




**Investment  
Market Report  
Week Ended 31  
March 2023**

 **Noble Private  
Portfolios**  
**Independent Asset Managers**

Stability | Strength | Safety

Market Highlights 31 March 2023		Bi-Weekly Move
JSE ALSI	76,100.17	+4.93%
JSE Top 40	70,497.70	+5.22%
SA Inflation	7.0%	↑
Prime Rate	11.25%	↑
Dollar/Rand	17.79	-3.21%
Euro/Rand	19.29	-1.63%
Pound/Rand	21.94	-2.10%
Gold Price (\$/oz)	1,969.69	-0.46%

## Domestic Market

SARB raised its policy rate by 50 bps to 7.75 percent at its March meeting, above market expectation of 25 bps increase. This brings the interest rate to the highest since May 2009 and 9th consecutive rate increase since the start of policy normalization in November 2021. On the other hand the annual inflation rate unexpectedly rose to 7 percent, from 6.9 percent last month, marking the first increase in four months. The FNB/BER Consumer Confidence Index fell to -23 points in the first quarter of 2023 due to severe electricity shortages.

### Domestic Asset Classes Performance week ended 31 March 2023

	1 Week	1 Month	YTD	1 year
SA Property	1.1%	-4.4%	-5.3%	-12.2%
Equity	2.7%	-1.3%	5.0%	1.6%
SA Int. Bearing	0.2%	0.7%	2.3%	6.8%
Inflation	-	-	-	5.3%

## Market Expectations

According to Statistics South Africa, the country added 169,000 jobs in the fourth quarter of 2022, increasing total employment to 15.93 million. In total, the country created 1.39 million jobs last year, an increase of 9.6 percent. However, compared to the job created last year, PWC forecasts that just 100,000 jobs will be added in 2023. As a result, the unemployment rate is expected to increase to 33.3 percent in 2023 from 32.7 percent in the last quarter of 2022 due to deteriorating supply-chain infrastructure and slow growth in workers' compensation.

With regards to GDP and inflation expectation, the SARB forecast a growth of 0.2 percent in 2023 and 1.0 percent in 2024 while inflation expectations are expected to be 6.3 percent for 2023 and 5.8 percent for 2024 due to load

shedding and logistics constraints. The bank maintains the risks to inflation are still assessed to the upside due to high food, electricity and fuel costs.

### Domestic Equity Sector Performance week ended 31 March 2023

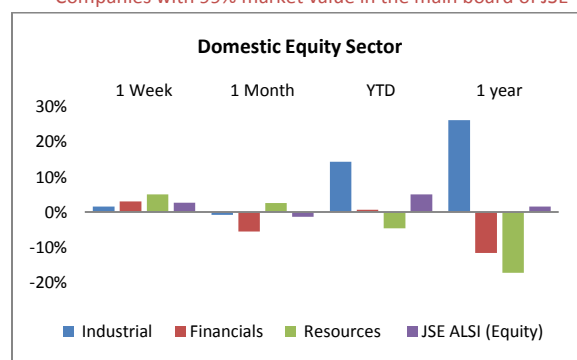
	1 Week	1 Month	YTD	1 year
Industrial*	1.6%	-0.7%	14.3%	26.2%
Financials**	3.0%	-5.5%	0.7%	-11.6%
Resources***	5.0%	2.6%	-4.6%	-17.3%
JSE ALSI****	2.7%	-1.3%	5.0%	1.6%
SA Property	1.1%	-4.4%	-5.3%	-12.2%

\*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 31 March 2023

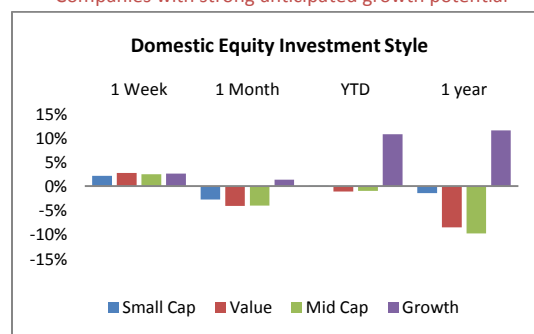
	1 Week	1 Month	YTD	1 year
Small Cap*	2.2%	-2.8%	0.0%	-1.4%
Value**	2.8%	-4.1%	-1.1%	-8.5%
Mid Cap***	2.5%	-4.0%	-1.0%	-9.8%
Growth****	2.6%	1.4%	10.7%	11.6%

\*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 31 March 2023 (Standard Deviation)

	1 Week	1 Month	YTD	1 year
MSCI South Africa	-	3.7	3.8	4.4
MSCI Europe	-	0.5	2.5	3.3
MSCI USA	-	1.5	2.2	3.1
MSCI Emerging Markets	-	2.7	2.4	2.6
MSCI World	-	1.3	2.0	2.8

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

**United States** Core PCE price index slowed down to 4.6 percent in February from the 4.7 percent in January, raising hopes that the Federal Reserve could ease the rate of policy tightening. However, the economy rose at an annualized rate of 2.6 percent on the last quarter of 2022.

**Europe** Economic sentiment indicator in the Euro Area fell to 99.3 in March, down from a revised 99.6 in the previous month and slightly below market expectations of 99.8. Meanwhile the consumer price inflation rate fell to 6.9 percent in March. The S&P Global Eurozone Manufacturing PMI fell to 47.1 in March below market expectations of 49.

**Asia** The yield on China's 10-year government bond fell to 2.85 percent in March, tracking a general retreat in global bond yields amid concerns about the banking sector's health. The official NBS Manufacturing PMI fell to 51.9 in March.

**Brent Crude** investors are optimistic about China's recovery, as rebound in China economy is likely to cushion the impact of slower global growth. Meanwhile, Saudi Arabia said that OPEC should keep supplies steady in 2023 due to fragile demand.

**Gold** steadies as investors continue to reassess the possibility of interest rates reaching the peak in this tightening cycle due to easing of global inflationary pressures.

## Global Equity Performance week 31 March 2023 (USD)

	1 Week	1 Month	YTD	1 year
MSCI South Africa	3.6%	2.6%	-1.3%	-23.3%
MSCI Europe	5.0%	2.0%	9.9%	-1.3%
MSCI USA	3.6%	3.4%	7.3%	-10.0%
MSCI Emerging Markets	1.9%	2.7%	3.5%	-13.3%
MSCI World	3.5%	2.8%	6.8%	-9.1%

### 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.

# TERM OF THE WEEK

## **Contagion**

Contagion is the spread of crisis from one market to another and can occur at domestic and international levels.

## **Compiled by:**

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