

Market Review – February 2021

Local Markets

The finance minister delivered his budget speech last week. Among other things announced were a 5% increase in personal income tax brackets and rebates, a decrease in the corporate income tax rate to 27%. The fuel Levy to increase by 15 cents a litre for petrol and diesel and the Road Accident Fund Levy by 11 cents per litre from 7 April 2021. Sin taxes to go up 8%.

The telecoms sector, boosted by strong gains in Telkom and MTN, was up 10% in February. Listed property also recovered slightly after dropping nearly 40% last year. The financials sector is the worst performing sector this year with a year – to – date return of only 1.99%.

Equity Indices	Feb-21	YTD
Basic Materials	11.54%	17.09%
Telecommunication	10.47%	13.48%
SA Listed Property	8.60%	4.58%
Small Cap	8.36%	11.85%
Top40 - (Tradable)	6.01%	11.72%
All Share	5.87%	11.33%
Financials	4.79%	1.99%
Industrials	4.00%	8.21%
Mid Cap	3.15%	5.65%
Consumer Services	2.70%	4.55%
Consumer Goods	2.33%	7.00%
Technology	1.15%	15.85%
Health Care	-1.52%	9.13%

Logistics group Imperial has reported positive revenue, up 15% in its interim results for the six months ended 31 December 2020. They have also acquired a controlling stake in Parcelinja, a South African e-commerce logistics specialist. Resources rallied in the last month on the back of higher metals prices. Sibanye Stillwater reported a 75% year on year increase in revenue.

<i>JSE Top 40 - Top performing shares</i>					
Share Code	Company Name	Industry Sector	Market Cap (Rmn)	February	YTD
AMS	ANGLO AMERICAN PLATINUM LTD	Basic Materials	504,055	20.8%	27.1%
SSW	SIBANYE STILLWATER LTD	Basic Materials	212,758	18.8%	16.7%
IMP	IMPALA PLATINUM HOLDINGS LTD	Basic Materials	206,880	18.8%	21.9%
NHM	NORTHAM PLATINUM LTD	Basic Materials	119,518	16.8%	5.9%
MTN	MTN GROUP LTD	Communications	136,250	16.1%	20.8%
AGL	ANGLO AMERICAN PLC	Basic Materials	759,109	16.1%	19.8%
<i>JSE Top 40 - Worst performing shares</i>					
Share Code	Company Name	Industry Sector	Market Cap (Rmn)	February	YTD
CPI	CAPITEC BANK HOLDINGS LTD	Financial	158,399	-3.5%	-6.6%
SHP	SHOPRITE HOLDINGS LTD	Consumer, Non-cyclical	79,476	-5.0%	-5.0%
BTI	BRITISH AMERICAN TOBACCO PLC	Consumer, Non-cyclical	1,226,894	-5.1%	-4.1%
GFI	GOLD FIELDS LTD	Basic Materials	110,724	-15.5%	-8.6%
ANG	ANGLOGOLD ASHANTI LTD	Basic Materials	124,078	-16.2%	-11.5%
HAR	HARMONY GOLD MINING CO LTD	Basic Materials	35,540	-17.8%	-19.9%

Gold stocks got hammered this month, the worst performer is Harmony Gold at -17.8% followed by AngloGold Ashanti at -16.2%.

International Markets

Electric vehicle manufacturer Tesla Inc, invested \$1.5billion in bitcoin and plans to accept the cryptocurrency as payment in the future. Apple intends to join the electric vehicle space. The company is close to finalizing a deal with Hyundai-Kia to manufacture an Apple-branded autonomous electric vehicle.

Region	Index	ZAR	USD
Americas	S&P 500 index	2.37%	2.61%
Americas	Nasdaq Composite index	0.70%	0.93%
Americas	Dow Jones Industrial Average	2.93%	3.17%
Europe and Middle East	Euro Stoxx 50 price EUR	3.76%	4.00%
Europe and Middle East	FTSE 100 Index	2.71%	2.95%
Europe and Middle East	CAC 40 index	4.93%	5.18%
Europe and Middle East	Deutsche Borse AG German Stock Index DAX	1.95%	2.19%
Asia	Nikkei 225	2.55%	2.79%
Asia	Hong Kong Hang Seng index	2.18%	2.42%

Emperor Asset Management

Emperor portfolios with more local equity exposure performed better. Our international equity portfolios had a difficult month but remain in positive territory for the year. We continue to monitor the strategy and building blocks.

Investment Products		This Month	YTD
Segregated Portfolios	Leveraged Equity (RFS)	-0.55%	4.25%
Segregated Portfolios	Long-Short 140/40 (SJR)	0.15%	4.12%
Easy Equities - Bundles	Core Income Plus (Elbrus)	0.93%	2.04%
Easy Equities - Bundles	Core Conservative (Kilimanjaro)	0.79%	2.95%
Easy Equities - Bundles	Core Moderate (Denali)	1.39%	4.13%
Easy Equities - Bundles	Core Balanced (Aconcagua)	1.83%	5.19%
Easy Equities - Bundles	Core Flexible Equity (Everest)	3.01%	7.69%
Easy Equities - Bundles	Core International Portfolio (ZAR)	-3.34%	0.54%
Easy Equities - Bundles	Core International Equity Bundle (USD)	-3.26%	0.37%
Easy Equities - Bundles	Enhanced Conservative (Kilimanjaro)	0.31%	2.19%
Easy Equities - Bundles	Enhanced Moderate (Denali)	0.83%	3.04%
Easy Equities - Bundles	Enhanced Balanced (Aconcagua)	1.31%	3.90%
Easy Equities - Bundles	Enhanced Flexible Equity (Everest)	2.34%	5.63%
Easy Equities - Bundles	Shariah	4.31%	7.56%
Easy Equities - Bundles	COVID-19 Bundle (ZAR)	-3.66%	-0.80%
Easy Equities - Bundles	COVID-19 Bundle (USD)	0.75%	4.14%
Easy Equities - Bundles	Enhanced USD Bundle	-1.86%	0.41%

All Performance data sourced from Bloomberg on 28 February 2021.

Happy investing!

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