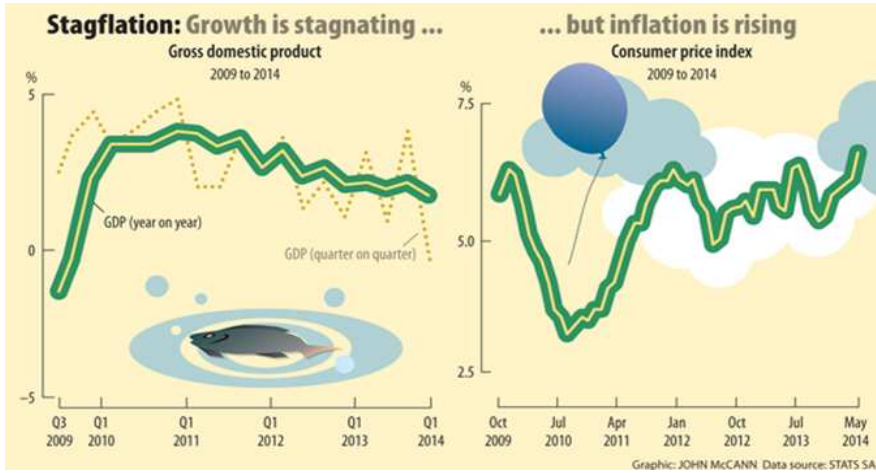




MONTHLY ECONOMIC NEWS LETTER July 2014

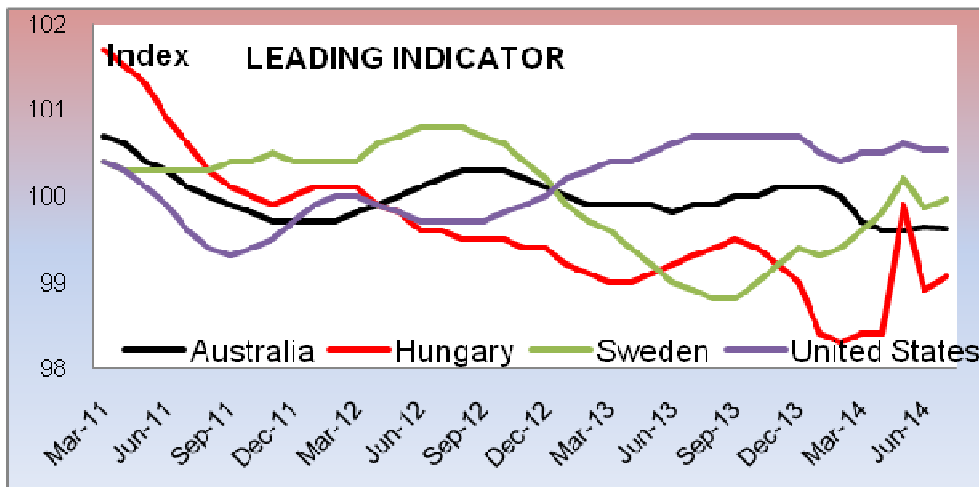


South Africa is in a “stagflation trap”; economic growth has been drifting downward since 2010. During the same period, inflation has been persistently close to the upper band or outside of the South African Reserve Bank’s target range

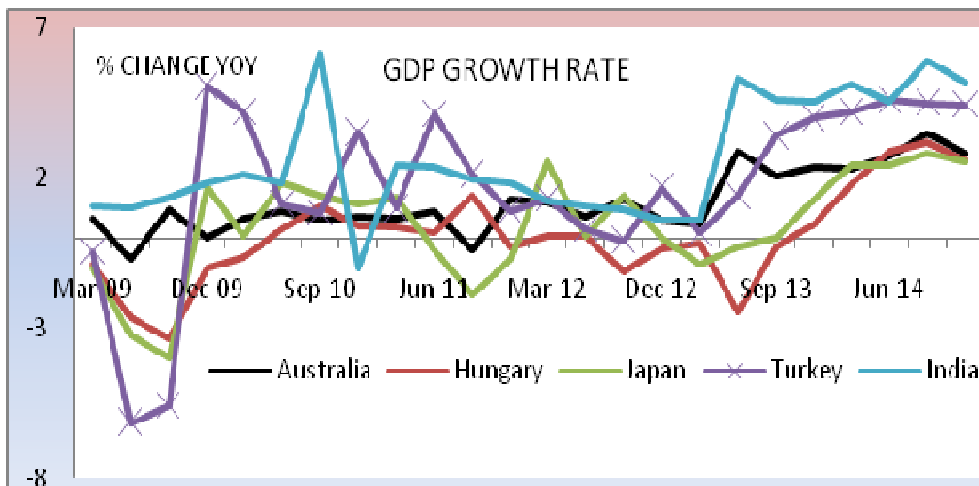
The term stagflation was coined in the 1970s, a time when America and the UK were plagued by both high inflation and unemployment and low growth, phenomena that were previously thought to be mutually exclusive

