

BULL AND BEAR

by Glacier Research

8 September 2023
Q2 2023

A consensus view of the market over the next 12 months

Compiled by: Glacier Research

The Bull & Bear report collates the performance expectations of leading South African Asset Managers over the coming 12 months. Asset Managers are asked to comment on the expected performance for various asset classes and index sectors; currency levels; commodity prices and the performance of selected global markets. These viewpoints are subject to change in line with changes in economic and market conditions.

About the survey

Glacier Research conducted the survey in August 2023. Eight asset management houses participated in the survey. In all cases the responses were given in consultation with investment officers, strategists or a fund manager who is a member of the company's asset allocation committee.

About Glacier Research

Glacier Research is an independent research division within Glacier. Glacier provides innovative investment services and products, which enable our clients to manage their diverse investment needs via a single service point.

Asset management companies who participated in the survey

- Bateleur Capital
- Coronation Fund Managers
- Laurium Capital
- Ninety One
- Old Mutual Investment Group (Macro Solutions)
- Prescient Asset Management
- Sanlam Investments
- Stanlib Asset Management

Local asset classes

Expected performance over next 12 months

Asset	Below 6.00%	6.01% - 7.00%	7.01% - 8.00%	8.01% - 9.00%	Above 9.00%
Cash	1/8	1/8	2/8	4/8	0/8
	Below 8.00%	8.01% - 9.00%	9.01% - 10.00%	10.01% - 11.00%	Above 11.00%
Bonds	0/8	2/8	2/8	2/8	2/8
	Below 0.00%	0.01% - 3.00%	3.01% - 6.00%	6.01% - 9.00%	Above 9.00%
Property	0/8	1/8	0/8	4/8	3/8
	Below 7.00%	7.01% - 9.00%	9.01% - 11.00%	11.01% - 13.00%	Above 13.00%
Equity	0/8	1/8	0/8	6/8	1/8

Local sector classes

Expected performance over next 12 months

Asset	Below 0.00%	0.01% - 5.00%	5.01% - 9.00%	9.01% - 13.00%	Above 13.00%
Resources	1/7	1/7	1/7	3/7	1/7
Financials	0/7	0/7	2/7	4/7	1/7
Industrials	0/7	0/7	1/7	4/7	2/7
Small Caps	0/7	1/7	1/7	3/7	2/7
Mid Caps	0/7	1/7	1/7	4/7	1/7
Large Caps	0/7	0/7	1/7	4/7	2/7
Value	0/7	1/7	1/7	4/7	1/7
Growth	0/7	0/7	2/7	4/7	1/7

Houseview portfolio

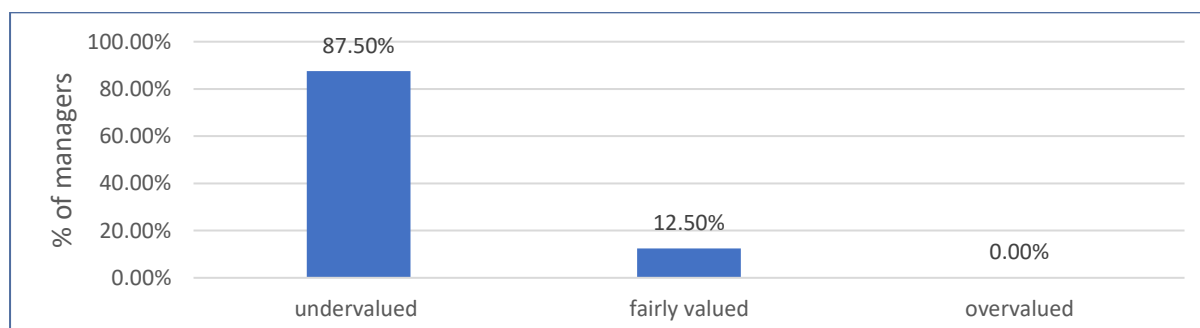
Combined house view of participating asset manager relative to 5-year average

