

# **International Economic Indicators**

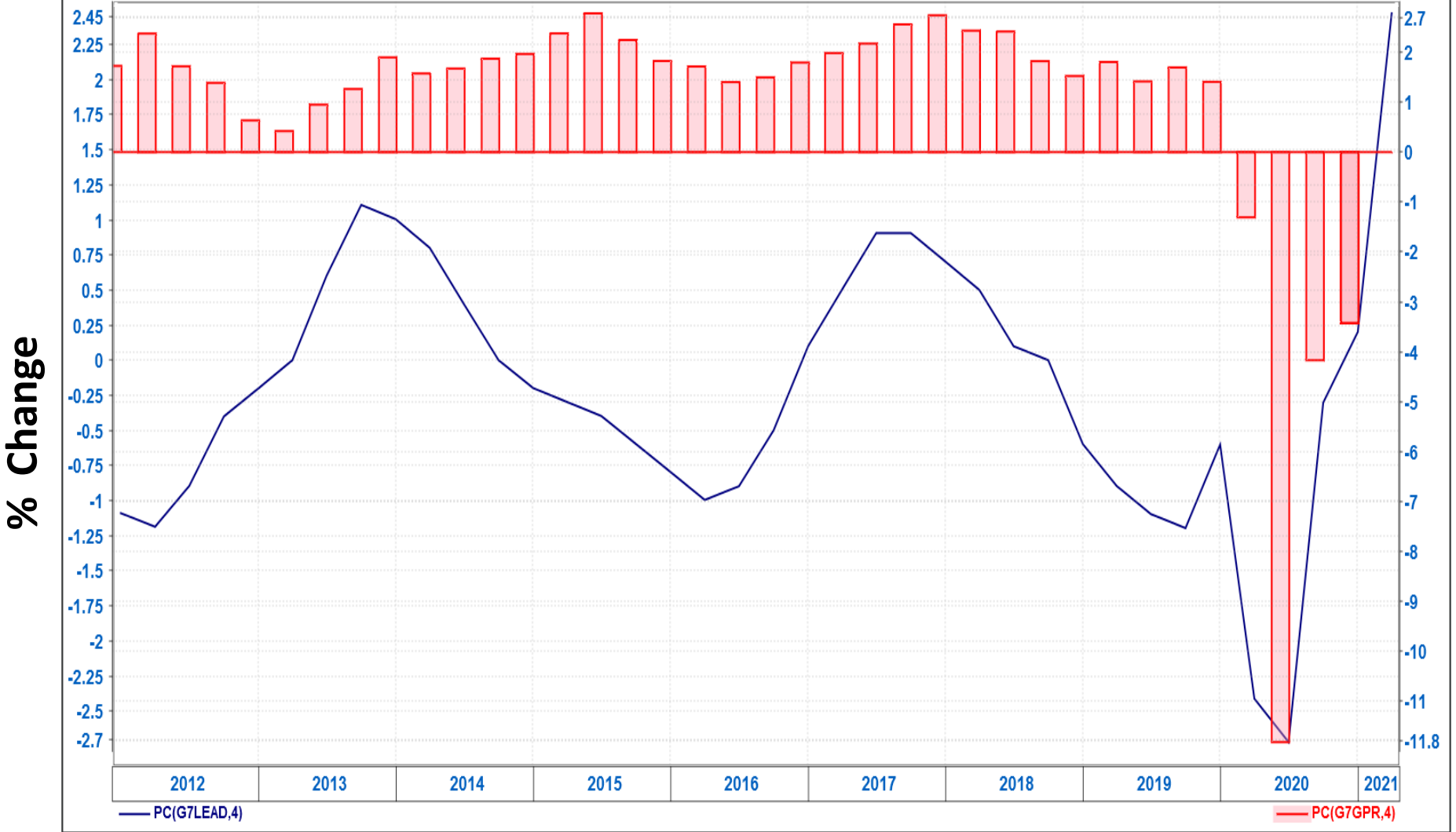
## **Worldwide: G7**

Global impact of Covid-19 on economic growth recovered during the final quarter of 2020 with figures coming in at -3.3%. With the future impact of Covid-19 on world growth and the effectiveness of global vaccine rollouts still uncertain, current estimates of growth in 2021 are optimistic.

Unemployment rates have decreased to 6.1% in Q4 of 2020; while the latest inflation figures at the 0.7% 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 2011-12-31 to 2021-03-31



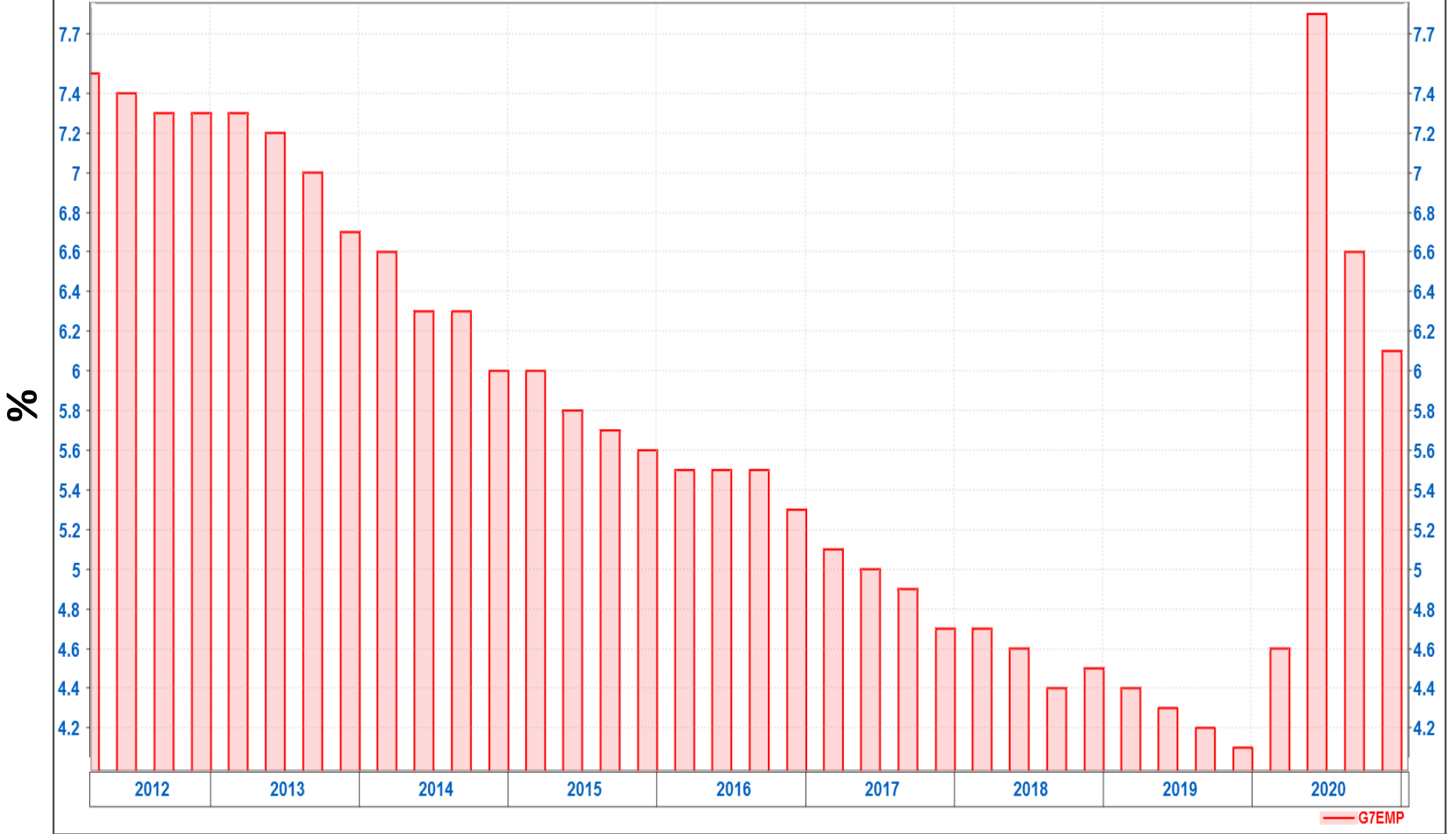
— G7 Leading Indicator

— G7 Growth Rate

Period

# G7 – Unemployment

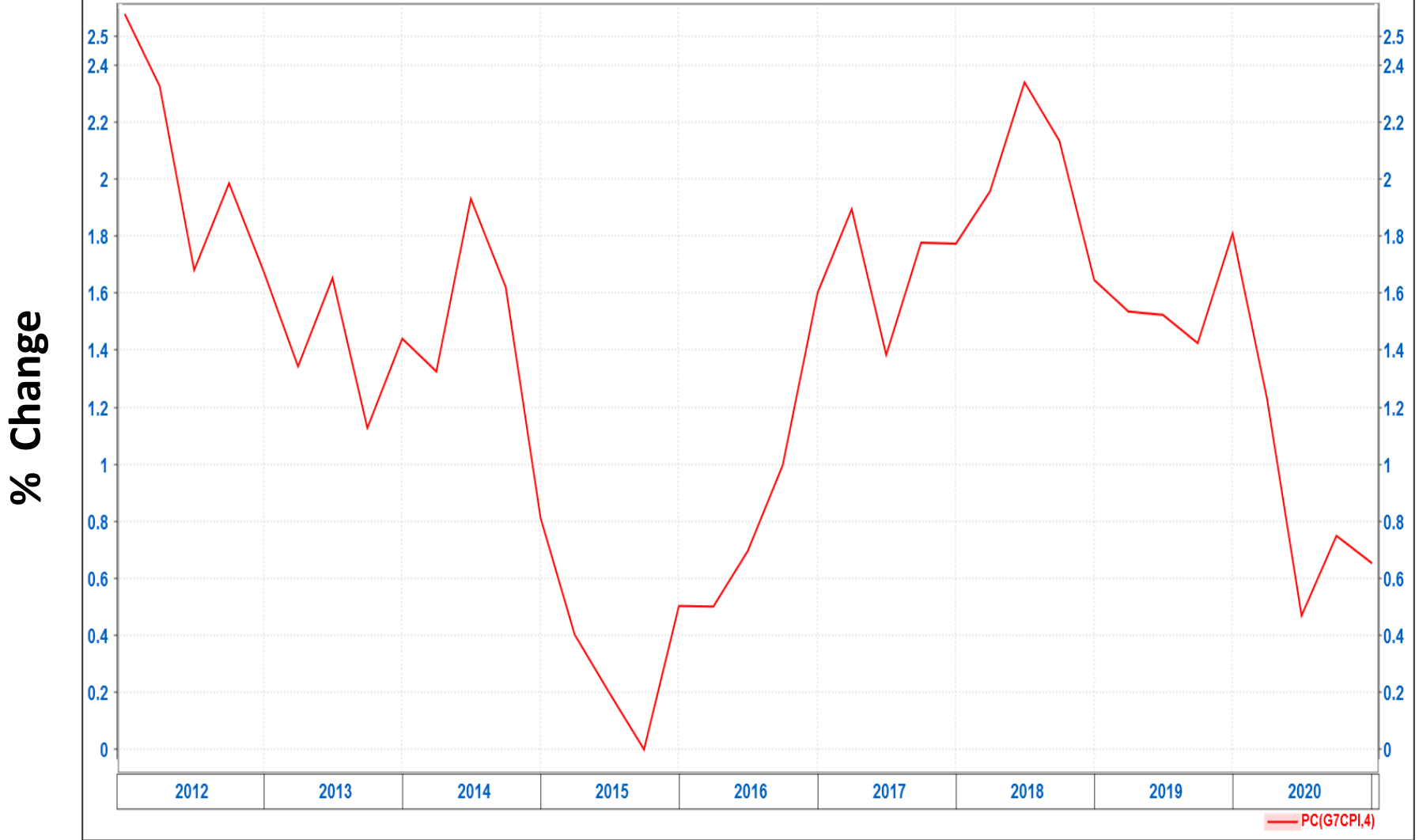
G7 : UNEMPLOYMENT %  
Quarterly 2012-03-31 to 2020-12-31



Period

# G7 – Inflation

Percentage Change 4 of G7 : CONSUMER PRICE INDEX (2015=100)  
Quarterly 2011-12-31 to 2020-12-31



Period

## Unites States:

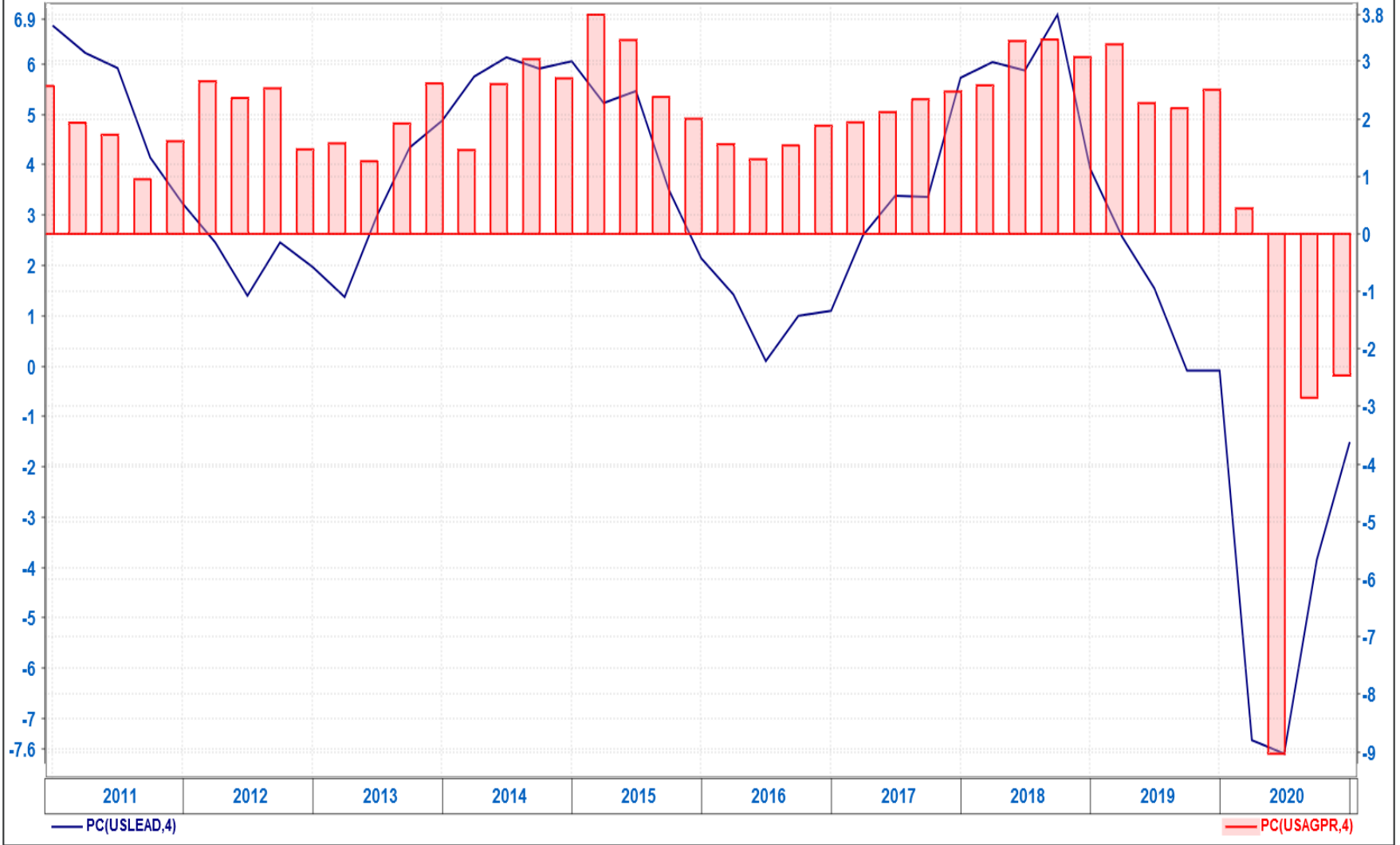
The Federal Reserve's quantitative easing measures as well as additional support from the US government continue to show some impact on economic activity; however vaccine effectiveness is still uncertain. Inflation came in higher at 2.6% for March 2021. The unemployment rate came in at 6.0% and real wages growth stabilised at -0.8% for the same period. GDP growth came in at -2.5% for Q4 after contracting -2.8% in Q3 of 2020.

Earnings growth expectations are on the rebound at 24.5% and 53.1% in Q1 and Q2 2021 respectively.

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# 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 2010-12-31 to 2020-12-31



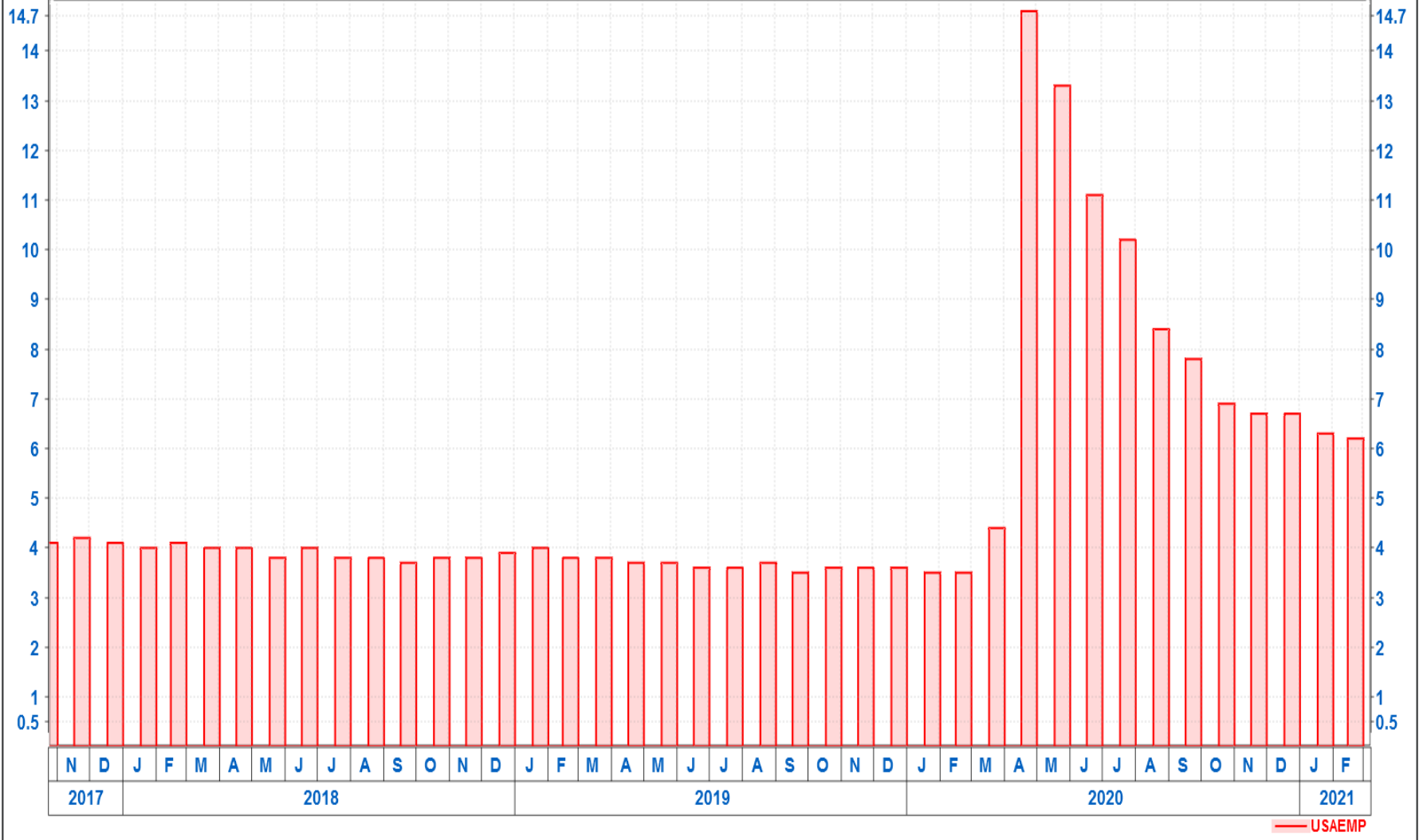
— USA Growth Rate

— USA Leading Indicator

Period

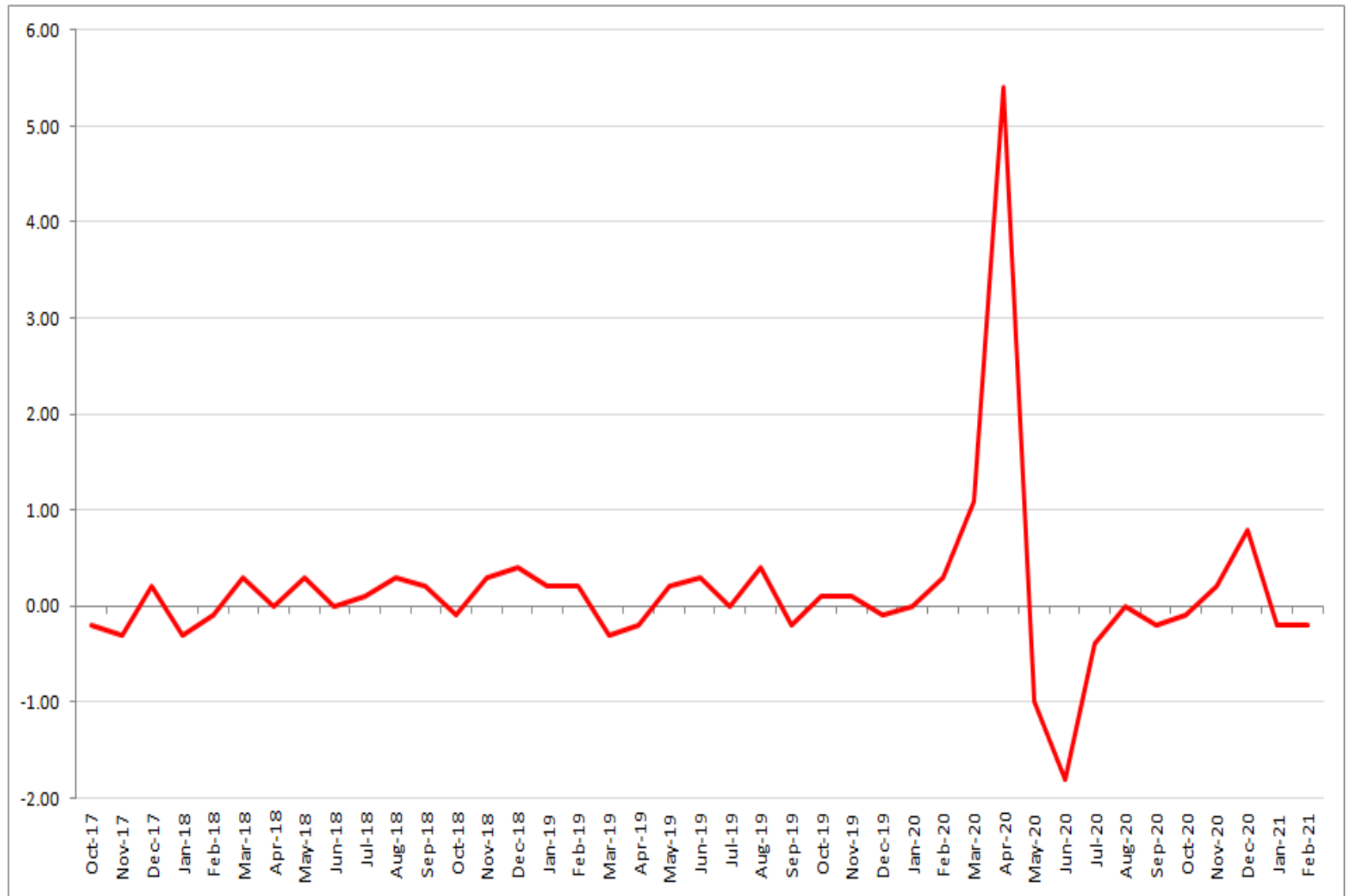
# USA – Unemployment

USA : UNEMPLOYMENT % (S/A)  
Monthly 2017-10-31 to 2021-02-28



Period

# Real US Wages Growth (MoM)

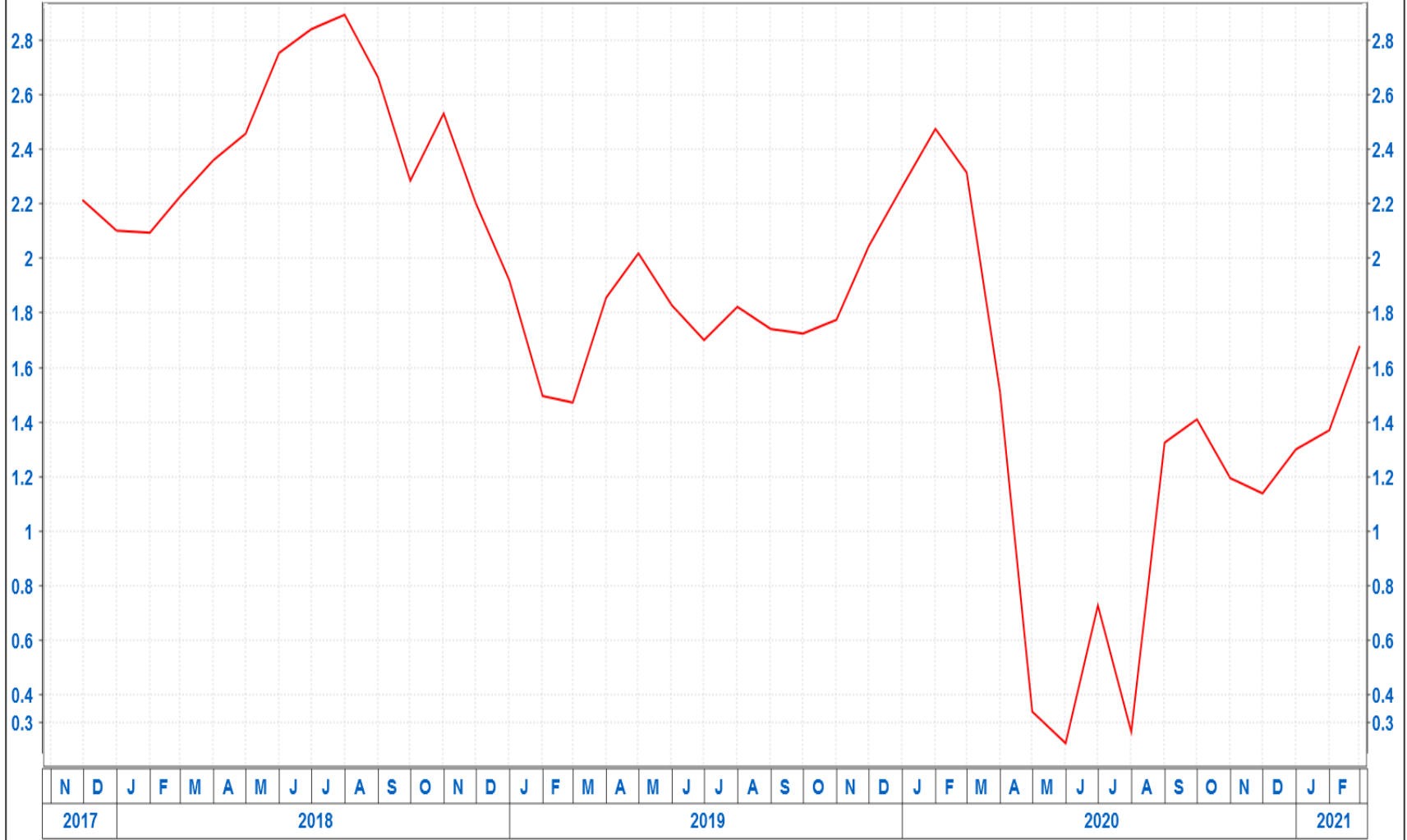


Period

# USA – Inflation

Percentage Change 12 of USA : CONSUMER PRICE INDEX - ALL URBAN S/A  
Monthly 2017-10-31 to 2021-02-28

