



Weekly Review in Charts  
16 to 22 October 2023

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Kevin Lings

22 October 2023

STANLIB

# Weekly economic review: 16 to 22 October 2023

	2019 %	2020 %	2021 %	2022 %	2023 Year-to-date
South Africa All Share Index	8.2%	4.1%	24.1%	-0.9%	-3.9%
Dow Jones Industrial Average	22.3%	7.2%	18.7%	-8.8%	-0.1%
S&P 500 equity index	28.9%	16.3%	26.9%	-19.4%	10.0%
Nasdaq 100 index	38.0%	47.6%	26.6%	-33.0%	33.1%
Stoxx Euro 600	23.2%	-4.0%	22.2%	-12.9%	2.1%
FTSE 100 Index	12.1%	-14.3%	14.3%	0.9%	-0.7%
Shanghai Composite Index	22.3%	13.9%	4.8%	-15.1%	-2.7%
NIKKEI 225 Index	18.2%	16.0%	4.9%	-9.4%	19.8%
Gold	18.3%	25.0%	-3.6%	0.4%	9.6%
Oil	21.9%	-21.7%	52.9%	8.7%	8.1%
Rand/Dollar	-2.7%	5.0%	8.6%	-6.2%	-10.2%
Dollar/Euro	-1.8%	9.0%	-7.1%	6.6%	0.8%
Bitcoin	92.2%	303.2%	59.7%	-64.3%	79.4%
<i>US 10-year bond yield</i>	1.92%	0.93%	1.52%	3.88%	4.93%
<i>US 2-year bond yield</i>	1.58%	0.13%	0.73%	4.41%	5.07%
<i>SA 10-year bond yield</i>	8.48%	7.70%	8.60%	9.88%	11.23%

20 October 2023

# Weekly economic review: 16 to 22 October 2023

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## Chart of the week

- This week the US 30-year fixed mortgage rate rose to 8% (Mortgage News Daily) – its highest level in 23 years.
- Unsurprisingly, US mortgage applications to purchase a property have fallen to their lowest level in 28 years.
- US existing home sales are below the level that prevailed at the worst of the COVID lockdown measures and almost down to the level at the time of the global financial market crisis.
- Yet US home prices are near record highs as buyers struggle to find home for sales. (In general, existing homeowners are reluctant to sell their property because they are, most likely, still benefiting from prior very low fixed mortgage rates).
- The US housing affordability index is the lowest on record, which means US housing is the least affordable ever recorded, which has encouraged people to rent property rather than buy.
- The current mix of economic conditions in the US housing market is leading to an unhealthy distortion of normal market supply and demand, which increases the risk of a disorderly adjustment in the future

# US mortgage applications for purchase

Market composite index



# Weekly economic review: 16 to 22 October 2023

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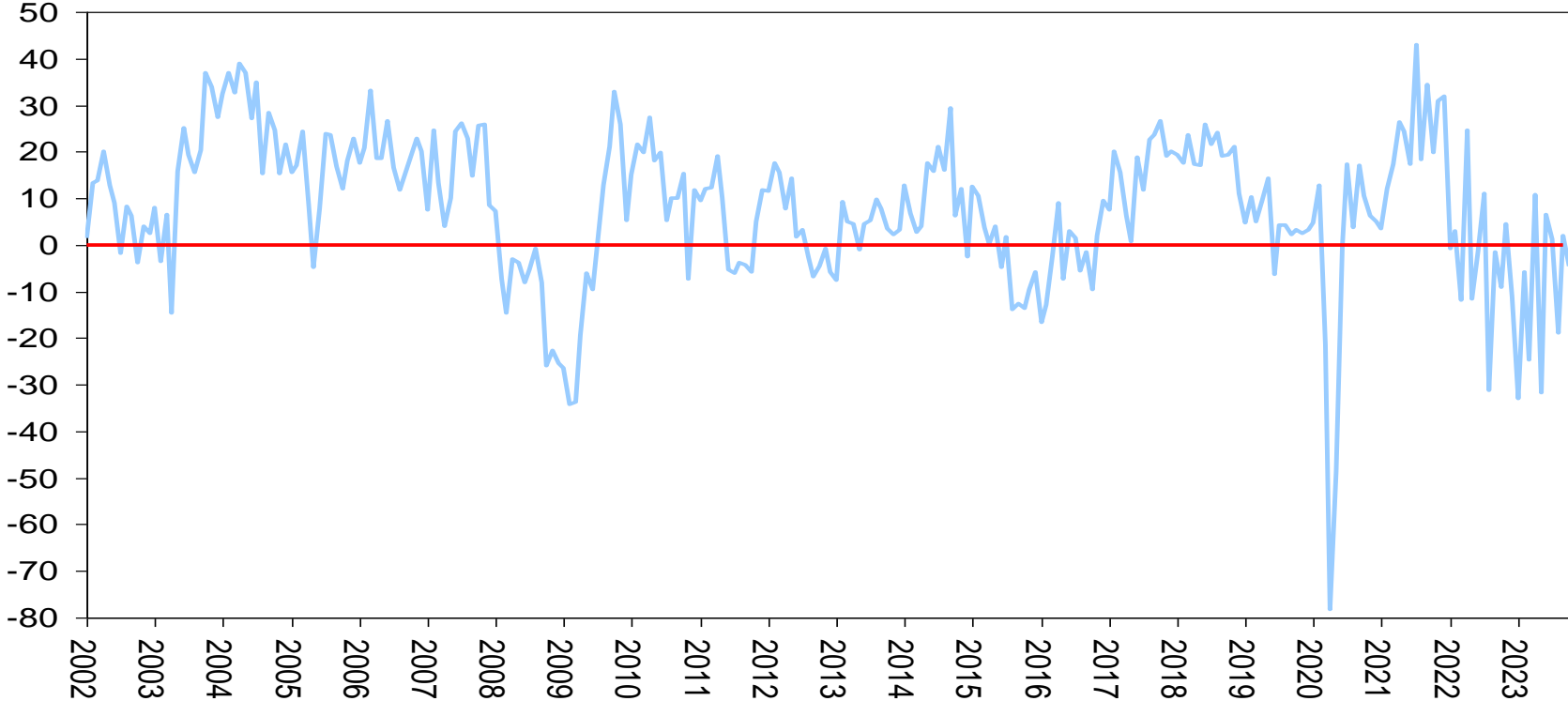
Monday, 16 October 2023

- US Empire manufacturing index for October 2023
- Euro-area consensus economic forecast for October 2023

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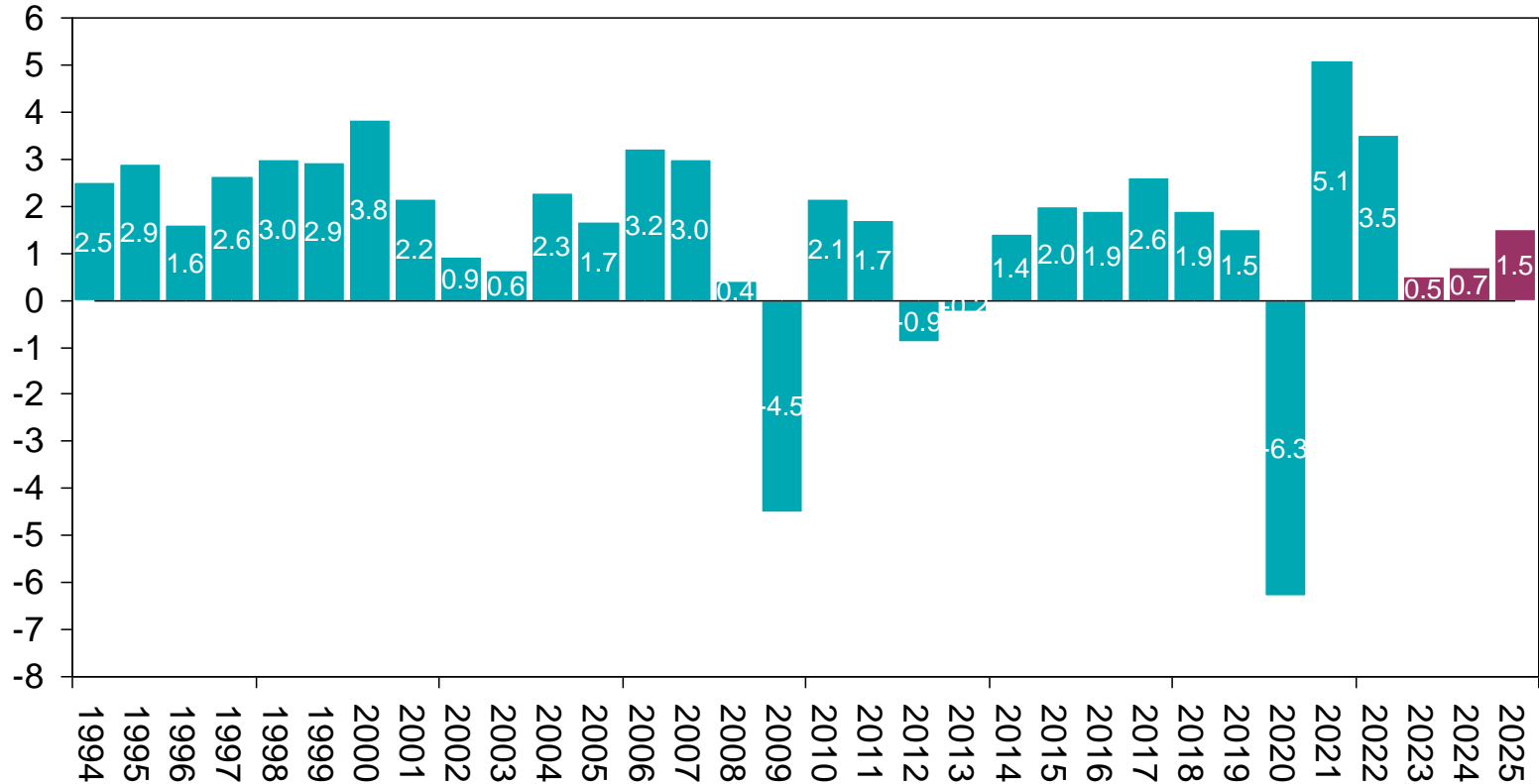
# US Empire State Manufacturing survey

Index



# Euro-area GDP annual growth rate: consensus growth estimate

% y/y



# Weekly economic review: 16 to 22 October 2023

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Tuesday, 17 October 2023

- US retail sales for September 2023
- US industrial production for September 2023
- US retail inventories for August 2023
- US NAHB housing activity index for October 2023

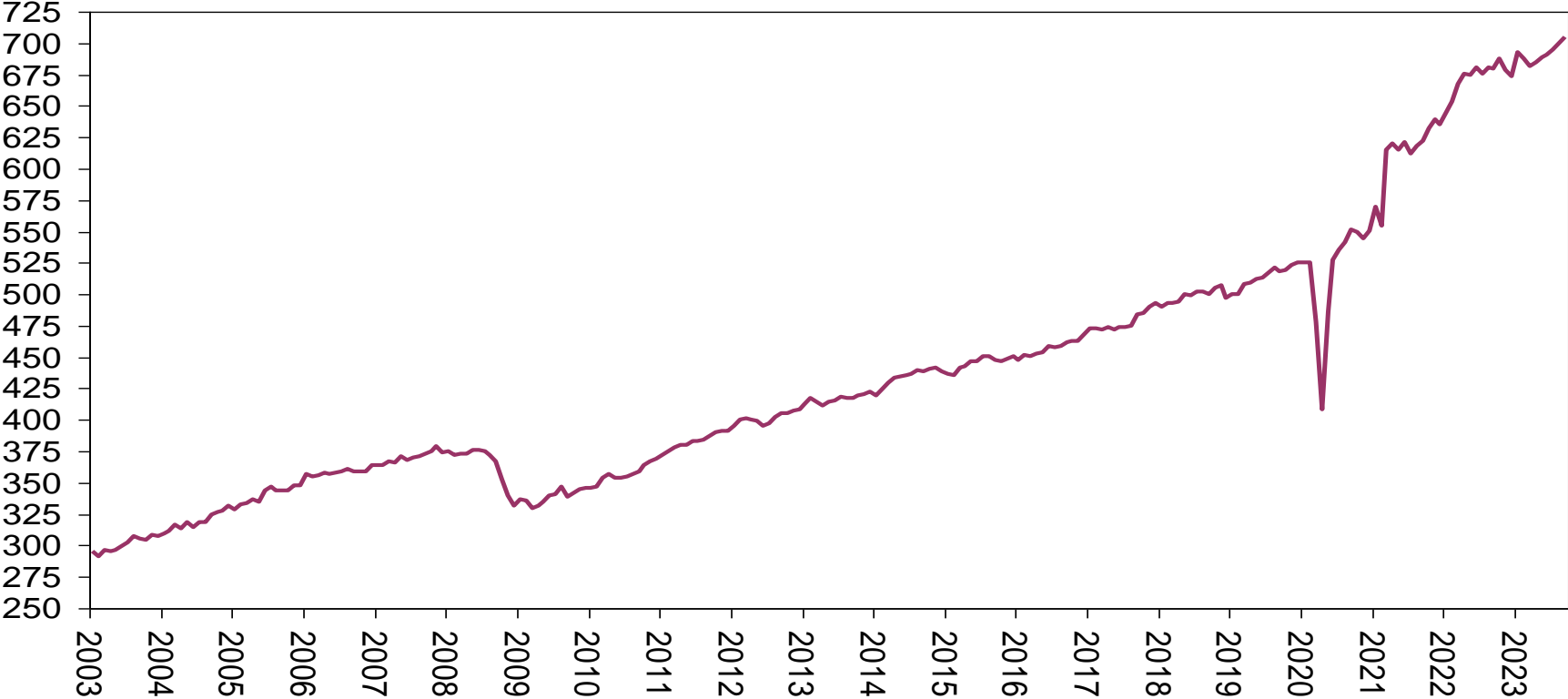


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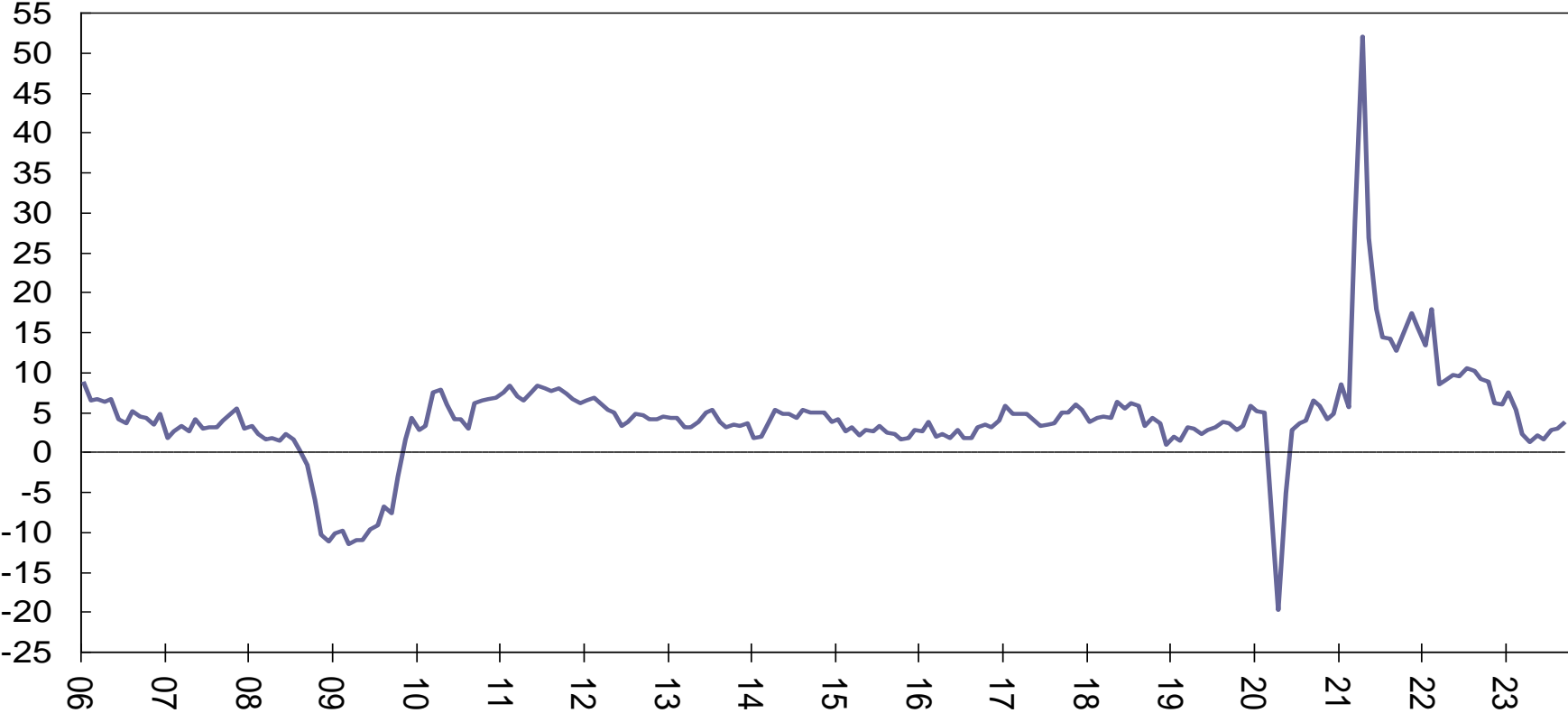
# US retail sales (total value)

R billion



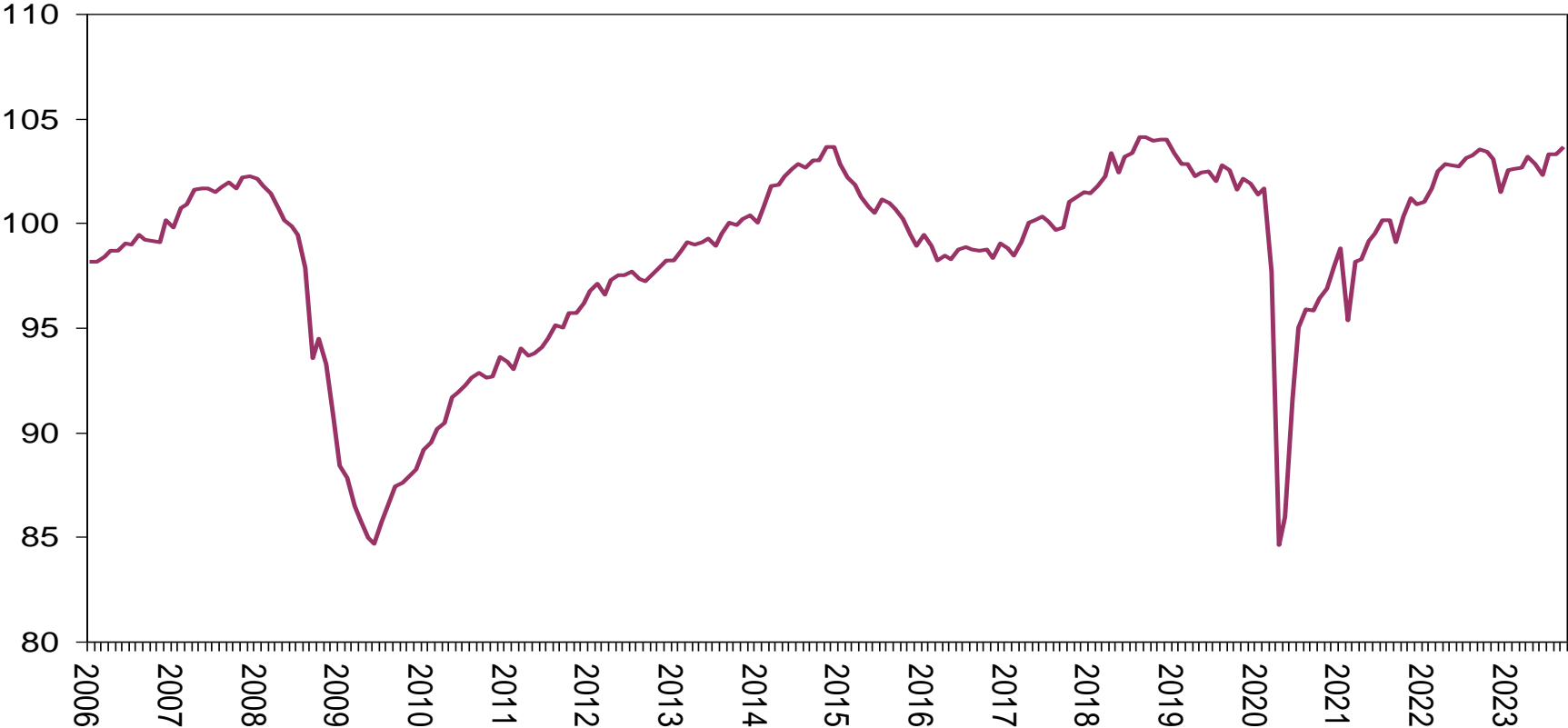
# US retail sales

% year-on-year, nominal

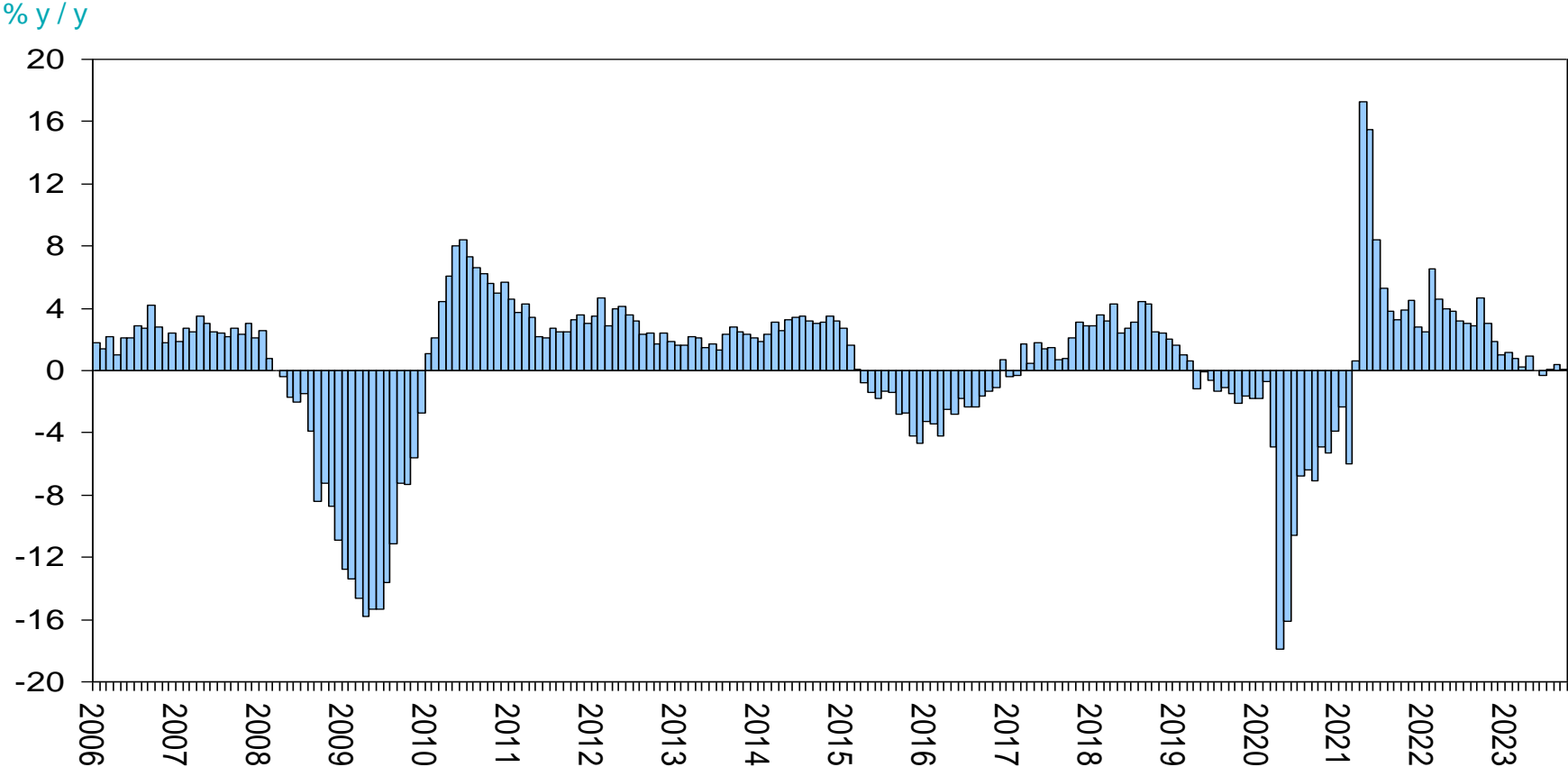


# US industrial production

Index

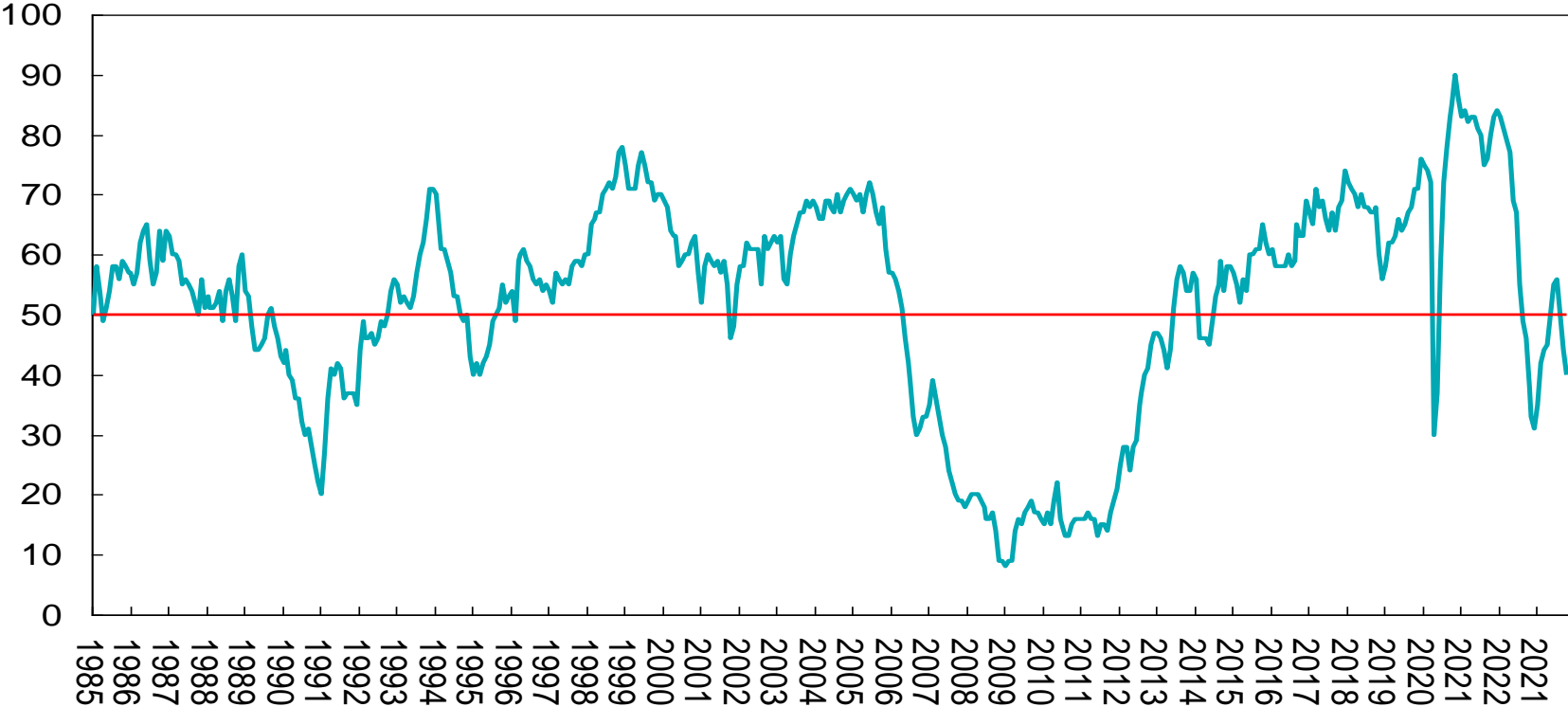


# US industrial production



# US NAHB housing activity index

Index



Source: US Federal Reserve

# Weekly economic review: 16 to 22 October 2023

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Wednesday, 18 October 2023

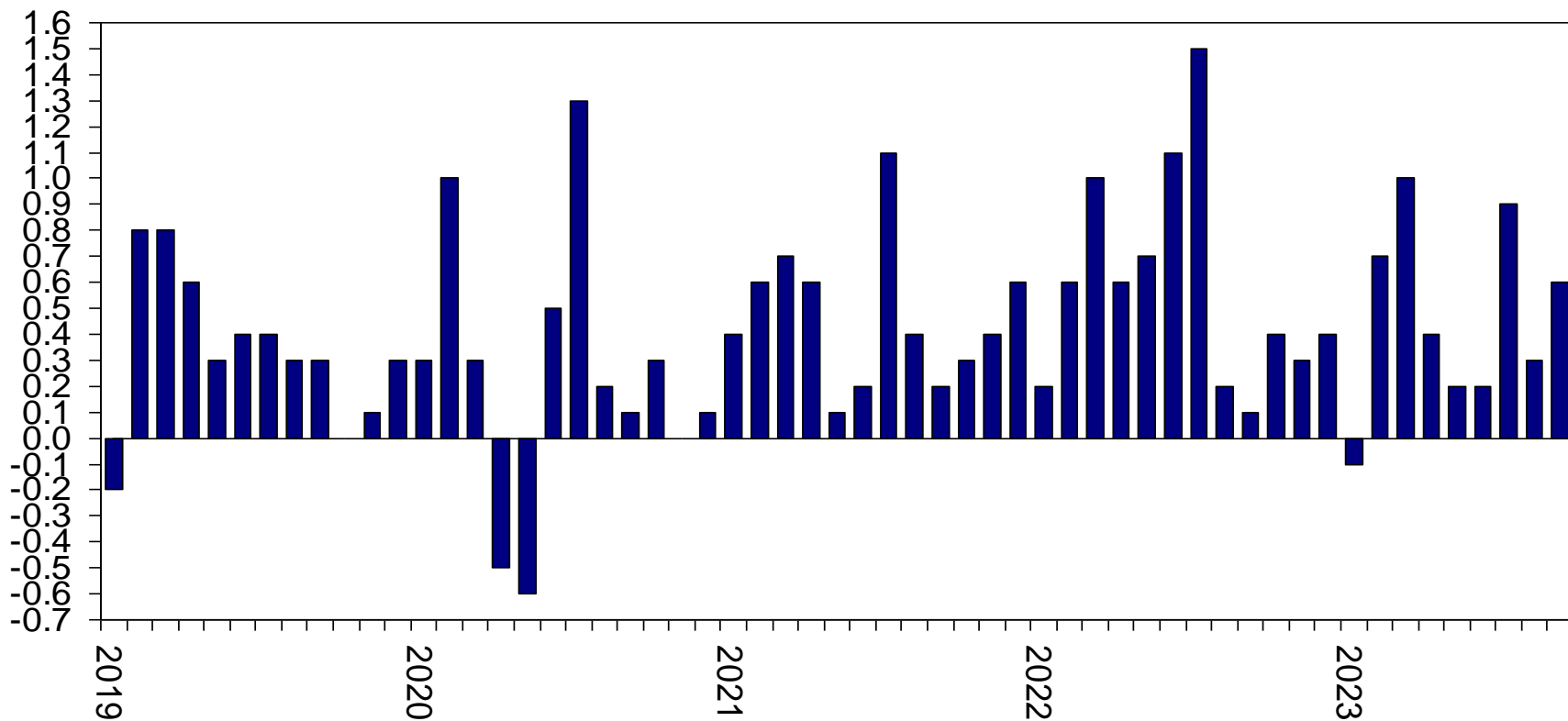
- SA consumer inflation for September 2023
- SA retail sales for August 2023
- US mortgage applications
- US housing starts for September 2023
- China GDP growth for Q3 2023
- China industrial production for September 2023
- China retail sales for September 2023



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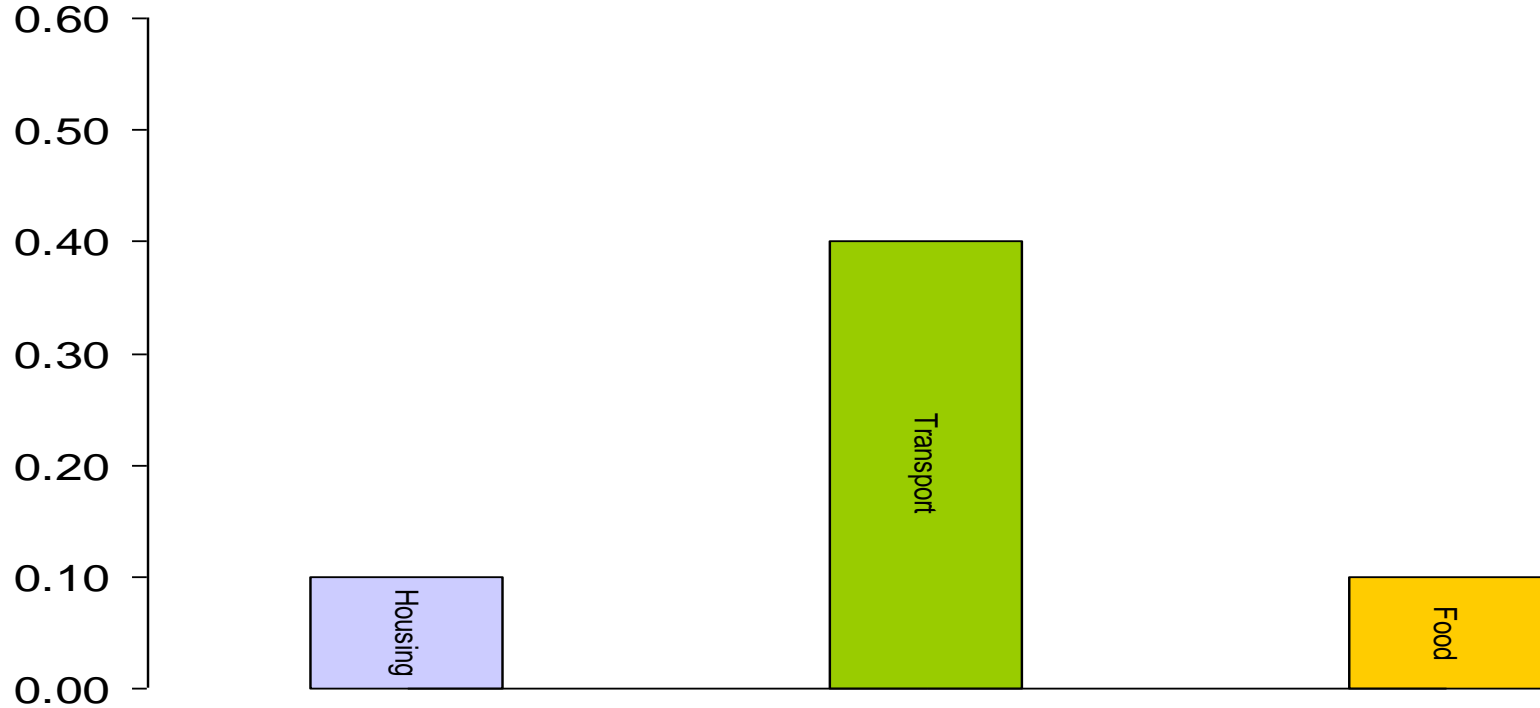
# South Africa Inflation (CPI): month-on-month

