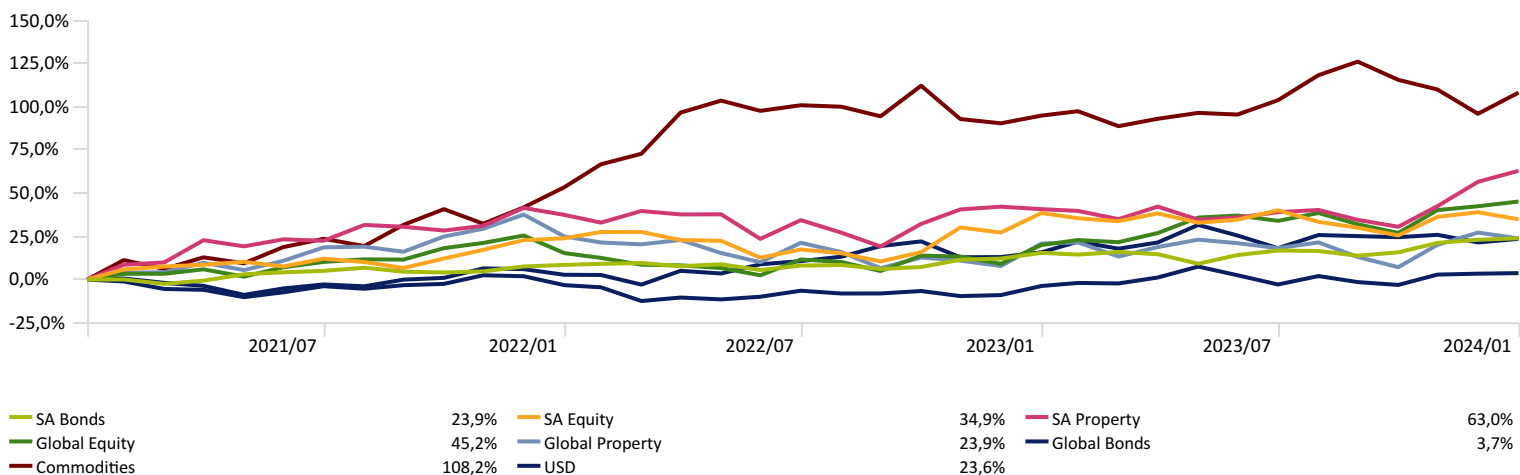


SA OVERVIEW	SA EQUITY	ASISA CATEGORIES	SA COMMENTARY	O/S OVERVIEW	O/S EQUITY	CATEGORY AVERAGES	DM COMMENTARY	DISCLAIMER
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## ASSET CLASS RETURNS in ZAR

	1 Month	3 Months	YTD	1 Year	*3 Years
SA Bonds	0,7	7,1	0,7	7,3	7,4
SA Equity	-2,9	7,5	-2,9	-2,6	10,5
SA Property	4,1	24,8	4,1	15,8	17,7
Global Bonds	0,3	7,0	0,3	7,7	1,2
Global Equity	1,9	14,3	1,9	21,0	13,2
Global Property	-2,6	15,6	-2,6	2,5	7,4
Commodities	6,2	-3,4	6,2	6,8	27,7
USD	1,7	-0,8	1,7	6,7	7,3

## 3 YEAR CUMULATIVE RETURNS in ZAR



## CALENDAR YEAR RETURNS in ZAR

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
Best	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 30,5	Commodities 6,2
	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 19,3	SA Property 4,1
	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	Glb Bonds 13,6	Glb Equity 1,9
	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	SA Property 10,1	USD 1,7
	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	SA Bonds 9,7	SA Bonds 0,7
	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	SA Equity 9,3	Glb Bonds 0,3
	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	USD 7,5	Glb Property -2,6
Worst	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	Commodities 2,9	SA Equity -2,9

## CURRENCIES VS. ZAR

	1 Month	3 Months	YTD	1 Year	*3 Years
EUR	0,0	2,0	0,0	6,7	3,4
USD	1,7	-0,8	1,7	6,7	7,3
GBP	1,6	4,1	1,6	10,4	4,6
JPY	-1,9	2,8	-1,9	-5,1	-4,0

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

<b>SA OVERVIEW</b>	<b>SA EQUITY</b>	<b>ASISA CATEGORIES</b>	<b>SA COMMENTARY</b>	<b>O/S OVERVIEW</b>	<b>O/S EQUITY</b>	<b>CATEGORY AVERAGES</b>	<b>DM COMMENTARY</b>	<b>DISCLAIMER</b>
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## SECTORAL RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
JSE ALSI TR	-2,9	7,5	-2,9	-2,6	10,5
Basic Materials	-6,0	0,2	-6,0	-22,6	3,4
Consumer Goods	1,0	10,8	1,0	7,9	11,6
Consumer Services	4,9	17,1	4,9	16,5	30,8
Financials	-3,2	10,4	-3,2	12,4	19,3
Health Care	-2,5	10,8	-2,5	19,4	12,6
Industrials	-4,3	4,9	-4,3	9,7	9,1
Technology	0,3	8,1	0,3	-6,7	-6,0
Telecommunication	-15,0	3,4	-15,0	-30,5	6,5

