

## Market Review – July 2020

The rand strengthened 1.6% against the US dollar – ending the month at 17.07/\$. The repo rate (the interest rate at which the central bank lends money to commercial banks) is at its lowest level since 1998. The South African reserve bank lowered the rate by 0.25% in July, bringing the rate down to 3.5%. Tax revenue lost since the lockdown started has led the country to seek external financial assistance. South Africa received a \$1 billion loan from the New Development Bank and \$43 billion from the IMF to assist in fighting the coronavirus pandemic. The country will only start repaying the loan in 2023.

### Local Markets

The property sector is still the hardest hit sector this year. Mid-caps and small caps have not recovered from losses suffered in the first quarter of the year. The top 40 index is now in positive territory - biggest detractors of performance were financials and property but thanks to resources along with Naspers and Prosus the index now sits at +1.1% for the year .

Equity Indices	July	YTD
Basic Materials	9.05%	12.90%
Telecommunication	8.13%	-15.63%
All Share	2.50%	-2.39%
Top40 - (Tradable)	2.38%	1.09%
Mid Cap	1.67%	-25.93%
Small Cap	1.13%	-21.27%
Financials	0.36%	-33.84%
Technology	-0.16%	39.09%
Consumer Services	-1.57%	-25.52%
Health Care	-2.13%	-14.85%
Industrials	-2.67%	-36.65%
SA Listed Property (J253)	-3.35%	-42.01%
Consumer Goods	-5.27%	-5.00%

Anglogold Ashanti CEO decided to step down from his position having spent less than 2 years on the post – an unexpected move considering the company’s performance has been nothing short of exceptional. Spot gold rose 10.9% in July, its biggest monthly gain in 9 years.

<i>JSE Top 40 - Top performing shares</i>					
Share Code	Company Name	Industry Sector	Market Cap (Rmn)	July	YTD
GFI	GOLD FIELDS LTD	Basic Materials	199,898	37.2%	132.1%
IMP	IMPALA PLATINUM HOLDINGS LTD	Basic Materials	121,134	30.1%	5.1%
SSW	SIBANYE STILLWATER LTD	Basic Materials	129,438	27.9%	34.3%
NHM	NORTHAM PLATINUM LTD	Basic Materials	68,336	15.3%	8.4%
MTN	MTN GROUP LTD	Communications	109,118	11.9%	-28.3%
ANG	ANGLOGOLD ASHANTI LTD	Basic Materials	233,946	9.7%	75.3%
<i>JSE Top 40 - Worst performing shares</i>					
Share Code	Company Name	Industry Sector	Market Cap (Rmn)	July	YTD
BVT	BIDVEST GROUP LTD	Consumer, Cyclical	43,902	-7.1%	-35.6%
REM	REMGRO LTD	Consumer, Non-cyclical	50,995	-7.5%	-35.2%
APN	ASPEN PHARMACARE HOLDINGS LT	Consumer, Non-cyclical	61,393	-7.7%	11.1%
MRP	MR PRICE GROUP LTD	Consumer, Cyclical	33,676	-11.4%	-30.6%
BTI	BRITISH AMERICAN TOBACCO PLC	Consumer, Non-cyclical	1,306,996	-13.9%	-3.5%
RMH	RMB HOLDINGS LTD	Financial	1,906	-17.1%	0.3%

Basic materials leading gains this month, with Gold Fields (+37%) and Impala Platinum (+30%) pushing the index return to over 9%. MTN announced earlier in the month that they expect headline earnings per share for the six months to end June to grow by more than 100%.

### International Markets

Technology company Apple Inc is the world's most valuable company by market capitalization as at the end of July 2020. The share price reached an all-time high after the company released their second quarter results. The company's valuation sits at about \$1.8 trillion. Microsoft expressed an interest to buy the Chinese video-sharing social networking service TikTok, but the US president is keen to ban the company from operating in the United States, citing national security risks.

Region	Index	USD	ZAR
Americas	S&P 500 index	5.51%	3.36%
Americas	Nasdaq Composite index	6.82%	4.65%
Americas	Dow Jones Industrial Average	2.38%	0.30%
Europe and Middle East	Euro Stoxx 50 price EUR	2.94%	0.84%
Europe and Middle East	FTSE 100 Index	1.15%	-0.91%
Europe and Middle East	CAC 40 index	1.64%	-0.44%
Europe and Middle East	Deutsche Borse AG German Stock Index DAX	4.89%	2.75%
Asia	Nikkei 225	-0.76%	-2.79%
Asia	Hong Kong Hang Seng index	0.69%	-1.36%

### Emperor Asset Management

Our leveraged portfolios have now returned over 20% this year, gains from our shorts in property and financials and the long basic materials exposure. Emperor's Covid bundles are also worth looking at – these have been live since March and invests in local instruments that Emperor believes are better positioned to outperform as the COVID pandemic continues to haunt the globe. Emperor's unit trusts continue to outperform the market. The global unit trust earned 5.7% last month and 74% this year compared to the MSCI world TR Index which was up 4.9% last month and is down 1.26% this year. Our balanced fund earned 5.3% last month and 15% this year compared to the ASISA MA High equity average with a return of 2.2% in July and -0.4% for the year.

<b>Investment Products</b>		<b>This Month</b>	<b>YTD</b>
Segregated Portfolios	Leveraged Equity (RFS)	8.74%	24.54%
Segregated Portfolios	Long-Short 140/40 (SJR)	7.72%	21.20%
Easy Equities - Bundles	Core Income Plus (Elbrus)	0.36%	4.34%
Easy Equities - Bundles	Core Conservative (Kilimanjaro)	1.38%	9.54%
Easy Equities - Bundles	Core Moderate (Denali)	1.73%	9.78%
Easy Equities - Bundles	Core Balanced (Aconcagua)	2.09%	8.79%
Easy Equities - Bundles	Core Flexible Equity (Everest)	2.81%	7.55%
Easy Equities - Bundles	Core International Portfolio (ZAR)	3.77%	32.75%
Easy Equities - Bundles	Core International Equity Bundle (USD)	6.41%	21.21%
Easy Equities - Bundles	Enhanced Conservative (Kilimanjaro)	1.98%	9.55%
Easy Equities - Bundles	Enhanced Moderate (Denali)	2.81%	11.16%
Easy Equities - Bundles	Enhanced Balanced (Aconcagua)	3.18%	8.79%
Easy Equities - Bundles	Enhanced Flexible Equity (Everest)	5.72%	15.14%
Easy Equities - Bundles	Shariah	6.99%	20.62%
Easy Equities - Bundles	COVID-19 Bundle (ZAR)	7.77%	30.73%
Easy Equities - Bundles	COVID-19 Bundle (USD)	8.50%	36.44%
Easy Equities - Bundles	Enhanced USD Bundle	10.07%	30.56%

*All Performance data sourced from Bloomberg on 31 July 2020.*

## Happy investing!

### Disclaimer:

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