Private | RMB

A trusted advisor helping clients
grow and protect their wealth

FNB Economics

ABC 2026

October 2026



IMF global outlook: resilience under strain

Growth is holding up, but the expansion is increasingly uneven, inflationary and exposed to downside risks

GROWTH

3.1% → 3.4%

Slows in 2026, then rebounds in 2027.

GLOBAL ECONOMY

Resilient, but buffers are narrowing

More uneven • more costly • more fragile

GROWTH DIVIDE

Technology winners pull ahead

AI investment supports activity; energy importers outside the tech value chain face greater strain.

INFLATION

4.7% → 4.1%

Near-term pressure rises before easing in 2027.

POLICY PRIORITY

Rebuild fiscal space

Preserve monetary and financial stability; lift potential growth.

DOWNSIDE RISKS

Risks remain tilted lower

Conflict escalation, trade tensions, fiscal vulnerabilities and an AI repricing.

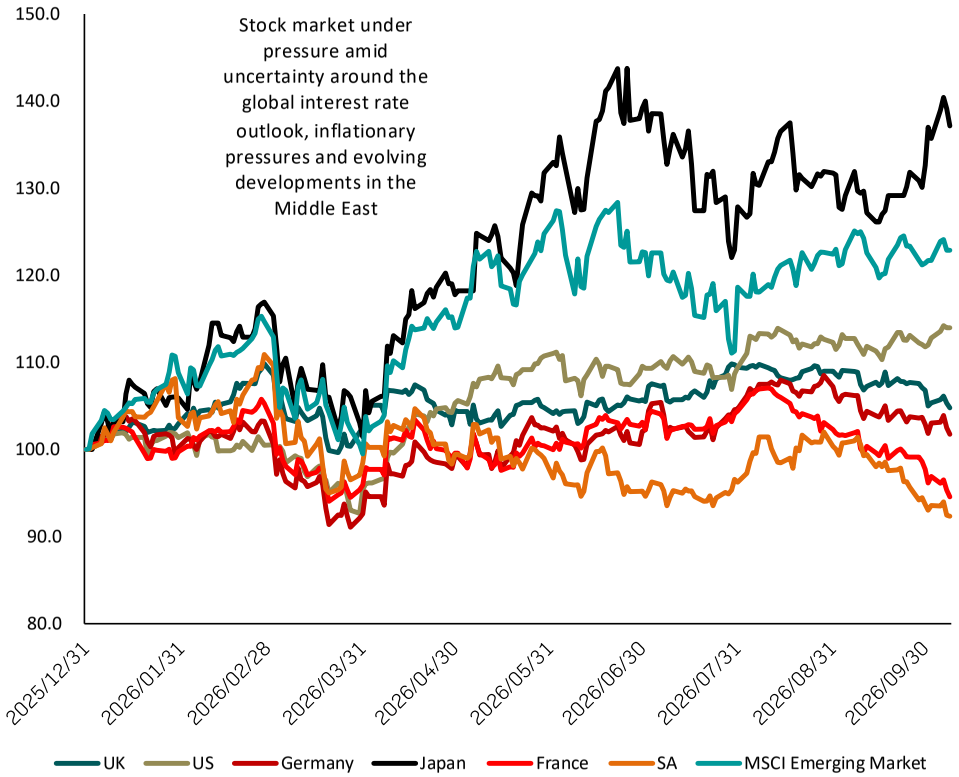
Resilient global growth does not guarantee easier financial conditions: inflation, fiscal pressure and geopolitical risk can keep yields elevated and markets volatile.

