22 July 2021

CHART BOOK: MINI

LOCAL
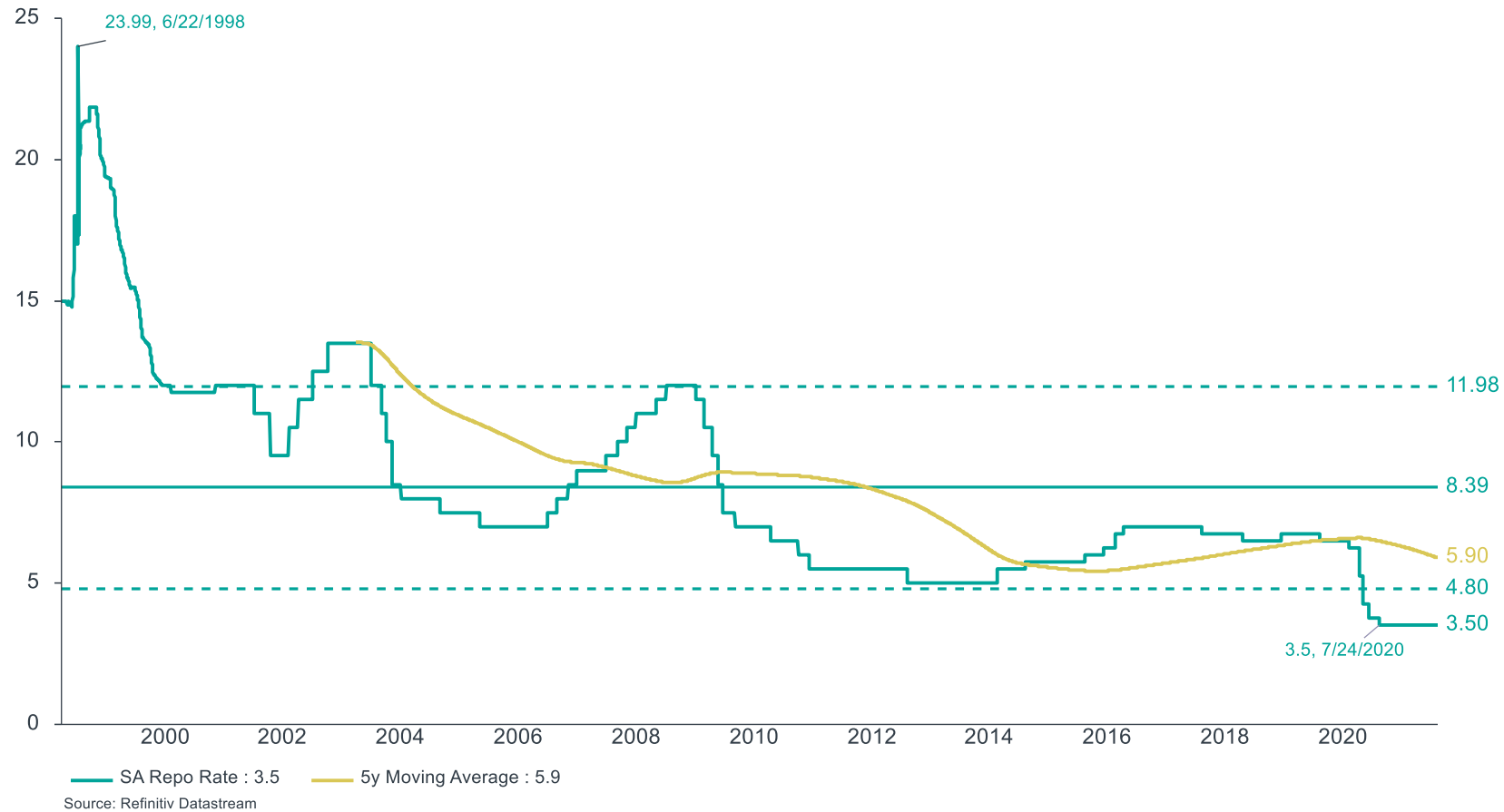
EQUITIES V INFLATION V CASH
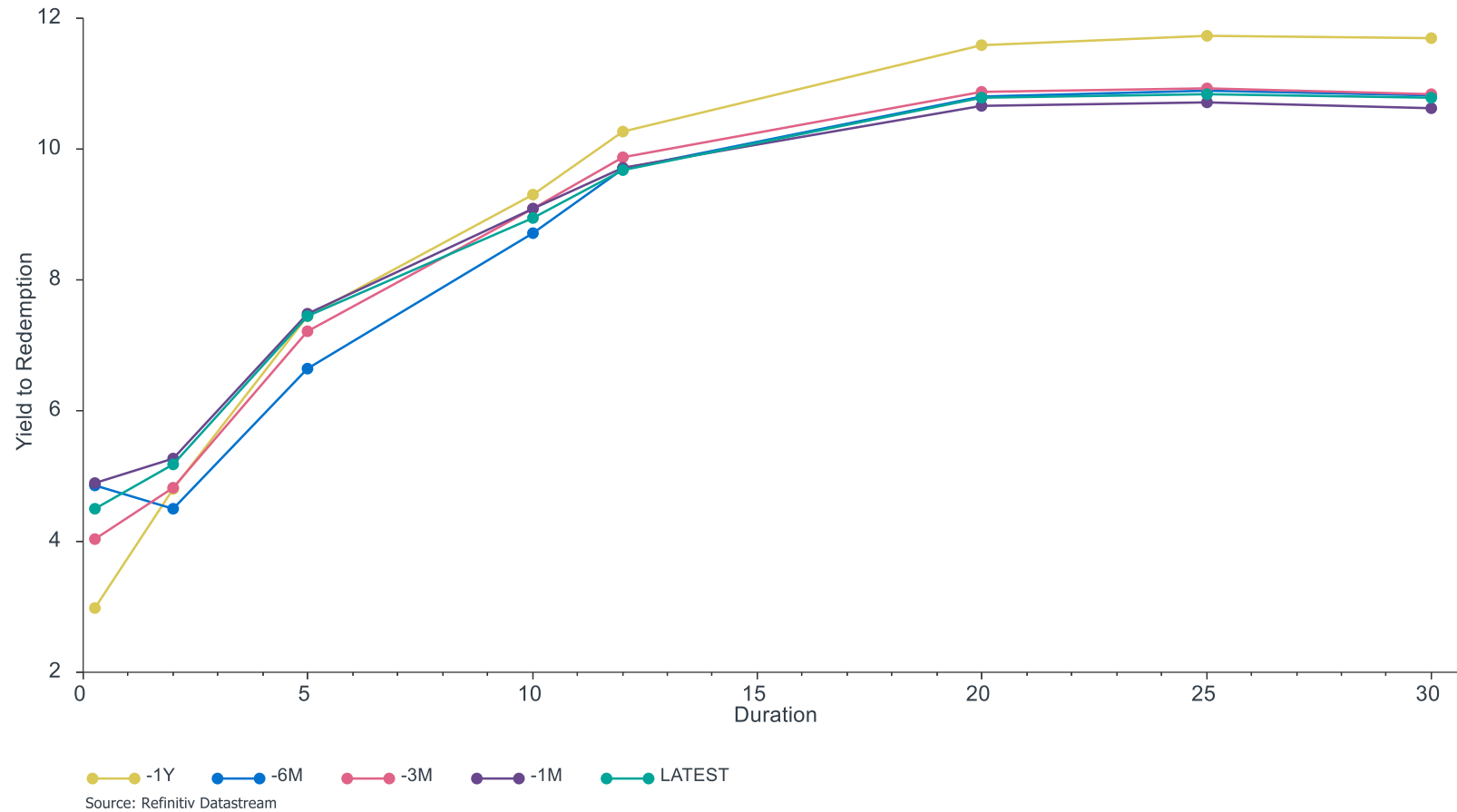

