



Economic Headlines

Wednesday, 28 November 2018

Wall St reverses losses after White House advisor's trade remarks

The S&P 500 and the Dow Jones Industrial Average edged higher on Tuesday after White House economic advisor Larry Kudlow said a meeting between President Donald Trump and his Chinese counterpart on Saturday was an opportunity to “turn the page” on a trade war. All three of Wall Street’s major indexes reversed losses following Kudlow’s comments days ahead of the high-stakes dinner between Trump and Xi Jinping after the G20 summit in Buenos Aires... The Dow Jones Industrial Average rose 108.49 points, or 0.44%, to 24 748.73, the S&P 500 gained 8.75 points, or 0.33%, to 2 682.2 and the Nasdaq Composite added 0.85 point, or 0.01%, to 7 082.70. Of the 11 major sectors in the S&P 500, all but three closed the session in positive territory. Healthcare was the biggest percentage gainer with a 0.99% increase, followed by gains in defensive sectors such as consumer staples , utilities and real estate. Trade-sensitive industrials and materials sectors were down, as was energy. – [Moneyweb](#)

Another Warning Sign That the U.S. Economy Will Slow Next Year

Juiced by President Donald Trump’s tax cuts, business investment helped deliver a robust U.S. economy in the first half of 2018, but signs have multiplied that the growth driver is faltering. Companies face tariff-related uncertainty, cooling global demand and rising borrowing costs, while plunging oil prices are menacing the energy sector. Meanwhile, the U.S. and China are settling in for a protracted trade war, the boost from lower taxes is projected to fade next year and a politically divided Congress will probably shirk from additional stimulus. These challenges will test corporate America’s appetite to invest in the kind of faster-growth, higher-productivity future the Trump administration has promised. While such spending picked up in early 2018 after plodding along for years, a string of weak reports raises questions about the outlook. With firms using tax savings for buybacks and dividends rather than investment, the best gains may already be over. – [Bloomberg](#)

Oil prices climb more than 1 pct on North Sea outage, expected OPEC cuts

Oil prices rose by more than 1 percent on Wednesday ahead of an OPEC meeting next week at which the producer club is expected to decide some form of supply cut to counter an emerging glut. The shutdown of Britain’s largest North Sea oilfield for repairs also supported prices, traders said. U.S. West Texas Intermediate (WTI) crude futures CLc1 were at \$52.24 per barrel at 0607 GMT, up 68 cents, or 1.3 percent from their last settlement. International Brent crude oil futures LCOc1 were up 78 cents, or 1.3 percent, at \$60.99 per barrel... Despite Wednesday’s rise, oil prices have still lost around 30 percent in value since early October, weighed down by an emerging supply overhang and

by widespread weakness in financial markets. The crude oil price slump since October is so far on par with the 2008 price crash and steeper than that of 2014/2015. – [Reuters](#)

Zimbabwe needs \$171m to deal with rural food shortages

More than two million Zimbabweans may need support to buy food between January and March 2019, according to a report released Tuesday by the government and the World Food Programme. Fall armyworm, a pest that eats mainly corn, erratic rainfall and a decline in cash remittances sent to rural families by relatives contributed to food insecurity,” according to the the report, produced annually and known as the Zimbabwe Vulnerability Assessment Committee. The worst affected areas are Matabeleland North, Masvingo and Matabeleland South, it said. “The country requires \$140 million to buy cereals and \$31 million for other food commodities to provide a full food basket for the vulnerable households,” the report said. – [Moneyweb](#)

Eskom bags over R3bn in new loans to improve power transmission

Power utility Eskom has entered into a loan agreement with the African Development Bank Group for R2.8bn and \$25m, totalling over R3bn. The sum of \$25m equals approximately R347m at current exchange rates. This is according to a statement issued by Eskom on Tuesday afternoon. The loan will be used to improve power transmission in Southern Africa, Eskom said. The power utility exports power to at least six countries in the Southern African region. Eskom and AfDB have been in partnership since 2009 when bank had approved the first loan facility to support Eskom's capital expansion programme. This loan agreement is for construction that extends 552km. It consists of transmission lines and associated substations across Mpumalanga and Kwa-Zulu Natal provinces, and will also be used to upgrade substation equipment including earthing systems at various existing substations in Mpumalanga, Eskom said. It will also incorporate renewable energy into the transmission network, ensure reliability and security of supply, reduce transmission losses and improve regional integration an safety operations, among other things. – [Fin24](#)



