

ECONOMIC COMMENTARY - DR. FRANCOIS STOFBERG

Can SA fix its Code 3 economy?

There is a metaphor that says more about our economy than most policy papers do. Think of a Code 3 car. It still runs. It can be repaired, polished, and resold. But everyone knows that something serious happened to it. At some point, it was written off. The damage ran deep enough that, even after repairs, confidence never fully returned. It may still move, but it no longer inspires the trust of a sound, well-maintained car. And that is why some banks will not finance Code 3 cars at all.

This image is uncomfortably close to where South Africa (SA) is now. Not because democracy damaged the car. Democracy gave SA its first legitimate opportunity to rebuild the machine properly. But that is precisely the point: After 1994, SA did not just need repairs. It needed a complete overhaul.

An overhaul is not the same as redistribution. Redistribution can move passengers around inside the car. It can open doors that were locked. It can make access fairer. In a country shaped by Apartheid, that mattered enormously. But it is not the same as rebuilding the engine, replacing failing parts, and establishing the kind of maintenance discipline that allows the car to carry more people, more safely, for decades.

In 1994, SA did not inherit a pristine car. It inherited a deeply unequal one. Official unemployment was 22%, with the expanded rate at 35%. The system was built to serve a minority while excluding millions. Still, some things worked. Institutions had stronger technical capacity. Logistics functioned better. Electricity was more reliable. Ports and freight rail had not yet become the constraints they are today. The inherited machine was unjust in design, but parts of it still provided a platform for future growth. That was the real challenge of a democratic SA: Not merely to share the car, but to rebuild and expand it.

To be fair, democracy did achieve real gains. Government's own 30-year review records major improvements in access to formal housing, electricity, piped water, and sanitation. Those are meaningful gains in dignity and inclusion, and they should not be casually dismissed. But access is not the same as wealth creation, and this is where the overhaul faltered. SA did not consistently convert expanded access into a stronger, more productive base. Instead of reinvesting while key systems still worked, too much maintenance was deferred. Technical standards weakened. Corruption spread. Cadre deployment undermined capability. In many cases, the workshop itself was looted while the car was still moving.

The consequences are obvious. National Treasury says that easing constraints in electricity, transport, and water is essential for higher investment, faster growth, and job creation. In other words, the engine is underperforming because too many of its critical systems were neglected for too long. That is why the old debate between growth and redistribution is too shallow. SA needed both justice and expansion. It needed more people brought into the car, but it also needed a stronger drivetrain. It needed better schools, stronger skills, infrastructure maintenance, entrepreneurship, capital investment, municipal competence, and institutions strong enough to support growth over time. Instead, too much of the post-1994 path drifted into something weaker: Redistribution without enough productive expansion, inclusion without enough institution building, promises without maintenance. This is how a country ends up with an economy that still runs, but increasingly feels unreliable.

And here lies the real danger: A Code 3 car does not just have a damaged past. It changes how others respond to it in the present. Investors become cautious. Lenders price in more risk. Confidence decreases. Quietly at first, then more persistently. SA is getting close to that threshold. Official unemployment was still 31.4% in the fourth quarter of 2025. That is not the profile of an economy whose repairs have matched its promises.

So perhaps the real question is not whether the car can run. It can. The question is whether we are finally ready to stop patching, stop stripping, stop arguing over the seats, and begin the overhaul that should have started long ago.

IN CLOSING

Attached, please find our latest update on global indices, currencies, and commodities, as provided by Efficient Private Clients.

Kind regards
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YOUR WEEKLY ECONOMIC UPDATE

17 March 2026

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UPDATE

Global Indices, Currencies and Commodities, 17 March 2026

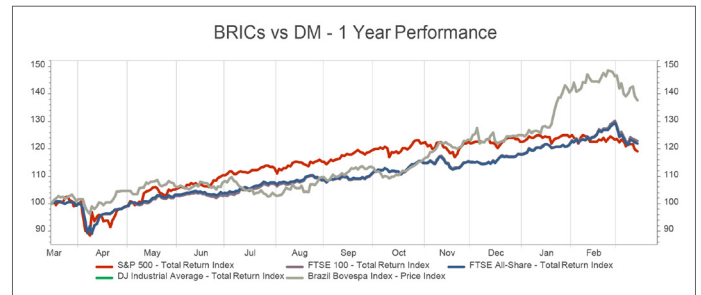
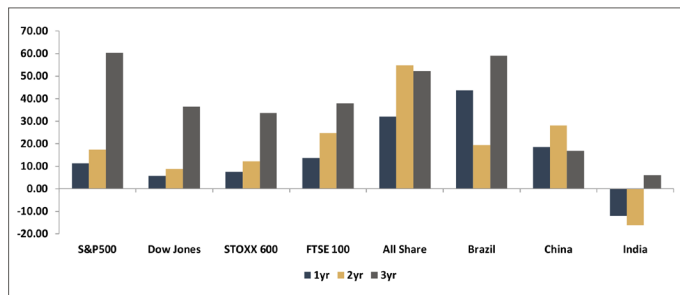
GLOBAL INDICES

