

# Fear and Greed

PRESENTED BY: Sidney McKinnon  
13 May 2025





“Investing is not just about money. Investing is about our relationship with greed and fear.”

Morgan Housel





# CNN Fear and Greed Index

Previous close

**Extreme Fear**

19

1 week ago

**Extreme Fear**

3

1 month ago

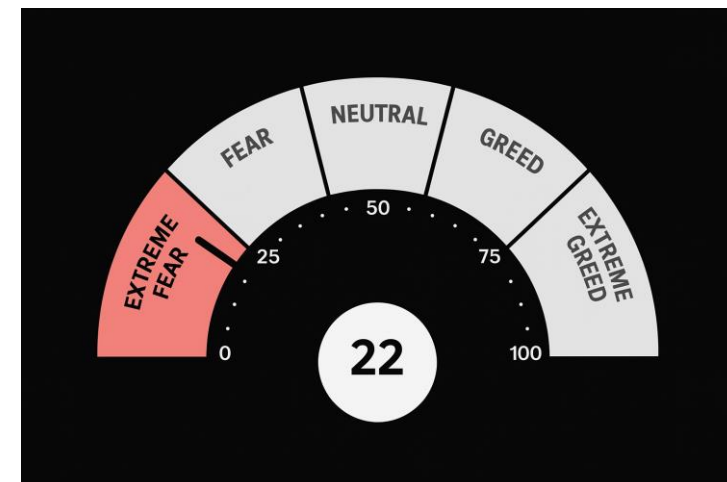
**Extreme Fear**

22

1 year ago

**Fear**

38



Market Momentum

Stock Price Strength

Stock Price Breadth

Put and Call Options

Market Volatility

Safe Haven Demand

Junk Bond Demand





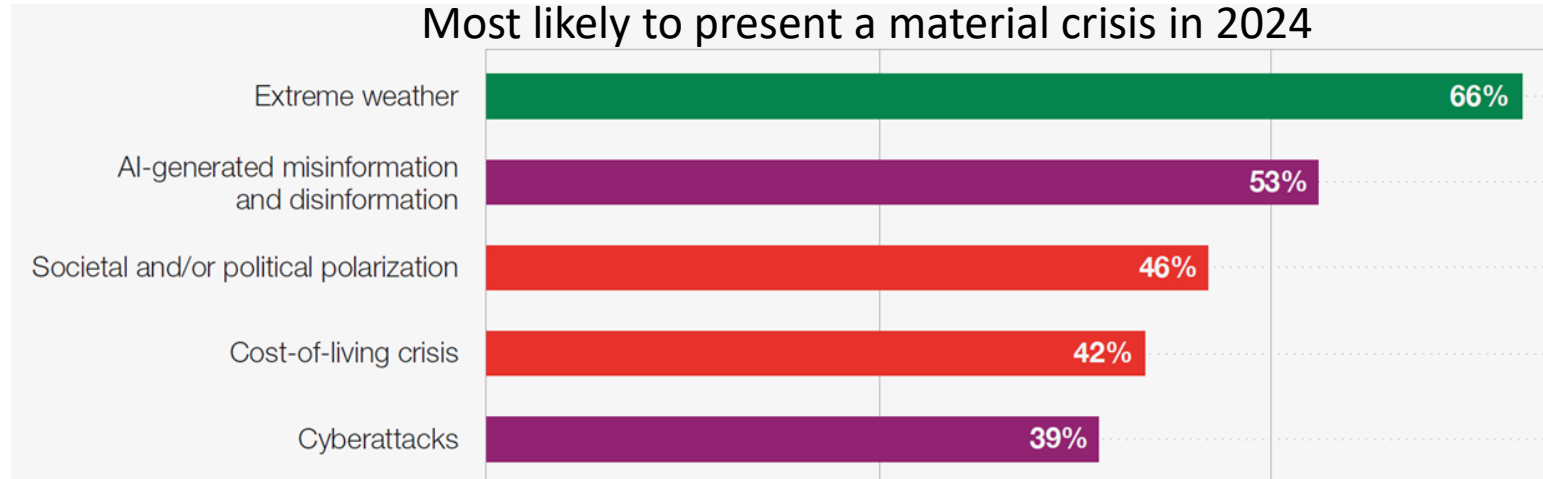
- Trump administration fears.
- Geopolitical uncertainty.
- Policy changes.
- Interest rate changes.
- Tariff wars.
- Budget bungle.
- VAT Rollercoaster.



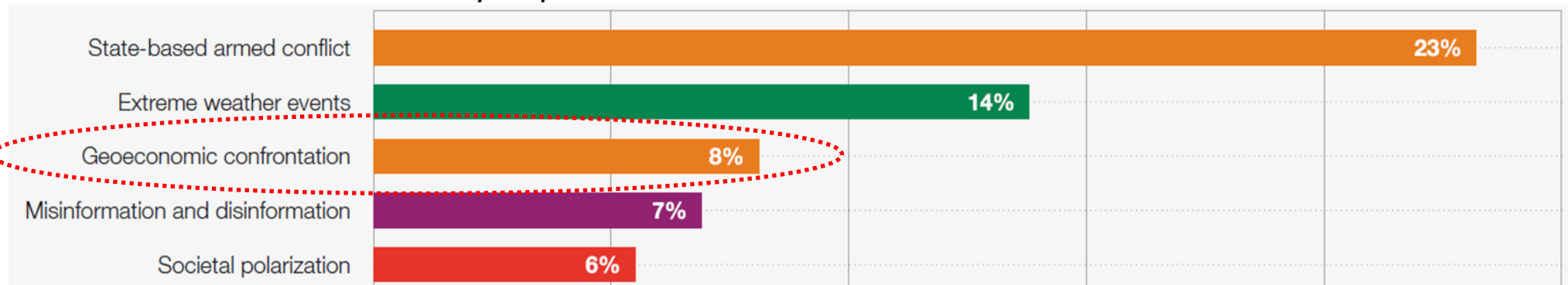
# Global Risks



## Most likely to present a material crisis in 2024



## Most likely to present a material crisis in 2025



Source: World Economic Forum Global Risks Perception Survey 2024-2025.

