

International Economic Indicators

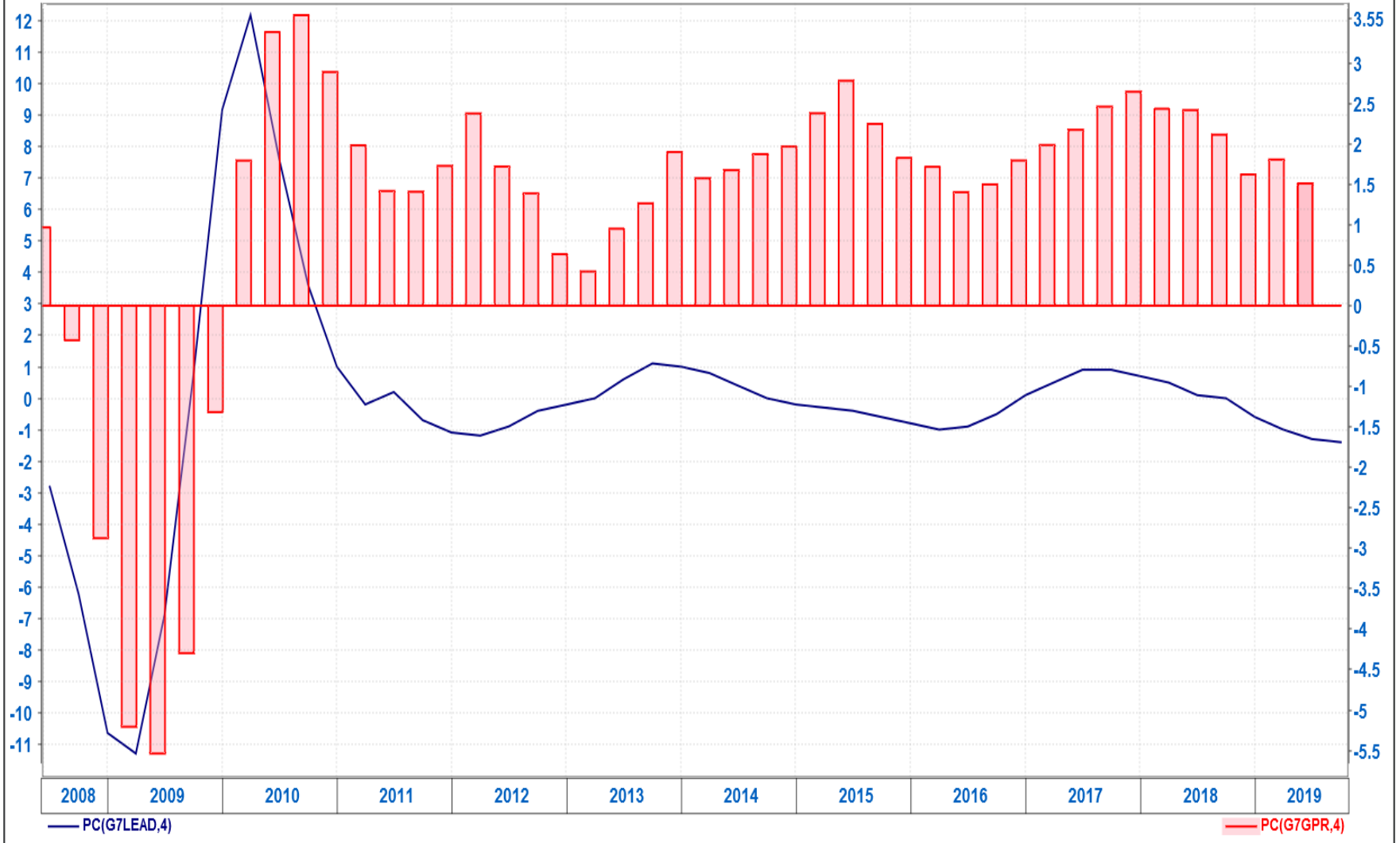
Worldwide: G7

Economic growth came in lower at 1.5% in the third quarter of 2019 for the G7 countries, with leading indicators signalling a continuous overall slowdown in the economic growth for the next quarter.

Unemployment rates have continued to decreased, and came in at to 4.2% in the third quarter; while the latest inflation figures have stabilized just below the 1.5% 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 2008-06-30 to 2019-09-30



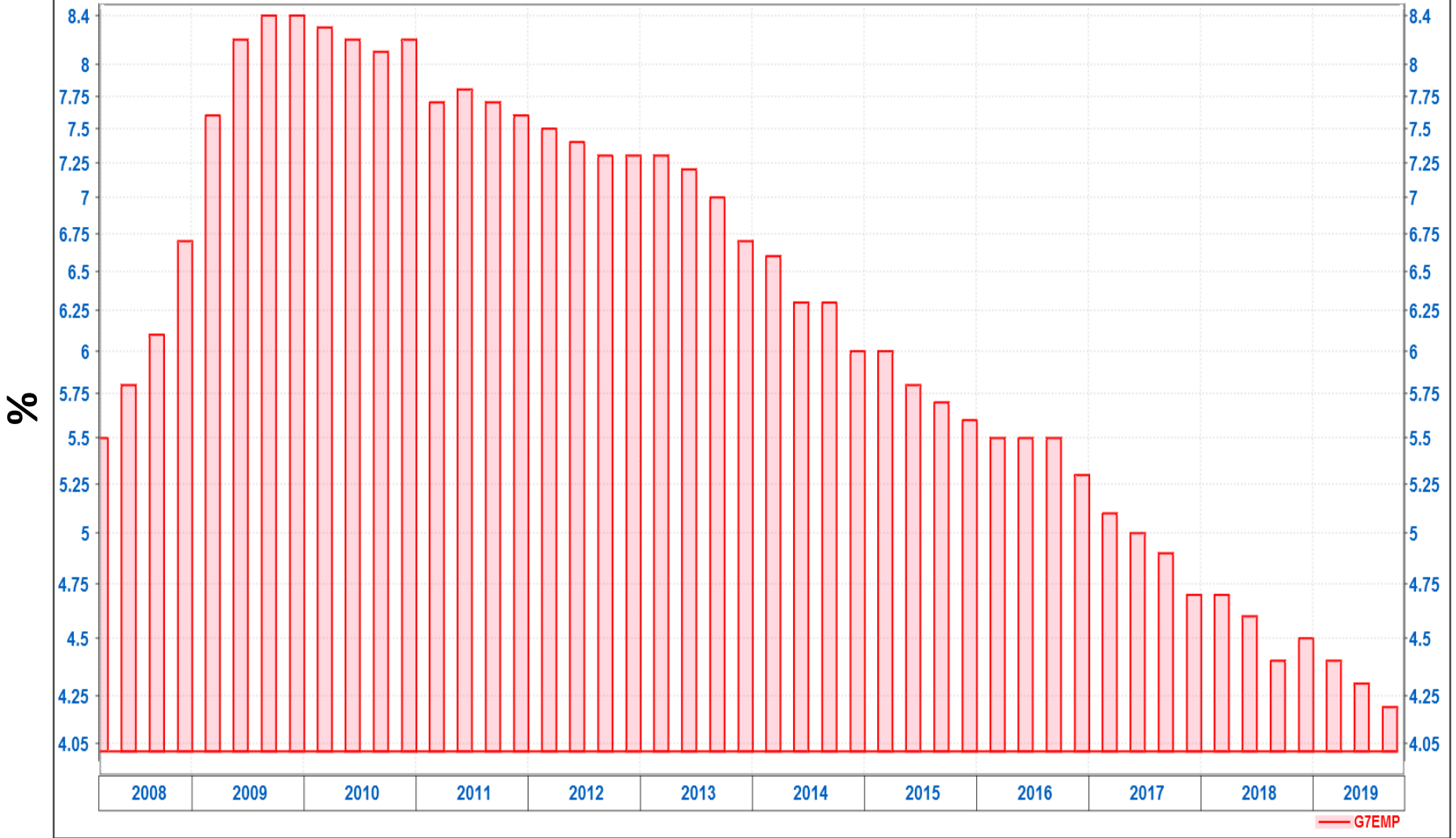
— G7 Leading Indicator

— G7 Growth Rate

Period

G7 – Unemployment

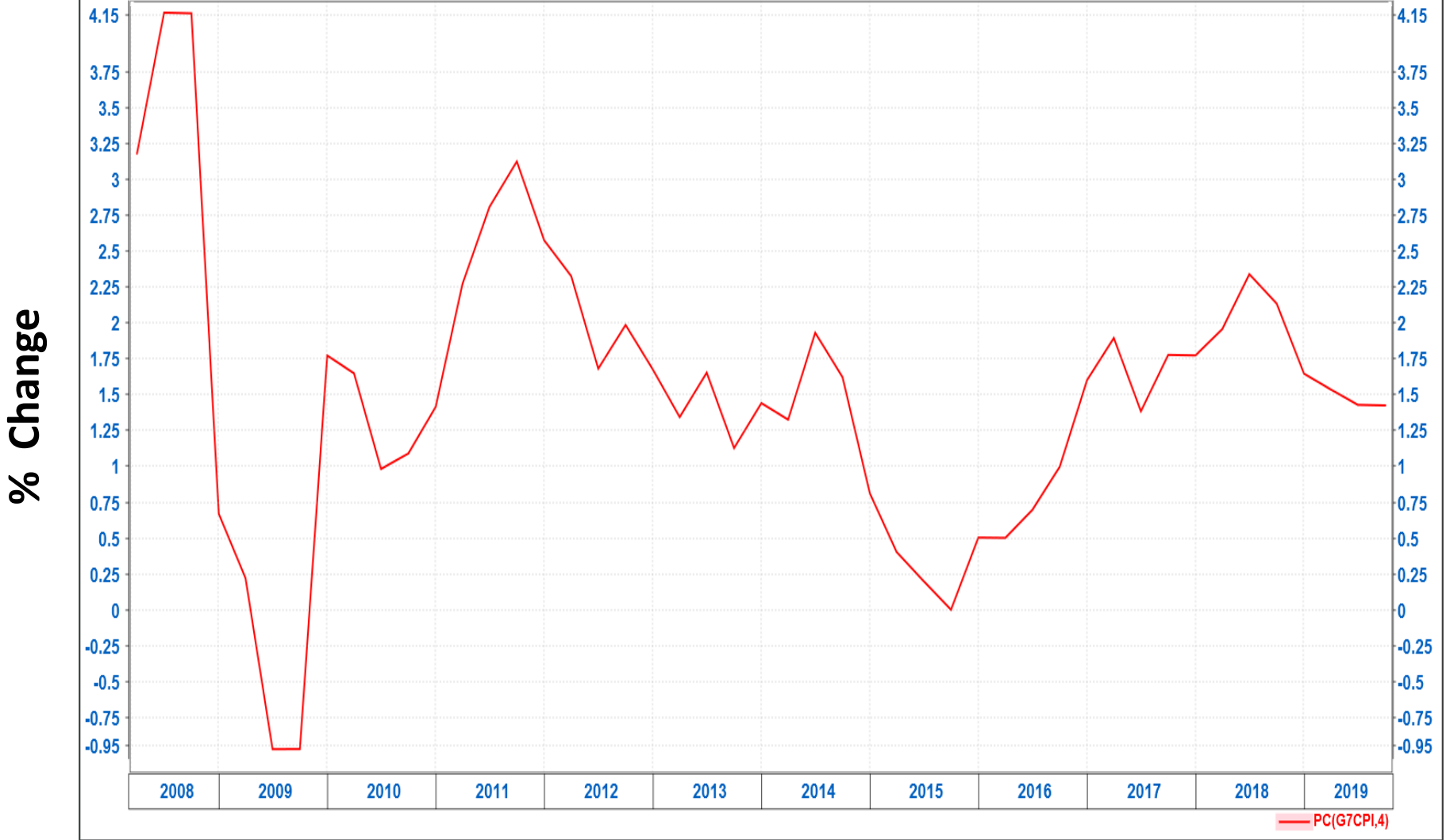
G7 : UNEMPLOYMENT %
Quarterly 2008-03-31 to 2019-09-30



Period

G7 – Inflation

Percentage Change 4 of G7 : CONSUMER PRICE INDEX (2015=100)
Quarterly 2008-03-31 to 2019-09-30



Period

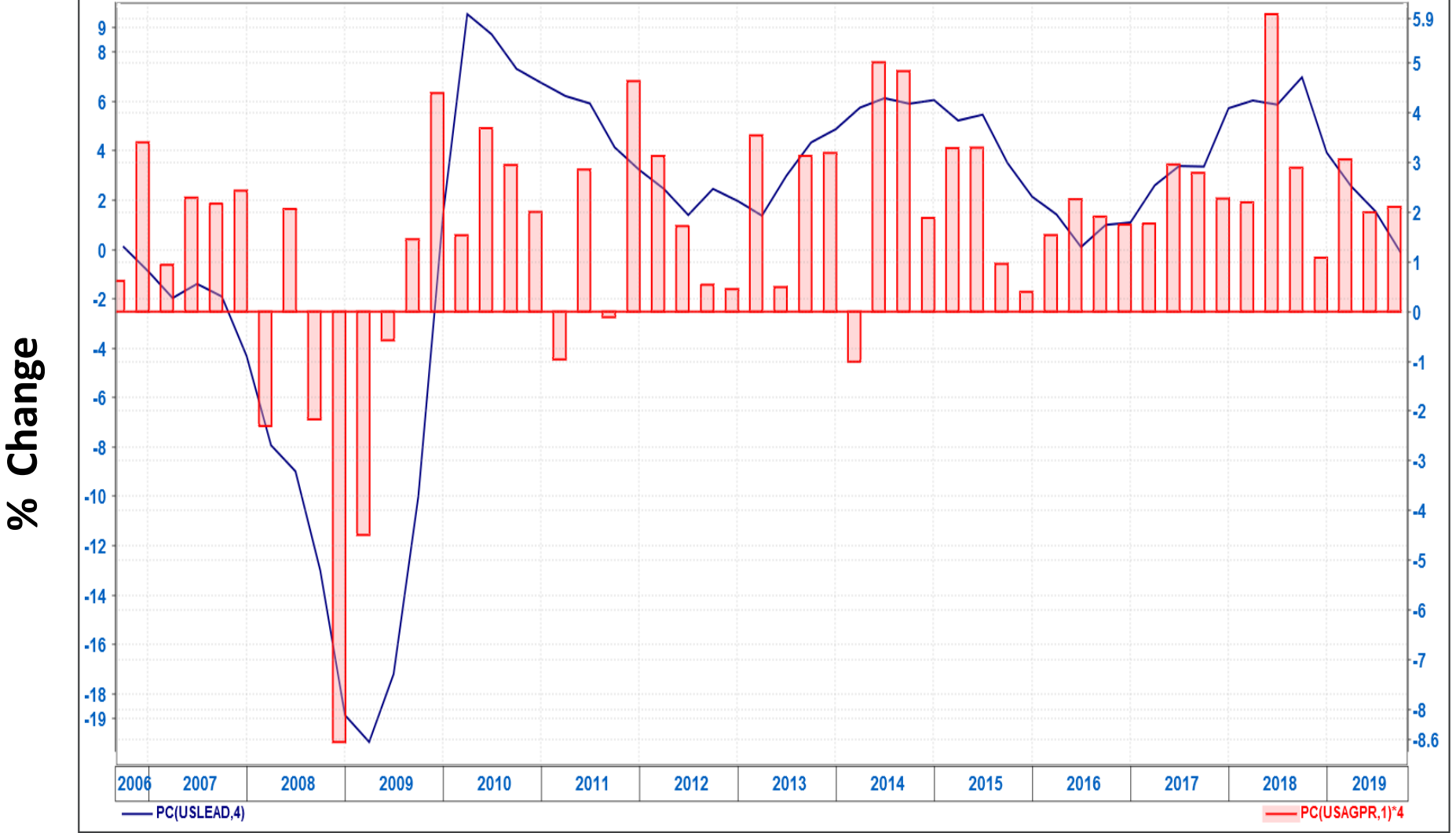
Unites States:

The Federal Reserve lowered interest rates by 25 basis points during the fourth quarter of 2019. This decision was expected due to muted economic growth. Inflation came in at 2.3% for December 2019. The unemployment rate stabilized at 3.5% and real wages growth is down to -0.1% for the same period.

Earnings growth of companies remains very weak, coming in at -2% in the fourth quarter of 2019. Earnings growth expectations have increased, estimated at 4.0% for the first quarter of 2020.

USA – Economic Growth Rate

PC(USAGPR,1)*4 , Percentage Change 4 of USA : COMPOSITE LEADING INDICATOR (2016=100)
Quarterly 2006-09-30 to 2019-09-30



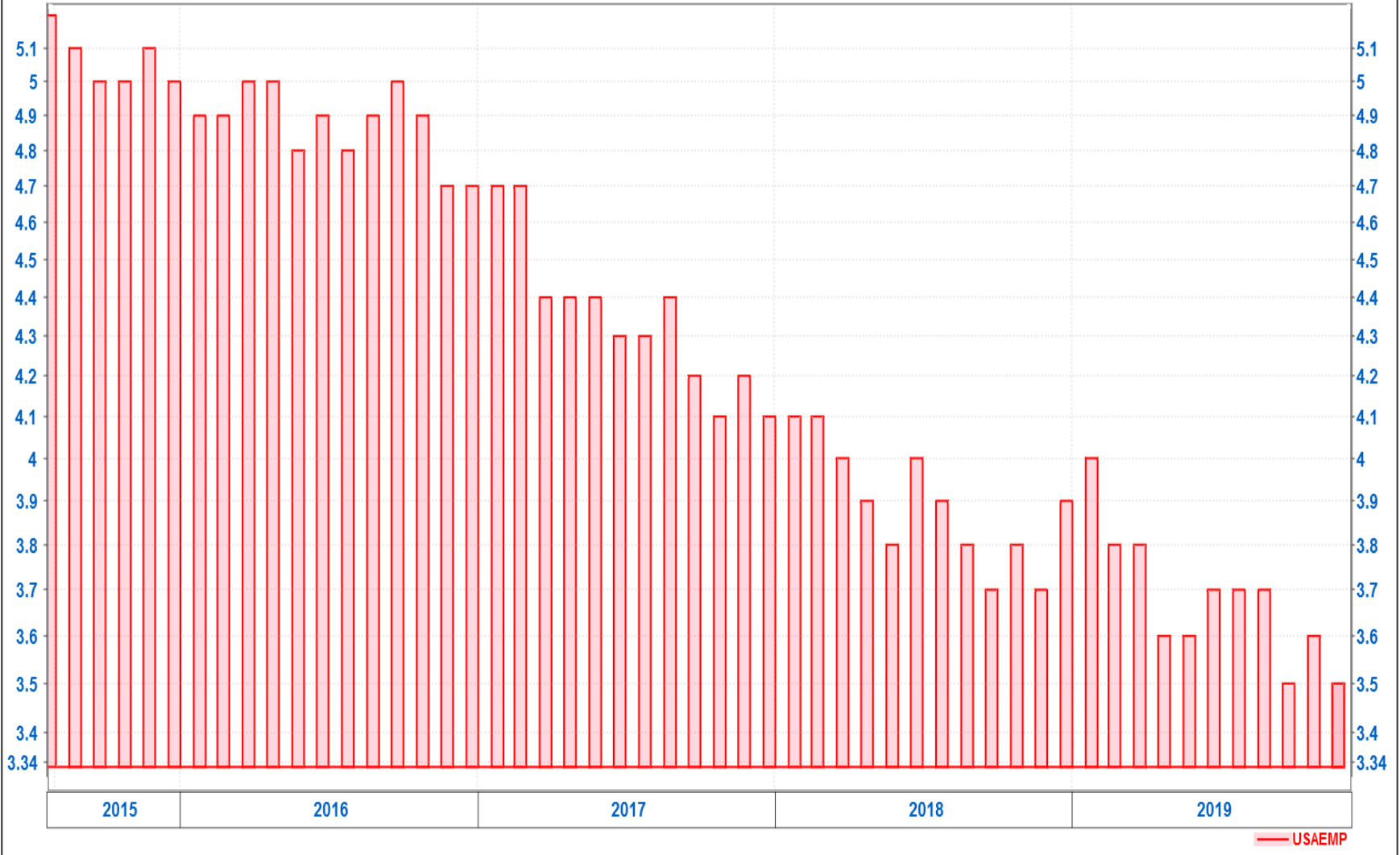
— USA Growth Rate

— USA Leading Indicator

Period

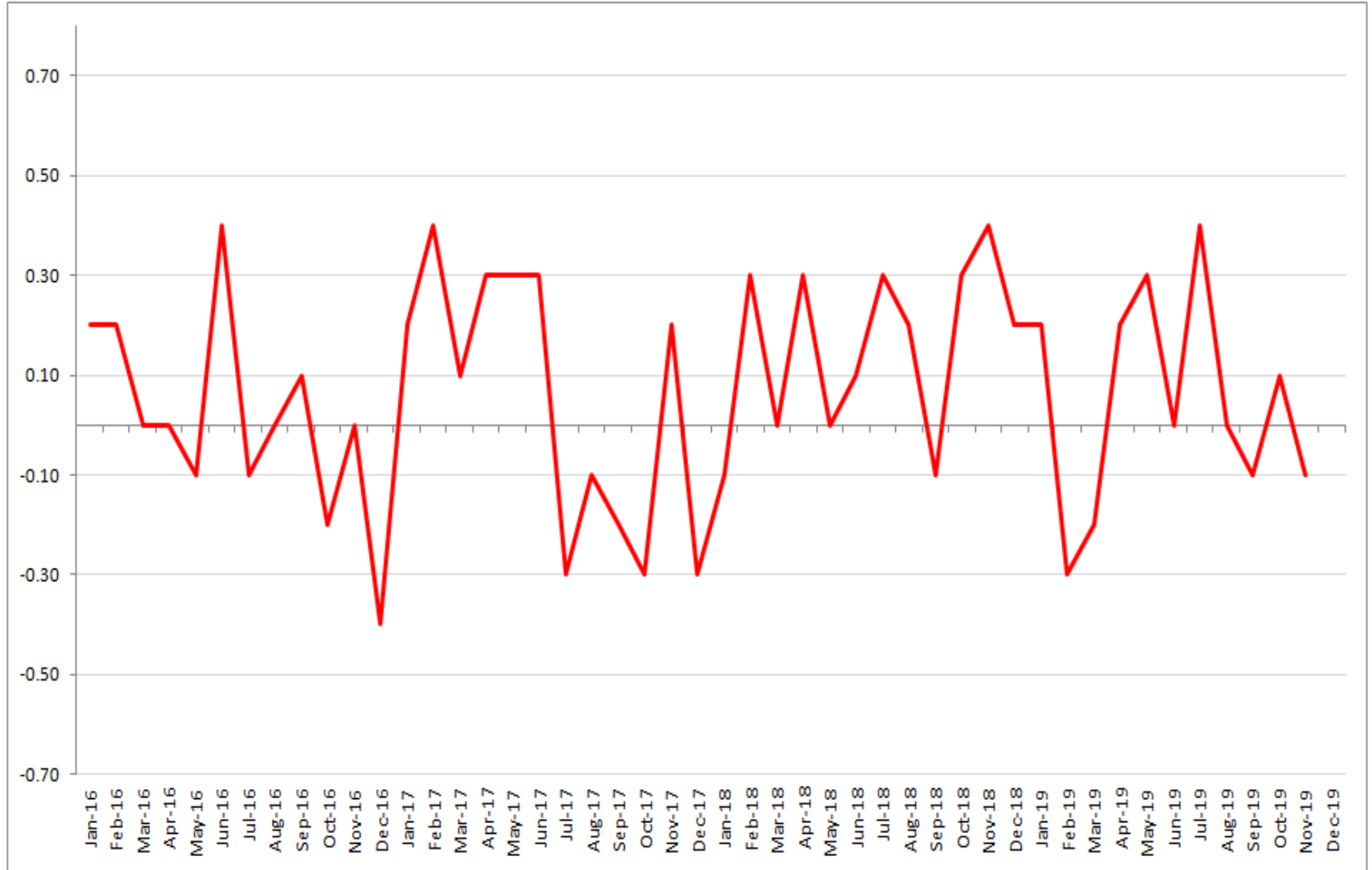
USA – Unemployment

USA : UNEMPLOYMENT % (S/A)
Monthly 2015-07-31 to 2019-12-31



Period

Real US Wages Growth (MoM)



