



MARKET SUMMARY

As of 2022/04/30

MARKET INDICES (R)

	1 month	3 months	1 year	3 years	5 years	7 years
FTSE/JSE All Share	-3.66	-0.81	13.17	11.26	9.78	7.60
FTSE/JSE SA Listed Property	-1.41	0.20	12.16	-5.26	-5.22	-2.87
All Bond Index	-1.67	-0.69	8.43	7.56	8.25	7.61
STeFI (Cash)	0.36	1.05	4.01	5.15	6.03	6.34
MSCI World	-0.89	-6.57	3.71	12.28	11.96	11.02
MSCI EM	2.02	-8.93	-12.94	3.23	5.40	4.48
Oil Price	9.67	22.56	77.25	18.33	20.09	11.67
Gold Price	6.52	8.85	17.88	18.03	12.27	11.50

MARKET COMMENTARY

April proved to be a tough month for global equity markets, with the bulk of the major global markets ending the month with negative returns. Markets were weighed down by continued concerns around Russia's war in Ukraine, inflationary pressures (and the possibility of higher interest rates) as well as China's restrictions on the movement of citizens to curb rising Covid-19 infections.

The weak performance from global equity markets was most pronounced in the US, with the technology heavy NASDAQ 100 coming under pressure on the back of disappointing results from Apple as well as Amazon reporting its first net loss since 2015 and the slowest sales growth in its e-commerce business in two decades. Bond yields continued to rise (meaning prices moved lower) as markets anticipated significant interest rate hikes on the horizon. This meant that US 10-year government bond yields were pushed 0.6% higher for the month (to 2.94%) and also drove the Bloomberg Aggregate Bond Index of global bonds down 5.5% (month on month) – comfortably the worst monthly loss for the index since its inception in 1990.

South African equities tracked global markets lower during the month, weighed down by weak performance from all local equity sectors, particularly those in the banking and insurance sectors. Local bonds remained under pressure during the month, as the global risk off environment and renewed concerns around lacklustre SA GDP growth led to higher yields (and lower prices). Local listed property also ended the month lower, as poor performance from large index constituents including Redefine, Resilient and Growthpoint acted as a headwind to the performance of the asset class.

The rand reversed course during April, giving back a significant portion of its recent gains against the major developed market currencies. A strong US dollar, continued loadshedding by Eskom and flood damage in KwaZulu-Natal and the Eastern Cape which led to the government declaring a national state of disaster all weighed on the performance of the rand. SA's move towards fiscal consolidation received positive news during the month, as data for the full 2021/22 fiscal year indicated that revenue was R33 billion above the original budget estimate and expenditure was R9 billion lower. This translates to an improved deficit to GDP ratio of 4.9%, compared to the original estimate of 5.5%.

The **JSE All Share Index** (-3.7%) ended the month lower, as the global risk off environment during April weighed on the performance of all emerging equity markets. All local equity sectors ended the month lower, with **Financials** (-6.1%), **Resources** (-4.8%) and **Industrials** (-1.7%) all delivering negative performance. The top performing shares amongst the largest 60 companies on the JSE in April were Sasol (+10.64%), British American Tobacco (+8.3%) and Mediclinic International (+7.61%). The worst performing shares in April were Kumba Iron Ore (-18.52%), Discovery (-16.42%) and Aspen Pharmacare (-14.35%).

Listed property (-1.4%) ended the month in red, bringing the year-to-date price performance in this sector to -2.7%. **Local bonds** (-1.7%) ended the month lower as the global risk off environment, a weaker rand and concerns around SA's growth trajectory led to higher yields (and lower prices). **Cash** delivered a stable return of +0.4% for the month.

The rand ended the month weaker against the major developed market currencies for the month. The rand depreciated against the **US dollar** (-7.6%), the **euro** (-2.6%) and the **pound sterling** (-3.1%) over the month.

*All data is sourced from Morningstar Direct as at 30/04/2022. 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. 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. ©2022 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).

