Niemöller: Ramaphosa Open Letter 2.0

I'm not in politics (there is a God) but you should know this from your previous life: in business, half the trick of successful leadership is behaving like a leader, and the other half is sounding like one. So why don't you? When your enemy is down, you don't start playing a long game of chess, you kick him. We don't see any evidence of successful leadership is behaving like a leader, and the other half is sounding like one. So why don't you? When I'm not in politics (there is a God) but you should know this from your previous life: in business, half the trick of

The Open Letter to Ramaphosa penned last week by a BizNews community member captured the zeitgeist, having been read by more than a quarter million people within a few days. The video had over 75,000 downloads in the first 24 hours. On the assumption that you can never get too much of a great thing, here is the follow up, the first of what we hope will be many contributions by “Niemöller” the nom de plume our correspondent has selected. It honours the anti-Hitler German theologian of that name whose famous poem “First they came…” resonates as powerfully today as it did when written exactly three quarters of a century ago. In the piece below, our Niemöller provides a little background to the first Open Letter – and follows up with an equally powerful second one. – Alec Hogg

By Niemöller

I didn't think my letter would travel quite as far and as wide as it did. I didn't write it for circulation; it was mostly to let off steam. I'd just had enough. It looked like its many readers had too. One should probably quit while one is ahead, but I really did have a bit more to say. Alas, freedom of speech is somewhat of an illusion in South Africa, which is why I'm still anonymous. You can call me Niemöller. So I thought – for now – that the best thing to do would be to double down, because there's more on my mind. And to quote a famous South African, I write what I like.

I see I made a mistake in saying we didn't have a white Minister, when there's Barbara Creecy. But frankly, having one is almost worse than having none. Zero is at least politically honest. So here we go...

Dear Mr President,

My letter to you last week seemed to reflect what quite a few people were thinking, but no one had said aloud. At least not to you. Not that you have nothing else on your plate, but I have a bit more to say. Forgive my frankness. It is – or at least was – the South African way. On the positive side, you won't have to read between any lines.

So here is some more advice you may care to hear.

Start arresting more people for planning this insurrection. Sure, we don't want the NPA to mess it up, but for goodness’ sake, how much evidence do you need? The Zuma daughter incited violence. It's on Twitter. Go get her. Her YouTube. It's inconceivable that she has no power, and you know it, even if you haven't told the public that. Because while we're on the subject of arrests, why haven't obvious crooks been arrested yet? Like certain politically-connected thieves involved in the outrageous rip off at VBS. It's clear that some Provincial Directors of Public Prosecutions won't play ball with Shamila Batohi and are refusing to prosecute. Find a way to replace them. Otherwise, she has no power, and you need it, even if you haven't told the public that. Make sure that the DPP in the Free State has his ducks in a row. There's a lot at stake prosecuting Ace Magashule. And make sure they nail Edwin Sodi too.

Declare a State of Emergency in KZN if you still feel anxious about the temperature on the ground. It doesn't have to be a national one. It's not draconian, it's sensible. They're a problem, and we all know it. Reshuffle the Cabinet for crying out aloud. The RET brigade lost. They have very little popular support, and almost none from the very large middle ground. Your long game is over now. Surely you can muster enough professionals with political clout to protect you as you purge your Cabinet of these loathsome, incompetent, ineffectual people? Start reading the Riot Act to provincial public prosecutors. Again, I see I made a mistake in saying we didn't have a white Minister, when there's Barbara Creecy. But frankly, having one is almost worse than having none. Zero is at least politically honest.

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Start arresting more people for planning this insurrection. Sure, we don't want the NPA to mess it up, but for goodness sakes, how much evidence do you need? The Zuma daughter incited violence. It’s on Twitter. Go get her. Her YouTube. It’s inconceivable that nothing has been done about them. And particularly the now-famous “12”. I’m sure there are others. Many of them.

State freezes R100m in bank accounts linked to Louis Liebenberg

Rand should be R6/$, according to Big Mac index

Mining tax windfall to help fund return of R350 grant

Treasurer finds R36.2bn but SA's fiscal situation remains serious

Estimated R5.3bn allocated to Covid-19 Ters benefits

[Read the full open letter here]
I help but wonder how the situation may have another strict lockdown which derailed term. As South Africa emerges from yet measures are designed to last in the long marathon not a sprint”, arguing that its repeatedly described the pandemic as “a consequences. The Swedish government in this article which contains Senate Testimony among youth – as explained in the video in confronted with eventually. One such cost been under strict lockdown measures will be cost to human liberty that nations who have will not be faced with the immeasurable average for Covid deaths was zero, Sweden week, data showed that the seven-day rolling pandemic. Apart from the fact that, last strategy adopted by Sweden was seen as a reckless approach to Covid-19. The unusual was severely criticised for its laid back and country’s citizens. Initially, the country any strict lockdown restrictions onto the abrupt with Sweden, which never imposed restrictions. France’s approach is unique, but it’s just one of many countries around the world imposing new restrictions as fears grow over a new variant of Covid-19. Australia’s recent restrictions have placed half the country under strict lockdown—even though a record 82,000 tests had identified just 111 new coronavirus cases—while restaurants in Portugal are struggling to survive amid newly imposed restrictions. One country not making much news is Sweden. Sweden, of course, was maligned in 2020 for foregoing a strict lockdown. The Guardian called its approach “a catastrophe” in the making, while CBS News said Sweden had become “an example of how not to handle Covid-19”. Despite these criticisms, Sweden’s laissez-faire approach to the pandemic continues today. In contrast to its European neighbours, Sweden is welcoming tourists. Businesses and schools are open with almost no restrictions. And as far as masks are concerned, not only is there no mandate in place, Swedish health officials are not even recommending them.

