

WORLD MARKET VOLATILITY

Amid stock market volatility, the default advice is often to do nothing. However, it can be helpful to turn your attention to your own timeline.

It's been a rough month for stocks. Locally, all eyes were on the elections as investors waited to see the outcome of the 2019 elections and watch closely to see if President Ramaphosa can push ahead with his pro-growth and anti-corruption agenda.

Post elections and the attention seems to have shifted to the US.

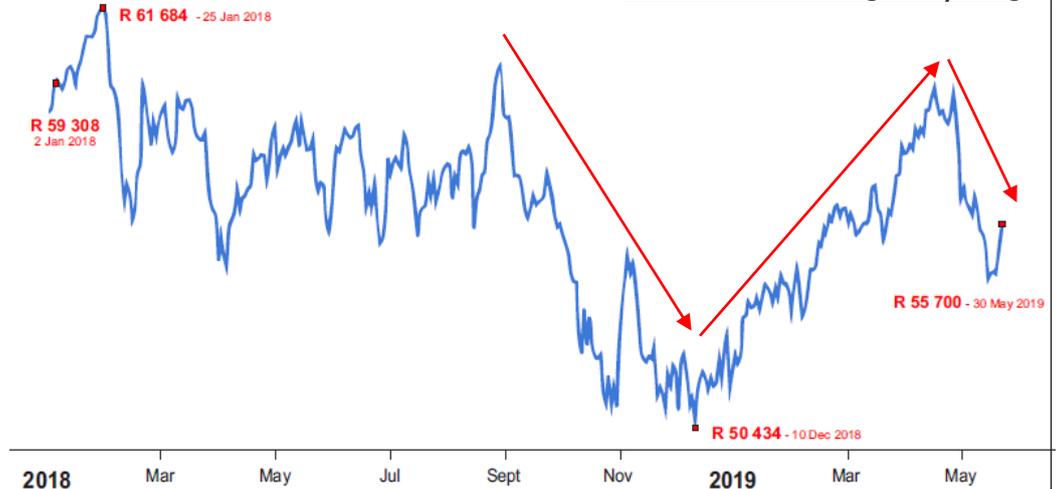
S&P500 – 2 Jan 2018 to 30 May 2019



Meanwhile in the UK, after less than three years in office, Theresa May has indicated her intention to step down as British prime minister. Much of the drama of course has been fuelled by Brexit. It launched May's premiership in July 2016, when she succeeded David Cameron.

While it's been a tough period for South African investors we are not alone, markets across the globe have had their problems and volatility isn't unusual. The temptation to time markets often detracts from portfolio returns.

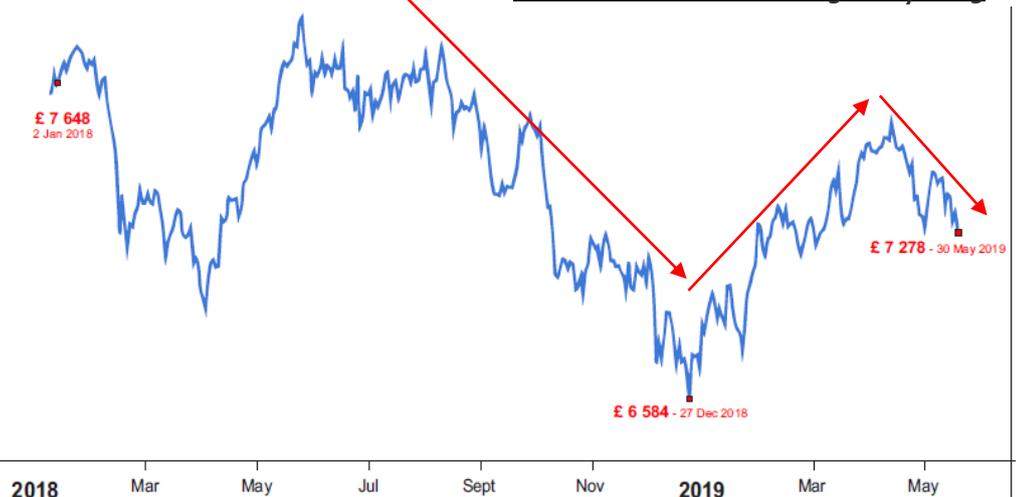
JSE – 2 Jan 2018 to 30 May 2019



Investors had clearly overestimated how easy the US-China trade talks would be, expecting a soft landing. The S&P 500 has lost about 2.5% following President Donald Trump's tweet threatening tariff hikes against China. Tensions have continued after the US blacklisted the Chinese telecoms company Huawei, with tech companies including Google, Intel and Panasonic, freezing out Huawei's products as a consequence.

This follows a recovery of about 25% since the 24 December fall and one of the worst Christmas Eve's ever seen for the US markets.

FTSE 100 – 2 Jan 2018 to 30 May 2019



NELSON MANDELA'S FORMER PRISON GUARD AT PW HARVEY BREAKFAST TALK

Nelson Mandela's former prison warden, Christo Brand, presented a talk at our PW Harvey & Co breakfast talk in May. We enjoyed listening to his story about how he met Nelson Mandela at Robben Island Prison, and how they became lifelong friends. Our guests were inspired by the talk. Mr Brand's story conveys the hardships endured during the Apartheid era. Two random draws were done, and two lucky guests won a copy of Christo Brand's book, the internationally sold "Doing life with Mandela: My Prisoner, My Friend". We thank Mr Brand for sharing his story with us.



Nelson Mandela's former prison warden, Christo Brand

"Education is the most powerful weapon which you can use to change the world." *Nelson Mandela*

This and That

- **British American Tobacco** said it has entered into consultations to cut 300 jobs in South Africa, due to the growth in the country's illicit cigarette industry.
- **The Investec GIBS Savings index**, which started in 1990, is at an all-time low. It's a concern to those thinking of retiring, as their 'savings' will most likely not be able to meet all their future expenses.
- **UBER** recently listed in the US with its value at \$ 90 billion, which is a quarter of SA's total economy.
- The Chinese internet giant, **Tencent Holdings Ltd**, is taking a stake in Argentina's mobile payment app **VAZA**.
- **MTN** subscribers increased quarter-on-quarter by 4.0 million to 236,6 million, while **MTN Mobile Money** customers grew by 1.2 million to 28.3 million.
- The Chinese tech-based beverage company, **Luckin Coffee Inc.**, has quickly become a key competitor to **Starbucks**. The company was founded just under 2 years ago in October 2017. Since then, it has grown from a single trial store in Beijing to 2,370 wholly-owned stores in 28 cities.

These are the South African cities where salaries are high, and rents are low – relatively

City	Average Rent (1-bedroom apartment)	Average Salary	% of Income spent on rent
Cape Town	R9,000	R32,158	27%
Sandton	R8,500	R32,487	26%
Richards Bay	R5,200	R19,469	26%
Centurion	R6,200	R29,724	20%
Durban	R5,100	R25,020	20%
Pietermaritzburg	R4,800	R23,865	20%
Pretoria	R5,200	R28,973	17%
Johannesburg	R6,300	R37,105	16%
East London	R4,200	R27,329	15%
Port Elizabeth	R3,800	R24,793	15%
Polokwane	R3,600	R29,202	12%

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Don't forget the 2019 tax season opens 1 July.

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