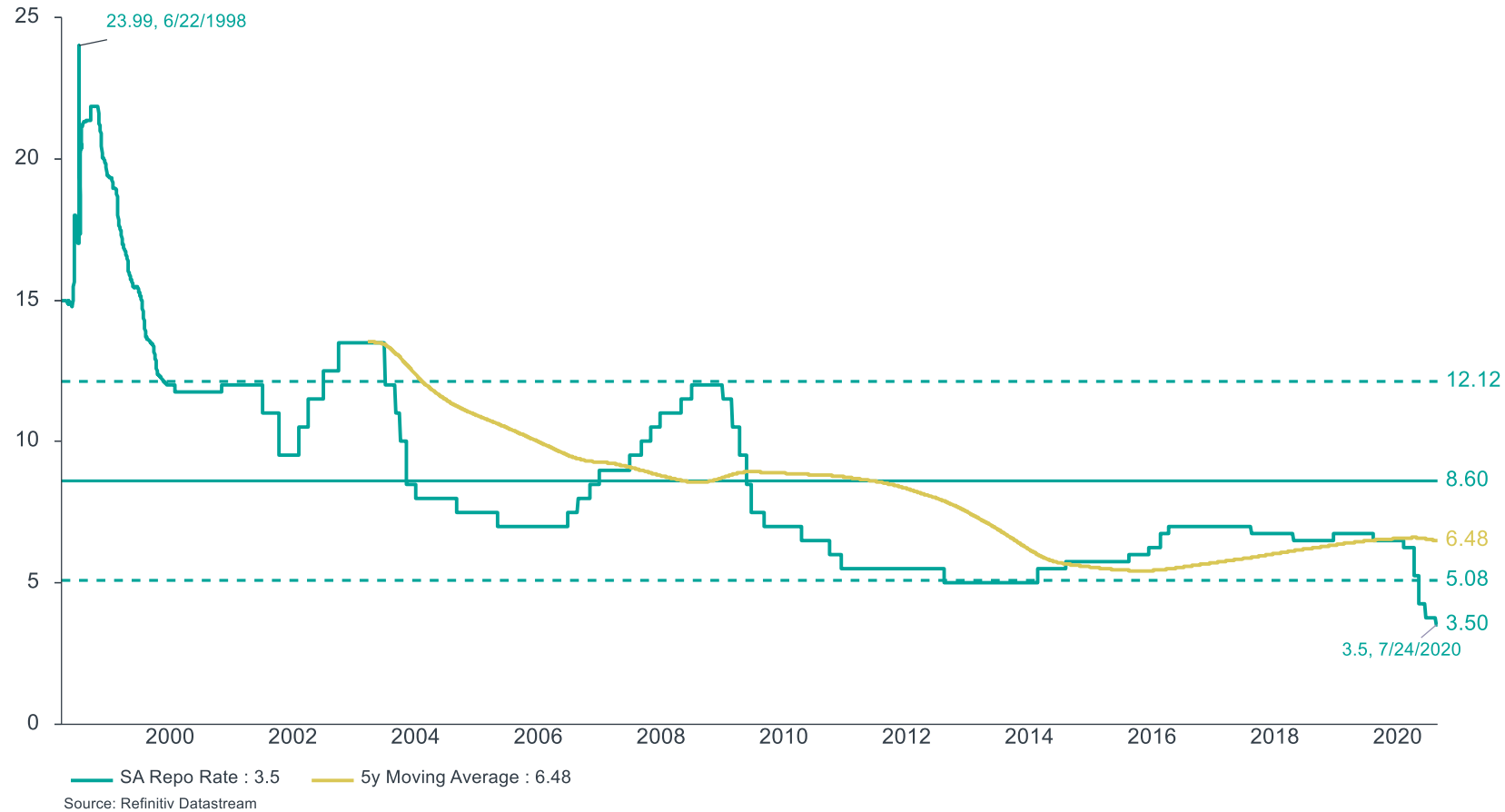




5 August 2020

CHART BOOK: MINI

SA REPURCHASE RATE



SA FRA'S, IMPLIED INTEREST RATE CHANGES

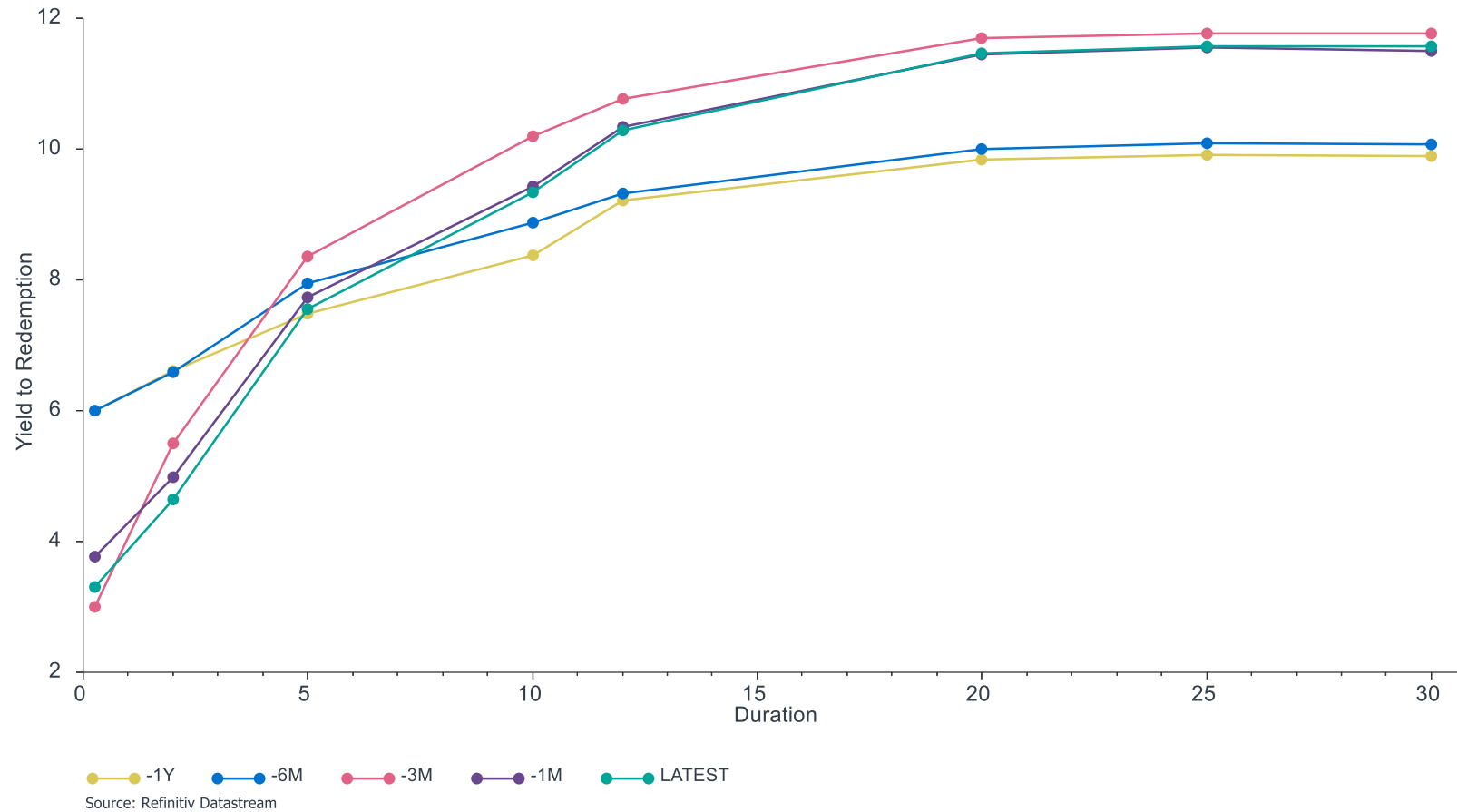


FRA = Forward Rate Agreement

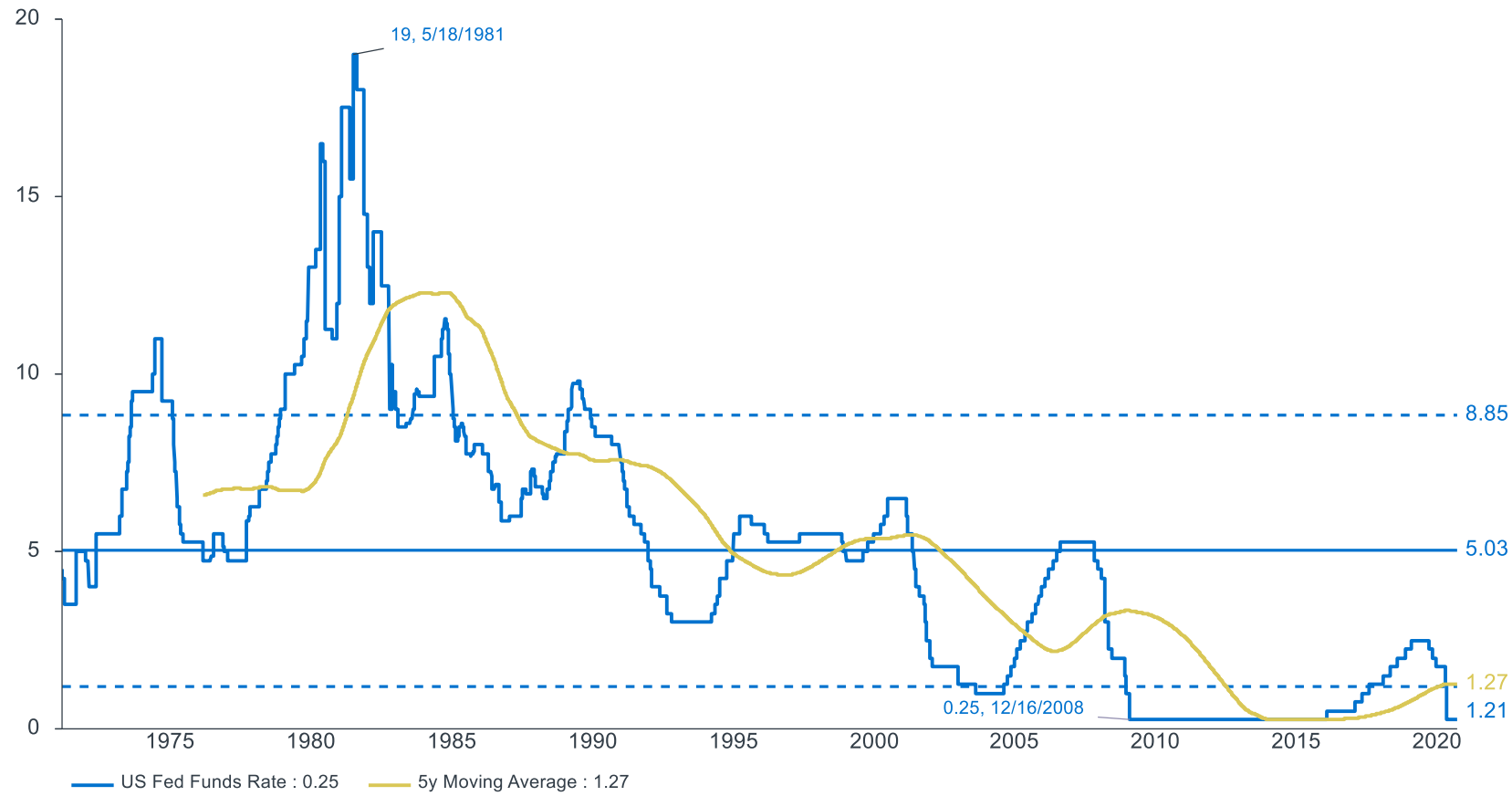


Source: Refinitiv Datastream

SA YIELD CURVE



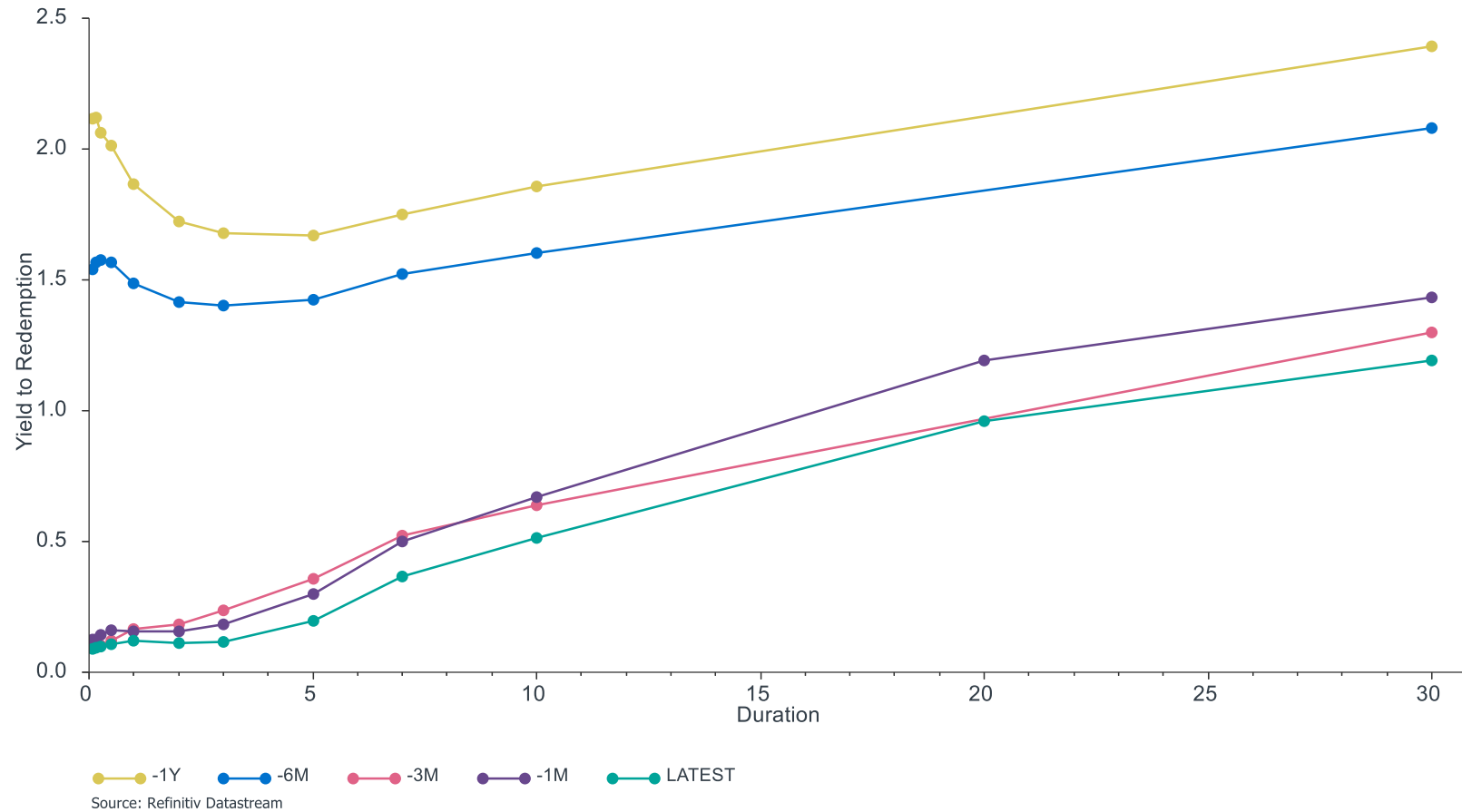
US FED FUNDS RATE



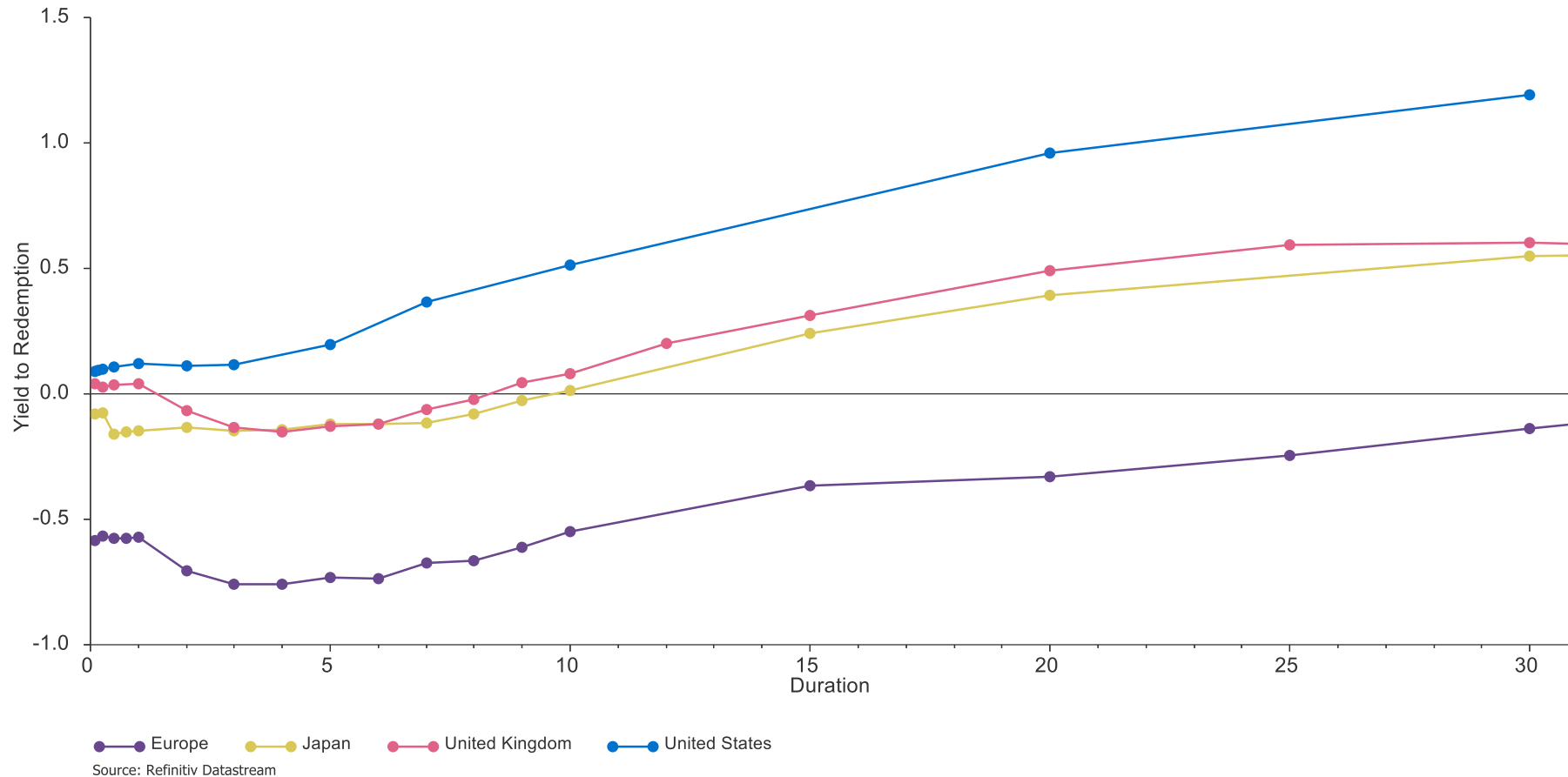
Source: Refinitiv Datastream



US YIELD CURVE



DEVELOPED MARKETS YIELD CURVES



EM CREDIT DEFAULT SWAPS



Source: Refinitiv Datastream

EM = Emerging Markets

This graph shows credit default swap spreads, as measured by 5 year spreads on USD denominated sovereign debt.

