

# Key market performance drivers

Monthly charts to 31 October 2020

A photograph of a curved wooden structure, possibly a roof or a wall, with horizontal slats, set against a clear blue sky. The structure is made of light-colored wood and has a series of dark, horizontal slats that create a rhythmic pattern. The structure is curved, following the arc of the page's design.

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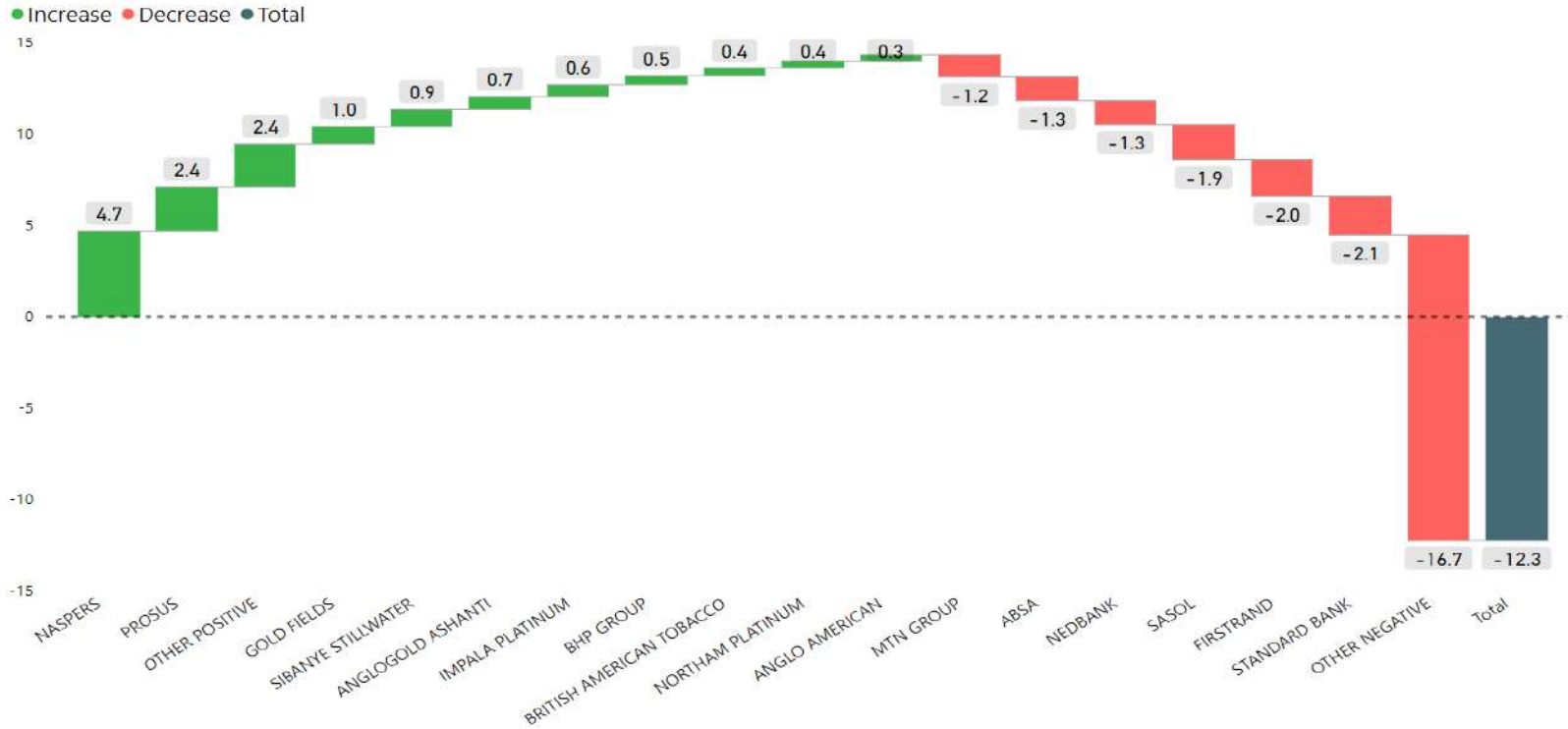
01

Market  
concentration

# Market concentration



## One-year Capped SWIX contributions ending October 2020





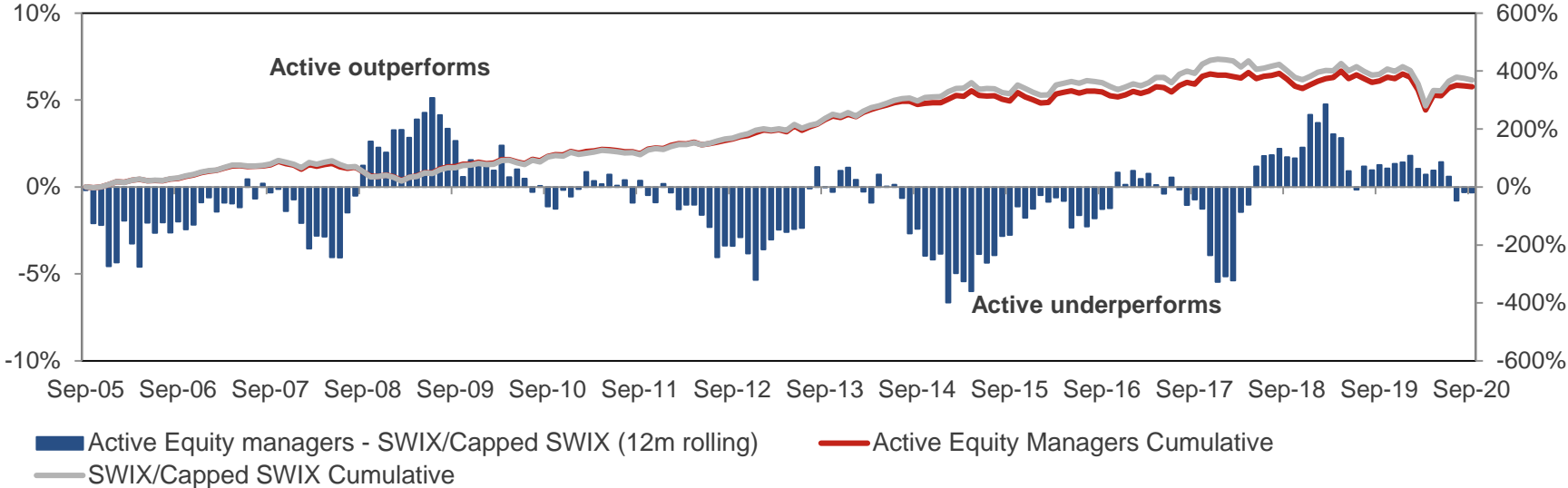
02

Active index  
analysis

# Active index analysis: Equities



## One-year rolling active to September 2020



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

(SWIX until 31 October 2017 and Capped SWIX thereafter)

