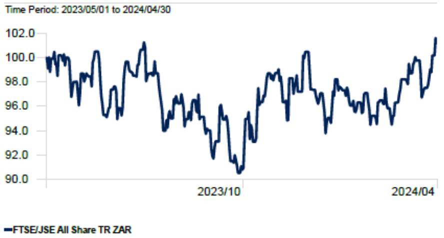
PRIVATECLIENT HOLDINGS

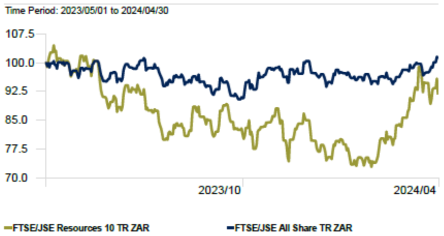
Perspectives | Monthly Market Review

May 2024

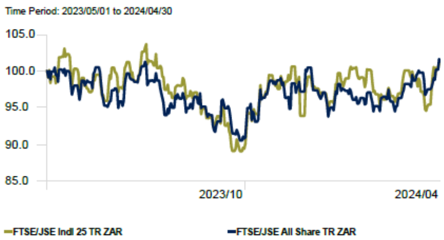
All Share



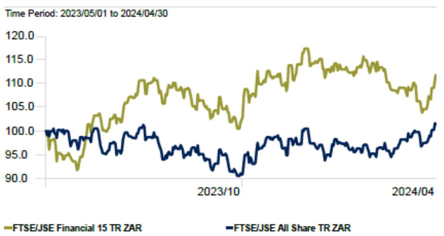
Resources



Industrials



Financials



Index	Value	Apr (%)	YTD (%)
All Share	76,076	▲ 3.0%	▲ 0.6%
S&P 500	5,036	▼ 4.1%	▲ 6.0%
FTSE 100	8,144	▲ 2.7%	▲ 6.8%
Rand/USD	18.84	▼ 0.5%	▲ 3.0%
Rand/GBP	23.59	▼ 1.4%	▲ 1.2%
Gold ($)	2,291	▲ 3.3%	▲ 11.1%
Plat ($)	941	▲ 3.7%	▼ 5.4%
Brent ($)	87.86	▲ 0.4%	▲ 14.0%

Local bourse builds further on March momentum

Local markets built on the healthy gains recorded in March, marking the second consecutive month of strong gains for the JSE following back-to-back months of disappointing returns earlier in the year. The All Share (+3%) and Capped SWIX (+2.9%) indices rose impressively to creep into positive year-to-date territory. Resources (+7.1%) were the most impressive climbers on the bourse as commodity prices continued to creep up. Precious metal miners continued to run hard, as Gold (+3.3%) and Platinum (+3.7%) surged on. PGM Miners managed to steal the show this month with Impala Platinum (+8.2%) and Northam (+10.8%) emerging as the eye-catching standouts for the month. Gold miners also continued their impressive run for the year, with Harmony Gold (+5.3%), AngloGold Ashanti (+3.3%), and Gold Fields (+2.2%) all adding to the phenomenal momentum they've established throughout the year.

Anglo American (+32.6%) rose towards the top of the pile on the JSE, wrapping up the month as the second-best performing share behind Barloworld (+41.4%). Anglo American spiked on news that BHP had proposed a takeover bid for the mining giant. BHP, the world's largest publicly listed mining company, tabled an initial £31 billion bid for Anglo American, in a move to gain increased access to copper through Anglo American's copper operations in South America. The move comes a year after BHP acquired copper producer, Oz Minerals, for A$9.6 billion. The deal remains tentative as BHP's initial £31 billion bid was swiftly rejected with Anglo American chair, Stuart Chambers, labelling the deal as "highly unattractive" and "opportunistic". The initial deal proposed by BHP also outlines spinning off Anglo's platinum and South African iron ore divisions.

The banking sector (+4%) returned to form in April, completely reversing the losses it suffered in March. Three out of the 'big 4' impressed, as Absa (+3.1%) and FirstRand (+5.6%) rebounded while Nedbank (+4.6%) continued their recent upswing. Standard Bank (-0.5%) was the only negative outlier in the banking sector while Capitec (+11.1%) was the standout performer in the sector. Capitec rose on an impressive earnings announcement. The company reported FY headline earnings per share of R91.71 exceeding their prior guidance and earnings estimates (R90.49 and R89.04).