Local exposure	Combined houseview allocation	5-year average	Relative to 5-year average	Global exposure	Combined houseview allocation	5-year average	Relative to 5-year average
Total local exposure	62.46%	71.73%	Underweight	Total global exposure	37.52%	28.29%	Overweight
Cash	7.73%	8.19%	Underweight	Cash	6.88%	7.33%	Underweight
Bonds	27.56%	22.69%	Overweight	Bonds	17.95%	6.80%	Overweight
Property	4.33%	5.92%	Underweight	Property	1.27%	1.99%	Underweight
Equity	60.39%	63.21%	Underweight	Equity	73.91%	83.88%	Underweight

Sector outlook

	Bullish	Neutral	Bearish
Resources	2/7	3/7	2/7
Financials	4/7	3/7	0/7
Industrials	5/7	2/7	0/7
Small Caps	4/7	1/7	2/7
Mid Caps	3/7	4/7	0/7
Large Caps	5/7	2/7	0/7
Value	3/7	4/7	0/7
Growth	3/7	4/7	0/7

Which general valuation condition best describes the current SA equity market?



Commodities

Expected price of oil, gold and platinum (\$)

Oil (per barrel)		Gold (per ounce)		Platinum (per ounce)	
Below \$75	0/8	Below \$1800	0/8	Below \$850	0/8
\$76 - \$80	1/8	\$1801 - \$1900	2/8	\$851 - \$900	4/8
\$81 - \$85	4/8	\$1901 - \$2000	5/8	\$901 - \$950	0/8
\$86 - \$90	3/8	\$2001 - \$2100	1/8	\$951 - \$1000	2/8
Above \$90	0/8	Above \$2100	0/8	Above \$1000	2/8

Economic indicators

Expected direction of local inflation and interest rates

	Inflation (CPI)	Interest rate (REPO)
Trending downward	7/8	5/8
Stable	1/8	3/8
Trending upward	0/8	0/8
Spiking upward	0/8	0/8

Local currency outlook

Rand/Dollar		Rand/Pound		Rand/Euro	
Below R17.00	0/8	Below R22.00	0/8	Below R19.00	0/8
R17.01 - R18.00	3/8	R22.01 - R23.00	3/8	R19.01 - R20.00	3/8
R18.01 - R19.00	3/8	R23.01 - R24.00	4/8	R20.01 - R21.00	4/8
R19.01 - R20.00	2/8	R24.01 - R25.00	1/8	R21.01 - R22.00	1/8
Above R20.00	0/8	Above R25.00	0/8	Above R22.00	0/8

Currency preferences

Which valuation condition best describes the following currencies

	Overvalued	Fairly Valued	Undervalued
Rand	0/8	3/8	5/8
US Dollar	7/8	1/8	0/8
Euro	0/8	2/8	6/8
Sterling	1/8	3/8	4/8
Yen	0/8	2/8	6/8

Global economic indicators

Expected direction of global inflation and global growth

	Global Inflation	Global Growth
Trending upward	0/8	0/8
Stable	1/8	2/8
Trending downward	7/8	6/8

Which market do you think will outperform?

Developed	4/8	Emerging	4/8
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Regional market outlook

Equities	Bullish	Neutral	Bearish
US	1/8	5/8	2/8
Euro-Zone	2/8	3/8	3/8
UK	2/8	3/8	3/8
Japan	2/8	6/8	0/8
Brazil, Russia, India, China (BRIC)	3/8	4/8	1/8
South America	1/8	6/8	1/8
Asia	4/8	3/8	1/8
Emerging Europe	2/8	5/8	1/8
Bonds	Bullish	Neutral	Bearish
US	3/8	2/8	3/8
Euro-Zone	3/8	2/8	3/8
UK	3/8	2/8	3/8
Japan	0/8	3/8	5/8
Brazil, Russia, India, China (BRIC)	0/8	7/8	1/8
South America	1/8	6/8	1/8
Asia	1/8	6/8	1/8
Emerging Europe	0/8	8/8	0/8