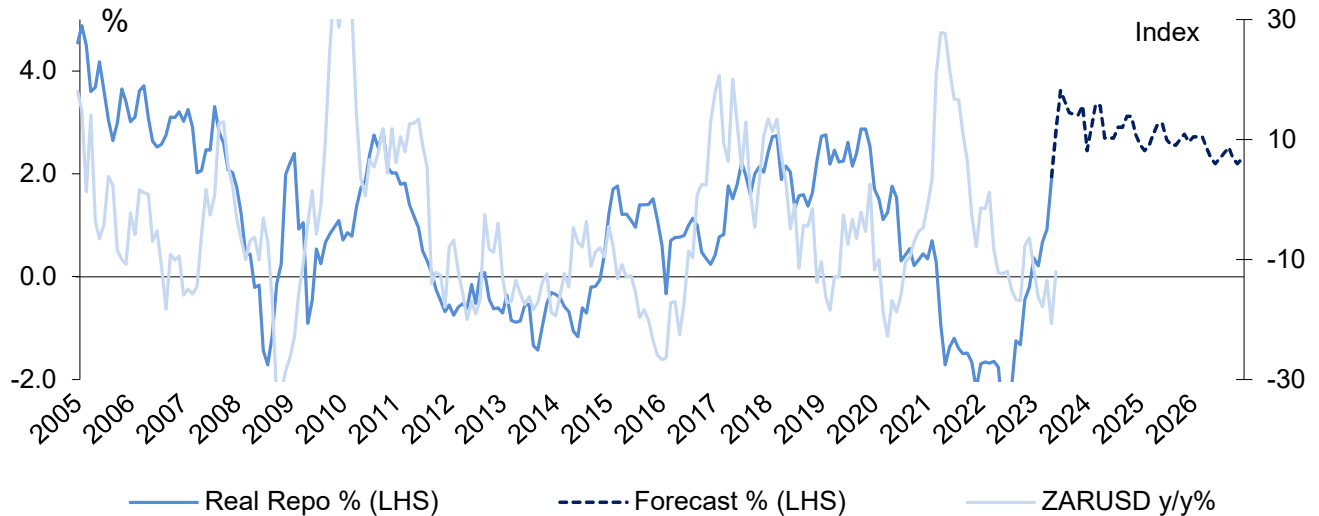




Rand Outlook: further rand strength expected

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



Source: Iress, Investec, Stats SA

The 50bp hike at the May MPC meeting and drop in inflation to 6.3% y/y (from 6.8% y/y), has lifted South Africa's interest rate/ CPI inflation differential by 1.0% y/y, adding support to the rand, and aiding it in pulling back from R20.00/USD, along with a number of other factors. Key amongst these additional factors has been the greatly reduced stages of load shedding, and the improved balance SA is striking in geopolitics, with a number of key Western state officials received by government in South Africa in recent weeks, along with the President travelling to Europe as well. The pause in the US interest rate hike cycle has been particularly significant for the rand, aiding its retreat towards R18.00/USD, dipping even to R17.85/USD momentarily in June. The domestic currency has remained volatile however, pulling back to R18.78/USD last week, and today reached R18.60/USD. The rand is undervalued, and we expect it to return to R17.50/USD this year, with the Reserve Bank Governor also stating today that the rand is "undervalued" in the SARB model and that there is scope for the domestic currency to "revert to the mean". The Governor added that the pace that inflation rose was very rapid, the decline has been "pedestrian or sticky" and that SA's CPI inflation rate is likely to fall back within the 3-6% inflation target range this quarter or next. This ties in with our forecast where June's CPI inflation rate (published only in July) is likely to drop towards 5.5% y/y on severe base effects. This should provide an underpin to rand strength, although international events will remain dominant drivers, particularly the US interest rate cycle. SA's monetary policy will also be key for

Exchange Rate forecasts – averages for the expected case

	2023				2024				2025			
	Q1.23	Q2.23	Q3.23	Q4.23	Q1.24	Q2.24	Q3.24	Q4.24	Q1.25	Q2.25	Q3.25	Q4.25
USD/ZAR	17.76	18.75	18.40	17.90	17.55	17.65	17.85	17.55	17.25	17.25	17.35	17.15
GBP/ZAR	21.59	23.38	23.00	22.55	22.46	22.86	23.29	22.99	22.43	22.43	22.56	22.30
EUR/ZAR	19.06	20.62	20.42	20.23	20.18	20.56	20.97	20.71	20.18	20.18	20.30	20.07
ZAR/JPY	7.45	7.22	7.45	7.54	7.55	7.39	7.25	7.32	7.48	7.54	7.49	7.58
GBP/USD	1.22	1.25	1.25	1.26	1.28	1.30	1.31	1.31	1.30	1.30	1.30	1.30
EUR/USD	1.07	1.10	1.11	1.13	1.15	1.17	1.18	1.18	1.17	1.17	1.17	1.17
USD/JPY	132	135	137	135	133	131	130	129	129	130	130	130

