



News from Paul's Desk

We are back from a glorious holiday in Mozambique. We worked hard but it was fun, and for the first time in 3 years we have some money in the bank.

December ended off well and overall, the 2023 year was kind to investors. All the Economists, fund managers and clever people are saying that 2024 is going to be good for markets for various reasons. (See attached).

1. I think that interest rates are going to come down.
2. It is going to be an interesting election in South Africa, and you are going to see the ANC scrambling and giving the family jewels away to stay in power.
3. The American one is also going to be interesting. I hope Trump wins, but it might be difficult running a country from jail.
4. Emerging countries is a good bet, as they have been hammered the last two years.

My view is still to have the bulk of your investments offshore. The rand lost 10% to the dollar last year and it will continue.



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MONTHLY REVIEW | GLOBAL OVERVIEW

INTERNATIONAL INDICATORS

	CLOSE	DEC 2023	NOV 2023	YTD	12 MONTHS	2022
MSCI World	3169.18	4.81%	9.21%	21.77%	21.77%	-19.46%
MSCI Emerging Market	1023.74	3.71%	7.86%	7.04%	7.04%	-22.37%
JP Morgan EMBI	848.56	4.81%	5.79%	10.45%	10.45%	-16.45%
Bloomberg Global Aggregate	471.40	4.16%	5.04%	5.72%	5.72%	-16.25%

UNITED STATES

S&P 500	4769.83	4.42%	8.92%	24.23%	24.23%	-19.44%
Dow Jones	37689.54	4.84%	8.77%	13.70%	13.70%	-8.78%
Nasdaq	15011.35	5.52%	10.70%	43.42%	43.42%	-33.10%
Russell 2000	2027.07	12.05%	8.83%	15.09%	15.09%	-21.56%

EUROPE

Stoxx Euro 50	4521.44	3.17%	7.91%	19.19%	19.19%	-11.74%
FTSE 100	7733.24	3.75%	1.80%	3.78%	3.78%	0.91%
DAX 30	16751.64	3.31%	9.49%	20.31%	20.31%	-12.35%
CAC 40	7543.18	3.18%	6.17%	16.52%	16.52%	-9.50%

ASIA

	CLOSE	DEC 2023	NOV 2023	YTD	12 MONTHS	2022
Nikkei 225	33464.17	-0.07%	8.52%	28.24%	28.24%	-9.37%
S&P/ASX 200	7590.82	7.10%	4.52%	7.84%	7.84%	-5.45%
Hang Seng	17047.39	0.03%	-0.41%	-13.82%	-13.82%	-15.46%
CSI 300	3431.11	-1.86%	-2.14%	-11.38%	-11.38%	-21.63%

SOUTH AFRICA

All Share	76893.15	1.80%	8.44%	5.26%	5.26%	-0.90%
Africa Resource 20	57532.73	-1.32%	5.86%	-18.74%	-18.74%	-0.24%
Africa Industrial 25	103717.00	0.23%	10.39%	14.85%	14.85%	-5.39%
Africa Finance 15	17873.13	5.34%	8.55%	15.12%	15.12%	4.91%

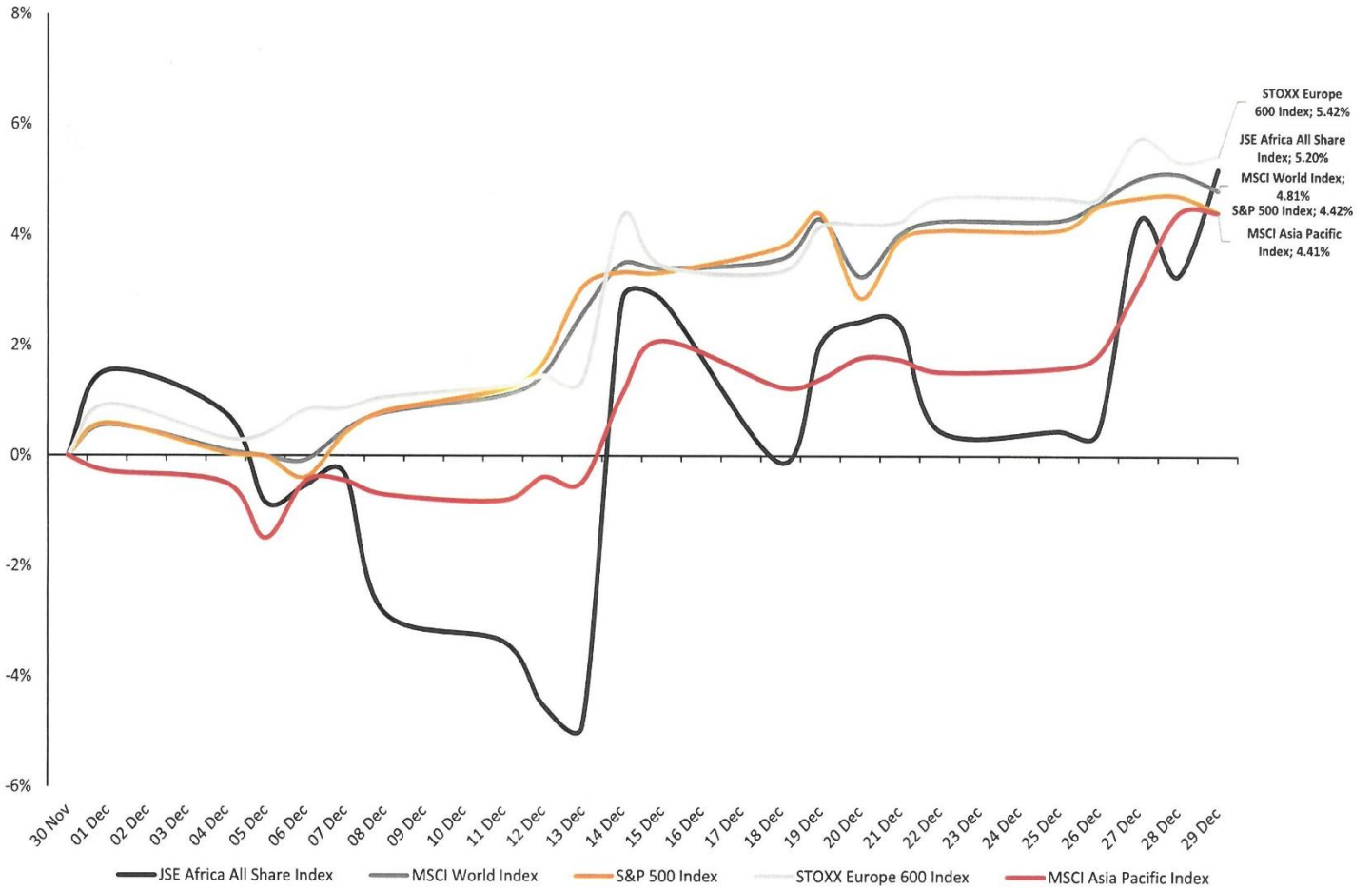
CURRENCIES

GBP/USD	1.27	0.85%	3.87%	5.36%	5.36%	-10.71%
EUR/USD	1.10	1.39%	2.96%	3.12%	3.12%	-5.85%
AUD/USD	0.68	3.12%	4.24%	-0.02%	-0.02%	-6.20%
USD/JPY	141.04	-4.84%	-2.29%	7.56%	7.56%	13.94%

MONTHLY REVIEW | GLOBAL OVERVIEW

10 YEAR BOND YIELDS				GLOBAL INTEREST RATES	
	CURRENT MONTH YIELD %	PREVIOUS MONTH YIELD (%)	PREVIOUS YEAR YIELD (%)		RATE
United States	3.88	4.33	3.87	United States Fed Funds Rate	5.25% - 5.50%
United Kingdom	3.54	4.18	3.67	European Central Bank Rate	4.50%
Germany	2.02	2.45	2.57	Bank of England Rate	5.25%
Japan	0.61	0.67	0.42	Bank of Japan rate	-0.10%
Australia	3.96	4.41	4.05	Reserve Bank of Australia Rate	4.35%
South Africa	11.39	11.59	10.81	South Africa Prime Rate	11.75%

1 MONTH NORMALISED % PERFORMANCE (USD)



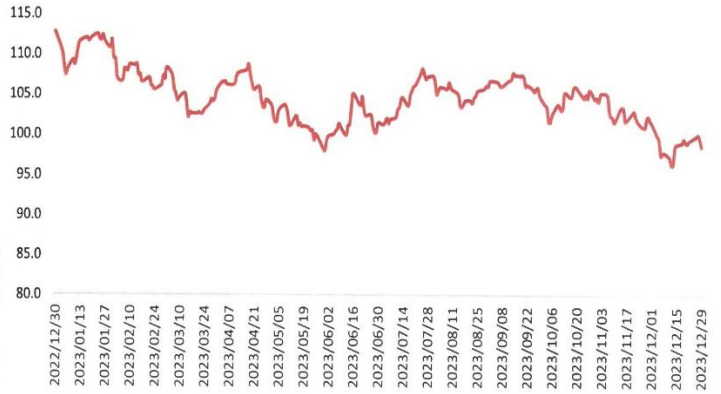
COMMODITIES

Commodities ended the month of December lower, with Sugar and Natural Gas leading the losses.

