



OPPORTUNITY

PRIVATE CAPITAL

Economic Snapshot June 2019

Welcome to the Opportunity Investor Newsletter #1. The newsletter serves as a place to converse on market related information and thought-provoking investment matters. We will also communicate links to noteworthy articles of interest in the public domain, as we want our investors to be financially literate in order to understand where our investment and its specific risk profile fits into their respective portfolios.

FOCUS: MAIN INDICES (Calendar year)

- Inflation: 4.1%
- STeFI (Average Money Market): 7.3%
- All-Share Index: 11.7%
- FNB/BER Building Confidence Index: 29/100
- (Data: IRESS/BER/Sharenet)

LOCAL HIGHLIGHT

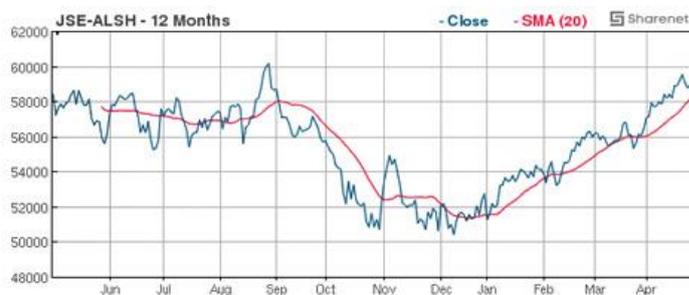
- SA elections: Positive market sentiment and stability after ANC achieves strong but weakened majority vote

GLOBAL EVENTS OF NOTE

- US/China trade tensions and 'tariff war'
- Brexit extension, trade partner uncertainty
- Increase in terror attacks & extremism (Sri Lanka, New Zealand)

FOCUSED COMMENTARY

After a very disappointing 2018 for equities, the index has rebounded strongly in 2019, gaining 8.2% (total return) to middle May, leaving investors more or less on par year-on-year. Local equity returns have also disappointed over the past 3 years, with many investors preferring global equities or other asset classes.



(Graph: ShareNet)

The question is if the trend will continue, with some market commentators saying there is no fundamental strength in terms of earnings support. Current general sentiment does point to optimism on the back of Cyril Ramaphosa's reform process that can start in earnest after the elections. All eyes will be on the changes in cabinet over the next few months.

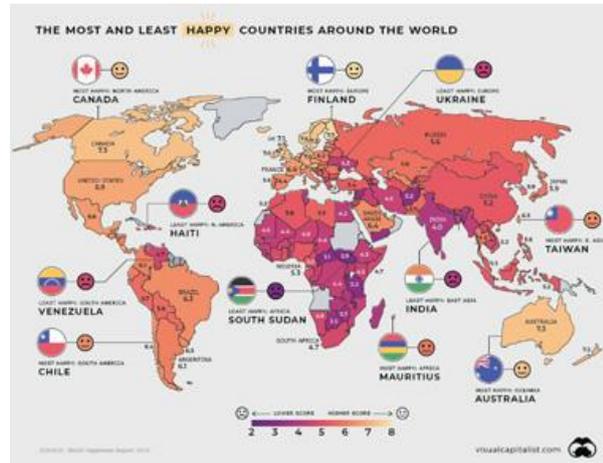


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FOOD FOR THOUGHT

In the run up to our elections, South Africans have had a see-saw of emotions over the past two years since Zuma stepped down. We have moved from Ramaphoria to current low levels of business confidence. With all the commissions of enquiry revealing the rats and mice of the recent past, we need a cool head to navigate our current waters and take hold of the available opportunities. All-in-all we are still in positive territory compared to southern Africa, as revealed in the accompanying chart.

Source:
<https://www.visualcapitalist.com/visualizing-the-happiest-country-on-every-continent/>



OUR QUOTE FOR THE MONTH:

To be successful in real estate, you must always and consistently put your clients' best interests first. When you do, your personal needs will be realized beyond your greatest expectations. ~ Anthony Hitt ~

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