

**momentum**

investments

# Key market performance drivers

Monthly charts to 31 October 2019

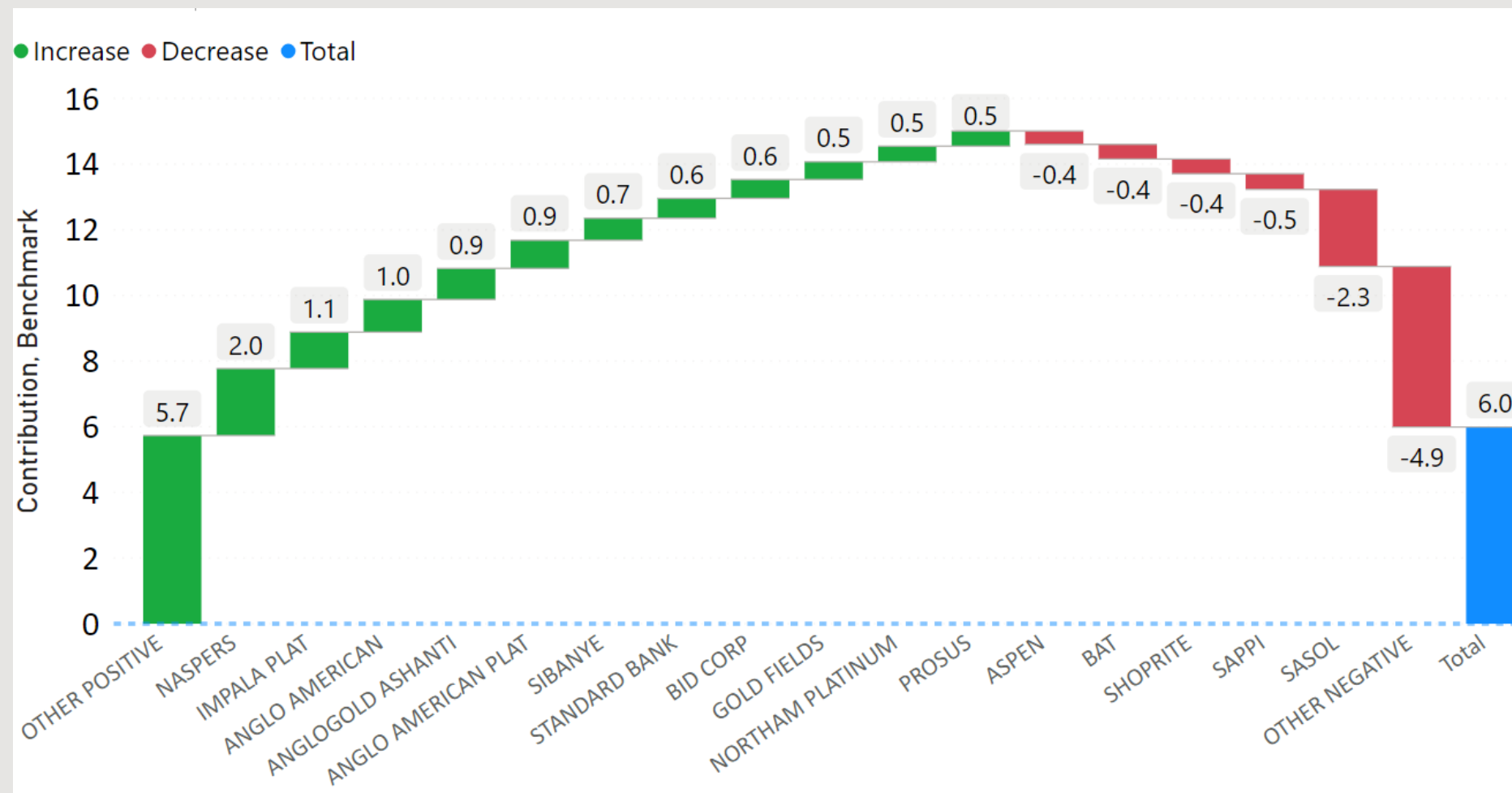
*Signatory of:*

 **PRI** | Principles for  
Responsible  
Investment

# Market concentration



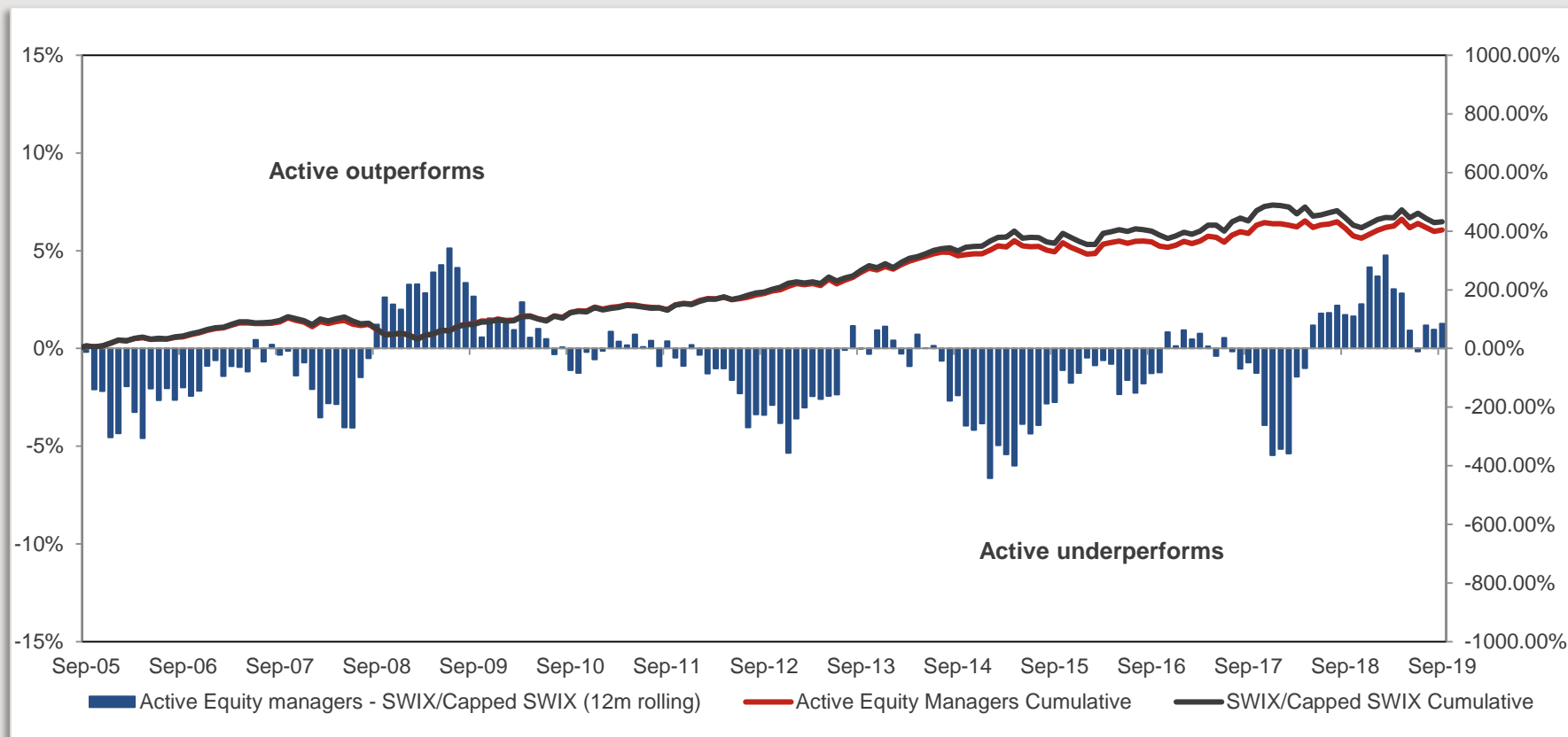
One-year Capped SWIX contributions ending October 2019



# Active index analysis



One-year-rolling active to September\* 2019



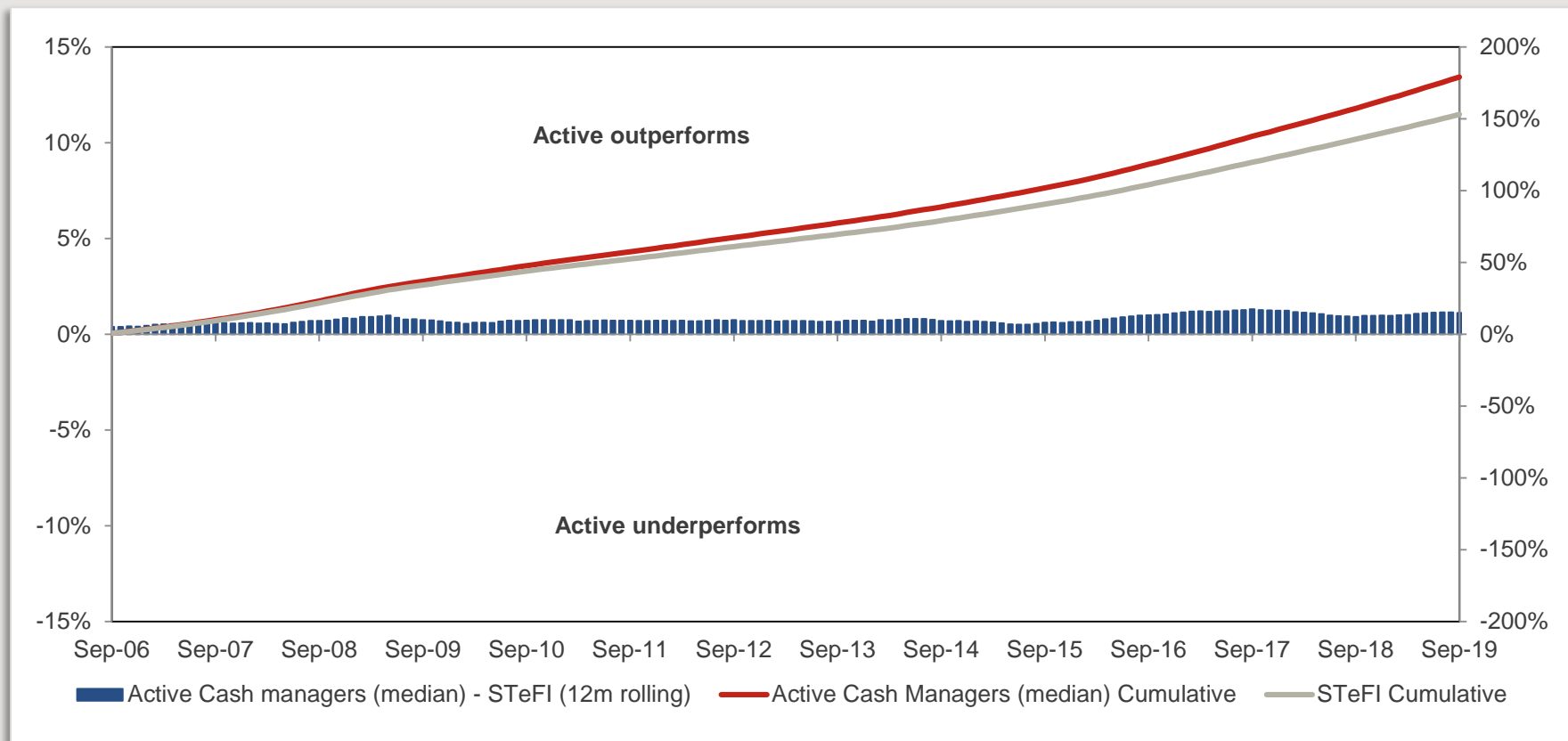
\* Lagged by one month due to availability of data

The median of the active equity investment managers outperformed the SWIX/Capped SWIX composite benchmark for the 12 month period ending September 2019. (SWIX until 31 October 2017 and Capped SWIX thereafter)