%m/m



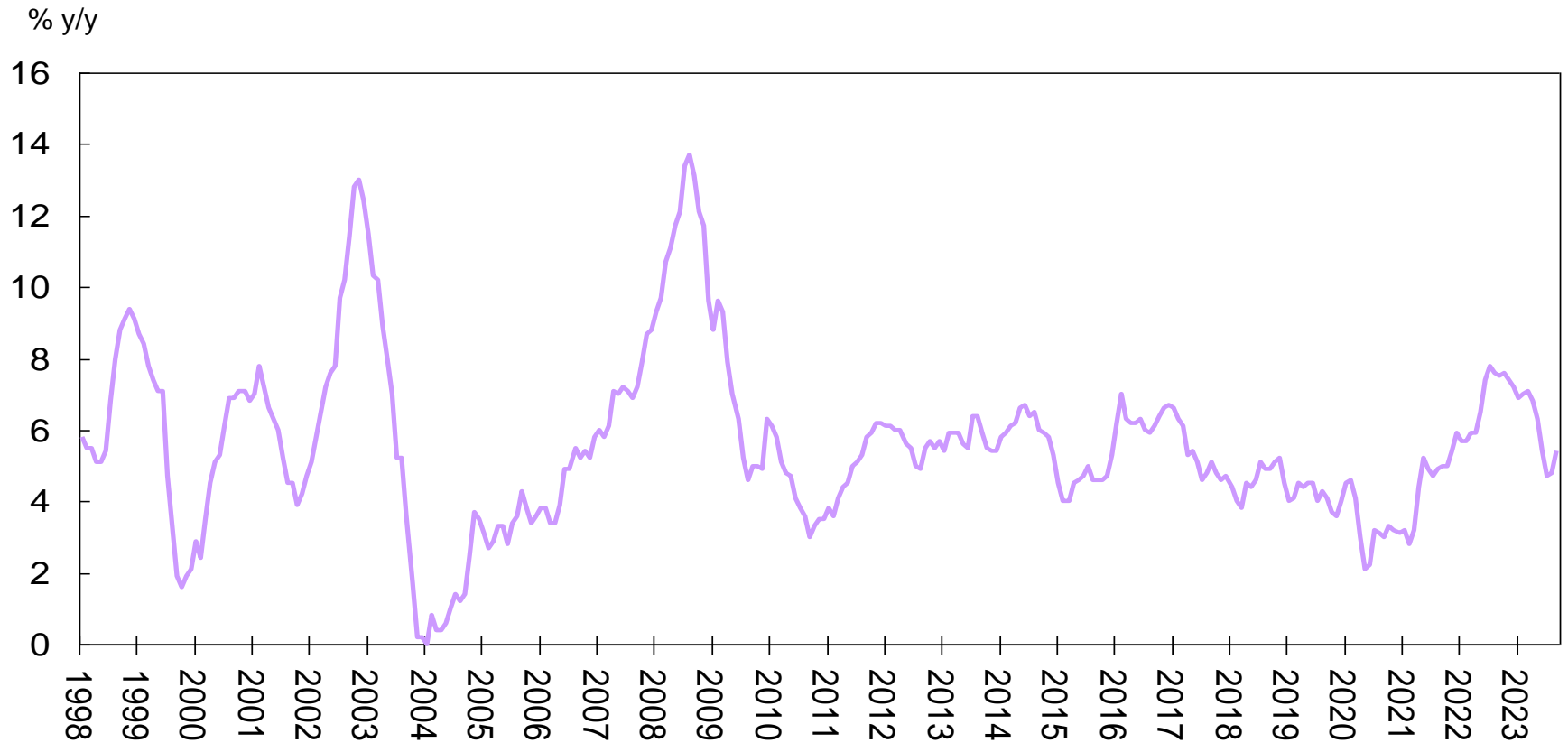
# Contribution to monthly change in CPI

% September 2023, 0.6% m/m

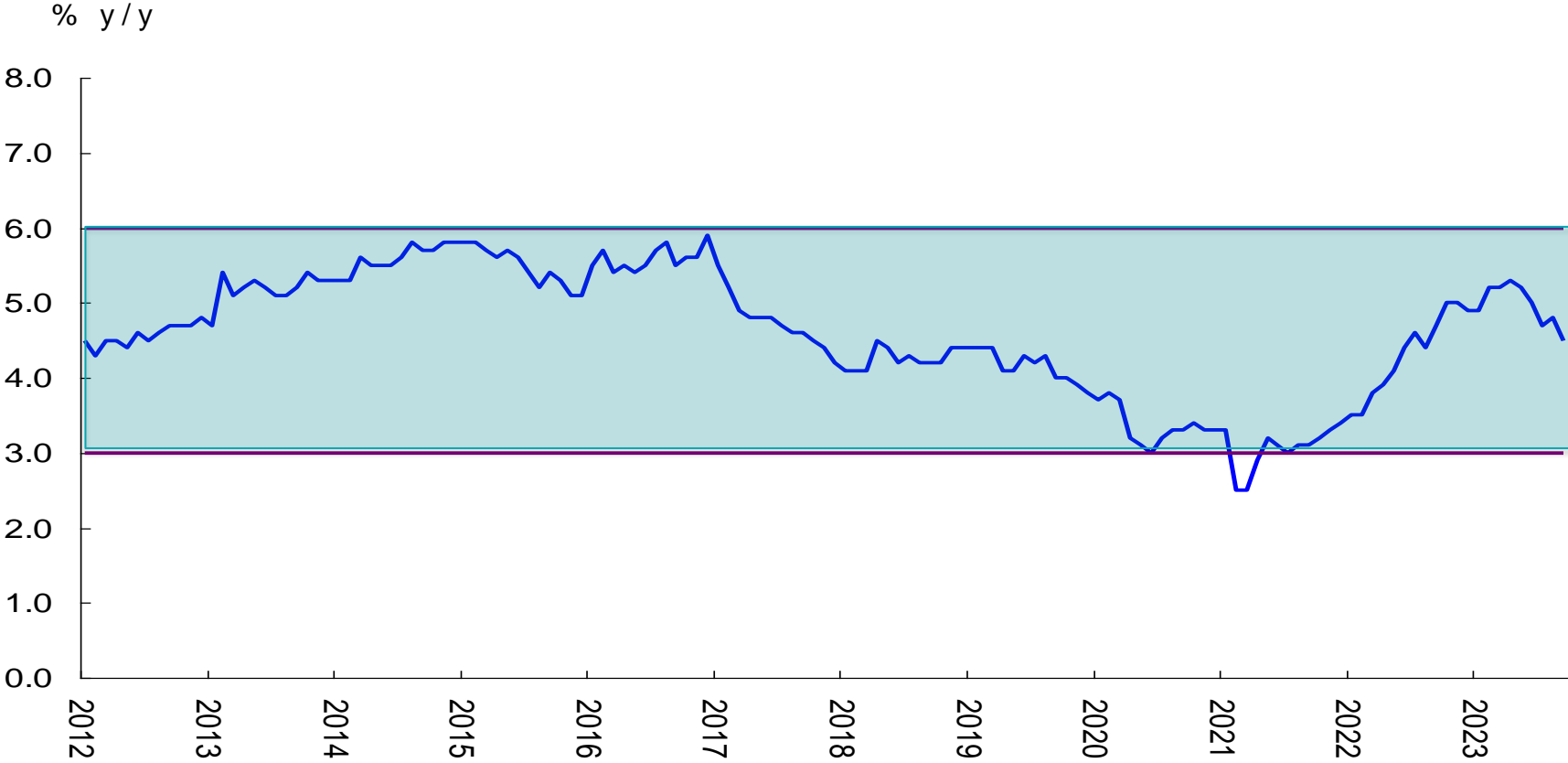




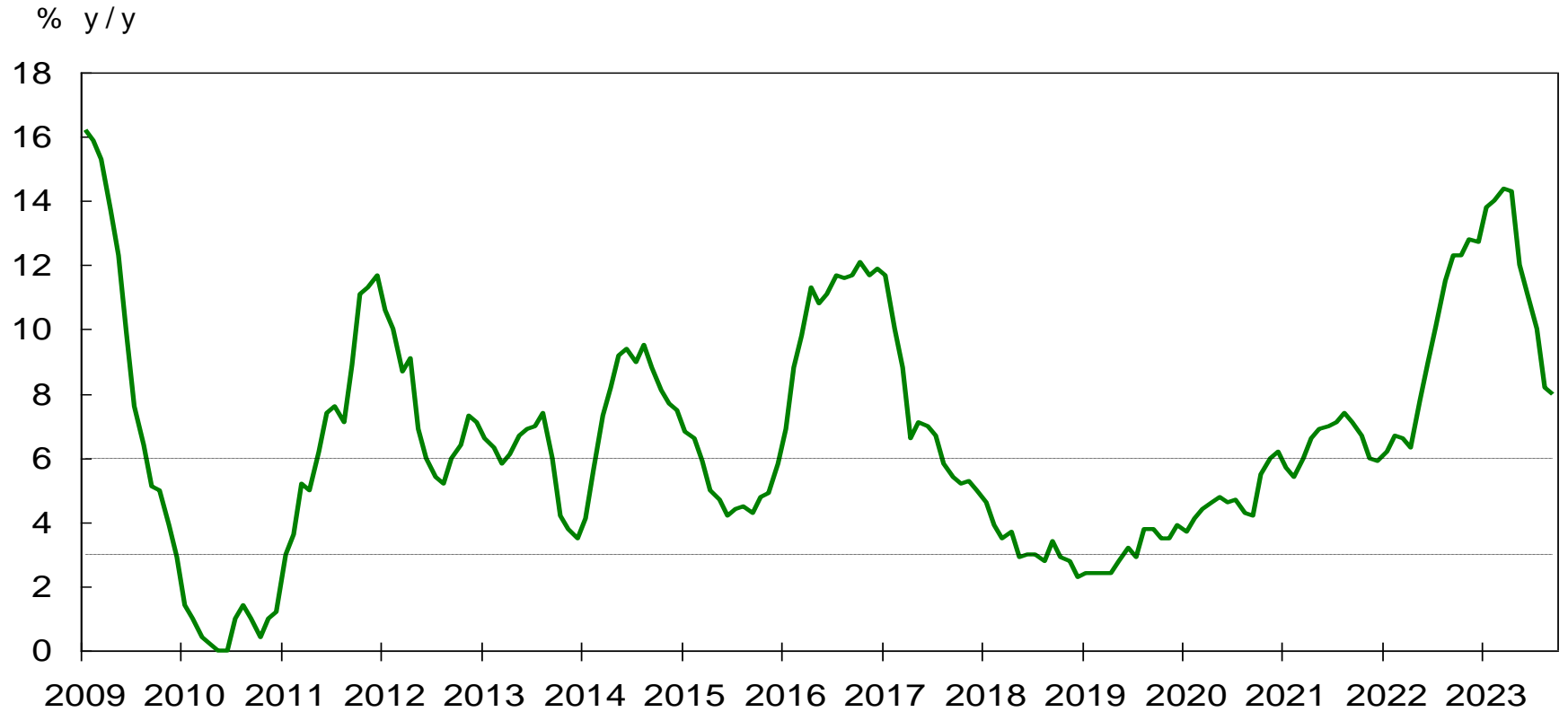
# South Africa headline consumer inflation



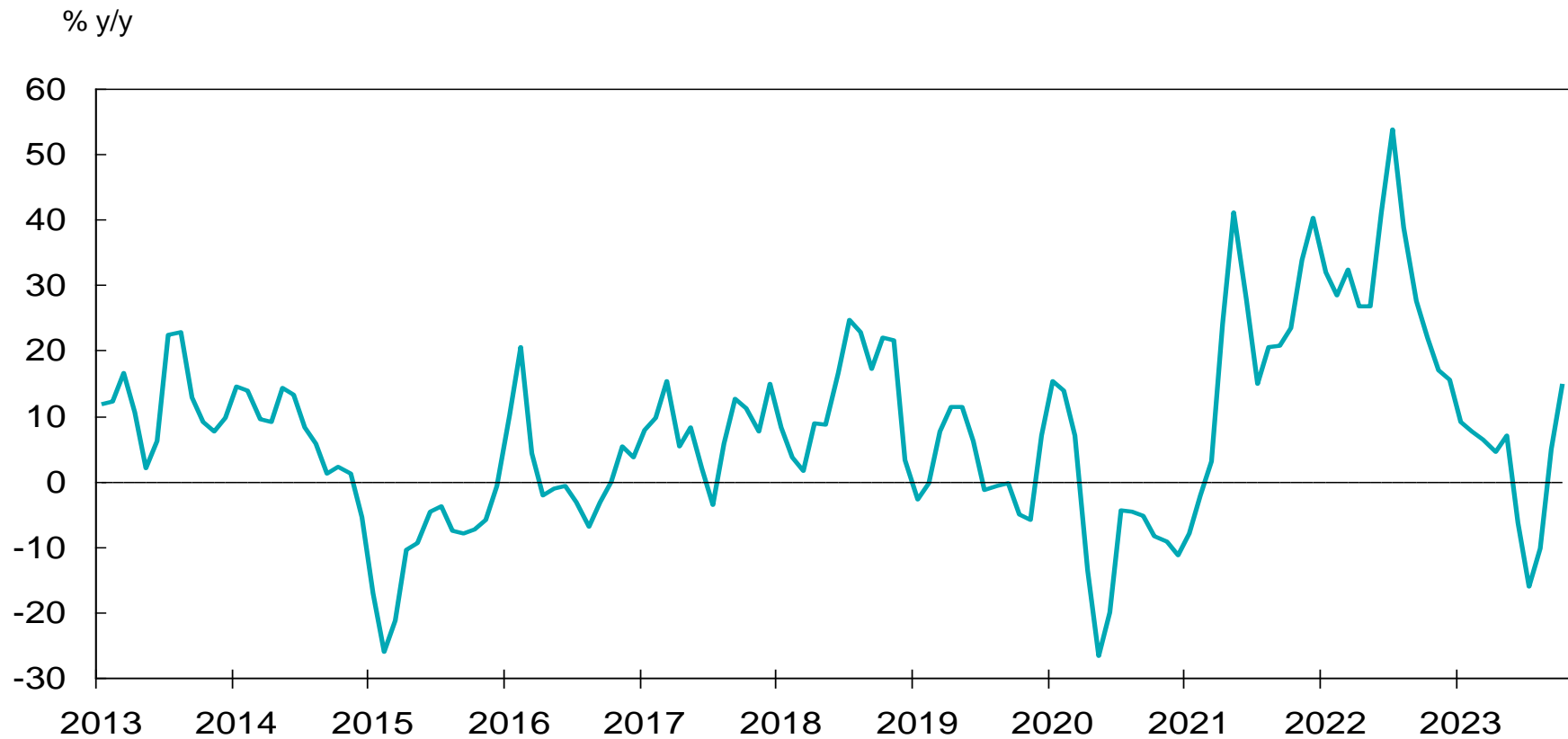
# South Africa core inflation rate



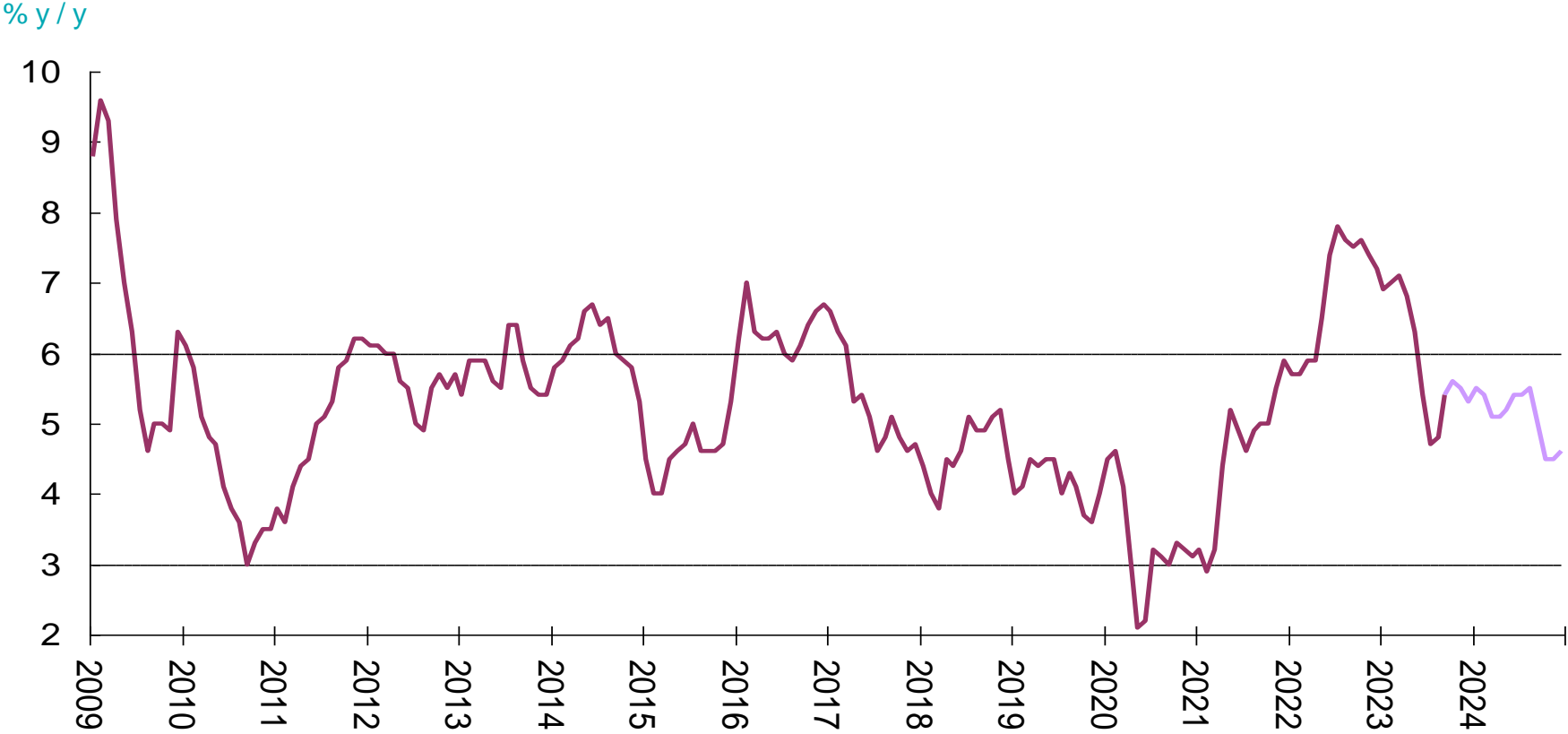
# South Africa food inflation



# South Africa petrol inflation (95 octane)

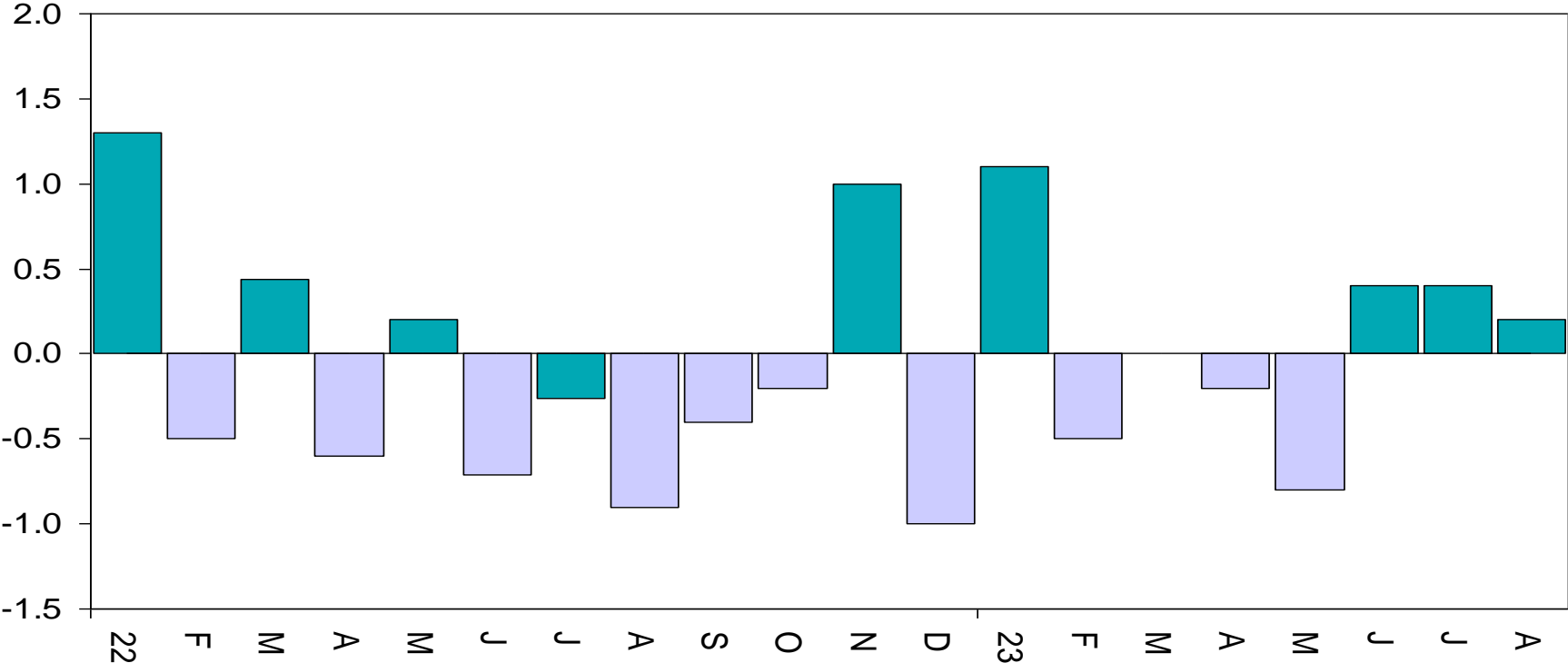


# South Africa headline CPI forecast

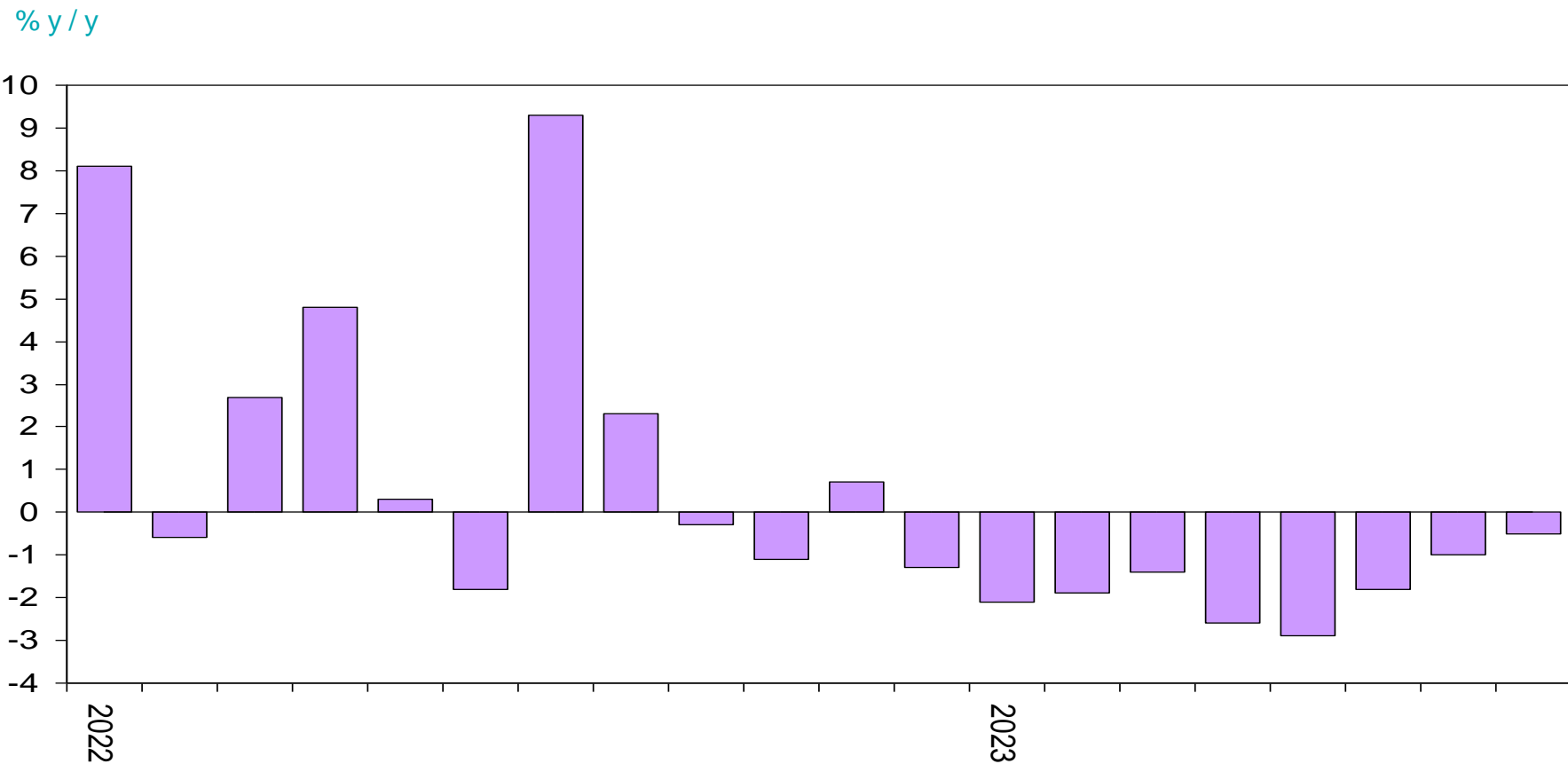


# SA retail spending (monthly)

% m/m

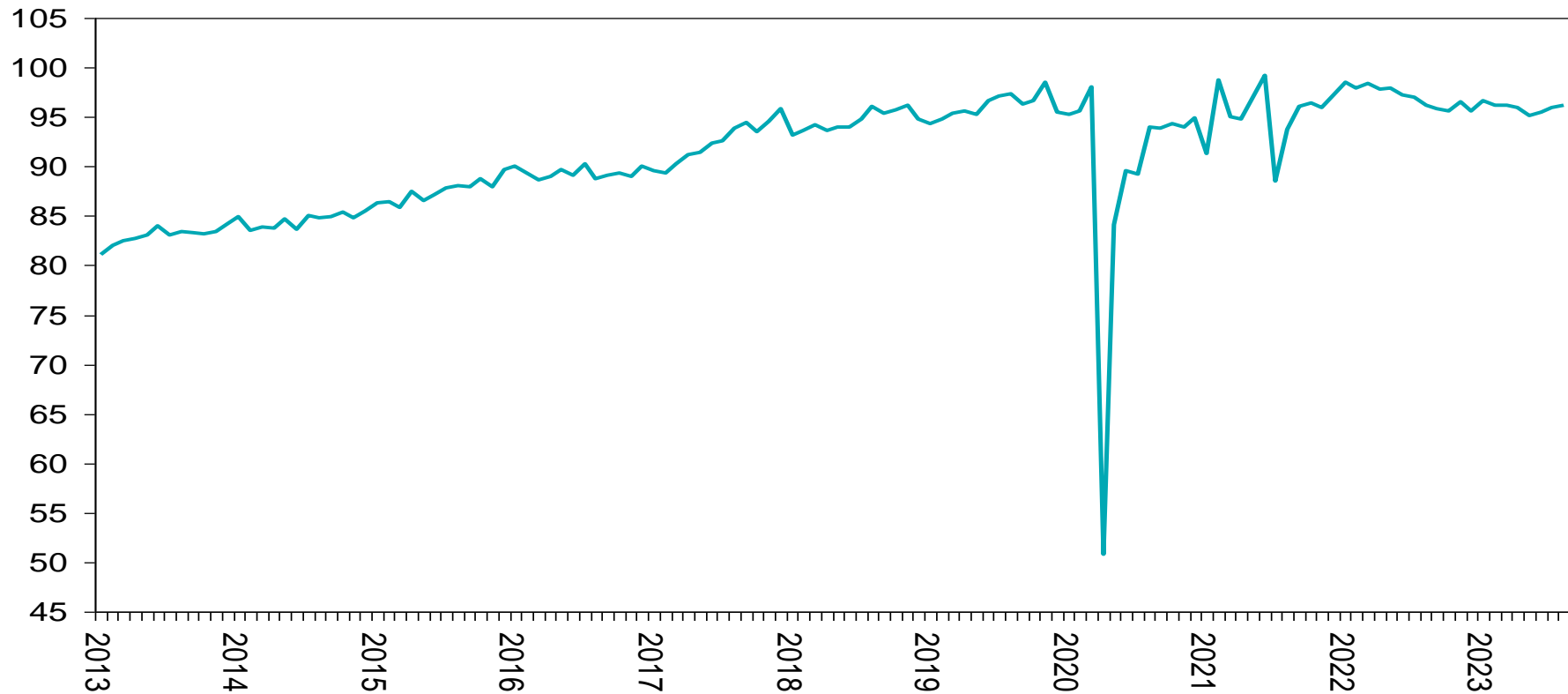


# SA retail sales (year-on-year growth)



# SA retail sales (constant prices)

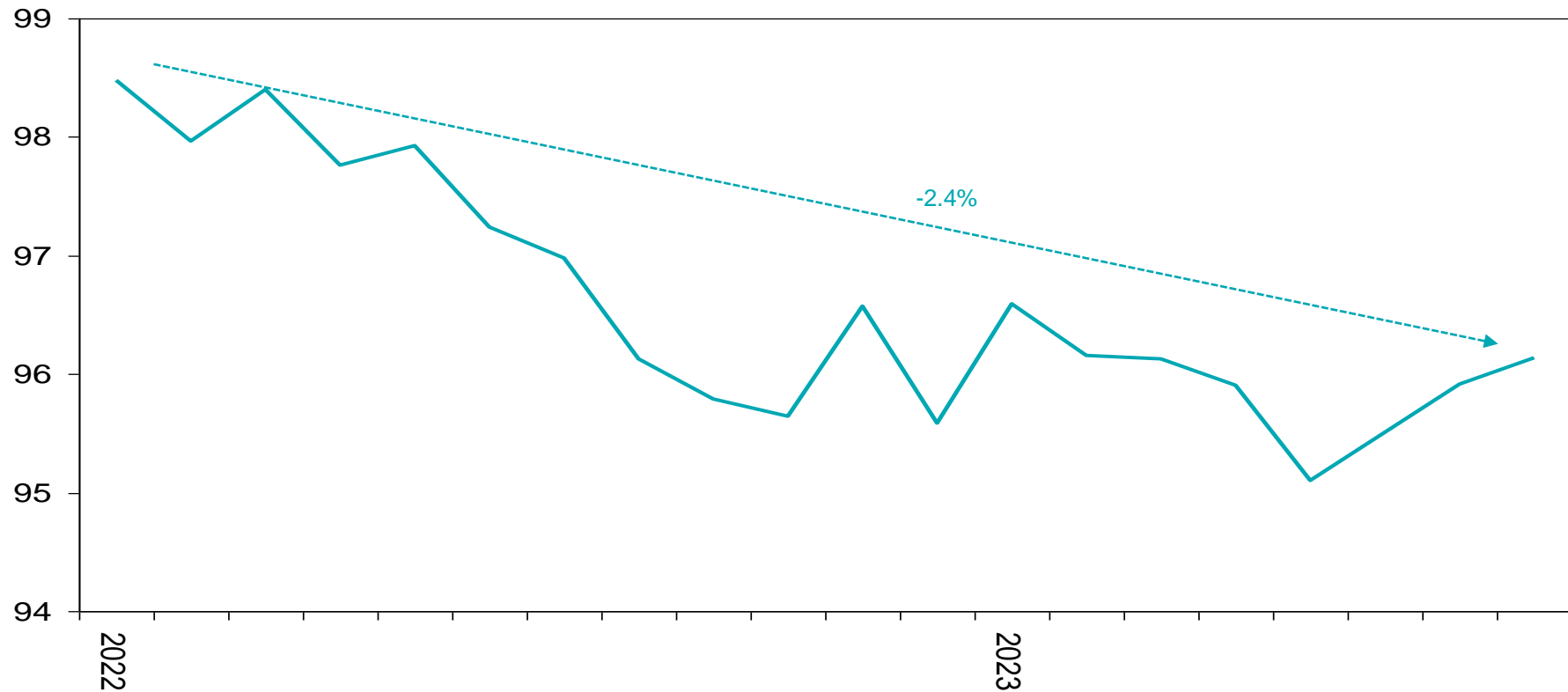
R billion





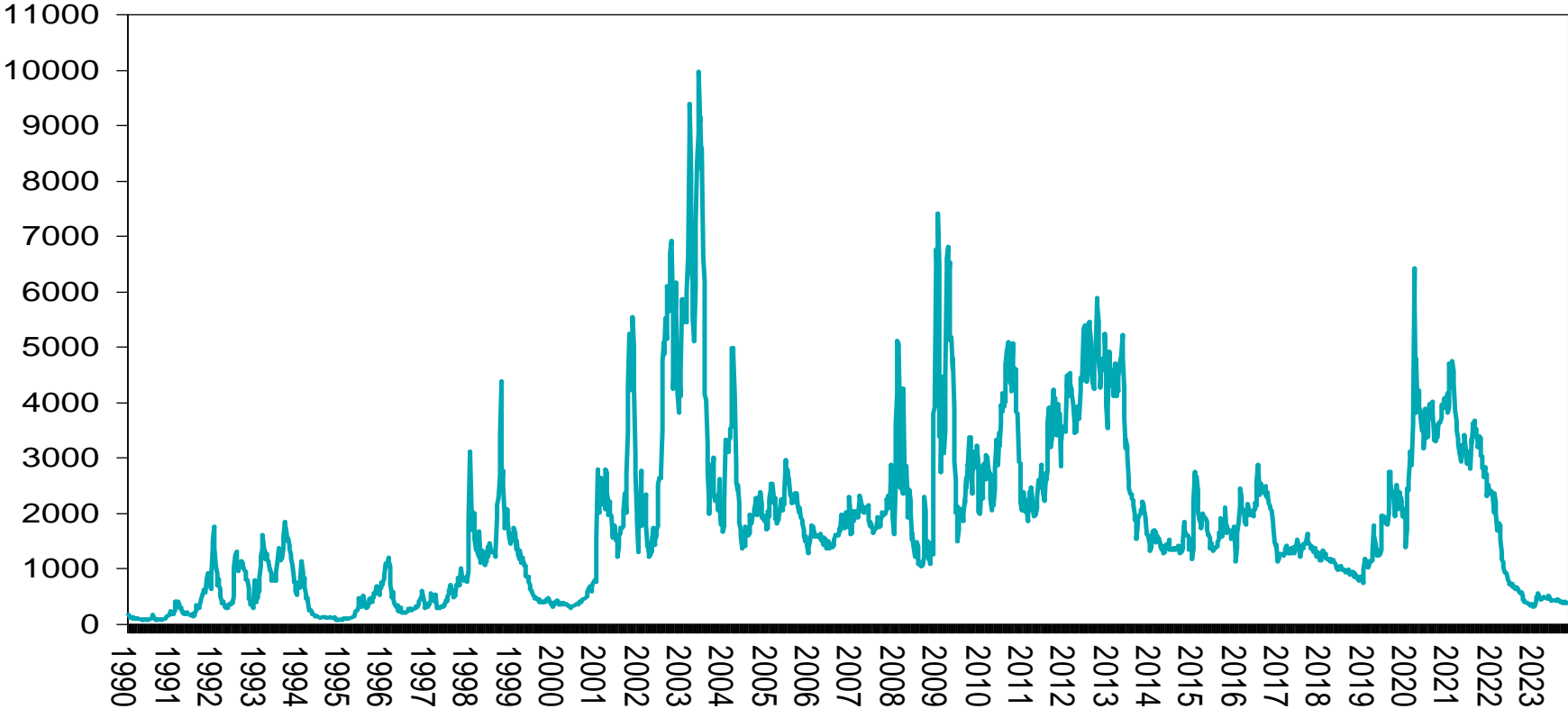
# SA retail sales (constant prices)

