



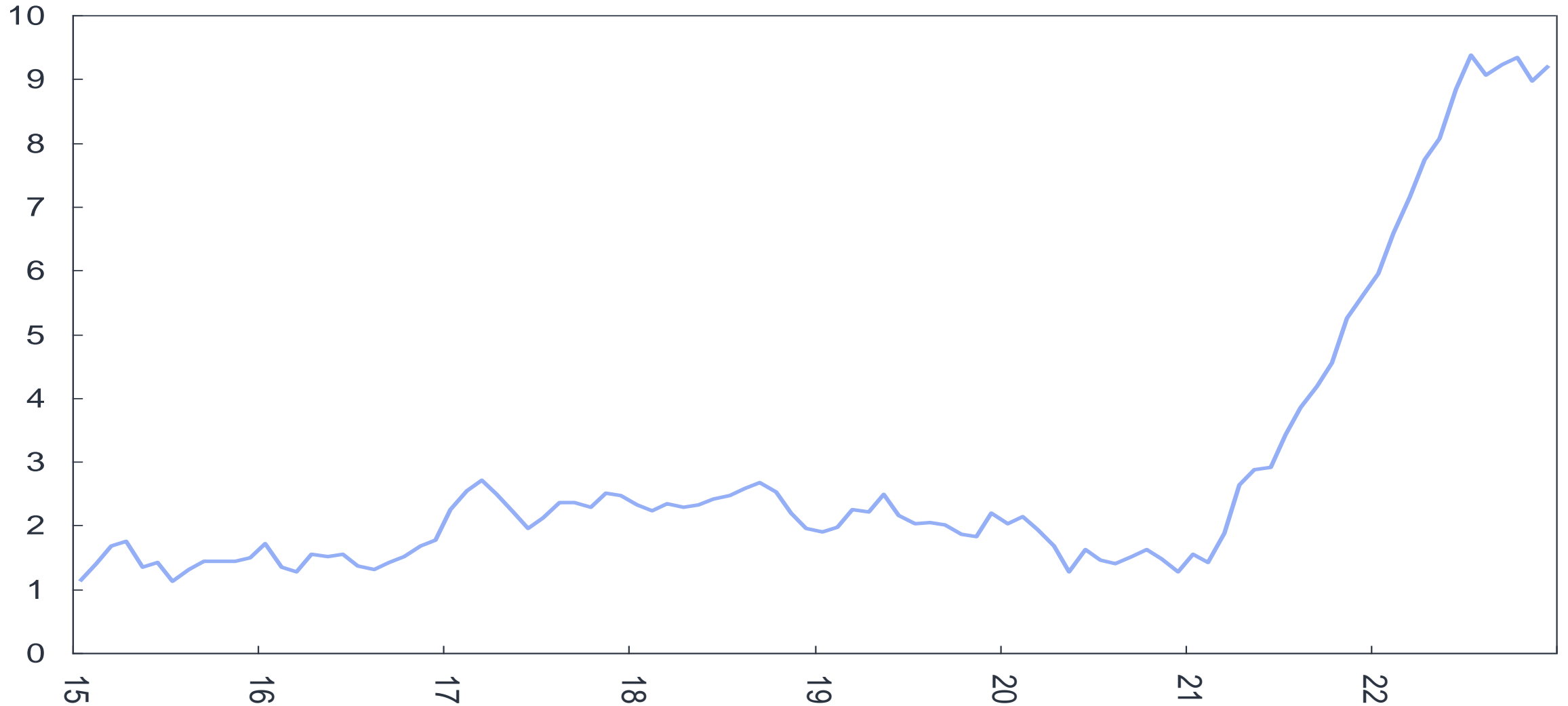
Economic challenges for 2023

Kevin Lings

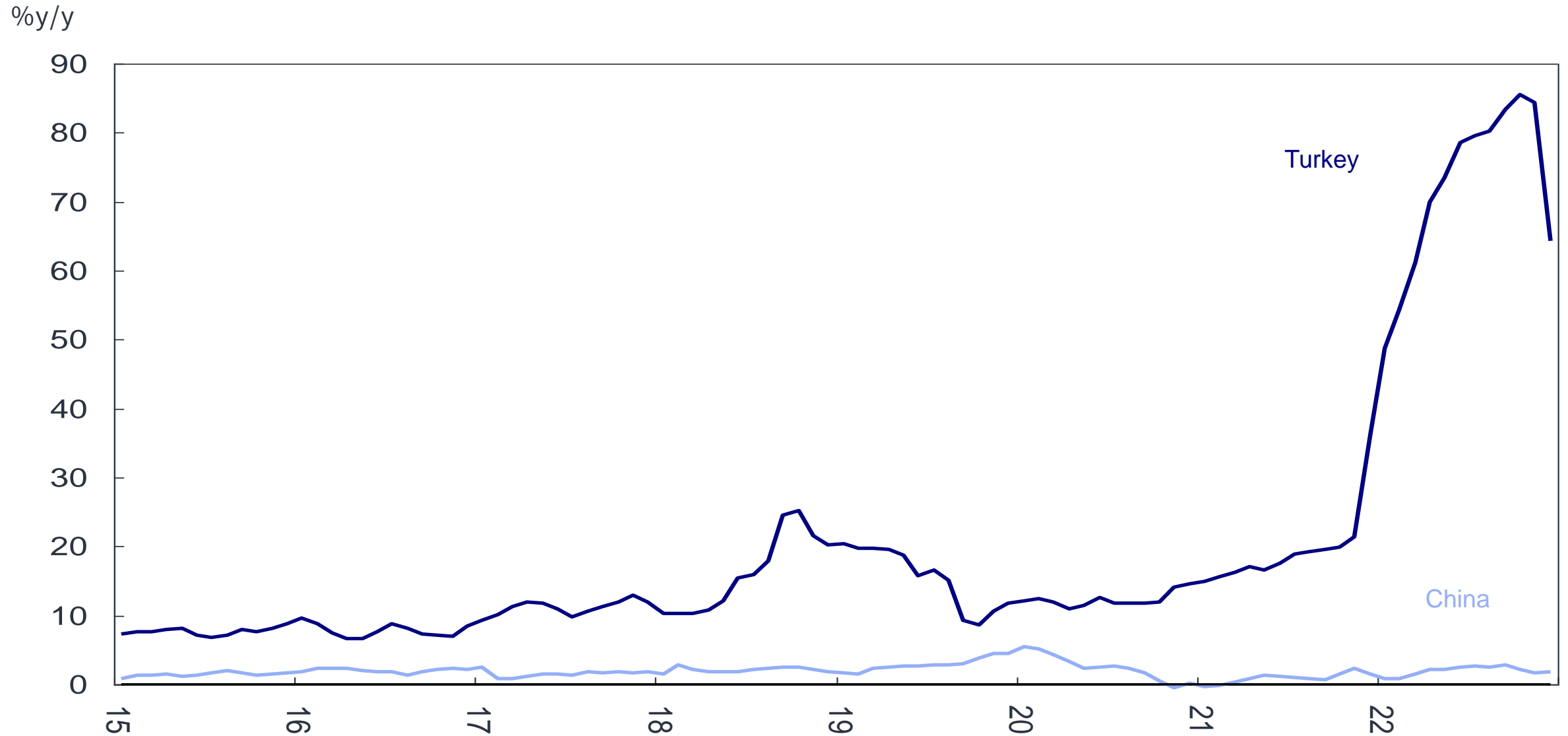
February 2023

World consumer inflation

%y/y

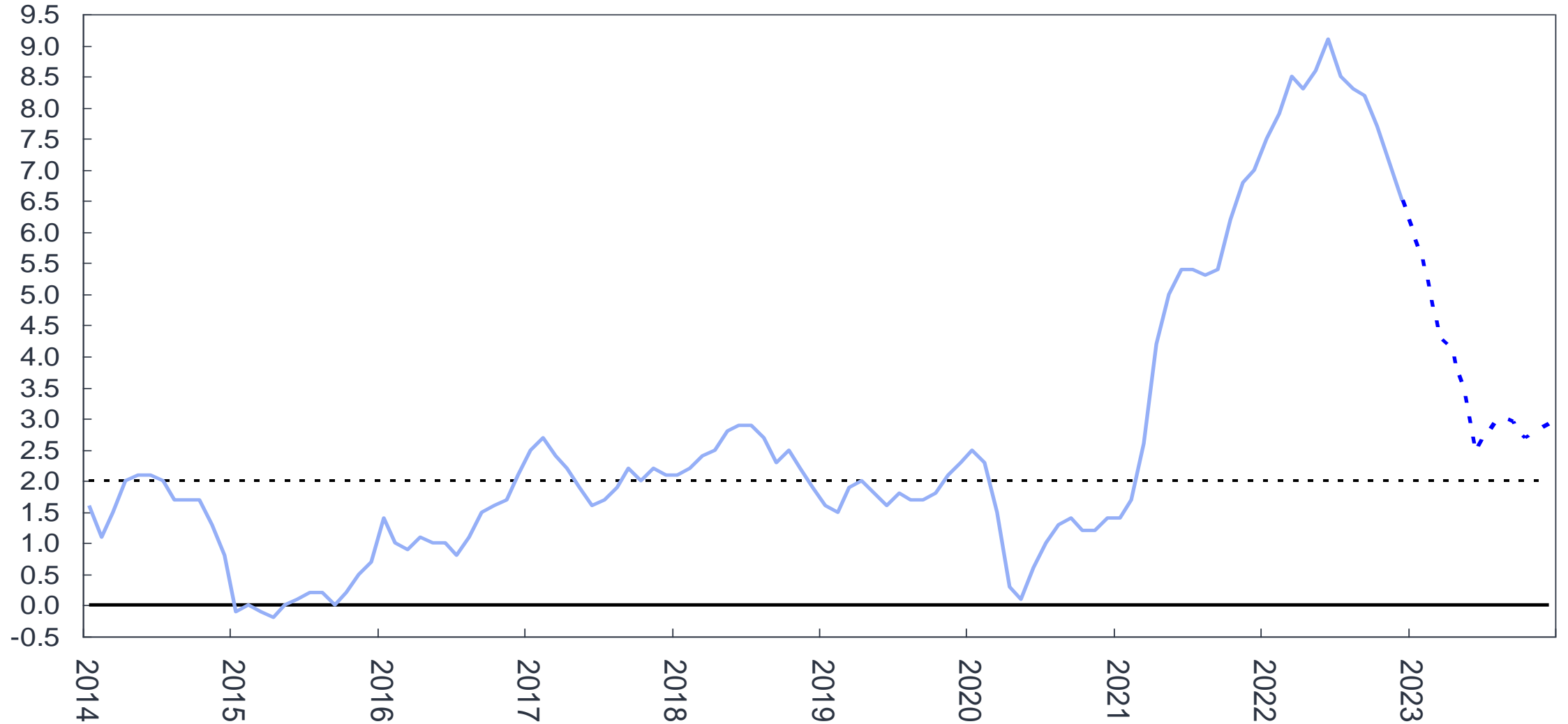


China vs Turkey inflation rate

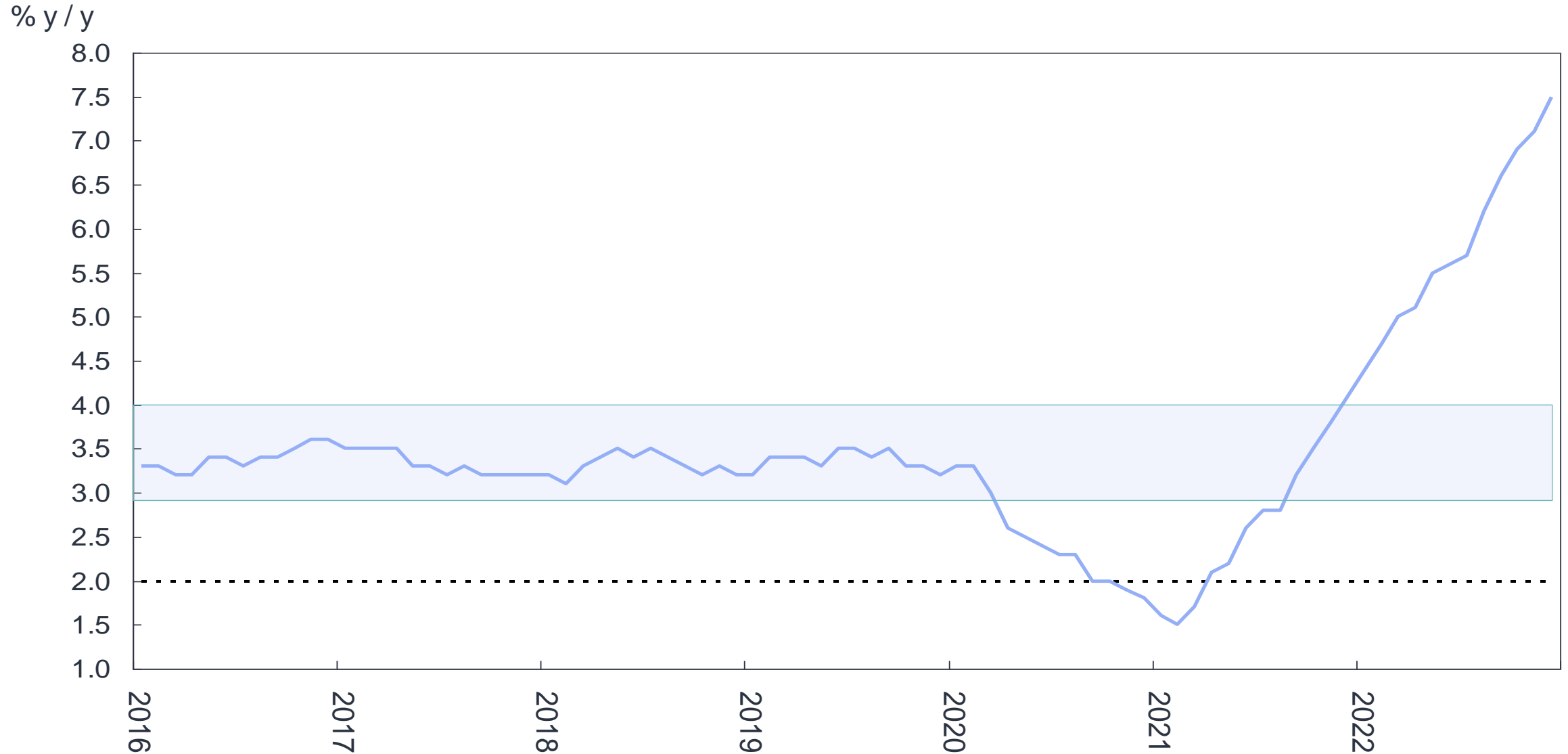


