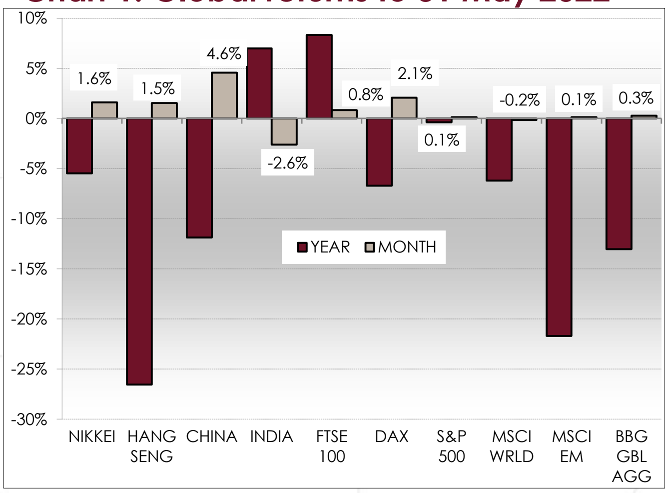
INTERMEZZO
INVESTMENT LETTER
June 2022

Orchestrating Your Wealth
MAESTRO
Masters of Investment

May in perspective – global markets

Given the brutality of the investment market movements during April, I am sure you were as apprehensive as we were heading into May. Sitting in June as we are now, we know that markets recovered some degree of composure towards the end of the month, but when they were down more than 5.0% intra-month, we did wonder how much more pain investors would have to endure.

Chart 1: Global returns to 31 May 2022



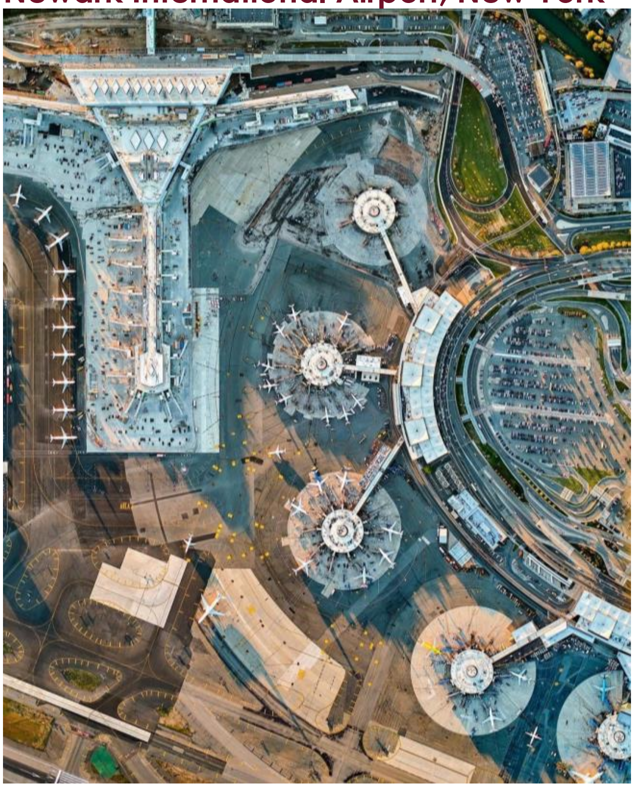
Be that as it may, markets recovered somewhat from their intra-month lows, but it would be naïve to think we are out of the woods. There are still many hurdles that need to be overcome before an "all clear" can be given. In our humble view, until the relentless increase in prices i.e. inflation, shows a clear and sustainable slowdown, markets are likely to remain nervous and volatile. That in turn begs deeper analysis of the factors that are driving prices higher; when are they likely to abate, or better still, reverse? Sadly, in that regard, the future is anything but certain. Russia's invasion of Ukraine looks set to drag on for a lot longer than expected, which is likely to keep food and energy prices high; we haven't seen the worst of the negative impact on prices the war has caused yet. Labour market tightness is unlikely to abate any time soon, and the global supply chain problems are similarly not likely to disappear overnight. So investors and markets alike will have to wait patiently before a catalyst emerges to provide some relief from rising prices, and, hopefully, calmer markets.

The fact that this market crisis is more about supply issues than demand issues, provides reason to believe that the corporate sector is likely to emerge better than would have been the case in the face of a financial or corporate crisis. That offers some comfort. We have long maintained that the corporate sector is, by and large, in good shape, and that the majority of companies in which we have invested are still endowed with attractive growth prospects. In many ways, the quality portfolios we maintain retain their quality, except they now represent much better value than at any time since late last year.

Moving on to the specific market returns, global equity markets declined into May and then regained most of their losses to end the month flat. The MSCI World and Emerging Market indices posted returns of -0.2% and 0.1% respectively. Don't be fooled though: behind those returns lay a great deal of volatility and more than a few plunges in specific shares. The Chinese equity market staged a comeback on the back of monetary and fiscal support from the authorities, ending the month up 4.6%, though still down 12.5% for the year so far. The German equity market rose 2.1% while the Swiss market lost 4.3%. The tech-heavy NASDAQ index lost 2.1%.

Global bond markets were equally volatile during May, although they ended 0.3% higher. It is worth recalling the adage that "markets stop panicking when policymakers start panicking". With central bankers in most developed markets moving quickly to regain the initiative over rising prices, bond markets took a breather. This in turn provided respite for equity markets, enabling them to recover their composure in the second half of May. The flat returns during May in both bond and equity markets did nothing to change the fact that both markets are still off to the worst start to any year for a number of decades. That alone should offer hope that the worst is behind us, although it is too early to make such bold claims. The road ahead is likely to look like the average South African road – full of potholes and full of risk to those who traverse them.