Listed CDS spread is the premium paid by the buyer to the seller of the CDS. This varies from conventional understanding of yield spreads i.e. over US treasury yield.

What's important to note in this graph is that the market has priced South African 5Y USD denominated debt at a level considered more risky than both Turkey and Russia (both junk at S&P; Russia junk at Moody's).

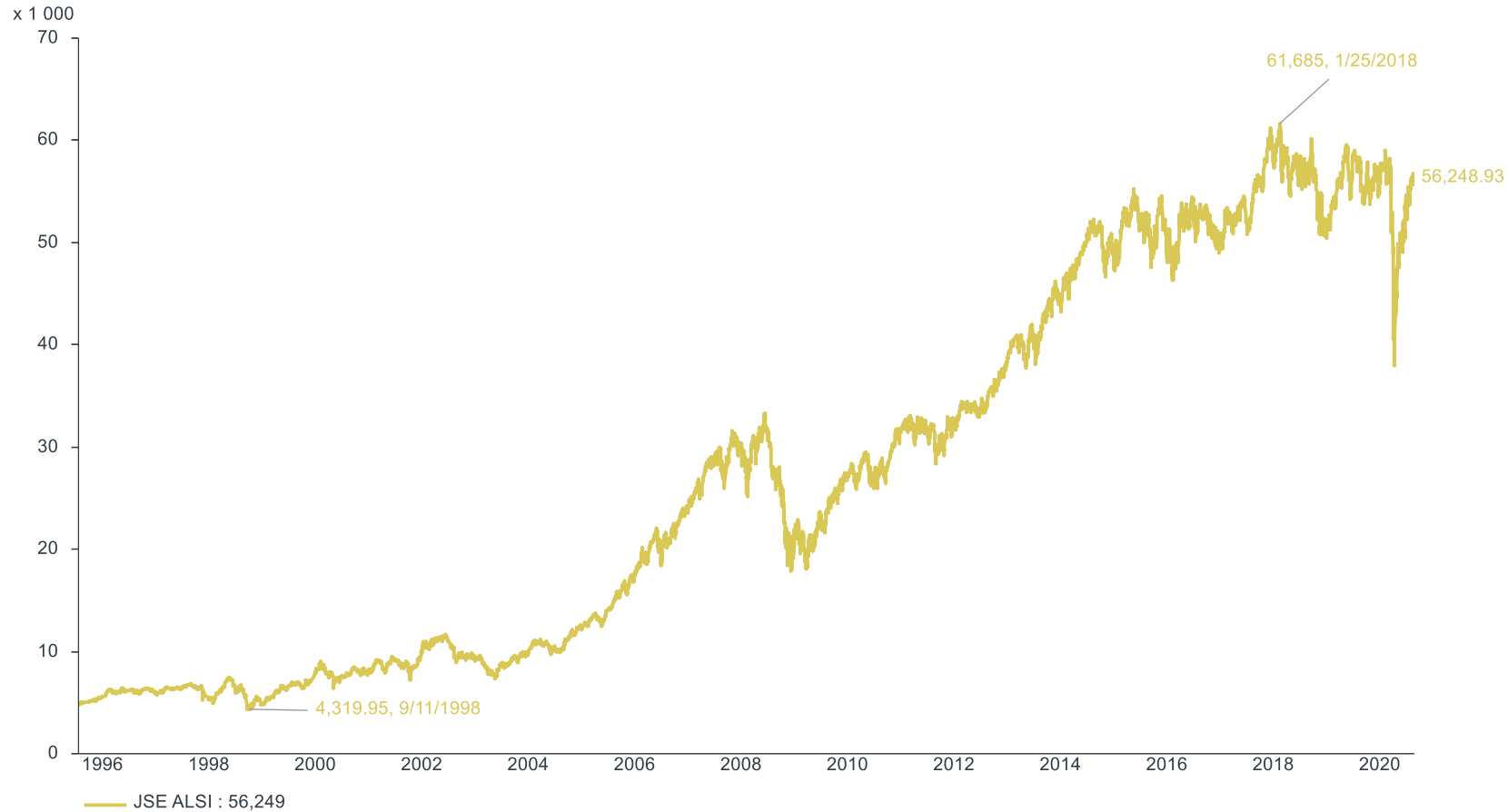
Note:

The default event typically used for EM debt is CR (Credit Restructuring) which triggers an event when a debt obligation is restructured – i.e. interest payments reduced; principal reduced; maturity extended; becoming subordinated to another obligation or having its currency changed.

