

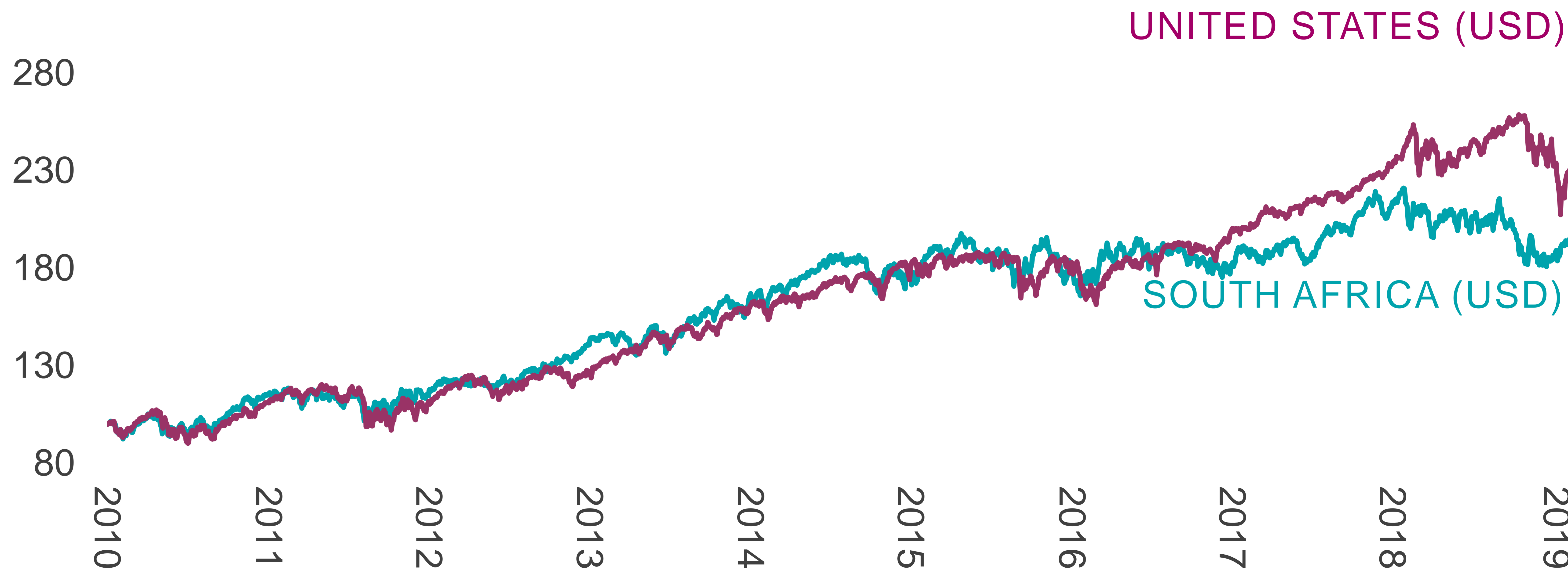
IS SOUTH AFRICA WORTH THE RISK?

Kevin Lings



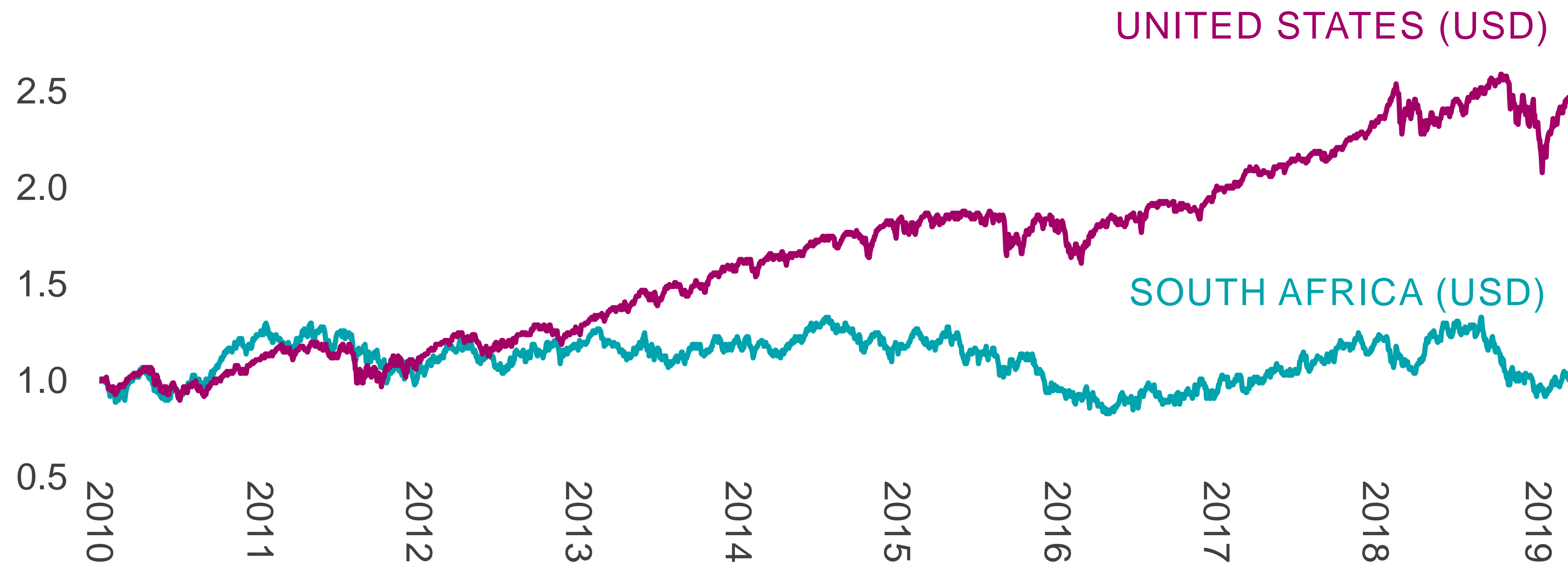
Equity market
performance:
US vs South Africa

INDEX, BEGINNING JAN 2010 = 100)

