

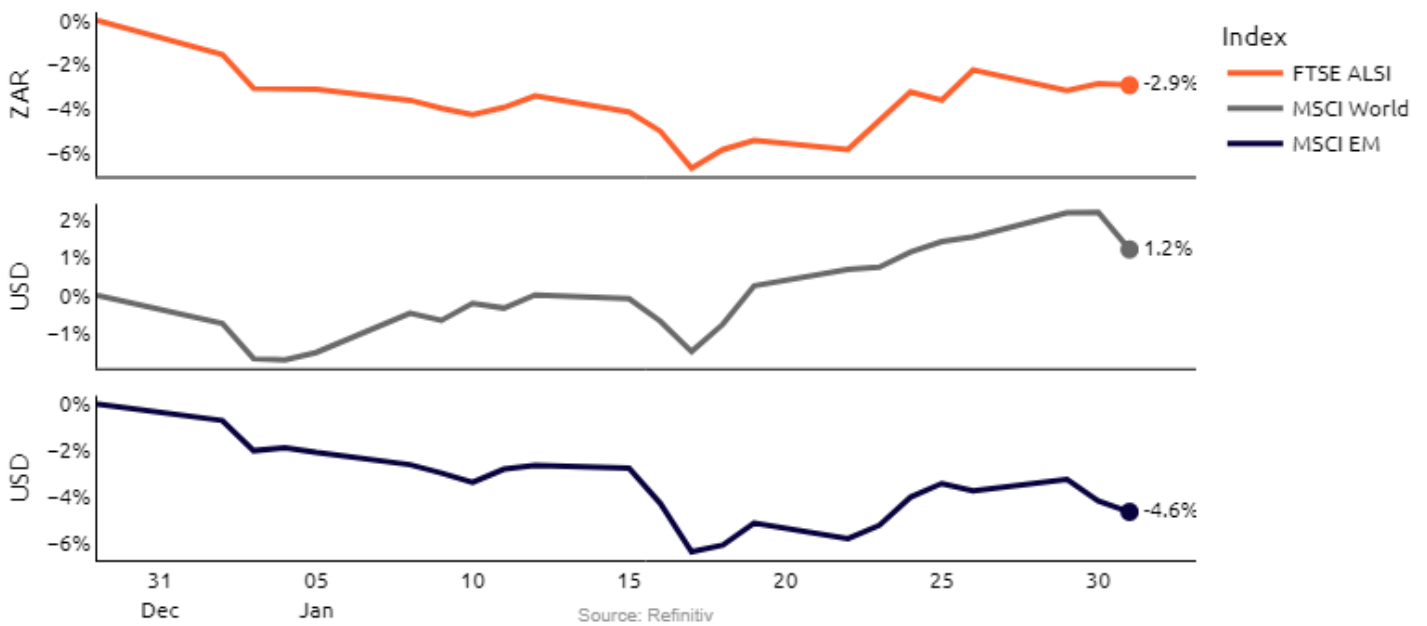


# MONTHLY REPORT

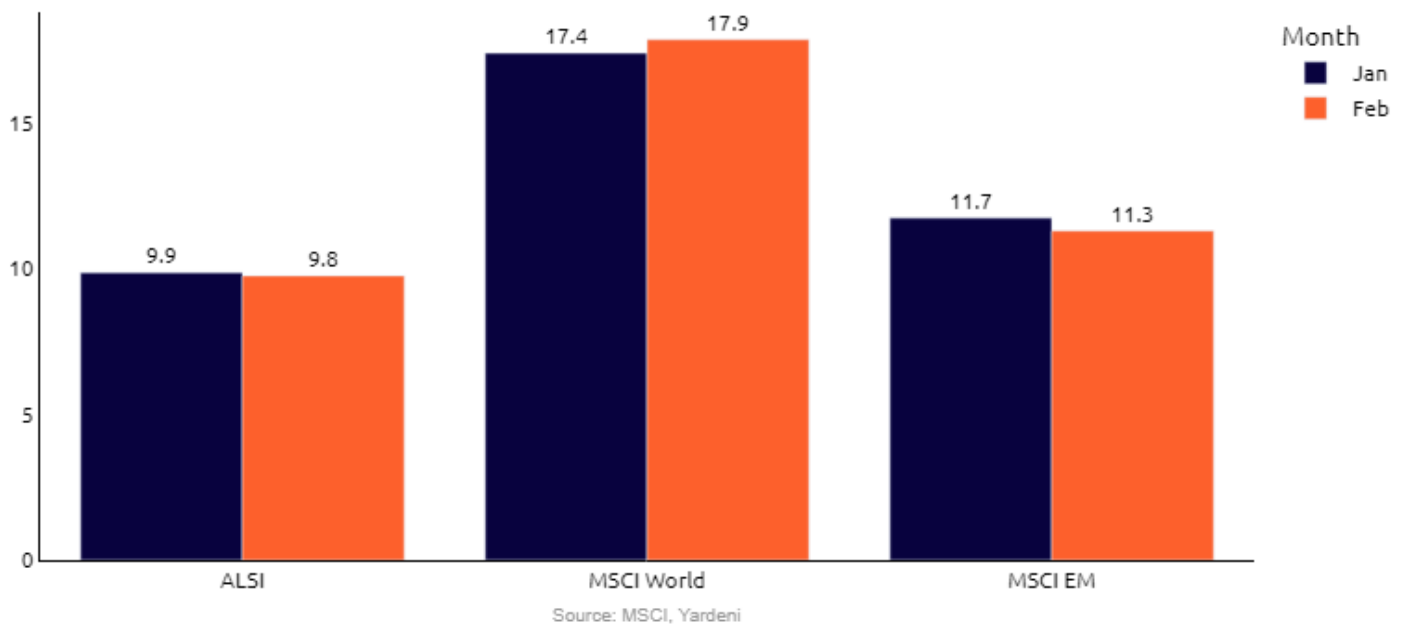
JANUARY - END REVIEW 2024

## Equities

### Total Return



### Forward P/E





NEW ROAD CAPITAL  
INVESTMENT MANAGEMENT

# MONTHLY REPORT

JANUARY - END REVIEW 2024

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## Equities

- Following a strong end to 2023 with markets doing well across the board in November and December, the start of 2024 was more mediocre as January delivered mixed results.
