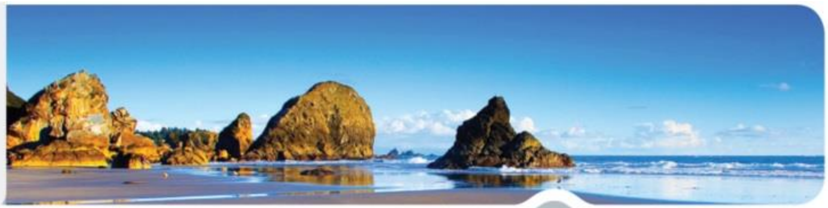
PRIVATECLIENT HOLDINGS



Perspectives | Monthly Market Review

February 2024

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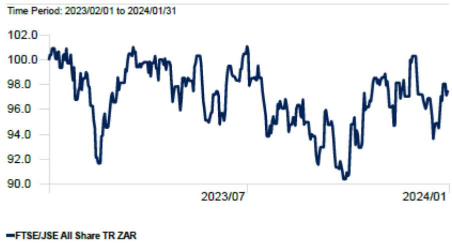
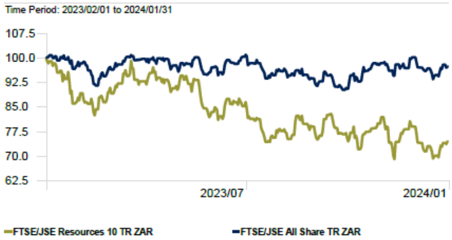
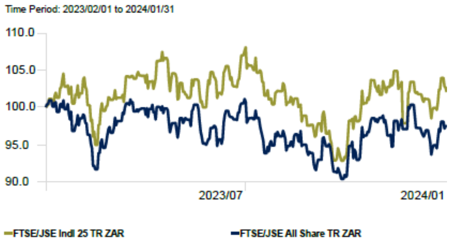
All Share



Resources



Industrials



Financials

Index	Value	Jan (%)	YTD (%)
All Share	74,556	▼ 2.9%	▼ 2.9%
S&P 500	4,846	▲ 1.7%	▲ 1.7%
FTSE 100	7,631	▼ 1.3%	▼ 1.3%
Rand/USD	18.60	▲ 1.7%	▲ 1.7%
Rand/GBP	23.68	▲ 1.6%	▲ 1.6%
Gold ($)	2,048	▼ 0.7%	▼ 0.7%
Plat ($)	924	▼ 7.1%	▼ 7.1%
Brent ($)	81.71	▲ 6.1%	▲ 6.1%

Local bourse off to a sluggish start for 2024

Local markets got off to a slow start for the year. The Capped SWIX and All Share indexes both sank 2.9% this month. Telecommunications (-15%) endured a miserable month, erasing the entirety of the impressive gains the sector made in December. Telecommunication giants Vodacom (-11.9%) and MTN (-17.3%) were heavy detractors, as the two giants sank as a result of their African operations being hampered by currency devaluations. Miners were also a major drag on the bourse. Precious metal (-6%), Basic Materials (-6%), and Industrial Metal (-9%) miners declined sharply. Fluctuating commodity prices and fading optimism on a China recovery weighed heaviest on the miners. The PGM miners were the biggest detractors in the sector, Anglo American Platinum (-17.3%), Impala Platinum (-19.7%), and Northam (-10.2%) all experienced double-digit declines. Rand hedge stocks provided some relief for the bourse. British American Tobacco (+3%) started the year off on solid footing whilst luxury goods giant Richemont (+9.7%) rallied on the positive Q4 trading update they provided this January. The trading update showed that sales had increased by 8% in the most recent quarter. A substantial improvement in the Asia Pacific region saw a 13% increase in sales, with much of the growth concentrated in mainland China, Hong Kong, and Macau.

The Consumer Discretionary sector was a rare bright spot for the bourse this month. Mr Price (+9.3%) surged off of a positive trading update they provided recently. Mr Price's retail sales jumped 9.9% to 13.2bn, while comparable store sales were up 4.1% in the last 6 months. Management highlighted that their focus remains on gaining market share and integrating acquisitions into the broader group creating efficiencies. Financials suffered a difficult month. Half of the big 4 slumped, as Standard Bank and FirstRand sank -4% and -7%. Nedbank (+0.6%) and Absa (+0.1%) edged marginally higher.

Year-on-year headline inflation eased to 5.5% from 5.9%, just below the upper end of the SARB's inflation target range of 3-6%. The Monetary Policy Committee met on the 25th of January, opting to keep the repo rate at 8.25%, aligning with most market participants' expectations. This move suggests a wait-and-see method before potentially adjusting rates based on future economic data. The MPC continued to emphasize its data-driven approach to future policy decisions, highlighting that the committee will continue to closely monitor inflation dynamics, global developments, and the domestic economy before making any adjustments to rates.