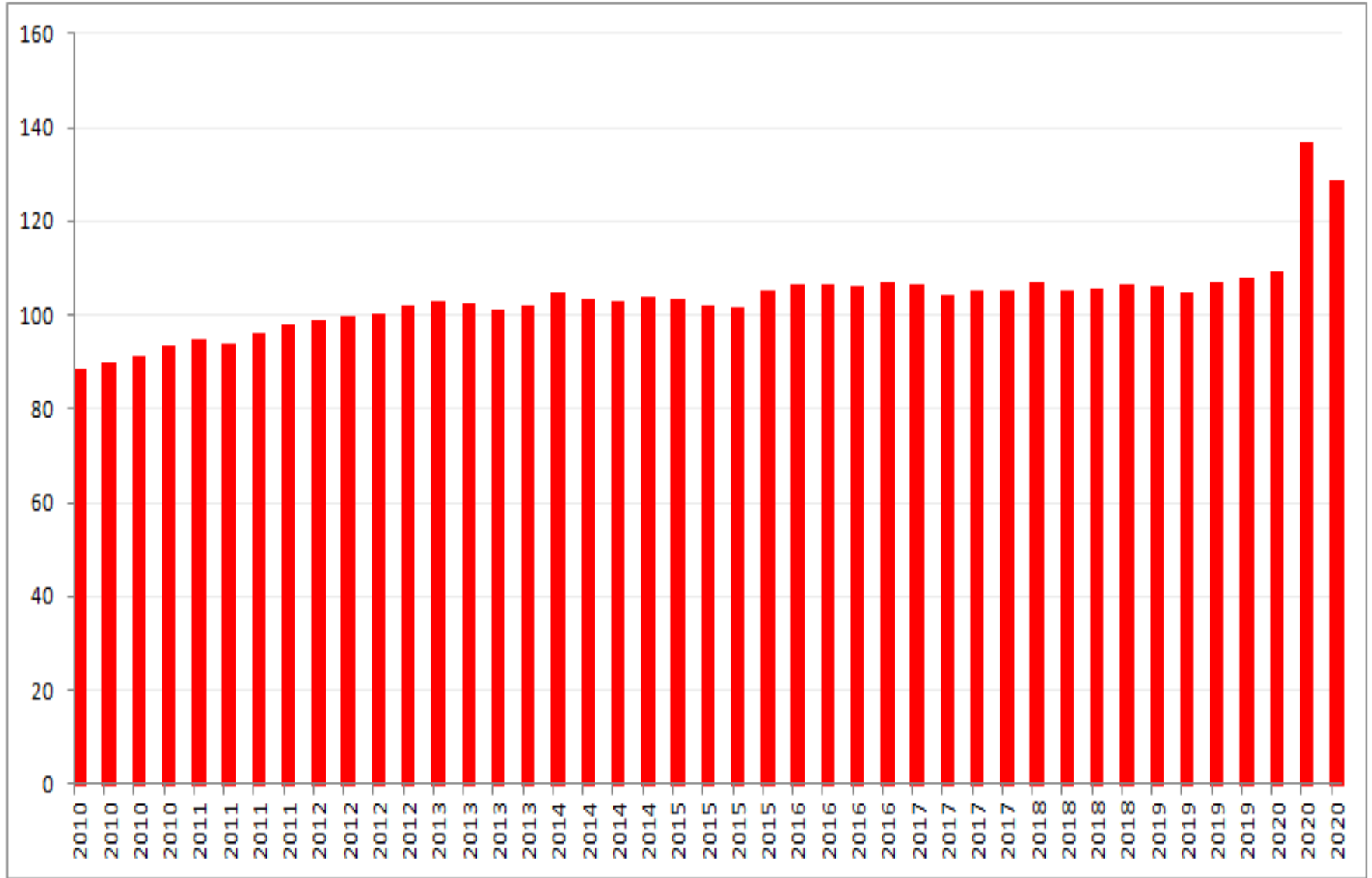
% Change



— PC(USCPI,12)

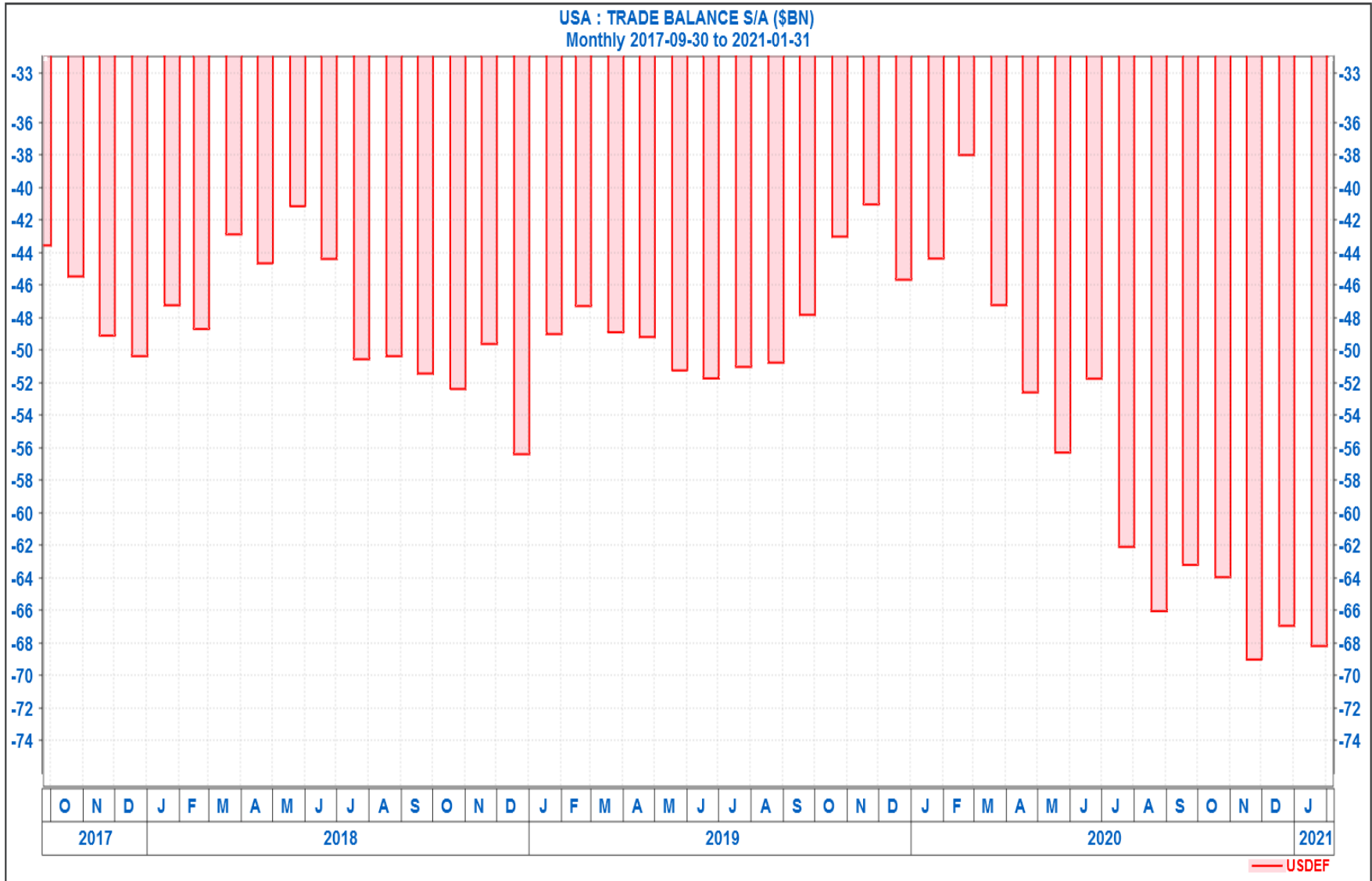
Period

# USA – Government Debt %GDP (\$ Million)



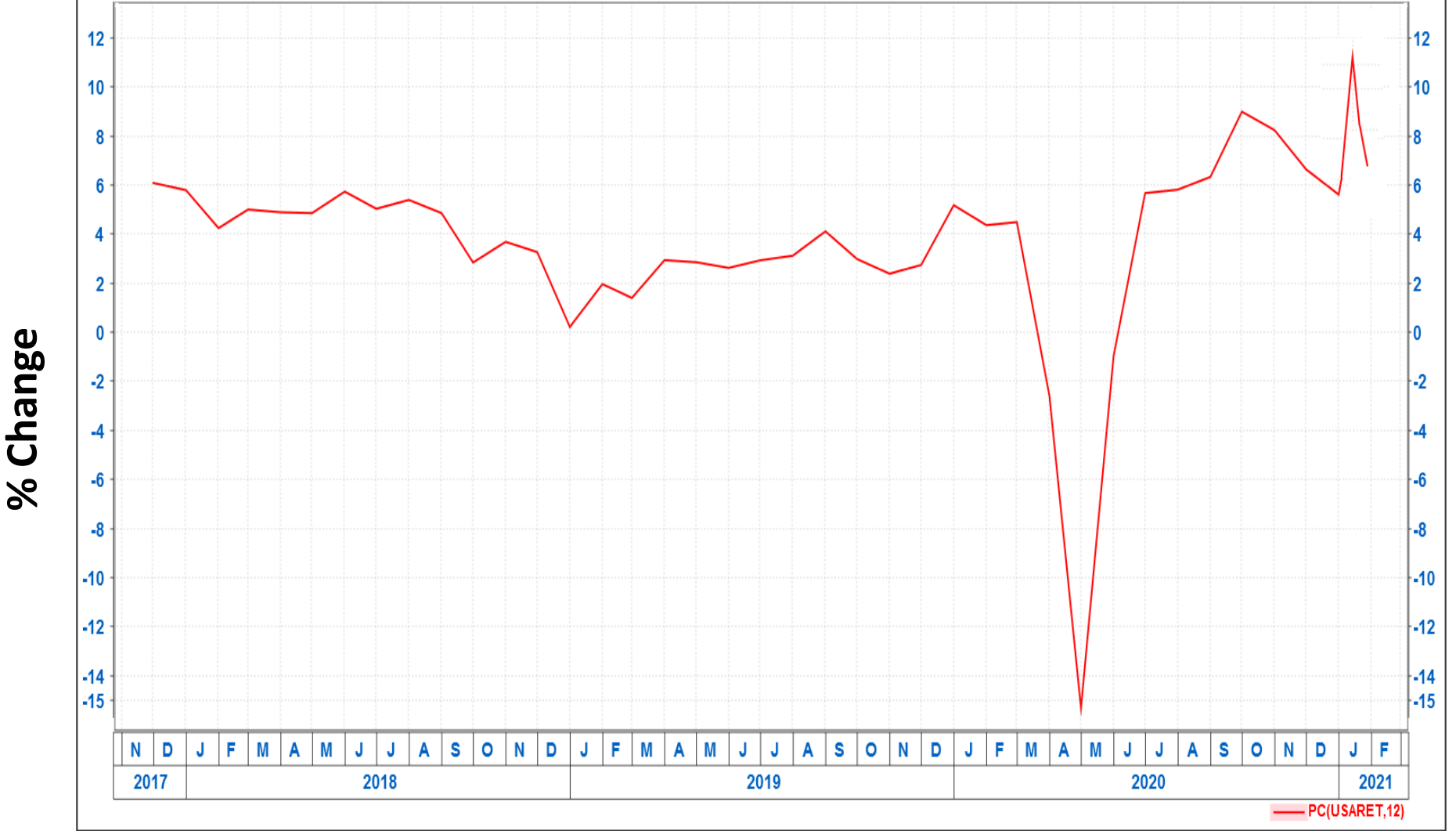
Period

# USA - Trade Balance Deficit (\$ Billion)



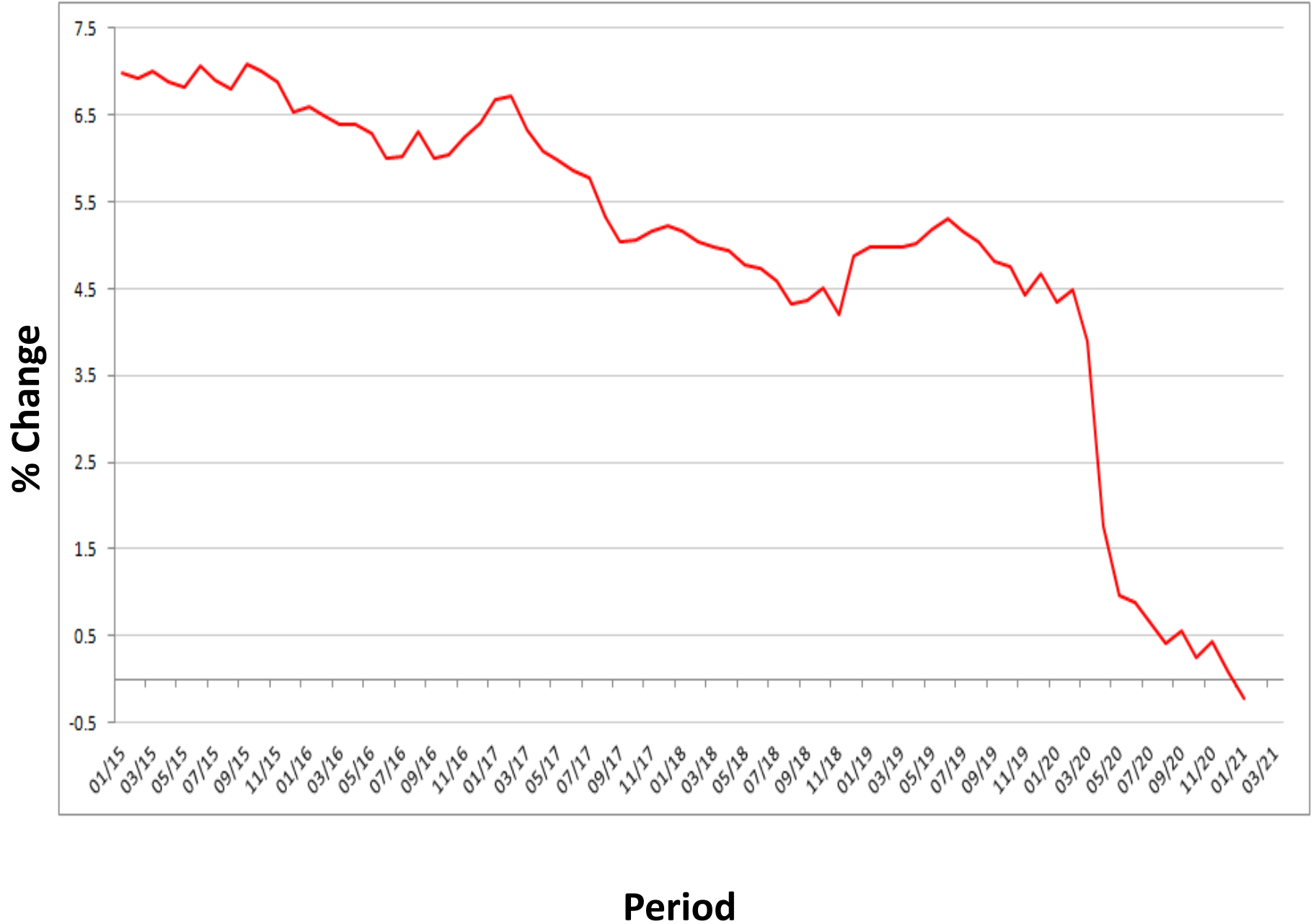
# USA - Retail Sales

Percentage Change 12 of USA : RETAIL TRADE - VALUE S/A (US\$BN)  
 Monthly 2017-10-31 to 2021-02-28

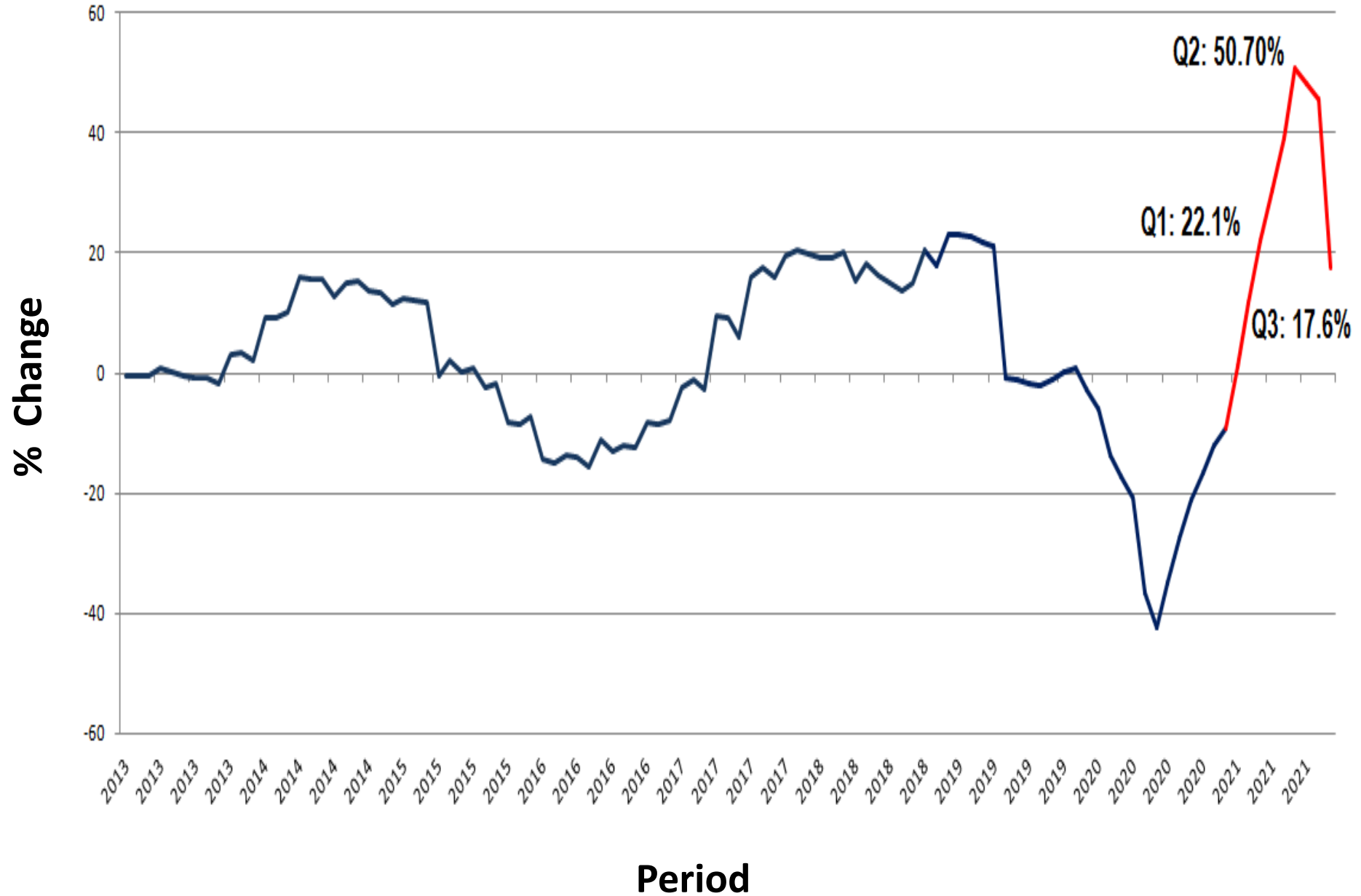


Period

# USA – Consumer Credit



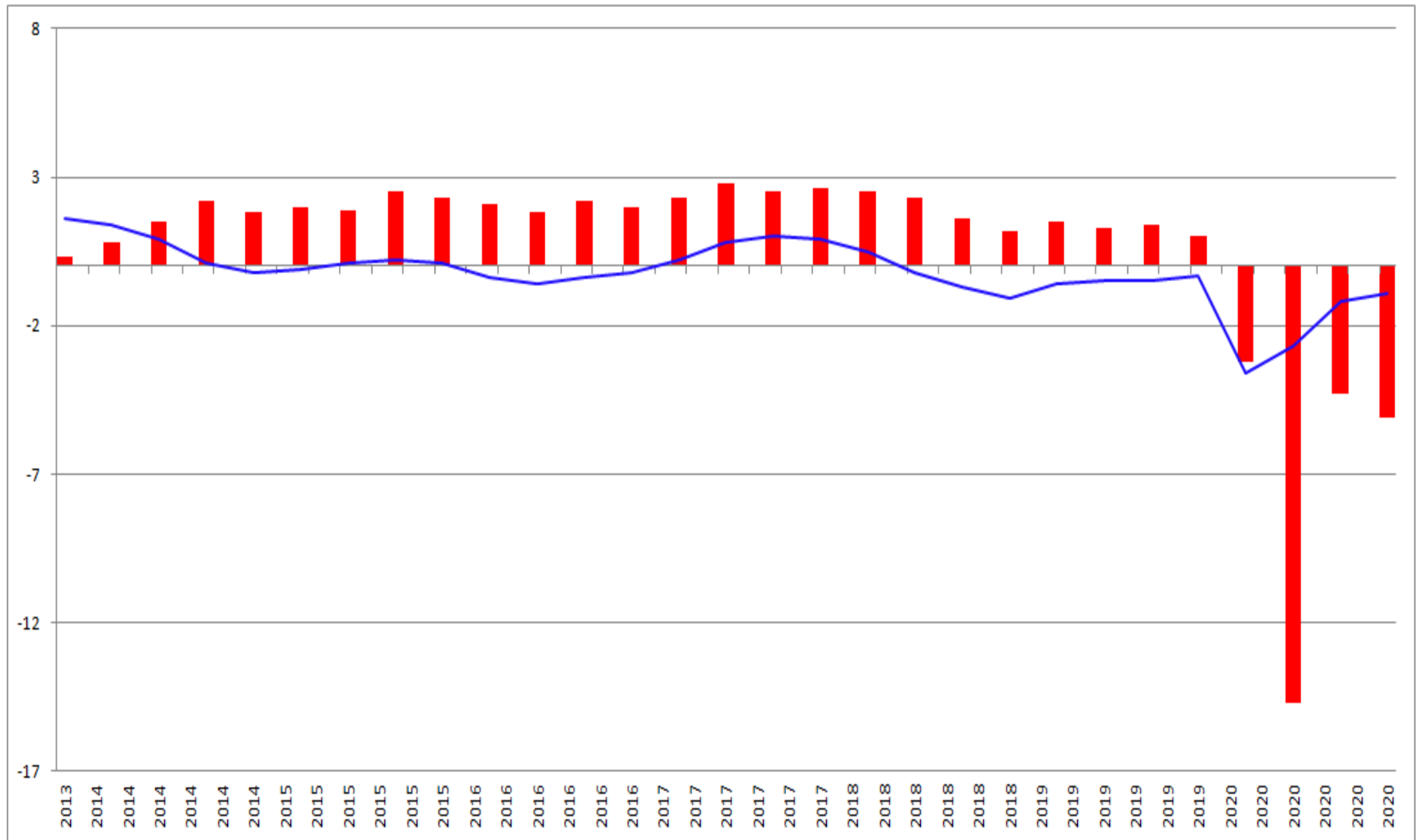
# USA – S&P 500 Earnings Growth



## **Euro Area:**

GDP growth eased in Q4 to -4.9%% after contracting -4.2% in Q3, clearly showing the implications of the lockdown surrounding the efforts to curb the spread of Covid-19. Unemployment ticked down to 8.3% in the fourth quarter. Inflation recovered to 1.3% in March 2021. The European Economy remains fragile; however growth expectations in 2021 indicate recovery.

