



MARKET SUMMARY

As of 2019/07/31

MARKET INDICES (R)

	1 month	3 months	1 year	3 years*	5 years*	7 years*
FTSE/JSE All Share	-2.37	-2.66	2.19	5.63	5.15	10.64
FTSE/JSE SA Listed Property	-1.20	0.09	0.08	-3.70	4.99	6.69
All Bond Index	-0.74	2.16	8.06	8.81	8.21	7.10
STeFI (Cash)	0.61	1.82	7.33	7.43	7.11	6.61
MSCI World	0.94	-0.73	9.94	9.12	11.04	17.10
MSCI EM	-1.19	-5.00	3.19	6.68	5.18	9.43
Oil Price	-1.57	-11.50	-5.03	16.22	-3.99	0.98
Gold Price	1.84	10.07	26.52	2.84	8.00	6.15

MARKET COMMENTARY

The South African equity market struggled in July, weighed down by poor performance from the big four banks and mining companies which make up a significant portion of the local equity index.

After a strong start to the month, following expectations of a U.S. interest rate cut, the rand came under pressure towards the end of July, as Finance Minister Tito Mboweni announced an additional R59 billion in support for Eskom to assist in meeting its financial obligations.

The South African Reserve Bank announced a reduction in the repo rate of 0.25% in July, as year-on-year inflation continues to hover around the midpoint of the target range of between 3% and 6%.

Retail sales beat expectations for a second consecutive month, rising 2.2% year-on-year in May following an increase of 2.7% year-on-year in April. Other positive news came in the way of a widening trade surplus, as exports grew faster than imports during June.

South Africa remains plagued by widespread unemployment, as evidenced by the latest reported figure of 29% for the second quarter of 2019, the highest on record.

The **JSE All Share Index** (-2.4%) delivered disappointing performance during the month. Local equities remain the best performing South African asset class this year, with a return of +9.6% year-to-date. The top performing shares in July amongst the largest 60 companies on the JSE were Anheuser-Busch InBev (+15.0%), Woolworths (+12.5%) and Reinet Investments (+11.2%). The worst performing shares in July were Anglo American PLC (-12.2%), Discovery (-11.3%) and Sasol (-11.3%). **Industrials** (+1.2%) finished the month with a positive return, while **Resources** (-5.2%) and **Financials** (-6.4%) struggled.

**Listed property** (-1.2%) finished the month lower, in line with disappointing performance from the local bond market and a slightly weaker rand. **Local bonds** (-0.7%) had a disappointing month, as yields moved higher in response to the announcement of additional financial support for Eskom which was regarded as credit negative by the major ratings agencies. **Cash** delivered a stable return of +0.6% for the month.

The **rand** had mixed fortunes against major currencies during the month. The rand was weaker against the **US dollar** (0.5%), but stronger against both the **pound sterling** (3.8%) and **euro** (1.8%) during the month.

\*All data is sourced from Morningstar Direct as at 31/07/2019. The performance of South African asset classes is quoted in rands.

\*Returns are simulated and based on the underlying funds at the initial weightings and are net of published asset manager fees. Returns greater than a year have been annualised.  
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