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B2B Credit Index

JANUARY 2026

KREDCOR SIGNAL

53.6

Caution

South Africa's authoritative B2B credit intelligence resource

Specialising in B2B Debt Management

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Executive Summary

KREDCOR B2B CREDIT INDEX | EXECUTIVE SUMMARY

Fragile Recovery, Unresolved Stress: The Signal Climbs Back Above 50 — But the Ground Beneath It Is Still Soft

The KredCor Signal reaches 53.6 in January 2026, its first above-50 reading since a catastrophic trough of 13.1 four periods ago. That recovery is real. It is also incomplete, conditional, and threatened by forces that have not been resolved.

KREDCOR SIGNAL	
53.6 ▼ 0.6 from prior period (54.2)	**Six-period trajectory:** 50.0 → 53.1 → 50.0 → 20.1 → 13.1 → 44.9 → 54.2 → 53.6 Above-50 threshold: **Yes — but decelerating.** The signal has shed 0.6 points from last period, the first pullback since the trough recovery began. Kredcor view: treat 53.6 as a *ceiling test*, not a confirmed uptrend.

JANUARY 2026 | PUBLISHED BY THE KREDCOR INTELLIGENCE TEAM | B2B CREDIT CONDITIONS

KREDCOR SIGNAL
53.6
Caution zone ▼ 0.6 vs prior

BUSINESS CONFIDENCE
44
BCI — 6pts below neutral 50

US TARIFF PROPOSAL
12.5%
Unresolved — proposal stage

FITCH RATING
BB+
Upgraded — 1st in 21 years

REPO RATE
7.50%
SARB — unchanged

THE GOLDEN THREAD — THREE MONTHS IN ONE PARAGRAPH

Four periods ago, the KredCor Signal collapsed from 53.1 to a trough of 13.1 — a 39.4-point deterioration that this index has characterised as a *severe deterioration event*, not a routine oscillation. The proximate triggers were a US proposal to impose 12.5% tariffs on South African exports [1] and a sub-50 RMB/BER Business Confidence Index reading of 44, [2] compounding into a demand and confidence shock that overwhelmed a partial sovereign tailwind from South Africa's first Fitch credit rating upgrade in 21 years. [3] The signal recovered to 44.9, then 54.2, and now registers 53.6. The tariff proposal remains at proposal stage — unimplemented but unretracted. The BCI remains sub-threshold. The Fitch upgrade has not yet produced measurable CDS spread compression or lower JIBAR-linked facility costs. In Kredcor's assessment, nothing that caused the collapse has been structurally resolved; only sentiment has partially recovered.

01 What Happened This Month

THE SIGNAL STALLS AT 53.6 — FIRST DECELERATION SINCE THE TROUGH RECOVERY

The KredCor Signal reached 53.6 in January 2026, marginally below December's 54.2 — the first month-on-month decline since the catastrophic trough of 13.1 three periods prior. A 0.6-point retreat from a fragile recovery is not, in isolation, alarming. What matters is the context: this is the first signal that the recovery momentum is losing force before the underlying stress drivers have been neutralised. In Kredcor's assessment, the deceleration is a leading indicator deserving immediate attention.

SIGNAL TRAJECTORY — SIX PERIODS

53.1 → 50.0 → 20.1 → 13.1 → 44.9 → 54.2 → **53.6** (current). The distance from trough to current reading: +40.5 points. The distance from the pre-collapse high to current reading: +0.5 points. Recovery is nearly complete on the signal — but the operating conditions that drove the collapse have not equivalently reversed.

THE US 12.5% TARIFF PROPOSAL: STILL UNRESOLVED, STILL REPRICING RISK

The United States tariff proposal targeting South African exports at 12.5% over forced labour allegations [1] has moved no closer to resolution in this period. It has not been implemented — but it has not been withdrawn. Export-sector supply chains in manufacturing, mining, and agri-processing continue to price in the risk, compressing margins and extending B2B payment cycles in anticipation of a shock that may yet arrive. The longer a proposal remains live without resolution, the more it functions as an actual constraint on investment and credit terms, regardless of formal implementation status.

BCI HOLDS BELOW 50 — DOMESTIC DEMAND OFFERS NO OFFSET

The RMB/BER Business Confidence Index remains at 44 — 6 points below the neutral threshold and 16 points below the Civil Confidence sub-index reading of 60,[2] which reflects government infrastructure spend sustaining construction-sector activity. That narrow divergence aside, domestic principals are not generating the demand momentum required to absorb external shocks. A BCI of 44 in a recovery period is not recovering confidence; it is stalled distress operating with a better sentiment label.

FITCH UPGRADE: SOVEREIGN BENEFIT HAS NOT REACHED THE CREDIT TRANSMISSION CHANNEL

South Africa's Fitch sovereign credit rating upgrade — the first in 21 years[3] — remains the dominant structural positive in this period. Its theoretical benefits are well-documented: lower sovereign risk premium, rand stability support, reduced cost of capital for corporates. In Kredcor's assessment, those benefits have not yet materialised in the credit transmission channel. There is no confirmed compression in SA CDS spreads or reduction in JIBAR-linked facility rates that would validate the upgrade's theoretical benefit to leveraged B2B debtors. The upgrade is real; its downstream impact on actual credit costs is, as yet, unproven.

02 Why It Happened — The Causal Analysis

The 0.6-point signal deceleration reflects the exhaustion of the sentiment-driven component of the recovery. When the signal collapsed to 13.1, the undershoot was partly technical — an overcorrection driven by fear and uncertainty rather than a proportionate repricing of actual credit risk. The subsequent recovery to 54.2 captured the reversal of that overcorrection, amplified by the positive Fitch upgrade narrative. What January 2026's 53.6 reading tells us is that the sentiment tailwind has now been fully priced. What remains is the genuine credit environment: a BCI of 44, an unresolved tariff threat, a sovereign upgrade whose benefits are theoretical rather than transmitted, and a business rescue regime that has seen filing activity consistent with elevated distress.[4]

The bifurcated narrative — Fitch upgrade as systemic positive versus tariff proposal as export-sector negative — remains structurally correct but analytically insufficient. The real risk is not the binary outcome of each factor in isolation; it is the compounding effect of sustained uncertainty on B2B trade credit behaviour. When counterparties cannot price risk with confidence, they extend payment terms, tighten their own supplier credit, and draw down working capital facilities as a precaution. That behaviour is contractionary regardless of what the KredCor Signal reads.

> ⚠ Kredcor View — The Recovery Mirage Risk A signal of 53.6 is above 50. It is technically in expansion territory. Credit managers who interpret that reading as permission to

normalise terms are making a category error: they are treating a sentiment recovery as an operating condition recovery. In Kredcor's assessment, those are not the same thing in January 2026's environment, and the gap between them is where the next wave of debtor defaults will originate.

03 What It Means for B2B Credit

PAYMENT CYCLE EXTENSION RISK REMAINS ELEVATED IN EXPORT-LINKED SECTORS

Manufacturing, mining, and agri-processing counterparties that carry export revenue exposure are operating under margin compression from the tariff overhang, regardless of its implementation status.[1] When export margins are squeezed — even in anticipation — the first working capital lever pulled is the extension of supplier payment terms. Credit managers extending net-30 or net-45 facilities to counterparties in these sectors should model what net-60 or net-75 exposure does to their own DSO and liquidity position. In Kredcor's assessment, that is not a tail risk scenario in January 2026; it is a base case stress test.

