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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	-0.8	3.6	17.6	14.9
JSE Mid cap	6.3	6.9	26.0	9.9
JSE Small cap	4.8	4.0	36.5	17.9
All Share Index (ALSI)	0.0	3.8	18.6	14.2
All Bond Index (ALBI)	0.5	1.9	12.4	8.4
Resources Index	-2.0	18.2	31.7	26.9
Industrial Index	-4.9	-13.9	-4.7	7.7
Financial Index	12.2	20.2	49.7	7.6
Listed Property Index	5.1	-1.3	27.1	-3.8
MSCI World Index*	2.8	-5.0	10.6	15.5
S&P 500*	3.7	-4.6	15.7	18.9
Dow Jones*	2.5	-4.1	7.1	12.6
FTSE 100*	-0.5	0.0	10.8	5.3
Hang Seng Index*	-3.0	-6.1	-1.0	-5.9
Nikkei 225 Index*	0.4	-7.5	-11.5	8.2

(Source: Fundhouse) *Returns in USD

Currency	1 Month (% change)	Year to date (% change)	1 year (% change)	3-year (% change per year)
Rand/Dollar	5.4	8.4	1.0	-0.4
Rand/Euro	6.3	10.4	6.3	-0.1
Rand/GBP Pound	7.2	11.0	5.6	-0.8

(Source: Fundhouse)

Interest rates	
Repo rate	4.25%
Prime rate	7.75%

(Source: SARB)

Inflation rates (March 2022)	
Headline Inflation (CPI)	5.9%
Producer Price Index (PPI)	10.5%

(Source: SARB)

March overview

The ongoing conflict in Ukraine remained the key driver of news headlines in March. As a commodity producer SA also benefited from being an alternative supplier of sanctioned Russian commodities in an already tight market. Naspers and Prosus continued their poor run and decreased -33% and -39% for 1Q22 respectively. The performance of their largest underlying investment, Chinese tech company, Tencent, continued to be held back by the current poor sentiment towards Chinese investments.

At its March meeting, the South African Reserve Bank delivered a much anticipated 0.25% interest rate hike, bringing the repo rate to 4.25%. This was its third consecutive hike of this tightening cycle. The MPC's inflation forecasts for 2022 was raised by 0.9% to 5.8% due mainly to an increase in the price of fuel and food. South Africa's latest unemployment data came in at 35.3% for the fourth quarter of 2021 – the youth unemployment rate remains at a staggering 65.5%.

The first quarter of 2022 has been difficult for markets across the globe with unexpected high levels of volatility. The tragic and destructive Russian invasion of Ukraine in the last week of February, and the unprecedented level of sanctions imposed against Russia, created even further uncertainty. Commodities have been well supported by supply chain bottlenecks and a resurgence in global demand.

Global equity markets however, started recovering in mid-March as sentiment improved somewhat. Investor sentiment towards China has been very poor as a result of the renewed regulatory crackdown on Chinese corporates and also suspicions of China's possible support of the Russian invasion of Ukraine. A resurgence of Covid-19 cases has led to local lockdowns in multiple cities in China.

At its meeting on 16 March, the US Federal Reserve announced that it would lift interest rates by 0.25%. In many ways, this was the Fed catching up to what the market was already saying.

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