

# DAILY MARKET COMMENTARY

10 January 2020



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*(\* 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)	SAGB yields marginally higher in the back end of the curve, markets look to SARB MPC next week for further direction
(Currencies)	Currency markets take a breather as tensions ease
(Commodities)	Oil headed for its first weekly loss since November as the prospect of a U.S.-Iranian war receded, easing fears of a potential supply disruption in the Middle East
(Equities)	Global markets are mixed as middle eastern tensions ease and investors await a crucial US Jobs number
(Economics)	SA business confidence rises in Dec but remains weak for the year as a whole; manufacturing production slumps as demand weakens sharply in Q4

## KEY OVERNIGHT FACTORS AND UPCOMING EVENTS THIS WEEK

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Date	Region	Event	Actual/expected/prior	Implications
09/01	SA	SACCI business confidence	93.1/--/92.7	Weak confidence levels likely to persist as a result of weak demand, slow growth, load shedding
09/01	SA	Manufacturing production	-3.6%/-1.9%/-0.8%	Manufacturing output set to continue on a decline due to weak confidence and demand
10/01	US	Labour market data	--	Payroll growth may have slowed, but labour market remains upbeat in peak festive season
13/01	UK	Industrial production	--/-1.3%/-1.3%	UK economic activity burdened by uncertainty over Brexit, trade agreement, and weak demand
14/01	SA	BER business confidence	--/-7/-7	Confidence levels likely to be weighed by weak demand and load shedding in Q4
14/01	US	CPI	--/2.3%/2.1%	Inflation may rise as a result of services and energy costs
15/01	EZ	Industrial production	--/-1.3%/-2.2%	Weak factory activity expected, trade uncertainty and Brexit are key issues weighing on industry
15/01	SA	Retail sales	--/0.8%/0.3%	Retail sales growth likely to rise in November due to Black Friday sales

Source: Nedbank

## CONTACT FOR QUERIES

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# FIXED INCOME AND INTEREST RATES

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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	
R208-1.2 yrs	6.73	0.05	-1.35	-1.35	-33.35	↓
R186-6.9 yrs	8.23	-0.15	-1.25	-1.25	-53.25	↓
R2048-28.1 yrs	10.13	-0.05	5.05	5.05	37.75	↑
US 10 yr	1.87	1.15	-5.15	-5.15	-87.52	↓
UK 10 yr	0.82	0.30	-0.20	-0.20	-44.10	↓
German 10 yr	-0.18	2.80	0.60	0.60	-45.80	↑
Japan 10 yr	0.00	-1.10	1.00	1.00	-2.50	↑

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	0.00	-25.00	→
SA prime rate	10.00	0.00	0.00	0.00	-25.00	→
SA CPI (MTD=previous month)	3.60		-10.00	-90.00	-160.00	↓
SA 3m JIBAR	6.80	0.00	0.00	0.00	-35.00	→
SA 3m NCD	6.78	-1.25	-5.00	-5.00	-35.00	↓
SA 6m NCD	7.30	-1.25	-2.50	-2.50	-45.00	↓
SA 12m NCD	7.63	-2.50	0.00	0.00	-67.50	→
US 3m LIBOR	1.85	1.39	-6.05	-6.05	-95.10	↓
UK 3m LIBOR	0.78	-1.29	-0.73	-0.73	-11.98	↓
Japan 3m LIBOR	-0.04	0.25	0.42	0.42	3.03	↑

Source: Bloomberg & Nedbank CIB Time 2020/01/10 08:00

FRAs and Swaps	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
3X6 FRA	6.64	0.00	3.50	3.50	-54.00	↑
6X9 FRA	6.57	0.00	4.00	3.00	4.00	↑
9X12 FRA	6.49	0.00	0.00	0.00	-77.00	→
18X21 FRA	6.57	2.50	-1.00	-1.00	-79.50	↓
SA 2yr Swap	6.59	-2.50	0.00	0.00	-69.50	→
SA 3yr Swap	6.66	-3.00	-1.00	-1.00	-71.50	↓
SA 5yr Swap	6.92	-2.50	-3.00	-3.00	-67.50	↓
SA 10yr Swap	7.64	-3.00	-4.00	-4.00	-49.00	↓
SA 15yr Swap	8.02	-2.00	-4.50	-4.50	-37.50	↓