World Economic Forum Global Risks Perception Survey 2023-2024



# Global Risks



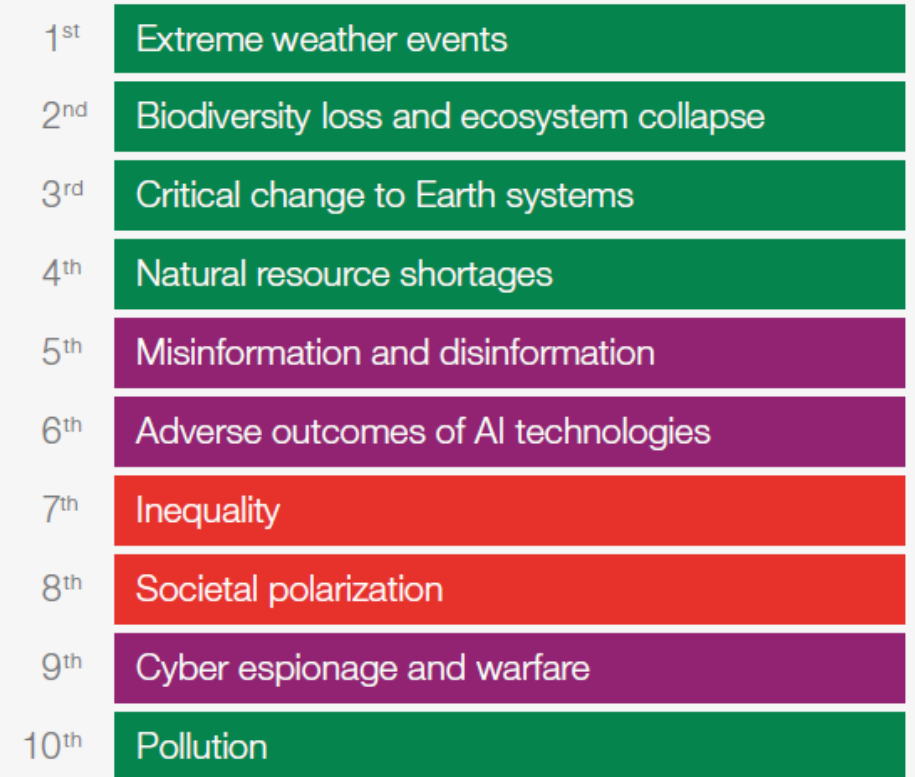
## Risk categories

- Economic
- Environmental
- Geopolitical
- Societal
- Technological

### 2 years



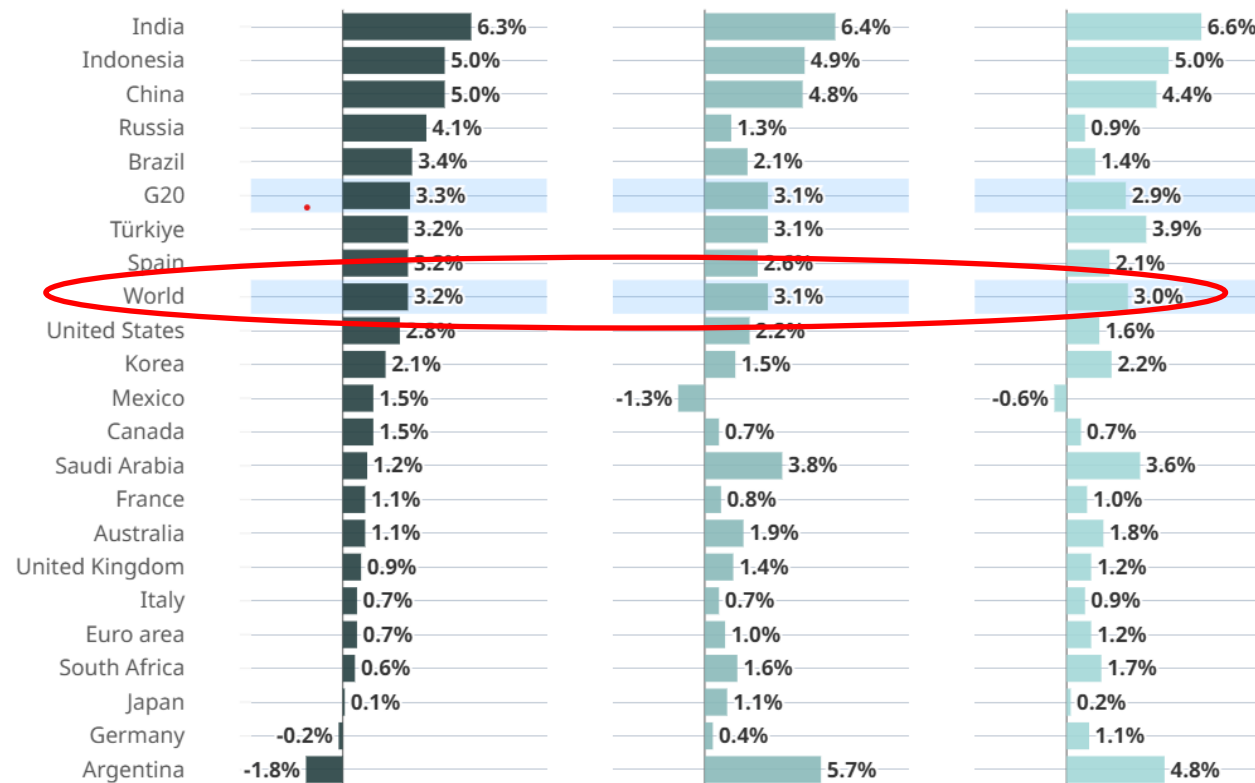
### 10 years



# Global Growth

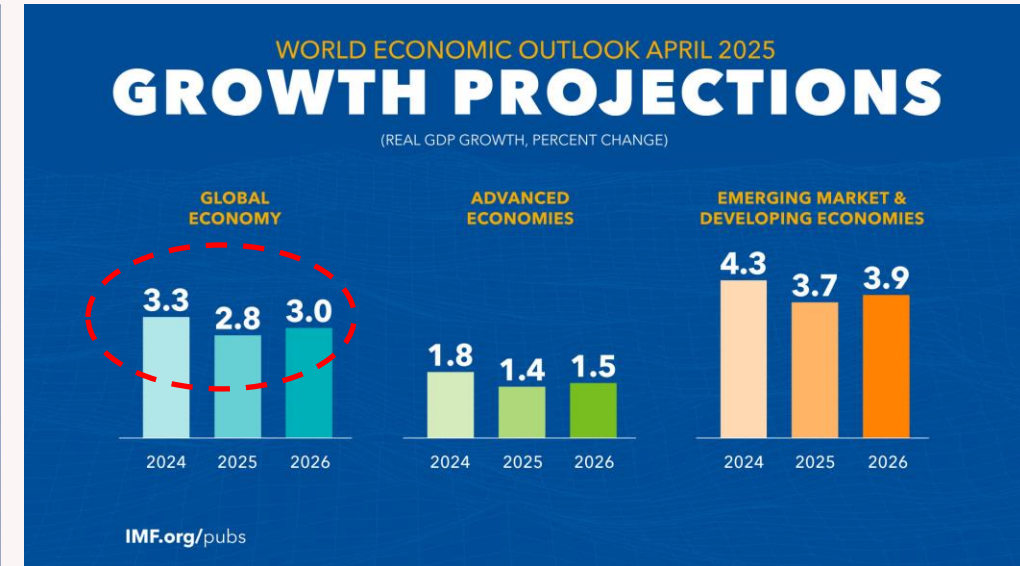


Real GDP growth projections for 2024, 2025 and 2026  
%, year-on-year



- Global GDP growth is expected to **moderate**.
- Higher **trade barriers** in several G20 economies and increased **policy uncertainty** weighing on investment and household spending.
- **Heightened uncertainty** keeps growth subdued.
- **Trade fragmentation** will harm global growth prospects if policy uncertainty increases.