# Active versus tracker: Cash



One-year rolling average to September\* 2019



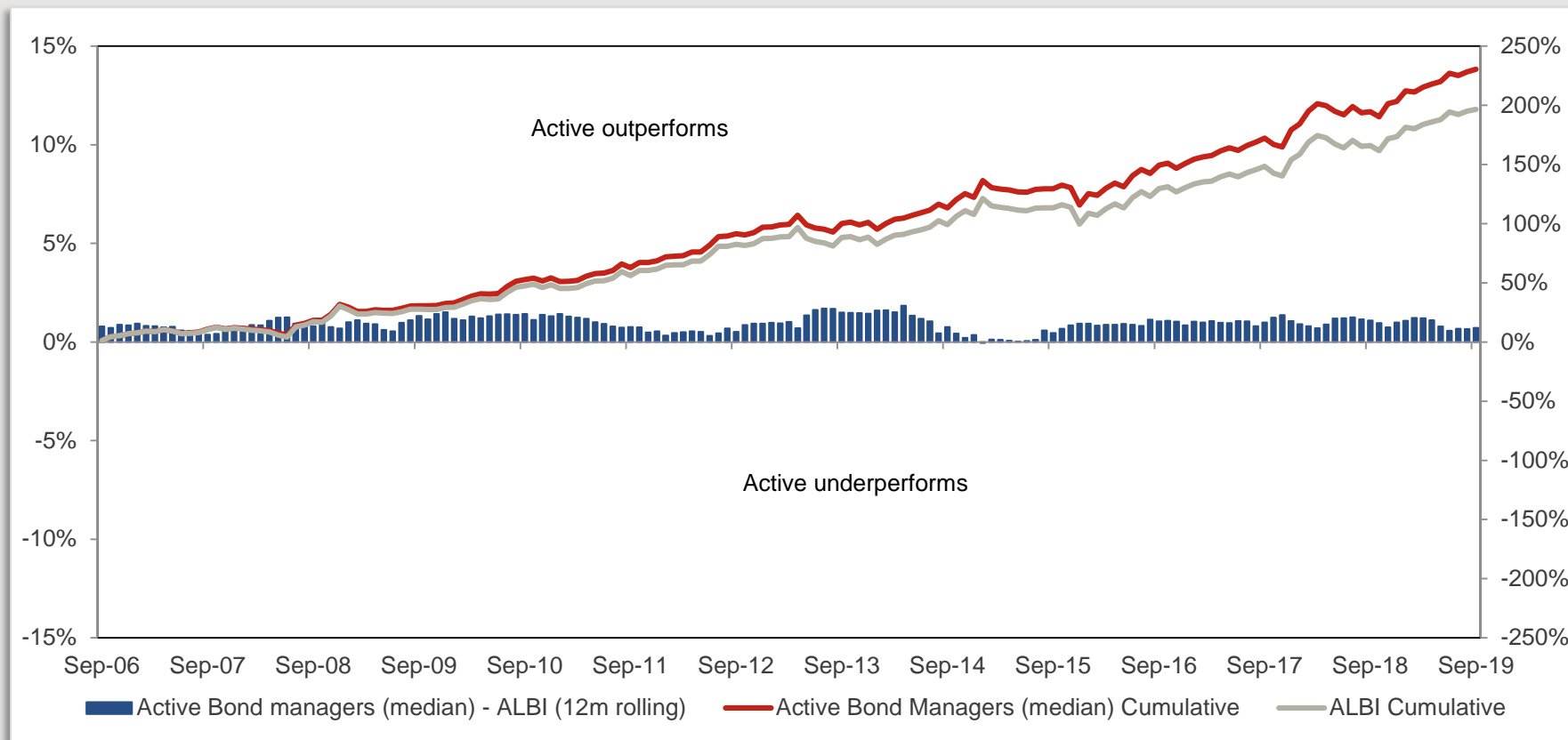
\* Lagged by one month due to availability of data

The median of the active money market investment managers outperformed the SteFI for the 12 month period ending September 2019

# Active versus tracker: Bonds



One-year rolling average to September\* 2019



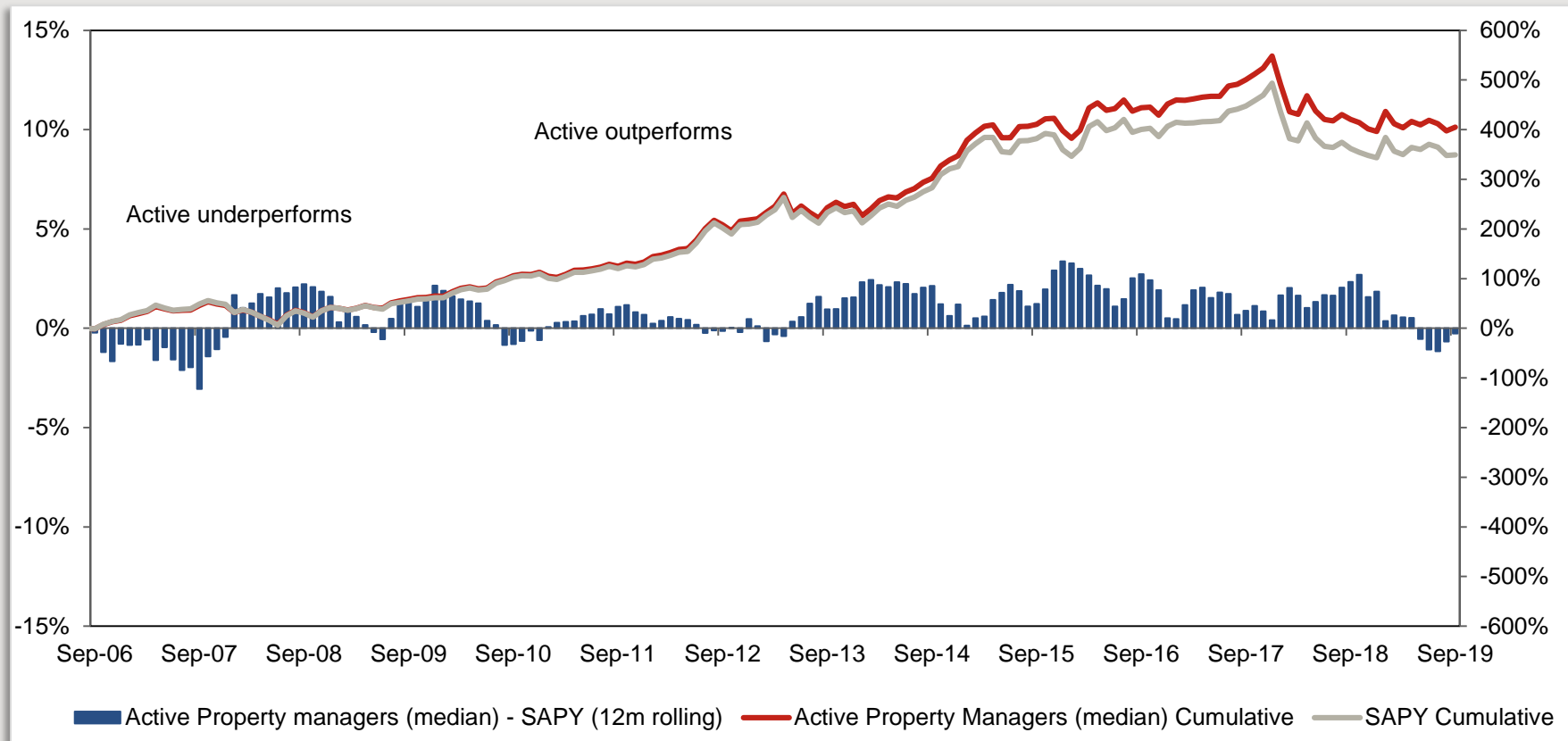
\* Lagged by one month due to availability of data

The median of the active bond investment managers outperformed the ALBI for the 12 month period ending September 2019

# Active versus tracker: Property



One-year rolling average to September\* 2019



\* Lagged by one month due to availability of data

The median of the active property investment managers underperformed the SAPY for the 12 month period ending September 2019

# Style returns for South Africa



Data to October 2019

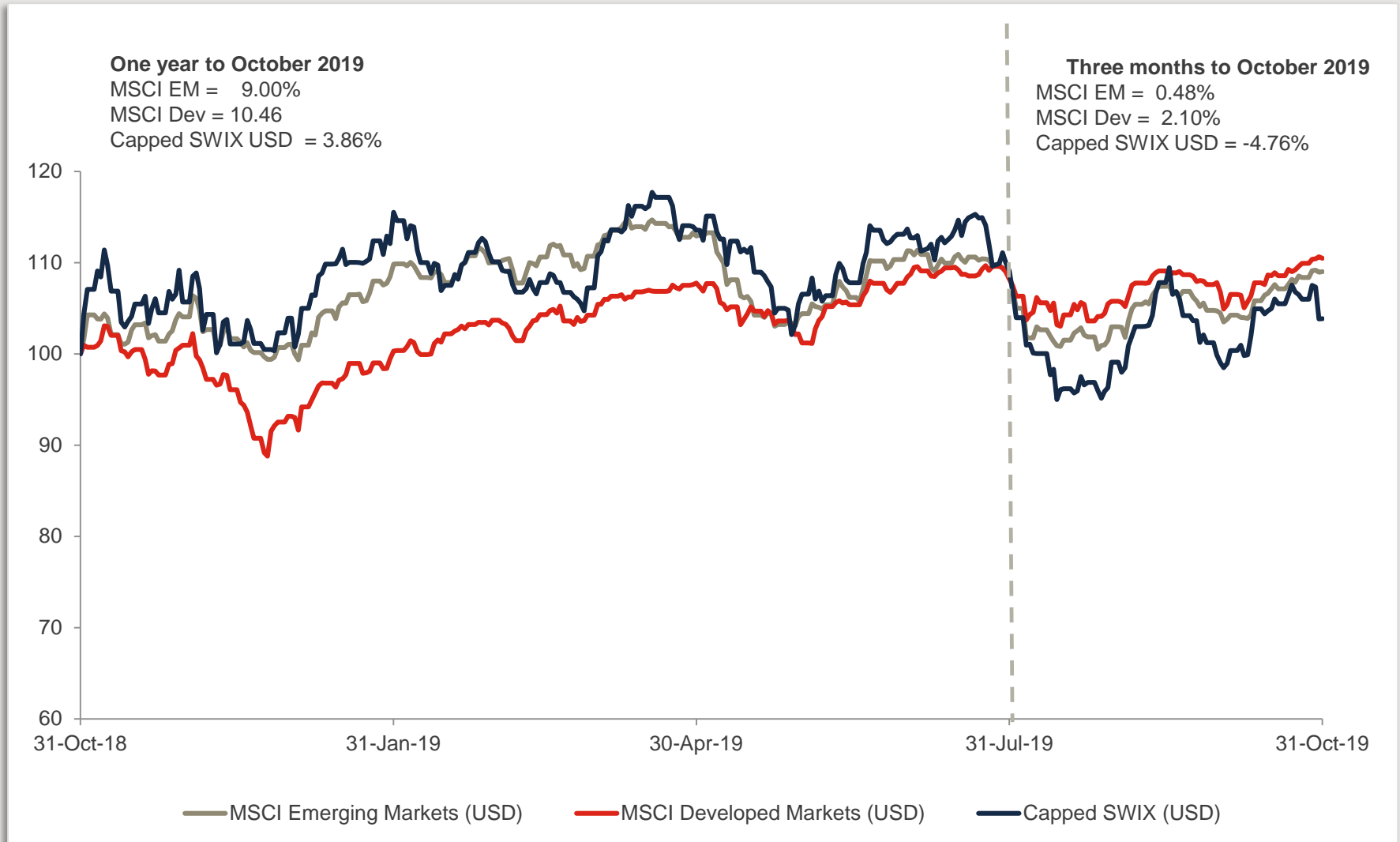
ZAR	Styles	One month to Oct 2019	Three months to Oct 2019	One years to Oct 2019	Three years to Oct 2019	Five years to Oct 2019	Ten years to Oct 2019	Twenty years to Oct 2019
<b>Value</b>	Book to Price	-2.25	-2.51	-23.02	-9.68	-4.72	-4.52	0.50
	Dividend Yield	-0.75	-3.38	-3.10	1.51	-0.17	-0.61	3.59
	Earnings Yield	-1.05	-6.19	-15.07	-4.46	-2.16	-1.51	1.07
	Cash Flow Yield	-2.48	-2.69	-5.97	1.11	4.61	0.82	3.09
	Sales to Price	-2.61	-5.22	-18.87	-7.11	-3.17	-4.95	0.51
<b>Quality</b>	ROE	1.05	0.57	4.73	3.96	1.34	1.32	-0.96
	ROIC LT	0.70	-3.26	-9.47	-3.47	-2.79	-0.24	-2.54
	Income to Sales	-0.46	0.18	-1.70	2.26	0.44	2.67	-0.82
	Low Market Beta	-2.49	-1.15	-5.41	-2.96	0.97	-0.16	0.80
	Low Debt/Equity	-2.07	-1.97	-4.97	-3.28	-2.42	-2.61	-0.97
	EBIT Margin Stability	2.28	0.57	-3.98	-3.26	0.71	3.29	1.67
<b>Growth</b>	Earnings Growth	0.92	1.82	2.67	5.73	5.13	2.19	-1.51
	Sales Growth	-0.32	-5.10	-7.83	-2.43	-2.89	-1.14	-4.96
	12M Earning Growth	3.46	2.90	11.79	1.64	-0.43	-1.72	2.79
<b>Momentum</b>	FY1 Earnings Revisions	1.37	1.83	16.51	11.22	8.24	8.14	10.24
	Short Term Momentum	5.11	9.32	19.44	6.06	7.80	2.73	3.24
	Medium Term Momentum	5.41	9.66	21.49	5.37	4.03	6.14	7.76
<b>Size</b>	Size	3.81	5.79	14.96	6.22	1.49	0.81	0.66

Momentum and size has outperformed over all periods with value underperforming over the last year.

