

# Key market performance drivers

Monthly charts to 31 May 2020

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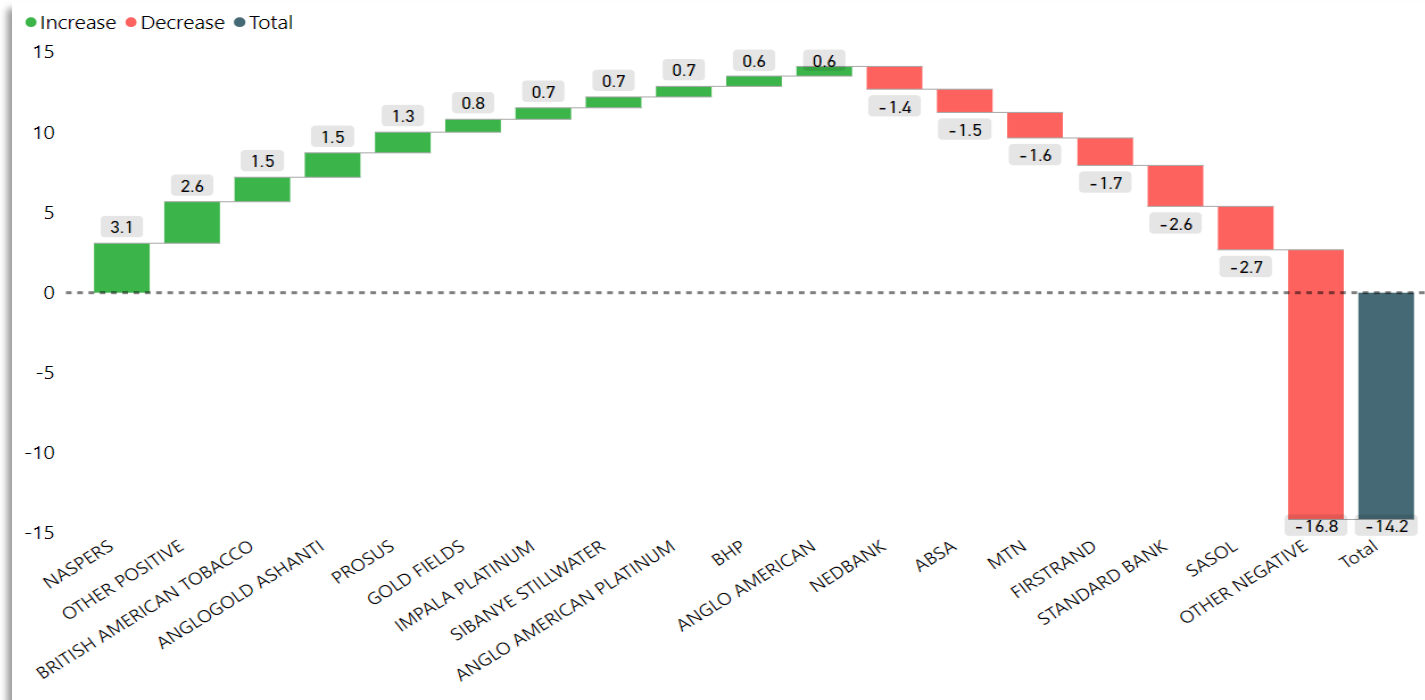
01

Market  
Concentration

# Market concentration



## One-year Capped SWIX contributions ending May 2020





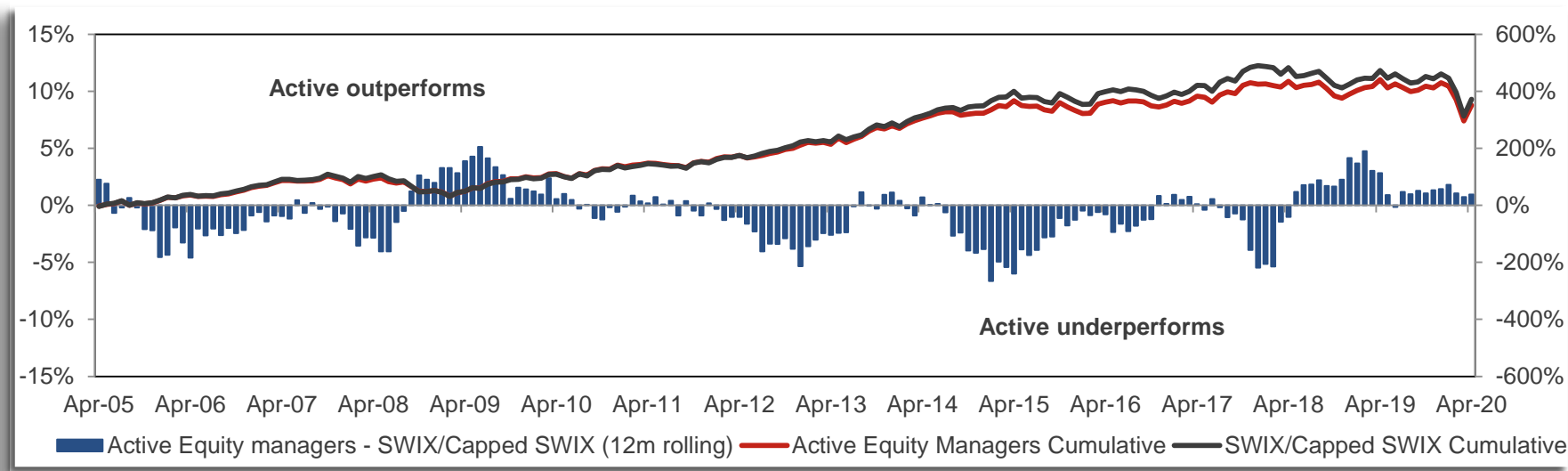
02

## Active Index Analysis

# Active index analysis: Equities



## One-year rolling active to April 2020



The median of the active equity investment managers outperformed the SWIX/Capped SWIX composite benchmark for the 12 month period ending April 2020.

(SWIX until 31 October 2017 and Capped SWIX thereafter)

Data lagged by one month

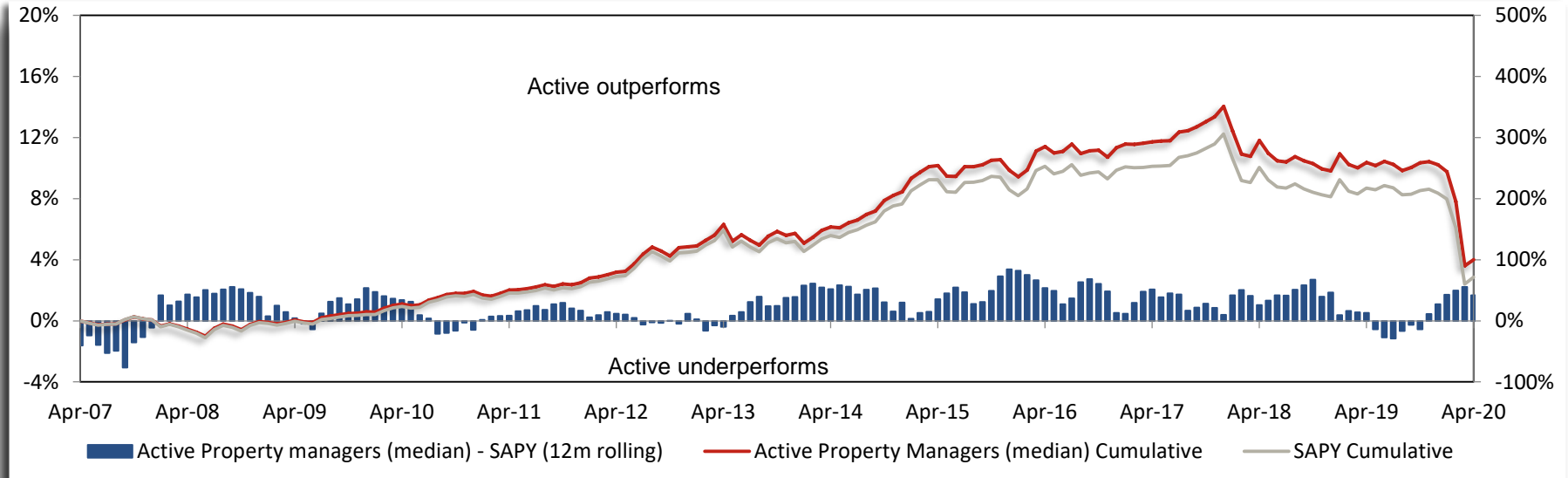
Source: Alexander Forbes SA Equity Manager Watch™, IRESS and Momentum Investments



# Active index analysis: Property



## One-year rolling active to April 2020



The median return of the active property investment managers outperformed the SAPY for the 12 month period ending April 2020.

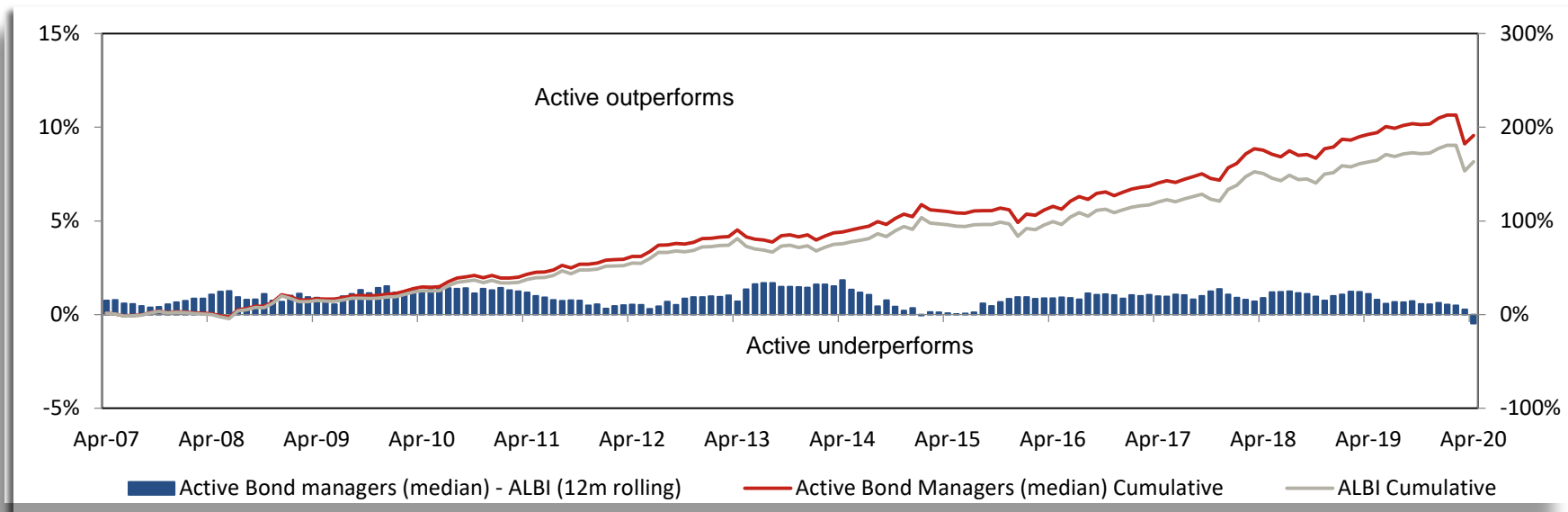
Data lagged by one month

Source: Alexander Forbes SA Property Manager Watch™, IRESS and Momentum Investments

# Active index analysis: Bonds



## One-year rolling active to April 2020



The median of the active bond investment managers underperformed the ALBI for the 12 month period ending April 2020.

