



Economic Headlines

Wednesday, 21 November 2018

Emerging-Market Watchers' Obsession with Current Account Bites

Emerging-market central bankers are taking stronger steps to rein in current-account deficits, even though they say the attention the market puts on this metric is all a bit unfair. Two recent policy decisions in Asia illustrate the challenge. Indonesia and the Philippines raised interest rates last week to shore up their currencies and curb inflation risks. Both economies run current-account deficits of more than 3 percent of gross domestic product, making them reliant on foreign investment and therefore vulnerable to outflows when investor sentiment turns sour... Funding the deficits have become more challenging this year because of Federal Reserve rate hikes, which have lured foreign investment away from emerging markets. While there was a brief lull after the U.S. policy makers held rates this month, more market volatility could be in store if the Fed proceeds with a December increase, the dollar continues to strengthen and U.S.-China trade tensions persist. – [Bloomberg](#)

Stocks Fall in Asia as U.S. Woes Spread to Debt: Markets Wrap

Stocks in Asia fell after another tumble on Wall Street, where concerns have spread to the corporate-bond market. Investors are also contending with no obvious havens, with Treasuries little changed so far this week and gold weaker. Equity benchmarks retreated across the region though an increase in U.S. futures kept declines relatively contained. U.K. equity-index futures were higher. Oil tumbling toward \$53 a barrel weighed on energy companies, while a plunge in Apple Inc.'s stock hit suppliers in Asia. All major U.S. benchmarks fell more than 1.5 percent Tuesday. The S&P 500 Index briefly slid 10 percent below its September record close before clawing back just above the threshold. Two-year Treasury yields are up slightly this week, suggesting no sea-change in views on the Federal Reserve's path of tightening... Elsewhere, oil halted a slide near \$54 a barrel as investors weighed industry data that showed U.S. crude inventories unexpectedly fell last week against doubts over OPEC's plans to cut output. Bitcoin stabilized in Asia after its recent sell-off. – [Bloomberg](#)

Ramaphosa is said to mull economy super ministry

South African President Cyril Ramaphosa may create a super ministry for economic policy as part of an overhaul of the nation's executive, according to three people familiar with the matter. The new ministry will combine various economic departments, including the National Treasury, to simplify policy formulation and avoid the duplication of roles... The reassessment of the size of the cabinet will dovetail with a review of the role state-owned companies play in the economy... Africa's most-industrialised economy hasn't expanded at more than 2% annually since 2013 and fell into recession in the second quarter. Ramaphosa announced a stimulus plan in September to boost growth.

Changes that help reduce state spending would placate investors who monitor the nation's budget deficit. – [Moneyweb](#)

Uganda to make new telecoms investors share infrastructure

Uganda will force new investors in telecommunications services to rent capacity from existing fibre optic cables, rather than lay their own, to stem infrastructure duplication and lower internet access costs, the sector regulator said on Tuesday. The East African nation's telecoms sector has attracted foreign investors in recent years due to rapid economic growth, a young population and general political stability. The requirement for infrastructure sharing is part of a new national broadband policy that seeks to boost efficiency and extend high speed internet access to the population...