5Y growth rate (first - last values) of FTSE/JSE ALL SHARE - RI
5Y growth rate (first - last values) of CPI METHOD BREAK JAN2009 : South Africa
5Y growth rate (first - last values) of STEFI COMPOSITE INDEX*0.7

Source: Refinitiv Datastream

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SA REPURCHASE RATE

SA Repo Rate : 3.5   5y Moving Average : 5.9

Source: Refinitiv Datastream

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SA YIELD CURVE

Source: Refinitiv Datastream

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JSE ALSI

ALSI = All Share Index

x 1 000

69,049, 6/2/2021
66,558.44

4,319.95, 9/11/1998

JSE ALSI : 66,558

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FINANCE CRISES

Finance crises chart: FTSE JSE All Share Index Adjusted for SA Inflation, 1996–2021, with annotated events:

- Asian Financial Crisis — July 1997
- Russian Financial Crisis — August 1998
- Collapse: Long-Term Capital Management — Sep 1998
- Ecuador financial crisis — April 1998
- Argentine economic crisis — September 1999
- Dot-com bubble — March 2000
- Turkish economic crisis — February 2001
- Uruguay banking crisis — July 2002
- Venezuelan general strike — December 2002
- United States housing bubble — August 2008
- Global financial crisis — December 2008
- Oil price bubble — July 2008
- Automotive industry crisis — December 2008
- Venezuelan banking crisis — November 2009
- Brazilian economic crisis — June 2014
- Russian financial crisis — August 2014
- Chinese stock market crash — June 2015
- UK Referendum — June 2016
- Turkish currency — February 2018
- COVID-19 Pandemic — March 2020

FTSE JSE All Share Index Adjusted for SA Inflation

Source: Refinitiv Datastream

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JSE SECTOR INDICES, LAST YEAR, REBASED