Period

USA – Inflation

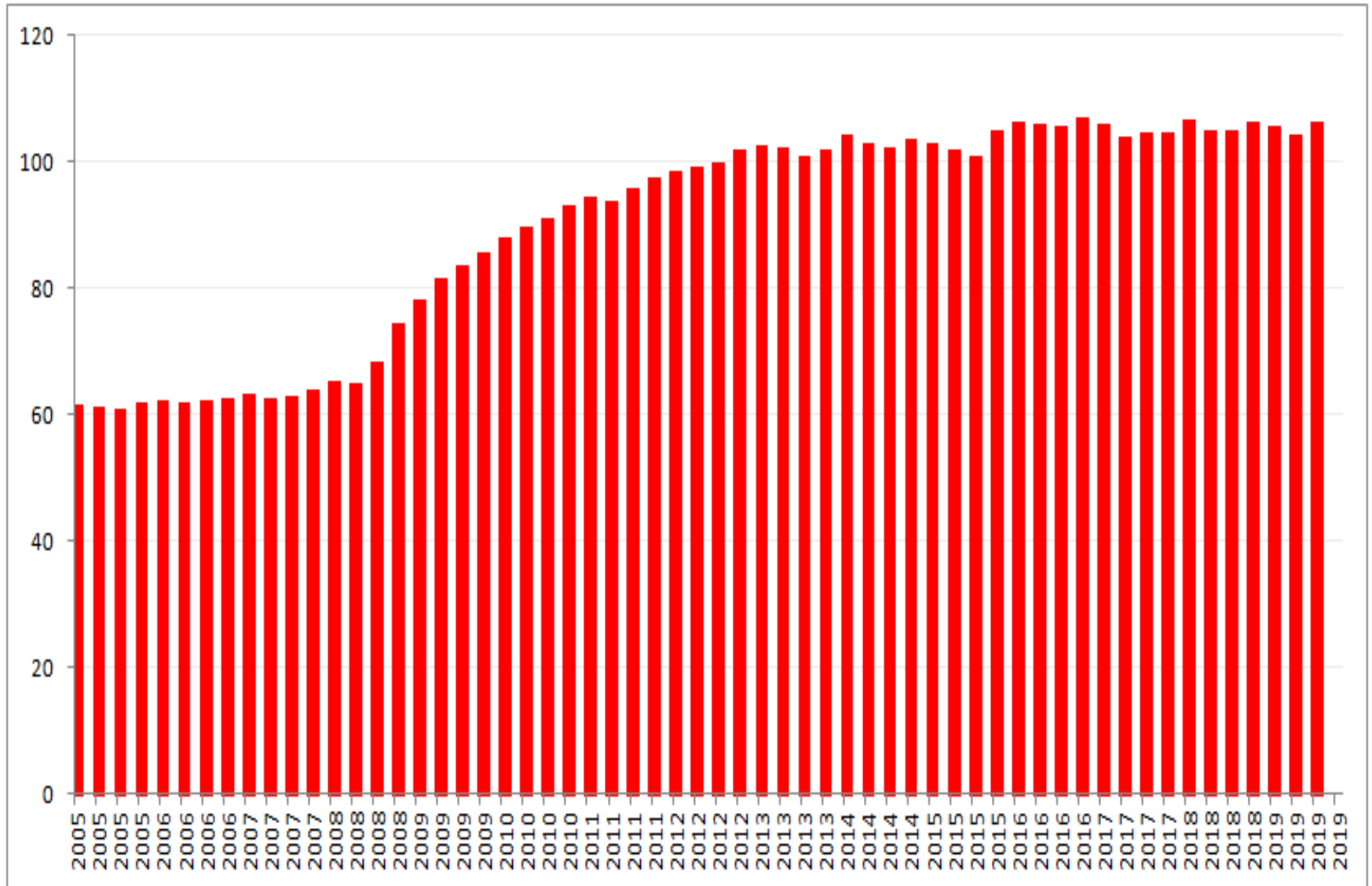
Percentage Change 12 of USA : CONSUMER PRICE INDEX - ALL URBAN S/A
Monthly 2015-07-31 to 2019-12-31



— PC(USCPI,12)

Period

USA – Government Debt %GDP (\$ Million)

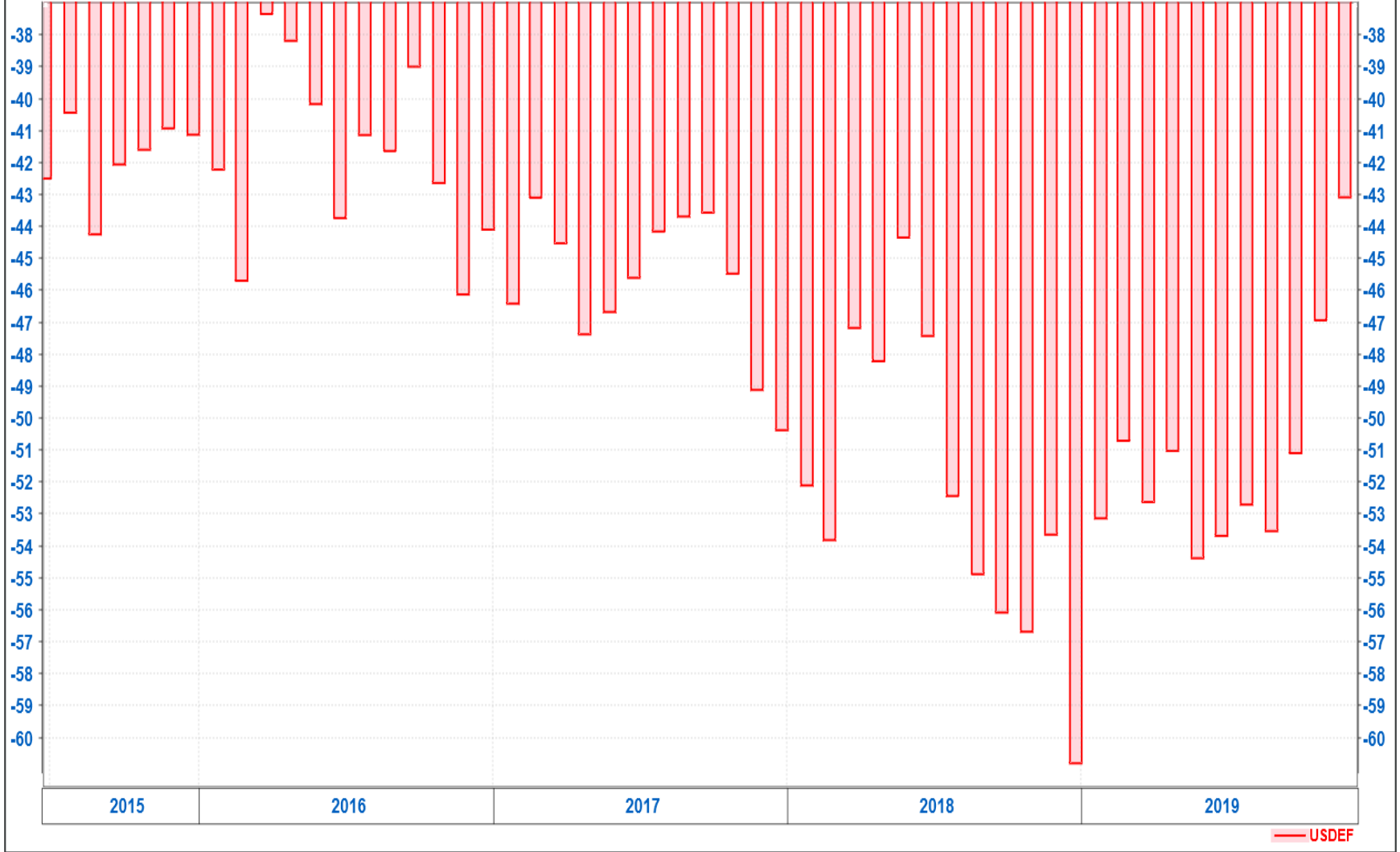


Period

USA - Trade Balance Deficit (\$ Billion)

USA : TRADE BALANCE S/A (\$BN)
Monthly 2015-06-30 to 2019-11-30

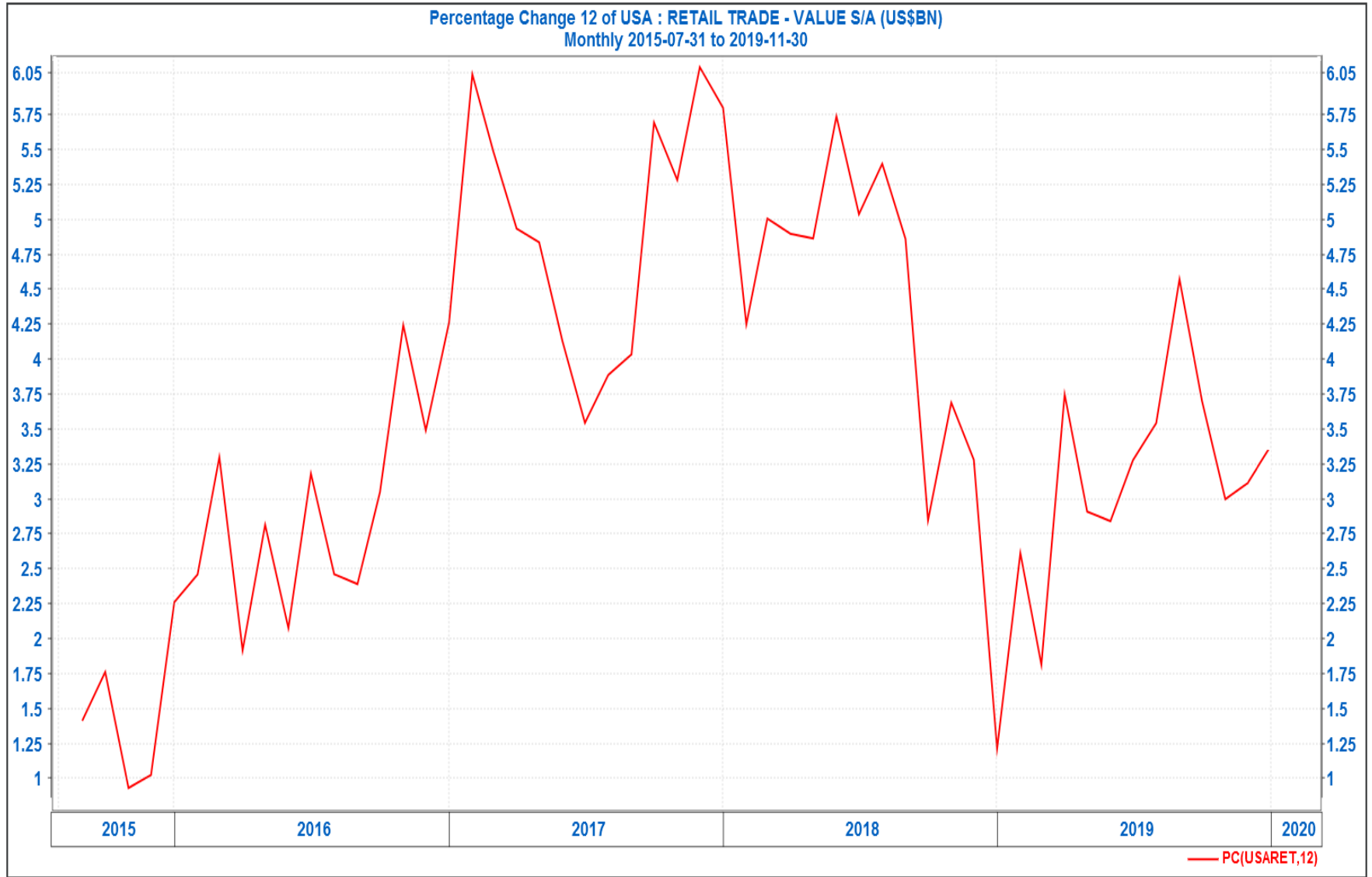
Amount



USDEF

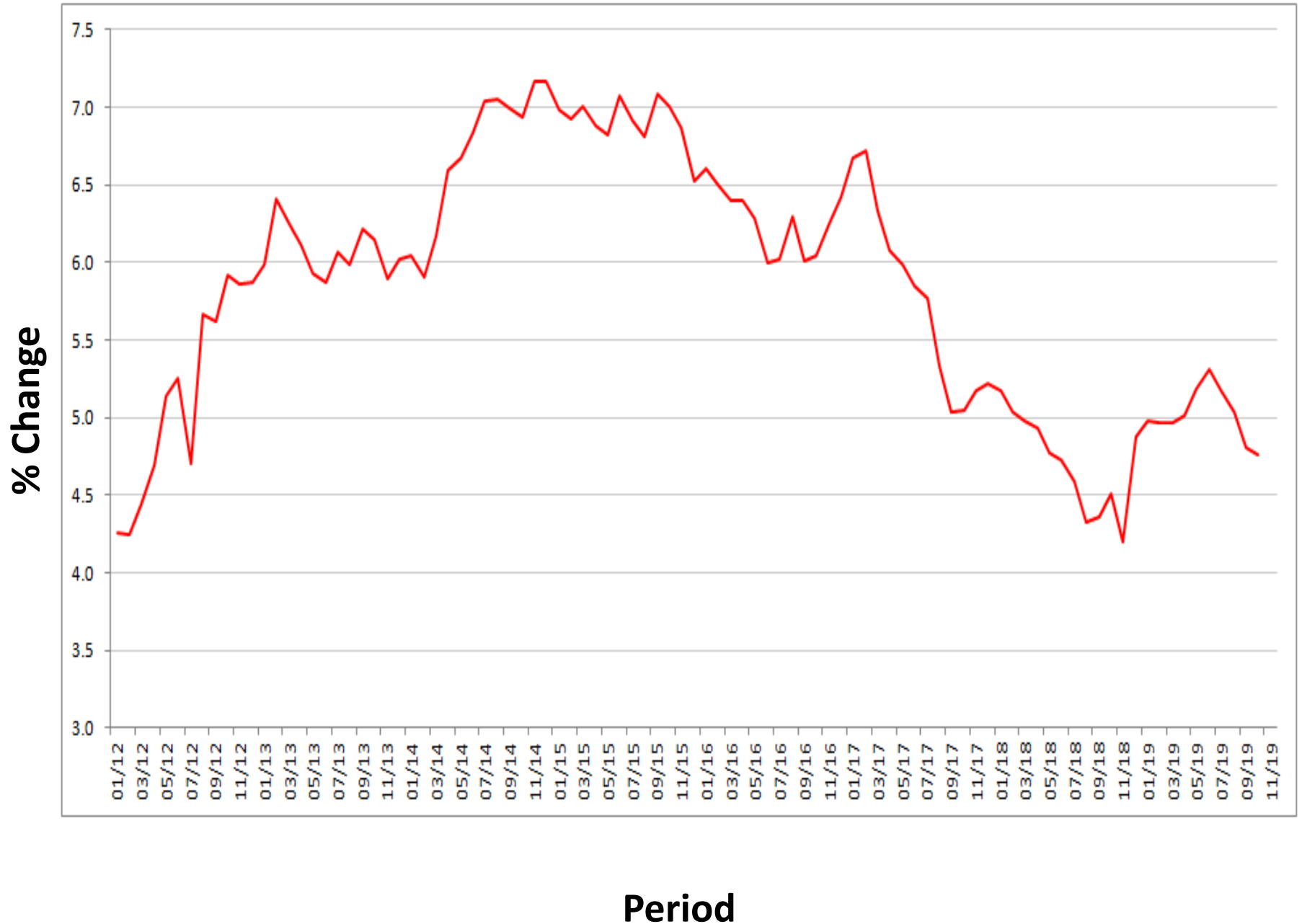
Period

USA - Retail Sales

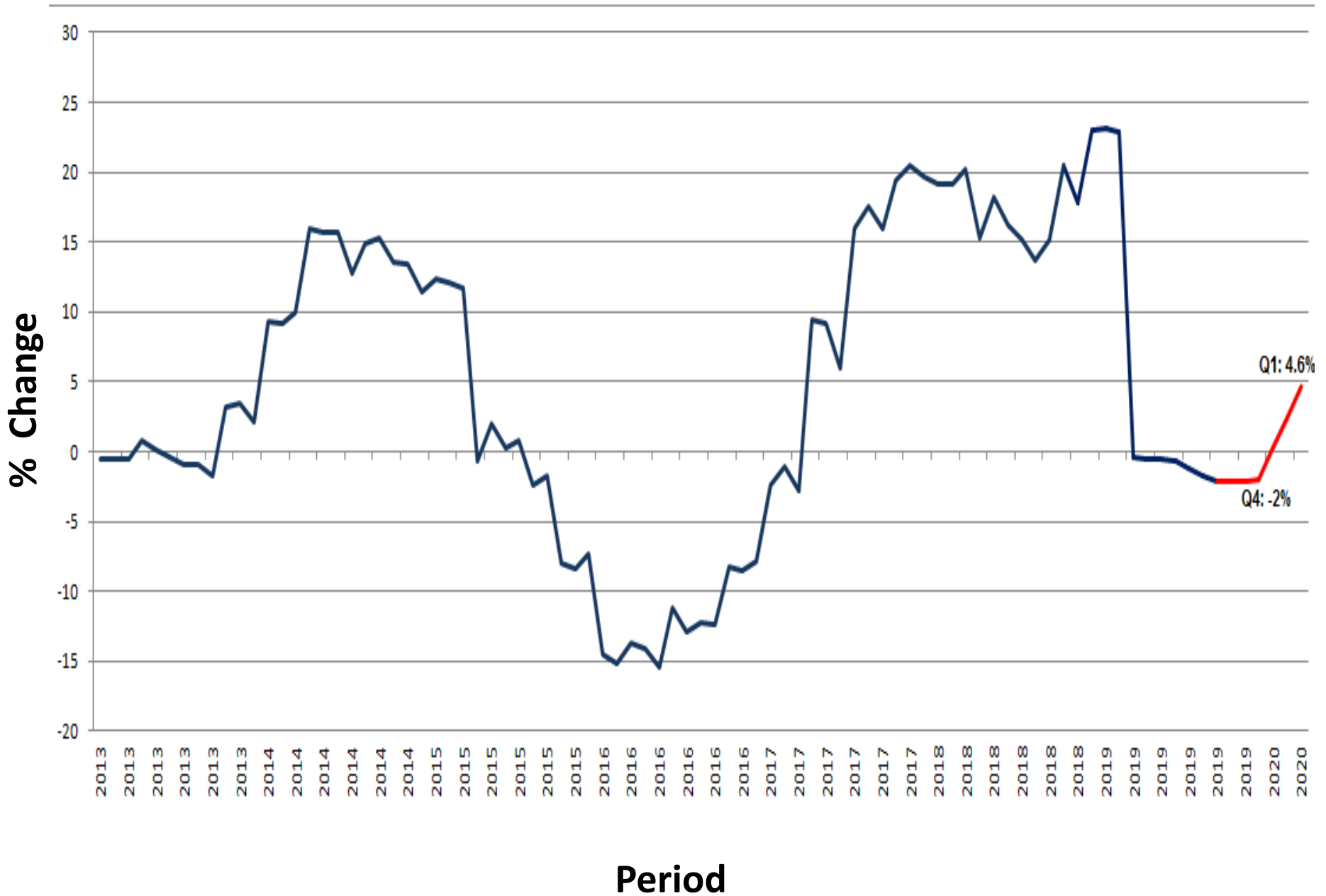


Period

USA – Consumer Credit



USA – S&P 500 Earnings Growth

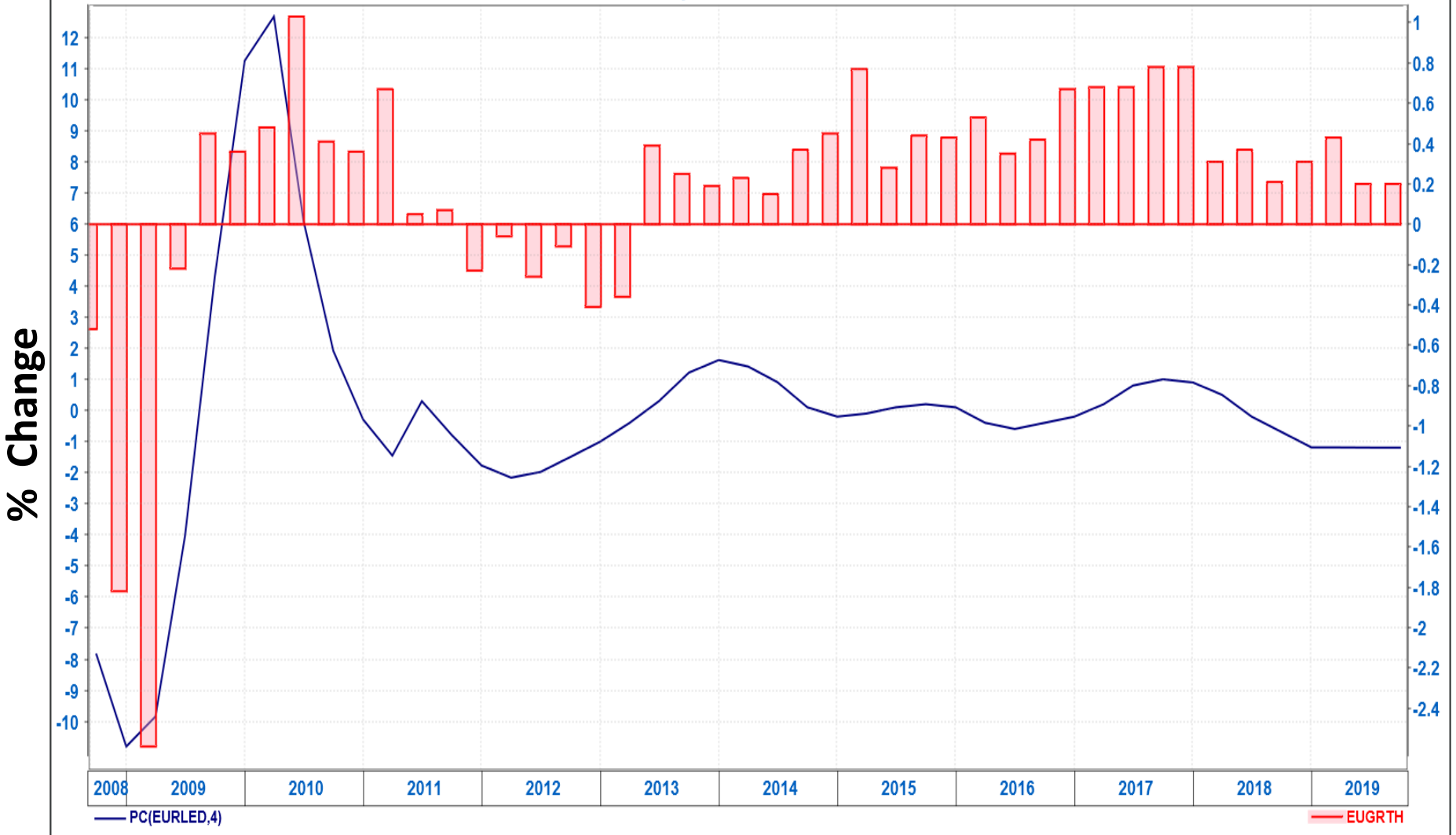


Euro Area:

The ECB is unlikely to implement restrictive monetary policy as GDP growth remains weak coming in at 0.2% for the second and third quarter of 2019. Unemployment continues to be on a downward trend. Inflation ticked up to 1.3% for December 2019. The European Economy remains weak, but seems to be on the recovery.

