



Economic Headlines

Thursday, 08 November 2018

Rand Breaches Key Level With More Gains in Store as Assets Rally

The rand gained to its strongest level against the dollar since August, benchmark bond yields fell to the lowest in more than a month, and bank shares rallied as South African assets rode the risk-on wave following the Democratic Party's House win in U.S. midterm elections. Lower oil prices are also supportive of South African bonds and the currency, with inflation expectations as measured by break-even rates falling to the lowest level in more than two months on Wednesday... Weaker dollar post-midterms is benefiting emerging-market currencies, with MSCI's gauge climbing for the first time in three days; as one of the most-traded currencies, the rand tends to lead gains or losses among developing-nation peers. The rand closed below its 100-day moving average on Tuesday for the first time since April; the last time it held below that level, in December, it marked the start of a two-month, 18 percent rally. Lower oil prices are improving South Africa's inflation outlook. The five-year break-even rate -- a gauge of investors' expectations for average inflation over the period -- dropped to 5.57 percent on Wednesday, the lowest since Aug. 28.- [Bloomberg](#)

Moody's Sees a Sharp Contraction in Turkey's Economy

Turkey's economy will likely contract through the first half of next year as the lira's slump and rising borrowing costs take their toll on the economy, Moody's Investors Service said in a report Thursday. Gross-domestic output will likely contract 2 percent after rising 1.5 percent this year, and a rebound to 3 percent is expected in 2020, Moody's said. "Double-digit inflation, a steep increase in borrowing costs and curtailed bank lending are likely to weigh on household purchasing power, private consumption" and investment, the agency said. – [Bloomberg](#)

MTN Nigeria \$10 Billion Feud Can Risk South Africa System, SARB Says

MTN Group Ltd.'s battles with Nigerian authorities over \$10 billion in repatriated funds and back taxes could increase risk in South Africa's financial system, the Reserve Bank said. Africa's largest wireless carrier by subscribers is facing mounting pressure to return \$8.1 billion to Nigeria after its central bank argued that the Johannesburg-based company had repatriated funds illegally. Separately, the West African nation's attorney general's office alleges the company owes \$2 billion in back taxes... The claims amount to almost all of MTN's market value of about \$12 billion, SARB said. That could also lead to a "worst-case scenario" of MTN pulling out of Nigeria, which would increase the company's exposure level to reputational risk, it added. Nigeria's central bank alleged in late August that MTN and four banks -- Standard Chartered Plc, Citigroup Inc., Stanbic IBTC Plc and Diamond Bank Plc -- illegally repatriated the money from Nigeria. MTN sought an injunction in early

September to buy itself time to fight the claim in its biggest market, which has wiped 18 percent off its market value within two weeks. – [Bloomberg](#)

Winds of change as energy sector secures R50bn - SA Wind Energy Association

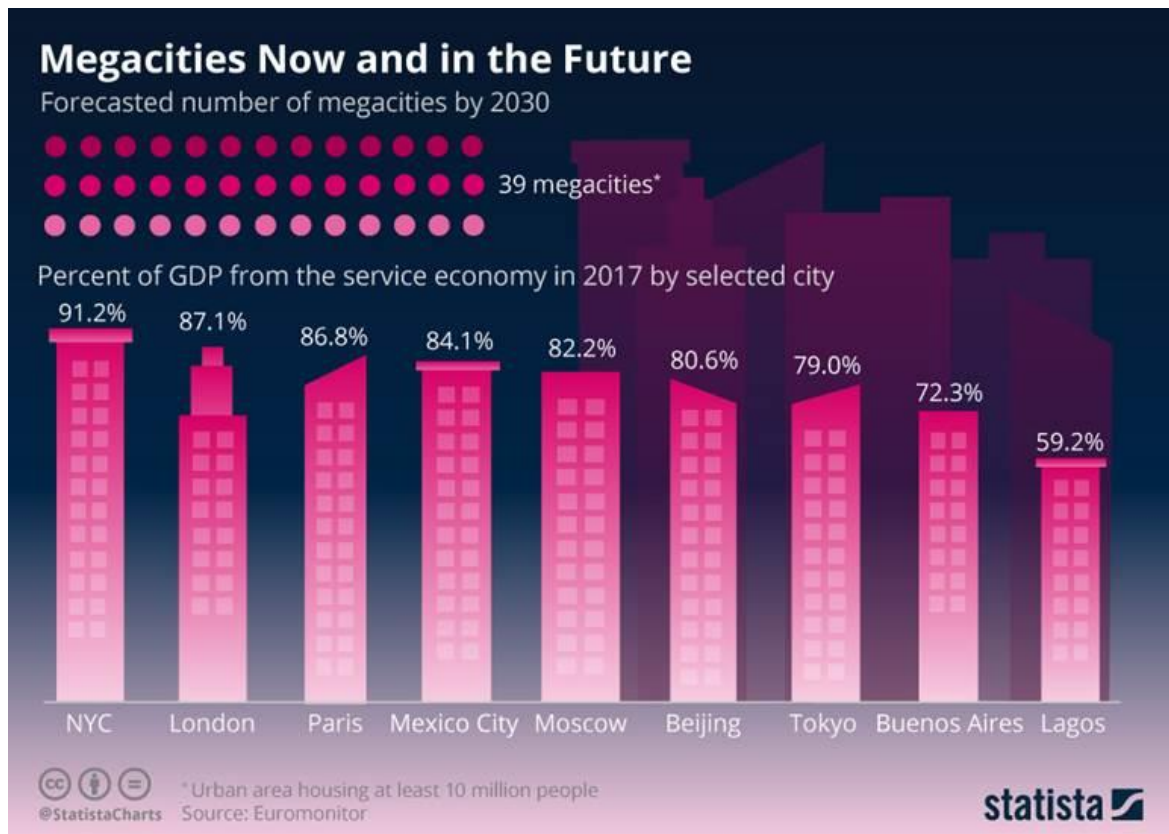
The South African wind energy sector had secured R50bn in investments this year, Tebogo Movundlela, chair of the SA Wind Energy Association, told delegates at the Windaba conference in Cape Town on Wednesday. Movundlela said this kind of investment was aligned with President Cyril Ramaphosa's call for South Africans to mobilise investment in the country. The wind sector had also secured 32 000 jobs since the start of the country's wind energy programme. "Remember the president said: 'Send me' (in his state of the nation address). Well, we are offering to help in solving the energy problem," Movundlela said. After two years of uncertainty, she said the renewable energy programme was back on track, with the government's signing this year of another 27 independent power producers, of which 12 were wind projects. – [Fin24](#)