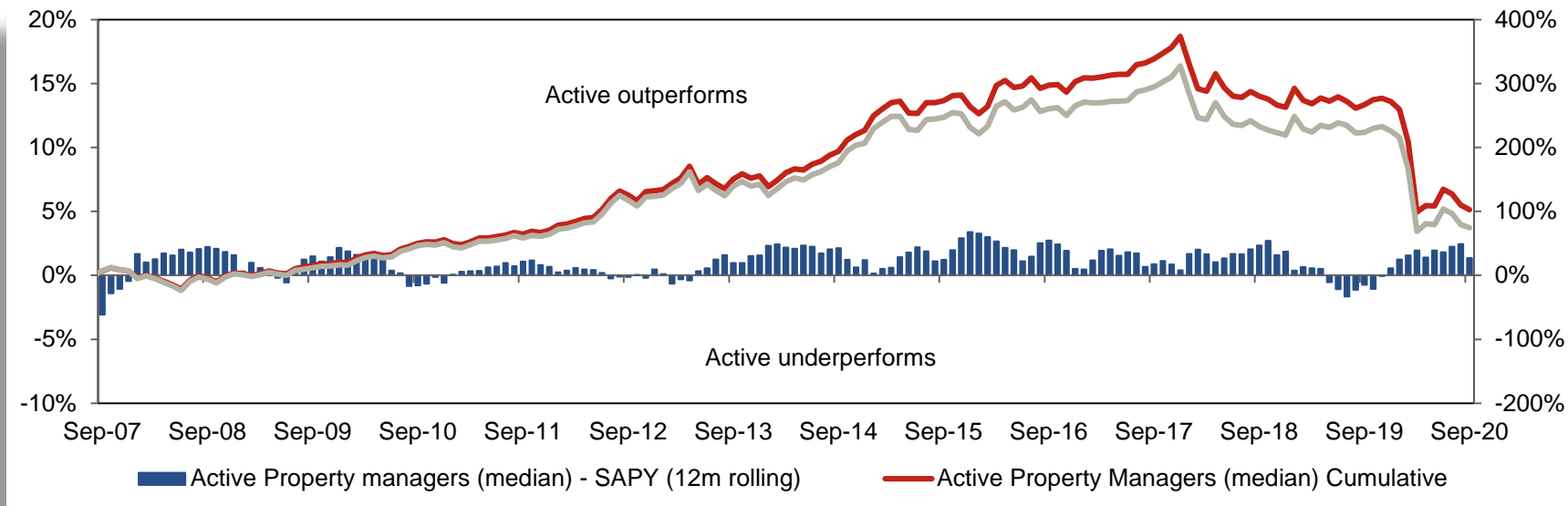
Data lagged by one month

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

# Active index analysis: Property



One-year rolling active to September 2020



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

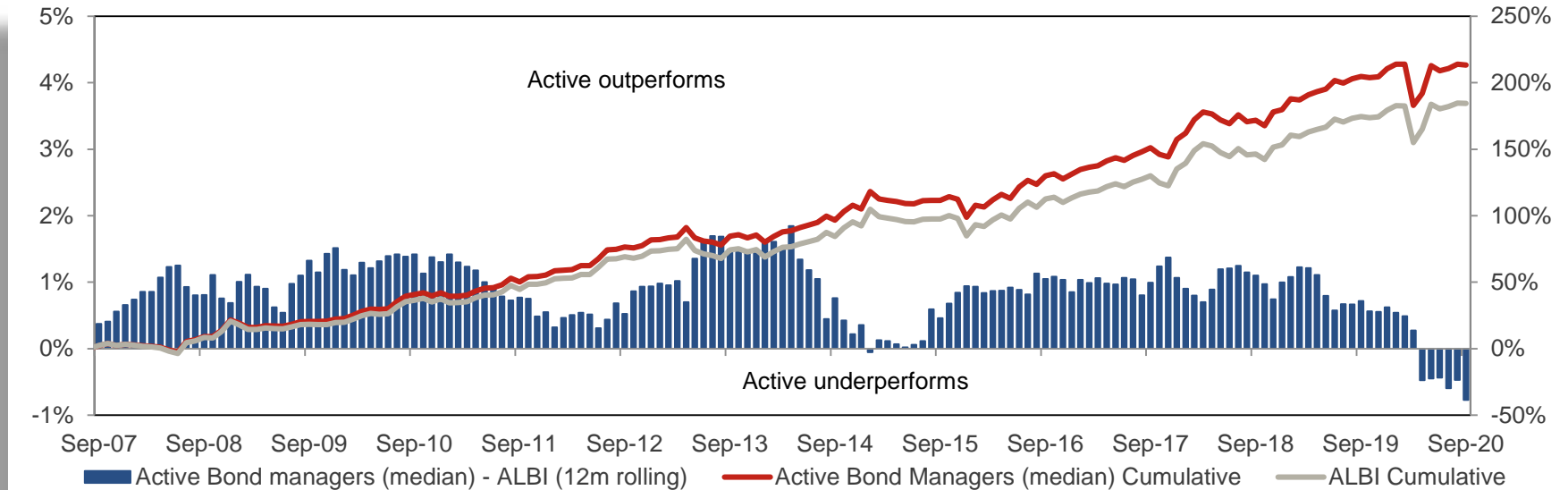
Data lagged by one month

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

# Active index analysis: Bonds



## One-year rolling active to September 2020



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

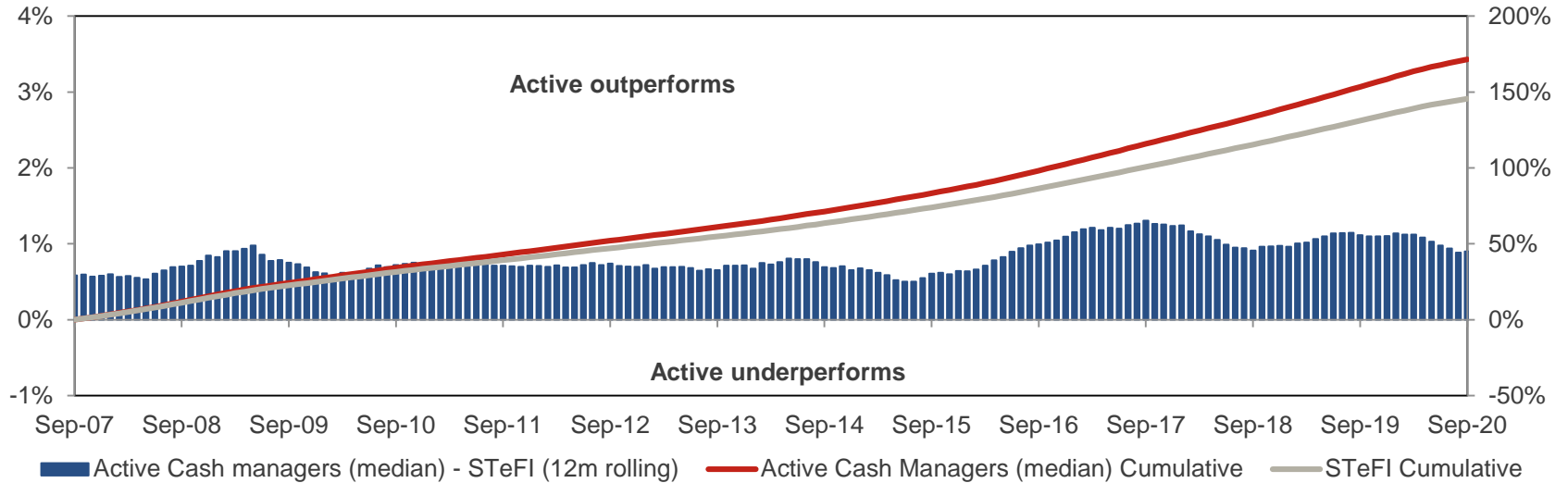
Data lagged by one month



# Active index analysis: Cash



One-year rolling active to September 2020



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

Data lagged by one month

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



03

Style analysis

# Style analysis



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

ZAR	Styles	One month to October 2020	Three months to October 2020	One year to October 2020	Three years to October 2020	Five years to October 2020	Ten years to October 2020	Twenty years to October 2020
Value	Book to Price	2,12	-4,20	-12,99	-13,53	-6,23	-6,03	-1,15
	Dividend Yield	3,99	-2,00	-3,71	-1,55	2,04	-1,06	3,02
	Earnings Yield	1,56	1,34	8,56	-4,84	-2,09	-2,09	-0,16
	Cash Flow Yield	1,79	2,91	-13,37	-6,24	0,66	-0,40	1,29
	Sales to Price	4,75	9,02	4,43	-2,84	0,66	-1,65	-0,59
Quality	ROE	-0,83	3,97	11,79	10,87	5,57	3,86	1,59
	ROIC LT	-0,12	0,33	0,45	-0,12	0,14	-1,04	-1,36
	Income to Sales	0,33	0,10	10,53	2,02	1,27	1,52	-0,14
	Low market beta	0,12	-0,62	-11,52	-1,08	0,24	2,04	0,55
	Low Debt/Equity	-1,86	-4,28	9,47	1,63	0,90	0,01	-0,45
	EBIT Margin Stability	0,04	0,76	4,11	0,32	-1,93	2,87	0,72
Growth	Earnings Growth	-0,63	-12,26	0,90	4,24	2,40	1,95	0,22
	Sales Growth	-2,09	2,18	2,33	2,11	-0,64	1,50	-0,83
	12M Earning Growth	-4,59	2,20	24,82	9,30	3,45	0,30	4,69
Momentum	FY1 Earnings Revisions	1,69	0,51	1,46	3,92	2,27	5,76	7,59
	Short Term Momentum	2,96	-0,86	-5,08	0,52	2,44	0,93	0,12
	Medium Term Momentum	1,88	2,26	22,13	12,54	4,51	7,75	6,42
Size	Size	-3,90	-2,74	5,57	8,00	4,46	2,18	0,25

Value and momentum have outperformed quality and growth in the last month

Source: FactSet, Momentum Global Investment Management and Momentum Investments



04

Sector analysis

# Sector analysis



FTSE/JSE sectors decomposed

## Three months to October 2020

1 Oil & Gas Producers	Financial Services	105,44%	17 Beverages	Consumer Goods	-4,79%
2 Support Services	Industrials	32,53%	18 Financial Services	Financials	-5,71%
3 Software & Computer Services	Technology	16,60%	19 Non-life Insurance	Financials	-7,65%
4 Travel & Leisure	Travel & Leisure	13,88%	20 Automobiles & Parts	Consumer Goods	-8,33%
5 General Retailers	Consumer Services	12,37%	21 Tobacco	Consumer Goods	-9,49%
6 Electronic & Electrical Equipment	Industrials	5,78%	22 Industrial Metals & Mining	Industrials	-9,51%
7 Food Producers	Consumer Goods	5,18%	23 Fixed-line Telecommunications	Telecommunications	-11,50%
8 Banks	Financials	2,47%	24 Mining	Basic Materials	-13,08%
9 Media	Consumer Services	2,20%	Household Goods & Home		
10 Forestry & Paper	Basic Materials	0,22%	25 Construction	Consumer Goods	-14,00%
11 Food & Drug Retailers	Consumer Services	-0,25%	26 Construction & Materials	Industrials	-15,91%
12 Industrial Transportation	Industrials	-0,73%	27 Real Estate Investment Trusts	Financials	-16,02%
13 Mobile Telecommunications	Telecommunications	-2,96%	28 Life Insurance	Financials	-17,88%
14 Personal Goods	Consumer Goods	-4,04%	29 Equity Investment Instruments	Financials	-19,43%
15 General Industrials	Industrials	-4,40%	30 Pharmaceuticals & Biotechnology	Healthcare	-19,70%
16 Healthcare Equipment & Service	Healthcare	-4,46%	31 Real Estate Investment & Services	Financials	-27,82%
			32 Chemicals	Basic Materials	-29,97%

Key

Resources

Financials

Industrials

Source: Barra and Deutsche Securities

# Sector analysis



## FTSE/JSE sectors decomposed

### One Year to October 2020

1 Media	Consumer Services	46,75%	17 Healthcare Equipment & Service	Healthcare	-23,22%
2 Oil & Gas Producers	Financial Services	44,68%	18 Software & Computer Services	Technology	-23,61%
3 Industrial Metals & Mining	Industrials	40,44%	19 General Retailers	Consumer Services	-32,25%
4 Mining	Basic Materials	21,74%	20 Beverages	Consumer Goods	-32,47%
5 Tobacco	Consumer Goods	3,82%	21 Automobiles & Parts	Consumer Goods	-32,79%
6 Support Services	Industrials	2,08%	22 Industrial Transportation	Industrials	-33,13%
7 Pharmaceuticals & Biotechnology	Healthcare	-4,15%	23 Construction & Materials	Industrials	-35,91%
8 Food Producers	Consumer Goods	-6,04%	24 General Industrials	Industrials	-36,06%
9 Equity Investment Instruments	Financials	-9,03%	25 Life Insurance	Financials	-36,72%
10 Non-life Insurance	Financials	-10,44%	26 Banks	Financials	-37,50%
11 Forestry & Paper	Basic Materials	-11,52%	27 Travel & Leisure	Travel & Leisure	-47,37%
Household Goods & Home					
12 Construction	Consumer Goods	-12,24%	28 Electronic & Electrical Equipment	Industrials	-49,41%
13 Personal Goods	Consumer Goods	-13,84%	29 Real Estate Investment & Services	Financials	-52,09%
14 Food & Drug Retailers	Consumer Services	-17,98%	30 Real Estate Investment Trusts	Financials	-53,25%
15 Financial Services	Financials	-20,83%	31 Chemicals	Basic Materials	-61,58%
16 Mobile Telecommunications	Telecommunications	-23,08%	32 Fixed-line Telecommunications	Telecommunications	-61,81%