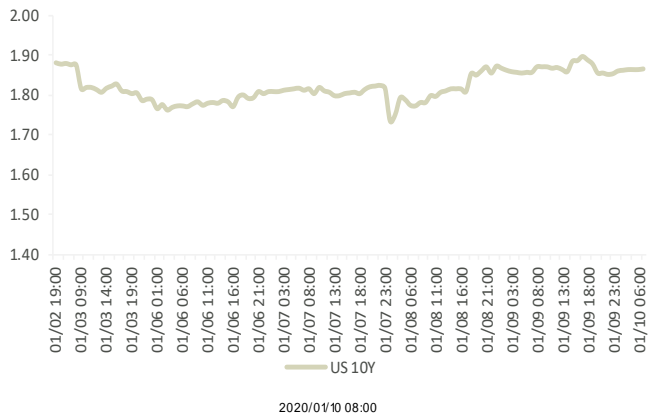
  

Spreads	Last price	Δ 1d	Δ MTD	Δ YTD	Δ 12Month	MTD trend
	%	bps	bps	bps	bps	
2v10y	-1.06	0.50	4.00	4.00	-20.50	↑
3v10y	-0.98	0.00	3.00	3.00	-22.50	↑
R186-R208	1.50	-0.20	0.10	0.10	-19.90	↑
R2048-R186	1.90	0.10	6.30	6.30	91.00	↑
5y-R186	-1.31	-2.35	-1.75	-1.75	-14.25	↓
10y-R186	-0.59	-2.85	-2.75	-2.75	4.25	↓
15y-R186	-0.22	-1.85	-3.25	-3.25	15.75	↓
SA 5yr CDS spread - basis points	160.78	5.83	-0.84	-0.84	-50.00	↓

Source: Bloomberg & Nedbank CIB Time 2020/01/10 08:00

## US 10 year yield

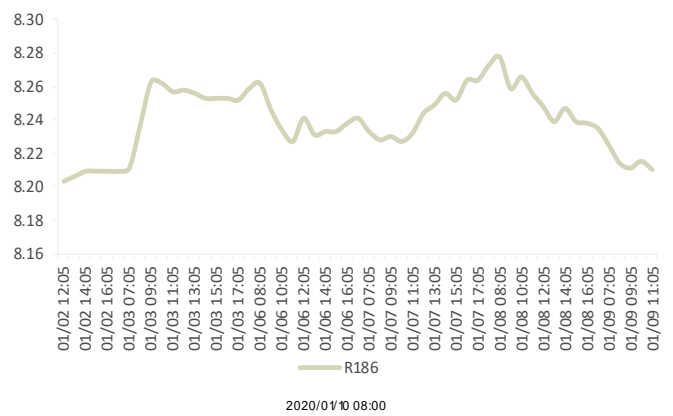
### US 10 year yield



Source: Bloomberg, Nedbank

## SA 10 year yield

### SA 10 year yield



Source: Bloomberg, Nedbank

# CURRENCIES

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

- The local unit opened trading at 14.1600. This week has seen dramatic movement in the currency, with yesterday being the most subdued day thus far. The rand traded within a range of 14.1150 to 14.2200. Given the backdrop of this week, it was a narrow trading range for the day. Markets have calmed somewhat as US/Middle East tensions have eased in the short term. The rand has held onto gains but remains volatile, and liquidity is coming at a premium. During the overnight session, the rand traded between 14.1750 and 14.2540. This morning, we opened at 14.2320, the EURZAR opened at 15.8100, and the GBPZAR opened at 18.6100.
- International markets remained quiet. The euro is trading at around that 1.1100 pivot, and yesterday, it could not sustain a move on either side of the pivot. It traded between 1.1097 and 1.1118 and is currently trading at 1.1109. The pound sterling traded softer yesterday after opening near its high of 1.3120; it closed the session below 1.3040. This morning, it opened at 1.3078. The easing of geopolitical tensions has led to a reversal in gold; it is trading USD6 weaker than it did yesterday, and this morning, it was trading at US1,549.
- On the data front, the focus will be on US jobs data this afternoon; it will be the first for 2020.
- Possible trading range: 14.0500-14.3500

