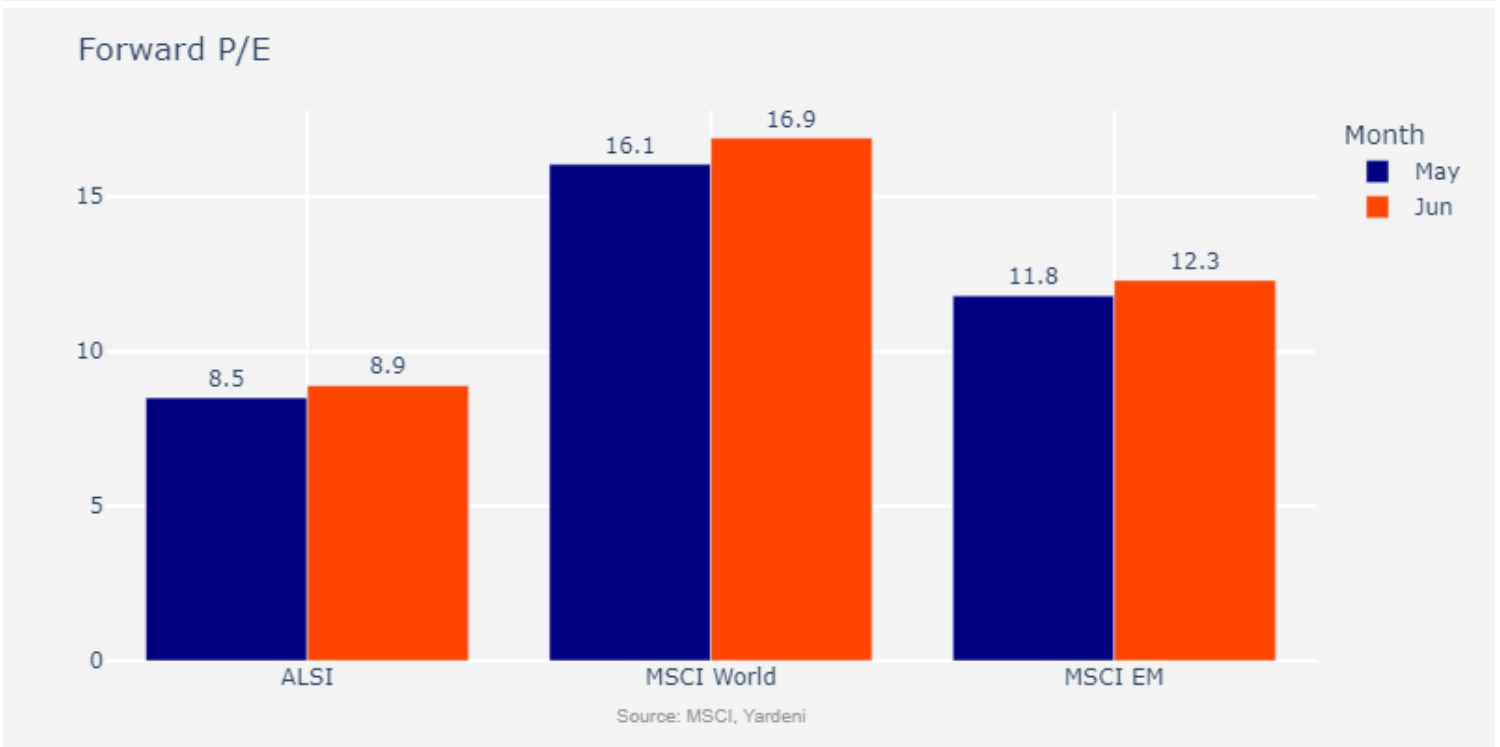