JSE ALSI



ALSI = All Share Index

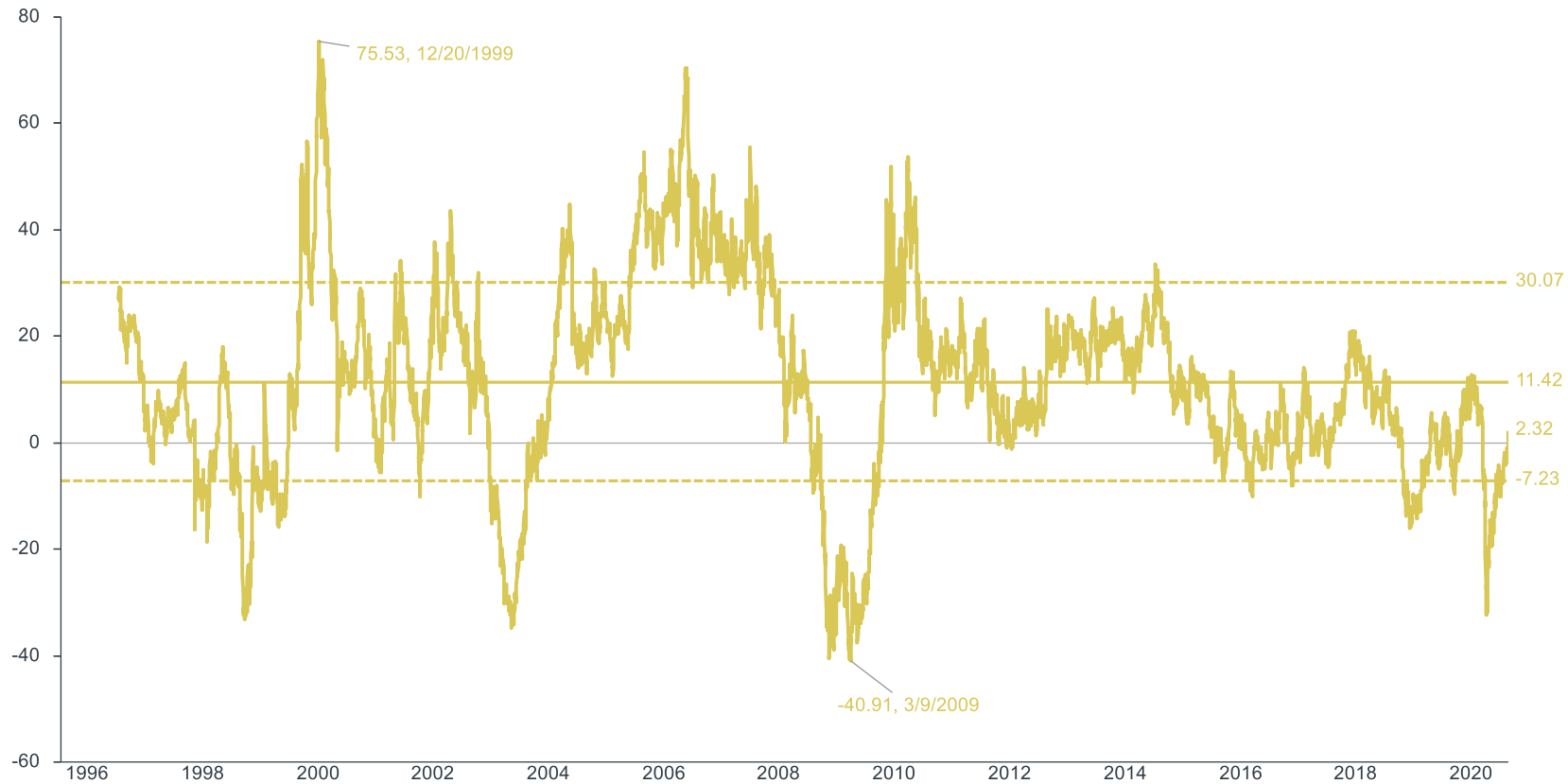


Source: Refinitiv Datastream

JSE ALSI INDEX, 1Y RATE OF CHANGE



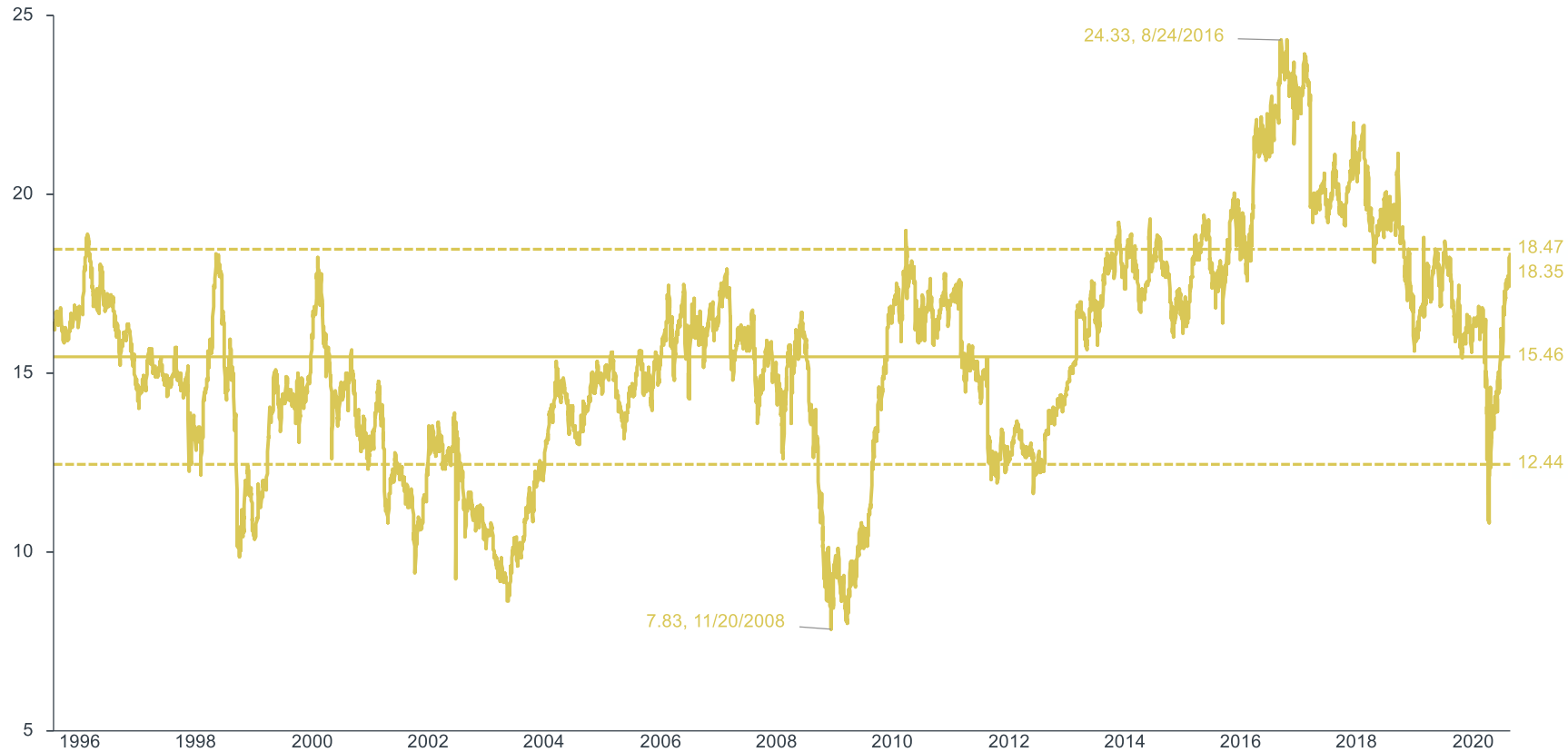
ALSI = All Share Index



— JSE ALSI Index : 2.32

Source: Refinitiv Datastream

JSE ALSI PE



ALSI = All Share Index
PE = Price Earnings

— JSE ALSI PE : 18.35

Source: Refinitiv Datastream

JSE ALSI DY



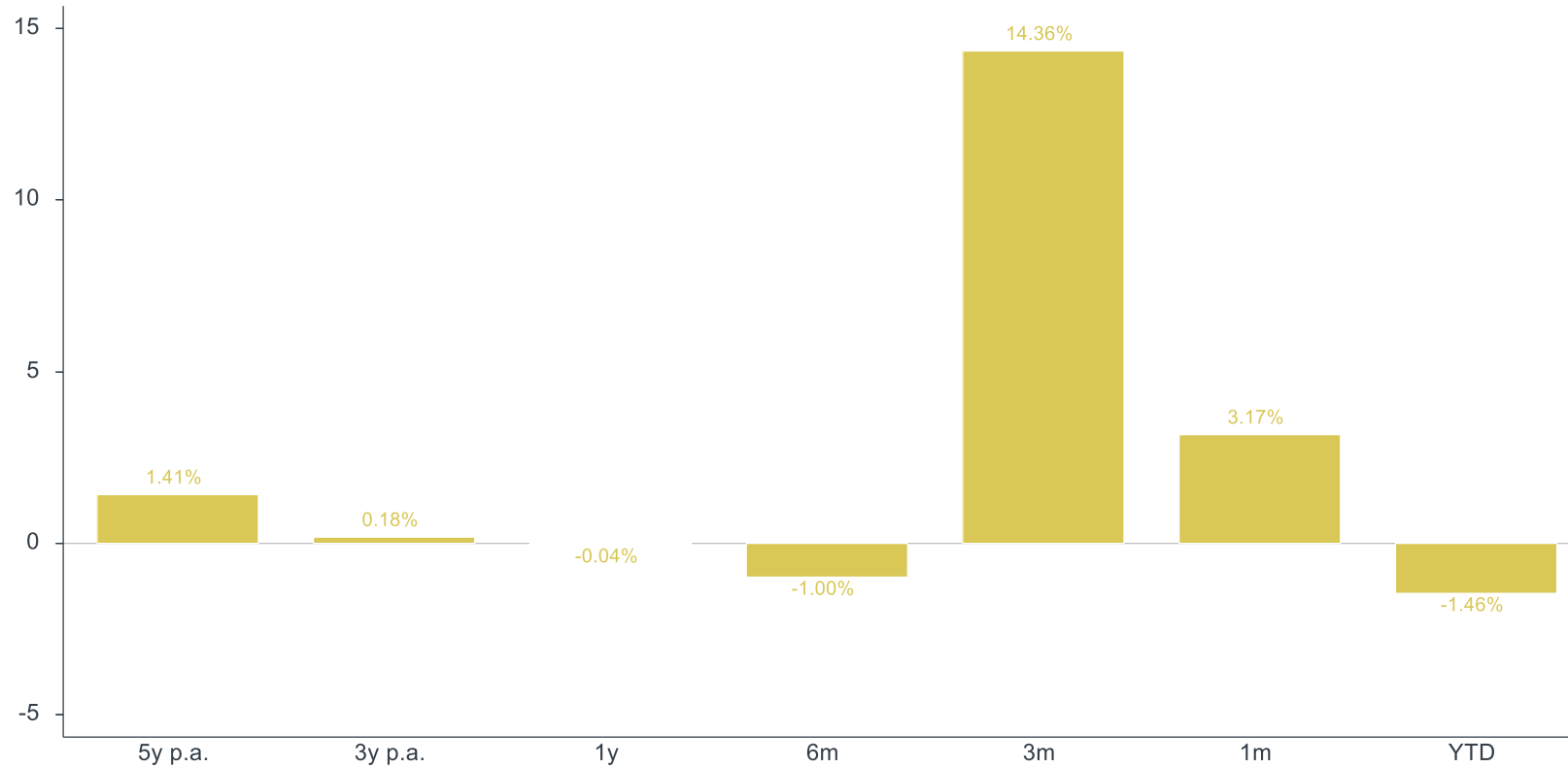
ALSI = All Share Index
DY = Dividend Yield