# MSCI developed and emerging markets



One year to October 2019





# SA 10-year bond yields



Ten years to October 2019



# Yield of R197 (inflation-linked bond)



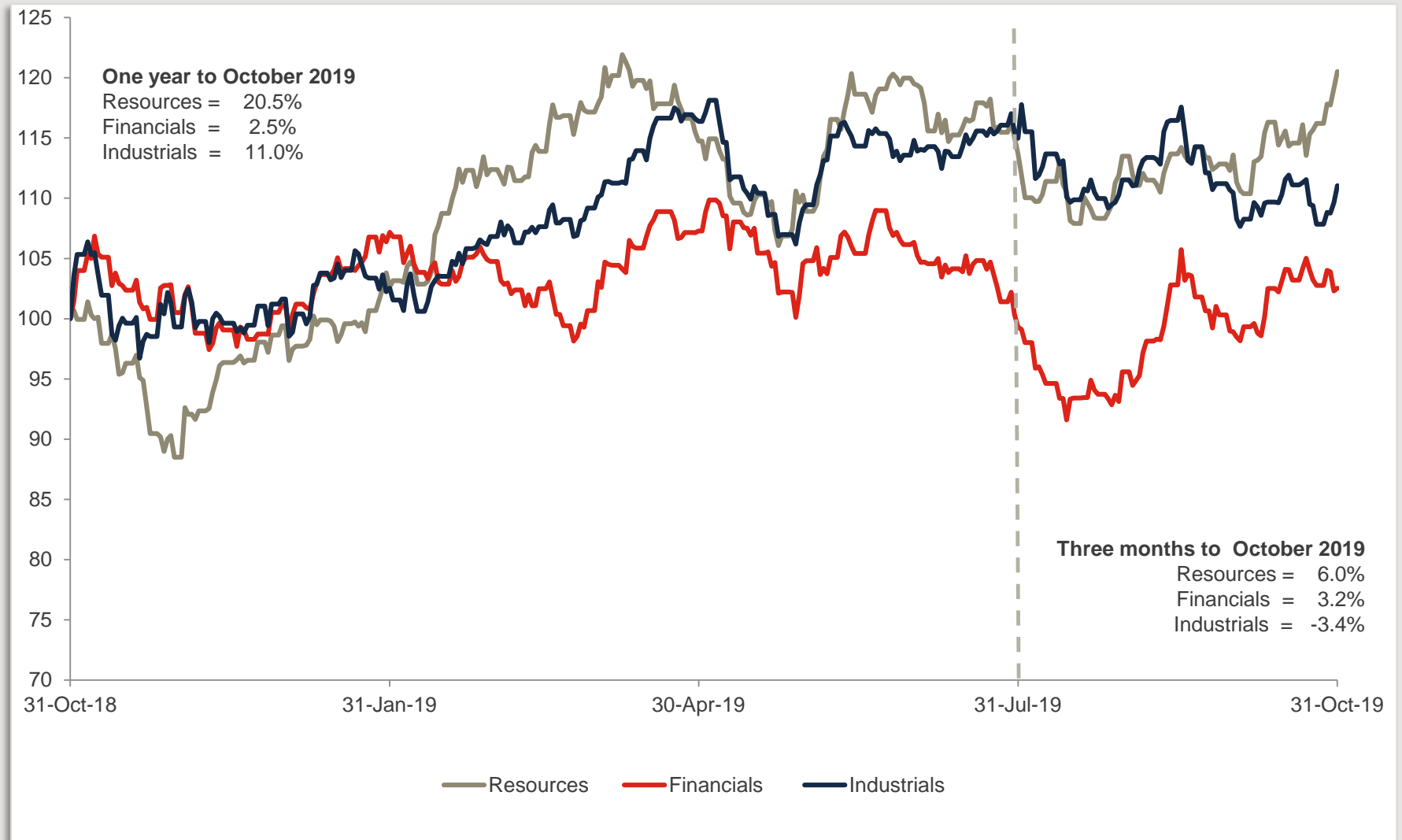
Ten years to October 2019



# FTSE/JSE sectors



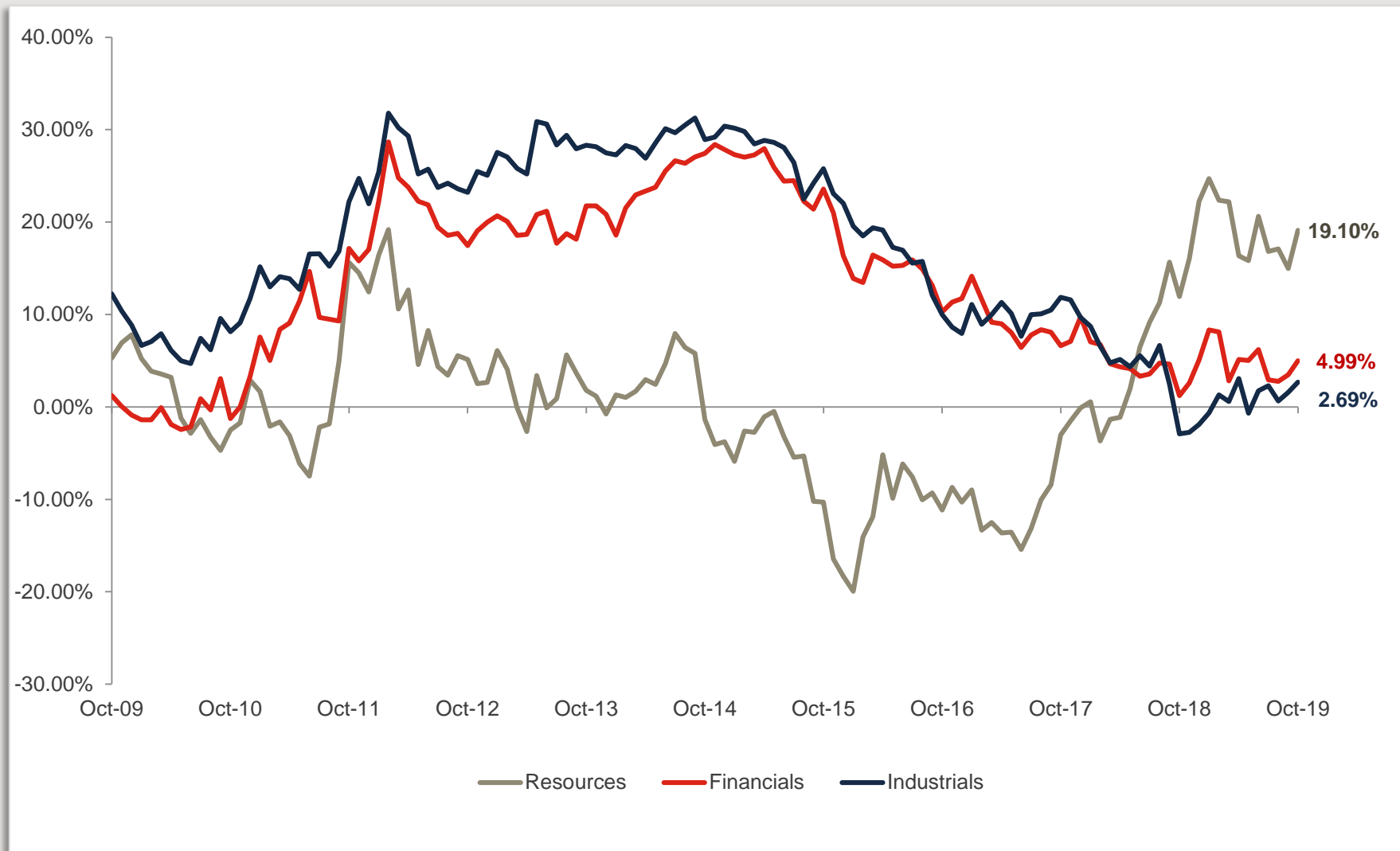
## One year to October 2019



# FTSE/JSE sectors



Three-years-rolling to October 2019



## Decomposed

### Three Months to October 2019

1 Mining	Basic Materials	16.56%	17 Personal Goods	Consumer Goods	-1.69%
2 Pharmaceuticals & Biotechnology	Healthcare	13.65%	18 Real Estate Investment Trusts	Financials	-2.00%
3 Equity Investment Instruments	Financials	13.34%	19 General Retailers	Consumer Services	-2.45%
4 Real Estate Investment & Services	Financials	10.95%	20 Software & Computer Services	Technology	-2.77%
5 Electronic & Electrical Equipment	Industrials	9.57%	21 Non-life Insurance	Financials	-3.13%
6 Industrial Transportation	Industrials	8.81%	22 Support Services	Industrials	-5.85%
7 Food & Drug Retailers	Consumer Services	8.57%	23 Forestry & Paper	Basic Materials	-6.69%
8 Healthcare Equipment & Service	Healthcare	7.98%	24 Mobile Telecommunications	Telecommunications	-8.34%
9 Tobacco	Consumer Goods	5.22%	25 Media	Consumer Services	-8.94%
10 Life Insurance	Financials	4.73%	26 Chemicals	Basic Materials	-10.46%
11 Banks	Financials	3.69%	27 Beverages	Consumer Goods	-10.57%
12 Financial Services	Financials	2.97%	28 Travel & Leisure	Travel & Leisure	-12.94%
13 Automobiles & Parts	Consumer Goods	2.93%	29 Industrial Engineering	Industrials	-13.81%
14 General Industrials	Industrials	1.04%	30 Household Goods & Home Construction	Consumer Goods	-16.96%
15 Food Producers	Consumer Goods	-0.12%	31 Industrial Metals & Mining	Industrials	-17.40%
16 Construction & Materials	Industrials	-1.09%	32 Fixed-line Telecommunications	Telecommunications	-19.73%

#### Key

Resources  
Financials  
Industrials

## Decomposed

### One Year to October 2019

1	Mining	Basic Materials	57.93%	17 Electronic & Electrical Equipment	Industrials	-4.00%
2	Automobiles & Parts	Consumer Goods	45.12%	18 Non-life Insurance	Financials	-5.80%
3	Industrial Metals & Mining	Industrials	35.99%	19 Food Producers	Consumer Goods	-7.24%
4	Fixed-line Telecommunications	Telecommunications	34.96%	20 Real Estate Investment Trusts	Financials	-7.73%
5	Media	Consumer Services	27.63%	21 Healthcare Equipment & Service	Healthcare	-8.66%
6	Beverages	Consumer Goods	21.55%	22 General Retailers	Consumer Services	-9.70%
7	Software & Computer Services	Technology	18.54%	23 Tobacco	Consumer Goods	-11.58%
8	Equity Investment Instruments	Financials	15.33%	24 Construction & Materials	Industrials	-13.92%
9	Mobile Telecommunications	Telecommunications	13.59%	25 Support Services	Industrials	-16.28%
10	Personal Goods	Consumer Goods	11.76%	26 Travel & Leisure	Travel & Leisure	-17.73%
11	Banks	Financials	10.47%	27 Industrial Transportation	Industrials	-20.94%
12	Food & Drug Retailers	Consumer Services	9.78%	28 Forestry & Paper	Basic Materials	-24.00%
13	Real Estate Investment & Services	Financials	8.08%	29 Pharmaceuticals & Biotechnology	Healthcare	-30.64%
14	Life Insurance	Financials	-0.11%	30 Industrial Engineering	Industrials	-39.18%
15	Financial Services	Financials	-1.47%	31 Chemicals	Basic Materials	-41.34%
16	General Industrials	Industrials	-3.92%	32 Oil & Gas Producers	Financial Services	-43.07%