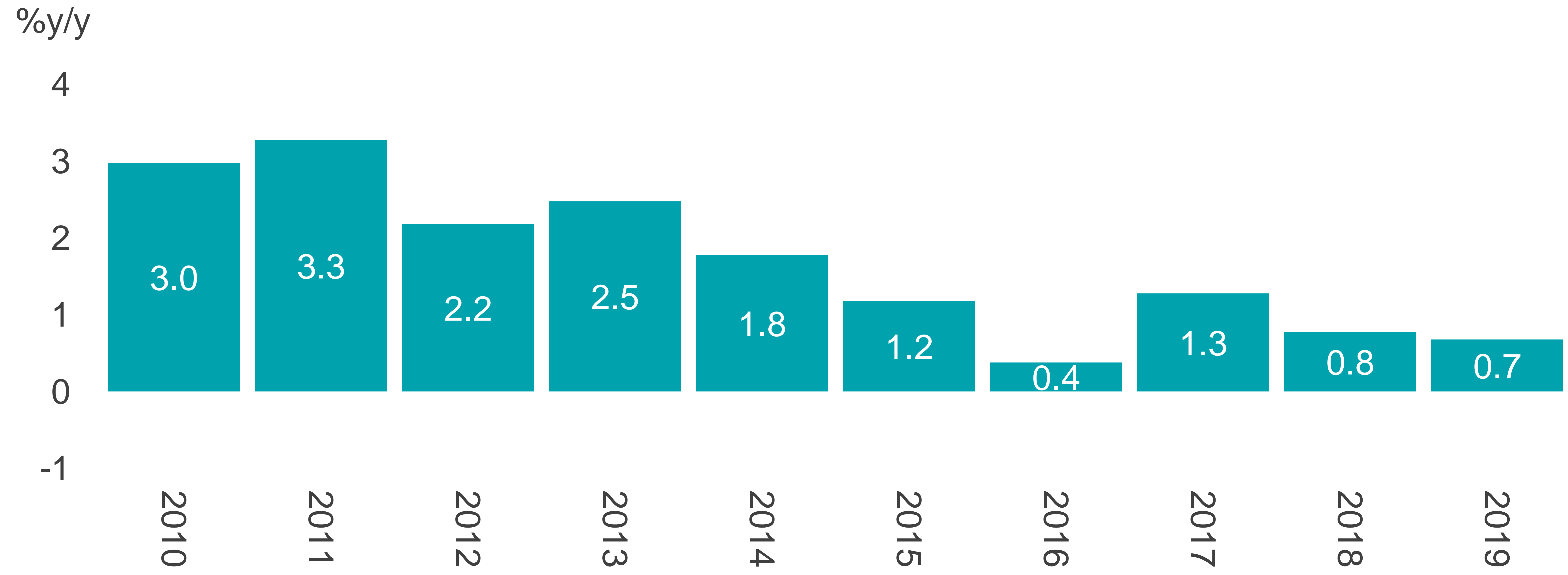


Equity market
performance:
US vs South Africa

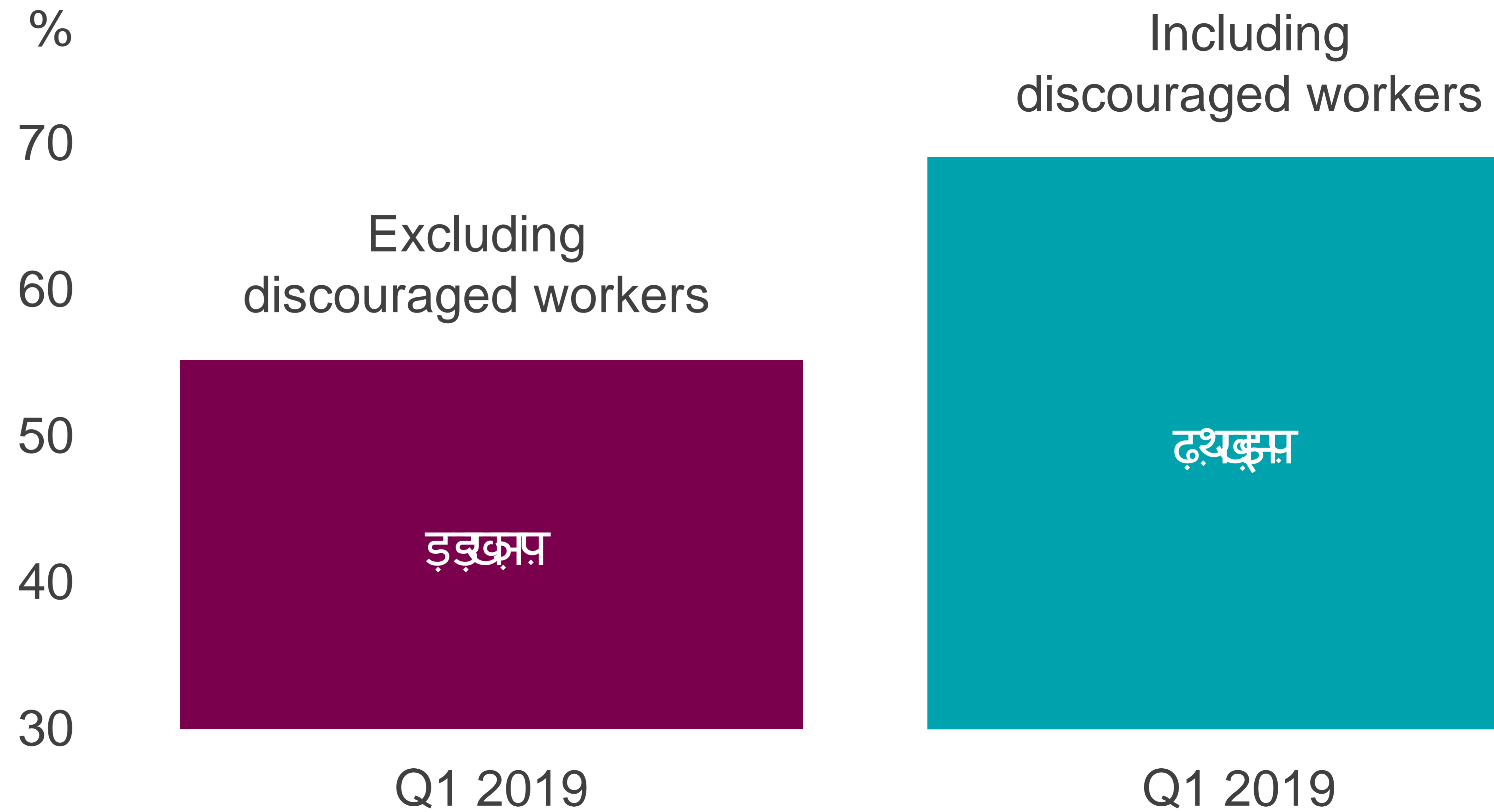
MILLION, DOLLARS



SA GDP annual growth rate



South Africa youth unemployment rate

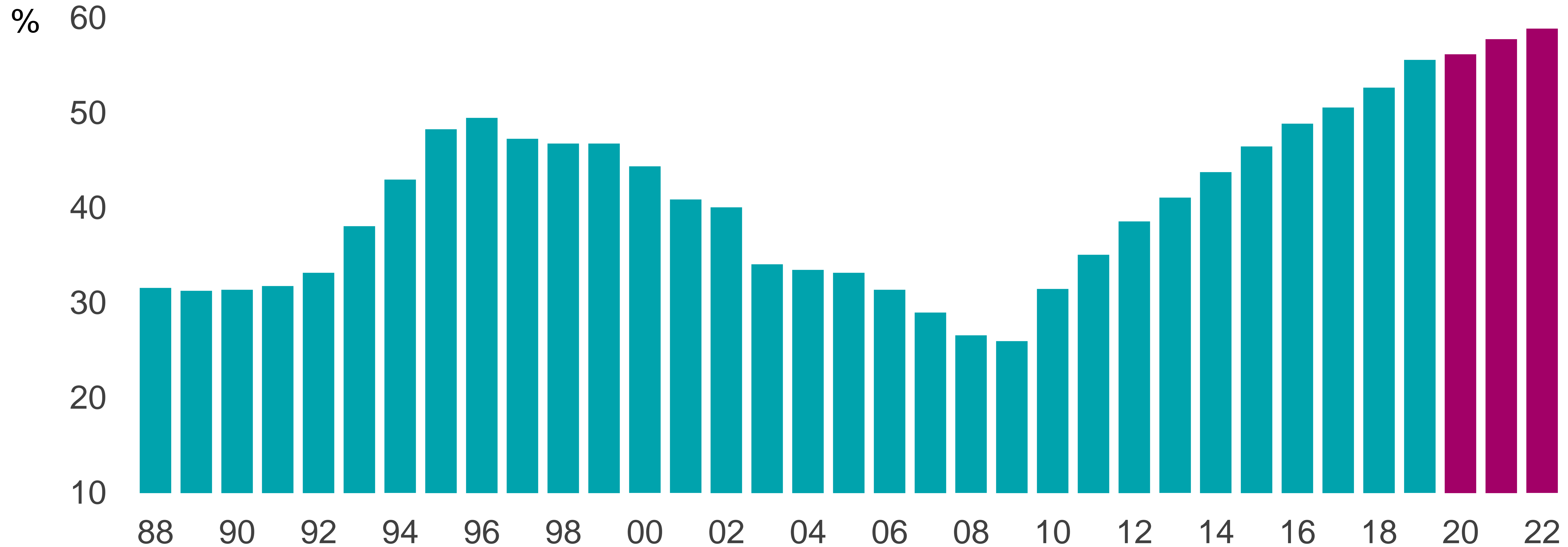


South Africa youth unemployment by education

%, Q1 2019

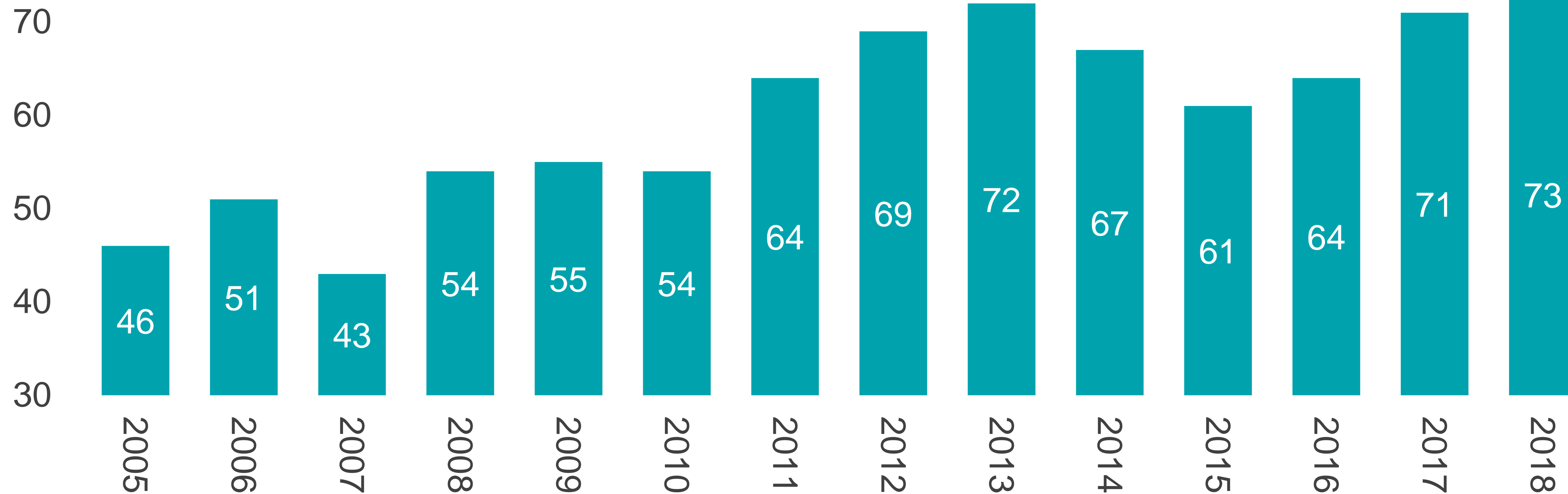


SA government
gross loan debt as
% of GDP

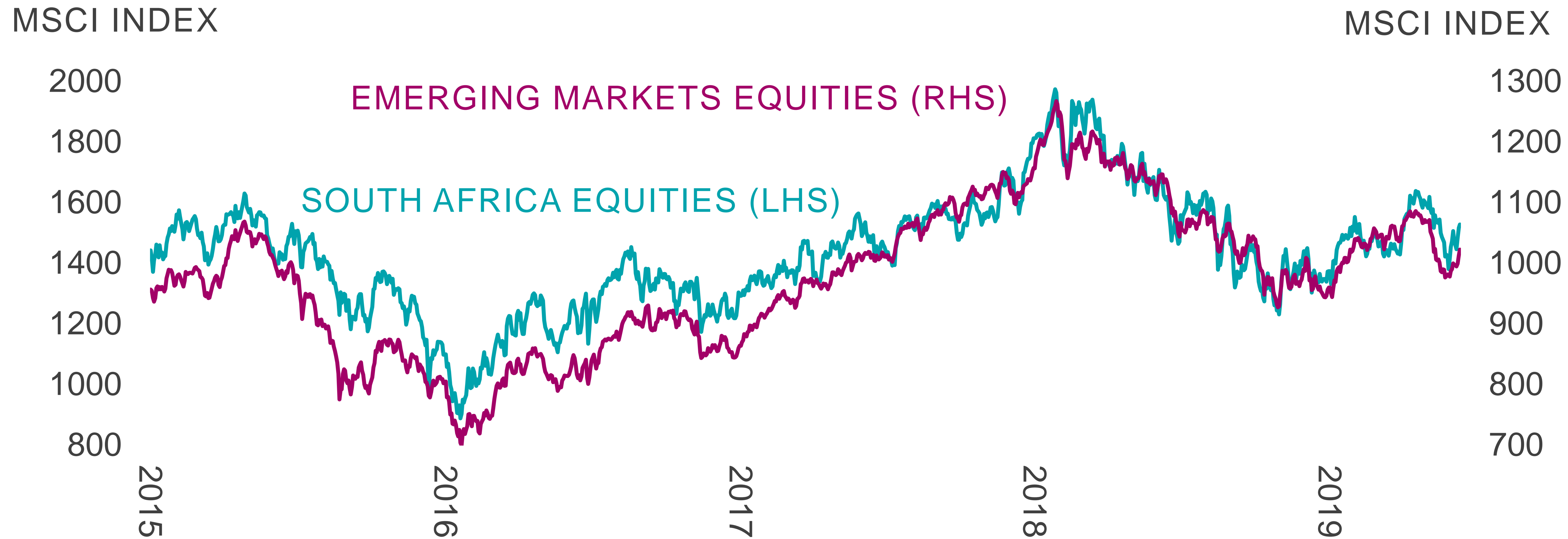


WORLD RANKING

World corruption perception index: South Africa



South Africa vs emerging equity markets



Growth in many
emerging economies
has slowed

	2000 TO 2008 AVE GDP GROWTH	2010 TO 2018 AVE GDP GROWTH
Ukraine	6.5	0.2
Russia	7.0	2.0
Nigeria	8.3	4.0
Jordan	6.3	2.4
Croatia	4.3	0.8
Romania	6.2	3.0
Brazil	3.8	1.4
South Africa	4.2	1.9
Czech Republic	4.2	2.3
Argentina	3.5	1.8
South Korea	5.1	3.4
Egypt	5.0	3.7
Chile	4.8	3.6
Morocco	4.8	3.6
Pakistan	5.2	4.1
Taiwan	4.4	3.4
Hungary	3.4	2.4

