

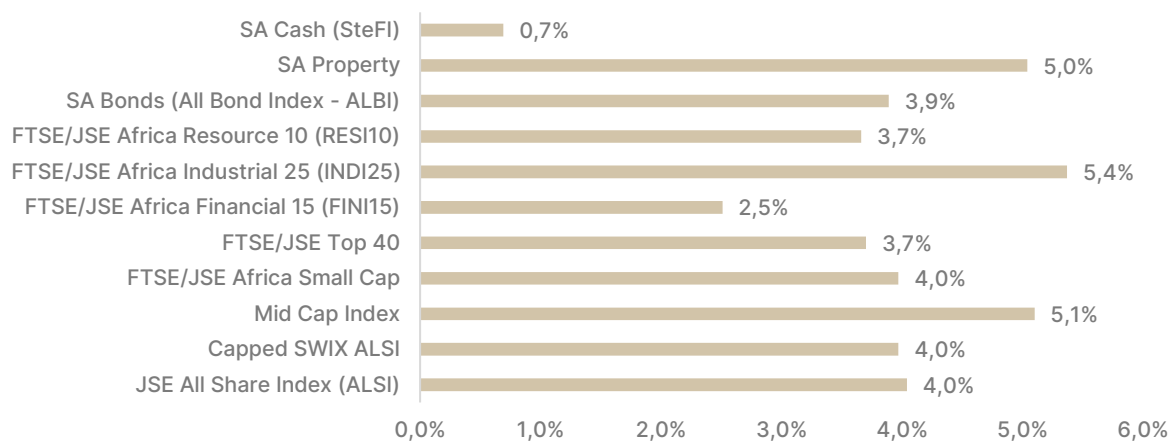
Monthly Market Review

September 2024

September 2024 was an active month for global markets, driven by decisions from central banks, inflation trends, and economic events. The Federal Reserve and South African Reserve Bank (SARB) lowered interest rates, impacting stocks and bonds. While inflation eased in several regions, concerns about global politics and rising energy costs remained. Investors faced mixed results across different markets and types of investments.

LOCAL MARKETS

Exhibit 1 | Local performance (ZAR) for September 2024



Note: Data illustrated in ZAR. Source: RMB. Data as at 30 September 2024. Past performance is not indicative of future performance. For illustrative purposes only and not indicative of any investment.

South Africa

Equity Markets

South African markets had a positive month, with the JSE All Share Index (ALSI) rising by 4.04%. The SARB implemented a 25-basis points rate cut, the first since 2020, which supported markets. Mid-cap stocks were the top performers, gaining 5.10%, and the technology sector saw a notable rise of 13.91%. In contrast, the healthcare sector struggled, falling by 7.85%.

Best performing equities

- Impala Platinum 25.7%
- Prosus 14.3%
- Naspers 14.1%

Worst performing equities

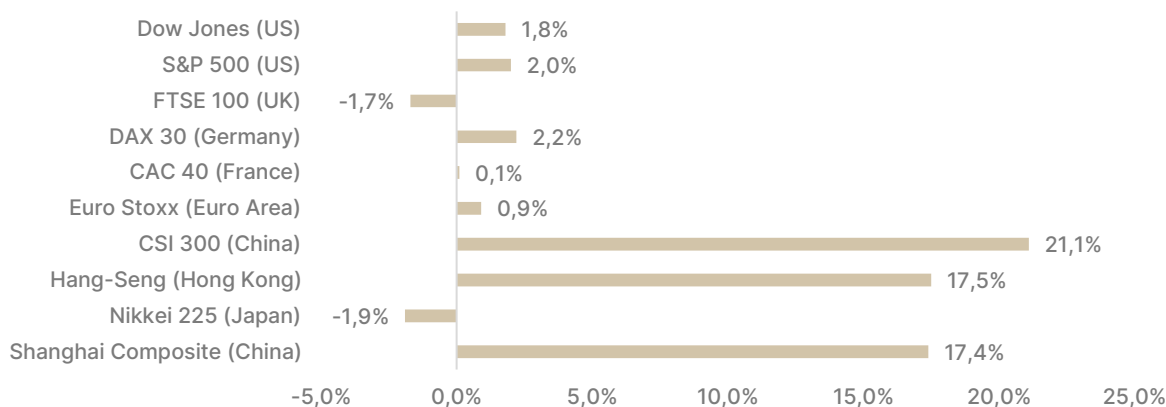
- Aspen -17.3%
- Sasol -15.6%
- AngloGold -13.2%

Bond Markets

The All-Bond Index (ALBI) delivered a strong return of 3.89% aided by declining yields on long-dated bonds.

GLOBAL MARKETS

Exhibit 2 | Global performance (USD) for September 2024



Note: Data illustrated in USD. Source: RMB. Data as at 30 September 2024. Past performance is not indicative of future performance. For illustrative purposes only and not indicative of any investment.

Commodities and Currency

Gold shone brightly in September, posting a 13% gain over the quarter, driven by global uncertainty and the weakening dollar following the Fed's rate cut. Meanwhile, the USD/ZAR appreciated by 2.9%, further supported by South Africa's rate cut and favourable inflation data. Oil and platinum remained volatile due to fluctuating global supply and demand dynamics.

United States

In the United States, equity markets were led by the NASDAQ 100, which gained 2.5%, followed by the S&P 500 (2.0%) and Dow Jones 30 (1.8%). The Federal Reserve's rate cut of 50 basis points contributed to positive market sentiment, though concerns remain about labour market weakness. On the inflation front, the Personal Consumption Expenditures (PCE) index eased to 2.2% year-on-year, moving closer to the Fed's target. Despite the gains in equities, the bond market saw yields compress as investors sought safer assets amid ongoing uncertainty.

United Kingdom

The United Kingdom experienced a challenging September, with the FTSE 100 falling by 1.7%, making it one of the few major indices to post a loss during the month. Economic uncertainty, higher energy prices, and continued inflationary pressures weighed on investor sentiment. The Bank of England held its interest rates steady, maintaining a cautious stance as inflation (although easing) remained well above target. On the economic front, concerns over the UK's sluggish growth outlook and potential for a prolonged period of higher interest rates contributed to a more defensive approach from investors.

Europe

In continental Europe, the markets showed mixed performance in September. The German DAX 30 rose by 2.2%, and the Euro Stoxx 50 posted a modest 0.9% gain, while France's CAC 40 managed a slight 0.1% increase.

Unlike the UK, European equities benefited from stronger-than-expected industrial data and easing inflation pressures across the Eurozone. Nevertheless, the European Central Bank (ECB) remained cautious, signalling that any rate cuts would depend on further data. Energy costs, geopolitical concerns, and fluctuating demand for European exports kept market optimism in check.

Asia

Asian markets were the standout performers in September, particularly in China. While Japan's Nikkei 225 declined by 1.9%, China's CSI 300 and Hang Seng Index surged by 21.1% and 17.5%, respectively, supported by economic stimulus measures from the Chinese government. The Shanghai Composite Index surged by 17.4%, driven by optimism as the government implemented measures aimed at stabilising the economy and promoting investment growth.

Conclusion

Overall, September 2024 was shaped by central bank interventions, inflation trends, and sector-specific performances across regions. While equities in the US, Europe, and South Africa enjoyed gains, the UK and Japanese markets faced challenges. Emerging markets, particularly China, delivered robust results, and commodities like gold continued to shine amid global uncertainty. As we look ahead, the ongoing effects of monetary easing and inflation dynamics will likely be key drivers of market performance in the coming months.

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