



## Economic Headlines

Monday, 12 November 2018

### **What is good for emerging markets is good for the rand, SA equities**

Emerging markets have underperformed significantly since the start of the year, despite an economic backdrop that is supportive of emerging market equities. According to Overberg Asset Management, this seems unreasonable. OAM noted that blame for the underperformance in emerging market equities is attributed to the strengthening dollar and unpredictable US trade policy. "A stronger dollar reflects a tightening in global financial conditions, which prompts underperformance in riskier assets such as emerging market equities." – [Fin24](#)

### **UK trade secretary says no new Brexit vote, even if country crashes out of EU**

The UK government will resist calls for another referendum on leaving the European Union even if it fails to secure an acceptable withdrawal agreement with the bloc, according to International Trade Secretary Liam Fox. In an interview with Sky News on Saturday, Fox said he sees "a very difficult end" to fraught discussions in which EU negotiators think they're making too many concessions and British counterparts think they haven't won enough commitments to guarantee the nation's independence... His comments come the day after Jo Johnson, the pro-European brother of the former foreign secretary and arch-Brexiteer Boris, quit as transport minister saying he couldn't vote for the deal May was negotiating, and called for a second referendum on Brexit. – [Fin24](#)

### **Rand slips on hawkish Fed; stocks slip**

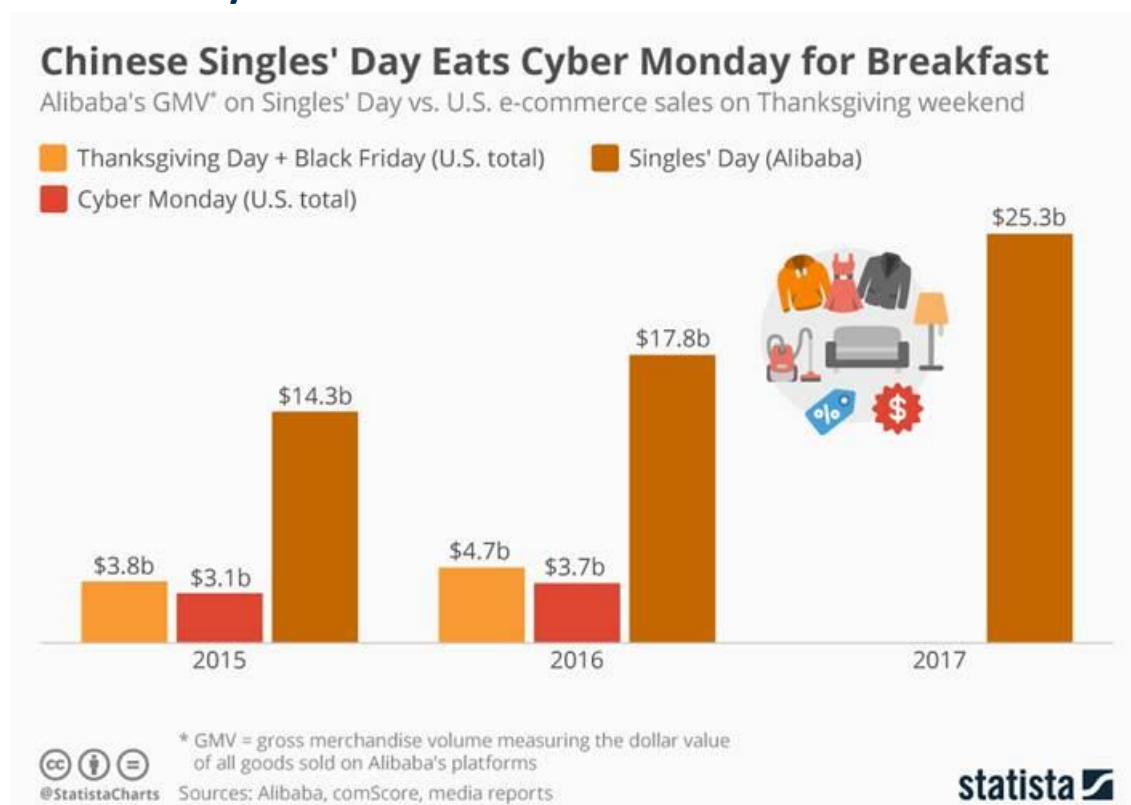
South Africa's rand weakened on Friday in line with emerging market currencies as indications the United States central bank would stay on a policy tightening path drained the demand for risk that followed U.S election results. Stocks fell largely due to subdued risk demand globally and weak consumer demand locally. At 1512 GMT the rand had slipped 1.06% to R14.2850 per dollar, having hit a session-low of R14.3475 as investors digested the Federal Reserve's Thursday statement and bought dollars cheap, booking profits from earlier in the week... The Federal Reserve held interest rates steady but struck an expectedly hawkish tone that fed into some dollar gains and put emerging market currencies under pressure. The rand had rallied to R13.8700 on Wednesday following the U.S midterm elections, breaking through the R14.00 long term resistance level for the first time in two months, lifted by a return of global risk appetite. Bonds were also weaker with the yield on the benchmark paper due in 2026 adding 7.5 basis points to 9.22% ahead of an auction where Treasury will place R10.655 billion in short-term bills. On the bourse the Top-40 index fell 1.56% to 46,897 points, while the broader the All-share index slipped 1.42% to 53,295 points. – [Moneyweb](#)