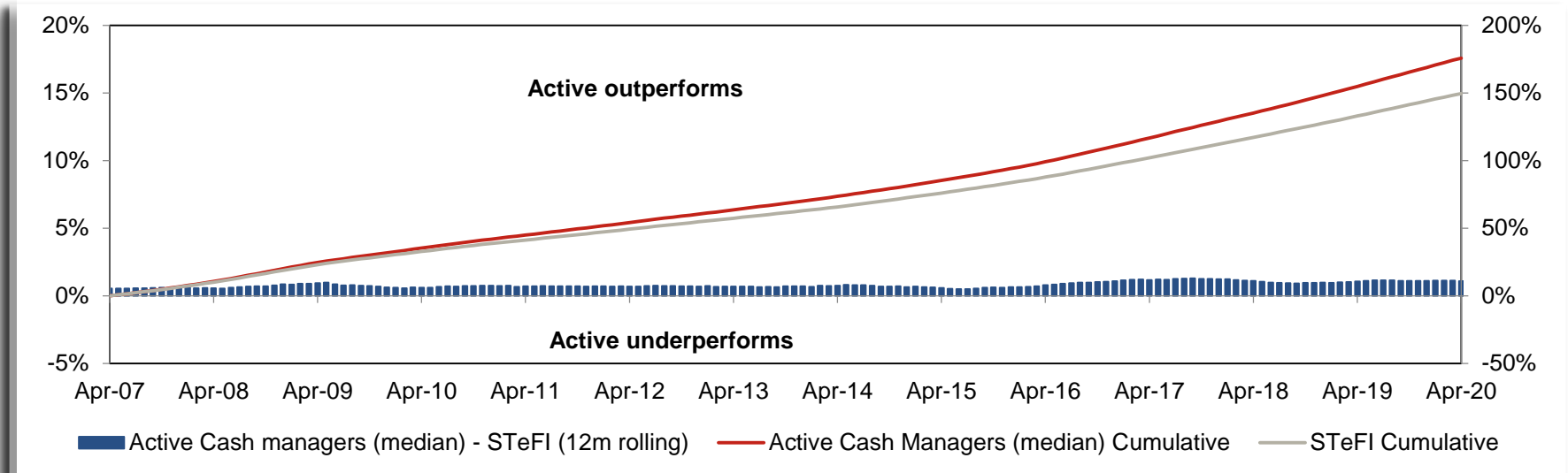
Data lagged by one month



# Active index analysis: Cash



One-year rolling active to April 2020



The median of the active money market investment managers outperformed the SteFI for the 12 month period ending April 2020.

Data lagged by one month

Source: Alexander Forbes SA Money Market Manager Watch™, IRESS and Momentum Investments



03

Style Analysis

## Style returns heat map for South Africa to May 2020

ZAR	Styles	One month to May 2020	Three months to May 2020	One year to May 2020	Three years to May 2020	Five years to May 2020	Ten years to May 2020	Twenty years to May 2020
Value	Book to Price	-8.62	-15.12	-25.64	-17.63	-8.73	-7.22	-1.18
	Dividend Yield	-1.42	-11.72	-18.58	-5.00	-0.79	-1.90	3.36
	Earnings Yield	-3.19	-3.93	-12.87	-10.07	-5.48	-3.51	-0.48
	Cash Flow Yield	-4.18	-20.79	-26.21	-10.87	-2.63	-1.39	1.06
	Sales to Price	-5.15	-4.00	-9.36	-6.29	-2.06	-2.56	-0.93
Quality	ROE	1.76	7.68	7.32	10.34	5.08	3.69	1.03
	ROIC LT	2.76	2.31	5.16	-0.92	-0.08	-0.56	-2.00
	Income to Sales	4.08	9.30	6.25	3.56	2.22	1.44	0.33
	Low market beta	1.05	-6.62	-1.43	-0.09	1.82	2.52	1.49
	Low Debt/Equity	1.04	13.29	14.21	5.70	2.64	0.47	0.33
	EBIT Margin Stability	3.14	0.29	1.61	-3.17	-1.58	3.08	0.21
Growth	Earnings Growth	-1.24	6.74	16.90	8.67	5.39	3.15	0.83
	Sales Growth	-0.50	6.01	10.72	1.94	0.94	2.34	-0.97
	12M Earning Growth	5.19	12.80	27.85	7.66	3.01	0.15	4.43
Momentum	FY1 Earnings Revisions	-1.24	3.10	8.47	6.25	3.64	5.99	8.04
	Short Term Momentum	-1.48	-5.05	6.48	3.03	3.51	1.28	0.85
	Medium Term Momentum	1.07	9.00	33.99	11.81	6.22	7.65	6.93
Size	Size	3.55	10.21	13.54	10.84	5.63	2.51	0.70

Momentum and growth has outperformed over the one year period, while quality is mixed.

Value has underperformed over the last ten years.



04

## Sector Analysis

# Sector Analysis



## FTSE/JSE sectors decomposed

### Three months to May 2020

1	Industrial Metals & Mining	Industrials	76.83%	18	Equity Investment Instruments	Financials	-14.65%
2	Pharmaceuticals & Biotechnology	Healthcare	37.88%	19	General Industrials	Industrials	-14.97%
3	Media	Consumer Services	19.56%	20	Industrial Transportation	Industrials	-15.20%
4	Tobacco	Consumer Goods	16.44%	21	Healthcare Equipment & Service	Healthcare	-17.58%
5	Mining	Basic Materials	15.00%	22	Real Estate Investment & Services	Financials	-20.49%
6	Non-life Insurance	Financials	11.49%	23	Electronic & Electrical Equipment	Industrials	-21.30%
7	Forestry & Paper	Basic Materials	2.48%	24	Household Goods & Home Construction	Consumer Goods	-24.63%
8	Food Producers	Consumer Goods	-0.45%	25	Support Services	Industrials	-27.34%
9	Personal Goods	Consumer Goods	-1.99%	26	General Retailers	Consumer Services	-29.02%
10	Food & Drug Retailers	Consumer Services	-4.98%	27	Banks	Financials	-29.60%
11	Software & Computer Services	Technology	-7.18%	28	Fixed-line Telecommunications	Telecommunications	-31.37%
12	Beverages	Consumer Goods	-8.56%	29	Automobiles & Parts	Consumer Goods	-34.67%
13	Oil & Gas Producers	Financial Services	-8.83%	30	Industrial Engineering	Industrials	-36.20%
14	Mobile Telecommunications	Telecommunications	-9.27%	31	Real Estate Investment Trusts	Financials	-36.69%
15	Life Insurance	Financials	-10.79%	32	Travel & Leisure	Travel & Leisure	-44.81%
16	Construction & Materials	Industrials	-11.32%	33	Chemicals	Basic Materials	-47.43%
17	Financial Services	Financials	-12.57%				

#### Key

Resources  
Financials  
Industrials

Source: Barra and Deutsche Securities

# Sector Analysis



## FTSE/JSE sectors decomposed

### One year to May 2020

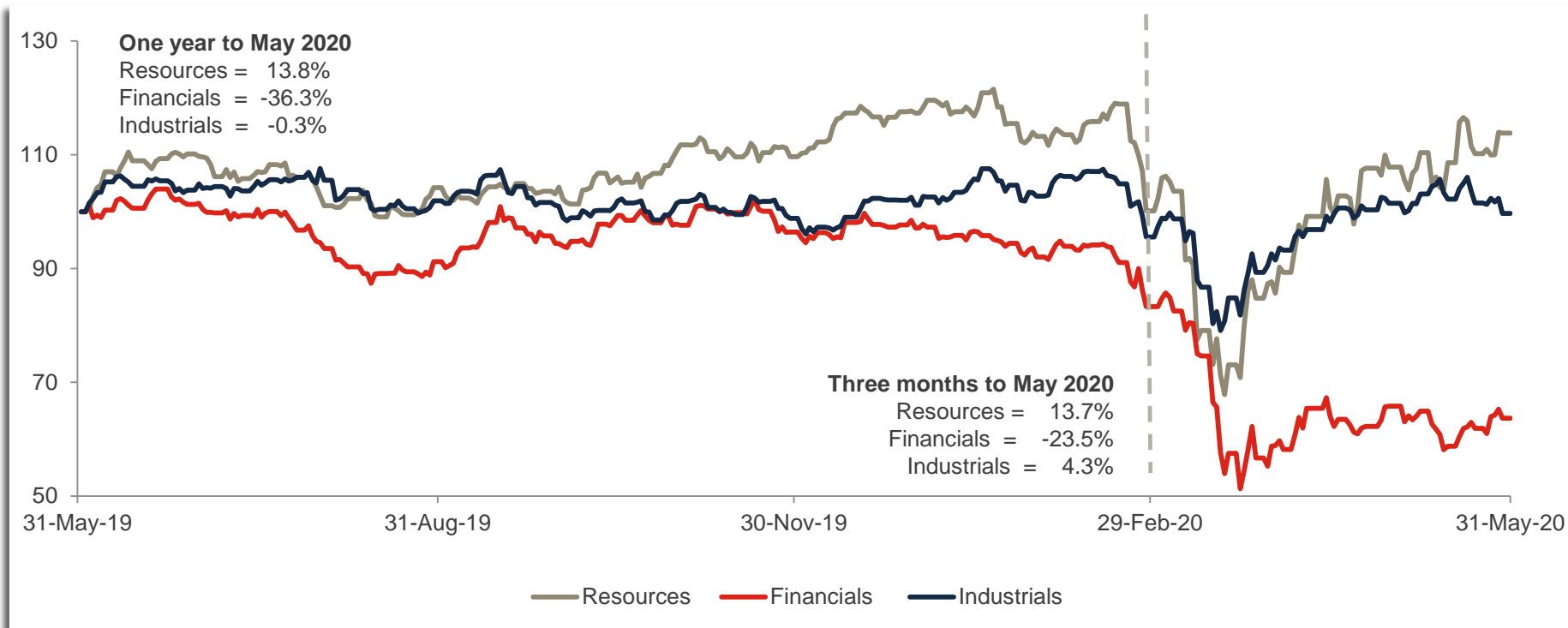
1	Tobacco	Consumer Goods	47.01%	18	Software & Computer Services	Technology	-30.30%
2	Mining	Basic Materials	40.48%	19	Beverages	Consumer Goods	-30.33%
3	Pharmaceuticals & Biotechnology	Healthcare	32.34%	20	Electronic & Electrical Equipment	Industrials	-31.67%
4	Media	Consumer Services	22.95%	21	General Industrials	Industrials	-32.38%
5	Industrial Metals & Mining	Industrials	18.70%	22	Real Estate Investment & Services	Financials	-32.71%
6	Equity Investment Instruments	Financials	18.22%	23	Construction & Materials	Industrials	-35.10%
7	Personal Goods	Consumer Goods	-2.44%	24	Industrial Transportation	Industrials	-37.97%
8	Non-life Insurance	Financials	-6.83%	25	Banks	Financials	-42.89%
9	Oil & Gas Producers	Financial Services	-8.83%	26	Support Services	Industrials	-43.52%
10	Food Producers	Consumer Goods	-10.94%	27	General Retailers	Consumer Services	-45.63%
11	Healthcare Equipment & Service	Healthcare	-11.35%	28	Automobiles & Parts	Consumer Goods	-47.65%
12	Forestry & Paper	Basic Materials	-11.53%	29	Real Estate Investment Trusts	Financials	-52.46%
13	Food & Drug Retailers	Consumer Services	-15.33%	30	Travel & Leisure	Travel & Leisure	-63.62%
14	Financial Services	Financials	-21.73%	31	Chemicals	Basic Materials	-71.36%
15	Household Goods & Home Construction	Consumer Goods	-24.64%	32	Industrial Engineering	Industrials	-75.92%
16	Mobile Telecommunications	Telecommunications	-27.36%	33	Fixed-line Telecommunications	Telecommunications	-79.66%
17	Life Insurance	Financials	-27.65%				