US consumer inflation

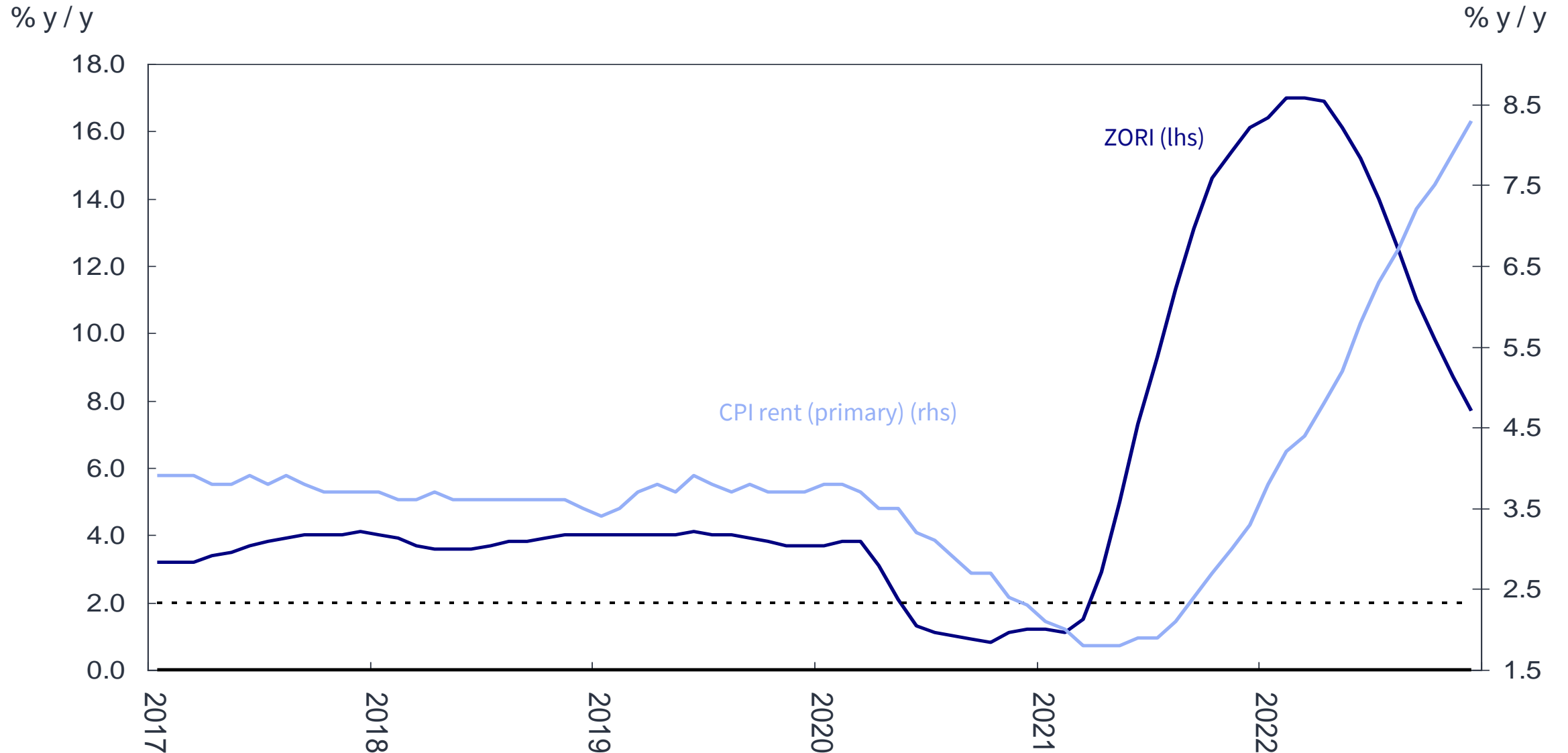
% y / y



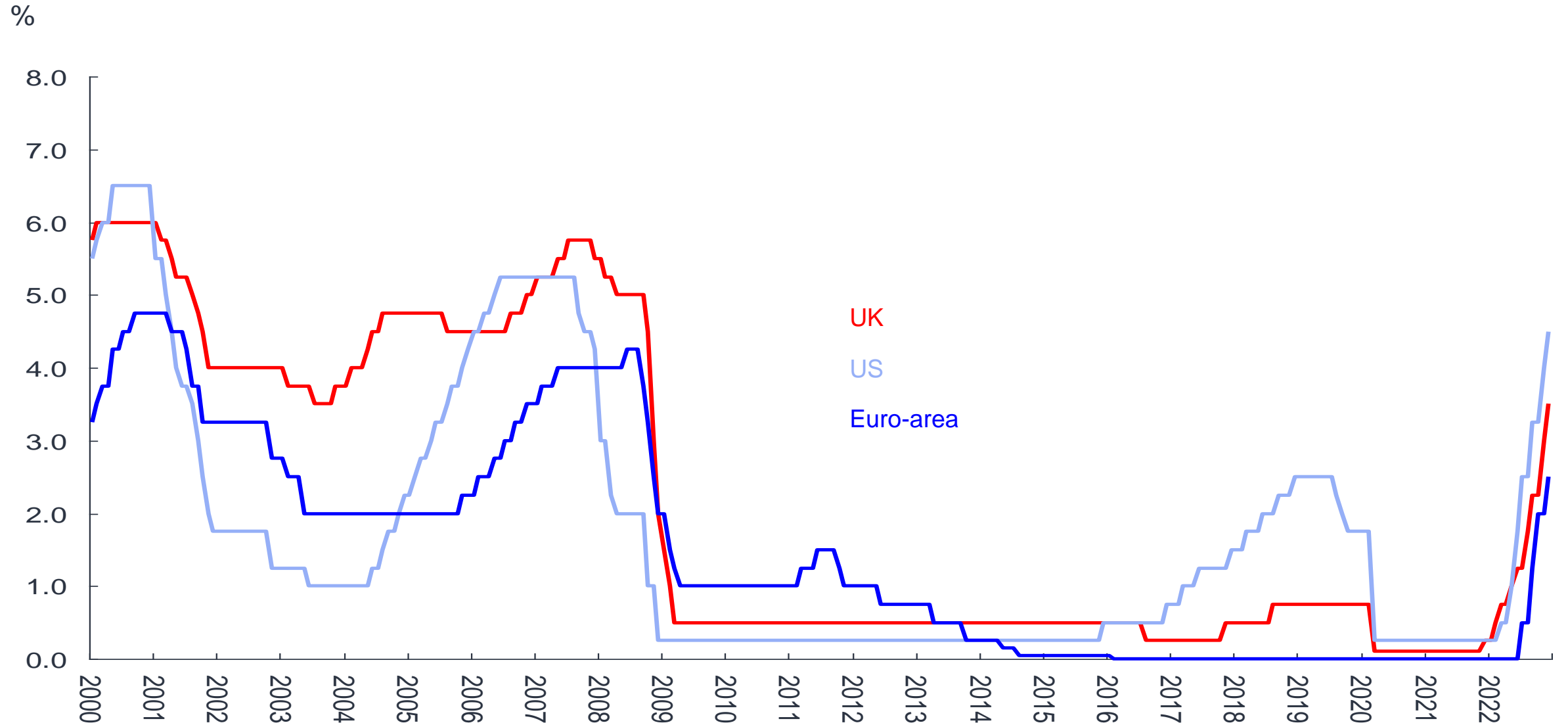
US shelter inflation (33.3% weight)



US shelter inflation vs Zillow Observed Rent Index



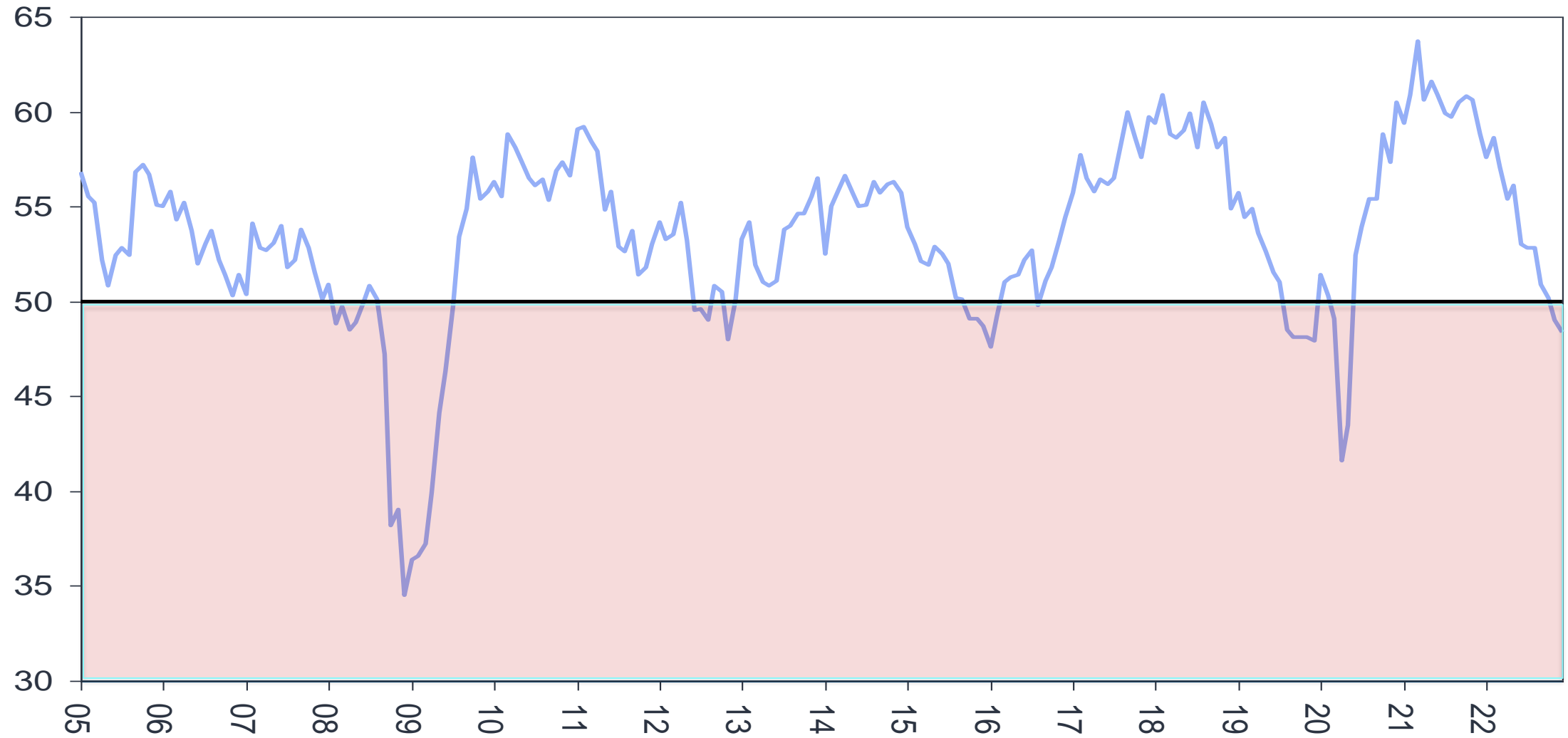
US, Euro-area and UK official interest rates