- The Bloomberg Commodity Index reached 98.6 at the end of December, the index tracks 23 commodities

USD	CLOSE	DEC 2023	NOV 2023	YTD	12 MONTHS	2022
Gold	2071.80	1.65%	2.20%	13.45%	13.45%	-0.13%
Platinum	995.00	6.31%	-0.95%	-7.33%	-7.33%	11.33%
Silver	1109.30	9.93%	-10.39%	-38.30%	-38.30%	-5.97%
Palladium	389.05	1.61%	4.93%	2.10%	2.10%	-14.63%
Copper	24.09	-4.77%	10.20%	0.19%	0.19%	2.95%
Aluminium	2351.50	8.56%	-3.68%	0.08%	0.08%	-16.18%
Oil Spot	77.04	-6.99%	-5.24%	-10.32%	-10.32%	10.45%
Coal	146.40	10.78%	9.12%	-63.78%	-63.78%	138.30%
Natural Gas	2.51	-10.28%	-21.62%	-43.82%	-43.82%	19.97%
Sugar	20.58	-20.97%	-3.88%	2.69%	2.69%	6.14%
Coffee	188.30	-3.44%	16.56%	12.55%	12.55%	-26.01%
Wheat	628.00	5.02%	2.18%	-23.92%	-23.92%	14.93%
Corn	471.25	-2.38%	-2.08%	-23.75%	-23.75%	21.89%

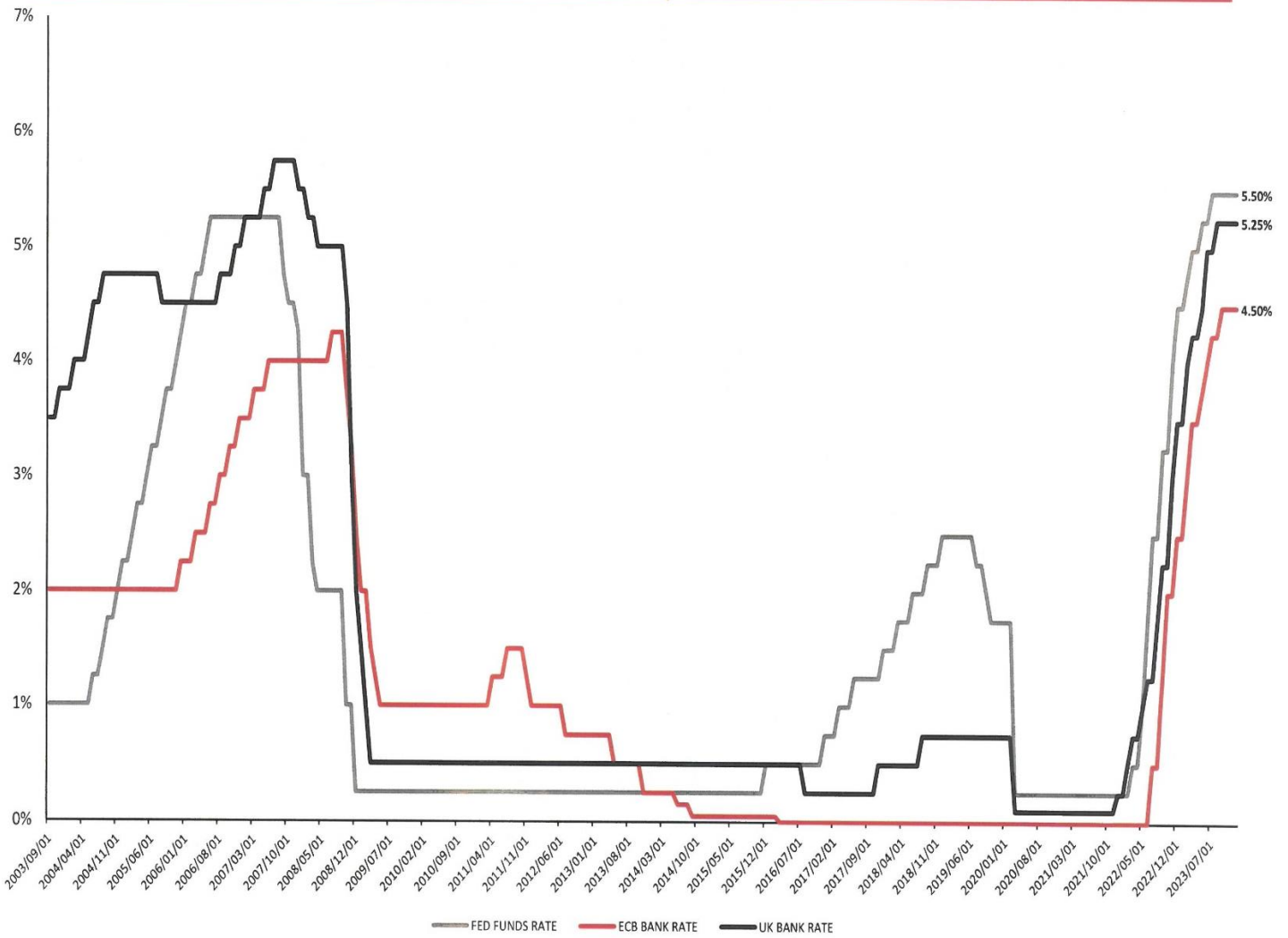
1 Year | Bloomberg Commodity Index



1 Year | Gold, Platinum, Oil

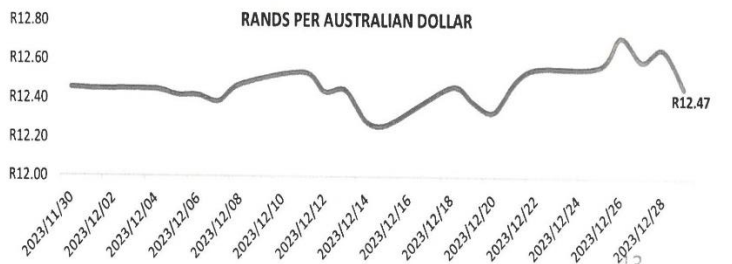
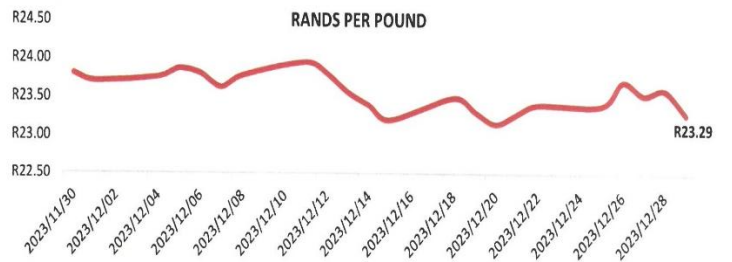
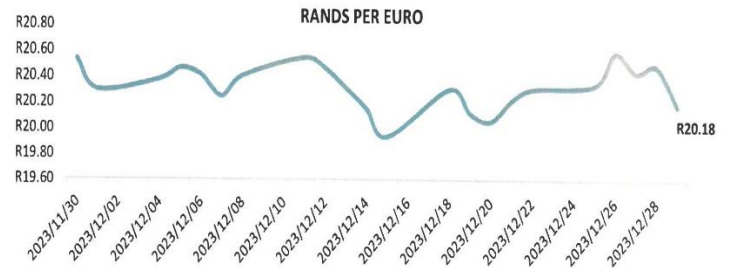
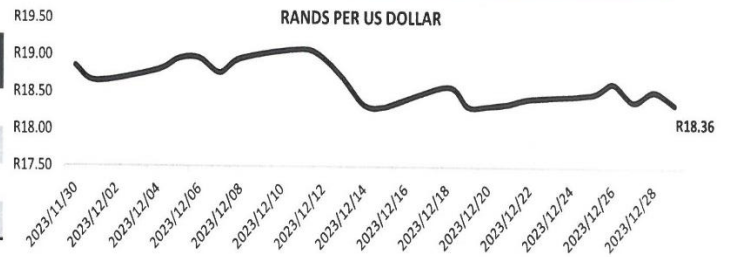