Key

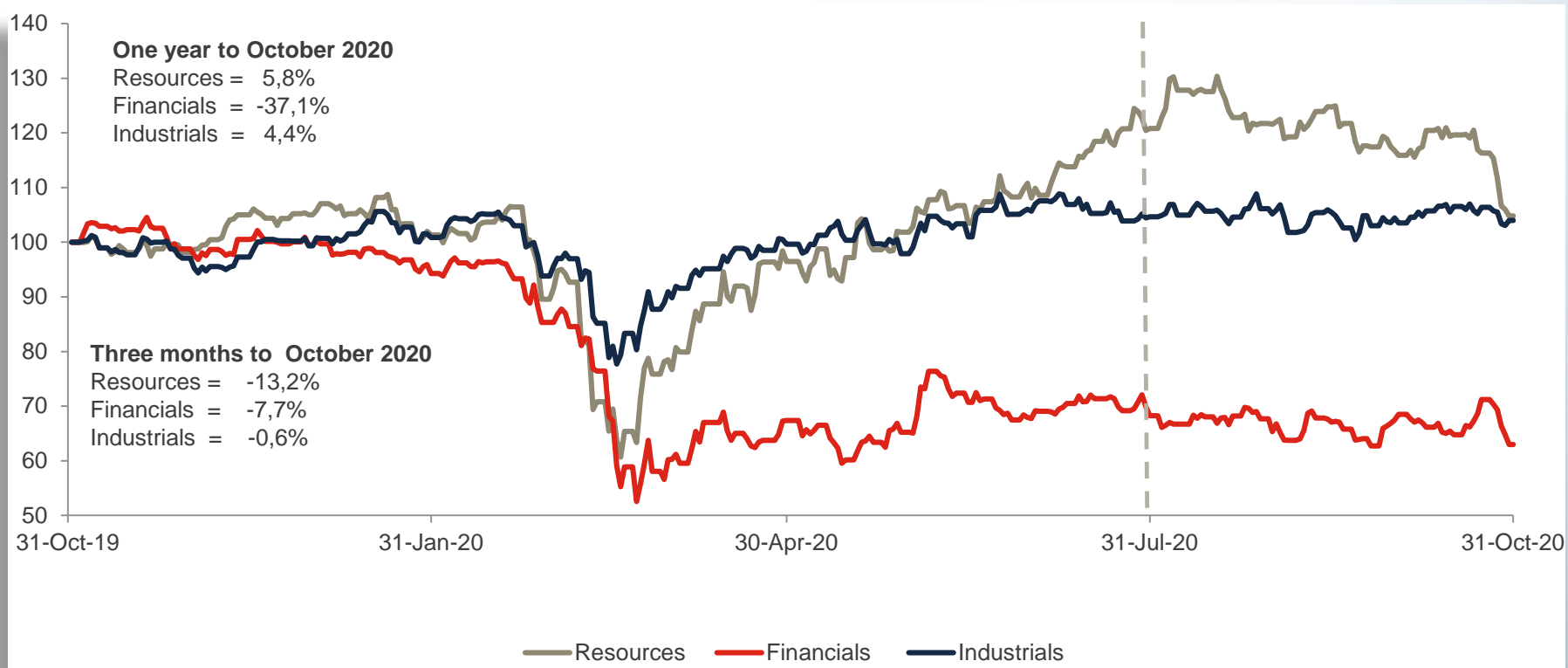
Resources

Financials

Industrials

# FTSE/JSE sectors

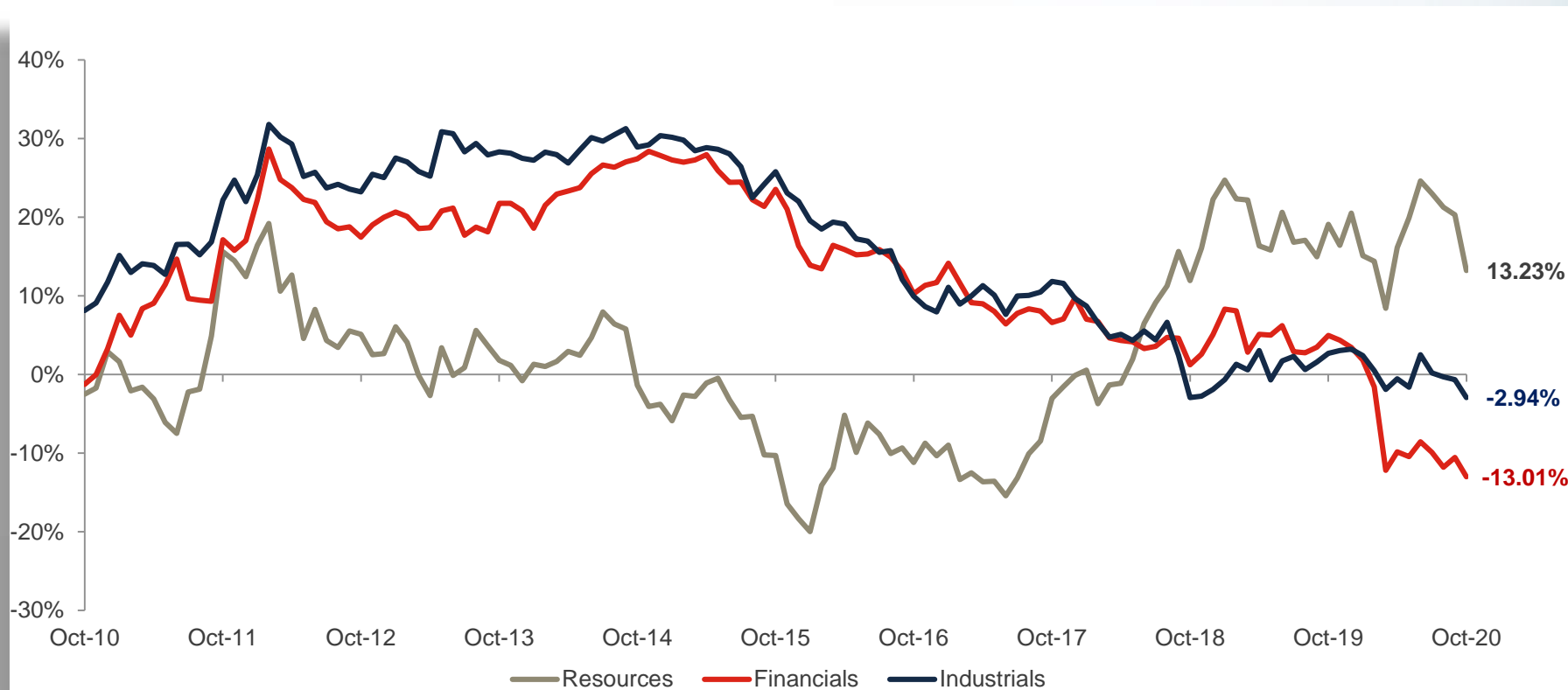
One year rolling to October 2020



# FTSE/JSE sectors



Ten years rolling to October 2020



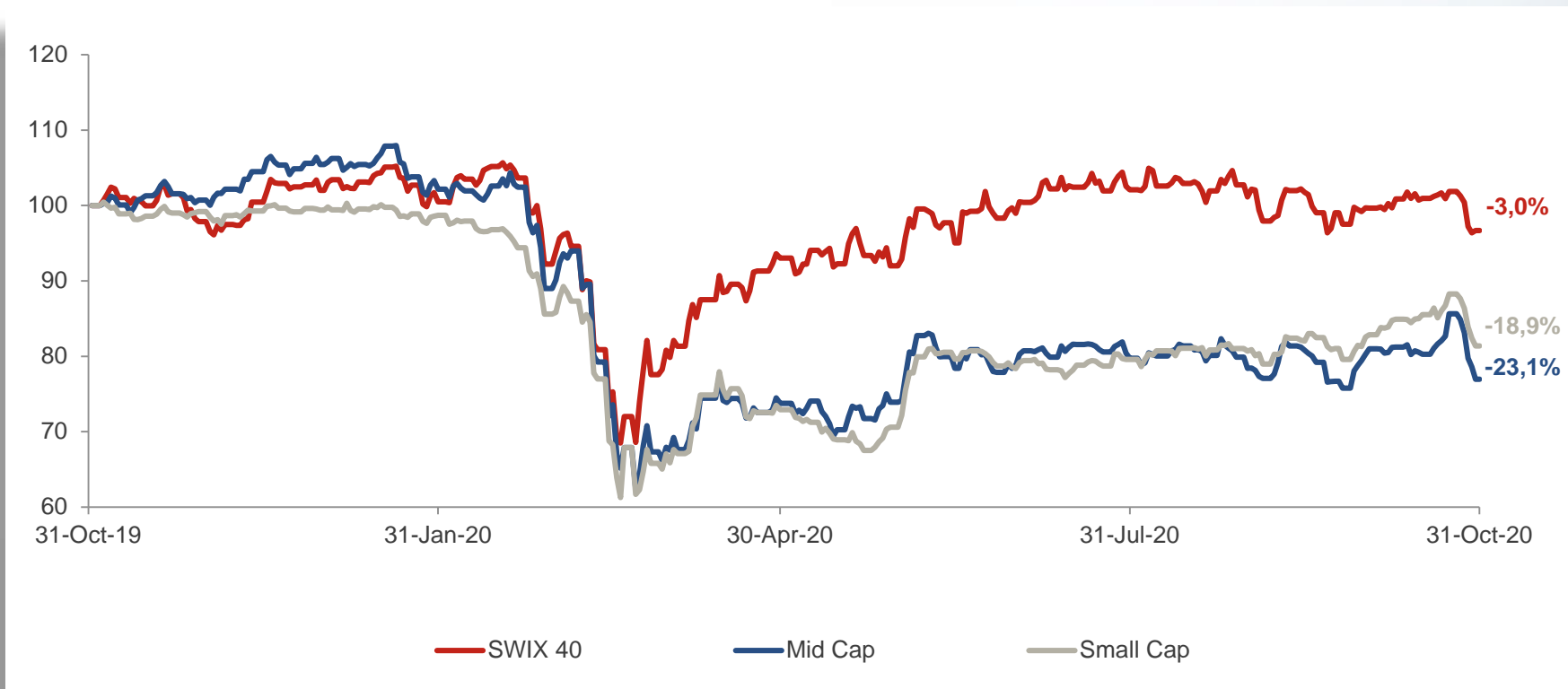
Source: IRESS and Momentum Investments



# FTSE/JSE market caps



One year to October 2020





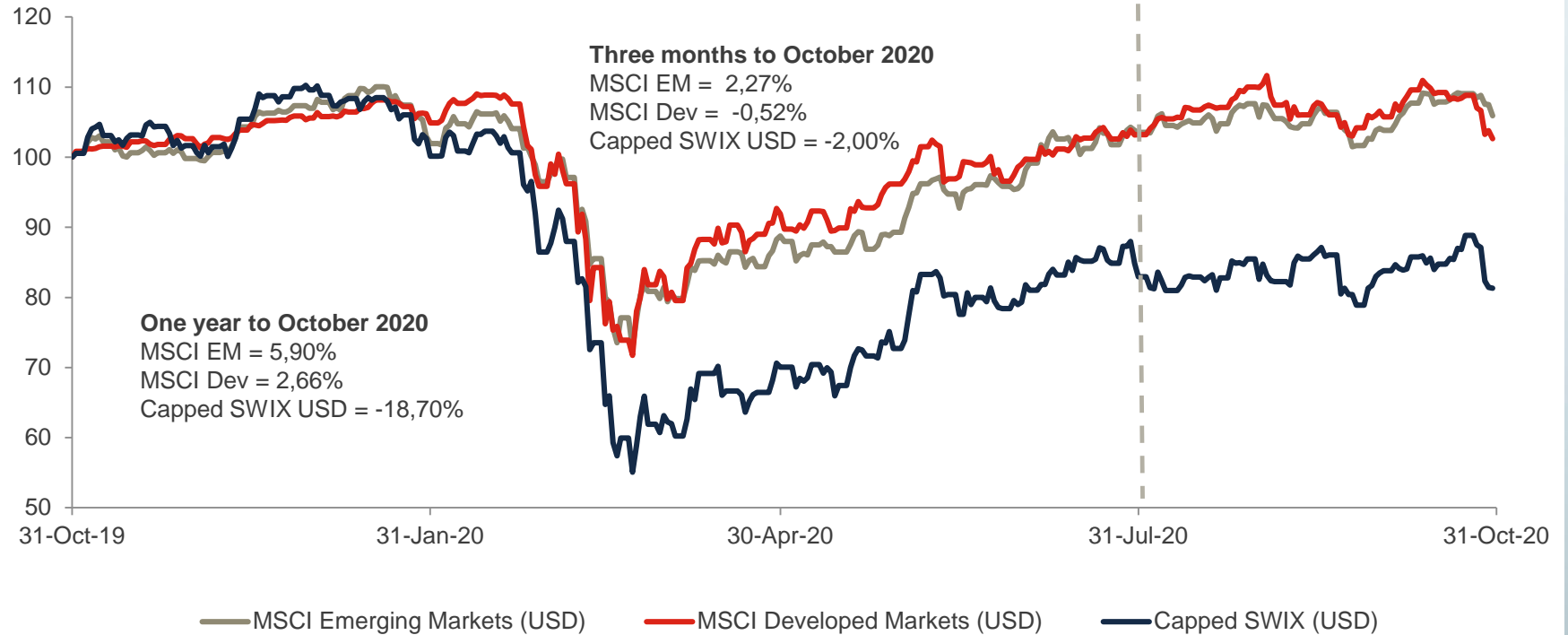
05

Indexed return  
charts

