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## Economic Headlines

Tuesday, 30 October 2018

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### **U.S. Stocks Fall, Tech Sinks on Fresh Trade Angst: Markets Wrap**

U.S. stocks fell, with the S&P 500 flirting with a correction as technology shares tumbled after a report the Trump administration was set to press its trade war with China. The dollar rallied. The S&P 500 fell as much as 11 percent from its all-time high before paring the drop in the final 15 minutes of trading. The Dow Jones Industrial Average slid more than 500 points at its worst, dipping into a correction before closing down 1 percent. The Nasdaq 100 Index tumbled to the lowest level since May. The S&P 500 and Nasdaq indexes are on track for the steepest monthly declines of the record-long bull market... More than \$8 trillion has been wiped off of global equities during a rout that's now a month old... Amazon plunged 6 percent Monday, Netflix lost 5 percent and Microsoft gave up 2.9 percent. Boeing led declines in the Dow, with a plunge of almost 6.6 percent. IBM fell 4.1 percent after agreeing to buy Red Hat... Elsewhere, there were a host of developments hitting specific markets. Brazilian assets rose after Jair Bolsonaro swept to power. The euro fell as Germany's Angela Merkel said she will quit as head of her party after nearly two decades, though she intends to see out her term as chancellor...The pound fell as U.K. Chancellor of the Exchequer Philip Hammond delivered the country's budget. – [Bloomberg](#)

### **Euro Rebound in Tatters as Politics Flares, This Time in Germany**

The euro's prospects of a rebound all but evaporated after political developments in Germany threatened to ripple through to the rest of the euro zone. The currency headed for its biggest monthly losses since May after Angela Merkel, a long-standing force of stability in the region, announced Monday she won't seek re-election as party head in December or as German Chancellor in 2021. That took this year's drop to more than 5 percent, confounding analyst expectations for a rally... "For the EU and the euro-zone, the only thing worse than a strong Germany is a weak Germany," said Manish Singh, the London-based chief investment officer at Crossbridge Capital. "With the exit of Merkel, the EU would be robbed of the only political leader who appears to have the stature and experience to hold the bloc together as it stumbles from one crisis to the next. The EU could drift untethered and directionless with severe social consequences for the continent."... The euro dropped below \$1.14 on Monday, taking its decline for the month to almost 2 percent. The single currency has been battered this year by widening rate differentials between Europe and the U.S. as well as concerns over political risk in Italy. – [Bloomberg](#)

### **African job creation lags developmental gains, study finds**

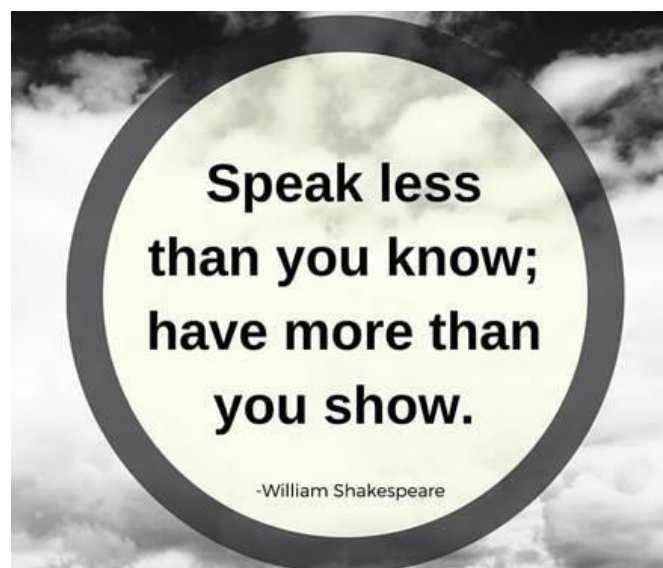
Most African nations are doing a better job in promoting development and safeguarding human rights but are falling short in providing jobs for their burgeoning populations, a study by a foundation started by Sudanese billionaire Mo Ibrahim has found. While an overall African governance index reached a decade-high last year, with 34 of the 54 countries registering gains since since 2008, an index that measured sustainable economic opportunities barely changed, the Mo Ibrahim Foundation said in its assessment released on Monday. That's despite a 40% surge in the region's gross domestic product over the period, according to the annual study which is based on data from 35 independent, external sources... Mauritius was ranked Africa's best-governed country, followed by Seychelles, Cabo Verde and Botswana, while Somalia and South Sudan got the lowest ratings. Nigeria, which is one of Africa's largest economies, was ranked 33rd, and South Africa seventh. Governance improved the most in Ivory Coast and deteriorated the most in Libya.