# Global Growth



Global Growth: *Divergent and Uncertain.*

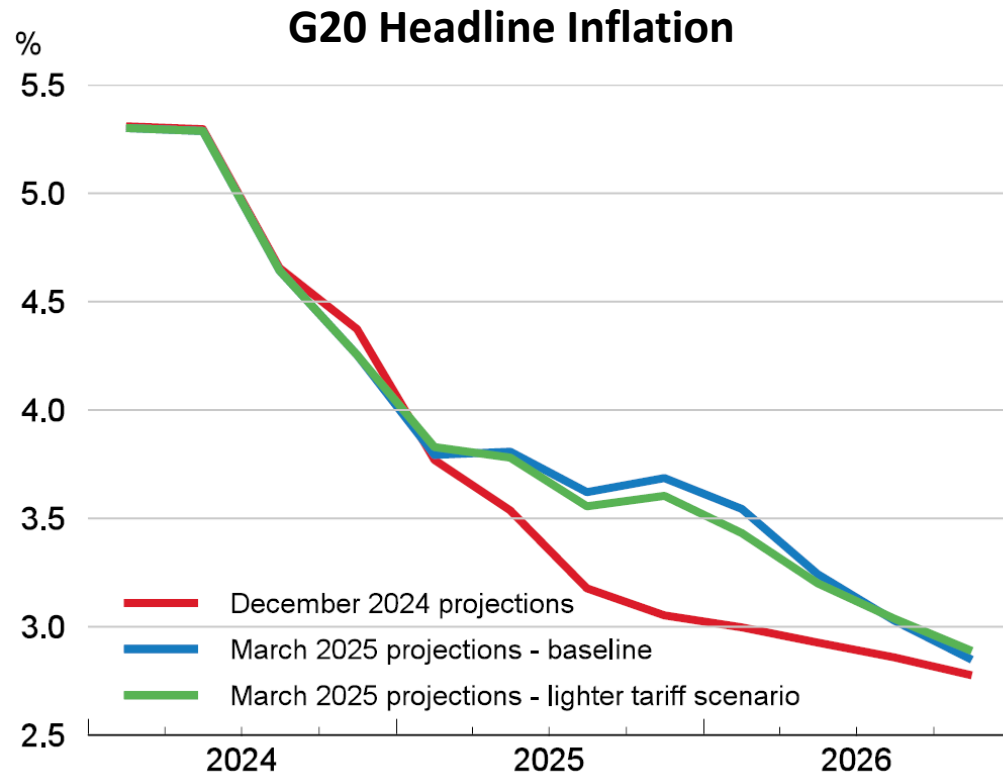
Reflects effects of the new *trade measures*, *policy uncertainty* and *weakening sentiment*.

Domestic imbalances and *policy gaps* give rise to unbalanced growth.

Source: IMF World Economic Outlook, April 2025



# Global Inflation

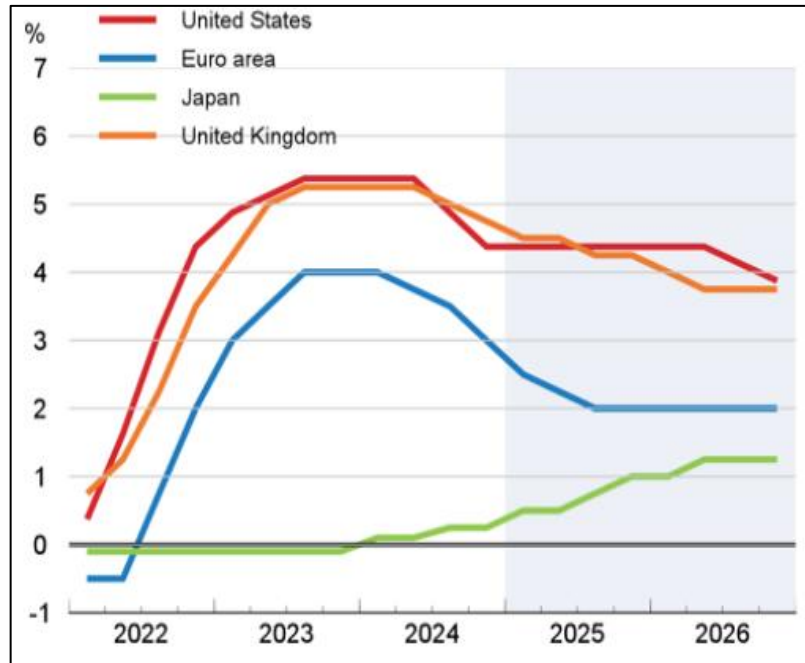


- Projected **inflation paths are higher** than previously expected.
- Annual inflation in the **emerging-market economies** is projected to **decline more sharply** than in advanced economies.
- Increased **trade costs** are expected to feed through gradually to final goods prices.
- **Household** inflation expectations have also **moved higher**.

