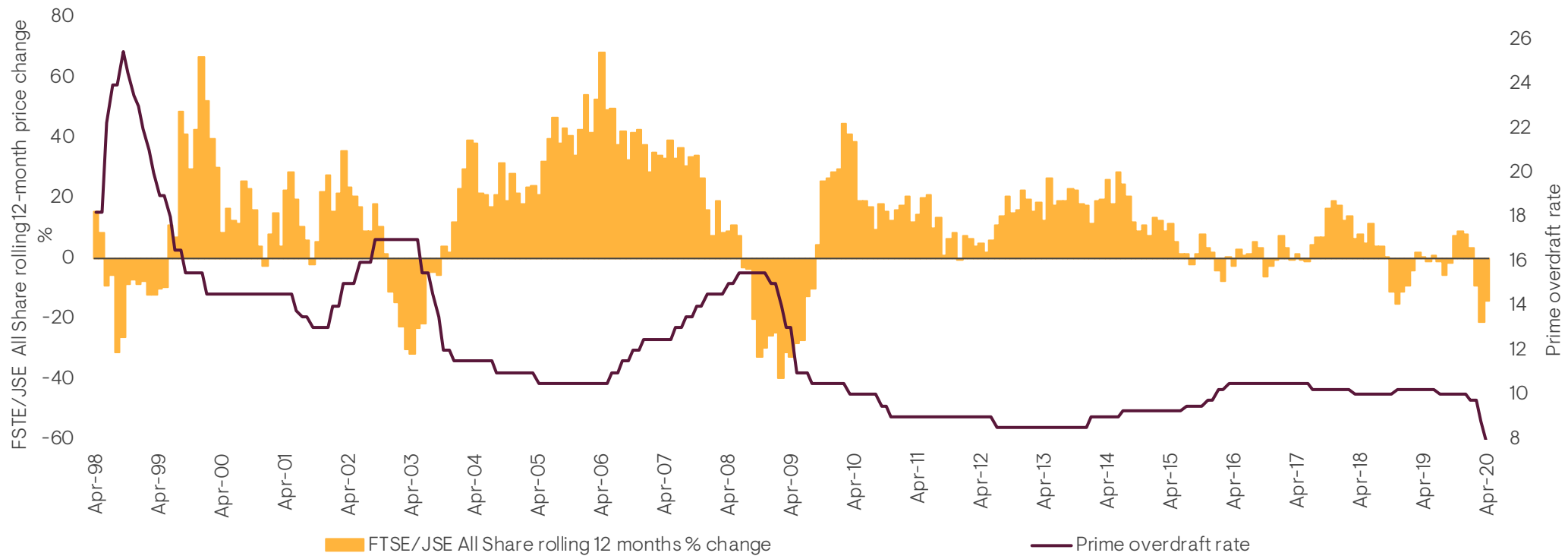
## 15 years to 30 April 2020





# Interest rates were cut at the last MPC meeting

## Prime overdraft rate (7.75%) & FTSE/JSE All Share rolling 12 month % change (-10.8%)





# Local and global equities

15 years to 30 April 2020

## FTSE/JSE All Share Index (in US\$) (205) & MSCI ACWI (in US\$) (243)

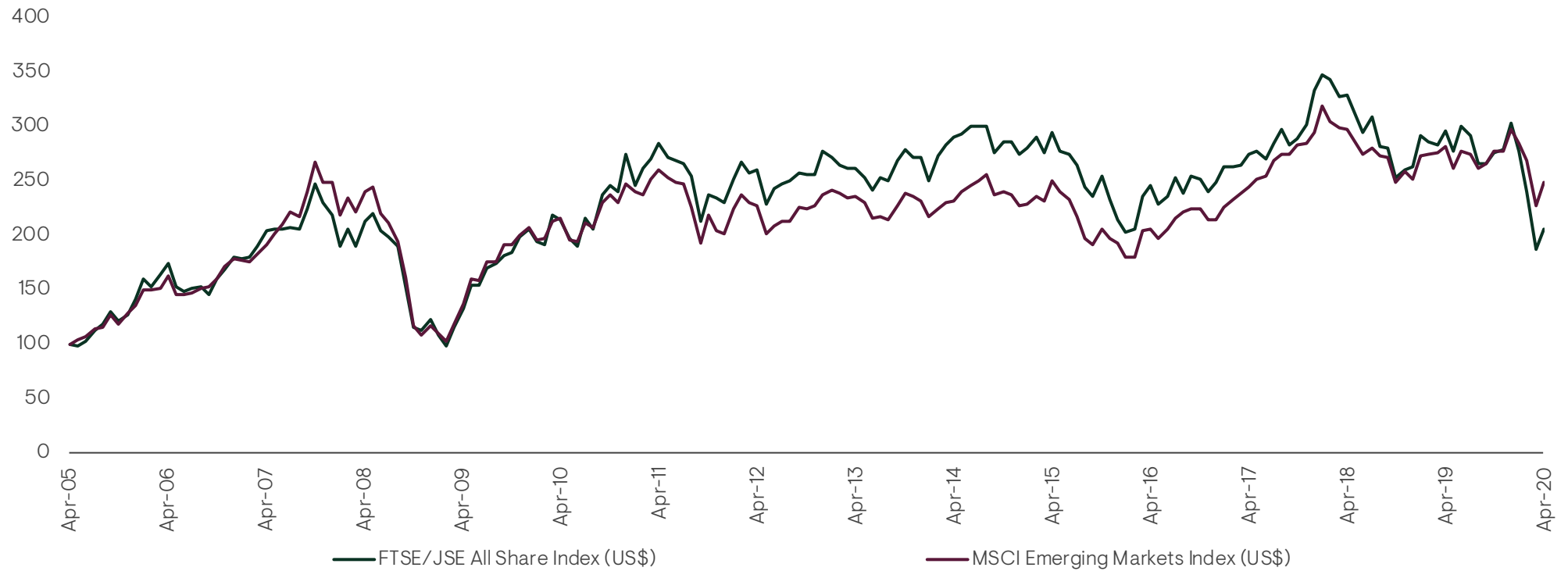




# Domestic equities continue to have a high correlation to emerging markets

15 years to 30 April 2020

## FTSE/JSE All Share Index (in US\$) (205) & MSCI Emerging Markets Index (in US\$) (248)





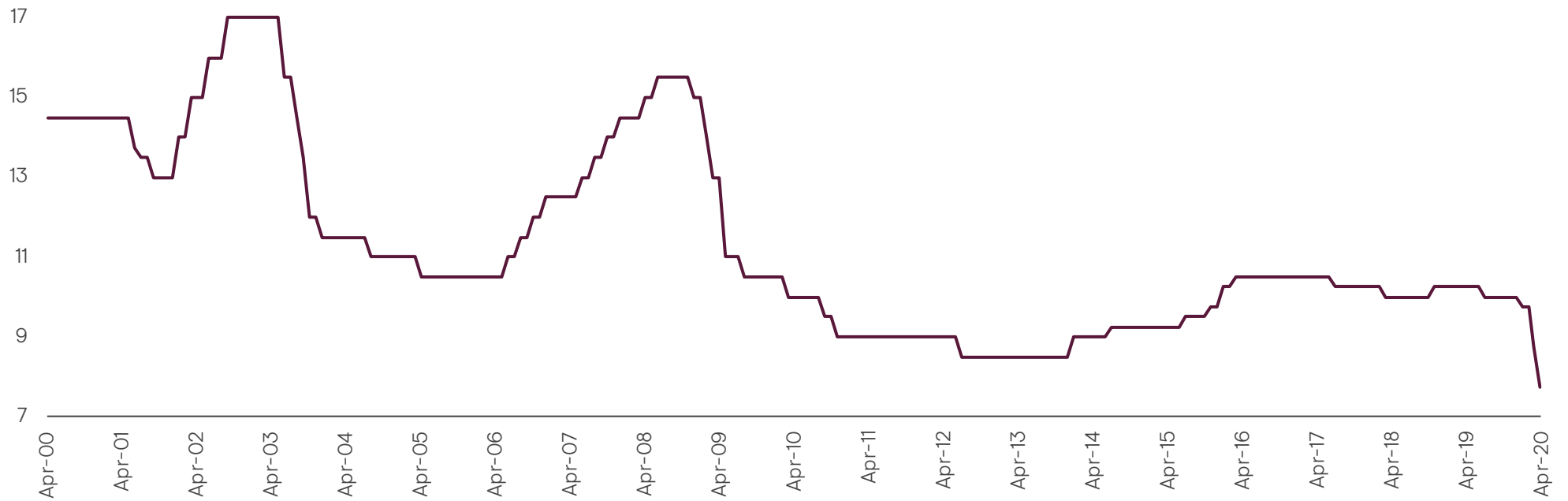
# SA bond yields

Yield on the generic SA 10 year bond (10.3%)



