

International Economic Indicators

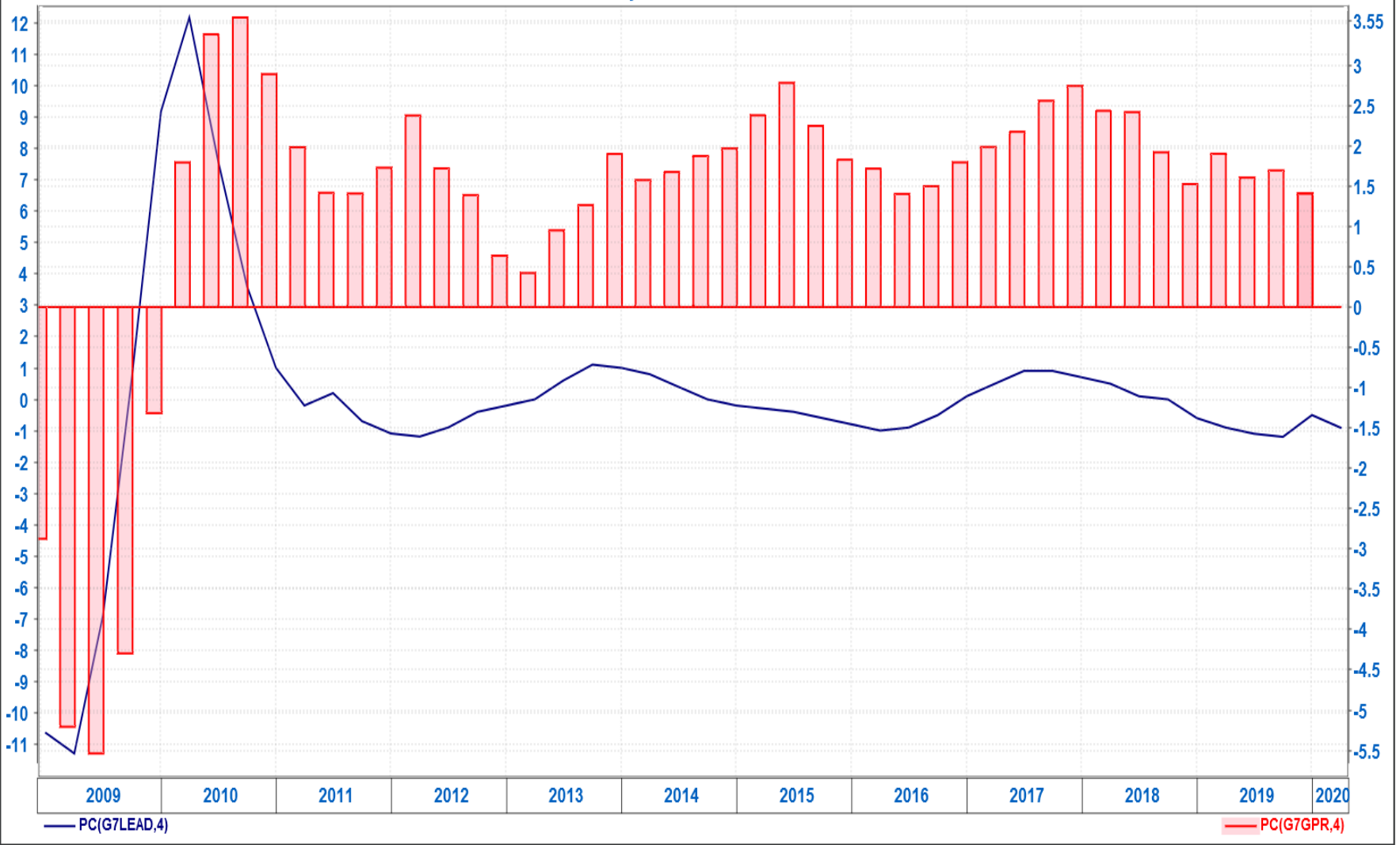
Worldwide: G7

Economic growth came in lower at 1.4% in the final quarter of 2019 for the G7 countries, with leading indicators signalling a continuous overall slowdown in the economic growth for the next quarter.

With the future impact of Covid-19 on world growth still uncertain. Unemployment rates have lowered to 4.2% in the fourth quarter; while the latest inflation figures are up above the 1.4% 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 2008-12-31 to 2020-03-31



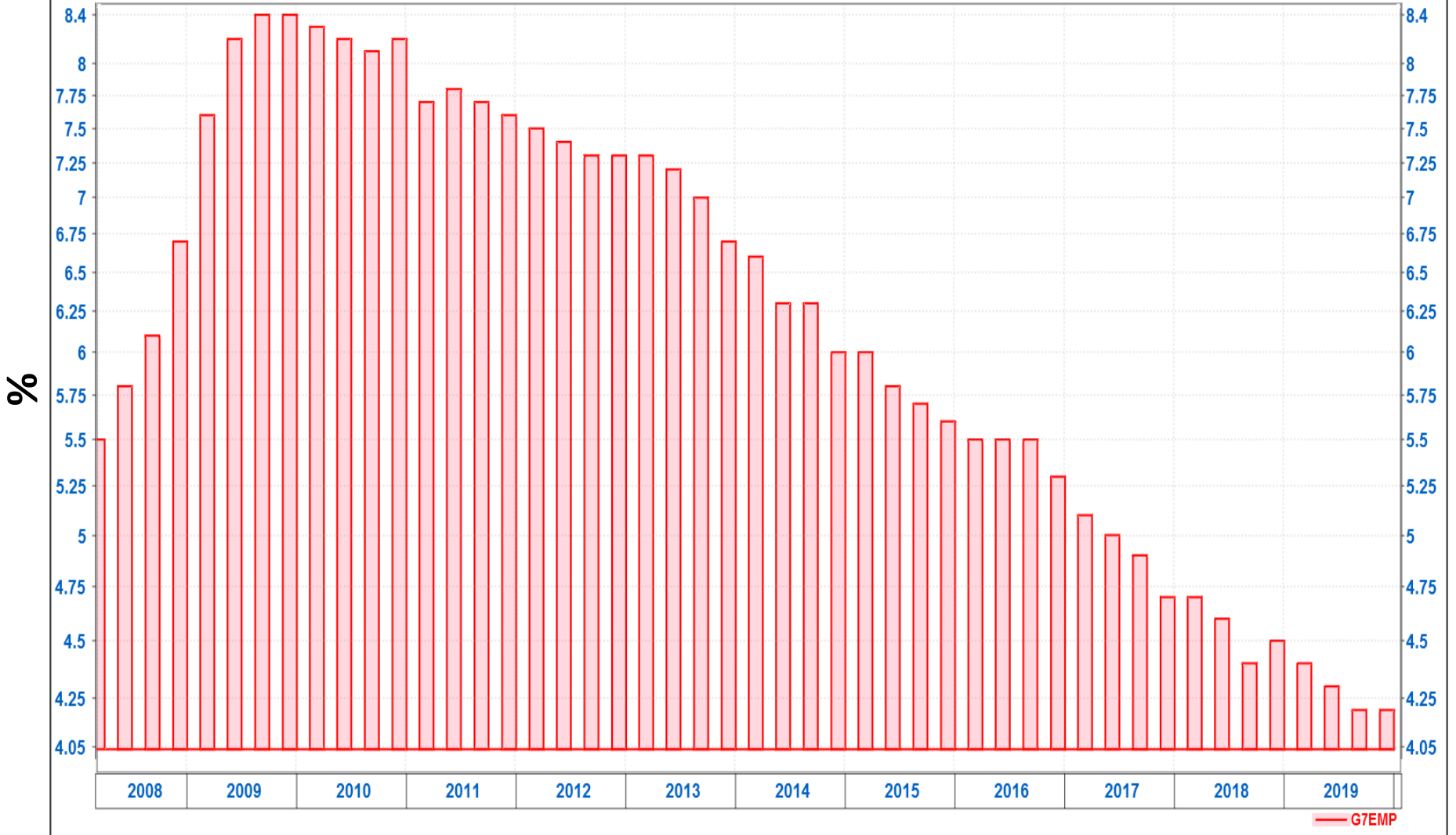
— G7 Leading Indicator

— G7 Growth Rate

Period

G7 – Unemployment

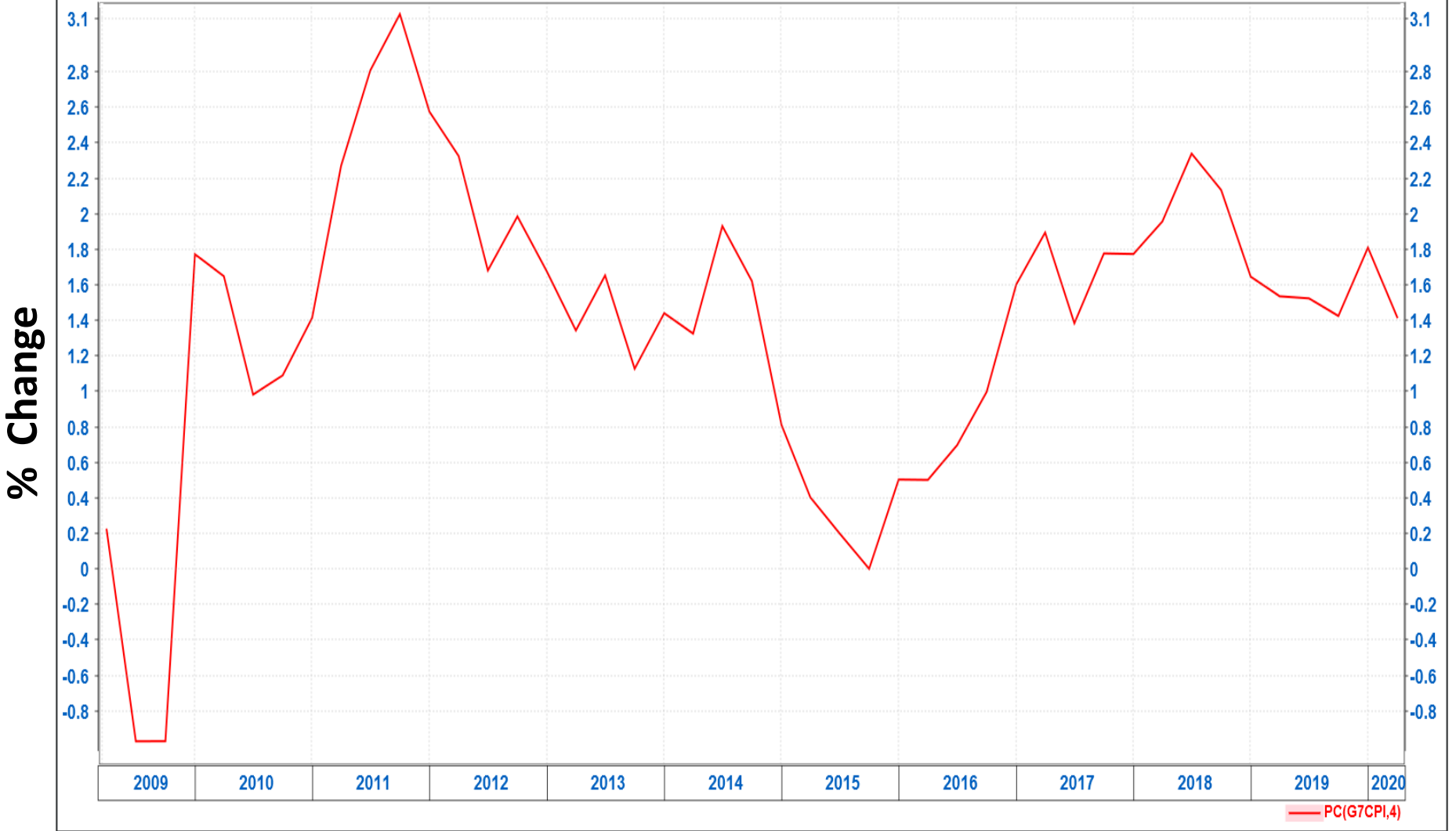
G7 : UNEMPLOYMENT %
Quarterly 2008-03-31 to 2019-12-31



Period

G7 – Inflation

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



Period

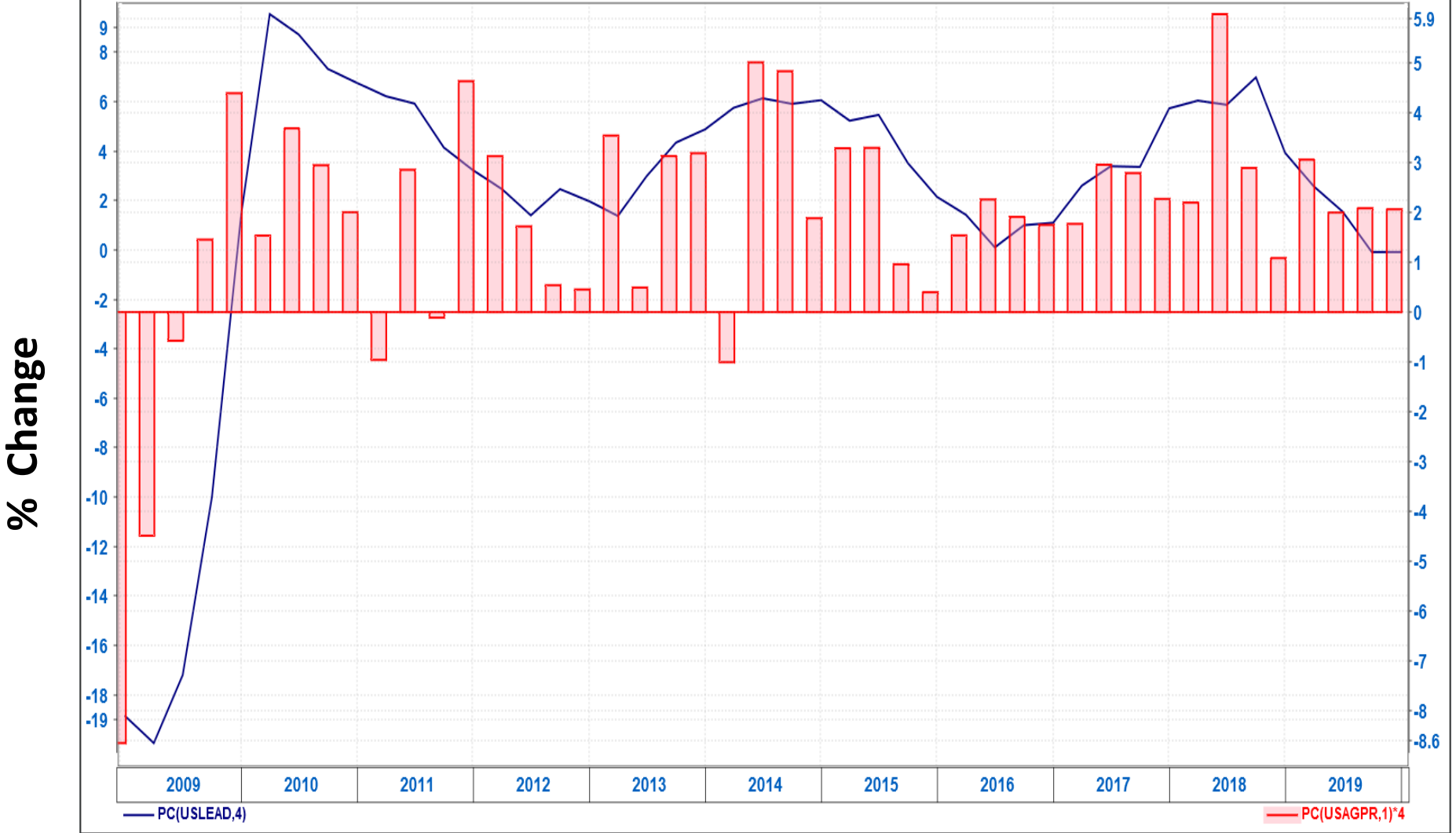
Unites States:

The Federal Reserve lowered interest rates by 150 basis points since the end of January 2020. This came in two surprise decisions on March 3rd (50basis points) and March 15th (100 basis points) during emergency meetings in an attempt to curb the economic impact of Covid-19. Inflation came in lower at 1.5% for March 2020. The unemployment rate came in at 4.4% and real wages growth is jumped to 0.8% for the same period.

Earnings growths of companies were adjusted downwards, coming in at 0.9% in the fourth quarter of 2019. Earnings growth expectations have decreased as well and are estimated at -10% for the first quarter of 2020 and -20% for quarter two.

USA – Economic Growth Rate

PC(USAGPR,1)*4 , Percentage Change 4 of USA : COMPOSITE LEADING INDICATOR (2016=100)
Quarterly 2008-12-31 to 2019-12-31



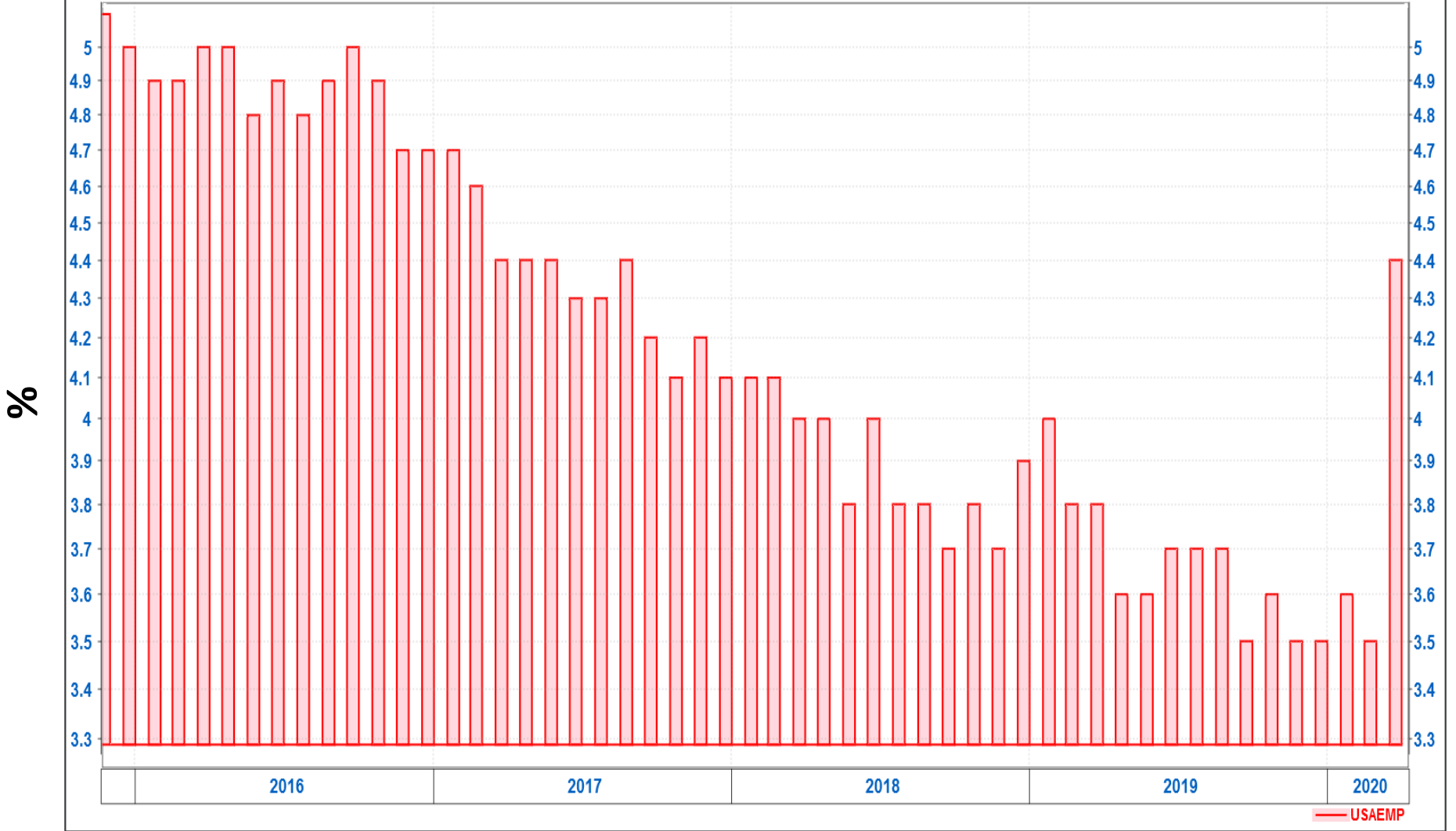
— USA Growth Rate

— USA Leading Indicator

Period

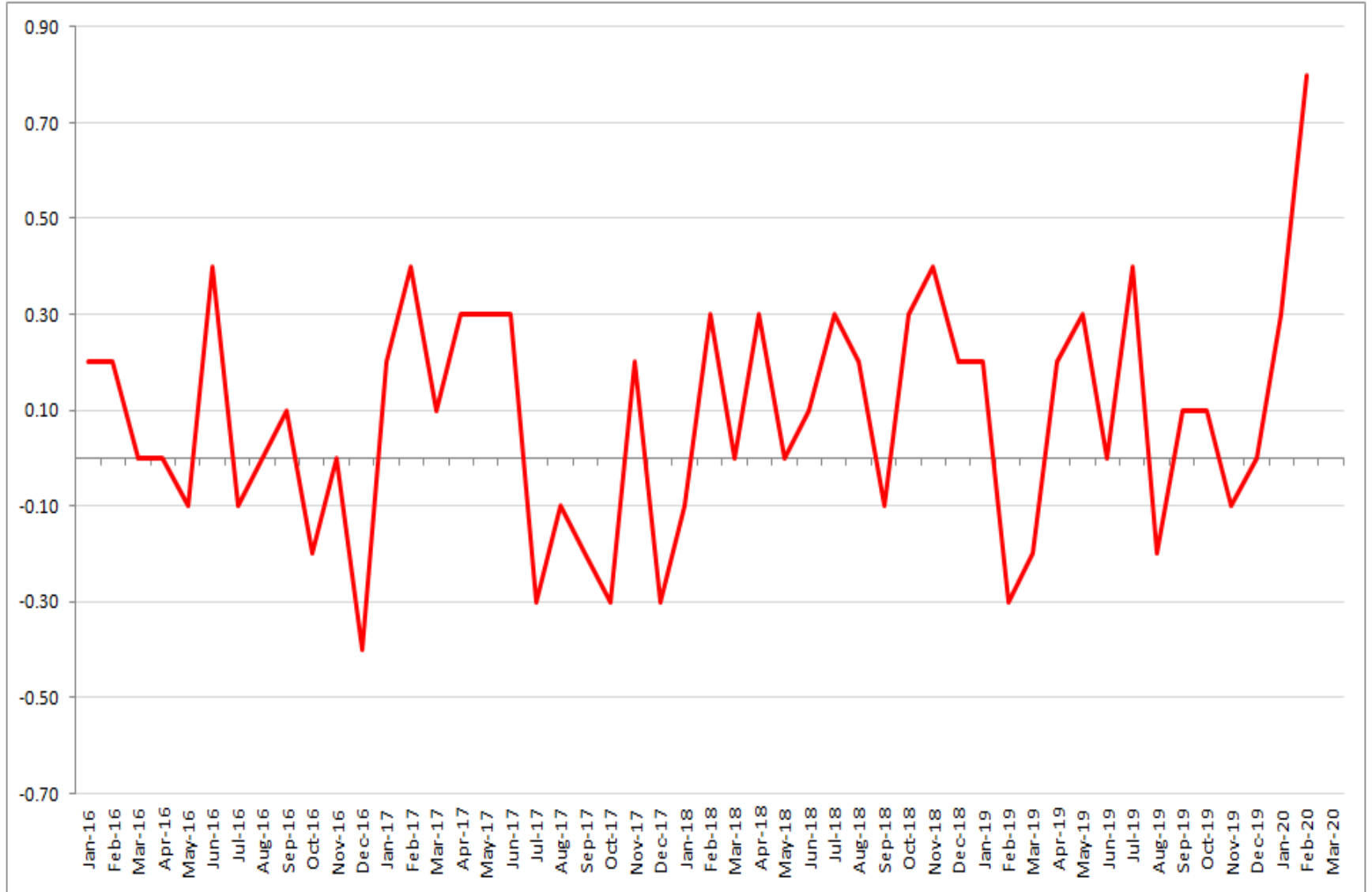
USA – Unemployment

USA : UNEMPLOYMENT % (S/A)
Monthly 2015-11-30 to 2020-03-31



Period

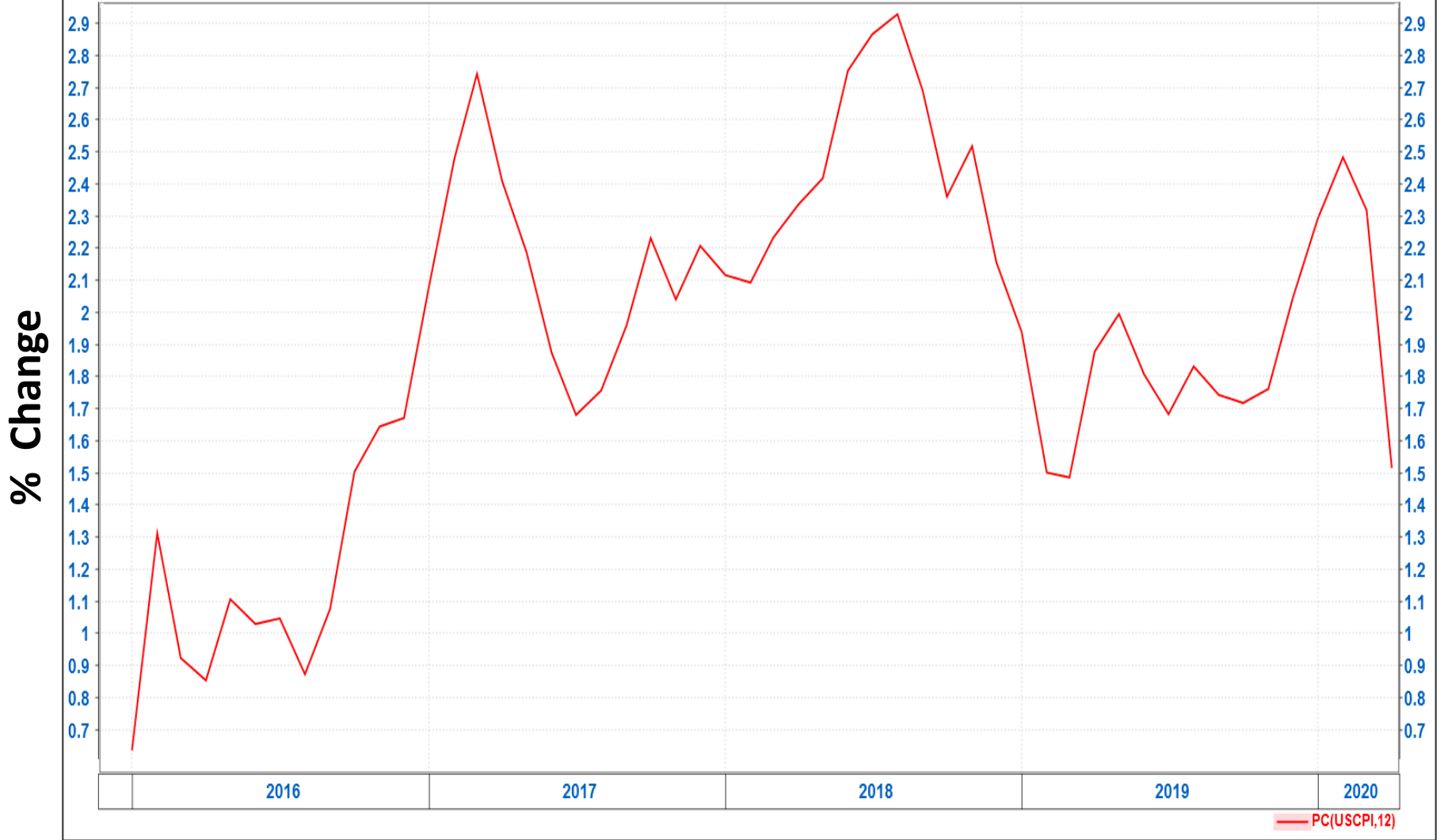
Real US Wages Growth (MoM)