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1.31	0.16	-1.36	-1.36	2.60	↓	USD strength
EURUSD	1.11	0.05	-1.06	-1.06	-3.44	↓	USD strength
USDJPY	109.58	0.06	0.91	-0.91	1.09	↑	USD strength
USDAUD	1.45	-0.40	2.11	2.11	4.43	↑	USD strength
Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	14.21	-0.26	1.63	1.63	2.45	↑	ZAR weakness
GBPZAR	18.59	-0.10	0.26	0.26	4.92	↑	ZAR weakness
EURZAR	15.79	-0.20	0.58	0.58	-1.02	↑	ZAR weakness
AUDZAR	9.77	0.15	-0.44	-0.44	-1.88	↓	ZAR strength
ZARJPY	7.71	0.33	-0.69	-0.69	-1.39	↓	ZAR weakness
African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	51.90	0.88	-1.02	-1.02	-1.17	↓	ZAR weakness
ZARBWP (Botswana pula)	0.75	0.13	-1.01	-1.01	-1.07	↓	ZAR weakness
ZARKES (Kenyan shilling)	7.15	0.26	-1.35	-1.35	-2.61	↓	ZAR weakness
ZARMUR (Mauritian rupee)	2.57	0.17	-1.16	-1.16	3.78	↓	ZAR weakness
ZARNGN (Nigerian naira)	25.51	0.25	-2.30	-2.30	-3.03	↓	ZAR weakness
ZARGHS (Ghanian cedi)	0.40	0.25	-1.34	-1.34	12.74	↓	ZAR weakness
ZARZMW (Zambian kwacha)	0.98	-1.20	-2.24	-2.24	12.30	↓	ZAR weakness
ZARMZN (Mozambican metical)	4.36	0.26	-1.12	-1.12	-2.08	↓	ZAR weakness
Emerging Market FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
USDBRL (Brazilian Real)	4.09	0.62	1.57	1.57	9.98	↑	USD strength
USDTRY (Turkish Lira)	5.88	0.07	-1.26	-1.26	7.67	↓	USD weakness
USDMXN (Mexican Peso)	18.82	-0.22	-0.33	-0.33	-1.86	↓	USD weakness
USDINR (Indian Rupee)	71.08	-0.19	-0.42	-0.42	0.94	↓	USD weakness
USD RUB (Russian Ruble)	61.26	-0.05	-1.29	-1.29	-9.39	↓	USD weakness

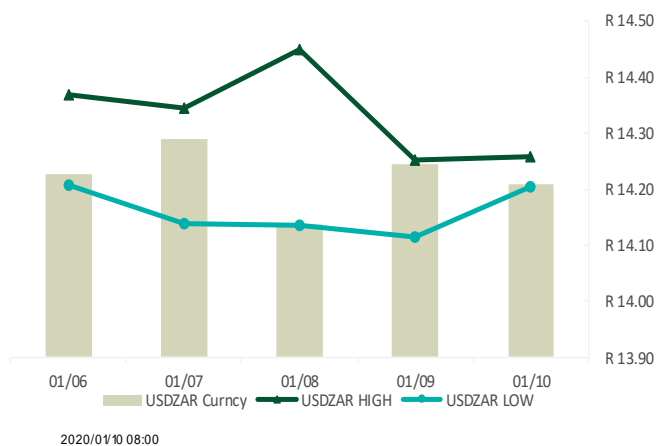
Source: Bloomberg & Nedbank CIB

Time 2020/01/10 08:00

\*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

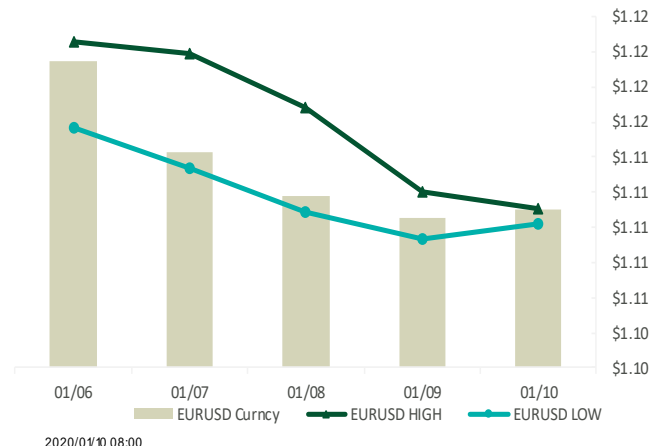
\$/R (close, high and low)



