

International Economic Indicators

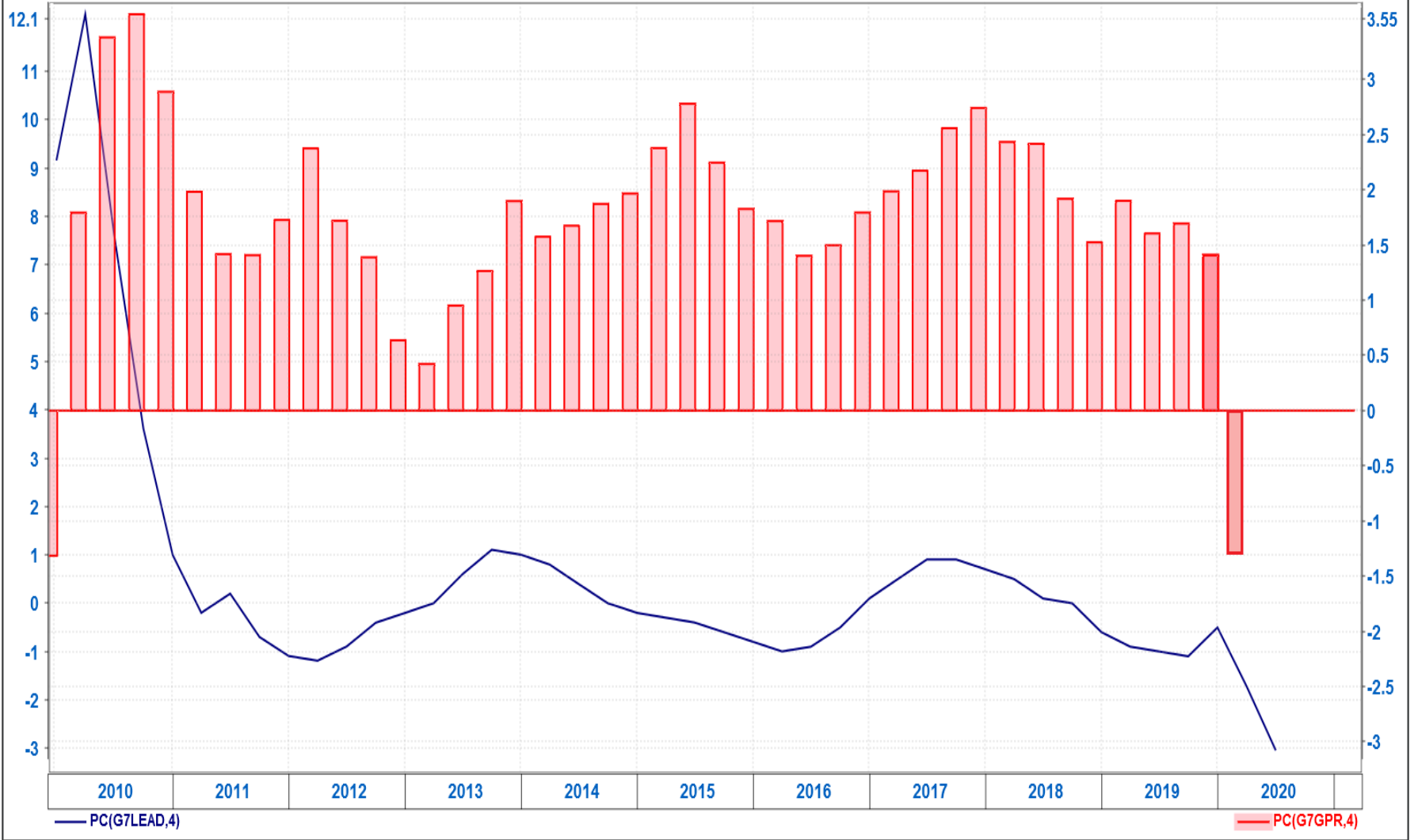
Worldwide: G7

Global impact of Covid-19 on economic growth was prevalent in the Q1 figures coming in at -1.3%. With the future impact of Covid-19 on world growth still uncertain, second quarter estimates of some of the G7 countries remain very weak.

Unemployment rates have increased to 9% in Q2 of 2020; while the latest inflation figures at the 0.1% 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 2009-12-31 to 2020-06-30



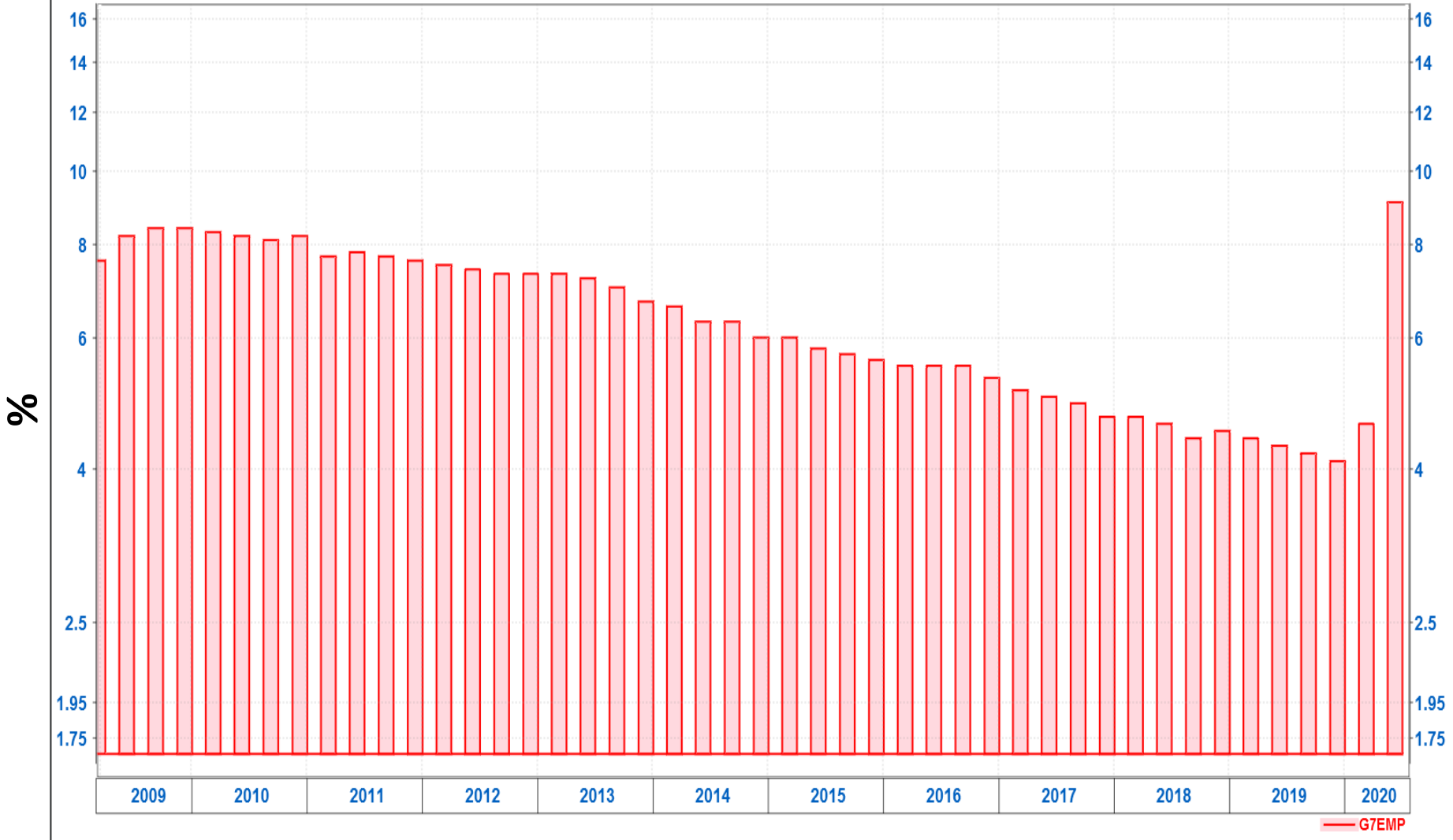
G7 Leading Indicator

G7 Growth Rate

Period

G7 – Unemployment

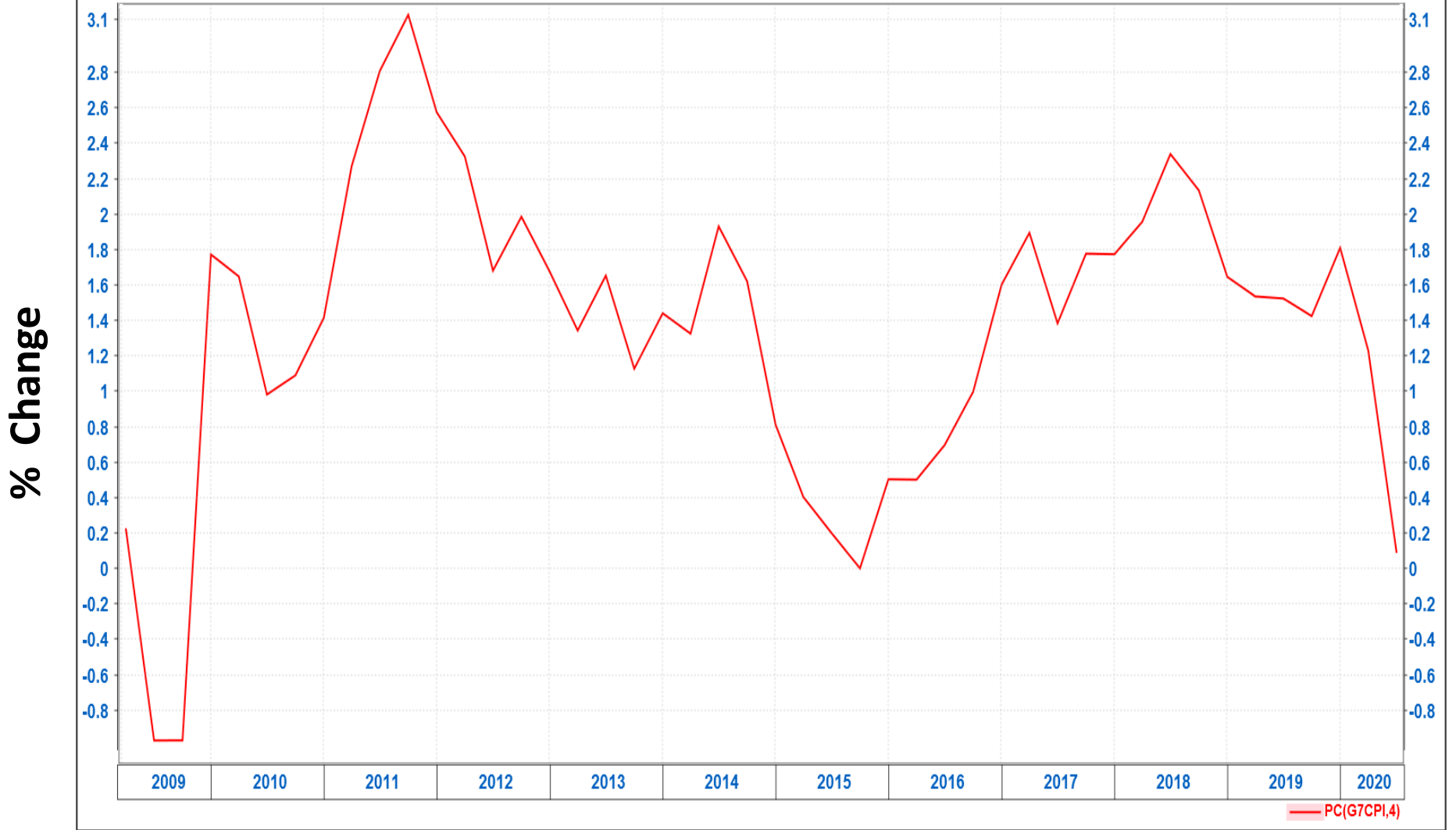
G7 : UNEMPLOYMENT %
Quarterly 2009-03-31 to 2020-06-30



Period

G7 – Inflation

Percentage Change 4 of G7 : CONSUMER PRICE INDEX (2015=100)
Quarterly 2009-03-31 to 2020-06-30



Period

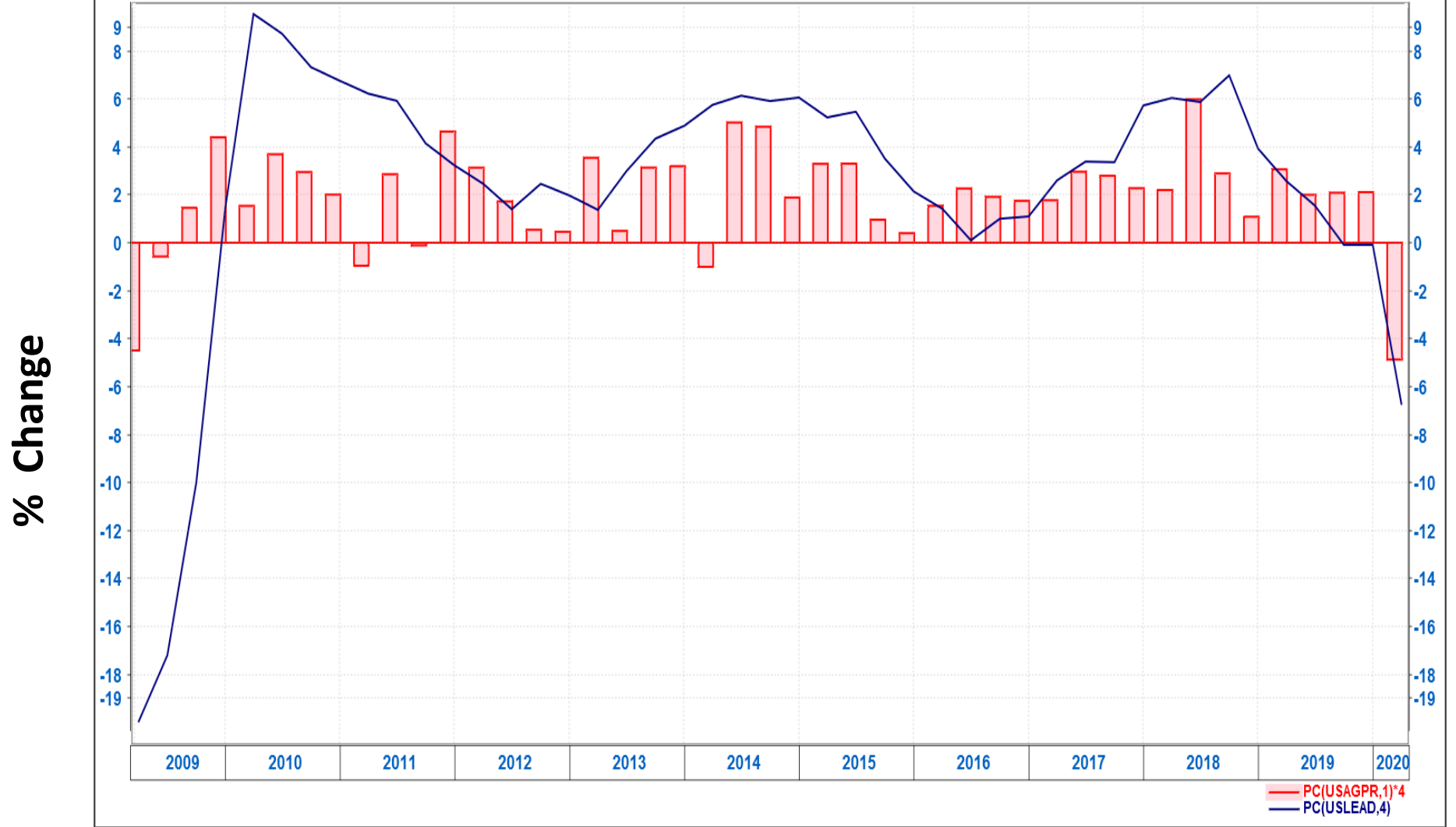
Unites States:

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 continues to weigh down the economy. Inflation came in higher at 0.6% for June 2020. The unemployment rate came in at 11% and real wages growth declined to -1,5% for the same period. GDP growth came in at -4.5% for Q1 of 2020.

Earnings growth expectations have decreased as well and are estimated at -17.2% for the first quarter of 2020 and -44.6% for quarter two.

USA – Economic Growth Rate

PC(USAGPR,1)*4 , Percentage Change 4 of USA : COMPOSITE LEADING INDICATOR (2016=100)
Quarterly 2009-03-31 to 2020-03-31

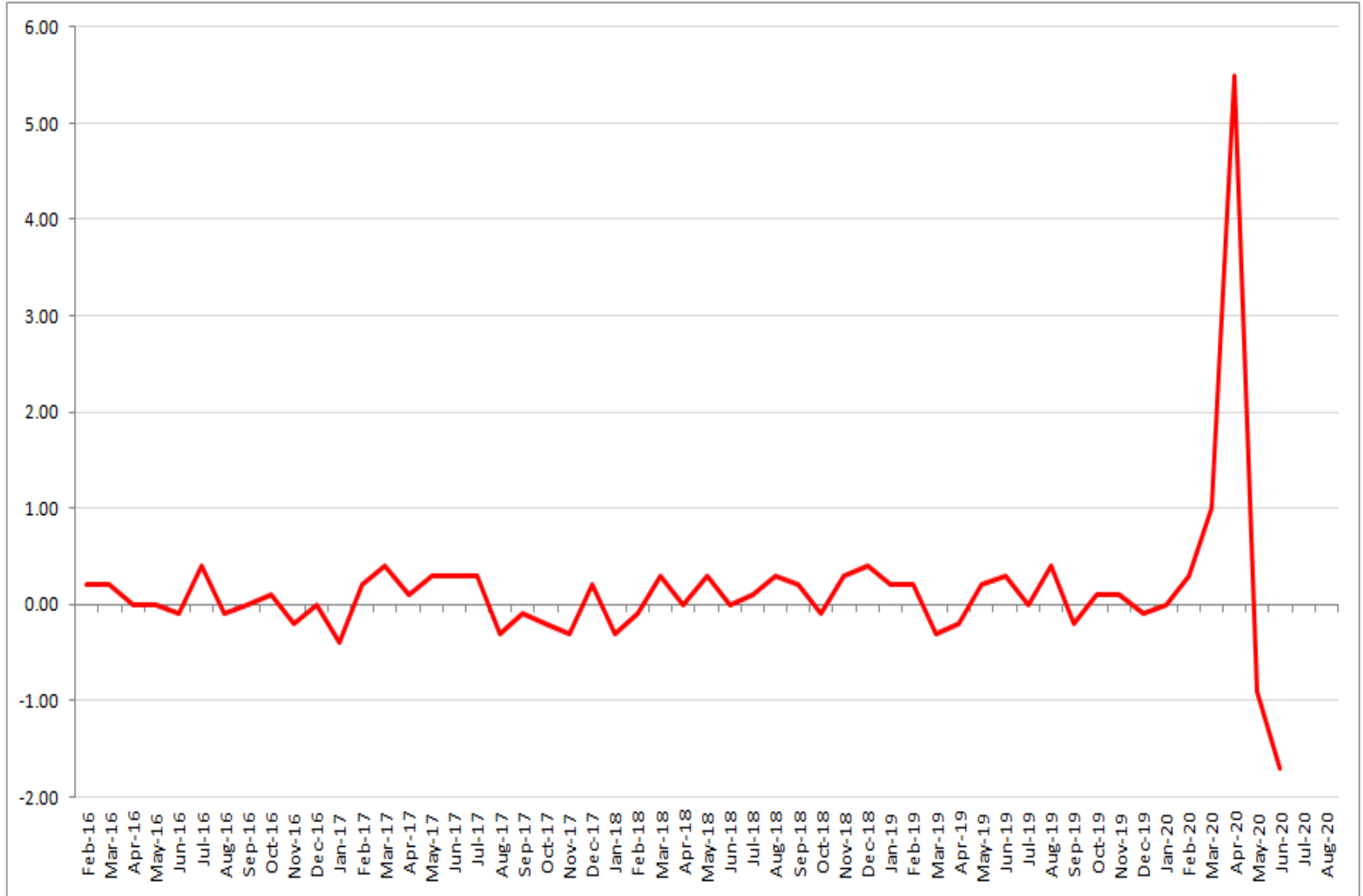


— USA Growth Rate

— USA Leading Indicator

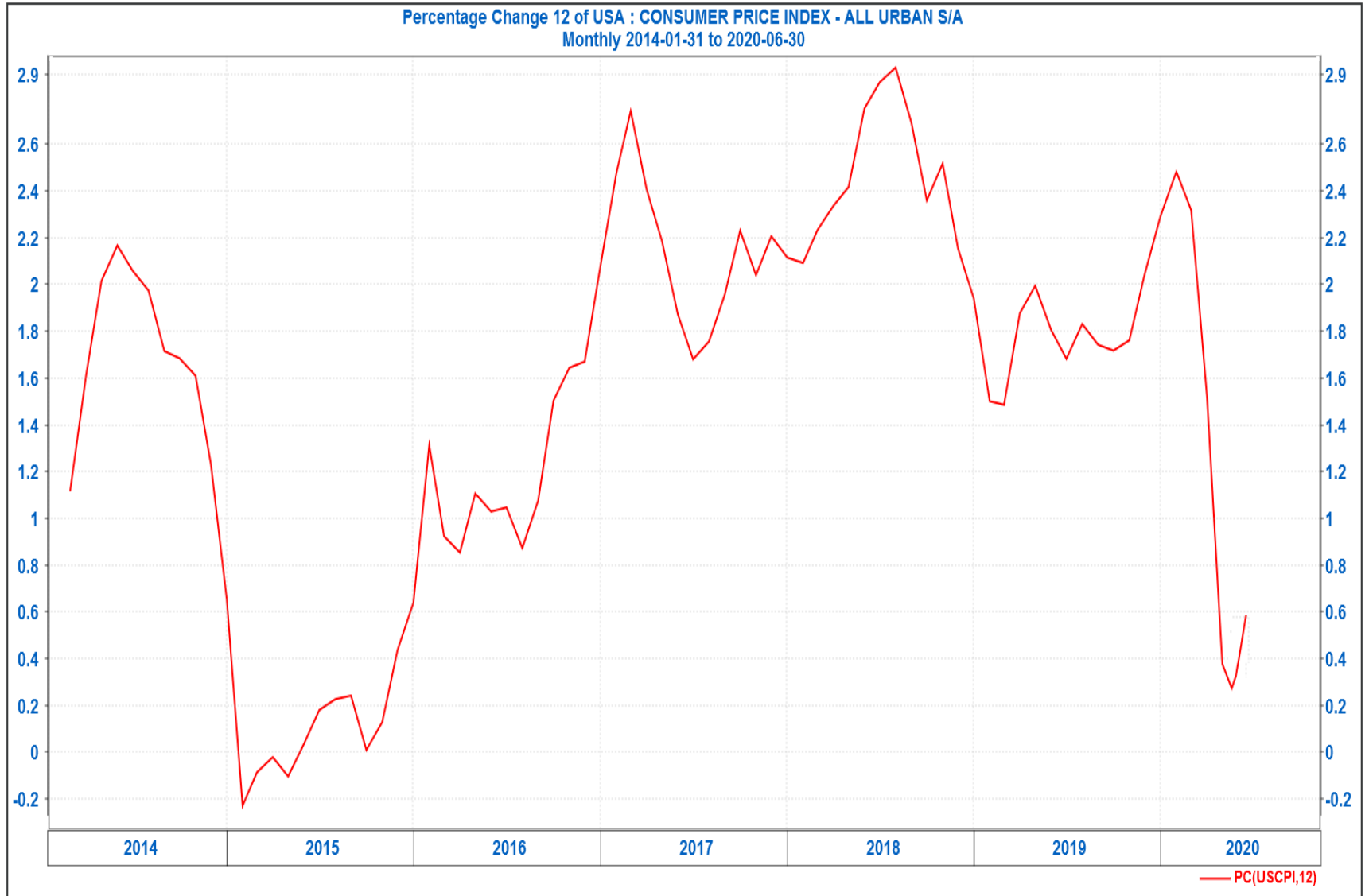
Period

Real US Wages Growth (MoM)