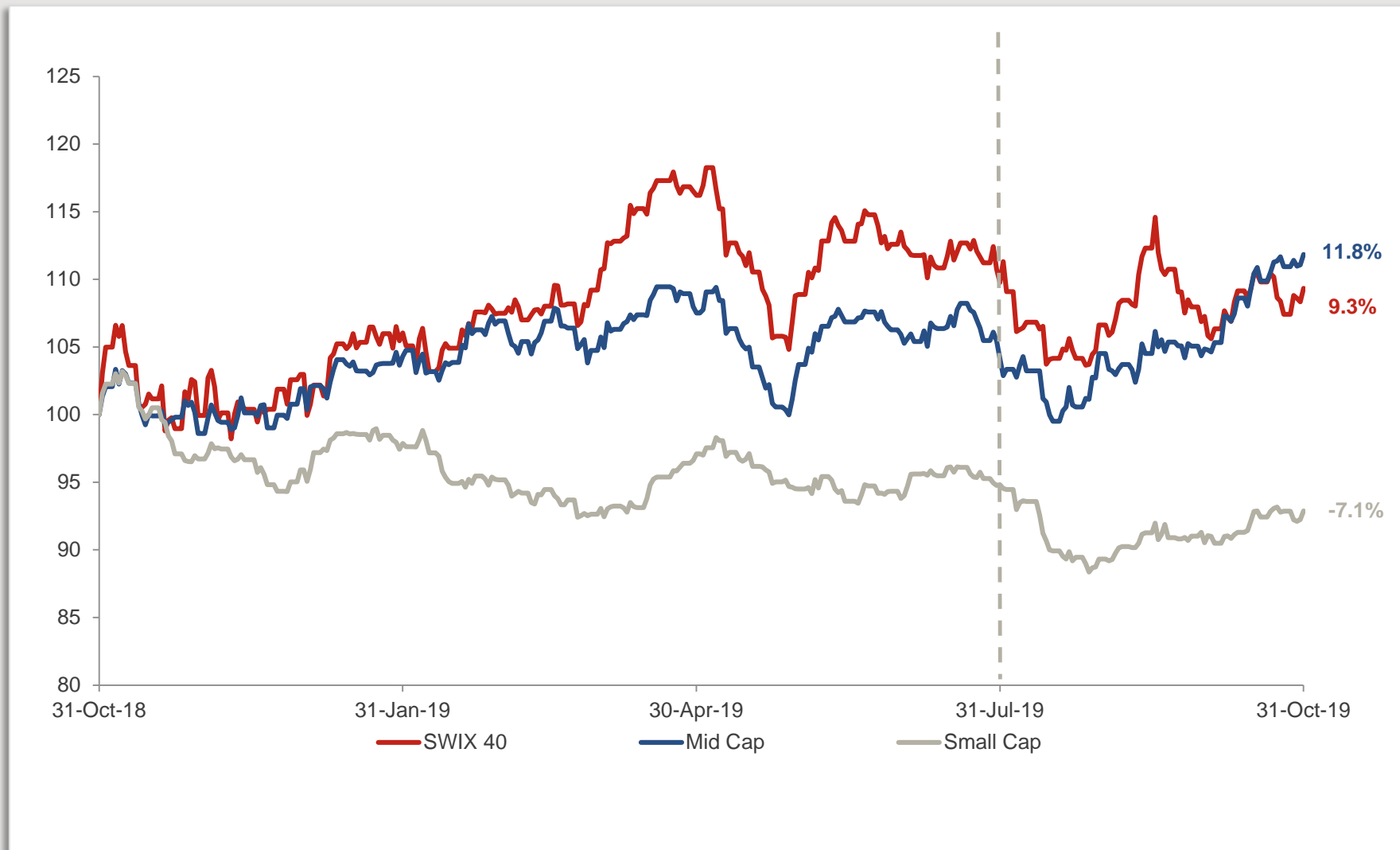
#### Key

Resources  
Financials  
Industrials

# FTSE/JSE market caps



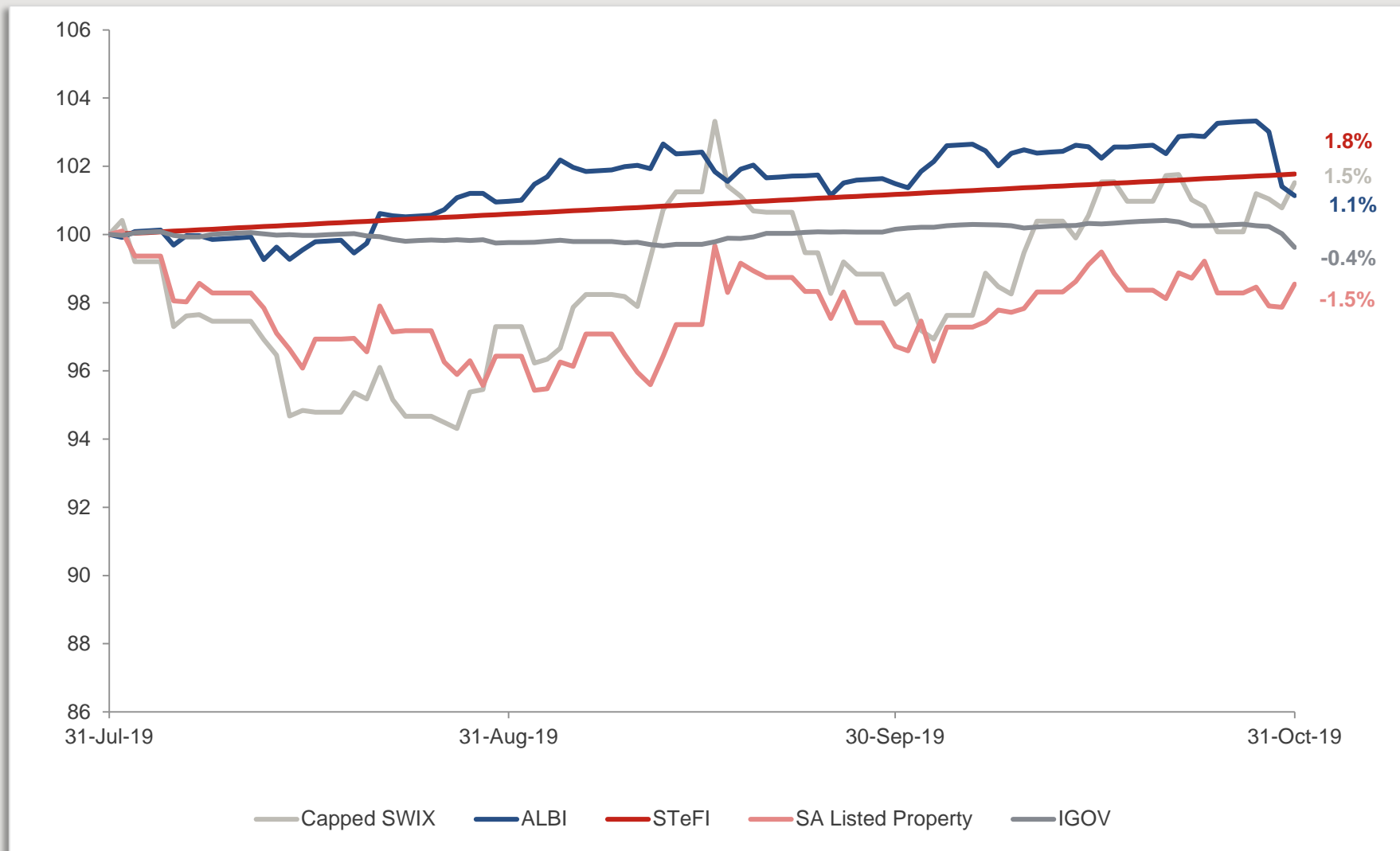
One year to October 2019



# Local asset classes



Three months to October 2019

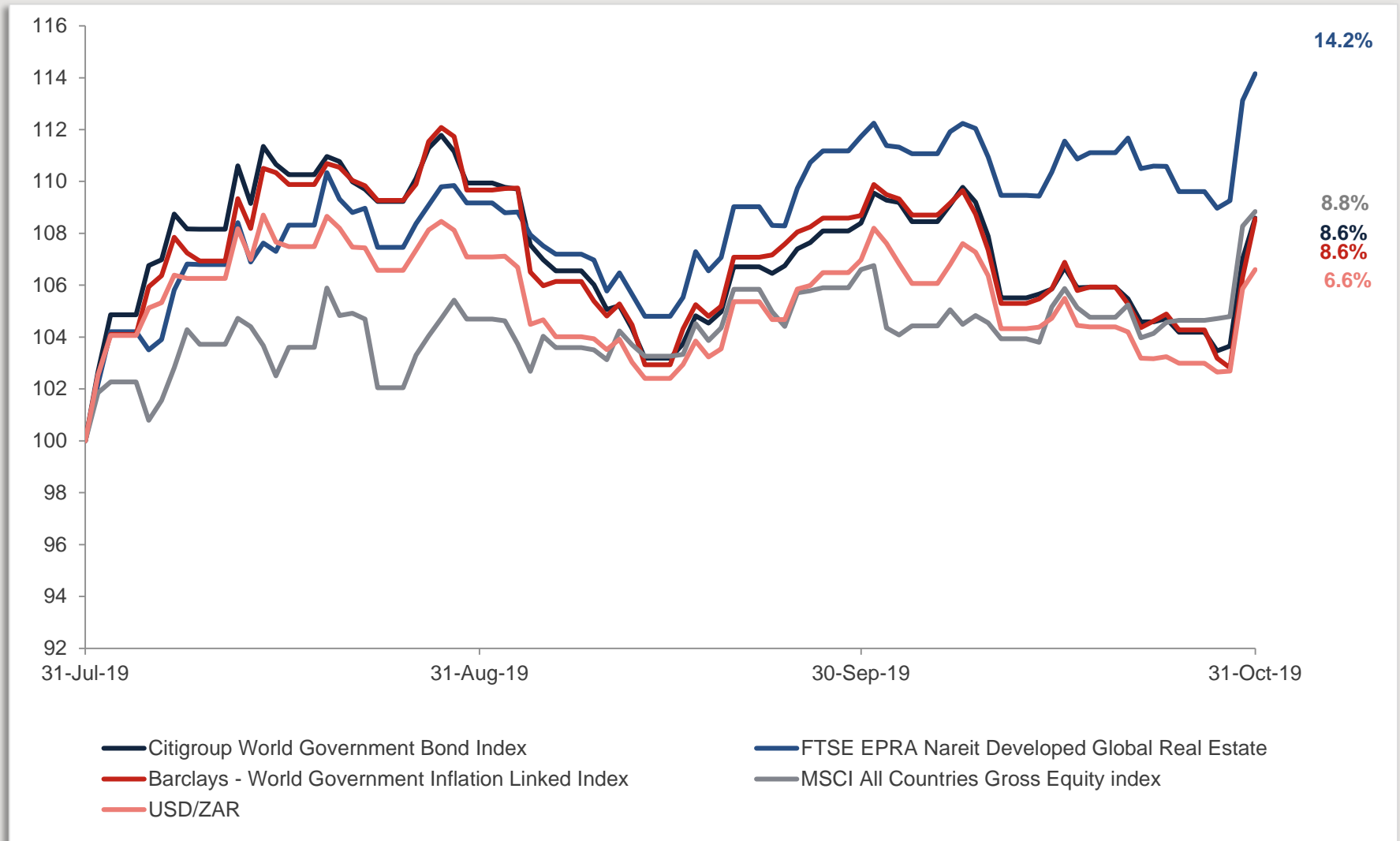




# Global asset classes



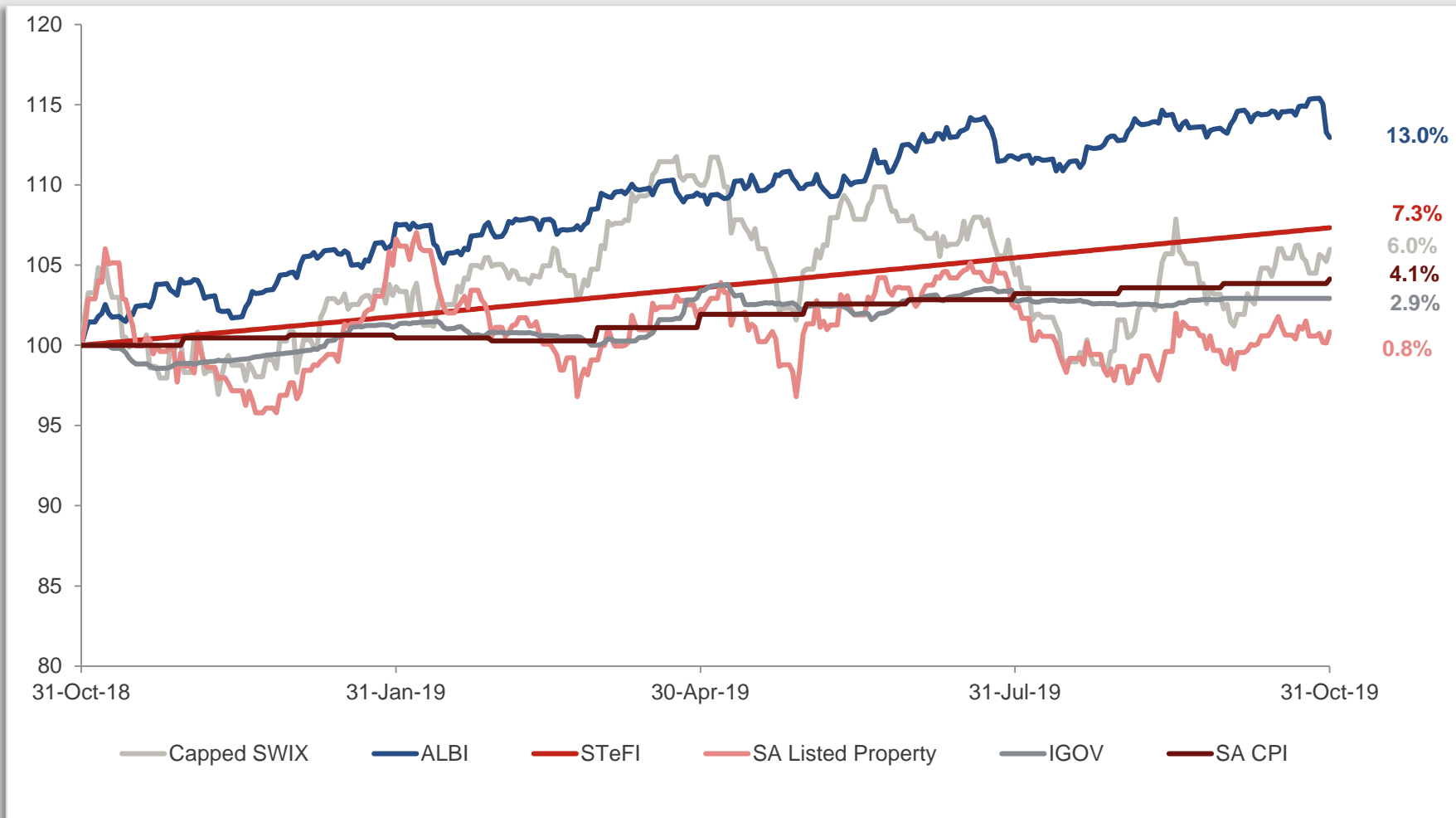