— JSE ALSI DY : 3.8
Source: Refinitiv Datastream

JSE ALSI, PERCENTAGE CHANGES



ALSI = All Share Index



JSE ALSI

Source: Refinitiv Datastream

GLOBAL MARKETS RELATIVE, LAST YEAR (USD)

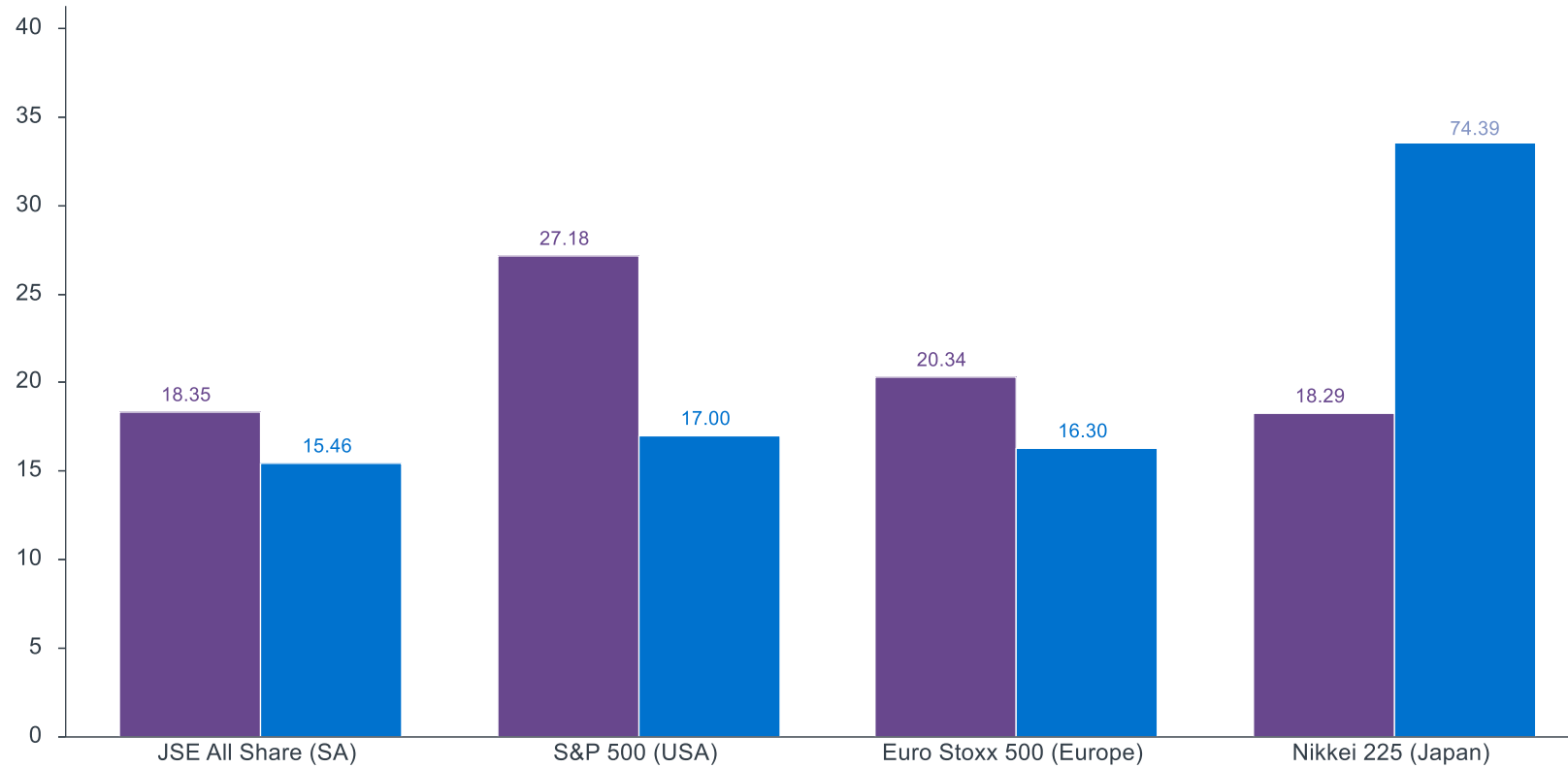


Source: Refinitiv Datastream

GLOBAL MARKETS PE'S



PE = Price Earnings

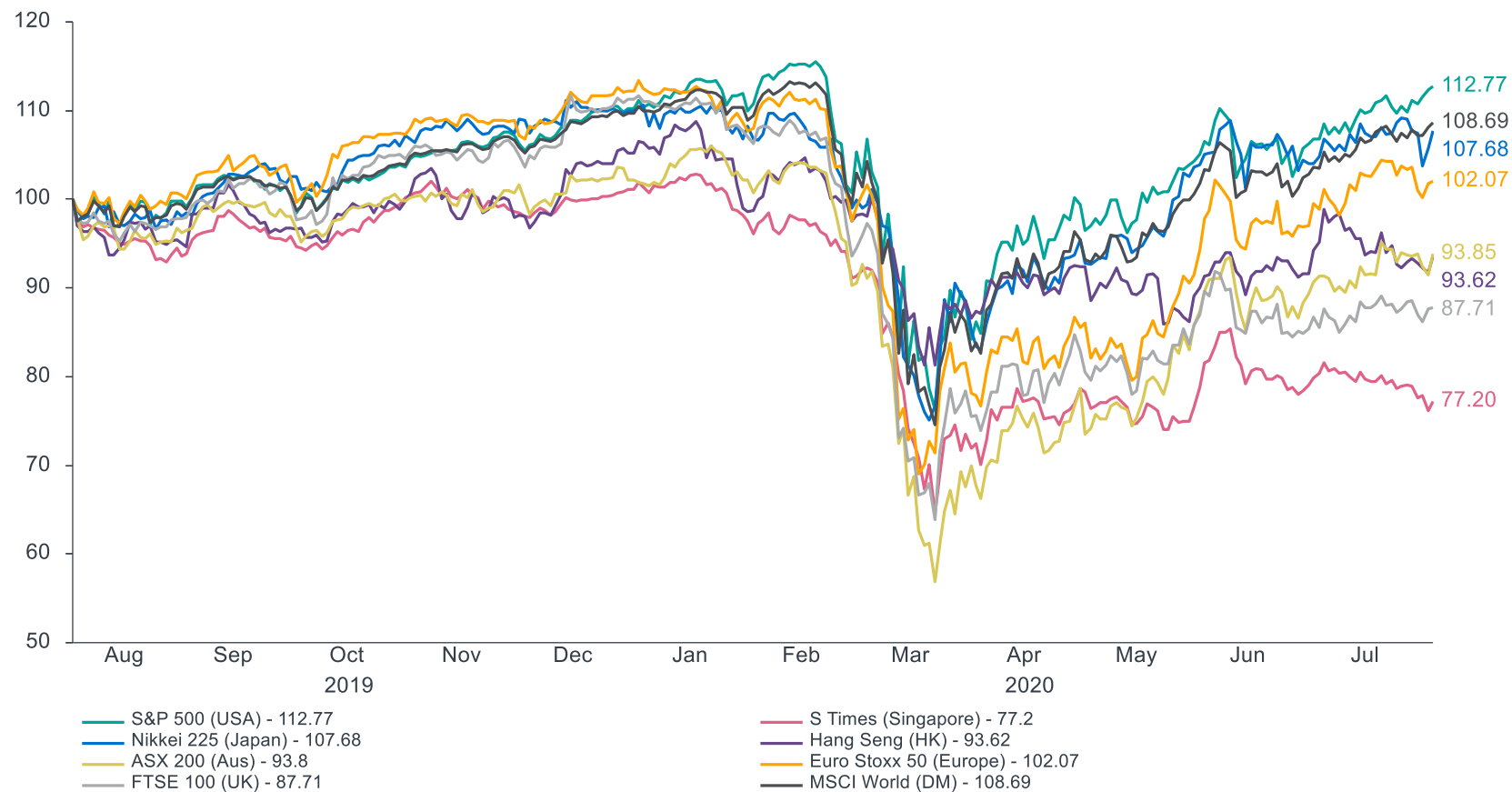


Current PE Historical Average PE

Source: Refinitiv Datastream



DEVELOPED MARKETS RELATIVE, LAST YEAR (USD)

