



Rand Note

3rd July 2019

Rand flirts with R14.00/USD, but piercing this key resistance level will prove hard for the domestic currency, and likely require a 25bp cut at the next FOMC meeting, absent any domestic events negative for the currency

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- The rand closed last week at R14.08/USD, R16.00/EUR and R17.87/GBP, moving stronger this week to R14.04/USD, R15.90/EUR and R17.77/GBP on US dollar weakness ahead of an expected cut in US interest rates at the next FOMC meeting (31st July).
- The rand, and other emerging market currencies, have benefitted from financial market expectations that the US will cut its interest rates this year by 50bp (see "Q3.19 Macro-economic outlook 2019–2025: SA markets, rand follow global, ignores GDP which stutters on structural (regulatory) impediments to growth", 1st July 2019, website address below).

- While the rand is likely to continue to gain from perceptions, and particularly the occurrence, of global monetary policy easing, the third quarter tends be a quarter in which financial markets often experience risk-off. In particular, fears of slowing global economic growth have impacted markets, and could limit EM currencies gain in Q3.19.
- We have revised our forecast for world GDP growth down again, to 2.6% y/y for 2019, versus the forecast we made in Q2.19 of 2.9% y/y in line with the World Bank which highlights that "(g)lobal growth has continued to weaken and momentum remains fragile."
- R14.00/USD is a key resistance level, and the domestic currency will likely find it difficult to pierce it sustainably, without very strong momentum. We expect this could only be likely if the FOMC cuts its fed funds rate by 25bp, with the earliest interest rate meeting on 31st July 2019.

Domestic		Q1.19	Q2.19	Q3.19	Q4.19	Q1.20	Q2.20	Q3.20	Q4.20
(lite)	Rand/USD (average)	14.01	14.38	16.00	17.00	16.50	15.50	15.15	14.90
Down case	Repo rate (end rate)	6.75	6.75	7.50	8.50	7.50	7.50	7.50	7.25
25%	Prime rate (end rate)	10.25	10.25	11.00	12.00	11.00	11.00	11.00	10.75
	Partial expropriation o	f (certain	groups	') private	comme	ercial se	ctor prop	perty (inc	luding
	productive land) withou	it compe	nsation.	Business	confide	nce rema	ains depr	essed, n	narked
	rand weakness, signi	ificant lo	ad shed	lding an	d weak	investn	nent gro	wth. SA	sub-
25%+12%=37	investment grade Mo	CONTRACTOR OF THE PARTY OF THE	The second secon						
%	downgrades. SA exper								
	modestly strengthening								
	longer-term impact of d								
	occurs - a severe glob	al risk-off	environ	ment is a	voided, v	with neut	ral to glo	bal risk-o	on.
International		Q1.19	Q2.19	Q3.19	Q4.19	Q1.20	Q2.20	Q3.20	Q4.2
& (worse)	Rand/USD (average)	14.01	14.38	16.10	17.20	18.50	19.50	20.00	19.25
domestic	Repo rate (end rate)	6.75	6.75	8.00	8.50	9.25	9.75	10.25	10.75
Down	Prime rate (end rate)	10.25	10.25	11.50	12.00	12.75	13.25	13.75	14.25
Case 12%	Expropriation of private	commer	cial sect	or proper	ty (full or	partial,	and inclu	ding proc	ductive
	land) without compens								
	individuals - national								
	weakness, significant s								
	load shedding. SA sub-	-investme	ent grade	, further	credit do	wngrade	s. Faster	than exp	pected
	global (US) monetary p	olicy nor	malisatio	n, gener	al marke	t risk-off	global s	harp eco	nomic
	slowdown (commodity	slump),	marked	escalation	on of US	S-China	trade wa	ar, short	global
	financial crisis (SA V s	haped re	cession)	. Materia	I risk of	further c	redit ratio	na down	grades
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- Indeed, today the rand has weakened slightly on trade tensions directed now at the EU, as the US threatens additional tariffs of US\$4bn on EU goods over aircraft subsidies. While a small amount, given the escalation in US-Sino trade tensions, markets are taking the threat against the EU as a higher risk of further momentum from the US towards eventual global trade war.
- Additional tariffs against the EU would assist a slowdown in global economic growth, which is worrying financial
 markets. The latest trade spat comes just after agreement between the US and China this weekend at the G20 meeting on resuming trade negotiations.

