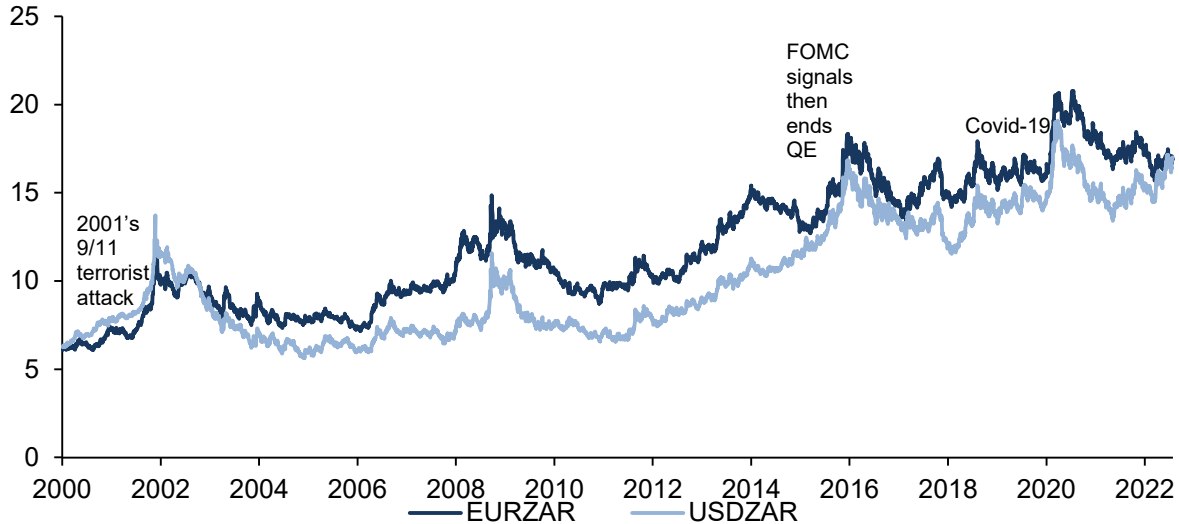




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Figure 1: USDZAR vs EURZAR



Source: Iress

The current environment is unique in recent times as it is providing a substantial forewarning of a marked global economic slowdown, to the potential point of, or actual, recession, as opposed to the recessions of the pandemic and the 2008/09 financial crisis, which were sudden and not possible to prepare for. The lengthy preparation markets are having as a consequence of monetary policy communications from a spread of Central Banks, namely that inflation is the priority, not growth, has caused risk aversion to increase towards assets which are seen to perform substantially more poorly in times of weakening economic activity (but often have large upwards swings in accelerating economic growth periods). These risk assets include equities, EM portfolio assets and EM currencies, which have deteriorated in attraction for investors in favour of safe havens, key of which tend to be US treasuries. Consequently, the US dollar has undergone a long period of strength since April, when global economic growth forecasts began being widely, and notably revised down for this year and next year. The global interest rate hiking cycle is not near its end, while evidence of weakening economic activity is apparent around the globe, and this lengthy process to contain decades high inflation back to within targets, with no clear timing of when this will happen, is increasing uncertainty, in turn further supporting risk aversion (or risk-off).

The strengthening US dollar since April has culminated in it exceeding the value of the euro and is the key reason for the rand's weakness against the US dollar since April. The rand reached R14.45/USD mid-April

Figure 2: Exchange rate forecasts – averages for the expected case

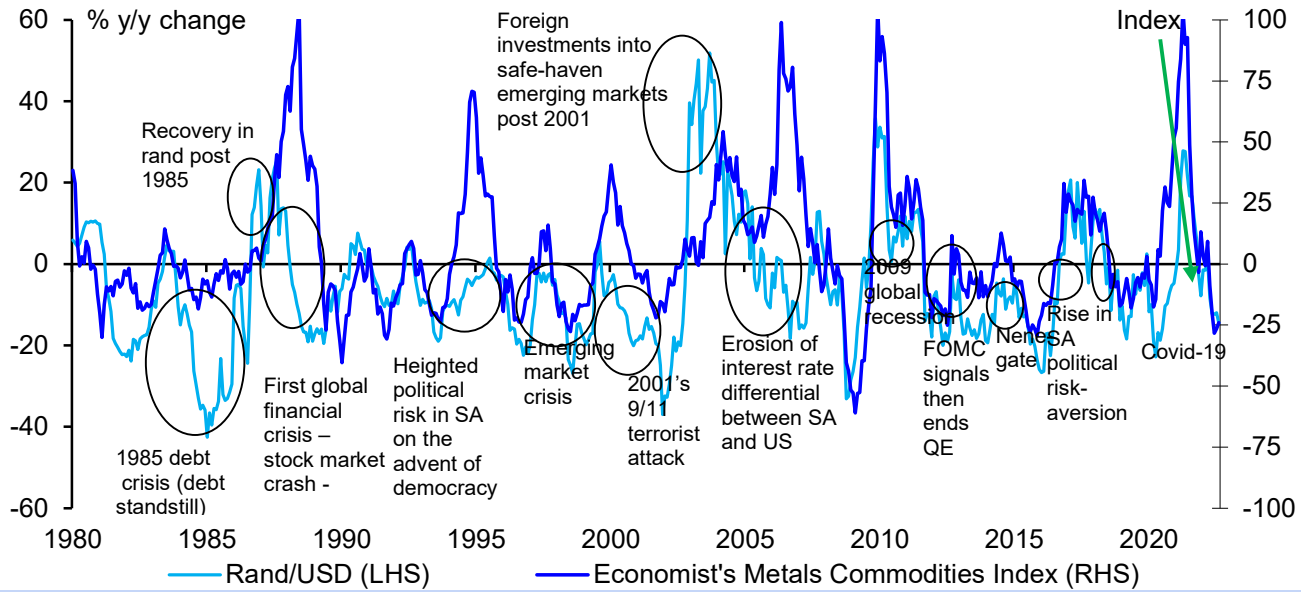
| | 2022 | | | | 2023 | | | | 2024 | | | |
|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Q1.22 | Q2.22 | Q3.22 | Q4.22 | Q1.23 | Q2.23 | Q3.23 | Q4.23 | Q1.24 | Q2.24 | Q3.24 | Q4.24 |
| USD/ZAR | 15.21 | 15.59 | 16.60 | 15.80 | 15.60 | 16.00 | 16.40 | 15.90 | 15.70 | 16.20 | 16.70 | 16.20 |
| GBP/ZAR | 20.40 | 19.59 | 19.87 | 18.80 | 18.64 | 19.28 | 20.09 | 19.88 | 20.10 | 21.06 | 22.55 | 22.36 |
| EUR/ZAR | 17.07 | 16.60 | 16.88 | 16.35 | 16.46 | 16.96 | 17.55 | 17.33 | 18.06 | 19.12 | 20.04 | 19.93 |
| ZAR/JPY | 7.65 | 8.33 | 8.32 | 8.70 | 8.49 | 8.06 | 7.74 | 7.89 | 7.83 | 7.28 | 6.89 | 6.79 |
| GBP/USD | 1.34 | 1.26 | 1.20 | 1.19 | 1.20 | 1.21 | 1.23 | 1.25 | 1.28 | 1.30 | 1.35 | 1.38 |
| EUR/USD | 1.12 | 1.06 | 1.02 | 1.04 | 1.06 | 1.06 | 1.07 | 1.09 | 1.15 | 1.18 | 1.20 | 1.23 |
| USD/JPY | 116 | 130 | 138 | 138 | 133 | 129 | 127 | 126 | 123 | 118 | 115 | 110 |

