



Elections countdown – The forecast

SOUTH AFRICA

Follow the maths. This is a seminal election where the maths of coalitions is going to be exceptionally tight. We do not see any “easy” routes here to magically higher growth or coalition stability. Instead, we must consider the most likely and least unstable options. An ANC-IFP-smaller party coalition remains the baseline but is only of moderate probability given that the IFP will need in effect to change its current stance that it wants a grand coalition – the ANC could offer them the KZN Premiership in this respect. If this doesn’t work, we think an ANC-DA or grand coalition (ANC-DA-IFP) could be possible though we need to consider what works in the provinces and Gauteng especially (this would). This means we must remain cognisant of the DA needing some involvement. We do not see an EFF-ANC coalition as likely at all (the market misunderstands the NEC’s views here and that they will avoid this at all costs) and an opposition ‘MPC’ coalition as more unlikely still. The baseline coalition outcome means status quo for policy (steady but slow reform), whilst DA involvement could lead to upside risks but would take time to emerge given constraints.

We see the ANC fall to 44.8% from 57.5% in 2019, which would be its largest ever fall. There are two main drivers, a continuation and interplay of the normal trend of support loss the ANC has seen over time with lower turnout – that was encapsulated particularly in the 2021 local elections, combined then with the shock of a new party (MKP) particularly in KZN shaving off further pps – at just under 5pp, given the size of that province in the overall mix (just over 20%). We see the ANC doing best in terms of votes hung onto and seats gained. We see upside risks on our ANC forecast based on the view their machine is working. We see smaller new proto parties doing a mixed bag – MKP clearly the best new entrant party ever for SA getting some 31 seats and 7.7% of the ballot, Rise Mzansi then getting some 1.8% and some seven seats. New parties from 2019 that stood in the 2021 local elections like the Patriotic Alliance and ActionSA will enter parliament but with relatively low vote shares. We see a free and fair election (broadly) and do not believe it is possible for the election to be thrown at a national level though funny business at individual vote district level must be watched as must fake news and other influences. We do continue to highlight the risk of politically instigated instability in KZN if an IFP-DA coalition were able to take the province.

This used to be so easy. One could forecast a number for the ANC, and it would be above 50% so nothing really mattered, a smattering of commentary on “mandates” not really meaning much at 65% or 55% and everything carried on. No one cared about the sub-national level and the fact provincial elections happened at the same time.

Not this time! We – and the markets and business and everyone else – care very much for that classic ANC percentage but also what it means for seats for the ANC and for every other party, at national and provincial level and then what all the coalition permutations are and their probabilities, drivers and implications! Oh, what a time to be an analyst and an elections geek.

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Find our full series of “2024 Countdown” research [here](#).

KRUTHAM 2024 BASELINE

<u>National</u>	
ANC	44.8 (57.5)
DA	22.7 (20.8)
EFF	9.8 (10.8)
MKP	7.7 (-)
IFP	4.0 (3.4)
RISE+BOSA	1.8/1.0 (-/-)
PA	1.5 (-)
Turnout 61.7 (66.1)	
Coalition baseline – ANC+IFP+smaller party	
<u>Provincial</u>	
Gauteng	– ANC+DA
KZN	– ANC+IFP
WC	– DA

TOPICS

Politics

INDEPENDENT, EXPERIENCED,
KNOWLEDGEABLE,
DEEPLY CONNECTED, RAPID ANALYSIS

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This note is therefore split into two broad sections. The first deals with the election outcomes in terms of vote percentages at national and provincial level. The second deals with coalition dynamics at national and provincial level. We have a forecast for everything....

[THIS IS NOT AN OPINION POLL. In prior elections there has been a farcically wrong view prevalent in the media that our forecast is an opinion poll.]

Election vote outcomes

The 2024 elections happen on 29 May (with overseas voting occurring on 17 and 18 May, and special voting occurring in the days before the main event). Voters vote in two elections across three ballot papers with a single vote mark on each in a proportional representation system that does not have constituencies:

- The National Assembly elections on two ballot papers:
 - The regional-to-national ballot by indicating one mark for a party. The votes are used to indicate proportional support for parties with MPs selected from regional-to-national candidate lists. This ballot has independents on it who are listed by name. Each province is a region having a predetermined number of seats totalling 200. (Overseas voters do not have this ballot paper.) Seats are allocated to individuals on the regional lists including independents up to 200 seats.
 - The national-to-national ballot by indicating one mark for a party. This ballot does not have independents on it. The national-to-national votes are *ADDED* to the regional-to-national ballot votes for parties (excluding independents) and this total is used to indicate proportional support for parties in terms of the total number of seats they will receive. Compensatory seats are then awarded to individuals on the national-to-national list to a total of the total number of seats awarded in this process less the number awarded in the regional-to-national process. In total this process awards the parties the proportions of the seats in total (400) minus the number of independents elected from the regional-to-national ballots.
- The provincial assembly elections on one ballot paper by indicating one mark for a party. The votes are used to indicate proportional support for parties with MPLs selected from the regional-to-regional list of candidates. Each province has a different election with different parties and candidate lists.

Counting for the national assembly occurs from the close of polls on Wednesday evening. We expect to be able to call the outcome of the vote by around 0600 on the Thursday though if it is exceptionally tight it may take longer – counting however will continue into the Friday, though the bulk of votes are normally counted by the middle of the Thursday. Provincial ballot counting starts on the Thursday normally.

All results are normally formally declared on the Saturday (a technical legal step) however this might fall slightly later given recounts or objections. This starts the technical stop clock down to the first sitting of the National Assembly and provincial legislatures which must be within 14 days.

Note that the NCOP is not elected but decided through various individual provincial rules which happens shortly after the first sitting of provincial legislatures in mid-June, and the NCOP then meets shortly after. Note the outcome of the NCOP is exceptionally hard to forecast where there will be coalitions at the provincial level. We provide some analysis below on a likely scenario. However, given that the NCOP votes on whole province blocks if the ANC retains five of the nine provinces (we see it retain an absolute majority in six) then this is all that matters from a legislation point of view. Seat balances matter only in terms of the balance of voices and the debate. Seats are more simply thought of as allocated according to the number of seats parties have in provincial legislatures. Given each of the nine provinces is equally weighted with 10 seats, different balance of power outcomes here are expected.

Exit polls are not legally allowed (the data can be collected but cannot be published for some time). There is already a range of polls coming out in the run-up to the election including daily SRF polling.

Methodology

We have built a vote model for each province that aggregates up to national level and converts at each level into a seat allocation model according to the applicable IEC rules under the De Hoop method.

The model assumes differential turnout falls from 2019 across the provinces to forecast the number of actual votes that turn out in each province. It also assumes split votes between provincial ballots and national ballots according to historical averages that this occurs. All this adds deep colour to the underlying views on party performance. In prior elections, these factors would not have mattered at all but here issues like vote splitting between ballots and differential turnouts as well as the technical issue of seat calculations can throw seat numbers for parties and coalition combinations out by possibly up to 10 seats each way for the largest parties in our view.

The raw underlying views on party performance are taken principally from our by-election model which we have been consistently publishing separately with some adjustments for proto parties. We balance this view against public polling and private polling and focus group insights from parties and others we have access to as well as discussions with parties at national and provincial level.

While we put great stress on this being an internally consistent model, this should not distract from layers of assumptions made at each level of the model – and ultimately should be considered our professional judgement that stands based on our historic credibility forecasting elections in South Africa for clients.

Overarching drivers and views

This election – coming down to the seat wire as it will for coalitions – will be decided by the turnout and by vote splitting as a variety of province-level battles simmer down through really the larger provinces (Gauteng and KZN – which also drive the coalition drama at the provincial level).