Newark International Airport, New York



Source: @jeffreymilstein

The dollar weakened slightly (-1.2%) following its strong April performance, which in turn provided relief for just about all other currencies. Nothing though, seems capable of saving the Turkish lira, which fell 9.3% amidst the ongoing circus of monetary policy interference and economic lunacy by their President. Notwithstanding the weaker dollar, most commodity prices moved lower in May, reflecting a general concern about a looming slowdown in economic activity. Copper declined 2.6%, palladium 9.3%, and iron ore 5.3%. Sadly though, the oil price, such a determinant of inflation, rose even further, up 8.5% in May, bringing its annual gain to 70.2%.

What's on our radar screen?

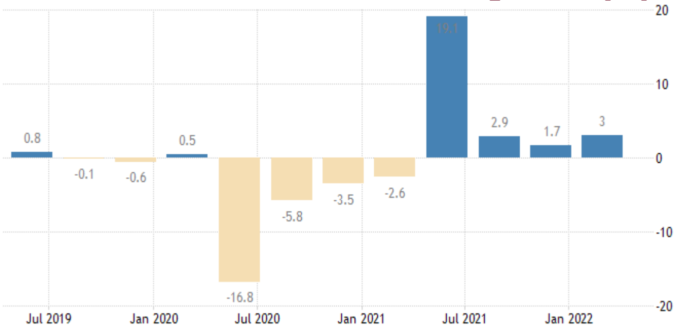
Here is a summary of the things we have been keeping an eye on:

- *The SA economy:* The SA economy grew 1.9% during the first quarter of 2022 (Q1), when measured against Q4 of 2021. This was faster than Q4's growth of 1.4%, and brought the annual growth rate to end-March to 3.0%, up from 1.7% in Q4 (Chart 2). That growth took the SA economy above its pre-pandemic (Q4 2019) level at last. Although Q2 growth is likely to be low, given the KwaZulu floods and rolling load-shredding, the base off which the growth is being measured is low, so the readings for *annual* growth for the rest of this year are likely to look impressive.

  The unemployment rate declined to 34.5% in Q1, down marginally from 35.3% in Q4. The broader measure of unemployment, which includes discouraged jobseekers, fell from 46.2% to 45.5%. Take a moment to let that sink in: nearly one out of every second person is this country, who is economically active and able to work, is unemployed.

According to Stats SA, 370 000 jobs were created between the Q4 and Q1 2022. The largest gains were recorded in the Community and Social Services sector (of 281 000), Manufacturing (263 000) and Trade (98 000). There were losses in Private Households (186 000), Finance (72 000), Construction (60 000) and Agriculture (23000). The total number of people employed in Q1 was 14.9m. Approximately 1.5m jobs have not been recovered since the pandemic, including about 205 000 domestic work jobs.

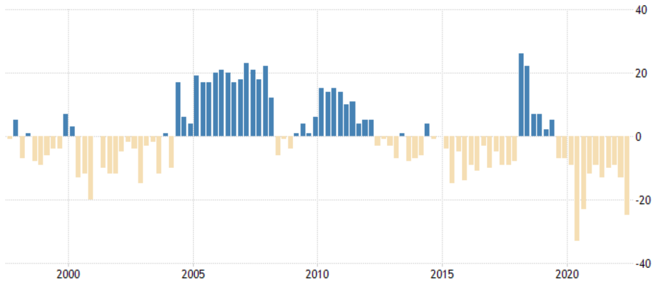
Chart 2: SA annual economic growth (%)



Source: Tradingeconomics.com

Notwithstanding the weakening economy and rising inflation, the SA Reserve Bank increased interest rates by 0.5% at its recent meeting. The official repo rate is now 4.75% while the banks' prime overdraft rate rose to 8.25%. Headline inflation remained steady at 5.9% in April, but rose to an annual rate of 6.5% in May. Core inflation i.e. excluding food and energy prices, rose to 3.9% in April, from 3.8% in March, and rose yet again to 4.1% in May. Unsurprisingly the rise in prices is being driven by the food and energy (fuel) components. Goods inflation is currently 9.5% while the price of services have risen 3.6% during the past year.

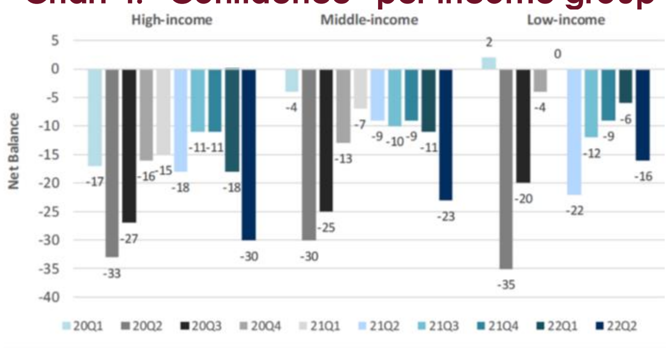
Chart 3: SA Consumer confidence



Source: tradingeconomics.com

SA consumer confidence fell sharply during Q2 to levels long since seen, apart from the pandemic-related levels of Q2 2020. Chart 3, which depicts a 25-year history of the FNB/BER Consumer Confidence index, will come as no surprize to South Africans. Daily we deal with corruption on an unimaginable scale, with load-shredding (we call it load-*shredding* because of its effect on the economy and livelihoods), gross incompetence across all levels of government, and the absence of even the remotest semblance of proper governance on the part of the authorities across all three levels of government.