The study's other key findings include:

- The quality of education has worsened for more than half of Africa's citizens over the past five years.
- Governance improvements have been irregular and mainly led by 15 countries, where progress has gained momentum.
- There is no significant correlation between the size of a country's economy and its success in providing its citizens with economic opportunities.
- Access to sustainable economic opportunities improved in 27 countries over the past decade, and deteriorated in 25.
- The provision of health services has improved in 47 countries over the past decade, with indicators measuring the provision of AIDS drugs and child mortality among those that improved.
- While transparency and the rule of law has improved, there has been a decline in safety standards and the rule of law. – [Fin24](#)

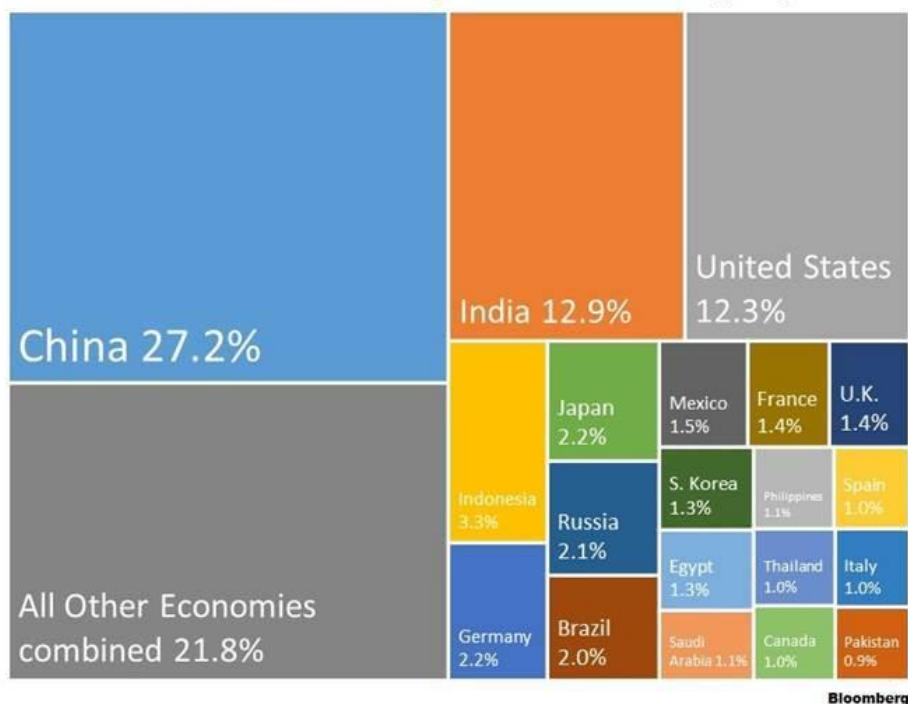
### **China to release new rules to further increase lending to smaller firms**

China's banking and insurance regulator will soon release new rules to further boost financing to small and medium-sized companies, it said in a press release circulated ahead of a media briefing. The China Banking and Insurance Regulatory Commission said it would encourage financial institutions to take full advantage of the latest monetary, fiscal and tax policy steps to increase lending to smaller firms. The regulator would support commercial banks to issue special bonds for lending to small firms and apply favorable risk weighting to evaluate bank loans to smaller firms, it said. The average interest rate for loans made by 18 major commercial banks to smaller firms stood at 6.23 pct in the third quarter, 0.7 percentage point lower than the first quarter. – [Reuters](#)



