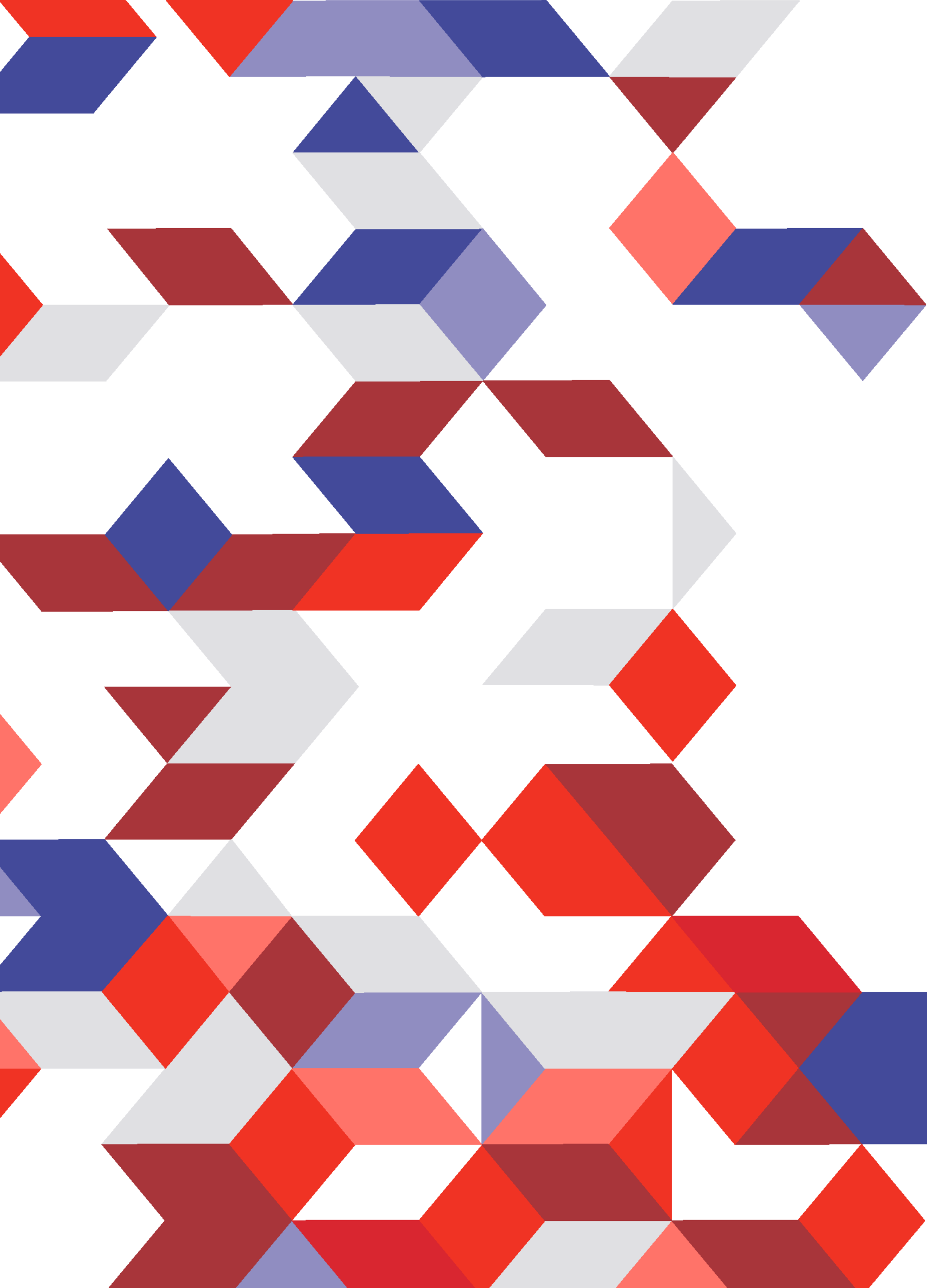




31st January 2025





CURRENCIES & MARKETS UPDATE

January 2025



HIGHS & LOWS

January 2025

While the South African All-Share Index closed up for January (+2.32%), following global markets higher.

The Rand strengthened by 2% for January, ending the calendar year mainly flat and almost -3% weaker. Expect more of the same for 2025.

Inflation is under control resulting in the Reserve Bank lowering interest rates by -0.25%, with likely only one more cut to come in 2025. Load-shedding is back temporarily (we hope).

Fund Managers are upbeat about the prospects for the JSE for 2025 but warn of expected volatility. President Donald Trump (with Elon Musk's help) is shaking the SA tree – let's see if a few apples and possibly even a few snakes fall out of the tree 😊



**DOMESTIC
HIGHS & LOWS**

Chambers
tax & wealth

South African Rand

Since 1998



Latest data point is Jan 31, 2025

ECONOMIC UPDATE

South Africa CPI:

3.02% pa (2.84%)

Average for 2024 = 4.5% pa

Prime Lending Rate:

11,00% pa (11.25%)

Currencies

Rand/USD: R18.67 (+1.2%)

Rand/GBP: R23.14 (+2.2%)

Rand/Euro: R19.34 (+1.1%)

(red = weaker; green = stronger)

Economic
Update

Investec Bank
(Savings Account)

Investec Bank Deposit Rates

1-Day Call Rates

PrimeMoney Fund: 8,19% pa (effective)

15 & 32-Day Call Deposit Rates

15-Day: 8,15% pa (effective)

32-Day: 8,20% pa (effective)

Fixed Deposit Rates

36 months: 9.12% pa (effective)

60 months: 10.71% pa (effective)

The FED remains cautious on President Donald Trump's tariff policies which will likely be inflationary, and therefore we can likely only expect another one interest rate cut for 2025.

Therefore, we continue to expect a stronger US Dollar but we can also expect a strong US economy, in spite of his increased tariffs policies.

