

Out of the Ordinary®

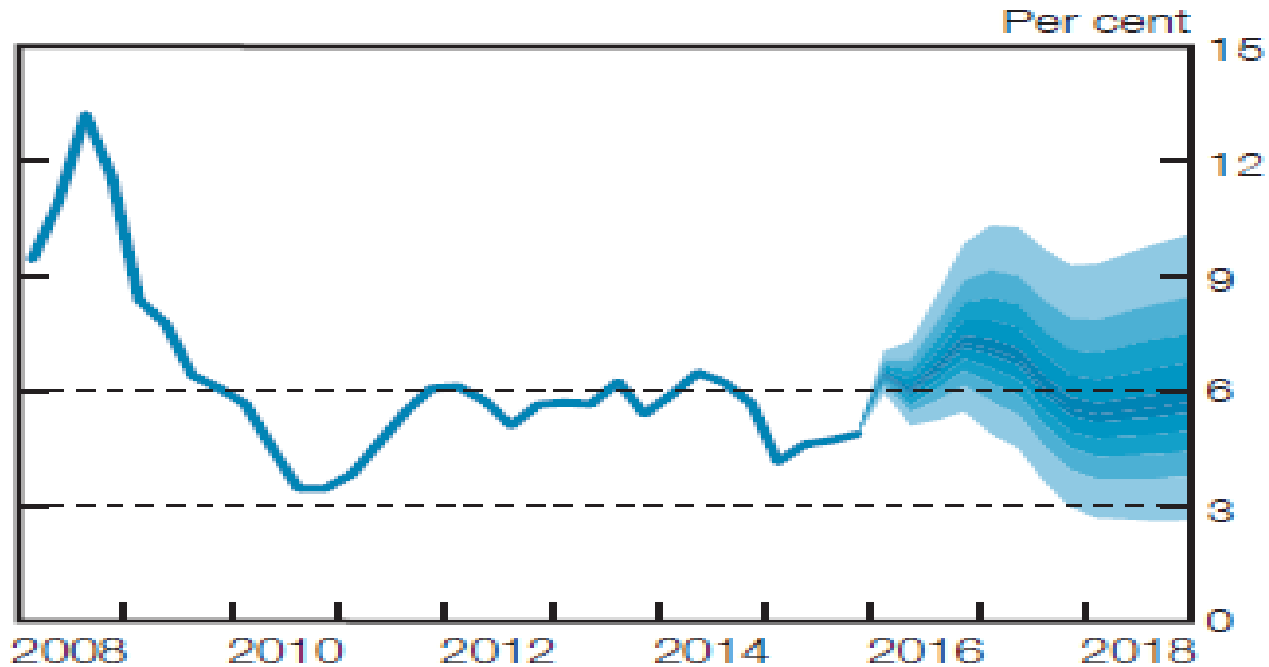


# Presentation to WC Property Developers

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Brian Kantor 12<sup>th</sup> May 2016

## Targeted inflation\* forecast



----- Inflation target range

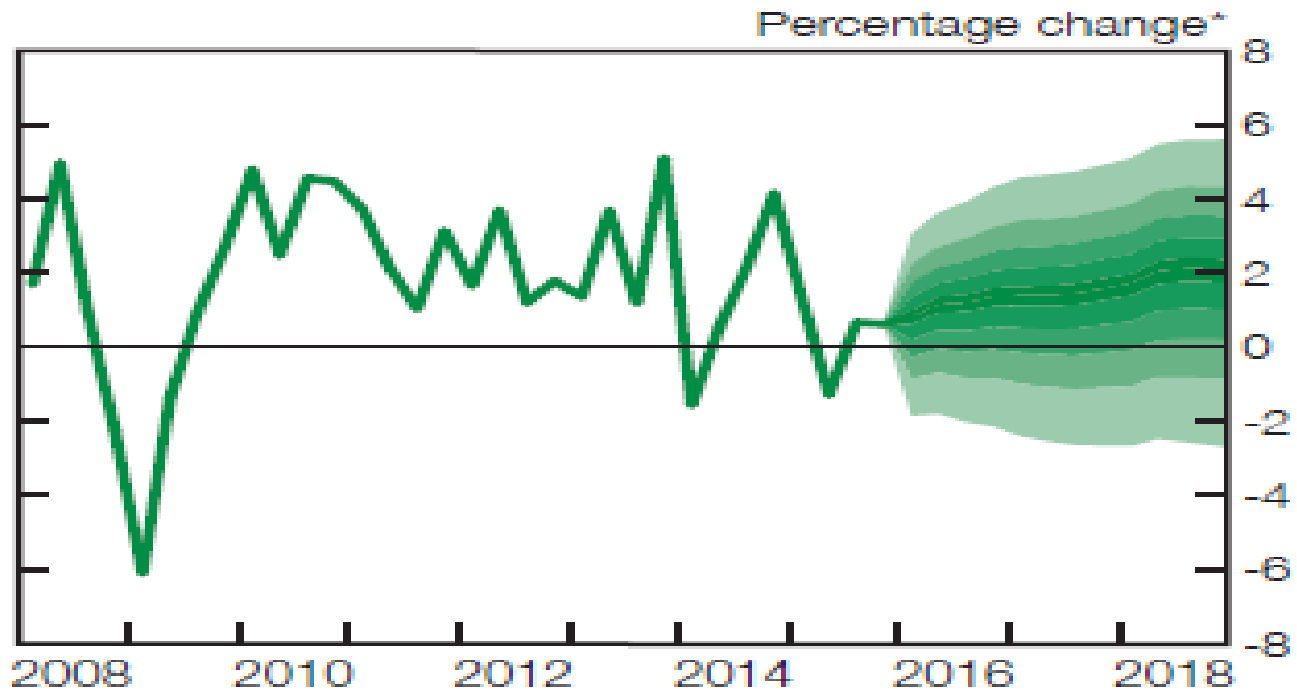
\* CPIX for metropolitan and other urban areas until the end of 2008; CPI for all urban areas thereafter

Source: South African Reserve Bank

<b>SOUTH AFRICA</b>		<b>Sub-Saharan Africa</b>		<b>GNI per capita (US\$)</b>		<b>6,800</b>		
<b>Ease of doing business rank (1–189)</b>		<b>73</b>	<b>Overall distance to frontier (DTF) score (0–100)</b>		<b>64.89</b>	<b>Population (m)</b>		<b>54.0</b>
<b>Starting a business (rank)</b>		120	<b>Getting credit (rank)</b>		59	<b>Trading across borders (rank)</b>		130
DTF score for starting a business (0–100)		81.18	DTF score for getting credit (0–100)		60.00	DTF score for trading across borders (0–100)		58.01
Procedures (number)		6	Strength of legal rights index (0–12)		5	Time to export		
Time (days)		46	Depth of credit information index (0–8)		7	Documentary compliance (hours)		68
Cost (% of income per capita)		0.3	Credit bureau coverage (% of adults)		62.0	Border compliance (hours)		100
Minimum capital (% of income per capita)		0.0	Credit registry coverage (% of adults)		0.0	Domestic transport (hours)		16
<b>Dealing with construction permits (rank)</b>		90	<b>Protecting minority investors (rank)</b>		14	Cost to export		
DTF score for dealing with construction permits (0–100)		69.00	DTF score for protecting minority investors (0–100)		71.67	Documentary compliance (US\$)		170
Procedures (number)		19	Extent of conflict of interest regulation index (0–10)		8.0	Border compliance (US\$)		428
Time (days)		141	Extent of shareholder governance index (0–10)		6.3	Domestic transport (US\$)		1,550
Cost (% of warehouse value)		1.0	Strength of minority investor protection index (0–10)		7.2	Time to import		
Building quality control index (0–15)		10.5	<b>Paying taxes (rank)</b>		20	Documentary compliance (hours)		36
<b>Getting electricity (rank)</b>		168	DTF score for paying taxes (0–100)		88.75	Border compliance (hours)		144
DTF score for getting electricity (0–100)		41.99	Payments (number per year)		7	Domestic transport (hours)		16
Procedures (number)		5	Time (hours per year)		200	Cost to import		
Time (days)		226	Total tax rate (% of profit)		28.8	Documentary compliance (US\$)		213
Cost (% of income per capita)		670.5	<b>Enforcing contracts (rank)</b>		119	Border compliance (US\$)		657
Reliability of supply and transparency of tariffs index (0–8)		0	DTF score for enforcing contracts (0–100)		53.18	Domestic transport (US\$)		1,550
<b>Registering property (rank)</b>		101	Time (days)		600	<b>Resolving insolvency (rank)</b>		41
DTF score for registering property (0–100)		60.79	Cost (% of claim)		33.2	DTF score for resolving insolvency (0–100)		64.29
Procedures (number)		7	Quality of judicial processes index (0–18)		6.5	Time (years)		2.0
Time (days)		23				Cost (% of estate)		18
Cost (% of property value)		6.4				Recovery rate (cents on the dollar)		35.3
Quality of land administration index (0–30)		14				Strength of insolvency framework index (0–16)		14.5

