

Hoe waai die wind?

Landbou/Ekonomiese Vooruitsigte

Maart 2011

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FNB Commercial Banking Agriculture

Erkenning aan Cees
Bruggemans, die BER en
RMB.



How can we help you?

First National Bank – a division of FirstRand Bank Limited.
An Authorised Financial Services and Credit Provider (NCRCP20).

'n Engelsman wat nie Afrikaans verstaan nie, gaan koop 'n perd by 'n Boer wat nie juis goed Engels kan praat nie

“I want a good looking horse” – sê die Engelsman terwyl hulle na die perdestalle stap

Die Boer wys na die eerste een en sê – *“This one looks good”*

“No”, sê die Engelsman – *“That one over there looks much better to me”*

“No”, sê die Boer – *“That one does not look so good. This one looks better”*

“No”, hou die Engelsman vol – *“That one looks better”*

Die Engelsman koop die perd waarvan hy hou. Twee dae later is hy woedend terug by die Boer

“The horse you sold me is blind” – sê die Engelsman vir die Boer

“Yes”, antwoord die Boer selfversekerd – *“I told you that one does not look so good”*

Besprekingspunte

- Hoe vaar ons met die ekonomiese herstel
- Verwagtinge
 - Groeikoerse
 - Rentekoerse en inflasie
 - Wisselkoerse
- Wat is die risikos

Die kredietkrisis - n terugblik

- Ekonomiese groei voor 2008 gedryf deur verbruik
- Verbruik gefinansier deur skuld (onoordeelkundig)
- Skuld gedek deur stygende eindomspryse.
- Lehmans - Vertroue daal in n draaikolk
- Banke is krediet sku (toksies)- vervaardiging tuimel
- Wisselkoers verswak (↑ \$)
- Kommoditeitspryse val
- Koste van kapitaal neem toe

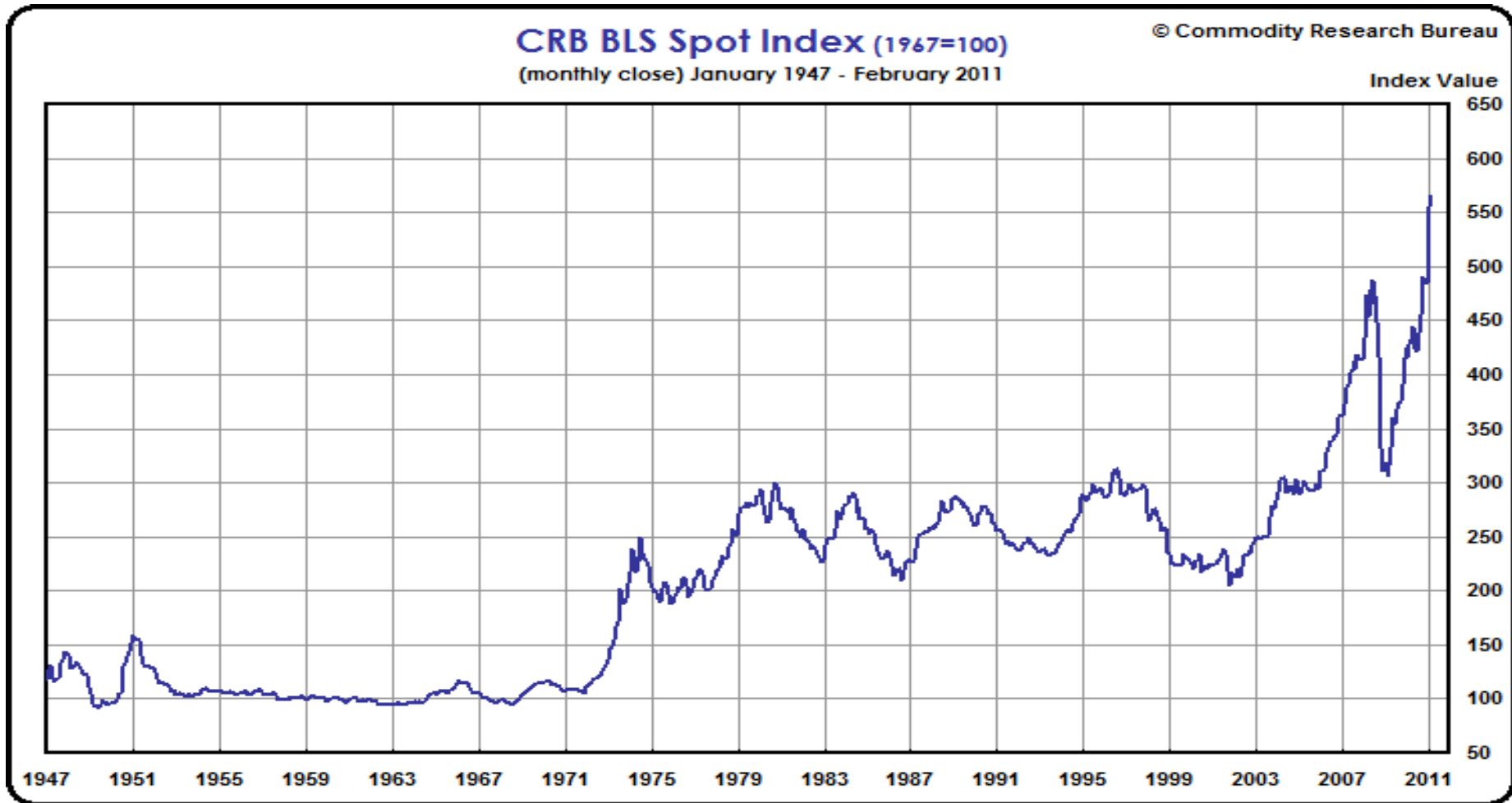


Wêreld ekonomie verloor \$10-14 Triljoen bates & produksie

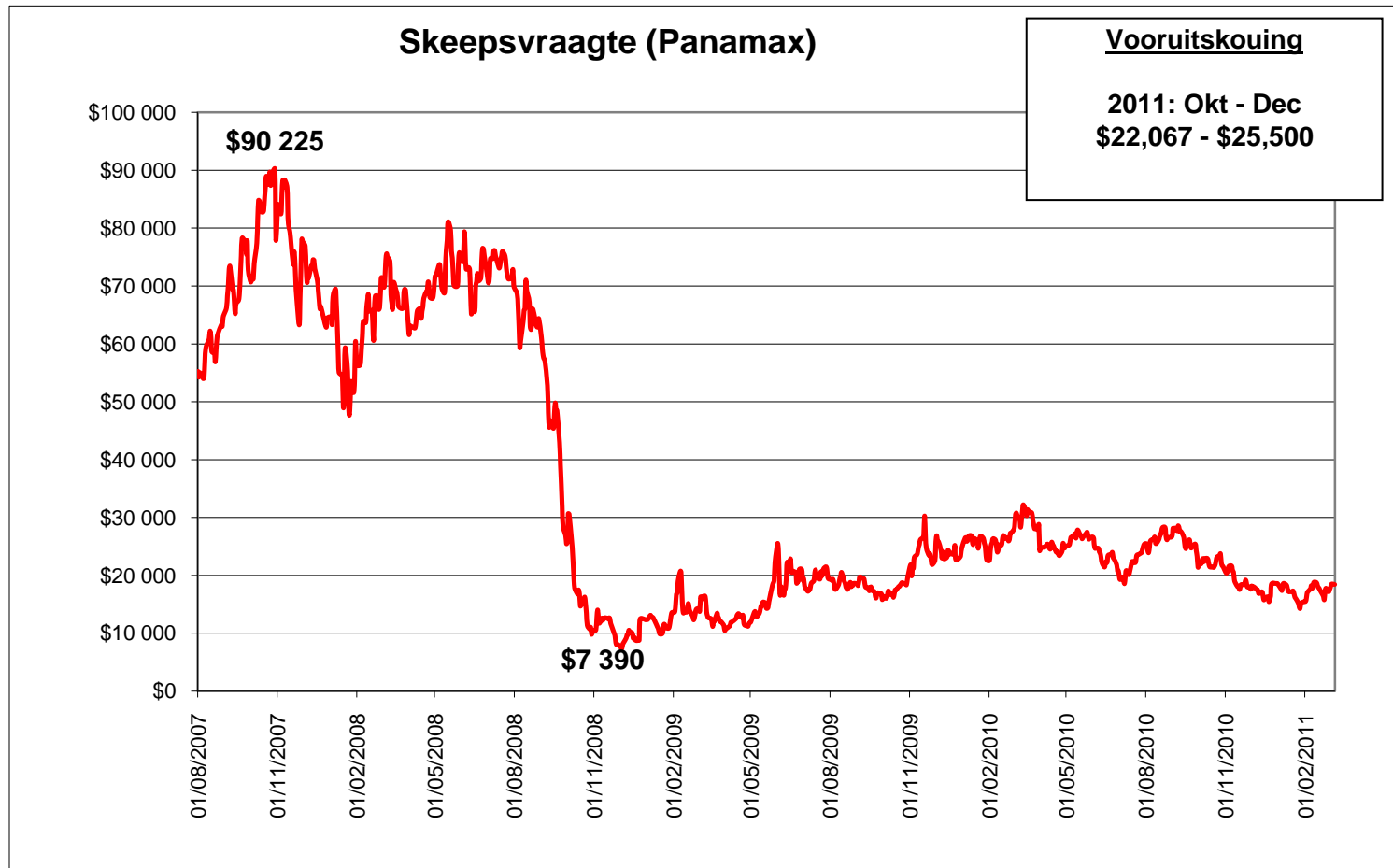
ONDERSTE DRAAIPUNT IS BEREIK!