- Local equity markets were down for the month, along with emerging markets in general as economic challenges and demographic shifts in China pulled the MSCI EM index down.
- In the developed world, equities continued their upward trend, led by a strong US market.

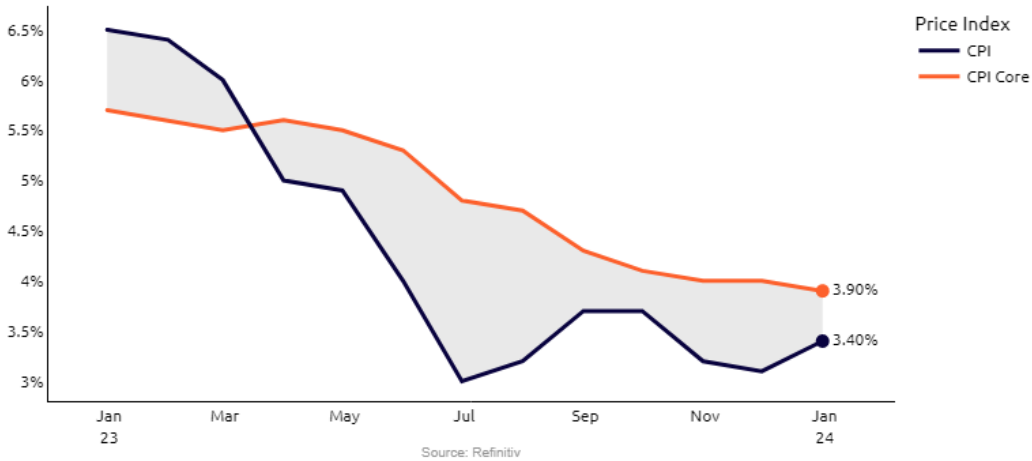


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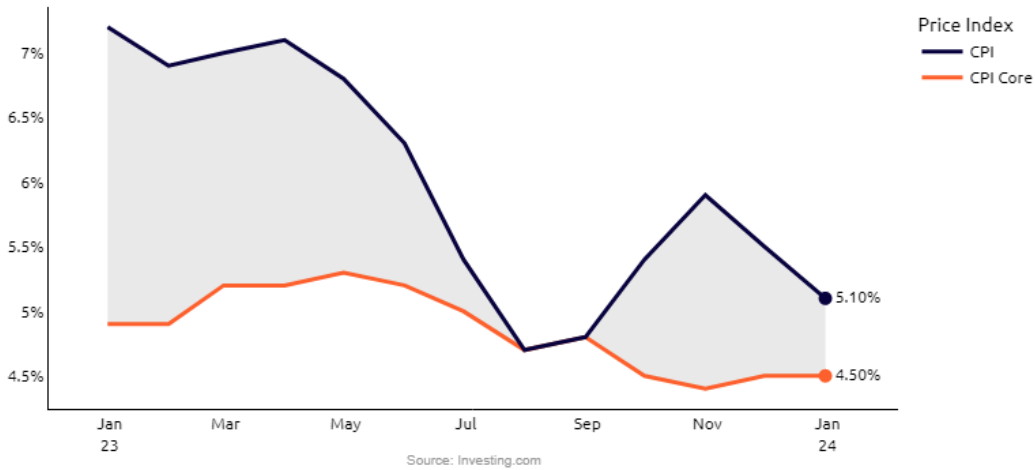
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## Inflation

