




**Investment
Market Report
Week Ended 06
October 2023**

 **Noble Private
Portfolios**
Independent Asset Managers

Stability | Strength | Safety

Market Highlights 06 October 2023		Bi-Weekly Move
JSE ALSI	71,657.25	-2.37%
JSE Top 40	65,926.41	-2.59%
SA Inflation	4.80%	↑
Prime Rate	11.75%	-
Dollar/Rand	19.32	+2.99%
Euro/Rand	20.45	+2.40%
Pound/Rand	23.64	+2.87%
Gold Price (\$/oz)	1831.67	-4.56%

Domestic Market

The seasonally adjusted Absa Purchasing Managers' Index decreased from 49.7 in August to 45.4 in September 2023, marking the eighth consecutive month of decline in factory activity due to increasing power disruptions of load shedding and weak domestic and external demand. Also, the S&P Global South Africa PMI was also down at 49.9 in September from 51 in August despite new businesses levels approaching growth territory. Producer price inflation was slightly up 4.3 percent in August, from 2.7 percent in July, putting an end to 12 months consecutive decline.

Domestic Asset Classes Performance week ended 06 October 2023

	1 Week	1 Month	YTD	1 year
SA Property	-0.77%	-4.61%	-9.75%	2.67%
Equity	-1.73%	-5.02%	-2.46%	8.59%
SA Int. Bearing	0.14%	-0.10%	5.49%	8.12%
Inflation	-	-	-	3.49%

Market Expectations

The SARB reports that South Africa's economic conditions remains volatile and sensitive to shock. However, investment spending by firms, households spending, public corporations and general government spending is expected to remain positive. Household disposable income continues to grow but slowly.

The Bank's forecast for South Africa's GDP growth in 2023 is slightly higher than in July, at 0.7% (from 0.4%). GDP growth forecast for 2024 and 2025 remains unchanged at 1.0% and 1.1%, respectively.

Domestic Equity Sector Performance week ended 06 October 2023

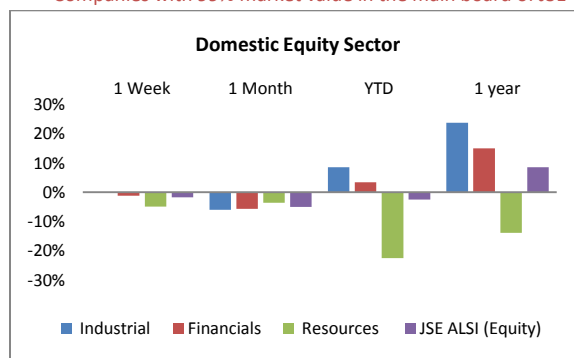
	1 Week	1 Month	YTD	1 year
Industrial*	-0.10%	-5.98%	8.56%	23.73%
Financials**	-1.12%	-5.59%	3.44%	15.03%
Resources***	-4.90%	-3.51%	-22.46%	-13.80%
JSE ALSI****	-1.73%	-5.02%	-2.46%	8.59%
SA Property	-0.77%	-4.61%	-9.75%	2.67%

*25 largest industrial companies in the ALSI.

**15 largest financial companies in the ALSI.

***20 largest basic resources and energy companies in the ALSI.

**** Companies with 99% market value in the main board of JSE



Domestic Equity Investment Style Performance week ended 06 October 2023

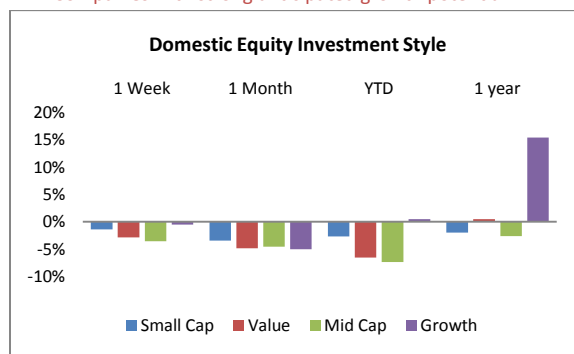
	1 Week	1 Month	YTD	1 year
Small Cap*	-1.42%	-3.44%	-2.69%	-2.01%
Value**	-2.88%	-4.87%	-6.54%	0.46%
Mid Cap***	-3.55%	-4.58%	-7.38%	-2.65%
Growth****	-0.54%	-5.02%	0.45%	15.39%

*Market cap is below R 1 Billion.

**with price lower than that of companies in the same industry

***Market cap of between R 1 Billion and R 10 Billion.

**** Companies with strong anticipated growth potential



Global Markets

Global Equity Risk comparison week ended 06 October 2023 (Standard Deviation)

	1 Week	1 Month	YTD	1 year
MSCI South Africa	-	2.1	4.0	3.4
MSCI Europe	-	1.3	2.3	2.4
MSCI USA	-	1.3	1.8	2.1
MSCI Emerging Markets	-	1.0	2.1	2.1
MSCI World	-	1.3	1.8	1.9

- MSCI is a global provider of securities and portfolio analysis tools.
- Standard deviation is a measure of risk or market volatility

United States The nonfarm payroll rose by 336,000 in September, beating market forecasts of 170,000 and signals the strongest job gain in eight months. The unemployment rate remains unchanged at 3.8 percent, suggesting that the labour market is gradually easing but remains resilient.