Europe – Economic Growth Rate Quarterly

EURO-ZONE : G D P-TOTAL- CONSTANT PRICES - GROWTH , Percentage Change 4 of EURO-ZONE : COMPOSITE LEADING INDICATOR
Quarterly 2008-09-30 to 2019-09-30

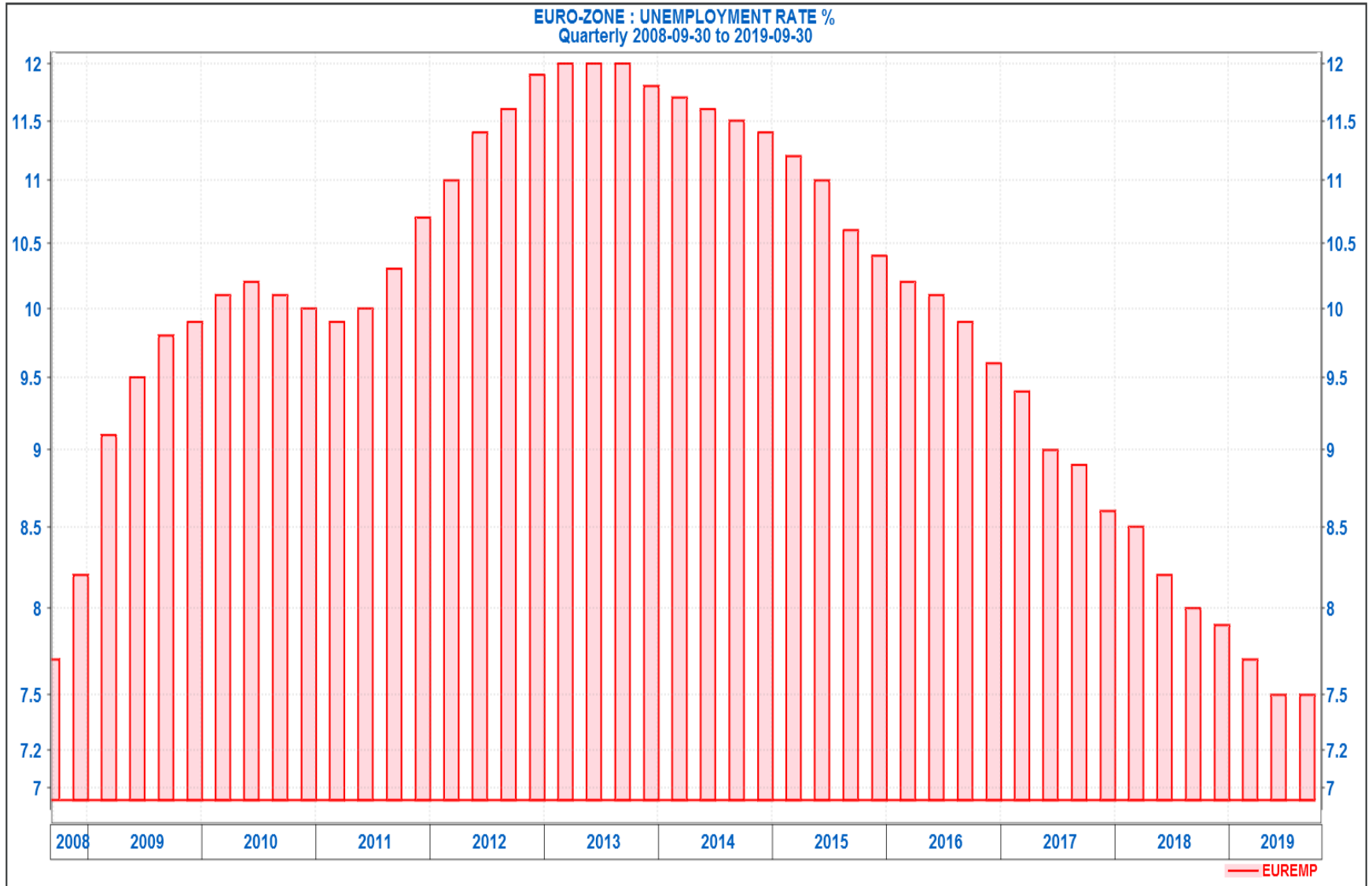


— Europe Growth Rate

— Europe Leading Indicator

Period

Europe – Unemployment

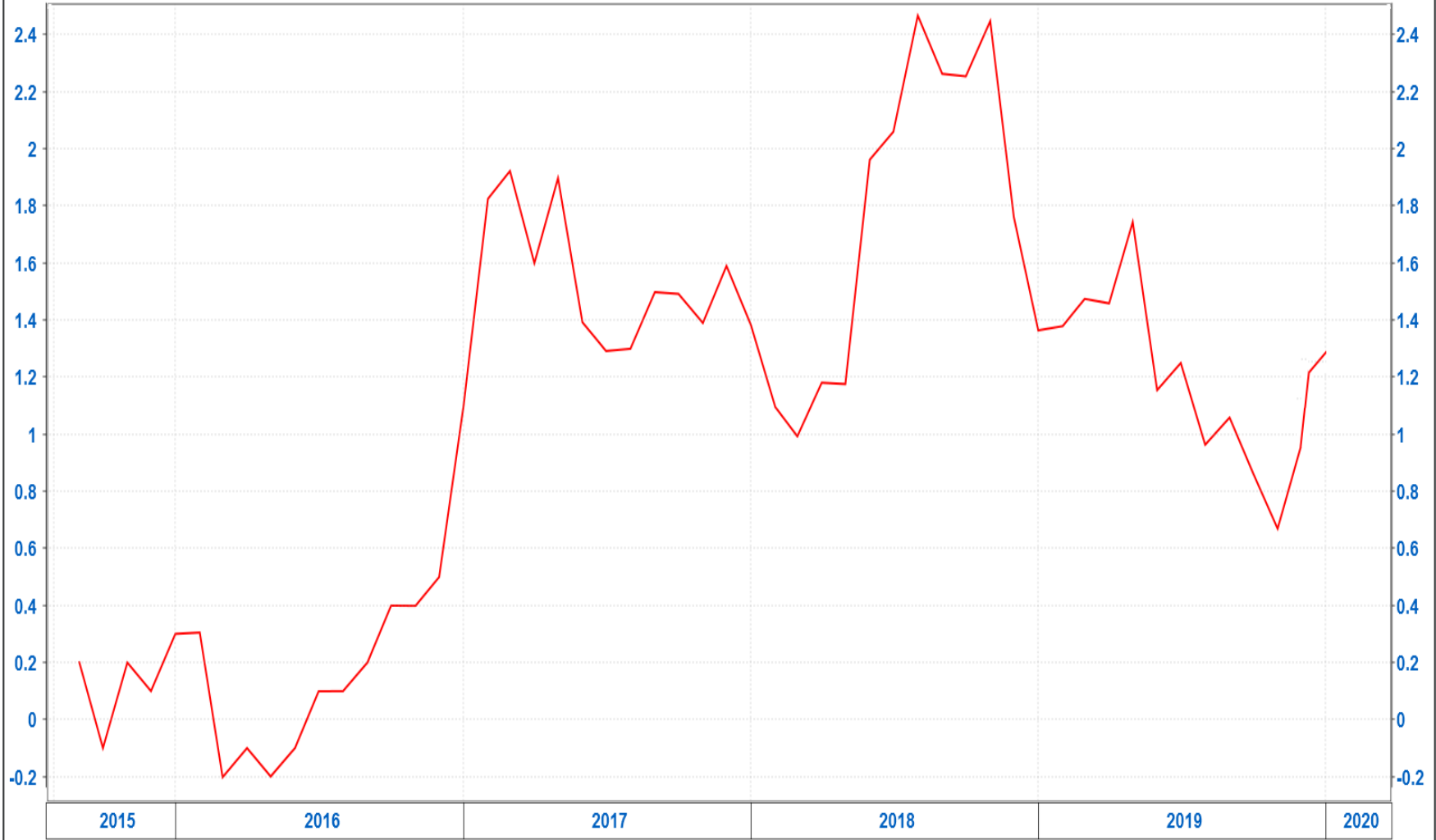


Period

Europe – Inflation

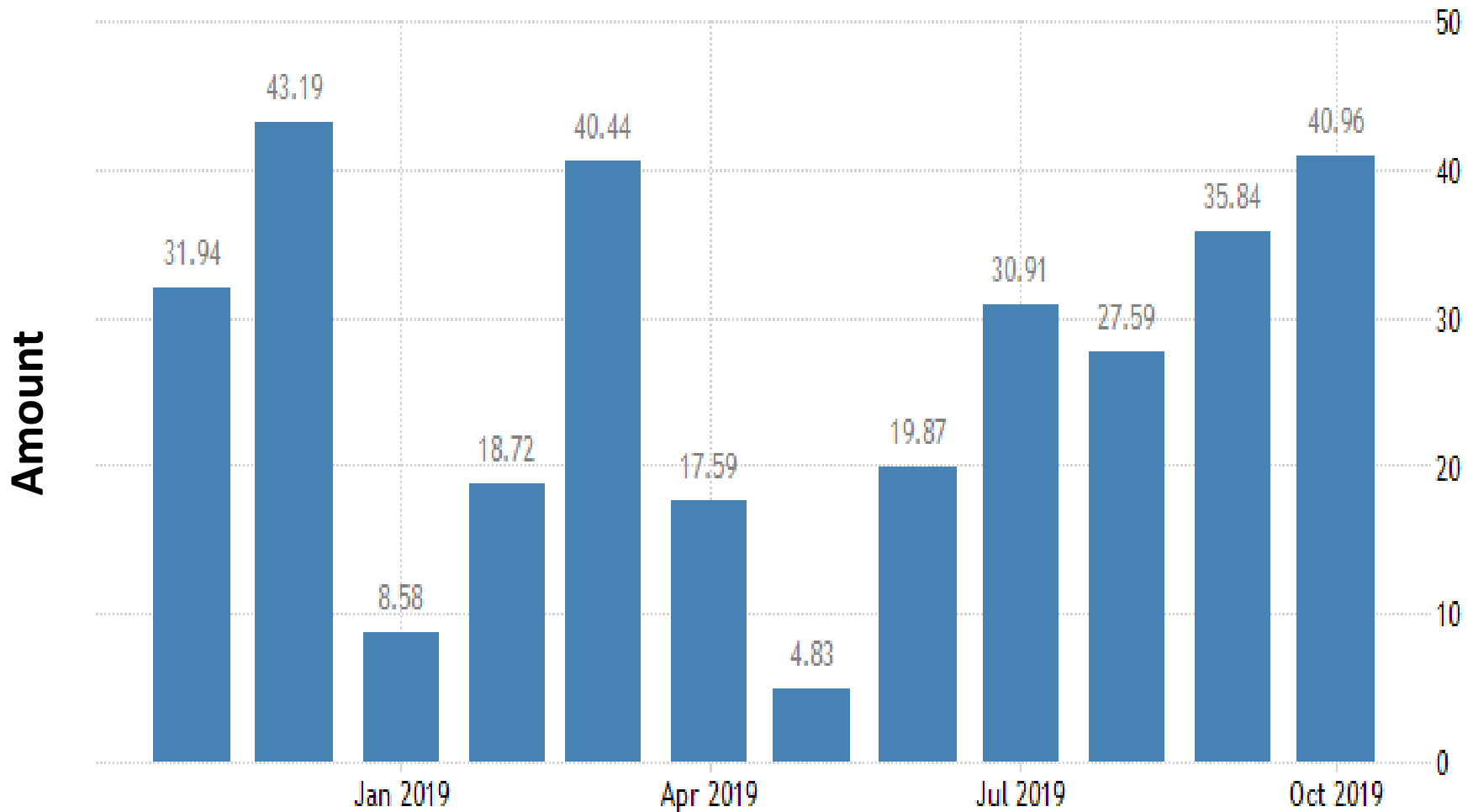
Percentage Change 12 of EURO-ZONE : CONSUMER PRICE INDEX (2015=100)
Monthly 2015-07-31 to 2019-12-31

% Change



Period

EU – Current Account Balance (EUR Millions)



SOURCE: [TRADINGECONOMICS.COM](https://tradingeconomics.com) | EUROPEAN CENTRAL BANK

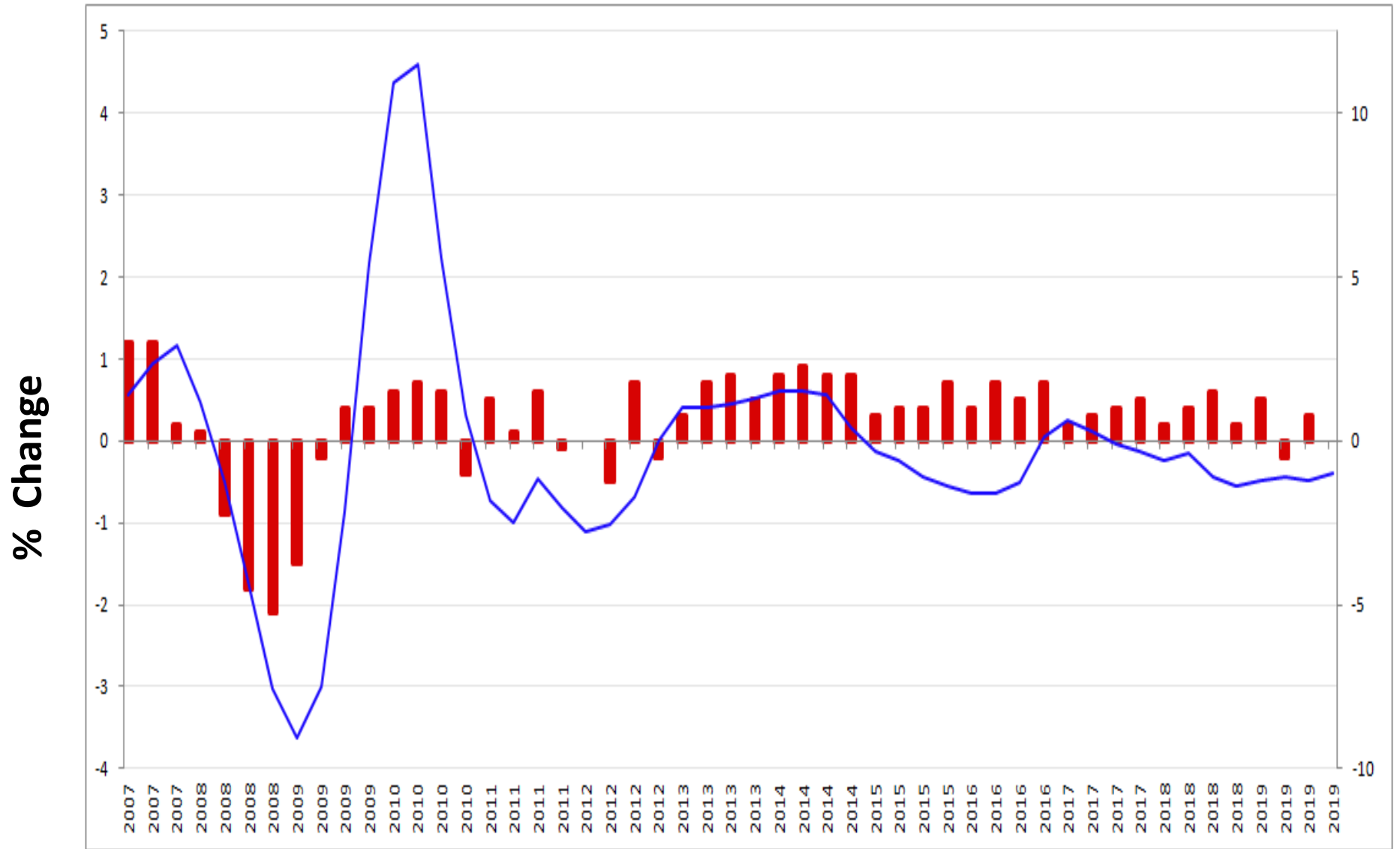
Period

United Kingdom:

Economic growth recovered in the third quarter coming at 0.2%, this following the first negative growth seen in the country since 2012 in Q2. With Brexit clearly weighing down on the country. Inflation has stabilized at 1.5% for November 2019, and the unemployment rate remained at 3.8% in Q3. It is unlikely that the Bank of England will hike interest rates in the near future.

Earnings growth of companies is forecasted to be -3.3% in 2019 and 8.0% for 2020.

UK – Economic Growth Rate Quarterly



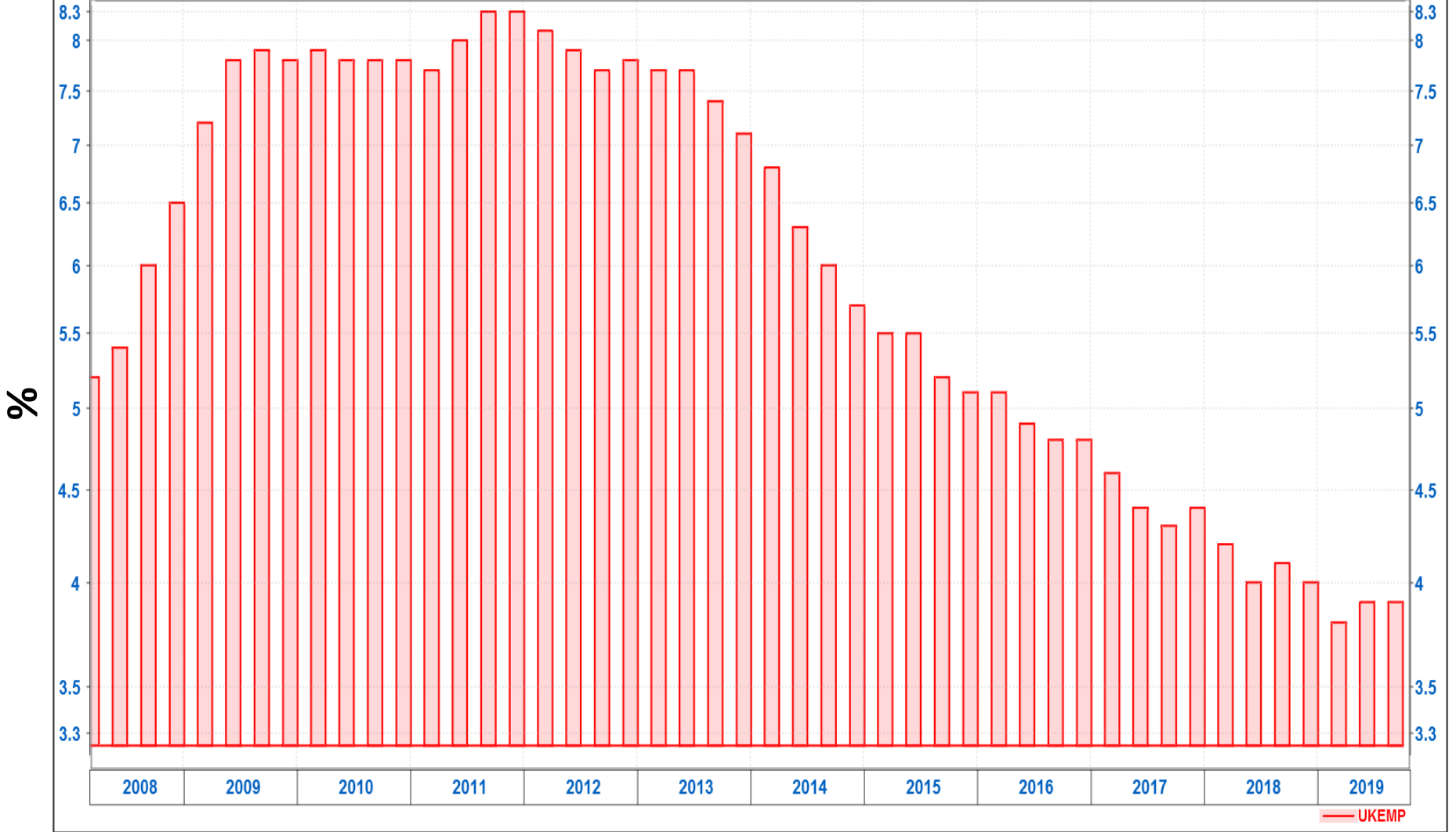
— UK Growth Rate

— UK Leading Indicator

Period

UK – Unemployment

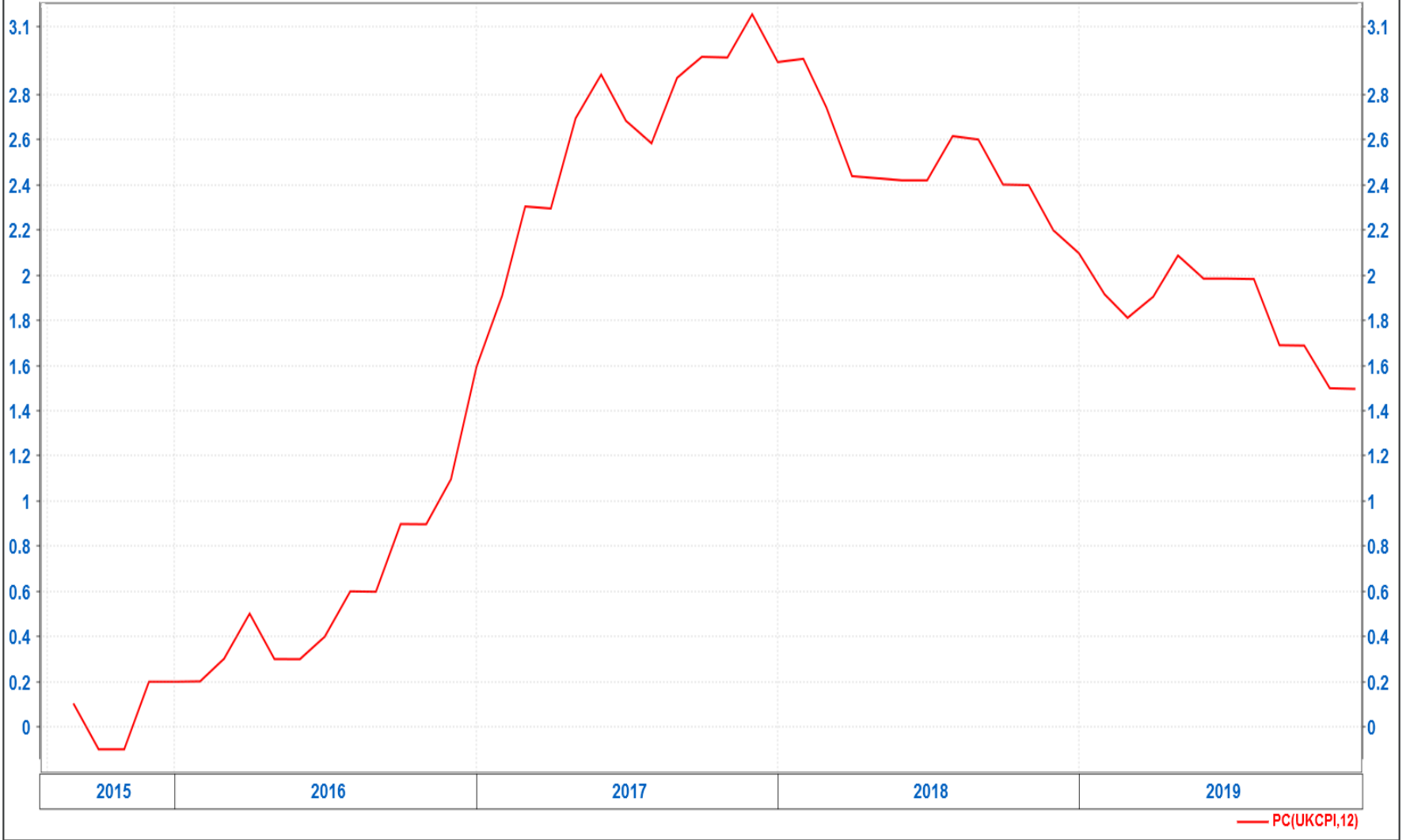
UK : UNEMPLOYMENT HARMONISED % S/A
Quarterly 2008-03-31 to 2019-09-30



Period

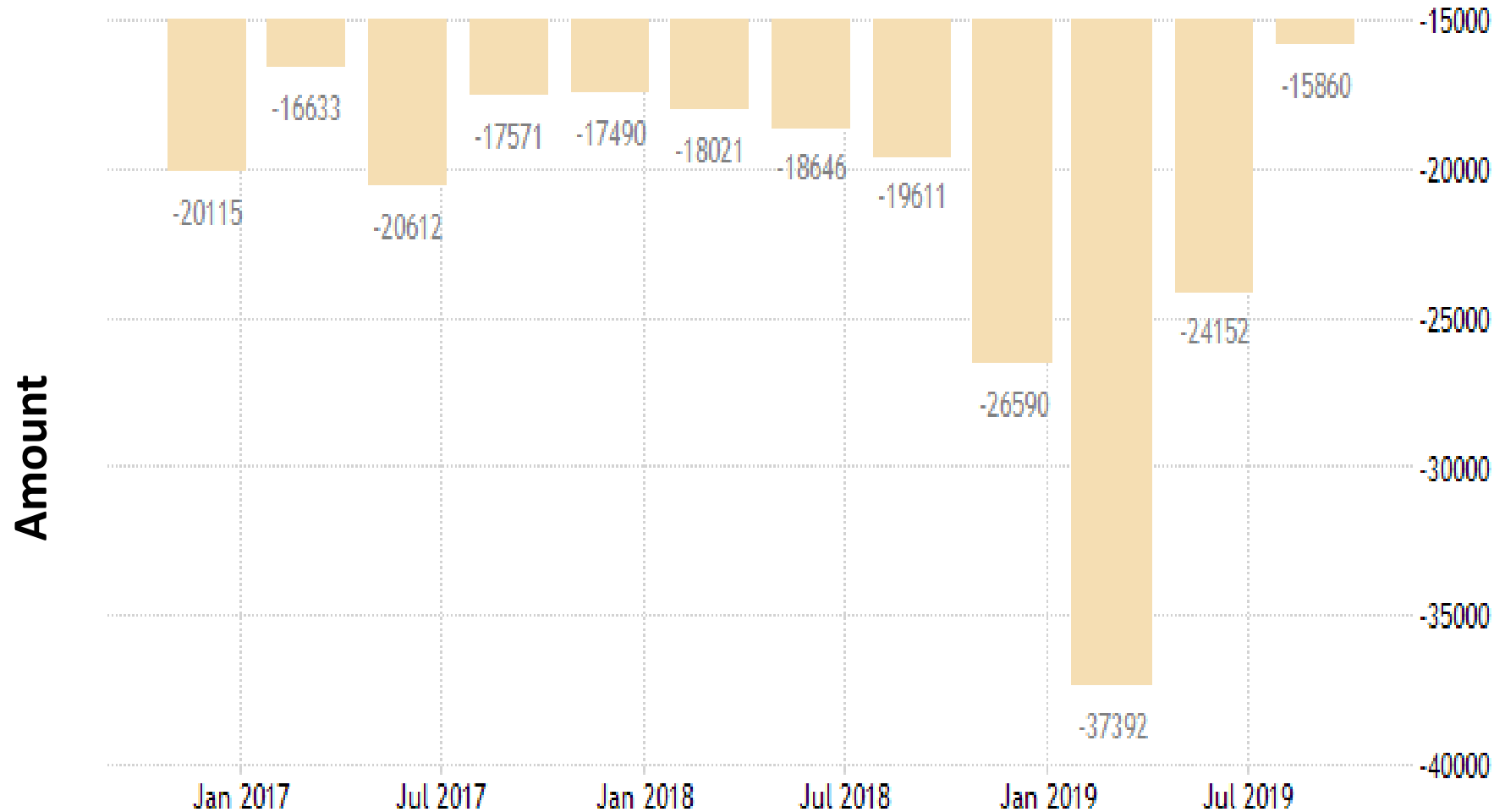
UK – Inflation

Percentage Change 12 of UK : CONSUMER PRICE INDEX-ALL ITEMS (2015=100)
Monthly 2015-07-31 to 2019-11-30