- Reddingspakette (\$5830 bn) +QE2
- Rentekoerse verlaag
- Regeringsbesteeding
- Voorradaanvulling
- Beurse verstewig
- Verbruiksaanvraag van die wêreldbevolking
- Ekonomiese groei in Sjina en India – vraag na grondstowwe en olie styg.
- Kommoditeitspryse verstewig asook skeepsvrag
- Oneweredige groeikoerse (Ontwikkelend beter as 1ste Wereld)
- SA groei steun swaar op regeringsbesteeding en uitvoere
- Huishoudings geteister deur werkloosheid en skuld

Kommoditeitspryse styg



Skeepsvragkoste



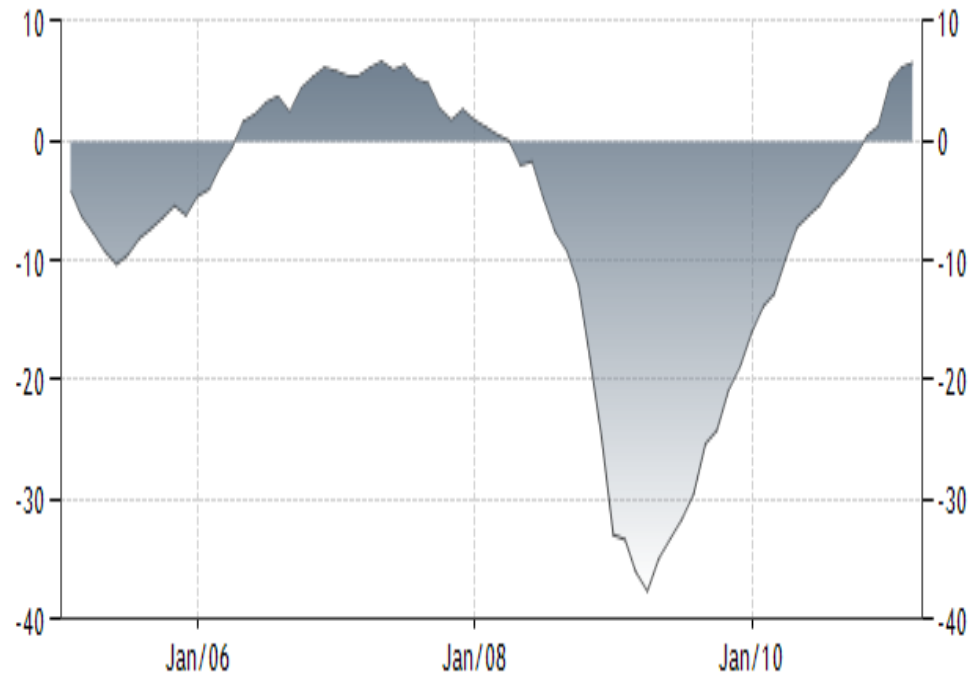
Sakevertrouwe het herstel

UNITED STATES BUSINESS CONFIDENCE



source: TradingEconomics.com; Institute for Supply Mana

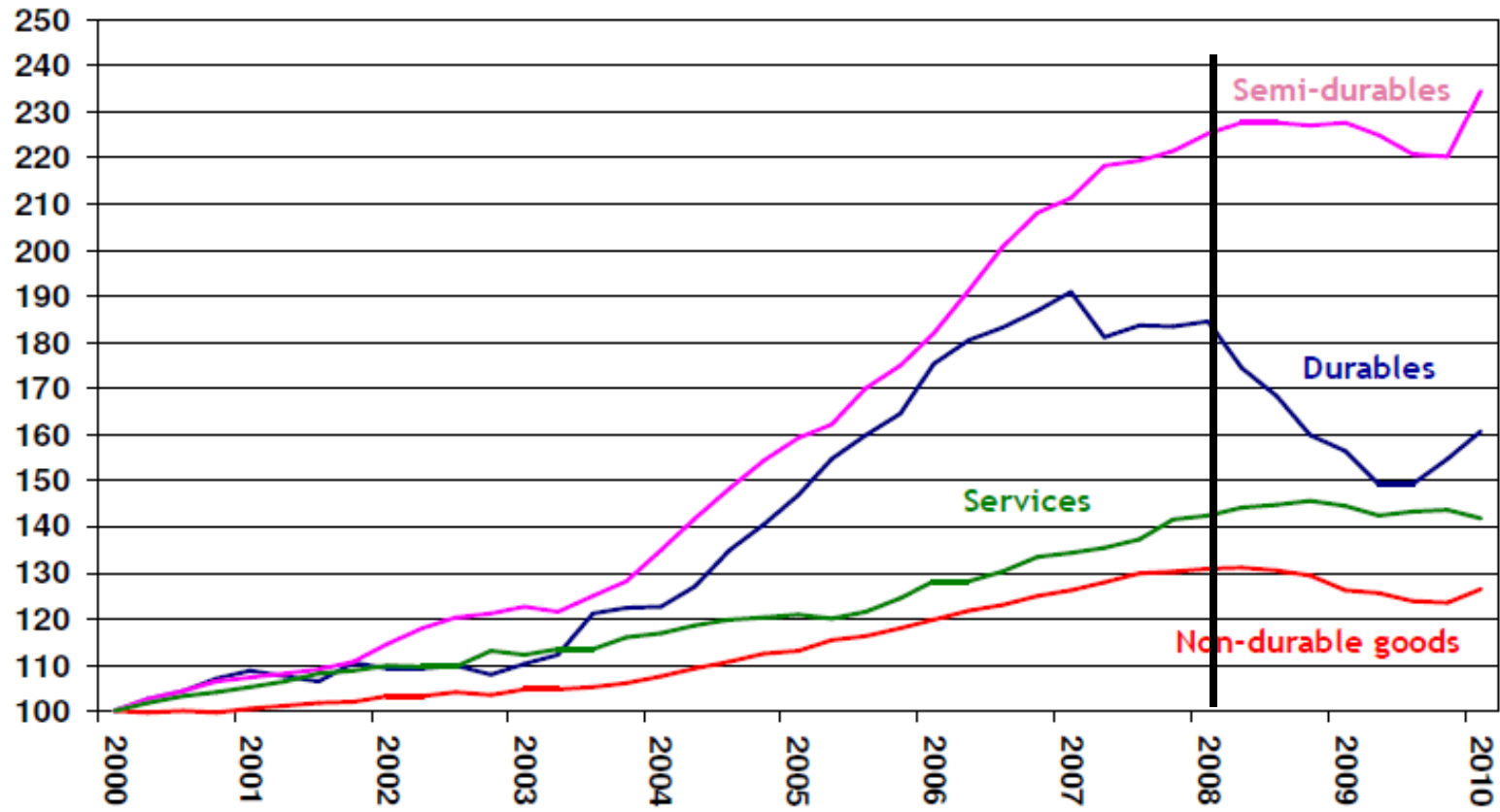
EURO AREA BUSINESS CONFIDENCE



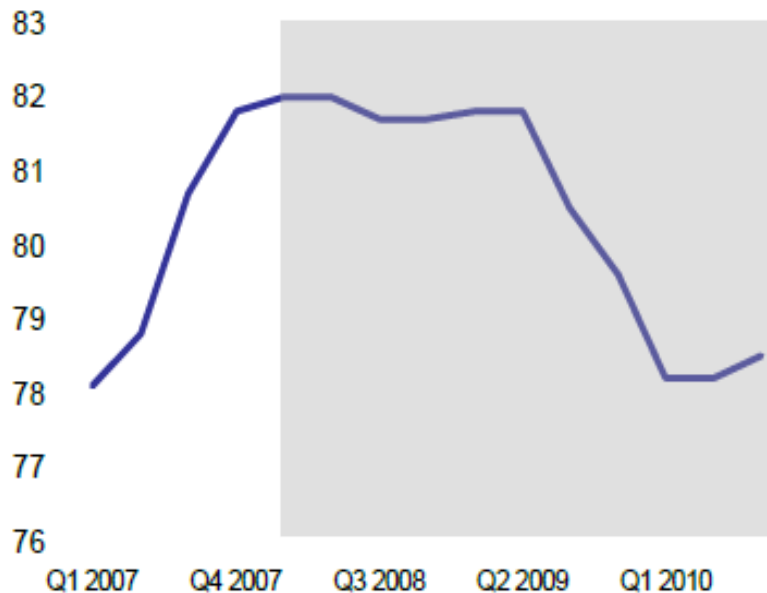
source: TradingEconomics.com; European Commission

