

# DAILY MARKET COMMENTARY

08 November 2019



[Fixed Income and Interest Rates](#) | [Currencies](#) | [Commodities](#) | [Equities](#) | [LDT](#) | [JSE performance](#) | [Economics](#) | [\\*Foreign flows](#) | [Economic calendar](#) | [#Contacts](#)

*Click on any of the above links to access your point of interest*

*(\* when available)*

## KEY DAILY DRIVERS

Nedbank CIB Market Commentary | [CIBMarketComm@Nedbank.co.za](mailto:CIBMarketComm@Nedbank.co.za) | +27 11 537 4091

### SNIPPETS

(Fixed Income)	SAGBs rally after China announces that it has agreed with the US to rollback tariffs
(Currencies)	Eskom continues to struggle with supply constraints
(Commodities)	Oil pared a weekly gain as investors weighed signs of progress in the prolonged U.S.-China trade war that's undermined global crude demand
(Equities)	Global equity markets bounce back on better-than-expected China trade data, but investors remain cautious on trade talks into the weekend
(Economics)	SA business confidence remains low in October; Manufacturing sector experiences fourth consecutive decline; BOE keeps interest rate unchanged

## KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

Nedbank CIB Market Commentary | [CIBMarketComm@Nedbank.co.za](mailto:CIBMarketComm@Nedbank.co.za) | +27 11 537 4091

Date	Region	Event	Actual/expected/prior	Implications
07//11	SA	SACCI business confidence	91.7/92.0/92.4	Confidence levels remain downbeat, likely to deteriorate further, following recent load shedding, negative MTBPS, and higher unemployment
07/11	SA	Manufacturing production	-2.4%/-0.9%/-1.8%	Output remains very weak, PMI below 50-points signals further deterioration
07/11	UK	BOE interest rate decision	0.75%/0.75%/0.75%	No change expected, BOE may remain neutral to dovish as inflation eases
08/11	US	University of Michigan Consumer confidence	--/96.1/95.5	Consumer remains key to US prosperity, any deterioration in confidence levels spells concern for the economy
11/11	UK	GDP	--/--/-0.2%	UK economy expected to remain lacklustre given Brexit uncertainty and weaker global growth

Source: Nedbank

## CONTACT FOR QUERIES

**REEZWANA SUMAD**  
Strategy: Research Analyst  
Tel: +27 11 537 4091  
[ReezwanaS@Nedbank.co.za](mailto:ReezwanaS@Nedbank.co.za)

# FIXED INCOME AND INTEREST RATES

[back to top](#)

Bond flow sales | +2711 535 4021 | Corporate Money Markets | +2711 535 4007 | Business Bank Money Markets | +2711 535 4006

Bonds	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
R208-1.4 yrs	6.68	0.25	-1.25	-31.25	-92.35	↓
R186-7.1 yrs	8.41	0.20	-9.20	-46.20	-77.30	↓
R2048-28.3 yrs	10.07	0.20	-0.70	16.70	3.50	↓
US 10 yr	1.91	-1.22	21.41	-77.91	-133.23	↑
UK 10 yr	0.79	7.80	16.40	-48.40	-74.00	↑
German 10 yr	-0.23	10.00	17.40	-47.50	-68.00	↑
Japan 10 yr	-0.05	1.10	8.00	-5.60	-17.50	↑

Money Market	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
SA repo rate	6.50	0.00	0.00	-25.00	0.00	→
SA prime rate	10.00	0.00	0.00	-25.00	0.00	→
SA CPI (MTD=previous month)	4.10		-20.00	-40.00	-80.00	↓
SA 3m JIBAR	6.80	0.80	0.80	-35.00	-21.70	↑
SA 3m NCD	6.83	2.50	2.50	-30.00	-12.50	↑
SA 6m NCD	7.23	0.00	-2.50	-52.50	-45.00	↓
SA 12m NCD	7.73	2.50	2.50	-60.00	-62.50	↓
US 3m LIBOR	1.90	1.08	0.20	-90.34	-68.70	↑
UK 3m LIBOR	0.80	-0.60	-1.08	-11.39	-4.71	↓
Japan 3m LIBOR	-0.10	0.77	1.12	-3.12	-0.90	↑

Source: Bloomberg & Nedbank CIB  
Time: 2019/11/08 07:26

FRAs and Swaps	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
3X6 FRA	6.67	0.00	-4.00	-54.50	-60.50	↓
6X9 FRA	6.65	0.00	4.00	3.00	4.00	↑
9X12 FRA	6.65	0.00	1.00	-68.50	-89.50	↑
18X21 FRA	6.77	-2.00	3.50	-69.50	-106.50	↑
SA 2yr Swap	6.73	1.30	2.10	-61.00	-80.50	↑
SA 3yr Swap	6.84	0.50	1.50	-61.00	-88.50	↑
SA 5yr Swap	7.12	0.00	0.00	-55.00	-87.00	→
SA 10yr Swap	7.82	1.00	2.00	-37.00	-68.00	↑
SA 15yr Swap	8.17	1.00	2.00	-29.50	-60.00	↑

