



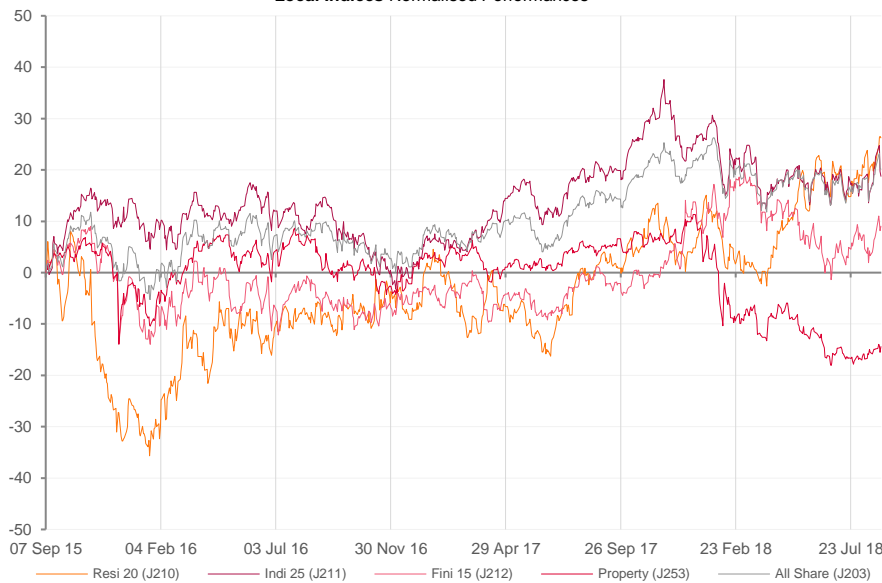
Morning Monocle

Monday | 03 September 2018

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South African Markets

Local Indices Normalised Performances



Total Return Indices Cumulative Return January 2003 - August 2018

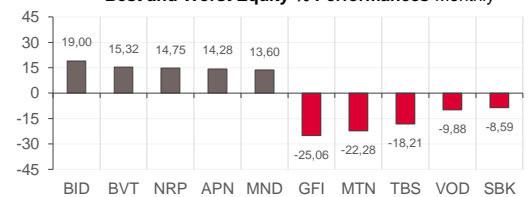


Commentary

The JSE performed well during August with the All Share index adding 2.24% to close the month off at 52,464 index points. As a result, the J203 nearly erased all of its losses for the year, with the index having now only lost 0.13% during 2018. The Top 40 also ended higher, up 2.15%, supported by a strong performance among resources and industrials. Bid Corporation and Bidvest featured as the month's top performers, up 19% and 15.32% respectively, while NEPI Rockcastle gained 14.75% to round off the top-three after releasing its results. In contrast, Gold Fields ended sharply lower, down a massive 25.06%. MTN also endured a tough month after it shed 22.28%, impacted by a sharp decline at the end of the month after the Central Bank of Nigeria demanded that the company return \$8.1bn back to Nigeria. Finally, Standard Bank slumped 8.59% after it, along with other financial shares, was negatively affected by the sharply weaker rand.

South African Indices	Close	1M%	12M%	YTD%
Top 40	52464,00	2,24	4,94	-0,13
All Share	58668,50	2,15	3,81	-1,41
Resource 10	43699,50	5,23	21,91	20,41
Industrial 25	75096,10	1,98	-1,23	-5,04
Financial 15	17122,30	-0,29	9,00	-4,20
Mid Cap	71714,50	1,43	-6,39	-10,63
Small Cap	55745,20	1,02	-7,24	-8,57

Best and Worst Equity % Performances Monthly



South African Indices - Total Return Performances

Timeframe	J200T	J210T	J211T	J212T	J253T
1M %	2,42	5,77	2,07	-0,26	2,15
3M %	5,77	10,93	4,68	3,27	-1,88
6M %	3,76	25,31	-0,83	-4,39	-1,55
12M %	7,94	26,80	0,33	14,27	-12,40
2Y % *	9,41	22,35	4,48	13,10	-2,10
3Y % *	8,73	10,50	7,44	6,16	-0,27
4Y % *	6,53	-2,79	8,24	8,50	6,04
5Y % *	9,87	1,03	11,64	13,29	8,74
7Y % *	12,82	1,29	18,06	16,19	11,26
10Y % *	10,53	0,28	17,22	13,80	13,38