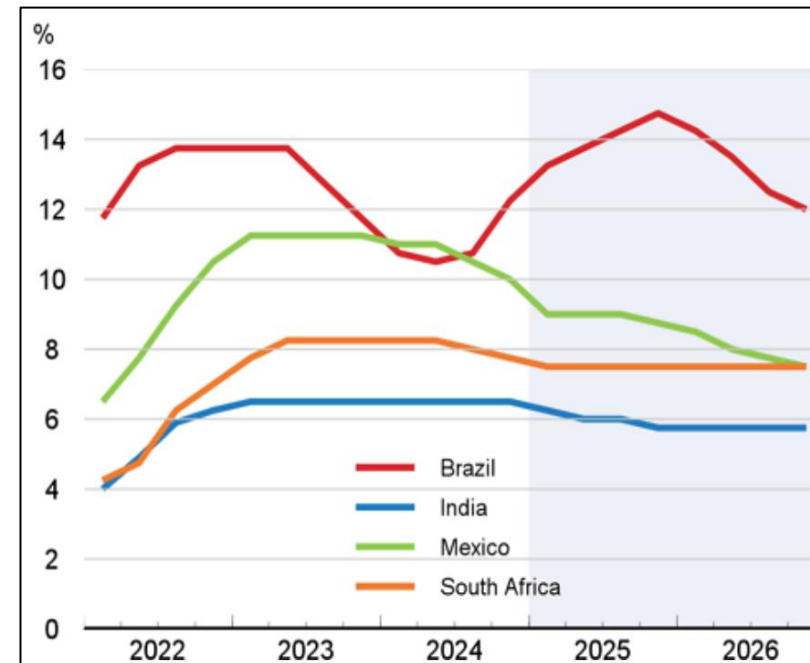
# Global Monetary Policy



## Advanced economy policy rates



## Emerging-market economy policy rates



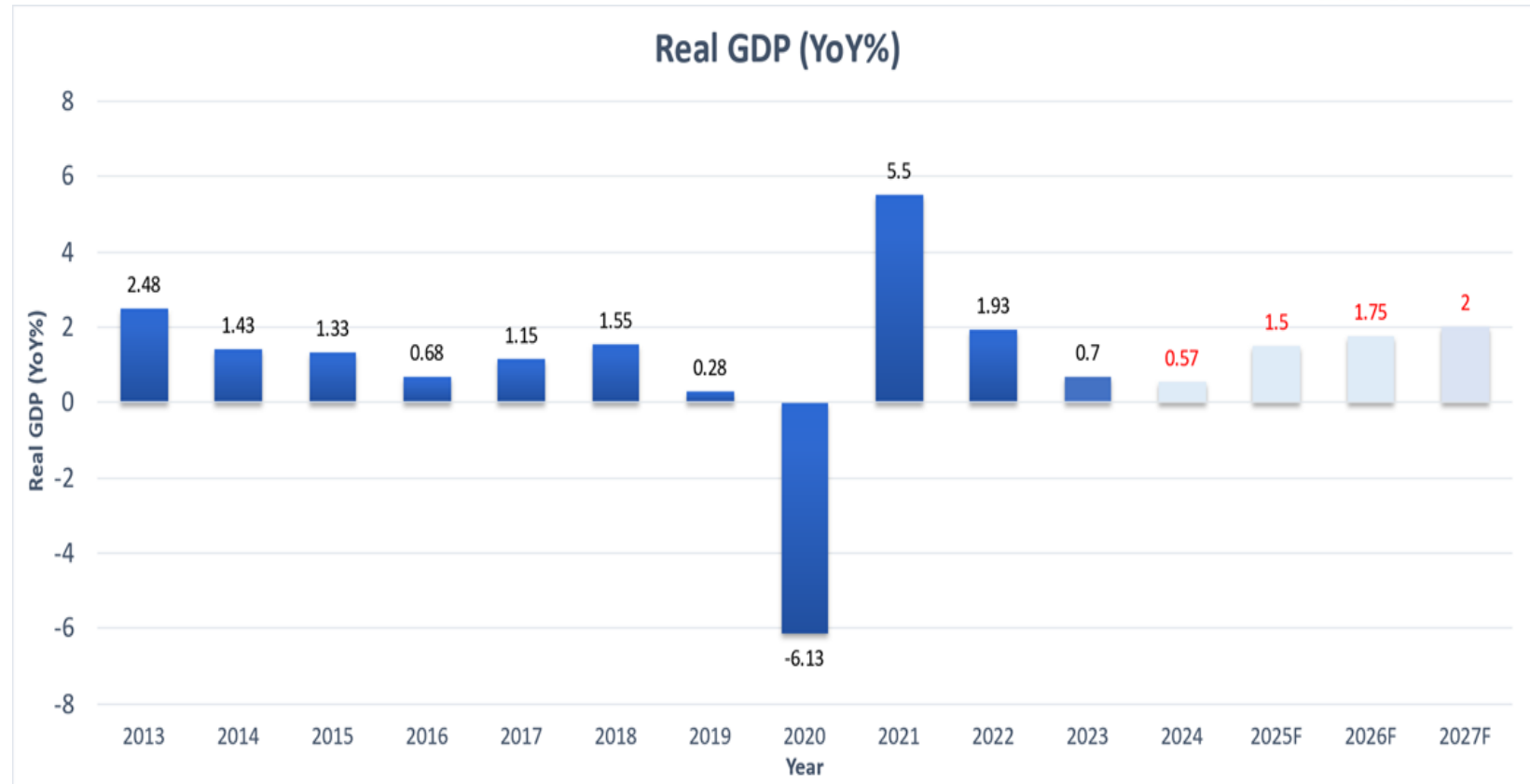
- **Inflationary pressures** could come from heightened uncertainty and the price increase of tradeable goods.
- Policy **rates diverge** across countries (Japan, Mexico).
- Policy decisions will remain finely balanced if **currency turbulence** persist.

# Local Growth



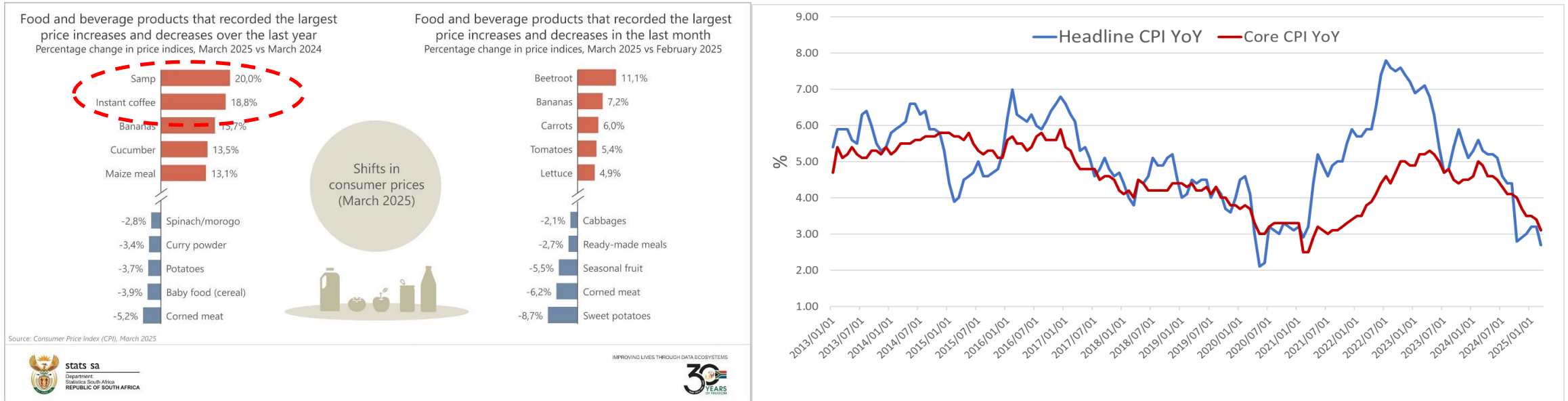
- Strong **rebound in agriculture**.
- **Household consumption continued to pick up**, but consumer remains constrained.
- Private sector investment improving.
- **Increased electricity production and consumption** a positive.
- Expectation that growth will pick up this year, but **forecasts revised down**.
- Economic environment **still quite fragile**.
- High unemployment, Low business and consumer confidence.
- Theoretically this should keep **a lid on yields**.