What are the results of Sweden’s much-derided laissez-faire policy? Data show the 7-day rolling average for Covid deaths yesterday was zero. As in naua. And it’s been at zero for about a week now.
Let’s not overlook Ivermectin, it saves lives

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Ken Professor Colleen Aldous talks to BizNews founder Alec Hogg on a controversial topic that has divided opinions for many months now – Ivermectin. Many academics in the field of medicine are strongly against the use of Ivermectin as a measure to prevent Covid-19. Aldous says there is more than enough evidence pointing towards the effectiveness of the ‘miracle drug’ and that medical professionals continue to overlook the evidence that keeps building up in its favour. – Justin Rowe-Roberts

UKZN Associate Professor Colleen Aldous

On taking the contrarian view on Ivermectin

“Yes, I think I am on a different side of the fence. I was trained as a natural scientist and I was trained to look at all the evidence and look at it from every angle. Since December last year, the regulatory authorities have consistently said there’s insufficient evidence (on Ivermectin). I’ve been monitoring the literature, the literature is building up and we are losing people – people are dying, people are getting sick, even with the vaccine, people are dying and getting sick. We need a therapeutic and there aren’t any others available. The current treatment regimen is just to put you in the hospital. Once you’ve been diagnosed with Covid-19, go to hospital. If you get really sick, we’ll take you up in hospital and treat you and hope you don’t die. Whereas from the research, it really looks like Ivermectin given early on could prevent people from having to go to hospital. So that’s why I’ve got involved, I do not believe there is insufficient evidence. The clinician scientists define evidence only by randomised controlled trials, and I believe in a pandemic that’s inappropriate.”

On what a randomised controlled trial is

“A randomised controlled trial would be where you take two groups of people and the one group of people would get the drug and the other group of people would get a placebo. So if you get 10,000 people – 5,000 will get the drug and 5,000 the placebo – and you hope to see that more people on Ivermectin will not go to hospital than in the placebo arm. I’ve got an ethical problem with that. If we look at the Nuremberg Code that came out after the Second World War, point number five says if there’s any indication that a death or disability can occur, you don’t do that experiment. So I honestly believe that doing another randomised control trial is flying in the face of the Nuremberg Code. I believe we’ve got enough other evidence. We’ve got safety publications. We’ve got a mechanism of action research. We know how the drug works. We’ve got some randomised controlled trials that have been analysed in a meta-analysis and a really good meta-analysis. I know the stock answer is rubbish-in-rubbish-out, but that comes from ignorance about meta-analysis. There are scientists who know how to handle bias, know how to score these studies and the Bryant et al paper that came through last month is clearly the best we’ve got now. That points absolutely unambiguously towards the fact that Ivermectin does reduce mortality and it does reduce morbidity.”

On why other academics are so strongly against the use of Ivermectin

“I think there’s a lot of false information going around from both sides. We had people last week saying that it caused liver damage and I was able to debunk that in the press as well, I just go to the WHO site on side effects and have a look at liver damage there for Ivermectin. There have been 95 cases of liver damage in the last 30 years from Ivermectin. I cannot believe that one doctor has got as many liver injuries as the WHO has found in 30 years. And liver injuries are caused by the disease itself. And then I looked at the other drugs that are used in precisely the same conditions, like things like remdesivir and tocilizumab – if you look at their profile, they’ve got a lot of liver injury.”

On Ivermectin winning a Nobel Peace prize

“It was first discovered by Satoshi Omura who was a scientist in Japan, and he sent a soil sample to Merck. Merck was looking at all sorts of things to try and find antibiotics just like penicillin. They were taking samples and studying them. I think it’s Bill Campbell who also won the Nobel award, he was a scientist at Merck who took that soil sample and discovered the Avermectins. So this group of molecules was developed and initially they found that it had a really good response to parasites in animals. So the first organisms that received Ivermectin were animals. But then the value in the human form was seen in the 80s and they had a drug called mcetizan from Merck, which was given to many people in the tropics who suffered from river blindness and elephantiasis, which are parasitic diseases. And because Ivermectin basically wiped out those diseases in the tropical areas, it was termed a miracle drug.”