SA Verbruiksbesteeding

Index, Q1 2000 = 100, real

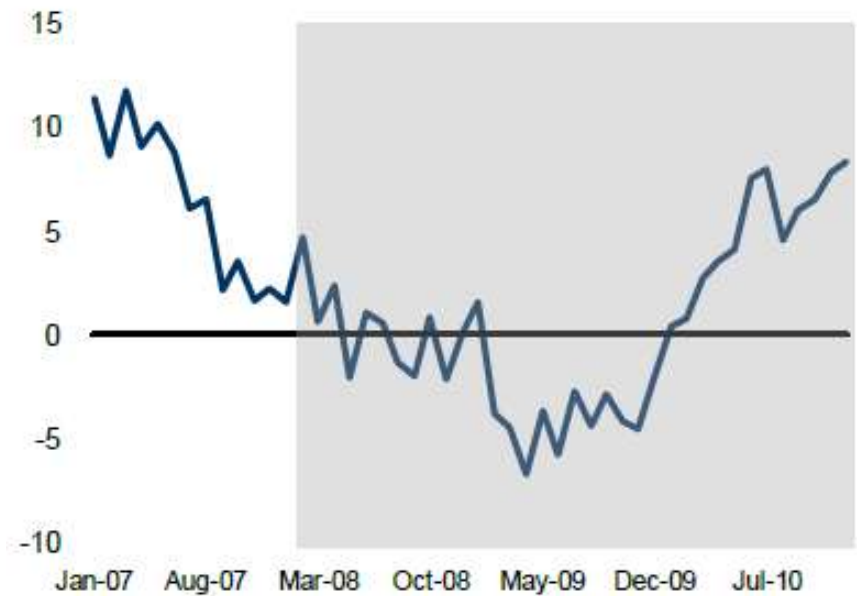


Huishoudelijke skuldvlakke verbeter, asook KH verkope



Household debt

Ratio of household debt to disposable income



Real retail sales growth
Year-on-Year % change

SA Werkloosheid en vergoeding



Labour force participation
Using the narrow (ILO) definition

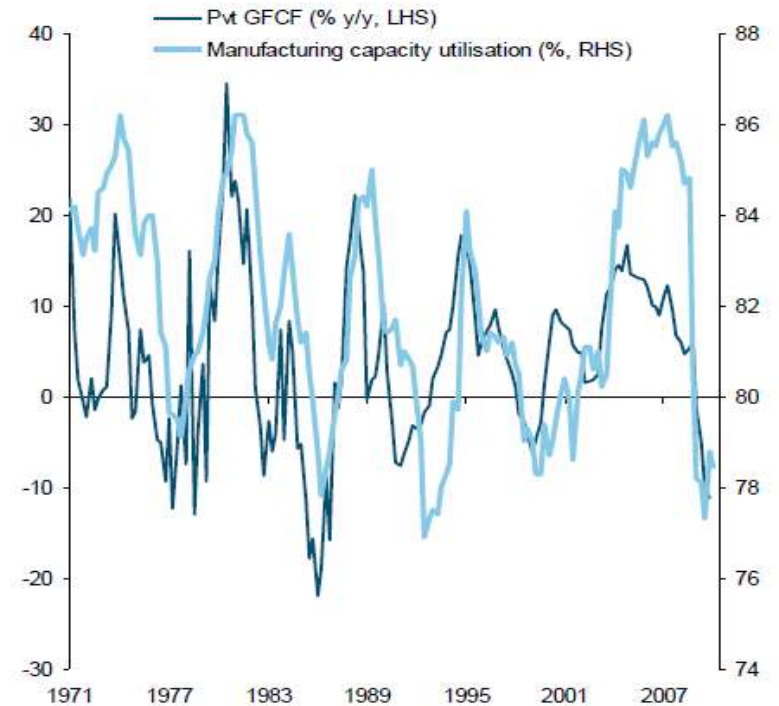
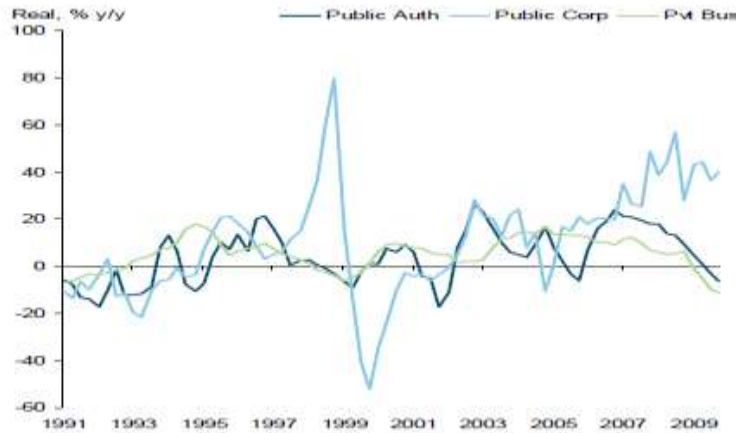


Unit labour cost
Year-on-year % change

Kapitaalbesteding in SA

Begrotingstekorte in die medium termyn.

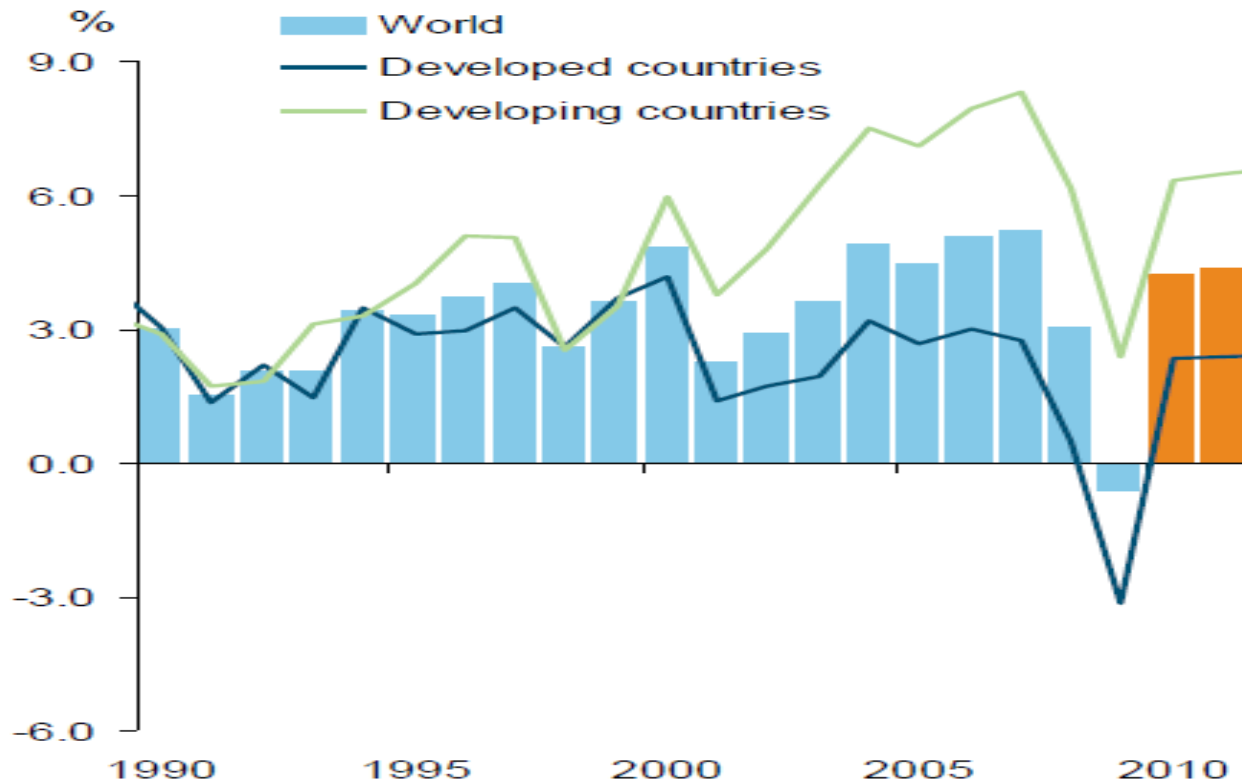
Onderbenutting van kapasiteit



Government debt
Ratio of public sector debt to GDP

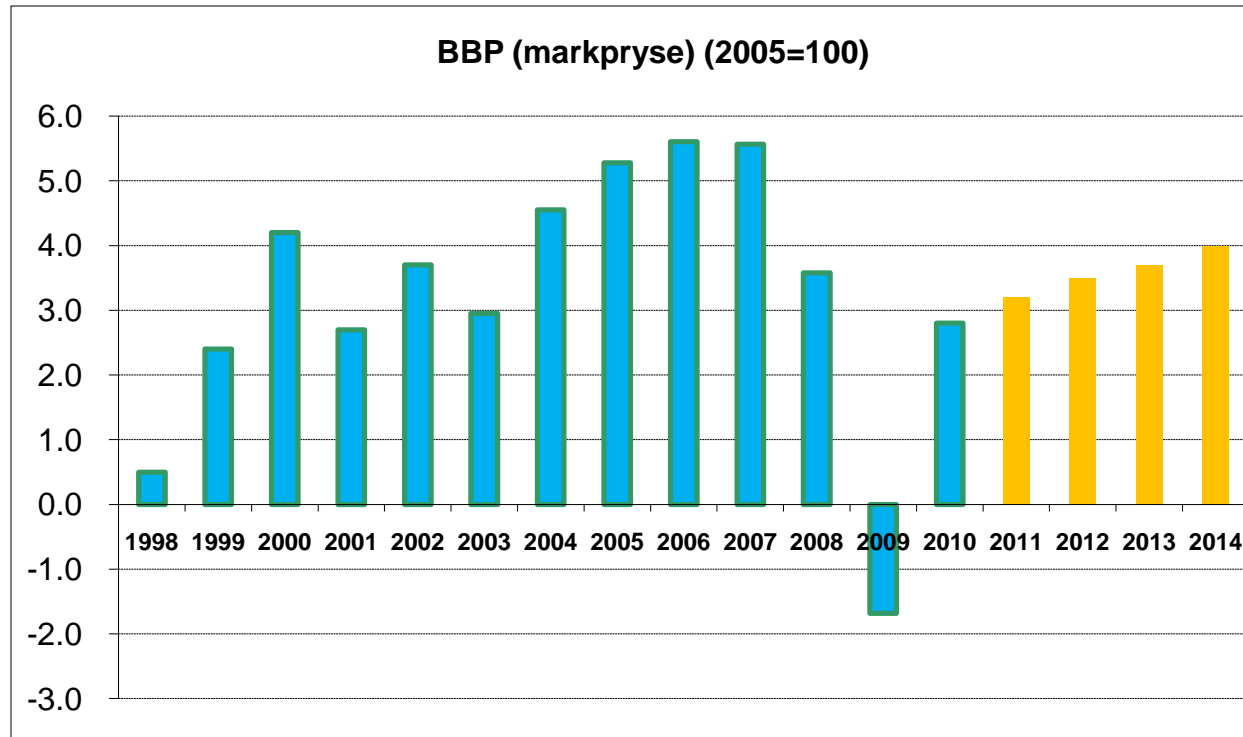
Ekonomiese groeikoerse: Ontwikkel vs ontwikkelende en SA.