Period

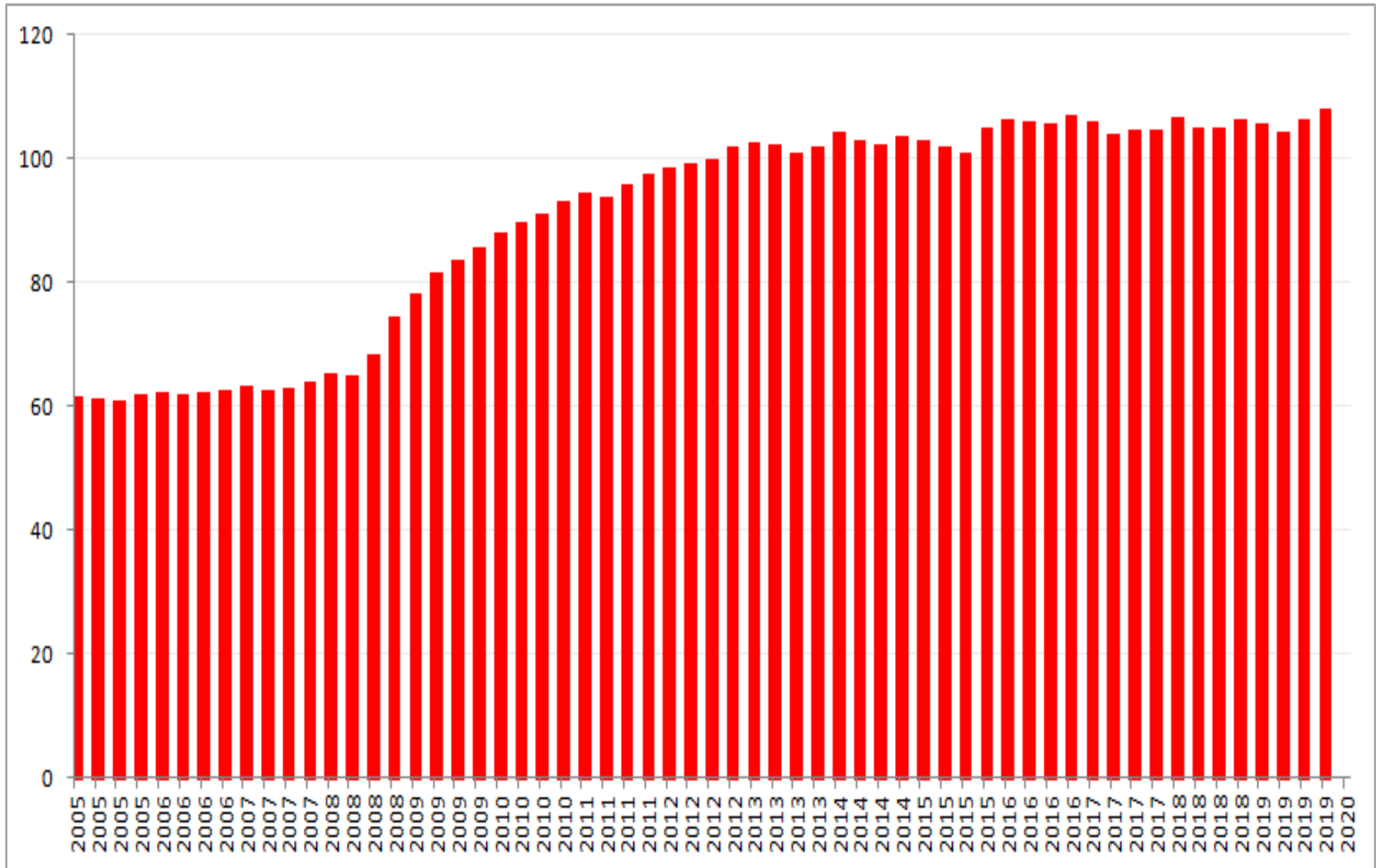
USA – Inflation

PC(USCPI,12)
Monthly 2015-11-30 to 2020-03-31



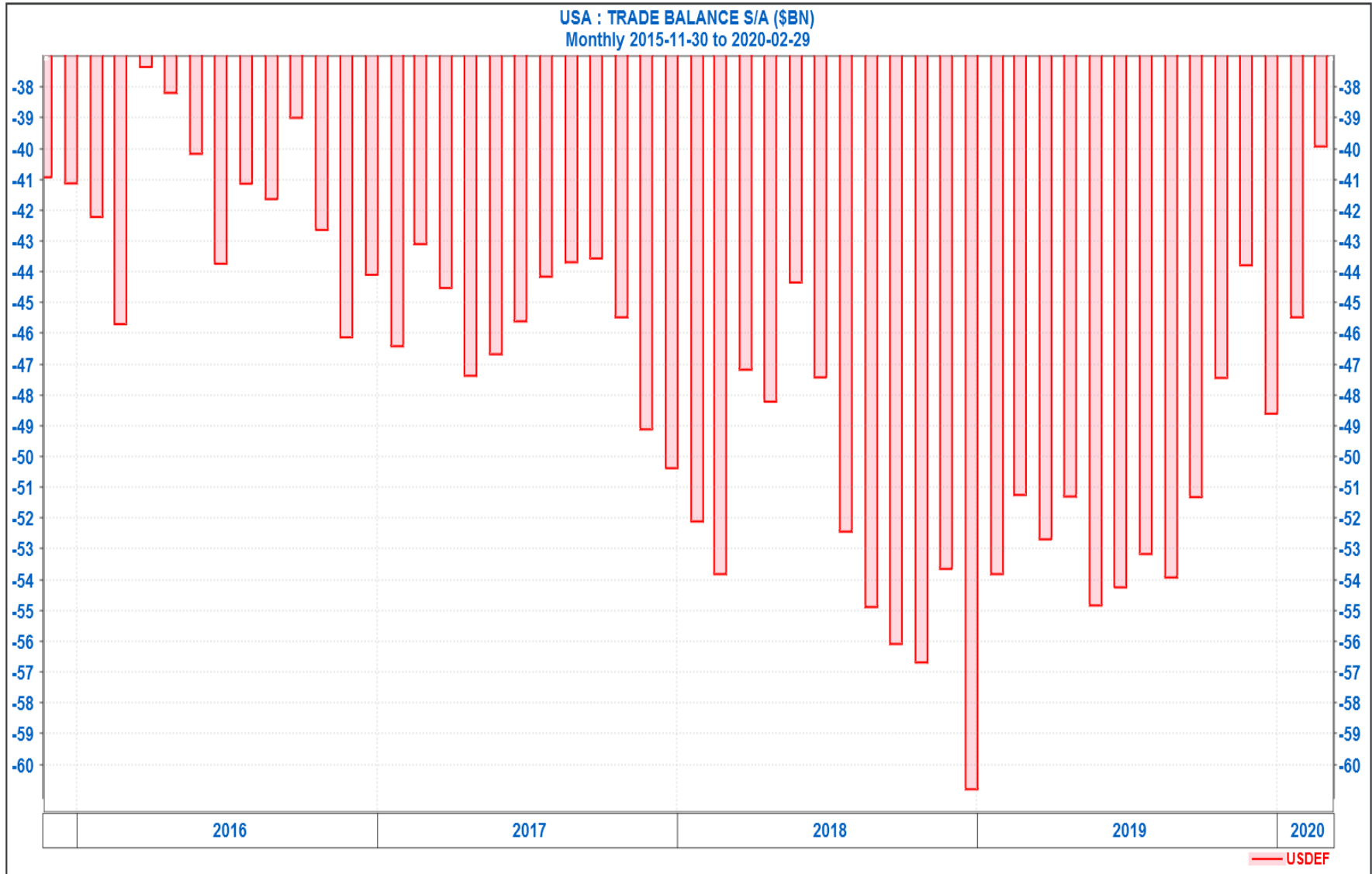
Period

USA – Government Debt %GDP (\$ Million)



Period

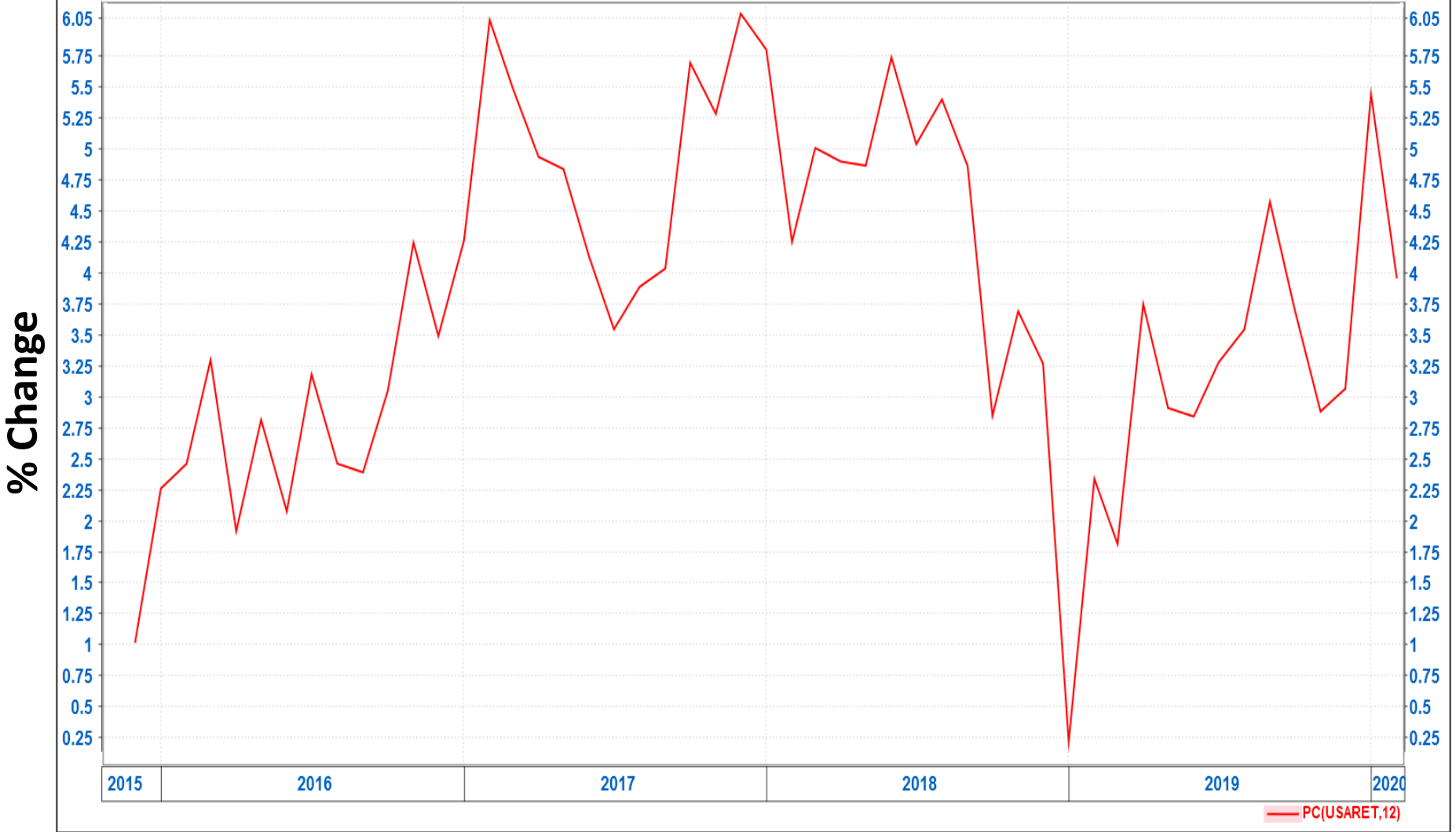
USA - Trade Balance Deficit (\$ Billion)



Period

USA - Retail Sales

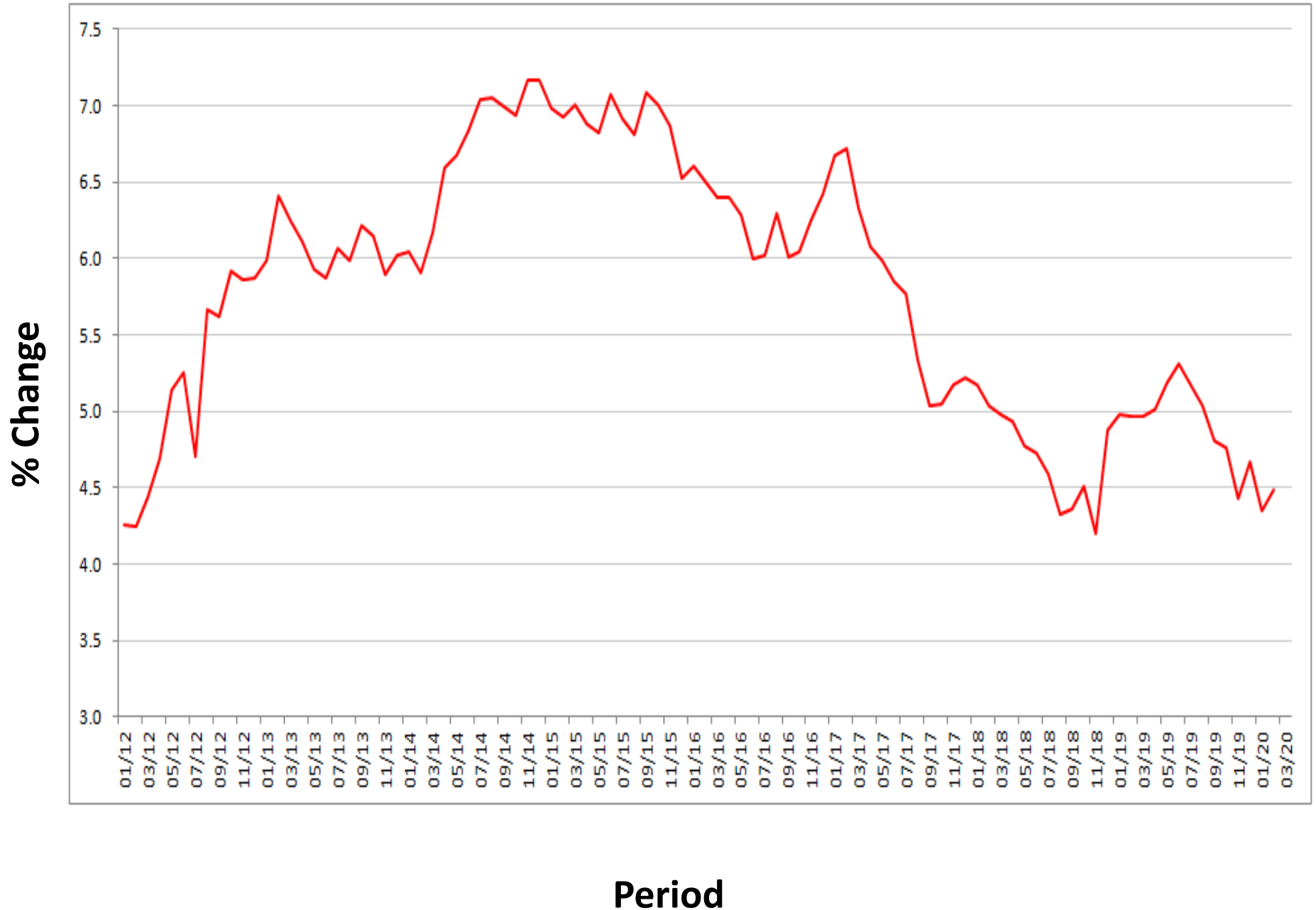
Percentage Change 12 of USA : RETAIL TRADE - VALUE S/A (US\$BN)
Monthly 2015-10-31 to 2020-01-31



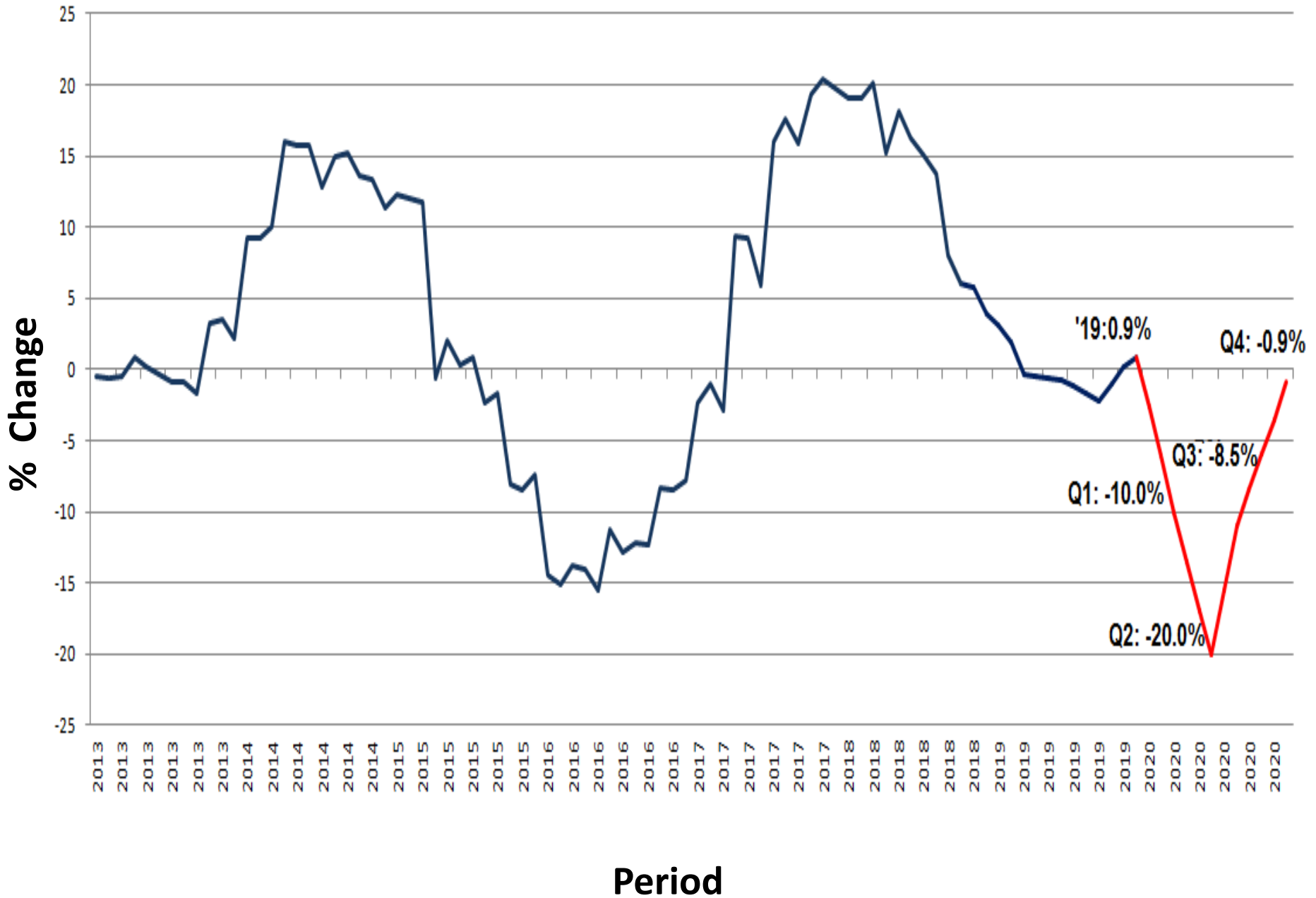
Period

PC(USARET,12)

USA – Consumer Credit



USA – S&P 500 Earnings Growth

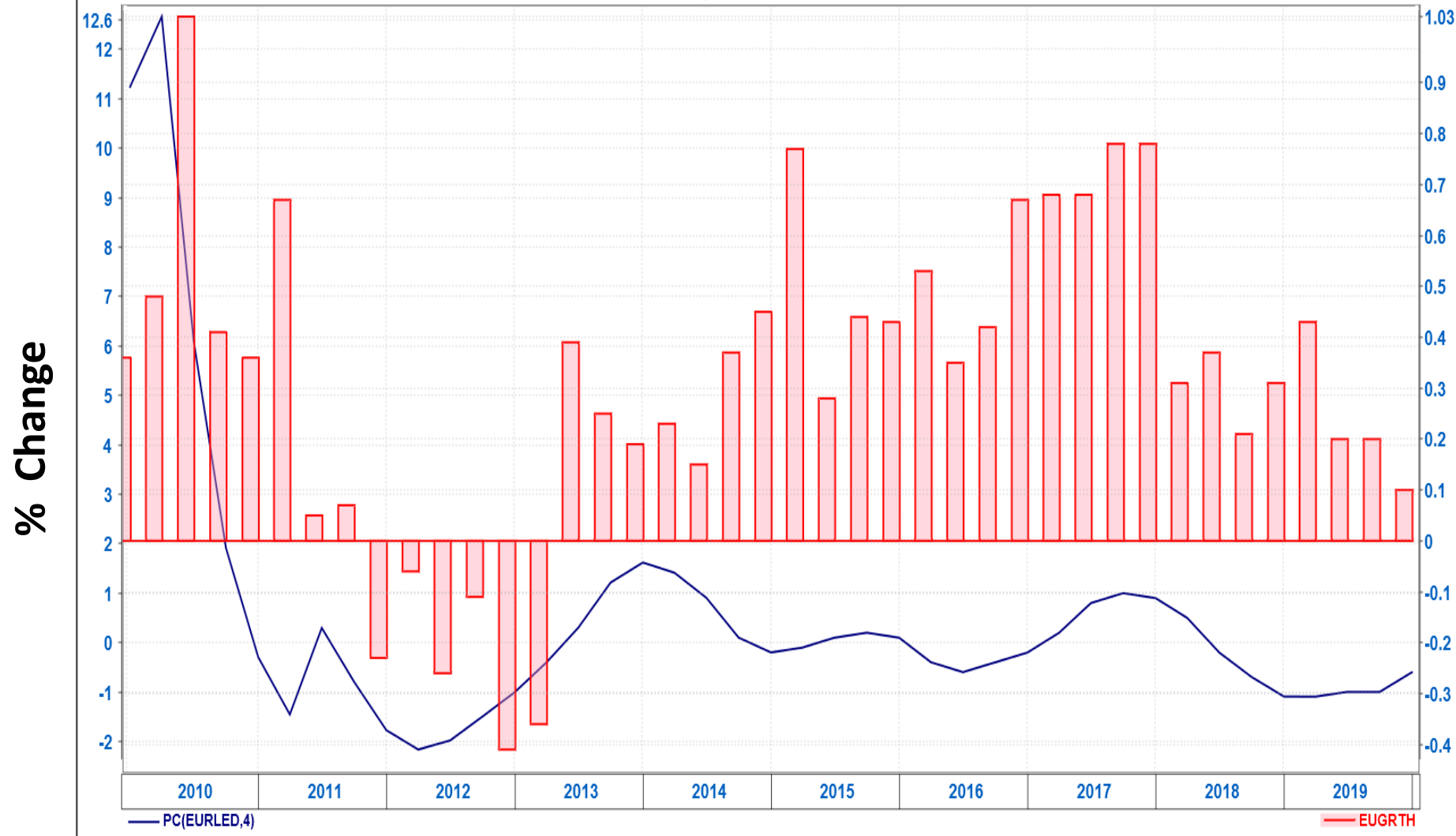


Euro Area:

GDP growth remains weak coming in lower at 0.1% for the final quarter of 2019. Unemployment continues to be on a downward trend at 7.4%. Inflation fell to 0.5% for March 2019. The European Economy remains weak, and forecasts show the effect of Covid-19 to remain negative with most of Europe on lockdown since March 10th

Europe – Economic Growth Rate Quarterly

EURO-ZONE : G D P-TOTAL- CONSTANT PRICES - GROWTH , Percentage Change 4 of EURO-ZONE : COMPOSITE LEADING INDICATOR
Quarterly 2009-12-31 to 2019-12-31