Plea to allow the use of Ivermectin in SA

The calls of medical professionals for Ivermectin to be used for the prevention and treatment of Covid-19 have reached desperate levels. An article by Professor Colleen Aldous, published on BizNews this week, argued that the placement of our trust in a small group of experts who advocate against Ivermectin is being done at the potential cost of human life. Considering the devastation that South Africa has endured due to Covid-19 and the resultant lockdown regulations – it seems absurd not to explore all and any viable alternatives to Covid-19 vaccination in order to best manage the pandemic’s merciless grip. This article, written by 11 doctors and professors from the Department of Health, urges the department to facilitate the use of Ivermectin in the public health sector. The article was delivered to President Cyril Ramaphosa’s house by Jeremy Gordon who believes that we could end the crisis of the pandemic with the use of Ivermectin as they have in Zimbabwe. – Nadya Swart

Ivermectin studies and statistics

Twenty countries are using Ivermectin to treat Covid-19. They include Mexico, Gua-

temala, Argentina, Brazil, Bolivia, Slovakia, the Czech Republic, Portugal, Nigeria, and Egypt. In South Africa (SA) doctors are allowed to prescribe Ivermectin, but it is not being rolled out everywhere and in hospi-
tals and clinics. According to Jackie Stone, a doctor in Zim-
babwe, since January – when Ivermectin began to be used – it has cut Covid hospital admissions and deaths by over 70%.

“Death rate rose sharply in January and peaked on the 25th at 70 deaths per day. Of-

ficial authorisation for the use of Ivermec-
tin was granted on 26th January. Just one month later, on 26th February, the Covid death rate had fallen to zero”. A meta-analysis gold standard review of 24 randomised trials conducted in 15 coun-
tries among more than 3,400 people world-
wide of clinical trials – just released by the BIRD group in the UK – showed that deaths are dramatically reduced when Ivermectin is administered. Published in the Ameri-
can Journal of Therapeutics the most rig-
orous statistical standards were applied by world-leading statistician Mr Andrew Bryant, and medical doctor and researcher Dr Tess Lawrie. The results concluded that Ivermectin has over 70% success in pre-
venting deaths in hospitalised patients.

Mexico City authorities created a home-treatment kit, including Ivermec-
tin, for its 22 million-strong population in December 2020 and cut hospitalisations by over 70%.

Those Indian states that adopted Ivermec-
tin had become sick – but not one of those who took it became sick.

The use of Ivermectin has been restricted because the WHO says that further clinical trials are needed before they can recom-
mand it. When asked about this, Dr Stone replied, “I find it very hard to understand how they can say that there is not sufficient evidence. There are three thousand patients plus in, I think, twenty-four trials where they demonstrate an over 75% reduction in mortality. Those figures fit exactly with what we have seen.”
Hein Marx on what the United Liberty Alliance aims to achieve

"We don't work for the independence of the Western Cape. We work for the independence of basically all the areas in South Africa where the minorities are actually the majority, which effectively includes the Western Cape, the whole of the Northern Cape and a part of the Eastern Cape. Or in the old terms, the old so-called Cape Province, but it also includes an area up of the western Free State and well, it used to also include the part going into the Transvaal, including Pretoria, where, again, the minorities are in the total majority. But we've basically left that – they called it the Trans Oranje area – but we were asked by the organisation up there, the Afrikaner Strategy Committee, to basically, you know, work with them, but they deal with that part of it."

On Helen Zille saying secession isn't legally possible

"The reality is – and I don't even want to go to Helen Zille because when Pieter Marais and myself had a meeting with her in her office and when that was about, I think about five years ago, and we mentioned Article 235 of the Constitution that purely talks about self-determination, she wasn't even aware of it. So now, five years later, I must believe her if she says it's not possible. Then my question to Helen Zille is, Helen, you've already proved and we've got it on paper, where she then said, oh, she didn't know about Article 235, she's got to get legal people of the DA – one of the advocates – to look at it and he'll write a report for her. Then she mailed that report to us. Wow, she didn't realise it and now she says it's not possible."

On why it is possible and legal according to the Constitution

"If you look at Article 235, that's basically just a premise to say that in our Constitution it is specifically talked about, so it's legal. But your question was, are we challenging the South African Constitution or international law and no, we're not challenging anything. We are literally using and utilising the South African Constitution, and I can quote it, Article 231, 233, and to a much lesser extent, but also Article 235. The process that we are following is following international law on secession. So there's absolutely nothing illegal that we are doing. We've got senior counsels. In fact, one QC is also involved and no, it's not illegal at all. If it was illegal, I can guarantee you I wouldn't have been talking to you here now, not after eight years in the public. It's definitely not illegal, no."

Many in the previously silent and mostly isolated majority have found each other – and their collective voice. Their ‘gatvol’ factor has scaled a new peak. This anonymously produced Open Letter to Cyril Ramaphosa captures the zeitgeist. It is circulating on social media to almost universal applause.

David Shapiro shares his pearls of wisdom on the BizNews Power Hour. This discussion, moderated by Alec Hogg, unpacks a variety of interesting political and financial stories in the headlines. From the way forward for Ramaphosa to the way in which the rest of the world views South Africa’s week of shame.
BizNews Power Hour with Alec Hogg

The BizNews Power Hour, hosted by Alec Hogg, airs weeknights at 5:30pm on Cape Town’s Fine Music Radio (101.3FM) and in Johannesburg at 7pm on ChaiFM (101.9FM). You can also catch it on www.biznewsradio.com.

Steven Nathan joins Alec Hogg to discuss a number of topical issues at hand, with the 10X founder giving us his rational perspective. Nathan unpacks the regulatory crackdown happening in the East, with Tencent having fallen nearly as much as 40% in the last six months. Mango Airlines and the Western Cape becoming its own separate nation were other topics that were discussed during the broadcast.