- US tariffs already applied on Chinese goods imported by the US, as well as the retaliatory measures from China
 remain in place, with little breakthrough on the US Chinese trade relationship at the weekend G-20, other than
 agreeing to continue negotiations. Many believe a final deal is unlikely to be reached soon.
- A further escalation in trade tensions between the US and China is our down case, as is a Moody's credit rating downgrade and a prolonged global financial markets risk-off environment. The split in the down case into a domestic (lite) Moody's driven event, and a severe escalation in global trade tensions (war) and multiple credit rating downgrades is the severe down case.
- While the rand could see further strength this year, this may be more likely to be sustained in the last quarter, as global financial markets tend to be less risk averse in that period (the last and first quarters of the year. Longer-term the rand is expected to return to its purchasing power parity valuation (in the expected case).

Extreme Up case:	2019	2019	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021
Exchange Rates forecasts averages	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
USD/ZAR	14.01	14.38	11.50	10.30	9.50	8.60	7.90	7.60	7.40	7.10	6.95	6.75
GBP/ZAR	18.24	18.48	14,37	12.94	12.09	11.15	10.50	10.19	10.21	9.90	9.69	9.41
EUR/ZAR	15.91	16.15	12.97	11.74	10.97	9.98	9.24	8.97	9.10	8.88	8.69	8.44
ZARUPY	7.87	7.65	9.39	10.49	11.26	12.33	13.35	13.75	14.32	14.93	15.25	15.70
ZARCHF	14.05	14.34	11.58	10.44	9.63	8.64	7.90	7.54	7.63	7.40	7.24	7.03
ZARAUD	9.98	10.07	7.76	7.00	6.60	6.06	5.69	5.55	5.62	5.61	5.42	5.27
GBP/USD	1.30	1.29	1.25	1.26	1.27	1.30	1.33	1.34	1.38	1.39	1.39	1.39
EUR/USD	1.14	1.12	1.13	1.14	1.16	1.16	1.17	1.18	1.23	1.25	1.25	1.25
USD/JPY	110	110	108	108	107	106	106	105	106	106	106	106
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									Sou	rce: IRE	:SS, In	vested
Up case: Exchange Rates forecasts averages	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
									2021	2021	2021	2021
forecasts averages	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
USD/ZAR	Q1 14.01	Q2 14.38	Q3 13.00	Q4 11.50	Q1 10.00	Q2 9.95	Q3 9.90	Q4 9.70	2021 Q1 9.65	2021 Q2 9.45	2021 Q3 9.30	2021 Q4 9.15 12.76
forecasts averages USD/ZAR GBP/ZAR	Q1 14.01 18.25	Q2 14.38 18.48	Q3 13.00 16.24	Q4 11.50 14.45	Q1 10.00 12.73	9.95 12.90	9.90 13.16	9.70 13.01	2021 Q1 9.65 13.32	2021 Q2 9.45 13.18	2021 Q3 9.30 12.97	2021 Q4 9.15 12.76
USD/ZAR GBP/ZAR EUR/ZAR	Q1 14.01 18.25 15.92	14.38 18.48 16.15	Q3 13.00 16.24 14.66	Q4 11.50 14.45 13.11	Q1 10.00 12.73 11.55	9.95 12.90 11.54	9.90 13.16 11.58	9.70 13.01 11.45	2021 Q1 9.65 13.32 11.87	2021 Q2 9.45 13.18 11.81	2021 Q3 9.30 12.97 11.63	2021 Q4 9.15
Orecasts averages USD/ZAR GBP/ZAR EUR/ZAR ZAR/JPY	Q1 14.01 18.25 15.92 7.87	Q2 14.38 18.48 16.15 7.65	Q3 13.00 16.24 14.66 8.31	Q4 11.50 14.45 13.11 9.39	Q1 10.00 12.73 11.55 10.70	9.95 12.90 11.54 10.65	9.90 13.16 11.58 10.66	9.70 13.01 11.45 10.77	2021 Q1 9.65 13.32 11.87 10.98	2021 Q2 9.45 13.18 11.81 11.22	2021 Q3 9.30 12.97 11.63 11.40	2021 Q4 9.15 12.76 11.44 11.58 9.53
Orecasts averages USD/ZAR GBP/ZAR EUR/ZAR ZAR/JPY ZARCHF	Q1 14.01 18.25 15.92 7.87 14.06	Q2 14.38 18.48 16.15 7.65 14.33	Q3 13.00 16.24 14.66 8.31 13.09	Q4 11.50 14.45 13.11 9.39 11.65	Q1 10.00 12.73 11.55 10.70 10.13	9.95 12.90 11.54 10.65 9.99	9.90 13.16 11.58 10.66 9.90	9.70 13.01 11.45 10.77 9.62	2021 Q1 9.65 13.32 11.87 10.98 9.95	2021 Q2 9.45 13.18 11.81 11.22 9.84	2021 Q3 9.30 12.97 11.63 11.40 9.69	2021 Q4 9.15 12.76 11.44 11.58
Orecasts averages USD/ZAR GBP/ZAR EUR/ZAR ZAR/JPY ZARCHF ZARAUD	Q1 14.01 18.25 15.92 7.87 14.06 9.98	Q2 14.38 18.48 16.15 7.65 14.33 10.07	Q3 13.00 16.24 14.66 8.31 13.09 8.78	Q4 11.50 14.45 13.11 9.39 11.65 7.82	Q1 10.00 12.73 11.55 10.70 10.13 6.95	9.95 12.90 11.54 10.65 9.99 7.01	9.90 13.16 11.58 10.66 9.90 7.13	9.70 13.01 11.45 10.77 9.62 7.08	2021 Q1 9.65 13.32 11.87 10.98 9.95 7.33	2021 Q2 9.45 13.18 11.81 11.22 9.84 7.47	2021 Q3 9.30 12.97 11.63 11.40 9.69 7.25	2021 Q4 9.15 12.76 11.44 11.58 9.53 7.14