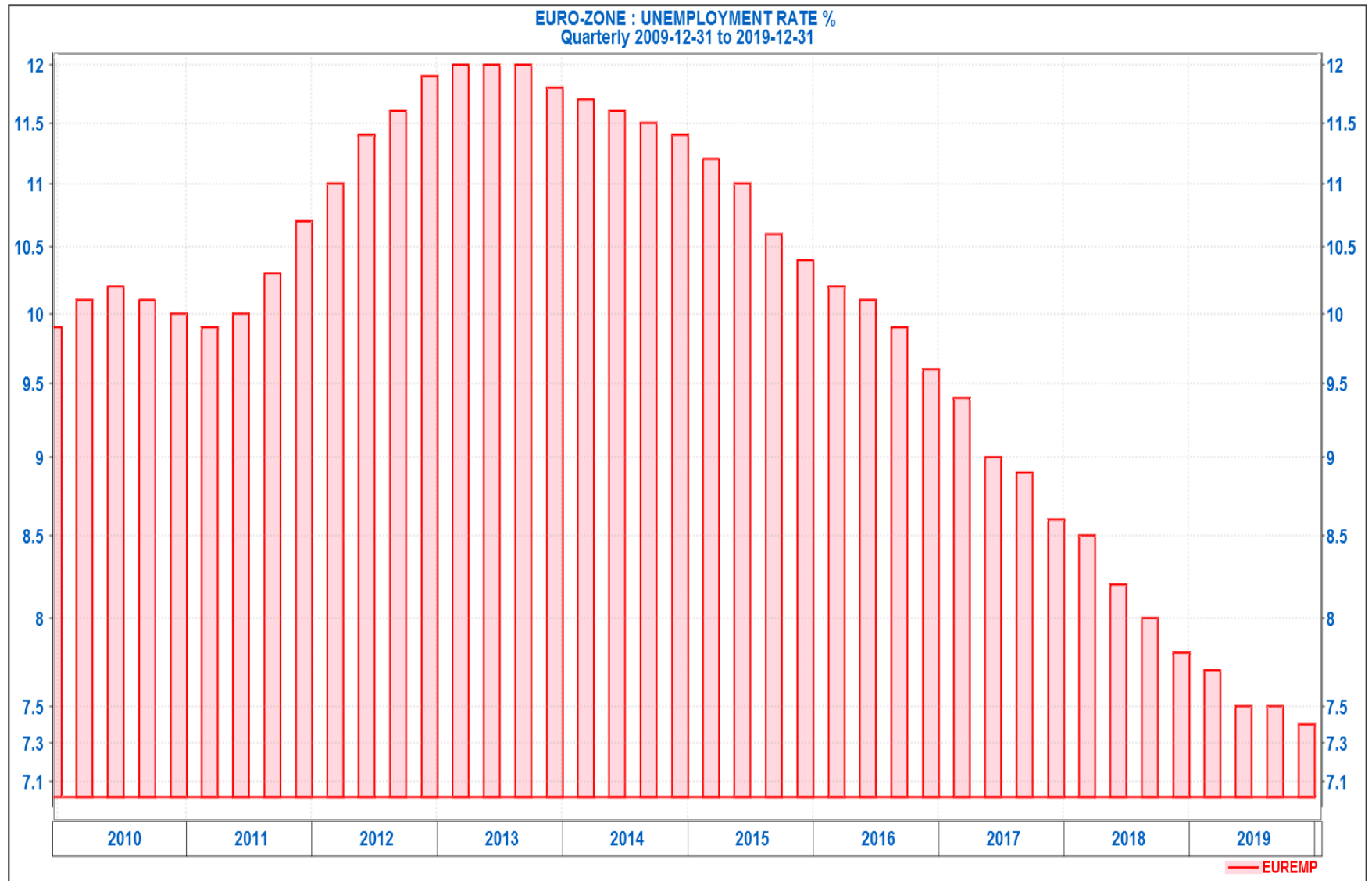


— Europe Growth Rate

— Europe Leading Indicator

Period

Europe – Unemployment

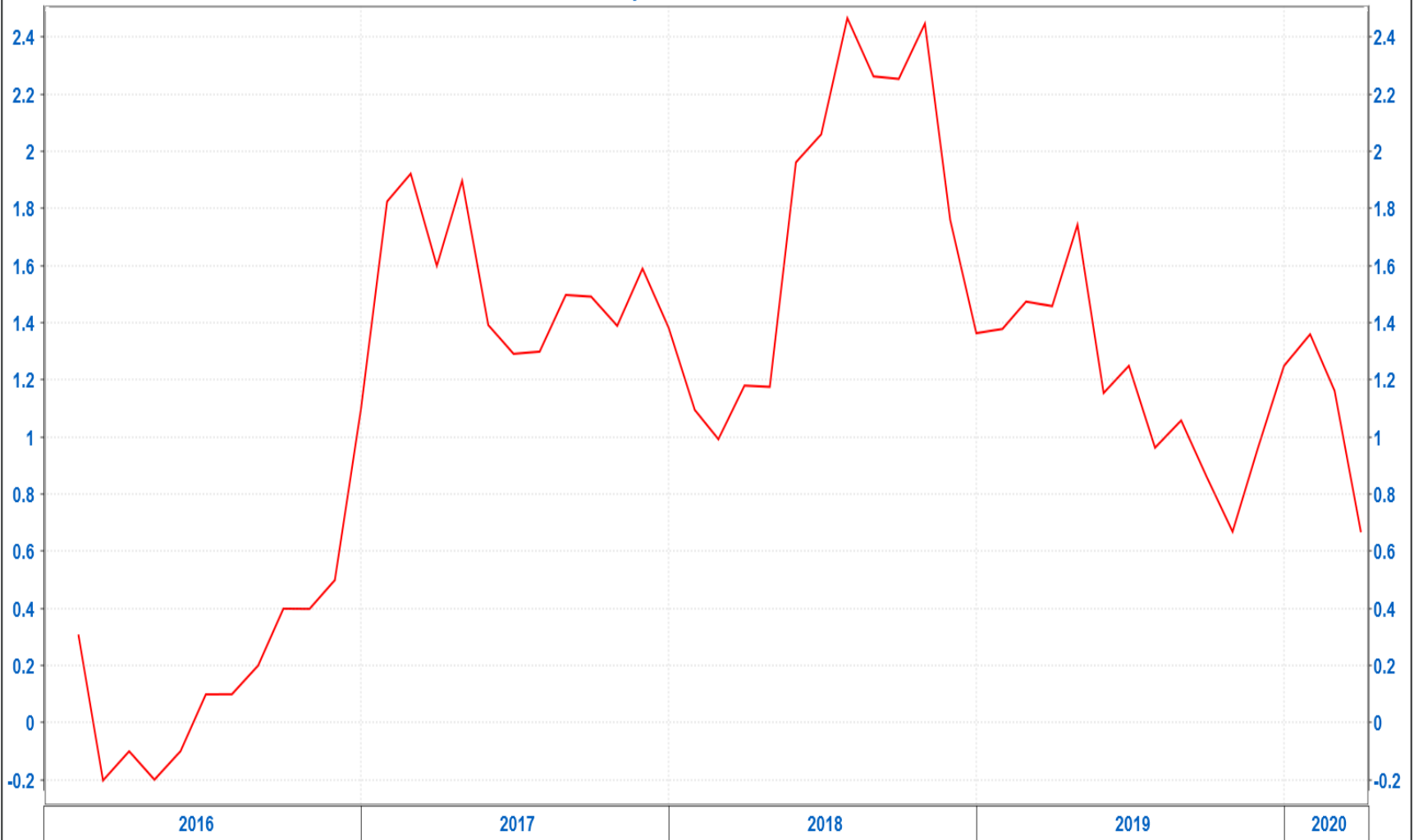


Period

Europe – Inflation

PC(EURCPI,12)
Monthly 2015-12-31 to 2020-03-31

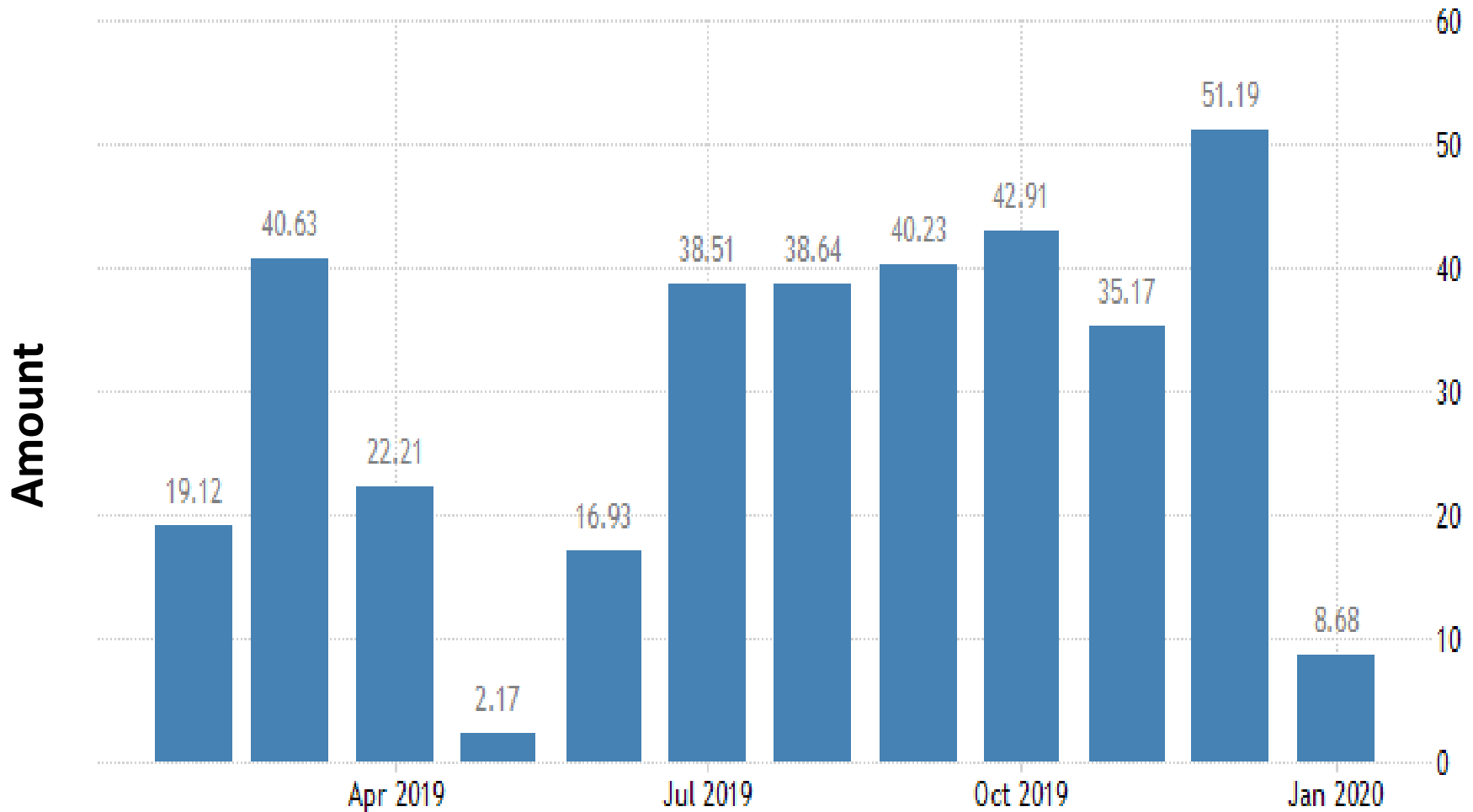
% Change



PC(EURCPI,12)

Period

EU – Current Account Balance (EUR Millions)



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

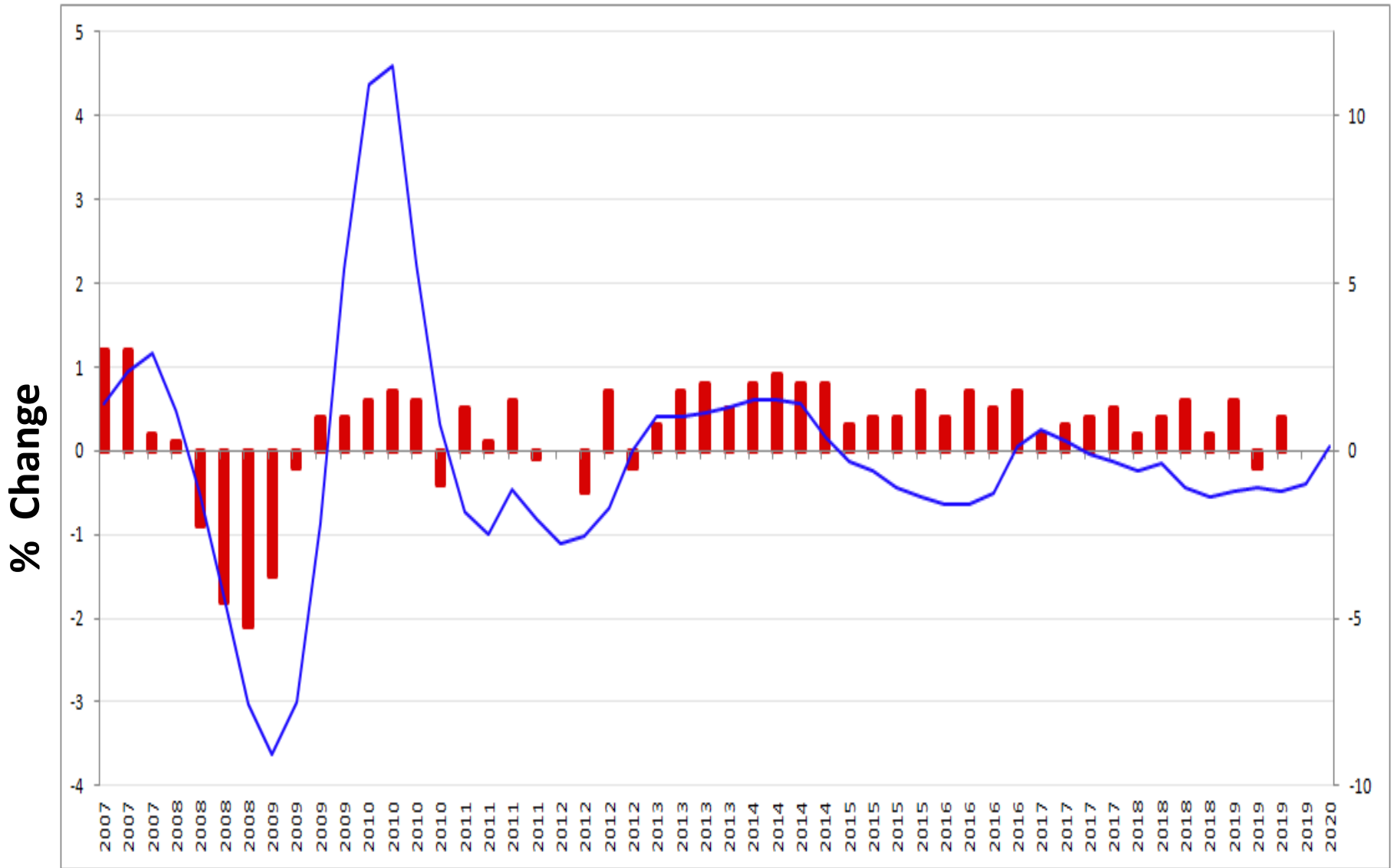
Period

United Kingdom:

Economic growth weakened in the fourth quarter coming at 0%, this following a recovery in Q3. With Brexit clearly weighing down on the country and additional strain from the effect of Covid-19. Inflation is up 1.7% for February 2020, and the unemployment rate remained at 3.8%.

Earnings growth of companies is forecasted to be – 8.9% for 2020.

UK – Economic Growth Rate Quarterly



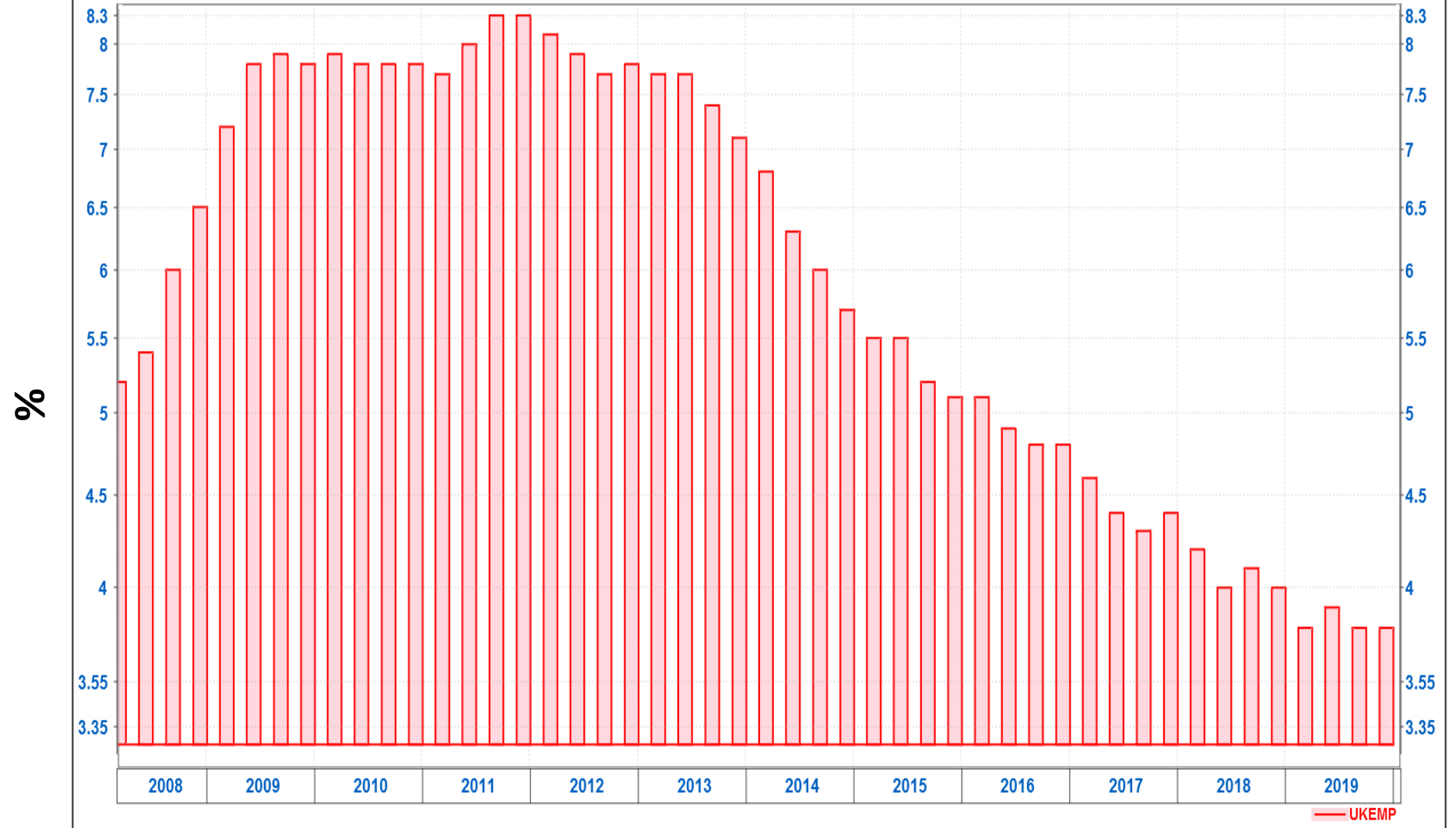
— UK Growth Rate

— UK Leading Indicator

Period

UK – Unemployment

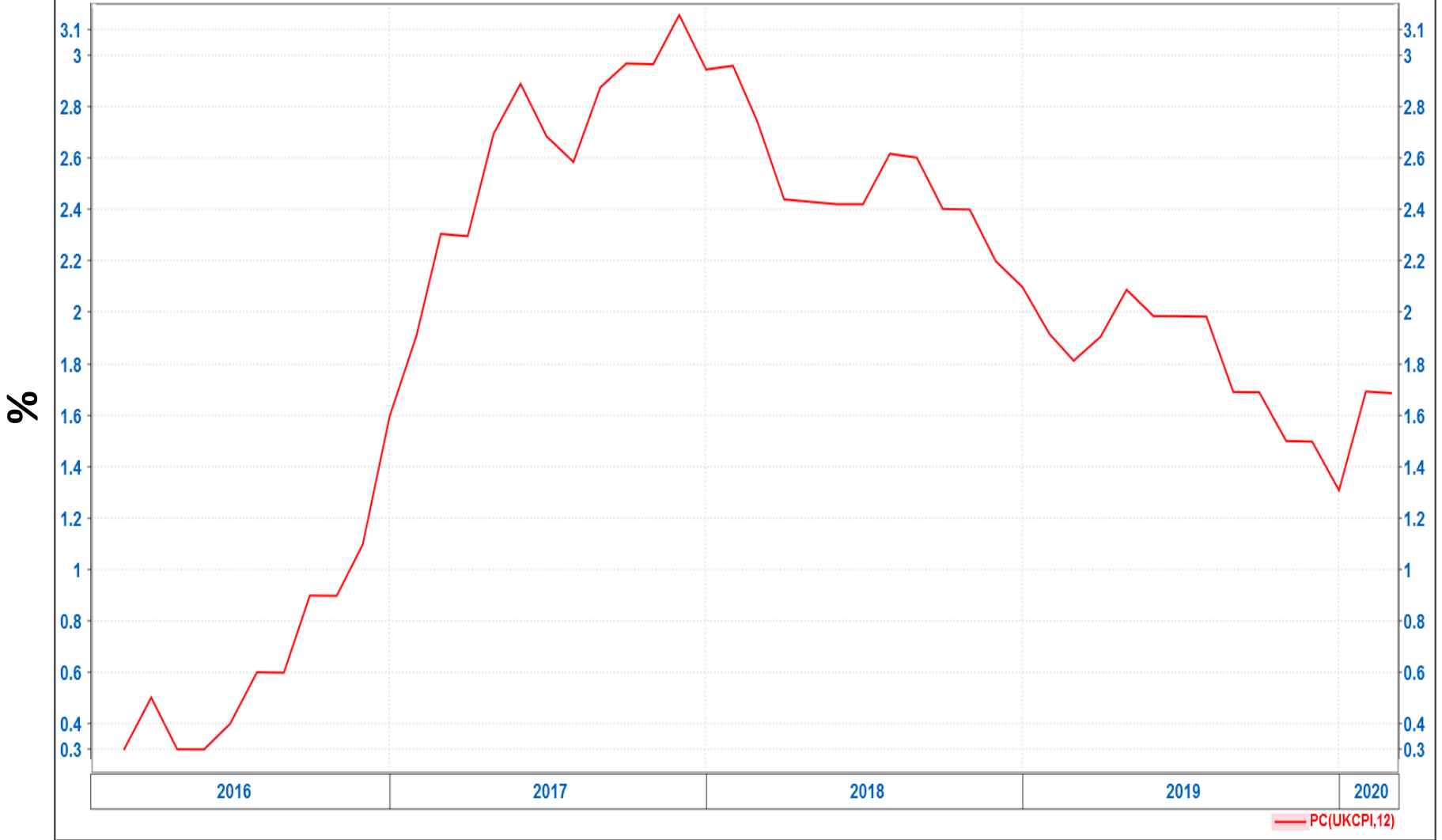
UK : UNEMPLOYMENT HARMONISED % S/A
Quarterly 2008-03-31 to 2019-12-31



Period

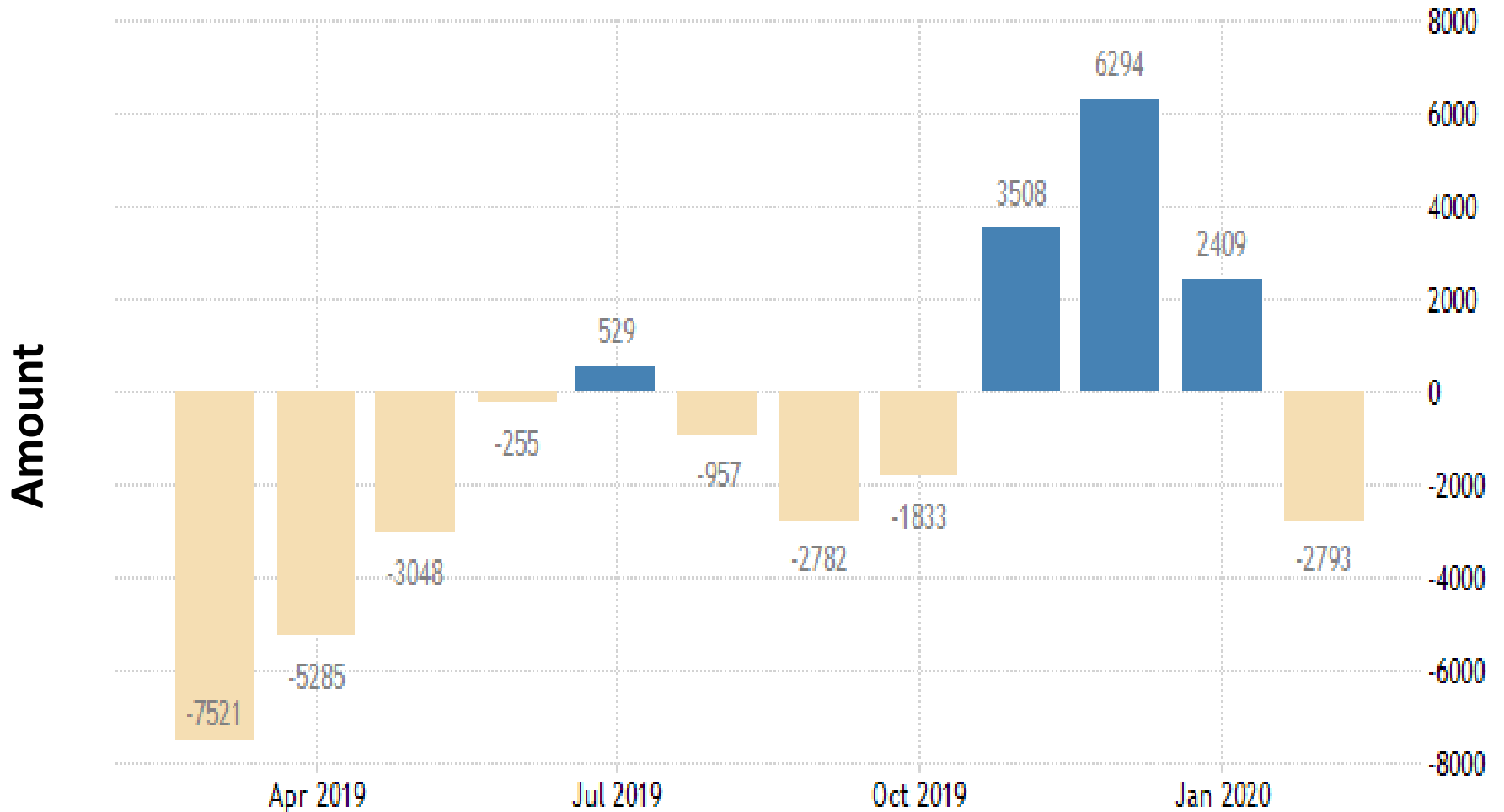
UK – Inflation

PC(UKCPI,12)
Monthly 2016-01-31 to 2020-02-29



Period

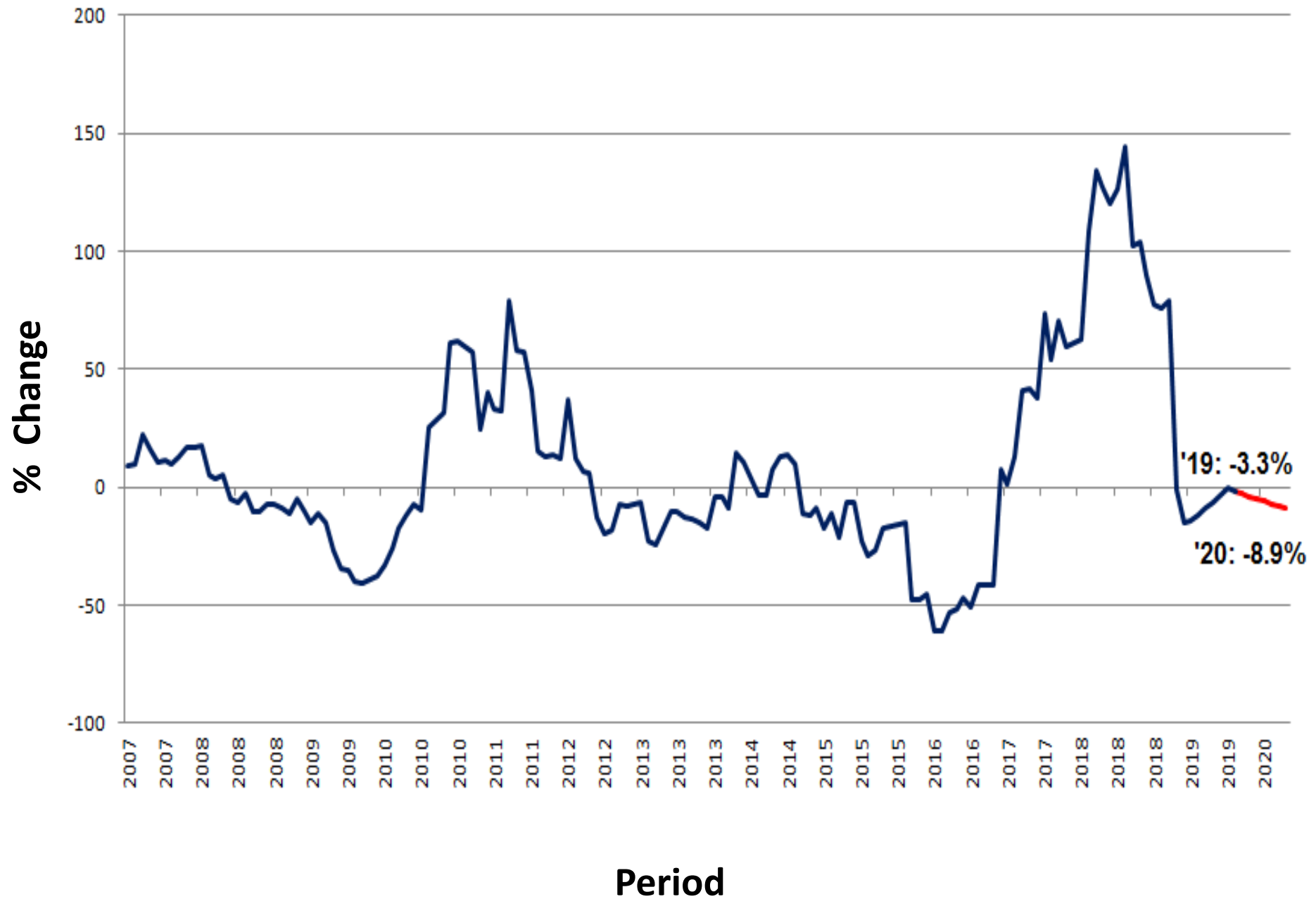
UK – Trade Balance (£ Millions)