<b>AUSTRALIA</b>		<b>OECD high income</b>		<b>GNI per capita (US\$)</b>	
<b>Ease of doing business rank (1–189)</b>		<b>13</b>	<b>Overall distance to frontier (DTF) score (0–100)</b>		<b>80.08</b>
			<b>Population (m)</b>		<b>23.5</b>
<b>Starting a business (rank)</b>	11	<b>Getting credit (rank)</b>	5	<b>Trading across borders (rank)</b>	89
DTF score for starting a business (0–100)	96.47	DTF score for getting credit (0–100)	90.00	DTF score for trading across borders (0–100)	70.82
Procedures (number)	3	Strength of legal rights index (0–12)	11	<i>Time to export</i>	
Time (days)	2.5	Depth of credit information index (0–8)	7	Documentary compliance (hours)	7
Cost (% of income per capita)	0.7	Credit bureau coverage (% of adults)	100.0	Border compliance (hours)	36
Minimum capital (% of income per capita)	0.0	Credit registry coverage (% of adults)	0.0	Domestic transport (hours)	4
				<i>Cost to export</i>	
<b>Dealing with construction permits (rank)</b>	4	<b>Protecting minority investors (rank)</b>	66	Documentary compliance (US\$)	264
DTF score for dealing with construction permits (0–100)	86.56	DTF score for protecting minority investors (0–100)	56.67	Border compliance (US\$)	749
Procedures (number)	10	Extent of conflict of interest regulation index (0–10)	6.0	Domestic transport (US\$)	525
Time (days)	112	Extent of shareholder governance index (0–10)	5.3	<i>Time to import</i>	
Cost (% of warehouse value)	0.5	Strength of minority investor protection index (0–10)	5.7	Documentary compliance (hours)	3
Building quality control index (0–15)	14			Border compliance (hours)	37
				Domestic transport (hours)	4
<b>Getting electricity (rank)</b>	39	<b>Paying taxes (rank)</b>	42	<i>Cost to import</i>	
DTF score for getting electricity (0–100)	82.32	DTF score for paying taxes (0–100)	82.35	Documentary compliance (US\$)	100
Procedures (number)	5	Payments (number per year)	11	Border compliance (US\$)	525
Time (days)	75	Time (hours per year)	105	Domestic transport (US\$)	525
Cost (% of income per capita)	8.4	Total tax rate (% of profit)	47.6		
Reliability of supply and transparency of tariffs index (0–8)	7			<b>Resolving insolvency (rank)</b>	14
<b>Registering property (rank)</b>	47	<b>Enforcing contracts (rank)</b>	4	DTF score for resolving insolvency (0–100)	81.69
DTF score for registering property (0–100)	74.24	DTF score for enforcing contracts (0–100)	79.72	Time (years)	1.0
Procedures (number)	5	Time (days)	395	Cost (% of estate)	8
Time (days)	4.5	Cost (% of claim)	21.8	Recovery rate (cents on the dollar)	82.1
Cost (% of property value)	5.2	Quality of judicial processes index (0–18)	15.5	Strength of insolvency framework index (0–16)	12
Quality of land administration index (0–30)	20				

