

FINANCE MATTERS



Perspective on current market conditions and Lockdown Management Plan

Our perspective on current market conditions:

The month of March has seen a complete collapse in global capital markets, driven primarily by the exponential spread of the Corona virus (Covid-19) across the world and the anticipated impact that this is likely to have on economic growth, government debt, unemployment and short-term profitability – and as can be seen below, no one has been spared:

South African indices	Close	Previous	1d %	5d %	1m %	ytd %
Top 40	34695,9	36302,3	-4,43	-4,42	-32,74	-31,72
All Share	38267,2	40272,0	-4,98	-5,51	-33,26	-32,96
Resource 10	29128,6	29994,0	-2,89	-2,86	-41,63	-40,87
Industrial 25	57112,7	59016,1	-3,23	2,70	-21,43	-17,59
Financial 15	8177,9	9191,0	-11,02	-24,28	-44,58	-47,83
Mid Cap	45413,4	49484,3	-8,23	-13,80	-39,50	-41,43
Small Cap	28301,3	31159,2	-9,17	-10,39	-34,92	-38,43
Gold	2599,9	2499,5	4,02	10,75	-23,47	-8,53
Platinum	28,4	29,1	-2,53	-21,01	-62,35	-57,29
Banks	4522,1	5018,4	-9,89	-26,83	-45,03	-48,21
General Retailers	2957,5	3232,4	-8,51	-21,44	-41,39	-47,27
Property (J253) - Total Reti	841,2	1007,8	-16,53	-28,12	-50,30	-55,18

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American indices	Close	Previous	1d %	5d %	1m %	ytd %
Dow Jones	18591,9	19174,0	-3,04	-7,91	-35,87	-34,85
S&P 500	2237,4	2304,9	-2,93	-6,23	-32,97	-30,75
Nasdaq	6860,7	6879,5	-0,27	-0,64	-28,36	-23,54
Dollar Index	98,1	98,1	---	0,07	-1,20	1,74
US VIX	72,0	72,0	---	24,50	321,55	385,83
European indices	Close	Previous	1d %	5d %	1m %	ytd %
Eurostoxx	2485,5	2548,5	-2,47	1,44	-34,60	-33,69
FTSE	4993,9	5190,8	-3,79	-3,05	-32,55	-33,79
DAX 30	8741,2	8929,0	-2,10	-0,01	-35,63	-34,02
CAC 40	4048,8	4048,8	---	4,31	-32,85	-32,27
Asian indices	Close	Previous	1d %	5d %	1m %	ytd %
Nikkei 225	16887,8	16552,8	2,02	-0,67	-27,79	-28,61
Hang Seng	21696,1	22805,1	-4,86	-5,93	-20,55	-23,04
Shanghai	2660,2	2745,6	-3,11	-4,63	-12,48	-12,78
Currency Pair	Last traded	% Chg	Close	1d %	1m %	ytd %
USDZAR	17,6624	-0,98	17,8379	1,39	18,95	27,42
GBPZAR	20,5077	-0,43	20,5967	1,00	6,00	10,95
EURZAR	19,0323	-0,53	19,1343	1,76	17,55	21,95
AUDZAR	10,4070	0,21	10,3848	2,03	4,46	5,68
EURUSD	1,0778	0,50	1,0725	0,24	-1,14	-4,33
USDJPY	110,46	-0,75	111,29	0,43	-0,25	2,40
GBPUSD	1,1610	0,55	1,1547	-1,04	-10,89	-12,91
USDCHF	0,9805	-0,42	0,9847	-0,11	0,65	1,74
AUDCAD	0,8505	0,60	0,8454	1,67	-3,54	-7,26

10 Year bond yields Selected Items				Basis Point Change	
Region	Yield %	1d Chg	1m Chg	1y Chg	
South Africa (R186)	11,07	62	313,5	233	
United States	0,82	3	-12	0	
United Kingdom	0,41	0	10	-59	
Germany	-0,38	0	10	-36	
Japan	0,03	-2	8,845	0	

Although there is a plethora of articles and statistics being distributed on the topic of market crashes, their impact, their longevity and a host of other factors, I believe that the article below drafted by Francis Marais, Sanlam Glacier's Head of Research, provides some very relevant context to the current situation and the longer term impact of decisions that are made during severe market downturns.

[TIMES LIKE THESE - Francis Marais](#)

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As you are aware, our investment strategy has always incorporated significant levels of regional, sectoral and asset class diversification and the impact of the recent significant market decline has therefore fortunately had a less severe impact on our overall client portfolios. Although we are actively reviewing all of our client portfolios, our advice at this stage would be to maintain your current longer term investment strategy and your current asset allocation position and not to realise losses that have been incurred over the last few months.

As can be seen below, we have experienced a number of events in the past that have caused even more severe market downturns than the one that we are currently experiencing, all of which have ultimately resulted in a significant subsequent run in capital markets – and there is no reason to believe that this event will be any different...



Source: Moneyweb (JSE)

If you have any significant concerns regarding your portfolio and the longer term impact of current market conditions, please speak to any of our team members so that we can address these concerns in more detail.

Hewett Wealth Business Continuity:

Hewett Wealth has an effective Business Continuity and Disaster Management Plan in place, which will be implemented by close of business today and will be effective throughout the lockdown period between 26 March and 16 April and for any extended period if applicable. We have set aside the whole of Wednesday for staff to coordinate their own personal lives and will be fully functional again with effect from Thursday morning.

During this period,

- All staff will be working from home and will be contactable by email and on their cellular phones during normal office hours, the details of which are included below.

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- All advisors will also be available through a videoconferencing facility that has been incorporated into our proprietary internal Client Relationship Management System.
- Access to your confidential information will be available on request through our encrypted “MyMe” client platform that we have been rolling out to our client base since January 2020.
- All standard reviews will be suspended during this period due to the impact that the significant daily market fluctuations have on the accuracy and thus the validity of the reviews.
- All asset and investment management activities will continue as usual.
- All normal administration, switches, new business allocations, Investec cash management deposits and withdrawals, annuity payments and the like will continue to be processed as usual.
- All client enquiries and product provider administrative requirements will be attended to as usual.

Although we will not be in a position to see you face to face over the next three weeks, we anticipate no business interruption and no impact on the ongoing management of your financial affairs.

I would like to take this opportunity to thank you for your fantastic support of our business and of our team in the past and into the future and commit to continue providing the best possible financial advice during these really difficult times.

From our team at Hewett Wealth, we wish you and your loved ones all the very best of health and all the very best in your own sphere of business over the coming months – as they say, “this too shall pass”!

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Kind regards



Pete and the team at Hewett Wealth

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