The fundamental (economic) cycle favors Trump's policies. Lower inflation and reduced interest rates favor an increase in equities (shares), and thus he has "space" to shake the tree, per se, without causing too much damage. Fund managers continue to expect another positive year from the US markets for 2025, albeit with increased volatility.



**GLOBAL
HIGHS & LOWS**

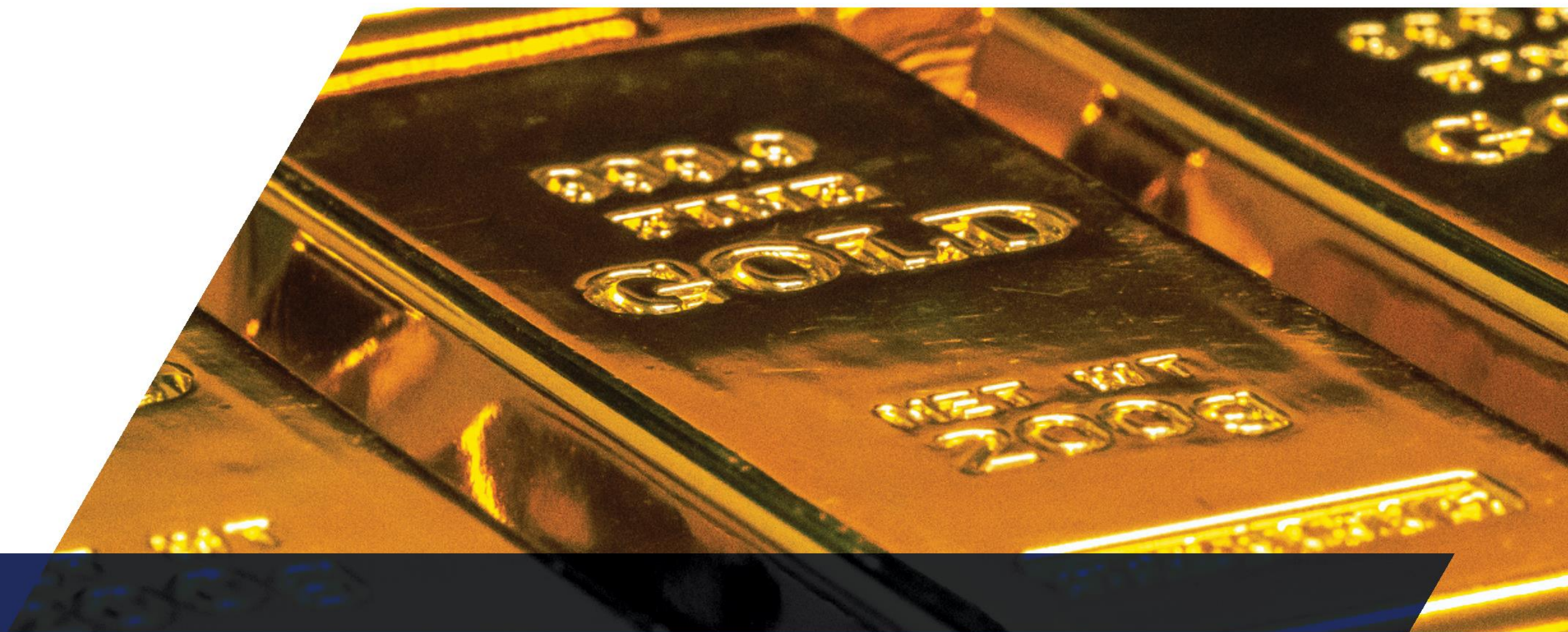
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US CORE PCE ANNUAL INFLATION