## Stats of the Day

### 2018-2019 World Economy Growth Contribution (Intl\$)



## Data Releases

Local	Country	Indicator Name	Period
11:30	South Africa	Unemployment Total	Q3
11:30	South Africa	Unemployment Rate	Q3
12:00	Euro Zone	GDP Flash Prelim YY	Q3
12:00	Euro Zone	GDP Flash Prelim QQ	Q3
12:00	Euro Zone	Business Climate	Oct
12:00	Euro Zone	Economic Sentiment	Oct
12:00	Euro Zone	Industrial Sentiment	Oct
12:00	Euro Zone	Services Sentiment	Oct
12:00	Euro Zone	Consumer Confid. Final	Oct
12:00	Euro Zone	Cons Infl Expec	Oct
12:00	Euro Zone	Selling Price Expec	Oct
14:55	United States	Redbook MM	22 Oct, w/e
14:55	United States	Redbook YY	22 Oct, w/e
15:00	United States	CaseShiller 20 MM SA	Aug
15:00	United States	CaseShiller 20 MM NSA	Aug
15:00	United States	CaseShiller 20 YY	Aug
16:00	United States	Consumer Confidence	Oct
16:30	United States	Texas Serv Sect Outlook	Oct
16:30	United States	Dallas Fed Services Revenues	Oct
22:30	United States	API weekly crude stocks	22 Oct, w/e
22:30	United States	API weekly gasoline stk	22 Oct, w/e
22:30	United States	API weekly dist. stocks	22 Oct, w/e
22:30	United States	API weekly heating oil	22 Oct, w/e
22:30	United States	API weekly crude imports	22 Oct, w/e
22:30	United States	API weekly product imports	22 Oct, w/e
22:30	United States	API weekly crude runs	22 Oct, w/e
22:30	United States	API Cushing number	22 Oct, w/e
22:30	South Africa	Budget Balance MM	Sep

Source: Thomson Reuters

## Market Overview

<b>Money Market</b>		Change	Latest
3 months	→	0.00%	7.02%
6 months	→	0.00%	7.68%
9 months	→	0.00%	7.98%
12 months	→	0.00%	8.40%
<b>Bonds</b>		Change	Latest
GC21 (R208 : 7.71%)	↓	-0.09%	8.57%
GC24 (R186 : 9.22%)	↓	-0.08%	10.52%
GC27 (R186 : 9.22%)	↓	-0.08%	10.62%
GC30 (R2030 : 9.66%)	↓	-0.07%	11.16%
GC32 (R213 : 9.75%)	↓	-0.08%	11.48%
GC35 (R209 : 9.92%)	↓	-0.08%	11.42%
GC37 (R2033 : 9.85%)	↓	-0.07%	11.78%
<b>Commodities</b>		%Change	Latest
Gold	↓	-0.32%	\$ 1,229.58
Platinum	↑	0.66%	\$ 838.23
Copper	→	0.00%	\$ 6,160.00
Brent Crude	↓	-0.30%	\$ 77.03
<b>Main Indices</b>		%Change	Latest
NSX (Delayed)	↑	0.32%	1217.54
JSE All Share	↑	1.54%	51,621.87
S&P 500	↓	-1.73%	2,658.69
FTSE 100	↑	1.66%	7,054.54
Hangseng	↑	0.38%	24,812.04
DAX	↑	1.97%	11,421.04
<b>JSE Sectors</b>		%Change	Latest
Financials	↑	2.82%	15,756.48
Resources	↑	2.46%	40,529.46
Industrials	↑	0.87%	61,725.16
<b>Forex</b>		%Change	Latest
N\$/US Dollar	↓	-0.96%	14.4591
N\$/Pound	↓	-0.87%	18.5705
N\$/Euro	↓	-0.87%	16.5034
US Dollar/ Euro	↑	0.10%	1.1414
<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



Capricorn Asset Management



Bank Windhoek

For enquiries concerning the Daily Brief please contact us at

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

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