Foreign portfolio flows into emerging markets

\$ BILLION

2000

1500

1000

500

0

2010

2011

2012

2013

2014

2015

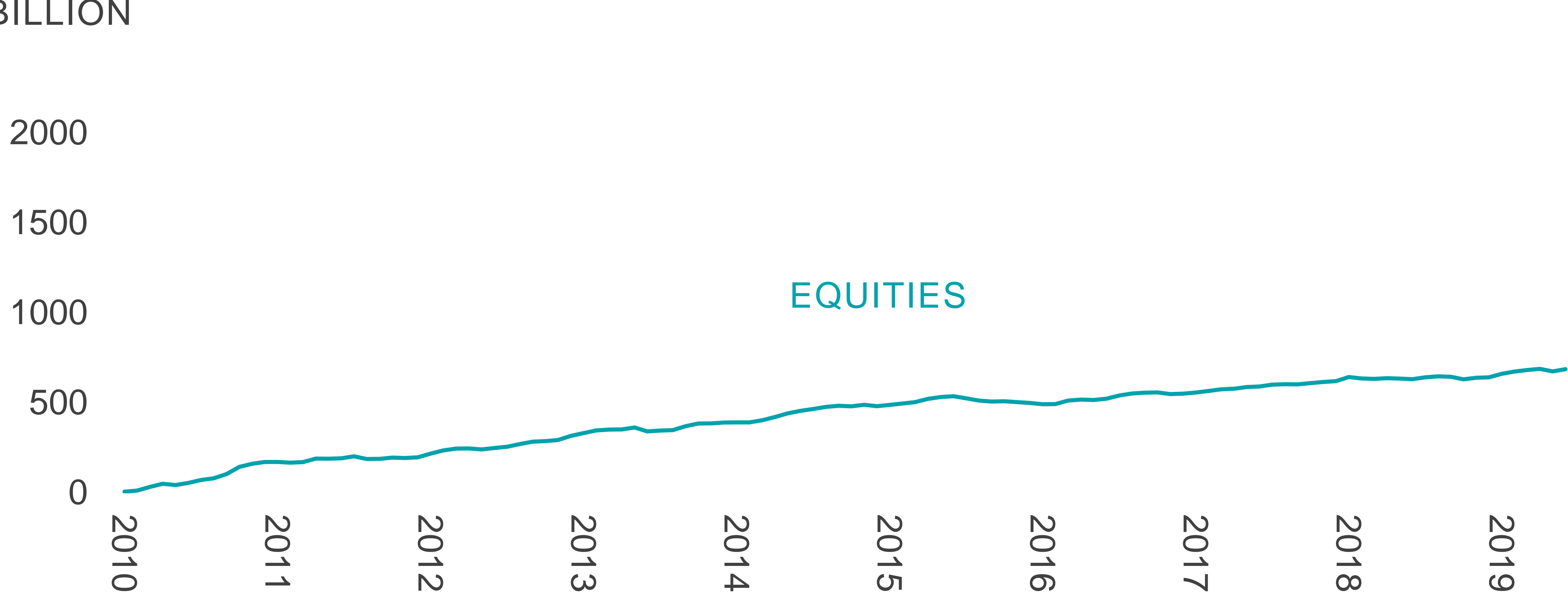
2016

2017

2018

2019

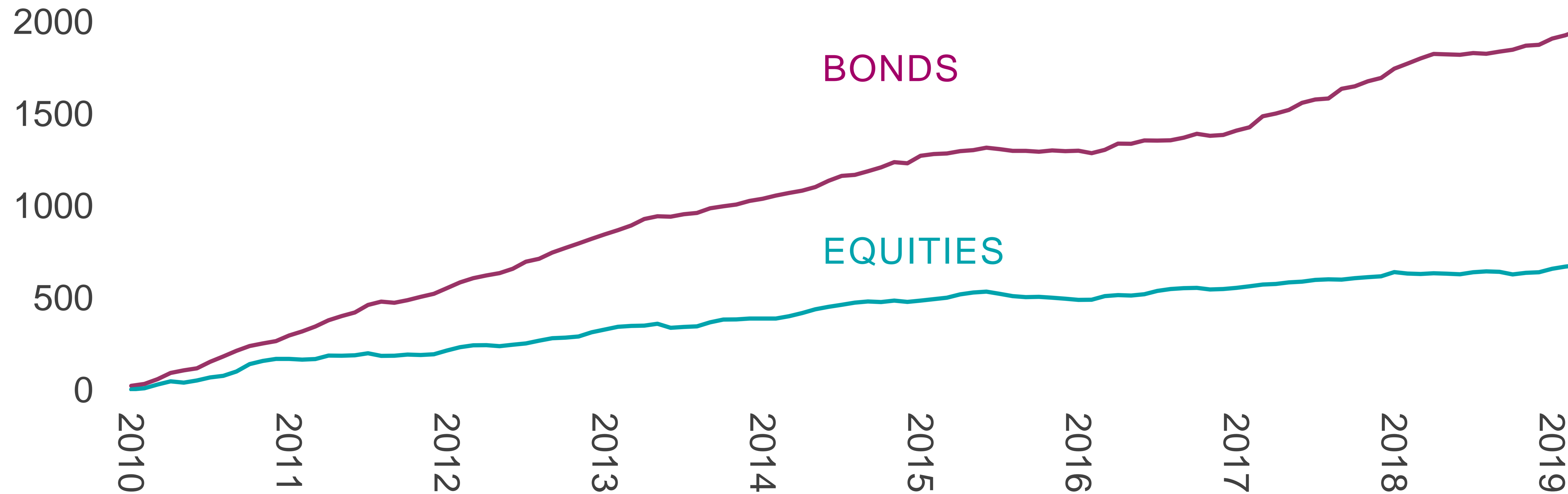
EQUITIES



Foreign portfolio flows into emerging markets