Source: Macrobond

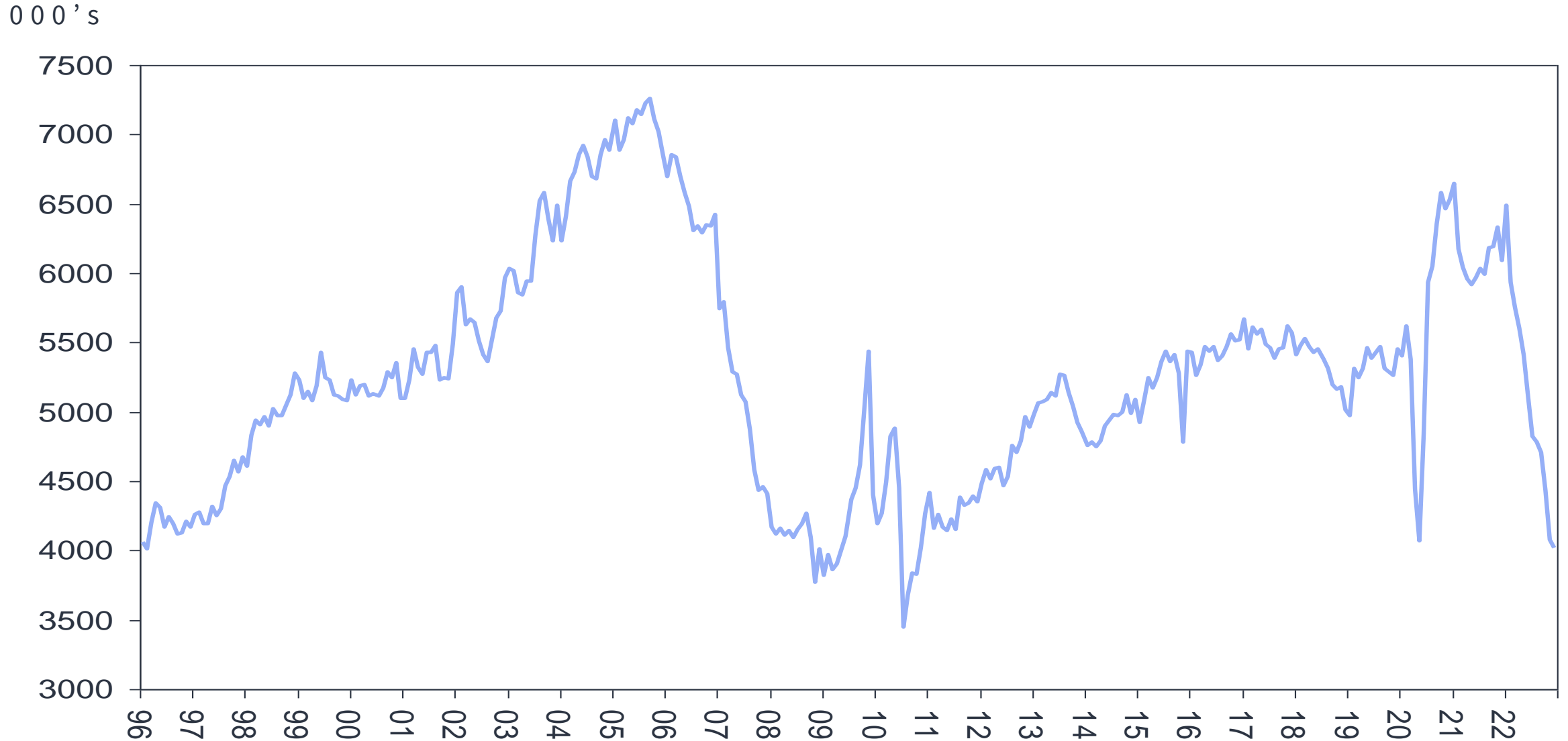
US ISM manufacturing index

Index



Source: Institute of Supply Management

US existing home sales

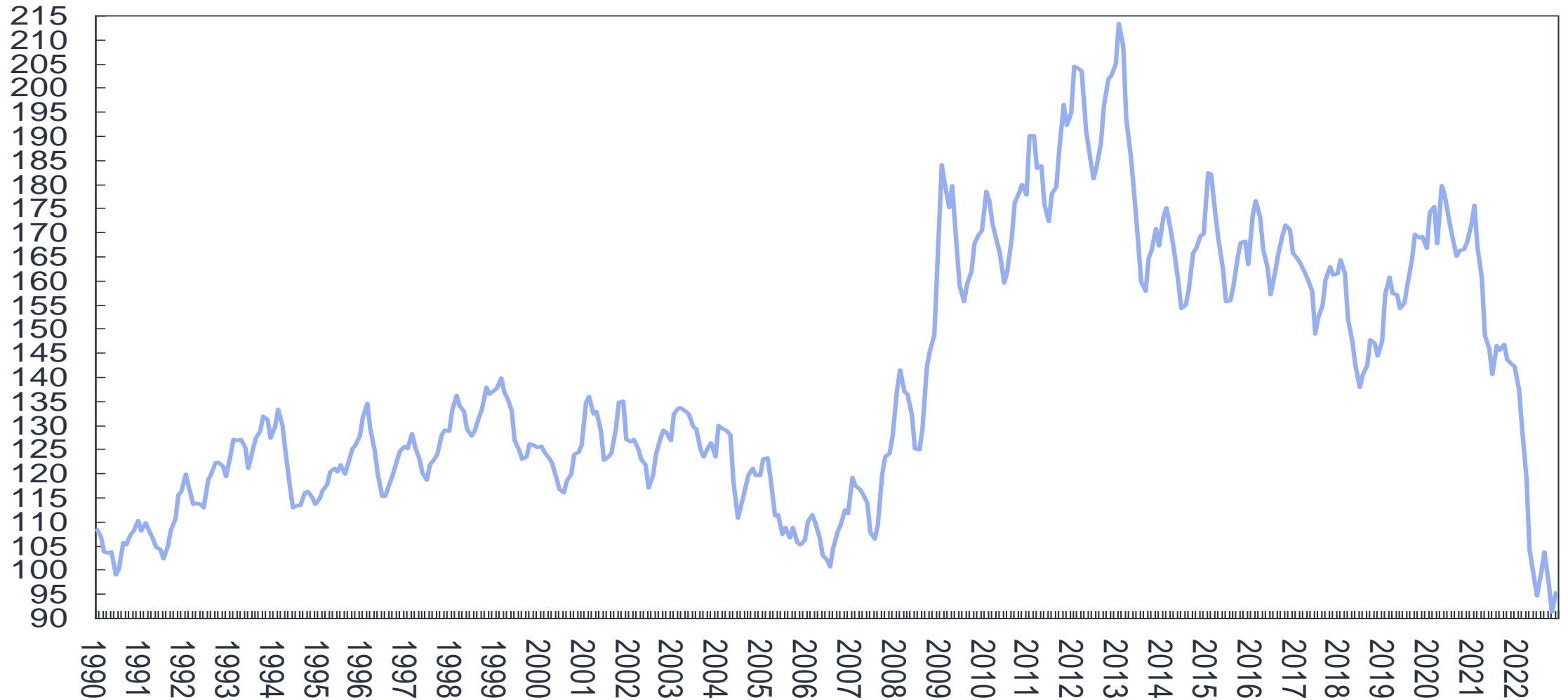


Source: National Association of Realtors

US housing affordability

Index, composite

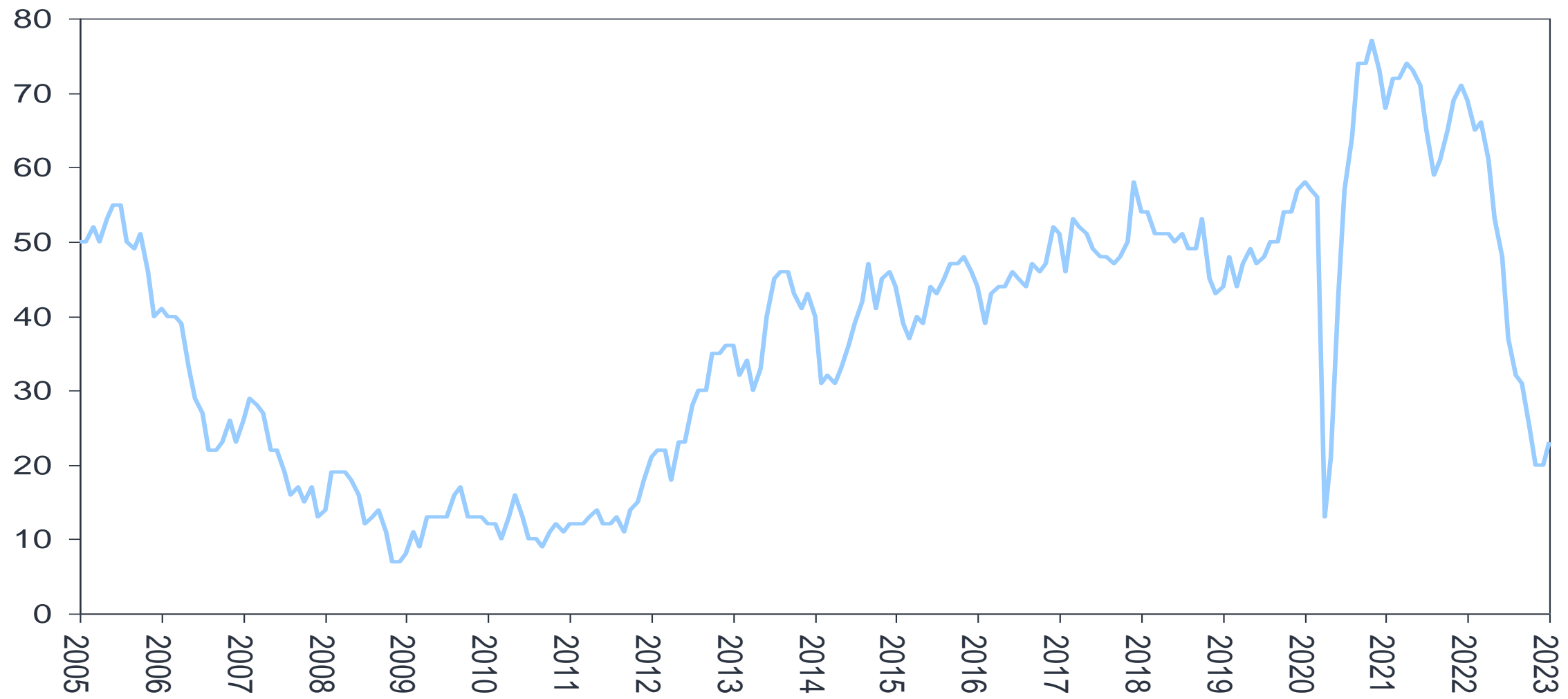
The lower the index the more unaffordable housing has become