## ALSI Contributors YTD (Approximate)

	Weight	Return	Contribution
Compagnie Financiere Richemont SA Cl.	2,5	11,2	0,3
Bid Corp Ltd	2,2	6,4	0,1
British American Tobacco PLC	2,3	3,5	0,1
Prosus NV Ordinary Shares - Class N	2,9	2,0	0,1
Mr Price Group Ltd	0,6	9,3	0,1
Tiger Brands Ltd	0,5	7,9	0,0
Redefine Properties Ltd	0,4	8,3	0,0
Fortress Real Estate Investments Ltd Cla	0,3	11,5	0,0
Sappi Ltd	0,4	7,3	0,0
Naspers Ltd Class N	9,0	0,3	0,0

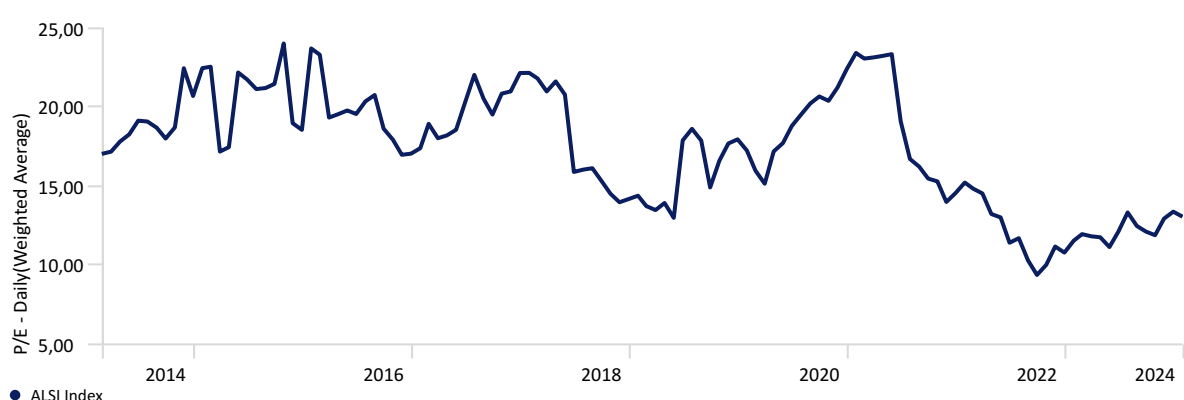
## ALSI Detractors YTD (Approximate)

	Weight	Return	Contribution
MTN Group Ltd	3,2	-17,3	-0,6
Firststrand Ltd	5,7	-7,6	-0,4
Impala Platinum Holdings Ltd	1,1	-19,7	-0,2
Anglo American PLC	8,9	-2,2	-0,2
Mondi PLC	2,7	-7,2	-0,2
Sasol, Ltd.	1,7	-11,4	-0,2
Standard Bank Group Ltd	4,3	-4,0	-0,2
Anglo American Platinum Ltd	0,9	-17,3	-0,1
BHP Group Ltd	1,9	-7,6	-0,1
Glencore PLC	1,3	-9,5	-0,1

## Current ALSI Metrics

P/E	11,2
P/B	1,6
P/EBITDA	7,0
P/Cash Flow	7,1
P/S	1,9
Debt/Capital	30,1

## Historical P/E



## MARKET CAP RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
Small Caps	1,7	13,0	1,7	10,5	23,0
Mid Caps	-2,8	10,4	-2,8	2,7	10,8
Top 40	-3,5	6,8	-3,5	-4,1	10,1

## STYLE BASED RETURNS

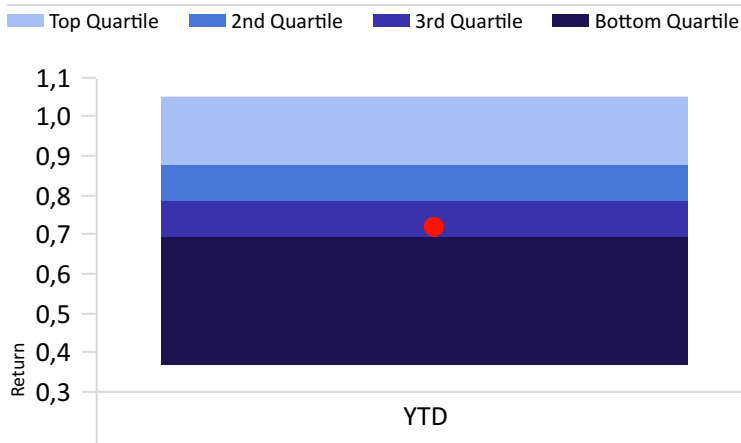
	1 Month	3 Months	YTD	1 Year	*3 Years
JSE Growth	-1,8	10,7	-1,8	0,8	7,6
JSE Value	-4,1	4,2	-4,1	-6,9	14,2

<b>SA OVERVIEW</b>	<b>SA EQUITY</b>	<b>ASISA CATEGORIES</b>	<b>SA COMMENTARY</b>	<b>O/S OVERVIEW</b>	<b>O/S EQUITY</b>	<b>CATEGORY AVERAGES</b>	<b>DM COMMENTARY</b>	<b>DISCLAIMER</b>
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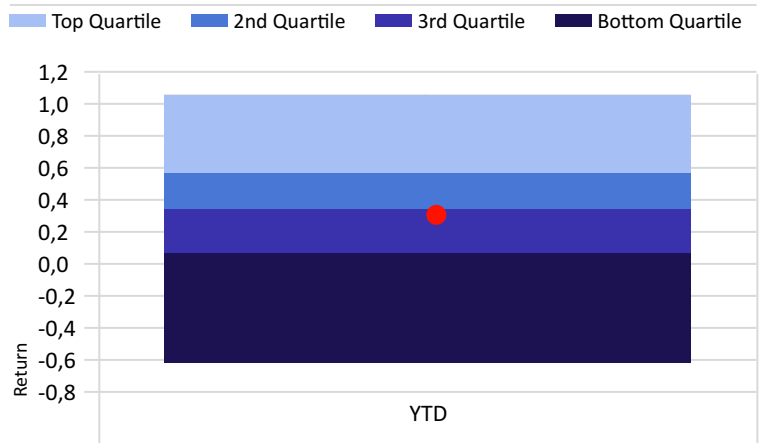
## CATEGORY AVERAGES in ZAR