China cracks tech whip: investors feel pain

Last week, Magnus Heystek joined BizNews for a highly informative webinar about investing in SA. With the country going through violent protests and rioting, many were concerned about their financial status in South Africa. This week, Heystek gives further insights into what to do with your hard-earned money, in light of the Chinese government putting its “ideological jackboot back on”, as BizNews founder Alec Hogg described it. Because of this, the value of the country’s next-gen tech companies are plummeting - directly affecting Naspers/Prosus. – Jarryd Neves

Magnus Heystek on the civil unrest that gripped SA a fortnight ago

“If you look at what happened two weeks prior, on a global scale, I don’t think any modern [and] industrialised country has seen those kinds of scenes. If you see now, they’re adding up all the damages – we’re talking about 200+ shopping centres that were looted and burned to the ground. That is just unheard of. People are concerned and they are trying to find answers. We tell a lot of people that we simply don’t have all the answers. But we do look at the basics and try and advise them as best. I think a lot of people have now realised that the investment world is not as they want it to be, but is just how it is. I think, suddenly, people are changing their perception on certain asset classes which they wouldn’t, until recently, even consider – like selling some of their properties or some of their local share portfolios and looking at a Plan B option. They realised that some of the assets are at risk.”

On the Chinese government’s decision and how it’s affecting investors

“The world is trying to find out, work out what exactly the Chinese government is trying to do. It seems like they have a strategy and nobody really knows what that strategy is. It’s going to impact on everybody – and you must make a call. Do you ride it out or do you look for something else? I don’t know. I don’t have any Naspers and I haven’t for a very long time. It hurt me when it was running away, but now I’m feeling a little bit better because I’ve been concerned about that exposure. If I do like tech and global tech, I can get it through a global tech fund – which is not that exposed to Naspers.”

On July 17, an international Lockdowns Summit was held during which professionals across the world came together to present their findings on the efficacy of lockdowns to prevent and contain the spread of Covid-19, as well the ways in which lockdowns have impacted society. Of particular interest was the presentation by Professor Frank Furedi, an emeritus professor of sociology at the University of Kent.
We were betrayed & deserted by security forces

It was during the height of the chaos in KwaZulu-Natal that BizNews last spoke with Melanie Veness, head of the Pietermaritzburg Business Chamber. Frightening for those affected, it now seems as if the worst might be behind for the city and other areas. But what about the cost?

Veness told BizNews founder Alec Hogg that so far, the estimated cost to KZN alone is about R20 billion. "Some [business owners] have said they will start up again. Others have said, as soon as they get their payout, they’re taking their money and leaving.” – Jarryd Neves

On the estimated damage

"We’re still counting our losses here. I think they’ve estimated that in the KZN province, we’re looking at about R350 million, which is significant. We’re still adding it up. But, if you start adding the numbers up it’s millions and millions. A R150 million here, R210 million there. The list just goes on and on. There’s some still outstanding. Obviously, some of the buildings still need assessing. The stock itself cost a huge amount, but the building damage is significant. It’s still unclear to me why you have to set fire to something you’ve already looted.”

On whether business owners in PMB are going to reinvest

"Some of them have said they will start up again. Others have said [that] as soon as they get their payout, they’re taking their money and getting out of here – [and] you can hardly blame them. Some of those businesses have lost absolutely everything, so they will be paid off for all their equipment and buildings. My heart breaks for the employees because one of the businesses that I’m particularly thinking of, (I was there the morning after the looting) the employees all braved the crowds and came through to help clean up. My heart absolutely breaks for both sides of the equation. It was very hurtful because we had a lot of businesses. It wasn’t just that they were looted. They were angrily destroyed. Attempts were made to set them on fire. There was horrible spray paint all over the vehicles that remained [and] all over the walls. There was defacement in the building. It was absolutely heartbreaking and horrible. You’ve chosen to take your all and invest it in a place and you come into that. To a large degree, we were betrayed and deserted by security forces and some of our politicians. You can’t get away from that now. Everybody is coming up now and saying, you know, what a terrible thing. Where was everyone when we needed them?”

On the lack of effort to prevent further looting and rioting

"There doesn’t seem to be too many other explanations for it other than complicity. We saw people standing, watching it happen. In fact, there are some that have been caught partaking. There wasn’t any real effort. As I said previously, the excuses given was that there were too many people [and] they were overwhelmed – but there was no attempt to use any form of tear gas – it just didn’t happen. For me, the only answer is that there was complicity and that absolutely destroys one. When you think about what it means – what does it mean for the future of our province? If you’re considering putting your money back in here, you’re asking yourself, ‘if this happens again, will the same thing happen? Will nobody step up and defend my business, my property and my employees’ livelihoods?”

If people employed by the state are not prepared to protect that, then you’re on a hiding to nothing.”

GG Alcock: It’s not about poverty or unemployment

The recent civil unrest that rocked pockets of South Africa may have died down, but the real reason behind why it happened is still being debated. While certainly sparked by the arrest of former president Jacob Zuma, many believe that Zuma allies (former state security members) incited the violence – and there’s evidence to back this up too. However, what drove numerous South Africans to loot, pillage and plunder? It’s no secret that the country is one of the most unequal societies in the world.