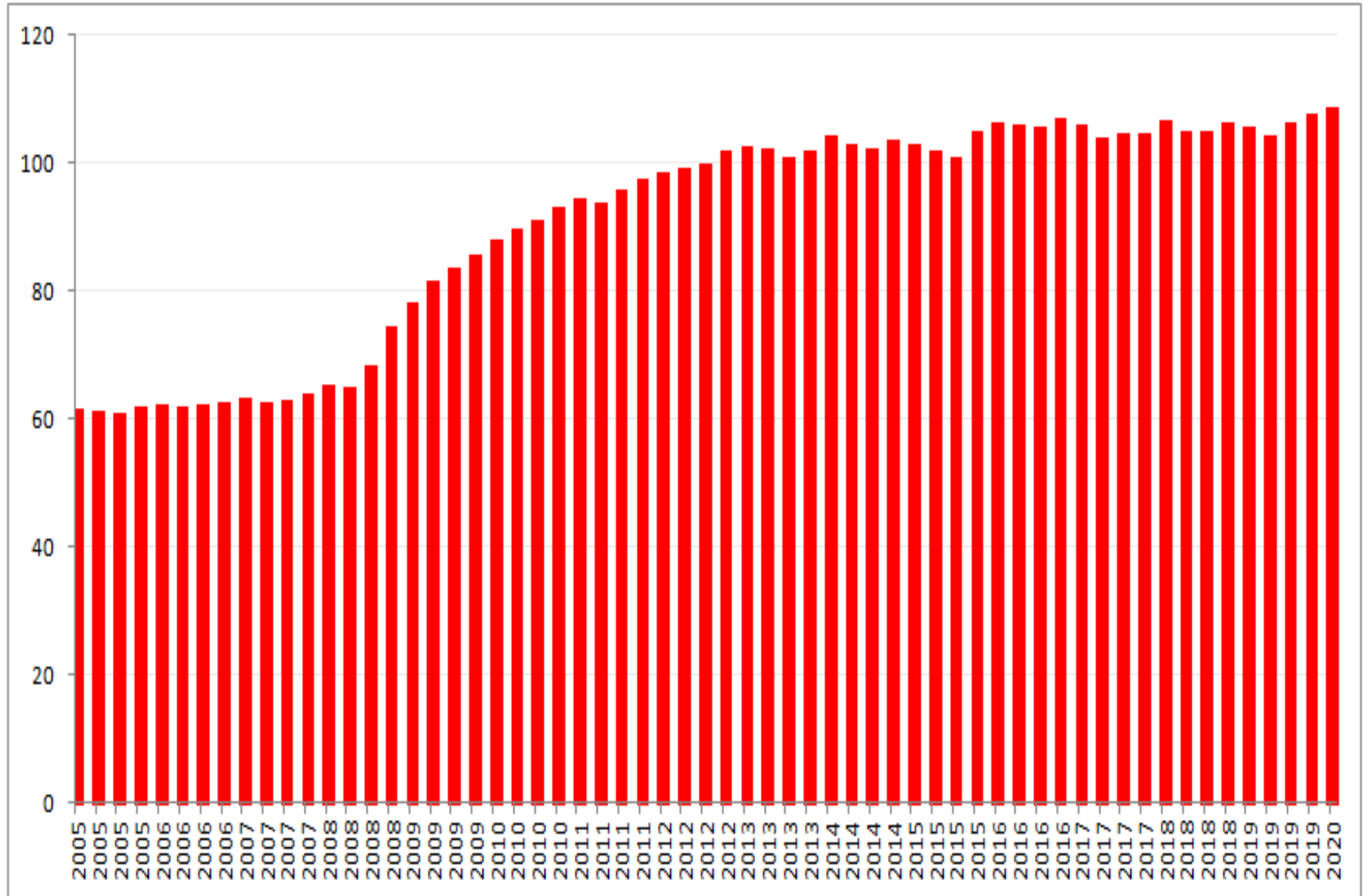
Period

USA – Inflation



Period

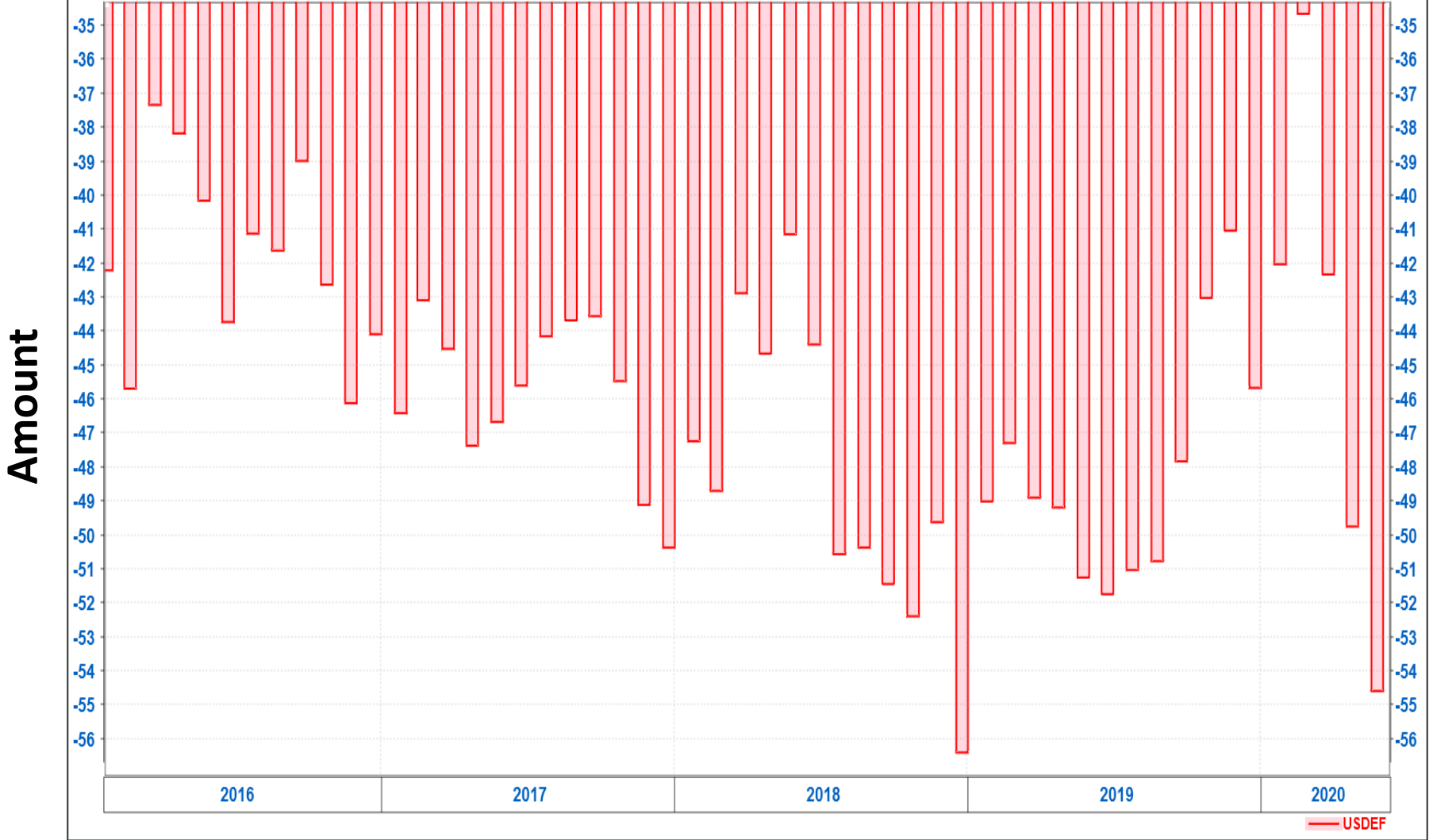
USA – Government Debt %GDP (\$ Million)



Period

USA - Trade Balance Deficit (\$ Billion)

USA : TRADE BALANCE S/A (\$BN)
Monthly 2016-01-31 to 2020-05-31



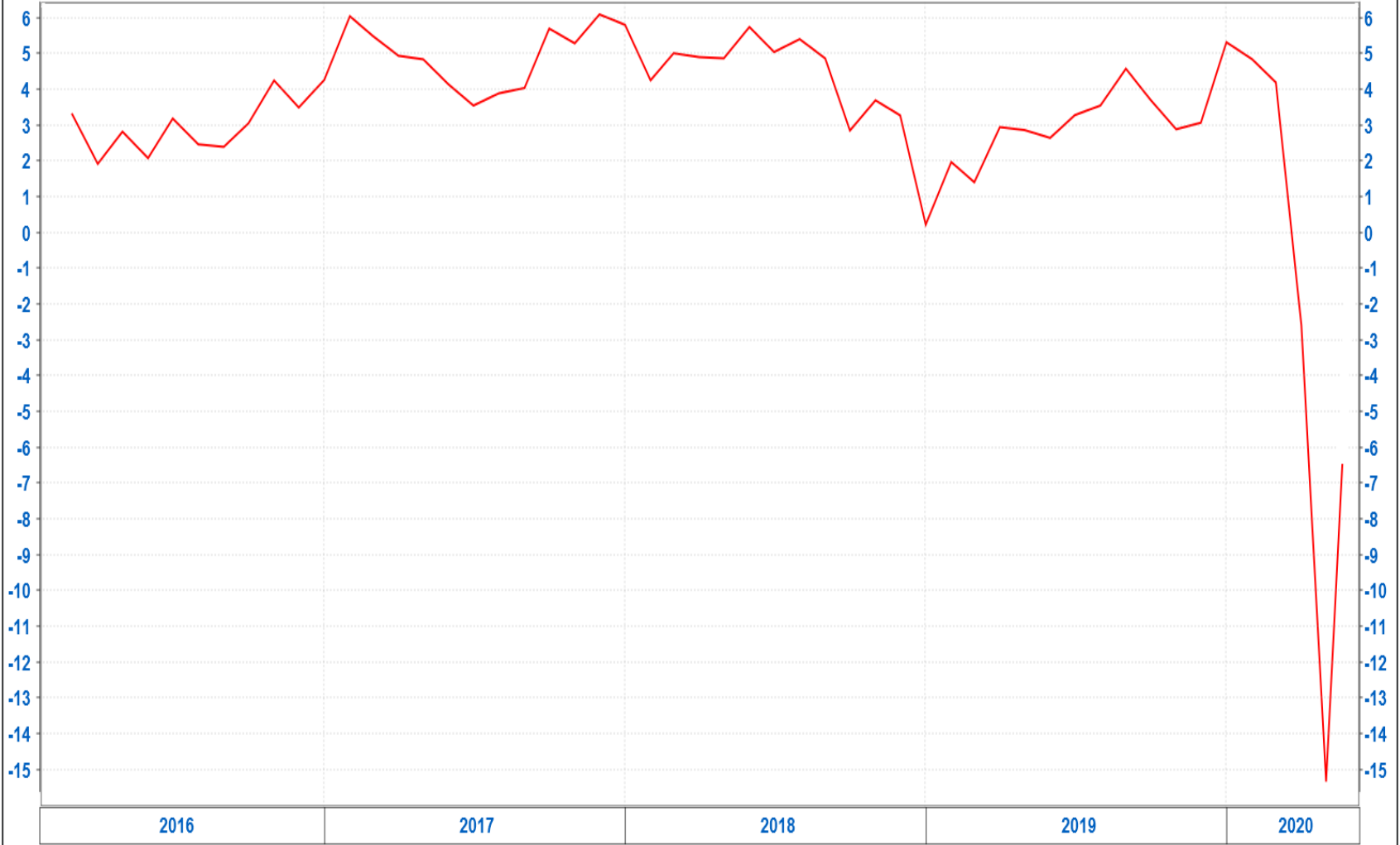
Period

USDEF

USA - Retail Sales

Percentage Change 12 of USA : RETAIL TRADE - VALUE S/A (US\$BN)
Monthly 2016-01-31 to 2020-05-31

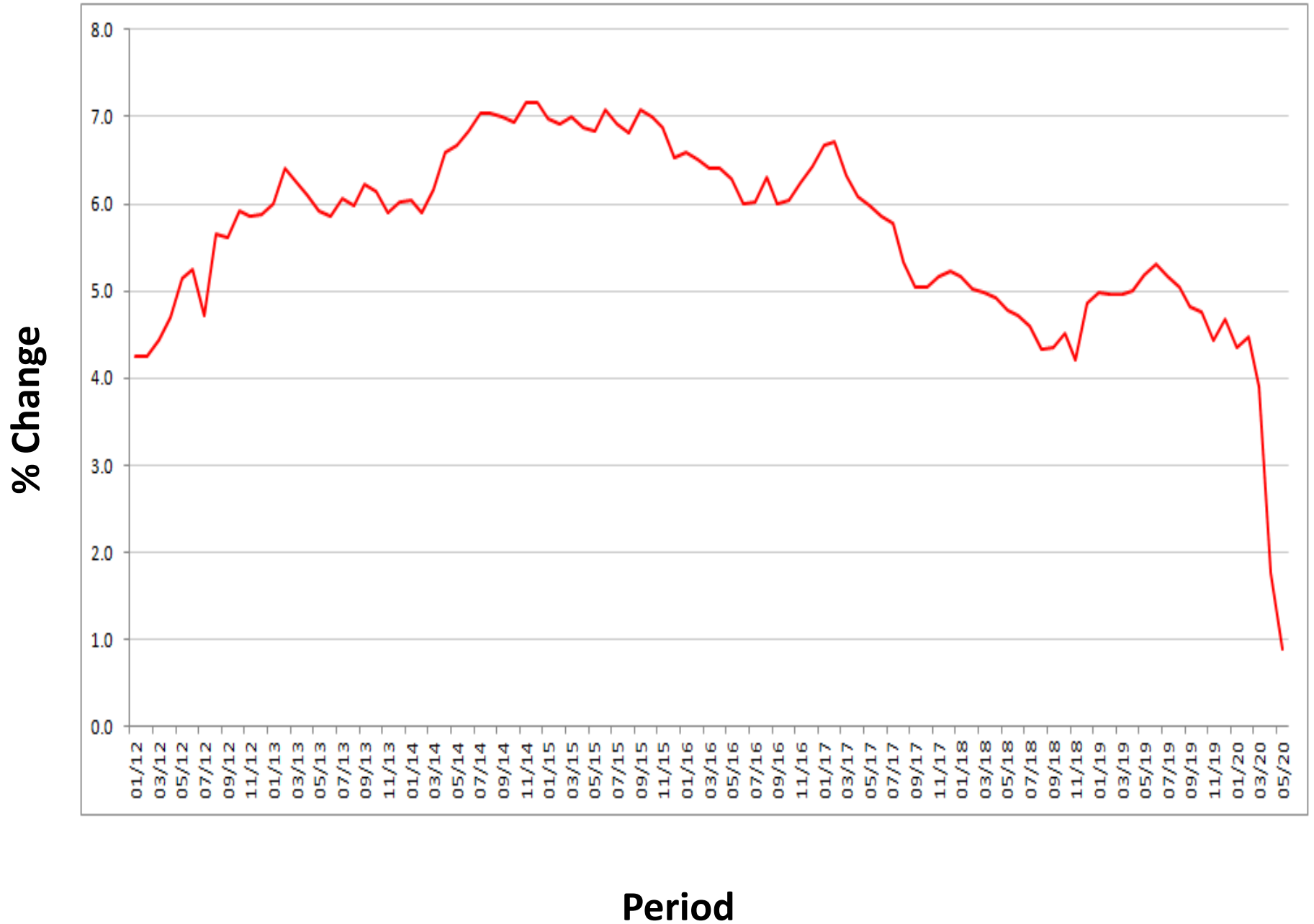
% Change



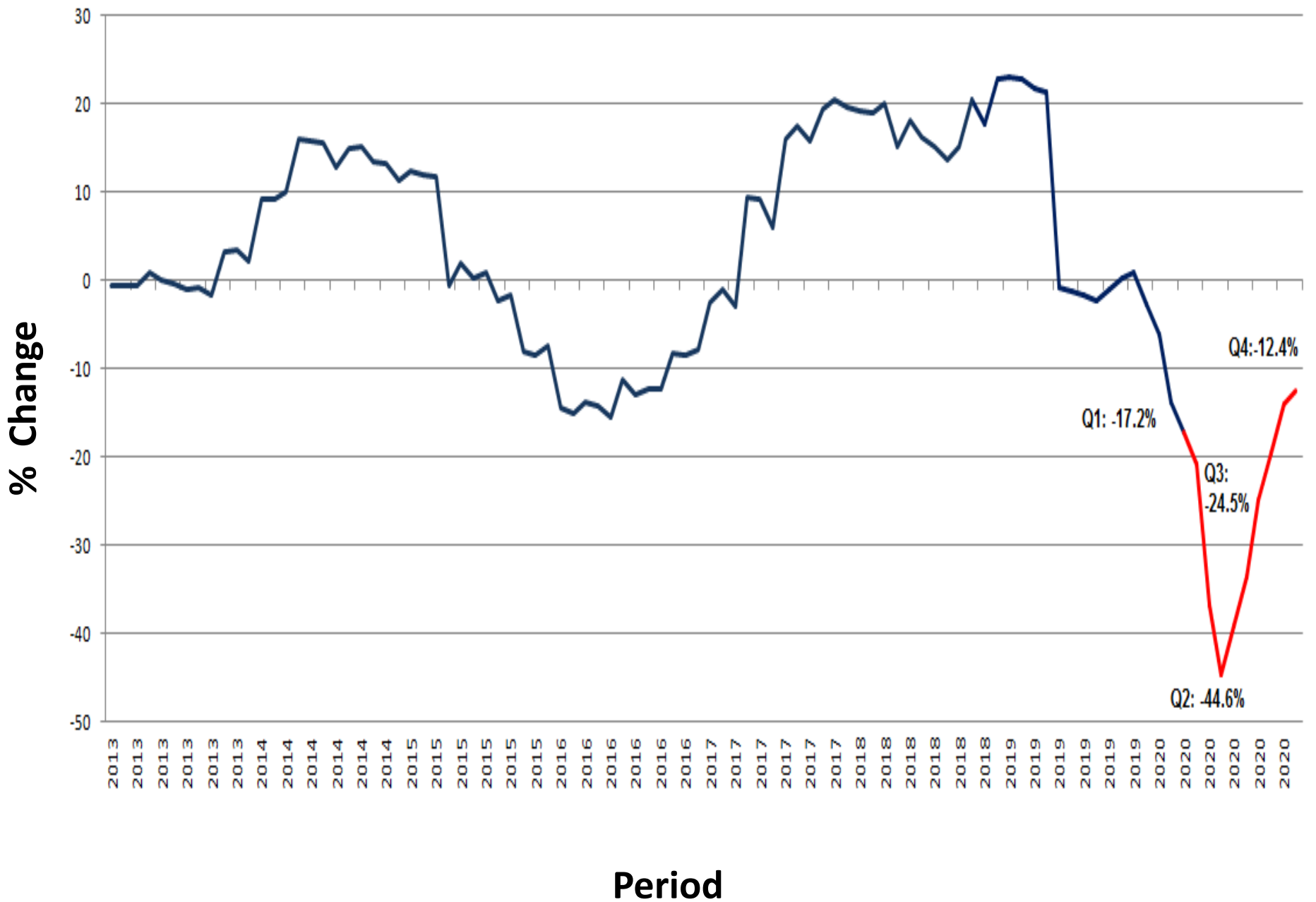
PC(USARET,12)

Period

USA – Consumer Credit



USA – S&P 500 Earnings Growth

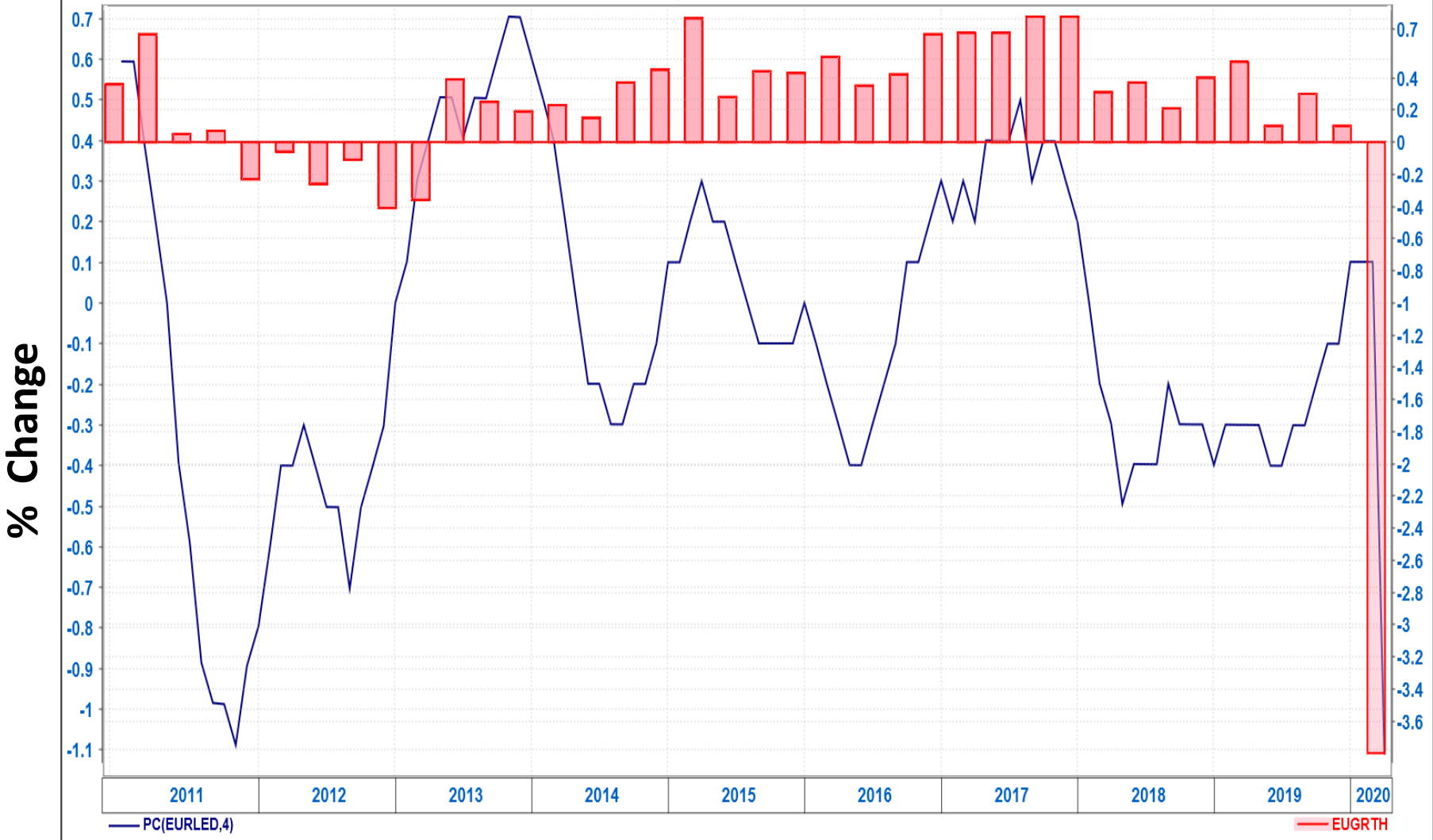


Euro Area:

GDP growth came in at -3.7% for the first quarter, clearly showing the implications of the lockdown surrounding the efforts to curb the spread of Covid-19. Unemployment ticked up to 7.4% in the first quarter. Inflation recovered to 0.3% in June 2020. 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
Monthly 2010-11-30 to 2020-03-31

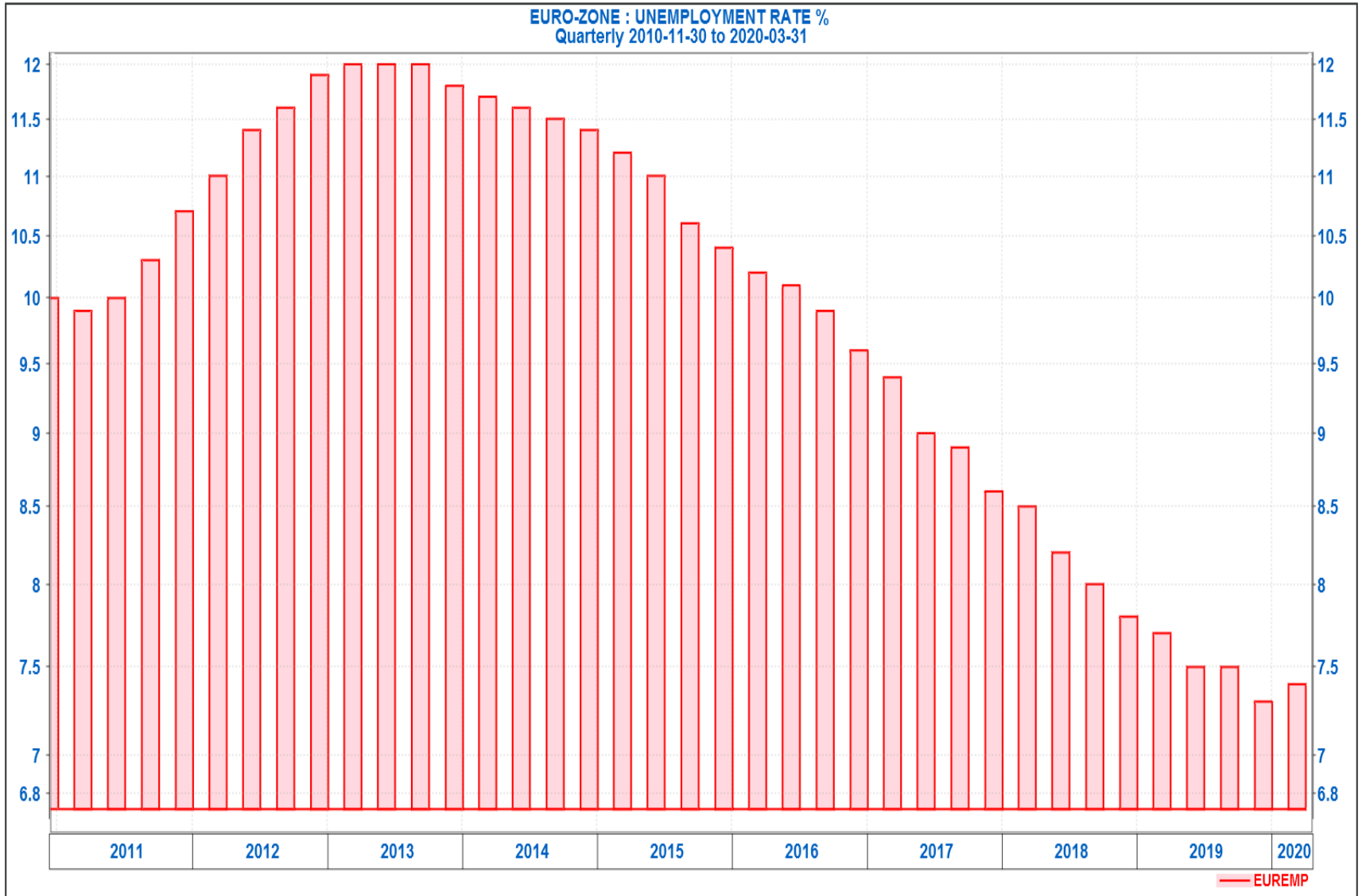


— Europe Growth Rate

— Europe Leading Indicator

Period

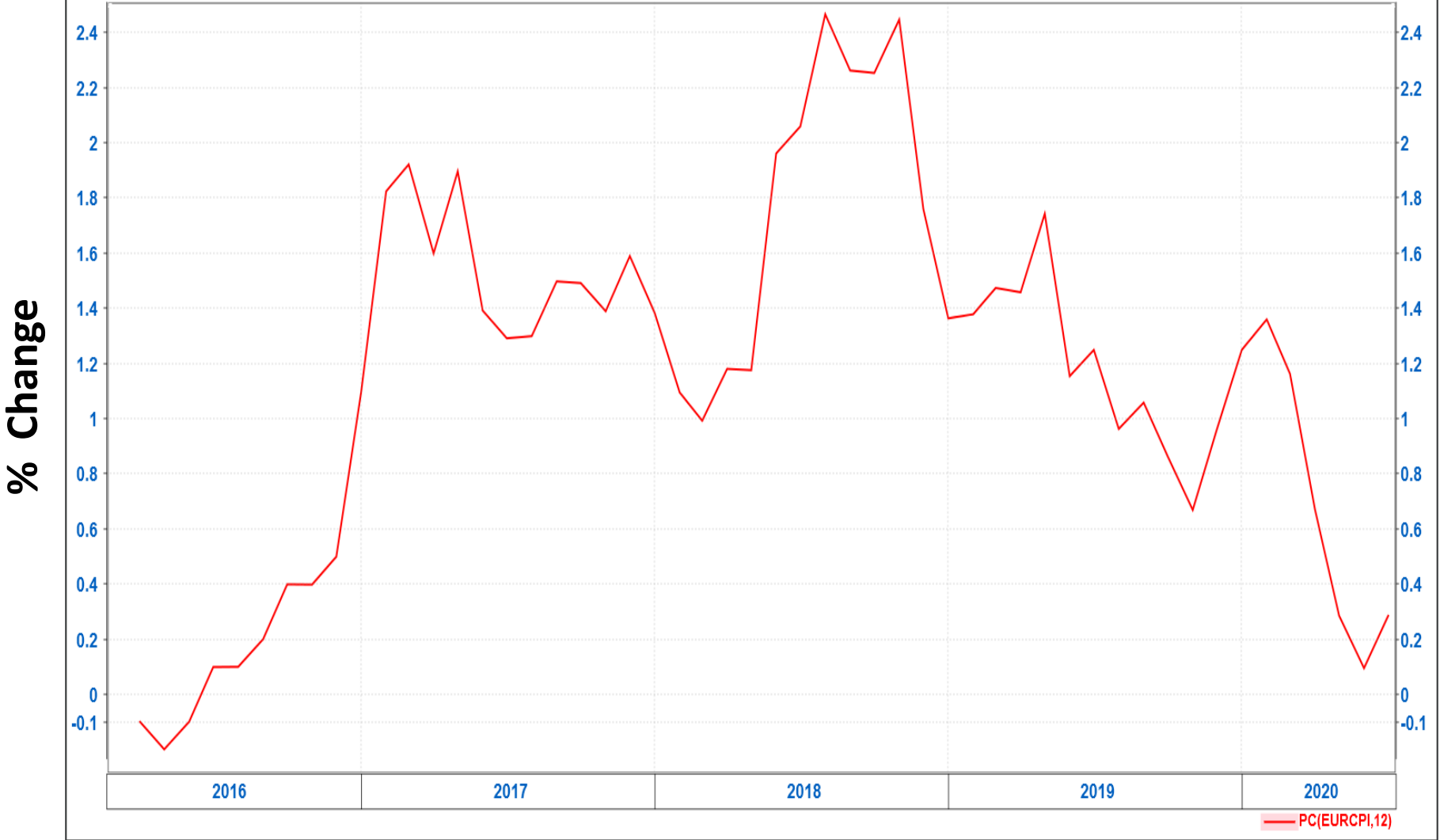
Europe – Unemployment



Period

Europe – Inflation

Percentage Change 12 of EURO-ZONE : CONSUMER PRICE INDEX (2015=100)
Monthly 2016-02-29 to 2020-06-30