R billion



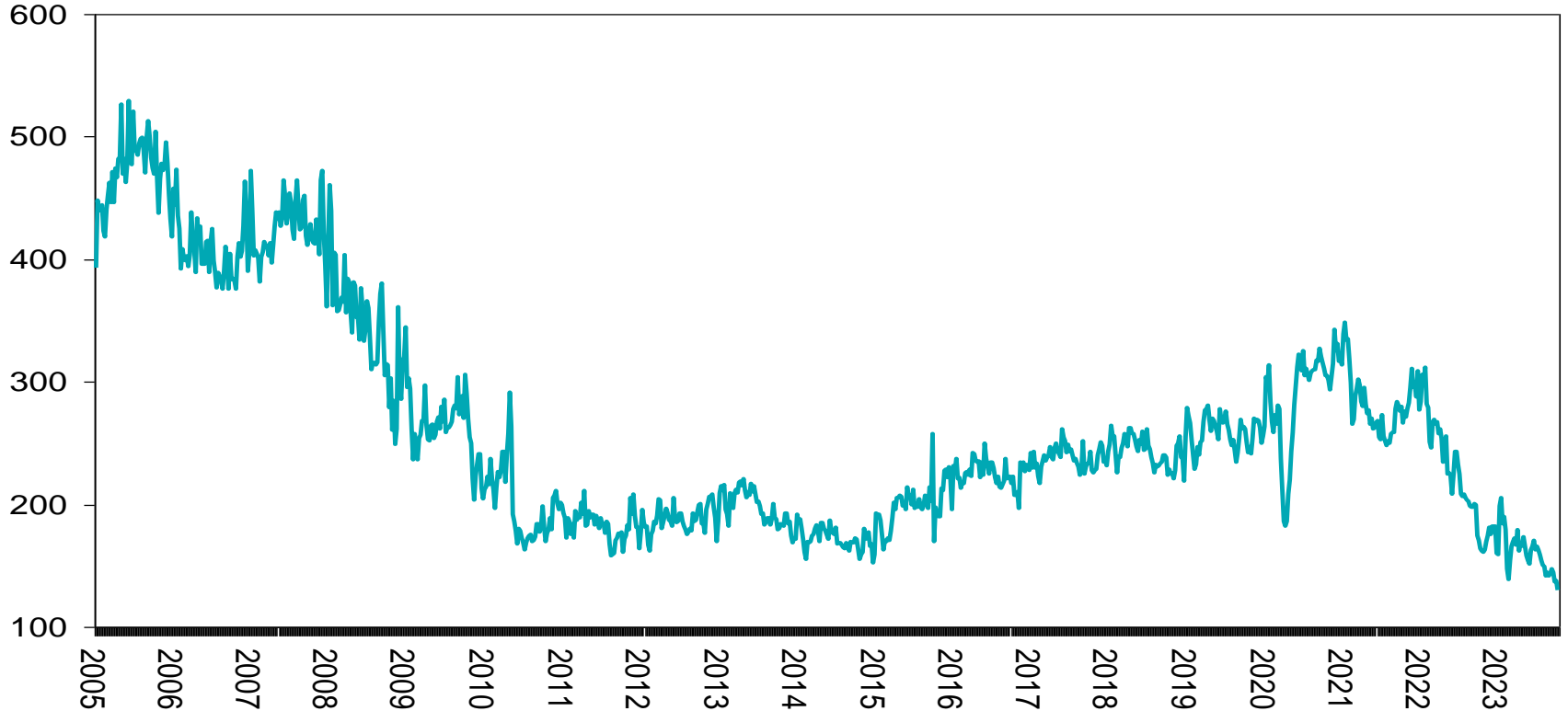
# US mortgage refinancing index

Index



# US mortgage applications for purchase

Market composite index



# US 30-year fixed rate mortgage

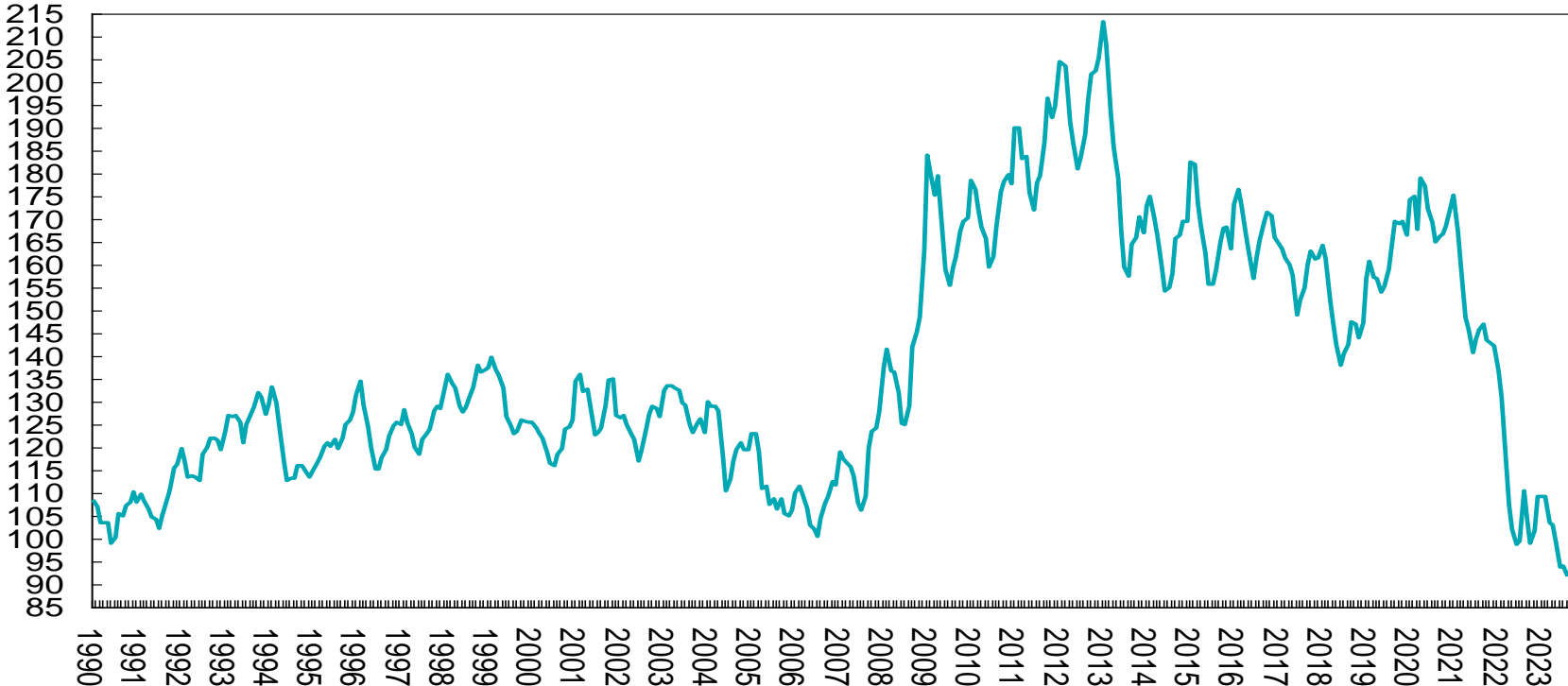
% yield, 30-year rate



# US housing affordability

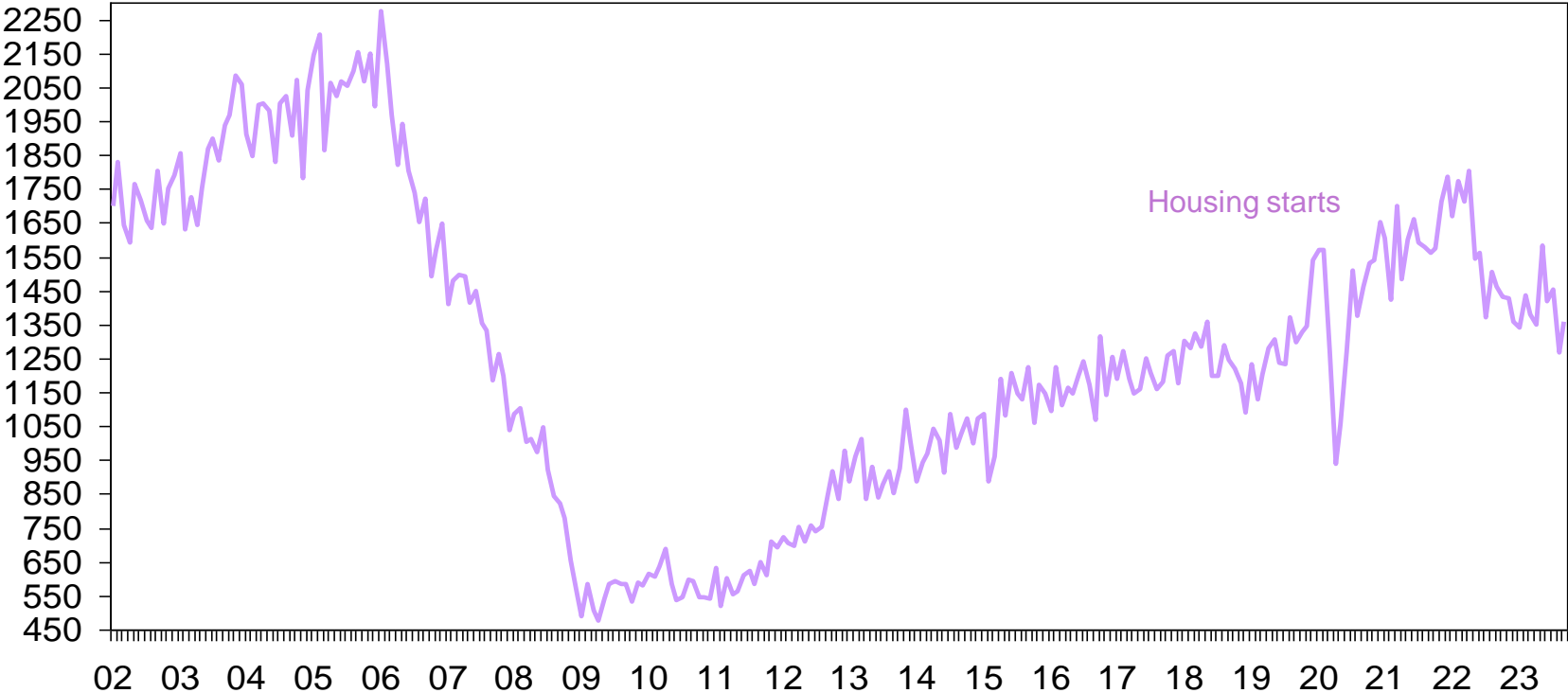
Index, composite

The lower the index the more unaffordable housing has become



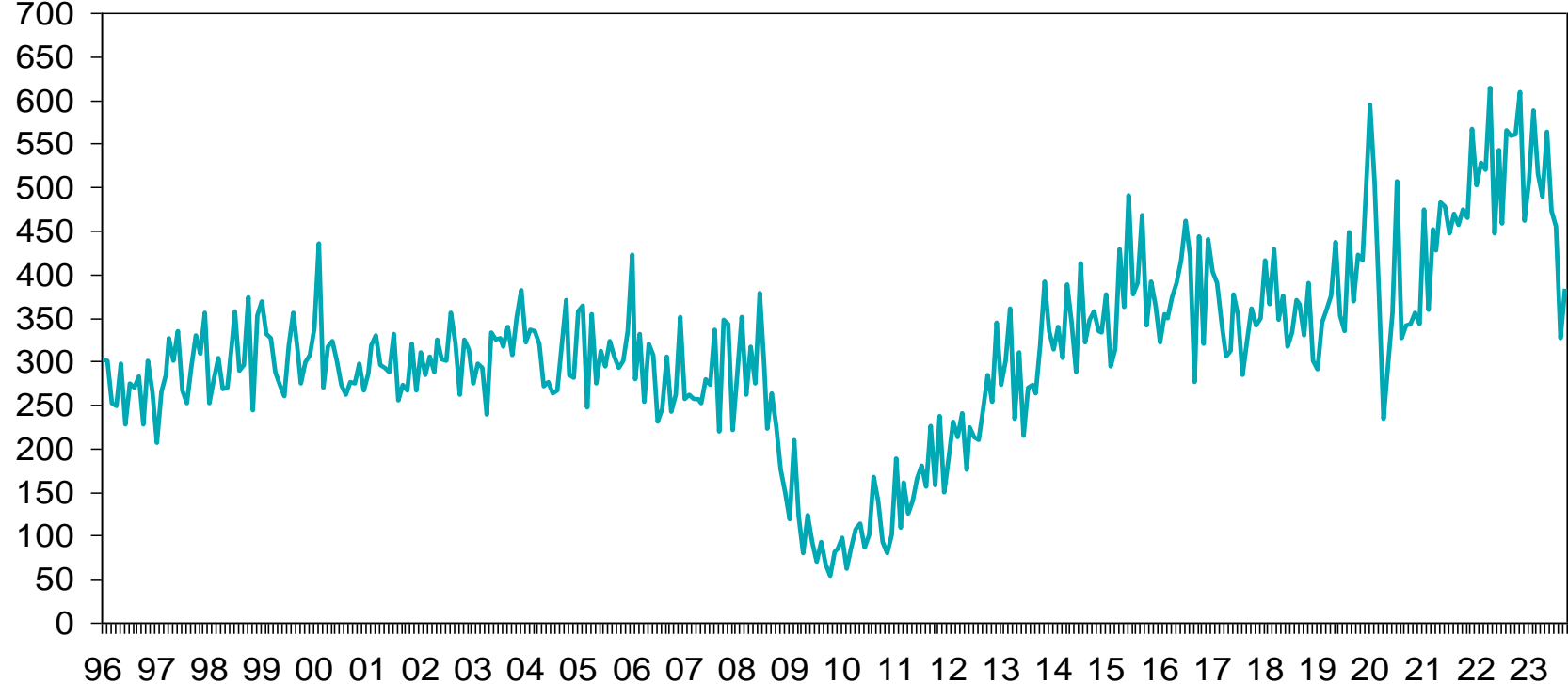
# US housing starts

Thousands, seasonally adjusted



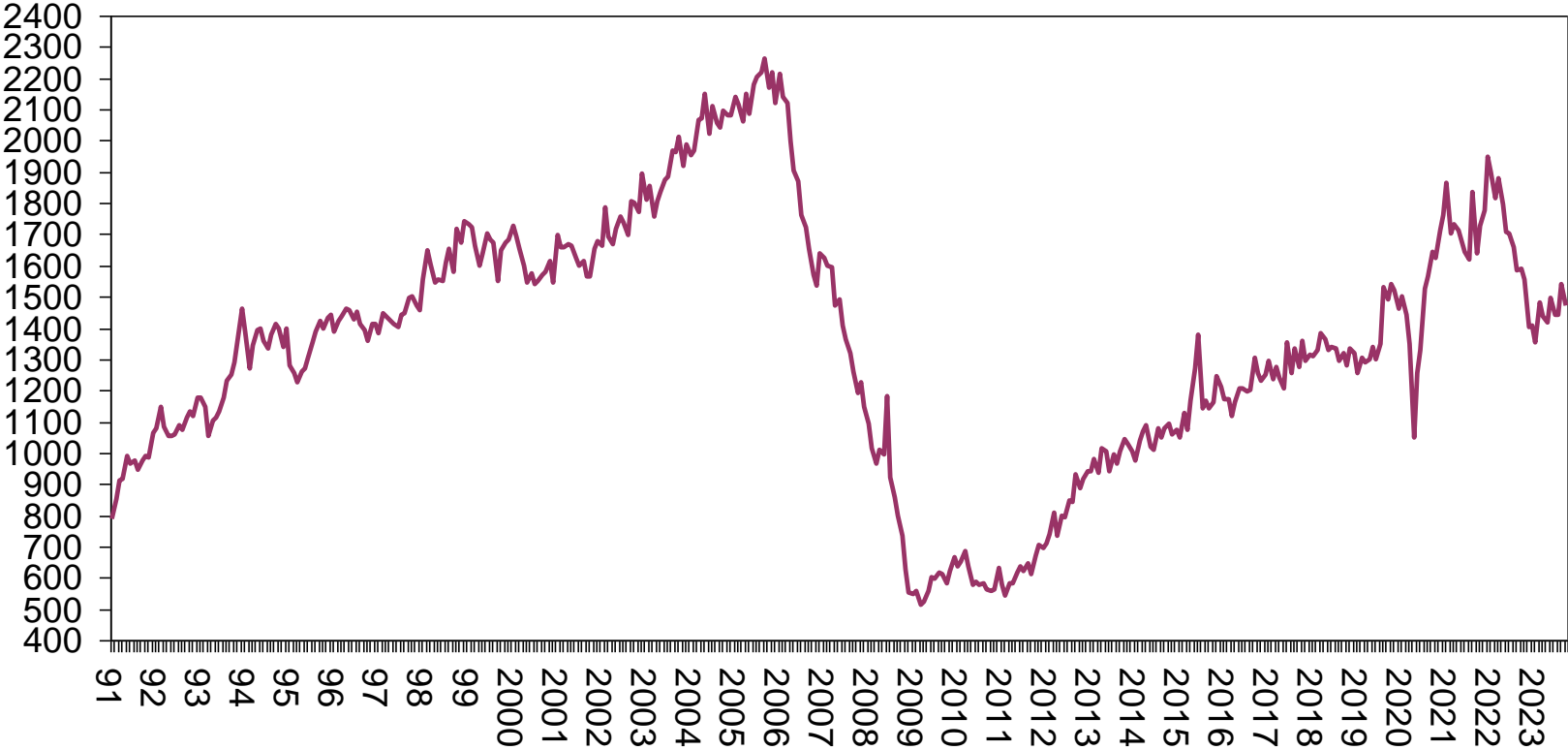
# US housing starts – multi-family homes

Thousands, seasonally adjusted



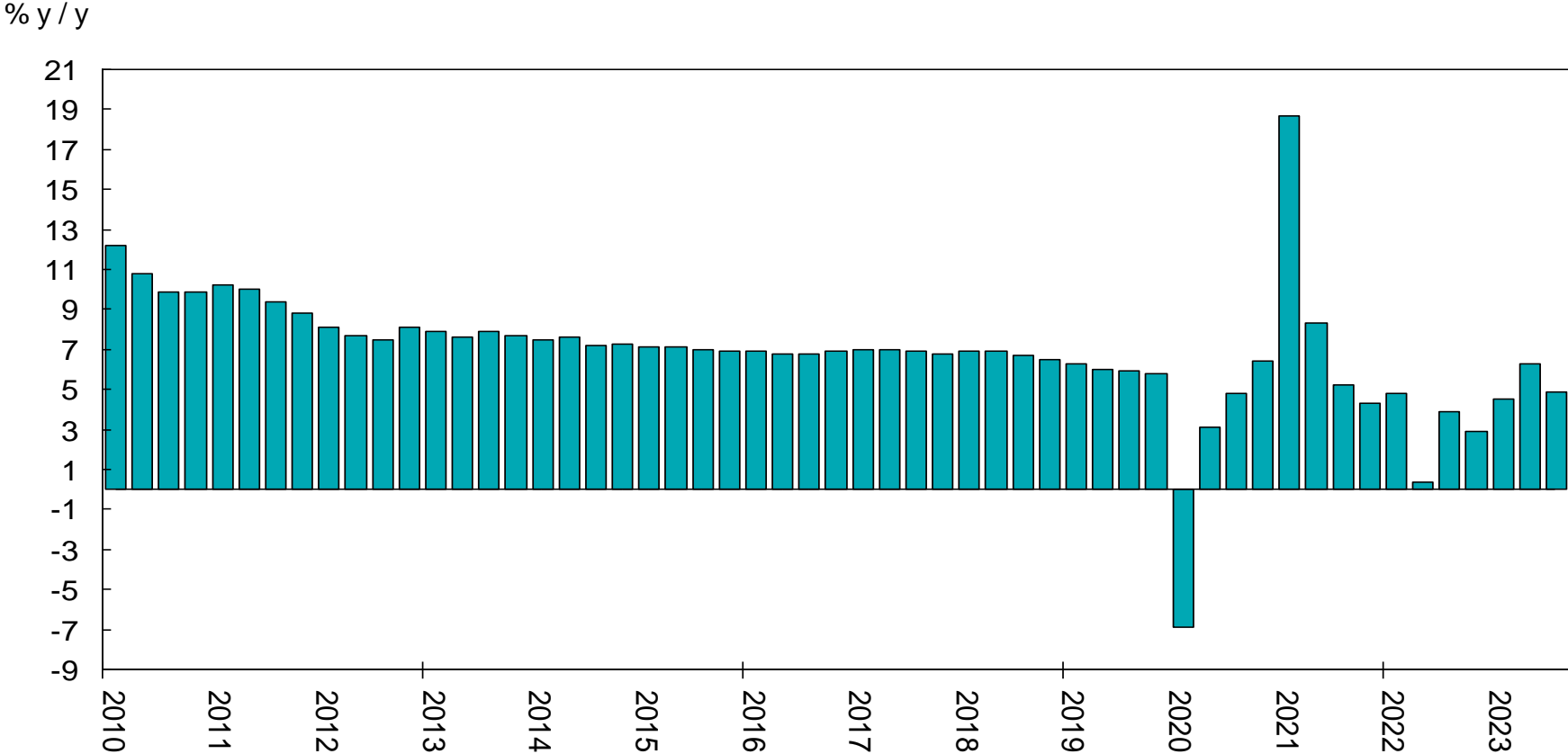
# US housing permits

Thousands, seasonally adjusted





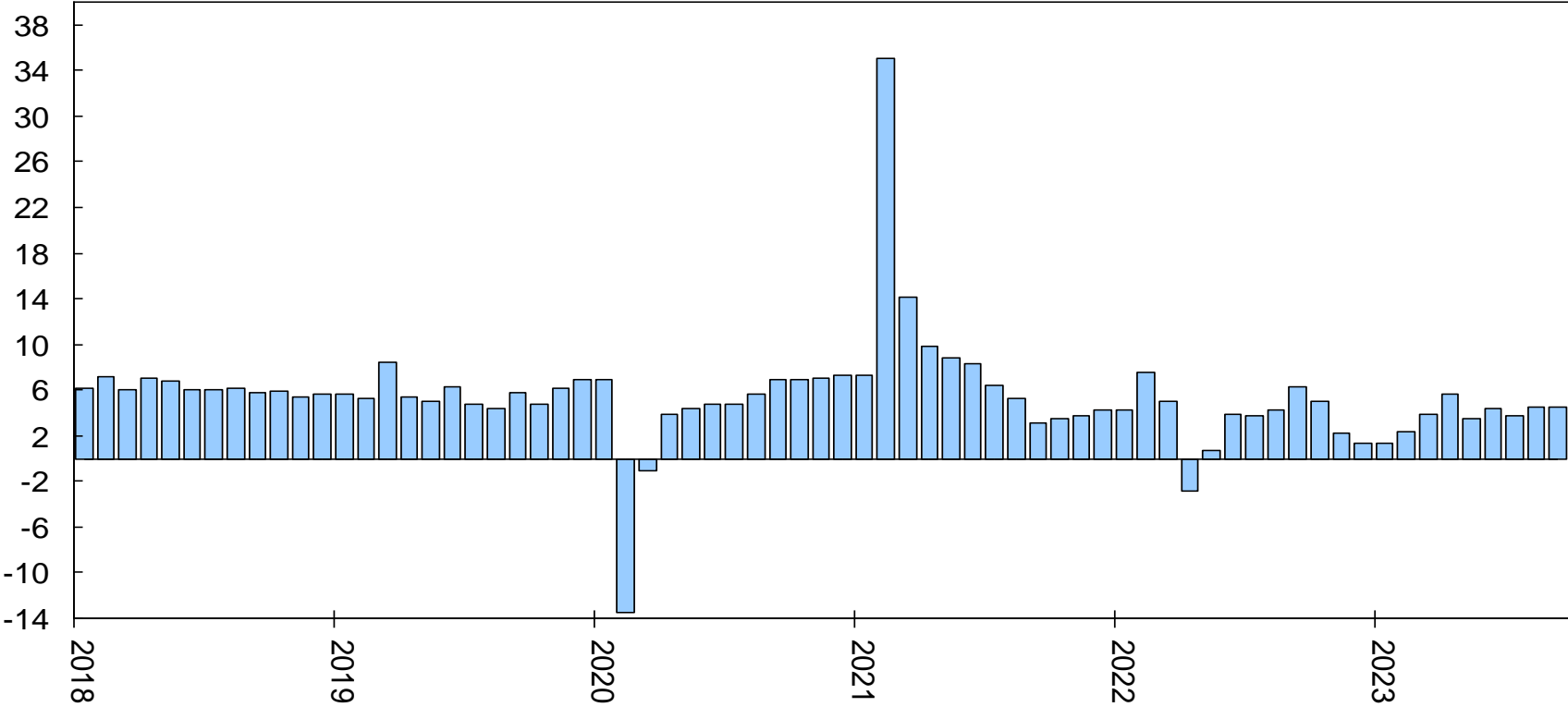
# China GDP growth



Source: China Statistics Bureau

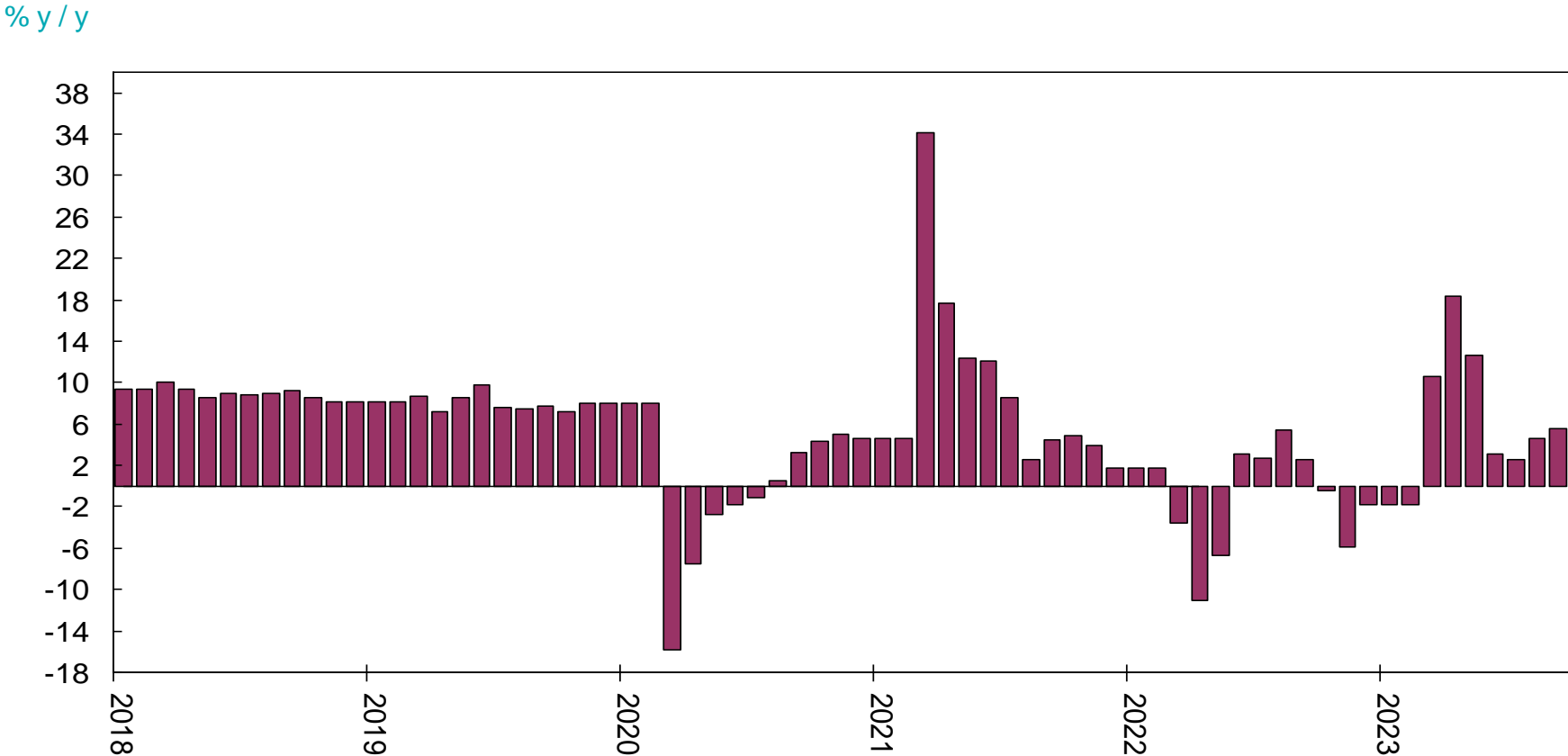
# China industrial production

%y/y



Source: China Statistics Bureau

# China retail sales



Source: China Statistics Bureau

# Weekly economic review: 16 to 22 October 2023

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Thursday, 19 October 2023

- US weekly jobless claims
- US existing home sales for September 2023
- US leading economic indicator for September 2023



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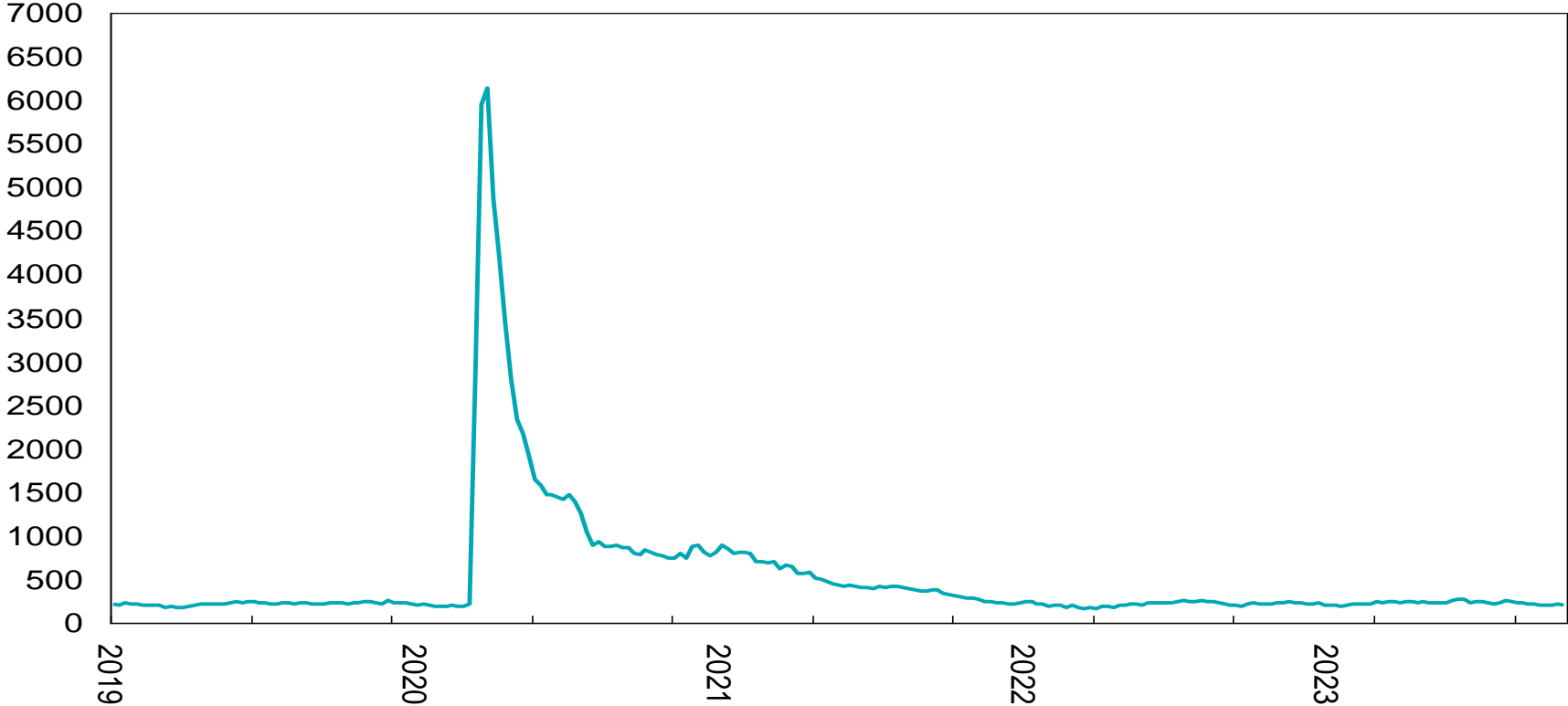
# US initial jobless claims