Provincial narratives and battles

Gauteng

- We see the ANC fall very markedly in line with its showing in 2021, bringing it into spitting distance of the DA.
- Among metropolitan areas, Ekurhuleni will be a key battleground for the ANC if it is to prevent annihilation, while the EFF will pose a notable challenge in townships, especially in the West Rand.
- The ANC seems quite confident of knocking out the Soweto vote and there is some evidence for this on the ground. This vote block did not appear for them in the 2021 local elections and will prevent them from sliding further from that level.
- The DA machine appears to be making only shaky progress against smaller proto parties especially those which are looking at the province as their main base. The MKP will be pocketed in key areas around KZN migrant labour areas in particular.
- ActionSA will die or not in this election based on holding onto its performance in the 2021 elections; we see them failing to make inroads and so eroding their national score. The FF Plus may make some inroads that keep the DA in check; the PA votes in the provinces are second most important for their national standing after WC, and we see some support.

KwaZulu-Natal

- In by-elections, the MKP has already demonstrated its ability to compete with IFP strongholds in northern and middle KZN. The party will have to do the same in the southern parts of the provinces, where the ANC remains strong, and the EFF and DA have shown some potential – though we see MKP having only limited success there.
- We see a strong showing from the DA overall albeit from a low base. We see the IFP giving back almost all of its gains in the by-elections last year to MKP in the province and so limiting its upside nationally. Still the party is stronger than in 2021.
- Several micro-parties that are potential coalition partners are important in the mix and whose showing in KZN will swing their seat numbers nationally.

Western Cape

- While the DA is likely to retain a majority in the province, we expect the PA, proto-parties and the FF Plus to considerably reduce its share in predominantly coloured areas. As such we assume the party will only scrape through.
- This is the most important region for the PA's standing nationally and also the amount of proto party seats that can be gained. We see ActionSA fail to capitalise in the province. The FF Plus can hold onto some of its strong showing in 2021 but will be challenged much more now than then by the PA in coloured areas. We see GOOD holding

onto some gains in 2021 here but failing to advance further, limiting its national standing.

- While we see independents nationally do poorly in general, Zackie Achmat in the Western Cape may just cross the line with a strong and well-funded campaign.

Free State

- With Ace Magashule's African Congress for Transformation failing to gain momentum, the ANC will stay in power but will face a notable challenge from the DA, EFF and FF Plus – bringing the ANC down to the mid-50% though we think talk that it could fall below is overblown.

Mpumalanga

- Mpumalanga, especially the Zulu-speaking parts of the province, will likely be the MKP's best hunting ground outside of KZN (ie through the south of the province). The ANC is likely to retain the province, but we must watch whether its disgruntled and anti-Cyril Ramaphosa members do not turn towards the MKP.

Northern Cape

- The bigger opposition parties will drive the ANC's decline, but we also expect a good showing from the PA here. The battle between the PA and FF Plus (who did very well here in 2021) however is important for the national balance. The EFF has pushed hard on the province but with only limited success.

Eastern Cape

- This is one province where the ANC seemingly does not have a notably strong challenger, though inroads from proto parties around the edges (most notably Rise) which has done much groundwork here will sway its national standing.
- While the DA is seen holding onto decent momentum here ActionSA's national standing is going to be swayed by its ability to hold onto gains here under Trollip from 2021 – we see a mixed bag.

North West

- The ANC is likely to stay put, with the bigger opposition parties being the only threat. The DA and the EFF should make marginal gains.

Limpopo

- The ANC is likely to perform better here than in most other places. The province is yet to get a strong opposition party with the official opposition in the province, the EFF, still very distant from the ANC despite it being its home province. The EFF's national standing will be largely decided on if it can make any significant inroads here which we do not see.

Foreign vote block

- The foreigner vote block is expected to back the DA as usual with a strong majority though will at the margin be a key source of votes for the proto parties.

Turnout

Differential turnout is normal between elections but also the change in turnout from the last election is key.

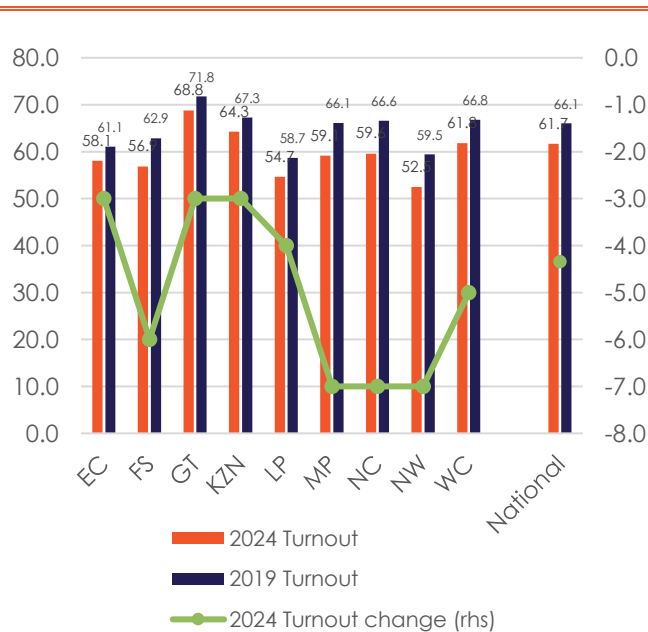
A total of 27.781m voters are registered as we've stated previously in our research. This represents a pace of increase less than half that of the demographic cohort in the past five years showing that people staying away and not engaging at all remains a key factor we should not lose sight of when we consider the dynamics of the populus (roughly 58% of the eligible population is registered – lower than in 2019).

We expect contested provinces where coalitions are likely such as Gauteng and KZN to see lower drops in turnout vs other provinces. We think there is a natural glide downward driven by the larger share of the youth in the electorate who are less likely to turn out and more disaffected ANC voters who cannot see voting for anyone else (the continuation of a theme).

Overall, we see a drop in turnout from 66.1% to 61.7%. Risks here are roughly balanced in our view. They can be slightly higher if the party machines work but slightly lower on bad weather or last-minute shocks (water etc) driving ANC voters not to vote rather than for the opposition. This means we expect some 17.142m votes to be cast on 29 May. We had originally expected a somewhat lower turnout number pre-Christmas at around 58% but thought that was too low given the prevalence of closely fought provincial battles.

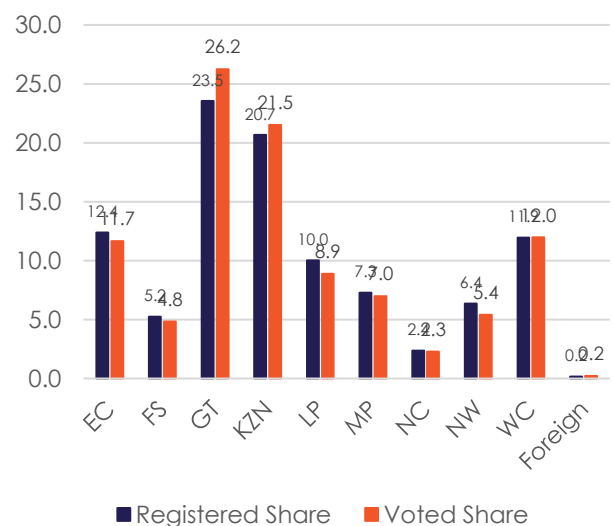
The IEC has said it "expected" a 70%+ turnout. We cannot see how they get to this number and our understanding is that this is "only" marketing to try and boost turnout by building momentum (fair enough that's their role). We do not believe that this is based on any actual research. Most political parties are expecting a moderate drop in turnout in line with us, we believe.