Concern over China's role in Africa 'hullabaloo,' says AfDB Head

Concern about the abundance of Chinese lending to African nations is overblown, and the country is a good development partner for the world's poorest continent, says the head of the African Development Bank. China this year surpassed the US and former colonial powers in Europe as the biggest source of funding to African nations. In 2015, Africa received \$12bn in loans from China compared with \$100m in 2000. Still, critics have warned against African countries - like Zambia - becoming over-indebted or swapping future output of commodities in exchange for funds on overly favourable terms. "Africa should not be afraid of China, its a very good learning experience for Africa, lifting 400 million people out of poverty," Akinwumi Adesina, the AfDB head, said late on Tuesday in Johannesburg. – [Fin24](#)



Stats of the Day



Description: By 2030, there will be close to 40 megacities around the globe, with a megacity being defined as a greater urban area home to more than 10 million inhabitants. Currently most megacities sit in developed markets, but in the coming years the growth in megacities is expected to take place in developing markets. The business of megacities currently revolves around the service economy. Almost 90 percent of New York and London's economy comes from the service industry, while only around 60 percent of the service industry makes up Lagos' economy. Megacity growth in the future will largely take place in Africa with Dar es Salaam and Luanda joining Cairo and Lagos as megacities. New York became the first megacity in the 1950's. Guangzhou the largest metropolitan area in the world as of now, according to the Joint Research Center of the EU.

Data Releases

Local Time	Country	Indicator Name	Period
11:30	South Africa	Gold Production YY	Sep
11:30	South Africa	Mining Production YY	Sep
13:00	South Africa	Manuf Production MM	Sep
13:00	South Africa	Manuf. Prod. Index YY	Sep
15:30	United States	Corn Export Sales New	29 Oct, w/e
15:30	United States	Corn Export Sales Net	29 Oct, w/e
15:30	United States	Corn Exp Sale Next Yr Net	29 Oct, w/e
15:30	United States	Corn Exp Sales Net Total	29 Oct, w/e
15:30	United States	Soybean Export Sales New	29 Oct, w/e
15:30	United States	Soybean Export Sales Net	29 Oct, w/e
15:30	United States	Soybean Exp Sale Next Yr Net	29 Oct, w/e