Source: Refinitiv Datastream

JSE Financials   JSE Industrials   JSE Resources

140.42
119.82
116.83

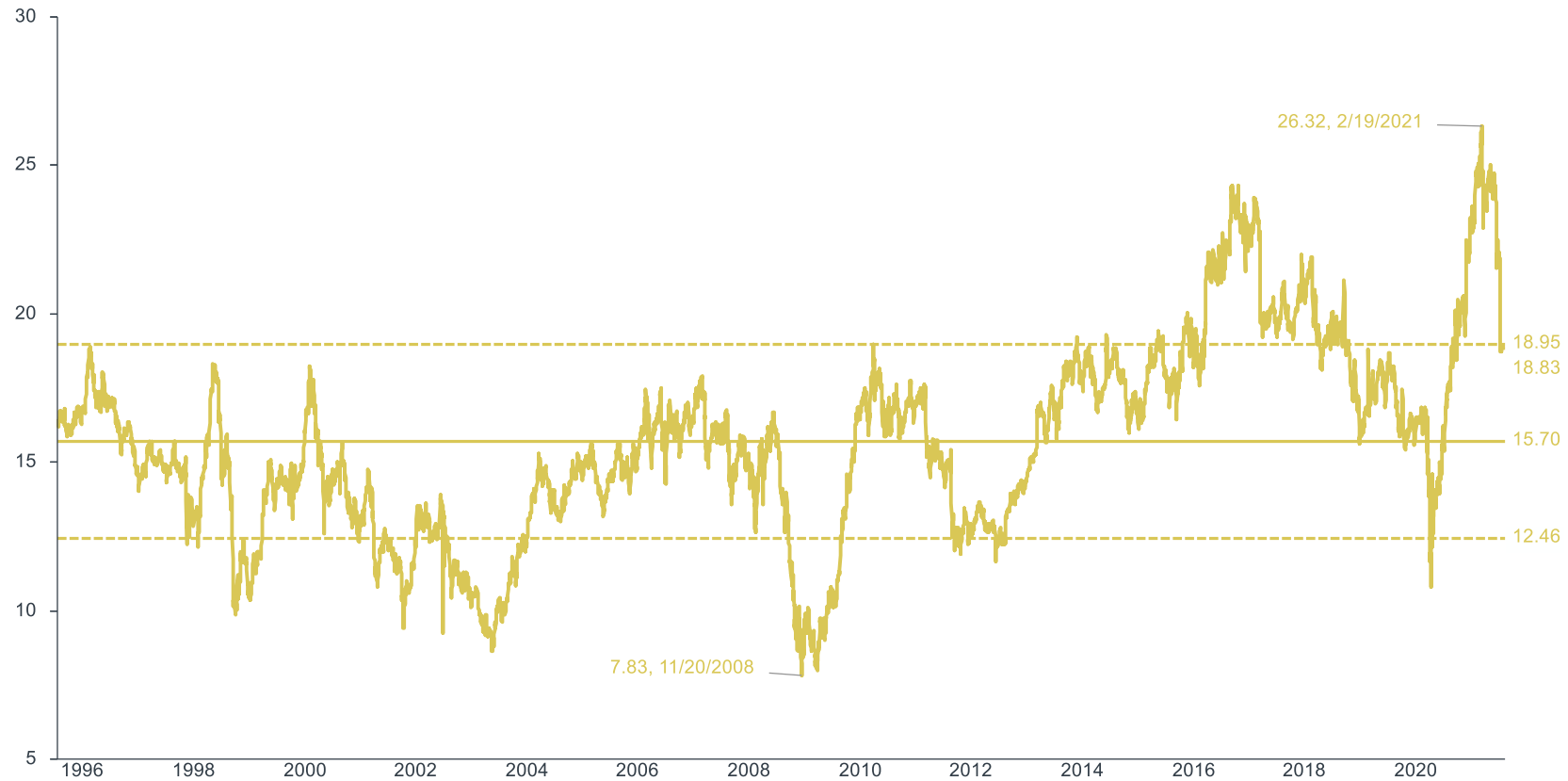KNOWLEDGE INTO WEALTH

JSE ALSI PE

ALSI = All Share Index
PE = Price Earnings

JSE ALSI PE : 18.83

Source: Refinitiv Datastream

ALSI = All Share Index
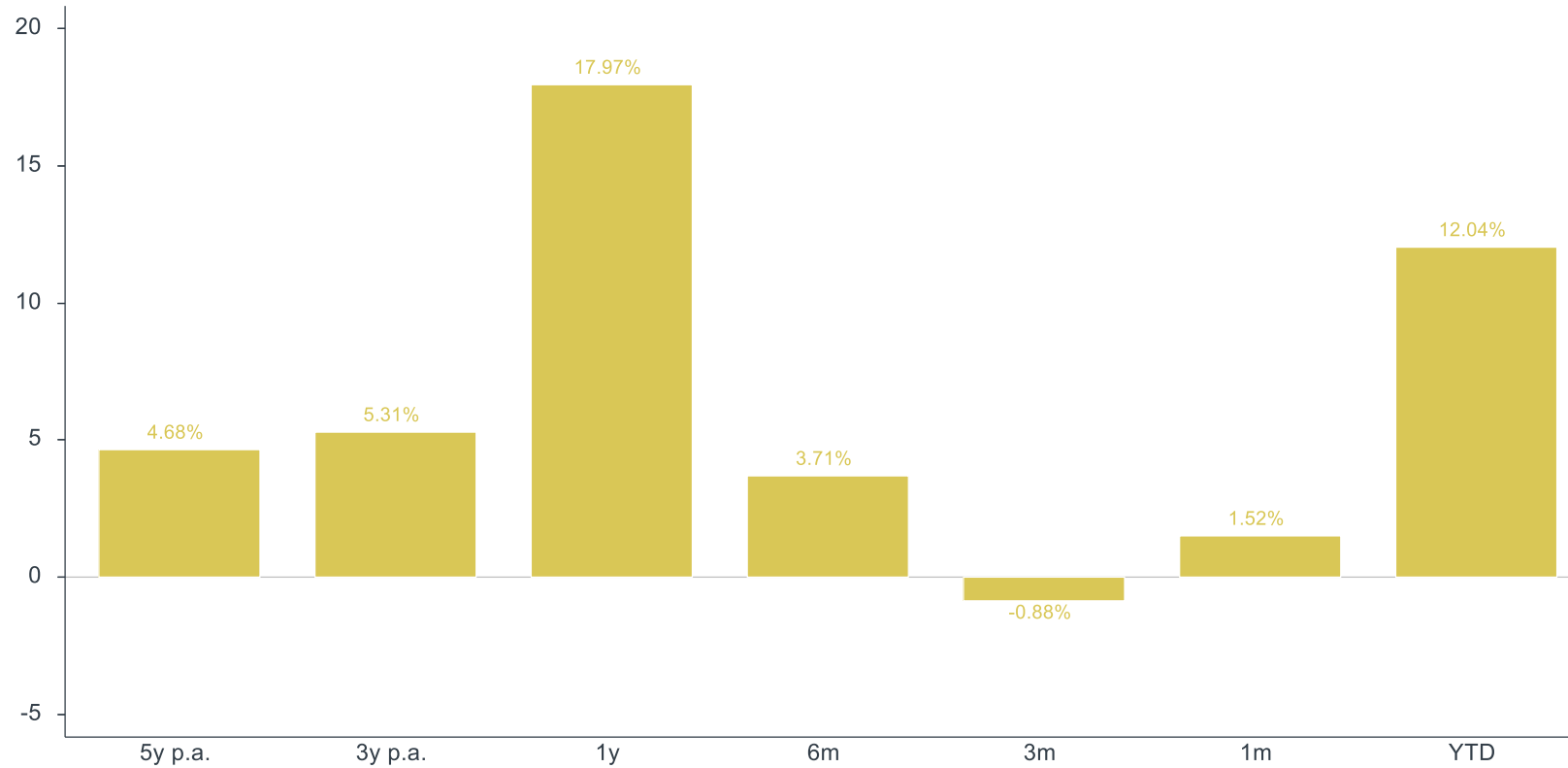DY = Dividend Yield

5.59, 3/19/2020

3.39

2.82

2.50

2.26

1.8, 1/17/2000

JSE ALSI DY : 2.5

Source: Refinitiv Datastream

SA LISTED PROPERTY INDEX DY

DY = Dividend Yield

SA Listed Property Index DY : 5.08

Source: Refinitiv Datastream

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GDP

Source: Refinitiv Datastream

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FINANCE MINISTERS

Chart: USDZAR exchange rate 1994–2021 with Finance Minister appointments marked:

- Tito Mboweni; 9 Oct 2018; R14.77
- Pravin Gordhan; 13 Dec 2015; R15.28
- David van Rooyen; 9 Dec 2015; R14.56
- Nhlanhla Nene; 25 May 2014; R10.36
- Malusi Gigaba; 31 Mar 2017; R13.41
- Pravin Gordhan; 11 May 2009; R8.42
- Nhlanhla Nene; 27 Feb 2018; R11.74
- Trevor Manuel; 4 Apr 1996; R4.12
- Chris Liebenberg; 19 Sep 1994; R3.55

— USDZAR

Source: Refinitiv Datastream

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.

ZAR LAST YEAR, REBASED TO 100

Source: Refinitiv Datastream

USDZAR - 109
EURZAR - 109.76
GBPZAR - 113.77
AUDZAR - 107.95

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USDZAR FORWARD

Source: Refinitiv Datastream

Legend:
- USDZAR 1m FWD
- USDZAR 3m FWD
- USDZAR 6m FWD
- USDZAR 1y FWD
- USDZAR 2y FWD
- USDZAR 5y FWD

Data values:

	-1Y	-3M	-1W	LATEST
USDZAR 1m FWD	16.52	14.29	14.64	14.71
USDZAR 3m FWD	16.62	14.40	14.76	14.84
USDZAR 6m FWD	16.77	14.56	14.94	15.02
USDZAR 1y FWD	17.04	14.88	15.32	15.40
USDZAR 2y FWD	17.61	15.61	16.22	16.25
USDZAR 5y FWD	20.40	18.45	19.40	19.39