2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
14.01	14.38	14.30	13.90	13.40	13.70	13.90	13.30	12.70	13.20	13.90	13.40
18.25	18.48	17.87	17.46	17.05	17.76	18.48	17.83	17.53	18.41	19.38	18.69
15.92	16.15	16.12	15.85	15.48	15.89	16.26	15.69	15.62	16.50	17.38	16.75
7.87	7.65	7.55	7.77	7.99	7.74	7.59	7.86	8.35	8.03	7.63	7.91
14.06	14.33	14.40	14.09	13.58	13.76	13.90	13.19	13.09	13.75	14.48	13.96
9.98	10.07	9.65	9.45	9.31	9.66	10.01	9.71	9.65	10.43	10.84	10.45
1.30	1.29	1.25	1.26	1.27	1.30	1.33	1.34	1.38	1.39	1.39	1.39
1.14	1.12	1.13	1.14	1.16	1.16	1.17	1.18	1.23	1.25	1.25	1.25
110	110	108	108	107	106	106	105	106	106	106	106
	Q1 14.01 18.25 15.92 7.87 14.06 9.98 1.30 1.14	Q1 Q2 14.01 14.38 18.25 18.48 15.92 16.15 7.87 7.65 14.06 14.33 9.98 10.07 1.30 1.29 1.14 1.12	Q1 Q2 Q3 14.01 14.38 14.30 18.25 18.48 17.87 15.92 16.15 16.12 7.87 7.65 7.55 14.06 14.33 14.40 9.98 10.07 9.65 1.30 1.29 1.25 1.14 1.12 1.13	Q1 Q2 Q3 Q4 14.01 14.38 14.30 13.90 18.25 18.48 17.87 17.46 15.92 16.15 16.12 15.85 7.87 7.65 7.55 7.77 14.06 14.33 14.40 14.09 9.98 10.07 9.65 9.45 1.30 1.29 1.25 1.26 1.14 1.12 1.13 1.14	Q1 Q2 Q3 Q4 Q1 14.01 14.38 14.30 13.90 13.40 18.25 18.48 17.87 17.46 17.05 15.92 16.15 16.12 15.85 15.48 7.87 7.65 7.55 7.77 7.99 14.06 14.33 14.40 14.09 13.58 9.98 10.07 9.65 9.45 9.31 1.30 1.29 1.25 1.26 1.27 1.14 1.12 1.13 1.14 1.16	Q1 Q2 Q3 Q4 Q1 Q2 14.01 14.38 14.30 13.90 13.40 13.70 18.25 18.48 17.87 17.46 17.05 17.76 15.92 16.15 16.12 15.85 15.48 15.89 7.87 7.65 7.55 7.77 7.99 7.74 14.06 14.33 14.40 14.09 13.58 13.76 9.98 10.07 9.65 9.45 9.31 9.66 1.30 1.29 1.25 1.26 1.27 1.30 1.14 1.12 1.13 1.14 1.16 1.16	Q1 Q2 Q3 Q4 Q1 Q2 Q3 14.01 14.38 14.30 13.90 13.40 13.70 13.90 18.25 18.48 17.87 17.46 17.05 17.76 18.48 15.92 16.15 16.12 15.85 15.48 15.89 16.26 7.87 7.65 7.55 7.77 7.99 7.74 7.59 14.06 14.33 14.40 14.09 13.58 13.76 13.90 9.98 10.07 9.65 9.45 9.31 9.66 10.01 1.30 1.29 1.25 1.26 1.27 1.30 1.33 1.14 1.12 1.13 1.14 1.16 1.16 1.17	Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 14.01 14.38 14.30 13.90 13.40 13.70 13.90 13.30 18.25 18.48 17.87 17.46 17.05 17.76 18.48 17.83 15.92 16.15 16.12 15.85 15.48 15.89 16.26 15.69 7.87 7.65 7.55 7.77 7.99 7.74 7.59 7.86 14.06 14.33 14.40 14.09 13.58 13.76 13.90 13.19 9.98 10.07 9.65 9.45 9.31 9.66 10.01 9.71 1.30 1.29 1.25 1.26 1.27 1.30 1.33 1.34 1.14 1.12 1.13 1.14 1.16 1.16 1.17 1.18	Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 14.01 14.38 14.30 13.90 13.40 13.70 13.90 13.30 12.70 18.25 18.48 17.87 17.46 17.05 17.76 18.48 17.83 17.53 15.92 16.15 16.12 15.85 15.48 15.89 16.26 15.69 15.62 7.87 7.65 7.55 7.77 7.99 7.74 7.59 7.86 8.35 14.06 14.33 14.40 14.09 13.58 13.76 13.90 13.19 13.09 9.98 10.07 9.65 9.45 9.31 9.66 10.01 9.71 9.65 1.30 1.29 1.25 1.26 1.27 1.30 1.33 1.34 1.38 1.14 1.12 1.13 1.14 1.16 1.16 1.17 1.18 1.23	Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 14.01 14.38 14.30 13.90 13.40 13.70 13.90 13.30 12.70 13.20 18.25 18.48 17.87 17.46 17.05 17.76 18.48 17.83 17.53 18.41 15.92 16.15 16.12 15.85 15.48 15.89 16.26 15.69 15.62 16.50 7.87 7.65 7.55 7.77 7.99 7.74 7.59 7.86 8.35 8.03 14.06 14.33 14.40 14.09 13.58 13.76 13.90 13.19 13.09 13.75 9.98 10.07 9.65 9.45 9.31 9.66 10.01 9.71 9.65 10.43 1.30 1.29 1.25 1.26 1.27 1.30 1.33 1.34 1.38 1.39 1.14 1.12 1.13 1.14	Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 14.01 14.38 14.30 13.90 13.40 13.70 13.90 13.30 12.70 13.20 13.90 18.25 18.48 17.87 17.46 17.05 17.76 18.48 17.83 17.53 18.41 19.38 15.92 16.15 16.12 15.85 15.48 15.89 16.26 15.69 15.62 16.50 17.38 7.87 7.65 7.55 7.77 7.99 7.74 7.59 7.86 8.35 8.03 7.63 14.06 14.33 14.40 14.09 13.58 13.76 13.90 13.19 13.09 13.75 14.48 9.98 10.07 9.65 9.45 9.31 9.66 10.01 9.71 9.65 10.43 10.84 1.30 1.29 1.25 1.26 1.27 1.30 1.33 1.34

