

From current worldwide headline news and South African headline news there is very little to look forward to. The US Fed is likely to increase interest rates with yet another 0.25% and the SA Reserve Bank should follow, based on inflation not being contained yet. The ANC is calling for André de Ruyter to “come clean” after revealing the ANC’s hand in fraud at Eskom. Meanwhile the collapse of Silicon Valley bank in the US sends a grim message to the financial world. *Photo: Daily Investor*



- After witnessing record gains in wealth, ultra-high net worth individuals (UHNWIs) lost a combined **\$10 trillion** last year. A lagging stock market dented these fortunes against high interest rates, energy shocks, and economic uncertainty. But some of the world’s billionaires have flourished in this environment, posting sky-high revenues despite inflationary pressures. *Source: Forbes Real-Time Billionaires list*
- South African Banks lost R67,4 billion in market value (Avg. -5,6%) after the Silicon Valley Bank in the US was placed under curatorship. The JSE closed 3.6% lower over the same period.
- South Africans are increasingly spending their money on groceries, travel, and eating out post-Covid, according to a study by Discovery Bank and Visa from 2019 to 2022. Consumer spending decreased by over 10% during the pandemic but quickly rebounded, with spending in 2022 being 22% greater than pre-pandemic levels in 2019.
- Dis-Chem’s decision to ban employing and promoting white people was a huge mistake which cost the retailer millions in sales and destroyed billions in shareholder value. The company’s share price declined by around 25% since Saltzman’s no-whites letter, destroying R6.9 billion in shareholder value.
- A combination of reduced output from load-shedding, inefficiencies in rail transport, and delays at South African ports have caused miners to lose out on export opportunities and elevated commodity prices. Mining output declined 3.4% in the last quarter of 2022, further reducing the sector’s contribution to the national GDP. Even more concerning is the broad nature of the decline in output, with eight of the twelve mineral groups experiencing declines. Diamonds were hit the hardest, with a decline in output of 32.4%.
- Load-shedding universally impacts business in South Africa, and miners are not excluded. However, they are uniquely exposed to Transnet’s failing rail infrastructure and port delays. The Minerals Council of South Africa estimated that the mining sector could have earned R150 billion more in exports in 2022 than it did because of Transnet inefficiencies. These additional exports would have added nearly R27 billion to the national fiscus.
- South Africa’s central bank chief cautioned the government against relying on windfall taxes from high commodity prices to help service state debt and fund other short-term commitments.
The tax take in Africa’s most industrialised economy is on course to exceed estimates for a third consecutive year,

with the National Treasury allocating 55% of the overrun toward reducing the budget deficit and borrowing requirements through the fiscal year ending March 2024.








“The cyclical nature of commodity revenues makes them an inappropriate source of continuous funding to meet short-term obligations,” Lesetja Kganyago said during a panel discussion on Thursday.

“Every time there is a commodity boom, it doesn’t take us long to start a conversation whereby we pretend that we are richer than we actually are.”

South Africa is the world’s biggest producer of platinum and manganese and a major exporter of gold.

- Over two-thirds of Southern African CEOs expect to face disruptions from social unrest in the next 12 months. This was revealed in PwC’s 26th Global CEO Survey and Africa Business Agenda Report for 2023, which focuses on environmental and social factors affecting business on the continent.
- Unit 4 of Eskom’s Medupi power station suffered a devastating explosion on 8 August 2021 and repairs were expected to take just over two years. However, Eskom now estimates that the unit will return to service on 31 August 2024.
Medupi began operating in 2015, seven years after construction began, with unit 4 coming online in 2017. When fully operational, Medupi will be the fourth largest coal power station in the world with each of its six units producing 720MW.
If fully operational, Medupi would mitigate four stages of load-shedding.
- South Africa’s government has offered public servants a 7% pay increase for the next financial year, more than was provided for in the February budget, complicating its efforts to rein in debt.
- While the budget didn’t pre-empt the outcome of the ongoing pay talks, any settlement that hasn’t been provided for “will require very significant trade-offs in government spending because the wage bill is a significant cost driver,” the Treasury said in an emailed response to questions on Thursday.

Information sourced from Daily Investor. Visit www.dailyinvestor.com for up to date financial and investment news. (South African finance and investing publication Daily Investor has shown exceptional growth and is set to reach 1 million readers in March.)

Market Indicators and Returns as of 16 March 2023					
Equity Index		Spot Price	Month to date Return	YTD	Last 12 Months
JSE (All Share)		72905.50	-6.2%	-0.2%	-0.8%
SP 500		3,960.28	-0.2%	3.1%	-9.1%
FTSE		8,000.60	-5.8%	-0.5%	1.6%
DAX		14,898.90	-3.1%	6.1%	3.1%
CAC 40		7,002.35	-3.8%	6.4%	5.8%
Nikkei		27,010.61	-1.6%	3.5%	4.8%
Shanghai		3,226.89	-1.6%	4.5%	1.8%
MSCI Emerging		941.35	-2.4%	-1.5%	-12.9%
MSCI Developed		2,677.99	-1.3%	2.7%	-8.8%
Commodity		Spot Price	Monthly Movement	YTD	Last 12 Months
Gold \$		\$ 1,919.79	5.1%	5.3%	-0.3%
Brent \$		\$ 74.69	-10.1%	-13.1%	-23.8%
Indicators		Spot Price	Monthly Movement	YTD	Last 12 Months
ZAR/USD		\$18.41	0.3%	8.4%	23.3%
ZAR/GBP		R 22.25	0.8%	8.8%	13.3%
ZAR/EUR		R 19.50	0.5%	7.6%	18.4%
CPI		6.9%	January 2023		
Prime Rate		10.75%	Repo Rate	7.25%	

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