\$ BILLION

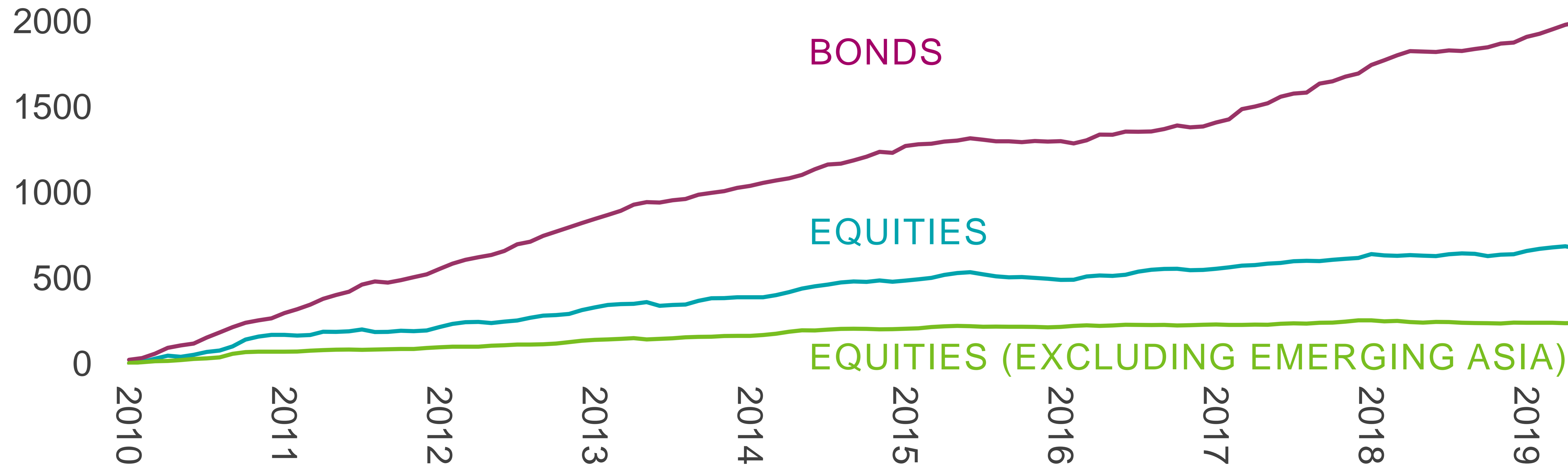
FOREIGN INVESTORS HAVE FAVOURED EMERGING MARKET GOVERNMENT BONDS



Foreign portfolio flows into emerging markets

\$ BILLION

FOREIGN INVESTORS HAVE FAVOURED EMERGING MARKET GOVERNMENT BONDS



Germany: 10-year bond yield