USA Growth only 2%



Source: IMF, RMB FICC Research

SA ekonomiese groeiverwagting....



| | <i>2010</i> | <i>2011</i> | <i>2012</i> | <i>2013</i> |
|---------------|-------------|-------------|-------------|-------------|
| <i>GDP %</i> | <i>2.8</i> | <i>3.2</i> | <i>3.7</i> | <i>4</i> |
| <i>Disp Y</i> | <i>8.5</i> | <i>8.5</i> | <i>8.8</i> | <i>8.8</i> |

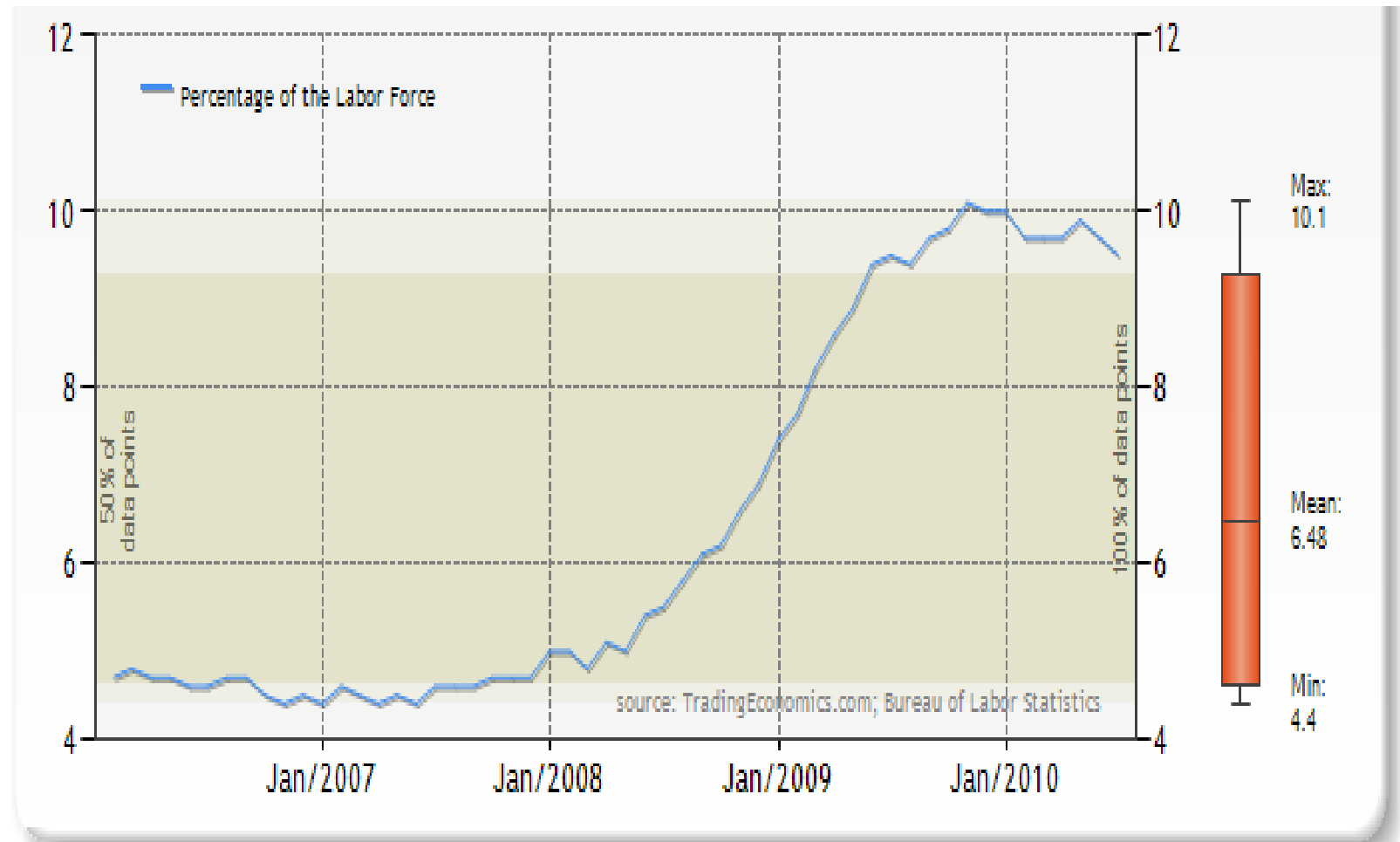
Risikos

- **Herstel is traag**
 - **Werkloosheid en besteeding**

- **Inflasie**
 - **Te veel likiditeit (QE2 = \$600bn)**
 - **Bankrot Europa**
 - **Noord Afrika opstande**
 - **Natuurverskynsels en rampe**
 - **Voedselpryse**

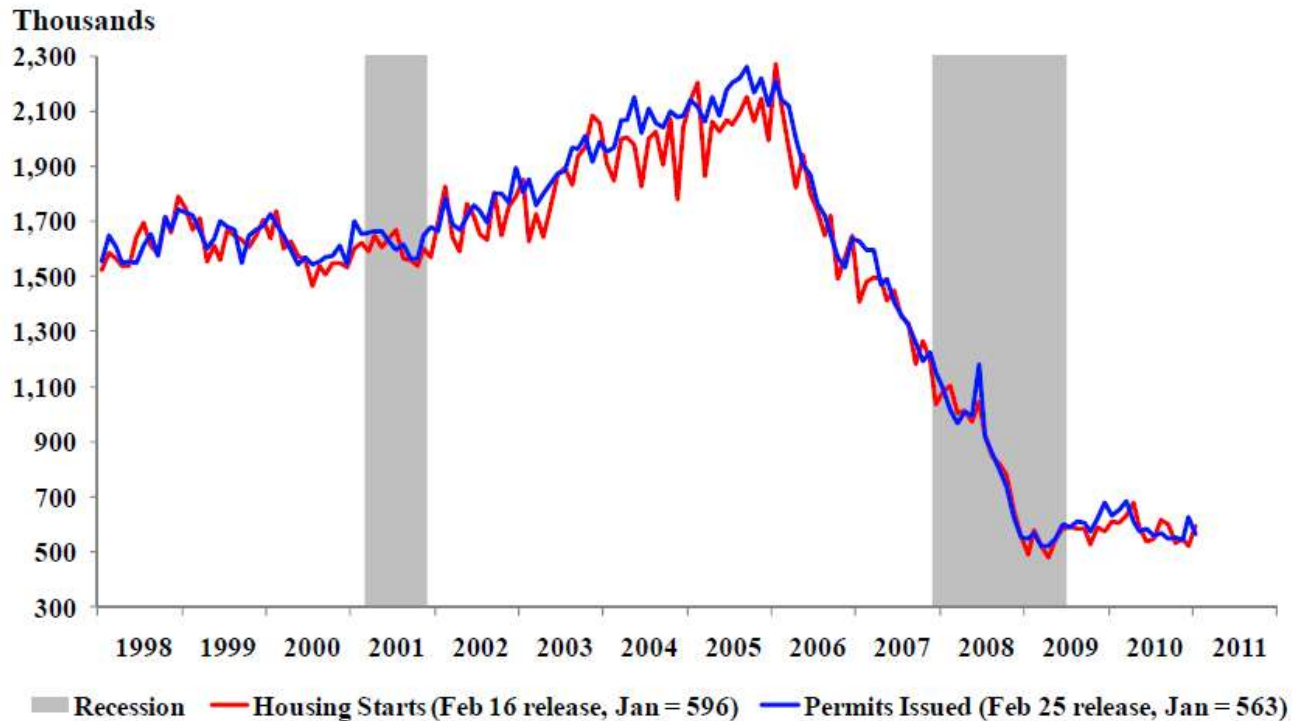
VSA Werkloosheid

18 Million un & underemployed Americans





Housing Starts and Permits



Source: Bureau of the Census

<http://www.dallasfed.org>

“Die eerste wondermiddel vir ’n wanbestuurde staat is inflasie van die geldeenheid, die tweede is oorlog. Albei bring kortstondige voorspoed, albei bring permanente ondergang. Maar albei is die skuilplek van politieke en ekonomiese opportuniste”