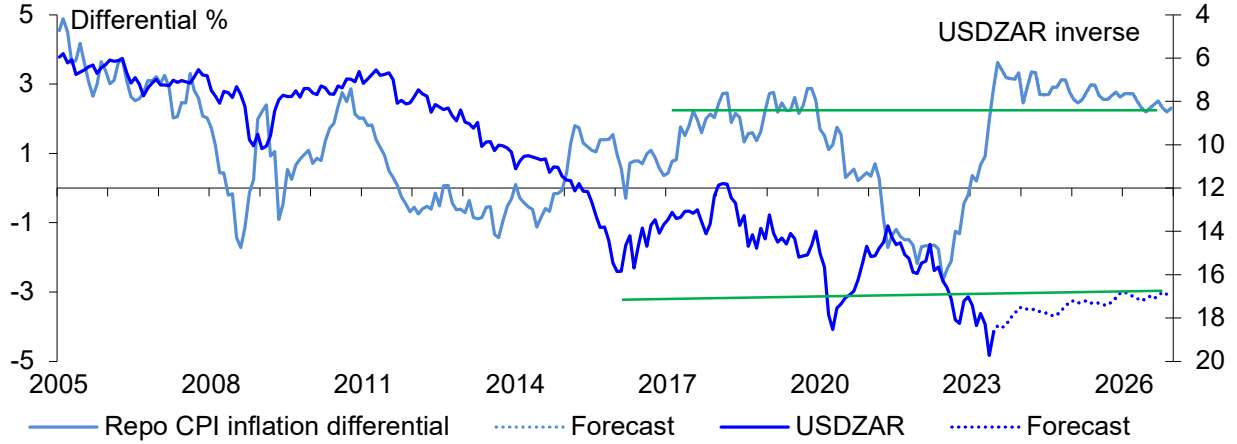
Note: averages, Source: Investec, Iress



Rand Outlook: further rand strength expected

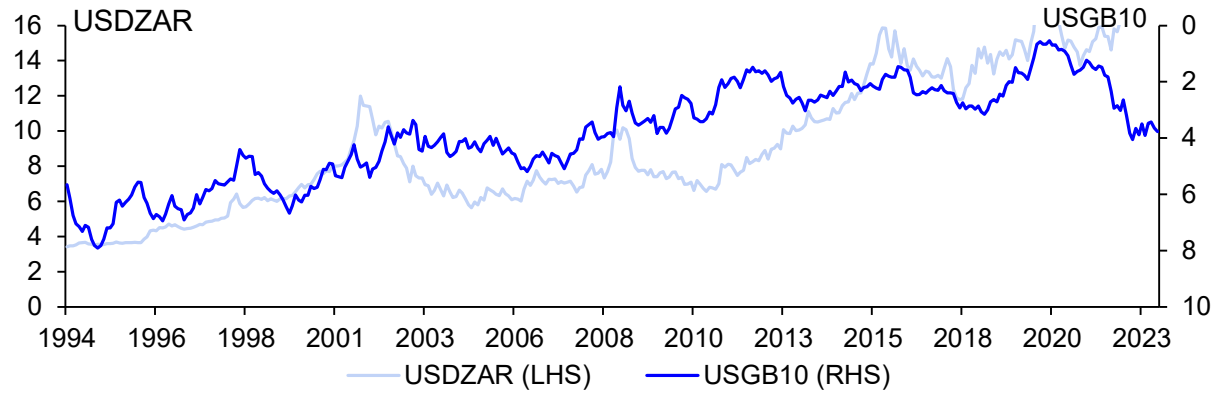
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USDZAR vs. interest rate and CPI inflation differential: expected case forecasts



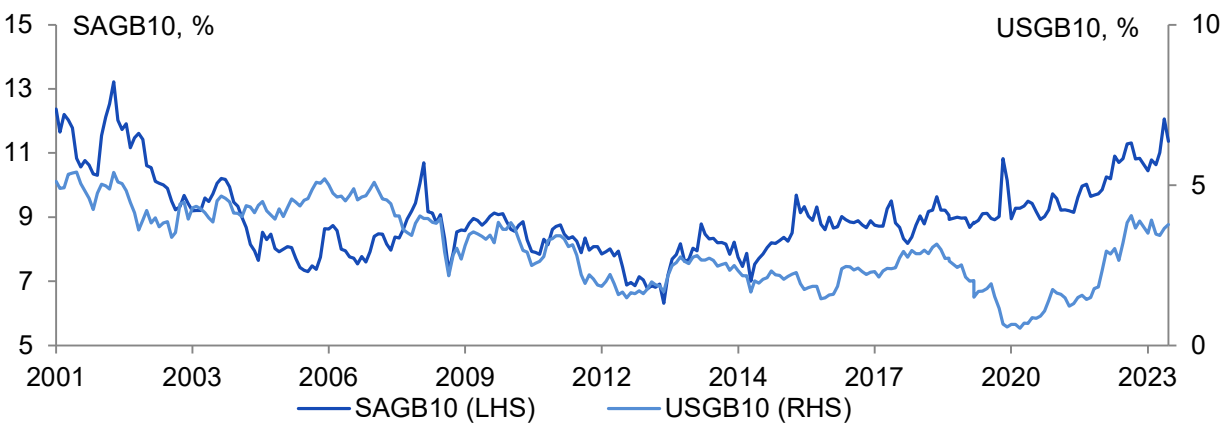
Source: Iress, Investec

Figure 4: USDZAR vs US 10-year bond (%)



Source: Iress

Figure 5: SA 10-year bond vs US 10 year bond (%)



