



Market Commentary

October 2024

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Global market themes

As the US presidential election drew closer, markets became more cautious. US and global indices recorded lower performance for the month. The latest global growth projected rates for both 2024 and 2025 came in at 3.2%. Factors that play a role in these forecasts included disruptions to shipping, conflict, civil unrest, and adverse weather conditions. On the other hand, growth was bolstered by increased demand for electronics and investments in artificial intelligence.

For the month of October, equities slid lower as shown by the relevant indices. The Dow Jones Industrial Average dropped by -1.3%, while the S&P 500 dipped by -0.9%. The Nasdaq Composite decreased by -0.5%. The MSCI World Index declined by -2.0%, while the MSCI All Country World Index fell by -2.2%. The MSCI EM Index saw a larger drop of -4.5% for the month, while the Nikkei 225 saw an increase of +3.1%. The STOXX All Europe fell by -3.4% over the month.

The latest US inflation rate decreased to 2.4% in September 2024, while core inflation rose to 3.3%. Over October, the US ISM Manufacturing PMI declined, whereas the Services PMI rose higher. Sectors that experienced poor performance in October included healthcare, consumer staples, and real estate. On a stock level, semiconductors and semiconductor equipment performed poorly. Sectors that ended the month in positive territory included financials, communication services, and energy.

On 30th October, Chancellor Rachel Reeves delivered the UK Budget, which included £40 billion in tax hikes, including an increase in employer National Insurance contributions. The Chancellor also pledged a £22 billion boost for the National Health Service (NHS). The Eurozone economy grew collectively by 0.4% in the third quarter of the year, compared to 0.2% growth in the previous quarter. However, this growth could be impacted by the outcome of US elections and escalating trade tensions with Asian counterparts.

Growth within South Asia is expected to increase to 6.4% in 2024, exceeding earlier projections. Key factors for unlocking this growth include increasing women's labour force participation and further opening up to international trade. In an effort to boost the economy, China's Finance Minister, Lan Fo'an, announced that the country will start introducing targeted incremental fiscal policy measures. This will include increasing the debt ceiling to assist hidden debt of local governments and to alleviate debt risks. The People's Bank of China (PBC) is also expected to further reduce the reserve requirement ratio (RRR) by 0.25-0.5% towards the end of 2024.

In Japan, the Liberal Democratic Party (LDP) lost its parliamentary majority in the national election. Despite this, Prime Minister Shigeru Ishiba's party remained the top party in Japan's parliament, and a change in government is not anticipated. However, the lack of a majority makes it difficult to get policies through parliament, and a third coalition partner might be necessary.

India's overall coal production in October recorded a 7.5% (84.45 million tonnes) increase from the previous year. Coal dispatches also rose by 4.6% (82.89 million tonnes).

During October, the BRICS 2024 summit took place in Kazan, Russia. The coalition has expanded to include Iran, Egypt, Ethiopia, the United Arab Emirates, and Saudi Arabia. This year's BRICS Summit focused on building a unified payment system, expanding the BRICS network of countries, and improving cooperation on infrastructure, energy, and space projects.

Brent crude oil settled at \$72.81 per barrel in October. During the month, Gold, Platinum, and Silver all increased by +4.2%, +1.3% and +4.8%, respectively. Copper decreased by -3.3%, while Palladium had a strong performance, coming in at +11.6%. The price of Iron Ore was down by -5.6%. The USD/ZAR exchange rate ended the month at R17.68.



