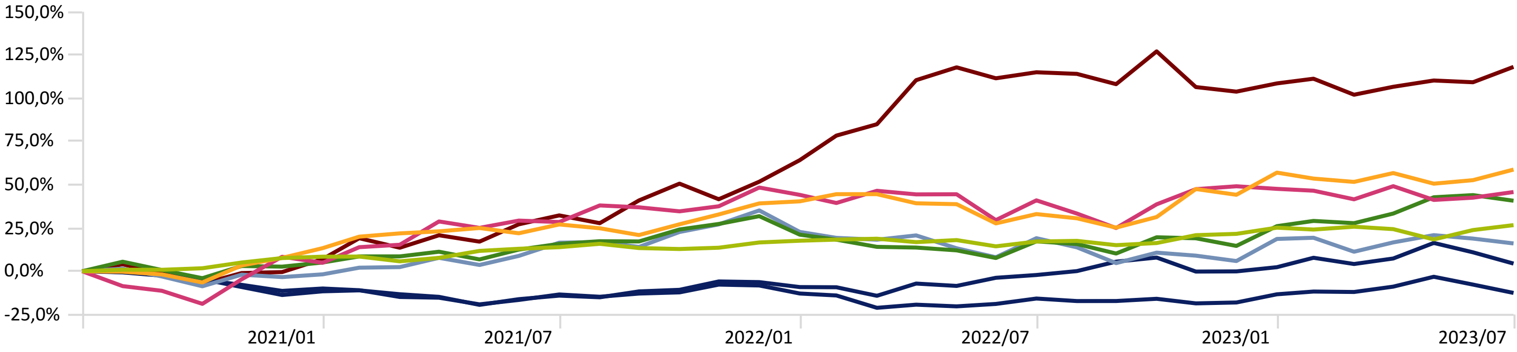
MARKET WATCH As of 2023/07/31

ROCKWEALTH CAPITAL

ASSET CLASS RETURNS in ZAR

	1 Month	3 Months	YTD	1 Year	*3 Years
SA Bonds	2,3	1,9	4,1	8,1	8,2
SA Equity	4,0	1,3	10,1	19,3	16,7
SA Property	2,3	-2,3	-2,2	3,4	13,4
Global Bonds	-5,2	-4,0	6,7	3,9	-4,4
Global Equity	-2,3	5,6	22,8	20,0	12,1
Global Property	-2,4	-0,5	9,6	-2,5	5,1
Commodities	4,2	5,6	7,0	1,4	29,7
USD	-5,9	-2,7	4,5	6,7	1,5

3 YEAR CUMULATIVE RETURNS in ZAR



SA Bonds	26,7%	SA Equity	58,8%	SA Property	45,8%
Global Equity	40,8%	Global Property	16,1%	Global Bonds	-12,5%
Commodities	118,2%	USD	4,4%		

CALENDAR YEAR RETURNS in ZAR

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD
Best	Glb Equity 52,6	Glb Property 34,5	Glb Property 36,6	SA Bonds 15,4	SA Equity 21,0	USD 16,2	Glb Equity 22,8	Glb Equity 22,2	Commodities 52,5	Commodities 34,3	Glb Equity 22,8
	Glb Property 27,2	SA Property 26,6	USD 33,9	SA Property 10,2	SA Property 17,2	Glb Bonds 14,8	Glb Property 20,6	Glb Bonds 14,7	Glb Property 41,3	USD 6,6	Glb Property 10,3
	USD 23,4	Glb Equity 14,6	Glb Equity 31,0	SA Equity 2,6	Glb Equity 12,3	Glb Property 10,7	Commodities 14,3	SA Bonds 8,7	SA Property 36,9	SA Bonds 4,3	SA Equity 10,1
	Commodities 21,9	Glb Bonds 11,1	Glb Bonds 29,7	Commodities -1,7	SA Bonds 10,2	SA Bonds 7,7	SA Equity 12,0	SA Equity 7,0	SA Equity 29,2	SA Equity 3,6	Commodities 7,0
	SA Equity 21,4	SA Equity 10,9	SA Property 8,0	Glb Equity -4,3	Glb Property -1,0	Glb Equity 4,4	SA Bonds 10,3	USD 5,0	Glb Equity 28,4	SA Property 0,5	Glb Bonds 6,7
	Glb Bonds 20,2	USD 10,5	SA Equity 5,1	Glb Property -6,7	Glb Bonds -2,8	Commodities 0,1	Glb Bonds 3,9	Glb Property -3,3	USD 8,7	Glb Bonds -10,7	USD 4,5
	SA Property 8,4	SA Bonds 10,1	SA Bonds -3,9	Glb Bonds -9,9	Commodities -4,2	SA Equity -8,5	SA Property 1,9	Commodities -19,9	SA Bonds 8,4	Glb Equity -13,0	SA Bonds 4,1
Worst	SA Bonds 0,6	Commodities -26,1	Commodities -10,1	USD -11,7	USD -9,5	SA Property -25,3	USD -2,8	SA Property -34,5	Glb Bonds 3,5	Glb Property -20,9	SA Property -2,2

CURRENCIES VS. ZAR

	1 Month	3 Months	YTD	1 Year	*3 Years
EUR	-4,9	-2,9	8,0	15,4	-0,9
USD	-5,9	-2,7	4,5	6,7	1,5
GBP	-4,7	-0,4	11,8	12,9	0,8
JPY	-4,2	-6,8	-2,9	0,4	-8,1

Currency performance in ZAR - a positive number represents ZAR weakness, while a negative number represents ZAR strength