Source: National Association of Realtors

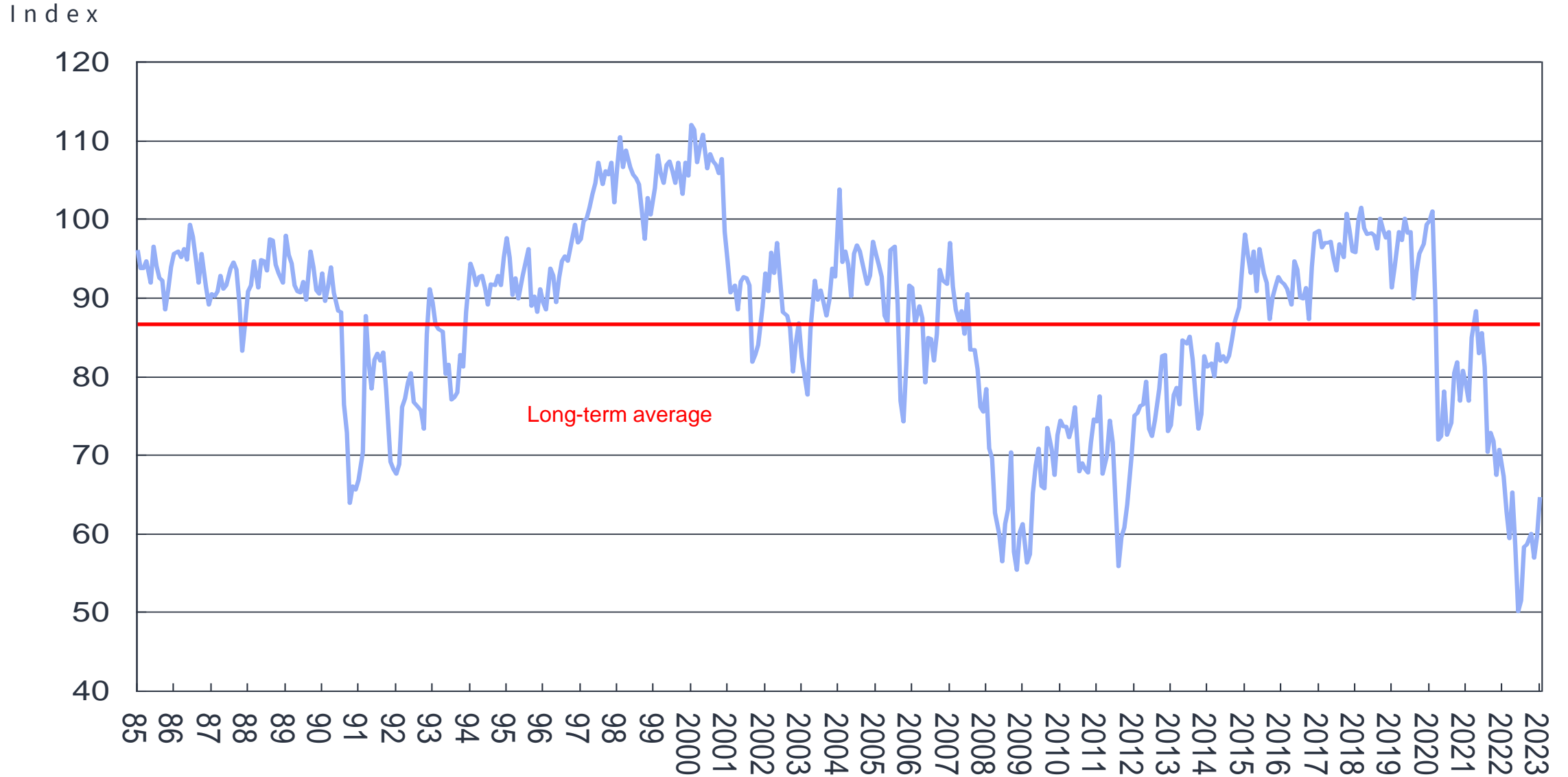
US number of prospective home buyers

Index



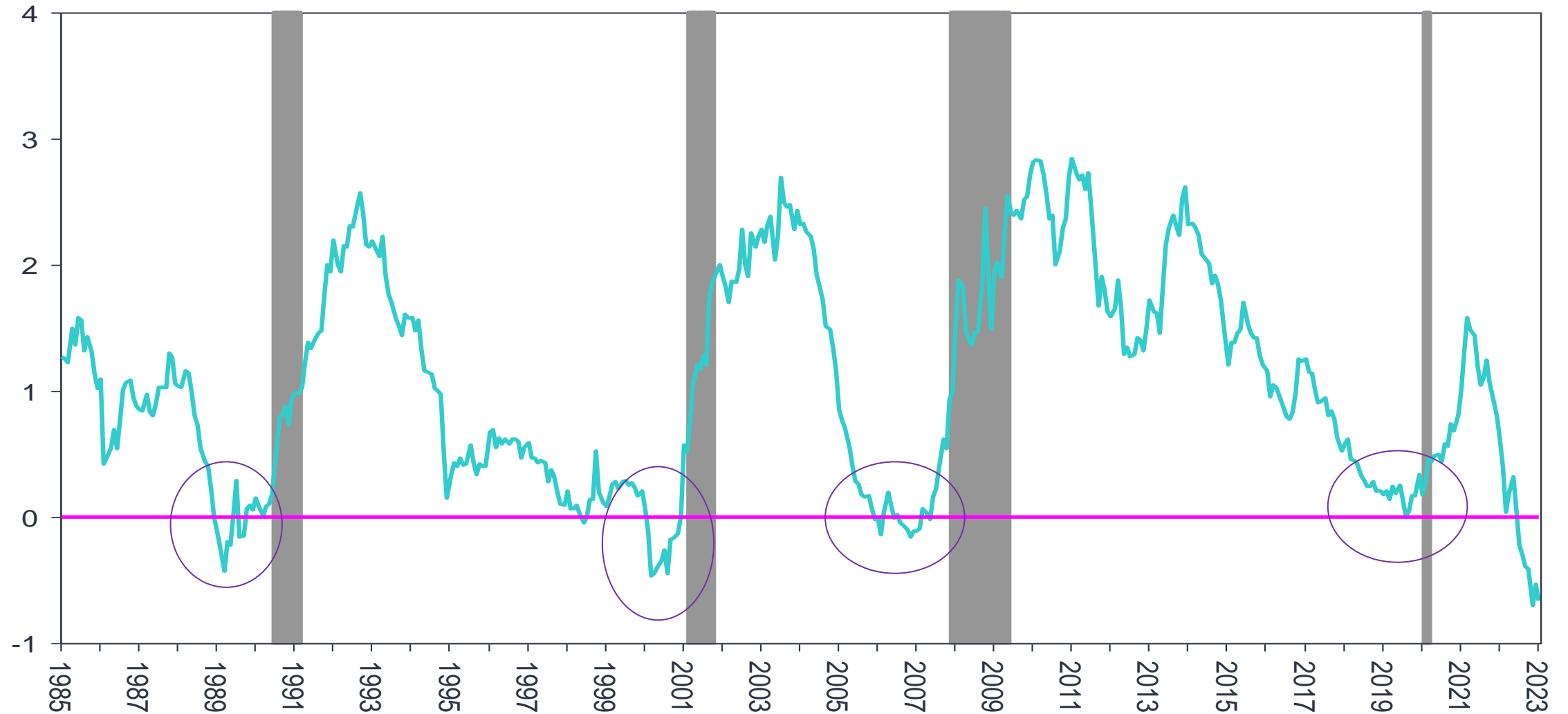
Source: National Association of Realtors

US consumer confidence (University of Michigan)



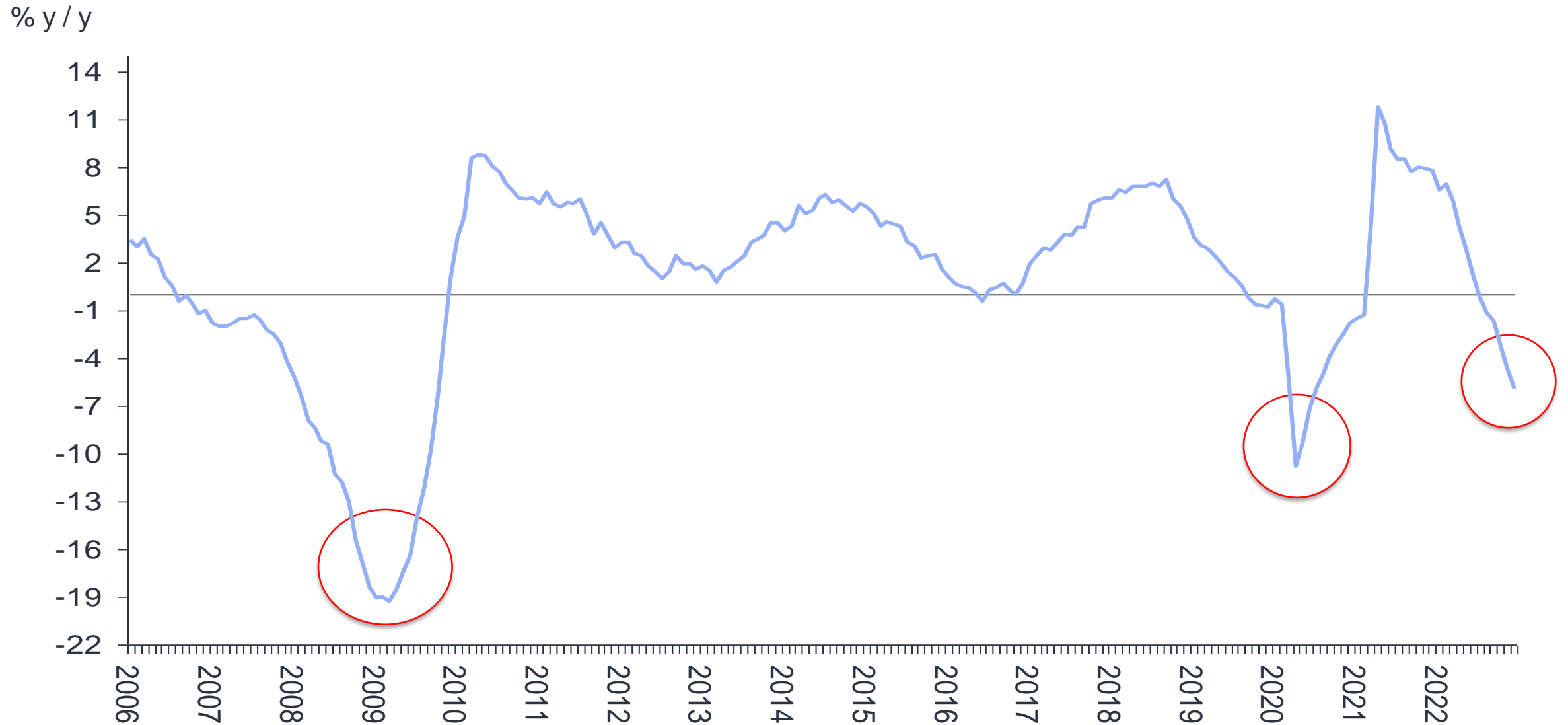
US 10-year less 2-year treasury and business cycle