it's easier to get into stagflation than it is to get out

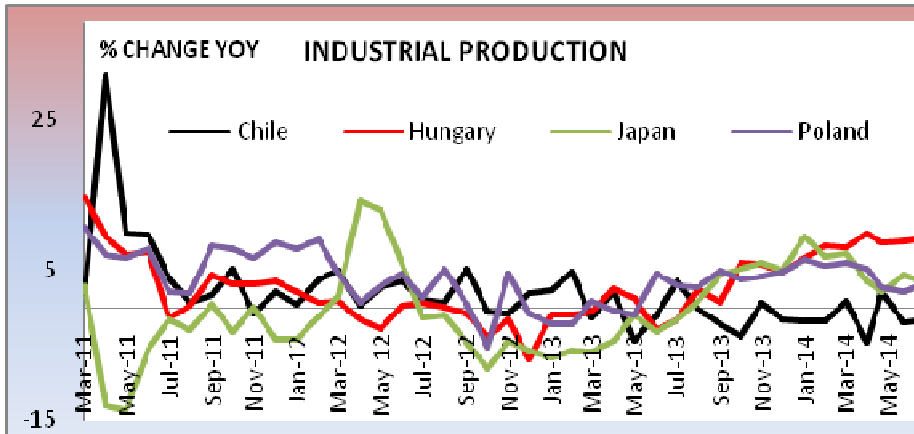
MACROECONOMIC INDICATORS



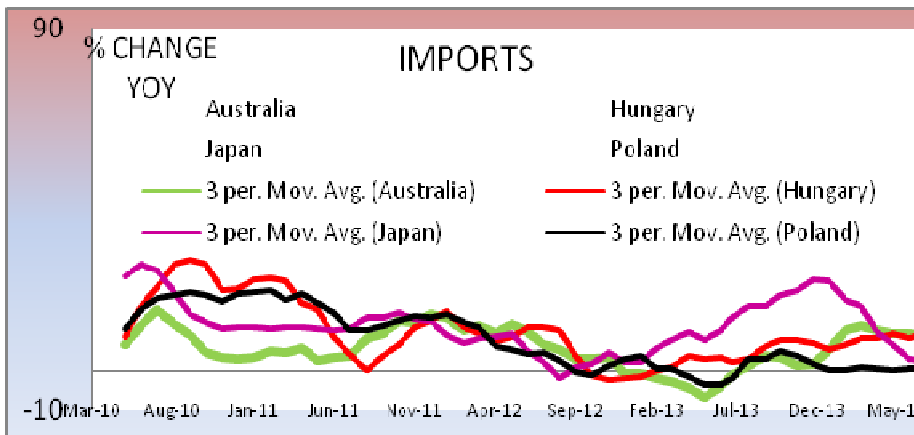
	Jun-14	Jul-14
Russia	99.3	99.3
Sweden	99.9	100.0
India	98.6	98.9
Turkey	98.4	98.4
Hungary	98.9	99.1
Indonesia	98.0	98.0
Australia	99.6	99.6
Korea	101.0	101.0
China	98.8	98.9