** Annualised*

SECTORAL RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
JSE ALSI TR	4,0	1,3	10,1	19,3	16,7
Basic Materials	3,4	-6,7	-6,7	5,8	11,2
Consumer Goods	3,0	-2,3	4,1	9,9	17,1
Consumer Services	0,7	2,8	31,6	48,6	38,9
Financials	7,8	10,9	14,7	18,5	23,7
Health Care	2,6	3,2	25,8	21,9	14,4
Industrials	5,6	6,8	15,4	12,4	17,0
Technology	3,1	6,6	23,3	43,4	1,0
Telecommunication	0,3	2,7	5,5	-3,2	20,0

ALSI Contributors YTD (Approximate)

	Weight	Return	Contributior
Compagnie Financiere Richemont SA De	14,6	13,5	2,2
Naspers Ltd Class N	8,3	24,4	1,9
Gold Fields Ltd	2,7	59,6	1,2
Firstrand Ltd	4,1	20,8	0,9
Prosus NV Ordinary Shares - Class N	3,3	20,7	0,7
Standard Bank Group Ltd	3,0	18,4	0,6
Sanlam Ltd	1,3	43,8	0,5
Bid Corp Ltd	1,7	29,9	0,4
MTN Group Ltd	3,2	12,9	0,4
Anglogold Ashanti Ltd	2,2	20,9	0,4

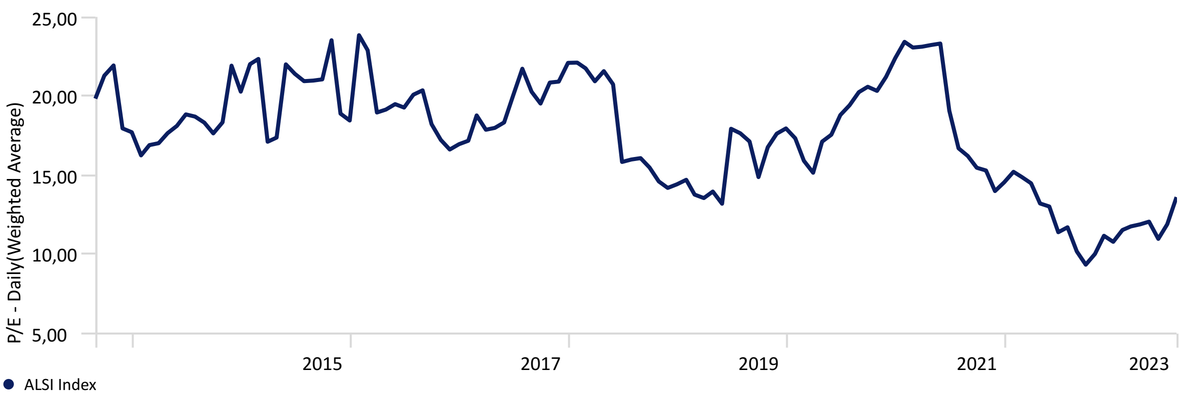
ALSI Detractors YTD (Approximate)

	Weight	Return	Contribution
Anglo American PLC	9,6	-15,3	-1,6
Impala Platinum Holdings Ltd	1,8	-38,0	-0,8
Compagnie Financiere Richemont SA Class A	0,5	-10,1	-0,4
Anglo American Platinum Ltd	0,8	-35,4	-0,4
Sibanye Stillwater Ltd Ordinary Shares	1,4	-21,9	-0,3
Thungela Resources Ltd Ordinary Shares	0,4	-42,2	-0,2
Transaction Capital Ltd	0,1	-79,5	-0,2
British American Tobacco PLC	2,2	-7,0	-0,2
Northam Platinum Holdings Ltd	0,8	-19,3	-0,2
Exxaro Resources Ltd	0,6	-20,7	-0,1

Current ALSI Metrics

P/E	11,3
P/B	1,6
P/EBITDA	8,5
P/Cash Flow	7,2
P/S	2,0
Debt/Capital	30,1

Historical P/E



MARKET CAP RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
Small Caps	1,4	-0,1	2,7	6,1	29,8
Mid Caps	5,8	1,6	4,5	9,0	15,7
Top 40	4,2	1,7	11,8	22,4	16,9

STYLE BASED RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
JSE Growth	3,3	1,0	15,4	27,4	13,1
JSE Value	4,6	1,6	4,4	10,7	21,7