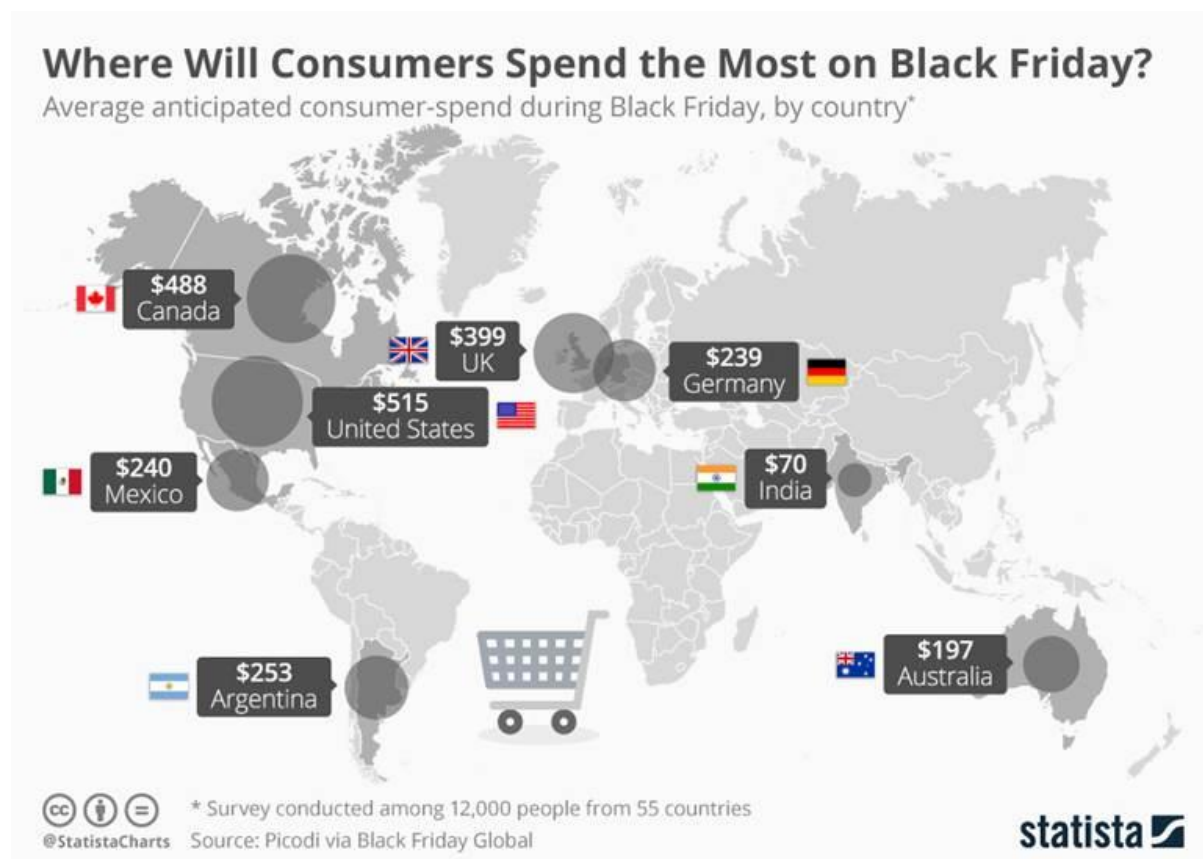
Exemptions will be made for investors willing to lay cables in sparsely populated rural areas to boost the spread of internet access... Uganda has about 12 000 kilometres of fibre-optic cable laid, according to the government, and new investors will rent capacity at agreed commercial rates, Mutabazi said. – [Moneyweb](#)

Harvesting in a trade war: U.S. crops rot as storage costs soar

U.S. farmers finishing their harvests are facing a big problem - where to put the mountain of grain they cannot sell to Chinese buyers... Across the United States, grain farmers are plowing under crops, leaving them to rot or piling them on the ground, in hopes of better prices next year, according to interviews with more than two dozen farmers, academic researchers and farm lenders. It's one of the results, they say, of a U.S. trade war with China that has sharply hurt export demand and swamped storage facilities with excess grain... U.S. farmers planted 89.1 million acres of soybeans this year, the second most ever, expecting China's rising demand to give them better returns than other bulk crops. But Beijing slapped a 25 percent tariff on U.S. soybeans in retaliation for duties imposed by Washington on Chinese exports. That effectively shut down U.S. soybean exports to China, worth around \$12 billion last year. China typically takes around 60 percent of U.S. supplies. The U.S. government rolled out an aid program of around the same size - \$12 billion - to help farmers absorb the cost of the trade war. As of mid-November, \$837.8 million had been paid out. – [Reuters](#)