EMERGING MARKETS

EM CREDIT DEFAULT SWAPS

South Africa Senior 5Y USD : 196.87
Brazil Senior 5Y USD : 172.49
Russia Senior 5Y USD : 87.16
Turkey Senior 5Y USD : 375.02
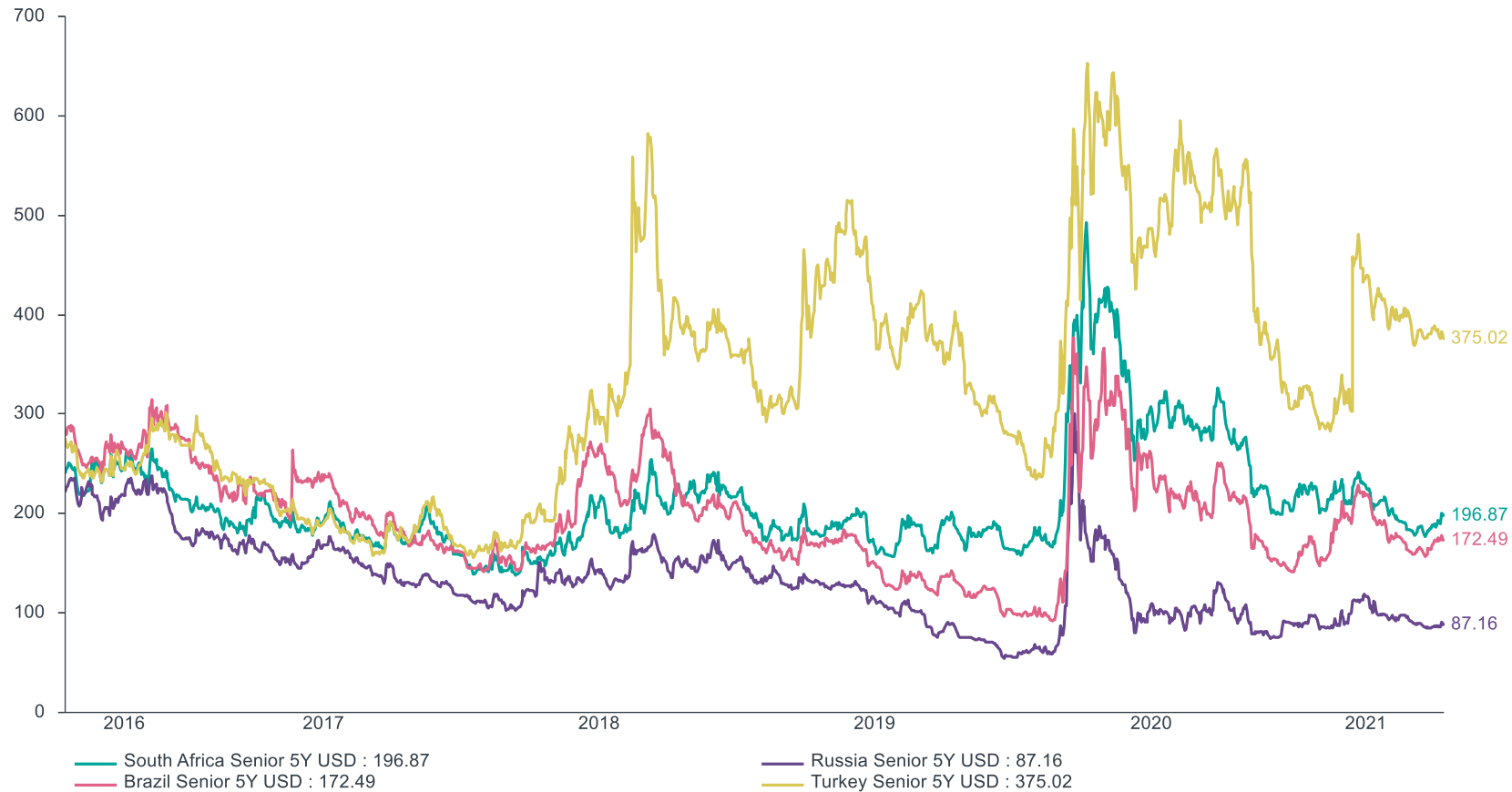
Source: Refinitiv Datastream

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 than the market has priced South African 5Y USD denominated debt at a level considered more risky than both Brazil 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.
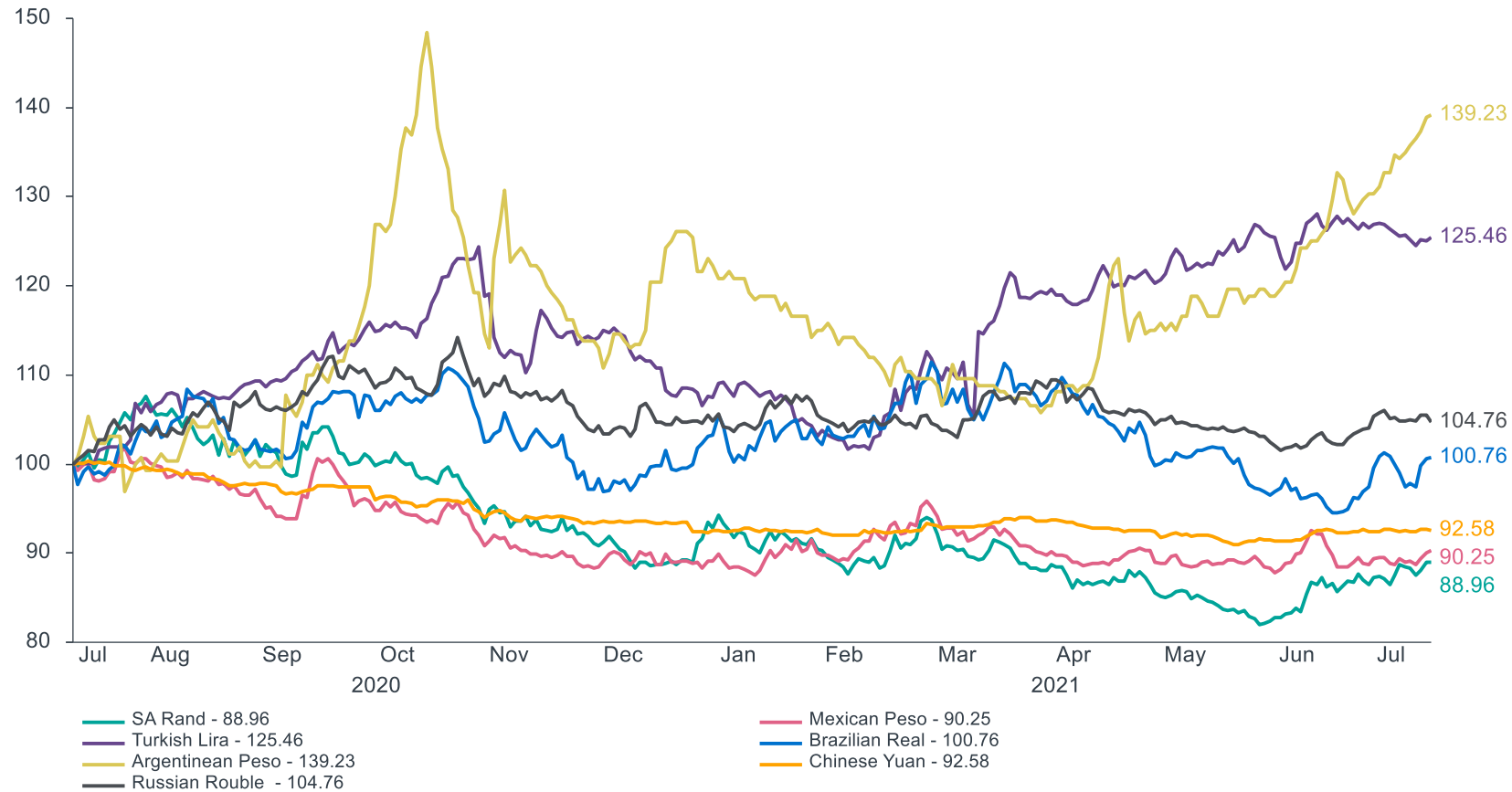
EM RELATIVE, LAST YEAR (USD)