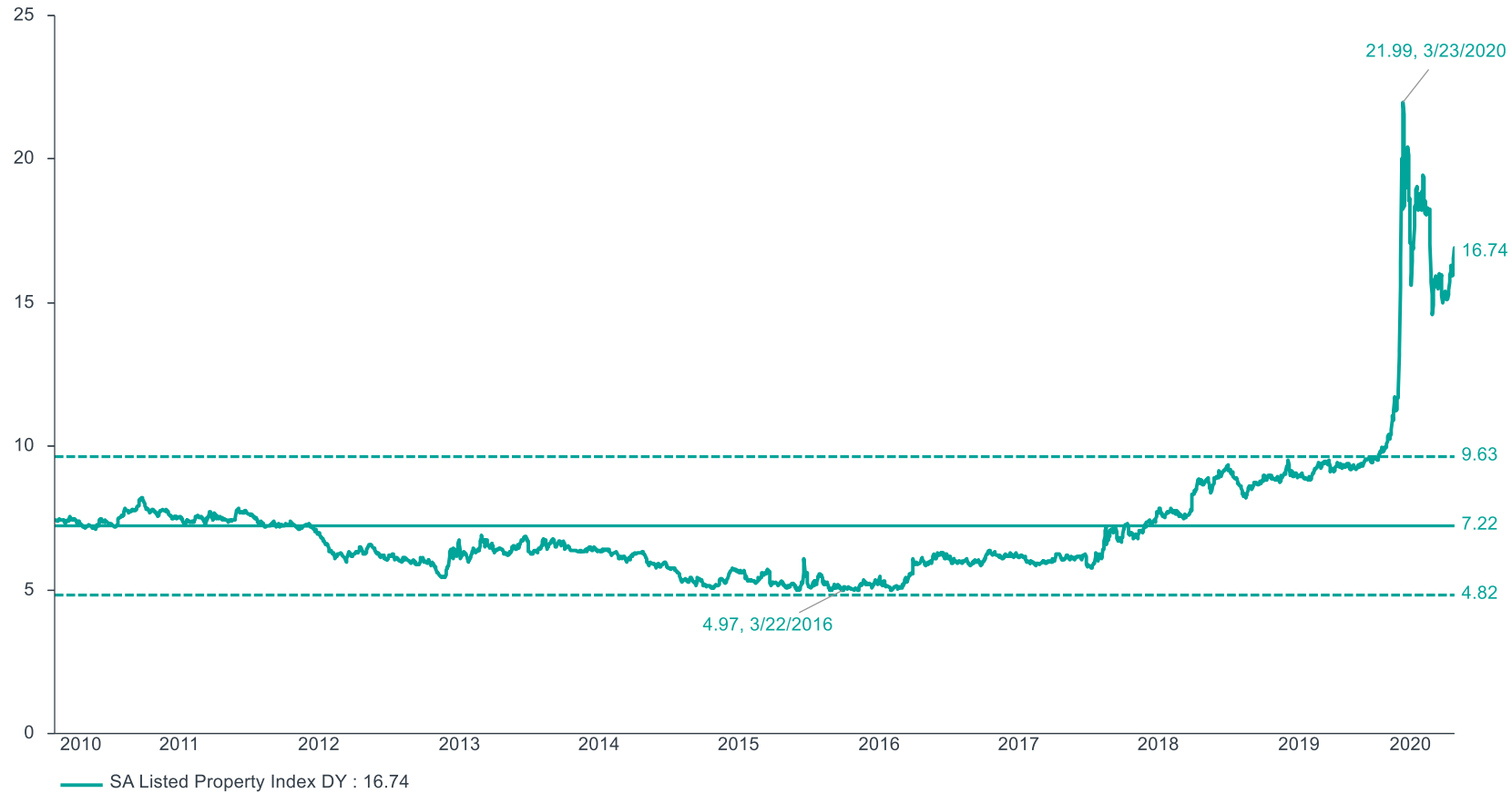


Source: Refinitiv Datastream

SA LISTED PROPERTY INDEX DY

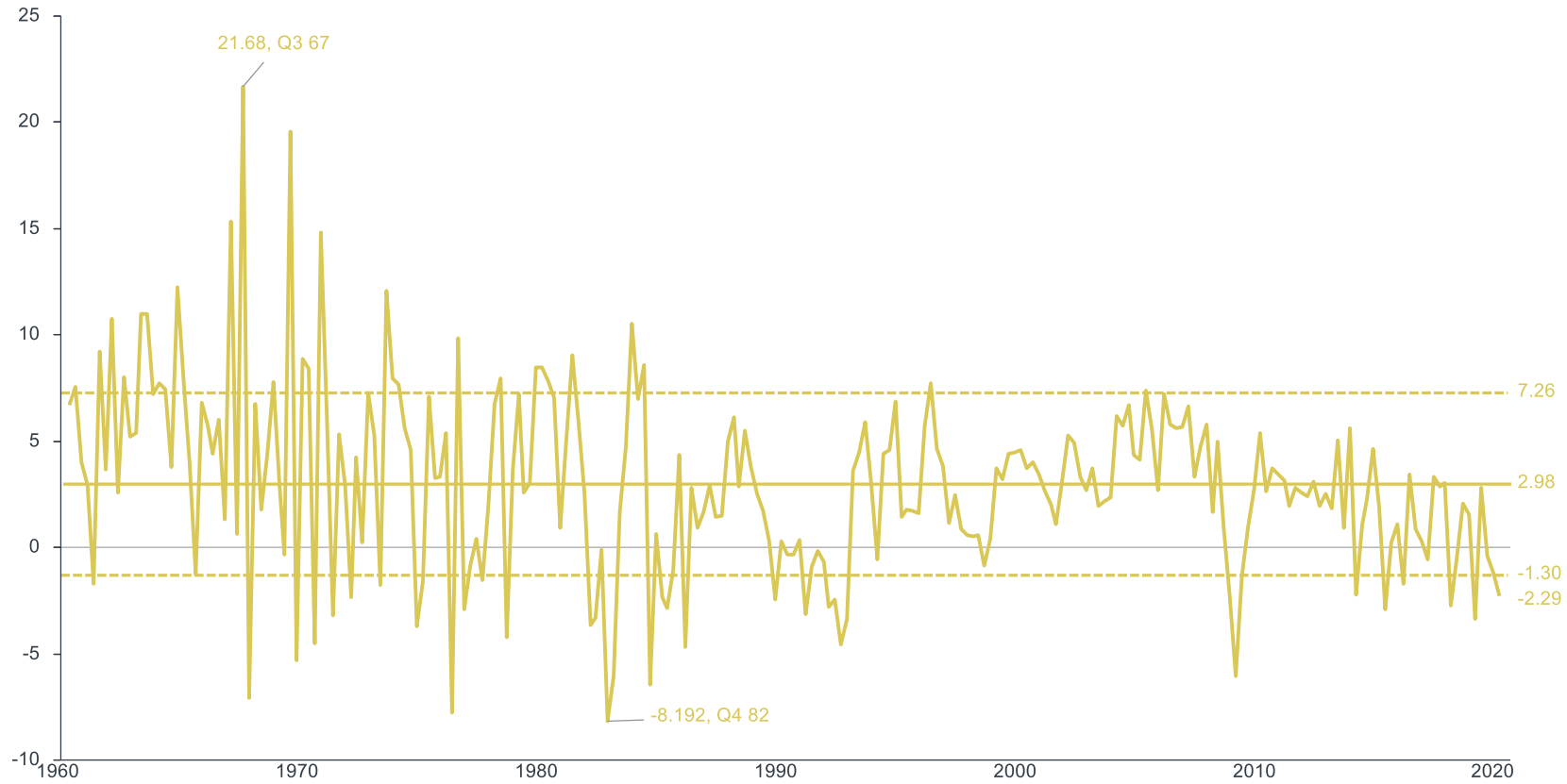


DY = Dividend Yield



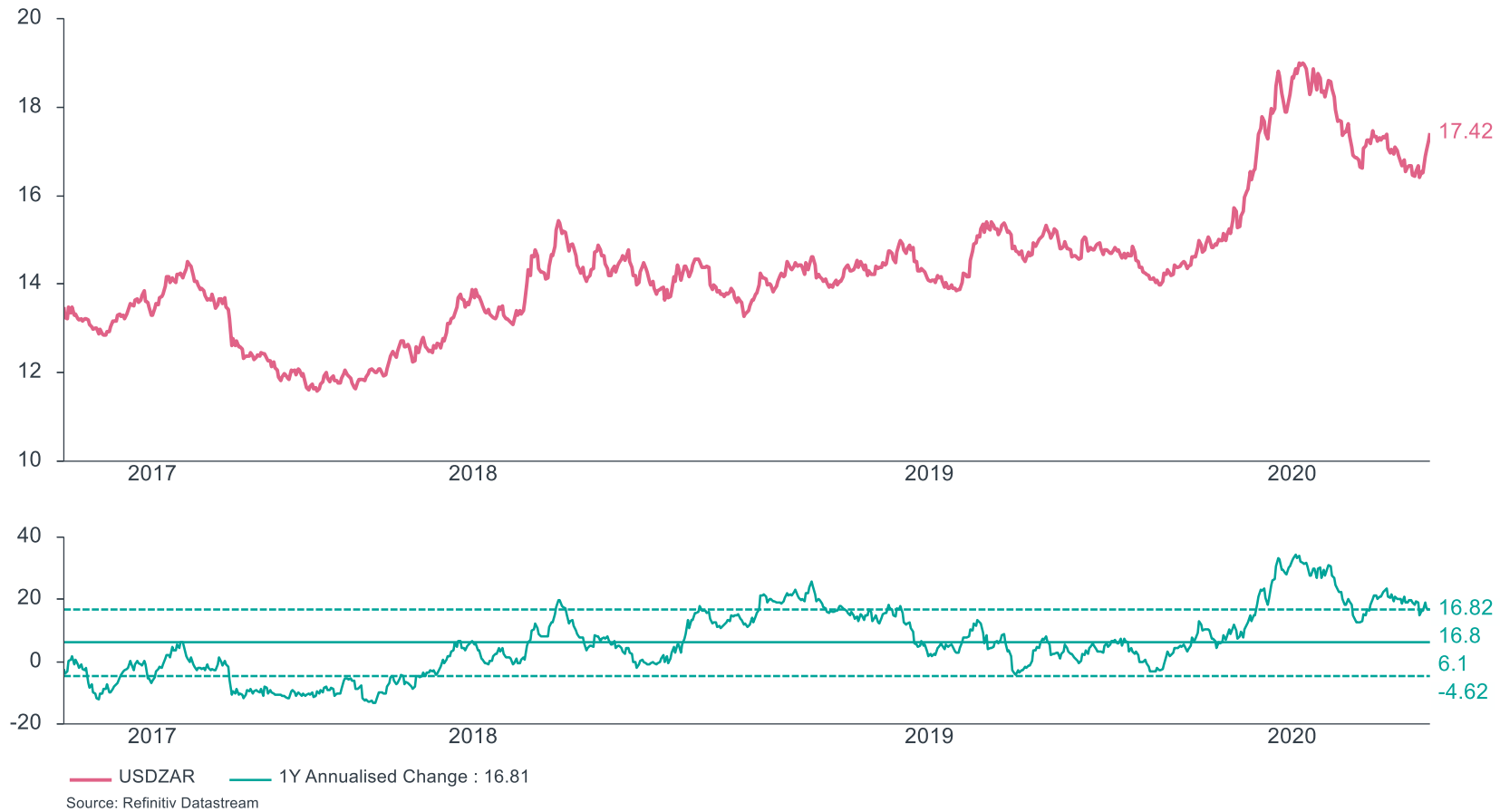
Source: Refinitiv Datastream

GDP

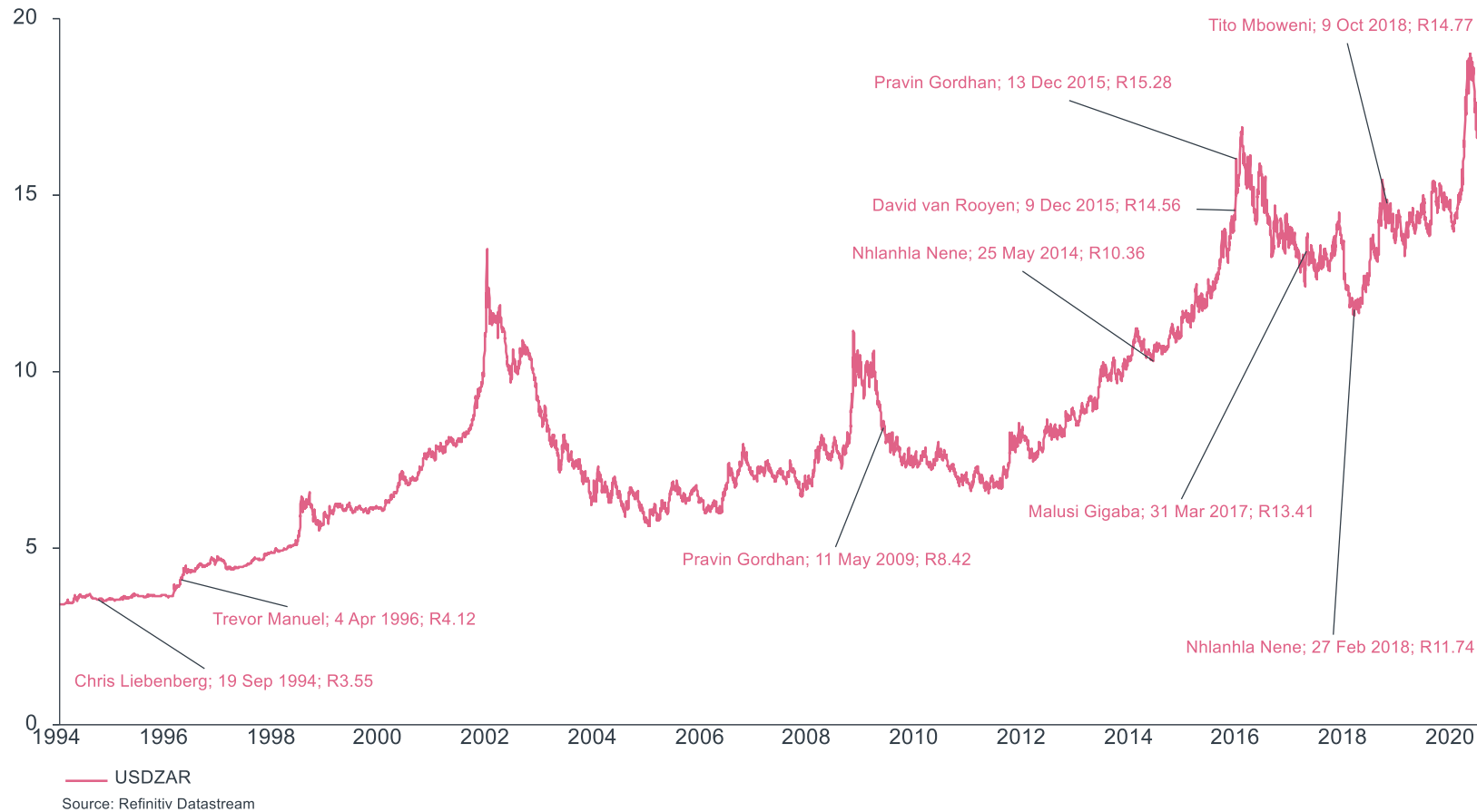


Source: Refinitiv Datastream

USDZAR



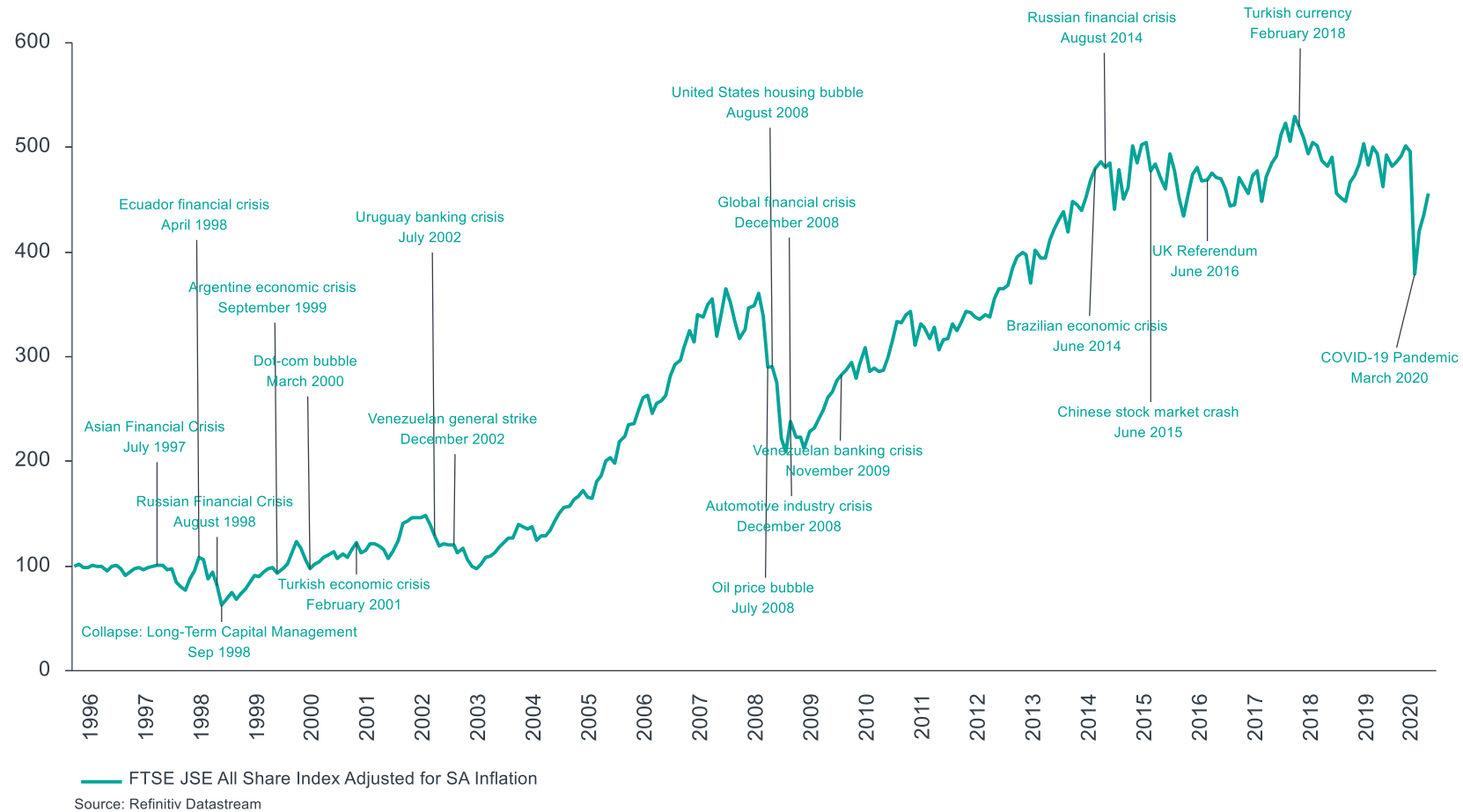
USDZAR