Source: Bloomberg





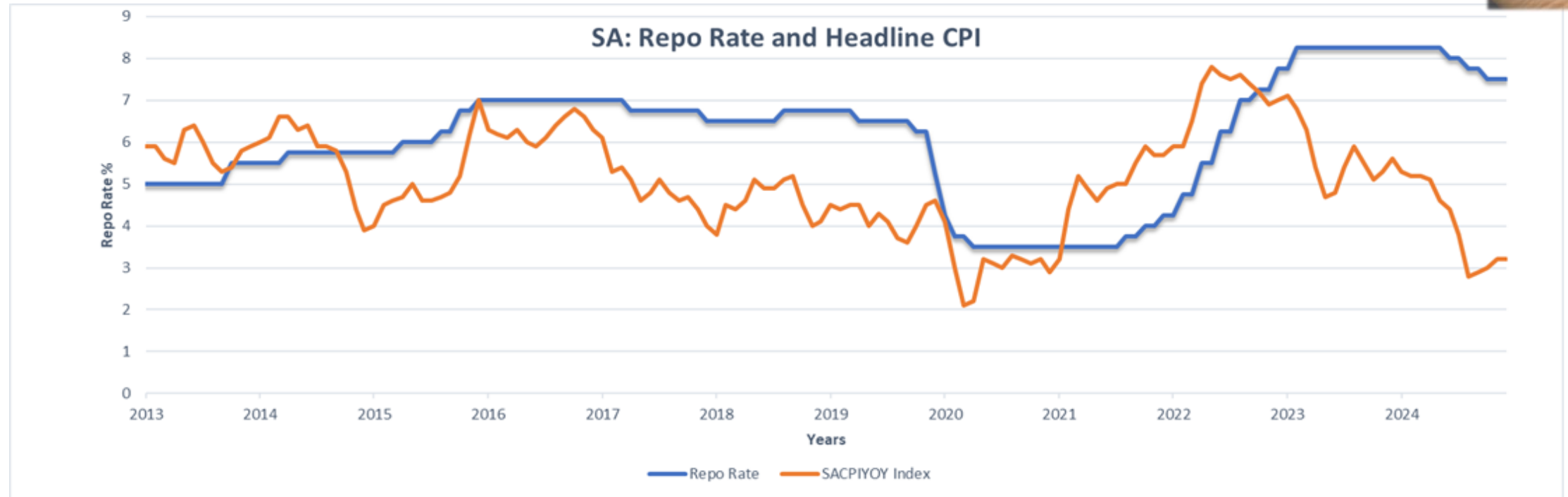
# Local Inflation



- No longer have the benefit of high statistical **base effects**.
- The data continues to reflect **benign inflation** pressure.

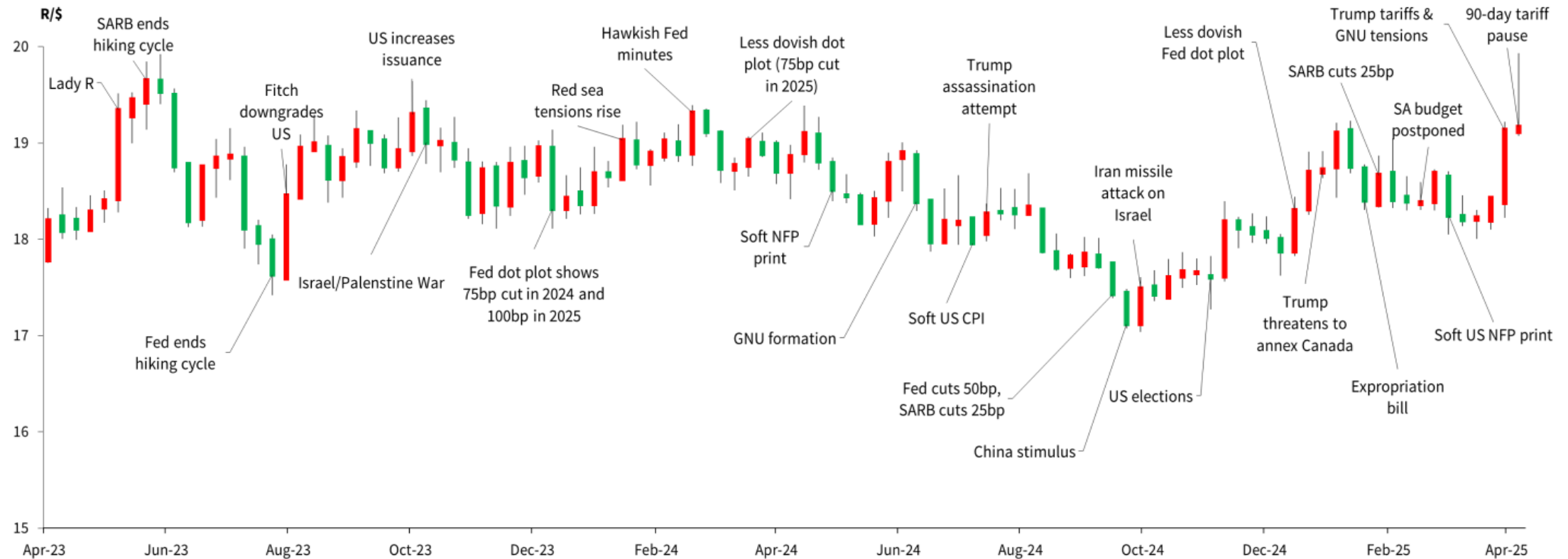
- The SARB will likely remain cautious about the potential **inflation pressure from global tariff hikes**.
- **Food inflation trending higher** but remains relatively benign.