#### Key

Resources  
Financials  
Industrials

Source: Barra and Deutsche Securities

## One year to May 2020

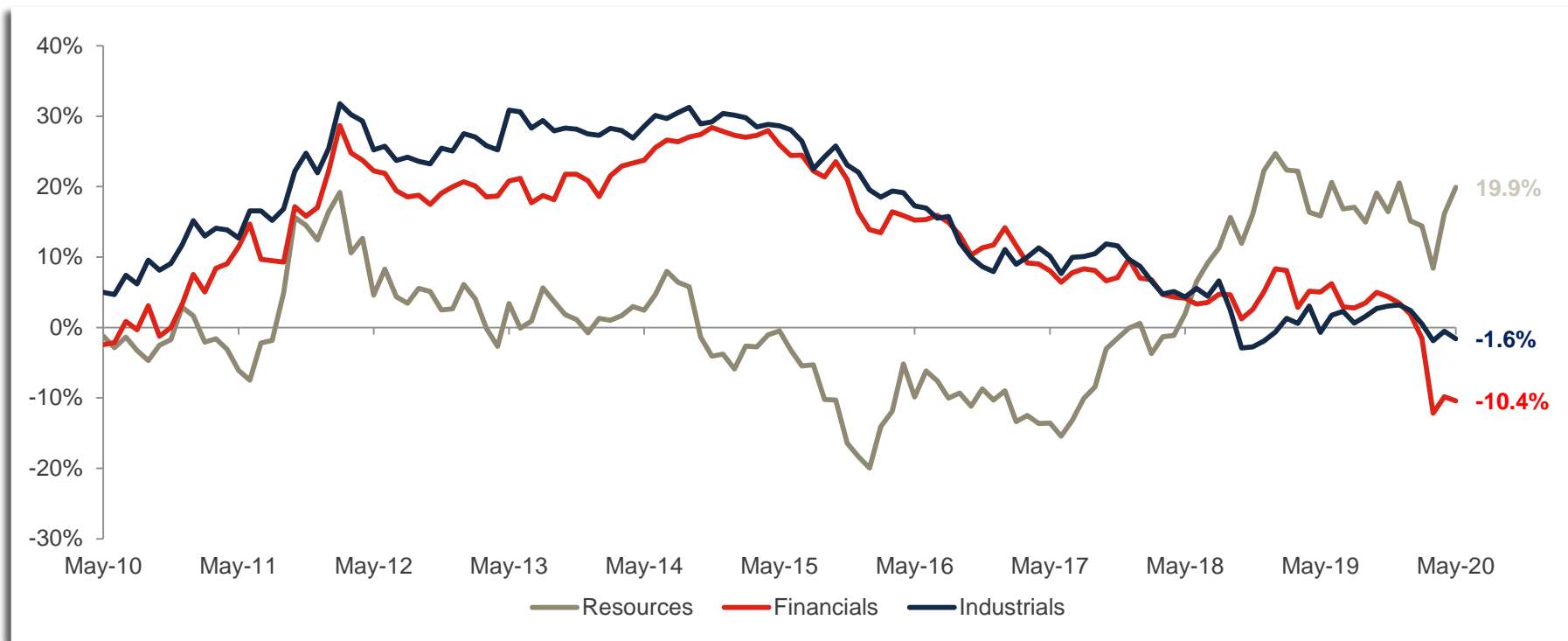




# FTSE/JSE sectors



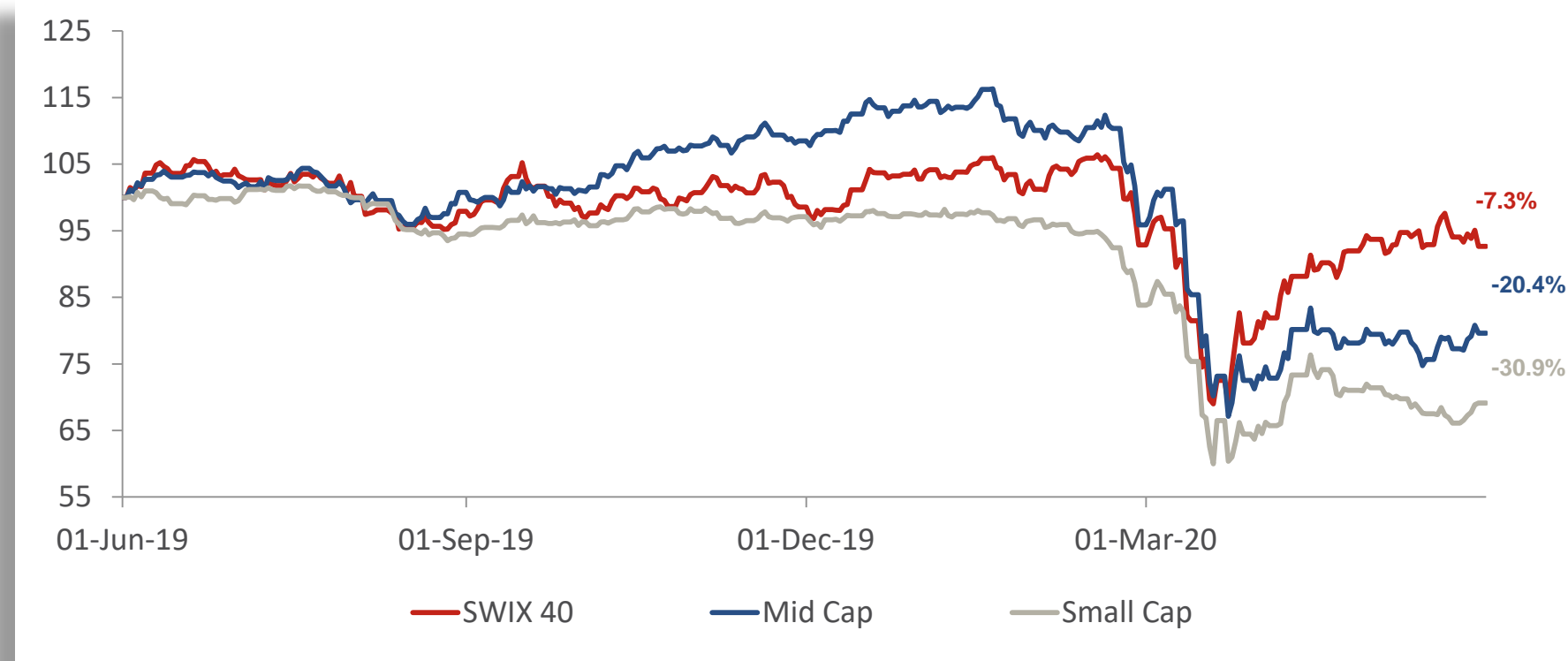
Three years rolling to May 2020



# FTSE/JSE market caps



One year to May 2020





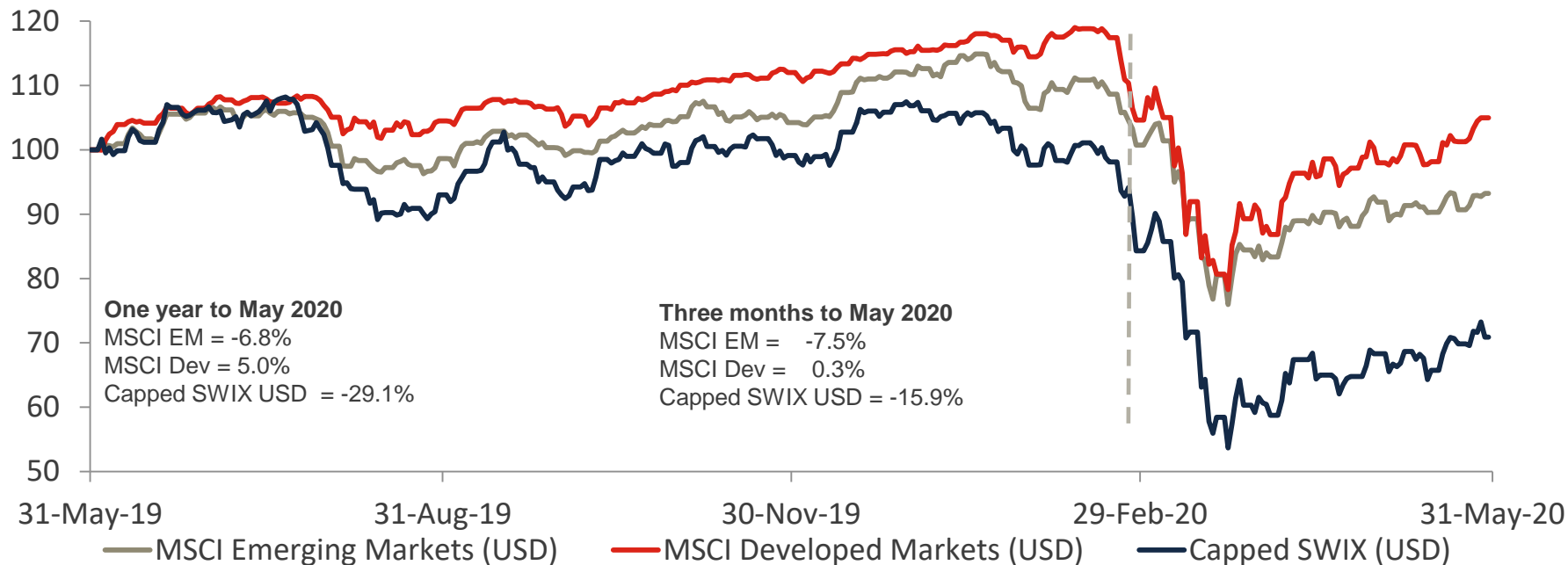
05

## Indexed Return Charts

# MSCI developed and emerging markets



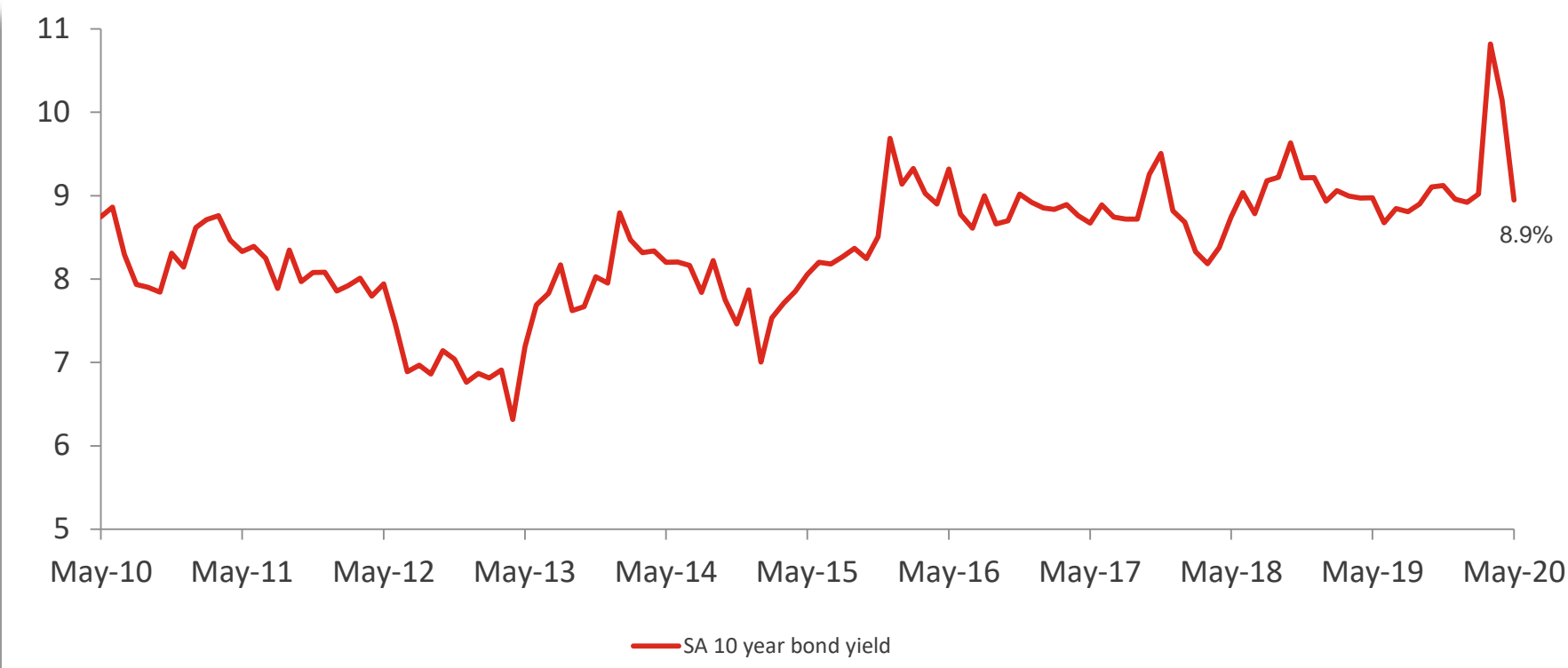
