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**In Touch September 2019**

Finally we have some good news to report on. The rains have come, and the dams in the Western Cape are at an average of 81% full.

News not so good is the sad state of the Parastatals. However, I have it on good authority from an article by Professor Lundman indicating that the President has gone a long way to achieving two of his four objectives. One was to put competent ministers into key positions which has almost been achieved. The 2nd one was to stop corruption. Via the free Press, and the Zondo Commission, more and more of the voters are learning just what the previous Administration were doing and now they are expecting change. Like a ship turning in the ocean, it will be slow.

From our June letter, a comment from Foord, of a prolonged expansion cycle. Trade wars, and Brexit will reflect slow growth, however, Third World countries are still faring well – apart from South Africa. The reason is the Government being unable to give market certainty. Asset Managers all report finding good value in certain pockets locally and off shore. This will reflect in time to come.

Stay the course is the message from all Managers. Attached is a graph of the JSE and our present position in relation to previous downturns.

As a small Practice I am overwhelmed at all the rules coming out of the new FSCA which relate to the Banks and Assurance company’s. These rules being adhered to, no one will escape where corruption is happening. No one. That is good news for all South Africans. A ‘Steinhoff’ will never happen again.

‘Oracles of Warren Buffett’.

‘Berkshire (Buffett’s company) buys when the lemmings are heading the other way. Most people get interested in stocks when everyone else is. The time to get interested is when no one else is. You cannot buy what is popular at the time

and do well’

**From**

**Colin Gillot and the G.B.W. Team**