Note: averages, Source: Investec, Iress



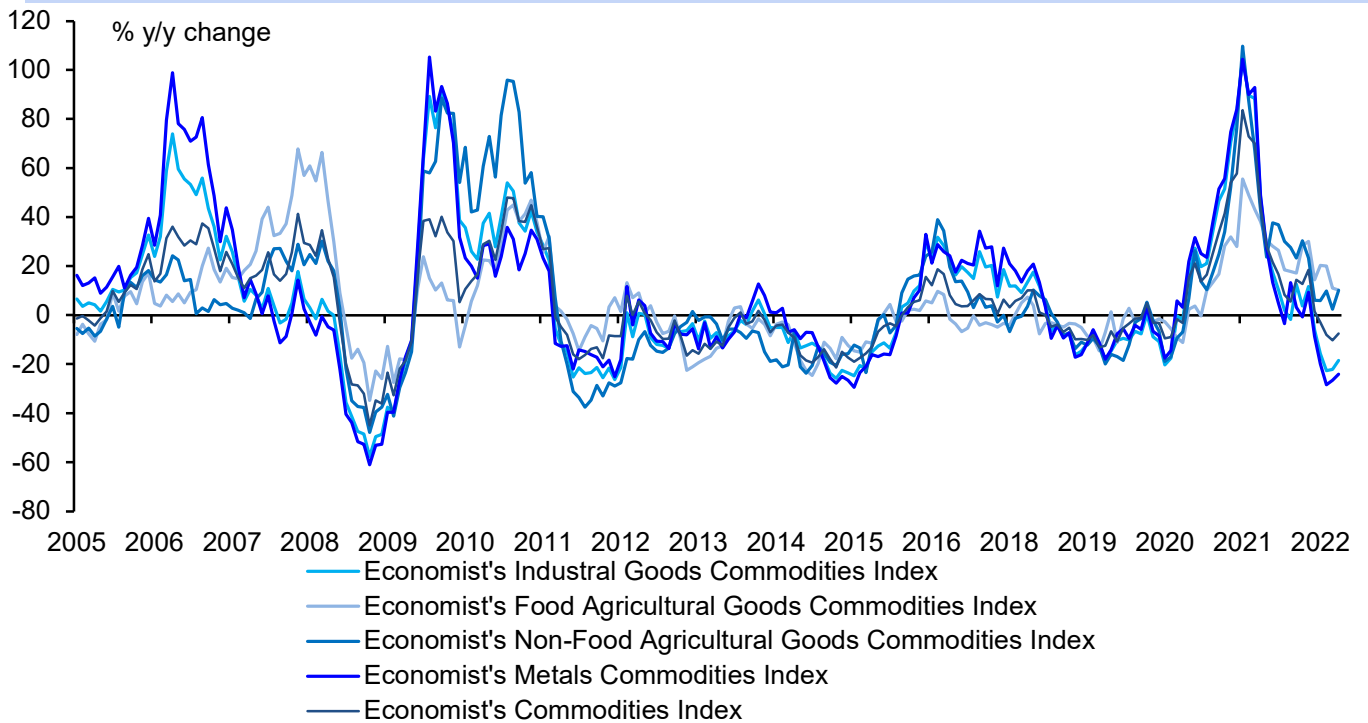
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Figure 3: Rand vs Economist's metals commodity price index