Three months to October 2019



# Local asset classes



One year to October 2019

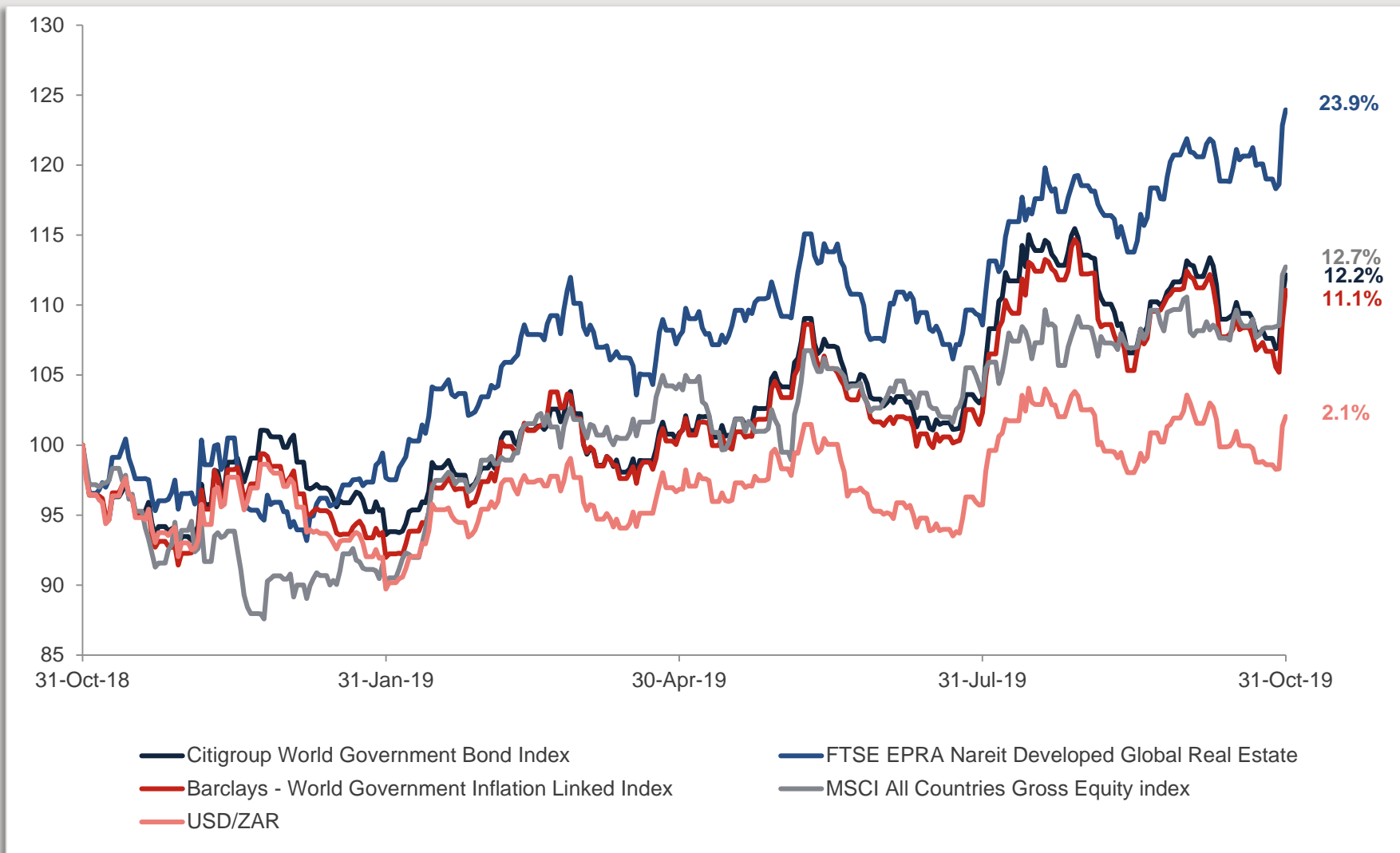


\* CPI lagged by one month due to availability of data

# Global asset classes



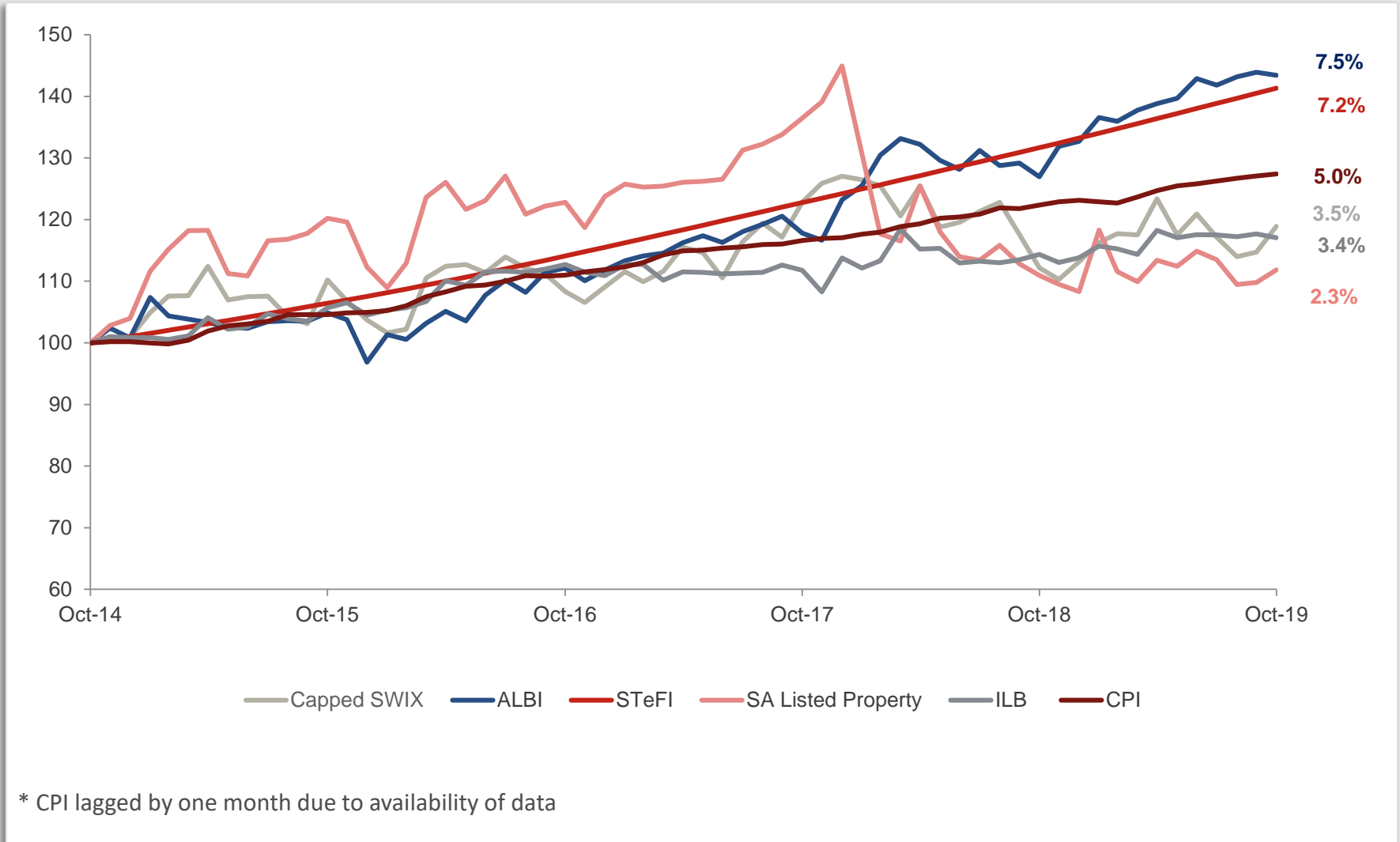
One year to October 2019



# Local asset classes



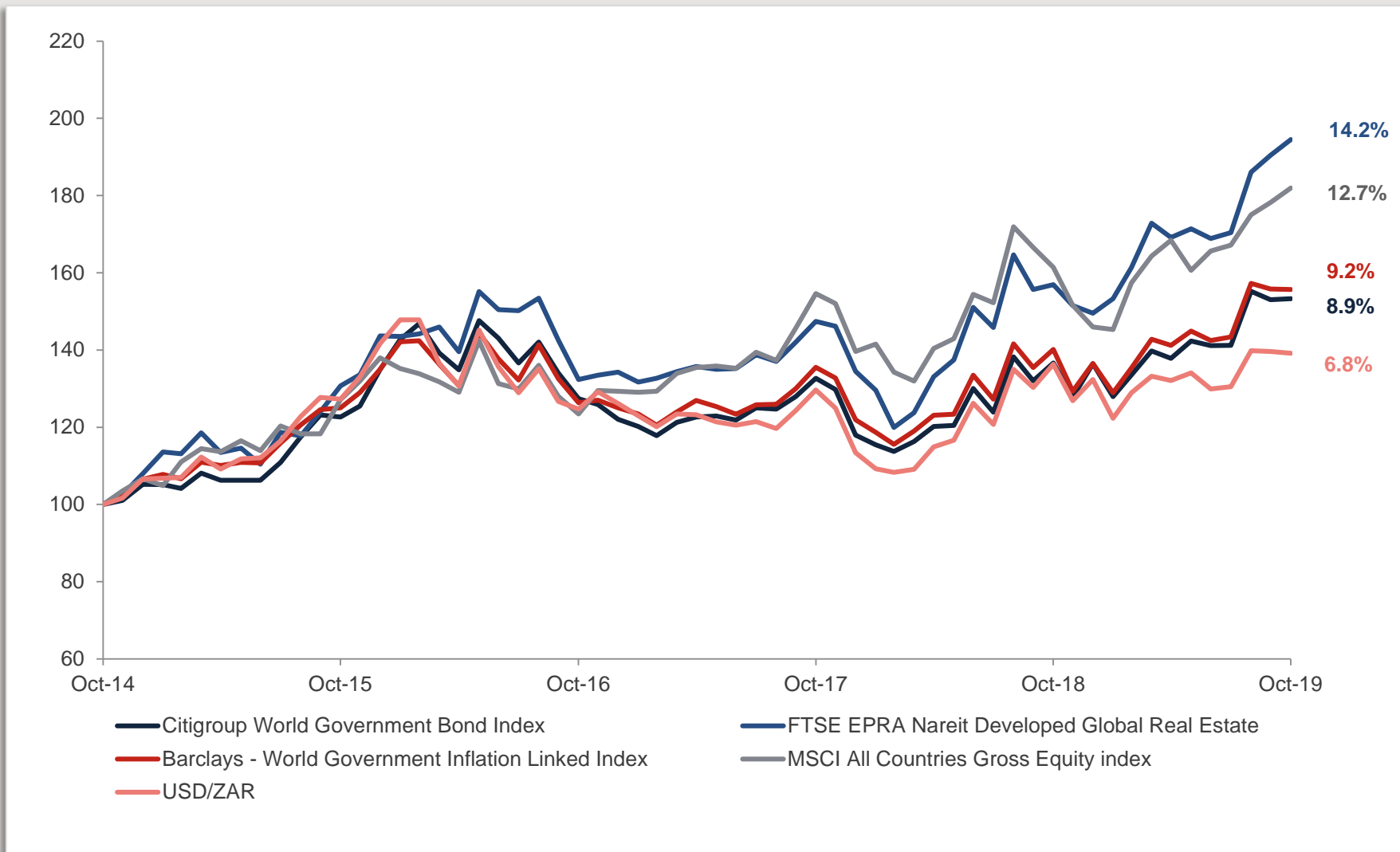