# SARB cut interest rates at its last meeting

## Prime overdraft rate



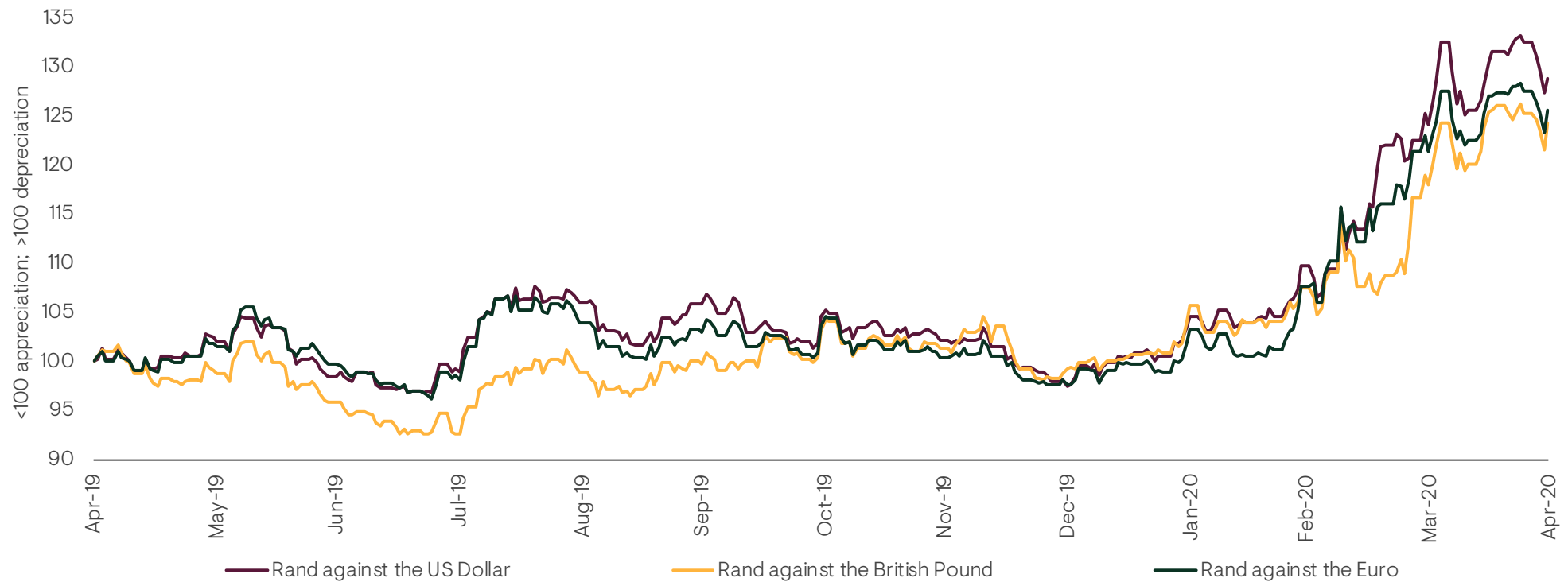
# Global market developments





# SA rand against the US dollar, pound & euro

## 12 months to 30 April 2020



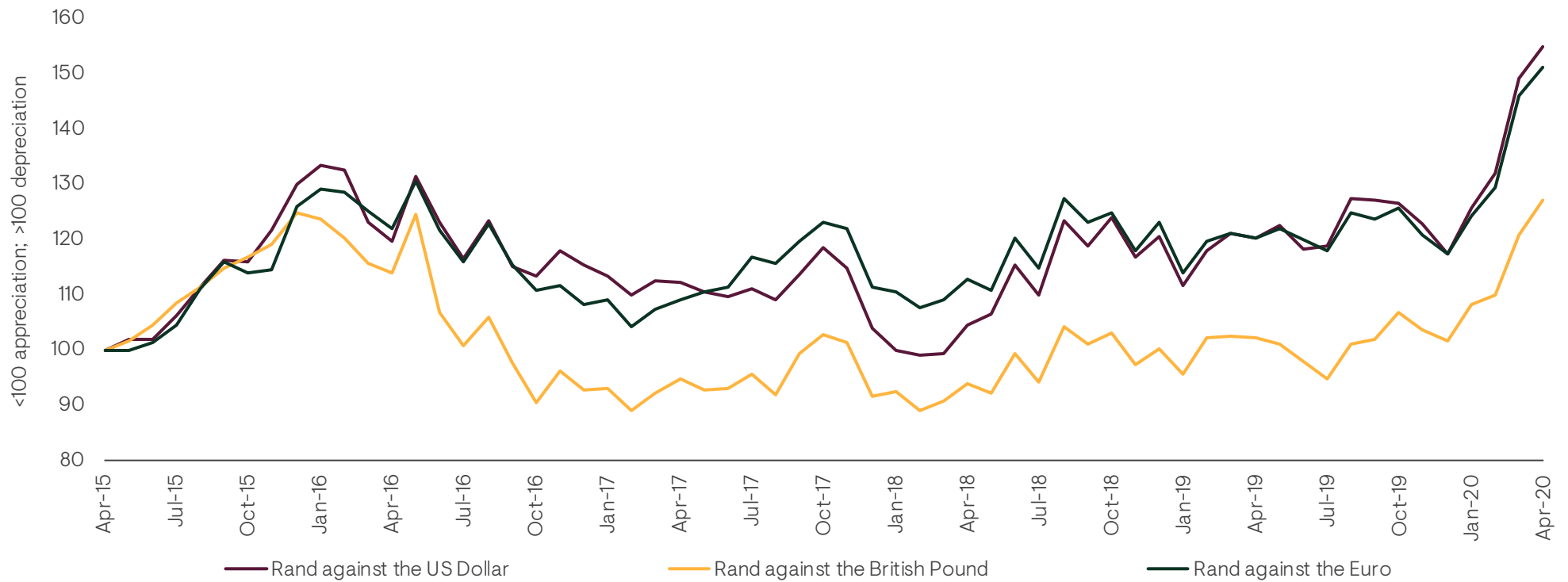
	2016	2017	2018	2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Apr 2020	YTD 2020	12 months
Rand against US\$*	-11.3%	-9.8%	16.1%	-2.8%	-2.2%	7.5%	-7.9%	27.4%	3.8%	32.2%	28.9%
Rand against £*	-25.7%	-1.1%	9.4%	1.2%	-4.4%	4.1%	-0.5%	19.0%	5.3%	25.4%	24.4%
Rand against €*	-13.9%	2.9%	10.6%	-4.7%	-1.0%	3.2%	-5.1%	24.4%	3.5%	28.7%	25.7%