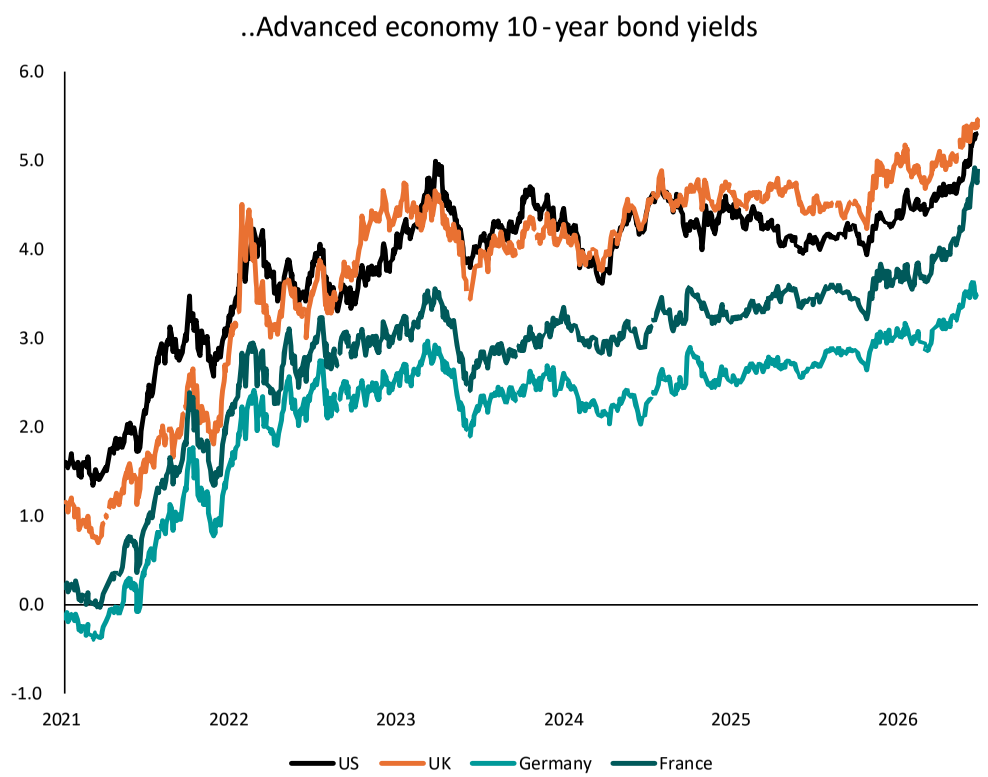
FNB Economics

Source: IMF WEO, FNB Economics

Movements in global stocks and yields

Yields at record highs in advanced economies

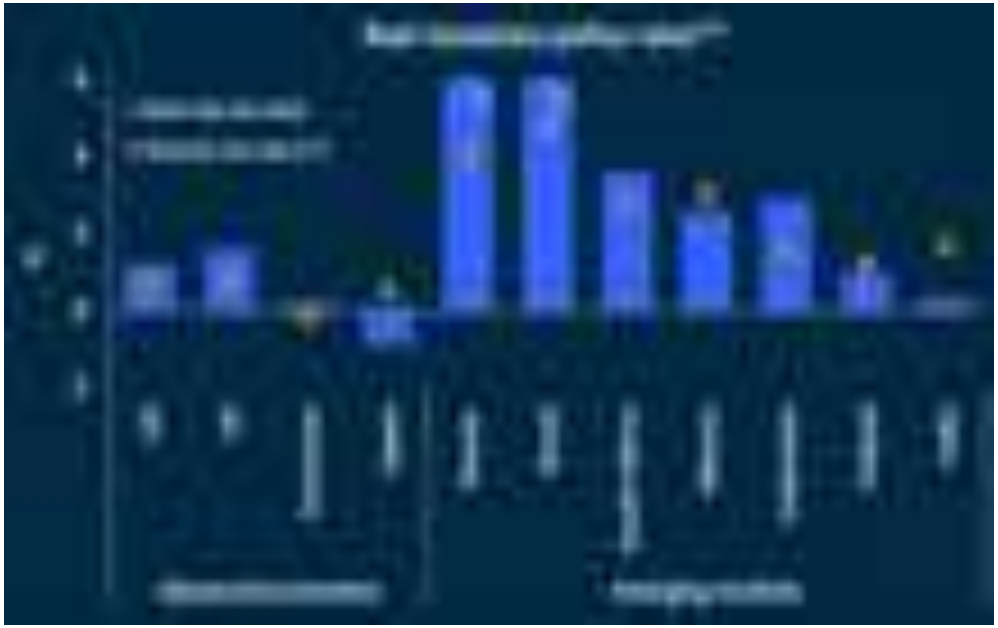


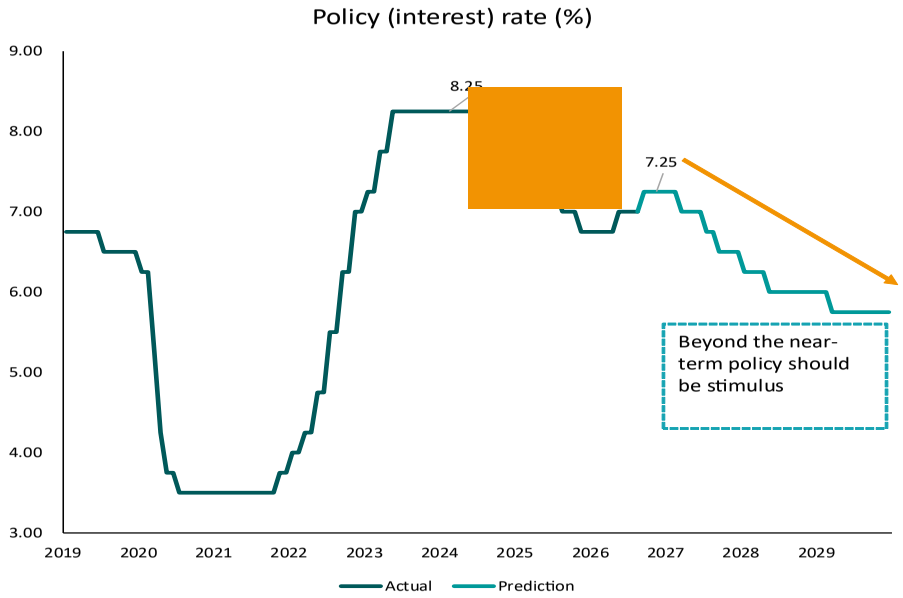


FNB Economics

Source: Bloomberg, FNB Economics

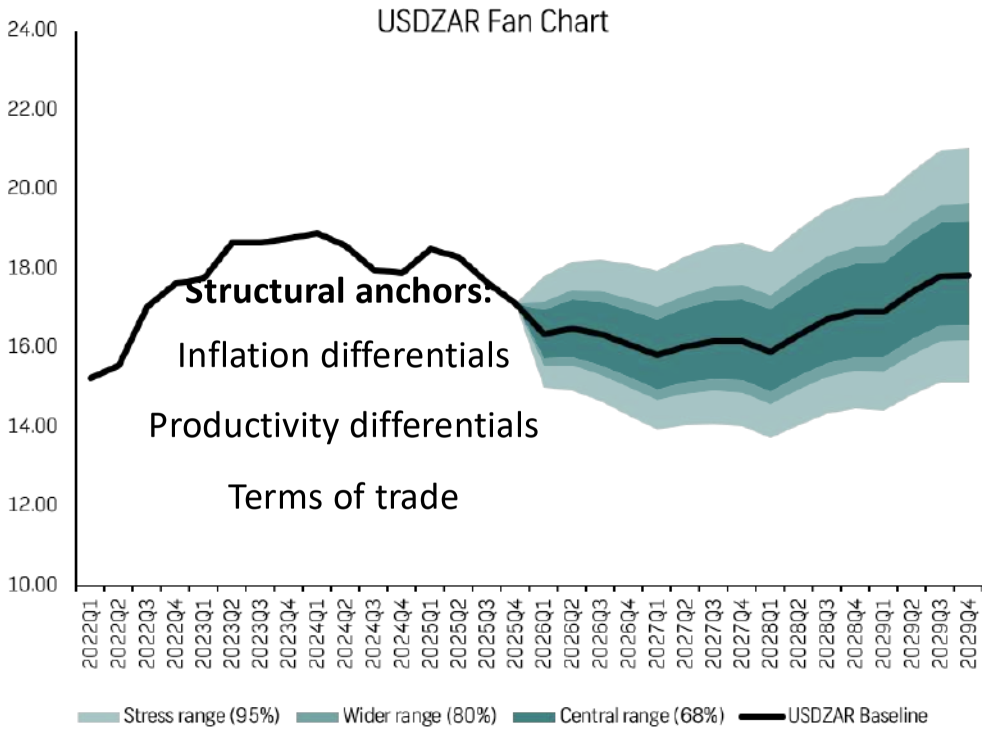
…And interest rates have temporarily risen with room for the SARB to only cut later