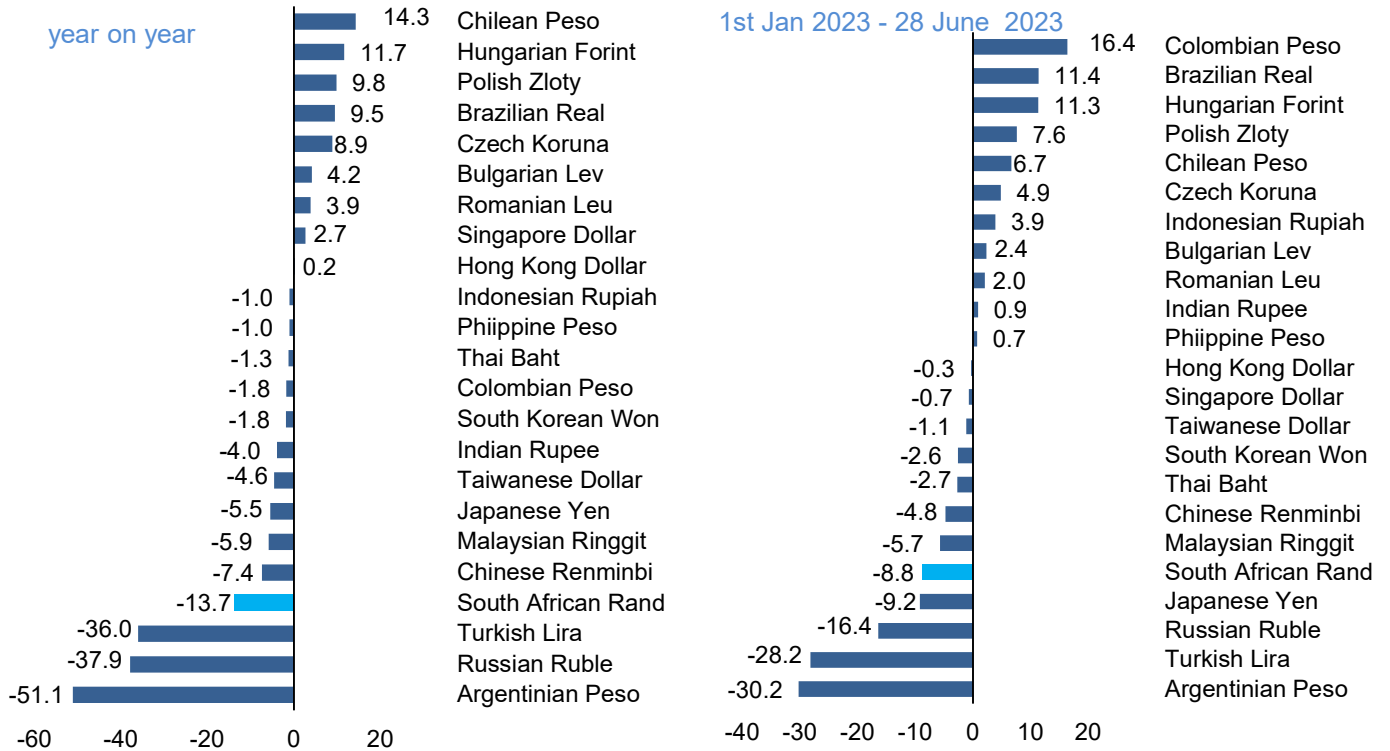
Source: Iress



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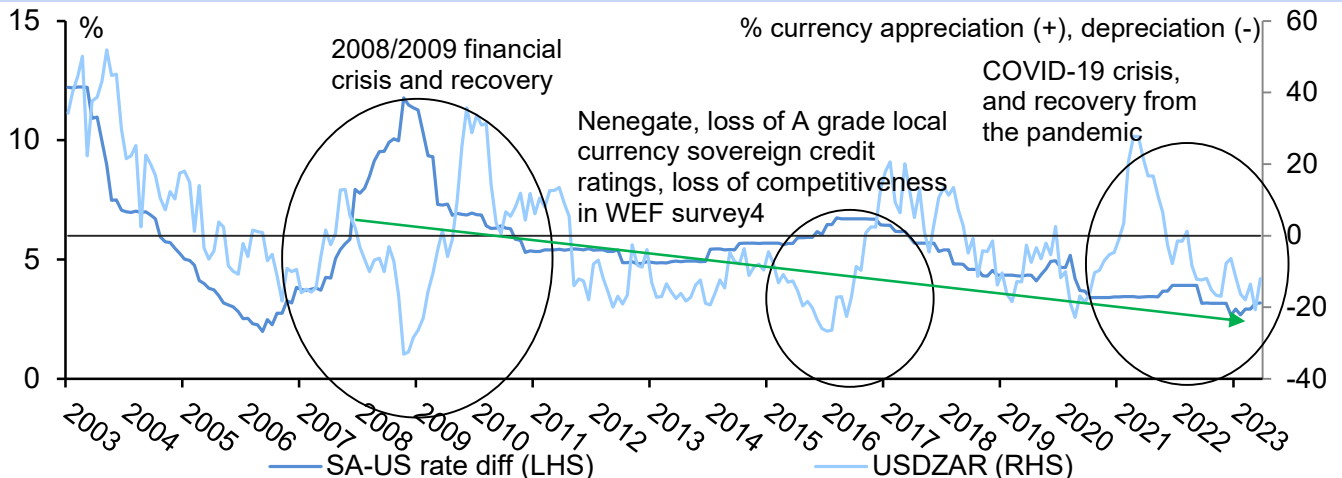
Commodity currency depreciation (-) %, appreciation (+) %



Source: Bloomberg

the exchange rate, with Governor Lesetja Kganyago adding “interest rates are likely to be higher for longer” and the “risks are to the upside”, with the SARB seeking to “anchor inflation expectations” within the target range, and particularly at the midpoint of 4.5% y/y. The rand retains substantial weakness, with fair value

Nominal interest rate differential between SA & US vs USDZAR



Source: Iress, Investec



Rand Outlook: further rand strength expected

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Figure 8: Economic Scenarios: note updated expected and downside qualitative

		Q1.23	Q2.23	Q3.23	Q4.23	Q1.24	Q2.24	Q3.24	Q4.24
Extreme	USD/Rand (average)	17.76	17.60	16.50	15.50	15.00	14.60	14.50	14.40
	Repo rate (end rate)	7.75	7.50	7.25	7.00	6.50	6.50	6.25	6.00
Up case 1%	<p>SA economic growth very quickly 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 to investment grade. Very short grey listing. Quick transition to renewable energy from fossil fuels.</p>								
Up case 1%		Q1.23	Q2.23	Q3.23	Q4.23	Q1.24	Q2.24	Q3.24	Q4.24
	USD/Rand (average)	17.76	18.20	17.40	17.00	16.90	17.10	16.90	16.60
	Repo rate (end rate)	7.75	7.75	7.75	7.50	7.00	7.00	6.75	6.50
	<p>Economic growth lifts towards 5.0% y/y, rising business confidence and investment, 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 inflation on increased privatisation. Credit rating upgrades on fiscal consolidation, markedly lower borrowings. Substantial transition to renewable energy away from fossil fuel usage, comprehensive measures to alleviate climate change impact on economy. Grey listed for less than eighteen months.</p>								
Base case 46%		Q1.23	Q2.23	Q3.23	Q4.23	Q1.24	Q2.24	Q3.24	Q4.24
	USD/Rand (average)	17.76	18.75	18.40	17.90	17.55	17.65	17.85	17.55
	Repo rate (end rate)	7.75	8.25	8.25	8.25	8.00	7.50	7.50	7.00
	<p>Economic growth modest lifts towards 3.0% y/y on reforms, global financial market risk sentiment is neutral to positive. SA remains in the BB credit rating category bracket on fiscal consolidation (debt to GDP stabilisation). The rand stabilises, then strengthens somewhat. Inflation is impacted by weather patterns via food price inflation. A 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. Little to no expropriation without compensation. Temporary grey listing.</p>								
Lite (domestic) Down case 42%		Q1.23	Q2.23	Q3.23	Q4.23	Q1.24	Q2.24	Q3.24	Q4.24
	USD/Rand (average)	17.76	19.70	20.50	20.90	20.50	20.00	19.60	19.00
	Repo rate (end rate)	7.75	8.50	9.00	9.50	9.50	9.50	9.50	9.50
	<p>The lite down case has the same expected international environment as the base case, but the domestic environment differs. Business confidence depressed, substantial electricity and water shedding, very weak rail capacity, civil and political unrest, little investment growth, swing toward left leaning policies recession. Temporary increase in state borrowings, risk of credit rating downgrades rise, then occur later in period, but sees eventual fiscal consolidation Expropriation of private sector property is very limited and has a modestly negative impact on the economy. High inflation on unfavorable weather conditions, marked rand weakness. Little transition to renewable energy or measures to alleviate climate change. Lengthy greylisting.</p>								
Severe down case 10%		Q1.23	Q2.23	Q3.23	Q4.23	Q1.24	Q2.24	Q3.24	Q4.24
	USD/Rand (average)	17.76	20.50	21.60	22.30	23.00	23.00	22.80	23.30
	Repo rate (end rate)	7.75	9.25	10.50	11.00	11.00	11.50	11.50	12.00
	<p>Lengthy global recession, global financial crisis – insufficient monetary and other support domestically and internationally. ANC/EFF coalition in 2024. Widespread, severe services load shedding, severe civil and political unrest. Government borrows from increasingly wider sources, SA rated single B from all three key agencies, eventually CCC grade, increased risk of default, sinks deeper into a debt trap. Failure to transition to renewable energy and to sufficient measures to alleviate the impact of climate change on the economy. Very high inflation on very adverse weather conditions, severe rand weakness. Full implementation of expropriation without compensation occurs (particularly for land held for speculative purposes), with a significant negative impact on the economy. SA blacklisted.</p>								