SA's year-on-year headline inflation softened from 5.6% in February to 5.3% in March. The headline inflation rate has held steady between 5% and 6% since September 2023. Year-on-year core inflation, which strips out sticky food and energy prices, edged 10 basis points lower to 4.9%. Some of the biggest drivers of inflation in March included education (+6.3%), health (+6%) and housing & utilities (+5.9%). Many parents around the country would have grimaced at the fact that educational fees have recorded their largest annual increase (+6.4%) since 2020. However, some reprieve came in the form of local food inflation which slowed to a three-and-a-half-year low. Inflation for food and non-alcoholic beverages cooled from 6.1% in February to 5.1% in March, while meat inflation also cooled on the back of lower beef and mutton prices.

Despite inflation declining at a slower rate than originally anticipated, many market participants expect the SARB to hold rates steady at their upcoming Monetary Policy Committee meeting at the end of May. Local bonds enjoyed a positive month as yields dropped 12 basis points, raising bond prices in the process while the local currency continued its respectable run against the greenback (+0.5%) and sterling (+1.4%). The Rand's recent rally has been largely buoyed by signs of US labour market softening. US labour market softening as well as optimism around the upcoming elections have worked out favourably for the Rand as well as local bond yields as they participated in the risk-on rally seen in emerging markets.

Developed markets stopped in their tracks due to April setback

Global equity markets suffered a snag as their impressive run of 3 consecutive months of positive returns came to a grinding halt. The MSCI ACWI (-3.2%) and MSCI World (-3.6%) suffered noticeable losses, while the MSCI Emerging markets managed to stay afloat by edging 70 basis points higher. Global market's enthusiasm surrounding rate cuts was largely thwarted by hotter-than-expected inflation prints coming out of the world's largest economy.

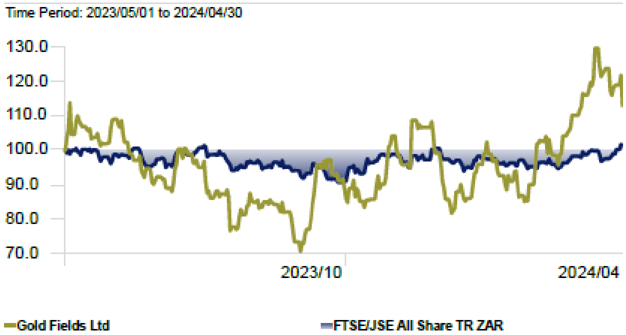
Year-on-year headline inflation came in 10 basis points higher than estimates at 3.4% and crept up 30 basis points from 3.2% relative to last month's inflation print. Despite the unexpected increase in inflation, market participants remained largely cautiously optimistic as the latest figure release for the US Core Personal Consumption Expenditure index, which represents the Fed's preferred gauge to measure inflation, remained steady at 2.8% for March. Data coming out of the labour market also presented encouraging signs for the inflation outlook, as the data presented signs of further labour market softening. US non-farm payroll came in substantially lower than estimates (175,000 v 243,000), year-on-year average hourly earnings also dropped by 20 basis points to 3.9%. Job vacancies in the US came in below estimates (8.488M v 8.69M) while unemployment ticked up to 3.9% from 3.8% the month prior. While the data does suggest that job growth and earnings are slowing, unemployment still hangs near historic lows, which further adds to the complex nature of the inflation dynamics in the US.

US Fed Chair, Jerome Powell, has all but ruled out that the Fed's next move is a rate hike, following the hotter-than-expected inflation print. When questioned about what it would take to have a rate increase Powell stated that the Fed would need to see persuasive evidence that their policy stance is not sufficiently restrictive to sustainably bring inflation down to 2% over time. He concluded that that isn't currently the case. Equity markets in the US experienced their first negative month of the year, the S&P 500 (-4.1%) and the tech-heavy Nasdaq Composite (-4.4%) slumped. The heroic efforts displayed by the 'Magnificent 7' showed signs of waning, as 5 of the 7 delivered negative returns. Amazon (-2.98%), Meta (-11.41%), Microsoft (-7.46%), Nvidia (-4.38%) and Apple (-0.67%) all finished the month with negative returns whilst Tesla (+4.26%) and Alphabet (+7.85%) emerged as the only two silver linings. Much of the underlying performance of the group has had a massive influence in the direction of the US stock market over the last year. The Magnificent 7 was responsible for nearly 37% of the 10.2% gain seen on the S&P 500 over Q1 2024, with that number rising to 47% when you exclude Apple, Tesla and Alphabet.