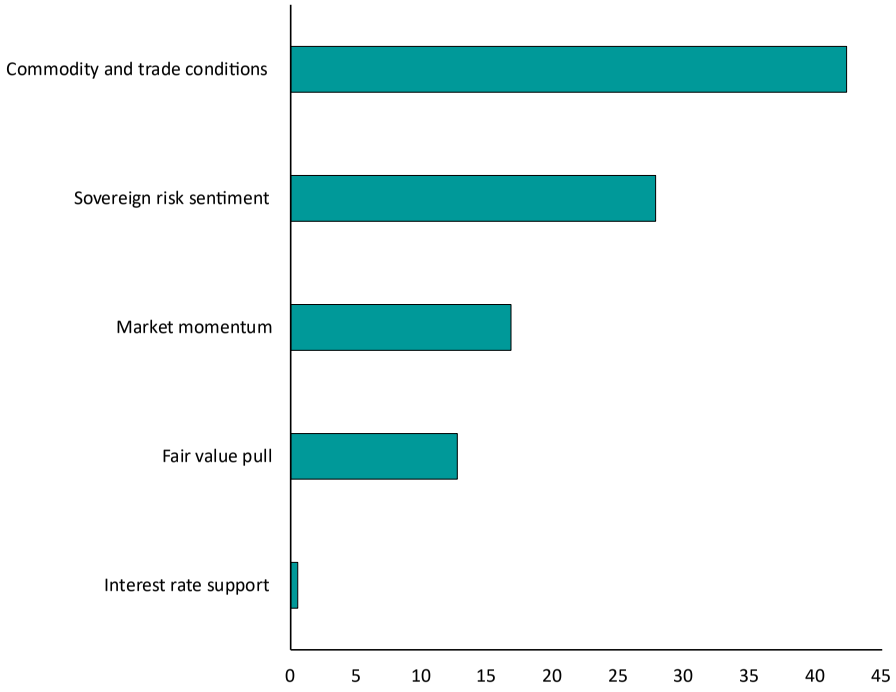




The rand and global risks

…At R16.65/$ the rand is undervalued give prevailing fundamentals



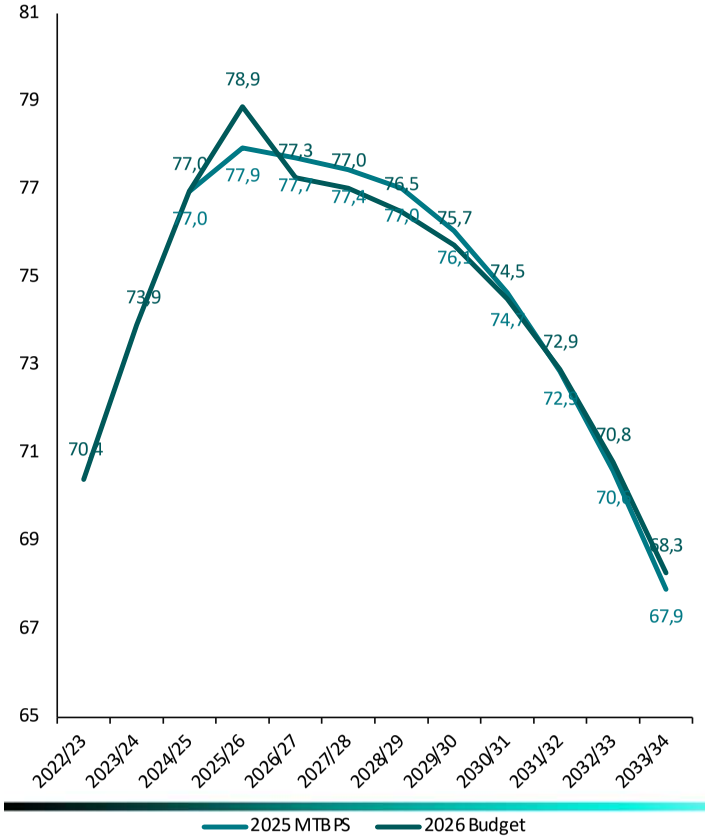


Source: Bloomberg, SARB, FNB Economics

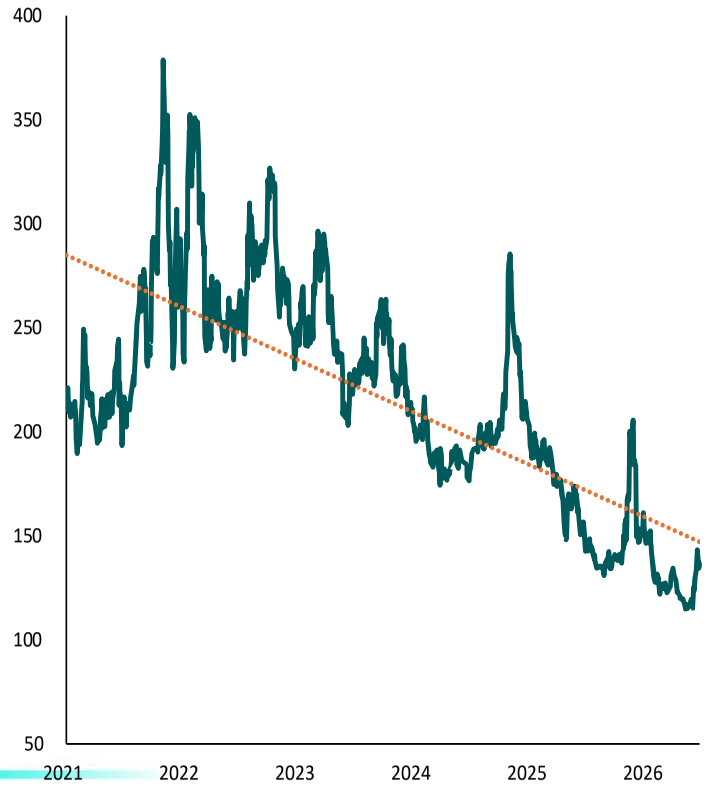
Government focused on fiscal consolidation