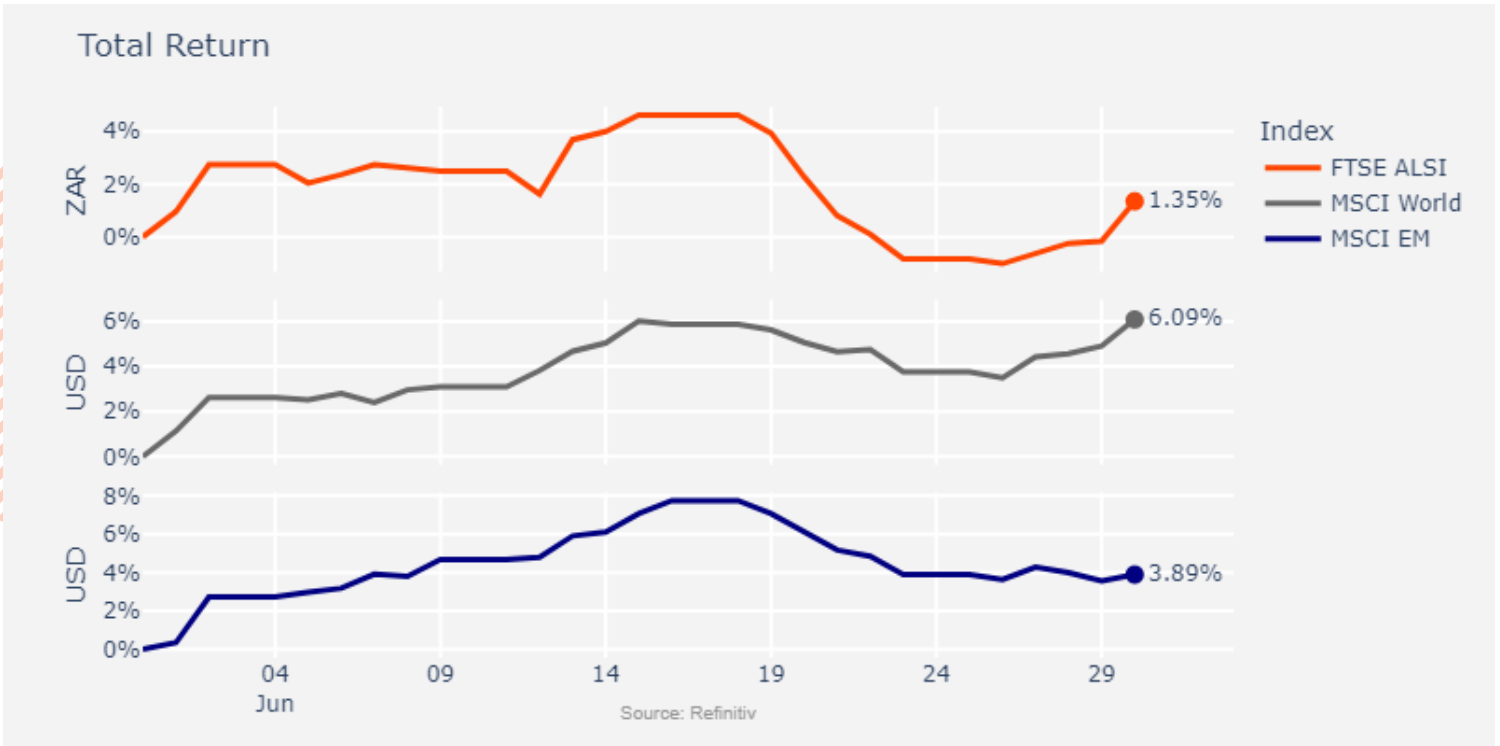




