

*Diverse employees need distinct solutions*

## WELCOME TO YOUR WEEKLY UPDATE!

This week, we look at the characteristics of cryptocurrencies and how these should be factored into the regulation of this space.

### ECONOMIC COMMENTARY - DR. FRANCOIS STOFBERG A friendly glance at crypto-“currencies”

The Financial Sector Conduct Authority (FSCA) recently said that it will soon publish the regulatory framework for cryptocurrencies in South Africa. Many in the industry, especially those who support the technology, have been anxiously awaiting this legislation for quite some time. Previously, the FSCA was vocal about declaring cryptocurrencies as financial products and this past week the Prudential Authority Division at the South African Reserve Bank (SARB) shared a similar sentiment. The Prudential Authority also asked banks to work with crypto exchanges instead of simply closing their accounts.

We maintain that more regulation is needed in the cryptocurrency space to protect consumers against all of the scams that we have read so much about during the last couple of years. Only with effective legislation can this superior technology be adopted by the masses. And it truly is superior. Even in its infancy, the cryptocurrency environment is allowing for faster and safer transactions worldwide, often at no cost. The environment also allows markets to be open 24/7, which means that consumers always have access to liquidity. With blockchain technology, the backbone of cryptocurrencies, you do not have to wait two or more days for money to reflect in your account - most of the time it happens instantly. But there are, of course, many other benefits of having a market that is always open. The cryptocurrency market also has fewer foreign exchange controls, which means that no one can tell you what you are allowed to do with your money; a key concern for regulators, of course. Another benefit of some cryptocurrencies is that they allow for decentralisation. This characteristic allows the collective to govern themselves without handing their sovereignty over to the government. But with these and other efficiencies, the technology can also be exploited for the wrong reasons, and it is for this exact reason that clever regulation is needed.

We are still unsure how local regulators will classify and treat this unique asset class. One of the main difficulties that regulators face is the fact that not all cryptocurrencies are the same, so regulation must be more fluid, a characteristic that regulators are not always known for. Precisely because cryptocurrencies are different, it is more appropriate to refer to them as tokens, coins, or even digital assets. Bitcoin, the most widely known and adopted token is, for all intents and purposes, not a currency. Like gold, it is considered to be a store of value because of its limited supply. That being said, its price volatility does not qualify it as a store of value in the traditional sense. Some tokens, like Litecoin, are used as currencies because transactions are fast and cheap. Others are backed by fixed assets: Many of the stable coins are backed by a combination of fiat currency and even bonds. Yet others, like Cardano or Solana, are backed by specific projects and fulfil another function entirely. In this case, they use blockchain technology to execute smart contracts that allow them to build the infrastructure that is needed for things like Web 3.0. And then there are tokens that act like normal shares. Binance, a digital asset exchange, for instance distributes some of their profits towards those who hold the Binance token.

Each of these characteristics, collectively referred to as ‘tokenomics’, makes the token unique and desirable. For this reason, if regulators want to effectively regulate these digital assets, they must differentiate between specific groups of tokens and apply rules appropriately. In the past, Africa has been a leader in terms of creating and adopting financial technologies, like cell phone banking, and our regulations have, in many ways, allowed for the successful adoption of these technologies. We are hoping that we will, once again, lead the way.

## IN CLOSING

Together with our asset management team at Efficient Private Clients, we will continue to track these macro-economic developments, always considering how this could affect your portfolio, and plan accordingly. Attached please find our weekly update on global indices, currencies and commodities as provided by Efficient Private Clients.

Kind regards,  
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## YOUR WEEKLY ECONOMIC UPDATE

24 August 2022

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## UPDATE

Global Indices, Currencies and Commodities, 24 August 2022

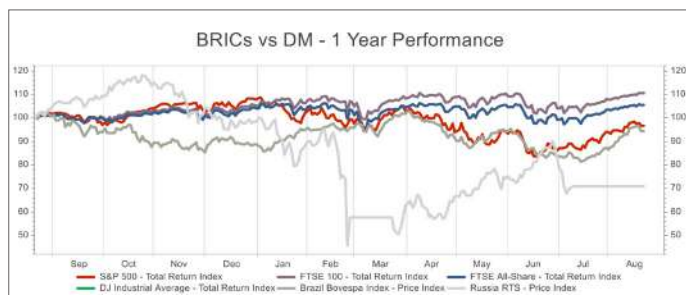
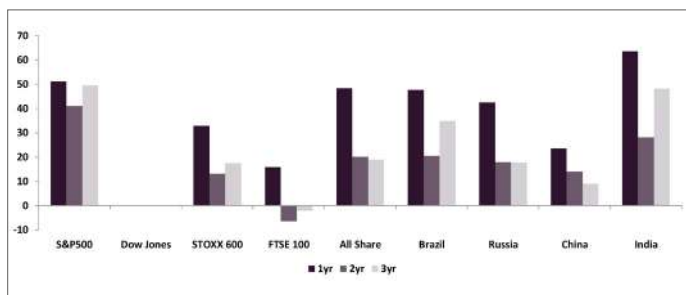
### GLOBAL INDICES

