

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	0.0	-0.5	10.9	13.6
JSE Mid cap	-1.2	3.0	11.7	8.9
JSE Small cap	-0.3	6.1	27.6	17.9
All Share Index (ALSI)	-0.4	-0.3	11.0	13.0
All Bond Index (ALBI)	1.0	1.2	5.6	7.7
Resources Index	-0.3	11.4	22.4	27.5
Industrial Index	-2.4	-17.4	-8.2	6.2
Financial Index	4.3	17.3	31.7	4.9
Listed Property Index	0.1	-2.6	15.5	-5.0
MSCI World Index*	0.2	-12.8	-4.4	13.2
S&P 500*	0.2	-12.8	-0.3	13.4
Dow Jones*	0.3	-8.4	-2.6	12.3
FTSE 100*	1.5	-2.5	-0.3	5.8
Hang Seng Index*	2.2	-8.2	-25.4	-4.6
Nikkei 225 Index*	2.3	-14.4	-18.1	5.8

(Source: Fundhouse) *Returns in USD

Currency	1 Month (% change)	Year to date (% change)	1 year (% change)	3-year (% change per year)
Rand/Dollar	1.5	2.4	-13.6	-2.3
Rand/Euro	-0.1	8.0	0.5	-1.0
Rand/GBP Pound	1.1	9.1	-0.7	-2.3

(Source: Fundhouse)

Interest rates

Repo rate	4.75%
Prime rate	8.25%

(Source: SARB)

Inflation rates (Mei 2022)

Headline Inflation (CPI)	6.5%
Producer Price Index (PPI)	13.1%

(Source: SARB)

May 2022 overview

May was yet another volatile month for both global and local markets. The South African stock market rallied alongside global markets in the last few days of the month. South Africa remains less impacted by the global inflationary and geopolitical environment than most other countries, as it benefits from higher commodity prices.

The South African Reserve Bank's Monetary Policy Committee stepped up efforts to fight inflation and broke precedence by hiking rates by 0.5% on the 19th of May.

S&P Global Ratings affirmed SA's sub-investment grade rating in May, but unexpectedly upgraded the outlook on SA from stable to positive. Bonds and the rand reacted favourably to the announcement.

Late May saw a second wave of flooding in KwaZulu-Natal, just six weeks after parts of the province were hit by flooding in which over 400 people died and infrastructure was destroyed.

After robust activity in the first quarter of the year, economic data suggests some loss in momentum in the second quarter. The severe floods, record unplanned electricity outages, higher policy rates, higher domestic inflation, and a weaker global backdrop, all point to weaker growth in 2Q22.

Following a torrid month in April, May began in similar fashion for global markets.

The US Federal Reserve delivered a much anticipated 0.5% interest rate hike at its meeting in early May, its biggest increase in more than two decades.

Geopolitics were less disruptive for markets in May, in the absence of major events and surprises. The conflict in Ukraine continued to drag on, now more confined to the east of the country. China's GDP growth for 2022 is expected to moderate to 4.5% due to the strain from Covid-19 lockdowns. This is a full percentage point below the Chinese government's official target.

Commodities, and energy in particular, remained well supported by supply chain bottlenecks, a resurgence in global demand and the geo-political tensions between Russia and Ukraine.

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