# Europe – Economic Growth Rate Quarterly

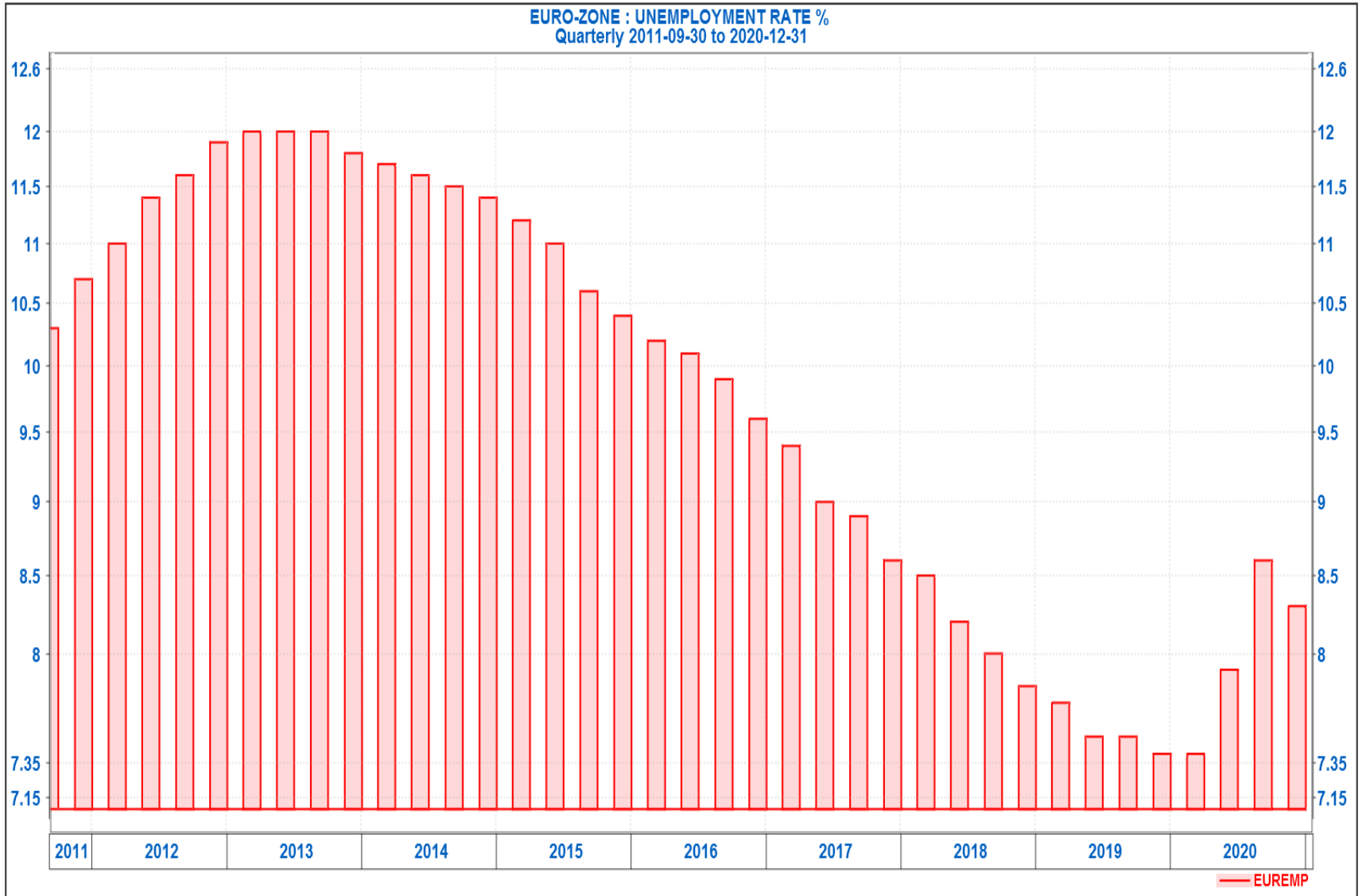


— Europe Growth Rate

— Europe Leading Indicator

Period

# Europe – Unemployment

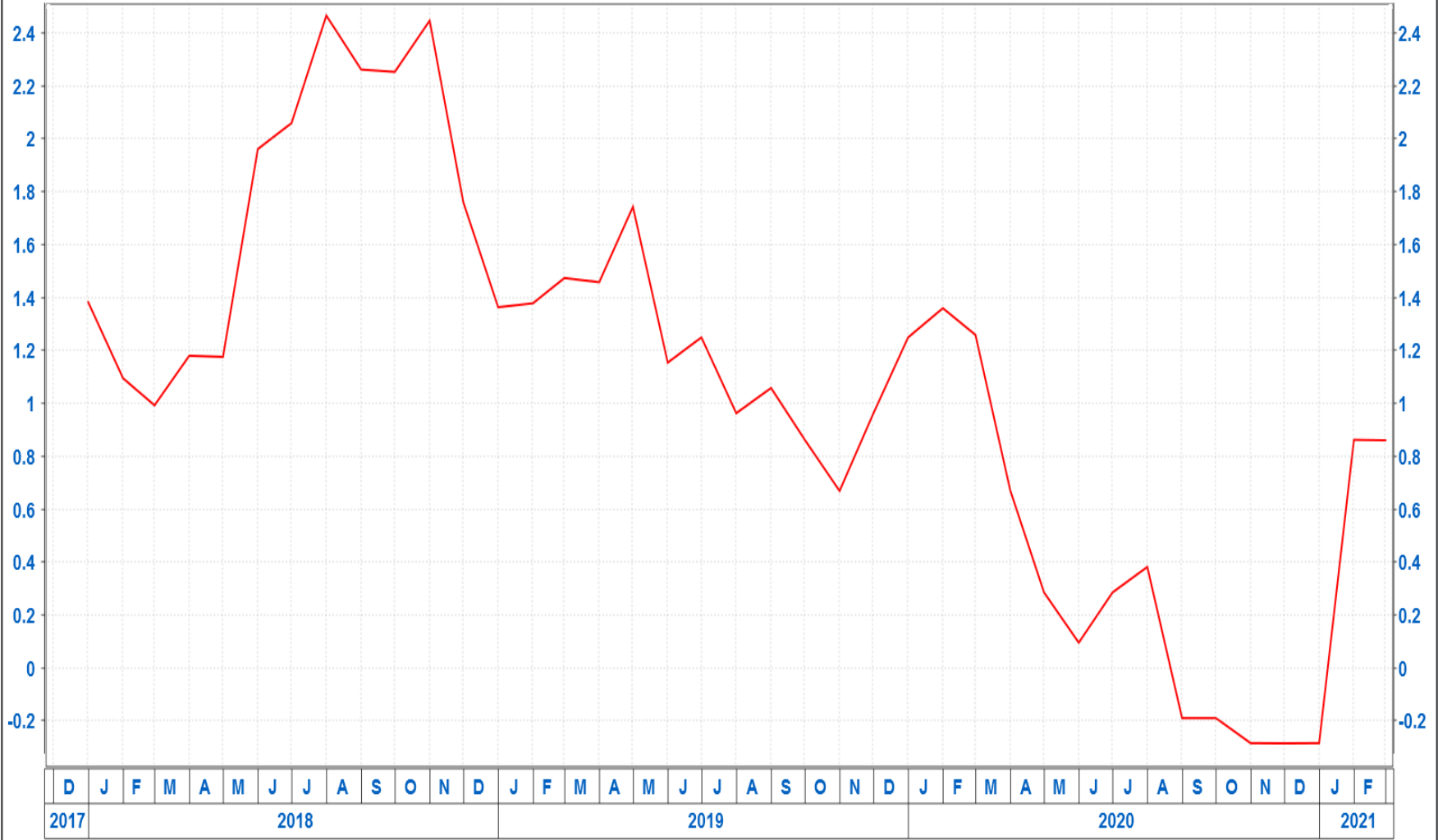


Period

# Europe – Inflation

Percentage Change 12 of EURO-ZONE : CONSUMER PRICE INDEX (2015=100)  
Monthly 2017-11-30 to 2021-02-28

% Change



PC(EURCPI,12)

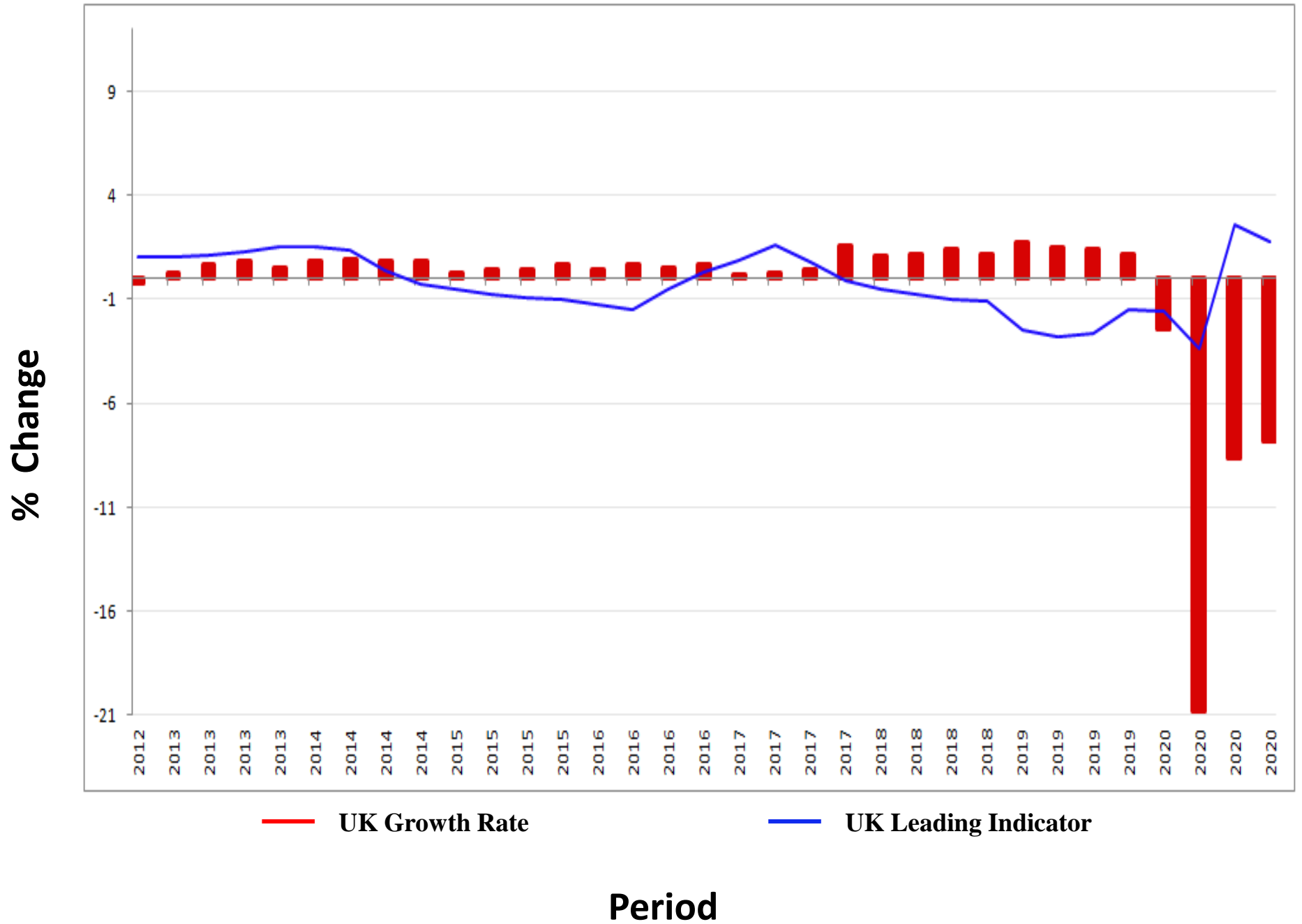
Period

## **United Kingdom:**

Economic growth weakened -7.9% in the fourth 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 ticked down to 0.5% for February 2020, and the unemployment rate weakened to 5%.

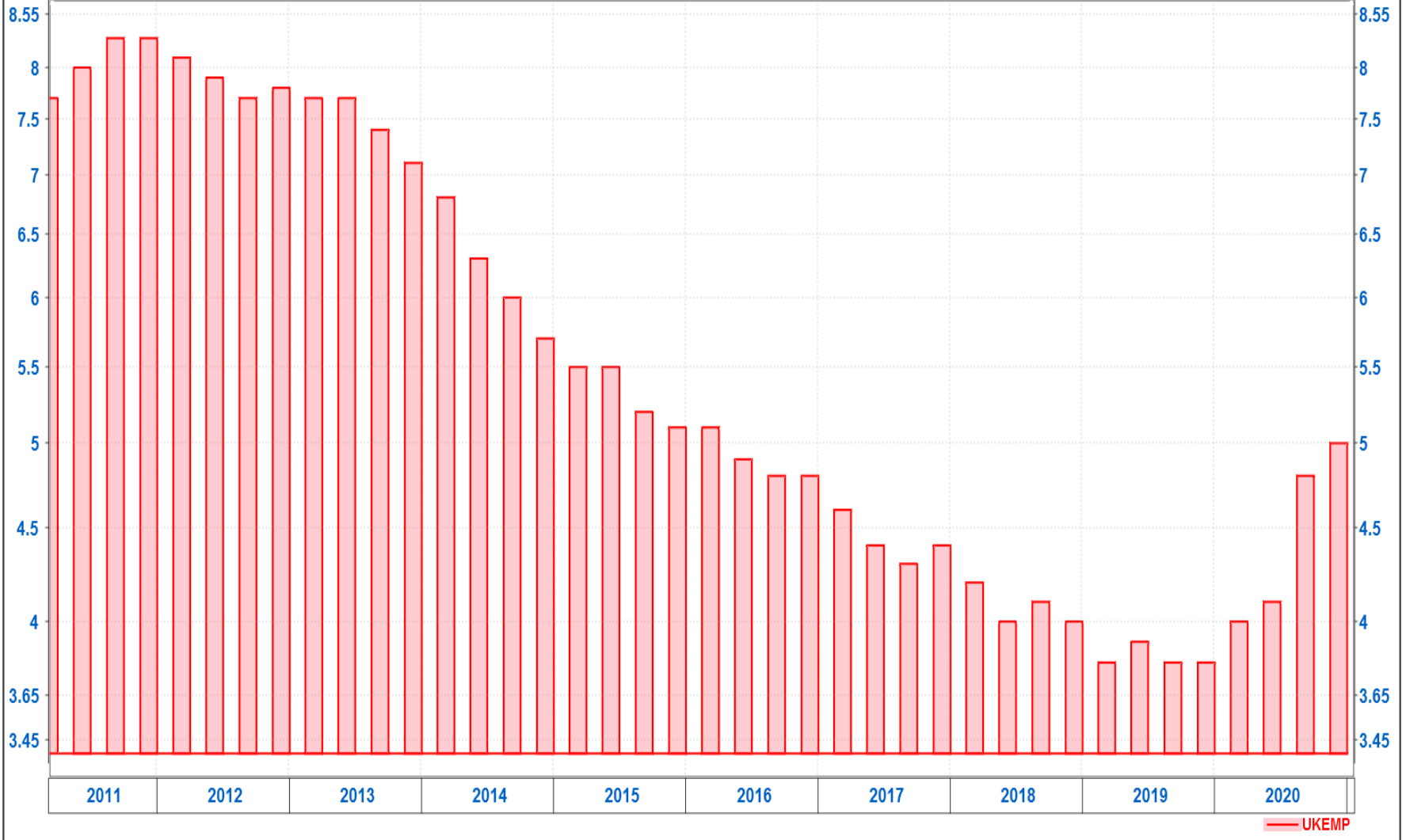
Earnings growth of companies is forecasted to be 41.6% for 2021.

# UK – Economic Growth Rate Quarterly



# UK – Unemployment

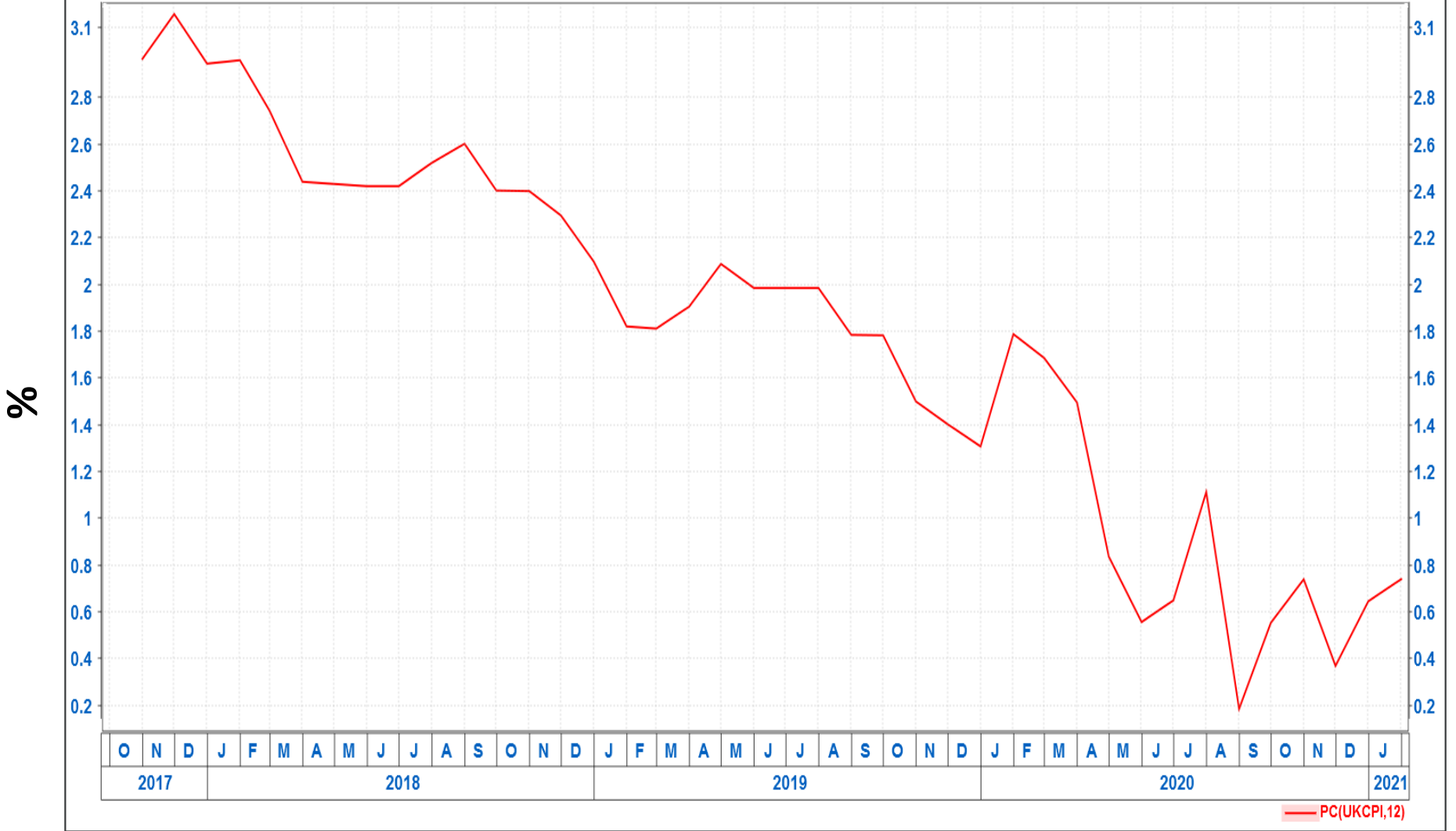
UK : UNEMPLOYMENT HARMONISED % S/A  
Quarterly 2011-03-31 to 2020-12-31



Period

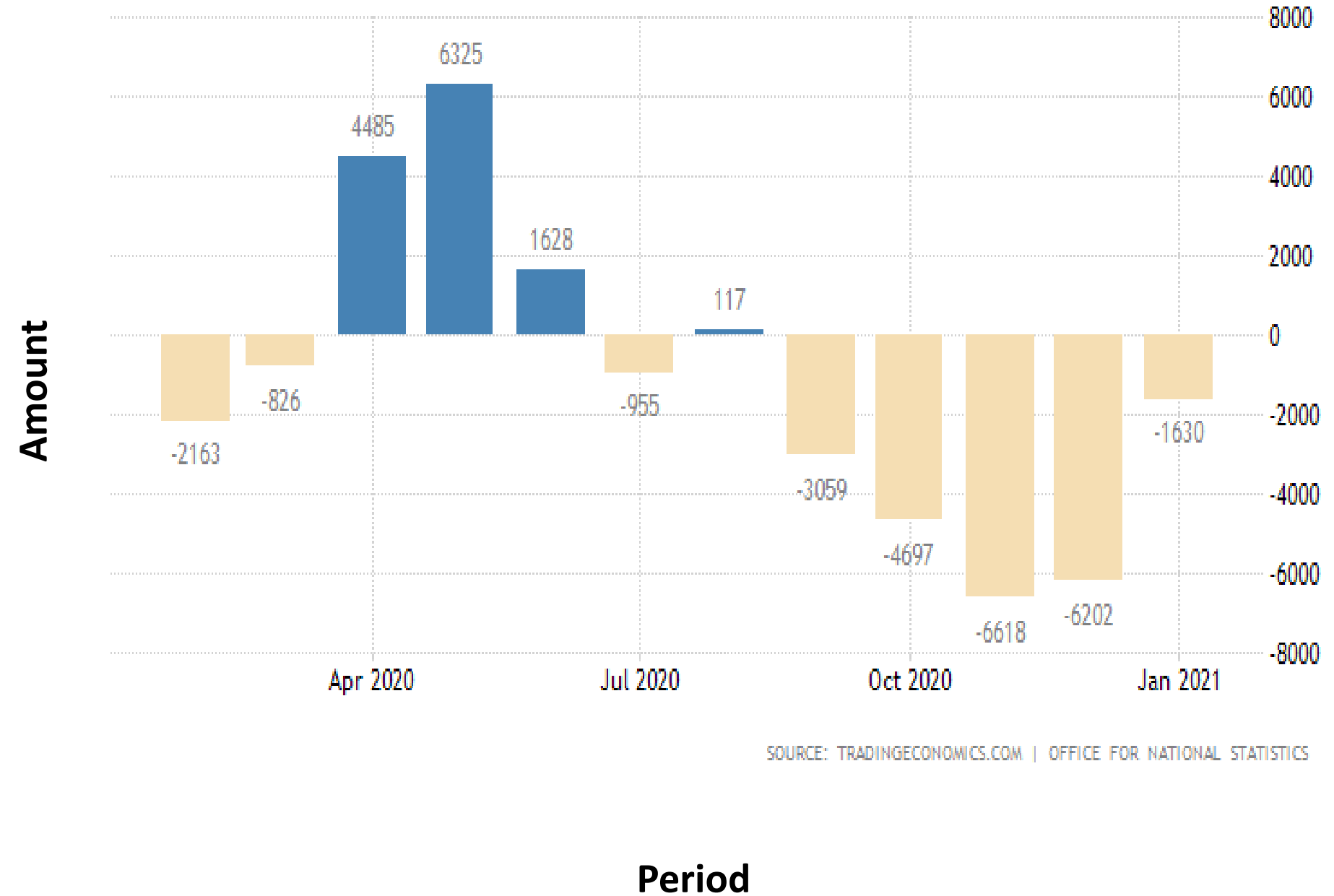
# UK – Inflation

Percentage Change 12 of UK : CONSUMER PRICE INDEX-ALL ITEMS (2015=100)  
Monthly 2017-09-30 to 2021-01-31

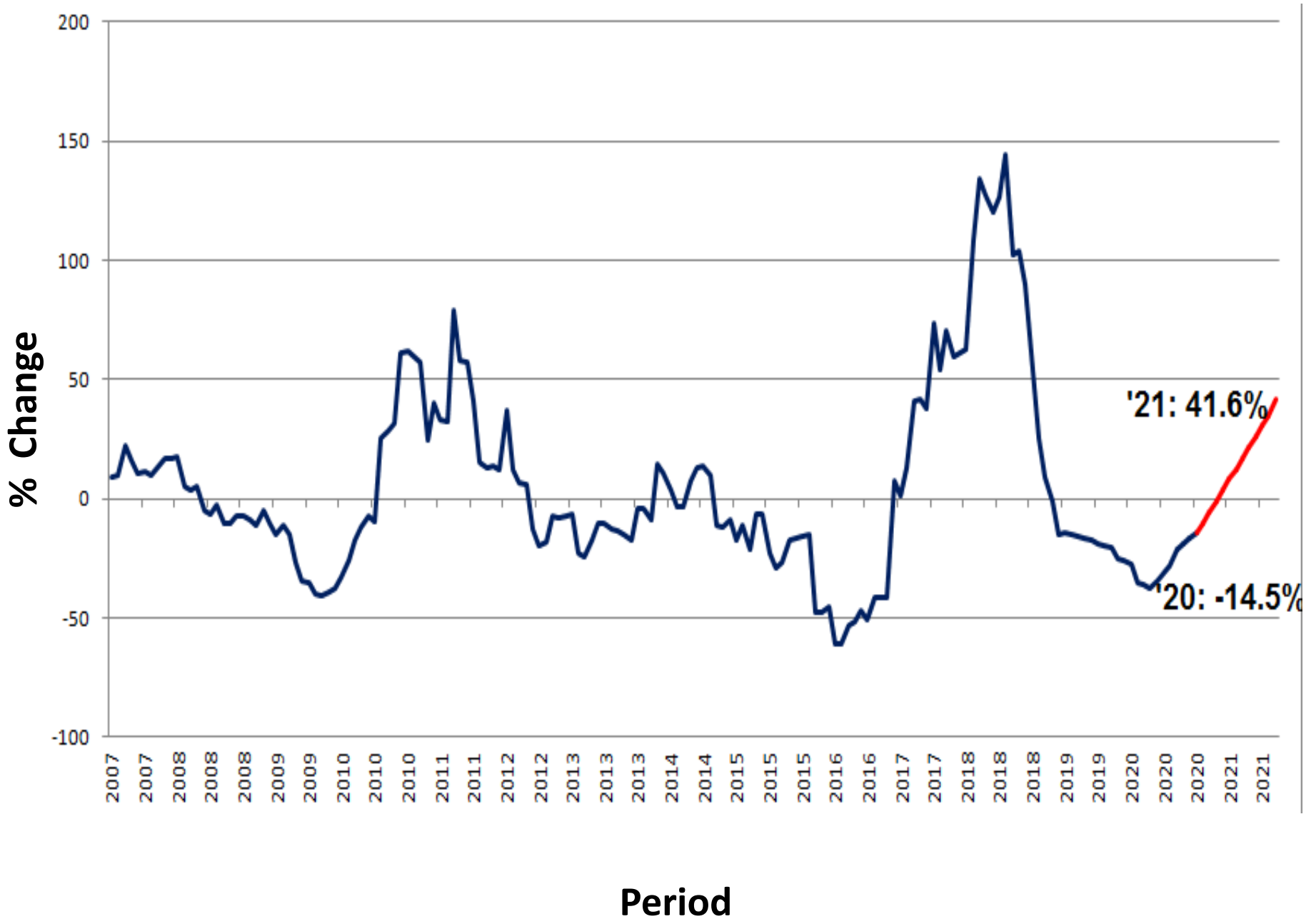


Period

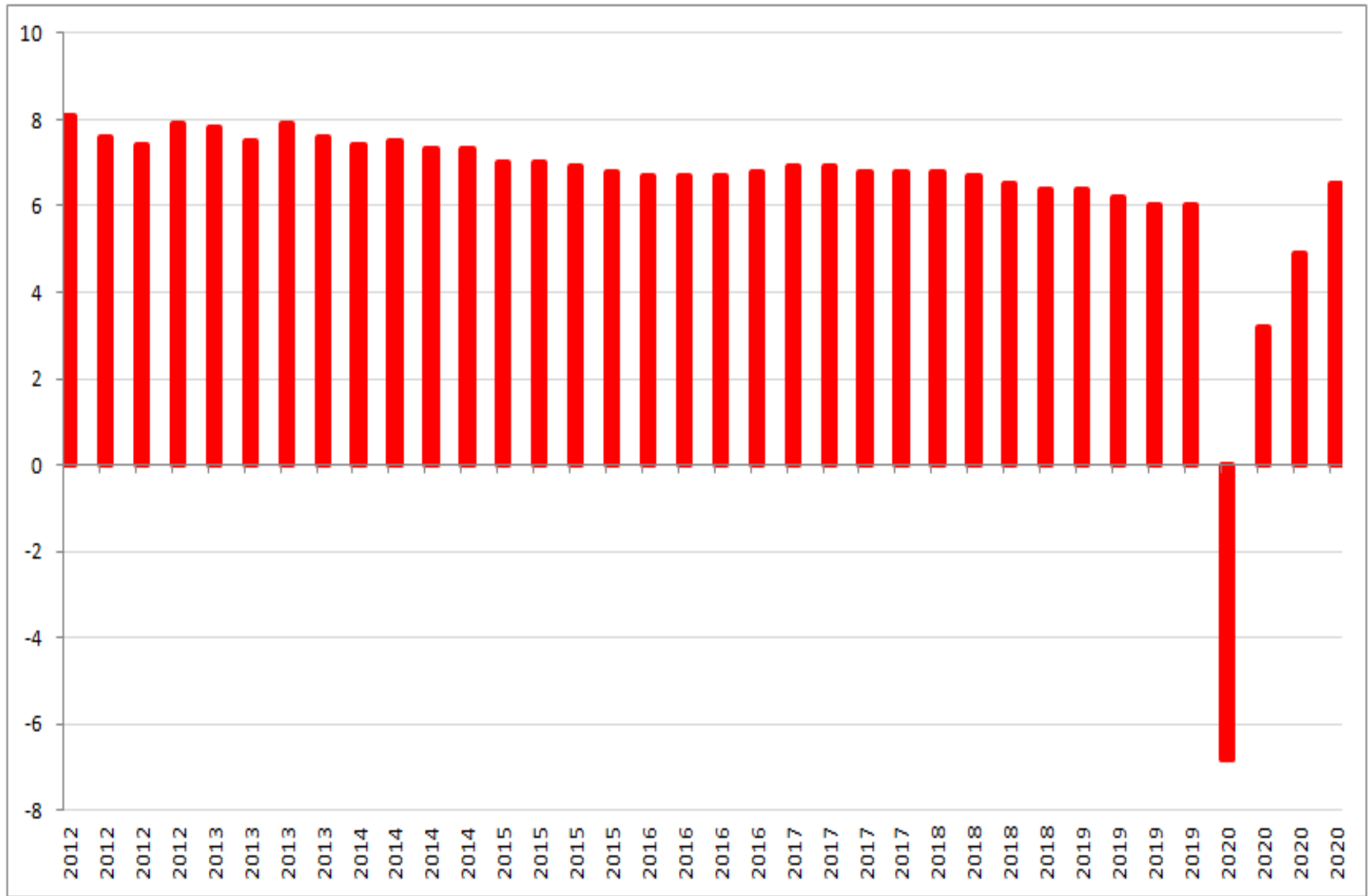
# UK – Trade Balance (£ Millions)