Chart 4: "Confidence" per income group

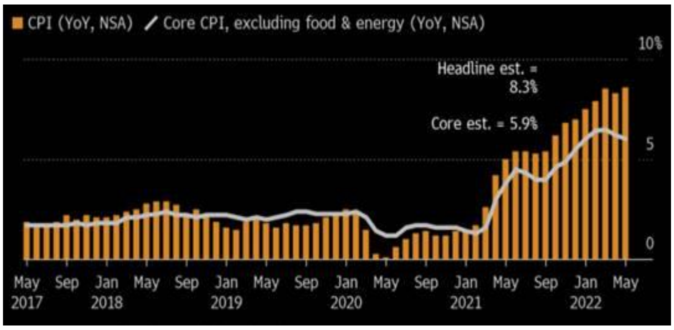


Source: Daily Maverick

Even more concerning is that the decline within the highest income earners cohort was the largest, as seen in Chart 4. You can draw your own conclusions as to why this is the case, but it will surely further hasten the departure of well-educated, wealthy taxpayers, job creators, and entrepreneurs, to foreign shores.

- *US economy:* Global investors' eyes have been on the US economy in general, and their inflation rate and central bank activity in particular. In this regard, as Mr Market has been telling us for many months now, the news is not good – at least as far as inflation is concerned. US headline inflation rose by 1.0% month-on-month to an annual rate of 8.6%, from 8.3% in April. As in so many other parts of the world, the impetus for rising prices is being driven by price rises in energy (fuel), food, goods and shelter (rent). Core inflation is currently at 6.0%.

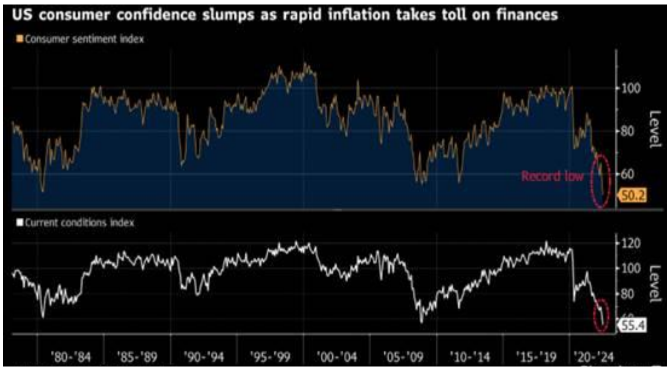
Chart 5: US headline and core inflation



Source: Baader Bank, Bloomberg

Not surprisingly, the US Federal Reserved (the Fed) raised its fund target range for interest rates by 0.75% to 0.5% - 1.75%. It also signalled that another 0.75% increase in the Fed fund rate was likely in July. The major surprise was the Fed's projections for the appropriate level of interest rates at the end of 2022 and 2023, which it raised from 1.9% to 3.4% for this year and from 2.8% to 3.8% at the end of 2023. On the labour front, 390 000 jobs were created in May, down from April's 436 000. The unemployment rate remained steady at 3.6%. Average hourly earnings rose 0.3% on the month, bringing its annual increase to 5.2%. Rising inflation and interest rates are also depressing consumer confidence. Chart 6 shows this metric over a long-term basis, placing the current level of consumer confidence of 50.2, into perspective.

Chart 6: Consumer confidence in freefall

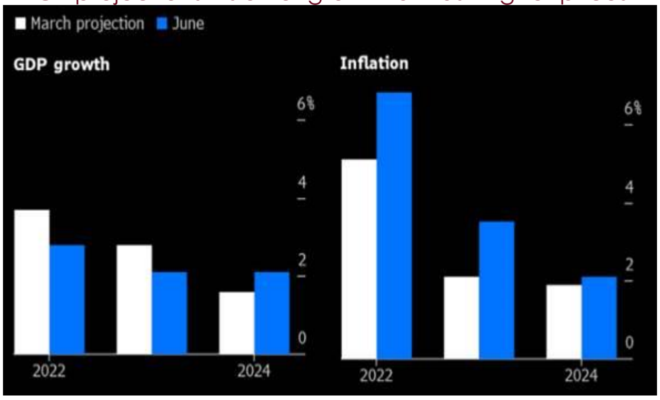


Source: Baader Bank, Bloomberg

- *Developed economies*: The European Central Bank (ECB) indicated that it will likely raise interest rates in July and again in September. Expectations are that the rate will rise by 0.25% in July but possibly by 0.5% in September. This is the first indication that the ECB is in a tightening phase, after a decade of loose monetary policy. The ECB confirmed that it will stop buying bonds through its Asset Purchase Program (APP), which was another avenue through which they were supporting lower interest rates. As in the US, the era of higher interest rates i.e. a move into a "tightening cycle" has arrived in Europe, although bond yields have been predicting this for some time already; it is now "official". The ECB estimates that European inflation will average 6.8% in 2022, with growth in the region slowing to 2.8% - refer to Chart 7 in this regard.

Chart 7: Eurozone – from bad to worse

ECB projections – slower growth amidst higher prices



Source: Baader Bank

Eurozone inflation in May rose to 8.8%, from 8.1% in April. Core inflation rose to 4.1% in May, from April's 4.1%. Staying in that region, German retail sales registered a monthly decline of 5.4% in April, high-lighting the supply issues facing consumers these days. Rather alarmingly, food sales declined by a record 7.7% on the month, although online sales and mail order sales increased by 5.4%. German retail sales declined at an *annual* rate of 0.4%.