	1 Month	3 Months	YTD	1 Year	*3 Years
(ASISA) SA MA Inc	0,7	3,7	0,7	8,8	7,2
(ASISA) SA MA Low EQ	0,3	6,6	0,3	7,2	8,0
(ASISA) SA MA Med EQ	0,1	7,7	0,1	6,0	8,6
(ASISA) SA MA High EQ	-0,1	8,5	-0,1	5,8	9,4
(ASISA) SA EQ General	-2,4	7,2	-2,4	-1,9	9,6
(ASISA) SA RE General	4,0	23,1	4,0	13,6	16,0
(ASISA) Glb MA Low EQ	0,6	6,6	0,6	10,6	7,2
(ASISA) Glb MA Flex	1,7	11,2	1,7	14,2	8,3
(ASISA) Glb MA High EQ	0,8	11,3	0,8	12,5	7,9
(ASISA) Glb EQ General	2,5	14,8	2,5	19,2	9,8

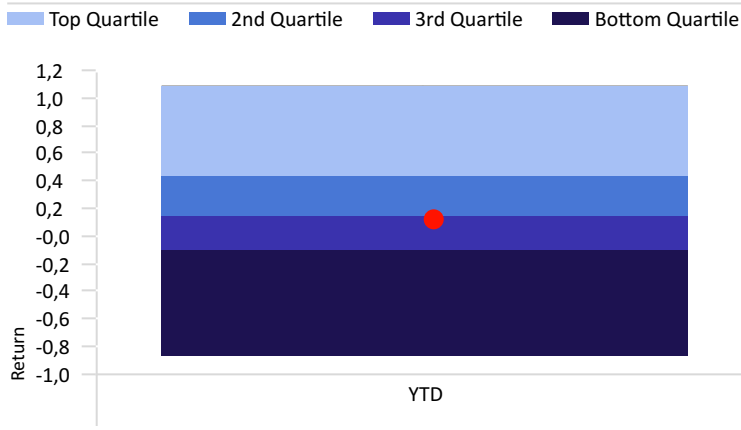
### SA MA INCOME



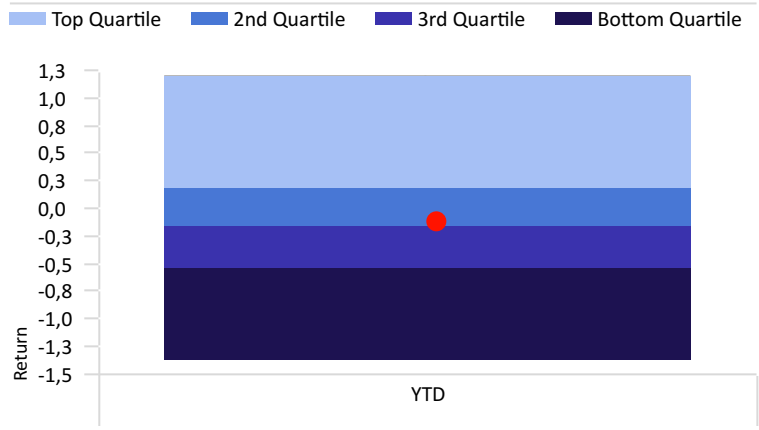
### SA MA LOW EQUITY



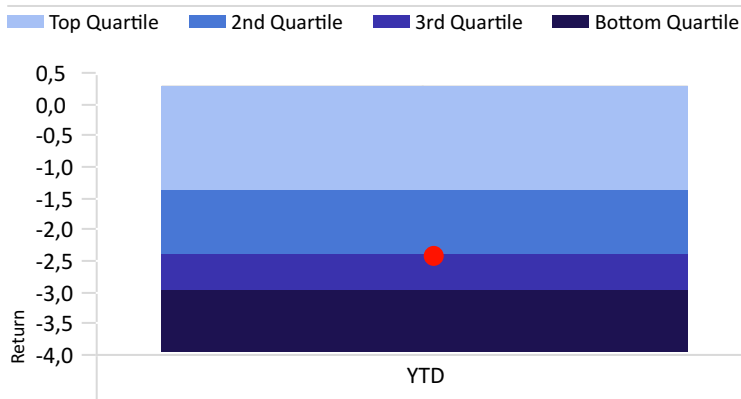
### SA MA MED EQUITY



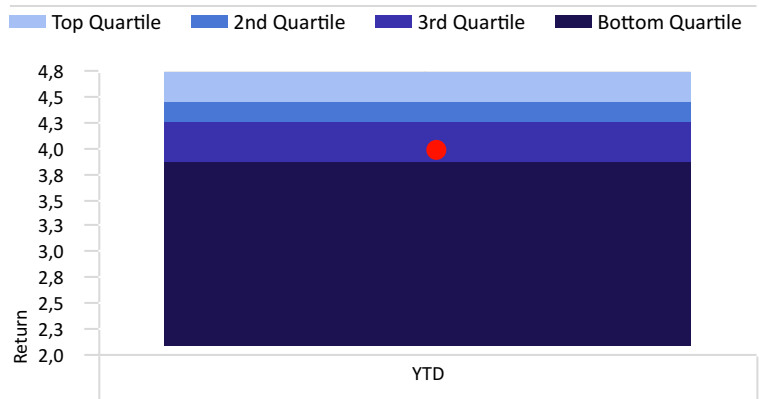
### SA MA HIGH EQUITY



### SA EQUITY GENERAL



### SA RE GENERAL



<b>SA OVERVIEW</b>	<b>SA EQUITY</b>	<b>ASISA CATEGORIES</b>	<b>SA COMMENTARY</b>	<b>O/S OVERVIEW</b>	<b>O/S EQUITY</b>	<b>CATEGORY AVERAGES</b>	<b>DM COMMENTARY</b>	<b>DISCLAIMER</b>
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## LOCAL COMMENTARY

The local equity market kicked off 2024 on a weak footing with the FTSE/JSE All Share falling 2.9%, driven to a large extent by the resource sector that fell 6.6% in the month. Luxury good conglomerate, Richemont was the best performer, returning 11% while MTN and Impala Platinum (the worst performers) fell 17%. On the fixed income side of things, SA bond yields traded in a relatively narrow range in the month, with the ALBI returning +0.7%. Near dated maturities outperformed with the 1-3 yr sector returning +0.78%, 3-7 yr +0.83%, 7-12 yr +0.69% and 12+ sector 0.65%. Inflation linked bonds underperformed with the index returning only +0.06% in the month. Following on from the strong gains in 2023, SA listed property gained a further 4.1% with most of the counters ending the month in positive territory. Over the course of the month the ZAR depreciated 1.7% against a strong USD.

It doesn't surprise us to see underperformance by SA risk assets in a month when emerging markets were on the backfoot. In US\$ terms the MSCI ACWI delivered 0.2% while Morningstar's indices for China and Brazil were down 10% and 6% respectively. Furthermore, industrial and precious metal spot prices were incredibly weak.

In SA, inflation data released in January (for December 2023) printed at a better-than-expected level at 5.1% yoy, below consensus of 5.2%. The SARB MPC (unanimously) left interest rates unchanged at 8.25% at their January meeting and the Governor was clear in his comments that interest rate cuts are unlikely to occur until there is a discernible trend that SA inflation is indeed declining towards the 4.5% target and likely to stay there in a sustained manner. A key concern for the committee is the increase in inflation expectations to 5.7% and 5.5% for 2024 and 2025 (from 5.5% and 5.3%), respectively – levels inconsistent with the 4.5% target. The SARB's forecast suggests that inflation will remain around current levels until 4Q24 before dipping and settling at around 4.5%.