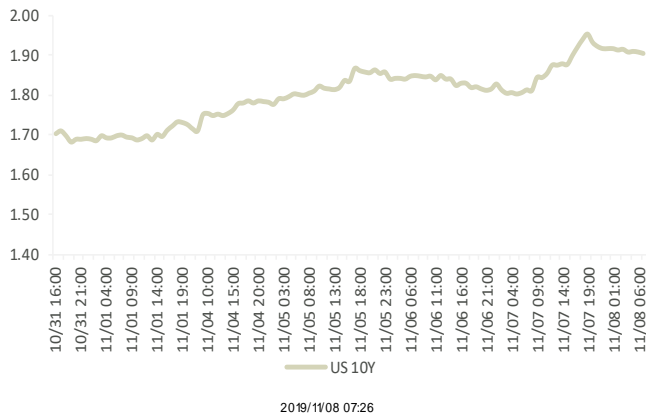
  

Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
2v10y	-1.10	0.30	0.10	-24.00	-12.50	↑
3v10y	-0.99	-0.50	-0.50	-24.00	-20.50	↓
R186-R208	1.73	-0.05	-7.95	-14.95	15.05	↓
R2048-R186	1.66	-0.00	8.50	62.90	80.80	↑
5y-R186	-1.29	-0.20	9.20	-8.80	-9.70	↑
10y-R186	-0.59	0.80	11.20	9.20	9.30	↑
15y-R186	-0.24	0.80	11.20	16.70	17.30	↑
SA 5yr CDS spread - basis points	178.50	0.00	-11.50	-44.50	-38.50	↓

Source: Bloomberg & Nedbank CIB  
Time: 2019/11/08 07:26

## US 10 year yield

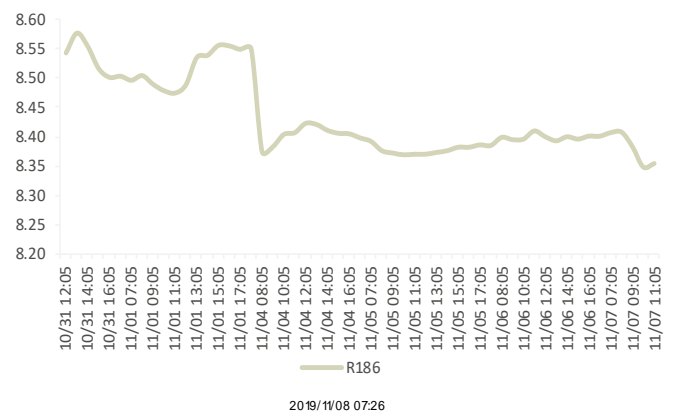
### US 10 year yield



Source: Bloomberg, Nedbank

## SA 10 year yield

### SA 10 year yield



Source: Bloomberg, Nedbank

Business Banking FX | +27 11 535 4003 | Corporate FX | +2711 535 4002 | Institutional FX | +2711 535 4005

- On Thursday the rand opened the session trading in the mid-14. 80s. The local unit trading steadily firmer for the majority of the session, reaching a best level of 14.7140 on the day. Post the time of the local close the rand made a foray sub 14.70, touching a best level of 14.6630 in the New York session in limited liquidity. This morning the rand is currently trading at 14.7550, EURZAR is trading at 16.3015 and GBPZAR at 18.9070.
- International markets had another subdued session, the majors occupying limited ranges, EURUSD trading between 1.1049 and 1.1091, this morning currently at 1.1048. GBPUSD is trading at 1.2815 unchanged from the time of the local close. Gold has retreated from yesterday's open, this morning currently trading at 1469.25, some 22 dollars off.
- Data releases scheduled for today, locally there are no releases, from Europe we have German trade, current account, from France trade current account, industrial production and manufacturing production. From the U.S wholesale inventories and Michigan survey.
- The rand yesterday trading firmer, and as per the aforementioned, managing to trade sub 14.7000 briefly in the NY session, last night's announcement from Eskom that it would be implementing load shedding likely to weigh on the local unit initially, thus far the effects have been limited. Global focus remains on headlines driven by any news regarding the ongoing trade war saga.
- Possible trading range in the rand today 14.6000 to 14.9000

