

International Economic Indicators

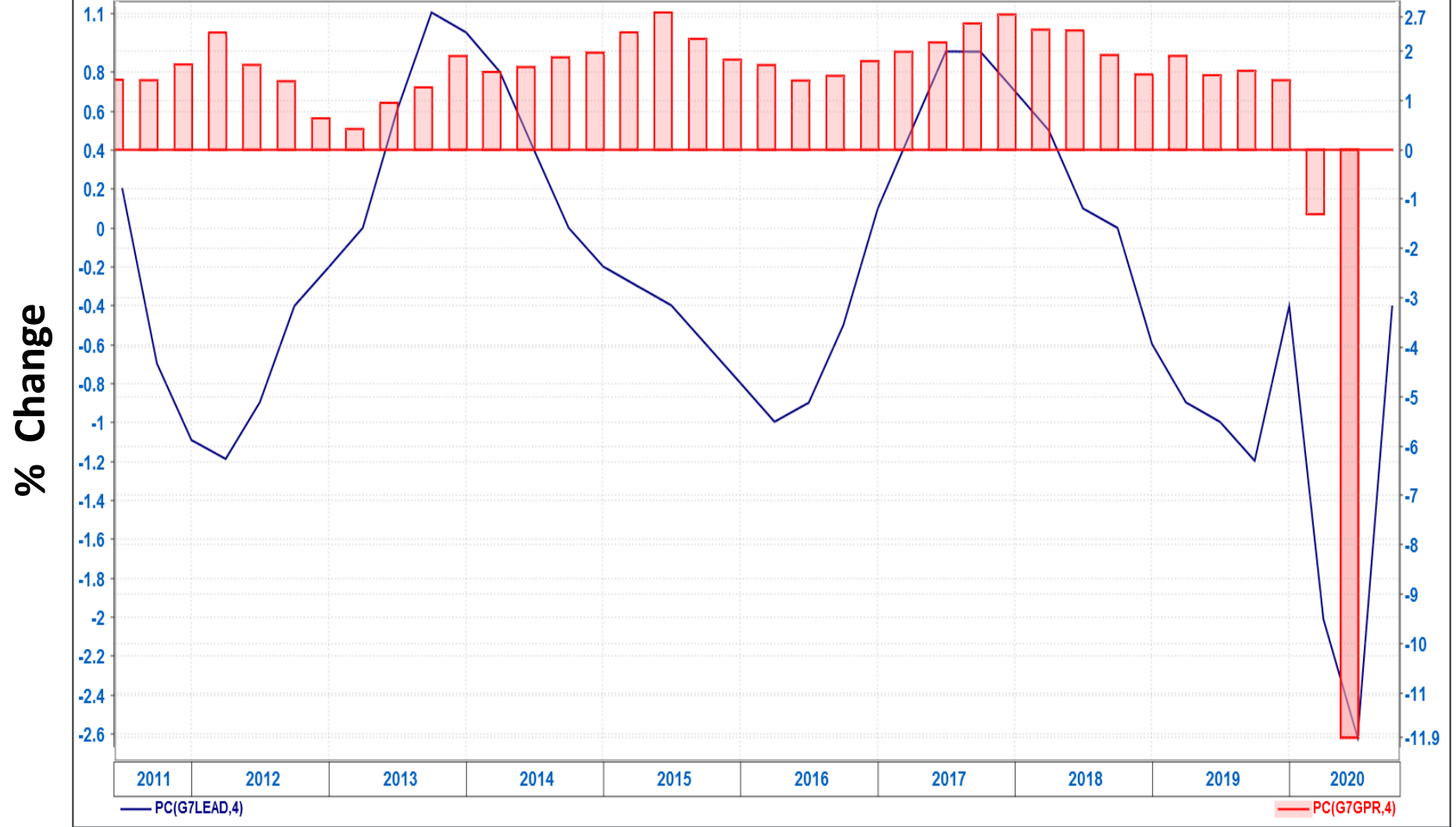
Worldwide: G7

Global impact of Covid-19 on economic growth was at its worst during the second quarter of 2020 with figures coming in at -11.9%. With the future impact of Covid-19 on world growth still uncertain, third quarter estimates of some of the G7 countries remain weak but indicate a slight recovery.

Unemployment rates have decreased to 6.5% in Q3 of 2020; while the latest inflation figures at the 0.8% level for the same period.

G7 – Economic Growth Rate

Percentage Change 4 of G7 : G D P - TOTAL AT CONSTANT PRICES (2015=100), Percentage Change 4 of G7 : COMPOSITE LEADING INDICATOR
 Quarterly 2011-06-30 to 2020-09-30



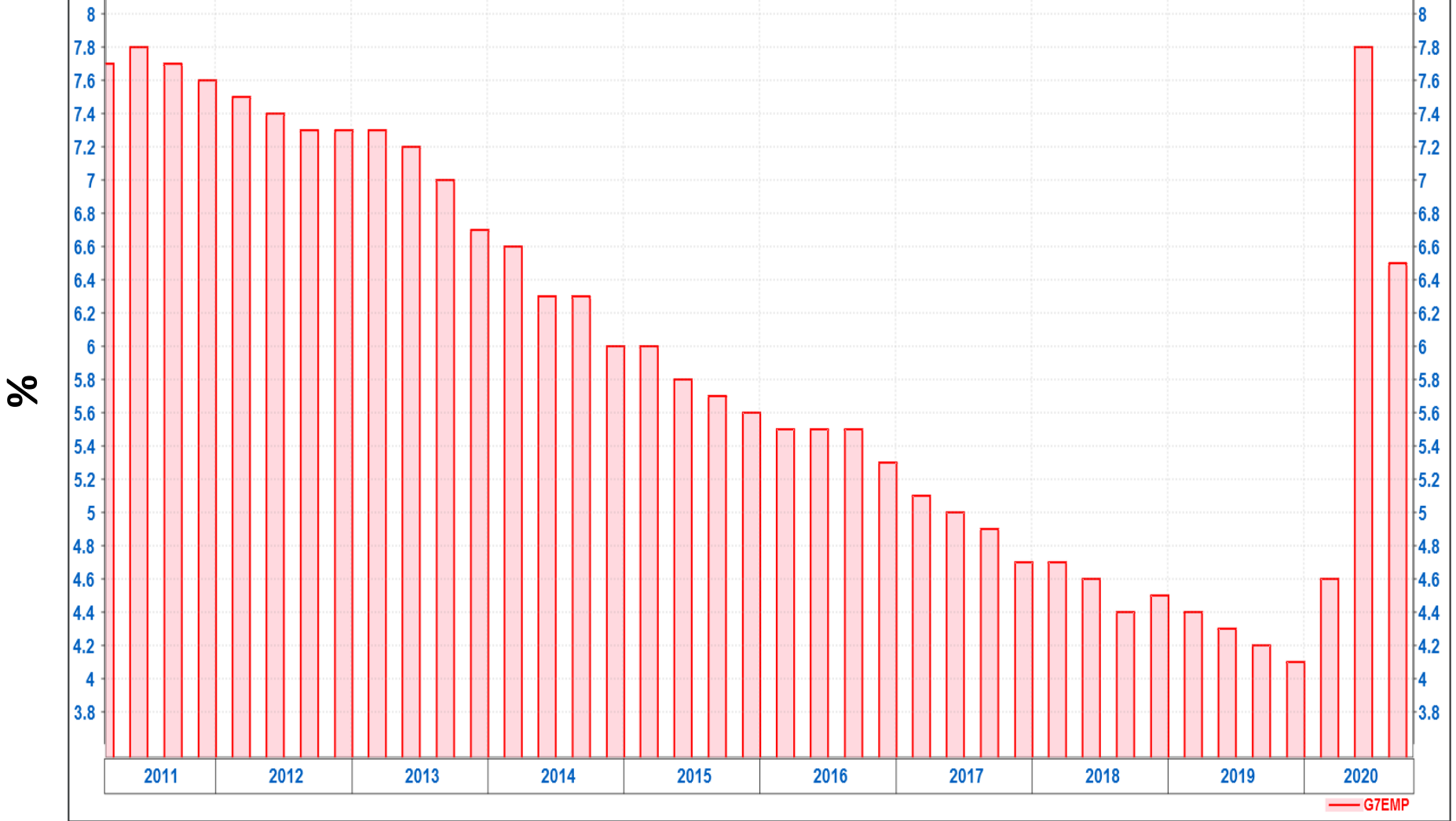
G7 Leading Indicator

G7 Growth Rate

Period

G7 – Unemployment

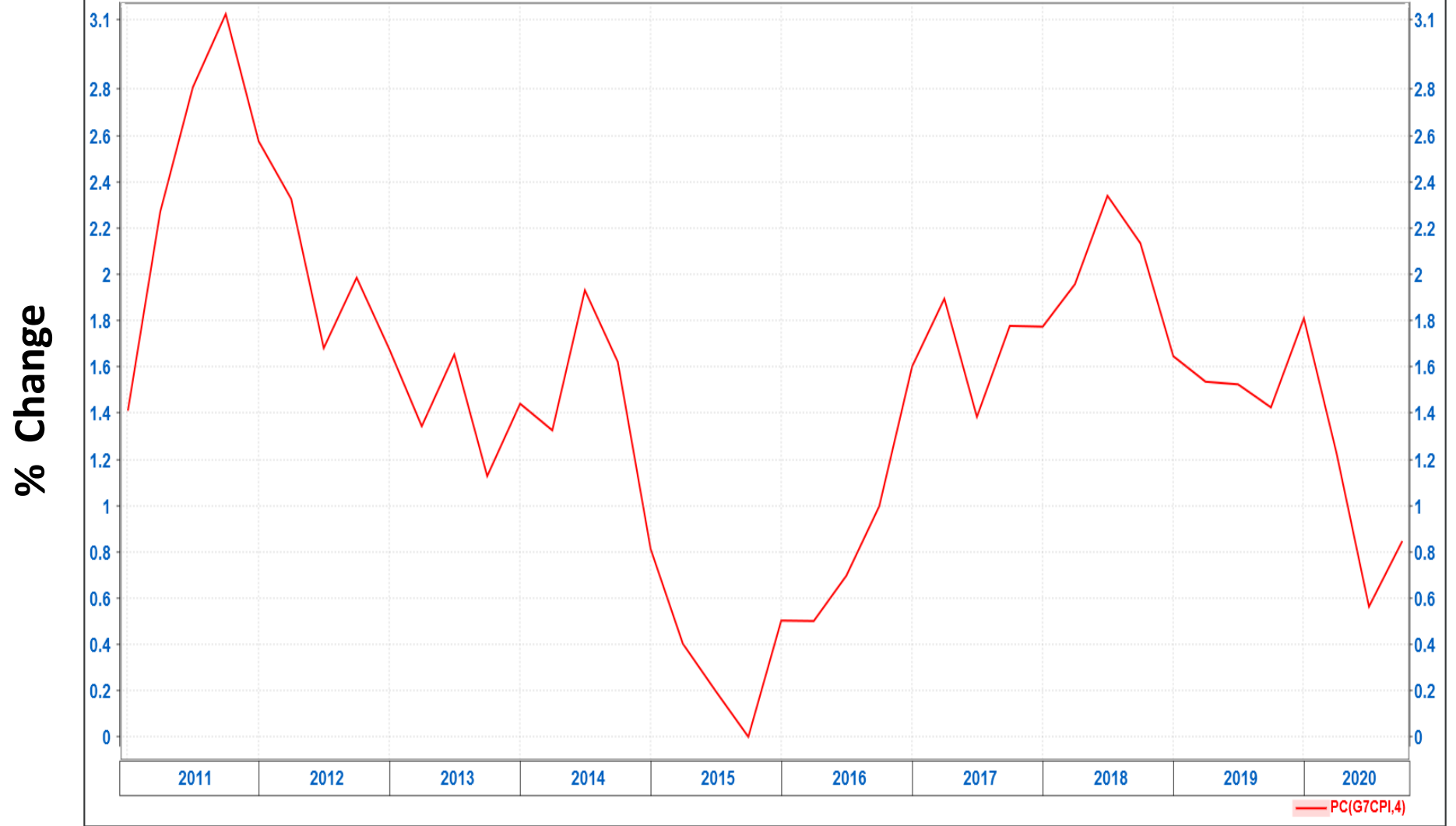
G7 : UNEMPLOYMENT %
Quarterly 2011-03-31 to 2020-09-30



Period

G7 – Inflation

Percentage Change 4 of G7 : CONSUMER PRICE INDEX (2015=100)
Quarterly 2010-12-31 to 2020-09-30



Period

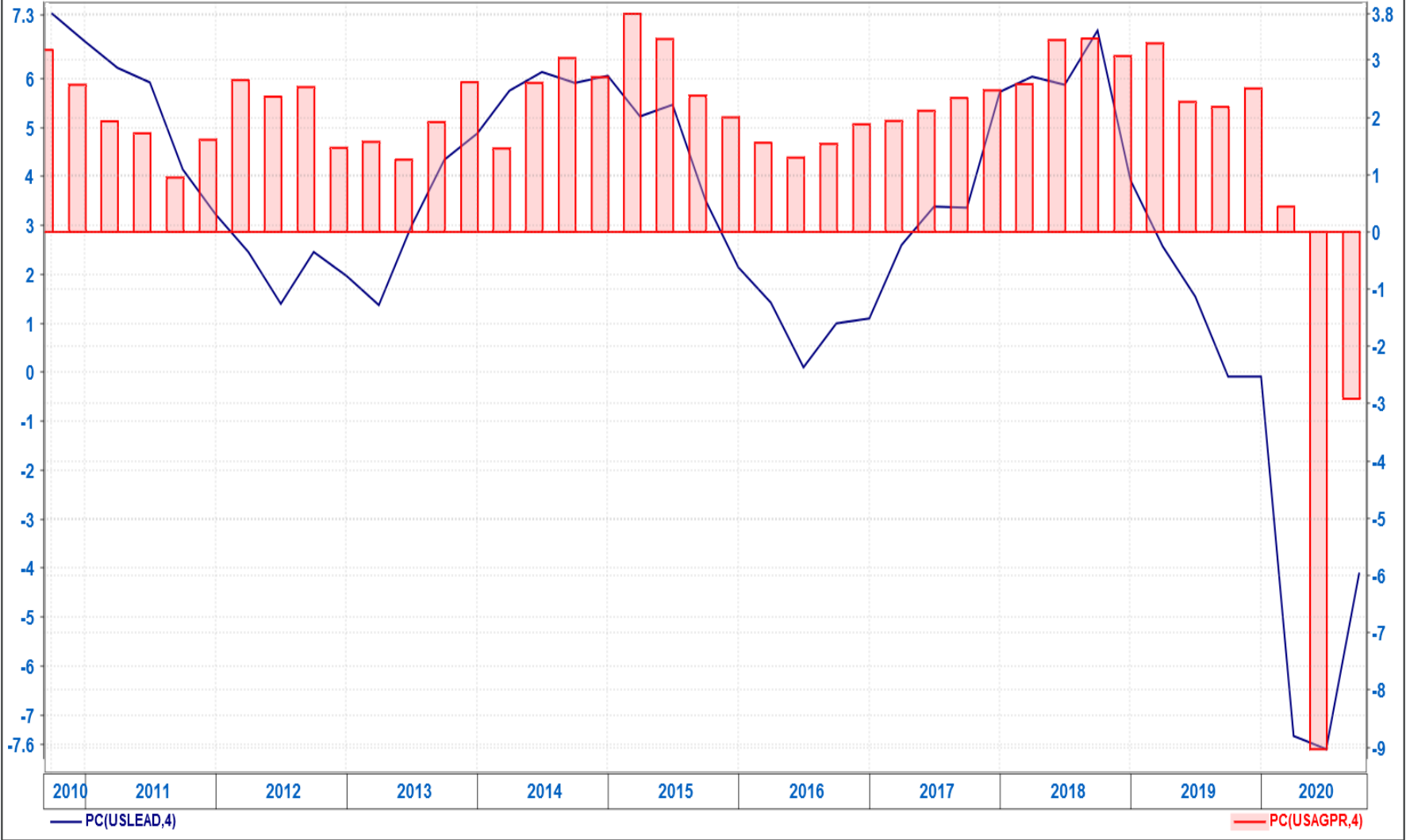
Unites States:

The Federal Reserve's quantitative easing measures continue to show some impact on economic activity; however fears of the country going back in lockdown amidst record infection rates and a second wave looming continues to weigh down the economy. Inflation came in higher at 1.2% for November 2020. The unemployment rate came in at 6.8% and real wages growth stabilised at 0.1% for October 2020. GDP growth came in at -2.9% for Q2 after contracting 9% in Q2 of 2020.

Earnings growth expectations remain weak at -13.8% for 2020.

USA – Economic Growth Rate

Percentage Change 4 of USA : G D P - TOTAL AT CONSTANT PRICES (2012\$BN), Percentage Change 4 of USA : COMPOSITE LEADING INDICATOR (2016=100)
 Quarterly 2010-09-30 to 2020-09-30

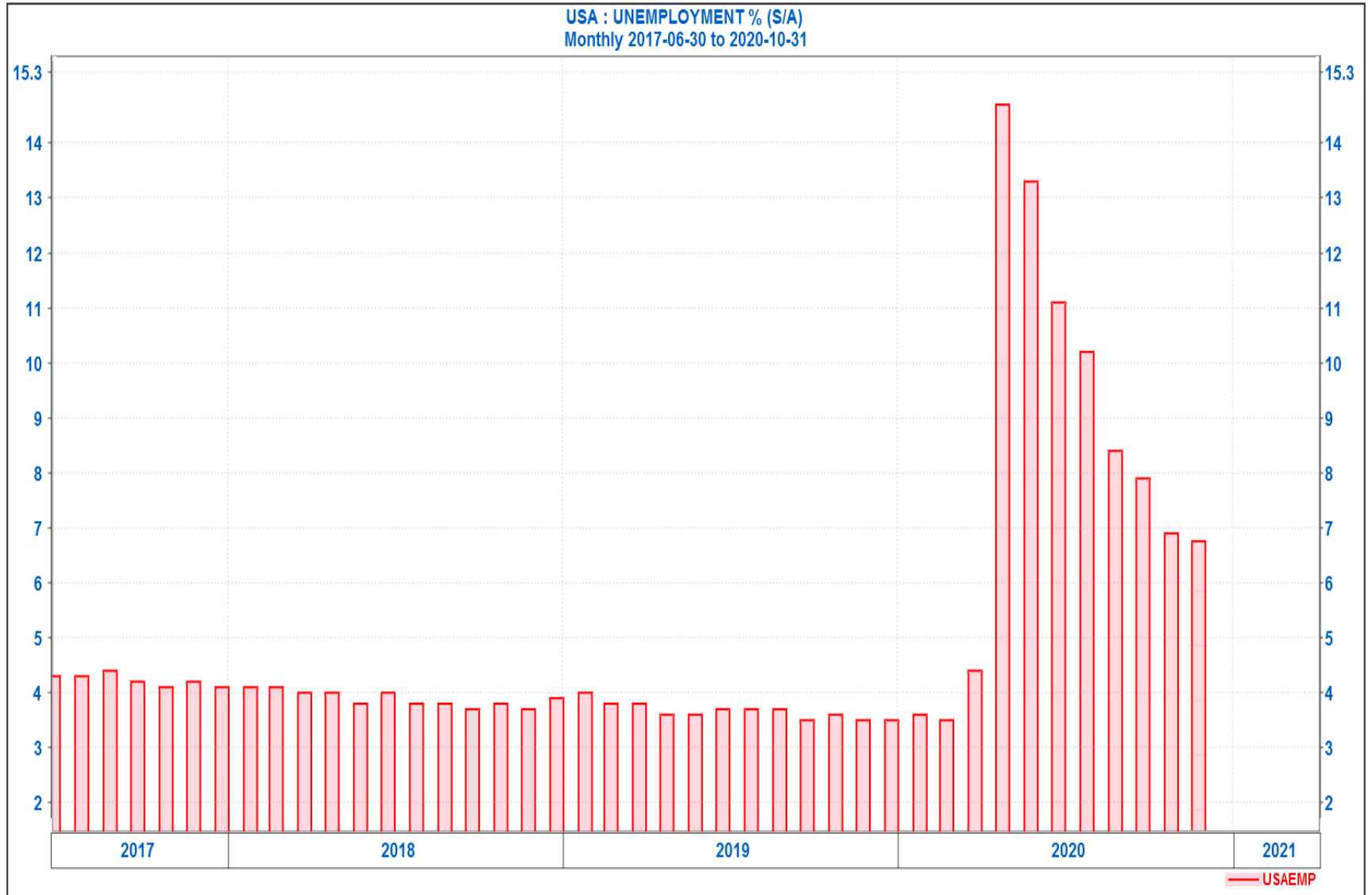


— USA Growth Rate

— USA Leading Indicator

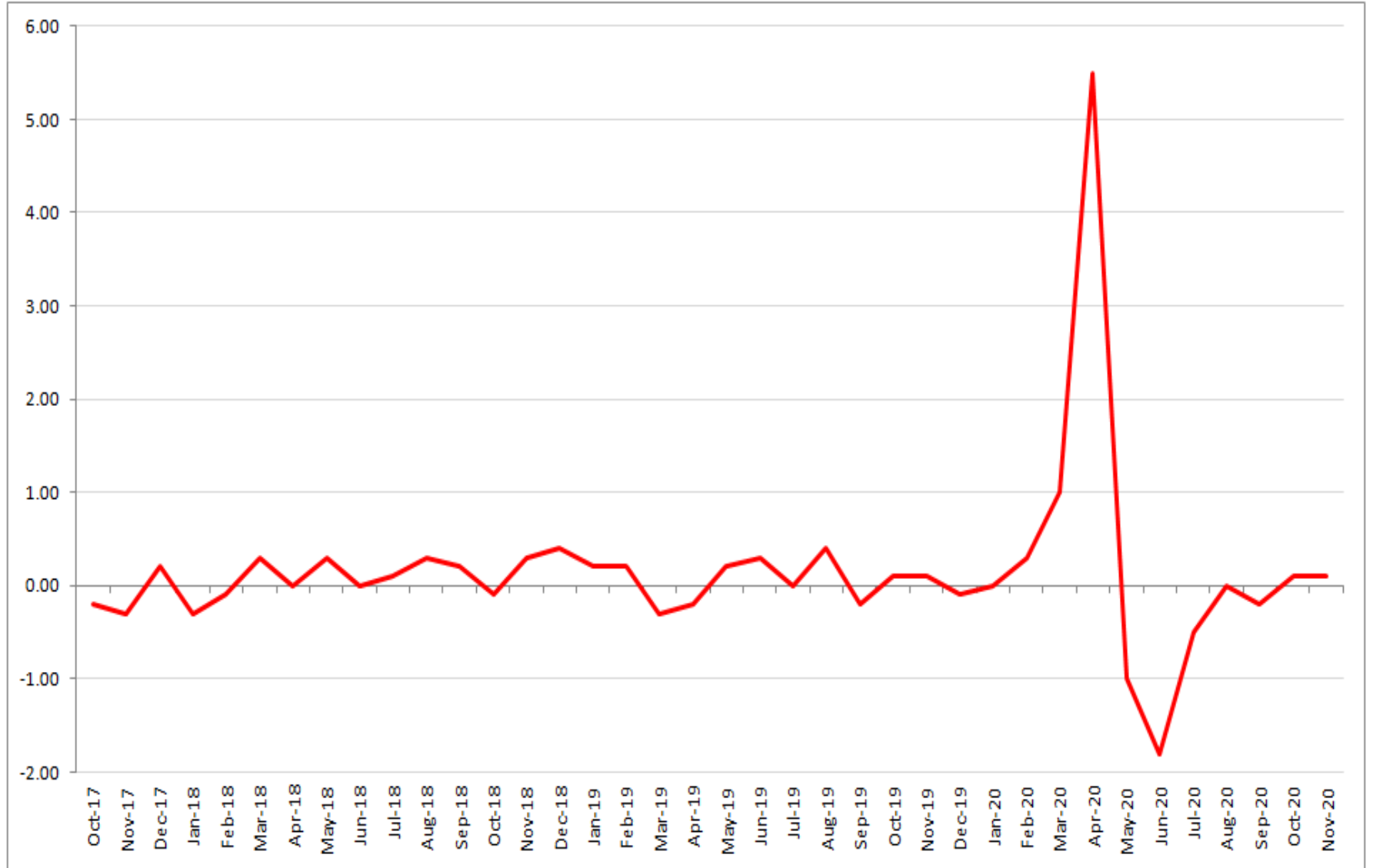
Period

USA – Unemployment



Period

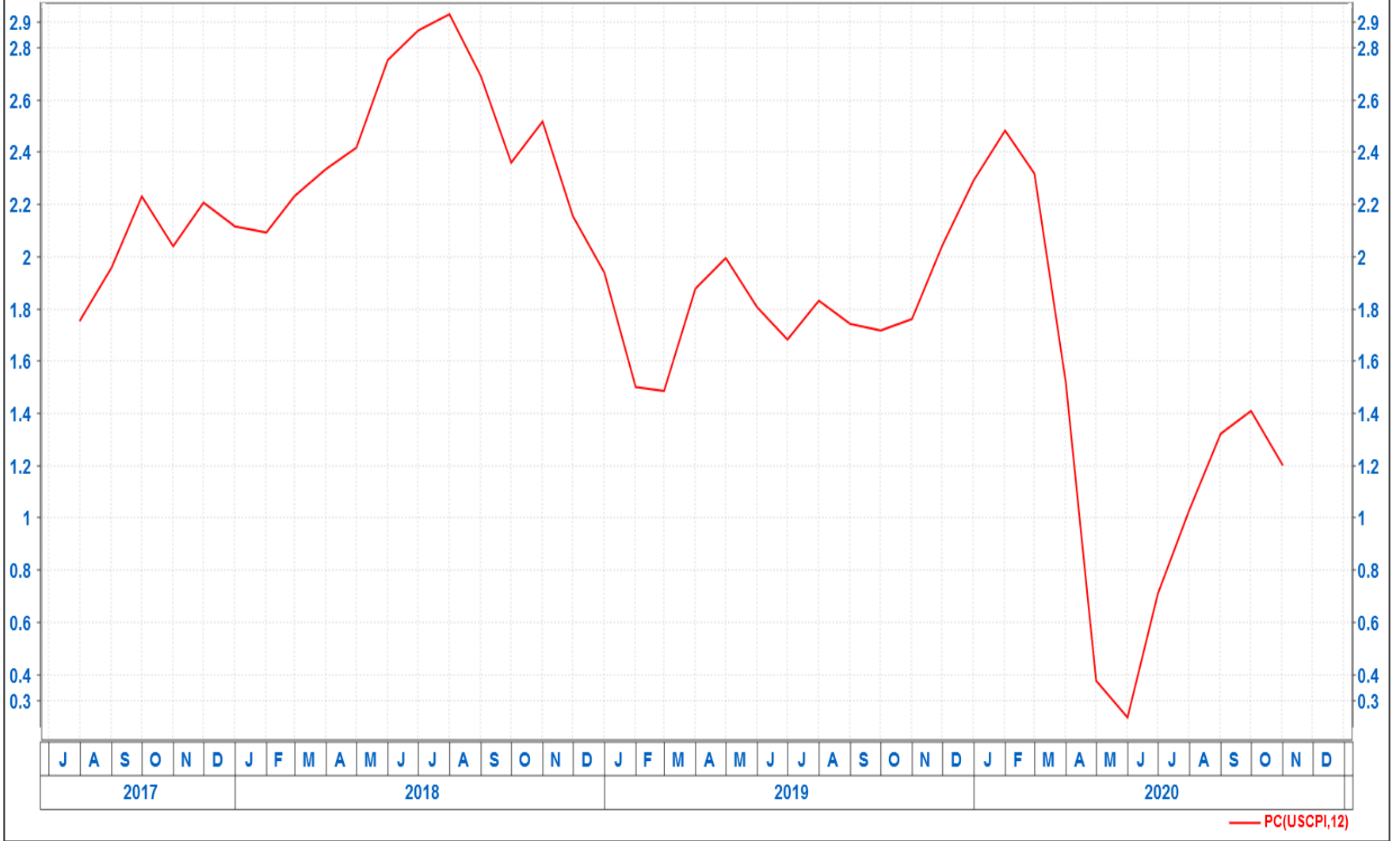
Real US Wages Growth (MoM)



