

31 December 2018

South African Markets (ZAR)

	Latest Value	Last Month	3 Months	1 Yr	3 Yrs Annualised	5 Yrs Annualised
JSE ALL SHARE	52,736.86	4.1%	-10.1%	-11.4%	1.3%	2.7%
JSE Volatility Index	21.79	0.2%	20.7%	46.0%	-0.5%	5.2%
ALBI	633.15	0.6%	2.7%	7.7%	11.1%	7.7%
Repo Rate	6.75%	0.0%	3.8%	0.0%	2.6%	6.2%

Offshore Markets*

	Latest Value	Last Month	3 Months	1 Yr	3 Yrs Annualised	5 Yrs Annualised
FTSE All World Index	300.96	-7.1%	-13.0%	-11.3%	4.5%	2.3%
FTSE Emerging Market Index	478.27	-2.7%	-6.4%	-15.5%	6.2%	-0.6%
All Share Index (Kenya)	142.00	-3.9%	-6.2%	-18.0%	-1.2%	0.5%
All Share Index (Zambia)**	5,248.39	-0.6%	-4.0%	-1.5%	-2.9%	n/a
All Share Index (Nigeria)	31,037.72	1.8%	-4.1%	-17.8%	3.1%	-5.3%
All Share Index (Mauritius)	2,213.90	-0.7%	-1.5%	0.7%	7.0%	1.1%

Inflation***

	Latest Value	Last Month	3 Months	1Yr	3 Yrs Annualised	5 Yrs Annualised
CPI (ZAR)	155.00	0.2%	1.1%	5.2%	5.5%	5.3%
CPI (Kenya)	193.51	-0.2%	0.0%	5.6%	5.7%	6.0%
CPI (Zambia)	216.99	0.9%	1.8%	7.8%	7.6%	9.8%
CPI (Nigeria)	272.56	0.8%	2.4%	11.3%	15.2%	12.3%
CPI (Mauritius)	102.82	0.4%	0.9%	6.1%	4.0%	2.7%

Currencies (ZAR)

	Latest Value	Last Month	3 Months	1 Yr	3 Yrs Annualised	5 Yrs Annualised
EUR	16.50	5.1%	0.5%	11.1%	-0.7%	2.6%
GBP	18.35	3.7%	-0.6%	9.5%	-7.0%	1.0%
USD	14.35	3.5%	1.5%	16.1%	-2.5%	6.6%
KES	0.14	4.3%	0.5%	17.5%	-2.3%	2.9%
ZMW	1.21	3.9%	4.1%	-2.6%	-5.0%	-8.7%
NGN	0.05	3.2%	1.4%	15.8%	-15.6%	-6.6%
MUR	0.42	4.2%	1.8%	13.5%	-1.0%	3.3%

* Indices are all reflected in their respective local currencies. FTSE Indices are quoted in USD. Data Source: Thomson Reuters
 ** Data source only goes back 3 years for this index
 *** CPI is lagged by one month

Commentary

Whilst the South African equity market has rebounded slightly over the last month, overall returns over the year was poor. Equities returned poorly for all the markets considered – with only Mauritius showing positive nominal returns in local currency terms. In real terms, all markets considered produced negative returns – with the Nigerian and Kenyan markets showing the worst returns followed by South Africa.

The South African equity market underperformed relative to the bond market by 19.1% over the year. Over a 5-year period the bond market continues to outperform the equity market generating an excess return of 5.1% p.a.

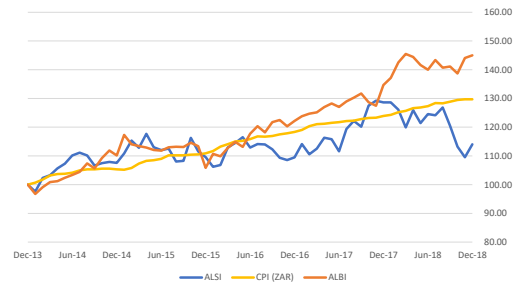
Globally, equity market returns were depressed year-on-year due in part to rising interest rates in the US and trade uncertainty between the US and China.

The rand weakened against all currencies considered over the last month. Over the last year, the rand continues to be weaker against the currencies considered, with the exception of the Zambian Kwacha. Over the longer term (5 years) the rand loses ground on all currencies considered except the Zambian Kwacha and the Nigerian Naira.

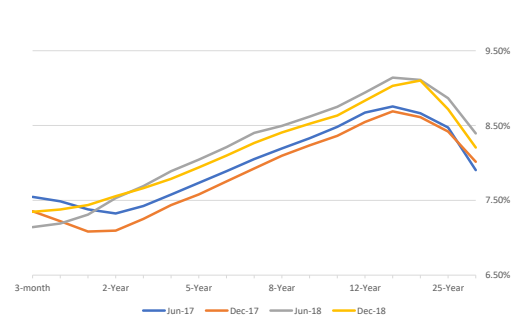
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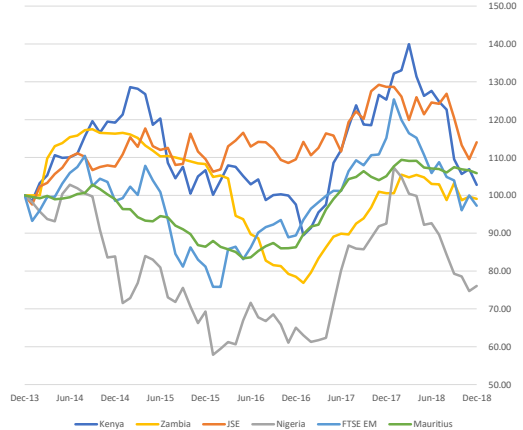
South African Market Cumulative Performance



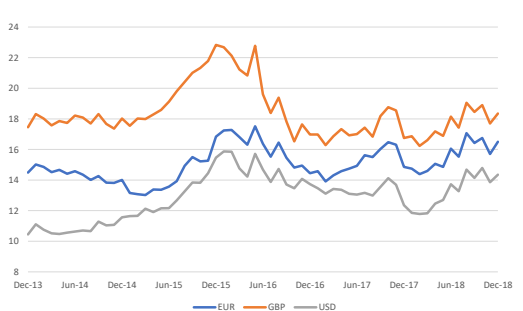
South African Yield Curve



African Stock Exchanges' Cumulative Performance



Rand Exchange Rate



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