Stats of the Day



Data Releases

Local Time	Country	Indicator Name	Period
11:00	Euro Zone	Money-M3 Annual Grwth	Oct
11:00	Euro Zone	Loans to Households	Oct
11:00	Euro Zone	Loans to Non-Fin	Oct
11:00	Euro Zone	Broad Money	Oct
14:00	United States	MBA Mortgage Applications	19 Nov, w/e
14:00	United States	Mortgage Market Index	19 Nov, w/e
14:00	United States	MBA Purchase Index	19 Nov, w/e
14:00	United States	Mortgage Refinance Index	19 Nov, w/e
14:00	United States	MBA 30-Yr Mortgage Rate	19 Nov, w/e
15:00	United States	Build Permits R Numb	Oct
15:00	United States	Build Permits R Chg MM	Oct
15:30	United States	Corporate Profits Prelim	Q3
15:30	United States	GDP 2nd Estimate	Q3
15:30	United States	GDP Sales Prelim	Q3
15:30	United States	GDP Cons Spending Prelim	Q3
15:30	United States	GDP Deflator Prelim	Q3
15:30	United States	Core PCE Prices Prelim	Q3
15:30	United States	PCE Prices Prelim	Q3
15:30	United States	Adv Goods Trade Balance	Oct
15:30	United States	Wholesale Inventories Adv	Oct
15:30	United States	Retail Inventories Ex-Auto Adv	Oct
17:00	United States	New Home Sales-Units	Oct
17:00	United States	New Home Sales Chg MM	Oct
17:00	United States	Rich Fed Comp. Index	Nov
17:00	United States	Rich Fed, Services Index	Nov
17:00	United States	Rich Fed Mfg Shipments	Nov

Source: Thomson Reuters

Market Overview

Money Market		Change	Latest
3 months	→	0.00%	7.16%
6 months	↓	-0.02%	7.74%
9 months	↓	-0.02%	8.02%
12 months	↓	-0.01%	8.38%
Bonds		Change	Latest
GC21 (R208 : 7.1%)	↓	-0.01%	7.96%
GC24 (R186 : 8.96%)	↑	0.01%	10.11%
GC27 (R186 : 8.96%)	↑	0.01%	10.21%
GC30 (R2030 : 9.42%)	↑	0.02%	10.87%
GC32 (R213 : 9.52%)	↑	0.02%	11.12%
GC35 (R209 : 9.7%)	↑	0.02%	11.20%
GC37 (R2033 : 9.63%)	↑	0.02%	11.43%
Commodities		%Change	Latest
Gold	↓	-0.02%	\$ 1,222.21
Platinum	↓	-0.43%	\$ 840.12
Copper	→	0.00%	\$ 6,189.00
Brent Crude	↓	-0.57%	\$ 59.66
Main Indices		%Change	Latest
NSX (Delayed)	↓	-0.11%	1269.19
JSE All Share	↓	-0.13%	51,623.38
S&P 500	↑	1.55%	2,673.45
FTSE 100	↓	-0.08%	7,030.24
Hangseng	↓	-0.17%	26,331.96
DAX	↑	0.20%	11,377.90
JSE Sectors		%Change	Latest
Financials	↑	0.09%	16,473.27
Resources	↓	-0.51%	36,940.72
Industrials	↓	-0.09%	63,428.40
Forex		%Change	Latest
N\$/US Dollar	↓	-0.28%	13.8686
N\$/Pound	↓	-0.72%	17.6879
N\$/Euro	↓	-0.42%	15.6882
US Dollar/ Euro	↓	-0.14%	1.1312
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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