

Opportunities Created by the Global Recession



Introduction

“Innovate. Improve those things that already exist and sell them. The crisis exists only for those who cry and buy tissues.”

By - Frank Coelho de Alcantara

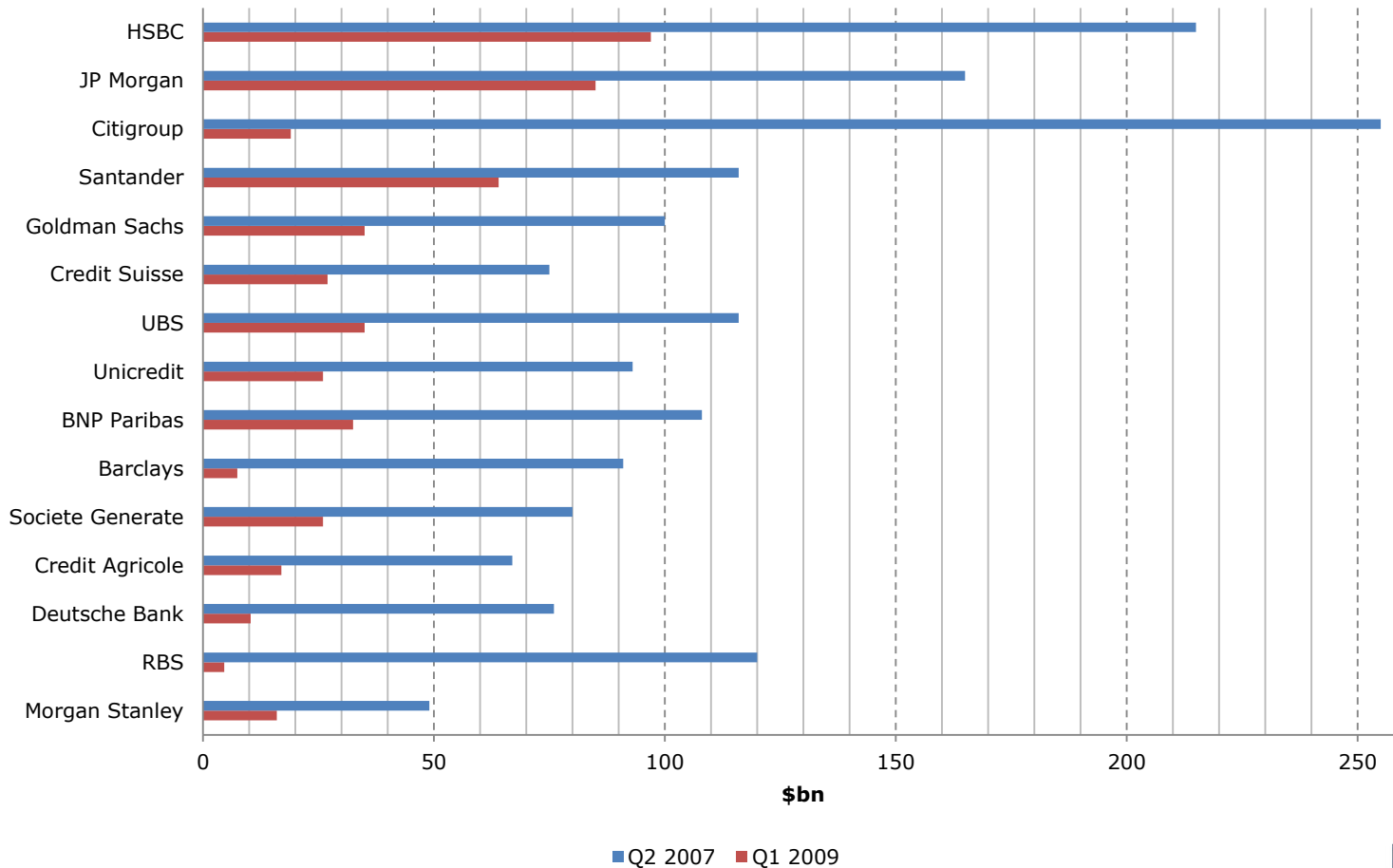
Therefore it takes some ingenuity and vision to ‘sell tissues while others cry’.

