



Economic Headlines

Tuesday, 13 November 2018

De Beers is said to make big cuts in low-end diamond prices

De Beers made steep cuts in the prices of low-quality stones at its sale this week, according to people familiar with the situation. The world's biggest producer reduced prices as much as 10% for low-quality stones, said the people, who asked not to be identified because the sales are private. It's the latest sign that the bottom end of the market is in turmoil... The business of low-end diamonds, which tend to be small and flawed, is struggling because of too much supply. Major cutting centers, such as Surat in India, have been squeezed by lower profit margins and the depreciation of the rupee. There's also concern that De Beers's launch of man-made gems will add competition, especially at the bottom end of the market. But there's no indication this has hurt demand so far... While De Beers routinely changes prices at its sales, it has historically favoured restricting supply as a tool to manage the market. Since it never publicises pricing, it's impossible to know when it last dropped prices so much. The last major reductions were in early 2016 amid a credit crunch across the industry and waning demand in China. However, those price cuts were in single percentage figures. – [Moneyweb](#)

BAT plunges on possible US move to ban menthol cigarettes

British American Tobacco shares plunged to the lowest level in more than four years on news of a possible ban on menthol cigarettes in the US, which would eliminate products such as Newport that generate as much as one-quarter of the company's profit. The stock fell as much as 11% in London, destroying 8.4 billion pounds (\$10.8 billion) of market value. US Food and Drug Administration Commissioner Scott Gottlieb plans to pursue new restrictions on tobacco, the Wall Street Journal reported late Friday, citing senior agency officials. That could eliminate a loophole in a flavour ban that has allowed menthol cigarettes to continue to be sold... BAT shares have dropped 40% this year, the biggest drop in at least two decades. They have had only two annual declines in the past 19 years. – [Moneyweb](#)

Emerging currencies slide on higher oil, strong dollar

Emerging market stocks and currencies fell on Monday, pressured by a strong dollar and rising oil prices with net crude importers bearing the brunt. The MSCI index of emerging market currencies fell 0.3% as the dollar built on last week's gains and hit a 16-month high, while oil prices rose by more than 1% on Monday as top exporter Saudi Arabia announced a December supply cut... The Chinese yuan extended losses, after its worst week since July as soft economic data last week showed cooling of the economy, while South Africa's rand was weaker by 0.3% as yield-seeking investors continued to back the dollar. MSCI's benchmark emerging equity index was down 0.6%,


trading at its lowest level this month as exchanges in South Korea, India and South Africa declined. – [Moneyweb](#)

U.S. Stocks Decline on Tech Woes; Dollar Rallies: Markets Wrap

U.S. stocks started the week on a sour note, with tech shares tumbling as Apple Inc. faltered on signs of weak iPhone demand. The dollar rose, and the pound slid as the U.K.'s premier fought to save her Brexit divorce plan. Oil gave up early gains. The S&P 500 Index and Dow Jones Industrial Average finished Monday near session lows. The Nasdaq 100 dropped for the third day and the Russell 2000 small-cap benchmark erased its gains for the year... The dollar rallied versus most of its major peers... The pound declined for a third day as pressure built on U.K. Prime Minister Theresa May to ditch her Brexit plan, while the euro slumped to its weakest level in more than 16 months ahead of more potential stress around Italy's budget. – [Bloomberg](#)