# Real GDP growth forecast

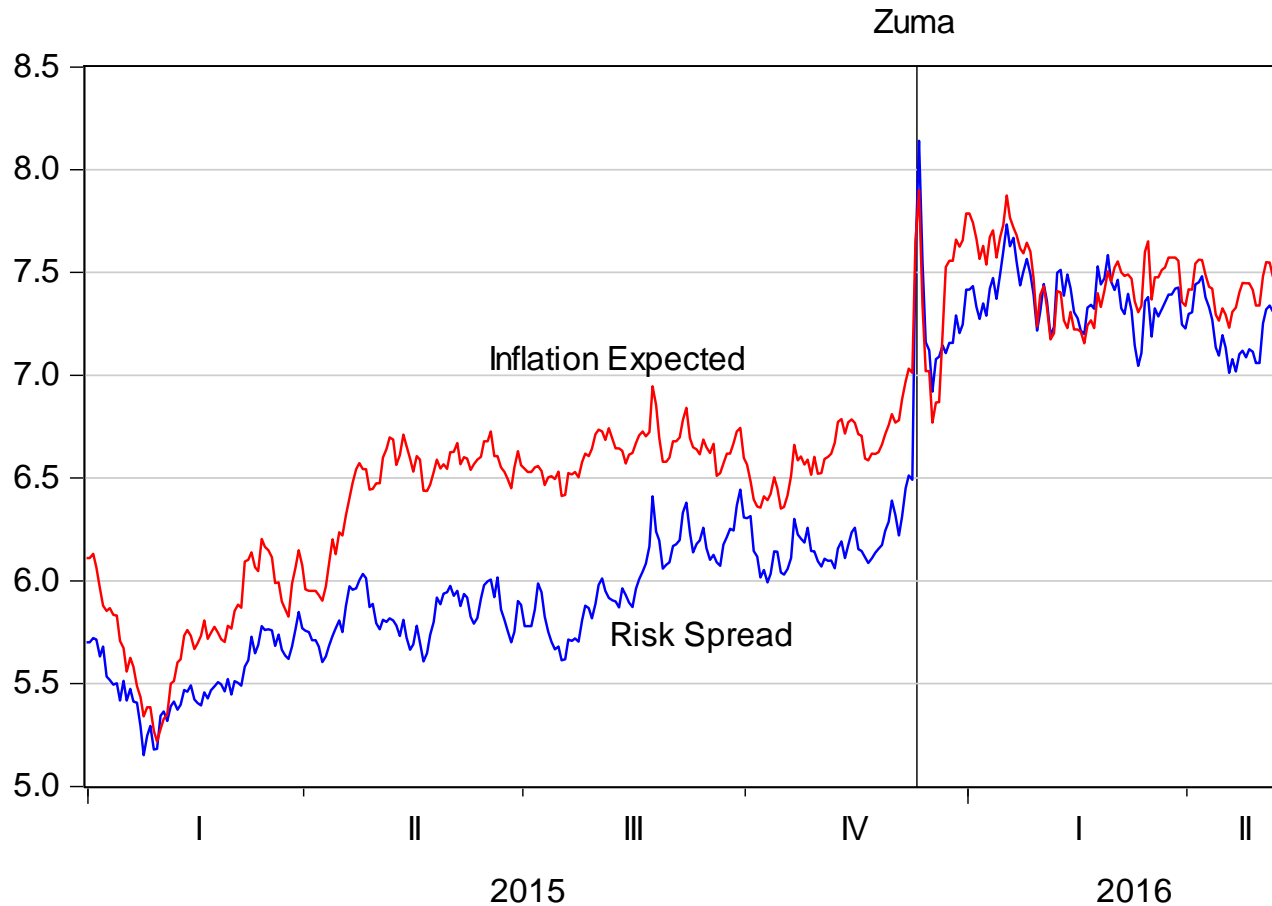


\* At seasonally adjusted annualised rates

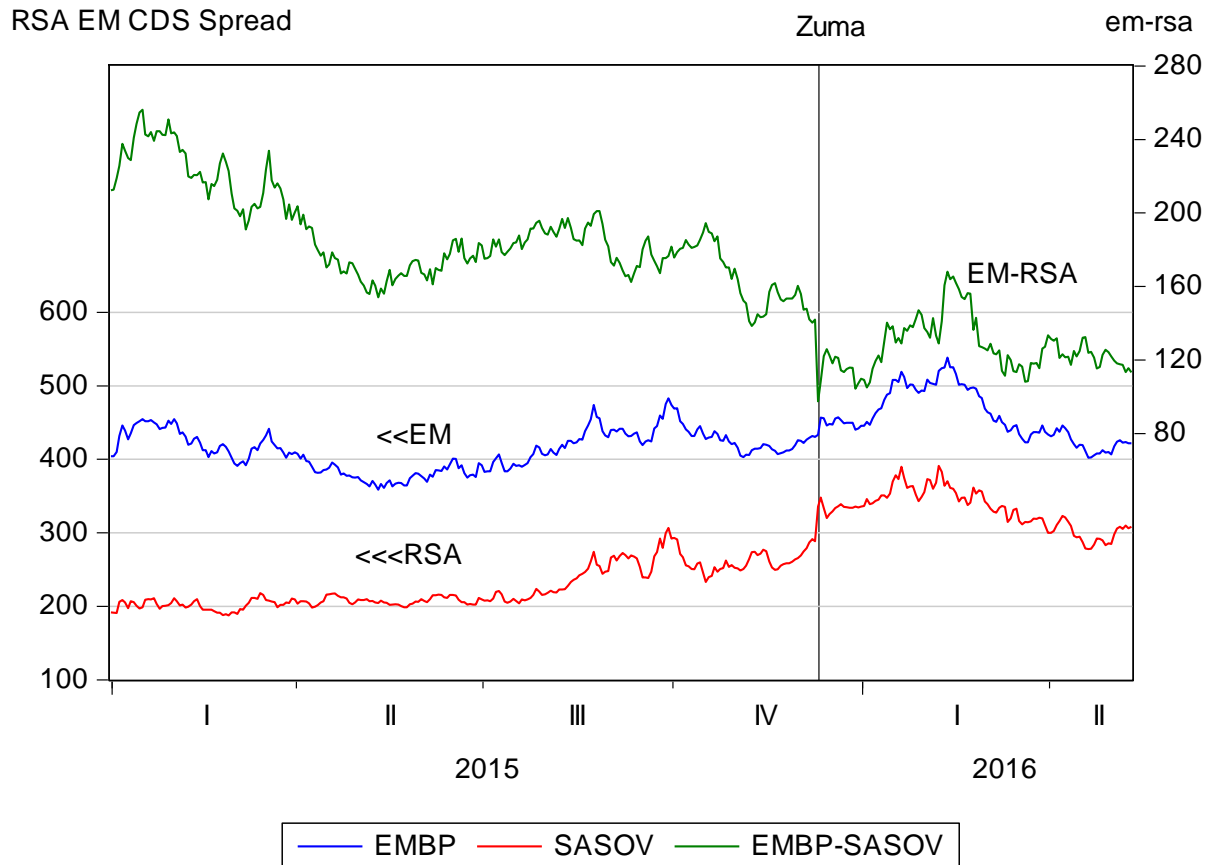
Source: South African Reserve Bank

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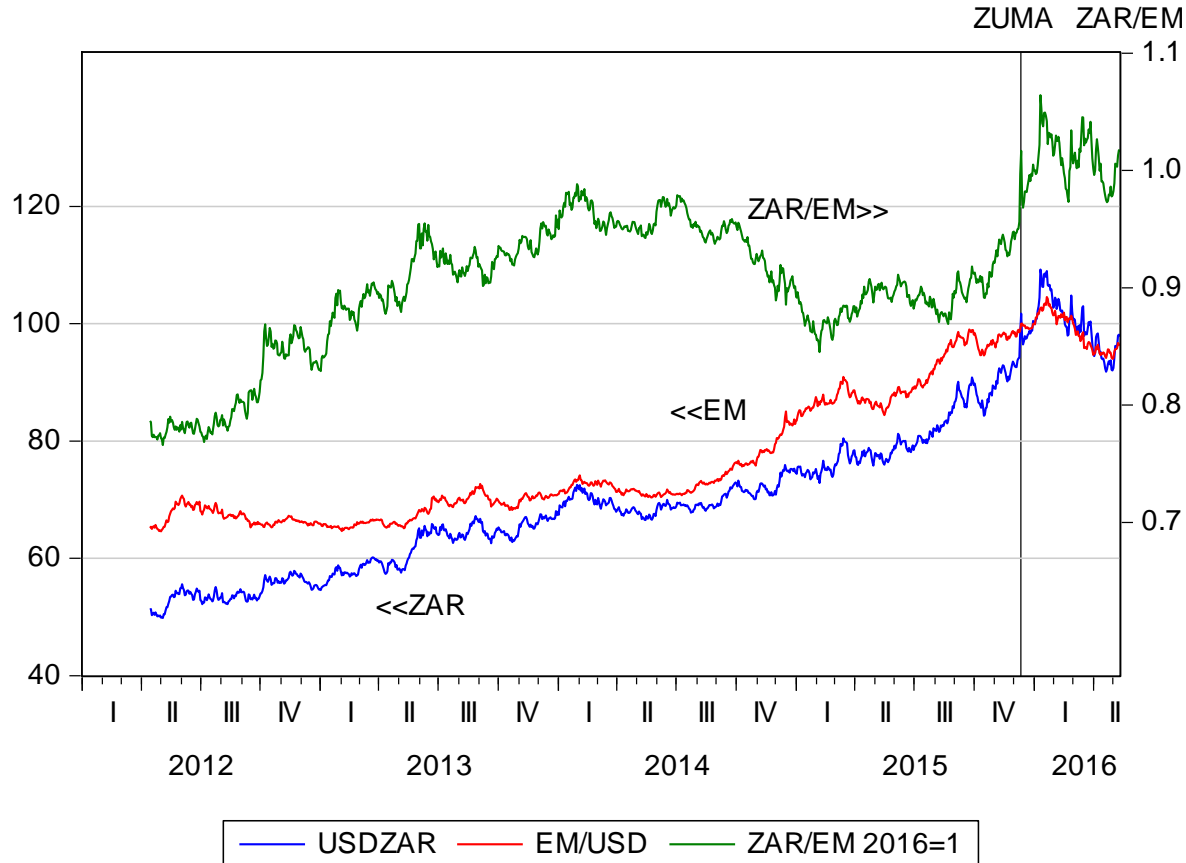
# SA Risk and Inflation expected