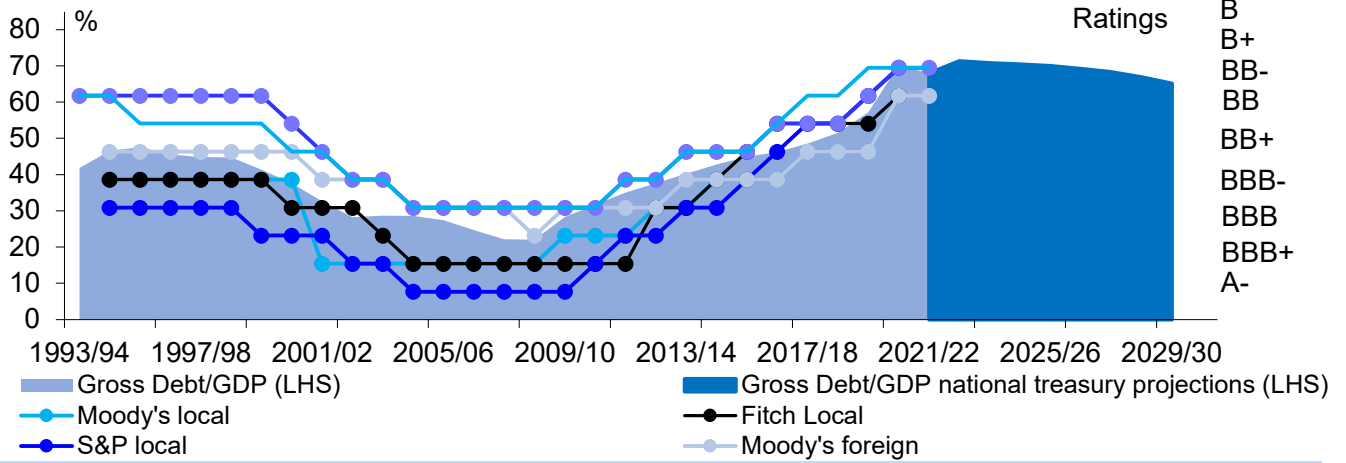
Note: Event risk begins Q2.23. Source: Investec



Rand Outlook: further rand strength expected

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Figure 9: Local currency long-term sovereign debt credit ratings vs. government gross loan debt as % GDP



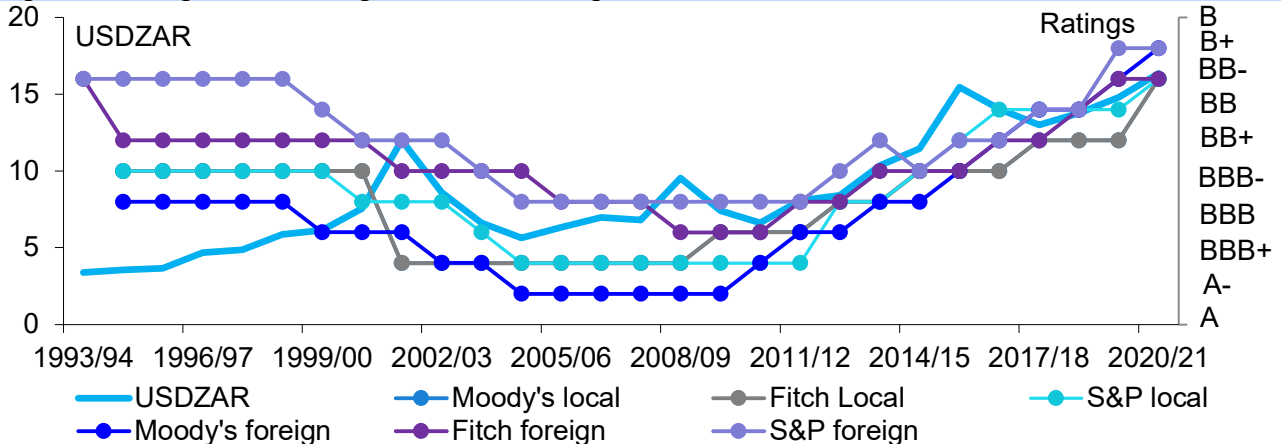
Source: Credit rating agencies, National treasury, Bloomberg

closer to R15.00/USD - R14.50/USD.

The interest rate differential between the Fed's funds rate and SA's repo rate has widened to 4.75%, with a narrow differential a key driver of rand weakness. Indeed, the rand moved substantially away from fair value as the US-SA interest rate differential narrowed from March last year, falling to 2.50%. US interest rates rose rapidly since March 2022, and SA did not keep up with the total size of the US hikes, nor their rapidity. A negative 'real' return disincentivizes investors, particularly when the sovereign risk premium is added on for EMs such as South Africa. A margin, or buffer is needed between SA and US interest rates, as investing in US interest rate bearing assets is seen as risk free while SA is perceived to have substantial risks attached to investing in its interest rate bearing assets.

Monetary policy has since become restrictive in SA, the 'real' interest rate has risen towards the neutral level, but there are severe concerns around economic growth, and the future health of government finances,

Figure 10: Long-term sovereign debt credit ratings vs USDZAR



Source: Credit rating agencies, National treasury, Bloomberg



Rand Outlook: further rand strength expected

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Figure 11: Rating tier definitions

Moody's		S&P		Fitch		Equivalent to SVO Designations NAIC	Rating description	
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term			
Aaa		AAA		AAA				Prime
Aa1		AA+		AA+				
Aa2		AA	A-1	AA	F1+			High grade
	P-1					1		
A1		A+		A+				
A2		A	A-1	A	F1			Upper medium grade
A3		A-		A-				Investment-grade
Baa1	P-2	BBB+	A-2	BBB+	F2			
Baa2	P-3	BBB		BBB		2		Lower medium grade
Baa3		BBB-	A-3	BBB-	F3			
Ba1		BB+		BB+				
Ba2		BB		BB		3		Non-investment grade speculative
Ba3		BB-		BB-				
B1		B+	B	B+	B			
B2		B		B		4		Highly speculative
B3		B-		B-				
Caa1	Not prime	CCC+						Substantial risks
Caa2		CCC				5		Extremely speculative
Caa3		CCC-	C	CCC	C			
Ca		CC						Default imminent with little prospect for recover
		C						
C				DDD		6		
/		D	/	DD	/			In default
				D				