# SA rand against the US dollar, pound & euro

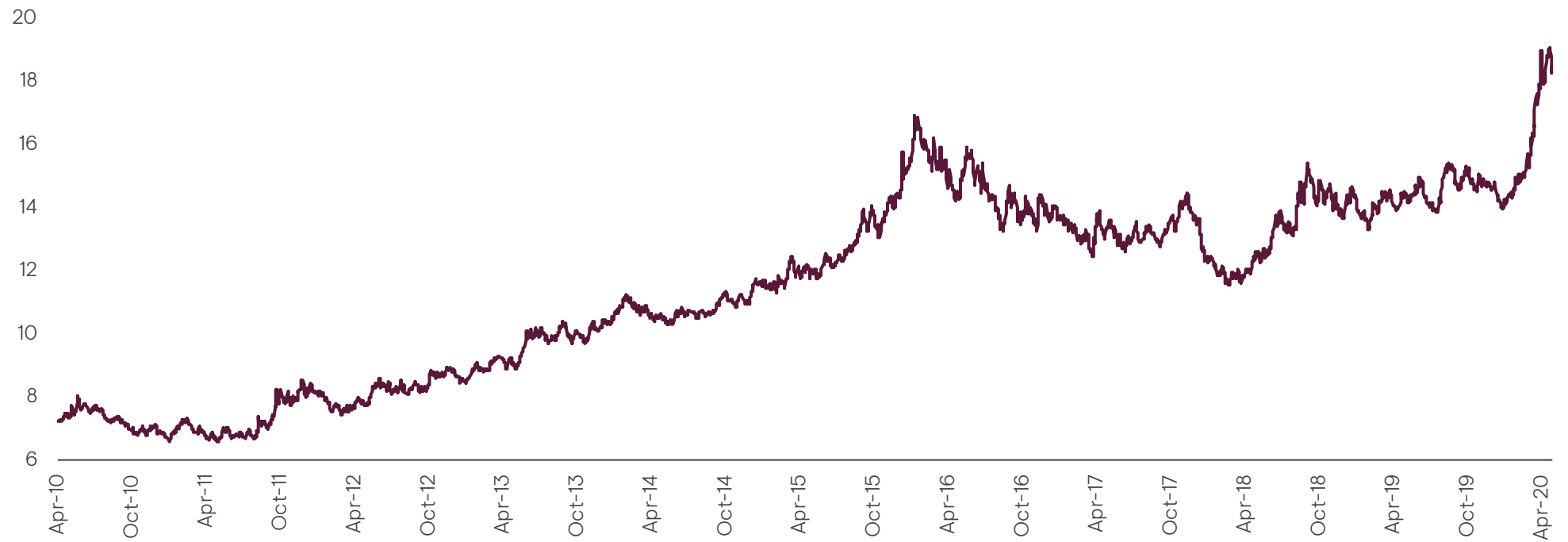
## 5 years to 30 April 2020



	Cumulative return	Annualised return
Rand against US\$*	55.0%	9.2%
Rand against £*	27.2%	4.9%
Rand against €*	51.2%	8.6%



## SA rand against the US dollar (R18.47/US\$)



# SA rand against the UK pound (R23.25/£)





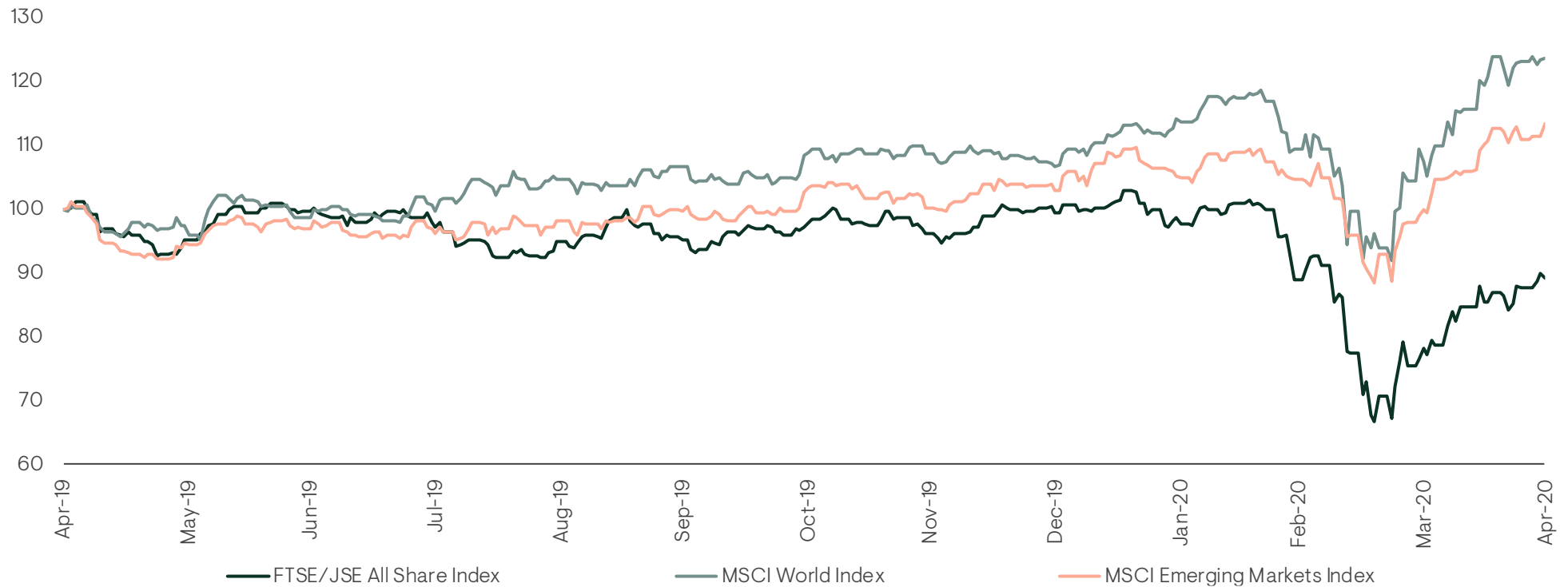
## SA rand against the euro (R20.20/€)





# SA equities vs. developed & emerging markets

12 months to 30 April 2020 (All in SA rand)