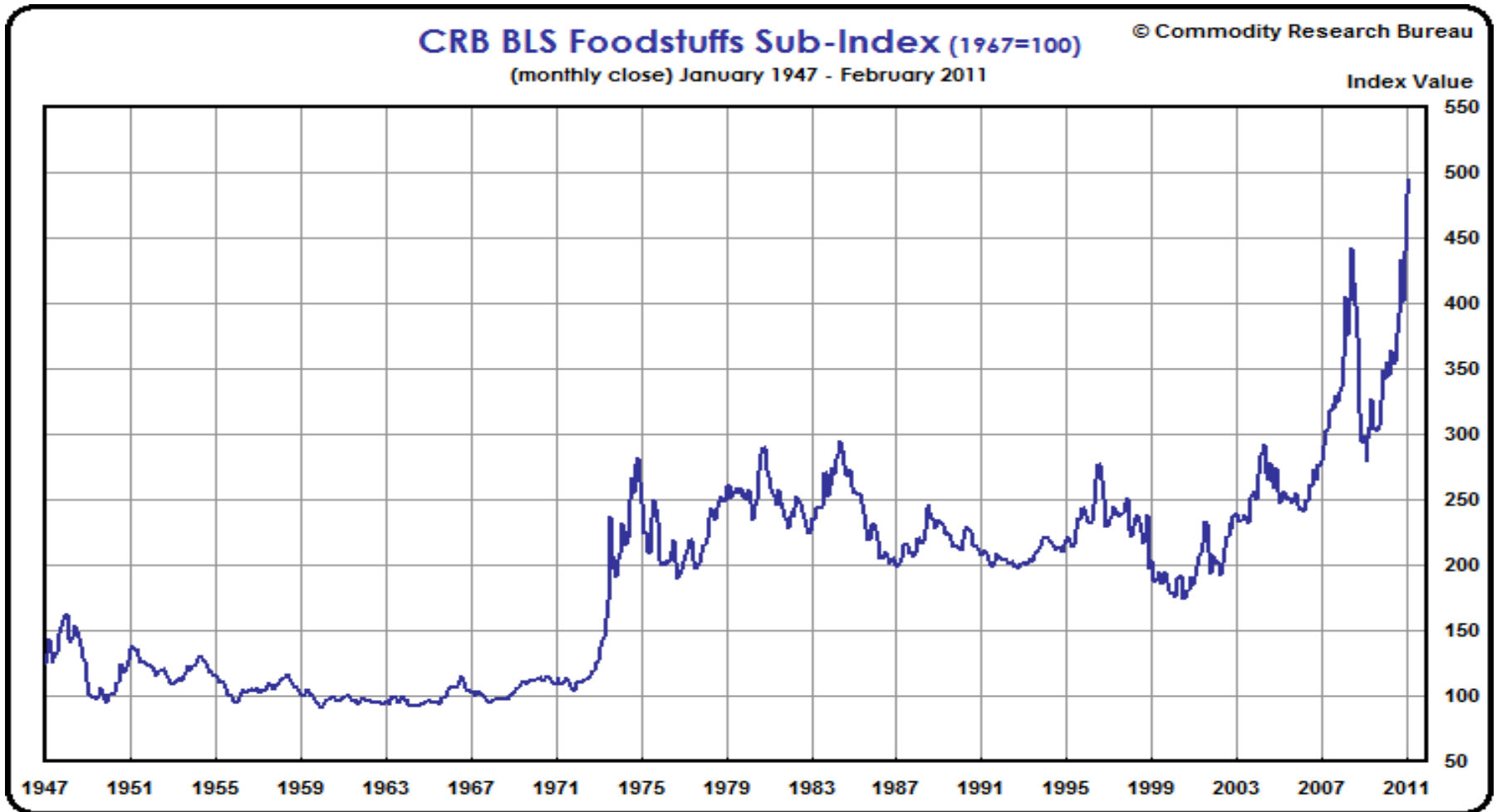
“The first panacea for a mismanaged nation is inflation of the currency; the second is war.

Both bring a temporary prosperity; both bring a permanent ruin.

But both are the refuge of political and economic opportunists.”

Ernst Hemingway

Voedselpryse...



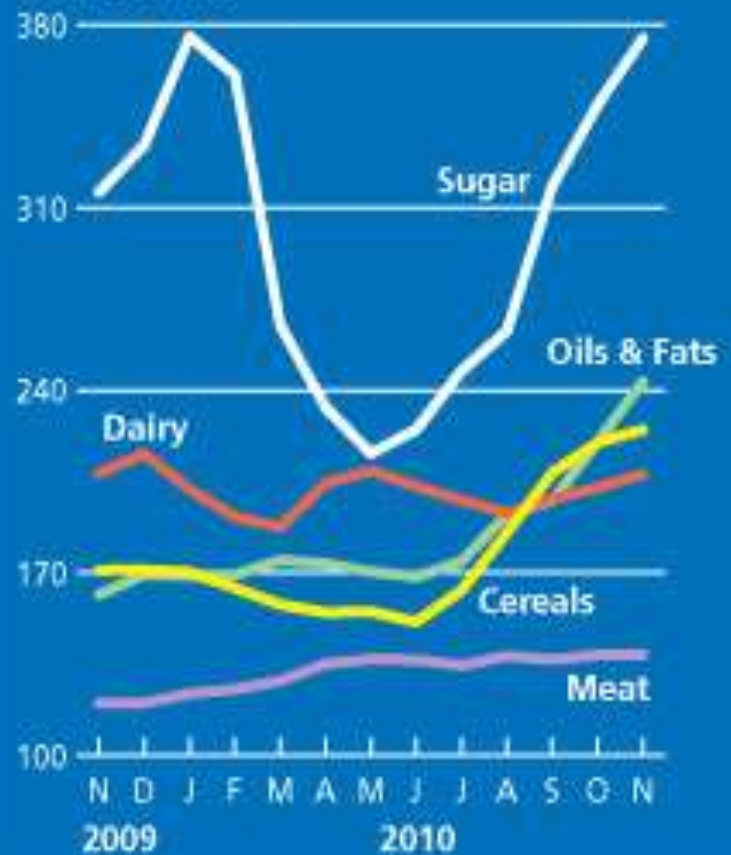
FAO Food Price Index

2002-2004=100

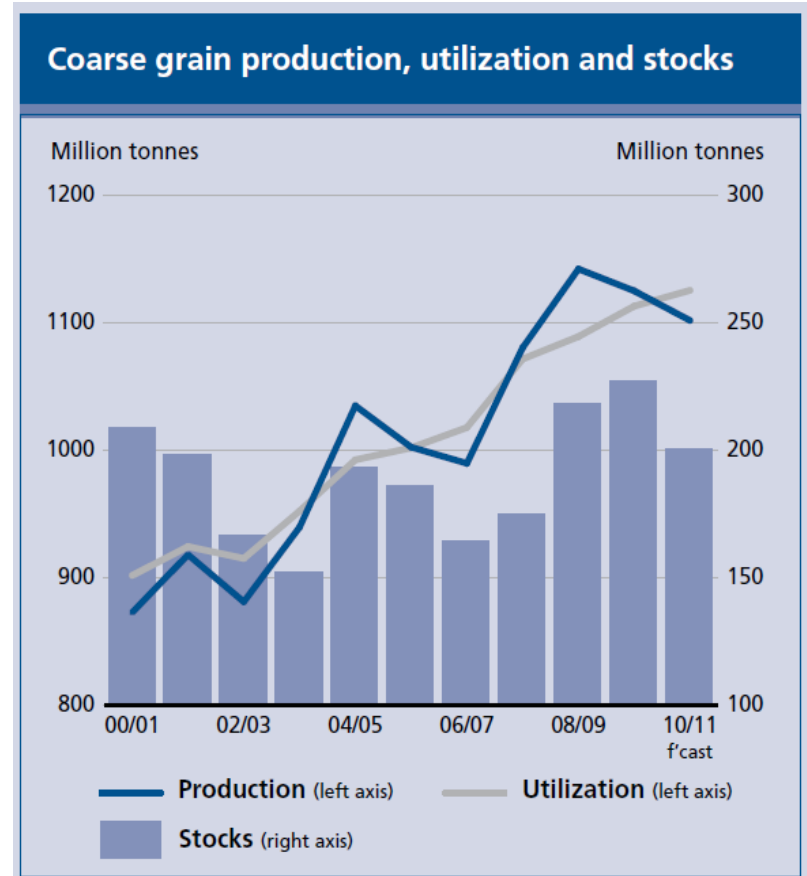
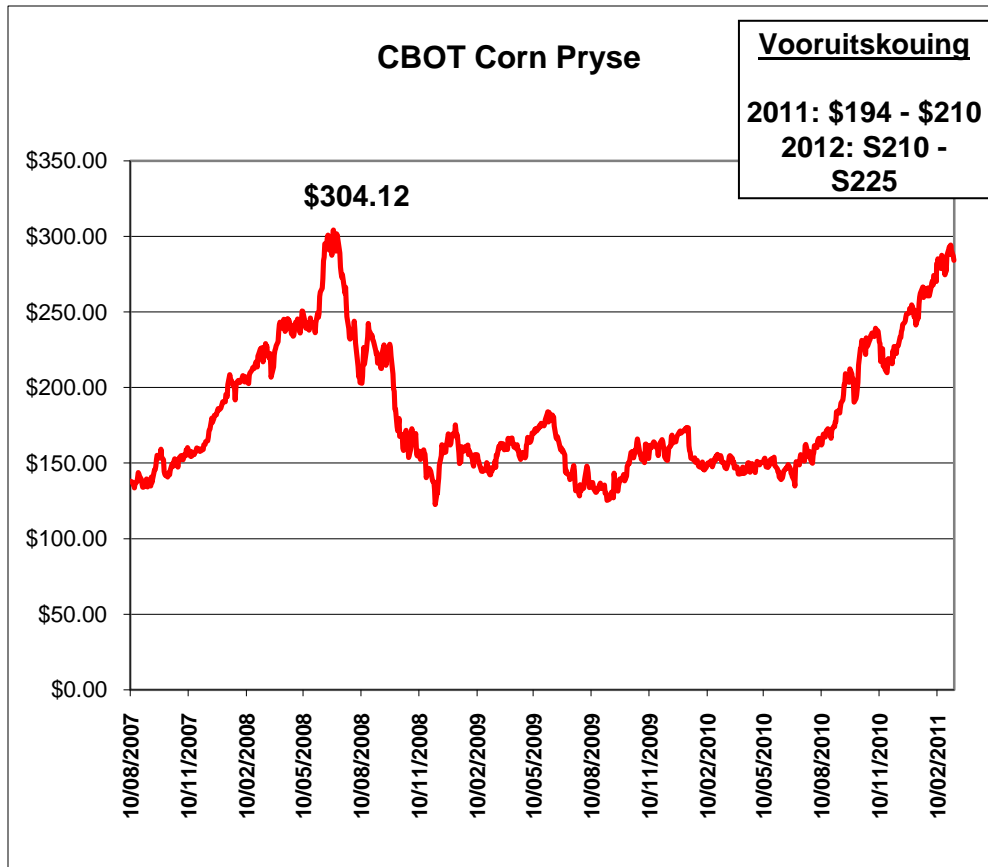


