

DAILY MARKET COMMENTARY



[Fixed Income and Interest Rates](#) | [Currencies](#) | [Commodities](#) | [Equities](#) | [LDT](#)
[JSE Performance](#) | [Economics](#) | [*Foreign Flows](#) | [Economic Calendar](#) | [Contacts](#)

Click on any of the above links in the PDF to access your point of interest
(* when available)

Key Daily Drivers

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

SNIPPETS

Currencies	Rand holds steady in an uncertain global environment
Commodities	Oil prices fell in early trade as a spike in the number of Covid-19 infections raised fears
Equities	Global markets under pressure as concerns that a second wave of infections would impact an economic rebound
Economics	Unemployment stats reflect worrying trends; Mining production upbeat in Q3

Key Overnight Factors and Upcoming Events This Week

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

Date	Region	Event	Actual/Expected/Prior	Implications
12/11	SA	Mining Production	-2.8%/-2.5%/-3.8%	mining production contracted by 2.8% y/y in September, from -3.8% in August, worse than consensus of -2.5%
12/11	SA	Unemployment	30.8%/31%/23.3%	Unemployment increased to 30.8%
13/11	US	PPI	--/0.2%/0.4%	Deceleration expected in October due to depressed service prices

Source: Nedbank

Contact For Queries
Nedbank CIB Market Commentary
CIBMarketComm@Nedbank.co.za

Fixed Income and Interest Rates

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

Bonds	Last price	Δ				MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
R208-0,4 yrs	3,47	-1,75	-0,15	-326,85	-323,25	↓
R186-6,1 yrs	6,93	-0,75	-13,85	-131,15	-151,35	↓
R2030-9,2 yrs	8,82	-0,40	-47,70	-19,50	-31,30	↓
R2048-27,3 yrs	11,00	-0,20	-70,20	92,50	92,40	↓
US 10 yr	0,87	-1,15	-0,37	-104,83	-101,60	↓
UK 10 yr	0,35	-6,50	8,60	-47,40	-45,80	↑
German 10 yr	-0,54	-2,90	9,10	-35,10	-28,40	↑
Japan 10 yr	0,02	-0,90	-2,10	3,20	6,30	↓

Money Market	Last price	Δ				MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
SA repo rate	3,50	0,00	0,00	-300,00	-300,00	→
SA prime rate	7,00	0,00	0,00	-300,00	-300,00	→
SA CPI (MTD - previous month)	3,00		-10,00	-100,00	-110,00	↓
SA 3m JIBAR	3,33	0,00	0,00	-346,70	-346,70	↓
SA 3m NCD	3,34	-1,25	1,25	-348,75	-346,25	↑
SA 6m NCD	3,41	3,75	3,75	-391,25	-383,75	↑
SA 12m NCD	3,58	10,00	7,50	-405,00	-417,50	↑
US 3m LIBOR	0,22	0,70	0,49	-168,78	-168,40	↑
UK 3m LIBOR	0,04	-0,01	0,00	-74,71	-74,39	→
Japan 3m LIBOR	-0,10	-0,02	0,05	-5,48	0,52	↑

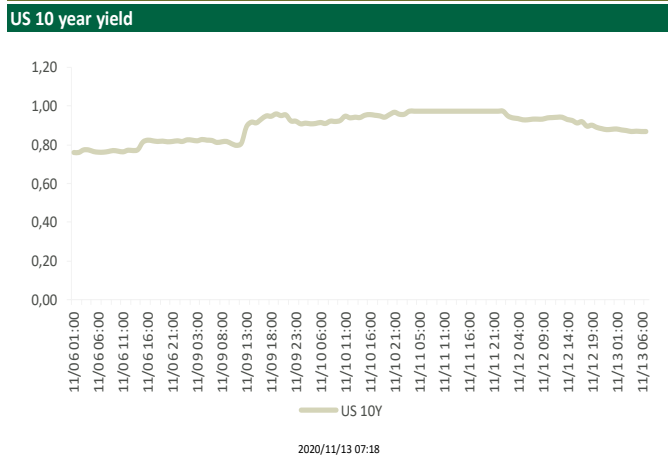
Source: Bloomberg & Nedbank CIB Time 2020/11/13 07:18

FRAs and Swaps	Last price	Δ				MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
3X6 FRA	3,23	-0,50	8,50	-338,00	-346,00	↑
6X9 FRA	3,27	0,00	4,00	3,00	4,00	↑
9X12 FRA	3,39	1,50	20,25	-310,00	-328,00	↑
18X21 FRA	3,81	2,00	17,50	-276,50	-301,50	↑
SA 2yr Swap	3,55	3,50	16,50	-303,50	-322,50	↑
SA 3yr Swap	3,97	4,00	14,50	-270,00	-292,50	↑
SA 5yr Swap	4,90	1,00	2,00	-205,00	-228,00	↑
SA 10yr Swap	6,77	-1,00	-28,00	-91,00	-106,00	↓
SA 15yr Swap	7,67	-1,00	-28,50	-39,00	-55,50	↓