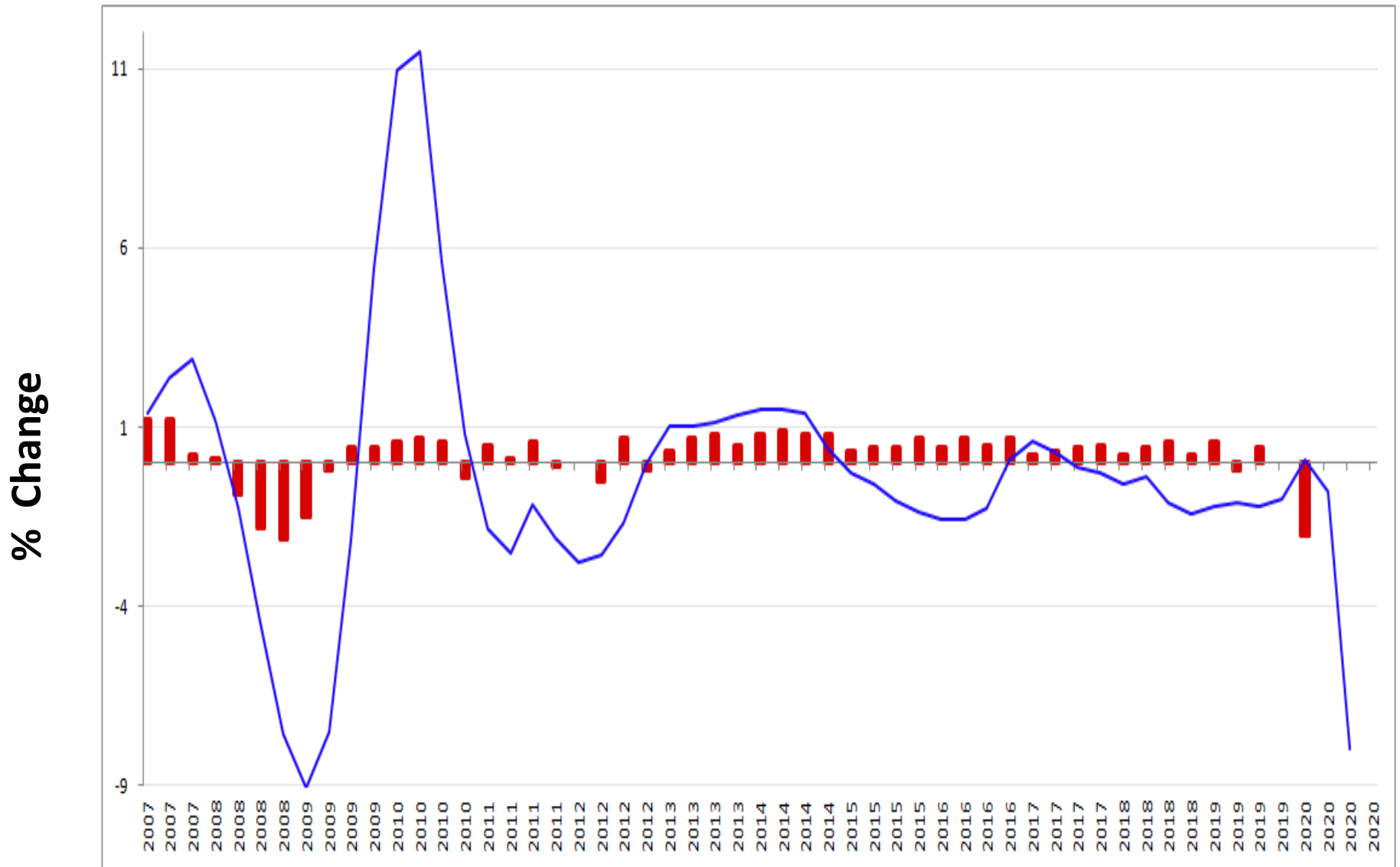
Period

United Kingdom:

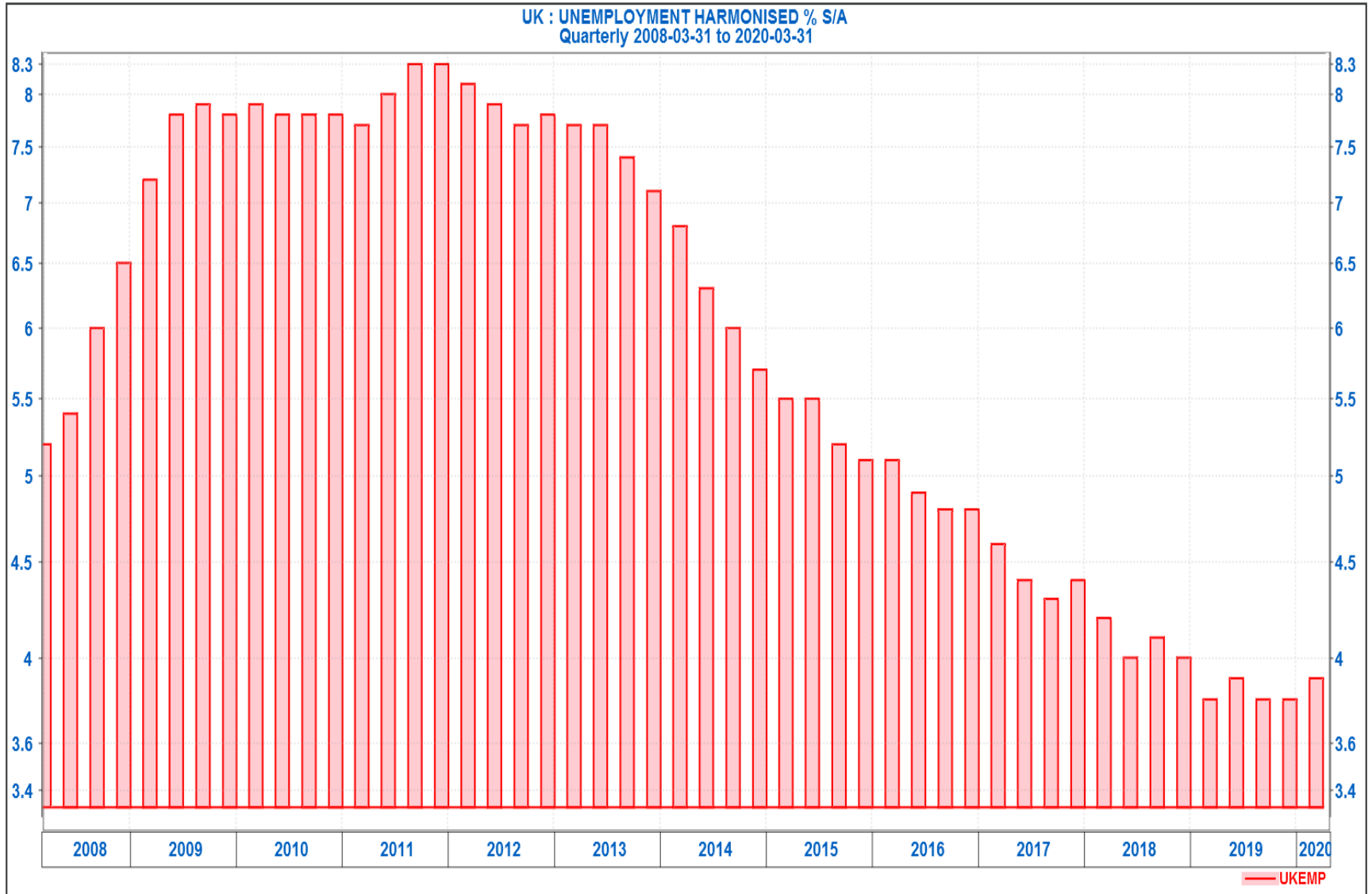
Economic growth weakened -2.2% in the first quarter, reflecting ongoing impact of Covid-19. With Brexit clearly weighing down on the country and additional strain from the effect of Covid-19. Inflation is down to 0.55% for May 2020, and the unemployment rate remained at 3.8%.

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

UK – Economic Growth Rate Quarterly



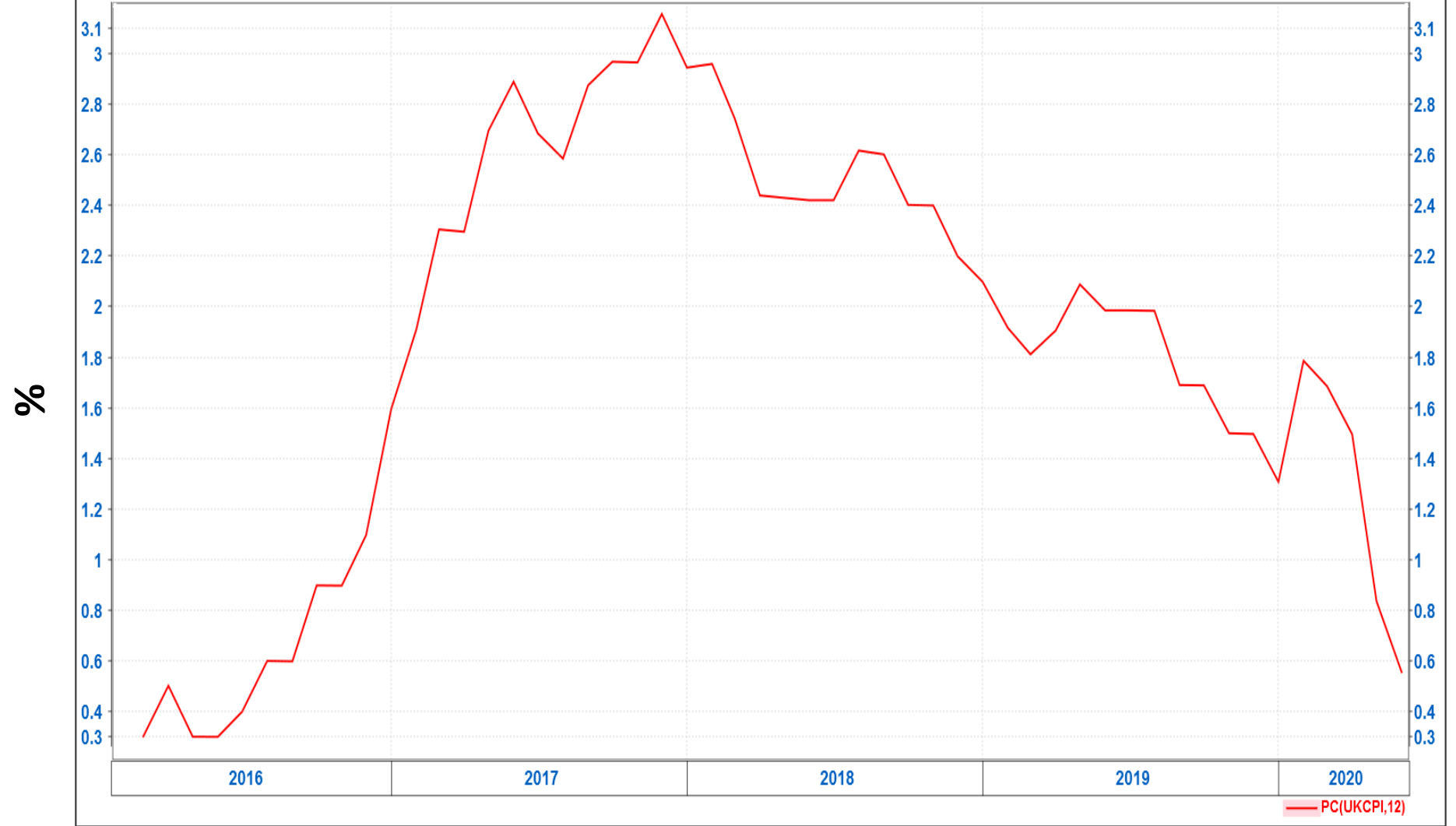
UK – Unemployment



Period

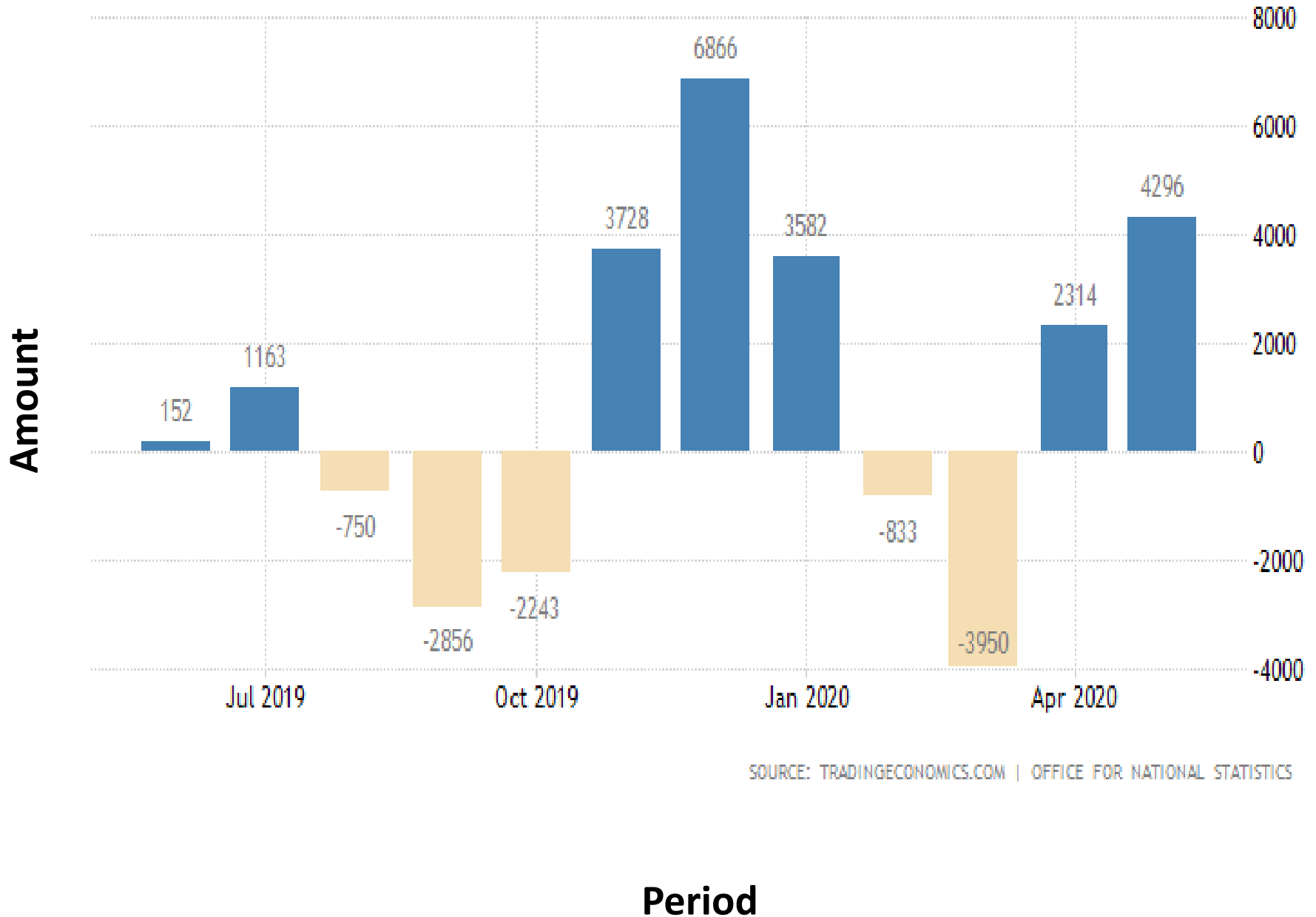
UK – Inflation

Percentage Change 12 of UK : CONSUMER PRICE INDEX-ALL ITEMS (2015=100)
Monthly 2016-01-31 to 2020-05-31

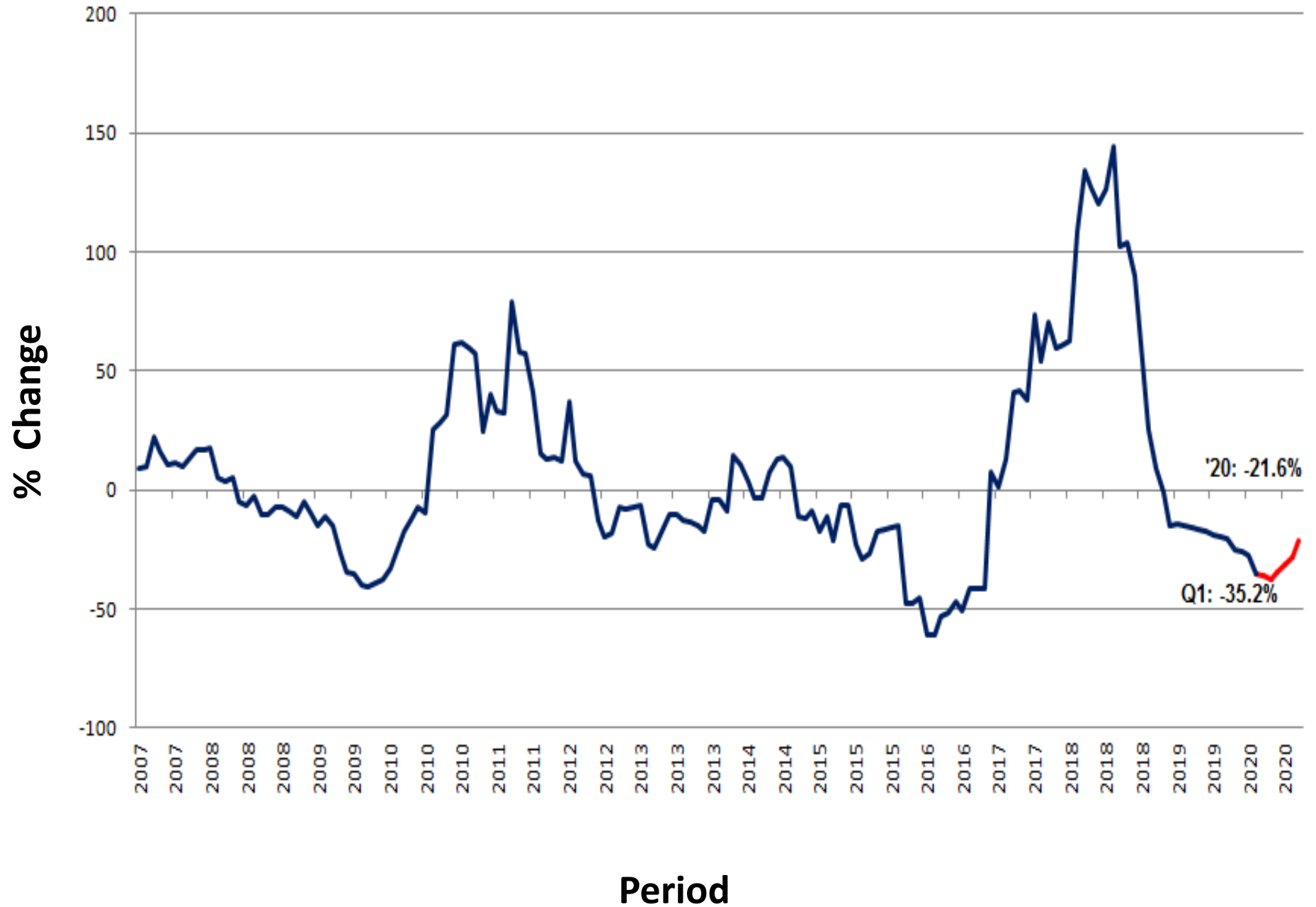


Period

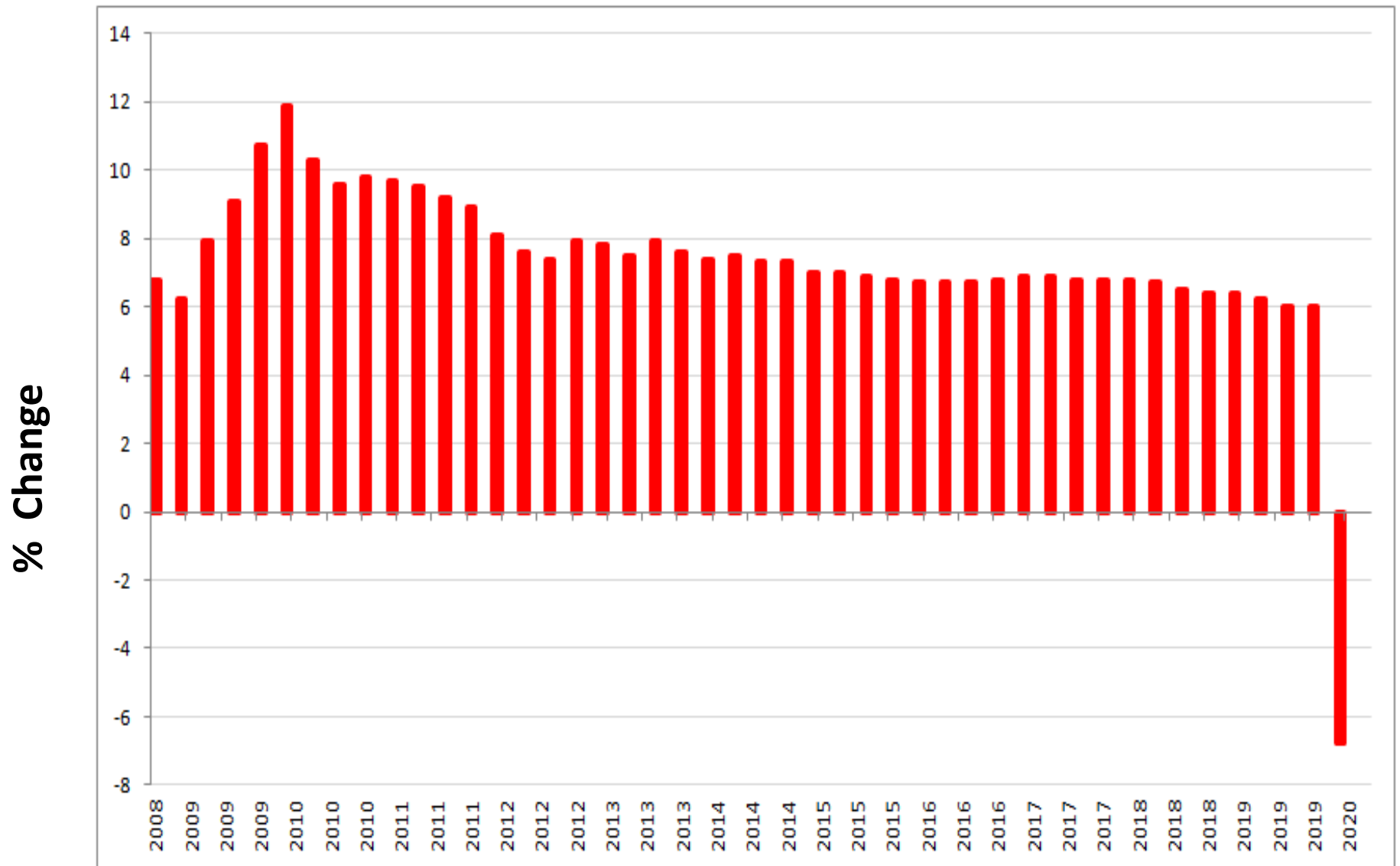
UK – Trade Balance (£ Millions)