# MSCI developed and emerging markets



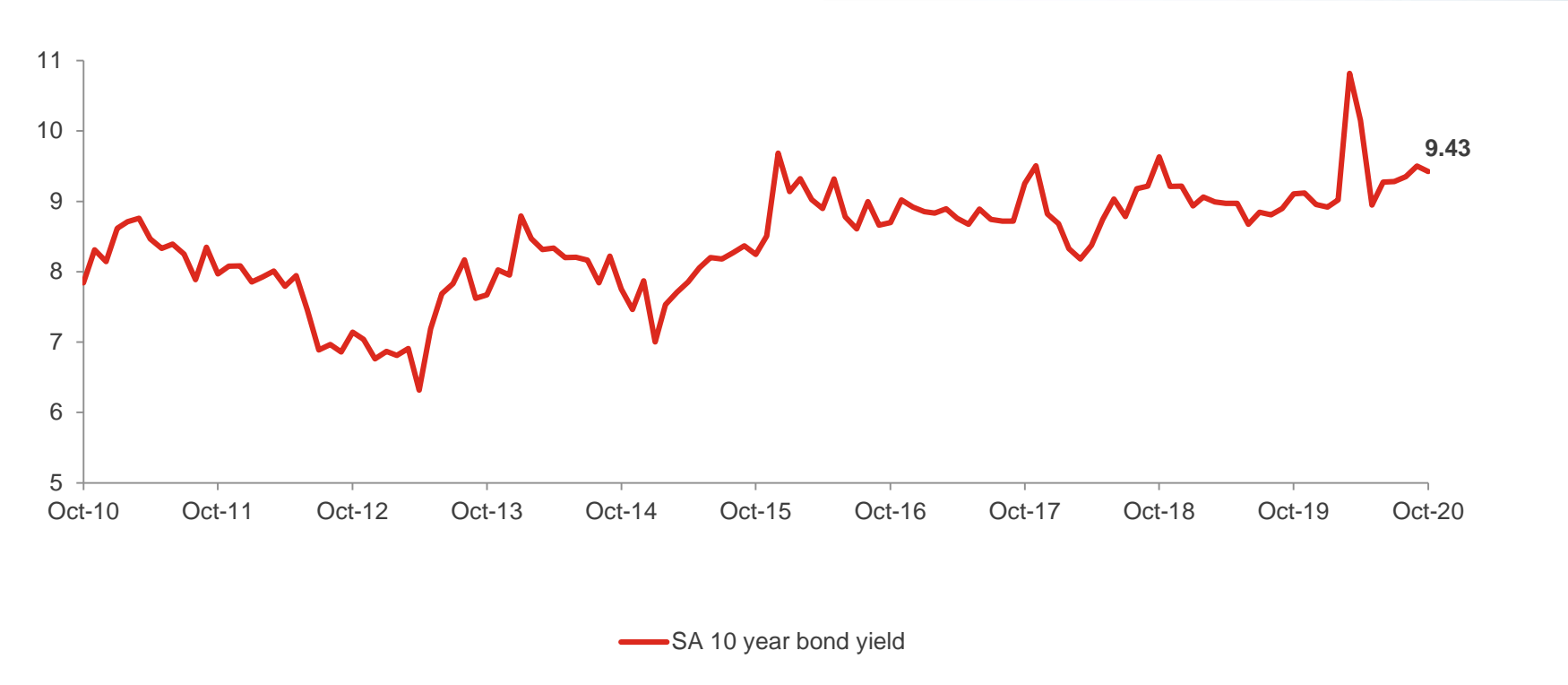
One year to October 2020



# SA 10-year bond yields



Ten years to October 2020

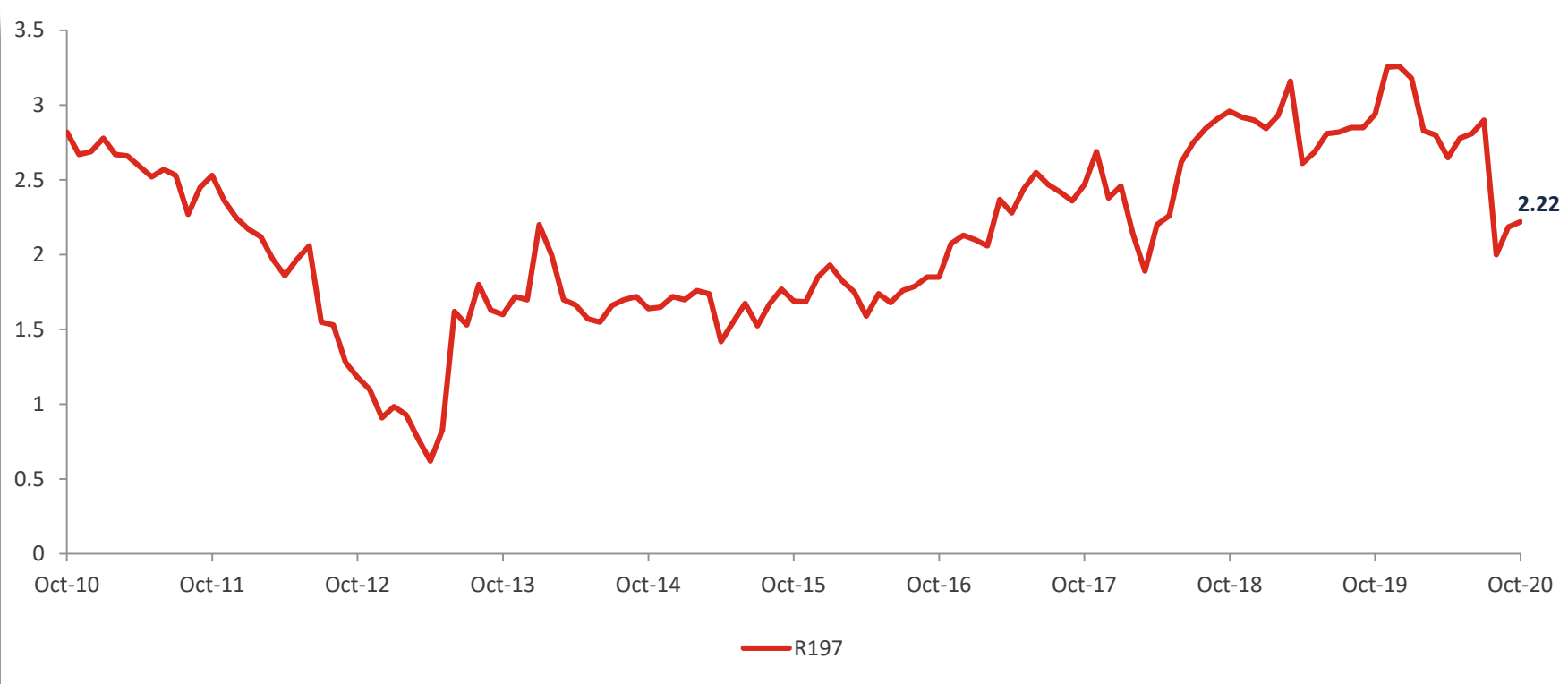


Source: IRESS and Momentum Investments

# Yield of R197 (inflation-linked bond)



Ten years to October 2020

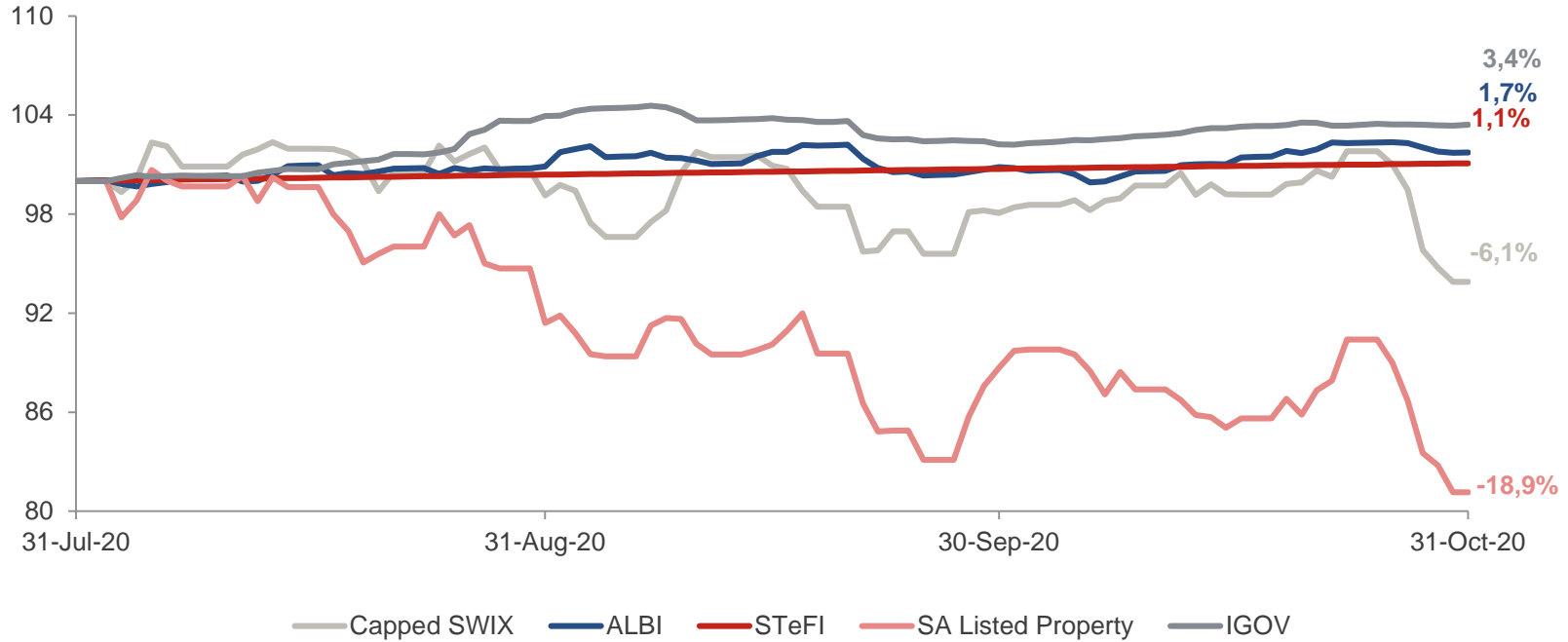


Source: IRESS and Momentum Investments

# Local asset classes



Three months to October 2020

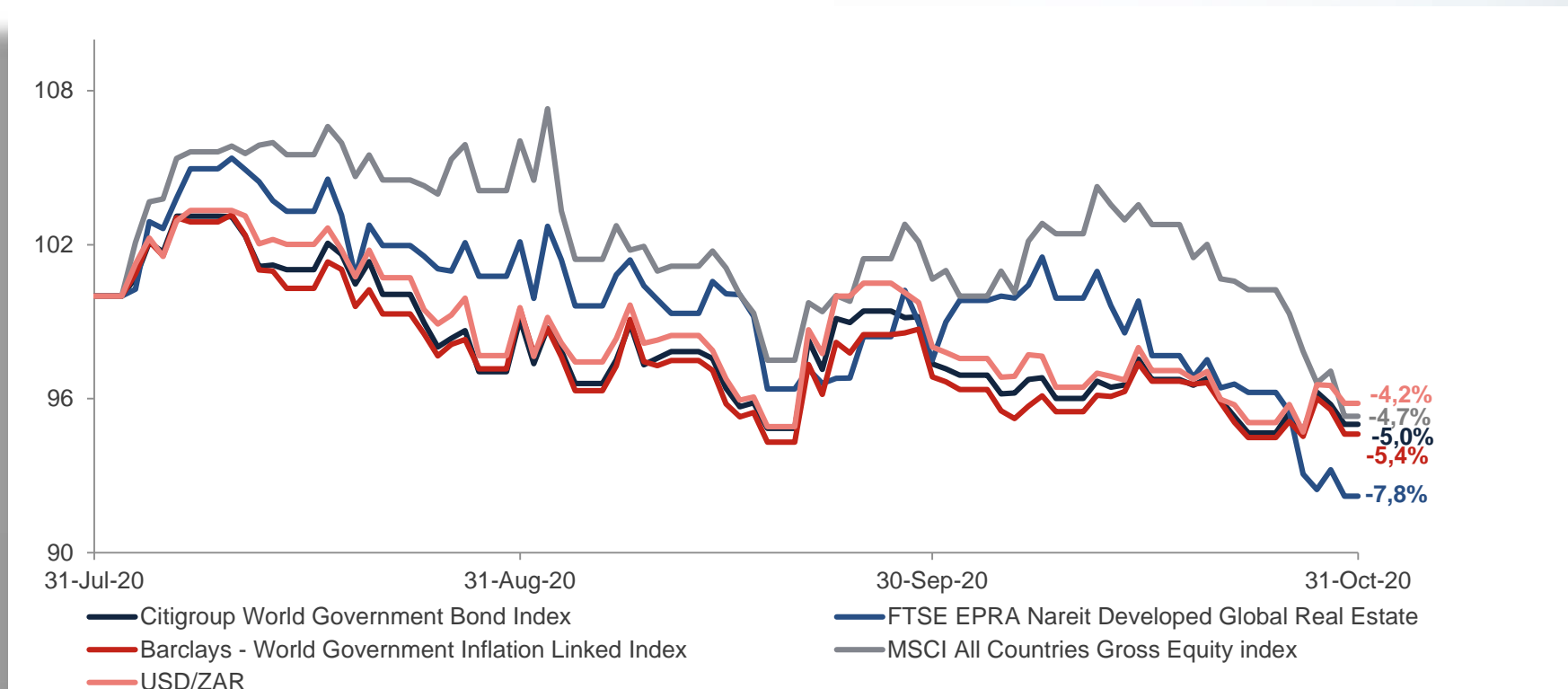