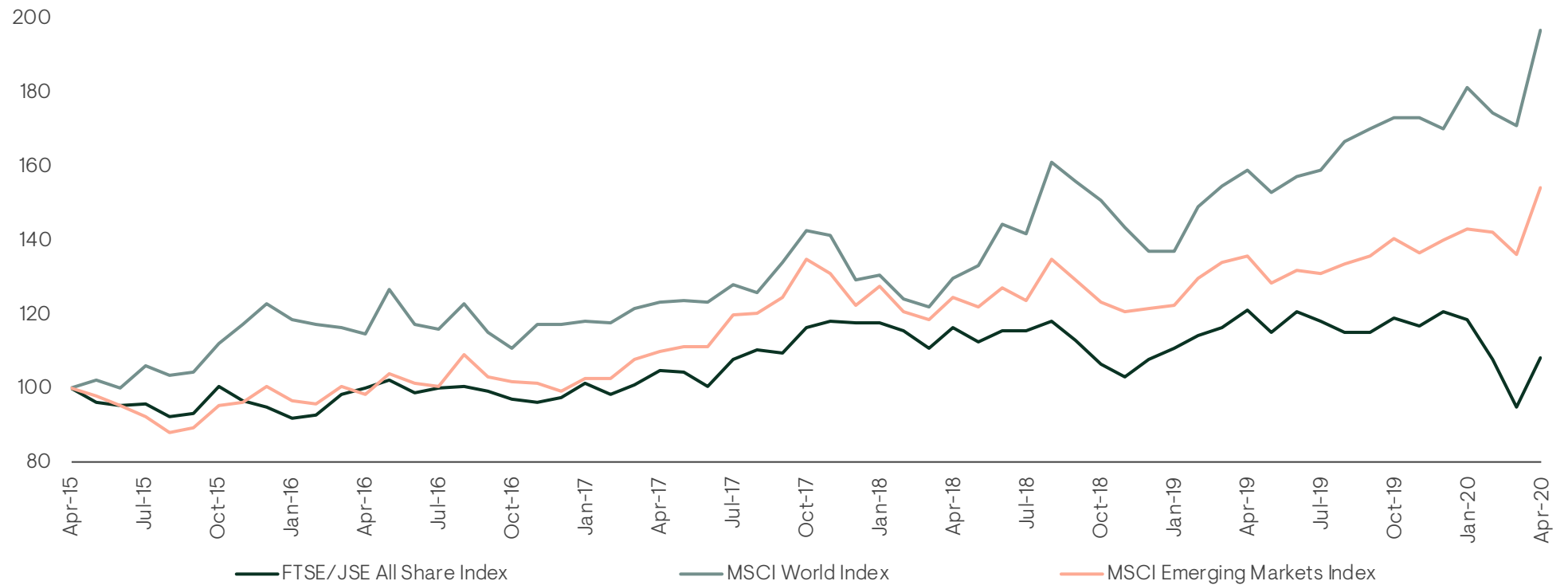


	2016	2017	2018	2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Apr 2020	YTD 2020	12 months
ALSI	2.6%	21.0%	-8.5%	12.0%	3.9%	-4.6%	4.6%	-21.4%	14.0%	-10.4%	-10.8%
Developed Markets	-4.7%	10.4%	6.0%	24.1%	1.7%	8.1%	0.0%	0.5%	15.1%	15.7%	23.7%
Emerging Markets	-1.4%	23.8%	-0.8%	15.1%	-1.6%	3.0%	3.0%	-2.7%	13.3%	10.2%	13.4%



# SA equities vs. developed & emerging markets

5 years to 30 April 2020 (All in SA rand)

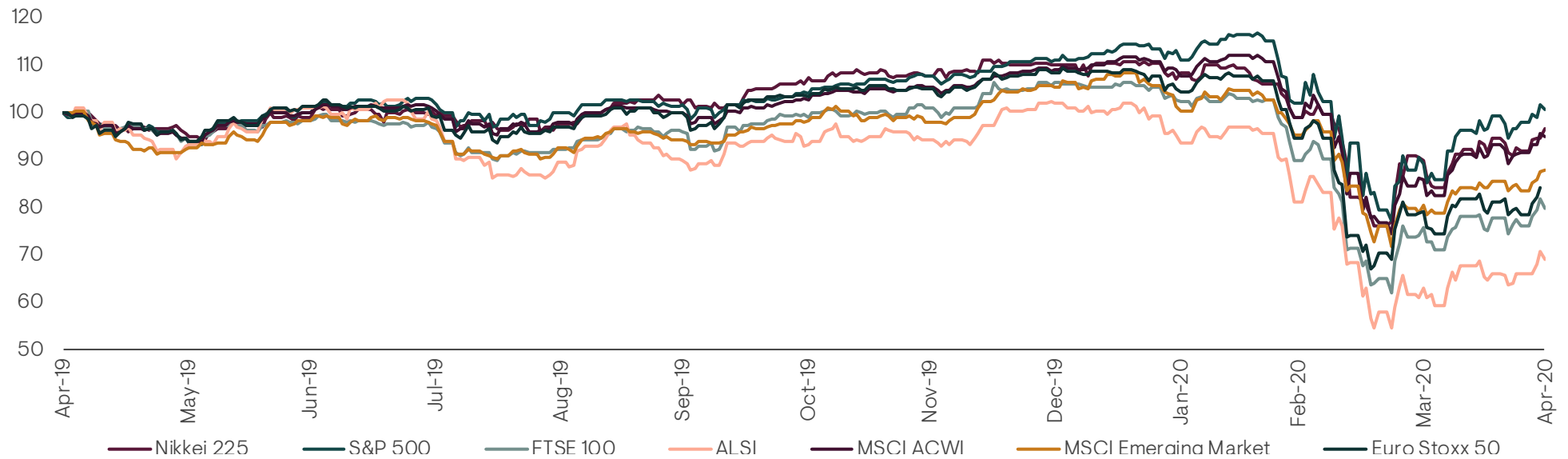


	Cumulative return	Annualised return
ALSI	8.2%	1.6%
Developed Markets	97.1%	14.5%
Emerging Markets	54.3%	9.1%



# Global equities

## 12 months to 30 April 2020 (All in US dollars)

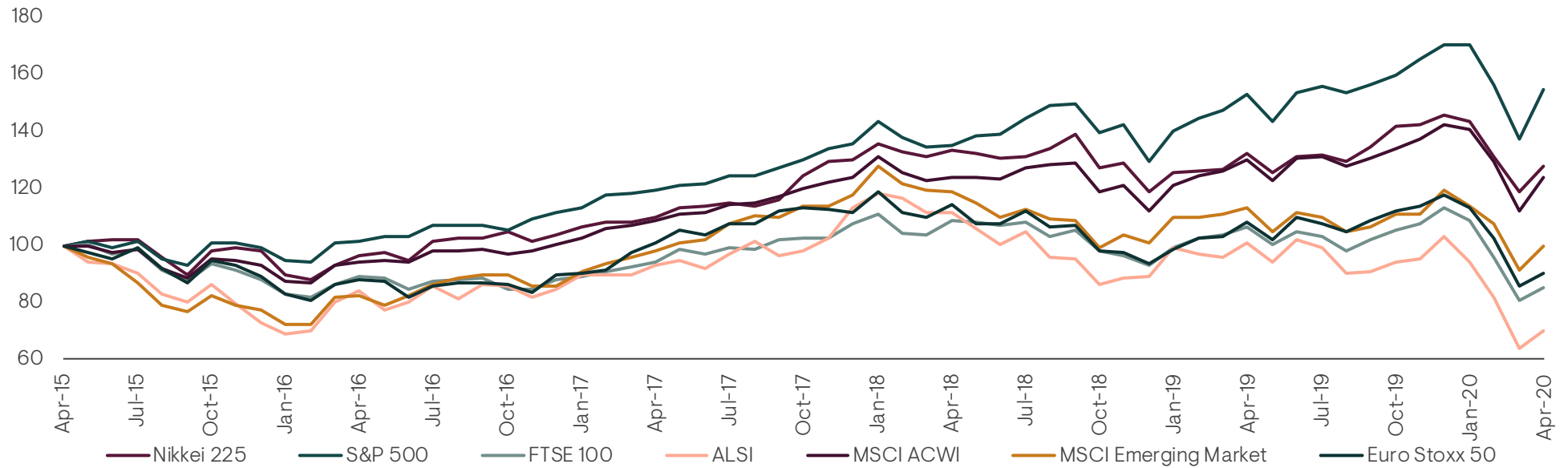


All in US Dollars	2016	2017	2018	2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Apr 2020	YTD 2020	12 months
Nikkei 225	5.9%	25.7%	-8.5%	22.4%	3.3%	2.8%	8.2%	-18.4%	7.6%	-12.2%	-3.2%
S&P 500	12.0%	21.8%	-4.4%	31.5%	4.3%	1.7%	9.1%	-19.6%	12.8%	-9.3%	0.9%
FTSE 100	-0.2%	22.6%	-14.0%	22.1%	1.0%	-2.2%	10.8%	-28.8%	5.4%	-24.9%	-20.1%
ALSI	15.7%	34.1%	-21.2%	15.3%	6.2%	-11.3%	13.6%	-38.3%	9.8%	-32.2%	-30.8%
MSCI ACWI	7.9%	24.0%	-9.4%	26.6%	3.6%	0.0%	9.0%	-21.4%	10.7%	-12.9%	-5.0%
MSCI Emerging Market	11.2%	37.3%	-14.6%	18.4%	0.6%	-4.2%	11.8%	-23.6%	9.2%	-16.6%	-12.0%
Euro Stoxx 50	0.7%	24.4%	-16.2%	25.7%	6.8%	-1.1%	8.3%	-27.1%	5.0%	-23.4%	-16.8%