000's



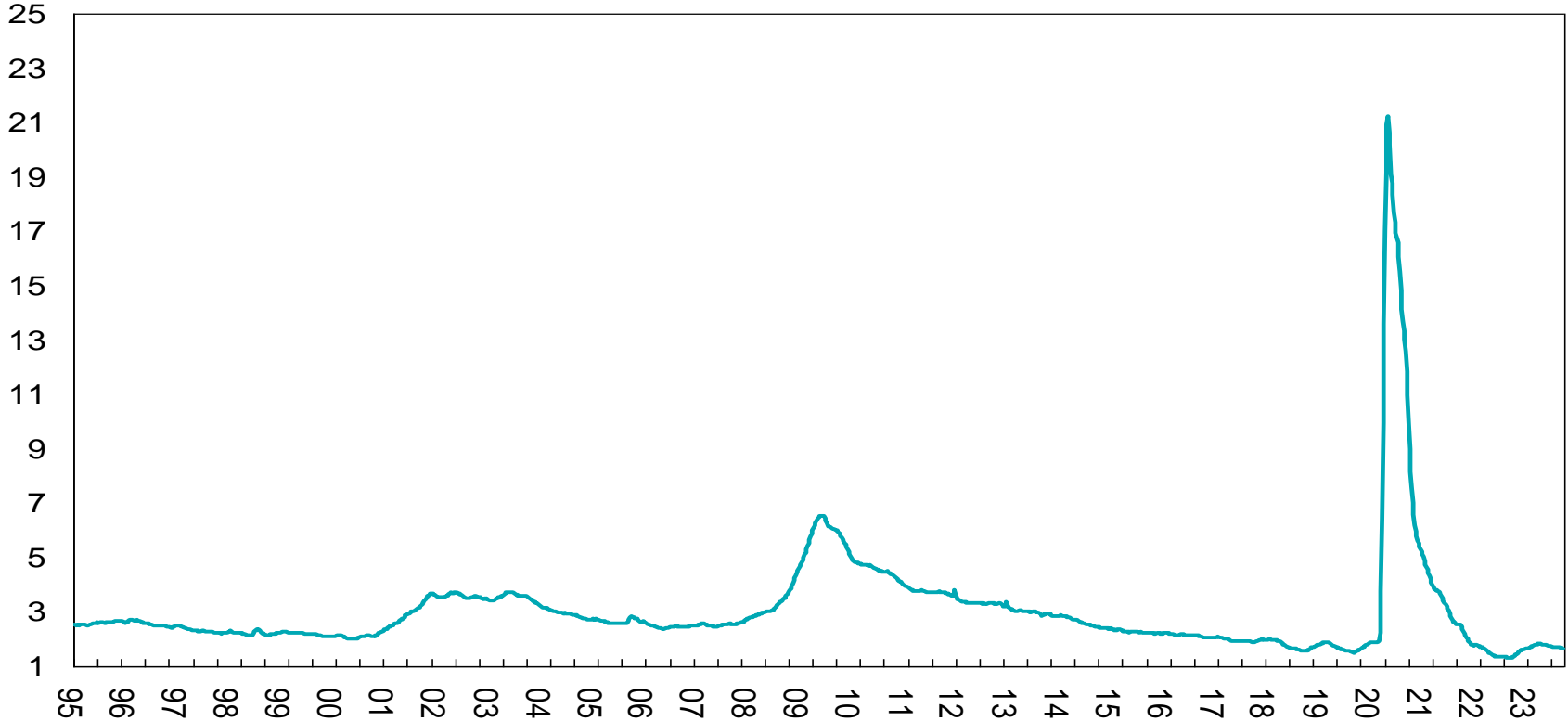
# US initial jobless claims

000's



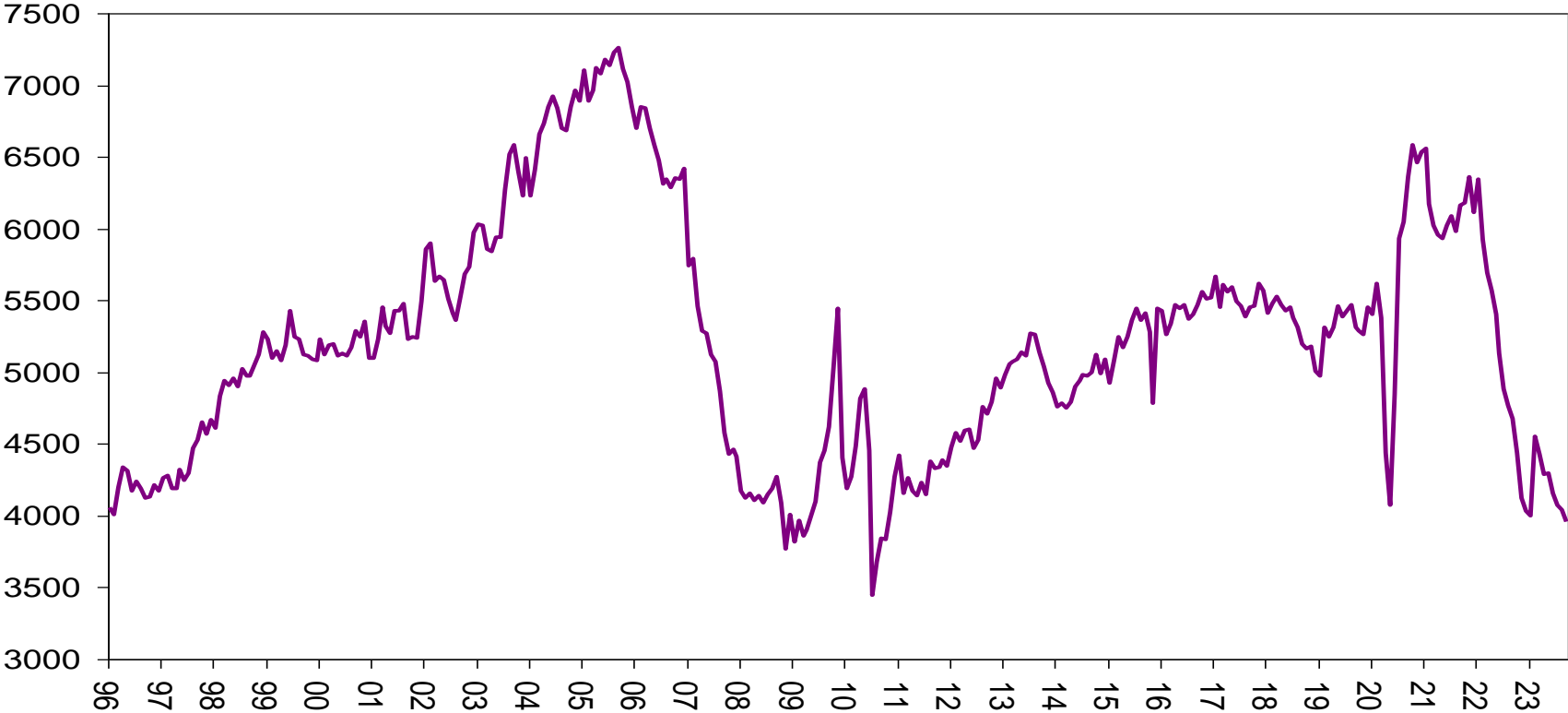
# US continuing claims

Million



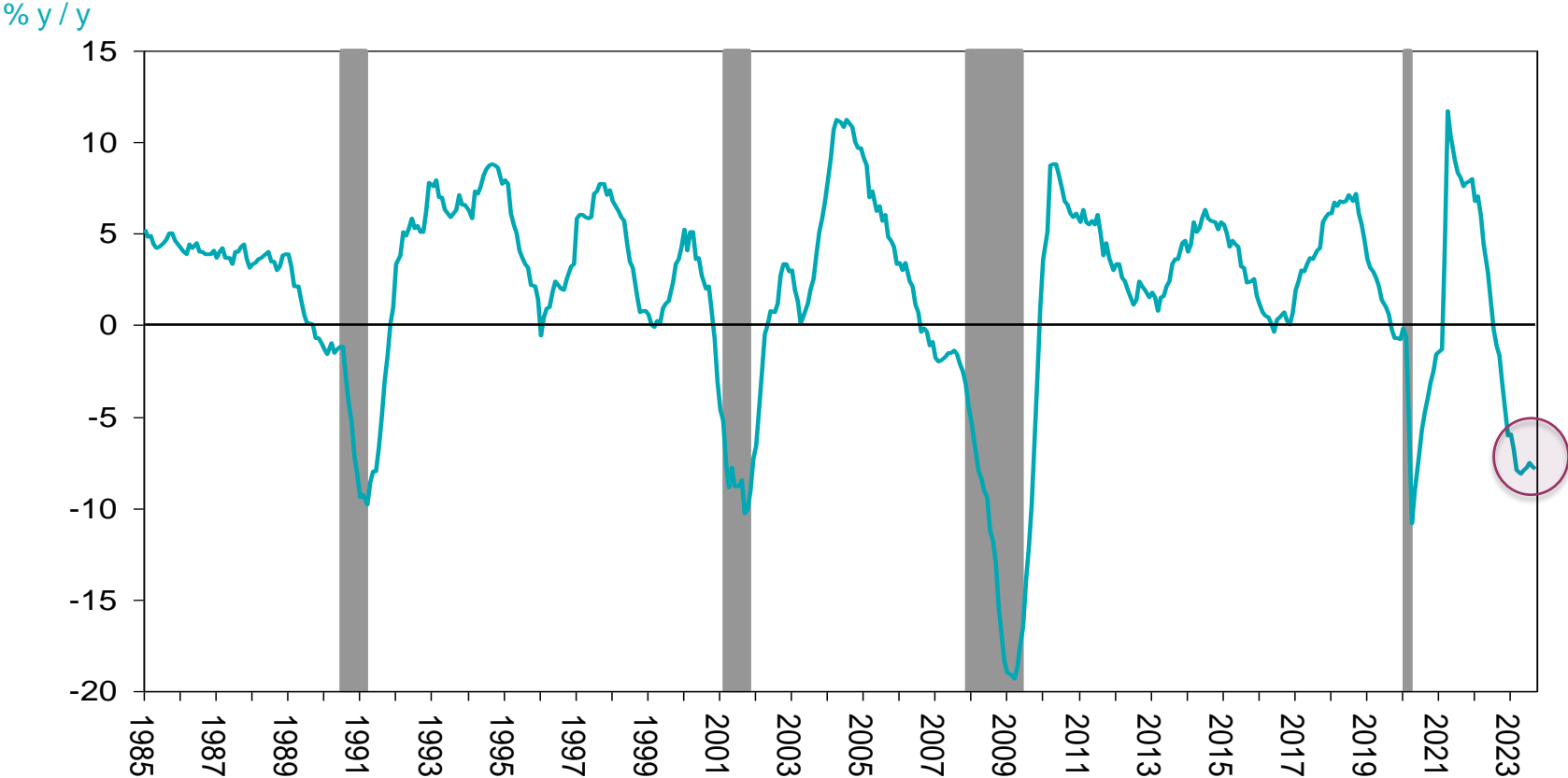
# US existing home sales

000's





# US leading economic indicator



Source: US Conference Board

## Weekly economic review: 16 to 22 October 2023

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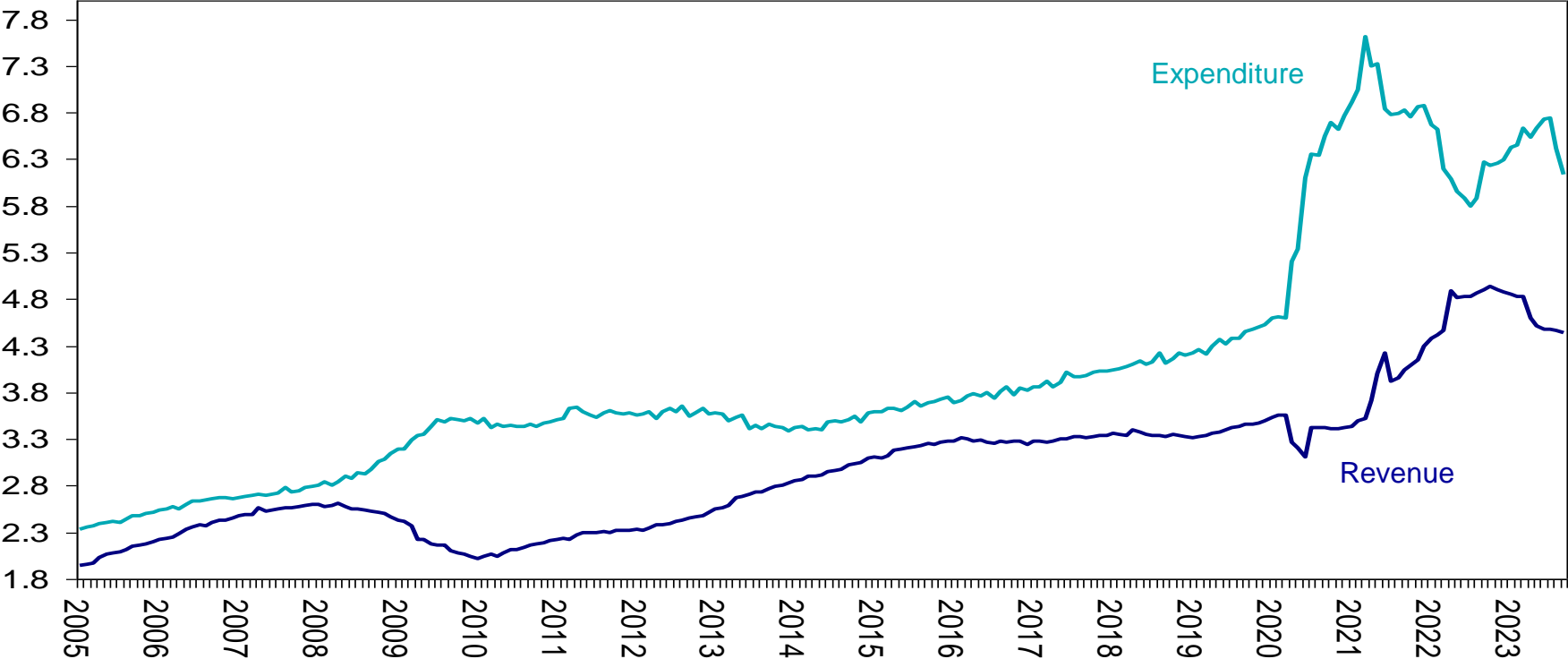
### Friday, 13 October 2023

- US government revenue and expenditure for September 2023
- US consensus economic forecast for October 2023
- Euro-area vehicle sales for September 2023

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# US Federal Budget

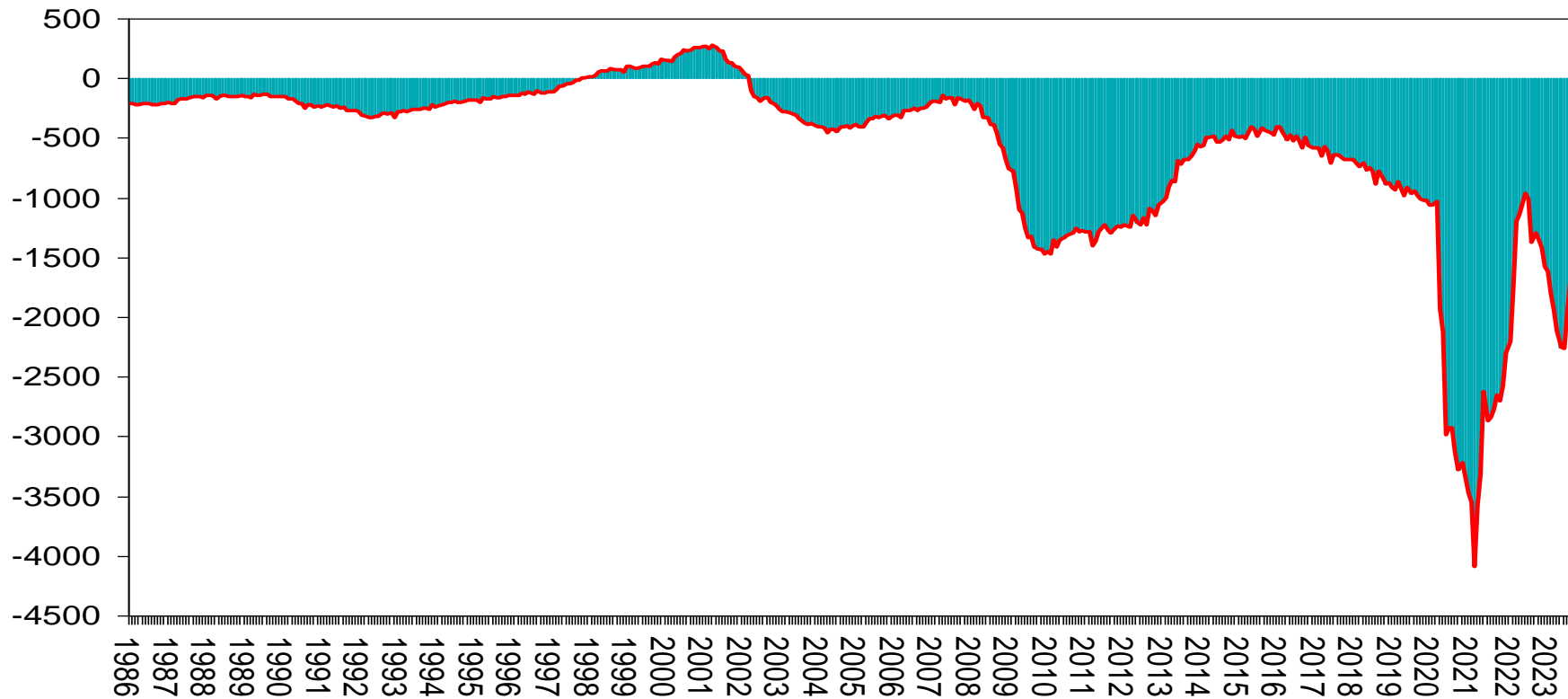
\$ trillion, 12-month running total



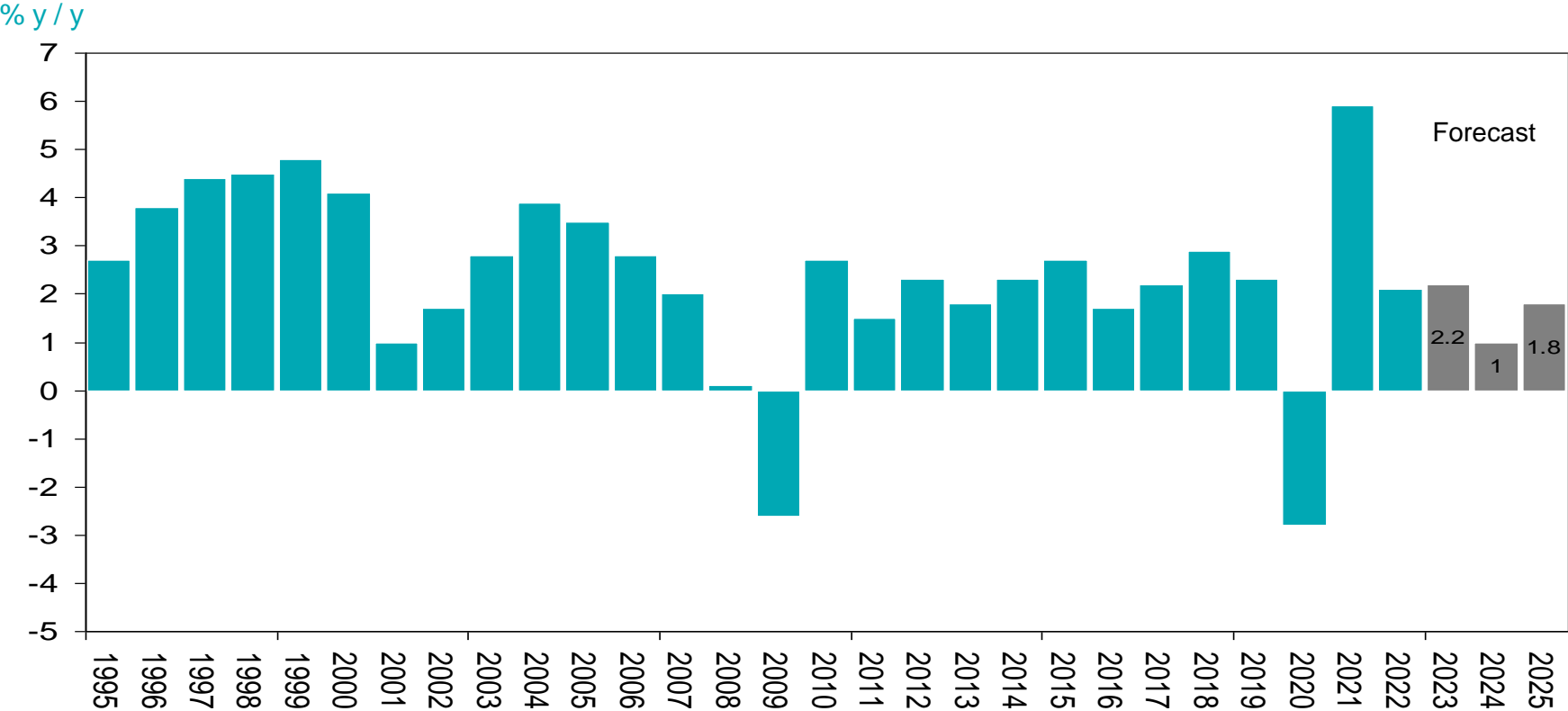
Source: US Department of the Treasury

# US Federal budget

\$bn, 12 month running total



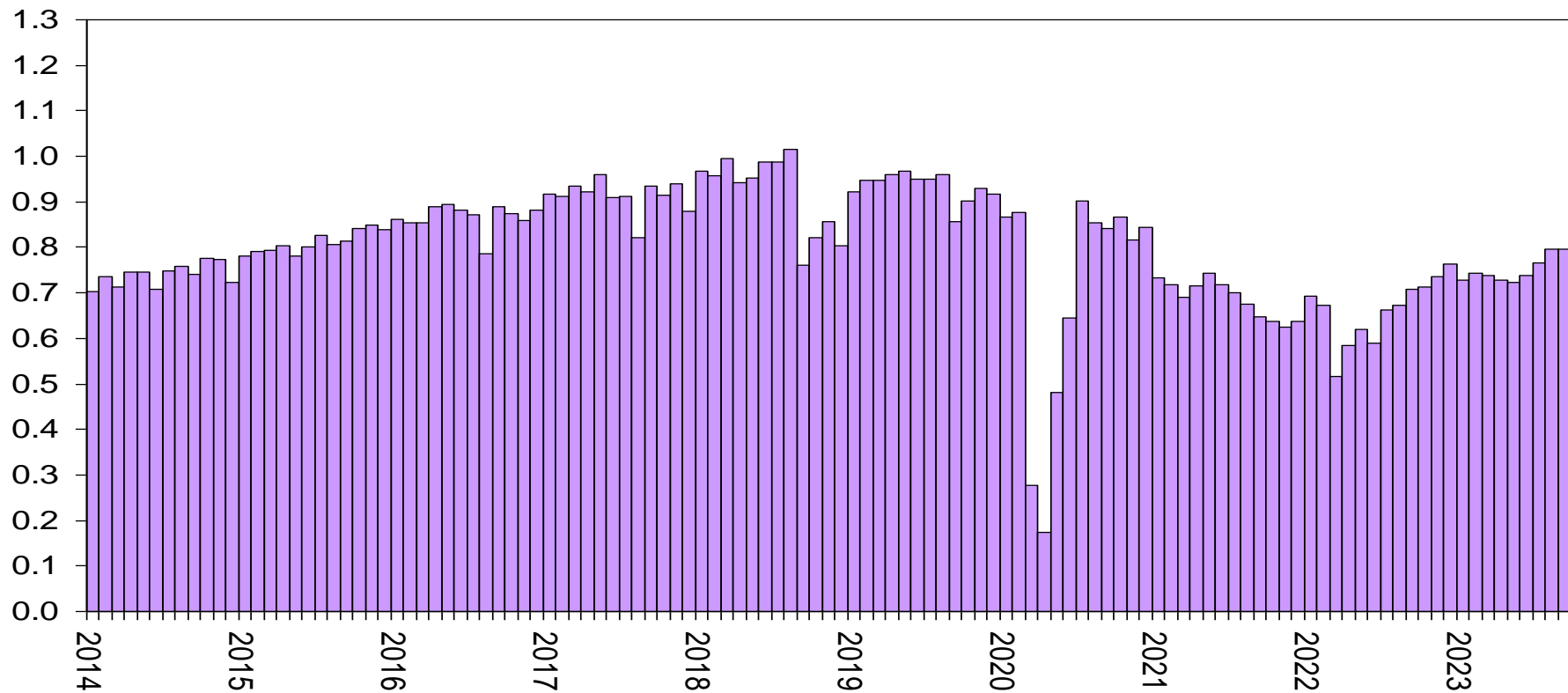
# US consensus real annual GDP growth



Source: Bloomberg

# Euro-area vehicle sales

Million, seasonally adjusted

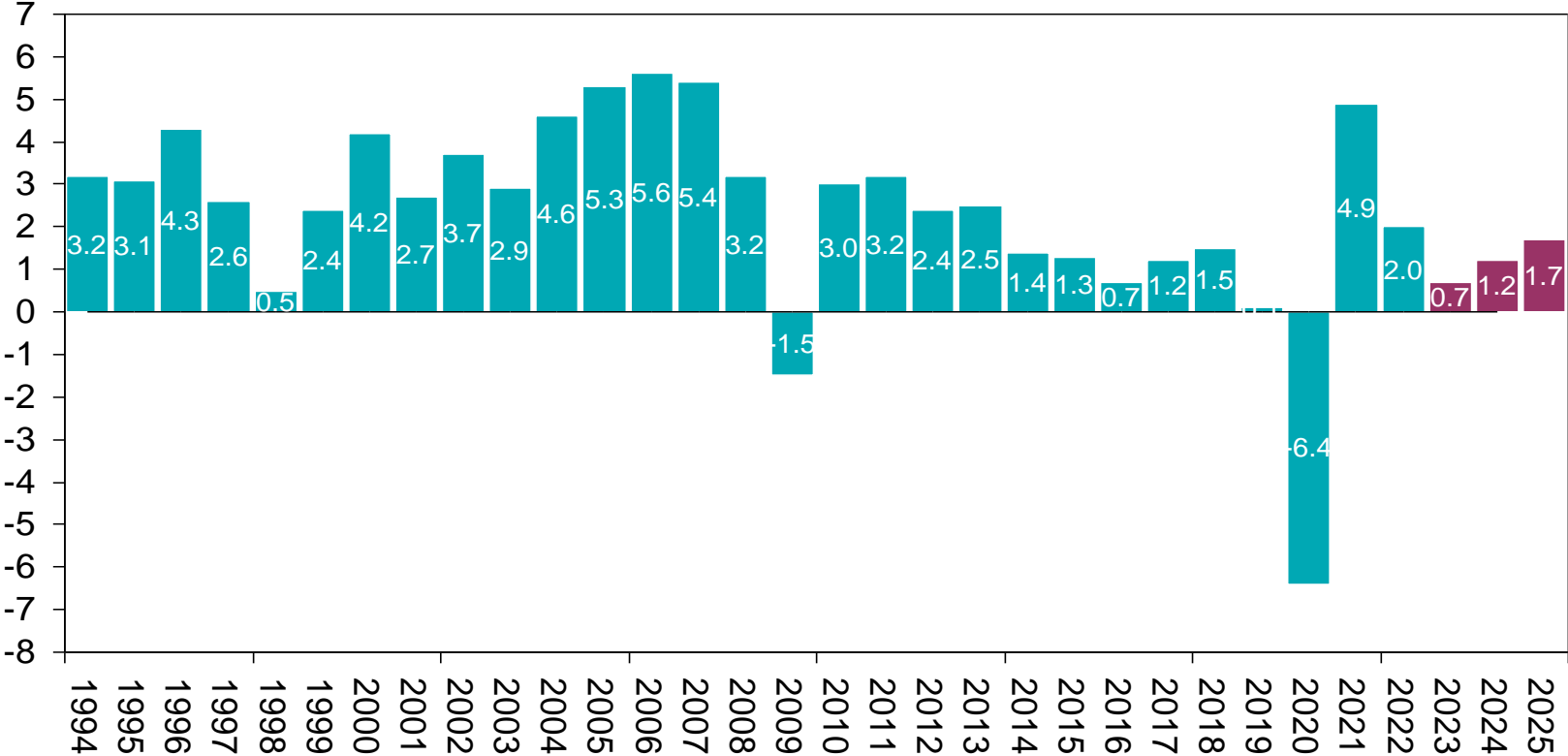


## Consensus GDP growth

- South Africa consensus GDP growth forecast
- United States consensus GDP growth forecast
- Euro-area consensus GDP growth forecast
- China consensus GDP growth forecast

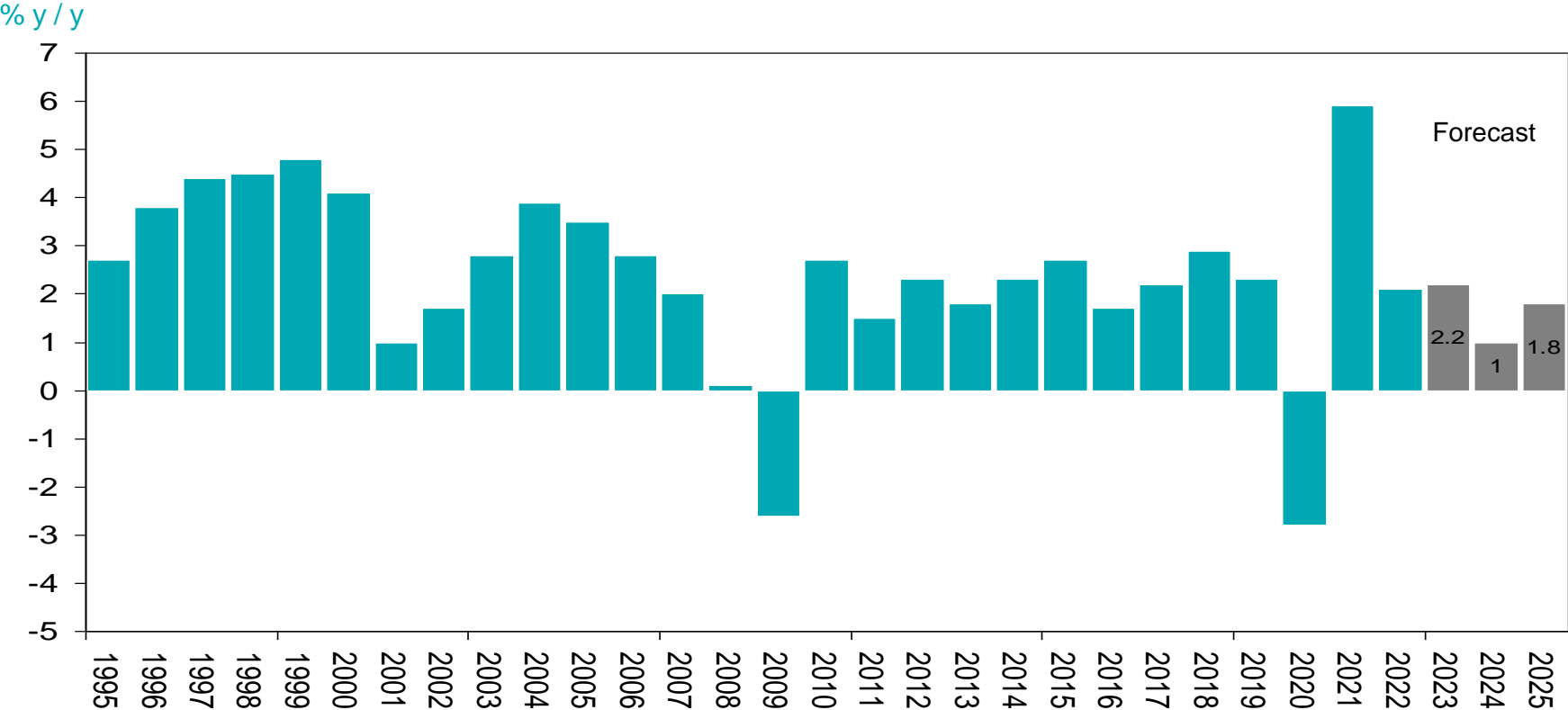
# SA consensus GDP annual growth rate

% y/y





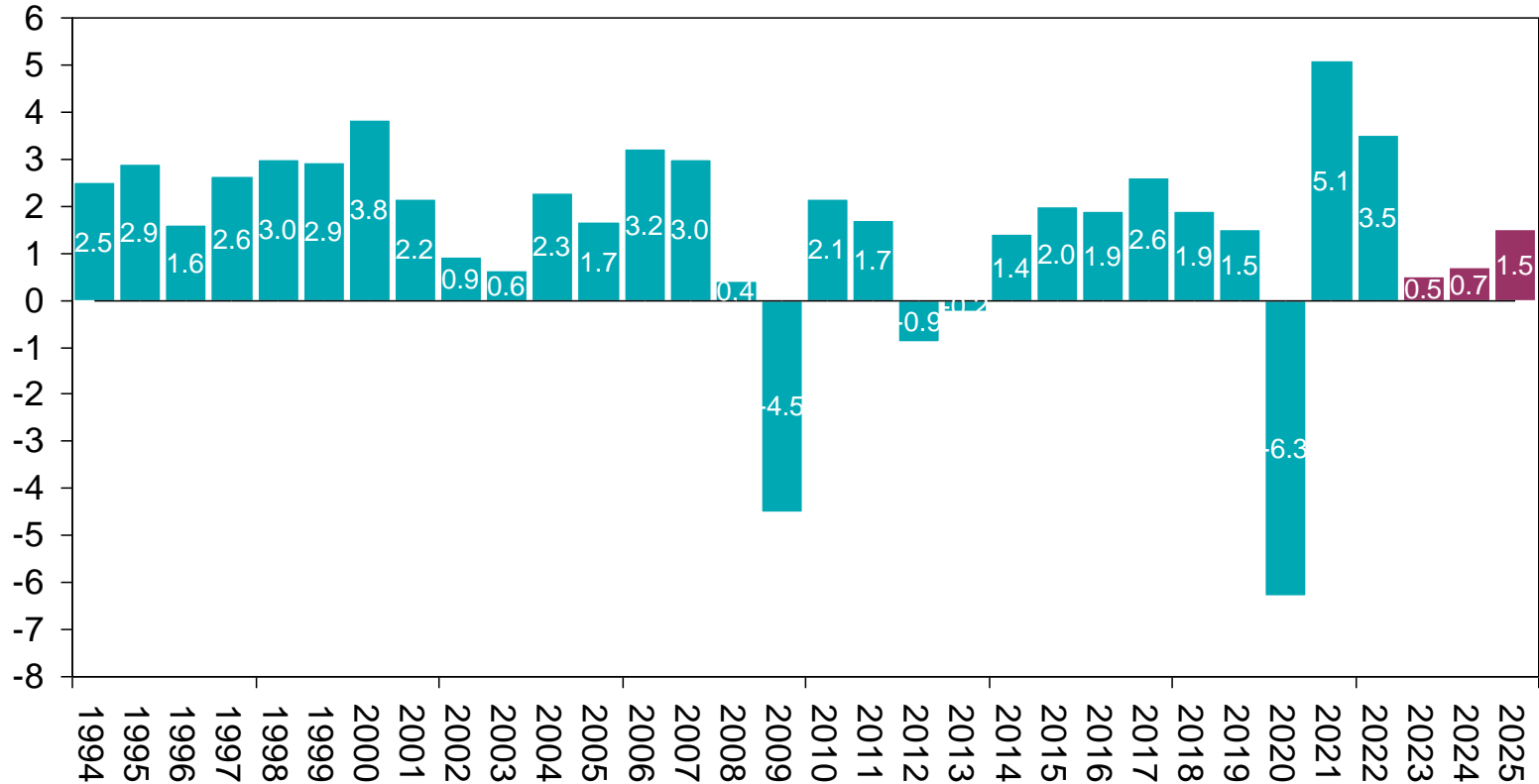
# US consensus real annual GDP growth



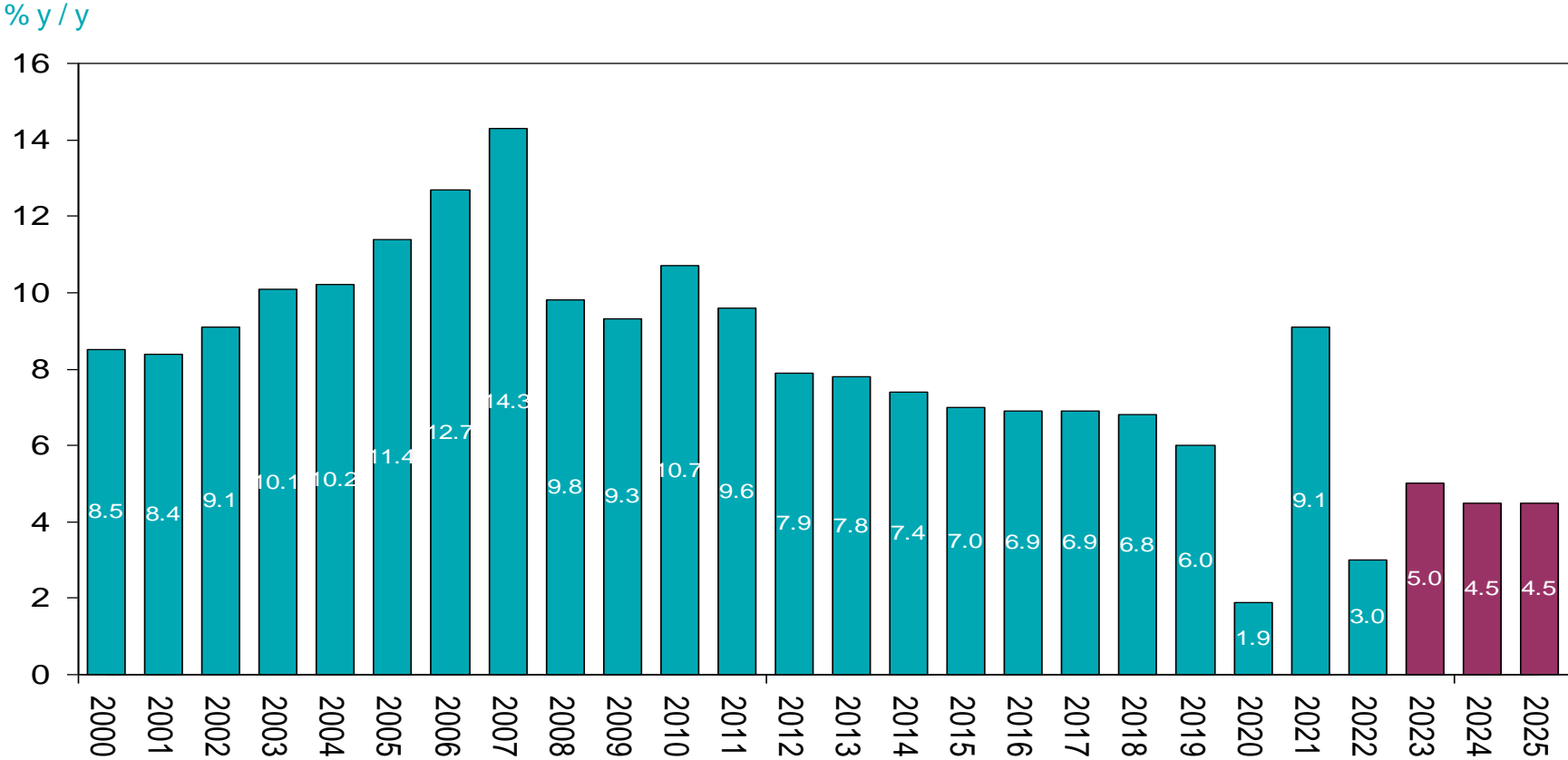
Source: Bloomberg

# Euro-area GDP annual growth rate: consensus growth estimate

% y/y



# China GDP growth consensus forecast



Source: Bloomberg

## US financial conditions: 16 to 22 October 2023

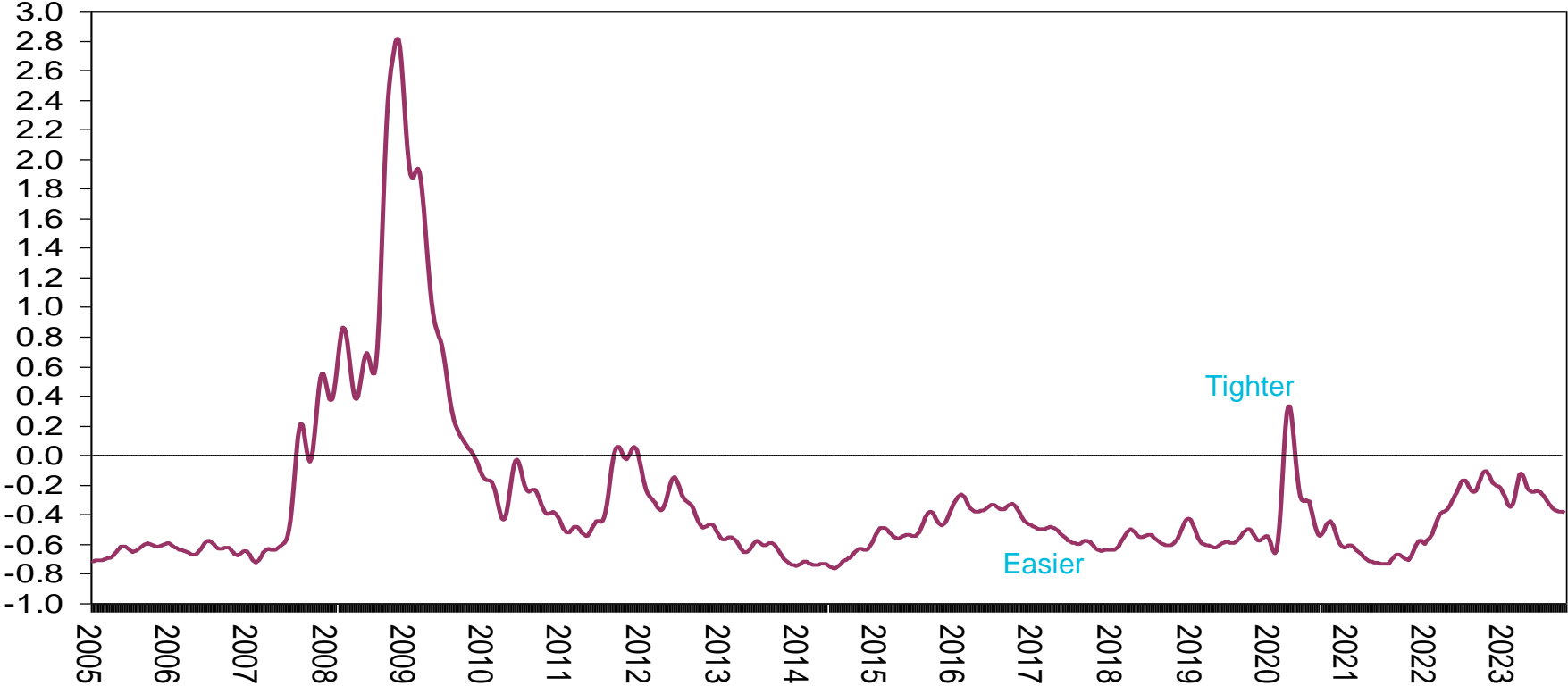
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- US financial conditions (Federal Reserve Chicago)
- US financial conditions (Federal Reserve Kansas City)
- US financial stress index (OFR)
- China PBOC liquidity injection