# MONTHLY REPORT

JUNE - END REVIEW 2023

## Equities





# MONTHLY REPORT

JUNE - END REVIEW 2023

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## Equities

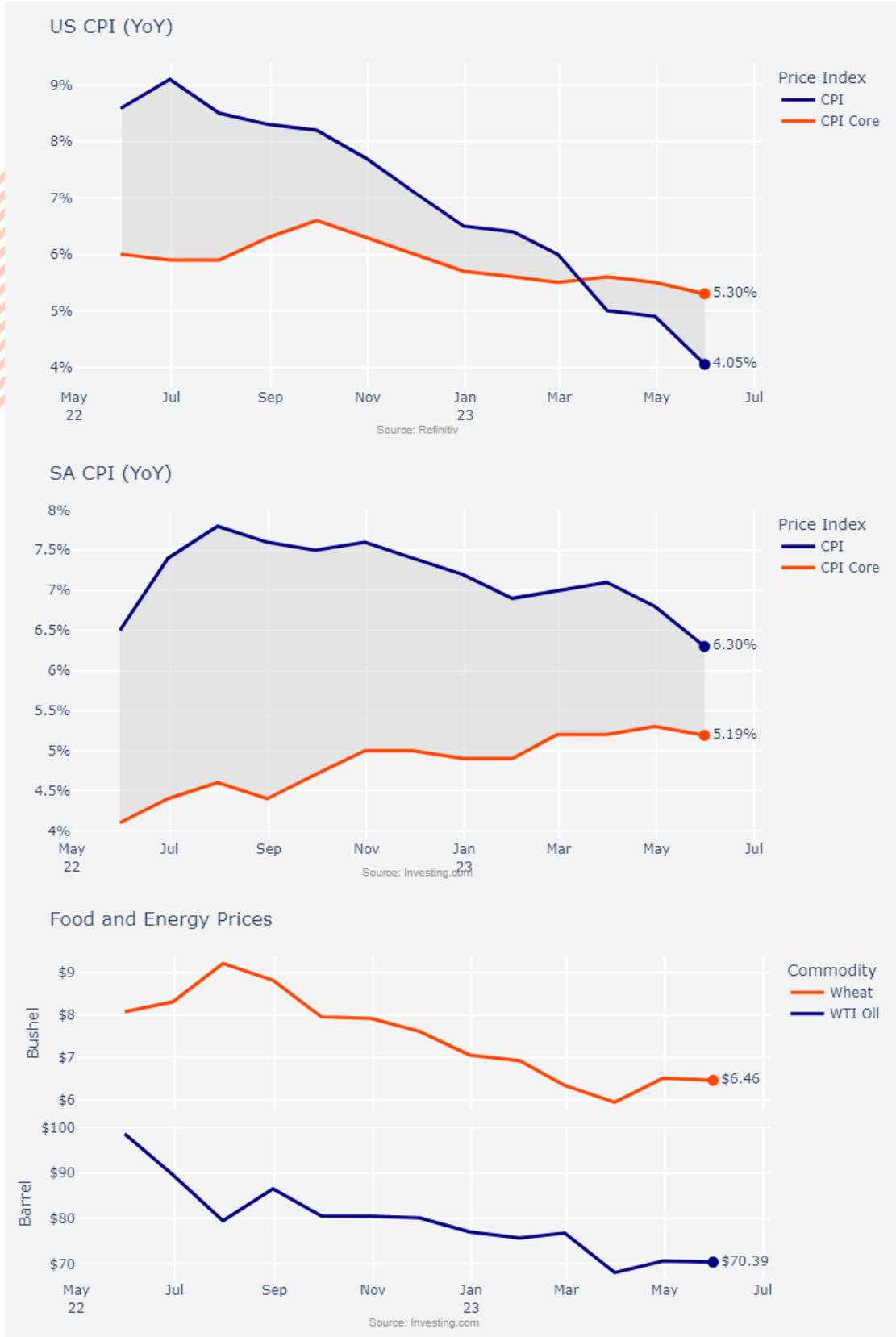
- June acted as a reversal for many of the market movements of the month before, having a much stronger risk-on sentiment compared to May.
- Most asset classes performed well during the month. Although quite volatile, local equities ended the month on a high note of 1.35% up in Rand terms.
- Offshore equities also did well, and in particular a big bounce in developed market equities led to an increase of over 6% in the MSCI World USD index; however, these returns are more muted in local terms as the Rand also strengthened through June.



# MONTHLY REPORT

JUNE - END REVIEW 2023

## Inflation





# MONTHLY REPORT

JUNE - END REVIEW 2023

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## Inflation

- US inflation is still printing good news as the latest figures continue to show a strong downward trend with month-on-month inflation becoming less of a concern.
- Similarly, local inflation is also coming down nicely, with headline inflation nearly back within the SARB's target range of 2% to 6%.