% YIELD

2.0

1.5

1.0

0.5

0.0

-0.5

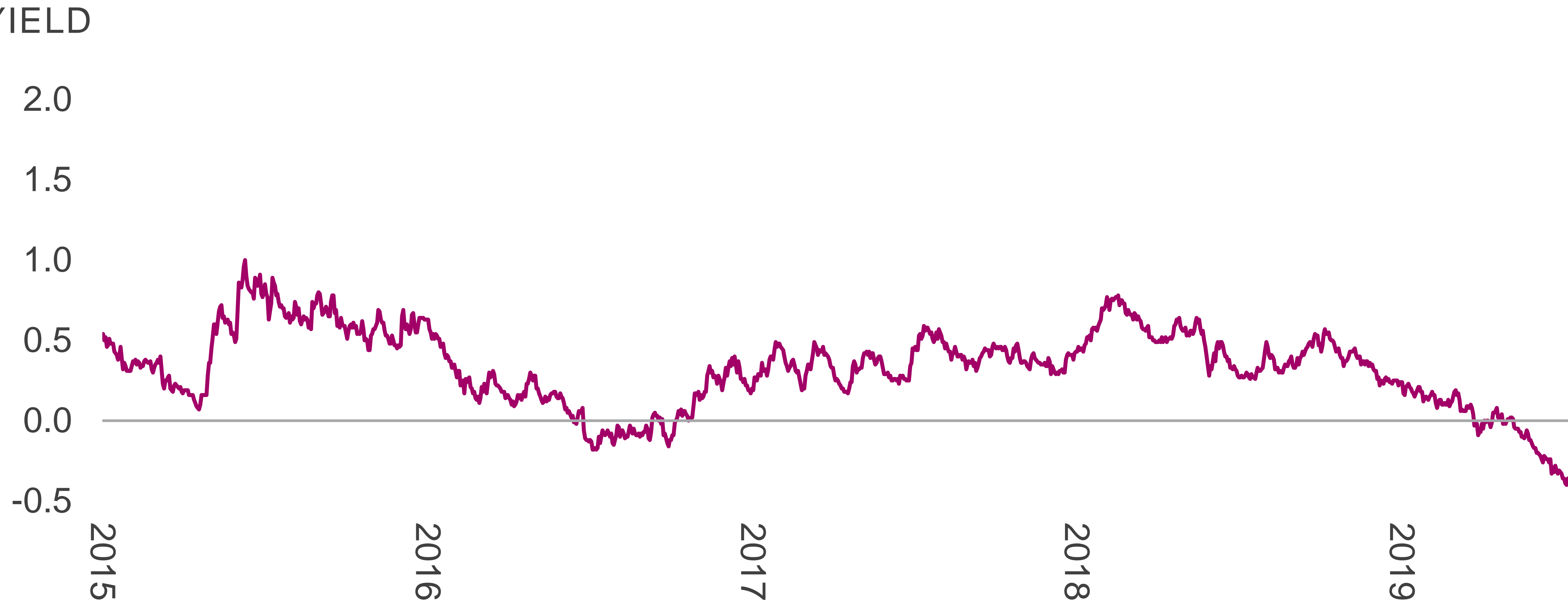
2015

2016

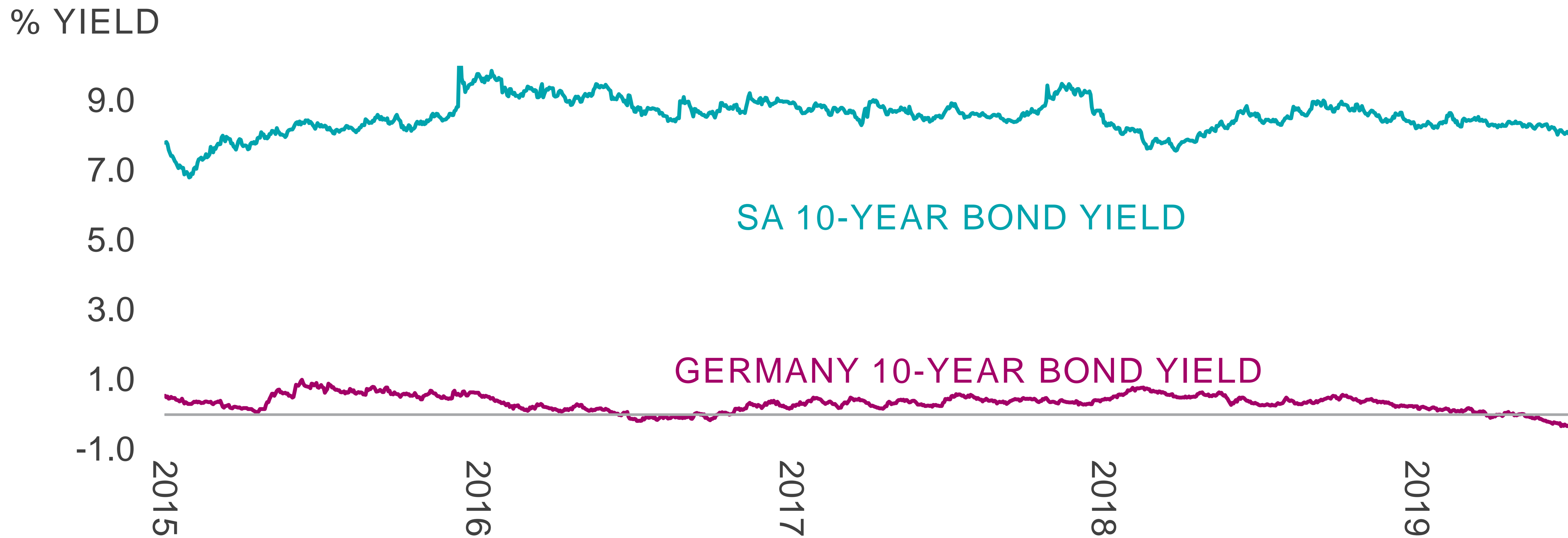
2017

2018

2019

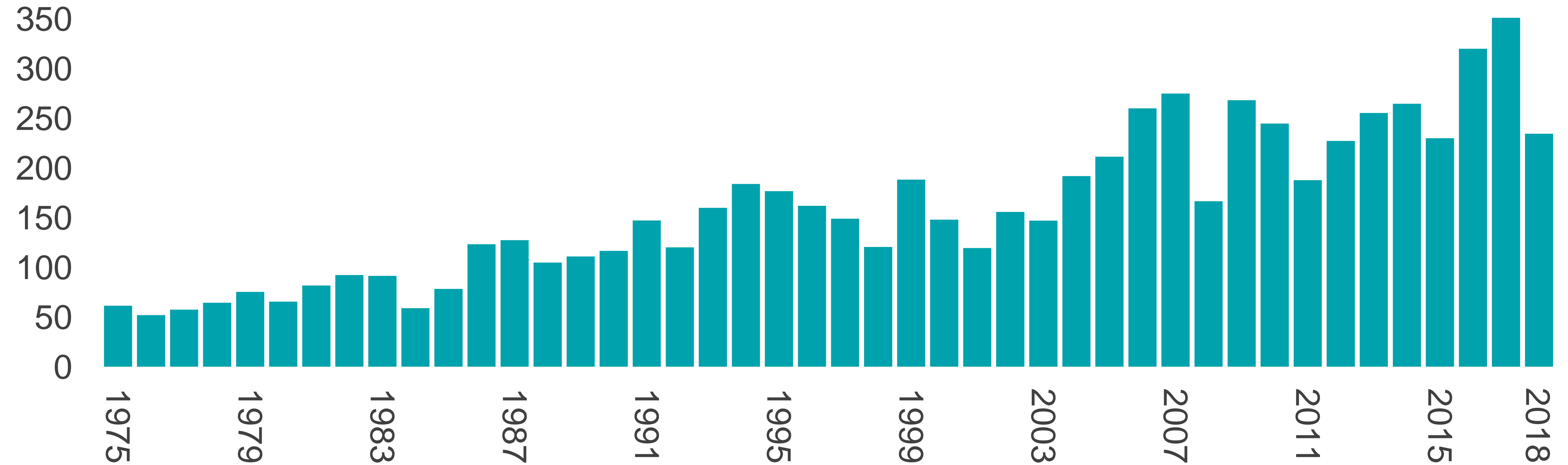


Germany vs South Africa: 10-year bond yield

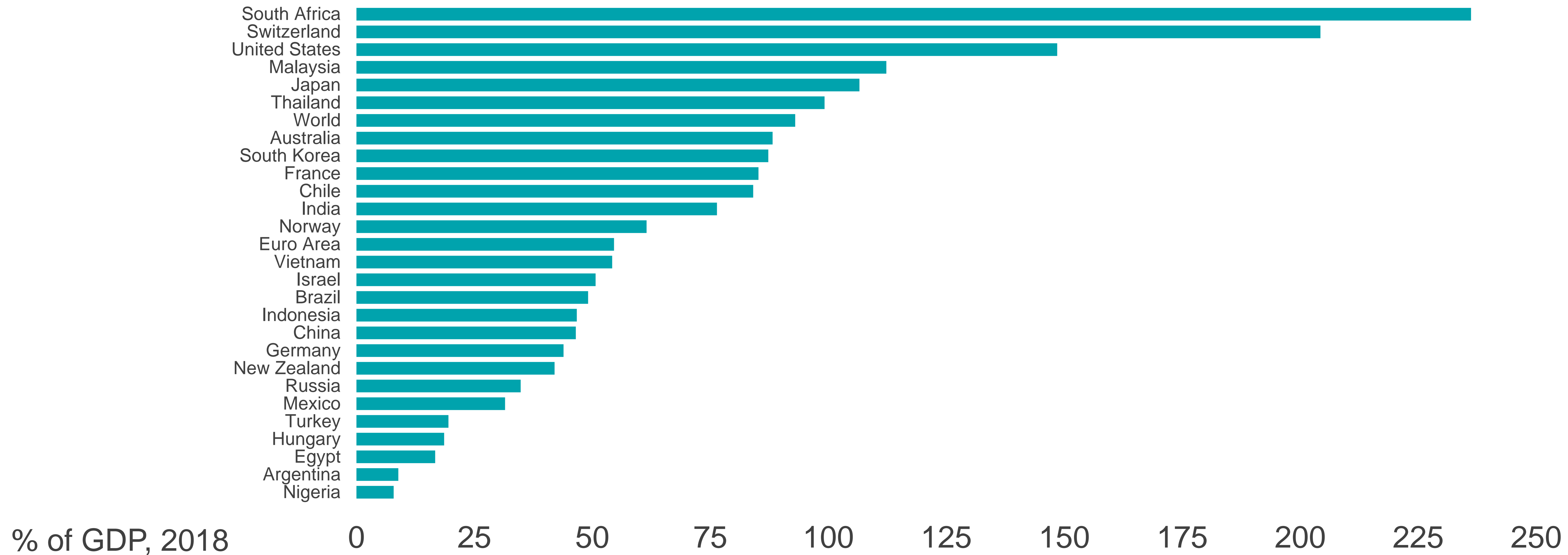