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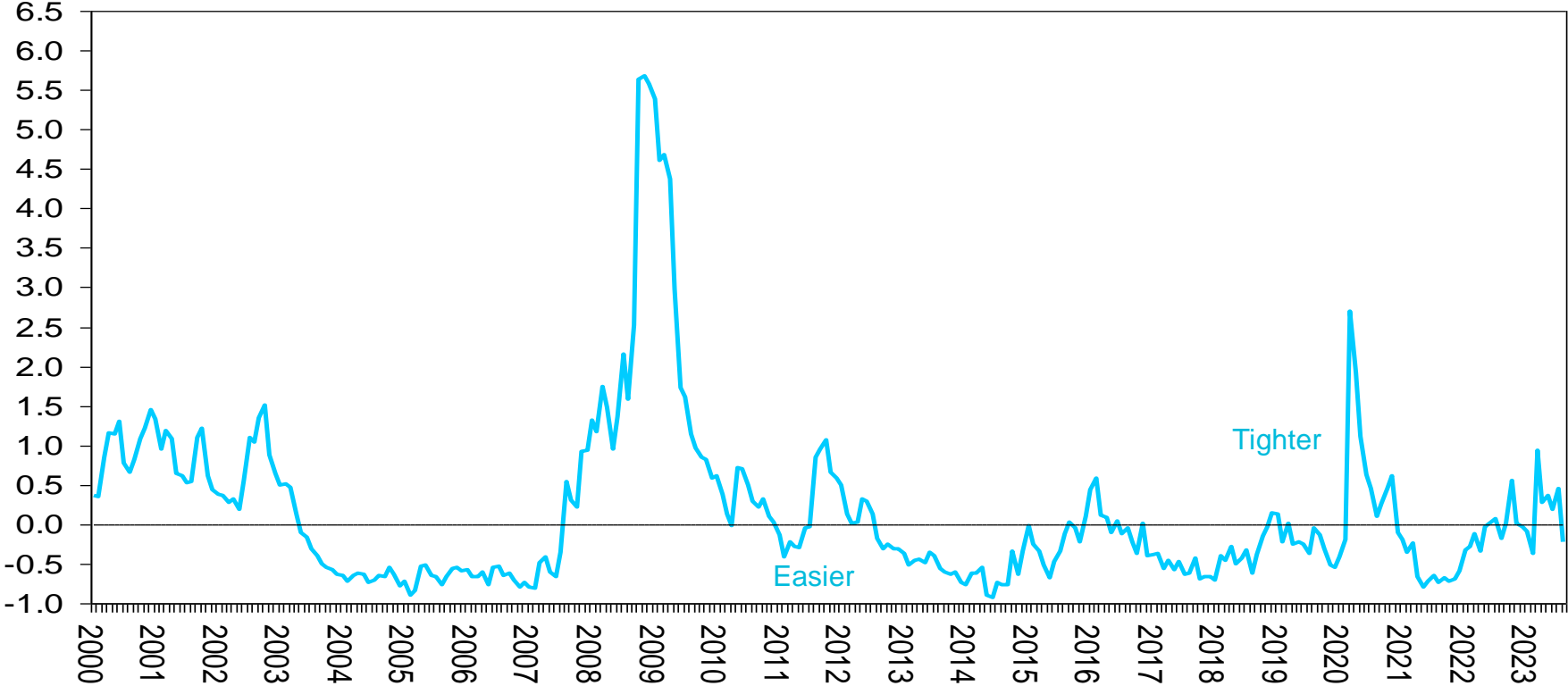
# US financial conditions (Federal Reserve Chicago)

Index



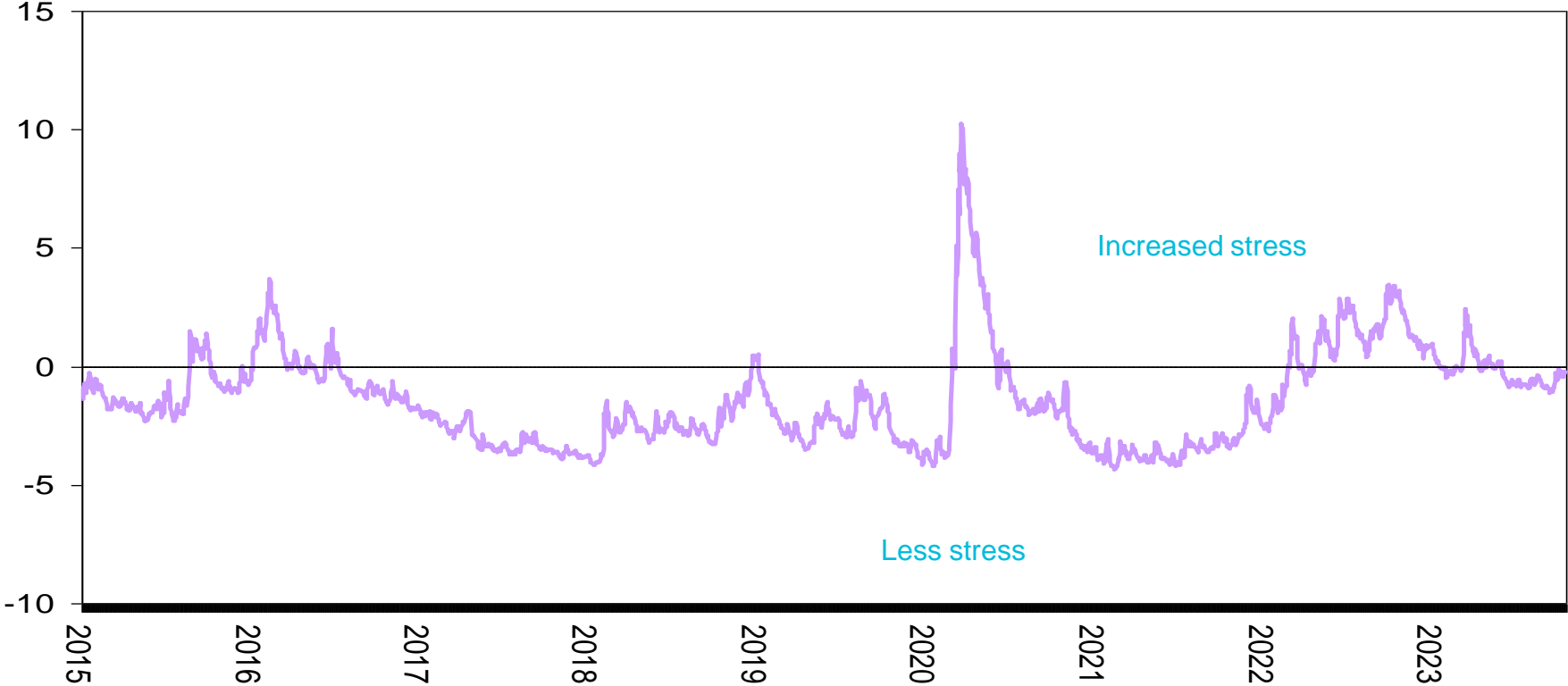
# US financial conditions (Federal Reserve Kansas City)

Index



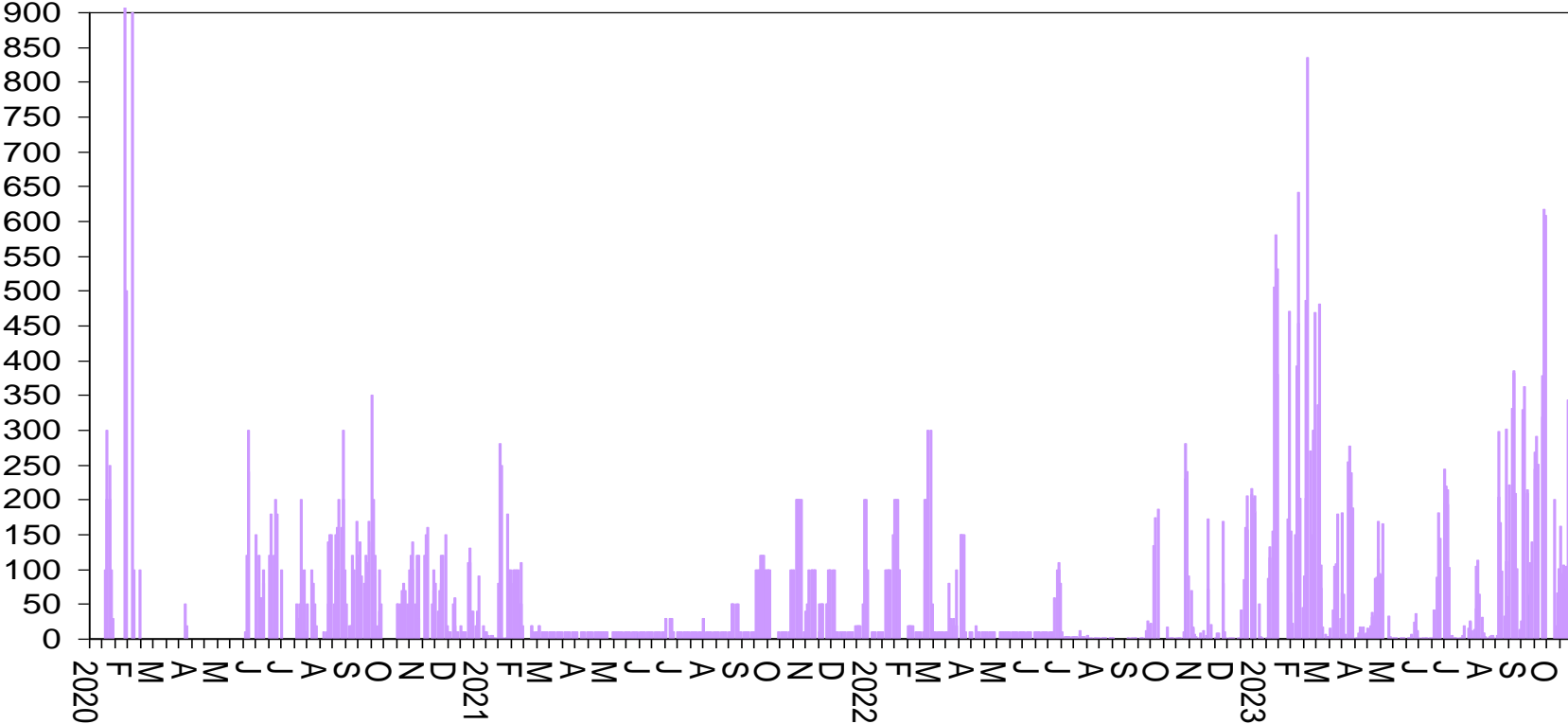
# US financial stress index (OFR Financial Stress Index)

Index



# China PBOC liquidity injection daily (total reverse Repos)

Yuan billion





## Commodity prices: 16 to 22 October 2023

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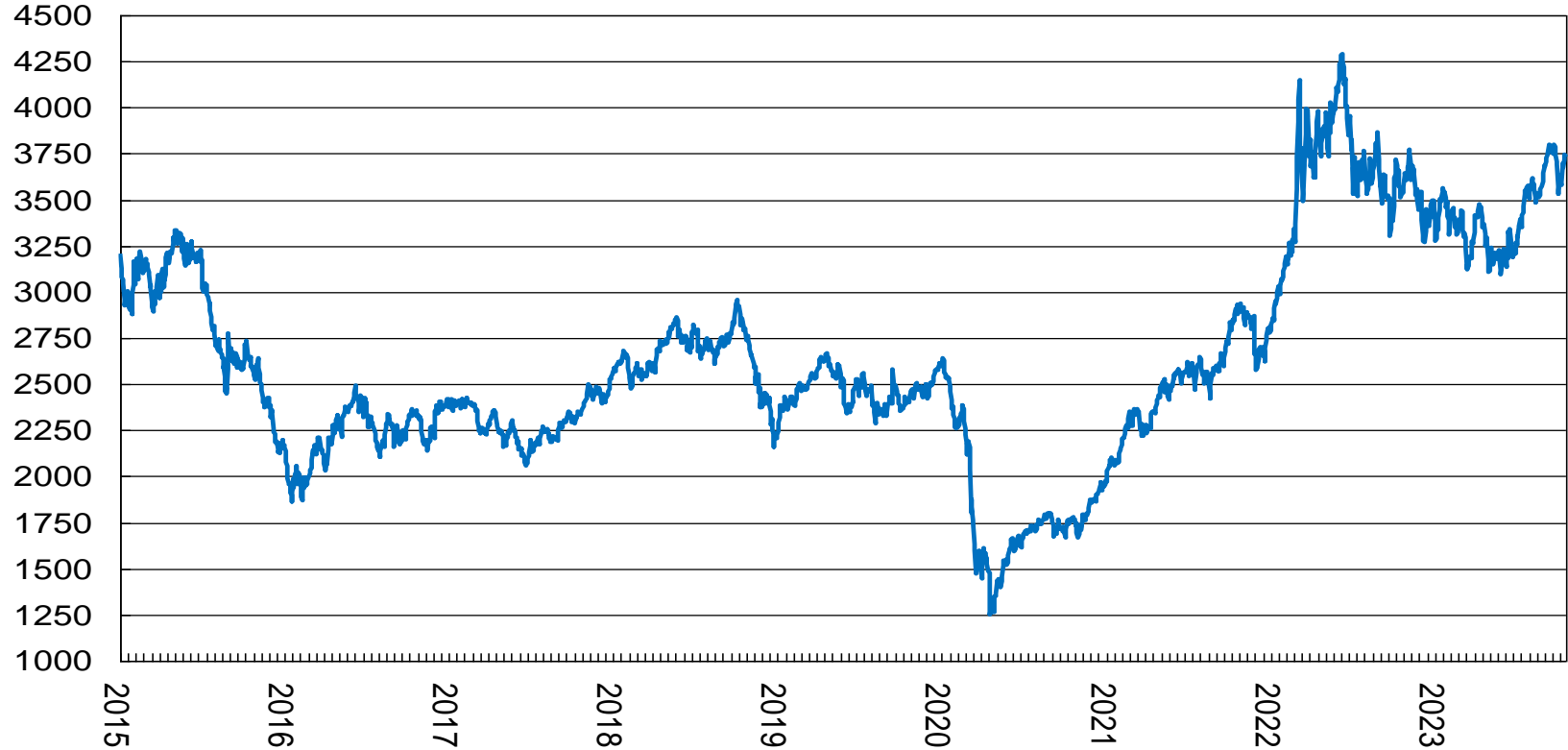
- Global commodity price index
- World food inflation
- Gold price
- Tin price
- Zinc price
- Lead price
- Silver price
- Oil price
- Copper price
- Platinum price
- Aluminium price
- Palladium price
- Rhodium price



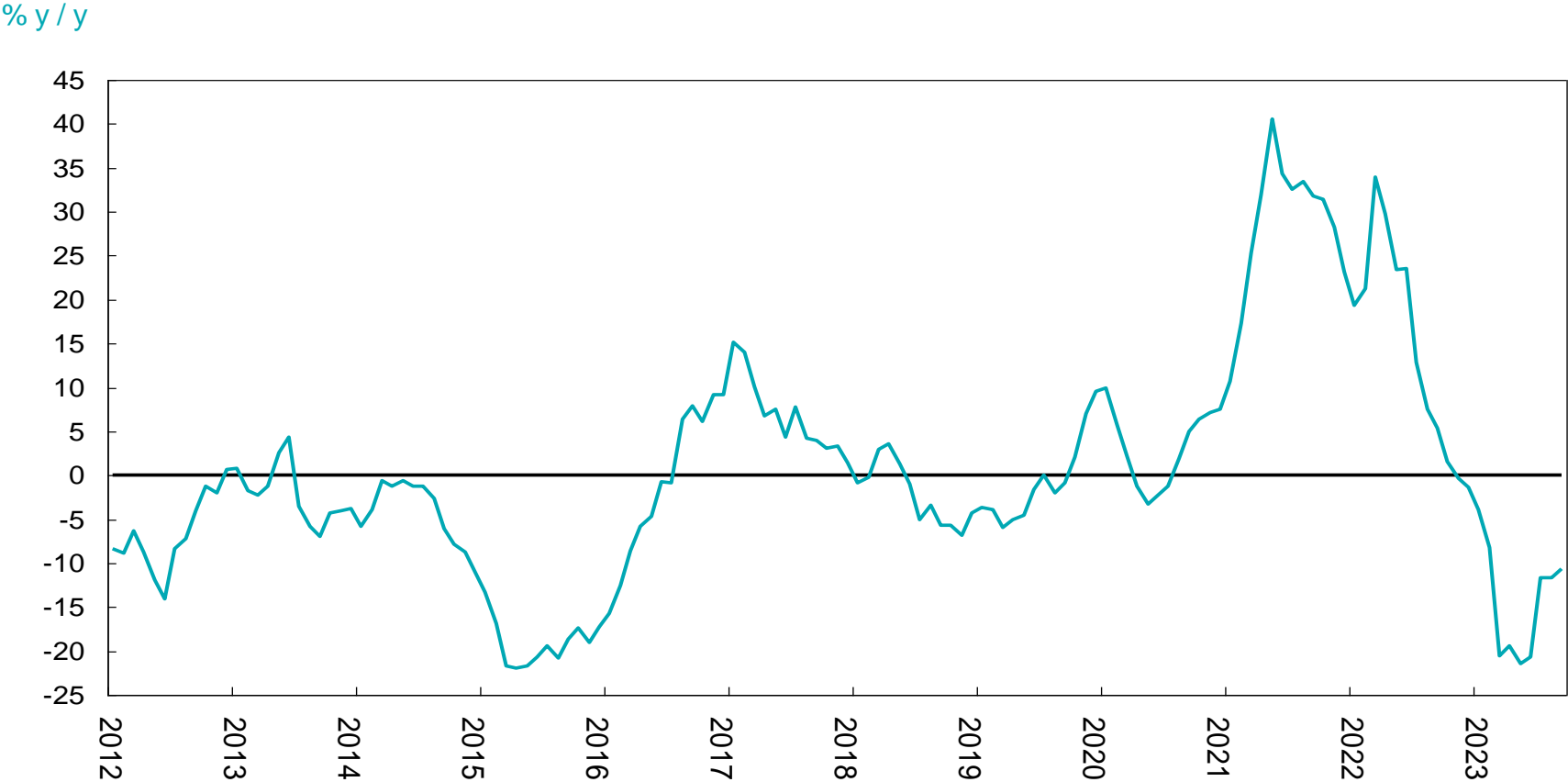
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# Global commodity price index (S&P GSCI)