From an economic perspective: data for November (released in January) suggests that the SA economy may have avoided a recession after contracting in 3Q23 due to a rebound in wholesale trade and robust manufacturing and mining production. The outlook remains less than encouraging as Transnet becomes the next big obstacle to growth resulting in downgrades to forecasts (IMF) or economists flagging downside risks to their forecasts.

February will prove to be an important month for South African investors as Enoch Godongwana delivers the 2024 Budget which will prove to be a real challenge as public debt continues to balloon, economic growth remains subdued (thanks especially to poor trade), and the performance of state-owned enterprises has been incredibly poor. Monthly data suggests that the government continues to overspend, and the receiver of revenue continues to under collect, suggesting that debt projections from last year's budget are unachievable. The public sector wage bill is a real headache for the minister as it is one of the least productive expense items, detracting from desperately needed spend on infrastructure that is a more meaningful driver of economic growth. Although the monthly borrowing figures appear to be worse than expected, most economists do not expect any major revisions from what was presented at the MTBPS at the end of last year.

On a more optimistic note, global growth does appear have ticked up in recent months which combined with an easier monetary policy environment and lower inflation bodes well for cyclical economies like SA. Some of the SA's EM peers who were ahead of the Fed in raising rates have already started their respective cutting cycles thanks to very sharp declines in inflation in the last 12 months. South Africa, Brazil, Mexico and Indonesia all have compelling real yields of between 3.5% and 6.5% respectively, compared to the US (1.5%) and Europe (1.0%).

We are also pleased to see continued progress in Operation Vulindlela (the joint initiative of the Presidency and National Treasury to accelerate the implementation of structural reforms and support economic recovery) which includes significant partnerships with the private sector. Some of the milestones achieved thus far include:

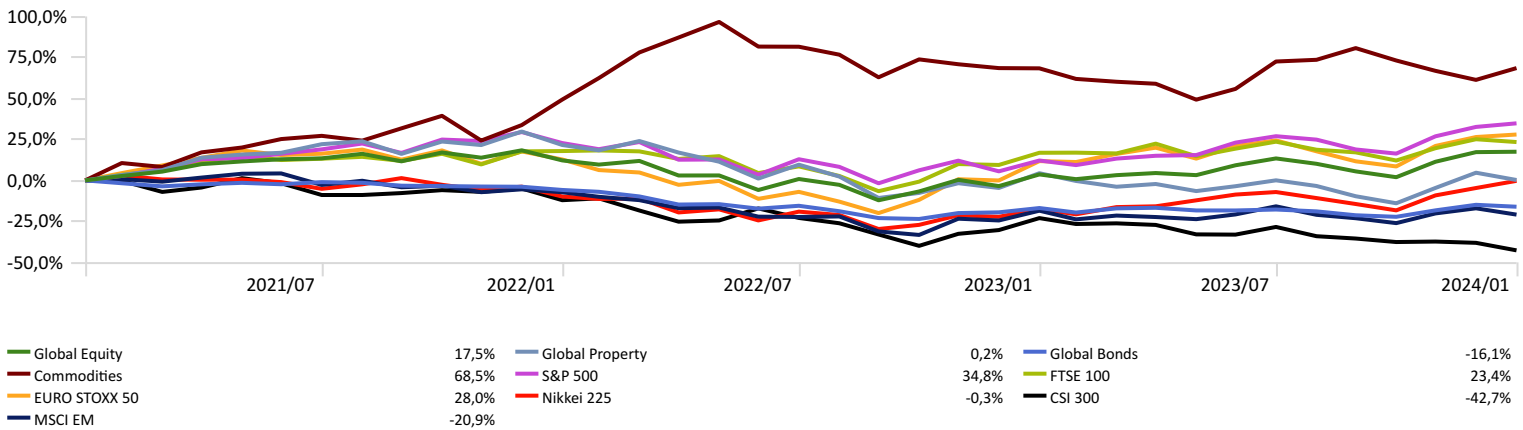
- Increase the role of independent power producers
- Restructure Eskom into generation, transmission and distribution entities
- Increase available digital spectrum
- Corporatise the Transnet National Ports Authority
- Implement third-party access policy and concession branch freight rail lines
- Implement e-Visa and visa waivers

<b>SA OVERVIEW</b>	<b>SA EQUITY</b>	<b>ASISA CATEGORIES</b>	<b>SA COMMENTARY</b>	<b>O/S OVERVIEW</b>	<b>O/S EQUITY</b>	<b>CATEGORY AVERAGES</b>	<b>DM COMMENTARY</b>	<b>DISCLAIMER</b>
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## ASSET CLASS RETURNS in USD

	1 Month	3 Months	YTD	1 Year	*3 Years
Global Equity	0,2	15,2	0,2	13,4	5,5
Global Property	-4,2	16,5	-4,2	-4,0	0,1
Global Bonds	-1,4	7,9	-1,4	0,9	-5,7
Commodities	4,5	-2,7	4,5	0,1	19,0
S&P 500	1,7	15,9	1,7	20,2	10,5
FTSE 100	-1,4	10,1	-1,4	5,6	7,3
EURO STOXX 50	1,2	17,9	1,2	14,5	8,6
Nikkei 225	4,6	22,0	4,6	20,6	-0,1
CSI 300	-7,4	-8,2	-7,4	-25,6	-16,9
MSCI EM	-4,6	7,0	-4,6	-2,9	-7,5

## 3 YEAR CUMULATIVE RETURNS in USD



## CALENDAR YEAR RETURNS IN USD

Year	Best	2nd Best	3rd Best	4th Best	5th Best	6th Best	7th Best	8th Best	9th Best	10th Best	Worst
2014	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 (55,1)	Nikkei 225 (4,6)
2015	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)	S&P 500 (25,7)	NASDAQ 100 (1,9)
2016	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)	DAX (24,5)	S&P 500 (1,7)
2017	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)	EU STOXX (22,7)	EU STOXX (0,2)
2018	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 (22,6)	DAX (-0,8)
2019	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 (14,3)	FTSE 100 (-1,4)
2020	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)	Glb Property (11,0)	Glb Bonds (-1,4)
2021	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)	MSCI EM (9,8)	Glb Property (-4,2)
2022	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)	Glb Bonds (5,7)	MSCI EM (-4,6)
2023	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)	CSI 300 (-11,2)	CSI 300 (-7,4)
YTD											

## CURRENCIES vs. USD

	1 Month	3 Months	YTD	1 Year	*3 Years
EUR	-1,7	2,8	-1,7	0,0	-3,7
GBP	-0,1	4,9	-0,1	3,4	-2,5
JPY	-3,6	3,6	-3,6	-11,0	-10,5
CNY	-1,2	1,9	-1,2	-5,9	-3,5

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

<b>SA OVERVIEW</b>	<b>SA EQUITY</b>	<b>ASISA CATEGORIES</b>	<b>SA COMMENTARY</b>	<b>O/S OVERVIEW</b>	<b>O/S EQUITY</b>	<b>CATEGORY AVERAGES</b>	<b>DM COMMENTARY</b>	<b>DISCLAIMER</b>
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## GLOBAL SECTORAL RETURNS

	1 Month	3 Months	YTD	1 Year	*3 Years
MSCI ACWI/Financials	1,1	17,7	1,1	8,2	10,0
MSCI ACWI/Health Care	2,3	12,8	2,3	6,4	5,0
MSCI ACWI/Materials	-5,4	9,8	-5,4	-3,5	2,9
MSCI ACWI/Technology	3,2	22,5	3,2	41,1	10,9
MSCI ACWI/Industrials	-0,6	17,8	-0,6	14,6	7,8
MSCI ACWI/Cons Staples	0,0	7,3	0,0	1,1	3,5
MSCI ACWI/Cons Discretionary	-2,5	12,4	-2,5	10,3	-2,5
MSCI ACWI/Energy	-0,4	1,0	-0,4	1,6	23,0