INTEREST RATES

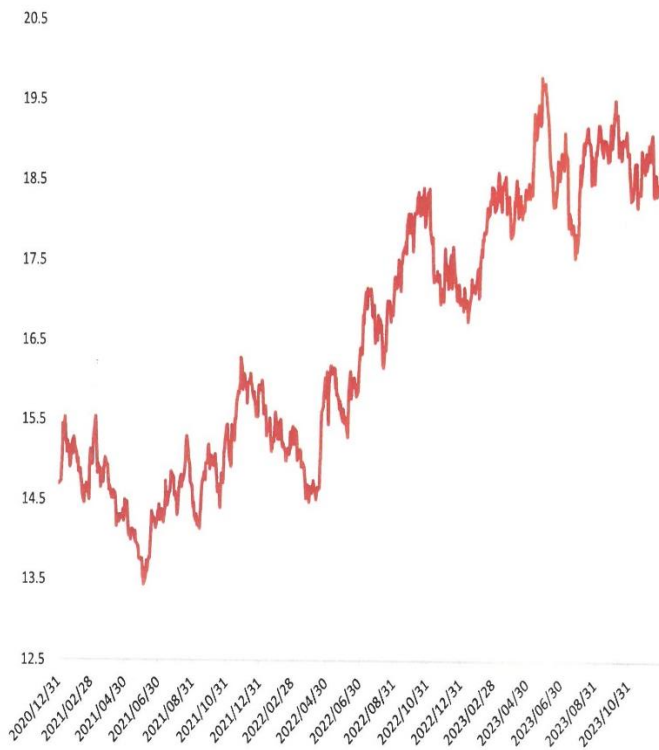


SOUTH AFRICAN RAND

	CLOSING PRICE	DEC 2023	NOV 2023	YTD	2022
US Dollar / ZAR	R18.36	2.61%	-1.10%	-7.78%	-6.90%
Euro / ZAR	R20.18	1.71%	-4.09%	-10.64%	-0.56%
Pound / ZAR	R23.29	2.17%	-5.01%	-12.98%	4.49%
AU Dollar / ZAR	R12.47	-0.10%	-5.37%	-7.36%	-0.28%



3 Year | Rand vs US Dollar

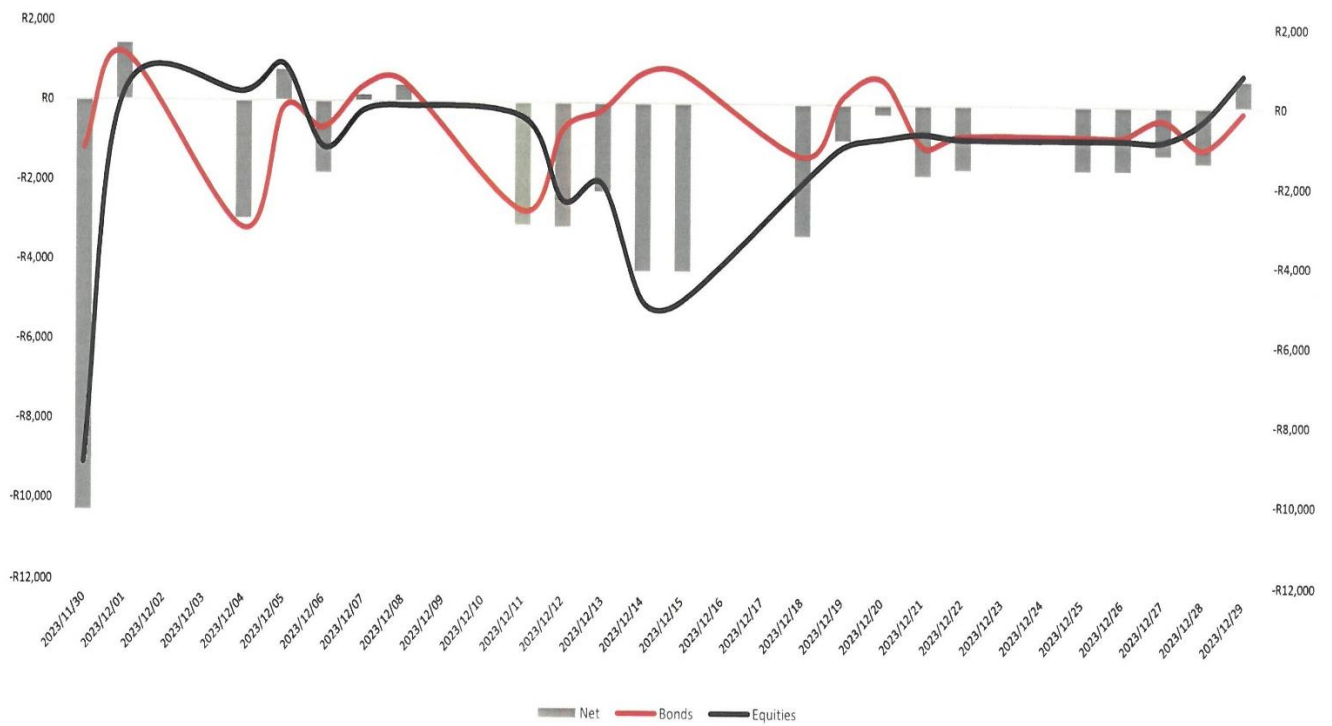


5-YEAR JSE PERFORMANCE (ZAR)

