








Africa's biggest lender Standard Bank says more customers are falling behind with their debt repayments after a rapid rise in interest rates, while it is also battling with increased risk of sovereign defaults on the continent. In an update on Tuesday, it warned impairment charges surged almost 50% in the five months to end-May, hit by consumer strain, greater risk of sovereign defaults, but also growth in its loan book.. The bank expects the group's credit loss ratio to increase towards the upper end of its target range in the coming months. *Source: News 24 . Photo: Gallo Images*



- Consumer price inflation (CPI)** for May is expected to ease further, which could signal a break in the South African Reserve Bank's (SARB) interest rate hiking cycle. The SARB has been in a hiking cycle since November 2021 and has implemented a cumulative 475 basis points of hikes. The hikes were implemented to bring South Africa's high, sticky inflation back within the SARB's target band of 3% to 6%. Since the hiking cycle started, the SARB has remained steadfast to keep raising rates until inflation is back within its target range and anchored around the midpoint (4.5%). The SARB's efforts had been largely unsuccessful until recently – in April, South Africa's annual inflation rate cooled for the first time in months. Annual CPI was 6.8% in April 2023, down from 7.1% in March 2023. April inflation was the lowest the country had seen since May 2022 and the first time the rate decreased month-on-month since January 2023. Some experts believe this trend will continue when May's inflation data is released later this week.
  - Business Leadership South Africa CEO Busi Mavuso** says the **National Health Insurance Bill** is unworkable with no implementation or funding plan. South Africa's National Assembly recently passed the National Health Insurance Bill aimed at introducing universal health insurance. The Department of Health explained that National Health Insurance is a way of providing good healthcare for all by sharing the money available for healthcare among all our people. "The health benefits that you receive will depend on how sick you are, not on how wealthy you are," the department said. "Hospitals, clinics, doctors, specialists, dentists, nurses and all other health workers will also be available to provide services to all much more equally." Many medical professionals and businesses criticized the NHI Bill as misguided and unworkable, including BLSA CEO Busi Mavuso.
  - FNB Wealth and Investments' Wayne McCurrie** recently posted a list of what he has learned after 30 years of investing and being active in the markets. McCurrie is a household name in South African investment circles and is a regular market commentator on Business Day TV, 702, CNBC Africa, ENCA, and Newzroom Africa. McCurrie recently shared what he learned after 30 years in investments in a series of Twitter comments. His biggest lessons are that you never stop learning and that 95% of your market experience is cyclical. He said structural changes do happen. They are unstoppable but are usually evolution rather than revolution.

Here is a summary of what Wayne McCurrie had learned after 30 years in the market and managing investments.
  - Diversification: Avoiding the All-Eggs-in-One-Basket Fallacy** - While some may believe that concentrating investments in a single opportunity is a wise strategy, it's crucial to recognise the survivorship bias at play. We often hear success stories of a few lucky individuals who struck gold, but the many who suffered significant losses tend to remain silent. Diversification, spreading investments across multiple assets, is the key to mitigating risk and ensuring long-term stability.
  - The Past as a Guide to the Future** - When it comes to predicting future market behaviour, the past plays a vital role, particularly in identifying cyclical patterns. Factors such as commodities, inflation, interest rates, and currency tend to exhibit recurring trends. While the past doesn't repeat itself verbatim, it does provide valuable insights into future market movements. Embrace change as an evolutionary process.
  - Overcoming Our Biases** - As investors, our own human nature poses a significant threat to our financial endeavours. We may be tempted to abandon ship during challenging times or impulsively invest when everything appears favourable, driven by the fear of missing out (FOMO). It's crucial to exercise caution during extreme market conditions and avoid making investment decisions based solely on advice, news, or opinions. Remember, searching for the "next winner" can often lead to suboptimal outcomes.
  - The Myth of Investment Experts** - Contrary to popular belief, there is no such thing as an investment expert who can predict the future accurately. Investing is inherently speculative, and no one possesses a crystal ball. While some individuals may have a reasonable track record over time due to skill, experience, or sheer luck, investment decisions are never foolproof. Investing is an art rather than a precise science, and expecting a consistent and high success rate is unrealistic.
  - Income-Producing Assets and the Power of Diversification** - Exercise caution when considering assets that don't generate income. These assets often undergo significant cycles, making it difficult to determine their true value without a yield component. Remember, diversification is the only free lunch in investing. Although it may lack the allure of headline-grabbing strategies, diversifying your portfolio is the only approach that consistently pays off in the long run.
  - Surviving the Storm: Embracing Dreadful Performance** - Every investor and portfolio will encounter periods of poor performance. These moments can be accompanied by sleepless nights and immense stress. However, if your investments are well-diversified, and you have avoided excessive greed, there's no need to panic. Stick to your chosen path, trust in your strategy, and you will weather the storm.
  - Market Realities and Valuations** - Markets excel at reflecting reality and establishing valuations over long-term periods of 10 years or more. However, emotions and transient factors such as politics and weather cycles can heavily influence short-term valuations. As a rule of thumb, if an investment sees a 40% or higher increase within 12 months, it might be wise to sell. Conversely, consider buying when valuations
  - Johann Rupert** has overtaken Nigerian billionaire Aliko Dangote to become the richest person in Africa, with a net worth of R216 billion (\$11.9 billion). This is according to Forbes' Real-Time Billionaires List, which ranks Rupert as the 145th richest person in the world.
- Source:** Daily Investor. [www.dailyinvestor.com](http://www.dailyinvestor.com)

Market Indicators and Returns as of 19 June 2023					
Equity Index		Spot Price	Month to date Return	YTD	Last 12 Months
JSE (All Share)		78,014.35	3.9%	6.8%	17.6%
SP 500		4,409.59	5.5%	14.8%	20.0%
FTSE		7,598.52	1.8%	1.8%	6.7%
DAX		16,197.48	3.6%	15.3%	22.6%
CAC 40		7,306.17	3.1%	15.3%	22.3%
Nikkei		33,370.42	8.0%	27.9%	29.5%
Shanghai		3,255.81	1.6%	6.3%	-1.8%
MSCI Emerging		977.24	6.8%	7.0%	2.3%
MSCI Developed		2,842.76	5.5%	13.3%	18.4%
Commodity		Spot Price	Monthly Movement	YTD	Last 12 Months
Gold \$		\$ 1,977.30	-0.7%	7.1%	6.2%
Brent \$		\$ 75.84	5.6%	-11.5%	-33.4%
Indicators		Spot Price	Monthly Movement	YTD	Last 12 Months
ZAR/USD		\$18.19	-7.7%	7.1%	13.4%
ZAR/GBP		R 24.14	-5.0%	13.9%	18.5%
ZAR/EUR		R 20.99	-5.7%	2.4%	3.9%
CPI		6.8%	April 2023		
Prime Rate		11.75%	Repo Rate	8.25%	

- Remember to visit our website for fact sheet data: [www.cumulusrp.co.za](http://www.cumulusrp.co.za)

## FTSE/JSE All Share

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