South Africa	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
All Share	114924.21	-1.4%	-4.7%	32%	24%	11%
Top 40	107285.27	-1.2%	-4.7%	34%	26%	11%
Mid Cap	111407.28	-2.4%	-5.3%	28%	19%	9%
Small Cap	104354.22	-3.7%	-5.7%	22%	21%	15%
Resource 20	130237.98	-4.8%	-6.9%	105%	54%	13%
Industrial 25	130243.39	2.2%	-0.3%	5%	13%	8%
Financial 15	24490.39	-0.9%	-7.3%	23%	19%	14%

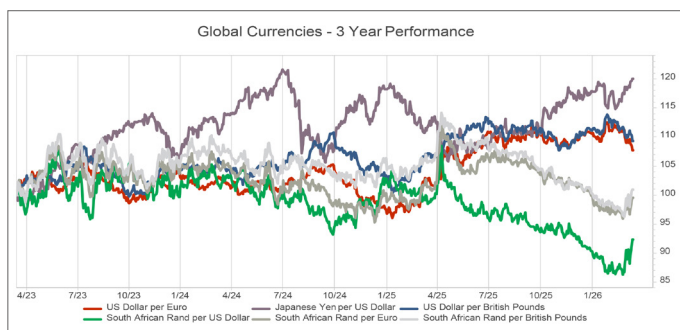
Europe	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
FTSE 100	10261.15	-0.2%	-1.8%	20%	15%	9%
DAX 30	23447.29	-0.6%	-5.9%	4%	14%	10%
CAC 40	7911.53	-1.0%	-4.8%	0%	-1%	6%
STOXX 600	595.85	-0.5%	-3.5%	10%	8%	7%

Asia	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Nikkei 225	53819.61	-3.2%	-5.5%	46%	18%	13%
Hang Seng	25465.6	-1.1%	-4.1%	9%	22%	-2%
Shanghai	4095.4485	-0.7%	0.3%	22%	16%	3%
India SENSEX	74563.92	-5.5%	-9.8%	1%	1%	8%

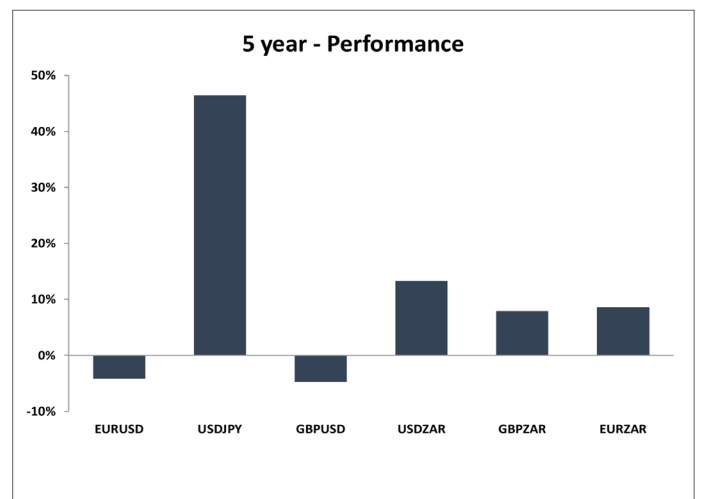
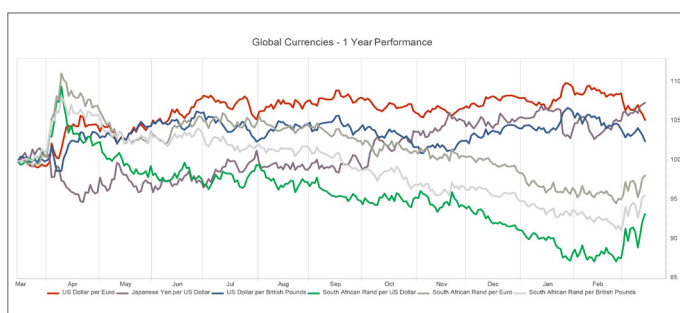
Americas	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Dow Jones	46558.47	-2.0%	-5.9%	14%	9%	7%
S&P 500	6632.19	-1.6%	-3.0%	20%	13%	11%
Nasdaq	22105.36	-1.3%	-2.0%	28%	17%	11%
Brazil Bovespa	177653.31	-1.0%	-4.7%	41%	18%	9%



