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Six Weeks To Go



Most of us are still trying to process 2020 but 2021 is almost done! Along with the rest of the world, South Africa never expected for a second that 2021 could be even tougher than 2020. Boy, did we have another thing coming.

With 396 600 new Covid cases during the month of January, we were off to a grim start to the year. Some hope came in the form of a vaccine rollout plan announced on January 3, but it would still be several months before the vaccine plan really gained any traction. Despite this - and the return of load shedding - our stock market had a stellar month, up by 5.6%

On March 1, we moved to adjusted lockdown level 1, even as we were already hearing warnings about the dreaded third wave that was bound to be triggered by Easter festivities in April. Global stock markets were still forging ahead, seemingly ignoring the imminent risks. Even the rand joined the party, strengthening to R14.77 to the US dollar.

The political pressure cooker was working overtime, with both Jacob Zuma and Ace Magashule creating serious headaches for the leading party. Threatening a national shutdown as early as the second week of April, it seems the writing was always on the wall. The shutdown never came, Easter came and went without incident, and we all had the sense of having dodged a bullet towards the end of April.

Despite a move to adjusted lockdown level 2 on May 31 (only to be increased to level 4 two weeks later on June 16), we received confirmation that the British & Irish Lions Tour would go ahead, giving us something to look forward to in July. The tour would kick off at Ellis Park on July 3, with the first test on July 24 at Cape Town Stadium. The Springboks took the series 2-1.

June saw media reports of global investors losing “billions of dollars” when South African crypto investment company Africrypt claimed that they had been hacked. The actual amount lost has been adjusted downwards several times and in a bizarre twist, an unnamed investor offered up \$4 million for a 51% stake in the company last week, provided charges are dropped against the Cajee brothers. Not surprisingly, creditors have voted to accept the offer. Creditors will receive the remaining 49% of the shares with promises of further enormous investment made by the still anonymous knight in shining white armour. Only the NPA has the authority to make a final decision on whether to prosecute the Cajee brothers. We expect many more headlines on this front in the months to come.

On June 29 the Constitutional Court made history by finding former president Jacob Zuma guilty of being in contempt of court and sentencing him to 15 months' imprisonment. For one day, South Africans could feel a sense of justice and try to “forget” the fact that we were by then, firmly in the third wave, which was already proving that it would be the worst yet. He handed himself over to the police to start serving his sentence on July 7. Probably unsurprising to most, he would be released on medical parole less than nine weeks later but his incarceration was the final catalyst for events that would lead to one of the worst months in our democratic history.

July 2021. As I am writing this article, I cannot bring myself to look up the major headlines for the month as I did for the rest of this article. I don't need to do that to remember and I'm sure you don't need me to remind you. It was a tragic month for South Africans, the cost of which came in many forms - social, economic and the unnecessary loss of life.

And yet we go on. South Africans came together to clean up our streets and rebuild our lives. The rand ended the month at R14.52 to the US dollar and our stock market was up another 4.11%.

On Sunday, August 29, South African Greg Minnaar became the 2021 mountain bike downhill world champion. The achievement is even more impressive when you consider that he is now the oldest titleholder at the age of 39 and that the average rider in his peer group is in his twenties. **Why am I talking about mountain biking? Global bicycle sales have increased over 30% year-on-year** (as at March 2021) due to people electing to take their training outdoors. It is nice to know that some segments of the economy are actually benefiting from Covid. Not to mention the great opportunity to fly the SA flag!

A rise in inflation to 5% in September raised concerns about an impending interest rate hike. The South African Reserve Bank stayed the course, choosing not to act yet. However, a steadily rising fuel price (R19.32 per litre by now!) and its impact on inflation finally forced Sarb's hand to hike rates by 0.25% this week.

South Africa was finally removed from the dreaded UK Red List on October 11, opening the door for travel between SA and the UK. This was a welcome development for our tourism industry, with the number of searches for flight tickets between the countries increasing by 77% vs 2019.

October was a phenomenal month for the Johannesburg Stock Exchange, **with the FTSE/JSE All Share Index up 5.97% for the month.** This gain was on the back of stronger commodity prices lifting the shares of miners. Resources delivered 8.44% followed by Industrials with 6.73%.

The ANC received a very strong message from their constituency in the local elections on November 1, with the DA unable to deny that they are also slipping. **The large shift to support smaller, newer parties** is a clear signal that South Africans have had enough of the current status quo. We can only hope that this will lead to positive change. Heaven knows it can't get much worse.

Our new Minister of Finance Enoch Godongwana confirmed the commitment to reducing government spending and lowering public debt, **while the Treasury continues to enjoy a welcome surge in tax revenue from a booming commodity market.**

It seems like we are safely out of the third wave for now.

After a mediocre (but still victorious) game against Wales, the **Springboks eventually enjoyed a strong win against Scotland last week.**

The weather is beautiful with summer in full swing.

South Africans are so resilient. We seem to be determined to keep going, even as we find ourselves living in a state of constant high alert. Despite nerves about our economy and our social situation ever-present, there is a sense of hope for a better ending than that of 2020 in the air.

So, excuse us if we're a bit early, but you never know what can happen next. **Happy Holidays!**