Below, author GG Alcock asks, “is the cause of our unrest poverty and unemployment and inequality? Maybe, but I believe that the biggest issue is a culture of lawlessness. This lawlessness is epitomised by corruption without consequence or trial by the rich.” – Jarryd Neves

By GG Alcock

As I read the hand-wringing commentary about the causes of the latest unrest being poverty, inequality, and unemployment, with solutions including Cyril’s suggestion of paying a paltry R350 monthly unemployment grant, I wonder how true this is. Is the cause of our unrest poverty and unemployment and inequality? Maybe, but I believe that the biggest issue is a culture of lawlessness. This lawlessness is epitomised by corruption without consequence or trial by the rich, the jumpping of red lights by taxis and povery, hunger and need! In fact, I will put it out there that I will bet that fewer poverty-stricken people took to the streets and looted than well-off people. Judging by their clothes and what they stole, probably a sure bet actually!

Let’s cut to the chase, we are a lawless society, all of us, rich and poor. We expect if we bribe a cop, or steal a cellphone, or jump a red robot, or steal PPE money, or get a rigged tender, from the most basic to the most sophisticated crime, we know we will get away with it, so we continue to do more unlawful behaviour.

Mozambique, Lesotho, and Zimbabwe have much higher unemployment than SA, but do you see the same behaviour by the poor and unemployed? No, you get the corruption by the top dogs, but the same levels of crime, unrest and looting do not exist among the poor and unemployed.

And to add to it, let’s be real about real poverty, the kind which has no food on the table, where you live in a shack with no running water, where you shiver from cold at night. That kind of real poverty, not the wish-I-had-more type, is experienced by probably only 10% of our households. Have a look at the 2019 general household survey, only around 12% of our population live in informal dwellings (one measure of poverty), the rest live in formal dwellings. Most townships have become suburbs with a thriving and successful middle class. I have written extensively about the massive informal economy which employs or generates incomes for millions, offset that against the “formal” employment figures and then unemployment is not at the ridiculous figures quoted.

GG Alcock is a Marketer, Author, Entrepreneur & Speaker

actually us all at some stage or another, no number plates, bribing the metro with “cold drink”, driving home after a “few” drinks, petty theft with no consequence, smash and grab at the robots with no action, just a big danger sign, hijackings with another hijacking hotspot sign.

That’s it. How many people maybe frustrated by lockdown, thirsty for that drink, unemployed or just with less money in their business, but that’s not why we saw what we saw unfold. It’s that we have a lawless society, let’s call it for what it is. People in cars loading TVs, bakkies with fridges and washing machines on the back, trolleys full of alcohol – we have seen the images, please don’t tell me that is unemployment and...
On the money: How to apply for a home loan

Budding stock market investor and BizNews journalist Jarryd Neves sends out an invitation to anyone who wants to ask questions about share investing – but is too embarrassed to ask. Write to jarryd@biznews.com and tune in for his regular Monday column: On the Money.

By Jarryd Neves

Purchasing your first property is a very exciting time. And why not? Most likely, you’ve sacrificed and saved for years. Staying in when everybody was going out on the town, eating baked beans for dinner or simply pinching pennies. Whatever road you took, it’s a sacrifice and you’re now in the position to purchase your very own property.

Of course, unless you’re very good at saving, patient or both, chances are you’ve managed to save up enough for a deposit, not the entire house/property. So this is where it starts to get tricky, especially if you’re a first-time buyer. Where do you start your journey to applying and obtaining a home loan?

Let’s start off with a few simple steps that will help you get your ducks in a row. Use your earnings, monthly expenses and deposit as a gauge in order to determine what is in your price range. Remember to factor in future potential expenses, such as home insurance, security and things like maintenance and rates.

Take your time searching for the ideal property. There’s no rush. One of the biggest mistakes first-time buyers make is rushing into the first property they see, unaware of potential hidden defects or better bargains that are available. Once you’ve found the property of your liking, put in an offer and apply for your home loan.

It’s worth remembering – even for those that aren’t ready to purchase a property yet – that things like your credit score and record (your history on paying debt back) – impacts these decisions. Aside from that, the biggest other factor is, of course, your deposit. According to ooba.co.za, a credit score of 600+ should give you a good chance of home loan approval.

Remember that while your home loan may be approved, it is equally important to draw up a purchase agreement between you and the seller. If you’re both happy, sign it in order to secure the deal. Of course, if you’re having second thoughts – or simply just feel more comfortable having someone look over it – have your legal counsel or an estate agent look over the contract/paperwork for you. This can save you years of heartbeat and financial mess.

Applying for the home loan is the deciding factor. Again, the experts at ooba.co.za note that having a larger deposit increases your chances of having your loan approved. Normally, most lenders require a minimum deposit of 10% – but obviously, the more you can give, the better. It’s also worth noting that many banks and home loan companies have been approving 0% home loans. This is, of course, subject to an excellent credit rating and debt track record.

Once the loan is approved, you’re over the hill – but there’s still a long journey ahead. The property still needs to be transferred into your name, which will be done when a conveyancer – on behalf of the seller – goes through the (often lengthy) property transfer process.

Remember, you need to budget for unforeseen costs. For example, the conveyancer will charge you for the property transfer and you are responsible for any fees, or your bank’s fee for processing the payment. Also remember to factor in the various legal expenses. The biggest wave you can make is to budget for the unforeseen expenses as these can add up and make the process very stressful. Remember, you’re investing a lot of money right now and you’ll want to be able to enjoy your new property and not be too stressed about it.