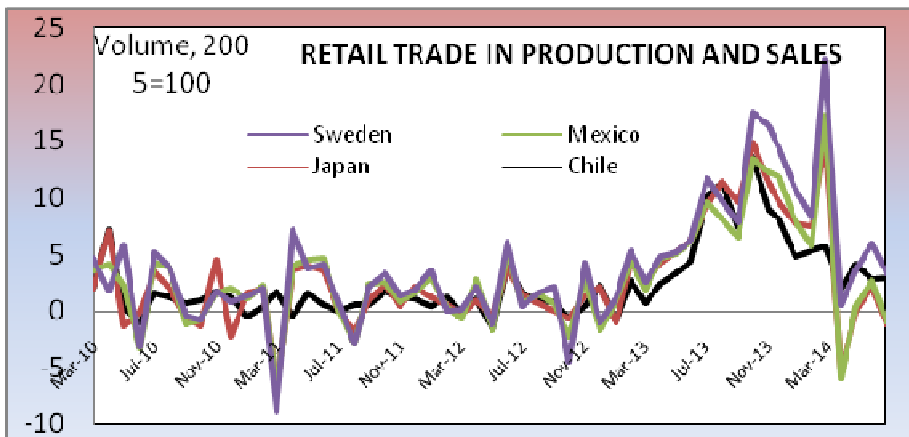
	Jun-14	Jul-14
Russia	0.70	1.33
Sweden	1.80	1.90
Brazil	1.90	2.20
India	5.90	5.17
Turkey	4.50	4.43
Hungary	3.20	2.63
Australia	3.50	2.83
Korea	4.00	3.60



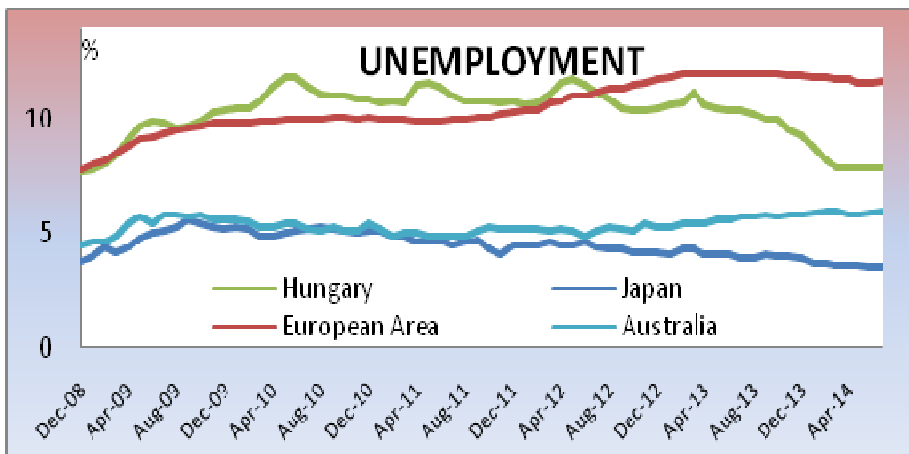
	Jun-14	Jul-14
Russia	4.27	3.29
Europe	0.63	0.71
Sweden	-1.77	-1.16
Russia	2.20	2.37
Poland	2.10	3.30
Hungary	8.86	9.14
Korea	1.43	1.04



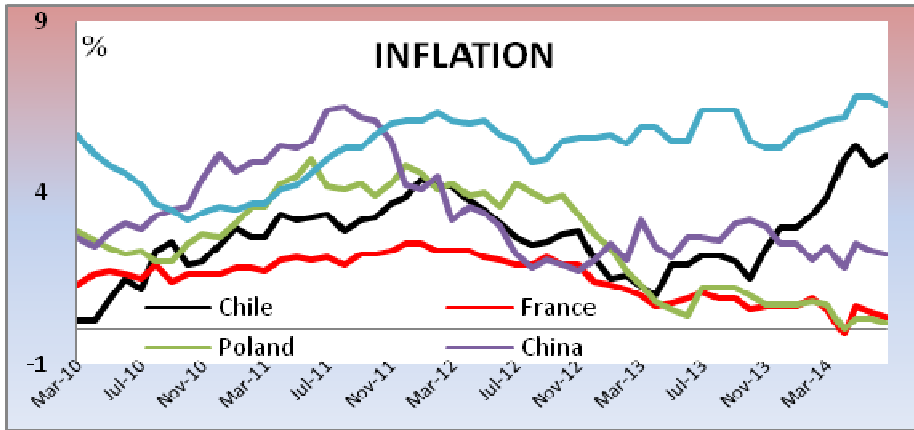
	Jun-14	Jul-14
Europe	0.93	1.31
Sweden	7.47	7.12
China	4.40	1.80
Poland	0.52	0.90
Hungary	9.93	8.78
New Zealand	9.47	8.12
Australia	9.97	9.79