Period

USA – Inflation

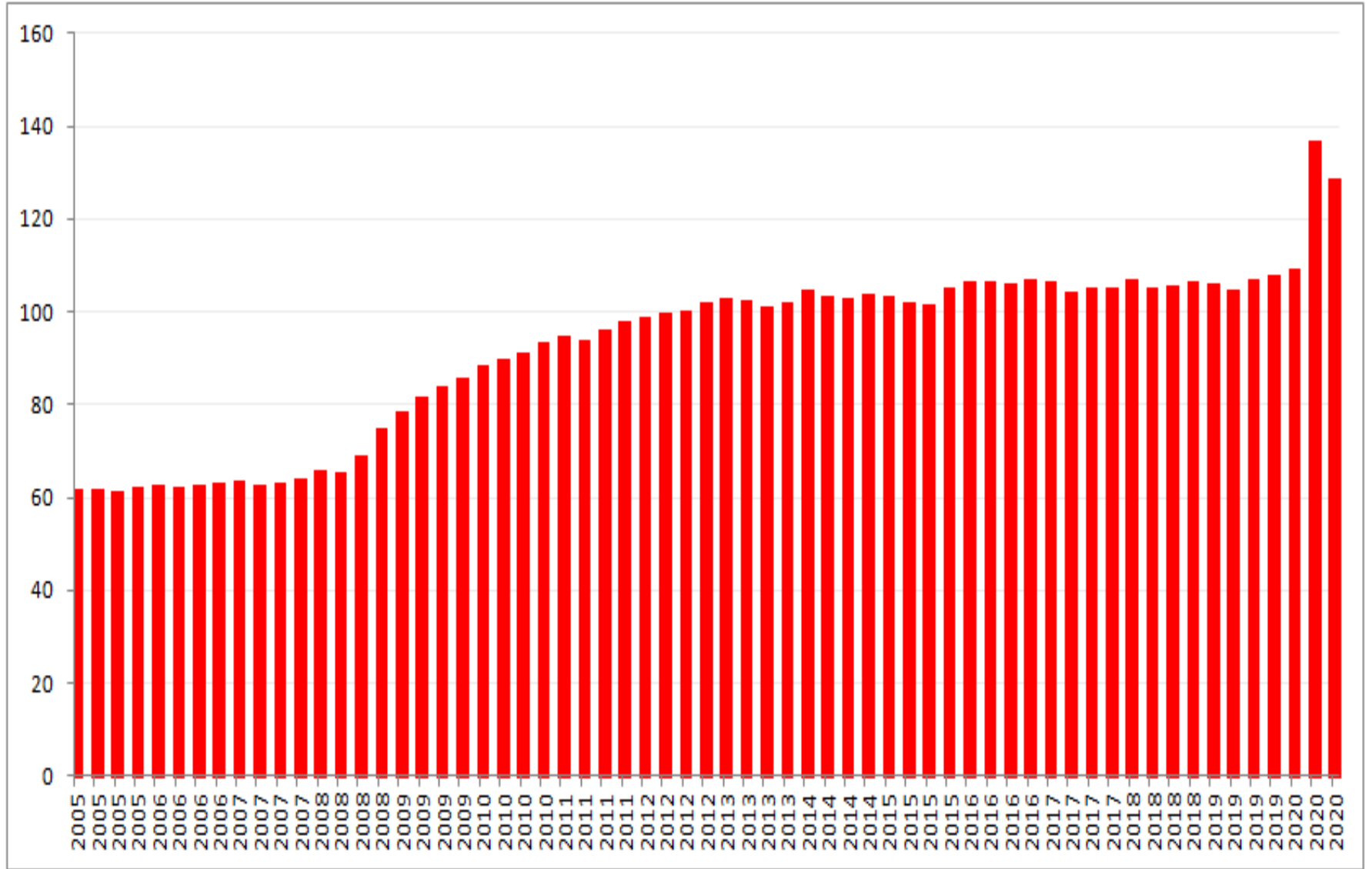
Percentage Change 12 of USA : CONSUMER PRICE INDEX - ALL URBAN S/A
Monthly 2017-06-30 to 2020-11-30



— PC(USCPI,12)

Period

USA – Government Debt %GDP (\$ Million)

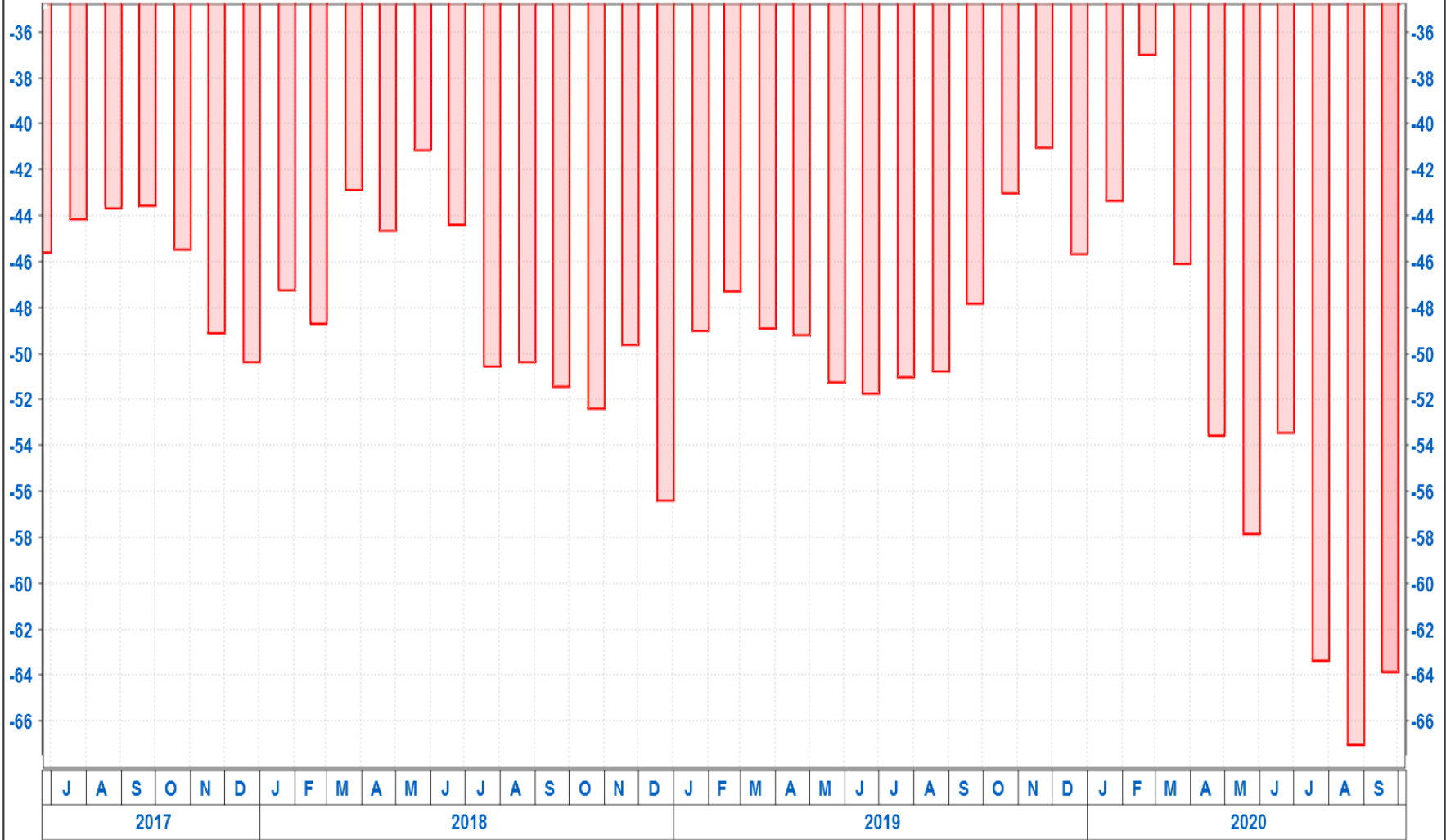


Period

USA - Trade Balance Deficit (\$ Billion)

USA : TRADE BALANCE S/A (\$BN)
Monthly 2017-06-30 to 2020-10-31

Amount

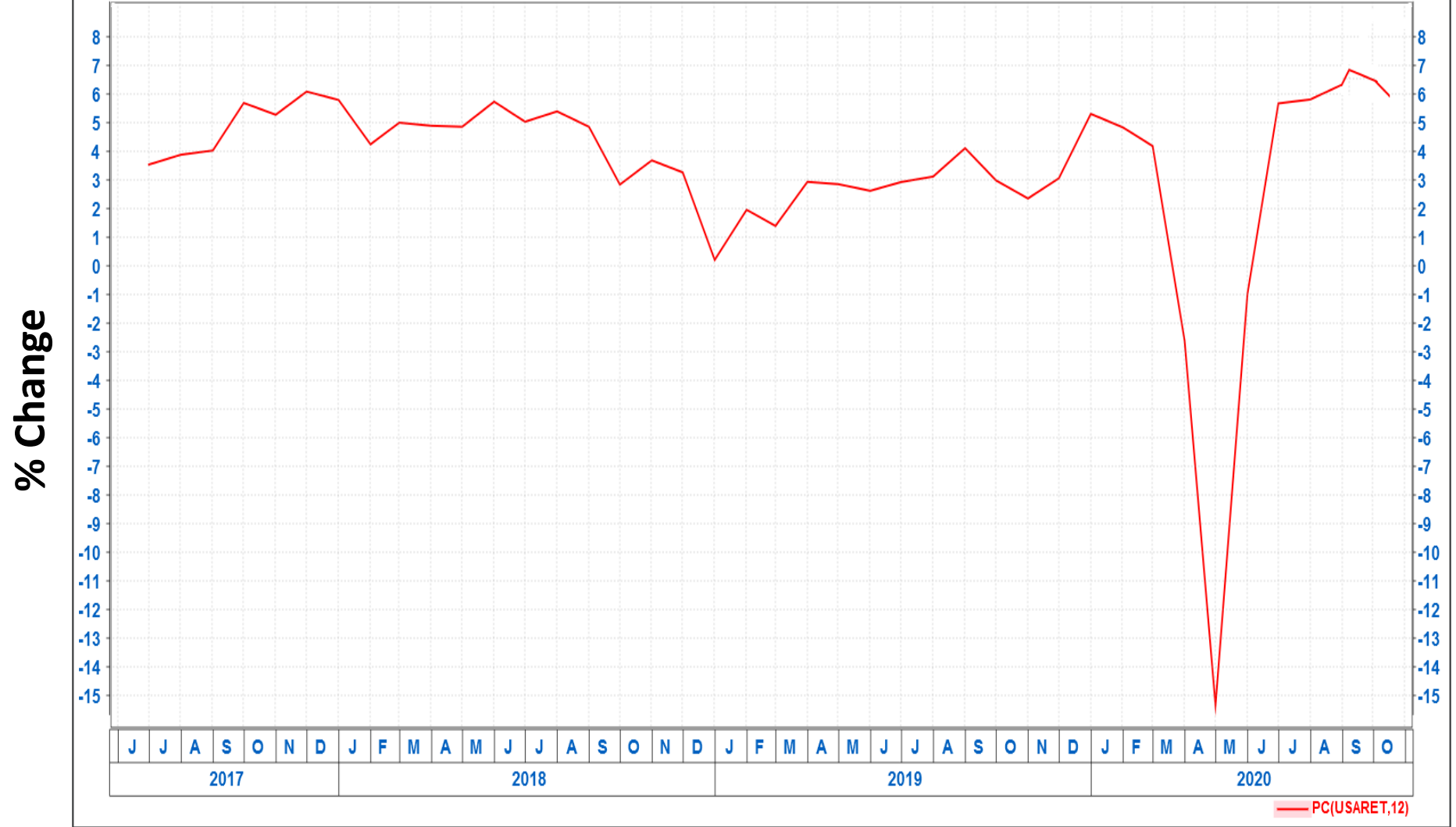


USDEF

Period

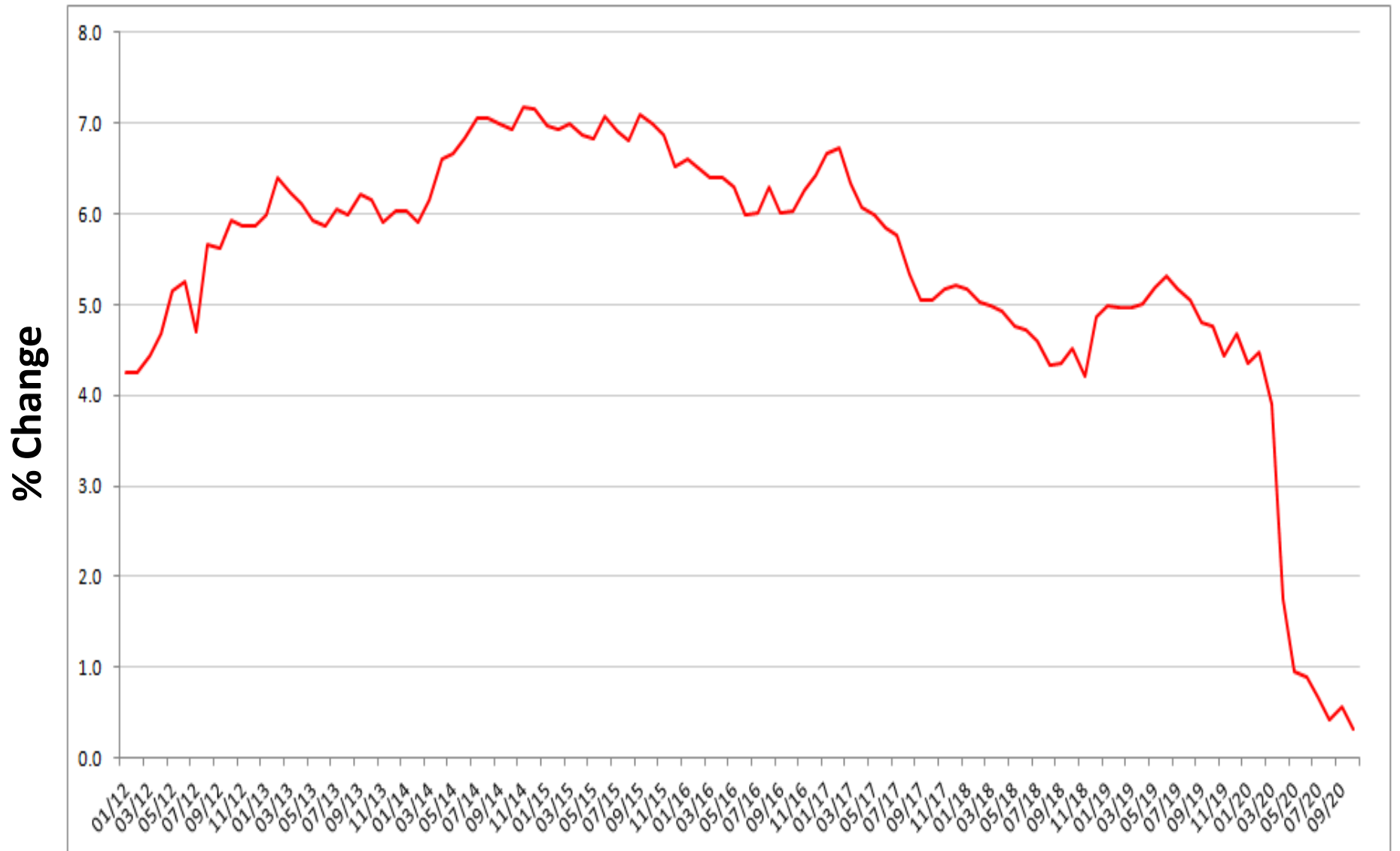
USA - Retail Sales

Percentage Change 12 of USA : RETAIL TRADE - VALUE S/A (US\$BN)
Monthly 2017-05-31 to 2020-10-31



Period

USA – Consumer Credit



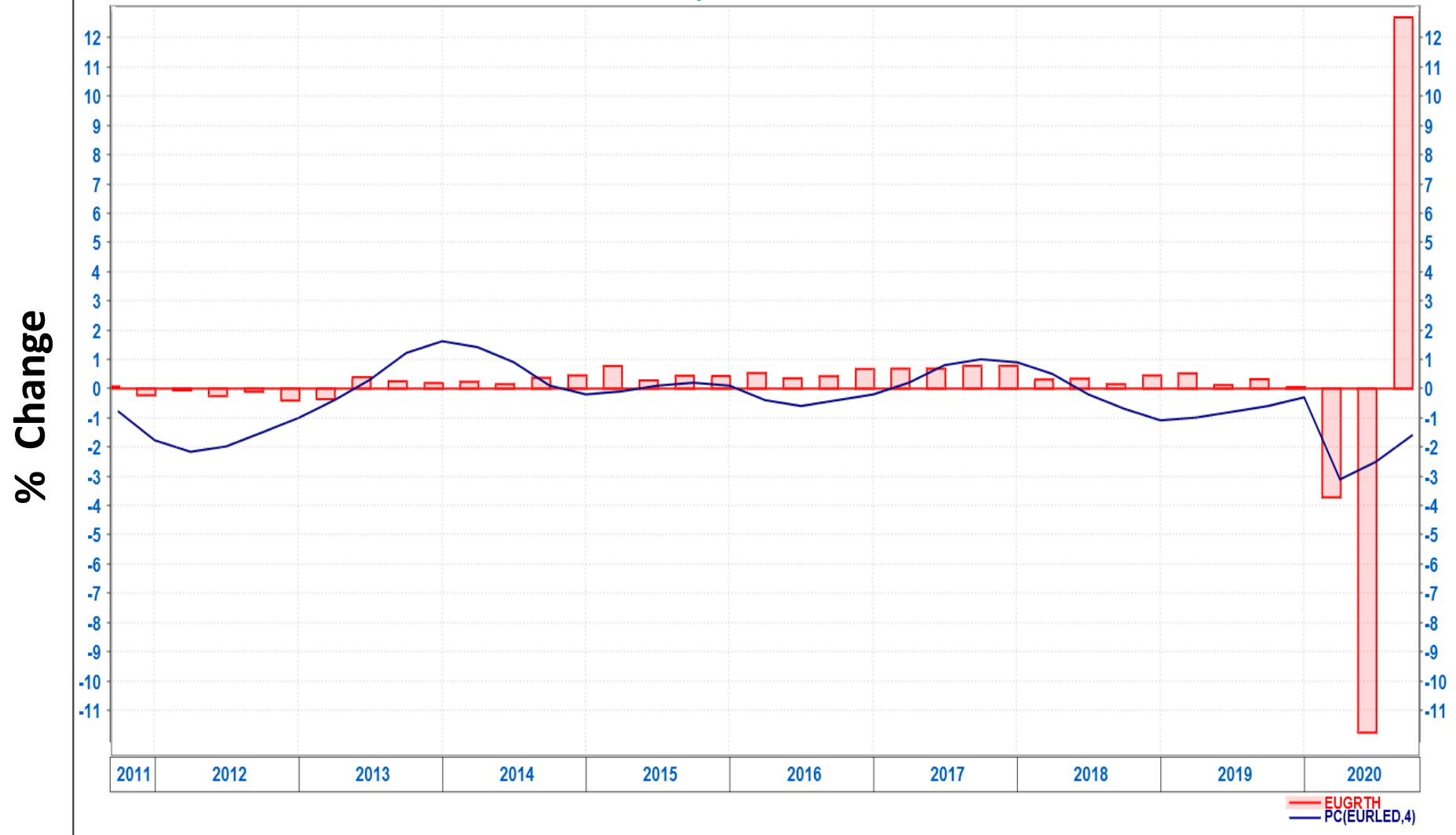
Period

Euro Area:

GDP growth rebounded in Q3 to 12.3% after contracting -11.9% in Q2, clearly showing the implications of the lockdown surrounding the efforts to curb the spread of Covid-19. Unemployment ticked up to 8.4% in the third quarter. Inflation remains weak at -0.3% in November. The European Economy remains weak, and forecasts show the effect of Covid-19 to remain negative with the fears of a second wave hitting the continent dragging down sentiment.

Europe – Economic Growth Rate Quarterly

EURO-ZONE : G D P-TOTAL- CONSTANT PRICES - GROWTH , Percentage Change 4 of EURO-ZONE : COMPOSITE LEADING INDICATOR
Quarterly 2011-09-30 to 2020-09-30



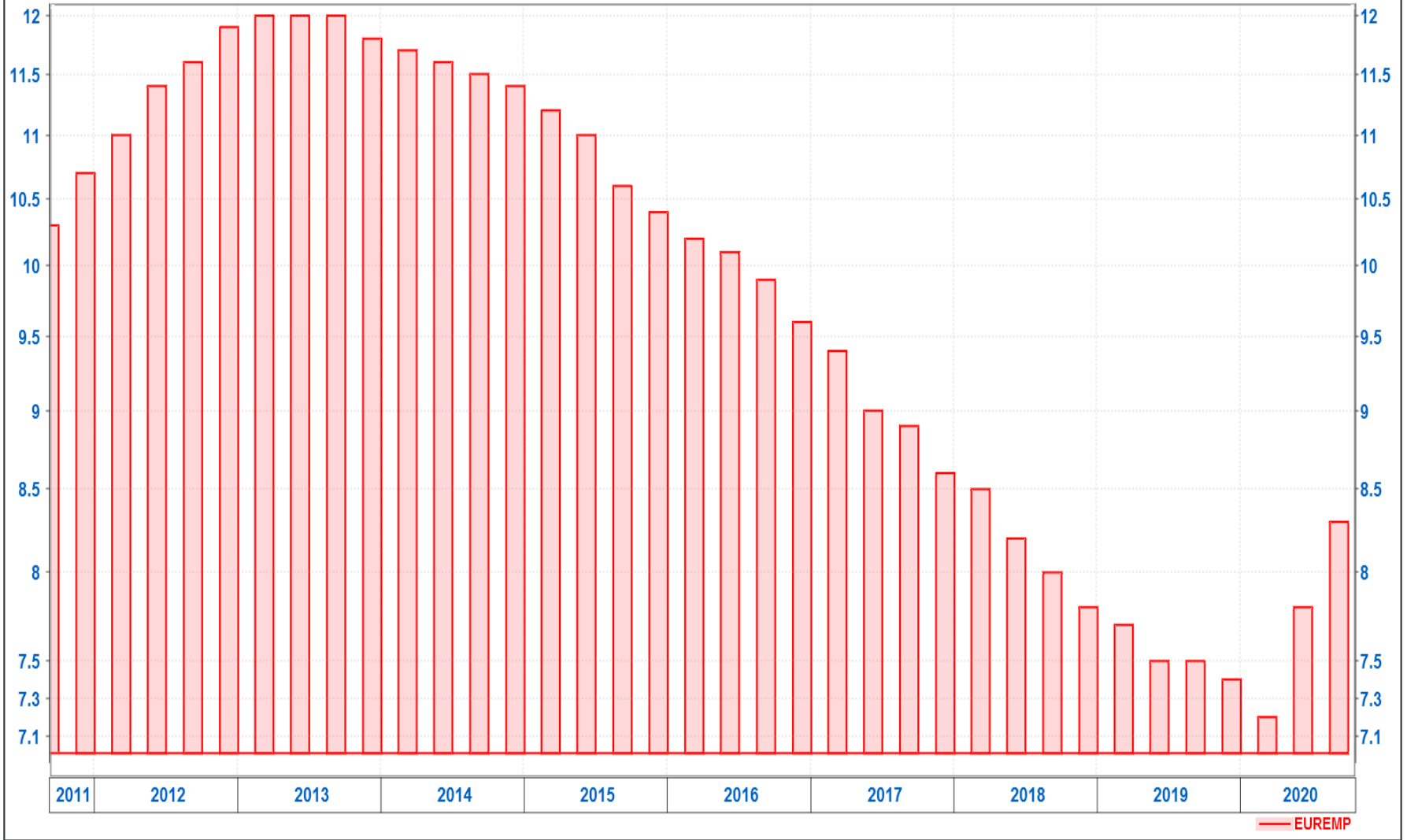
— Europe Growth Rate

— Europe Leading Indicator

Period

Europe – Unemployment

EURO-ZONE : UNEMPLOYMENT RATE %
Quarterly 2011-09-30 to 2020-09-30

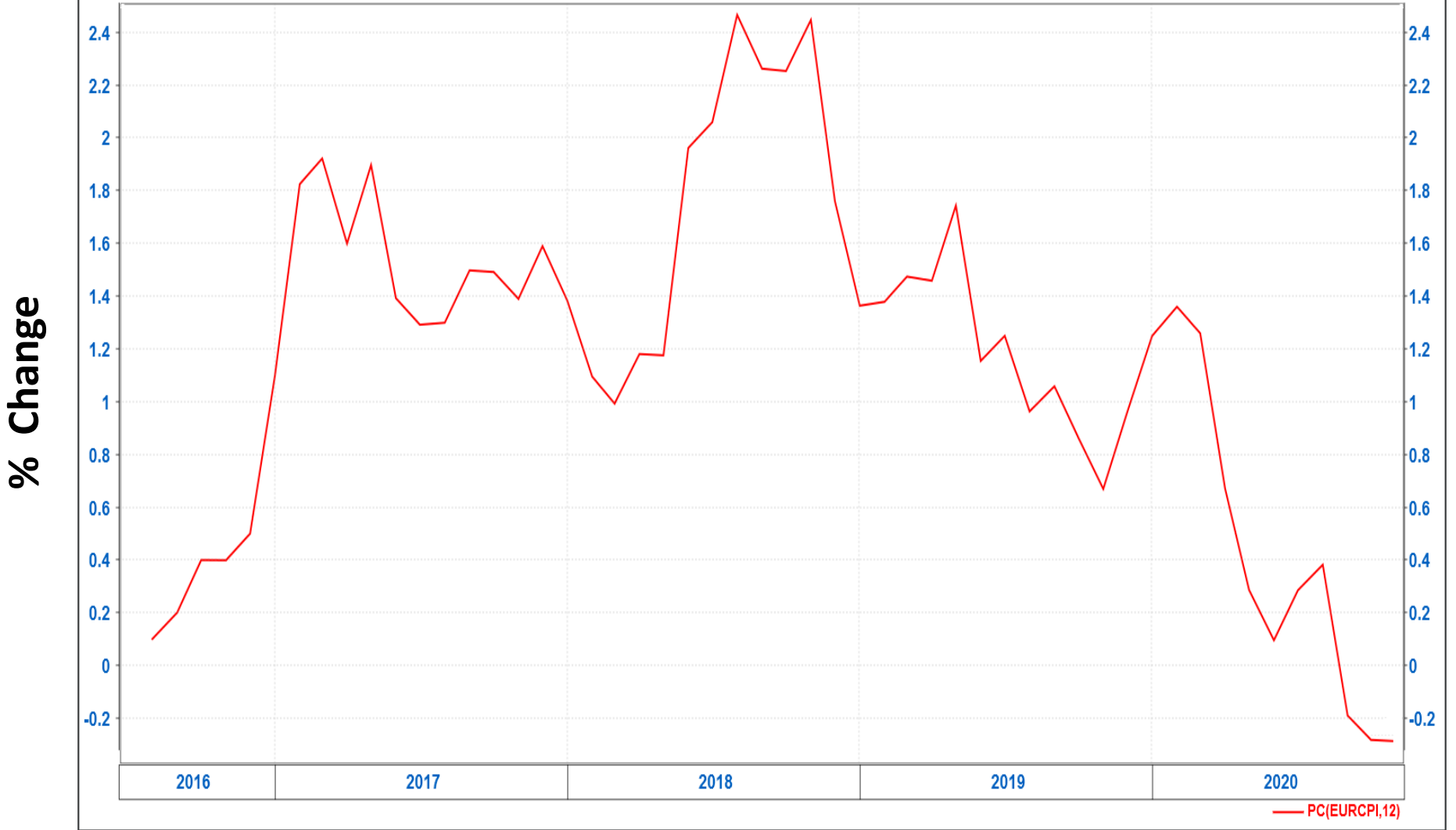


— EUREMP

Period

Europe – Inflation

Percentage Change 12 of EURO-ZONE : CONSUMER PRICE INDEX (2015=100)
Monthly 2016-06-30 to 2020-11-30



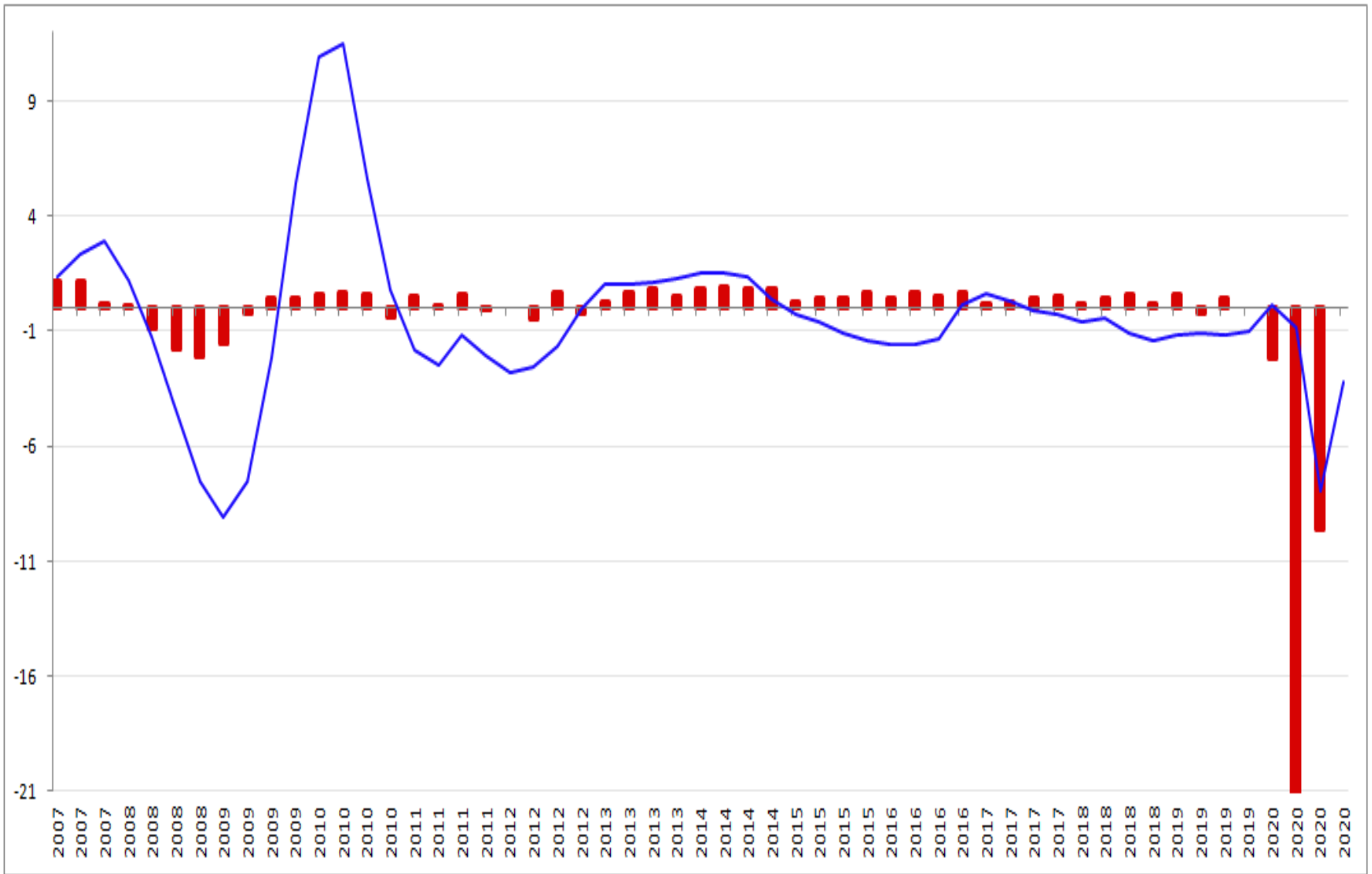
Period

United Kingdom:

Economic growth weakened -10.9 in the third quarter, reflecting ongoing impact of Covid-19. With Brexit clearly weighing down on the country and additional strain from the effect of Covid-19. Inflation recovered to 0.7% for November 2020, and the unemployment rate weakened to 4.8%.