…And rating agencies have steadily become constructive on SA fundamentals

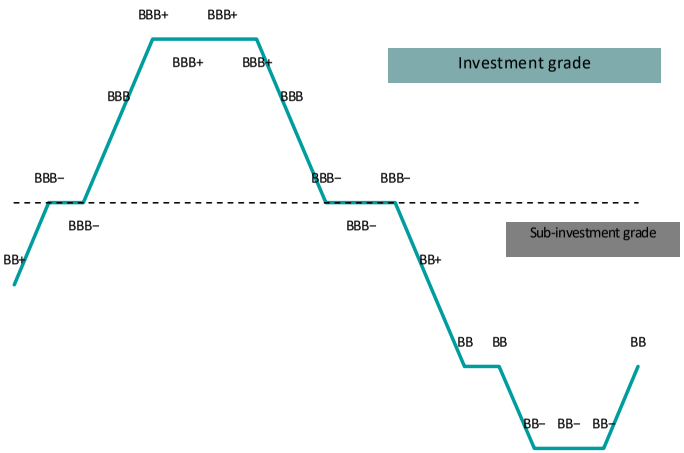
Gross debt % of GDP



…SA 5-year CDS



SA ratings history by S&P Global
1998 to 2025

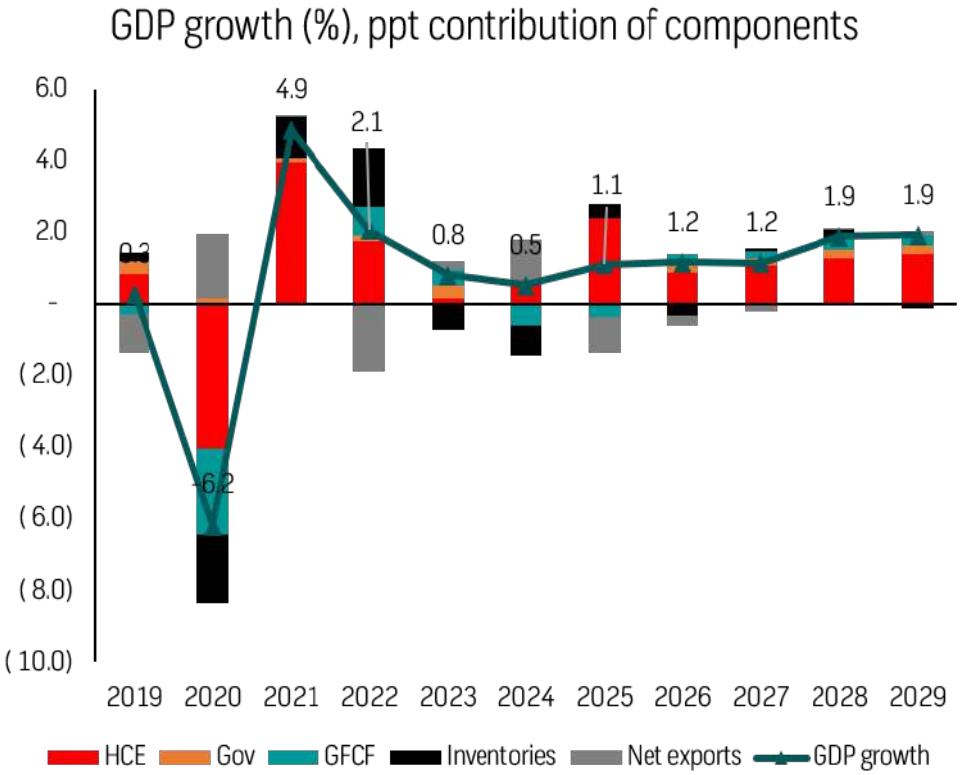


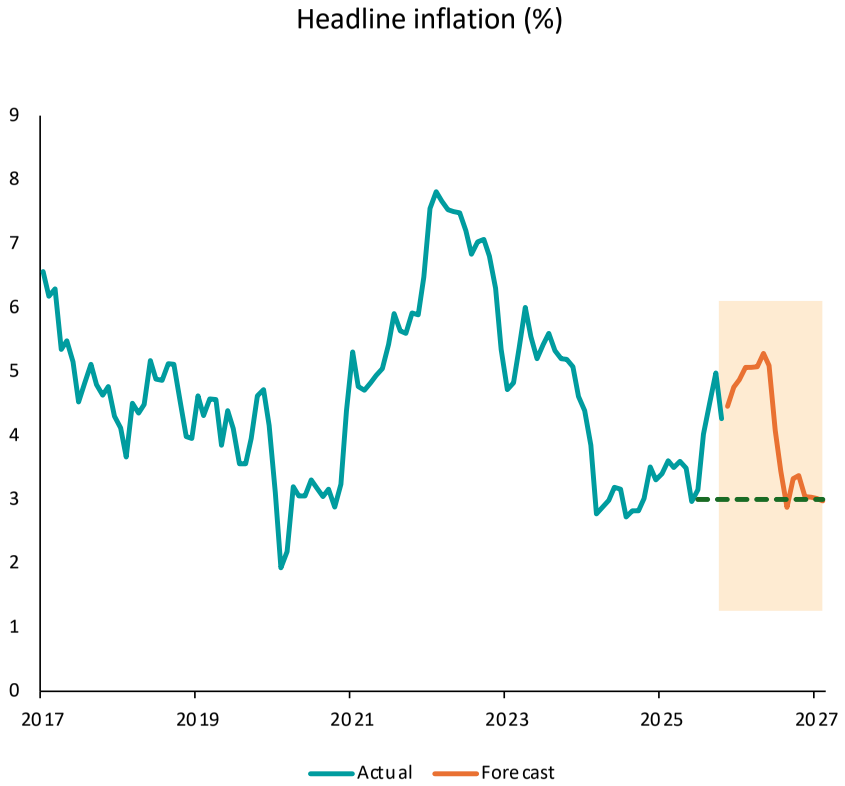
FNB Economics

Source: Bloomberg, SARB, FNB Economics

Private Banking and Wealth Management

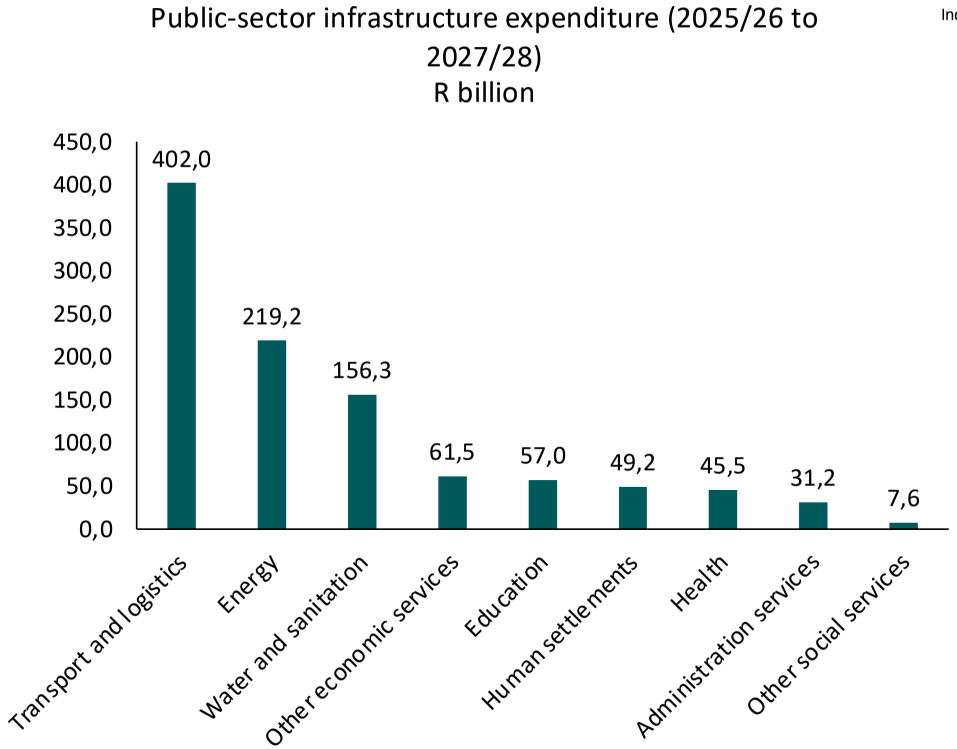
Growth remains subdued, with an uneven recovery





Source: SARB, IMF, FNB Economics

Infrastructure investment offers growth opportunities, but weak confidence may constrain private-sector participation





Source: National Treasury, BER, FNB Economics

Three key questions?

