



Economic Headlines

Friday, 09 November 2018

Stocks Fall Amid China Worries; Dollar Holds Gains: Markets Wrap

Stocks in Asia retreated Friday amid growing concerns about a slowdown in China and policy makers' steps to address it. The dollar held gains from overnight, when the Federal Reserve reinforced expectations for further interest-rate hikes. Treasury yields edged lower. Equities in Hong Kong and China led losses in the region, with financial shares doing particularly poorly following news that Beijing plans to set quotas for banks to pump credit into private companies -- a heavy-handed move that some fear will boost non-performing loans. Softer Chinese producer-price gains, weak car sales and a disappointing outlook from a top online travel company rounded out the bad news... Stocks in Asia retreated Friday amid growing concerns about a slowdown in China and policy makers' steps to address it. The dollar held gains from overnight, when the Federal Reserve reinforced expectations for further interest-rate hikes. Treasury yields edged lower. Equities in Hong Kong and China led losses in the region, with financial shares doing particularly poorly following news that Beijing plans to set quotas for banks to pump credit into private companies -- a heavy-handed move that some fear will boost non-performing loans. Softer Chinese producer-price gains, weak car sales and a disappointing outlook from a top online travel company rounded out the bad news. – [Bloomberg](#)

Fed leaves rates unchanged, says US economy strong

The US Federal Reserve held interest rates steady on Thursday but remained on track to keep gradually tightening borrowing costs, as it pointed to a healthy economy that was marred only by a dip in the growth of business investment... The statement overall reflected little change in the Fed's outlook for the economy since its last policy meeting in September. Inflation remained near its 2% target, unemployment fell, and risks to the economic outlook were still felt to be "roughly balanced"... US stocks, which had rallied broadly on Wednesday after the results of the US congressional elections, turned lower as the Fed's statement offered no indication the central bank might slow the pace of its rate increases. The dollar also weakened against the euro and yen and US Treasury yields held near the day's high. The 10-year Treasury note yield, a benchmark for both consumer and business borrowing costs, was 3.23%, around the highest since 2011. – [Bloomberg](#)

EU sees risks mounting in an economy already under pressure

Global trade tensions, Italy's fiscal battles and U.S. overheating pose risks to the euro-area economy, the European Commission warned as it lowered its forecast for the coming year. While the list of threats in the commission's report aren't a surprise, they come amid mounting signs of a persistent slowdown in the eurozone. The European Central Bank has said growth is merely stabilizing at a more sustainable pace, but there's a question of whether there's worse to come. The commission

sees the 19-nation economy expanding 2.1% this year. For 2019, it sees growth slowing to 1.9%, down from 2% forecast in July. “Uncertainty and risks, both external and internal, are on the rise and start to take a toll on the pace of economic activity,” EU Commission Vice-President for the Euro Valdis Dombrovskis said. – [Fin24](#)

A Fifth of China's Housing Is Empty. That's 50 Million Homes

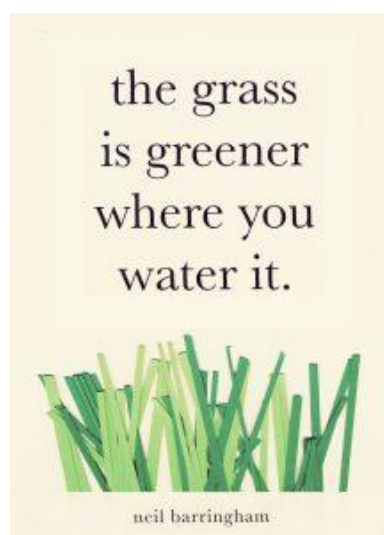
Chinese President Xi Jinping’s mantra that homes should be for living in is falling on deaf ears, with tens of millions of apartments and houses standing empty across the country. Soon-to-be-published research will show roughly 22 percent of China’s urban housing stock is unoccupied, according to Professor Gan Li, who runs the main nationwide study. That adds up to more than 50 million empty homes, he said. The nightmare scenario for policy makers is that owners of unoccupied dwellings rush to sell if cracks start appearing in the property market, causing prices to spiral. The latest data, from a survey in 2017, also suggests Beijing’s efforts to curb property speculation -- considered by leaders a key threat to financial and social stability -- are coming up short. – [Bloomberg](#)