Percentage points



Source: Macrobond and STANLIB

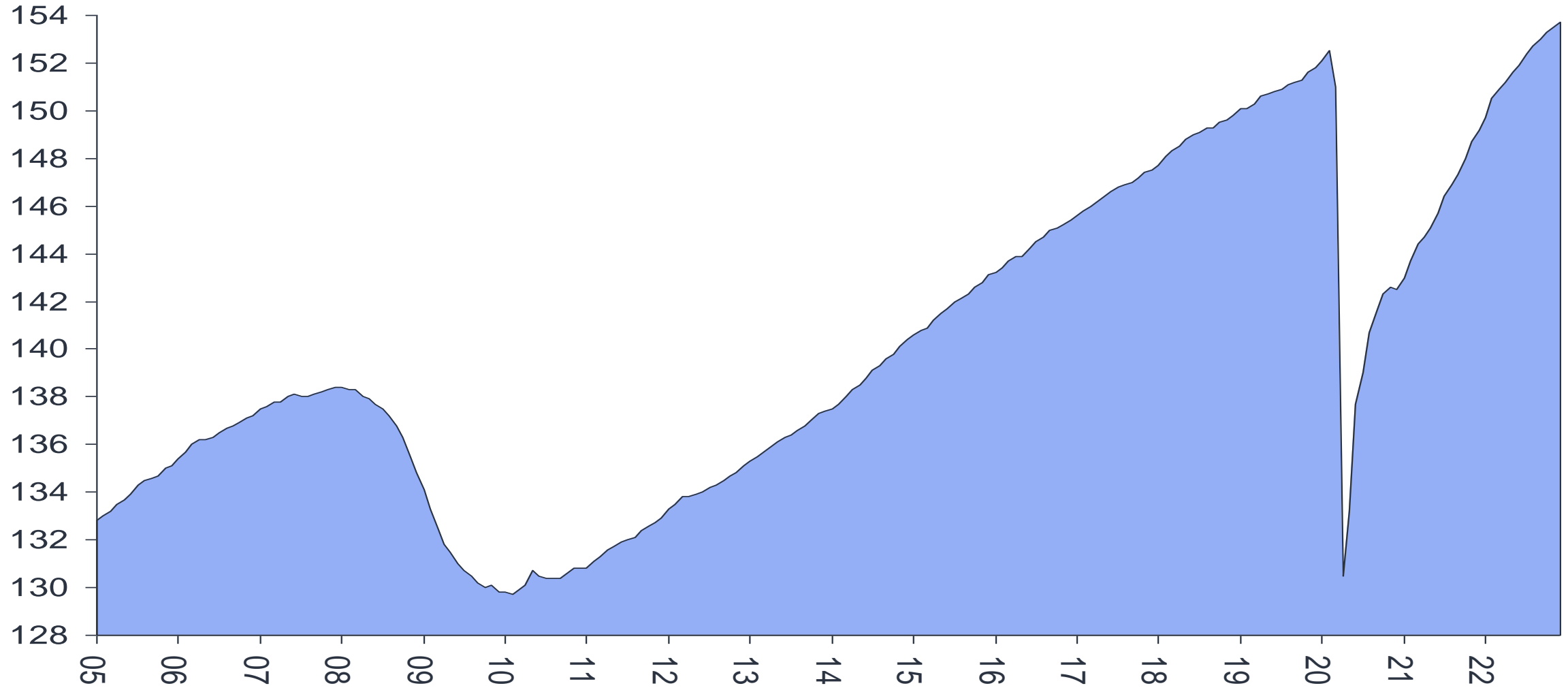
US leading economic indicator



Source: United States Conference Board

United States employment

Million



Source: United States Bureau of Labor Statistics

US job openings

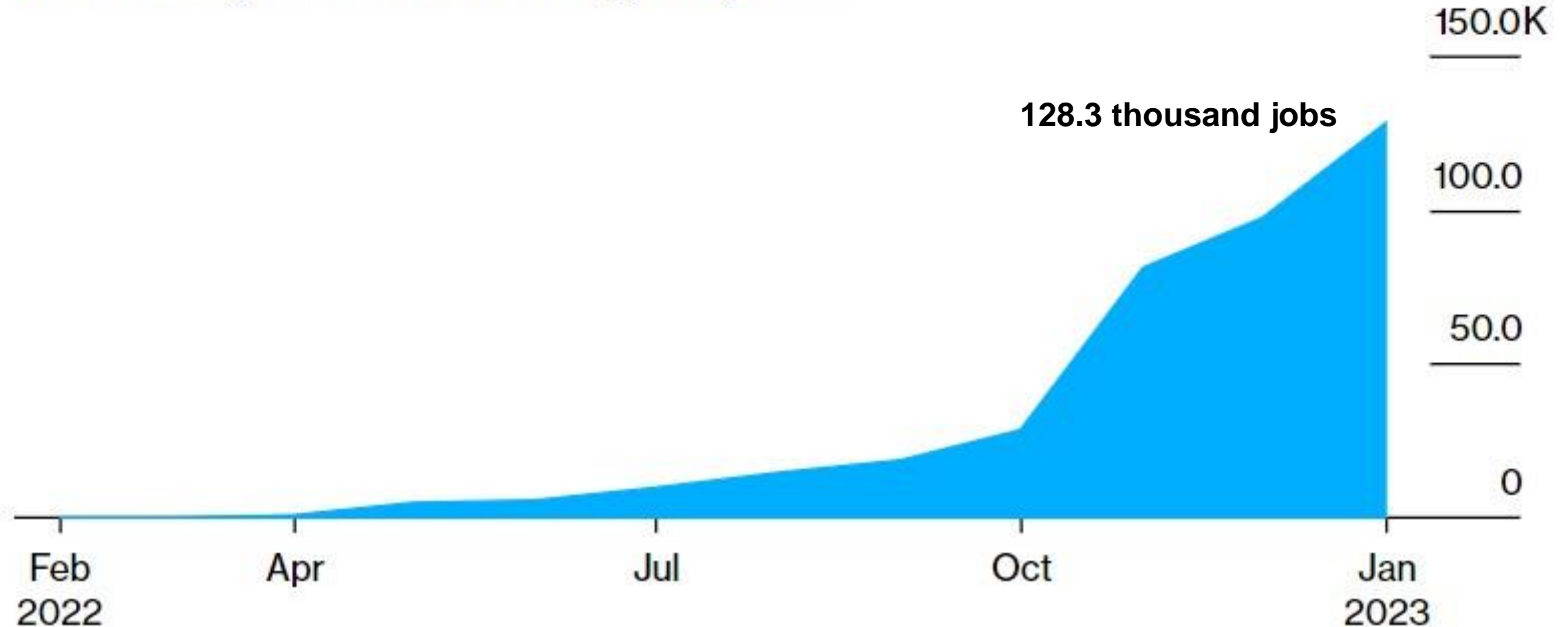
Million, total, non-farm



Source: United States Bureau of Labor Statistics

US: number of job cuts in technology companies 2022/2023

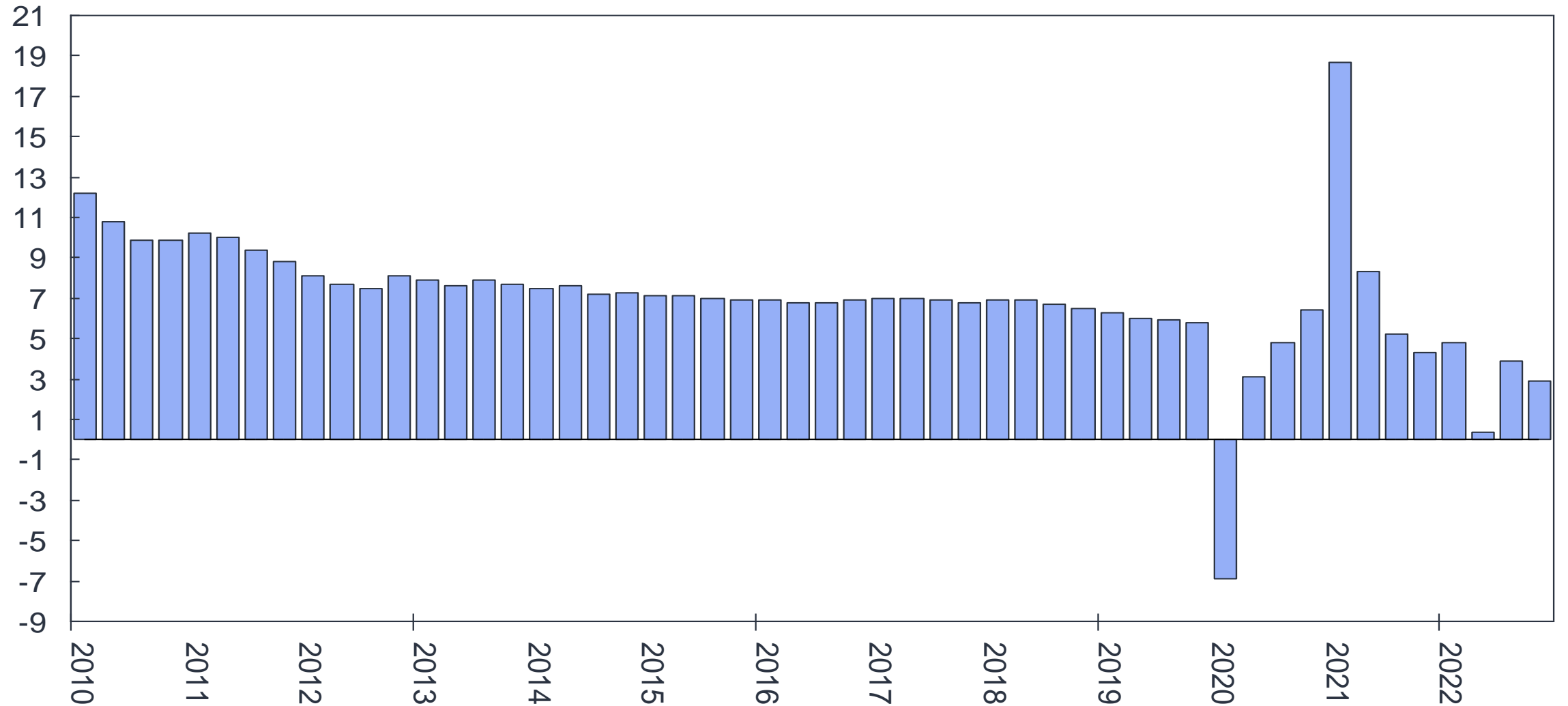
■ Number of jobs cut from technology companies