Will inflation sustainably converge towards 3%?

This will determine the long-term interest-rate structure

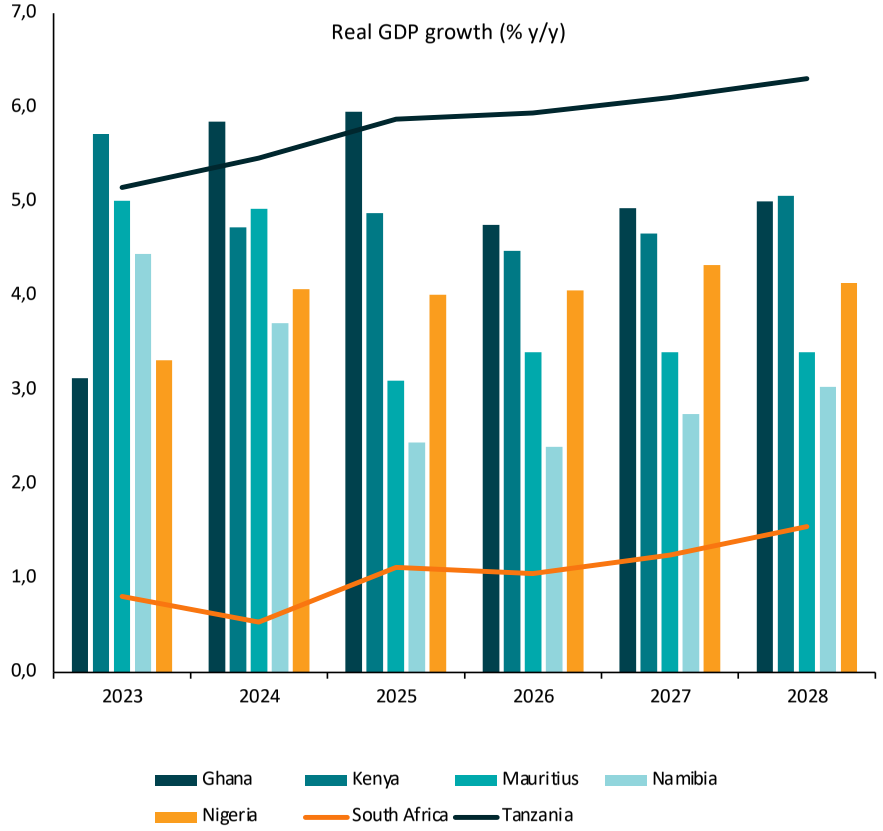
When does the SARB become comfortable easing?

This will determine duration and re-investment risk

Can SA transition from stabilisation to growth?

This will determine the outlook for credit, equities and long-term investment returns

A differentiated African opportunity set



South Africa

BENCHMARK

8
markets

Growth & market scale

Kenya
East African growth and services hub

Ghana
West African growth market

Côte d'Ivoire
One of Africa's fastest-growing economies

Nigeria
Largest economy and consumer market

Infrastructure & tourism

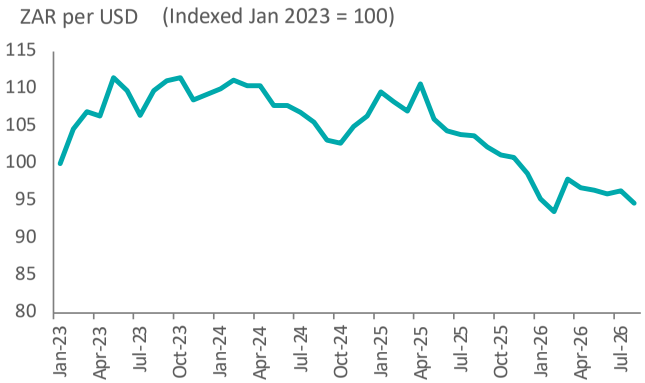
Tanzania
Strong growth and port/ infrastructure investment

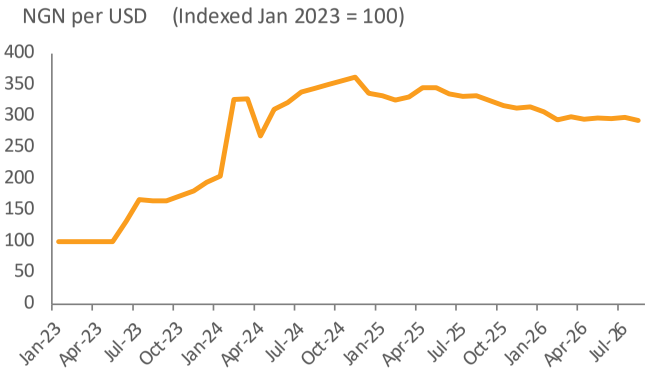
Namibia
Marine and port relevance (Walvis Bay)

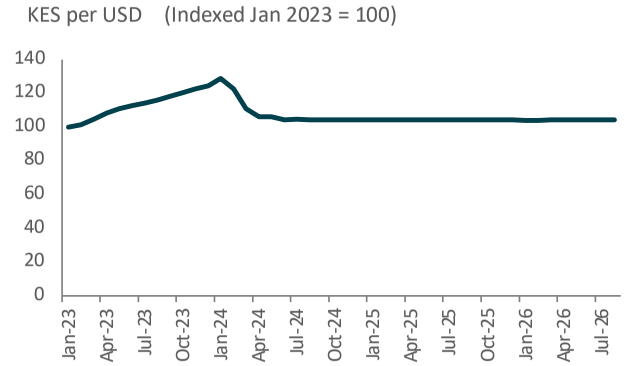
Mauritius
Tourism and marina development success story

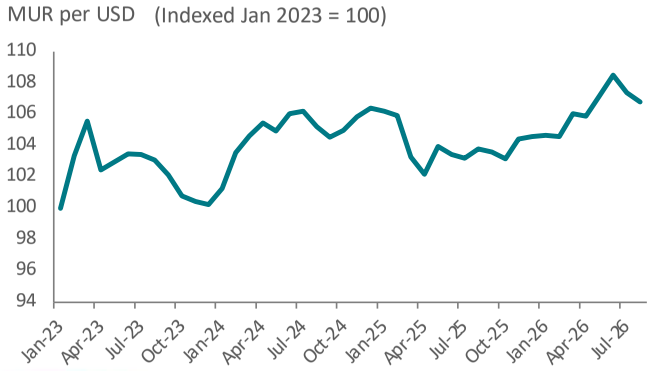
Source: SARB, IMF, FNB Economics

Currency volatility has divergent implications for importers, exporters and investors