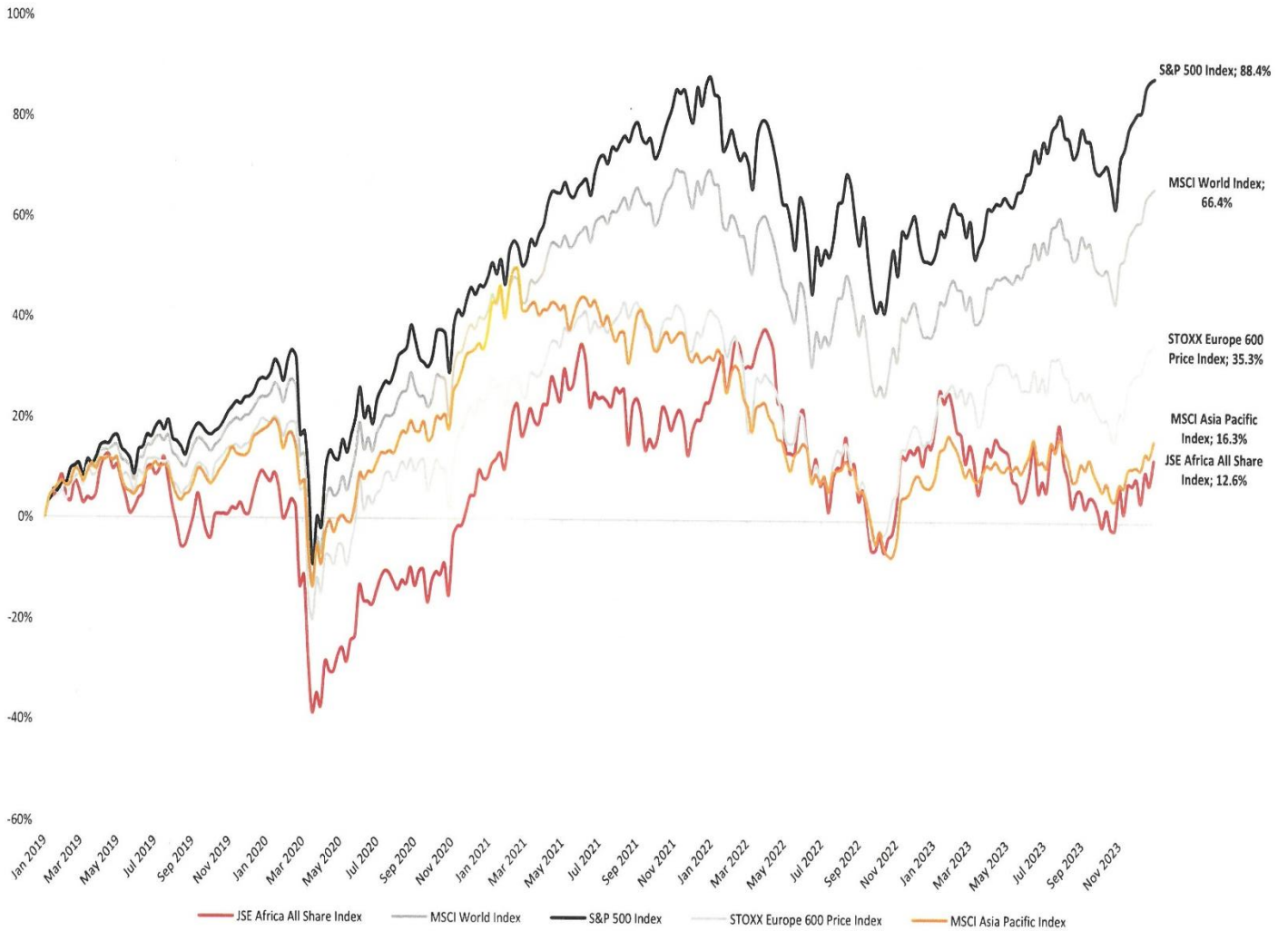


INTERNATIONAL FLOWS

	LAST PRICE	1 MONTH	YEAR-TO-DATE	1 YEAR
SA Equity Sales to Foreigners	802.38	-24,998.96	-154,815.61	-155,956.12
SA Bond Sales to Foreigners	-133.67	-9,817.29	-326,786.56	-327,662.45
Net	668.71	-34,816.24	-481,602.17	-483,618.57



5-YEAR JSE vs LEADING GLOBAL INDICATORS (USD)



10 PREDICTIONS FOR 2024

Welcome to the 2024 Annual Forecast Issue.

This year, I'm doing something different. Rather than focusing on just one big forecast, I have 10 predictions that I'm going to discuss.

And stay tuned, because later in the issue, I'm recommending a stock that pays a nearly 10% yield and will take advantage of three of my boldest predictions for 2024.

First, let's take a look at how my 2023 forecast worked out. Last year January, I said...

"I expect a few more months of tough slogging in the markets, followed by a bottom that will occur just as a mild recession is taking place. After that, the market should be rather strong for the remainder of 2023."

It turned out that the bottom occurred in December of 2022. The market rallied in January, fell back near the bottom in February and then never looked back. While the market corrected during the summer, there is no doubt that 2023 was a strong year, with the S&P 500 up 24%.

We did not experience a recession as I expected, though I did change my recession forecast later in the year when it became clear to me (though not too many others who were still calling for a recession) that there would not be a downturn in the economy in 2023.

So how about 2024? Buckle up, and let's see what's in store....

Prediction No.1: There will be a Chinese financial crisis.

China's government debt makes Washington look downright responsible, which is not easy to do. China's debt is 282% of GDP. The United States' rate is less than half of that at 120%.

But it's not the government debt that will lead China into crisis. Private debt is an even bigger problem – many major Chinese companies are bankrupt.

- Property developer Country Garden Holdings, the 206th- largest company in the world, narrowly avoided default in mid-December when bondholders agreed not to demand payment. Sales fell 44% on the first three quarters of 2023, and management admitted its cash portion is "under significant pressure".
- Evergrande has racked up \$300 billion in debt – the highest of any developer in the world – and it is on the brink of being liquidated.

- Banking giant Zhongzhi, one of China's largest conglomerates, has \$65 billion in debt - \$31 billion more than its assets. The company said it is "severely insolvent." No kidding. (**Editor's Note:** Marc was spot-on on this one. Just hours before we finalized this issue, Zhongzhi declared bankruptcy, admitting it was unable to pay off its debts.)

Here's an insane statistic... of the \$175 billion worth of Chinese property bonds denominated in U.S. dollars, \$125 billion worth is in default. Additionally, property sales are down 40%, housing starts have fallen 60% and home prices have fallen by a third since 2021. Furthermore, the amount of credit available for real estate and investment has been cut in half.

It is going to be very difficult for the Chinese economy to emerge unscathed by all these enormous companies collapsing and defaulting.

Chinese stocks will be very cheap later this year. However, figuring out when to buy them will be challenging because....

Prediction No. 2: China will invade Taiwan.

When economies are in bad shape, governments sometimes try to distract their citizens from the tough times by using a war to stir up patriotism.

China has been threatening Taiwan for a while now. And since the U.S. is busy with the Russia-Ukraine and Israel-Hamas wars, it may be spread a little thin to get involved. Plus, China can probably assume that neither President Biden nor President Trump will want anything to do with a military conflict with it.

You may think an economic collapse in China and a war would lead to a recession and rate cuts in the U.S., but....

Prediction No. 3: Interest rates in the U.S. will be fairly stable.

The fed funds futures market considers a rate cut to be a near-certainty this year, including a 36% chance that rates will be at least 1.75 percentage points lower by December 2024. And it sees zero chance of a rate hike.

That sentiment seems extreme. Fed Chair Jay Powell has made it clear he will fight inflation, and should inflation pick back up, I have no doubt he will nip it in the bud. He does not want to go down in history as the Fed chair who allowed high inflation to return on his watch.

I suspect we'll actually see one or two small rate hikes at some point this year. But even if rates are lowered, I don't think it will be by much. The fed funds rate will not be reduced by more than 50 basis points.

And portfolio managers are the most overweight in bonds that they've been in 14 years. If you exclude two months of the Great Recession, they're the most overweight in bonds that they've been in two decades. That means there are a lot of people betting on lower rates.

That's a second indicator that sentiment is extreme right now. When sentiment is extreme, I lean the other way. If those fund managers are using leverage (as many do) and there are rate hikes, they could see their portfolios get smoked.

Note that I'm not worried about a portfolio of individual bonds. They will continue to pay interest and pay off at maturity. But most bond funds – especially leveraged ones – will be disasters if rates don't fall as most people are expecting.

Lastly, Washington's out-of-control spending is pushing the lenders who fund the government to steer clear of Treasury auctions. Recently, the Fed pulled back the amount of long-term Treasuries for sale due to waning enthusiasm.

Should demand continue to be weak, the interest rates on the Treasuries will have to climb to keep cash coming in to feed Washington's habit. It's another reason I don't expect interest rates to tank in 2024.

The stable rates will lead to....

Prediction No. 4: No recession.

We were supposed to have a recession in 2023. It didn't happen, Instead, GDP roared 4.9% higher in the third quarter.

Unemployment is still very low, and inflation has come down. The most recent reading in December was 3.1% - below the 3.8% U.S. historical average going back to 1960. It's tough to have a recession when everyone who wants a job has one and is making more money.

Furthermore, corporate earnings don't suggest a recession. In fact, quite the opposite....

Analysts expect the S&P 500 to grow earnings 11% in 2024. Typically, before a recession, Wall Street forecasts earnings to drop 30%. According to DataTrek Research, "Earnings always drop when the U.S. sees a recession." The firm points out that there have never been any exceptions.

