



Market Commentary

February 2024

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Global market themes



NVIDIA gained 28% in February and has seen high demand for its chip technology and AI capabilities



Lunar New Year festivities preceded an online retail surge



Philippine inflation surged to 3.4% due to elevated rice prices, which increased by 23.7% from the previous year



India's coal production spiked by 11.83% compared to last year

February proved to be another month of strong performance, with US equity indices ending the month in record positive territory. This was highlighted by the Nasdaq Composite, Nasdaq 100, S&P 500, and Dow Jones, all of which reached all-time highs. Sectors that recorded strong growth included Consumer Discretionary (+8.7%), Industrials (+7.2%), Basic Materials (+6.5%), and Technology (+6.3%). Within technology, NVIDIA gained an astonishing 28% in February, now making it one of the US stock market's most valuable companies after Microsoft and Apple. NVIDIA has seen high demand for its chip technology and interest from companies looking to enhance their AI capabilities.

The MSCI World Index saw an increase of 4.2%, while the MSCI All Country World Index, which includes emerging market stocks, increased by 4.3%. The MSCI EM saw an increase of 4.8% for the month. The Nikkei 225 reached an all-time high and continued its positive run with an increase of 8.0% in February. The STOXX All Europe experienced an uptick of 1.9% over the month, along with a 10.4% uptick over the 12-month period.

Following the Federal Open Market Committee (FOMC) meeting on 31 January 2024, the policy rate was left unchanged and remained within the range of 5.25% to 5.5%. The Eurozone inflation rate continued to slightly ease in January, declining from 2.9% in December to 2.8% in January. The European Central Bank (ECB) rate cycle is expected to commence easing policy, with the market pricing in potential cuts later this year. Although the Bank of England (BoE) chief economist Huw Pill believes that the interest rate cuts may still be some way off. The disconnect between what the market is pricing in versus comments made by officials highlights the inherent uncertainty regarding the interest rate outlook.

The week of February 10th ushered in the Chinese Lunar New Year, specifically the Year of the Dragon. This brought about

numerous festivals, holidays and celebrations across Southeast Asian countries. The Year of the Dragon is regarded as the most auspicious sign in the Chinese zodiac and one that represents good luck, strength, and health. Following this celebration, online retail gained strong momentum and reached nearly \$112.4 billion. Japan's core inflation re-accelerated in February, reaching 2.5%, which is above the target CPI of 2%.

The Philippines saw a rise in annual inflation from 2.8% in January to 3.4% in February, primarily due to heightened rice prices, which surged by 23.7% from the previous year. India saw strong growth in coal production for the month, with an 11.83% increase compared to production last February. A large contributor was Coal India Limited (CIL), the country's leading coal miner, which increased its production by 8.69% compared to February last year.

Ahead of the G20 summit in Brazil later this year, a key meeting of finance ministers and central bank governors explored plans for a potential global minimum tax on the world's top billionaires. Australia's Services Purchasing Managers Index (PMI) saw a positive uptick to 53.1 from the previous print of 49.1, indicating growth in the services industry.

Following the civil war that broke out in April 2023, Sudan's economy has been drastically shrinking. During a press conference, the Sudanese Finance Minister highlighted how the economy shrunk by 40% last year and is expected to shrink by roughly 28% this year. Following government statistics released in February, Nigeria's inflation rate rose to 29.9%, mostly driven by the prices of food and non-alcoholic beverages. The country has relied heavily on imports to meet the needs of its growing population of more than 210 million people.