Source: Bloomberg, Nedbank

## EUR/USD

€/€ (close, high and low)



Source: Bloomberg, Nedbank

- Oil headed for its first weekly loss since November as the prospect of a U.S.-Iranian war receded, easing fears of a potential supply disruption in the Middle East.
- Gold erased all gains made earlier this week after tensions between the U.S. and Iran eased, damping demand for haven assets. The U.S. House of Representatives voted to limit President Donald Trump's authority to strike Tehran, a mostly symbolic move. Spot gold -0.3% to \$1,548.24/oz, Silver -0.2% to \$17.8605/oz, down for third straight day, Palladium -0.5% to \$2,103.59/oz; prices rallied to a record \$2,148.81 on Thursday, Platinum -0.3% to \$964.30/oz.

Source: Bloomberg

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend
Brent near future (\$)	65.18	-0.29	-1.24	-1.24	5.67	↓
WTI crude (\$)	59.36	-0.34	-2.78	-2.78	12.87	↓
Gold spot (\$)	1548.60	-0.05	1.69	1.69	20.23	↑
Platinum spot (\$)	967.20	0.29	-0.72	-0.72	17.71	↓
SA white maize spot (R)	2798.00	2.12	7.62	7.62	-5.95	↑

Source: Bloomberg & Nedbank CIB  
Time: 2020/01/10 08:00

## SA white maize

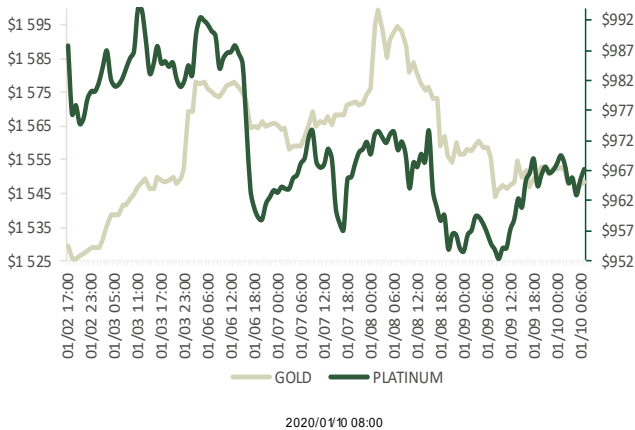
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

## Platinum vs Gold

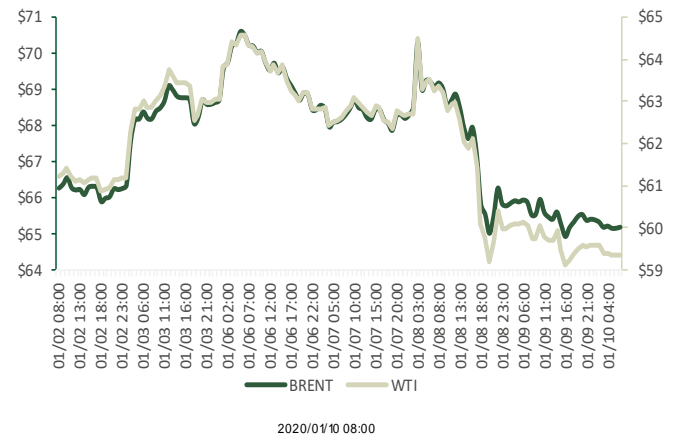
Platinum vs. Gold



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**

- The Top40 (-0.34%) gave back initial gains – SA Inc's rally faded as reality set in; The World Bank cut its SA GDP forecast (load shedding). The gold index fell -3.31%, tracking weaker gold prices as geopolitical tensions faded; GFI slipped 4.32%, while ANG was down 3%. The platinum index fell -2.17%; the reason seemed to be the funding trade, and a stronger ZAR didn't help. Palladium was up (+0.93%) once again. TKG's woes continued, and the stock was down -3.21%; this was attributed to various reasons, from short interest levels to a potential rights offer. SA manufacturing production contracted by 3.6% y/y in November from -0.8% in October, worse than consensus of -1.3%. Turnover stood at R14.3bn; 1.4m MCG at 11,400c (two BT trades), 697k FSR at 6,137c, 1m QLT at 3,097c and 236k NHM at 1,3271c.