South Africa	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
All Share	69719,43	2,9%	5%	11%	5%
Top 40	62974,06	2,4%	5%	10%	5%
Mid Cap	78003,42	3,5%	2%	16%	1%
Small Cap	70283,21	5,5%	21%	38%	4%
Resource 20	62152,73	4,5%	-5%	3%	13%
Industrial 25	86102,8	0,9%	4%	8%	3%
Financial 15	15697,85	4,4%	13%	24%	0%

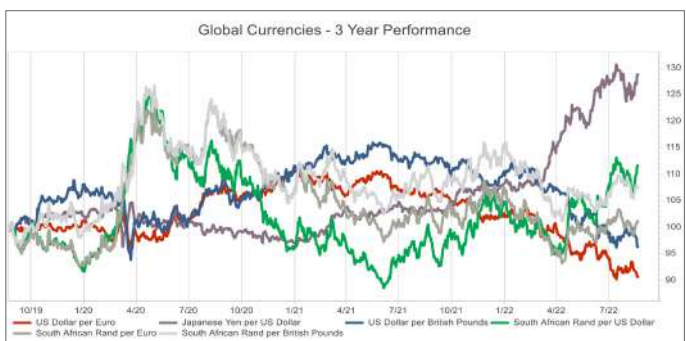
Europe	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
FTSE 100	7550,37	3,5%	7%	11%	1%
DAX 30	13544,52	1,8%	-14%	2%	2%
CAC 40	6495,83	4,8%	-2%	14%	5%
STOXX 600	437,36	3,3%	-6%	9%	3%
Russia RTS	1154,28	0,0%	-29%	-6%	2%

Asia	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
Nikkei 225	28930,33	7,3%	6%	12%	8%
Hang Seng	19773,03	-4,3%	-22%	-11%	-6%
Shanghai	3258,0784	-0,7%	-6%	-2%	0%
India SENSEX	59646,15	8,9%	7%	24%	14%

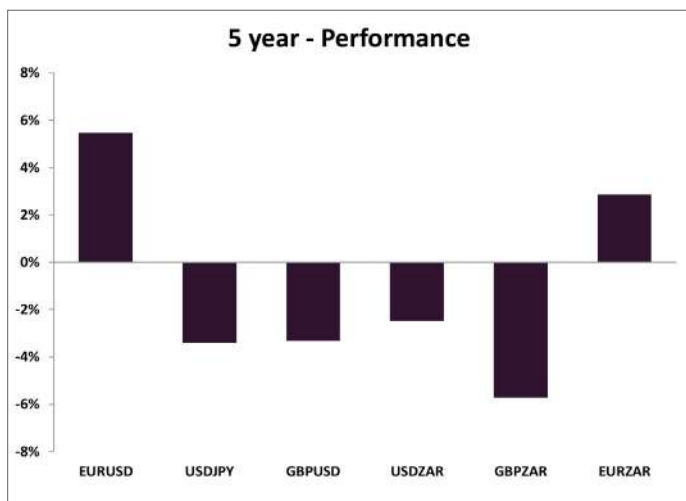
Americas	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
Dow Jones	33706,74	5,9%	-3%	10%	9%
S&P 500	4228,48	7,4%	-4%	12%	12%
Nasdaq	12705,215	8,5%	-13%	7%	15%
Russel 1000	33706,74	5,9%	-3%	10%	9%
Brazil Bovespa	111496,21	13,5%	-5%	5%	10%



### CURRENCIES



Currencies	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
USD/ZAR	17,01	1,1%	11%	0%	5%
GBP/ZAR	20,08	-0,9%	-4%	-5%	3%
EUR/ZAR	17,08	-0,8%	-4%	-8%	2%
AUD/ZAR	11,68	-0,2%	7%	-2%	2%
EUR/USD	1,00	-1,8%	-14%	-8%	-3%
USD/JPY	137,12	0,8%	25%	14%	5%