Figure 1: Turnout assumptions (% , pp)



Source: Krutham, IEC

Figure 2: Share of registered and projected actual votes (%)



Source: Krutham, IEC

Vote splits

Vote splitting occurs between national and provincial election choices that the electorate makes – whereby they vote one way in the National Assembly elections and another for their province legislature. This cycle is far more complex now with three ballot papers however, but we must remember that the total proportion of seats per party in the National Assembly is awarded by the SUM of the regional-to-nation paper votes for parties and the national-to-national paper votes for parties – ie any small splits in vote people make between them are worth “half” what they would otherwise be. We therefore are concerned mainly still the split of the provincial regional-to-regional ballot and the two national ones considered as one.

The last election was fairly typical of vote splitting to other elections – in general showing the trend that people favour the ANC more at national and less the further down through provincial (and muni) elections you go. We expect this to continue where people take the “chance” for a more interesting party at provincial than national level. Vote splitting could be lower this time as the ANC vote share naturally falls; it could also be higher given more interesting parties and campaigns to try to hedge your bets.

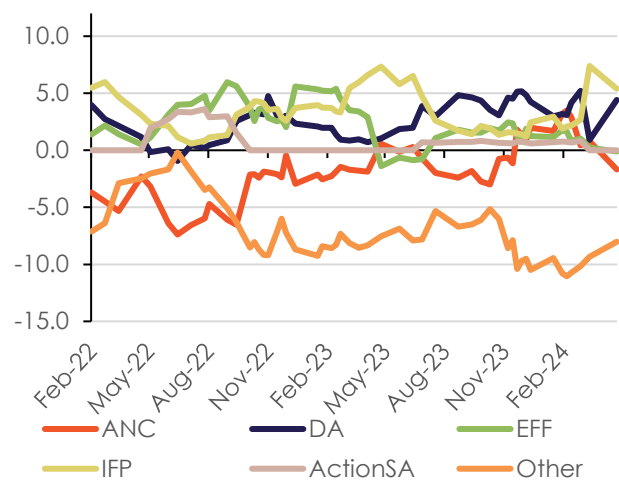
Overall, we assume that vote splitting occurs roughly in line with prior elections at around +1.7pp for the ANC and -1.2pp for the DA and -0.8pp for the EFF. This is factored into our model.

Figure 3: Vote splits across provinces in 2019 (pp)



Source: Krutham, IEC

Figure 4: By-election trends (swings, pp)



Source: Krutham, IEC

By-election model colour

The headline in recent by-elections has been the MKP's good showing in KZN and one ward in Mpumalanga. However, the party's showing in the Eastern Cape and Limpopo signalled that it will not be a force beyond KZN, Mpumalanga and Gauteng. The PA has performed very well in the Western Cape, demonstrating that it will likely push the DA down closer to just over 50%. The DA has performed very well in Gauteng and will be encouraged by its recent toppling of the ANC in an Eastern Cape ward. ActionSA's performance in Polokwane, Limpopo highlighted that the party is losing the momentum it established in 2021, hence it is unlikely to be among the best performers come May 29.

We must be careful not to read too much province-wide into localised by-election results. We take a long leading average of 200 days of by-elections for instance to smooth out analysis and weight by-elections into particular thematic areas by province. Given by-elections are so closely fought with so much money and resources thrown at them while still generating such low turnout, we think they are useful in indicating broad trends of support vs 2021 but they do not tell us quite how the bias of people away from opposition towards the ANC should work.

Polling trends

We have written extensively before on perceived biases by methodology in polling results for IPSOS and SRF daily, where we bias them within the margin of error.

We are seeing a sharp rise in SRF daily polling in the past few days albeit from a low base. This seems to reinforce our baseline that the ANC machine works to drive support, but we should be careful that to drive out the vote on the day itself is another matter.

The big unknowns

As an ANC stronghold, high voter turnout in Soweto will be key to the party's fortunes. This is why the party has been deploying its heavyweights, including Thabo Mbeki and Kgalema Motlanthe, to campaign there. While the Soweto turnout and subsequent vote for the ANC would go a long way towards pushing up the ANC both nationally and in Gauteng, this alone would not be enough for the party to avoid coalitions. In addition, the electoral impact of the employment programmes that the provincial government has recently rolled out remains to be seen. These have focused mainly on young people from disadvantaged backgrounds. It is no coincidence that in 2023 the provincial government chose Orlando Stadium in Soweto as the venue to hand out appointment letters to the successful applicants for the solar panel technician job opportunities.

In the Western Cape, the PA has performed very well in by-elections. The party is intent on bringing the DA below 50%. The biggest question here is whether the work it has put in towards this goal actually yields the desired result. Considering the partnership it has put in place with local parties and the work done by GOOD, this remains possible. However, our baseline is that the DA will narrowly hold on to power.

The other question is whether the MKP can suddenly do so well that it becomes the biggest party (not an outright winner) in KZN and possibly exceeds the 10% mark nationally. This would depend on the party's ability to establish its presence in all corners of KZN within a short time.

The weather is also important. Current long-range forecasts show, because of the El Nino cycle, that the country is likely to be drier and warmer than usual for early winter. There is a small chance of rain in northern Mpumalanga only.

The baseline

National Assembly

Our baseline view is driven by a successful **ANC** machine which works door to door and garners support from wavering ANC voters with then moderately high success of turnout from this group on the day. We assume solid support in traditional core areas like the Eastern Cape and the Gauteng Soweto vote returns at least on the national vote for the party. Lower turnout drives

uncertain ANC voters and people who stayed away in 2019 (and 2021) from voting for other parties and so decreasing the turnout to 61.7% from 66.1% last time. All this supports the ANC to a degree, but it is still a sharp fall to 44.8% from 57.5% previously. We would describe this as a poor showing in absolute terms clearly from its prior trajectory – a sharp acceleration of the downward trend since 2004. However, given the state of household balance sheets, inequality and service delivery we would say that this was a remarkable holding of the line. They are however likely to fall short of their expectations management point around 48% (though see first alternative scenario below). We see risks as to the upside. The loss of votes is driven by (provincial vote numbers – though we apply swings on the national ballot) – Gauteng from 50.2% to 34.9% and KZN from 54.2% to 33.1%.

We see the **DA** execute a successful core vote strategy though see limited upside from this (only the denominator effect of the lower turnout coming through), some slippage in the Western Cape to proto-parties on the right and the PA on the left as well, and consolidating some of the gains in Gauteng from 2021 albeit squeezed again by proto-parties and the PA. KZN may be their most successful campaign albeit from a low base. Overall, we see negative campaigning offsetting the good governance narrative and preventing a meaningful further step up in vote share. ANC to DA conversions remain low. The DA are likely to fall a little lower than their expectations managing just north of 25%. We see risks slightly to the upside on our 22.7% baseline.

We see the EFF as the big losers of the election and falling most short of their expectations management point (which seems to put them above 25%). We see the falling back from 10.8% to 9.8%. We have always seen them capped on the upside at about 12% but the squeeze will be especially strong in Gauteng and KZN from the MKP. We see the EFF as the hardest to forecast and where the uncertainty gap between image and actuality is widest, but hardest to quantify. Risks are balanced.

The IFP we see as doing moderately well, rising from 3.4% to 4.0% but this is quite substantively weaker than they could have done based on by-elections in mid-2024 – they have given back all those gains we believe to the MKP in KZN. Risks are likely slightly to the downside.

ActionSA are also big losers of the election; though they weren't in parliament before, they got over 2% of the vote nationally by just running in a few places in the 2021 local elections, yet now we see them only get 1.6% given leadership and image problems and being squeezed on all sides.

The FF Plus should hold onto prior gains though is squeezed slightly for the coloured vote it was so successful picking up in 2021 by the PA now; as such we see it fall back a tick to 2.3%.

