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**In Touch**

Mark Mobius founder of Mobius Capital Partners and former chairperson of Templeton Emerging Markets Group, widely credited with having established emerging markets as an asset class, had this to say:

a) China has a Communist leadership, but it’s a market economy. They want to be bigger and better than the USA.

b) The want more foreign investment, but they want investors to adhere to the Communist idea of a level playing field – ensuring that China provides all its people with a certain standard of living.

Quote from Moonstone Financial Indicators 22 November 2021.

Whilst there may be a lot of negative sentiment about China due to COVID, financial markets react differently to current emotional persuasions.

Now enter the Russian Ukraine war and markets have reacted negatively. Listening to various asset mangers the response has been the same. The war will end. Markets will return to normality albeit with a difference – just as they did with COVID where more people worked remotely. We all need to be more prudent.

They say, justice delayed is justice denied. Who knows what will happen in the end to Jacob Zuma. Meanwhile corruption to an unbelievable degree has been found out via the Zondo Commission. This, and the Finance Department are being watched closely by the Rating Agencies, which give a signal to local and foreign investors as to where investors will go. Without investors, there is no economy.

With corruption, comes a lot more rules and everything is changing, from Medical Aid rules, Short Term business rules and life risk rules. It is incumbent on all citizens to read the rules of a contract before engaging on any agreement.

**The GBW Team**