

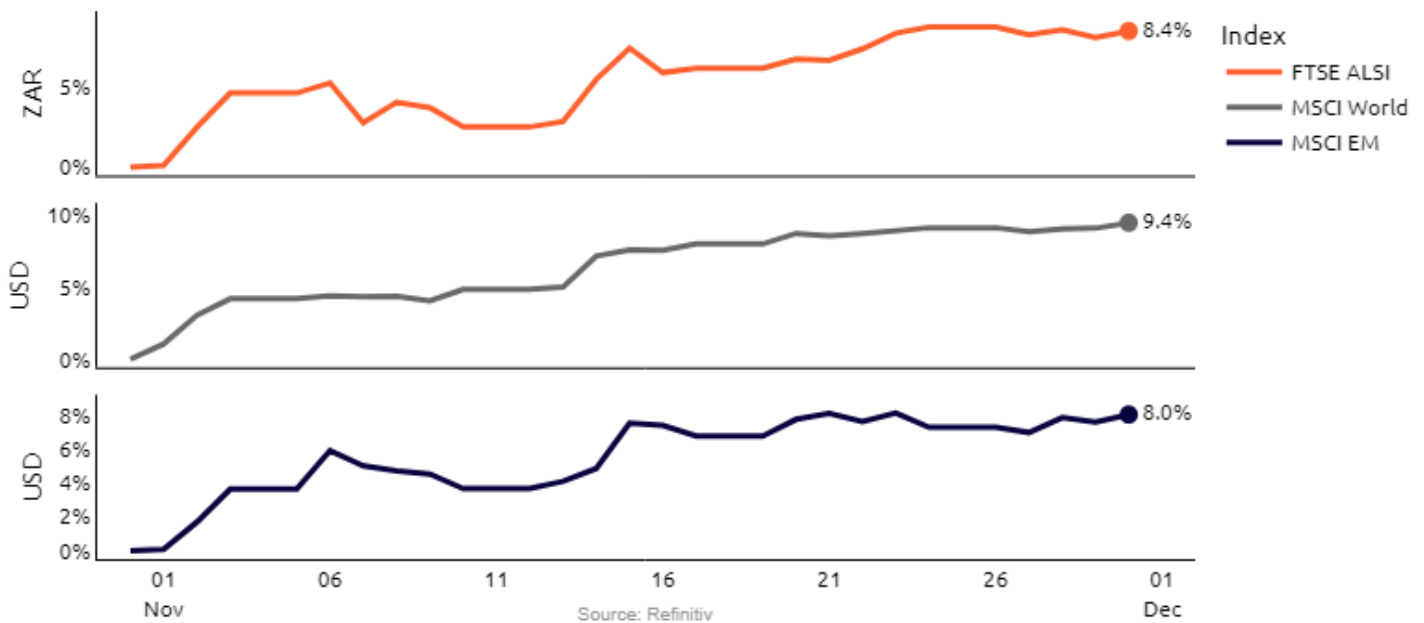


MONTHLY REPORT

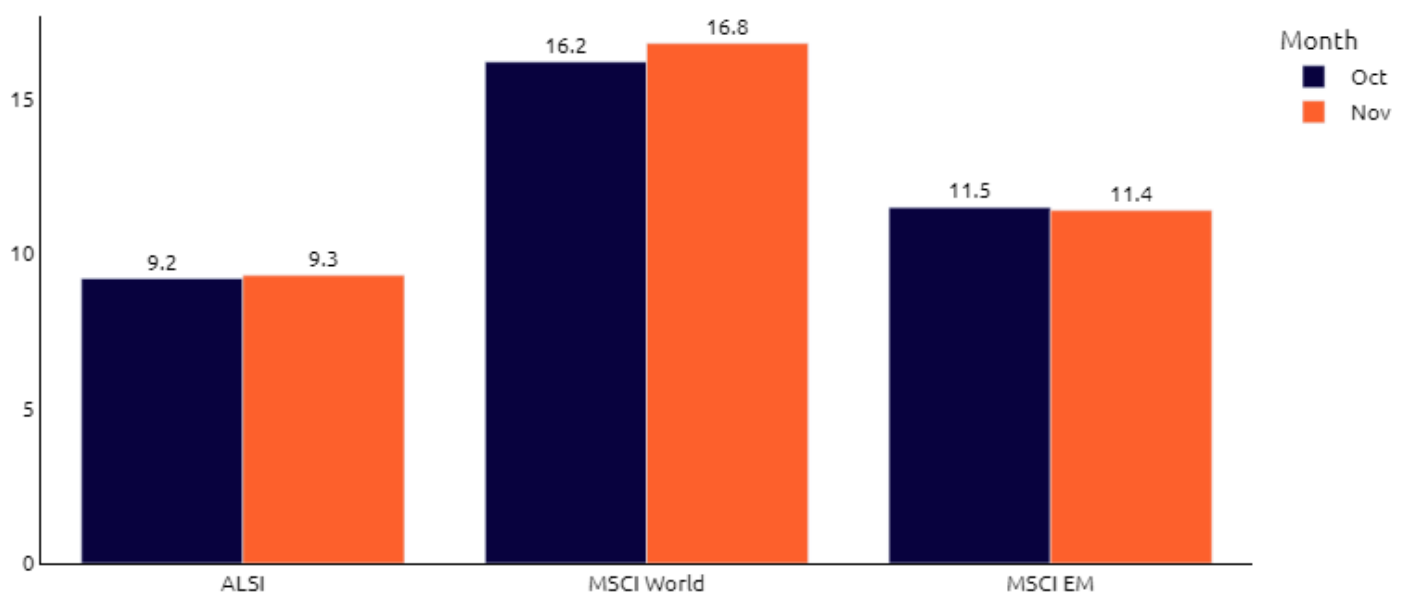
NOVEMBER - END REVIEW 2023

Equities

Total Return



Forward P/E





NEW ROAD CAPITAL
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MONTHLY REPORT

NOVEMBER - END REVIEW 2023

Equities

- The month of November saw a massive run in markets, both locally and globally, which backed up the bullish thesis that concerns surrounding inflation has been overhyped.
- All three the major indices we follow—the All Share, MSCI World and MSCI Emerging Markets—delivered returns in excess of 8% for the month.
- Global markets still have attractive valuations, with good prospects going forward.
- Over-all, November was a strong risk-on month that rewarded the bullish investor.