Wealth Advisors

Budding stock market investor and BizNews journalist Jarryd Neves

BizNews Journalist Jarryd Neves

A TFSA has great value in investment strategy

Since the introduction of Tax-Free Savings Accounts (TFSA) in SA in 2015, it quickly became a popular savings vehicle, especially for children and younger investors. If used optimally, this is a very useful option for all investors, if included in an overall investment plan.

Even though much has been written about TFSAs since their introduction, the product remains underutilised. Much of this probably has to do with the misperceptions caused by the “savings” part of its name (Tax-Free Investment Account would have been a more appropriate name). Many investors make the mistake of opening a TFSA at their bank. Tragically, this nullifies the product’s true benefit – the ability to have capital compound tax-free.

TFSAs opened at major banks are mostly invested in money market instruments, the asset class which provides the least amount of long-term capital growth, especially in the current low interest environment. All the leading platforms in South Africa offer TFSA products that allows the investor to invest in equities – the asset class which provides superior capital growth over the long-term.

The trick with TFSAs is not to think in months or years but in decades. As the tax benefit is not immediate as with, for instance, retirement annuities, you will not taste the fruits of your frugality until years later. An individual only has R500,000 lifetime allowance and R36,000 per year (R3 000 p.m.). If you withdraw from your TFSA, you cannot recover any part of that allowance. Therefore, an investor should understand their objective for opening a TFSA – and at all costs avoid dipping into the capital.

The graphic above not only shows the compounding effect, but the tax savings (at 30% tax rate) if invested in a TFSA (10% pa growth, 50/50 split in investment return between interest and capital gain, R36,000 per year contribution until R500,000 limit reached).

The yearly limit of R36,000 forces you to have discipline to maximise the tax-free compounding benefits. The goal would be to fully utilise the R500,000 allowance as soon as possible and then leave the capital to compound for as long as possible. As far as financial advice goes, one cannot do much better than Charlie Munger who iterates this by saying, “the first rule of compounding is to never interrupt it unnecessarily.”

Many parents open TFSAs for their young children to save for their tertiary education. Instead of opening a TFSA in the child’s name, rather open a normal discretionary trust if all goes well, you’ll have achieved what many dream of – property ownership.

If your financial circumstances allow you to contribute to TFSAs for your children and cover their tertiary education fees, the money can be left to further compound. The below graph shows the resulting outcomes at various time intervals.

The graph below shows how a TFSA can reward an individual’s self-discipline and patience. Thanks to the 8th wonder of the world – compound interest – maximising your R500,000 allowance as soon as possible and then staying the course could fund your children’s studies, a business venture or early retirement.
André Cilliers of TreasuryONE joins Alec Hogg in this week’s Currency Focus to discuss what SA will have to do to attract investors who decide to disinvest following the KZN unrest. Cilliers says one explanation for the rand holding despite the unrest could be a delayed reaction from business owners. “I guess that’s got something to do with people needing to tally up the actual cost of the unrest – the reaction of businesses even when they get their insurance payouts. If they don’t open, it’s got a very negative effect on economic growth, a very negative effect on employment figures and just places the country further on a backward base.” – Claire Badenhorst

On the rand being under pressure despite strong numbers from mining houses

“Well, if you look at the rand, then it is under quite a lot of pressure at the moment, and we have moved to the lower levels quite a bit. I would actually have thought that the numbers from mining houses and how well they’re doing would have done a little bit better for the rand – and it’s not. I would also have thought that with Mr Ramaphosa’s announcement last night that we move back to level 3 lockdown, and that they’re doing stuff to assist the economy through their tax incentives and delaying tax payments, and reinstituting allowances for the unemployed – I would have thought that that does a little bit better for the rand. So I was quite surprised this morning, and we literally just just missed the 15 levels. The mining numbers, as I say, trade balance figures, all still remaining quite positive, and yet the rand remains under pressure. So I’m a bit surprised.”

On what has happened in the past month to the value of the rand (before the unrest in KZN)

“Well, before that, we were very close to the 15 levels, just above the 14 levels, in the range of R13.90 to R14.20. Then came the new concerns about Covid-19 infections throughout the world – that placed economies a little bit on the back foot. But in our little world of South Africa, it was mainly the unrest in KwaZulu-Natal and it put the rand under pressure. I think we’ve spoken about that before, about the investor confidence that gets negatively influenced by that. With that came the Reserve Bank last week that said that they’re going to keep interest rates as it is. And if you look at what the interest rate markets have actually priced in, they kind of expected the Reserve Bank to really increase interest rates by 25 basis points on the back of inflation that has breached midlevel of the target range of 3% – 6%. Now, the last figure, it did come down a little bit again, but slightly still above. I think people expected the Reserve Bank, in anticipation of an interest rate move, and what the Reserve Bank had also said in their press conference afterwards is that it was a unanimous decision not to increase it and that they do not foresee that they will move on interest rates this year and that they will maintain a fairly loose monetary policy in aiding the economy back to its growth. I think that also disappointed markets a little bit and placed the rand under further pressure.”

