



## OPPORTUNITY PRIVATE CAPITAL

Economic Snapshot February 2021

### LOCAL HIGHLIGHTS & LOWLIGHTS

- All-Share Index on 15 Feb 66,132, 1y return of 18.47%.
- Market PE ratio: 30.2
- USD/ZAR currently strong at R14.47/\$
- South Africa 10Y Government Bond yield: Current 9.27

(Data: Bloomberg; Sharenet;  
[www.tradingeconomics.com](http://www.tradingeconomics.com))

### NEWS

- The Rand (ZAR) turned 60 years old on 14 Feb, after being 'born' in 1961.
- Oil price is rebounding, driven by demand from China.
- The market is starting to speculate that we are at the start of a commodity super-cycle, possible post Covid boom expected over the next few years.
- Donald Trump has been acquitted from his second impeachment, while Biden is starting to make his diplomatic presence felt.
- Jacob Zuma is refusing to appear before the Zondo Commission, as Ace Magashule is facing mounting pressure to step aside
- Bitcoin is surging to new highs, reaching almost \$50,000 recently.
- Africa's wine exporters and miners are making good gains on the back of China's trade row with Australia.

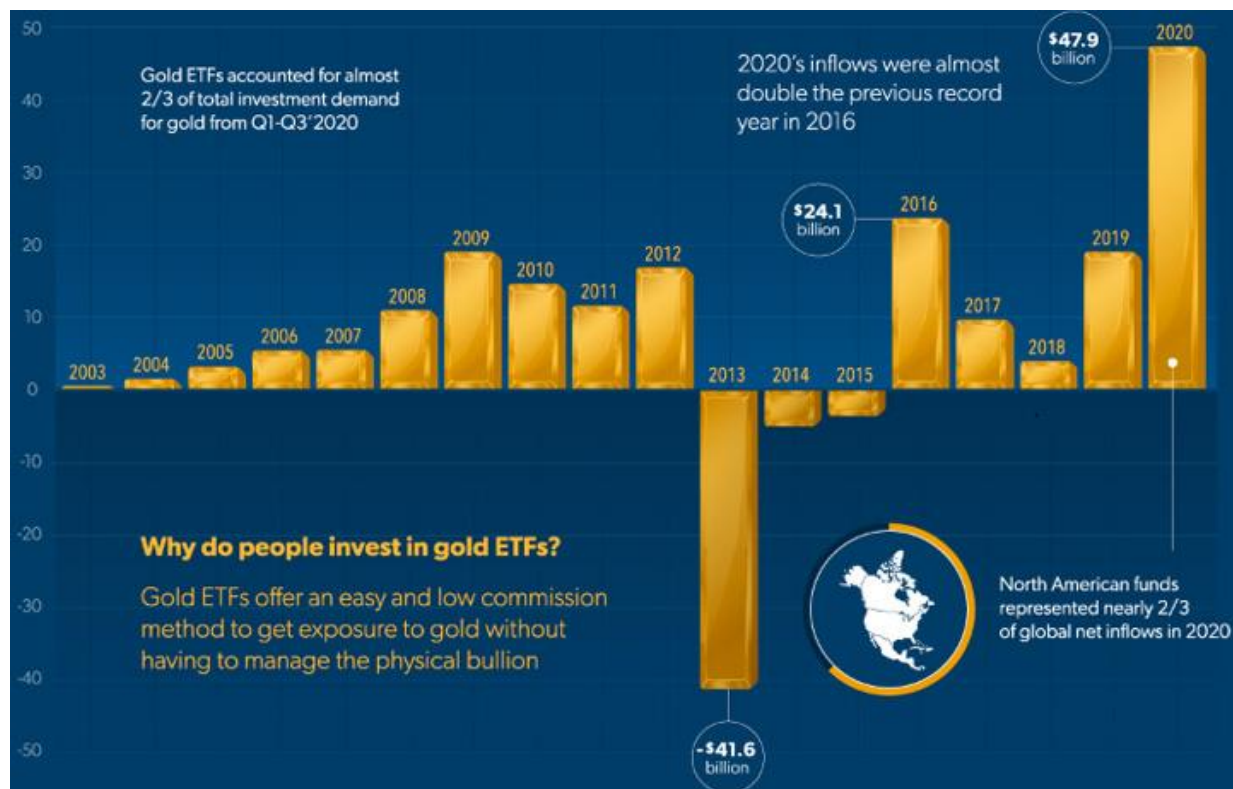
### ALTERNATIVES: Art Investing

We will be focusing on alternative investment options over the next few months, and we kick it off with a lesser-known investment vehicle, namely Art Investing.

The pandemic has turned the world on its head, and have left many changing their household and investing habits. With holidays cancelled and fancy cars stuck in garages all over the globe, investors started looking for opportunities to invest their money. Over the past 12 months share markets have received well-publicised attention from new investors, but the art world has seen a staggering boom of its own. Bloomberg reported the following: "Auction house Sotheby's sold \$285 million worth of fine art and decorative objects this year through July 31 — triple the value for all of 2019. In that time, 13,000 lots sold compared with 4,000 during the same period the year before. The online portal for art and furniture dealers, '1stdibs', says that between March 1 and Aug. 31 it facilitated the sale of a staggering 8,000 artworks, a 65% jump year over year." All of that after a year where the total worldwide art transactions were estimated at 40.5 million transactions in 2019.

Art investors would typically look at a traditional art holding period of between 3 to 10 years, but investors now have options to exit earlier with new options to buy shares in art. But don't rush out to buy art just yet, the market is said to be quite fickle and very difficult to navigate if you do not have a firm grasp of current trends and subtle nuances. For those brave enough to test the waters on sites like [www.masterworks.io](http://www.masterworks.io), I want to leave you with the wise words of James Tarmy: "Beauty is in the eye of the beholder, but value is in the hands of someone else"

## GRAPH OF THE MONTH: Money flow into Gold ETFs



Source: [Visualizing Gold ETFs' Record Inflows of 2020 - Visual Capitalist](#)

[Click to view Current Available Investments](#)

Compiled by Dr Rousseau Lötter (Senior Private Wealth Specialist at Craigs Investment Partners, NZ)