# UK – FTSE 100 Earnings Growth



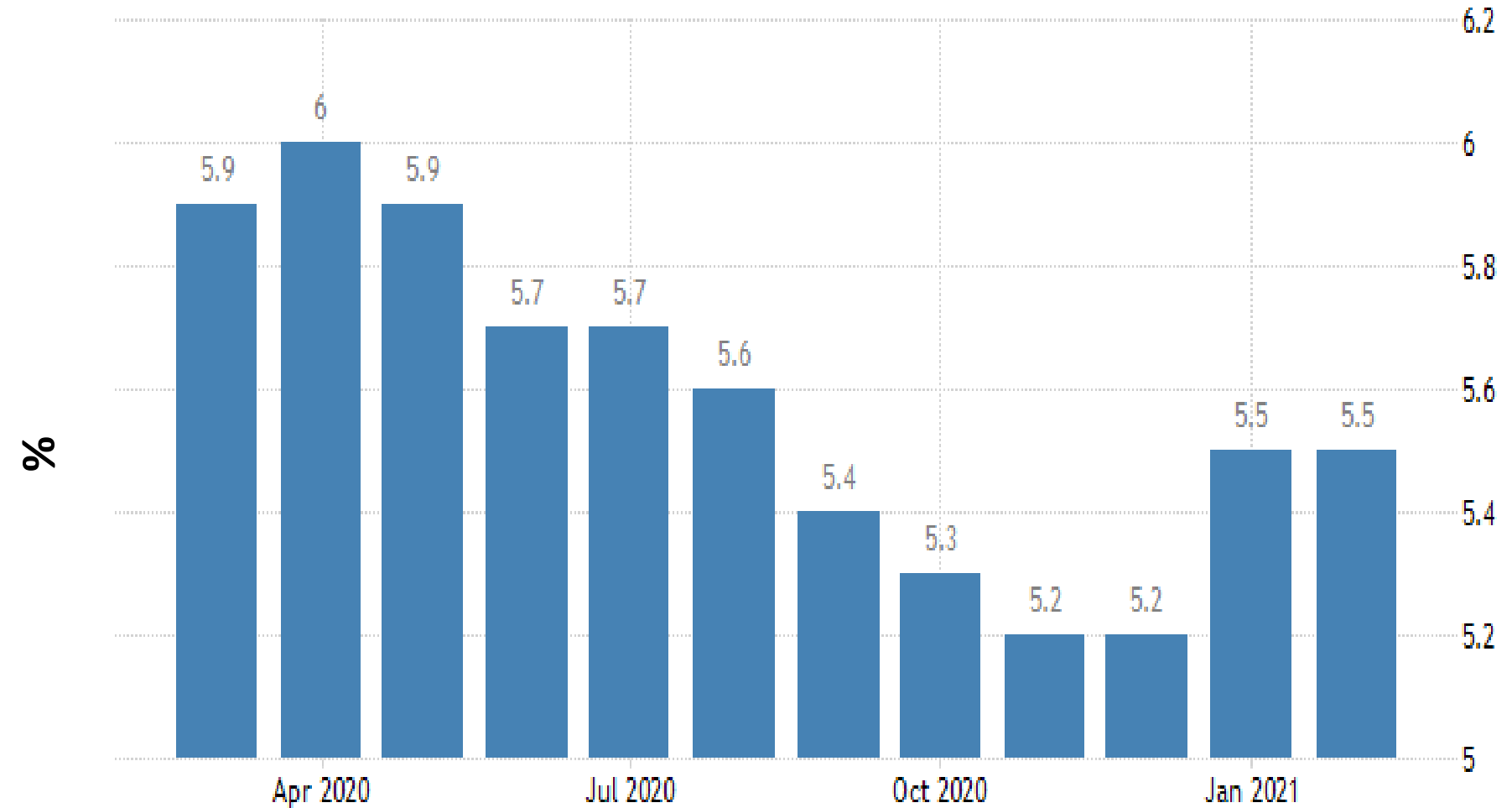
# China – Economic Growth Rate



— China Growth Rate

Period

# China – Unemployment

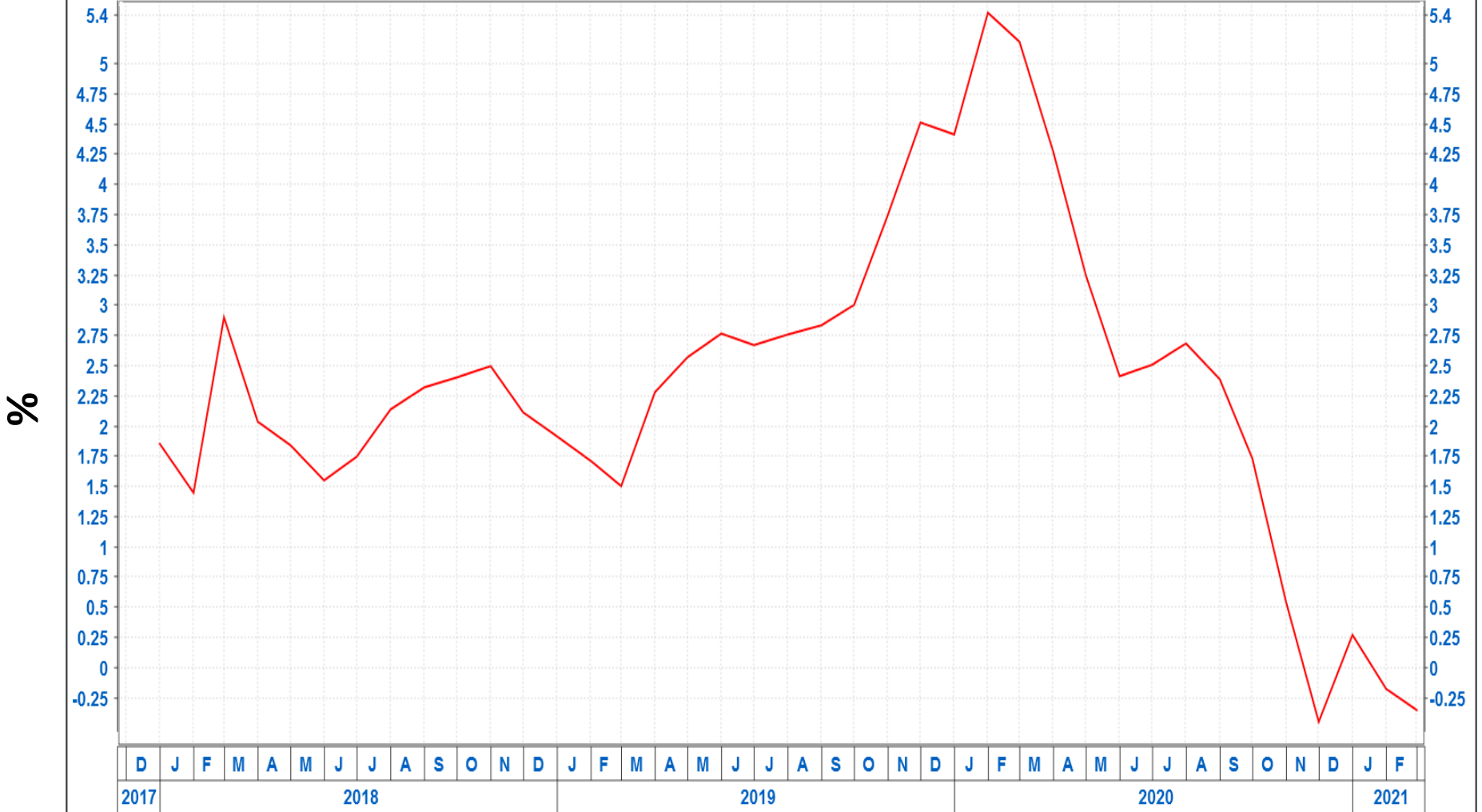


SOURCE: [TRADINGECONOMICS.COM](https://tradingeconomics.com) | NATIONAL BUREAU OF STATISTICS OF CHINA

Period

# China – Inflation

Percentage Change 12 of CHINA : CONSUMER PRICE INDEX ALL ITEMS (2015=100)  
Monthly 2017-11-30 to 2021-02-28



— PC(CHCPIA,12)

Period

# **South Africa Economic Indicators**

## **South Africa:**

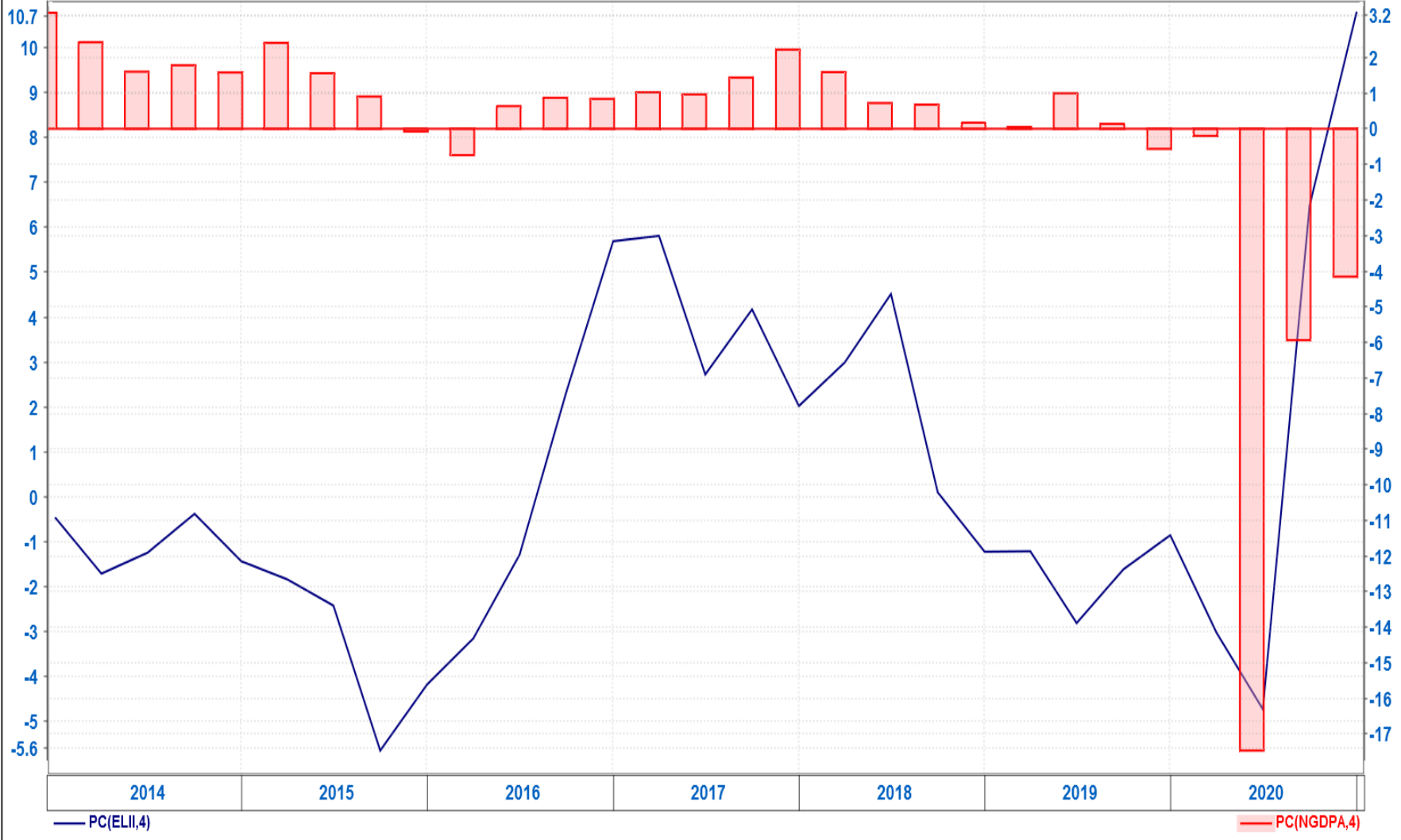
Economic growth recovered to -4.2% in Q4 after contracting a -6.2% in Q3. With rolling blackouts, strike action and the national lockdown still weighing down production. Unemployment came in at a historic 32.5% in Q4 of 2020. Inflation remains stable at 2.9% for February 2021, whilst consumer credit came in at the 2.6% 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 continuing to weigh down economic activity.

Earnings growth of SA companies is expected to come in at 28.76% in 2021, still supported by the strong commodity prices in the resources sector.

# South Africa – Economic Growth Rate Quarterly

Percentage Change 4 of GDP : EXPENDITURE ON G D P (CONSTANT) SAAR, Percentage Change 4 of LEADING INDICATOR (2015=100)  
Quarterly 2013-12-31 to 2020-12-31



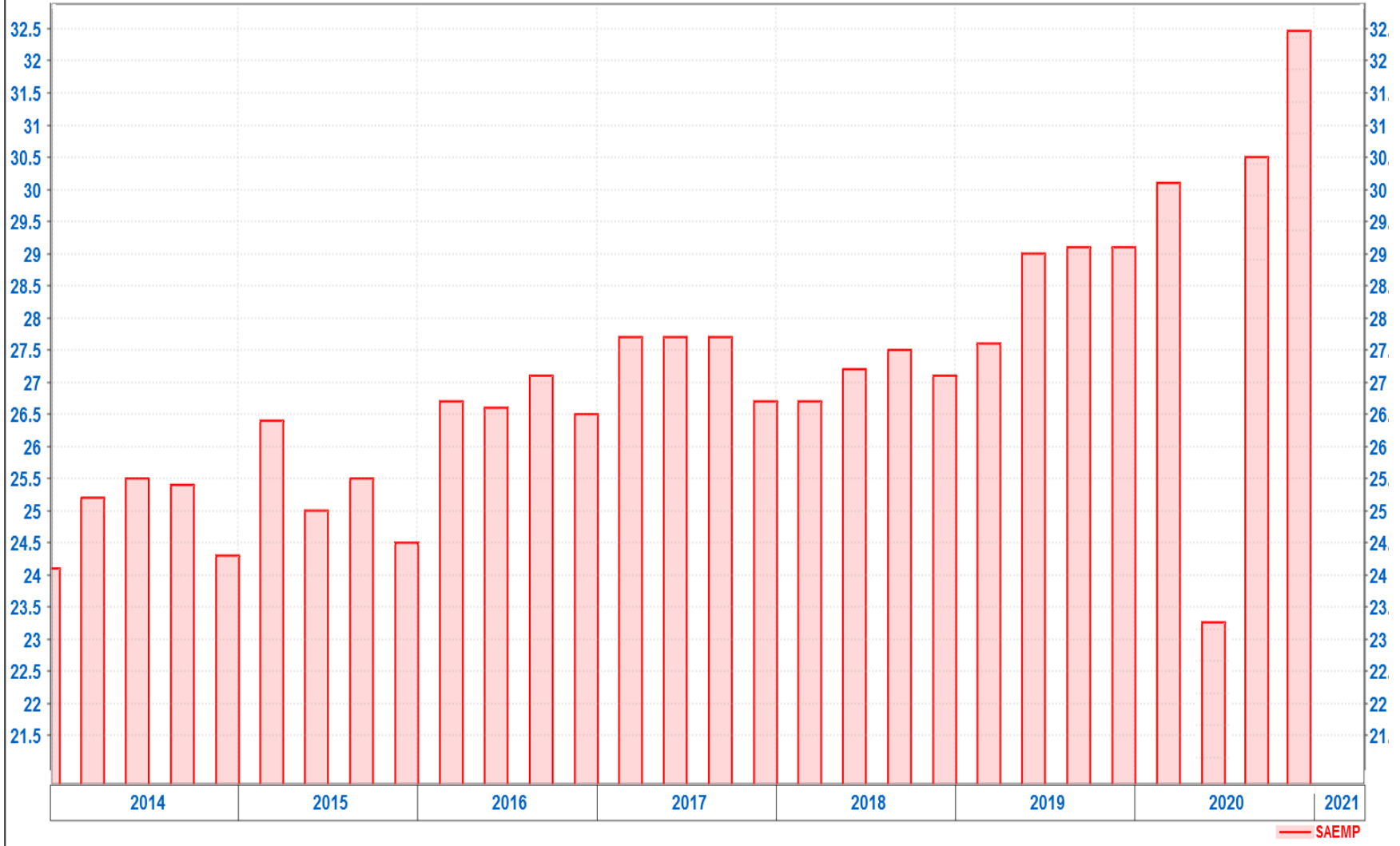
— South Africa Growth Rate

— South Africa Leading Indicator

Period

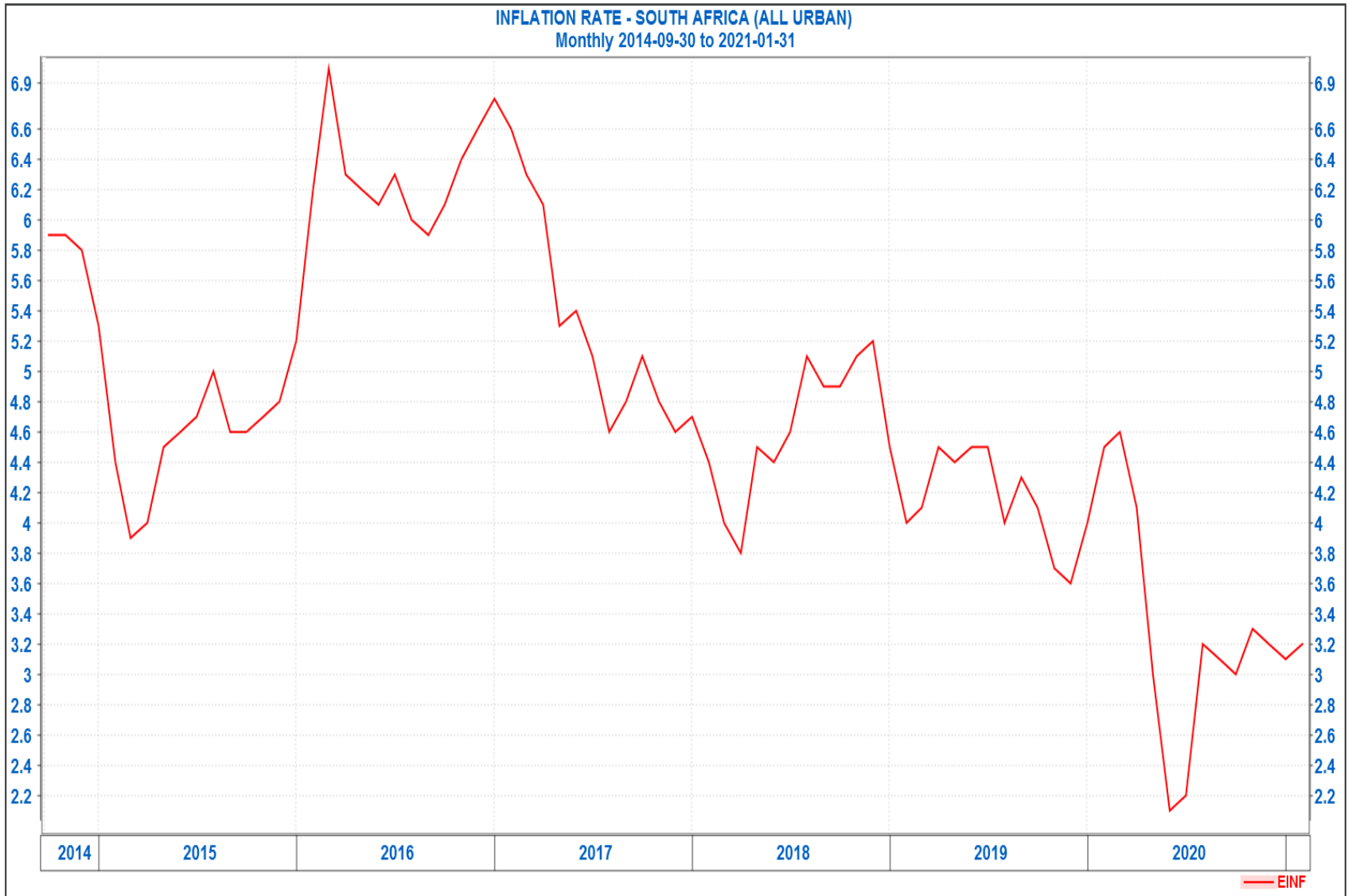
# South Africa – Unemployment

EMPLOYMENT : OFFICIAL UNEMPLOYMENT RATE (ILO)  
Quarterly 2013-12-31 to 2020-12-31



Period

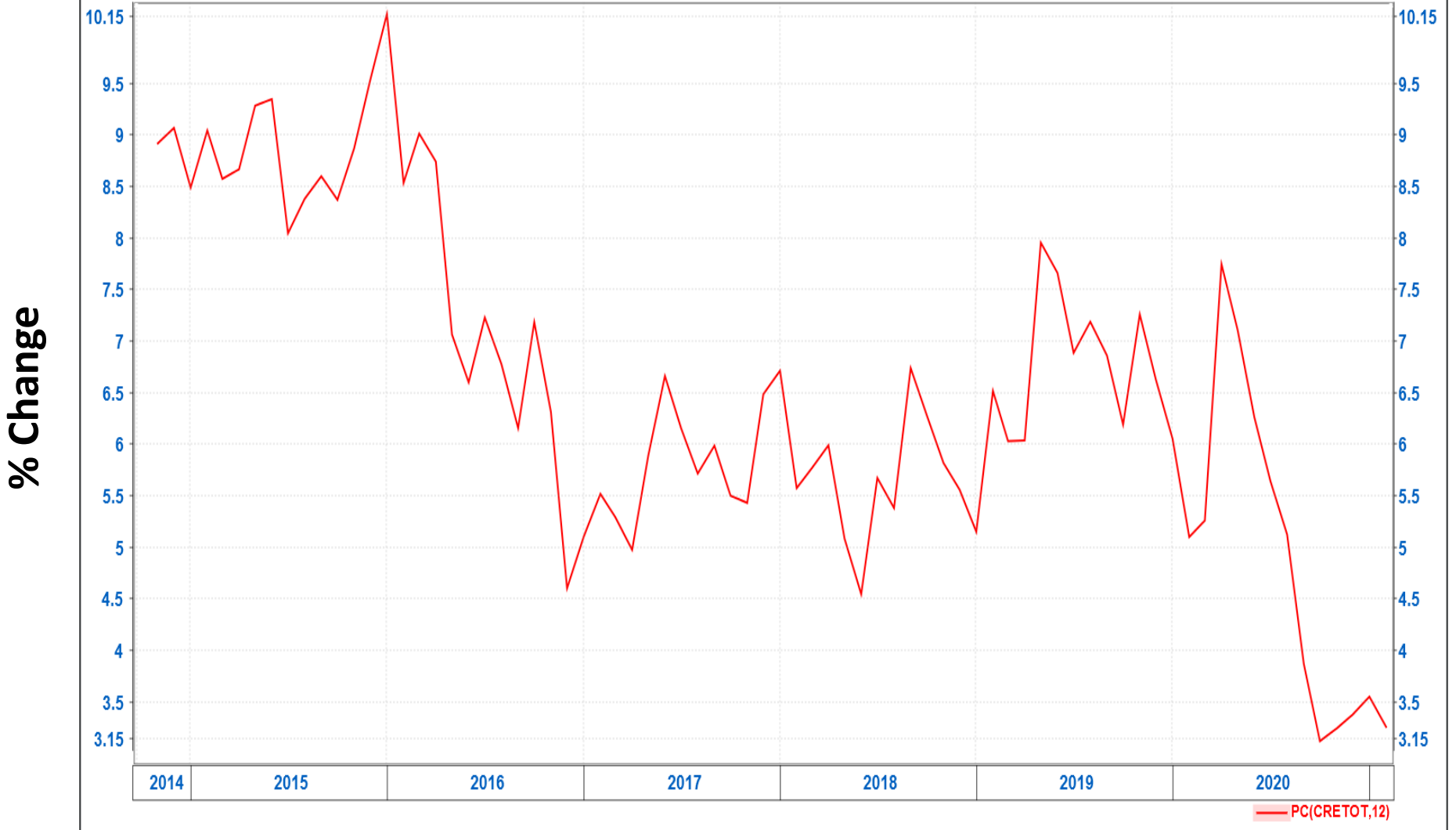
# South Africa – Inflation Rate



Period

# South Africa – Consumer Credit

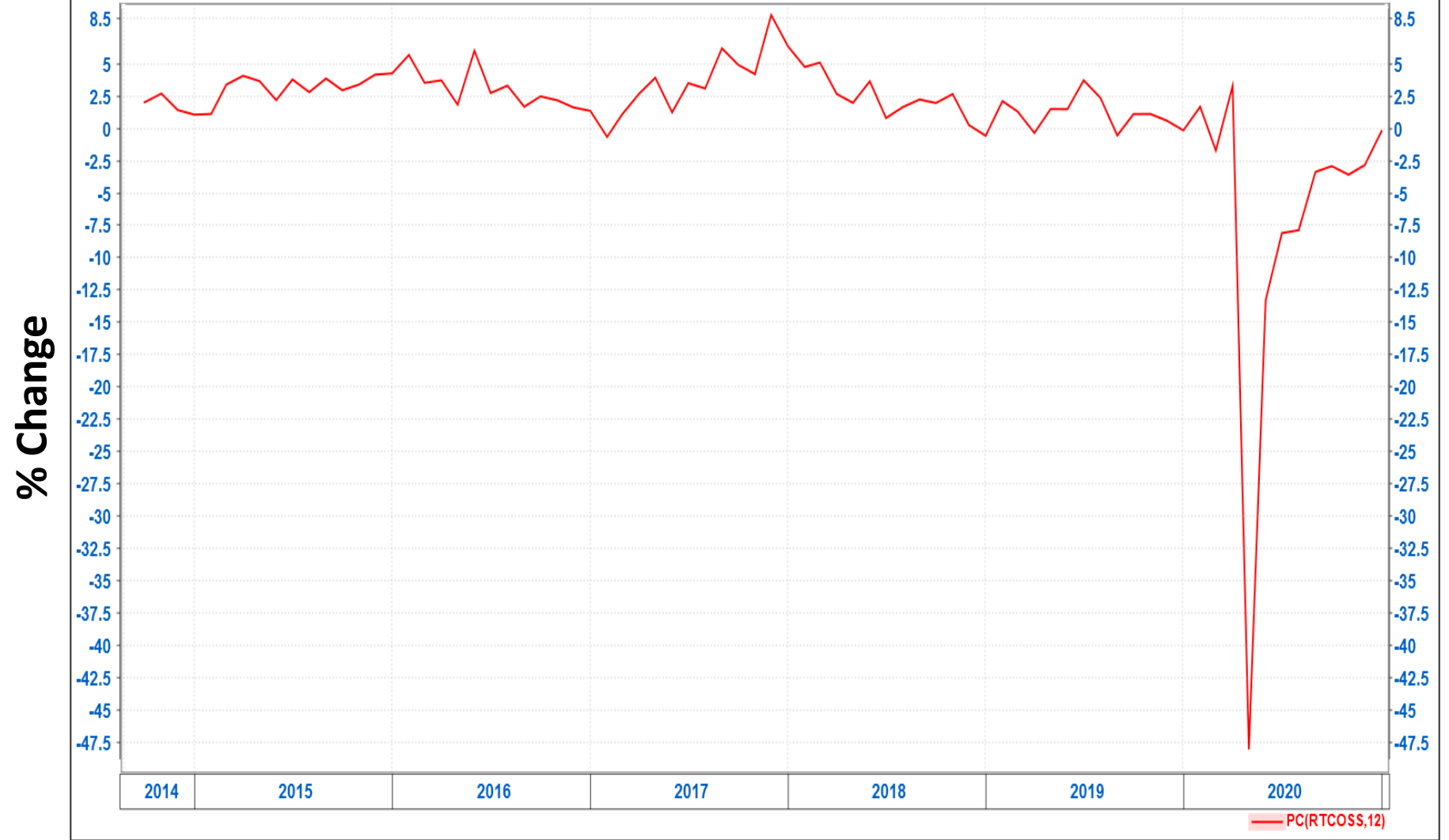
Percentage Change 12 of CREDIT: TOTAL EXTENDED BY PRIVATE SECTOR (RM)  
Monthly 2014-09-30 to 2021-01-31