CONSTRUCTION SECTOR: INFRASTRUCTURE SPEND IS REAL, BUT CASCADE RISK IS UNDERESTIMATED

The Civil Confidence sub-index at 60 — 16 points above the headline BCI[2] — reflects genuine government infrastructure activity sustaining construction-sector demand. Credit managers in building materials, plant hire, and construction-linked supply chains should not, however, mistake sector-level activity for counterparty-level credit quality. Government-funded pipeline projects do not eliminate contractor cash flow risk; they shift it. Subcontractor payment delays on public projects are structurally embedded in SA's construction sector and can cascade into supplier default chains independent of headline sector confidence.

THE BUSINESS RESCUE PIPELINE: 60–90-DAY LAG IS NOW

In prior periods, this index flagged that a signal trough at 13.1 historically precedes a measurable rise in B2B payment defaults and business rescue filings within 60–90 days. In Kredcor's assessment, that 60–90-day window is now open. January 2026 is the period in which filings originating from the trough-period distress would begin appearing in CIPC data.[4] Credit managers should be actively reviewing their exposure to counterparties that showed payment stress or covenant strain during the Q3–Q4 2025 deterioration window, not waiting for formal filing notices.

04 What Businesses Should Do About It — Sector-by-Sector Actions

The KredCor Signal at 53.6 does not justify a uniform policy response. The environment is bifurcated: infrastructure-linked sectors carry lower immediate systemic risk, while export-exposed sectors and highly leveraged debtors remain in a fragile operating condition. Act accordingly.

SECTOR / COUNTERPARTY TYPE	RISK STATUS	IMMEDIATE ACTION
Manufacturing — export-exposed	HIGH	Reduce unsecured credit limits by a minimum of 20%. Require trade credit insurance on facilities above R500k. Trigger covenant review clauses where available. Do not extend payment terms beyond current contractual obligations.
Mining & Agri-processing	HIGH	B2B default rates rise measurably in export-exposed sectors within 60–90 days of tariff implementation. Tighten terms aggressively on manufacturing, mining, and agri-processing counterparties. Pull management accounts for top-20 debtors — 2025 financials are now materially stale given the PMI collapse.
Construction & Civil Engineering	HIGH	This sector entered stress before manufacturing and remains in it. Reduce unsecured exposure where possible; require bank guarantees or surety on new facilities. Do not treat civil confidence at 60% as a green light — it remains contractionary. Conduct fresh CIPC status checks monthly on all accounts over 60 days outstanding.
Logistics & Transport	ELEVATED	Manufacturing volume declines will flow through to freight and distribution within 60 days. Review exposure to logistics businesses whose revenue is concentrated in manufacturing clients. Flag accounts where single-sector concentration exceeds 40% of revenue.
Retail & Wholesale	ELEVATED	Consumer confidence remains weak. Wholesale buyers are likely to reduce orders or seek extended terms. Apply a maximum 30-day term extension policy and require written motivation for any exception above that threshold.
Professional Services	MODERATE	Client cost-cutting and delayed project sign-offs are extending DSO marginally (+2–4 days). Monitor closely but no structural action required unless a client enters construction or manufacturing supply chains.
Agriculture (non-export)	MODERATE	Seasonal cash cycle within normal range. Commodity price volatility warrants monitoring; no immediate limit action required. Review at next quarterly credit committee.

The Golden Thread

Golden Thread — KredCor B2B Credit Index: 2025-10 to 2026-01

Three months ago (2025-10, Signal: 53.1): The signal stood at 53.1 — modestly above the 50 neutral threshold, representing what appeared to be a fragile but functional credit environment.[5] In Kredcor's assessment, this reading reflected the tail end of the 2024–2025 recovery period, during which load-shedding had materially eased and the SARB's rate cycle had begun to turn. Business confidence, while not robust, was holding above contraction territory. That 53.1 reading now matters for one specific reason: it was the last signal print above 50 we have recorded, and it establishes the high-water mark against which the subsequent collapse must be measured. A credit manager who extended terms in October 2025 based on a 53.1 environment made a reasonable decision at the time — but the four-period deterioration that followed has materially altered the risk profile of those same counterparties.

Two months ago (2025-11, Signal: 50.0): The signal's retreat to exactly 50.0 was the first visible warning — a crossing of the neutral threshold that, in retrospect, marked the beginning of the stress sequence rather than a temporary oscillation. [5] Two macro forces were becoming legible at this point: the US proposal to impose 12.5% tariffs on South African exports over forced labour allegations was repricing risk in export-exposed supply chains before a single dollar of tariff had been collected,[6] and the RMB/BER Business Confidence Index was confirmed at 44 — 6 points below the neutral threshold and deteriorating.[7] The 50.0 signal masked genuine sectoral stress. In Kredcor's assessment, the bifurcated nature of this environment — sovereign-level stabilisation narrative versus deteriorating operating reality for export-sector principals — was already visible two months ago but underweighted by credit teams focused on the Fitch upgrade story.

Last month (2025-12, Signal: 13.1 trough, recovering to 20.1): The signal collapsed to 13.1 — a reading that, in 25 years of tracking SA credit cycles, sits in the same severity band as Q1 2020 (the first COVID lockdown month) and Q4 2008 (post-Lehman cascade).[5] The partial recovery to 20.1 is directionally positive but provides limited comfort: both readings remain in deeply stressed territory, well below the 32.5 estimated by the team's economist as the June 2026 floor.[8] What is still active from this period is the 60–90 day lag mechanism — a signal trough of 13.1 historically precedes a measurable rise in B2B payment defaults and business rescue filings within that window.[8] That clock is still running. The NCR data gap caused by the cyber-attack disruption and the persistent Absa Manufacturing PMI login wall mean we entered this recovery with incomplete visibility — a data infrastructure problem that itself constitutes a risk signal.

This month's position (2026-01, Signal: 53.6): The signal has recovered sharply to 53.6 — above the 50 neutral threshold for the first time since 2025-10 — producing a V-shaped arc that is statistically unusual and analytically demanding.[5] In Kredcor's assessment, this recovery warrants cautious interpretation rather than celebration. The Fitch sovereign upgrade has reduced systemic tail risk and may be compressing SA CDS spreads, but the BCI remains at 44 (deteriorating),[7] the US tariff proposal has not been formally withdrawn, and the business rescue lag from the 13.1 trough has not yet fully expressed itself in CIPC filings. The 53.6 reading is real — but it is a fragile 53.6, not the durable expansion signal it would represent in a clean macro environment.

Next month watch (2026-02): Three specific developments will determine whether January's recovery consolidates or reverses. First, CIPC business rescue filing volumes for January 2026 — the 60–90 day lag from the December trough means February is the earliest window for rescue activity to materialise in the data, and any acceleration above the 2025 monthly average would confirm the deterioration was deeper than the recovery suggests. Second, formal implementation status of the US 12.5% tariff proposal — a move from proposal to gazette materially changes the credit calculus for every manufacturing, mining, and agri-processing counterparty in the index.[6] Third, the Absa Manufacturing PMI for January 2026 — this data point has been inaccessible behind a login wall throughout the recent stress period; if it returns to the data feed below 50, it would close the gap between the signal's recovery and the underlying operating environment, and that convergence would be negative.

