




**Investment  
Market Report  
Week Ended 19  
January 2024**

 **Noble Private  
Portfolios**  
Independent Asset Managers

Stability | Strength | Safety

Market Highlights 19 January 2024		Bi- Weekly Move
JSE ALSI	72,660.91	-3.49%
JSE Top 40	66,346.30	-4.06%
SA Inflation	5.50%	↓
Prime Rate	11.75%	-
Dollar/Rand	19.02	+3.65%
Euro/Rand	20.70	+2.88%
Pound/Rand	24.18	+3.52%
Gold Price (\$/oz)	2,029.54	-0.33%

Negative value on exchange rates signifies strengthening of ZAR

### Domestic Market

Mining production in South Africa increased by 6.8 percent from a year ago in November 2023, surpassing market forecasts of a 3 percent rise. It marks the second consecutive month of growth in mining activity primarily due to the increased output from PGMs, coal and iron ore. Retail trade shrank by 0.9 percent from a year earlier in November 2023, following a downwardly revised 2.3 percent rise in the prior month. It marks the second consecutive month of declines in retail activity.

### Domestic Asset Classes Performance week ended 19 January 2024

	1 Week	1 Month	YTD	1 year
SA Property	-1.02%	0.21%	-2.31%	-1.05%
Equity	-2.02%	-2.63%	-5.92%	-9.42%
SA Int. Bearing	0.01%	0.56%	0.35%	8.72%
Inflation	-	-	-	5.22%

### 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.

SARB forecast for South Africa's GDP growth in 2023 has slightly increased to 0.8 percent from 0.7 percent. GDP growth forecast for 2024 and 2025 is also higher at 1.2 percent and 1.3 percent from, 1.0 percent and 1.1 percent respectively.

### Domestic Equity Sector Performance week ended 19 January 2024

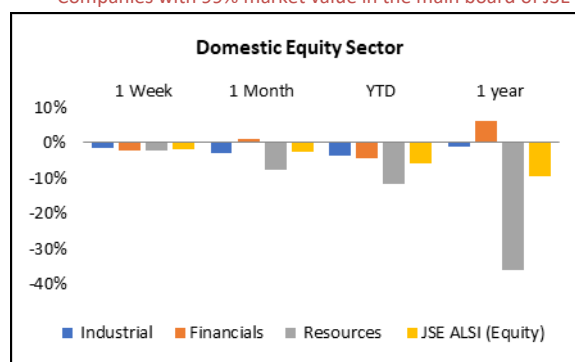
	1 Week	1 Month	YTD	1 year
Industrial*	-1.60%	-2.98%	-3.74%	-0.96%
Financials**	-2.33%	1.13%	-4.49%	6.30%
Resources***	-2.39%	-7.53%	-11.69%	-36.08%
JSE ALSI****	-2.02%	-2.63%	-5.92%	-9.42%
SA Property	-1.02%	0.21%	-2.31%	-1.05%

\*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 19 January 2024

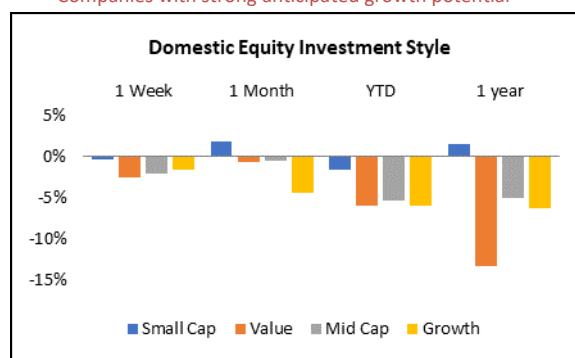
	1 Week	1 Month	YTD	1 year
Small Cap*	-0.38%	1.89%	-1.66%	1.50%
Value**	-2.50%	-0.72%	-5.91%	-13.28%
Mid Cap***	-2.00%	-0.52%	-5.37%	-4.98%
Growth****	-1.54%	-4.43%	-5.92%	-6.24%

\*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 19 January 2024 (Standard Deviation)

	1 Week	1 Month	YTD	1 year
MSCI South Africa	-	3.8	2.8	3.9
MSCI Europe	-	1.0	0.5	2.1
MSCI USA	-	0.2	1.8	1.7
MSCI Emerging Markets	-	2.1	0.8	1.7
MSCI World	-	0.6	1.5	1.6

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

**United States** Retail sales in the US rose 0.6 percent month-on-month in December 2023, following a 0.3 percent rise in November. It is the biggest increase in three months. Industrial production also rose 0.1 percent. In addition, manufacturing output, rose by 0.1 percent in the same period.

**Europe** The inflation rate in the Euro Area was higher at 2.9 percent in December 2023, up from an over two-year low of 2.4% seen in November. mainly driven by energy base effects. Construction output declined by 2.2 percent in November of 2023, the sharpest decline since February of 2021.

**Asia** The Chinese economy grew by a seasonally adjusted 1.0 percent in the last quarter of 2023, matching market expectations but moderating from an upwardly revised 1.5 percent increase in Q3. Retail sales rose by 7.4 percent in December 2023, slowing from a 10.1 percent increase in November.