Period

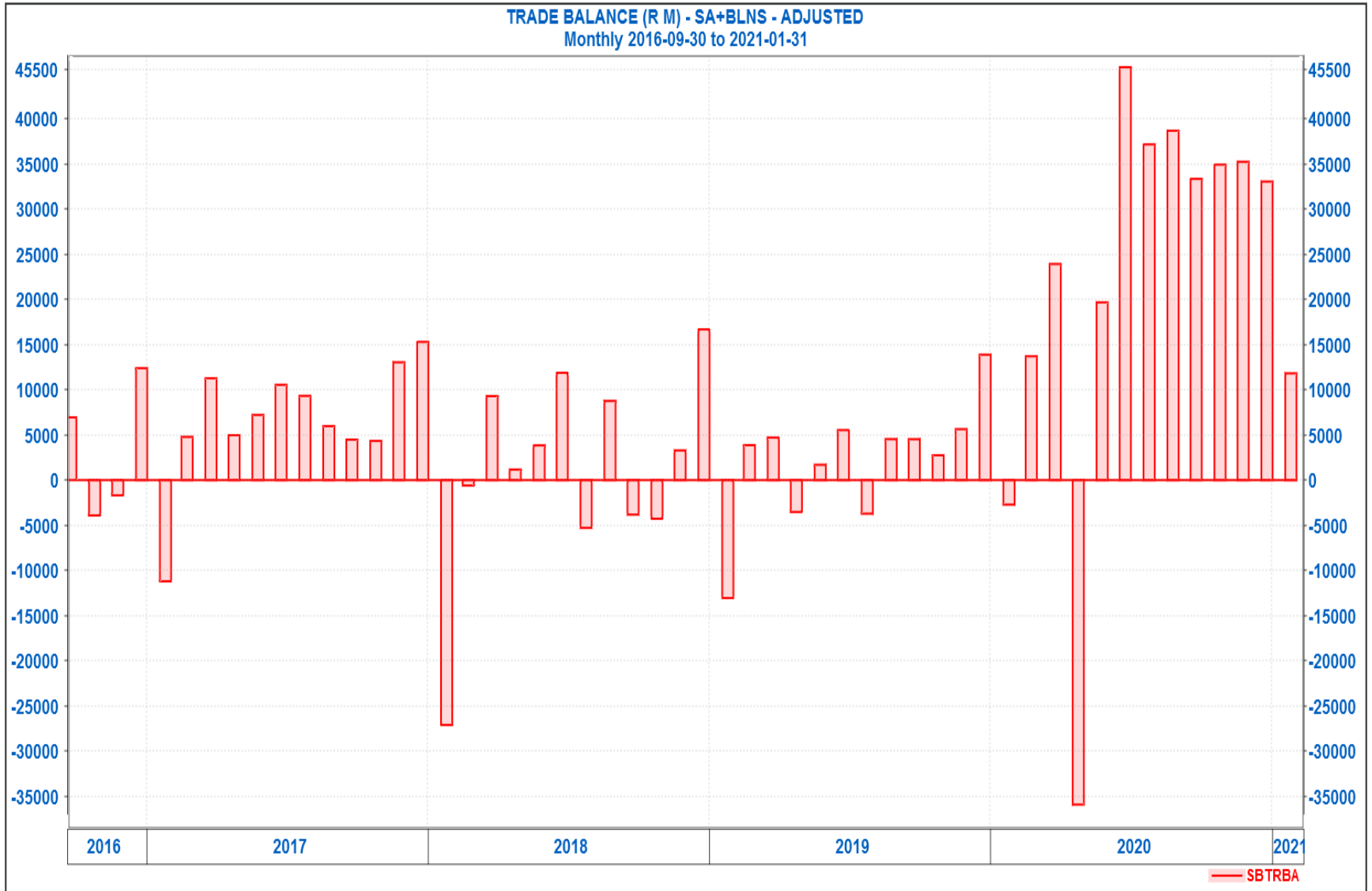
# South Africa – Retail Sales

Percentage Change 12 of RETAIL TRADE - TOTAL - CONSTANT S/A- RM 2015 PRICE  
Monthly 2014-08-31 to 2020-12-31



Period

# South Africa – Trade Balance (ZAR Million)

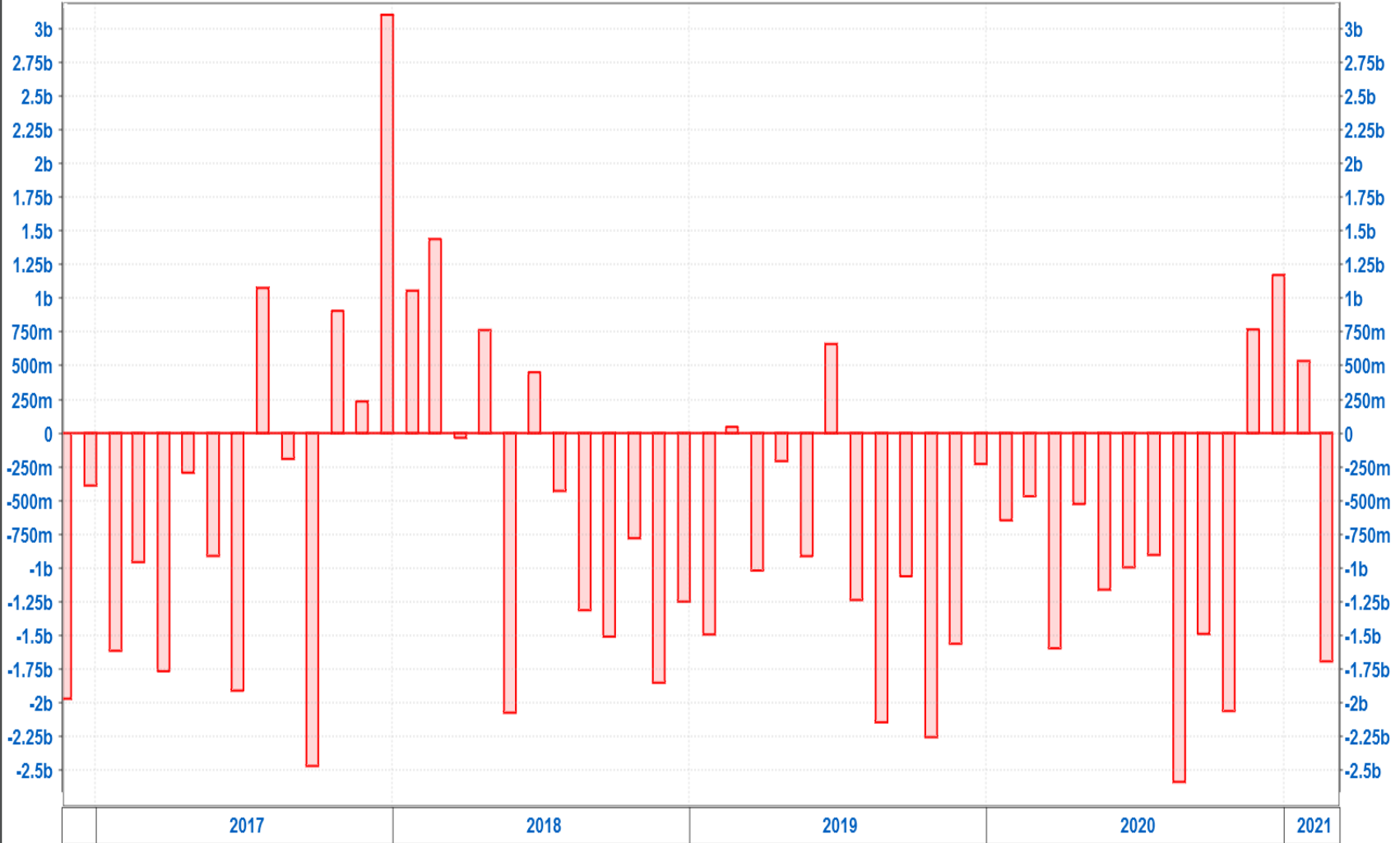


Period

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

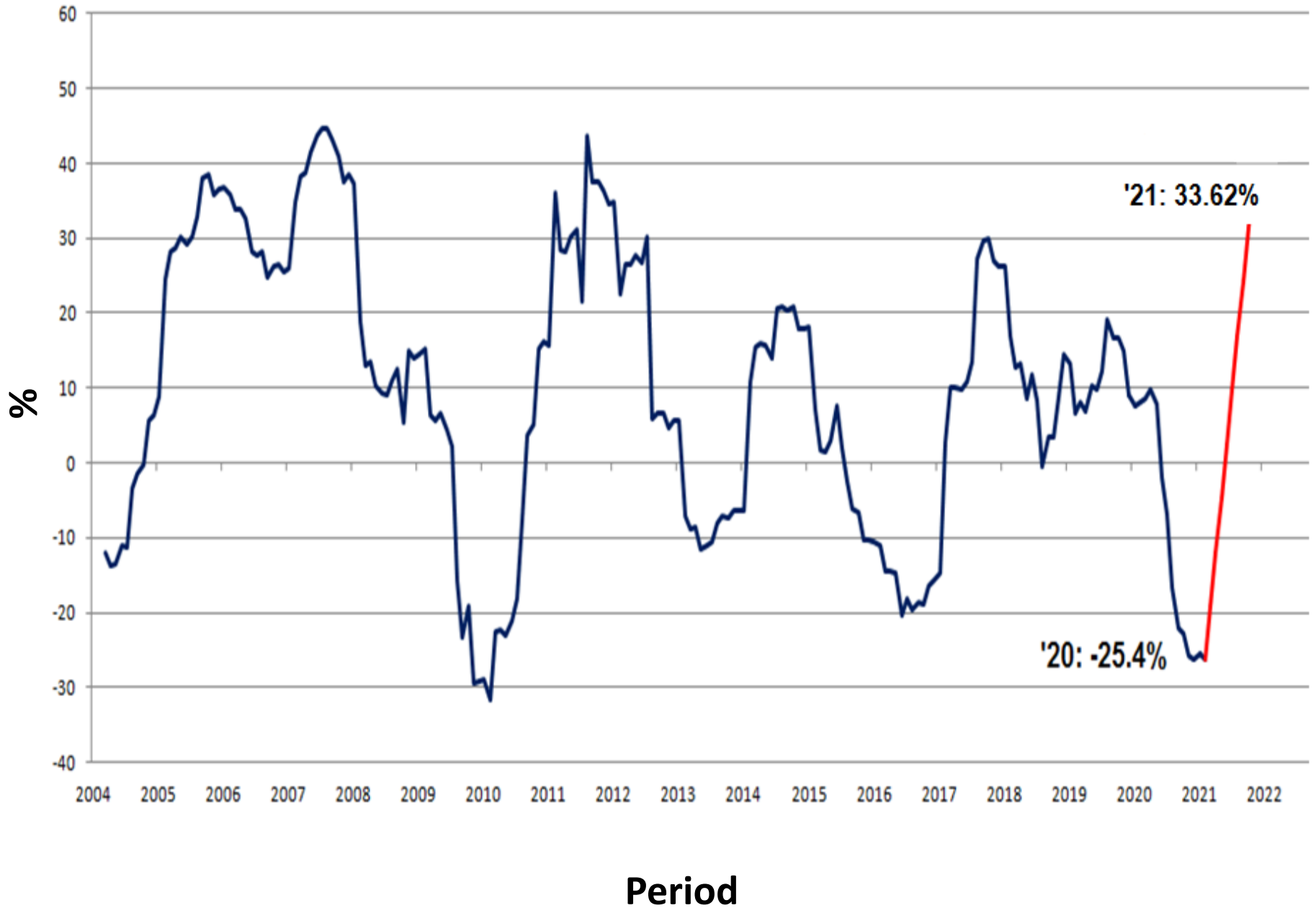
FOREIGN TRANS BESA - NET (RM) - TOTAL CONSIDERATION+FOREIGN TRANSACTIONS EQUITIES - NET (R'000)\*100  
 Monthly 2016-11-30 to 2021-02-28

Amount (ZAR Mil)



Period

# S.A. All Share Earnings Forecast



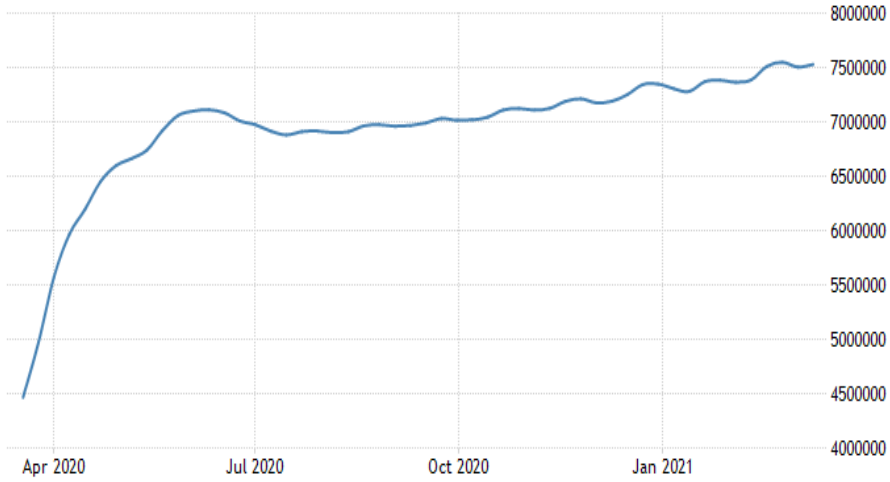
# **Central Bank Policies**

## **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. Some Emerging Market countries have however already started to raise interest rates as fear of out of control inflation rates sparked action. Central banks' balance sheets have slowed down in expansion, but continue to focus on efforts to increase liquidity and damper effects of the virus

