



MARKET SUMMARY

As of 2018/03/31

MARKET INDICES (R)

	1 month	3 months	1 year	3 years*	5 years*	7 years*
FTSE/JSE All Share	-4.18	-5.97	9.60	5.05	10.02	11.35
FTSE/JSE SA Listed Property	-0.96	-19.61	-7.09	-0.48	7.11	12.83
All Bond Index	2.07	8.06	16.23	8.65	7.73	9.42
STeFI (Cash)	0.60	1.76	7.45	7.21	6.60	6.30
MSCI World	-2.04	-5.96	-1.47	5.10	13.23	15.33
MSCI EM	-1.66	-3.27	7.96	5.52	7.88	8.35
Oil Price	7.23	0.58	17.54	7.63	-3.66	0.69
Gold Price	0.84	-1.86	-6.03	2.93	1.36	7.06

MARKET COMMENTARY

The majority of global equity markets ended the month of March in negative territory as a US technology sell-off and a sparking trade war between the US and China drove volatility. Arguably the noisiest event of the month was the exchanging of trade policy blows between the US and China. Investors reacted negatively to these ongoing developments, cognisant of the possible restraining effects of trade barriers on the global economy. US tech companies were also in the headlines this month. Facebook came under pressure with the company embroiled in a scandal which put personal data usage in the spotlight. Facebook's share price dive created a level of contagion amongst its technology sector peers, most of which experienced heightened volatility and losses for the month of March. While share prices in this sector have come off a bit in recent times, valuations remain elevated. On the economic side, the 0.25% US interest rate increase, which was mostly anticipated and the first under the new Federal Reserve Chair Jerome Powell, went through relatively unnoticed in what was a fractious month.

South African equity market performance dovetailed global market movements with a limited number of stocks finishing the month in positive territory. Negative returns from the local market were broad based, with all sectors shedding value in March. Local interest rate sensitive assets showed a positive, yet subdued reaction, to the announcement of an interest rate cut by the SARB's Monetary Policy Committee (MPC). In this respect, South African bonds were again the standout performer as lower rates, Moody's affirmation of South Africa's credit rating and falling inflation promoted gains. Local property continued to come under pressure as continued uncertainty related to the Resilient group of companies drove the asset class lower.

The **FTSE/JSE All Share Index** ended the month down -4.2%. The top performing shares amongst the largest 60 companies in March were Netcare (+9.8%), Truworths (+8.9%) and Clicks (+7.7%). The worst performing shares in March were Resilient (-24.7%), Impala Platinum (-21.8%) and Exxaro (-17.7%). **Resources** (-2.1%) was the best performing market segment as the underlying US dollar prices of commodities provided a mixed bag of performance in March. **Financials** (-3.1%) also struggled in March, with selected counters giving back some of their strong gains over the past year. **Industrials** (-5.5%) was the worst performing market segment, driven lower by Naspers and global market movements.

The **MSCI World Index** ended the month down -2.1% in US dollar terms, leaving the index up 14.2% over the past year. Global technology stocks placed the biggest drag on performance, particularly the much publicised FAANG (Facebook, Apple, Amazon, Netflix and Google) stocks. The US had a difficult month, with the **S&P 500** down -2.5% in March. Most other major global markets also ended the month in negative territory, with the UK's **FTSE 100**, Japan's **Nikkei 22**, and Germany's **FSE DAX** posting a US dollar return of -0.3%, -1.7% and -1.9% in March respectively.

Despite significant inflows into emerging markets, major developing nations struggled on the back of softer commodity prices and contagion from negative moves in most developed markets. The **MSCI Emerging Markets Index** produced a return of -1.8% for the month in US dollars, leaving the index up 25.4% over the past year.

Local bonds continued a recent trend of strong performance, driven by falling local bond yields, muted inflation and a 0.25% interest rate cut. The decision by Moody's to affirm South Africa's credit rating at investment grade on a stable outlook during the month further reinforced positive sentiment in local fixed income markets, which have also benefitted from significant emerging market bond risk appetite since the turn of the year. The **All Bond Index (ALBI)** produced a return of 2.1% in March making it the top performing local asset class over the past year (16.2%). Listed Property had another troubling month. The asset class was driven lower by the Resilient group of companies, with Fortress B (-21.1%), Resilient (-24.7%) and Greenbay (-29.1%) having another month to forget. **Listed property** produced a return of -1.0% in March and has now produced a return of -7.1% over the past year.

Looking at currencies, the rand was slightly weaker against most major currencies in March. The rand depreciated by 0.4% against the **US dollar**, 1.2% against the **euro** and 2.2% against the **pound** during the month.

The US dollar price of **Oil** moved higher in March (6.8%) on the back of larger than expected drawdowns in US crude stockpiles which reversed the previous month's declines. The US dollar price of **Gold** was up by 0.5% in the month, while the price of **Platinum** decreased by -4.4% during March.