With Tito Mboweni's appointment as Finance Minister on the 9th of October, South Africa has the unenviable track record of having had 5 Finance Ministers in the last three years.

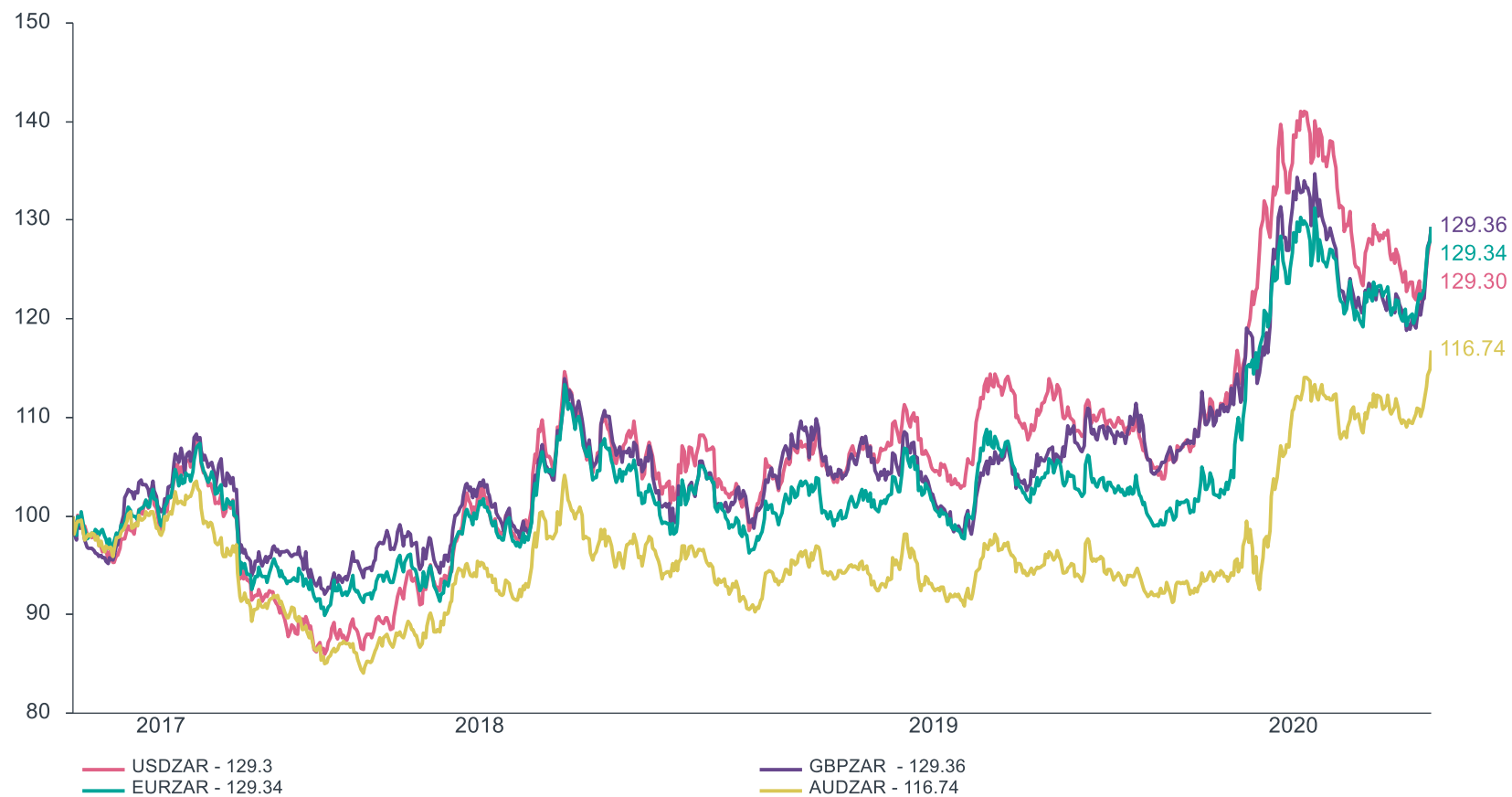
This chart picks out the date of appointment of each successive Finance Minister together with the rand-dollar exchange rate at the time of appointment going back to the appointment of Chris Liebenberg by Nelson Mandela's Government of National Unity.