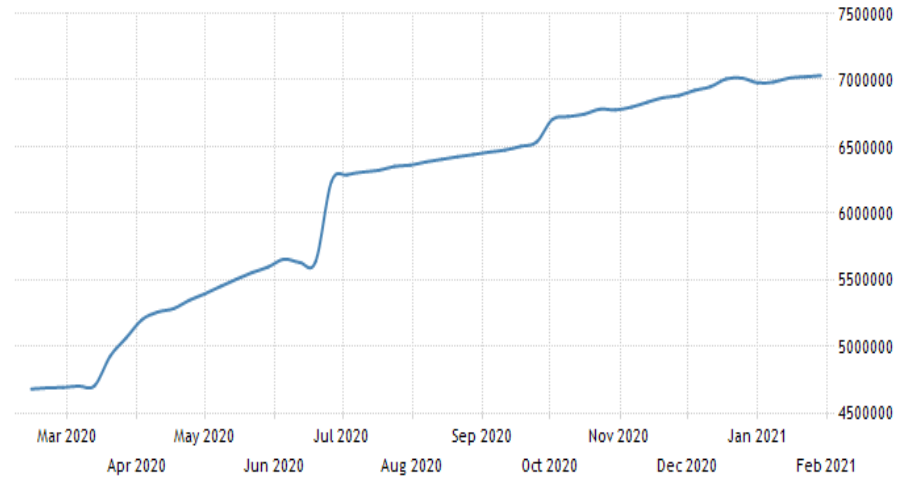
# Central Banks Balance Sheets

## Federal Reserve



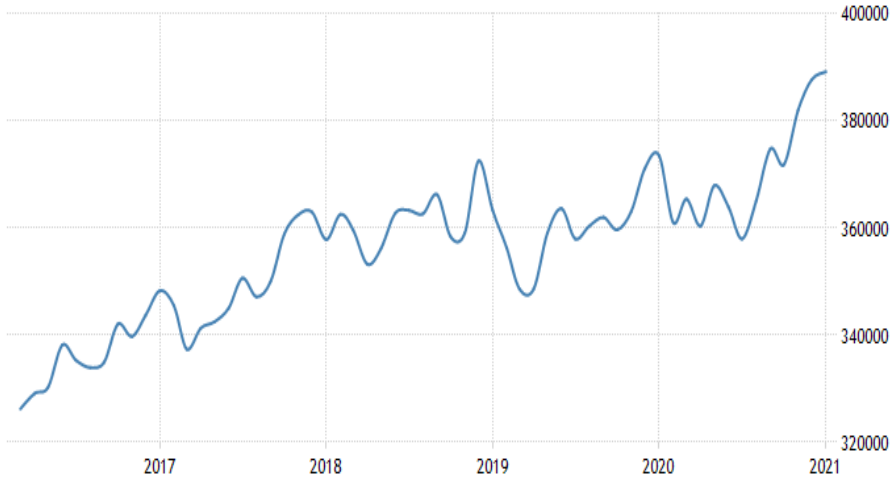
SOURCE: TRADINGECONOMICS.COM | FEDERAL RESERVE

## European Central Bank



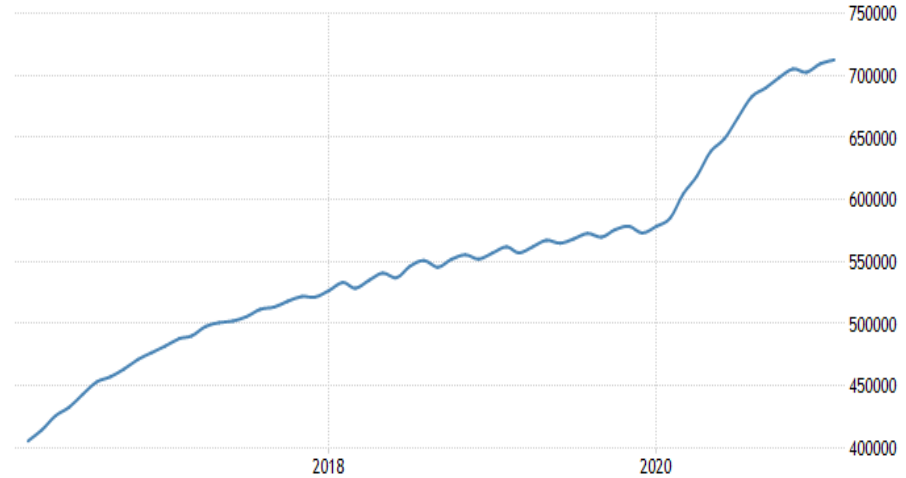
SOURCE: TRADINGECONOMICS.COM | EUROPEAN CENTRAL BANK

## 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

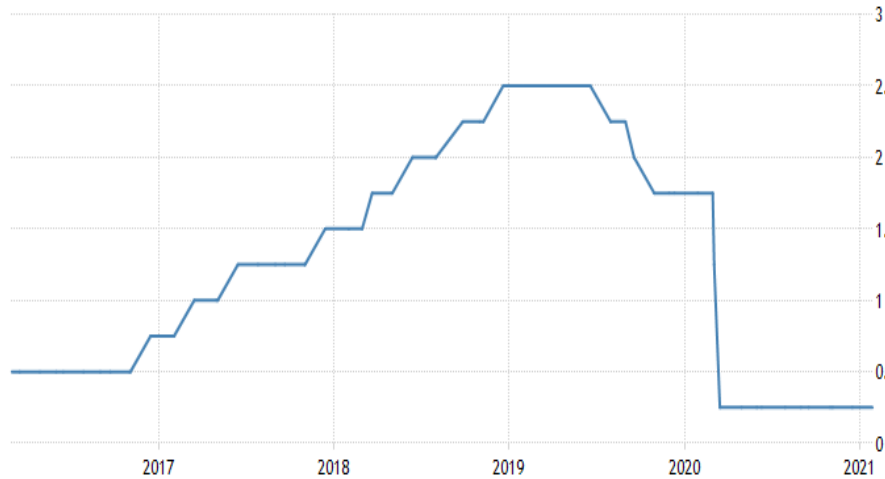


SOURCE: TRADINGECONOMICS.COM | SOUTH AFRICAN RESERVE BANK

Period

# Central Bank Interest Rate

## Federal Reserve Interest Rate



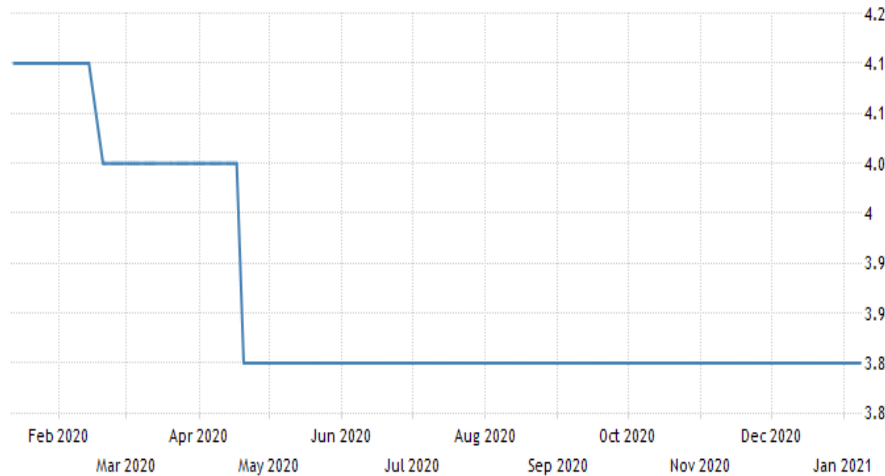
SOURCE: TRADINGECONOMICS.COM | FEDERAL RESERVE

## European Central Bank Interest Rate



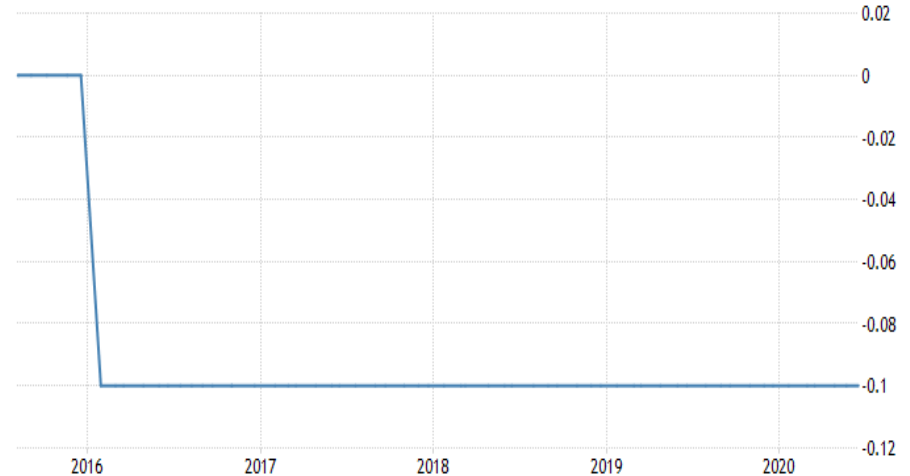
SOURCE: TRADINGECONOMICS.COM | EUROPEAN CENTRAL BANK

## China Central Bank Interest Rate



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

## Japan Central Bank Interest Rate



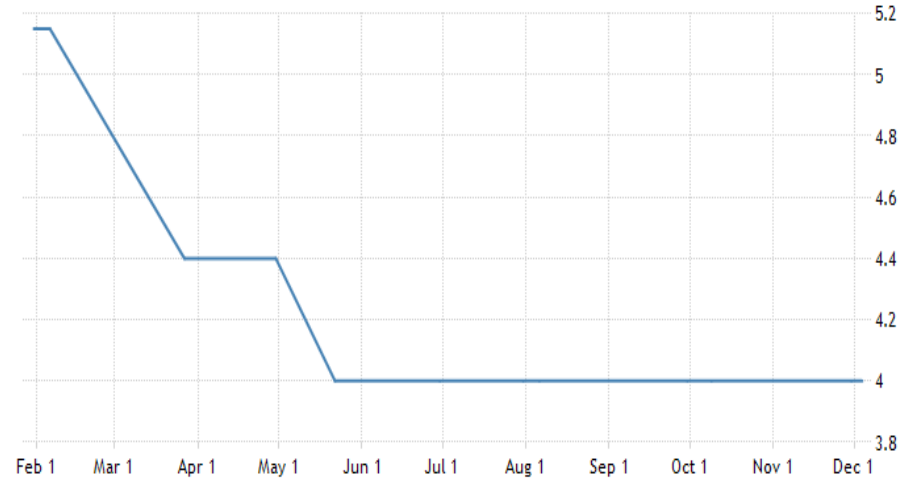
# Central Bank Interest Rate

## 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



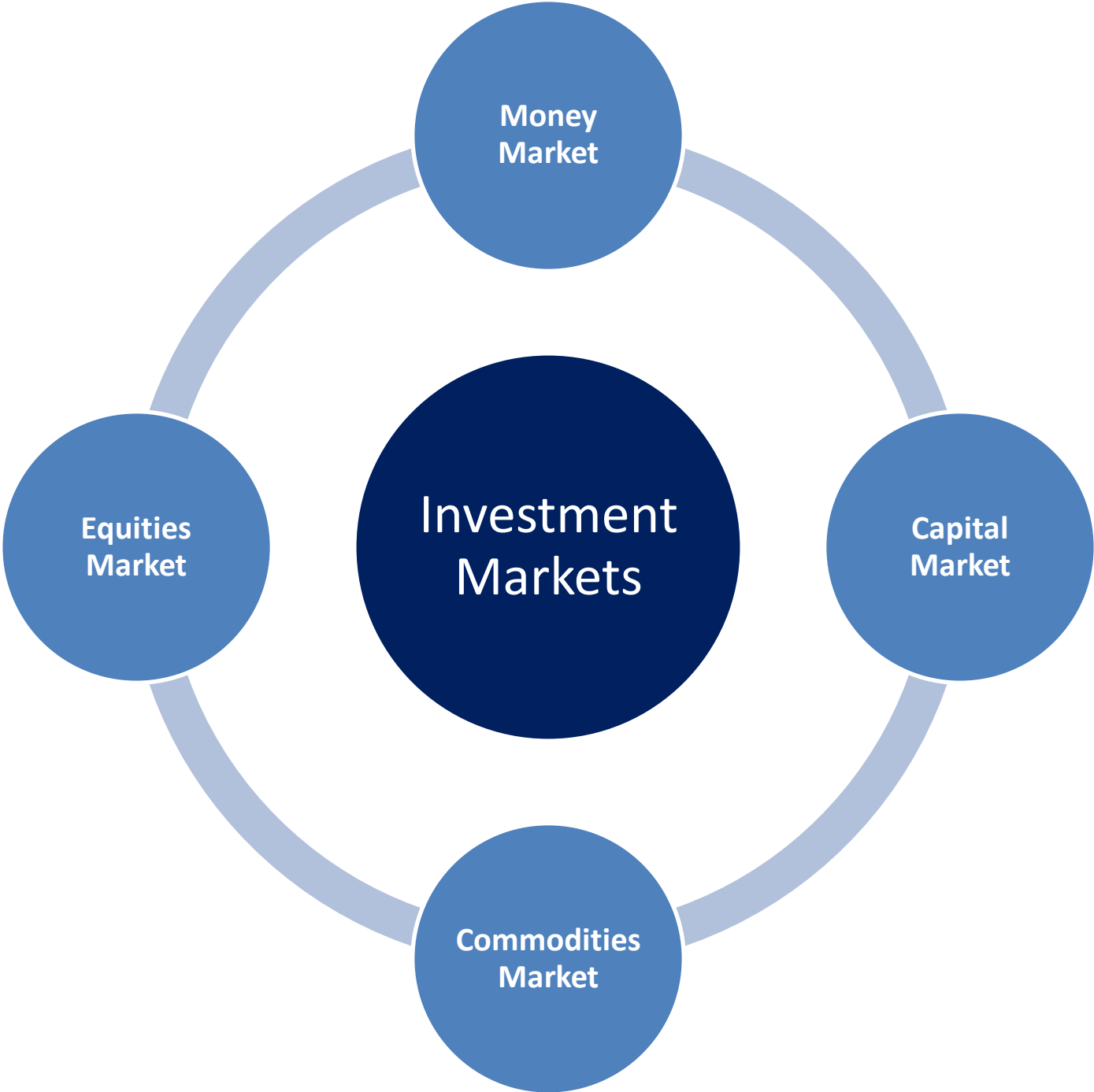
SOURCE: TRADINGECONOMICS.COM | BANCO CENTRAL DO BRASIL

# SARB Interest Rate



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

Period



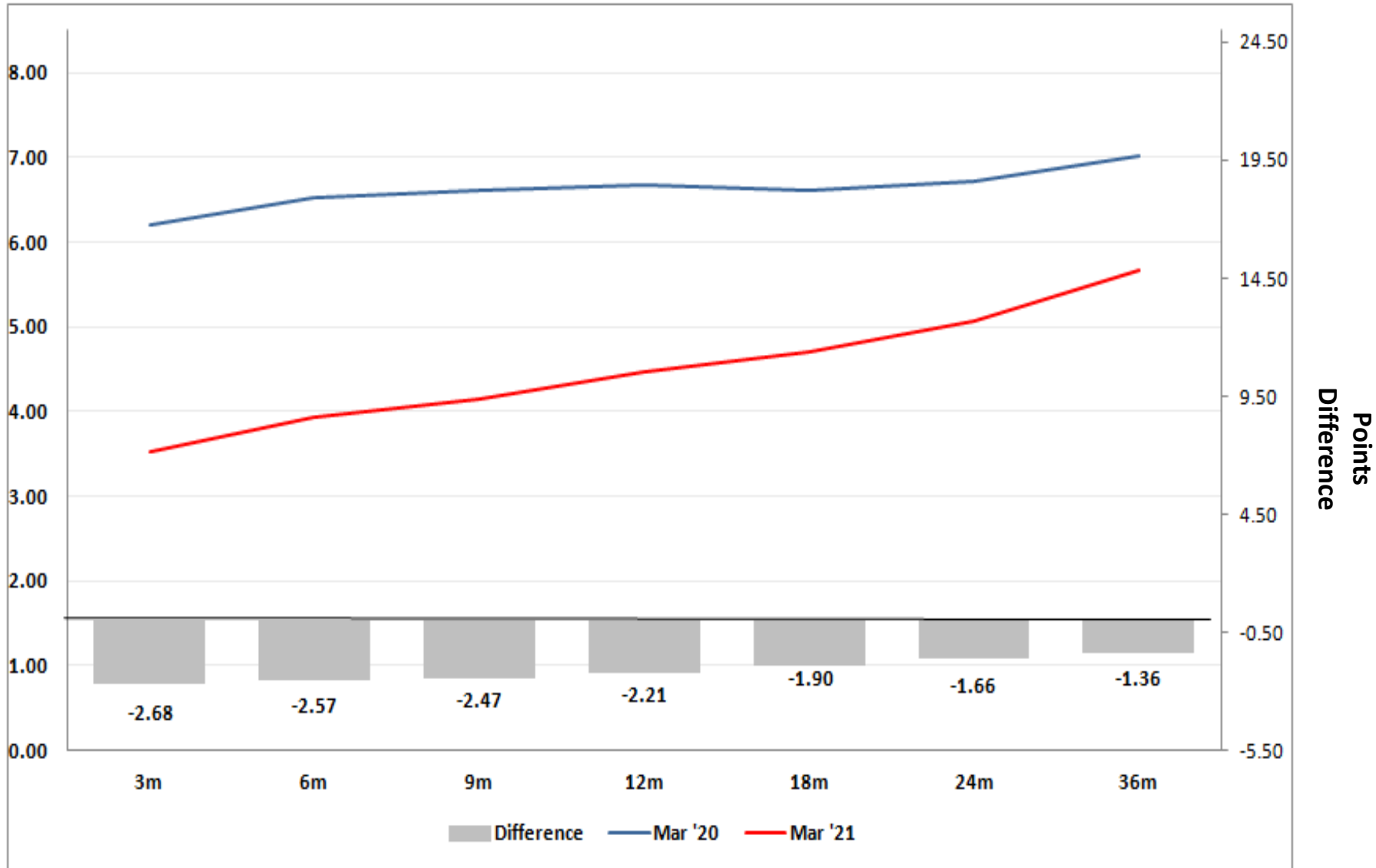
# Money Market

## **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 last 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

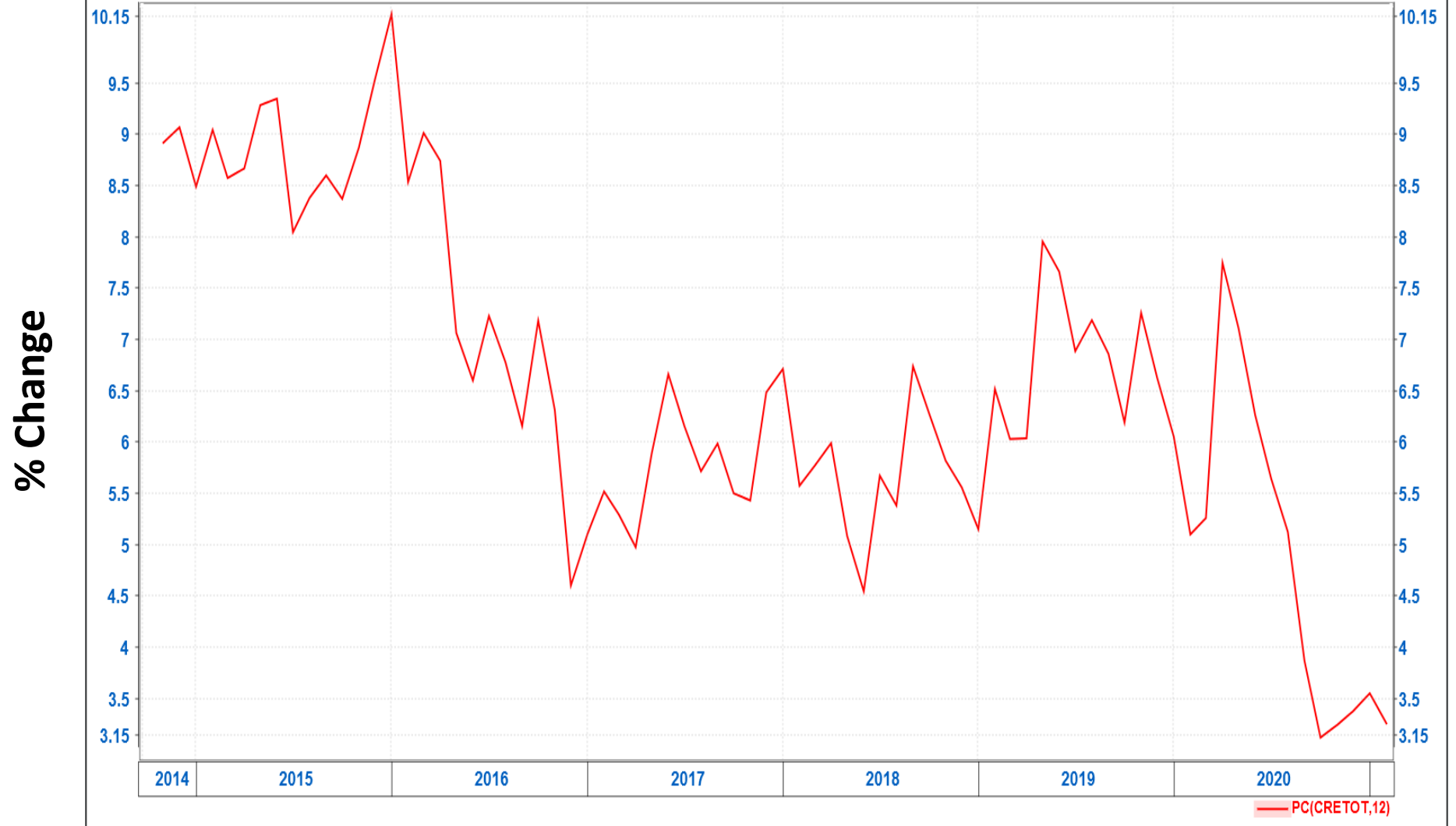
— Mar 2020

— Mar 2021

**Period**

# South Africa – Consumer Credit

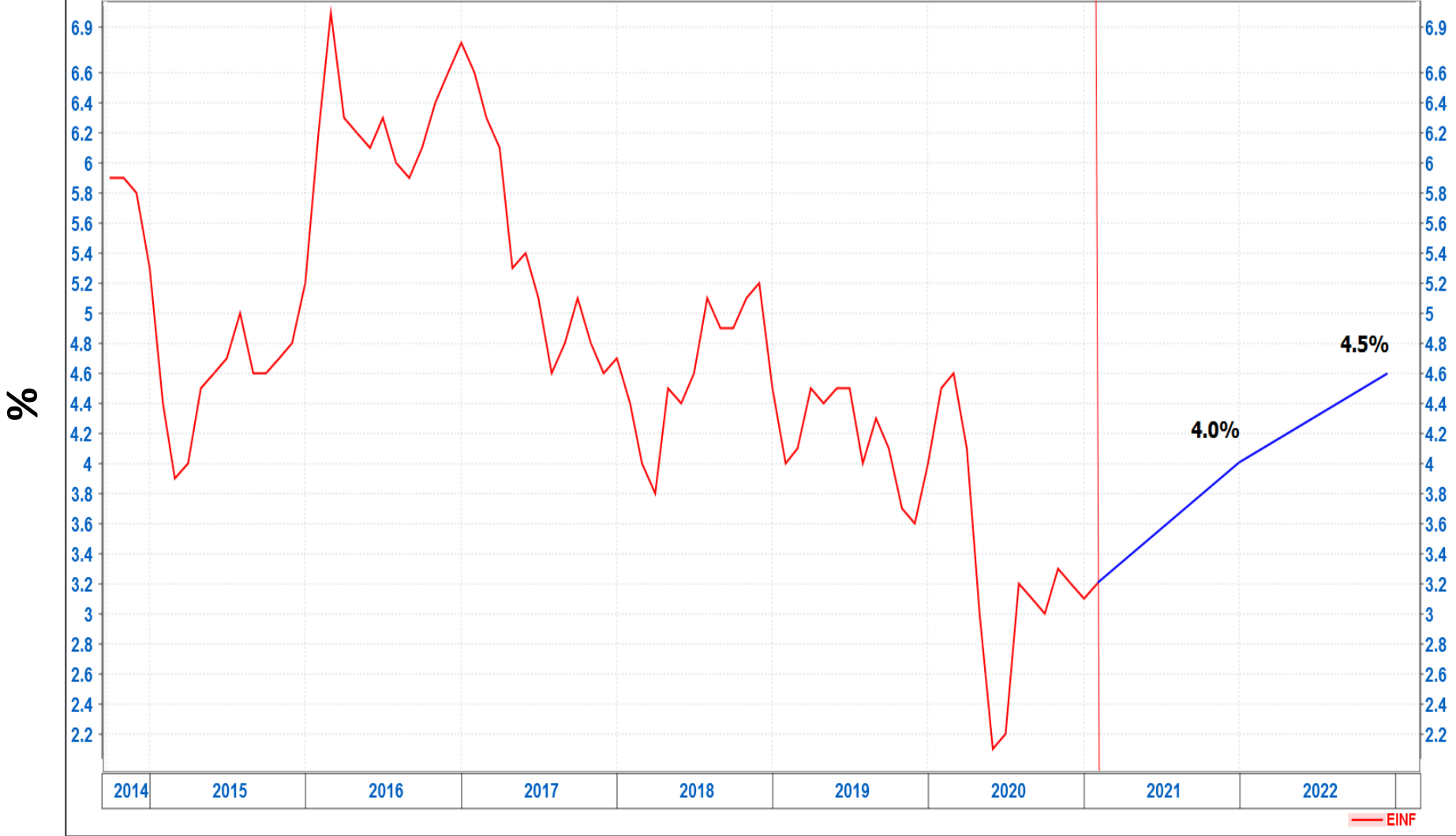
Percentage Change 12 of CREDIT: TOTAL EXTENDED BY PRIVATE SECTOR (RM)  
Monthly 2014-09-30 to 2021-01-31



Period

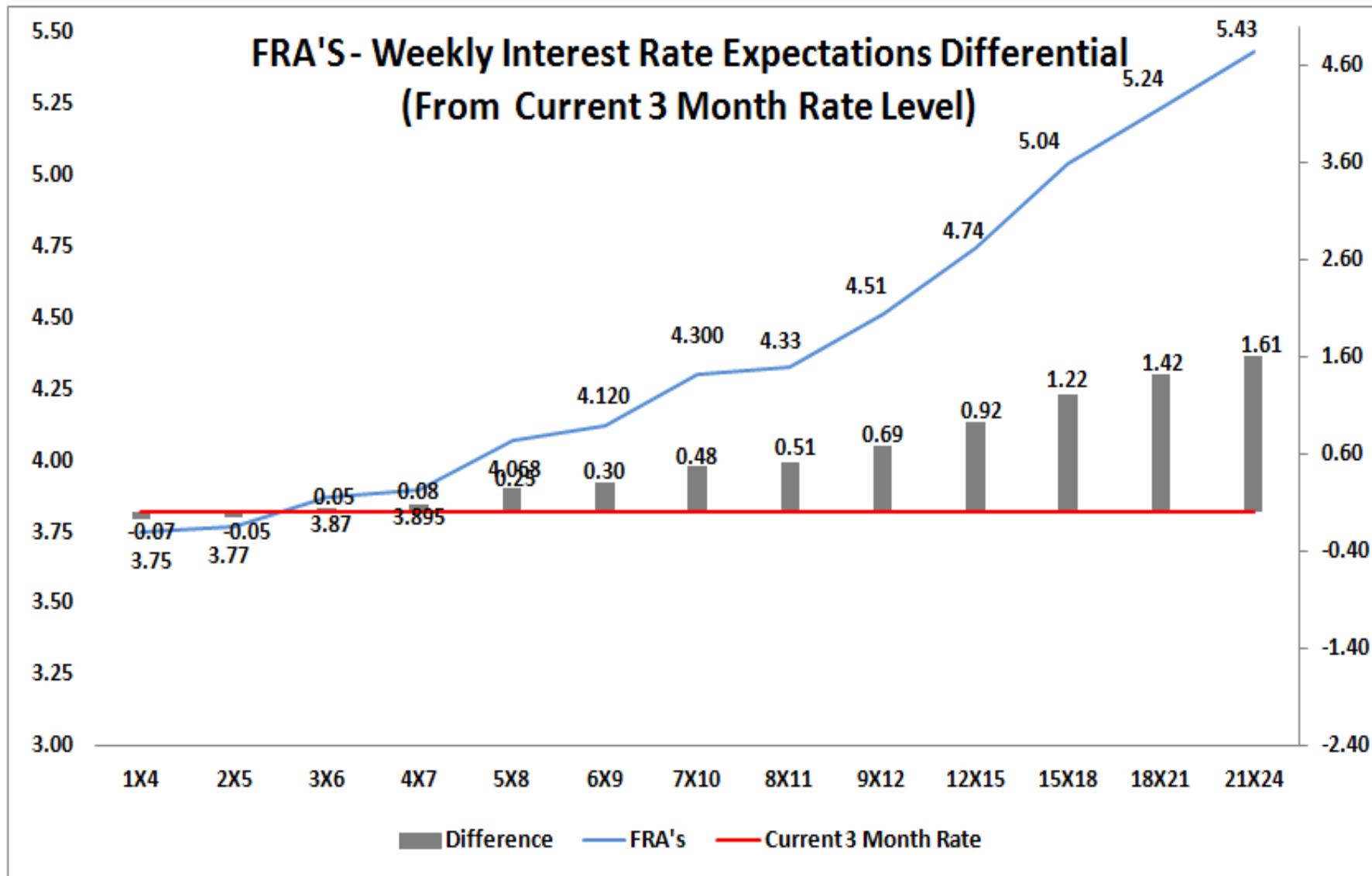
# SARB Inflation Expectation

INFLATION RATE - SOUTH AFRICA (ALL URBAN)  
Monthly 2014-09-30 to 2021-01-31



Period

# Interest Rate Expectations



Difference
  FRA's
  Current 3 Month Rate

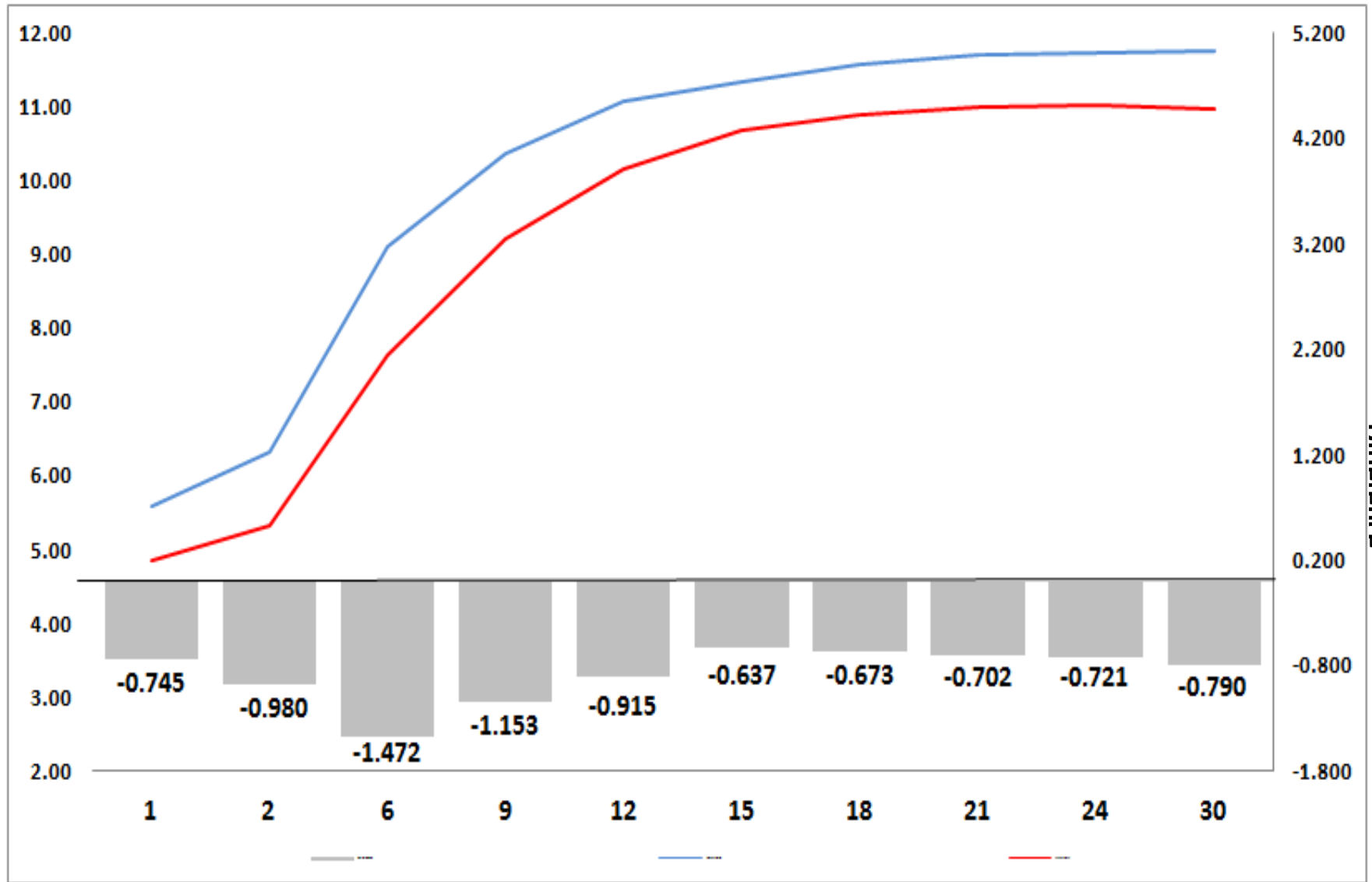
**Period**

## **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 sellers of South African Bonds for the second consecutive month in March.

