



FINANCIAL FLASHES



South Africa downgraded again

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On Friday (9 June) Moody's downgraded the credit ratings of South Africa's top five banks, three development finance institutions, certain City Power and Sanral credit ratings, and 10 regional and local governments.

The downgrades (Baa3 from Baa2) follow "the weakening of the South African government's credit profile", Moody's said in a statement on Monday (12 June) after the markets closed.

Global Credit Ratings (GCR) affirmed the rating of Fedhealth at AA-(ZA) with the outlook placed on Negative, reflecting GCR's expectation for potential continued earnings pressure over the rating horizon.

SA's unemployment rate has increased to 27,7% in the first quarter of 2017 from 26,5% in the previous period. This was the highest jobless rate since the first quarter of 2004 as unemployment rose.

Fitch Ratings affirmed SA's sovereign long-term foreign currency and local currency credit ratings at BB+ with a stable outlook.

Standard&Poor's (S&P) Global also affirmed SA's long-term foreign currency sovereign rating at BB+ and the local currency rating at BBB- with the outlooks on both remaining negative.