UK – FTSE 100 Earnings Growth



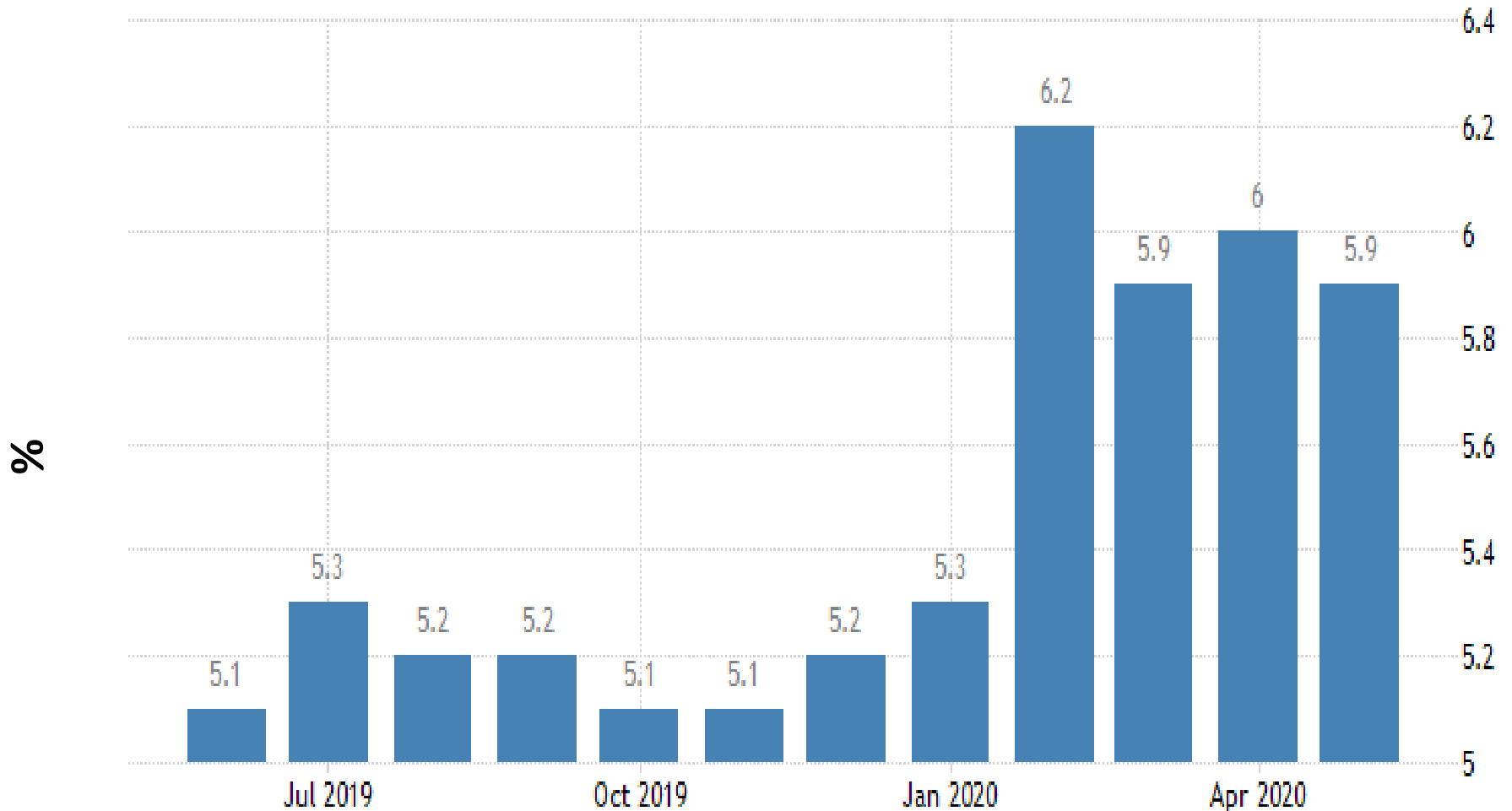
China – Economic Growth Rate



— China Growth Rate

Period

China – Unemployment

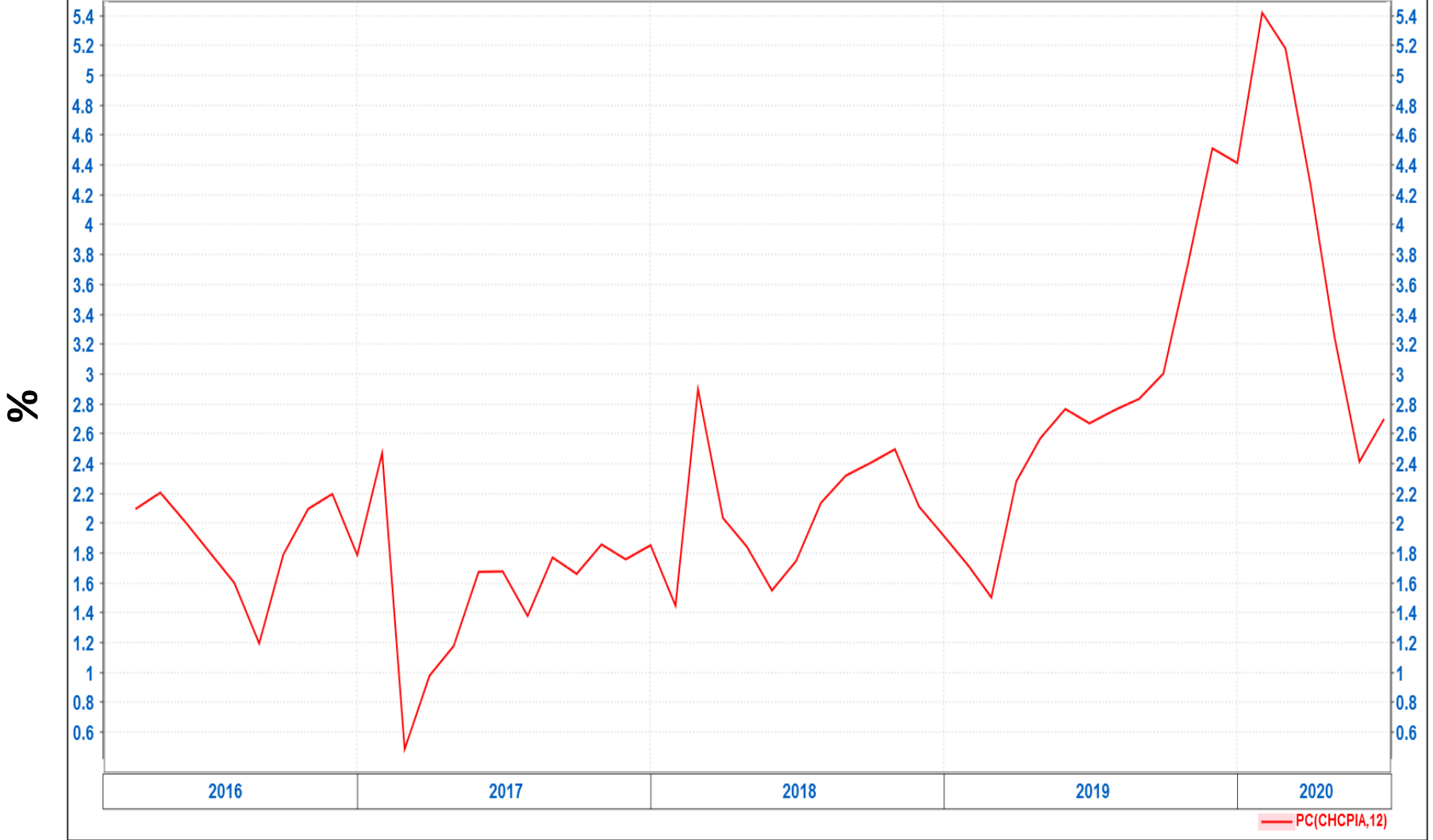


SOURCE: [TRADINGECONOMICS.COM](https://tradingeconomics.com) | NATIONAL BUREAU OF STATISTICS OF CHINA

Period

China – Inflation

Percentage Change 12 of CHINA : CONSUMER PRICE INDEX ALL ITEMS (2015=100)
Monthly 2016-02-29 to 2020-06-30



Period

South Africa Economic Indicators

South Africa:

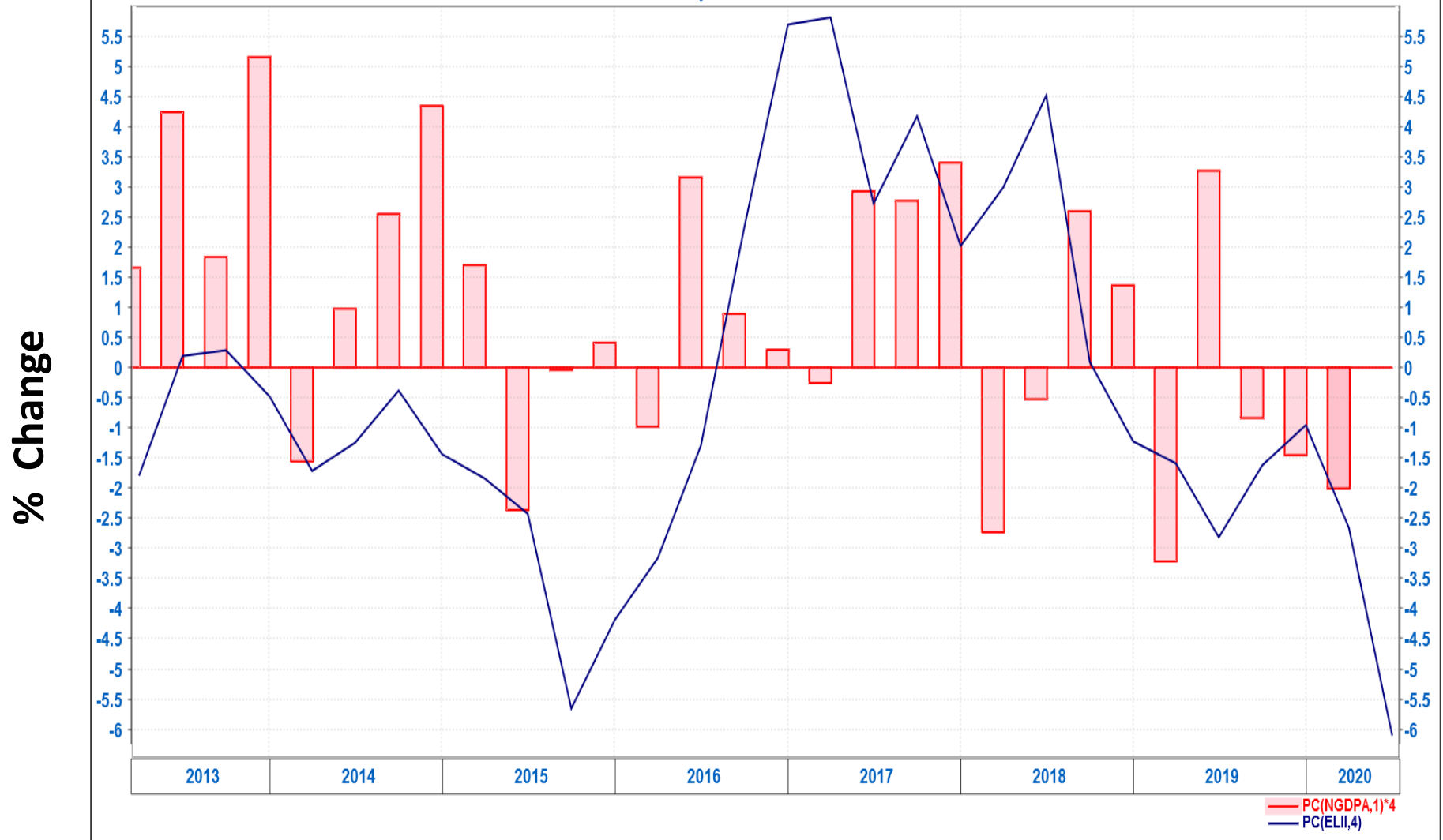
Economic growth slowed further to -2% in Q1 of 2020 with rolling blackouts, strike action and the national lockdown clearly weighing down production. Unemployment came in at a historic 30.1% in Q1 of 2020. Inflation remains low at 3% for April, whilst consumer credit ticked lower to the 6.3 % level.

It is expected that the SARB may opt to cut interest rates again as inflation is 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 5.32% in 2020, after experiencing growth of 15.04% in the fourth quarter of 2019.

South Africa – Economic Growth Rate Quarterly

PC(NGDPA,1)*4 , Percentage Change 4 of LEADING INDICATOR (2015=100)
 Quarterly 2013-03-31 to 2020-06-30



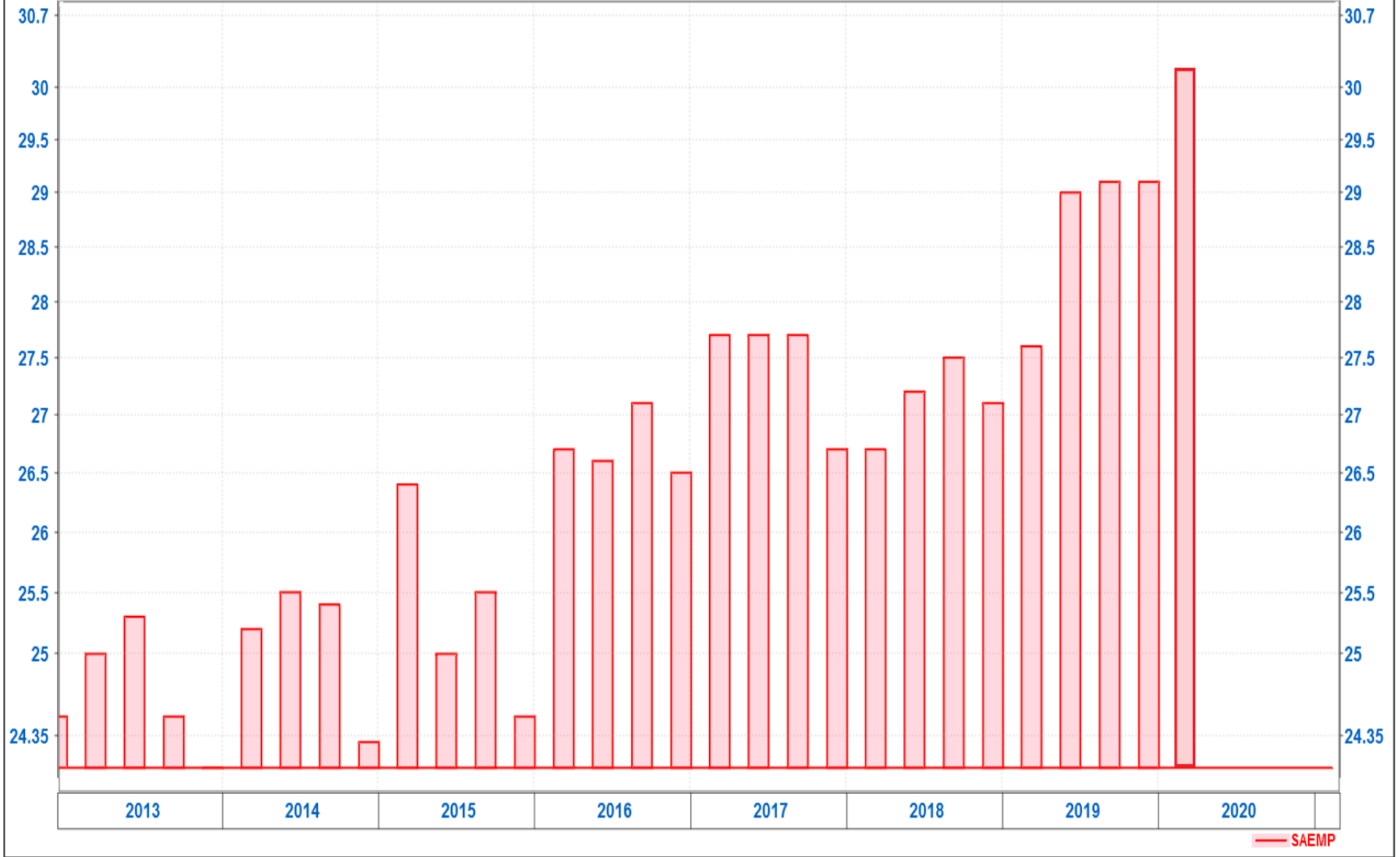
— South Africa Growth Rate

— South Africa Leading Indicator

Period

South Africa – Unemployment

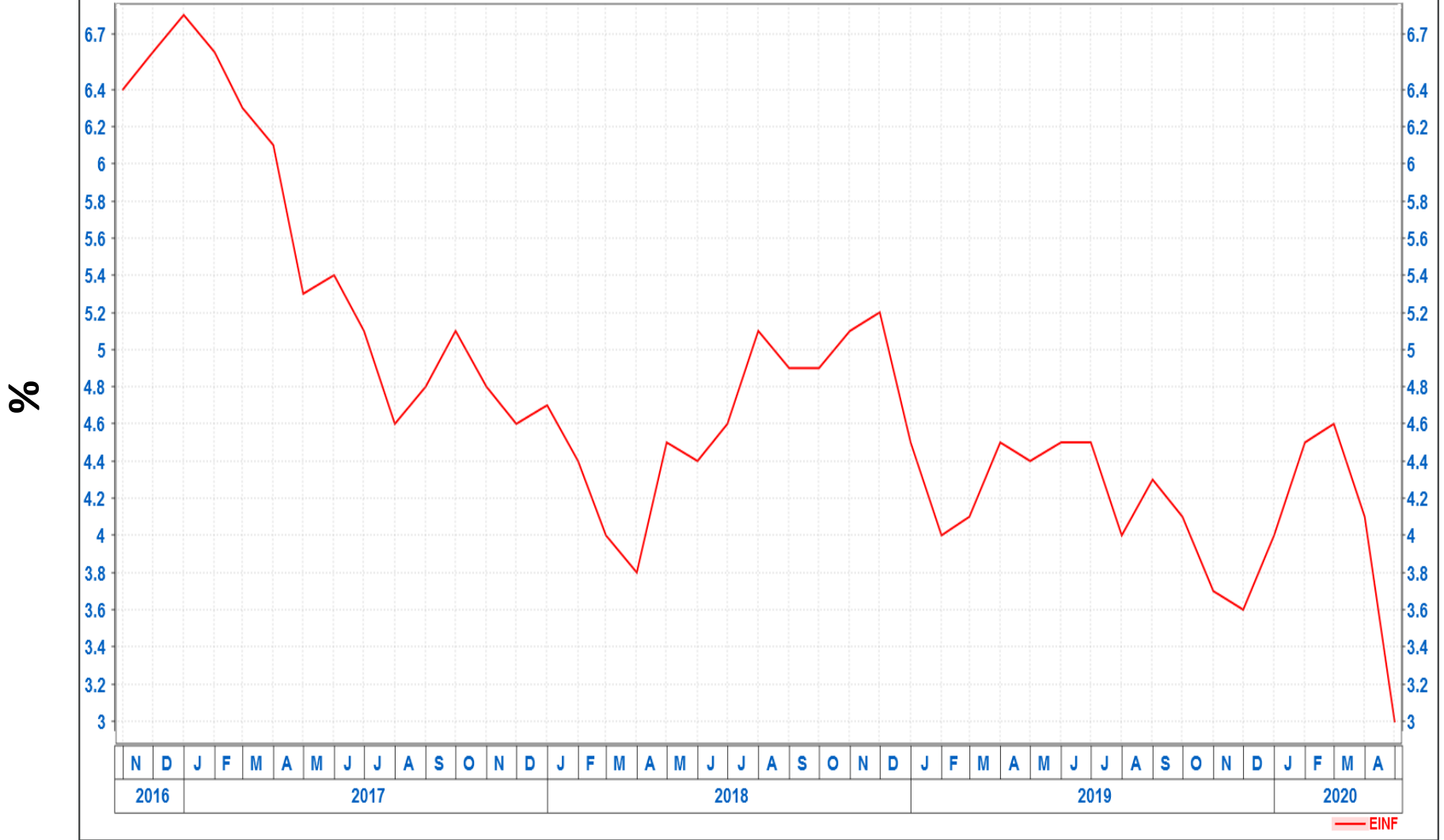
EMPLOYMENT : OFFICIAL UNEMPLOYMENT RATE (ILO)
Quarterly 2012-12-31 to 2019-12-31



Period

South Africa – Inflation Rate

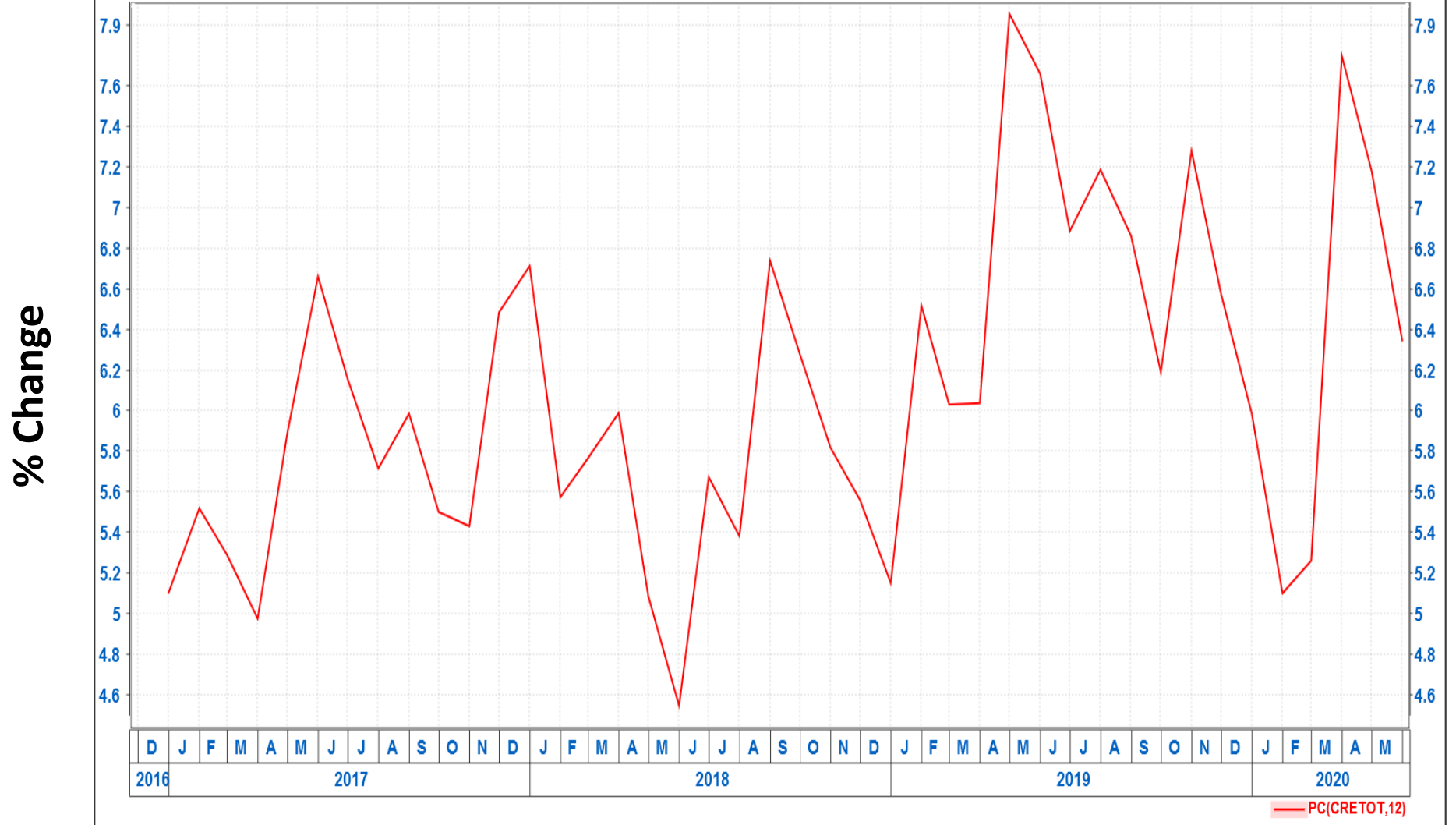
INFLATION RATE - SOUTH AFRICA (ALL URBAN)
Monthly 2016-10-31 to 2020-04-30