Developed markets lifted on rate cut bets

Developed markets rose modestly to start the year on the back of hopes that the Fed and other major central banks may consider cutting rates as early as March 2024. Much of the optimism and speculation around rate cuts arose as a result of disinflationary signs emerging as well as optimism around the resilience of the US economy and the increasing possibility of a soft landing. Market participants welcomed signs that inflation is steadily moving closer towards the Fed's 2% target. Year-on-year CPI has steadily declined from 3.7% to 3.4% over the last 3 months, floating near the 2-year low achieved in June of last year. Despite inflation trending down over the last quarter, Fed Chair Jerome Powell remained cautious. He applauded job growth stating that "it is good for workers and the economy".

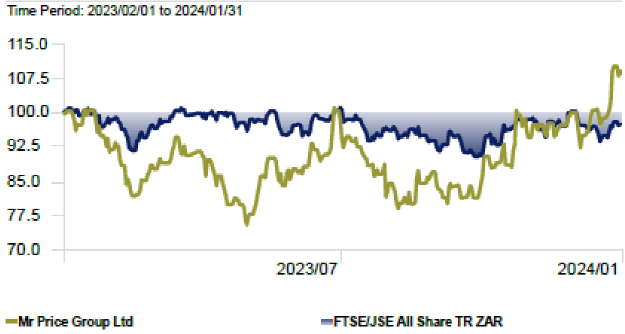
However, he did highlight concerns around wage growth, emphasizing the fact that sustained moderation in wage growth is needed to further combat inflation. Other Fed board members shared Powell's concerns. Fed Vice Chair, Lael Brainard, stated that "the strong wage growth is encouraging for workers, but also a factor we need to keep an eye on as we think about inflation dynamics." Kansas City Fed President echoed the same views, sharing that a robust job market reinforces the view that the Fed needs to proceed carefully with monetary policy. The world's largest economy added 353,000 jobs in January, smashing expectations (187,000 forecasted), and marking the strongest monthly gain since March 2023. US unemployment hung around 50-year lows as it held steady at 3.7%. Job gains were widespread across sectors, including healthcare, retail, and professional services.

The FOMC opted to hold rates steady after their January meeting, with the Fed Funds rate remaining in its current target band of 5.25-5.50%. Markets in the US climbed largely on better-than-expected Q4 earnings and optimism around early rate cuts for 2024. The S&P 500 (+1.7%) and the Nasdaq Composite (+1%) climbed moderately as the majority of the major tech firms reported positive earnings. Nvidia surged on sustained AI optimism while Apple (-4.2%) sank despite beating analyst's earnings expectations on both revenue and earnings per share. Amazon (+2.1%) rose modestly on record sales and profits driven by their cloud computing business, Amazon Web Services. Meta (+10.2%) surged on positive earnings results. Despite facing headwinds from privacy changes and increased competition, Meta surprised analysts with better-than-expected user growth and advertising revenue. Asian Equity markets largely slumped. The Hang Seng (-9.2%) sank whilst the Nikkei (+8.4%) bucked the trend and surged, trading near 34-year highs. The Japanese bourse continues to advance off improved corporate governance and positive corporate earnings from Japanese tech companies such as Tokyo Electron (+10.91%) and Advantest (+19.93%). Much of the growth of these companies was driven by global semiconductor chip demand for which these companies are becoming a larger player.

The European Central Bank chose to keep rates unchanged. European Central Bank President Christine Lagarde reiterated that the central bank is determined to ensure that inflation returns to the central bank's two percent medium-term target in a timely manner. She also shared that the consensus around the table is that it's too early to consider rate cuts, highlighting that there are risks and uncertainties concerning the inflation outlook. Major European equity indexes also delivered solid returns. The CAC 40 (+1.6%), Euro Stoxx 50 (+3%), and the DAX (+0.9%) all posted positive returns while the FTSE 100 (-1.3%) stood out as the only major negative outlier. On the commodities front, Iron Ore (0%) remained flat while Brent Crude (+6.1%) spiked on supply disruptions in Libya and the North Sea. Gold (-0.7%) ended the month lower while Platinum (-7.1%) sank heavily.

Mr Price Group Limited. – Interim financial results for the period end 30th September 2023

Earnings per share	11.32
Historical PE	12.27
EPS growth	-14.89%
Turnover growth	27.44%
ROE	23.46%
Debt/Equity	68.93%
NAV per share	50.86
Dividend yield	5.26%
Share price	R138.95



Nature of business

Mr. Price Group Ltd. engages in clothing and retail business. It operates through the following segments: Apparel, Home, Financial Services, Telecoms, and Central Services. The Apparel segment retails clothing, sportswear, footwear, sporting equipment, and accessories. The Home segment sells home wares. The Financial Services segment manages the group's trade receivables and all financial services and mobile products. The Telecoms segment sells cellular products and services. The Central Services segment provides chargeable and non-chargeable services. The company was founded by Laurie John Chiappini and Stewart Barnet Cohen in 1985 and is headquartered in Durban, South Africa.