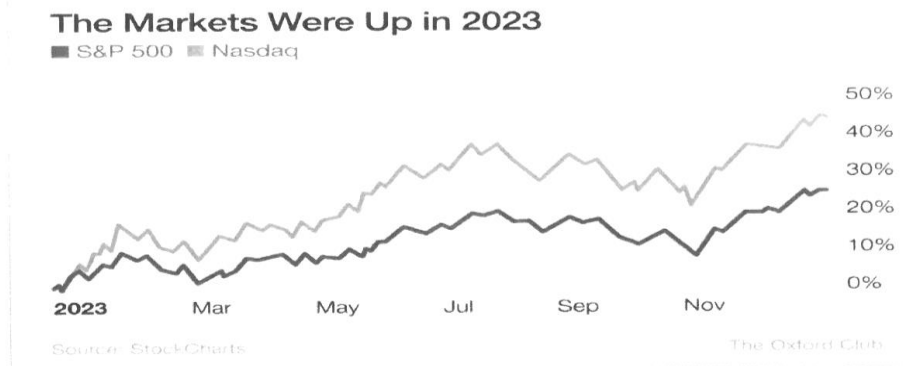
Historically, the S&P trades at an average price-to-earnings (P/E) ratio of 28 just before a recession. As I write, the S&P is trading at 18 times the 2024 consensus earnings estimate, far cheaper than where it usually trades before an economic downturn. That suggests the S&P is not signalling a recession.

Former Trump economic advisor Gary Gohn said the economy is back to normal, "but we all forgot what normal is" after a decade of zero interest rates and quantitative easing. He sees inflation returning to between 2% and 2.5%.

While tough times in China are not great for the global economy, Chinese imports should get cheaper. The U.S. imports roughly 50% more goods (based on U.S. dollars) from China than it exports. And China makes up only 7.5% of America's global exports.

Considering how much manufacturing has returned to the U.S. recently, I expect a Chinese financial crisis to perhaps slow things a bit in the states, but not tip the economy into recession.

Lastly, despite a correction in the summer, the S&P 500 was up 24% during 2023. The Nasdaq gained 43%.



View larger image

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Markets are forward-looking mechanisms. They typically forecast what will happen in the economy roughly six to 12 months out. Since 2023 was a good year for the market, that suggests no recession in 2024.

No recession will lead to....

Prediction No. 5: A bull market.

If interest rates remain stable and we don't see a recession, the markets should stay strong.

Valuations are reasonable, and at the moment, I don't see a reason for markets to fall.

Furthermore, we got a signal late last year that you should pay attention to. It goes by the name "Zweig Breadth Thrust" (wasn't that a dance in the '60s?). It is considered one of the rarest and most accurate technical indicators.

How rare? This is only the 18th time in the past 80 years that the indicator has flashed green.

It measures a moving average of advancing and declining stocks. What's important to know is that it occurs only when the market is about to begin a very large rally.

So, turn the key in the truck, put it in reverse and get ready to back it up.

And if the market sells off because of a Chinese crisis, have a shovel ready to load up that truck with stocks even faster, as the rebound should be pretty quick.

In fact, I believe one of the big stories of 2024 will be how quickly the economy and market shake off a Chinese crisis, similar to how the market responded to the COVID-19 shutdown.

The U.S. market will be strong in 2024 but...

Prediction No. 6: Emerging markets will be even stronger.

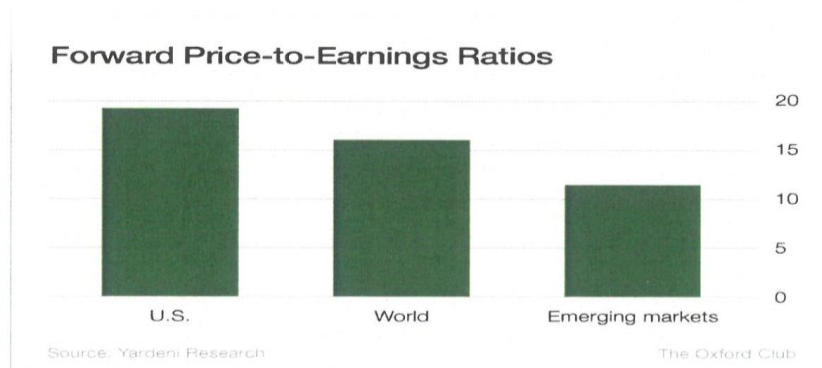
Last year, something quite unusual happened. For the first time in 30 years, emerging markets did not drop as the Fed raised interest rates.

In other words, those markets brushed off U.S. leadership. That is likely to continue as many emerging markets, such as Turkey, Indonesia, and Vietnam, spend on big infrastructure projects that will stimulate their economies and make those markets more attractive to global business. Case in point, the United Arab Emirates is investing \$50 billion into Indian infrastructure.

Stimulus spending can move the needle quicker in emerging markets than in the U.S.

I expect the countries mentioned above, plus Saudi Arabia, Brazil, and Israel, to do well. Israeli stocks have bounced hard and are down only slightly since Hamas attacked. Historically, Israeli stocks have performed well during hostilities, outperforming U.S. markets during five of the past six wars.

And as investors bail on China due to its severe financial issues, much of that money is likely to wind up in growing emerging markets.



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Emerging markets' forward P/E ratio is 11.5. That's more than 40% lower than the U.S. market's, making emerging markets very inexpensive.

Prediction No. 7: Oil prices will hit \$150.

There are many factors at work that should push oil prices higher. Demand around the world should be strong as economies grow, and the U.S. Strategic Petroleum Reserve still sits near empty and needs to be replenished. Supply should remain constrained, with OPEC calling for further cuts in 2024, Russia and Ukraine still at war, and the Middle East still at risk of more regional conflicts.

As I write this, Brent crude is trading at around \$79 per barrel. At some point during the year, oil prices will spike to \$150, which will send the economies of oil-producing regions in the U.S., like Texas, into overdrive.

The last time I made a big prediction about oil was in the **January 2022 Forecast Issue** (<https://oxfordclub.com/newsletter/value-will-privail-in-2022/>), when I said that oil prices would double from \$70 per barrel to \$140 per barrel in the following 12 months.

Admittedly, I fell short - \$0.87 short, to be exact. In March 2022, Brent crude peaked at \$139.13 per barrel.

I believe oil can and will make a similar jump in 2024.

This month's recommendation will help income investors take advantage of my oil price target, in addition to the coming rally in emerging markets and the lack of recession in the U.S.

Prediction No.8: Either Donald Trump or Joe Biden will not be their respective party's candidate for president on Election Day.

One of them may be on the ballot come November, but I don't expect both to be. The candidates are not young men, and health issues happen as you get older, especially when you're under great stress, as both of them are.

Plus, regardless of where you stand politically, there's a chance that Trump could be a convicted felon by Election Day. There are no federal rules against felons running for and becoming president, but some states – including the important state of Texas – do have laws against candidates being eligible to run if convicted of certain felonies.

The legal battle over hanging chads will be quaint compared with attempts to keep Trump off the ballot in certain states – as we're already seeing in Colorado and Maine.

Prediction No. 9: Terror attacks will increase.

After several years of relative quiet, terrorists will be emboldened by Hamas' vicious attack in Israel. There will be several high-profile attacks around the world, but technology and artificial intelligence will stop even more. If there is an attack in the U.S., President Biden will act swiftly to punish the terrorists (and the country that houses them) to show that he is strong and tough on terror. It is an election year, after all.

And any terror attack and response could push oil prices higher.

Prediction No. 10: A midsize to major U.S. city or region will suffer a long blackout.

The American electric grid is old and decrepit. A major storm or cyberattack will black out a city or large region of the country for at least two weeks, maybe longer. Utility linemen will be heroes on par with first responders.

Despite some scary forecasts, the American economy and consumer have shown their resilience. Post-pandemic, people continue to want to squeeze the most out of life, which will be good for business and the market.

I expect a prosperous 2024 for those who can see beyond the hysterical headlines.

THE MOST EXPENSIVE PRIVATE SCHOOLS IN SOUTH AFRICA IN 2024 – WITH ONE NOW AT R400,000 A YEAR



Private schools in South Africa have hiked fees for 2024, with at least six now charging more than R350,000 a year for boarding and tuition.

Hilton College in the KwaZulu-Natal midlands retains its title as the most expensive school in the country, with its annual fees (which only allows for boarding) at R397,660 for 2024 – up 7.5% from last year.

