




**Investment
Market Report
Week Ended 08
September 2023**

 **Noble Private
Portfolios**
Independent Asset Managers

Stability | Strength | Safety

| Market Highlights 08 September 2023 | | Bi-Weekly Move |
|--|-----------|-------------------|
| JSE ALSI | 73,652.67 | +0.78% |
| JSE Top 40 | 68,020.84 | -5.00% |
| SA Inflation | 4.70% | ↓ |
| Prime Rate | 11.75% | - |
| Dollar/Rand | 19.13 | +0.74% |
| Euro/Rand | 20.47 | -0.92% |
| Pound/Rand | 23.84 | -1.49% |
| Gold Price (\$/oz) | 1919.11 | +1.57% |

Domestic Market

The PMI manufacturing index rose in August by 2.4 index points to 49.7 from 47.3 in July. However, the index has remained below the neutral 50-point level since February due to ongoing weakness in SA's industrial sector. In July, the PPI inflation rate was only 2.7 percent year-on-year less than the market expectation of 3.0%. Nonetheless, the PPI has fallen significantly from a high of 18 percent in July 2022 as a result strong base in energy and food inflation, despite electricity inflation standing at 19.1 percent in July 2023.

Domestic Asset Classes Performance week ended 08 September 2023

| | 1 Week | 1 Month | YTD | 1 year |
|-----------------|--------|---------|--------|--------|
| SA Property | -1.89% | -4.04% | -6.14% | -0.29% |
| Equity | -2.36% | -4.97% | 0.19% | 9.70% |
| SA Int. Bearing | -0.06% | 0.53% | 5.62% | 8.27% |
| Inflation | - | - | - | 3.58% |

Market Expectations

The SARB reports that South Africa's economic conditions appeared to have improved. The path of South Africa's headline inflation rate has been shaped primarily by fuel, electricity and food price inflation having fallen within the target range. While fuel price and food price were lower, electricity price was unchanged.

The Bank's forecast for South Africa's GDP growth in 2023 is slightly higher than in May, at 0.4% (from 0.3%). Energy and logistical constraints remain binding on the growth outlook, limiting economic activity and increasing costs. GDP growth forecast for 2024 and 2025 remains unchanged at 1.0% and 1.1%, respectively.

Domestic Equity Sector Performance week ended 08 September 2023

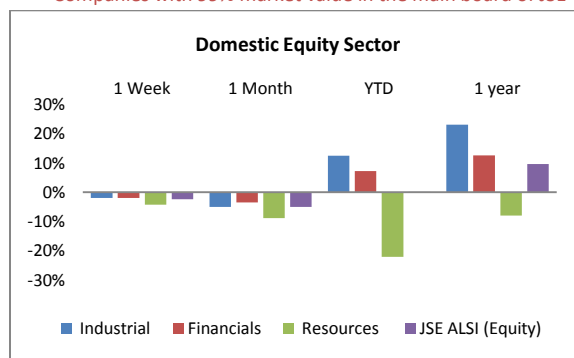
| | 1 Week | 1 Month | YTD | 1 year |
|--------------|--------|---------|---------|--------|
| Industrial* | -1.86% | -4.96% | 12.46% | 23.10% |
| Financials** | -1.91% | -3.40% | 7.30% | 12.61% |
| Resources*** | -4.19% | -8.74% | -22.01% | -7.88% |
| JSE ALSI**** | -2.36% | -4.97% | 0.19% | 9.70% |
| SA Property | -1.89% | -4.04% | -6.14% | -0.29% |

*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 08 September 2023

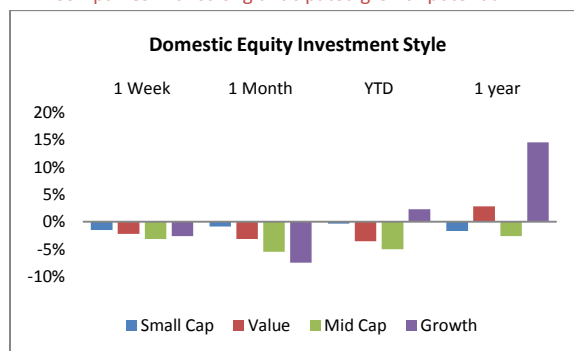
| | 1 Week | 1 Month | YTD | 1 year |
|------------|--------|---------|--------|--------|
| Small Cap* | -1.50% | -0.86% | -0.34% | -1.69% |
| Value** | -2.19% | -3.18% | -3.56% | 2.83% |
| Mid Cap*** | -3.14% | -5.46% | -5.00% | -2.64% |
| Growth**** | -2.60% | -7.49% | 2.25% | 14.51% |

*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 08 September 2023 (Standard Deviation)

| | 1 Week | 1 Month | YTD | 1 year |
|-----------------------|--------|---------|-----|--------|
| MSCI South Africa | - | 3.2 | 4.2 | 3.4 |
| MSCI Europe | - | 1.2 | 2.4 | 2.6 |
| MSCI USA | - | 1.5 | 1.8 | 2.2 |
| MSCI Emerging Markets | - | 2.3 | 2.1 | 2.3 |
| MSCI World | - | 1.6 | 1.8 | 2.0 |

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

United States Labour productivity in the nonfarm business sector increased by 3.5 percent in the second quarter of 2023 above market estimates of a 3.4 percent increase but falling short of the preliminary estimate of a 3.7 percent gain. 187 000 new jobs were added to the economy in August, according to the US labour department increasing the unemployment rate from 3.5 percent to 3.8 percent, the highest level since February 2022.