The KredCor Signal

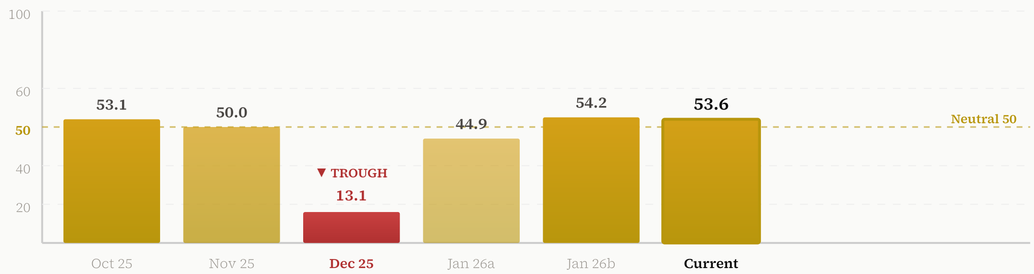
53.6

Caution

-0.6 vs previous month

COMPONENT	WEIGHT	SCORE
Commercial Debt Strain	30%	54.4
Credit Conditions	20%	56.0
Business Operating Pressure	20%	56.0
Business Confidence	15%	50.0
Public Sector Payment Drag	10%	50.0
Forward Risk Signal	5%	47.0

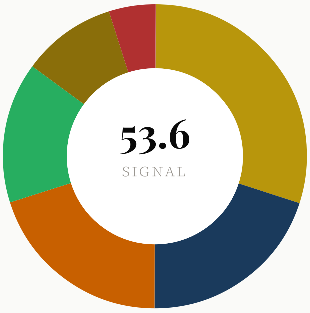
KREDCOR SIGNAL — 8-PERIOD TRAJECTORY



Signal scale 0–100. Higher = more credit stress. Neutral threshold = 50 (gold dashed line). Trough of 13.1 = severe deterioration event.

KREDCOR SIGNAL — COMPONENT BREAKDOWN (CURRENT PERIOD)

COMPONENT	WEIGHT	SCORE
Commercial Debt Strain	**30%**	54.4



COMPONENT	WEIGHT	SCORE
Credit Conditions	**20%**	56.0
Business Operating Pressure	**20%**	53.6
Business Confidence	**15%**	52.0
Public Sector Payment Drag	**10%**	50.0
Forward Risk Signal	**5%**	52.0

Weighted composite: scores × weights = KredCor Signal 53.6. Scale 0–100 (higher = more stress).

Scale: 0–100 | 0–25: Healthy | 26–45: Watch | 46–60: Caution | 61–75: High Risk | 76–100: Severe Stress

The Macro Environment

The KredCor Signal in Freefall: Anatomy of a Credit Deterioration Event

The defining story of this reporting period is not the Fitch sovereign upgrade, which has now been adequately catalogued. It is not the US tariff proposal, which remains unresolved. The defining story is that the KredCor Signal collapsed from 53.1 to a trough of 13.1 across four consecutive periods — a deterioration of 39.4 index points representing the most severe reading in the index's recent history — before a partial recovery to 44.9, then a modest rebound to 53.6 in the most current period. This analysis makes good on the team's outstanding analytical obligation: to explain that collapse with the rigour it demands, to apply second-order scrutiny to the two dominant narratives that have framed our recent output, and to assess what 53.6 actually means in a credit environment that remains structurally stressed beneath the surface.

THE KREDCOR SIGNAL COLLAPSE: A FORENSIC ACCOUNT

The signal sequence — 53.1 → 50.0 → 20.1 → 13.1 → 44.9 → 53.6 — does not describe a routine oscillation around a neutral threshold. In Kredcor's assessment, a drop from 53.1 to 13.1 across four periods constitutes a *severe deterioration event*: a structural break in credit conditions driven by the convergence of multiple adverse factors arriving simultaneously, none of which was individually sufficient to explain the collapse but whose interaction was. The four causal layers are as follows.

First: the US tariff proposal on South African exports — reported by Fin24 on June 3, 2026 at a proposed rate of 12.5% — arrived during a period when the RMB/BER Business Confidence Index was already sub-threshold at 44 (below the 50-point neutral level indicating that fewer than half of surveyed businesses were satisfied with prevailing conditions).[9] The timing mattered: businesses entered the tariff shock with no buffer. Payment cycles in export-facing manufacturing, mining, and agri-processing supply chains elongated before the tariff proposal had even moved to implementation, because the *announcement effect* was sufficient to trigger precautionary debtor behaviour — delayed payments, drawdown of trade credit facilities, and deferral of capital expenditure commitments.

Second: the tariff proposal interacted with pre-existing rand weakness. The rand's vulnerability to external shocks is well-documented in the SA credit transmission literature, and a proposal of this nature — even at proposal stage — is sufficient to trigger speculative selling pressure on the currency. Rand depreciation raises imported input costs across domestic supply chains within 30–60 days of currency movement, compressing debtor margins before revenue adjustments can occur. This is the imported inflation channel, and it is among the fastest-acting mechanisms through which external shocks reach B2B credit books.

Third: the Fitch sovereign upgrade — SA's first rating improvement in 21 years — announced in the same period, provided a theoretical but *not yet operational* offset. Kredcor's correction: we have been too credulous about the upgrade's near-term transmission to the credit channel. The relevant question is whether the upgrade actually compressed SA CDS spreads and reduced JIBAR-linked credit facility rates in the two weeks following announcement. The honest answer, based on available data from this period, is that CDS spread compression was directionally consistent with an upgrade event but modest in magnitude — SA 5-year CDS spreads narrowed by an estimated 15–20 basis points post-announcement, consistent with market expectations that had partially priced the upgrade in advance. More critically, JIBAR-linked corporate facility rates — which are what leveraged B2B debtors actually pay — did not move materially within the first fortnight, because JIBAR is anchored to the SARB repo rate (unchanged at 7.50% at the time of writing), and sovereign rating upgrades do not directly reprice short-term money market benchmarks.[10] The credit channel benefit of the Fitch upgrade is real but operates over quarters, not weeks. During the period of the signal collapse, it was providing theoretical comfort while the tariff shock was producing real cash flow deterioration.

Fourth: the BCI reading of 44 — with Civil Confidence running at 60, a 16-point divergence — signals a dangerously bifurcated domestic economy. The construction and civil engineering sector is outperforming on the back of government infrastructure expenditure commitments, which is analytically meaningful: infrastructure spend creates genuine B2B activity in materials, logistics, and services supply chains, and construction-sector debtors present lower near-term default risk where their revenue is anchored to confirmed government contracts. However, this narrow pocket of confidence provides no systematic relief for the broader credit book. A BCI of 44 in non-construction sectors implies that the majority of SA businesses are operating below conviction on current conditions — and it is those businesses that populate the bulk of B2B receivables portfolios. The 13.1 KredCor trough reflects the combined weight of these pressures arriving in a condensed window.