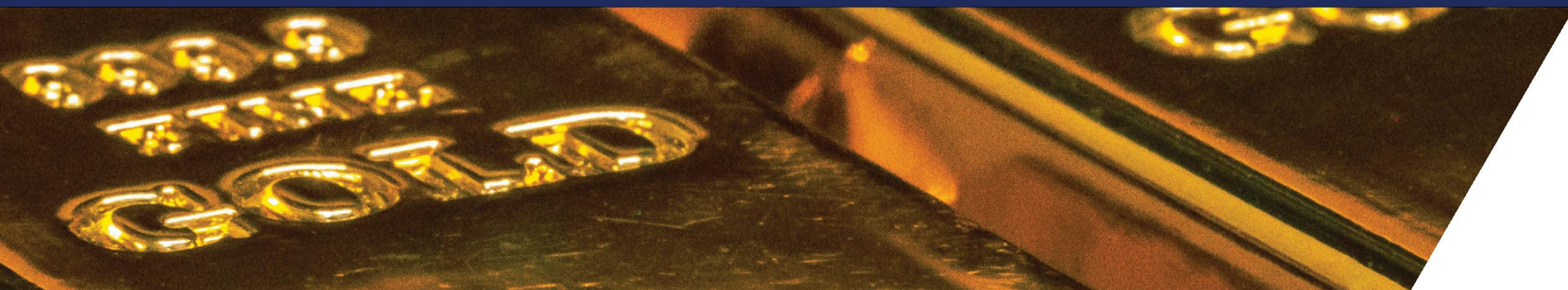


US CPI - Core annualised



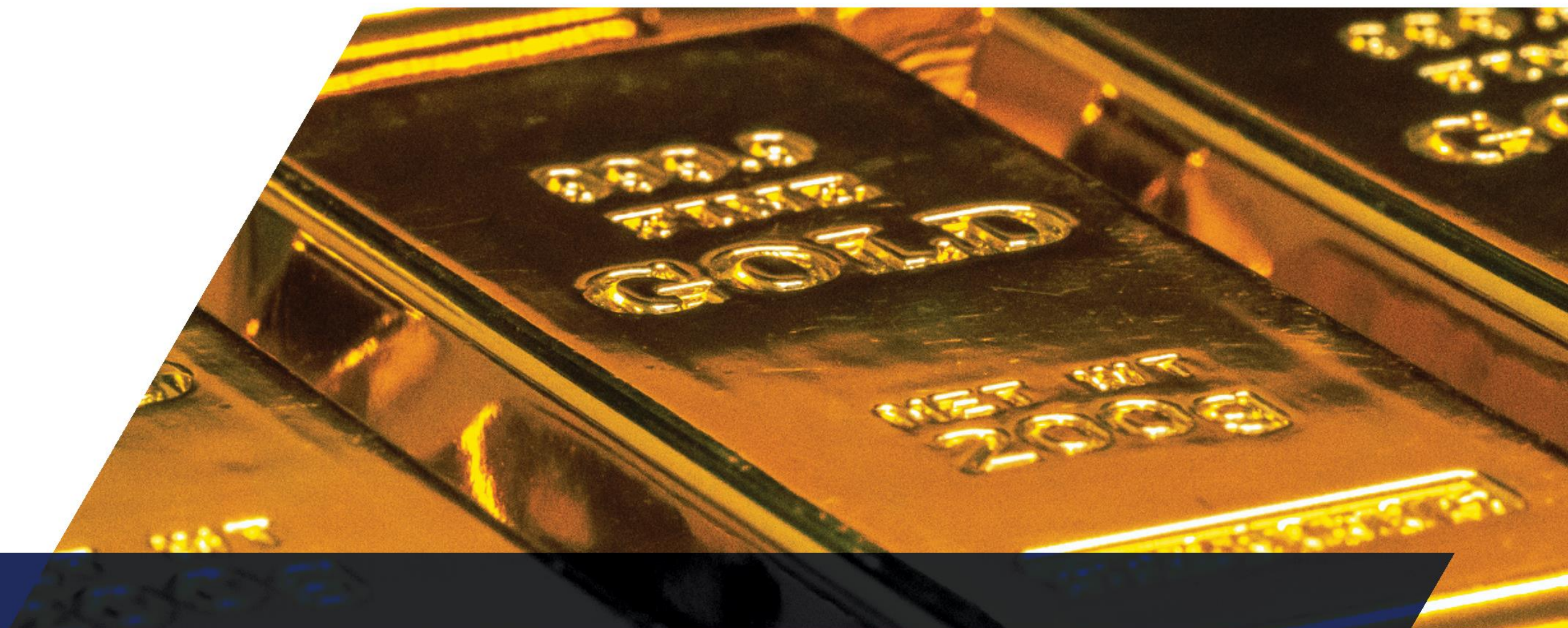


INTERNATIONAL INDEXES



International Indexes Comparison

Index	January %		YTD %		1 Year %		3 Year %		5 Year %		7 Year %	
JSE All-Share Index (Rand)	2.32	6	2.32	6	19.58	5	9.20	5	13.06	3	9.27	4
US S&P 500 Index (USD)	2.78	5	2.78	5	26.38	1	11.91	2	15.17	2	13.38	2
US Nasdaq (USD)	2.25	7	2.25	7	26.33	2	13.84	1	20.00	1	18.54	1
UK FTSE 100 Index (USD)	5.36	3	5.36	3	15.09	6	6.42	6	6.10	6	4.00	7
German Dax Index (USD)	9.58	1	9.58	1	23.04	3	9.21	4	9.45	5	4.65	6
Japan Nikkei Index (USD)	0.68	8	0.68	8	4.77	7	5.03	7	5.62	8	4.77	5
China Shangai Index (USD)	6.30	2	6.30	2	-5.82	8	-5.97	8	1.42	8	0.00	8
MSCI World (USD)	3.55	4	3.55	4	21.94	4	10.07	3	12.61	4	10.53	3