Importers

Higher costs for imported equipment and components

Exporters

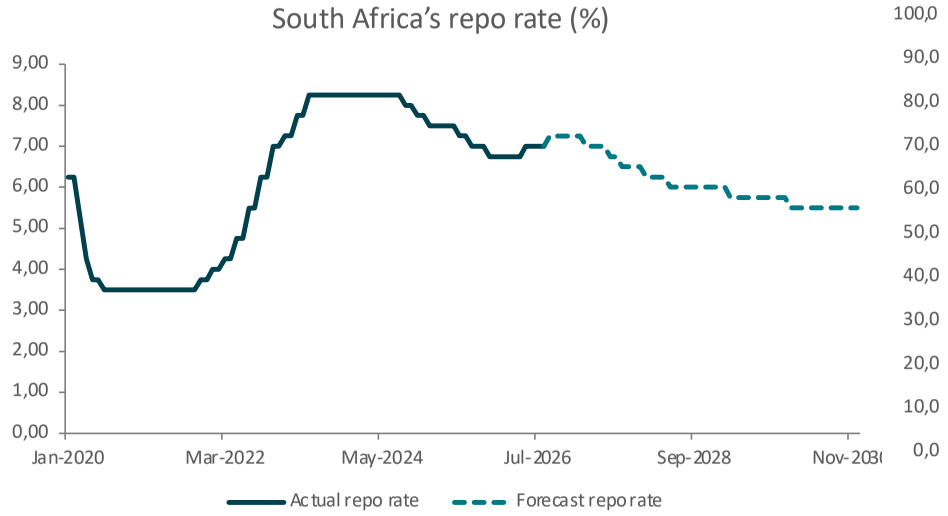
Improved competitiveness and foreign-currency earnings

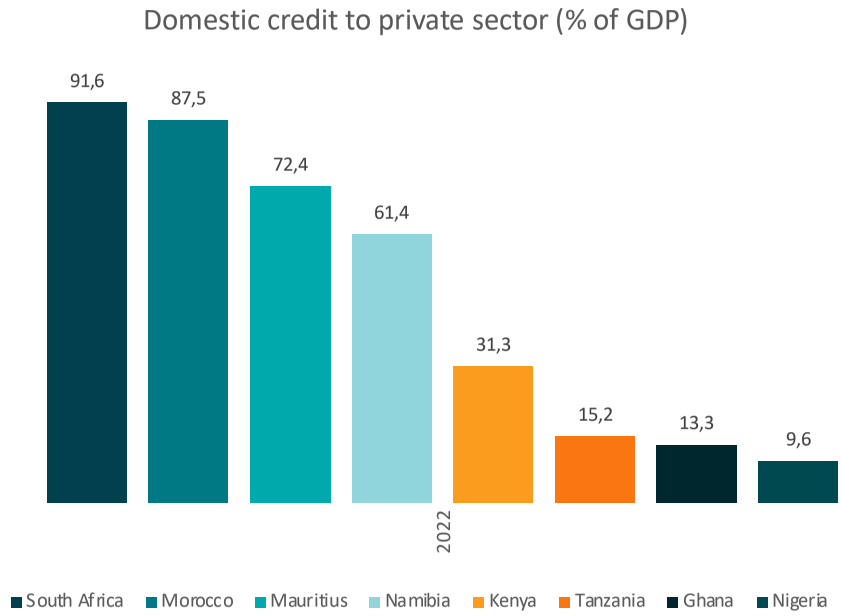
International investors

Lower foreign foreign-currency returns and increased FX risk

Source: IMF, FNB Economics

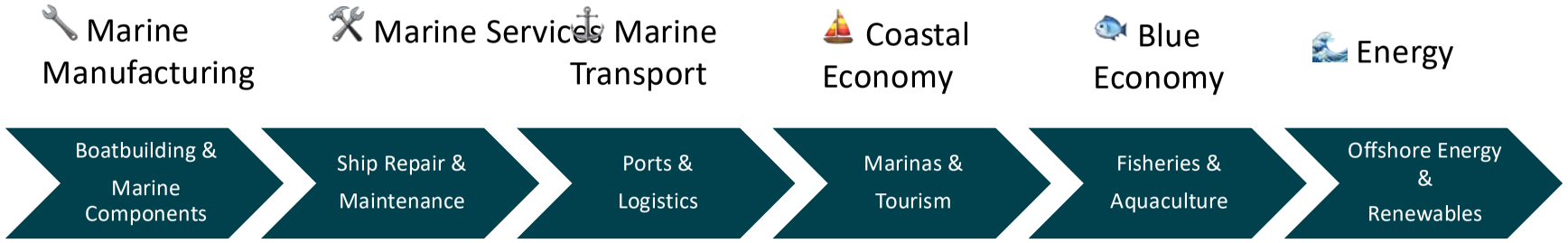
Rates should support borrowing, but access to capital remains uneven across Africa





Source: SARB, World Bank, FNB Economics

South Africa's oceans economy spans multiple interconnected industries

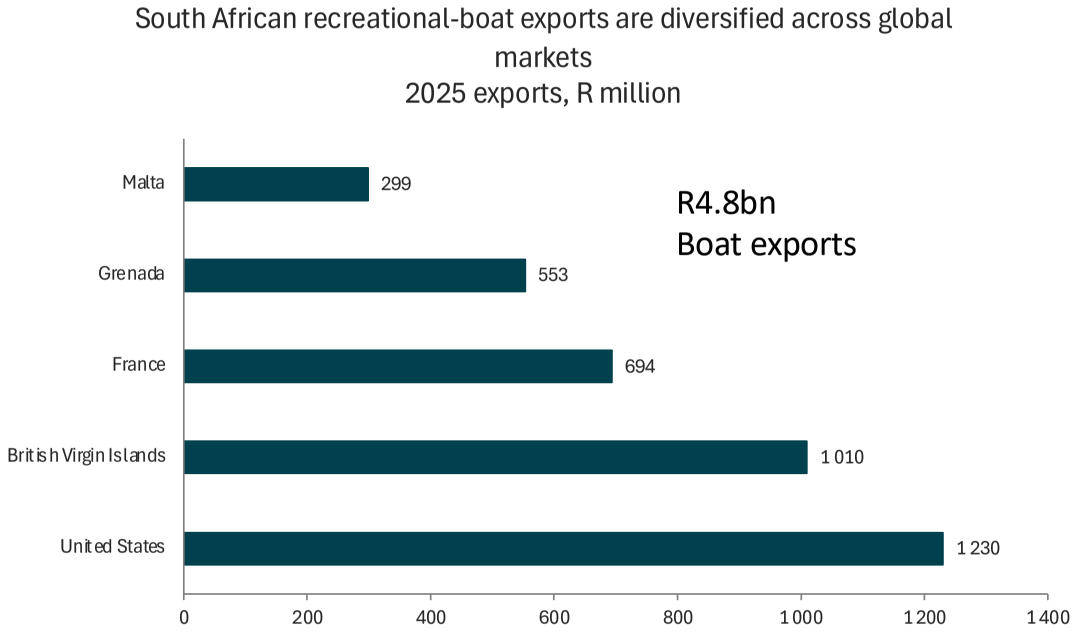


South Africa's oceans economy spans manufacturing, logistics, tourism, food production and offshore energy, creating multiple points for investment and job creation.