# Local Monetary Policy



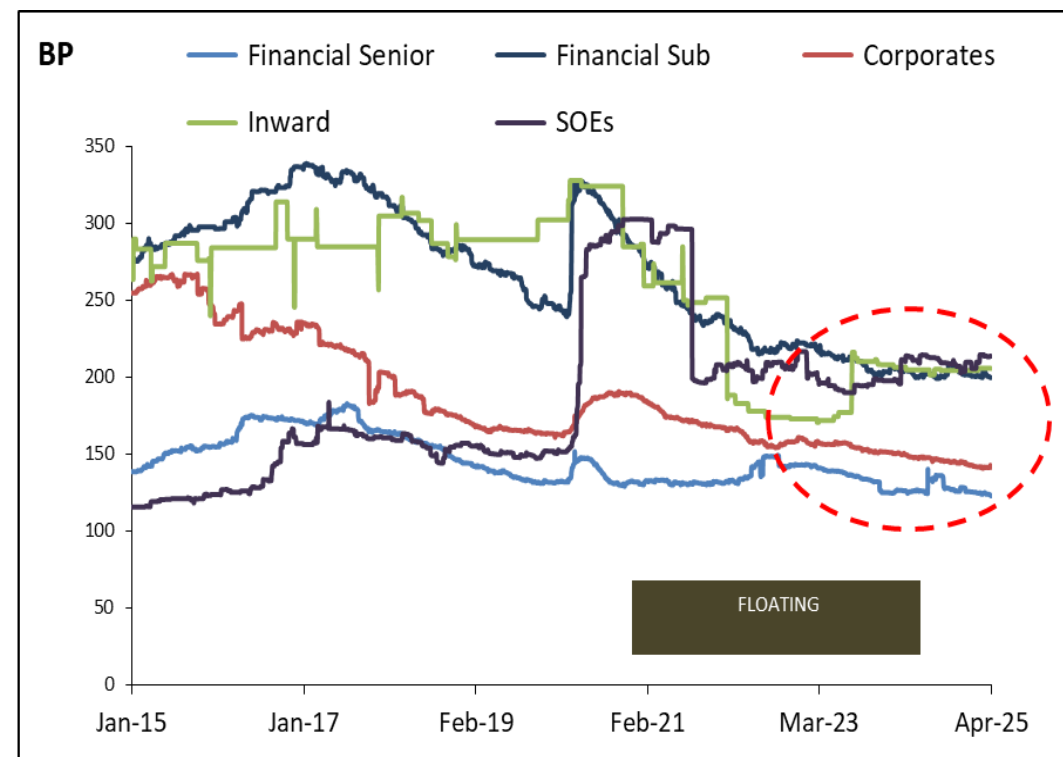
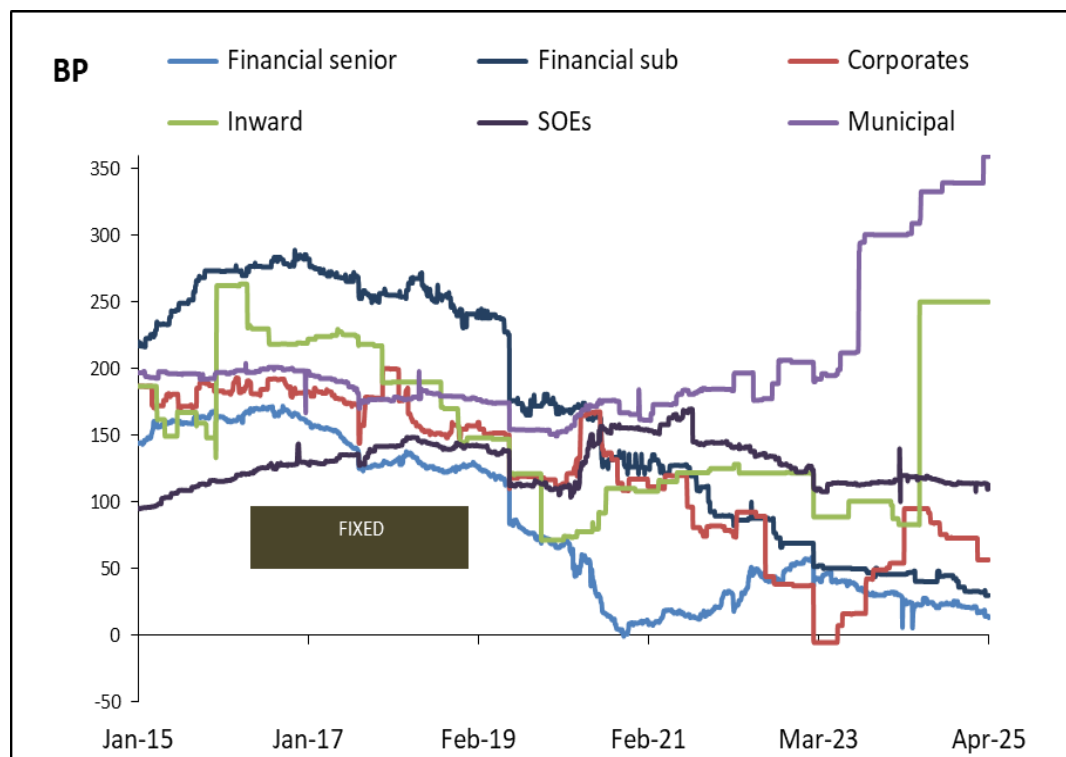
- SARB sees *up-side and down-side risks* to inflation forecasts.
- Global economic uncertainty introduce *inflation risk*.
- SARB has *lowered its GDP* forecast.
- SARB committed to deliver *low and stable inflation*.

