



As of 2020/11/30

MARKET INDICES (R)

	1 month	3 months	1 year	3 years	5 years	7 years
FTSE/JSE All Share	10.51	3.62	6.04	1.59	5.12	6.63
FTSE/JSE SA Listed Property	17.47	4.29	-43.57	-22.94	-11.85	-3.44
All Bond Index	3.25	4.12	8.04	10.01	8.39	8.02
STeFI (Cash)	0.31	1.00	5.67	6.74	7.02	6.76
MSCI World	7.30	-3.90	19.02	12.15	10.34	13.42
MSCI EM	4.02	-0.06	22.38	6.84	9.69	8.77
Oil Price	21.00	-3.99	-19.49	-5.30	2.74	-5.81
Gold Price	-10.79	-17.74	27.49	16.02	12.24	11.49

MARKET COMMENTARY

Global markets rebounded strongly in November, largely driven by positive news on the Covid-19 vaccine front, as three major pharmaceutical companies (Moderna, Pfizer and AstraZeneca) announced that they had developed vaccines which appear to be highly effective in treating the virus. The election of a new US President also supported the risk on sentiment, as markets reacted positively to the election results and expectations of diminishing political noise and a formal transition of power under Democratic President-elect Joe Biden. The positive moves in global markets came despite Covid-19 induced lockdowns continuing across Europe and the United States, as countries implemented stricter measures to control the spread of the virus.

South African equities moved sharply higher during the month, supported by strong positive moves across all sectors, particularly Financials, which have taken the brunt of the pain in 2020. Local bonds delivered decent performance, supported by the return of foreigners to the SA market (foreigners bought R12.1 billion of local bonds in November according to Bloomberg) and projections from Finance Minister Tito Mboweni in the Medium Term Budget Policy Statement (MTBPS) which the market perceived as more realistic. Local listed property rebounded strongly in November after a torrid few months, supported by Covid-19 vaccine developments and hopes of a continued economic improvement post the virus. The rand ended the month stronger against most major currencies, supported by positive global sentiment and the return of foreigners to the local bond market.

The Monetary Policy Committee (MPC) kept the repo rate unchanged at 3.5% at its meeting in November, despite two of the five MPC members favouring an interest rate cut. Both Moody's and Fitch downgraded South Africa's sovereign credit rating further into sub investment grade territory during the month, however, the market reaction to the news was subdued, indicating that the moves were already priced into the local market. South Africa's trade surplus continued to be resilient with October figures showing a trade surplus of R36.1 billion (an increase from the revised September figure of R33.4 billion), as the prices of key exports (including precious metals and iron ore) remain elevated relative to the prices of key imports (including oil). SA headline CPI picked up to a year-on-year figure of 3.3% to the end of October (from 3.0% in September), largely driven by higher food and non-alcoholic beverage prices, which offset the effect of lower oil prices.

The **JSE All Share Index** (+10.5%) ended the month significantly stronger, supported by strong performance across all sectors and market capitalisation segments. All local equity sectors ended the month higher, with **Financials** (+17.1%), **Resources** (+10.9%) and **Industrials** (+8.0%) all ending the month with strong performance. The top performing shares amongst the largest 60 companies on the JSE in November were Sasol (+43.8%), NEPI Rockcastle (+36.8%) and Glencore (+33.6%). The worst performing shares in November were Gold Fields (-23.8%), Harmony Gold (-20.7%) and AngloGold Ashanti (-11.5%).

Listed property (+17.5%) recovered some lost ground during the month, supported by hopes of a faster than expected economic improvement post Covid-19. **Local bonds** (+3.3%) ended the month with strong performance, supported by foreign buying as well as announcements by National Treasury that they plan to spread issuance more evenly across different maturities. **Cash** delivered a stable return of +0.3% for the month.

The rand was stronger against most major developed market currencies for the month. The rand appreciated against the **US dollar** (+5.0%), the **euro** (+2.2%) and the **pound sterling** (+1.7%) during the month.

*All data is sourced from Morningstar Direct as at 30/11/2020. The performance of South African asset classes is quoted in rands.

Returns greater than a year have been annualised. Returns prior to launch date are simulated and are based on the underlying funds at the initial weightings. Returns are net of TIC and Discretionary Management fee. The average weighted Total Investment Charge (TIC) shown is equal to the sum of the unit trust's total expense ratio (TER) and transaction costs (TC). This is merely an indication as the underlying fund weightings vary daily and share classes may differ from one platform to another. TIC is inclusive of VAT. TIC excludes the Discretionary Management fee, Financial Advisor and Platform fees. The SA CPI benchmark figure is lagged by one month as it gets calculated before the current month's inflation rate has been released. Underlying asset allocations are lagged by one month. Share classes may differ depending on the platform the portfolio is loaded onto. ©2020 Morningstar. All Rights Reserved. The Morningstar name and logo are registered trademarks of Morningstar, Inc. The information, data, analyses, and opinions contained herein (1) include the proprietary information of Morningstar Inc. and its subsidiaries, (2) may not be reproduced, disseminated or disclosed without our prior written approval, (3) do not constitute investment advice offered by Morningstar, (4) are provided solely for informational purposes and therefore are not an offer to buy or sell a security, and (5) are not warranted to be correct, complete, or accurate. Morningstar shall not be responsible for any trading decisions, damages, or other losses resulting from, or related to, this information, data, analyses, or opinions or their use. It is important to note that investments in securities involve risk and will not always be profitable. MIM does not guarantee that the results of its investment decisions or the objectives of the portfolio will be achieved. MIM does not guarantee that negative returns can or will be avoided in any of its portfolios. An investment made in a security may differ substantially from its historical performance and as a result, you may incur a loss. Past performance is not a guide to future returns. Market data and statistical information has been obtained from various sources that we consider to be reliable. However, we make no representation as to, and accept no responsibility or liability whatsoever for, the accuracy or completeness of such information. The Morningstar Investment Management group comprises Morningstar Inc.'s registered entities worldwide, including South Africa. Morningstar Investment Management South Africa (Pty) Ltd is an authorised financial services provider (FSP 45679).

