

COVID-19: An update since our last note

Living in and adapting to a fluid environment seems to be the new normal. We bring you a summary of some of the key changes over the past week.

Key market indicators (weekly movement*)

10 53 639.6 ▼ -1.98%	FTSE/JSE Financials TR ZAR 27 625.6 ▼ -5.26%	FTSE/JSE SA Industrials TR ZAR 77 515.5 ▼ -1.34%	FTSE/JSE Fin&Ind TR ZAR 11 870.5 ▼ -2.45%
FTSE/JSE All Bond TR ZAR 732.9 ▼ -0.81%	S&P 500 TR USD 3 193.9 ▼ -4.78%	DJ Industrial Average TR USD 27 111.0 ▼ -5.55%	FTSE 100 TR GBP 6 484.3 ▼ -5.85%
Hang Seng HSI TR HKD 24 301.38 ▼ -1.89%	USD/ZAR 17.08 ▼ -1.18%	GBP/ZAR 21.38 ▼ -0.10%	EUR/ZAR 19.23 ▼ -0.91%

Data as at 12 June 2020. Measurement from Friday 5 June to Friday 12 June 2020. Percentage returns reflect weekly change. Source: Bloomberg.

*Measurement period adjusted due to the public holiday on 16 June 2020.

COVID-19 statistics for South Africa

1 121 958 tests	70 038 positive cases	38 531 recoveries	1 480 deaths
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Data as at 15 June 2020, 10h00. Source: <https://sacoronavirus.co.za/>

Youth Day food for thought

PSG aims to bring its clients holistic advice that also helps them to build intergenerational wealth. Talking to kids about money is part and parcel of setting them up as financially successful adults in the future. We have produced three articles that will help you to have conversations with your children about financial matters.

- Ronald King, Head of Public Policy and Regulatory Affairs, underscores that it is important to teach your children age-appropriate lessons about handling money. Read [Four healthy money habits to teach your kids](#).
- Bertus Visser, Chief Executive of Distribution at PSG Insure, highlights simple lessons you can teach your children that will help put the value of insurance into perspective for them. Read [Four short-term tips for kids, with long-term results](#).
- Anet Ahern, Chief Executive Officer of PSG Asset Management provides five investment basics for kids in plain language anyone can understand. Read [Investment basics for children](#).

SA's financial sector is robust

The South African Reserve Bank (SARB) believes the financial sector in South Africa can withstand the current COVID-19 shock, thanks to significant solvency and liquidity buffers. However, unfavourable macroeconomic conditions and exposure to government debt remain the biggest risks to the stability of the local financial sector. Markets have taken a dim view of financial stocks, due to the currently challenging environment. However, South African commercial banks are well capitalised and have good track records relative to emerging market peers. With a lot of bad news priced into current valuations, this sector may offer buying opportunities as part of a diversified portfolio. Read the full Weekly Investment Insights publication [here](#).

New lockdown directives released

- The Department of Sports, Arts and Culture released a directive that states that training and non-contact sports matches for professional athletes may resume in line with the health protocols, and without any spectators. Golf clubs that adhere to these protocols, are allowed to open. There are strict conditions for the resumption of activities for the sports as defined in the directive.
- The Department of Basic Education published the amended school calendar for 2020.
- The Department of Higher Education published directions for criteria for the return to campuses of public and private higher education institutions.
- The Department of Home Affairs released directions regarding the entry into or exit from the Republic under certain conditions.