The PA enters for the first time and should hold onto or extend gains from 2021 to come in around 1.5% nationally even though its support is quite pocketed in the Cape and Gauteng.

Proto parties we see do "ok" (though exceptionally bad value for money given how much has been thrown at them). We see them get around 3.0% or so combined – we see the legwork Rise put in in recent years with the Rivonia Circle paying off and so doing slightly better than BOSA. Risks on both are hard to call though there seems particular evidence of a dramatic leg up on the first election to say 10% or anything like that.

MKP is, of course, the one everyone is watching and where the dynamic is complex, a very new, messy party with chaotic internal structures and a recently exited founder but with a moderate amount of money and successful ANC branch flipping (who knows how to do ground campaigns) since start year. The polling puts them nearly double where we do however, but we really struggle to see them much north of our baseline of 7.7% based on the regional composition – getting the most votes in KZN and then Gauteng and Mpumalanga. There is however a court-wide “tail” to the party which could boost them higher a little but above 10% seems a stretch too far.

Al-Jama is a small albeit potentially important coalition partner (in the mix in Johannesburg) – we see it tick up slightly given it has some incumbency – no matter how bad its management of the metro is) and given the Gaza issue. We see it tick up from 0.2% to 0.3%.

People forget GOOD is in effect in coalition already with Patricia De Lille in government as Tourism Minister. We think this is neutral at best for them and they are squeezed from all sides and somewhat pocketed in the Western Cape in particular, so we see them flat at 0.4%.

The detail

Our full forecast is presented below. People might naturally think decimal places mean confidence levels. No. Building a consistent model-based framework from province up to national that is internally consistent for so many parties with different dynamics in each area naturally leads to decimals. There are wide forecast error bands here as we discuss below in the risks and scenarios sections.

Figure 5: The baseline forecast

	% - 2024	% - 2019	Seats - 2024	Seats - 2019	Seat change
African National Congress	44.8	57.5	180	230	-50
Democratic Alliance	22.7	20.8	91	84	7
Economic Freedom Fighters	9.8	10.8	40	44	-4
Inkatha Freedom Party	4.0	3.4	16	14	2
ActionSA	1.6	0.0	6	0	6
Freedom Front Plus	2.3	2.4	9	10	-1
Patriotic Alliance	1.5	0.0	6	0	6
African Transformation Movement	0.3	0.4	1	2	-1
Rise Mzansi	1.8	0.0	7	0	7
MK Party	7.7	0.0	31	0	31
Build One South Africa	1.0	0.0	4	0	4
African Christian Democratic Party	0.5	0.8	2	4	-2
United Democratic Movement	0.4	0.4	1	2	-1
African Independent Congress	0.2	0.3	1	2	-1
Al Jama-ah	0.3	0.2	1	1	0
GOOD	0.4	0.4	2	2	0
Independent	0.3	0.0	1	0	1
Congress of the People	0.1	0.3	0	2	-2
African Congress for Transformation	0.2	0.3	1	2	-1
Other	0.1	2.0	0	1	-1

Source: Krutham

NCOP

Given we see the ANC above 50% in six of nine provinces, the exact seat distribution in the NCOP is somewhat academic. A majority in a majority of provinces means that the ANC will be able to push through legislation on provincial mandates. The majority in the provinces can form the mandate on how their provincial block (which is equally weighted) votes in the NCOP. We have highlighted perhaps the Free State is at risk and so it could drop to five which would still be fine. If it were to drop to four provinces then the dynamics of ANC control in each province and coalition pact would be important to determine however the ANC was able to get a majority of provincial mandates in the NCOP. As such – like the National Assembly – we see a broad range of outcomes lead to a broad status quo (but the risk of noise).

Even given all this – we still present our baseline in terms of the number of seats below. Seats are calculated off the number of seats a party gets in each province and so the way the distribution works smaller parties are less represented than in the National Assembly. However, given the broad shift in support away from the ANC towards other parties, we see smaller parties more represented than previously and so bringing a broader range of voices into the NCOP.

Figure 6: NCOP baseline 2024 forecast vs 2019 actual

Party - 2024	Province										Total	Majority mandates
	KZN	GP	FS	LP	MP	WC	NW	NC	EC			
African National Congress	3	4	6	7	6	2	6	5	7	46	6	
Democratic Alliance	2	3	2	1	1	5	1	3	2	20	1	
Economic Freedom Fighters	1	1	1	2	1	0	2	1	1	10		
ActionSA	0	1	0	0	0	0	0	0	0	1		
MKP	2	1	0	0	1	0	0	0	0	4		
Inkatha Freedom Party	2	0	0	0	0	0	0	0	0	2		
Other	0	0	1	0	1	3	1	1	0	7		
Total	10	10	10	10	10	10	10	10	10	90		

Party - 2019	Province										Total	Majority mandates
	KZN	GP	FS	LP	MP	WC	NW	NC	EC			
African National Congress	6	5	6	8	7	3	6	6	7	54	8	
Democratic Alliance	1	3	2	1	1	6	1	3	2	20	1	
Economic Freedom Fighters	1	2	1	1	1	1	2	1	1	11		
ActionSA	0	0	0	0	0	0	0	0	0	0		
MKP	0	0	0	0	0	0	0	0	0	0		
Inkatha Freedom Party	2	0	0	0	0	0	0	0	0	2		
Other	0	0	1	0	1	0	1	0	0	3		
Total	10	10	10	10	10	10	10	10	10	90		

Source: Krutham

Scenarios and risks

We present below a range of alternative scenarios ranked in declining probability:

- Baseline – we assign a 45% probability to our baseline.
- First alternative – ANC machine works even better (30% probability) – ANC 48%, DA 22%. ANC rallies further than already seen in the SRF daily polling. We see decent upside risks in our baseline (and have for some time). This is an extension of the baseline that the ANC machine to garner support and then knock it out on the day particularly works. Other parties fall in parallel though the DA least, the ANC takes from IFP, MKP (somewhat) and EFF in particular.

- Second alternative - Pre-election shock (water/electricity) drives ANC stay away (15% probability) – ANC 41.5%, DA, 25%. ANC falls back sharply on a service delivery type shock and its momentum falters quickly. ANC voters stay away as opposed to opposition parties. ANC core vote however is solid and prevents a fall further.
- Other alternatives – ANC above 50% (5%) and deeper downside to ANC 38% on a collapse in the vote and a meaningful turnout for the opposition (5%).

The key drivers here then are the ANC machine and the “shock” choice of the electorate to align around opposition, in particular proto parties, the IFP in KZN or the coloured vote for the PA.

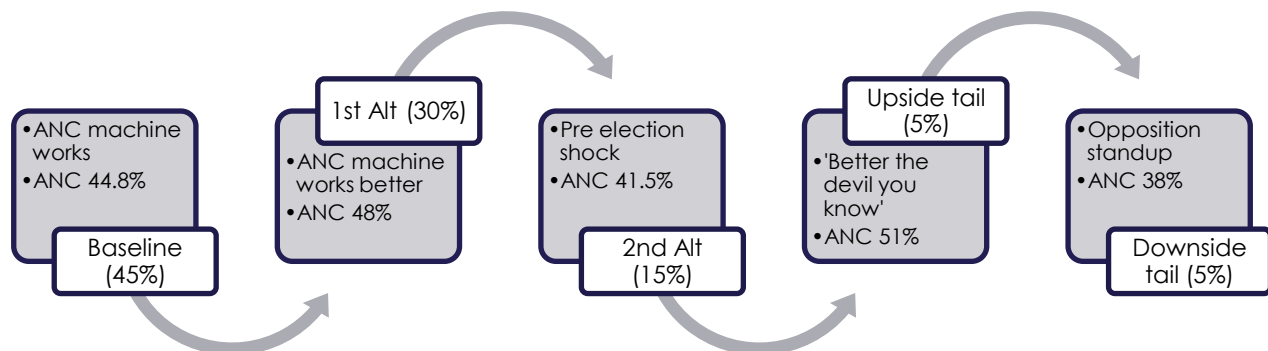
We should also consider generalised turnout shocks:

- The ANC has a U-shaped turnout curve. High and low turnout is positive for the ANC (given it is driven by the machine or the core base is solid), while moderate turnout is negative (opposition parties' voters do turn out more than the ANC's).
- The DA's turnout is somewhat linear but relatively flat – the lower turnout the worse it does.