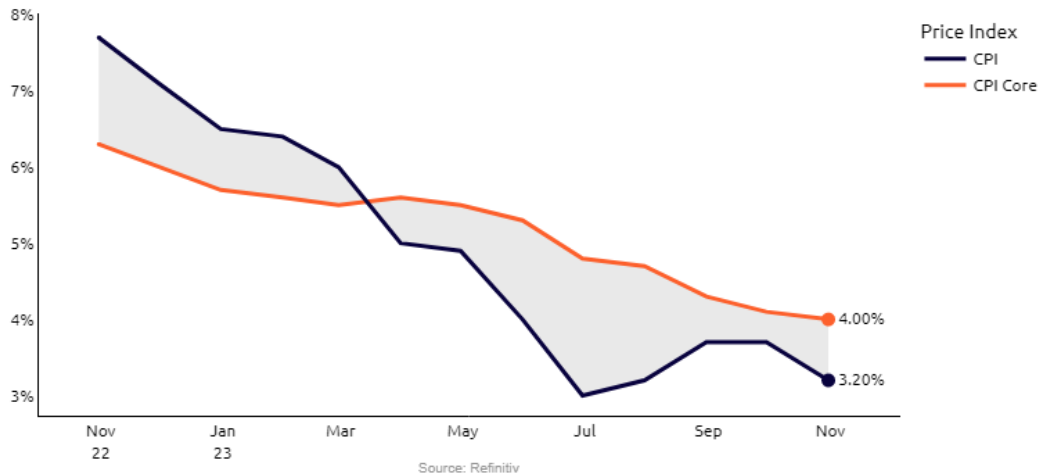


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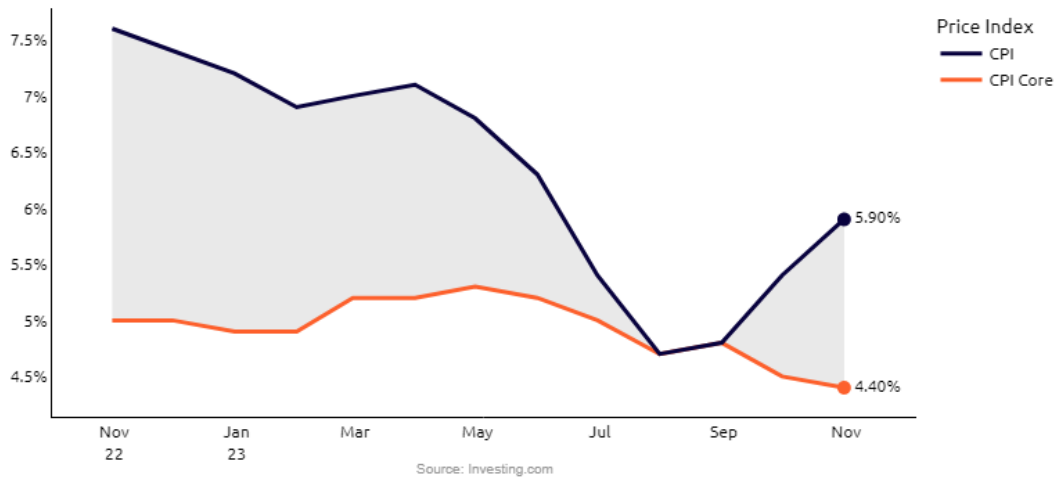
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Inflation

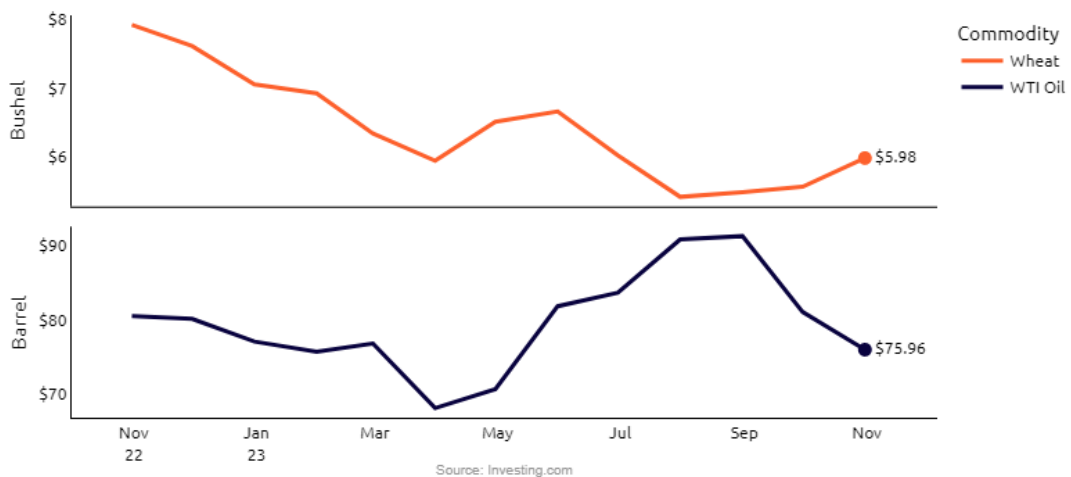
US CPI (YoY)



SA CPI (YoY)