# EM and SA CDS spreads

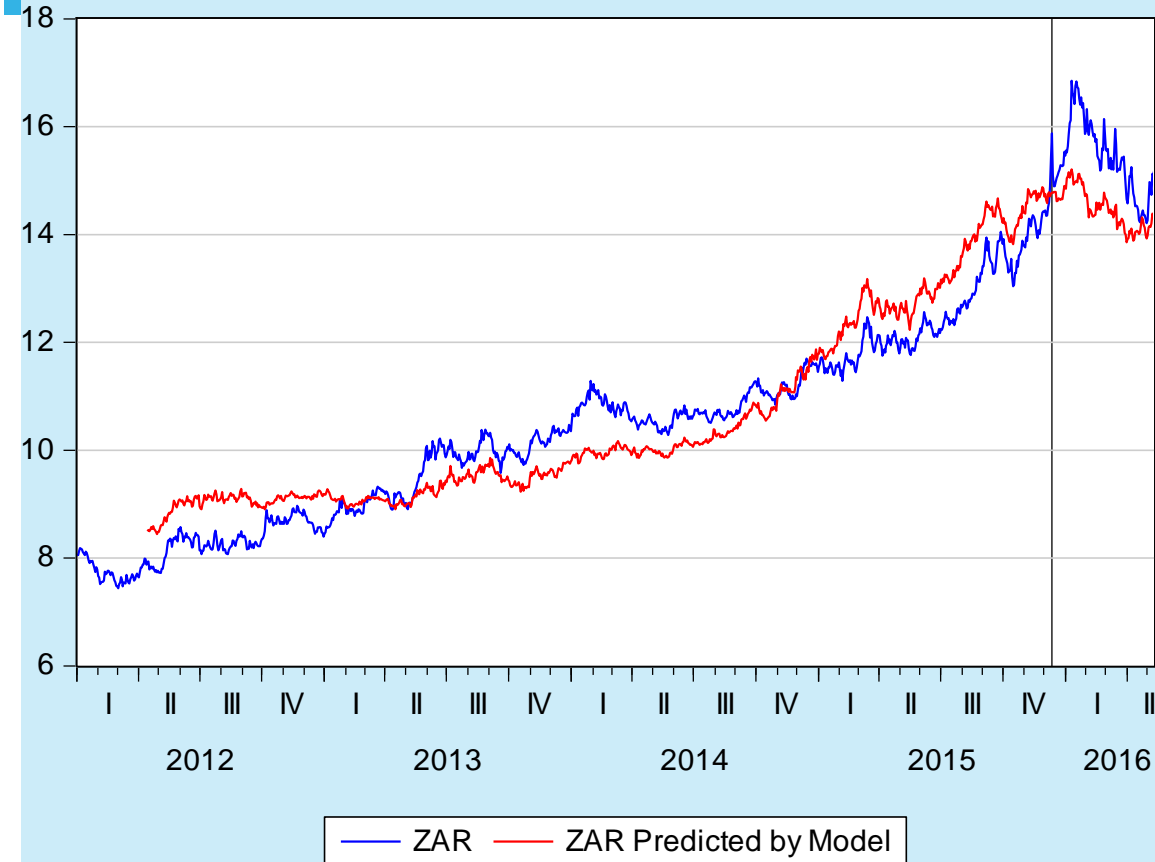


# The rand (USD/ZAR) and the average EM exchange rates (2016=100) daily data





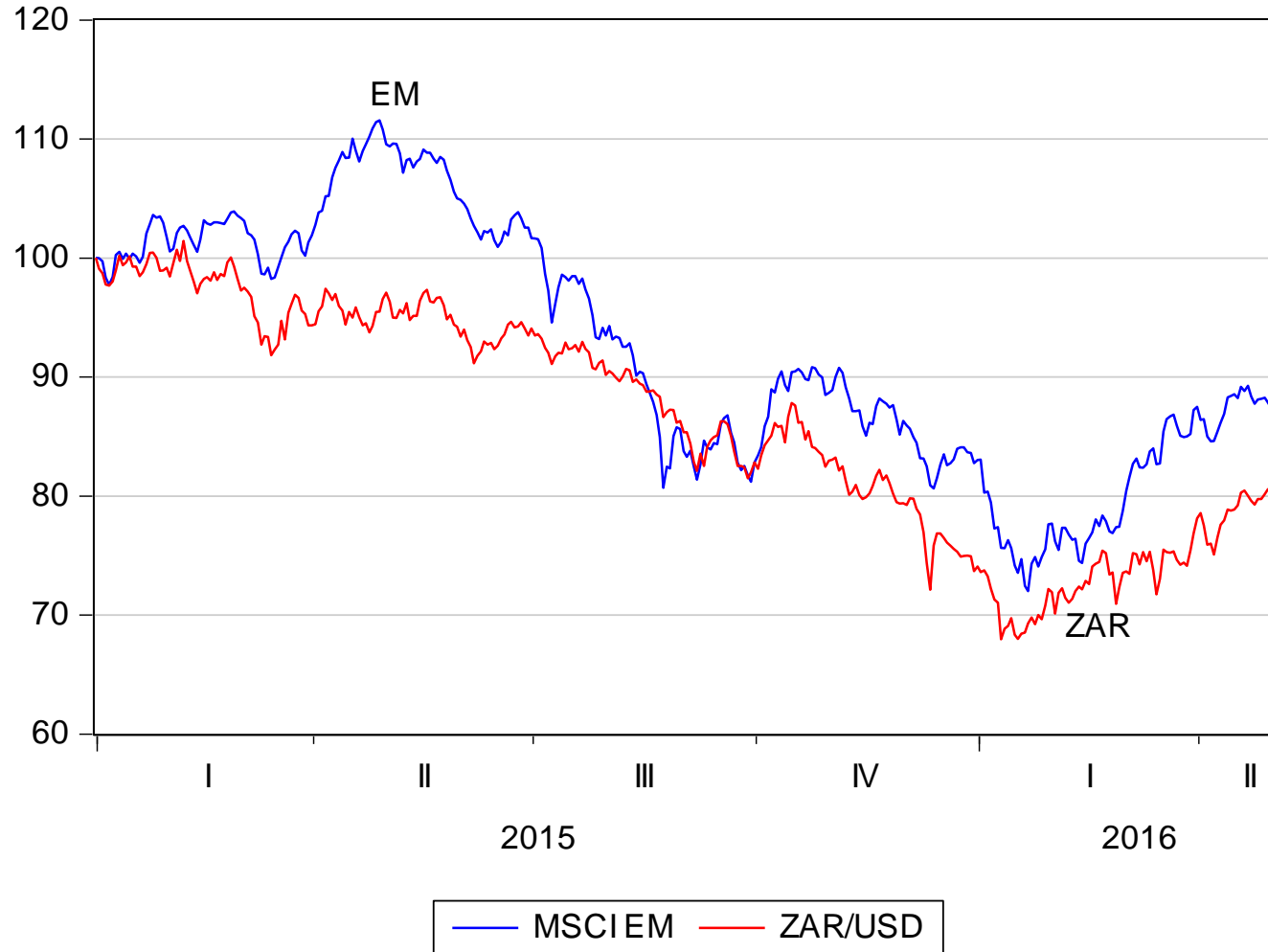
# The ZAR and its “fair value” R14.3



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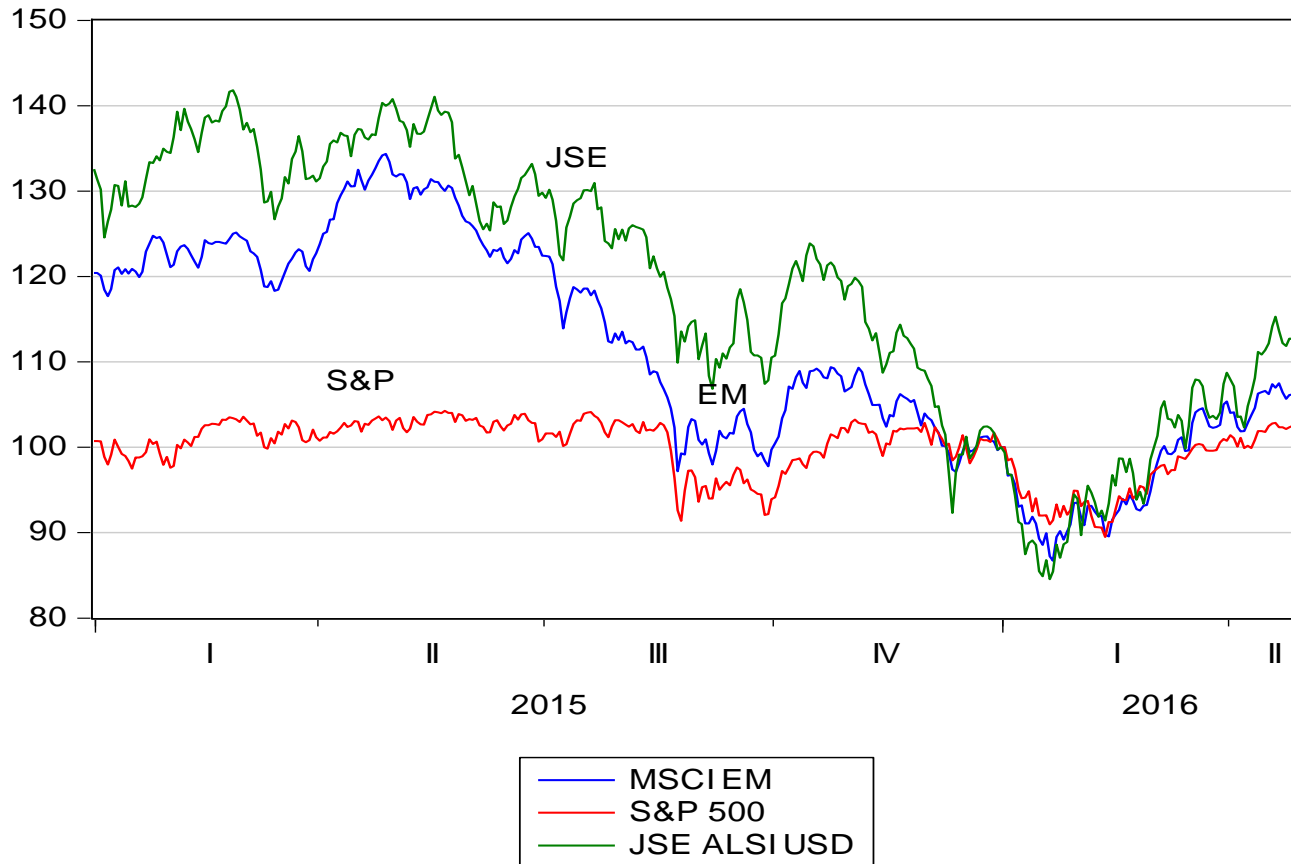