Index

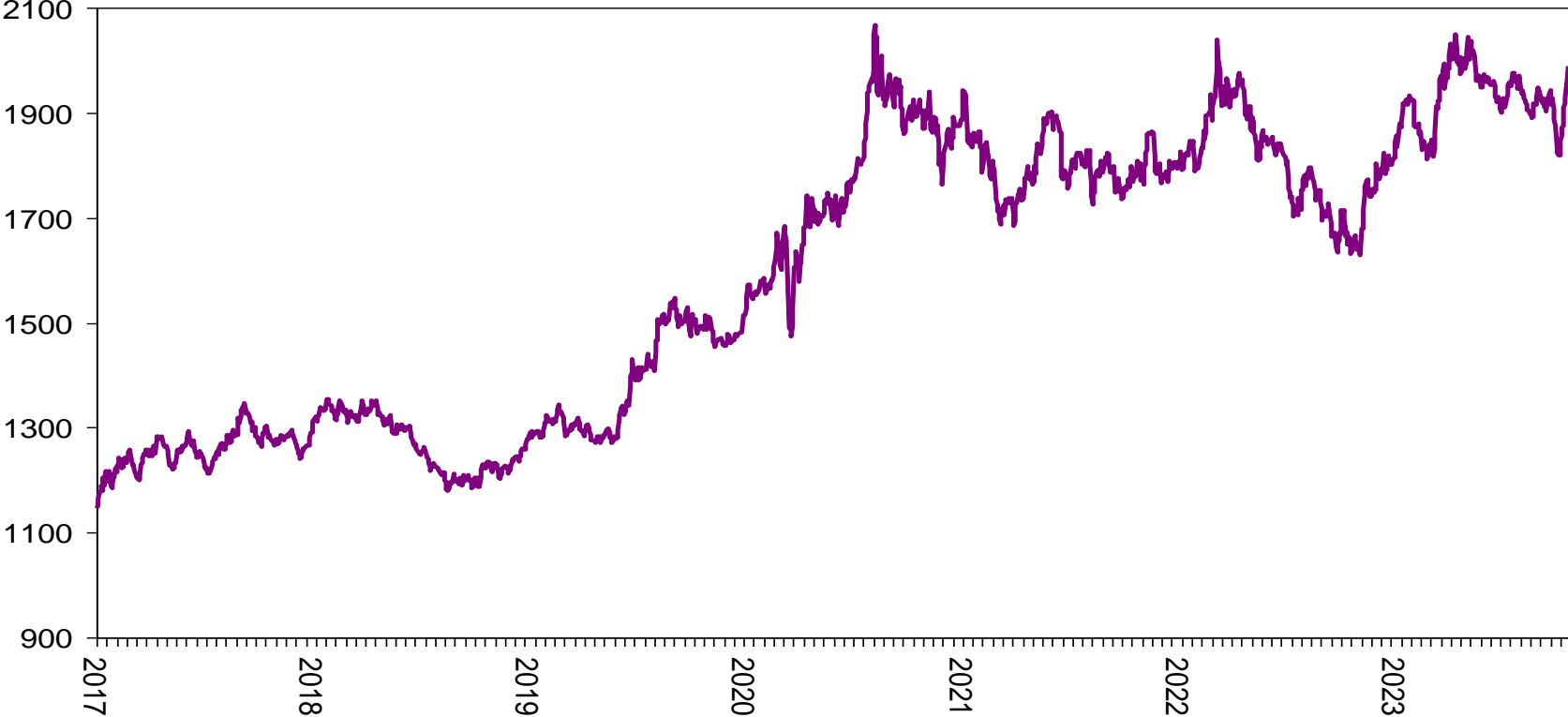


# World food inflation



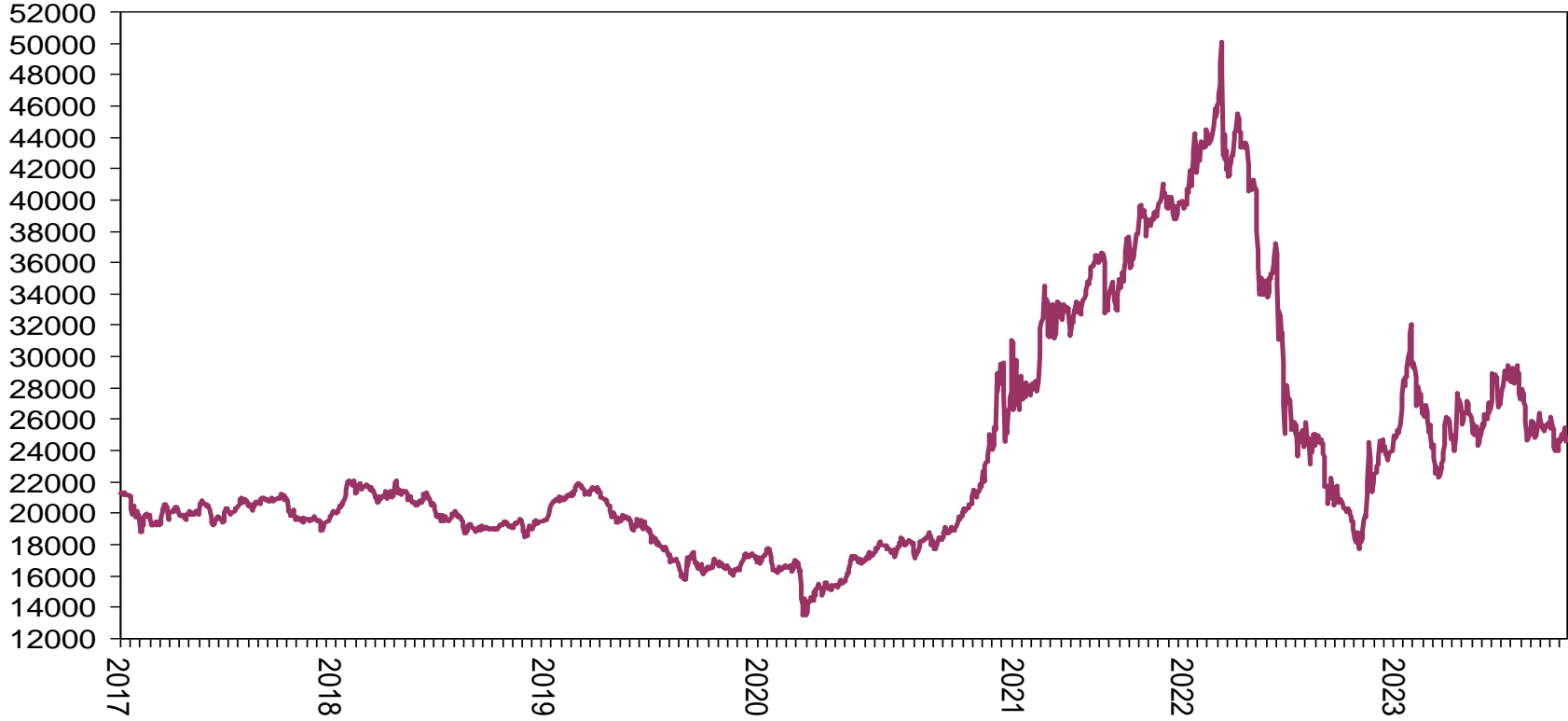
# Gold price

\$/ounce



# Tin price

\$/MT



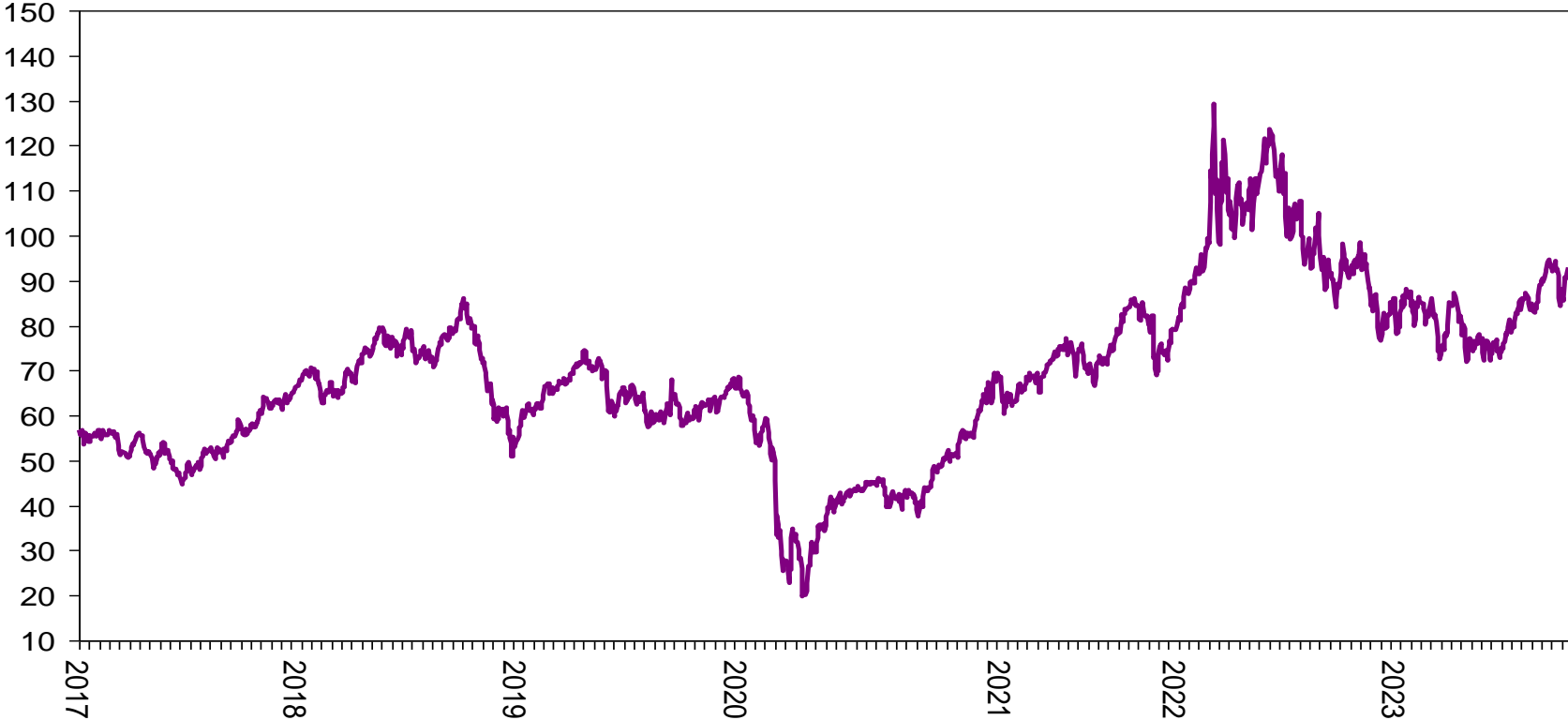
# Silver price

\$/ounce



# Oil price

\$/b l



# Copper price

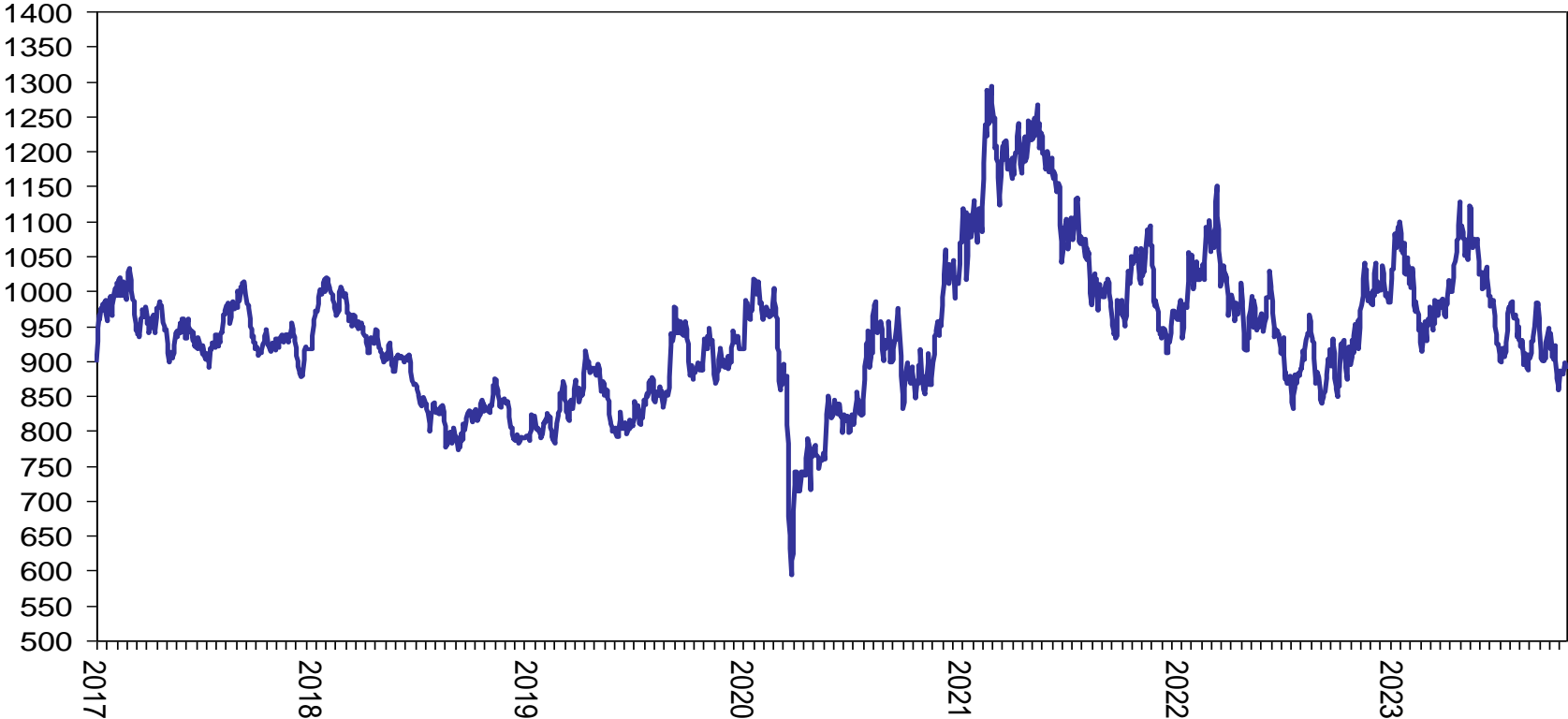
\$/MT





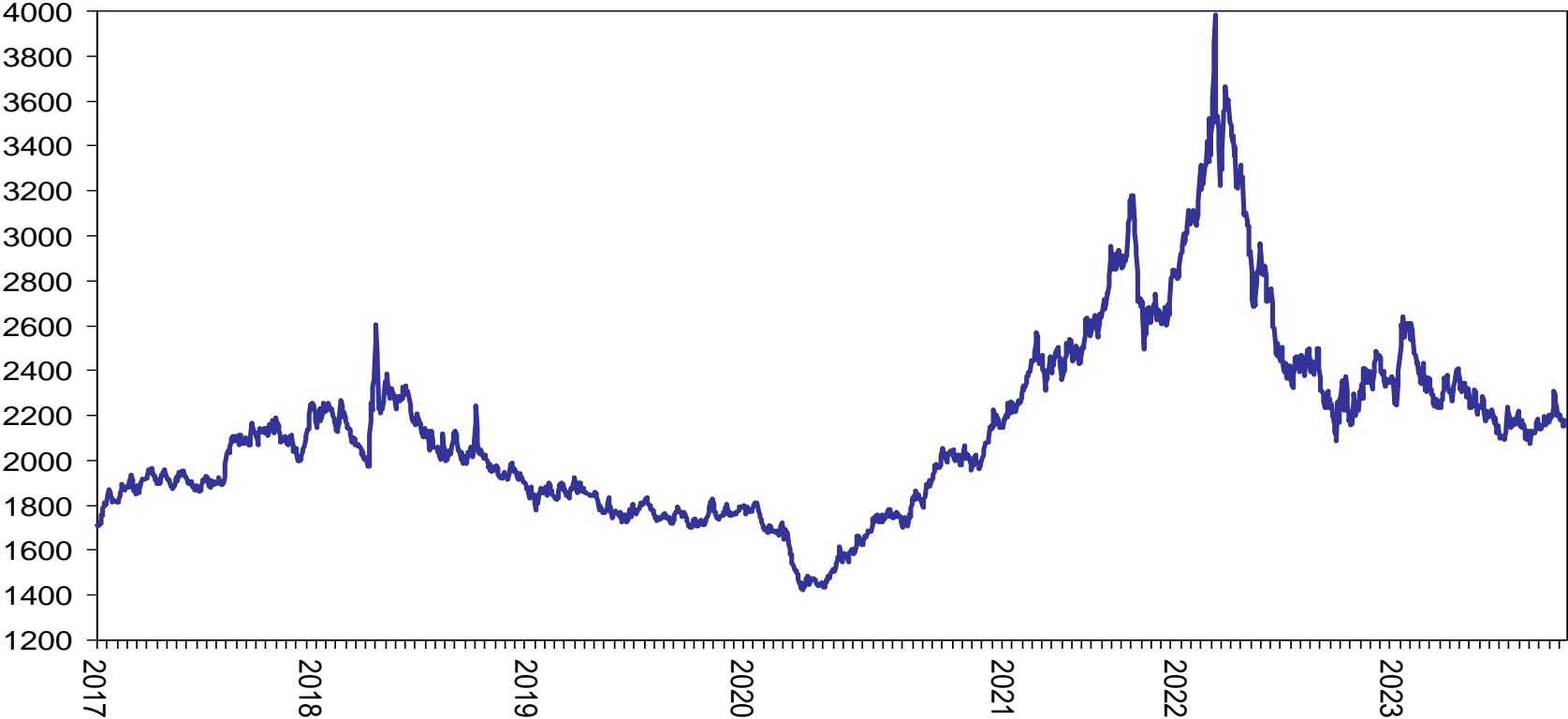
# Platinum price

\$/ounce



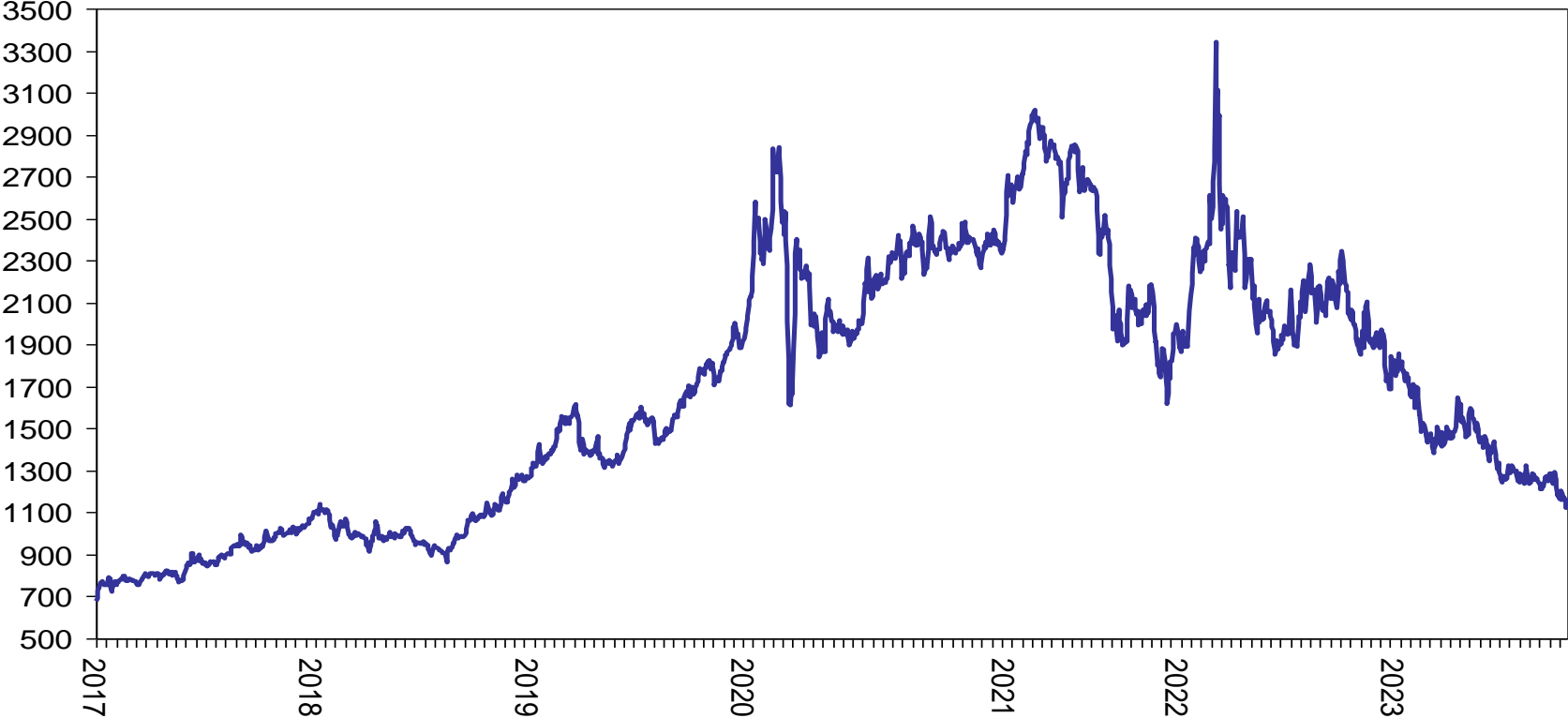
# Aluminium price

\$/MT



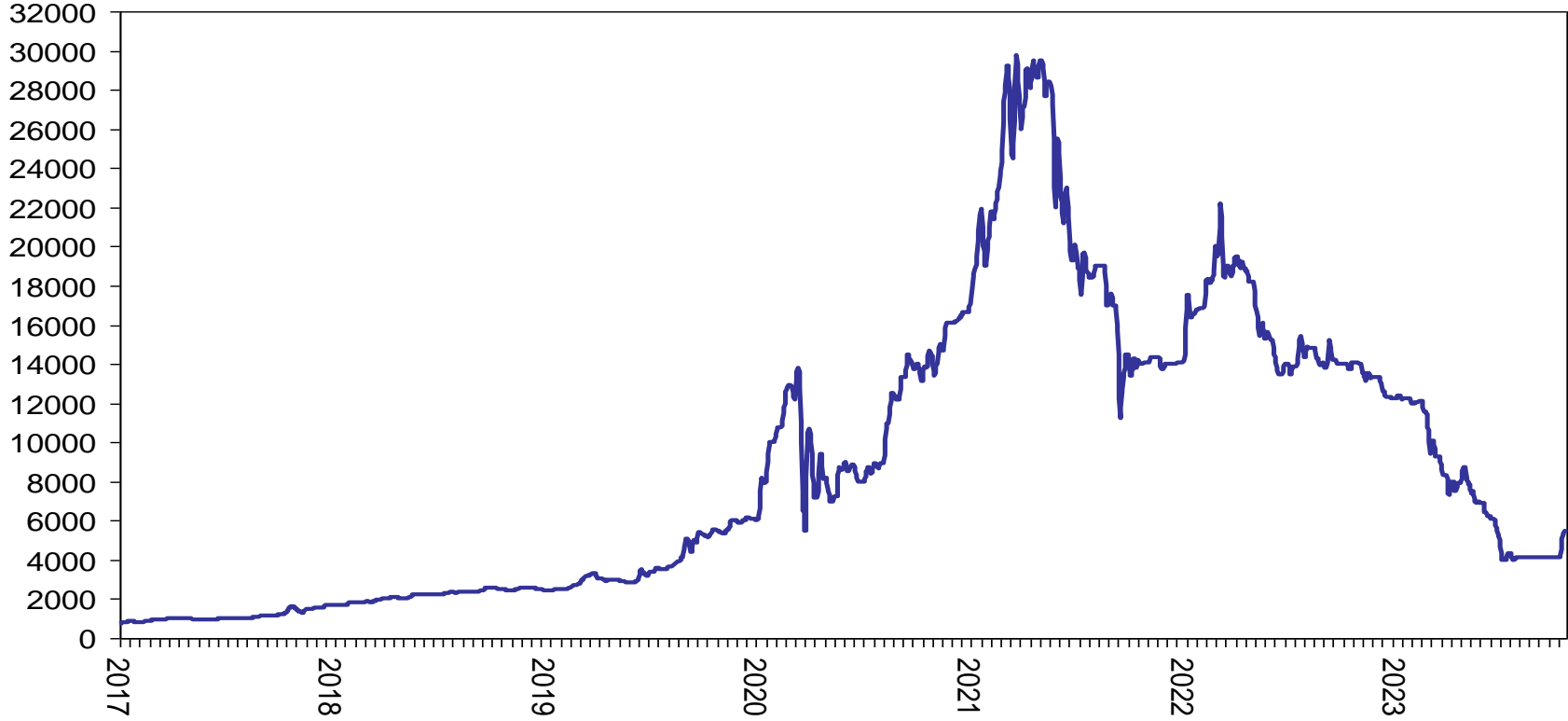
# Palladium price

\$/ounce



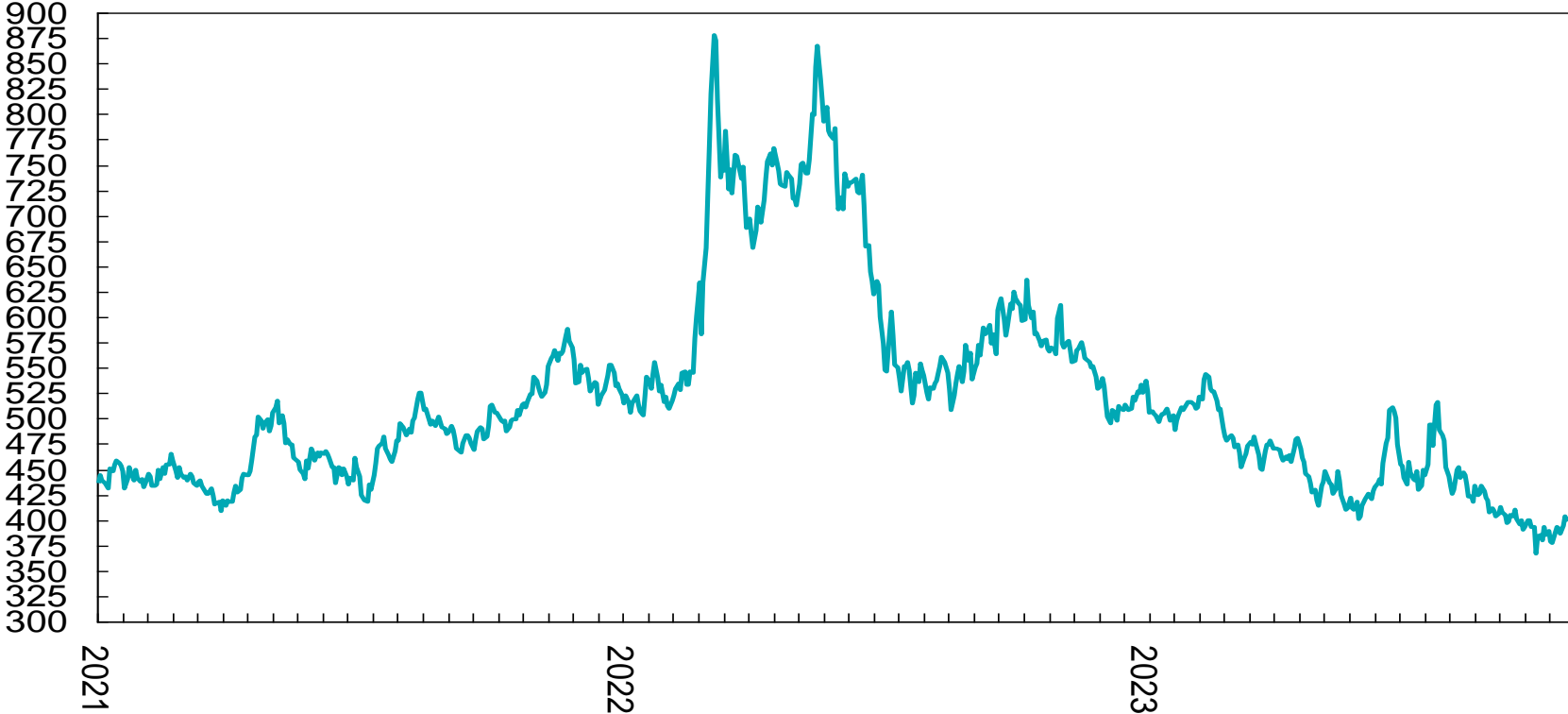
# Rhodium price

\$/ounce



# Global wheat price index

Index



# Financial markets: 16 to 22 October 2023

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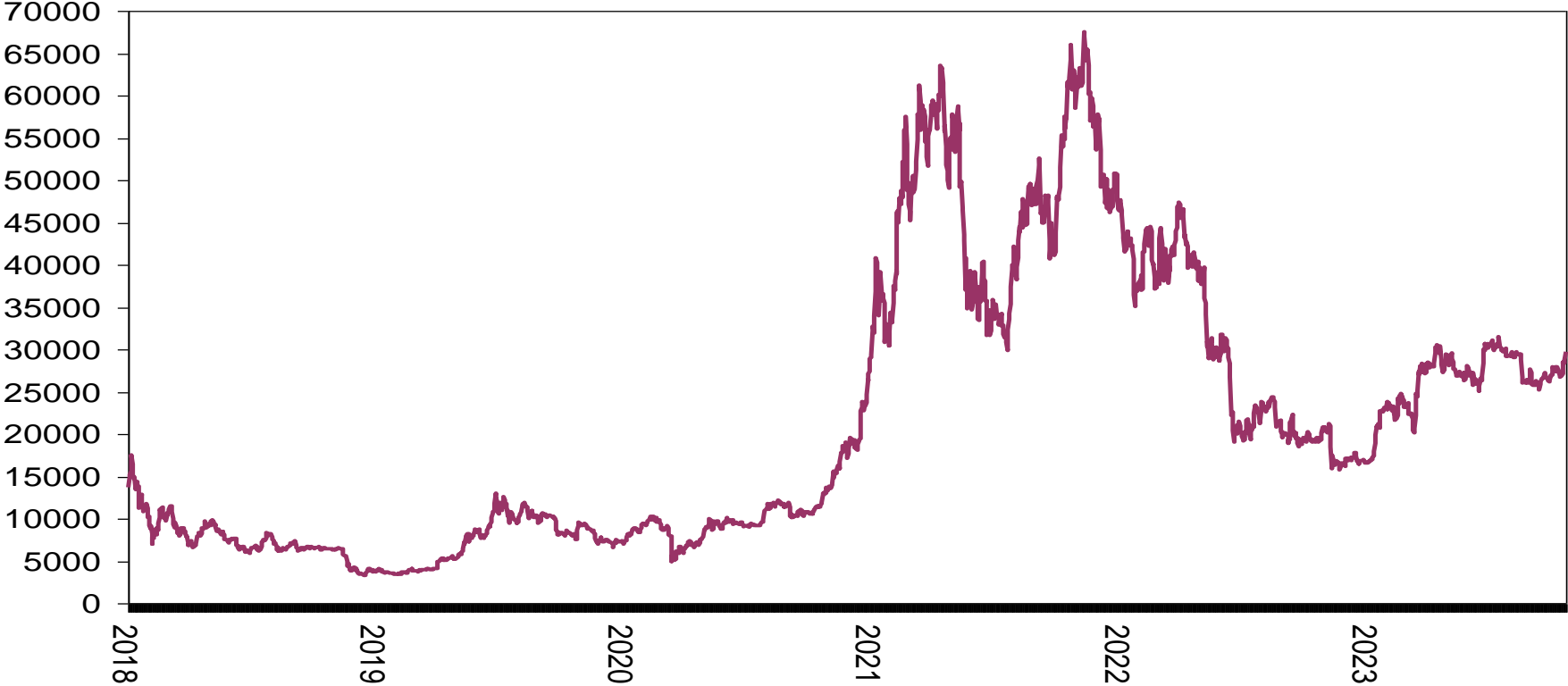
- Bitcoin price
- SA Rand vs Dollar, Euro, Pound
- SA Rand vs Dollar, monthly rate of change
- SA 10-year government bond yield
- US 10-year bond yield
- US S&P 500 equity index
- US Nasdaq 100 index
- US Chicago Board Options Exchange Volatility Index
- SA All Share equity index
- US Dollar per Euro
- US Dollar vs RMB
- SA 10-year bond yield
- Foreign buying of SA government bonds
- Foreign buying of SA equities
- Foreign ownership of SA government bonds
- US Fed holding of US government bonds
- US Treasury cash holding at Federal Reserve
- SA Rand vs commodity prices
- Baltic dry shipping index
- SA volume of equity transactions on the JSE
- SA value of equity transactions on the JSE
- SA volume of transactions in the SA bond market
- SA value of transactions in the SA bond market



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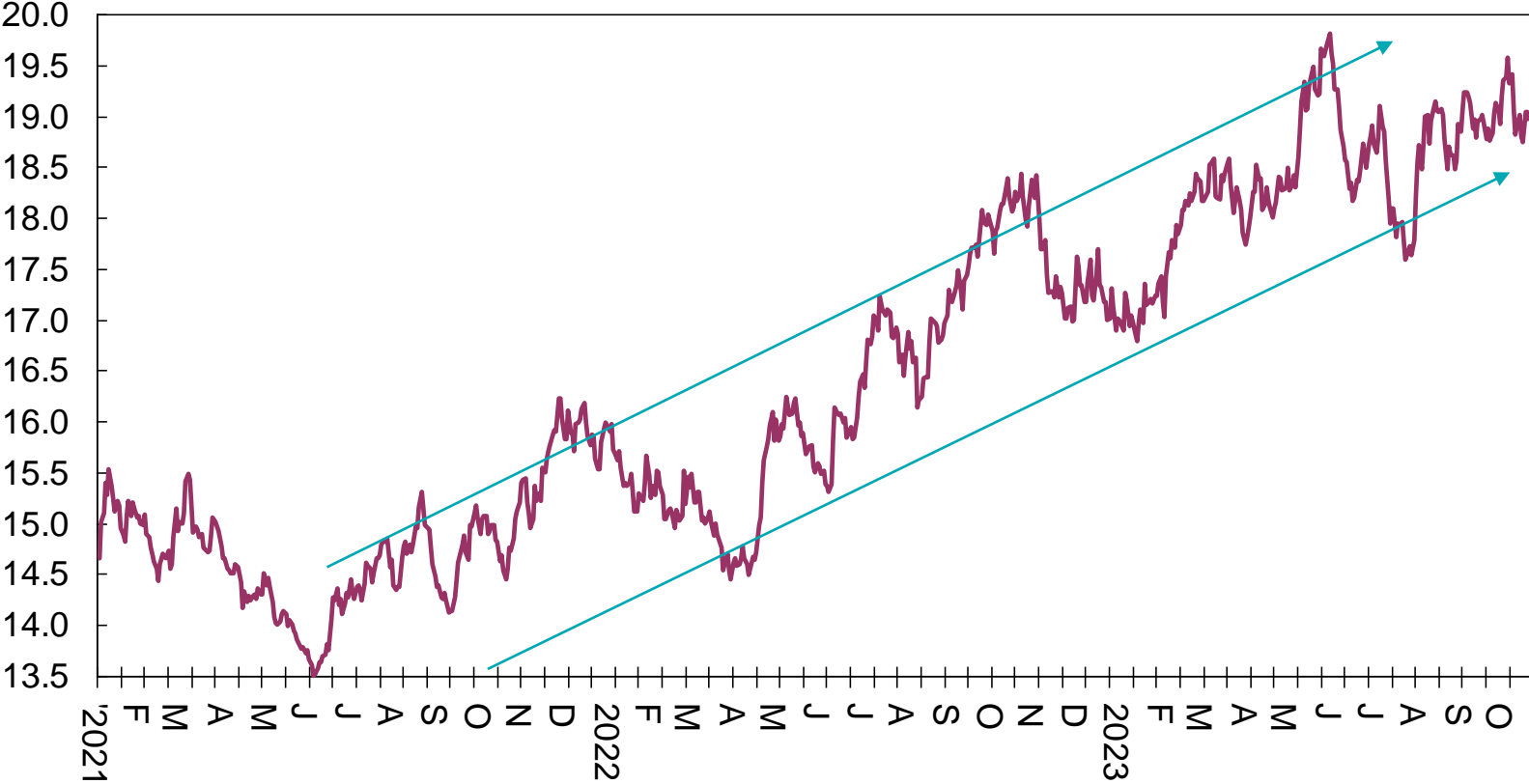
# Bitcoin price

Dollar



# South Africa Rand vs US Dollar (daily)

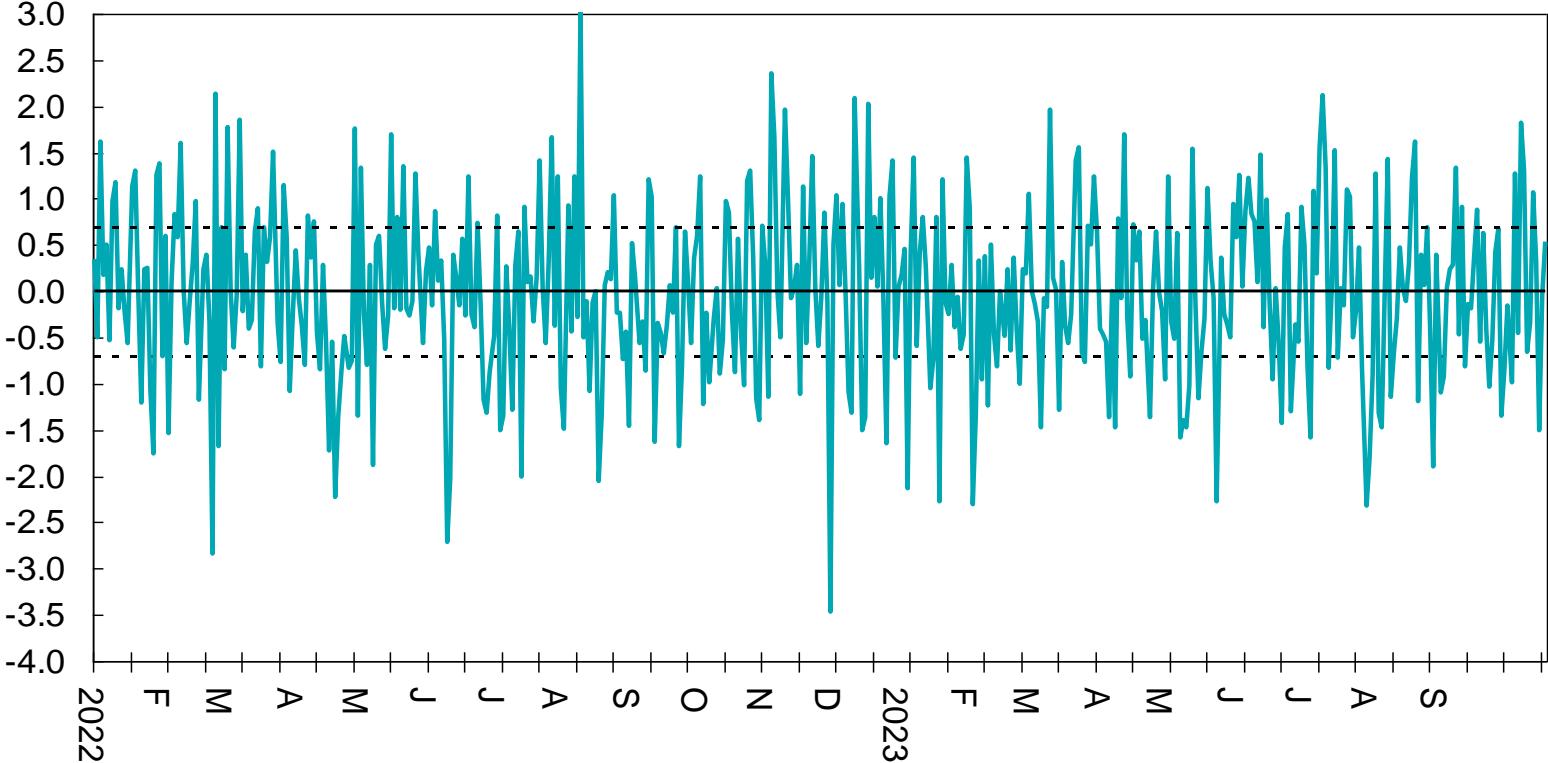
Rand per Dollar





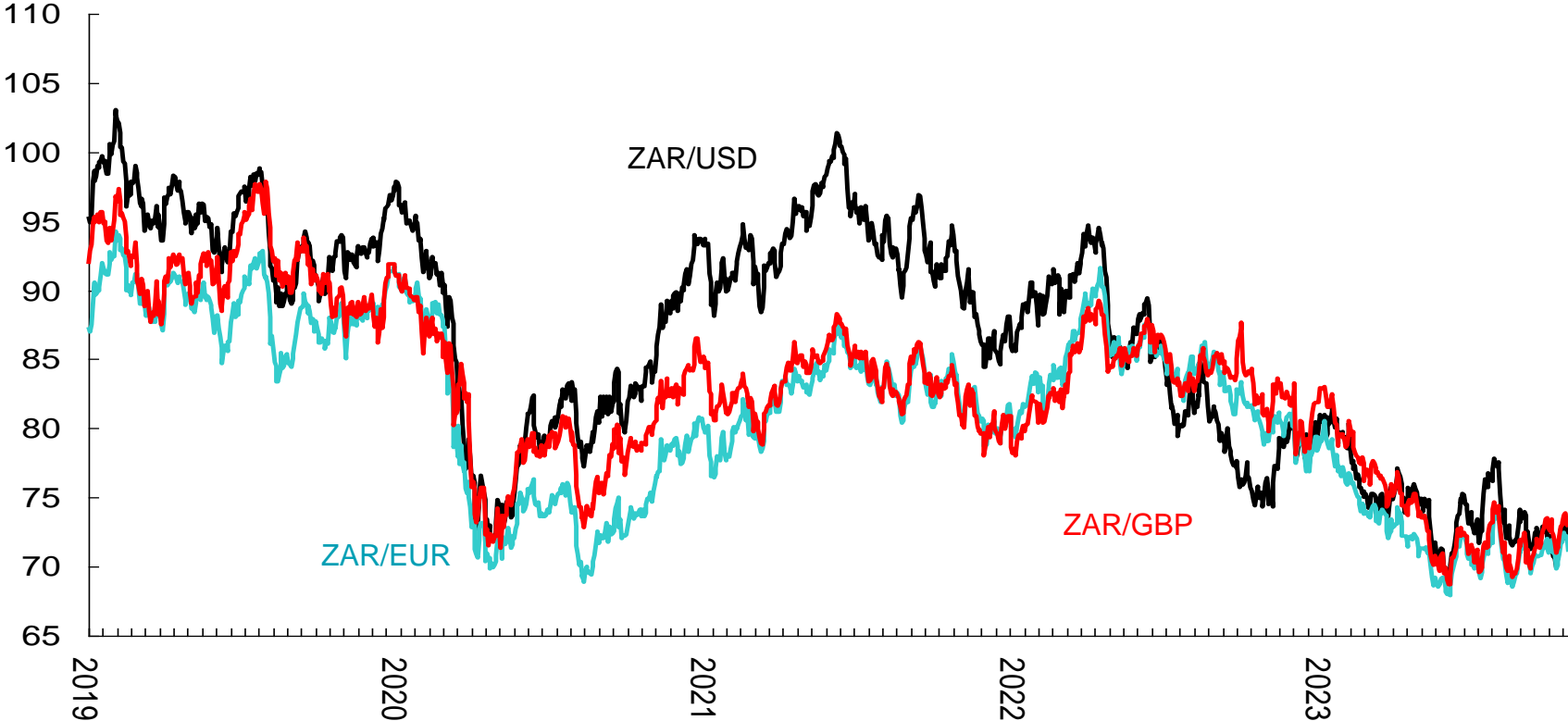
# South Africa Rand vs US Dollar (daily change in value)