Food Commodity Price Indices

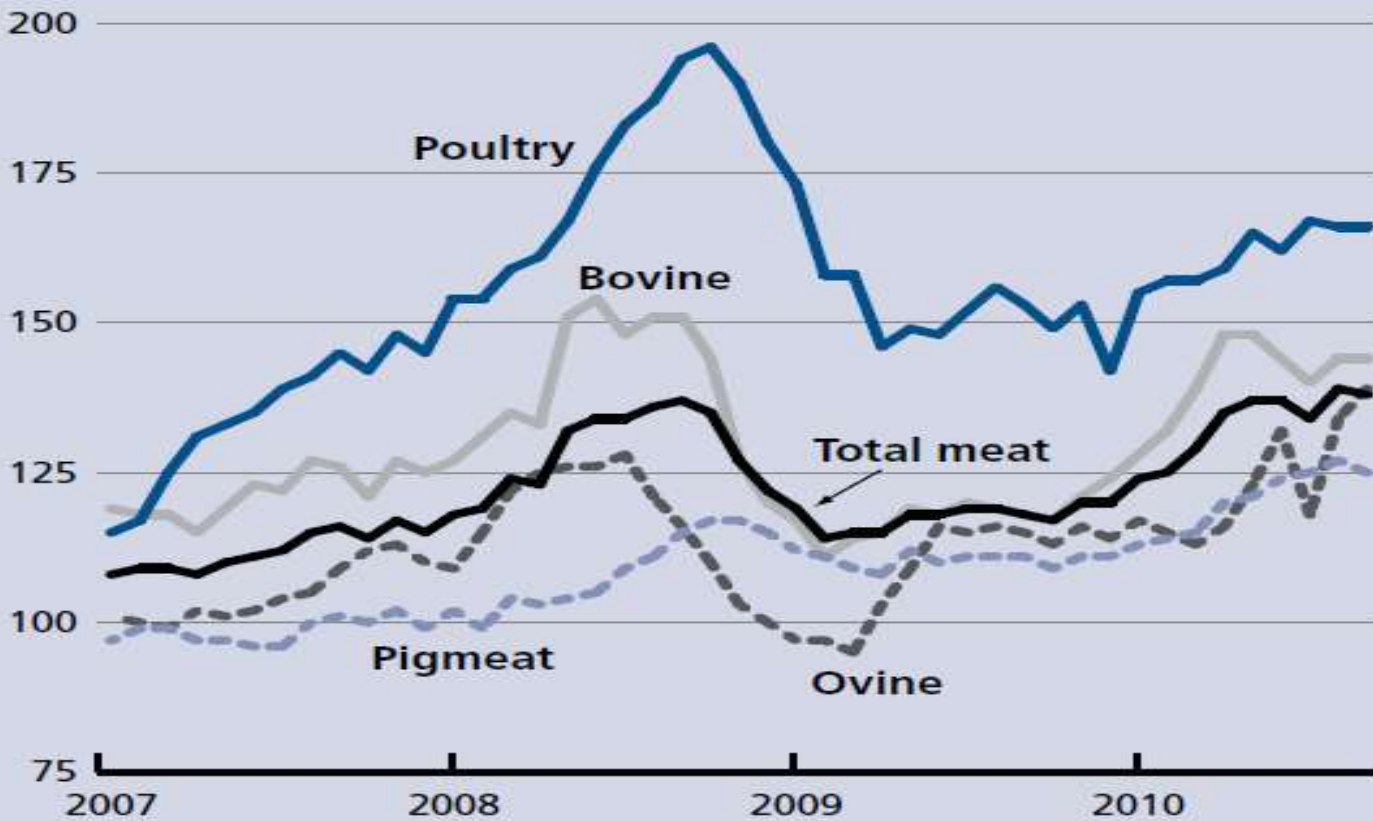
2002-2004=100



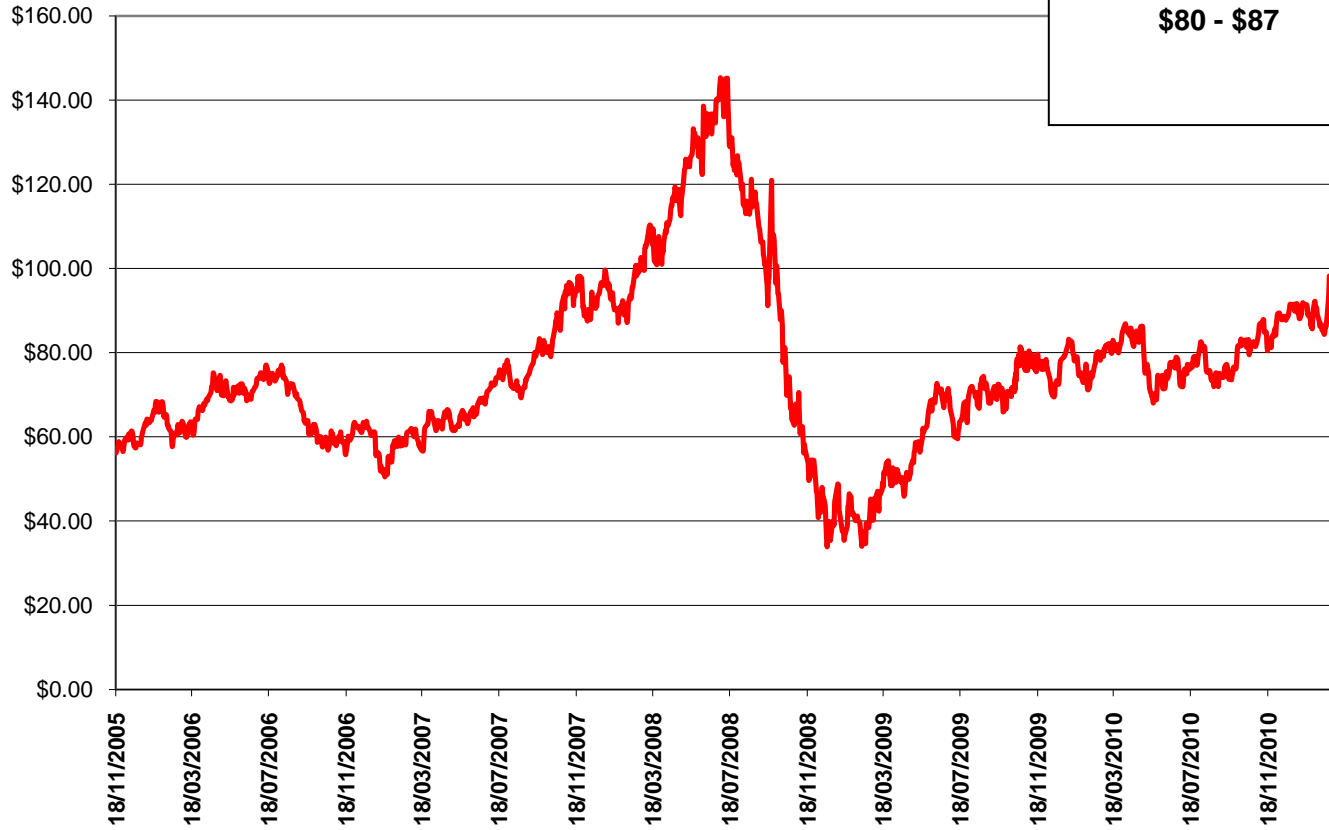
Mielies



FAO international meat price indices (2002-2004 = 100)