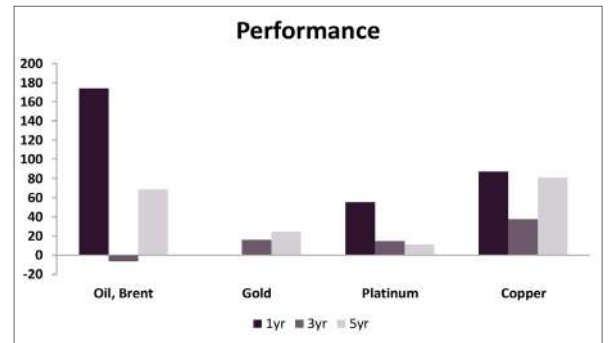
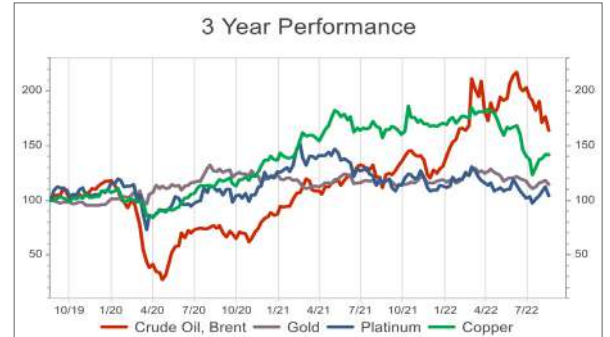
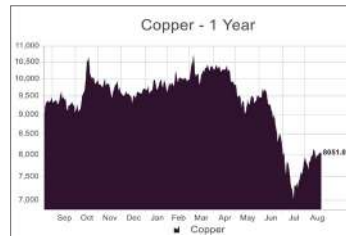
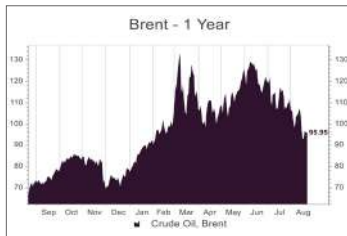
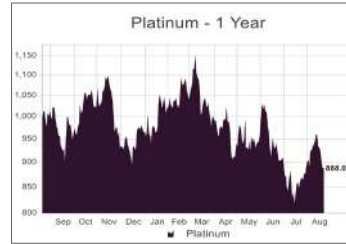
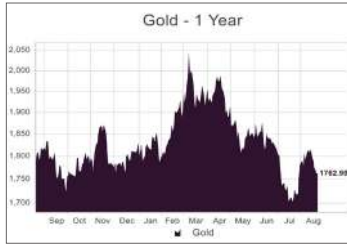




## Global Indices, Currencies and Commodities, 24 August 2022

### COMMODITIES

Commodities	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
Gold	1762,90	2,0%	-3%	-7%	5%
Platinum	888,00	3,4%	-9%	-5%	-2%
Silver	19,07	1,9%	-19%	-18%	4%
Brent Crude	95,95	-16,5%	44%	46%	9%
Copper	8051,00	10,6%	-8%	10%	8%



### TOP 40

Top 40		Close	1M %	1 Year %	2Y Ann %	5Y Ann %
1	ANGLO AMERICAN	569,40	5,9%	-6%	15%	21%
2	COMPAGNIE FINANCIERE	199,00	6,0%	20%	33%	12%
3	FIRSTRAND	67,85	6,3%	15%	33%	4%
4	MTN GROUP	138,47	-0,4%	4%	43%	2%
5	NASPERS -N	2473,40	-6,5%	4%	-8%	6%
6	STANBANK	164,54	6,4%	21%	22%	0%
7	SASOL	331,36	-4,5%	68%	60%	-3%
8	GOLDFIELDS LTD	147,62	-3,7%	10%	-17%	21%
9	IMPLATS	177,64	13,3%	-20%	3%	36%
10	Sibanye Stillwater Ltd	38,29	-2,2%	-34%	-14%	16%
11	CAPITEC	2105,00	4,0%	15%	56%	20%
12	PROSUS NV	1080,00	-8,3%	-11%	-18%	
13	BRITISH AMERICAN TOBACCO PLC	694,34	-3,8%	26%	9%	-3%
14	ANGLO GOLD ASHANTI	251,70	5,5%	4%	-28%	13%
15	BHP Group Limited	478,28	11,1%	20%	15%	19%
16	MONDI PLC	315,00	2,3%	-25%	-4%	-2%
17	ABSA GROUP LTD	184,82	13,5%	23%	53%	4%
18	ANGLOPLAT	1168,06	-4,5%	-26%	-3%	29%
19	SANLAM	56,89	4,2%	-11%	-3%	-4%
20	SHOPRITE	233,92	13,4%	40%	40%	3%
21	BID CORP LTD	323,00	-1,0%	1%	9%	1%
22	NEDBANK	215,95	3,2%	25%	43%	-1%
23	VODACOM GROUP (PTY) LTD	133,29	-3,4%	-4%	-1%	-6%
24	GLENORE PLC	97,90	13,8%	54%	58%	11%
25	Northam Platinum Holdings	168,65	10,7%	-16%	4%	31%
26	ASPEN	147,43	-1,9%	-22%	5%	-12%
27	BIDVEST GROUP LIMITED	225,95	3,9%	12%	24%	6%
28	REMGRO	135,08	1,8%	18%	20%	-3%
29	CLICKS GROUP	301,75	3,9%	2%	11%	16%
30	DISCOVERY	132,59	3,2%	4%	4%	-2%
31	INVESTCP	85,57	-4,1%	56%	68%	4%
32	OLD MUTUAL LTD	11,27	-2,1%	-6%	1%	
33	EXXARO RESOURCES LTD	213,59	5,5%	24%	22%	17%
34	WOOLIES	53,19	-3,7%	-11%	25%	-4%
35	MR PRICE GROUP LTD	192,59	9,2%	-18%	21%	2%
36	GROWTHPOINT	13,45	2,3%	-13%	2%	-12%
37	MULTICHOICE GROUP LTD	120,20	1,0%	2%	7%	
38	ANHEUSER-BUSCH INBEV	892,80	-6,4%	-1%	-6%	-10%
39	NEPI ROCKCASTLE PLC	93,63	1,5%	-9%	7%	-12%
40	REINET INVESTMENTS SCA	289,47	-4,0%	2%	-3%	1%



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