Spreads	Last price	Δ				MTD trend
		1d	MTD	YTD	12Month	
	%	bps	bps	bps	bps	
2v10y	-3,22	4,50	44,50	-212,50	-216,50	↑
3v10y	-2,80	5,00	42,50	-179,00	-186,50	↑
R2030-R208	5,35	1,35	-47,55	307,35	291,95	↓
R2048-R2030	2,18	0,20	-22,50	112,00	123,70	↓
5y-R2030	-3,92	1,40	49,70	-185,50	-196,70	↑
10y-R2030	-2,05	-0,60	19,70	-71,50	-74,70	↑
15y-R2030	-1,15	-0,60	19,20	-19,50	-24,20	↑
SA 5yr CDS spread - basis points	225,00	0,00	-56,00	58,50	41,50	↓

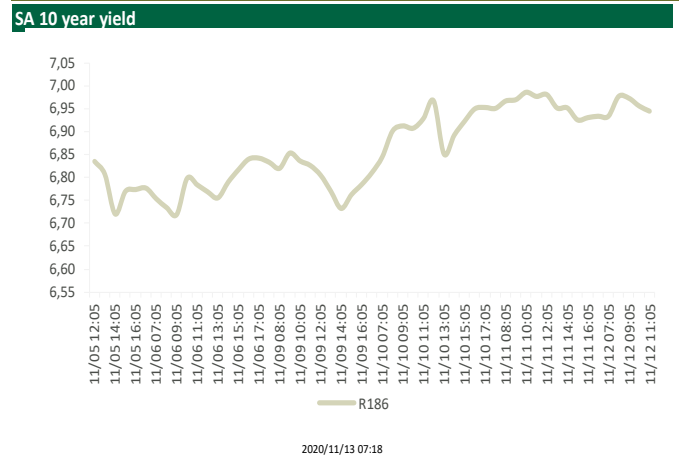
Source: Bloomberg & Nedbank CIB Time 2020/11/13 07:18

US 10 Year Yield



Source: Bloomberg, Nedbank

SA 10 Year Yield



Source: Bloomberg, Nedbank

Currencies

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

- On Thursday, the local trading session opened with the rand trading in the mid-15.60s. In another subdued trading session, the local unit again occupied a limited trading range between 15.5225 and 15.7300 on the day; flows were limited and prevailing liquidity sketchy. The overnight sessions were much the same; trading activity was limited. We open this morning trading at 15.6475, the EURZAR trading at 18.4770 and the GBPZAR currently trading at 20.5350.
- The international markets continued to trade with little conviction, with the EURUSD yesterday trading between 1.1763 and 1.1822. This morning, it is currently straddling the 1.1800 pivot. The GBPUSD is trading at 1.3122 currently, at the lower end of yesterday's trading range, having touched a high of 1.3228 yesterday. Gold continues to hold steady around the 1,880.00 level, marginally firmer from the time of the open yesterday.
- Data releases scheduled for today: locally, there are no releases; from Europe, we have French CPI and GDP, and trade and unemployment releases for the Eurozone; and from the US, we have PPI and Michigan survey data, and various Fed representatives are scheduled to speak.
- The rand has continued to hold steady against a global backdrop of continued escalation in the number of coronavirus infections and the ongoing standoff on the political front in the US, while the markets await a stimulus package. Trading activity is likely to be cautious again and liquidity tested going into the weekend.
- Possible trading range for the rand today: 15.4500 to 15.8500

Majors	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
GBPUSD	1.31	0.03	1.35	-1.02	2.11	↑	USD weakness
EURUSD	1.18	-0.01	1.36	5.28	7.25	↑	USD weakness
USDJPY	104.92	-0.20	0.25	3.52	-3.72	↑	USD strength
USDAUD	1.38	0.02	-2.80	-2.97	-5.44	↓	USD weakness

Rand crosses	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
USDZAR	15.65	0.00	-3.80	10.54	4.72	↓	ZAR strength
GBPZAR	20.54	0.04	-2.47	9.61	6.69	↓	ZAR strength
EURZAR	18.47	-0.01	-2.42	15.03	11.15	↓	ZAR strength
AUDZAR	11.32	-0.06	-0.90	13.06	9.90	↓	ZAR strength
ZARJPY	6.70	-0.17	4.00	-15.66	-8.82	↑	ZAR strength

African FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	ZAR trend
ZARMWK (Malawian kwacha)	48.66	0.18	6.38	-8.28	-0.87	↑	ZAR strength
ZARBWP (Botswana pula)	0.72	-0.08	1.91	-5.75	-2.58	↑	ZAR strength
ZARKES (Kenyan shilling)	6.97	-0.00	3.86	-3.79	1.20	↑	ZAR strength
ZARMUR (Mauritian rupee)	2.56	0.14	3.50	-1.58	4.33	↑	ZAR strength
ZARNGN (Nigerian naira)	24.35	0.18	2.54	-7.00	0.41	↑	ZAR strength
ZARGHS (Ghanian cedi)	0.37	0.08	3.86	-9.14	0.64	↑	ZAR strength
ZARZMW (Zambian kwacha)	1.37	-1.58	8.07	26.76	32.18	↑	ZAR strength
ZARMZN (Mozambican metical)	4.70	0.05	4.04	6.29	9.78	↑	ZAR strength

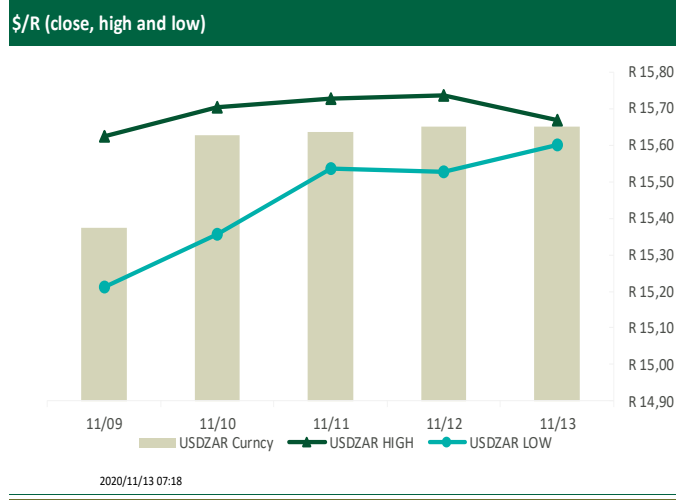
Emerging Market FX	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend	USD trend
USDBRL (Brazilian Real)	5.46	1.06	-5.27	26.15	23.70	↓	USD weakness
USDTRY (Turkish Lira)	7.70	0.13	-8.33	22.75	25.49	↓	USD weakness
USDMXN (Mexican Peso)	20.63	0.00	-2.65	8.26	6.18	↓	USD weakness
USDINR (Indian Rupee)	74.64	-0.01	0.71	4.37	3.42	↑	USD strength
USDRUB (Russian Ruble)	77.36	0.31	-2.81	19.87	16.96	↓	USD weakness

Source: Bloomberg & Nedbank CIB

Time 2020/11/13 07:18

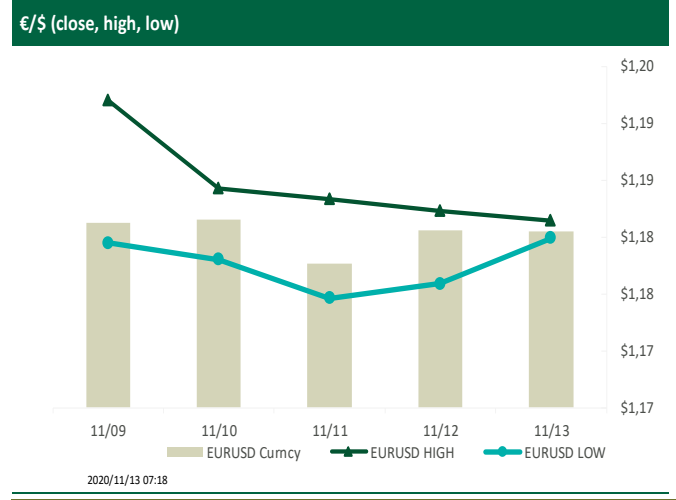
*Please note that the sign on the % change reflects the change on the headline number. The narrative indicates the trend direction over the month. For trade in any of these currencies, contact our FX dealing desks

USD/ZAR



Source: Bloomberg, Nedbank

EUR/USD



Source: Bloomberg, Nedbank

Commodities

Nedbank CIB Market Commentary | CIBMarketComm@Nedbank.co.za | +27 11 537 4091 | +27 11 535 4038

