G B.W. Financial Planners

**P.O. BOX 10001, CAPE TOWN, 8000, 39 Buitenkant Street, Cape Town, 8001**

**Tel. 021 – 461 0685, Fax. 086 615 2320, E-mail.** **cgillot@comail.co.za****,**

**Authorised FSCA No. 44140**

**In Touch June 2019**

An article from Foord 7th June 2019, says, ‘Our analysis that the world economy is in the late stages of a prolonged, but relatively shallow expansion cycle’. ‘Excluding U.S., growth has been anemic, besides stimulus driven buoyancy in China.’ ‘Trump’s geopolitically motivated trade policies introduced uncertainty for global business leaders’.

Foord went on to say, ‘The S.A. economy faces severe structural risks and is nearing a sovereign debt trap’. ‘Failure to improve growth will be negative for S.A. investment grade rating from Moody’s’. As we *have said before, our problems are twofold.*

In terms of Asset managers finding good value, Allan Gray discuses Multichoice in their report from 31 March 2019, focusing on DStv. Page 10. ‘For every R1,00 of earnings, DStv produces 97c of free cash available for shareholders.’ On their opportunities in Africa, they compare the returns of a Nigerian stock (Stanbic Nigeria), to various market indices. A graph on page 7 shows Stanbic far outperforming all quoted indices from 2010 to March 2019, albeit at high levels of volatility. Space limits a display of this graph.

The new FSCA as part of their consumer Education, has put out a document regarding tips for avoiding, ‘get rich quick’ schemes. They state:

Be careful of any investment opportunity that makes exaggerated earnings claims.

Consult an authorized financial services provider before investing.

Be wary of opportunities to invest your money in financial services providers that require you to bring in more investors to increase your profit.

The FSCA also warns against telemarketing and SMSs. They warn:

Words such as, ‘You have won…’ ‘You must act now…..’ You must send money….’ and, ‘You can’t afford to miss this high-profit, no risk offer.’ For the untrained client, please be aware of this?

**The G.B.W. Team**

**Colin Gillot**