Earnings growth of companies is forecasted to be – 21.6% for 2020.

UK – Economic Growth Rate Quarterly

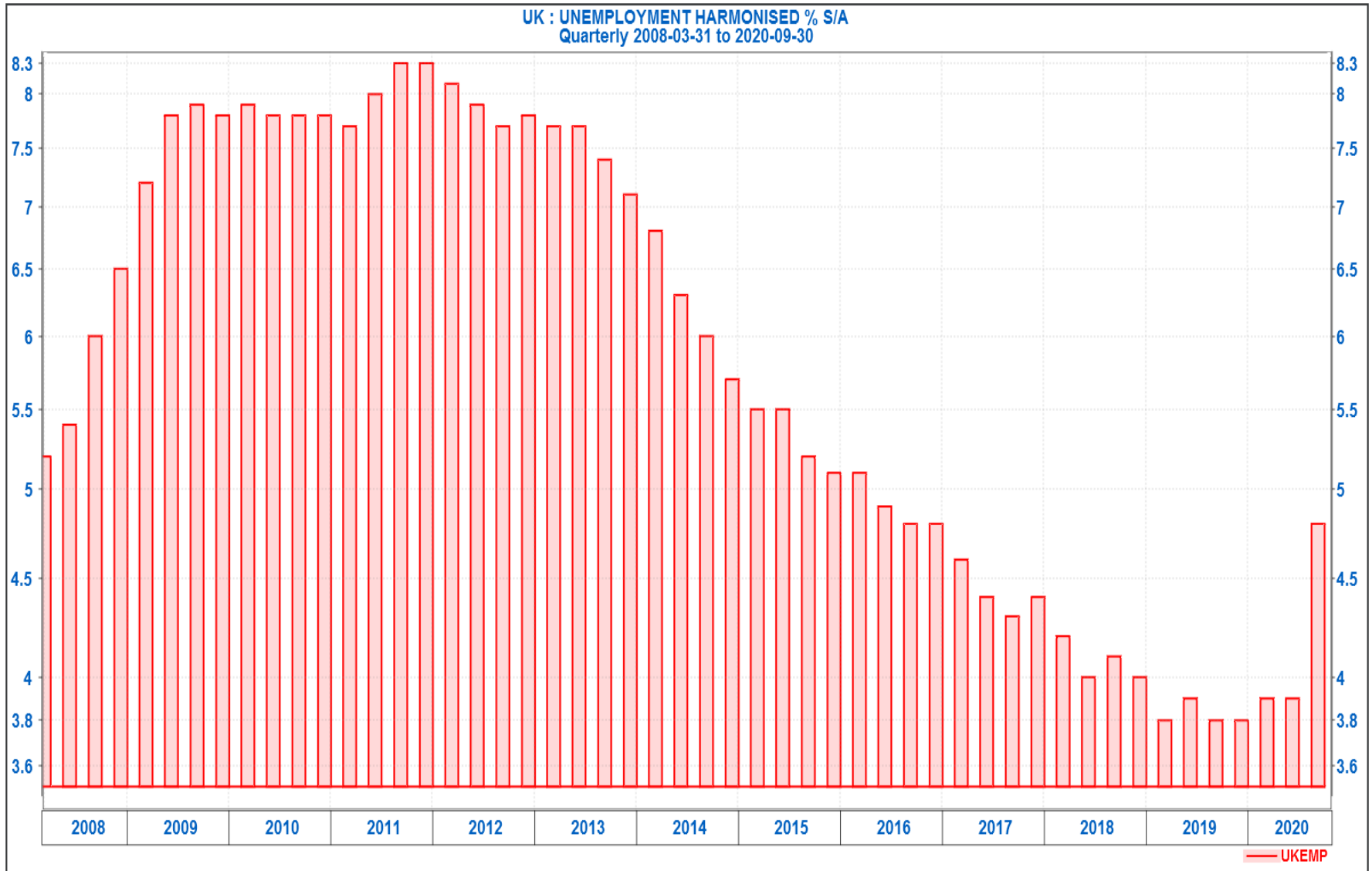


— UK Growth Rate

— UK Leading Indicator

Period

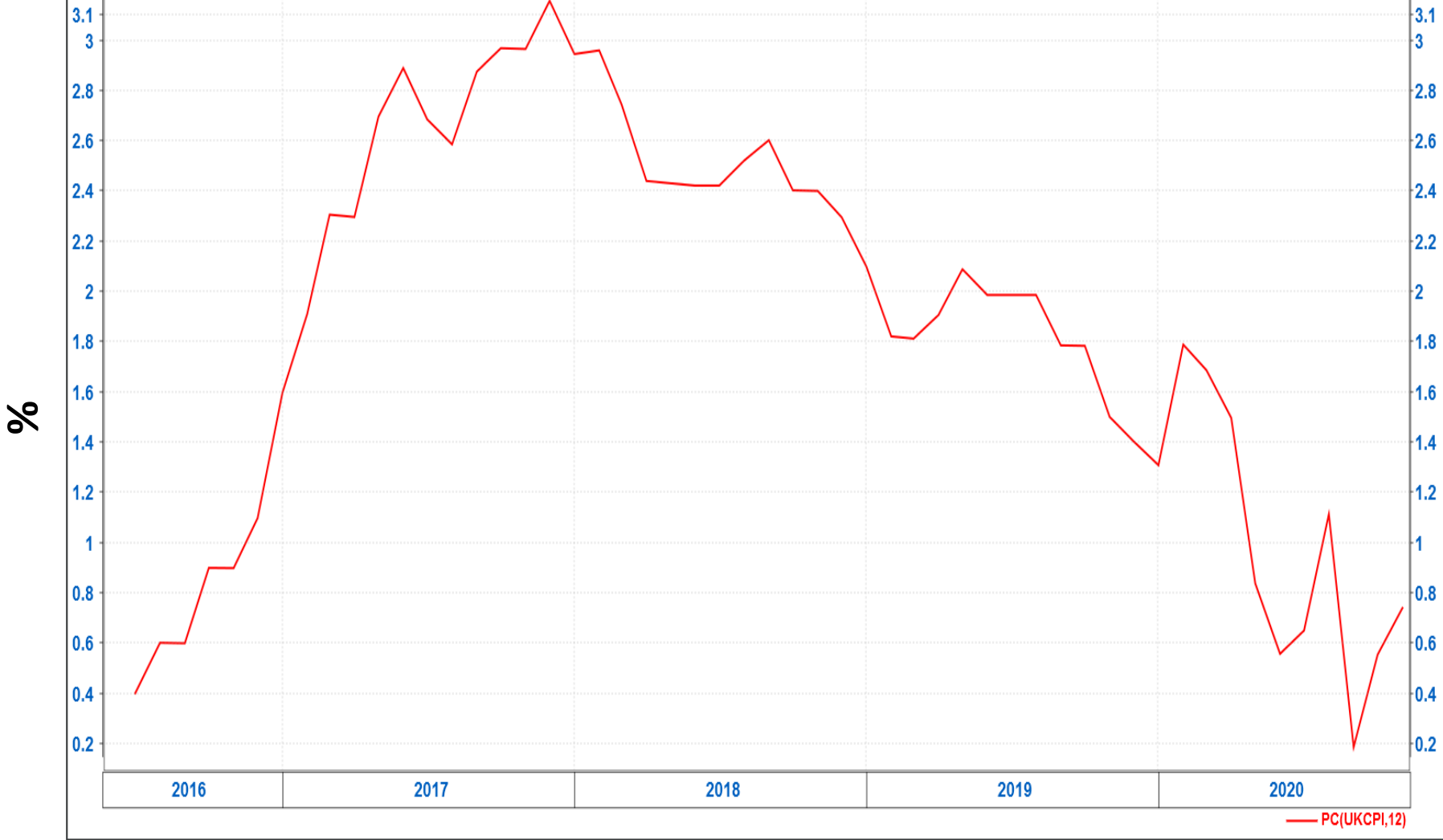
UK – Unemployment



Period

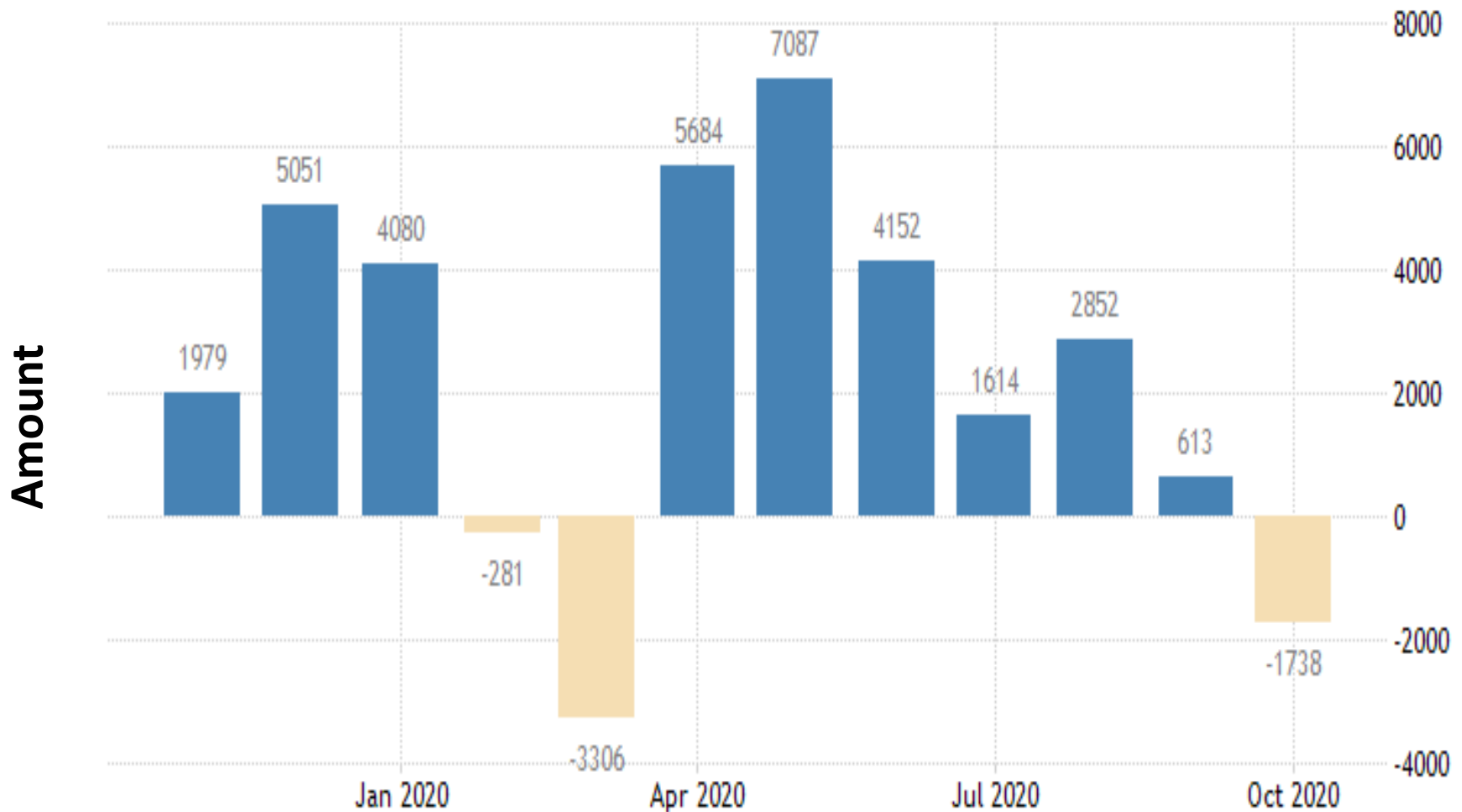
UK – Inflation

Percentage Change 12 of UK : CONSUMER PRICE INDEX-ALL ITEMS (2015=100)
Monthly 2016-05-31 to 2020-10-31



Period

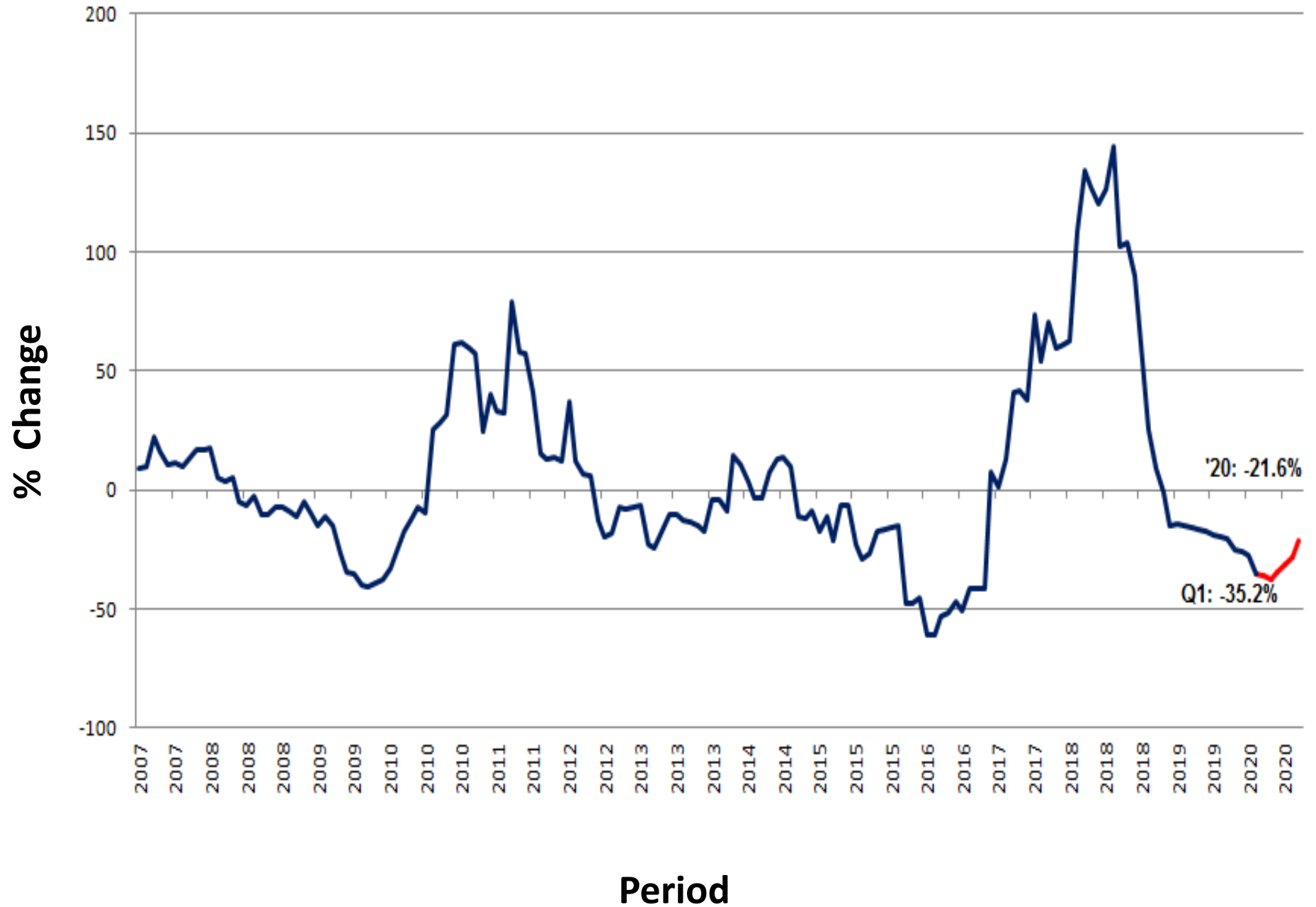
UK – Trade Balance (£ Millions)



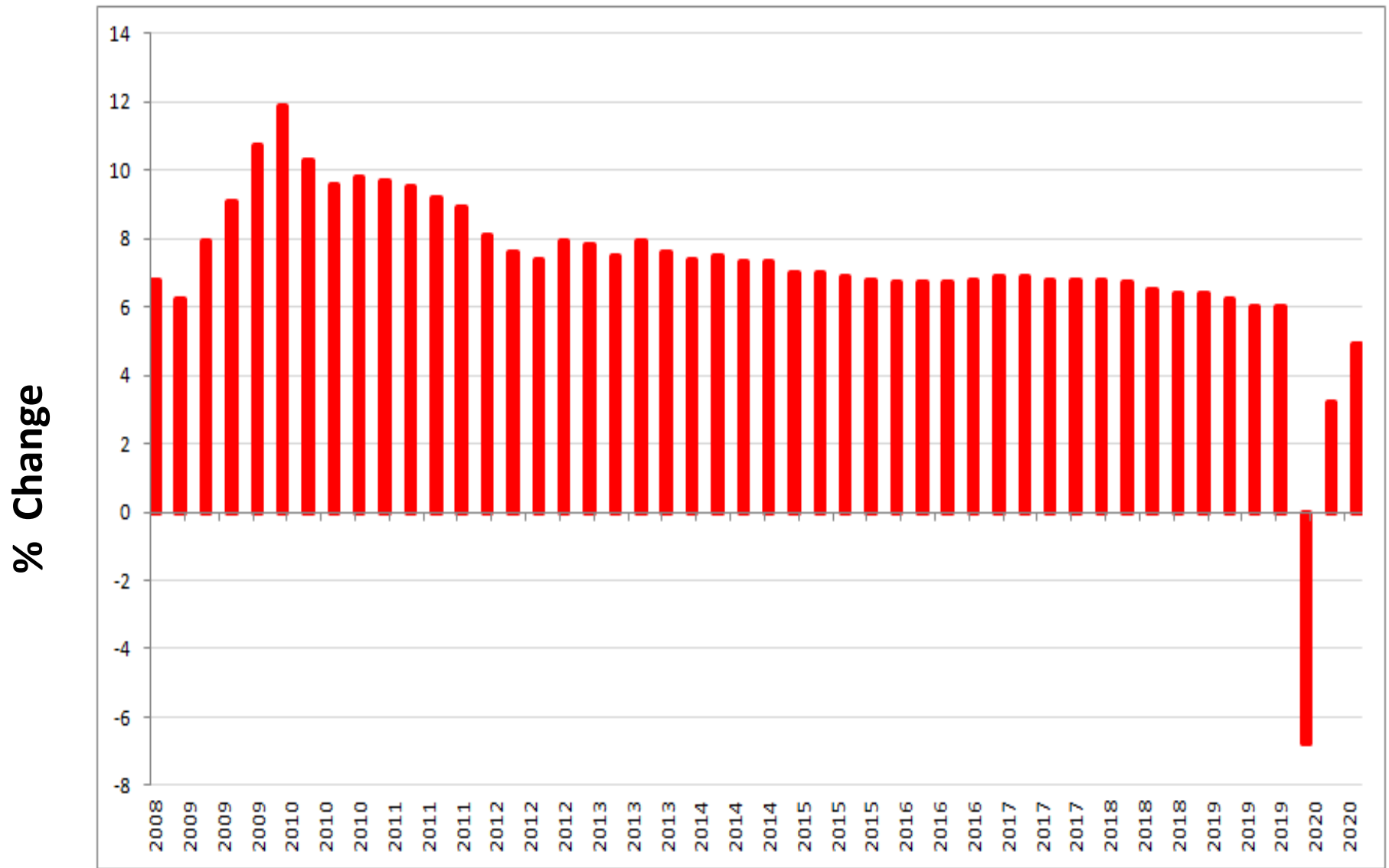
SOURCE: TRADINGECONOMICS.COM | OFFICE FOR NATIONAL STATISTICS

Period

UK – FTSE 100 Earnings Growth



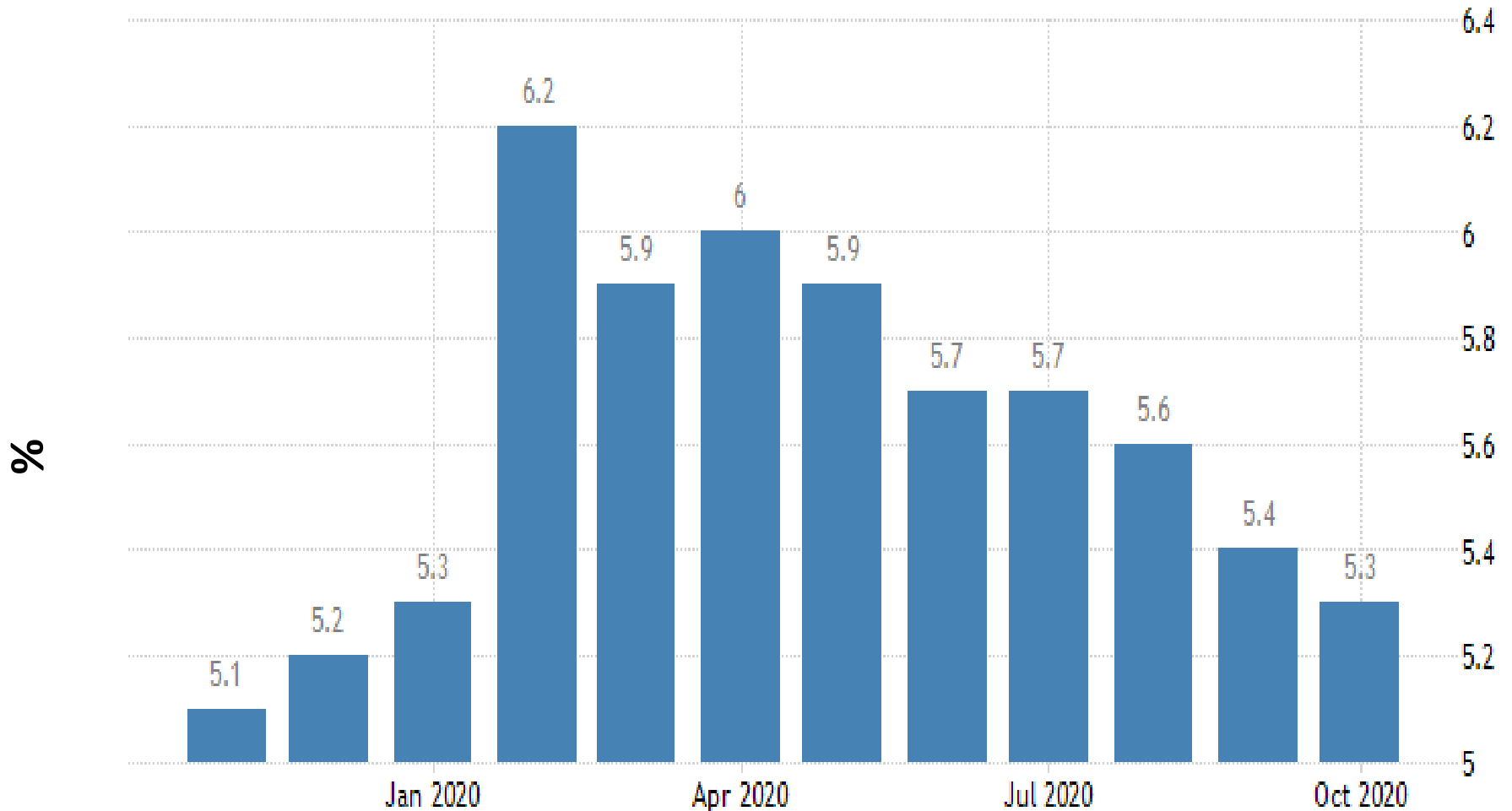
China – Economic Growth Rate



— China Growth Rate

Period

China – Unemployment

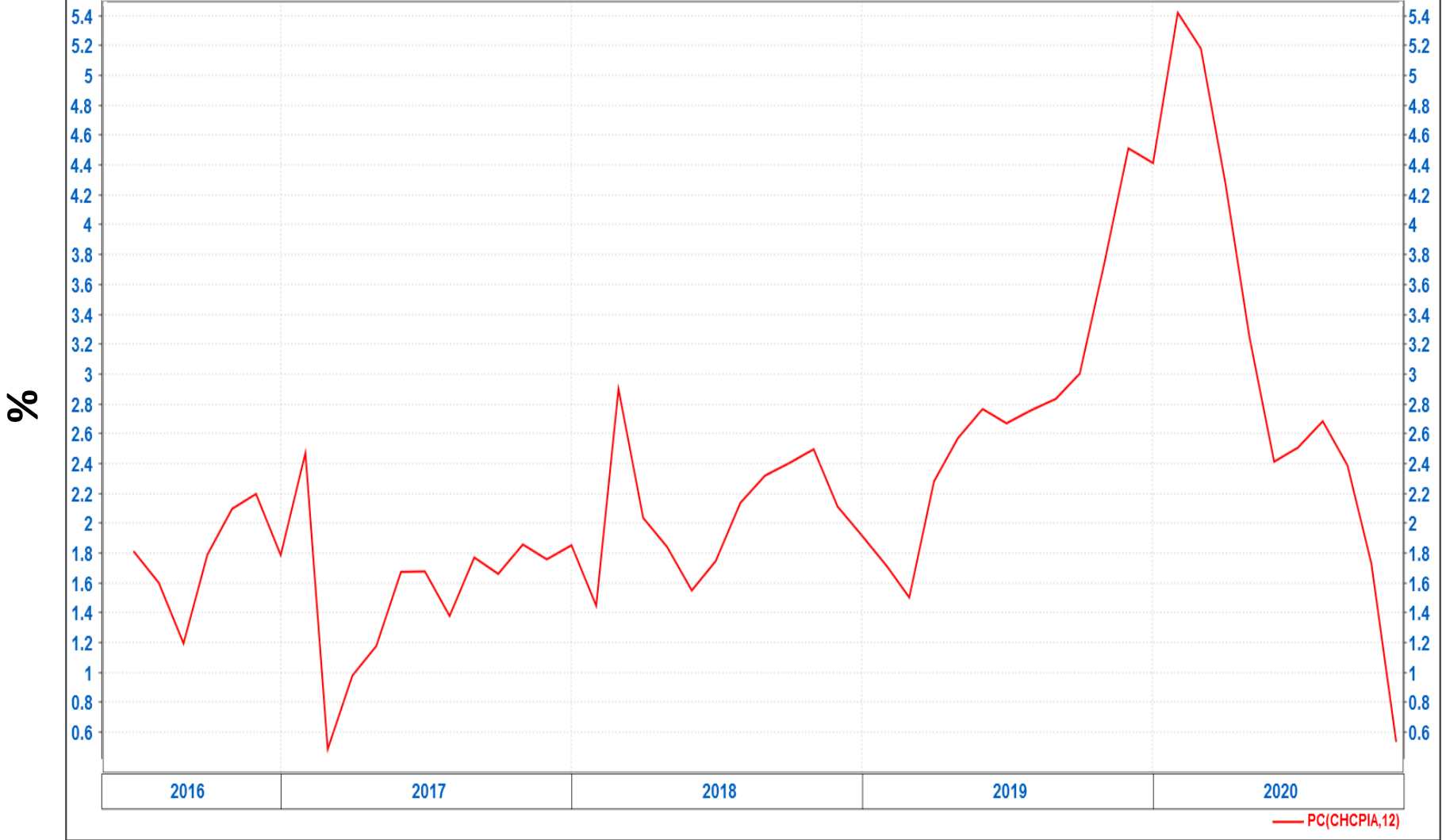


SOURCE: [TRADINGECONOMICS.COM](https://tradingeconomics.com) | NATIONAL BUREAU OF STATISTICS OF CHINA

