



## Economic Headlines

Wednesday, 24 October 2018

### **Local markets falter as risk appetite wanes**

South African assets weakened across the board on Tuesday, erasing gains from the previous session as appetite for riskier assets was muted by global concerns. Worries over Italy's budget, Brexit talks and Saudi Arabia's handling of Jamal Khashoggi's killing sapped investor confidence in emerging markets. On Monday, South African assets were broadly firmer on the back of measures from Chinese authorities to boost the economy... At 1456 GMT, the rand traded at 14.41 versus the dollar, 0.51% weaker on the day, compared to a close of 14.33 in New York. Government bonds were slightly weaker, with the yield on the benchmark instrument due in 2026 up 0.5 basis points at 9.170%. South Africa-focused investors will turn their attention to finance minister Tito Mboweni's inaugural budget speech on Wednesday, when he is expected to unveil spending shifts to try to haul the economy out of recession. – [Moneyweb](#)

### **Crude Tumbles 5% as Saudis Pledge to Produce as Much as They Can**

Oil in New York slid more than 5 percent in Tuesday's session as Saudi Arabia pledged to meet any supply shortfalls and as a risk-off sentiment spread throughout global markets. Saudi Energy Minister Khalid Al-Falih said OPEC and its allies are in "produce as much as you can mode" to meet demand and replace any looming shortages due to Iranian sanctions. In the U.S., the industry-funded American Petroleum Institute is said to have reported a 9.88 million barrel rise in crude inventories last week. That would be the largest build since February 2017 if Energy Information Administration data confirms it Wednesday... West Texas Intermediate for December delivery traded at \$66.04 a barrel at 4:41 p.m. after ending the session at \$66.43 a barrel on the New York Mercantile Exchange, slipping below its 200-day moving average for the first time in a year. Brent for December settlement fell \$3.39, or 4.3 percent, to settle at \$76.44 a barrel on the London-based ICE Futures Europe exchange. It earlier fell below its 50-day moving average for the first time since August. The global benchmark crude traded at a premium of \$10.01 to WTI. – [Bloomberg](#)

### **Naspers is said to plan further investment in \$2bn Swiggy**

Naspers is planning to increase its stake in Indian online food-delivery business Swiggy as the startup plots its third fund-raising round of the year, according to people familiar with the matter. Africa's largest company by market value has indicated that it intends to support a financing that could raise more than \$600 million, Swiggy's biggest to date, according to the people. There's also an opportunity to buy stakes from investors such as Bessemer Venture Partners, they said, asking not to be identified as the information isn't public. Tencent, the Chinese internet giant in which Naspers owns a 31% stake, is also planning to invest in the fundraising... Swiggy's value has risen to more

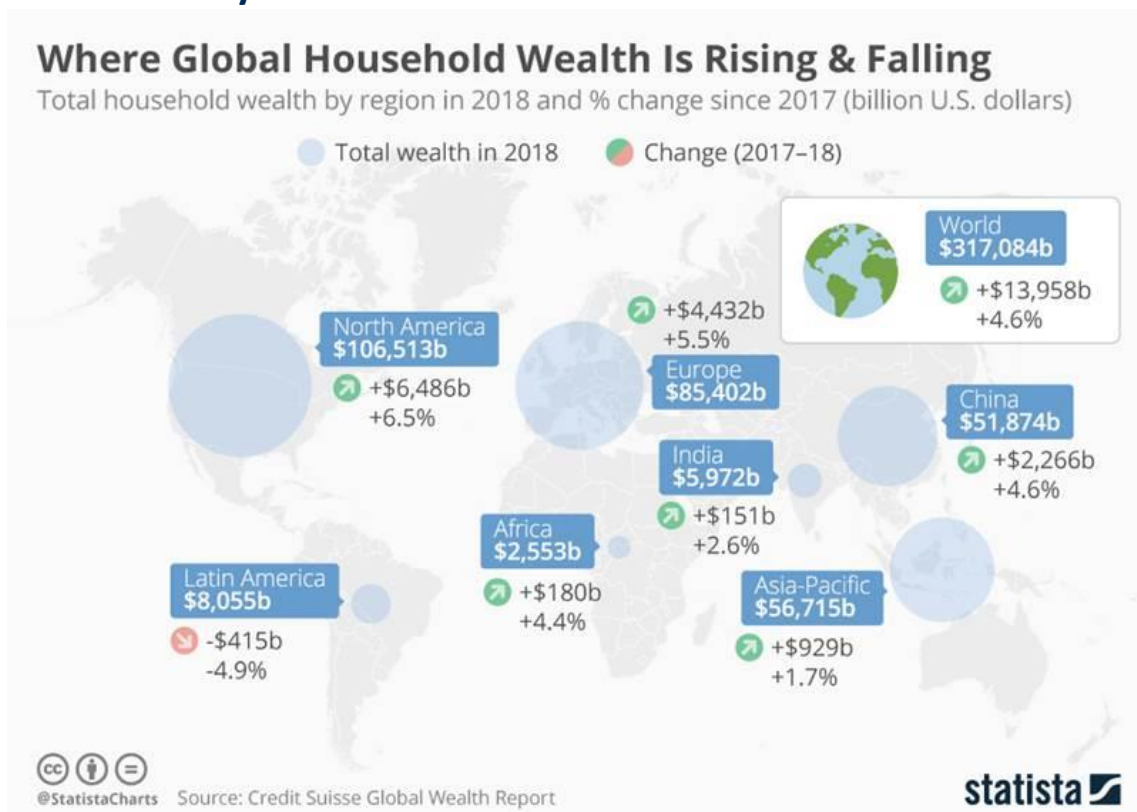
than \$2 billion after Cape Town-based Naspers led two previous funding rounds to become the firm's biggest shareholder, according to the people. Naspers had a 22% stake as of the end of March... Naspers has targeted India for investments as the company seeks to replicate a blockbuster early bet on Tencent. The company made a \$1.6 billion profit from the sale of its 11% stake in Indian e-commerce startup Flipkart earlier this year, and also has shares in travel business MakeMyTrip and classifieds business OLX. – [Moneyweb](#)