# Local Currency

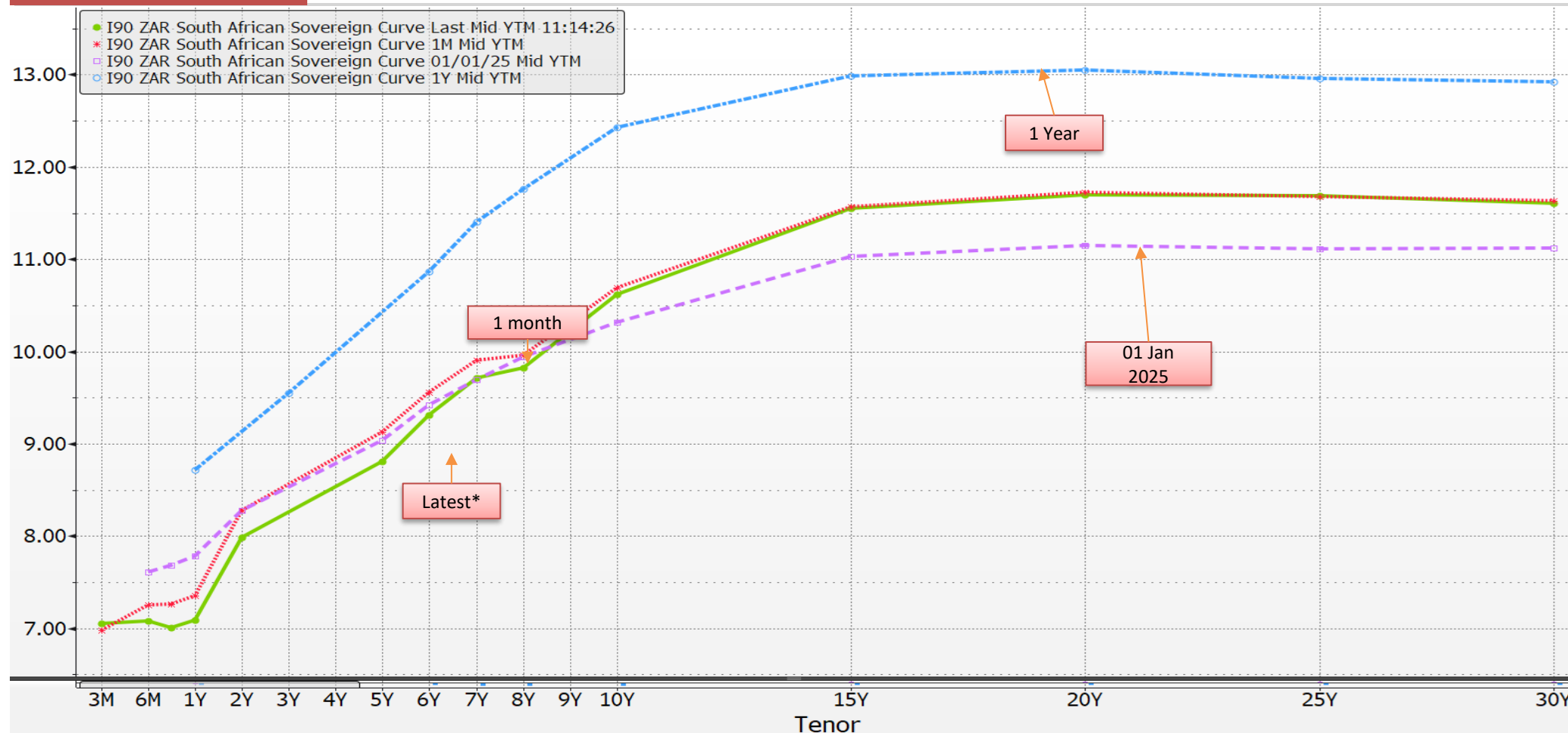




# Credit Spreads



# Yield Curve



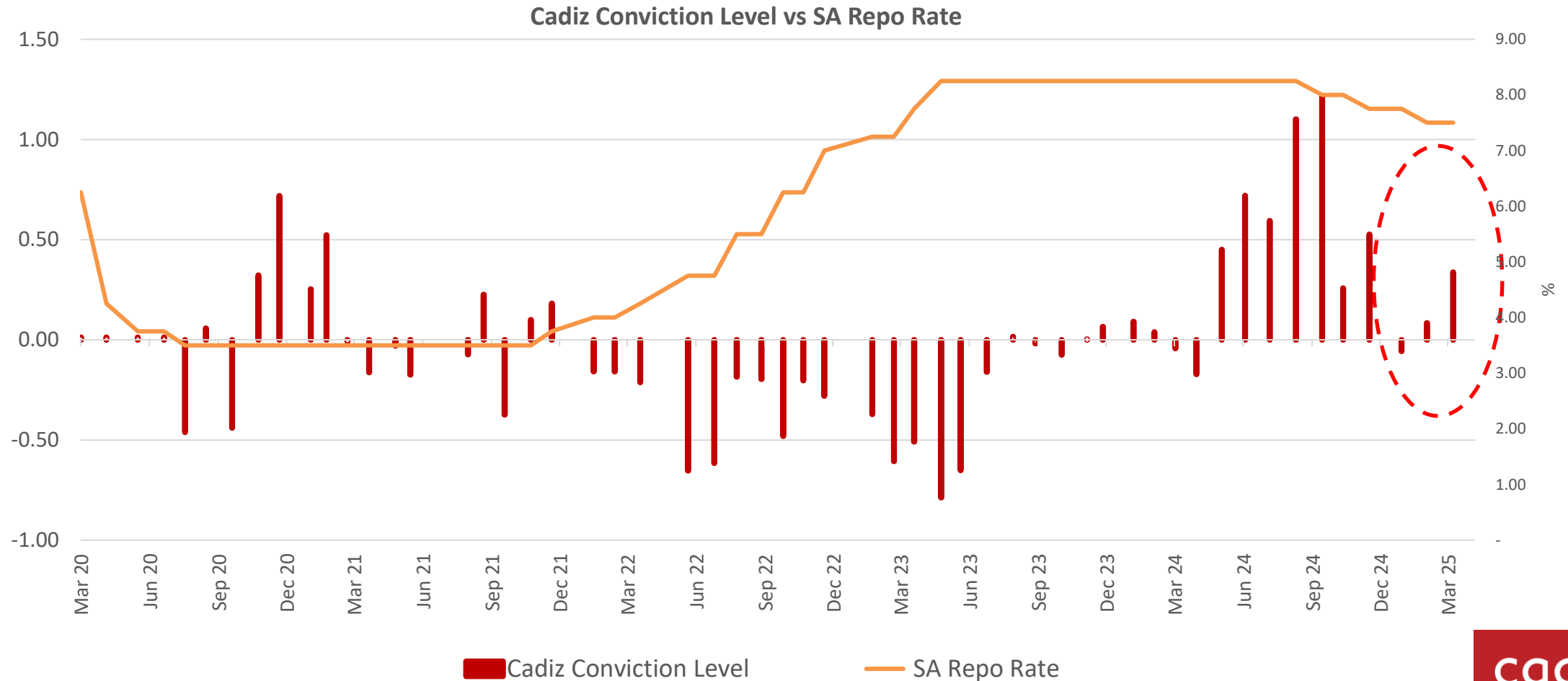
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Source: Bloomberg / Cadiz Asset Management / \*Data as 25 April 2025