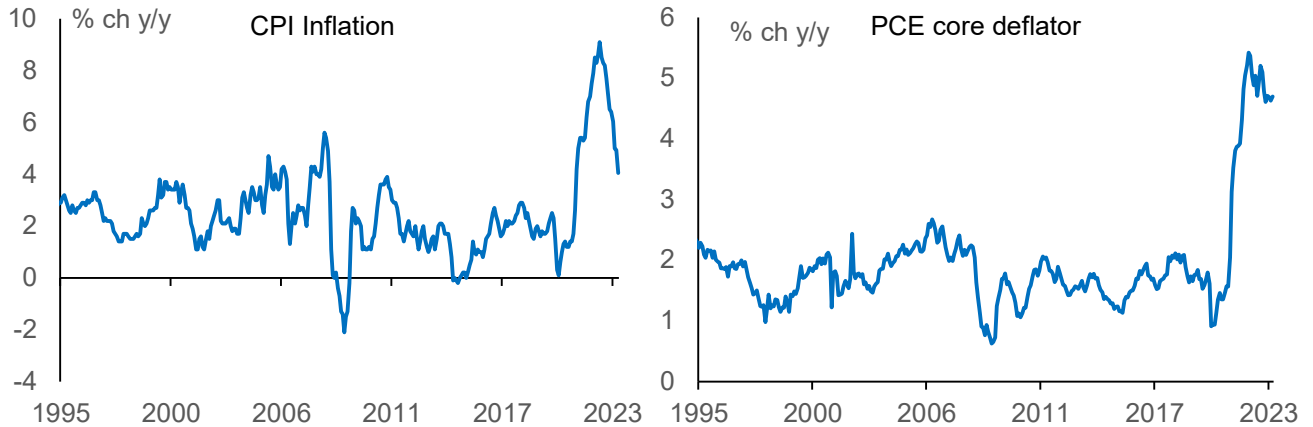
Source: Wikipedia



Rand Outlook: further rand strength expected

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US CPI inflation and PCE core deflator



Source: Bloomberg

which is worrying investors, particularly constraints in Transnet that are not rapidly improving.

Movements in the USD have also been instrumental in the domestic currency's weakening trajectory, and US economic data and FOMC communications will remain key for the rand. The implied Fed funds futures are pricing in one more 25bp hike in the fed funds rate this year and have mostly priced out the possibility of interest rate cuts in the latter part of this year. These recalibrations contributed to some rand weakness over the past week, and the domestic currency is likely to remain volatile over this quarter and the next. The Fed has indicated current expectations of two more interest rate hikes, but this is not set in stone, and will be determined by the rapidity of disinflation (falling inflation), along with other economic variables likely to impact inflation, with lower US inflation figures (particularly core measures) than expected likely to aid rand strength this year.

Figure 13: Key official interest rates (% , end quarter)

	US Fed funds	Eurozone refi rate	Eurozone deposit rate	UK Bank rate	Australia cash rate
Current	5.00-5.25	3.75	3.25	4.50	3.85
2023					
Q1	4.75-5.00	3.50	3.00	4.25	3.60
Q2	5.00-5.25	4.00	3.50	4.75	4.00
Q3	5.00-5.25	4.25	3.75	4.75	4.00
Q4	4.75-5.00	4.25	3.75	4.75	3.75
2024					
Q1	4.25-4.50	3.75	3.50	4.25	3.50
Q2	3.75-4.00	3.50	3.25	4.00	3.25
Q3	3.50-3.75	3.00	2.75	3.75	3.00
Q4	3.50-3.75	3.00	2.75	3.50	3.00

Source: Macrobond, Investec UK



Rand Outlook: further rand strength expected

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Reuters June 2023 Foreign exchange rates poll: USDZAR

Release/Effective Date	30 Jun 2023	31 Aug 2023	30 Nov 2023	31 May 2023
Median	19.3750	19.0834	18.9334	18.3000
High	20.0000	21.3000	20.9000	20.1667
Low	17.7000	17.7000	17.9000	17.0000
No. of forecasts	18	20	20	17

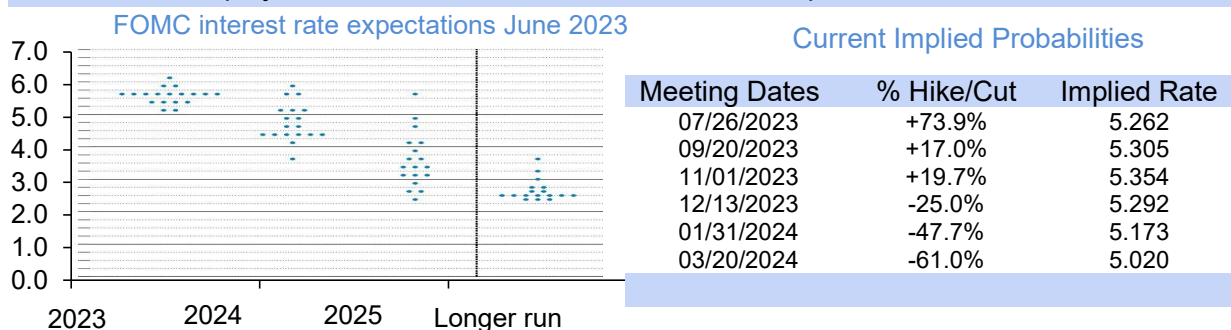
Source: Reuters

Figure 15: Target federal funds rate at year-end (%)

Midpoint of target range or target level (%)	2024	2025	2025	Longer run
6.250				
6.125	1			
6.000				
5.875	2	1		
5.750				
5.625	9	2	1	
5.500				
5.375	4			
5.250				
5.125	2	3		
5.000				
4.875		2	1	
4.750				
4.625		2	1	
4.500				
4.375		6		
4.250				
4.125		1	2	
4.000				
3.875			1	
3.750				
3.625		1	2	1
3.500				
3.375			3	
3.250				
3.125			3	
3.000				1
2.875			1	
2.750				2
2.625			2	2
2.500				7
2.375			1	3
2.250				

Source: Federal Reserve Government

US interest rate projection from FOMC: December 2022 and Implied Probabilities



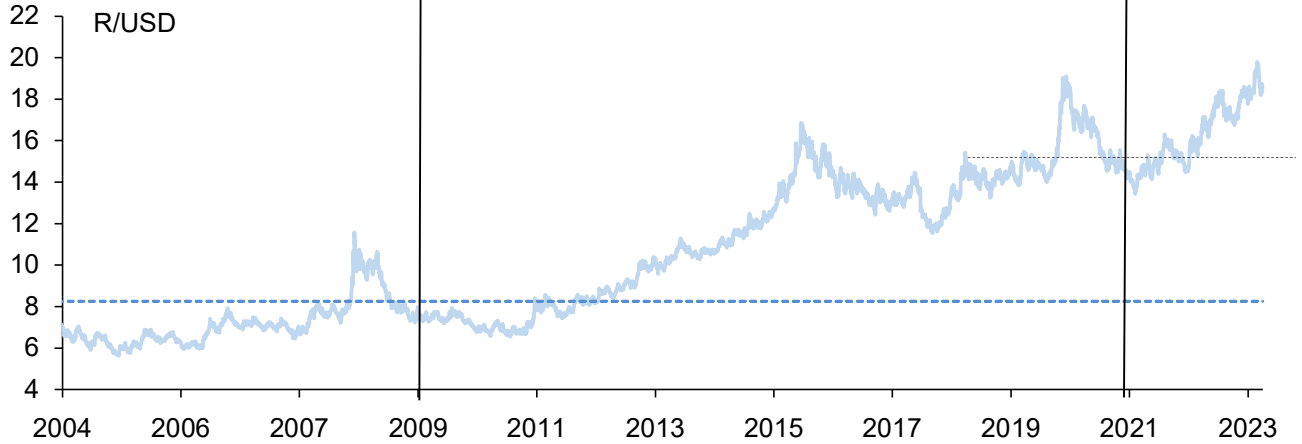
Source: Reuters and Federal Reserve Bank