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

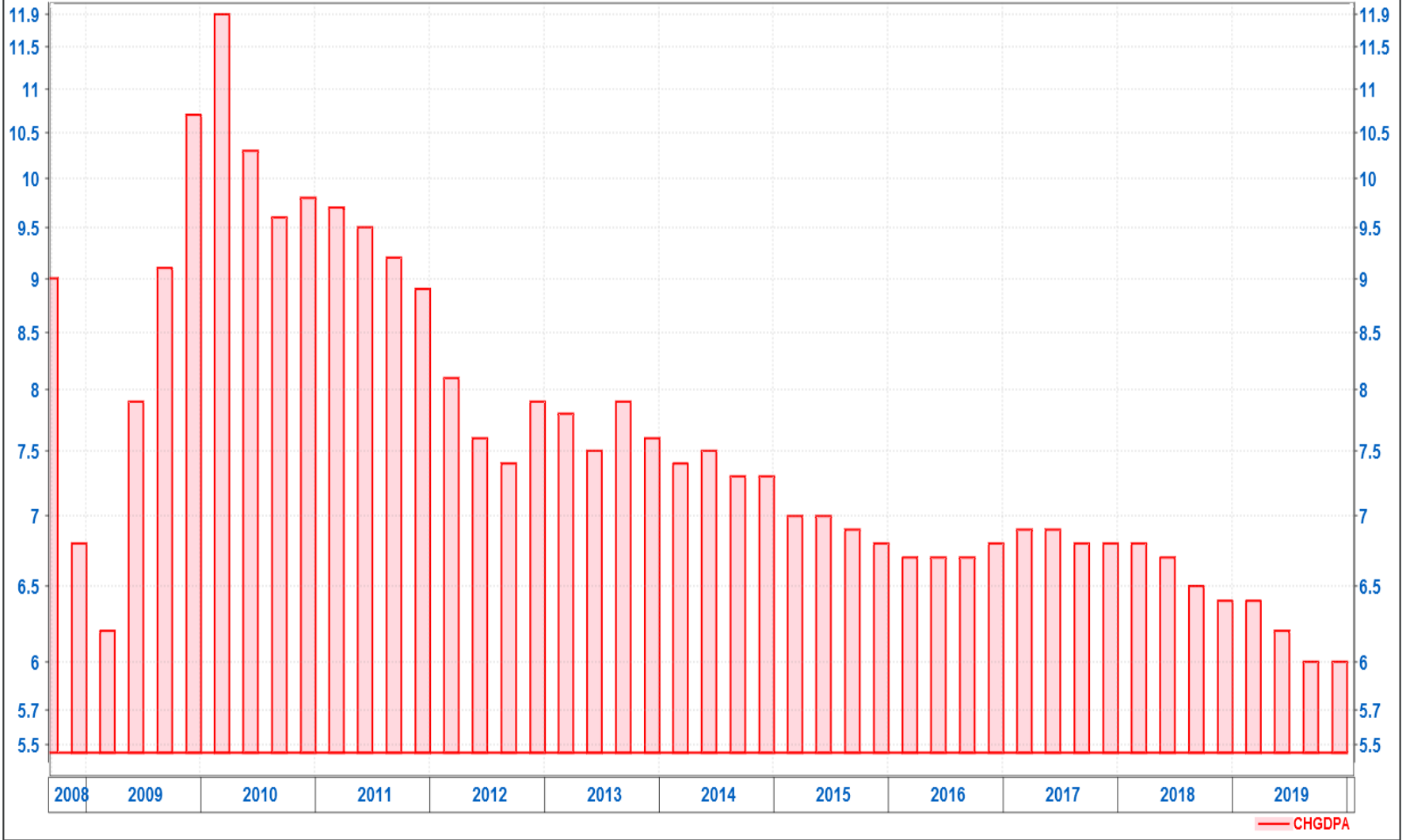
Period

UK – FTSE 100 Earnings Growth



China – Economic Growth Rate

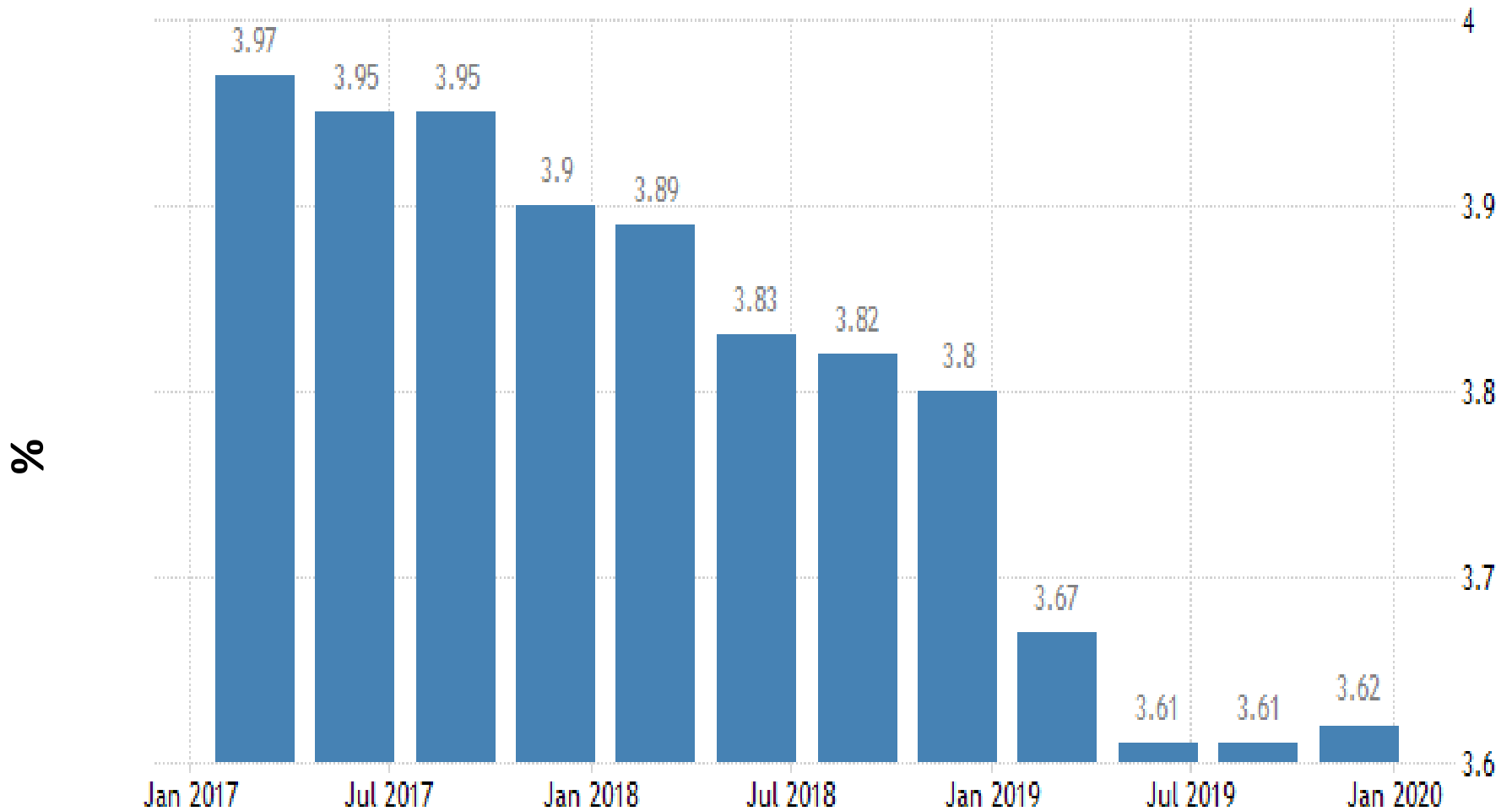
CHINA : GDP ANNUAL GROWTH RATE (PERCENT)
Quarterly 2008-09-30 to 2019-12-31



— China Growth Rate

Period

China – Unemployment

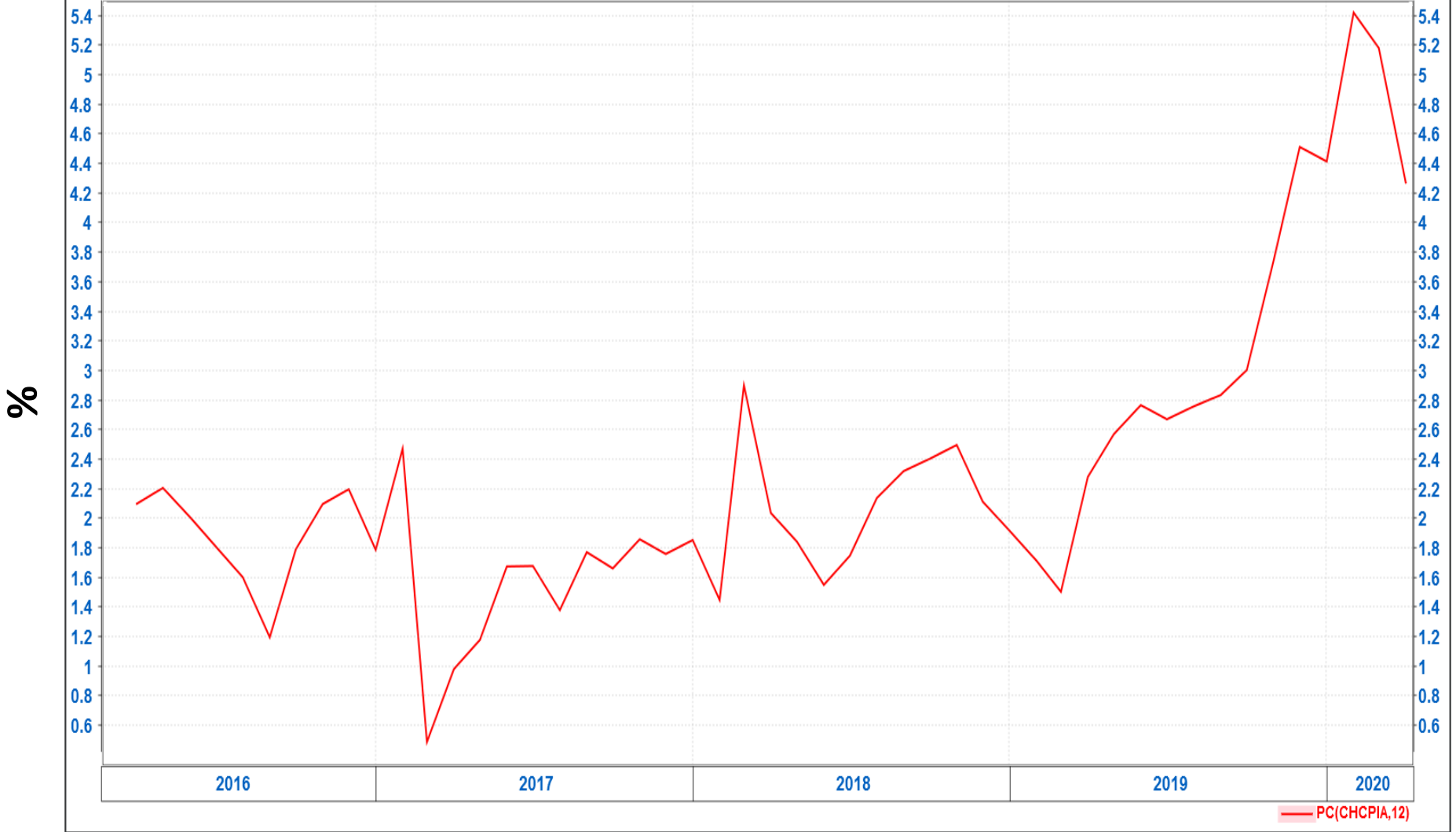


SOURCE: [TRADINGECONOMICS.COM](https://www.tradingeconomics.com) | MINISTRY OF HUMAN RESOURCES AND SOCIAL SECURITY, CHINA

Period

China – Inflation

PC(CHCPIA,12)
Monthly 2016-02-29 to 2020-03-31



Period

South Africa Economic Indicators

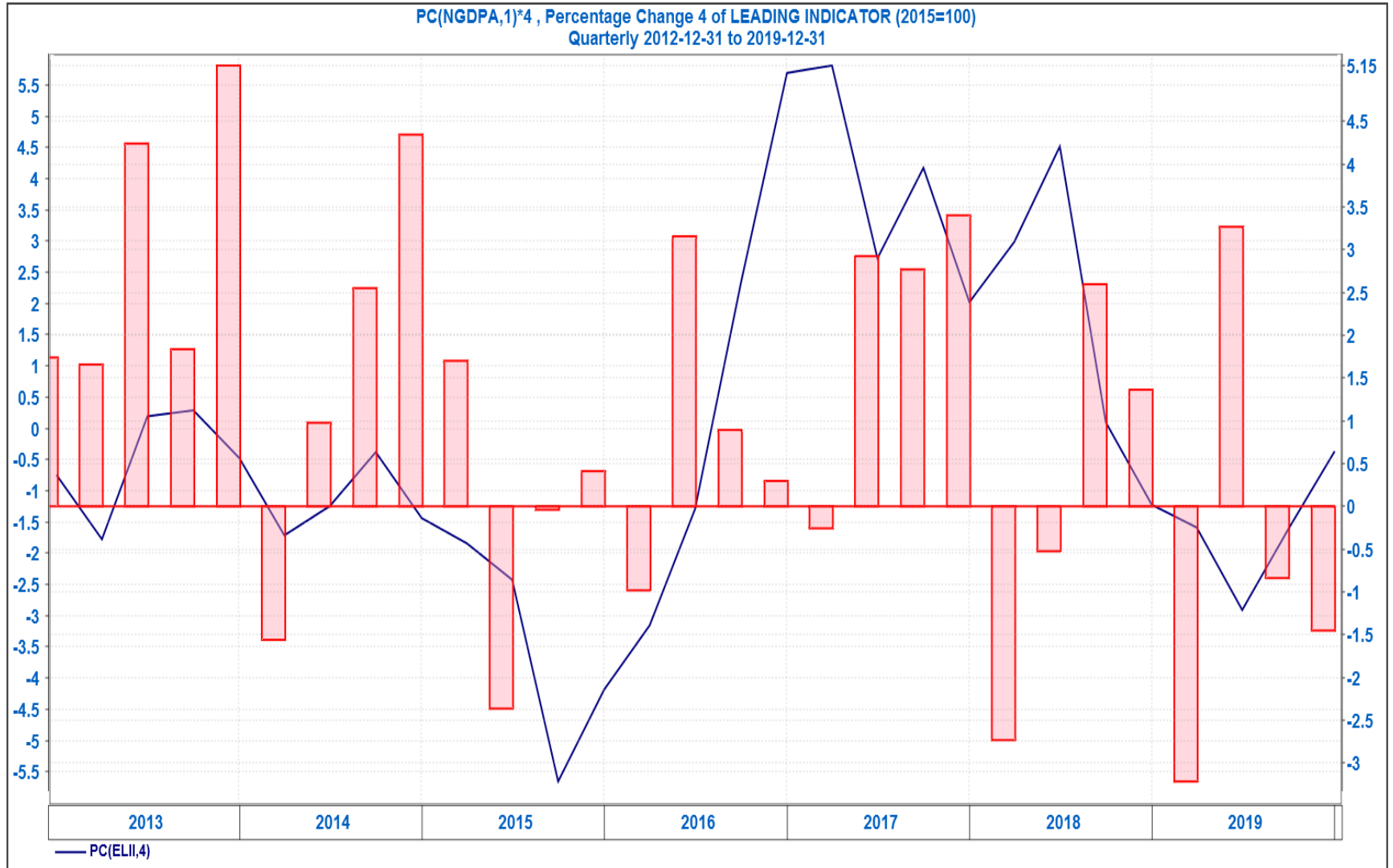
South Africa:

Economic growth slowed further to -1.4% in Q4 of 2019 with rolling blackouts and strike action clearly weighing down production. Unemployment remains high at 29.1% in Q4 of 2019. Inflation came in higher at 4.6% in February 2020, whilst consumer credit slowed to just above the 5.0% 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 down to 12.72% in 2020, after experiencing growth of 15.04% in the fourth quarter of 2019.

South Africa – Economic Growth Rate Quarterly



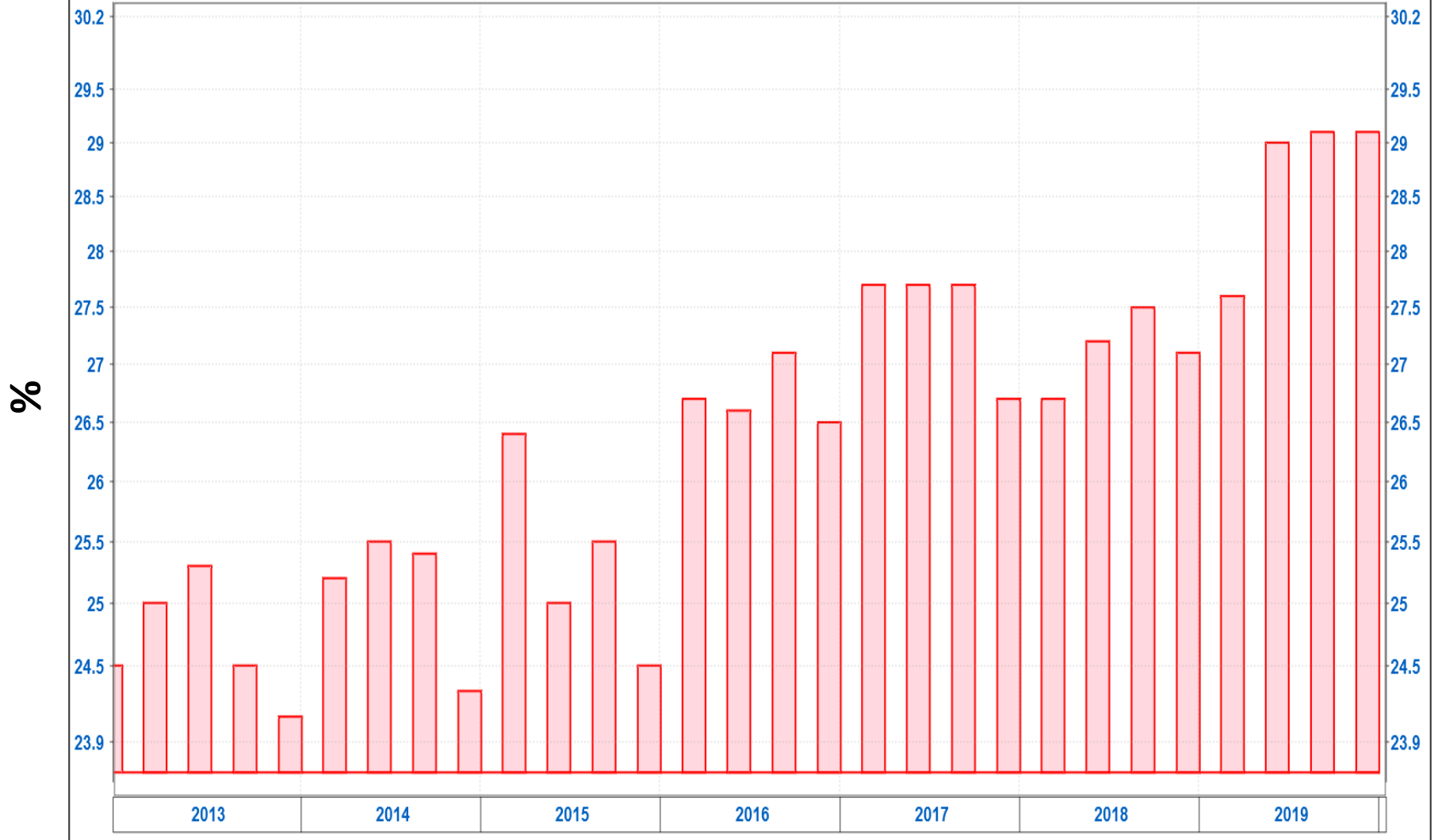
— South Africa Growth Rate

— South Africa Leading Indicator

Period

South Africa – Unemployment

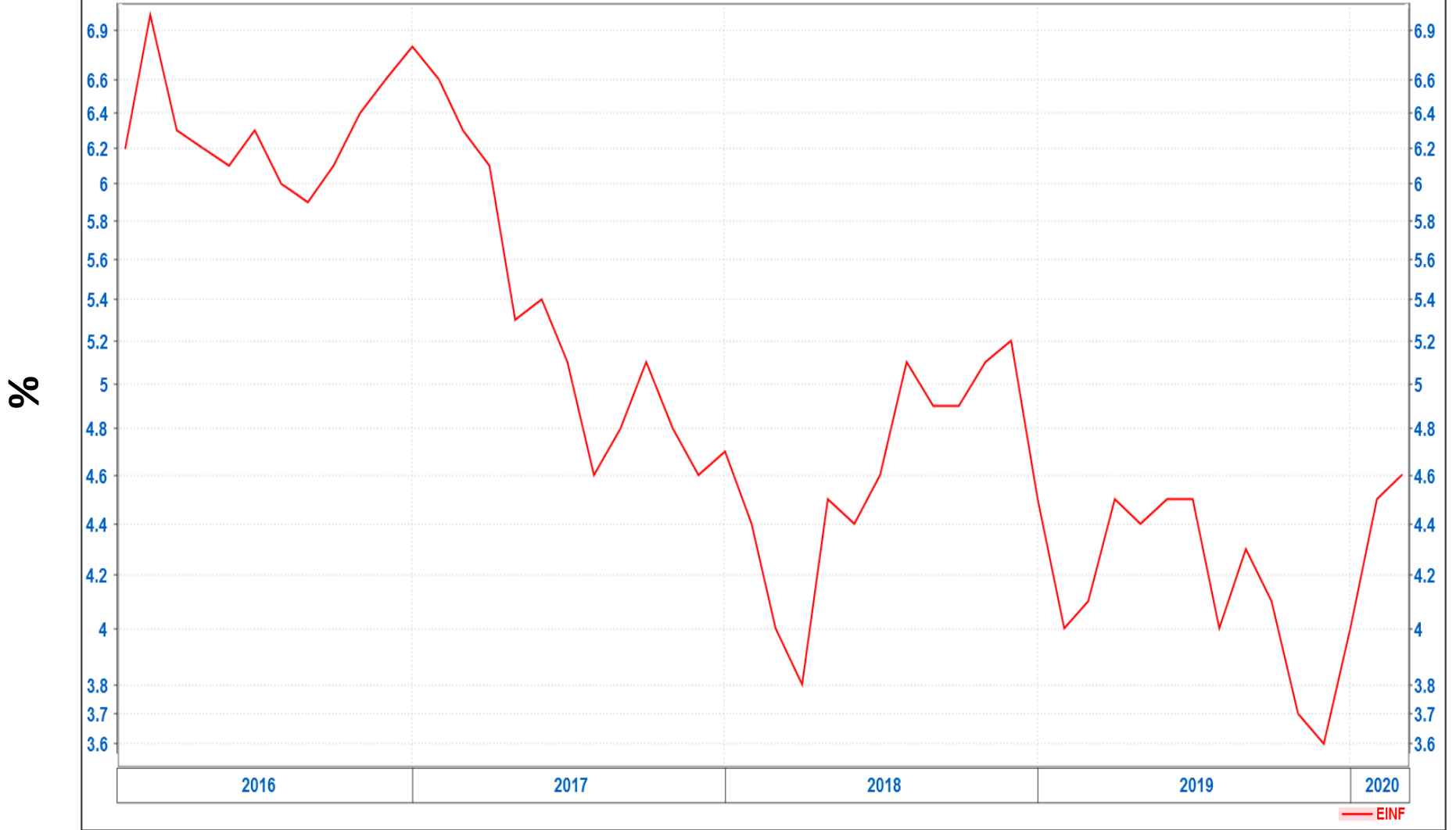
EMPLOYMENT : OFFICIAL UNEMPLOYMENT RATE (ILO)
Quarterly 2012-12-31 to 2019-12-31



Period

South Africa – Inflation Rate

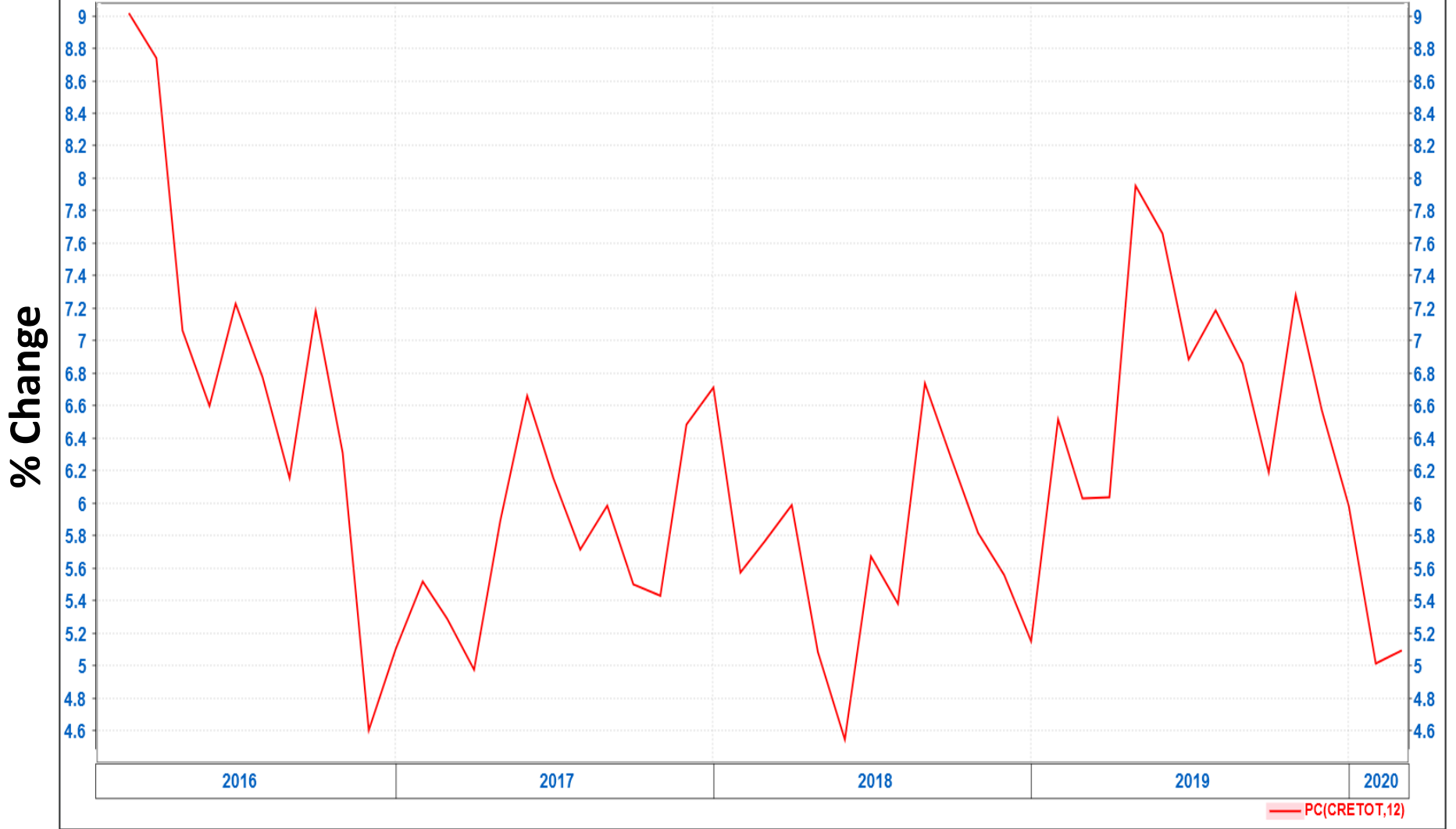
INFLATION RATE - SOUTH AFRICA (ALL URBAN)
Monthly 2016-01-31 to 2020-02-29