GDP Contribution	Employment Contribution
4.47%	2.86%

Source: DFFE, FNB Economics

Strong recreational-boat exports provide a platform for deeper component localisation



South Africa's boatbuilding industry has established export markets in the US, Caribbean and Europe, providing a platform for greater local component production and value addition

Localisation opportunity

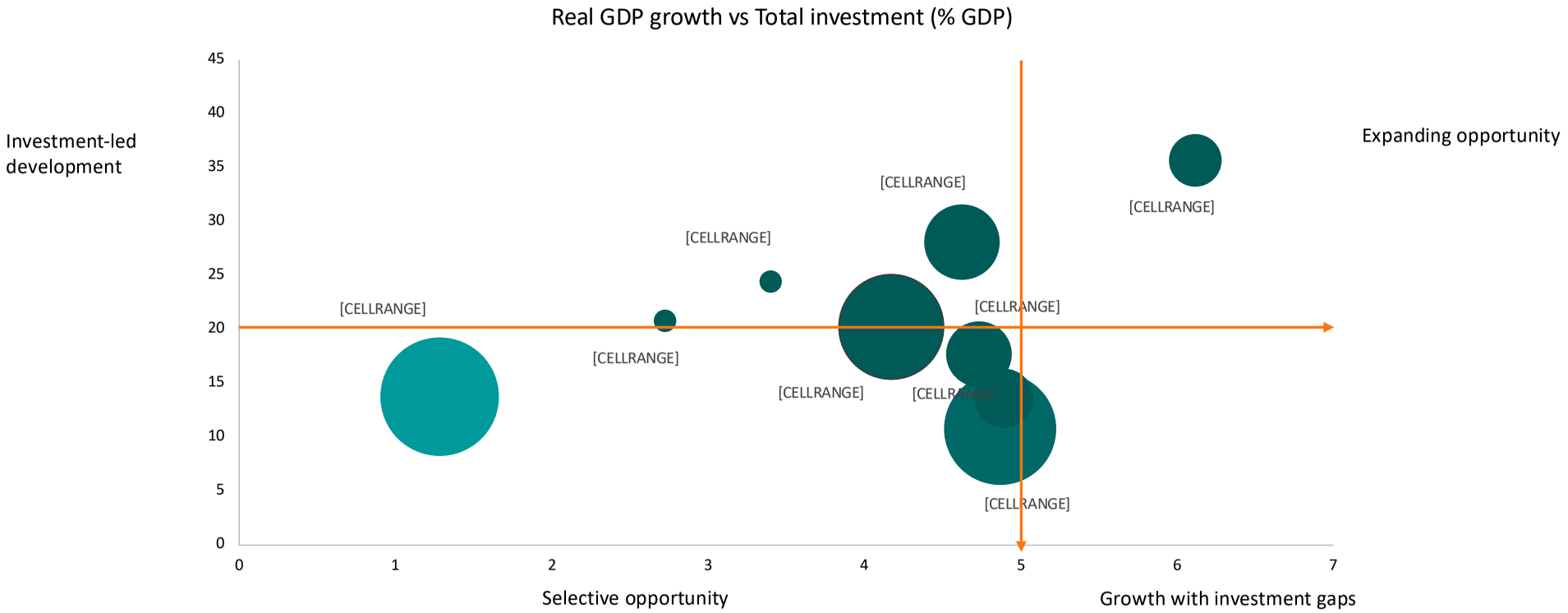
- Imported engines, electronics and certified components
- Domestic supplier development
- Marine-component certification
- Higher domestic value added
- 59% of manufacturing inputs are attributable to imports

Binding constraints

- Port and launching infrastructure
- Technical skills and certification
- Regulatory complexity
- Long production cycles and working-capital requirement

Source: Productivity SA (2026), DFFE, OEC, FNB Economics

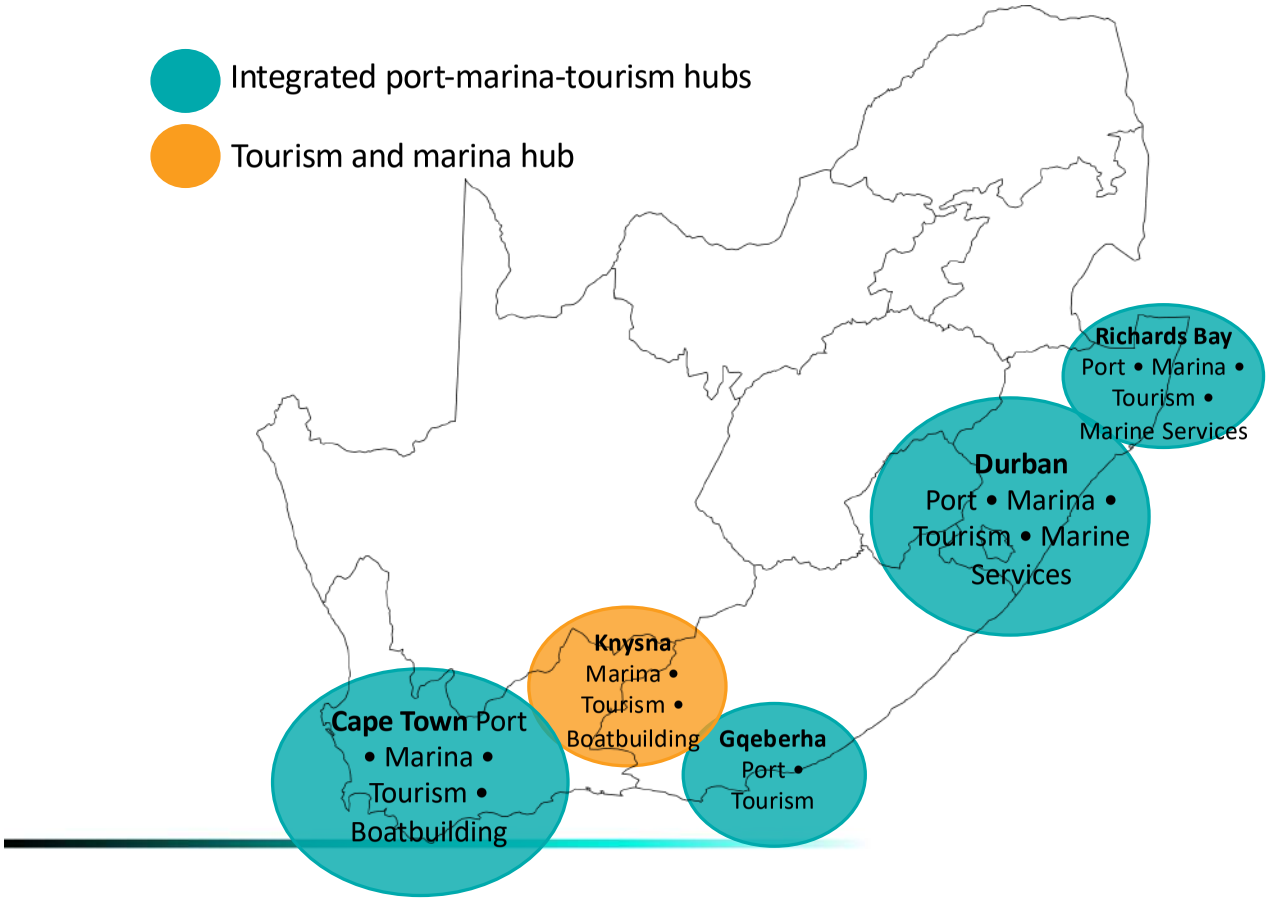
Faster growth and stronger investment intensity are creating opportunities in selected coastal markets