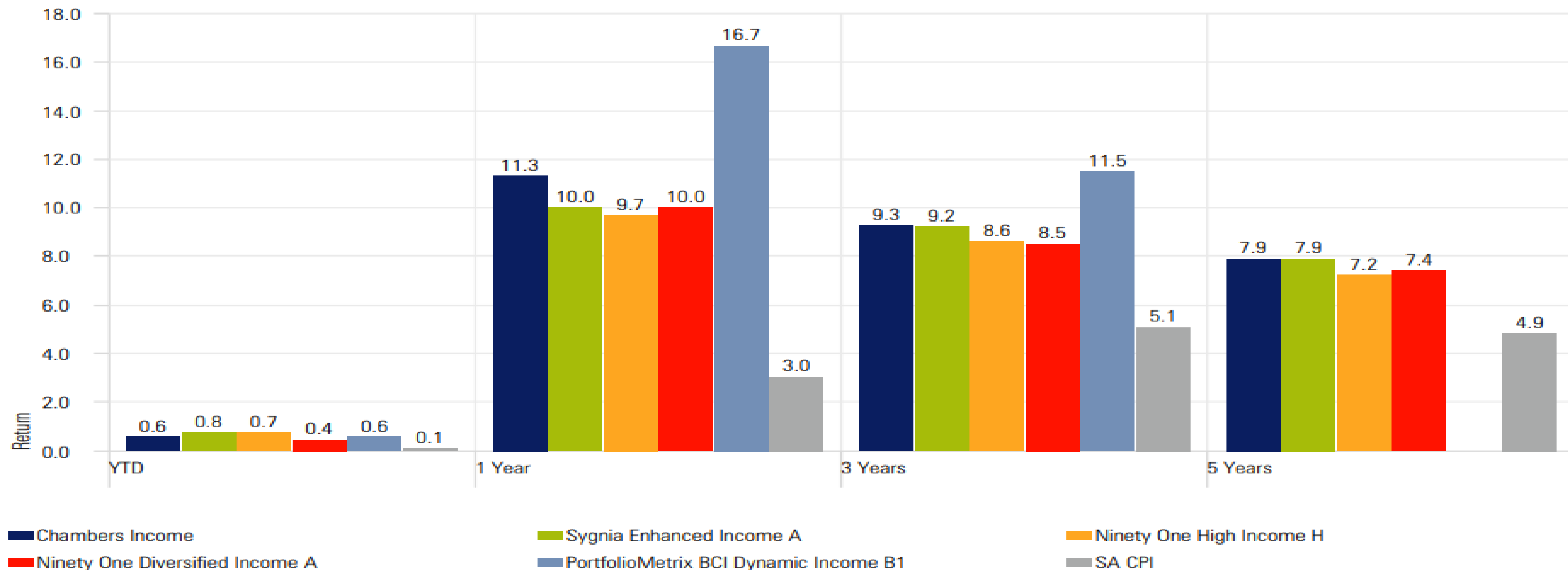


FUND PERFORMANCE



Annualised Returns

As of Date: 1/31/2025

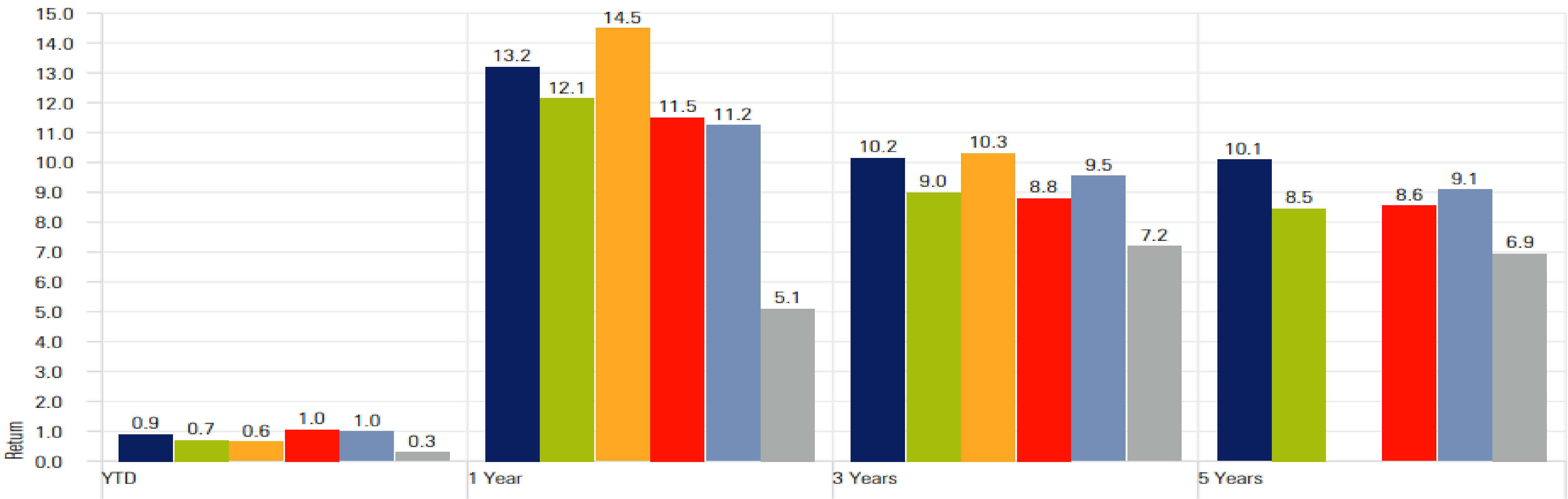


Investment horizon recommended: 6-18 months Equity (shares) exposure: <3%

INCOME FUNDS / CASH PLUS

Annualised Returns

As of Date: 1/31/2025



Chambers Stable

Sygnia CPI + 2% D

PortfolioMetrix BCI Cautious FoF B

Ninety One Cautious Managed H

Allan Gray Stable A

SA CPI + 2%

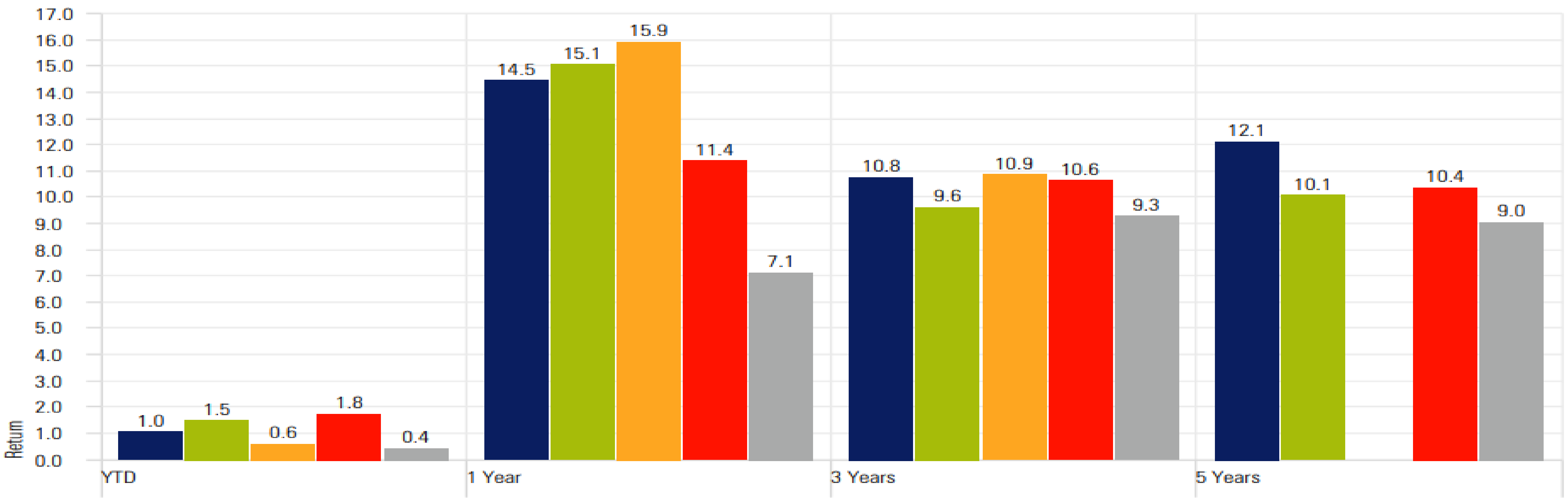
Investment horizon recommended: 1 to 3 Years

