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In May we reported the JSE at 68,519. It has risen to above that level but dropped back to 67,646 as on 30 August 2021. As I said in February, we expected this move to be up and down for the remainder of the year. There are signals from the USA of a bubble effect, expecting a drop at year end. How big, who knows?

A while ago, one of the asset Managers I listened to, stated that the move by China to involve themselves in the Tech space caused a drop of Naspers and other Tech shares. The comment was that this was merely a move to invade a space where there was no regulation. How do you regulate Uber or Facebook? It’s in the cloud. Now, listening to Hywel George of Old Mutual, the picture changes. He states that the Chinese Communist Party have made all the private schooling companies NGO’s. China also put a CCP member on the board of Tik Tok. Tic Tok is in the cloud. George claims China wants to feed more profits into the lower income groups making good education more affordable. Their plans are many and perhaps good for South African stocks for now.

Moonstone, 30 August 2021, reported Edward Kieswetter coming down hard on those taxpayers who have left the country and not declared their last tax returns. It is an offence to simply stop declaring tax affairs just because one leaves South Africa. Summons will be issued claims Kieswetter.

From the same source above, South African Life Insurers reported a 12% increase in fraudulent and dishonest claims in the year ending 2020, compared to 2019. For Death and Disability:

Misrepresentation and non-disclosure 646 cases

Fraudulent documentation 60 cases

Syndicate Involvement 7 cases

Advisor broker 0 cases

Over the past 12 months, nearly all investors have seen a good recovery in their investments. While South Africa struggles under the weight of a burgeoning population growth of job seekers, and skills emigrate elsewhere, I do believe there is a willingness on the part of business to give more, provided the Government accommodates business best practice in their partnership. Only business can create jobs from where the current tax base has shrunk.

The GBW Team