% OF GDP , ANNUAL
DATA, WORLD BANK

SA equity market capitalisation as % of GDP

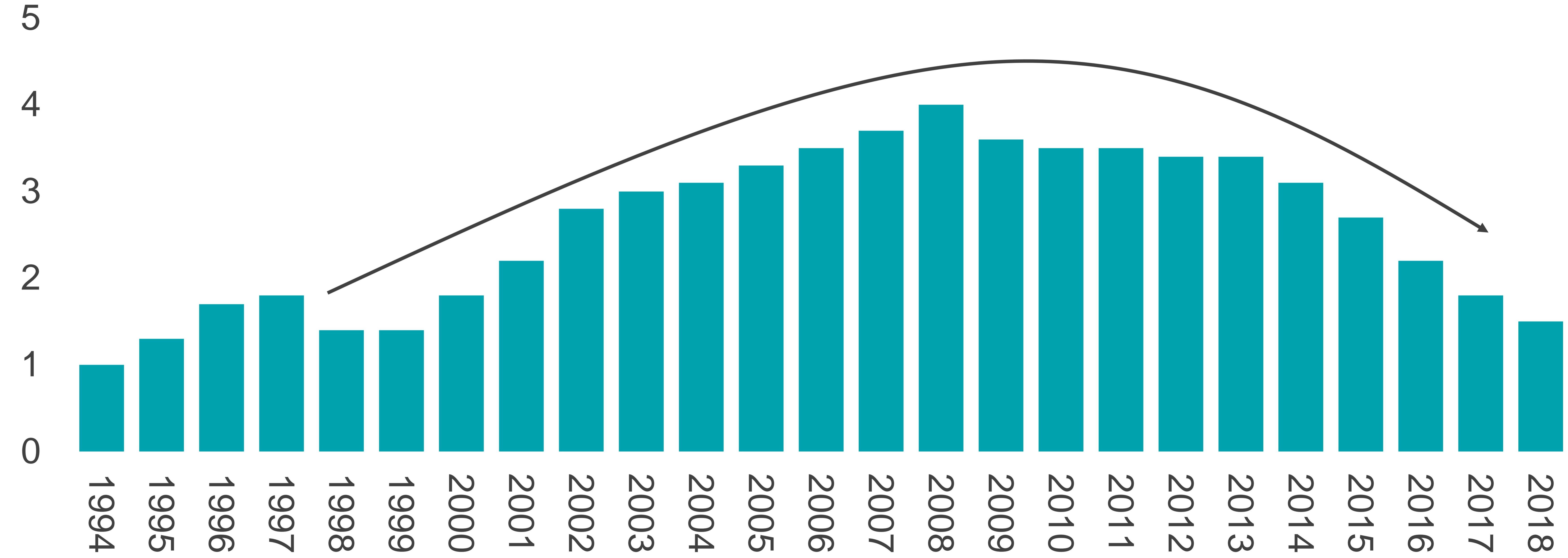


Equity market capitalisation of GDP



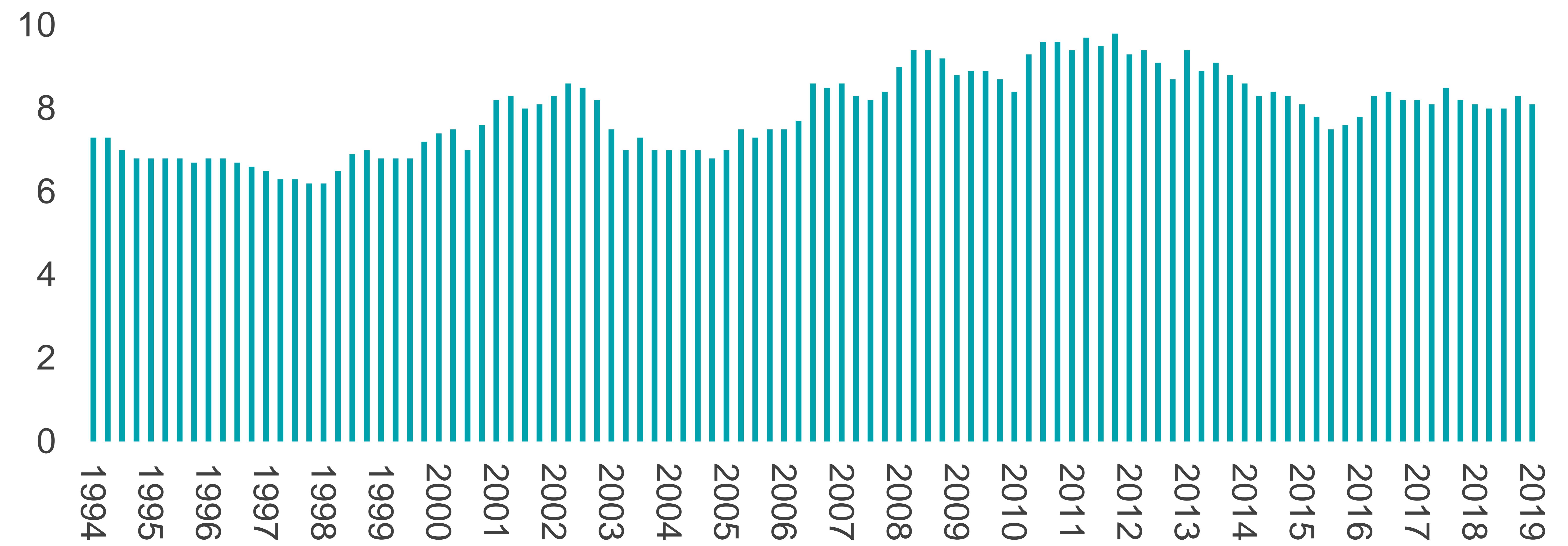
%Y/Y, TEN-YEAR AVERAGE

South Africa real
GDP growth
(10-year average)