A global catastrophe could possibly create an opportunity for one nation or corporation to rise above the others and become the next so-called ‘Empire’ of the global world.

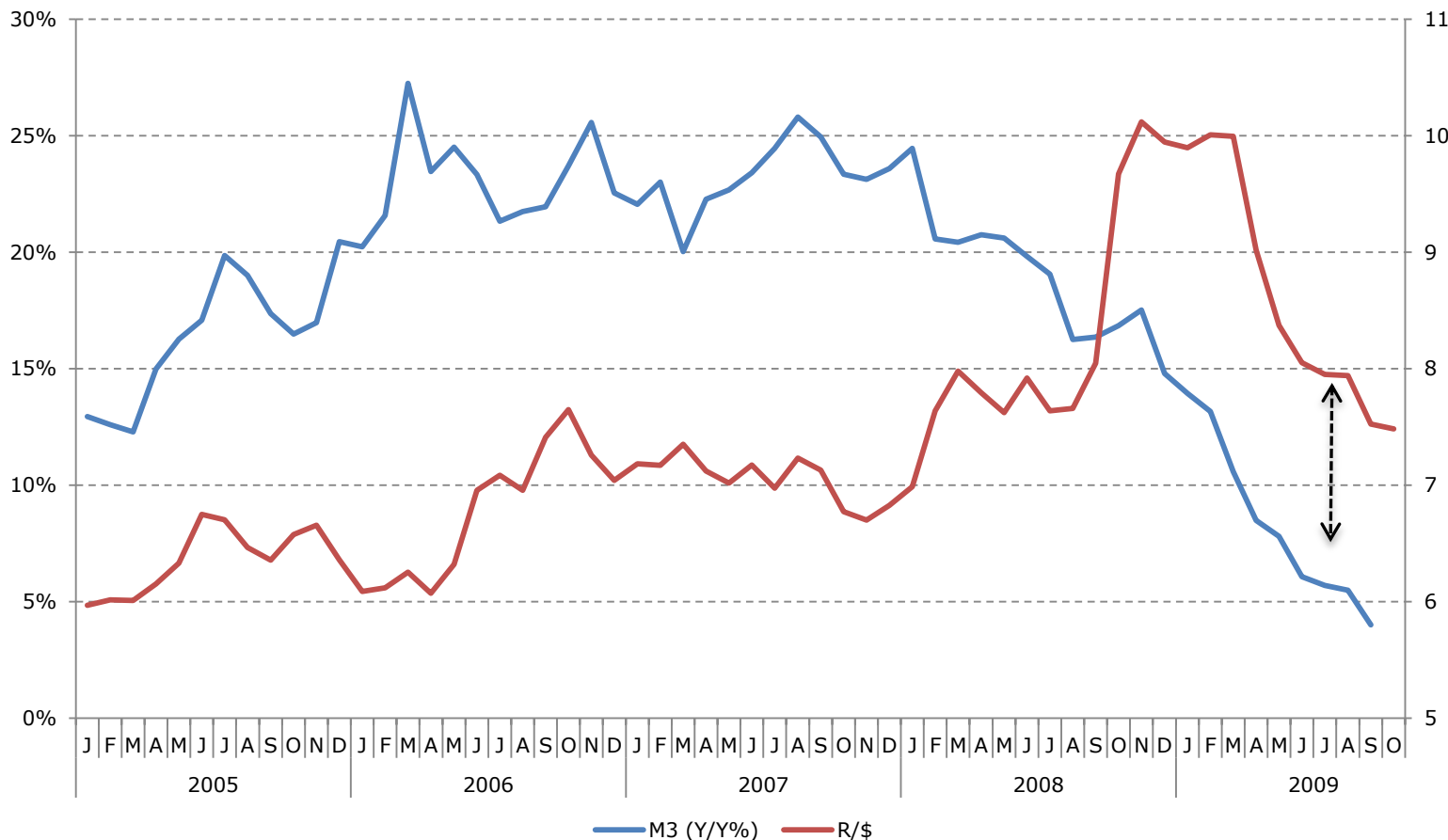


1.A Few Negatives Points

Market Value of Corporations Before & During Financial Crisis (\$bn), 2007Q2-2009Q1 (Before and during Financial Crisis)