% change, day-on-day

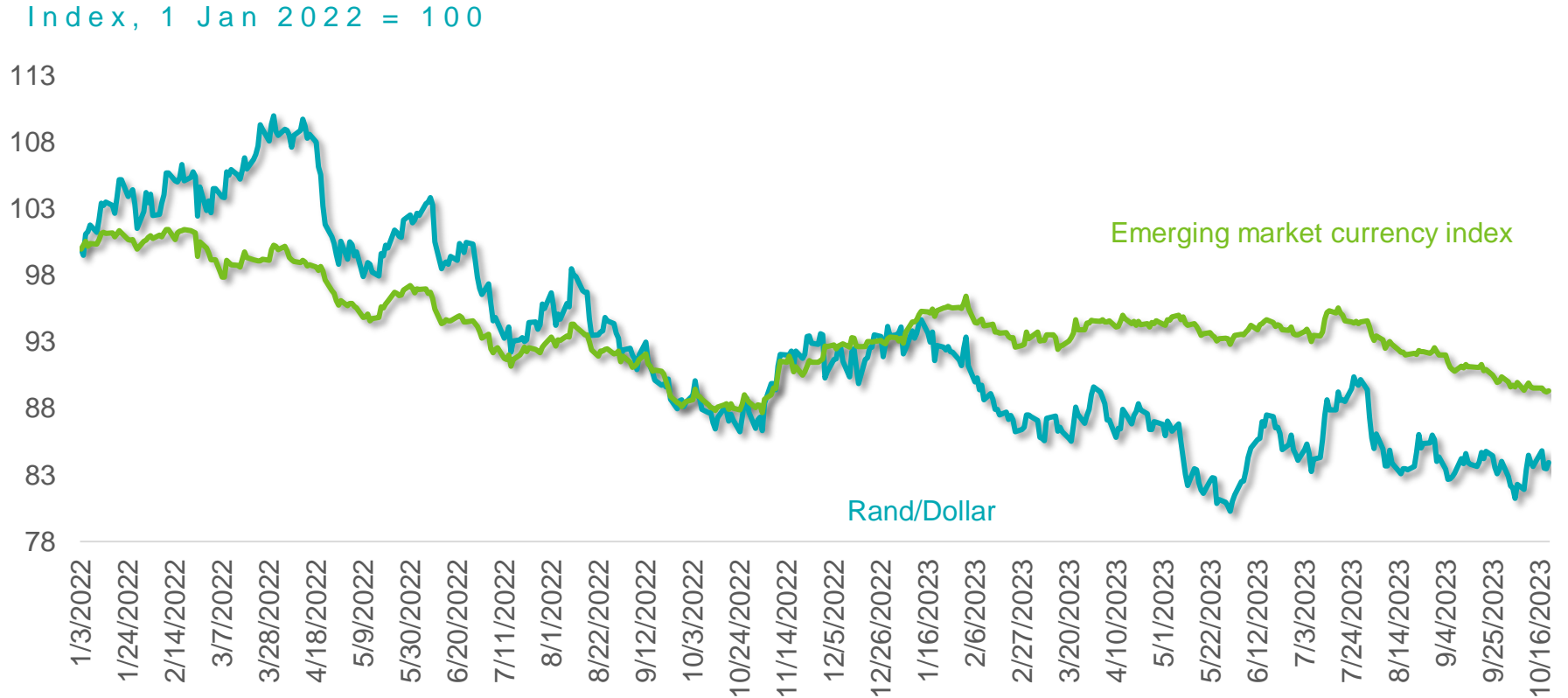


# SA Rand vs Dollar, Euro and Pound

Index, 1 January 2017 = 100



# Rand/US Dollar vs Emerging Market Currencies



# SA trade-weighted exchange rate

Index, nominal, daily data from JP Morgan



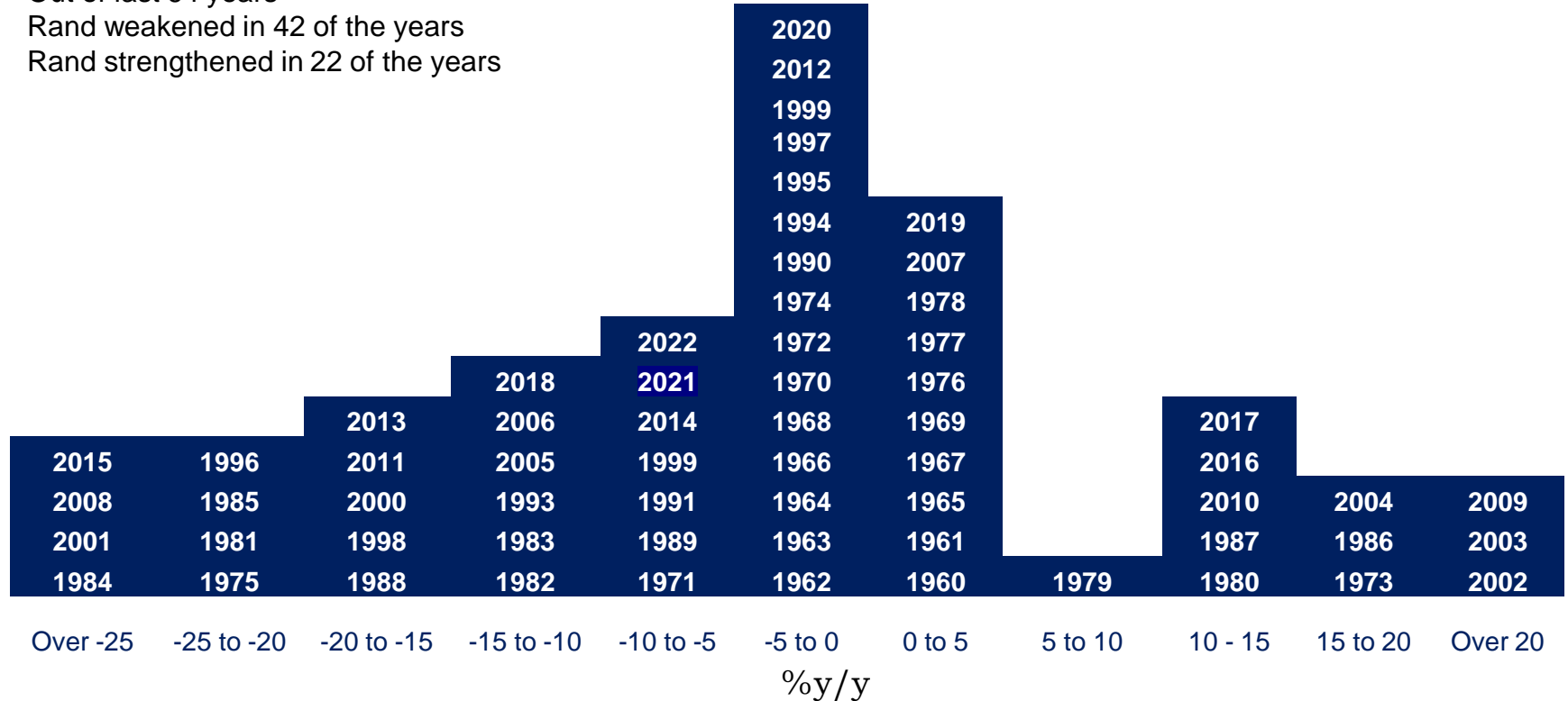


# Rand/Dollar annual performance

Out of last 64 years

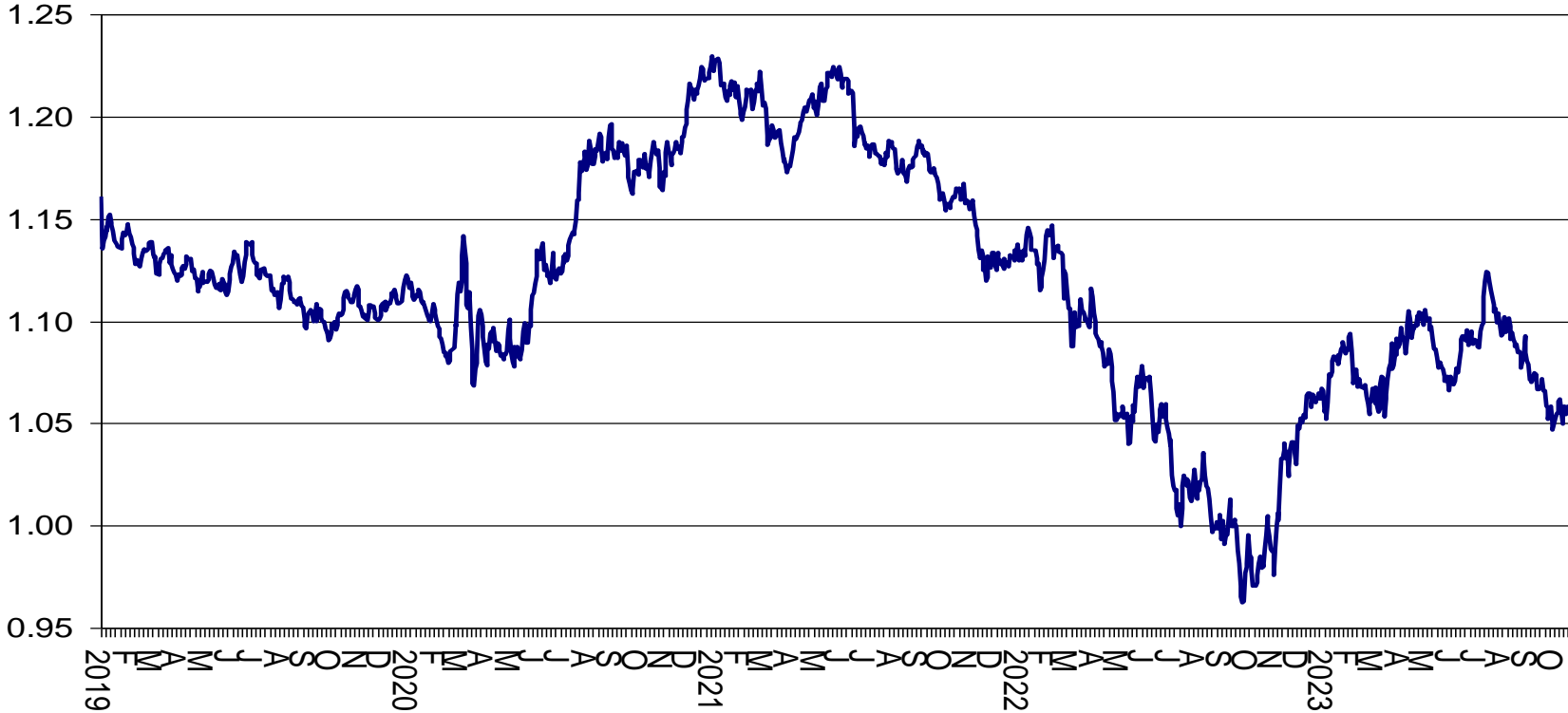
Rand weakened in 42 of the years

Rand strengthened in 22 of the years



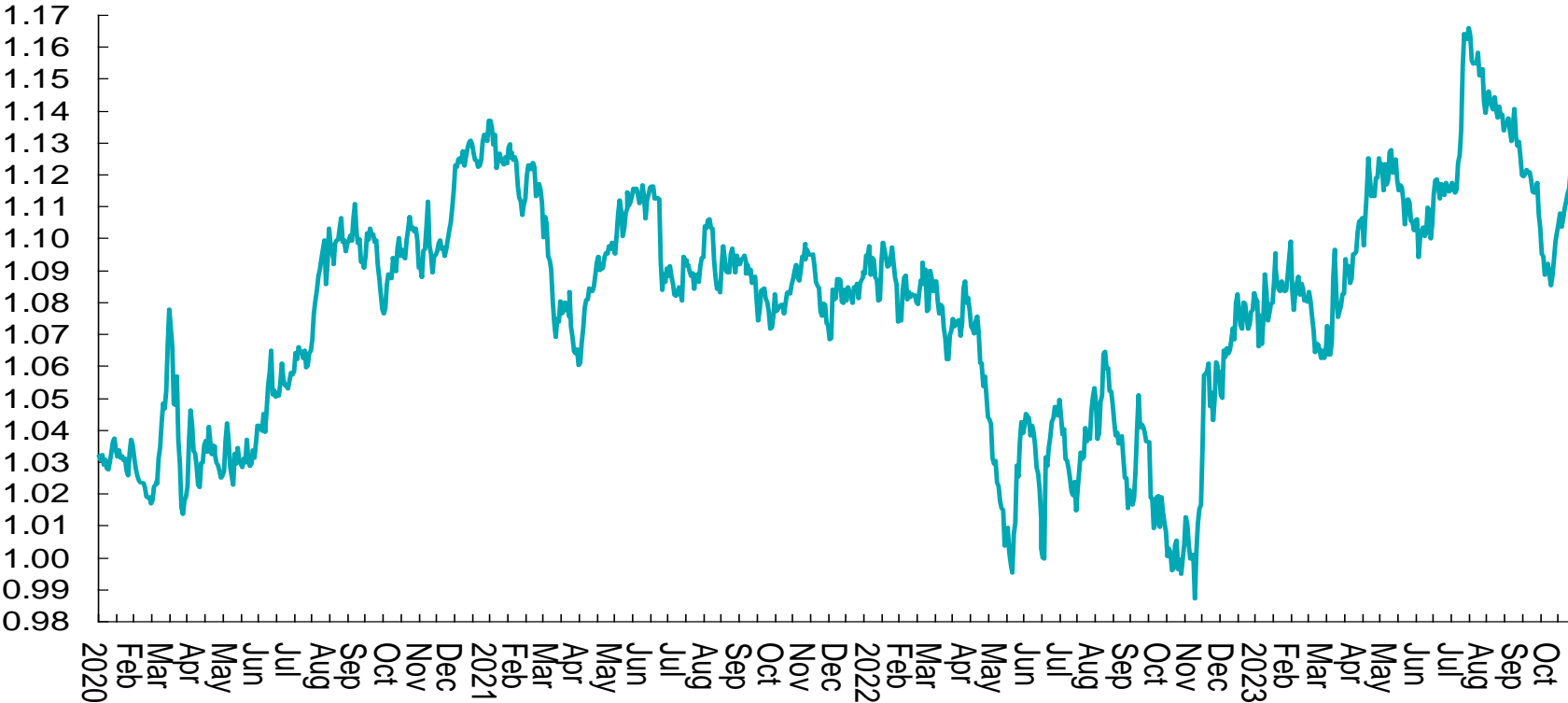
# US Dollar vs Euro

Dollar per Euro



# US Dollar per Swiss Franc

USD per CHF





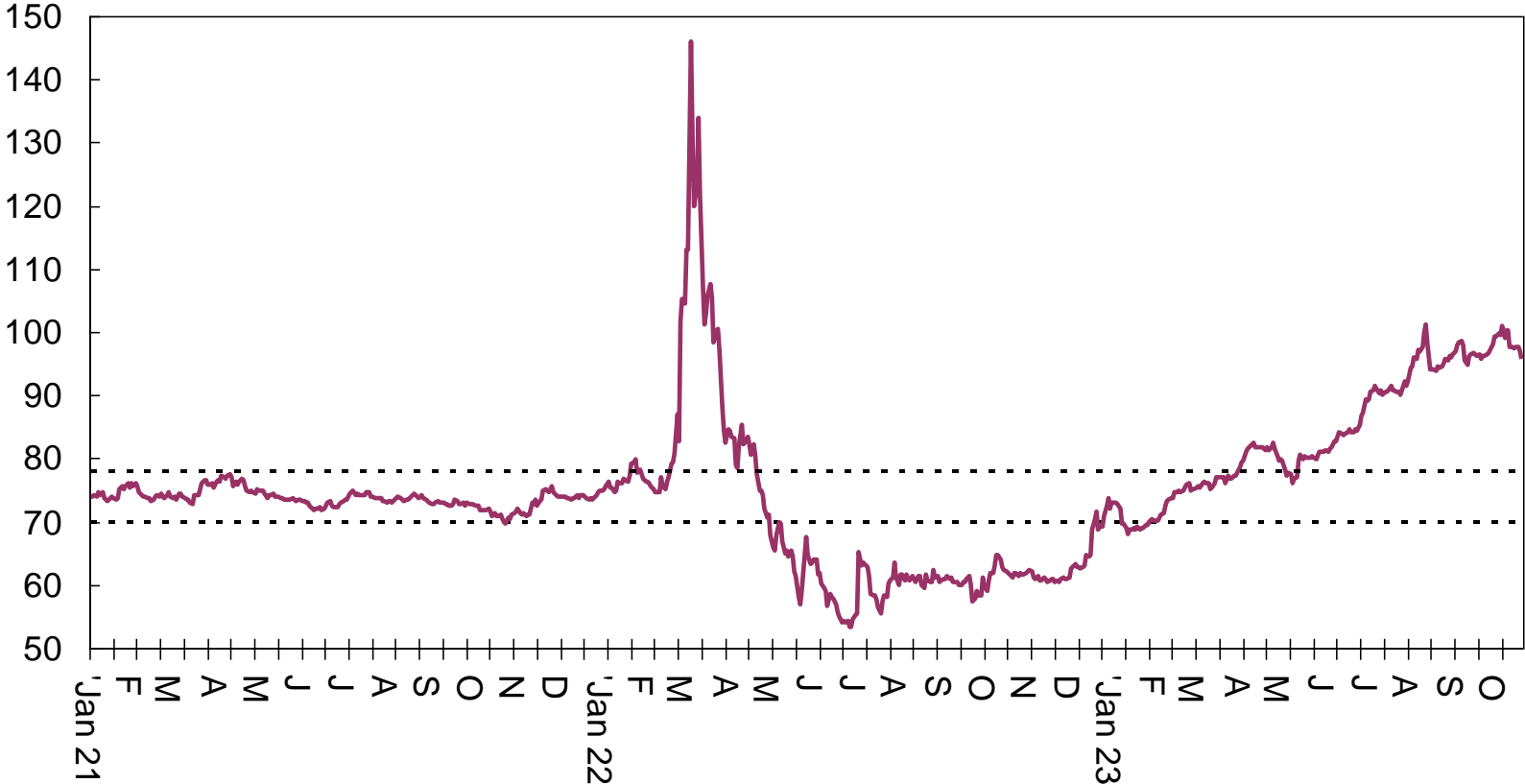
# US Dollar vs CNY

CNY per US Dollar



# Russian Ruble vs US Dollar (daily)

Ruble per Dollar



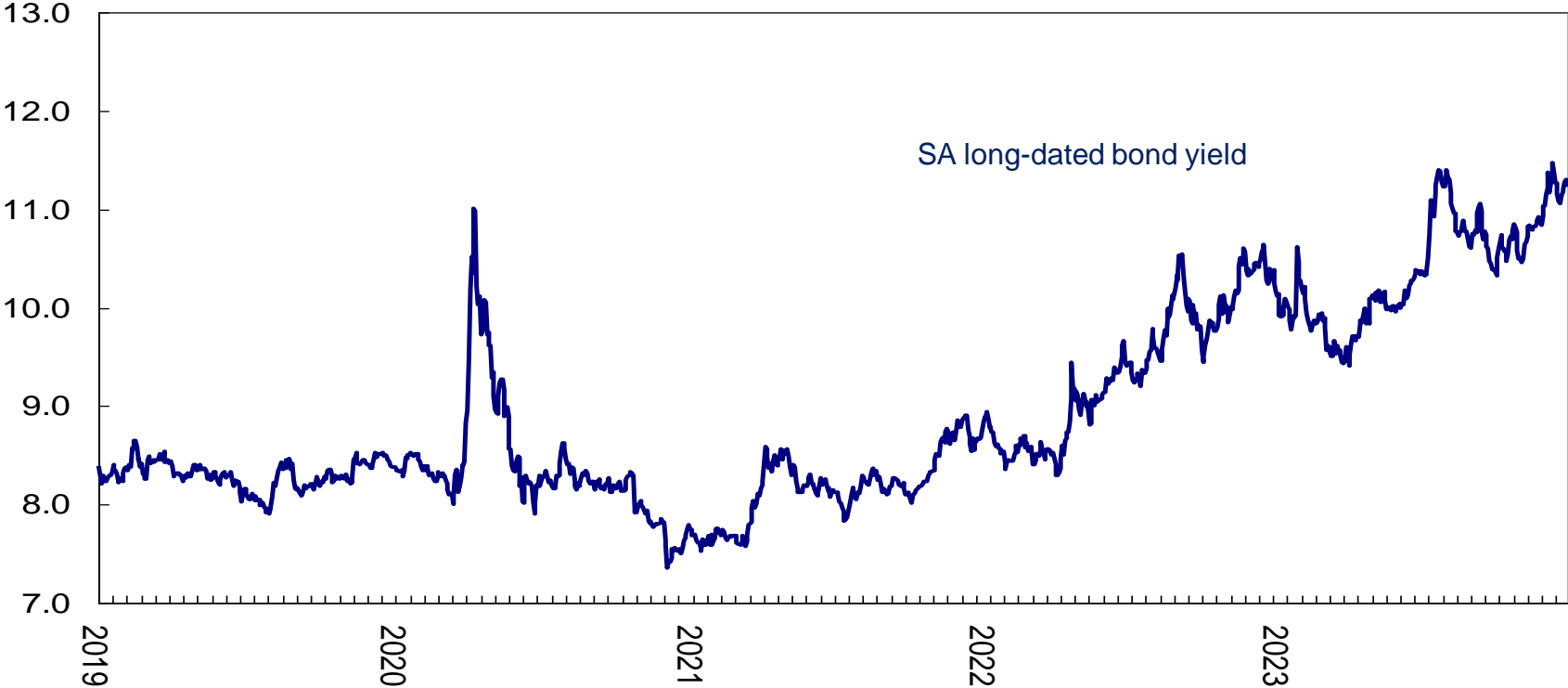
# Japanese Yen per US Dollar

Yen per Dollar



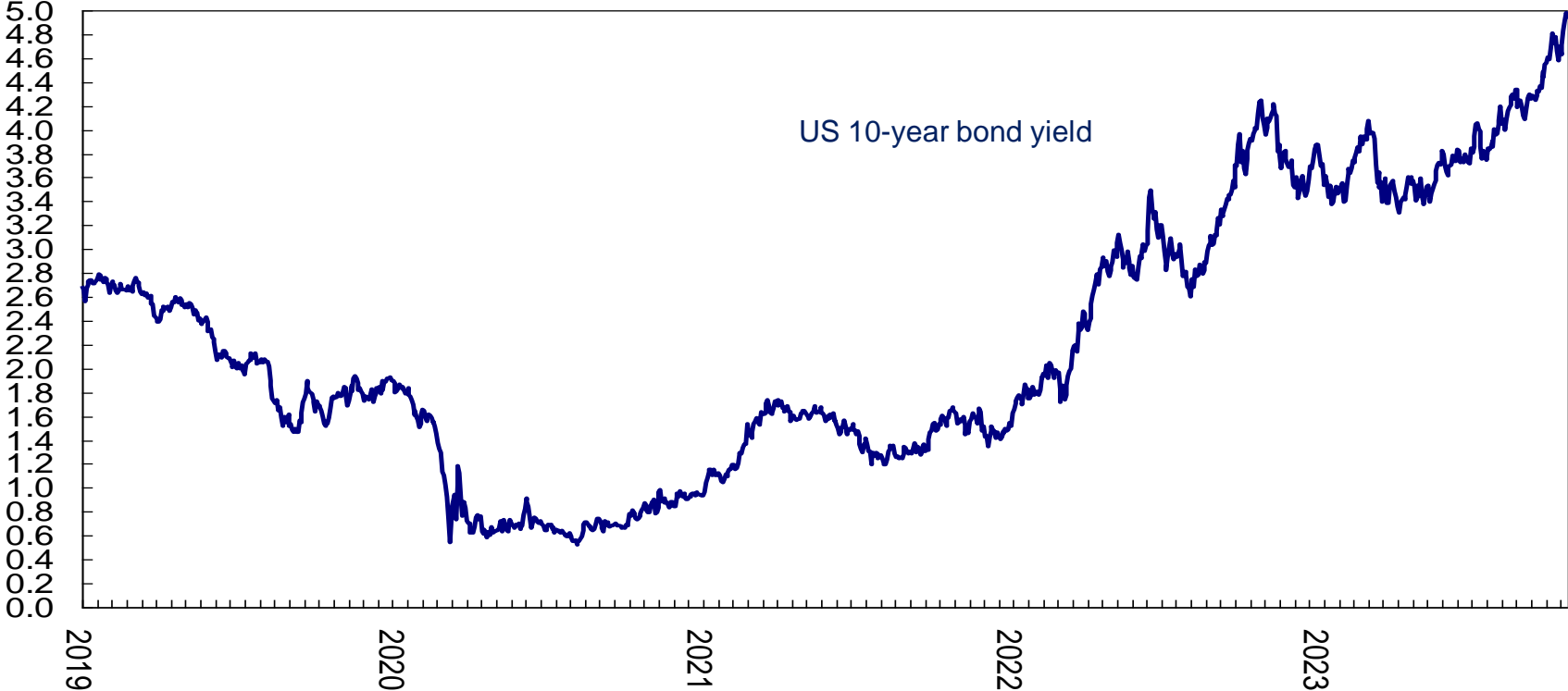
# SA long-dated government bond yield

% yield



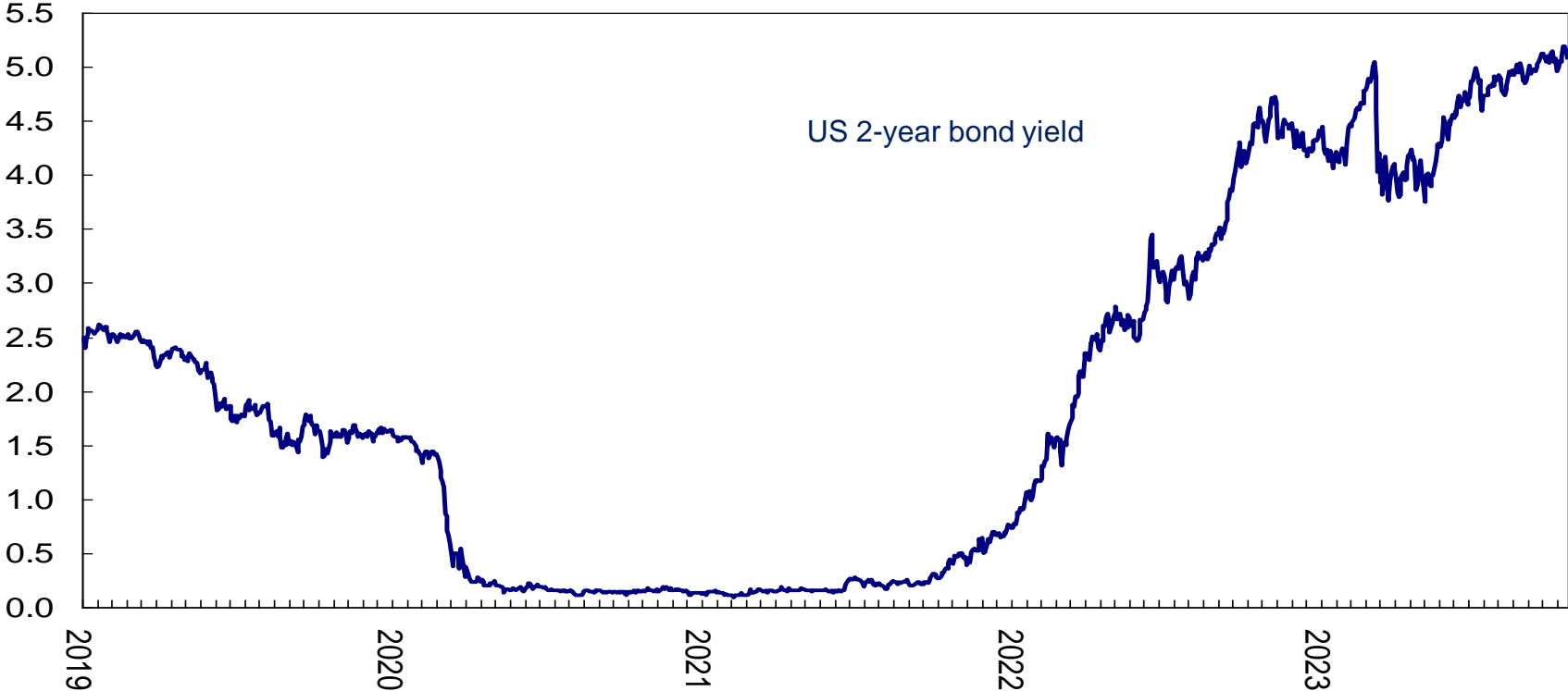
# US 10-year government bond yield

% yield



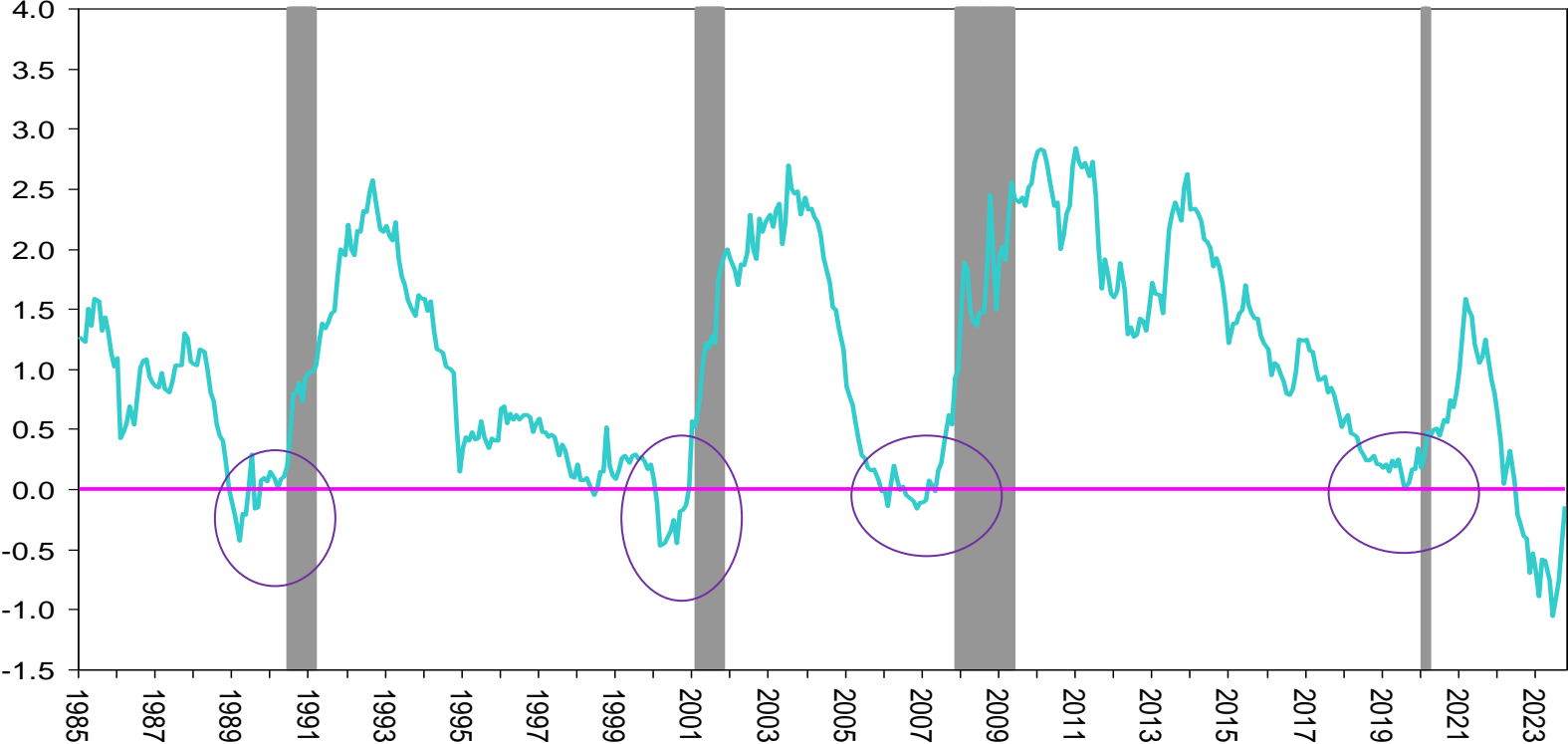
# US 2-year government bond yield

% yield



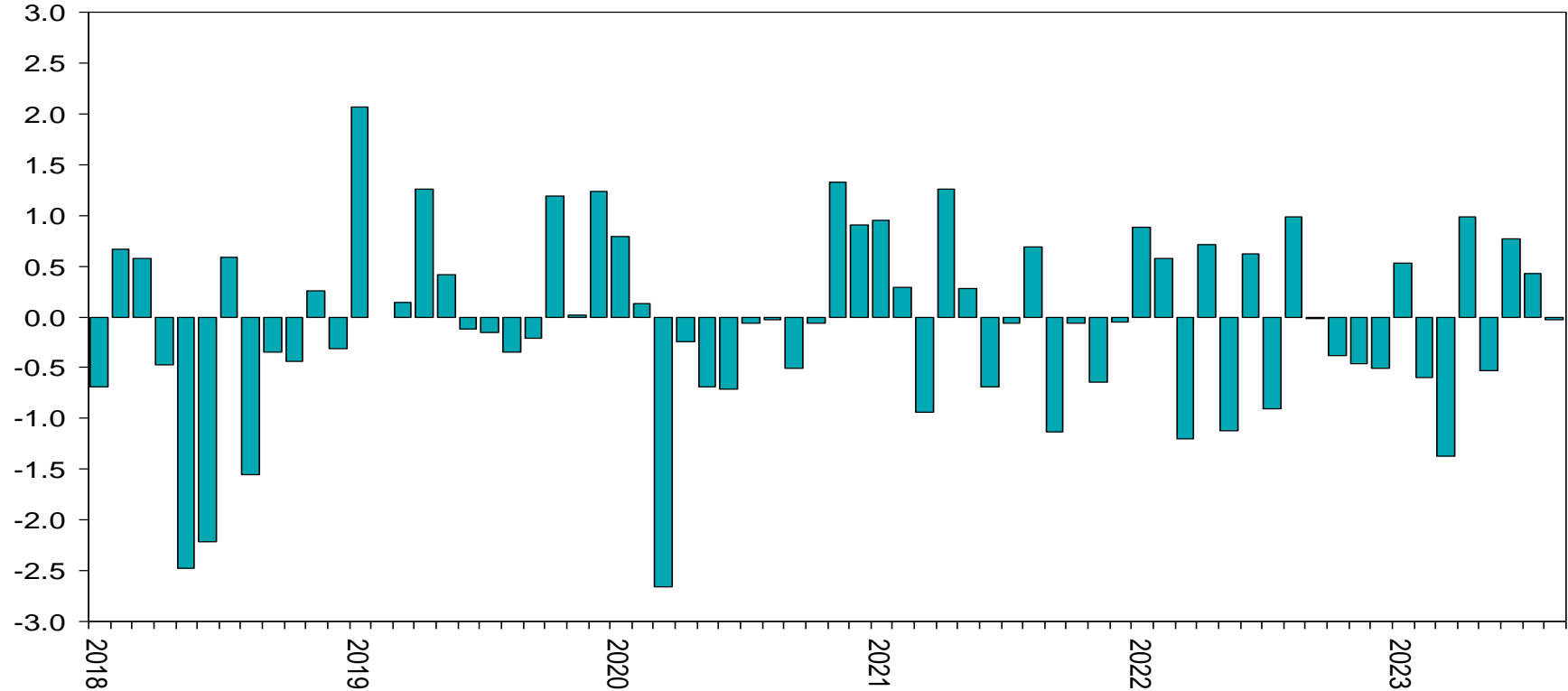
# US 10-year less 2-year treasury and business cycle

Percentage points



# Foreign buying of South African government bonds

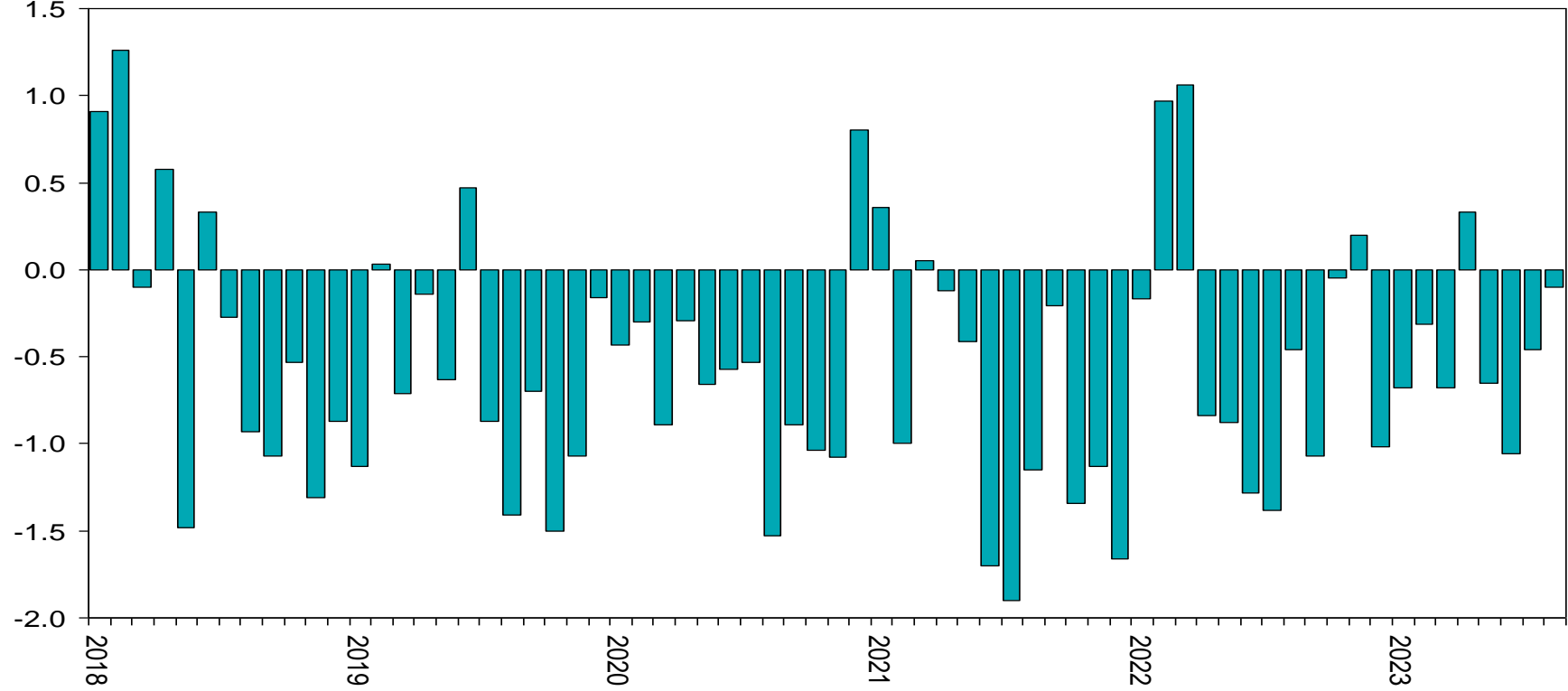
\$ billion (SA Reserve Bank data)





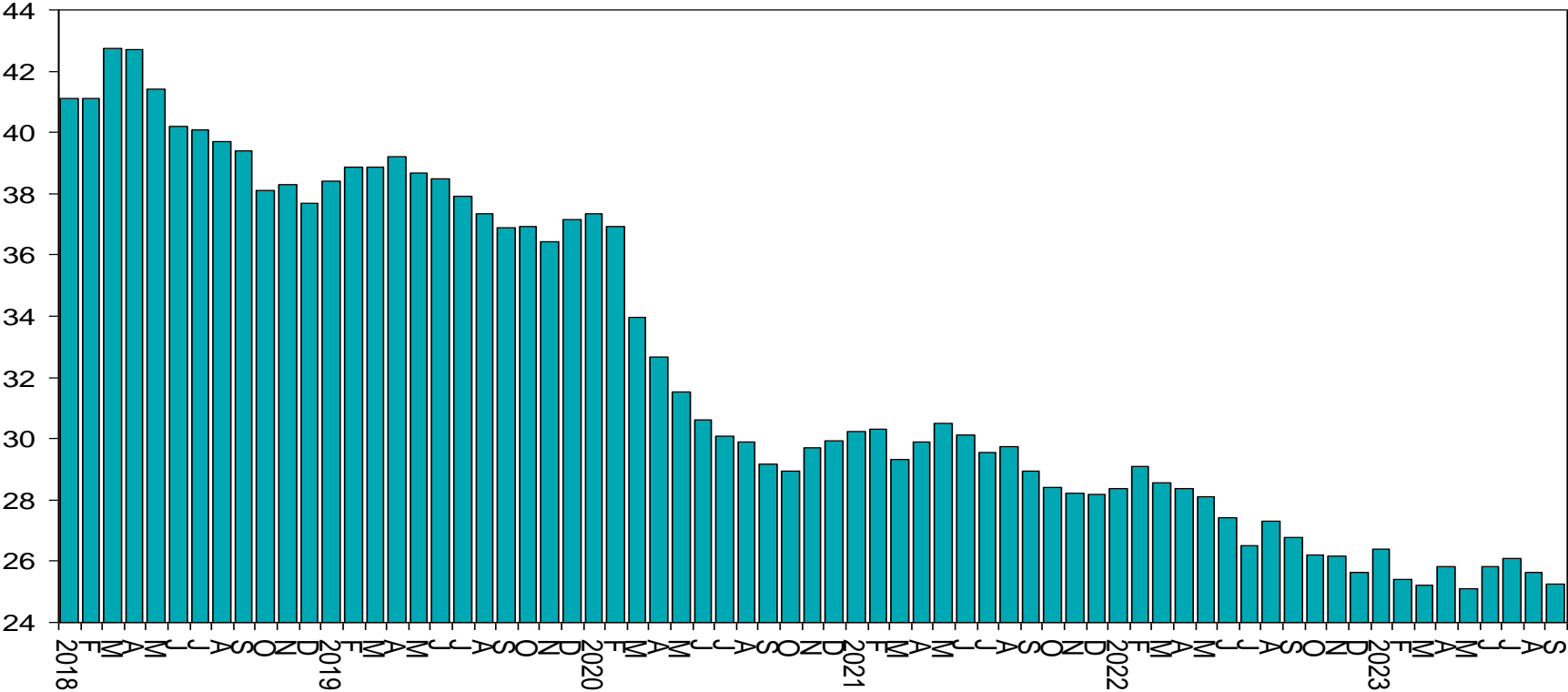
# Foreign buying of South African equities

\$ billion (SA Reserve Bank data)



# Foreign ownership of South African government bonds

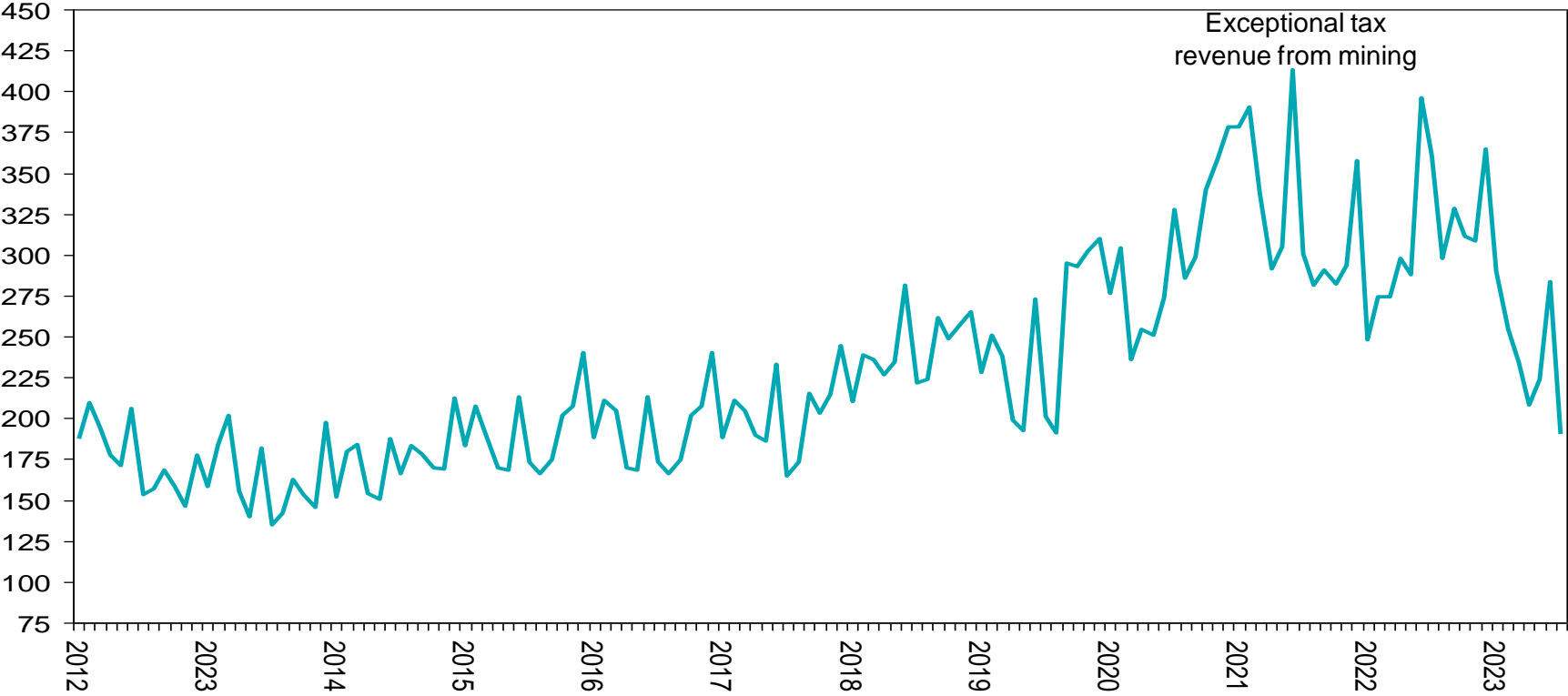
% of total



Source: South African National Treasury

# SA government cash balance (commercial banks & Reserve Bank)

R billion

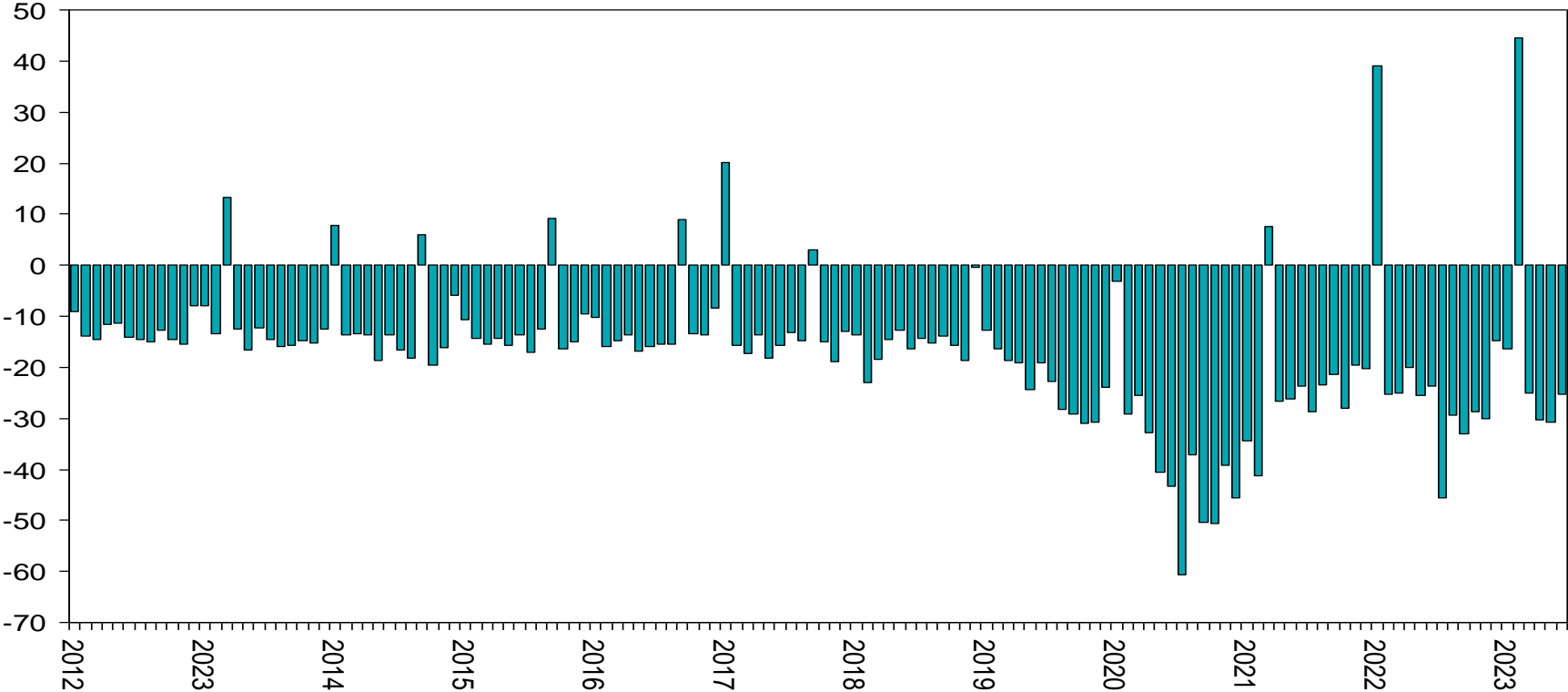


Source: South African National Treasury

# SA government net domestic long-term debt issuance

R billion

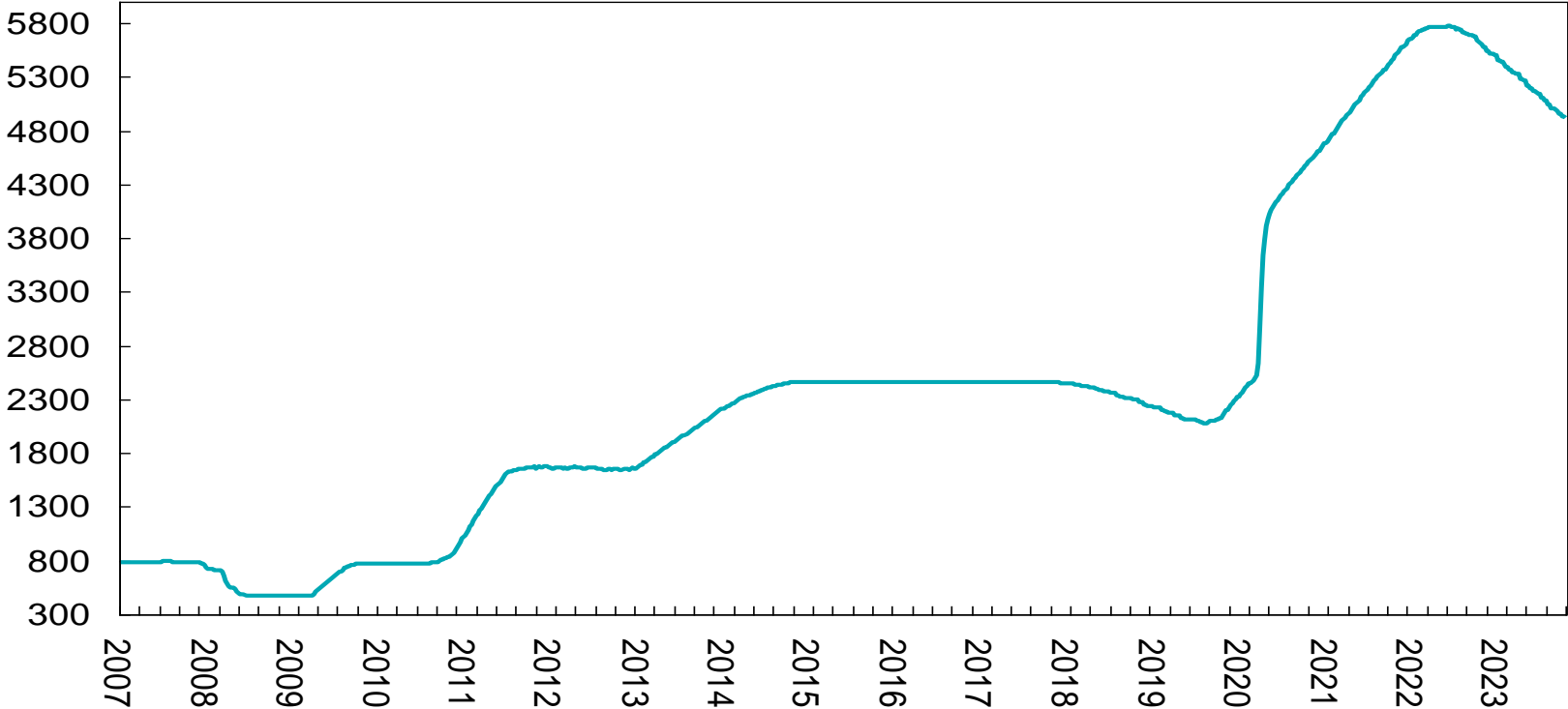
Positive balances reflect the net impact of debt redemptions during the month