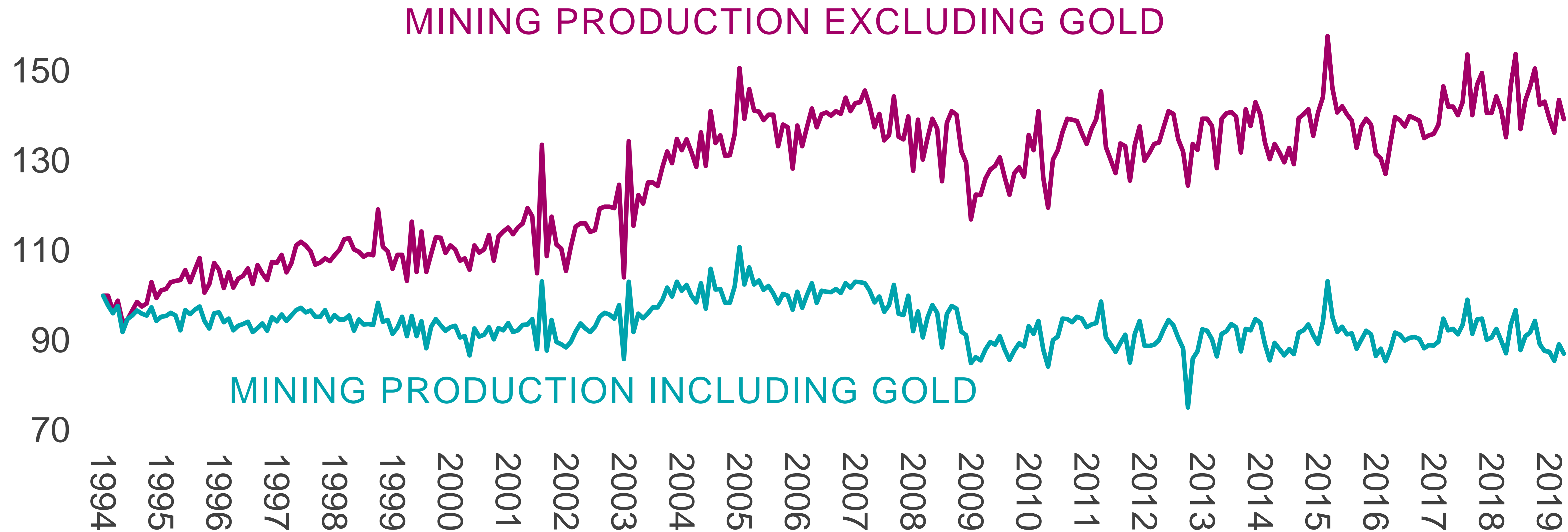
% OF GDP, BASIC PRICES

SA mining
as percent of GDP



INDEX, SEASONALLY ADJUSTED

SA mining including
vs excluding gold
production

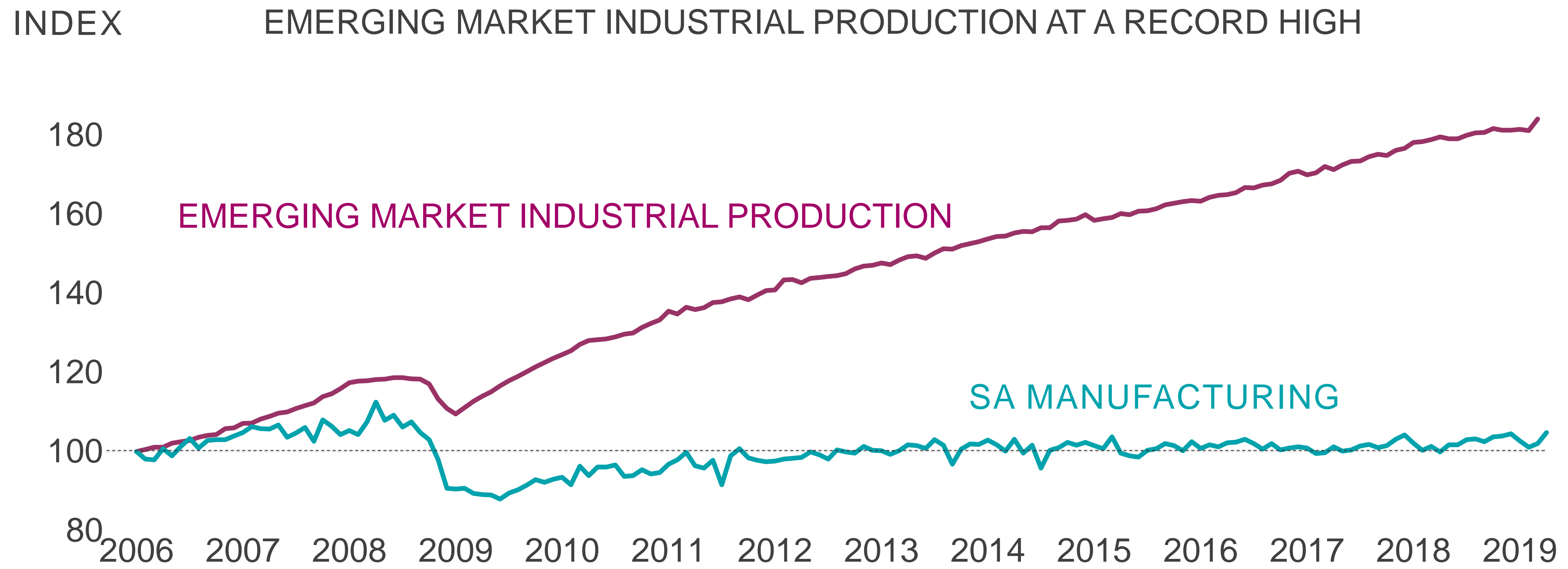


% OF GDP, BASIC PRICES

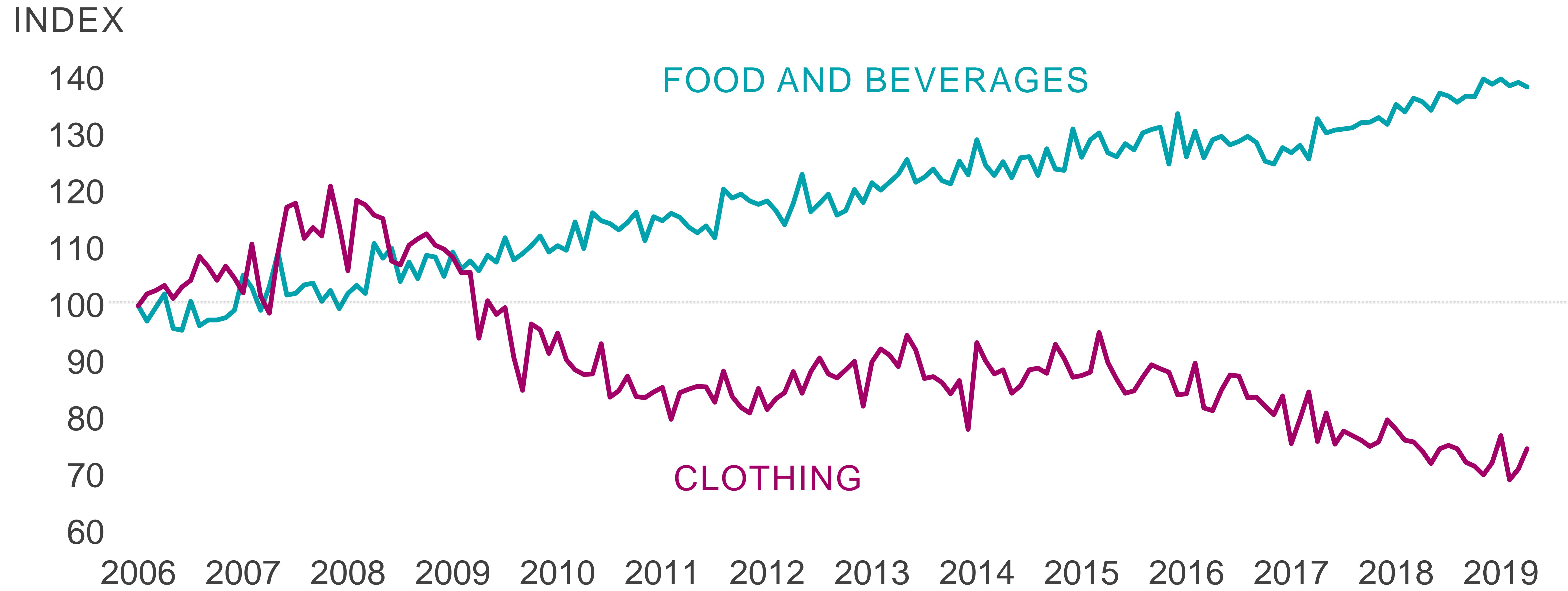
SA manufacturing
as percent of GDP



South Africa vs emerging market manufacturing



SA manufacturing: food vs clothing



Breakdown of the world economy – estimated in 2018