Switzerland reported Q1 economic growth of 0.5% on a quarter-on-quarter basis, marginally better than expectations of 0.3% growth, and the 0.1% comparable growth rate in Q4. The Q1 growth rate brought its annual growth rate to 4.4%. One of the biggest surprizes in recent weeks on the monetary policy front was the unexpected hike in interest rates by the Swiss National Bank (SNB). It raised its interest rates by 0.5%. Before we get too excited though, the 0.5% hike only lifted the official interest rate to -0.25%, meaning that the Swiss interest rates remain in negative territory. This was the SNB's first rate since 2007. Like just about all other central banks, the reasons for the hike were given as an effort to curb rising prices. This comes after "surging" energy and food prices lifted the Swiss headline inflation rate to a 14-year high of 2.9%, versus 2.5% in April. Prices in Switzerland have risen consistently every month during the past year, from June 2021's 0.6%. Core inflation in Switzerland in May was 1.7%, the highest since November 2008.

Newark International Airport, New York

Source: @jeffreymilstein

Norway's central bank, Norges Bank, surprized the market by raising its interest rate by 0.5% to 1.25%. As in the case with so many central banks, concerns surrounding inflation were cited as the reason for the increase. Headline inflation there is 5.7%, with core inflation at 3.4%.

Turning to the UK the Bank of England (BoE) raised interest rates by 0.25% to 1.25%. BoE projections indicate that UK headline inflation could increase above 11.0% by October, although the bank remains of the view that inflation is likely to subside to just about 2.0% in two years' time.

- *Emerging economies*: Let's start this month with emerging market's poster "bad boy", being Turkey, where the annual rate of headline inflation rose to 73.5% in May. Annual food inflation of 91.6% is leading the charge, while producer prices rose a remarkable 132.2%. With inflation at those kinds of levels, the fact that the official interest rate remains at 14.0% can't be regarded as anything other than a laughing matter – unless you live in Turkey, of course. The annual core inflation rate in May registered 56.0%. The Turkish economy grew at an annual rate of 7.3% in Q1. Speaking of "poster children", I'm not sure if you saw that Zimbabwe increased their official interest rate last week? Yes indeed – from 80.0% to 200.0%! Zimbabwe's annual headline inflation rate in June was 191.6%, up from May's rate of 131.7%.

  Inflation in Thailand rose to an annual rate of 7.1% in May, from April's 4.65%, the highest level in 14 years. Unsurprisingly, the increases were driven by food and energy prices. The Reserve Bank of India (RBI) raised its key policy rate by 0.5% to 4.9%, as retail inflation rose at an annual rate of 7.8% in April, far above the RBI's target range of 2% - 6%. Moving to China, industrial production rose at an annual rate of only 0.7% in May, and fixed asset investment at an annual rate of 6.2%. Retail sales improved from May's decline of 11.1% to an annual decline in May of "only" 6.7%.

  Brazil's Monetary Policy committee (MPC) raised their *Selic* rate by 0.5% to 13.25%, the highest level in five years. This brings the rate increases to 11.25% in this tightening cycle. Brazil's annual headline inflation rate declined to 11.7% in May, from 12.1% in April.

San Francisco International Airport

Source: @dailyoverview

Charts of the month

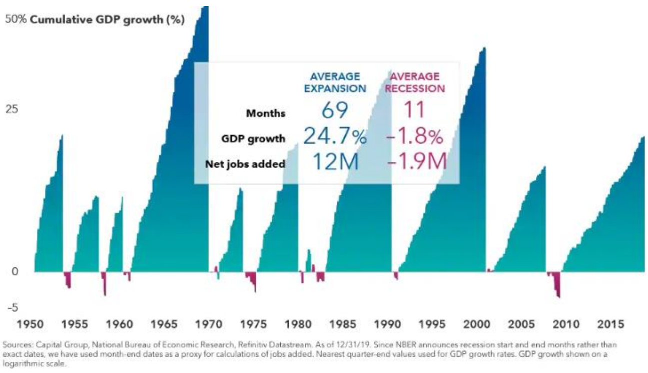
I have many charts to share this month, although given time constraints some may be carried over to next month. Let me start with the more economically relevant before sharing some general charts of interest. I will start with economies and market performance.

Are we, or aren't we?

Investors are investing a lot of time trying to ascertain whether or not the global economy, or at least the "ones that count", are heading for a significant recession. Of course, no one really knows, despite all the marketing blurb flying around. We will only know for certain in a few years' time. That doesn't stop us from looking back into history to see what happened in earlier recessions, with a view to gaining and providing appropriate perspective on what may lie in store.

Chart 8 was provided by Ninety One, under the title "Recessions are painful, but expansions are powerful". They commented as follows: "While the market is only putting a 50% probability on a global recession, the chart shows that through 10 cycles since 1950, the average recession has only lasted between 8 and 18 months. Investors with long-term investment horizons are better served by looking at the full picture". The chart shows, and here I assume it depicts the US economy, that while the latter has shrunk on average 1.8% during all recessions since 1950, it has expanded 24.7% on average during times of economic expansion. It does place the prevailing nervousness into perspective.