Period

China – Inflation

Percentage Change 12 of CHINA : CONSUMER PRICE INDEX ALL ITEMS (2015=100)
Monthly 2016-05-31 to 2020-11-30



Period

South Africa Economic Indicators

South Africa:

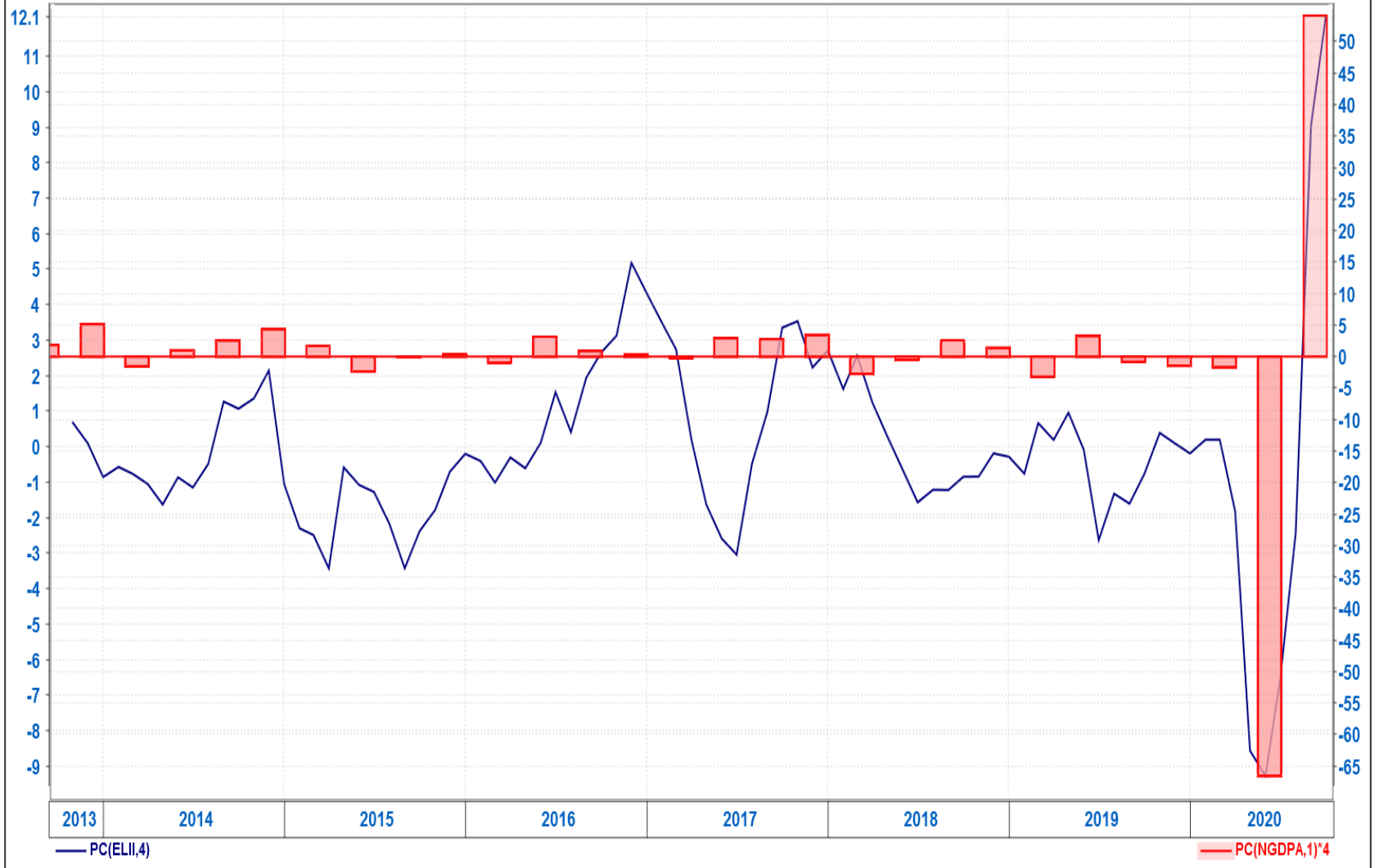
Economic growth recovered to 66.1% in Q3 after contracting a record 52% in Q2 on an annualized basis. With rolling blackouts, strike action and the national lockdown clearly weighing down production. Unemployment came in at a historic 30.6% in Q3 of 2020. Inflation remains low at 3.2% for November, whilst consumer credit came in at the 3.2% level.

It is expected that the SARB may opt to keep interest rates stable despite inflation staying below the midpoint of the SARB's inflation target, and Covid-19 is weighing down economic activity.

Earnings growth of SA companies is expected to come in at 21.77% in 2020.

South Africa – Economic Growth Rate Quarterly

PC(NGDPA,1)*4 , Percentage Change 4 of LEADING INDICATOR (2015=100)
 Monthly 2013-09-30 to 2020-09-30



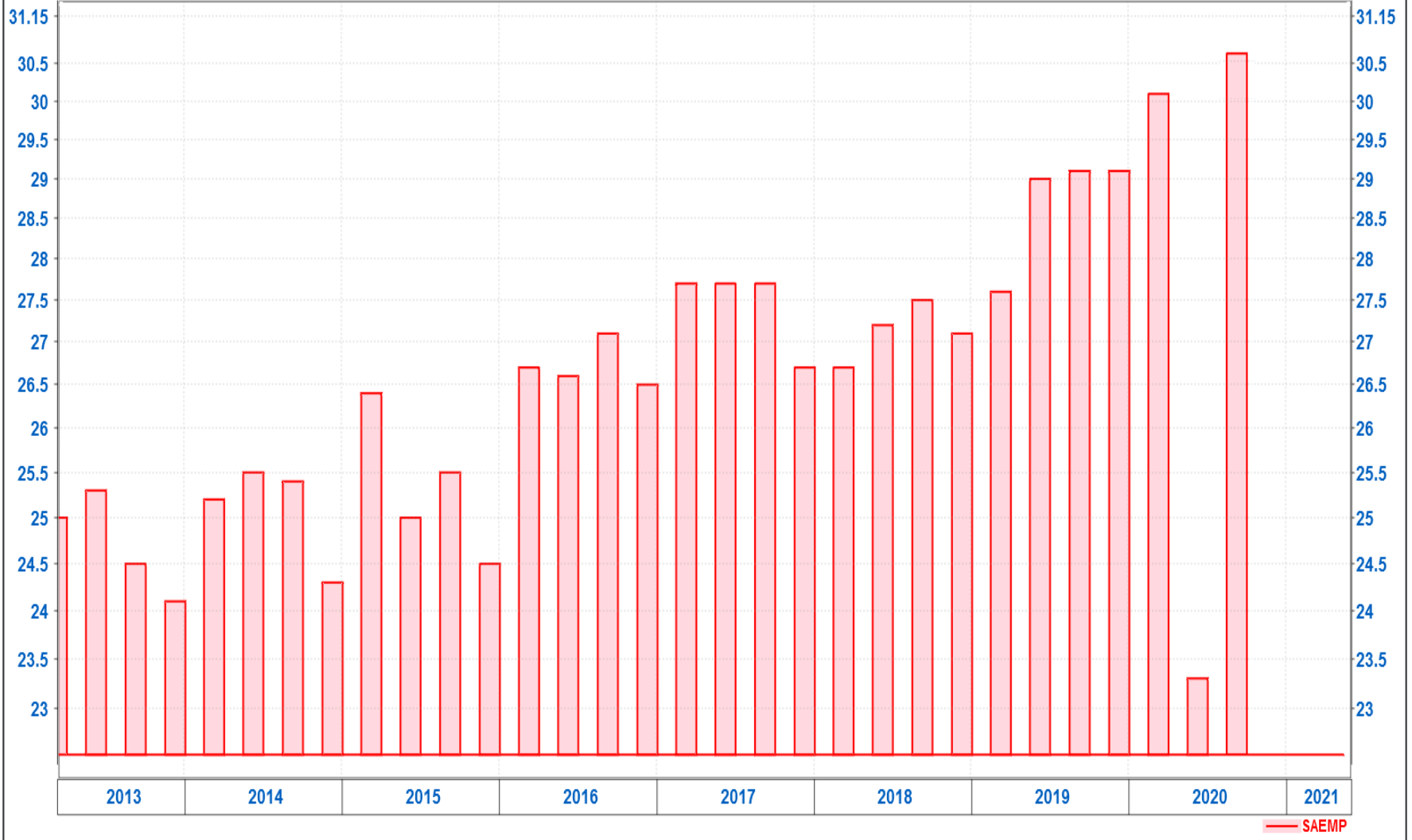
— South Africa Growth Rate

— South Africa Leading Indicator

Period

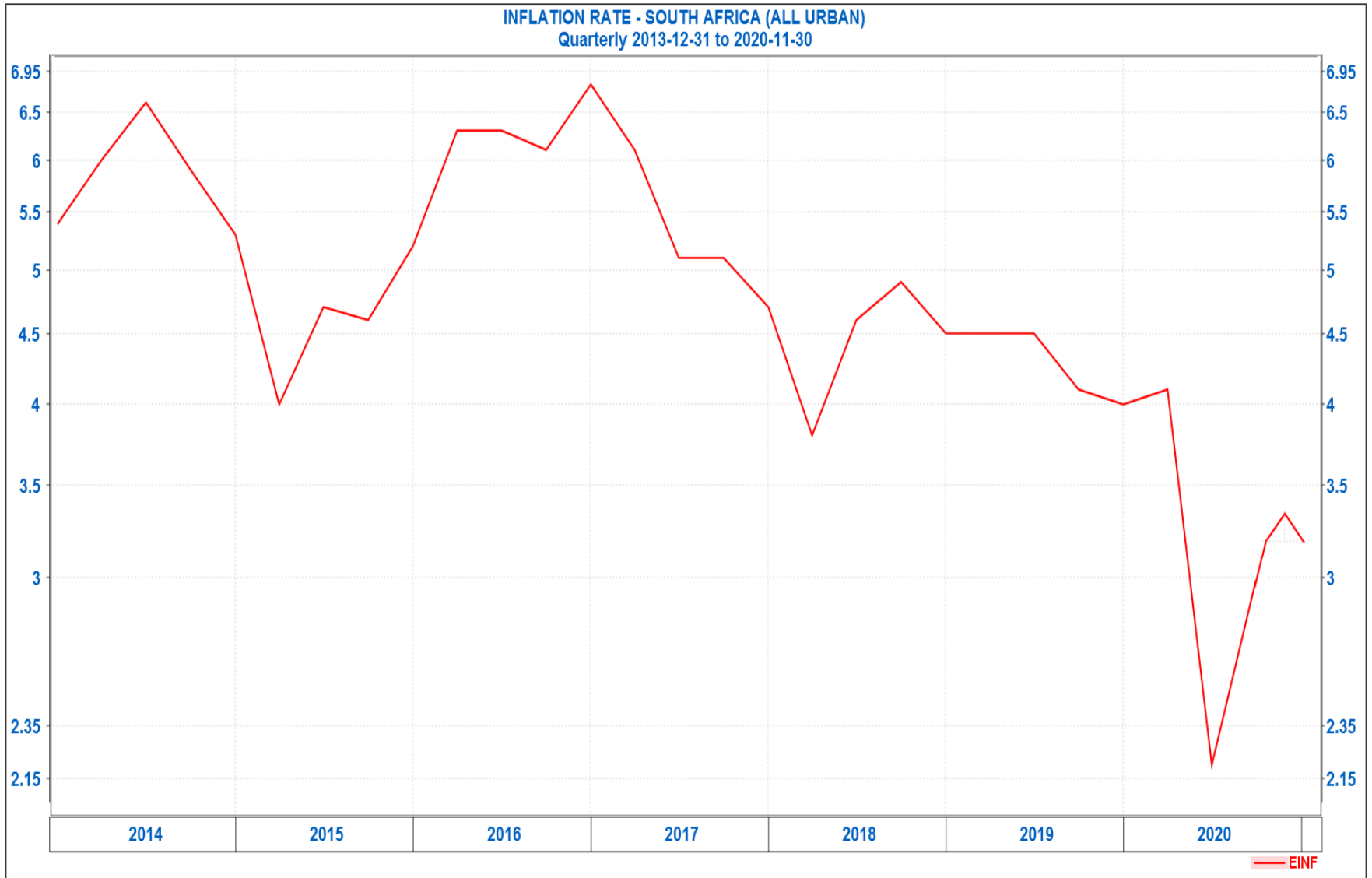
South Africa – Unemployment

EMPLOYMENT : OFFICIAL UNEMPLOYMENT RATE (ILO)
Quarterly 2013-03-31 to 2020-06-30



Period

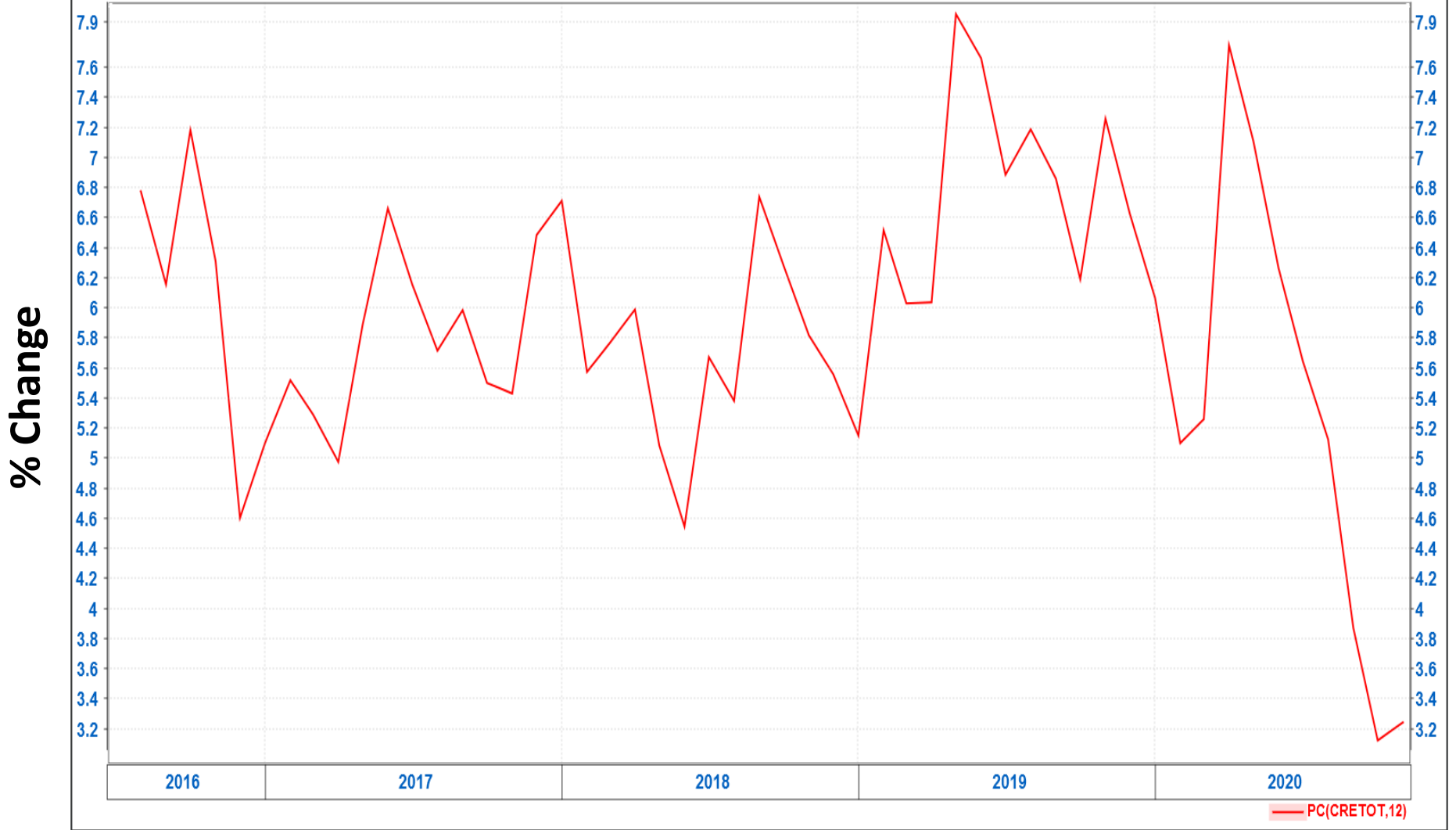
South Africa – Inflation Rate



Period

South Africa – Consumer Credit

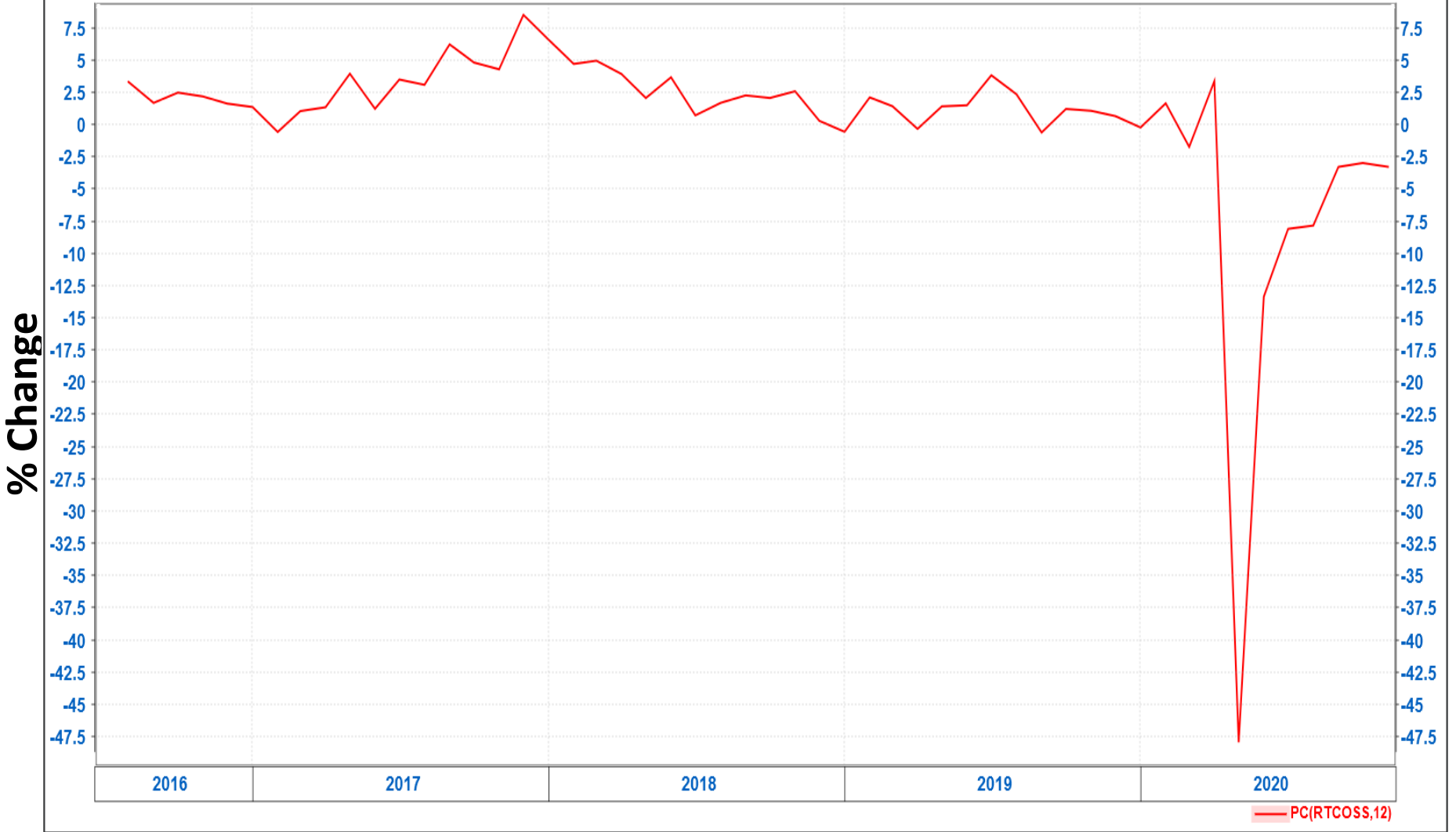
PC(CRETOT,12)
Monthly 2016-06-30 to 2020-10-31



Period

South Africa – Retail Sales

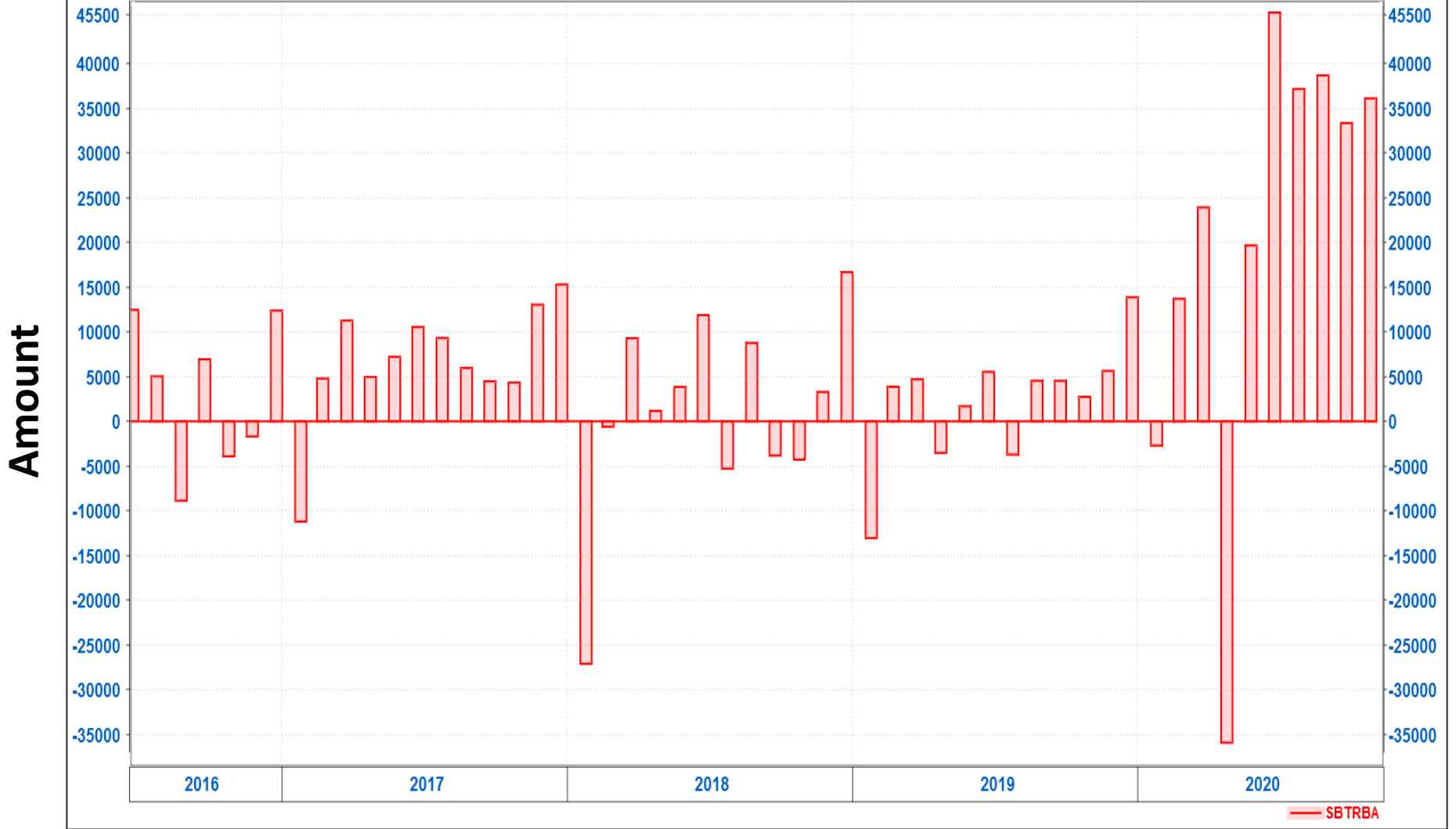
PC(RTCOSS,12)
Monthly 2016-06-30 to 2020-10-31



Period

South Africa – Trade Balance (ZAR Million)