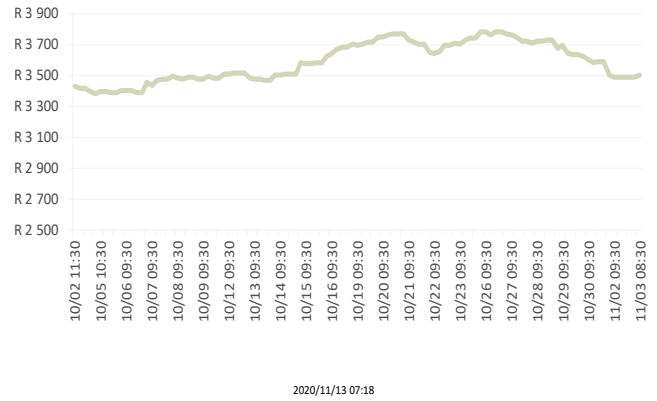
- Oil prices fell in early trade as a spike in the number of Covid-19 infections raised fears for the global economy and near-term fuel demand but remained on track for a second straight weekly gain amid hopes for a vaccine.
- Gold prices little changed as fears of an economic impact due to a surge in global cases of Covid-19 countered optimism from the developments in a potential vaccine. Base metals mixed.

Commodities	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	MTD trend
Brent near future (\$)	42,95	-1,33	14,66	-34,92	-31,14	↑
WTI crude (\$)	40,44	-1,65	12,99	-33,77	-29,20	↑
Gold spot (\$)	1 878,74	0,10	-0,00	23,82	28,37	↓
Platinum spot (\$)	889,84	0,71	5,00	-7,94	1,63	↑
SA white maize spot (R)	3 487,00	-0,14	-2,76	34,12	31,04	↓

Source: Bloomberg & Nedbank CIB
Time: 2020/11/13 07:18

SA White Maize

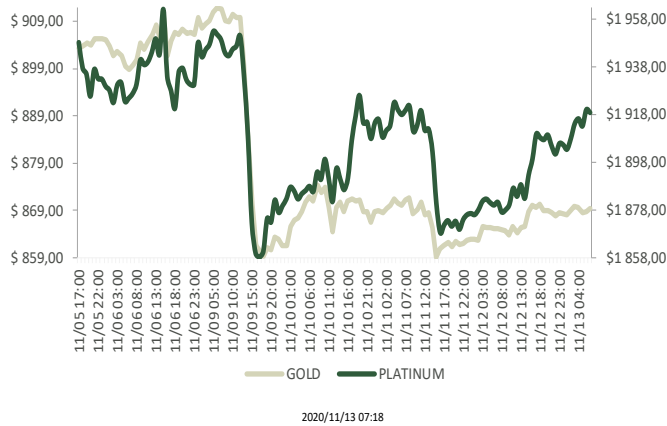
SA White maize (ZAR/MT) - 30 day chart



Source: Bloomberg, Nedbank

Platinum vs. Gold

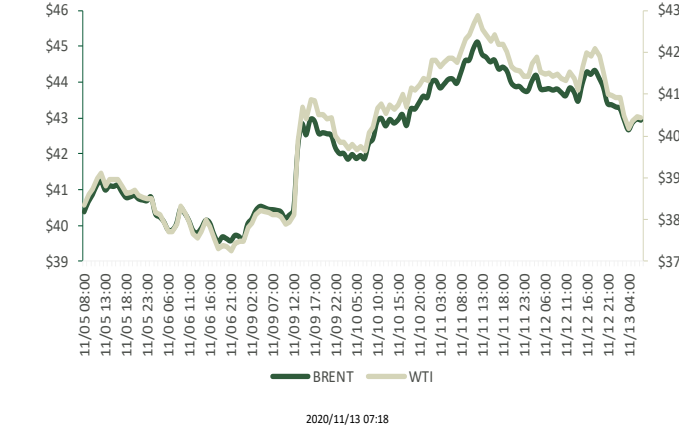
Platinum vs. Gold



Source: Bloomberg, Nedbank

Brent Crude vs. West Texas Intermediate

Brent Crude vs West Texas Intermediate



Source: Bloomberg, Nedbank

Equities

Cash equities | +2711 535 4030/31

South Africa

- The Top40 slid 0.85%, tracking global markets lower as US COVID-19 cases hit another record, raising fears of lockdown measures.
- Naspers and Prosus rallied, adding 4% and 6.2%, respectively, following a decent set of numbers from Tencent, beating on revenue and as earnings grew 30.1%.
- As expected, we saw profit taking following the recent rally. General retailers and banking stocks were among the worst performers, losing 3% and 1.8%, respectively.
- The property sector fell 6.3%, with players seen to be raising cash for the Growthpoint placement.
- Mediclinic numbers were in line, suspending the dividend, and Multichoice reported a 17% increase in subscriber numbers, passing 20m.
- The value traded at the close was R20.4bn, and the rand was trading at 15.58 to the USD.