**cadiz**  
ASSET MANAGEMENT

# Cadiz Conviction

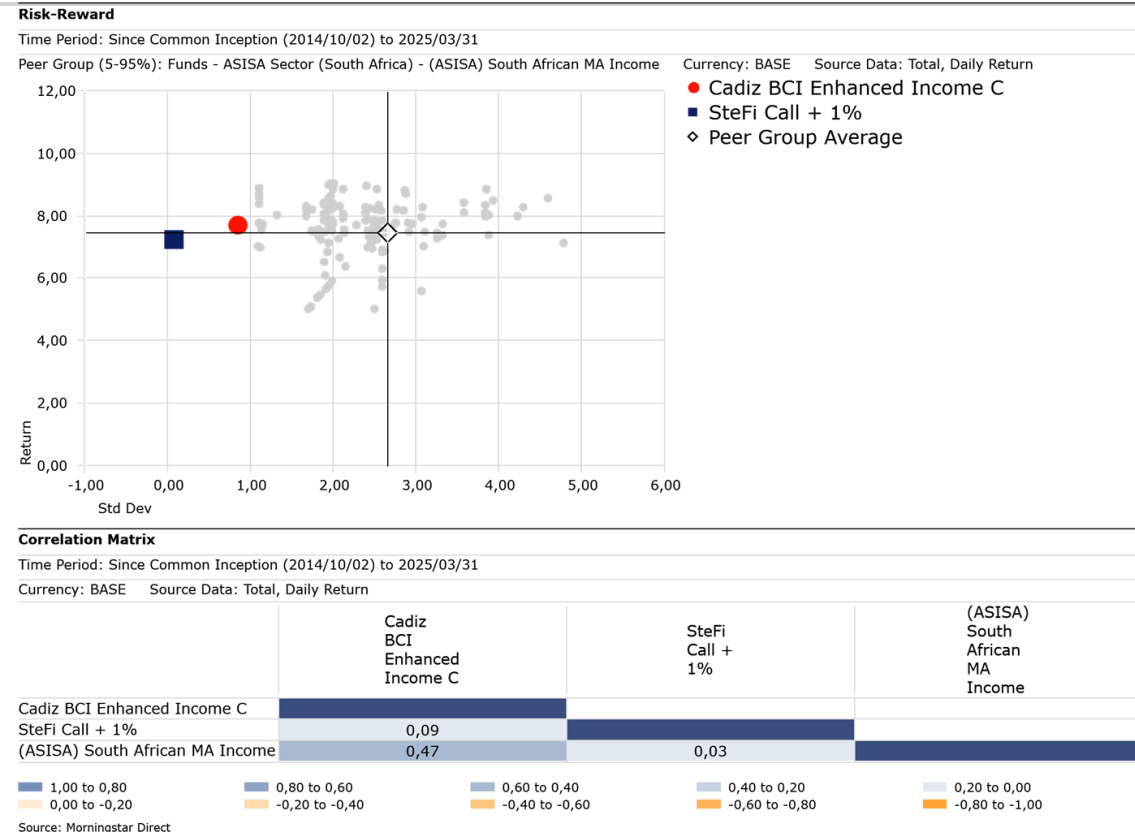




# Cadiz BCI Enhanced Income Fund

- Benchmark: STeFI Call Deposit + 1% p.a.
- Regulation 28: Compliant
- Fund Size: R2.38bn
- Uses credit to enhance return
- More than 180 counters across more than 40 issuers
- No equity, property or international fixed income holdings
- Designed for all market conditions – short duration positioning
- Low variability of returns, only 2 negative months since inception (11/2014)

Source: Morningstar Direct



Morningstar performance reported for C Class net of fees in ZAR as at 31/03/2025 (ASISA) South African MA Income. Annualised return is the weighted compound growth rate over the period measured.

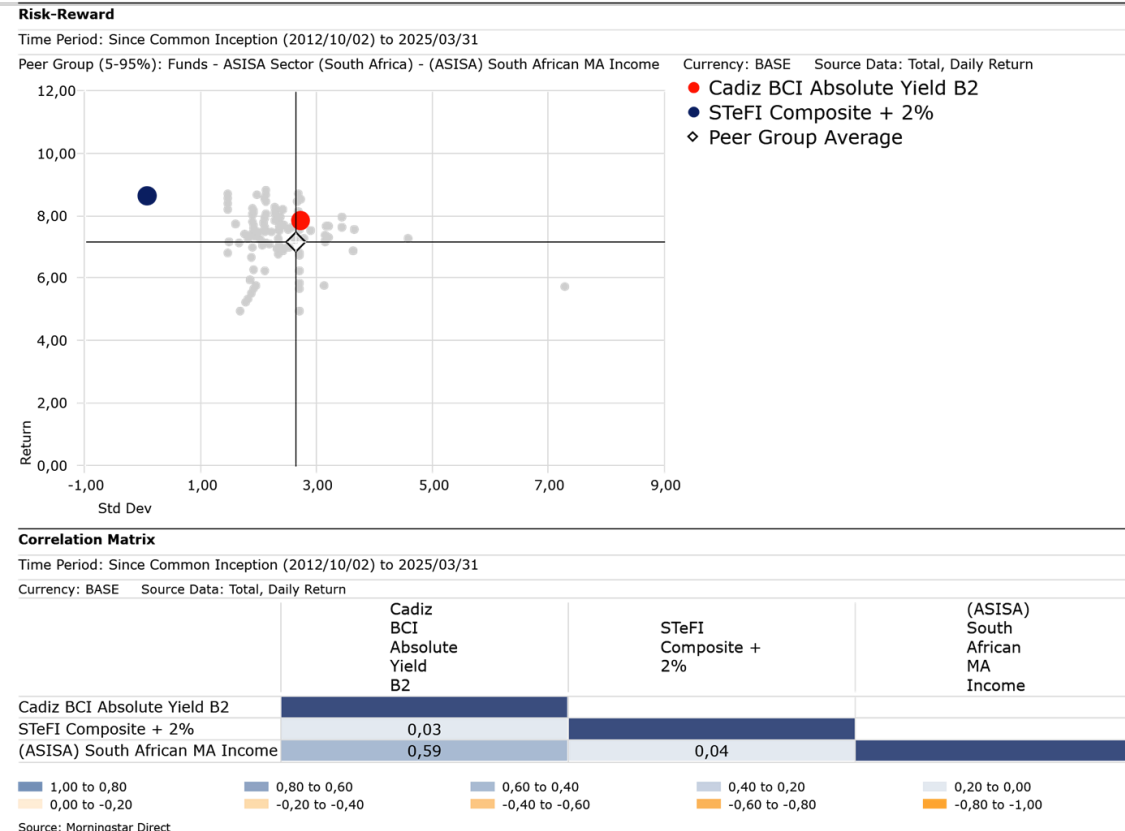
Benchmark: STeFI Call +1% pa ZAR from 01/10/2014.

Highest Calendar Year Return 10.29%; Lowest Calendar Year Return 5.25%; Standard Deviation 0.84% (1 Year) & 0.83% (3 Years)

# Cadiz BCI Absolute Yield Fund

- Benchmark: STeFI Composite + 2% p.a.
- Regulation 28: Compliant
- Fund Size: R1.71bn
- Actively managed duration positioning via fixed and floating rate exposure
- High liquidity
- No equity, property or international fixed income holdings
- Maximum 5% in USD
- Highly competitive performance relative to peers

Source: Morningstar Direct



Morningstar performance reported for B2 Class net of fees in ZAR as at 31/03/2025 (ASISA) South African MA Income. Annualised return is the weighted compound growth rate over the period measured

Benchmark: STeFI Composite +2% pa ZAR from 01/07/2017 (SA CPI + 3% to 30/06/2017), Highest Calendar year Return 13.21%; Lowest Calendar Return 4.99%; Max drawdown -0.35% (1 Year) and -0.88% (3 Years); Standard Deviation 2.55% (1 Year) & 2.51% (3 Years)

10-year Annualised Return - Fund (B2 class): 8.13%  
10-year Annualised Return - Benchmark: 8.85%

# THANK YOU

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ASSET MANAGEMENT



# IMPORTANT INFORMATION

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