Europe Despite the construction PMI increasing from 43.4 in August to 43.6 in September, demand conditions remained weak, with business activity declining across all categories. Meanwhile, retail sales decreased by 1.2 percent in August, worse than market expectations of a 0.3 decrease.

Asia General Service PMI fell to 50.2 in September 2023 from 51.8 in August as a result of sluggish growth in business activity and new orders. Also, manufacturing PMI declined to 50.6 in September 2023 from 51.0 in August. However, purchasing activity rose amid improvements in supply chains.

Brent Crude Brent crude futures rose, after Russia announced a ban on fuel exports, raising further concerns about tight supplies. Russia announced it will temporary restrict exports to stabilize domestic fuel prices.

Gold weakened amid general dollar strength after the US Federal Reserve delivered a hawkish pause highlighting the sensitivity of gold to interest rates.

Global Equity Performance week 06 October 2023 (USD)

	1 Week	1 Month	YTD	1 year
MSCI South Africa	-4.55%	-7.59%	-16.74%	-5.06%
MSCI Europe	-1.88%	-4.88%	2.81%	18.21%
MSCI USA	-1.01%	-5.34%	11.31%	12.42%
MSCI Emerging Markets	-1.47%	-5.64%	-2.73%	2.28%
MSCI World	-1.39%	-5.32%	6.97%	11.49%

Managing Your Investments in Volatile times

We understand the uncertainty of these times therefore we are providing our clients with some tips that can help them navigate the tough times.

- **Keep capital in tact** investors should be more geared towards investments that protect and preserve capital as uncertainty affects performance of asset classes.
- **Spend responsibly** budgeting and priority spending help stay on course with expenses. There might be some spending that needs to be postponed after careful consideration of the economic situation and revisited at a later stage.
- **Conservative asset class framework** Keep the basket of investment within a conservative asset class structure helps reduce downside risk and of course in line with the investor's risk tolerance and capacity.
- **Be focused on your strategy** investors should maintain their long term strategic allocation and avoid panic. The market is characterised by fluctuations and therefore should not pose a significant threat to the investor.
- **Seek advice** In situations where an investor may not know what to do or is unsure the impact of any event on their investments, it is advisable for the investors to engage with one of our financial advisors for guidance.

Pensioners

Due to the investment nature of our pension clients, we recommend the following;

- Low equity exposure and higher exposure on interest bearing securities.
- Stick to conservative exposure on foreign investments.

Hope for the Future

Youth employment – a key to unlocking South Africa’s growth potential.

South African population has a vibrant and growing young demography which is likely to create labour forces and consumer markets. However, growing population needs to be taken care of, educated and employed for these gains to be achieved. In a nation where the low median age is struggling with high unemployment, solving the issue of unemployment becomes paramount. If South Africa becomes successful in combating youth unemployment, economic growth will rise and social unrests will be resolved, but failure to address youth unemployment is likely to face increasing social unrest according to report from PWC.

PWC notes that there are social challenges that create an environment of social unrest; these are as a result of differences in social status and education as well as polarisation. Higher earnings and asset returns are accessible to fewer people and as rising cost and declining real wages continue to exist; the share of wealth will continue to be in hands of fewer people giving rise to poverty. Furthermore, polarisation grows and trust in political leaders continue to wane due to rising distrust as leaders continue to fail in delivering their promise to the people.

While unemployment figure has recently improved, the country still has the highest unemployment rate in the world and addressing unemployment rate has significant gains for the country which include savings, increasing tax receipts by the government and increase in consumer spending. South Africa has the demographic ingredient to achieve these gains but needs to provide environment that can promote entrepreneurship and innovation for young people. Innovation enables fresh ideas generation that leads to productivity and subsequently gains of productivity initially outlined. This automatic cycle once created becomes an avenue for significant improvement in the country's GDP.

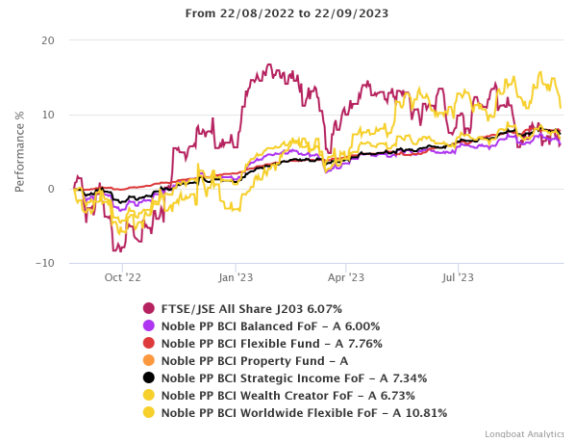
As innovative ideas thrive, it becomes easier for the government to focus on improving infrastructure and funding critical technologies, further impacting the cycle of productive gains.

TERM OF THE WEEK

Demonetization

Demonetization is the process of stripping a currency unit of its status as legal tender. This means that the currency can no longer be used to purchase goods and services or to repay debts.

Noble PP One Year Fund Performance



For sound financial advice, don't hesitate to call:

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