# Global equities

## 5 years to 30 April 2020 (All in US dollars)



All in US Dollars	Cumulative return	Annualised return
Nikkei 225	28.0%	5.1%
S&P 500	54.7%	9.1%
FTSE 100	-14.9%	-3.2%
ALSI	-30.2%	-6.9%
MSCI ACWI	23.8%	4.4%
MSCI Emerging Market	-0.5%	-0.1%
Euro Stoxx 50	-9.9%	-2.1%



# MSCI All Countries World Index

Global equities

## MSCI ACWI (in US\$) (489)



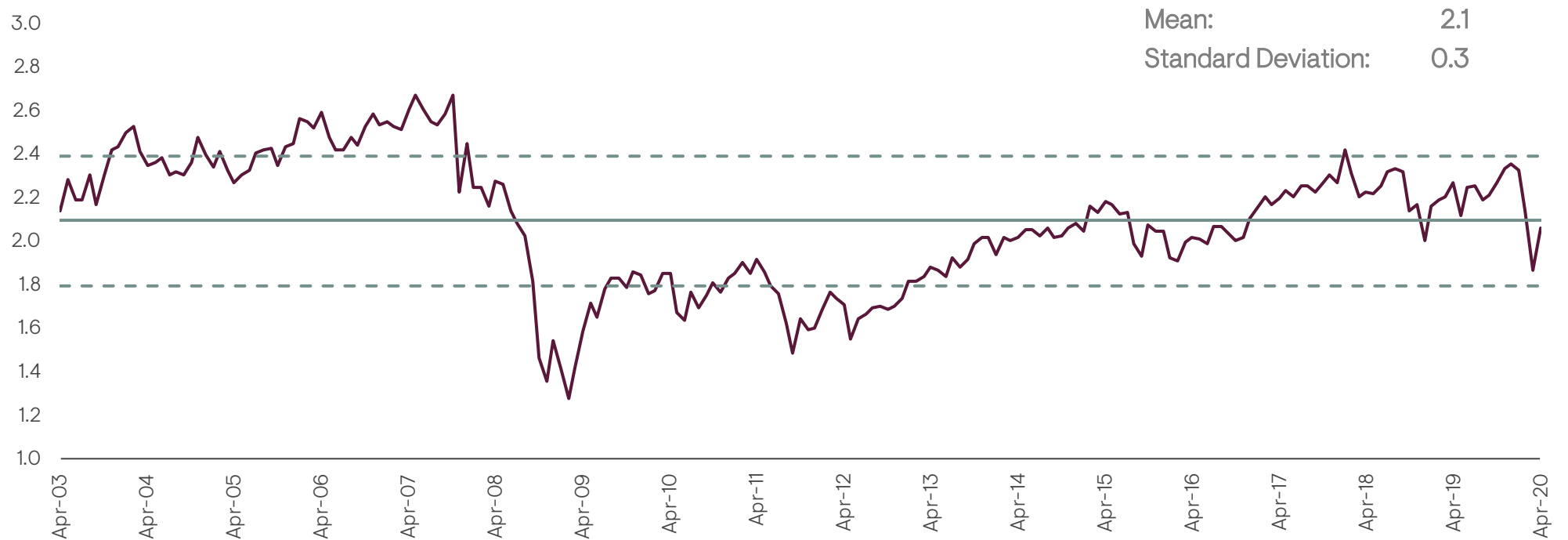
# Global equities: trailing PE ratio

## MSCI ACWI PE ratio (18.2)



# Global equities: price to book ratio

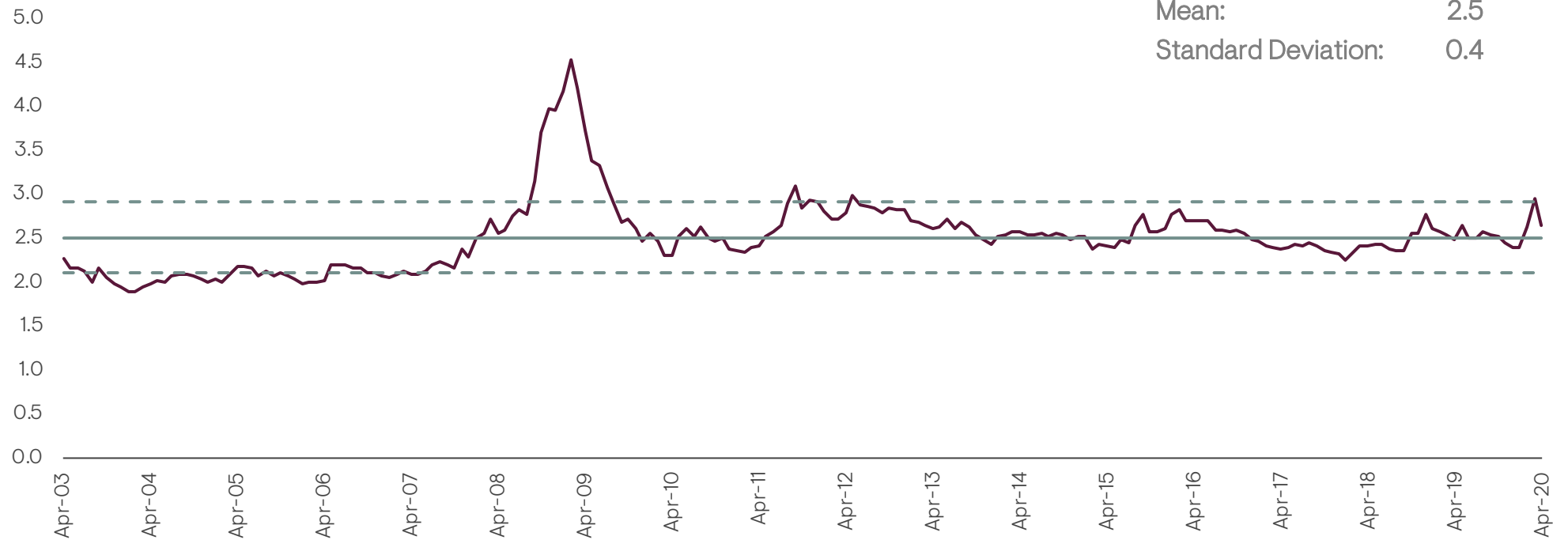
## MSCI ACWI price to book ratio (2.1)