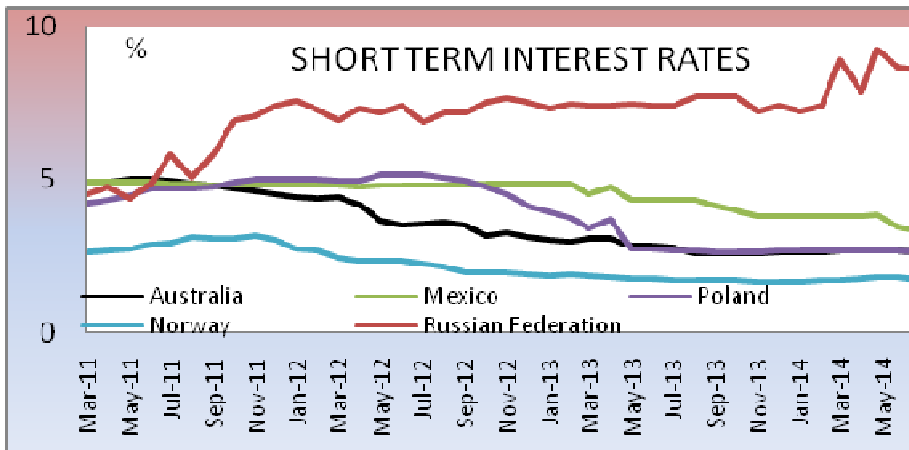
	Jun-14	Jul-14
USA	2.50	2.53
Europe	1.03	0.91
Japan	-0.73	-4.11
Sweden	3.20	4.27
Hungary	6.98	6.74
Russia	2.97	2.59
Korea	1.13	0.84



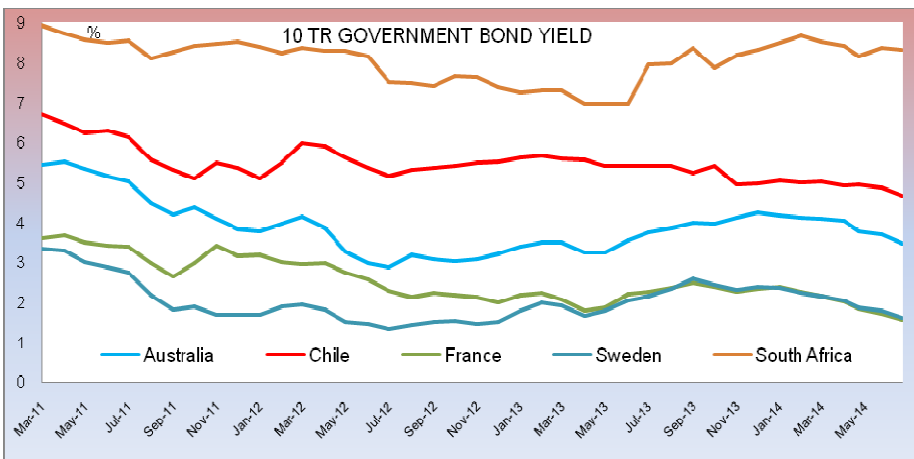
	Jun-14	Jul-14
Turkey	8.40	8.40
Europe	11.63	11.61
Sweden	7.97	7.96
Japan	3.57	3.56
Australia	6.00	5.90
Hungary	7.90	7.90
Korea	6.00	5.90



	Jun-14	Jul-14
Japan	3.60	3.57
Russia	7.80	7.57
Europe	0.70	0.67
Sweden	0.20	0.67
Chile	4.80	5.07
Poland	0.30	0.20
South Africa	6.80	6.60
Indonesia	6.70	6.90
France	0.50	0.37
China	2.30	2.20



	Jun-14	Jul-14
Japan	0.21	0.21
Russia	8.66	8.58
Sweden	0.58	0.26
Poland	2.68	2.67
Korea	2.65	2.65
China	4.59	4.58