Equity markets in Europe largely performed similarly to their US counterparts, with the UK's FTSE 100 (+2.7%) emerging as the only positive index in April. The Euro Stoxx 50 (-2.2%), CAC 40 (-1.9%) and the DAX (-3%) all delivered disappointing returns. The year-on-year headline and core inflation prints in the Eurozone came in 20 basis points lower at 2.4% and 2.9% respectively. The ECB held rates steady at 4.5%, with ECB President, Christine Lagarde, hinting that rate cuts could soon be on the way barring any major surprises. Lagarde stated they "need to build a bit more confidence in this disinflationary process" and that "subject to no development of additional shock, it will be time to moderate the restrictive monetary policy in reasonably short order". Asian Equity markets were mildly buoyant. The MSCI AC Asia ex Japan (+2.2%), the Hang Seng (+7.4%) and the Shanghai Composite (+2.12%) advanced steadily while the MSCI AC Asia Pacific climbed 42 basis points. The Nikkei tapered off, coming down from its 34-year high to finish the month down 4.9%.

Gold Fields Limited. – Annual financial results for the year ended 31 December 2023

Earnings per share	**R14.22**
Historical PE	**19.53**
EPS growth	**12.60%**
Turnover growth	**18.72%**
ROE	**17.38%**
Debt/Equity	**37.38%**
NAV per share	**R91.61**
Dividend yield	**2.68%**
Share price	**R277.78**



Nature of business

Gold Fields Ltd. is a gold mining company, which engages in the production of gold and operation of mines. Its operating mines are located in Australia, Ghana, Peru and South Africa. The company was founded on 3 May 1968 and is headquartered in Johannesburg, South Africa.

Latest results

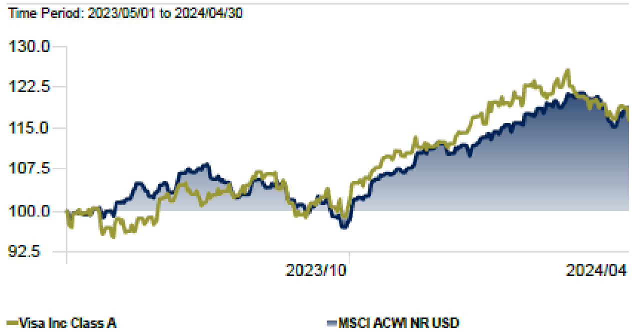
Gold Fields wrapped up its fiscal year with commendable results. Revenue (excluding Asanko) saw a significant uptick, reaching $1.94 billion, marking a solid 9% increase over the previous year's figures. Normalized profit per share also experienced growth, rising to $1.01 compared to $0.97 in the previous year. The company announced a final gross cash dividend of R4.20, payable on 18 March. Looking ahead to 2024, Gold Fields anticipates attributable gold equivalent production (excluding Asanko) to be between 2.33-2.43 million ounces, up from 2.24 million ounces in 2023. Cost management strategies remain a focus, with all-in sustaining costs (AISC) projected to range between $1,410-1,460 per ounce, and all-in costs (AIC) between $1,600-1,650 per ounce. Notably, the company has allocated A$200 million towards a St Ives renewable power project, adding approximately $60 per ounce to AISC. Excluding this project, the AISC and AIC ranges would be $1,350-1,400 per ounce and $1,540-1,590 per ounce, respectively. Total capital expenditure for the year is estimated to be between $1.13-1.19 billion, with sustaining capital expected to account for $860-890 million, and non-sustaining capital expenditure projected to be in the range of US$270-300 million. Gold Fields' robust financial performance underscores its commitment to sustainable growth and effective cost management in the gold mining sector.

Dividend

On 2 February 2024, the board of directors declared an interim dividend of 420 cents per share to ordinary shareholders, which was paid on 18 March 2024.

Visa Inc. – Financial results for the first quarter ended 31 March 2024

Earnings per share	**$8.81**
Historical PE	**31.68**
EPS growth	**20.03%**
Turnover growth	**10.19%**
ROE	**45.81%**
Debt/Equity	**50.89%**
NAV per share	**$19.45**
Dividend yield	**0.70%**
Share price	**$279.08**



Nature of business

Visa, Inc. engages in the provision of digital payment services. It also facilitates global commerce through the transfer of value and information among a global network of consumers, merchants, financial institutions, businesses, strategic partners and government entities. It offers debit cards, credit cards, prepaid products, commercial payment solutions and global automated teller machines. The company was founded by Dee Hock in 1958 and is headquartered in San Francisco, CA.

