

FINANCIAL SERVICES

THE BDO TALLY

07 DECEMBER 2022

Locally...

- ▶ ZAR27.6 billion: The amount of cumulative capital that has been raised in the South African credit market through the issuance of ESG bonds.
- ▶ ZAR3billion: The estimated cost of stage 6 load shedding on the South African economy.
- ▶ ZAR12 billion: The estimated amount Eskom has spent to date on diesel.
- ▶ ZAR400 billion: The South African government plans to shift one to two thirds of Eskom's ZAR400 billion outstanding debt onto its own balance sheet. Details of the relief expected to be announced at the 2023 national budget speech.
- ▶ 7% and 10.5%: The repo and prime rate respectively following the recent MPC release which saw an interest rate hike of 75 basis points. Should the interest rate hike cycle continue into January 2023, supplemented by worsening economic growth, South Africa stands to fall into a recession.
- ▶ 7.6%: South Africa's recorded CPI in October. The rise in inflation is largely due to surging fuel and food prices as well as the ongoing Russian invasion of Ukraine.

In the global space...

- ▶ Soaring interest rates and the aggressive involvement of the Fed has crippled the S&P 500 with a lasting downward trend with the market cap closing at USD30.12 trillion on the 5th of November 2022.

This downward trend is expected to continue into 2023 with speculations of a global recession.

- ▶ The Federal Reserve raised the target range for the federal funds rates by 75 basis points to a range of 3.75% to 4% during its November 2022 meeting.

This marks a sixth consecutive rate hike and the fourth straight three-quarter point increase, pushing borrowing costs to a new high since 2008.



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In the world of Crypto...

- ▶ FTX, the second largest cryptocurrency exchange has filed for bankruptcy.

This is following a liquidity crisis caused by a surge in withdrawals that led to an over 90% plummet in the value of its crypto-token FTT (from closing at \$22 on the 5th of November to \$1.32 on the 23rd of November).

- ▶ The global cryptocurrency market has suffered losses of approximately more than USD152 billion due to the woes of FTX, with Bitcoin (BTC) hitting its lowest coin value since 2020 at USD16,594 from USD20,000
- ▶ Blue-chip retailer, Pick n Pay announced that it will be piloting the payment of goods, in some of its stores using cryptocurrency.

FOR A CLEAR PERSPECTIVE,
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