Rand Outlook: further rand strength expected

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Figure 17: Rand



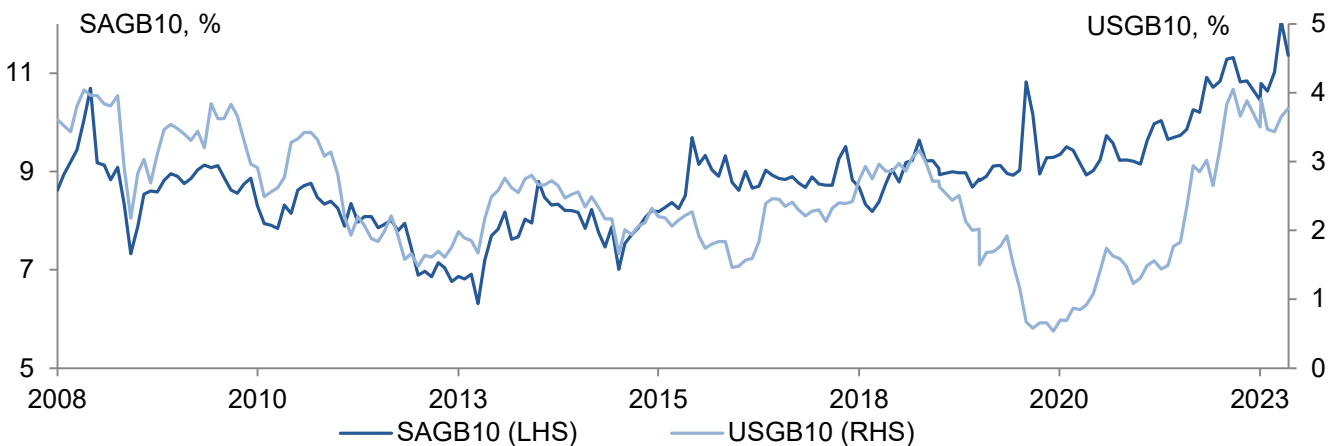
Source: Iress

Figure 18: Lite Down Case: Exchange Rate forecasts

	2023				2024				2025			
	Q1.23	Q2.23	Q3.23	Q4.23	Q1.24	Q2.24	Q3.24	Q4.24	Q1.25	Q2.25	Q3.25	Q4.25
USD/ZAR	17.76	18.60	19.70	20.50	20.90	20.50	20.00	19.60	18.70	18.70	18.80	18.60
GBP/ZAR	21.59	23.19	24.56	25.63	26.33	26.24	25.90	25.58	24.31	24.31	24.44	24.18
EUR/ZAR	19.06	20.45	21.66	22.76	23.62	23.58	23.30	23.03	21.88	21.88	22.00	21.76
ZAR/JPY	7.45	7.12	6.88	6.68	6.46	6.46	6.53	6.61	6.90	6.95	6.91	6.99
CHFZAR	19.20	20.68	22.07	22.99	23.27	22.78	22.30	21.93	20.55	20.55	20.66	20.44
AUDZAR	12.14	12.53	13.20	13.94	14.63	14.56	14.20	14.01	13.84	14.40	14.85	14.69
GBP/USD	1.22	1.25	1.25	1.26	1.28	1.30	1.31	1.31	1.30	1.30	1.30	1.30
EUR/USD	1.07	1.10	1.11	1.13	1.15	1.17	1.18	1.18	1.17	1.17	1.17	1.17
USD/JPY	132	135	137	135	133	131	130	129	129	130	130	130

Note: averages, Source: Investec, Iress

SA 10-year bond vs US 10-year bond:



Source: Iress



Rand Outlook: further rand strength expected

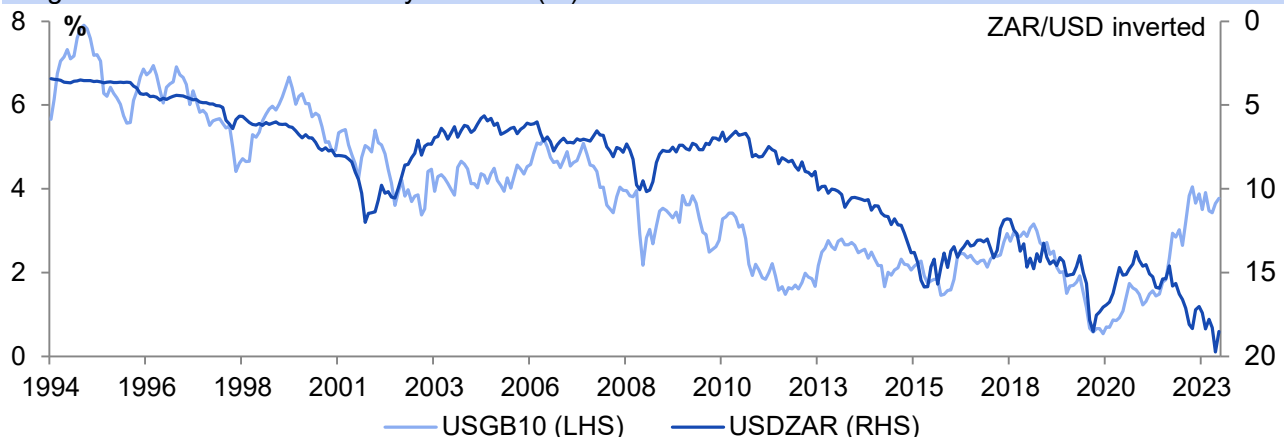
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Figure 20: Exchange rate history and forecast: annual averages