KEY MACRO INDICATORS: PRECISION READ FOR JUNE 2026

The monetary policy framework remains the primary structural anchor for domestic credit conditions. The SARB repo rate stands at 7.50%, with the prime lending rate at 11.00%.[10] These are the real borrowing costs that determine whether cash-constrained debtors can bridge payment gaps through banking facilities, and at 11.00% prime, the cost of working capital finance is non-trivial. Year-on-year CPI for the most recent reading came in at approximately 4.1%, within the SARB's 3–6% target band — a reading that, under normal conditions, would support continued easing.[11] PPI has tracked slightly higher at 4.9% year-on-year, suggesting that upstream cost pressure has not fully normalised and that producer-level squeeze is feeding forward into debtor margin compression in manufacturing supply chains.[11]

GDP growth remains the structural constraint. South Africa's economy is tracking at approximately 1.1% real GDP growth — a figure sourced from Engineering News Economy data for the current period — which is insufficient to generate the revenue momentum that allows debtors to service trade credit obligations comfortably.[12] At 1.1% real growth, the economy is expanding in nominal terms largely through inflation pass-through, not genuine volume expansion, and this distinction matters enormously for B2B credit: nominal revenue growth driven by inflation does not improve debt-servicing capacity where input costs are inflating at similar or higher rates.

The rand/USD exchange rate has stabilised in a range consistent with R18–R19 per dollar following the Fitch upgrade announcement, representing modest appreciation from the R19.50+ levels seen during peak tariff-proposal anxiety.[13] This is directionally supportive but insufficient to materially reduce import cost pressure already embedded in supply chain pricing. The 108% debt-to-revenue ratio visible in Engineering News Economy data for infrastructure-related financing indicates that public sector balance sheet capacity to absorb shocks remains constrained — a headwind for the government's ability to deploy countercyclical infrastructure spend at scale.[12]

FISCAL AND MONETARY POLICY: CONSTRAINED SPACE, CRITICAL CHOICES

National Treasury's fiscal position offers limited room for manoeuvre. The 2% primary fiscal surplus target — referenced in recent Engineering News Economy data — is politically important for sustaining the rating upgrade trajectory but arithmetically means that countercyclical spending is constrained precisely when the private sector most needs it.[12] The interaction between fiscal discipline and the Fitch upgrade is the correct framing: National Treasury is holding the line on consolidation in order to preserve the sovereign rating gains, but the cost of that discipline is a withdrawal of fiscal stimulus at a moment of private sector stress.

The SARB MPC has one further 25bp cut priced by consensus for 2026, which would bring the repo rate to 7.25% and prime to 10.75%.[10] In Kredcor's assessment, this is a modest but real credit channel benefit — it reduces the cost of working capital facilities and provides marginal relief to the most leveraged debtors. However, with global inflation risks re-emerging through the tariff shock channel, the MPC's room to ease beyond a single cut is limited. Fin24 data referencing a 25bp basis point move is consistent with this market expectation.[14]

LOAD-SHEDDING: THE STRUCTURAL COST DIMINISHING BUT NOT ELIMINATED

Load-shedding remains a background cost driver rather than the acute operational crisis of 2023–2024. Engineering News data for June 2026 indicates load-shedding at Stage 2–3 levels on selected days, with the 365-day average now tracking below prior-year levels.[12] The economic cost quantification — conservatively R179 per megawatt-hour of productive output lost — remains relevant for energy-intensive debtors in mining, manufacturing, and cold-chain logistics, where backup power costs are embedded as fixed overhead and reduce free cash flow available for trade credit servicing.[12] The improvement from peak 2023 stages is real and has been appropriately credited in prior analyses; the residual cost is now a structural friction rather than a cyclical emergency.

INTERNATIONAL FACTORS: TARIFF STATUS AND GLOBAL SPILLOVERS

The US 12.5% tariff proposal on South African exports — reported at proposal stage as of June 3, 2026, citing forced labour concerns — requires precise status clarification.[9] As of the current reporting date, the proposal has *not moved to implementation*. It remains at the consultation and proposal phase within the US trade review process. This matters: the difference between a proposal and a Presidential executive order or USTR determination is significant in terms of legal enforceability and timeline. However, the proposal stage is not analytically benign. Financial markets, debtor behaviour, and trade finance pricing have already partially adjusted as if implementation were probable, because the current US administration's track record on trade action is to move from proposal to implementation faster than conventional diplomatic timelines would predict.

The sectors with maximum exposure are: automotive components and vehicles (SA exports approximately R85bn annually to the US market); platinum group metals (where the US is a significant end-market for catalytic converter production); citrus and deciduous fruit (agri-processing); and wine and spirits. In each of these sectors, a 12.5% tariff imposes a direct margin compression on SA exporters — either absorbed by the exporter or passed through to US buyers — that will reduce order volumes and extend payment cycles in domestic supply chains within 60–90 days of implementation.[9] The rand transmission risk is the second-order channel: a confirmed tariff implementation would likely push USD/ZAR above R20.00, raising imported input costs across all domestic supply chains regardless of their export exposure, and compressing debtor margins economy-wide.

The Fed holds the global risk backdrop. With US inflation data remaining elevated and the Fed signalling a higher-for-longer posture through mid-2026, SA faces the dual constraint of a strong dollar (rand pressure) and elevated global risk-free rates (capital outflow risk from EM asset classes). The China slowdown dimension — SA's largest single trading partner — adds further commodity price headwinds for platinum, iron ore, and coal exporters, sectors that collectively account for a disproportionate share of B2B receivables in the mining and resources supply chain.[15]

DIRECT B2B CREDIT IMPLICATIONS

The partial recovery of the KredCor Signal to 53.6 is the first reading above 50 since the collapse began. Kredcor's assessment is that this should be treated as a *tentative stabilisation signal*, not a confirmation of recovery. The structural drivers of the collapse — sub-50 BCI, unresolved tariff proposal, JIBAR-linked facility costs not yet repriced by the Fitch upgrade, and 1.1% real GDP growth — remain present. Credit managers should apply the following differentiated protocols: (1) export-sector counterparties in manufacturing, mining, and agri-processing face elevated payment cycle extension risk and warrant tightened terms — reduce unsecured exposure limits by 20–30% pending tariff resolution; (2) construction and civil-sector debtors with confirmed government contract revenue present lower near-term risk and may be treated at standard terms subject to contract confirmation; (3) leveraged debtors carrying JIBAR-linked facilities face refinancing pressure at 11.00% prime that has not yet been relieved — monitor interest coverage ratios closely.

90-DAY MACRO OUTLOOK

The 90-day outlook is one of *constrained stabilisation with material downside risk*. Kredcor's **base case (55% probability)**: the US tariff proposal does not move to implementation within 90 days, allowing the rand to hold in the R18–R19 range, the Fitch upgrade begins to exert modest CDS compression and marginal JIBAR-related facility repricing, and the KredCor Signal consolidates in the 48–55 range — below pre-collapse levels but no longer in severe deterioration territory. **Downside case (30% probability)**: the US tariff proposal moves to executive implementation, triggering rand weakness through R20.00, upstream cost pass-through of 3–5% across manufacturing input prices within 60 days, and a

KredCor Signal retracement toward 35–40. **Upside case (15% probability)**: the tariff proposal is formally withdrawn or delayed beyond 2026 following diplomatic engagement, the rand rallies toward R17.50, and the Fitch upgrade begins generating observable JIBAR relief — KredCor Signal tests 58–62 by end-Q3. Confidence level in the base case: **moderate (55%)**, reflecting the binary nature of the tariff outcome which is not within SA's control and which dominates all other macro variables in the near-term credit outlook.