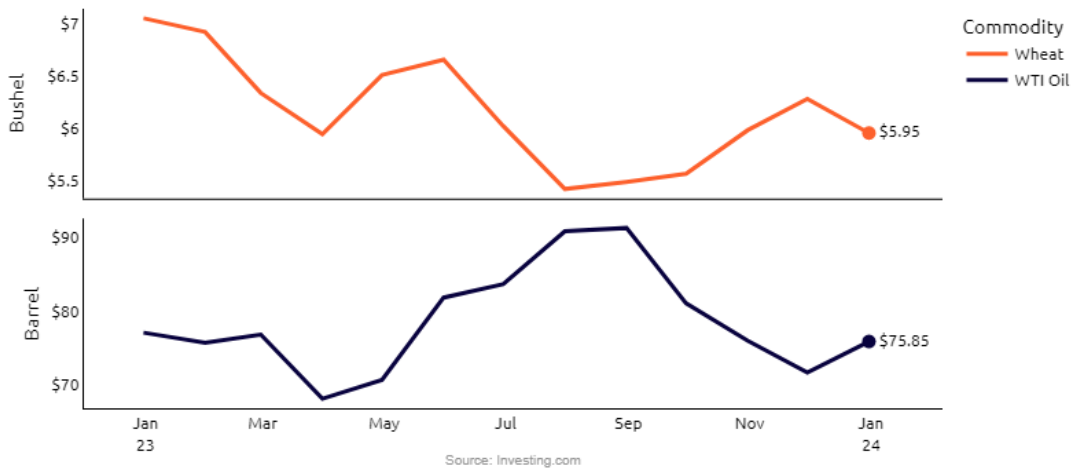
US CPI (YoY)



SA CPI (YoY)



Food and Energy Prices





# MONTHLY REPORT

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## Inflation

- In the US, headline inflation has become flattened, keeping between 3% and 4%—this is slightly higher than the Fed's target of 2%, but is far from runaway inflation levels. US Core inflation is still slowly trending downward.
- When considering the US PCE inflation figure, which is the official number used by the Fed, core inflation has fallen below 3% and is getting very close to the Fed's target.
- There is some rhetoric from the Fed that the market is expecting them to start lowering rates quicker than they really are; however, there is not much reason for concern about this yet, and inflation appears to be under control.
- In the US, indicators are suggesting a strong economy as figures are continuing to surprise on the upside. At the same time, earnings are still being reported above expectations. Europe is also appearing stronger than expected and their rate cycle seems to be topped out too.
- Although it is still unsure when interest rates will be lowered, market conditions are looking good.
- South African inflation has come down again from its brief spike in November and has kept within the SARB's band of 3-6%. Local core inflation is right at the midpoint of our target and is definitely in control.

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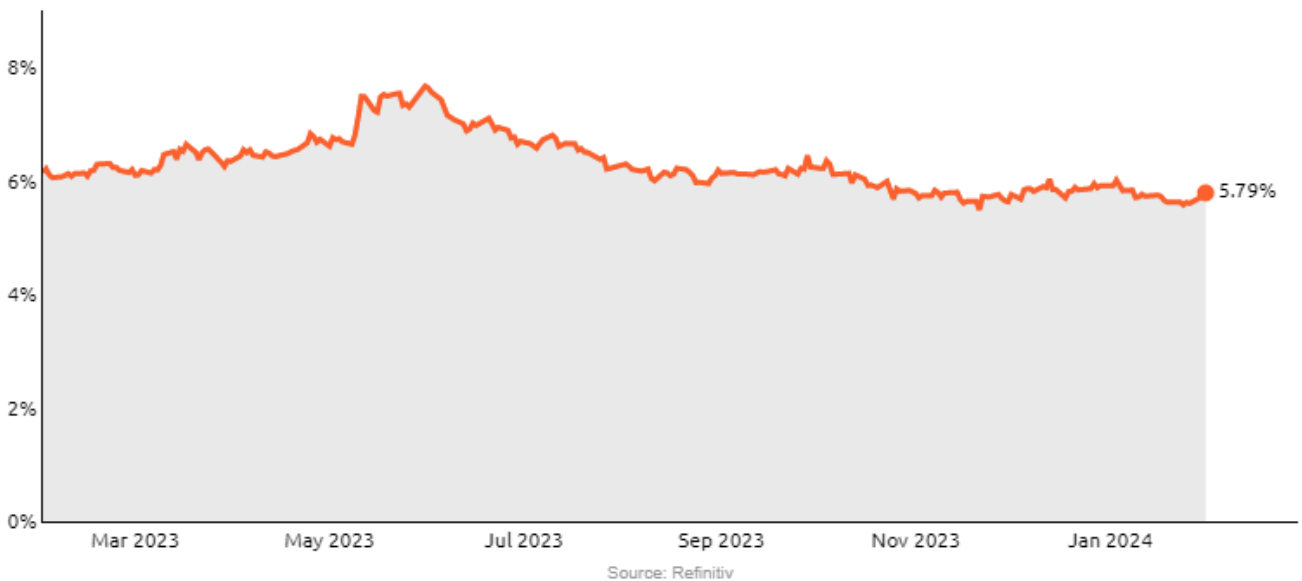
JANUARY - END REVIEW 2024