UK/Europe

- European stocks ended Thursday's session lower on concerns a second wave of coronavirus infections would slow an economic rebound, taking the shine off a number of strong quarterly earnings reports.
- Banking stocks led the declines, following three days of solid gains, with travel stocks also losing ground after surging earlier this week on news of an effective vaccine.
- In company news, Siemens fell 3.3% after giving a cautious outlook on its recovery from the COVID-19 pandemic, while Burberry lost more than 2%, despite sales returning to growth in October.
- On the upside, Fresnillo gained 3.75% on strong earnings.
- The FTSE fell 0.68%, Germany's DAX lost 1.24% and the CAC 40 declined 1.52%.

USA

- US markets ended sharply lower, with new infections in the country rising above 100,000 for an eighth consecutive day.
- Industrial and financial counters were weighed down, with the likes of Boeing Co. and Goldman Sachs losing 3% and 1.6%, respectively.
- US jobless claims fell to a seven-month low last week, but the pace of job recovery slowed, and further improvement could be limited by the surge of infections.
- In after-hours trading, Cisco Systems Inc. rallied 8.6% after reporting quarterly results.
- The Dow lost 1.08%, the S&P 500 declined 1% and the Nasdaq fell 0.65%.

Asia

- Asian markets are following their global peers lower this morning, with the Nikkei on track to snap an eight-day winning streak.
- Airline stocks fell almost 4% on concerns the spike in cases would lead to new restrictions.
- Chinese and Hong Kong stocks are also weaker, but Tencent was up 2.77% following solid results reported yesterday.
- In Australia, energy stocks led the declines as oil prices fell following an unexpected rise in US crude stockpiles.

Developed Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2019 Performance	MTD trend
Dow Jones	29 080,17	-1,08	9,73	1,90	4,67	22,34	↑
Nasdaq	11 709,59	-0,65	7,31	30,50	38,05	35,23	↑
S&P 500	3 537,01	-1,00	8,17	9,48	14,32	28,88	↑
DJ Eurostoxx 50	3 428,20	-1,13	15,89	-8,46	-7,33	25,12	↑
DAX	13 052,95	-1,24	12,95	-1,48	-1,34	25,22	↑
CAC	5 362,57	-1,52	16,72	-10,30	-9,22	26,46	↑
FTSE	6 338,94	-0,68	13,66	-15,96	-13,77	12,00	↑
ASX200	6 405,20	-0,20	8,06	-4,17	-4,38	13,38	↑
Nikkei 225	25 352,80	-0,66	10,34	7,17	8,72	20,93	↑
MSCI World	2 509,24	-0,75	9,43	6,39	10,62	25,19	↑

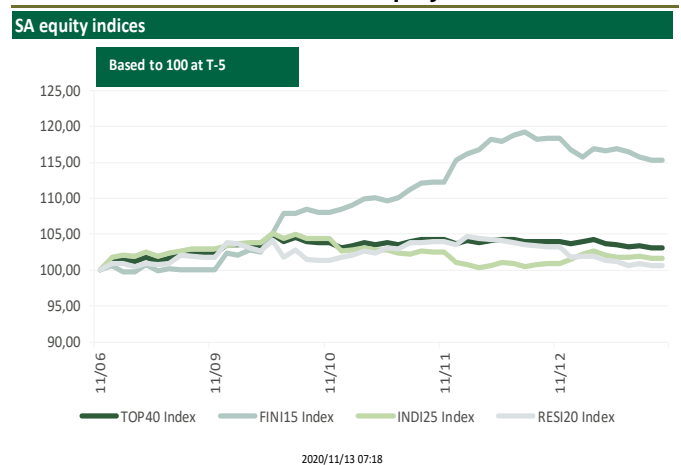
Emerging Markets	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2019 Performance	MTD trend
Hang Seng	26 076,04	-0,36	8,17	-7,50	-1,86	9,07	↑
Shanghai	3 312,44	-0,79	2,73	8,60	14,02	23,72	↑
Brazil Bovespa	102 507,00	-2,20	9,11	-11,36	-3,35	27,07	↑
India - NSE	43 423,53	0,15	9,62	5,26	8,24	14,38	↑
Russia Micex	3 025,83	0,36	12,46	-0,66	3,13	28,21	↑
MSCI Emerging	1 182,10	0,28	7,13	6,05	13,25	15,38	↑

SA Indices	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2019 Performance	MTD trend
JSE All Share	57 031,19	-1,00	10,34	-0,09	1,23	8,24	↑
Top 40	52 335,71	-0,85	10,24	2,99	4,43	8,75	↑
Resi 10	51 015,06	-2,50	7,81	3,56	9,10	20,01	↑
Indi 25	79 558,81	0,73	8,33	14,80	15,87	8,82	↑
Fin1 15	11 699,56	-2,49	23,68	-25,36	-28,01	-4,30	↓