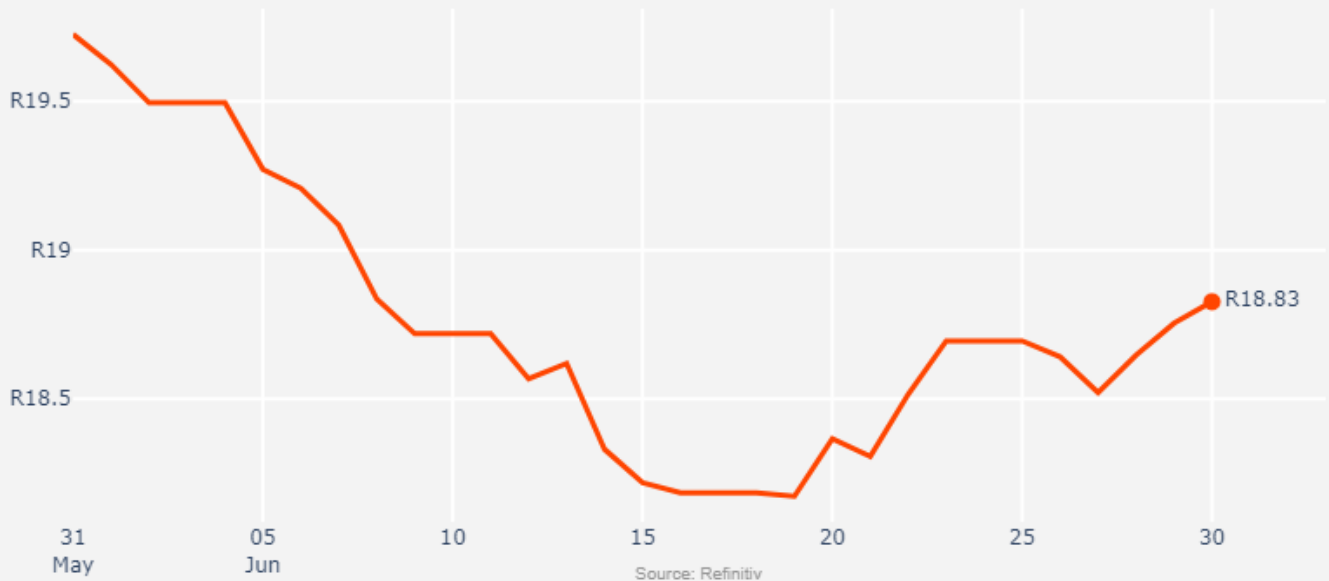


# MONTHLY REPORT

JUNE - END REVIEW 2023

## Local vs US Economy

ZAR/USD Exchange Rate



SA-US 10y Bond Spread



- The Rand recovered substantially against the US Dollar through the month of June, appreciating by nearly 5%.
- This is in contrast to the weakening of the Rand in May, during which the market may have overreacted to external market shocks.
- Once the market has had a chance to distil current events, it frequently starts to act more rationally.