**UK/Europe**

- European stocks closed higher on Thursday as investor sentiment improved on the back of easing US-Iran tensions. The Stoxx 600 gained 0.3%, climbing for a third day, with the technology, telecom and healthcare sectors leading the ascent, while mining, retail and energy stocks fell the most. The Euro Stoxx 50 was up 0.6%, the FTSE was 100 up 0.3%, the DAX was up 1.3%, the CAC 40 was up 0.2%, the FTSEMIB was up 0.8%, the IBEX 35 was down 0.1%, the AEX index was up 0.3% and the Swiss Market Index was unchanged.

**USA**

- US stocks rose to fresh records as investor appetite for risk returned after the US and Iran stepped back from further conflict. The S&P 500, the Dow Jones Industrial Average and the Nasdaq indices closed at all-time highs as the conflict between the US and Iran de-escalated. Oil fell below USD60 a barrel in New York, gold declined for a second day and the Japanese yen dropped to a two-week low versus the dollar. The greenback gained against major currencies for a third straight day after jobless claims fell more than expected, adding to signs of economic strength ahead of the US payrolls report on Friday. Ten-year treasury yields declined following a government auction. In news related to companies, retail took a hit due to signs of poor sales before the earnings ramp up next week. Bed Bath & Beyond Inc. slid 19% after its results missed analysts' estimates, and Kohl's Corp. also slumped following a disappointing holiday season.

**Asia**

- Stocks in Asia were mixed on Friday ahead of the latest reading on the US labour market, with the regional benchmark holding near an 18-month high. Shares in Japan and Australia nudged higher along with US equity futures, while gains fizzled in Hong Kong and China. The S&P 500 Index climbed to a fresh record high on Thursday, and the yen dropped to a two-week low versus the dollar as tensions in the Middle East ebbed. Also aiding sentiment, jobless claims fell more than expected, adding to signs of economic strength ahead of the US payrolls report Friday. Ten-year treasury yields were flat.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2018 Performance	MTD trend
Dow Jones	28 956.90	0.74	1.47	1.47	20.64	-6.03	↑
Nasdaq	9 203.43	0.81	2.57	2.57	31.74	-5.30	↑
S&P 500	3 274.70	0.67	1.36	1.36	26.11	-7.01	↑
DJ Eurostoxx 50	3 795.88	0.62	1.35	1.35	23.41	-14.00	↑
DAX	13 495.06	1.31	1.86	1.86	23.56	-17.97	↑
CAC	6 042.55	0.19	1.08	1.08	25.74	-10.55	↑
FTSE	7 598.12	0.31	0.74	0.74	9.44	-12.03	↑
ASX200	6 929.00	0.80	3.66	3.66	19.56	-6.84	↑
Nikkei 225	23 825.58	0.36	0.71	0.71	18.16	-14.85	↑
MSCI World	2 379.85	0.55	0.91	0.91	21.56	-10.97	↑

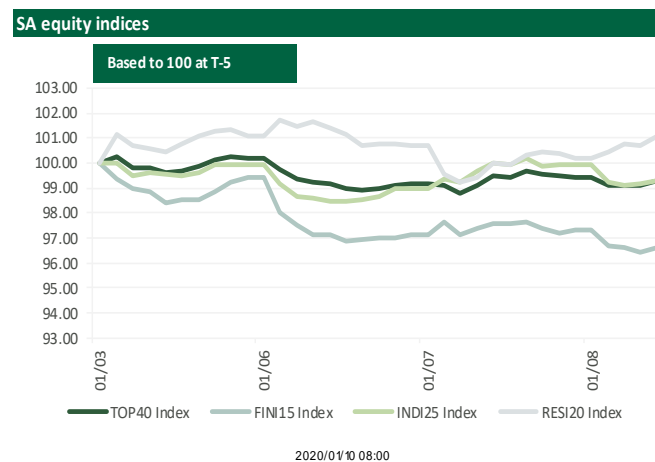
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2018 Performance	MTD trend
HangSeng	28 570.09	0.03	1.35	1.35	7.72	-15.30	↑
Shanghai	3 083.81	-0.36	1.10	1.10	21.64	-25.52	↑
Brazil Bovespa	115 947.10	-0.26	0.26	0.26	23.60	12.83	↑
India - NSE	41 654.39	0.49	0.97	0.97	15.37	6.67	↑
Russia Micex	3 118.08	0.26	2.37	2.37	28.10	9.55	↑
MSCI Emerging	1 129.37	1.62	1.32	1.32	13.09	-18.02	↑

SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2018 Performance	MTD trend
JSE All Share	57 128.68	-0.34	0.08	0.08	7.24	-11.71	↑
Top 40	50 916.06	-0.34	0.20	0.20	7.95	-11.54	↑
Resi 10	49 097.34	-1.73	-0.33	-0.33	19.88	12.01	↓
Indi 25	70 315.85	0.39	1.46	1.46	9.33	-20.20	↑
Fini 15	15 394.31	0.27	-1.79	-1.79	-8.03	-6.54	↓

Source: Bloomberg &amp; Nedbank CIB

Time 2020/01/10 08:00

**Short-term performance of SA equity indices**

Source: Bloomberg, Nedbank

## LAST DAY TO TRADE

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SHARE CODE	SHARE NAME	DIVIDEND / INTEREST RATE
<b>14 January 2020</b>		
ARL	Astral Foods Ltd	dividend @ 434cps
AYO	Ayo Tech Solutions Ltd	dividend @ 16cps
IMRP2	IM Redeemable Pref 2Aug21	dividend @ 2371.8248
PMV	Primeserv Group Ltd	dividend @ 1.5cps
RFG	Rhodes Food Group Holdings Ltd	dividend @ 27.90cps
RLO	Reunert Ltd	dividend @ 383cps
VLE	Value Group Ltd	dividend @ 16cps

Source: JSE

# JSE PERFORMANCE

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Top40 constituents	Last price	%Δ				2018 Performance	MTD trend
		-1d	MTD	YTD	12Month		
ABG : Absa Group Ltd	144.38	1.00	-3.30	-3.30	-13.78	-11.08	↓
AGL : Anglo American Plc	397.73	-0.86	-0.28	-0.28	24.62	26.07	↓
AMS : Anglo American Platinum Ltd	1331.16	-3.78	1.82	1.82	144.25	52.19	↑
ANG : AngloGold Ashanti Ltd	306.75	-3.03	-3.08	-3.08	73.06	41.31	↓
APN : Aspen Pharmacare Holdings Lt	119.58	-0.35	0.30	0.30	-14.37	-51.42	↑
BHP : Bhp Group Plc	330.85	-1.32	0.32	0.32	16.20	21.24	↑
BID : Bid Corp Ltd	332.24	0.63	0.61	0.61	25.37	-11.96	↑
BTI : British American Tobacco Plc	644.31	-0.04	7.86	7.86	42.85	-43.42	↑
BVT : Bidvest Group Ltd	216.50	5.65	5.73	5.73	7.99	-5.15	↑
CFR : Financiere Richemont-Dep Rec	111.46	-0.83	1.76	1.76	19.20	-16.20	↑
CLS : Clicks Group Ltd	255.73	1.40	-0.34	-0.34	35.10	5.70	↓
CPI : Capitec Bank Holdings Ltd	1444.55	0.84	-0.11	-0.11	26.60	1.83	↓
DSY : Discovery Ltd	119.26	0.36	-1.14	-1.14	-25.77	-14.09	↓
FSR : Firststrand Ltd	60.66	0.50	-3.41	-3.41	-10.78	-2.51	↓
GFI : Gold Fields Ltd	89.41	-4.32	-6.74	-6.74	77.05	-8.80	↓
GRT : Growthpoint Properties Ltd	22.02	0.18	-0.41	-0.41	-7.48	-15.76	↓
IMP : Impala Platinum Holdings Ltd	150.31	-1.69	4.73	4.73	301.47	13.07	↑
INL : Investec Ltd	82.94	0.05	-0.02	-0.02	-1.64	-11.95	↓
INP : Investec Plc	81.49	0.21	-0.57	-0.57	-3.53	-11.25	↓
MCG : Multichoice Group Ltd	112.67	-1.39	-3.29				↓
MNP : Mondi Plc	317.34	-1.51	-2.74	-2.74	2.10	-4.78	↓
MRP : Mr Price Group Ltd	184.11	1.43	0.88	0.88	-26.78	0.52	↑
MTN : Mtn Group Ltd	79.46	-0.19	-3.67	-3.67	-8.20	-34.85	↓
NED : Nedbank Group Ltd	211.00	0.56	-1.54	-1.54	-23.15	7.27	↓
NPN : Naspers Ltd-NShs	2341.19	0.70	2.20	2.20	19.73	-16.19	↑
NRP : Nepi Rockcastle Plc	124.88	-0.10	0.85	0.85	9.85	-47.09	↑
OMU : Old Mutual Ltd	18.95	-0.52	-3.61	-3.61	-17.03		↓
PRX : Prosus Nv	1093.08	1.50	3.71				↑
RDF : Redefine Properties Ltd	7.42	-0.13	-1.85	-1.85	-23.58	-9.63	↓
REM : Remgro Ltd	192.62	0.60	-1.22	-1.22	-5.70	-17.48	↓
RMH : Rmb Holdings Ltd	77.64	-0.55	-3.48	-3.48	-2.61	-0.34	↓
SBK : Standard Bank Group Ltd	164.19	-0.10	-2.45	-2.45	-10.64	-8.61	↓
SGL : Sibanye Gold Ltd	35.92	-3.05	0.08	0.08	227.44	-34.13	↑
SHP : Shoprite Holdings Ltd	121.62	-0.55	-3.41	-3.41	-35.97	-14.03	↓
SLM : Sanlam Ltd	77.72	0.70	-1.74	-1.74	-4.98	-8.28	↓
SOL : Sasol Ltd	302.96	-2.72	-0.17	-0.17	-31.76	-0.74	↓
SPP : Spar Group Limited/The	192.74	0.52	-2.42	-2.42	-4.70	2.05	↓
TBS : Tiger Brands Ltd	210.58	1.24	-0.06	-0.06	-14.80	-40.48	↓
TFG : The Foschini Group Ltd	149.37	2.63	-0.08	-0.08	-13.93	-15.76	↓
VOD : Vodacom Group Ltd	116.02	0.89	0.62	0.62	-11.25	-9.39	↑
WHL : Woolworths Holdings Ltd	47.97	-1.74	-1.30	-1.30	-14.72	-15.65	↓