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



— Difference

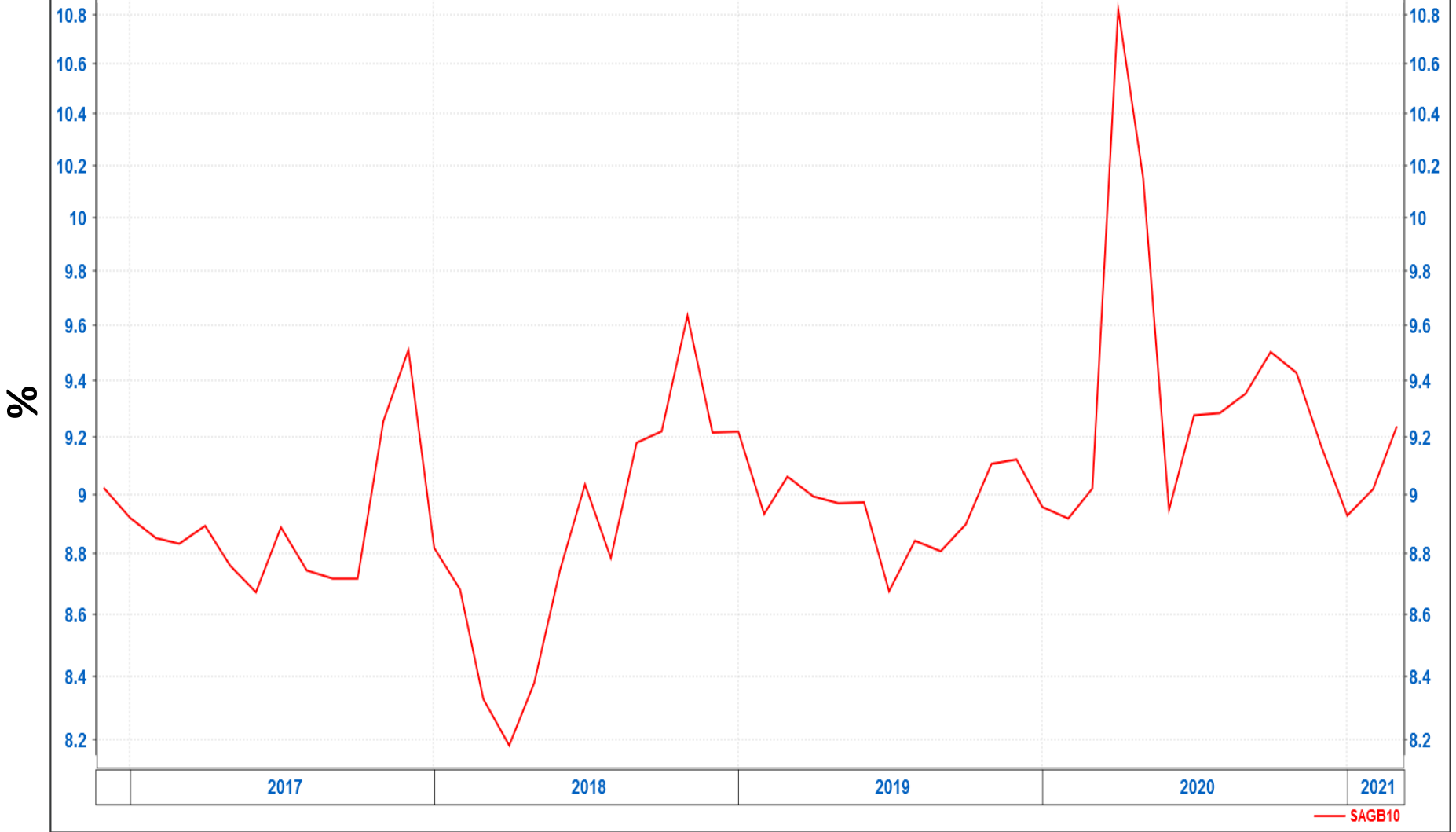
— Mar 2020

— Mar 2021

Period

# SA 10Year Bond Rate

SA : GOV'T 10 YEAR BOND  
Monthly 2016-11-30 to 2021-02-28

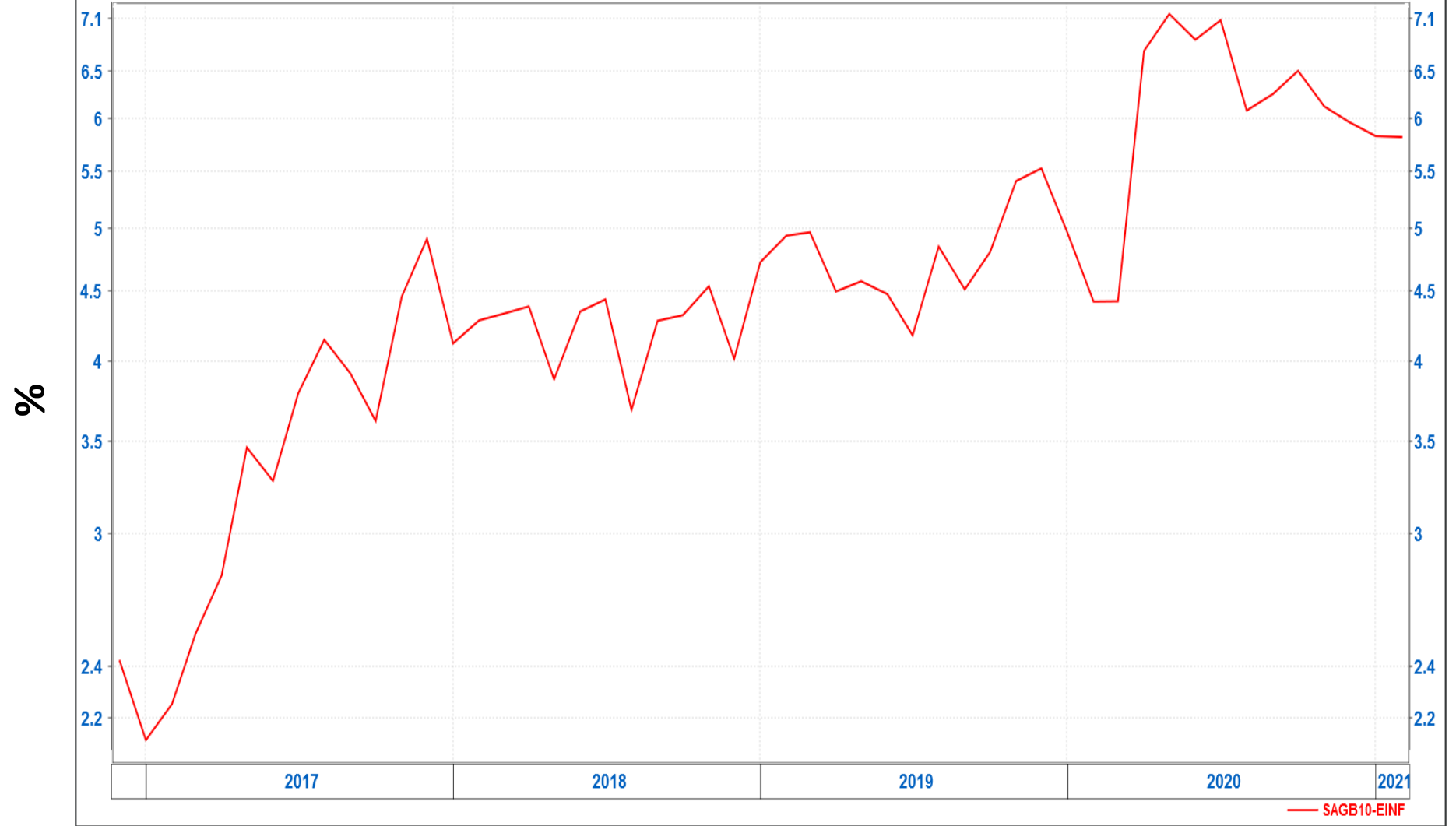


— SAGB10

Period

# SA Real Interest Rate

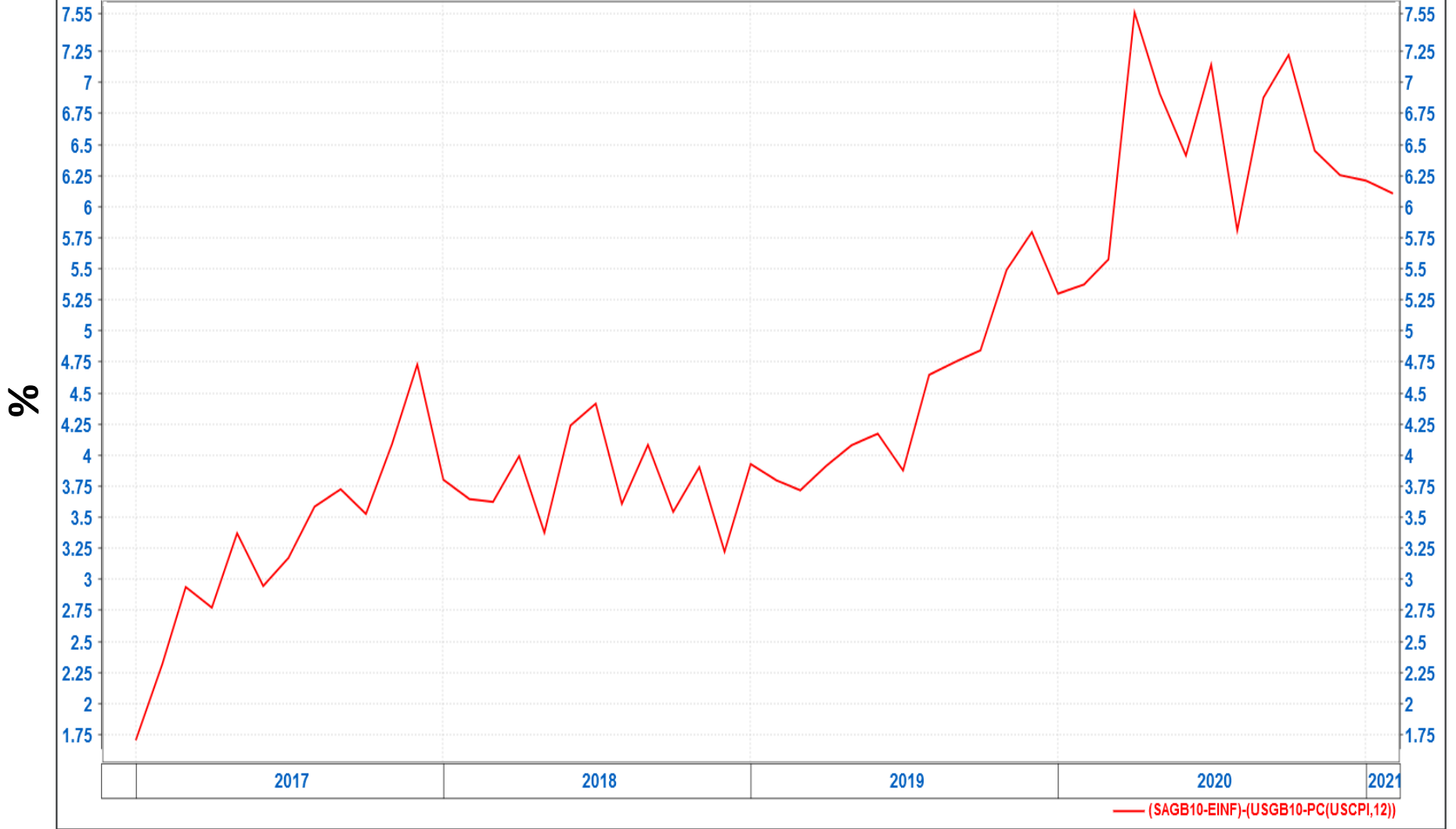
SA : GOVT 10 YEAR BOND-INFLATION RATE - SOUTH AFRICA (ALL URBAN)  
Monthly 2016-11-30 to 2021-02-28



Period

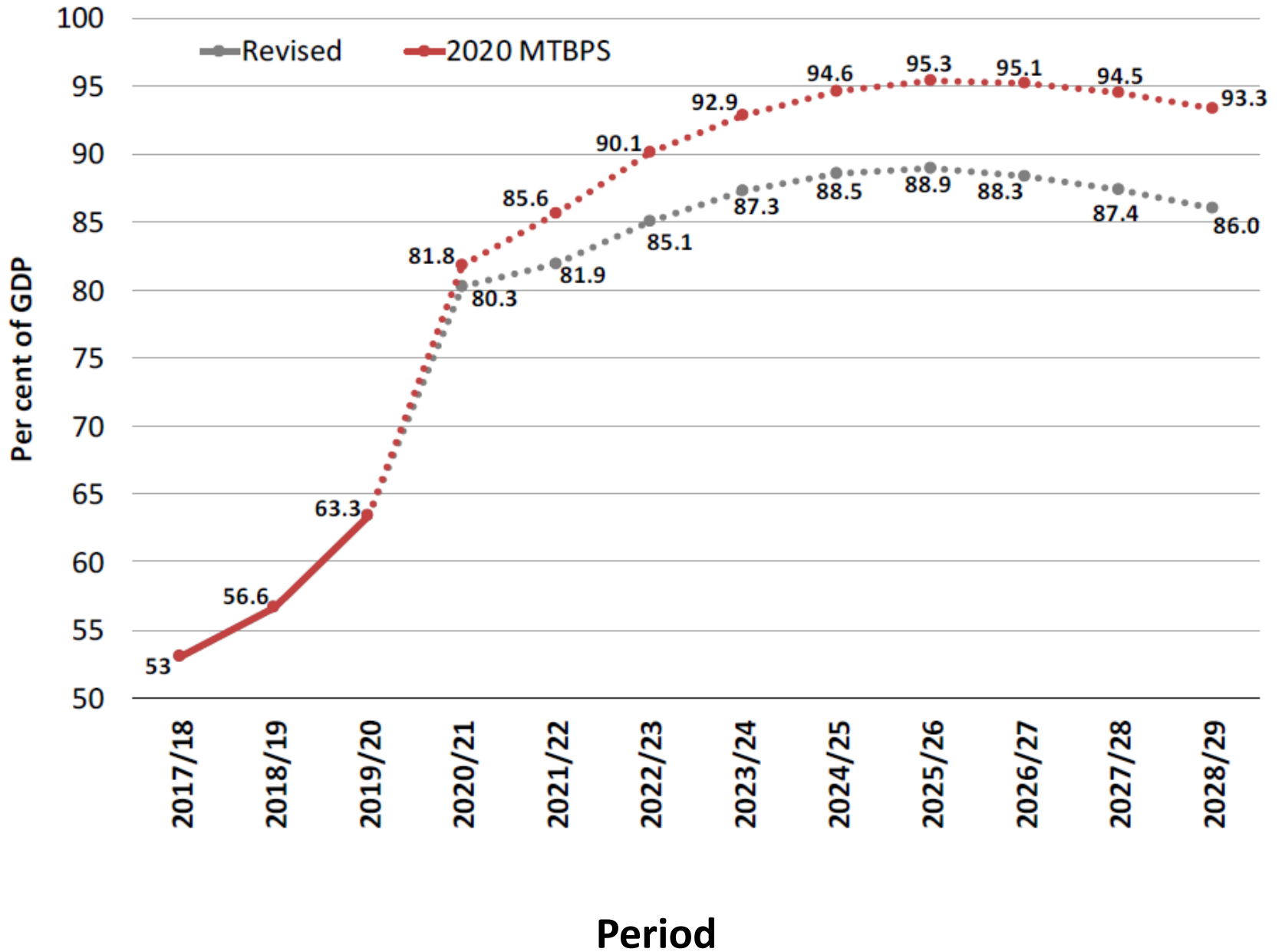
# Real Interest Rate - SA vs. USA

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 2016-11-30 to 2021-02-28



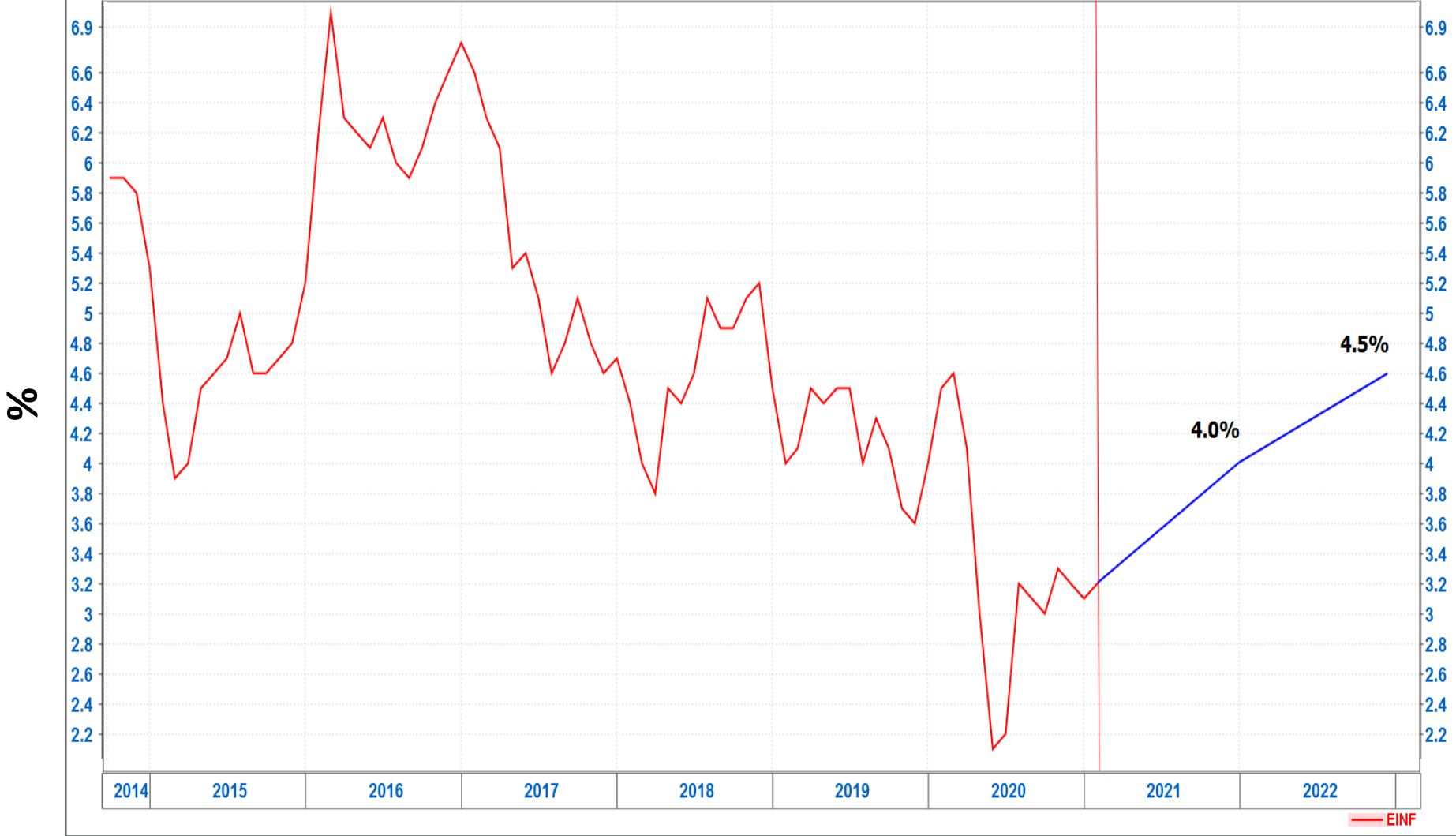
Period

# SA Government Debt %GDP



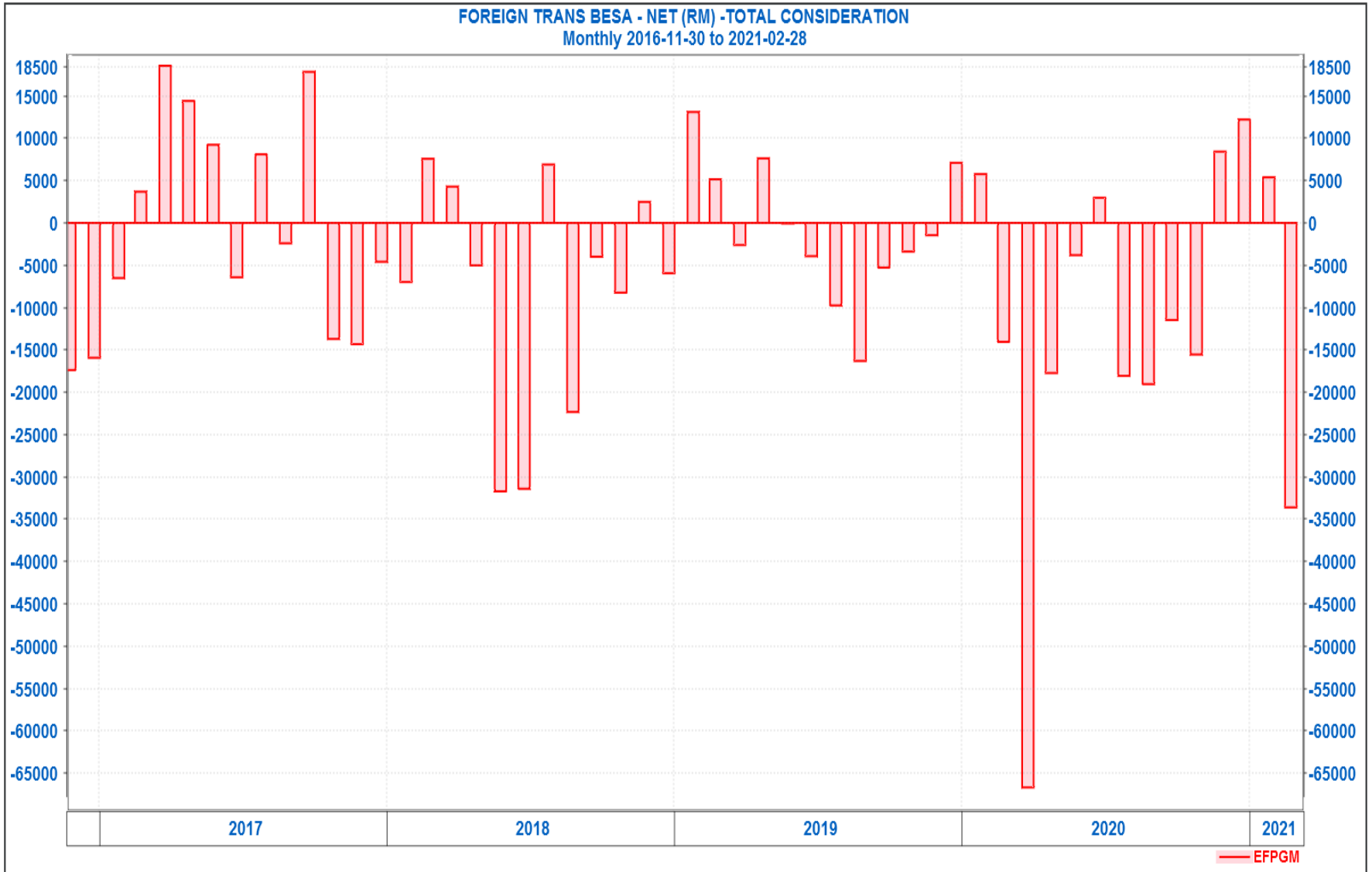
# SARB Inflation Expectation

INFLATION RATE - SOUTH AFRICA (ALL URBAN)  
Monthly 2014-09-30 to 2021-01-31



Period

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

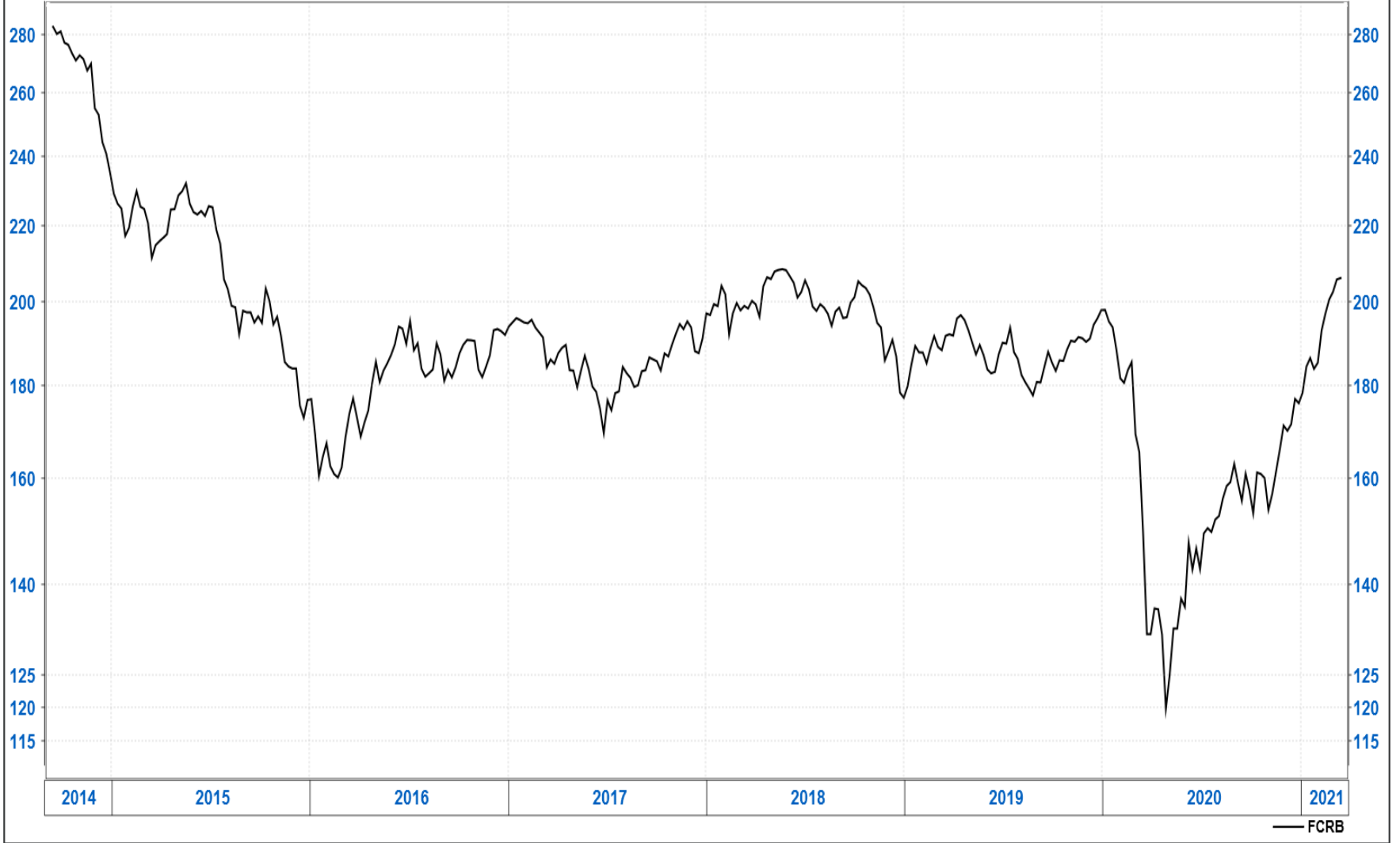


# **Commodities Market**

# Commodity Index

RJ/CRB TOTAL RETURN INDEX  
Weekly 2014-09-14 to 2021-03-14

Index Points



— FCRB

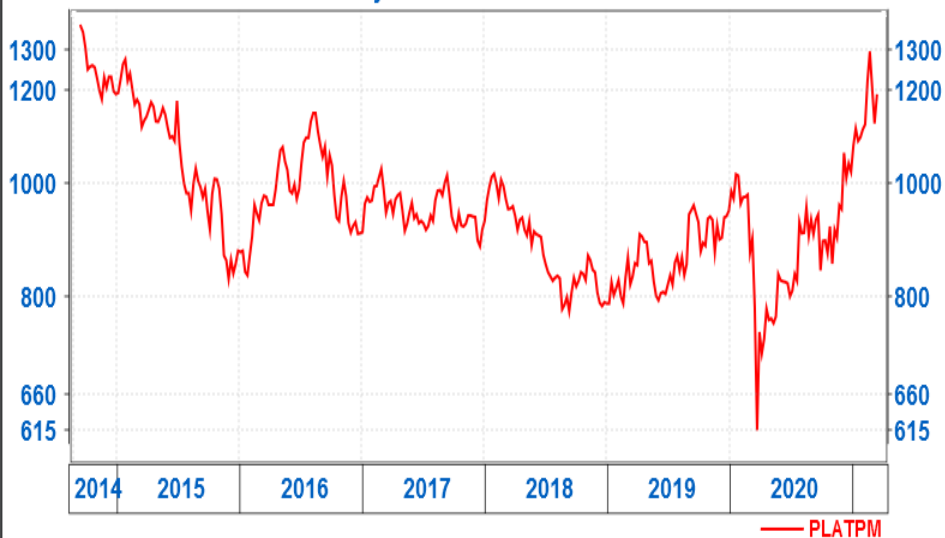
Period

# Commodity Prices

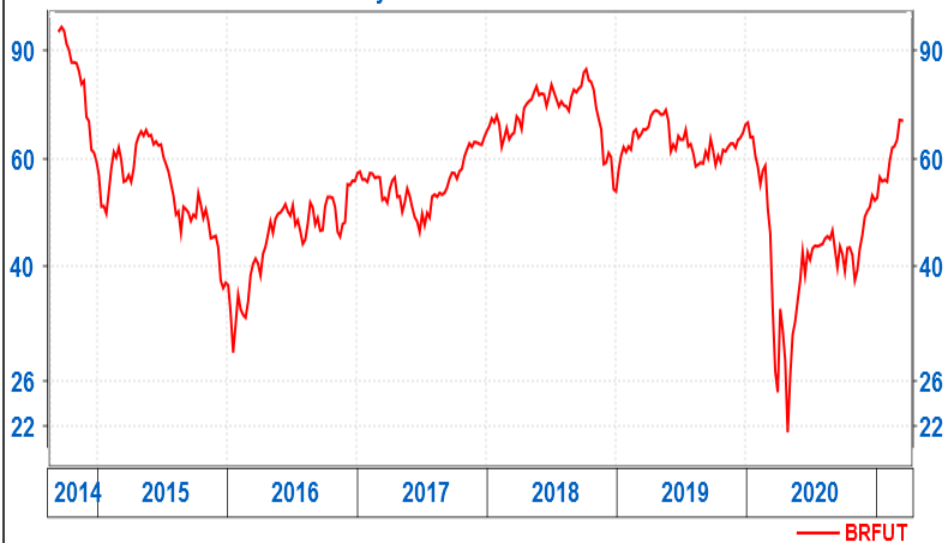
**GOLD LONDON - PM FIX**  
Weekly 2014-09-14 to 2021-03-14



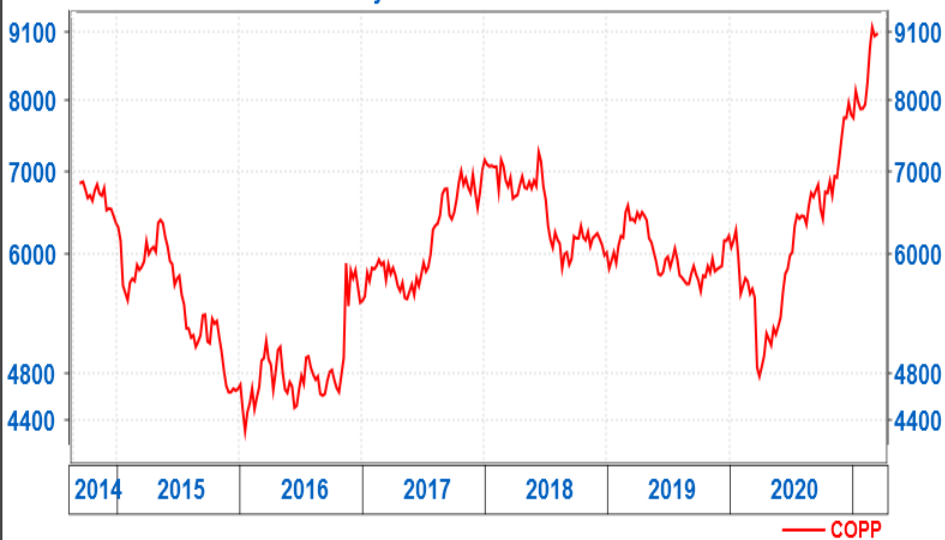
**PLATINUM PM - FIX (\$OZ)**  
Weekly 2014-09-14 to 2021-03-14