## MSCI ACWI Contributors YTD (Approximate)

	Weight	Return	Contribution
NVIDIA Corp	2,1	24,2	0,5
Microsoft Corp	4,5	5,7	0,3
Meta Platforms Inc Class A	1,3	10,2	0,1
Eli Lilly and Co	0,8	10,8	0,1
ASML Holding NV	0,5	15,1	0,1
Berkshire Hathaway Inc Class B	0,8	7,6	0,1
Netflix Inc	0,4	15,9	0,1
Advanced Micro Devices Inc	0,4	13,8	0,1
Novo Nordisk A/S Class B	0,6	9,2	0,1
Amazon.com Inc	2,4	2,1	0,1

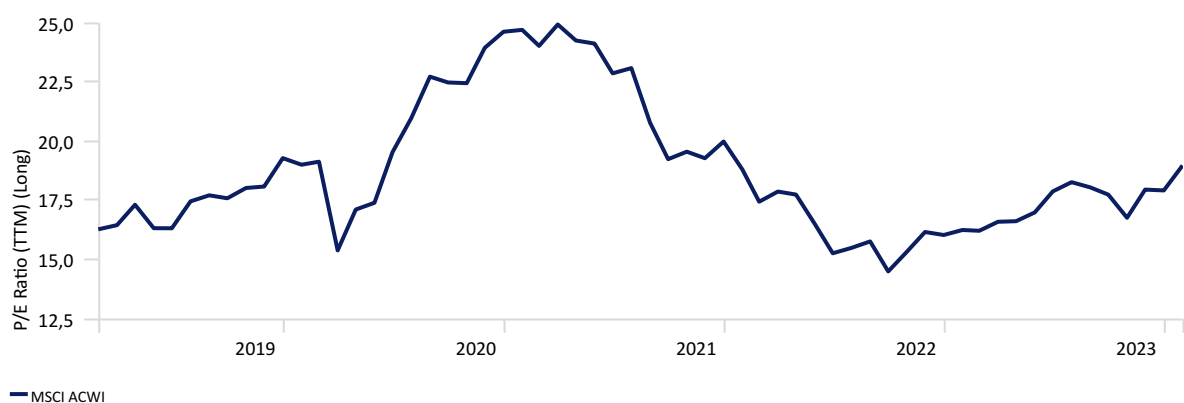
## MSCWI ACWI Detractors YTD (Approximate)

	Weight	Return	Contribution
Tesla Inc	1,2	-24,6	-0,3
Apple Inc	5,1	-4,2	-0,2
Intel Corp	0,4	-14,3	-0,1
UnitedHealth Group Inc	0,8	-2,8	0,0
United Parcel Service Inc Class B	0,2	-9,8	0,0
Shell PLC	0,4	-4,9	0,0
Humana Inc	0,1	-17,4	0,0
AIA Group Ltd	0,2	-10,5	0,0
Archer-Daniels Midland Co	0,1	-23,0	0,0
American Tower Corp	0,2	-9,4	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	-2,6	15,9	-2,6	4,5	1,8
MSCI ACWI Mid Cap	-1,6	15,5	-1,6	5,0	2,5
MSCI ACWI Large Cap	1,0	15,1	1,0	16,5	6,8

## STYLE BASED RETURNS

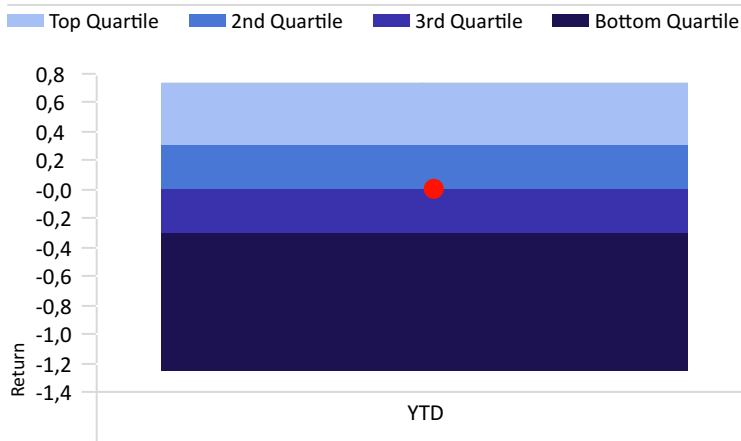
	1 Month	3 Months	YTD	1 Year	*3 Years
MSCI ACWI Value	-0,1	12,9	-0,1	6,4	7,6
MSCI ACWI Growth	1,3	17,2	1,3	23,2	4,1