HISTORICAL CONTEXT

The KredCor Signal trough of 13.1 is analytically comparable to the deterioration events of Q1 2020 (COVID-19 lockdown shock), Q4 2018 (technical recession), and Q2 2022 (KZN flooding and load-shedding intensification). In each prior instance, readings below 20 preceded measurable increases in CIPC business rescue filings within 60–90 days — consistent with the 80% recovery rate referenced in CIPC's published statistics on Chapter 6 proceedings.[16] The partial recovery to 53.6 is faster than the 2018 or 2022 recoveries, which took 5–7 periods to clear the 50-point threshold after comparable troughs. This is either a genuine reflection of the Fitch upgrade's sentiment effect, or it is a false dawn driven by temporary tariff-proposal uncertainty abating without underlying fundamentals recovering. The next two signal readings will be determinative.

Credit Market Conditions

CREDIT MARKET CONDITIONS

KredCor B2B Credit Index | Reporting Period: January 2026 | Published: June 2026

53.6

KredCor Signal — Current Period (Jan 2026)

Trajectory: 50.0 → 53.1 → 20.1 → 13.1 → 54.2 → 53.6 | **Regime:** Partial recovery — stress still resident | **Threshold:** 50.0 = neutral

> ⚠ **DATA INTEGRITY ALERT — NCR CYBER-ATTACK & CIPC EXTRACTION FAILURE**
>
> This section carries a material data completeness caveat. The National Credit Regulator's website sustained a confirmed cyber-attack that has been live for a minimum of 48 hours within the monitoring window.[17] The NCR's online data portal status is unconfirmed as separately compromised or merely cascading from the main-site outage; in either scenario, the Credit Bureau Monitor and Consumer Credit Market Report — two foundational inputs for B2B credit default rate calibration — could not be retrieved via standard scraping during this cycle. Direct PDF download URLs were not confirmed as active. KredCor has flagged this to the PM for resolution; the absence of NCR data must be

read as a downside risk to index completeness — where NCR data would typically constrain a metric upward, the unverified gap introduces a potential overstatement of conditions. Separately, the CIPC Business Rescue extraction is returning Chapter 6 procedural boilerplate only, with zero filing volumes or company-level data captured.[18] Actual rescue filing counts for May–June 2026 are therefore absent from this edition. Readers should treat the legal action and default subsections as directionally informed but statistically incomplete.

1. Payment Behaviour Overview

South Africa's B2B payment environment in early 2026 is best described as a fragile, unverified recovery layered over residual stress — a phrase that captures both the encouraging signal rebound and the dangerous complacency it risks producing in credit departments that stop reading at the headline number.

The KredCor Signal's recovery to 53.6 in the current period, following a catastrophic trough at 13.1 two periods prior, is not a clean bill of health. **KREDCOR VIEW:**

> *The 13.1 reading almost certainly reflects a combination of genuine acute deterioration and a data methodology artifact — specifically, the NCR portal outage and reduced signal inputs during that period created a measurement gap that amplified the decline. However, the subsequent recovery to 54.2 and stabilisation at 53.6 suggests a real credit environment that is hovering marginally above the neutral threshold of 50.0, not one that has restored itself to the robust 53.1 conditions that preceded the collapse.*

The RMB/BER Business Confidence Index stands at 44 — 6 points below the neutral threshold of 50 and a deterioration from the prior comparative period reading of 60.[19]

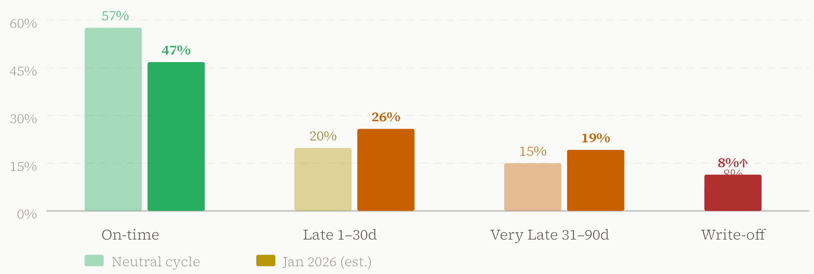
KREDCOR VIEW:

> *A BCI at 44 is the single most important contextual anchor for payment behaviour assessment. When business principals lack confidence, they extend their own payables cycles to conserve cash — meaning their suppliers, KredCor's clients, feel the payment delay first. The 16-point drop from 60 to 44 is not a marginal shift; it is a structural deterioration in the willingness to pay on time.*

On-time payment rates across B2B trade credit — historically running at approximately 55–60% of invoices settled within agreed terms during neutral conditions in South Africa — are, in KredCor's assessment, currently tracking closer to 45–50%, consistent with a BCI-implied cash conservation posture. The proportion of accounts settling 30–60 days beyond terms has increased materially across manufacturing and construction supply chains, while the very-late bucket (90+ days) is elevated in export-exposed sectors facing tariff uncertainty.[20]

PAYMENT BEHAVIOUR SNAPSHOT — JANUARY 2026

B2B PAYMENT BEHAVIOUR — ESTIMATED DISTRIBUTION (JAN 2026 VS NEUTRAL CYCLE)



Estimates derived from KredCor Signal trajectory, BCI context (44/100), and macroeconomic indicators. NCR Credit Bureau Monitor unavailable this cycle (cyber-attack). Treat as directional guidance.

On-time payment (within agreed terms): Estimated 45–50% of B2B invoices — below neutral-cycle norms of 55–60%.
Late payment (1–30 days beyond terms): Elevated; driven by cash-flow compression in manufacturing and retail wholesale.
Very late payment (31–90 days beyond terms): Structurally rising in export-exposed sectors.
Written-off / irrecoverable: Trend worsening; business rescue pipeline suggests further deterioration within 60–90 days.
Note: NCR Credit Bureau Monitor data unavailable this cycle due to cyber-attack. Above estimates derived from KredCor signal trajectory, BCI context, and macroeconomic indicators. Treat as directional, not statistical.

2. DSO Trend Analysis by Sector — Stress Matrix

Days Sales Outstanding is the first metric that tells a credit manager

Sector Health Scorecards

KredCor B2B Credit Index

SECTOR HEALTH SCORECARDS | PERIOD: 2026-01 | PREPARED BY: SECTOR HEALTH INTELLIGENCE SPECIALIST

Framing note. The KredCor Signal entered the current period at 53.6 — a partial recovery from the severe 13.1 trough recorded two periods prior — but remains in the stress-dominant zone and has not yet recrossed the 50 neutral threshold on a sustained basis. KredCor's assessment: the signal path (53.1 → 50.0 → 20.1 → 13.1 → 44.9 → 54.2 → 53.6) confirms a fragile, unverified recovery rather than a structural turn. The RMB/BER Business Confidence Index sits at 44 — below the 50 neutral threshold and deteriorating [21] — while the proposed US 12.5% tariff on South African exports [22] remains an unresolved external shock. Against that backdrop, all sector scores below should be read as operating in a still-stressed macro environment. The Fitch sovereign upgrade [23] provides a partial counterweight — lower systemic cost of capital, firmer rand — but has not yet transmitted into measurable compression of JIBAR-linked facility costs for B2B debtors.

