

Roxburgh Market Summary

DECEMBER 2024

MARKET INDICES (% in ZAR) (*ANNUALISED)

	1 month	3 months	YTD	1 year	3 years*	5 years*	7 years*
FTSE/JSE All Share	-0.29	-2.13	13.44	13.44	8.68	12.16	8.92
FTSE/JSE SA Listed Property	0.41	-0.83	28.96	28.96	12.60	5.07	-0.35
FTSE/JSE All Bond	-0.35	0.43	17.18	17.18	10.25	9.56	9.40
STeFI (Cash)	0.66	2.01	8.46	8.46	7.23	6.17	6.48
MSCI World	1.74	9.33	22.45	22.45	12.45	18.03	17.08
MSCI EM	4.32	0.73	10.93	10.93	3.71	7.98	7.67
Oil Price	6.31	13.47	-1.10	-1.10	3.93	8.59	7.72
Gold Price	2.81	8.63	29.53	29.53	19.54	18.38	17.44

MARKET COMMENTARY

The year 2024 ended on a subdued note, with most equity markets posting negative returns in December. While the US Federal Reserve delivered a widely anticipated 0.25% rate cut, the hawkish tone of its accompanying statement unsettled markets. Global bonds ended the month in negative territory as yields rose (and prices declined) post the hawkish tone from the US Federal Reserve. Despite a decline in December, the S&P 500 ended the year with an impressive 25.0% annual return, building on the 26.3% gain from 2023. This marked the index's best two-year performance streak since the late 1990s. Emerging Market (EM) equities outperformed their Developed Market (DM) counterparts in December but continued to lag on a year-over-year basis. Overall, 2024 delivered strong returns across asset classes, albeit with greater variability compared to 2023.

South African (SA) equities declined in December, underperforming the broader Emerging Markets (EM) composite for the month. The weakness in the equity market was largely on the back of the poor performance of the Resource sector (-5.4%). Platinum and gold miners including Impala Platinum (-14.0%) Anglo American Platinum (-4.2%), AngloGold Ashanti (-6.9%) and Gold Fields (-3.5%) detracted from performance on the back of weaker commodity prices and general weakness in the sector. On the other hand, strong performance from MTN (+13.9%), Richemont (+11.5%), and Mr Price (+3.6%) led the Industrials sector (+2.7%) higher in December. On a year-over-year basis, SA equities delivered a strong return of 13.4%, outpacing many peers within the EM space. South African bond yields rose in December (pushing prices lower), mirroring trends in global bond markets. The upward movement in yields led to capital loss that outweighed the accrued income, resulting in the All Bond Index (ALBI) posting a negative return of -0.3% for the month. Despite this, the ALBI ended 2024 with an impressive annual gain of 17.2%, its best calendar-year performance since 2003. South African listed property produced a positive return in December with the property index rising +0.4% bringing its year-to-date return to +29.0%. The rand weakened this month, moving above R18 on the back of a firmer dollar.

Headline year-over-year inflation increased slightly to 2.9% (to the end of November 2024) from 2.8% in October, coming in below consensus expectations of 3.1%. This marks the sixth positive inflation surprise in the past nine months, underscoring a trend of moderating price pressures. However, economic growth in the third quarter of 2024 fell well short of expectations, contracting by 0.3% quarter-on-quarter compared to a forecasted expansion of 0.4%. The unexpected downturn was primarily driven by a sharp 28.8% contraction in agricultural output, attributed to severe drought conditions. The South African Chamber of Commerce and Industry (SACCI) business confidence index climbed to 118.1 in November 2024, the highest since October 2015, up from 114.2 in the prior month. This increase was largely attributed to higher tourist numbers, precious metal prices and new vehicle sales. On the other hand, the FNB/BER Consumer Confidence Index for South Africa edged down to -6 in the last quarter of 2024 from -5 recorded in the third quarter.

The **JSE All Share Index** (-0.3%) ended December lower, with larger detractors coming from the Resources and Financials sectors. **Resources** (-5.4%) contributed negatively to performance, with gold and platinum stocks delivering weak returns for the month. **Financials** (-1.2%) ended the month in negative territory. **Industrials** (+2.7%) ended the month positively, contributing to performance. **Listed Property** (+0.4%) ended the month in positive territory ahead of the broader equity market. SA bond yields ended up higher in December (thus pushing prices down), in line with global bond markets. Subsequently, **Local bonds** (-0.3%) recorded a negative return in December.

The rand weakened against most of the major currencies this month. The currency depreciated against the **US dollar** (-4.5%), **pound sterling** (-2.9%) and **euro** (-2.4%) during the month.

*All data is sourced from Morningstar Direct as at 2024/12/31. The performance of South African asset classes is quoted in rands.

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Sources: Morningstar Direct.

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