\* CPI lagged by one month due to availability of data

# Global asset classes

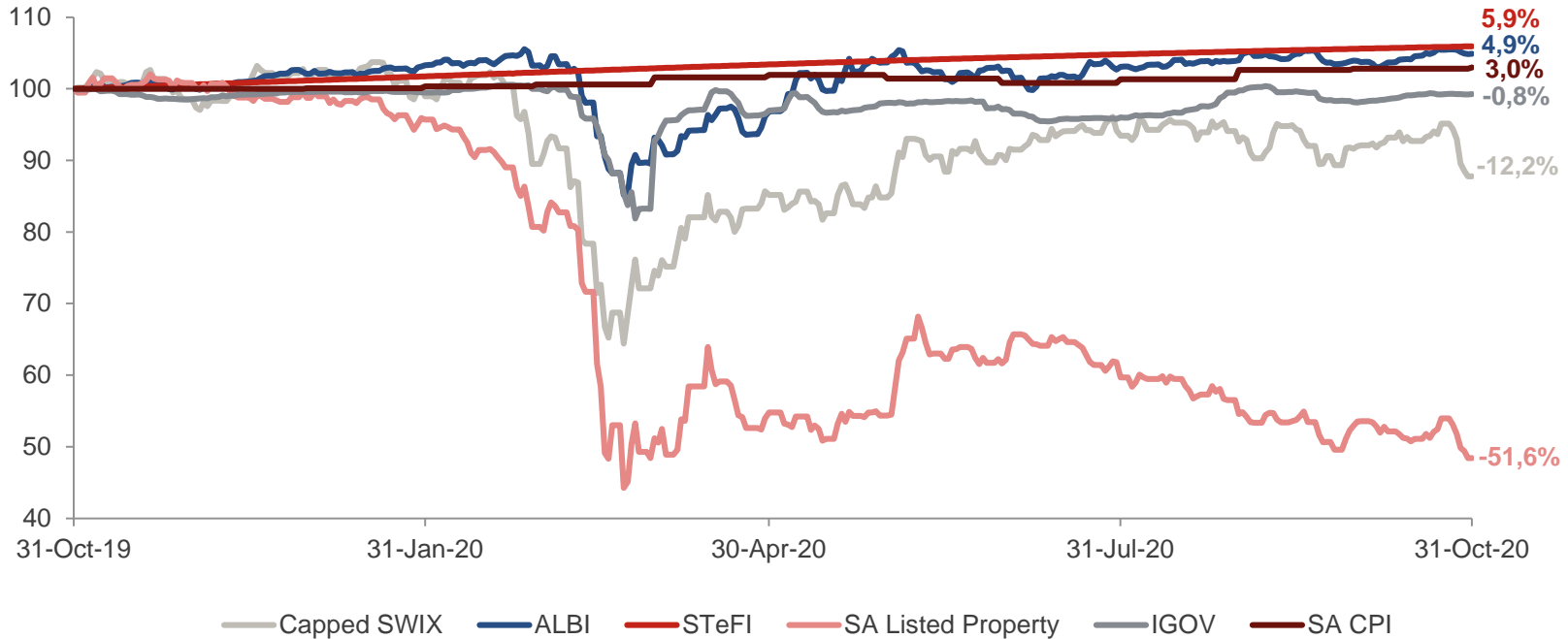


Three months to October 2020



# Local asset classes

One year to October 2020

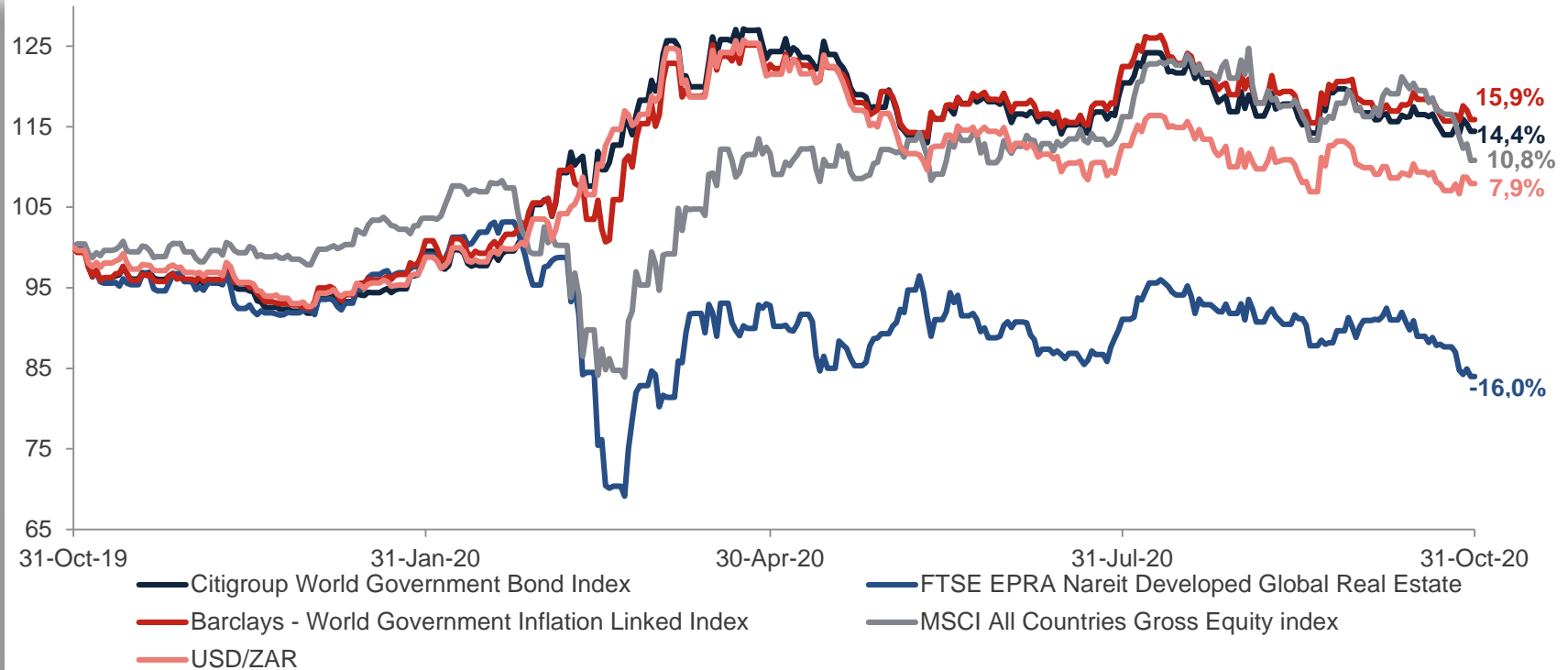


\* CPI lagged by one month due to availability of data



# Global asset classes

One year to October 2020

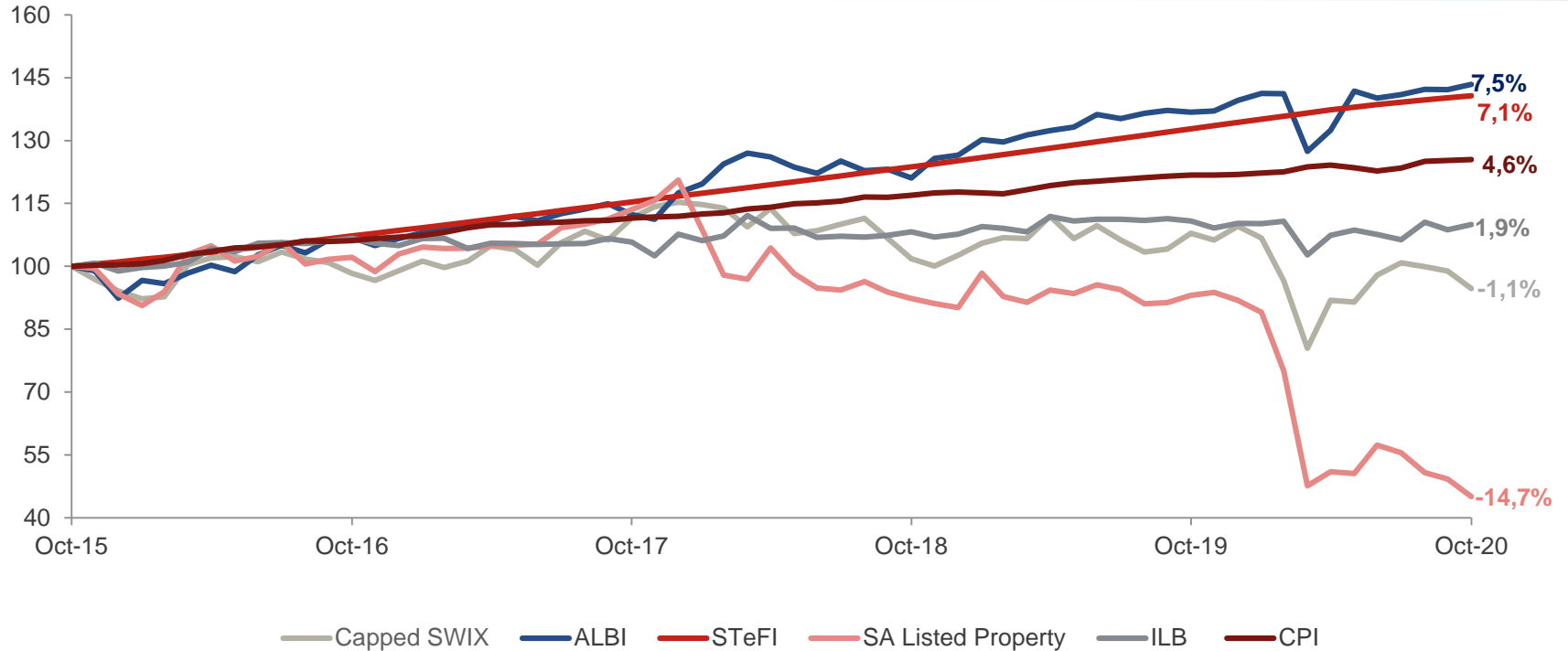


Source: IRESS and Momentum Investments

# Local asset classes



Five years to October 2020

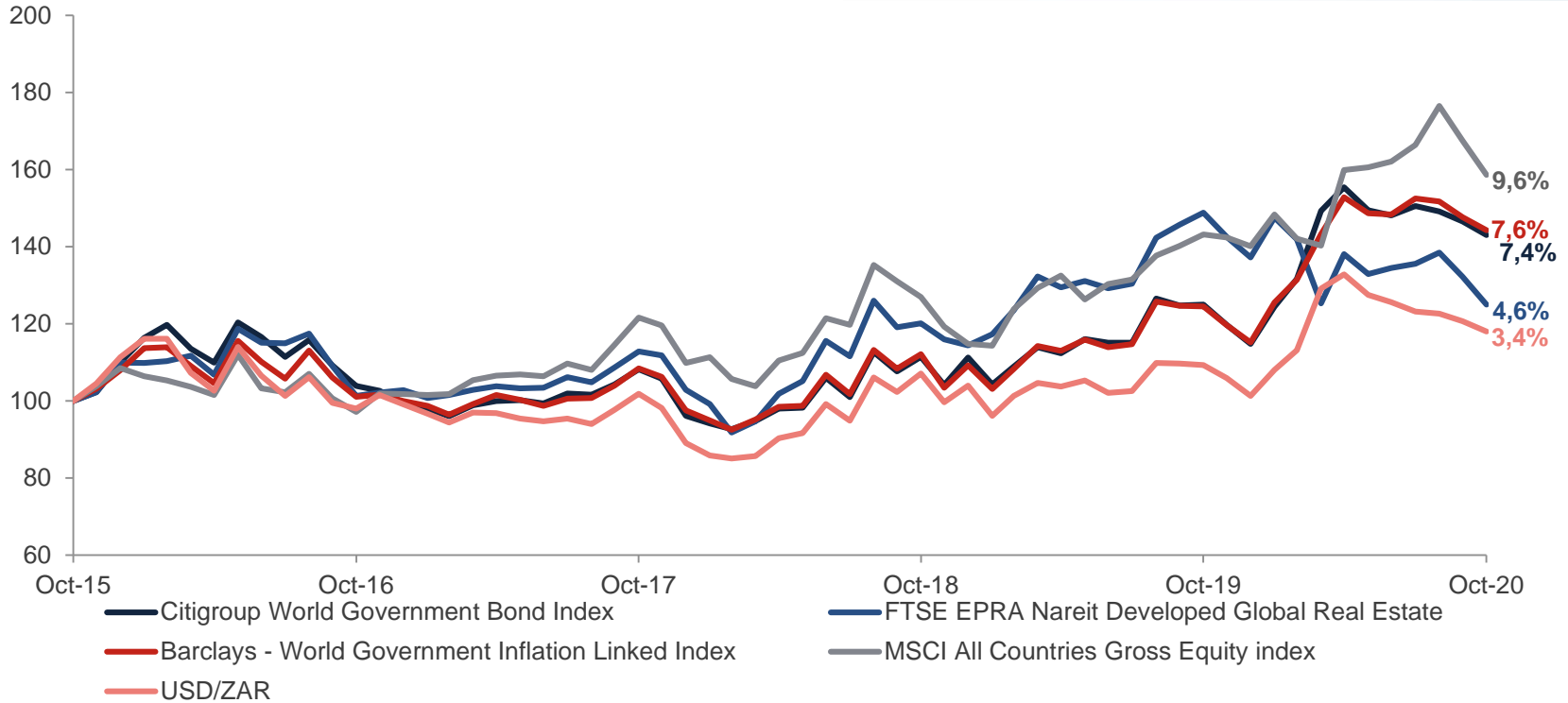