Equity (shares) exposure: <35%

CAUTIOUS FUNDS

Annualised Returns

As of Date: 1/31/2025



Chambers Moderate

Sygnia CPI + 4% D

PortfolioMetrix BCI Moderate FoF B

Ninety One Opportunity H

SA CPI +4%

Investment horizon recommended: 2 to 4 Years

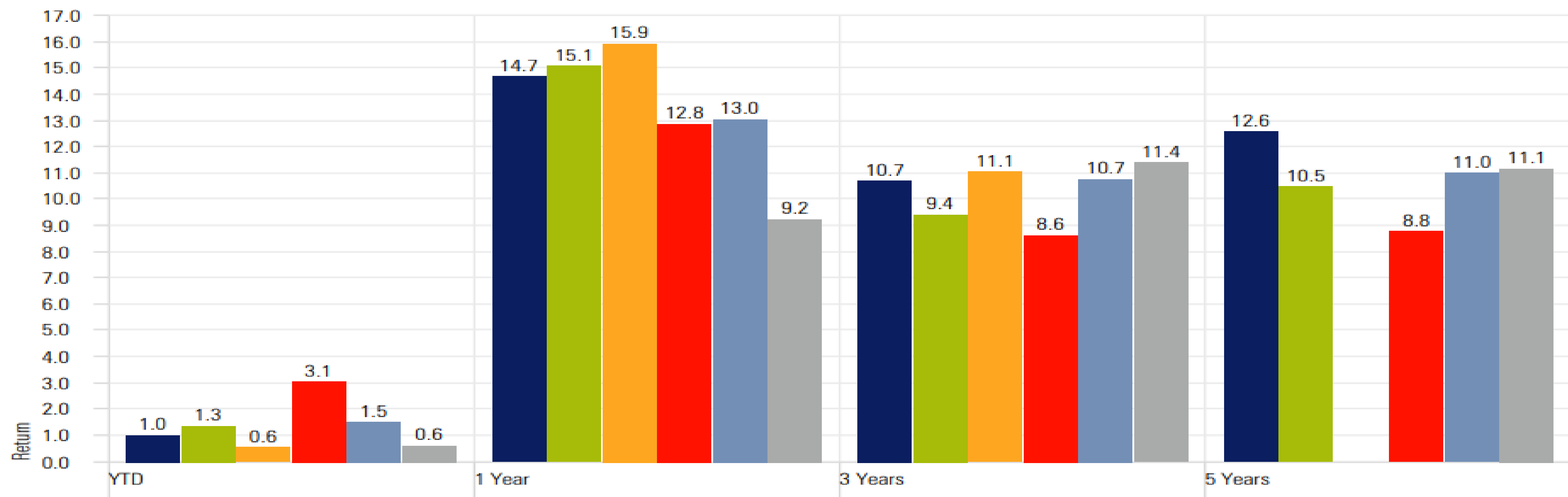
Equity (shares) exposure: <50%

MODERATE FUNDS



Annualised Returns

As of Date: 1/31/2025



Chambers Growth
Ninety One Managed H

Sygnia CPI + 6% D
Allan Gray Balanced A

PortfolioMetrix BCI Balanced FoF B
SA CPI +6%

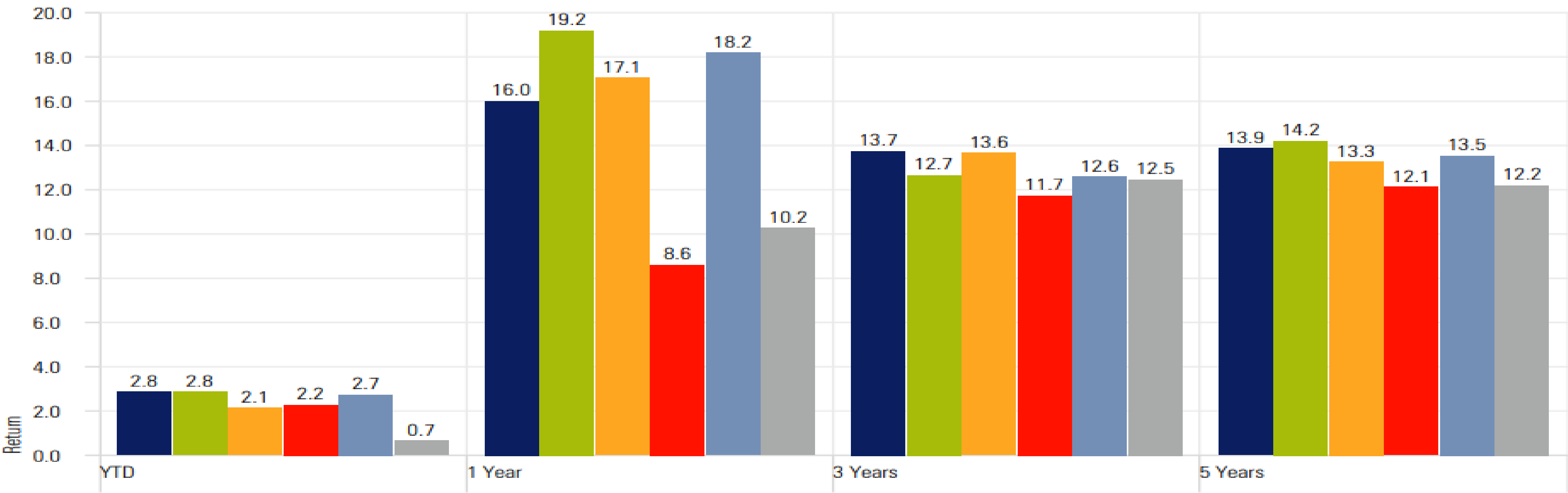
Investment horizon recommended: 3 to 5 Years