During the Italy Africa Summit in Rome, Italian Premier Giorgia Meloni declared plans of development in Africa, which would

\$5.95bn

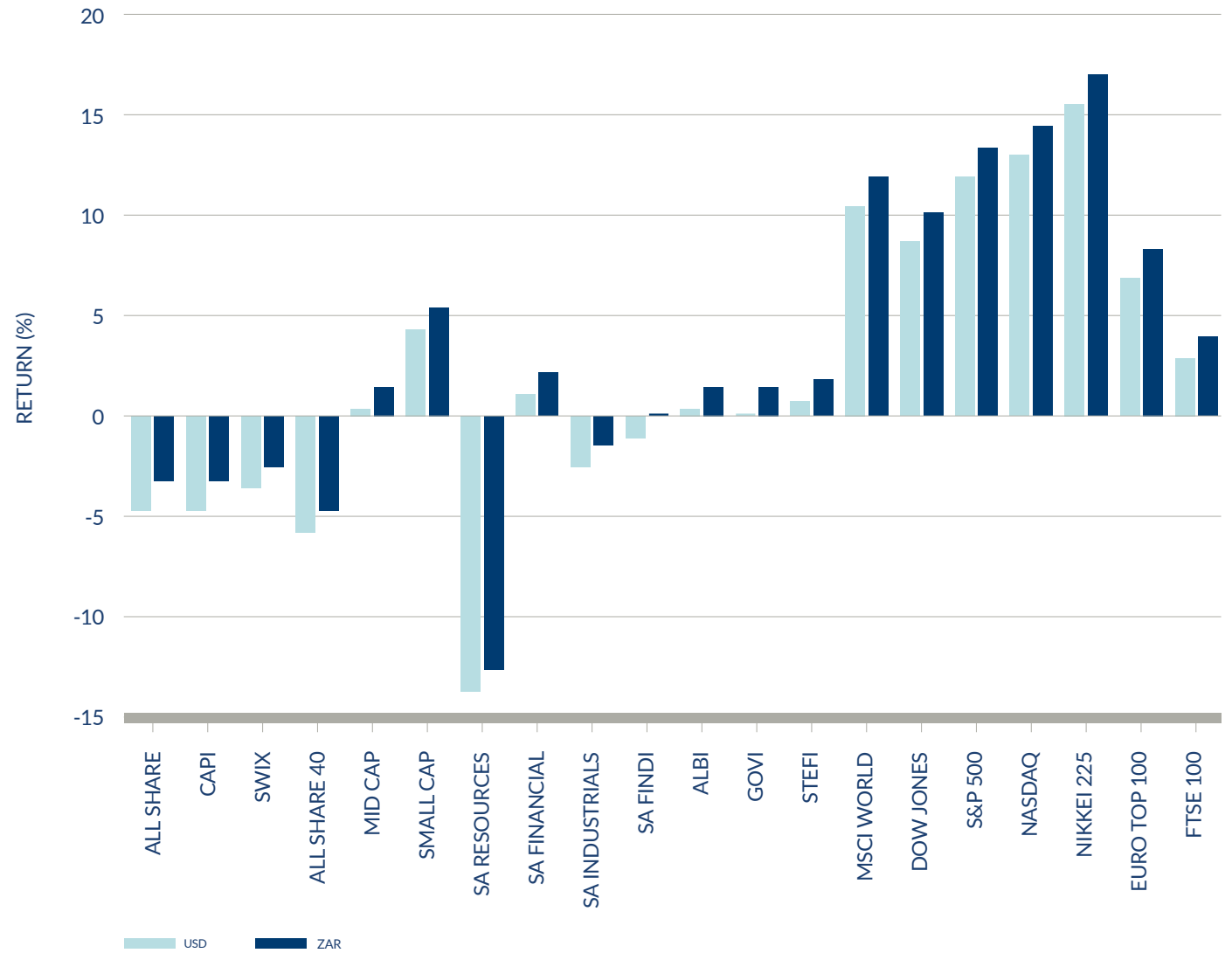

Italy pledged \$5.95 billion
for African development at
the Italy Africa Summit

involve projects such as healthcare, energy infrastructure, water, and agriculture. The initial endowment of \$5.95 billion is to help support initiatives already underway.

Brent crude oil settled at \$83.62 per barrel for February. During the month, Gold saw an increase of 0.2%, while Copper and Silver each decreased by 1.2%. Platinum and Palladium were also down by 4.6% and 3.6% respectively. The price of Iron Ore was down by 10.3%. The USD/ZAR exchange rate ended the month at R19.18.