2. Opportunity for SARB to Buy Foreign Currency

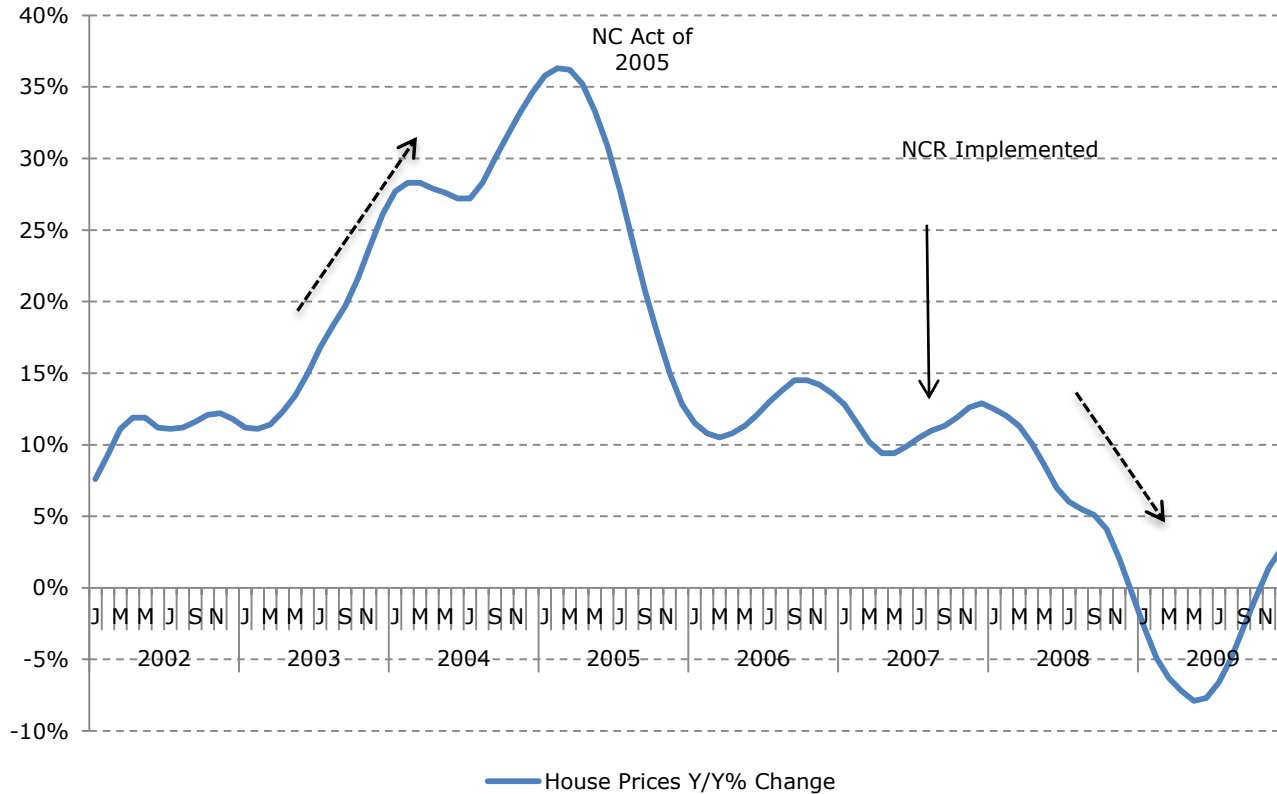


R/\$: 7.00
M3: 4.4%
(August 2010)