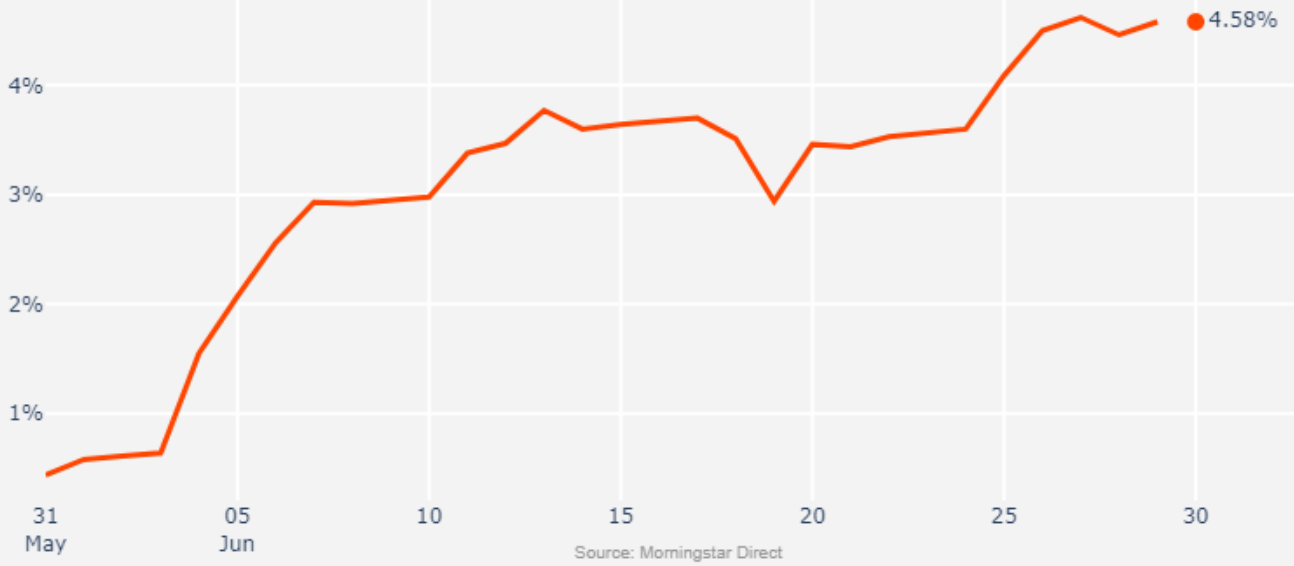


# MONTHLY REPORT

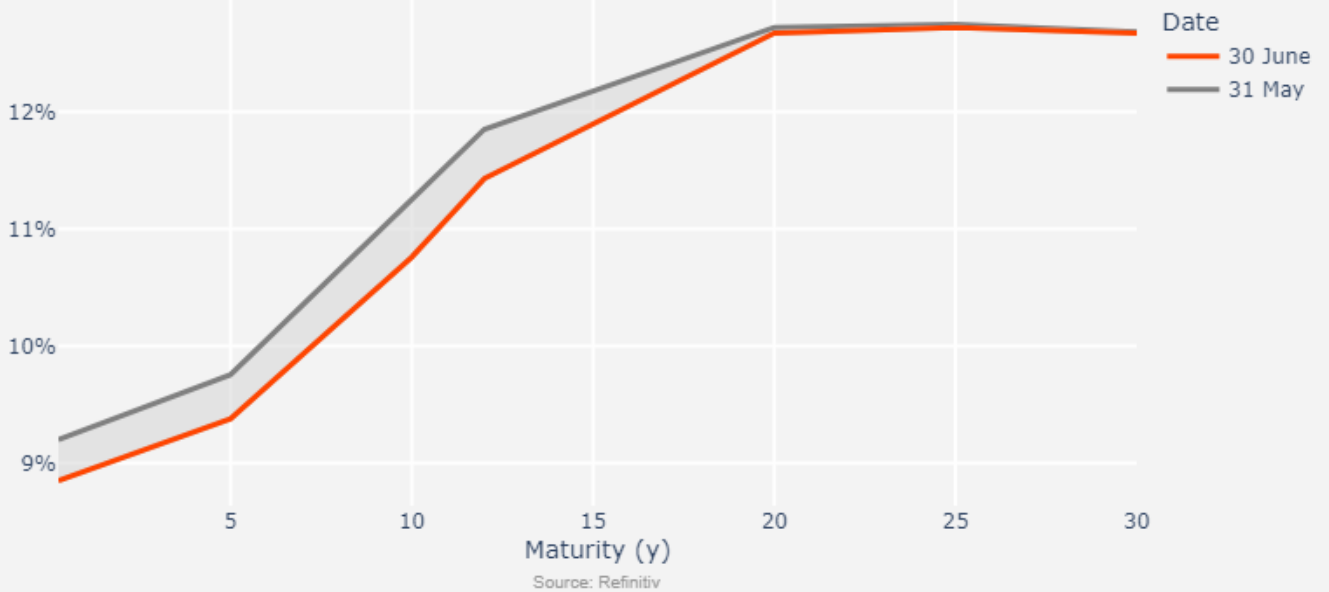
JUNE - END REVIEW 2023

## Bonds

ALBI Total Return



Yield Curve South Africa





# MONTHLY REPORT

JUNE - END REVIEW 2023

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## Bonds

- Local bonds had an excellent June as they too recovered from a May sell-off.
- Despite the rally in bonds, yields are still looking very attractive and should continue to compensate investors handsomely for holding sovereign debt.
- Although there may be more volatility in the future for bonds, the month of June has showcased how markets can recover following a big sell-off as they return to a fairer valuation.
- Overall, there is still reason to be bullish on markets going forward with most asset classes currently offering good entry points on the back of global inflation coming under control.