# EM EQUITIES AND THE ZAR/USD

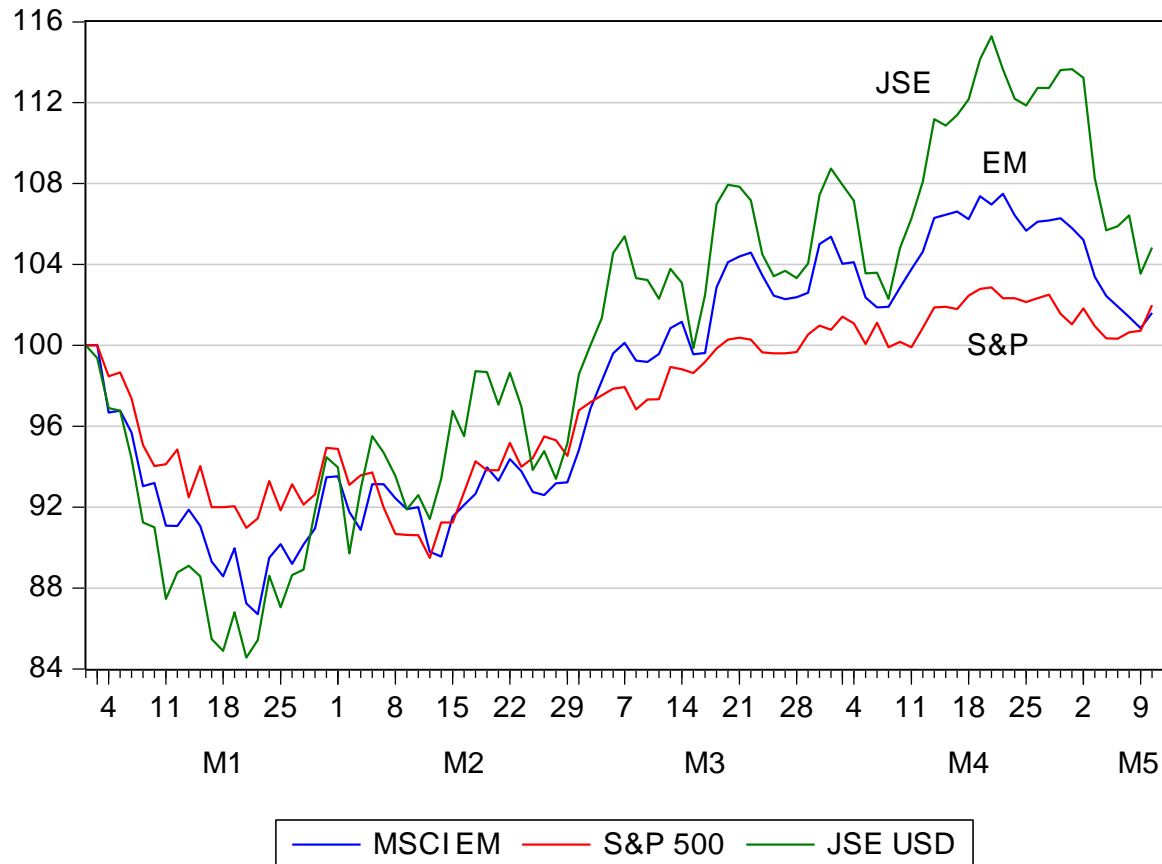


# Share Markets in 2015-2016. Emerging Markets Vs S&P 500 VS JSE ALSI (USD) (January 2015 = 100) Daily Data

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# Share market performance in 2016