** Annualised*

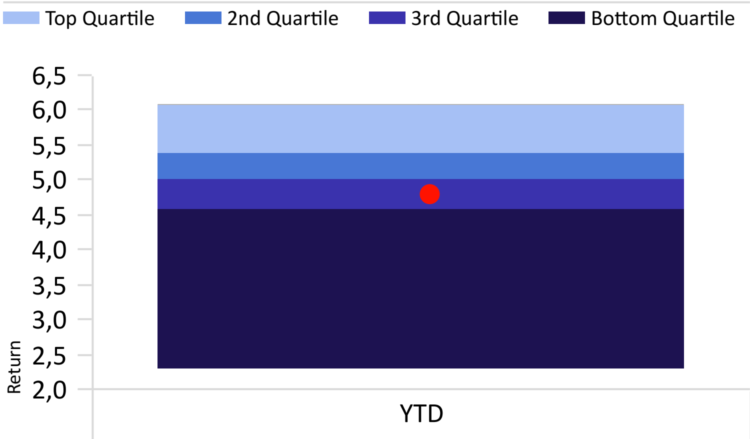
MARKET WATCH As of 2023/07/31

ROCKWEALTH CAPITAL

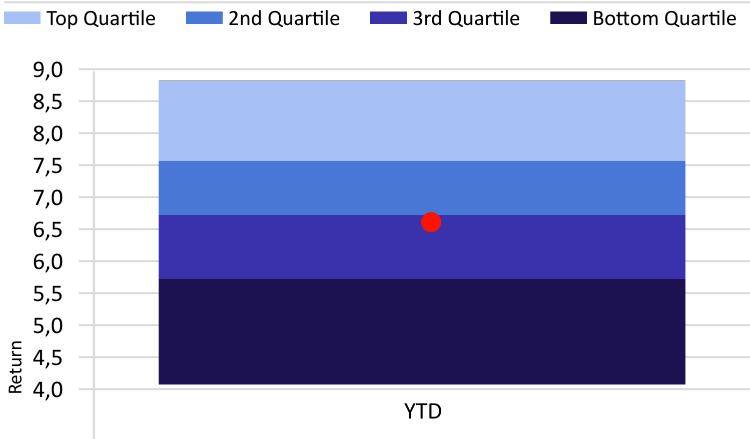
CATEGORY AVERAGES in ZAR

	1 Month	3 Months	YTD	1 Year	*3 Years
(ASISA) SA MA Inc	1,1	2,1	4,8	8,2	6,9
(ASISA) SA MA Low EQ	0,8	1,6	6,6	9,9	8,3
(ASISA) SA MA Med EQ	0,8	1,5	7,5	11,0	9,5
(ASISA) SA MA High EQ	1,0	1,7	8,5	12,5	11,0
(ASISA) SA EQ General	3,0	1,2	6,1	12,6	14,4
(ASISA) SA RE General	6,8	2,1	1,8	6,0	13,7
(ASISA) Glb MA Low EQ	-4,2	-1,5	9,6	11,1	2,7
(ASISA) Glb MA Flex	-2,8	1,5	15,4	15,6	5,6
(ASISA) Glb MA High EQ	-2,4	2,1	15,6	15,0	5,7
(ASISA) Glb EQ General	-1,9	4,5	20,7	19,8	8,9