Period

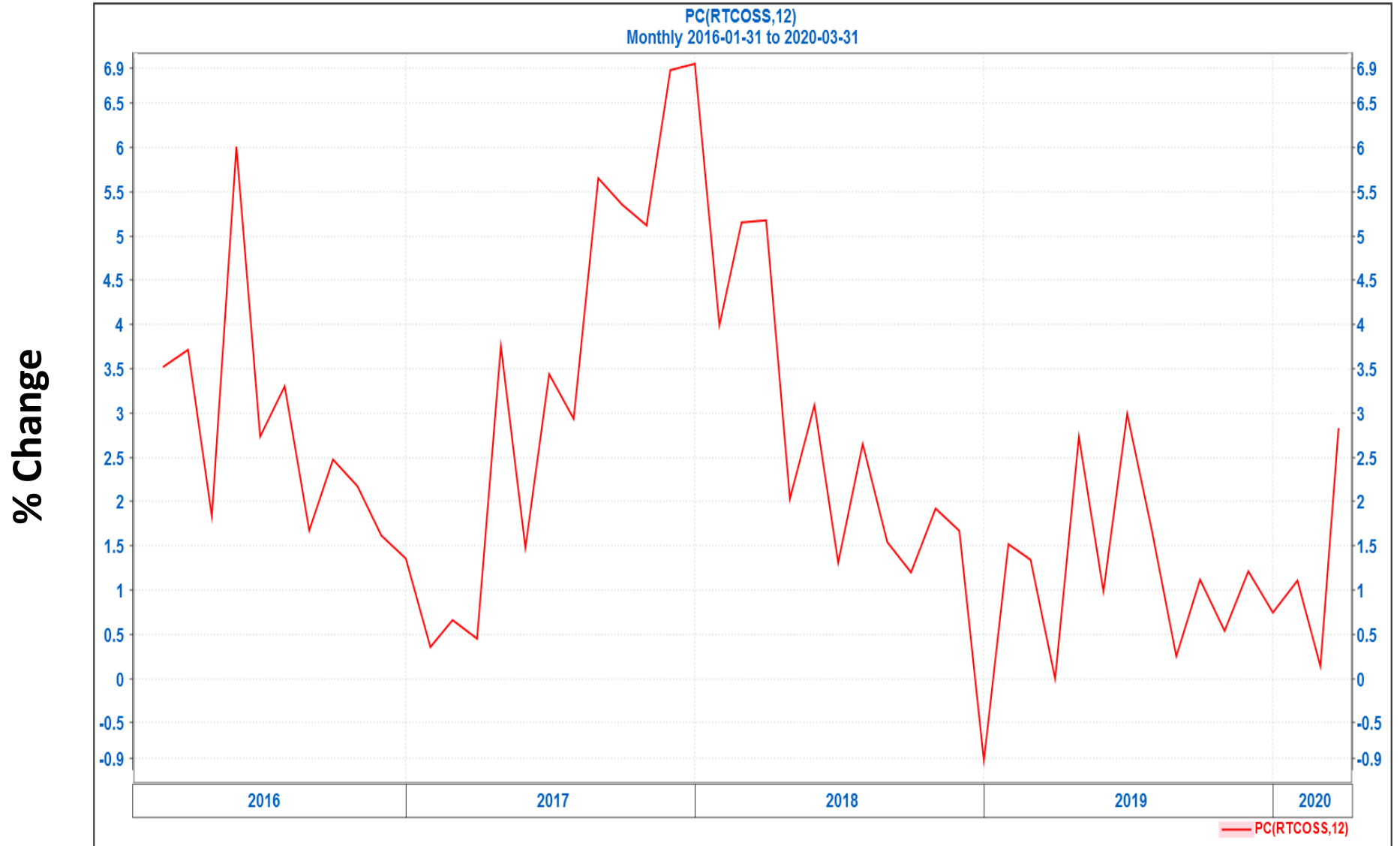
South Africa – Consumer Credit

Percentage Change 12 of CREDIT: TOTAL EXTENDED BY PRIVATE SECTOR (RM)
Monthly 2016-11-30 to 2020-05-31



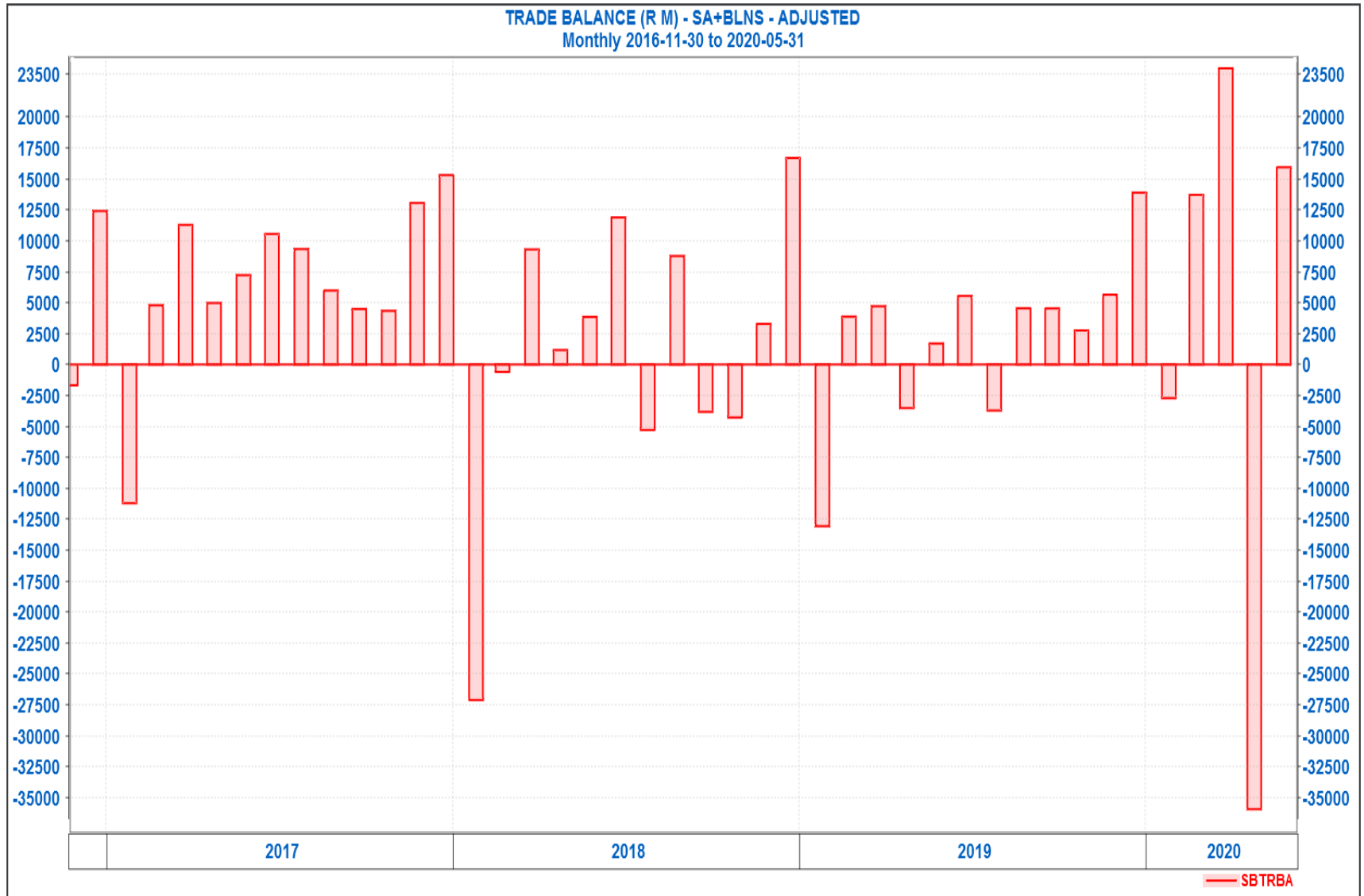
Period

South Africa – Retail Sales



Period

South Africa – Trade Balance (ZAR Million)

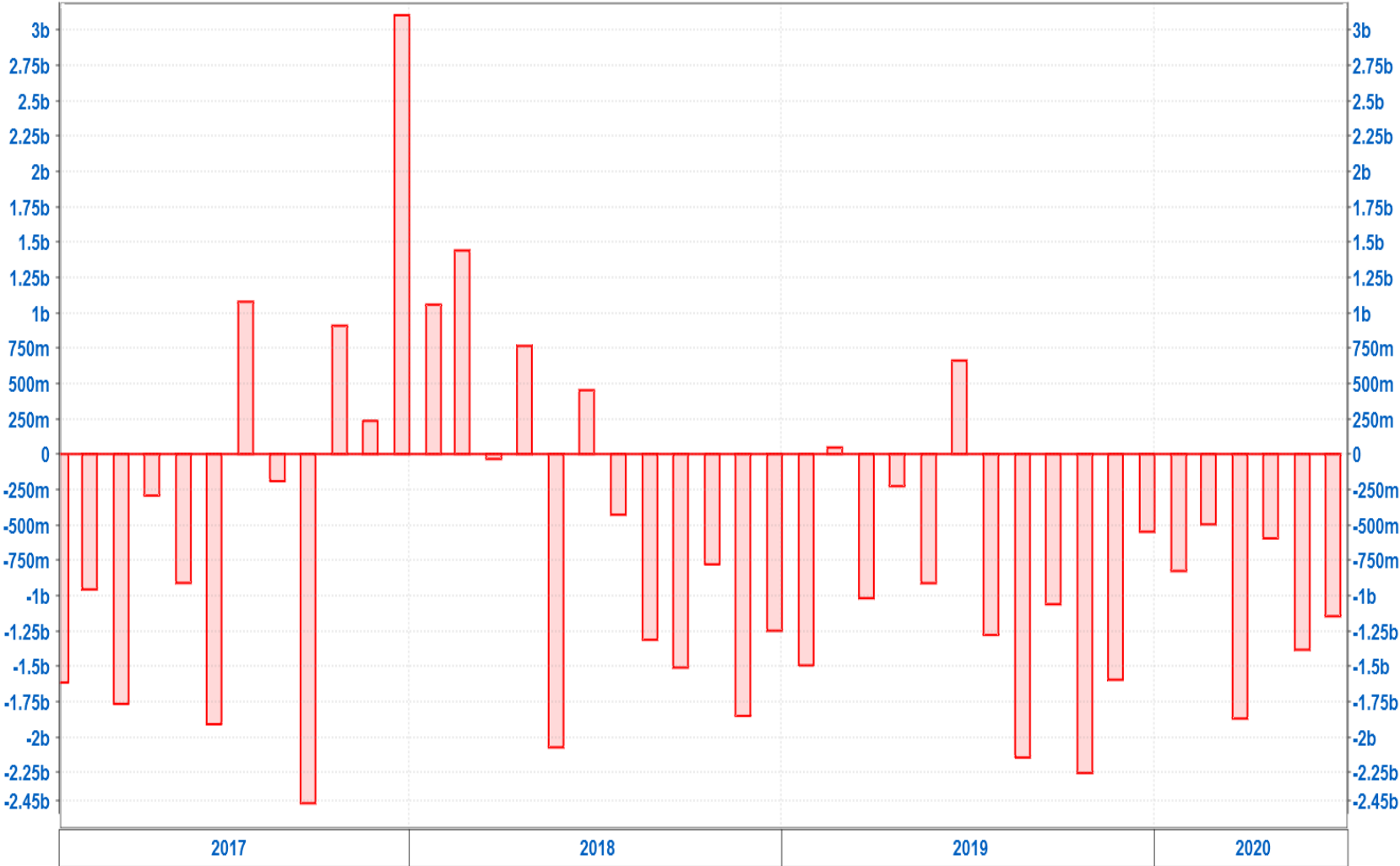


Period

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

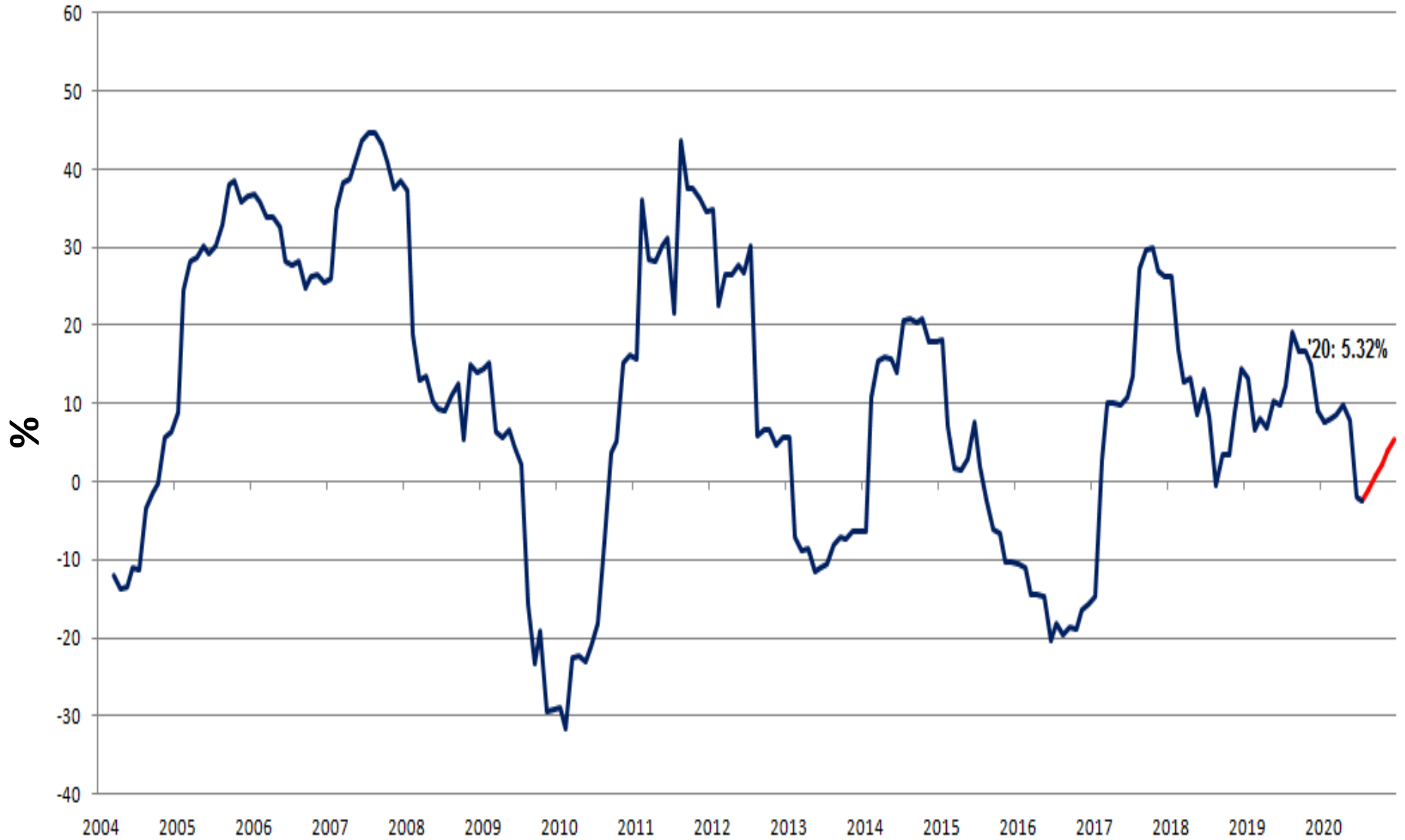
FOREIGN TRANS BESA - NET (RM) -TOTAL CONSIDERATION+FOREIGN TRANSACTIONS EQUITIES - NET (R'000)*100
 Monthly 2017-01-31 to 2020-06-30

Amount (ZAR Mil)



Period

S.A. All Share Earnings Forecast



Period

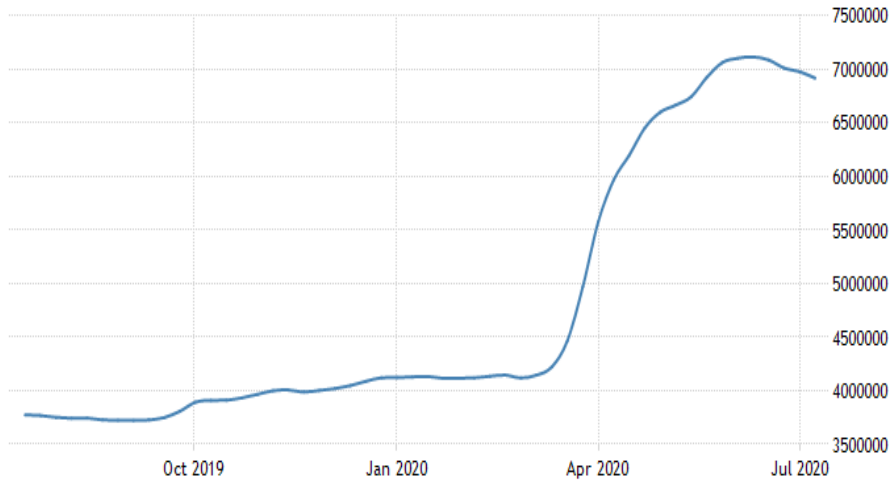
Central Bank Policies

Central Bank Policies:

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

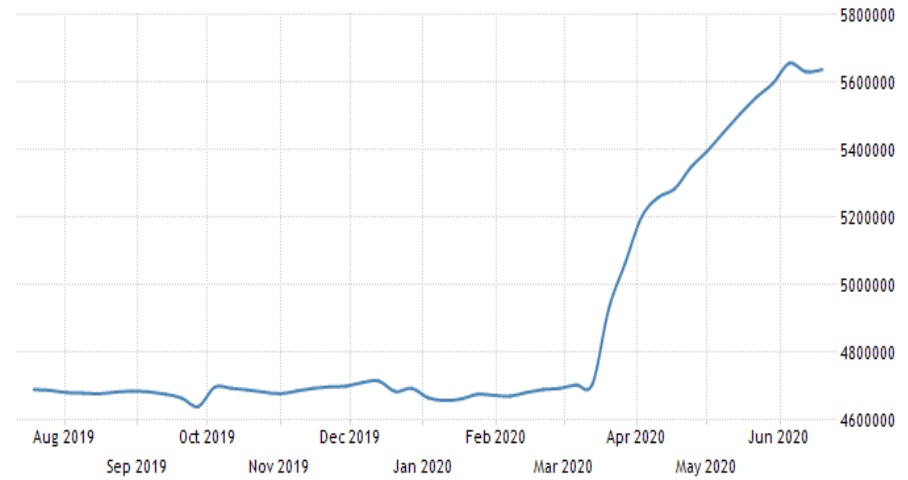
Central Banks Balance Sheets

Federal Reserve



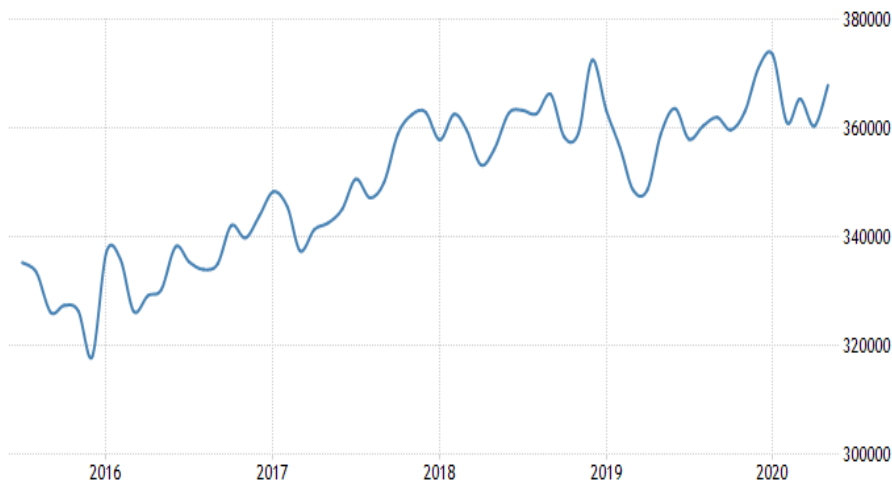
SOURCE: TRADINGECONOMICS.COM | FEDERAL RESERVE

European Central Bank



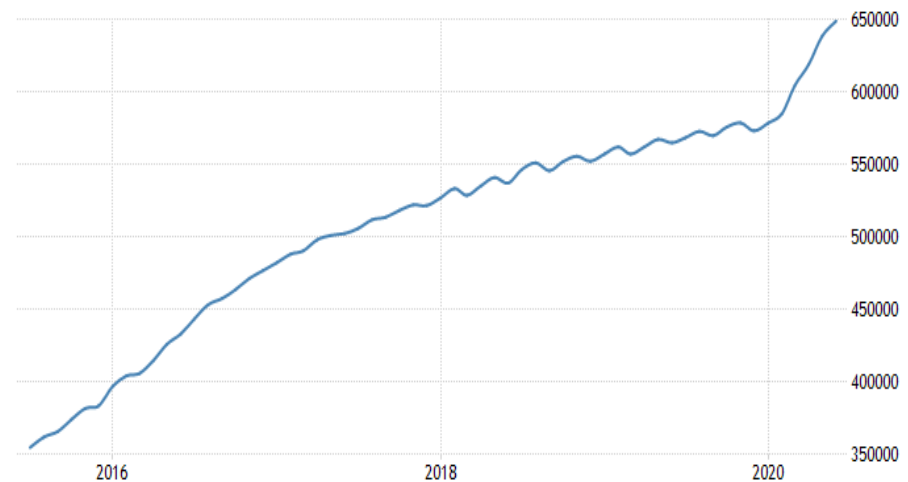
SOURCE: TRADINGECONOMICS.COM | EUROPEAN CENTRAL BANK

China Central Bank



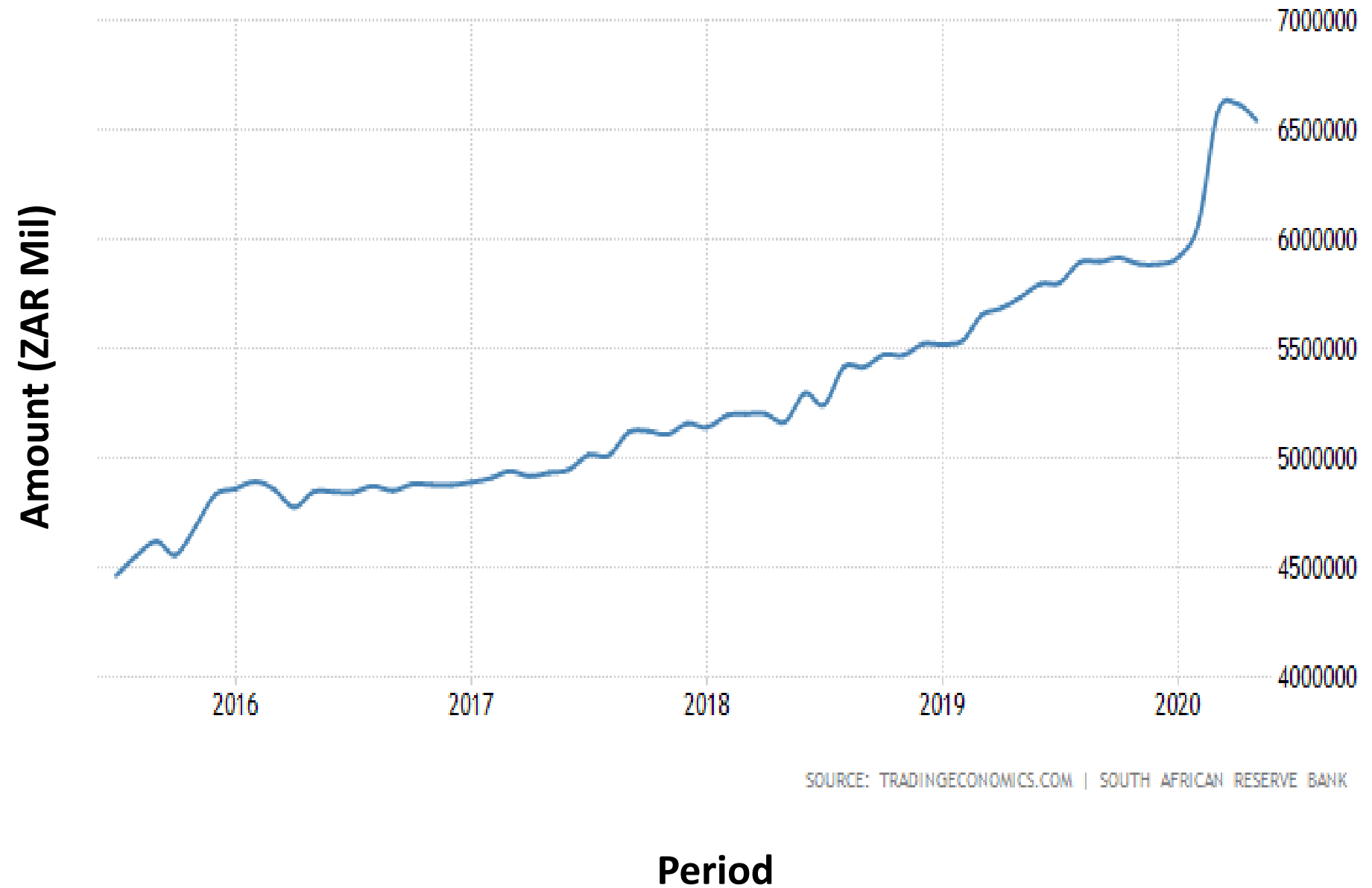
SOURCE: TRADINGECONOMICS.COM | PEOPLE'S BANK OF CHINA

Japan Central Bank



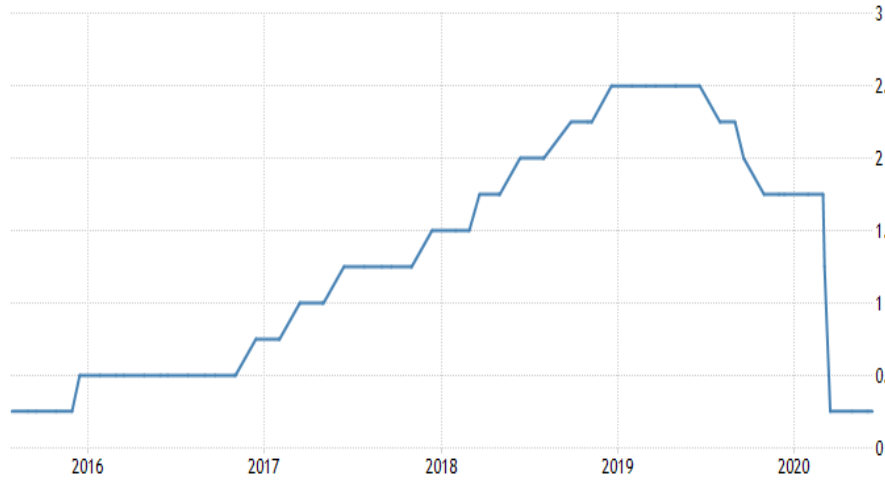
SOURCE: TRADINGECONOMICS.COM | BANK OF JAPAN