3. Property Bargains

House Prices Decrease



NC Act & NCR- National Credit Act & National Credit Regulator

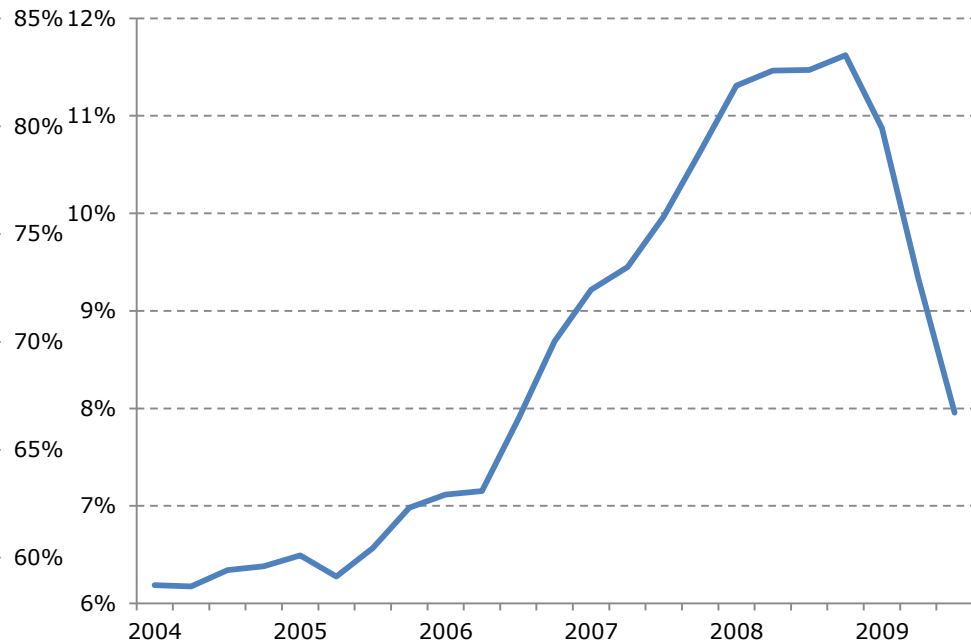
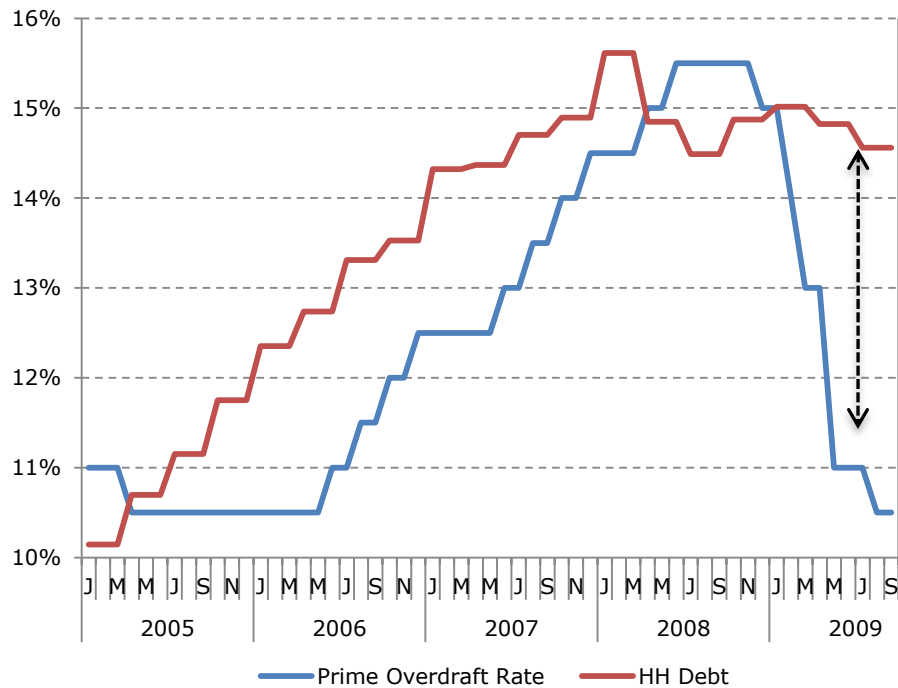