Markets turned cautious as the US presidential election approached



Economic growth in South Asia surpassed expectations at 6.4% in 2024



UK's budget includes tax hikes, and a pledge of £22 billion for the NHS



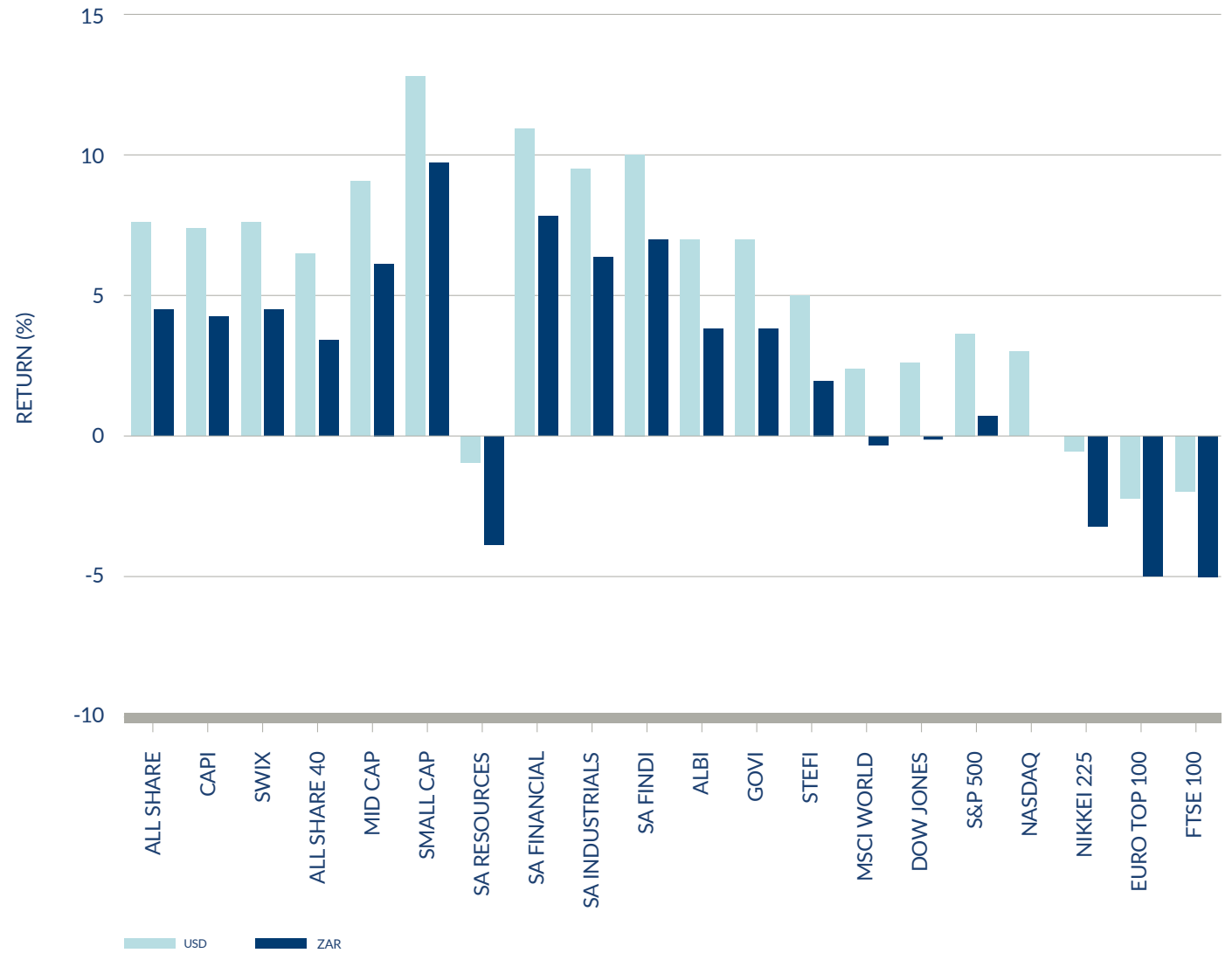
The BRICS summit welcomed new members and indicated advanced unified payment system plans