CURRENCIES

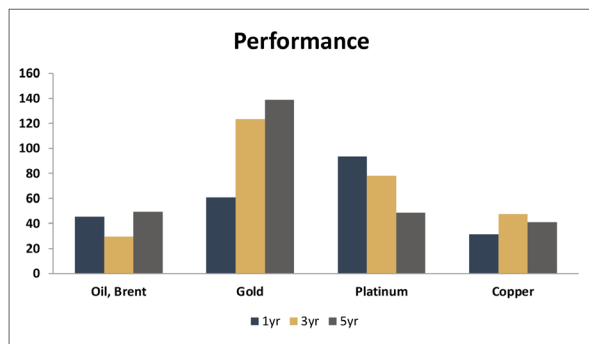
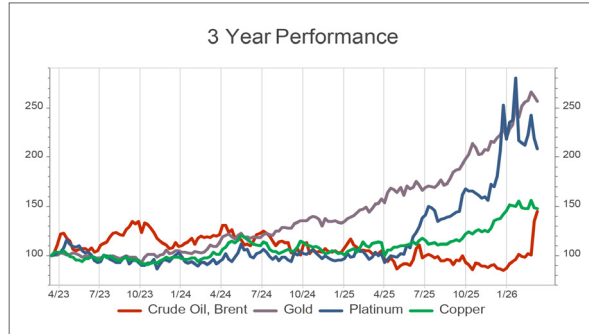
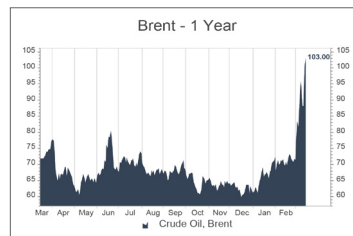
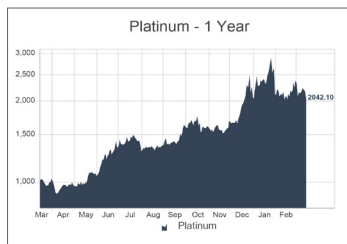
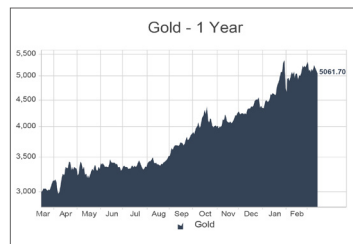


Currencies	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
USD/ZAR	16.95	2.5%	6.0%	-7%	-5%	3%
GBP/ZAR	22.44	0.8%	3.1%	-4%	-3%	2%
EUR/ZAR	19.40	0.6%	2.4%	-2%	-3%	2%
AUD/ZAR	11.87	1.7%	5.0%	3%	-2%	1%
EUR/USD	1.14	-1.8%	-3.5%	5%	3%	-1%
USD/JPY	159.57	1.2%	4.0%	7%	3%	8%