TRADE BALANCE (R M) - SA+BLNS - ADJUSTED
Monthly 2016-06-30 to 2020-10-31

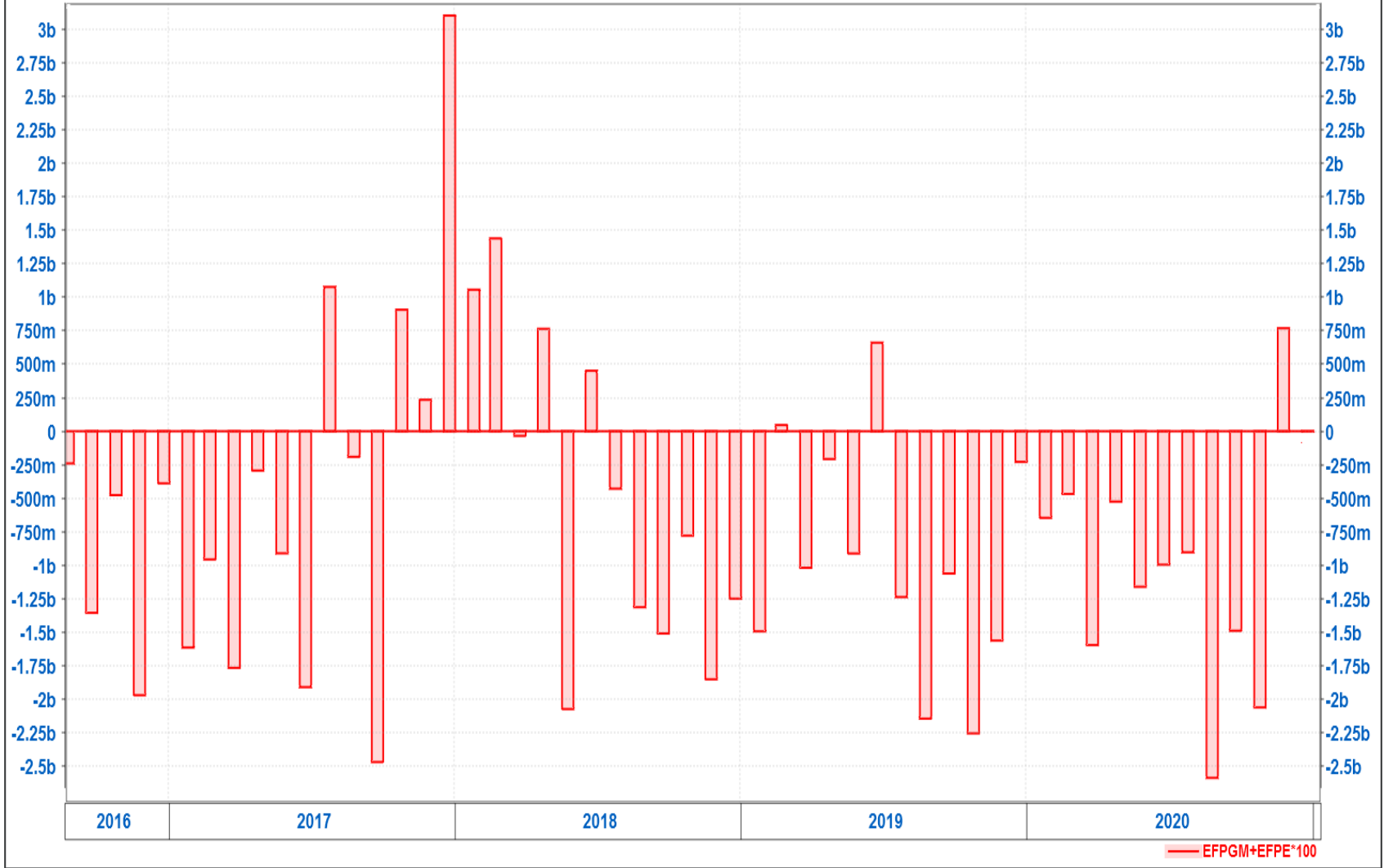


Period

Foreign In- and outflows in Investment Market (ZAR Million)

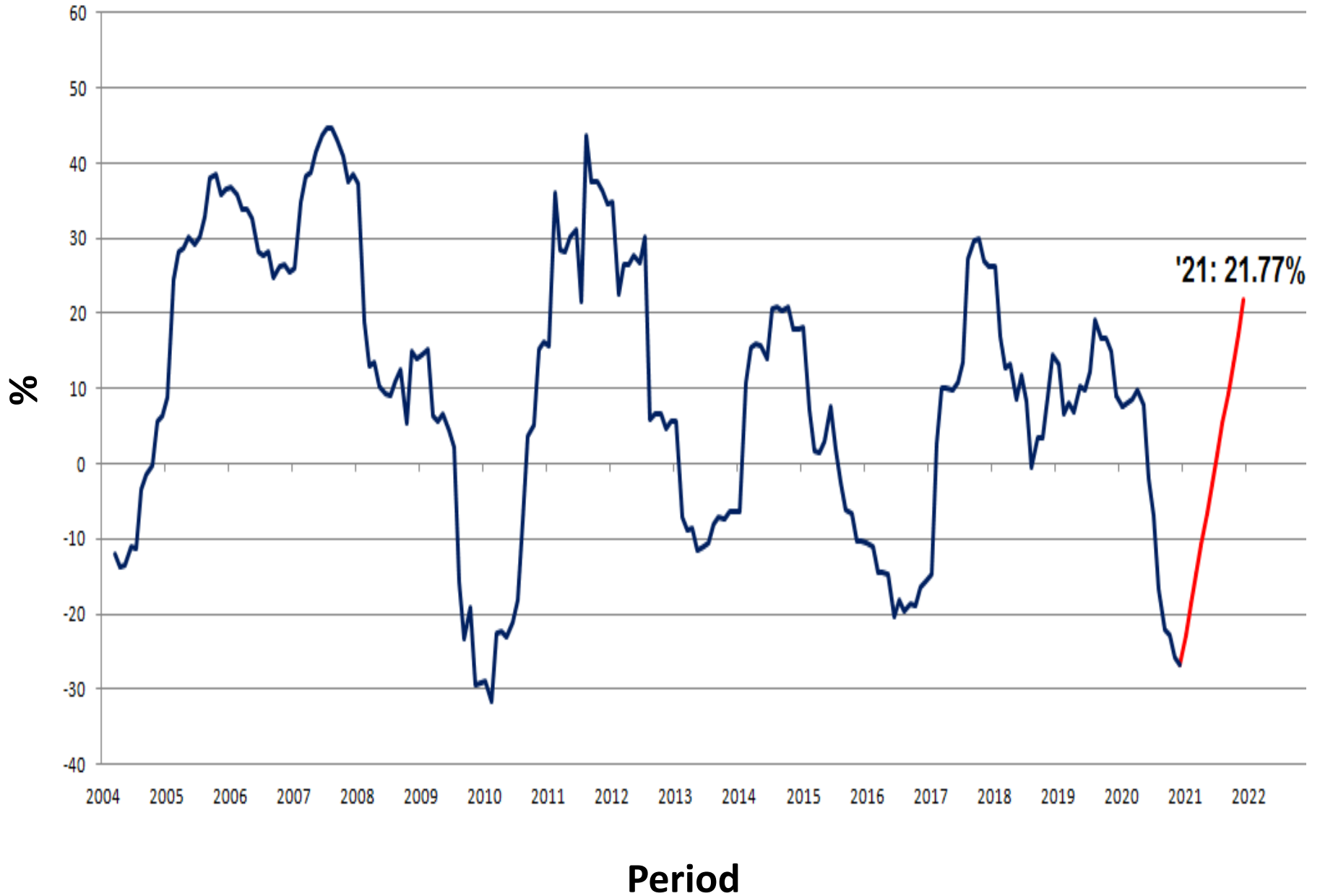
FOREIGN TRANS BESA - NET (RM) -TOTAL CONSIDERATION+FOREIGN TRANSACTIONS EQUITIES - NET (R'000)*100
Monthly 2016-08-31 to 2020-11-30

Amount (ZAR Mil)



Period

S.A. All Share Earnings Forecast



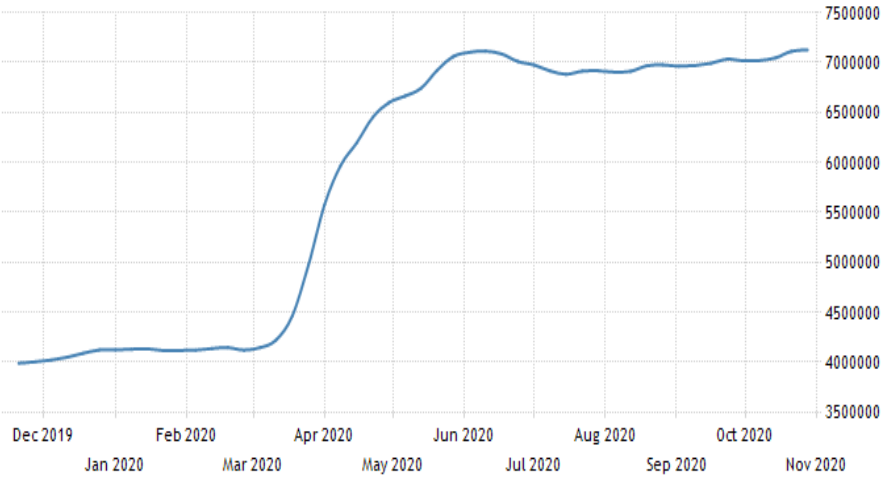
Central Bank Policies

Central Bank Policies:

Central Banks are likely to remain accommodative as global growth worries persist, with Covid-19 lockdowns likely to strain on economic activity and inflation. Central banks' balance sheets continued to expand in efforts to increase liquidity and damper effects of the virus.

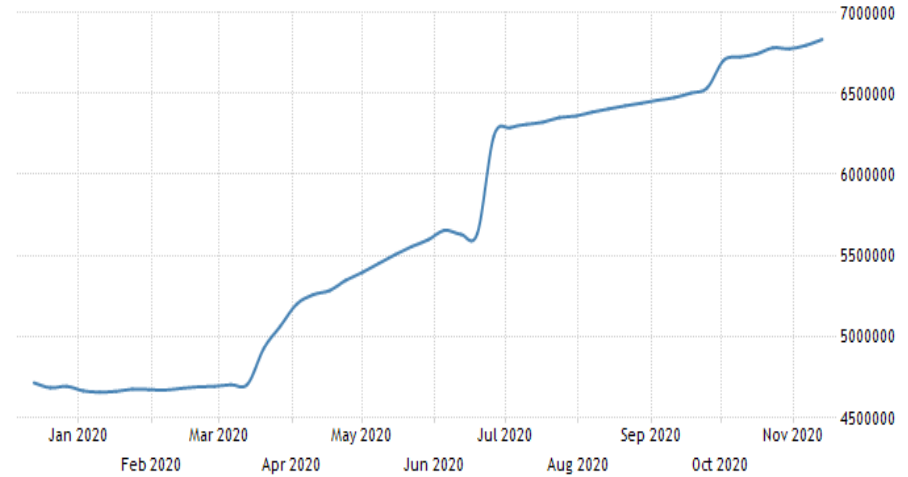
Central Banks Balance Sheets

Federal Reserve



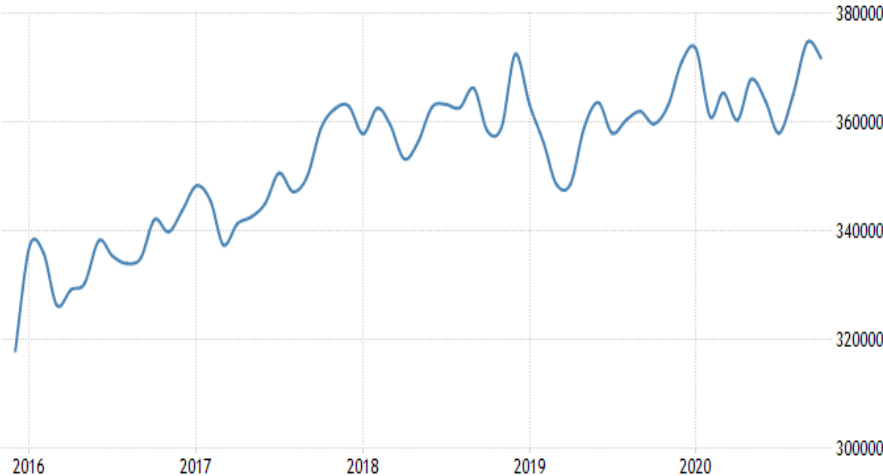
SOURCE: TRADINGECONOMICS.COM | FEDERAL RESERVE

European Central Bank



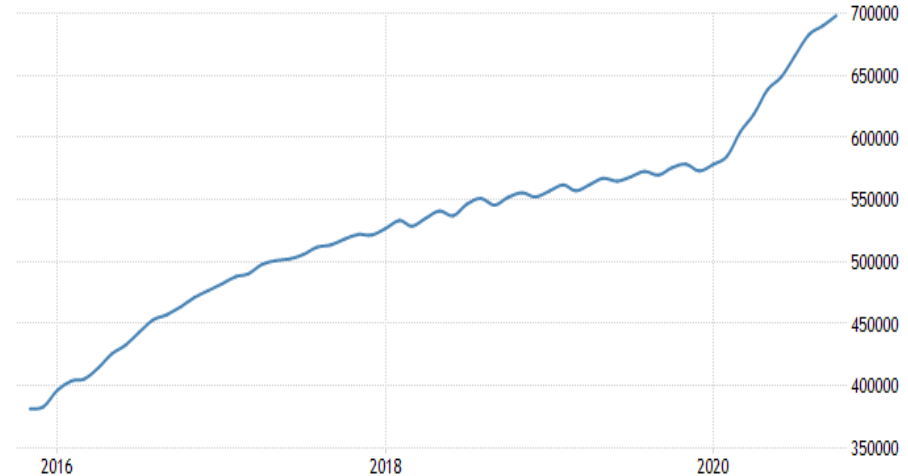
SOURCE: TRADINGECONOMICS.COM | EUROPEAN CENTRAL BANK

China Central Bank



SOURCE: TRADINGECONOMICS.COM | PEOPLE'S BANK OF CHINA

Japan Central Bank



SOURCE: TRADINGECONOMICS.COM | BANK OF JAPAN

South Africa Central Bank Balance Sheet

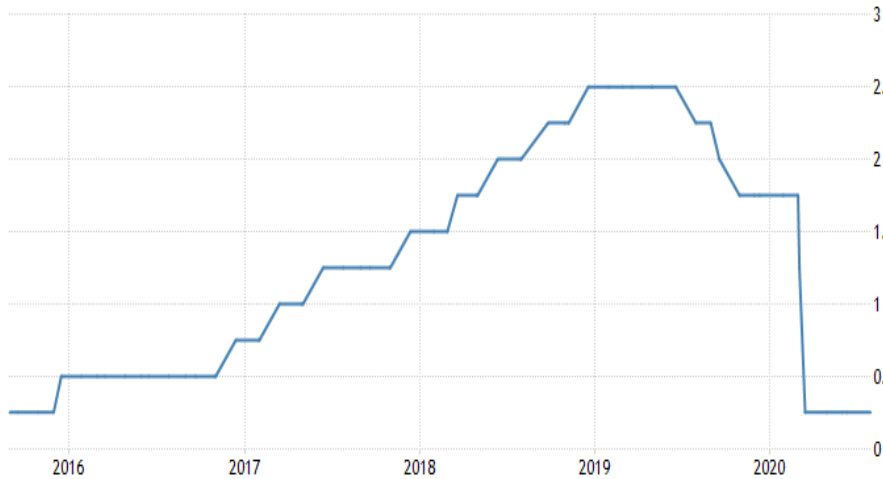


SOURCE: [TRADINGECONOMICS.COM](https://tradingeconomics.com) | SOUTH AFRICAN RESERVE BANK

