

MARKETS

South African investor confidence is on the rise again

SIPHELELE DLUDLA
siphelele.dludla@int.co.za

SOUTH African markets closed in the green yesterday as investors continued to remain optimistic that the worst of the coronavirus pandemic had passed following further easing of lockdown restrictions globally.

The JSE All Share Index climbed 1.32 percent to 49 832 points, while the Top40 Index ticked up 1.30 percent to 45 797 points, pulled by slight gains in the gold mining sector. But the rand failed to track the positive sentiment, trading 0.39 percent weaker at R18.76 against the US dollar by 5pm.

Earlier, there were fears that gold stocks would dip as the gradual easing of some Covid-19 restrictions by several nations raised prospects of more global economic activity, denting demand for the safe-haven metal.

However, the mining index rose 2.84 percent to 42 138 points, with Gold Fields 3.41 percent firmer at R146.95, AngloGold Ashanti 4.63 percent higher at R476.17 and DRDGold 1.25 percent stronger at R17.75. Harmony Gold, however, fell 9.03 percent to R64.50, and Sibanye-Stillwater eased 0.53 percent to R35.45.

The banking index also eased 2.67 percent to 5 005 points, while the

general retailers index fell 1.83 percent to 3 256 points.

Nedbank fell 2.89 percent to R96.39, Standard Bank 3.29 percent to R95.55, Absa 1.92 percent to R84.63, and FirstRand 1.65 percent to R39.40.

However, retailers inched up, with Massmart and Mr Price Group rising 1.28 percent and 0.23 percent to R23.74 and R130.30 respectively, despite Woolworths falling 1.34 percent to R27.99.

Shoprite, on the other hand, gained 0.71 percent to R107.20 and Pick n Pay was 0.87 percent higher at R59.26.

Investec's Annabel Bishop said the global financial markets had not yet

entered a sustained period of substantial risk-on, hence the general lagging of the recovery in emerging markets equity indices to those of developed market indices.

Bishop said a further rise in US-China tensions, however, would dim the advance of commodity prices somewhat, as would other rising risks.

"However, emerging evidence of the likelihood of a faster economic recovery than is currently expected would likely spur far greater risk-taking, and bolster commodity prices materially – should it occur," Bishop said.

"A quicker than anticipated advent



of a globally available vaccine or treatment, particularly in combination with further policy support measures, could have a substantial impact."