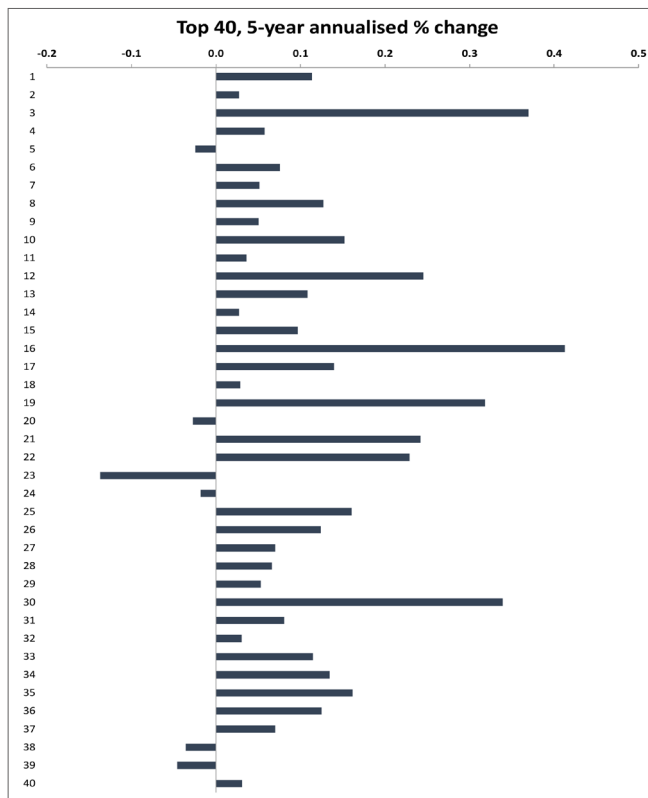
COMMODITIES

Commodities	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Gold	5061.70	-1.9%	0.3%	61%	44%	16%
Platinum	2042.10	-4.7%	-1.7%	94%	40%	8%
Silver	81.34	-3.5%	3.6%	125%	70%	18%
Brent Crude	103.00	7.6%	47.2%	45%	11%	-2%
Copper	12758.00	-0.4%	0.3%	31%	21%	7%



TOP 40

Top 40		Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
1	ABSA GROUP LTD	230.61	-1.7%	-11.9%	27%	23%	11%
2	ANGLO AMERICAN PLC	704.70	-0.7%	-9.4%	34%	26%	3%
3	ANGLO GOLD ASHANTI	1622.16	-6.2%	-5.2%	180%	96%	37%
4	ANHEUSER-BUSCH INBEV	1229.41	1.1%	-3.3%	8%	1%	6%
5	ASPEN	132.52	-4.0%	5.9%	-26%	-21%	-2%
6	BHP Group Limited	581.22	-3.3%	1.0%	30%	5%	8%
7	BID CORP LTD	404.00	-3.6%	-4.3%	-5%	-6%	5%
8	BRITISH AMERICAN TOBACCO PLC	1005.07	5.6%	6.0%	33%	33%	13%
9	BIDVEST GROUP LIMITED	228.50	-2.8%	-5.1%	-4%	-5%	5%
10	COMPAGNIE FINANCIERE	2992.23	-1.5%	-9.0%	-11%	-2%	15%
11	CLICKS GROUP	290.47	-2.1%	-10.0%	-15%	-3%	4%
12	CAPITEC	4135.85	-1.8%	-11.0%	39%	40%	25%
13	DISCOVERY	247.30	-2.5%	5.7%	26%	35%	11%
14	EXXARO RESOURCES LTD	209.45	5.0%	12.1%	35%	10%	3%
15	FIRSTRAND	88.00	1.2%	-7.4%	21%	16%	10%
16	GOLDFIELDS LTD	780.27	-2.3%	-9.7%	111%	66%	41%
17	GLENCORE PLC	116.32	6.1%	8.2%	55%	8%	14%
18	GROWTHPOINT	16.15	-5.9%	-12.0%	21%	17%	3%
19	HARMONY GOLD MINING	256.90	-19.2%	-22.5%	15%	32%	32%
20	IMPLATS	240.34	-10.0%	-12.5%	111%	77%	-3%
21	INVLTD	127.22	-3.3%	-5.7%	9%	3%	24%
22	INVESTEC	127.98	-4.1%	-6.1%	9%	3%	23%
23	MONDI PLC	183.48	-2.3%	-11.1%	-38%	-24%	-14%
24	MR PRICE GROUP LTD	167.49	-2.3%	0.3%	-26%	-3%	-2%
25	MTN GROUP	182.91	-4.7%	-4.9%	64%	47%	16%
26	NEDBANK	260.96	-5.7%	-7.3%	-1%	6%	12%
27	NASPERS - N	970.00	10.7%	8.8%	4%	25%	7%
28	NEPI ROCKCASTLE PLC	135.33	-2.9%	-8.3%	2%	2%	7%
29	OLD MUTUAL LTD	14.73	1.2%	-6.2%	32%	10%	5%
30	OUTSURANCE	72.55	5.7%	-0.2%	12%	33%	34%
31	PEPKOR HOLDINGS LTD	23.06	-4.1%	-10.9%	-4%	9%	8%
32	PROSUS NV	903.88	11.7%	11.9%	7%	26%	3%
33	REMIGRO	181.66	2.2%	-2.1%	26%	14%	11%
34	REINET INVESTMENTS SCA	536.62	-2.4%	-0.6%	21%	5%	13%
35	STANBANK	294.39	0.9%	-6.2%	28%	21%	16%
36	SHOPRITE	258.50	0.4%	-3.7%	-5%	-1%	12%
37	SANLAM	90.00	-2.3%	-11.4%	8%	12%	7%
38	SASOL	192.00	27.1%	54.8%	155%	16%	-4%
39	Sibanye Stillwater Ltd	53.61	-7.0%	-21.0%	202%	57%	-5%
40	VODACOM GROUP LIMITED	146.01	-6.0%	-6.2%	28%	25%	3%



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