Japan's ruling party lost its majority and may need to seek a coalition partner

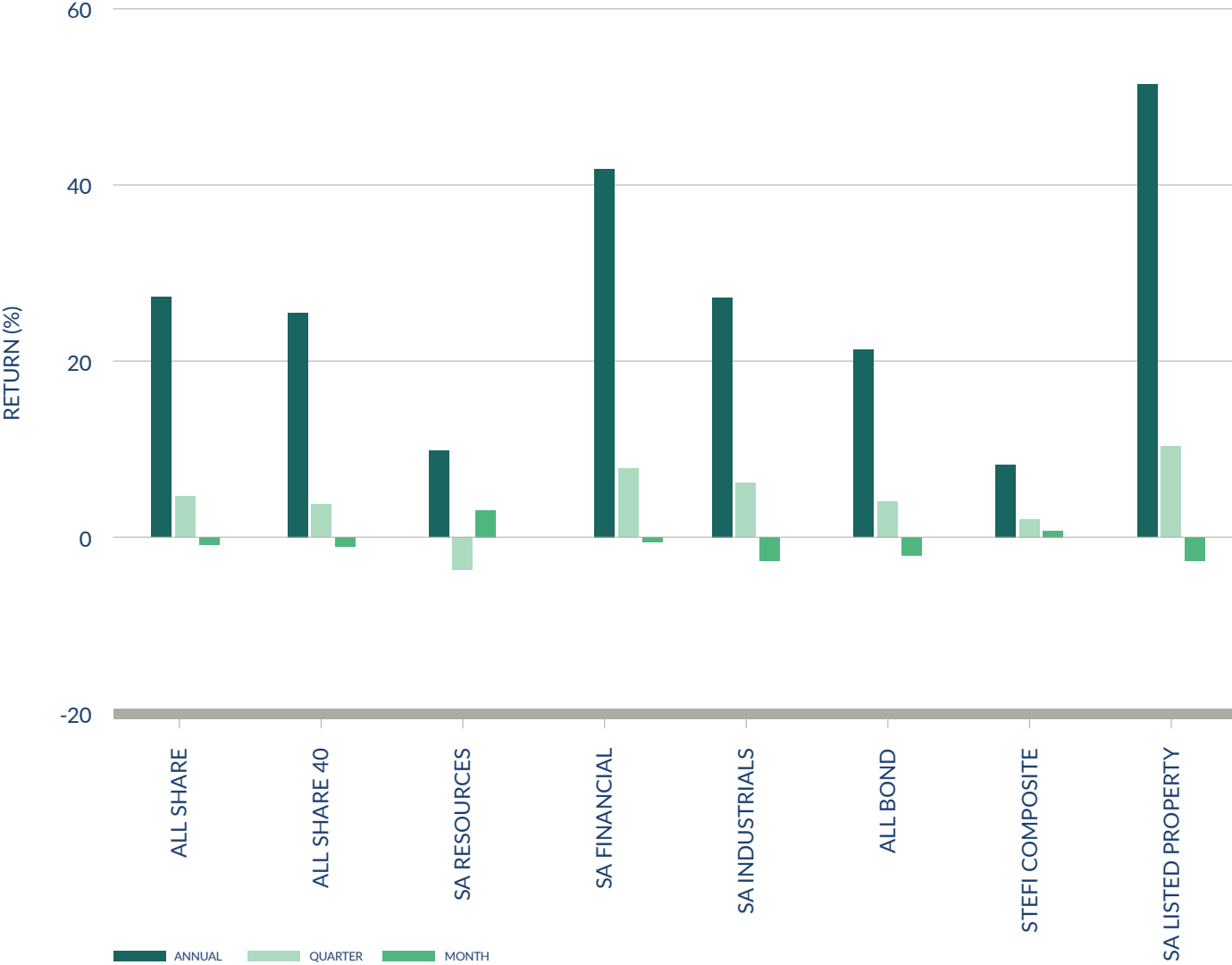
World Market Indices Performance

QUARTERLY RETURN OF MAJOR INDICES



South African Market Indices Performance

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