G B.W. Financial Planners

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**In Touch February 2020**

2020 has some good and bad news. According to Kevin Links Stanlib presentation in Cape Town on 18th February, the American economy is soaring ahead with unemployment at 3.5%, the lowest in nearly 20 years, and consumer confidence at its highest in 15 years. The impeachment issue has gone away, and President Trump has secured a ‘good deal’ in the Trade War for the USA, according to Links. The coronavirus and China’s lower Gross Domestic Product expectations have had a negative effect on markets. Brexit will go ahead. Since most of the uncertainty in the markets have settled down, business can now get back to production and trading.

S.A. has its own problems. It would appear that consumers have managed their debt well but have little to spend. Inflation is under control, however, Government have ‘shot themselves in the foot.’ All the State-Owned Enterprises have through inept mismanagement created uncontrollable debt, for which the consumer will have to pay for.

To this end, Asset managers are investing maximum amounts allowable offshore. S.A. local 10-year bonds which have high yields in this current low return environment, and certain Equities at low prices are being found. ‘Stay the course’ is the call from all asset managers. Jumping ship is often the worst decision, historically proving incorrect.

The Government is being heavy handed in its dealing with Insurance and Medical aid products in relation to the new rules proposed by the Council of Medical Schemes. We wait and see.

For those with Short Term Insurance, that drive expensive vehicles, speak to your broker about the necessity of insuring your car keys, as replacement costs may sometimes be up to R15,000 as a result of loss, damage or theft of those keys. Call us. We are happy to help.

**The GBW Team**