

NOVEMBER 2023

MONTHLY MARKET WRAP

WELCOME RALLY FOR GLOBAL EQUITY AND BOND MARKETS



UNITED STATES

Markets increasingly pricing for a 'soft landing'.



UK/EUROPE

European CPI slowing down.



ASIA CHINA

Mixed signals from Chinese economy.



SOUTH AFRICA

Benefitted from global risk-on environment.

UNITED STATES

- November marked the strongest monthly gains for risk assets this year, with a broad rally in both equities and bonds that was helped by a further slowdown in global inflation.
- Stocks jumped. The Nasdaq finished up 10.8%, while the S&P 500 rose 9%.
- In general, the US equity market continues to benefit from a combination of slowing inflation and solid economic growth. A scenario in the business cycle – referred to as a soft landing – when an economy shifts from growth to slow-growth to potentially flat, as it approaches but avoids a recession.
- Treasury yields fell. The yield on the benchmark 10-year note dropped sharply to settle at 4.37%. The Bloomberg Global Aggregate Bond Index was up 5% for the month.

UK/EUROPE

- Euro-area CPI slowed materially in November to 2.4% y/y, down from 2.9% y/y in October. This was well below market expectations.
- The governor of the Bank of England has warned that it is “much too early” to say that inflation has been beaten, despite figures that showed (CPI) inflation was the lowest it had been for two years.
- Germany's Federal Labour Office reported that the November unemployment rate rose to 5.9% – the highest level since 2021 – and up from 5.8% in October.

ASIA

- Mixed signals from the Chinese economy. The value of new home sales by China's top 100 property developers fell by a substantial 29.6% y/y in November. Furthermore, the Manufacturing Purchasing Managers' Index (PMI) dropped to a below-consensus 49.4 in November.
- In contrast, the November private sector Caixin/S&P Global survey of manufacturing activity rose to an above-forecast 50.7, as new order growth rose to the highest level since June.

SOUTH AFRICA

- The JSE/All Share Index rebounded strongly (+8.6%) reacting positively to the US Fed's decision to keep its lending rate unchanged. Listed property was up 9%.
- Naspers reported a substantial 112% increase in half-year profit, attributed to improved performance in its e-commerce businesses and China's Tencent.
- The SA bond market (+4.7%) had a welcome rally mostly due to the global 'risk-on' environment, rather than material changes to fundamental drivers. The SARB kept the repo rate unchanged at 8.25%.

Annualised returns (%)	1m	YTD	1yr	3yr	5yr	10yr
MSCI AC World Index (S)	9.23	16.60	12.01	5.69	9.07	7.60
S&P 500 Index	9.13	20.80	13.84	9.76	12.51	11.82
Nasdaq Composite	10.83	37.00	25.13	6.08	15.17	14.51
Bloomberg Global Aggr. Bond Index (S)	5.04	1.50	2.05	-6.37	-0.73	-0.09
JSE All Share	8.55	7.11	4.69	14.33	12.37	8.89
Property Index	9.04	0.71	1.85	15.76	-2.78	0.94
Bonds (ALBI)	4.73	8.09	8.76	7.76	8.06	7.94
Money Market (STeFi Composite)	0.68	7.31	7.91	5.54	5.92	6.40
Rand/dollar (depreciation +)	1.10	10.75	9.54	6.83	6.34	6.39
SA inflation (1 month lag)	0.89	5.62	5.92	6.15	5.07	5.22



+9.2% ↑

MSCI AC World Index (S)

+5.0% ↑

Bloomberg Global Aggregate Bond Index (S)

+8.6% ↑

ALSI Index

+4.7% ↑

All Bond Index



11.75% →

SA Prime Rate
(unchanged)

9.95%

INN8 Invest Flexible Income: YIELD
(net of fees)

[31 October 2023]



\$/R18.85

Exchange rate



\$81.25

Oil price