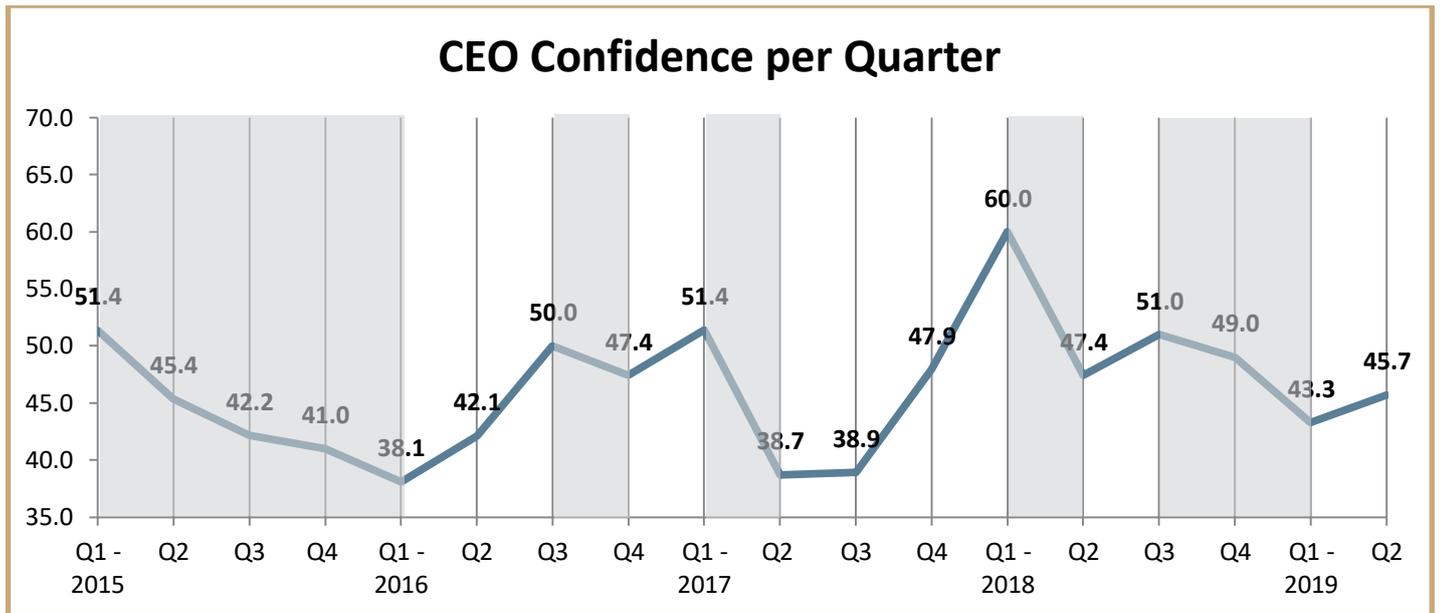


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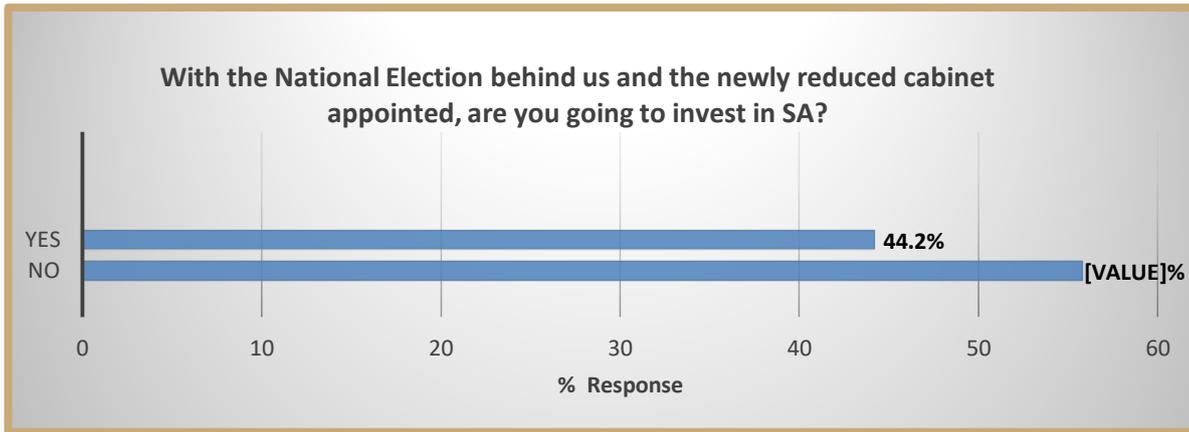
CEO'S are cautiously optimistic, yet true confidence will only be supported by policy certainty.