Latest results

Mr. Price, one of South Africa's leading apparel retailers, continued to outperform the market in Q3 2023, increasing its market share by 130 basis points. This performance was largely driven by a 9.9% increase in group sales, exceeding its peers by 6.5%, reiterating the groups strong brand loyalty of their customers. The apparel segment continued to be a strong performer, boasting double-digit sales growth and strong performance across all merchandise departments, albeit from a low base. By maintaining diligent inventory control, efficient cash management, and stringent credit granting criteria, Mr. Price has demonstrated a commitment to maintaining a strong and resilient balance sheet, providing a solid foundation for future growth. While aware of headwinds like a constrained SA consumer, management remains focused on maintaining momentum in market share gains by investing in online sales channels and expanding into new markets.

Dividend

On the 5th of September 2023 the board of directors declared an interim dividend of 284 cents per share to ordinary shareholders, which was paid on the 18th of December 2023.

GE Healthcare Technologies Inc. – Financial results for the fourth quarter end 31st December 2023

Earnings per share	**$3.02**
Historical PE	**25.60**
EPS growth	**-28.44%**
Turnover growth	**6.60%**
ROE	**19.07%**
Debt/Equity	**134.92%**
NAV per share	**$15.67**
Dividend yield	**0.16%**
Share price	**$77.32**

Nature of business

GEHC is one of the leading players in the medical equipment industry globally. Peers include Philips and Siemens Healthineers.GE Healthcare Technologies, Inc. engages in the development and manufacturing of medical technology, pharmaceutical diagnostics, and digital solutions. It operates through the following segments: Imaging, Ultrasound, Patient Care Solutions, and Pharmaceutical Diagnostics. The Imaging segment provides scanning devices, clinical applications, service capabilities and digital solutions. The Ultrasound segment offers screening, diagnosis, treatment, and monitoring of certain diseases. The Patient Care Solutions segment specializes in providing medical devices, consumables, services, and digital solutions. The Pharmaceutical Diagnostics segment supplies diagnostic agents to the global radiology and nuclear medicine community. The company was founded on 16 May 2022, and is headquartered in Chicago, IL.

Latest results

GE HealthCare (GEHC) reported its first full-year results as a standalone entity following its unbundling from GE in 2023. GEHC reported better than expected results for the year with revenue up 5% year-over-year and 8% higher on an organic basis, driven by price and volume. The company generated strong cash flow from operating activities of $2.1 billion and free cash flow of $1.7 billion. The company also reported a strong book-to-bill ratio of 1.1 times, underpinning strong demand. A book-to-bill ratio is the ratio of orders received to units shipped and billed for the period. A ratio above one means more orders were received than filled, indicating strong demand. GEHC's capital allocation priorities include investing into research and development as well as making strategic bolt-on acquisitions to bolster its market position. Management guided for further progress in 2024, with revenue increasing by single digits coupled with margin expansion culminating in low double digit adjusted EPS growth.

Dividend

On the 8th of December 2023, the board of directors declared a quarterly dividend of $0.03 per share to ordinary shareholders, which was paid on the 15th of February 2024.

Snippets

Take action this financial year end…

The financial year end is approaching and now is the time to take advantage of the 2023/2024 tax exemptions. This could include the annual donations tax exemption, Retirement Annuity (RA) or Tax-free Saving Account (TFSA) contributions. Whatever you decide, these transactions must be made on or before 26 February 2024.

Read more.

Corporate Cash Manager Rates

FUND	BALANCE	RATE
CALL ACCOUNT	0.00 – 9 999.99	7.90
	10 000 – 24 999.99	7.90
	25 000 – 49 999.99	7.90
	50 000 – 99 999.99	7.90
	100 000 – 249 999.99	7.90
CALL MONEY FUND: *Individuals*	250 000 – 999 999.99	8.55
	1 000 000 – 9 999 999.99	8.55
	10 000 000 upwards	8.55
CALL MONEY FUND: *Non-Individuals*	250 000 – 999 999.99	8.25
	1 000 000 – 9 999 999.99	8.25
	10 000 000 upwards	8.25

Dividends Payable

Dividends in LDT order					
Company	**Decl**	**LDT**	**Pay**	**Amt**	**Curr**
Frontier Transport Holdings Ltd. (FRONTIERT)	12-Jan	06-Feb	12-Feb	137.38	ZARc
KAL Group Ltd. (KAL GROUP)	23-Nov	13-Feb	19-Feb	130	ZARc
Novus Holdings Ltd. (NOVUS)	26-Jan	13-Feb	19-Feb	50	ZARc
MiX Telematics Ltd. (MIXTEL)	01-Feb	20-Feb	26-Feb	4.5	ZARc
Textainer Group Holdings Ltd. (TEXTAINER)	13-Feb	27-Feb	15-Mar	30	USDc
Hudaco Industries Ltd. (HUDACO)	01-Feb	27-Feb	04-Mar	700	ZARc
Tharisa plc (THARISA)	14-Dec	27-Feb	13-Mar	2	USDc

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