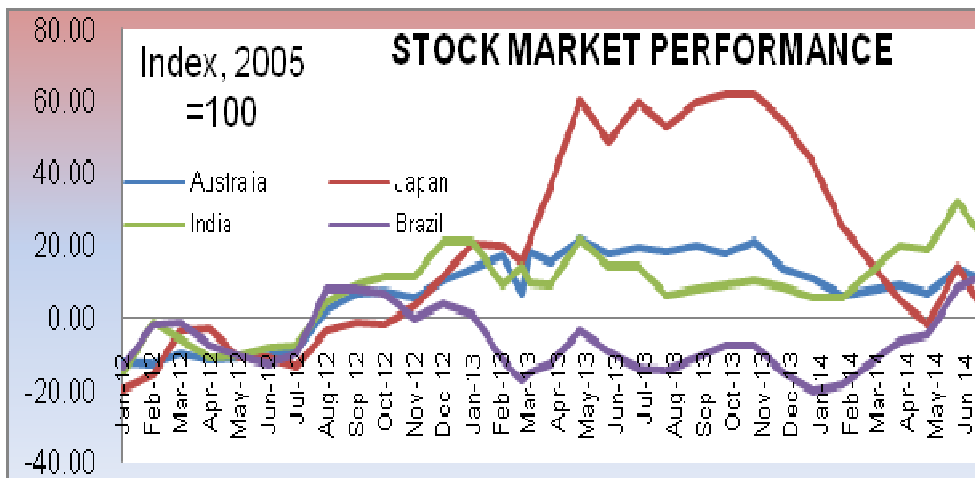
	Jun-14	Jul-14
Russia	8.12	8.07
Sweden	1.80	1.60
Mexico	6.11	5.69
Chile	4.86	4.66
Hungary	4.50	4.33
Australia	3.70	3.47

NB: Figures in red are estimates, calculated using a 3 month moving average

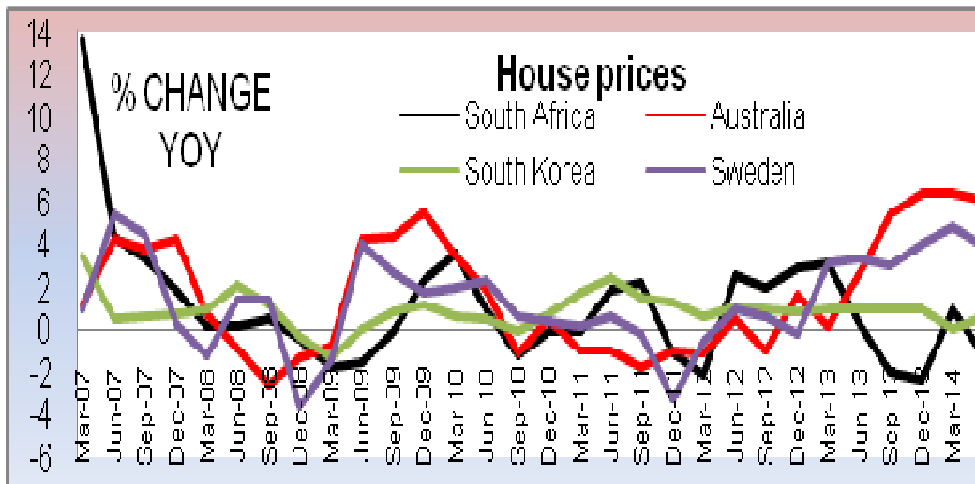
FINANCIAL INDICATORS

EXCHANGE RATES (PER 1 USD END OF THE MONTH)									
	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14
Chile	517.91	529.45	538.50	554.453	563.421	555.19	556.105	553.063	554.785
Hungary	220.42	219.24	221.69	227.043	225.46	222.51	221.736	225.061	223.102
Japan	99.94	103.55	104.17	102.024	102.298	102.52	101.832	102.04	102.131
Korea	1062.78	1056.72	1065.58	1071.055	1070.881	1043.01	1025.345	1019.352	1029.237
Mexico	13.07	13.01	13.21	13.279	13.203	13.06	12.93	12.993	12.995
Poland	3.10	3.05	3.07	3.057	3.04	3.03	3.042	3.044	3.039
Sweden	6.58	6.54	6.49	6.498	6.414	6.54	6.573	6.68	6.598
Euro area (17 countries)	0.74	0.74	0.73	0.732	0.723	0.72	0.728	0.736	0.729
China	6.14	6.12	6.10	6.113	6.137	6.16	6.2	6.16	6.158

