



Economic Headlines

Monday, 19 November 2018

What Africa's central banks will discuss in the next 10 days

With a month to go before the US Federal Reserve delivers what would be its fourth interest-rate increase of the year, African policy makers may still move to tighten to avoid a further sell-off of assets and currency weakness. Oil importers will see reduced pressure on inflation as fuel prices moderate, while those that export could see more inflation if their currencies drop. Central bankers in Nigeria, South Africa and Zambia may follow Uganda's lead this week and start tightening. Officials in Ghana and Kenya will likely stay put for now. Until the crude price-plunge, "for most African countries it seemed that policy would be tighter for longer, but if oil prices continue to fall, given that it is such a large part of most countries' imports profile, inflation would follow and the bias could eventually shift," said Samantha Singh, an analyst Absa Group in Johannesburg. But for producers, "the drop in oil prices could cause foreign-exchange supply challenges, which could be inflationary," she said. – [Moneyweb](#)

ECB policy makers try to keep a brave face on shaky euro economy

The euro-zone economy is testing the mettle of European Central Bank policy makers, who need to judge whether a multitude of uncertainties are crystallising into serious risks to growth. Officials are putting faith in domestic resilience and say temporary factors that dragged on the third quarter should fade. The broad message: after a period of youthful exuberance, it's more a case of the expansion hitting middle age than moving into terminal decline... Recent numbers paint a grim picture, with growth slowing and Germany, the euro area's biggest economy, shrinking for the first time since 2015. Business confidence has weakened and there's reasons to fear for the outlook given the protectionist threats and ongoing budget battle in Italy. The euro fell to a 17-month low earlier this week. The validity of the resilience hypothesis will determine whether the ECB can stick to its path out of stimulus. The next crunch call comes in December, when the bank will have new forecasts and a clearer view of how material the risks are, and whether "balanced" needs to be replaced by "downside." – [Moneyweb](#)

Stocks Mixed on Trade Tensions; Treasuries Steady: Markets Wrap

Stocks in Asia kicked off the week in lackluster fashion after U.S.-China trade tensions showed no sign of improvement over the weekend. The greenback and Treasuries steadied, while U.S. and U.K. equity futures slipped. Tension between Chinese President Xi Jinping and U.S. Vice President Mike Pence quashed optimism that relations would improve at Group-of-20 meetings starting next week as the Asia-Pacific Economic Cooperation failed to agree on a joint statement for the first time in its history... The S&P 500 Index had eked out a gain on Friday and Treasuries rallied as shorts reined in

their bets... Equities remain volatile and credit markets are signaling intensifying concern over the world economy as rising U.S. interest rates push up the cost of debt repayments. – [Bloomberg](#)

Eskom implements loadshedding

Stage 1 rotational loadshedding has been implemented from 12:15 and is likely to continue until 22:00 on Sunday to preserve emergency resources, Eskom said in a statement. Customers are reminded to treat all electrical points as live during loadshedding, Eskom said. Customers are advised to keep checking their loadshedding schedules on the Eskom and their municipal website, and to plan on the assumption that load shedding will take place. "We continue to appeal to residents and businesses to use electricity sparingly during this period. Please switch off geysers as well as all non-essential lighting and electricity appliances to assist in reducing demand," Eskom said in the statement. Fin24 reported earlier this week that Eskom is running low on coal; municipal debt has ballooned by another R2bn since May and the risk of load shedding is "very high". – [Fin24](#)

