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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	-4.4	-11.0	3.4	9.5
JSE Mid cap	-2.8	-5.9	-2.3	5.4
JSE Small cap	-2.0	3.0	12.0	18.1
All Share Index (ALSI)	-4.1	-10.1	3.5	9.2
All Bond Index (ALBI)	-2.1	-1.3	1.5	5.7
Resources Index	1.3	-6.9	-2.2	18.6
Industrial Index	5.9	-9.6	10.4	18.0
Financial Index	-6.2	-3.2	-1.1	0.5
Listed Property Index	-6.3	-15.8	-8.7	-8.7
MSCI World Index*	-9.3	-25.1	-19.2	5.1
S&P 500*	-9.2	-23.9	-15.5	8.2
Dow Jones*	-8.8	-19.7	-13.4	4.4
FTSE 100*	-9.0	-20.6	-16.5	-2.1
Hang Seng Index*	-13.2	-24.5	-28.1	-10.2
Nikkei 225 Index*	-10.8	-26.9	-30.6	-1.9

(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	-12.6	-19.5	-5.8
Rand/Euro	-2.7	7.2	1.1	-2.4
Rand/GBP Pound	-1.2	6.4	2.1	-2.5

(Source: Fundhouse)

Interest rates	
Repo rate	5.50%
Prime rate	9.00%

(Source: SARB)

Inflation rates (Sept 2022)	
Headline Inflation (CPI)	7.6%
Producer Price Index (PPI)	18.0%

(Source: SARB)

September overview

Global risk-off sentiment and a record-long stretch of loadshedding weighed on the local market in September. It was by far the worst month of the year in terms of load shedding as South Africans experienced 25 consecutive days of rolling blackouts.

The South African Reserve Bank followed global central banks with a 0.75% rate hike during the month, raising the repo rate to 6.25% - back to levels last seen in early 2020. The petrol price declined by a very welcome R2.04 per litre in September, helped largely by the lower oil price.

SA business and consumer confidence remained weak in Q3 of 2022, highlighting the wide range of factors negatively impacting the economy including electricity outages, problems with water supply and service delivery, lack of job creation, declining real incomes and rising interest rates.

Global financial markets came under intense pressure in September as concerns of a global recession and monetary tightening caused investor sentiment to turn increasingly pessimistic. This is the first time since the Global Financial Crisis in 2008 that the market has logged three straight negative quarters.

The Fed continued its hiking cycle, raising its main policy rate by another 0.75%. The European Central Bank also raised interest rates by 0.75% in its September meeting. The Bank of England raised rates by 0.5%.

In China, their zero-Covid policy has continued to slow the Chinese economy and strain global supply chains, causing the IMF to lower its estimate of China's 2022 economic growth to 3.3%. The IMF now projects that global economic growth will decelerate to 3.2% in 2022 from its earlier estimate of 3.6%.

Economic activity has begun to deteriorate in most economies on faltering global demand. The slowdown in the global economy and additional pressure from tighter financial conditions is placing significant stress on both firms and households.