Source: Bloomberg & Nedbank CIB

Time 2020/01/10 08:00

## SA

Better business confidence in December, but markedly worse for the year

- The SACCI Business Confidence Index (BCI) was marginally higher in December, at 93.1 points, compared to 92.7 in November. Despite the improvement, SACCI noticed that the subcomponents were highly erratic during the month – eg. the exchange rate, precious metal prices, share prices and the oil price had positive and negative impacts on business confidence during December. For the year as a whole, business sentiment deteriorated markedly, with the index average (of 92.6 points) falling to the lowest since 2015.
- Four out of the 13 subcomponents deteriorated (energy supply, exports, private sector borrowing and the rand exchange rate); four improved (manufacturing production, vehicle sales, retail sales and construction), while the rest remained unchanged and mostly negative. SACCI notes that sentiment can change in either direction in Q1, depending on the message in the SONA, and the content in the February Budget. However, continued rolling blackouts could overshadow any positive developments in these, in our view. Business confidence will remain fragile going forward – the absence of demand, export growth, policy certainty, service delivery, jobs and electricity are key reasons for the sentiment slump, in our view.

Manufacturing output slumps in November, more pain likely in December

- SA manufacturing production contracted by 3.6% y/y in November, from -0.8% in October, worse than consensus of -1.3%. Over the month, output declined by 1.5%, in the three months to November, output was flat – it will take a further contraction in production in December for the manufacturing industry to make a negative contribution to GDP growth in Q4. The manufacturing industry already contracted in 2/3 quarters in 2019. Given the severe bout of load shedding experienced during the first half of December, combined with most factories closing in the second half of the month for the festive season, a decline in output in December and over the quarter (and for the year as a whole) can be expected.
- In November, production of all products declined, apart from food and beverages. The biggest negative drivers of output in November were production of wood and wood products, motor vehicles and parts, and petroleum and chemicals.
- We see the impact of the weaker global demand on sales of manufactured products only now in November – it seems like the last time that sales contracted on an annualised, monthly and quarterly basis all at once was in December 2009. Sales contracted by 2% y/y, -2.3% m/m and by -1.7% in the three months to November (from modest growth in October and prior months). The biggest negative driver of sales in November was sales of motor vehicles and parts, which contracted 10.9% y/y. This may continue given weak export growth reported for the month of December.