Period

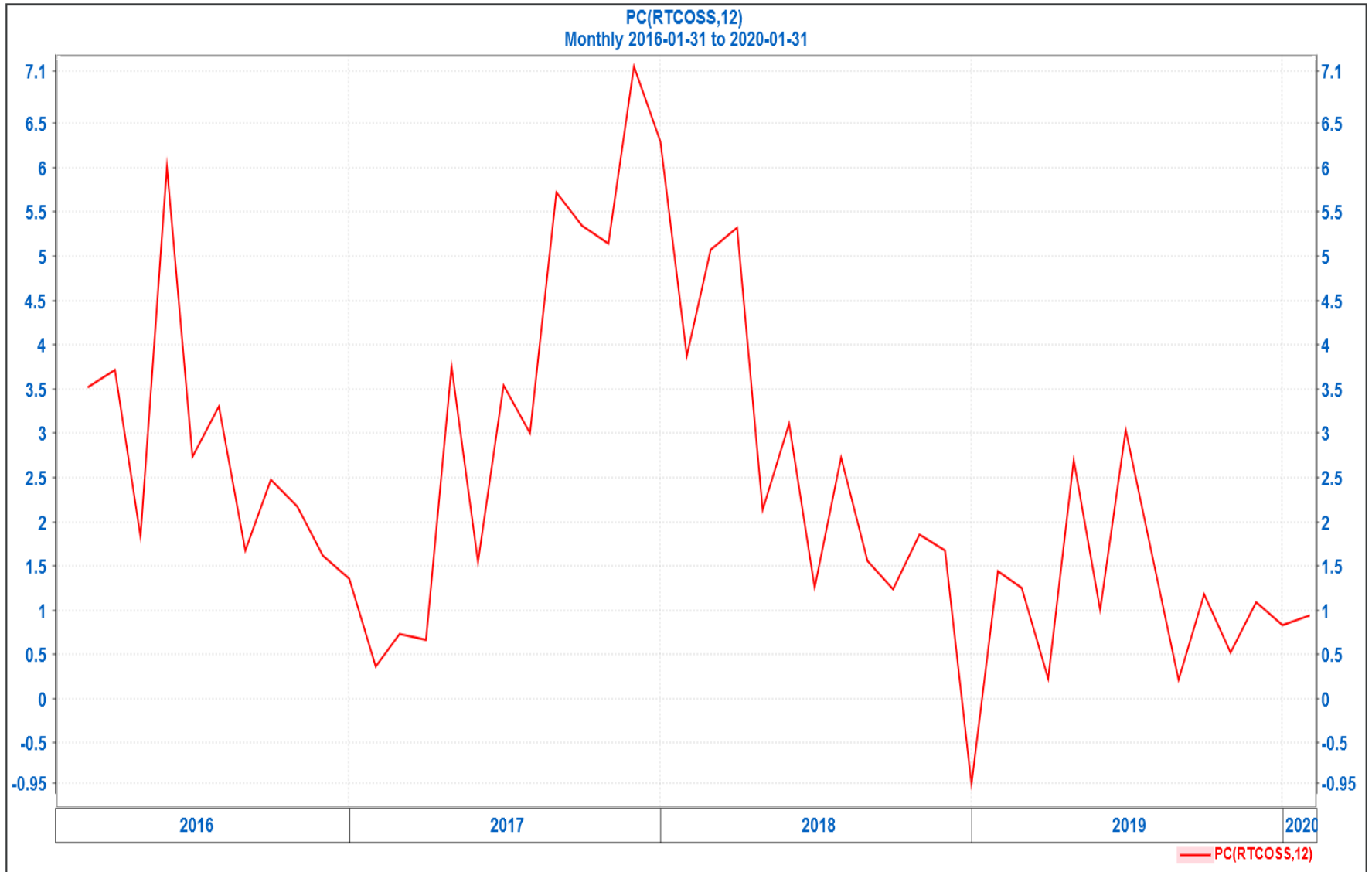
South Africa – Consumer Credit

PC(CRETOT,12)
Monthly 2016-01-31 to 2020-02-29



Period

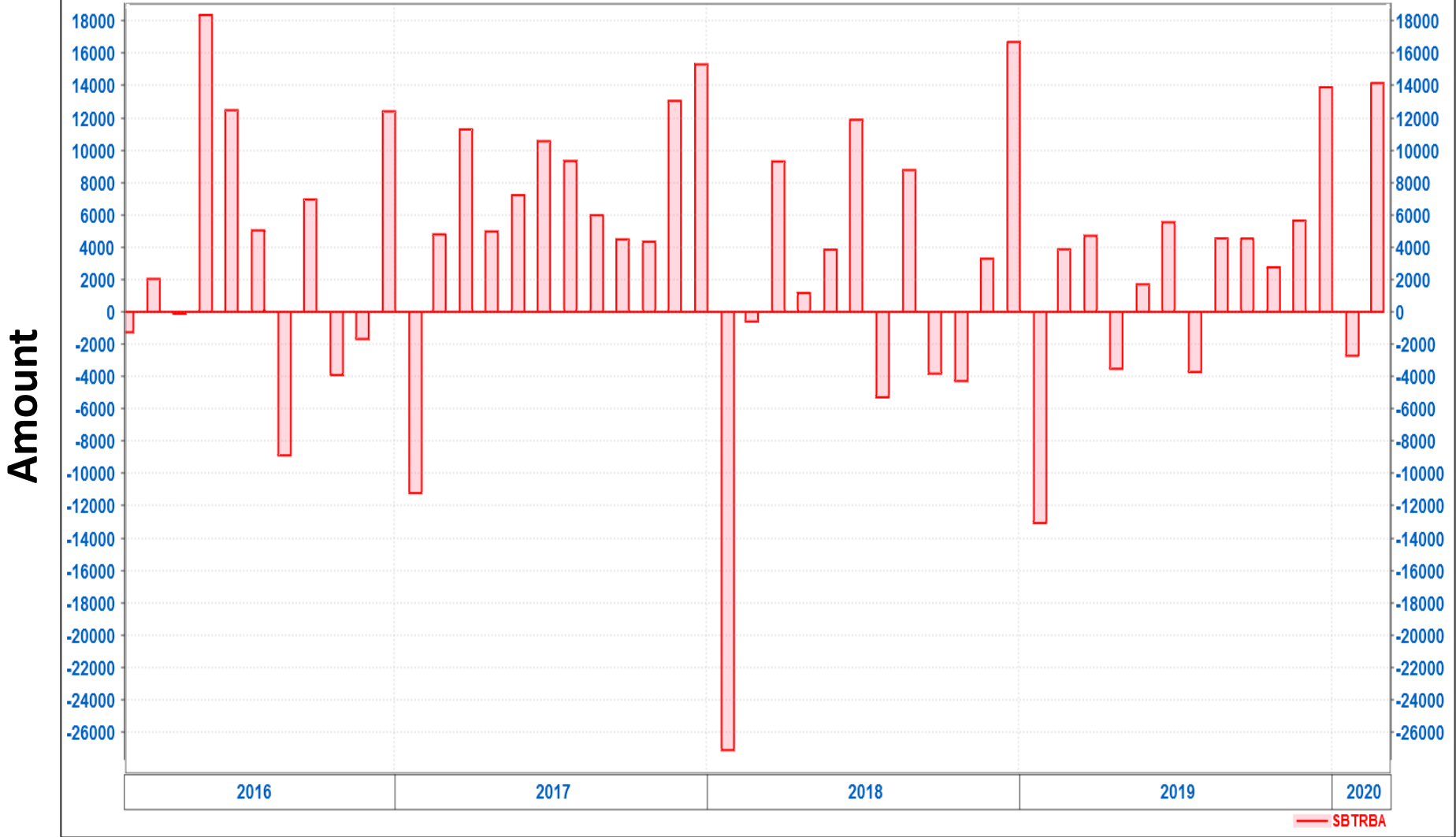
South Africa – Retail Sales



Period

South Africa – Trade Balance (ZAR Million)

TRADE BALANCE (R M) - SA+BLNS - ADJUSTED
Monthly 2016-02-29 to 2020-02-29

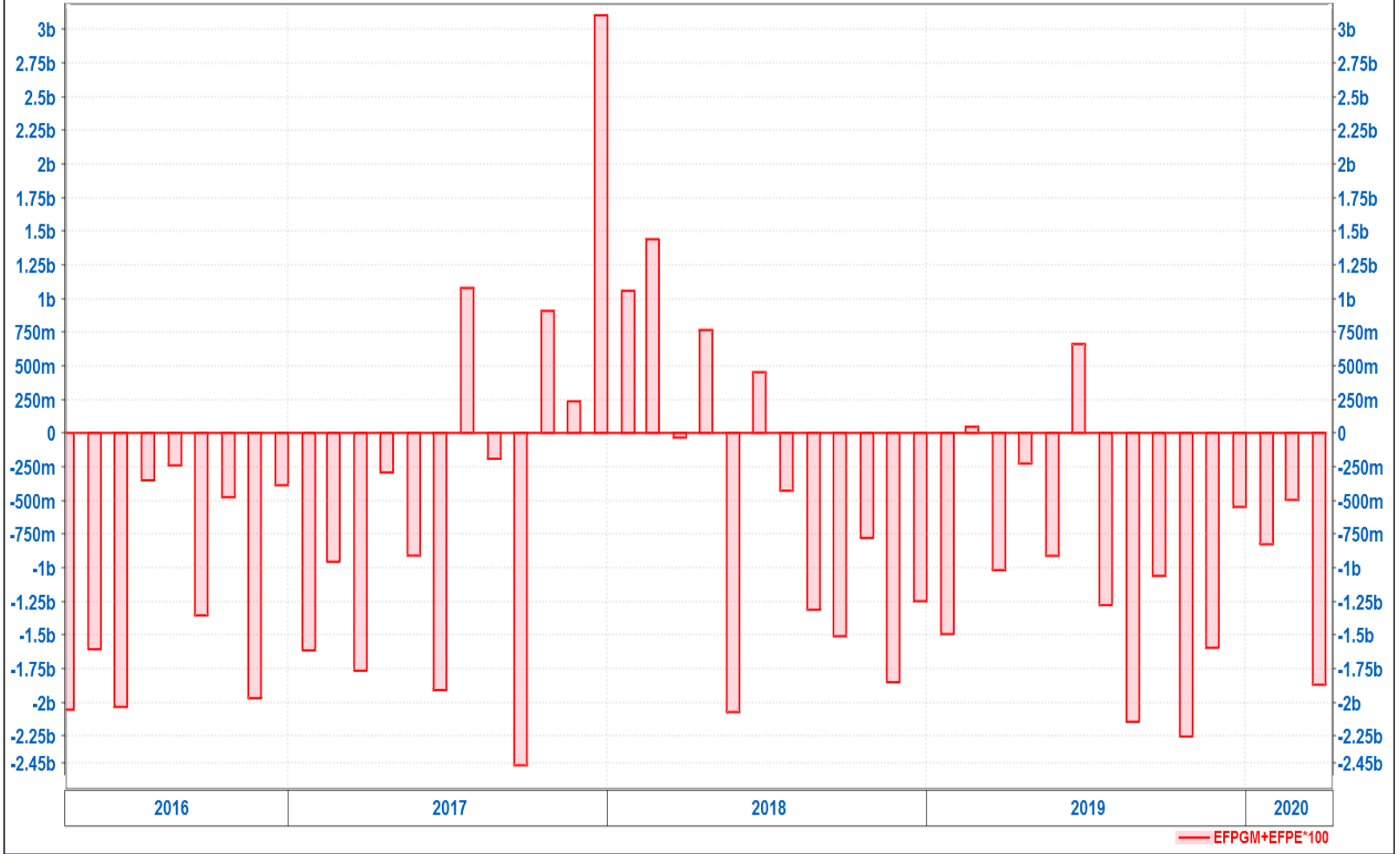


Period

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

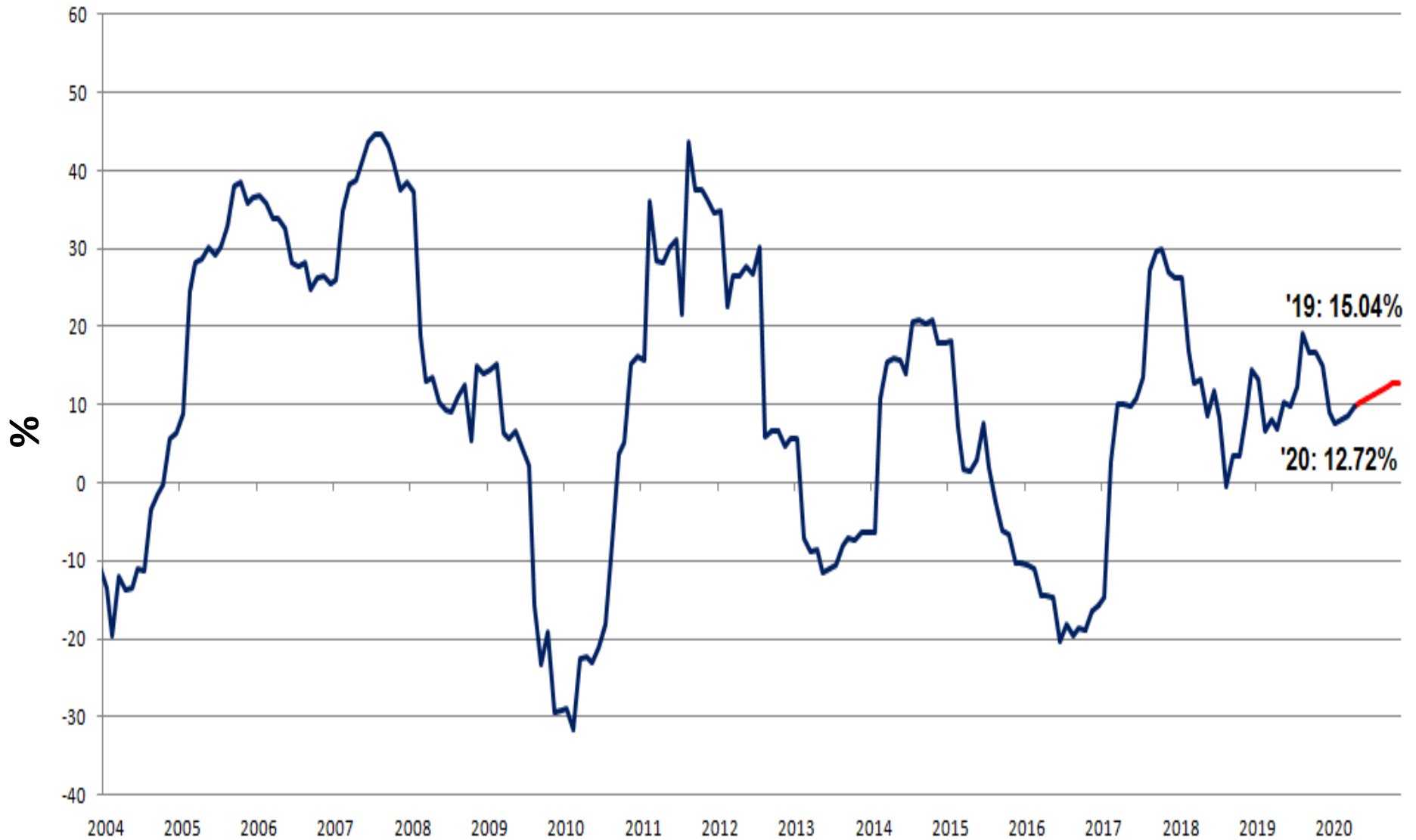
FOREIGN TRANS BESA - NET (RM) - TOTAL CONSIDERATION+FOREIGN TRANSACTIONS EQUITIES - NET (R'000)*100
 Monthly 2016-04-30 to 2020-03-31

Amount (ZAR Mil)



Period

S.A. All Share Earnings Forecast



Period

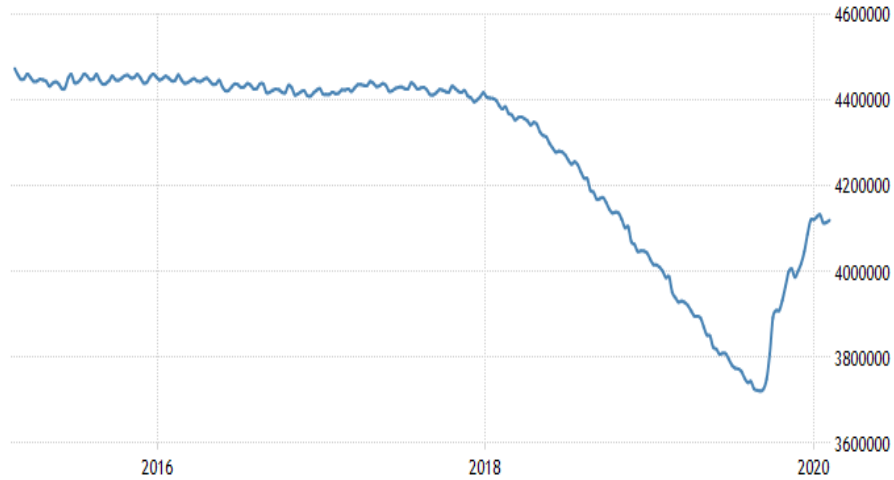
Central Bank Policies

Central Bank Policies:

Central Banks are likely to remain accommodative as global growth worries persist, 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



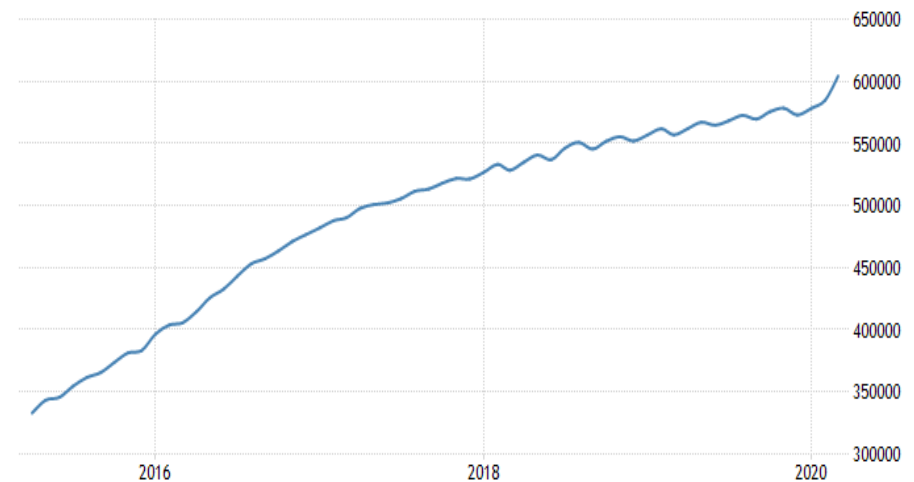
SOURCE: TRADINGECONOMICS.COM | EUROPEAN CENTRAL BANK

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

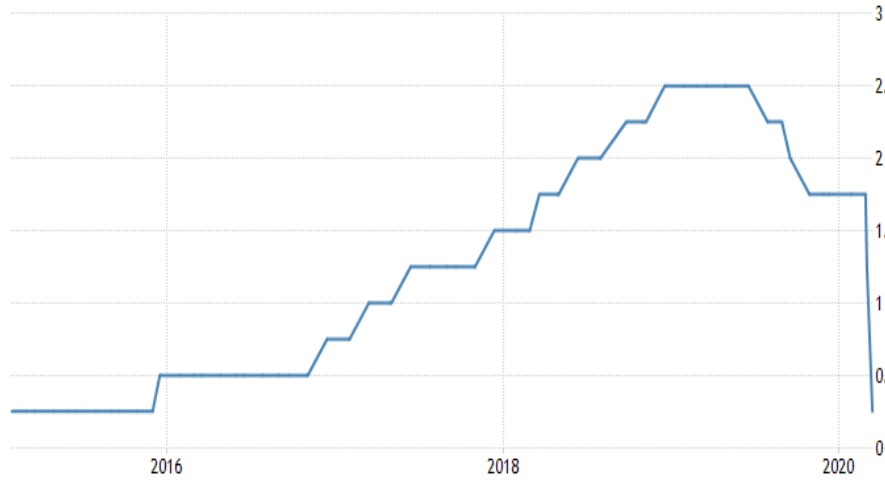


SOURCE: TRADINGECONOMICS.COM | SOUTH AFRICAN RESERVE BANK

Period

Central Bank Interest Rate

Federal Reserve Interest Rate



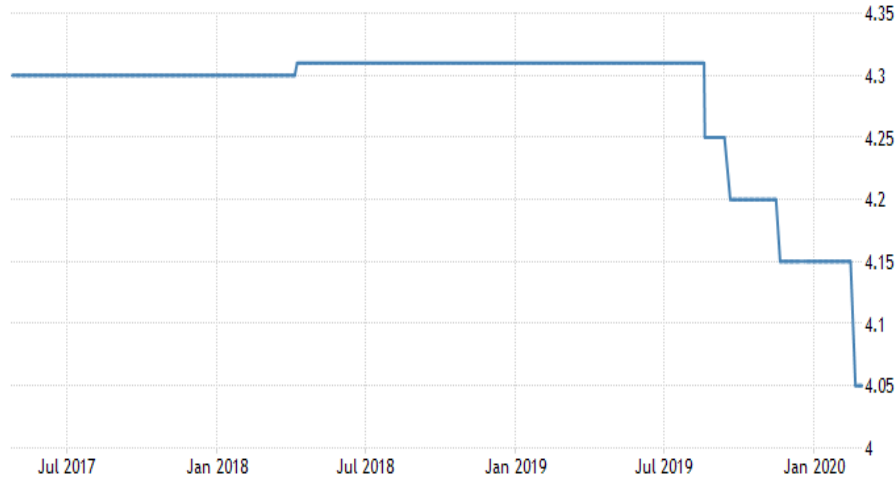
SOURCE: TRADINGECONOMICS.COM | FEDERAL RESERVE