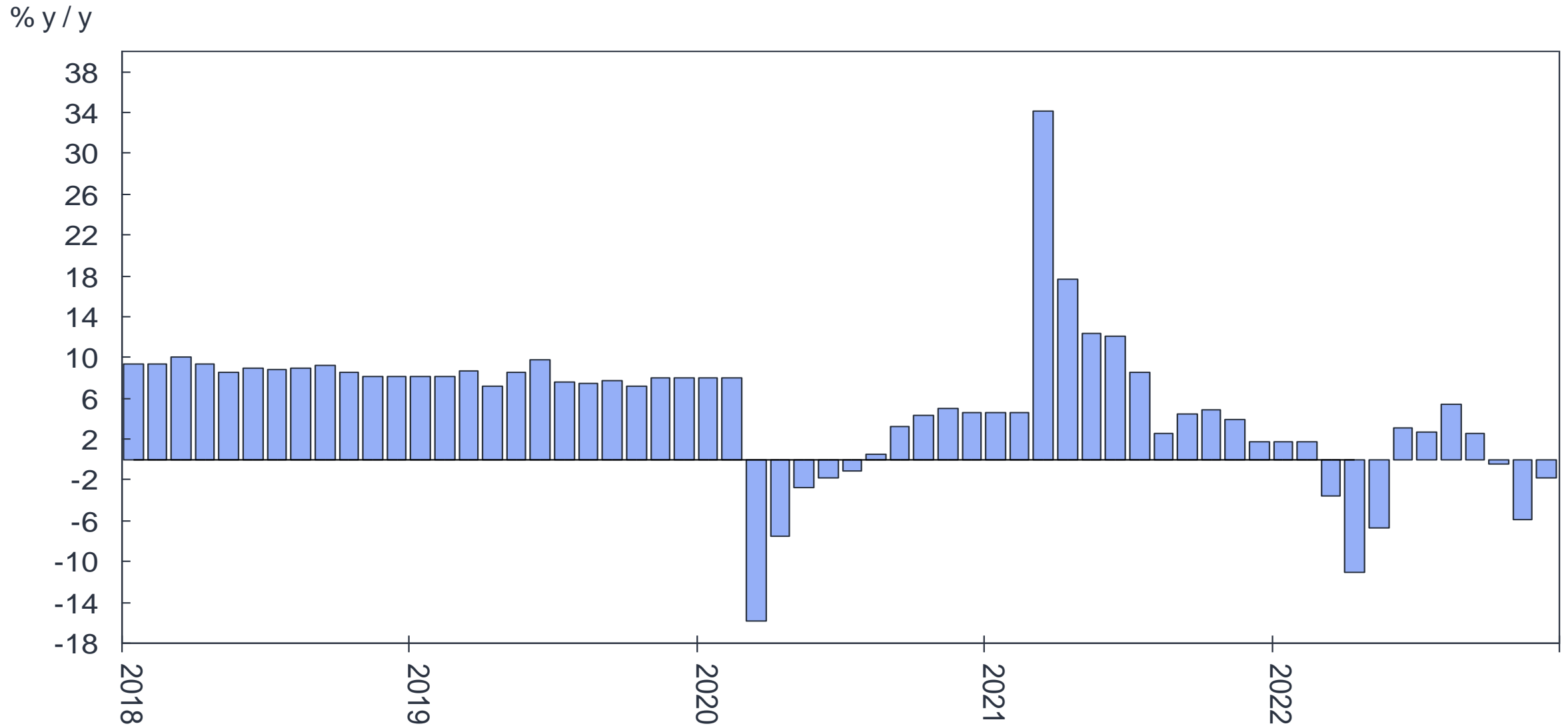
Source: Challenger, Gray & Christmas, Inc