Five years to October 2019



# Global asset classes



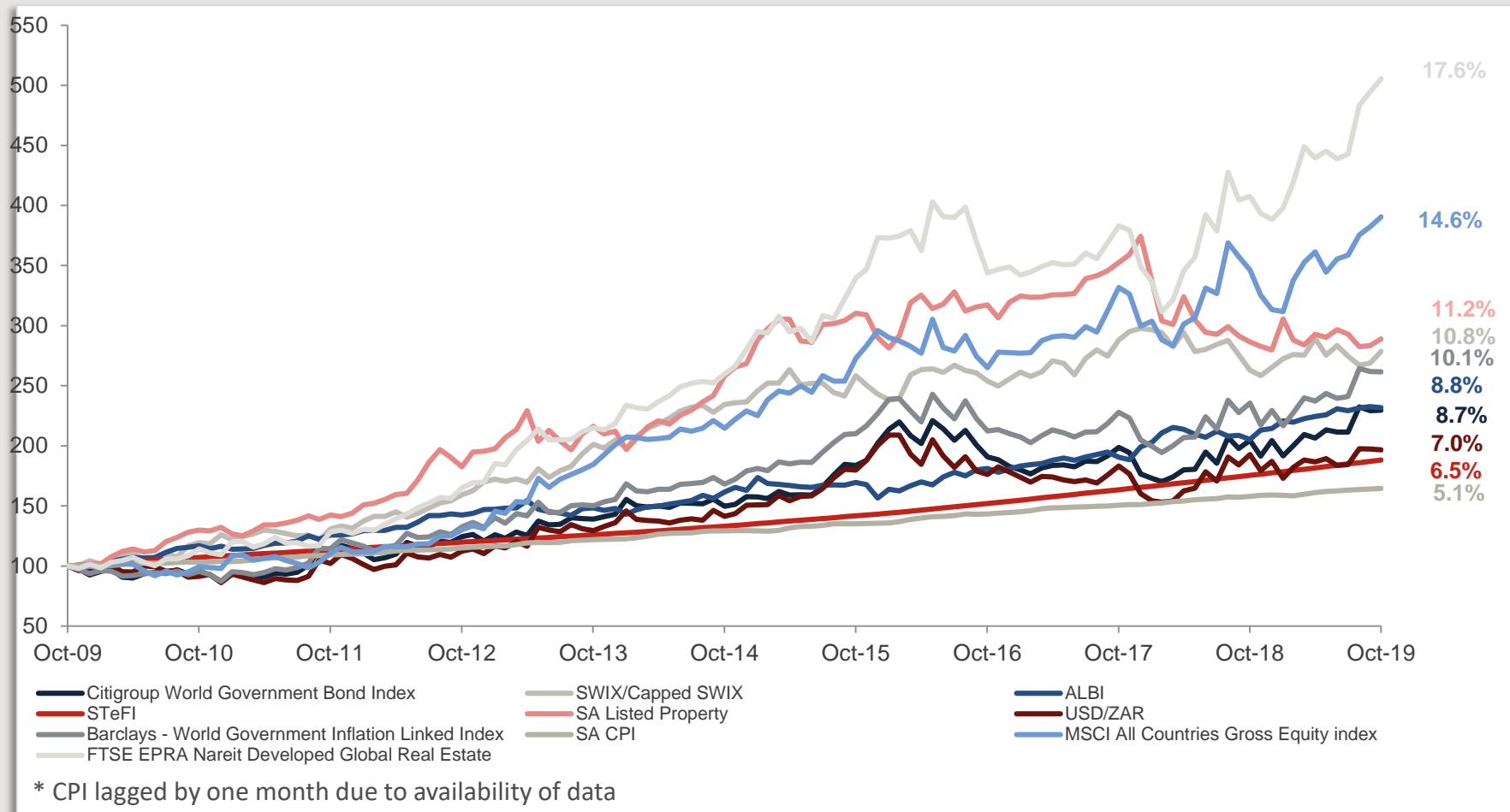
Five years to October 2019



# Asset classes

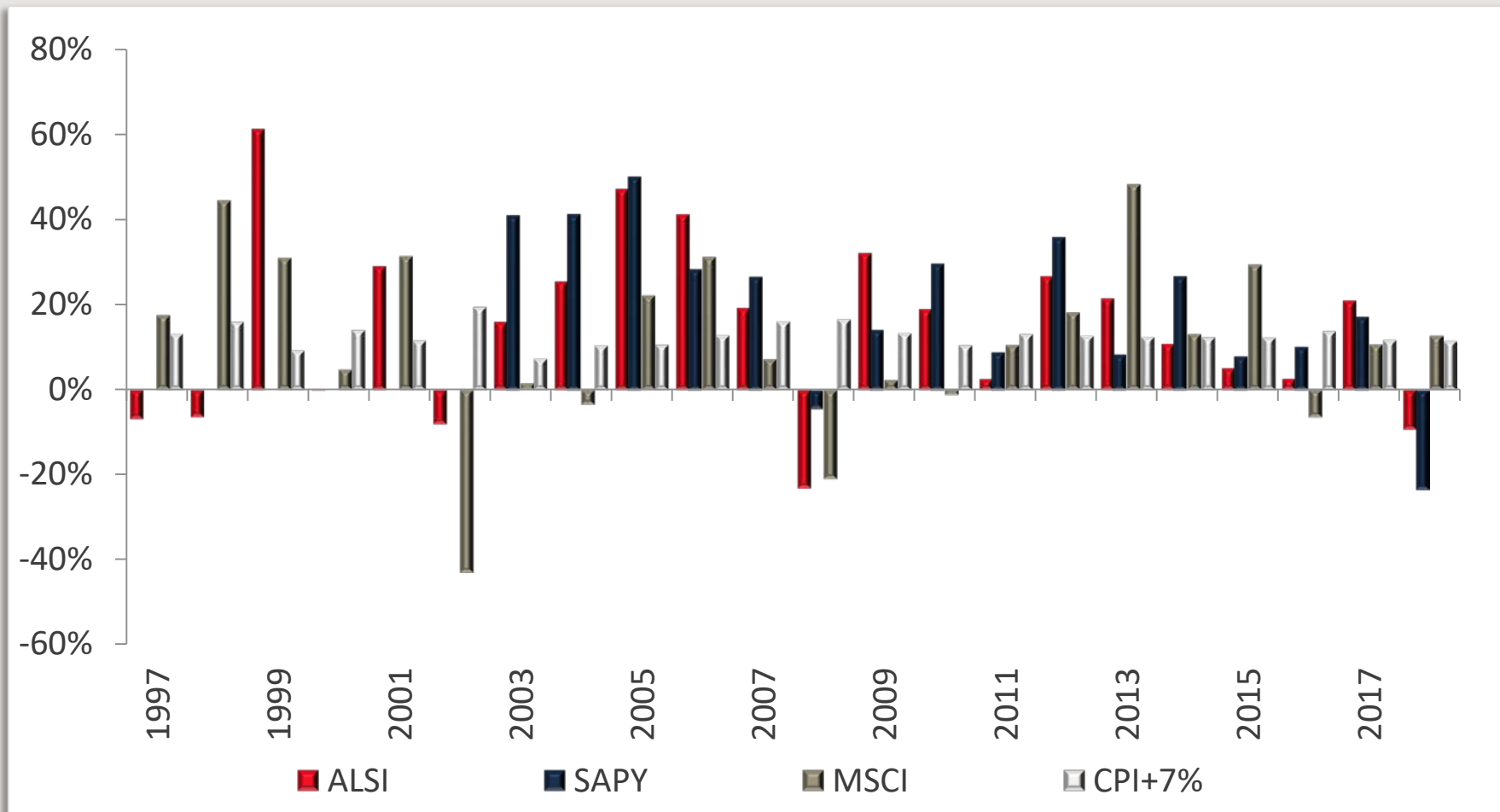


Ten years to October 2019



For the 10-year period to October 2019, the SWIX/Capped SWIX composite and SA Listed Property were the best performers.

