



The A to Z of SA in 2021



Jeremy Gardiner

Ace - on trial

Finally. Important that he steps down; his position is his power. It's apparently up to him to go voluntarily. Not sure that will happen – he might need a push.

China

Positive growth for 2020, 8.4% expected in 2021. World's leading destination for foreign direct investment in 2020 and on track to become the world's leading economy by 2028. Will drive global growth in 2021. Ignore at your peril.

Emerging markets

US elections and Brexit are done; stimulus is coming (lots of it); and the COVID-19 impact is set to improve as vaccines take effect. In addition, a strong China, global recovery and weaker US dollar mean risk is on, which is good for emerging markets (and good for SA).

Great Britain

Fifth highest death toll globally. Worst G7 nation economically. A long, cold, dark lockdown winter. Fortunately, vaccinations are going well. Hopefully, we will see a strong economic recovery starting in the summer.

Bitcoin

Broke through \$50 000. Double what it was at Christmas. Tesla recently invested \$1.5bn. If you understand how to value it, great. If you don't, proceed with caution.

Debt

Rose substantially across the globe during 2020. SA particularly at risk. Good news is SA's 2020 revenue collections are better than feared, possibly by R100bn. Will hopefully reduce the need for tax increases.

FAANGS*

2020 was another bumper year. Just remember, no financial asset goes up, or down, forever. Not even the dollar, or the rand. Tread carefully.

*Facebook, Amazon, Apple, Netflix and Alphabet (Google)

Hospitals

Coped during our peak, just. No thanks to our health system, but all credit goes to our health and frontline workers.

Interest rates

A significant portion of the global bond market is offering negative yields. Relatively speaking, our yields are very juicy, and therefore attractive, which means despite ourselves, we should still see inflows.

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JSE

The SA equity market rebounded by 67% from its low in March to end the year in positive territory at 7%. It still trades at a significant discount to other emerging markets, which should mean more strength this year.

Improvement in Eskom, combined with renewables (wind/sun) and corporates producing their own should lighten the load going forward.

Markets

Strong and want to go stronger. Looking six months ahead to a vaccinated developed world and resurgent economies awash with liquidity. Happy days, assuming the variants don't spoil the party.

President Joe Biden

Calmer, better for the planet, higher taxes, increased social welfare. Firmer on Russia, firm but fair on China, friendlier to the allies. Boring possibly, but after the past year, boring will be bliss.

Sustainability

Finally the world gets it. Momentum is building, unstoppable. Not a moment too soon. We can't carry on like we were. Biden will make a difference.

Kamala Harris

First female vice president in US history. Finally. Possibly the first female US president as well.

Ninety One

The first anniversary of our new name, and also the thirtieth anniversary of our birth.

Quarantine

Anyone entering the UK now has to spend ten days in a government-sanctioned hotel, at their own cost of £1750 (R35 000). Not great for tourism.

Trials

Corruption arrests finally happened. And there'll be more, high profile ones. The big question now is whether the NPA has rebuilt itself enough to successfully prosecute. 2021 will tell. Let's hope so, as it is very important for our healing.

Load-shedding

Maintenance ignored during Zuma years. Also not done during lockdown, as parts were needed from countries in lockdown. The good news is that a massive maintenance drive is currently underway. The bad news – more load-shedding. On the upside, according to Eskom's André de Ruyter, things should look slightly better from May, and noticeably better from September. Improvement in Eskom, combined with renewables (wind/sun) and corporates producing their own should lighten the load going forward.

Olympics

The 2020 Olympics in Japan postponed to 2021 because of COVID-19 – possibly with no spectators. The rough cost is estimated to be £11bn. One third of Japanese no longer want to host it. Devastating.

Rand

2020 rollercoaster. In January one dollar was worth R14.36. By April, it was R19.20 and in December it was back at R14.53. High interest rates, stimulus, commodity strength, record agricultural exports and the global recovery should see a calmer, possibly firmer rand.

US

Worst COVID numbers in the world and the COVID fire still burning strongly. Trump is gone, but he might be back in some form in 2024. However, numerous legal hurdles may eliminate that possibility.

Vaccine

Amazing what the scientific world can achieve in record time when they collaborate. Normality for some this year. For the rest of us, next year. The variants might mean we can't eliminate the virus completely, but if the vaccines can just protect against hospitalisation and death, the coronavirus can be relegated to common flu status, and we can live with that.

Young population

Only 9% of South Africans are over the age of 60, versus 20-40% in the UK, Europe and the US. Fortuitously, BCG vaccinations and a warmer climate all contributed to our reduced COVID cases and deaths. For once, the ball bounced favourably for us.

Wage bill

Public sector – roughly 60% of our budgeted tax money is paying the salaries of 1.3m people (2% of our population). Can't keep giving inflation-beating increases. Government has pushed back successfully so far, proposing zero percent increases going forward. Future negotiations will be tough.

Zuma

Snubbed Zondo...again. He is running out of road. His trial is very important for the healing of our nation. Hopefully, the Guptas will eventually join him.

Xtraordinary year

This pandemic has affected us all – our families, our friends and our communities. People's jobs and livelihoods have been destroyed. To all those who have lost loved ones, we offer our deepest condolences.

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