As mentioned above there are weather-related shocks that could drive turnout. Turnout differentials between provinces – as laid out above are also important. Turnout could be higher than assumed in KZN driven by the close four-way contest, similarly the three-way contest in Gauteng. These are big provinces which could have even put more weight in the mix. Similarly, the Eastern Cape could have a lower turnout on a view it is still an ANC stronghold.

Turnout differentials between provinces and early signs through the results period are going to be important to watch.

Figure 7: The scenarios



Source: Krutham



The 2024 election forecast

Northern Cape	2024		2019	
	Vote shares	Seats	Vote shares	Seats
African National Congress	51,7	16	57,5	18
Democratic Alliance	27	8	25,5	8
Economic Freedom Fighters	11,9	4	9,7	3
Freedom Front Plus	4	1	2,7	1
Patriotic Alliance	2	1	0	0
African Christian Democratic Party	1	0	0,7	0
Other	2,4	0	3,7	0
TOTAL	100	30	100	30

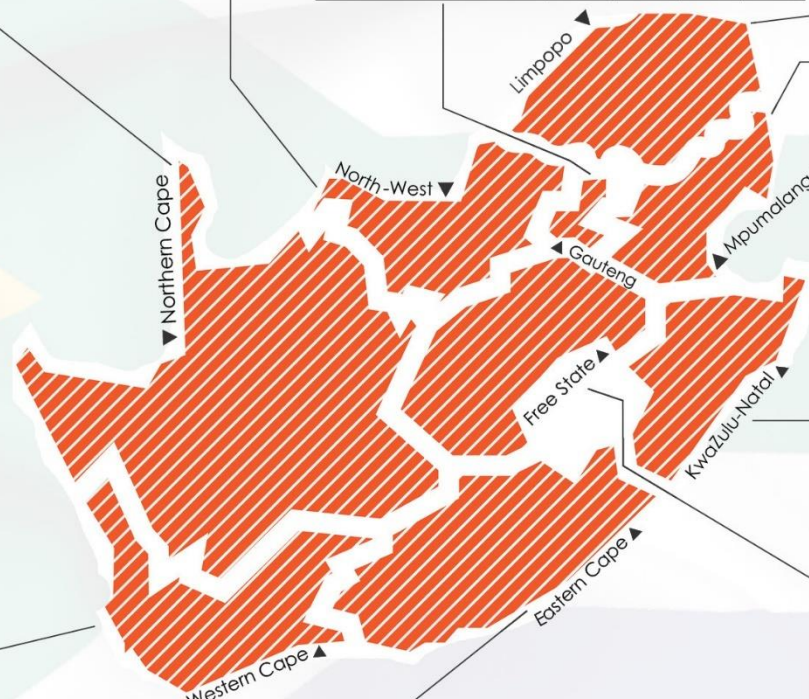
North-West	2024		2019	
	Vote shares	Seats	Vote shares	Seats
African National Congress	57,3	22	61,9	21
Economic Freedom Fighters	20	8	18,6	6
Democratic Alliance	12,8	5	11,2	4
Freedom Front Plus	5,5	2	4,3	2
Patriotic Alliance	1,8	1	0	0
Other	2,6	0	4	0
TOTAL	100	38	100	33

Gauteng	2024		2019	
	Vote shares	Seats	Vote shares	Seats
African National Congress	34,9	28	50,2	37
Democratic Alliance	27	22	27,4	20
Economic Freedom Fighters	13,3	11	14,7	11
MK Party	7	6	0	0
ActionSA	4,1	3	0	0
Rise Mzansi	3,8	3	3,5	3
Freedom Front Plus	3	2	0	0
Build One South Africa	2,8	2	0	0
Patriotic Alliance	2	2	0	0
Inkatha Freedom Party	1,1	1	0	0
Other	1	0	4	2
TOTAL	100	80	100	73

Limpopo	2024		2019	
	Vote shares	Seats	Vote shares	Seats
African National Congress	70,6	46	75,5	38
Economic Freedom Fighters	16,5	11	14,4	7
Democratic Alliance	7	5	5,4	3
Freedom Front Plus	2,3	1	1,4	1
ActionSA	1	1	0	0
MK Party	0,6	0	0	0
African Transformation Movement	0,5	0	0	0
Build One South Africa	0,5	0	0	0
Other	1	0	3,3	0
TOTAL	100	64	100	49

	% 2024	% 2019	Seats 2024	Seats 2019	
African National Congress	44,8	57,5	180	230	▼ 50 seats
Democratic Alliance	22,7	20,8	91	84	▲ 7 seats
Economic Freedom Fighters	9,8	10,8	40	44	▼ 4 seats
MK Party	7,7	0	31	0	▲ 31 seats
Inkatha Freedom Party	4	3,4	16	14	▲ 2 seats
Freedom Front Plus	2,3	2,4	9	10	▼ 1 seat
Rise Mzansi	1,8	0	7	0	▲ 7 seats
ActionSA	1,6	0	6	0	▲ 6 seats
Patriotic Alliance	1,5	0	6	0	▲ 6 seats
Build One South Africa	1	0	4	0	▲ 4 seats
African Christian Democratic Party	0,5	0,8	2	4	▼ 2 seats
GOOD	0,4	0,4	2	2	-
United Democratic Movement	0,4	0,4	1	2	▼ 1 seat
African Transformation Movement	0,3	0,4	1	2	▼ 1 seat
Al Jama-ah	0,3	0,2	1	1	-
Independent	0,3	0	1	0	▲ 1 seats
African Congress for Transformation	0,2	0,3	1	2	▼ 1 seat
African Independent Congress	0,2	0,3	1	2	▼ 1 seat
Other	0,2	2,3	0	3	▼ 3 seats
Total	100	100	400	400	

NATIONAL ASSEMBLY FORECAST



Mpumalanga	2024		2019	
	Vote shares	Seats	Vote shares	Seats
African National Congress	60,2	31	70,6	22
Economic Freedom Fighters	12,3	6	12,8	4
Democratic Alliance	11,5	6	9,8	3
MK Party	9	5	0	0
Freedom Front Plus	2,5	1	2,4	1
African Christian Democratic Party	1,0	1	0,5	0
Patriotic Alliance	0,8	1	0	0
African Transformation Movement	0,7	0	0,6	0
Other	2	0	3,3	0
TOTAL	100	51	100	30

KwaZulu-Natal	2024		2019	
	Vote shares	Seats	Vote shares	Seats
African National Congress	33,1	27	54,2	44
MK Party	23	19	0	0
Democratic Alliance	18,7	15	13,9	11
Inkatha Freedom Party	17,5	14	16,3	13
Economic Freedom Fighters	4,3	3	9,7	8
National Freedom Party	0,9	1	1,8	1
Al Jama-ah	0,6	1	0,3	0
Other	1,9	0	3,8	3
TOTAL	100	80	100	80