Source: IRESS, Investec

Figure 4: Economist's commodity indices

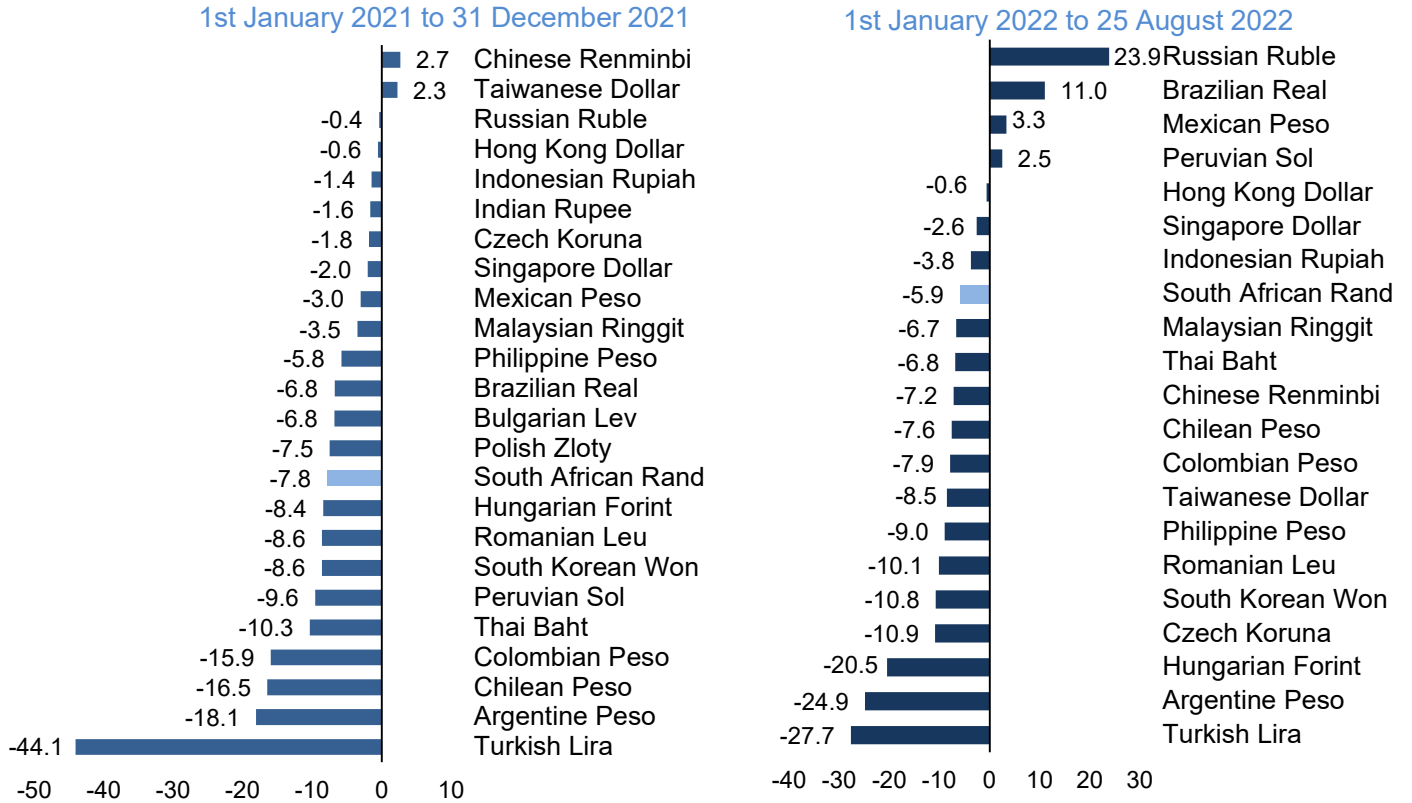


Source: IRESS, Economist



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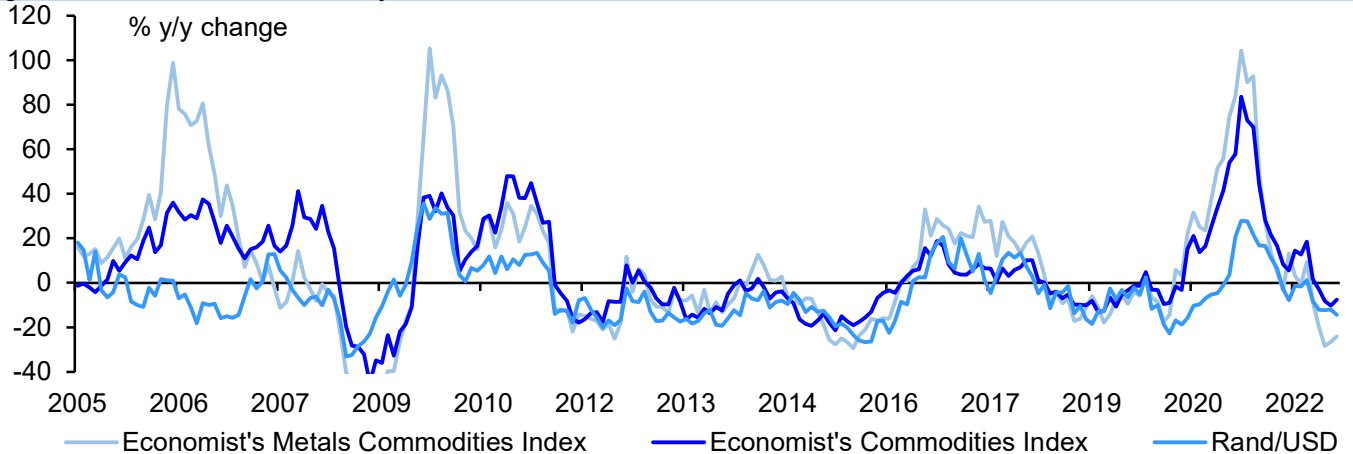
Figure 5: Commodity currency depreciation (-) %, appreciation (+) %



Source: Bloomberg

when the USD was at 1.09 to the EUR and is now at R16.84/USD with the USD at 1.00 to the EUR. About R1.50/USD of this depreciation is due to the USD strength, and a large portion of the remainder to the general

Figure 6: Economist's commodity indices



Source: IRESS, Economist



Rand Outlook: markets yet to see end to risk-off

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Figure 7: Economic Scenarios: note updated forecasts

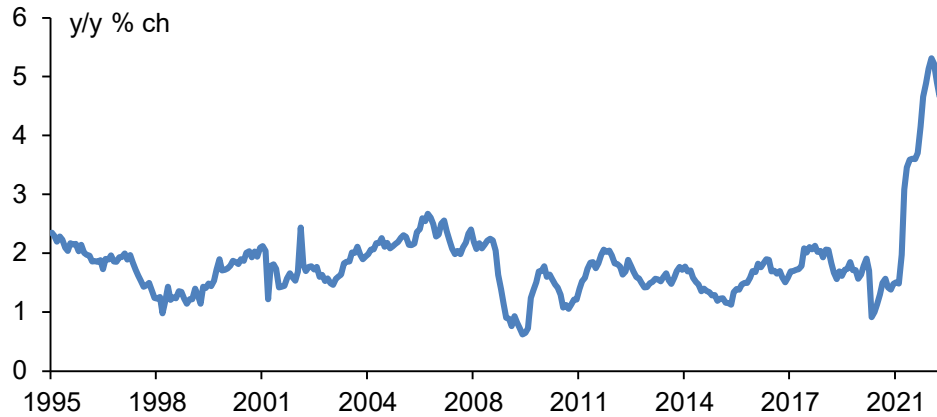
| | | Q1.22 | Q2.22 | Q3.22 | Q4.22 | Q1.23 | Q2.23 | Q3.23 | Q4.23 |
|-------------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|
| Extreme | USD/Rand (average) | 15.21 | 15.59 | 14.00 | 13.80 | 13.70 | 13.60 | 13.40 | 13.30 |
| | Repo rate (end rate) | 4.25 | 4.75 | 4.00 | 3.75 | 3.75 | 3.75 | 3.50 | 3.50 |
| 1% | <p>SA economic growth rises to 3–5%, then 5-7%. Good governance, growth-creating reforms (structural constraints eradicated), strong property rights, no nationalisation or expropriation without compensation. High business confidence and fixed investment growth, substantial FDI, fiscal consolidation drives debt to low ratios of 2000s. Very subdued domestic inflation on extreme rand strength, very favourable weather conditions. Strong global growth, risk-on, commodity boom. Rapid upgrades of credit ratings. Strong transition away from fossil fuel usage, a quick transition to renewable energy.</p> | | | | | | | | |
| Up case | USD/Rand (average) | 15.21 | 15.59 | 15.00 | 14.90 | 14.90 | 14.70 | 14.60 | 14.50 |
| | Repo rate (end rate) | 4.25 | 4.75 | 4.50 | 4.25 | 4.00 | 4.00 | 4.25 | 4.25 |
| 1% | <p>Economic growth of 3%, rising confidence and investment levels, structural constraints eroded, global growth strong, global financial markets risk-on. No nationalisation or expropriation without compensation. Low domestic inflation on favourable weather and global conditions, rand strength, lower state-controlled price inflation on increased private privatisation. Positive outlooks on credit ratings turn into upgrades fiscal consolidation, debt projections fall substantially. Substantial transition to renewable energy away from fossil fuel usage, comprehensive measures to alleviate climate change impact on economy.</p> | | | | | | | | |
| Base case | USD/Rand (average) | 15.21 | 15.59 | 16.60 | 15.80 | 15.60 | 16.00 | 16.40 | 15.90 |
| | Repo rate (end rate) | 4.25 | 4.75 | 5.50 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 |
| 50% | <p>Economic growth modest but lifts towards 3.0% y/y over five years on sufficient domestic policy support measures, global financial market risk sentiment is neutral to positive. South Africa in the BB credit rating category bracket as fiscal consolidation (debt to GDP stabilisation) occurs leading to some positive outlooks. The rand sees mild weakness and inflation is impacted by the course of weather patterns via food price inflation. Little expropriation without compensation occurs and has no negative effect on economy, no nationalisation. A modest transition to renewable energy and slow move away from fossil fuel usage occurs and measures to alleviate the impact of climate change on the economy are modestly implemented. The Russian/Ukraine conflict eases and does not exacerbate.</p> | | | | | | | | |
| Lite | USD/Rand (average) | 15.21 | 15.59 | 16.90 | 17.00 | 17.50 | 17.60 | 17.50 | 17.70 |
| | Repo rate (end rate) | 4.25 | 4.75 | 5.75 | 6.75 | 6.75 | 7.25 | 7.75 | 8.25 |
| (domestic) | <p>The international environment (incl. risk sentiment) is that of the base case. South Africa fails to see debt projections stabilise, falls into single B (local and foreign currency) credit ratings from all three agencies. Recession occurs. Business confidence depressed, significant load shedding, weak investment growth, civil and political unrest. High inflation on unfavorable weather conditions, marked rand weakness. Little transition to renewable energy or measures to alleviate the impact of climate change. Very limited expropriation of private sector property without compensation, with some negative impact on the economy. Substantial fiscal consolidation ultimately occurs, preventing ratings falling into the C grades.</p> | | | | | | | | |
| Down case | USD/Rand (average) | 15.21 | 15.59 | 17.50 | 18.00 | 18.30 | 18.50 | 18.60 | 19.00 |
| | Repo rate (end rate) | 4.25 | 4.75 | 6.00 | 7.00 | 7.50 | 8.00 | 8.50 | 9.00 |
| 39% | <p>Lengthy global recession, global financial crisis – insufficient monetary and other support domestically and internationally. Limited expropriation of private property without compensation with a marked negative economic impact. Very high inflation on very adverse weather conditions, severe rand weakness. SA rated single B from all three key agencies, downgrades eventually into CCC grade, increased risk of default. Government borrows from increasingly wider sources, sinks deeper into a debt trap, widespread, severe services load shedding, severe civil and political unrest. SA economy in depression. Failure to transition to renewable energy and to sufficient measures to alleviate the impact of climate change on the economy.</p> | | | | | | | | |
| Severe down case | USD/Rand (average) | 15.21 | 15.59 | 17.50 | 18.00 | 18.30 | 18.50 | 18.60 | 19.00 |
| | Repo rate (end rate) | 4.25 | 4.75 | 6.00 | 7.00 | 7.50 | 8.00 | 8.50 | 9.00 |
| 9% | <p>Lengthy global recession, global financial crisis – insufficient monetary and other support domestically and internationally. Limited expropriation of private property without compensation with a marked negative economic impact. Very high inflation on very adverse weather conditions, severe rand weakness. SA rated single B from all three key agencies, downgrades eventually into CCC grade, increased risk of default. Government borrows from increasingly wider sources, sinks deeper into a debt trap, widespread, severe services load shedding, severe civil and political unrest. SA economy in depression. Failure to transition to renewable energy and to sufficient measures to alleviate the impact of climate change on the economy.</p> | | | | | | | | |