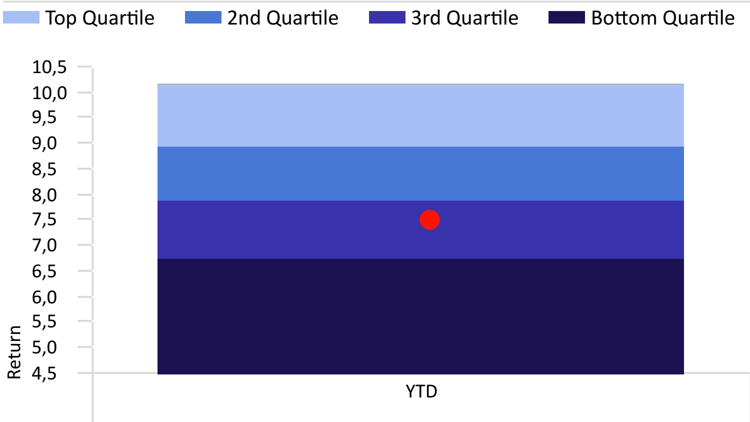
SA MA INCOME



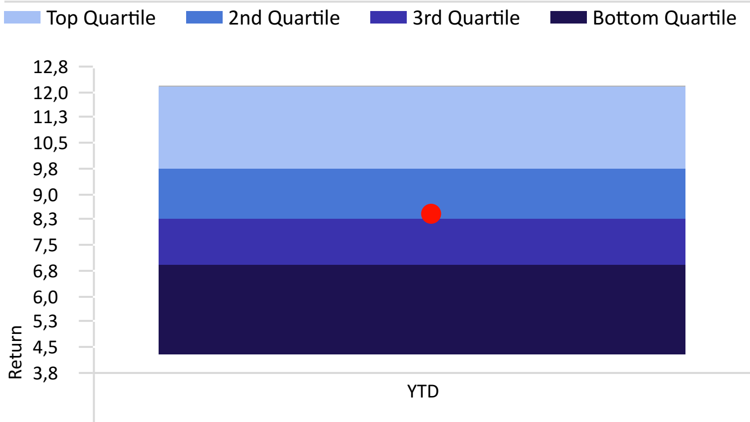
SA MA LOW EQUITY



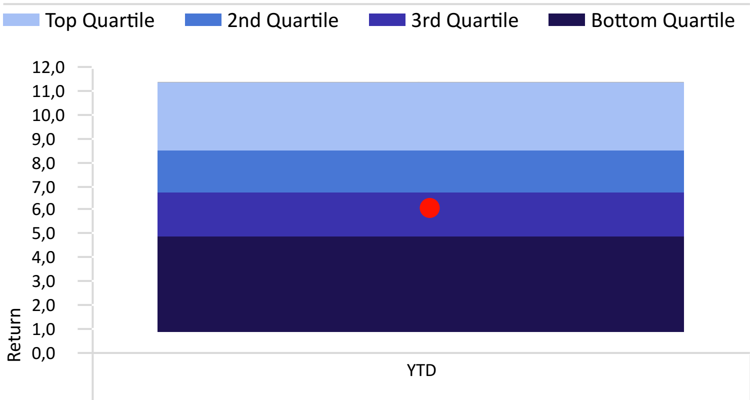
SA MA MED EQUITY



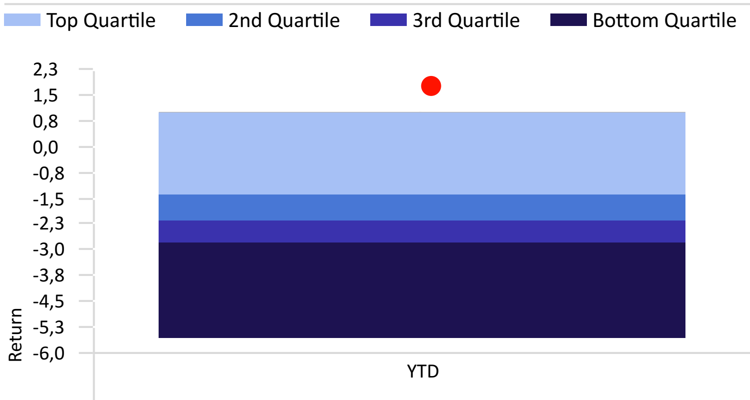
SA MA HIGH EQUITY



SA EQUITY GENERAL



SA RE GENERAL



** Annualised*

LOCAL COMMENTARY

July proved to be the best month for emerging markets such as South Africa since January, boosted by signs of inflation in the US easing, hopes of stimulus in China to support their ailing economy, and a weak US$ which. For this reason, commodity prices rose significantly (the S&P GSCI gained 10.7%), the rand strengthened, and SA equities and bonds performed very well. South Africa's (SA's) FTSE JSE All Share Index rose by 3.9% in (now up 8.1% YTD), while the FTSE JSE Capped SWIX rose by 4.1% MoM (+7.9% YTD). Financials were by far the best-performing segment of the market returning 7.9% (up 11.6% YTD), followed by resources which gained 3.7% (but still down 9.2% YTD) (Resi-10). The All-Bond Index returned 2.1% while inflation-linked bonds delivered 1.4%.

Naspers and Prosus have announced that they will be removing their cross-holding structure. This move aims to simplify their corporate structure and enhance transparency for investors. By eliminating the crossholding, Naspers and Prosus will be able to better focus on their respective business operations and independent strategies. This decision is seen as a positive step towards increasing shareholder value and improving corporate governance. Investors can expect a more streamlined and efficient structure going forward. Naspers and Prosus gained 3.4% and 2.8% respectively, now having returned 24% and 20% in 2023 so far.

The listed property sector returned +2.3% during July. Liberty Two Degrees was the standout performer ending the month up 50.4% driven by an announcement that Liberty Group intends to buyout L2D minorities. Index heavyweights Growthpoint and Redefine also buoyed the index ending the month up +8.7% and +7.6% respectively as they recovered from oversold territory.

In some positive political news, acting public protector Kholeka Gcaleka cleared President Cyril Ramaphosa of wrongdoing in the Phala Phala findings, strengthening the president's hand in the run-up to the 2024 elections. While there is plenty of optimism for a coalition-led government on the ground, investors are concerned such a result would lead to a less efficient government than a majority-led party. The local coalition-led governments have thus far been a disaster for citizens so the fears of what a national coalition may look like are somewhat justified.

The Rand rebounded strongly in July, appreciating by 5.8% against the US $ and dipping well below the R18/$ level in the last week of the month. The catalyst for this dramatic move was largely driven by the sharp decline in local inflation combined with the lower inflation print in the US, a resulting weaker US$, and hopes of further stimulus in China. Iron ore prices rose 2.0% MoM but are down 1.1% YTD. Meanwhile, the gold price rose 2.4% MoM (+7.7% YTD). The platinum price jumped 5.3% MoM (-11.2% YTD), while palladium ended the month 4.6% higher (-28.2% YTD). Brent crude oil also enjoyed this tailwind but was bolstered even further by further OPEC+ cuts production cuts.

In a surprise move, the SARB's MPC kept the repo rate unchanged for the first time in 11 meetings against market expectations of a 25bp rate hike to 8.5%. The decision was a close call as 2 of the 5 MPC members preferred to hike the repo rate by 25bp. That said, the tone of Lesetja's statement remained hawkish and consistent with the SARB's last few decisions as it focuses on higher inflation expectations and SA's financing needs. It would seem however that we may have reached the peak in this rate hiking cycle unless risks to this are realized. Examples of this include further tightening of developed market central banks (which remain hawkishness) and significant rand weakness as we saw from January to June this year.

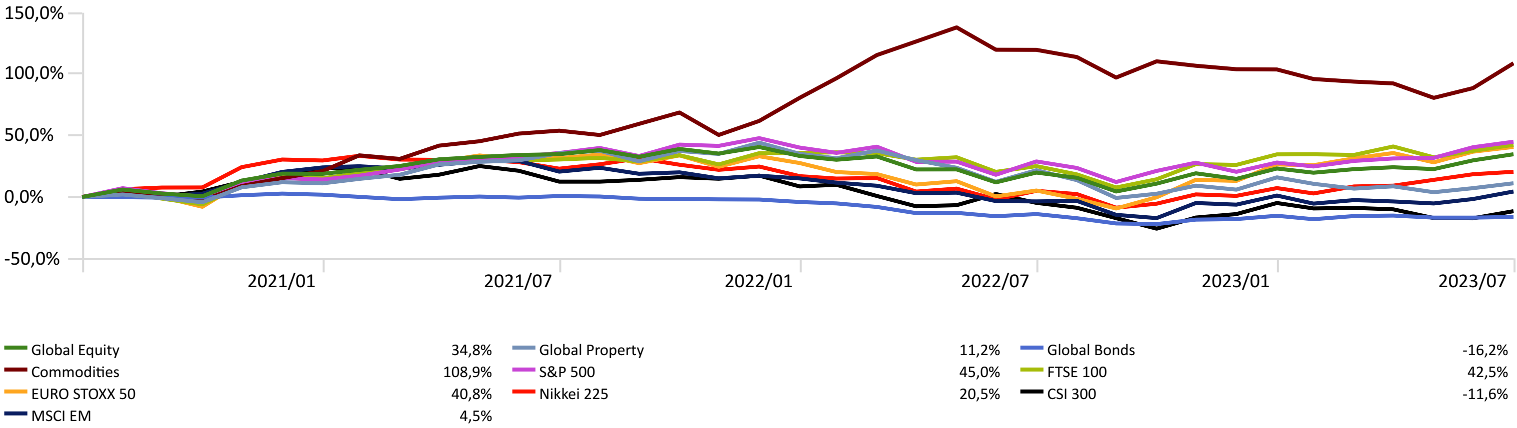
There were some promising economic releases in July. First PMI surprised on the upside in June due to improvements in supply chains and less severe load shedding. The index increased 0.8 points in June to 48.3 but remains below the 50 neutral mark which still indicates a contraction. Secondly, manufacturing production showed a hopeful surge, exceeding expectations with a 2.5% YoY rise in May. This upward trend in industrial activity marks a second consecutive month of growth, following six consecutive months of decline. The sector was a net contributor to Q2 GDP growth. It represents roughly 12% of SA's GDP, contributing more than R510 billion in gross value-add.