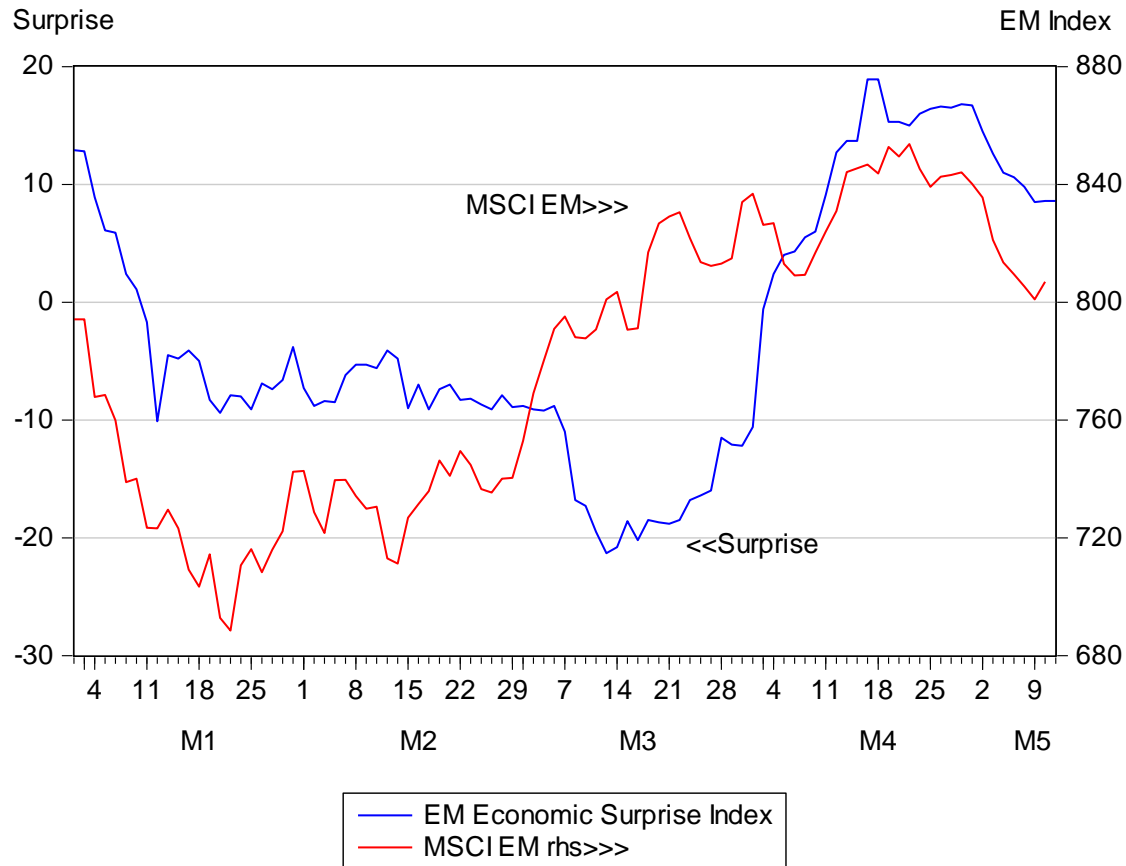


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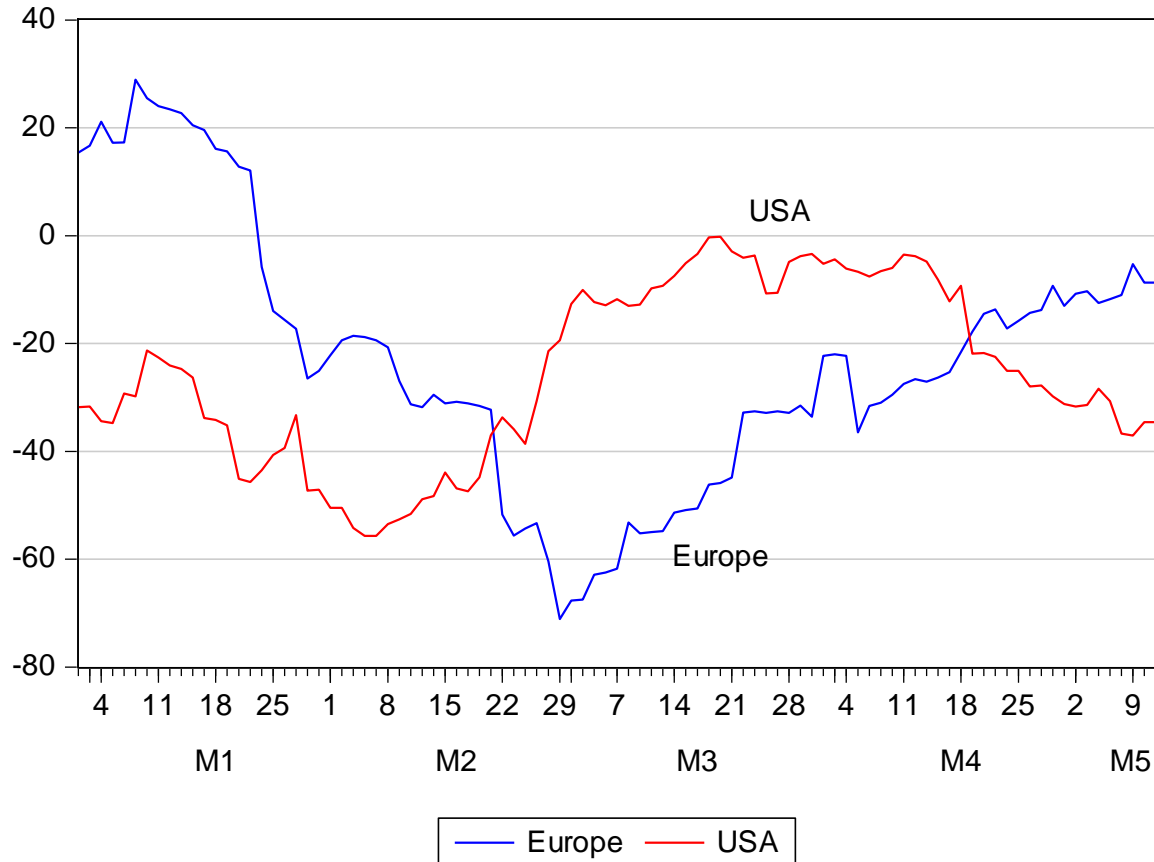


# EM equities and EM economic surprises

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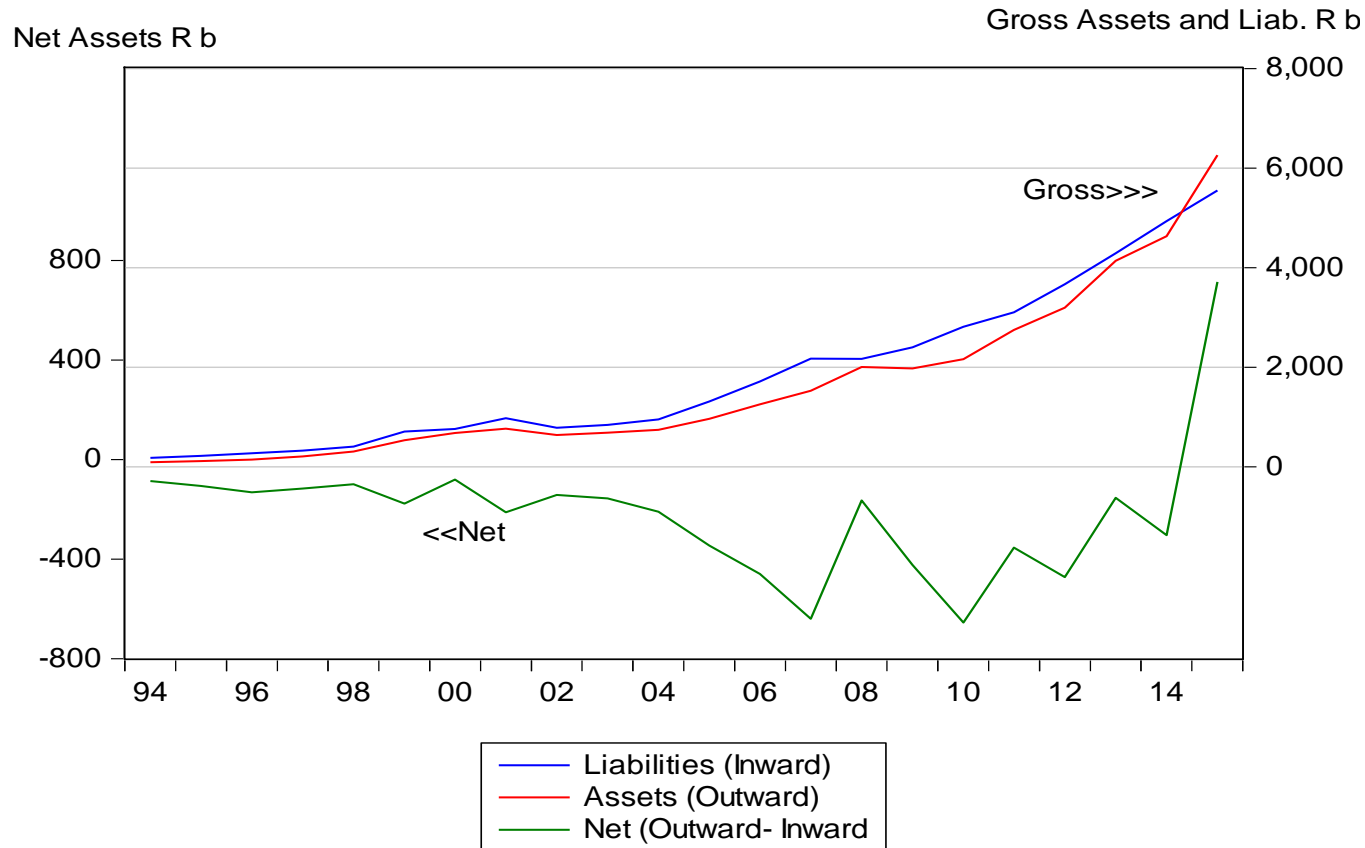