One year to May 2020



# SA 10-year bond yields



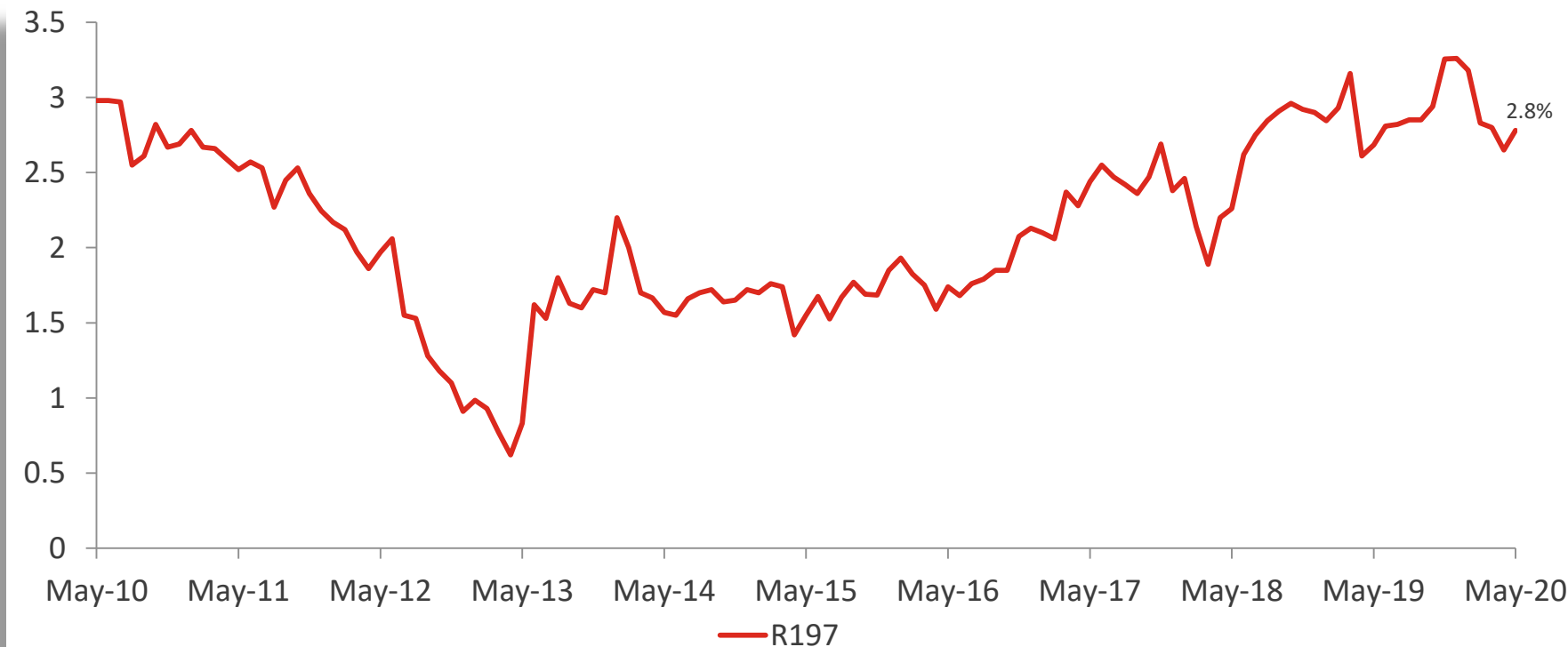
Ten years to May 2020



# Yield of R197 (inflation-linked bond)



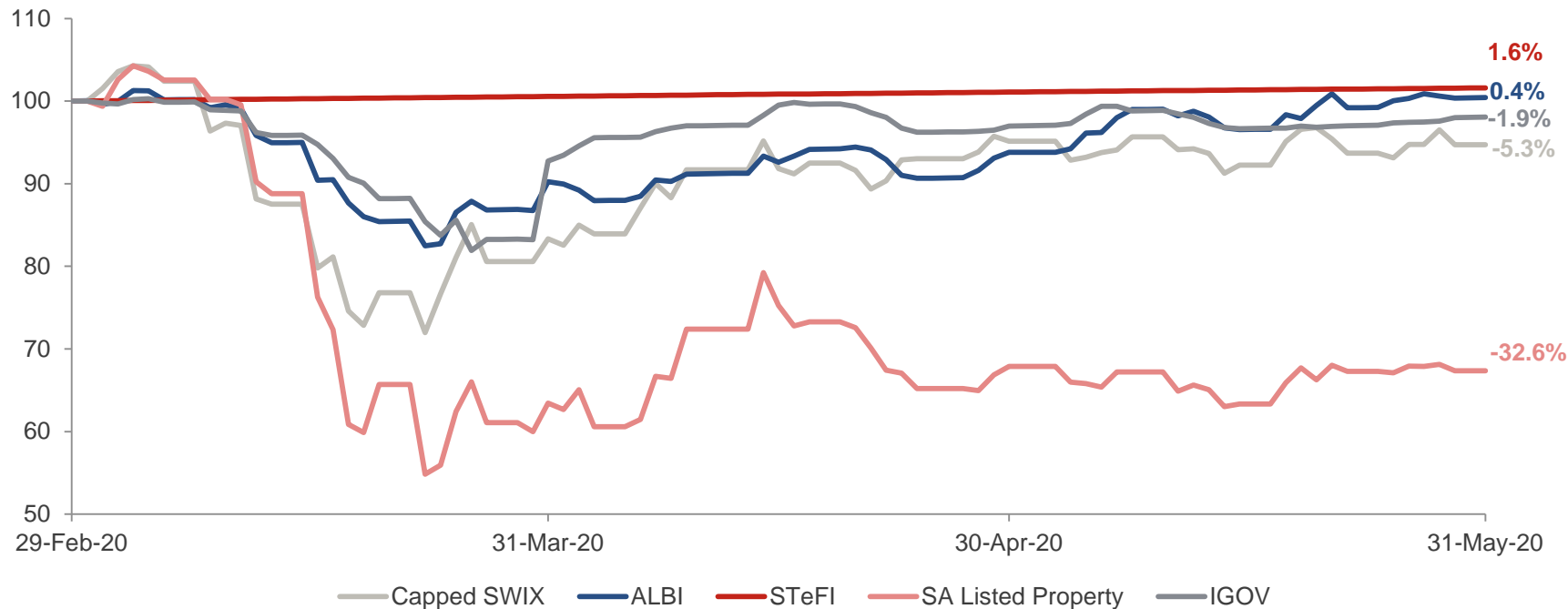
Ten years to May 2020



# Local asset classes



Three months to May 2020



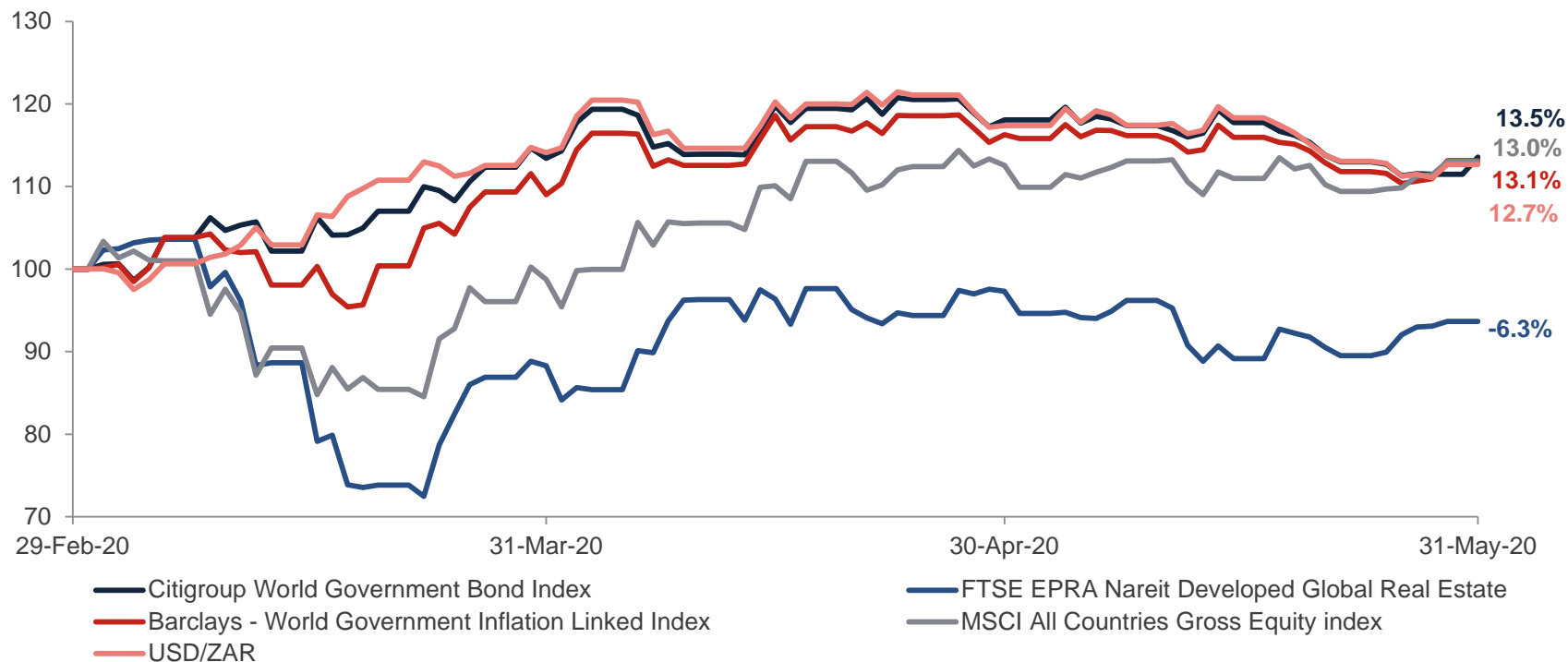
\* CPI lagged by one month due to availability of data



