

## BULL AND BEAR

by Glacier Research

19 June 2023  
Q1 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 May 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 5.00%	5.01% - 6.00%	6.01% - 7.00%	7.01% - 8.00%	Above 8.00%
Cash	0/8	0/8	1/8	4/8	3/8
	Below 6.00%	6.01% - 7.00%	7.01% - 8.00%	8.01% - 9.00%	Above 9.00%
Bonds	0/8	0/8	0/8	1/8	7/8
	Below 0.00%	0.01% - 3.00%	3.01% - 6.00%	6.01% - 9.00%	Above 9.00%
Property	0/8	1/8	3/8	2/8	2/8
	Below 5.00%	5.01% - 7.00%	7.01% - 9.00%	9.01% - 11.00%	Above 11.00%
Equity	0/8	1/8	1/8	2/8	4/8

## LOCAL SECTOR CLASSES:

Expected performance over next 12 months

Asset	Below 0.00%	0.01% - 4.00%	4.01% - 8.00%	8.01% - 12.00%	Above 12.00%
Resources	0/7	2/7	0/7	3/7	2/7
Financials	0/7	0/7	2/7	4/7	1/7
Industrials	0/7	0/7	1/7	5/7	1/7
Small Caps	1/7	1/7	2/7	1/7	2/7
Mid Caps	0/7	2/7	1/7	3/7	1/7
Large Caps	0/7	0/7	1/7	4/7	2/7
Value	0/7	1/7	2/7	2/7	2/7
Growth	0/7	0/7	2/7	4/7	1/7

## HOUSEVIEW PORTFOLIO:

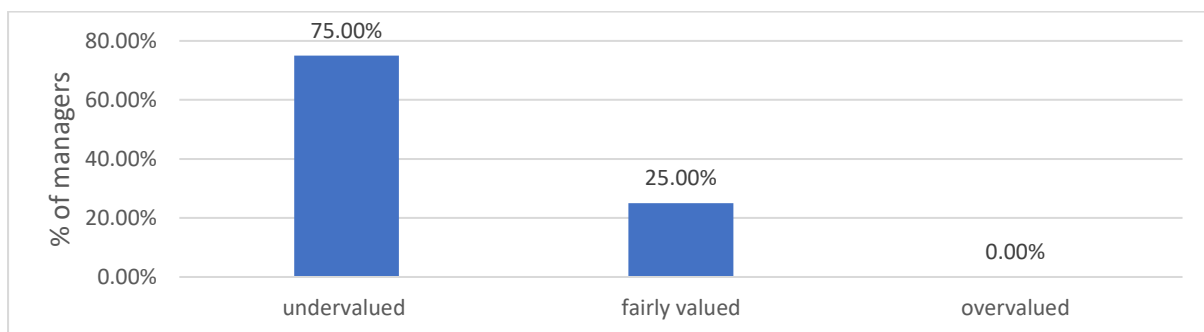
Combined house view of participating asset manager relative to 5-year average

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	65.36%	71.73%	Underweight	Total global exposure	34.64%	28.29%	Overweight
Cash	5.80%	8.19%	Underweight	Cash	4.95%	7.33%	Underweight
Bonds	28.99%	22.69%	Overweight	Bonds	17.31%	6.80%	Overweight
Property	3.84%	5.92%	Underweight	Property	9.50%	1.99%	Overweight
Equity	61.30%	63.21%	Underweight	Equity	68.18%	83.88%	Underweight

## SECTOR OUTLOOK

	Bullish	Neutral	Bearish
Resources	4/7	1/7	2/7
Financials	3/7	4/7	0/7
Industrials	3/7	4/7	0/7
Small Caps	2/7	2/7	3/7
Mid Caps	2/7	3/7	2/7
Large Caps	5/7	2/7	0/7
Value	3/7	3/7	1/7
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 \$70	1/8	Below \$1800	1/8	Below \$950	1/8
\$71 - \$75	1/8	\$1801 - \$1900	1/8	\$951 - \$1000	2/8
\$76 - \$80	1/8	\$1901 - \$2000	5/8	\$1001 - \$1050	2/8
\$81 - \$85	4/8	\$2001 - \$2100	1/8	\$1051 - \$1100	1/8
Above \$85	1/8	Above \$2100	0/8	Above \$1100	2/8

## ECONOMIC INDICATORS:

Expected direction of local inflation and interest rates

	Inflation (CPI)	Interest rate (REPO)
Trending downward	7/8	1/8
Stable	1/8	5/8
Trending upward	0/8	2/8
Spiking upward	0/8	0/8

## LOCAL CURRENCY OUTLOOK

Rand/Dollar		Rand/Pound		Rand/Euro	
Below R17.00	0/7	Below R21.00	0/7	Below R19.00	0/7
R17.01 - R18.00	2/7	R21.01 - R22.00	4/7	R19.01 - R20.00	3/7
R18.01 - R19.00	3/7	R22.01 - R23.00	1/7	R20.01 - R21.00	2/7
R19.01 - R20.00	2/7	R23.01 - R24.00	0/7	R21.01 - R22.00	2/7
Above R20.00	0/7	Above R24.00	2/7	Above R22.00	0/7

## CURRENCY PREFERENCES:

Which valuation condition best describes the following currencies

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

## GLOBAL ECONOMIC INDICATORS:

Expected direction of global inflation and global growth

	Global Inflation	Global Growth
Trending upward	2/8	2/8
Stable	0/8	2/8
Trending downward	6/8	4/8

## GLOBAL ECONOMIC INDICATORS:

Which market do you think will outperform?

Developed	2/8	Emerging	6/8
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## REGIONAL MARKET OUTLOOK

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

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