Chart 8: Painful recession, powerful expansion



Source: Ninety One

Istanbul International Airport

Source: @dailyoverview

One of the worst years on record – so far

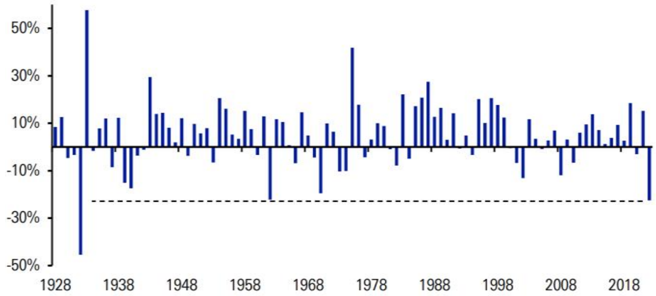
Speaking of recessions and poor market returns, with the end of the June quarter and first half of the year bearing down on us, it is worth recording – not that investors needs reminding – that the start of 2022 has been one of the worst on record. The S&P500 is currently on track for its worst first half (H1) performance since 1932, the depths of the Great Depression, having shed 22.3% so far this year in total return terms (Chart 9). That just edges out 1962, when the index lost 22.2% during the first six months of the year. For those with a traditional asset allocation of 60% equity exposure and 40% bond exposure, such as retirement portfolios, the news doesn't get any better (refer to Chart 10, shortly); US 10-year bonds are currently on track for their worst H1 since 1788.

If you're looking for the positives, the five worst H1 performances for the S&P500 before this year, all saw good H2 performance. Indeed, on four of those five occasions, the index went on to gain at least 17.0%, with the other seeing a 10.0% gain. For the record, in order of H1 declines, we saw:

1) 1932: H1 -45%, H2 +56%
2) 1962: H1 -22%, H2 +17%
3) 1970: H1 -19%, H2 +29%
4) 1940: H1 -17%, H2 +10%, and
5) 1939: H1 -15%, H2 +18%.

If no recession materialises during H2, it might be tough for markets to continue to be as bearish as they have been, and a bounce back resembling history might be possible. However, it is hard to see markets recovering if there is evidence of a looming recession.

Chart 9: S&P500 H1 total returns



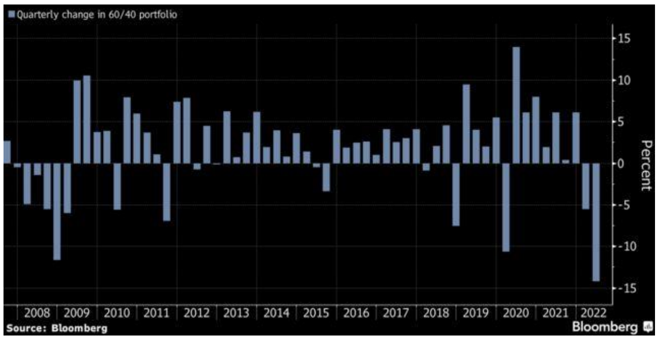
Source: Deutsche Bank

Speaking of 60:40
The "retirement fund view" of allocating 60% of one's assets to equity markets and the remaining 40% to bond markets has worked well over many decades. Bond and equity markets rarely move in tandem, so the diversification benefits of such a portfolio are material.

Sadly, this year so far the 60:40 strategy has not worked at all. Give or take a few percentage points, a 60:40 asset allocation would have delivered a return of -14.0% so far this year. This is the worst return for many years, as seen in Chart 10 – even worse than the return during the 2007/9 Great Financial Crisis, or the once-in-a-lifetime (century?) Covid pandemic.

Chart 10: Nowhere to hide: 60:40 quarterly returns

60:40 portfolio set for worst quarterly returns in years

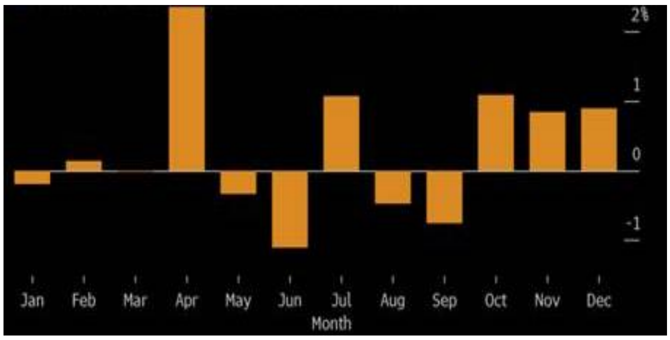


Source: Baader Bank/Bloomberg

June – the worst month for European equities
After putting a very unprofitable and volatile April and May behind us, investors were hoping for some relief during June. Sadly, history shows that the chances of this materializing are very slim. With June now behind us, we now know this to be the case. However, it is still instructive to look at the data, shown in Chart 11, which depicts the average monthly returns from European equities over the past 20 years.

Chart 11: June: worst month for Europe equities

Stoxx 600 index 20-year average monthly returns (%)



Source: Baader Bank/Bloomberg

It shows that June has been the worst month of the year for European equities over the past two decades. During that period, the Stoxx 600 index of European equities has declined by 1.1% on average in June, having risen on only eight occasions.

Inflation, inflation, inflation, inflation…

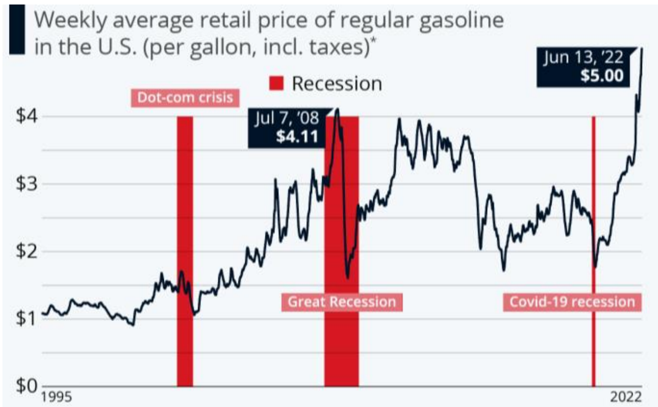
We have already established that one of the key reasons behind weak equity and bond markets this year is the relentless rise in prices. During the bulk of last year inflation was regarded as transitory, given all the Covid pandemic-induced supply bottlenecks. However, Russia's invasion of Ukraine, amongst others, has changed the landscape dramatically, and in a very short period of time. The forces behind the rise in prices seem far less transitory now, and more permanent and structural in nature. So investors' focus has turned to inflation, and quite rightly so.