\* CPI lagged by one month due to availability of data

# Global asset classes



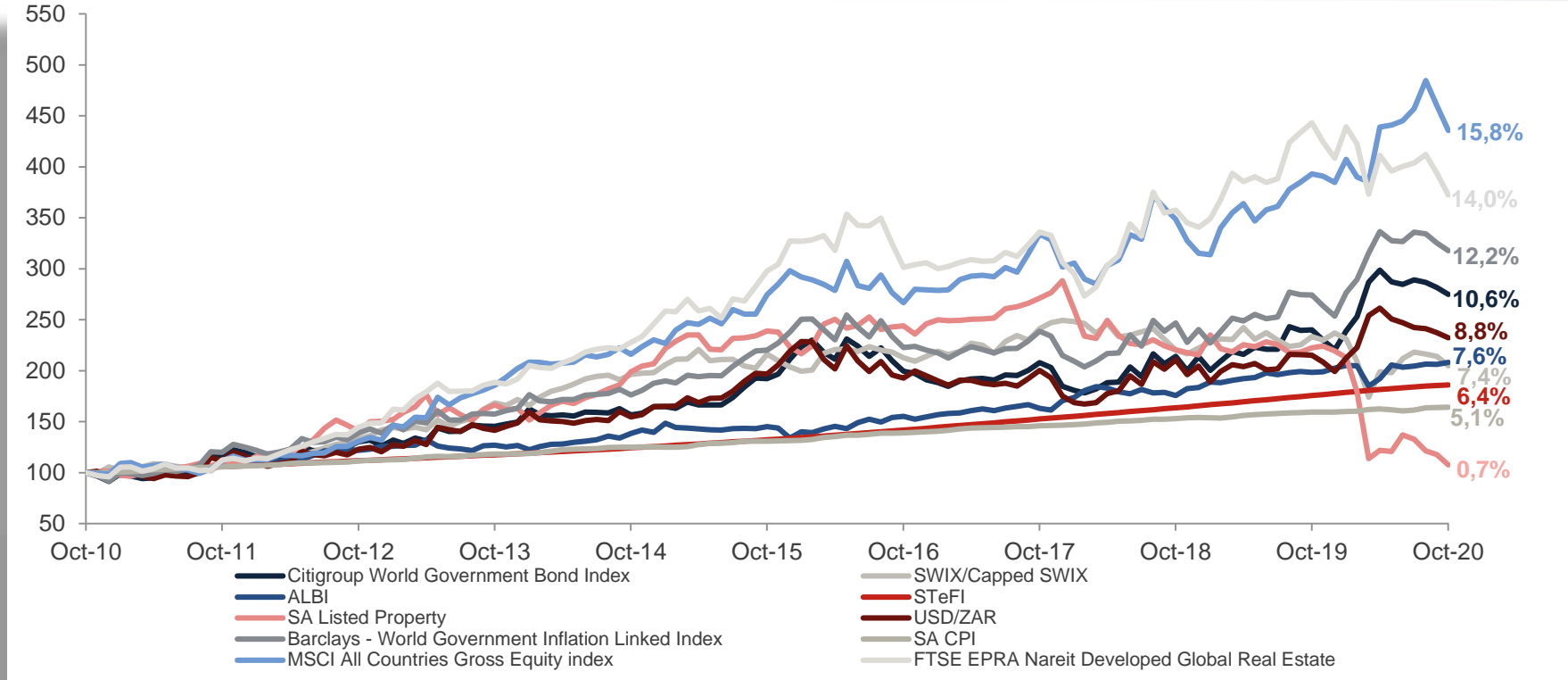
Five years to October 2020



# Asset classes



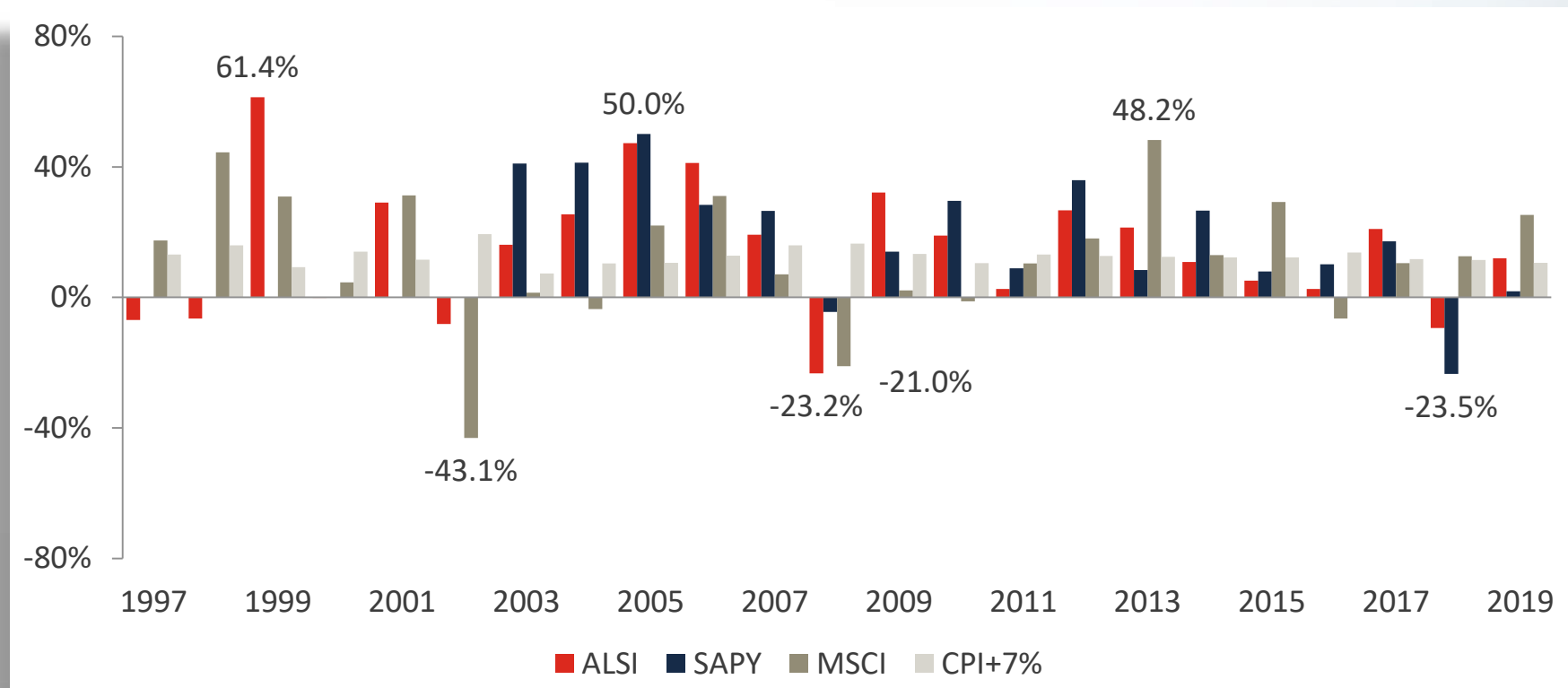
Ten years to October 2020



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

Source: IRESS and Momentum Investments

# Annual asset class returns



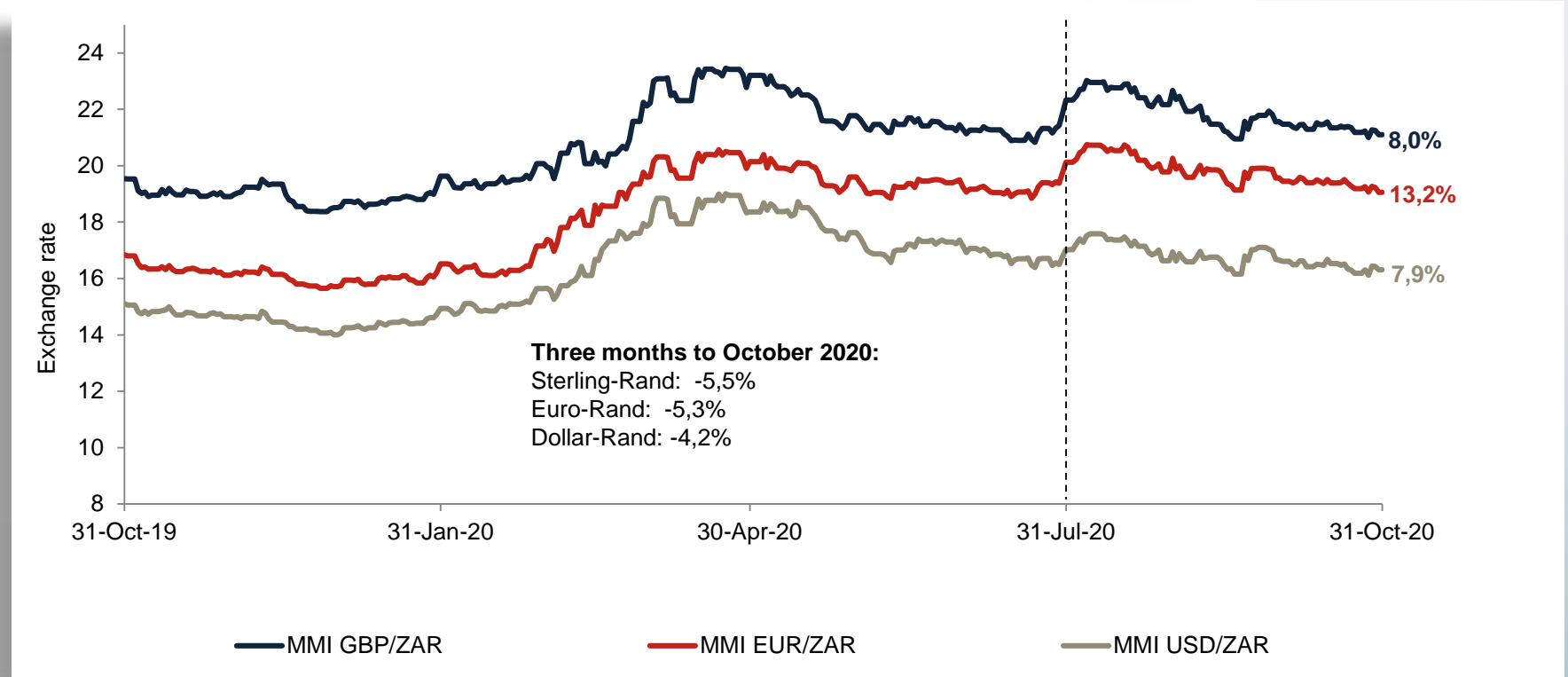
\* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