# Global asset classes



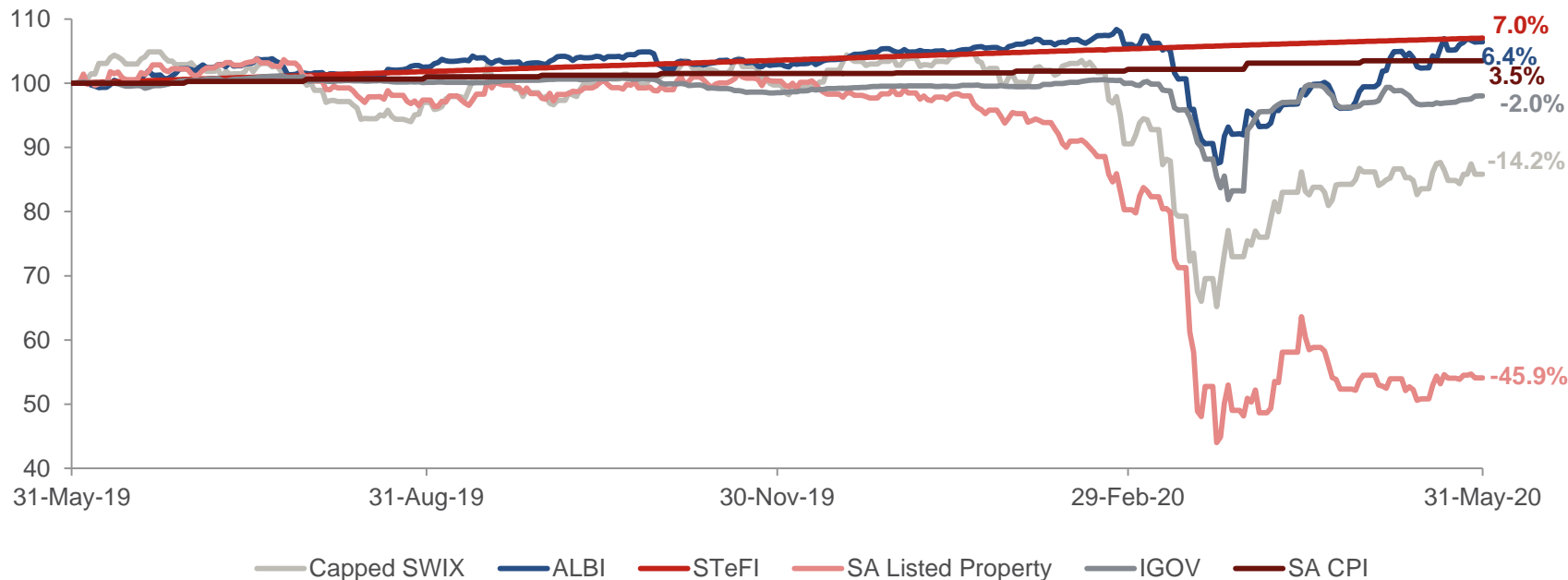
Three months to May 2020



# Local asset classes



One year to May 2020

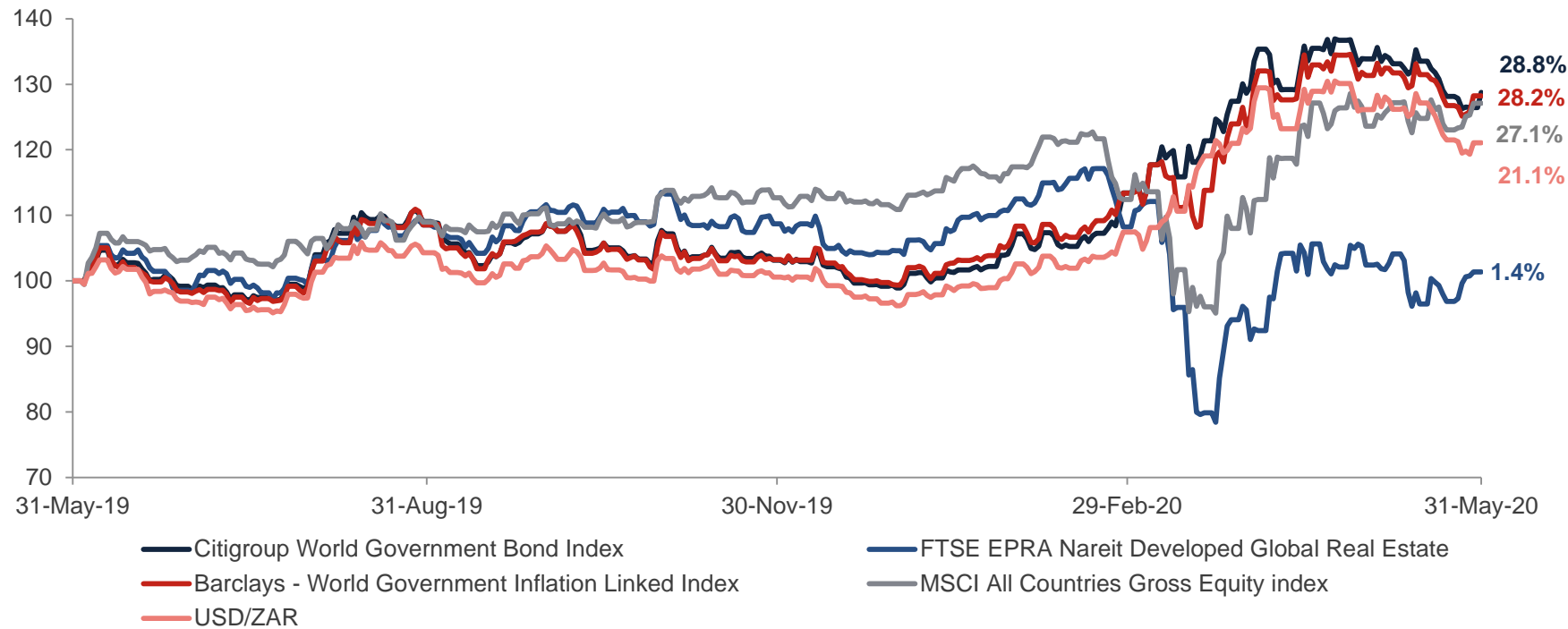


\* CPI lagged by one month due to availability of data

# Global asset classes



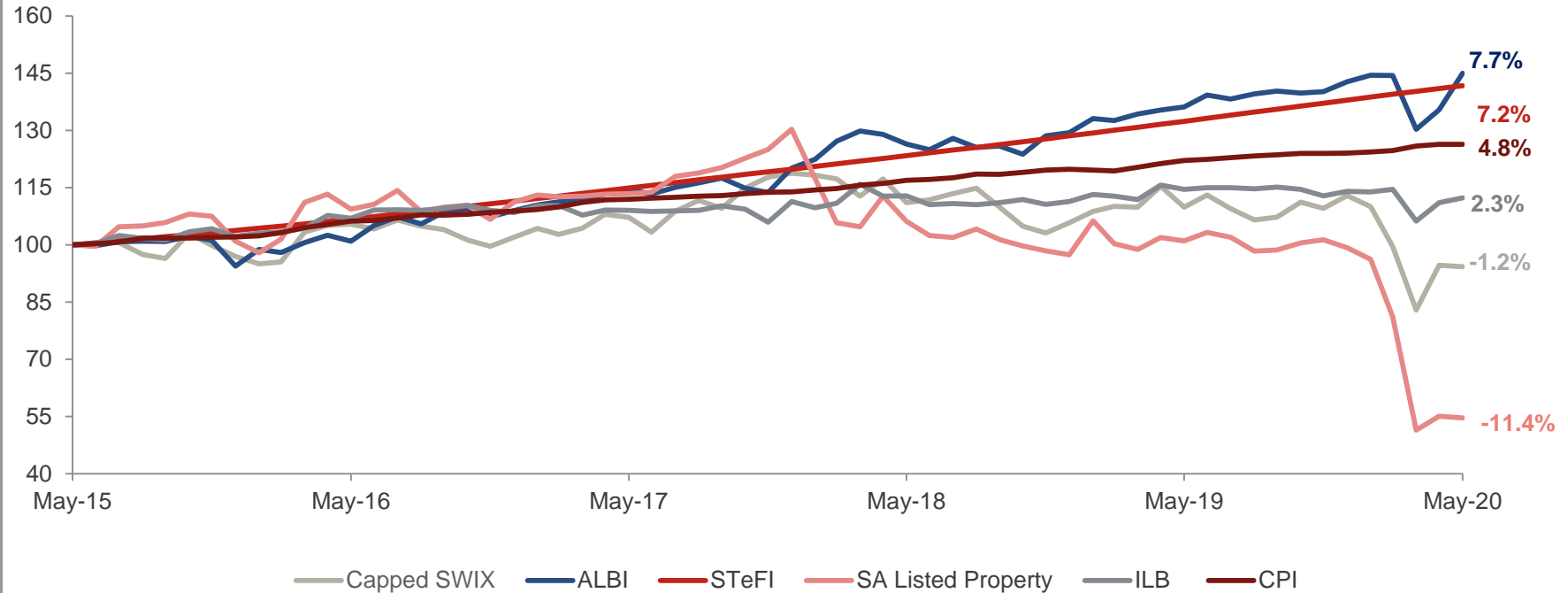
One year to May 2020



# Local asset classes



Five years to May 2020