South Africa Central Bank Balance Sheet



Central Bank Interest Rate

Federal Reserve Interest Rate



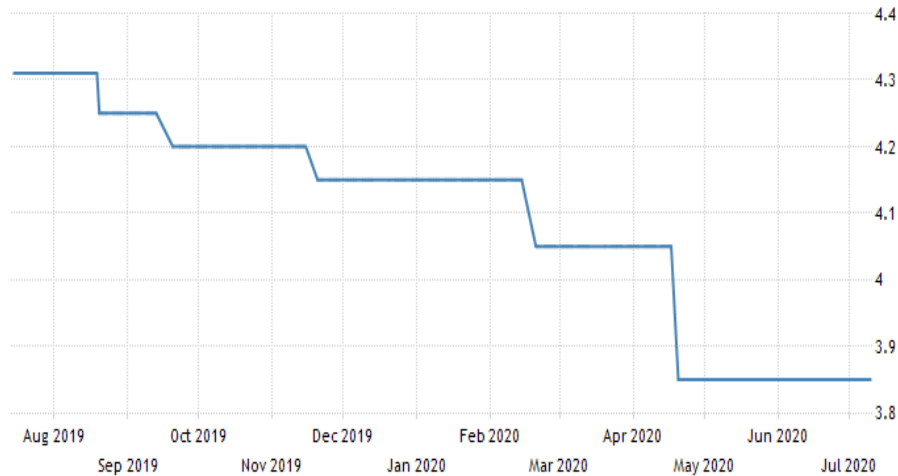
SOURCE: TRADINGECONOMICS.COM | FEDERAL RESERVE

European Central Bank Interest Rate



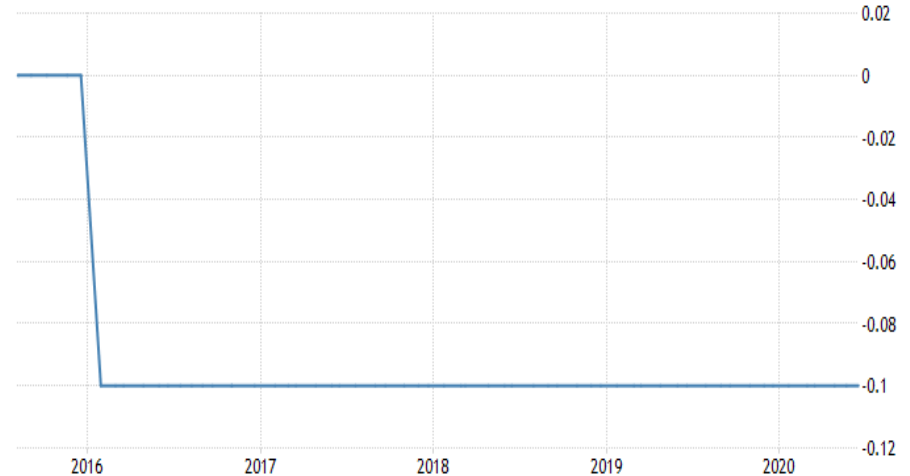
SOURCE: TRADINGECONOMICS.COM | EUROPEAN CENTRAL BANK

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



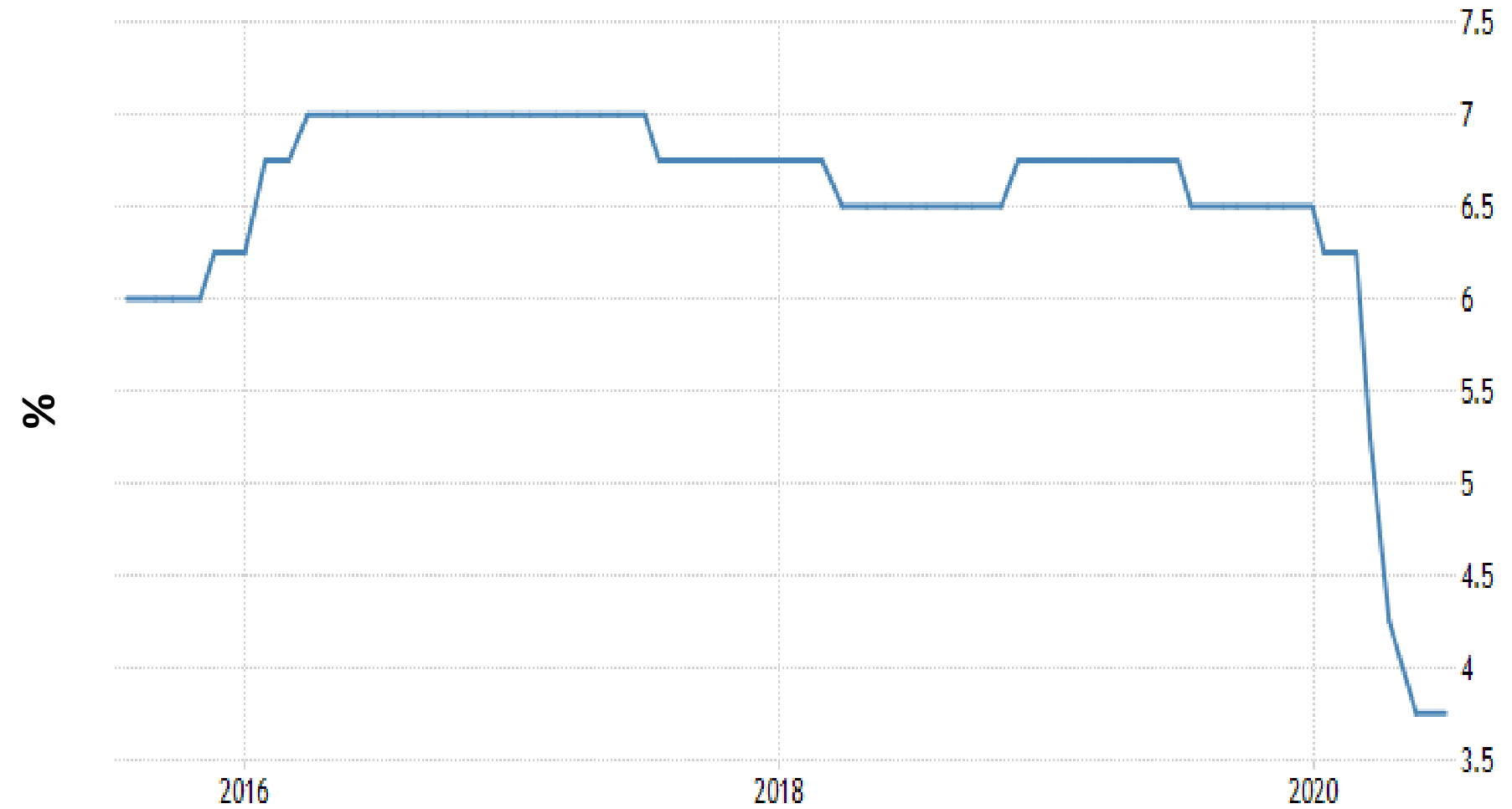
SOURCE: TRADINGECONOMICS.COM | CENTRAL BANK OF THE REPUBLIC OF TURKEY

Brazil Central Bank Interest Rate



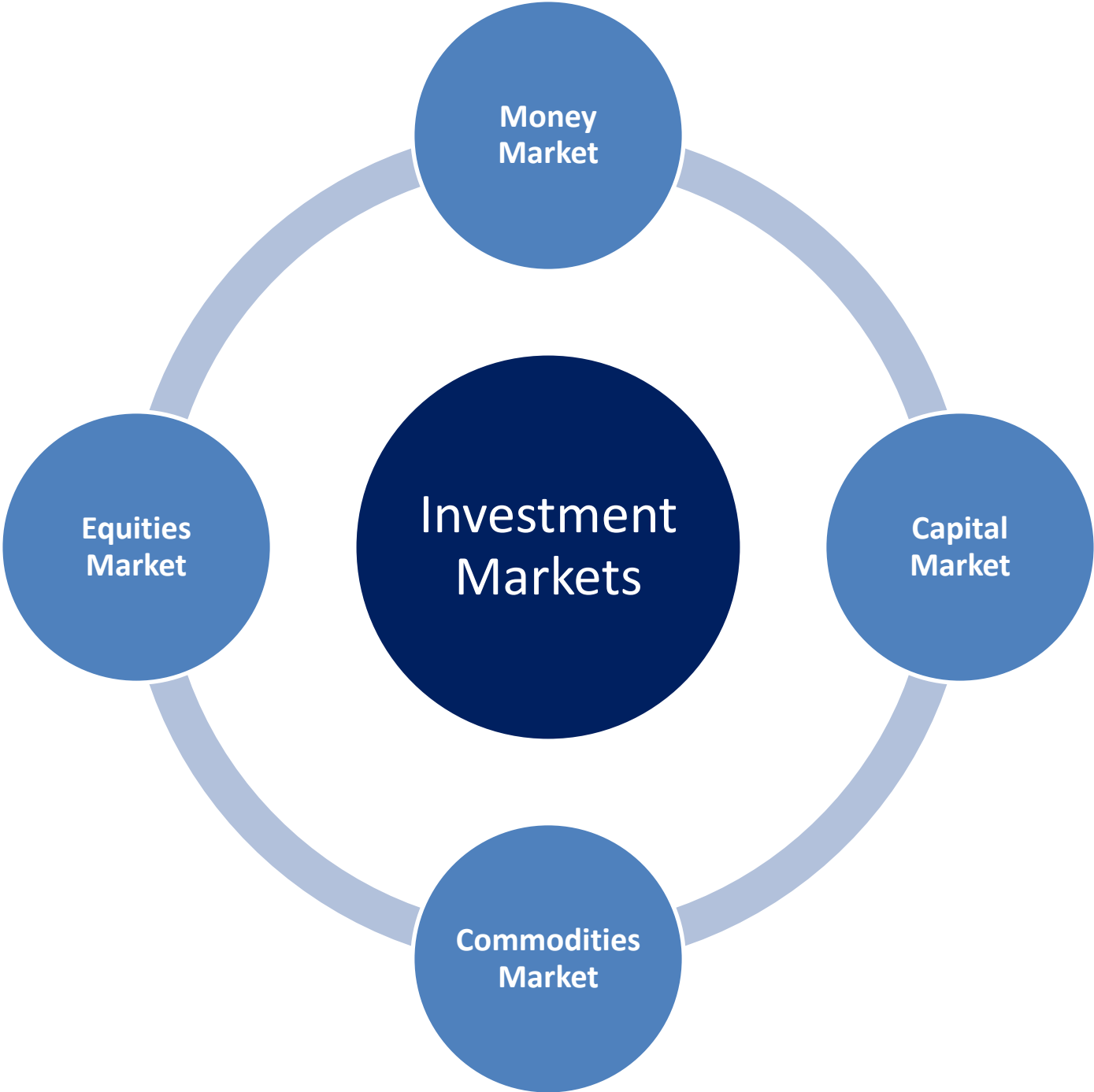
SOURCE: TRADINGECONOMICS.COM | BANCO CENTRAL DO BRASIL

SARB Interest Rate



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

Period



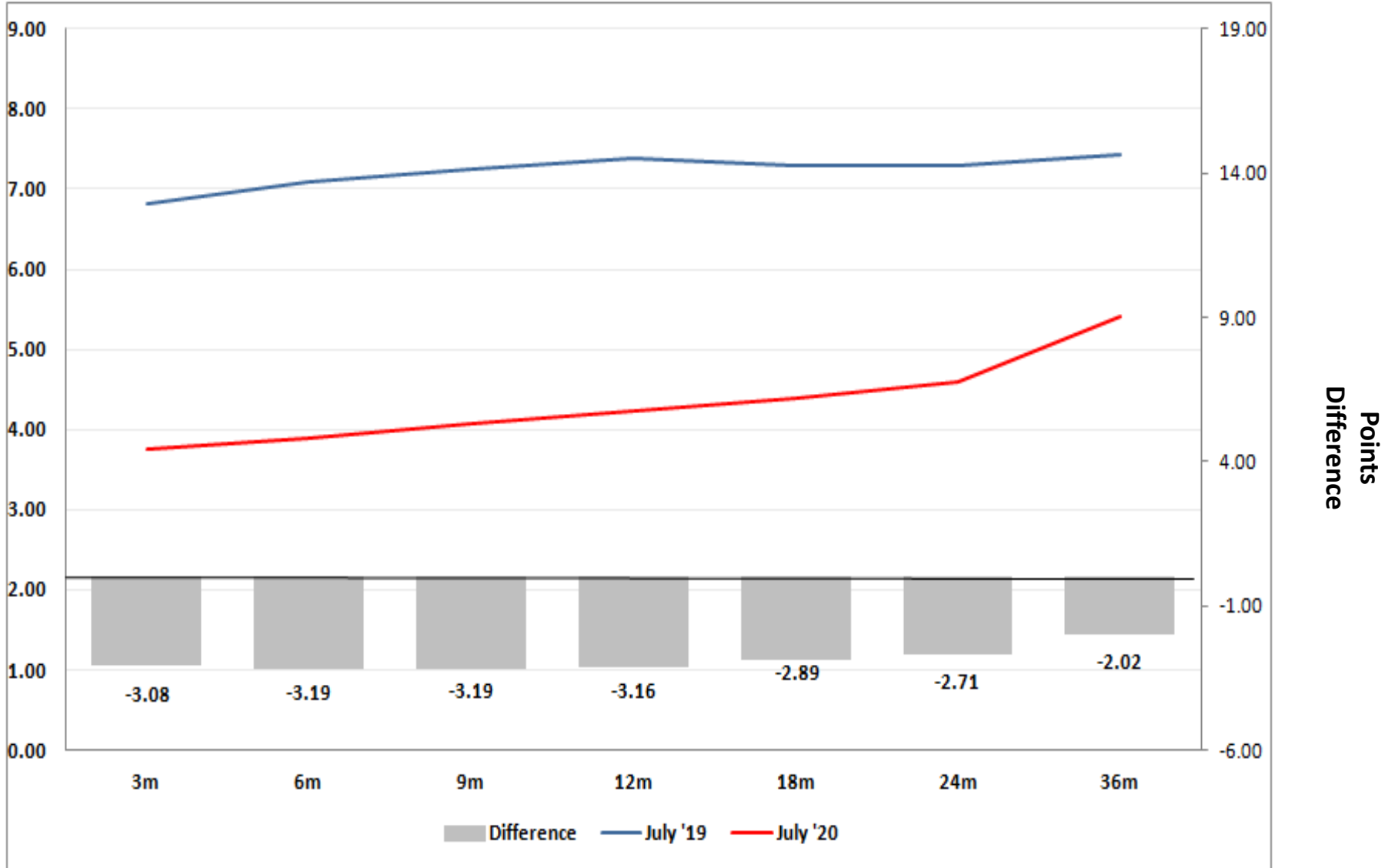
Money Market

Money Market:

Money Market rates remains lower year on year, indicating and 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 6 - 9 month's term.

South Africa – Money Market Rates

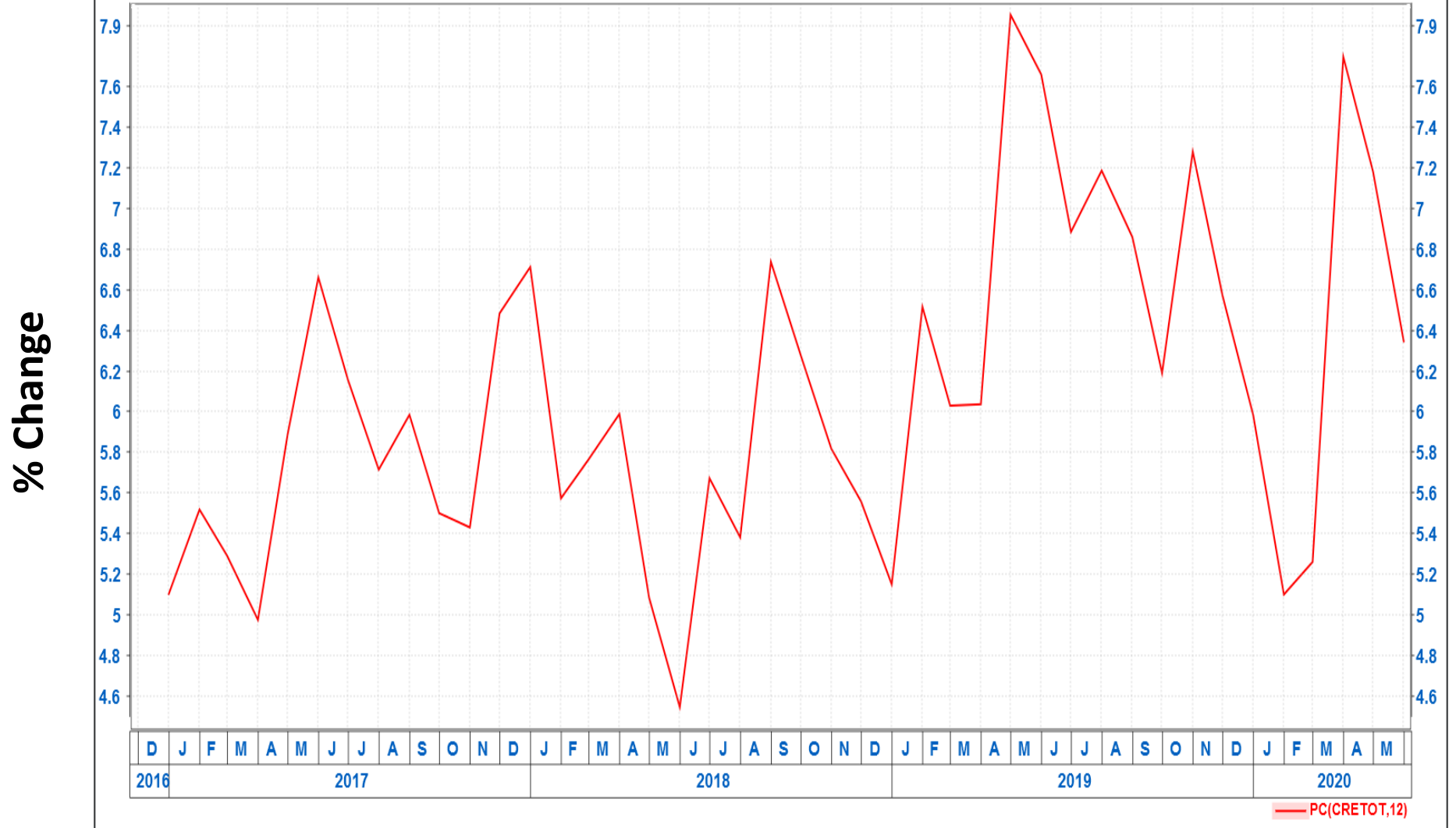


— Difference — July 2019 — July 2020

Period

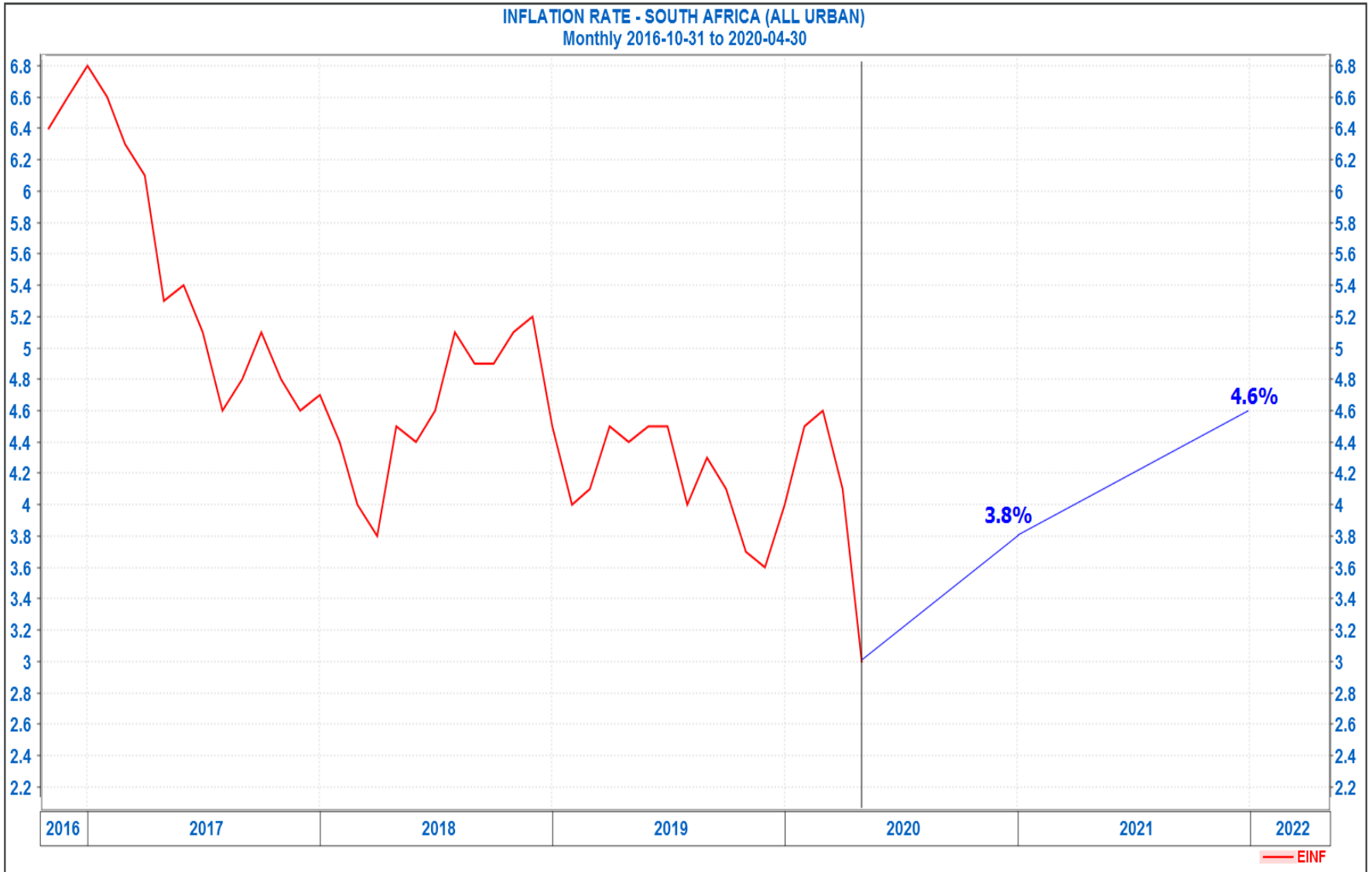
South Africa – Consumer Credit

Percentage Change 12 of CREDIT: TOTAL EXTENDED BY PRIVATE SECTOR (RM)
Monthly 2016-11-30 to 2020-05-31