Japan's economy faces rising risks from U.S.-China trade war: Reuters poll

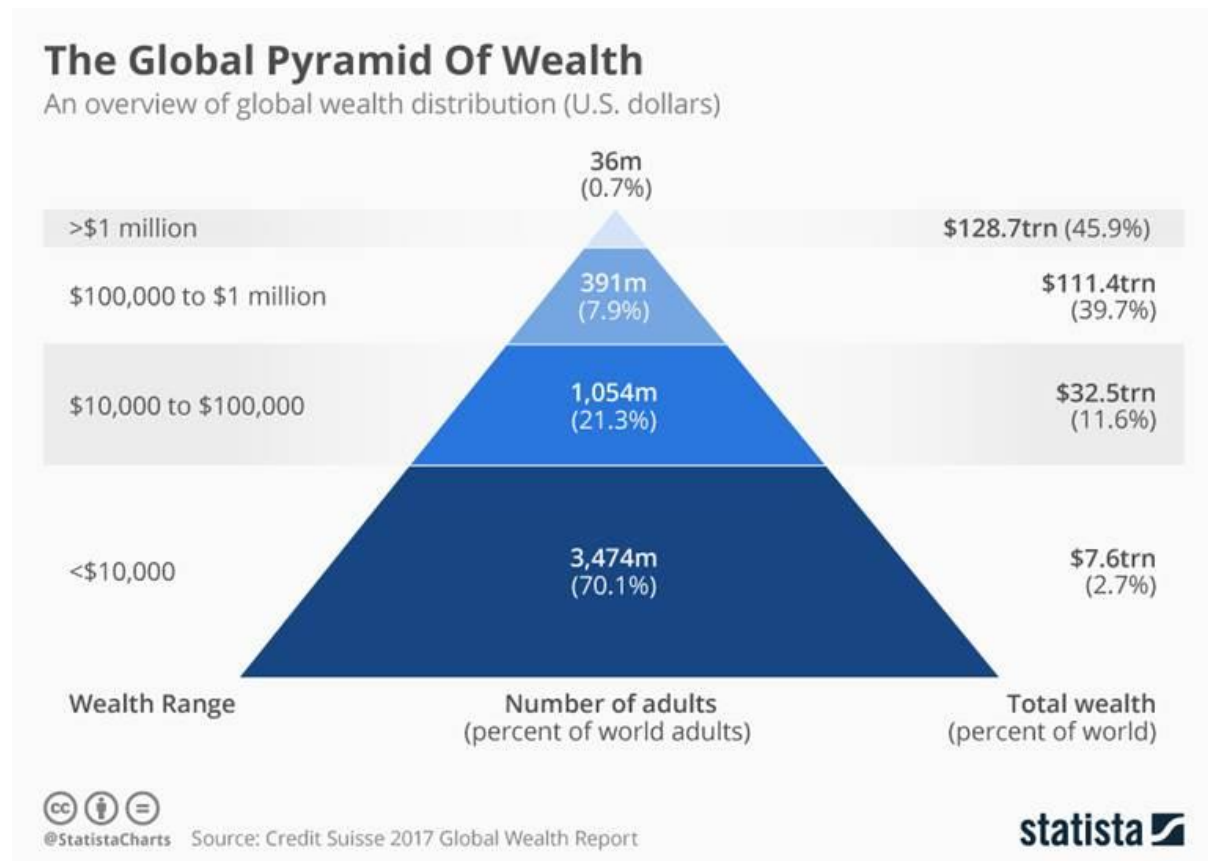
Japan's economy, which likely shrank in the third quarter, is set to grow more slowly in the coming year than previously thought, according to a Reuters poll of economists who cited the U.S.-China trade war as the biggest threat. Nearly all economists, 33 of 36, said downside risks to Japan's economy have increased compared with three months ago, the Nov. 6-12 poll showed. Asked to identify next year's biggest economic risk, 16 economists picked "U.S.-China trade friction," 10 selected "China's economic slowdown" and eight said "New Japan-U.S. trade negotiations", the survey found. One pointed to fallout stemming from further interest rate hikes from the U.S. Federal Reserve. – [Reuters](#)



“THE SECRET OF
CHANGE IS TO FOCUS
ALL OF YOUR ENERGY,
NOT ON FIGHTING THE
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THE NEW.”

– SOCRATES

Stats of the Day



Data Releases

Local Time	Country	Indicator Name	Period
13:00	United States	NFIB Business Optimism Idx	Oct
18:00	United States	Export Wheat Inspected	5 Nov, w/e
18:00	United States	Export Corn Inspected	5 Nov, w/e
18:00	United States	Exp Soybean Inspected	5 Nov, w/e
21:00	United States	Federal Budget,\$	Oct

Source: Thomson Reuters

Market Overview

Money Market		Change	Latest
3 months	→	0.00%	7.02%
6 months	↑	0.01%	7.68%
9 months	↑	0.02%	7.98%
12 months	→	0.00%	8.38%
Bonds		Change	Latest
GC21 (R208 : 7.62%)	↑	0.02%	8.48%
GC24 (R186 : 9.21%)	↑	0.02%	10.36%
GC27 (R186 : 9.21%)	↑	0.02%	10.46%
GC30 (R2030 : 9.65%)	↑	0.02%	11.10%
GC32 (R213 : 9.73%)	↑	0.02%	11.33%
GC35 (R209 : 9.88%)	↑	0.02%	11.38%
GC37 (R2033 : 9.83%)	↑	0.03%	11.63%
Commodities		%Change	Latest
Gold	↓	-0.35%	\$ 1,205.40
Platinum	↑	0.06%	\$ 853.63
Copper	→	0.00%	\$ 6,056.00
Brent Crude	↑	1.57%	\$ 69.81
Main Indices		%Change	Latest
NSX (Delayed)	↑	0.02%	1306.10
JSE All Share	↓	-1.92%	52,273.31
S&P 500	↓	-0.92%	2,781.01
FTSE 100	↓	-0.37%	7,078.88
Hangseng	↑	0.12%	25,633.18
DAX	↓	-1.25%	11,385.55
JSE Sectors		%Change	Latest
Financials	↓	-2.58%	16,295.85
Resources	↑	1.09%	40,962.46
Industrials	↓	-3.41%	61,772.55
Forex		%Change	Latest
N\$/US Dollar	↑	0.03%	14.3620
N\$/Pound	↓	-0.74%	18.5407
N\$/Euro	↓	-0.61%	16.1800
US Dollar/ Euro	↓	-0.62%	1.1266
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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