# US and European surprises – surprising Europe



# RSA – Gross and net foreign assets and liabilities – a milestone passed

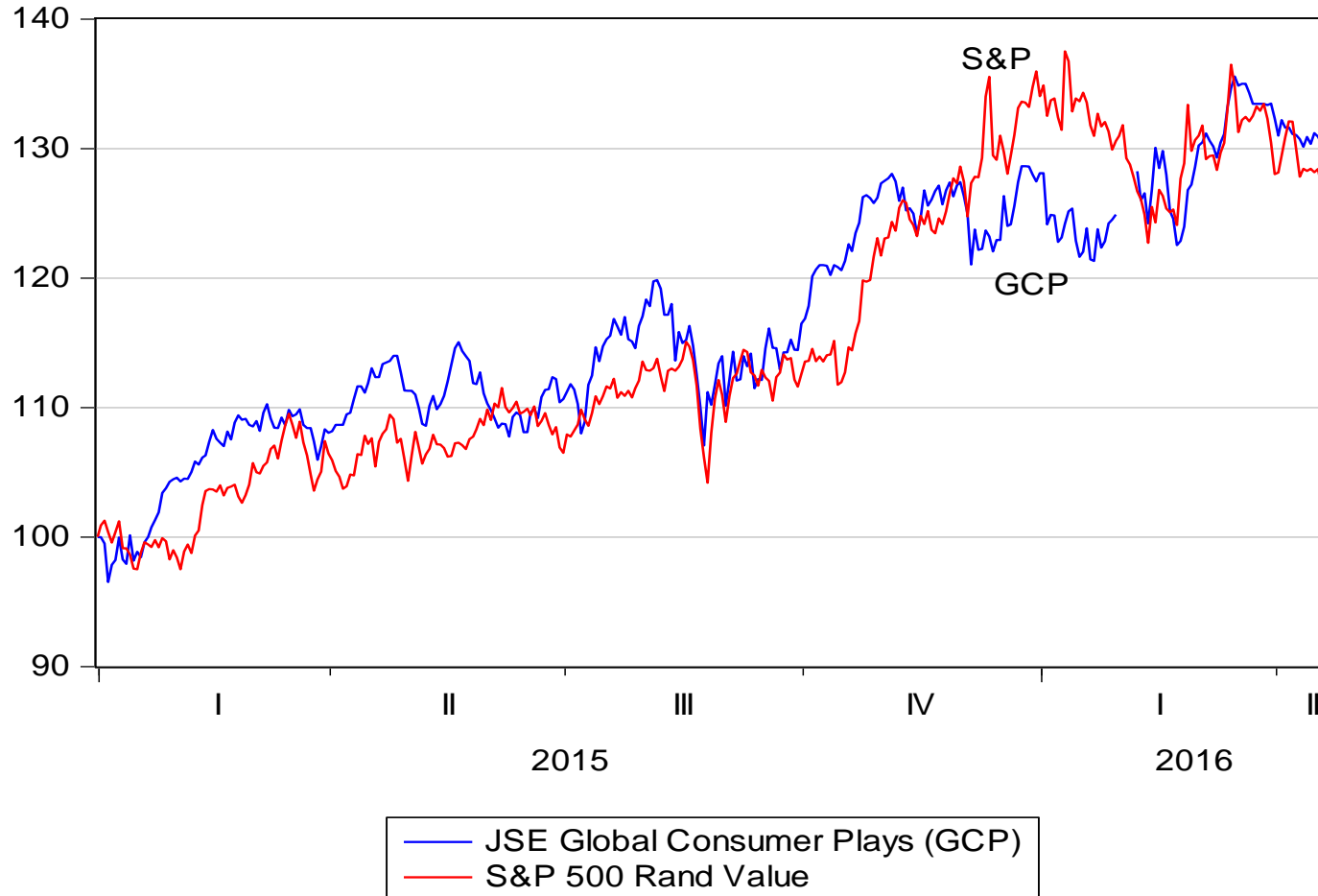
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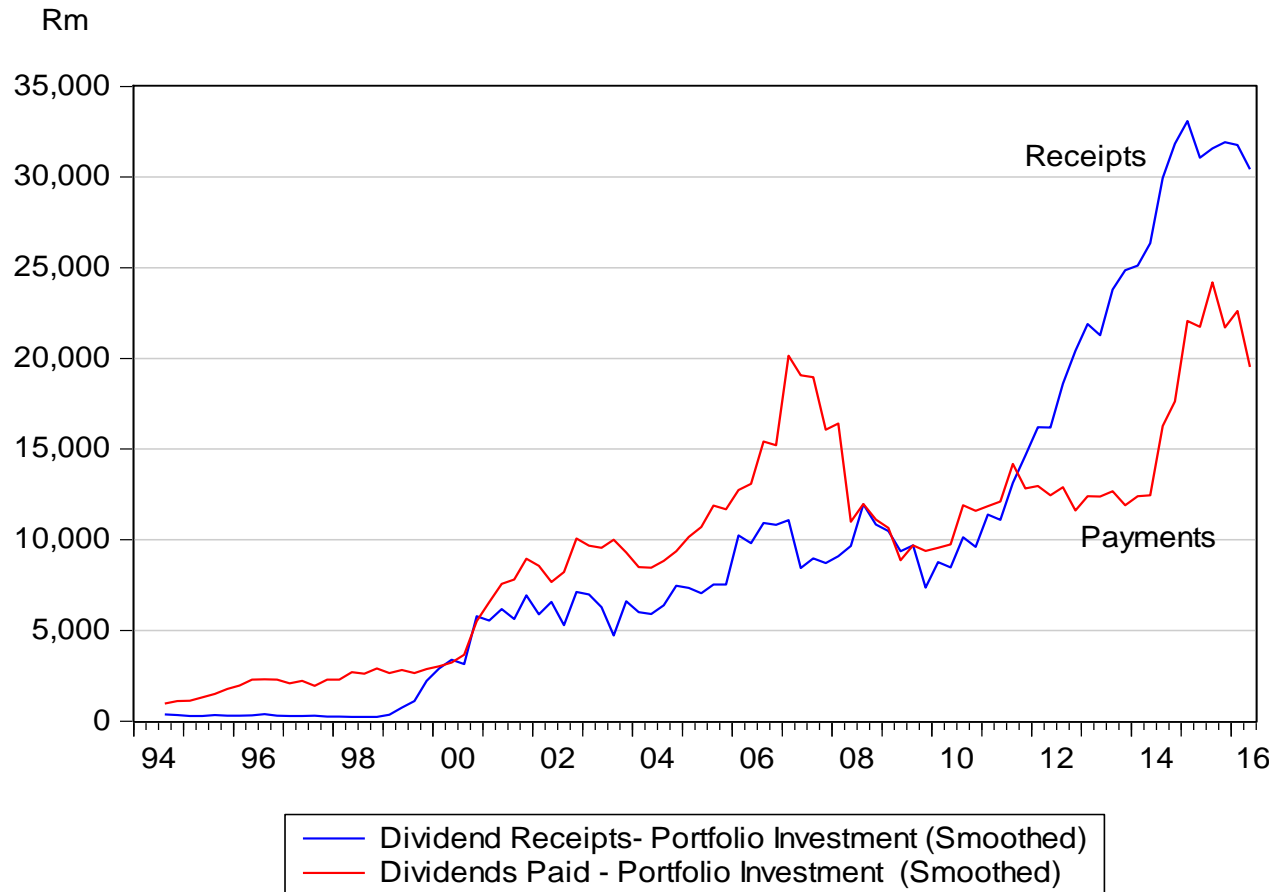
# A comparison of equity returns – The 14 JSE Global Consumer Plays Vs the S&P 500, in rands (January 2015=100)