EM = Emerging Markets

Legend:
- Argentina (MERVAL Index) - 104.73
- China (SHANGHAI SE Index) - 115.88
- Mexico (BOLSA Index) - 150.33
- South Africa (JSE ALSI Index) - 132.6
- MSCI Emerging Markets - 120.84
- Brazil (IBX Index) - 122.8
- India (S&P BSE 100 Index) - 142.48
- Russia (MOEX Index) - 125.77
- Turkey (BIST ALL SHARE Index) - 95.27

Source: Refinitiv Datastream

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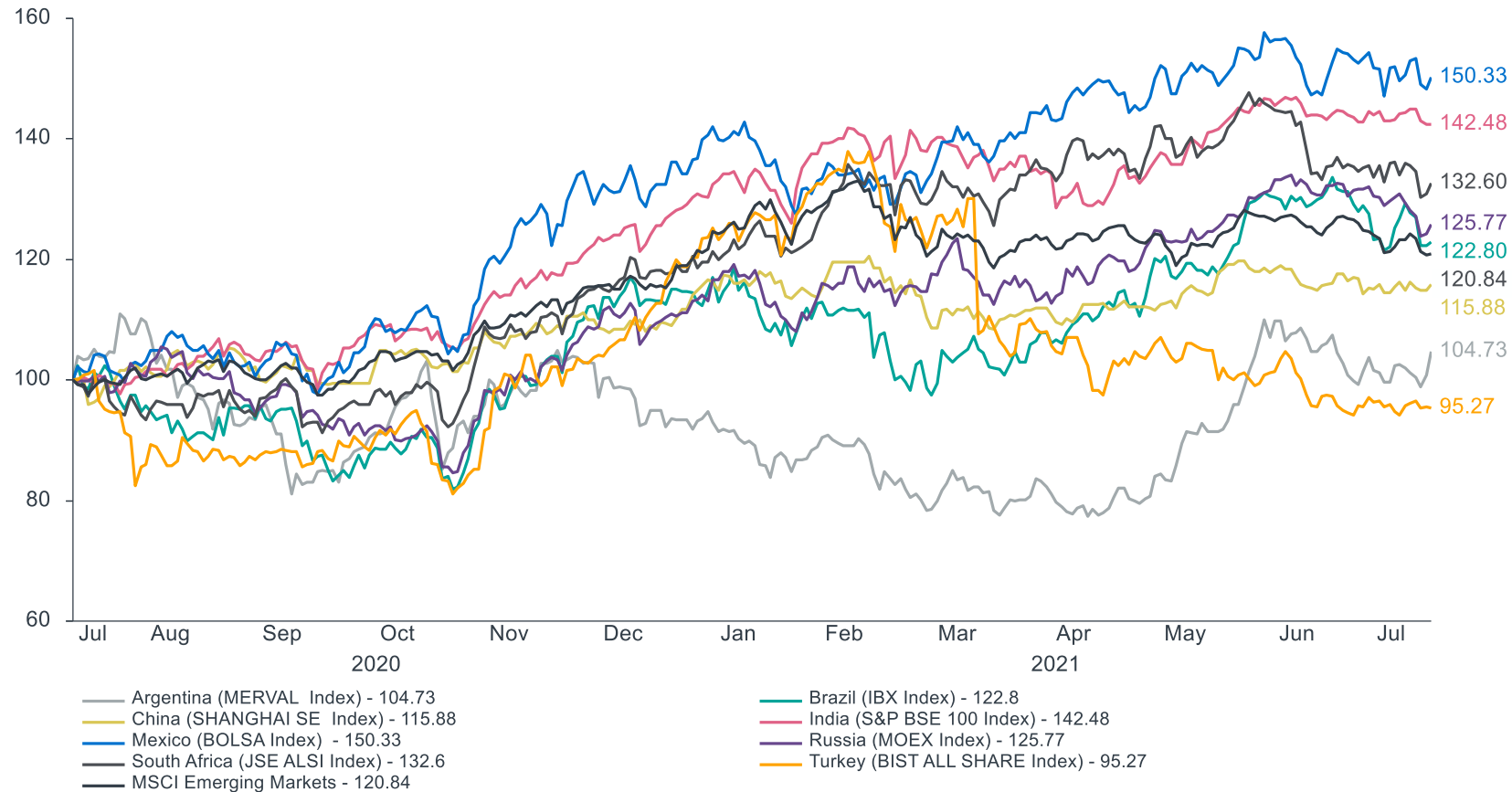
USD V EMERGING MARKETS, REBASED TO 100

Legend:
- SA Rand - 88.96
- Turkish Lira - 125.46
- Argentinean Peso - 139.23
- Russian Rouble - 104.76
- Mexican Peso - 90.25
- Brazilian Real - 100.76
- Chinese Yuan - 92.58