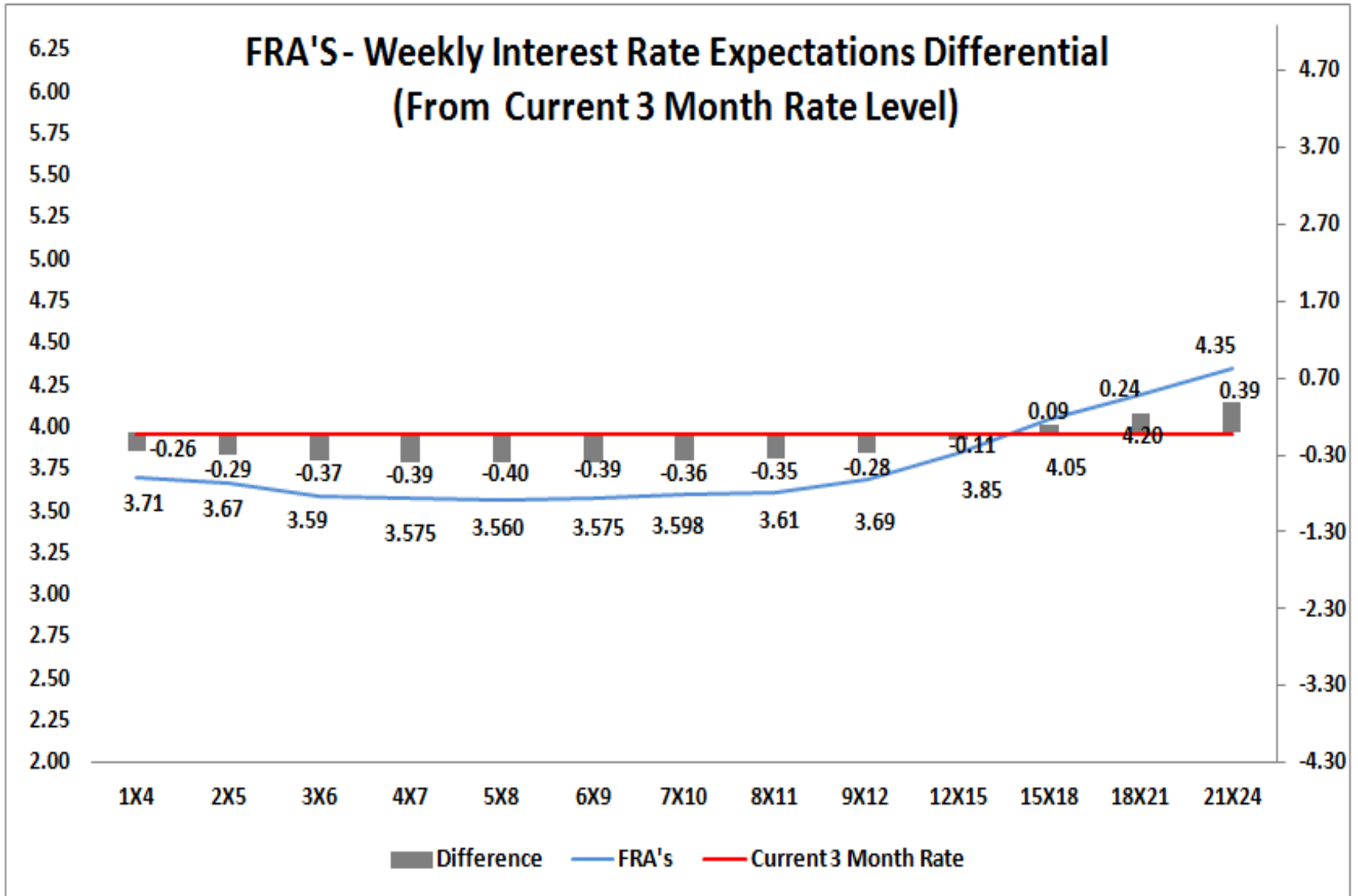
Period

SARB Inflation Expectation



Period

Interest Rate Expectations



— Difference — FRA's — Current 3 Month Rate

Period

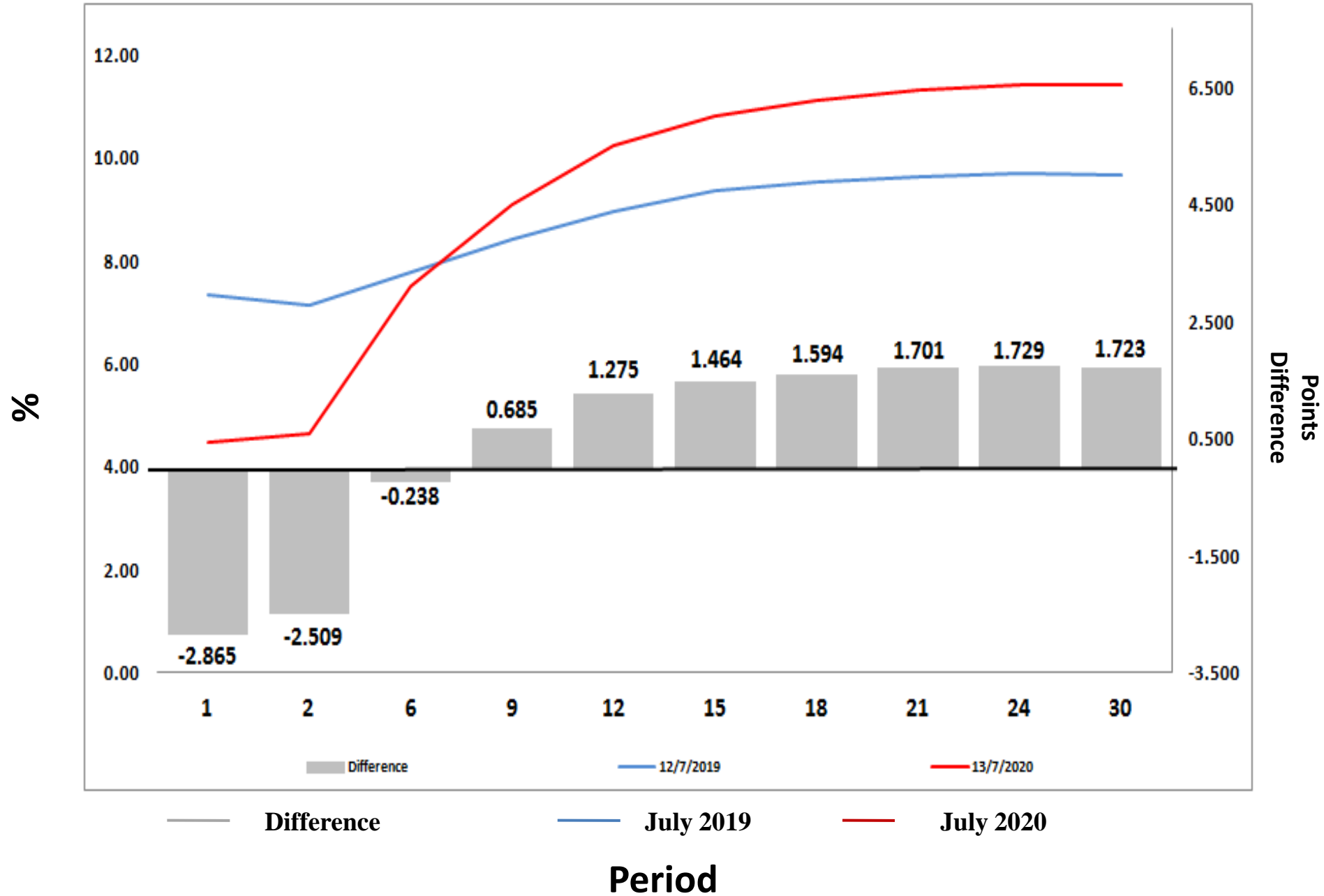
Capital Market

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 June, this being the first month since January.

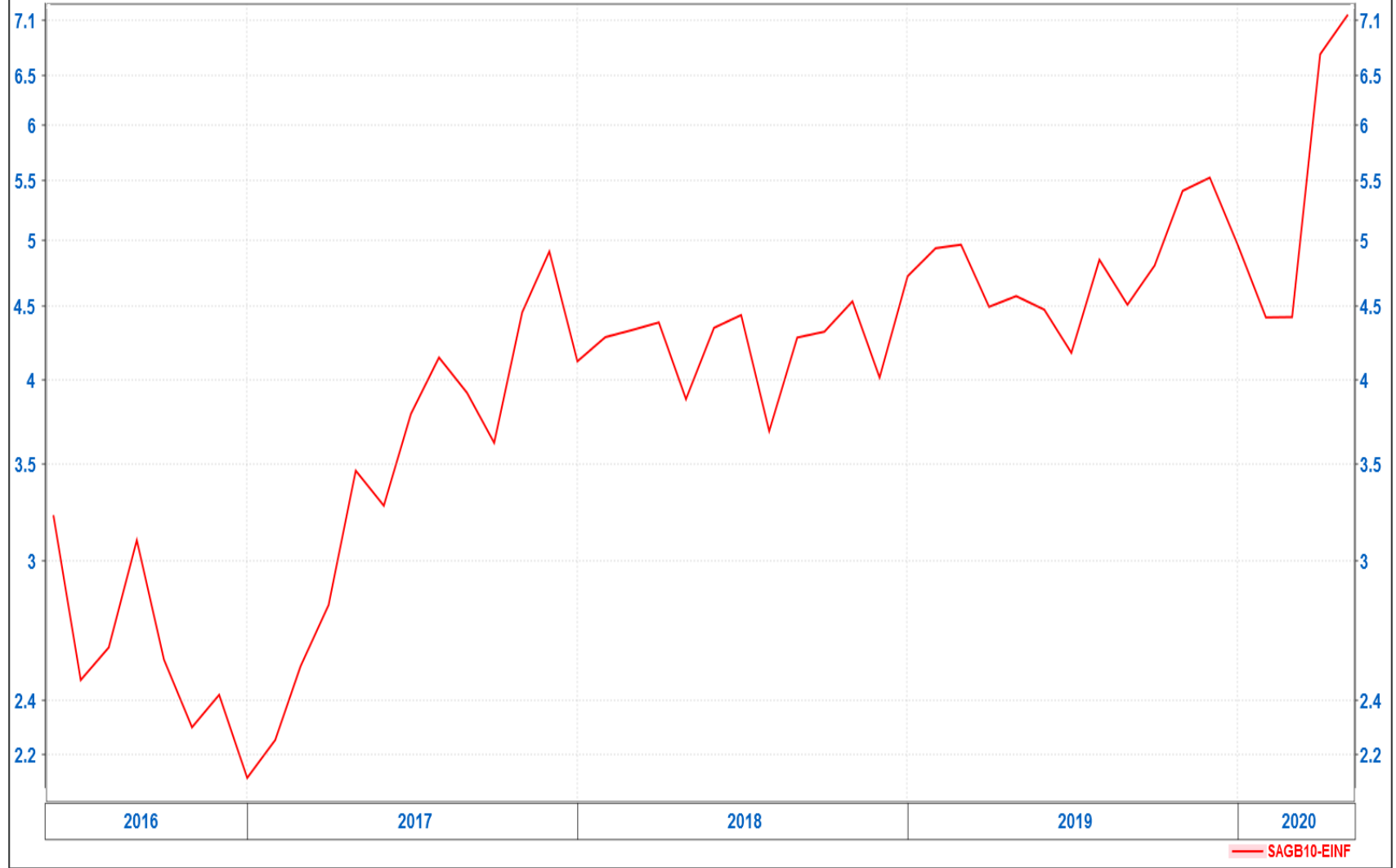
Benchmark rates offer value at current levels, and we maintain a hold recommendation.

South Africa –Yield Curve



SA Real Interest Rate

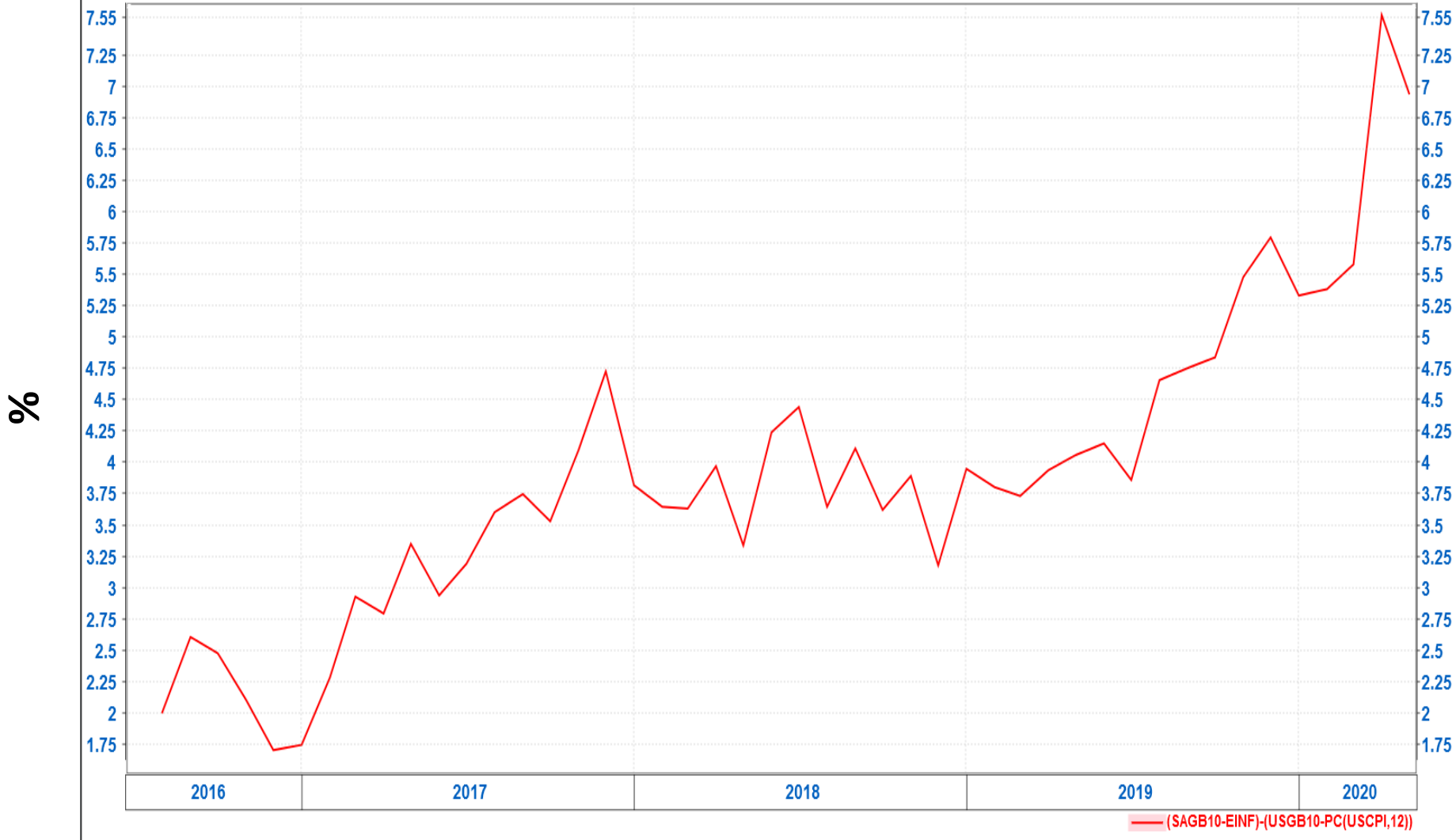
SA : GOVT 10 YEAR BOND-INFLATION RATE - SOUTH AFRICA (ALL URBAN)
Monthly 2016-05-31 to 2020-04-30



Period

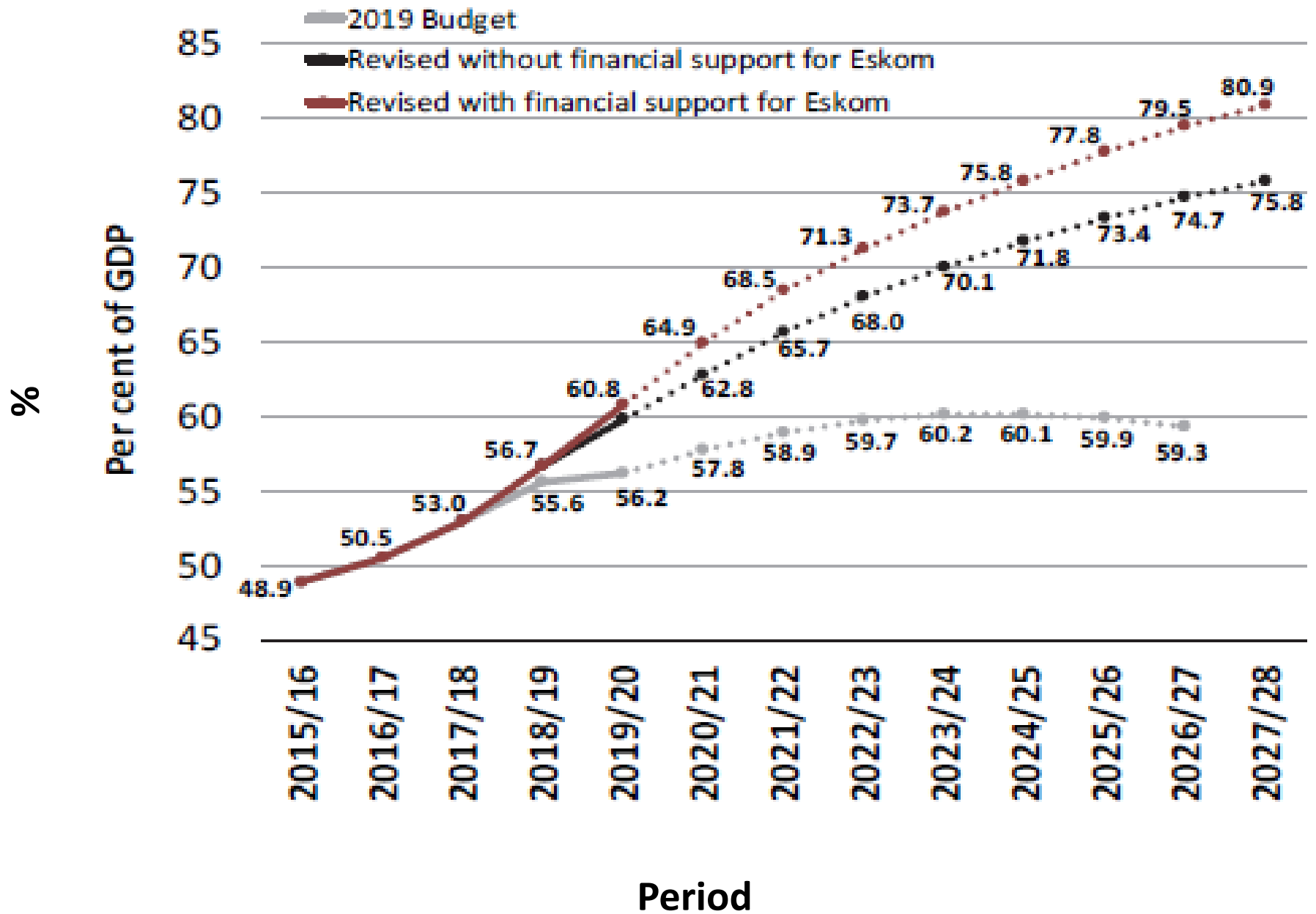
Real Interest Rate - SA vs. USA

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 2016-06-30 to 2020-04-30

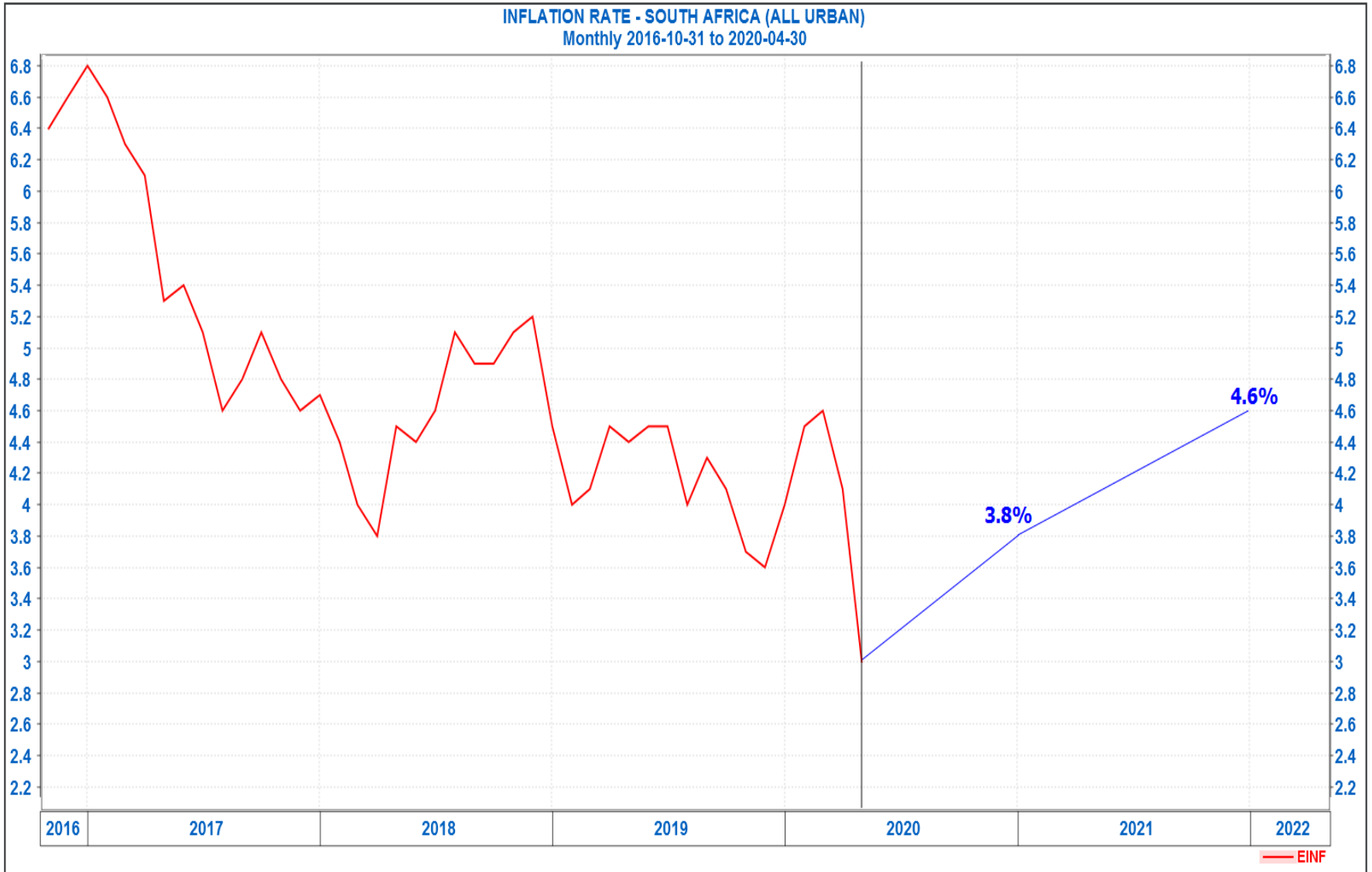


Period

SA Government Debt %GDP

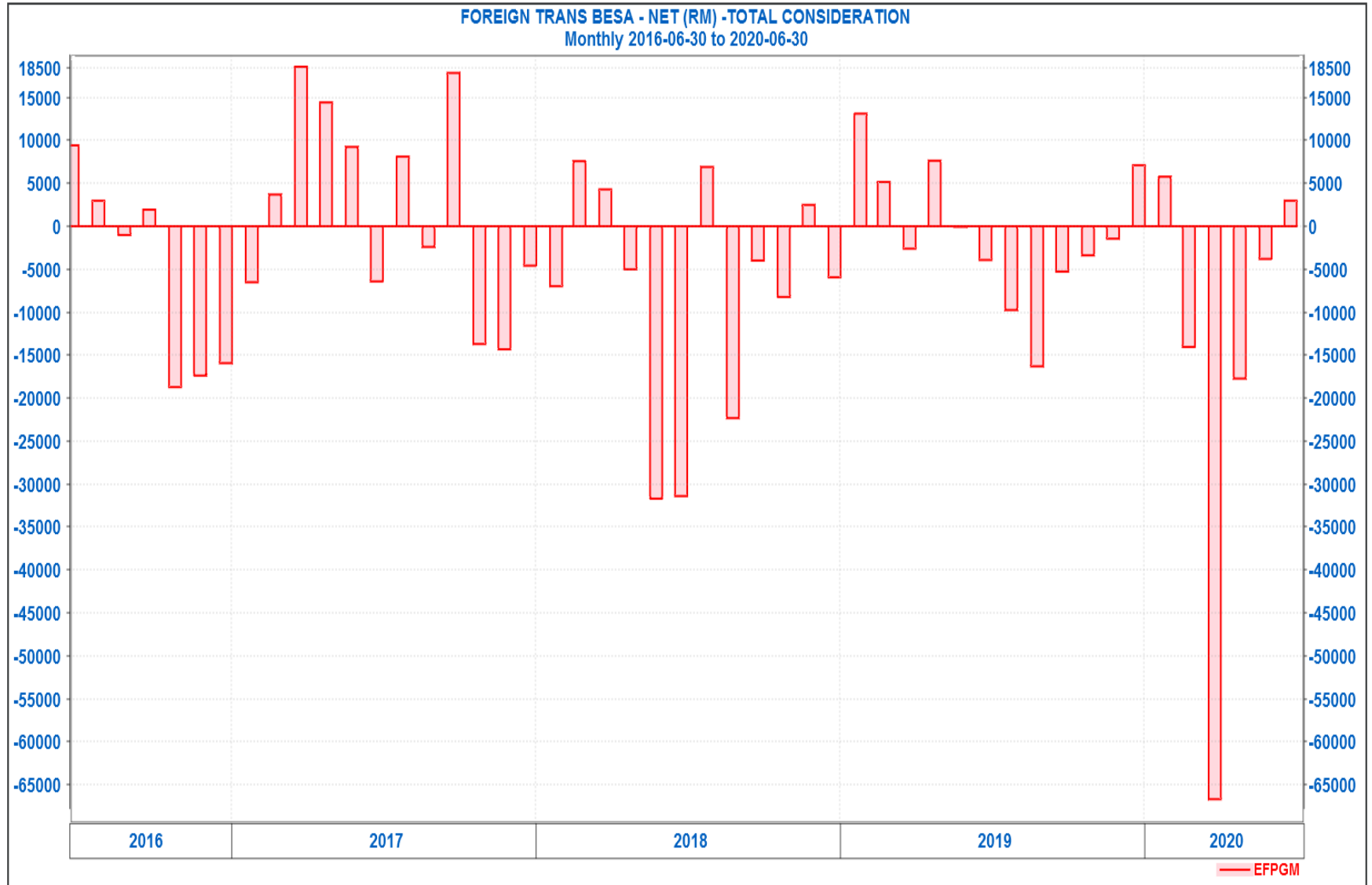


SARB Inflation Expectation



Period

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



Commodities Market

Commodity Index

RJ/CRB TOTAL RETURN INDEX
Weekly 2014-01-12 to 2020-07-12

Index Points

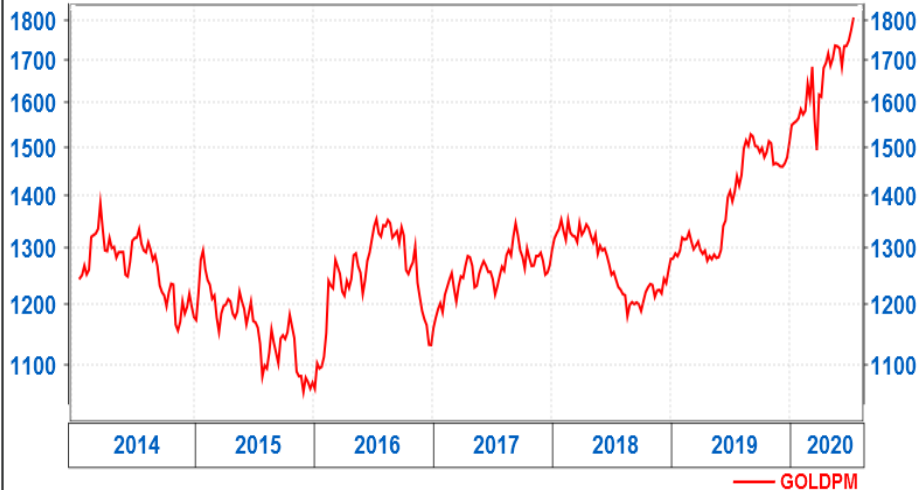


— FCRB

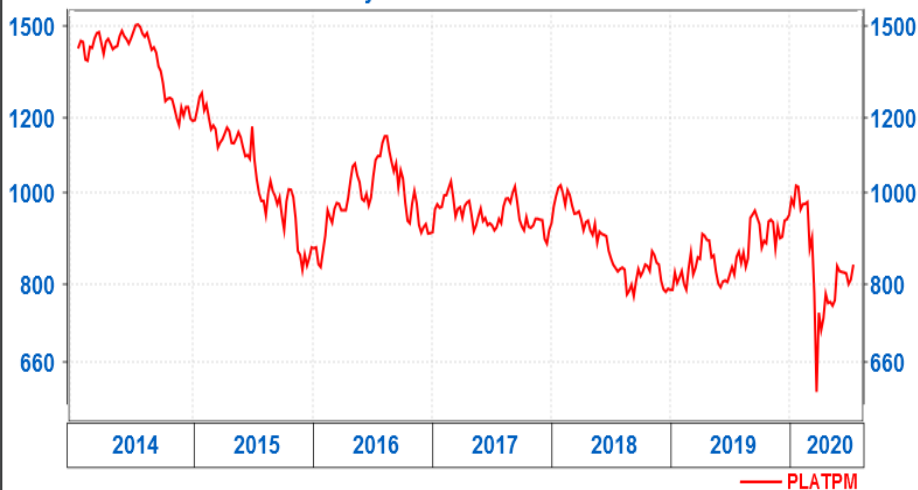
Period

Commodity Prices

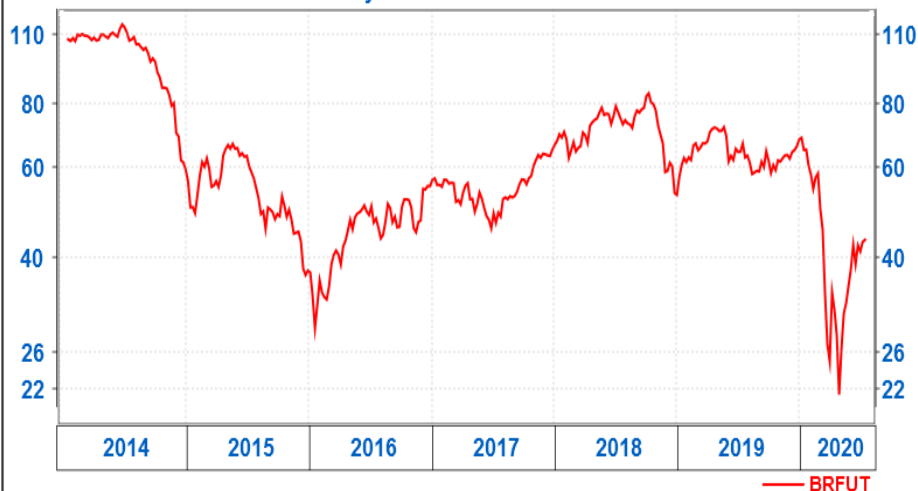
GOLD LONDON - PM FIX
Weekly 2014-01-12 to 2020-07-12