Food and Energy Prices





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Inflation

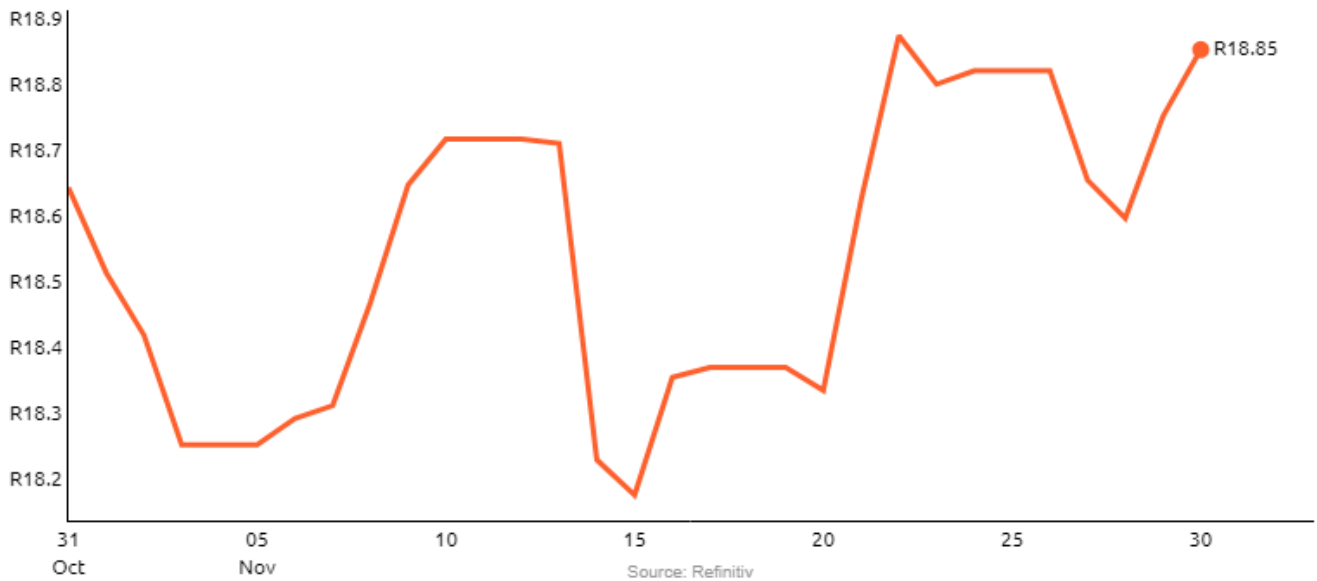
- November's risk-on sentiment was spurred on by the inflation numbers in the US confirming the downward trajectory of prices and put investors' concerns at ease.
- Both headline and core inflation in the US is well on the way down and, although still above the 2% target, it does point to an end of the "higher for longer" narrative that has placed pressure on markets.
- Locally, South African headline inflation grew slightly, but is still under control and within the SARB's target band. At the same time, core inflation continued trending downward.

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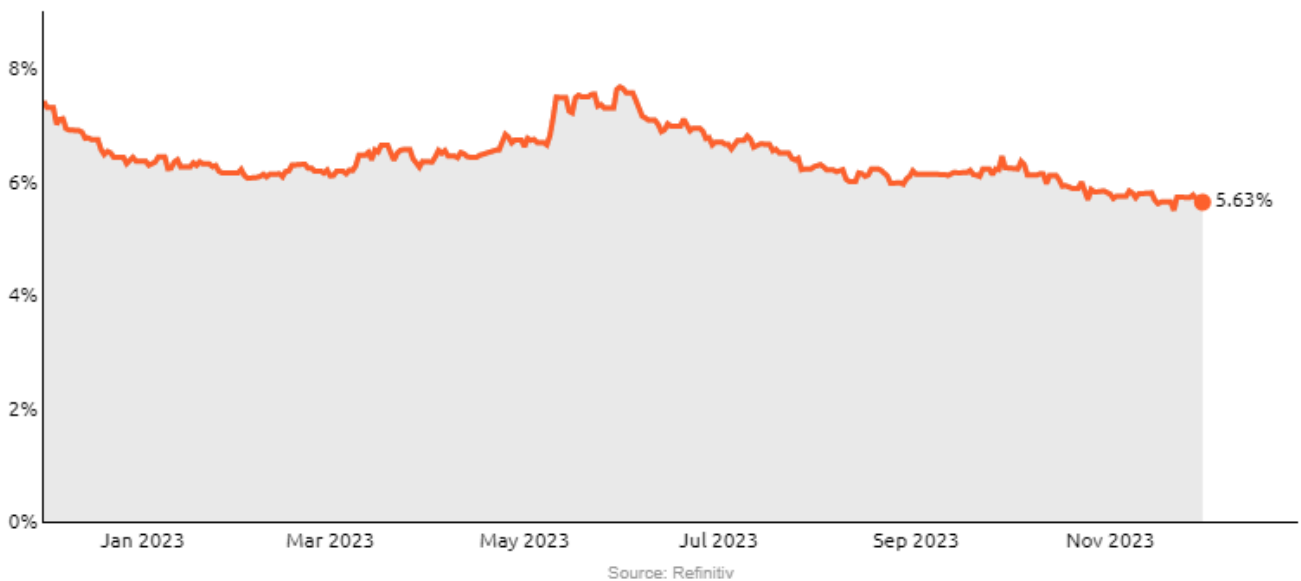
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Local vs US Economy

ZAR/USD Exchange Rate



SA-US 10y Bond Spread



- The rand showed slight weakness over November but the move was small compared to the usual exchange rate volatility.
- SA-US bond spreads have continued to come down following a strong return in South African bonds.

