



Economic Headlines

Monday, 26 November 2018

Grim stock signals piling up as Wall Street mulls recession odd

Nine turbulent weeks and a correction in US stocks have left analysts with a thorny question. What's the market saying about the economy? And while few see incontrovertible signs investors are bracing for a recession, it's a word that's been coming up more as they seek a signal in the chaos. From the ascent of defensive industries to the sudden craze for companies that resist volatility, stocks are acting in ways that have presaged slowing growth in the past. That makes sense: gains in the economy and corporate earnings are forecast to ease in 2019 from this year's torrid pace... Many view the sell-off as healthy after a 10-year run of gains. But with a trade war flaring and the Federal Reserve set to boost interest rates again, the number of stock researchers who are at least willing to mention the possibility is rising... More than \$3 trillion has been lopped from US equity values since late September, a sell-off that has driven the S&P 500 down 10% and tech stocks well past the threshold for a correction... Odds the US will fall into a recession in the next year stands at 15%, according to Bloomberg's US Recession Probability Forecast index. While they see the economy losing a bit of speed next year and in 2020, the median estimate of economists calls for 2.6% economic growth in the next 12 months. – [Moneyweb](#)

METALS-Nickel, zinc drop on weaker China demand; focus on Trump-Xi meeting

Steel-linked metals nickel and zinc fell on Monday on expectations of weaker demand from Chinese steel mills. All other base metals declined amid caution ahead of trade talks between U.S. President Donald Trump and Chinese President Xi Jinping later this week... Weaker Chinese demand is expected to move the global tin market into a surplus of 500 tonnes next year from a 7,500-tonne deficit in 2018, the International Tin Association said on Friday, while China's tin warehouse supplies hit 8,200 tonnes, the highest in more than a year and up by 73 percent from late August SSN-TOTAL-D... China's economic growth is expected to hit 6.6 percent this year and slow to 6.3 percent in 2019 as the country struggles with challenges relating to trade and structural reform, economists from Beijing's Renmin University said... The dollar held broad gains on Monday as investors sought shelter in the world's most liquid currency on fears of a slowdown in global economic growth and as U.S.-Sino trade tensions sapped risk appetite. A stronger dollar makes it more expensive to import greenback-commodities into countries using other currencies. – [Reuters](#)

Sarb hikes, Fed outlook, Trump thanks Saudi on oil

Emerging-market currencies and bonds defied a stronger dollar on optimism the pace of US interest-rate increases will slow with global growth... The US central bank will "be likely raising interest rates somewhat, but it's really in the context of a very strong economy" and the authority is not on a

preset course, said Federal Reserve Bank of New York President John Williams. Fed watchers are warming to the view the US central bank is likely to pause or slow its rate hikes next year amid prospects for slowing global growth and as the effects of US tax cuts fade. The rand rallied after the South African Reserve Bank increased its benchmark interest rate for the first time in more than two years as it sees inflation risks remaining elevated. – [Moneyweb](#)

Land expropriation policy will not 'significantly hamper investment levels in SA' - S&P

Ratings agency S&P Global has said that the expropriation of land without compensation is not expected to significantly hamper levels of investment flowing into South Africa, as the rule of law and enforcement of contracts is expected to remain in place. But it warned that the move would likely "force some businesses to reconsider investing in the country". In its latest rating action on Friday it kept SA's sovereign credit ratings unchanged at non-investment grade, with a stable outlook. S&P affirmed SA's long-term local currency debt at BB+, the first notch of sub-investment grade, and kept SA's the long-term foreign currency rating at BB, two notches below investment grade. It first downgraded SA's sovereign credit rating to 'junk' in 2017. In a statement at midnight on Friday, S&P said the country was facing "significant challenges around high levels of poverty, unemployment, and economic inequality, which largely break along racial lines." – [Fin24](#)

JSE fines Pepkor Holdings R5m for breaches of listing requirements

The JSE has fined Pepkor Holdings [JSE:PPH], formerly known as Steinhoff Africa Retail, R5m for breaching the local bourse's listing requirements, with R1m suspended for two years. Pepkor, then still known as STAR, listed on the JSE on September 20, 2017. The JSE said on Monday that the company had not disclosed certain financial information about loans in its pre-listing statement and its 2017 annual financial statements. It said that at the time of its listing, STAR's subsidiary - then known as Pepkor Holdings - formed part of a group of companies which guaranteed the the R15bn domestic medium term note programme of Steinhoff Services Limited STAR had also, through its subsidiaries, provided loans to directors and key management personnel in terms of the Pepkor Management Investment Scheme via an entity called Business Ventures Investments. These loans amounted to R9m as of September 30, 2017, and R18m in aggregate as of September 30, 2016. It was also party to a R440m guarantee of third party debt related to Business Ventures Investments. – [Fin24](#)

Good luck, Theresa! EU leaders keep fingers crossed for May

The last words Europe's leaders had for Theresa May after approving her Brexit divorce deal on Sunday were "good luck"! It was hardly the biggest vote of confidence for the UK prime minister as she attempts to sell the much-criticized agreement to Parliament and the UK people. But for now, after countless episodes of bad blood and irritation, Europe and May are on the same side. Nobody wants this plan to fail. Diplomats had taken steps to ensure the summit in Brussels wasn't to become a negotiating session. Only seven of the EU's 27 leaders spoke before May entered the room, behind closed doors on a drizzly Sunday morning in Brussels. When she did, gone was the combative language that had characterized her previous addresses to them - first at the same table last June, and then in Salzburg, Austria, in September. Instead, May thanked them for their part in getting to this day... EU summits are renowned for dragging on throughout the night. This one ended at two minutes to noon. It was a deliberate signal from EU leaders that they want to wash their hands of Brexit and move on. – [Fin24](#)