Note: Event risk begins Q3.22. Source: Investec



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Figure 8: US PCE core deflator

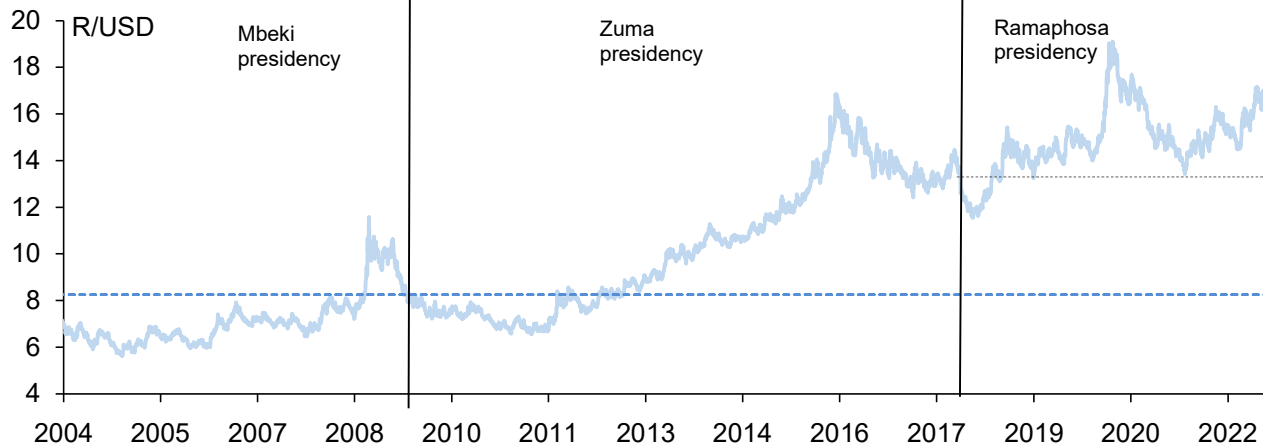


Source: Bloomberg

sell-off of EM assets and currencies, as well as the weakness of metals commodities prices, which also afflicts the rand as it is a commodities currency.

However, the majority of the drivers of the rand's weakness (or strength) in the short- to medium-term is typically due to global factors. This does not mean that domestic factors do not have an effect, indeed they can have very substantial effects, particularly the political and financial market upheaval caused by Nenegate, the negative impact of weak domestic growth, credit rating downgrades, a weakening investor environment, state capture and the weakening fundamentals of the economy (among other domestic factors). However, global events also tend to have large effects, such as seasonal and cyclical factors, as well as global shocks, although the latter is typically sudden, not long lasting as the current high inflationary, rising interest rates and weakening economic growth environment is. 2021 saw a recovery in significant part from the global pandemic's economic effects, although not on the world's supply chains, but 2022 saw the shock of the Russian/Ukraine war, with resulting sanctions over the past six months worsening, intensifying the negative effect, along with the economic downturn in China. Global financial markets are risk averse