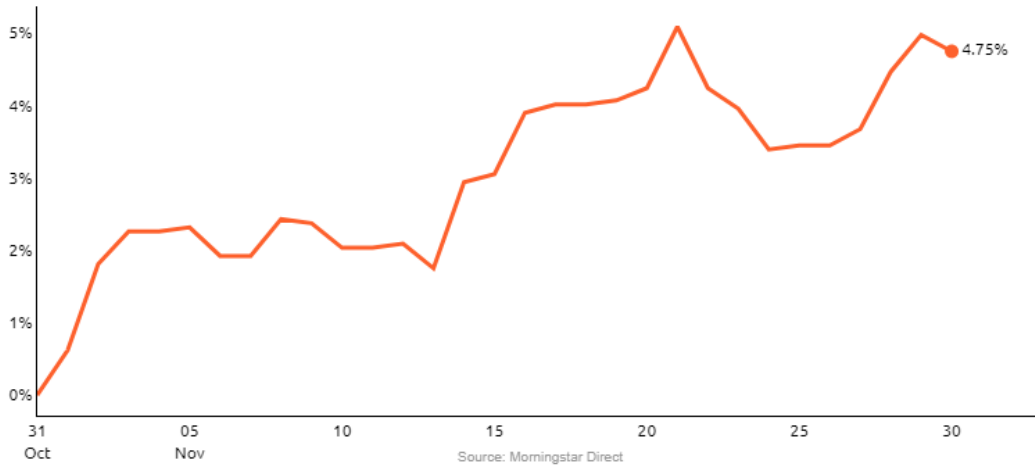


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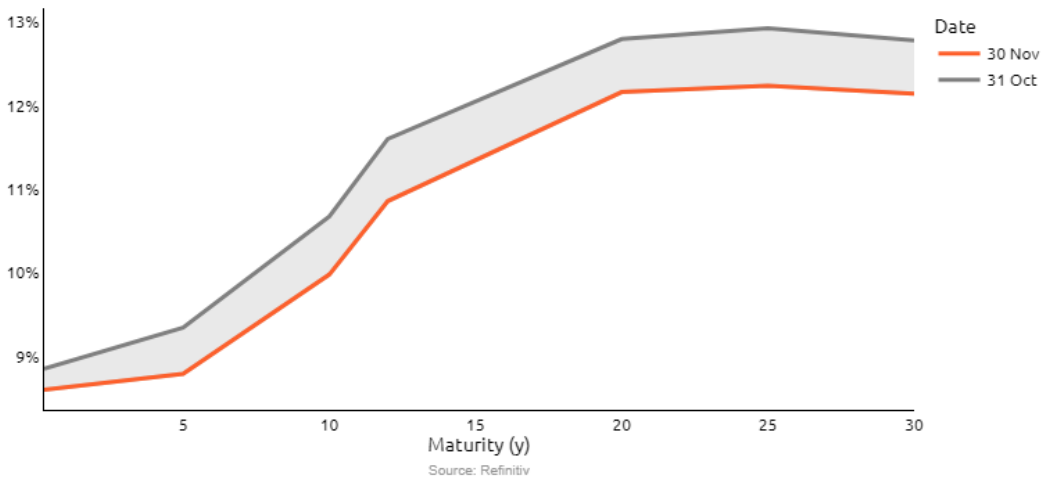
NOVEMBER - END REVIEW 2023

Bonds

ALBI Total Return



Yield Curve South Africa



FTSE G7 Total Return





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Bonds

- On the back of the bull-run seen through November, bonds also fared very well in both local and offshore markets.
- November's Medium Term Budget Policy Statement helped to strengthen local sentiment and supported both local bonds and the rand.
- The Minister of Finance showed pragmatism and helped to ease some of the fears surrounding next year's budget. The Treasury decided not to issue any more bonds to raise money, and the public wage bill deficit would be funded by cutting from other parts of the budget.
- The All Bond index, as well as the FTSE G7 Bond index, which measures the performance of sovereign bonds in the G7 nations, delivered returns above 4.7% in their respective currencies.