Period

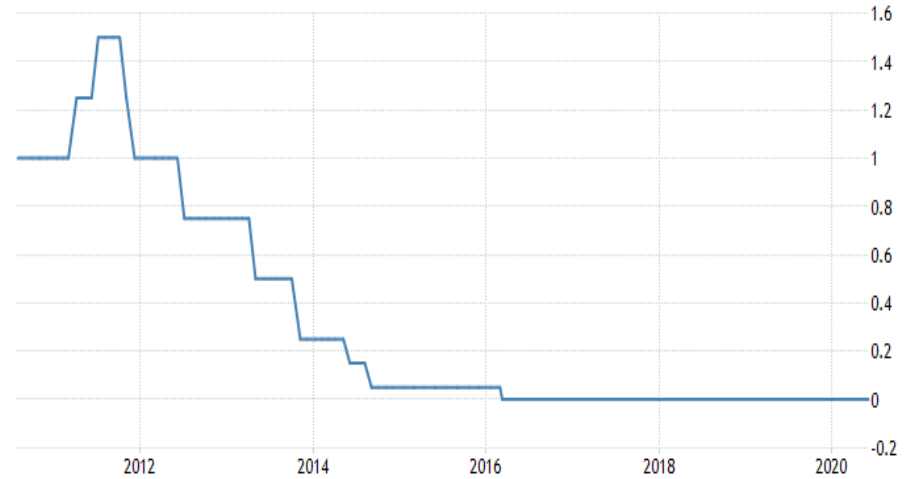
Central Bank Interest Rate

Federal Reserve Interest Rate



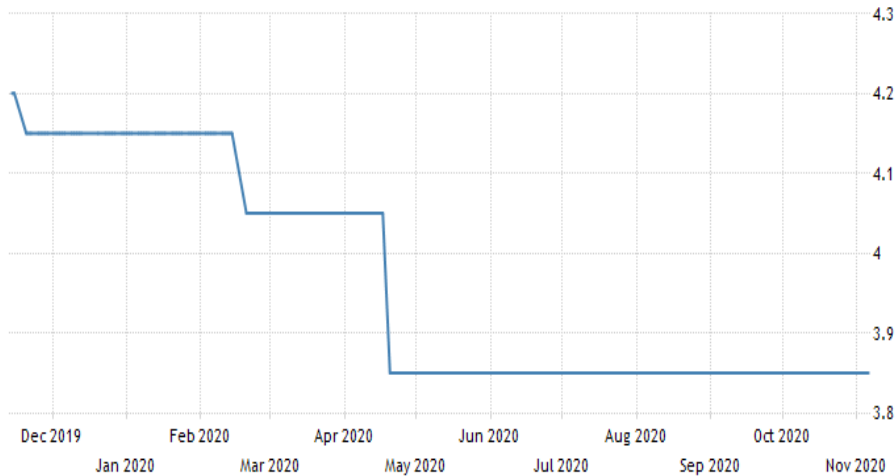
SOURCE: TRADINGECONOMICS.COM | FEDERAL RESERVE

European Central Bank Interest Rate



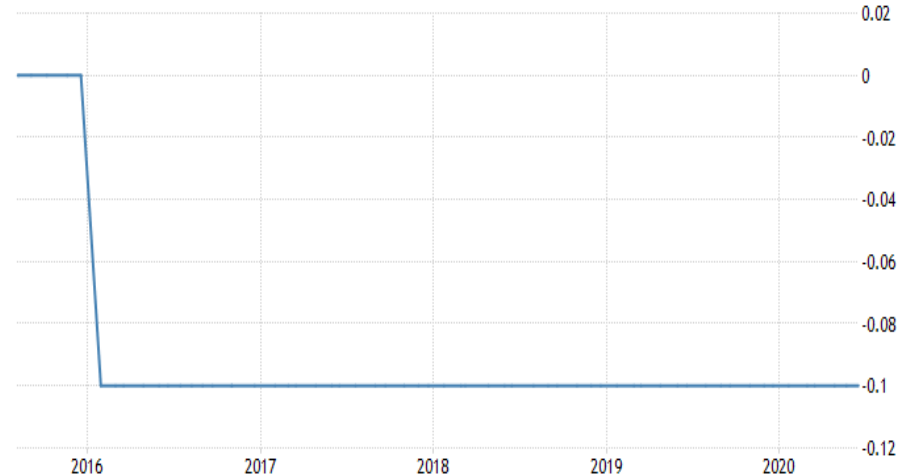
SOURCE: TRADINGECONOMICS.COM | EUROPEAN CENTRAL BANK

China Central Bank Interest Rate



SOURCE: TRADINGECONOMICS.COM | PEOPLE'S BANK OF CHINA

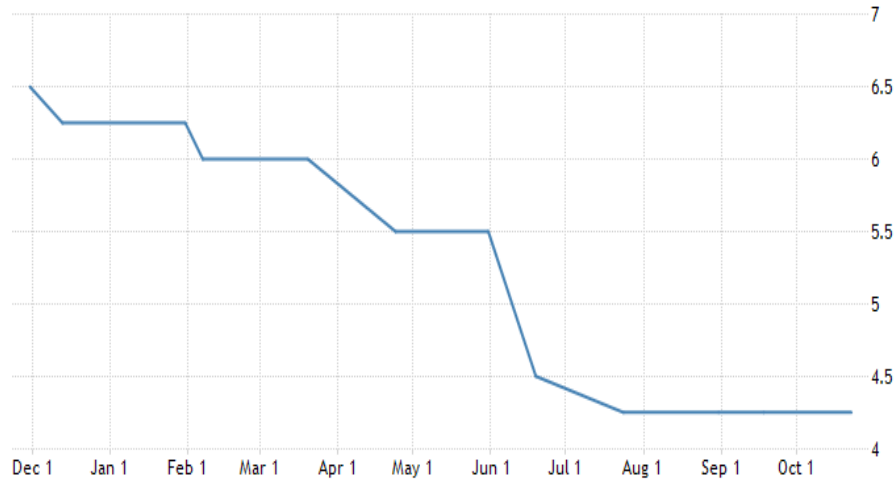
Japan Central Bank Interest Rate



SOURCE: TRADINGECONOMICS.COM | BANK OF JAPAN

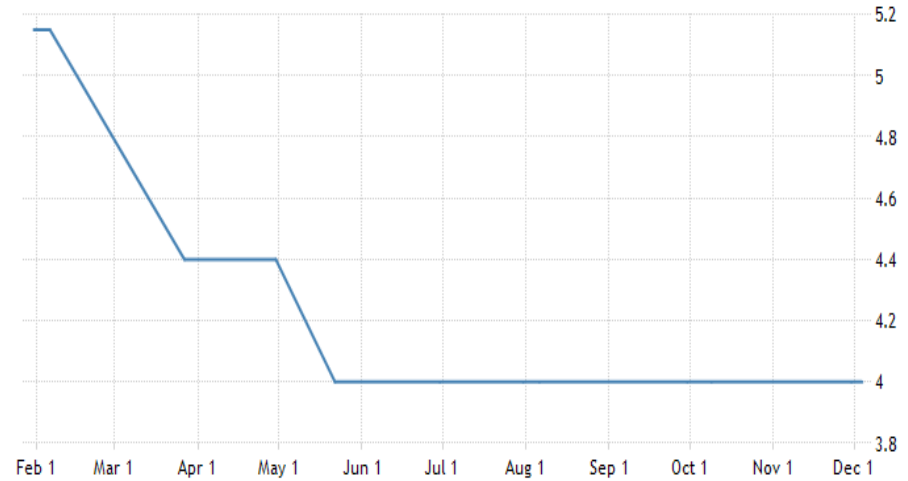
Central Bank Interest Rate

Russia Interest Rate



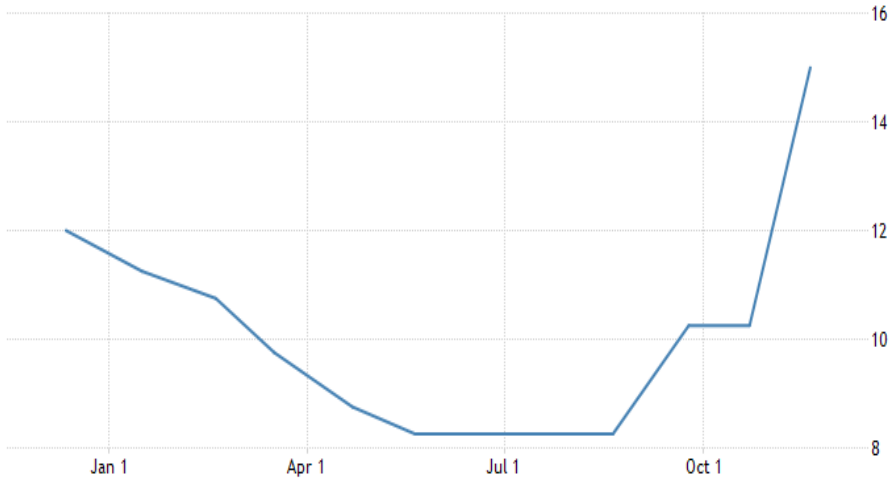
SOURCE: TRADINGECONOMICS.COM | CENTRAL BANK OF RUSSIA

Indian Central Bank Interest Rate



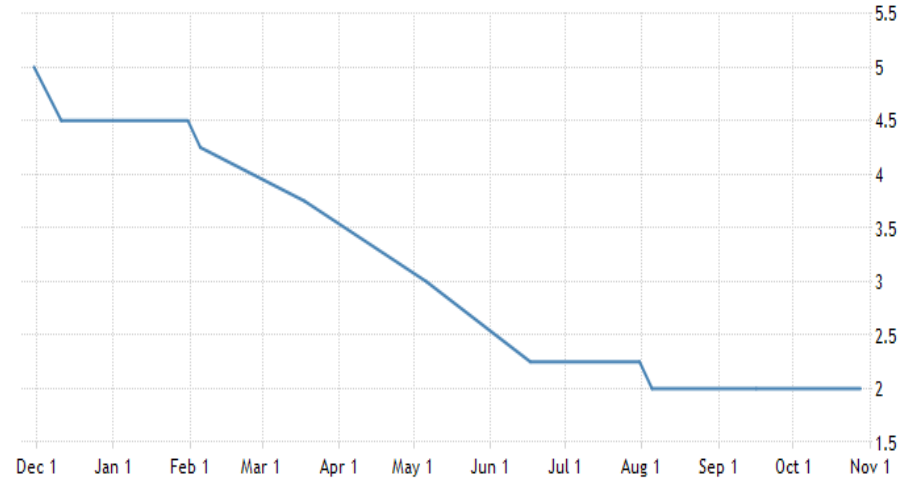
SOURCE: TRADINGECONOMICS.COM | RESERVE BANK OF INDIA

Turkey Central Bank Interest Rate



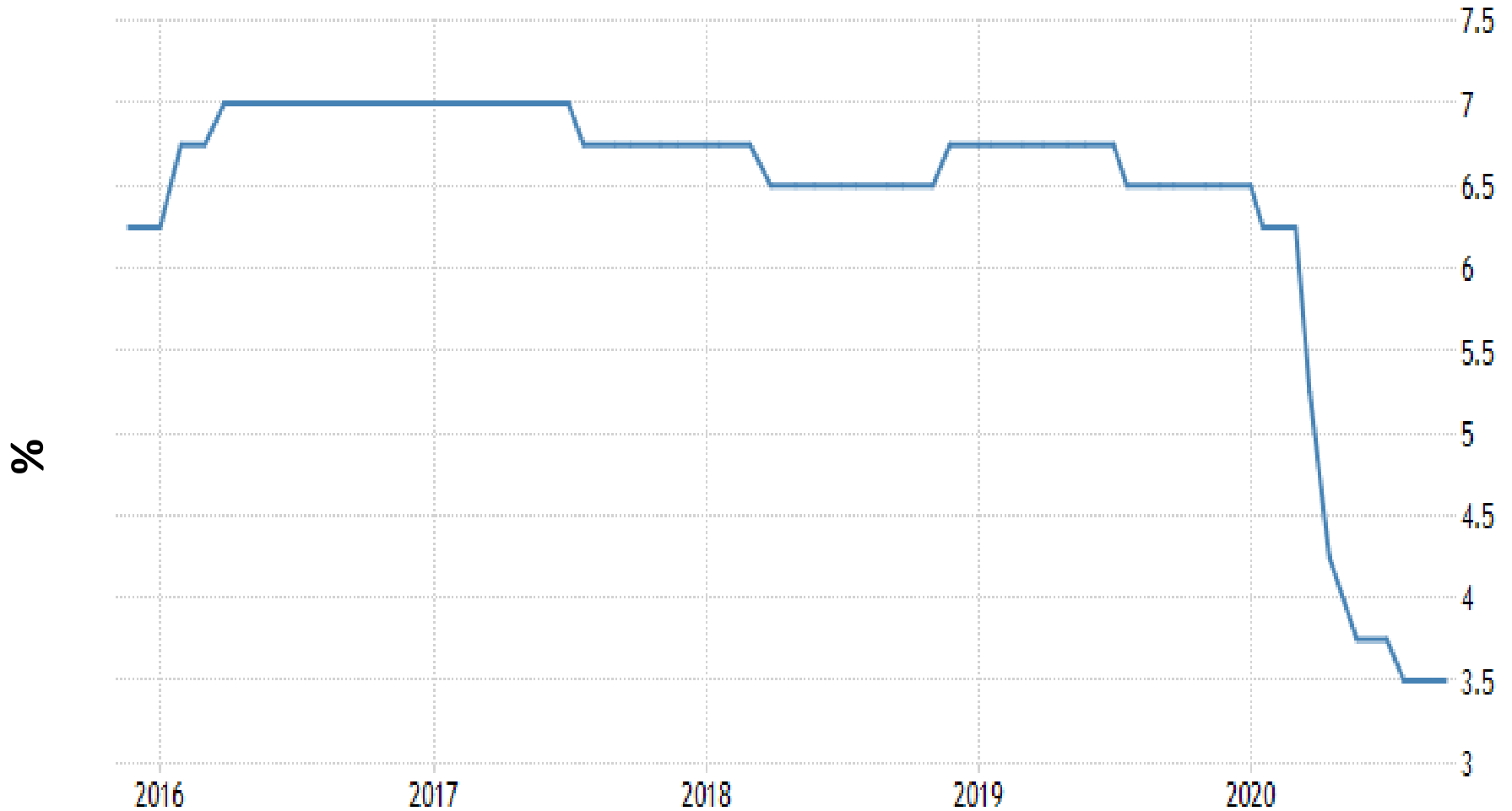
SOURCE: TRADINGECONOMICS.COM | CENTRAL BANK OF THE REPUBLIC OF TURKEY

Brazil Central Bank Interest Rate



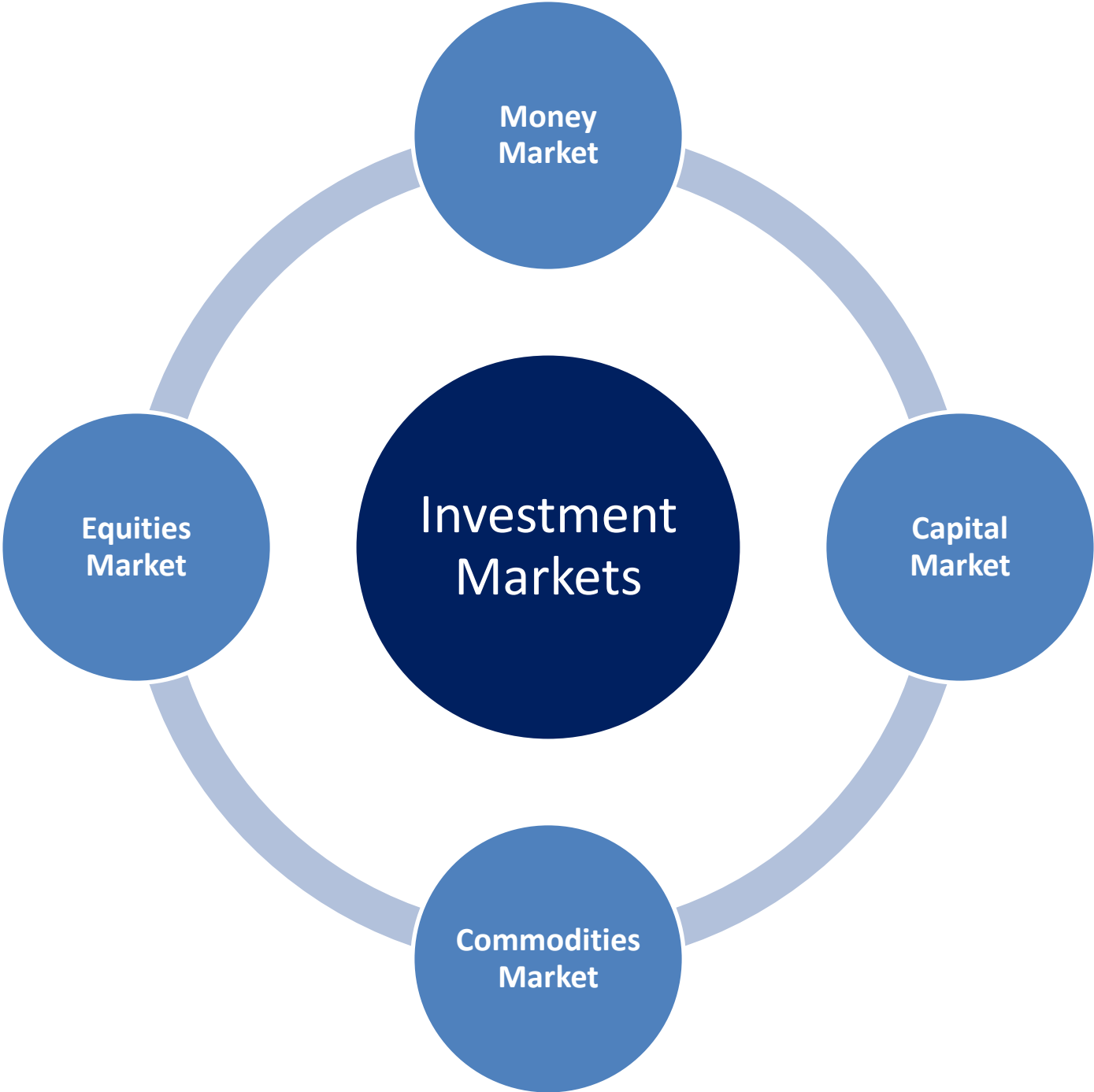
SOURCE: TRADINGECONOMICS.COM | BANCO CENTRAL DO BRASIL

SARB Interest Rate



SOURCE: [TRADINGECONOMICS.COM](https://tradingeconomics.com) | SOUTH AFRICAN RESERVE BANK

Period



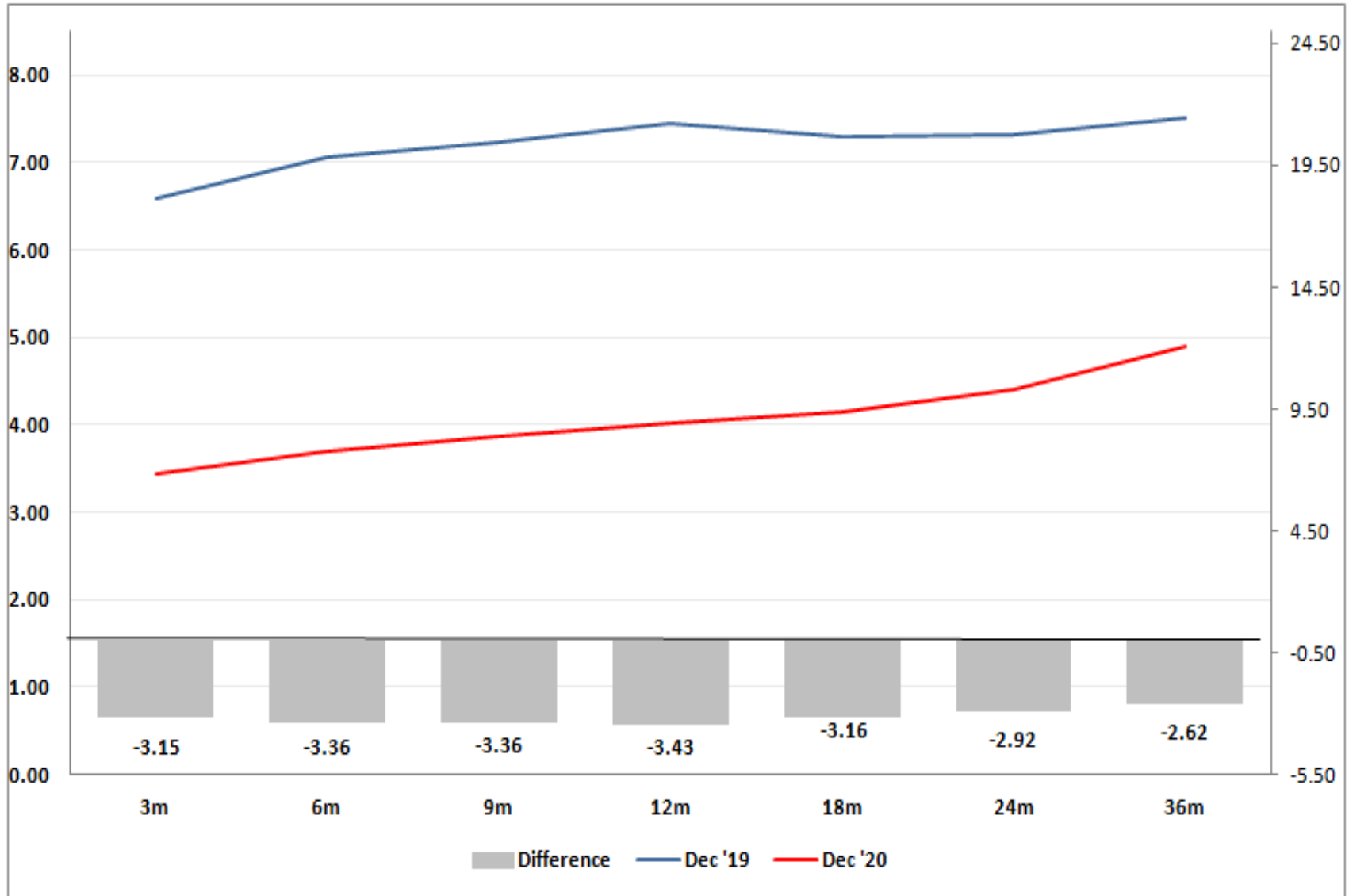
Money Market

Money Market:

Money Market rates remains lower year on year, indicating an overall downward shift in the yield curve, with the Reserve Bank already lowered rates by 300 basis points this year. Slow economic growth coupled with muted inflation and currency weakness, suggests that rates are likely to remain the same.

Our current recommendation is not to invest longer than 3-6 month's term.

South Africa – Money Market Rates

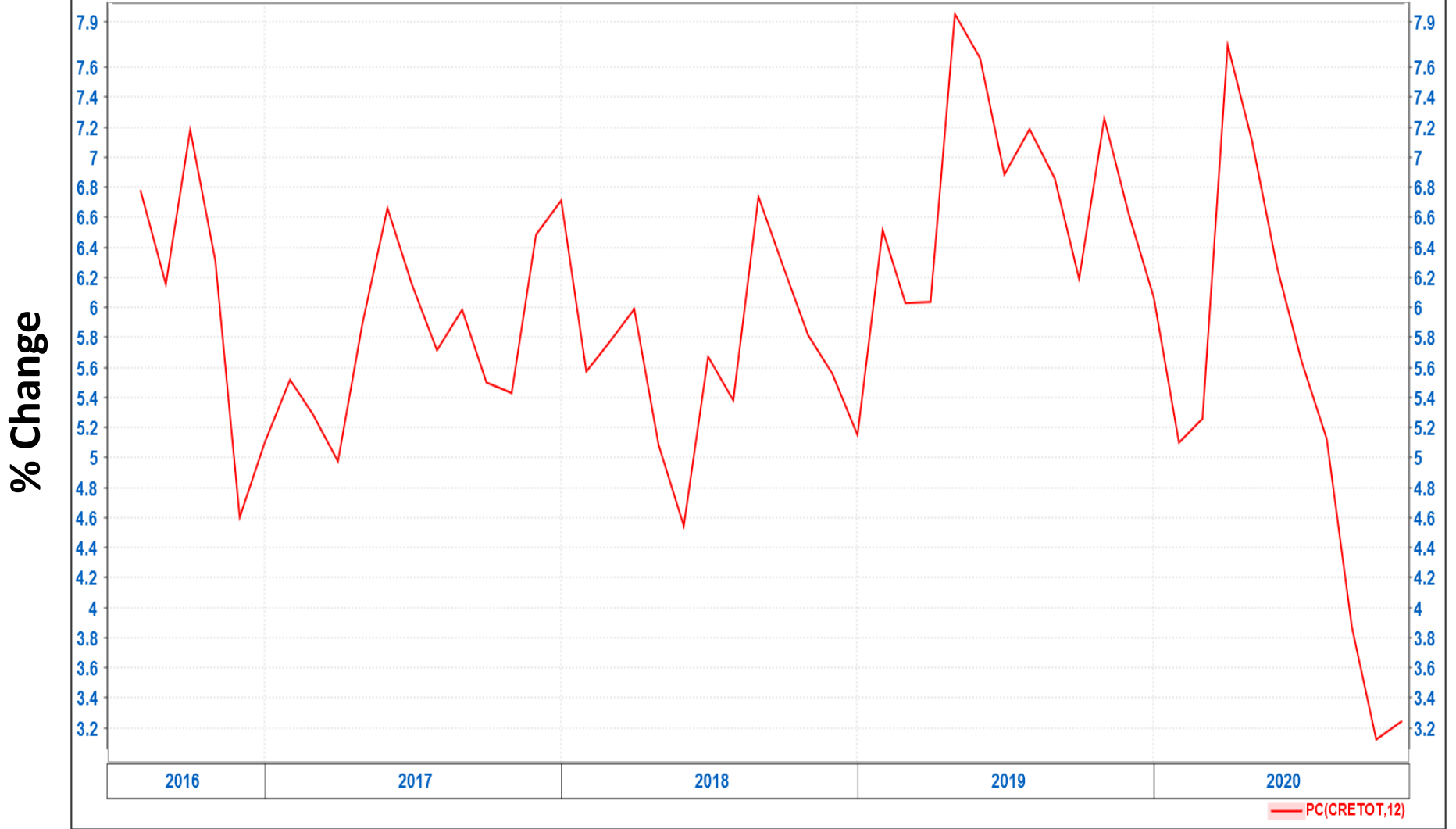


Difference
 Dec 2019
 Dec 2020

Period

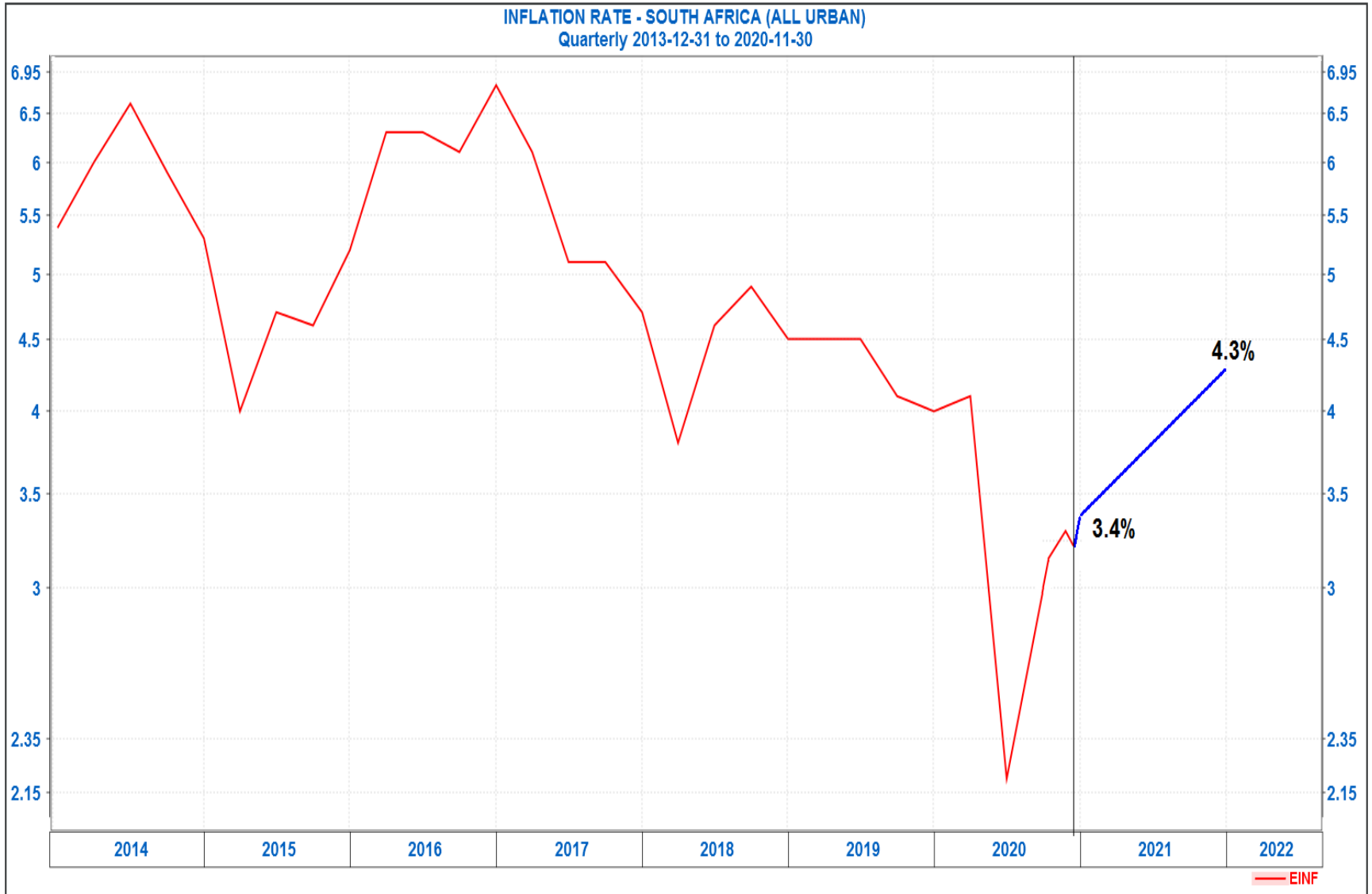
South Africa – Consumer Credit

PC(CRETOT,12)
Monthly 2016-06-30 to 2020-10-31



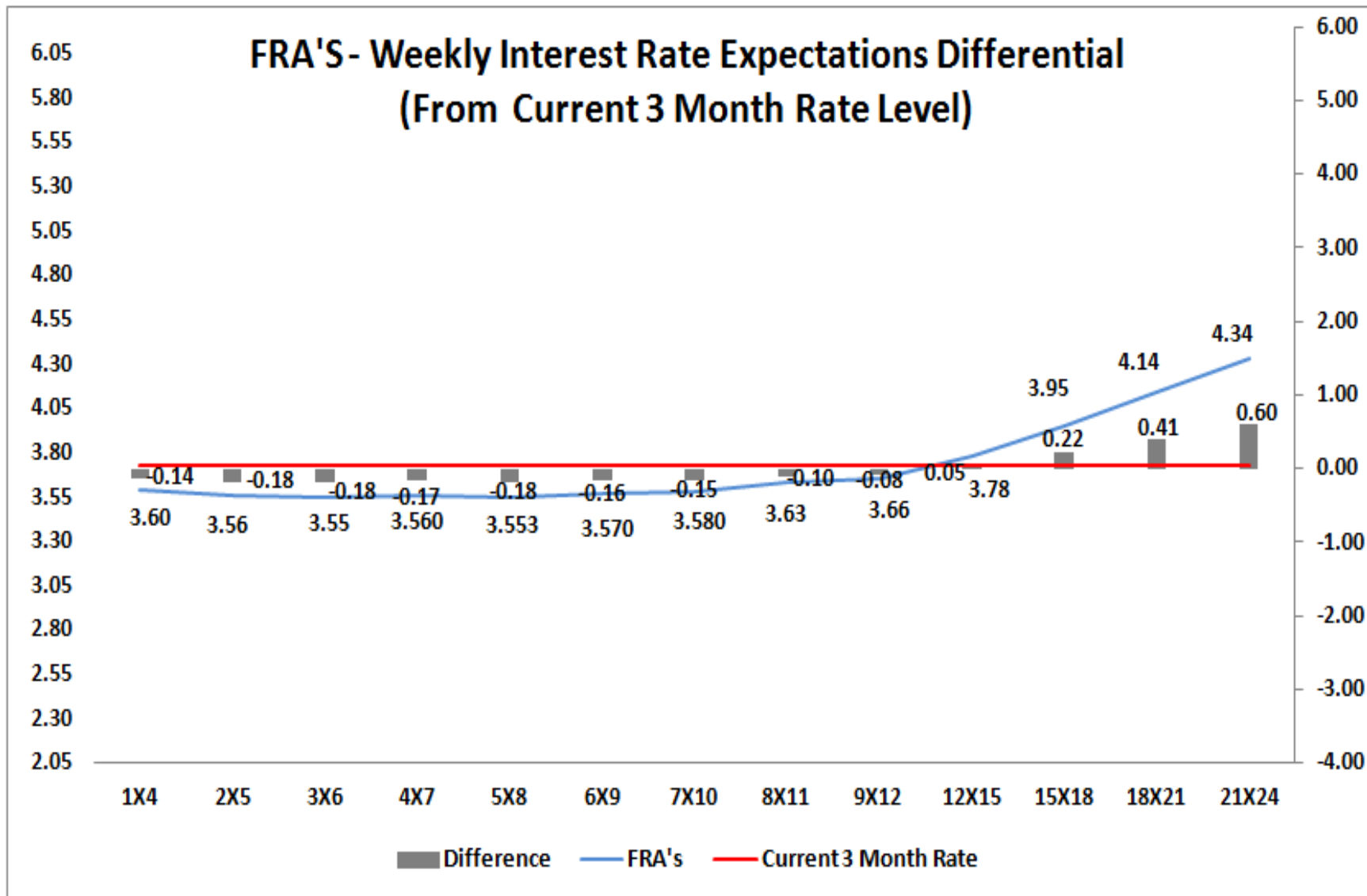
Period

SARB Inflation Expectation



Period

Interest Rate Expectations



— Difference — FRA's — Current 3 Month Rate

Period

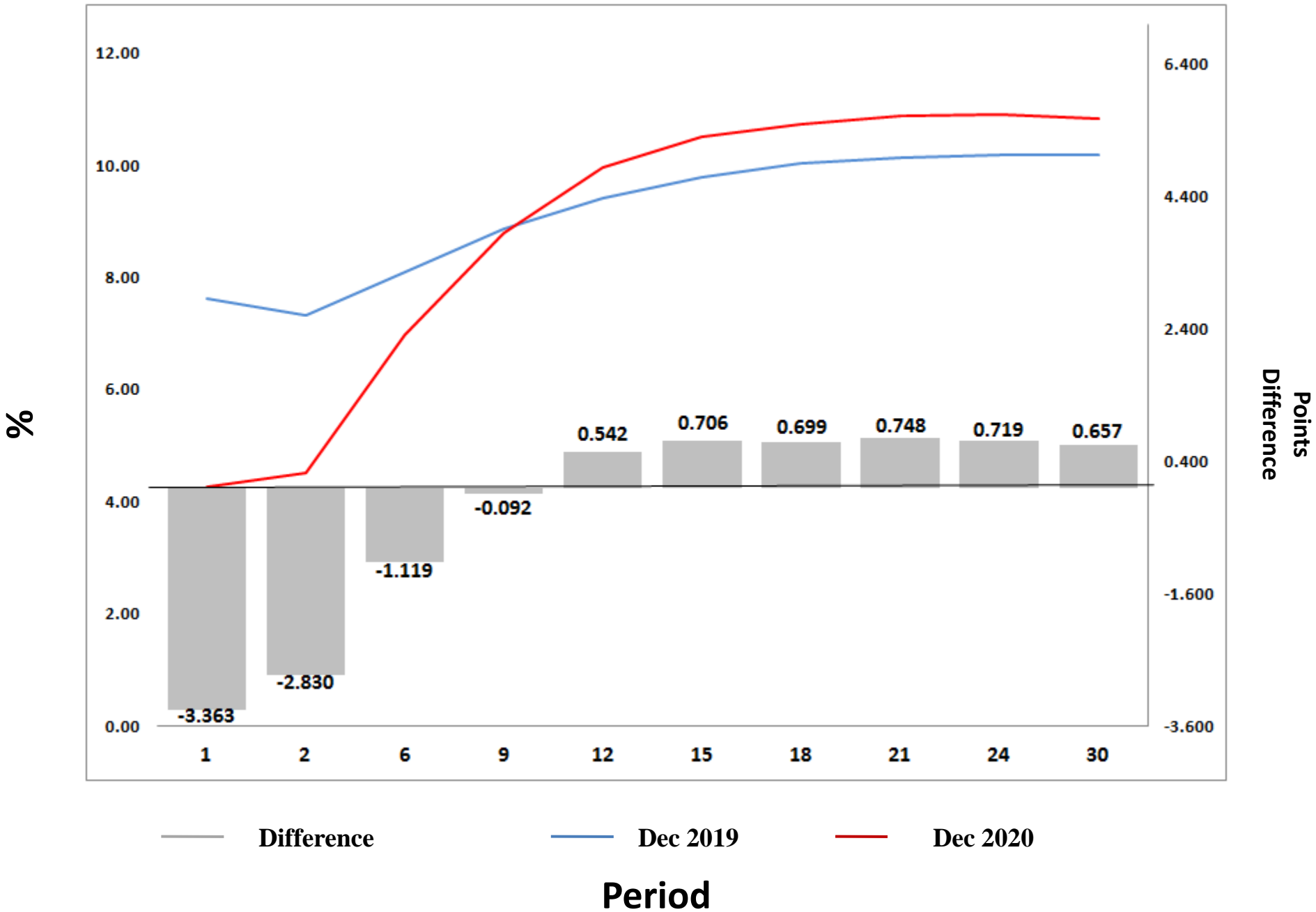
Capital Market

Capital Market:

Capital Market rates are fully priced and do not offer much value at current levels given the risks posed by weak Government finances, higher inflation expectations, a volatile Rand and ratings downgrades. Foreigners were buyers of South African Bonds during the month of November, this being the first month since June.

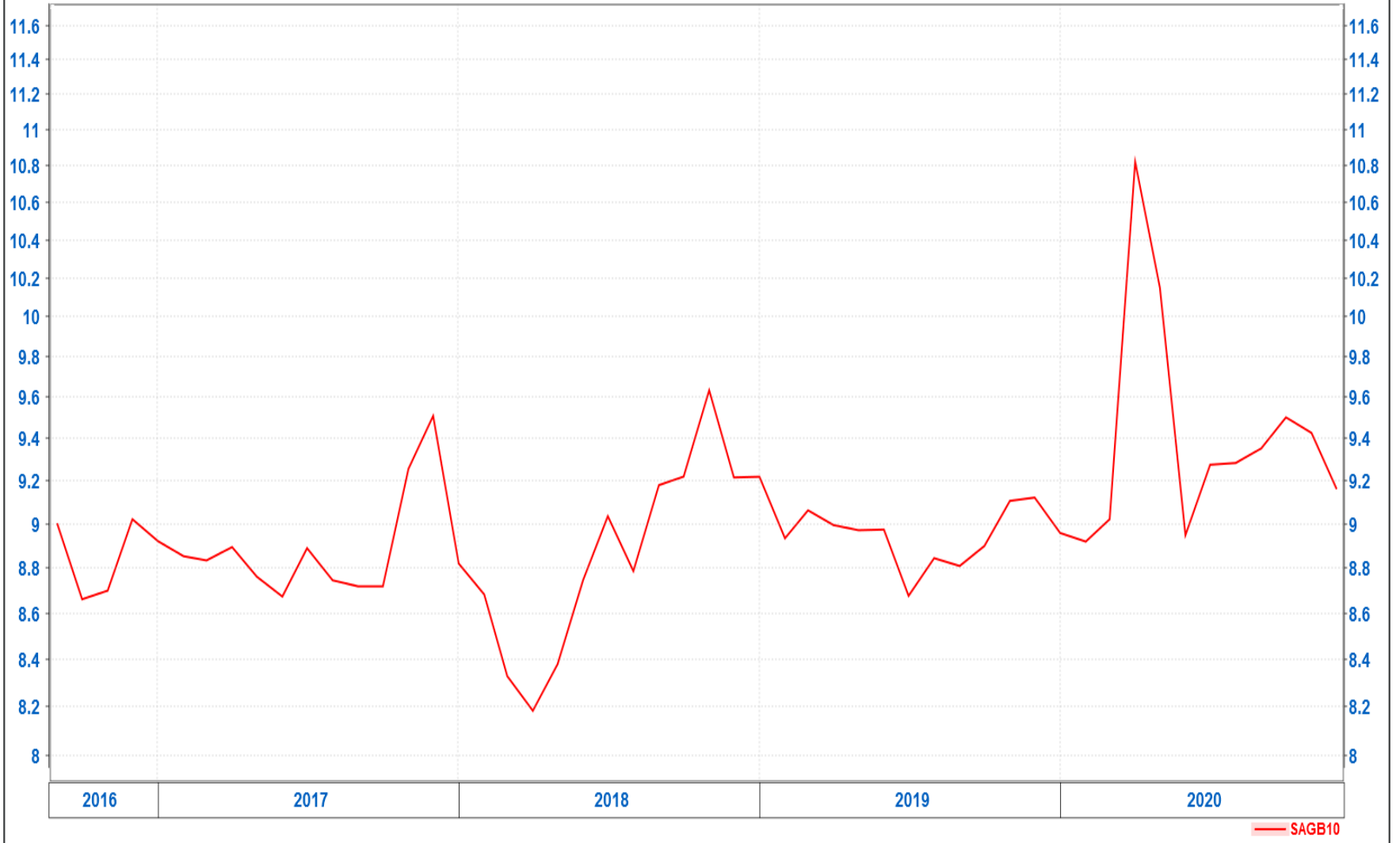
Benchmark rates offer value at current levels, and we maintain a hold recommendation, and not to invest in longer than 10 year term instruments.