**Brent Crude** escalating turmoil in the Middle East continues to adversely affect the prices of oil, fuelling fears of global supply disruptions even as the US reported a higher inventory draw.

**Gold** reports of the US monthly retail sales beating forecasts has reignited fresh concerns that interest rates could stay high for a longer period denting the appeal of gold, as the metal thrives under lower interest rate conditions.

## Global Equity Performance week 19 January 2024 (USD)

	1 Week	1 Month	YTD	1 year
MSCI South Africa	-3.80%	-5.42%	-10.19%	-18.49%
MSCI Europe	-1.31%	-1.49%	-3.41%	3.01%
MSCI USA	-0.01%	0.70%	0.10%	22.14%
MSCI Emerging Markets	-3.36%	-3.66%	-6.10%	-6.67%
MSCI World	-0.75%	-0.04%	-1.37%	13.18%

### 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.

- **Stay invested** It is important to stay invested over the long term, even when markets are volatile. This is because stock markets have historically trended upwards over time. Trying to time the market can be difficult and costly, so it is generally best to stay invested and ride out the volatility.
- **Diversify** diversification helps in reducing overall risk, as not all asset classes will perform the same way at the same time.
- **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.
- **Don't panic sell** Panic selling can lead to you selling investments at a loss. Instead, investors should focus on long-term investment goals and plan.
- **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.
- Don't try to time the market. Instead, focus on investing for the long term.

## Hope for the Future

### Economic outlook for the year 2024

With an anticipated annual inflation rate of less than average and an interest rate-cutting cycle beginning in 2024, South Africa's economic growth outlook for 2024 is 1 percent stronger than that of 2023 as growth in the world economy is anticipated to add support to the South African economy. Load shedding is expected to continue through 2024, and could potentially worsen due to insufficient capacity. However, the condition is expected to improve as more capacity from private sector generation in 2025.

Further cuts of the annual inflation rate are expected in 2024 as downward pressure from falling fuel prices helped push the inflation rate lower towards the last quarter of 2023. The SARB's MPC will most likely wait until CPI inflation runs around or below, 4.5% before a possible interest rate cut. Inflation rate is expected to brake to 4.8% this year according to Reuters. In 2025 inflation is forecast to slow to 4.5% - in the middle of the South African Reserve Bank's target range.

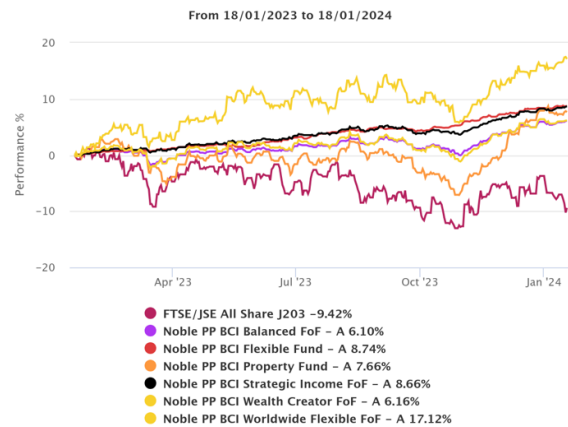
According to report from PWC, challenges associated with macroeconomic volatility are putting pressure on South African companies. In 2023Q3, local firm income rose, but net profit before tax and dividends paid fell 17.8% and 33.21% year over year, respectively. International supply chains are being disrupted by geopolitical tensions on a global scale. Additionally, local obstacles to port and rail services affect South African businesses, putting pressure on logistics due to cargo delays. Supply chain localization could lessen reliance on outside sources and increase corporate resilience by focusing instead on local sources for money, innovation, labour, commodities and services.

## TERM OF THE WEEK

### Rent seeking

Rent seeking occurs when people or an entity seeks to gain increased wealth without any corresponding contribution to production.

### Noble PP One Year Fund Performance



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## Noble PP Fund Performance

Fund	Return (%)	1 year	3years	5 years	10years	Inception	Ranking
Noble PP Strategic FoF	Cumulative	8.68	14.78	26.02	75.09	288.03	
	Annualised	8.68	4.7	4.73	5.76	7.69	16/154
Noble PP Balanced FoF	Cumulative	8.24	13.58	21.79	69.34	307.16	
	Annualised	8.24	4.34	4.02	5.41	7.98	6/100
Noble PP BCI Wealth Creator FoF	Cumulative	10.36	12.34	19.24	63.46	320.37	
	Annualised	10.36	3.95	3.58	5.04	8.16	52/221
Noble PP BCI Worldwide Flexible FoF	Cumulative	17.39	-	-	-	12.13	
	Annualised	17.39	-	-	-	5.77	11/55
Noble PP BCI Flexible Fund	Cumulative	7.64	16.19	32.34	90.17	182.2	
	Annualised	7.64	5.13	5.76	6.64	7.08	4/52
Noble PP BCI Property Fund	Cumulative	6.27	-	-	-	-1.69	
	Annualised	6.27	-	-	-	-1.61	NA