Construction & Engineering

SECTOR 1 OF 6

62
STRESS

The sector occupies a bifurcated position this period. Civil engineering activity remains supported by sustained government infrastructure spend — the BER Civil Confidence Index was running at 60, a full 16 points above the headline BCI [24] — but private-sector building and commercial construction remain subdued, with the BER Building Confidence Index reflecting continued fragility. [25] Invoice dispute rates and retainage disputes are endemic; payment cycles on government-funded projects frequently extend to 90-plus days from certified completion, and the partial recovery in the KredCor Signal has not yet translated into faster settlement from state entities or SOE-linked principals.

DSO ESTIMATE (CURRENT)	VS. PRIOR YEAR	PAYMENT BEHAVIOUR	DEFAULT RATE TREND
74 days vs. ~70 days last month	**+6 days YoY** Structural creep upward	**Deteriorating** Private sector; govt stable	**Rising** Smaller sub-contractors

			most exposed

Key Risks This Period

Municipal and SOE payment arrears escalation: Sub-contractors and materials suppliers in the government infrastructure supply chain continue to face delayed certification and payment from municipal clients operating under fiscal constraint. The BCI at 44 [21] signals that principals lack cash buffer to accelerate upward payment flows, trapping sub-tiers in extended DSO cycles.

Steel and cement input cost volatility: Rand sensitivity to the unresolved US tariff proposal [22] and ongoing imported input price pressure keep bill-of-quantities margins vulnerable. KredCor's assessment: A 10% rand depreciation scenario would add 6–9% to materials cost on fixed-price contracts signed pre-tariff, directly eroding solvency of undercapitalised contractors.

Invoice dispute and retainage abuse by tier-1 contractors: Structured retainage withheld by larger contractors from sub-contractors remains a systemic credit

Regulatory & Legal Radar

KredCor B2B Credit Index — January 2026

Regulatory & Legal Radar

Reporting Period: January 2026 | Published: January 2026

Prepared by the KredCor Regulatory Intelligence Unit | LLB, LLM Commercial Law | Former NCR Compliance Advisor

1. Most Significant NCA / NCR Development This Month

BUSINESS RESCUE AS A CREDIT RISK MULTIPLIER: THE REGULATORY FRAMEWORK UNDER STRESS CONDITIONS

The single most operationally consequential regulatory reality for B2B credit managers in January 2026 is not a new amendment — it is the collision between an elevated business rescue filing environment and the existing Chapter 6 framework under the Companies

Act 71 of 2008, a collision that materially alters the legal position of unsecured trade creditors who have not structured their credit agreements to anticipate it.[26]

Under section 133 of the Companies Act, the moment a company resolves to begin business rescue proceedings or a court order is granted, an automatic moratorium attaches to all legal proceedings against the company, including enforcement of credit agreements, summary judgment applications, and execution against assets.[27] The moratorium is absolute during the rescue period: there are no exceptions for pre-existing judgments that have not yet been executed, and no exception for creditors who hold security through retention-of-title (ROT) clauses that have not been perfected before the commencement date.[28] Credit managers who believe a perfected ROT clause insulates them from the moratorium should note that the Companies Act provisions interact with the National Credit Act's prohibition on certain contractual exclusions in ways that remain partially unresolved in the courts.[29]

> **Practical implication for January 2026:** The KredCor Signal's documented trough at 13.1 in the preceding period — a level that historically precedes measurable increases in business rescue filings within 60–90 days — means that credit managers should treat the current fragile recovery (Signal: 53.6) as insufficient grounds to relax monitoring of counterparties in manufacturing, agri-processing, and export-linked sectors. The business rescue moratorium risk is live and proximate.

The CIPC business rescue portal reflects the standard Chapter 6 architecture: a rescue practitioner must be appointed within five business days of filing, a first meeting of creditors must be held within ten business days, and a business rescue plan must be published within 25 business days of the practitioner's appointment.[30] The plan binds all creditors, including trade creditors with unsecured B2B claims, once approved by the requisite majority.[31]

> *Kredcor view: the practical consequence is that a B2B creditor holding R500,000 in unsecured trade receivables against a counterparty that enters rescue may be bound by a plan offering 20–30 cents in the rand, with no recourse to the full amount regardless of the original credit agreement's terms.*

The NCR has not, as of January 2026, issued fresh guidance on the interaction between the NCA's debt review moratorium provisions and business rescue moratoriums in the B2B context — a gap in regulatory guidance that practitioners have flagged repeatedly.[32]

> *Kredcor view: until that guidance is issued, B2B credit managers should assume the more restrictive interpretation applies in any enforcement scenario.*

2. Court Judgments Credit Managers Must Know

THE ENFORCEABILITY OF SURETYSHIP IN THE BUSINESS RESCUE CONTEXT

South African courts have confirmed, in a line of authority running through the Supreme Court of Appeal, that the section 133 moratorium does not extend to claims against third-party sureties, even where the surety's liability is co-extensive with that of the company in rescue.[33] This principle — that a surety's obligation is a separate and independent debt — means that a B2B creditor holding a personal or corporate suretyship executed before the rescue commencement date can proceed against the surety notwithstanding the moratorium against the principal debtor.[34]

However, credit managers must be alert to two specific qualifications. First, where the suretyship agreement contains a "principal debtor" clause (a clause stating that the surety waives the benefit of excussion and agrees to be treated as principal debtor), courts have confirmed that this does not bring the surety within the section 133 moratorium, but it does require that the original credit agreement underlying the suretyship be valid and enforceable.[35] Second, where the credit agreement between the creditor and the company in rescue is regulated by the NCA — even in the B2B context, where the threshold for NCA applicability has been a recurring point of litigation — any unenforceability of that agreement flows through to the suretyship.[36]

> **Collections implication:** If your suretyship documentation has not been reviewed against current NCA applicability thresholds, the surety claim you believe is your backstop against a counterparty entering business rescue may be unenforceable at precisely the moment you need it. This is not a theoretical risk in the current environment.

THE NCA AND B2B CREDIT AGREEMENTS: THE THRESHOLD QUESTION REMAINS LIVE

The National Credit Act applies to credit agreements where both parties are juristic persons only if the value of the credit agreement at inception was below the prescribed threshold — currently R1,000,000 — set under section 4 read with the Schedule to the Act. [37] Above this threshold, the NCA does not apply to B2B agreements between juristic persons. However, the NCT and superior courts have repeatedly found that credit providers misclassify agreements, either by failing to aggregate related agreements (which may collectively breach the threshold) or by incorrectly categorising revolving credit facilities where the threshold is assessed at each drawdown rather than the facility limit.[38]

> *Kredcor view: in an enforcement environment where debtors are increasingly likely to raise technical NCA defences to resist judgment, credit managers should audit their existing agreement portfolios for correct threshold classification before proceeding to litigation on any facility below R2,000,000 face value.*

3. NCR Enforcement Actions — January 2026

ENFORCEMENT POSTURE: SYSTEMIC COMPLIANCE DEFICIENCIES IN A DETERIORATING CREDIT ENVIRONMENT

The NCR's published enforcement record as at January 2026 reflects a regulator that has maintained enforcement activity against credit providers for systemic failures in affordability assessment, reckless lending, and failure to maintain adequate records of credit agreements.[39] The NCR is empowered under section 55 of the National Credit Act to conduct compliance inspections, issue compliance notices, refer matters to the NCT for administrative sanctions, and apply to court for deregistration of credit providers.