On companies disinvesting following the unrest in KwaZulu-Natal

When we spoke last week, we said that if you look at the rand – and we were looking at reasons as to why it didn’t move as much – we mentioned the fact that in previous occasions where there was negative news – and I take the appointment of a Minister of Finance for a weekend way back with Mr Des van Rooyen and the reaction of the rand then – then there was a far lesser reaction during this. I guess that’s got something to do with people needing to tally up the actual cost of the unrest and now in the aftermath, the reaction of businesses even when they get

their insurance payouts – for those who do. If they don’t open, it’s got a very negative effect on economic growth, a very negative effect on employment figures and just places the country further on a backward base in terms of economic growth and further increases the negative feeling from investors’ side. We could very well see that that’s got an impact on foreign investors as to how they react, whether they reinvest or disinvest, and at this stage, it looks more to the disinvestment side and that’s definitely very negative for the currency.”

Cryptocurrency-arbitrage strategy explained

Brought to you by CURRENCY HUB

Cryptocurrency-arbitrage made it into the mainstream in 2020 and afforded South African investors a unique opportunity to accumulate quick profits of around R3000 – R6000 per day from cryptocurrencies with ultra-low-risk returns. That said, there are several operators out there and the selection of your service provider should be a thorough one for obvious reasons. Ask yourself; do they have a long track record in crypto-arbitrage, do they have any asset management background, are they regulated in any way and is their trading strategy legitimized with a legal opinion and consideration of the regulator and the Currency and Exchanges Act?

Let me introduce you to our firm CURRENCY HUB https://www.currencyhub.co.za/ and a special we are running for BizNews readers offering a 50% fee discount for the first R1m transaction done.

South African citizens are entitled to a R11m offshore allowance, allowed to spend a R1m travel allowance and send R10m offshore for investing each year with a tax clearance certificate. Very few use their full tax allowance because let’s face it, who has R11m lying around each year? The truth of the matter is, you are missing out on an earnings potential for not trading R1 in every year and here’s how thousands of investors have been able to take advantage of this for over four years with deep experience and a legal opinion, so rest assured the crypto arbitrage performed by CURRENCY HUB is 100% legal. The premium, however, is compressing and will likely not be as high for much longer. Through various institutional relationships spanning cryptocurrency exchanges, FOREX intermediaries and over the counter (OTC) desks, CURRENCY HUB delivers low transactional fees, premium support, deep cryptocurrency liquidity and best price execution. Risk management is the highest priority and the greatest threat to the arbitrage process is counterparty risk. As such, the trading is actively managed through a best-of-breed services providers with limited times on any of the exchanges, reattributing the clients’ funds and profits into their private bank account each day. With access to a Bitcoin float, credit lines for crypto-pricing and set FOREX rates, CURRENCY HUB eliminates all those immediate risks while the client is never exposed to Bitcoin and its fluctuations. It works like this … read on, or watch this video: https://youtu.be/j9bUV9AO8

Having completed their FICA, proof of funds and been issued a tax clearance certificate from SARS, which is a service managed through CURRENCY HUB, the investor deposits R250,000 into a foreign exchange bank account (opened in the individual’s name) with one of our Authorised Dealers. This is the (only and minimum) amount required for the full trading cycle and is optimal as per all the transactional costs along the way. Importantly, CURRENCY HUB has negotiated the best institutional rates and all the service providers’ commissions have been used to discount the overall costs to earn their clients the very best premium. CURRENCY HUB then trades (on the clients’ behalf) up to 44 tranches with the R250,000 trading capital over a few months to get to the maximum offshore allowance of R11m. This aims to deliver a variable total return determined by the premium and exchange rate which is currently around 3% after transactional costs.

David Varela is the Head of Operations & Trading at CURRENCY HUB

CURRENCY HUB https://currencyhub.co.za/ is a specialist in crypto-arbitrage, with

over 4,000 trades spanning more than four years with ZERO losses. The founders have deep experience in asset management and compliance, having developed a sophisticated active-trading solution that generates ultra-low risk returns, with ZERO exposure to Bitcoin. The regulator and FOREX counterparts who serve as their Authorised Dealers are familiar with the process, which is supported with a legal opinion, so rest assured the crypto arbitrage performed by CURRENCY HUB is 100% legal. The premium, however, is compressing and will likely not be as high for much longer. Through various institutional relationships spanning cryptocurrency exchanges, FOREX intermediaries and over the counter (OTC) desks, CURRENCY HUB delivers low transactional fees, premium support, deep cryptocurrency liquidity and best price execution. Risk management is the highest priority and the greatest threat to the arbitrage process is counterparty risk. As such, the trading is actively managed through a best-of-breed services providers with limited times on any of the exchanges, reattributing the clients’ funds and profits into their private bank account each day. With access to a Bitcoin float, credit lines for crypto-pricing and set FOREX rates, CURRENCY HUB eliminates all those immediate risks while the client is never exposed to Bitcoin and its fluctuations.
Volkswagen Golf GTI TCR: More bark than bite?

By Miles Downard

The Golf 7 GTI has been around for quite some time now having first launched in 2013. It’s been through mid-life changes, of course, widely known as the Golf GTI 7.5 – but that’s all coming to an end with the recent announcement of the Golf 8. So as a last hurrah, VW released yet another hardcore version of the GTI called the TCR.