Source: Bloomberg & Nedbank CIB

Time: 2020/11/13 07:18

Short Term Performance of SA Equity Indices



2020/11/13 07:18

Source: Bloomberg, Nedbank

Last Day To Trade

Susan Correia | Scorreia@Nedbankcapital.co.za | +27 11 295 8227

SHARE CODE	SHARE NAME	DIVIDEND / INTEREST RATE
17 November 2020		
AHL	AH-Vest Limited	dividend @ 0.79640cps
EXP	Exemplar REITail Ltd	dividend @ 35.964890cps
LNF	London Fin Inv Group Plc	dividend @ 12.618480cps
MIX	Mix Telematics Ltd	dividend @ 4cps
SEA	Spear REIT Limited	dividend @ 29.344650cps
VVO	Vivo Energy Plc	dividend @ 43.3960cps

Source: JSE

JSE Performance

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

Top40 constituents	Last price	%Δ -1d	%Δ MTD	%Δ YTD	%Δ 12Month	2019 Performance	MTD trend
ABG : Absa Group Ltd	106,00	-0,65	21,94	-29,00	-34,41	-7,74	↑
AGL : Anglo American Plc	427,75	-2,15	13,81	7,25	9,36	23,76	↑
AMS : Anglo American Platinum Ltd	1 095,05	-3,87	2,78	-14,39	-8,27	143,03	↑
ANG : Anglogold Ashanti Ltd	371,99	1,72	0,86	17,53	25,04	74,14	↑
APN : Aspen Pharmacare Holdings Lt	127,15	-3,07	20,46	6,65	6,28	-11,57	↑
BHP : Bhp Group Plc	333,83	-3,31	6,90	1,23	3,62	8,56	↑
BID : Bid Corp Ltd	267,56	-4,29	20,14	-18,97	-22,80	24,61	↑
BTI : British American Tobacco Plc	568,60	0,14	11,04	-4,82	1,39	27,29	↑
BVT : Bidvest Group Ltd	160,01	-6,51	20,07	-21,86	-25,37	-1,01	↑
CFR : Financiere Richemont-Dep Rec	126,56	-2,89	25,01	15,55	15,96	16,96	↑
CLS : Clicks Group Ltd	257,00	-1,81	8,92	0,16	0,20	34,02	↑
CPI : Capitec Bank Holdings Ltd	1 420,00	-0,35	24,56	-1,81	-1,89	29,35	↑
DSY : Discovery Ltd	127,62	-2,86	19,27	5,79	-2,27	-24,51	↑
EXX : Exxaro Resources Ltd	125,00	-0,89	14,65	-4,68	-3,85	-4,88	↑
FSR : Firststrand Ltd	48,77	-2,23	29,71	-22,34	-27,78	-4,21	↑
GFI : Gold Fields Ltd	164,92	-0,65	-4,48	72,02	108,68	94,30	↓
GRT : Growthpoint Properties Ltd	11,51	-16,23	8,48	-47,94	-49,41	-5,11	↑
HAR : Harmony Gold Mining Co Ltd	73,66	-1,66	-7,64	43,87	50,08	103,17	↓
IMP : Impala Platinum Holdings Ltd	150,60	-6,54	5,48	4,93	35,37	291,28	↑
INL : Investec Ltd	38,39	1,37	28,78	-34,86	-35,27	5,01	↑
INP : Investec Plc	38,31	1,32	28,77	-41,72	-41,84	2,89	↑
MCG : Multichoice Group Ltd	124,74	-0,14	-6,89	7,07	-0,61		↓
MNP : Mondi Plc	345,50	-2,48	13,41	5,89	9,20	7,31	↑
MRP : Mr Price Group Ltd	162,94	-2,63	32,61	-10,72	2,97	-25,86	↑
MTN : Mtn Group Ltd	69,85	-0,85	20,87	-15,32	-30,52	-7,31	↑
NED : Nedbank Group Ltd	139,30	-0,66	45,13	-35,00	-41,24	-21,99	↑
NHM : Northam Platinum Ltd	157,34	-5,05	1,63	27,28	46,44	185,76	↑
NPN : Naspers Ltd-N Shs	3 146,34	4,03	-0,47	37,35	49,36	19,65	↓
NRP : Nepi Rockcastle Plc	72,22	-3,71	25,45	-39,17	-40,46	9,58	↑
OMU : Old Mutual Ltd	12,53	-0,16	33,58	-36,27	-38,15	-12,23	↑
PRX : Prosus Nv	1 649,15	6,21	1,37	56,67	66,13		↑
REM : Remgro Ltd	100,52	-4,27	16,38	-29,48	-23,42	0,13	↑
RNI : Reinet Investments Sca	280,03	-2,72	8,61	0,91	-0,41	27,03	↑
SBK : Standard Bank Group Ltd	130,05	-3,65	22,61	-22,74	-25,62	-5,87	↑
SHP : Shoprite Holdings Ltd	144,11	0,50	11,79	14,45	8,52	-33,78	↑
SLM : Sanlam Ltd	57,19	-1,80	20,99	-27,70	-30,07	-0,88	↑
SOL : Sasol Ltd	104,10	-3,61	23,88	-65,70	-64,77	-28,59	↑
SPP : Spar Group Limited/The	185,40	-0,41	7,38	-6,13	-11,29	-4,81	↑
SSW : Sibanye Stillwater Ltd	50,78	-0,45	8,20	41,49	81,36	258,18	↑
VOD : Vodacom Group Ltd	130,51	-0,29	6,51	13,19	-1,80	-12,65	↑
WHL : Woolworths Holdings Ltd	39,16	-3,36	12,11	-19,42	-32,49	-11,78	↑