<b>SA OVERVIEW</b>	<b>SA EQUITY</b>	<b>ASISA CATEGORIES</b>	<b>SA COMMENTARY</b>	<b>O/S OVERVIEW</b>	<b>O/S EQUITY</b>	<b>CATEGORY AVERAGES</b>	<b>DM COMMENTARY</b>	<b>DISCLAIMER</b>
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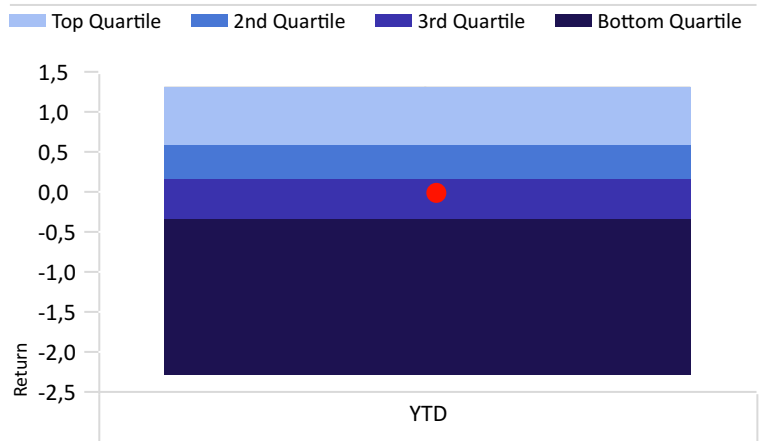
## CATEGORY AVERAGES in USD

	1 Month	3 Months	YTD	1 Year	*3 Years
(ASISA) Glb MA Low EQ	-1,1	7,5	-1,1	3,6	-0,1
(ASISA) Glb MA Flex	0,0	12,1	0,0	7,0	0,9
(ASISA) Glb MA High EQ	-0,8	12,2	-0,8	5,4	0,6
(ASISA) Glb EQ General	0,8	15,7	0,8	11,7	2,3
EAA USD Cautious Allocation	0,0	7,0	0,0	4,6	-0,4
EAA USD Moderate Allocation	0,0	9,8	0,0	5,8	0,6
EAA USD Flexible Allocation	0,0	9,5	0,0	5,7	0,9
EAA USD Diversified Bond - ST	0,4	2,9	0,4	4,9	1,0
EAA USD H/Y Bond	0,1	7,8	0,1	7,2	0,8
EAA USD Aggressive Allocation	0,2	11,0	0,2	6,9	2,2