* Annualised Performance

International Markets

International Indices Normalised Performances



Commentary

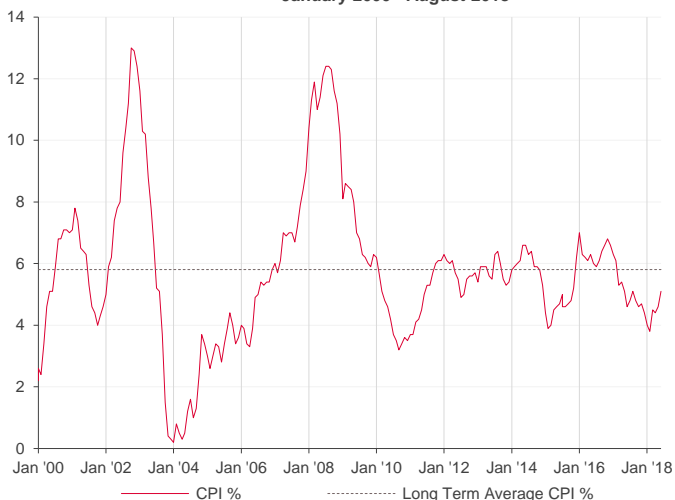
International markets were mixed during August, with US indices repeatedly touching new all-time highs while European markets ended in negative territory. On Wall Street, the NASDAQ led the region's gains, up 5.71%, while the S&P 500 added 3.03%. In Asia, the Japanese Nikkei managed to gain 1.38%, while the Shanghai Composite lost 5.25%. Lastly, European indices were awash in red, with a 4.08% decline in the FTSE 100 featuring among the region's worst performers.

American Indices	Close	1M%	12M%	YTD%
Dow Jones	25964,82	2,16	18,09	5,04
S&P 500	2901,52	3,03	17,16	8,52
Nasdaq	8109,54	5,71	26,02	17,47
European Indices	Close	1M%	12M%	YTD%
FTSE	7432,42	-4,08	-0,08	-3,32
DAX 30	12364,06	-3,45	1,82	-4,29
CAC 40	5406,85	-1,90	5,54	1,77
Asian Indices	Close	1M%	12M%	YTD%
Nikkei 225	22865,15	1,38	16,12	0,44
Hang Seng	27888,55	-2,43	-0,23	-6,79
Shanghai	2725,25	-5,25	-19,06	-17,60
ASX200	6319,50	0,63	10,39	4,19

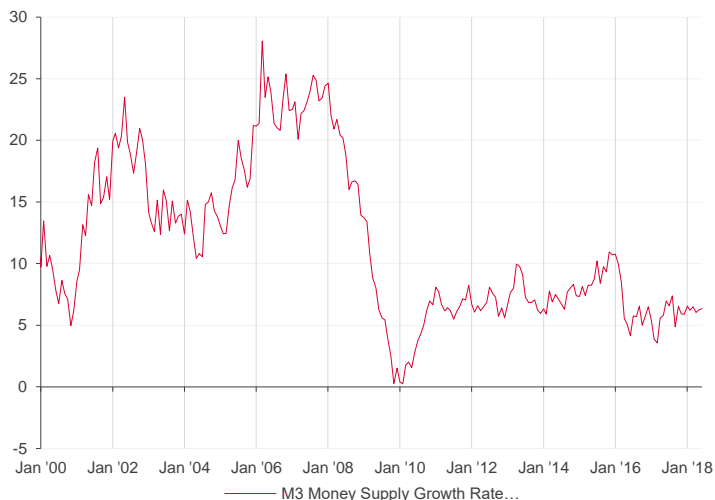
Economic Data

Consumer Price Index & M3 Money Supply

Consumer Price Index (CPI) vs Long Term Average CPI
January 2000 - August 2018



M3 Money Supply Growth Rate %
January 2000 - August 2018



CPI Commentary

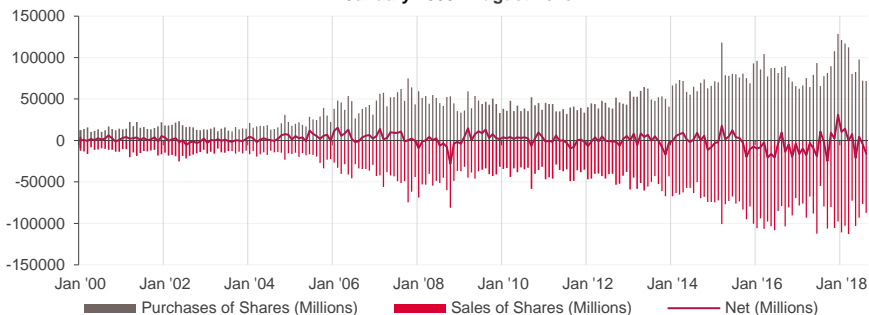
On the 22nd of August 2018, Stats SA published the latest inflation data. During July, South Africa's CPI rate increased to 5.1% YoY, up from the 4.6% recorded in June. The two key upward drivers were the housing and utilities component, as well as the transport component following the recent fuel price increases. In contrast, food prices remained in deflation. Lastly, the core inflation rate climbed to 4.3% in June, marginally higher than the 4.2% reported previously.