All in all, it was a fruitful month for SA-based investors. While the strength of the ZAR may have resulted in negative rand returns from offshore asset classes, these components have been net contributors to the year-to-date performance this far. The most promising aspect of the month was the performance of domestic asset classes such as bonds and equities driven by a resumption in risk-taking globally and a handful of positive drivers locally. It's a good reminder that SA is viewed as an emerging market and returns for these regions are mostly driven by factors such as interest rate differentials, the strength of our trading partners, and movements in the US $.

ASSET CLASS RETURNS in USD

	1 Month	3 Months	YTD	1 Year	*3 Years
Global Equity	3,8	8,5	17,5	12,4	10,5
Global Property	3,7	2,3	4,9	-8,7	3,6
Global Bonds	0,7	-1,3	2,1	-2,7	-5,7
Commodities	10,7	8,5	2,4	-5,0	27,8
S&P 500	3,2	10,4	20,3	12,4	13,2
FTSE 100	3,6	1,0	13,0	13,9	12,5
EURO STOXX 50	2,8	3,7	24,4	33,7	12,1
Nikkei 225	1,7	10,3	19,4	14,8	6,4
CSI 300	7,0	-1,7	2,7	-7,1	-4,0
MSCI EM	6,2	8,4	11,4	8,3	1,5

3 YEAR CUMULATIVE RETURNS in USD



CALENDAR YEAR RETURNS IN USD

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD
Best	NASDAQ 100 36,9	CSI 300 51,6	Nikkei 225 10,6	S&P 500 11,2	MSCI EM 37,3	NASDAQ 100 0,0	NASDAQ 100 39,5	NASDAQ 100 48,9	Glb Property 30,0	FTSE 100 -7,0	NASDAQ 100 44,7
	S&P 500 31,5	Glb Property 21,8	NASDAQ 100 9,8	MSCI EM 11,2	NASDAQ 100 33,0	Glb Bonds -1,2	CSI 300 36,9	CSI 300 38,1	S&P 500 28,2	Glb Bonds -16,2	DAX 22,0
	DAX 31,1	NASDAQ 100 19,4	CSI 300 2,3	NASDAQ 100 7,3	CSI 300 32,3	Glb Property -4,7	S&P 500 30,7	Nikkei 225 24,5	NASDAQ 100 27,5	EU STOXX -17,7	EU STOXX 21,0
	Nikkei 225 31,1	S&P 500 13,0	Glb Property 2,0	Glb Property 5,8	EU STOXX 28,1	S&P 500 -4,9	Glb Property 24,1	MSCI EM 18,3	FTSE 100 17,3	DAX -17,7	S&P 500 20,3
	EU STOXX 29,3	Glb Bonds 0,6	S&P 500 0,7	Nikkei 225 5,6	DAX 28,1	Nikkei 225 -7,9	EU STOXX 23,8	S&P 500 17,8	EU STOXX 14,0	S&P 500 -18,5	Nikkei 225 19,4
	FTSE 100 20,9	MSCI EM -2,2	EU STOXX -1,0	DAX 3,8	Nikkei 225 25,6	FTSE 100 -14,1	DAX 23,2	DAX 12,9	DAX 7,6	Nikkei 225 -19,1	FTSE 100 13,0
	Glb Property 3,0	Nikkei 225 -4,5	DAX -1,6	Glb Bonds 2,1	FTSE 100 22,5	MSCI EM -14,6	FTSE 100 22,0	EU STOXX 9,3	CSI 300 -1,2	MSCI EM -20,1	MSCI EM 11,4
	Glb Bonds -2,6	FTSE 100 -5,2	Glb Bonds -3,2	EU STOXX 1,1	S&P 500 21,1	EU STOXX -16,9	Nikkei 225 21,9	Glb Bonds 9,2	MSCI EM -2,5	Glb Property -25,8	Glb Property 5,5
	MSCI EM -2,6	EU STOXX -8,5	FTSE 100 -6,7	FTSE 100 -0,2	Glb Property 9,4	DAX -22,2	MSCI EM 18,4	Glb Property -7,9	Nikkei 225 -4,4	CSI 300 -26,7	CSI 300 2,7
Worst		DAX -9,9	MSCI EM -14,9	CSI 300 -15,4	Glb Bonds 7,4	CSI 300 -27,7	Glb Bonds 6,8	FTSE 100 -8,8	Glb Bonds -4,7	NASDAQ 100 -32,4	Glb Bonds 2,1

CURRENCIES vs. USD

	1 Month	3 Months	YTD	1 Year	*3 Years
EUR	1,1	-0,1	3,3	8,1	-2,3
GBP	1,2	2,4	7,0	5,7	-0,7
JPY	1,7	-4,2	-7,1	-5,9	-9,4
CNY	1,6	-3,1	-2,7	-5,7	-0,8

Currency performance in USD - a positive number represents USD weakness, while a negative number represents USD strength