European Central Bank Interest Rate



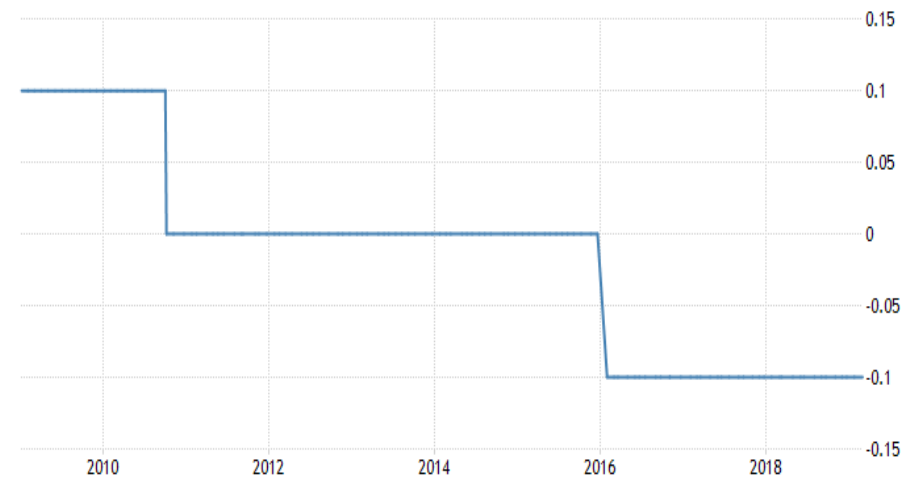
SOURCE: TRADINGECONOMICS.COM | EUROPEAN CENTRAL BANK

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



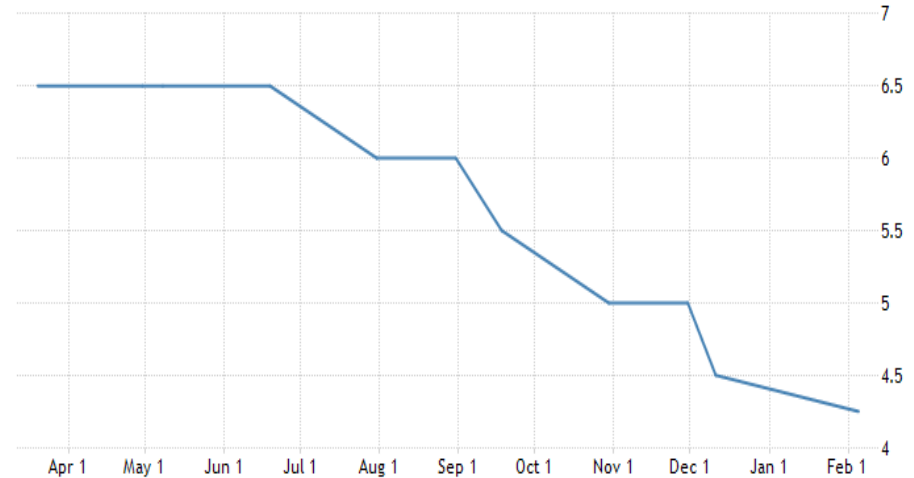
SOURCE: TRADINGECONOMICS.COM | RESERVE BANK OF INDIA

Turkey Central Bank Interest Rate



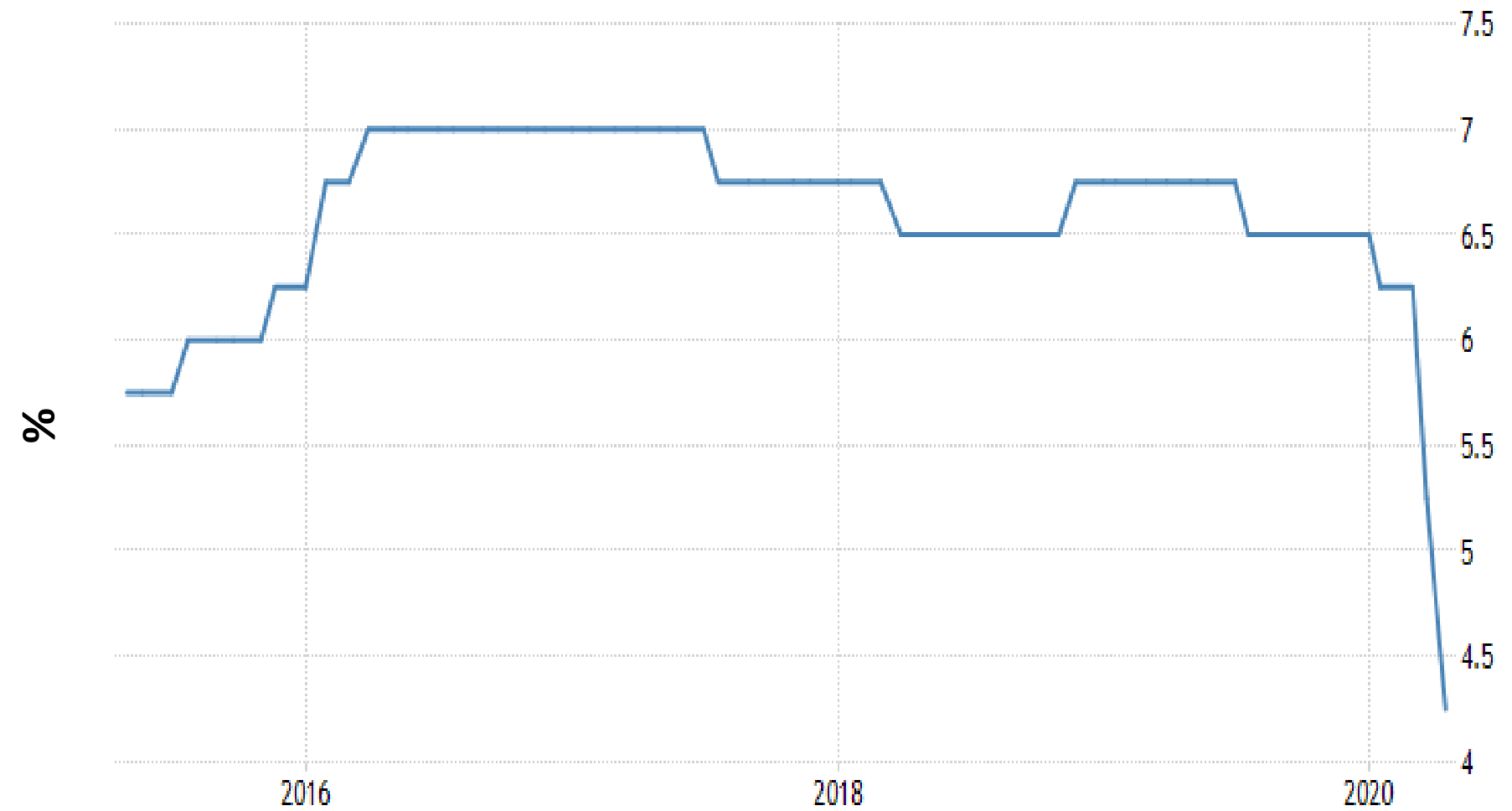
SOURCE: TRADINGECONOMICS.COM | CENTRAL BANK OF THE REPUBLIC OF TURKEY

Brazil Central Bank Interest Rate



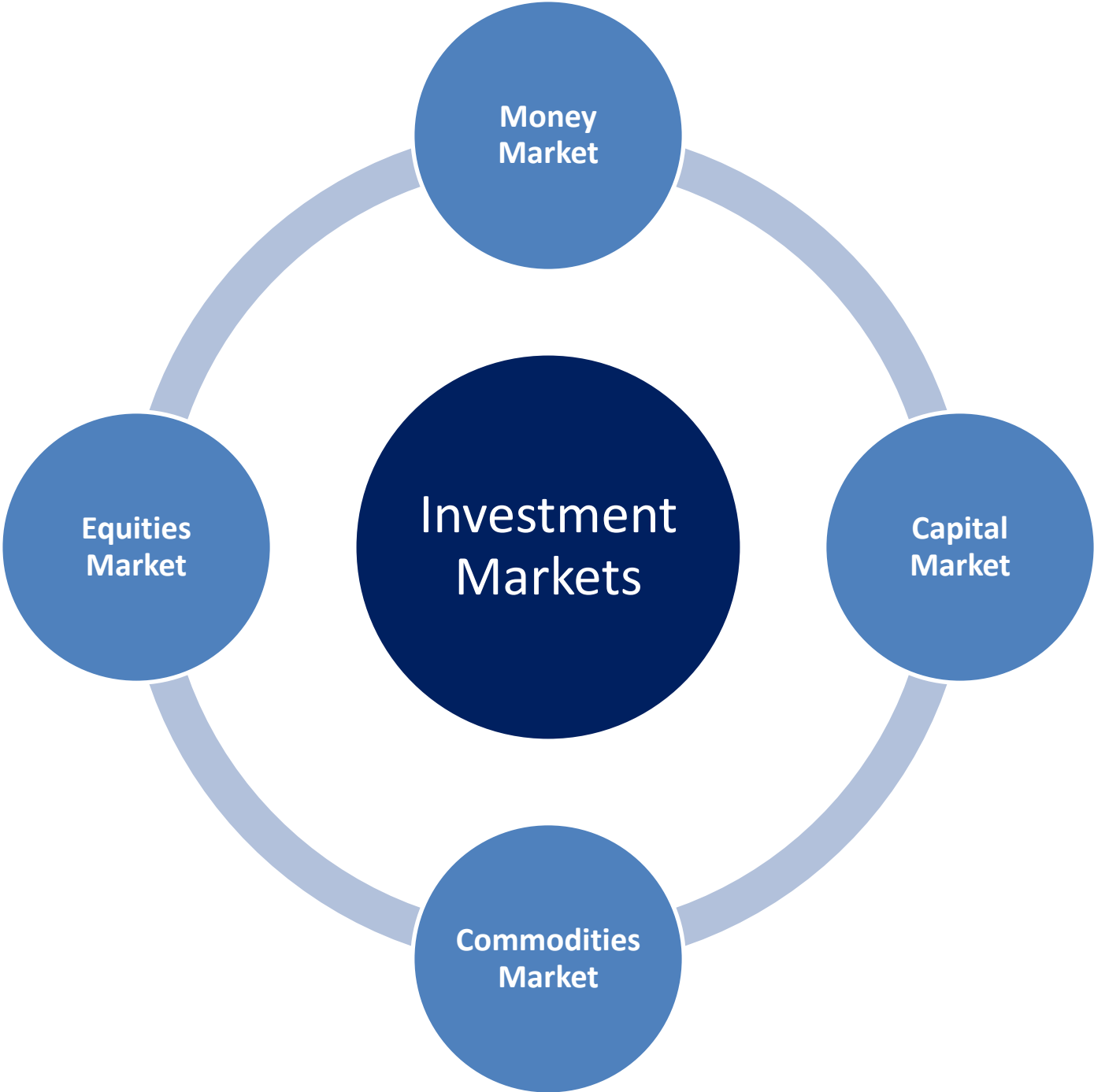
SOURCE: TRADINGECONOMICS.COM | BANCO CENTRAL DO BRASIL

SARB Interest Rate



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

Period



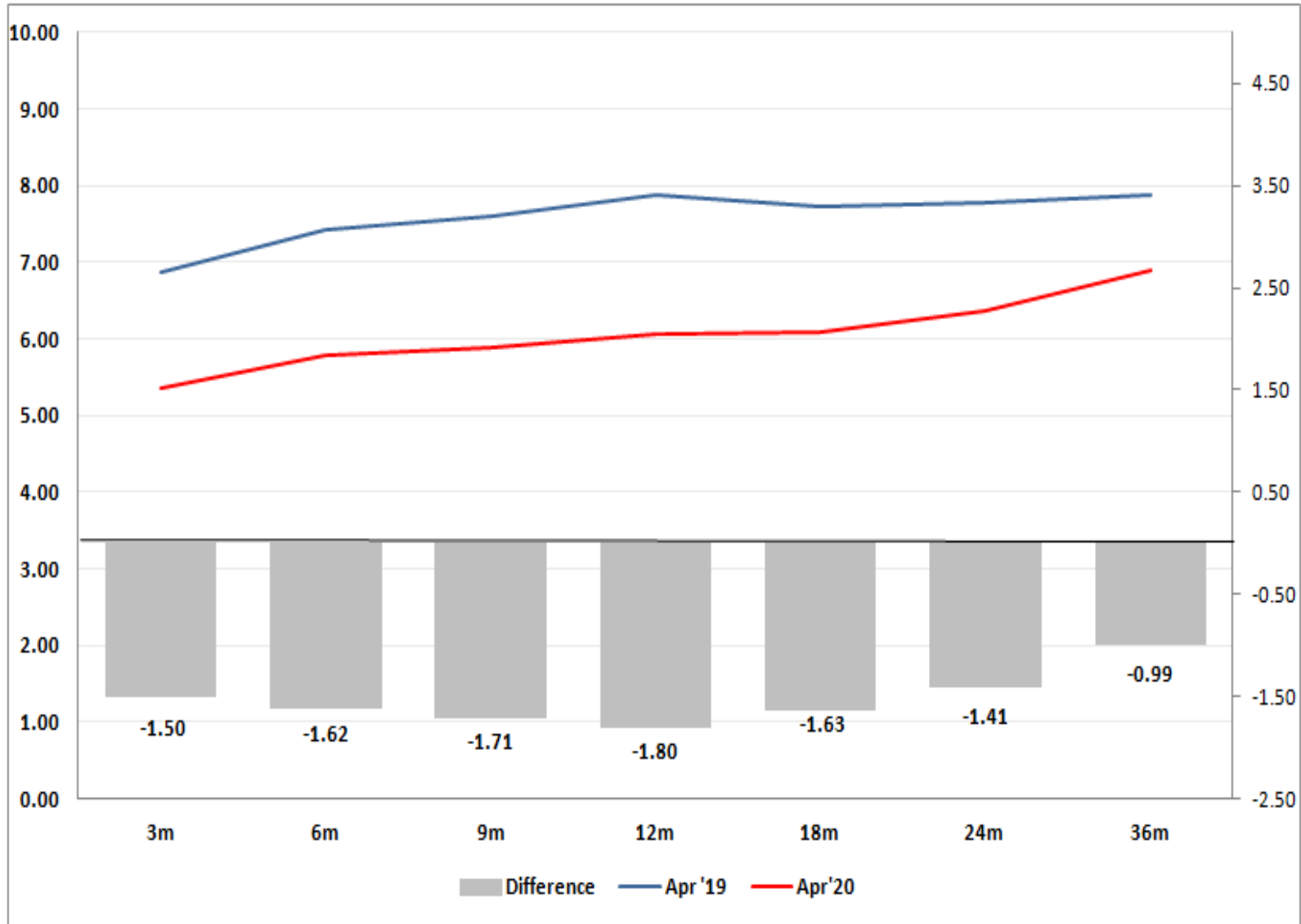
Money Market

Money Market:

Money Market rates remains lower year on year, indicating 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 12 month's term.

South Africa – Money Market Rates

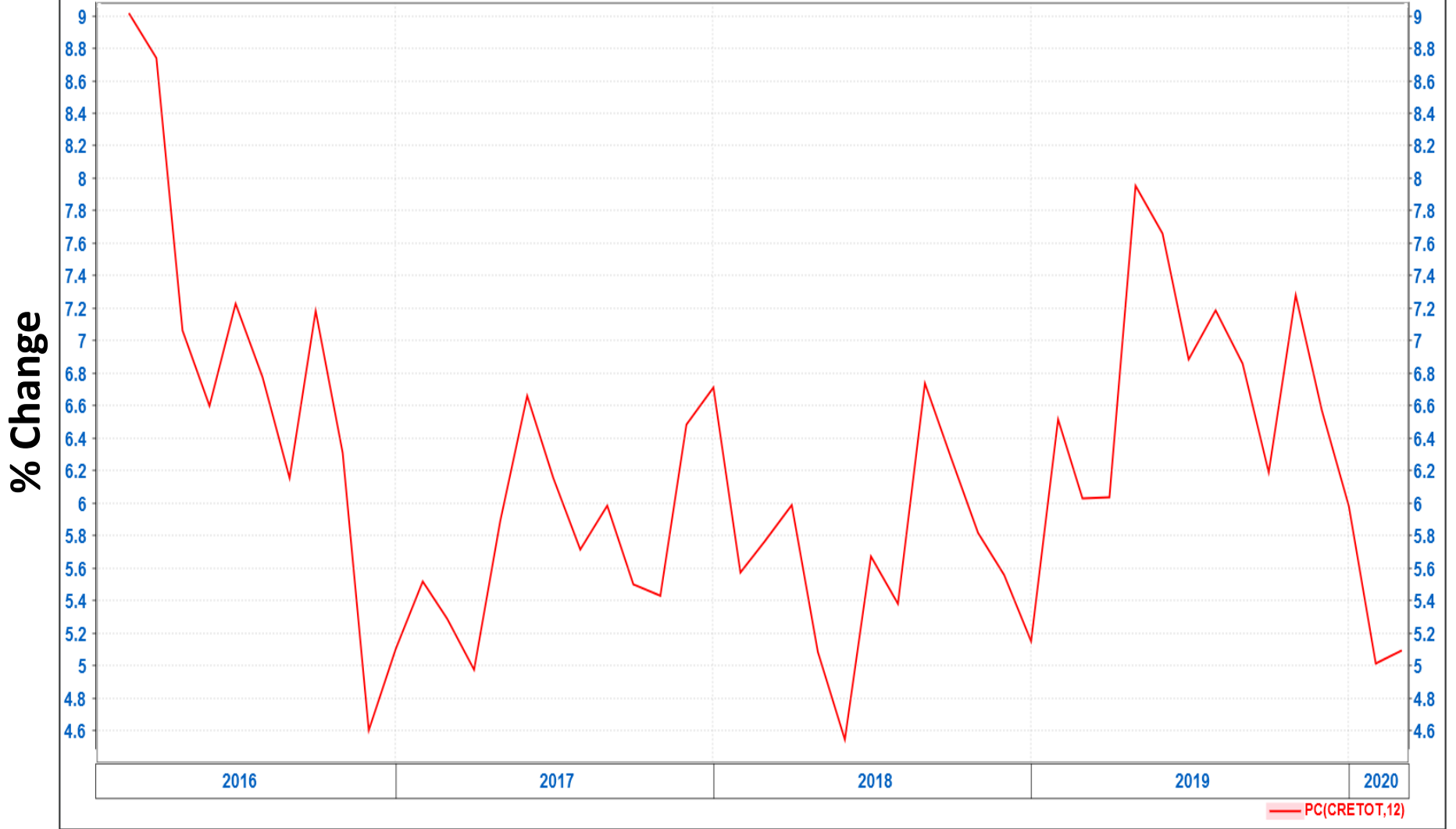


— Difference — Apr 2019 — Apr 2020

Period

South Africa – Consumer Credit

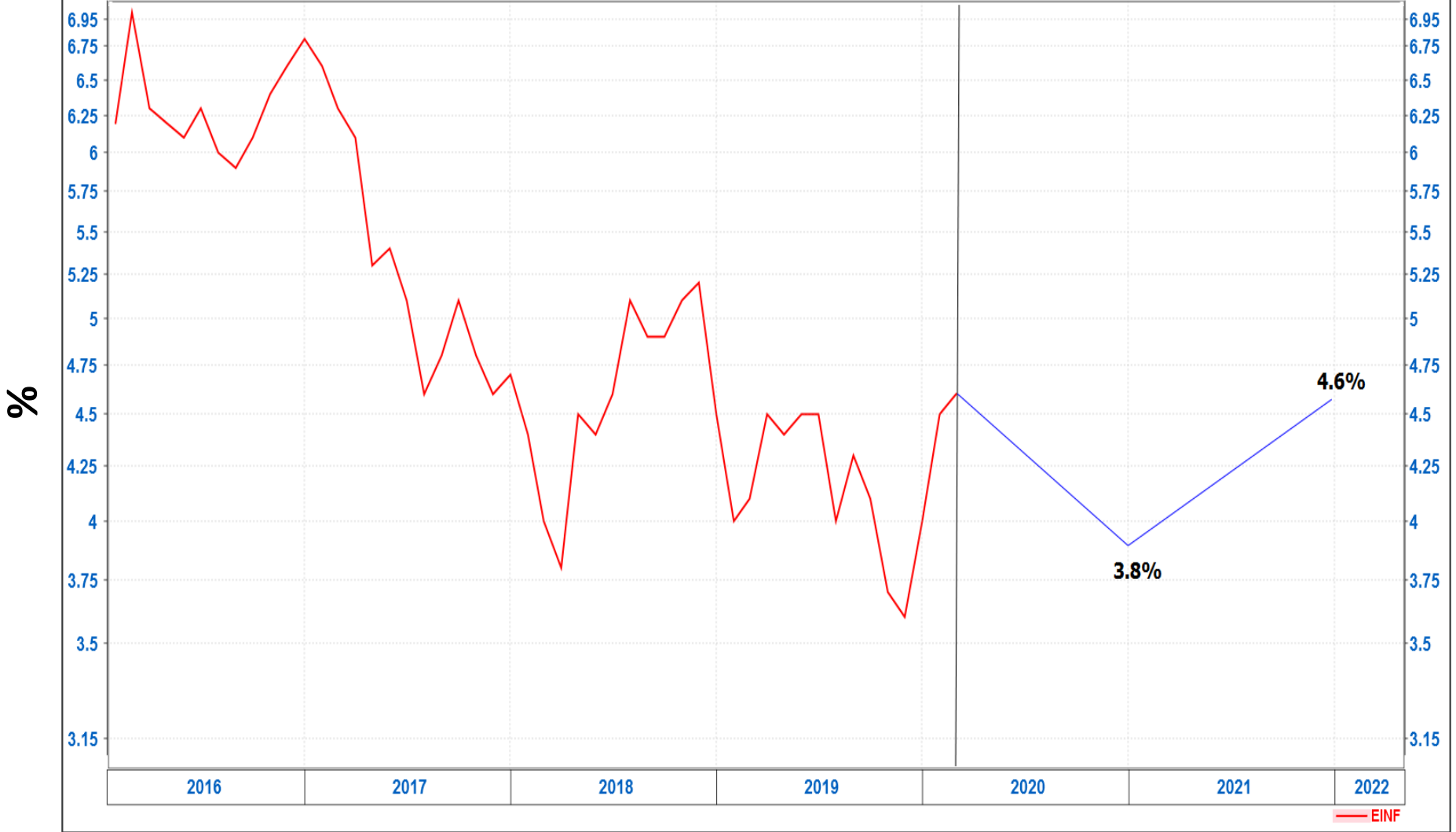
PC(CRETOT,12)
Monthly 2016-01-31 to 2020-02-29



Period

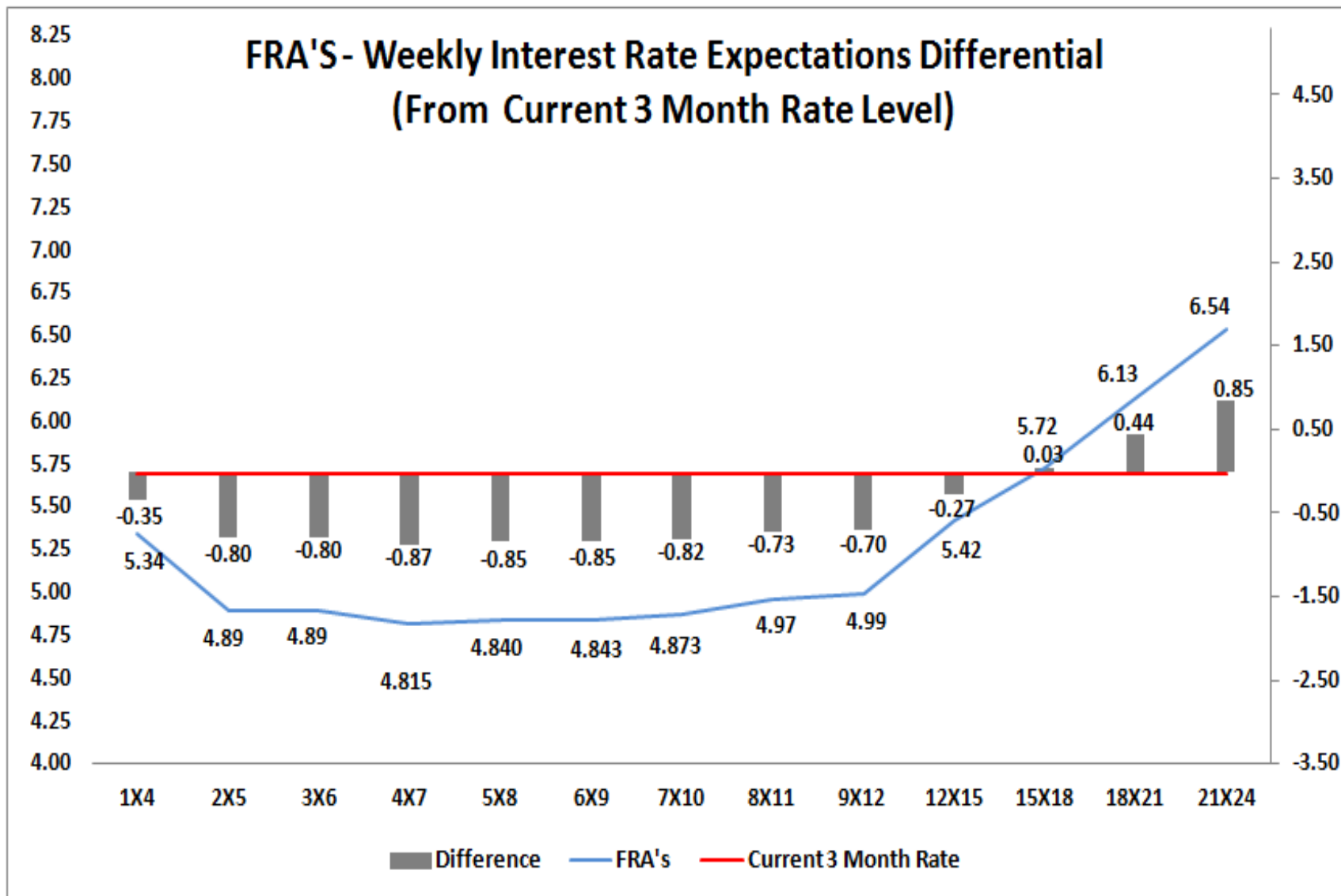
SARB Inflation Expectation

INFLATION RATE - SOUTH AFRICA (ALL URBAN)
Monthly 2016-01-31 to 2020-02-29



Period

Interest Rate Expectations



Difference
 FRA's
 Current 3 Month Rate

Period

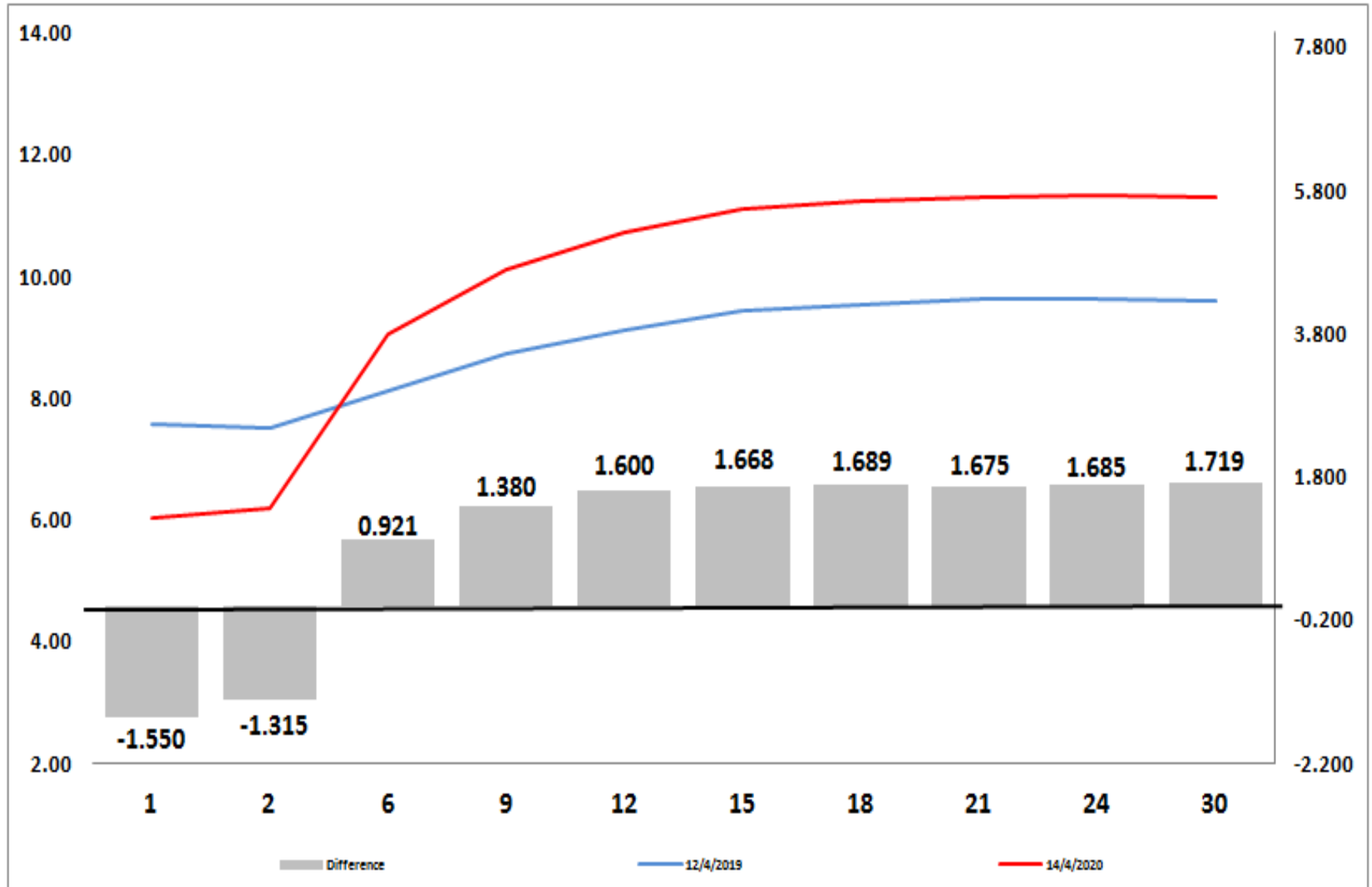
Capital Market

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 massive net sellers of South African Bonds during the month of March.