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1.28	-0.03	-1.00	0.46	-1.91	↓	USD strength
EURUSD	1.10	-0.02	-0.93	-3.65	-2.77	↓	USD strength
USDJPY	109.25	-0.03	1.12	0.40	-4.41	↑	USD strength
USDAUD	1.45	0.27	0.21	2.45	5.49	↑	USD strength

Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	14.75	0.08	-2.35	2.76	4.19	↓	ZAR strength
GBPZAR	18.90	0.05	-3.35	3.08	2.33	↓	ZAR strength
EURZAR	16.30	0.06	-3.32	-0.97	1.46	↓	ZAR strength
AUDZAR	10.15	-0.18	-2.53	0.27	-1.07	↓	ZAR strength
ZARJPY	7.41	-0.11	3.40	-3.08	-9.02	↑	ZAR strength

African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	49.62	-0.06	2.45	-2.27	-3.86	↑	ZAR strength
ZARBWP (Botswana pula)	0.74	0.00	1.37	-1.03	-1.52	↑	ZAR strength
ZARKES (Kenyan shilling)	6.98	-0.08	2.17	-1.67	-3.21	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.48	0.14	2.97	3.57	1.17	↑	ZAR strength
ZARNGN (Nigerian naira)	24.64	0.57	2.44	-2.68	-4.24	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.38	-0.11	2.79	9.66	8.44	↑	ZAR strength
ZARZMW (Zambian kwacha)	0.92	1.35	4.58	9.84	10.68	↑	ZAR strength
ZARMZN (Mozambican metical)	4.26	-0.11	2.78	-0.49	-1.60	↑	ZAR strength

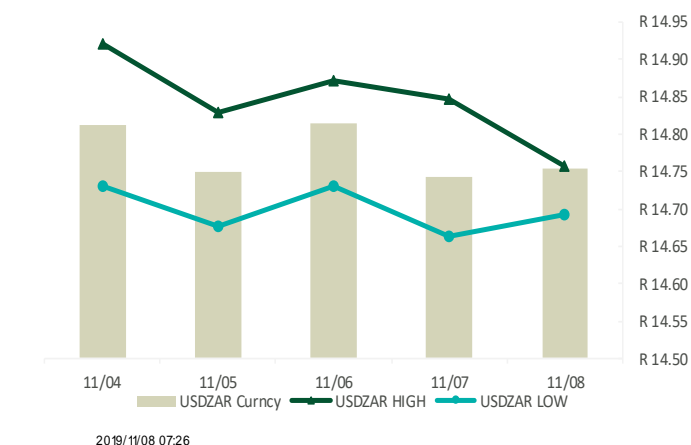
Emerging Market FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
USDBRL (Brazilian Real)	4.10	0.64	2.02	5.52	8.85	↑	USD strength
USDTRY (Turkish Lira)	5.75	-0.02	0.66	8.03	5.05	↑	USD strength
USDMXN (Mexican Peso)	19.15	0.07	-0.45	-2.62	-5.48	↓	USD weakness
USDINR (Indian Rupee)	71.22	0.36	0.41	2.04	-2.50	↑	USD strength
USD RUB (Russian Ruble)	63.52	-0.57	-0.98	-9.76	-4.41	↓	USD weakness

Source: Bloomberg & Nedbank CIB  
Time: 2019/11/08 07:26

\*Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks

## USDZAR

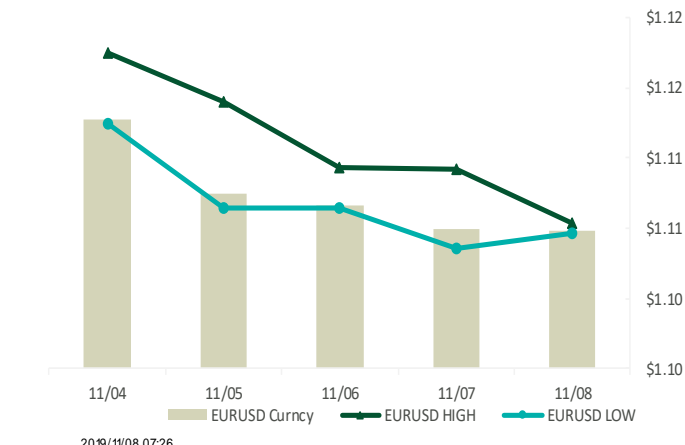
\$/R (close, high and low)



Source: Bloomberg, Nedbank

## EUR/USD

€/€ (close, high and low)



Source: Bloomberg, Nedbank

- Oil pared a weekly gain as investors weighed signs of progress in the prolonged U.S.-China trade war that's undermined global crude demand. Futures lost 0.5% in early Asian trade but is still up 1.2% for the week.
- Gold steadies but still heads for the largest weekly loss in more than two years. Spot gold little changed at \$1,467.44/oz after losing 1.5% on Thurs; headed for weekly loss of about 3%.
- Spot silver steady at \$17.0920/oz, heading for lowest close since Sept.
- Platinum little changed and heads for weekly loss of more than 4%; palladium steady at \$1,802.89/oz.
- Base metals mixed; LME three-month copper contract is down 0.2% at \$5,965.00 a metric ton after rising overnight on eased U.S.-China trade tensions.
- The three-month nickel contract is up 0.4% at \$16,265.00 a ton.

Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend
Brent near future (\$)	62.11	-0.29	3.12	15.45	-12.09	↑
WTI crude (\$)	56.88	-0.47	4.98	25.26	-6.25	↑
Gold spot (\$)	1 468.89	0.03	-2.91	14.53	20.01	↓
Platinum spot (\$)	905.25	-0.50	-2.95	13.77	4.75	↓
SA white maize spot (R)	2 636.00	-2.08	-6.06	-10.03	7.59	↓

Source: Bloomberg & Nedbank CIB  
Time: 2019/11/08 07:26

## SA white maize

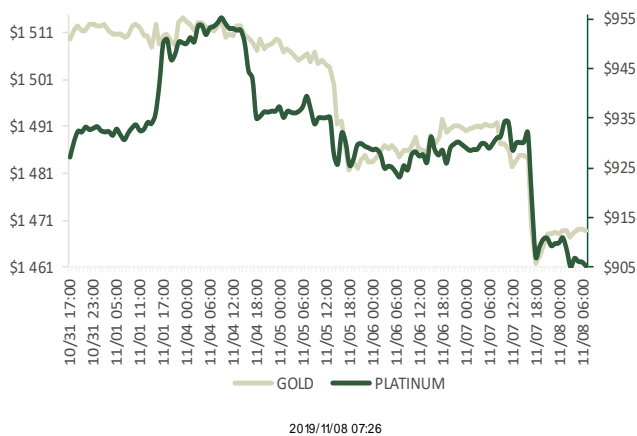
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

## Platinum vs Gold

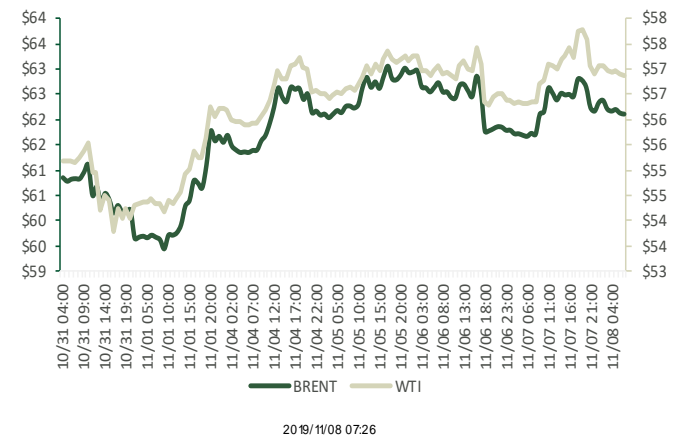
Platinum vs. Gold



Source: Bloomberg, Nedbank

## Brent Crude vs West Texas Intermediate

Brent Crude vs West Texas Intermediate



Source: Bloomberg, Nedbank

Cash equities | +2711 535 4030/31

## South Africa

- Top40 -0.36%; having started the day in the black, our market struggled to hold on to gains, despite +ve news of a US/China trade deal. GenRet -1.09%, despite a stronger rand on the day, with DCP, TRU and TFG releasing nrs that sparked some profit taking in PIK -2.86%. TRU -1.98%; 1H out more/less in line: rev +6.3% vs 7.2% cons (FY at 8.6%). Cash turnover grew by 9.3%, turnover +6.5%, with HEPS +3%. TFG -2.87%; SA has slowed, as reflected in the top-line nr for the first five months. Volume growth is encouraging; TFG Africa: 6.4%, slowing from first 5m: 8.1%.

## UK/Europe

- European shares rose after the US and China agreed to gradually scale back tariffs on an initial trade deal. Trade-sensitive sectors such as automotive stocks were among the biggest gainers. Banks also rose after UniCredit reported a strong third quarter and bolstered its capital position. Stoxx 600 advanced 0.4%, for a fifth day of gains, led by a 1.7% jump in cars and automotive parts and a 1.5% gain for banks. Utilities were the steepest decliners, falling 1.9%.