# Global equities: dividend yield

## MSCI ACWI dividend yield (2.7%)

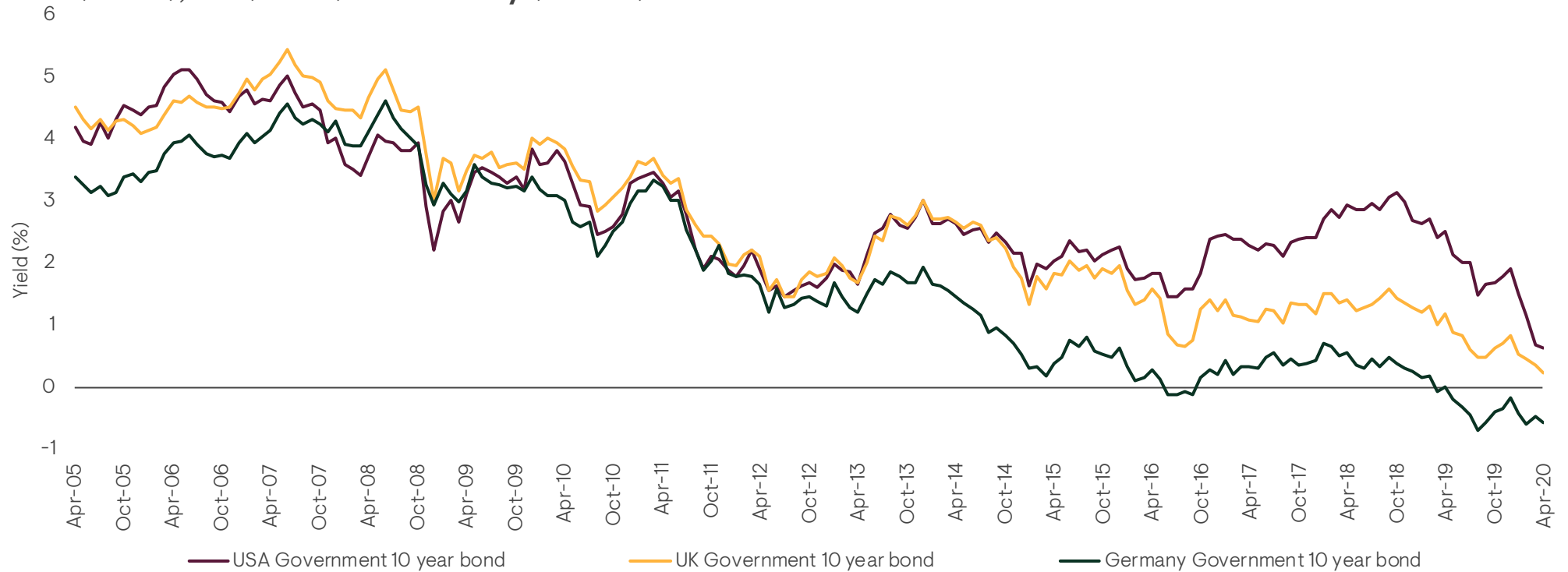
Mean: 2.5  
Standard Deviation: 0.4





# German, UK & US government bond yields drifted lower in April

Developed market 10 year government bond yields:  
USA (0.6%), UK (0.2%) & Germany (-0.6%)



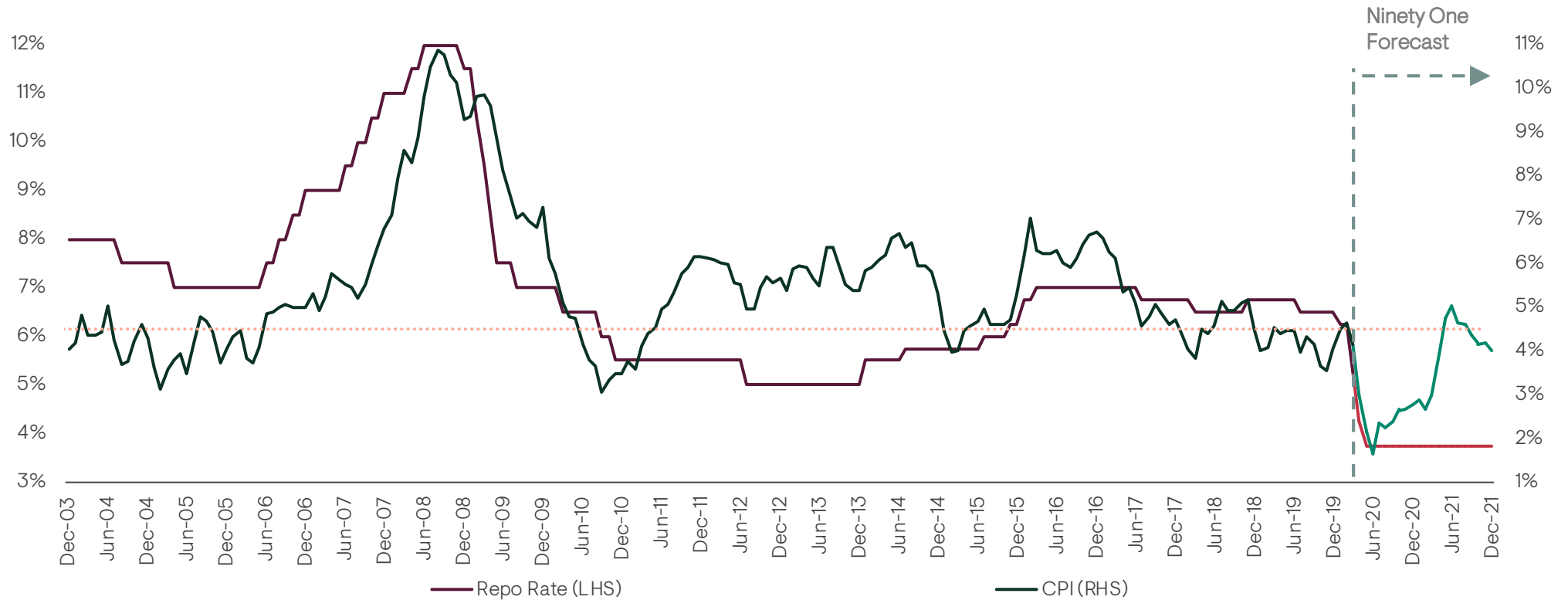
# Economic developments





# Inflation set to remain relatively benign, potentially allowing for more accommodative policy

## SA inflation and interest rate expectations

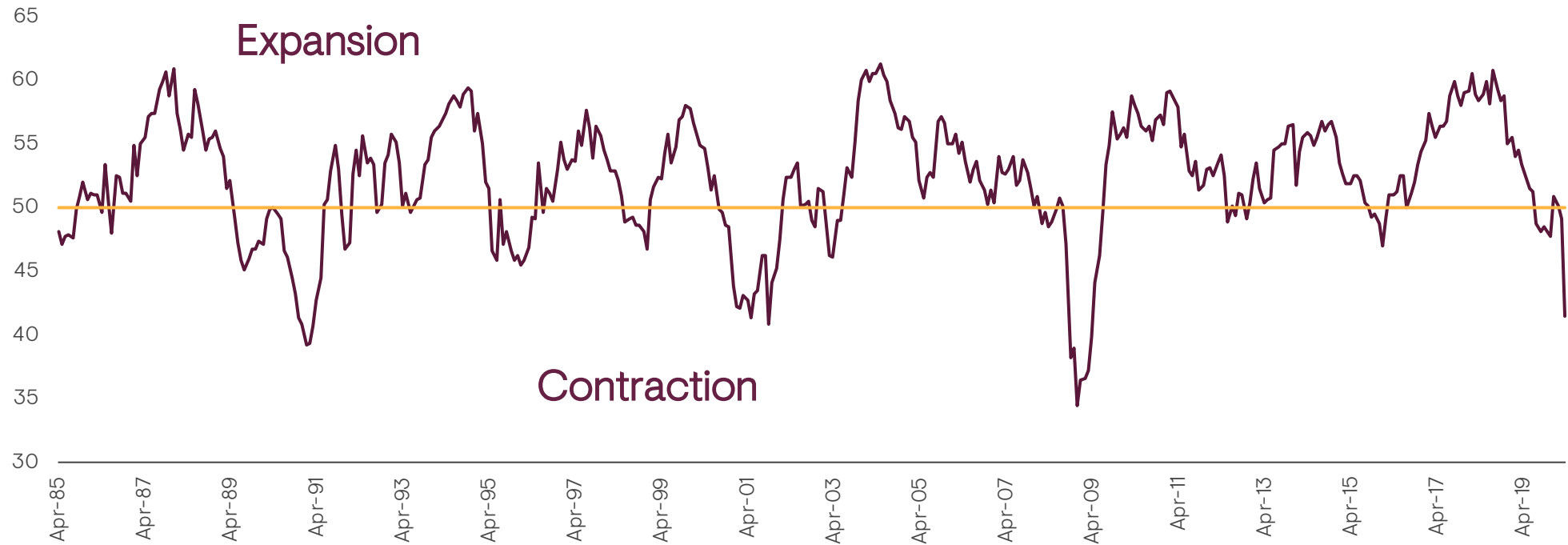


Forecasts are inherently limited and are not a reliable indicator of future results.  
Source: Ninety One as at 5 May 2020