Period

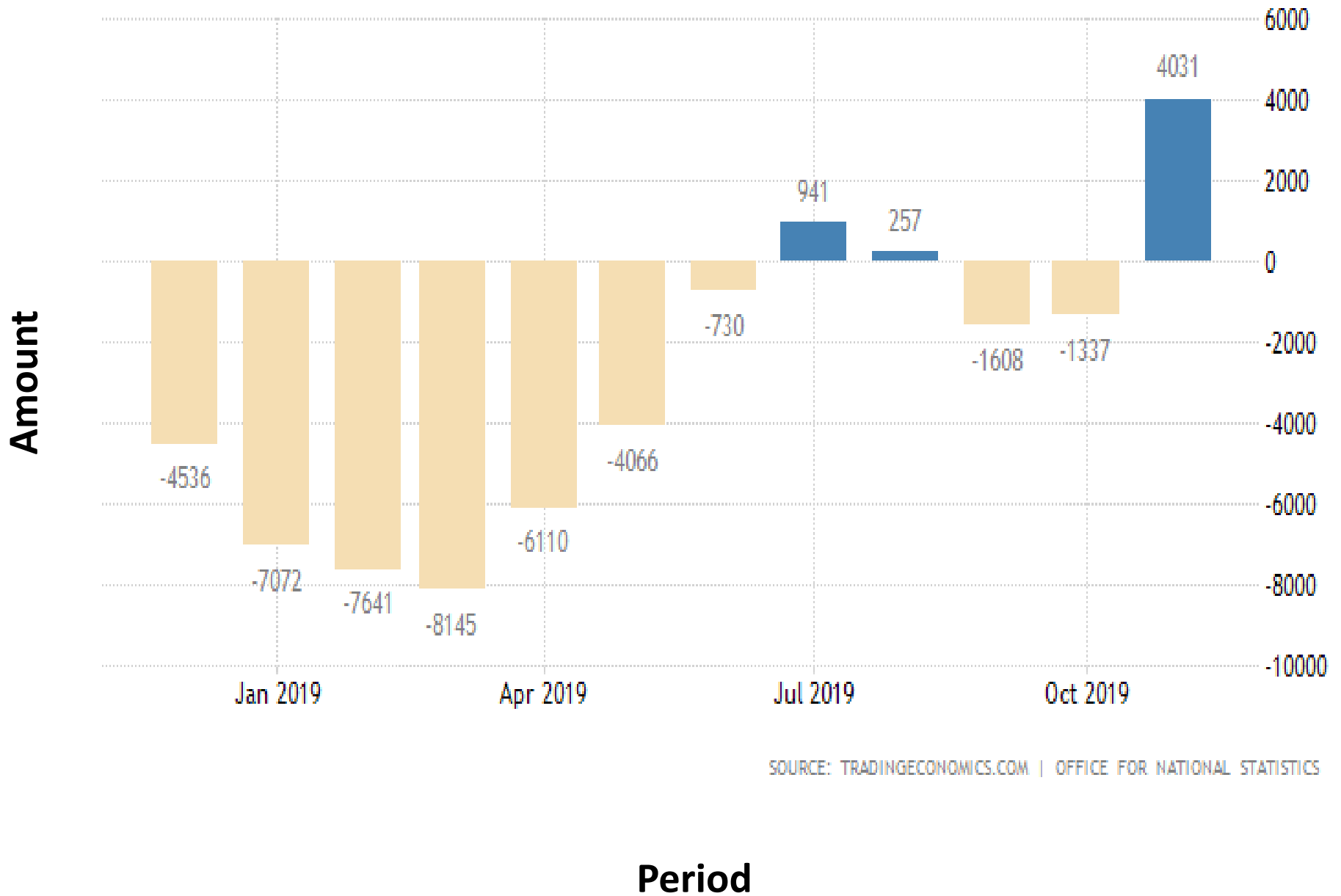
UK– Current Account Balance (£ Millions)



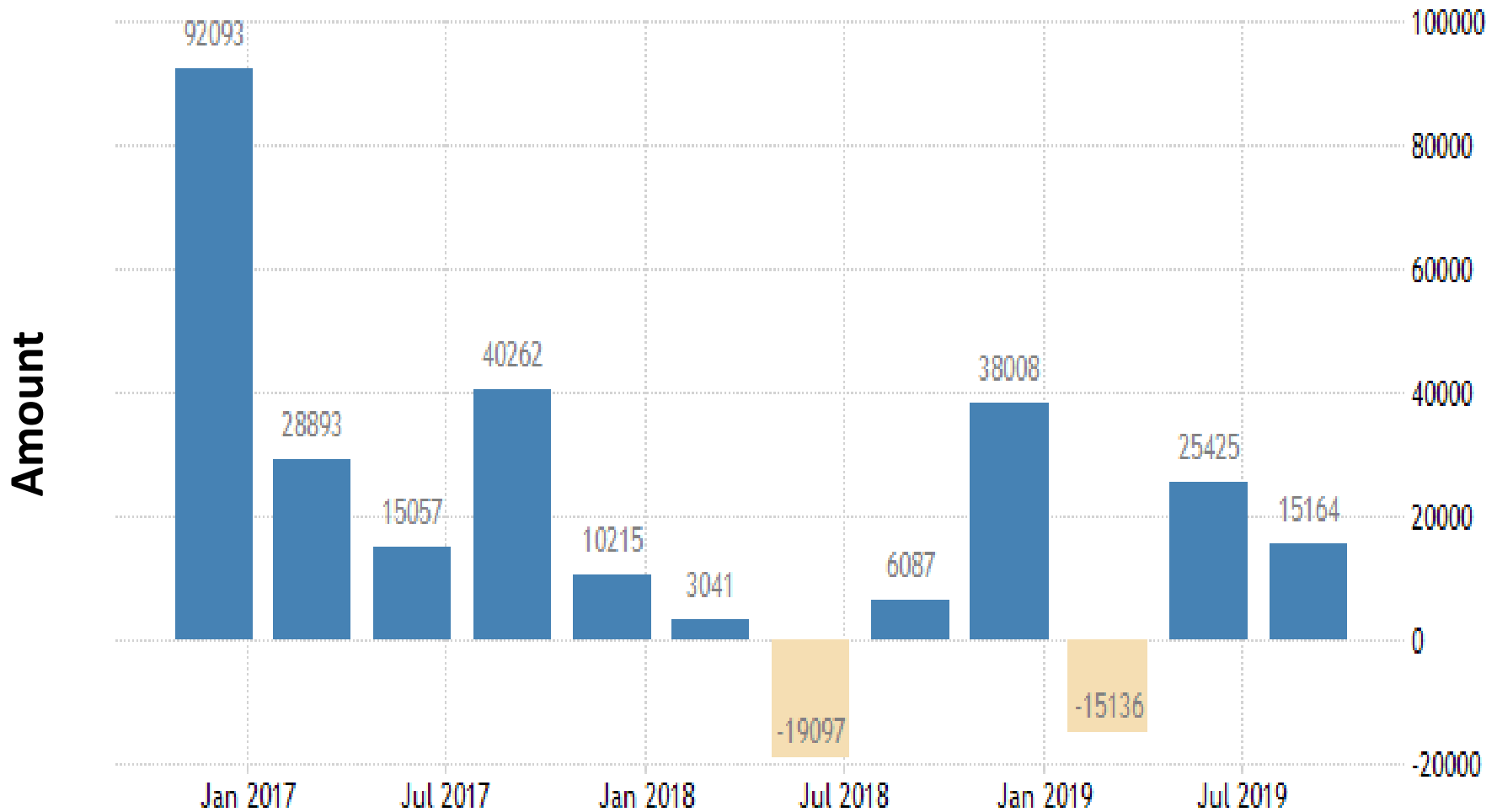
SOURCE: [TRADINGECONOMICS.COM](https://tradingeconomics.com) | OFFICE FOR NATIONAL STATISTICS

Period

UK – Trade Balance Deficit (£ Millions)



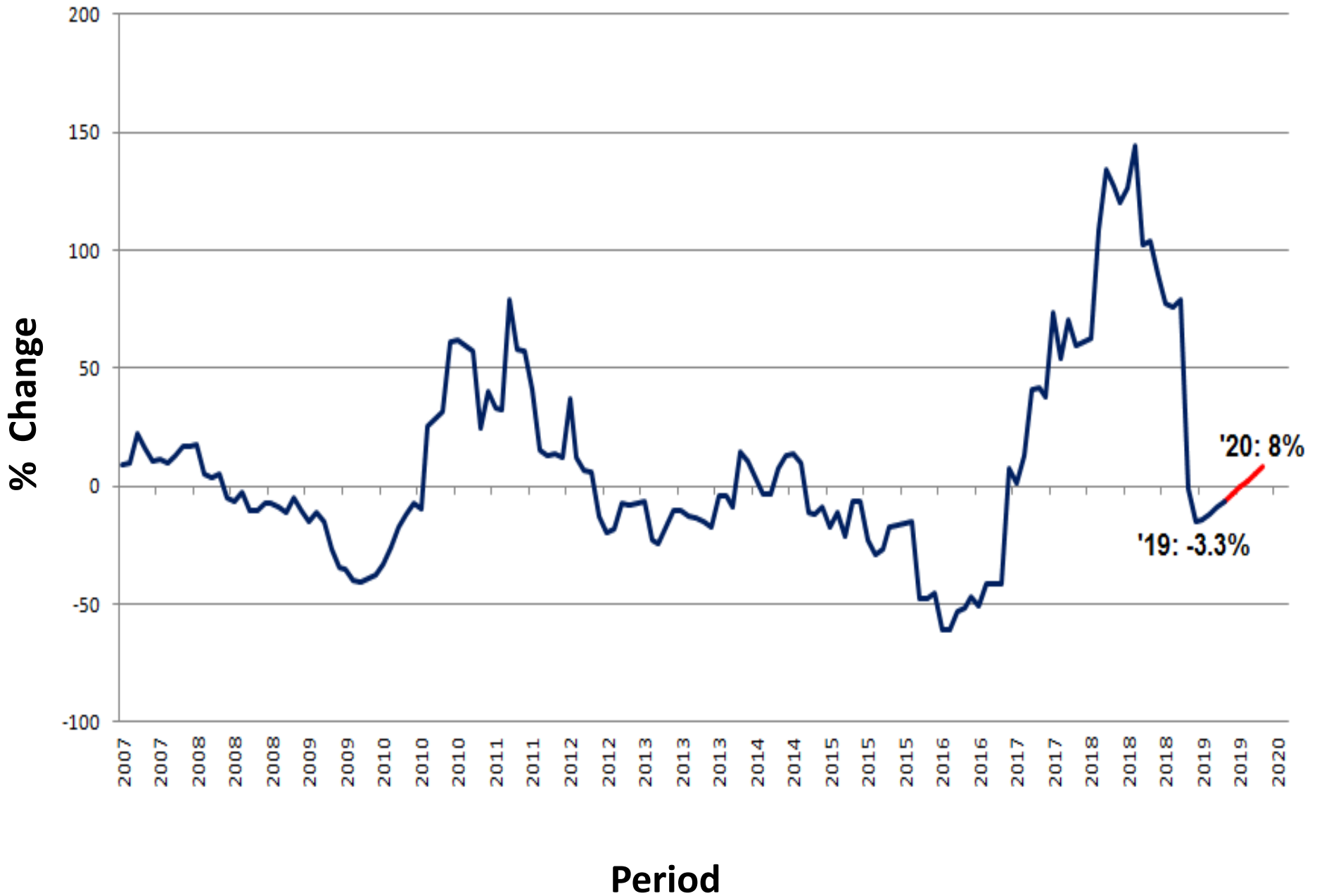
UK – Foreign Direct Investment (£ Millions)



SOURCE: [TRADINGECONOMICS.COM](https://tradingeconomics.com) | OFFICE FOR NATIONAL STATISTICS

Period

UK – FTSE 100 Earnings Growth



South Africa Economic Indicators

South Africa:

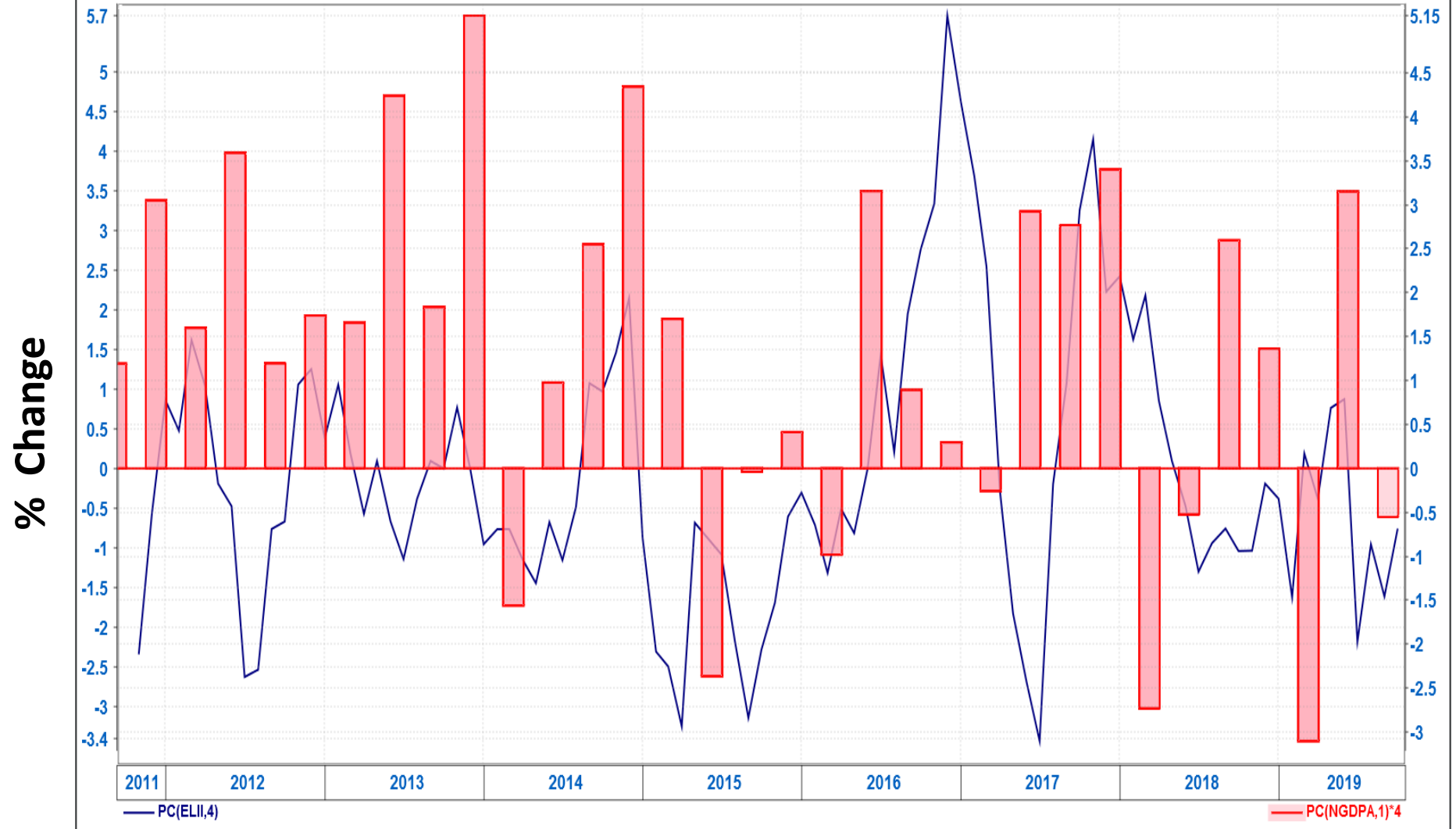
Economic growth slowed to -0.5% in Q3 of 2019 with rolling blackouts and strike action clearly weighing down production. Unemployment remains high at 29.1% in Q3 of 2019, the highest unemployment figure in more than a decade. Inflation came in at 3.6% in November 2019, whilst consumer credit slowed to just above the 6.6% level.

It is expected that the SARB may opt to cut interest rates as inflation is below the midpoint of the SARB's inflation target.

Earnings growth of SA companies is expected to pick up to 15.04% in 2019 after experiencing growth of 8.8% in the first quarter of the year and 9.7% in the second quarter.

South Africa – Economic Growth Rate Quarterly

PC(NGDPA,1)*4 , Percentage Change 4 of LEADING INDICATOR (2015=100)
Monthly 2011-09-30 to 2019-09-30

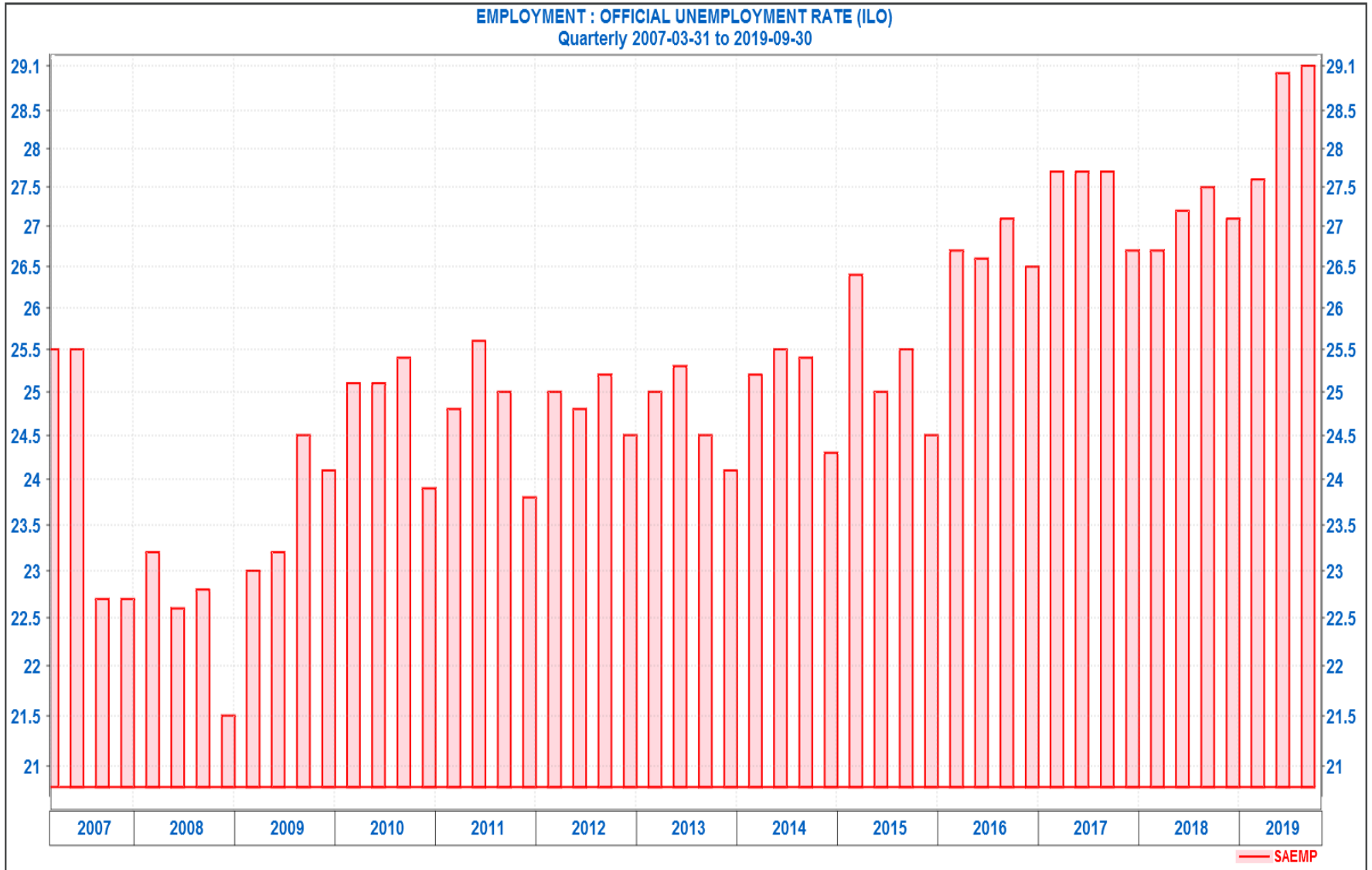


— South Africa Growth Rate

— South Africa Leading Indicator

Period

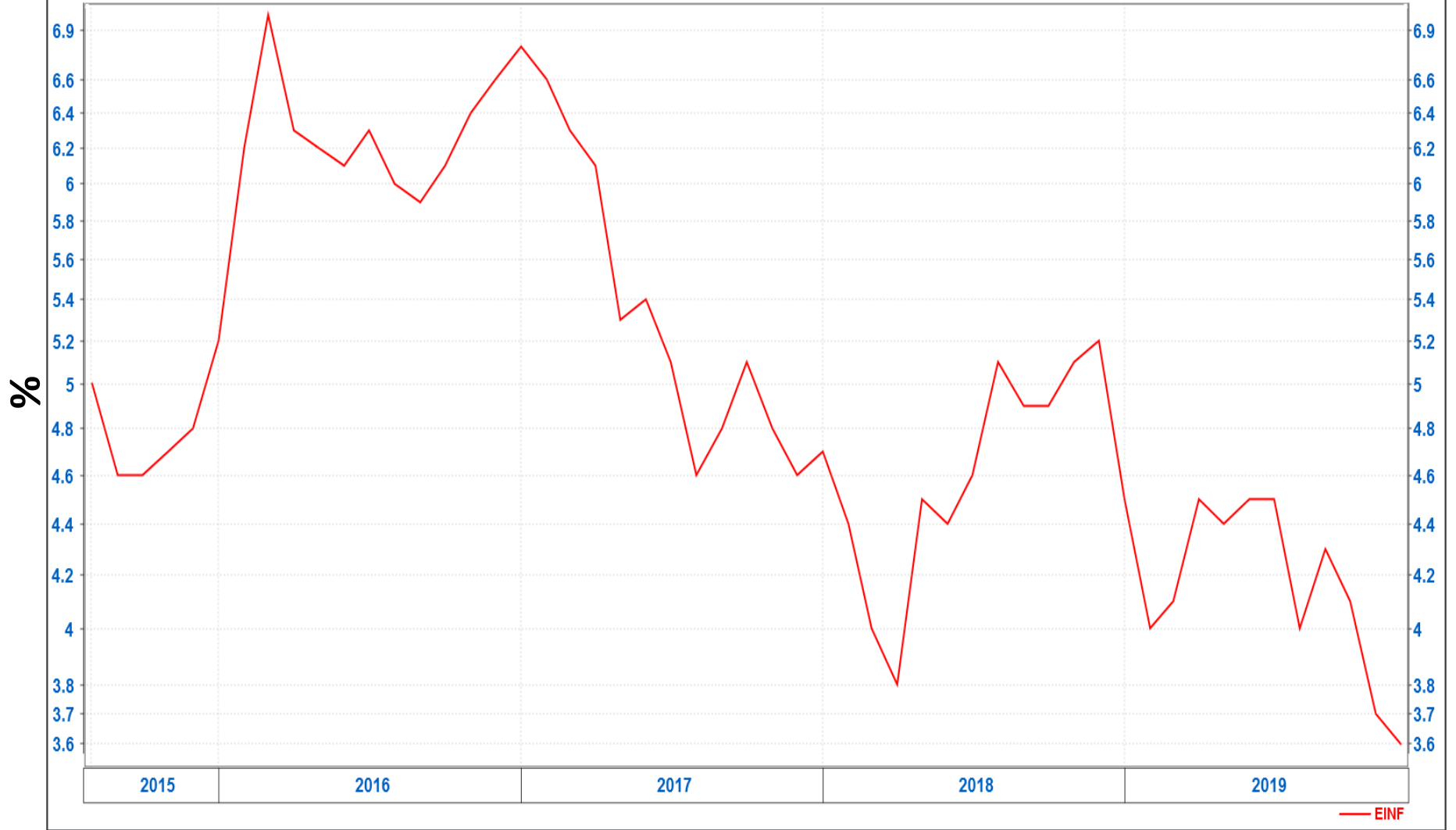
South Africa – Unemployment



Period

South Africa – Inflation Rate

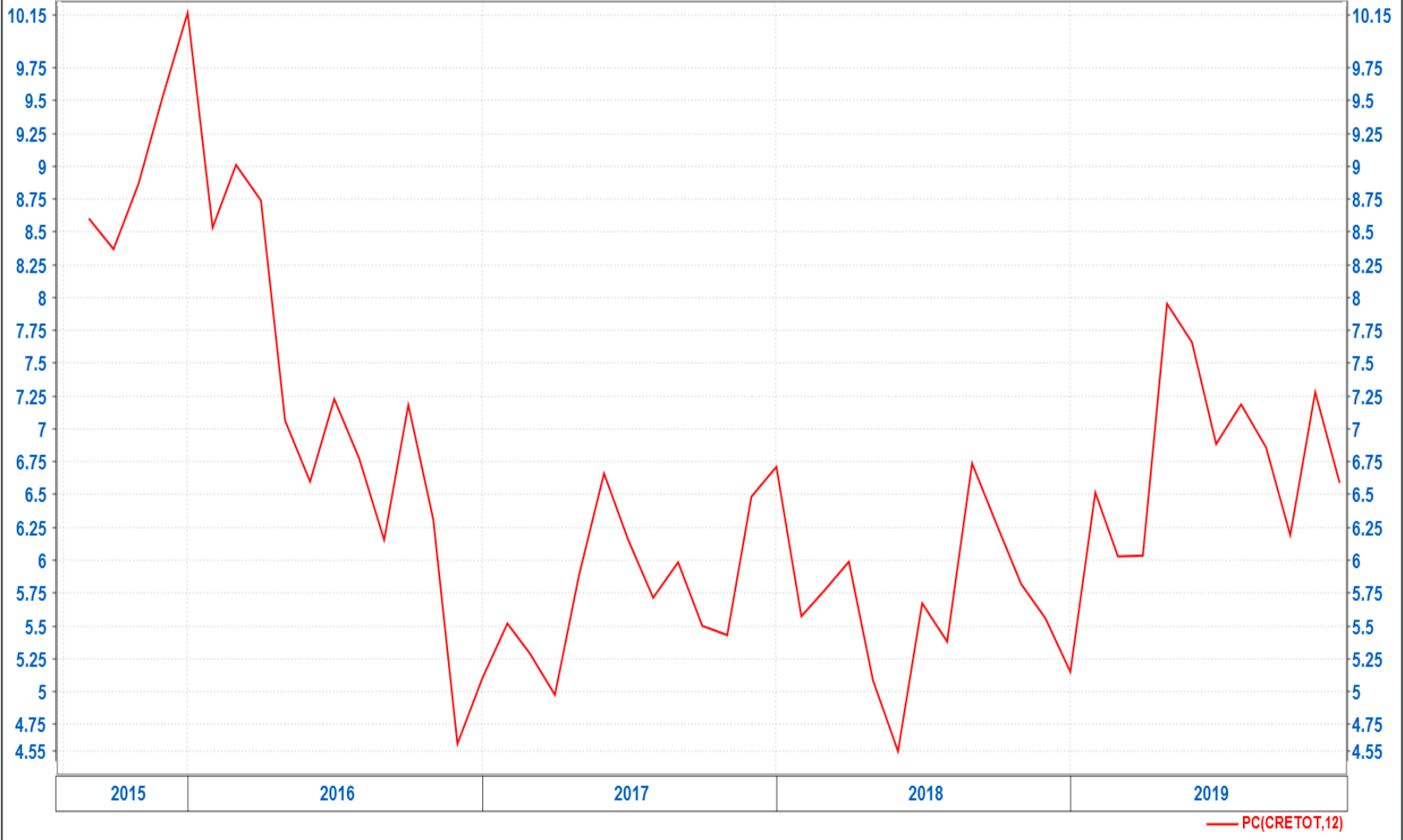
INFLATION RATE - SOUTH AFRICA (ALL URBAN)
Monthly 2015-07-31 to 2019-11-30