## USA

- Tech and financial shares led gains in American equities after reports that China and the US have agreed to roll back tariffs on each other's goods as they work towards a trade deal. That added to signs that the slump in global growth may have bottomed, dropping defensive stocks like utilities and real estate more than 1%. Copper and crude jumped at least 2%. S&P up 0.27% vs intraday high: +0.7%. Dow added 0.66%. Nasdaq gained 0.28%. Russell 2000 advanced 0.3%. Seven of the 11 main S&P sectors closed higher. Energy up 1.6%. Utilities down 1.4%. VIX at 12.75.

## Asia

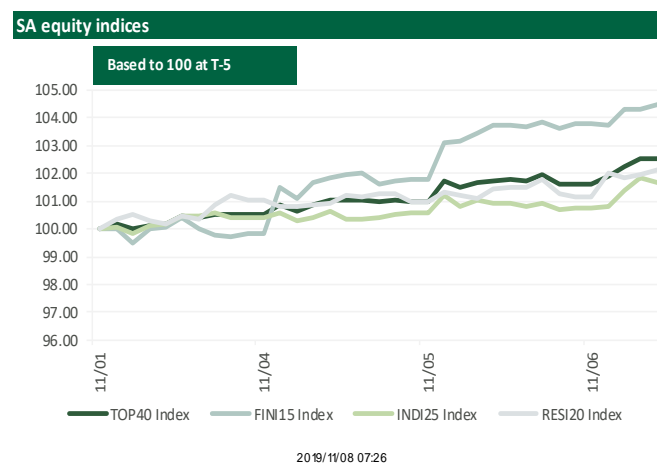
- Asian stocks were mixed Friday, and US equity futures edged lower as the risk-on mood that permeated global financial markets this week showed signs of abating. Benchmark Japanese bond yields inched towards an exit from negative territory. Japanese and Chinese shares edged higher, while equities in Hong Kong dipped. Futures on the S&P 500 slipped after the index notched another record high. Japanese 10-year government bond yields were on track for their biggest weekly climb since May 2013, the month the "taper tantrum" began. China's offshore yuan was trading stronger than 7 per USD. Gold headed for its worst week since May 2017, when the global economic narrative was all about synchronous growth.

Developed Markets	Last price	%Δ		%Δ		2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Dow Jones	27 674.80	0.66	2.32	18.64	5.66	-6.03	↑
Nasdaq	8 434.52	0.28	1.71	27.12	12.00	-5.30	↑
S&P 500	3 085.18	0.27	1.57	23.07	9.92	-7.01	↑
DJ Eurostoxx 50	3 706.68	0.49	2.84	23.50	14.49	-14.00	↑
DAX	13 289.46	0.83	3.28	25.86	15.29	-17.97	↑
CAC	5 890.99	0.41	2.81	24.53	14.80	-10.55	↑
FTSE	7 406.41	0.13	2.18	10.08	3.72	-12.03	↑
ASX200	6 724.10	-0.04	0.91	19.09	13.42	-6.84	↑
Nikkei 225	23 361.91	0.14	1.90	16.72	3.89	-14.85	↑
MSCI World	2 266.69	0.24	1.49	20.32	8.85	-10.97	↑
Emerging Markets	Last price	%Δ		%Δ		2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
Hang Seng	27 669.64	-0.64	2.84	7.06	5.50	-15.30	↑
Shanghai	2 987.97	0.31	2.01	19.81	13.37	-25.52	↑
Brazil Bovespa	109 580.60	1.13	2.20	24.68	27.98	12.83	↑
India - NSE	40 512.40	-0.35	0.96	12.32	14.97	6.67	↑
Russia Micex	3 008.54	0.93	3.96	26.98	23.37	9.55	↑
MSCI Emerging	1 073.57	0.44	3.03	11.16	8.06	-18.02	↑
SA Indices	Last price	%Δ		%Δ		2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
JSE All Share	57 483.00	-0.29	1.87	9.00	6.32	-11.71	↑
Top 40	51 223.34	-0.36	2.10	9.62	7.53	-11.54	↑
Resi 10	47 330.31	-0.53	1.63	15.31	14.18	12.01	↑
Indi 25	70 675.26	-0.32	1.29	10.98	8.56	-20.20	↑
Fini 15	16 506.36	-0.18	4.11	0.77	-1.58	-6.54	↑

Source: Bloomberg & Nedbank CIB

Time 20/11/08 07:26

## Short-term performance of SA equity indices



Source: Bloomberg, Nedbank

# LAST DAY TO TRADE

[back to top](#)

Susan Correia | [Scorreia@Nedbankcapital.co.za](mailto:Scorreia@Nedbankcapital.co.za) | +27 11 295 8227