15:30	United States	Soybean Exp Sale Net Total	29 Oct, w/e
15:30	United States	Soybeanmeal Exp Sale Net	29 Oct, w/e
15:30	United States	Soymeal Exp Sls Next Yr Net	29 Oct, w/e
15:30	United States	Soybn Meal Exp Sls Net Total	29 Oct, w/e
15:30	United States	Soybeanoil Exp Sales Net	29 Oct, w/e
15:30	United States	Soybn Oil Exp Sls Nxt Yr Net	29 Oct, w/e
15:30	United States	Soybn Oil Exp Sls Net Total	29 Oct, w/e
15:30	United States	Wheat Export Sales New	29 Oct, w/e
15:30	United States	Wheat Export Sales Net	29 Oct, w/e
15:30	United States	Wheat Exp Sale Next Yr Net	29 Oct, w/e
15:30	United States	Wheat Exp Sale Net Total	29 Oct, w/e
15:30	United States	Beef Export Sales New	29 Oct, w/e
15:30	United States	Beef Export Sales Net	29 Oct, w/e
15:30	United States	Up Cotton Exp Sales New	29 Oct, w/e
15:30	United States	Up Cotton Exp Sales Net	29 Oct, w/e
15:30	United States	US Pork Export Sales New	29 Oct, w/e
15:30	United States	US Pork Export Sales Net	29 Oct, w/e
15:30	United States	Initial Jobless Claims	29 Oct, w/e
15:30	United States	Jobless Claims 4-Wk Avg	29 Oct, w/e
15:30	United States	Continued Jobless Claims	22 Oct, w/e
19:00	United States	Fla Orange Output 17/18	Sep
19:00	United States	WSD-Wheat Output 18/19	Nov
19:00	United States	WSD-Wheat Endstocks18/19	Nov
19:00	United States	WSD-Corn Output 18/19	Nov
19:00	United States	WSD-Corn Endstocks 18/19	Nov
19:00	United States	WSD-Soybean Output 18/19	Nov
19:00	United States	WSD-Soybn Endstocks18/19	Nov
19:00	United States	WSD-Cotton Output 18/19	Nov
19:00	United States	WSD-Cottn Endstocks18/19	Nov
19:00	United States	WSD-Beef Output 2019	Nov
19:00	United States	WSD-Pork Output 2019	Nov
19:00	United States	WSD-Poultry Output 2019	Nov
19:00	United States	WSD-Corn Yield 18/19	Nov
19:00	United States	WSD-Corn Exports 18/19	Nov
19:00	United States	World Corn E/S 18/19	Nov
19:00	United States	WSD-Corn Endstock 17/18	Nov
19:00	United States	WSD-Soybean Yield 18/19	Nov
19:00	United States	WSD-Soybean Exp 18/19	Nov
19:00	United States	World Soy E/S 18/19	Nov
19:00	United States	WSD-Soybean E/S 17/18	Nov
19:00	United States	World Wheat E/S 18/19	Nov
19:00	United States	WSD-Wheat Endstocks17/18	Nov
21:00	United States	Fed Funds Target Rate	8 Nov
21:00	United States	Fed Int On Excess Reserves	8 Nov
	China (Mainland)	Exports YY	Oct
	China (Mainland)	Imports YY	Oct
	China (Mainland)	Trade Balance USD	Oct
	China (Mainland)	Yuan-Denominated Exports	Oct
	China (Mainland)	Yuan-Denominated Imports	Oct
	China (Mainland)	Yuan-Denominated Trade Ba	Oct

Source: Thomson Reuters

Market Overview

Money Market		Change	Latest
3 months	→	0.00%	7.02%
6 months	→	0.00%	7.68%
9 months	→	0.00%	8%
12 months	→	0.00%	8.38%
Bonds		Change	Latest
GC21 (R208 : 7.53%)	↓	-0.06%	8.39%
GC24 (R186 : 9.07%)	↓	-0.06%	10.37%
GC27 (R186 : 9.07%)	↓	-0.06%	10.47%
GC30 (R2030 : 9.53%)	↓	-0.06%	11.03%
GC32 (R213 : 9.61%)	↓	-0.06%	11.34%
GC35 (R209 : 9.75%)	↓	-0.06%	11.25%
GC37 (R2033 : 9.7%)	↓	-0.06%	11.63%
Commodities		%Change	Latest
Gold	↑	0.43%	\$ 1,232.47
Platinum	↑	0.70%	\$ 876.00
Copper	→	0.00%	\$ 6,158.00
Brent Crude	↑	1.94%	\$ 72.51
Main Indices		%Change	Latest
NSX (Delayed)	↑	0.04%	1314.46
JSE All Share	↑	0.95%	54,966.15
S&P 500	↑	0.63%	2,755.45
FTSE 100	↑	1.17%	7,123.37
Hangseng	↑	0.10%	26,147.69
DAX	↑	1.02%	11,601.37
JSE Sectors		%Change	Latest
Financials	↑	1.86%	17,038.21
Resources	↑	0.69%	41,840.34
Industrials	↑	0.69%	66,723.71
Forex		%Change	Latest
N\$/US Dollar	↓	-1.14%	13.9502
N\$/Pound	↓	-0.74%	18.3481
N\$/Euro	↓	-0.67%	16.0167
US Dollar/ Euro	↑	0.47%	1.1481
Namibia Monthly Data		Latest	Previous
Namibia Inflation (Sep 18)		4.8	4.4
Bank Prime		10.50	10.50
BoN Repo Rate		6.75	6.75

Source: Bloomberg

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