Nigeria in talks with Transnet for railway concession

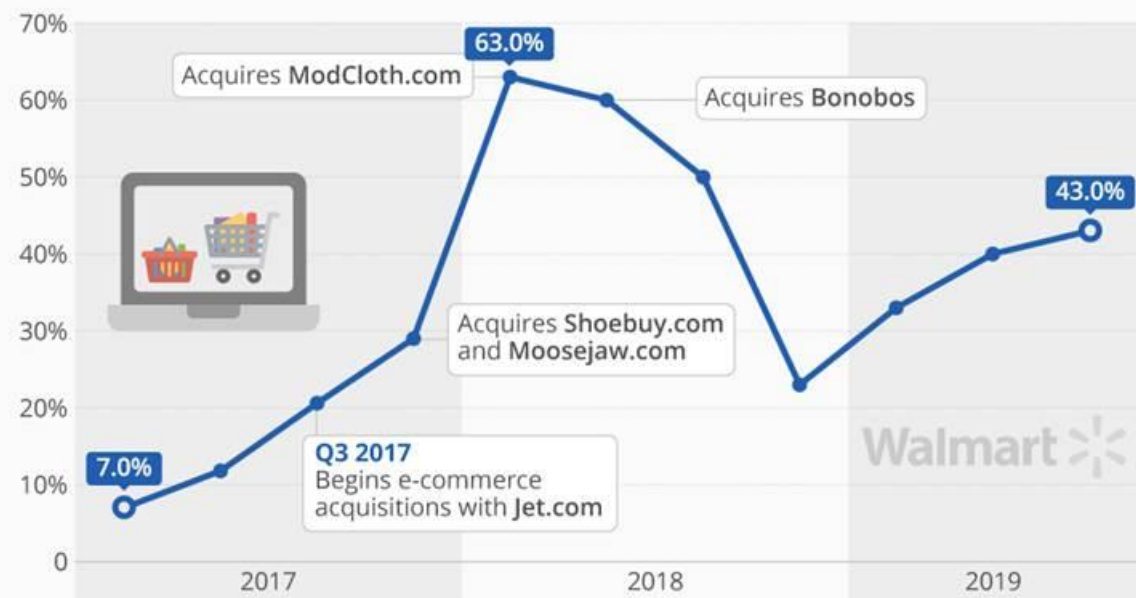
Nigeria is in talks with Transnet for the concession to run its railways after General Electric, which has spun off its transport business, handed the leadership of the consortium to the South African firm, the transport minister said on Sunday... A procurement process adviser told Reuters last week that General Electric (GE) had pulled out of the \$2 billion concession deal with the Nigerian government for two rail lines connecting northern cities to others in the south. GE on Thursday said it had handed over the leadership of a consortium chosen to run the Nigerian rail concession to Transnet. The concession aims to cover about 3 500 km (2 200 miles) of existing narrow-gauge lines from the southwestern commercial capital Lagos to Kano in the north and from southeastern oil hub Port Harcourt to Maiduguri in the northeast. Economic growth in Nigeria has been hampered for decades by its dilapidated rail network, built mainly by British colonial rulers before independence in 1960. – [Moneyweb](#)



Stats of the Day

Walmart Is Serious About E-commerce

Year-over-year growth of Walmart's e-commerce sales in the United States*



* Walmart's fiscal year ends January 31st of the respective year
Sources: Walmart, Digital Commerce 360

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Data Releases

Local Time	Country	Indicator Name	Period
11:00	Euro Zone	Current Account NSA, EUR	Sep
11:00	Euro Zone	Current Account SA, EUR	Sep
17:00	United States	NAHB Housing Market Indx	Nov
18:00	United States	Export Wheat Inspected	12 Nov, w/e
18:00	United States	Export Corn Inspected	12 Nov, w/e
18:00	United States	Exp Soybean Inspected	12 Nov, w/e

Source: Thomson Reuters

Market Overview

Money Market		Change	Latest
3 months	↑	0.01%	7.03%
6 months	→	0.00%	7.67%
9 months	→	0.00%	7.98%
12 months	→	0.00%	8.35%
Bonds		Change	Latest
GC21 (R208: 7.5%)	↓	-0.04%	8.36%
GC24 (R186: 9.13%)	↓	-0.03%	10.28%
GC27 (R186: 9.13%)	↓	-0.03%	10.38%
GC30 (R2030: 9.59%)	↓	-0.03%	11.04%
GC32 (R213: 9.66%)	↓	-0.03%	11.26%
GC35 (R209: 9.83%)	↓	-0.03%	11.33%
GC37 (R2033: 9.77%)	↓	-0.03%	11.57%
Commodities		%Change	Latest
Gold	↑	0.21%	\$ 1,215.94
Platinum	↓	-0.19%	\$ 840.61
Copper	→	0.00%	\$ 6,184.00
Brent Crude	↑	1.75%	\$ 66.93
Main Indices		%Change	Latest
NSX (Delayed)	↓	-0.07%	1285.49
JSE All Share	↑	0.10%	52,196.62
S&P 500	↑	1.06%	2,730.20
FTSE 100	↓	-0.08%	7,032.15
Hangseng	↑	0.31%	26,183.53
DAX	↑	0.14%	11,369.75
JSE Sectors		%Change	Latest
Financials	↓	-0.03%	16,406.37
Resources	↑	0.53%	39,678.02
Industrials	↓	-0.07%	62,637.26
Forex		%Change	Latest
N\$/US Dollar	↑	0.49%	14.2460
N\$/Pound	↑	0.74%	18.2443
N\$/Euro	↑	0.46%	16.1337
US Dollar/ Euro	↓	-0.03%	1.1325
Namibia Monthly Data		Latest	Previous
Namibia Inflation (Oct 18)		5.1	4.8
Bank Prime		10.50	10.50
BoN Repo Rate		6.75	6.75

Source: Bloomberg



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