SHARE CODE	SHARE NAME	DIVIDEND / INTEREST RATE
<b>5 November 2019</b>		
ALP	Atlantic Leaf Prop Ltd	dividend @ 0.45GBP
LNF	London fin Inv Group Plc	dividend @ 11.117520 cps
PSG	PSG Group Ltd	dividend @ 164cps
SEA	Spear REIT Ltd	dividend @ 44.639920cps
TRE	Trencor Ltd	Odd lot offer @ 3228cps

Source: JSE

# JSE PERFORMANCE

[back to top](#)

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 537 4091

Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2018 Performance	MTD trend
ABG : Absa Group Ltd	163.69	1.25	5.69	1.16	2.26	-11.08	↑
AGL : Anglo American Plc	396.04	0.27	2.44	22.89	24.43	26.07	↑
AMS : Anglo American Platinum Ltd	1151.36	-2.27	2.10	114.04	126.85	52.19	↑
ANG : Anglogold Ashanti Ltd	289.77	-0.88	-12.29	59.43	106.34	41.31	↓
BHP : Bhp Group Plc	332.90	-1.26	3.80	15.01	16.74	21.24	↑
BID : Bid Corp Ltd	352.39	-0.54	-0.03	32.98	23.14	-11.96	↓
BTI : British American Tobacco Plc	545.46	0.57	2.86	16.23	-12.28	-43.42	↑
BVT : Bidvest Group Ltd	216.46	-0.73	5.05	4.65	10.16	-5.15	↑
CFR : Financiere Richemont-Dep Rec	117.50	-0.84	-0.99	25.47	13.64	-16.20	↓
CLS : Clicks Group Ltd	250.00	-1.85	1.72	30.58	27.43	5.70	↑
CPI : Capitec Bank Holdings Ltd	1448.00	1.54	5.46	29.52	32.41	1.83	↑
DSY : Discovery Ltd	128.74	-2.05	7.05	-19.43	-24.30	-14.09	↑
EXX : Exxaro Resources Ltd	128.51	0.28	4.22	0.18	-11.28	-15.16	↑
FSR : Firststrand Ltd	68.53	-0.74	4.95	4.53	-1.42	-2.51	↑
GFI : Gold Fields Ltd	81.60	-2.15	-12.20	65.38	104.61	-8.80	↓
GRT : Growthpoint Properties Ltd	22.54	0.63	1.94	-3.26	-9.00	-15.76	↑
IMP : Impala Platinum Holdings Ltd	107.38	-0.57	3.40	192.75	290.47	13.07	↑
INL : Investec Ltd		0.24	3.58	12.66	-3.81	-11.95	↑
INP : Investec Plc	88.48	0.28	3.85	11.07	-4.78	-11.25	↑
MCG : Multichoice Group Ltd	125.20	0.76	-0.66				↓
MNP : Mondi Plc	323.75	0.22	3.60	6.47	-3.31	-4.78	↑
MRP : Mr Price Group Ltd	163.91	-0.78	2.57	-33.41	-33.02	0.52	↑
MTN : Mtn Group Ltd	97.47	0.03	4.15	9.52	12.19	-34.85	↑
NED : Nedbank Group Ltd	243.87	0.66	6.41	-11.23	-6.56	7.27	↑
NPN : Naspers Ltd-N Shs	2200.00	0.16	2.53	14.91	18.86	-16.19	↑
NRP : Nepi Rockcastle Plc	127.46	-1.19	-3.07	12.80	1.05	-47.09	↓
OMU : Old Mutual Ltd	20.37	-0.68	3.66	-9.06	-13.98		↑
PRX : Prosus Nv	1029.15	-0.52	-2.08				↓
RDF : Redefine Properties Ltd	8.09	0.25	7.29	-16.34	-21.23	-9.63	↑
REM : Remgro Ltd	180.75	0.42	4.32	-7.18	-10.98	-17.48	↑
RMH : Rmb Holdings Ltd	81.82	-0.20	2.96	3.70	0.58	-0.34	↑
SBK : Standard Bank Group Ltd	179.54	-0.68	3.50	0.41	2.59	-8.61	↑
SGL : Sibanye Gold Ltd	27.36	-1.65	-6.14	173.05	211.62	-34.13	↓
SHP : Shoprite Holdings Ltd	137.99	-2.43	1.91	-27.43	-28.68	-14.03	↑
SLM : Sanlam Ltd	83.03	-0.94	4.35	4.05	7.87	-8.28	↑
SOL : Sasol Ltd	297.38	1.35	8.43	-30.03	-38.91	-0.74	↑
SPP : Spar Group Limited/The	203.39	-1.05	0.18	-1.98	10.41	2.05	↑
TBS : Tiger Brands Ltd	220.75	0.34	2.86	-11.86	-13.85	-40.48	↑
TFG : The Foschini Group Ltd	166.72	-2.87	-4.18	0.29	-2.47	-15.76	↓
VOD : Vodacom Group Ltd	135.96	0.15	3.12	3.00	5.29	-9.39	↑
WHL : Woolworths Holdings Ltd	59.63	-1.06	3.72	8.24	8.60	-15.65	↑