Equity (shares) exposure: <60%

AGGRESSIVE FUNDS

Annualised Returns

As of Date: 1/31/2025



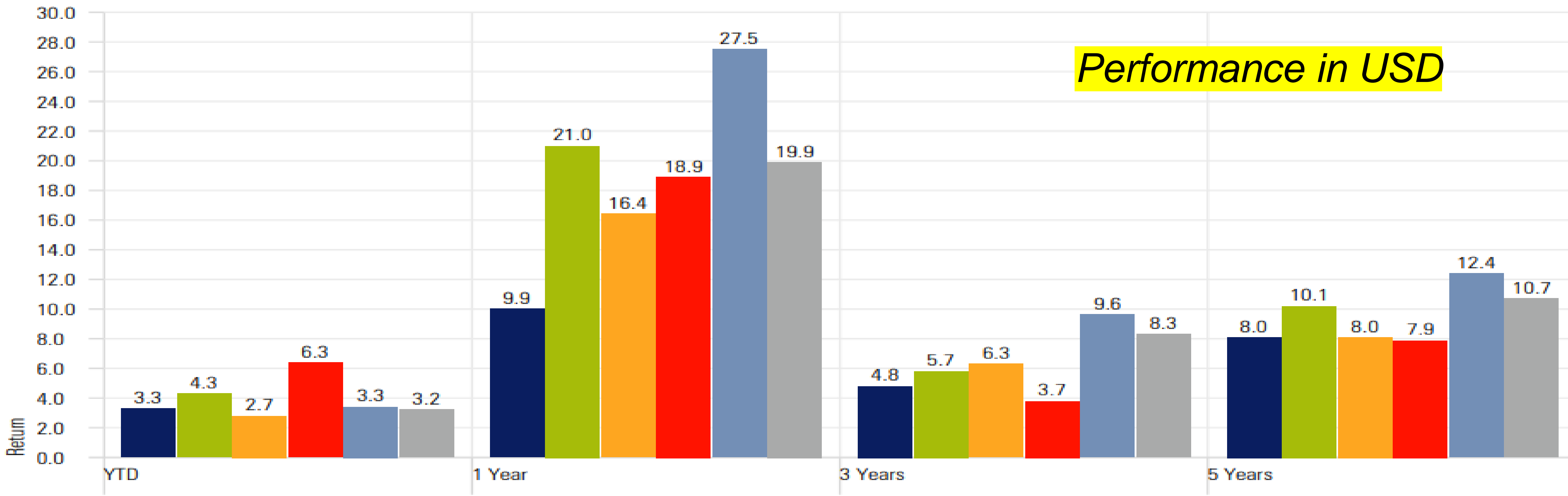
- Chambers Global Equity
- Ninety One Global Strategic Equity FF H
- PortfolioMetrix BCI Global Equity FoF B2
- Ninety One Global Franchise FF H
- Managed Global Growth
- SA CPI + 7%

Investment horizon recommended: 5 to 7 Years Equity (shares) exposure: >95%

OFFSHORE FEEDER FUNDS

Annualised Returns

As of Date: 1/31/2025



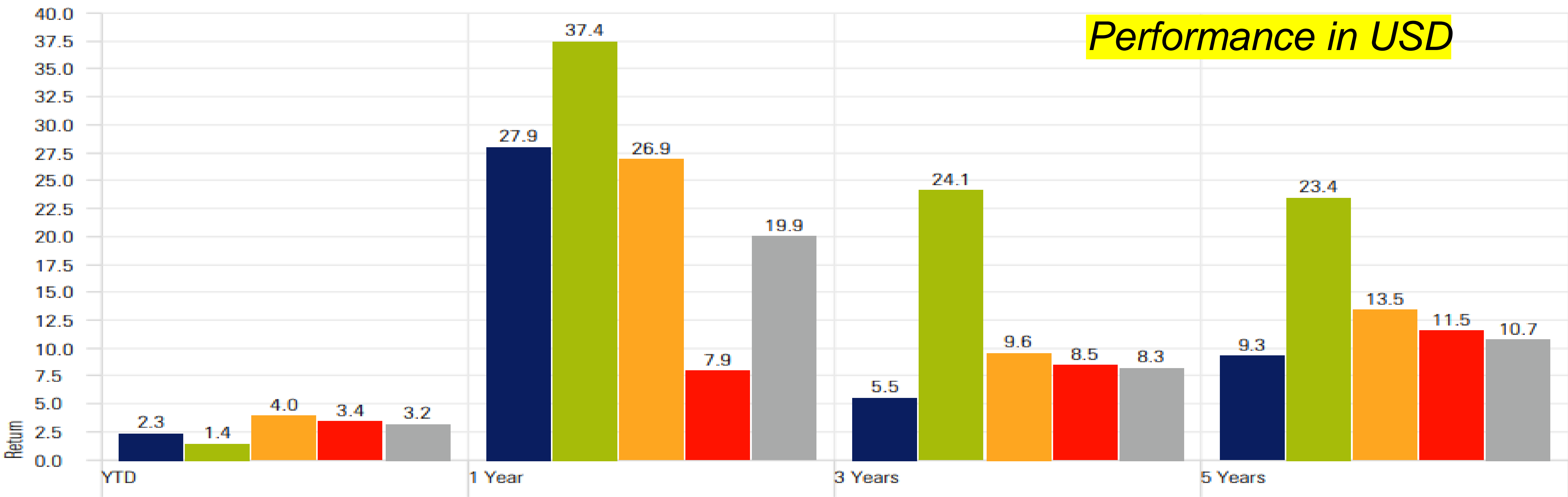
- Ninety One GSF Glob Frchs I Acc USD
- Ninety One Global Strategic Equity I USD
- PortfolioMetrix Global Equity B USD Acc
- Old Mutual Growth Global Eq A Acc
- Ninety One GSF Glob Equity I Acc USD
- 95% MSCI ACWI + 5% USD Cash