The **Merchantec CEO Confidence Index** recorded a 5.63% increase in CEO confidence in Q2 of 2019 to a score of 45.7, which is below the neutral score line of 50 points. The movement represents a slight uptick from the downturn that we've experienced since Q3 of 2018. The largest contributor to this subdued increase in overall confidence, was the ability to secure debt. The most noteworthy increase in confidence has been in the technology sector.

The election results has not presented any significant change in sentiment. CEO's are still waiting for decisive action from government, which will in turn, support an upward trajectory in confidence. CEO's are of the opinion that the change from negative to positive sentiment, requires investor friendly policies. The common sentiment expressed by CEO's is that "Nice words" backed by no action, will not be good enough anymore. CEO's are still calling for conclusive action with regard to SOE's. A prominent CEO stated that he will invest in SA, but his growth is expected to come from other parts of Africa whilst others said that they will not make new investments in SA, but rather work on current projects and assets to try and maximise returns on historical investments.



55.8% of CEO's indicated that they not going to invest in SA, despite the outcome of the election. Whilst 44.2% said they will invest in SA.



Basic Resources went up to a score of 55.00 points, a 13.15% increase.

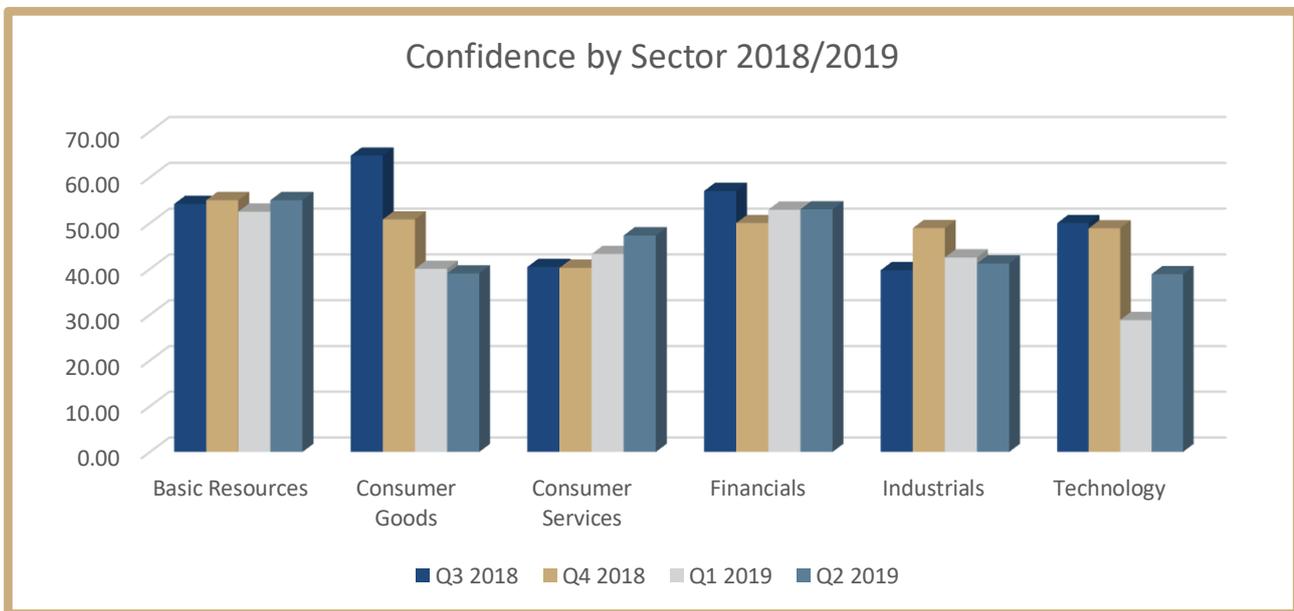
Consumer Goods decreased by 2.5%, moving to a score of 39. The decrease in overall confidence was primarily driven by the ability to secure debt as well as economic conditions.

Consumer Services increased to 47.31 a 9.4% increase.

Financials increased by 0.2%, practically no change in this sector sentiment.

Industrials decreased by 3.2%, moving to a score of 41.8. The decrease in overall confidence was primarily driven by economic conditions.

Technology recorded the largest increase of 36.2%, this was driven predominantly by industry growth and economic conditions.



To view all previous quarterly reports, please visit [Merchantec CEO Confidence Index](#).

More about the Merchantec CEO Confidence Index

The Merchantec CEO Confidence Index, which consists of five components, collates views from CEOs of top South African companies and therefore provides a leading indicator into how business leaders perceive local market conditions and the economy going forward.

The Merchantec CEO Confidence Index is a copyright report prepared quarterly by Merchantec Capital. The survey collates responses from over 1 000 top CEOs, from the listed and non-listed environment.

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