## Local vs US Economy

ZAR/USD Exchange Rate



SA-US 10y Bond Spread



- The rand weakened slightly over January but remained largely flat.
- South African bond spreads are still keeping local bonds attractive relative to US bonds.



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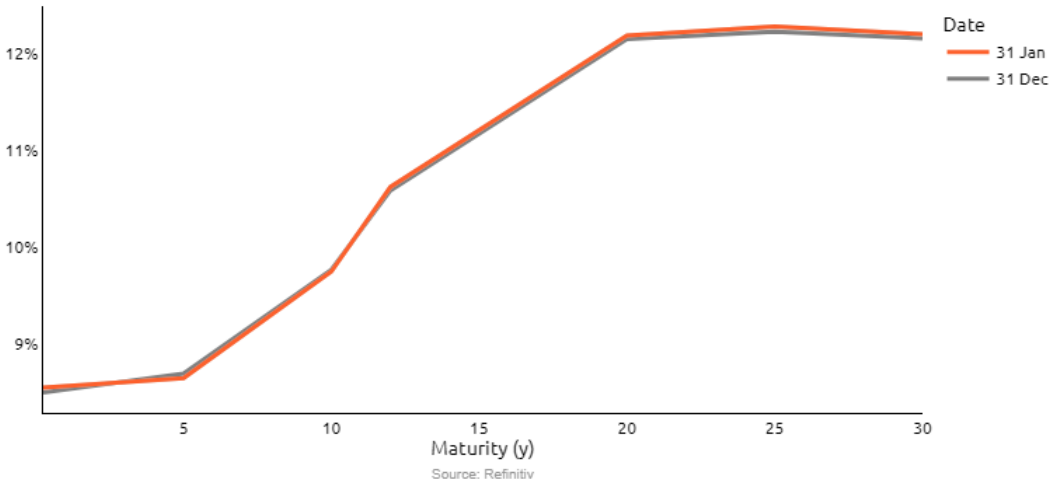
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## Bonds

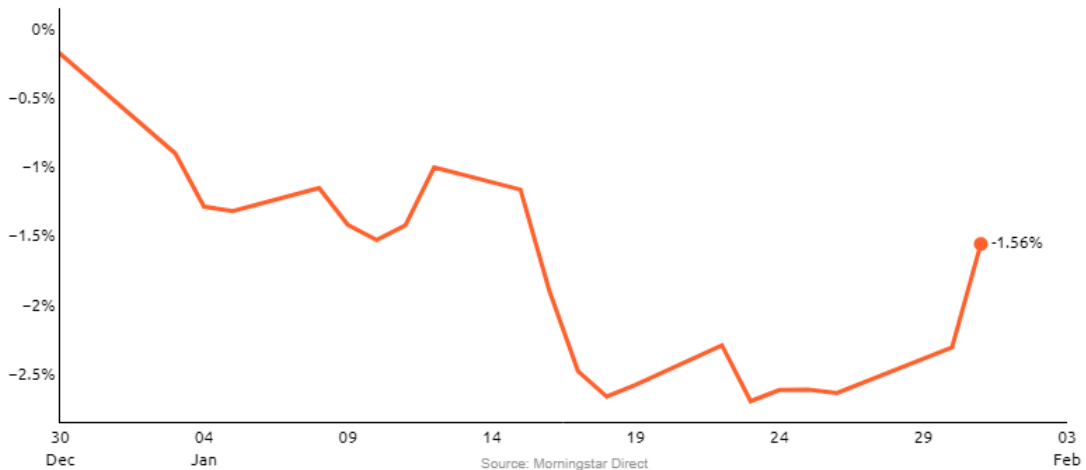
ALBI Total Return



Yield Curve South Africa



FTSE G7 Total Return





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## Bonds

- In contrast to local equities, the ALBI gave a positive return for the start of the year.
- Developed market bonds experienced some sell-off on the back of inflation numbers, once again in contrast to developed market equities.
- Overall, January was a mixed bag of results in the markets but following the strong end of 2023, a cooling off period was expected at some point.