South Africa –Yield Curve



SA 10Year Bond Rate

SA : GOVT 10 YEAR BOND
Monthly 2016-08-31 to 2020-11-30

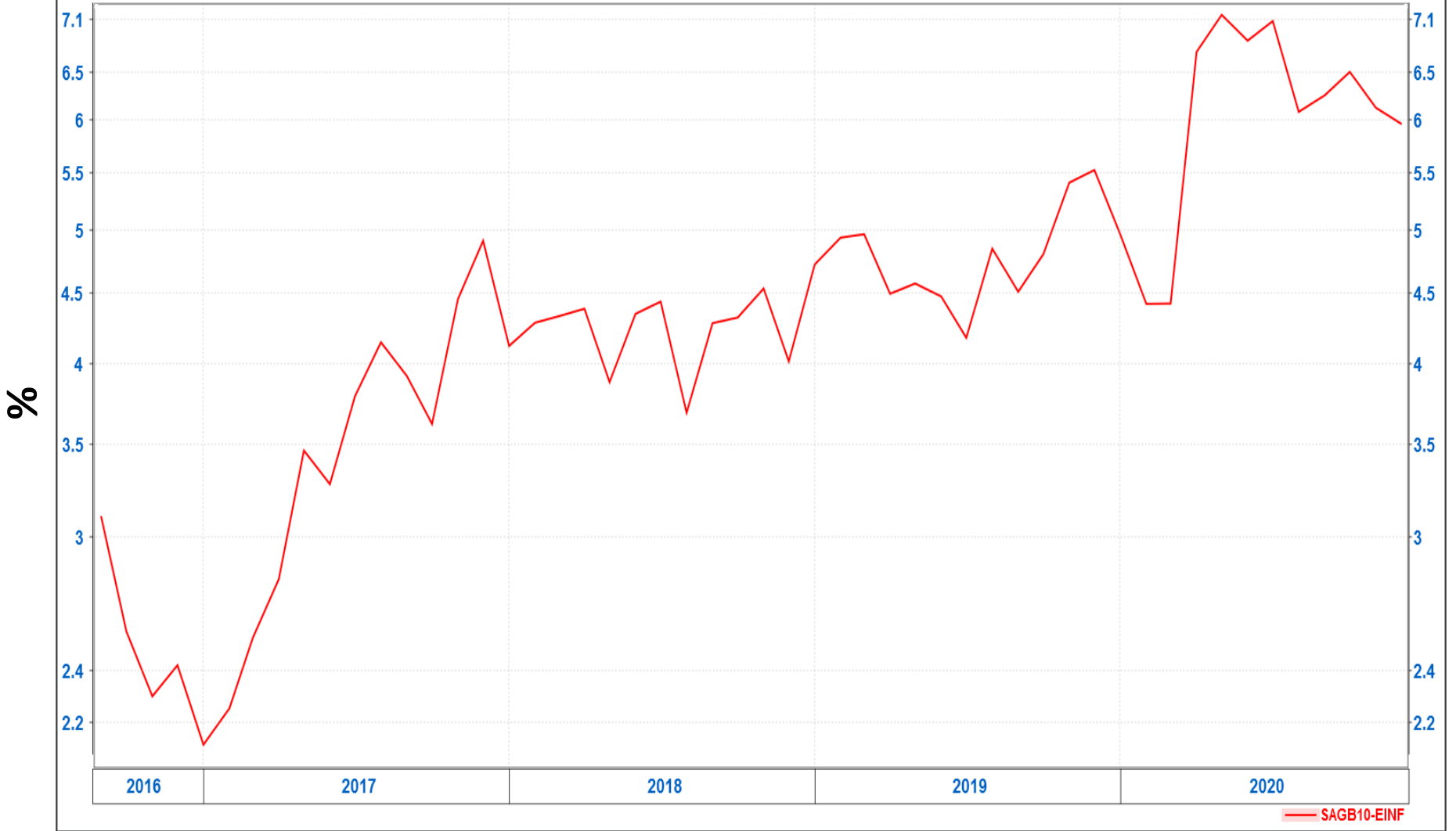


— SAGB10

Period

SA Real Interest Rate

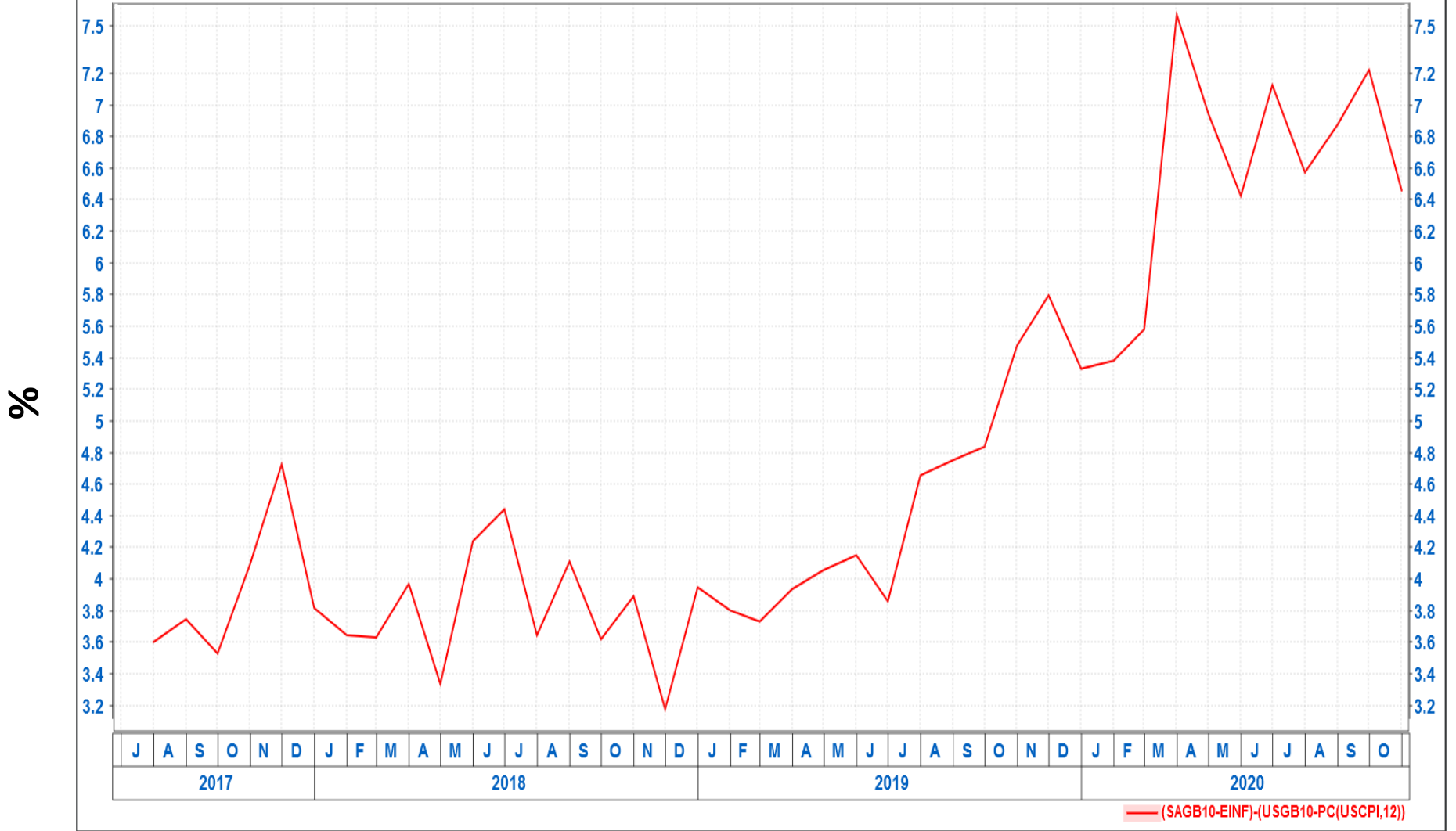
SA : GOVT 10 YEAR BOND-INFLATION RATE - SOUTH AFRICA (ALL URBAN)
Monthly 2016-08-31 to 2020-11-30



Period

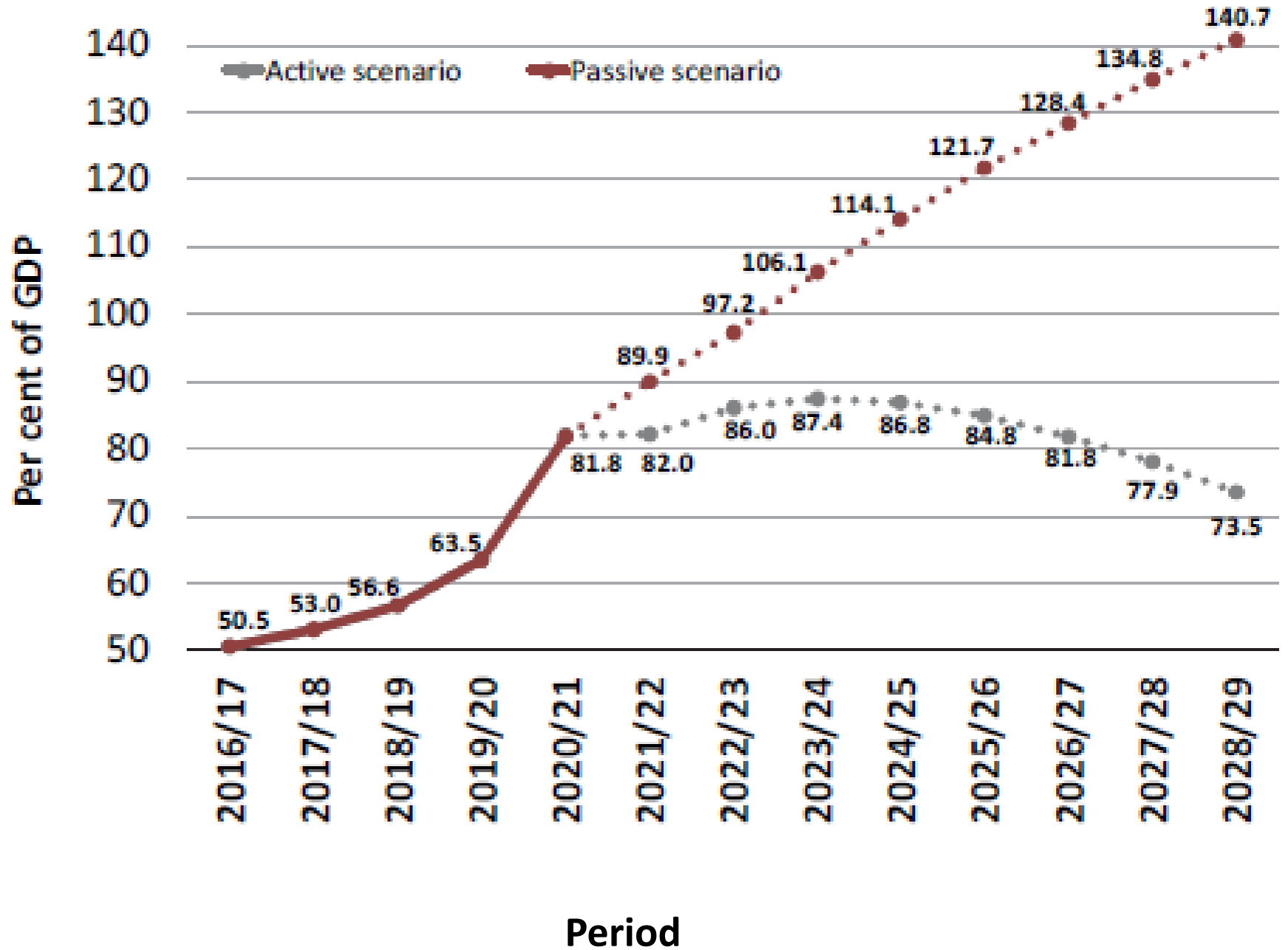
Real Interest Rate - SA vs. USA

Percentage Change 12 of INFLATION RATE - SOUTH AFRICA (ALL URBAN), SA : GOVT 10 YEAR BOND, USA : CONSUMER PRICE INDEX - ALL URBAN S/A, USA : GOVT 10 YEAR BOND
 Monthly 2017-06-30 to 2020-11-30

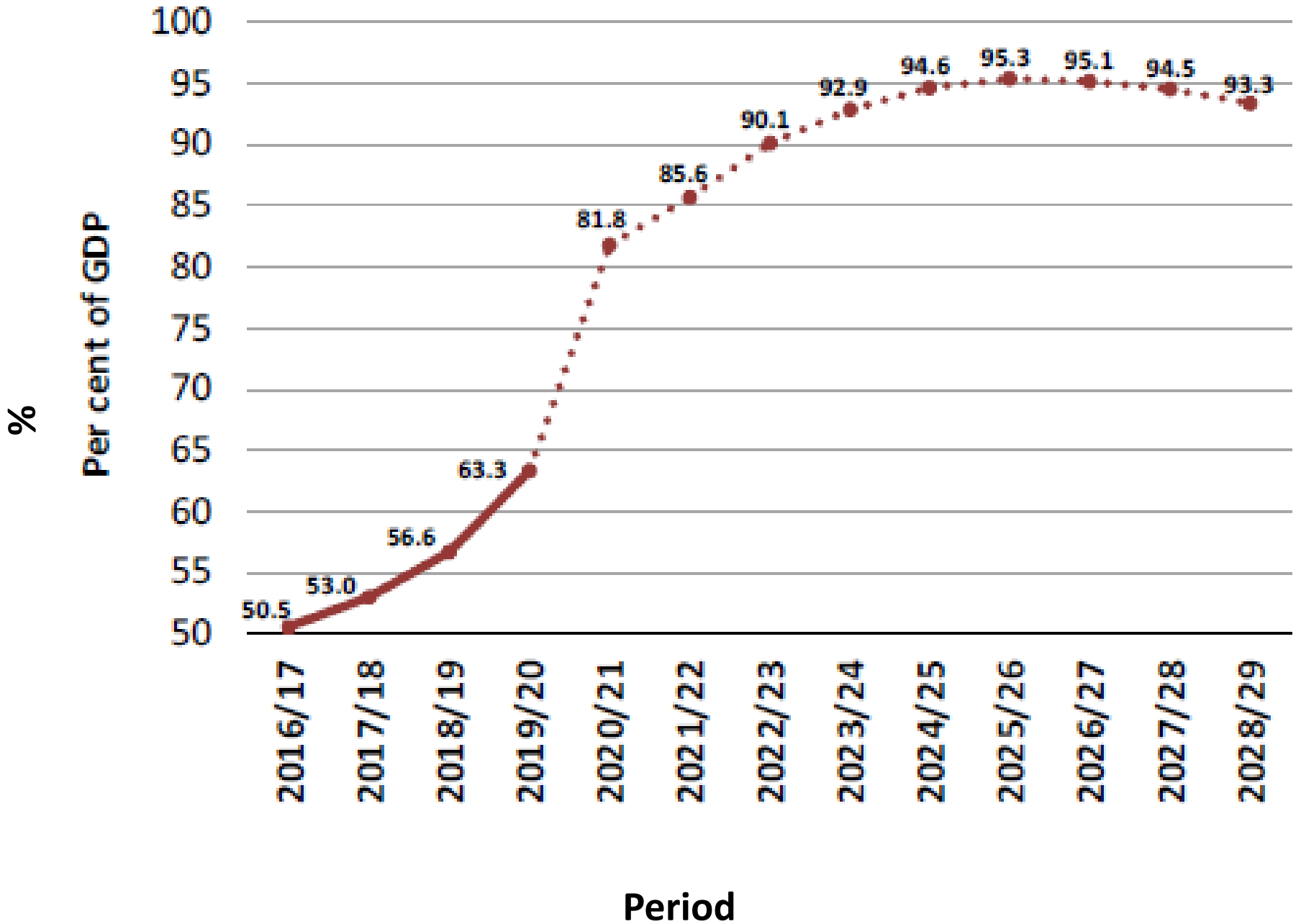


Period

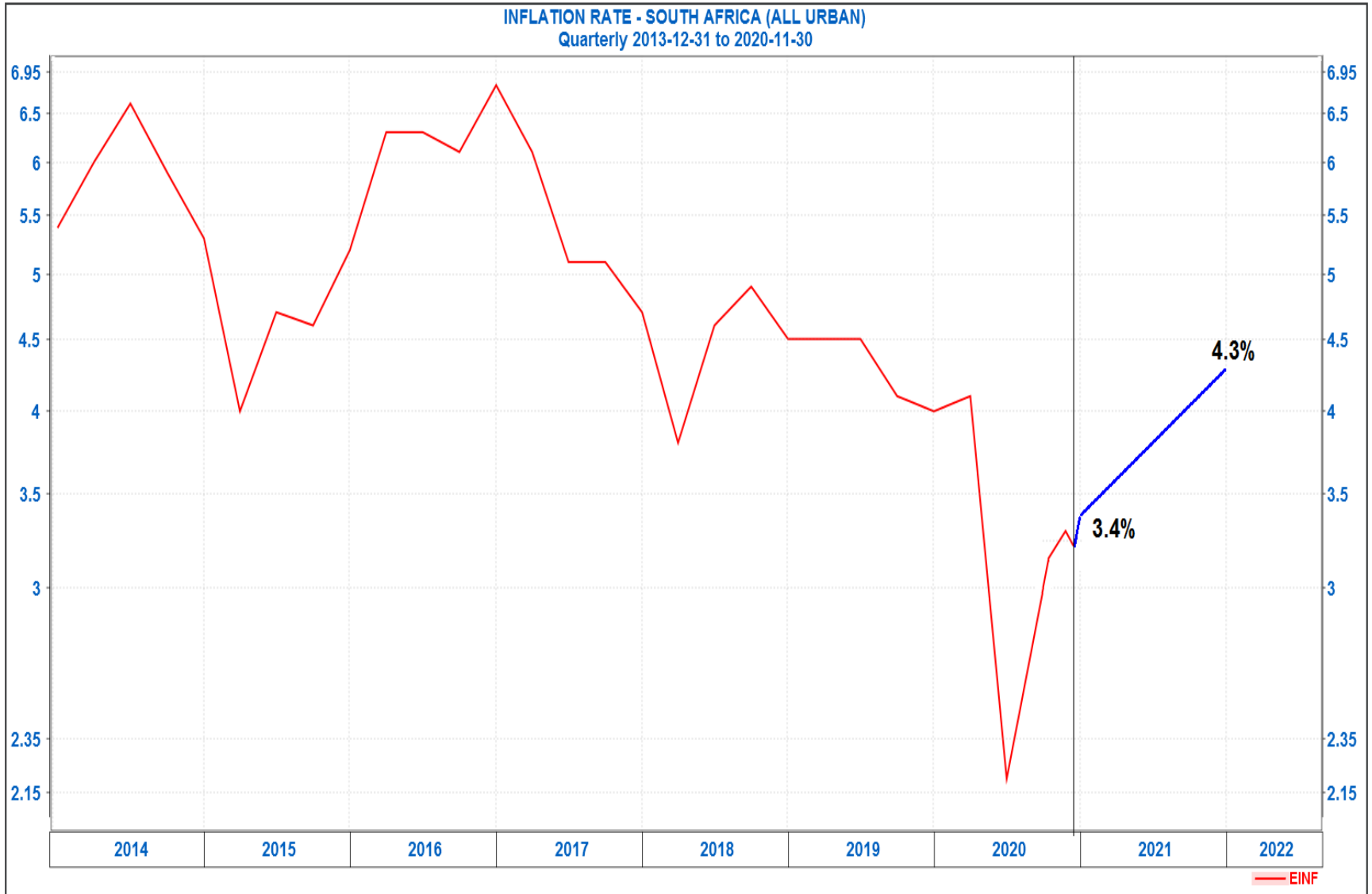
SA Government Debt %GDP



SA Government Debt %GDP (MTBPS)



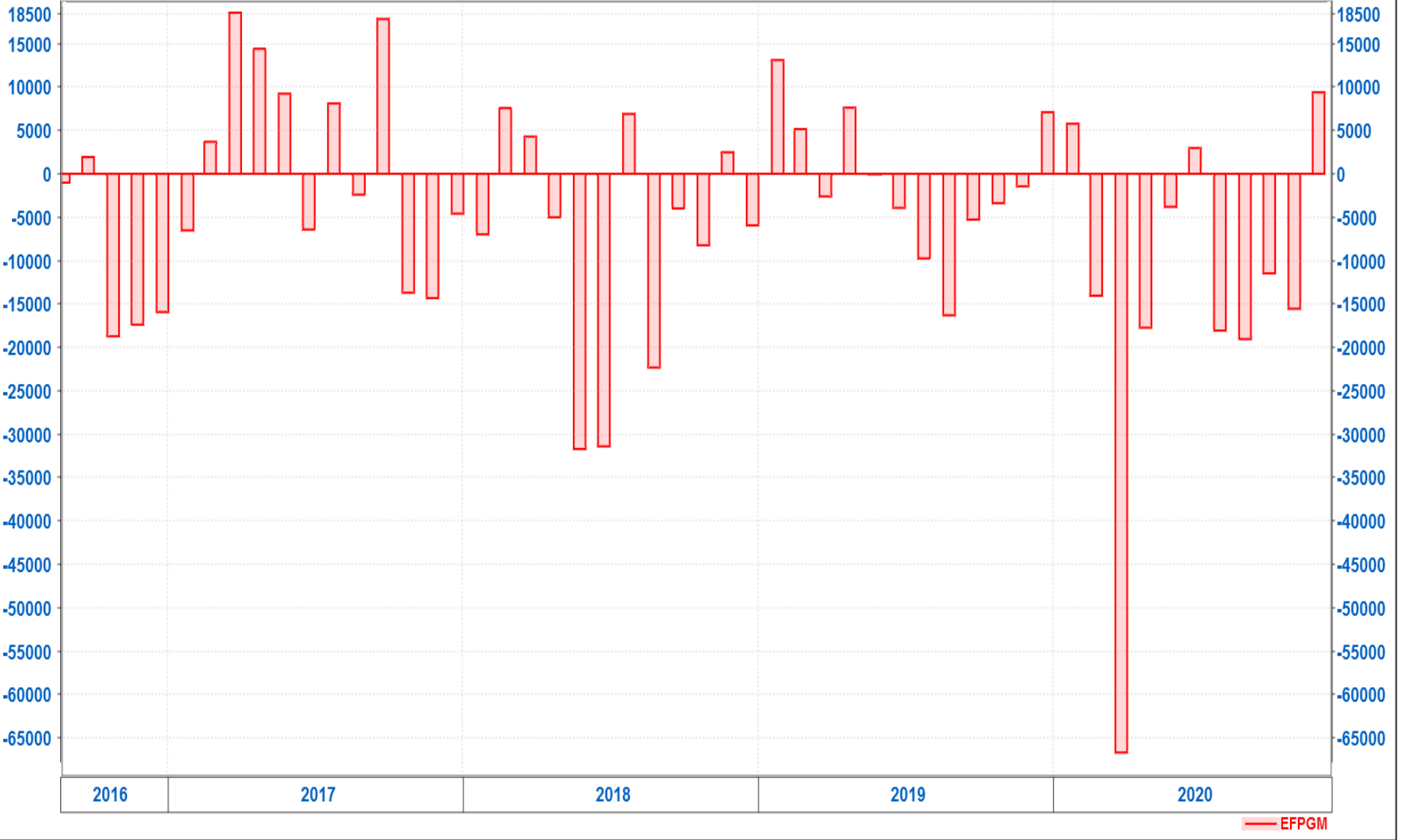
SARB Inflation Expectation



Period

Foreign In- and out flows in Capital market (Million)

FOREIGN TRANS BESA - NET (RM) -TOTAL CONSIDERATION
Monthly 2016-08-31 to 2020-11-30



Period

Commodities Market

Commodity Index

RJ/CRB TOTAL RETURN INDEX
Weekly 2014-06-08 to 2020-12-06

Index Points

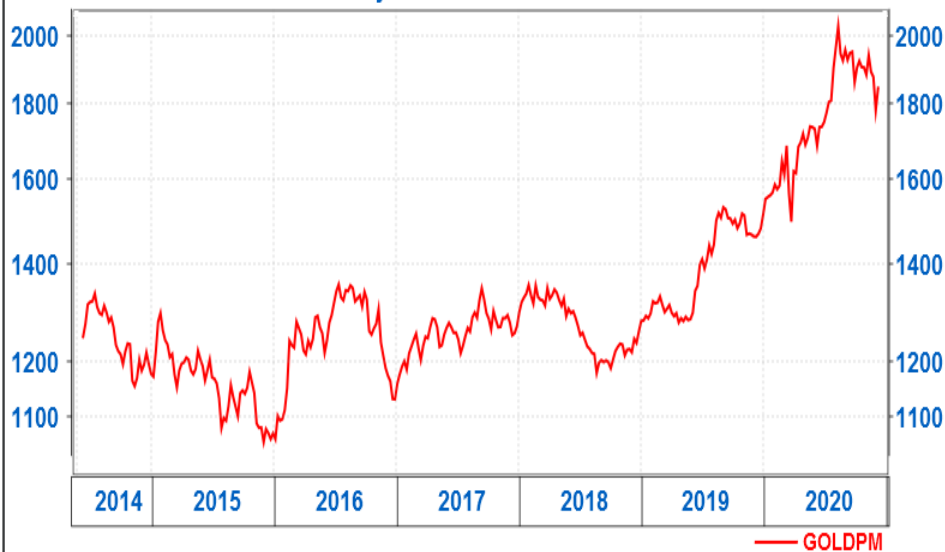


FCRB

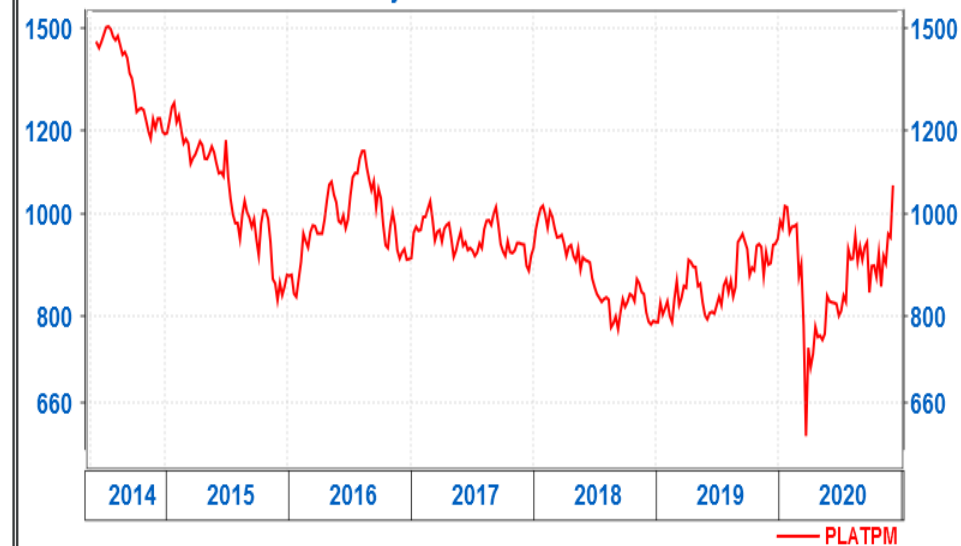
Period

Commodity Prices

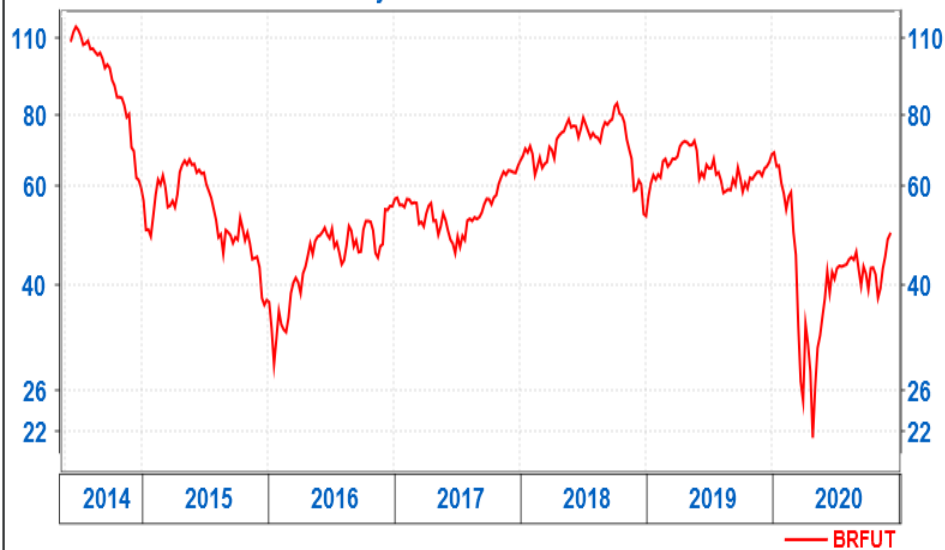
GOLD LONDON - PM FIX
Weekly 2014-06-08 to 2020-12-06