Investment horizon recommended: 5 to 7 Years Equity (shares) exposure: >95%

INTERNATIONAL FUNDS (USD)

Annualised Returns

As of Date: 1/31/2025



■ Sygnia 4th Industrial Revolution GI Eq A
■ Ninety One American Franchise I Acc £

■ Sygnia FANG.AI Equity Fund A
■ 95% MSCI ACWI + 5% USD Cash

■ Franklin US Opportunities I(acc)USD

Investment horizon recommended: 5 to 7 Years Equity (shares) exposure: >95%

INTERNATIONAL SPECIALIST FUNDS (USD)

***So, it's February and
the end of the tax
year!***

***Let's chat about:
The Budget Speech;
RA contributions;
TFSA contributions***

Introducing "Oribi"

Trump update



BUDGET SPEECH – 19 February

The upcoming Budget Speech on February 19th is highly anticipated! Here are some key areas to watch:

- 1. Economic Growth:** With the economy facing challenges - focus on measures to stimulate growth.
- 2. Tax Reforms:** Expectations are high for potential changes in income tax slabs and rates
- 3. Infrastructure Spending:** Significant capital expenditure on highways and railways
- 4. Support for Vulnerable Groups:** Balancing economic growth vs Support;
- 5. Energy Solutions:** Continued efforts to address energy security and funding solutions for energy projects.

It's going to be interesting to see how the Finance Minister balances these priorities!

Retirement Annuity contributions:

Remember that you are entitled to claim RA contributions from your taxable income (Maximum of 27.5% of remuneration or R350,000)

Example: for every *R1,000* contribution, you get *-R300* discount

Tax Free Savings Account: (TFSA)

Build-up is tax free, No CGT

Maximum contribution = R36,000 pa

Invest tax-wise!



Introducing Oribi:



We are pleased to inform our clients that we are introducing **Oribi Capital Partners** as part of the Chambers family. They join our asset management team and will offer valuable additional input into the management of the Chambers range of investment portfolios.

Chambers Tax & Wealth (Pty) Ltd continues to provide financial advisory services to our clients – That's us! 😊

Chambers Asset Management (Pty) Ltd together with Morningstar manages the Chambers range of portfolios. Morningstar makes all the decisions with input from the investment committee. Chambers Asset Management (Pty) Ltd will change its name to Oribi Capital Partners and will be joined by additional expertise from certain individuals.

NB! Morningstar continues to make all the decisions. Oribi will offer additional expertise in the decision-making process. In a nutshell – Nothing changes except that we are adding expertise to the team. No changes in cost structures, no CGT affect. Fund names will change from "Chambers" to "Oribi" e.g. "Chambers Global Equity Fund" will become the "Oribi Global Equity Fund".

A formal letter will be sent to all the affected clients shortly, i.e., Clients who are invested in the Chambers family of funds.

A close-up, low-angle shot of a metal safe dial with several buttons, illuminated by warm, golden light. The dial is part of a larger metal structure, possibly a safe or a vault door.

Exciting changes ahead! More expertise added to the team. A “technical change”.

Chambers
tax & wealth (PTY) Ltd



The Trump Factor

Trump's policies, tax cuts and tariffs

- Since Trump's victory, the Rand has gone from R17.52/\$ to R19.00/\$ (-8.5%)
- He does not like SA! (Elon Musk jumps on the band-wagon!)
- Fund managers and economists continue to bet that Trump's policies would help further stimulate economic growth in the world's largest economy, albeit with increased volatility.
- Globally, interest rates will continue to drop.
- The FED has cautioned that Trump's policies will likely be inflationary – expect more “USA-First” pro-growth policies for the US economy