Source: IRESS, Investec

Down case: Exchange Rates forecasts averages	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
USD/ZAR	14.01	14.38	15.80	17.00	18.50	18.90	17.50	16.50	16.20	15.90	16.00	15.85
GBP/ZAR	18.25	18.48	19.74	21.36	23.55	24.50	23.27	22.13	22.36	22.17	22.31	22.10
EUR/ZAR	15.92	16.15	17.81	19.38	21.37	21.92	20.48	19.47	19.93	19.88	20.00	19.81
ZAR/JPY	7.87	7.65	6.84	6.35	5.78	5.61	6.03	6.33	6.54	6.67	6.63	6.69
ZARCHF	14.06	14.33	15.91	17.23	18.74	18.98	17.50	16.36	16.70	16.56	16.67	16.51
ZARAUD	9.98	10.07	10.67	11.56	12.86	13.32	12.60	12.05	12.31	12.56	12.48	12.36
GBP/USD	1.30	1.29	1.25	1.26	1.27	1.30	1.33	1.34	1.38	1.39	1.39	1.39
EUR/USD	1.14	1.12	1.13	1.14	1.16	1.16	1.17	1.18	1.23	1.25	1.25	1.25
USD/JPY	110	110	108	108	107	106	106	105	106	106	106	106

Source: IRESS, Investec

Light Down case:	2019	2019	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021
Exchange Rates forecasts	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
USD/ZAR	14.01	14.38	16.00	17.00	16.50	15.50	15.15	14.90	14.80	14.70	14.75	14.70
GBP/ZAR	18.24	18.48	19.99	21.36	21.00	20.09	20.14	19.98	20.42	20.50	20.57	20.50
EUR/ZAR	15.91	16.15	18.04	19.38	19.06	17.98	17.73	17.58	18.20	18.38	18.44	18.38
ZAR/JPY	7.87	7.65	6.75	6.35	6.48	6.84	6.96	7.01	7.16	7.21	7.19	7.21
ZARCHF	14.05	14.34	16.11	17.23	16.72	15.57	15.15	14.77	15.26	15.31	15.36	15.3
ZARAUD	9.98	10.07	10.80	11.56	11.47	10.93	10.91	10.88	11.25	11.61	11.51	11.47
GBP/USD	1.30	1.29	1.25	1.26	1.27	1.30	1.33	1.34	1.38	1.39	1.39	1.39
EUR/USD	1.14	1.12	1.13	1.14	1.16	1.16	1.17	1.18	1.23	1.25	1.25	1.25
USD/JPY	110	110	108	108	107	106	106	105	106	106	106	106
USUUF 1							Note: a	verage	s, Sou	rce: IRE	SS, In	veste
	2040	2040	2040	2040	2020							
Severe Down case: Exchange Rates forecasts	2019	2019	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021
Severe Down case: Exchange Rates forecasts	Q1	Q2	Q3	Q4	Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
Severe Down case: Exchange Rates forecasts USD/ZAR	Q1 14.01	Q2 14.38	Q3 16.10	Q4 17.20	Q1 18.50	2020 Q2 19.50	2020 Q3 20.00	2020 Q4 19.25	2021 Q1 18.70	2021 Q2 18.00	2021 Q3 17.50	2021 Q4 16.75
Severe Down case: Exchange Rates forecasts USD/ZAR G8P/ZAR	Q1 14.01 18.24	Q2 14.38 18.48	Q3 16.10 20.11	Q4 17.20 21.61	Q1 18.50 23.55	2020 Q2 19.50 25.27	2020 Q3 20.00 26.59	2020 Q4 19.25 25.81	2021 Q1 18.70 25.81	2021 Q2 18.00 25.10	2021 Q3 17.50 24.40	2021 Q4 16.75 23.36