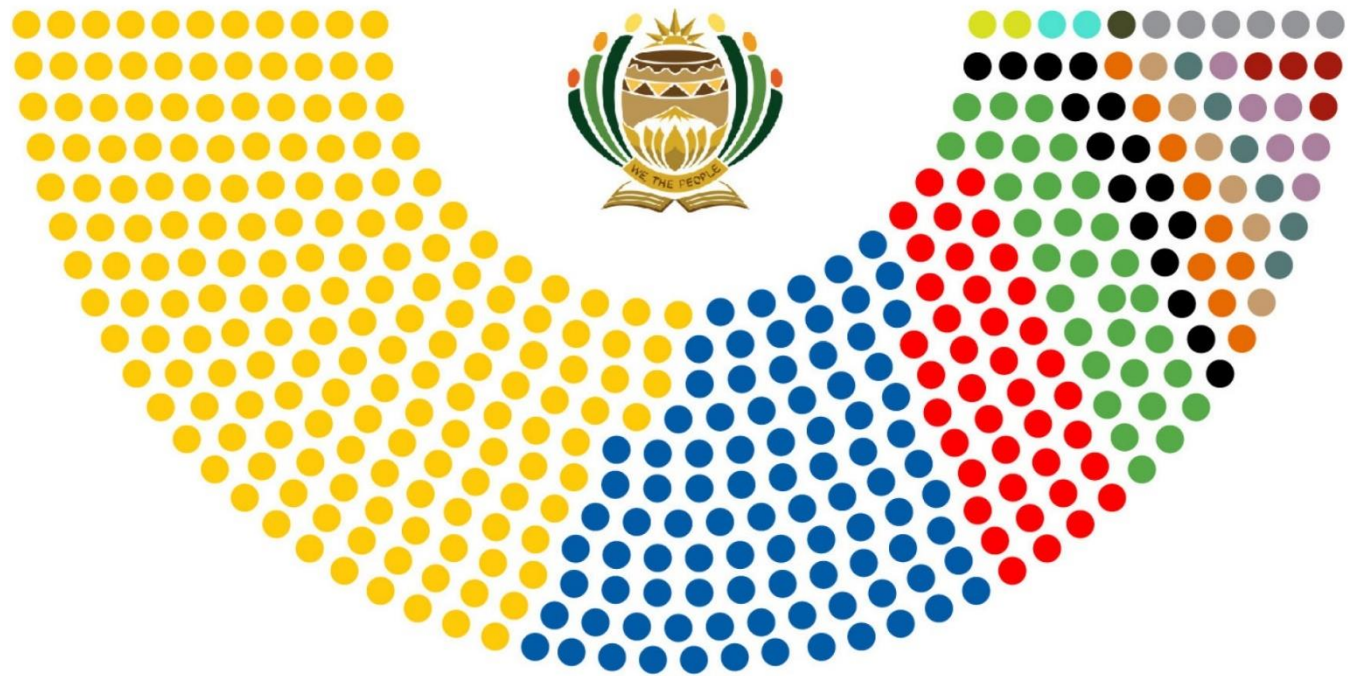
Western Cape	2024		2019	
	Vote shares	Seats	Vote shares	Seats
Democratic Alliance	51	22	55,5	24
African National Congress	21,6	9	28,6	12
Patriotic Alliance	5,1	2	0	0
GOOD	4,7	2	3	1
Rise Mzansi	3,2	1	0	0
Al Jama-ah	3	1	0,9	0
Freedom Front Plus	2,9	1	1,6	1
Economic Freedom Fighters	2,7	1	4	2
Other	5,8	3	10,4	2
TOTAL	100	42	100	42

Eastern Cape	2024		2019	
	Vote shares	Seats	Vote shares	Seats
African National Congress	62,9	46	68,7	44
Democratic Alliance	17	13	15,7	10
Economic Freedom Fighters	8,1	6	7,8	5
United Democratic Movement	3	2	2,6	2
African Transformation Movement	2	2	1,5	1
ActionSA	1,5	1	0	0
MK Party	1,5	1	0	0
Other	4	1	3,7	1
TOTAL	100	72	100	63

Free State	2024		2019	
	Vote shares	Seats	Vote shares	Seats
African National Congress	56,9	18	61,1	19
Democratic Alliance	19,5	6	17,6	6
Economic Freedom Fighters	14	4	12,6	4
Freedom Front Plus	5,5	2	4	1
Patriotic Alliance	2	0	0	0
Rise Mzansi	1	0	0	0
MK Party	1	0	0	0
Inkatha Freedom Party	0,1	0	0,1	0
Other	0	0	4,6	0
TOTAL	100	30	100	30



National assembly forecast



- African National Congress (ANC) ▼ 50 seats (44.8%)
- Democratic Alliance (DA) ▲ 7 seats (22.7%)
- Economic Freedom Fighters (EFF) ▼ 4 seats (9.8%)
- MK Party ▲ 31 seats (7.5%)
- Inkatha Freedom Party (IFP) ▲ 2 seats (4%)
- Freedom Front Plus (FF Plus) ▼ 1 seat (2.3%)
- Rise Mzansi ▲ 7 seats (1.8%)
- ActionSA ▲ 6 seats (1.6%)
- Patriotic Alliance ▲ 6 seats (1.5%)
- Build One South Africa (BOSA) ▲ 4 seats (1%)
- African Christian Democratic Party ▼ 2 seats (0.5%)
- GOOD — (0.4%)
- United Democratic Movement (UDM) ▼ 1 seat (0.4%)
- Other:
 - African Transformation Movement ▼ 1 seat (0.3%)
 - Al Jama-ah — (0.3%)
 - Independent ▲ 1 seat (0.3%)
 - African Congress for Transformation ▼ 1 seat (0.2%)
 - African Independent Congress (AIC) ▼ 1 seat (0.2%)

This forecast is based on the following voter turnout assumptions.

	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape	National
2024 turnout	58,1	56,9	68,8	64,3	54,7	59,1	59,6	52,5	61,8	61,7
2019 turnout	61,1	62,9	71,8	67,3	58,7	66,1	66,6	59,5	66,8	66,1
Movement	-3,0	-6,0	-3,0	-3,0	-4,0	-7,0	-7,0	-7,0	-5,0	-7,0

Coalition dynamics

Given the outcomes of the vote – and that we now only see an ANC outright majority in the most extreme of tail risk scenarios – so coalitions are the way to go (though we include minority governments that would need confidence and supply agreements in this too) – and at the national level and in Gauteng and KZN. (We largely exclude the Western Cape from our analysis given the DA could choose a minor party.)

In some sense no one knows what happens after the elections – the number one question we get asked is what framework the coalition formation occurs in – the answer is there is not one in the constitution or other laws and regulations. This unfortunately also includes parliament whose rules are not set up at all for coalitions and may take many months to amend – an issue we will be looking at nearer the time of the election. There is some weak precedent from metros and munis where coalitions have been occurring for a long time (in munis) and are not totally new in metros though came into their own obviously post-2021 local elections. The parallels here are imprecise, however.

There are four big driving momentum factors around coalition formation:

- The constitutional timetable around the quick first meeting of parliament deadline being only 14 days after the results are declared (in reality we see it as most likely on 12 June or thereabouts, the last day is 15 June) and then the need to elect the **speaker** and **president** straight away. The nature of the run-off process of votes for speaker and president means that each will end up being elected by a majority present in a final round if needed regardless of who is standing and if there is a coalition agreement in place. This puts pressure on accepting the sketches of an agreement given the huge discretionary and prerogative powers the president has – most especially to form and run the executive. We see the possibility of a two-step agreement process as a result (light touch agreement first covering ministers and dispute resolutions etc followed later by a more detailed version covering policy).