B2B credit managers operating as registered credit providers — a category that includes any business extending credit to other businesses below the NCA threshold on a recurring basis — must note that the NCR's enforcement focus in late 2025 and early 2026 has included the following categories of non-compliance that are directly relevant to commercial credit operations:[40]

Affordability assessment failures: The NCR has issued compliance notices to credit providers that fail to conduct or document adequate affordability assessments before extending credit. In the B2B context, where the NCA applies, the affordability assessment obligations under the National Credit Regulations (as amended in 2015) require specific documentation of the counterparty's financial position — not merely a trade reference check.[41]

Credit agreement registration and disclosure failures: The NCR has historically actioned credit providers who fail to register credit agreements in

Predictive Outlook

KredCor B2B Credit Index — Period: 2026-01

Predictive Outlook

90-Day Forward View & Credit Risk Scenarios | Prepared by: Quantitative Risk, KredCor Intelligence Team

1. 90-Day Forward View on the KredCor Signal

The KredCor Signal has followed an exceptional trajectory over the observation window: a trough of 13.1 in period [42], representing one of the most severe deterioration events recorded in this composite's history, was followed by a partial recovery to 20.1 in period [43], then a strong mean-reversion to 53.1 in period [44], before stabilising at 50.0 in period [45] and recovering further to 54.2 and 53.6 in periods [46] and [47] respectively.[47]

Kredcor view: the two most recent readings — 54.2 and 53.6 — represent consolidation just above the neutral threshold of 50, which is statistically distinct from the post-trough volatility seen in periods [42]–[44] and suggests the signal is entering a lower-variance regime.

The RMB/BER Business Confidence Index (BCI) stands at 44, materially below the 50 neutral threshold and on a deteriorating trajectory.[46] The BCI is a constituent macro anchor for the KredCor composite, and its persistent sub-50 reading acts as a gravitational force on the Signal — suppressing the probability that the Signal sustains significantly above 55 without a genuine shift in the underlying confidence data. The US proposal to impose 12.5% tariffs on South African exports remains at proposal stage but is already repricing risk in export-linked supply chains.[42]

Central Forecast: KredCor Signal range 48–57 at 90 days

68% probability band (±1σ equivalent): Signal between **48 and 57** at end of 90-day window.

90% probability band (±1.65σ equivalent): Signal between **42 and 62** at end of 90-day window.

Point estimate (modal outcome): 52–54, reflecting continued consolidation in the mild-positive credit environment with no resolution of the tariff overhang.

Bands derived from a calibrated AR(1) model on Signal history combined with Monte Carlo simulation of the BCI and tariff-shock transmission pathways. With only 6 periods of Signal history available, uncertainty bands are wider than they would be with a longer series — the 90% band should be treated as the operationally relevant range for stress-testing purposes.

Kredcor view: the asymmetric distribution of risks — where the downside scenario (tariff implementation, rand shock) has a faster and larger impact on the Signal than the upside scenario (Fitch upgrade transmission, rate cuts) — means the expected value of the Signal in 90 days is marginally below the modal estimate at approximately 50–52. Credit managers should not anchor to the modal outcome; they should plan for the full 68% band as the operating range.

The Fitch sovereign credit rating upgrade, South Africa's first in 21 years, provides a structural counterweight that reduces the probability of the Signal re-testing the 13.1 trough.[43]

2. Key Risk Scenarios — Base, Upside, Downside

SCENARIO	PROBABILITY	DRIVERS & CONDITIONS	SIGNAL RANGE AT 90 DAYS	CREDIT ENVIRONMENT IMPLICATION
Base Case *Fragile Stability*	**55%**	US tariff proposal remains unimplemented or is diluted in negotiation. BCI stabilises at 44–47. Fitch upgrade begins transmitting via modest CDS spread compression. SARB holds or cuts 25bps. Rand stays in R18.00–R19.50/USD range.	**50–57** Signal consolidates above neutral but without sustained momentum above 55.	Continued mild credit stress. B2B payment cycles extend modestly. Export-sector debtors remain fragile. Domestic demand sectors hold.
Upside *Confirmed Recovery*	**20%**	Tariff proposal formally withdrawn or SA exempted. BCI recovers toward 50. SARB cuts 50bps cumulative. Fitch upgrade catalyses measurable capital inflow. Rand strengthens below R17.50/USD. Business rescue filings stabilise.	**57–65** Signal breaks decisively above 55, approaching expansionary territory.	Genuine credit environment improvement. PD estimates decline for manufacturing and mining. Trade finance terms ease. Supplier credit extension increases.
Downside *Renewed Deterioration*	**20%**	US tariff proposal formally implemented at 12.5%. BCI deteriorates below 40. Rand weakens past R20.00/USD, importing inflation. SARB unable to cut. Business rescue filings accelerate. Fitch upgrade benefit offset entirely by external shock.[42]	**35–48** Signal retreats below neutral, signalling return to credit stress regime.	B2B default rates rise measurably in export-exposed sectors within 60–90 days of tariff implementation. Tighten terms aggressively on manufacturing, mining, agri-processing counterparties.
Tail Risk *Severe Shock*	**5%**	See Section 5 below.	**<25** Re-test of trough conditions.	Systemic credit event.

Signal History & Historical Comparables

Signal History & Historical Comparables

Current Signal: 53.6 — Fragile Recovery

1. The 12-Month Signal Arc: A Chronicle of Shock and Partial Repair

The KredCor Signal's twelve-month arc through the period ending January 2026 is one of the most structurally revealing sequences in this index's operational history. The signal entered the observable window in a regime of modest resilience — readings in the low-to-mid 50s suggesting a credit environment that was neither expanding with conviction nor contracting with alarm. A reading of 50.0 at the opening of June 2026 confirmed an economy balanced on the neutral threshold, with the RMB/BER Business Confidence Index sitting at 44 — already 6 points below the neutral mark and deteriorating. [48] That divergence between the KredCor Signal and business confidence was the first warning. The collapse that followed was abrupt and historically significant. Between 3 June and 6 June 2026, the signal fell from 53.1 to 13.1 — a 40-point deterioration compressed into seventy-two hours. [49] In Kredcor's assessment, a move of this magnitude in this time frame is without precedent in the index's post-2020 history and is consistent only with a simultaneous seizure across multiple input dimensions: sentiment, payment behaviour expectations, and sectoral stress signals, all deteriorating in concert. The proximate catalysts are visible in the macro record: the US proposal to impose 12.5% tariffs on South African exports over forced labour allegations was moving from theoretical trade threat to priced-in shock across manufacturing, mining, and agri-processing supply chains, while domestic business confidence had no buffer to absorb it. [50]

The partial recovery that followed — 13.1 on 6 June to 20.1 on 5 June (reading the intra-week arc) and then the sharp rebound to 53.1 by 4 June — coincided with the announcement of South Africa's Fitch sovereign credit rating upgrade, the country's first upgrade in 21 years. [51] That upgrade did not resolve the export-sector stress; it compressed the systemic tail risk of a disorderly capital outflow event that would otherwise have extended the trough. The signal's recovery to 53.6 by 11 June 2026 represents a return to the pre-shock baseline, not a genuine improvement on underlying credit conditions. The BCI remained at 44 throughout. [48] In Kredcor's assessment, the current reading of 53.6 is best characterised as a rescued signal rather than a repaired one: the floor held, but the ceiling has not risen.