* *Annualised*

GLOBAL SECTORAL RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
MSCI ACWI/Financials	5,4	7,3	9,2	12,4	14,5
MSCI ACWI/Health Care	1,5	0,3	2,0	3,9	6,6
MSCI ACWI/Materials	5,5	5,0	10,2	14,4	11,0
MSCI ACWI/Real Estate	—	—	—	—	—
MSCI ACWI/Technology	2,6	17,4	40,5	22,8	14,3
MSCI ACWI/Industrials	3,3	9,0	17,2	18,7	13,7
MSCI ACWI/Cons Staples	2,0	-1,4	5,8	5,9	6,1
MSCI ACWI/Cons Discretionary	4,1	13,6	28,7	11,0	6,1
MSCI ACWI/Energy	6,6	3,2	4,1	13,4	27,6

MSCI ACWI Contributors YTD (Approximate)

	Weight	Return	Contribution
Apple Inc	4,9	51,6	2,2
NVIDIA Corp	1,3	219,8	1,6
Microsoft Corp	3,8	40,7	1,4
Amazon.com Inc	1,8	59,1	0,9
Meta Platforms Inc Class A	0,9	164,7	0,9
Tesla Inc	1,0	117,1	0,8
Alphabet Inc Class A	1,2	50,4	0,5
Alphabet Inc Class C	1,1	50,0	0,5
Broadcom Inc	0,5	62,8	0,3
Adobe Inc	0,3	62,3	0,2

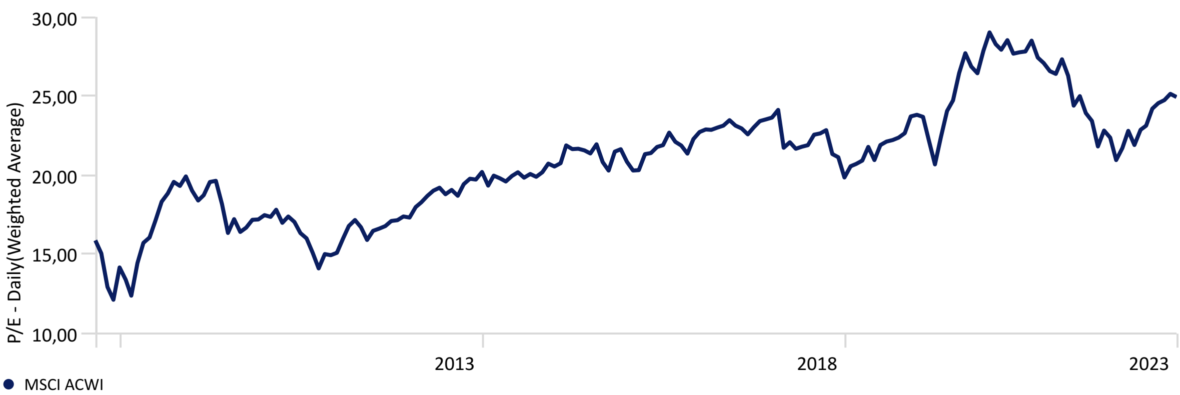
MSCWI ACWI Detractors YTD (Approximate)

	Weight	Return	Contribution
Pfizer Inc	0,4	-27,4	-0,2
Chevron Corp	0,6	-7,1	0,0
Charles Schwab Corp	0,2	-19,9	0,0
CVS Health Corp	0,2	-18,0	0,0
AT&T Inc	0,2	-17,4	0,0
First Republic Bank	0,0	-97,1	0,0
Moderna Inc	0,1	-34,5	0,0
NextEra Energy Inc	0,3	-11,2	0,0
UnitedHealth Group Inc	0,9	-3,8	0,0
Johnson & Johnson	0,8	-3,8	0,0

Current MSCI AC Metrics

P/E	17,8
P/B	3,0
P/EBITDA	23,1
P/Cash Flow	11,1
P/S	2,8
Debt/Capital	38,7

Historical P/E



MARKET CAP RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
MSCI ACWI Small Cap	5,1	8,9	13,6	9,7	11,1
MSCI ACWI Mid Cap	4,6	7,2	12,4	9,2	8,9
MSCI ACWI Large Cap	3,5	8,7	19,1	13,6	10,7

STYLE BASED RETURNS

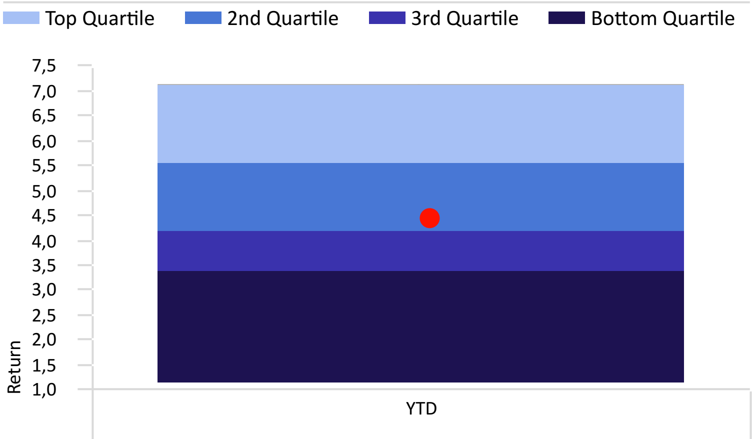
	1 Month	3 Months	YTD	1 Year	*3 Years
MSCI ACWI Value	4,1	5,4	8,6	10,1	12,2
MSCI ACWI Growth	3,2	11,4	28,3	15,3	8,1