Source: Bloomberg & Nedbank CIB

Time 2019/11/08 07:26

## UK

- The BOE left interest rates unchanged at 0.75%, after seven members voted to hold and two members voted for a cut. The BOE has acknowledged that they may need to loosen monetary policy amid ongoing political tensions and uncertainty over Brexit. Weaker growth and low inflation have warranted a more dovish stance by the BOE.
- It has now turned decidedly dovish on the back of downside risks to the inflation outlook due to weak domestic demand. However, it still contends that a smooth Brexit would necessitate a series of gradual rate hikes over the next few years. Ultimately, it will determine the sustained impact on demand, supply and the sterling exchange rate.

**Synopsis: The BOE has become increasingly uncertain in its monetary policy forward guidance, with the Bank assessing inflation and growth risks to the downside, while still highlighting the need to raise interest rates in the event of a smooth Brexit. The market is currently pricing in a 49% probability of a 25bps cut within the next year.**

## SA

- The SACCI business confidence index fell to 91.7 index points in October, from 92.4 in September, worse than the consensus of 92.0. The decline in business confidence was influenced by adverse economic developments in October such as the resurgence of load-shedding, a negative MTBPS and higher unemployment. Notable positive contributors towards the index were a decrease in merchandise export and import volumes, a depreciation of the rand and disrupted energy supply. Negative contributors towards the BCI were new vehicle sales and lower consumer inflation.
- The BCI is still 4.1 index points below the October 2018 level as a result of a decline in import and export volumes, lower share prices and decreased real retail sales.
- SA manufacturing production contracted by 2.4% y/y in September for a fourth consecutive month, from a revised -1.5% in August, much worse than the consensus of -0.9%. Over the month, the industry reported an equivalent contraction of 2.4%, from a growth of 1.3%. The quarterly trend remains negative with a contraction of 0.9% in 3Q19 which would contribute negatively towards real GDP growth in Q3.
- In September, nine of the ten manufacturing categories declined, with only food and beverages contributing a positive effect to the indicator. The most notable negative contributors were iron and steel, which contracted 4.8% from a year earlier.
- The outlook for manufacturing production remains subdued against the backdrop of uncertain global growth, flat commodity prices, constrained domestic consumer demand and possible load-shedding. The ABSA/BER PMI remained below the 50point level for the third consecutive month in October, suggesting weak manufacturing activity for the coming months.

**Synopsis: While sentiment remains negative, any improvement will likely fuel private sector investment, spending and growth (with a 2-3 quarter lag). Hence we could see a turnaround in growth in 2H20 if the recent bounce in confidence is sustained over the next few months.**



# ECONOMIC CALENDAR

[back to top](#)

