

## ECONOMIC AND MARKET OVERVIEW

GRADIDGE  MAHURA  
INVESTMENTS

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### Commentary – What lies ahead in 2020?

Twenty-twenty has a lovely ring to it. Not only is it the start of a new decade, but it's also a symbol of perfect vision. According to the Chinese zodiac (which has a cycle of 12 years) this is the year of the rat – the traditional start of the cycle.

The last time this rodent featured in was in 2008 and South Africans will be excused for associating it with the smell of one too. Given that we're a diverse and hardy nation who subscribes to #ImStaying (depending on how much rest you got over the holiday season...), let's put that smell behind us and envisage the year ahead. According to the Economist<sup>1</sup> there are (at least) a dozen highlights to look out for in 2020. Just remember that economists are no better than weather forecasters at getting it right...

#### 1. It's judgment time.

That is doubly true for President Donald Trump: first in Congress with the Democrats' drive to remove him from office (the Republican controlled Senate will save him), then in a febrile election in November. It will be ugly; the artificial intelligence we consulted reckons Mr. Trump will lose. Britain's reckoning with Brexit will leave the country divided, damaged and diminished.

#### 2. Economies wrestle with negativity

Banks, especially in Europe, will battle with negative interest rates. America will flirt with recession – but don't be surprised if disaster fails to strike, and markets revive.

#### 3. China highlights positivity

It will claim to have met its target of achieving "moderate prosperity" by 2020. Other countries will have to work out how to position themselves, in trade and technology, between a Chinese sphere of influence and an American one.

#### 4. Sport has a jumbo year

The Tokyo Olympics will draw a huge global audience. The Euro 2020 football championship will be spread across 12 countries. Cricket hopes for a smashing success in Australia with the T20 World Cup – and in England and Wales with a new, even shorter format called The Hundred.

#### 5. Worries about nuclear weapons proliferate

The five-yearly review of the Nuclear Non-Proliferation Treaty will be a fraught affair, 75 years after the bombing of Hiroshima and Nagasaki. Fears of a new arms race will grow as nuclear arms-control agreements fray.

#### 6. Sustainability is all the rage

At least, talking about it is. In Kunming countries will discuss biodiversity. In Glasgow they will make pledges on carbon emissions. Business leaders will vow to support sustainable capitalism – as long as shareholders let them.

#### 7. The Gulf welcomes the world

Dubai hopes its World Expo will have a lasting impact. More awkwardly, Saudi Arabia hosts the G20 summit.

#### 8. Multiple missions head to Mars

America, Europe, China and the UAE all send probes.

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<sup>1</sup> - Edited from the Economist's "World in 2020"



## Commentary – What lies ahead in 2020? (continued)

### 9. **Technology has both highs and lows.**

The highs include flying taxis, electric supercars and personalised medicine; the lows involve tech giants bracing themselves for more regulation, taxation and critical scrutiny. Instagram will find itself in the spotlight of controversy in this American-election cycle.

### 10. **Big anniversaries resonate, especially Beethoven's 250th.**

It's also 500 years since Raphael's death, 400 since the Mayflower sailed to America, 300 since the South Sea Bubble burst, 200 since the birth of Florence Nightingale (the World Health Organisation has designated 2020 the Year of the Nurse), 100 since Prohibition, 75 since the founding of the United Nations and - while their fans gently weep – 50 years since the Beatles broke up.

### 11. **A torrent of entertainment comes on stream.**

Television's streaming wars intensify, and streaming opens new vistas for gamers too. But James Bond fans will head to old-fashioned cinemas for the 25th film in the franchise. And a grand new national museum in Cairo will show that physical presence still matters.

### 12. **It's the decade of...the "yold", or the young old, as sprightly baby-boomers hit 65.**

For the first time, the world will have more people aged over 30 than under. The 2020s promise to be a bad decade for African dynasties, a disruptive one for countries facing separatist pressures and an exciting one for plant geneticists, who in ten years' time aim to be drawing down carbon dioxide from the atmosphere at a global scale.

There are many uncertainties that lie ahead, but what is beyond doubt is that 2020 will be an interesting year. Buckle up – time waits for no one.

Source: The Economist Intelligence Unit: Public Policy – The World in 2020

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