

The Week That Was

8 July 2024

Shoprite's digital boost for spaza shops

Shoprite has launched an online shopping and bulk delivery service for small businesses, including spaza shops, with free delivery within 50km. This new platform, tailored for Cash & Carry stores, streamlines purchasing, offering competitive prices and multiple payment options. Mark Cotton, head of B2B e-commerce, emphasised the untapped B2B market potential and the platform's benefits, such as reducing overstocking and improving cash flow while maintaining personal customer relationships.

[Source: [Moneyweb](#)]

Bidvest announces sale of bank and financial migration businesses

Bidvest is restructuring its financial services division and has announced plans to sell Bidvest Bank and FinGlobal. This follows their earlier decision to dispose of Bidvest Life, with the transaction expected by the end of 2024. The sale aligns with Bidvest's strategy to diversify into automotive services, moving the remaining financial services focused on vehicle insurance to its automotive division. The restructuring aims to facilitate capital recycling for growth. The disposal process will begin soon, with a buyer expected by year-end, pending regulatory approval. In 2023, Bidvest Bank recorded a trading profit of R234 million.

[Source: [Moneyweb](#)]

Two-pot retirement system, initial delays and long-term benefits

Starting 1 September 2024, the two-pot retirement system splits contributions into an accessible savings component and a retirement component, with a vested component for earlier contributions. Initial seeding (10% or R30,000) may delay payouts due to required calculations and verifications. Despite expected high withdrawal requests initially, this system aims to enhance retirement savings and reduce state dependency by enforcing compulsory preservation, improving financial stability for retirees.

[Source: [Moneyweb](#)]

Markets moves

Since April, investors have favoured bonds from countries implementing fiscal reforms, selling off those from nations with loose fiscal policies. Top performers include Argentina, Turkey, and Egypt, which are enacting fiscal reforms, while Mexico and Brazil lag due to growing deficits. Over the past two years, Mexico's bonds returned 37% and Brazil's 22%, but both now underperform. The extra yield on dollar-denominated government debt over Treasuries saw its largest quarterly jump since 2022. This trend underscores the rising importance of fiscal policies over monetary strategies in emerging markets.

[Source: [Moneyweb](#)]

The week ahead

Today, China will release both the Consumer Price Index (CPI) and Producer Price Index (PPI) data. Wednesday brings the United States' Crude Oil Inventories and Imports reports. Thursday features the United Kingdom's Gross Domestic Product (GDP) and Trade Balance data, alongside South Africa's Gold and Mining Production and Manufacturing Production figures. The United States will also release its Consumer Price Index (CPI), and China will report its Trade Balance. Finally, on Friday, the United States will announce its Producer Price Index (PPI), and India will disclose Industrial and Manufacturing data.

[Source: [Investing.com](#)]

MARKET COMMENTARY

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Market Performance as at 5 July 2024

	WEEK	YTD	1 YEAR	3 YEARS	5 YEARS
DOMESTIC EQUITY					
JSE ALL SHARE	1,4%	7,2%	10,8%	11,5%	11,1%
JSE FINANCIAL 15	0,4%	9,2%	24,2%	19,2%	7,7%
JSE INDUSTRIAL 25	-0,2%	5,5%	5,5%	10,7%	10,6%
JSE RESOURCE 20	4,9%	9,4%	2,7%	3,8%	11,5%
JSE MID CAP	1,9%	7,6%	19,1%	10,0%	8,2%
JSE SMALL CAP	4,2%	14,2%	25,4%	18,9%	15,8%

Returns are in SA Rand (ZAR)

INTERNATIONAL EQUITY					
DOW JONES	0,5%	4,5%	14,8%	4,4%	7,9%
NASDAQ	2,6%	22,3%	33,1%	7,8%	17,6%
FTSE 100	0,5%	6,1%	10,2%	4,9%	1,7%
NIKKEI 250	3,2%	22,3%	22,7%	12,6%	13,5%
S & P 500	1,7%	16,7%	25,2%	8,6%	13,2%

Returns are in US Dollar

OTHER					
DOLLAR	-0,2%	-0,3%	-3,0%	8,5%	5,1%
ALBI	1,8%	7,4%	15,7%	8,1%	8,2%

Returns are in SA Rand (ZAR)

Source: FundFocus. Data as at 5 July 2024. Past performance is not a reliable guide to future performance. For illustrative purposes only and not indicative of any investment.