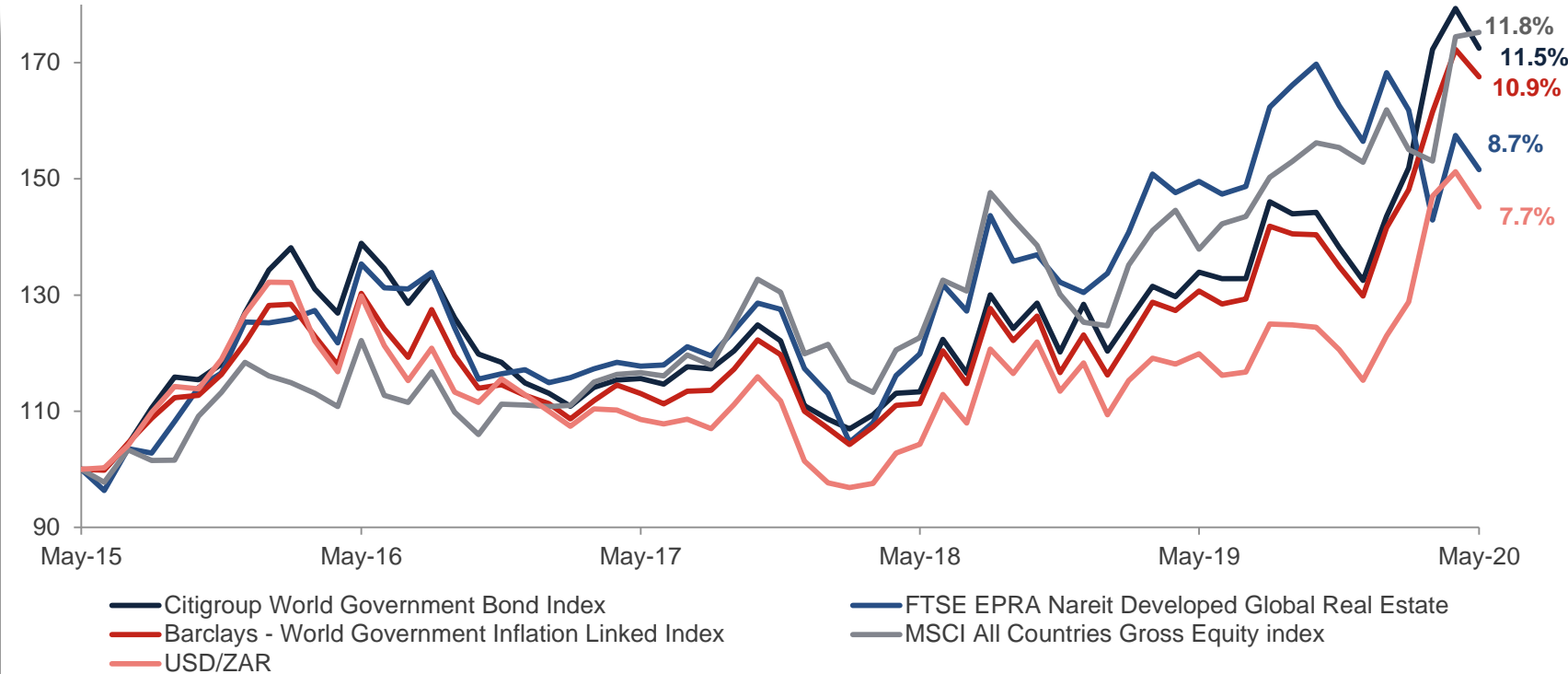


\* CPI lagged by one month due to availability of data

# Global asset classes



Five years to May 2020

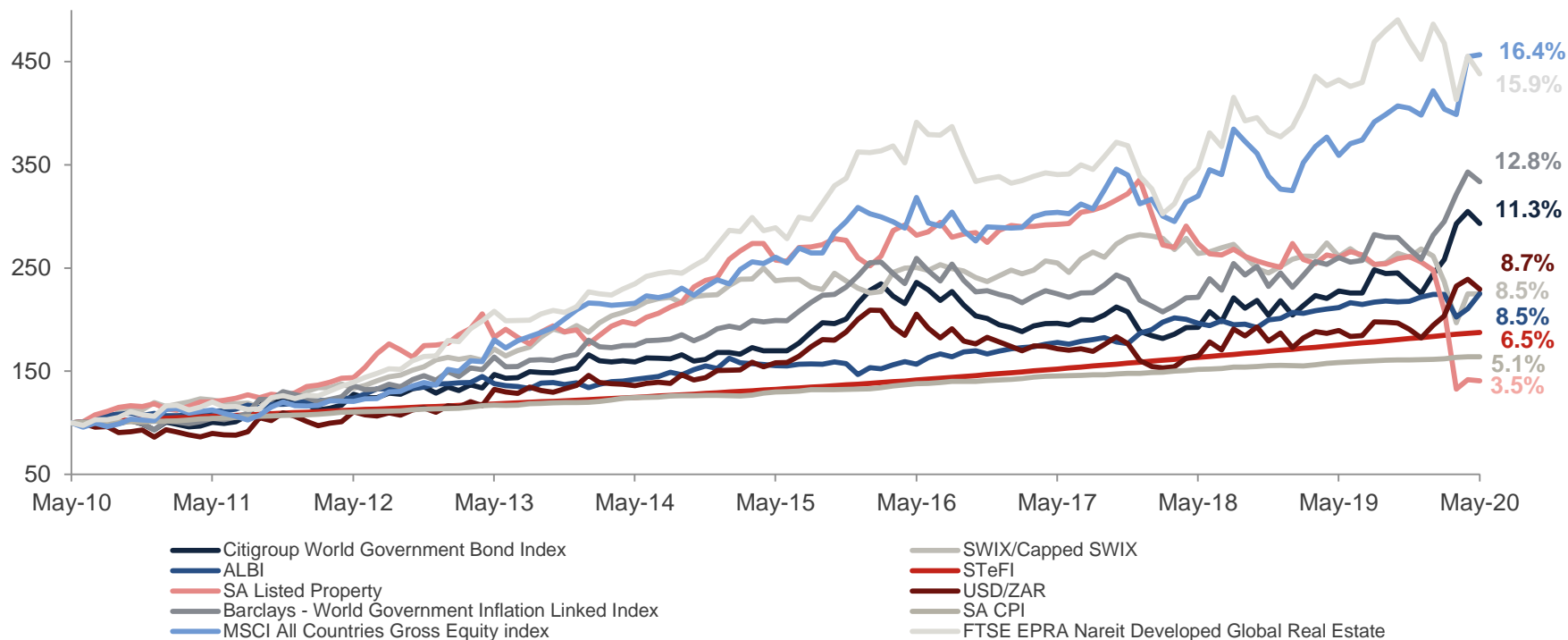


Source: IRESS and Momentum Investments

# Asset classes



Ten years to May 2020



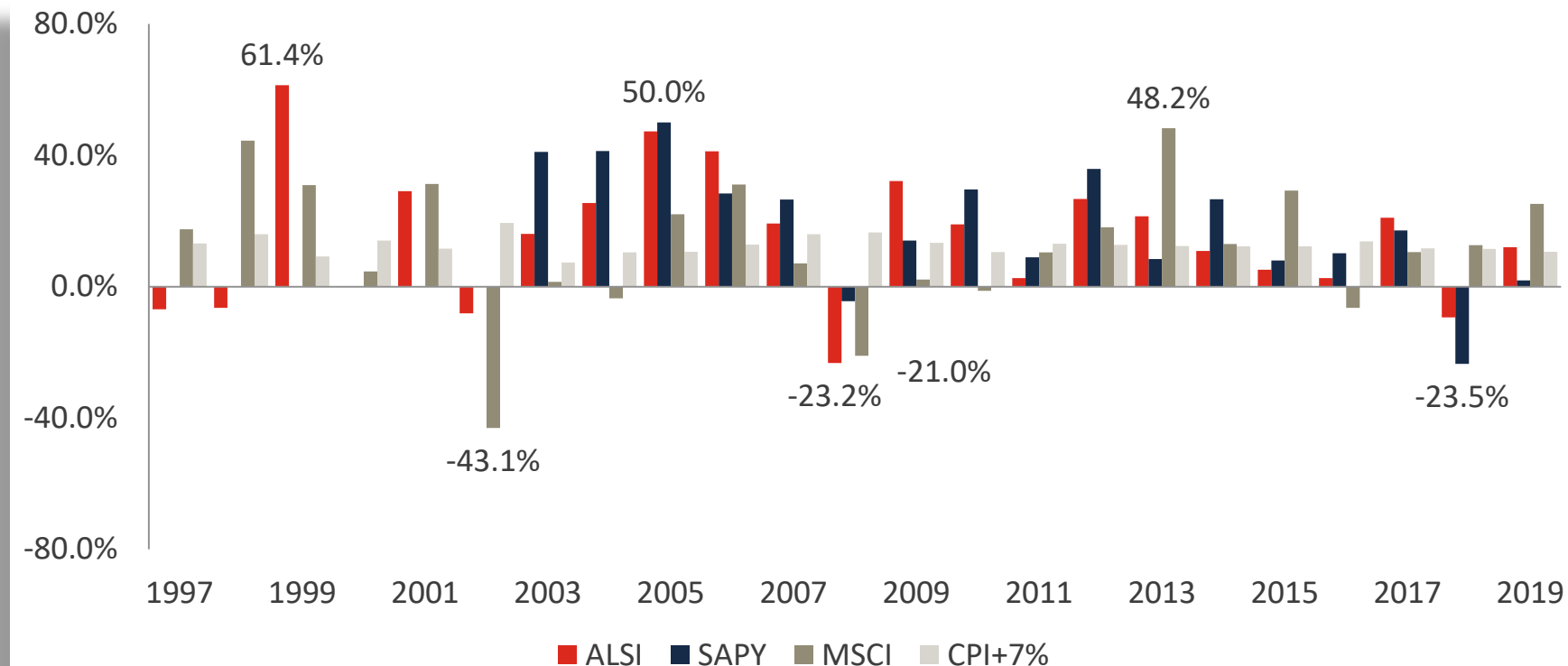
\* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