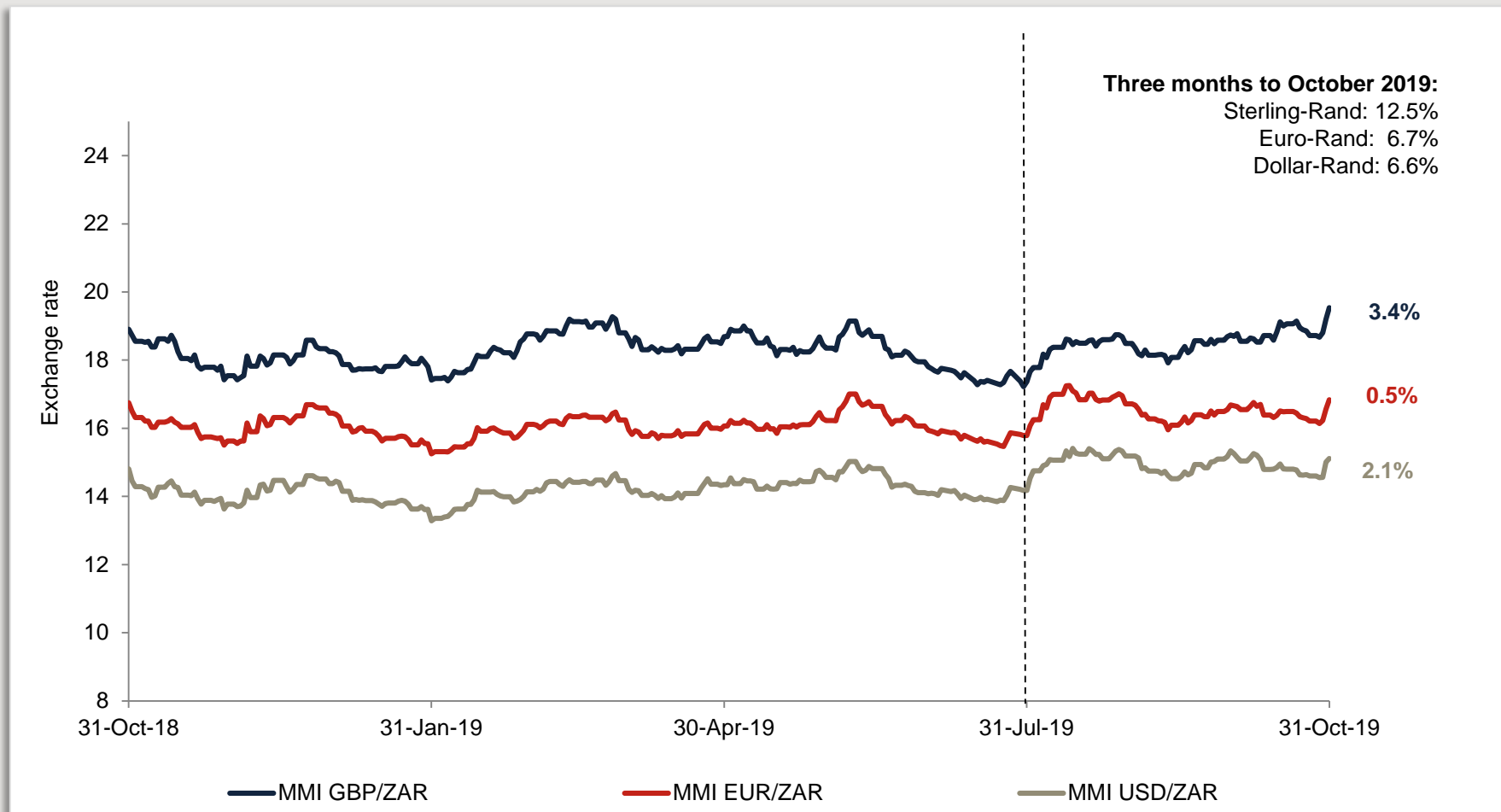
# Annual asset class returns



# Exchange rates



One year to October 2019

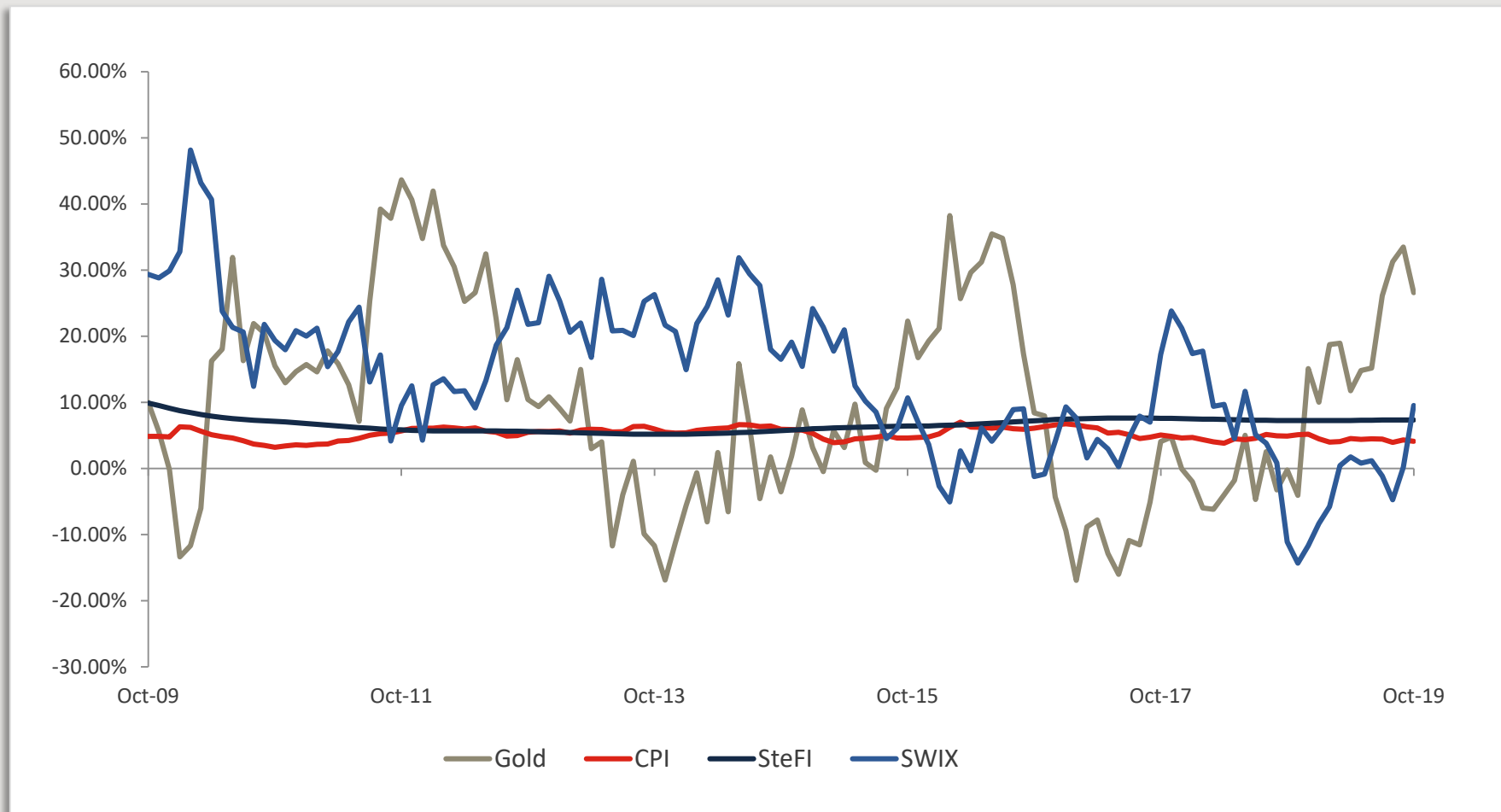




# Gold (rands), FTSE/JSE SWIX, CPI, SteFI



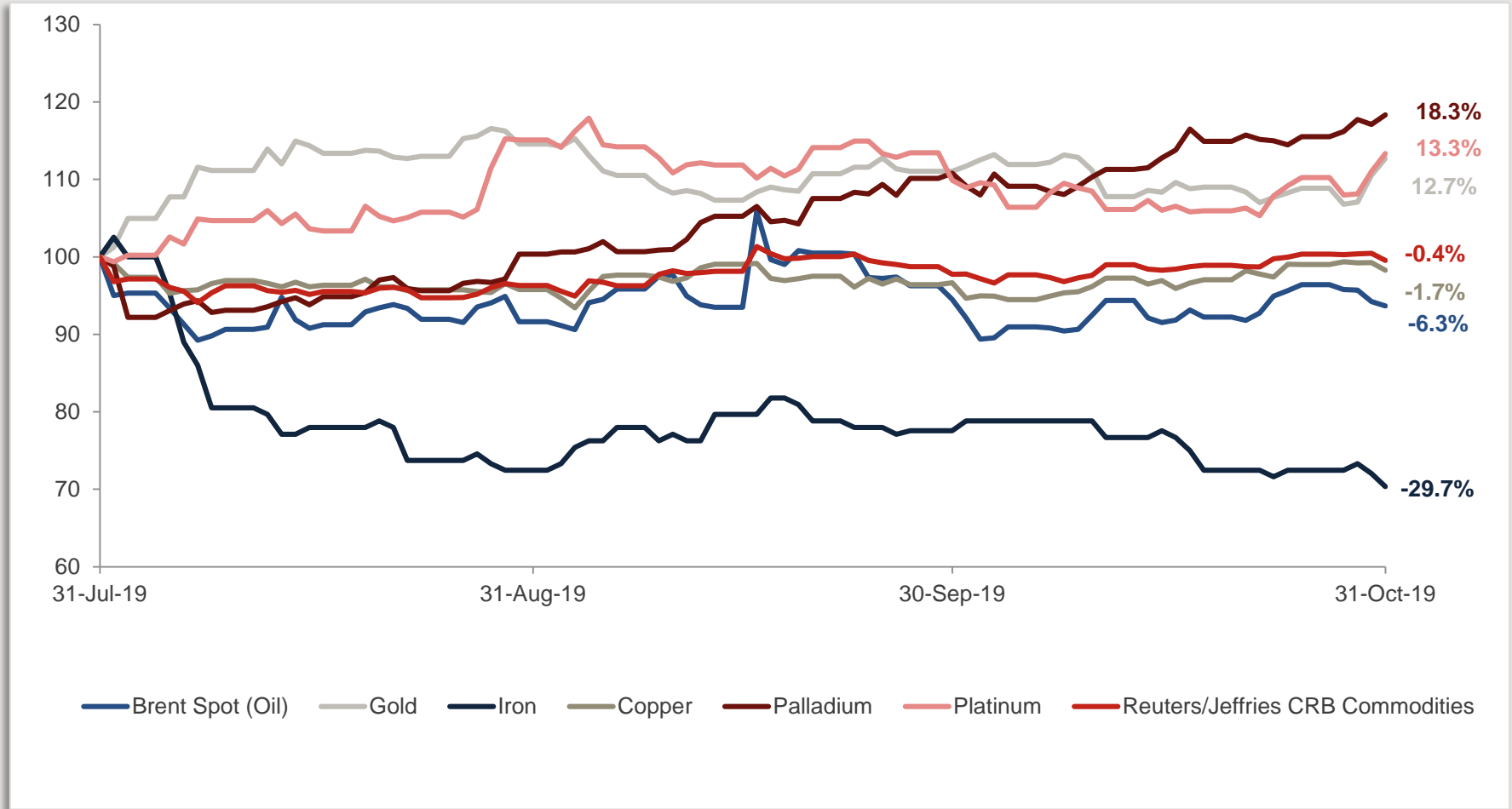
One-year rolling returns to October 2019