Severe Down case: Exchange Rates forecasts USD/ZAR G8P/ZAR EUR/ZAR	Q1 14.01 18.24 15.91	Q2 14.38 18.48 16.15	Q3 16.10 20.11 18.15	Q4 17.20 21.61 19.61	Q1 18.50 23.55 21.37	2020 Q2 19.50 25.27 22.62	2020 Q3 20.00 26.59 23.40	2020 Q4 19.25 25.81 22.72	2021 Q1 18.70 25.81 23.00	2021 Q2 18.00 25.10 22.50	2021 Q3 17.50 24.40 21.88	2021 Q4 16.75 23.36 20.94
Severe Down case: Exchange Rates forecasts USD/ZAR G8P/ZAR	Q1 14.01 18.24	Q2 14.38 18.48	Q3 16.10 20.11	Q4 17.20 21.61	Q1 18.50 23.55	2020 Q2 19.50 25.27	2020 Q3 20.00 26.59	2020 Q4 19.25 25.81	2021 Q1 18.70 25.81	2021 Q2 18.00 25.10	2021 Q3 17.50 24.40	2021 Q4 16.75 23.36
Severe Down case: Exchange Rates forecasts USD/ZAR G8P/ZAR EUR/ZAR	Q1 14.01 18.24 15.91	Q2 14.38 18.48 16.15	Q3 16.10 20.11 18.15	Q4 17.20 21.61 19.61	Q1 18.50 23.55 21.37	2020 Q2 19.50 25.27 22.62	2020 Q3 20.00 26.59 23.40	2020 Q4 19.25 25.81 22.72	2021 Q1 18.70 25.81 23.00	2021 Q2 18.00 25.10 22.50	2021 Q3 17.50 24.40 21.88	2021 Q4 16.75 23.30 20.9
Severe Down case: Exchange Rates forecasts USD/ZAR GBP/ZAR EUR/ZAR ZAR/JPY	Q1 14.01 18.24 15.91 7.87	Q2 14.38 18.48 16.15 7.65	Q3 16.10 20.11 18.15 6.71	Q4 17.20 21.61 19.61 6.28	Q1 18.50 23.55 21.37 5.78	2020 Q2 19.50 25.27 22.62 5.44	2020 Q3 20.00 26.59 23.40 5.28	2020 Q4 19.25 25.81 22.72 5.43	2021 Q1 18.70 25.81 23.00 5.67	2021 Q2 18.00 25.10 22.50 5.89	2021 Q3 17.50 24.40 21.88 6.06	2021 Q4 16.75 23.36 20.9 6.33
Severe Down case: Exchange Rates forecasts USD/ZAR GBP/ZAR EUR/ZAR ZAR/JPY ZARCHF	Q1 14.01 18.24 15.91 7.87 14.05	Q2 14.38 18.48 16.15 7.65 14.34	Q3 16.10 20.11 18.15 6.71 16.21	Q4 17.20 21.61 19.61 6.28 17.43	Q1 18.50 23.55 21.37 5.78 18.74	2020 Q2 19.50 25.27 22.62 5.44 19.58	2020 Q3 20.00 26.59 23.40 5.28 20.00	2020 Q4 19.25 25.81 22.72 5.43 19.09	2021 Q1 18.70 25.81 23.00 5.67 19.28	2021 Q2 18.00 25.10 22.50 5.89 18.75	2021 Q3 17.50 24.40 21.88 6.06 18.23	2021 Q4 16.75 23.36 20.9- 6.33 17.45
Severe Down case: Exchange Rates forecasts USD/ZAR GBP/ZAR EUR/ZAR ZAR/JPY ZARCHF	Q1 14.01 18.24 15.91 7.87 14.05 9.98	Q2 14.38 18.48 16.15 7.65 14.34 10.07	Q3 16.10 20.11 18.15 6.71 16.21 10.87	Q4 17.20 21.61 19.61 6.28 17.43 11.70	Q1 18.50 23.55 21.37 5.78 18.74 12.86	2020 Q2 19.50 25.27 22.62 5.44 19.58 13.75	2020 Q3 20.00 26.59 23.40 5.28 20.00 14.40	2020 Q4 19.25 25.81 22.72 5.43 19.09 14.05	2021 Q1 18.70 25.81 23.00 5.67 19.28 14.21	2021 Q2 18.00 25.10 22.50 5.89 18.75 14.22	2021 Q3 17.50 24.40 21.88 6.06 18.23 13.65	2021 Q4 16.73 23.33 20.94 6.33 17.43