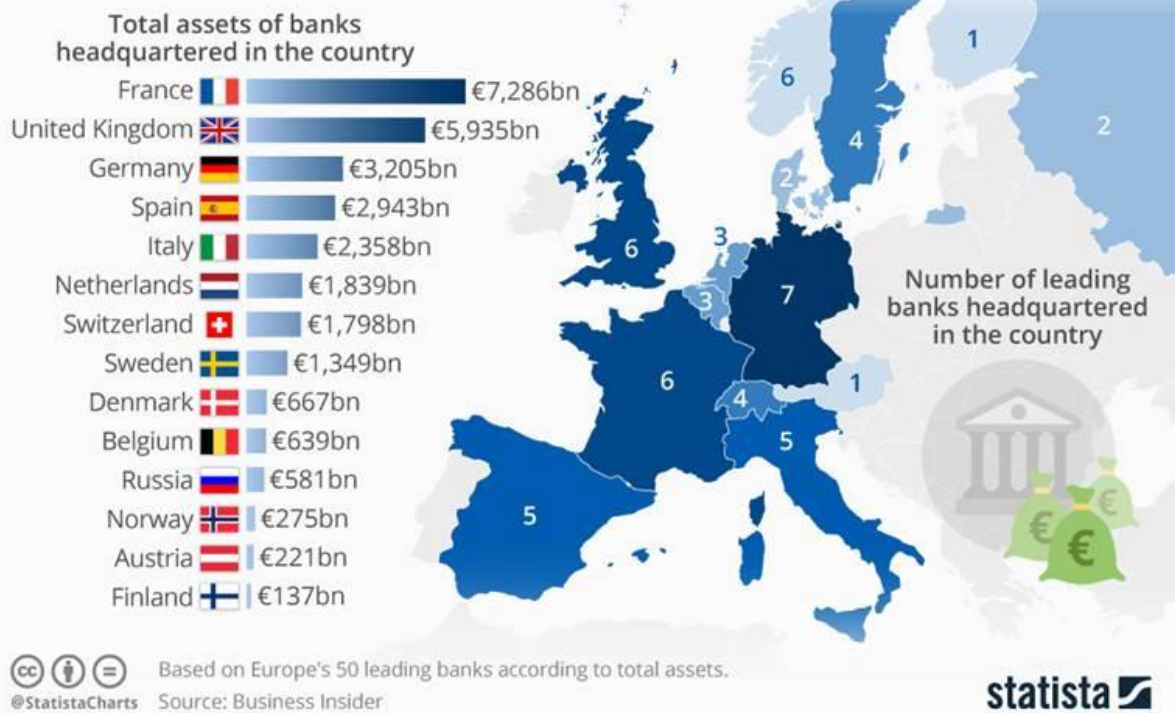
Be somebody
who makes
everybody feel
like a somebody

InspirationalQuotesMagazine.com

Stats of the Day

The Countries Home to the Most Leading Banks

Number of leading banks headquartered in Europe and their total assets in 2017, by country



Data Releases

Local Time	Country	Indicator Name	Period
15:30	United	National Activity	Oct
17:30	United	Dallas Fed Mfg Bus	Nov
18:00	United	Export Wheat	19 Nov, w/e
18:00	United	Export Corn	19 Nov, w/e
18:00	United	Exp Soybean	19 Nov, w/e

Source: Thomson Reuters

Market Overview

Money Market		Change	Latest
3 months	→	0.00%	7.18%
6 months	→	0.00%	7.75%
9 months	→	0.00%	8.03%
12 months	→	0.00%	8.39%
Bonds		Change	Latest
GC21 (R208: 7.18%)	↓	-0.06%	8.04%
GC24 (R186: 8.88%)	↓	-0.05%	10.03%
GC27 (R186: 8.88%)	↓	-0.05%	10.13%
GC30 (R2030: 9.33%)	↓	-0.04%	10.78%
GC32 (R213: 9.42%)	↓	-0.04%	11.02%
GC35 (R209: 9.61%)	↓	-0.03%	11.11%
GC37 (R2033: 9.52%)	↓	-0.04%	11.32%
Commodities		%Change	Latest
Gold	↑	0.31%	\$ 1,226.82
Platinum	↑	0.55%	\$ 848.17
Copper	→	0.00%	\$ 6,207.00
Brent Crude	↑	1.31%	\$ 59.34
Main Indices		%Change	Latest
NSX (Delayed)	↓	-0.05%	1240.48
JSE All Share	↑	0.76%	51,083.86
S&P 500	↓	-0.66%	2,632.56
FTSE 100	→	0.00%	6,952.86
Hangseng	↑	1.69%	26,366.61
DAX	→	0.00%	11,192.69
JSE Sectors		%Change	Latest
Financials	↑	1.14%	16,128.12
Resources	↑	0.13%	37,211.50
Industrials	↑	0.89%	62,273.58
Forex		%Change	Latest
N\$/US Dollar	↓	-0.67%	13.7682
N\$/Pound	↓	-0.55%	17.6587
N\$/Euro	↓	-0.47%	15.6404
US Dollar/ Euro	↑	0.19%	1.1359
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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