# Commodities



Three months to October 2019

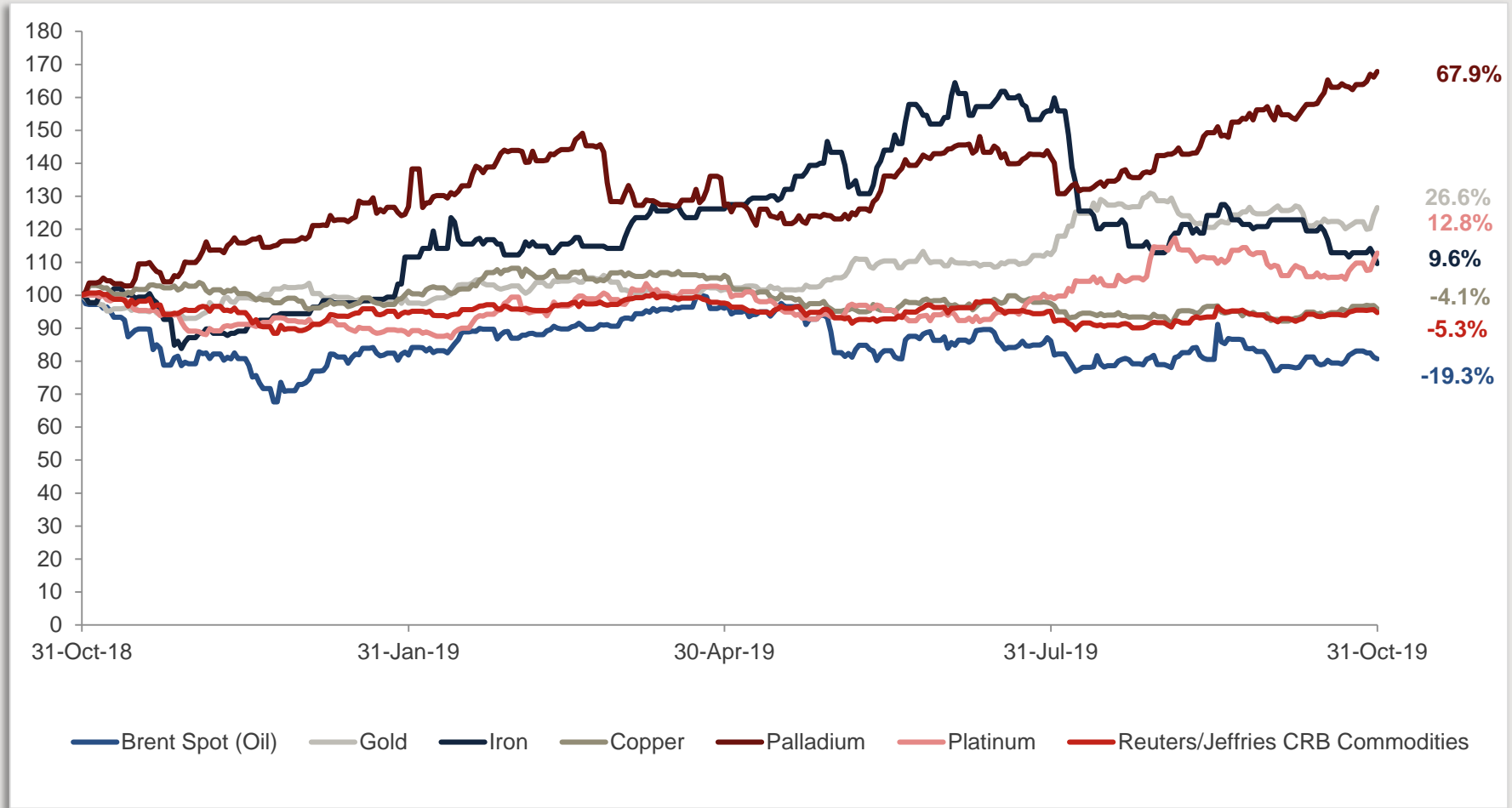


All returns are in dollar terms

# Commodities



One year to October 2019

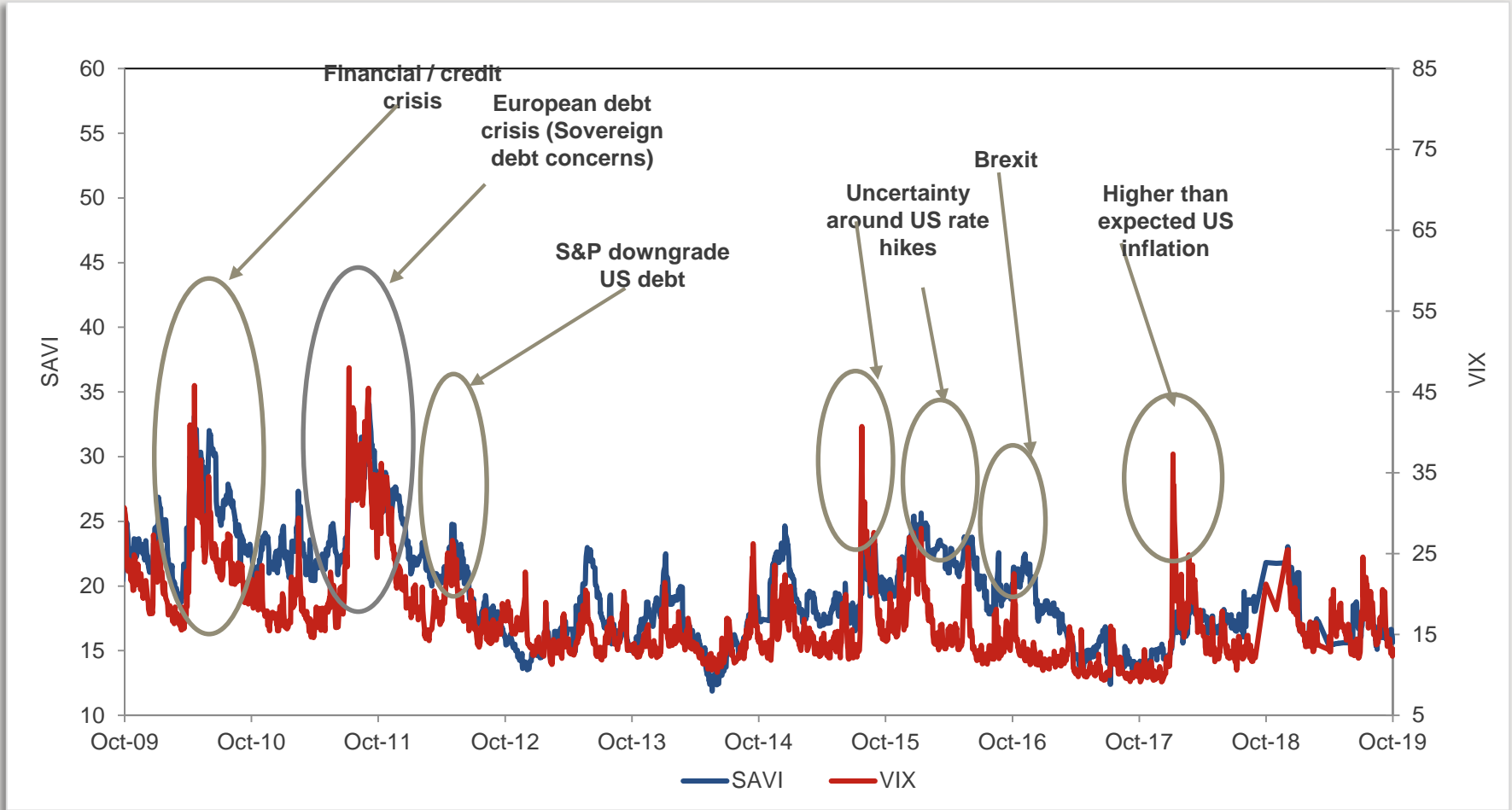


All returns are in dollar terms

# SAVI-VIX



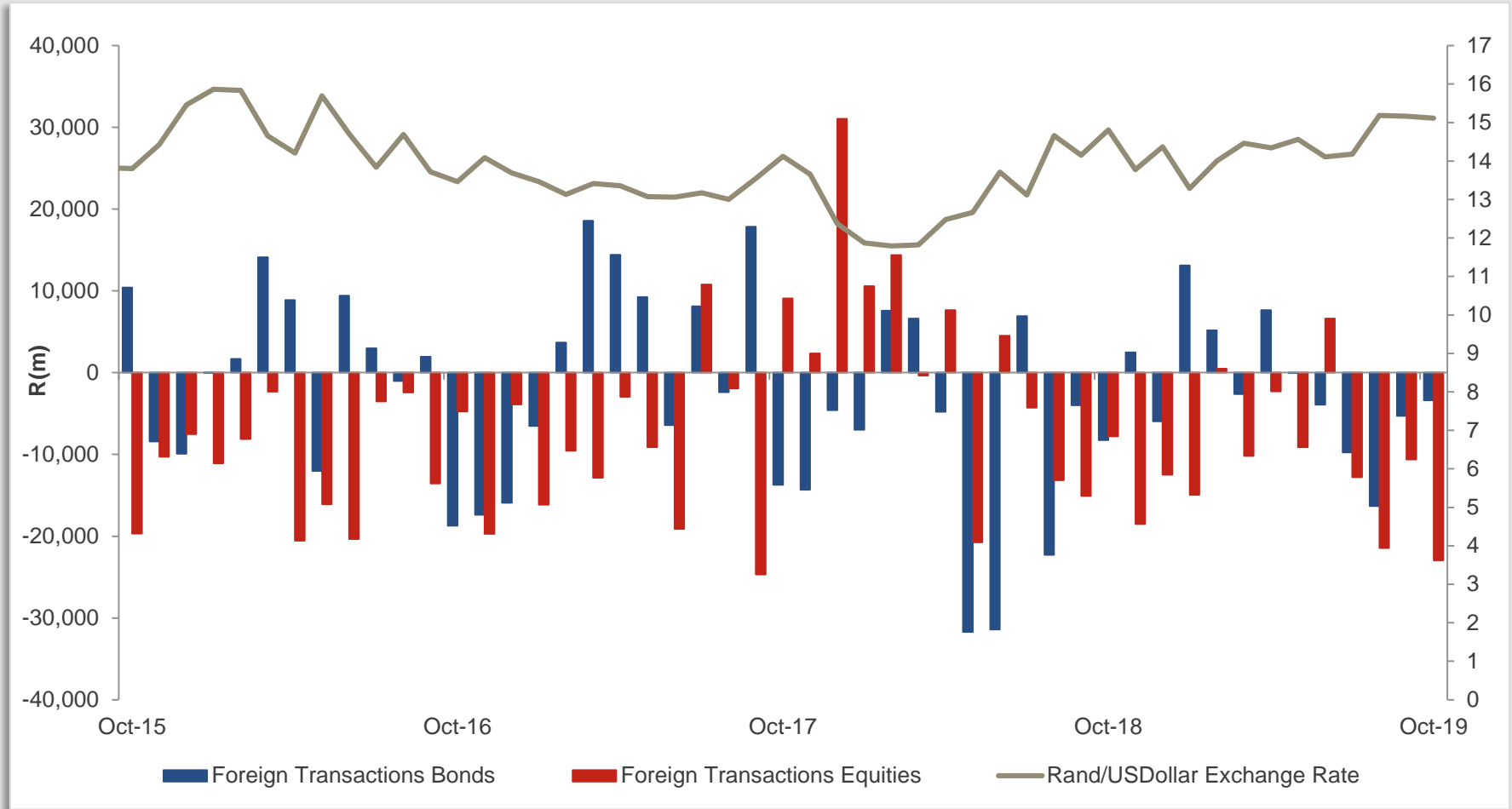
Since October 2009 to October 2019



# Foreign transactions



2015 to 2019

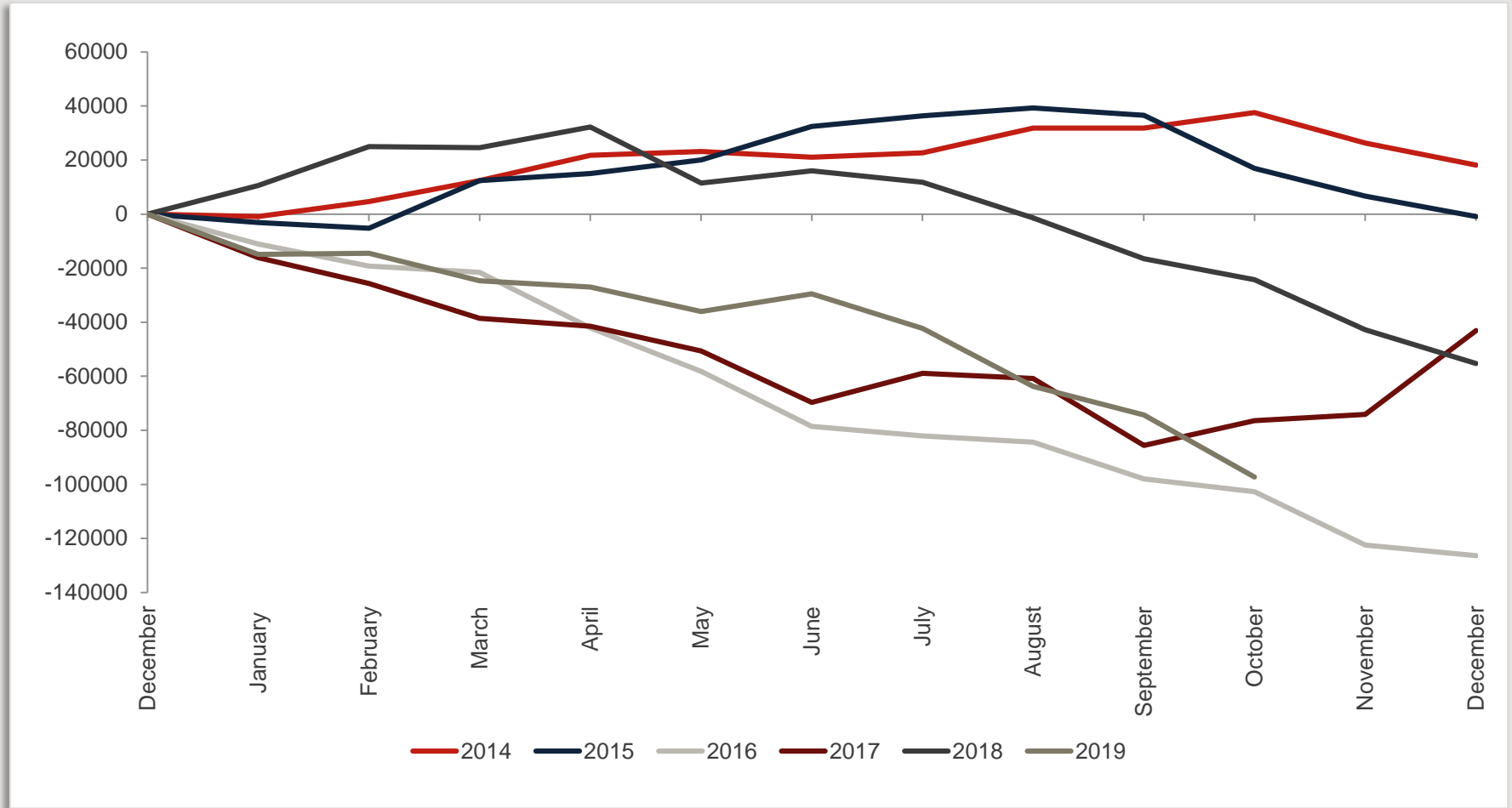


All returns are in dollar terms

# Cumulative foreign transaction equities



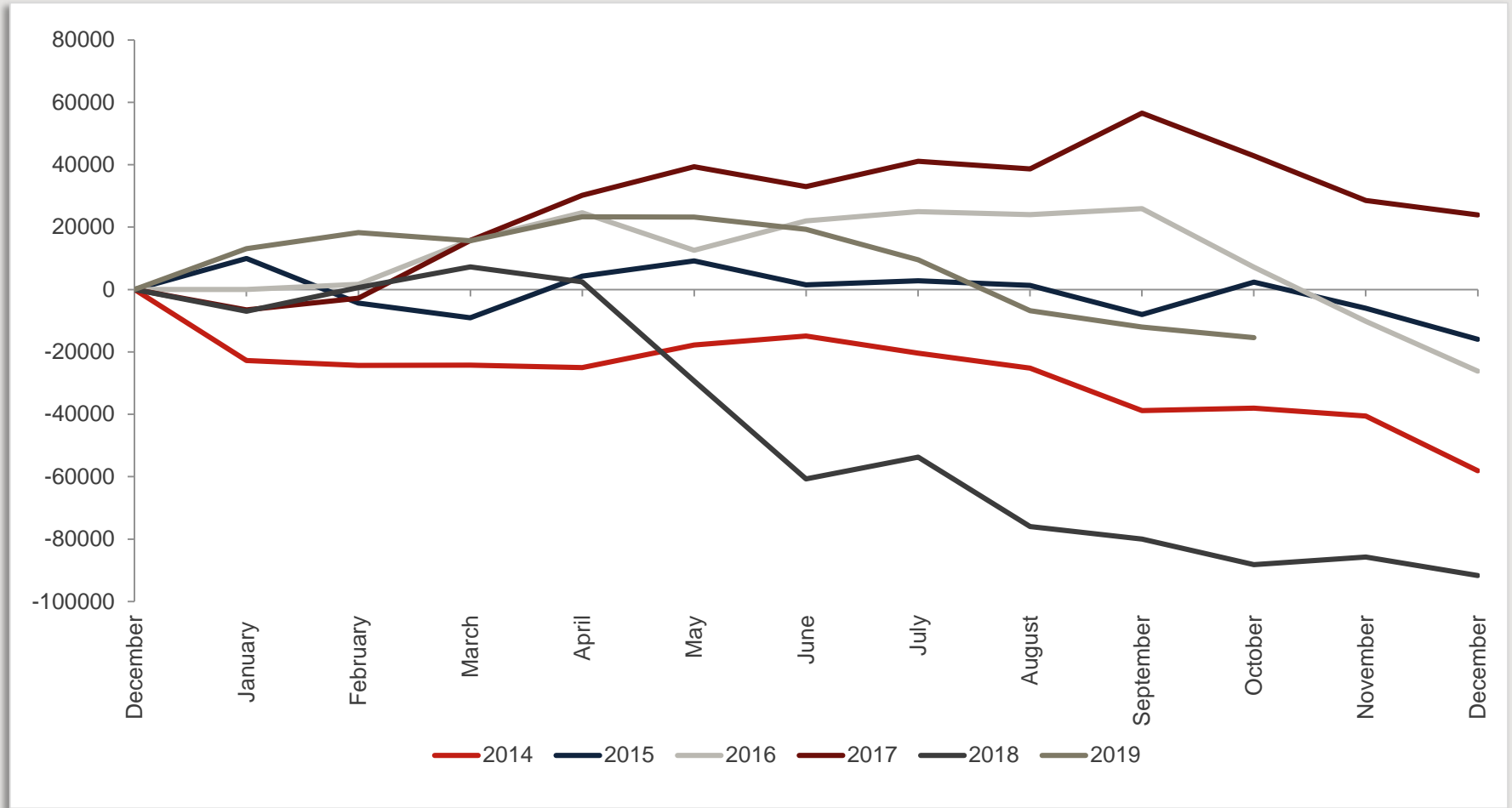
2014 to 2019



# Cumulative foreign transaction bonds



2014 to 2019



Thank you

*Signatory of:*





1. Sources: Momentum Investments, I-Net Bridge, [www.msci.com](http://www.msci.com), [www.yieldbook.com](http://www.yieldbook.com), [www.ft.com](http://www.ft.com).
2. Returns for periods exceeding one year are annualised.
3. The return for Consumer Price Index (CPI) is to the end of the previous month. Due to the reweighting of the CPI from January 2009, this number reflects a compound of month-on-month CPI returns. The historical numbers used are the official month-on-month numbers based on a composite of the previous inflation series (calculations before January 2009) and the revised inflation series (calculations after January 2009).
4. The MSCI World index (All Countries) returns are adjusted to correspond with global investment prices received.
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