# Annual asset class returns



Five years to May 2020



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

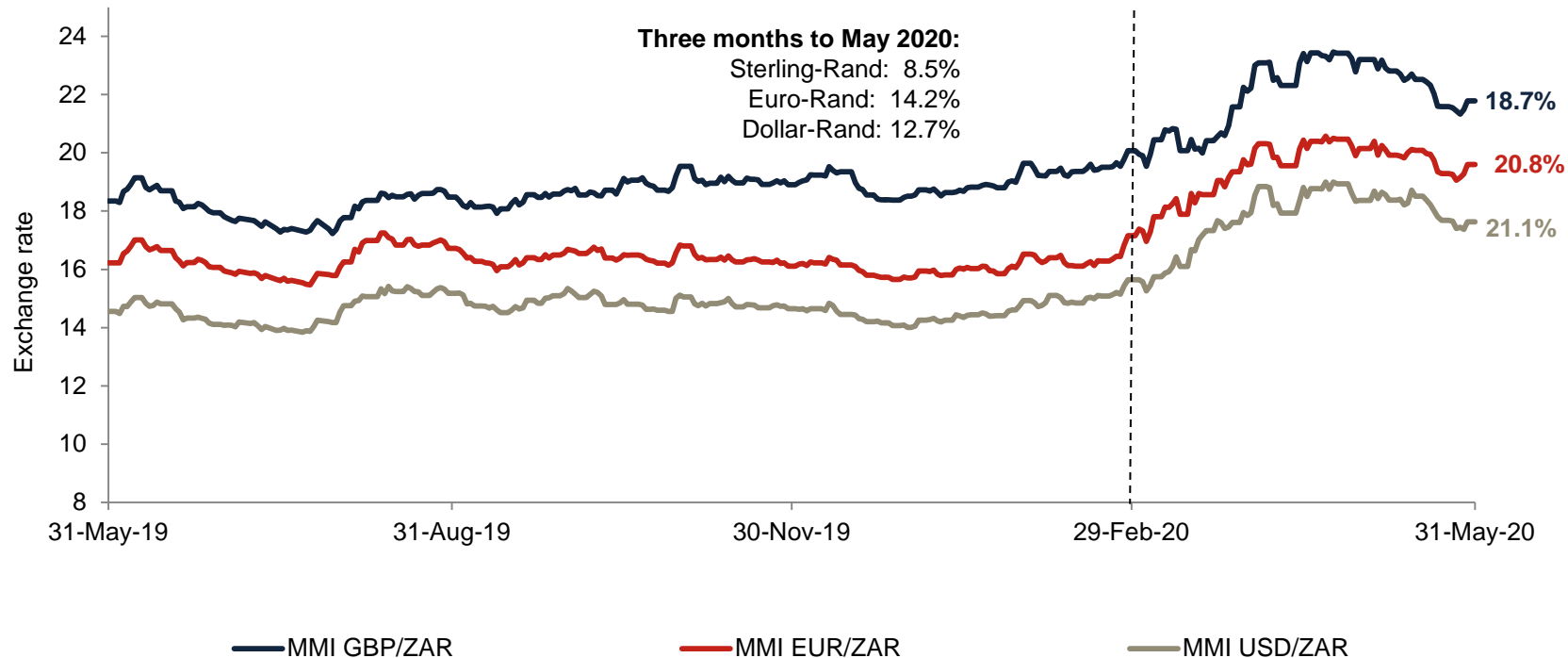
Source: IRESS and Momentum Investments



# Exchange rates



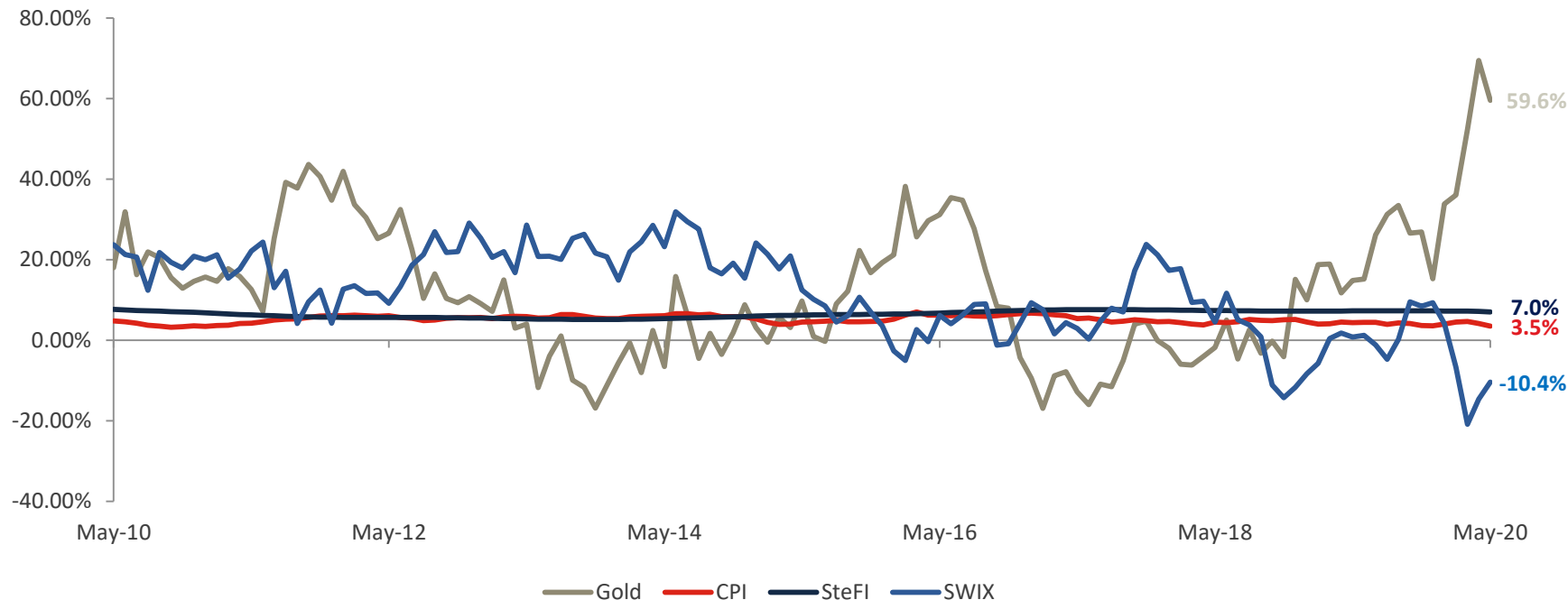
## One year to May 2020



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

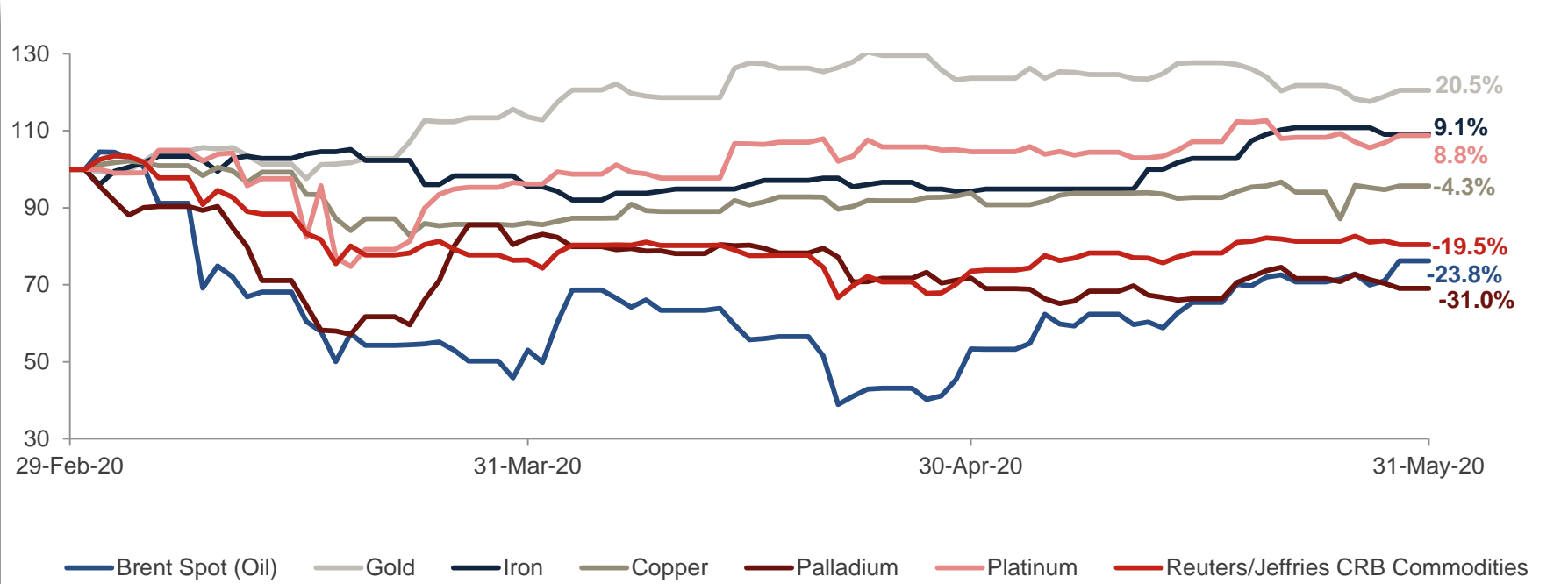


## One-year rolling returns to May 2020



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

## Three months to May 2020

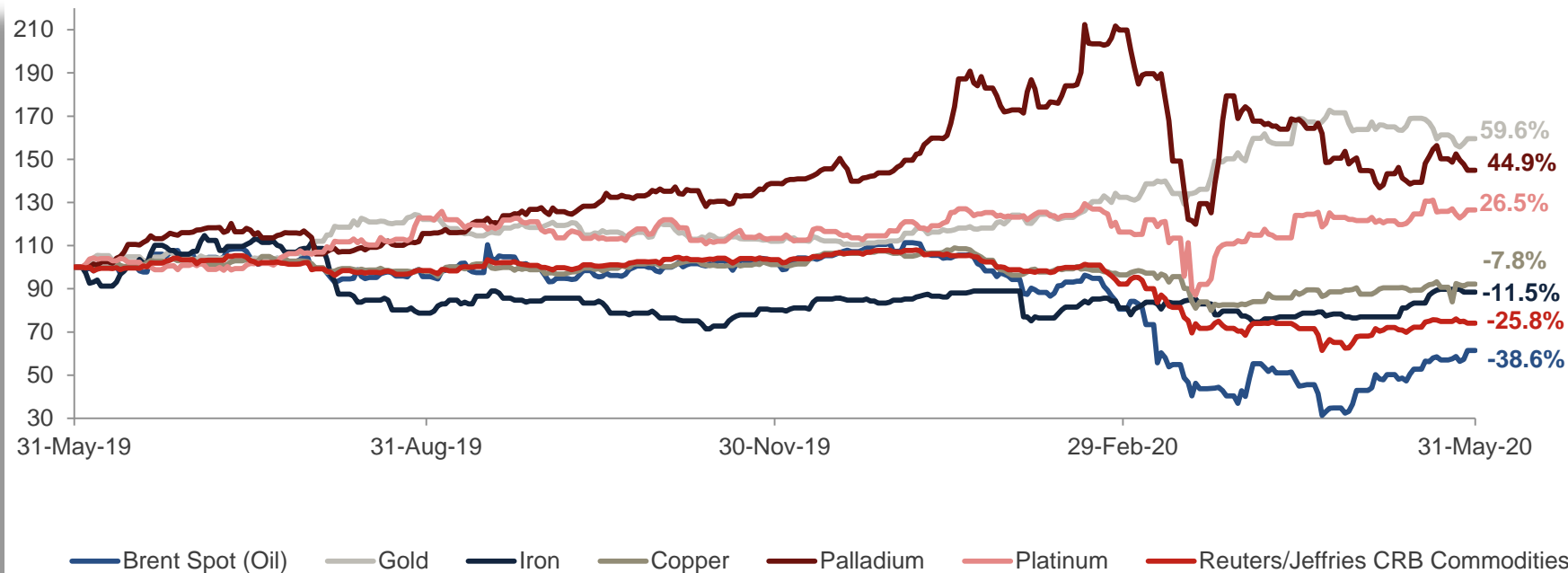


All returns are in dollar terms

# Commodities



One year to May 2020



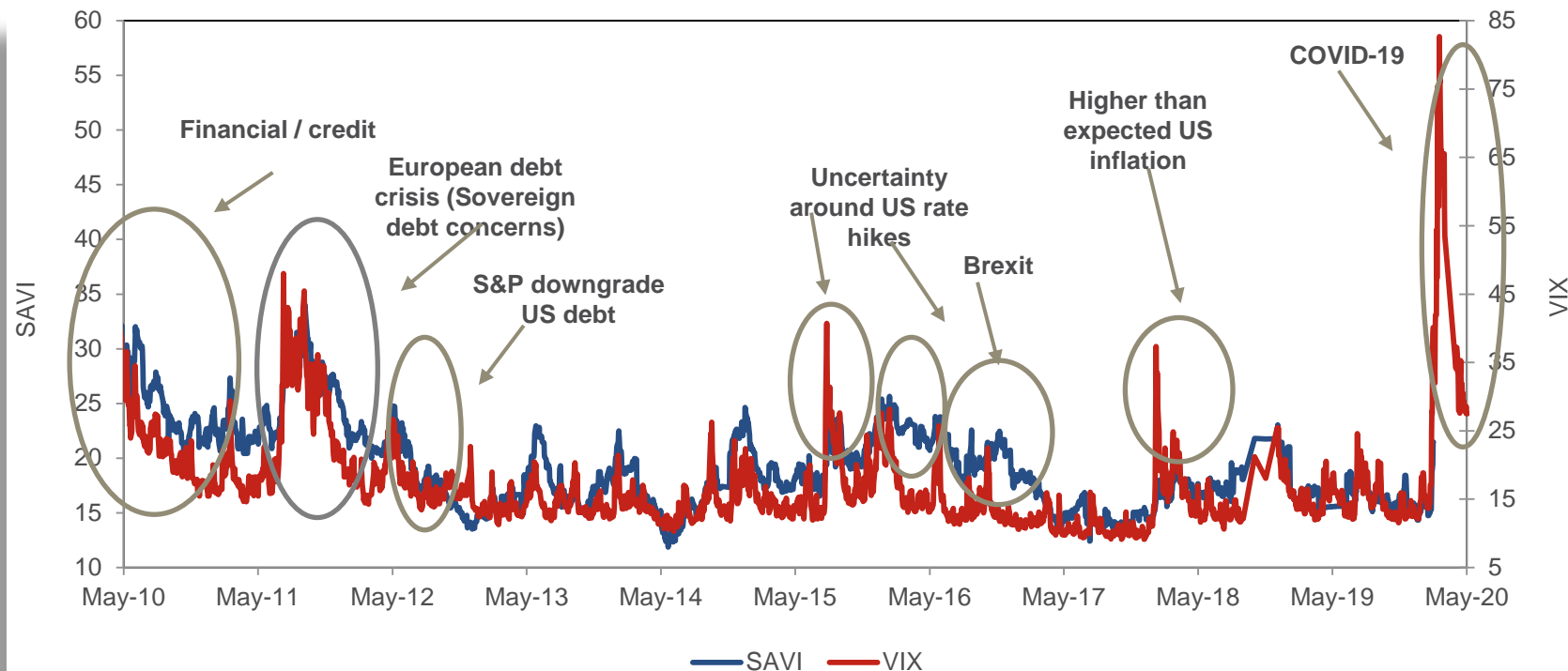
All returns are in dollar terms



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Volatility and  
international flows