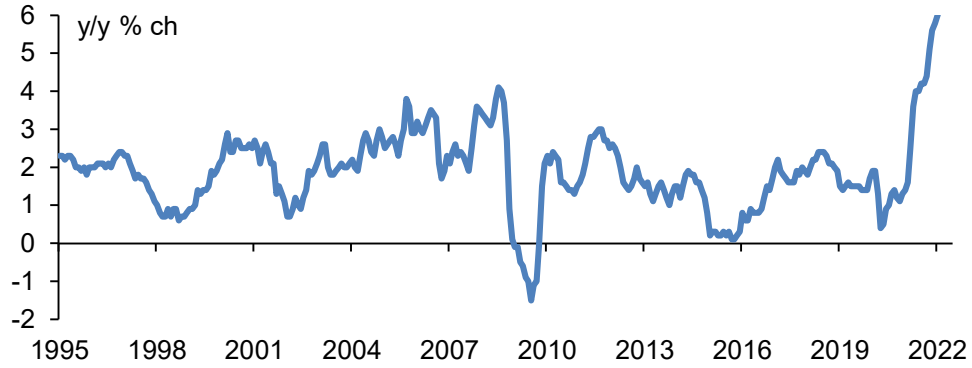
Figure 9: Rand



Source: Iress

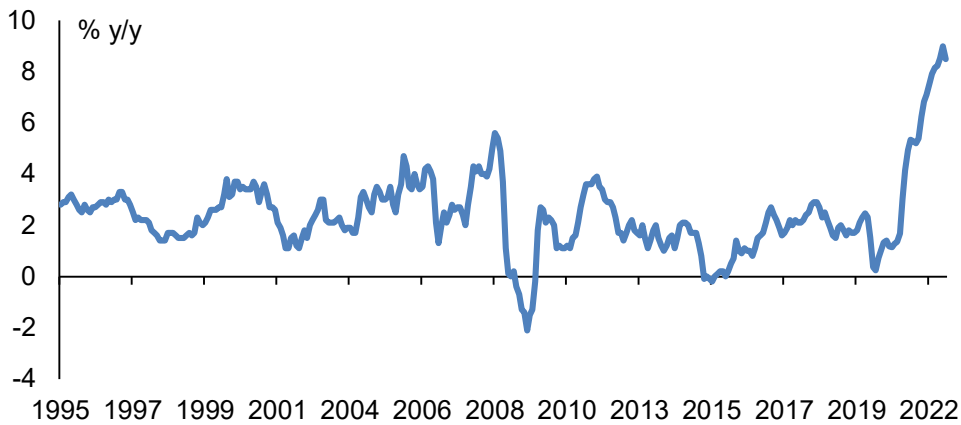


Figure 10: US PCE deflator



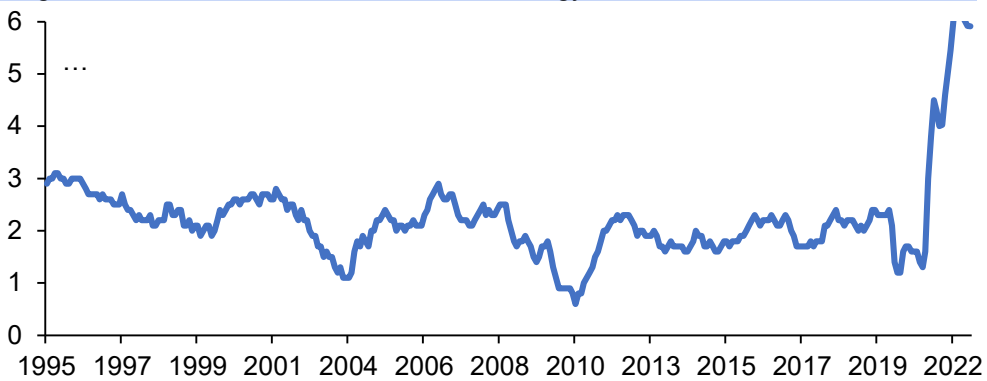
Source: Bloomberg

Figure 11: US CPI inflation



Source: Bloomberg

Figure 12: US CPI inflation less food and energy

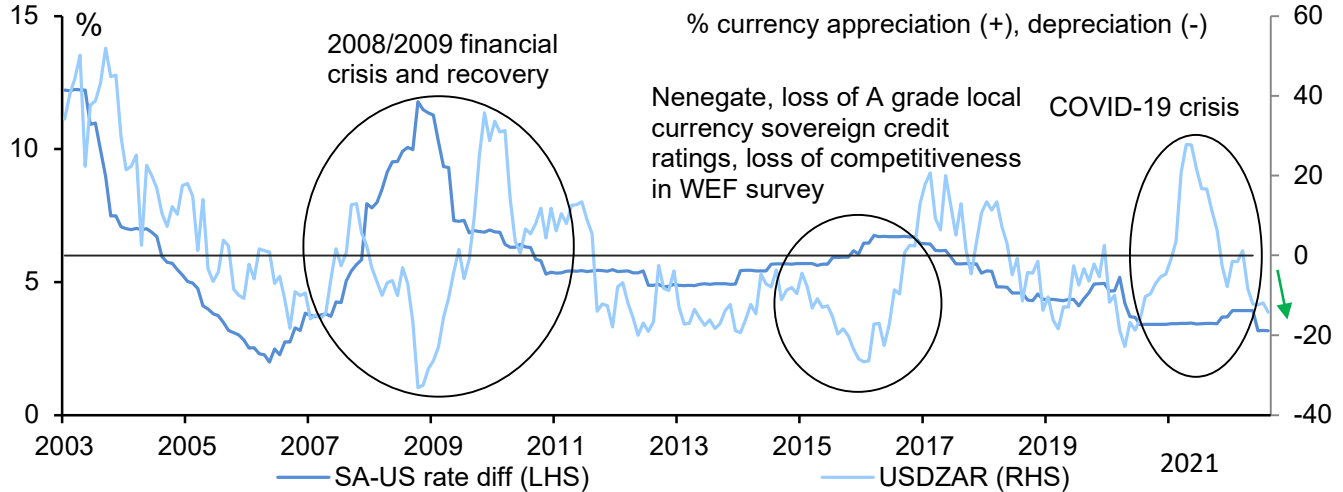


Source: Bloomberg



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Figure 13: Nominal interest rate differential between SA & US vs USDZAR

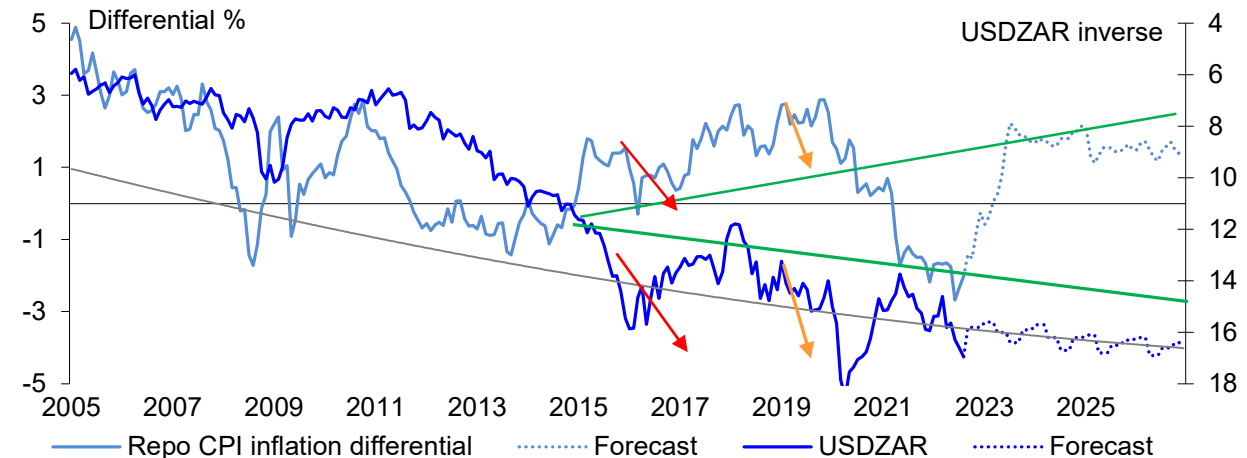


Source: Iress, Investec

having faced multiple shocks to the system, which are not seen as over yet with global inflation yet to come under control. As soon as markets gain some certainty on the likely turn in the global economic outlook, end to the US, and global, upwards rate hike cycle and indications of potential for economic recovery, risk aversion levels will likely fade towards a more neutral level of investor confidence, reducing the pressure on risk assets.

Currently the rand averages around R16.75/USD this quarter, against our forecast of R16.60/USD, in what has been a volatile quarter, but also one of mainly rand weakness against the USD. The outlook remains at risk of further shocks, with Europe's gas supplies at risk, and the outlook for inflation for Europe also of key concern. The rand is likely to remain highly volatile, affected significantly by economic data and policy decisions in the US in particular, with the US possibly seeing the quickest economic recovery in 2023, although uncertainty levels are high currently.

Figure 14: USDZAR vs. interest rate and CPI inflation differential: expected case forecasts



Source: Iress, Investec



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Figure 15: Key official interest rates (% , end quarter)

| | US Fed funds | Eurozone refi rate | Eurozone deposit rate | UK Bank rate | Australia cash rate |
|---------|-----------------|-----------------------|-----------------------------|-----------------|------------------------|
| Current | 2.25-2.50 | 0.50 | 0.00 | 1.75 | 1.85 |
| 2022 | | | | | |
| Q1 | 0.25-0.50 | 0.00 | -0.50 | 0.75 | 0.10 |
| Q2 | 1.50-1.75 | 0.00 | -0.50 | 1.25 | 0.85 |
| Q3 | 2.75-3.00 | 0.75 | 0.50 | 2.25 | 2.35 |
| Q4 | 3.00-3.25 | 1.25 | 1.00 | 2.50 | 2.75 |
| 2023 | | | | | |
| Q1 | 3.00-3.25 | 1.25 | 1.00 | 2.50 | 2.75 |
| Q2 | 3.00-3.25 | 1.25 | 1.00 | 2.00 | 2.75 |
| Q3 | 2.50-2.75 | 1.25 | 1.00 | 1.50 | 2.75 |
| Q4 | 2.25-2.50 | 1.25 | 1.00 | 1.50 | 2.75 |

Source: Macrobond, Investec UK

Figure 16: Reuters August 2022 Foreign exchange rates poll: USDZAR

| Release/Effective Date | 31 Aug 2022 | 31 Oct 2022 | 31 Jan 23 | 31 Jul 2023 |
|------------------------|-------------|-------------|-----------|-------------|
| Median | 16.6700 | 16.6000 | 16.3690 | 16.2000 |
| High | 17.5000 | 18.0000 | 17.7300 | 18.0000 |
| Low | 16.2900 | 15.9000 | 15.5000 | 15.0000 |
| No. of forecasts | 21 | 25 | 25 | 23 |

Source: Reuters

Figure 17: Target federal funds rate at year-end (%)

| Midpoint of target range or target level (%) | 2022 | 2023 | 2024 | Longer Run |
|---|------|------|------|------------|
| 4.500 | | | | |
| 4.375 | | 1 | | |
| 4.250 | | | | |
| 4.125 | | 4 | 1 | |
| 4.000 | | | | |
| 3.875 | 1 | 4 | 1 | |
| 3.750 | | | | |
| 3.625 | 4 | 7 | 2 | |
| 3.500 | | | | |
| 3.375 | 8 | 1 | 8 | |
| 3.250 | | | | |
| 3.125 | 5 | | 2 | |
| 3.000 | | | | 2 |
| 2.875 | | 1 | 2 | |
| 2.750 | | | | |
| 2.625 | | | | |
| 2.500 | | | | 7 |
| 2.375 | | | | 1 |
| 2.250 | | | 1 | 6 |
| 2.125 | | | 1 | |
| 2.000 | | | | 1 |