	2019	2020	2021	2022	2023	2024	2025	2026	2027
EURUSD	1.12	1.14	1.19	1.05	1.10	1.17	1.17	1.17	1.17
EURGBP	0.88	0.89	0.86	0.85	0.89	0.90	0.90	0.90	0.90
GBPEUR	1.14	1.13	1.16	1.17	1.13	1.11	1.11	1.11	1.11
GBPUSD	1.28	1.28	1.38	1.24	1.24	1.30	1.30	1.30	1.30
USDJPY	109	107	110	131	135	130	130	130	130
EURJPY	122	122	130	138	149	152	152	152	152
GBPJPY	139	137	151	162	168	169	169	169	169
EURCHF	1.11	1.07	1.09	1.01	0.99	1.05	1.06	1.06	1.06
USDCHF	0.99	0.94	0.92	0.96	0.90	0.90	0.91	0.91	0.91
GBPCHF	1.27	1.20	1.26	1.18	1.12	1.16	1.18	1.18	1.18
AUDUSD	0.70	0.69	0.75	0.69	0.68	0.71	0.77	0.79	0.79
EURAUD	1.61	1.66	1.58	1.52	1.61	1.64	1.52	1.48	1.48
AUDJPY	76	74	82	91	92	93	100	103	103
GBPAUD	1.84	1.86	1.83	1.78	1.82	1.82	1.68	1.65	1.65
ZARUSD	14.44	16.46	14.79	16.36	18.20	17.65	17.25	16.98	17.00
ZARGBP	18.44	21.10	20.36	20.18	22.63	22.90	22.43	22.07	22.10
ZAREUR	14.39	18.77	17.54	17.21	20.08	20.61	20.18	19.86	19.89
JPYZAR	7.55	6.51	7.42	8.03	7.42	7.38	7.52	7.66	7.65
ZARCHF	14.54	17.54	16.16	17.12	20.19	19.72	18.96	18.65	18.68
ZARAUD	10.04	11.35	11.11	11.34	12.44	12.60	13.33	13.41	13.43

Source: IRESS, Investec

Figure 21: USDZAR vs US 10-year bond (%)



Source: Iress



Rand Outlook: further rand strength expected

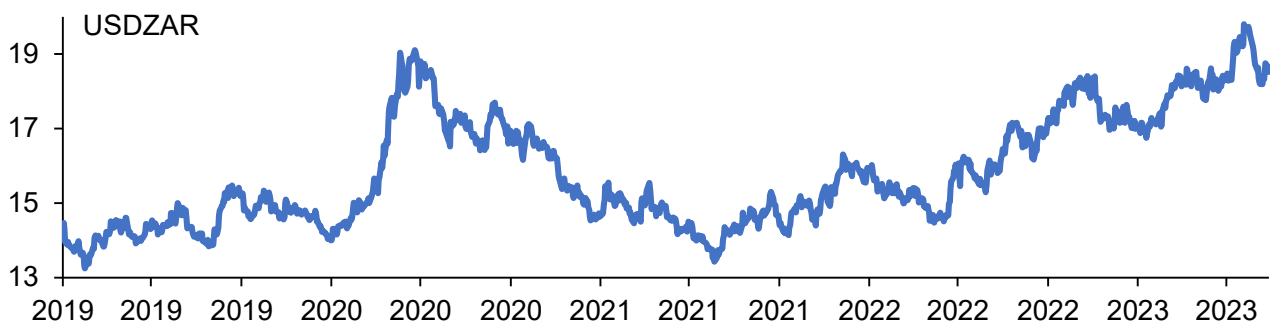
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Figure 22: Exchange rate history and forecast: quarterly averages

	2022				2023				2024			
	Q1.22	Q2.22	Q3.22	Q4.23	Q1.23	Q2.23	Q3.23	Q4.23	Q1.24	Q2.24	Q3.24	Q4.24
EURUSD	1.12	1.06	1.01	1.02	1.07	1.10	1.11	1.13	1.15	1.17	1.18	1.18
EURGBP	0.84	0.85	0.86	0.87	0.88	0.88	0.89	0.90	0.90	0.90	0.90	0.90
GBPEUR	1.20	1.18	1.17	1.15	1.13	1.13	1.13	1.12	1.11	1.11	1.11	1.11
GBPUSD	1.34	1.26	1.18	1.18	1.22	1.25	1.25	1.26	1.28	1.30	1.31	1.31
USDJPY	116	130	138	141	132	135	137	135	133	131	130	129
EURJPY	131	138	139	144	142	149	152	153	152	152	152	152
GBPJPY	156	163	163	166	161	169	171	170	170	169	169	168
EURCHF	1.04	1.03	0.98	0.98	0.99	0.98	0.99	1.01	1.04	1.04	1.05	1.05
USDCHF	0.92	0.96	0.97	0.96	0.93	0.89	0.89	0.90	0.90	0.90	0.89	0.89
GBPCHF	1.24	1.21	1.14	1.13	1.12	1.11	1.11	1.13	1.15	1.16	1.17	1.17
AUDUSD	0.72	0.71	0.68	0.66	0.68	0.67	0.68	0.70	0.71	0.71	0.72	0.72
EURAUD	1.55	1.49	1.47	1.55	1.57	1.64	1.63	1.61	1.62	1.64	1.64	1.64
AUDJPY	84	93	94	93	91	91	93	95	94	93	93	93
GBPAUD	1.85	1.76	1.72	1.79	1.78	1.86	1.84	1.80	1.80	1.82	1.83	1.82
ZARUSD	15.21	15.59	17.05	17.60	17.76	18.75	18.40	17.90	17.55	17.65	17.85	17.55
ZARGBP	20.40	19.59	20.05	20.69	21.59	23.38	23.00	22.55	22.46	22.86	23.29	22.99
ZAREUR	17.07	16.60	17.16	17.99	19.06	20.62	20.42	20.23	20.18	20.56	20.97	20.71
JPYZAR	7.65	8.33	8.11	8.03	7.45	7.22	7.45	7.54	7.55	7.39	7.25	7.32
ZARCHF	16.47	16.16	17.58	18.27	19.20	21.01	20.63	19.93	19.50	19.68	19.97	19.72
ZARAUD	11.02	11.14	11.65	11.57	12.14	12.56	12.51	12.53	12.46	12.53	12.76	12.64

Source: Iress, Investec

Figure 23: USDZAR



Source: Iress



Rand Outlook: further rand strength expected

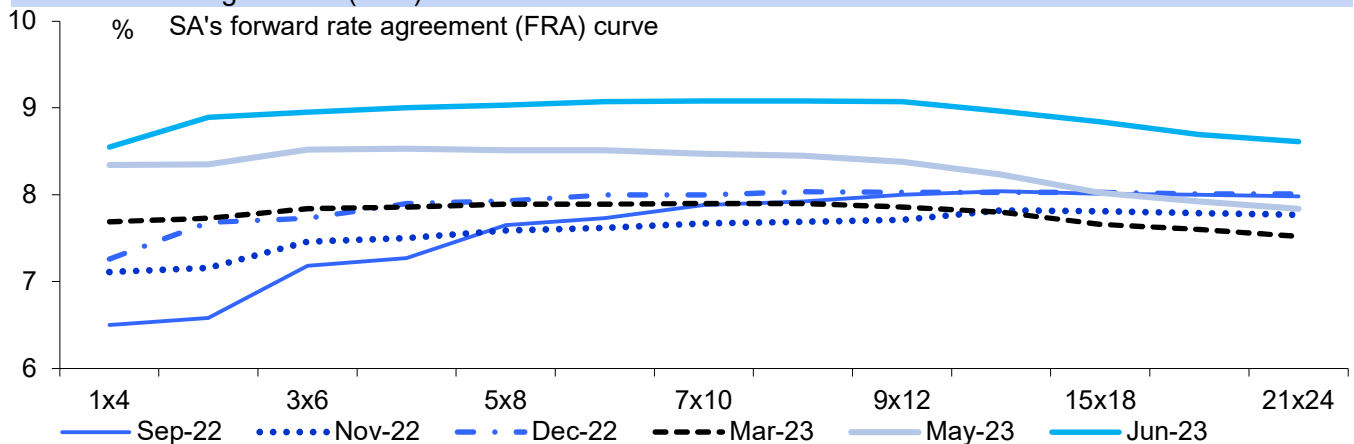
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Figure 24: Exchange rate history and forecast: quarterly averages