China GDP growth

% y / y



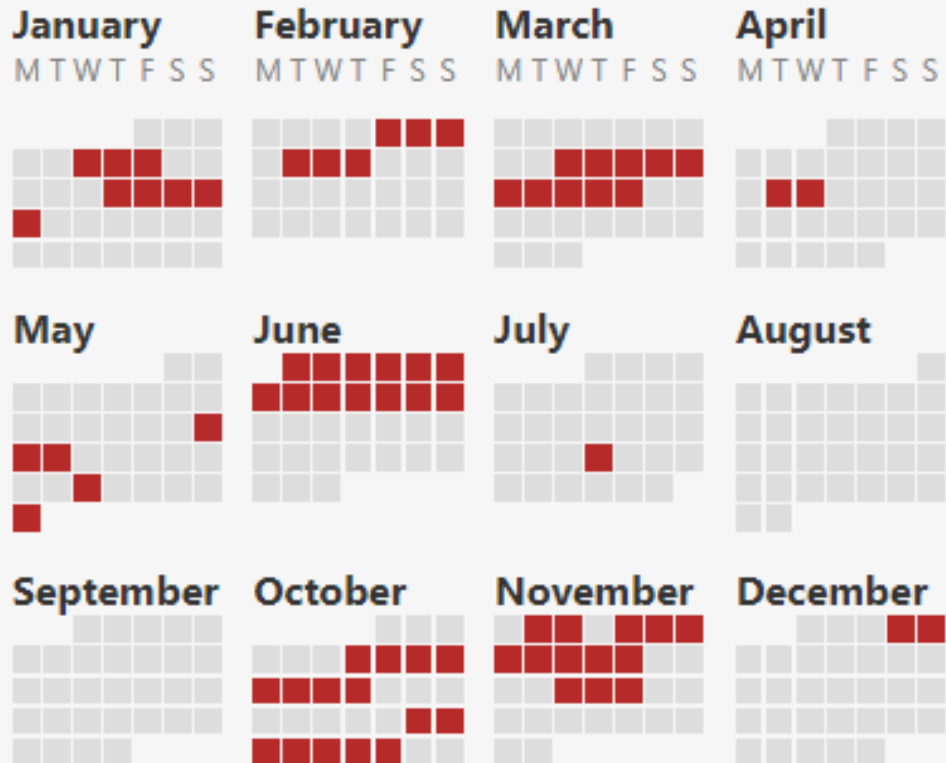
China retail sales



South Africa number of days of loadshedding

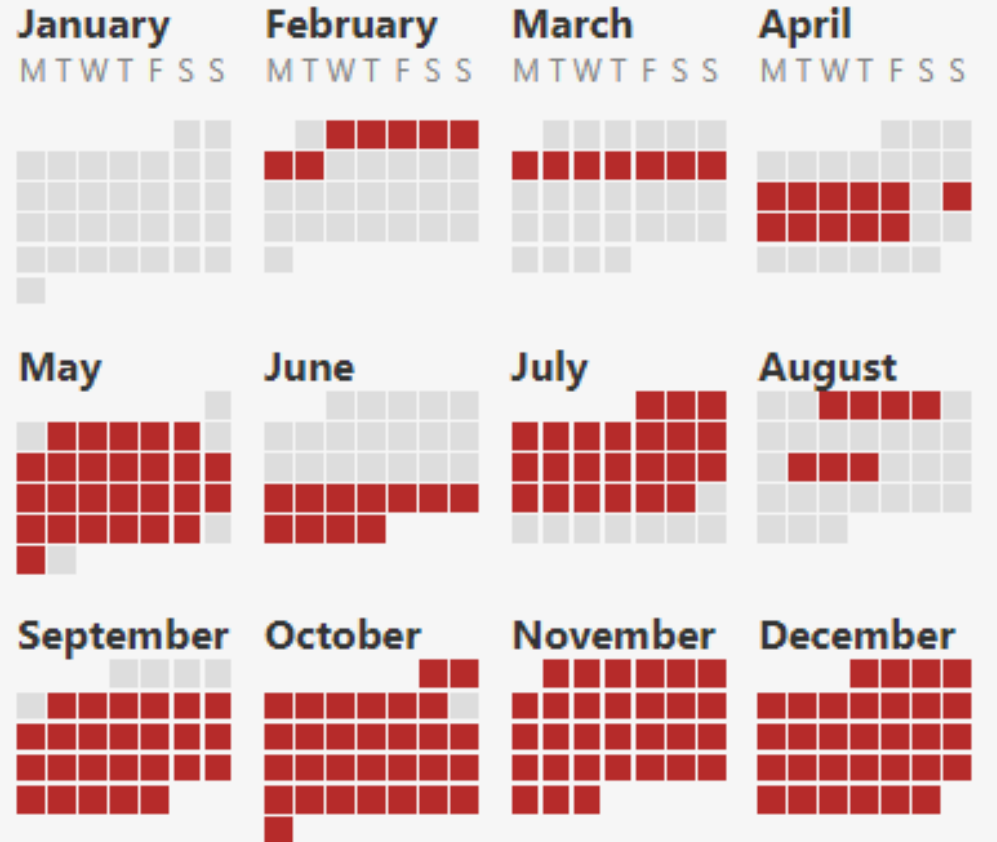
2021

Days with loadshedding: 75



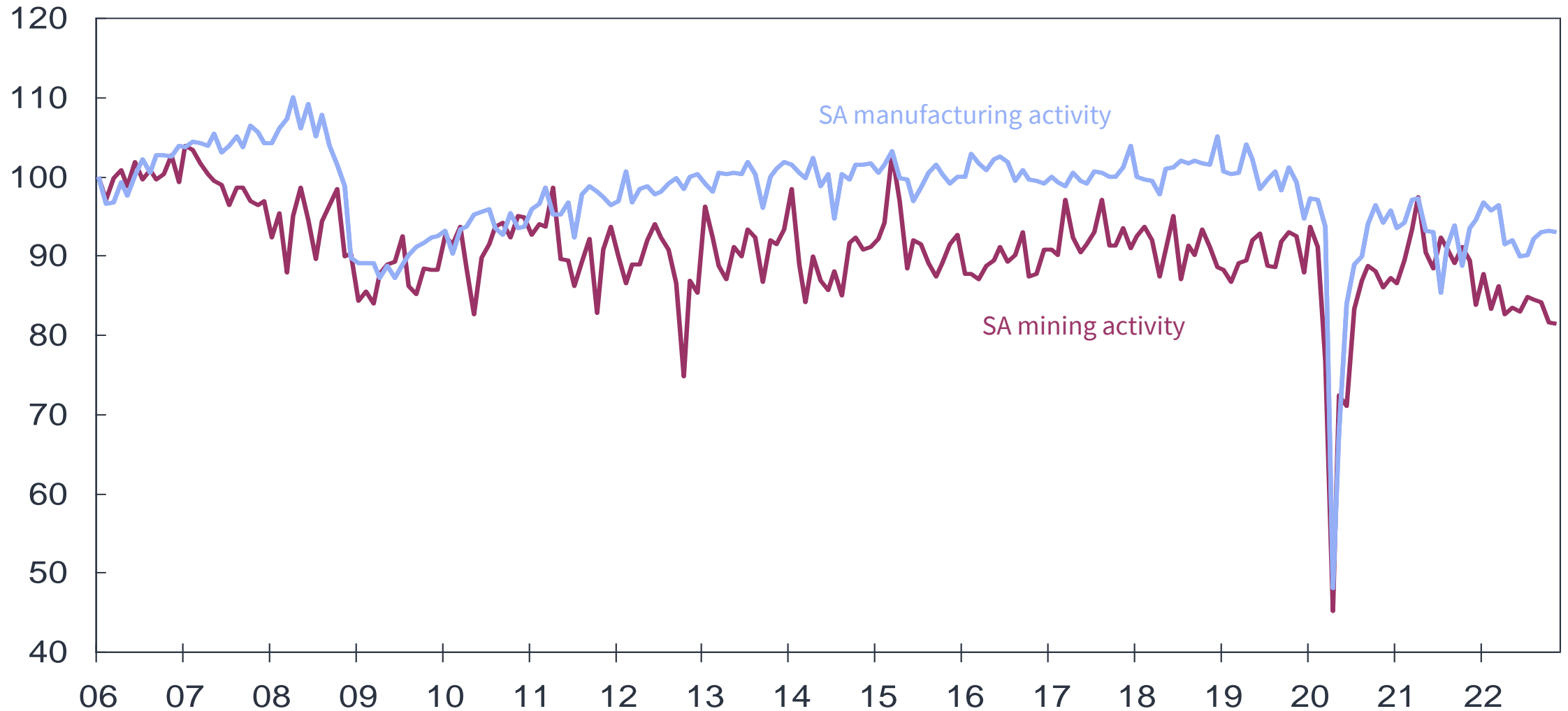
2022

Days with loadshedding: 208



SA manufacturing vs mining activity

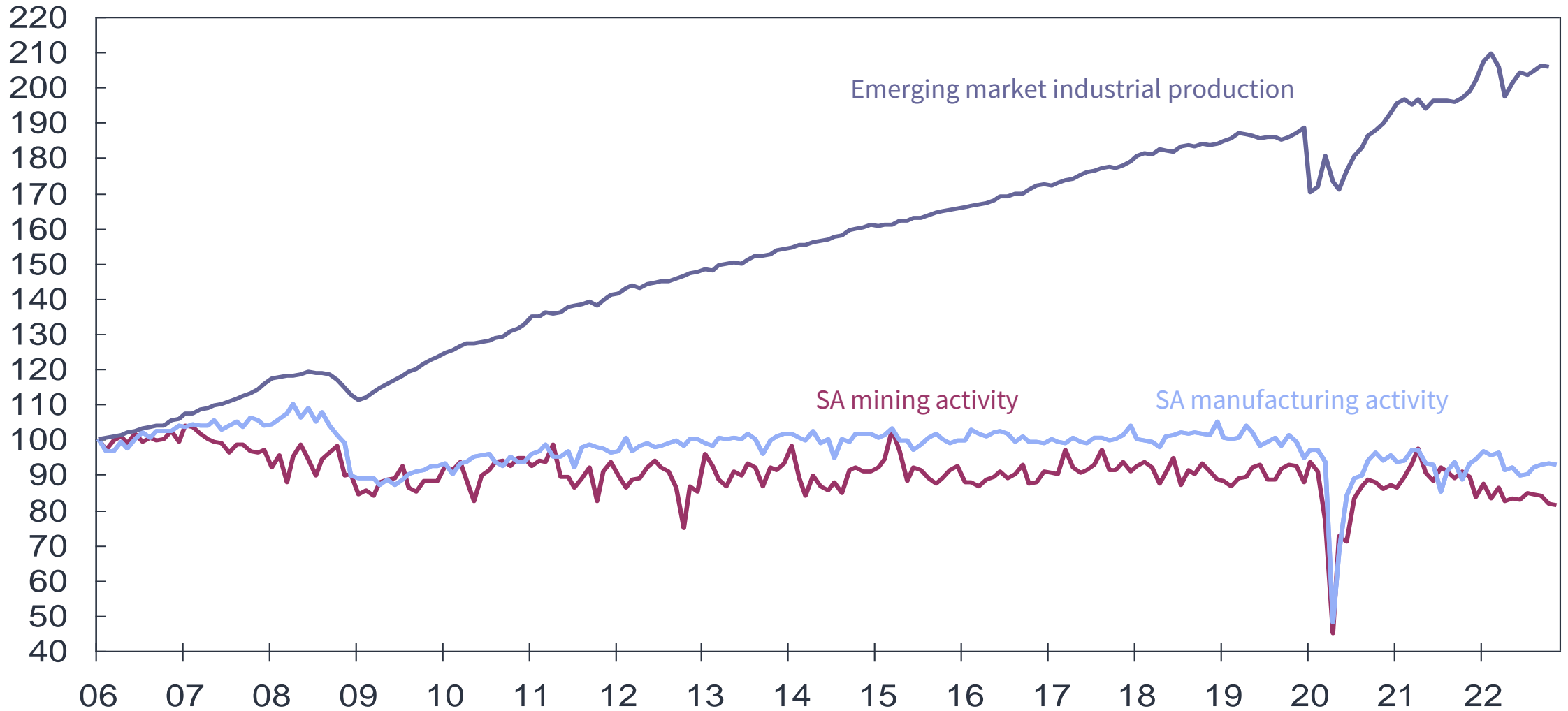
Index



Source: Statistics South Africa

SA manufacturing vs mining activity vs emerging markets

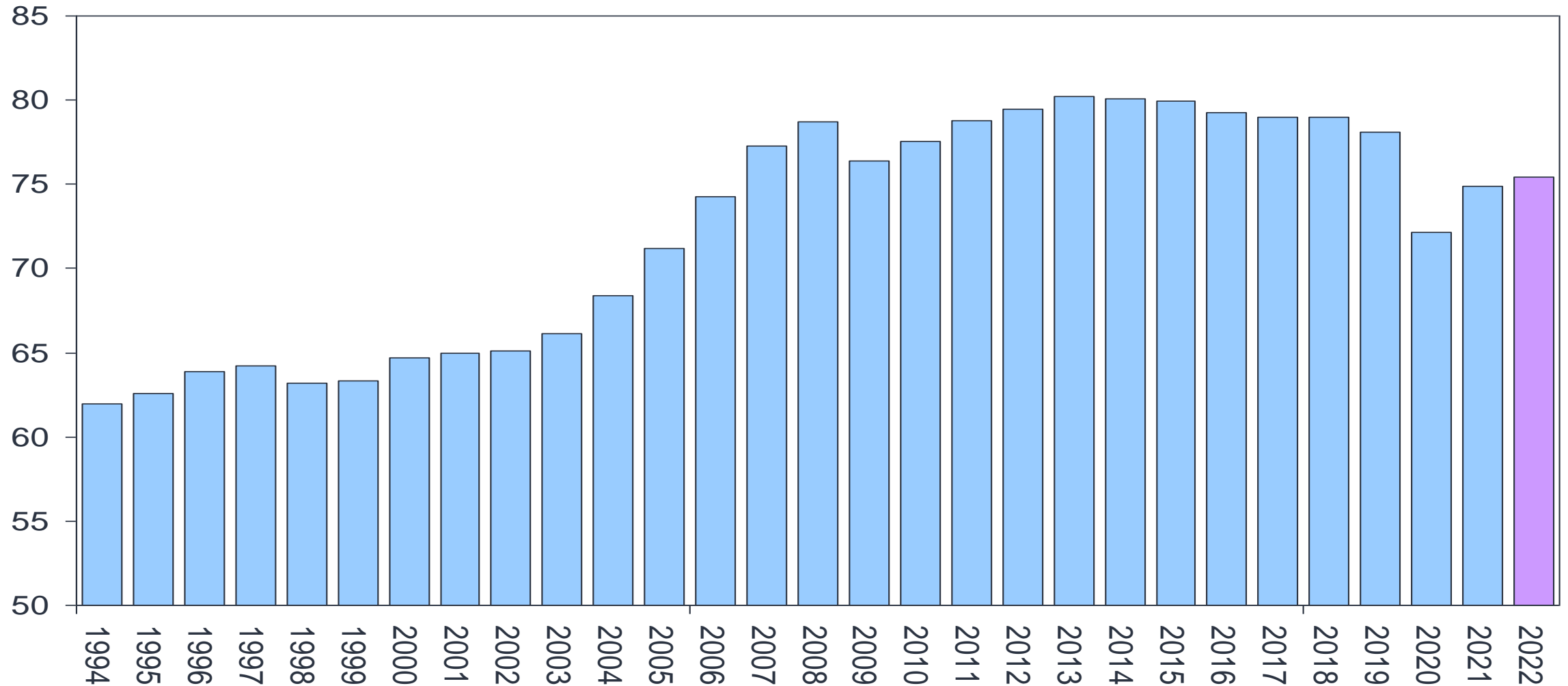
Index



Source: Statistics South Africa

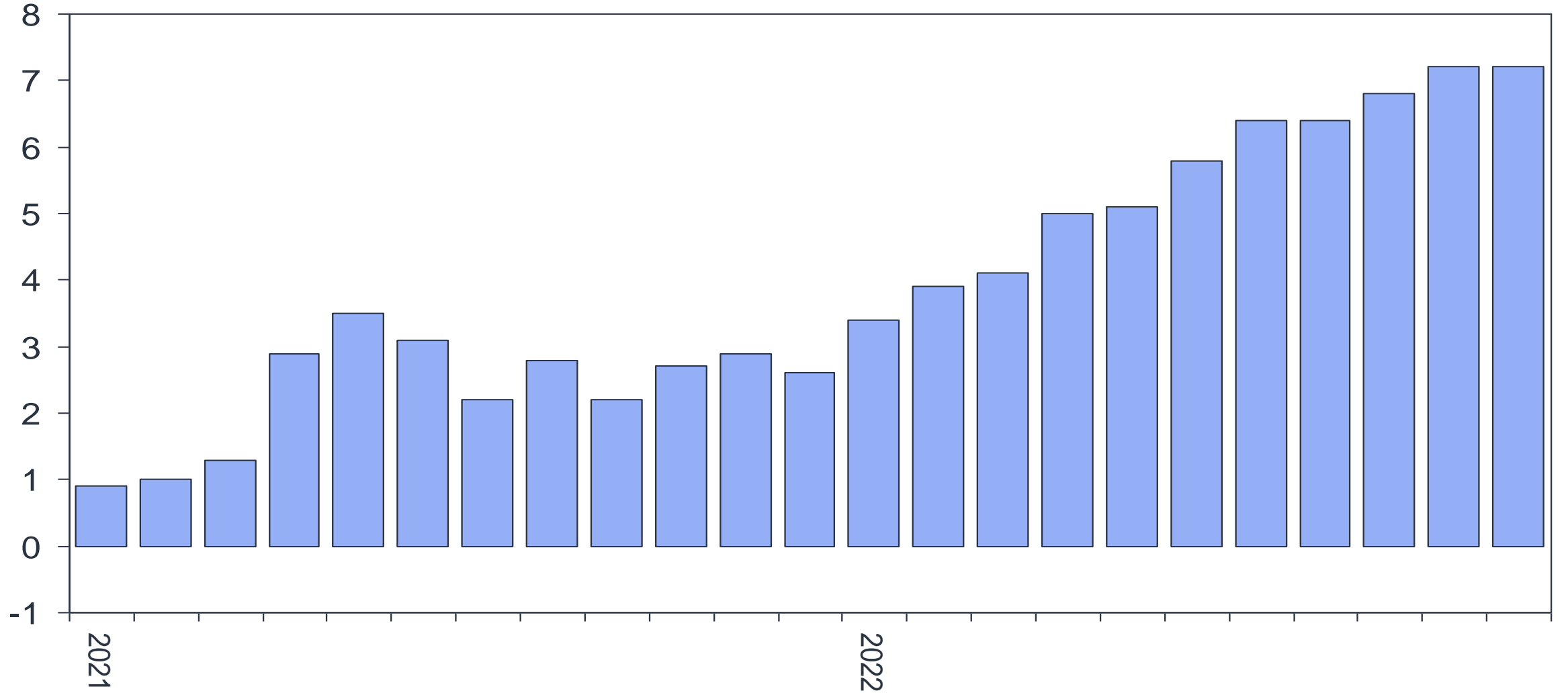
SA GDP per capita (constant prices)

Rand, thousands



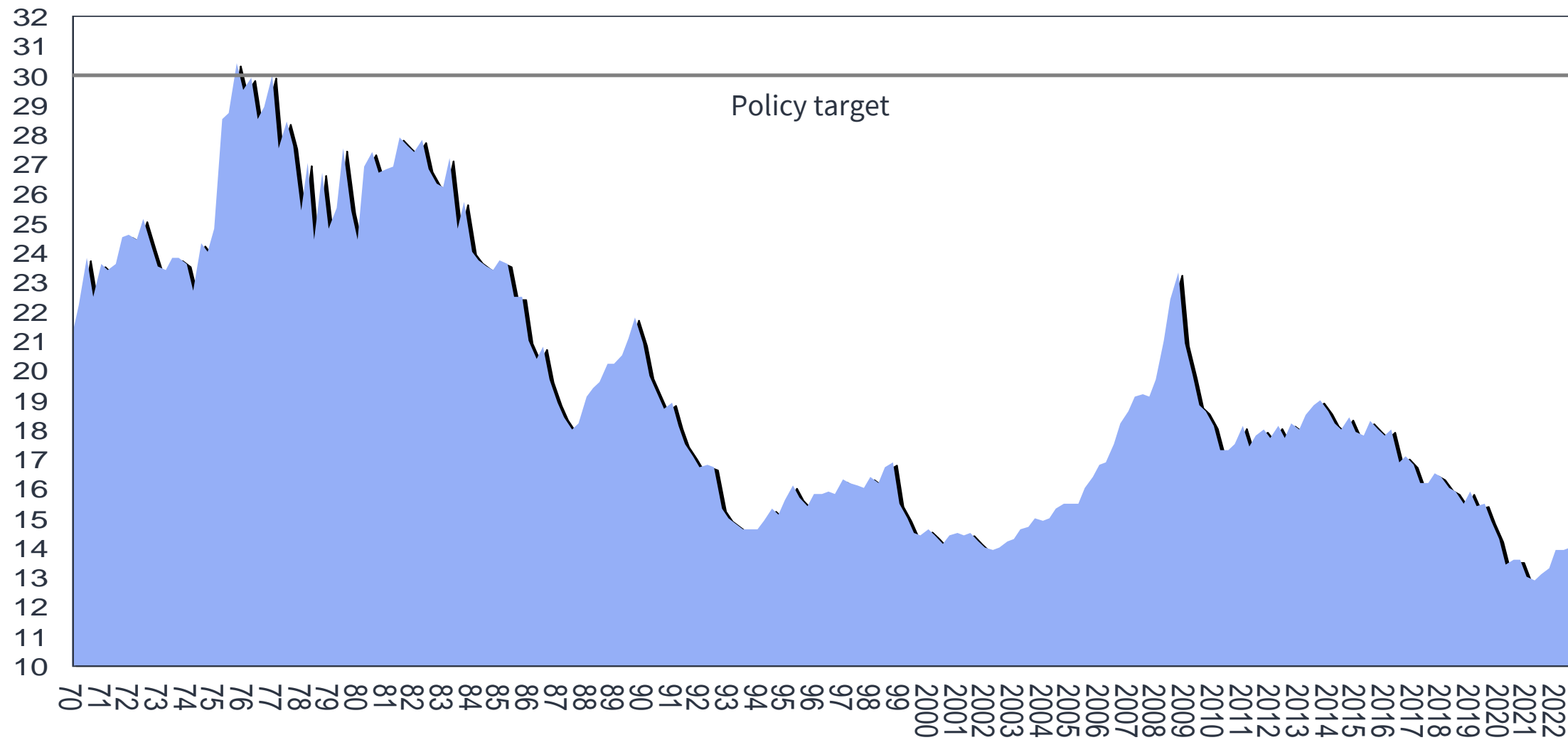
SA growth in household consumption credit