Source: Federal Reserve Government



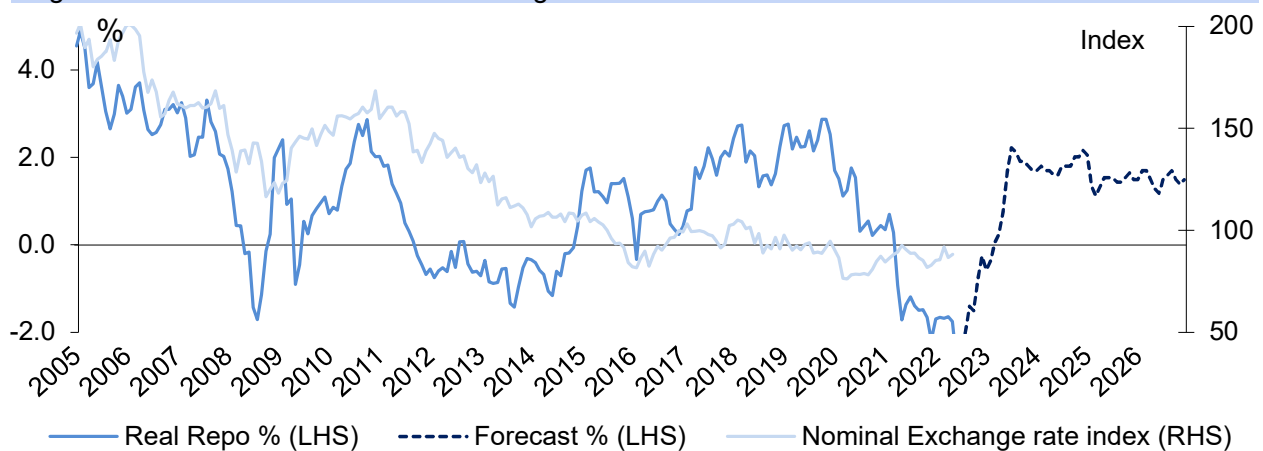
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Figure 18: Exchange rate history and forecast: annual averages

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| EURUSD | 1.18 | 1.12 | 1.14 | 1.19 | 1.06 | 1.07 | 1.19 | 1.25 | 1.25 |
| EURGBP | 0.88 | 0.88 | 0.89 | 0.86 | 0.85 | 0.88 | 0.90 | 0.88 | 0.87 |
| GBPEUR | 1.13 | 1.14 | 1.13 | 1.16 | 1.18 | 1.14 | 1.12 | 1.13 | 1.14 |
| GBPUSD | 1.33 | 1.28 | 1.28 | 1.38 | 1.25 | 1.22 | 1.33 | 1.42 | 1.43 |
| USDJPY | 110 | 109 | 107 | 110 | 130 | 129 | 117 | 107 | 107 |
| EURJPY | 130 | 122 | 122 | 130 | 138 | 137 | 138 | 134 | 134 |
| GBPJPY | 147 | 139 | 137 | 151 | 162 | 157 | 154 | 152 | 153 |
| EURCHF | 1.16 | 1.11 | 1.07 | 1.09 | 1.01 | 1.00 | 1.08 | 1.14 | 1.14 |
| USDCHF | 0.98 | 0.99 | 0.94 | 0.92 | 0.94 | 0.92 | 0.91 | 0.91 | 0.91 |
| GBPCHF | 1.31 | 1.27 | 1.20 | 1.26 | 1.18 | 1.12 | 1.21 | 1.29 | 1.30 |
| AUDUSD | 0.75 | 0.70 | 0.69 | 0.75 | 0.71 | 0.75 | 0.78 | 0.78 | 0.78 |
| EURAUD | 1.58 | 1.61 | 1.66 | 1.58 | 1.50 | 1.43 | 1.53 | 1.60 | 1.60 |
| AUDJPY | 83 | 76 | 74 | 82 | 92 | 96 | 91 | 83 | 83 |
| GBPAUD | 1.79 | 1.84 | 1.86 | 1.83 | 1.76 | 1.63 | 1.70 | 1.82 | 1.83 |
| ZARUSD | 13.24 | 14.44 | 16.46 | 14.79 | 15.80 | 15.98 | 16.20 | 16.43 | 16.53 |
| ZARGBP | 17.64 | 18.44 | 21.10 | 20.34 | 19.67 | 19.47 | 21.51 | 23.28 | 23.63 |
| ZAREUR | 15.61 | 16.17 | 18.77 | 17.49 | 16.72 | 17.07 | 19.28 | 20.53 | 20.66 |
| JPYZAR | 8.38 | 7.55 | 6.52 | 7.43 | 8.25 | 8.05 | 7.20 | 6.52 | 6.48 |
| ZARCHF | 13.53 | 14.54 | 17.54 | 16.18 | 16.73 | 17.42 | 17.80 | 18.05 | 18.16 |
| ZARAUD | 9.88 | 10.04 | 11.35 | 11.11 | 11.18 | 11.93 | 12.64 | 12.81 | 12.89 |

Source: IRESS, Investec

Figure 19: SA's nominal effective exchange rate vs. interest rate and CPI inflation differential



Source: Iress, Investec, Stats SA



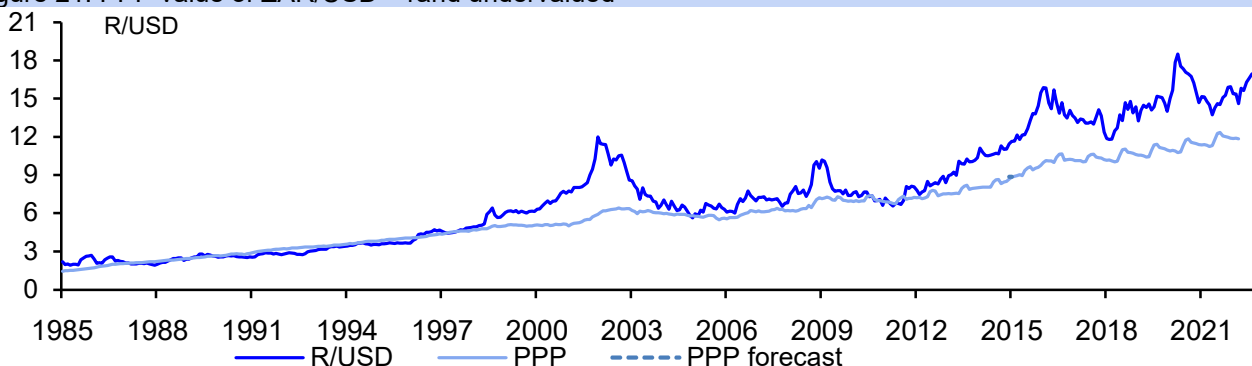
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Figure 20: Exchange rate history and forecast: quarterly averages