	2025				2026				2027			
	Q1.25	Q2.25	Q3.25	Q4.25	Q1.26	Q2.26	Q3.26	Q4.26	Q1.27	Q2.27	Q3.27	Q4.27
EURUSD	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17
EURGBP	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
GBPEUR	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11
GBPUSD	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
USDJPY	129	130	130	130	130	130	130	130	130	130	130	130
EURJPY	151	152	152	152	152	152	152	152	152	152	152	152
GBPJPY	168	169	169	169	169	169	169	169	169	169	169	169
EURCHF	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06
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	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18
AUDUSD	0.74	0.77	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.74
EURAUD	1.58	1.52	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.48	1.58
AUDJPY	95	100	103	103	103	103	103	103	103	103	103	95
GBPAUD	1.76	1.69	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.76
ZARUSD	17.25	17.25	17.35	17.15	16.85	17.15	17.05	16.85	16.95	17.05	17.15	16.85
ZARGBP	22.43	22.43	22.56	22.30	21.91	22.30	22.17	21.91	22.04	22.17	22.30	21.91
ZAREUR	20.18	20.18	20.30	20.07	19.71	20.07	19.95	19.71	19.83	19.95	20.07	19.71
JPYZAR	7.48	7.54	7.49	7.58	7.72	7.58	7.62	7.72	7.67	7.62	7.58	7.72
ZARCHF	18.96	18.96	19.07	18.85	18.52	18.85	18.74	18.52	18.63	18.74	18.85	18.52
ZARAUD	12.77	13.28	13.71	13.55	13.31	13.55	13.47	13.31	13.39	13.47	13.55	13.31

Source: IRESS, Investec

Forward Rate Agreement (FRA) curve



Source: Bloomberg



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Figure 26: Severe Down Case: Exchange Rate forecasts

	2023				2024				2025			
	Q1.23	Q2.23	Q3.23	Q4.23	Q1.24	Q2.24	Q3.24	Q4.24	Q1.25	Q2.25	Q3.25	Q4.25
USD/ZAR	17.76	20.50	21.60	22.30	23.00	23.00	22.80	23.30	23.00	23.00	23.10	22.90
GBP/ZAR	21.59	25.56	27.00	28.10	29.44	29.79	29.75	30.52	29.90	29.90	30.03	29.77
EUR/ZAR	19.06	22.54	23.98	25.20	26.45	26.80	26.79	27.49	26.91	26.91	27.03	26.79
ZAR/JPY	7.45	6.61	6.34	6.05	5.76	5.67	5.68	5.52	5.61	5.65	5.63	5.68
CHFZAR	19.20	22.97	24.22	24.83	25.55	25.64	25.51	26.18	25.27	25.27	25.38	25.16
AUDZAR	12.14	13.73	14.69	15.61	16.33	16.33	16.30	16.78	17.02	17.71	18.25	18.09
GBP/USD	1.22	1.25	1.25	1.26	1.28	1.30	1.31	1.31	1.30	1.30	1.30	1.30
EUR/USD	1.07	1.10	1.11	1.13	1.15	1.17	1.18	1.18	1.17	1.17	1.17	1.17
USD/JPY	132	135	137	135	133	131	130	129	129	130	130	130

Note: averages, Source: Investec, Iress

Figure 26: Up Case: Exchange Rate forecasts

	2023				2024				2025			
	Q1.23	Q2.23	Q3.23	Q4.23	Q1.24	Q2.24	Q3.24	Q4.24	Q1.25	Q2.25	Q3.25	Q4.25
USD/ZAR	17.76	18.20	17.40	17.00	16.90	17.10	16.90	16.60	16.30	16.30	16.40	16.20
GBP/ZAR	21.59	22.69	21.75	21.42	21.63	22.14	22.05	21.75	21.19	21.19	21.32	21.06
EUR/ZAR	19.06	20.01	19.31	19.21	19.44	19.92	19.86	19.59	19.07	19.07	19.19	18.95
ZAR/JPY	7.45	7.44	7.87	7.94	7.84	7.63	7.66	7.74	7.91	7.98	7.93	8.02
CHFZAR	19.20	20.39	19.51	18.93	18.78	19.06	18.91	18.66	17.91	17.91	18.02	17.80
AUDZAR	12.14	12.19	11.83	11.90	12.00	12.14	12.08	11.95	12.06	12.55	12.96	12.80
GBP/USD	1.22	1.25	1.25	1.26	1.28	1.30	1.31	1.31	1.30	1.30	1.30	1.30
EUR/USD	1.07	1.10	1.11	1.13	1.15	1.17	1.18	1.18	1.17	1.17	1.17	1.17
USD/JPY	132	135	137	135	133	131	130	129	129	130	130	130

Note averages, Source: Investec, Iress

Figure 28: Extreme Up Case: Exchange Rate forecasts

	2023				2024				2025			
	Q1.23	Q2.23	Q3.23	Q4.23	Q1.24	Q2.24	Q3.24	Q4.24	Q1.25	Q2.25	Q3.25	Q4.25
USD/ZAR	17.76	17.60	16.50	15.50	15.00	14.60	14.50	14.40	14.10	14.10	14.20	14.00
GBP/ZAR	21.59	21.95	20.63	19.53	19.20	18.91	18.92	18.86	18.33	18.33	18.46	18.20
EUR/ZAR	19.06	19.35	18.32	17.52	17.25	17.01	17.04	16.99	16.50	16.50	16.61	16.38
ZAR/JPY	7.45	7.70	8.30	8.71	8.83	8.94	8.93	8.92	9.15	9.22	9.15	9.29
CHFZAR	19.20	19.72	18.50	17.26	16.67	16.28	16.23	16.18	15.49	15.49	15.60	15.38
AUDZAR	12.14	11.79	11.22	10.85	10.65	10.37	10.37	10.37	10.43	10.86	11.22	11.06
GBP/USD	1.22	1.25	1.25	1.26	1.28	1.30	1.31	1.31	1.30	1.30	1.30	1.30
EUR/USD	1.07	1.10	1.11	1.13	1.15	1.17	1.18	1.18	1.17	1.17	1.17	1.17
USD/JPY	132	135	137	135	133	131	130	129	129	130	130	130

Note: averages, Source: Investec, Iress



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