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

South Africa –Yield Curve

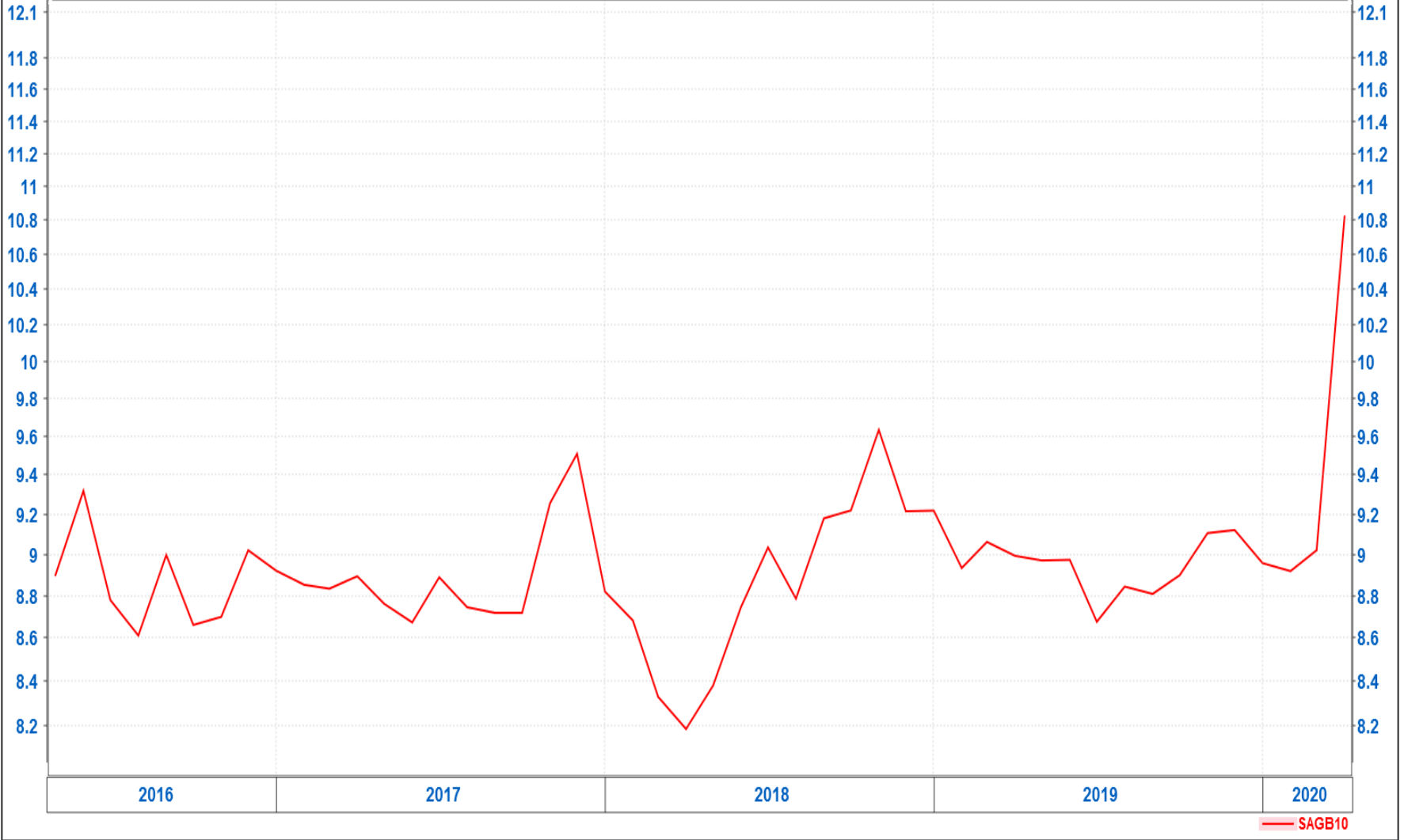


Difference
 Apr 2019
 Apr 2020

Period

SA 10Year Bond Rate

SA : GOVT 10 YEAR BOND
Monthly 2016-04-30 to 2020-03-31

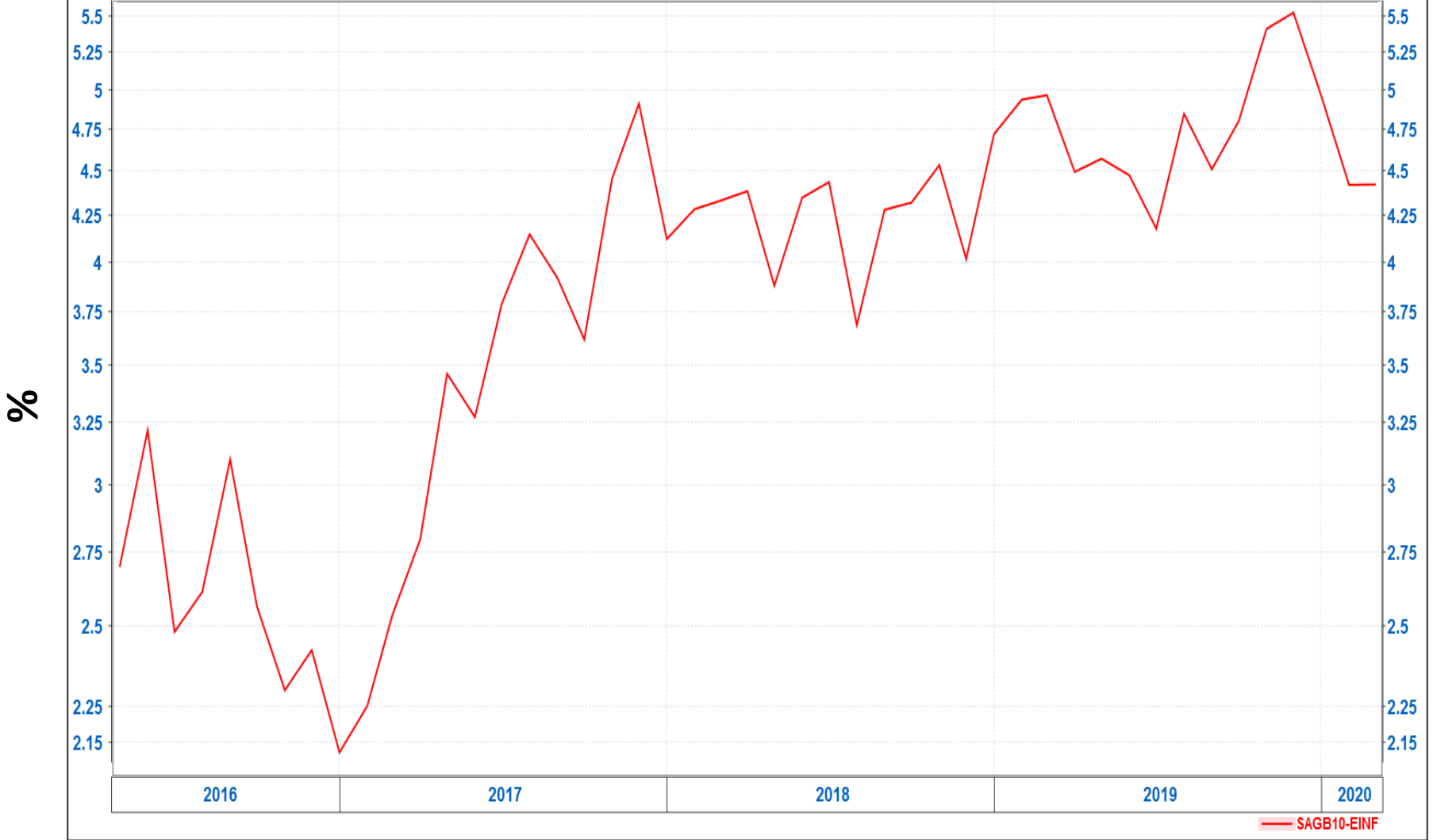


— SAGB10

Period

SA Real Interest Rate

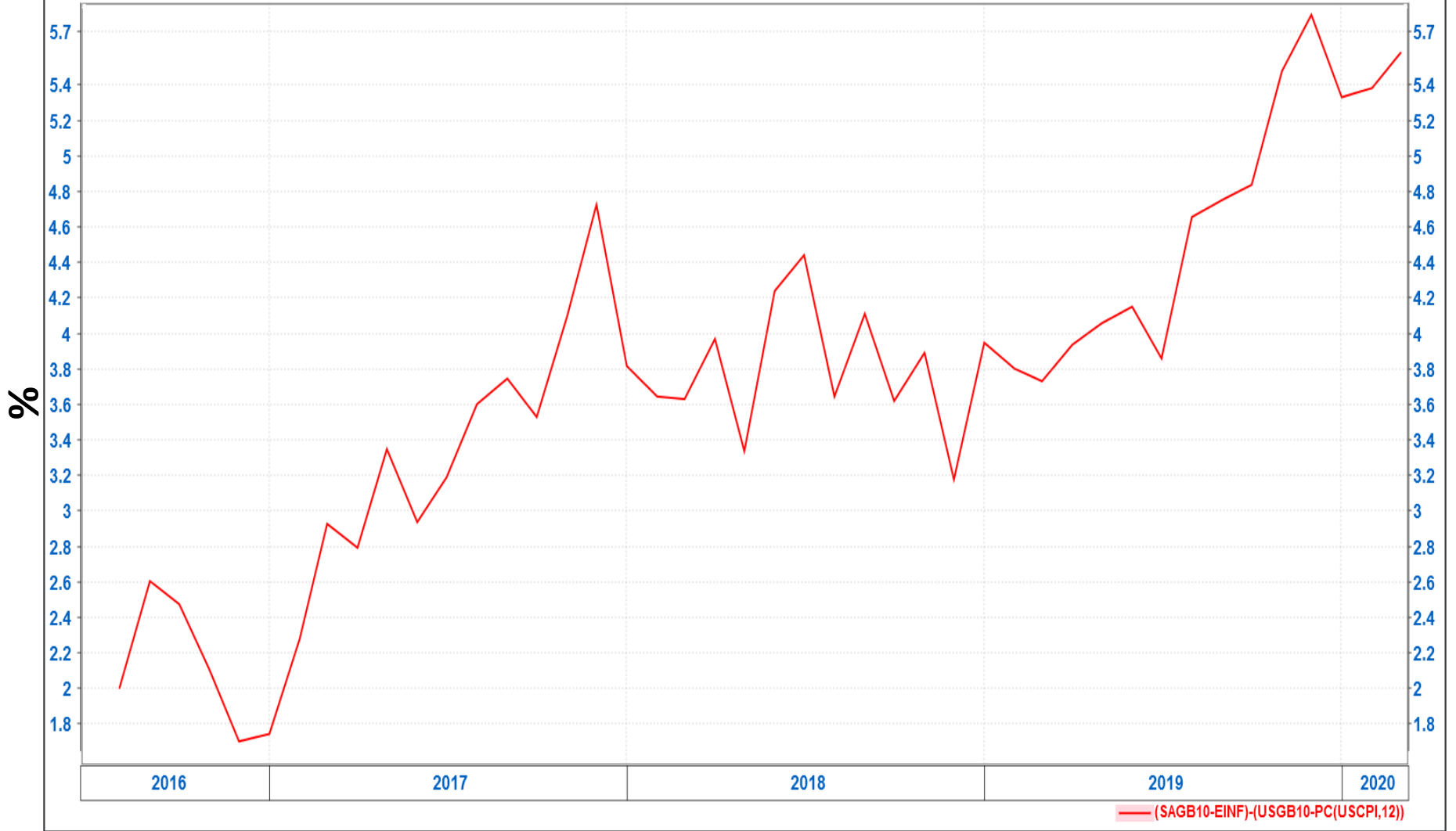
SA : GOVT 10 YEAR BOND-INFLATION RATE - SOUTH AFRICA (ALL URBAN)
Monthly 2016-04-30 to 2020-02-29



Period

Real Interest Rate - SA vs. USA

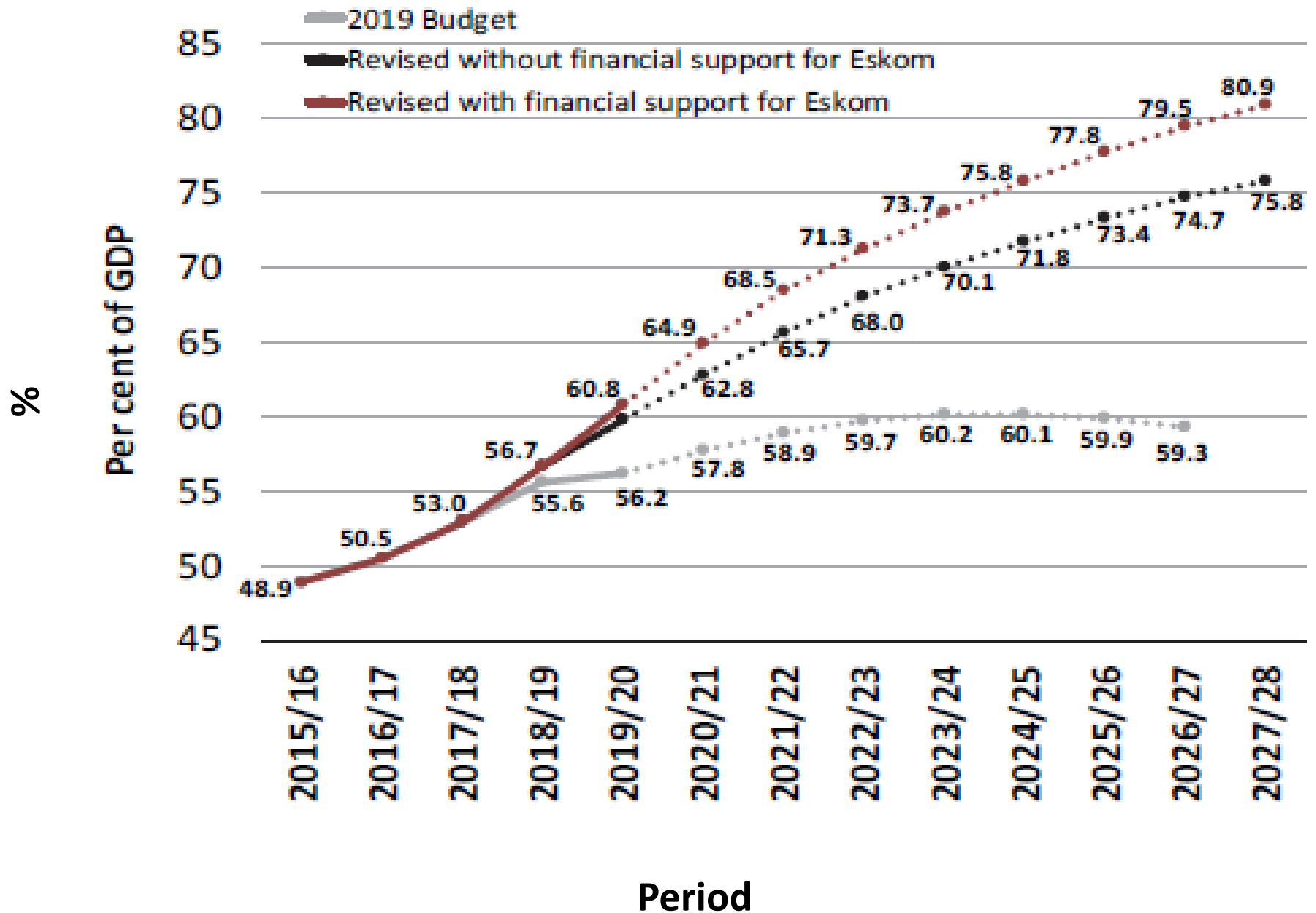
Percentage Change 12 of INFLATION RATE - SOUTH AFRICA (ALL URBAN), SA : GOVT 10 YEAR BOND, USA : CONSUMER PRICE INDEX - ALL URBAN S/A, USA : GOVT 10 YEAR BOND
Monthly 2016-06-30 to 2020-02-29



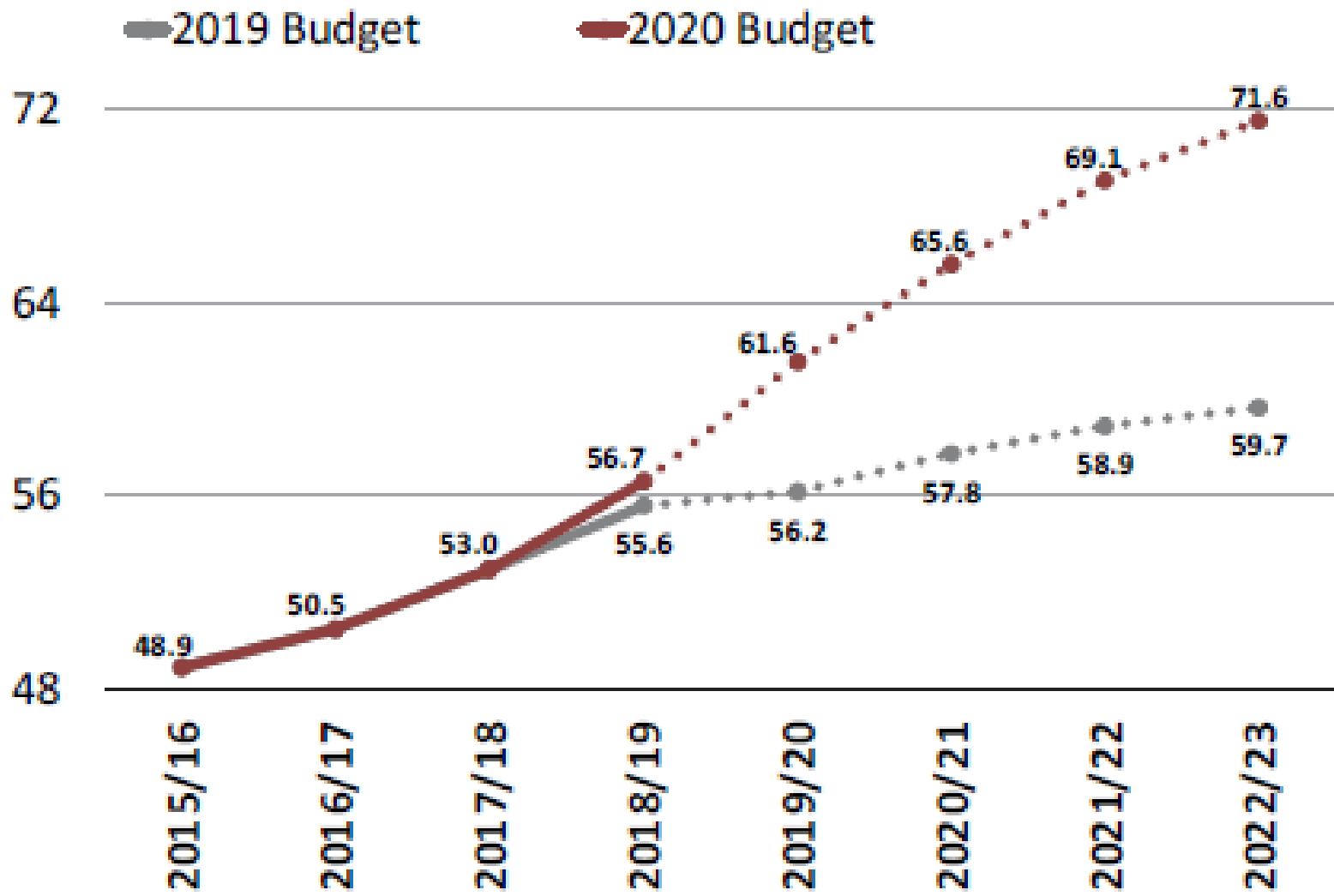
(SAGB10-EINF)-(USGB10-PC(USCPI,12))

Period

SA Government Debt %GDP



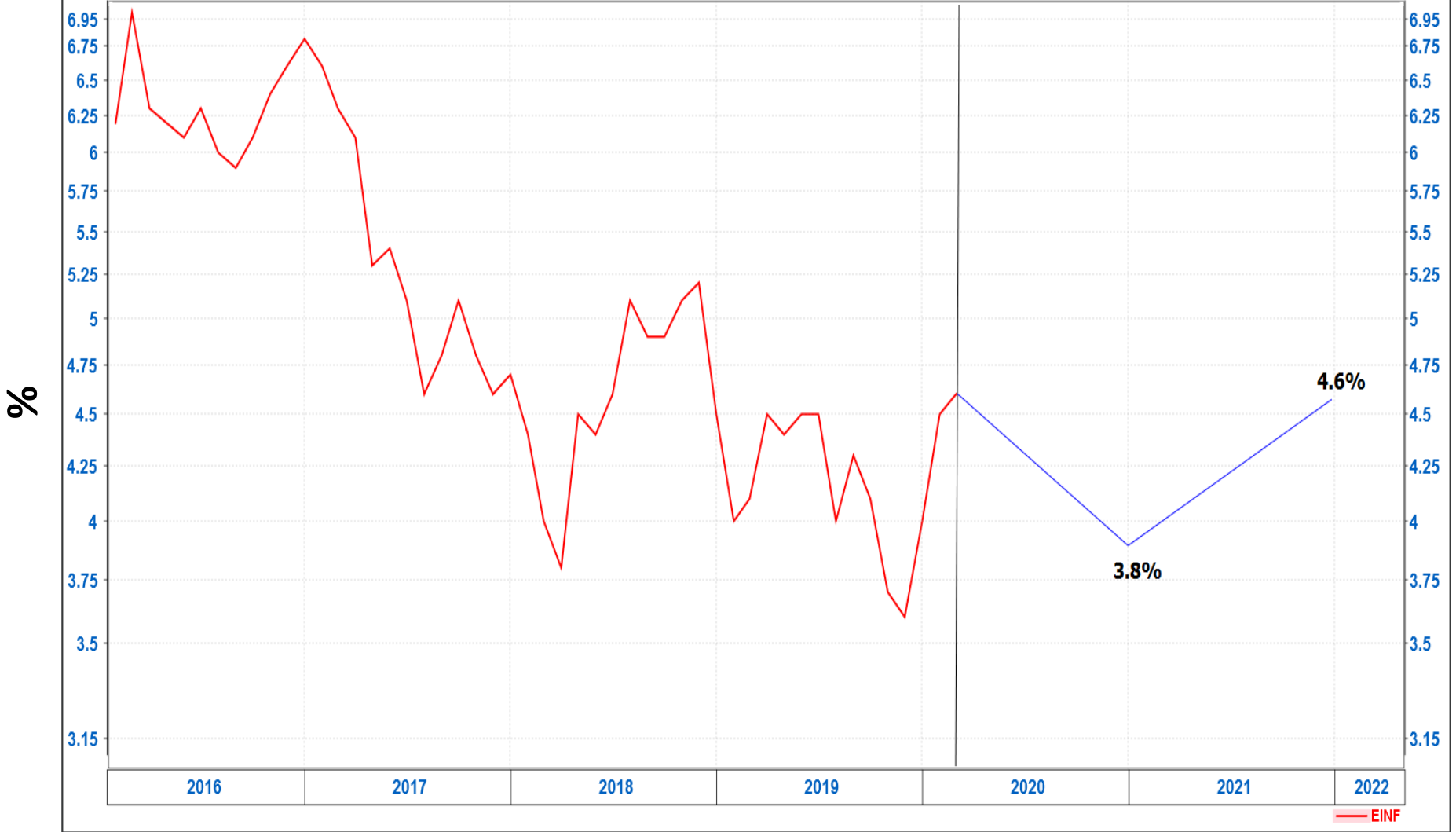
SA Government Debt %GDP



Period

SARB Inflation Expectation

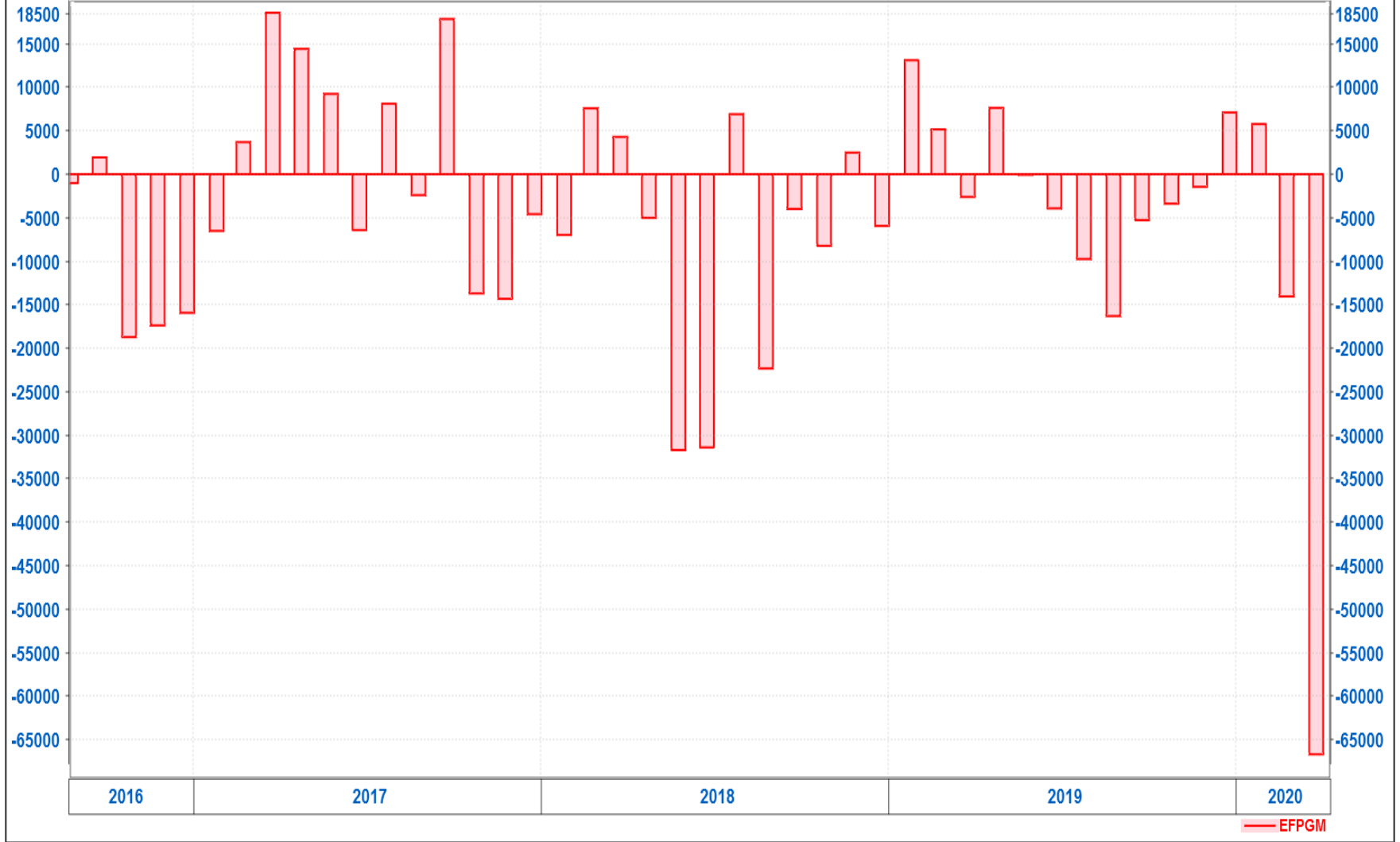
INFLATION RATE - SOUTH AFRICA (ALL URBAN)
Monthly 2016-01-31 to 2020-02-29



Period

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

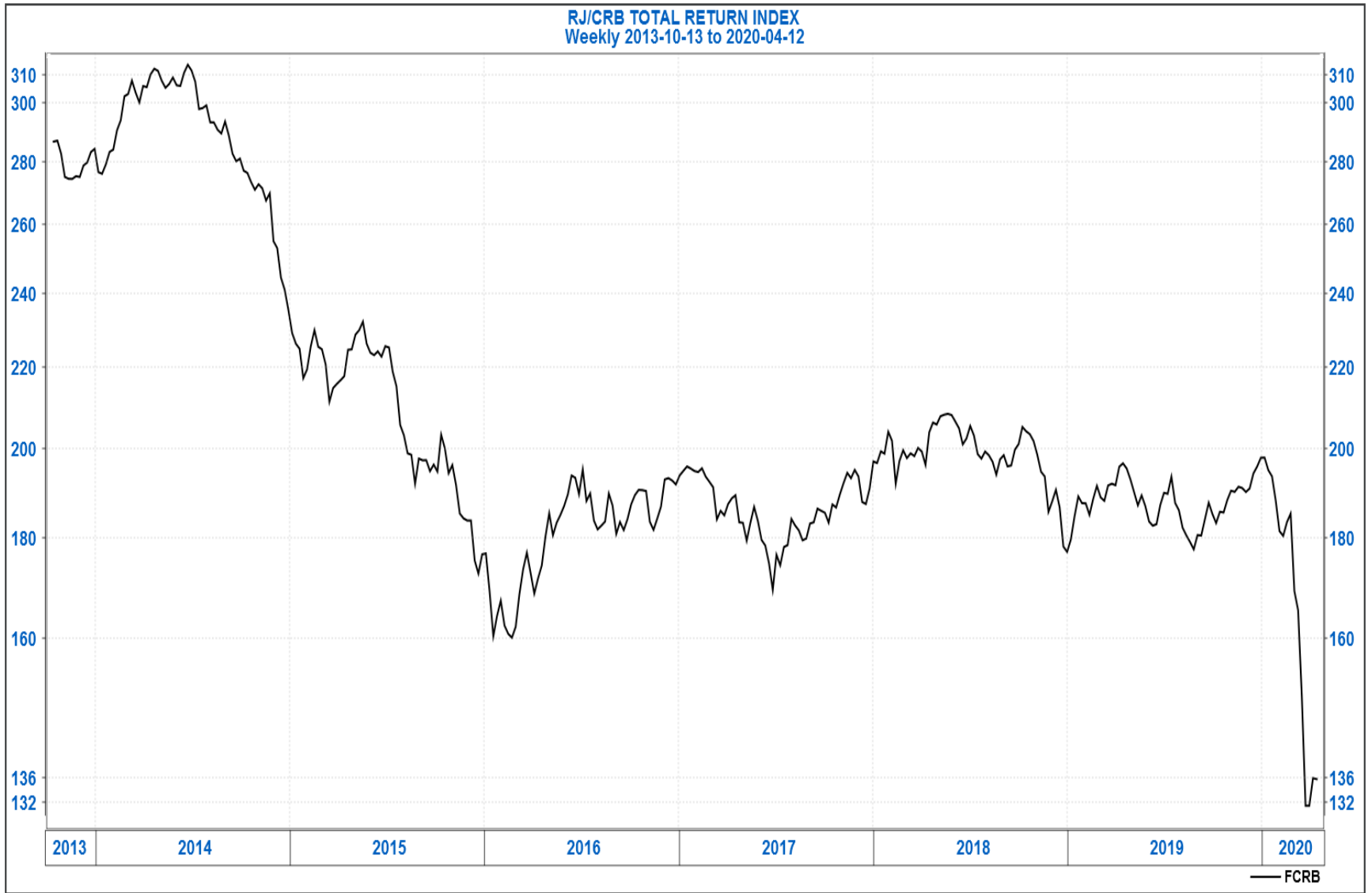
FOREIGN TRANS BESA - NET (RM) -TOTAL CONSIDERATION
Monthly 2016-08-31 to 2020-03-31



