

# MONTHLY MARKET COMMENTARY

JANUARY 2024



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*for the personal touch*

SOUTH AFRICA

GLOBAL

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Instrument	Total Return %	January	YTD	1-Year	3-Years	5-Years
EU Equities (STOXX 600)		1.39%	1.39%	7.16%	7.05%	6.25%
US Equities (S&P 500)		1.68%	1.68%	20.82%	10.99%	14.30%
US Equities (Nasdaq 100)		1.89%	1.89%	42.83%	10.75%	20.98%
Hong Kong Equities (Hang Seng)		-9.16%	-9.16%	-26.34%	-15.48%	-8.15%
Global Equities (MSCI ACWI)		0.61%	0.61%	15.26%	6.61%	10.70%
FTSE World Government Bond Index		-1.55%	-1.55%	0.35%	-7.26%	-1.97%
South African Equities (ALSI)		-2.93%	-2.93%	-2.61%	10.50%	10.61%
South African Bonds (ALBI)		0.77%	0.77%	7.33%	7.43%	7.78%
SA Listed Property		4.06%	4.06%	15.78%	17.68%	-0.72%
EUR/ZAR		0.3%	0.3%	6.9%	3.2%	5.8%
GBP/ZAR		1.9%	1.9%	10.5%	4.5%	6.3%
USD/ZAR		1.6%	1.6%	7.1%	7.2%	7.0%

FOR CURRENCY RETURNS: Negative Integer = ZAR strengthening | Positive Integer = ZAR weakening | 3 and 5 year returns annualised

Instrument	Total Return %	January	YTD	1-Year	3-Years	5-Years
Personal Trust Income Fund		0.6%	0.6%	8.1%	6.8%	6.9%
Personal Trust Conservative Managed Fund		0.4%	0.4%	6.5%	9.4%	9.2%
Personal Trust Managed Fund		0.4%	0.4%	6.5%	10.9%	10.2%
Personal Trust Prudent Fund of Funds		-0.4%	-0.4%	5.6%	11.3%	9.8%
Personal Trust Equity Fund		-1.9%	-1.9%	-3.8%	12.3%	11.1%
PTI Global Select Opportunities Feeder Fund		1.2%	1.2%	15.1%		
PTI Global Select Managers Opportunities Fund		-0.2%	-0.2%	7.9%	1.0%	4.9%
PTI Global Select Managers Cautious Fund		-1.0%	-1.0%	3.7%	-1.6%	1.5%

3 and 5 year returns annualised

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### SOUTH AFRICA

After a blockbuster end to the year, South African stocks experienced a tough start to the year, as emerging market indices, in general, also put in a negative performance. This move lower was driven by mining shares, as well as the SA Inc cohort; though local retailers bucked the trend, producing a stellar performance on the back of good results.

The SA Reserve Bank (SARB) kept the country's benchmark interest rate unchanged at its January meeting – the fourth consecutive meeting without a rate change. SA inflation data released in the runup to the SARB's latest meeting showed that the country's core inflation remained stable at the mid-point of the SARB's target range (4.5% YoY). SA's 10-year government bond yield ended the month unchanged (11.4% p.a.), following a similar path to global yields, which also spiked intra-month and then faded into month end.

Local asset returns (including the rand) for 2024 will be driven by a combination of things, chief among those, the upcoming election, which analysts predict will see the ANC drop below 50% of the national vote. An offshore catalyst could come in the form of the federal reserve cutting their own rates ahead of market anticipation and an increase in stimulus from the Chinese economy, leading to something of a rebound in fortunes.

**Anda Tyali & Mark Huxter, Investment Team**

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### GLOBAL

The first couple of weeks of January saw investors start to question their level of optimism around US Federal Reserve (Fed) rate cuts expected in 2024. US payroll data recorded a rise in the number of jobs added and an increase in the pace of wage growth, while US retail sales growth unexpectedly accelerated.

On the inflation front, US headline inflation for December accelerated more than anticipated (to 3.4% YoY), while core inflation slowed less than expected (to 3.9% YoY). US 10-year government bond yields pushed higher during the early stages of January as Fed rate cut optimism waned, producing a headwind for equity markets, which were generally in negative territory by mid-January. Ultimately, positive sentiment prevailed, and US rates faded into month end, ending January largely unchanged (3.9% p.a.).

Emerging market (EM) equities continued their disappointing run of form into 2024. Chinese equities were once again the biggest detractor from performance, as a drip-feed of Chinese stimulus measures failed to ignite investor confidence with economic data suggesting the Chinese housing market has yet to find a bottom.

The European Central Bank (ECB) and the Fed both voted unanimously to keep rates on hold at their respective January meetings (as expected), and the US dollar started the year on a positive note, strengthening against all major currency pairs with the exception of the Indian rupee (+0.2% MoM). Brent crude oil (+6.1% MoM) bounced back above US\$80 a barrel into month end amid acute tensions in the Middle East and disruptions to the key Red Sea shipping route.

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