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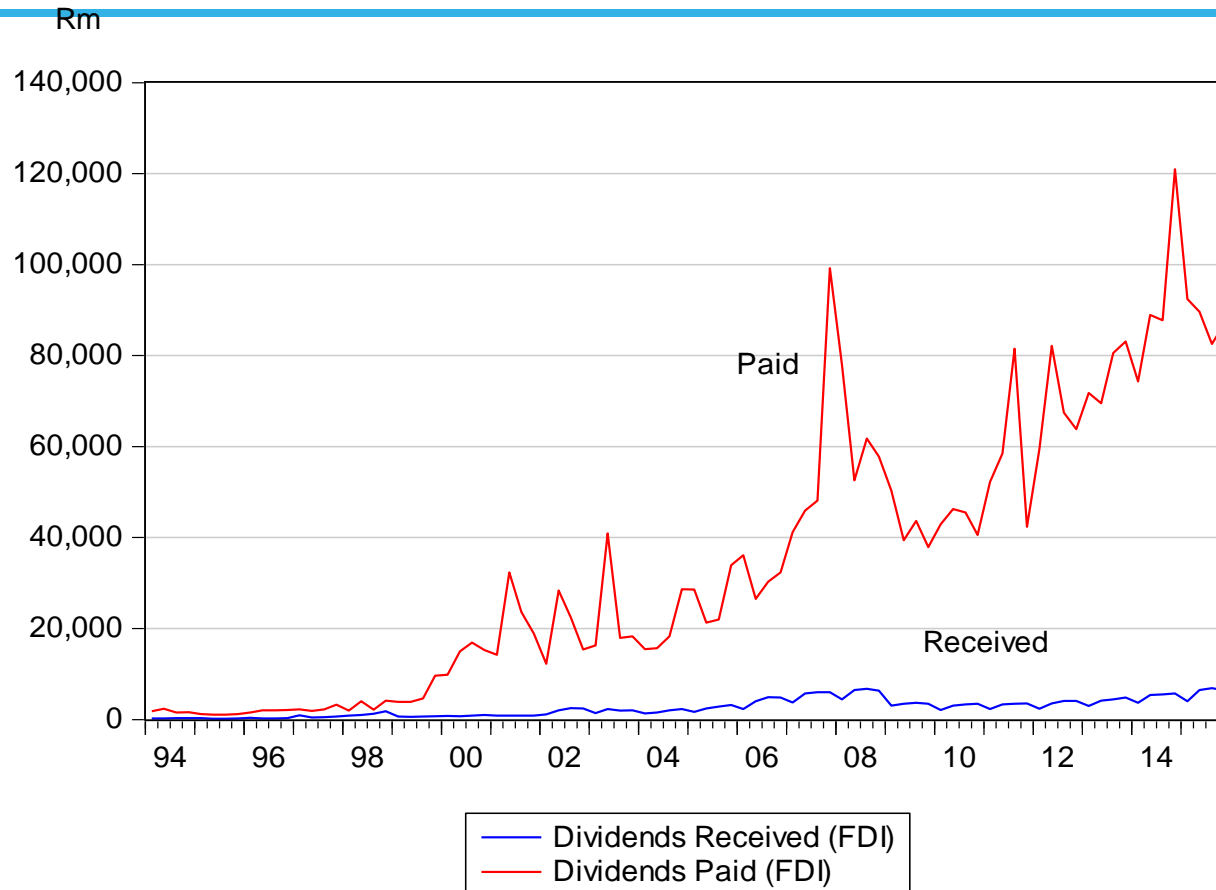
# RSA portfolio investment, dividend flows

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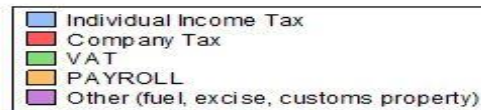
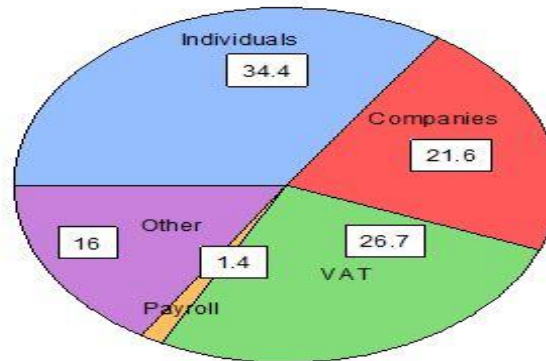
# RSA – Foreign direct investment, dividend flows

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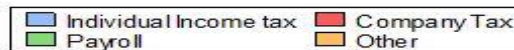
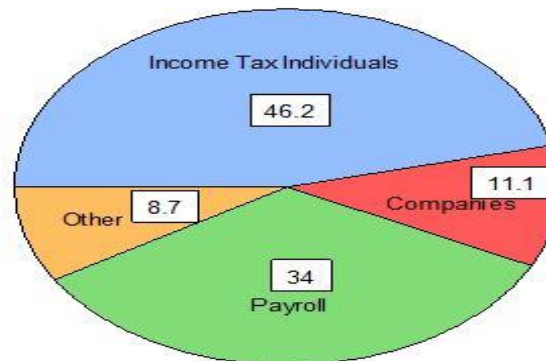
# Distribution of Revenues

**RSA – Percentage Distribution of Tax Revenues 2013-14**



Source: Budget Review 2014, Investec Wealth & Investment

**US Federal government: Distribution of tax revenues, 2014**



Source: US Federal government (Office of Budget and Management), Investec Wealth & Investment

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Thank you

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# Awards

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## Ranked #1

In the Private  
Banking & Wealth  
Management  
Survey 2015



## Ranked #1

Private Bank in the  
FT & Professional  
Wealth  
Management  
Global Awards 2014



## Ranked #1

Stockbroker for  
the Sophisticated  
Executive and #1  
CFD Provider  
2014



## Ranked #1

By our peers in  
the Wealth  
Management  
Banking Survey  
2013