Gatwick Airport, London

Source: @jeffreymilstein

One of the obvious places we feel the rise in prices, is when we fill up our vehicles with fuel. South Africans are vocal about the fuel prices increases, but we are not the only drivers "feeling the pinch" if Chart 12 is anything to go by. The chart depicts the weekly average retail price of fuel, or "gasoline" as they call it in the US. The average price of one gallon of regular "gas" reached a new all-time high for the sixth week in a row recently, climbing to $5.00 for the first time ever.

Chart 12: US Gas prices: up, up, and away

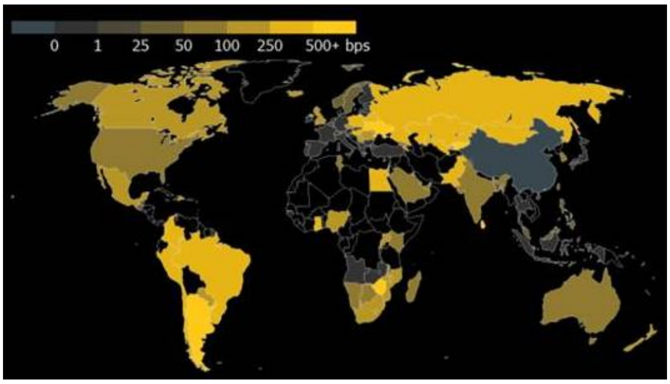


Source: Statista

Over the past twelve months, US gas prices have surged by more than 60.0 %, leaving millions of Americans with unprecedented "pain at the pump". The previous record, dating back to July 2008, was first surpassed on March 14 following the Russian invasion of Ukraine. After the initial shock, prices briefly cooled, but as embargoes of Russian oil were put in place in the US and later in the EU, prices started climbing again, with, seemingly, no end in sight. Gas is currently most expensive in US states and cities on the West Coast, with the average price of regular gasoline hitting $6.27 in California and $6.38 in San Francisco specifically.

So … interest rates are going up, and up, and up
With inflation now a rampant global problem, there is only one way interest rates are going to move, and that is higher. By way of showing just how ubiquitous this problem is, Chart 13 shows how many central banks around the world have raised interest rates. More than 60 banks have already raised their rates, with the chart showing the extent of their increases; the more yellow the country, the higher the rates have been increased. On the chart, "bps" denotes "basis points", where "500bps" denotes 5.00%, so for example from 20.0% to 25.0%.

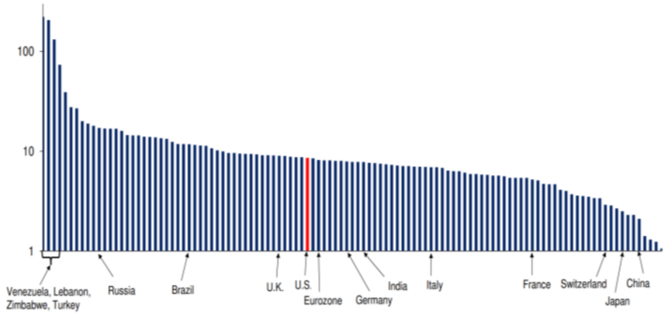
Chart 13: The era of cheap money is over
More than 60 banks have hiked rates so far this year



Source: Baader Bank/Bloomberg

Inflation is a global problem
Chart x depicts 111 countries and their respective annual inflation rates; the chart was drawn on 10 June. Selected countries are highlighted, but one look at the chart and you will appreciate just how ubiquitous the current wave of inflation is. Note the paragons of economic rectitude on the left-hand side. As an aside, I again draw your attention to the fact that Zimbabwe recently increased their official interest rate from 80% to, wait for it … 200% in mid-June. Me thinks it is time to give my old Investec colleague, Dr Mthuli Ncube a call and ask him what exactly is going on. Dr Ncube is now Zimbabwe's Minister of Finance. He has all my sympathy; and then some!

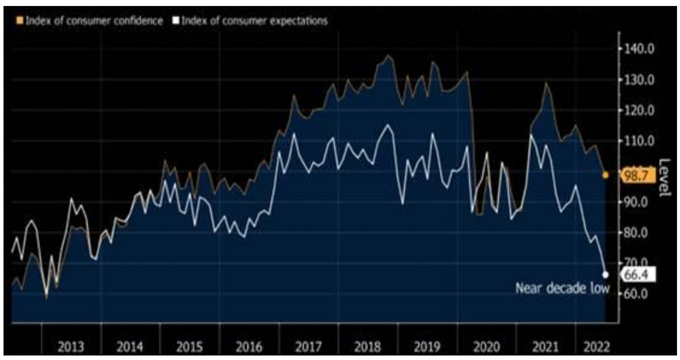
Chart 14: Global annual inflation rates (%)



Source: Deutsche Bank

Inflation starting to impact sentiment
With inflation scaling new heights at alarming rates around the world, consumers have noticed and are "voting with their feet". Consumer confidence is declining, and has been doing so for some time. Chart 15 depicts US consumer confidence (the yellow line) and expectations (white line). The expectation index measures consumers' view of the coming six months. You will notice that it is now near a decade-low, showing just how depressed sentiment is at the moment. Refer again to Chart 12, which depicts the prices consumers are having to pay at the petrol pump, as we all know. So concerns about the future and an economic slowdown are taking their toll on the consumer, and talk of "recession" is more realistic than most would care to admit.