* *Annualised*

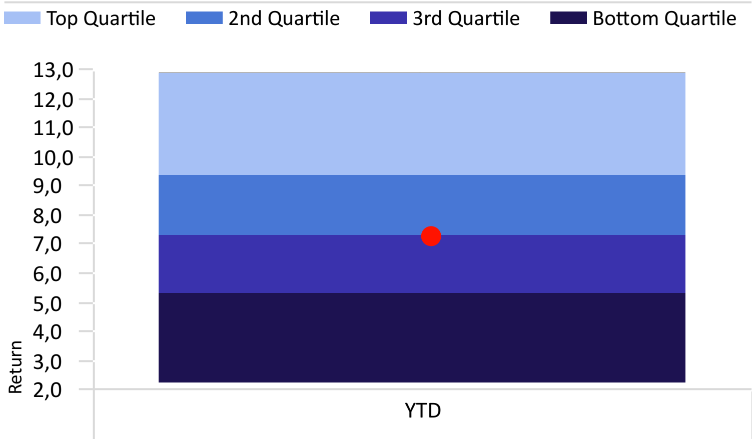
CATEGORY AVERAGES in USD

	1 Month	3 Months	YTD	1 Year	*3 Years
(ASISA) Glb MA Low EQ	1,8	1,3	4,9	4,1	1,2
(ASISA) Glb MA Flex	3,2	4,3	10,4	8,3	4,1
(ASISA) Glb MA High EQ	3,7	5,0	10,6	7,8	4,2
(ASISA) Glb EQ General	4,2	7,4	15,5	12,2	7,3
EAA USD Cautious Allocation	1,2	1,5	4,5	1,1	0,1
EAA USD Moderate Allocation	2,0	2,9	7,3	3,7	2,4
EAA USD Flexible Allocation	2,1	3,2	7,4	4,2	2,9
EAA USD Diversified Bond - ST	0,6	0,7	2,3	2,4	0,2
EAA USD H/Y Bond	1,4	1,7	5,6	3,4	1,1
EAA USD Aggressive Allocation	2,7	4,5	9,9	6,4	5,4

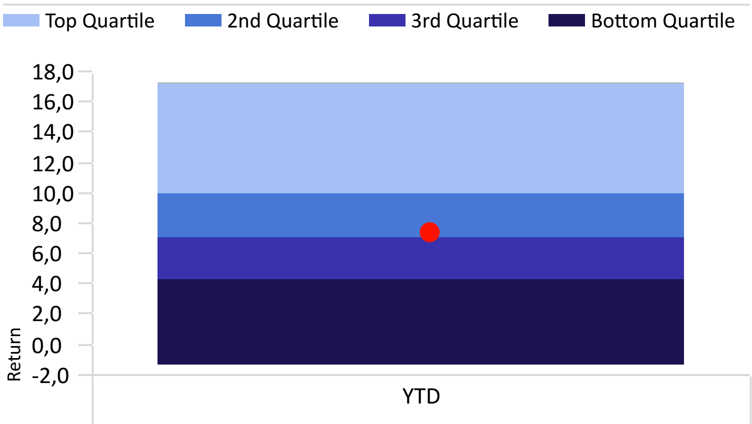
EAA USD CAUTIOUS ALLOCATION



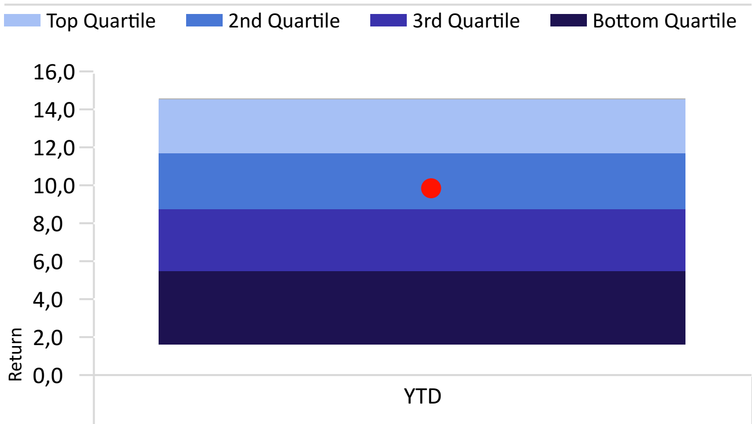
EAA USD MODERATE ALLOCATION



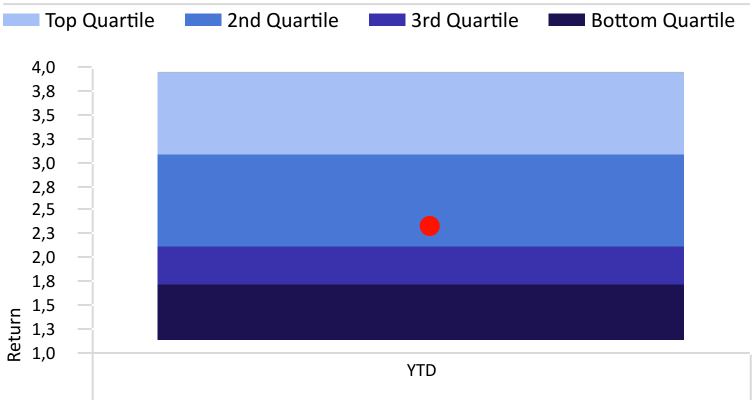
EAA USD FLEXIBLE ALLOCATION



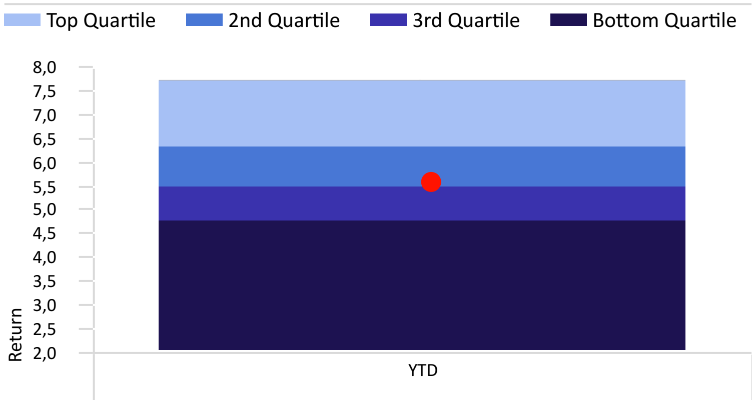
EAA USD AGGRESSIVE ALLOCATION



EAA USD DIVERSIFIED BOND - SHORT TERM



EAA USD HIGH YIELD BOND



** Annualised*

OFFSHORE COMMENTARY

Inflation in developed markets went down in July, which made the markets feel better, and GDP figures stayed strong. This gave people hope for a soft landing and helped most asset classes and areas go up.