Period

South Africa – Consumer Credit

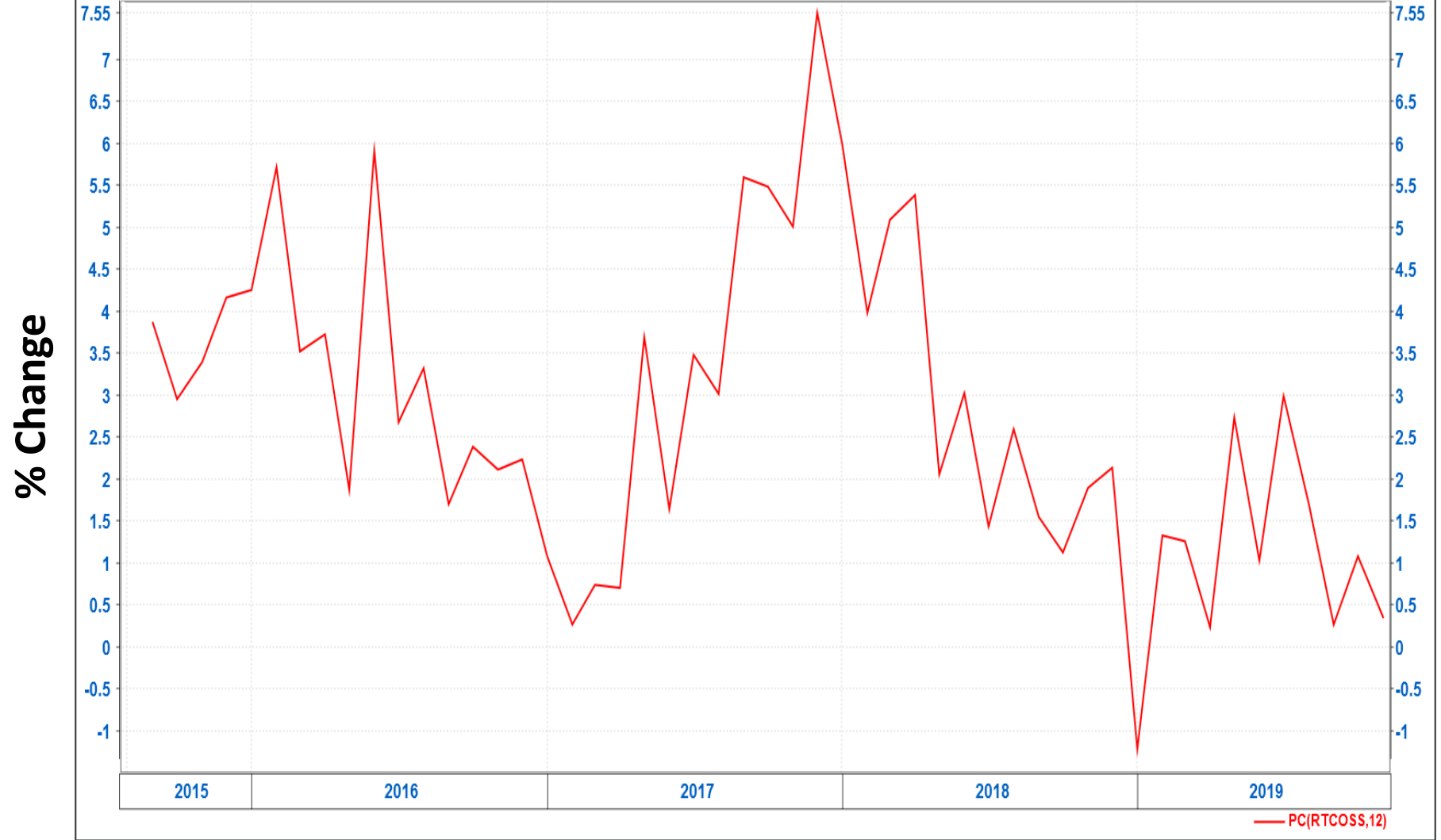
Percentage Change 12 of CREDIT: TOTAL EXTENDED BY PRIVATE SECTOR (RM)
Monthly 2015-07-31 to 2019-11-30



Period

South Africa – Retail Sales

Percentage Change 12 of RETAIL TRADE - TOTAL - CONSTANT S/A- RM 2015 PRICE
Monthly 2015-07-31 to 2019-11-30

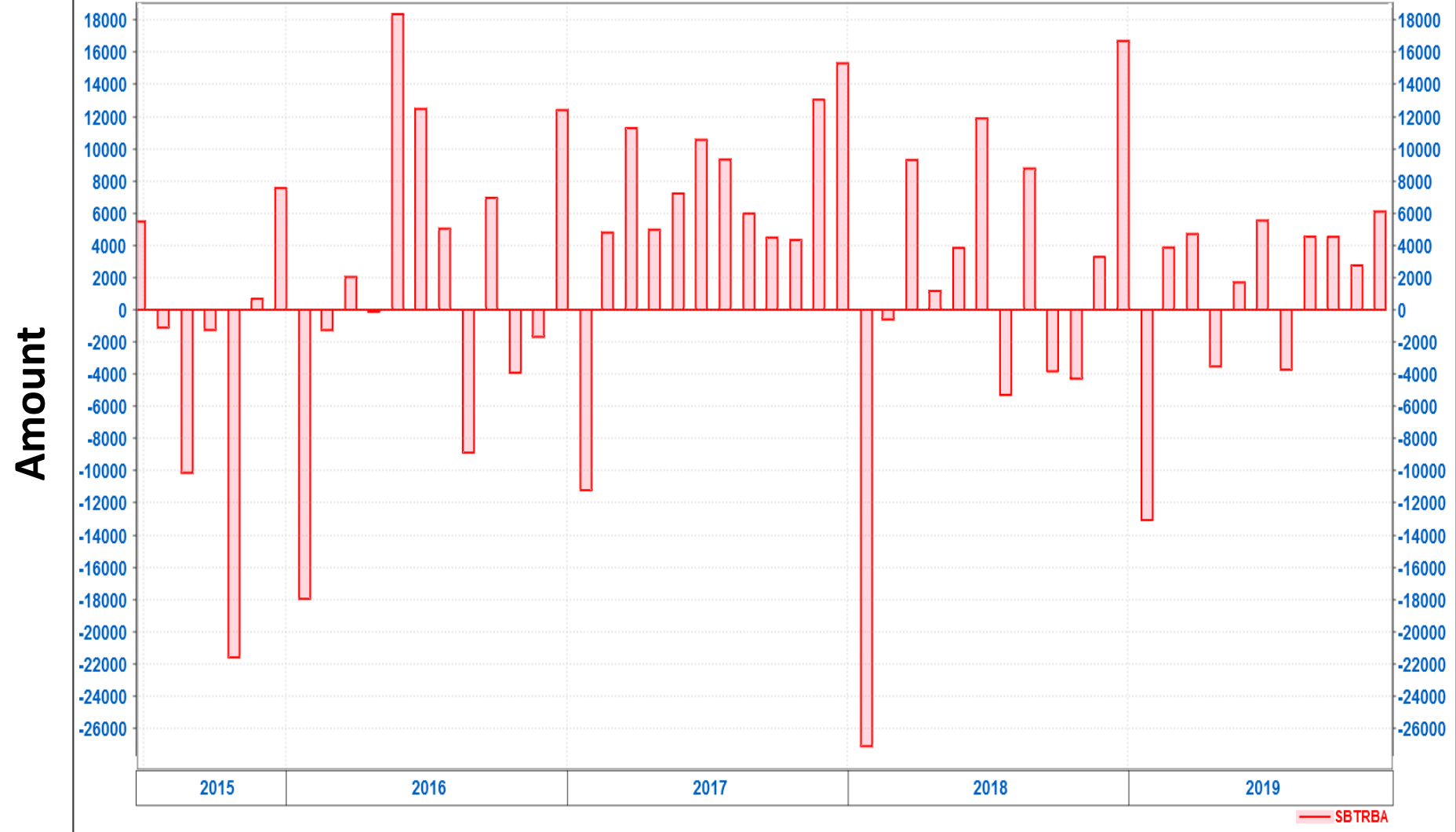


Period

— PC(RTCOSS,12)

South Africa – Trade Balance (ZAR Million)

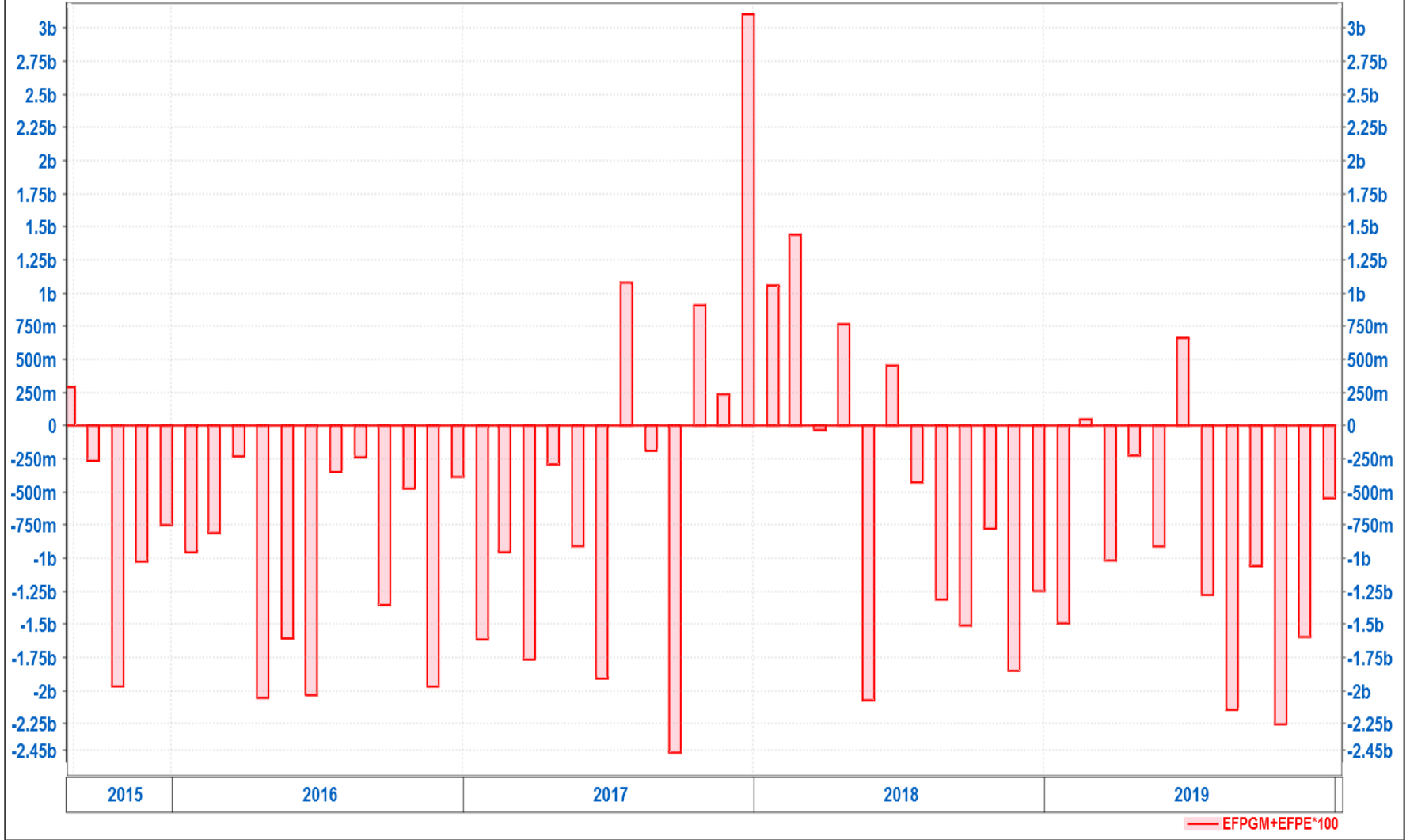
TRADE BALANCE (R M) - SA+BLNS - ADJUSTED
Monthly 2015-06-30 to 2019-11-30



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

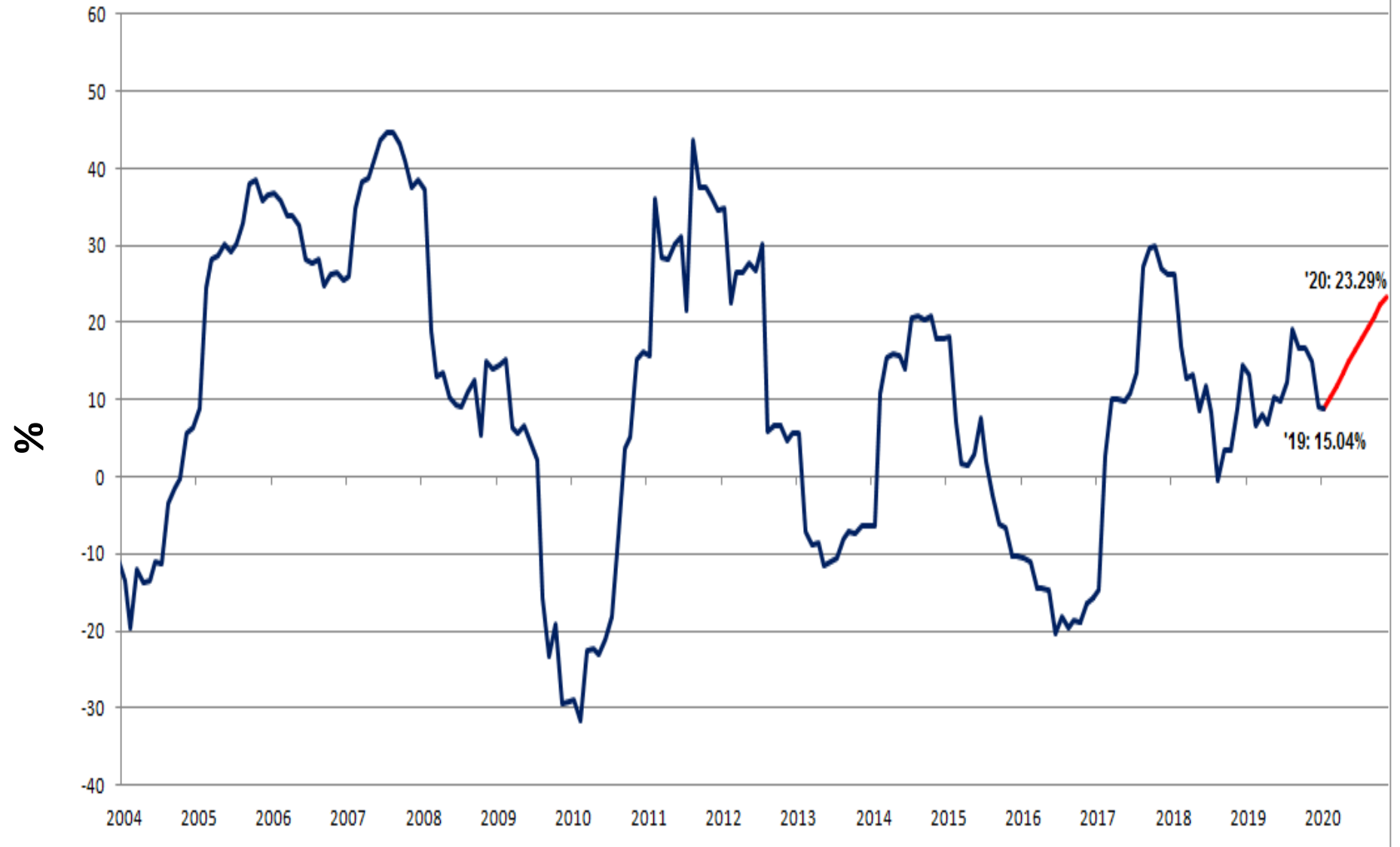
FOREIGN TRANS BESA - NET (RM) -TOTAL CONSIDERATION+FOREIGN TRANSACTIONS EQUITIES - NET (R'000)*100
Monthly 2015-08-31 to 2019-12-31

Amount (ZAR Mil)



Period

S.A. All Share Earnings Forecast



Period

Central Bank Policies

Central Bank Policies:

Central Banks are likely to remain accommodative as global growth worries persist. Central banks' balance sheets have started to expand, while political uncertainty and lower growth and inflation expectations are likely to lead to Central Banks being remaining dovish in the near future.