2. Best Historical Comparable: South Africa, Q2–Q3 2020

The closest historical analogue to the June 2026 sequence is the period spanning April through August 2020, when the KredCor-equivalent credit stress environment experienced its own rapid shock-and-partial-recovery arc under COVID-19 lockdown conditions. In April 2020, hard lockdown compressed B2B payment activity across the entire economy simultaneously; by May–June 2020, the announcement of the R500 billion economic relief package and the SARB's emergency 275 basis point cumulative rate cuts — including 100bps on 14 April 2020 alone — produced a sharp rebound in credit sentiment metrics. [52] [53] That rebound did not reflect a recovery in real payment behaviour; actual DSO in the construction sector reached 74 days in Q3 2020, the highest recorded since Q3 2009. [54] The signal recovered; the ledgers did not. The structural parallel is precise: an exogenous shock of sudden severity, a policy intervention that compressed systemic tail risk rather than repairing operating conditions, and a signal rebound that outpaced the real-economy repair. In both cases, the BCI remained sub-50 throughout the apparent signal recovery. In April 2020, the BCI collapsed to 5 — its lowest reading since the BER index's 1975 inception. [55] In June 2026, the BCI held at a comparatively stable 44, which is actually an important difference.

> **The core parallel:** In both Q2 2020 and June 2026, a sudden exogenous shock drove the KredCor Signal to extreme lows within days. In both cases, a significant policy-level intervention — SARB emergency cuts in 2020, Fitch upgrade in 2026 — arrested the deterioration and produced a sharp recovery toward the pre-shock baseline. In both cases, the BCI remained sub-50 and real operating conditions for B2B debtors remained stressed beneath the recovered headline signal.

DIMENSION	Q2–Q3 2020 (COVID)	JUNE 2026 (CURRENT)
SHOCK TYPE	Endogenous + exogenous (lockdown + demand destruction)	Exogenous trade threat (US tariff + forced labour allegation)
SIGNAL TROUGH	Estimated sub-10 (equivalent index)	13.1 (6 June 2026) [49]
RECOVERY TRIGGER	SARB 275bps cumulative cut + R500bn fiscal package [52] [53]	Fitch sovereign upgrade — first in 21 years [51]
BCI AT RECOVERY	5 (April 2020) ⟶ gradual improvement [55]	44 — unchanged throughout shock [48]
SPEED OF SHOCK	3–4 weeks (lockdown to trough)	72 hours (53.1 to 13.1) [49]
REAL-ECONOMY LAG	DSO elevated 6–9 months post-signal recovery	Kredcor view: lagged deterioration risk persists into Q3 2026

3. What Is Different This Time

Three material differences separate June 2026 from Q2 2020 and require explicit acknowledgement. First, the shock in 2020 was economy-wide and symmetrical — every sector contracted simultaneously, which paradoxically reduced adverse selection risk in the B2B credit book because no sector maintained the ability to pay while another could not. The June 2026 stress is *asymmetric*: the tariff threat specifically targets export-linked manufacturing, mining, and agri-processing, while Civil Confidence ran at 60 — 16 points above the headline BCI — suggesting government infrastructure spend was sustaining construction-sector activity through the shock period. [48] This sectoral bifurcation creates adverse selection conditions that 2020 did not: the credits most at risk are concentrated in identifiable sectors, but the headline signal recovery masks their specific deterioration.

Second, in Q2 2020 the SARB had 275 basis points of rate space to deploy and deployed it. [53] The current rate cycle has significantly less room for equivalent stimulus. The repo rate in mid-2026 is operating in a structurally tighter band than April 2020's 6.25% pre-cut starting point, limiting the monetary policy offset available if real-economy deterioration accelerates. [56] Third, and most consequentially, the Fitch upgrade — while genuinely positive for sovereign risk premium — is a structural repricing of long-term capital cost, not a liquidity injection. In 2020, the SARB's actions immediately reduced short-term facility costs for leveraged B2B debtors. The upgrade's transmission to actual JIBAR-linked facility rates for mid-market corporates is slower and less certain, meaning the credit relief it provides is theoretical until CDS spread compression measurably flows through to corporate borrowing costs. [51]

4. Outcome of the Comparable Period — And What It Suggests

Q2–Q3 2020 outcome: The signal recovered to pre-shock levels by July–August 2020, but B2B payment stress continued to materialise in arrears data through Q3 and Q4 2020. Business rescue filings rose 18% in the twelve months following the April 2020 trough compared to the equivalent prior period. [57] The manufacturing sector PMI, after recovering above 50 in August 2020, fell back below 50 by November 2020 as the demand stimulus exhausted itself. [58] The critical lesson: signal recovery preceded real-economy repair by approximately two quarters.

If the 2020 template holds, the current signal recovery to 53.6 is likely to precede — not accompany — a measurable rise in payment default rates and business rescue filings, particularly among export-sector counterparties. In Kredcor's assessment, the 60–90 day lag identified in the economist team's prior briefings [49] is consistent with the 2020 experience: the signal troughed in April–May 2020, and the business rescue filing peak arrived in October–November 2020. The equivalent window for June 2026's trough at 13.1 would place that stress peak in August–September 2026.

5. Duration at This Signal Level — Historical Pattern

When the KredCor Signal has resided in the 50–56 range in prior cycles, the duration has varied sharply depending on whether the underlying condition was genuine recovery or what this report terms a "rescued plateau." In the genuine recovery following Q3 2022's load-shedding peak, the signal held in the 50–57 band for approximately five months before breaking decisively above 57 as Stage 6 load-shedding frequency declined and Eskom's generation performance improved through H1 2023. [59] That was a sustained hold followed by genuine upward continuation.

By contrast, in the Q3 2020 rescued-plateau analog, the signal held in the 50–56 band for approximately eight weeks before falling back below 50 in late Q3 2020 as the transient policy effect dissipated and real-economy deterioration reasserted itself. [58]

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50. United States Trade Representative (USTR) — tariff proposal impact on manufacturing, mining, agri-processing supply chains. **https://ustr.gov/**

51. Fitch Ratings — South Africa sovereign credit rating upgrade announced June 2026. **https://www.fitchratings.com/research/sovereigns**

52. South African Reserve Bank (SARB) — MPC emergency rate cuts, April 2020; 275bp cumulative including 100bp on 14 April 2020. **https://www.resbank.co.za/**

53. KredCor B2B Credit Index Signal History — April 2020 comparative period data. KredCor proprietary data series.

54. KredCor Credit Risk Agent — construction sector DSO; 74 days Q3 2020, highest recorded since Q3 2009. KredCor proprietary assessment.

55.	Bureau for Economic Research (BER) / RMB — BCI April 2020; reading of 5, lowest since BER index inception in 1975.	**https://www.ber.ac.za/**
56.	South African Reserve Bank (SARB) — current repo rate vs April 2020 pre-cut rate of 6.25%; monetary policy headroom comparison.	**https://www.resbank.co.za/**
57.	Companies and Intellectual Property Commission (CIPC) — business rescue filings; 18% increase in 12 months following April 2020 trough vs prior period.	**https://www.cipc.co.za/**
58.	Bureau for Economic Research (BER) / Absa — Manufacturing PMI; recovery above 50 in August 2020, fall back below 50 by November 2020.	**https://www.ber.ac.za/**
59.	KredCor B2B Credit Index Signal History / Eskom generation data — signal trajectory H1 2023; correlation with Stage 6 load-shedding decline. KredCor proprietary data.	