Chart 15: Sagging US consumer sentiment



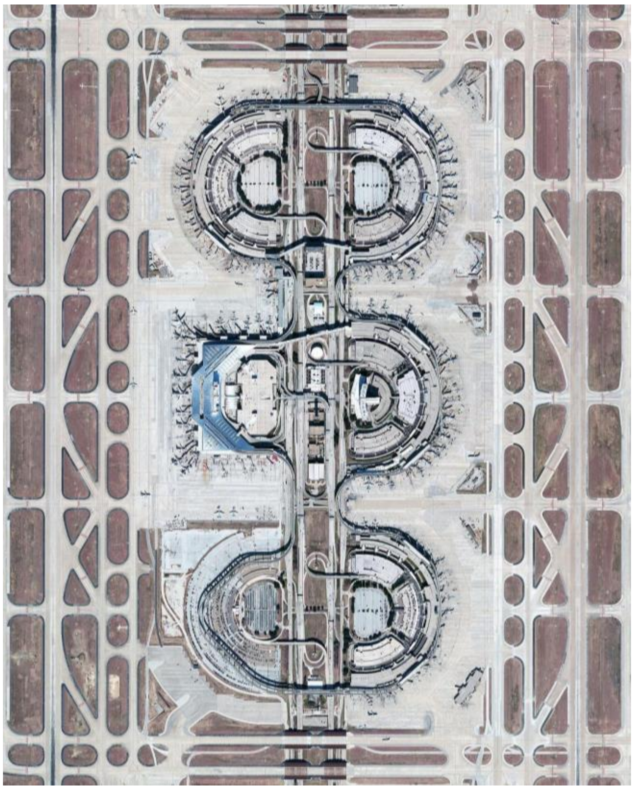
Source: Baader Bank/Bloomberg

EU car sales on the skids

One example of depressed consumer sentiment will suffice, although as with most instances, it is a multi-facetted subject, with many variables influencing it, including soaring energy costs, consumer sentiment, and supply issues, to mention but a few.

Europe's new-vehicle sales slumped for the 11th consecutive month as record inflation and falling consumer confidence joined prolonged supply-chain disruptions. As seen in Chart 16, registrations fell 12.5% to 948 149 vehicles in May. Hardest-hit among major automakers was Volkswagen, which saw sales drop by more than 21% from the same month last year.

Fort Worth International Airport, Dallas, USA



Source: @dailyoverview

Chart 16: EU car sales – no sign of recovery yet

Source: Baader Bank/Bloomberg

After nearly a year of decline, carmakers have recently seen glimmers of improvement, reporting that some supply constraints – such as the lack of semiconductors – are beginning to ease. But forecasters at LMC Automotive cut their estimate for full-year Western European passenger-car sales again this month, the fifth time this year. They now expect 9.8m deliveries this year, a 7.4% decline from 2021. In January, LMC predicted sales would grow by 9%. "Supply chain issues will constrain results through this year and into 2023," LMC said in a report this month. But even as supply chains gradually improve, weakening demand due to record inflation and a slowing global economy are clouding sales forecasts.

For the record

Table 1 lists the latest returns of the mutual and retirement funds under Maestro's care. Returns include income and are presented *after* fees have been charged. Fund Summaries for each respective fund listed in the table, as well as all the historic returns, are available on [our website].

Table 1: The returns of funds in Maestro's care

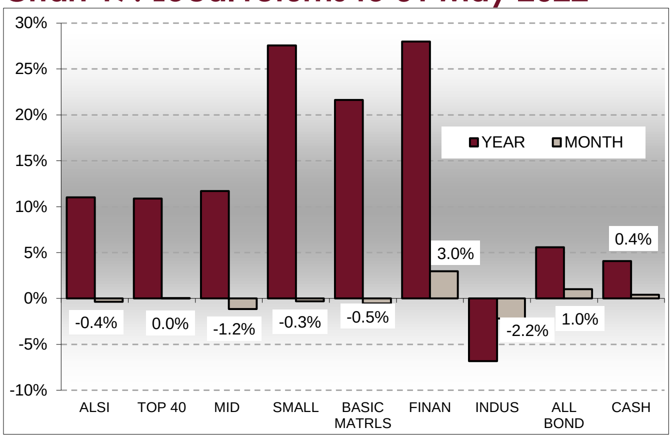
	Period ended	Month	Year to date	Year
Maestro Equity Prescient Fund	**May**	**-2.1%**	**-2.2%**	**11.5%**
JSE All Share Index	*May*	*-0.4%*	*-0.3%*	*11.0%*
Morningstar sector ave	*May*	*0.1%*	*1.7%*	*11.9%*
Maestro Growth Fund	**May**	**-1.5%**	**-5.6%**	**1.5%**
Fund Benchmark	*May*	*-0.1%*	*-1.3%*	*8.7%*
Morningstar sector ave	*May*	*-0.3%*	*-2.2%*	*7.8%*
Maestro Balanced Fund	**May**	**-1.4%**	**-5.3%**	**1.5%**
Fund Benchmark	*May*	*0.0%*	*-1.1%*	*8.0%*
Morningstar sector ave	*May*	*-0.2%*	*-2.1%*	*7.2%*
Maestro Global Balanced Fund	**May**	**-3.2%**	**-22.8%**	**-23.1%**
Benchmark	*May*	*-1.5%*	*-14.8%*	*-12.9%*
*Sector average **	*May*	*-2.1%*	*-13.0%*	*2.9%*

* Morningstar Global Multi Asset Flexible Category

May in perspective – local markets

The South African equity market largely mirrored the movements of global markets, sliding sharply into May before posting a reasonable bounce during the second half of the month.

