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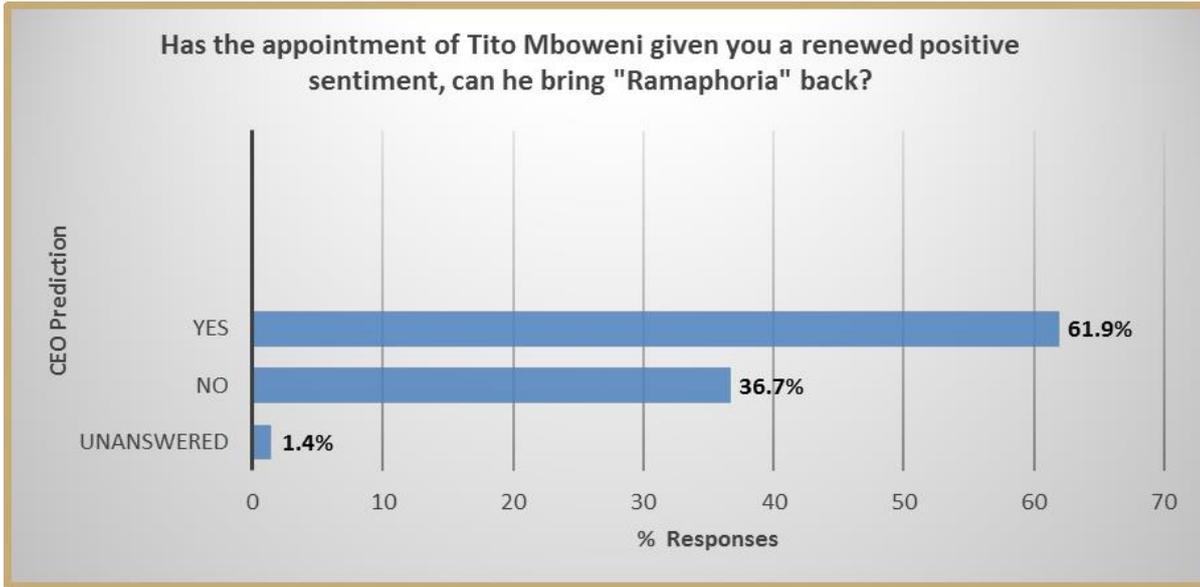
## All eyes on the 2019 National Election as CEO's dig deep to remain optimistic.

The **Merchantec CEO Confidence Index** recorded a 4% decrease in CEO confidence in Q4 of 2018 to a score of 49.0 which is just below the neutral score line of 50 points. The largest contributor to this decrease in confidence was the planned level of investment across all sectors. Basic resources, consumer services and technology have had marginal movement in confidence this quarter.

Next year's national election is on the lips and minds of most CEO's as we approach 2019 with significant uncertainty. CEO's expect that the economy will turn the corner a few months after the election, provided that President Ramaphosa gets to serve his first official term in office. There is belief amongst CEO's that The President, is taking bold steps to unbundle State Capture and that he is trying to weed out corruption. Whilst this plays out in the political arena, CEO's have indicated that they are holding back on further capital investment and are considering re-structuring their operations to steer their business through political and economic unpredictability.



61.9% of CEO's expressed a renewed positive sentiment to the appointment of Mr Tito Mboweni as Finance Minister, while 36.7% indicated that they do not believe that the appointment can provide the euphoria that we experienced when President Cyril Ramaphosa took the helm in Q1 of this year. The majority of CEO's said that, they take comfort in the fact that Mr Mboweni has vast business experience and that he was the right choice given his track record. CEO's appreciate his straight forward communication, honesty as well as his stance on SOE's.



**Basic Resources** went up to a score of 55.00 points, a meagre 1.5% increase.

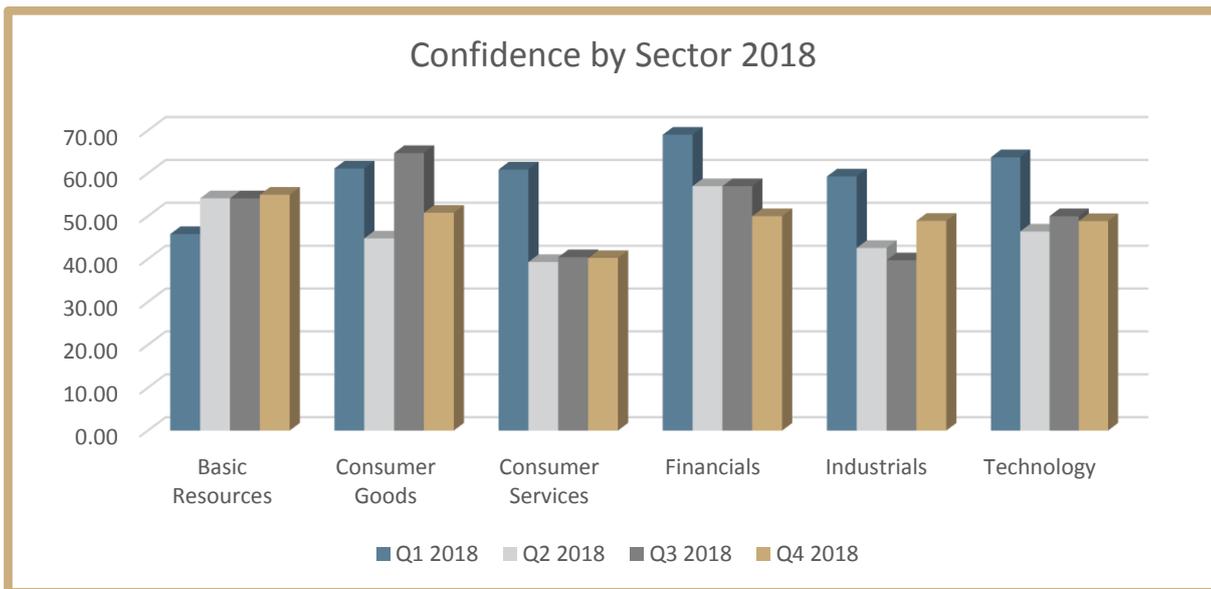
**Consumer Goods** decreased by 21.5%, moving to a score of 50.80. The decrease in overall confidence was primarily driven by a decrease in levels of planned investment and followed by economic conditions.

**Consumer Services** remained flat at 40.25.

**Financials** decreased by 12.3%, this was mainly attributed to economic conditions and company growth prospects.

**Industrials** increased by 23.1%, moving to a score of 48.90 from 39.72 in Q3. The increase in overall confidence was primarily driven by an increase in economic conditions and company growth.

**Technology** recorded a decrease by 2.3%, this was driven by dampened industry growth forecasts.



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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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