Source: Refinitiv Datastream

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DEVELOPED MARKETS

DEVELOPED MARKETS POLICY RATES

EURO REPO RATE   JAPAN REPO RATE   UK REPO RATE   US REPO RATE

Source: Refinitiv Datastream

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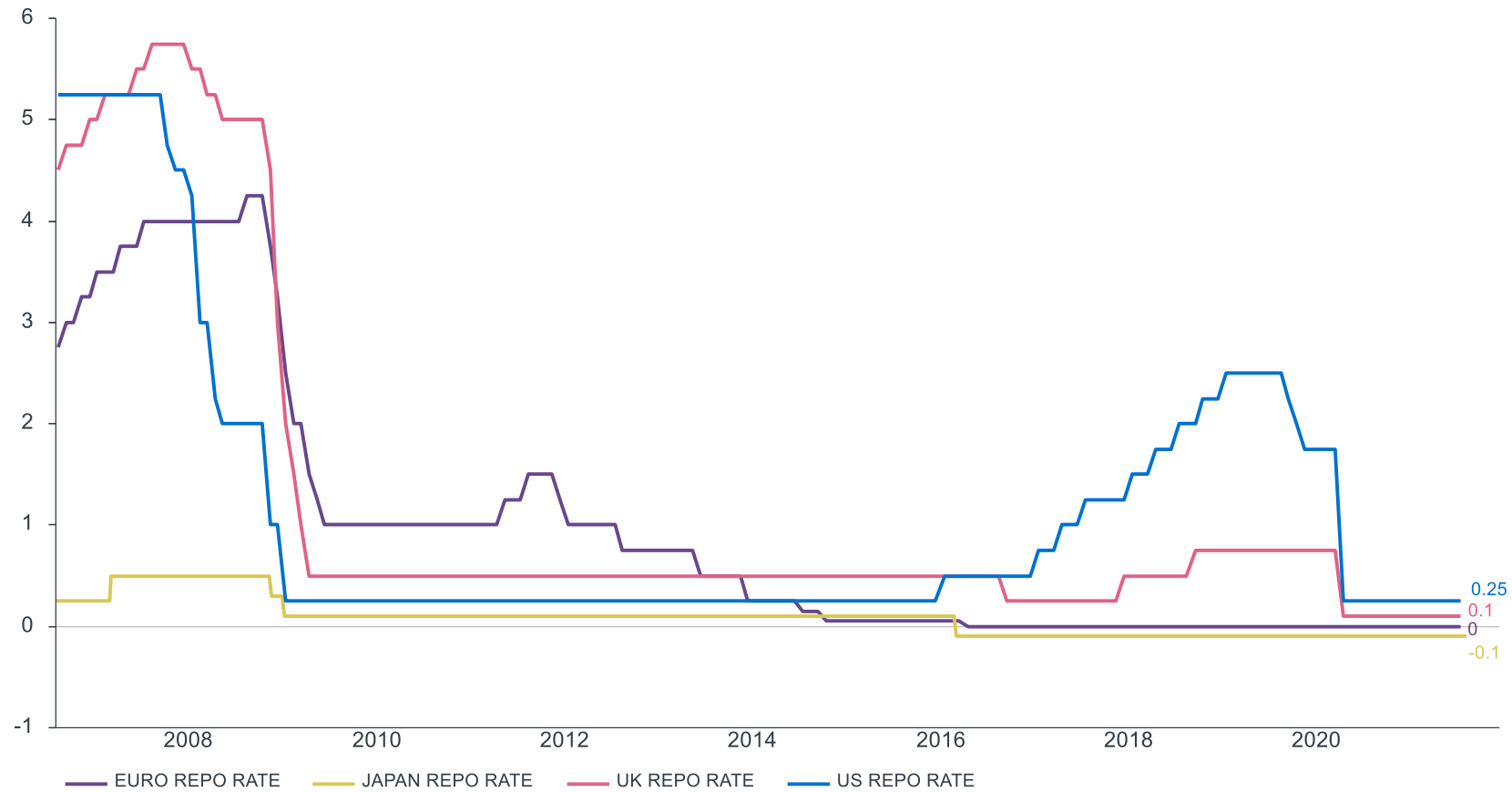
DEVELOPED MARKETS YIELD CURVES

Source: Refinitiv Datastream

KNOWLEDGE INTO WEALTH
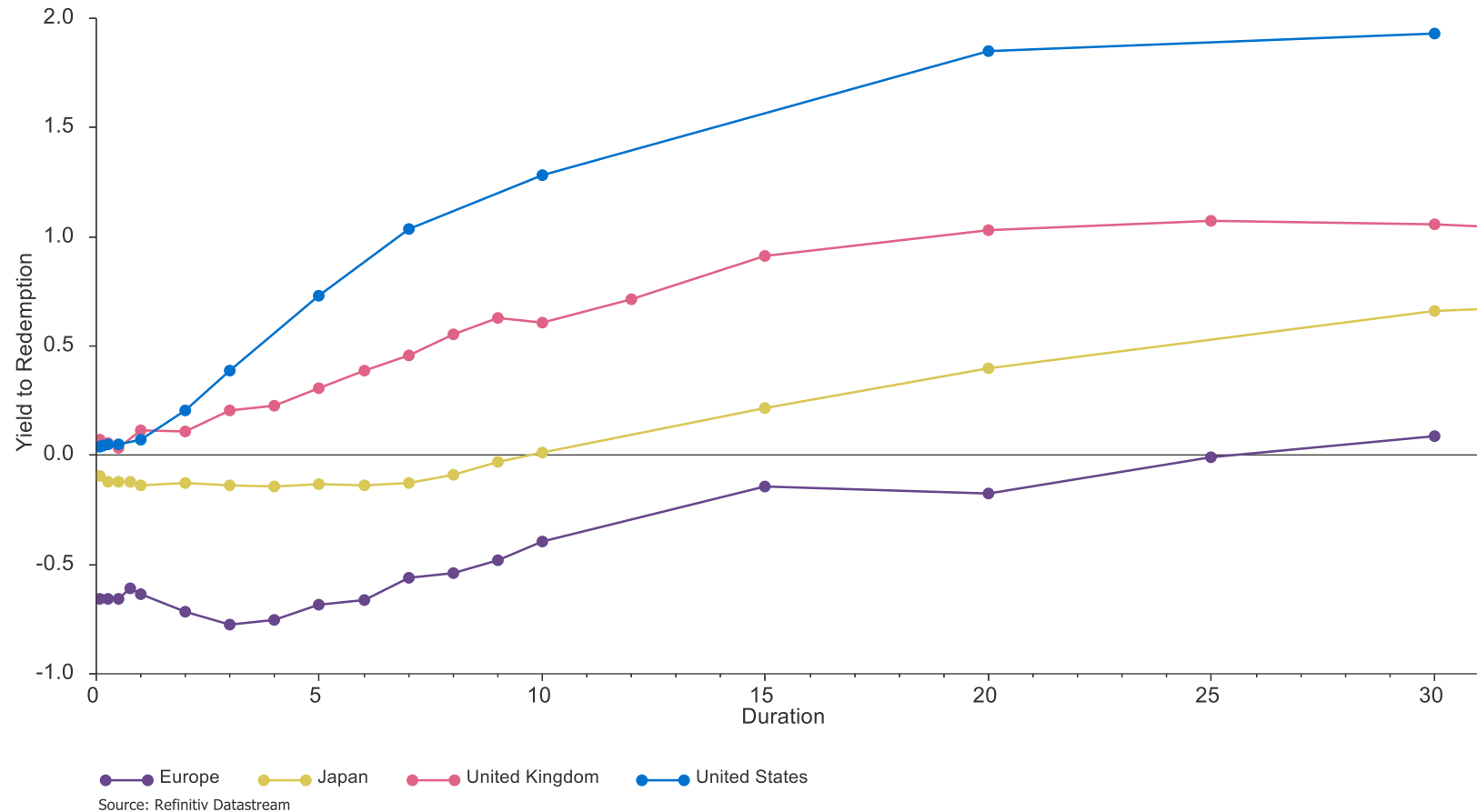
GLOBAL MARKETS YIELD

	3M	6M	1Y	3Y	5Y	10Y	20Y	30Y	50Y
SWITZERLAND	-0.790	-0.790	-0.800	-0.776	-0.666	-0.350	-0.107	-0.102	-0.019
EU	-0.656	-0.655	-0.635	-0.776	-0.683	-0.392	-0.176	0.088	0.402
GERMANY	-0.656	-0.655	-0.635	-0.776	-0.683	-0.392	0.000	0.088	0.000
JAPAN	-0.120	-0.120	-0.135	-0.137	-0.130	0.010	0.400	0.659	0.000
UK	0.053	0.000	0.115	0.203	0.308	0.605	1.030	1.057	0.888
USA	0.051	0.000	0.071	0.388	0.731	1.282	1.851	1.930	0.000
AUSTRALIA	0.060	0.100	0.014	0.239	0.600	1.182	1.877	2.053	0.000
CHINA	3.640	3.550	1.961	2.563	2.740	2.930	3.570	3.525	0.000
INDIA	3.476	3.593	3.948	4.655	5.635	6.119	0.000	7.102	0.000
RUSSIA	6.390	6.720	6.580	6.760	6.890	7.120	7.240	0.000	0.000
SOUTH AFRICA	3.960	4.580	5.060	7.065	7.440	8.940	10.785	10.780	0.000
BRAZIL	4.999	5.780	6.750	7.990	8.165	9.250	0.000	0.000	0.000