Chart 17: Local returns to 31 May 2022



The All Share index ended the month down 0.4%. The Basic Materials index lost 0.5% and the Industrial index 2.2%. The Financial index gained 3.0% on the back of a firmer (1.5%) rand dollar exchange rate and reasonable results from major financial companies. The Large, Mid and Small cap indices posted returns of 0.0%, -1.2% and -0.3% respectively. The All Bond index rose 1.0% bringing its year-to-date gains to 1.2%, marginally behind the year-to-date return of cash of 1.8%.

Hamad International Airport, Qatar

Source: @dailyoverview

We shared some of our views regarding the future direction and timbre of the investment markets earlier. In short, we expect global equity and bond markets to remain volatile, with a weak bias, until there is greater clarity on when the relentless rise in inflation will abate. All eyes will be on the data that feeds into inflation as well as on how the corporate sector will manage with not only surging prices at the input level (producer inflation) but also how they will navigate the very real bottlenecks surrounding their supply chains. As we said earlier, the current economic headwinds relate more to issues of supply than demand. Ironically, the pandemic seems to have left many consumers in a relatively robust financial position, in part due to generous government support in the instances where governments could afford it. Consequently, any sign of alleviation in the supply bottlenecks could be met with robust demand, which would be supportive of equity markets.

Alice Springs Airport, Australia

Source: @dailyoverview

All eyes will remain on inflation, and central bankers' actions to contain the steep rises in prices. We are, quite literally, in the midst of a few simultaneous storms, and investors should tone down their expectations of positive returns during the next few quarters accordingly. That said, most shares have declined sharply so far this year; there is now real value in some of the best companies in the world. Thus, this is hardly the time to be exiting one's long-term investment portfolios or bringing about material changes to the latter. We believe caution is still required in one's approach to all investment markets though, be they local or offshore, bond or equity. We will thus remain cautious in our approach.

Data that dazzles

You think you have problems?!

At a recent report back to Parliament on the National Treasury's performance, director general Dondo Mogajane noted that of the 257 municipalities in the country, 170 or 66.1% are in financial distress and need Treasury's involvement. Of the worst performers, 43 met all the criteria to be placed under mandatory intervention in terms of the Constitution. "The challenges are just too many" he noted.

Not much to add here to these comments. One just wonders how long this can continue and the rand remain firm?

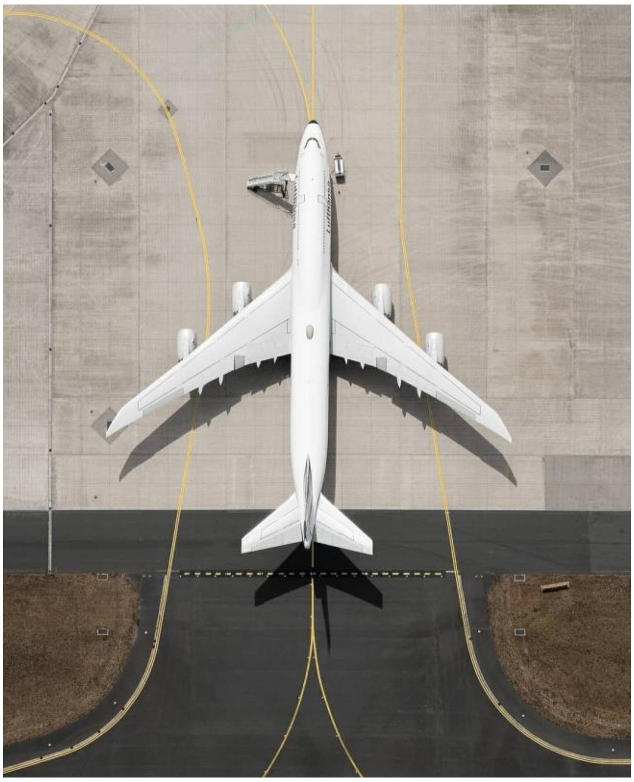
Where did all the money go?

In an article by Prof Brian Kantor on 29 April, he brought to our attention the following shocking fact; as long-sufferers of load-shredding we will all appreciate the irony of the shocking reality. He wrote "As much as R1.1tn (that's R1 100bn) was invested by government in electricity, water, and gas between 2000 and 2021, much of it in electricity generation. Almost unbelievably, *the real output of electricity has declined 20% since 2000*" (my italics).

So what's with the pics?

The "return to normal" – whatever that means these days – has even reached sleep SA shores, now that all Covid restrictions have been removed. Many friends and clients have taken the opportunity to travel abroad, so I thought it appropriate to share some "top down" photos of airports this month.

"The Lockdown Series" Frankfurt Airport



Source: @tomhegen.de

"The Lockdown Series" Frankfurt Airport

Source: @tomhegen.de

All of these are taken from various Instagram posts, and I encourage you to follow the photographers or compilers. There is some extraordinary work on Instagram, as you can see from these photos.

Artists like Tom Hegen have compiled entire series on, for example, the Frankfurt airport, taken shortly after the world went into general "lock down" mode in March 2020. The last two photos are taken from his "Lockdown" series; it is worth exploring further in your own time. Many of the photographers have their own websites, and you can find all the necessary details on their Instagram pages. I hope you enjoy the photos as much as I do.