| | 2021 | | | | 2022 | | | | 2023 | | | |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Q1.21 | Q2.21 | Q3.21 | Q4.21 | Q1.22 | Q2.22 | Q3.22 | Q4.22 | Q1.23 | Q2.23 | Q3.22 | Q4.23 |
| EURUSD | 1.21 | 1.21 | 1.18 | 1.14 | 1.12 | 1.06 | 1.02 | 1.04 | 1.06 | 1.06 | 1.07 | 1.09 |
| EURGBP | 0.88 | 0.86 | 0.86 | 0.85 | 0.84 | 0.85 | 0.85 | 0.87 | 0.88 | 0.88 | 0.87 | 0.87 |
| GBPEUR | 1.14 | 1.16 | 1.17 | 1.18 | 1.20 | 1.18 | 1.18 | 1.15 | 1.13 | 1.14 | 1.14 | 1.15 |
| GBPUSD | 1.38 | 1.40 | 1.38 | 1.35 | 1.34 | 1.26 | 1.20 | 1.19 | 1.20 | 1.21 | 1.23 | 1.25 |
| USDJPY | 106 | 109 | 110 | 114 | 116 | 130 | 138 | 138 | 133 | 129 | 127 | 126 |
| EURJPY | 128 | 132 | 130 | 130 | 131 | 138 | 140 | 142 | 140 | 137 | 136 | 137 |
| GBPJPY | 146 | 153 | 152 | 153 | 156 | 163 | 165 | 164 | 158 | 155 | 156 | 157 |
| EURCHF | 1.10 | 1.10 | 1.08 | 1.05 | 1.04 | 1.03 | 0.98 | 0.98 | 0.98 | 0.99 | 1.01 | 1.03 |
| USDCHF | 0.91 | 0.91 | 0.92 | 0.92 | 0.92 | 0.97 | 0.95 | 0.94 | 0.93 | 0.92 | 0.91 | 0.91 |
| GBPCHF | 1.26 | 1.28 | 1.27 | 1.24 | 1.24 | 1.21 | 1.14 | 1.12 | 1.11 | 1.11 | 1.11 | 1.14 |
| AUDUSD | 0.77 | 0.77 | 0.73 | 0.73 | 0.72 | 0.71 | 0.69 | 0.70 | 0.72 | 0.75 | 0.77 | 0.76 |
| EURAUD | 1.57 | 1.57 | 1.60 | 1.57 | 1.55 | 1.49 | 1.47 | 1.48 | 1.48 | 1.41 | 1.40 | 1.44 |
| AUDJPY | 82 | 84 | 81 | 83 | 84 | 93 | 96 | 96 | 95 | 97 | 97 | 95 |
| GBPAUD | 1.79 | 1.82 | 1.88 | 1.85 | 1.85 | 1.76 | 1.73 | 1.70 | 1.67 | 1.61 | 1.60 | 1.66 |
| ZARUSD | 14.96 | 14.13 | 14.64 | 15.44 | 15.21 | 15.59 | 16.60 | 15.80 | 15.60 | 16.00 | 16.40 | 15.90 |
| ZARGBP | 20.63 | 19.75 | 20.18 | 20.82 | 20.40 | 19.59 | 19.87 | 18.80 | 18.64 | 19.28 | 20.09 | 19.88 |
| ZAREUR | 18.03 | 17.03 | 17.26 | 17.66 | 17.07 | 16.60 | 16.88 | 16.35 | 16.46 | 16.96 | 17.55 | 17.33 |
| JPYZAR | 7.09 | 7.75 | 7.52 | 7.37 | 7.65 | 8.33 | 8.32 | 8.70 | 8.49 | 8.06 | 7.74 | 7.89 |
| ZARCHF | 16.52 | 15.51 | 15.95 | 16.75 | 16.47 | 16.15 | 17.47 | 16.81 | 16.77 | 17.39 | 18.02 | 17.47 |
| ZARAUD | 11.56 | 10.88 | 10.76 | 11.25 | 11.02 | 11.14 | 11.50 | 11.06 | 11.15 | 12.00 | 12.55 | 12.00 |

Source: Iress, Investec

Figure 21: PPP value of ZAR/USD – rand undervalued



Source: Iress, Investec



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Figure 22: Exchange rate history and forecast: quarterly averages

| | 2024 | | | | 2025 | | | | 2026 | | | |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Q1.24 | Q2.24 | Q3.24 | Q4.24 | Q1.25 | Q2.25 | Q3.25 | Q4.25 | Q1.26 | Q2.26 | Q3.26 | Q4.26 |
| EURUSD | 1.15 | 1.18 | 1.20 | 1.23 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 |
| EURGBP | 0.90 | 0.91 | 0.89 | 0.89 | 0.89 | 0.89 | 0.87 | 0.87 | 0.87 | 0.87 | 0.87 | 0.87 |
| GBPEUR | 1.11 | 1.10 | 1.13 | 1.12 | 1.12 | 1.13 | 1.14 | 1.14 | 1.14 | 1.14 | 1.14 | 1.14 |
| GBPUSD | 1.28 | 1.30 | 1.35 | 1.38 | 1.40 | 1.41 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 | 1.43 |
| USDJPY | 123 | 118 | 115 | 110 | 107 | 107 | 107 | 107 | 107 | 107 | 107 | 107 |
| EURJPY | 141 | 139 | 138 | 135 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| GBPJPY | 157 | 153 | 155 | 152 | 150 | 151 | 153 | 153 | 153 | 153 | 153 | 153 |
| EURCHF | 1.05 | 1.07 | 1.09 | 1.12 | 1.14 | 1.14 | 1.14 | 1.14 | 1.14 | 1.14 | 1.14 | 1.14 |
| USDCHF | 0.91 | 0.91 | 0.91 | 0.91 | 0.91 | 0.91 | 0.91 | 0.91 | 0.91 | 0.91 | 0.91 | 0.91 |
| GBPCHF | 1.16 | 1.18 | 1.23 | 1.26 | 1.27 | 1.28 | 1.30 | 1.30 | 1.30 | 1.30 | 1.30 | 1.30 |
| AUDUSD | 0.78 | 0.78 | 0.78 | 0.78 | 0.78 | 0.78 | 0.78 | 0.78 | 0.78 | 0.78 | 0.78 | 0.78 |
| EURAUD | 1.47 | 1.51 | 1.54 | 1.58 | 1.60 | 1.60 | 1.60 | 1.60 | 1.60 | 1.60 | 1.60 | 1.60 |
| AUDJPY | 96 | 92 | 90 | 86 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 |
| GBPAUD | 1.64 | 1.67 | 1.73 | 1.77 | 1.79 | 1.81 | 1.83 | 1.83 | 1.83 | 1.83 | 1.83 | 1.83 |
| ZARUSD | 15.70 | 16.20 | 16.70 | 16.20 | 16.10 | 16.80 | 16.50 | 16.30 | 16.20 | 16.90 | 16.60 | 16.40 |
| ZARGBP | 20.10 | 21.06 | 22.55 | 22.36 | 22.54 | 23.69 | 23.60 | 23.31 | 23.17 | 24.17 | 23.74 | 23.45 |
| ZAREUR | 18.06 | 19.12 | 20.04 | 19.93 | 20.13 | 21.00 | 20.63 | 20.38 | 20.25 | 21.13 | 20.75 | 20.50 |
| JPYZAR | 7.83 | 7.28 | 6.89 | 6.79 | 6.65 | 6.37 | 6.48 | 6.56 | 6.60 | 6.33 | 6.45 | 6.52 |
| ZARCHF | 17.25 | 17.80 | 18.35 | 17.80 | 17.69 | 18.46 | 18.13 | 17.91 | 17.80 | 18.57 | 18.24 | 18.02 |
| ZARAUD | 12.25 | 12.64 | 13.03 | 12.64 | 12.56 | 13.10 | 12.87 | 12.71 | 12.64 | 13.18 | 12.95 | 12.79 |