**OIL : BRENT - NEAR FUTURE - ICE UK \$/BARREL**  
Weekly 2014-09-14 to 2021-03-14



**COPPER CASH LME (\$/TON) - FIX**  
Weekly 2014-09-14 to 2021-03-14



# Equities Market

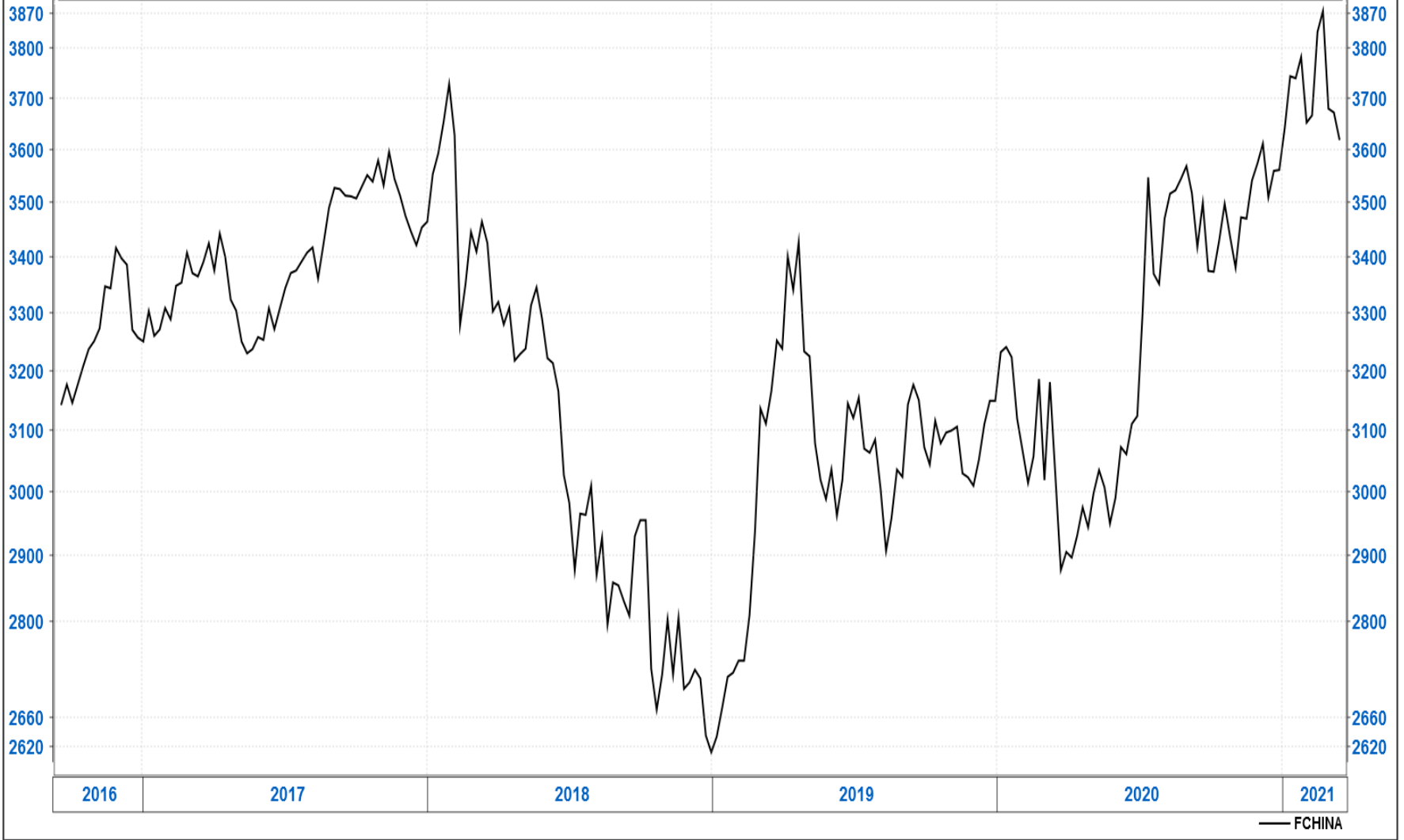
## **Equities Market:**

Equity markets worldwide have surpassed pre-Covid-19 levels. SA Equities remain fairly priced relative to the Capital Market with worldwide equity markets volatility 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 2016-09-14 to 2021-03-14

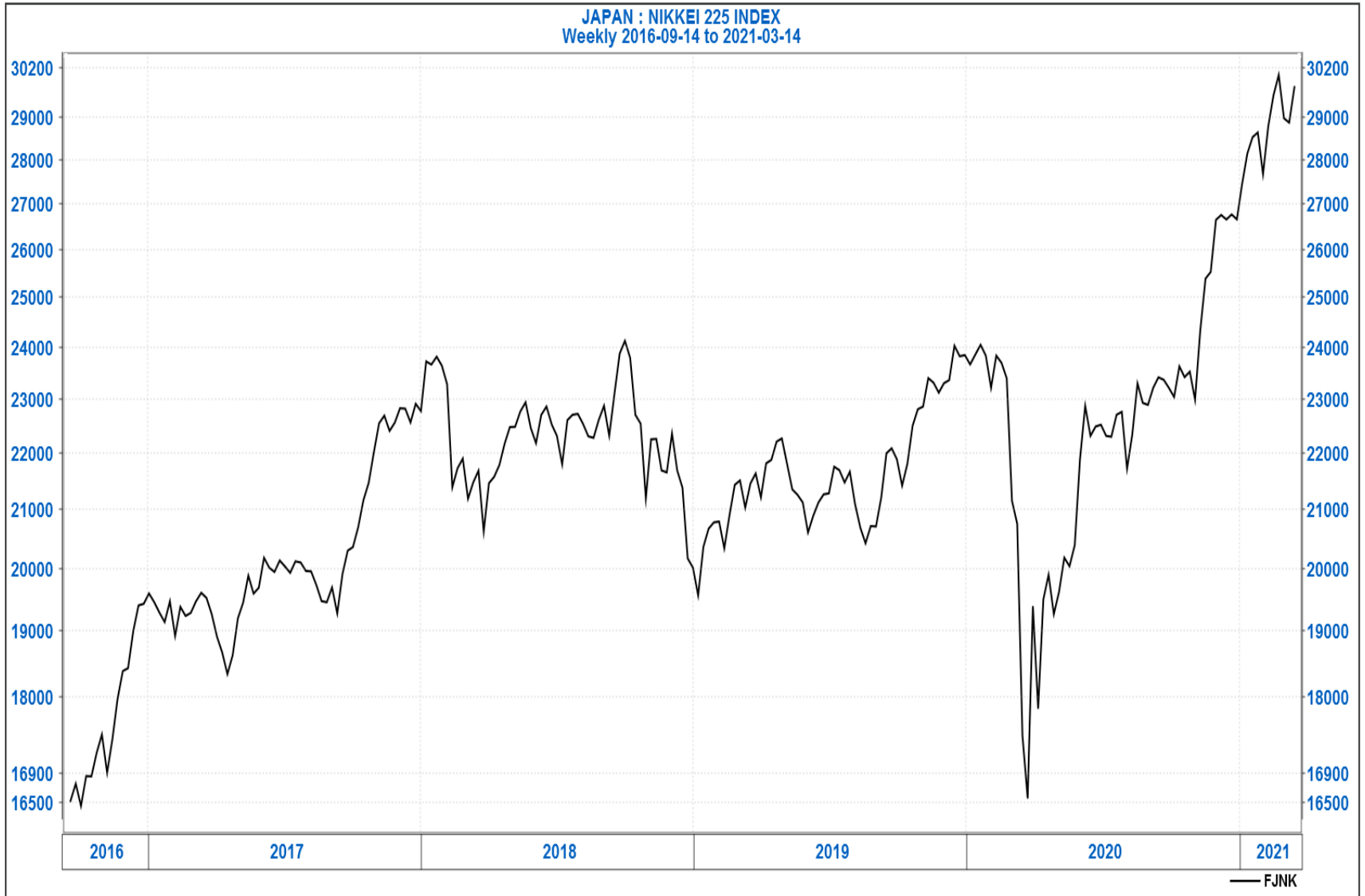
Index Points



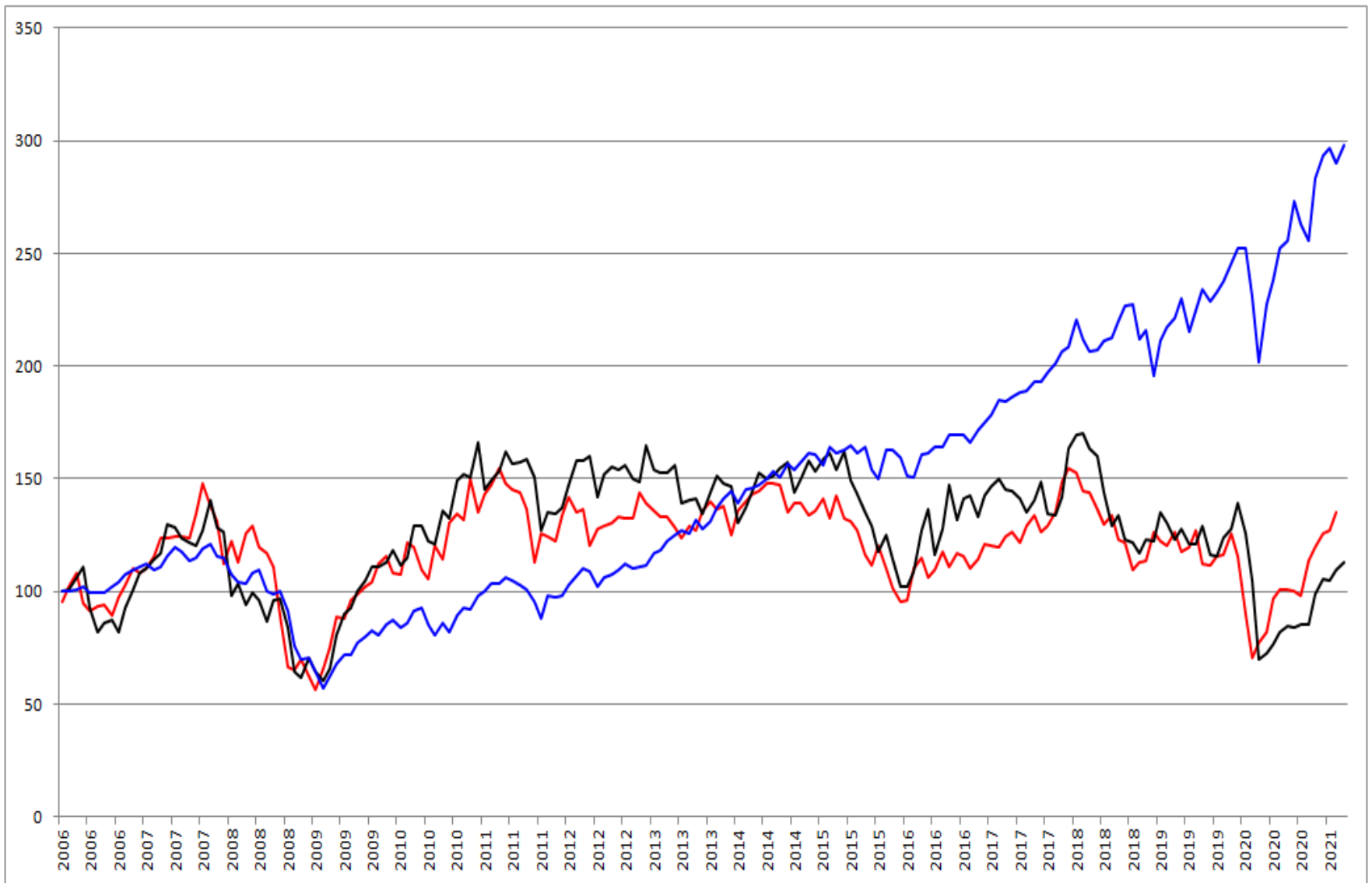
— FCHINA

Period

# Japan – Nikkei 225



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



**— FTSE/JSE All Share Index**

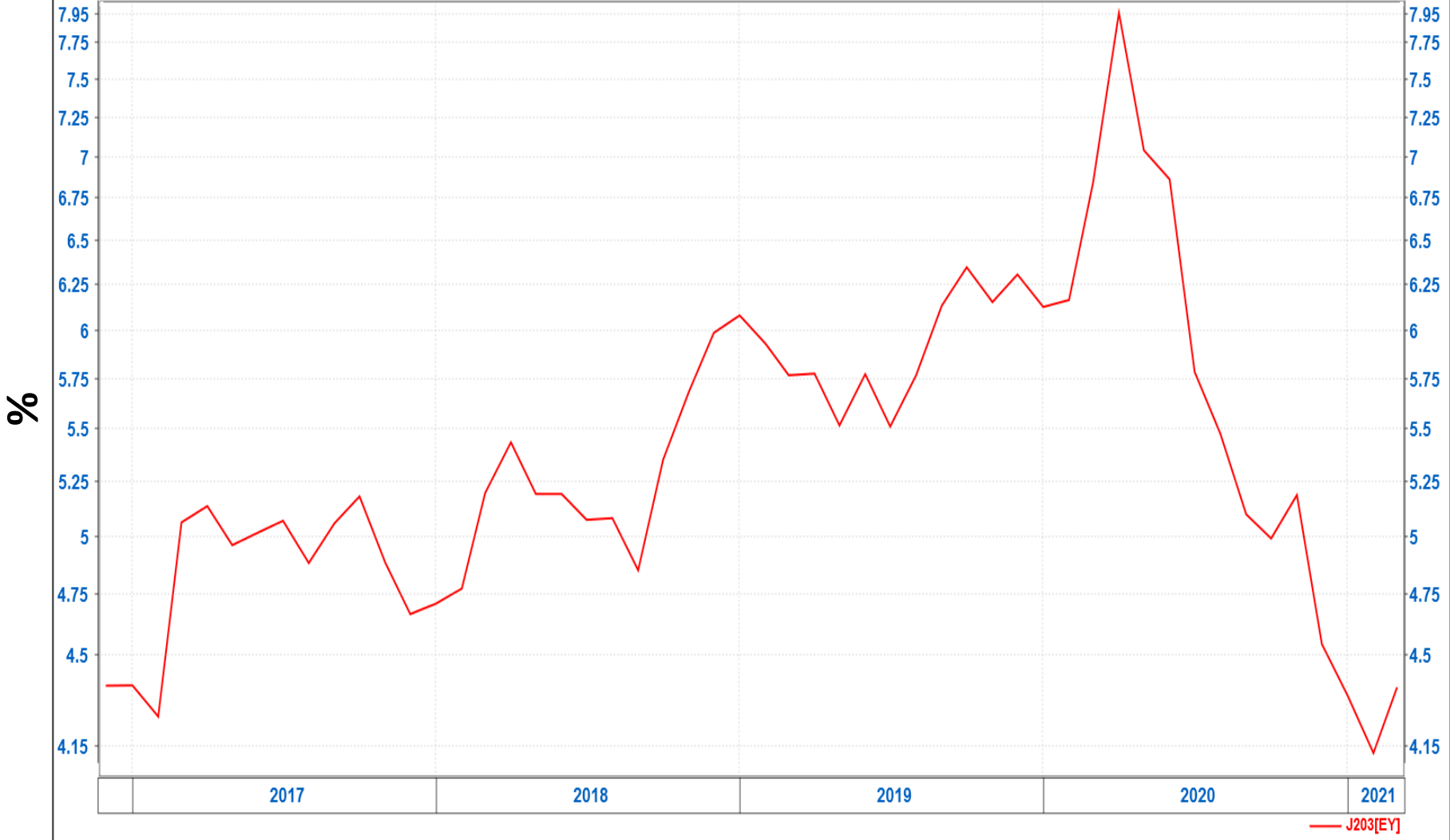
**— USA S&P 500 Index**

**— FTSE/JSE Mid Cap Index**

**Period**

# SA All Share Index – Earnings Yield

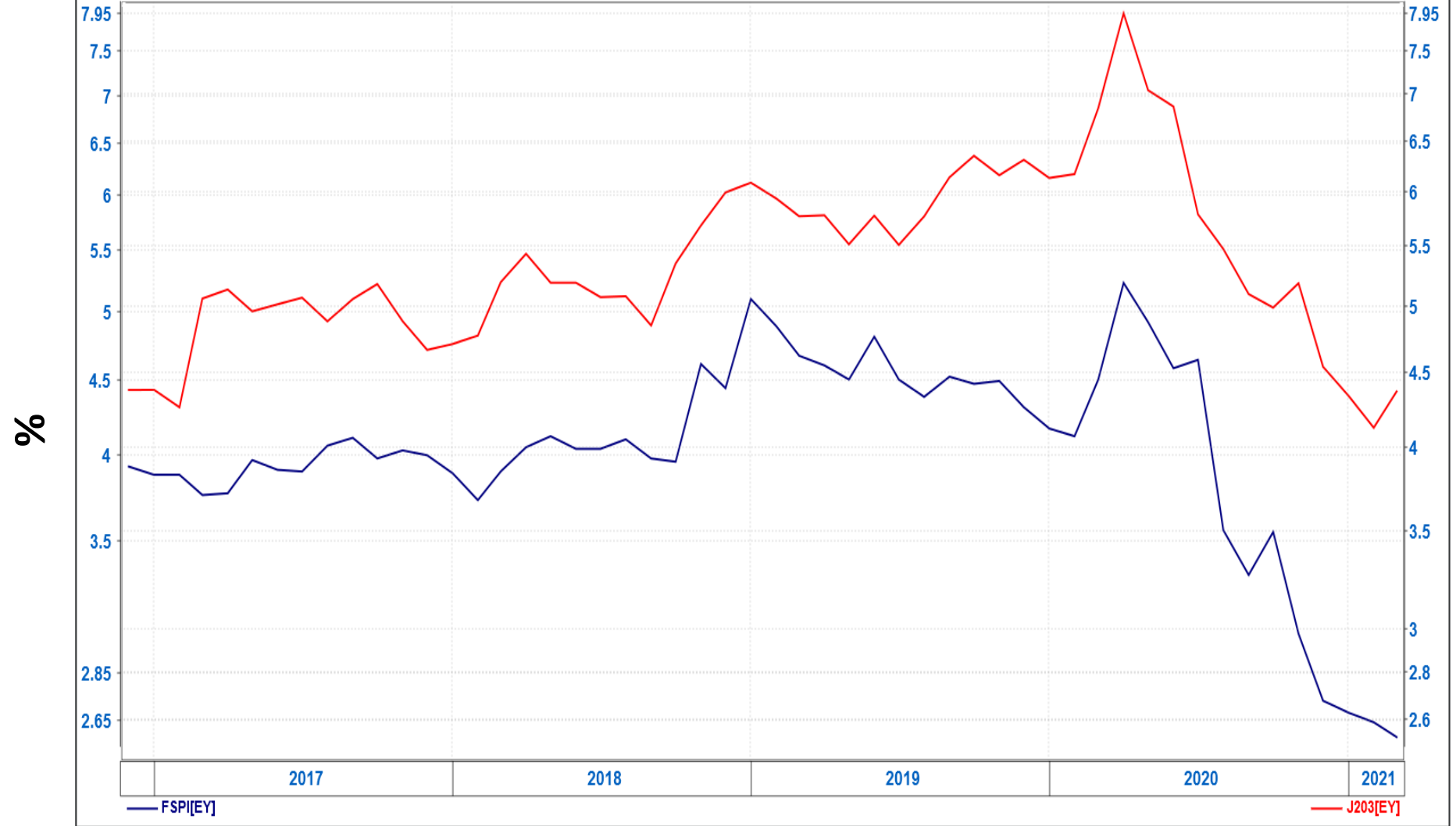
FTSE/JSE : AFRICA ALL SHARE INDEX (Earnings Yield)  
Monthly 2016-11-30 to 2021-02-28



Period

# Earnings Yield- SA vs. USA

FTSE/JSE : AFRICA ALL SHARE INDEX (Earnings Yield) , USA : S & P 500 COMPOSITE INDEX (Earnings Yield)  
Monthly 2016-11-30 to 2021-02-28



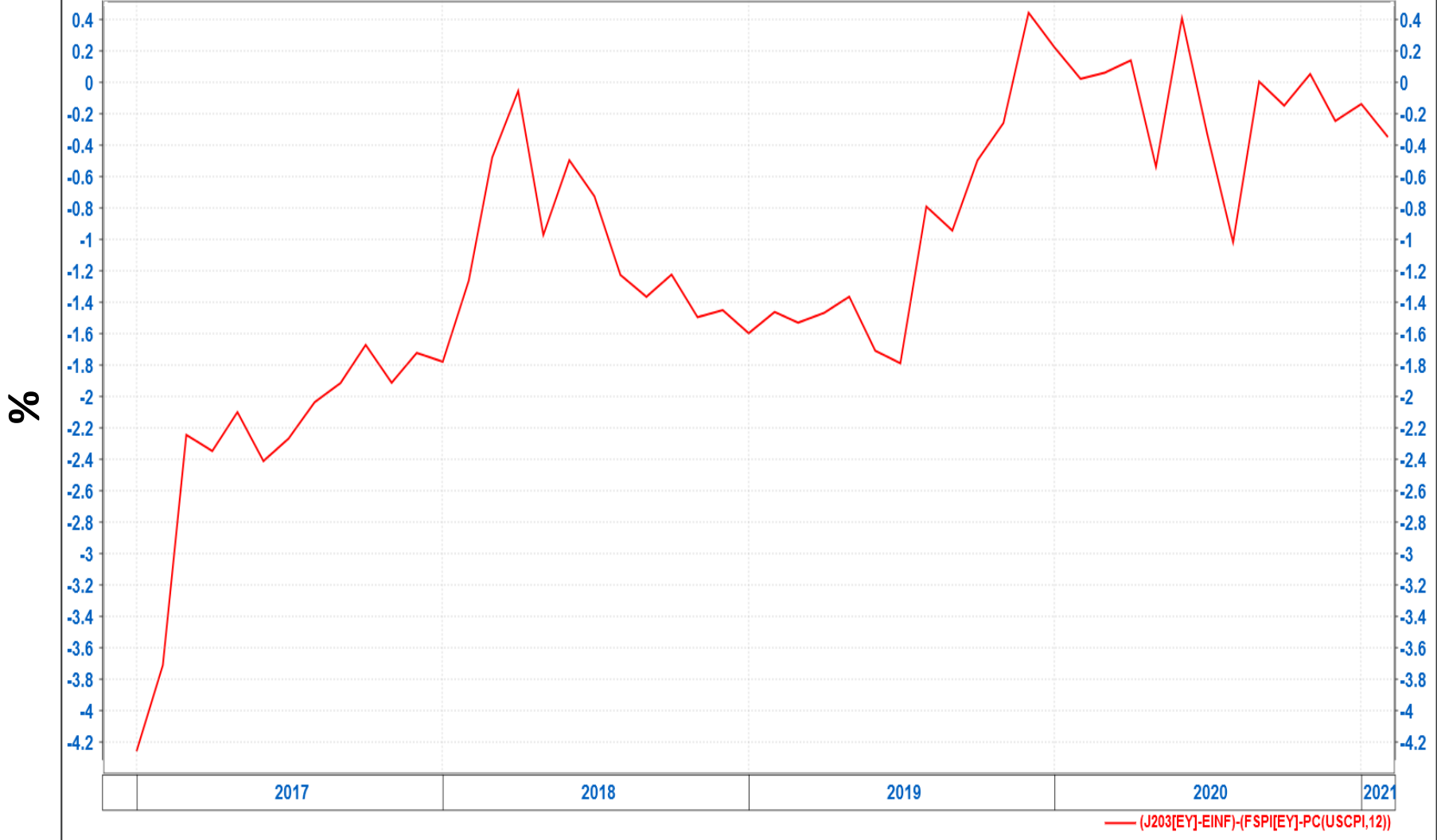
— S.A. All Share Earnings Yield

— USA S&P 500 Shares Earnings Yield

Period

# Real EY- SA vs. USA

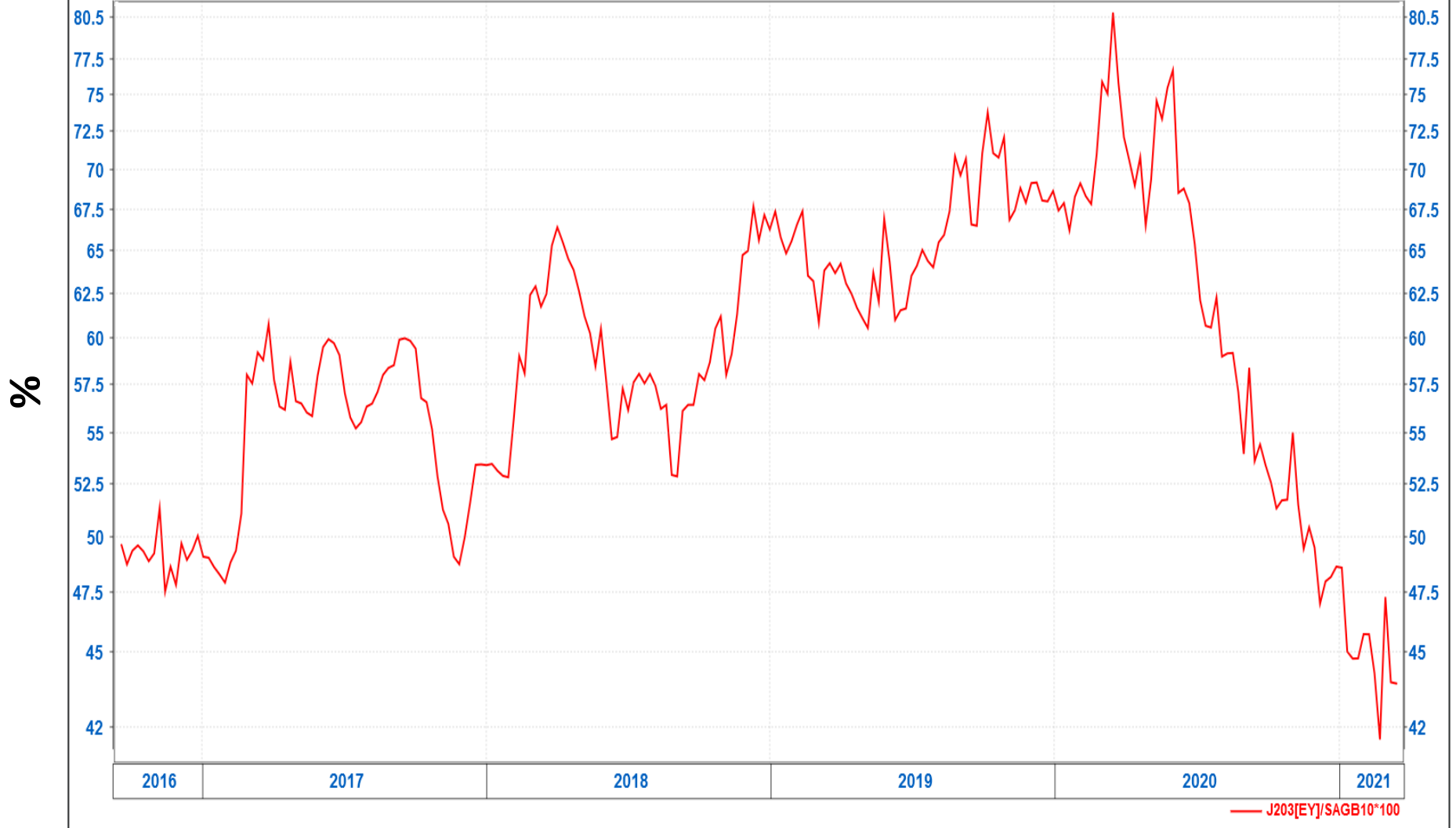
Percentage Change 12 of INFLATION RATE - SOUTH AFRICA (ALL URBAN), USA : S & P 500 COMPOSITE INDEX (EY), FTSE/JSE : AFRICA ALL SHARE INDEX (EY), USA : CONSUMER PRICE INDEX - ALL URBAN S/A  
Monthly 2016-11-30 to 2021-02-28



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 2016-09-14 to 2021-03-14



Period