FINANCE CRISES





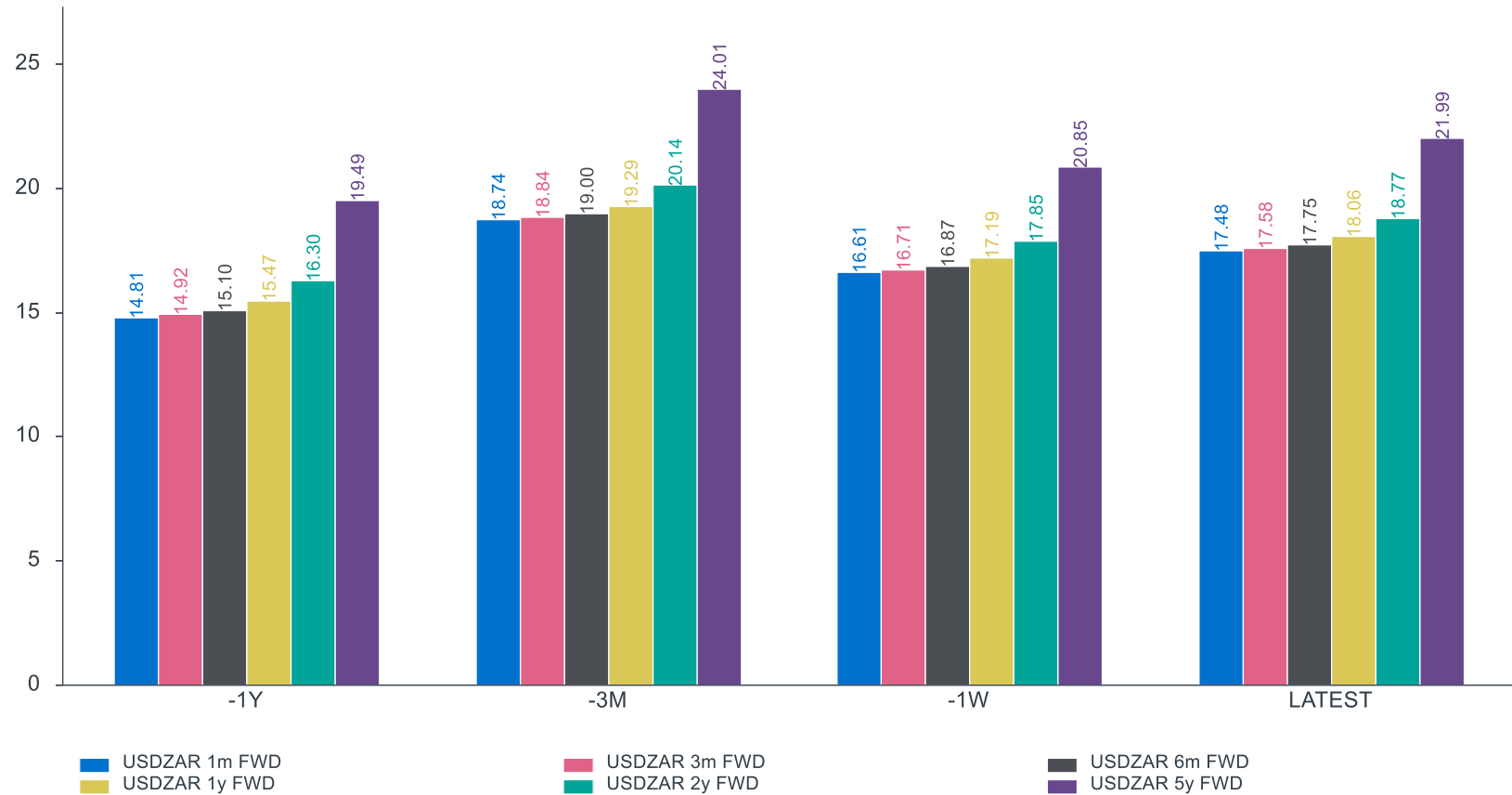
ZAR LAST YEAR, REBASED TO 100



— USDZAR - 129.3
— EURZAR - 129.34
— GBPZAR - 129.36
— AUDZAR - 116.74

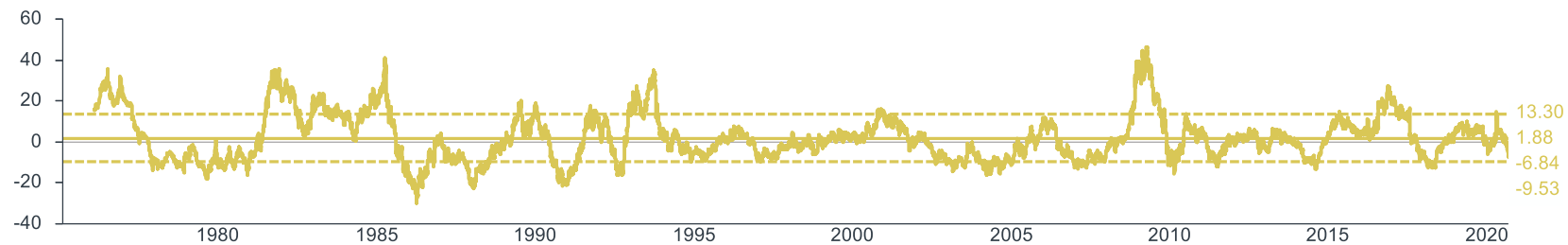
Source: Refinitiv Datastream

USDZAR FORWARD



Source: Refinitiv Datastream

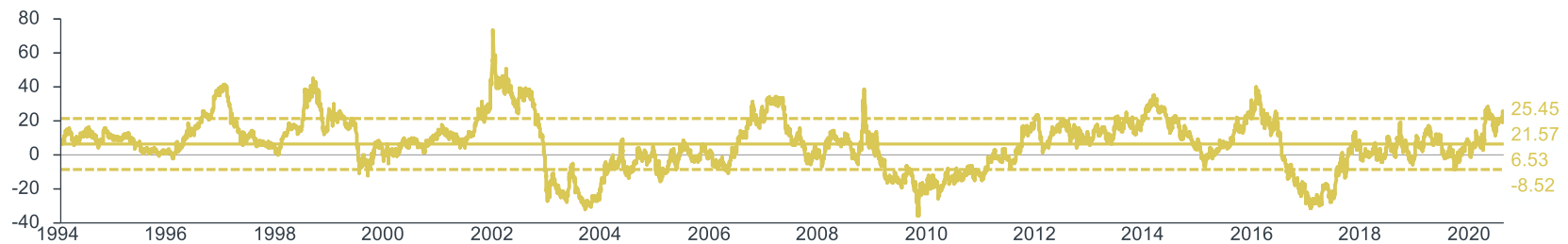
GBPUSD



— GBP USD — 1Y Annualised Change : -6.8358

Source: Refinitiv Datastream

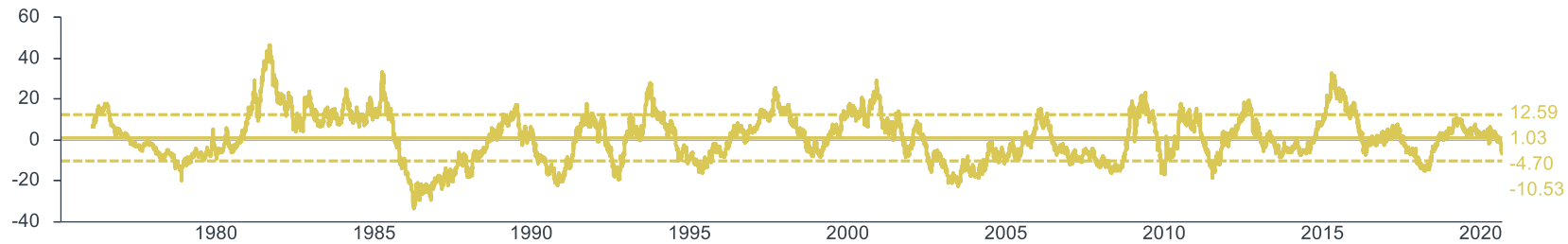
GBPZAR



— GBPZAR — 1Y Annualised Change : 25.45

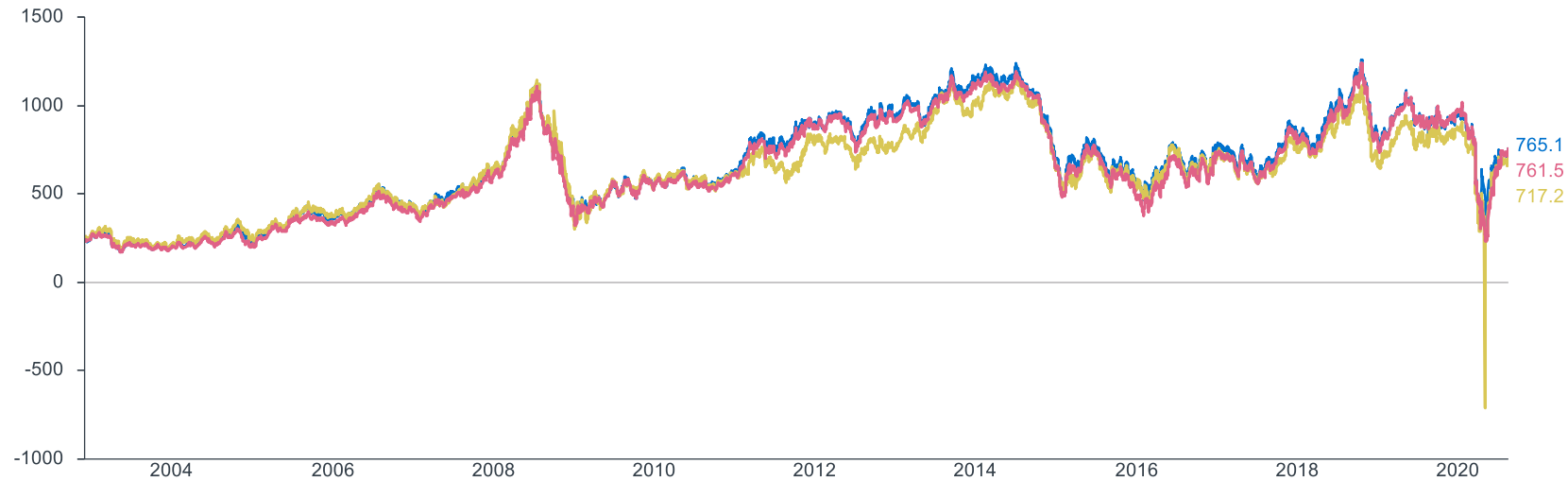
Source: Refinitiv Datastream

EURUSD



EURUSD 1Y Annualised Change : -4.6975
Source: Refinitiv Datastream

OIL PRICE IN ZAR

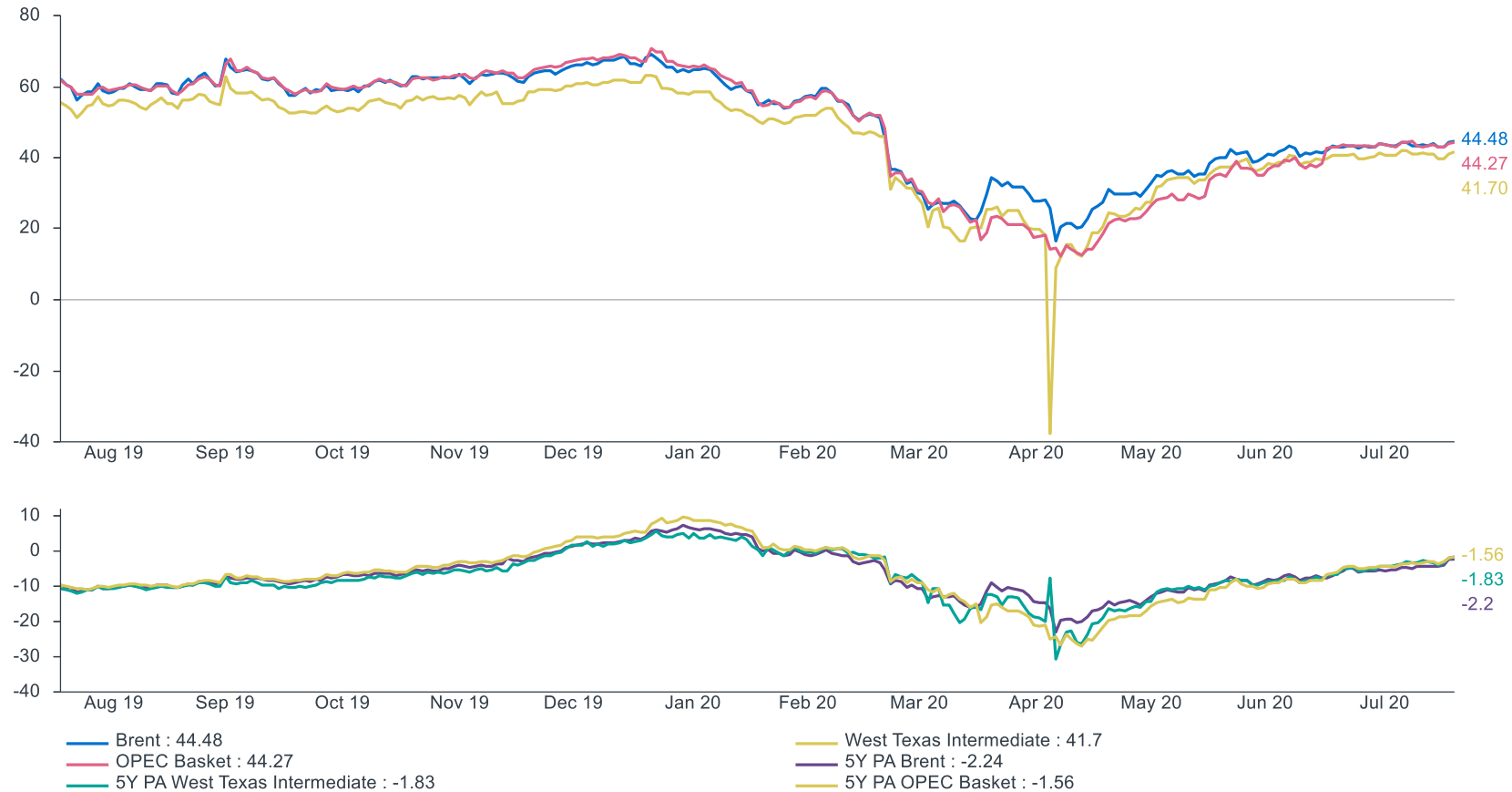


— Brent ZAR : 765.06
— OPEC Basket ZAR : 761.45
— 5Y pa West Texas Intermediate : 4.51
— West Texas Intermediate ZAR : 717.25
— 5Y pa Brent : 3.77
— 5Y pa OPEC Basket : 4.53

Source: Refinitiv Datastream



OIL PRICE, LAST YEAR



Source: Refinitiv Datastream



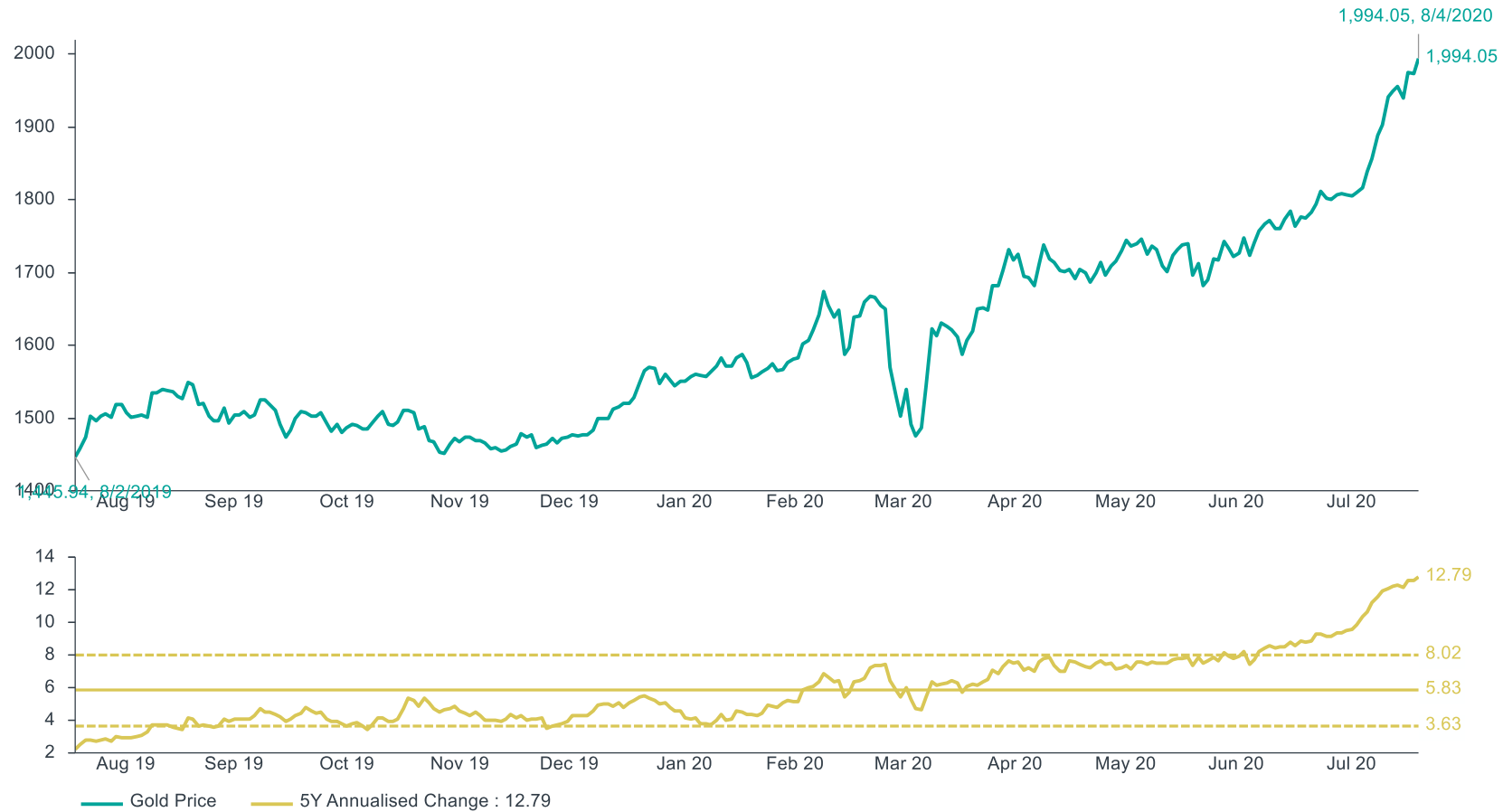
GOLD PRICE (USD)



Source: Refinitiv Datastream



GOLD PRICE (USD), LAST YEAR



Source: Refinitiv Datastream



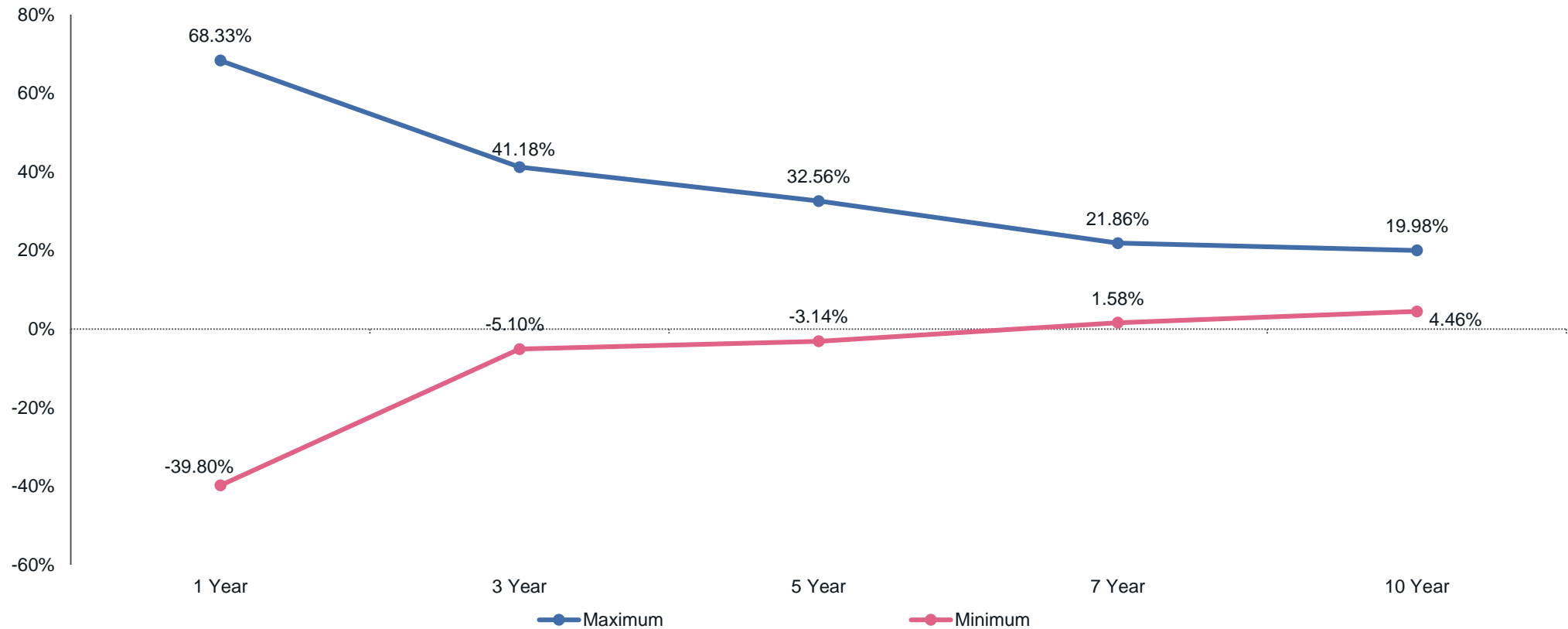
EQUITIES V INFLATION V CASH



Source: Refinitiv Datastream



FUNNEL OF UNCERTAINTY FOR THE ANNULISED RETURNS OF JSE ALL SHARE INDEX - MAY



Source : Refinitiv DataStream

DISCLAIMER



NFB AM is an authorised financial services provider (license number 25962). The information provided does not constitute financial product advice. The information is of a general nature only and does not take into account investor's objectives, financial situations or needs. NFB AM accepts no liability whatsoever for any direct, indirect or consequential loss arising from the use of this document. It should not be used, relied upon or treated as a substitute for specific, professional advice. NFB AM recommends that investors obtain their own independent, professional