



Investing for a world of change



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SA and the world in 2022 - A-Z

While the pressures of the pandemic slowly subside, a cooler economic and political environment awaits. What does 2022 have in store for us on the local and global front?

A

Ace - on trial

Removed from the top six, from the NEC and Luthuli House. He's down, but certainly not out. Important bellwether to see if the NPA can successfully prosecute state capture kingpins.

B

Bitcoin

Another tumultuous year, started 2020 at \$7000, peaked at \$67 500 in November 2021, and currently back down to around \$40 000.

C

Cyril Ramaphosa

His programme of clean-up and renewal too slow for those who support him and way too fast for those on the wrong side of the law. Will he survive re-election at Nasrec in December? Apparently yes, he must. The alternatives are too scary to consider.

D

Debt

Rising across the world, SA included. US debt is at \$30 trillion, rising by \$1 million every 40 seconds.¹

¹ Source: Daily Maverick.

E

Emerging markets

Stimulus is over, won't like tapering. However, despite recent scepticism, supply shortages should keep commodity prices from declining too much, and a post-COVID economic recovery should see some growth.

F

Fifth wave

Apparently in May. For now though, 'family meetings' are over, schools and offices are back, as is rush hour traffic, and restaurants, bars and clubs are all packed. Hopefully, there is no turning back.

G

Great Britain

Although fractional compared to ours, quite nice to see another country's politicians behaving badly and under pressure. Can you imagine that level of scrutiny of our politicians!

H

Happy days

For equity investors at least, with the FTSE/JSE All-Share Index gaining 29% in 2021, its best year since 2009. After several years of lacklustre returns, our market continues to recover off the pandemic lows with price movements supported by a strong rebound in earnings growth.

I

Interest rates and inflation

Rising across the world, including SA. Expect at least four 25 basis-point increases both here and from the Federal Reserve, with the risk that they move faster and more aggressively.

J

Just transition

Move towards sustainability and net zero across the world gaining momentum and unstoppable, finally. Developed world needs to assist emerging markets. We didn't cause this problem, but we're going to need funding and time to decarbonise.

K

Kamala Harris

Gone very quiet. Not sure why. Could be she doesn't want to be associated with Biden's declining popularity, or Afghanistan. Unlikely she'll be able to take on a rampant Trump.

L

Loadshedding

One of our biggest constraints to growth. Now companies can produce their own electricity, up to 100MW. Our switch to wind/solar should also bring medium-term relief. Unfortunately, 2022 will remain challenging, and at times dark.

M

Markets

Under pressure. Rising interest rates, the removal of stimulus and geopolitical rumblings will keep markets under pressure. The global economic rebound should provide some support.

N

NPA

Under pressure. The public is losing patience, the guilty getting confident and cocky. Skilled lawyers capable of running a trial to successful prosecution need to be hired. Business is offering to help. We need to hurry; we may not have much time.

O

Omicron

More boisterous, less dangerous. Apparently, this is how most respiratory pandemics end. Could our brilliant scientists have discovered the variant that ends COVID?

P

Putin

He wants Ukraine, again. Could just be bargaining/brinkmanship with the West. Remains dangerous though. Will heighten geopolitical risks and tensions.

Q

Quarantine

Been devastating to our travel industry. Fortunately, been removed, for now. Let's hope lessons have been learnt, and that this is the end.

R

Rand

With rising rates, slowing growth, emerging markets out of favour and less favourable terms of trade, we expect a stable to slightly weaker rand. However, the global post-COVID rebound plus supply chain bottleneck should provide some support for commodities and growth. Expect R15.00-R16.50 to the US dollar in 2022.

S

State capture

After Zondo, we now know the plot, the story, the characters and the villains. Many arrests have been made, but now we need more high-profile arrests and successful prosecutions.

T

Trump

Back in '24? Biden is unlikely to seek/win a second term and Kamala's gone very quiet. If the New York Attorney General doesn't trip him up, expect him back – whether you like it or not.

U

US dollar

A stronger-than-expected US recovery plus rising interest rates should see the dollar enjoying a firmer year.

V

Vaccines

At 43% fully vaccinated, we are one of the lowest globally. Fortunately, together with antibodies from widespread infections, we seem to have stumbled our way to herd immunity. Let's hope it lasts.

W

Weather

It doesn't rain, it pours. Too much rain unfortunately. After two great years for farmers and record harvests, crops and infrastructure have been damaged. Let's hope not too much.

X

Xi Jinping

having successfully reclaimed and settled down Hong Kong, Taiwan is next. Expect geopolitics risks through the year.

Y

Youth

We have a relatively young population, which helped us during COVID. It's a very different picture in the developed world. Only 9% of our population is over the age of 60; in Europe that number is more than 25%. This should be Africa's demographic dividend, provided we can get education right.

Z

Zuma

When will it ever end? Delays, court cases, a brief stint in jail, riots and unrest. Unfortunately, expect more of the same in 2022.

The move towards sustainability and net zero across the world is gaining momentum.

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