Latest results

Visa's fiscal second quarter showcased robust performance across several key metrics. GAAP net income soared to $4.7 billion, marking a 10% increase over the previous year, with earnings per share jumping 12% to $2.29. Adjusting for special items and related tax impacts, non-GAAP net income surged to $5.1 billion, a notable 17% rise, translating to $2.51 per share, up 20% from the previous year. Revenue followed suit, hitting $8.8 billion, a solid 10% increase driven by growth in payments volume, cross-border transactions and processed transactions. Payments volume for the quarter ended 31 March 2024, surged 8% year-over-year, while cross-border volume excluding European transactions, a key driver of international transaction revenue, spiked 16%. Service revenue for the fiscal second quarter reached $4.0 billion, climbing 7% from the previous year. However, operating expenses saw a significant uptick, rising 29% primarily due to increases in litigation provisions and general administrative expenses. Despite this, Visa maintained a healthy cash position of $20.8 billion as of March 31, 2024. Overall, Visa's strong financial performance underscores its continued leadership in the payments industry and its ability to capitalize on evolving consumer trends and global economic conditions.

Dividend

On 23 April 2024, the board of directors declared a quarterly dividend of $0.52 per share to ordinary shareholders, which is payable on 3 June 2024.

Snippets

Freelancer vs Employee: How to Decide

With more and more people working remotely as contractors or freelancers, the traditional employer/employee model is being scrutinised more closely than ever before. While there is little doubt that a full-time employee still has much to offer a company in the right circumstances, there are times when a freelancer may make more sense. Take a look at our quick-read guide on how the various roles in your organisation could be filled.

Read more.

Corporate Cash Manager Rates

FUND	BALANCE	RATE
CALL ACCOUNT	0.00 – 9 999.99	7.90
	10 000 – 24 999.99	7.90
	25 000 – 49 999.99	7.90
	50 000 – 99 999.99	7.90
	100 000 – 249 999.99	7.90
CALL MONEY FUND: *Individuals*	250 000 – 999 999.99	8.13
	1 000 000 – 9 999 999.99	8.13
	10 000 000 upwards	8.13
CALL MONEY FUND: *Non-Individuals*	250 000 – 999 999.99	7.83
	1 000 000 – 9 999 999.99	7.83
	10 000 000 upwards	7.83

Dividends Payable

Dividends in LDT order					
Company	**Decl**	**LDT**	**Pay**	**Amt**	**Curr**
Gaia Renewables 1 Ltd. (GR1 ORD)	19-Apr	03-May	06-May	16.19	ZARc
AfroCentric Investment Corporation Ltd. (AFRO-C)	04-Mar	07-May	13-May	11	ZARc
Exxaro Resources Ltd. (EXXARO)	14-Mar	07-May	13-May	1010	ZARc
Exxaro Resources Ltd. (EXXARO)	14-Mar	07-May	13-May	572	ZARc
PSG Financial Services Ltd. (PSG FIN)	18-Apr	07-May	13-May	28.5	ZARc
SBN Holdings Ltd. (SBN HOLDINGS)	14-Mar	10-May	31-May	58	ZARc
Alphamin Resources Corp. (ALPHAMIN)	26-Apr	14-May	24-May	3	CADc
Capitec Bank Holdings Ltd. (CAPITEC)	23-Apr	14-May	20-May	3345	ZARc
Master Drilling Group Ltd. (MASTDRILL)	26-Mar	14-May	20-May	52.5	ZARc
Exchange Traded Funds (PIPAMETF)	09-May	14-May	20-May	6.01	ZARc
Capitec Bank Holdings Ltd. (CAPITEC)	23-Apr	14-May	20-May	3345	ZARc
Master Drilling Group Ltd. (MASTDRILL)	26-Mar	14-May	20-May	52.5	ZARc
Exchange Traded Funds (PIPAMETF)	09-May	14-May	20-May	6.01	ZARc
Exchange Traded Funds (SATRIXCAP)	08-May	15-May	21-May	56.44	ZARc
Exchange Traded Funds (SATRIXCAP)	08-May	15-May	21-May	56.44	ZARc
Redefine Properties Ltd. (REDEFINE)	06-May	21-May	27-May	20.27	ZARc
Zeder Investments Ltd. (ZEDER)	24-Apr	21-May	27-May	10	ZARc
Redefine Properties Ltd. (REDEFINE)	06-May	21-May	27-May	20.27	ZARc
Raubex Group Ltd. (RAUBEX)	08-May	27-May	03-Jun	92	ZARc
RMB Holdings Ltd. (RMBH)	23-Apr	27-May	03-Jun	3.5	ZARc
Calgro M3 Holdings Ltd. (CALGRO)	13-May	27-May	03-Jun	9.49	ZARc

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