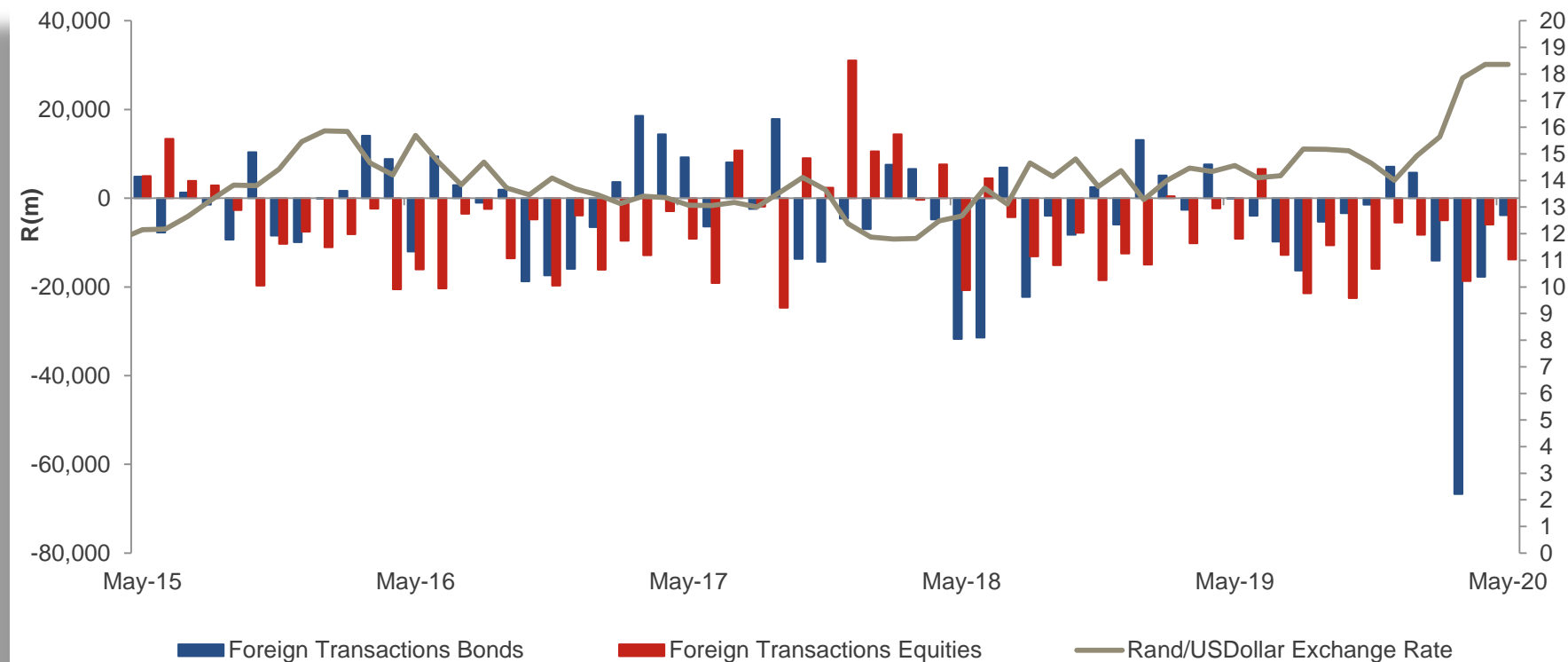
## 10 years to May 2020



# Foreign Transactions



2015 to 2020

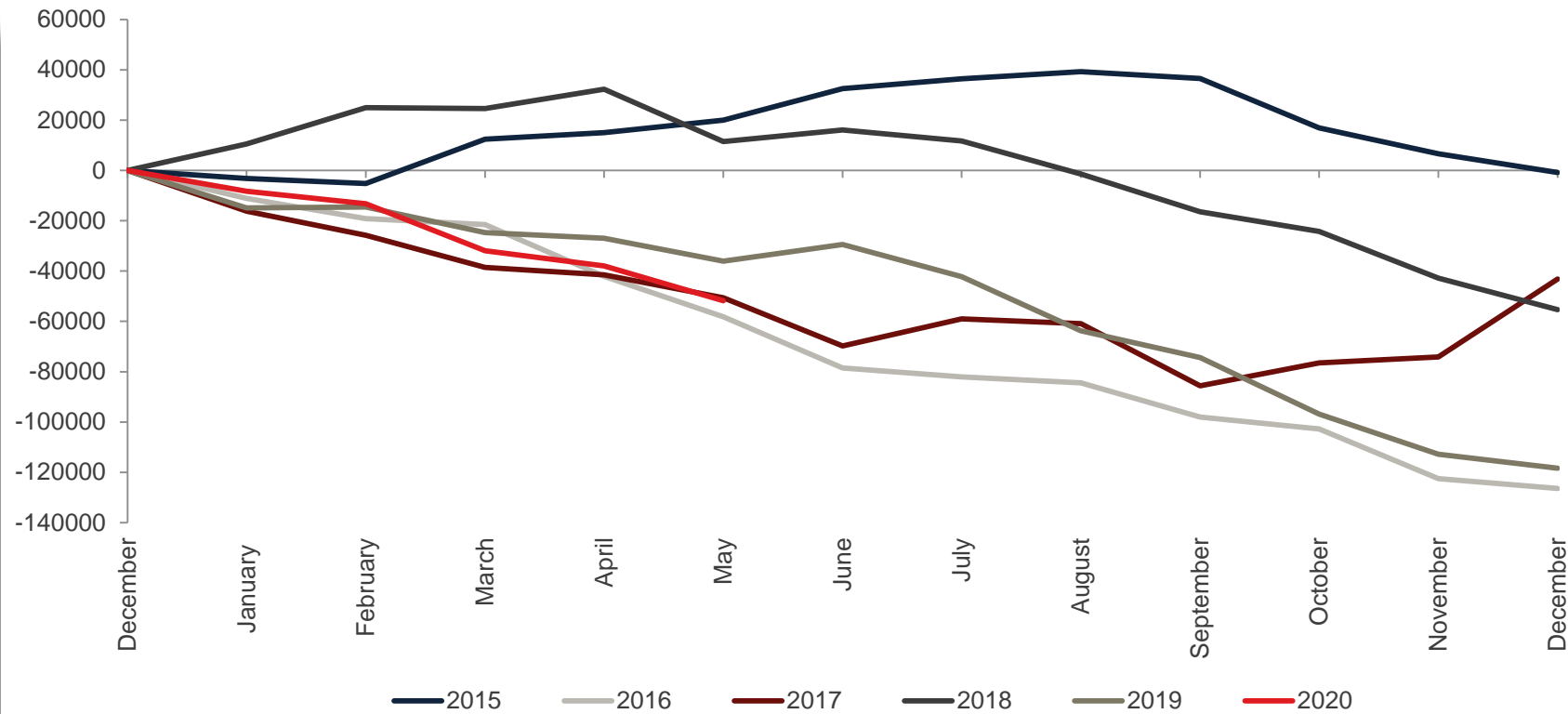




# Cumulative foreign transaction: Equities



2015 to 2020

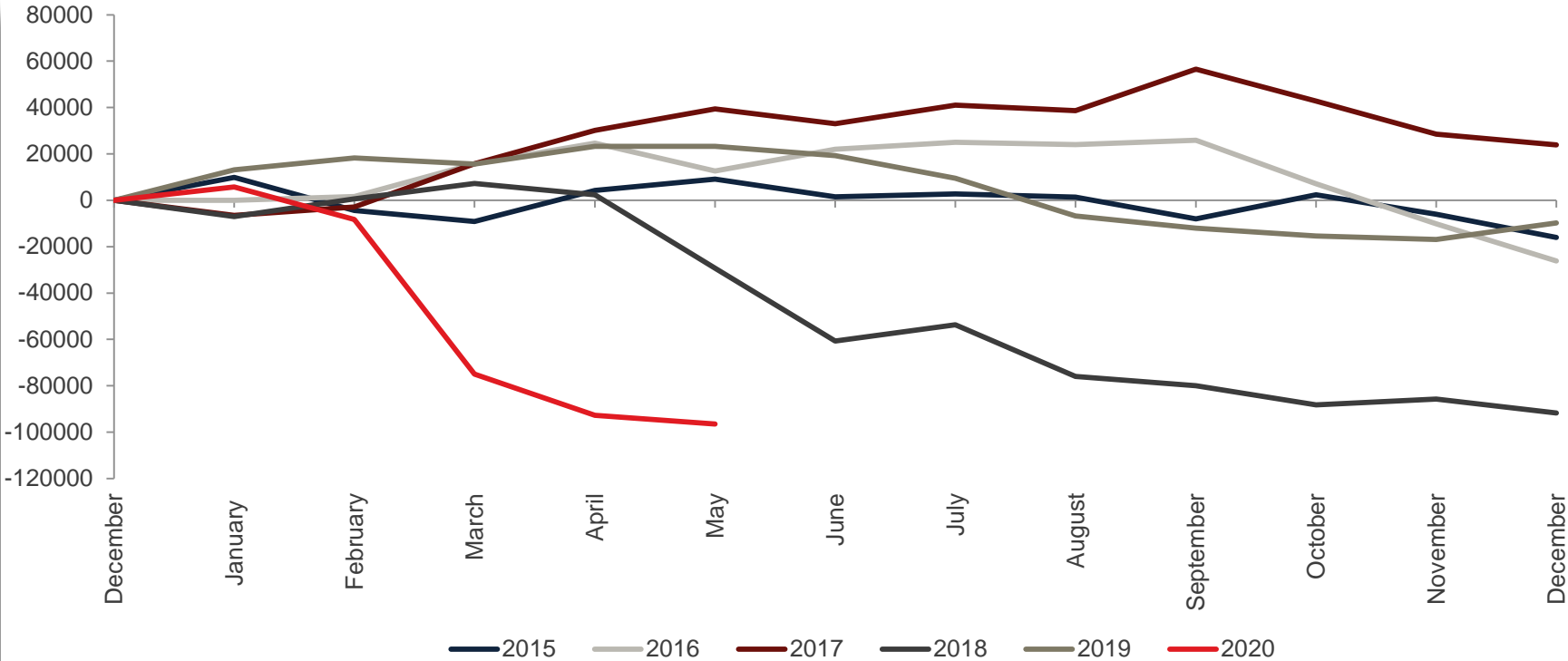


Source: IRESS and Momentum Investments

# Cumulative foreign transaction: Bonds



2015 to 2020



Source: IRESS and Momentum Investments

**m**omentum  
investments



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.
5. FTSE/JSE disclaimer: [www.jse.co.za](http://www.jse.co.za)
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