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 537 4091

	Country	Event	Period	Survey	Actual	Prior	Revised
<b>07-November</b>							
08:00 AM	SA	Net Reserves	OCT	USD 45.1b	USD 44.6b	USD 44.1b	-
08:00 AM	SA	Gross Reserves	OCT	USD 49.9b	USD 54.5b	USD 54.9b	-
09:00 AM	GE	Industrial Production WDA YoY	SEP	▼ -4.40%	▼ -4.30%	▼ -4.00%	-3.90%
10:00 AM	CH	Foreign Reserves	OCT	USD 3100b	USD 3105b	USD 3092b	-
11:30 AM	SA	SACCI Business Confidence	OCT	▼ 92.0	▼ 91.7	▼ 92.4	-
01:00 PM	SA	Manufacturing Prod NSA YoY	SEP	▼ -0.90%	▼ -2.40%	▼ -1.80%	-1.50%
02:00 PM	UK	Bank of England Bank Rate	NOV 7	▼ 0.75%	▼ 0.75%	▼ 0.75%	-
02:00 PM	UK	BOE Corporate Bond Target	NOV	GBP 10b	GBP 10b	GBP 10b	-
02:00 PM	UK	BOE Asset Purchase Target	NOV	GBP 435b	GBP 435b	GBP 435b	-
03:30 PM	US	Continuing Claims	JUN 29	1682k	1689k	1690k	-
03:30 PM	US	Initial Jobless Claims	JUL 6	215k	211k	218k	-
10:00 PM	US	Consumer Credit	SEP	USD 15.0b	USD 9.5b	USD 17.9b	USD 17.8b
<b>08-November</b>							
12:00 AM	CH	BoP Current Account Balance	3QP	-	USD 46.2b	USD 0.0b	-
01:30 AM	JN	Overall Household Spending YoY	SEP	▼ 7.00%	▼ 9.50%	▼ 1.00%	-
05:10 AM	CH	Imports YoY	OCT	▼ -7.80%	▼ -6.40%	▼ -8.50%	-
05:11 AM	CH	Imports YoY CNY	OCT	▼ -5.40%	▼ -3.50%	▼ -6.20%	-
05:11 AM	CH	Exports YoY CNY	OCT	▼ -1.40%	▼ 2.10%	▼ -0.70%	-
05:11 AM	CH	Exports YoY	OCT	▼ -3.9%	▼ -0.9%	▼ -3.2%	-
05:11 AM	CH	Trade Balance CNY	OCT	CNY 283.3b	CNY 301.3b	CNY 275.2b	-
05:11 AM	CH	Trade Balance	OCT	USD 40.1b	USD 42.8b	USD 39.7b	-
07:00 AM	JN	Leading Index CI	SEP P	▼ 92.2	▼ 92.2	▼ 91.9	-
09:00 AM	GE	Current Account Balance	SEP	EUR 19.1b	-	EUR 16.9b	-
09:00 AM	GE	Imports SA MoM	SEP	▼ 0.00%	▼ -	▼ 0.50%	-
09:00 AM	GE	Exports SA MoM	SEP	▼ 0.30%	▼ -	▼ -1.80%	-
09:00 AM	GE	Trade Balance	SEP	EUR 19.5b	-	EUR 16.2b	-
05:00 PM	US	Wholesale Inventories MoM	SEP F	-0.30%	-	-0.30%	-
05:00 PM	US	U. of Mich. Sentiment	NOV P	95.5	-	95.5	-
05:00 PM	US	Wholesale Trade Sales MoM	SEP	0.15%	-	0.00%	-
<b>11-November</b>							
01:50 AM	JN	Machine Orders YoY	SEP	8.10%	-	-14.50%	-
01:50 AM	JN	Trade Balance BoP Basis	SEP	JPY 51b	-	JPY 51b	-
01:50 AM	JN	BoP Current Account Adjusted	SEP	JPY 1664b	-	JPY 1720b	-
11:30 AM	UK	Industrial Production YoY	SEP	-1.10%	-	-1.80%	-
11:30 AM	UK	Manufacturing Production YoY	SEP	-1.25%	-	-1.70%	-
11:30 AM	UK	Trade Balance	SEP	GBP -2000m	-	GBP -1546m	-
11:30 AM	UK	GDP YoY	3QP	1.10%	-	1.30%	-
11:30 AM	UK	GDP QoQ	3QP	0.40%	-	-0.20%	-
<b>12-November</b>							
01:50 AM	JN	Money Stock M3 YoY	OCT	2.00%	-	2.00%	-
11:30 AM	UK	ILO Unemployment Rate 3Mths	SEP	3.90%	-	3.90%	-
12:00 PM	EC	ZEW Survey Expectations	NOV	-	-	-23.5	-
12:00 PM	GE	ZEW Survey Expectations	NOV	-14.5	-	-22.8	-
12:00 PM	GE	ZEW Survey Current Situation	NOV	-26.0	-	-25.3	-

Source: Bloomberg 2019/11/08 07:25

## CONTACTS

<b>Research Analyst</b> <b>Reezwana Sumad</b> (011) 537 4091	<b>Fixed Income and Currency Strategist</b> <b>Walter de Wet</b> (011) 537 4140	<b>Research Publishers</b> (011) 294 0206
<b>ALM Portfolio Management</b> (011) 535 4042	<b>Bond Trading</b> (011) 535 4021	<b>Credit Derivatives</b> (011) 535 4047
<b>Equities Sales and Distribution</b> (011) 535 4030/31	<b>Forex Business Banking Sales Desk</b> (011) 535 4003	<b>Forex Corporate Sales Desk</b> JHB (011) 535 4002; DBN (031) 327 3000; CTN (021) 413 9300
<b>Forex Institutional Sales Desk</b> (011) 535 4005	<b>Forex Retail Sales Desk</b> (011) 535 4020	<b>Inflation Trading</b> (011) 535 4026
<b>Interest Rate Swaps &amp; FRA's Trading</b> (011) 535 4004	<b>Money Market Business Banking Sales Desk</b> (011) 535 4006	<b>Money Market Corporate Sales Desk</b> JHB (011) 535 4007; DBN (031) 327 3000; CTN (021) 413 9300
<b>Money Market Institutional Sales Desk</b> (011) 535 4008	<b>Non Soft &amp; Soft Commodities Trading</b> (011) 535 4038	<b>Preference shares desk</b> (011) 535 4072

Please click here to view our [Nedbank CIB disclaimer](#)