Sub 0%	0% - 2%	2% - 5%	5% +

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DEVELOPED MARKETS RELATIVE, LAST YEAR (USD)

Australia (S&P/ASX 200 Index) - 122.62
Hong Kong (HANG SENG Index) - 105.88
Singapore (STRAITS TIMES Index) - 120.38
United States (S&P 500 Index) - 133.81

Europe(EURO STOXX 50 Index) - 121.34
Japan (NIKKEI 225 Index) - 116.64
United Kingdom (FTSE 100 Index) - 119.71
MSCI World (DM Index) - 130.81

Source: Refinitiv Datastream

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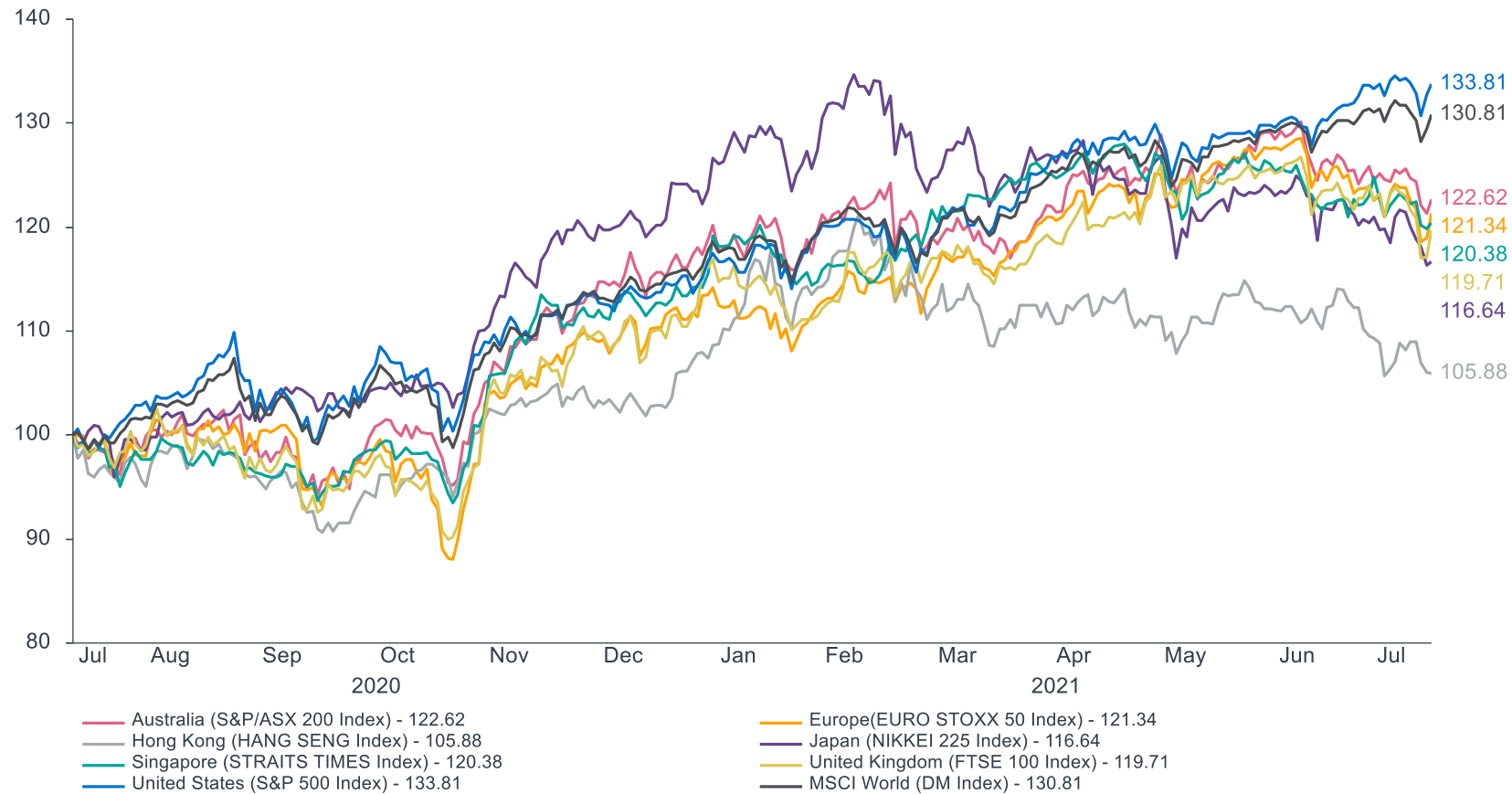
DEVELOPED MARKETS PE'S