# Exchange rates



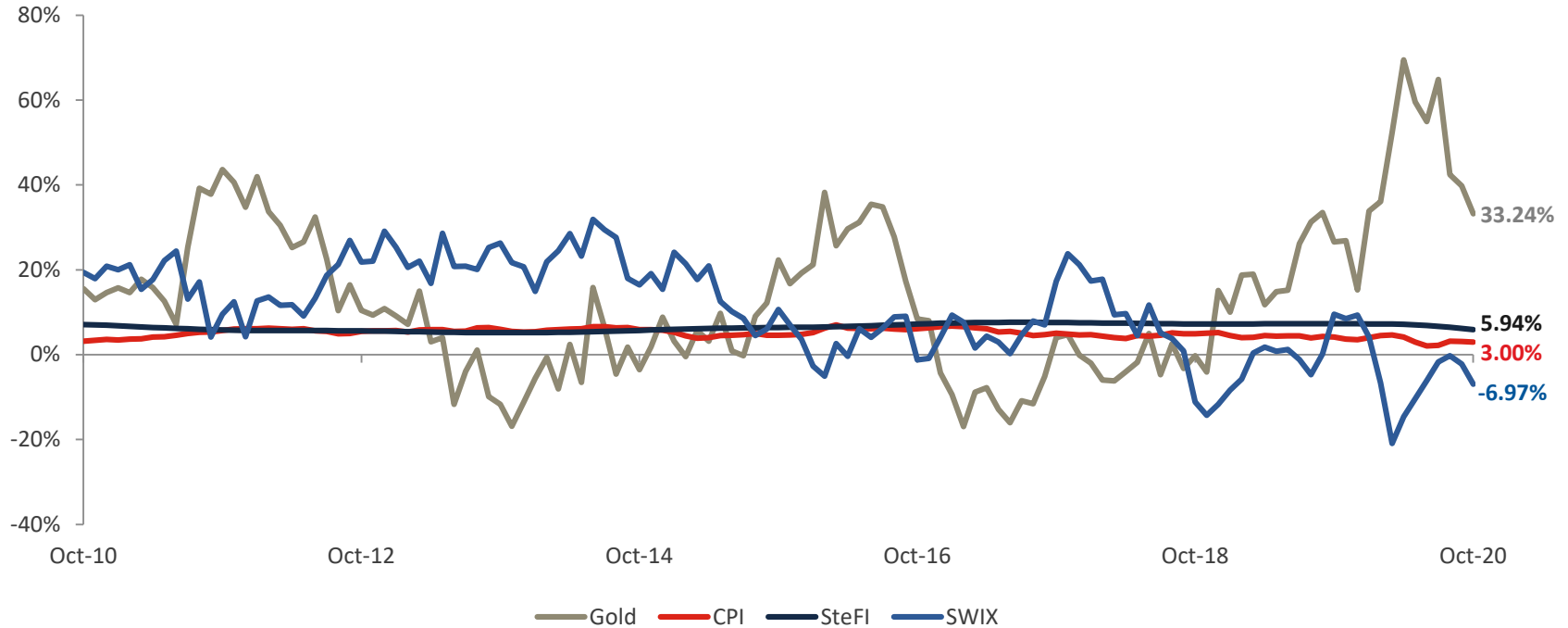
One year to October 2020



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



One-year rolling returns to October 2020

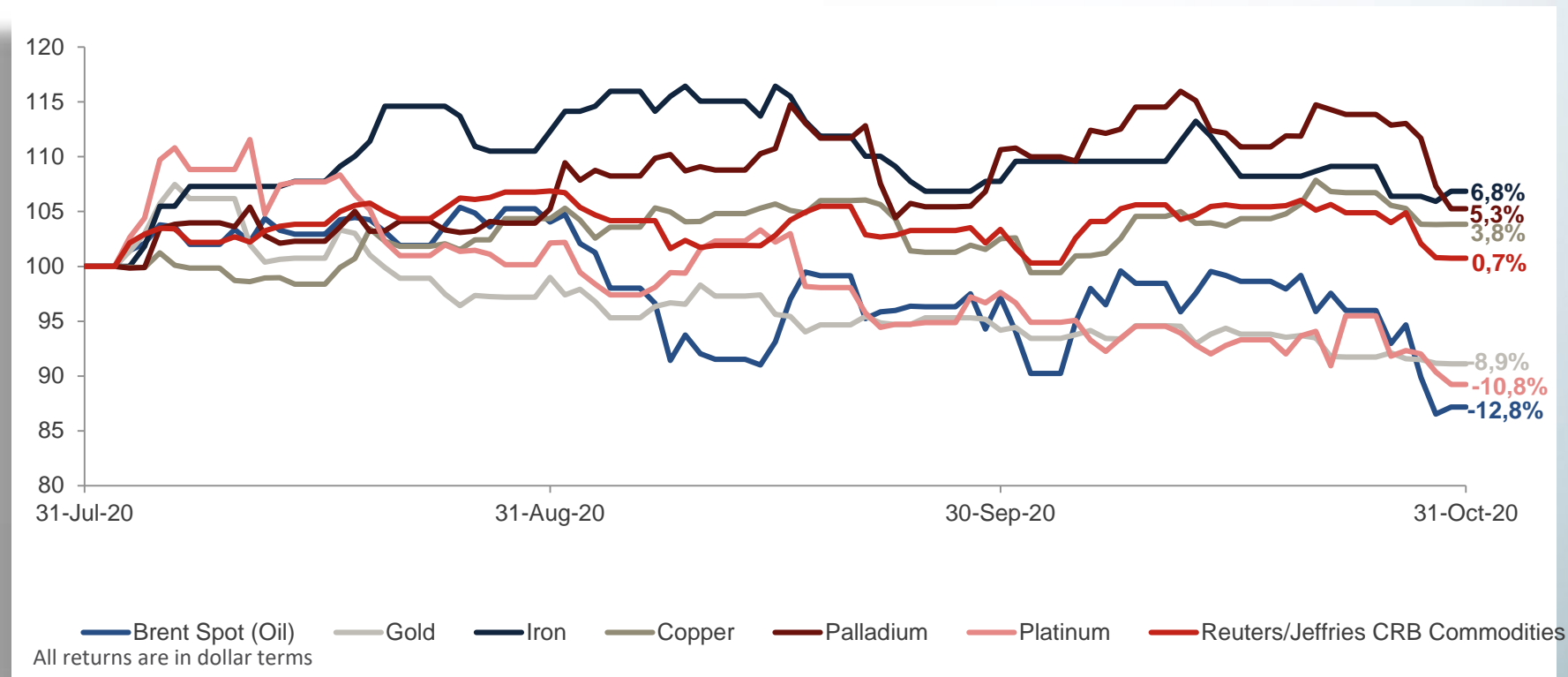


\* CPI lagged by one month due to availability of data

# Commodities



Three months to October 2020

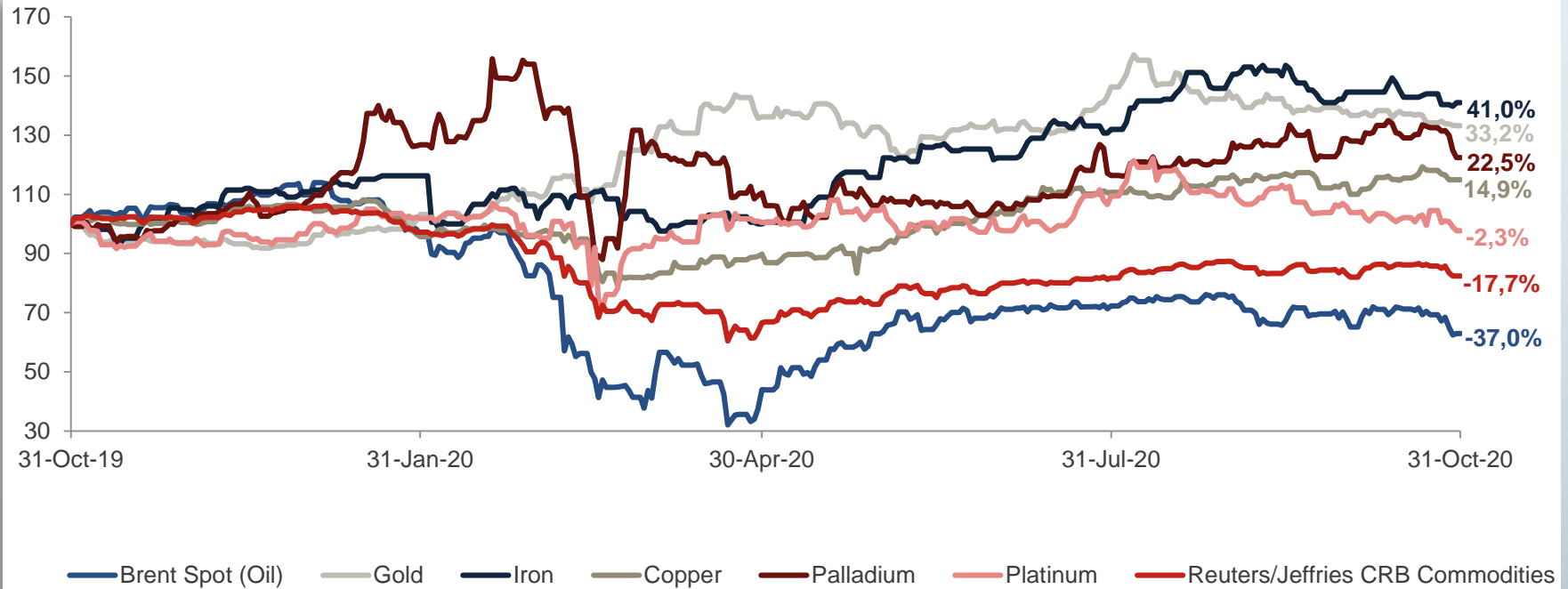




# Commodities



One year to October 2020



All returns are in dollar terms



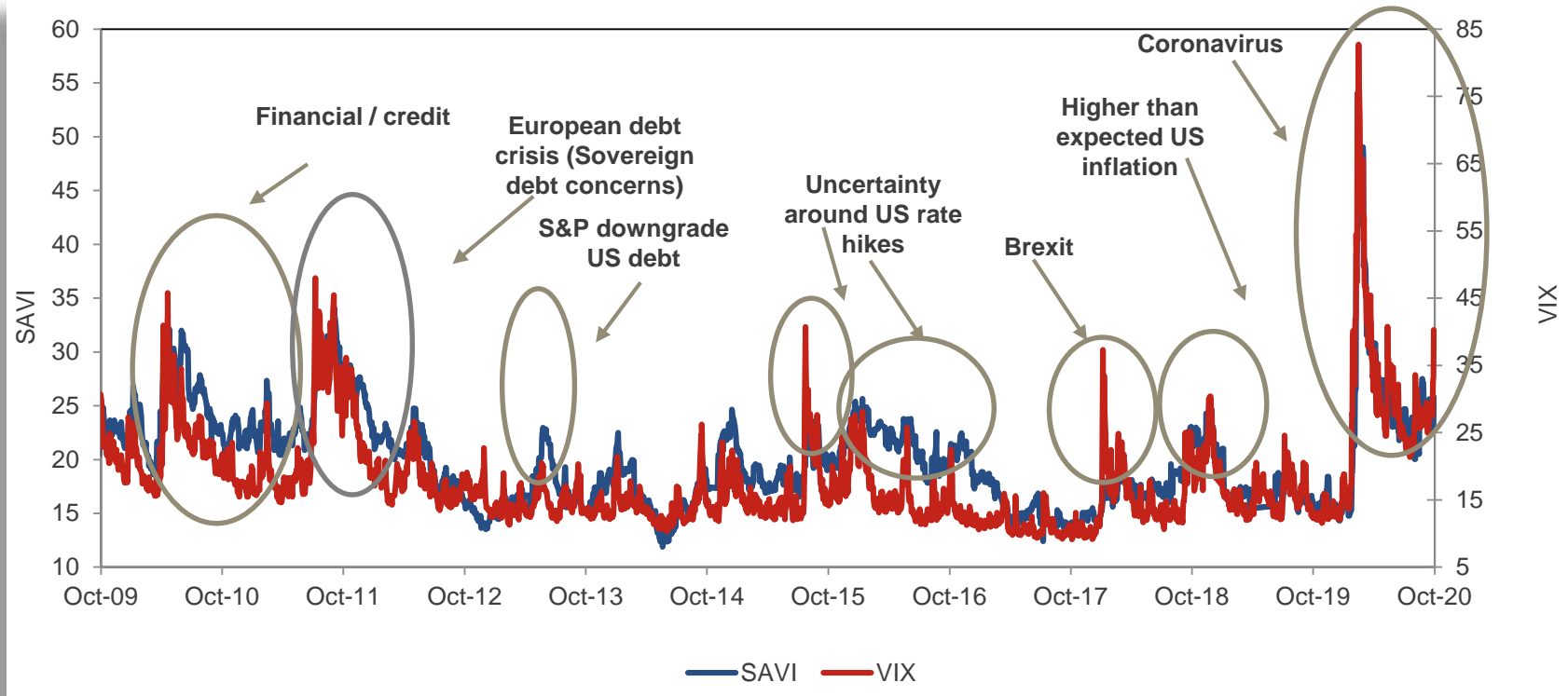
06