Extreme Down case:	2019	2019	2019	2019	2020	2020	2020	2020	2021	2021	2021	2021
Exchange Rates forecasts averages	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
USD/ZAR	14.01	14.38	17.00	19.00	22.00	24.00	25.50	26.00	25.15	24.90	24.60	24.90
GBP/ZAR	18.25	18.48	21.24	23.87	28.00	31.11	33.90	34.86	34.71	34.72	34.30	34.72
EUR/ZAR	15.92	16.15	19.17	21.66	25.41	27.84	29.84	30.68	30.93	31.13	30.75	31.13
ZAR/JPY	7.87	7.65	6.35	5.68	4.86	4.42	4.14	4.02	4.21	4.26	4.31	4.26
ZARCHF	14.06	14.33	17.11	19.25	22.29	24.10	25.50	25.78	25.93	25.94	25.63	25.94
ZARAUD	9.98	10.07	11.48	12.92	15.29	16.92	18.36	18.98	19.11	19.67	19.19	19.42
GBP/USD	1.30	1.29	1.25	1.26	1.27	1.30	1.33	1.34	1.38	1.39	1.39	1.39
EUR/USD	1.14	1.12	1.13	1.14	1.16	1.16	1.17	1.18	1.23	1.25	1.25	1.25
USD/JPY	110	110	108	108	107	106	106	105	106	106	106	106
									Sou	rce: IRF	SS In	vestec

Source: IRESS, Investec