When BusinessTech first began to track the most expensive schools in 2014, Hilton College was the only school priced over R200,000 for boarding and tuition. In 2024, Hilton College will have almost doubled this figure.

In 2024, six elite schools now exceed R350,000 for tuition and boarding – a title Hilton College held alone in 2023.

MichaelHouse, St Andrew's College in Makhanda, Roedean School for Girls, St John's College, and Kearsney College have joined the R350,000-plus club.

2022 marked the first time a private school in South Africa passed the R200,000 mark for day school learners.

In 2024, there are now three, with Kearsney College now charging R240,900 for tuition – followed by St John's College (R206,768) and Roedean School for Girls (R203,607) in Johannesburg.

Fees for day schoolers increased at an average of 7.3% across the schools we assessed, though the range is quite wide – from an increase of 2.3% at one school to hikes up to almost 25% at another. Among the top 10 most expensive schools, the hikes were around 6.7%.

For boarding schools, a similar pattern was seen, with an average increase of around 7.3% and the upper end at 7.1%.

The price hikes are higher than inflation in 2023, which ended the year at 5.5% in November, which could be a concern for those entering into the new year under the financial strain experienced in 2023.

Note: *The fees listed below are as they appear on the various schools' web pages and cover termly board and/or annual tuition only. Fees are for the highest level of learning available (up to grade 12). We've included the annual increase for schools where we have historical data. Lists are not comprehensive as some schools have not publicly published 2024 fee schedules.*

Boarding schools



Hilton College

School	Location	2023 fees	2024 fees	%
Hilton	Hilton, KZN	R369 920	R397 660	7.5%
MichaelHouse	Balgowan, KZN	R347 680	R368 000	5.8%
St Andrew's College	Makhanda, EC	R340 869	R363 879	6.8%
Roedean School for Girls	Johannesburg, GP	R338 428	R360 087	6.4%
St John's College	Johannesburg, GP	R331 091	R352 612	6.5%
Kearsney College	Botha's Hill, KZN	R326 480	R350 130	7.2%
Bishops College	Cape Town, WC	R311 960	R341 430	9.4%
St Mary's	Johannesburg, GP	R313 990	R335 470	6.8%
St Alban's College	Pretoria, GP	R307 350	R328 920	7.0%
Diocesan School for Girls	Makhanda, EC	R299 100	R323 040	8.0%
St Andrew's School for Girls, Senderwood	Johannesburg, GP	R299 000	R320 680	7.3%
Kingswood College	Makhanda, EC	R292 710	R318 210	8.7%
St Stithians College	Johannesburg, GP	R280 065	R302 470	8.0%
St Anne's Diocesan College	Hilton, KZN	R272 112	R293 340	7.8%
St David's Marist Inanda	Johannesburg, GP	R269 910	R292 840	8.5%
Crawford College North Coast	Ballito, KZN	R269 400	R290 100	7.7%
Somerset College	Stellenbosch, WC	R265 600	R285 500	7.5%
Epworth High School for Girls	Pietermaritzburg, KZN	R261 757	R282 501	7.9%
St Benedict's College	Johannesburg, GP	R260 670	R281 854	8.1%
Bridge House	Franschhoek, WC	R264 600	R281 750	6.5%
Durban Girls' College	Durban, KZN	R255 700	R274 200	7.2%
Herschel Girls School	Cape Town, WC	R252 410	R271 780	7.7%
Wykeham Collegaite	Pietermaritzberg, KZN	–	R268 600	–
Treverton College	Mooi River, KZN	R249 056	R263 996	6.0%
Uplands College	White River, MP	R247 500	R262 200	5.9%
St Charles College	Pietermaritzburg, KZN	R243 900	R260 950	7.0%
St Martin's College	Johannesburg, GP	R235 000	R246 750	5.0%
Woodridge College	Thornhill, EC	R229 389	R247 740	8.0%

Day schools



Kearsney College

School	Location	2023 fees	2024 fees	%
Kearsney College	Botha's Hill, KZN	R224 620	R240 900	7.3%
St John's College	Johannesburg, GP	R194 148	R206 768	6.5%
Roedean School for Girls	Johannesburg, GP	R191 181	R203 607	6.5%
Bishops College	Cape Town, WC	R185 020	R199 650	7.9%
Clifton School	Durban, KZN	R179 119	R186 426	4.1%
Crawford College Sandton	Johannesburg, GP	R178 000	R189 570	6.5%
St Mary's, Waverly	Johannesburg, GP	R176 640	R189 880	7.5%
St Alban's College	Johannesburg, GP	R174 750	R187 020	7.0%
King David High School	Johannesburg, GP	R174 360	R188 160	7.9%
Kingsmead College	Johannesburg, GP	R170 365	R181 440	6.5%
Cedarwood School	Johannesburg, GP	R168 272	R177 526	5.5%
Crawford College La Lucia	Durban, KZN	R165 000	R175 730	6.5%
Redhill School	Johannesburg, GP	R162 500	R166 250	2.3%
Crawford College Lonehill	Johannesburg, GP	R162 000	R172 530	6.5%
St Stithians College	Johannesburg, GP	R161 480	R174 410	8.0%
St Andrew's School for Girls, Senderwood	Johannesburg, GP	R161 095	R172 990	7.4%
St David's Marist Inanda	Johannesburg, GP	R160 230	R174 340	8.8%
SAHETI	Johannesburg, GP	R159 115	R169 458	6.5%
Crawford College Pretoria	Tshwane, GP	R159 000	R169 340	6.5%
Beaulieu College	Johannesburg, GP	R157 676	R168 714	7.0%
St Andrew's College	Makhanda, EC	R152 364	R162 648	6.7%
Kingswood College	Makhanda, EC	R150 900	R162 210	7.5%
St Benedict's College	Johannesburg, GP	R150 670	R162 724	8.0%
Diocesan School for Girls	Makhanda, EC	R149 858	R161 849	8.0%
Herzlia High School	Cape Town, WC	R148 800	R161 004	8.2%
Brescia House	Johannesburg, GP	R148 105	R157 645	6.4%
St Anne's Diocesan College	Pietermaritzburg, KZN	R147 060	R158 540	7.8%
Woodridge College	Thornhill, EC	R145 975	R151 347	3.7%
St Charles College	Pietermaritzburg, KZN	R143 100	R153 500	7.3%
Bridge House	Franschhoek, WC	R142 600	R151 800	6.5%
Crawford College North Coast	Ballito, KZN	R142 000	R151 230	6.5%
Somerset College	Stellenbosch, WC	R141 300	R151 900	7.5%

School	Location	2023 fees	2024 fees	%
Durban Girls' College	Durban, KZN	R140 800	R151 000	7.2%
St Peter's College, Sunninghill	Johannesburg, GP	R139 866	R146 912	5.0%
Herschel Girls' School	Cape Town, WC	R136 300	R148 400	8.9%
Holy Rosary School	Johannesburg, GP	R134 965	R140 050	8.9%
Michael Mount Waldorf School	Johannesburg, GP	R129 511	R142 075	9.7%
Uplands College	White River, MP	R129 500	R137 200	5.9%
Oak Hill College	Knysna, WC	R128 065	R136 565	6.6%
Crawford College Ruimsig	Ruimsig, GP	R126 000	R134 190	6.5%
Wykeham Collegaite	Pietermaritzberg, KZN	-	R133 800	-
Epworth High School for Girls	Pietermaritzburg, KZN	R124 755	R134 112	7.5%
Treverton College	Mooi River, KZN	R121 116	R128 380	6.0%
St Martins College	Johannesburg, GP	R120 000	R126 000	5%

RAND MAY HIT R20.50 TO THE DOLLAR IN 2024 – PRESENTING AN OPPORTUNITY FOR INVESTORS.



The rand will remain under severe pressure in 2024, fluctuating between R18.50 and R20.50 to the dollar and possibly even worse if South Africa's structural issues deteriorate further.

This is feedback from Citadel's chief economist, Maarten Ackerman, who said the outlook for 2024 is very similar to that of 2023 in his investment outlook.

