

Monthly Market Update

Markets and economic indicators

Index	1 Month (% change)	Year to date (% change)	1 year (% change)	3-year (% change per year)
JSE Top40	4.0	-4.9	4.1	11.0
JSE Mid cap	4.4	-2.5	5.5	6.8
JSE Small cap	5.9	4.1	27.9	17.0
All Share Index (ALSI)	4.2	-8.3	4.7	8.2
All Bond Index (ALBI)	-3.1	-4.4	4.7	10.6
Resources Index	0.8	-6.9	-2.2	18.6
Industrial Index	5.9	-11.1	-2.7	6.7
Financial Index	4.1	5.6	23.4	3.3
Listed Property Index	8.8	-5.0	9.8	-6.1
MSCI World Index*	8.0	-13.9	-8.7	10.1
S&P 500*	9.2	-12.6	-4.6	13.4
Dow Jones*	6.8	-8.6	-4.1	9.2
FTSE 100*	3.9	-7.8	-4.1	2.7
Hang Seng Index*	-7.4	-12.4	-20.7	-7.4
Nikkei 225 Index*	7.1	-15.9	-14.7	3.6

(Source: Fundhouse) *Returns in USD

Currency	1 Month (% change)	Year to date (% change)	1 year (% change)	3-year (% change per year)
Rand/Dollar	-1.7	-4.4	-13.9	-5.5
Rand/Euro	0.8	5.6	-1.1	-2.2
Rand/GBP Pound	-1.3	6.4	2.1	-2.5

(Source: Fundhouse)

Interest rates

Repo rate	5.50%
Prime rate	9.00%

(Source: SARB)

Inflation rates (Aug 2022)

Headline Inflation (CPI)	7.6%
Producer Price Index (PPI)	18.0%

(Source: SARB)

August overview

The local market followed global markets closely in August, rallying 5% by mid-month due to strong investor sentiment. This, however, was short lived after multiple hawkish statements from US Federal Reserve members. The JSE dropped alongside global markets towards month-end.

Unemployment levels were lower than expected at 33.9% in Quarter 2, which puts it below the 2022 Quarter 1 number of 34.5%. South Africa's producer inflation rose to 18% y/y in July (up from 16.2% in June), which is the highest level seen in at least 22 years.

SA Manufacturing has declined for four out of the past six months, because of factors such as the KZN Floods, electricity outages, rising import intensity and higher interest rates, to name a few. South Africans finally saw some relief at the pump in August, with fuel prices having dropped on 3 August. Gross tax revenue collection continued on a strong growth trajectory, growing by 7.2%/y/y in July 2022.

Global concerns over the economic impact of tighter US monetary policy were the catalyst for the drop in sentiment, which saw the MSCI World index down -4.1% month-on-month at the end of August. The US Fed Chairman, Powell, gave a speech at Jackson Hole, whereby he highlighted that restoring price stability will likely require maintaining a restrictive policy stance for some time.

Chinese consumer inflation continued its acceleration in July, coming in at 2.7%Y/Y, which was driven mainly by a surge in the price of fresh vegetables and pork.

UK Inflation hit a 40-year high of 10.1%, off the back of surging food and energy prices, and this number was above the forecast of 9.8%.

Germany saw inflation rise to its highest levels in almost 50 years during August, surpassing the previous high which was only set three months ago. Analysts are predicting double digit figures before the end of the year.

Disclaimer:

The above information is only for informative purposes and cannot be seen as advice as defined in the Financial Advisory and Intermediary Services Act, 37 of 2002. Although the necessary measures were taken in the preparation of this document, RiG Advisory Services (Pty) Ltd cannot be held responsible for any actions taken as a result of this document. Consult us for personal advice that will be appropriate for your unique circumstances. RiG Advisory Services (Pty) Ltd is an authorised financial services provider (FSP number: 44730).