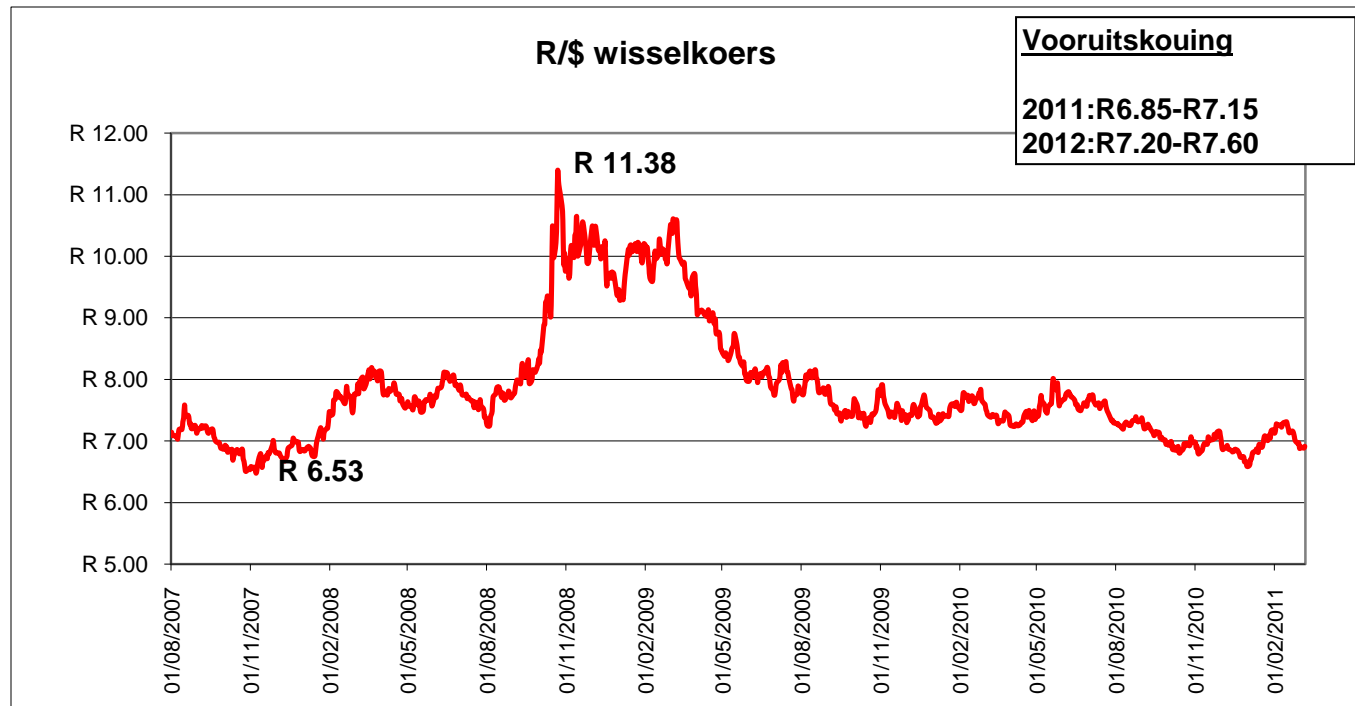


Brent ru-olie (\$/vat)



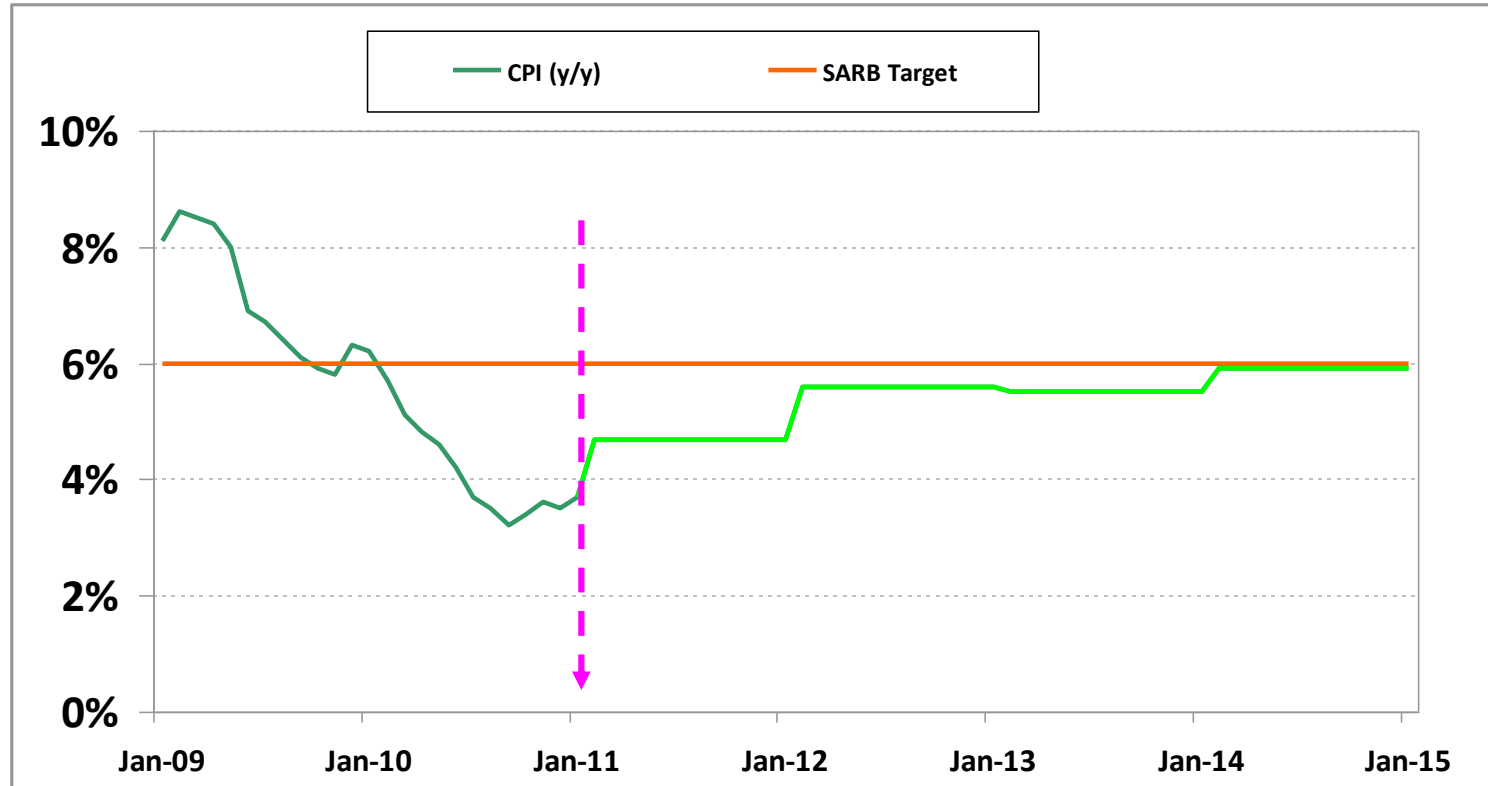
Vooruitskouing
2011: Oct - Dec
\$80 - \$87

Rand/dollar exchange



| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------------|------|------|------|------|------|------|------|------|------|------|------|
| USD/ZA R | 6.41 | 6.35 | 6.77 | 7.05 | 8.25 | 8.45 | 7.31 | 7.00 | 7.10 | 7.20 | 7.70 |

SA inflasie

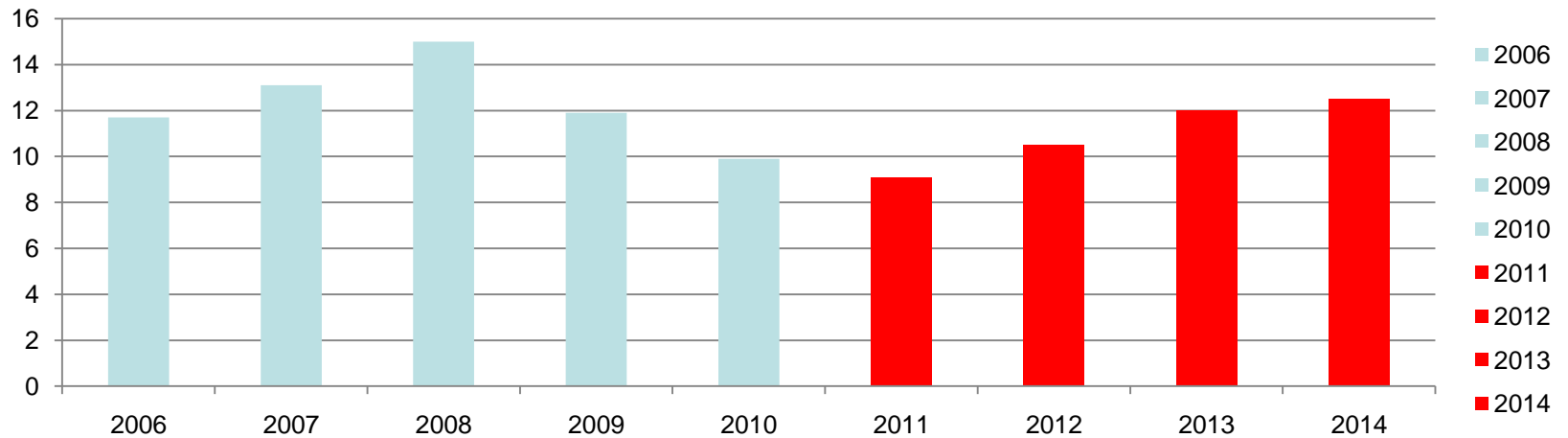


| | 2010 | 2011 | 2012 | 2013 | 2014 |
|----------------|------|------|------|------|------|
| <i>CPI %YY</i> | 4.5 | 5.0 | 5.0 | 5.5 | 5.9 |