It is possible that the entirety of the opposition could unite around a candidate other than the ANC's to force through someone else, however, it seems highly unlikely that there could be such a person found.

- The need to continually keep a president and executive in place and not have them fall to **no confidence** (simple majority of those present) or impeachment (two-thirds of members majority) votes which could happen at any time driven by disgruntled coalition members or others.
- The need to **pass a budget** with a simple majority of those present. There is some time in reality to do this – the 2025 Budget legislation tabled end-February 2025 must be passed. The MTBPS is less of an issue – we view it more as an opportunity for a new coalition government than a test point in the same way. However, it should be remembered that there is a huge skew in the balance of power towards the president and the executive they appoint, away from parliament. For instance, the President doesn't have to get ministers ratified in parliament.

The very limited time after an election we think has driven (all) parties to start to consider coalitions internally (with serious and detailed research and foreign tours occurring in several parties) as well as pre-negotiations occurring between many parties bilaterally (of which the Multiparty Charter (MPC) is the most obvious and public but includes the ANC-DA and other combinations that have not been public). Calling this negotiation is almost too strong – a “getting to know each other dance” might be a more appropriate way to describe it.

We see intense multiple bilateral and multilateral negotiations occurring in the period immediately after initial vote calls happen before formal results are declared. There is a small chance that talks start before election day given the parties will have a decent view of the likely outcome but with leak risk this seems less likely.

It should be noted again – there is no framework or rule within which this happens.

We will get key insights into the coalition status at the speaker and president elections (expected on 12 June) and then after the inauguration (expected on 15 or 16 June) a day later or so when the cabinet will be announced.

Methodology

Our views are derived in part from our votes and seat forecast model here in terms of viability and likelihood based on projected seat levels. However, probability assumptions are subjective.

We have however come to our views on party preferences and combinations after over a year of discussions with many political parties and insights that are primary and secondary via our associate network.

Ultimately this should be considered our professional judgement, however – this is the first time this is happening in South Africa, and we are the first to admit that very much anything can happen. (This is an economist disclaimer if ever there was one.)

Overarching drivers and views

There is one central key driver – whether a club deal can be done or not holds together national, KZN and Gauteng. If this holds, then following the maths a set of outcomes that involves the DA at all levels is necessary. If this doesn't occur, then other outcomes are possible that are messier.

We think the **ANC** wants the following:

- To try and hold together a club deal
- To avoid larger parties like the DA and EFF, if possible, in order to have a more uneven power dynamic over smaller parties
- To have the smallest number of parties in a coalition as possible
- To have a decent margin over the 201-seat threshold if possible
- If larger parties are required, then the strong preference is against the EFF and softly but recently for the DA. We see the ANC completely reject the MKP out of hand. Note that it is a longstanding and high-conviction view that the ANC will prefer at a push the DA over the EFF. We see the NEC on balance only with a small segment (15% or so) that is pro-EFF while there is a “silent” reluctant DA majority. The party overall fears being eaten alive by the EFF, “messy” and “the wrong sort of” corruption ongoing within the EFF and fears of market dislocation.

- The view has been raised in the ANC that it could sustain a minority government, but we think the party leadership is averse to this given the uncertainty signal to investors and the complexity of managing it.

We think the DA wants the following:

- To avoid a coalition with the ANC if possible judged in terms of whether a smaller party coalition with the ANC can be forced then take that route.
- However, to be ready for coalition if necessary to keep the EFF (and MKP) out.
- To show enhanced oversight at national levels and so value a speaker position more than ministers say.
- An openness to club deals.
- Seek more a coalition of (near) equals than large power imbalances.
- The party is open to confidence and supply in exchange for speaker.

Simplistically we think all parties are ultimately open to coalitions with the ANC. It is a strong view remember, above that the MPC will not get anywhere near the line with a realistic maximum of 145 seats (baseline 139). As such we see the MPC cease to exist quickly after the election as the ANC negotiates bilaterally with most parties.

The role of unions in the ANC context is important – the DA's strong policy stance recently in its economic manifesto makes it more challenging for the ANC to partner with them, but we see the unions prefer (though they would never admit this in public) the DA over the EFF.

We must consider that the more parties there are, and the lower the combined majority, the noisier and more constant the threat of collapse will be.

We need to consider that stable coalitions will need well north of the 201-seat level but also that there are no formal rules at all in parliament for how a coalition works. The largest party sits on one side, the second largest opposite(!) but also committee chairs are decided by majority vote with only the Standing Committee on Public Accounts going to an opposition party (though this is an unwritten rule). Given how open-ended things are, there are very few rules really to provide guidance except that legislation requires a simple majority of MPs present (above quorum which is one-third) and to change the constitution requires above two-thirds of total members. Also, a no-confidence vote only requires a simple majority and if the president prevents him from standing again (this is an important point which we think, given the ANC's risk aversion to internal drama that is forced upon it rather than of its own making, drives an attempt at more stable coalitions.

We must also consider some provincial issues.

Gauteng

- Gauteng stands out as the one province where an ANC-EFF coalition remains possible, albeit the probability is low. The coalition would, however, need the support of smaller parties, of which many would be available. To be clear, such a coalition is not the baseline. The coalition is possibly largely due to the relationship between the ANC Gauteng leadership and the EFF. That said, we expect the will of the ANC national leadership, which has already expressed its opposition to the current relationship between the ANC and EFF in Gauteng, to

prevail given that after a poor showing the provincial leadership will be weakened.

KwaZulu-Natal

- KZN is probably the only province where four parties (ANC, MKP, IFP, and DA) have the chance to be the majority party. What is more interesting is that the MKP is likely to be kept out of a governing coalition despite that we expect it to be among the best performers. This is largely because a coalition excluding the ANC is unfeasible at this stage and the ANC will try by all means to avoid a coalition with the MKP.

The baseline and the risk scenarios

It is hard to state a simple baseline given we are in the “no man’s land” of 44-45 where the ANC conditions are broken in an awkward way. Here you need too many small parties and end up with too small a majority making the DA more favourable in terms of being cleaner and with a larger majority. We need to consider seriously that the coalition we have in a year’s time might not be the one we have straight away in June. Our analysis here is around the June coalition but we must keep in mind the alternatives listed are possible to develop over time.

We have a strong baseline that under the constitutional prohibition of elections within three years it is virtually impossible to have an early election (there are some exceeding inelegant theoretical ways it could happen that we don’t see as really viable).

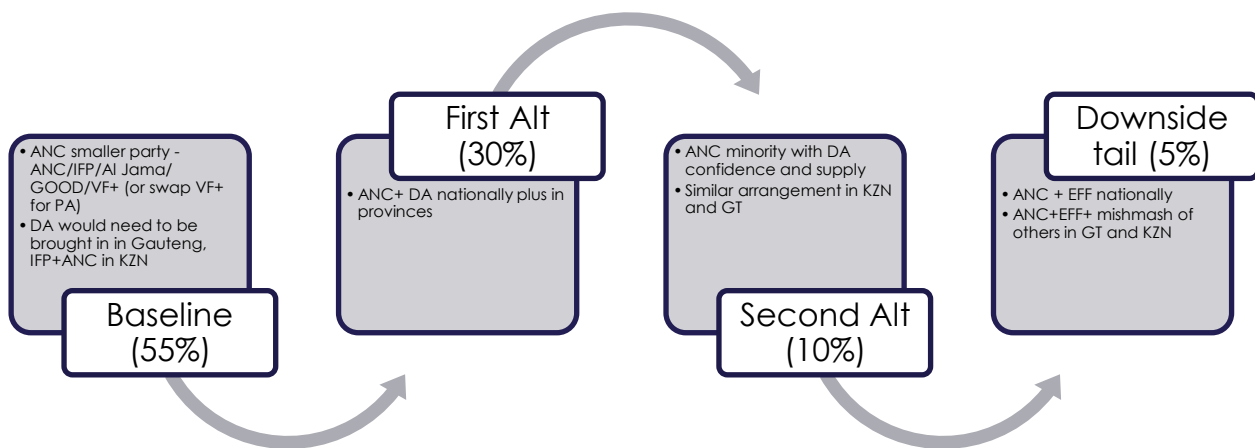
We see the following scenarios. The seat numbers are calculated from our seat model which follows the new Electoral Amendment Act 2023. Note these are initially scenarios around our *baseline* vote outcome. We discuss outcomes below around other scenarios because they work through a similar lens.