### French economy seen growing 0.4 percent in fourth quarter: Bank of France

The French economy is forecast to grow 0.4 percent in the fourth quarter, the Bank of France said on Monday, in a reading that suggests a flatlining of growth in the euro zone's second-biggest economy. Data last month from the INSEE national statistics office said the French economy had expanded by 0.4 percent in the third quarter - falling short of forecasts for 0.5 percent growth. Economists have said the French economy would need to grow by about 0.8 percent in the last quarter to hit the 1.7 percent rate that President Emmanuel Macron's government is forecasting for the full year. The Bank of France added in its business climate survey on Monday that industrial production in October had slowed down, mainly due to sluggishness in the automobile sector which has seen new industry regulations impact car production. – [Reuters](#)



### Stats of the Day



## Data Releases

Local Time	Country	Indicator Name	Period
	China (Mainland)	M2 Money Supply YY	Oct
	China (Mainland)	New Yuan Loans	Oct
	China (Mainland)	Outstanding Loan Growth	Oct
	China (Mainland)	FDI (YTD)	Oct
	Namibia	CPI YY	Oct
	Namibia	CPI MM	Oct

Source: Thomson Reuters

## Market Overview

Money Market		Change	Latest
3 months	→	0.00%	7.02%
6 months	→	0.00%	7.67%
9 months	→	0.00%	7.97%
12 months	→	0.00%	8.38%
Bonds		Change	Latest
GC21 (R208 : 7.63%)	↑	0.02%	8.49%
GC24 (R186 : 9.22%)	↑	0.04%	10.37%
GC27 (R186 : 9.22%)	↑	0.04%	10.47%
GC30 (R2030 : 9.67%)	↑	0.04%	11.12%
GC32 (R213 : 9.75%)	↑	0.04%	11.35%
GC35 (R209 : 9.9%)	↑	0.04%	11.40%
GC37 (R2033 : 9.84%)	↑	0.04%	11.64%
Commodities		%Change	Latest
Gold	↓	-0.33%	\$ 1,205.70
Platinum	↓	-0.09%	\$ 852.35
Copper	→	0.00%	\$ 6,056.00
Brent Crude	↑	2.81%	\$ 70.66
Main Indices		%Change	Latest
NSX (Delayed)	↑	0.06%	1306.67
JSE All Share	↓	-0.39%	53,087.51
S&P 500	↓	-0.92%	2,781.01
FTSE 100	→	0.00%	7,105.34
Hangseng	↓	-0.23%	25,542.92
DAX	→	0.00%	11,529.16
JSE Sectors		%Change	Latest
Financials	↓	-0.36%	16,666.75
Resources	↑	1.18%	41,000.86
Industrials	↓	-1.15%	63,220.09
Forex		%Change	Latest
N\$/US Dollar	↑	0.23%	14.3912
N\$/Pound	↓	-0.86%	18.5180
N\$/Euro	↓	-0.34%	16.2230
US Dollar/ Euro	↓	-0.56%	1.1273
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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