Europe The annual inflation rate was unchanged at 5.3 percent in August, slightly higher than market expectation of 5.1 percent. The core inflation rate, however, fell to 5.3 percent in line with market expectation.

Asia China's central bank cut the foreign exchange reserve requirement ratio from 6.0 percent to 4.0 percent in order to free more foreign currency in the local market. Meanwhile, the General Service PMI fell to 51.8 in August from 51.9 in July, the softest increase in services activity since the start of the year.

Brent Crude China has pledged to support economic growth amid signs of tightening global oil supplies by rolling out policies to boost consumption. However, concerns of weak recovery continue to weigh. On the supply side, Russia maintains that it will still continue its plan to cut supply.

Gold World Gold Council said that global demand for gold demand fell 2 percent year-on-year in the second quarter as central banks slowed their purchases and consumption by the technology sector remained suppressed.

Global Equity Performance week 08 September 2023 (USD)

| | 1 Week | 1 Month | YTD | 1 year |
|-----------------------|--------|---------|---------|--------|
| MSCI South Africa | -3.35% | -7.78% | -11.25% | -4.16% |
| MSCI Europe | -2.24% | -3.78% | 7.37% | 18.68% |
| MSCI USA | -1.20% | -1.43% | 16.40% | 11.83% |
| MSCI Emerging Markets | -0.69% | -4.20% | 1.80% | 1.79% |
| MSCI World | -1.24% | -2.13% | 11.94% | 11.51% |

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

SA economy remains resilient

According to Stats SA, real gross domestic product increased by 0.6 percent in the second quarter of the year, following an increase of 0.4 percent in the first quarter. In another report, total employment increased by 154,000 from the first to the second quarter of 2023 which was also about 5 percent higher compared to second quarter of 2022. This substantial increase in employment seems to align with the growth in the economy despite supply chain bottlenecks and electricity load shedding which the economy continues to face.

The significant rise in employment over the previous year is indicative and shows that private businesses are becoming more resilient to the adverse effects of power disruptions. This is important as navigating the period of incessant power cuts is necessary if businesses must be competitive. Interestingly, despite the effects of power cuts, the annual inflation for July was lower at 4.7 percent, almost within the middle of the 3-6 percent target range

Despite the resilience of private business, private consumption which accounts for over 60 percent of South Africa's GDP in 2022 continues to be weighed on by consumer sentiment. The FNB/BER Consumer Confidence Index declined to -25 in the second quarter of the year after falling -23 in the first quarter as a result of decline in income and load shedding. Hopefully with the inflation rate falling and SARB holding off rate hikes, the consumer sentiment can begin to improve as the economy is highly consumer-driven.

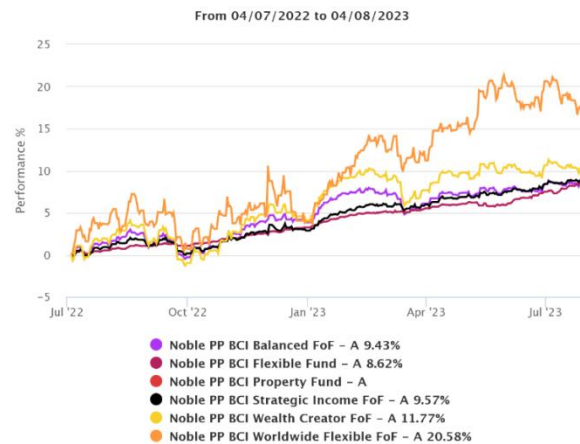
Nonetheless, businesses that serve consumers must continue to consider their customer engagement strategies in light of the current economic climate if they are to ensure continuous provision of long-term value. Electricity costs, supply disruptions, and the necessity to purchase green power have evolved into strategic drivers for power investment by South African businesses according to report by PWC.

TERM OF THE WEEK

Net Asset Value (NAV)

Net Asset Value is the net value of an investment fund's assets less its liabilities, divided by the number of shares outstanding. It is calculated at the end of each trading day based on the closing market prices of the portfolio's securities.

Noble PP One Year Fund Performance



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

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Noble PP Funds and JSE All Share Index: Performance 08/08/2022 to 08/09/2023

| | |
|---|--------|
| Noble PP BCI Worldwide Flexible FoF - A | 16.91% |
| Noble PP BCI Strategic Income FoF - A | 8.41% |
| Noble PP BCI Wealth Creator FoF - A | 8.32% |
| Noble PP BCI Flexible Fund - A | 8.30% |
| Noble PP BCI Balanced FoF - A | 7.39% |
| FTSE/JSE All Share J203 | 4.82% |
| Noble PP BCI Property Fund - A | -- |