In 2023, Citadel Wealth Management said South Africa should expect strong headwinds for risky assets, such as the rand, amidst the themes of peak inflation, peak interest rates and the potential for a global recession.

The picture hasn't changed much this year despite a few additional local and global risk factors.

Ackerman highlighted that South Africa faced significant challenges last year, including the poor performance of state-owned enterprises like Eskom and Transnet, and this year, it will likely stay the same, with further uncertainty caused by the national elections.

This will lead the rand to continue to weaken versus the US dollar in 2024, as the only way the currency can strengthen is if South Africa can address its structural issues.

“Our medium-term view for the rand is that it will fluctuate between R18.50/\$ and R20.50/\$ with a lot of volatility,” Ackerman said.

“It may even go north of R20.50/\$ if the global risk-off environment gains traction during the first half of 2024.”

However, this does lead to an opportunity for South African investors with the continued weakness of the rand boosting the returns of offshore investments.

For example, if the rand slips 8% against the dollar, any dollar-exposed portfolios receive an 8% boost on top of their returns when converted to the rand.

This will boost already strong returns from offshore markets, particularly the US market.



Citadel chief economist Maarten Ackerman

Ackerman cautioned against being overly optimistic about the performance of the US equity market in 2024 as it is unlikely that it will be able to repeat its strong performance from 2023.

“We must remember that many of the returns seen in 2023 were driven by the theme of artificial intelligence (AI). Here we talk about the magnificent seven companies: Apple, Microsoft, Alphabet (owner of Google), Amazon, Nvidia, Tesla and Meta,” Ackerman said.

These companies were responsible for most returns seen on the S&P 500 index last year. If these seven companies were excluded, equity performance for 2023 would look very different.

“We believe the momentum of the AI theme is going to soften in 2024, removing the tailwinds that it offers. We are anticipating low single-digit returns from both the local and global equity markets this year,” he said.

Thus, “we believe that equity will tread water for most of this year. Equity should form part of an investor’s long-term strategy with a weighting to defensive companies”.

He urged investors to remember that time in the market always beats timing the market, and equity will inherently be volatile in the short term but will perform well over the long term.

MARKET INDICATORS

AS AT 30 September 2023

	DY %	P/E Ratio	1 Month %*	12 Months %*
FTSE/JSE All Share Index	4.3	10.4	-2.5	17.7
FTSE/JSE Resource Index	5.1	7.4	1.2	-0.6
FTSE/JSE Industrial Index	4.1	8.8	-4.1	27.4
FTSE/JSE Financial Index	5.4	9.9	-3.8	20.6
FTSE/JSE SA Quoted Property Index	8.9	11.2	-4.1	12.9
ALBI BEASSA Bond Index			-2.3	7.2
STeFI Money Market Index			0.7	7.5
MSCI World Emerging Markets (R)			-1.0	17.3
MSCI World Emerging Markets (\$)			3.8	1.7
MSCI World Index (R)			-4.8	28.5
MSCI World Index (US\$)			-4.3	22.6

*Total return index percentage change

Economic Indicators		Latest Data	Previous Year
Exchange Rates			
Rand/US\$	September- 23	18.84	17.97
Rand/UK Pound	September - 23	22.99	20.06
Rand/Euro	September- 23	19.95	17.61
Rand/Aus\$	September - 23	12.16	11.56
Commodity Prices			
Gold Price (US\$)	September - 23	1 870.5	1 671.8
Gold Price (R)	September - 23	35 239.10	30 045.5
Oil Price (US\$)	September- 23	95.9	88.9
Interest Rates			
Prime Overdraft	September- 23	11.8%	9.8%
3-Month NCD Rate	September- 23	8.3%	6.0%
R186 Long-bond Yield	September-23	9.4%	9.4%
Inflation			
CPI (y-o-y)	September- 23	5.4%	7.5%
Real Economy			
GDP Growth (y-o-y)	June - 23	1.7%	0.2%
HCE Growth (y-o-y) (Household Consumption Expenditure)	June - 23	0.7%	1.2%
Household Consumption Expenditure (HCE) Growth (y-oy)			
Gross Fixed Capital Formation (GFCF) Growth (Y-O-Y)	June - 23	7.8%	4.7%
Manufacturing Production (y-o-y) (seasonally adjusted)	August- 23	1.4%	1.3%
Balance of Payment			
Trade Balance (cumulative 12-month)	August- 23	\$13.3	\$6.2
Current Account (% of GDP)	June- 23	-2.3%	-1.7%
Forex Reserves (incl. gold)	September- 23	US\$1 152.5	US\$1 058.8

Sources: JSE, Iris, I-Net

Fund	Year To Date Performances 1st Jan to 31st December 2023	31 December 2023
Allan Gray Balanced	12.94%	1.91%
Allan Gray Stable	11.22%	1.54%
Coronation Balanced Plus	14.86%	2.15%
Ninety One Managed	10.38%	1.69%
M&G Balanced	11.47%	2.30%
M&G Inflation Plus	9.93%	2.05%

Skybound Capital Funds
South Africa

Fund	Year To Date Performances 1st Jan to 31st December 2023	Current Performances as at 31 August 2023
The Apello Fund	7.12 %	1.00%
The Azacus Fund	7.00%	0.99%

Skybound Capital Funds
INTERNATIONAL - GBP

	Year To Date Performances 1st Jan to 31st Dec 2023	Current Performances as at 30 November 2023
Prism Income	5.49%	0.61%
Prism Income Australian	5.49%	0.61%
The Willow Tree	3.15%	0.47%

WHAT A JOKE

- * Today I donated my watch, phone and R500 to a poor guy. You don't know the happiness I felt as I saw him put his knife back in his pocket.
- * I miss times when I was working at the zoo. My boss fired me just because I left the lions gate open. I mean who would steal a lion?
- * I was in a cab today and the cab driver said, "I love my job, I'm my own boss. Nobody tells me what to do." Then I said, "turn left".
- * Why do supermarkets make the sick walk all the way to the back of the store to get to the Pharmacy for their prescriptions while healthy people can buy cigarettes at the front?
- * Why do people order double cheeseburgers, large fries, and yet get a diet coke?
- * Why do banks leave vault doors open and then chain the pens on the counter tops?
- * Why do we leave cars worth thousands of dollars in our driveways and put our useless junk in the garage?
- * Why does the sun lighten our hair, but darkens our skin?
- * Why can't women put on mascara with their mouth closed?
- * Why is "abbreviated" such a long word?
- * Why is it that doctors and attorneys call what they do "practice"?
- * Why is lemon juice made with artificial flavoring, and dish washing liquid made with real lemons?
- * Why is the man who invests all your money called a broker?
- * Why is the time of day with the slowest traffic called the "rush hour?"
- * Why do they sterilize the needle for lethal injections?
- * You know that indestructible black box that is used on airplanes? Why don't they make the whole plane out of that stuff??
- * Why don't sheep shrink when it rains, whereas Sweaters of Wool, do?
- * Why are they called "apartments" when they are all stuck together?
- * If flying is so safe, why do they call the airport the terminal?

Now that you've smiled at least one, it's your turn to spread this stupidity and send this to someone you want to bring a smile to (maybe even a chuckle) ...

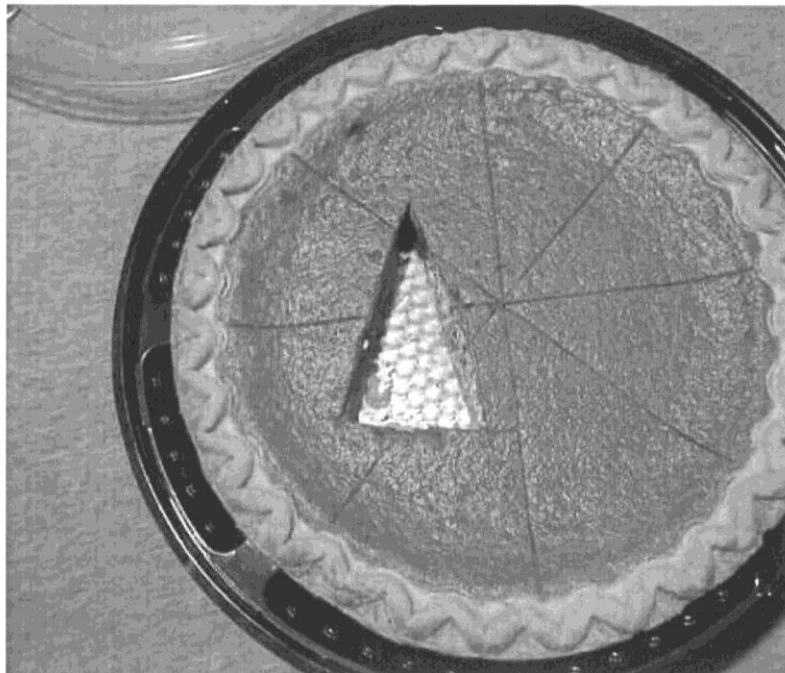
*We all need to smile every once in a while.