What makes it special?
TCR stands for Touring Car Racing and while it has stickers, bumpers, little wings and unique wheels to match the title, it’s actually a less hardcore GTI than the Clubsport S – which doesn’t even have back seats. The TCR, with four doors and a rear bench, is in fact far more similar to the non-S Clubsport model that arrived in 2016. Inside, you’re met with a new pair of microfibre and cloth sports seats, a new steering wheel with perforated leather grips and a competition-style dead-centre mark-up to the outgoing Astra is noticeable. Step inside the Corsa and you’ll find yourself in a similarly demure environment. A pleasant enough place to be, the materials used in the German hatchback are a mixture of rather good, soft-touch plastics and some questionably harsh inserts and granite-look trim elements. However, some of the plastics – particularly around the gear lever – felt cheap to the touch. A leather-wrapped steering wheel does, at least, give a luxurious feel. Trimmed in durable cloth, the seats should be praised not only for their support, but comfort too. Even on long journeys, no sign of back pain or discomfort is to be felt. What’s more, they’re heated too – a boon in the middle of winter. On the equipment front, this Corsa Luxury model is generously equipped, sporting niceties like LED headlamps, cruise control and auto headlamps/wipers as standard. The seven-inch touchscreen infotainment system is easy-to-use, and includes Apple CarPlay/Android Auto capability, as well as Bluetooth and USB connectivity. More impressive is the little Opel’s extensive list of safety features. Sporting technology one would expect to see in a premium saloon, the Corsa Luxury boasts the usual – six airbags, ISOFIX child seat mounts, ABS with EBD and electronic stability control. But you also receive traffic sign recognition, lane-keep assist, a driver drowsiness alert, front pedestrian detection and collision mitigation braking at lower speeds.

Interior is fit to burst with safety features. Infotainment system is intuitive
Passenger space is on par with most rivals, although the rear bench can feel a touch cramped for taller passengers. However, the Fiesta and C3 suffer a similar problem. The boot is commodious, offering 309L and extending further to 1081 with the rear bench folded down. The 1.2-litre, three-cylinder turbopetrol engine is undoubtedly the highlight of the package. Peppy, athletic and energetic, the powertrain pulls strongly from any speed. Opel claims a 0-100km/h time of 8.7 seconds, which is very sprightly for a run-of-the-mill hatchback. It sounds great, too – under hard acceleration, it growsl and grunts as it charges up to the redline.

Read the full article here

Fast Facts:
Volkswagen Golf GTI TCR
Price: n/a
Power: 213kW/380Nm
Fuel consumption: 7.5L/100km (claimed)
Top speed: 264km/h
Rivals: Hyundai i30N, Honda Civic Type R

Read also:
VW T-Cross: Does it deserve to be a best-seller?

A kick at the can: Opel Corsa 1.2T Elegance

By Jarryd Neves

Once enjoying great popularity in South Africa, the Opel has, over the years, lost the appeal once associated with its badge. Forgotten are the days of the legendary Superboss, Kadett 200S and Calibra – replaced with dire memories behind closely. Wanting to re-establish its position as a serious player in this segment, the Rüsselsheim-based brand has introduced a brand new Corsa to SA.

Hot Red lends the otherwise conservative Corsa a bit of flair. Rims offered on local models are a touch smaller. EU model shown
The styling, while handsome, is conservative. Much like its fiercest rival, the Polo, it remains an attractive-looking car, but manages to fly under the radar and not garner much attention. Painted in Hot Red, our test unit looked rather sleek. Similarly restrained 16-inch alloy wheels finish off the look. From the rear, the family resemblance to the outgoing Astra is noticeable. Step inside the Corsa and you’ll find yourself in a similarly demure environment. A pleasant enough place to be, the materials used in the German hatchback are a mixture of rather good, soft-touch plastics and some questionably harsh inserts and granite-look trim elements. However, some of the plastics – particularly around the gear lever – felt cheap to the touch. A leather-wrapped steering wheel does, at least, give a luxurious feel. Trimmed in durable cloth, the seats should be praised not only for their support, but comfort too. Even on long journeys, no sign of back pain or discomfort is to be felt. What’s more, they’re heated too – a boon in the middle of winter. On the equipment front, this Corsa Luxury model is generously equipped, sporting niceties like LED headlamps, cruise control and auto headlamps/wipers as standard. The seven-inch touchscreen infotainment system is easy-to-use, and includes Apple CarPlay/Android Auto capability, as well as Bluetooth and USB connectivity. More impressive is the little Opel’s extensive list of safety features. Sporting technology one would expect to see in a premium saloon, the Corsa Luxury boasts the usual – six airbags, ISOFIX child seat mounts, ABS with EBD and electronic stability control. But you also receive traffic sign recognition, lane-keep assist, a driver drowsiness alert, front pedestrian detection and collision mitigation braking at lower speeds.

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Read the full article here

Fast Facts:
Opel Corsa 1.2T Elegance
Price: n/a
Power: 88kW/174Nm
Fuel consumption: 5.4L/100km (claimed)
Top speed: 193km/h
Rivals: Ford Fiesta ST, Honda Civic Type R

Read also:
Hyundai i30N, Honda Civic Type R