M3 Money Supply Commentary

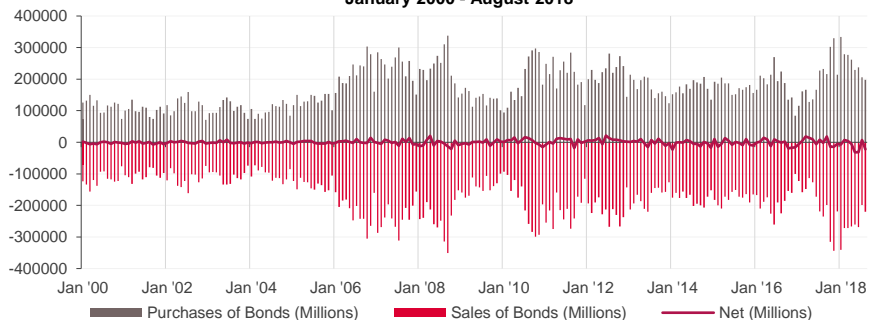
Near the end of the month, the South African Reserve Bank released the latest money supply data. In July, the M3 money supply, the broadest measure available, increased by 6% compared to a year ago. This was up from the 5.77% increase recorded in June and higher than expectations of a slowdown to growth of 5.7%. Furthermore, data also showed that private sector credit growth came in at 5.41% during July, slightly lower than the 5.68% recorded in June and worse than estimates of a 5.9% increase.

Foreign Portfolio Flows

Purchases and Sales of Shares by Non-Residents
January 2000 - August 2018



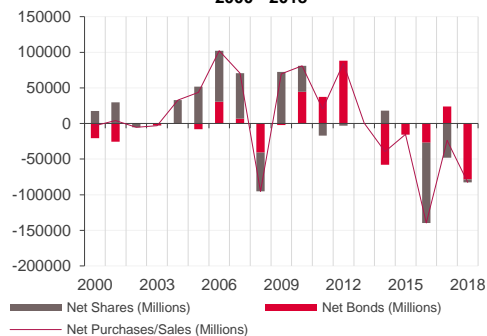
Purchases and Sales of Bonds by Non-Residents
January 2000 - August 2018



Foreign Portfolio Flows Commentary

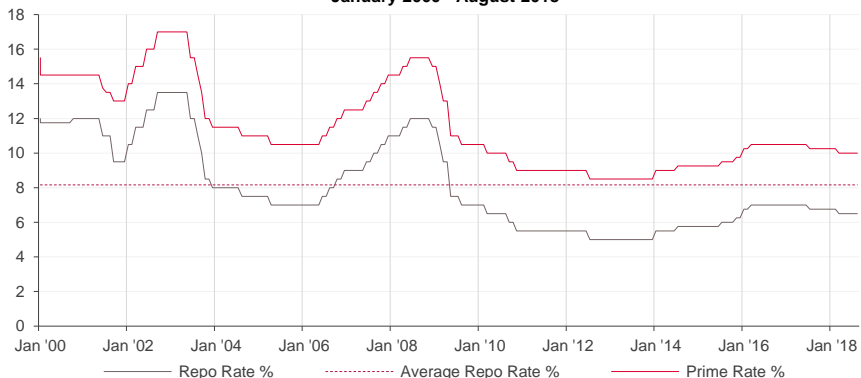
During August, the rand weakened sharply, negatively impacted by emerging market concerns. Investors were mainly worried about signs that Turkey may be heading towards a financial crisis, while the Argentinian central bank hiked interest rates by 15 percentage points to 60% on the 30th of August. This was done in order to try and stem sharp losses in the peso. In response, most emerging market currencies, including the rand, weakened sharply against the dollar during August. By the close of August, the rand was at around the R14.70/\$ level, after starting the month off at R13.15/\$.