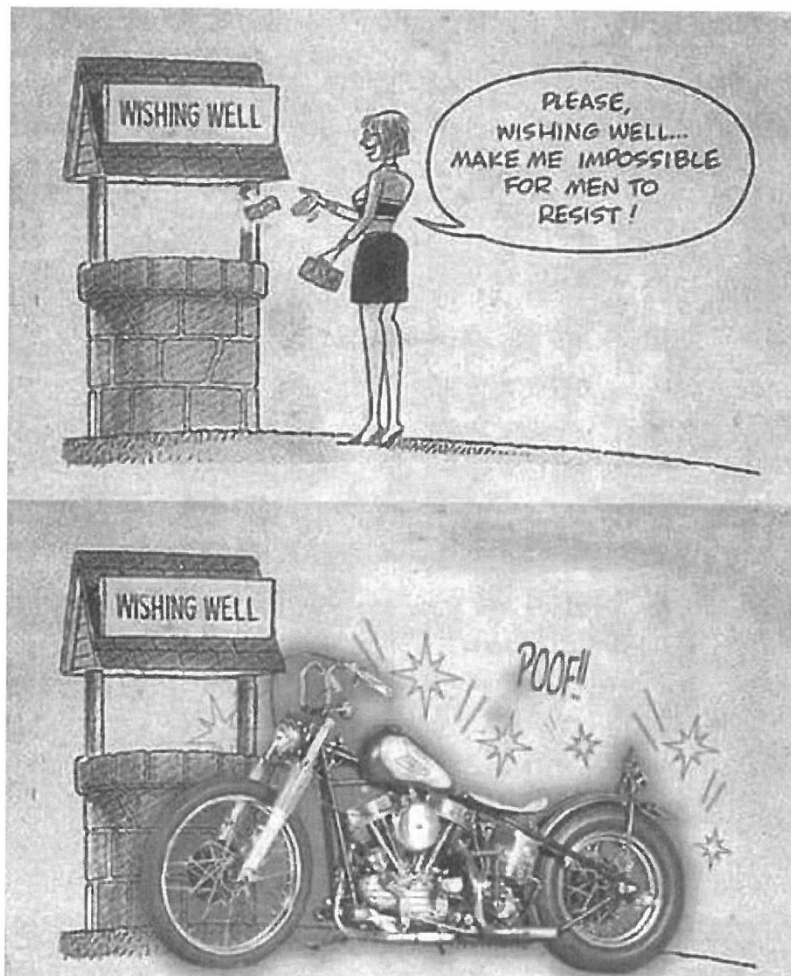
*A Day Without Laughter is a DAY Wasted!

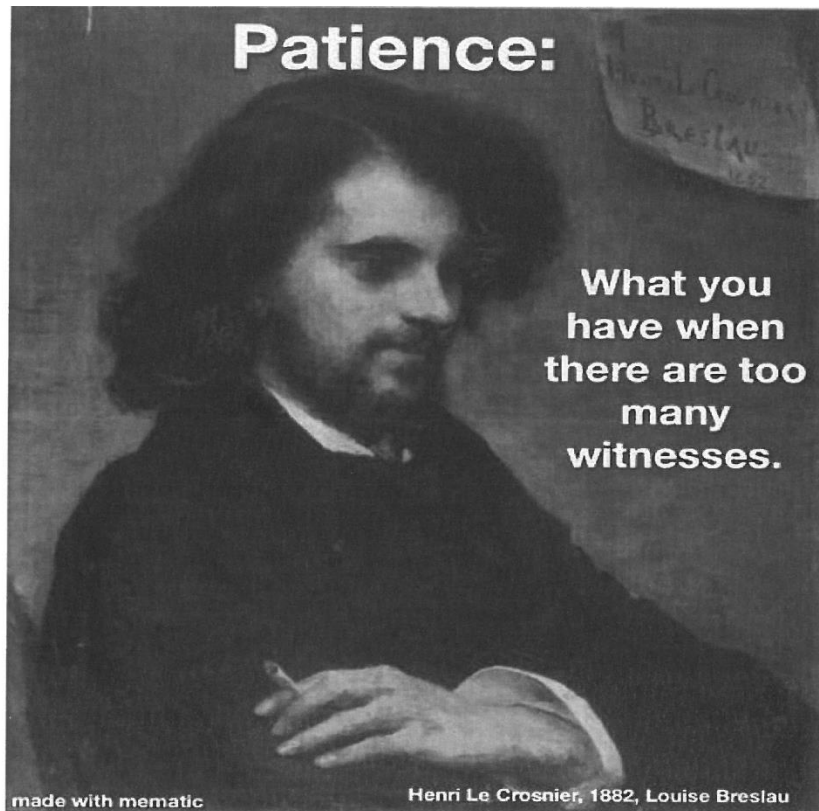
Load shedding schedules:



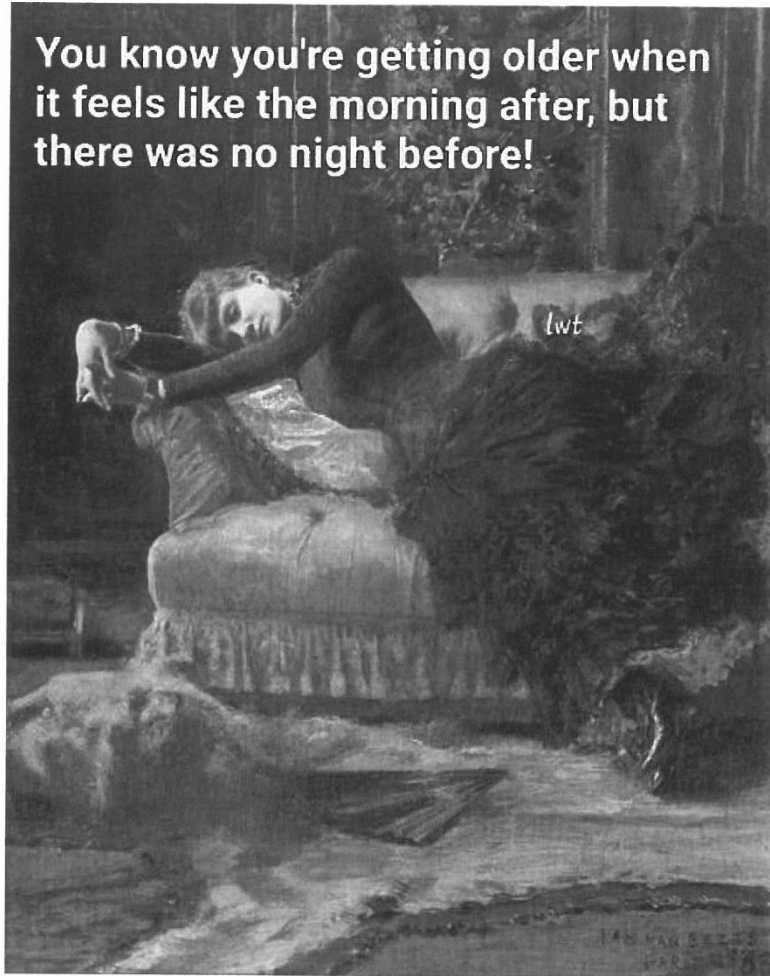
BECAUSE NOBODY TELLS ME WHAT TO DO







**You know you're getting older when
it feels like the morning after, but
there was no night before!**



Paul Bekker

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