Central Banks Balance Sheets

Federal Reserve



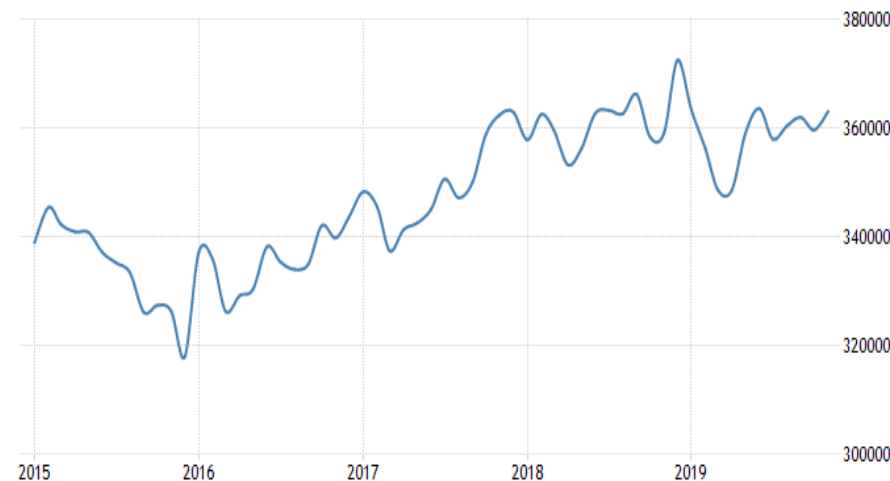
SOURCE: TRADINGECONOMICS.COM | FEDERAL RESERVE

European Central Bank



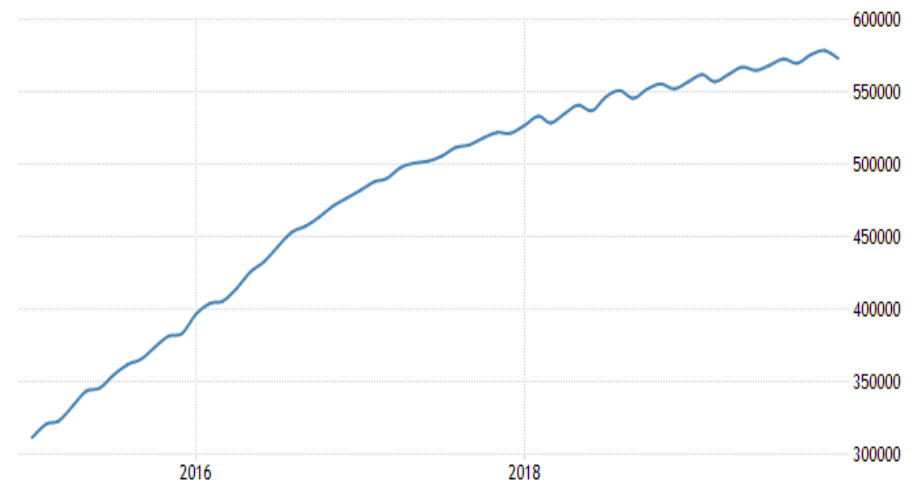
SOURCE: TRADINGECONOMICS.COM | EUROPEAN CENTRAL BANK

China Central Bank



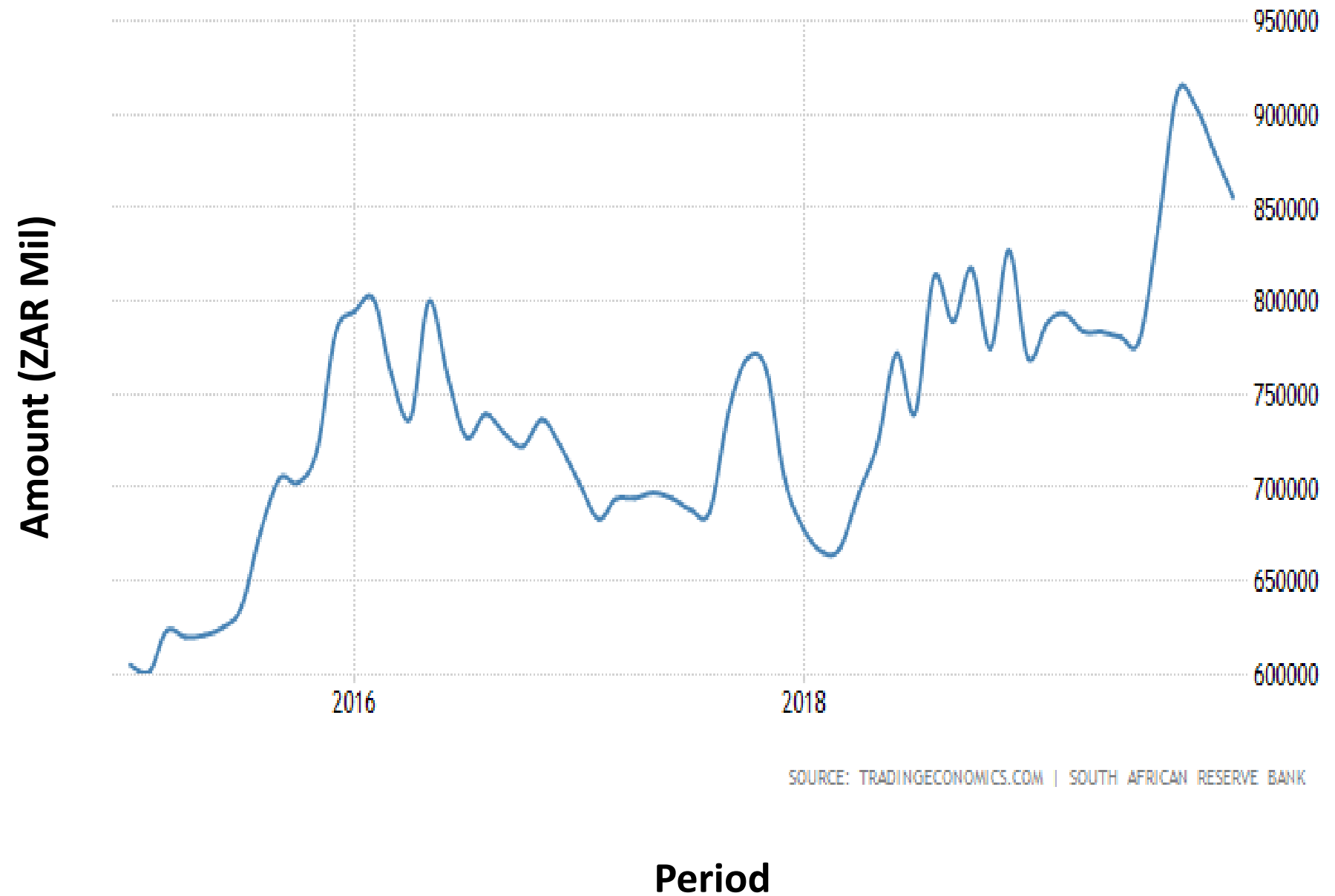
SOURCE: TRADINGECONOMICS.COM | PEOPLE'S BANK OF CHINA

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

Central Bank Interest Rate

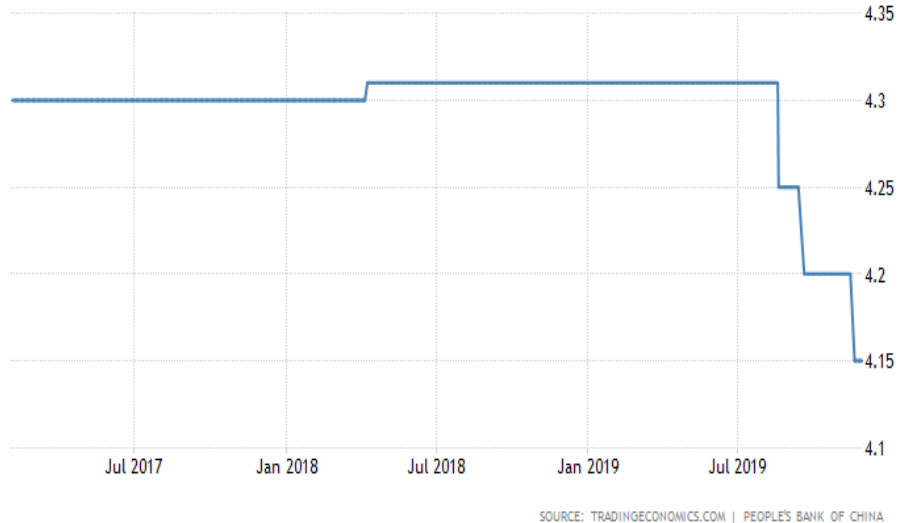
Federal Reserve Interest Rate



European Central Bank Interest Rate



China Central Bank Interest Rate



Japan Central Bank Interest Rate



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



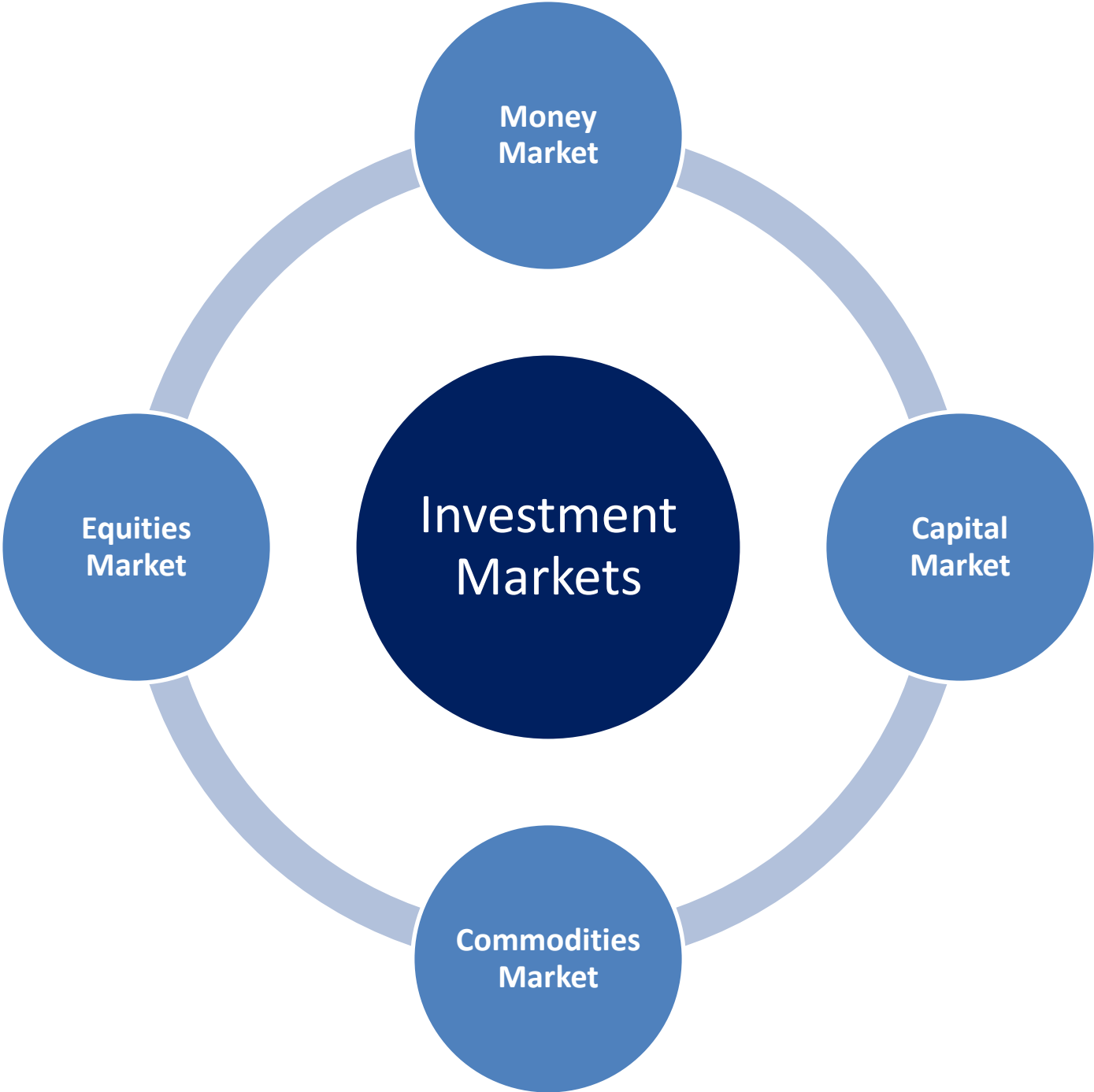
SOURCE: TRADINGECONOMICS.COM | BANCO CENTRAL DO BRASIL

SARB Interest Rate



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

Period



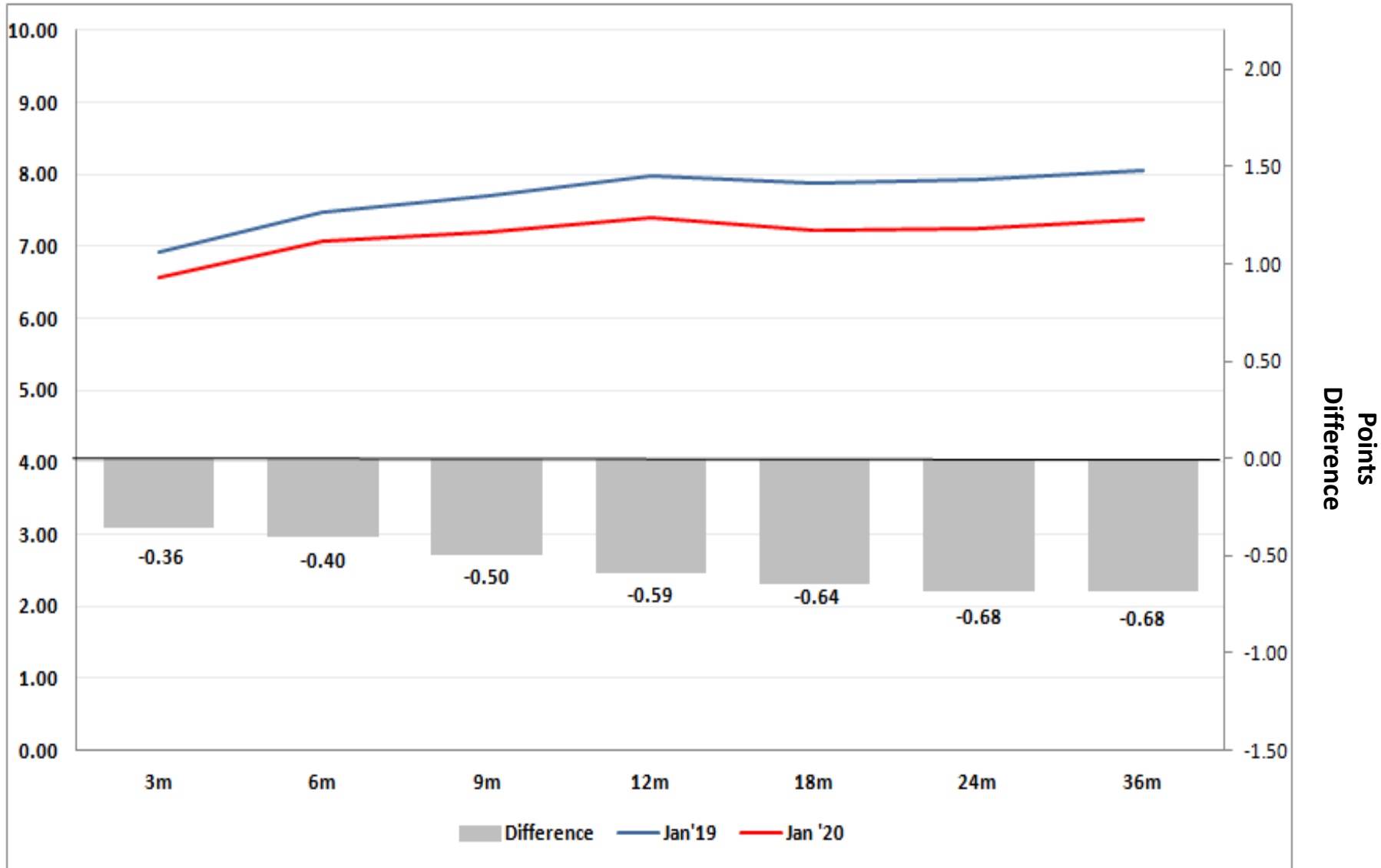
Money Market

Money Market:

Money Market rates remains lower year on year, indicating an overall downward shift in the yield curve. Current Money Market rates are suggesting another cut in interest rates by the SARB in the near future.

Our current recommendation is not to invest longer than 12 month's term.

South Africa – Money Market Rates



— Difference

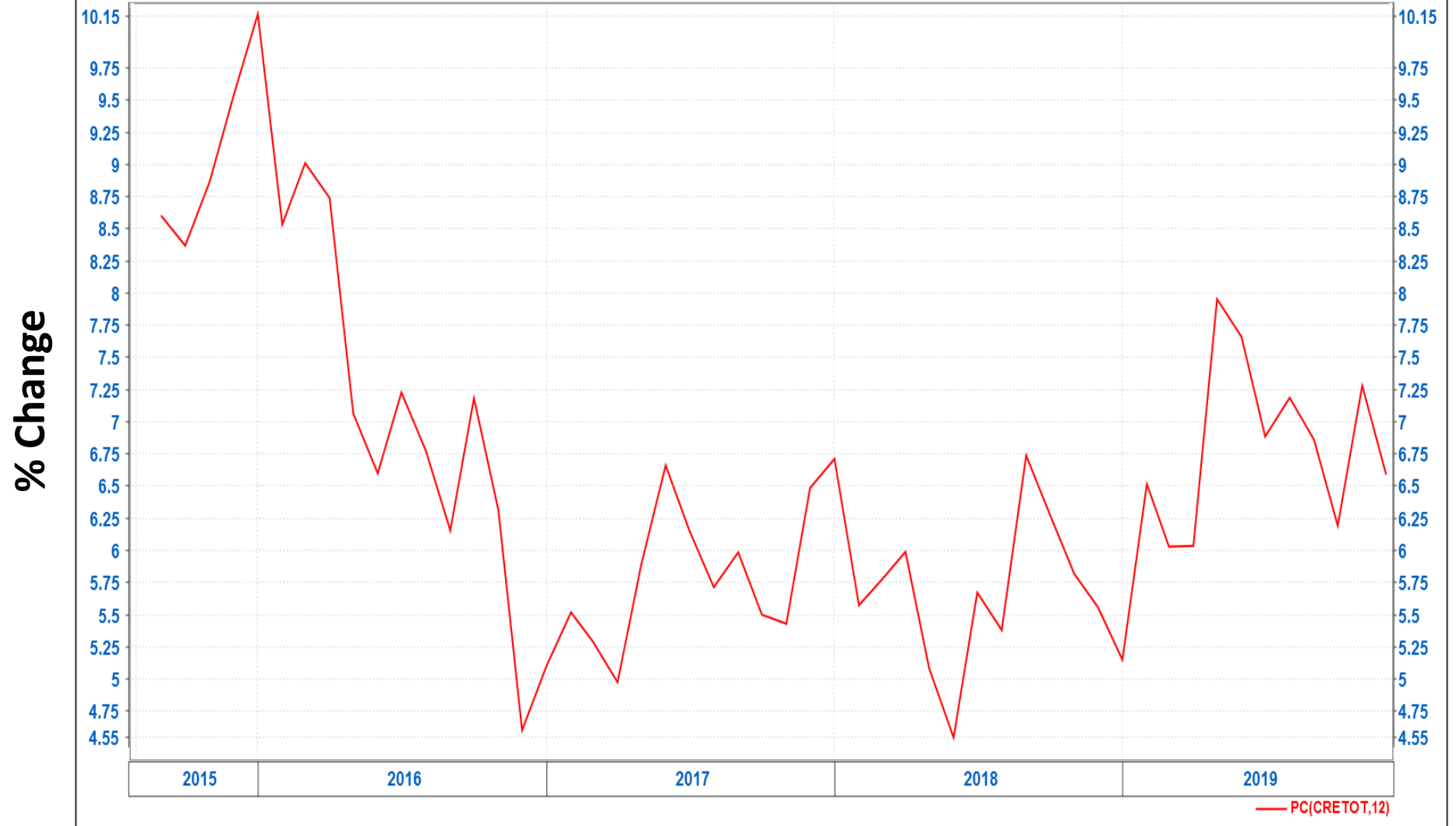
— Jan 2019

— Jan 2020

Period

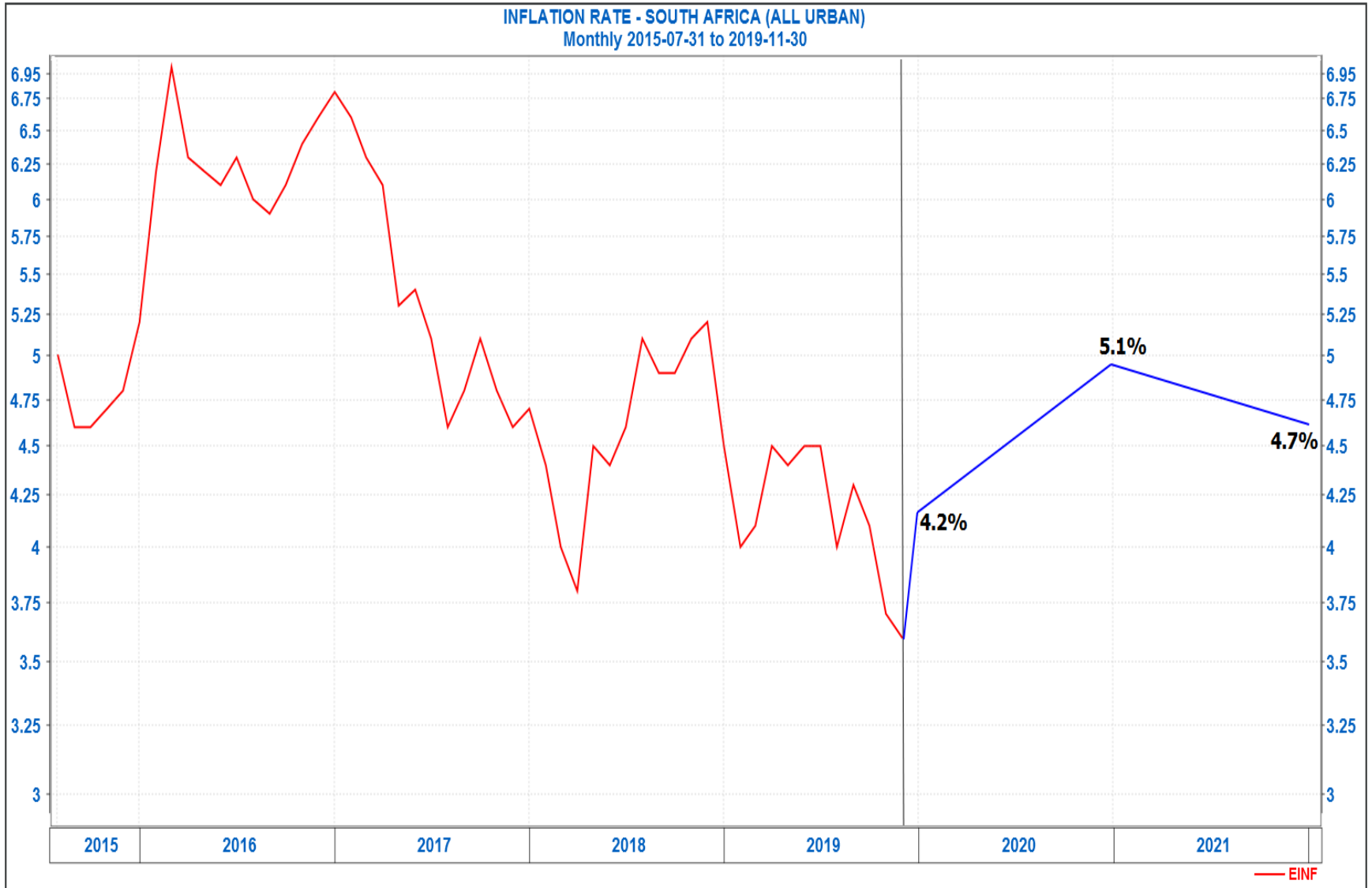
South Africa – Consumer Credit

Percentage Change 12 of CREDIT: TOTAL EXTENDED BY PRIVATE SECTOR (RM)
Monthly 2015-07-31 to 2019-11-30



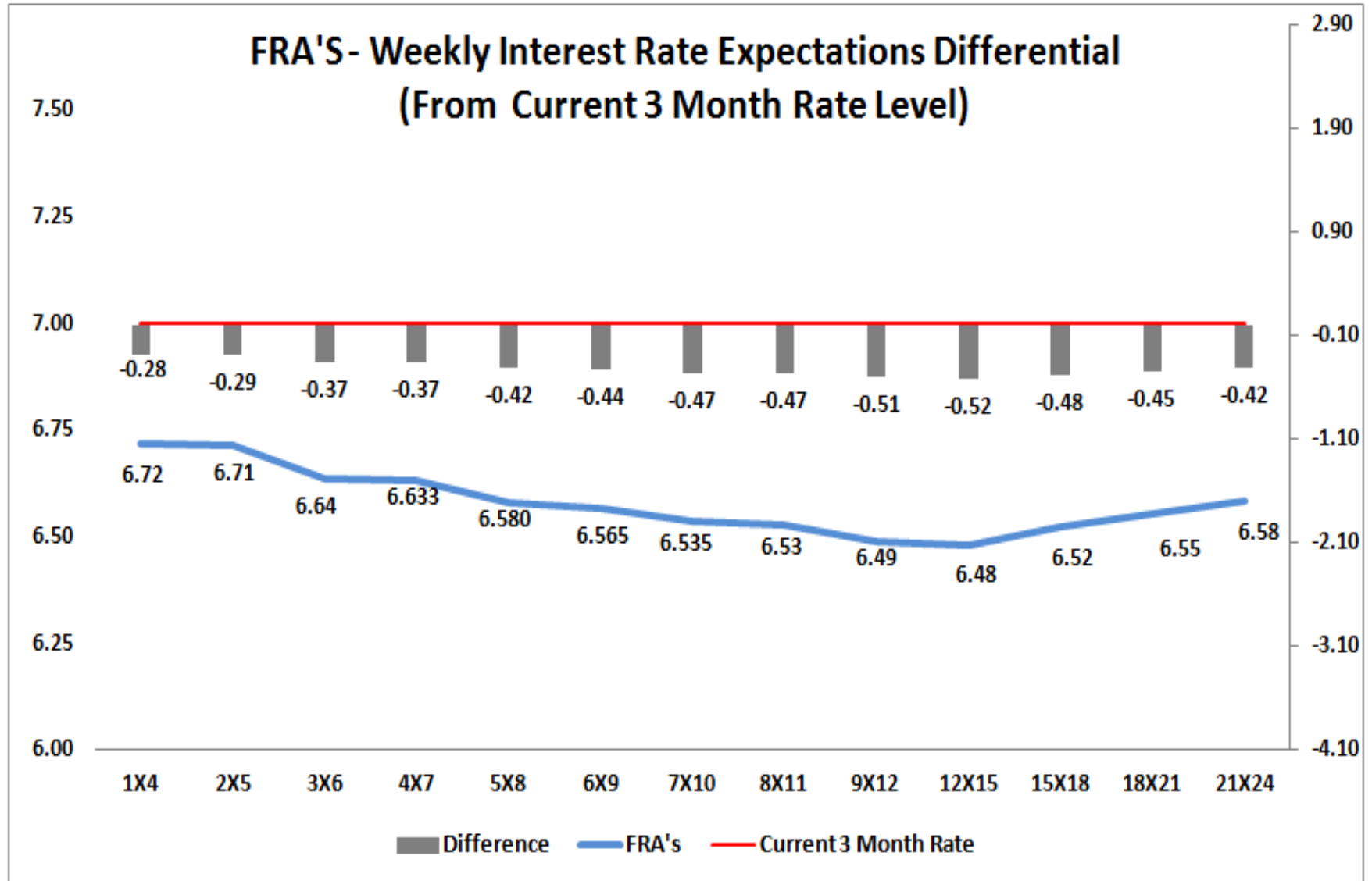
Period

SARB Inflation Expectation



Period

Interest Rate Expectations



— Difference — FRA's — Current 3 Month Rate

Period

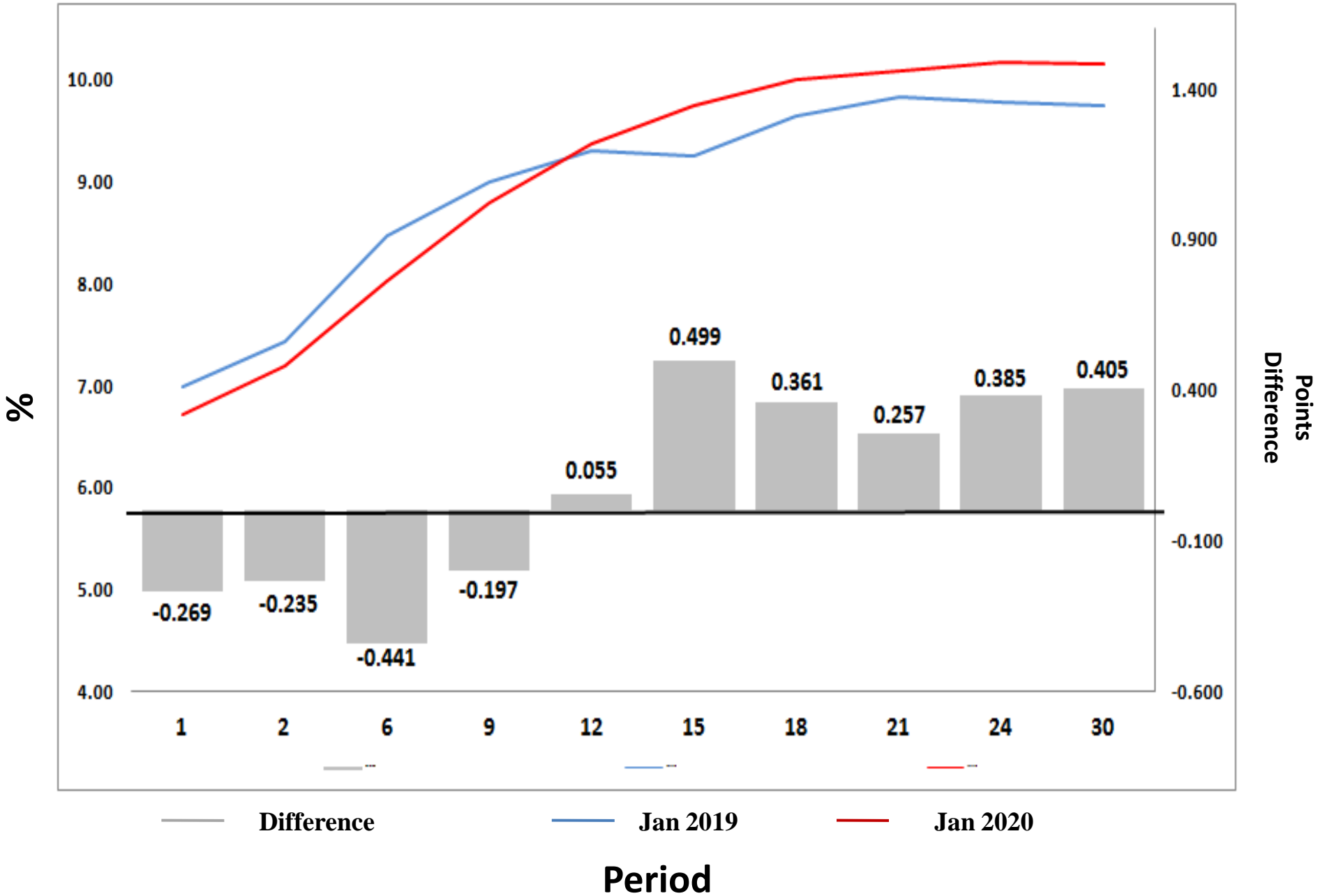
Capital Market

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 possible ratings downgrades.