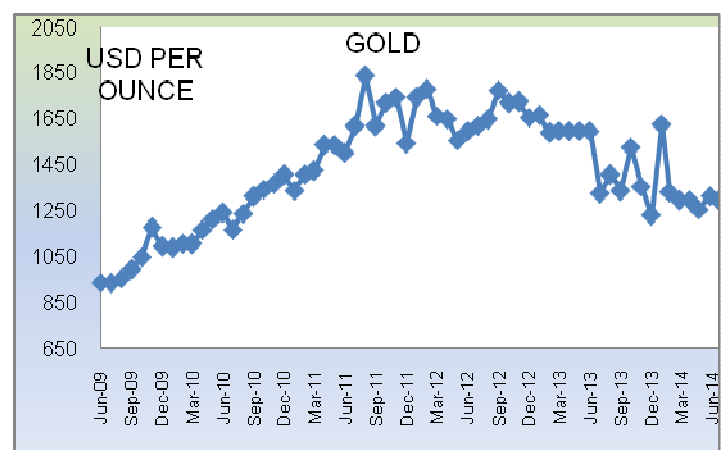
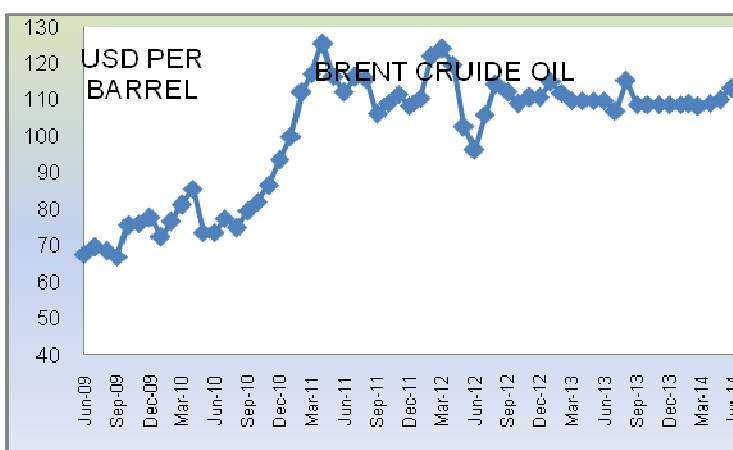
Indonesia	11613.10	12087.10	12179.65	11935.1	11427.05	11435.75	11525.9	11892.62	11618.103
Russian Federation	32.65	32.89	33.46	35.224	36.211	35.66	34.9	34.41	34.999
South Africa	10.20	10.38	10.89	10.981	10.746	10.55	10.4	10.67	10.544



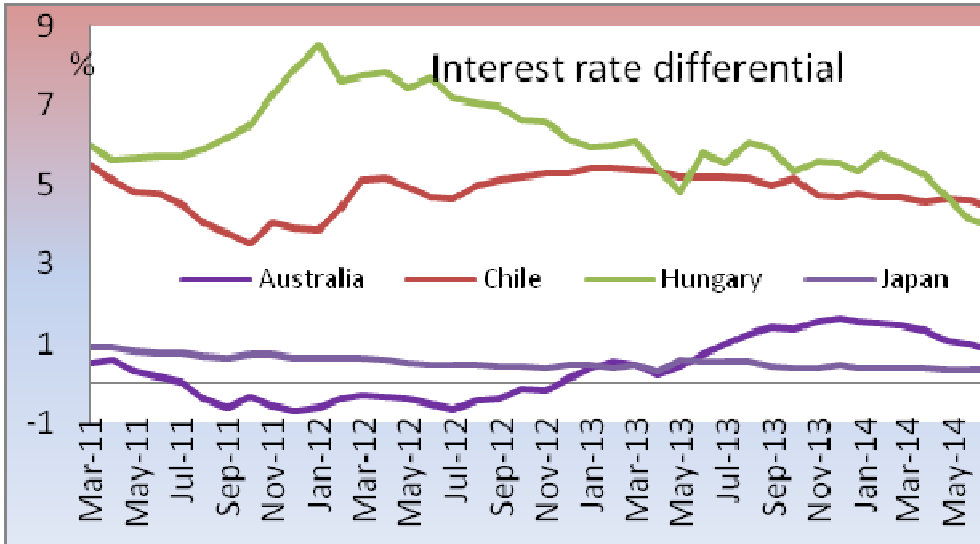
	Jun-14	Jul-14
Russia	103.7	98.0
Australia	117.3	117.6
Sweden	138.5	136.7
India	138.7	131.1
Brazil	80	78.5
Hungary	84.2	81.9
Japan	140.6	135.1
Turkey	132.9	130.7
China	72.2	72.4



