








Uber faces severe challenges in South Africa, including cars in a dilapidated state, bad drivers, frequent cancelled trips, driver strikes, and passengers being attacked and robbed. When Uber was launched in Johannesburg, Pretoria, and Cape Town in 2013, it was an exceptional service. The cars were top-notch, the drivers were professional and well-trained, and Uber offered extraordinary service levels. Fast forward ten years, and Uber in South Africa is a shadow of its early days.

Source: Daily Investor . Photo: Daily Investor



- A group of South African opposition parties that aims to end the ruling African National Congress' three-decade hold on power agreed Thursday to form a coalition government should they collectively win a majority in next year's Parliamentary elections. The seven signatory parties to the so-called Multi-Party Charter for South Africa also agreed that they wouldn't enter into any "working arrangement or co-governing agreements" with the ANC or the populist Economic Freedom Fighters at the national or provincial government level following the elections. "Our mission is to unseat the ANC, keep out the EFF, and usher in a multiparty government following the 2024 national and provincial elections," the group, which includes the official opposition Democratic Alliance, said in a joint statement following two days of talks.
- Standard Bank saw a significant increase in its earnings for the first half of this year due to higher interest rates and other market tailwinds. The largest bank in Africa released its results for the six months ended 30 June 2023 today, which revealed strong results. The bank recorded headline earnings of R21.2 billion, up 35% relative to the six months to 30 June 2022 and delivered a return on equity of 18.9% (H1 2022: 15.7%). "This performance is underpinned by robust earnings growth across our three banking businesses and improved earnings and returns in our insurance and asset management businesses," the company said.
- Though still on track for second-quarter growth, the latest BankservAfrica data reveals a muted start for the next quarter. After a stronger performance in June, the monthly BankservAfrica Economic Transactions Index (BETI) slipped somewhat in July, mirroring the less-than-positive economic indicators that emerged during the month. The S&P Global South Africa PMI reached its lowest level in two years, suggesting the private sector remains stuck in a downturn. Domestic vehicle sales, which were fairly resilient in 2023, were muted in July, with new sales only up by 1.3% compared to a year earlier.
- South Africa's central bank remains concerned by the risks to the inflation outlook and may resume hiking interest rates if they materialize, said Deputy Governor Fundi Tshazibana. The central bank's monetary policy committee last month paused its longest phase of monetary tightening since 2006, leaving its policy benchmark at 8.25% after raising rates in its 10 prior meetings to bring cumulative increases to 475 basis points since November 2021.
- A key measure of US consumer prices rose only modestly for a second month, bolstering hopes that the Federal Reserve can tame inflation without sparking a recession. The core consumer price index, which excludes often-volatile food and energy costs, rose 0.2% for a second month, Bureau of Labor Statistics data showed Thursday. That marked the smallest back-to-back gains in more than two years. Economists view the core measure as a better indicator of underlying inflation than the overall CPI, which also increased 0.2% in July and 3.2% from a year ago. The pickup in the annual measure reflected a less favourable comparison with the index a year ago. While still elevated, underlying inflation has slowed nearly every month since peaking at 6.6% in September.
- The US was stripped of its top-tier sovereign credit grade by Fitch Ratings, which criticized the country's ballooning fiscal deficits and an "erosion of governance" that's led to repeated debt limit clashes over the past two decades. The credit grader cut the US one level from AAA to AA+, echoing a move made more than a decade ago by S&P Global Ratings. Tax cuts and new spending initiatives coupled with multiple economic shocks have swelled budget deficits, Fitch said, while medium-term challenges related to rising entitlement costs remain largely unaddressed. "The rating downgrade of the United States reflects the expected fiscal deterioration over the next three years, a high and growing general government debt burden, and the erosion of governance relative to 'AA' and 'AAA'-rated peers over the last two decades," Fitch said in a statement.
- South Africans pay significantly less for food than their counterparts in the United States and the United Kingdom. However, it changes significantly for other products. This was revealed in a shopping basket comparison by Daily Investor, which compared the prices of a handful of products in the three countries. We created the goods basket to match each other as closely as possible. We used the same quantity of food products and standardised products to ensure a like-for-like comparison.
- **Grocery foods and takeaway** - The food basket included dairy products, bread, and different proteins. The rand has significantly higher purchasing power than either the US dollar or the British pound. South Africa's more affordable food pricing could also be seen in the lower price of the Big Mac compared to the two foreign countries. The same basket of food costs R329 in South Africa, R744 in the US, and R708 in the UK.
- **Technology** - Technology products like the iPhone 14 and the Samsung Galaxy S23 are much more expensive in South Africa than in the United States. An iPhone 14 costs R20,999 in South Africa but only R15,589 in the United States. This shows that the South African rand has relatively low purchasing power when it comes to technology.
- **Fuel and Electricity** - Petrol and diesel are more expensive in South Africa than in the United States but less expensive than in the United Kingdom. However, electricity is less expensive in South Africa than in the United States and the United Kingdom.
- **Clothing** - Well-known brand-name clothing is similarly priced in South Africa and the United States but more expensive in the United Kingdom.

Source: Daily Investor. www.dailyinvestor.com

Market Indicators and Returns as of 18 Aug 2023					
Equity Index		Spot Price	Month to date Return	YTD	Last 12 Months
JSE (All Share)		74,375	-5.8%	1.8%	4.8%
SP 500		4,370.36	-4.8%	13.8%	2.3%
FTSE		7,305.83	-5.2%	-2.0%	-2.8%
DAX		15,687.99	-4.8%	11.7%	15.0%
CAC 40		7,193.34	-4.3%	9.3%	10.2%
Nikkei		31,626.00	-4.7%	21.2%	8.2%
Shanghai		3,163.74	-4.7%	2.4%	-3.9%
MSCI Emerging		973.86	-7.0%	1.9%	-4.1%
MSCI Developed		2901.84	-5.3%	11.3%	2.9%
Commodity		Spot Price	Monthly Movement	YTD	Last 12 Months
Gold \$		\$ 1,990.25	-3.8%	4.0%	1.5%
Brent \$		\$ 83.77	-1.8%	-2.5%	-9.9%
Indicators		Spot Price	Monthly Movement	YTD	Last 12 Months
ZAR/USD		\$19.06	6.8%	12.3%	14.5%
ZAR/GBP		R 24.28	6.1%	18.8%	20.9%
ZAR/EUR		R 20.73	5.8%	14.4%	22.3%
CPI		5.4%	July 2023		
Prime Rate		11.75%	Repo Rate	8.25%	

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FTSE/JSE All Share

J203

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▼ 30.15% 5Y