% y/y



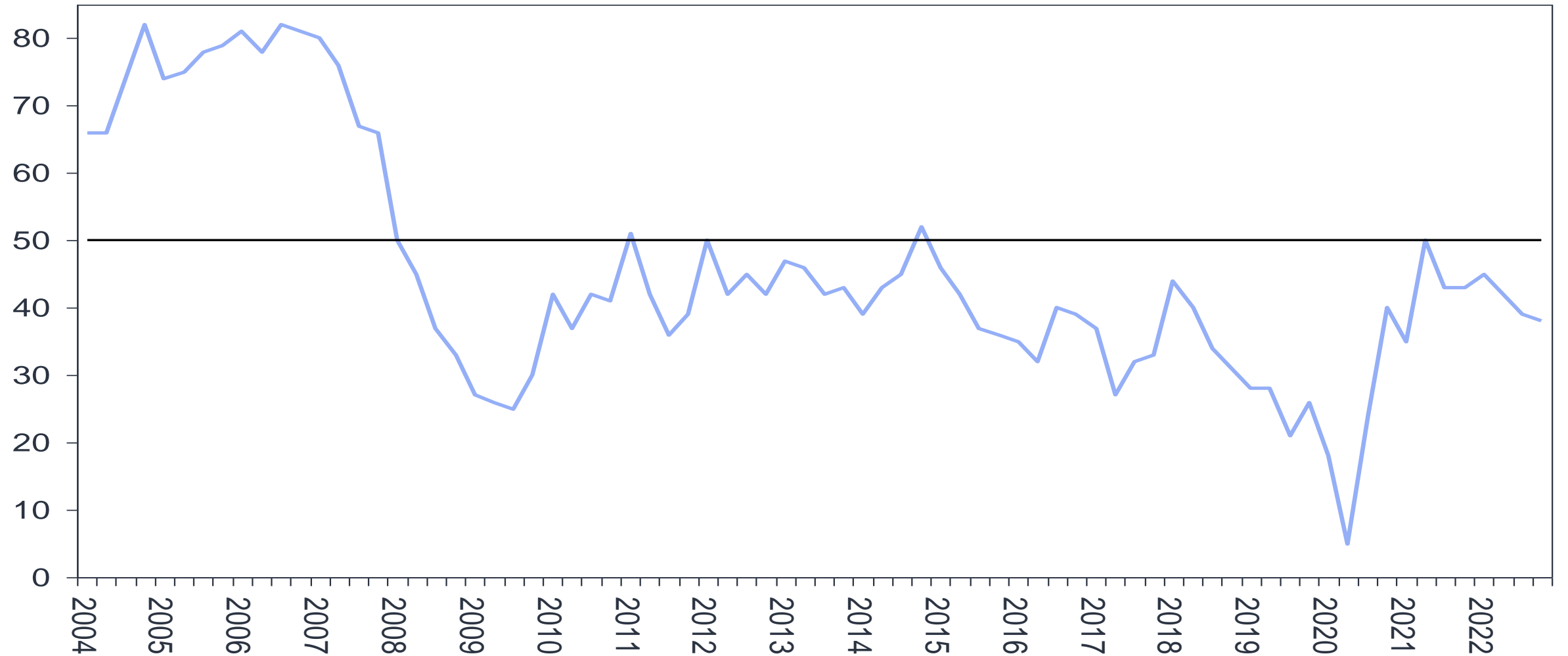
South Africa fixed investment as % of GDP

% of GDP



South Africa business confidence (BER)

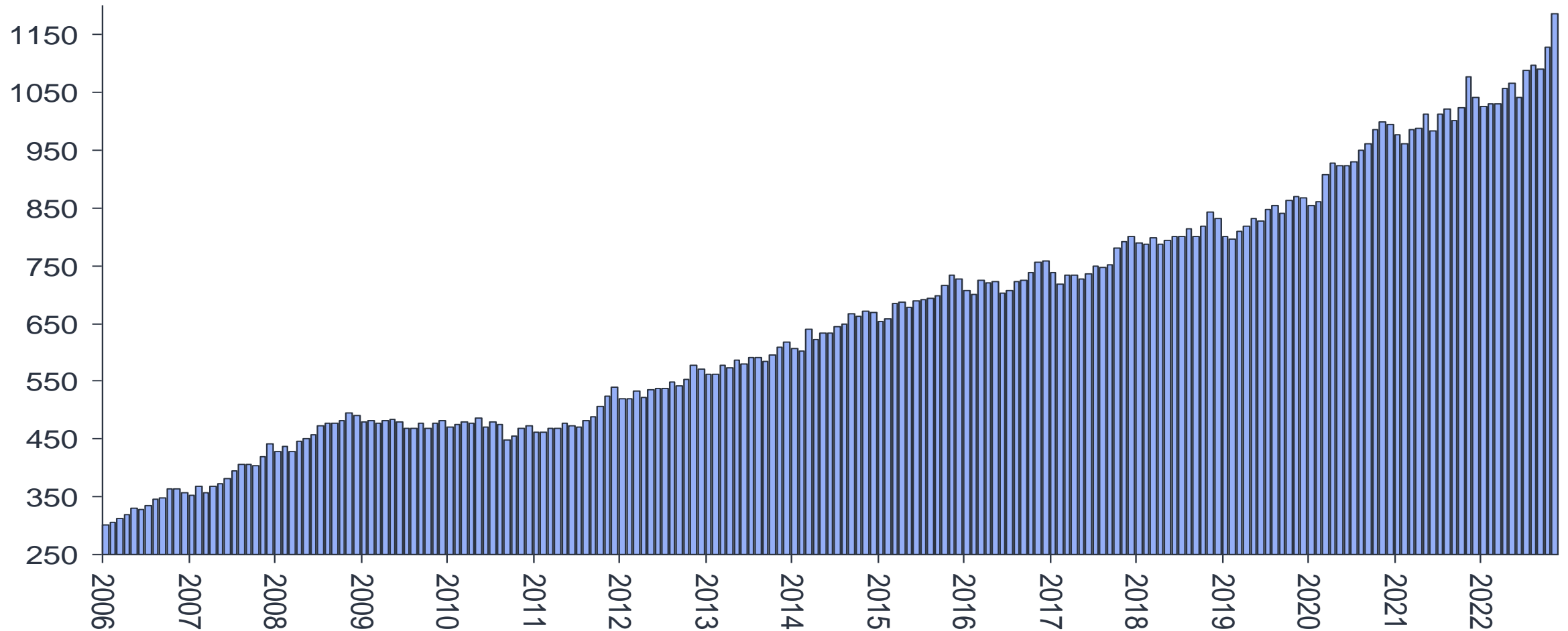
Index



Source: SA Bureau of Economic Research (BER)

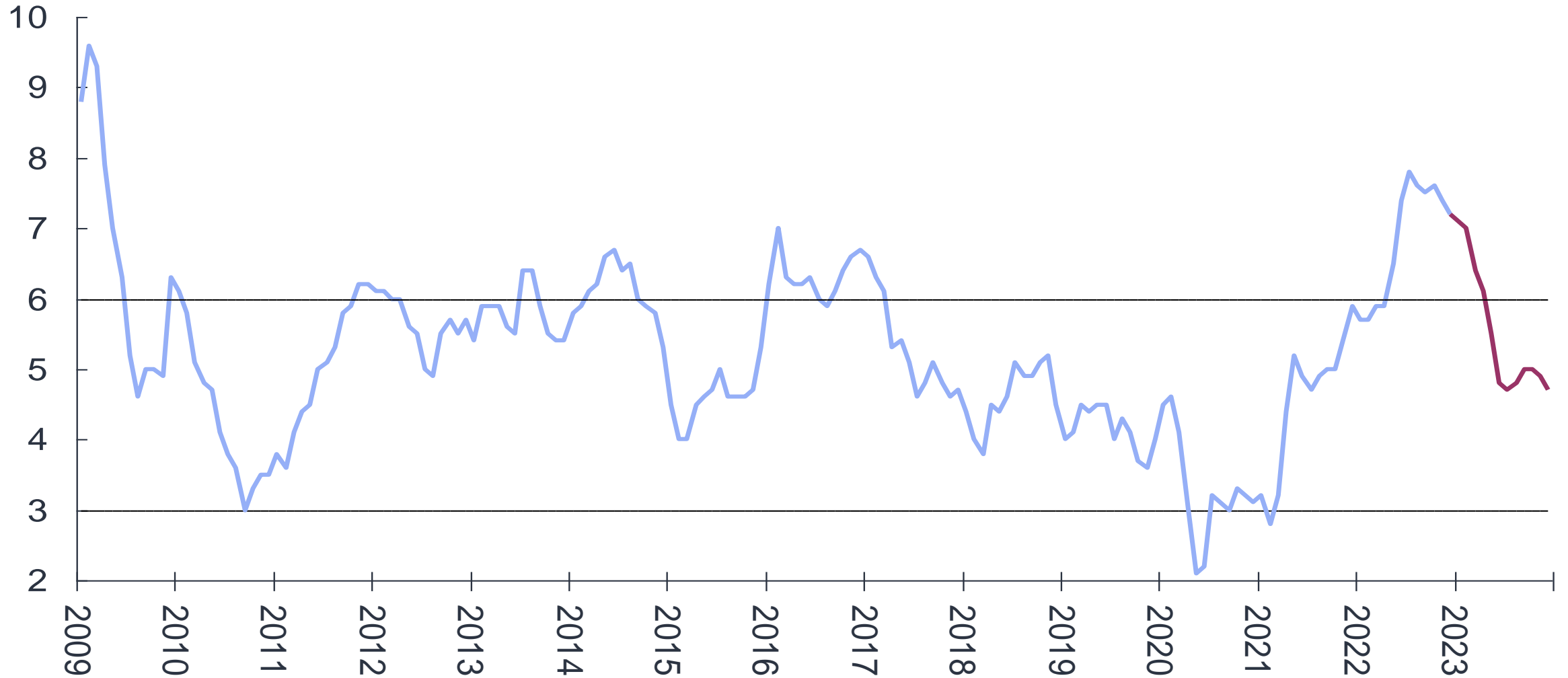
South Africa corporate deposits

R billion



South Africa headline CPI forecast

% y/y



Source: Statistics South Africa and STANLIB

Key focus areas/positives in South Africa 2023/2024

- SA and global **inflation** expected to slow meaningfully during 2023 and into 2024
- SA **interest rates** could start to be reduced in late 2023 or first half of 2024
- **Energy Action Plan** should become clearer in 2023, and private sector energy projects start to be build
- Further improvement in the **Ease of Doing Business** (Office of the Presidency) during 2023/2024
- Ongoing recovery in South Africa's **tourism sector**
- China 're-opening' and growth stimulus could be South African **commodity exports**
- Progress (slow) within NPA regarding the **prosecution of corruption**
- **Global growth** starts to recover during 2024, helped by lower interest rates and China
- **Next 6 months** tough for South Africa, but the economic environment should start to improve into 2024