Rentekoerse.....onderste draaipunt

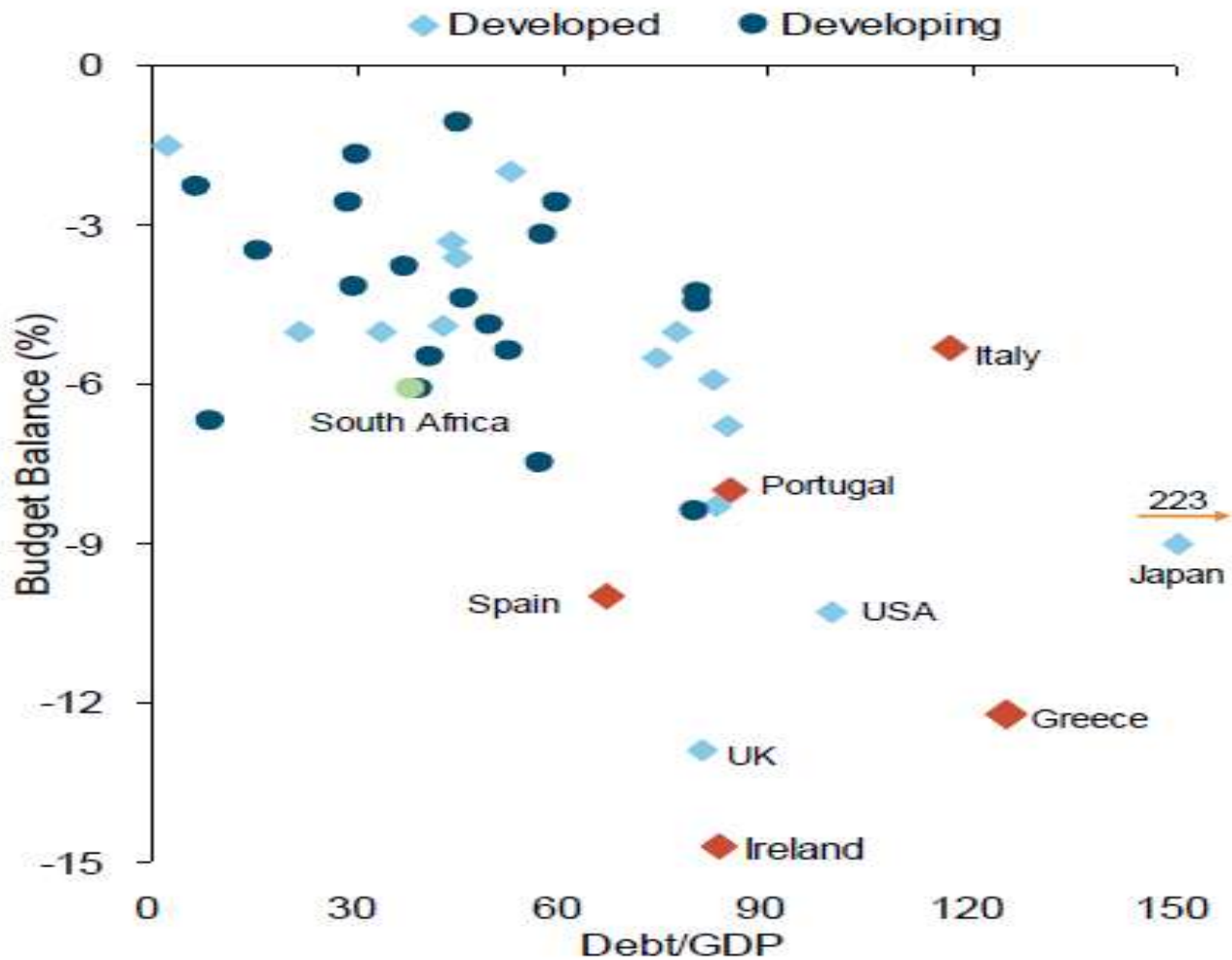
Taylor rule-Prime should now be at 8.9%

Prime avg

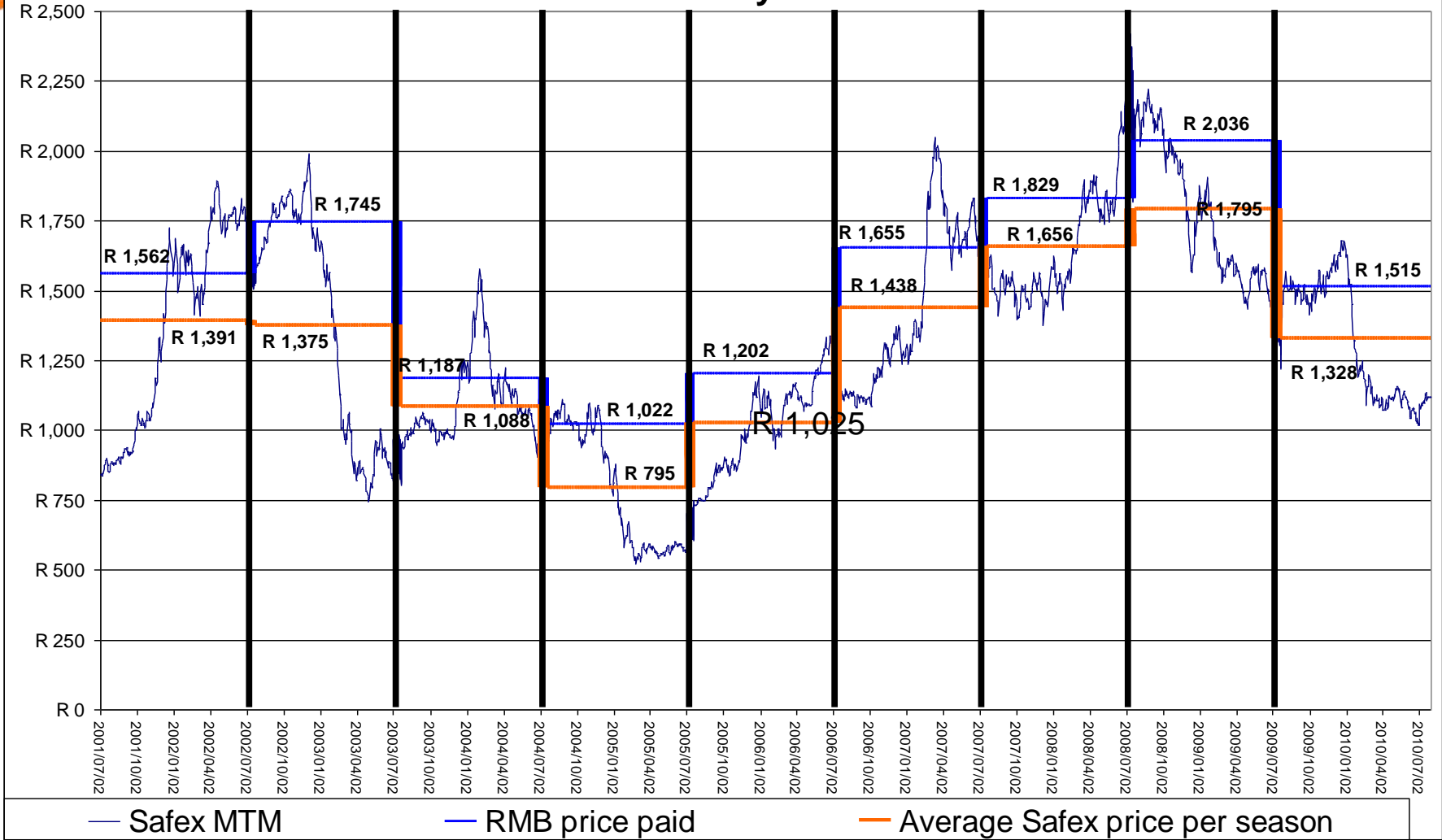


| | <i>2006</i> | <i>2007</i> | <i>2008</i> | <i>2009</i> | <i>2010</i> | <i>2011</i> | <i>2012</i> | <i>2013</i> | <i>2014</i> |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Prime avg</i> | <i>11.7</i> | <i>13.1</i> | <i>15</i> | <i>11.9</i> | <i>9.9</i> | <i>9.1</i> | <i>10.5</i> | <i>12</i> | <i>12.5</i> |

Skuldposisies



WMAZ Prices July 2002 - 2010



Hoe raak dit landbou binne FNB ?

Landbou is n fokus area binne FNB

Voedselproduksie en –sekuriteit in SA en in die wêreld is noodsaaklik

- **Grond Hervorming plaas druk op produksie**
- **SA het die laaste korps kommersiele boere in Afrika**
- **Spulpunt van ontwikkeling en bestryding van armoede in die platteland**
- **Aardverwarming en Groen Energie gaan belangriker word**
- **Belang van landbou in die waardetoevoegingdketting en in wêreldhandel**

Om af te sluit.....

- Landbou se toekoms is positief
- FNB se investering in die landbou is groot
- Ons verstaan landbou se finansiële behoeftes
- Ons is positief oor die toekoms van Landbou

FNB sal daarom voortgaan om te investeer in Landbou, binne die normale krediet kriteria van winsgewendheid en bekostigbaarheid vir kliente en teen 'n billike opbrengs vir die bank



DANKIE EN VOORSPOED