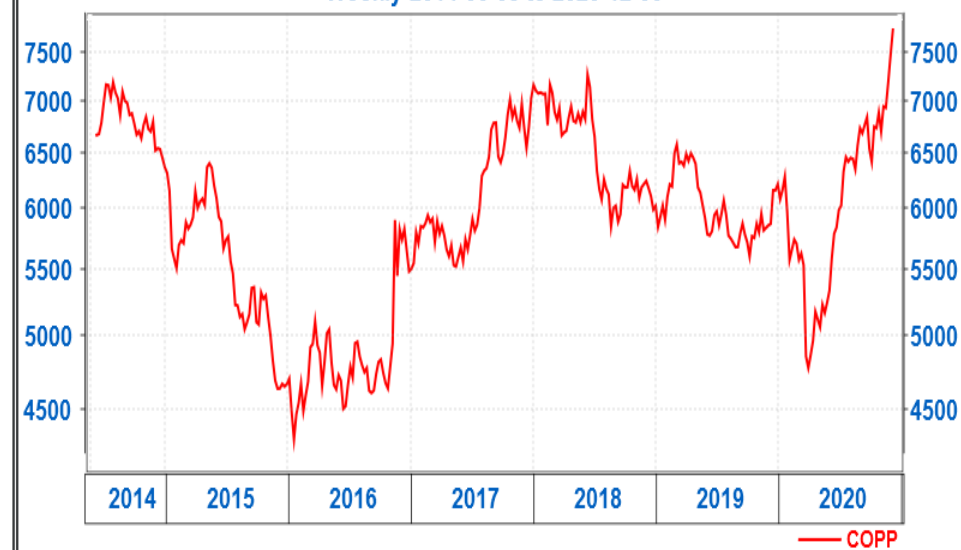
PLATINUM PM - FIX (\$OZ)
Weekly 2014-06-08 to 2020-12-06



OIL : BRENT - NEAR FUTURE - ICE UK \$/BARREL
Weekly 2014-06-08 to 2020-12-06



COPPER CASH LME (\$/TON) - FIX
Weekly 2014-06-08 to 2020-12-06



Equities Market

Equities Market:

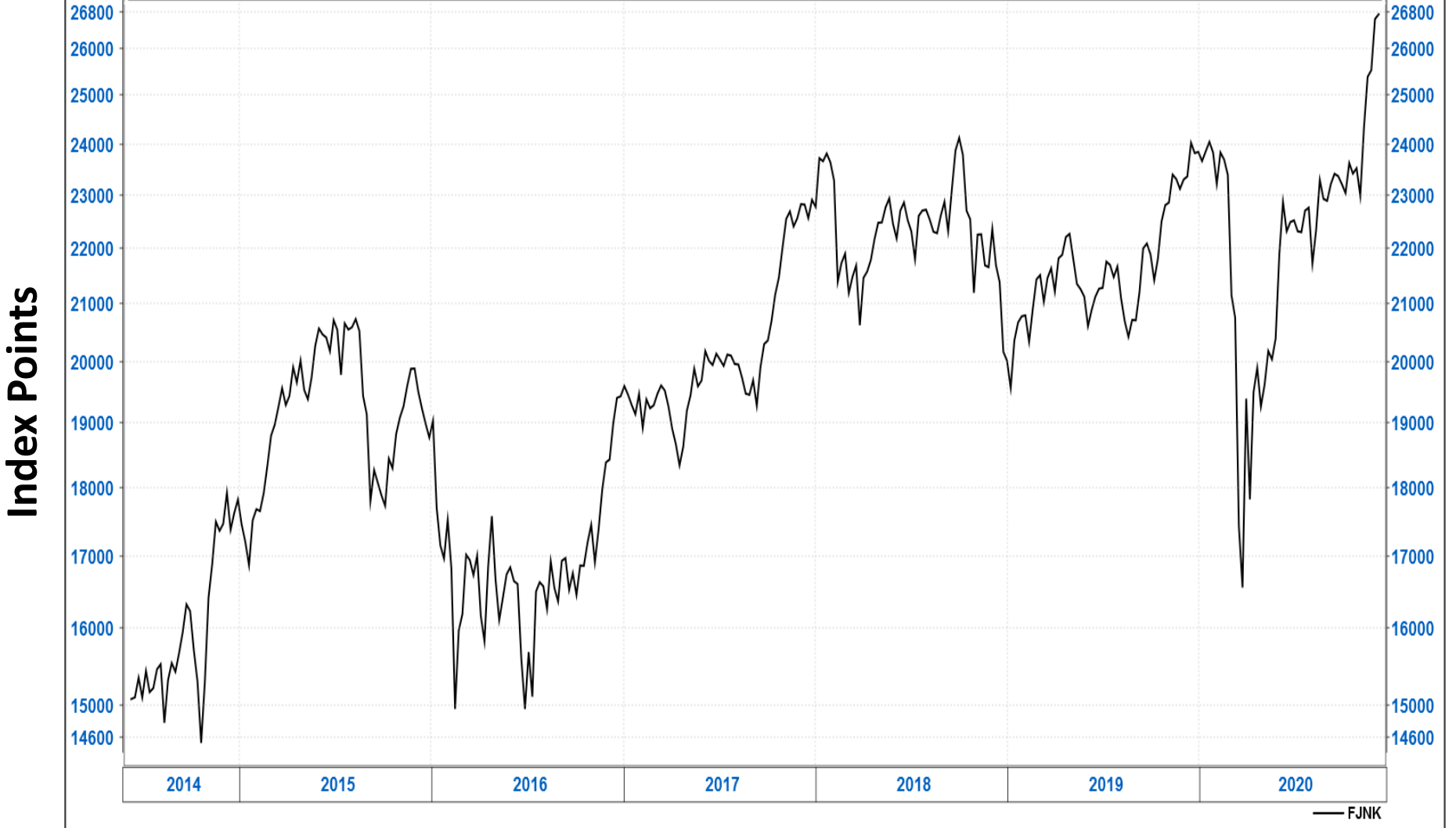
Equity markets worldwide seem to have recovered to almost pre-Covid-19 levels. SA Equities remain fairly priced relative to the Capital Market with world wide equity markets continuing to take strain on the back of Covid-19 fears. Selected shares in certain sectors are currently showing value, however market volatility increases uncertainty

China – Shanghai A Share Index



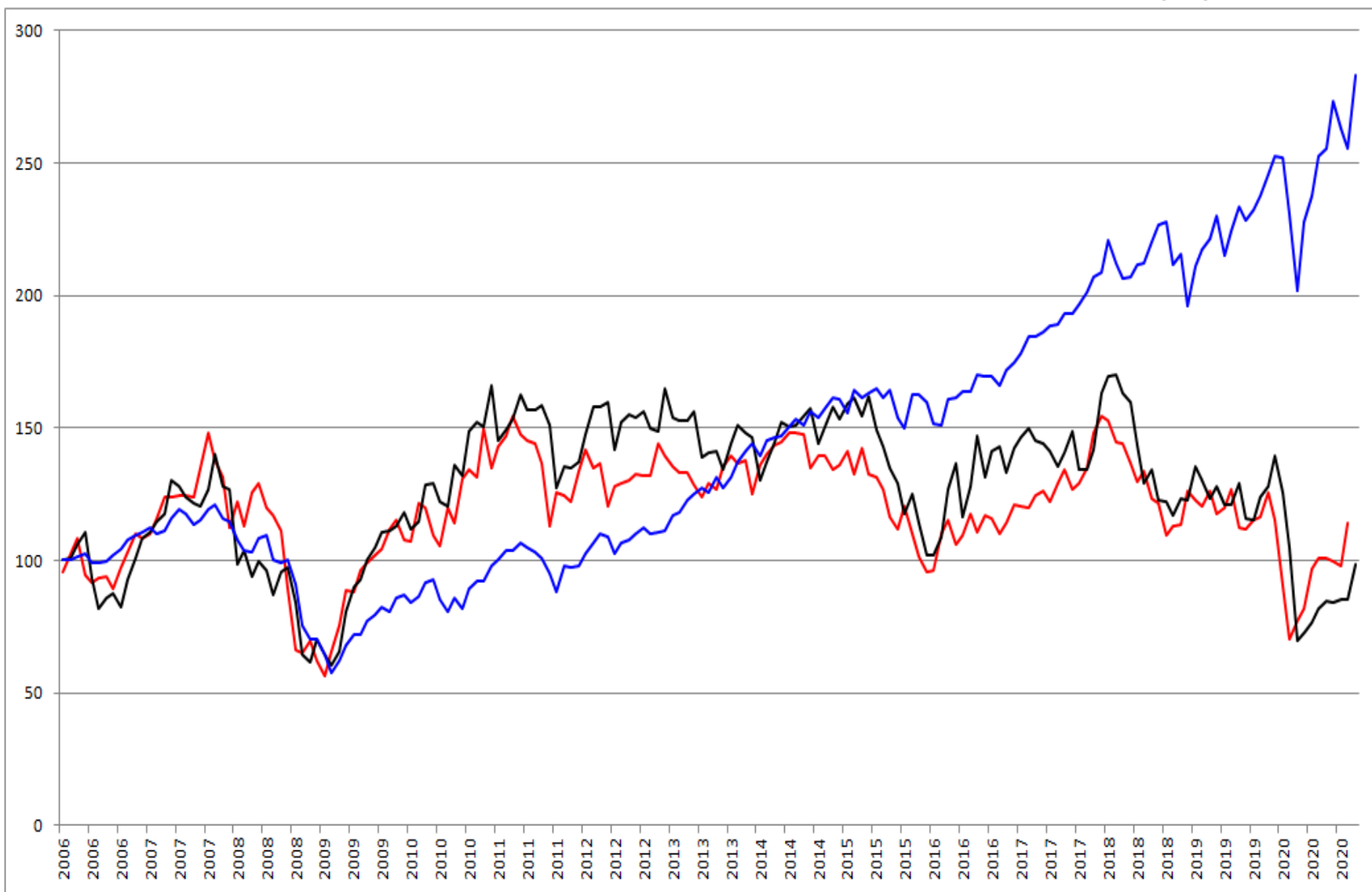
Japan – Nikkei 225

JAPAN : NIKKEI 225 INDEX
Weekly 2014-06-08 to 2020-12-06



Period

SA All Share Index and USA S&P 500 Index (\$)



— FTSE/JSE All Share Index

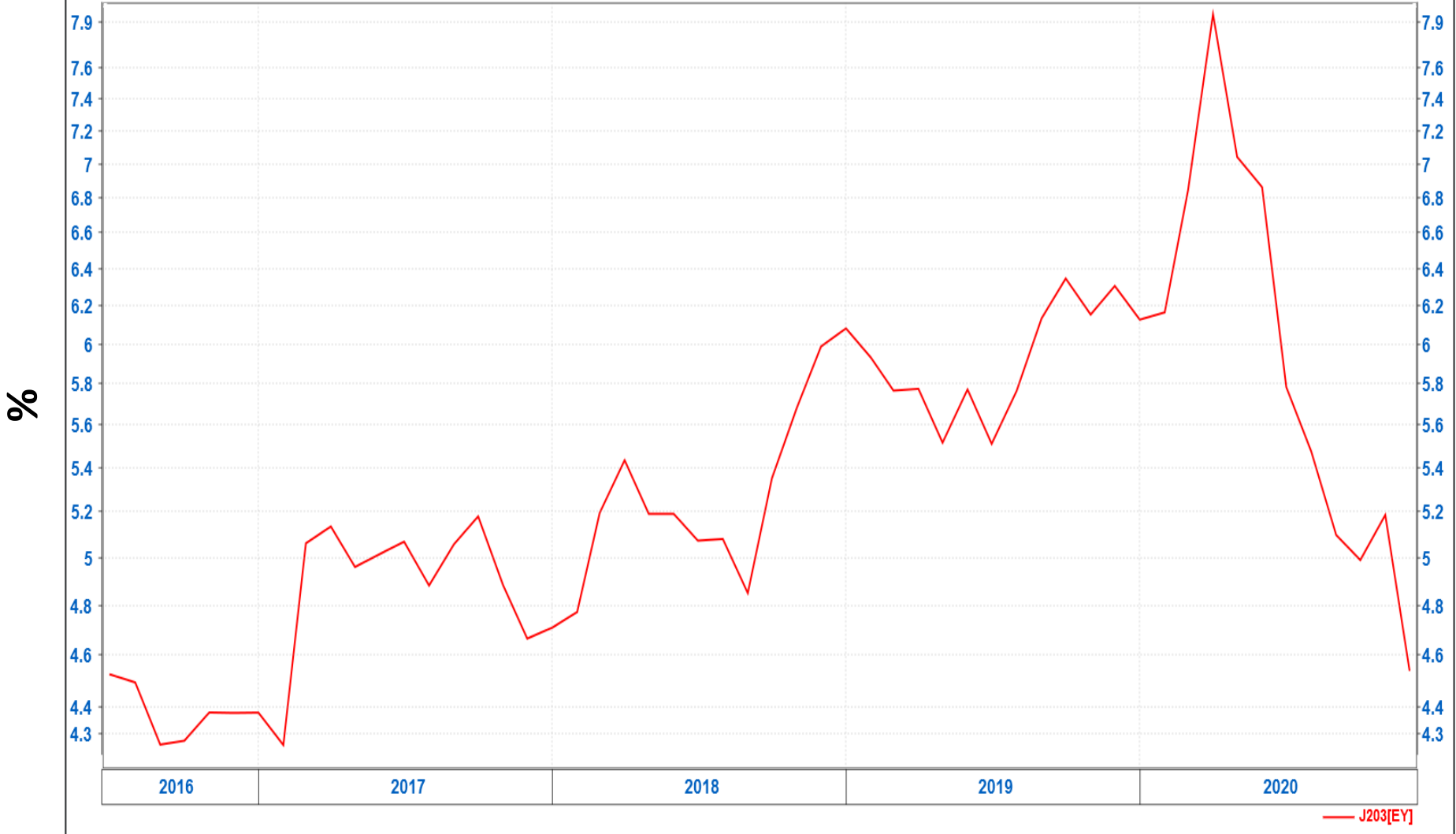
— USA S&P 500 Index

— FTSE/JSE Mid Cap Index

Period

SA All Share Index – Earnings Yield

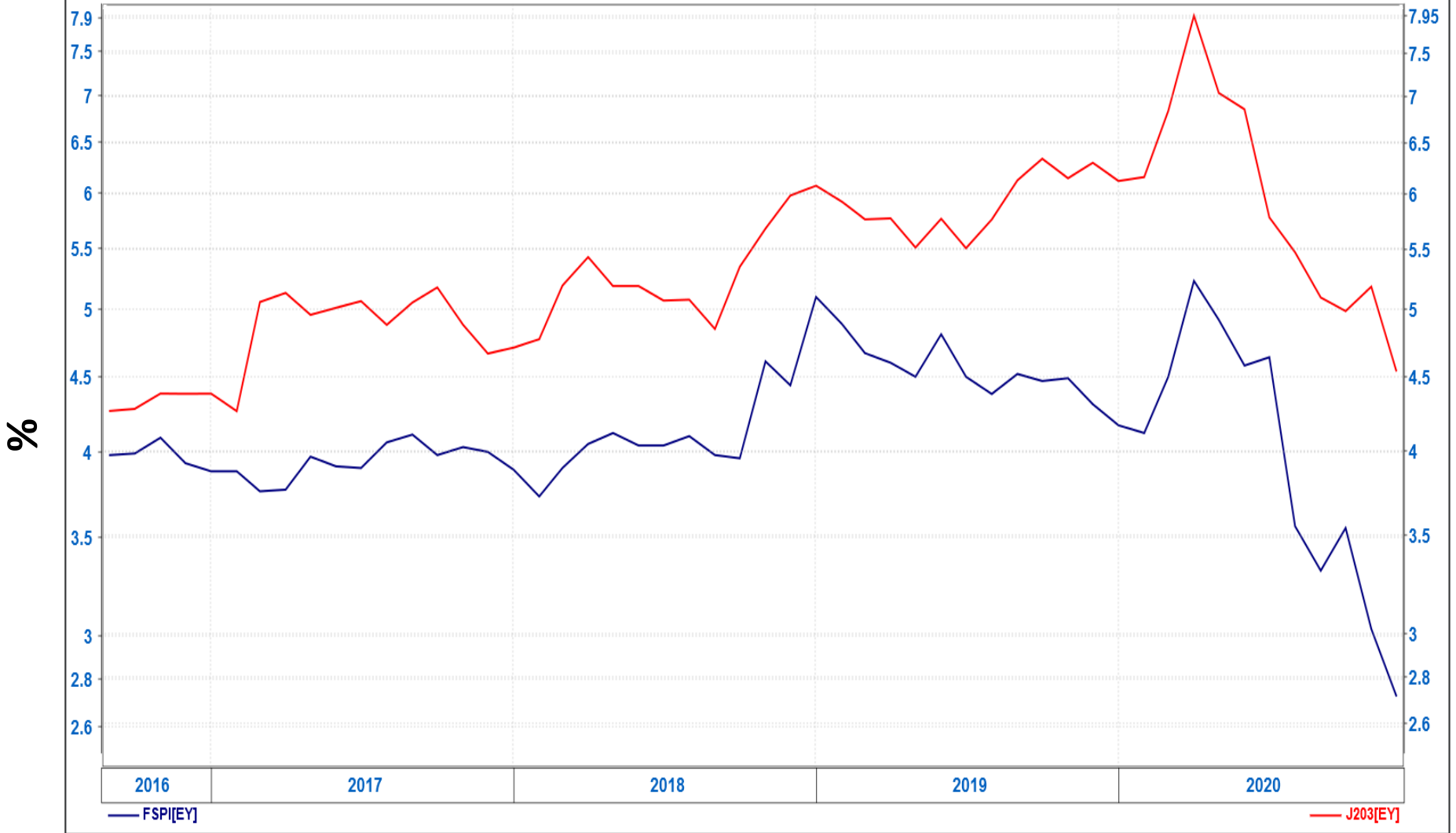
FTSE/JSE : AFRICA ALL SHARE INDEX (Earnings Yield)
Monthly 2016-06-30 to 2020-11-30



Period

Earnings Yield- SA vs. USA

FTSE/JSE : AFRICA ALL SHARE INDEX (Earnings Yield) , USA : S & P 500 COMPOSITE INDEX (Earnings Yield)
Monthly 2016-08-31 to 2020-11-30



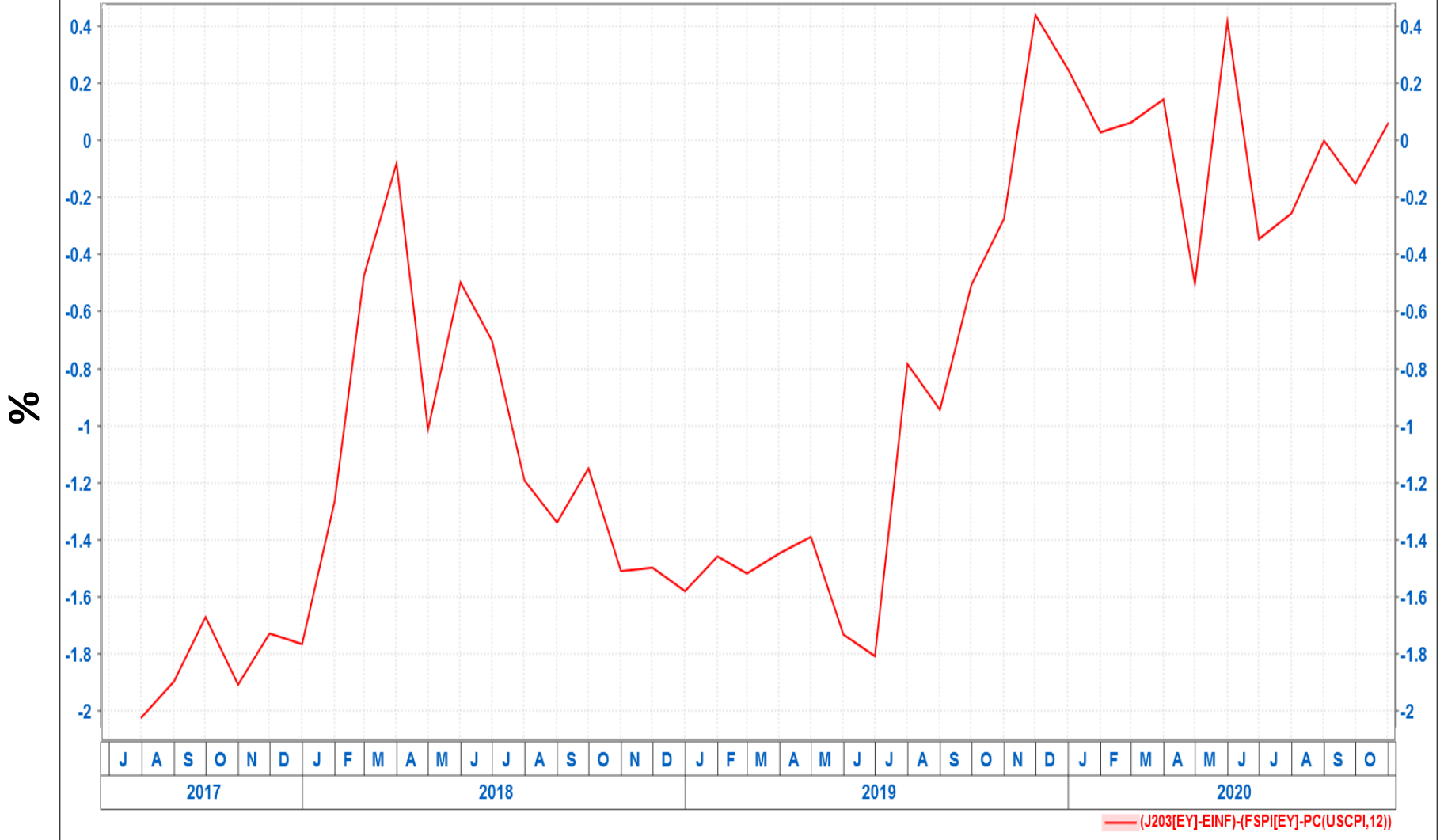
— S.A. All Share Earnings Yield

— USA S&P 500 Shares Earnings Yield

Period

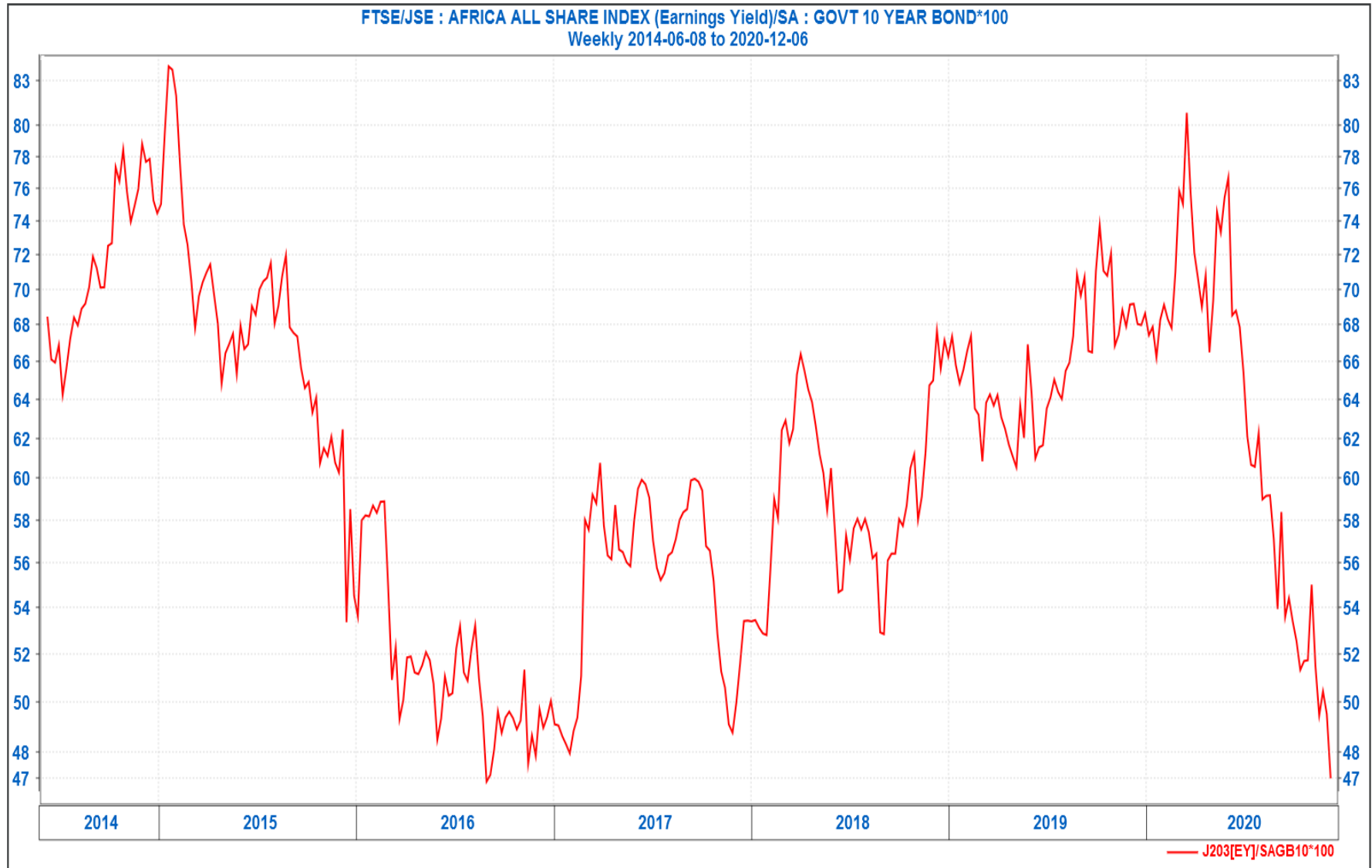
Real EY- SA vs. USA

Percentage Change 12 of INFLATION RATE - SOUTH AFRICA (ALL URBAN), USA : S & P 500 COMPOSITE INDEX (EY), FTSE/JSE : AFRICA ALL SHARE INDEX (EY), USA : CONSUMER PRICE INDEX - ALL URBAN S/A
Monthly 2017-06-30 to 2020-11-30



Period

Relative value of share's against Capital market rates



Period