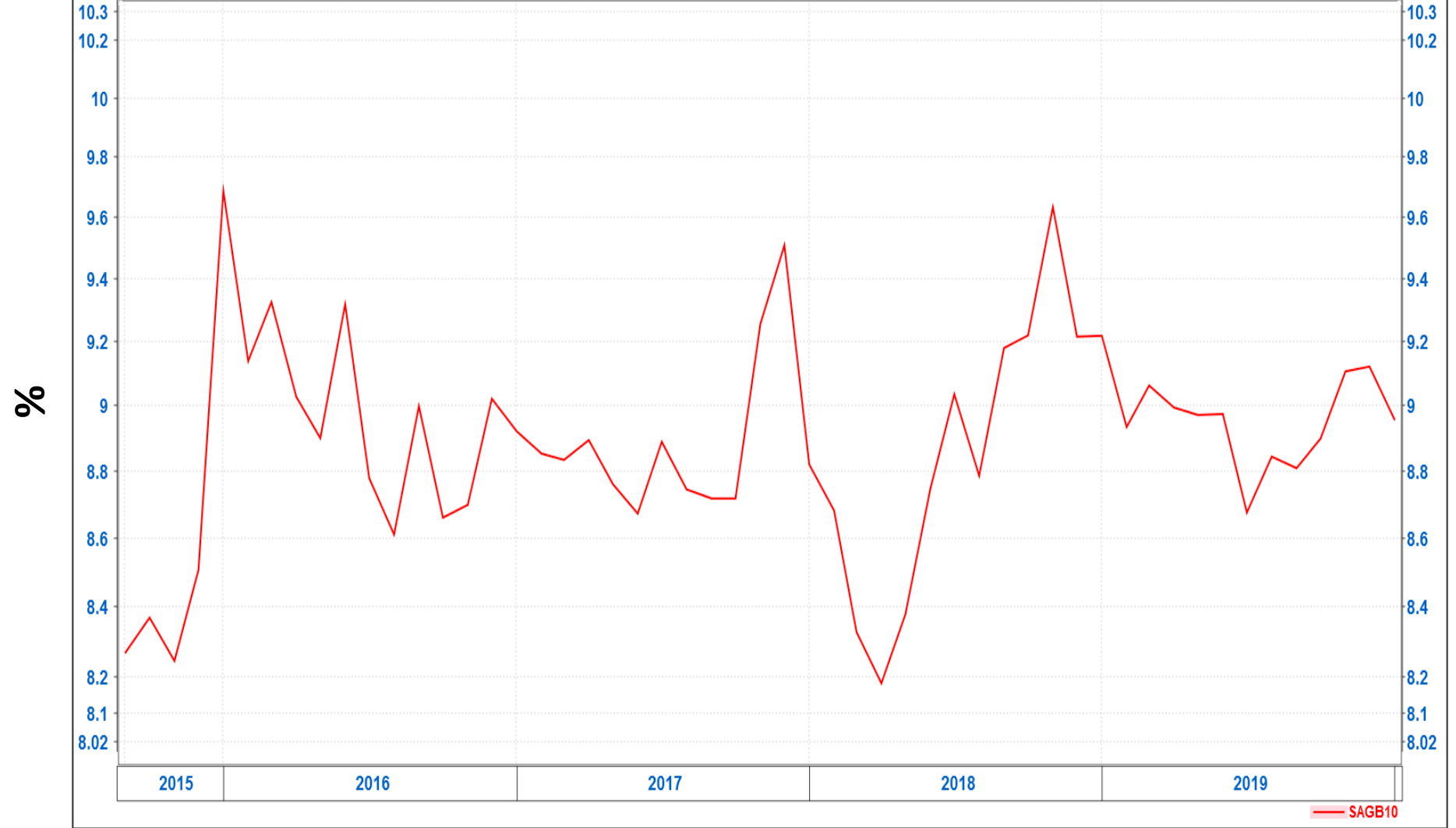
Foreigners were net buyers of South African Bonds during the month of December, following six consecutive months foreigners have been dumping SA bonds.

South Africa –Yield Curve



SA 10Year Bond Rate

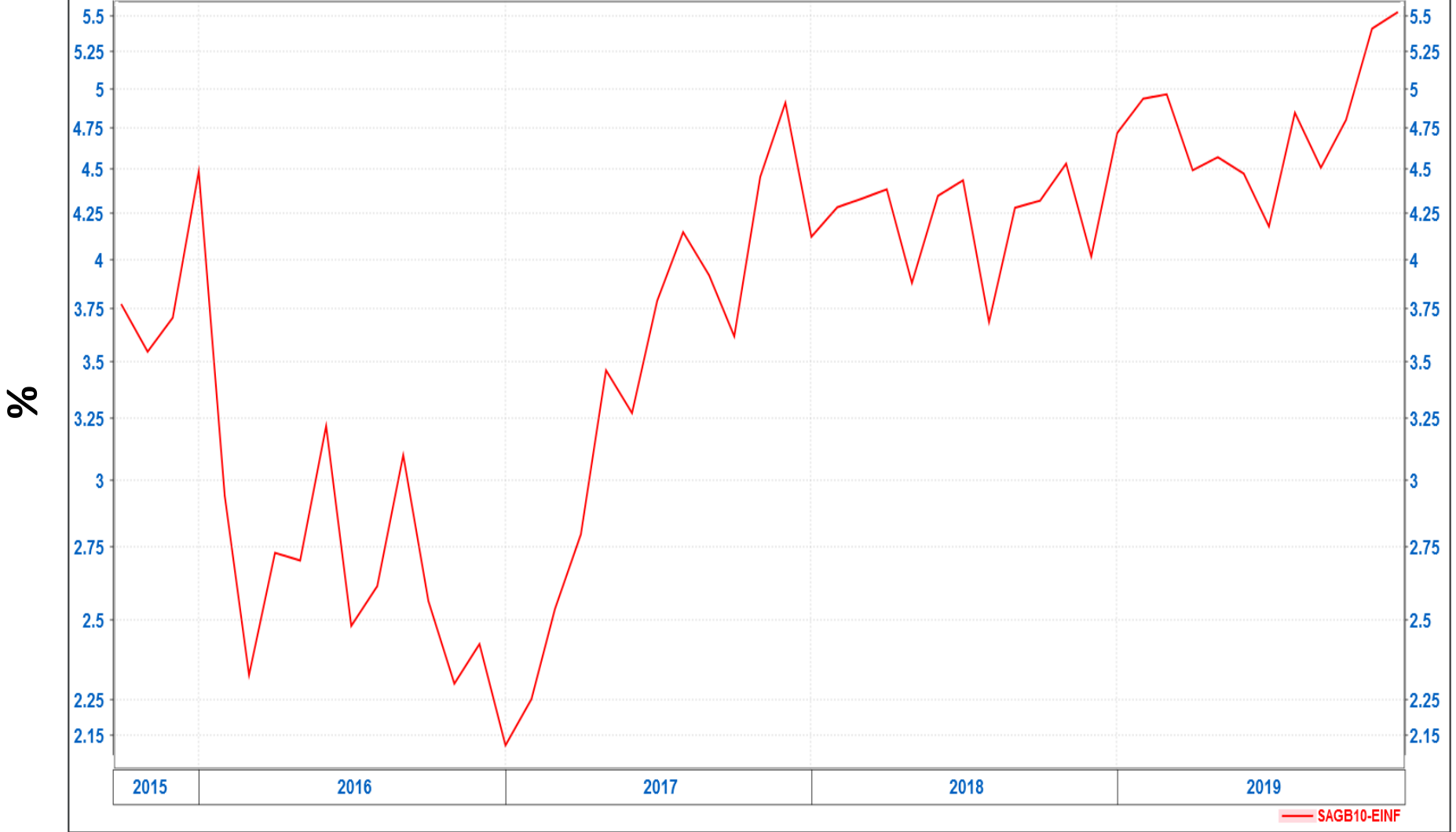
SA : GOVT 10 YEAR BOND
Monthly 2015-08-31 to 2019-12-31