Source: IRESS, Investec

Figure 23: Lite Down Case: Exchange Rate forecasts

| | 2022 | | | | 2023 | | | | 2024 | | | |
|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Q1.22 | Q2.22 | Q3.22 | Q4.22 | Q1.23 | Q2.23 | Q3.23 | Q4.22 | Q1.24 | Q2.24 | Q3.24 | Q4.24 |
| USD/ZAR | 15.21 | 15.59 | 16.90 | 17.00 | 17.50 | 17.60 | 17.50 | 17.70 | 18.00 | 17.80 | 17.60 | 17.70 |
| GBP/ZAR | 20.40 | 19.59 | 20.62 | 20.57 | 21.35 | 22.00 | 22.23 | 22.66 | 23.40 | 23.67 | 23.76 | 24.43 |
| EUR/ZAR | 17.07 | 16.60 | 18.08 | 18.53 | 19.43 | 19.89 | 19.95 | 20.36 | 21.24 | 21.36 | 21.65 | 22.13 |
| ZAR/JPY | 7.65 | 8.33 | 7.99 | 7.88 | 7.49 | 7.33 | 7.26 | 7.12 | 6.83 | 6.63 | 6.53 | 6.21 |
| CHF/ZAR | 16.47 | 16.15 | 17.79 | 18.09 | 18.82 | 19.13 | 19.23 | 19.45 | 19.78 | 19.56 | 19.34 | 19.45 |
| AUD/ZAR | 11.02 | 11.14 | 12.00 | 12.24 | 12.95 | 13.20 | 13.30 | 13.81 | 14.04 | 13.88 | 13.73 | 13.81 |
| GBP/USD | 1.34 | 1.26 | 1.22 | 1.21 | 1.22 | 1.25 | 1.27 | 1.28 | 1.30 | 1.33 | 1.35 | 1.38 |
| EUR/USD | 1.12 | 1.06 | 1.07 | 1.09 | 1.11 | 1.13 | 1.14 | 1.15 | 1.18 | 1.20 | 1.23 | 1.25 |
| USD/JPY | 116 | 130 | 135 | 134 | 131 | 129 | 127 | 126 | 123 | 118 | 115 | 110 |

Note: averages, Source: Investec, Iress



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Figure 24: Severe Down Case: Exchange Rate forecasts

| | 2022 | | | | 2023 | | | | 2024 | | | |
|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Q1.22 | Q2.22 | Q3.22 | Q4.22 | Q1.23 | Q2.23 | Q3.23 | Q4.22 | Q1.24 | Q2.24 | Q3.24 | Q4.24 |
| USD/ZAR | 15.21 | 15.59 | 17.50 | 18.00 | 18.30 | 18.50 | 18.60 | 19.00 | 19.30 | 19.40 | 19.30 | 19.30 |
| GBP/ZAR | 20.40 | 19.59 | 21.35 | 21.78 | 22.33 | 23.13 | 23.62 | 24.32 | 25.09 | 25.80 | 26.06 | 26.63 |
| EUR/ZAR | 17.07 | 16.60 | 18.73 | 19.62 | 20.31 | 20.91 | 21.20 | 21.85 | 22.77 | 23.28 | 23.74 | 24.13 |
| ZAR/JPY | 7.65 | 8.33 | 7.71 | 7.44 | 7.16 | 6.97 | 6.83 | 6.63 | 6.37 | 6.08 | 5.96 | 5.70 |
| CHFZAR | 16.47 | 16.15 | 18.42 | 19.15 | 19.68 | 20.11 | 20.44 | 20.88 | 21.21 | 21.32 | 21.21 | 21.21 |
| AUDZAR | 11.02 | 11.14 | 12.43 | 12.96 | 13.54 | 13.88 | 14.14 | 14.82 | 15.05 | 15.13 | 15.05 | 15.05 |
| GBP/USD | 1.34 | 1.26 | 1.22 | 1.21 | 1.22 | 1.25 | 1.27 | 1.28 | 1.30 | 1.33 | 1.35 | 1.38 |
| EUR/USD | 1.12 | 1.06 | 1.07 | 1.09 | 1.11 | 1.13 | 1.14 | 1.15 | 1.18 | 1.20 | 1.23 | 1.25 |
| USD/JPY | 116 | 130 | 135 | 134 | 131 | 129 | 127 | 126 | 123 | 118 | 115 | 110 |

Note: averages, Source: Investec, Iress

Figure 25: Up Case: Exchange Rate forecasts

| | 2022 | | | | 2023 | | | | 2024 | | | |
|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Q1.22 | Q2.22 | Q3.22 | Q4.22 | Q1.23 | Q2.23 | Q3.23 | Q4.22 | Q1.24 | Q2.24 | Q3.24 | Q4.24 |
| USD/ZAR | 15.21 | 15.59 | 15.00 | 14.90 | 14.90 | 14.70 | 14.60 | 14.50 | 14.90 | 15.00 | 14.50 | 14.50 |
| GBP/ZAR | 20.40 | 19.59 | 18.30 | 18.03 | 18.18 | 18.38 | 18.54 | 18.56 | 19.37 | 19.95 | 19.58 | 20.01 |
| EUR/ZAR | 17.07 | 16.60 | 16.05 | 16.24 | 16.54 | 16.61 | 16.64 | 16.68 | 17.58 | 18.00 | 17.84 | 18.13 |
| ZAR/JPY | 7.65 | 8.33 | 9.00 | 8.99 | 8.79 | 8.78 | 8.70 | 8.69 | 8.26 | 7.87 | 7.93 | 7.59 |
| CHFZAR | 16.47 | 16.15 | 15.79 | 15.85 | 16.02 | 15.98 | 16.04 | 15.93 | 16.37 | 16.48 | 15.93 | 15.93 |
| AUDZAR | 11.02 | 11.14 | 10.65 | 10.73 | 11.03 | 11.03 | 11.10 | 11.31 | 11.62 | 11.70 | 11.31 | 11.31 |
| GBP/USD | 1.34 | 1.26 | 1.22 | 1.21 | 1.22 | 1.25 | 1.27 | 1.28 | 1.30 | 1.33 | 1.35 | 1.38 |
| EUR/USD | 1.12 | 1.06 | 1.07 | 1.09 | 1.11 | 1.13 | 1.14 | 1.15 | 1.18 | 1.20 | 1.23 | 1.25 |
| USD/JPY | 116 | 130 | 135 | 134 | 131 | 129 | 127 | 126 | 123 | 118 | 115 | 110 |

Note averages, Source: Investec, Iress

Figure 26: Extreme Up Case: Exchange Rate forecasts

| | 2022 | | | | 2023 | | | | 2024 | | | |
|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Q1.22 | Q2.22 | Q3.22 | Q4.22 | Q1.23 | Q2.23 | Q3.23 | Q4.22 | Q1.24 | Q2.24 | Q3.24 | Q4.24 |
| USD/ZAR | 15.21 | 15.59 | 14.00 | 13.80 | 13.70 | 13.60 | 13.40 | 13.30 | 13.10 | 13.10 | 12.90 | 12.80 |
| GBP/ZAR | 20.40 | 19.59 | 17.08 | 16.70 | 16.71 | 17.00 | 17.02 | 17.02 | 17.03 | 17.42 | 17.42 | 17.66 |
| EUR/ZAR | 17.07 | 16.60 | 14.98 | 15.04 | 15.21 | 15.37 | 15.28 | 15.30 | 15.46 | 15.72 | 15.87 | 16.00 |
| ZAR/JPY | 7.65 | 8.33 | 9.64 | 9.71 | 9.56 | 9.49 | 9.48 | 9.47 | 9.39 | 9.01 | 8.91 | 8.59 |
| CHFZAR | 16.47 | 16.15 | 14.74 | 14.68 | 14.73 | 14.78 | 14.73 | 14.62 | 14.40 | 14.40 | 14.18 | 14.07 |
| AUDZAR | 11.02 | 11.14 | 9.94 | 9.94 | 10.14 | 10.20 | 10.18 | 10.37 | 10.22 | 10.22 | 10.06 | 9.98 |
| GBP/USD | 1.34 | 1.26 | 1.22 | 1.21 | 1.22 | 1.25 | 1.27 | 1.28 | 1.30 | 1.33 | 1.35 | 1.38 |
| EUR/USD | 1.12 | 1.06 | 1.07 | 1.09 | 1.11 | 1.13 | 1.14 | 1.15 | 1.18 | 1.20 | 1.23 | 1.25 |
| USD/JPY | 116 | 130 | 135 | 134 | 131 | 129 | 127 | 126 | 123 | 118 | 115 | 110 |

Note: averages, Source: Investec, Iress



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