- **Baseline** – The ANC holds onto avoidance of the DA and breaks other conditions – 55% probability – 208 seats ANC/IFP/AI Jama/ GOOD/FF Plus moderate stability, the ANC avoids the PA given its leader and foreign policy disagreements. The alternative would be 205 seats ANC/IFP/AI Jama/ GOOD/PA. Broad policy status quo with small parties in non-SOE and non-key portfolios (eg FF Plus in agriculture).
 - The coalition doesn’t work in Gauteng but does in KZN (ANC/IFP only) – the DA have to be brought in in Gauteng to get 50/80 seats. The ANC/EFF doesn’t quite work at 39/80 requiring the IFP or PA to get to around 42 seats.
- **First alternative** – The ANC goes for stability with “grownups” and the DA – 30% probability – 271 seats – noisy but status quo coalition with slight upside risks in terms of conservative fiscal and reform implementation.
 - Works in Gauteng (50/80 seats) and KZN (42/80 seats). DA does not bring the ANC in in the Western Cape. The ANC could choose just to go with the IFP in KZN (41/80 seats).
- **Second alternative** – The ANC confidence and supply with the DA – 10% probability – the ANC gives the DA the speaker position and key other parliamentary roles in the National Assembly with a limited policy agreement including the budget on the agreement. We still think the ANC finds it challenging to see how this would really work in practice over long periods.

- Given the lower vote share in Gauteng and KZN, the ANC would need to bring the DA in there or else go with EFF and IFP respectively, perhaps given the DA provincial speaker positions to knit it all together. Policy would remain broadly status quo still.

We do not see the extreme tails here as likely at all (under the vote baseline remember) – of an EFF coalition. That would give 220 seats but would not work in Gauteng (by two seats) or at all in KZN. It does not buy you anything then in terms of a club deal for all the dramatic downside and sentiment shock at the national level. This is partly why we see the ANC turning away from it.

Figure 8: The coalition scenarios (based on vote outcome baseline)



Source: Krutham

Bringing in the IFP with the ANC of course is not without its history and its drama – and requires them to break the current stance not to partner. However, for the ANC, the alternative would be to need about seven other parties that only got you to 201 seats and is simply non-viable.

The more interesting issue to consider is if the IFP insist on bringing in the DA per their current pact. That allows KZN and Gauteng to work of course and offers still a similar outcome of stability with a smaller number of parties above.

Of course, there are our alternative vote scenarios which we must consider in addition to our baseline. What we see though is that while the probabilities of the above might change there is broad stability of outcomes in terms of status quo on reform momentum and fiscal. This is why we are so sanguine about these elections.

- The ANC machine works (ANC 48%) – with the crystallisation of the upside risk in our baseline for the ANC, it can form the same or a smaller coalition without the IFP potentially. KZN is likely still a problem so still the EFF or the DA are needed there, also Gauteng albeit it is easier to form alternatives (including with the EFF).
- Pre-election shock (ANC 41.5%) – reinforces the need for the DA to get over the line, smaller party options don't work. The ANC does not become more likely to choose the EFF the lower it is, assuming Ramaphosa remains but even if he doesn't (see below), we still see risk aversion of the ANC remain and so shy away from the EFF. The

real question here is if the DA stays out still and tries to force a minority government. We do not see this as sustainable, but it could occur initially before the DA wake up to the need to come into government.

- Obviously above 50% the ANC chooses to go it alone.
- Even below 40% the option with the DA still works and the DA will choose to show it can make a difference in government rather than allow a messy coalition with the EFF.

Note we see no chance of the MPC forming a government at all. They are flat at around 136-140 seats across a wider range of outcomes in our models. Even loading in huge upside ANC downside the split in the vote that would occur to EFF and MKP would mean that we would still struggle to get the MPC above 160 type levels. As such we continue to believe the dissolves very rapidly after the elections.

We must be careful not to appear too laid back, however. There is much noise and potential for no-confidence votes in all scenarios. Less with fewer parties but equally the 2026 elections may prove too much of an opportunity and the DA in particular to pull out of the coalition beforehand (we see such a strategy possibly backfiring).

The real question – which we will analyse more after the elections is if noise distracts from the status quo momentum on reform (and fiscal). Given the centrality of civil servant-led change here and the strong view that OV continues at least initially (along with NLCC and NECOM) so we see below any noise progress still being made. Of course, coalitions may well need some input into these structures or seats at them at least from a performative perspective but as long as they are not blocking then progress can be made.

The DA involvement in government could lead to better communications and sentiment management but sceptical investors will still wait for action and that, given public sector capacity constraints will take time. As such we are sceptical of seeing much faster growth than our baseline (more positive than consensus view) in the first half of the next administration at least on alternative outcomes.

Note it's our strong view that the ANC will not allow bartering in cabinet or coalition agreements on macro-fiscal. Of course, within this it is possible, and the NT will drive trade-offs if promises in one area are made. The risk here of course is slippage creeps in and the ability to respond to shocks reduces but we feel this is mostly baked into our baseline fiscal view already.

Ramaxit

The key issue remains for markets if Ramaphosa exits. We continue to view him (before – but especially after – the December 2022 debacle) as a reluctant president who is largely there because there is no other option, on the insistence of people like Gwede Mantashe and because the alternatives are worse.

While it is superficially true that the lower the vote outcome the higher the probability he exits, and equally that his team has already started discussing exit modalities with him, we do not believe there are levels or limits, except to say certainly sub-40% would be important but that is trite.

The problem of course is that there is a visceral distrust (even hatred) of Paul Mashatile in large parts of the NEC. Equally Ramaphosa (and those behind

him) have no succession strategy. Equally, the view in the party will be that no one else can support the continuation of a coalition and the best standing for the 2026 local elections. This is why our strong baseline is that he remains in power till after the 2027 ANC elective conference and exits in Q1 2028.

However, if he does go after the election, we think the market *completely misunderstands* how it would happen:

- Firstly, the NEC never operates at speed and would not be able to oust him before the inauguration expected on 15 or 16 June (or the presidency vote beforehand). As such he can't be ousted then.
- Given the way the vote works he is virtually guaranteed to become president, there is no point in him choosing to go before that point.
- He and his backers will have to put a succession strategy in place if he does choose to go and this will take some months. It also takes time to hold an emergency elective conference and agreement of 5/9 provinces. At the earliest, it would be December 2024 with an exit at the start of 2025, if not a quarter or more later.
- There are no obvious candidates. "Strong" people like Mantashe (who would be a car crash as president) are clear they do not want it. We would see a new generation try again like Lamola and Kubayi, along with steady hands like Gwen Ramokgopa. However, none of these people have bases and none are truly "national" politics in the ANC sense of wide-ranging constituencies across the country. As such Mashatile has some incumbency advantage but not much at all.
- Given so many elements of the party have left to the EFF or MKP or elsewhere etc we see little chance of a split.
- As such succession would be about a ground war for an imperfect candidate.

The fact even in the alternative that we see exit later supports the view of the status quo initially after the elections.

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