# US manufacturing sentiment slid sharply in April

## US Institute for Supply Management Index (41.5)

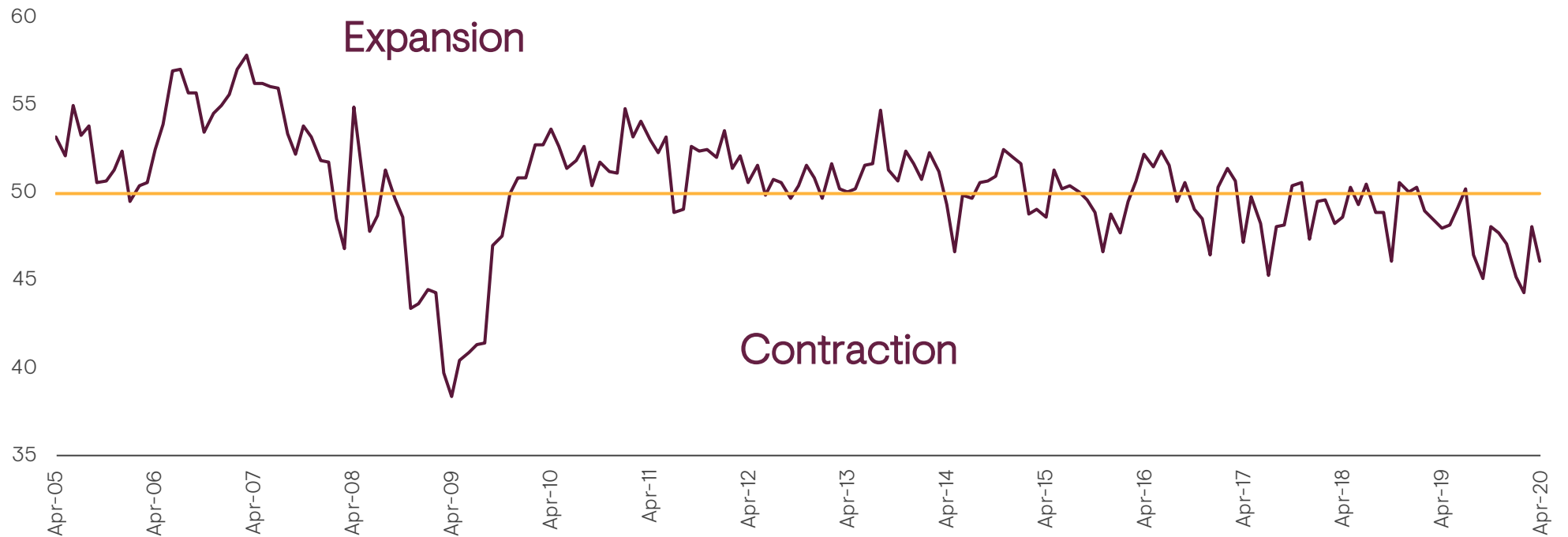






# SA manufacturing – sentiment soured in April

## SA Purchasing Managers' Index (46.1)

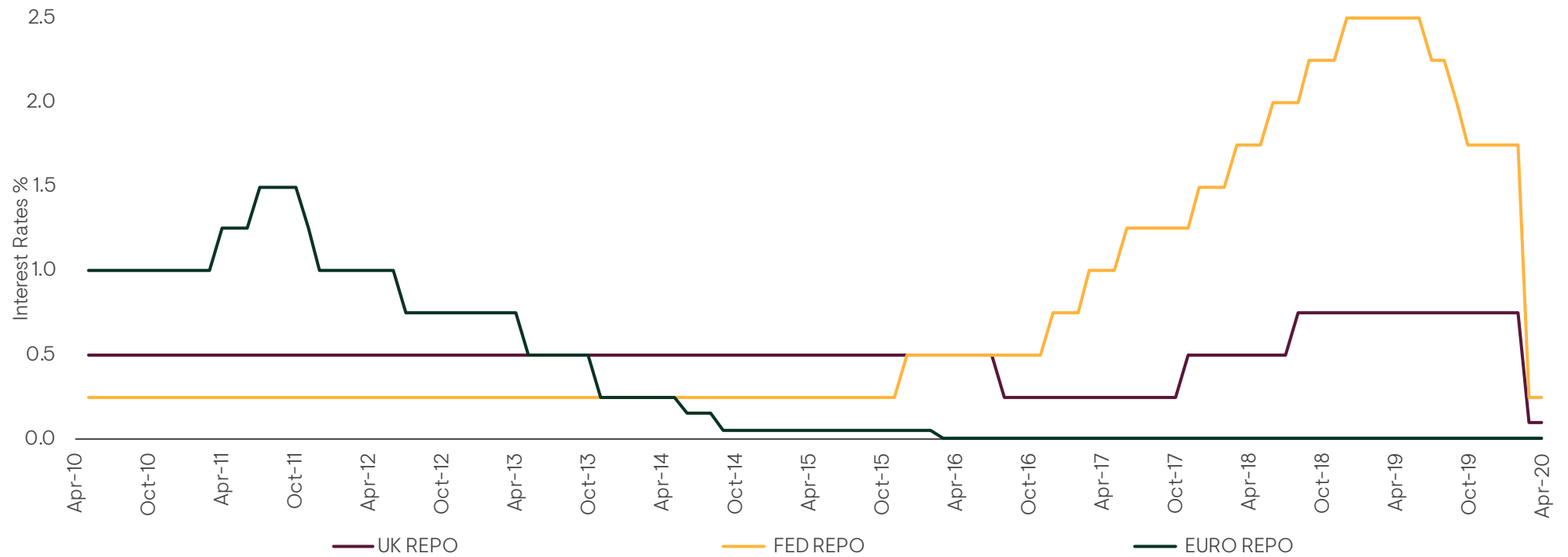




# European, UK and US rates remain very accommodative

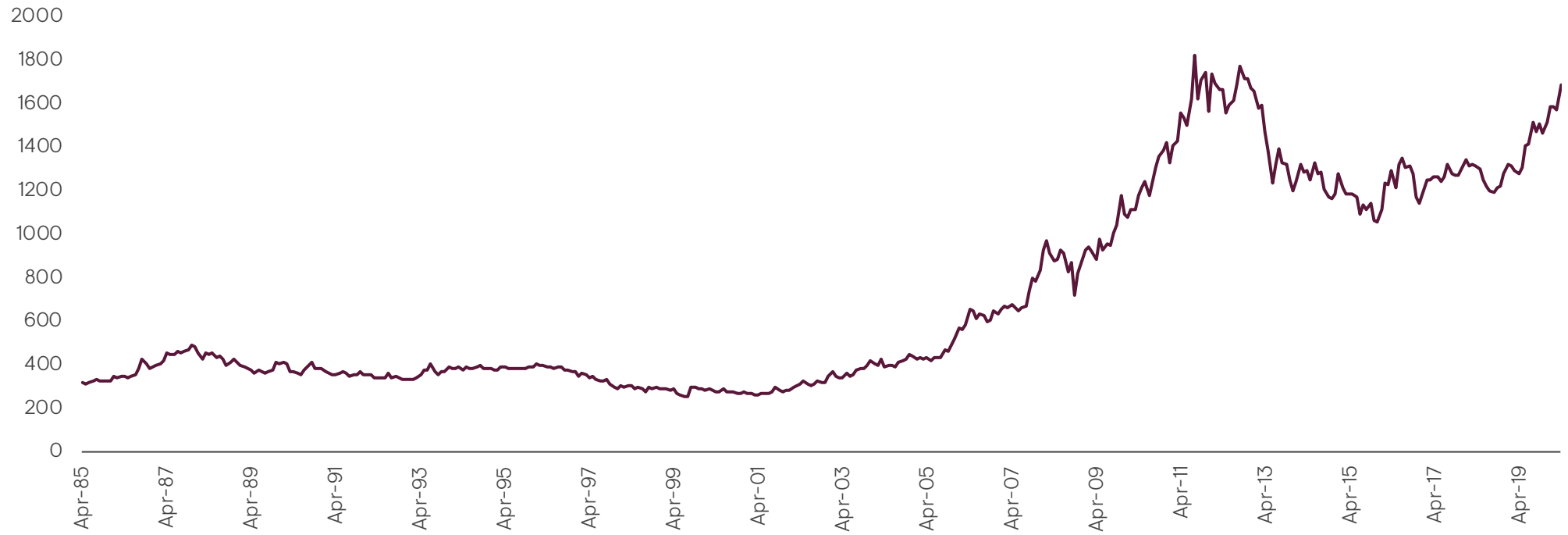
Developed market short-term interest rates:

UK (Clearing bank rate, 0.10%), US (Fed funds rate, 0.25%), EU (repo rate, 0.00%)



# US\$ gold price strengthened in April

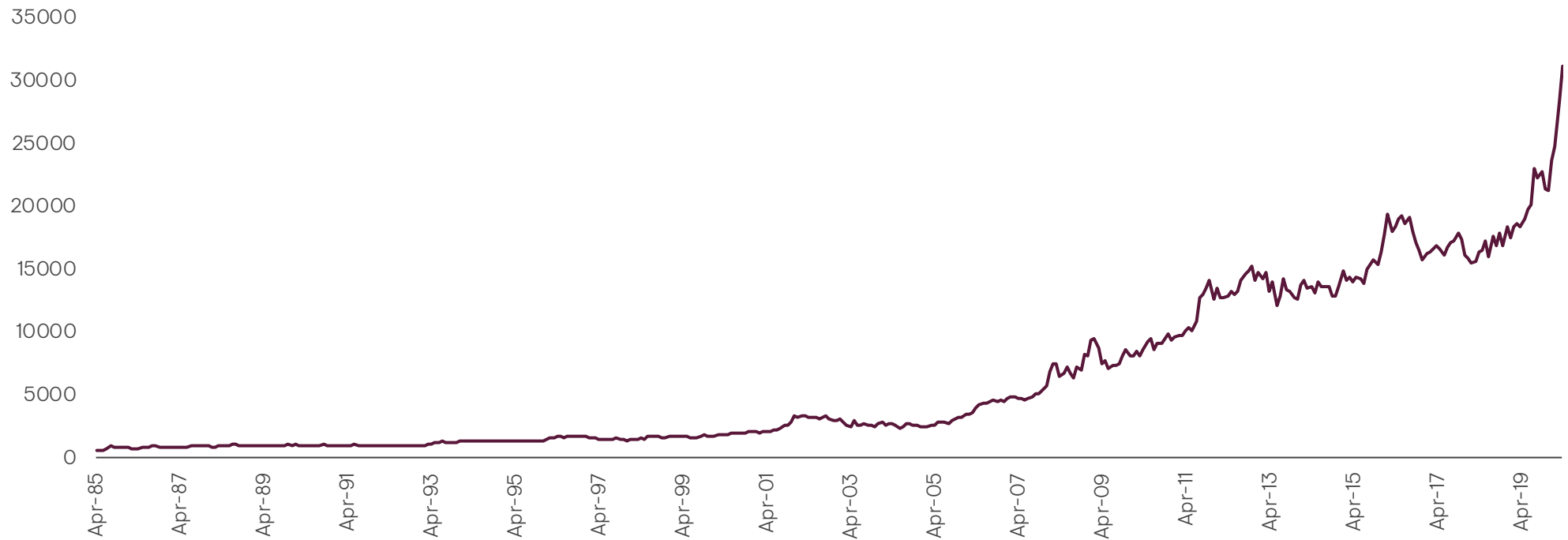
