



POSITIONING FOR A RECOVERY

22 APRIL 2020

ANCHOR

NAVIGATING
CHANGE

ANCHOR FIXED INCOME MARKET UPDATE

NOLAN WAPENAAR
CO-CIO AND FUND MANAGEMENT



AGENDA

Relief Programmes

US Yields

South African Yields

The Rand



US RELIEF PROGRAMMES



List of Programmes in the United States

NATURE	ESTIMATED SIZE (\$BN)	PROGRAMME
Financial Market Support	2 400	Quantitative Easing
Financial Market Support	500	Primary Market Corporate Lending Facility
Financial Market Support	250	Secondary Market Corporate Lending Facility
Financial Market Support	100	Term Asset Backed Loan Facility
Financial Market Support	500	Municipal Lending Facility
Total	3 750	17,8% of GDP to ensure that funding for corporate sector is available and does not freeze up.
SMME Support	2 200	CARES Act.
SMME Support	550	Paycheck Protection Programme Liquidity Facility
Total	2 750	13% of GDP to support SMME.

SA RELIEF PROGRAMMES

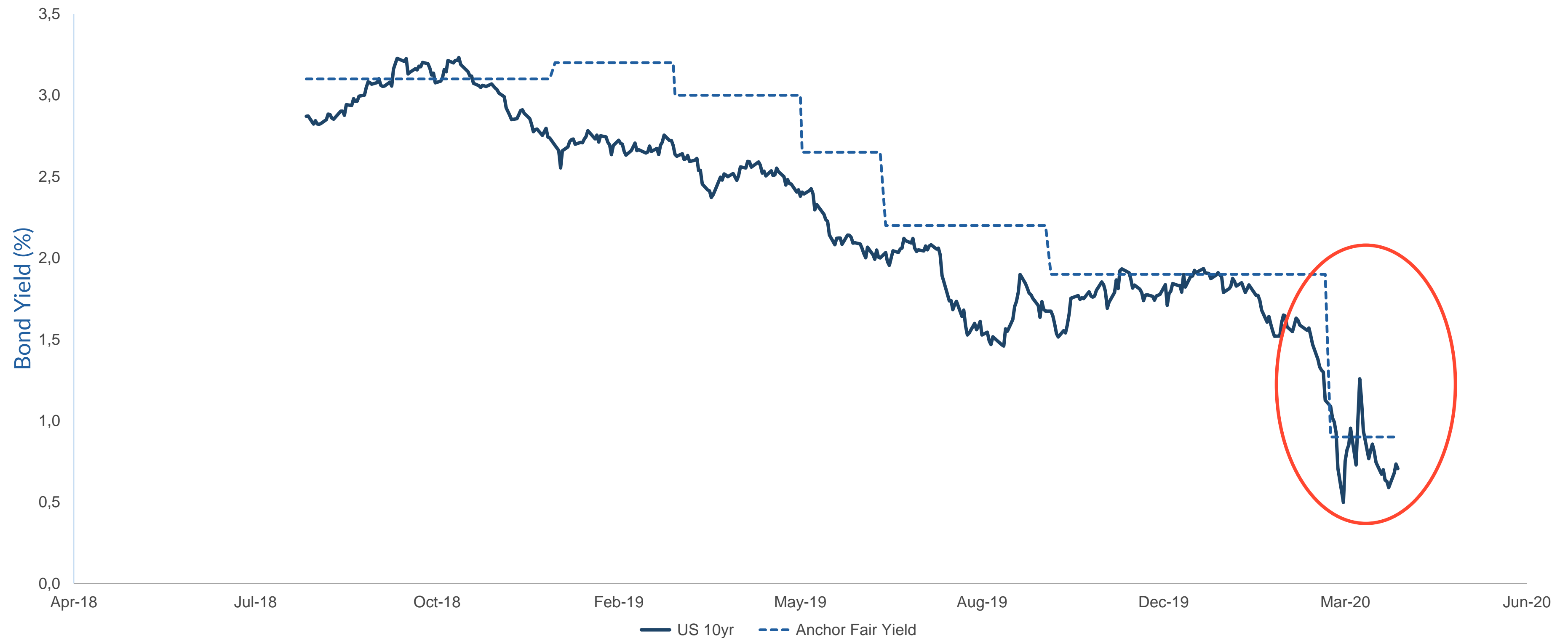


List of Programmes in South Africa

NEW COST TO TAX PAYER	ESTIMATED SIZE (R'BN)	PROGRAMME
Nil	200	Guarantee Fund for loans and restructuring
Nil (Already in the budget)	130	Social grants and COVID expenditure
Nil (UIF funded)	100	Job security fund
Nil	70	Tax payments are deferred to later in 2020
Nil	80	Interest rate cuts
YES	70	Infrastructure development funded by loans from development agencies
Total	650	14% of GDP to support SMME.