PE = Price Earnings

Source: Refinitiv Datastream

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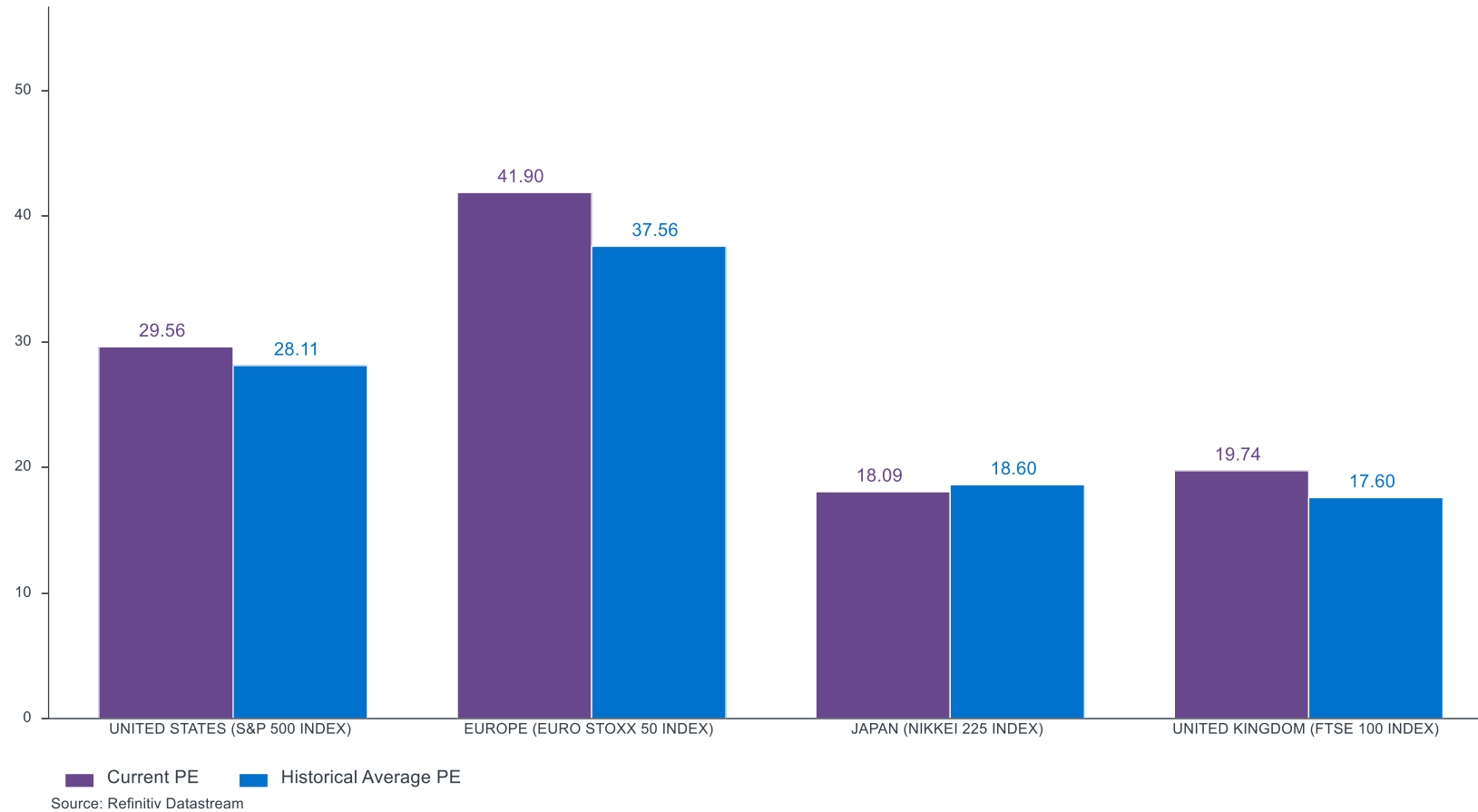
OTHER

OIL PRICE (USD), LAST YEAR

Brent : 72.33
OPEC Basket : 73.15
5Y PA West Texas Intermediate : 9.39
West Texas Intermediate : 70.5
5Y PA Brent : 8.93
5Y PA OPEC Basket : 11.35

Source: Refinitiv Datastream

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GOLD PRICE (USD), LAST YEAR

2,052.5, 8/6/2020

1,802.65

1,681.84, 3/8/2021

11.70

9.52

7.35

6.46

Gold Price   5Y Annualised Change : 6.46

Source: Refinitiv Datastream

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

the data represented here excludes the effect of dividends, fees, inflation and taxation on investor's actual returns.
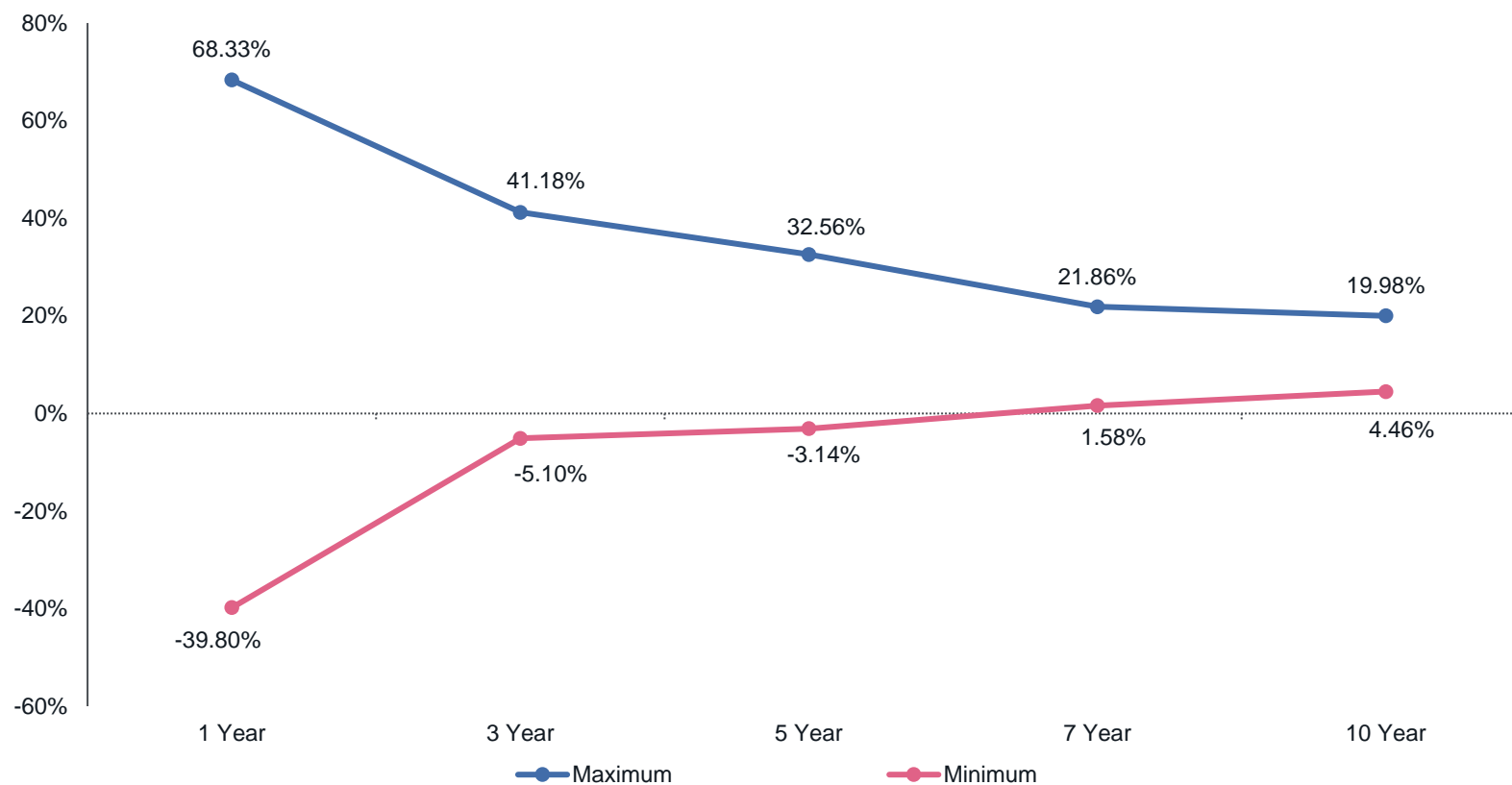
Source : Refinitiv DataStream

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THANK YOU