Volatility and  
international flows

# SAVI-VIX



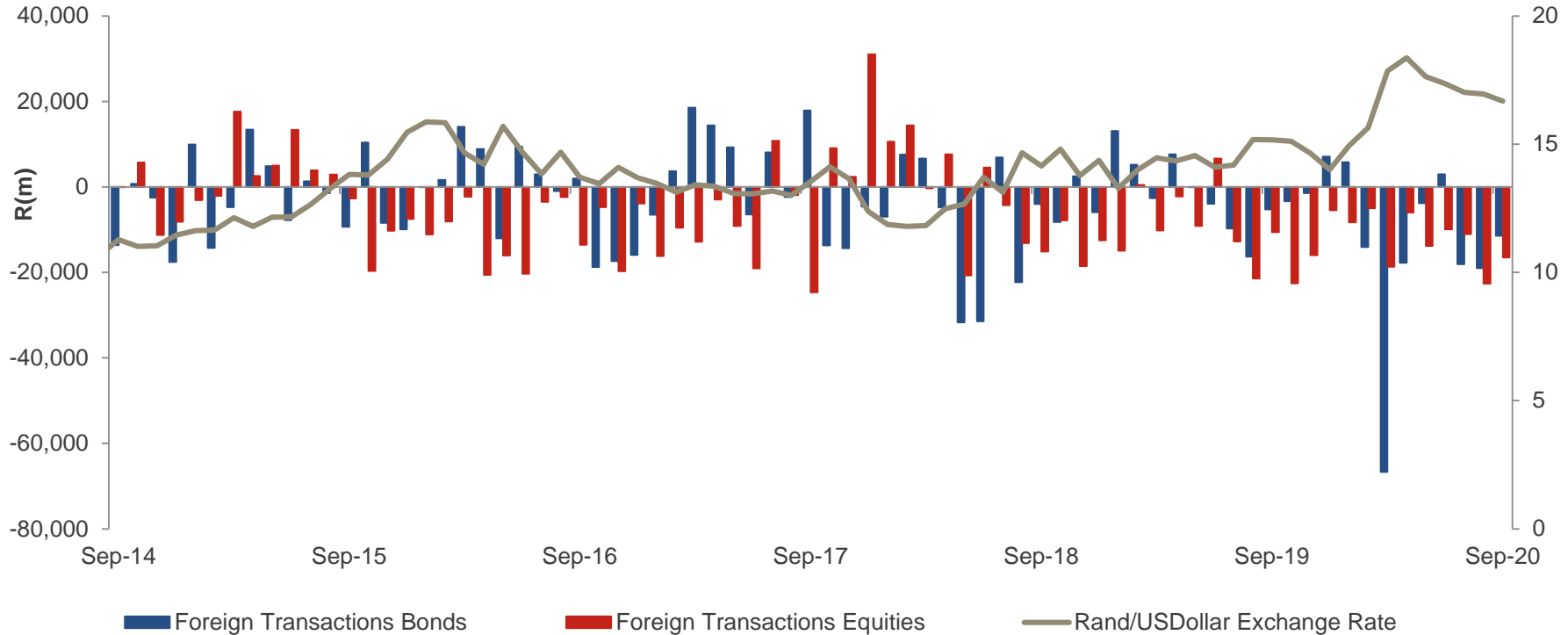
October 2020



# Foreign Transactions



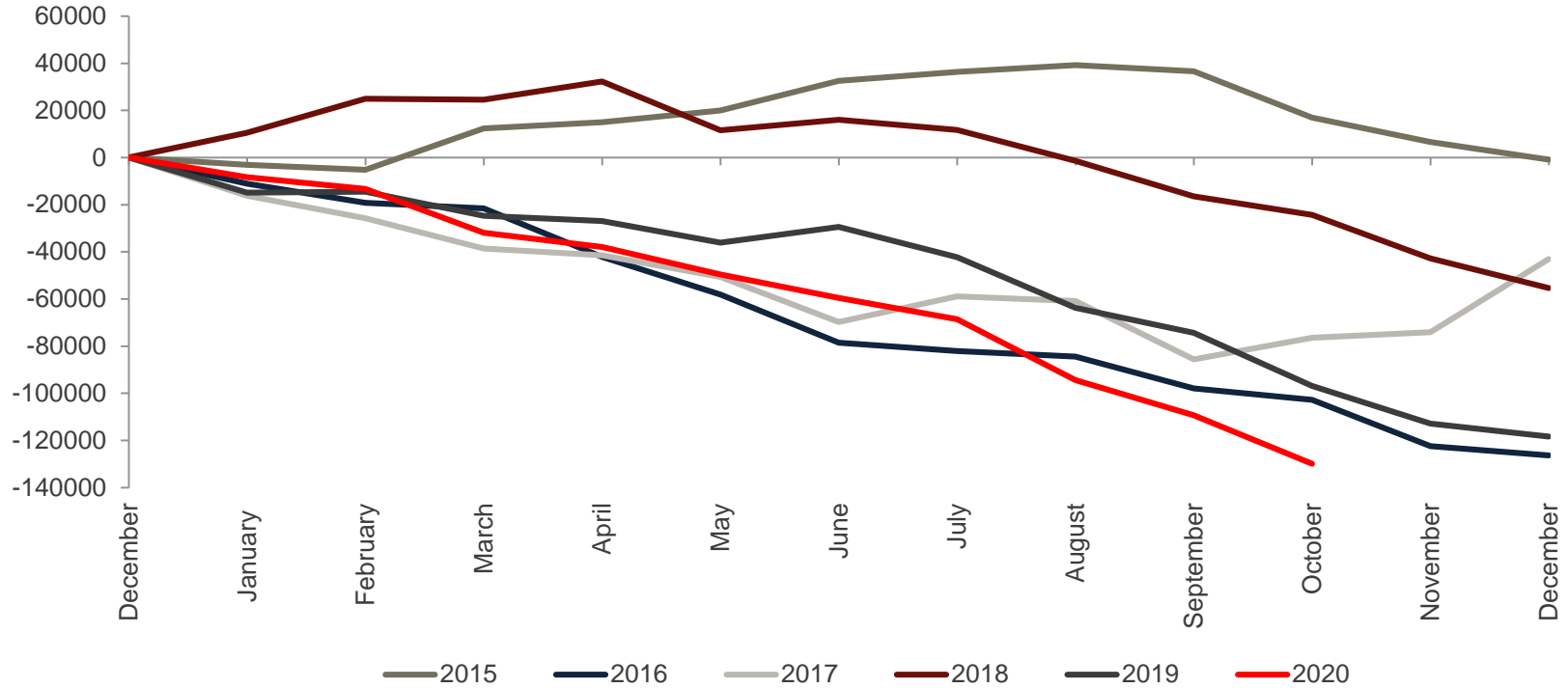
2015 to 2020



# Cumulative foreign transaction: Equities



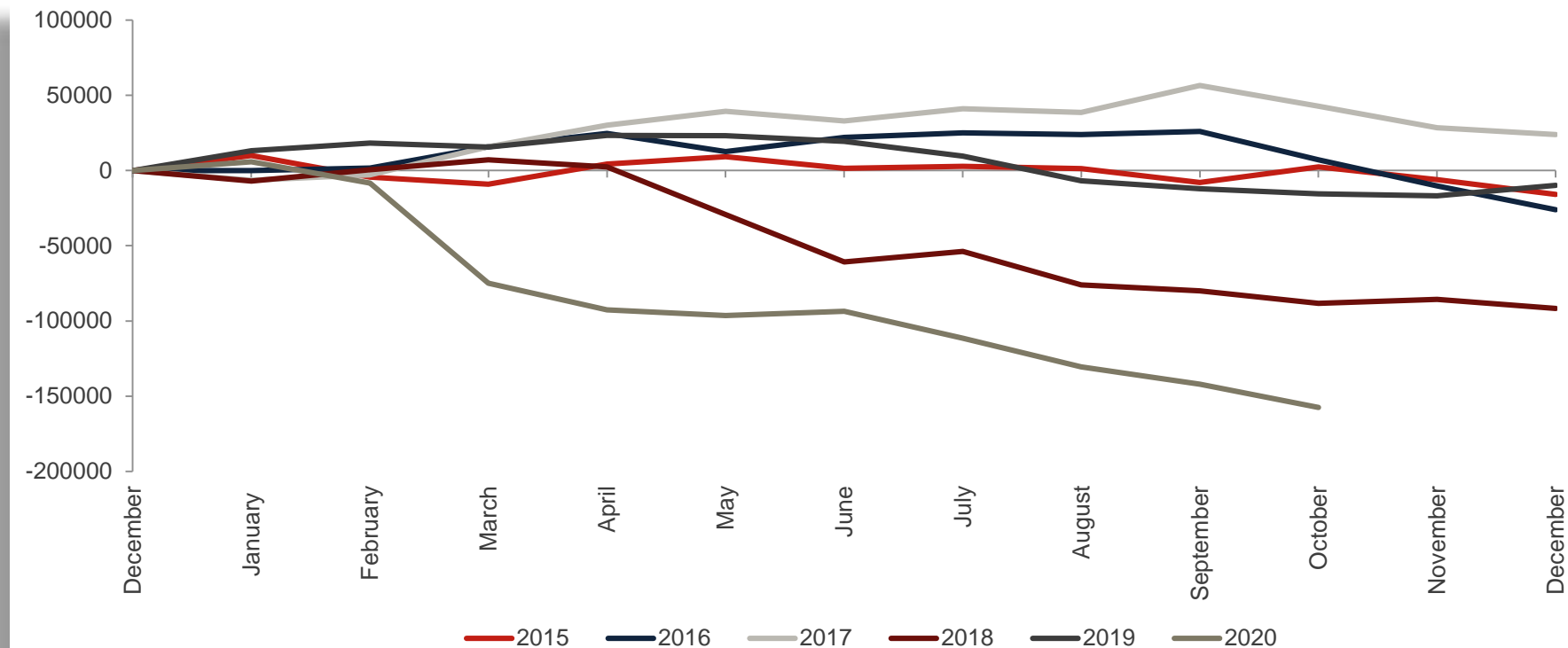
2015 to 2020



# Cumulative foreign transaction: Bonds



2015 to 2020



**momentum**

investments

Thank you



# Disclaimer



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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