Putin Resurrects the Soviet Super Chicken

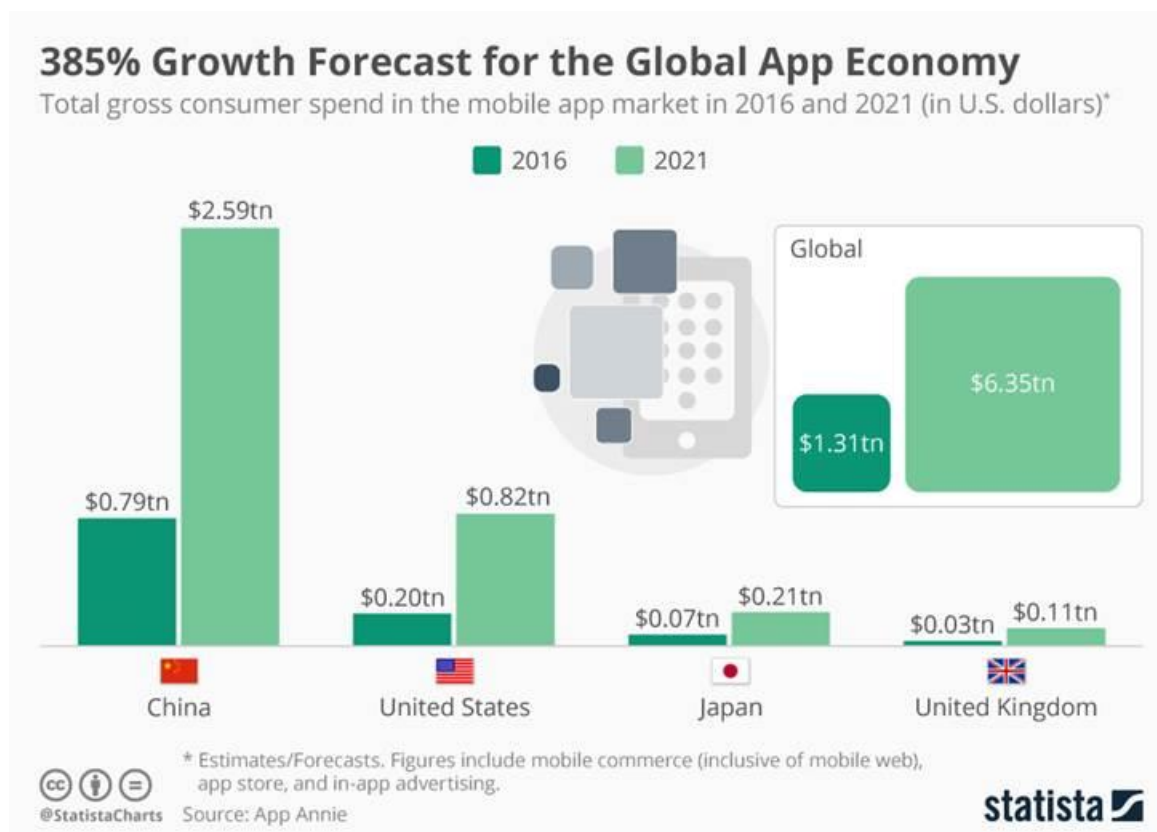
Vladimir Putin is breathing new life into the chicken that kept Russians fed in the dying days of communism. The project is a hedge against potential U.S. food sanctions and a challenge to the two western breeders that supply all of the nation’s commercial strains... The goal is to fill any shortfall created by U.S. curbs on shipments of the eggs and chicks that eventually become Russia’s main source of protein. The U.S. hasn’t threatened to include food in the penalties it started imposing in 2014, at least not publicly. But Fisinin, who was born on a collective farm in Siberia on the eve of World War II, said his country needs to prepare for the worst when dealing with an increasingly unpredictable White House... Russian companies spent an estimated \$100 million last year buying 23 million third-generation chicks from the breeding centers that Cobb-Vantress and Aviagen operate inside the country. Those chickens in turn laid almost all of the 4.2 billion eggs that grew into broilers on Russian farms, eventually yielding more than 4 million metric tons of meat, according to Fisinin. – [Bloomberg](#)