## Gold in US\$ terms (\$1,687/ounce)





# Rand gold price rose in April

## Gold price in SA rand terms (R318,205/ounce)



# US\$ oil price bounced slightly in April

Crude oil in US\$ terms (\$25.27/barrel)



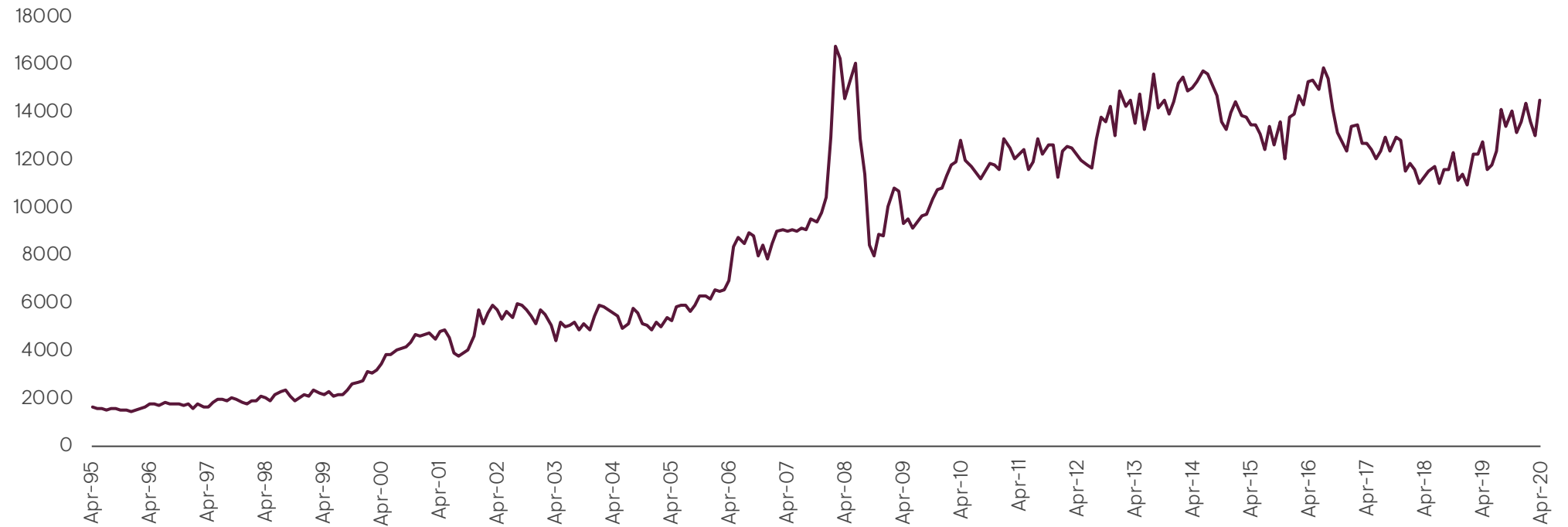
# US\$ platinum price firmed in April

## Platinum price in US\$ terms (\$786/ounce)



# Rand platinum price increased in April

## Platinum price in rand (R14,513)





Thank you

[www.ninetyone.com](http://www.ninetyone.com)







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