Stats of the Day



Data Releases

Local Time	Country	Indicator Name	Period
10:00	South Africa	CPI MM	Oct
10:00	South Africa	CPI YY	Oct
10:00	South Africa	Core Inflation MM	Oct
10:00	South Africa	Core Inflation YY	Oct
14:00	United States	MBA Mortgage Applications	12 Nov, w/e
14:00	United States	Mortgage Market Index	12 Nov, w/e
14:00	United States	MBA Purchase Index	12 Nov, w/e
14:00	United States	Mortgage Refinance Index	12 Nov, w/e
14:00	United States	MBA 30-Yr Mortgage Rate	12 Nov, w/e
15:30	United States	Durable Goods	Oct
15:30	United States	Durables Ex-Transport	Oct
15:30	United States	Durables Ex-Defense MM	Oct
15:30	United States	Nondefe Cap Ex-Air	Oct
15:30	United States	Initial Jobless Claims	12 Nov, w/e
15:30	United States	Jobless Claims 4-Wk Avg	12 Nov, w/e
15:30	United States	Continued Jobless Claims	5 Nov, w/e
17:00	United States	Existing Home Sales	Oct
17:00	United States	Exist. Home Sales % Chg	Oct
17:00	United States	Leading Index Chg MM	Oct
17:00	United States	U Mich Sentiment Final	Nov
17:00	United States	U Mich Conditions Final	Nov
17:00	United States	U Mich Expectations Final	Nov
17:00	United States	U Mich 1Yr Inf Final	Nov
17:00	United States	U Mich 5-Yr Inf Final	Nov
19:00	United States	USDA-Cattle Placed On Fd	Oct
19:00	United States	USDA-Cattle Marketed	Oct

19:00	United States	USDA-Cattle On Feed	Nov
19:00	United States	Cold Pork Belly Stocks	Oct
19:00	United States	Cold Storage-Beef Stocks	Oct
19:00	United States	Cold Storage- FCOJ Stock	Oct

Source: Thomson Reuters

Market Overview

Money Market		Change	Latest
3 months	→	0.00%	7.03%
6 months	→	0.00%	7.67%
9 months	→	0.00%	7.97%
12 months	→	0.00%	8.33%
Bonds		Change	Latest
GC21 (R208: 7.45%)	↑	0.02%	8.31%
GC24 (R186: 9.11%)	↑	0.02%	10.26%
GC27 (R186: 9.11%)	↑	0.02%	10.36%
GC30 (R2030: 9.57%)	↑	0.02%	11.02%
GC32 (R213: 9.64%)	↑	0.02%	11.24%
GC35 (R209: 9.82%)	↑	0.02%	11.32%
GC37 (R2033: 9.74%)	↑	0.02%	11.54%
Commodities		%Change	Latest
Gold	↑	0.14%	\$ 1,225.93
Platinum	↓	-0.18%	\$ 851.93
Copper	→	0.00%	\$ 6,259.00
Brent Crude	↓	-1.00%	\$ 65.66
Main Indices		%Change	Latest
NSX (Delayed)	↓	-0.02%	1297.15
JSE All Share	↓	-1.28%	51,751.09
S&P 500	↓	-1.66%	2,690.73
FTSE 100	↑	0.10%	7,008.17
Hangseng	↓	-2.02%	25,840.34
DAX	↓	-0.65%	11,171.46
JSE Sectors		%Change	Latest
Financials	↓	-1.07%	16,371.62
Resources	↓	-0.46%	39,763.12
Industrials	↓	-2.15%	61,390.63
Forex		%Change	Latest
N\$/US Dollar	↑	0.20%	14.0541
N\$/Pound	↑	0.17%	18.0584
N\$/Euro	↑	0.02%	16.0676
US Dollar/ Euro	↓	-0.18%	1.1433
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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