4. Debt Consolidation



Interest Rates & Household Debt*

Debt-Servicing Costs*



* To disposable Income

Source: SARB



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5. Money Directed Towards Emerging Markets and Gold



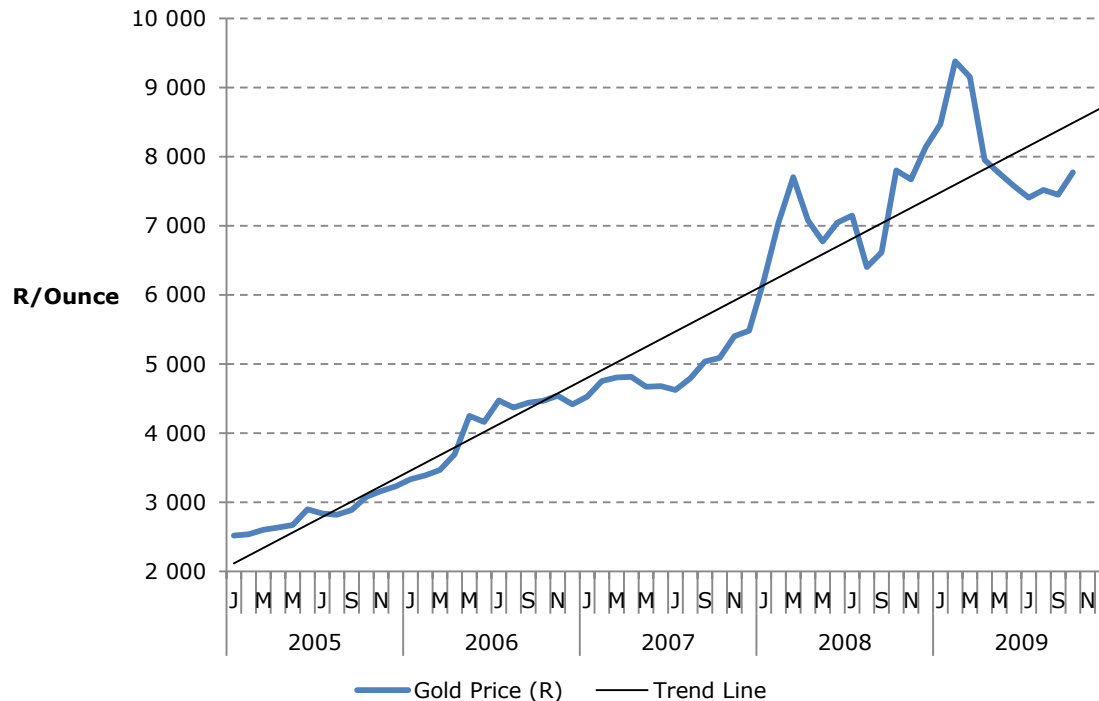
Carry Trade

Interest Rates as of 10 Feb 2010

Emerging Markets Money Market Interest rates		Emerging Markets Real Money Market Interest rates	
Russia	8.8	Brazil	4.4
Brazil	8.7	Indonesia	3.4
South Africa	7.1	Mexico	0.9
Turkey	7.1	South Africa	0.8
Indonesia	7.1	Hungary	0.4
Hungary	6	Philippines	0.2
Philippines	4.6	Russia	-0.1
Mexico	4.5	Turkey	-1.1

Gold

A wise man said that if he had one gold coin for every month in retirement he would be able to retire comfortably



Gold Price as of
4th October 2010
= R 9111.23



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6. Other Opportunities

- Break into the global banking sector
- Diversify economy and not be reliant on a single trade or industry
- Political opportunities arise whereby different people come together to fight a common 'cause' or 'enemy'
- A call for increased regulation and the rethinking of macro-economic policy by the IMF, WB, central banks and main stream economic thought.
- Global environmental recovery: the whole growth model we created over the last 50 years is simply unsustainable economically and ecologically
- Restructuring of corporate strategies in order to enhance productivity, align themselves competitively, enter new domains, innovate, create new cost-cutting measures and restructure employee packages in order to enhance profitability
- Criminal activity in the form of fraud and corruption



The end Thank you!

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