**Synopsis: The manufacturing industry is one of the hardest hit by a myriad of problems – weak demand, structural impediments to operations (load shedding), red tape and trade uncertainty. A recovery in global growth is required to kick-start the industry, however this is unlikely in the near term.**



# ECONOMIC CALENDAR

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	Country	Event	Period	Survey	Actual	Prior	Revised
<b>09-January</b>							
03:30 AM	CH	CPI YoY	DEC	4.70%	4.50%	4.50%	-
03:30 AM	CH	PPI YoY	DEC	-0.40%	-0.50%	-1.40%	-
09:00 AM	GE	Industrial Production WDA YoY	NOV	-3.65%	-2.60%	-5.30%	-4.60%
09:00 AM	GE	Current Account Balance	NOV	EUR 23.8b	EUR 24.9b	EUR 22.7b	EUR 22.9b
09:00 AM	GE	Imports SA MoM	NOV	0.10%	-0.50%	0.00%	-
09:00 AM	GE	Exports SA MoM	NOV	-0.90%	-2.30%	1.20%	-
09:00 AM	GE	Trade Balance	NOV	EUR 21.3b	EUR 18.3b	EUR 21.5b	-
11:30 AM	SA	SACCI Business Confidence	DEC	-	93.1	92.7	-
12:00 PM	EC	Unemployment Rate	NOV	7.50%	7.50%	7.50%	-
01:00 PM	SA	Manufacturing Prod NSA YoY	NOV	-1.30%	-3.60%	-0.80%	-
03:30 PM	US	Continuing Claims	NOV 23	1720k	1803k	1728k	-
03:30 PM	US	Initial Jobless Claims	NOV 30	220k	214k	222k	-
<b>10-January</b>							
01:30 AM	JN	Overall Household Spending YoY	NOV	-1.80%	-2.00%	-5.10%	-
07:00 AM	JN	Leading Index CI	NOV P	90.9	90.9	91.6	-
03:30 PM	US	Average Hourly Earnings YoY	DEC	3.1%	-	3.1%	-
03:30 PM	US	Change in Nonfarm Payrolls	DEC	160k	-	266k	-
03:30 PM	US	Unemployment Rate	DEC	3.5%	-	3.5%	-
03:30 PM	US	Labor Force Participation Rate	DEC	0.0%	-	63.2%	-
05:00 PM	US	Wholesale Inventories MoM	NOV F	0.00%	-	0.00%	-
05:00 PM	US	Wholesale Trade Sales MoM	NOV	0.20%	-	-0.70%	-
<b>13-January</b>							
11:30 AM	UK	Industrial Production YoY	NOV	-1.20%	-	-1.30%	-
11:30 AM	UK	Manufacturing Production YoY	NOV	-1.60%	-	-1.20%	-
11:30 AM	UK	Trade Balance	NOV	GBP -2500m	-	GBP -5188m	-
09:00 PM	US	Monthly Budget Statement	DEC	USD 5.0b	-	USD -208.8b	-
<b>14-January</b>							
12:00 AM	CH	Imports YoY	DEC	9.50%	-	0.50%	-
12:00 AM	CH	Imports YoY CNY	DEC	8.80%	-	2.50%	-
12:00 AM	CH	Exports YoY CNY	DEC	2.80%	-	1.30%	-
12:00 AM	CH	Exports YoY	DEC	2.3%	-	-1.3%	-
12:00 AM	CH	Trade Balance CNY	DEC	CNY 315.0b	-	CNY 274.2b	-
12:00 AM	CH	Trade Balance	DEC	USD 45.6b	-	USD 37.9b	-
01:50 AM	JN	Trade Balance BoP Basis	NOV	JPY 106b	-	JPY 254b	-
01:50 AM	JN	BoP Current Account Adjusted	NOV	JPY 1777b	-	JPY 1732b	-
10:00 AM	SA	BER Consumer Confidence	4Q	-7.0	-	-7.0	-
03:30 PM	US	Real Avg Weekly Earnings YoY	DEC	0.00%	-	1.10%	-
03:30 PM	US	Real Avg Hourly Earning YoY	DEC	-	-	1.10%	-
03:30 PM	US	CPI YoY	DEC	2.30%	-	2.10%	-

Source: Bloomberg 2020/01/10 07:50

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