




**Investment
Market Report
Week Ended 20
October 2023**

 **Noble Private
Portfolios**
Independent Asset Managers

Stability | Strength | Safety

Market Highlights 20 October 2023		Bi-Weekly Move
JSE ALSI	70,198.01	-2.04%
JSE Top 40	64,598.64	-2.01%
SA Inflation	5.40%	↑
Prime Rate	11.75%	-
Dollar/Rand	18.96	-1.86%
Euro/Rand	20.08	-1.81%
Pound/Rand	23.04	-2.54%
Gold Price (\$/oz)	1991.32	+8.72%

Domestic Market

The annual inflation rate accelerated to 5.4 percent in September, up from 4.8 percent in August but remains within SARB's 3%-6% target band. Whereas the annual core inflation, which excludes fuel and energy, eased to 4.5 percent. In August, manufacturing production increased by 1.6 percent, marking a fifth straight month of growth in production. However, mining production was down 2.5 percent in August, highlight two consecutive month of slump in mining activity. Retail trade was also lower in the same period, falling by 0.5 percent.

Domestic Asset Classes Performance week ended 20 October 2023

	1 Week	1 Month	YTD	1 year
SA Property	-2.05%	-4.27%	-11.37%	-5.63%
Equity	-3.31%	-3.85%	-2.86%	8.09%
SA Int. Bearing	-0.14%	0.15%	5.89%	8.34%
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 20 October 2023

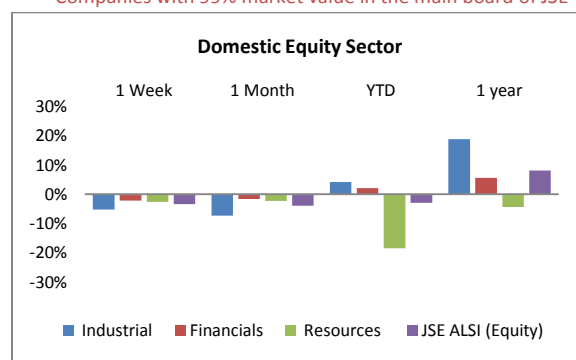
	1 Week	1 Month	YTD	1 year
Industrial*	-5.15%	-7.21%	4.16%	18.81%
Financials**	-2.13%	-1.62%	2.14%	5.58%
Resources***	-2.54%	-2.21%	-18.39%	-4.37%
JSE ALSI****	-3.31%	-3.85%	-2.86%	8.09%
SA Property	-2.05%	-4.27%	-11.37%	-5.63%

*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 20 October 2023

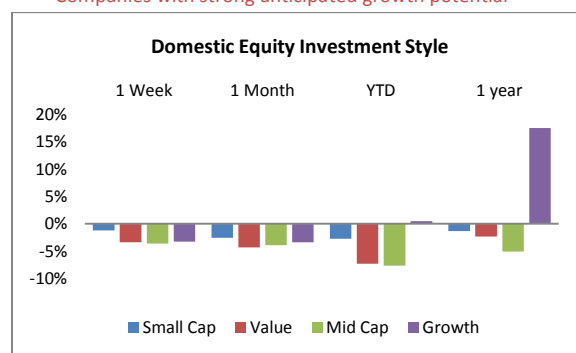
	1 Week	1 Month	YTD	1 year
Small Cap*	-1.20%	-2.59%	-2.74%	-1.31%
Value**	-3.36%	-4.29%	-7.30%	-2.32%
Mid Cap***	-3.62%	-3.94%	-7.66%	-5.07%
Growth****	-3.26%	-3.41%	0.46%	17.45%

*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 20 October 2023 (Standard Deviation)

	1 Week	1 Month	YTD	1 year
MSCI South Africa	-	4.1	4.1	3.6
MSCI Europe	-	2.7	2.3	2.4
MSCI USA	-	2.5	1.8	1.9
MSCI Emerging Markets	-	1.4	2.1	2.0
MSCI World	-	2.3	1.8	1.8

- 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 climbed 0.7 percent in September after an upwardly revised 0.8 percent increase in August pointing to robust consumer spending despite high prices and borrowing costs. Manufacturing production advanced 0.4 percent in September, following a revised 0.1 percent decrease in August.

Europe Euro Area inflation rate confirmed at 4.3 percent in September, lower than 5.2 percent in August and the lowest since October 2021, as prices increased at a slower pace. The core inflation rate also came up at 4.5 percent in the same period, the lowest reading in fifteen months.

Asia The Chinese economy advanced by seasonally adjusted 1.3 percent in the third quarter of the year, boosted by monetary stimulus from the central bank. Retail sales also rose by 5.5 percent in September exceeding market estimates of 4.9 percent. Meanwhile, the People's Bank of China left lending rates unchanged.

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 20 October 2023 (USD)

	1 Week	1 Month	YTD	1 year
MSCI South Africa	-3.54%	-3.35%	-13.67%	0.13%
MSCI Europe	-2.92%	-4.71%	2.86%	19.47%
MSCI USA	-1.72%	-3.73%	11.79%	15.85%
MSCI Emerging Markets	-3.31%	-4.48%	-2.67%	7.49%
MSCI World	-2.20%	-4.31%	7.25%	14.87%

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.
- **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

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.

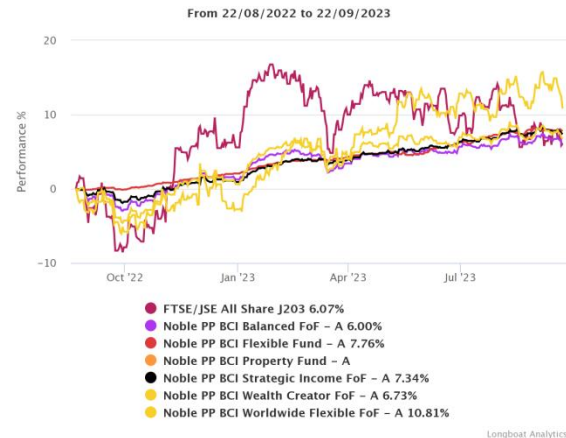
As innovative ideas thrive, it becomes easier for the government to focus on improving infrastructure and funding critical technologies, further impacting the cycle of productive gains.

TERM OF THE WEEK

Enterprise Value

Enterprise value (EV) is a measure of a company's total value, including its equity and debt. It is used as a tool for investors and analysts who are looking to get a more complete picture of a company's value.

Noble PP One Year Fund Performance



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

Piet De Jongh – 082 578 3798

Pieter Van Zyl – 083 445 2181

Hester Du Preez – 082 376 6414

Compiled by:

Mitchell Dibua

+27 81 27 333 88