### Shoprite to pay customers for reusing plastic bags

Shoprite, South Africa's biggest supermarket chain, said on Tuesday it would pay customers for reusing its newly introduced recyclable bag as it joined domestic rivals in efforts to curb plastic pollution. Supermarkets have come under increased pressure to cut their use of plastic as images of littered oceans and beaches become commonplace, shocking both consumers and shareholders. South Africa does not have a law banning plastic bags. However, to reduce littering and discourage customers from buying them, South Africa increased the plastic bag levy in April by 50% to 12 cents per bag... Shoprite's move comes weeks after department store chain Woolworths said it will remove single-use plastic bags from one of its stores during a six-month trial period... The UN Environment Programme estimates that some 8 million tonnes of plastic are dumped into the ocean every year... It wants to eliminate single-use plastic by 2022 and says more than 60 countries, including China, France, Rwanda and Italy, have taken steps to ban or reduce plastic consumption. – [Moneyweb](#)



## Stats of the Day



---

## Data Releases

<b>Local Time</b>	<b>Country</b>	<b>Indicator Name</b>	<b>Period</b>
10:00	South Africa	CPI MM	Sep
10:00	South Africa	CPI YY	Sep
10:00	South Africa	Core Inflation MM	Sep
10:00	South Africa	Core Inflation YY	Sep
10:00	Euro Zone	Money-M3 Annual Grwth	Sep
10:00	Euro Zone	Loans to Households	Sep
10:00	Euro Zone	Loans to Non-Fin	Sep
10:00	Euro Zone	Broad Money	Sep
10:00	Euro Zone	Markit Mfg Flash PMI	Oct
10:00	Euro Zone	Markit Serv Flash PMI	Oct
10:00	Euro Zone	Markit Comp Flash PMI	Oct
12:00	Namibia	Bank Rate	Oct
13:00	United States	MBA Mortgage Applications	15 Oct, w/e
13:00	United States	Mortgage Market Index	15 Oct, w/e
13:00	United States	MBA Purchase Index	15 Oct, w/e
13:00	United States	Mortgage Refinance Index	15 Oct, w/e
13:00	United States	MBA 30-Yr Mortgage Rate	15 Oct, w/e
14:00	United States	Build Permits R Numb	Sep
14:00	United States	Build Permits R Chg MM	Sep
15:00	United States	Monthly Home Price MM	Aug
15:00	United States	Monthly Home Price YY	Aug
15:00	United States	Monthly Home Price Index	Aug
15:45	United States	Markit Comp Flash PMI	Oct
15:45	United States	Markit Mfg PMI Flash	Oct
15:45	United States	Markit Svcs PMI Flash	Oct
16:00	United States	New Home Sales-Units	Sep
16:00	United States	New Home Sales Chg MM	Sep

**Source: Thomson Reuters**

## Market Overview

<b>Money Market</b>		Change	Latest
3 months	→	0.00%	7.03%
6 months	→	0.00%	7.65%
9 months	→	0.00%	7.94%
12 months	→	0.00%	8.37%
<b>Bonds</b>		Change	Latest
GC21 (R208 : 7.68%)	↓	-0.04%	8.54%
GC24 (R186 : 9.11%)	↓	-0.04%	10.41%
GC27 (R186 : 9.11%)	↓	-0.04%	10.51%
GC30 (R2030 : 9.52%)	↓	-0.05%	11.02%
GC32 (R213 : 9.62%)	↓	-0.05%	11.35%
GC35 (R209 : 9.81%)	↓	-0.05%	11.31%
GC37 (R2033 : 9.73%)	↓	-0.04%	11.66%
<b>Commodities</b>		%Change	Latest
Gold	↑	0.13%	\$ 1,231.85
Platinum	↓	-0.08%	\$ 832.05
Copper	→	0.00%	\$ 6,196.00
Brent Crude	↑	0.21%	\$ 75.84
<b>Main Indices</b>		%Change	Latest
NSX (Delayed)	↑	0.13%	1212.97
JSE All Share	↓	-0.33%	50,998.18
S&P 500	↓	-0.55%	2,740.69
FTSE 100	↑	0.32%	6,977.51
Hangseng	↓	-0.43%	25,238.29
DAX	↑	0.27%	11,304.27
<b>JSE Sectors</b>		%Change	Latest
Financials	↓	-0.06%	15,160.14
Resources	↓	-1.12%	39,527.27
Industrials	↓	-0.01%	61,999.11
<b>Forex</b>		%Change	Latest
N\$/US Dollar	↓	-0.14%	14.2372
N\$/Pound	↓	-0.29%	18.4551
N\$/Euro	↓	-0.22%	16.3167
US Dollar/ Euro	↓	-0.09%	1.1461
<b>Namibia Monthly Data</b>		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

For enquiries concerning the Daily Brief please contact us at

[Daily.Brief@capricorn.com.na](mailto:Daily.Brief@capricorn.com.na)

---

***Disclaimer***

*The information contained in this note is the property of Capricorn Asset Management (CAM). The information contained herein has been obtained from sources which and persons whom the writer believe to be reliable but is not guaranteed for accuracy, completeness or otherwise. Opinions and estimates constitute the writer's judgement as of the date of this material and are subject to change without notice. This note is provided for informational purposes only and may not be reproduced in any way without the explicit permission of CAM.*

A member of  **Capricorn Group**

---