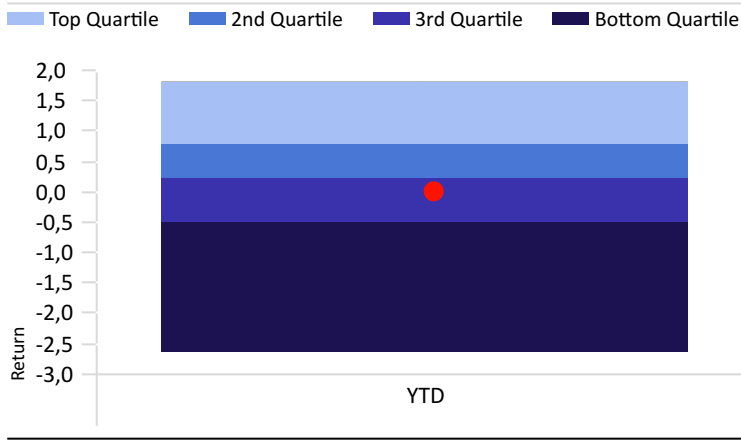
### EAA USD CAUTIOUS ALLOCATION



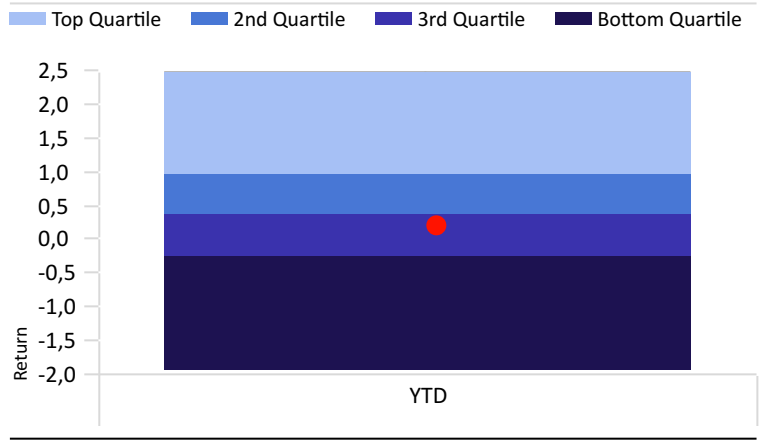
### EAA USD MODERATE ALLOCATION



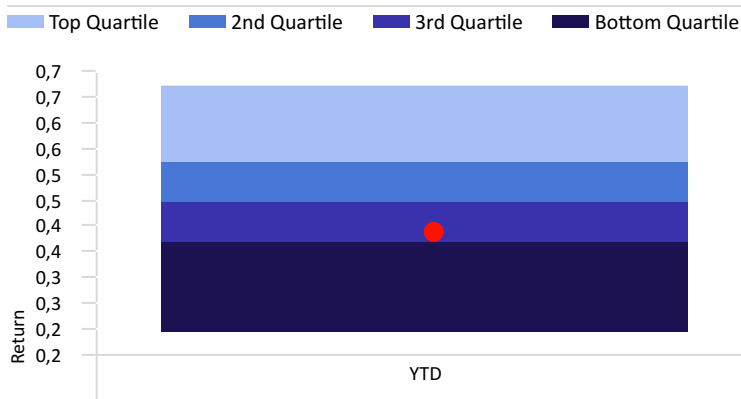
### EAA USD FLEXIBLE ALLOCATION



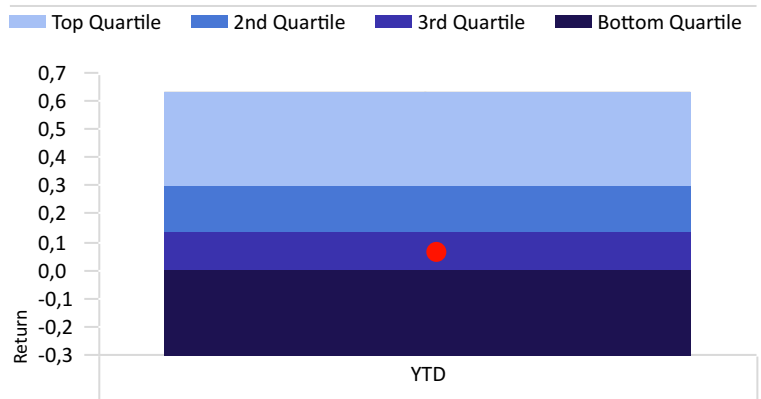
### EAA USD AGGRESSIVE ALLOCATION



### EAA USD DIVERSIFIED BOND - SHORT TERM



### EAA USD HIGH YIELD BOND



SA OVERVIEW	SA EQUITY	ASISA CATEGORIES	SA COMMENTARY	O/S OVERVIEW	O/S EQUITY	CATEGORY AVERAGES	DM COMMENTARY	DISCLAIMER
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## OFFSHORE COMMENTARY

As 2023 came to a close, the financial markets experienced a widespread rally, a period of increasing stock prices across the board, leading into a mixed start in January 2024. The early part of the year saw strong economic indicators, suggesting growth and stability, which clashed with the cautious stance some central bank officials took against the previously expected easing of interest rates. This situation created a challenging environment for investments tied to interest rates, like bonds, which typically do better when rates are cut. On the other hand, stocks and other assets that benefit from economic growth saw a boost, driven by the hope that the economy could achieve a balanced slowdown without tipping into recession. However, this initial optimism faced a setback when the Federal Reserve, America's central bank, hinted at being less inclined to cut rates as soon as many had hoped.

In the stock market, companies focused on growth, such as technology firms, outshone others by returning 2.1% over the month. This performance starkly contrasted with the more modest gains of traditional value stocks, which only saw a 0.3% increase. Stocks from developed countries went up by 1.2%, but stocks from emerging markets, including countries like China, fell by 4.6% despite China's central bank introducing new measures to boost the economy.

The commodities market, which includes natural resources like oil and metals, also saw positive trends, with an overall increase of 0.4% in January. This was mainly due to rising oil prices, influenced by geopolitical tensions in the Middle East and disruptions in key shipping routes like the Suez Canal. Additionally, attacks on Russian energy infrastructure added a layer of uncertainty to the global oil market.

However, not all sectors fared well. Real estate investment trusts and smaller companies, which are often more affected by changes in interest rates, faced declines as the market adjusted its expectations for Federal Reserve rate cuts, ending the month lower.

In terms of specific equity markets, Japan's TOPIX Index led with a 7.8% increase, continuing its strong performance from the previous year. This was partly due to a reassessment of Japan's interest rate policy following a report of weak wage growth and the economic impacts of a major earthquake.

In the US, the S&P 500 Index reached new highs early in January, driven by optimism for a balanced economic slowdown. This was supported by positive economic reports, including a strong jobs report and a higher-than-expected GDP growth rate for the last quarter. However, the mood shifted towards the month's end when the Federal Reserve indicated a more cautious approach to reducing interest rates, cooling off the market's enthusiasm.

European markets also saw gains, with the MSCI Europe ex-UK Index up by 2.1%. The European Central Bank held interest rates steady, signaling a watchful approach to future rate decisions. This cautious optimism was mirrored in the slight improvement in manufacturing activity indicators.

Conversely, the UK's market momentum slowed, with indicators of economic growth being overshadowed by a significant drop in retail sales, raising concerns about a potential slowdown.

China continued to face economic challenges, with weak retail sales and a struggling housing market despite stimulus measures from the central bank. This contributed to the poor performance of Asian and emerging market indexes, reflecting ongoing concerns about China's economic outlook.

In the bond market, strong economic signals made early rate cuts seem less likely, leading to a drop in government bond values, especially in the UK, where persistent inflation and wage growth dampened the prospects for immediate rate reductions.

Despite these mixed results, the European high yield bond market managed to post gains, contrasting with the flat performance in the US. Tightening spreads did little to support global investment-grade credit, which faced challenges from a strengthening US dollar, negatively impacting emerging market debt.

As January progressed, the initial excitement from the end of the previous year gave way to a more varied investor experience. Stocks fluctuated in response to the Federal Reserve's signals, while bond markets adjusted to revised rate cut expectations. Despite this uncertainty, the fundamental appeal of core bonds for income generation and risk diversification within investment portfolios remains strong, highlighting the importance of a well-rounded investment approach in navigating the evolving economic landscape.



# MARKET WATCH As of 2024/01/31

<a href="#">SA OVERVIEW</a>	<a href="#">SA EQUITY</a>	<a href="#">ASISA CATEGORIES</a>	<a href="#">SA COMMENTARY</a>	<a href="#">O/S OVERVIEW</a>	<a href="#">O/S EQUITY</a>	<a href="#">CATEGORY AVERAGES</a>	<a href="#">DM COMMENTARY</a>	<a href="#">DISCLAIMER</a>
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