Source: IMF, FNB Economics

Ports, marinas and tourism form an interconnected investment case

…Major coastal hubs combine port infrastructure, marine services and tourism activity.



Ports & Marinas
↓
More Vessel Activity
↓
Marine Services Demand
↓
Tourism & Hospitality Growth
↓
Employment & Investment

991,696 International Tourists
+12.5% y/y Tourist Growth
97.5% Holiday Travel Share

Source: Stats SA, FNB Economics

Private | RMB

A trusted advisor helping clients
grow and protect their wealth

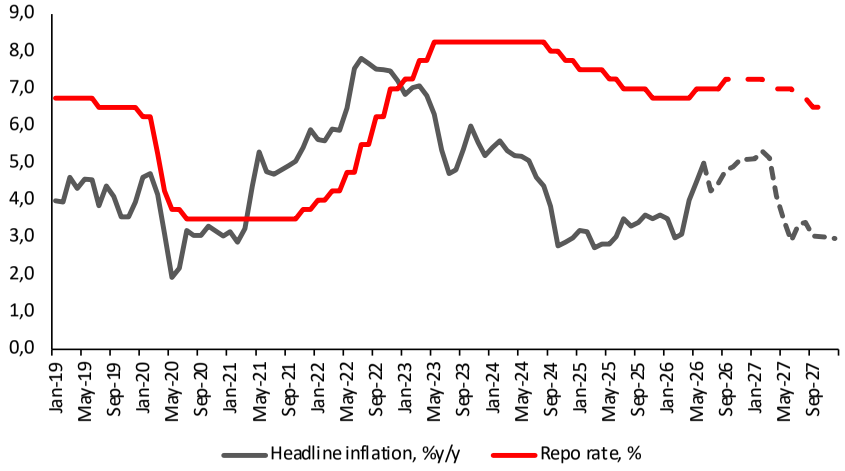
Thank You



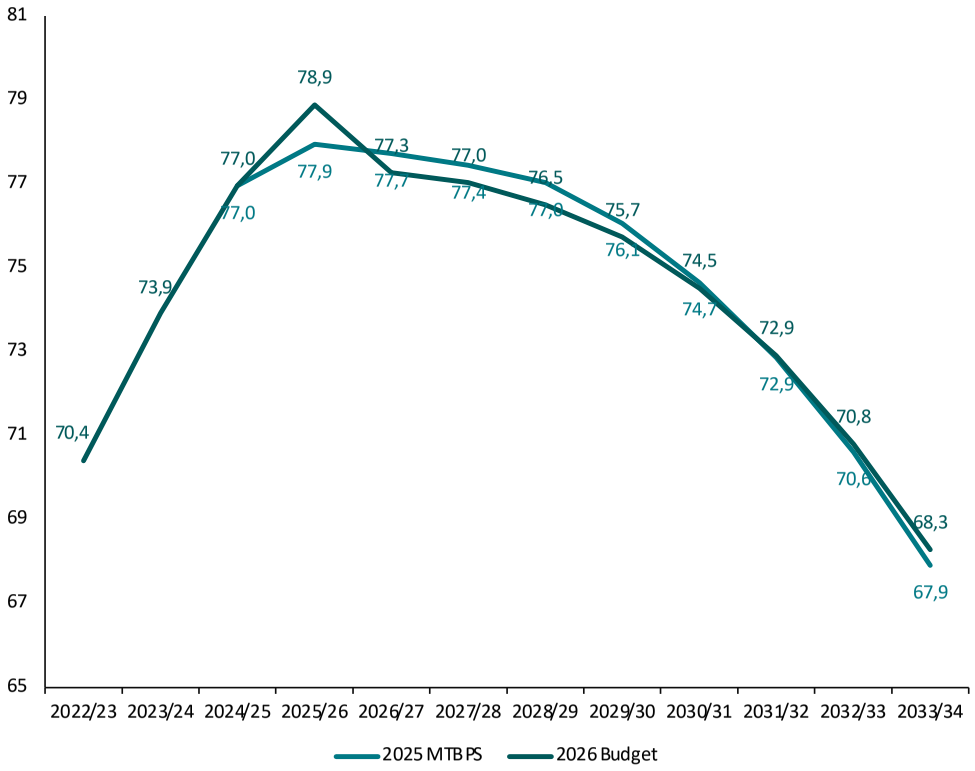
Private Banking and Wealth Management

Lower rates should support demand, while fiscal consolidation improves financing conditions

Headline vs repo



Gross debt % of GDP



	2025	2026	2027	2028
USDZAR	17.9	16.5	16.9	17.4
Food	4.1	2.4	3.6	3.6
Fuel	-5.8	15.6	-3.5	-7.9
Electricity	9.9	9.9	9.0	5.4
Oil	69.0	92.4	76.8	66.4
Core	3.2	3.8	3.4	2.6
Headline	3.2	4.3	3.5	3.0

Source: Stats SA, SARB, National Treasury, FNB Economics