The MSCI All Country World Index went up 3.7% in US dollars over the past month, showing that stocks around the world did well. Developed markets gained 3.4% in July, but the best-performing sectors and areas were the ones with the most risk. The MSCI Emerging Markets Index and small cap stocks both went up by 4.9%.

Overall, returns on fixed income were positive, with global bonds going up 0.7% over the month. The consumer price index (CPI) for June in the UK was lower than expected, which helped Gilts, and 10-year yields went down a little to 4.3%. But US Treasuries and European government bonds lost some ground because GDP figures for the second quarter was pretty good.
The broad Bloomberg Commodity Index went up 6.3% in July, making up for some of the year-to-date loses in commodity prices. The price of oil went up, and Russia's decision to back out of a deal to ship grains from the Black Sea led to price increases in some agricultural goods. But natural gas prices in Europe kept going down as storage stocks hit seasonal highs.

US
The Federal Reserve (the Fed) raised its key policy rate by 25 basis points (bps), which brought the fed funds rate to 5.25%-5.50%, as expected by the market. The statement from the Federal Open Market Committee barely changed from the last meeting. The words "additional policy firming may be appropriate" stayed the same. Fed Chair Jay Powell said that September's decision would be based on the facts, but right now, the markets think that this latest rise in interest rates will be the last one for a while.

The most important market mover of the month was the June CPI report, which came out in the middle of July. Year-on-year headline inflation fell more than predicted, from 4% to 3%. Core inflation stayed steady at 4.8% year on year, but Fed Chair Powell's favorite measure, core services excluding housing, slowed to just below 4% year on year.

This bad news, along with a strong preliminary GDP reading of 2.4% (quarter-on-quarter annualized), gave the market more hope for a soft landing, which helped US stocks. The S&P 500 index went up by 3.2% in July, bringing the total gain for the year so far to over 20%. But strong economic data, which suggests that the Fed may have to keep interest rates where they are for longer than investors thought, caused the MSCI World Growth Index to rise 2.9% less than its value cousin in July.
The dollar fell because people hoped for a "soft landing" around the world. In terms of trade, the dollar is now down about 3% since the beginning of the year.

Europe
In July, the European Central Bank (ECB) also raised rates. As it had said before, it raised the deposit rate by 25 basis points (bps) to 3.75 percent. Christine Lagarde, president of the ECB, said that the possibility of a pause in September was a "decisive maybe." However, she stressed that keeping rates the same would not necessarily mean that the tightening cycle had hit its peak.

The ECB probably became more dovish because inflation in the eurozone was going down and activity data was getting worse before its July meeting. The combined purchasing managers' index (PMI) for the eurozone fell to a preliminary level of 48.9 in July, which suggests that the economy shrank slightly during the month. The factory PMI fell even more, reaching a new post-Covid low of 42.
But even though growth is expected to slow, the MSCI Europe ex-UK Index rose 1.3% in the last month. The gains were likely caused by hopes for an ECB pause and a good preliminary second-quarter GDP print of 0.3% quarter on quarter, which came out near the end of the month.
Italy's debt went up by 0.4% in July and is still the best in the eurozone so far this year. But other government bonds fell, and the yield on a 10-year Bund rose to 2.5%. The differences between different types of credit in Europe got tighter, but high yield still did better than investment grade credit over the course of 2023

UK
In the UK, wage figures stayed high, and average earnings without bonuses grew by 7.3% from June 2015 to June 2016. But inflation slowed more than predicted. The headline CPI rose 7.9% year over year in June, down from 8.7% in May. This was the first time inflation beat expectations in about a year. The markets are betting that the Bank of England (BoE) will raise interest rates by 25bp at its meeting in August, with more to come. Still, the projected peak Bank Rate has dropped from over 6% to around 5.75 %.

The FTSE All-Share didn't do as well as global developed market stocks in July. This is likely because the UK's growth picture isn't very good (the UK manufacturing PMI fell to a preliminary 45.0 in July), and there is a chance that the central bank will tighten money even more. But the UK gauge still went up by 2.6% over the course of the month. GBPUSD went up 1.1% in July because of the extra hikes priced for the BoE compared to other developed market central banks.

Asia
The Bank of Japan (BoJ) loosened its control over the yield curve, and the yen went up. This helped the TOPIX win 1.5%, which was less than other developed markets. The Bank of Japan's chosen measure of inflation (CPI minus fresh food and energy) went up 4.2% year over year in June. Due to the strong figures on inflation, the BoJ changed its current 0.5% yield ceiling from a hard limit to a reference point at its July meeting. It will now buy 10-year Japanese government bonds with a yield of up to 1%.

In China, GDP growth dropped from one quarter to the next in the second quarter. Still, the MSCI China Index has made money so far this year thanks to a 9.1% rise in local currency in July. Some policy changes and plans for more stimulus led to the gains. The strength of China's market and slightly lower expectations for interest rates in developed markets also helped the MSCI Asia ex Japan Index post a strong 6.2% return on the month.

Broadly, markets remained buoyant in July as investors retained their optimism, building over the course of the year, that inflation can fall back to target without significant further interest rate hikes or a meaningful decline in economic activity. Whether Goldilocks is really back, or whether such a scenario is too good to be true remains to be seen but we do believe that there could be increased bouts of volatility as the idea of a soft landing is threatened when things begin to slow. We do think bonds will offer support in this instance.