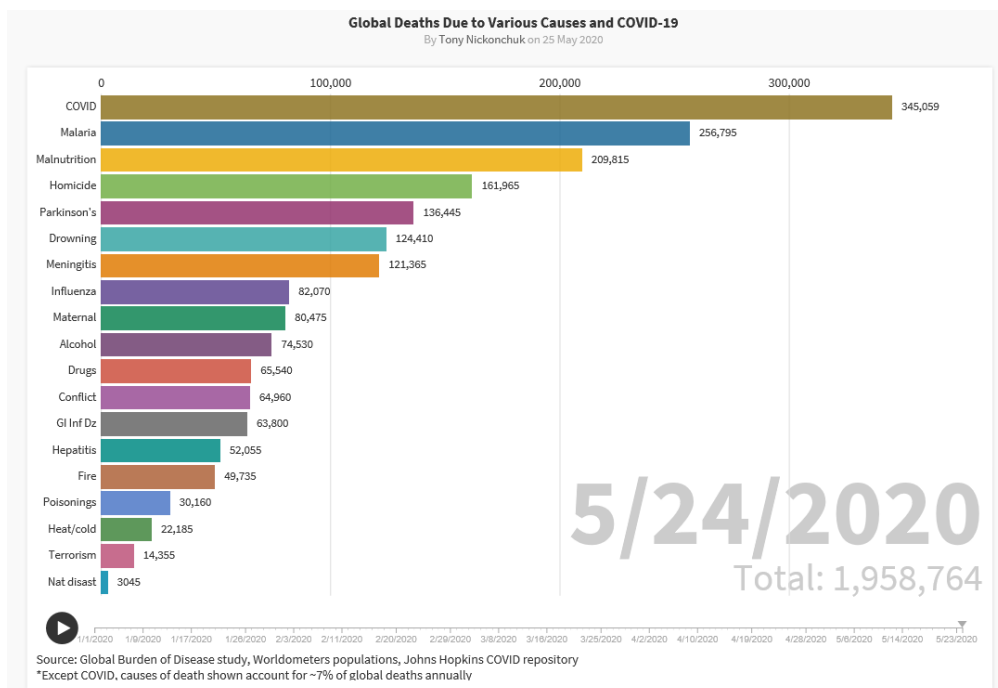
Court rules on lockdown regulations

In *De Beer and Others vs Minister of COGTA*, Judge N Davis on 2 June 2020 delivered judgement on the constitutionality of the Regulations published under the National Disaster Act. Judge Davis found that the announcement of the State of National Disaster was justified, as well as the authority to issue various regulations. These regulations must, however, be tested against the Constitution at all times. Where they limit rights provided by the Constitution such limitations should be rational. The Regulations on education, prohibiting evictions, initiation practices, closure of night clubs and fitness centres, as well as the closure of borders, were found to be rational.

However, the rest were mostly found to be irrational. This included a prohibition on visiting sick persons, but allowing their funerals to be attended, the regulations governing exercise and the regulations on what clothes could be purchased and what could not. Judge Davis suspended the decision on unconstitutionality for 14 days in order for the Minister to rectify the Regulations. Government has decided to appeal the decision.

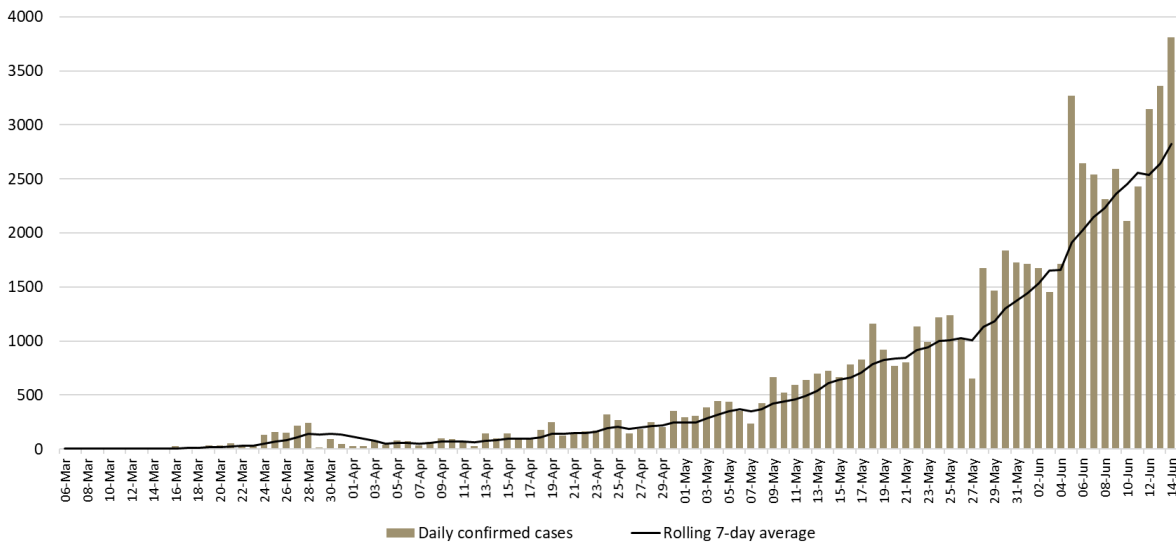
COVID-19 overtakes malaria as cause of most global deaths

Deaths linked to the COVID-19 pandemic have now overtaken malaria, malnutrition and homicide as the leading cause of deaths globally, and the figure is far in excess of the 82 000 deaths caused by influenza.



Source: Cape Talk

South Africa: Daily confirmed cases



Source: Ourworldindata.org and PSG

Snippets

Economic

- President Cyril Ramaphosa has established a [State-Owned Enterprise Council](#) to reposition state-owned enterprises as effective instruments of economic transformation and development.
- Domestic flights for business purposes have resumed between OR Tambo, King Shaka International, Lanseria and Cape Town International Airport.

Health

- Authorities in Beijing are on high alert after they discovered a new cluster of infections in the capital, and have banned inter-province tourism, closed schools and suspended sports events.
- Spain will reopen its borders with members of the European Union’s Schengen Zone and the United Kingdom from 21 June.
- A meta-analysis study funded by the World Health Organisation has shown that the risk of transmitting COVID-19 is 17.4% without a mask, and 3.1% with a mask.

Be safe online

We encourage all our clients to employ good cybersecurity practices. Click on the infographic below to read a brief ‘starters guide’ to cybersecurity.



Keep it under lock and key



Trust must be earned



Bank on them trying their luck



Staying alert is the best medicine

We also remind you that the official government site for COVID-19 news is: <https://sacoronavirus.co.za/> and our previous communication on the topic can be found at: <https://www.psg.co.za/support/faq/general/covid-19>.