advice before making any decision in relation to their particular requirements or circumstances. There may be limitations as to the appropriateness of any information given. It is, therefore, recommended that investors obtain the appropriate legal, tax, investment or other professional advice and formulate an investment strategy that would suit the risk profile of the investor prior to acting upon such information and to consider whether any recommendation is appropriate considering the investor's own objectives and particular needs. Any opinions, statements and information made available, whether written, oral or implied are expressed in good faith.

NFB AM does not warrant the accuracy, completeness or currency of the information provided. Past performance of any product discussed is not indicative of the future performance thereof. Although statements of fact are obtained from sources that NFB AM considers reliable, we do not guarantee their accuracy and any such information may be incomplete or condensed. Views are subject to change on the basis of additional or new research, new facts or developments.

All charts are in base currency terms unless otherwise indicated. All charts are sourced from Thomson Reuters. This version of Chart Book was updated on the date indicated below. However, as data series can have differing reporting frequencies (e.g. daily v monthly) each chart may have a slightly different end point. End points may not necessarily coincide with the date below.

A dark, moody photograph showing the lower legs and feet of several people walking on a wet, reflective surface. The ground is highly reflective, mirroring the figures and creating a sense of depth. A large, white, semi-transparent arrow is superimposed on the image, pointing from left to right. The overall color palette is dark, with shades of blue, grey, and black, punctuated by the white arrow and the text.

THANK YOU