Period

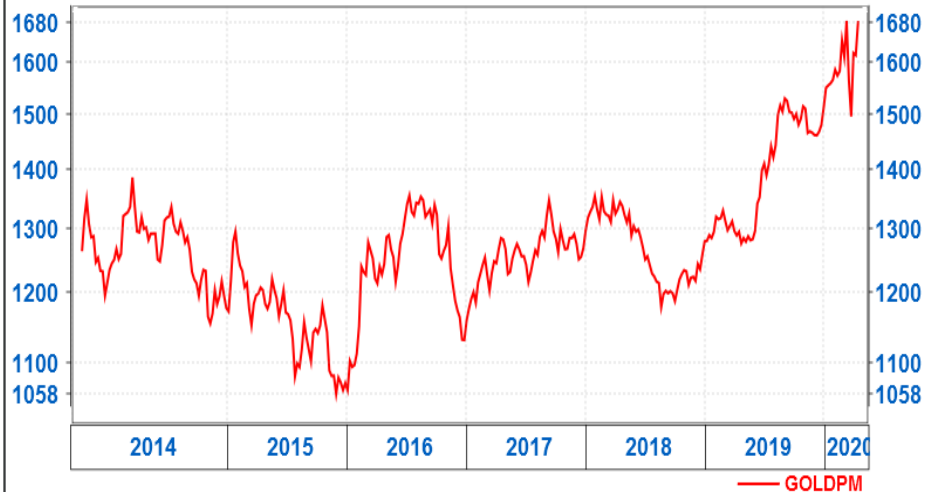
Commodities Market

Commodity Index

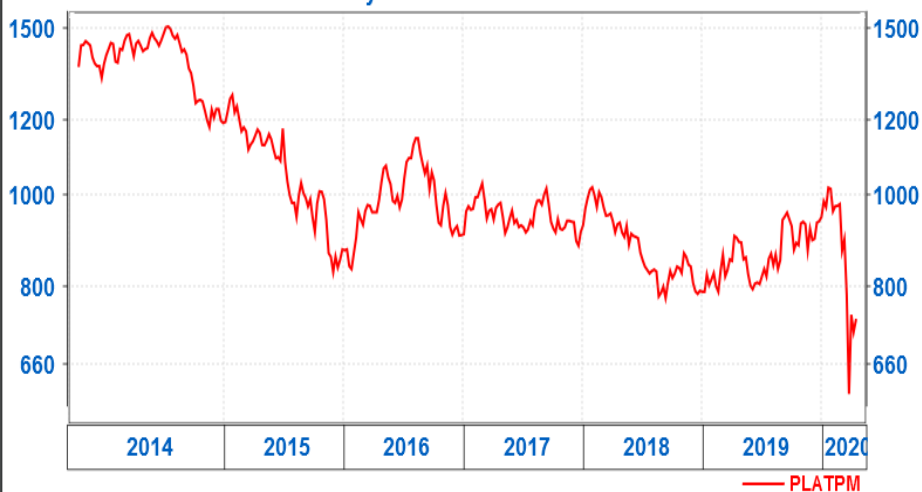


Commodity Prices

GOLD LONDON - PM FIX
Weekly 2013-10-13 to 2020-04-12



PLATINUM PM - FIX (\$OZ)
Weekly 2013-10-13 to 2020-04-12



OIL : BRENT - NEAR FUTURE - ICE UK \$/BARREL
Weekly 2013-10-13 to 2020-04-12



COPPER CASH LME (\$/TON) - FIX
Weekly 2013-10-13 to 2020-04-12



Equities Market

Equities Market:

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

CHINA : SHANGHAI A SHARE INDEX
Weekly 2015-09-08 to 2020-03-15

Index Points



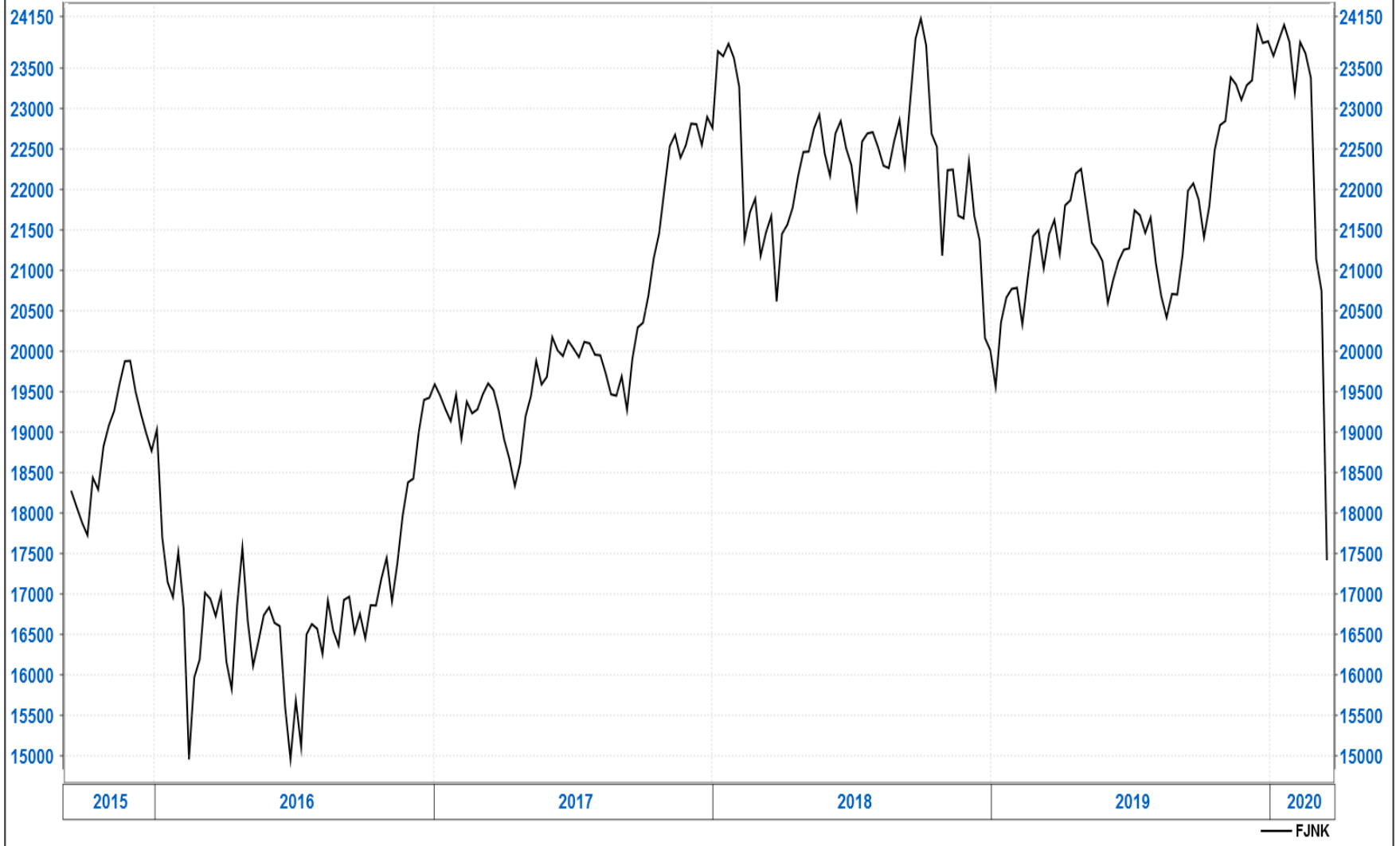
— FCHINA

Period

Japan – Nikkei 225

JAPAN : NIKKEI 225 INDEX
Weekly 2015-09-08 to 2020-03-15

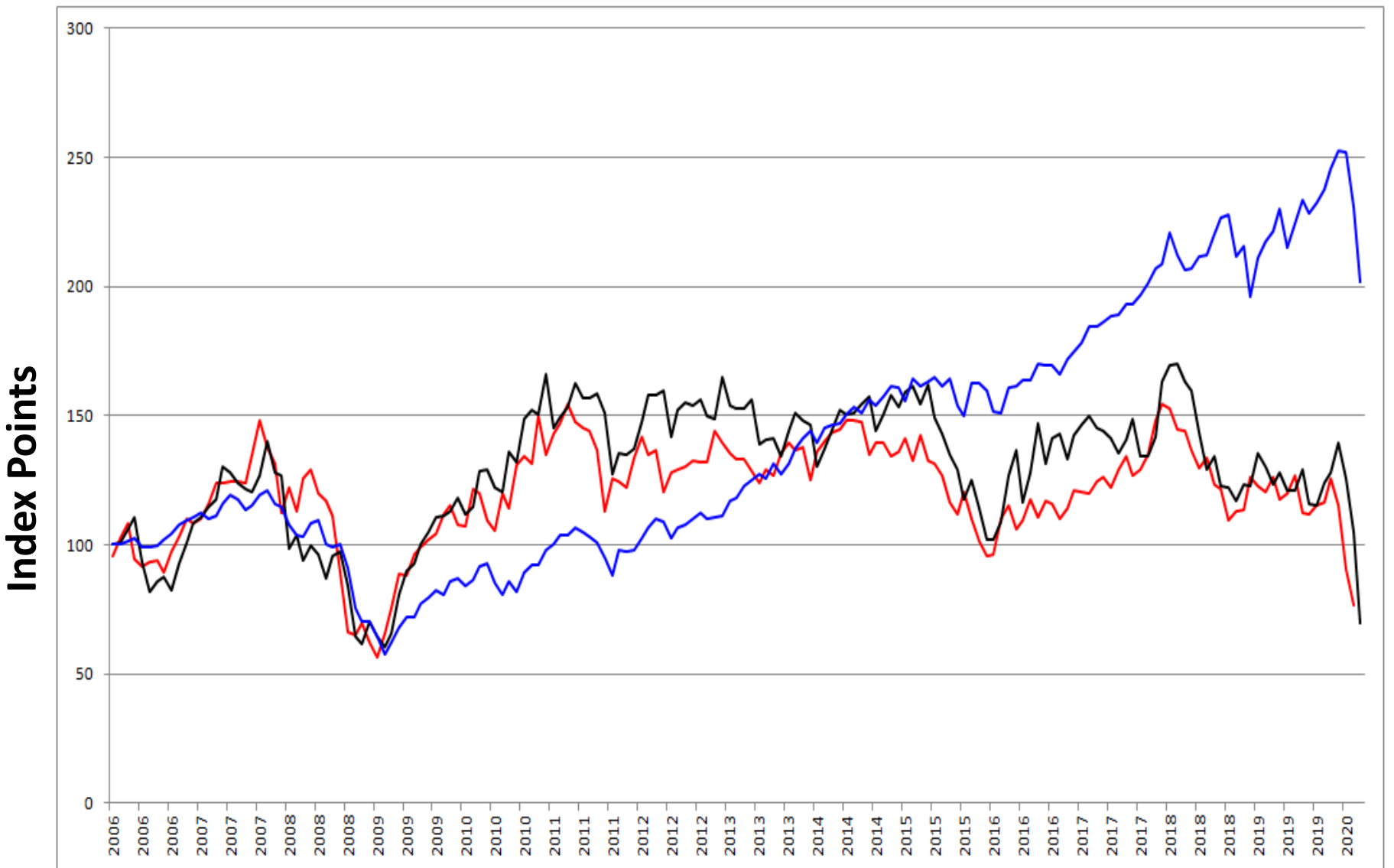
Index Points



— FJNK

Period

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



— FTSE/JSE All Share Index

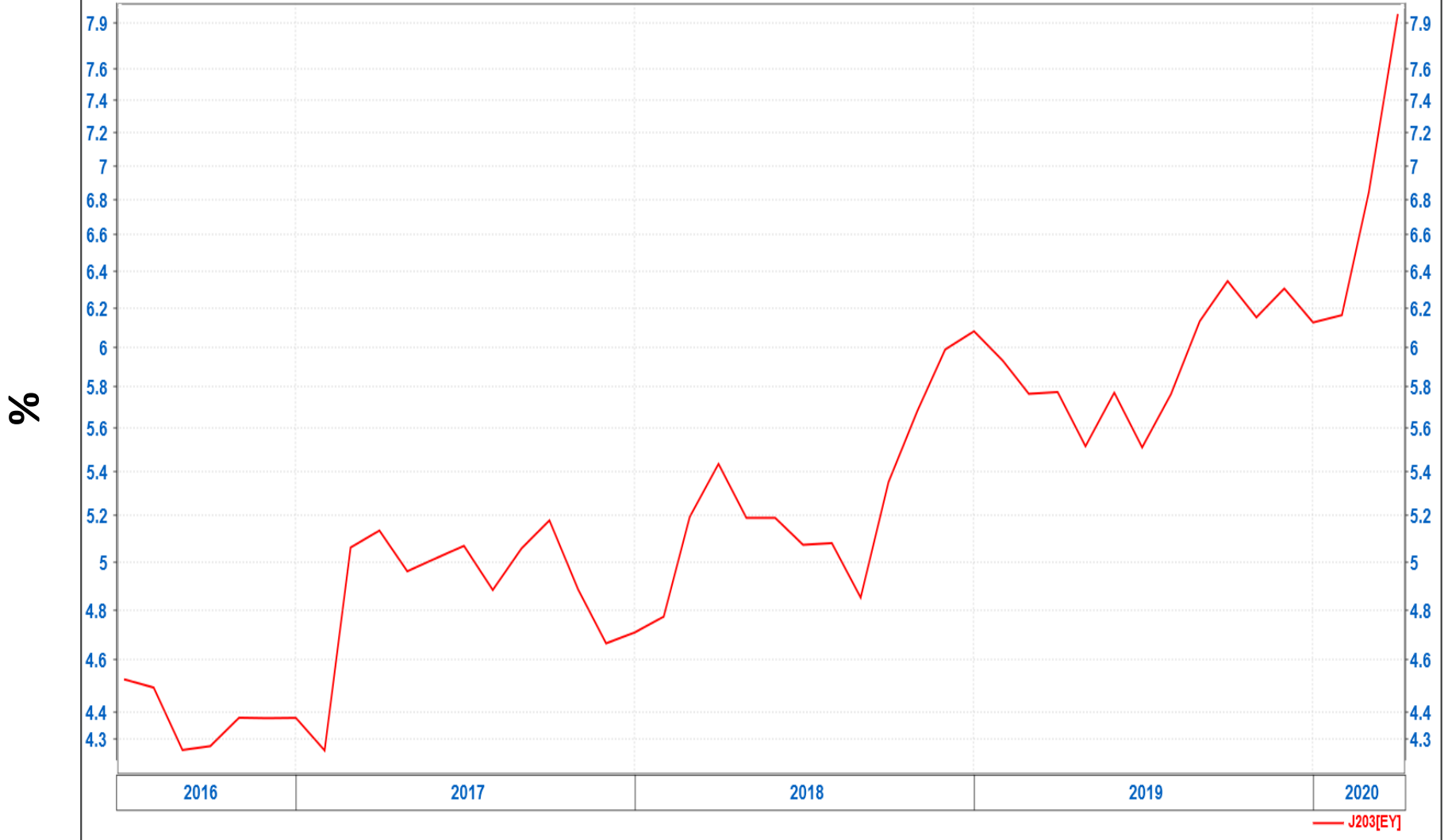
— USA S&P 500 Index

— FTSE/JSE Mid Cap Index

Period

SA All Share Index – Earnings Yield

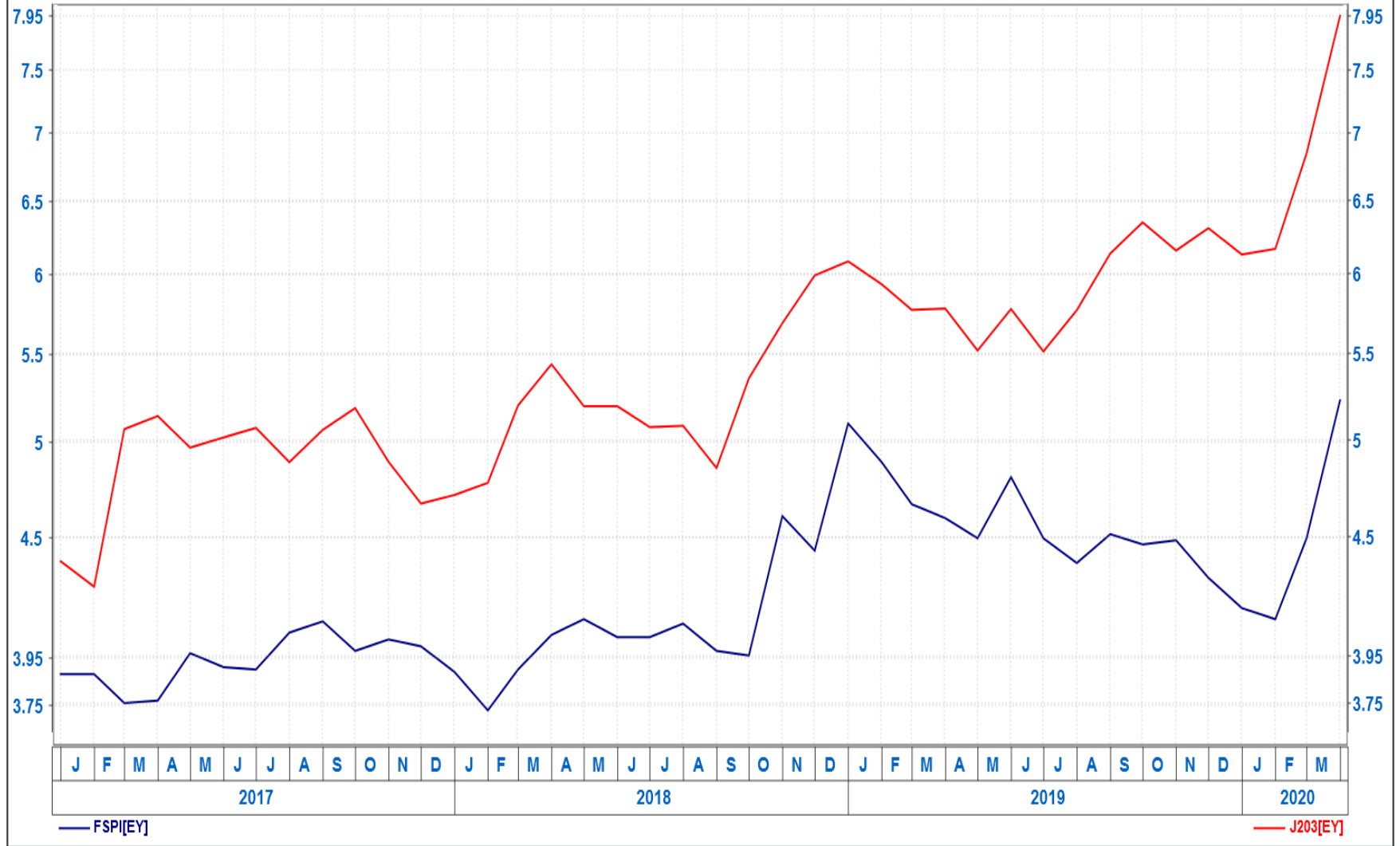
FTSE/JSE : AFRICA ALL SHARE INDEX (Earnings Yield)
Monthly 2016-06-30 to 2020-03-31



Period

Earnings Yield- SA vs. USA

FTSE/JSE : AFRICA ALL SHARE INDEX (Earnings Yield) , USA : S & P 500 COMPOSITE INDEX (Earnings Yield)
 Monthly 2016-12-31 to 2020-03-31

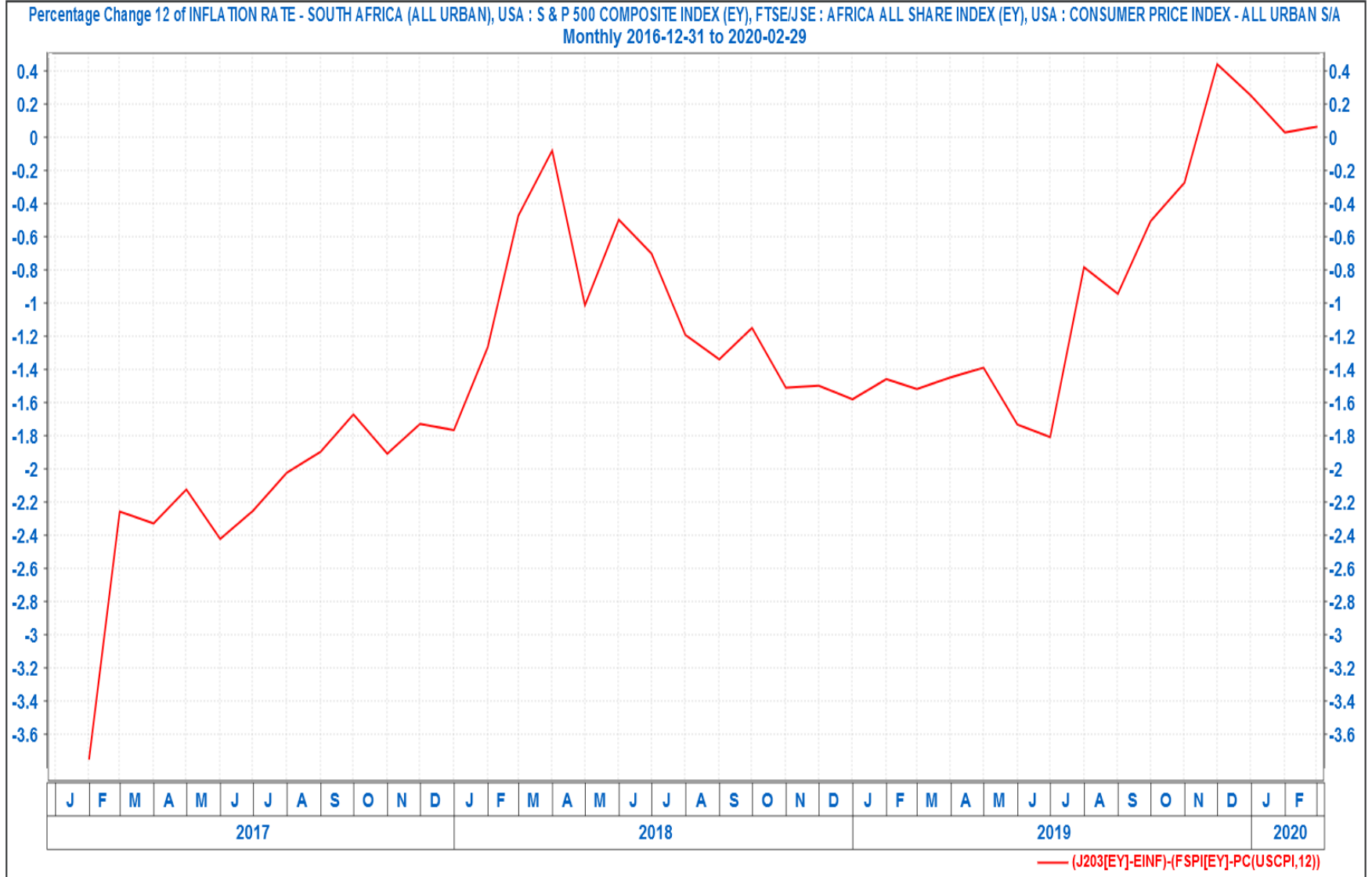


— S.A. All Share Earnings Yield

— USA S&P 500 Shares Earnings Yield

Period

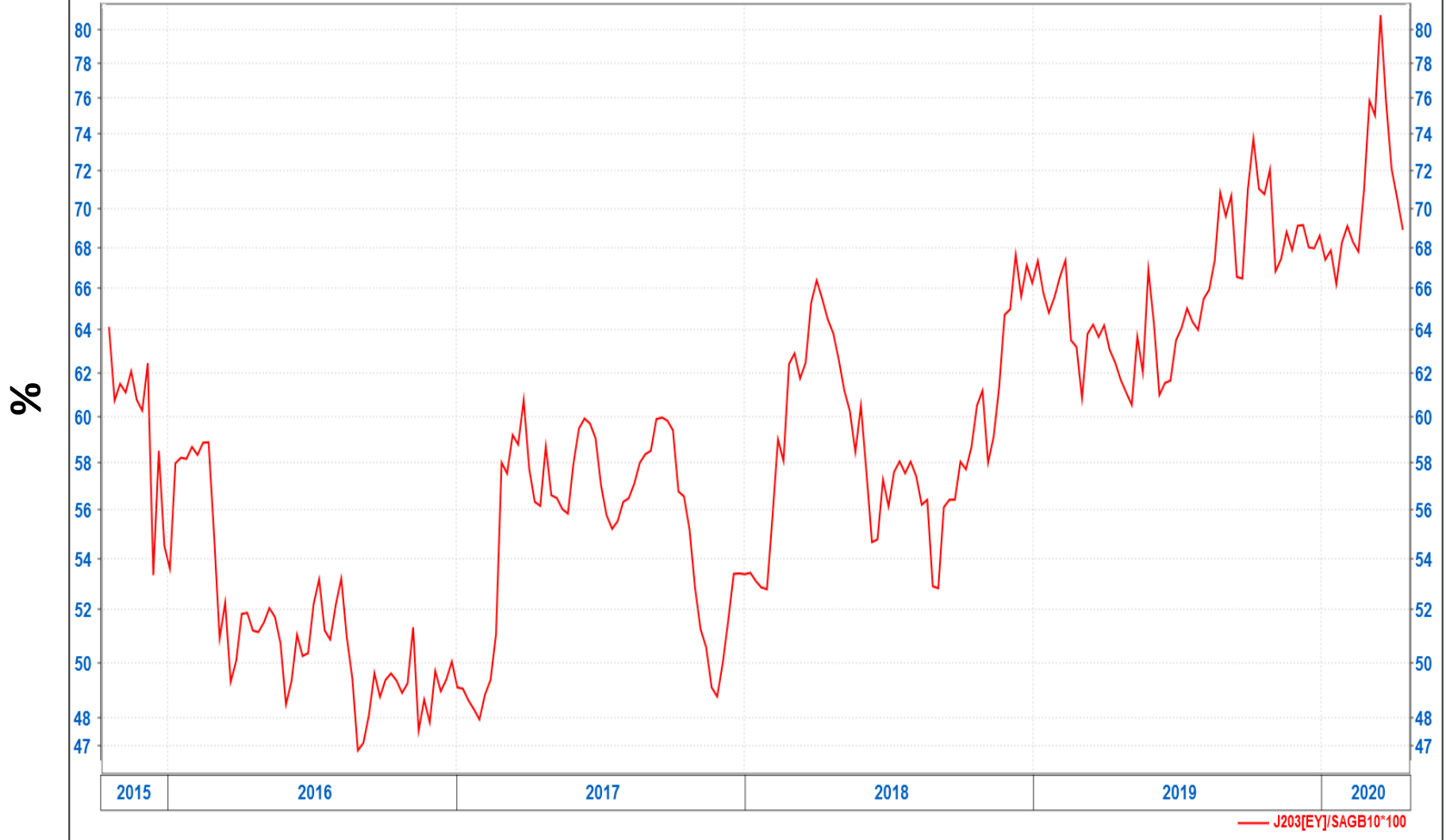
Real EY- SA vs. USA



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 2015-10-13 to 2020-04-12



Period