Period

SA Real Interest Rate

SA : GOVT 10 YEAR BOND-INFLATION RATE - SOUTH AFRICA (ALL URBAN)
Monthly 2015-09-30 to 2019-11-30

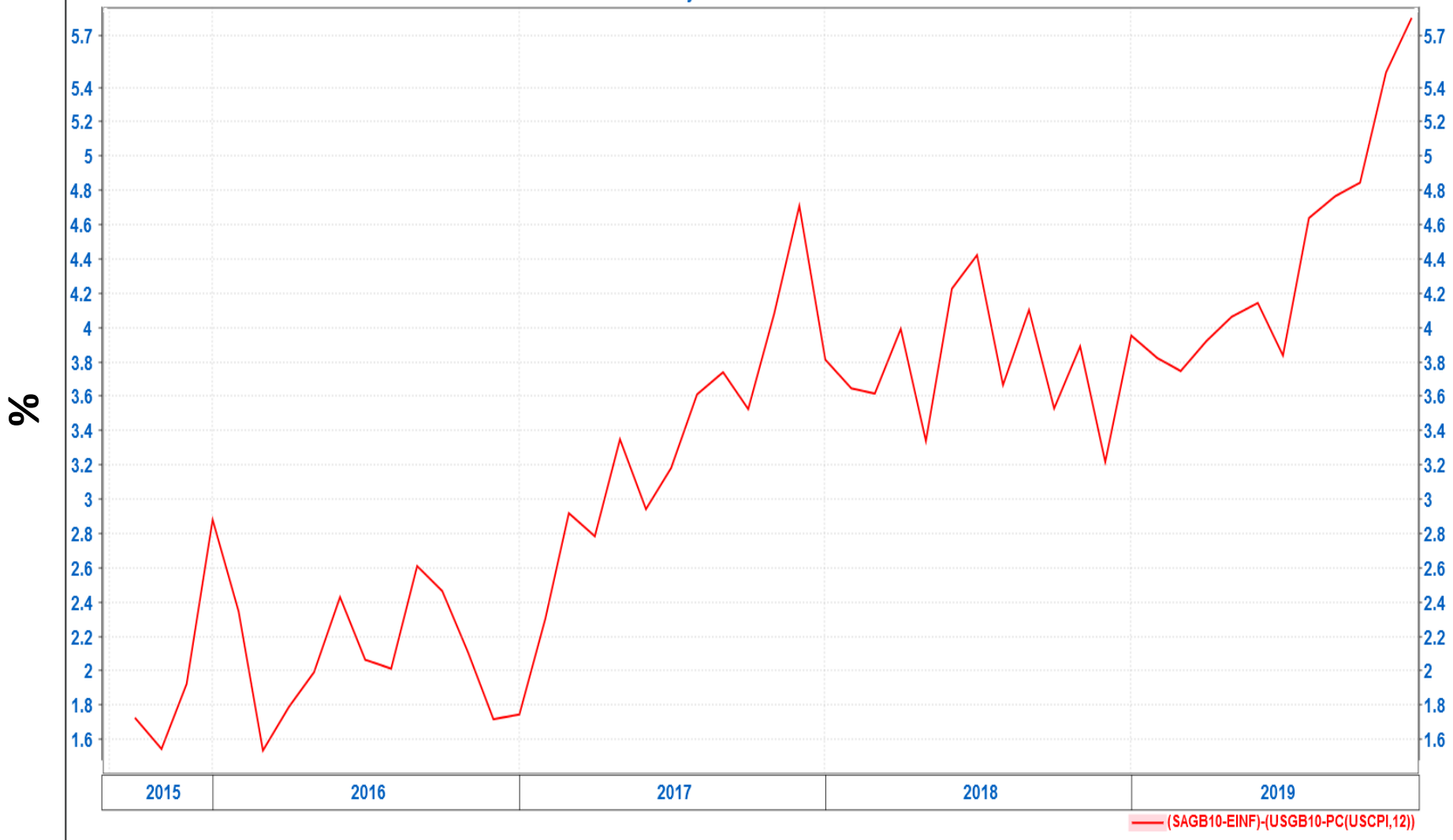


Period

SAGB10-EINF

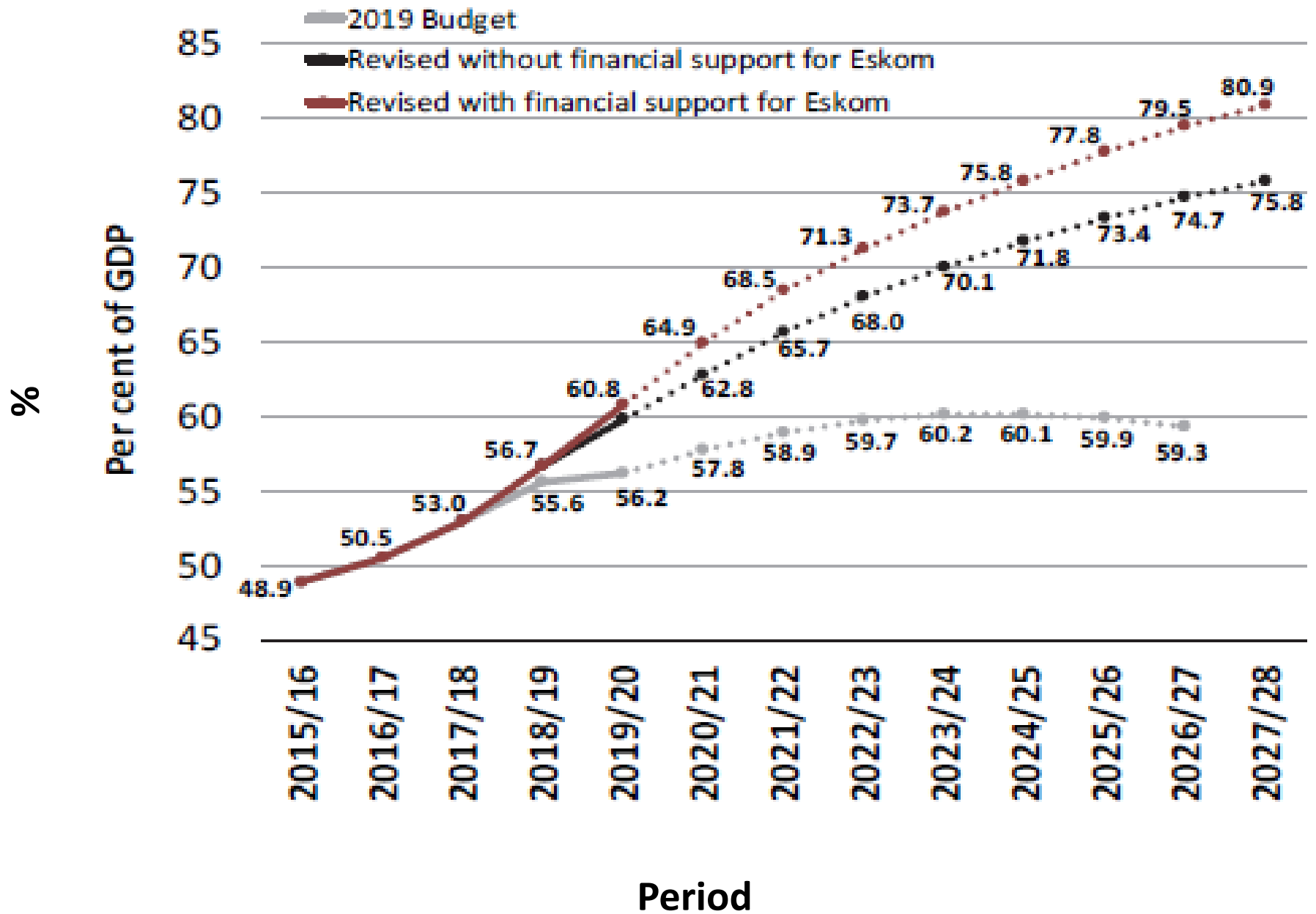
Real Interest Rate - SA vs. USA

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 2015-08-31 to 2019-11-30

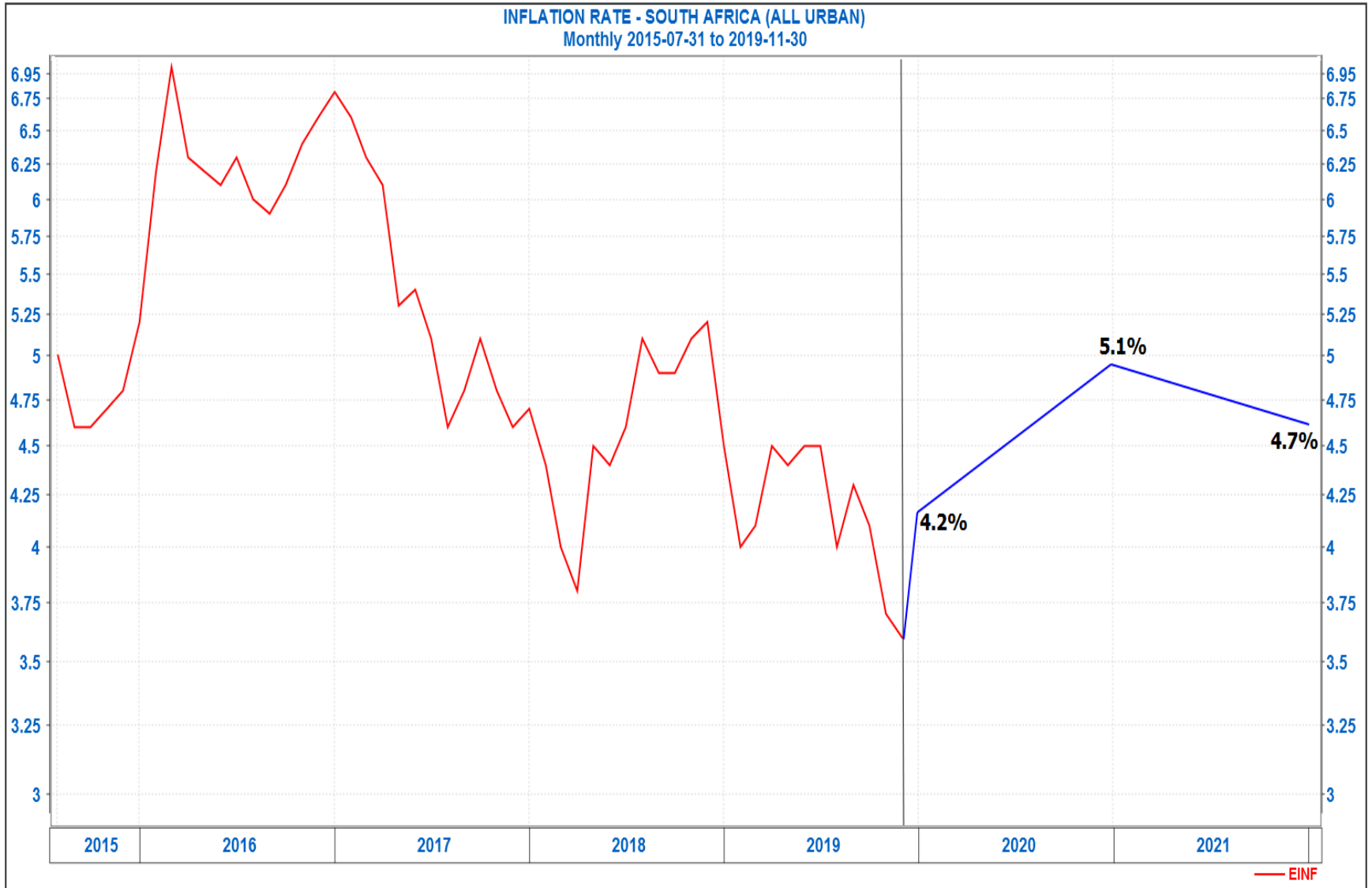


Period

SA Government Debt %GDP



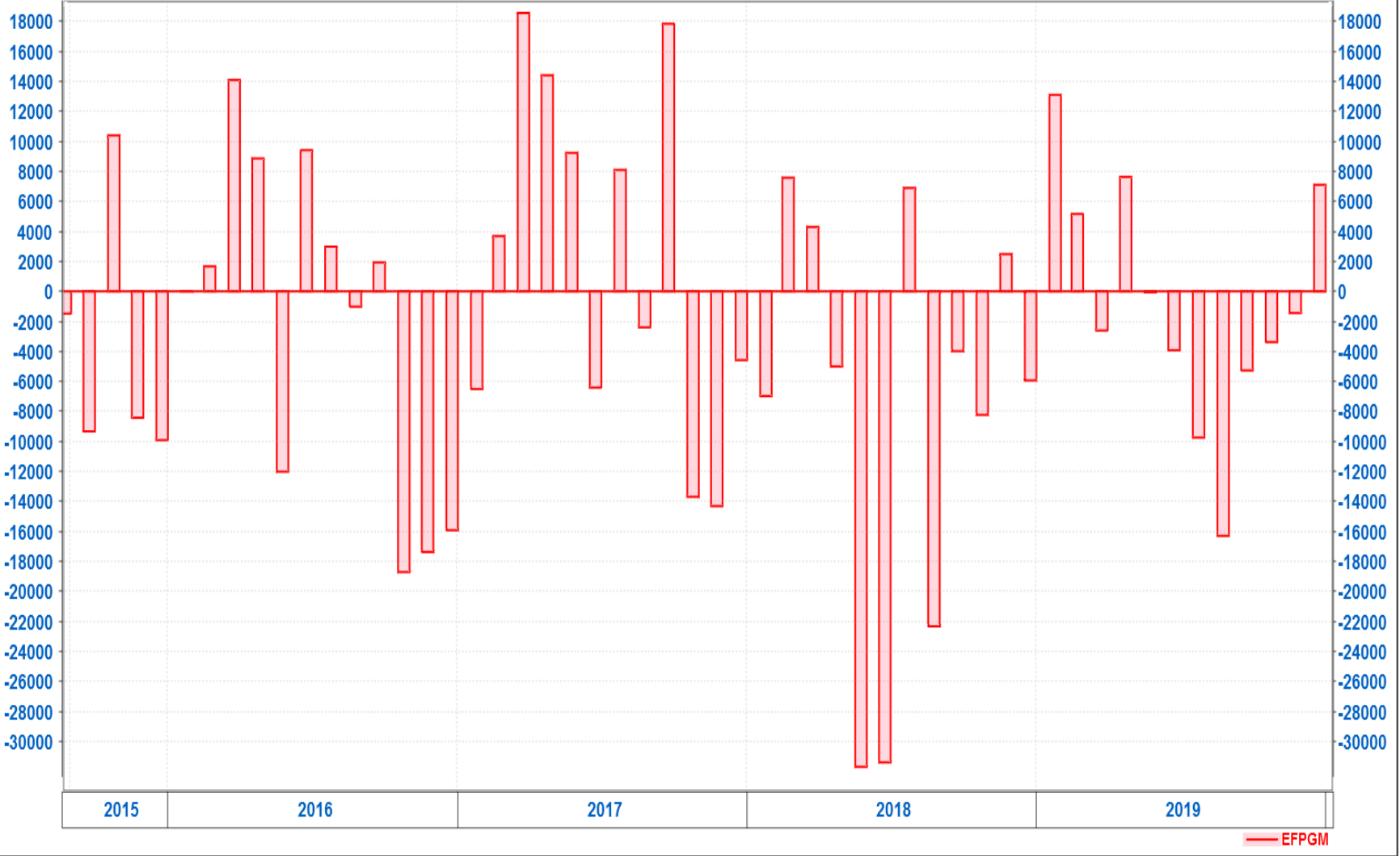
SARB Inflation Expectation



Period

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

FOREIGN TRANS BESA - NET (RM) - TOTAL CONSIDERATION
Monthly 2015-08-31 to 2019-12-31



Period

Commodities Market

Commodity Index

RJ/CRB TOTAL RETURN INDEX
Weekly 2013-07-14 to 2020-01-12

Index Points

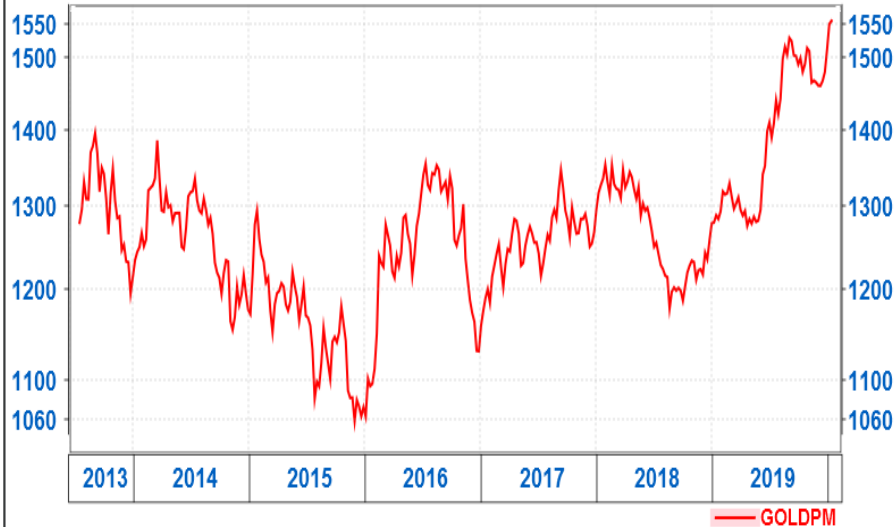


FCRB

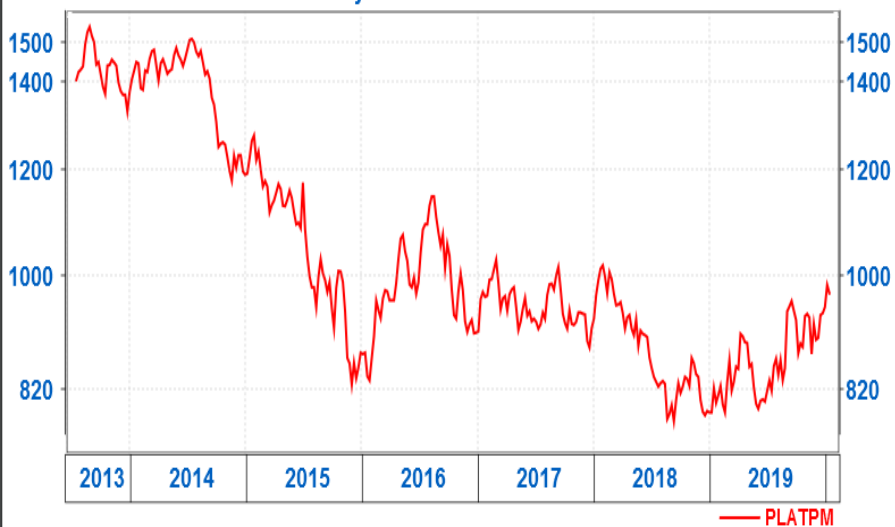
Period

Commodity Prices

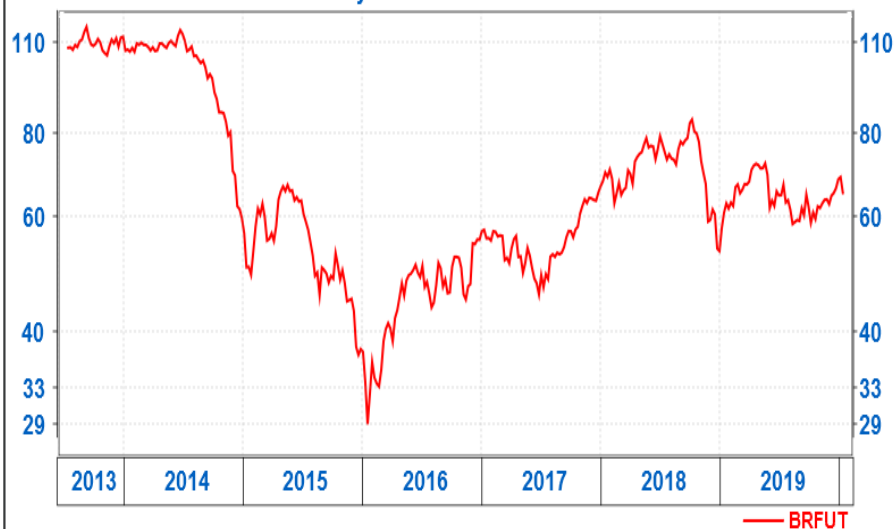
GOLD LONDON - PM FIX
Weekly 2013-07-14 to 2020-01-12



PLATINUM PM - FIX (\$OZ)
Weekly 2013-07-14 to 2020-01-12



OIL : BRENT - NEAR FUTURE - ICE UK \$/BARREL
Weekly 2013-07-14 to 2020-01-12



COPPER CASH LME (\$/TON) - FIX
Weekly 2013-07-14 to 2020-01-12



Equities Market

Equities Market:

SA Equities recovered fourth quarter of 2019, in line with positive World Equity Markets, and is fairly priced relative to the Capital Market.

This improvement was mostly due to the surging resources sectors, on the back of stronger overall commodity prices.

China – Shanghai A Share Index

CHINA : SHANGHAI A SHARE INDEX
Weekly 2013-07-14 to 2020-01-12

Index Points



FCHINA

Period

Japan – Nikkei 225

JAPAN : NIKKEI 225 INDEX
Weekly 2013-07-14 to 2020-01-12

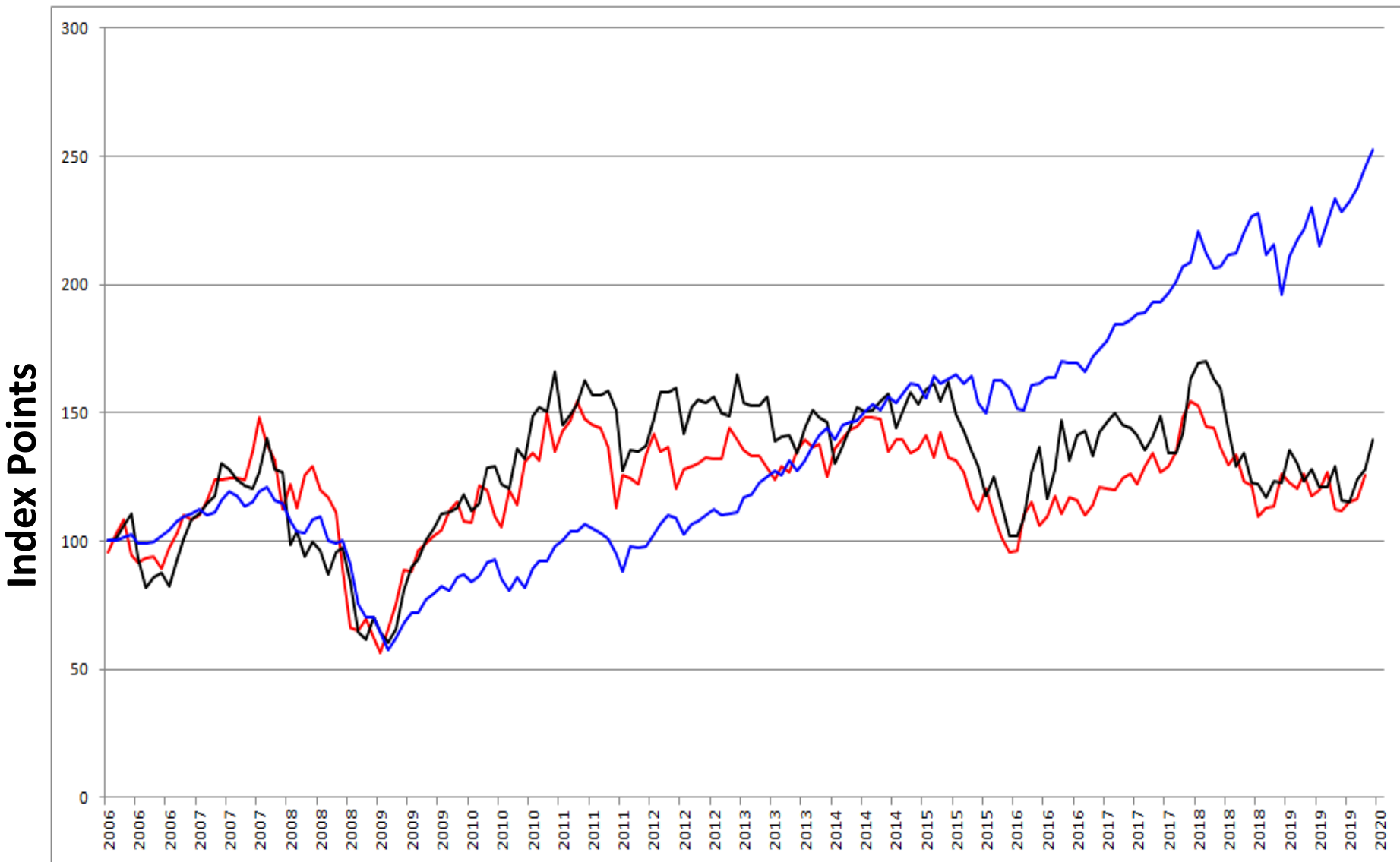
Index Points



FJNK

Period

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



— FTSE/JSE All Share Index

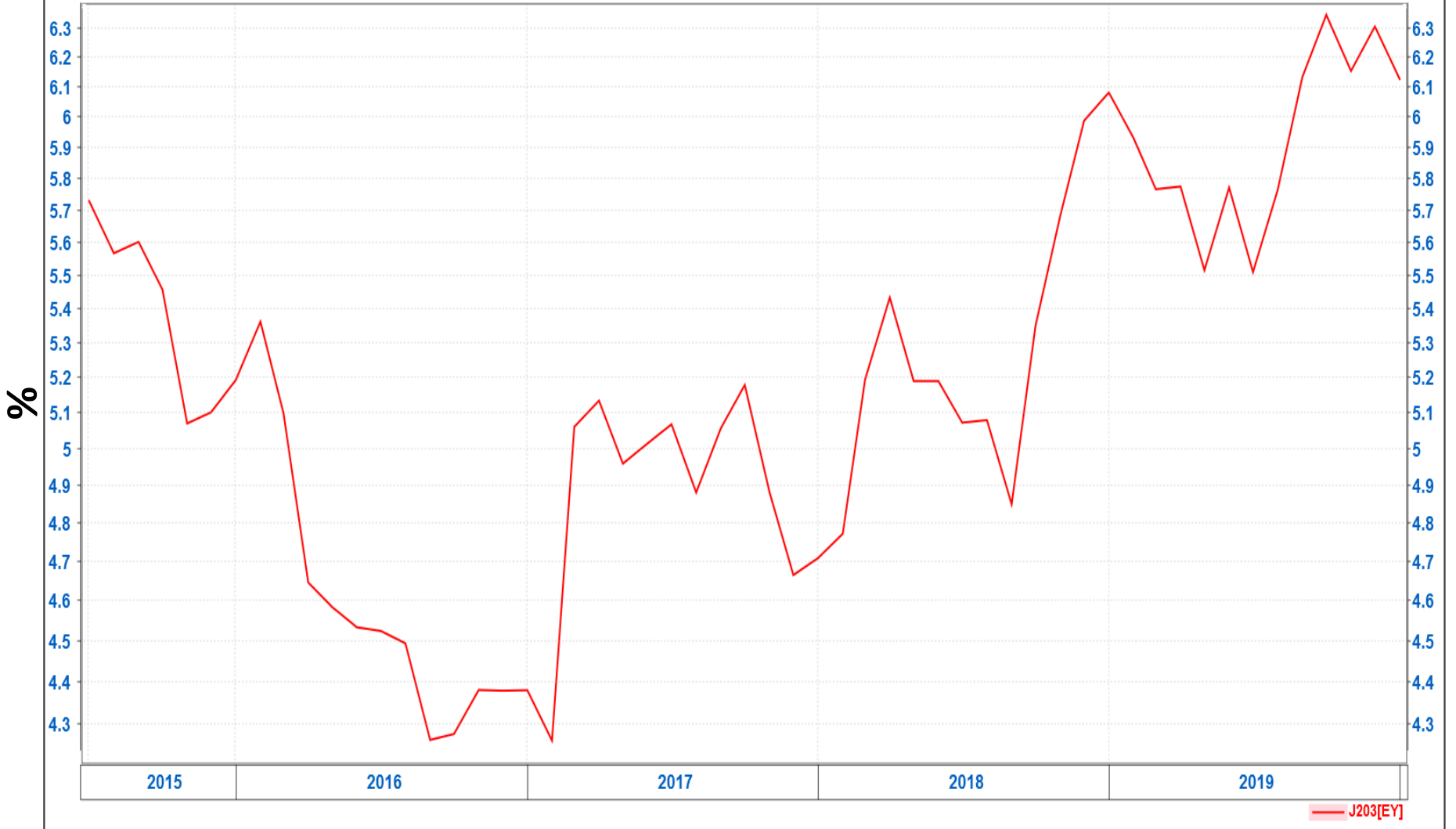
— USA S&P 500 Index

— FTSE/JSE Mid Cap Index

Period

SA All Share Index – Earnings Yield

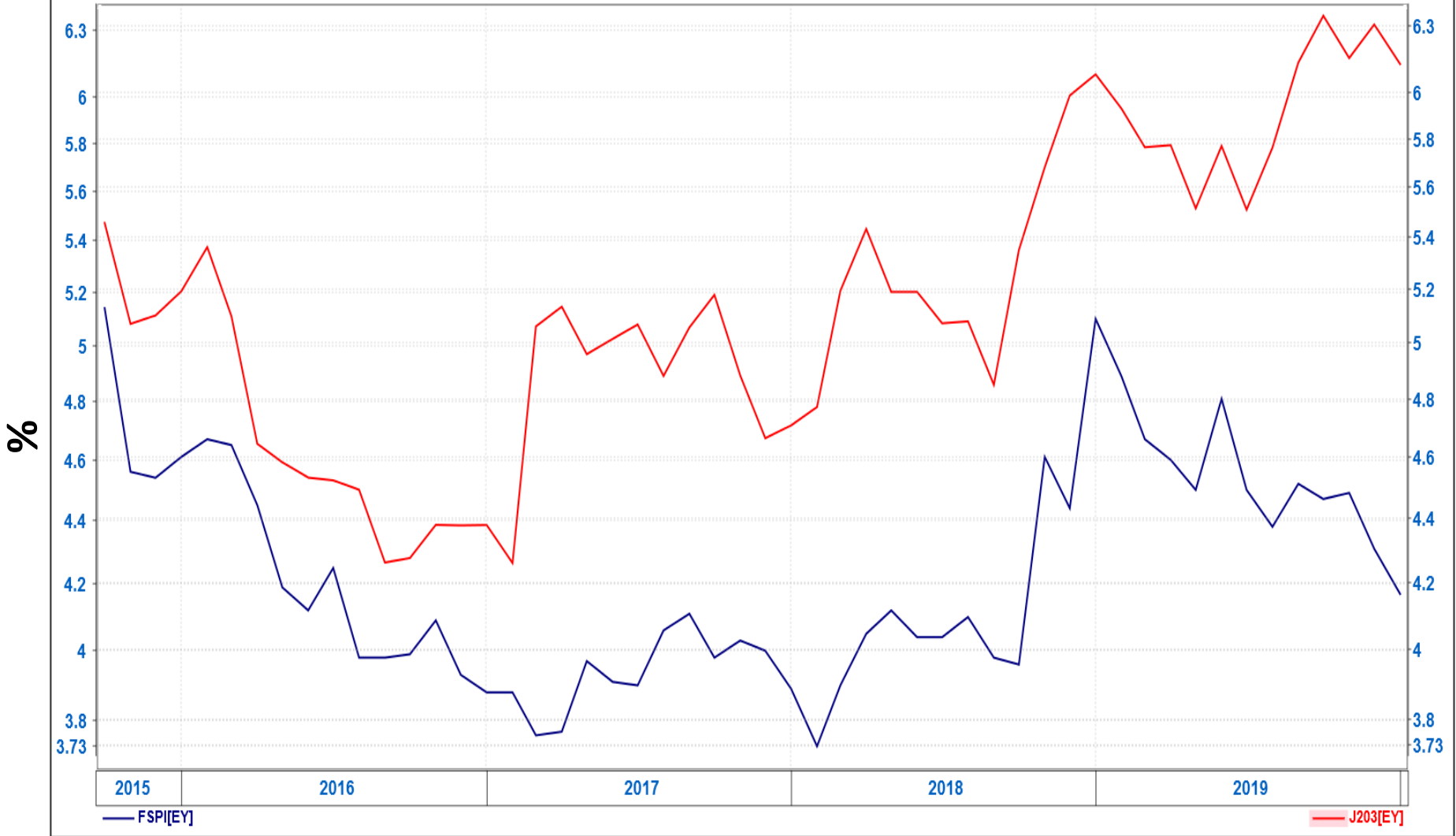
FTSE/JSE : AFRICA ALL SHARE INDEX (Earnings Yield)
Monthly 2015-06-30 to 2019-12-31



Period

Earnings Yield- SA vs. USA

FTSE/JSE : AFRICA ALL SHARE INDEX (Earnings Yield) , USA : S & P 500 COMPOSITE INDEX (Earnings Yield)
Monthly 2015-09-30 to 2019-12-31



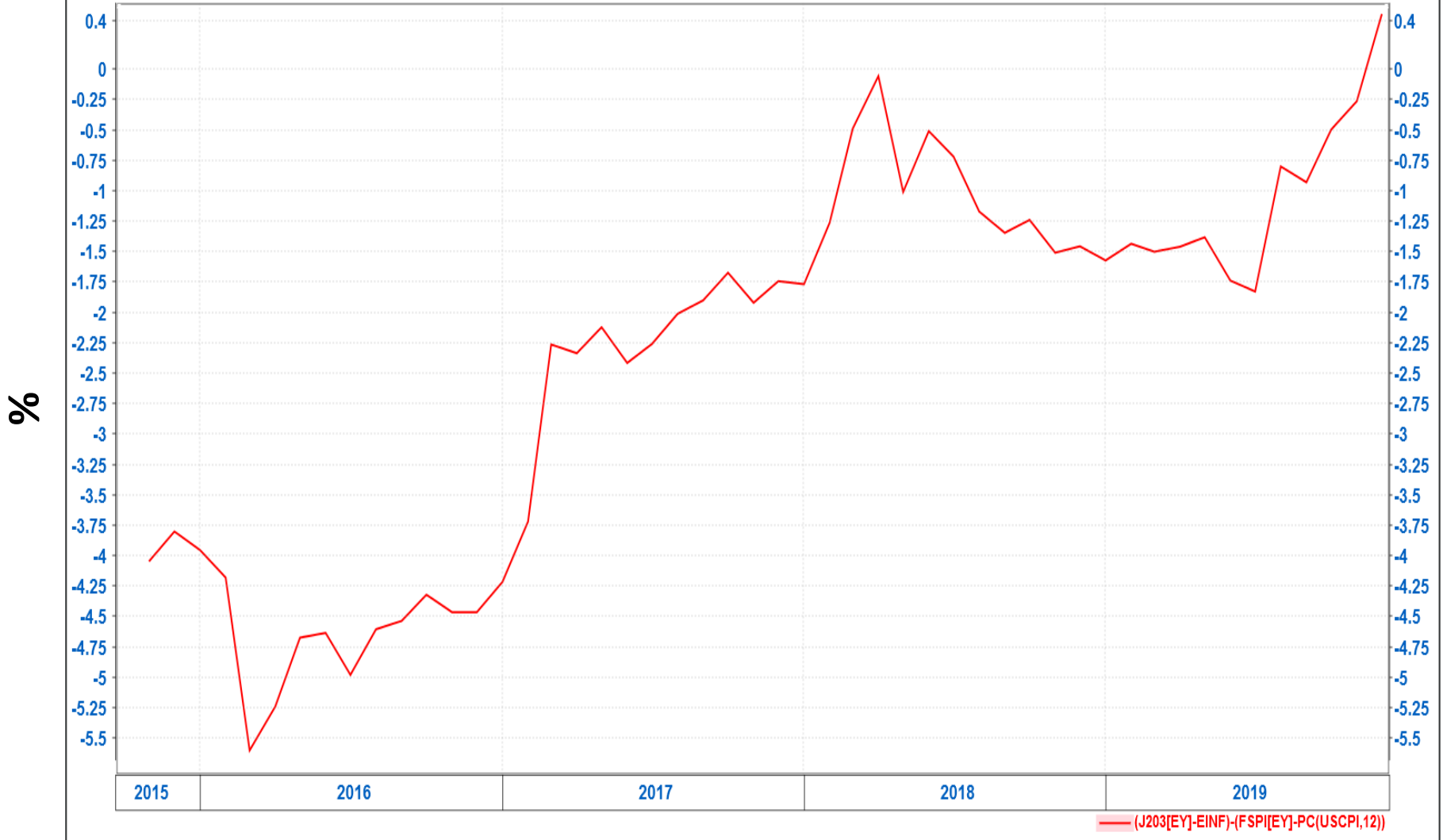
— S.A. All Share Earnings Yield

— USA S&P 500 Shares Earnings Yield

Period

Real EY- SA vs. USA

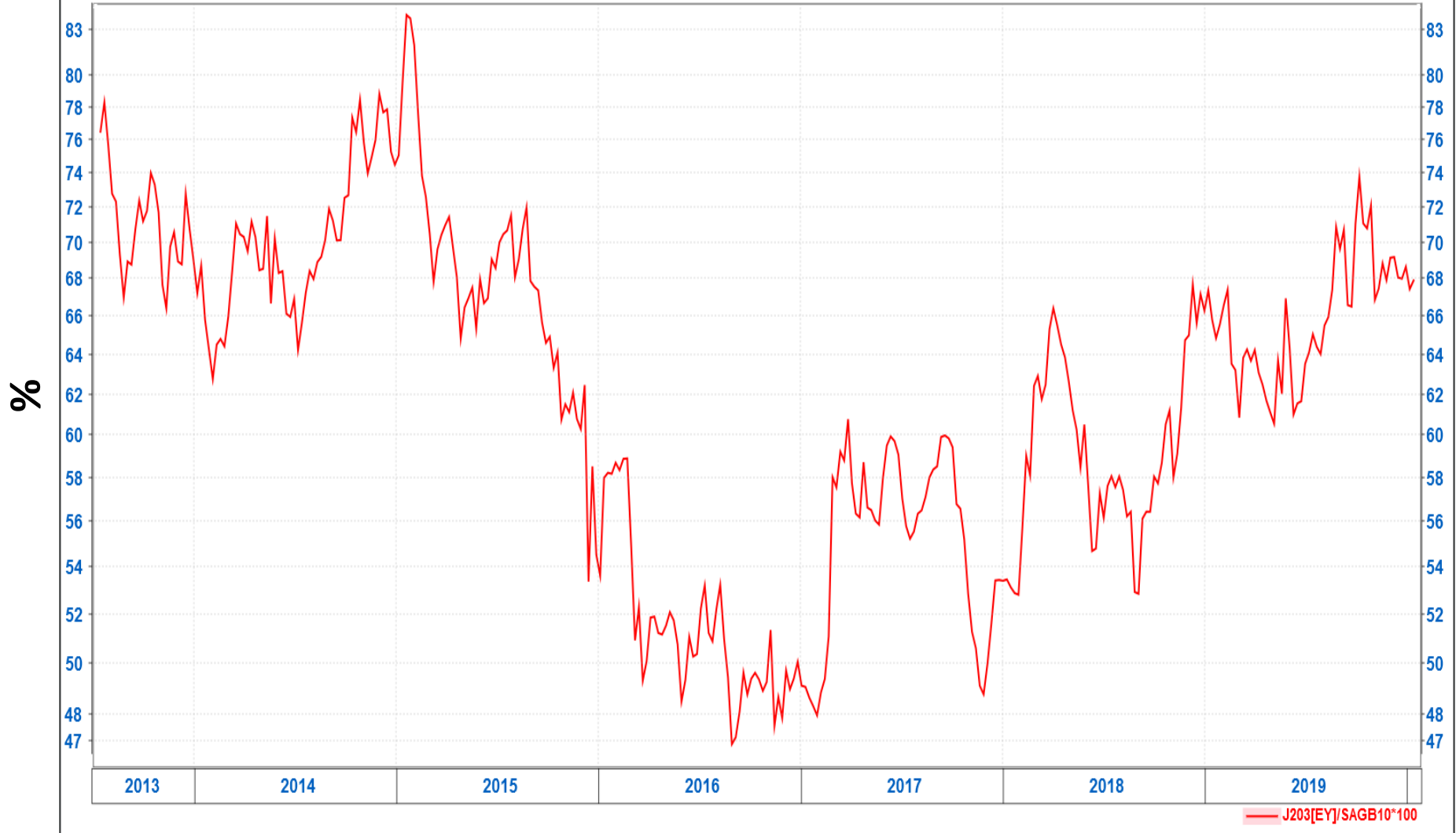
Percentage Change 12 of INFLATION RATE - SOUTH AFRICA (ALL URBAN), USA : S & P 500 COMPOSITE INDEX (EY), FTSE/JSE : AFRICA ALL SHARE INDEX (EY), USA : CONSUMER PRICE INDEX - ALL URBAN S/A
Monthly 2015-09-30 to 2019-11-30



Period

Relative value of share's against Capital market rates

FTSE/JSE : AFRICA ALL SHARE INDEX (Earnings Yield)/SA : GOVT 10 YEAR BOND*100
Weekly 2013-07-14 to 2020-01-12



Period