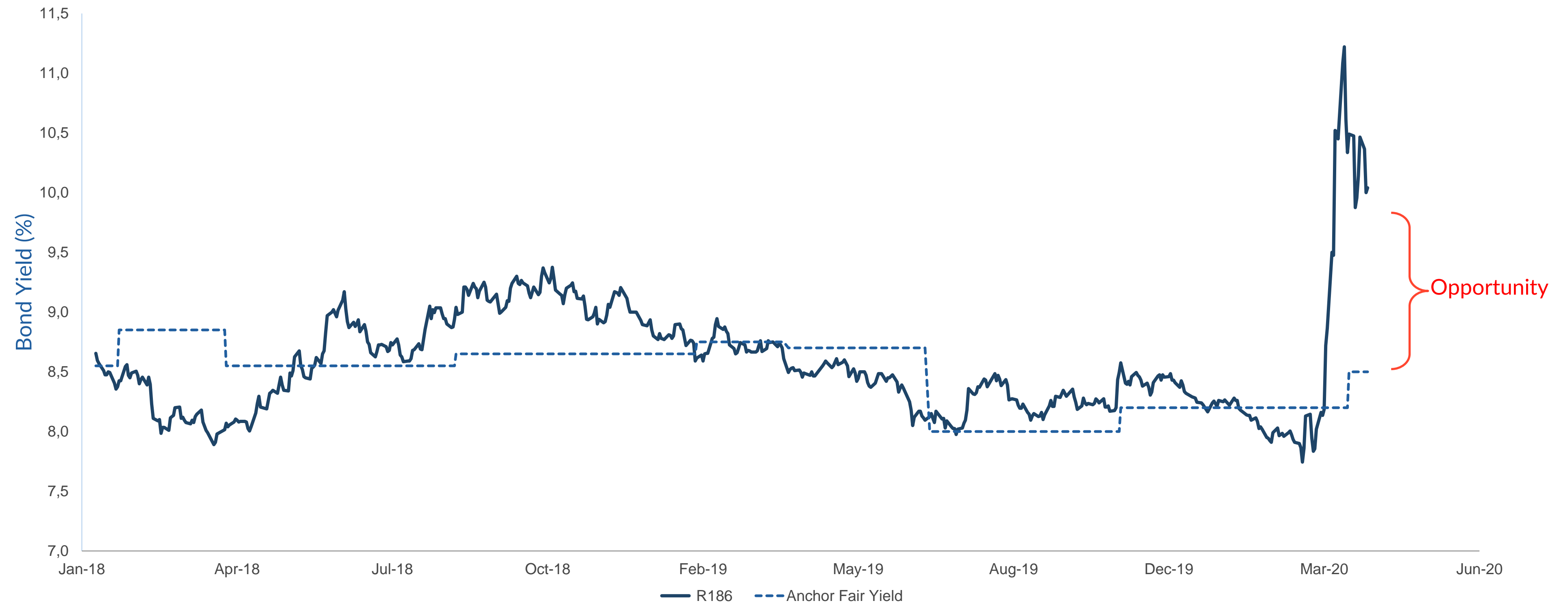
US BONDS – WHY NOT ZERO (OR NEGATIVE)?

ANCHOR US BOND YIELD MONITORING



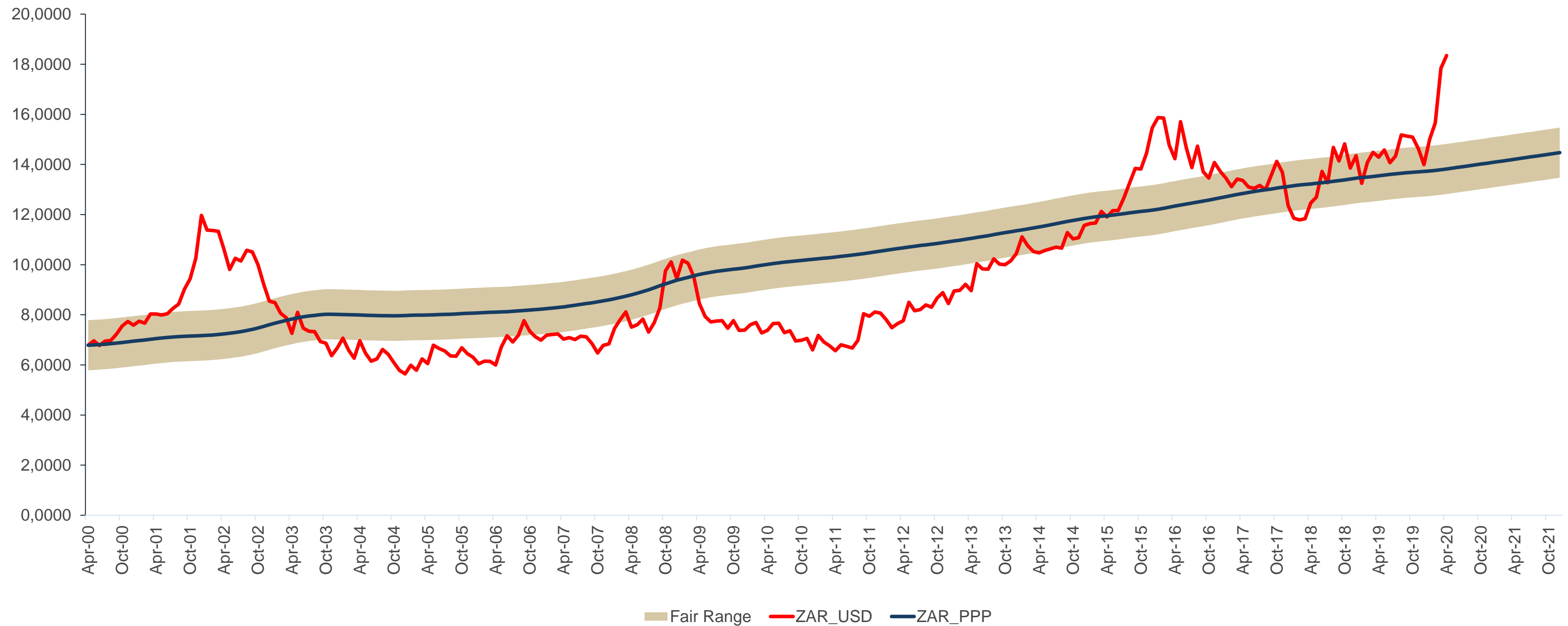
DOMESTIC BONDS – EXTREME BY ANY MEASURE

ANCHOR SA BOND YIELD MONITORING



CURRENCY – VERY STRETCHED

ACTUAL ZAR/USD VS ZAR PPP MODEL



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