Net Purchases/Sales of Shares and Bonds by Non-Residents
2000 - 2018



South African Interest Rates

Repo Rate vs Prime Rate
January 2000 - August 2018



Commentary

It proved to be a quiet month in terms of central bank releases, with only the Bank of England holding a meeting. On the 2nd of August 2018, the Bank of England announced that it would hike interest rates by 25 basis points to 0.75% in what turned out to be a unanimous decision. However, there were lingering concerns about Brexit and its unintended consequences. Looking forward, the South African Reserve Bank will announce the outcome of its latest Monetary Policy Committee meeting on the 21st of September 2018. Finally, the US Federal Reserve and the Bank of England will release the outcomes of their meetings on the 26th and 13th of September respectively.

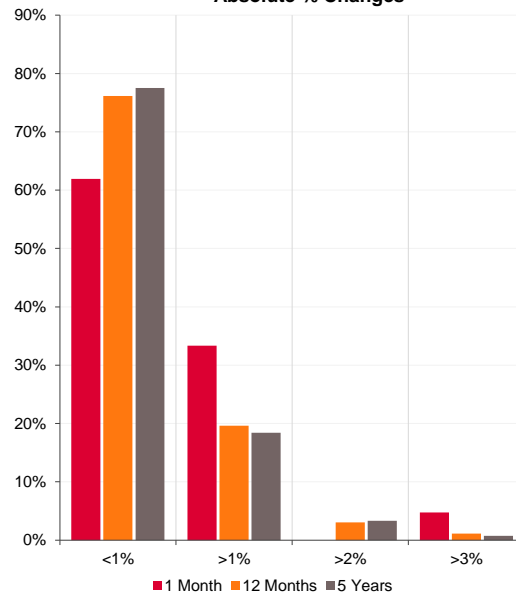
Fundamental Data

Market Volatility

All Share 12-Month Rolling Performance vs Volatility
January 2000 - August 2018

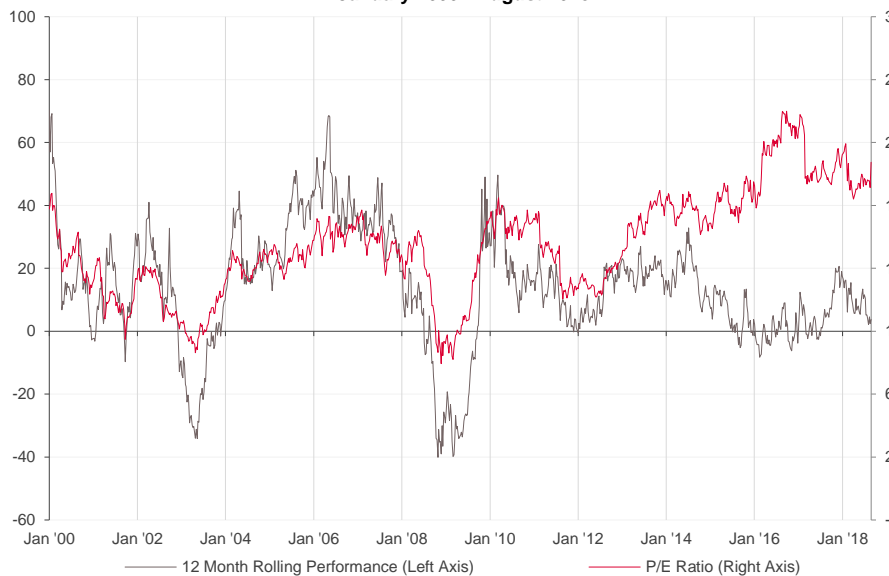


Absolute % Changes

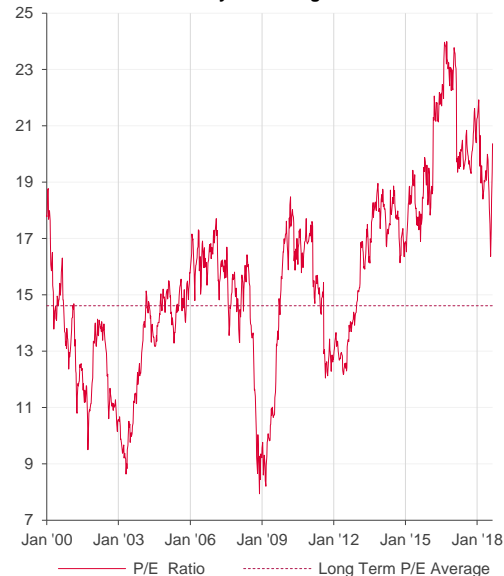


All Share Price/Earnings Ratio Data

All Share 12-Month Rolling Return vs P/E Ratio
January 2000 - August 2018



All Share P/E Ratio vs Long-Term P/E Ratio
January 2000 - August 2018



JSE All Share Dividend Yield Data

All Share Index vs Dividend Index
January 2000 - August 2018



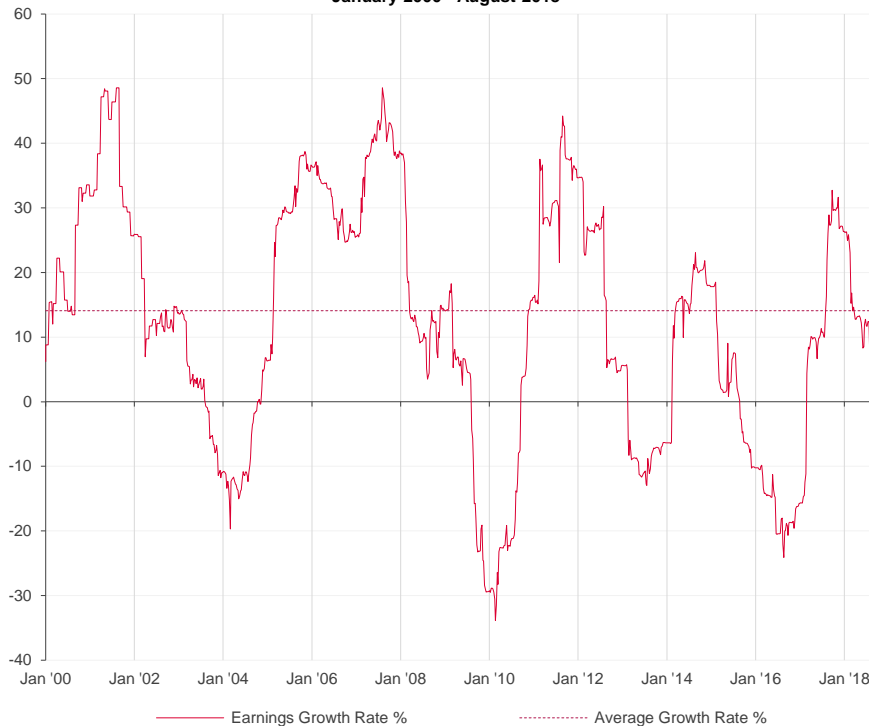
All Share Dividend Growth vs Average Growth
January 2000 - August 2018



Fundamental Data Continued

JSE All Share Earnings Yield Data

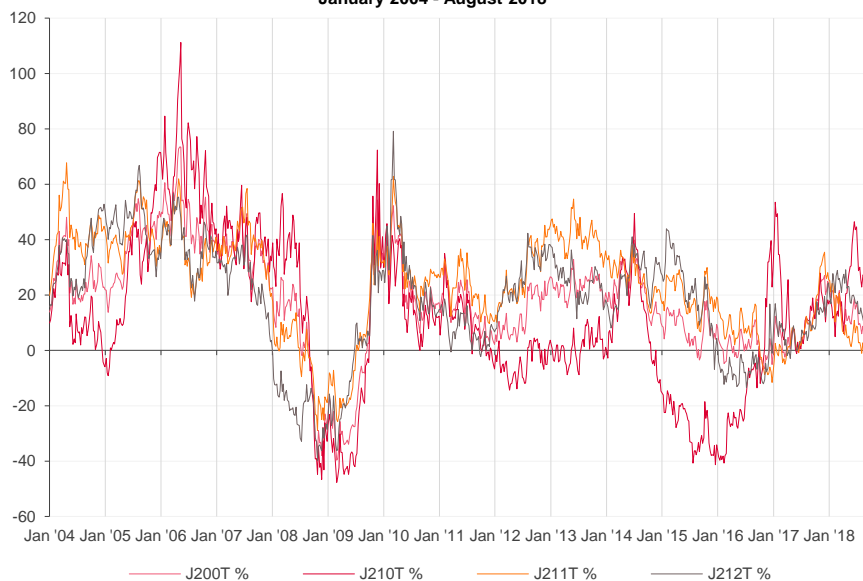
All Share Earnings Growth Rate vs Average Growth Rate
January 2000 - August 2018