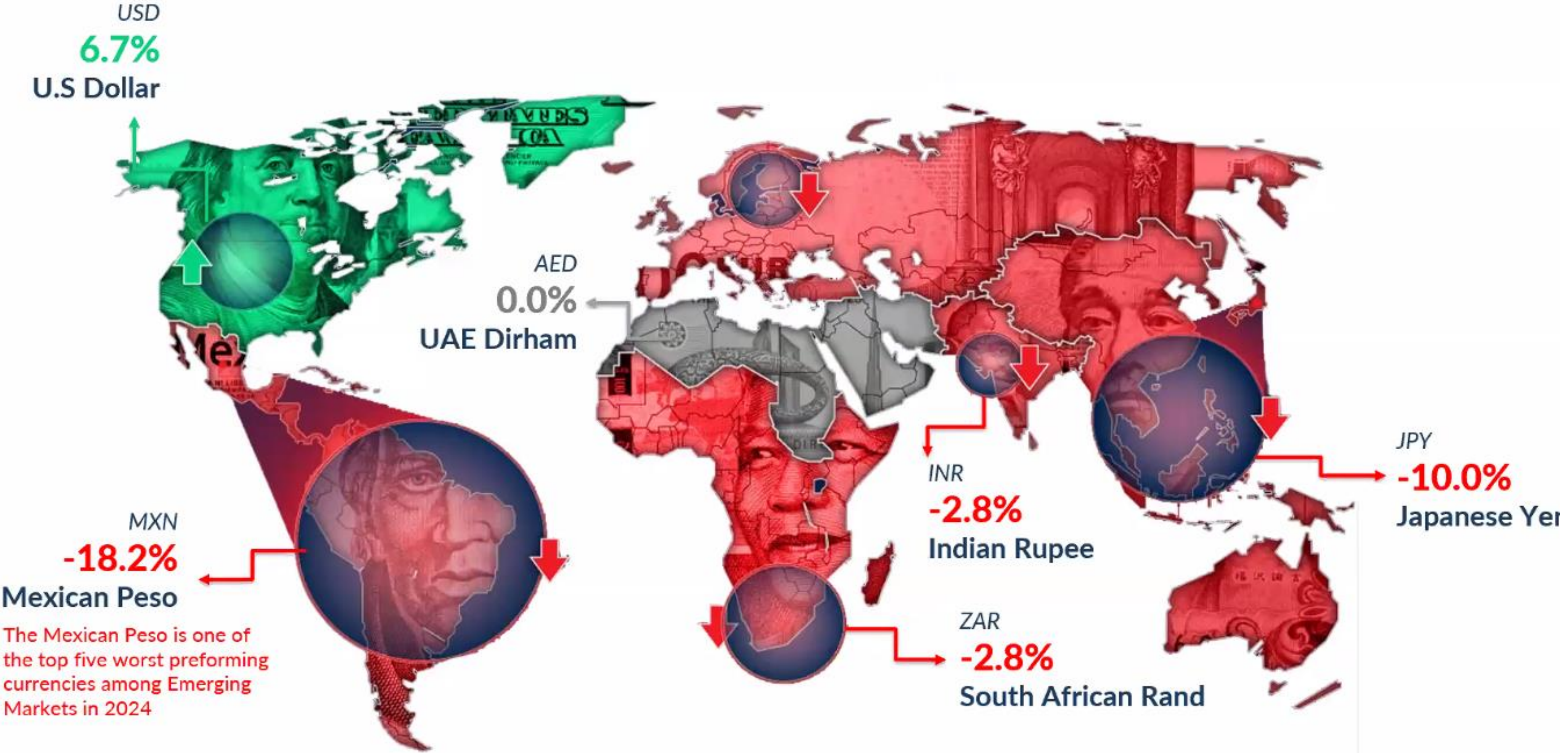


THE BULL CASE

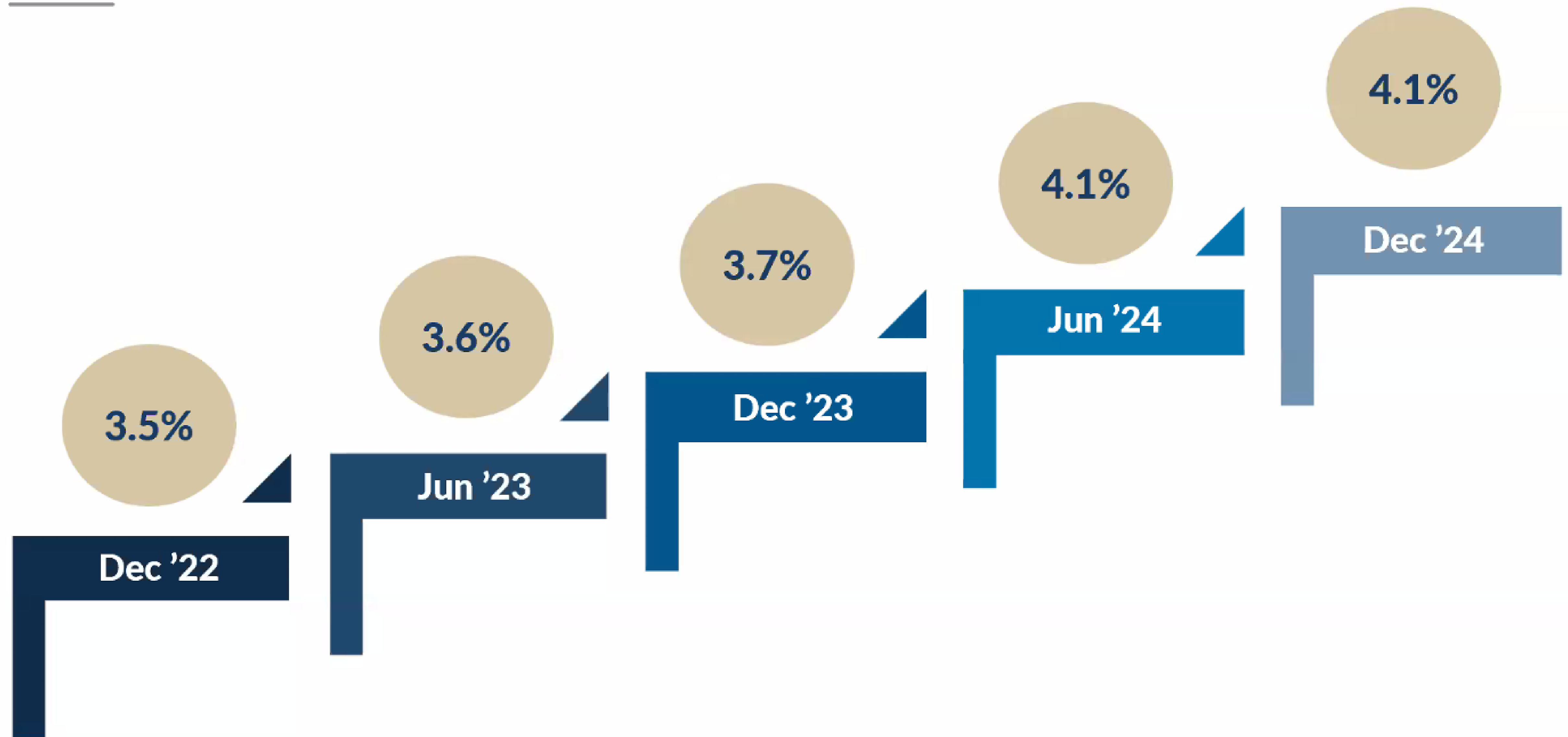
- We are in a bull market, and conditions conducive for this to continue in late cycle.
- Strong US economy, Trump is pro-growth, and AI-driven animal spirits abound.
- Interest rate cut expectations have moderated as economy is strong.
- Strong US GDP growth should flow through to 14% 2025 earnings growth.
- Attractive outlook does not come cheap; limited multiple compression.
- Magnificent Seven's share prices rise in line with earnings growth.
- Euro and Japan look cheap, with earnings upgrades.



MAJOR CURRENCY PERFORMANCE BY REGION IN 2024



US UNEMPLOYMENT



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