Ramaphosa slams policy uncertainty, praises African Free Trade area at investment forum

There is an urgent need to resolve problems that keep investors away from Africa, and address governance challenges such as policy uncertainty and corruption, President Cyril Ramaphosa said on Thursday... Delegates at the three-day investment forum include 20 heads of foreign states and several CEOs of top companies. It is aiming to attract investors, and and unlock investment opportunities on the continent. Ramaphosa said that, in order to achieve large scale and meaningful investments, there should first be policy and regulatory certainty... The Investment Forum comes after Ramaphosa hosted a South African Investment conference in October, where companies pledged to invest some R290bn. Earlier in the year the president announced a drive to raise \$100bn of new investment in South Africa over the next five years to kick-start South Africa's stalling economy. – [Fin24](#)



Stats of the Day



Data Releases

Local Time	Country	Indicator Name	Period
03:30	China (Mainland)	PPI YY	Oct
03:30	China (Mainland)	CPI YY	Oct
03:30	China (Mainland)	CPI MM	Oct
15:30	United States	PPI Final Demand YY	Oct
15:30	United States	PPI Final Demand MM	Oct
15:30	United States	PPI exFood/Energy YY	Oct
15:30	United States	PPI exFood/Energy MM	Oct
15:30	United States	PPI ex Food/Energy/Tr YY	Oct
15:30	United States	PPI ex Food/Energy/Tr MM	Oct
17:00	United States	U Mich Sentiment Prelim	Nov
17:00	United States	U Mich Conditions Prelim	Nov
17:00	United States	U Mich Expectations Prelim	Nov
17:00	United States	U Mich 1Yr Inf Prelim	Nov
17:00	United States	U Mich 5-Yr Inf Prelim	Nov
17:00	United States	Wholesale Invt(y), R MM	Sep
17:00	United States	Wholesale Sales MM	Sep
17:30	United States	ECRI Weekly Index	29 Oct, w/e
17:30	United States	ECRI Weekly Annualized	29 Oct, w/e

Source: Thomson Reuters

Market Overview

Money Market		Change	Latest
3 months	→	0.00%	7.02%
6 months	↓	-0.01%	7.67%
9 months	↓	-0.03%	7.97%
12 months	↓	-0.03%	8.35%
Bonds		Change	Latest
GC21 (R208: 7.55%)	↑	0.03%	8.41%
GC24 (R186: 9.12%)	↑	0.05%	10.27%
GC27 (R186: 9.12%)	↑	0.05%	10.37%
GC30 (R2030: 9.58%)	↑	0.06%	11.03%
GC32 (R213: 9.66%)	↑	0.05%	11.26%
GC35 (R209: 9.81%)	↑	0.06%	11.31%
GC37 (R2033: 9.75%)	↑	0.05%	11.55%
Commodities		%Change	Latest
Gold	↓	-0.27%	\$ 1,223.23
Platinum	↓	-0.22%	\$ 871.05
Copper	→	0.00%	\$ 6,153.00
Brent Crude	↑	0.41%	\$ 71.61
Main Indices		%Change	Latest
NSX (Delayed)	↓	-0.42%	1326.93
JSE All Share	↓	-0.66%	54,342.12
S&P 500	↑	2.12%	2,813.89
FTSE 100	↑	0.17%	7,129.61
Hangseng	↑	0.31%	26,227.72
DAX	↓	-0.16%	11,560.12
JSE Sectors		%Change	Latest
Financials	↓	-1.22%	16,854.53
Resources	↑	0.33%	41,558.61
Industrials	↓	-1.06%	65,610.23
Forex		%Change	Latest
N\$/US Dollar	↑	0.54%	13.9800
N\$/Pound	↑	0.36%	18.3180
N\$/Euro	↑	0.49%	15.9665
US Dollar/ Euro	↓	-0.04%	1.1421
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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