Source: Bloomberg & Nedbank CIB

Time 2020/11/13 07:18

Economics

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

SA

Unemployment

The Q3 Quarterly Labour Force Survey showed somewhat of a normalisation of SA's unemployment rate, following the steep drop in Q2. As a reminder, in Q2, there was an unprecedented decline in the unemployment rate to 23.3% because most people who had lost their jobs during the pandemic were unable to actively seek employment during the lockdown and were therefore considered 'not economically active' instead of 'unemployed'. In Q3, with the relaxation of lockdown restrictions, more people could begin job search, raising the unemployment rate to 30.8%.

Perhaps it will be better to compare unemployment trends to pre-pandemic levels – in Q1, the unemployment rate was 30.1%, rising to 30.8% in Q3. However it is important to note that in Q3, almost 18 million people were not economically active, while in Q1 this number was 15.4 million. And while there were 7 million people unemployed in Q1, in Q3 there was 6.5 million people unemployed – this shows that a large number of people have given up job search altogether, moving to the 'not economically active' classification. We also see the labour force participation rate falling sharply relative to pre-pandemic levels: in Q3 this ratio was 54.2% relative to 60.3% in Q1.

The following sectors experienced the worst job losses from Q1:

Formal sector – 976 000

Informal sector – 465 000

Agriculture – 57 000

Private households – 195 000

Compared to a year ago, total employment decreased by 1,7 million, the number of unemployed persons decreased by 3,0% (201 000), while the number of persons who were not economically active increased by 16,0% (2,5 million). This means that more and more people are becoming structurally unemployed, i.e. Unemployable.

Youth unemployment remains structurally high and continues to climb – in 3Q20 youth unemployment was 43% compared to 40.4% a year ago. The expanded unemployment rate (taking into account discouraged workers) surged to 43.1% in 3Q20, from 38.5% a year ago. Bottom line is that we have a severe problem in SA in which more and more people are becoming permanently excluded from the workforce, and the skills deficit in the country is exacerbating this problem – this will contribute to even more social ills and a greater dependency on the state for survival.

Mining Production

SA mining production contracted by 2.8% y/y in September, from -3.8% in August, worse than consensus of -2.5%. In contrast to the manufacturing industry, mining production contracted on a m/m basis as well, disappointing consensus for a 1.1% growth. The good news however, is the fact that the quarterly trend has turned sharply positive, with mining output rising 40.6% in the three months to September, relative to -27.4% in June. This means that the mining industry, along with manufacturing, will be a major positive contributor towards GDP growth in Q3. The mining industry will therefore emerge from a deep recession, after experiencing two consecutive quarters of contraction in 1H20.

Like manufacturing, mining output is being driven by very upbeat growth in sales, with sales of minerals rising 25.9% y/y, and 47.3% in the three months to September. The substantial inventory drawdown in 1H20 and during the depths of the lockdown would be a natural driver of production and sales growth in Q3. In September, production growth was driven by Copper, gold, Nickel, diamonds, and chromium ore. Sales growth was driven by iron ore, PGMs and coal.

The substantial V-shaped recovery forecast for Q3 is predominantly due to the very weak base from Q2, with a relaxation of lockdown rules playing a major role in stimulating demand and business activity in Q3. This will naturally result in most industries apart from tourism growing strongly in Q3. Full-year real GDP growth will remain firmly negative, with Nedbank CIB forecast for a contraction of 9.4%.