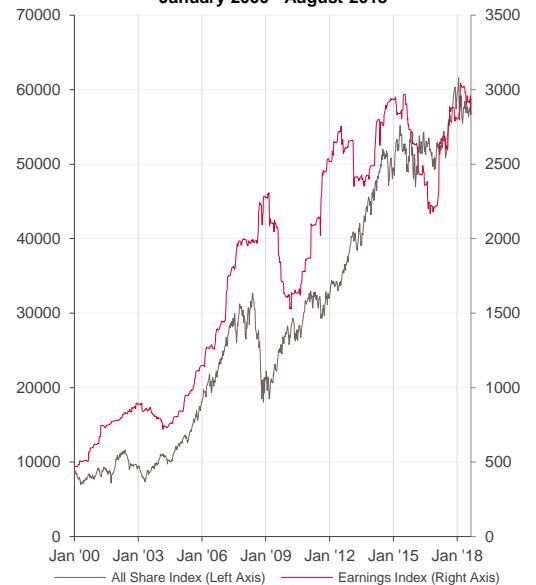
Year	Equities	Properties	Bonds	Cash
1991	31%	21%	14%	14%
1992	2%	1%	28%	12%
1993	55%	16%	32%	11%
1994	23%	17%	-9%	10%
1995	9%	10%	30%	11%
1996	9%	-9%	7%	12%
1997	-5%	13%	29%	17%
1998	-10%	-4%	5%	17%
1999	61%	44%	30%	16%
2000	0%	26%	20%	11%
2001	29%	6%	18%	11%
2002	-8%	18%	16%	12%
2003	16%	37%	18%	12%
2004	25%	41%	14%	8%
2005	47%	50%	11%	8%
2006	41%	28%	5%	8%
2007	19%	27%	4%	9%
2008	-23%	-5%	17%	12%
2009	32%	14%	-1%	9%
2010	19%	30%	15%	7%
2011	3%	9%	9%	6%
2012	26%	36%	16%	5%
2013	21%	8%	1%	5%
2014	11%	27%	10%	5%
2015	5%	8%	-4%	6%
2016	3%	10%	15%	6%

Annualised Return
14,46%
16,96%
13,07%
10,13%

Local Indices 12-Month Rolling Return
January 2004 - August 2018



All Share Index vs Earnings Index
January 2000 - August 2018



Key:

1M% - 1 Month Percentage Change. 3M% - 3 Month Percentage Change. 6M% - 6 Month Percentage Change. 12M% - 12 Month Percentage Change. 2Y% - 2 Year Percentage Change. 3Y% - 3 Year Percentage Change. 4Y% - 4 Year Percentage Change. 5Y% - 5 Year Percentage Change. 7Y% - 7 Year Percentage Change. 10Y% - 10 Year Percentage Change. YTD% - Year-to-Date Percentage Change. Top 40 - J200 - Top 40 shares by market capitalisation. ALSI - J203 - South African All Share index. Resi 20 - J210 - Top 20 resource sector shares by market capitalisation. Fini 15 - J211 - Top 15 financial sector shares by market capitalisation. Indi 25 - J212 - Top 20 industrial sector shares by market capitalisation. Property - J253 - South African Listed Property Sector.

Terminology:

12 Month Rolling Return - The annualized average return for a period. Annualised - Rate of return on an investment recalculated as an annual rate. CPI - Consumer Price Index - A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. The CPI is calculated by taking price changes for each item in the predetermined basket of goods and averaging them; the goods are weighted according to their importance. Cumulative Return - The aggregate amount that an investment has gained or lost over time, independent of the period of time involved. DY - Dividend Yield - Is the dividend per instrument divided the price of the corresponding instrument. Dividend Growth Rate - The percentage rate of growth of an instrument's dividend. EY - Earnings Yield - Is the earnings per instrument divided by the price of the corresponding instrument. Earnings Growth Rate - The percentage rate of growth of an instrument's earnings. Foreign Portfolio Flows - The purchase and selling of shares and bonds by non-residents. This has a direct influence on the direction of the rand and the overall investor sentiment of the JSE. M3 Money Supply - A measure of money supply that includes M2 as well as large time deposits, institutional money market funds, short-term repurchase agreements and other larger liquid assets. P/E Ratio - Is the current share price relative to the historical earnings of the instrument. Prime Rate - The prime overdraft rate or simply prime rate is the lowest rate at which a clearing bank will lend to its clients on overdraft. Repo Rate - The rate at which the central bank of a country (RBI in case of India) lends money to commercial banks in the event of any shortfall of funds. Short Term Volatility - Is calculated by the annualised standard deviation of the daily returns of the JSE All Share Index. T - TRI - Total Return Index - Includes the reinvestment of dividends.

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