PLATINUM PM - FIX (\$OZ)
Weekly 2014-01-12 to 2020-07-12



OIL : BRENT - NEAR FUTURE - ICE UK \$/BARREL
Weekly 2014-01-12 to 2020-07-12



COPPER CASH LME (\$/TON) - FIX
Weekly 2014-01-12 to 2020-07-12



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

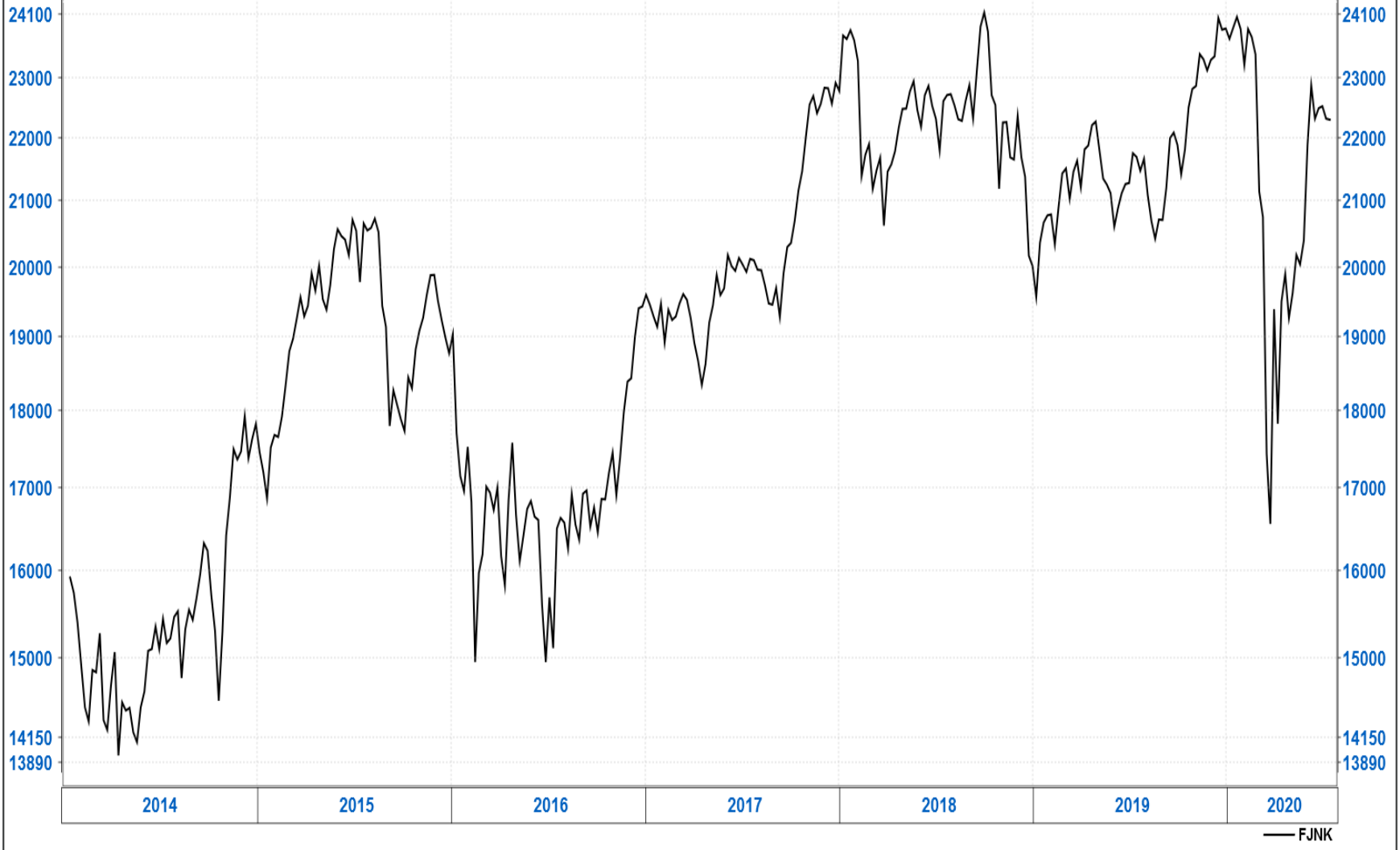


Period

Japan – Nikkei 225

JAPAN : NIKKEI 225 INDEX
Weekly 2014-01-12 to 2020-07-12

Index Points

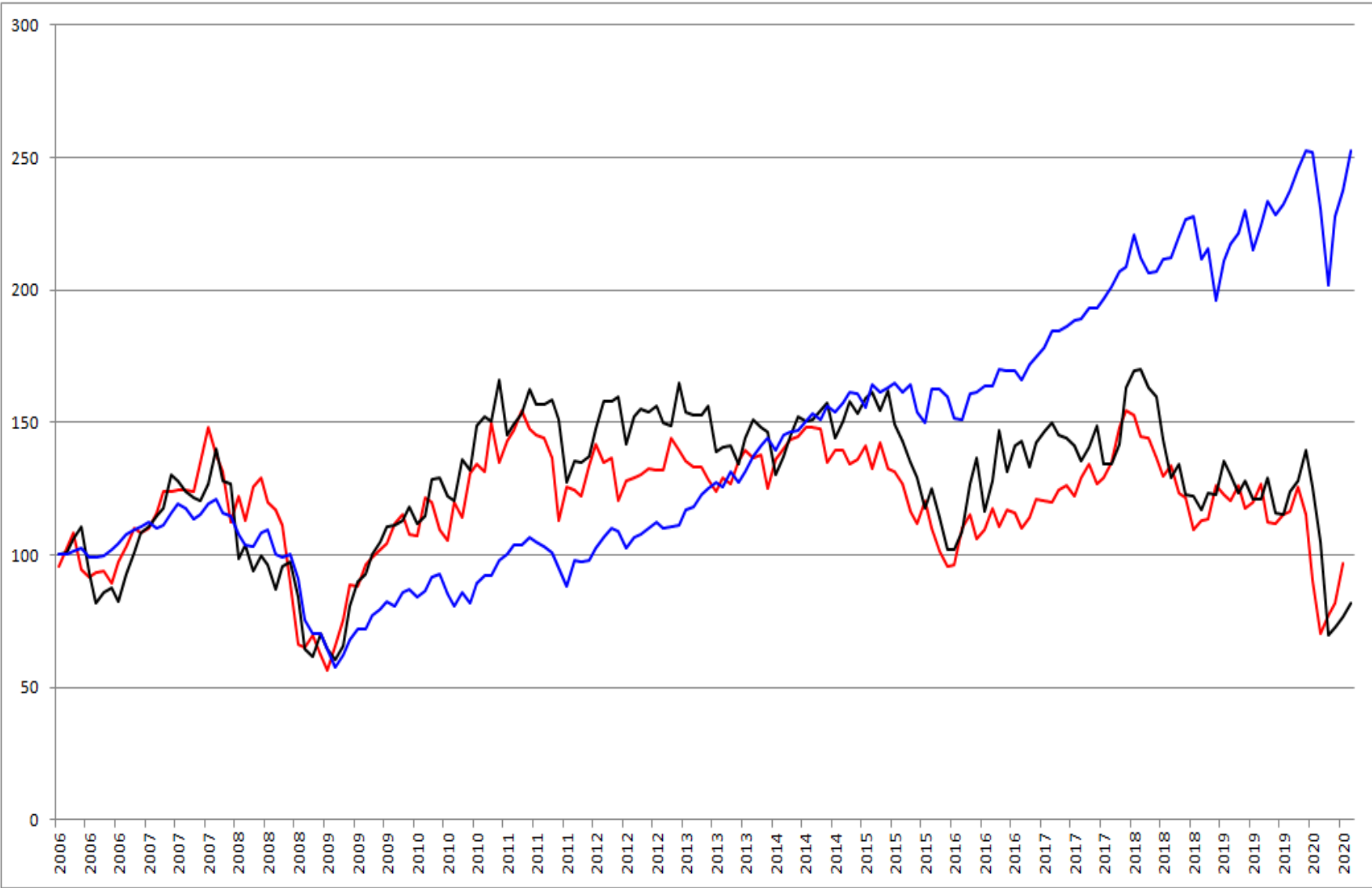


— FJNK

Period

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

Index Points



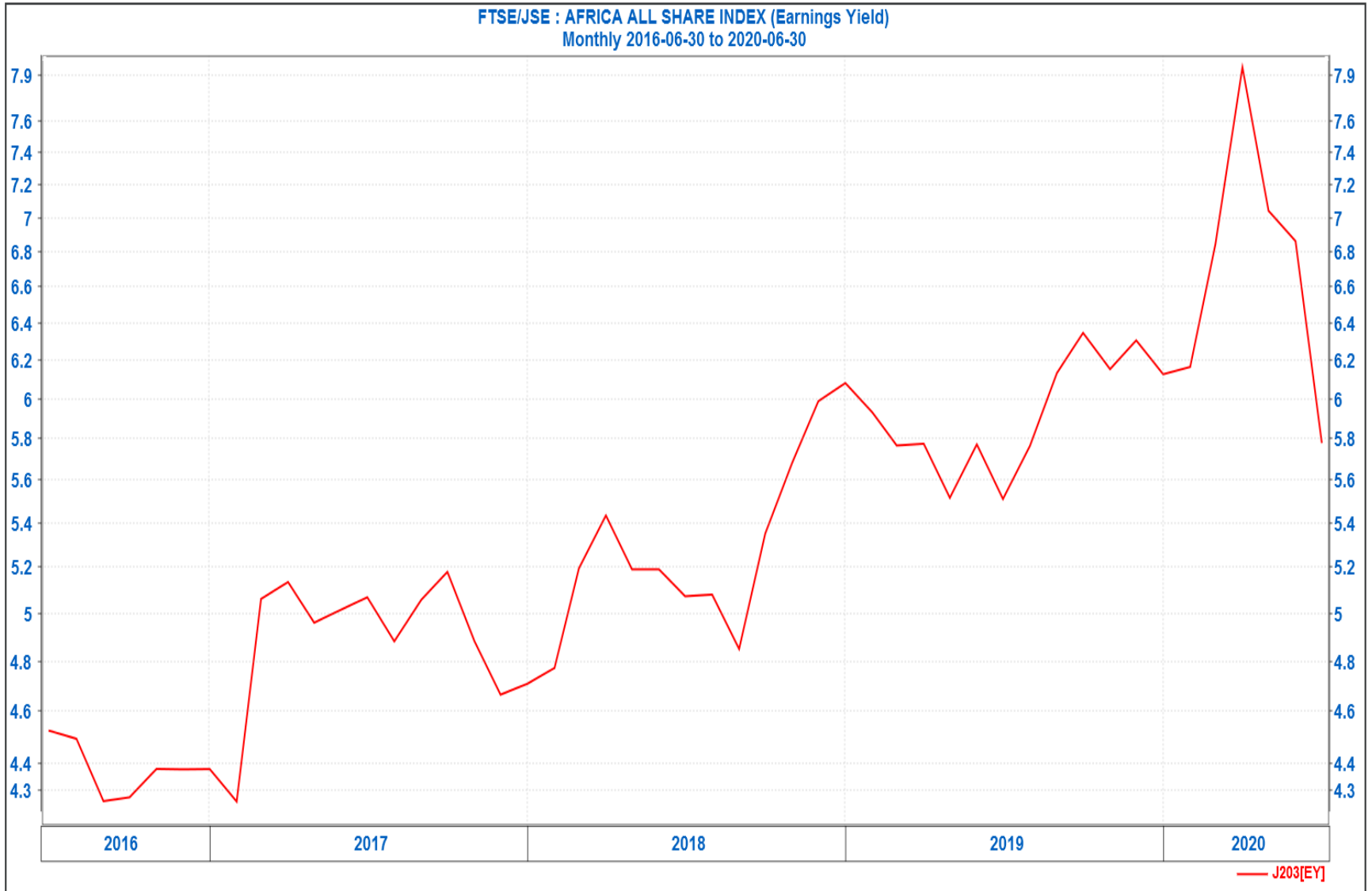
— FTSE/JSE All Share Index

— USA S&P 500 Index

— FTSE/JSE Mid Cap Index

Period

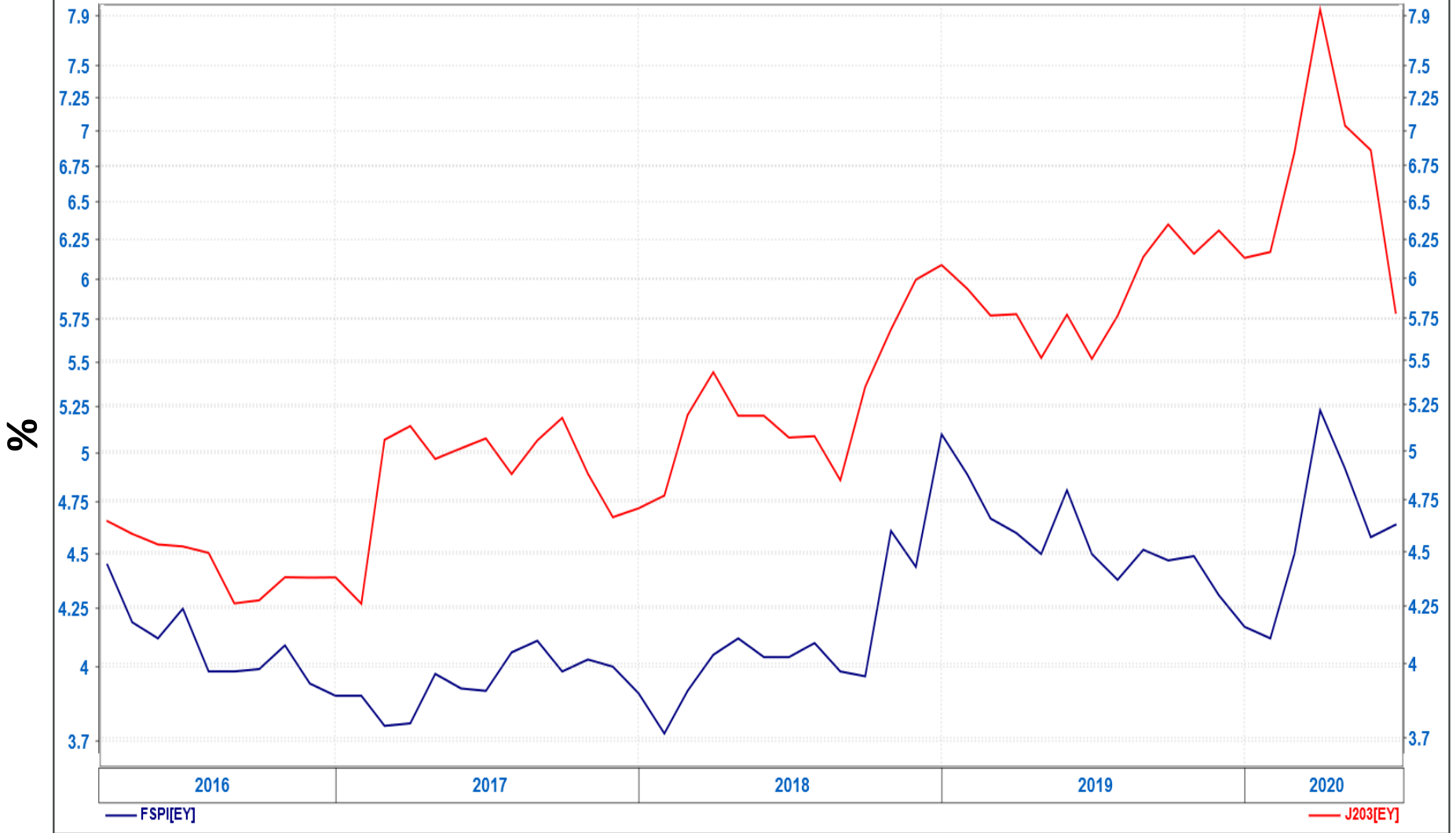
SA All Share Index – Earnings Yield



Period

Earnings Yield- SA vs. USA

FTSE/JSE : AFRICA ALL SHARE INDEX (Earnings Yield) , USA : S & P 500 COMPOSITE INDEX (Earnings Yield)
Monthly 2016-03-31 to 2020-06-30



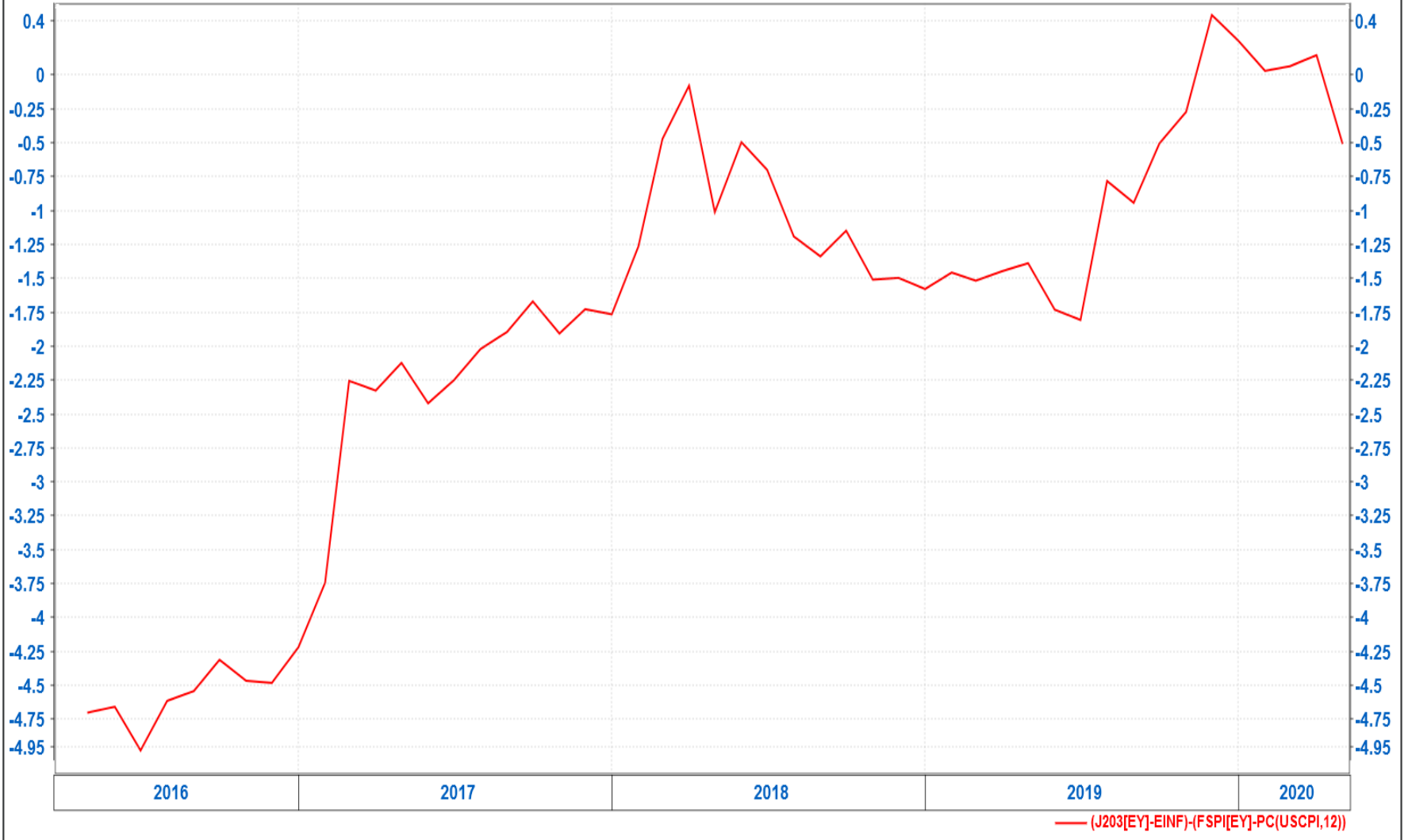
— S.A. All Share Earnings Yield

— USA S&P 500 Shares Earnings Yield

Period

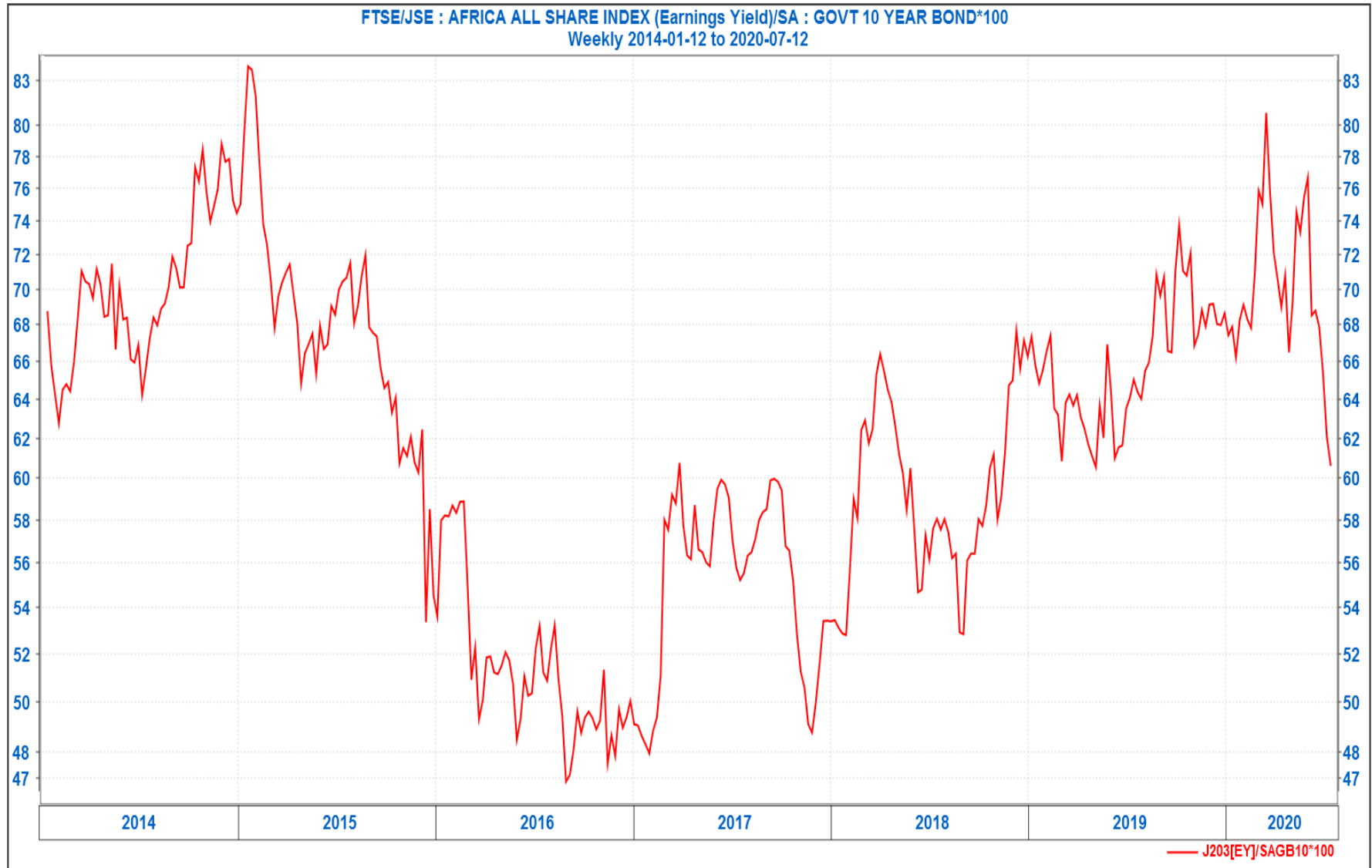
Real EY- SA vs. USA

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 2016-03-31 to 2020-04-30



Period

Relative value of share's against Capital market rates



Period