Economic Calendar

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

	Country	Event	Period	Survey	Actual	Prior	Revised
12-November							
01:50 AM	JN	PPI YoY	OCT	-2,00%	-2,10%	-0,80%	-
01:50 AM	JN	Machine Orders YoY	SEP	-12,00%	-11,50%	-15,20%	-
09:00 AM	GE	CPI YoY	MAY F	-0,20%	-0,20%	-0,20%	-
09:00 AM	UK	Industrial Production YoY	SEP	-6,00%	-6,30%	-6,40%	-
09:00 AM	UK	Manufacturing Production YoY	SEP	-7,40%	-7,90%	-8,40%	-8,30%
09:00 AM	UK	Trade Balance	SEP	GBP 850m	GBP 613m	GBP 1364m	GBP 2852m
09:00 AM	UK	GDP YoY	3Q P	-9,40%	-9,60%	-21,50%	-
09:00 AM	UK	GDP QoQ	3Q P	15,80%	15,50%	-19,80%	-
11:30 AM	SA	Gold Production YoY	SEP	-	-0,73%	-14,80%	-14,10%
11:30 AM	SA	Platinum Production YoY	SEP	-	-0,48%	12,70%	12,50%
11:30 AM	SA	Mining Production YoY	SEP	-2,50%	-2,80%	-3,30%	-3,80%
11:30 AM	SA	South Africa Unemployment	3Q	31,0%	30,8%	23,3%	-
12:00 PM	EC	Industrial Production WDA YoY	SEP	-5,80%	-6,80%	-7,20%	-6,70%
03:30 PM	US	Continuing Claims	NOV 23	6825k	6786k	7285k	-
03:30 PM	US	Initial Jobless Claims	NOV 30	731k	709k	751k	-
03:30 PM	US	Real Avg Weekly Earnings YoY	OCT	-	4,40%	4,10%	-
03:30 PM	US	Real Avg Hourly Earning YoY	OCT	-	3,20%	3,30%	-
03:30 PM	US	CPI YoY	OCT	1,30%	1,20%	1,40%	-
09:00 PM	US	Monthly Budget Statement	OCT	USD -275,0b	USD -284,1b	USD -124,6b	-
13-November							
09:00 AM	GE	Wholesale Price Index YoY	OCT	-	-	-1,80%	-
12:00 PM	EC	GDP SA QoQ	3Q P	12,70%	-	12,70%	-
12:00 PM	EC	GDP SA YoY	3Q P	-4,30%	-	-4,30%	-
12:00 PM	EC	Trade Balance SA	SEP	EUR 0,0b	-	EUR 0,0b	-
03:30 PM	US	PPI Final Demand YoY	OCT	0,40%	-	0,40%	-
05:00 PM	US	U. of Mich. Sentiment	NOV P	82,0	-	81,8	-
16-November							
01:50 AM	JN	GDP Annualized SA QoQ	3Q P	18,90%	-	-28,10%	-
01:50 AM	JN	GDP SA QoQ	3Q P	4,40%	-	-7,90%	-
04:00 AM	CH	Industrial Production YoY	OCT	6,70%	-	6,90%	-
04:00 AM	CH	Retail Sales YoY	OCT	5,00%	-	3,30%	-
06:30 AM	JN	Industrial Production YoY	SEP F	-	-	-9,00%	-
17-November							
03:30 PM	US	Retail Sales Advance MoM	OCT	0,50%	-	1,90%	-
04:15 PM	US	Industrial Production MoM	OCT	1,00%	-	-0,63%	-
04:15 PM	US	Manufacturing (SIC) Production	OCT	1,10%	-	-0,30%	-
04:15 PM	US	Capacity Utilization	OCT	72,35%	-	71,54%	-
11:00 PM	US	Net Long-term TIC Flows	SEP	-	-	USD 27,8b	-
11:00 PM	US	Total Net TIC Flows	SEP	-	-	USD 86,3b	-

Source: Bloomberg

2020/11/13 07:18

Contacts

Research Analyst

Reezwana Sumad

(011) 537 4091

Fixed Income and Currency Strategist

Walter de Wet

Research Publishers

(011) 294 0206

ALM Portfolio Management

(011) 535 4042

Bond Trading

(011) 535 4021

Credit Derivatives

(011) 535 4047

Equities Sales and Distribution

(011) 535 4030/31

Forex Business Banking Sales Desk

(011) 535 4003

Forex Corporate Sales Desk

JHB (011) 535 4002

DBN (031) 327 3000

CTN (021) 413 9300

Forex Institutional Sales Desk

(011) 535 4005

Forex Retail Sales Desk

(011) 535 4020

Inflation Trading

(011) 535 4026

Interest Rate Swaps & FRA's Trading

(011) 535 4004

Money Market Business Banking Sales Desk

(011) 535 4006

Money Market Corporate Sales Desk

JHB (011) 535 4007

DBN (031) 327 3000

CTN (021) 413 9300

Money Market Institutional Sales Desk

(011) 535 4008

Non Soft & Soft Commodities Trading

(011) 535 4038

Preference shares desk

(011) 535 4072