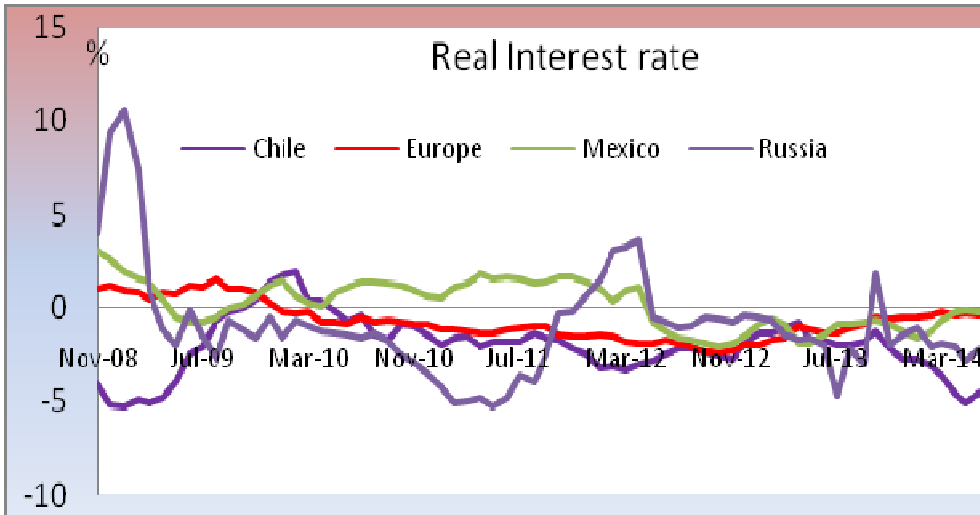
	Mar-14	Jun-14
Hong Kong	2.27	4.44
Portugal	1.6	1.28
Colombia	2.35	2.34



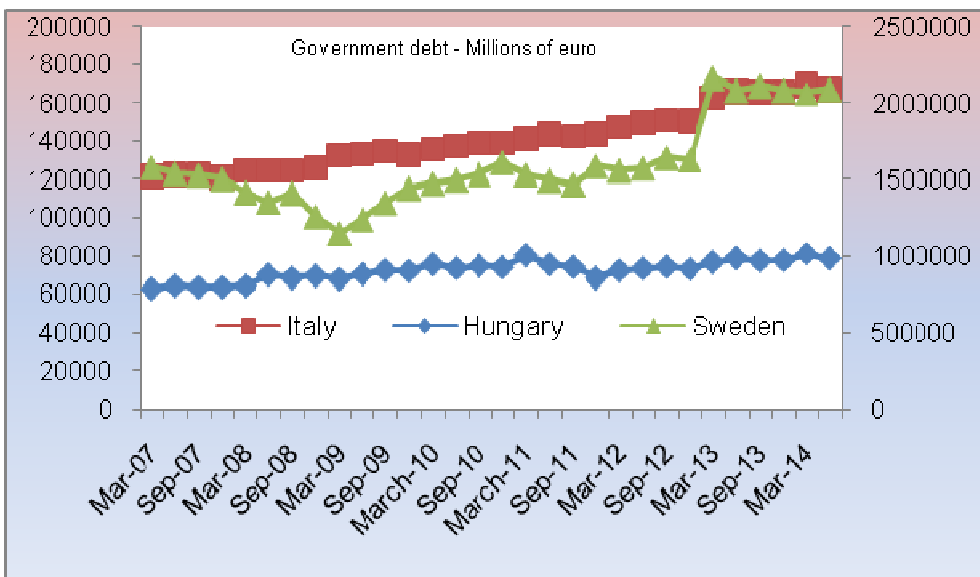
MONETARY AND FISCAL ANALYSIS



	Jun-14	Jul-14
Japan	0.33	0.36
Mexico	2.67	2.38
Chile	4.62	4.45
Poland	0.86	0.67
Hungary	4.14	3.95
Australia	1.00	0.82
New Zealand	0.90	0.70
Korea	0.64	0.41



	Jun-14	Jul-14
Europe	-0.46	-0.46
Sweden	0.38	-0.41
Chile	-4.56	-4.86
Poland	2.38	2.47
Hungary	0.51	-0.42
France	-0.14	0.01
Russia	-2.11	-2.32



	Mar-13	Jun-14
European Union (27 countries)	11 542 046	11 400 992
France	1 985 918	1 941 041
Italy	2 120 143	2 085 995
Hungary	81 075	78 726
Portugal	220 696	215 100
Slovenia	27 318	24 849
Sweden	165 429	166 961
United Kingdom	1 795 313	1 227 578