

Market Review – April 2020

South Africa enters a new phase of the lockdown with slightly eased restrictions. Some businesses are allowed to resume operations while those who are able to work from home are encouraged to do so. A survey conducted by Stats SA on 707 companies revealed that some 30.6% of businesses can survive less than a month without turnover, while 54% can survive between 1 and 3 months. Losses suffered run in the billions of Rands and companies fear they may never be able to open their doors again. Edcon Ltd, a retail company headquartered in Johannesburg is among the businesses that got hit the most, they applied for voluntary business rescue earlier in the month.

Local Markets

The Local market followed the global trend with positive gains in April, but the markets remain volatile. The least negative sector this year is the consumer staples while property remains the hardest hit. Emperor has a 35% exposure to basic materials, followed by consumer staples at 32% and our lowest exposure is to industrials at 2%.

Equity Indices	April	YTD
Basic Materials	22.89%	-9.82%
Top40 - (Tradable)	13.77%	-8.79%
All Share	13.14%	-11.82%
Technology	13.13%	26.56%
Consumer Goods	9.47%	-1.79%
Small Cap	8.67%	-27.33%
Financials	8.59%	-34.55%
Health Care	8.33%	-17.66%
Mid Cap	7.63%	-31.39%
Industrials	5.58%	-35.19%
SA Listed Property (J253)	4.87%	-46.44%
Telecommunication	2.67%	-26.50%
Consumer Services	1.15%	-27.11%

The top performers came from the resources sector. Sasol's shares lost over 70% this year - owing to the crash in oil prices and the company's balance sheet constraints. In the negative territory we have Shoprite and Clicks, down 14% and 10.5% respectively.

<i>JSE Top 40 - Top performing shares</i>					
Share Code	Company Name	Industry Sector	Market Cap (Rmn)	April	YTD
SOL	SASOL LTD	Basic Materials	51,861	136.3%	-71.2%
SSW	SIBANYE STILLWATER LTD	Basic Materials	100,019	67.3%	5.2%
GFI	GOLD FIELDS LTD	Basic Materials	132,341	53.7%	47.9%
IMP	IMPALA PLATINUM HOLDINGS LTD	Basic Materials	85,257	48.1%	-21.8%
ANG	ANGLOGOLD ASHANTI LTD	Basic Materials	200,138	45.6%	46.8%
NHM	NORTHAM PLATINUM LTD	Basic Materials	45,151	33.2%	-25.2%
<i>JSE Top 40 - Worst performing shares</i>					
Share Code	Company Name	Industry Sector	Market Cap (Rmn)	April	YTD
MTN	MTN GROUP LTD	Communications	87,750	0.5%	-41.1%
SBK	STANDARD BANK GROUP LTD	Financial	155,675	-0.3%	-39.3%
SPP	SPAR GROUP LIMITED/THE	Consumer, Non-cyclical	33,800	-2.7%	-10.4%
RDF	REDEFINE PROPERTIES LTD	Financial	11,876	-4.2%	-70.0%
CLS	CLICKS GROUP LTD	Consumer, Cyclical	55,700	-10.5%	-10.1%
SHP	SHOPRITE HOLDINGS LTD	Consumer, Non-cyclical	62,499	-14.3%	-14.9%

International Markets

Positive in the month. Tensions between the US and China have re-emerged after the US placed a blame on China for Covid-19. The US president hinted that the US could punish China with new tariffs because of the virus outbreak.

Region	International Markets	USD	ZAR
Americas	S&P 500 index	12.68%	16.93%
Americas	Nasdaq Composite index	15.45%	19.79%
Americas	Dow Jones Industrial Average	11.08%	15.26%
Europe and Middle East	Euro Stoxx 50 price EUR	4.73%	8.68%
Europe and Middle East	FTSE 100 Index	5.59%	9.56%
Europe and Middle East	CAC 40 index	3.68%	7.59%
Europe and Middle East	Deutsche Borse AG German Stock Index DAX	8.98%	13.08%
Asia	Nikkei 225	7.60%	11.65%
Asia	Hong Kong Hang Seng index	4.42%	7.18%

Emperor Asset Management

Emperor's portfolios rallied nicely in the month led by the momentum building block. Emperor recently introduced a Covid-19 bundle to the platform; it invests in companies we believe are better positioned to survive and remain profitable in the post COVID world.

Investment Products		This Month	YTD
Segregated Portfolios	Leveraged Equity (RFS)	10.47%	15.70%
Segregated Portfolios	Long-Short 140/40 (SJR)	10.12%	10.93%
Easy Equities - Bundles	Core Income Plus (Elbrus)	4.68%	0.71%
Easy Equities - Bundles	Core Conservative (Kilimanjaro)	8.66%	3.08%
Easy Equities - Bundles	Core Moderate (Denali)	9.38%	2.55%
Easy Equities - Bundles	Core Balanced (Aconcagua)	10.46%	0.72%
Easy Equities - Bundles	Core Flexible Equity (Everest)	12.76%	-1.63%
Easy Equities - Bundles	Enhanced Conservative (Kilimanjaro)	8.65%	2.63%
Easy Equities - Bundles	Enhanced Moderate (Denali)	9.86%	2.73%
Easy Equities - Bundles	Enhanced Balanced (Aconcagua)	10.15%	0.30%
Easy Equities - Bundles	Enhanced Flexible Equity (Everest)	12.70%	1.79%
Easy Equities - Bundles	Quality Building Block	12.13%	-12.75%
Easy Equities - Bundles	Stability Building Block	2.04%	-22.33%
Easy Equities - Bundles	Value Building Block	5.48%	-11.43%
Easy Equities - Bundles	Momentum Building Block	24.20%	-13.17%
Easy Equities - Bundles	Core International Portfolio	12.54%	23.70%
Easy Equities - Bundles	International Equity Bundle (USD)	15.38%	0.13%
Easy Equities - Bundles	Shariah	14.54%	-2.59%
Easy Equities - Bundles	COVID-19 Bundle	14.38%	18.90%

All Performance data sourced from Bloomberg on 30 April 2020.

Happy investing!

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