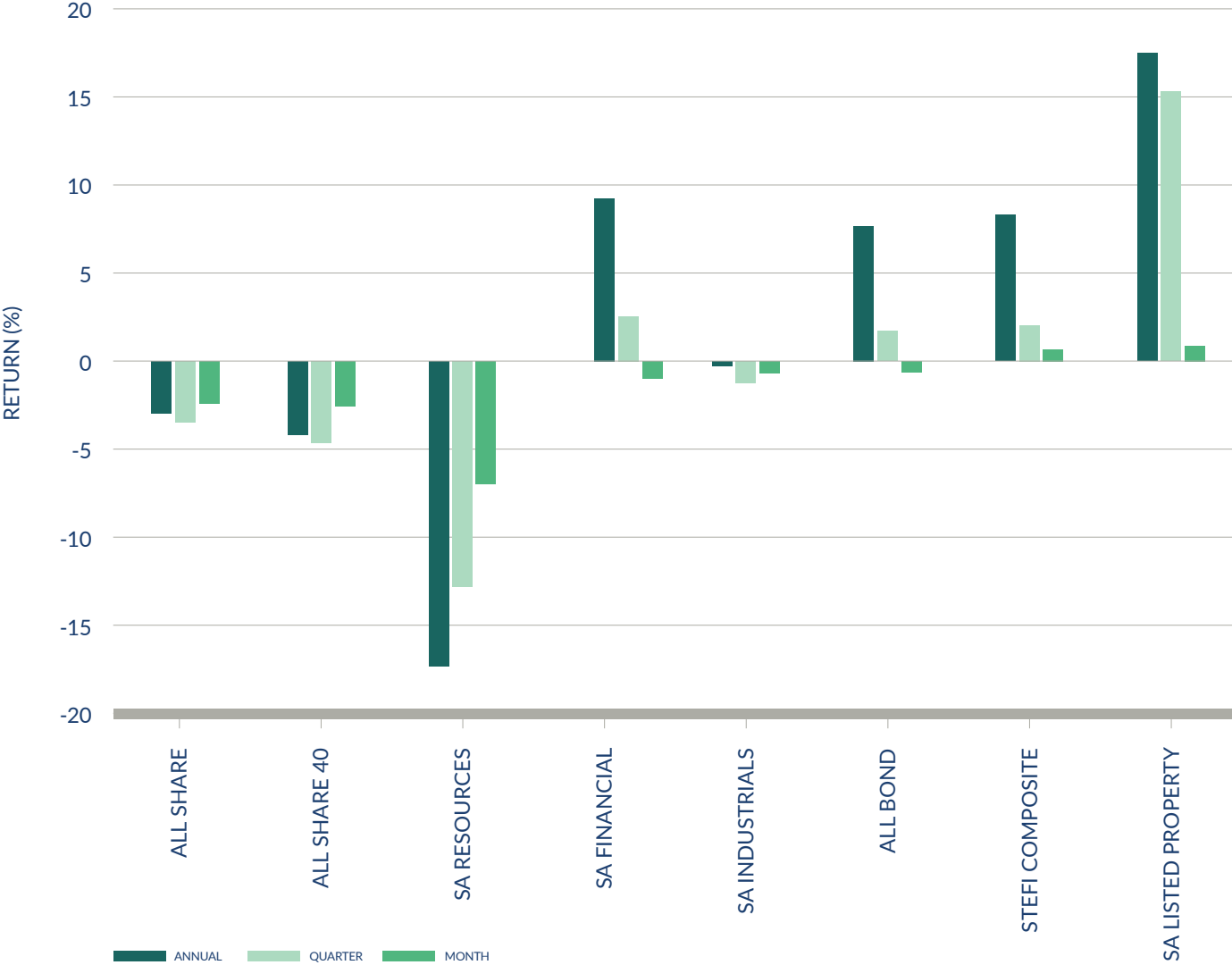
World Market Indices Performance

QUARTERLY RETURN OF MAJOR INDICES



South African Market Indices Performance

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