Source: South African National Treasury

# US Federal Reserve ownership of government bonds

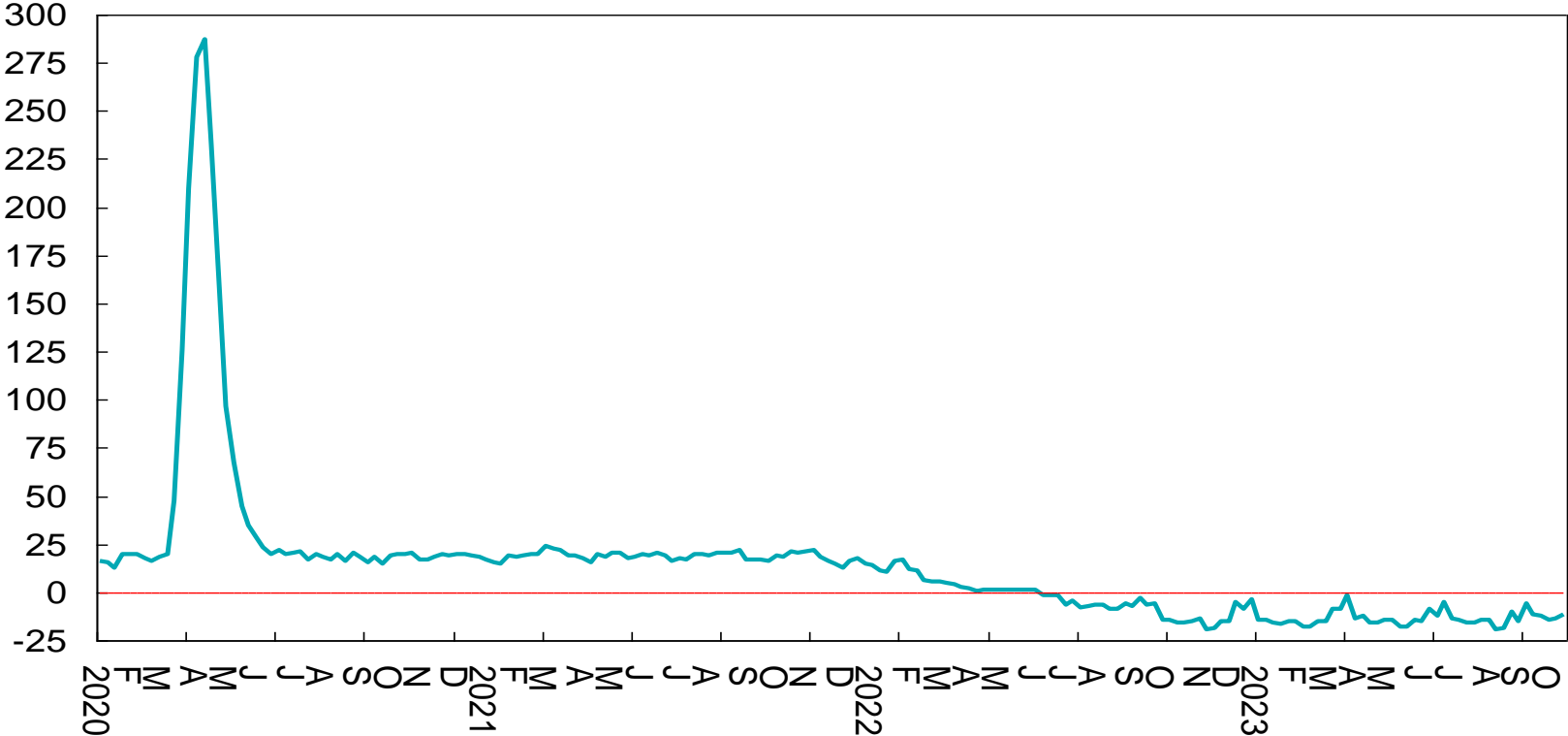
\$ billion



Source: US Federal Reserve

# US Federal Reserve purchase of government bonds

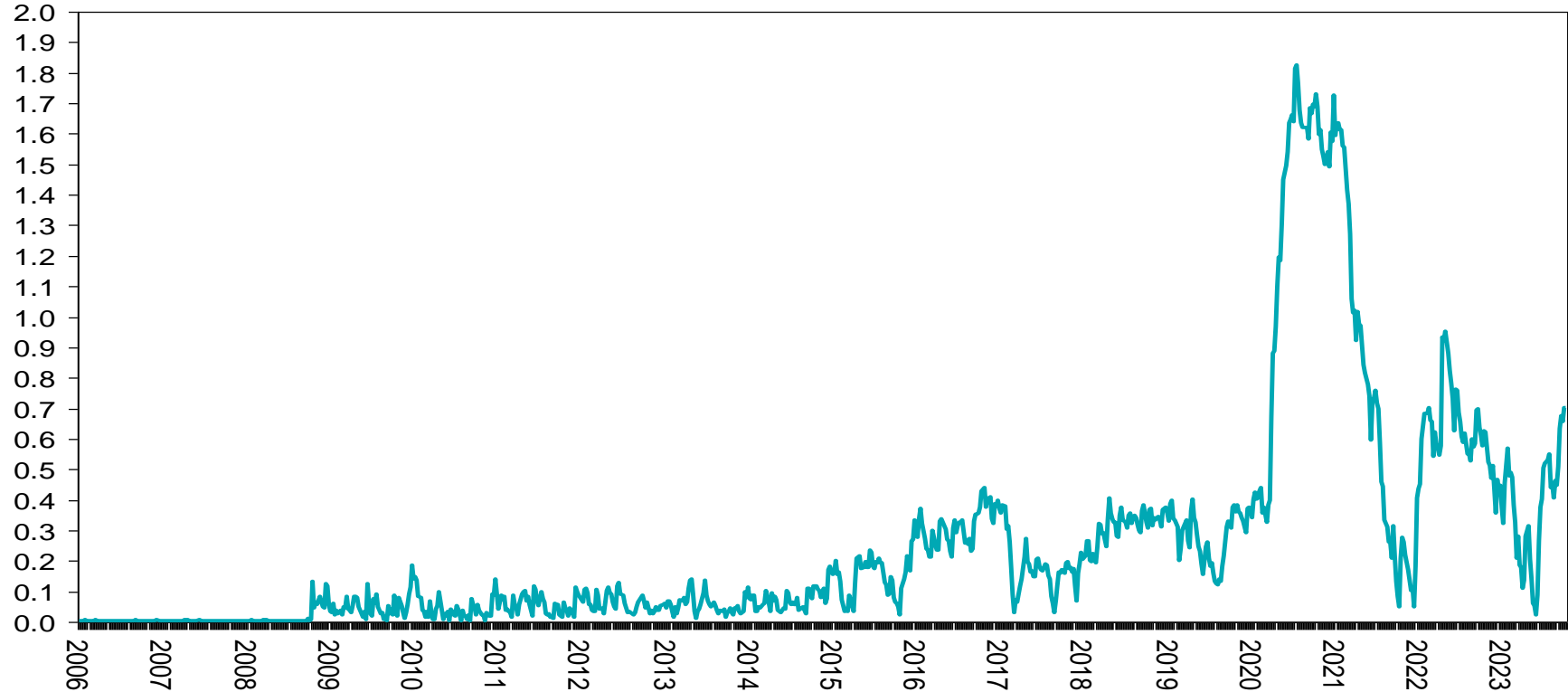
4-week average rate of purchases, \$ billion



Source: US Federal Reserve

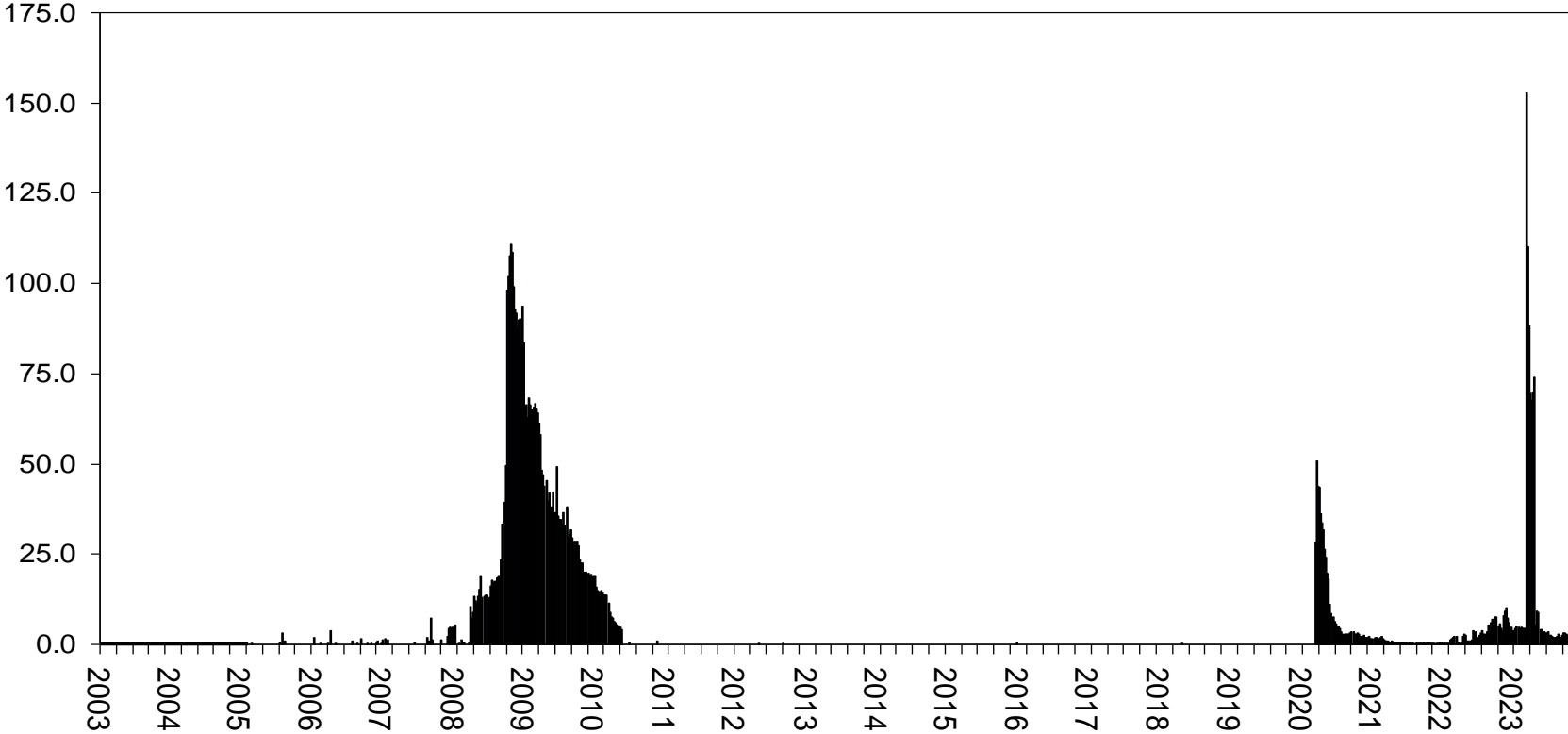
# US Treasury cash balance at Federal Reserve

\$ trillion, weekly



# US Federal Reserve discount window (balance)

\$ billion (weekly data)

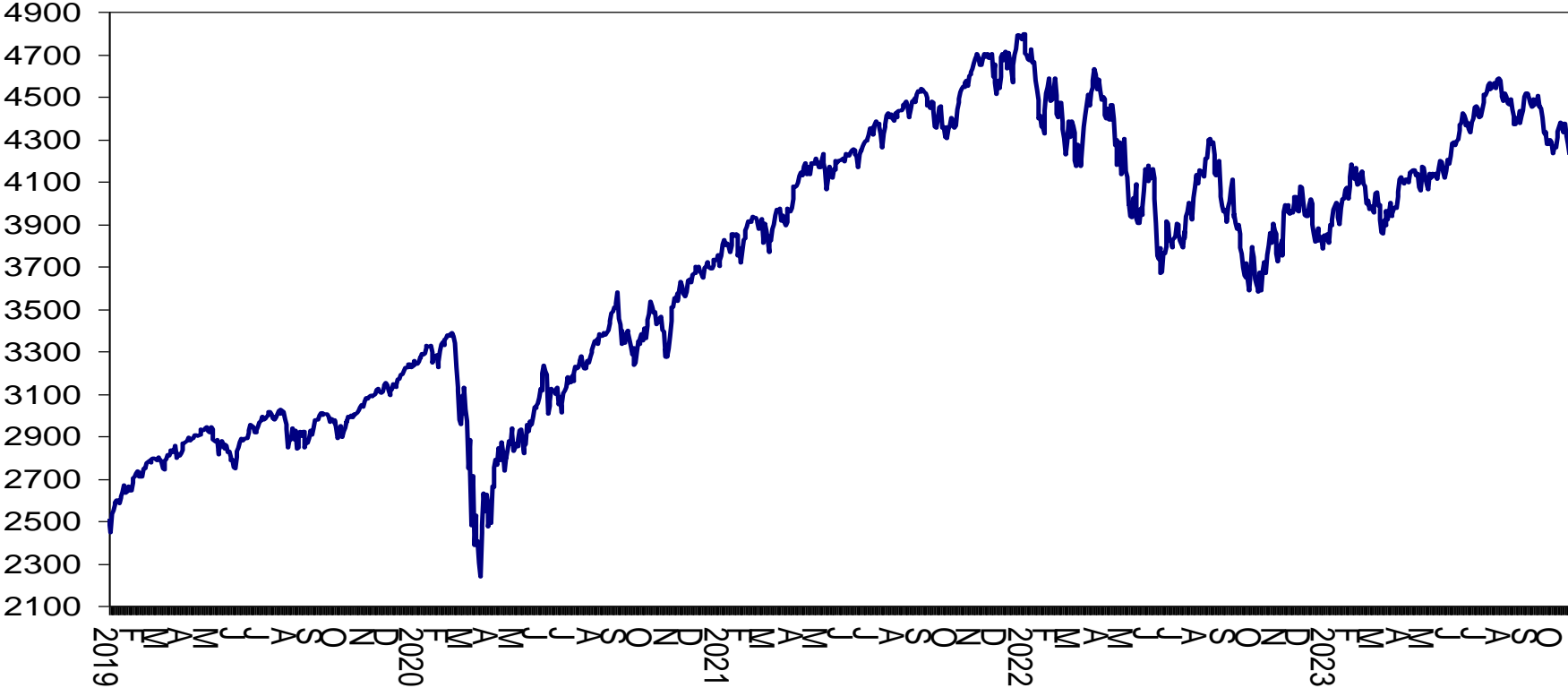






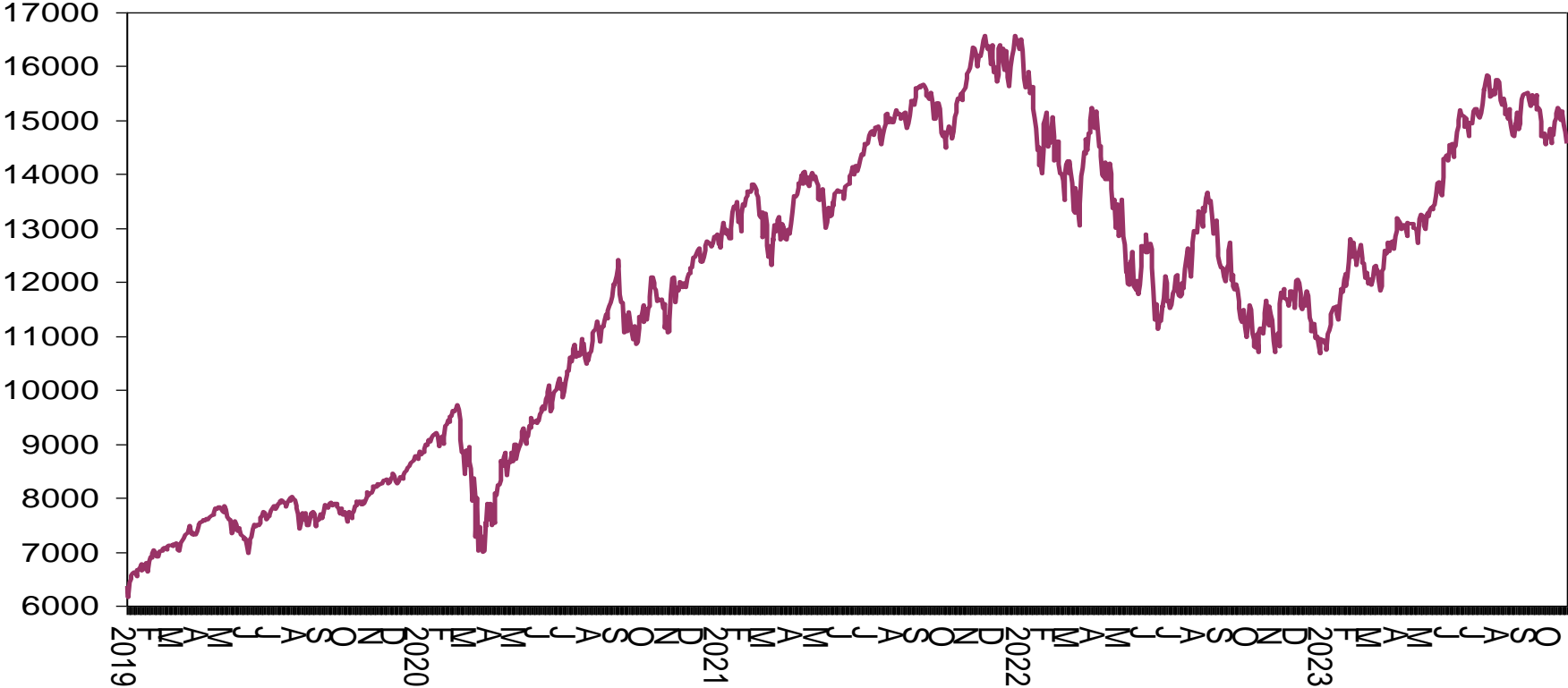
# US S&P 500

Index



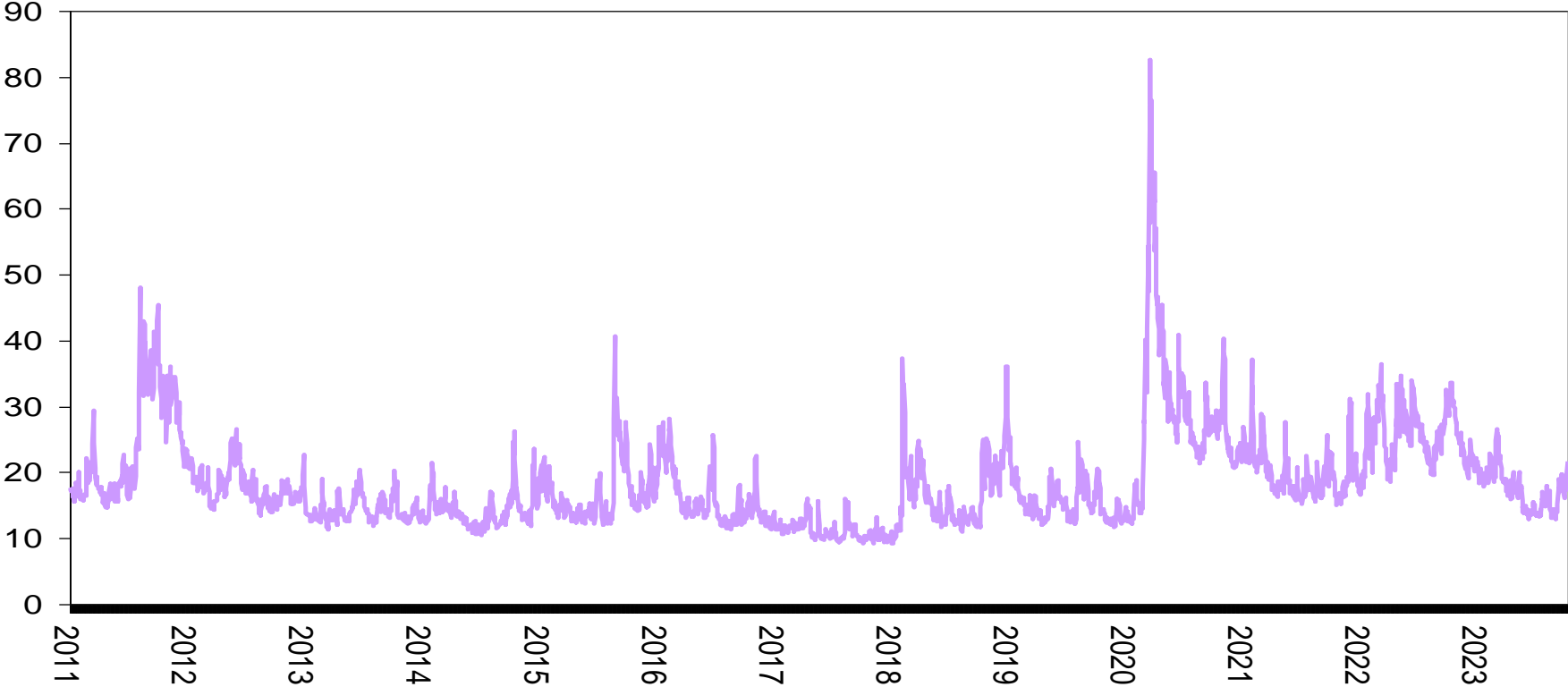
# US NASDAQ (100) index

Index



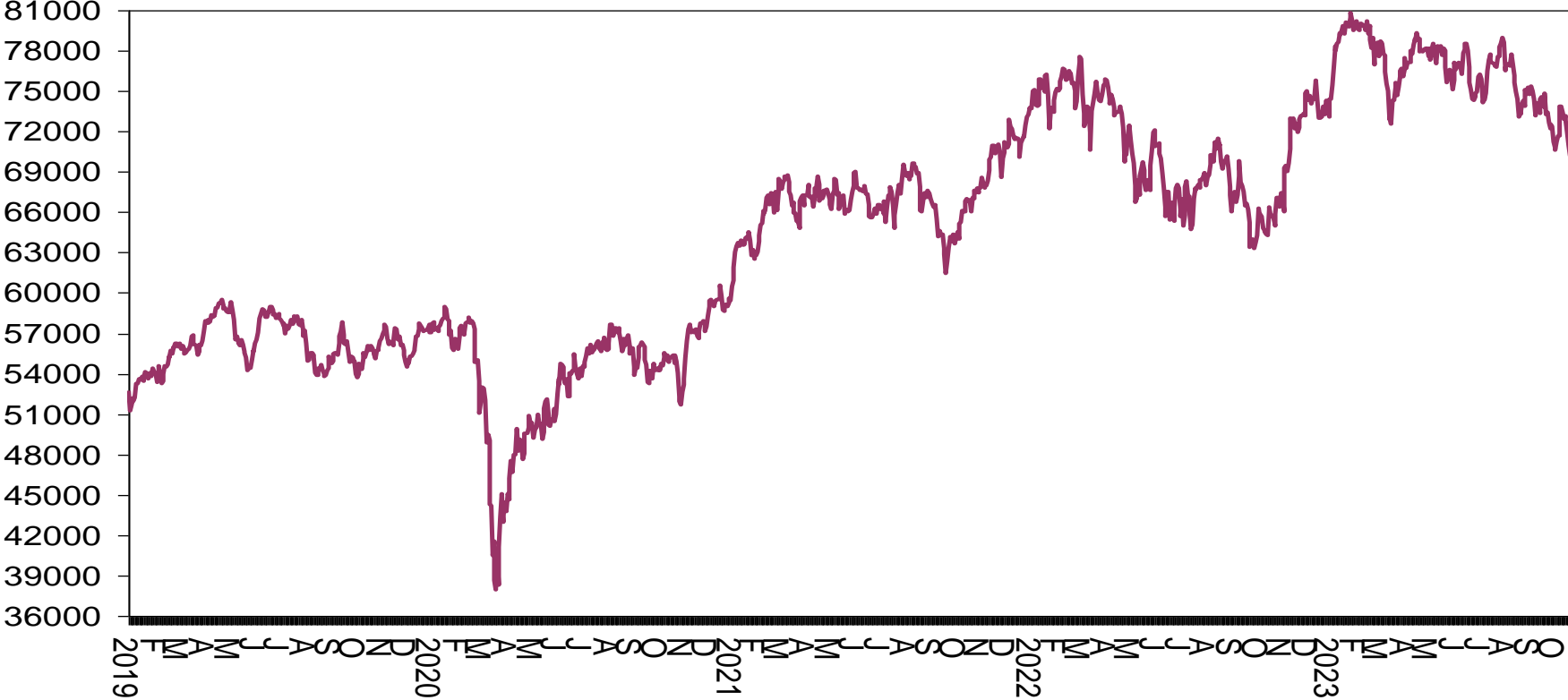
# Chicago Board Options Exchange volatility index (VIX index)

Index



# SA equity market

Index



# Baltic Dry Index (shipping cost of commodities)

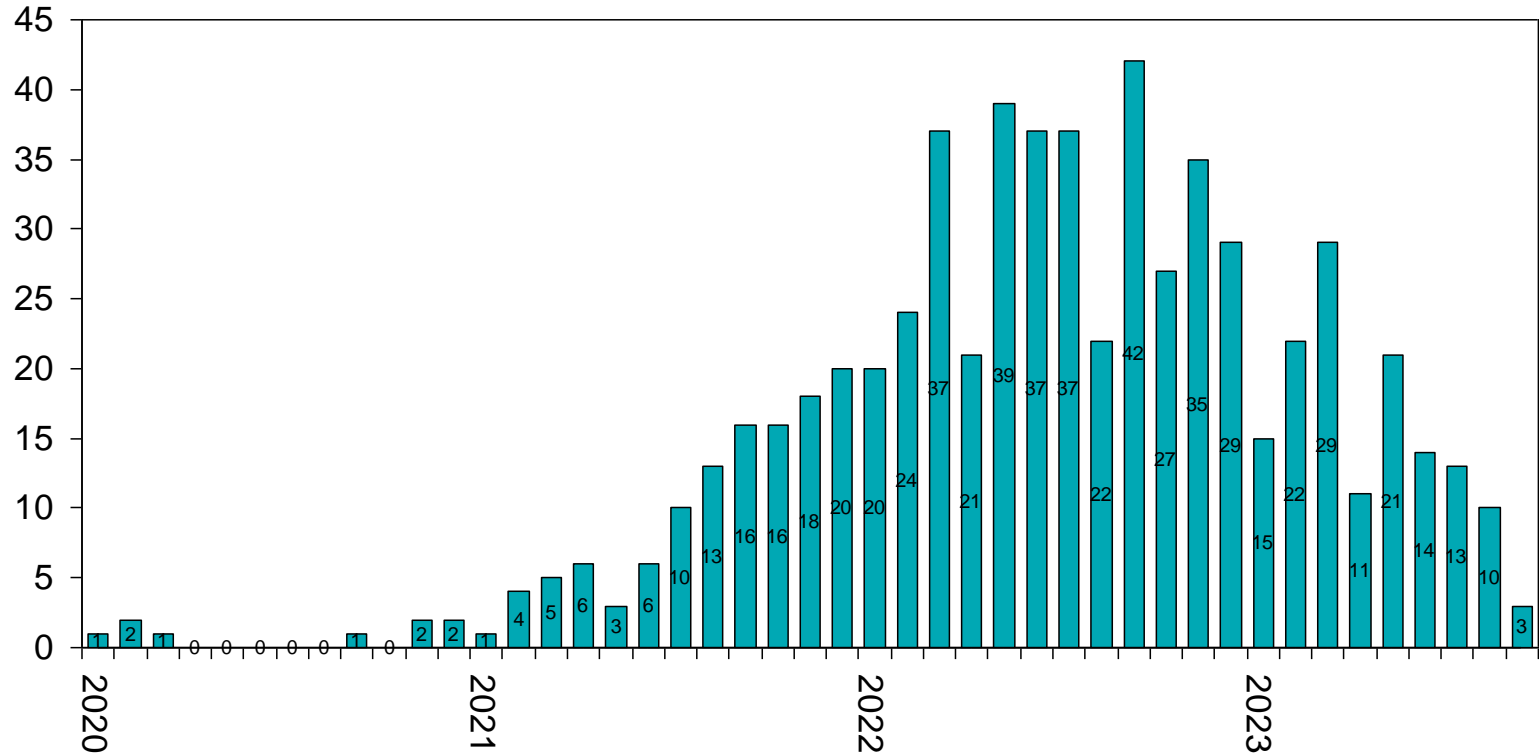
Index, Baltic Exchange



Source: Baltic Exchange

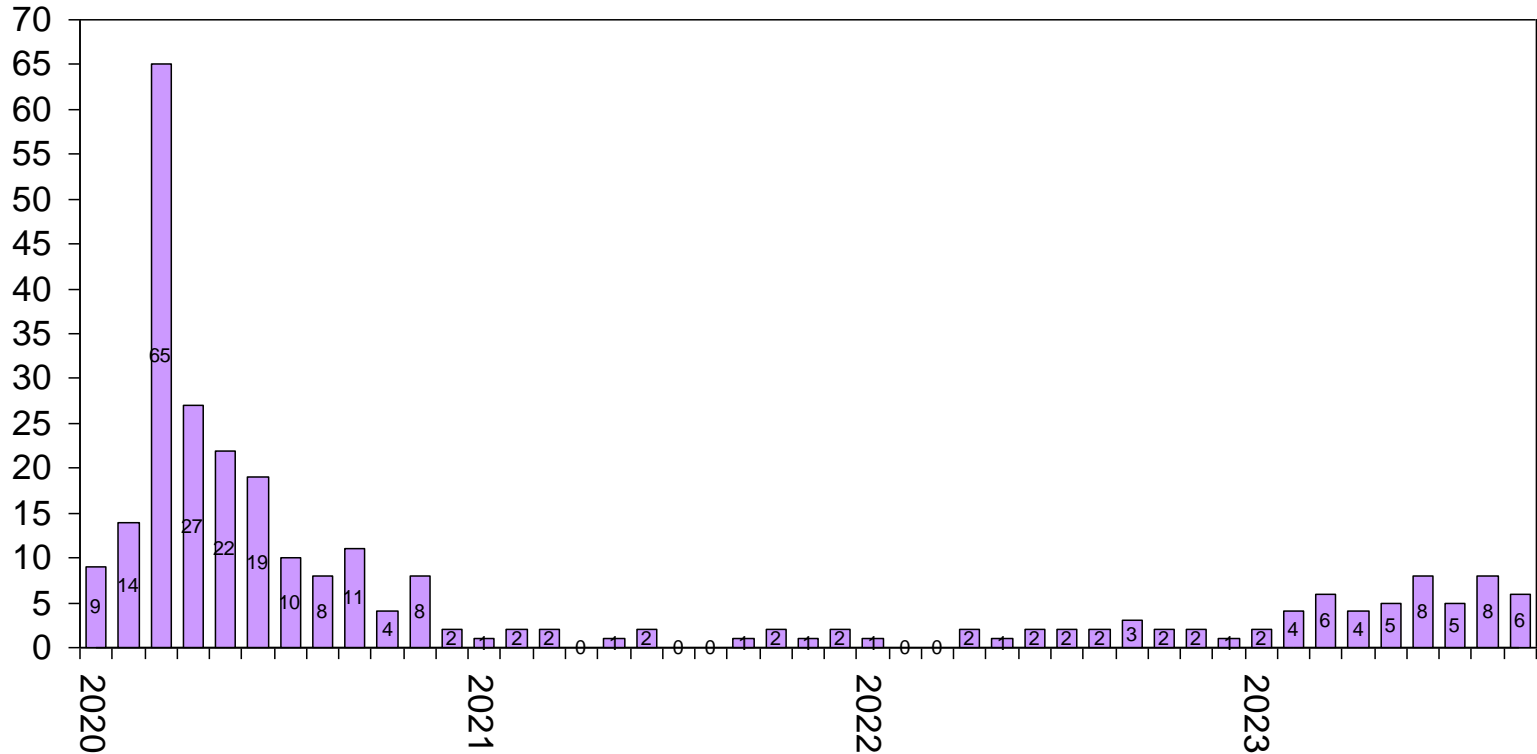
# Number of central banks increasing interest rates each month

Number of central banks each month out of a possible 80 central banks



# Number of central banks cutting interest rates each month

Number of central banks each month out of a possible 80 central banks





## US fast economic data: 16 to 22 October 2023

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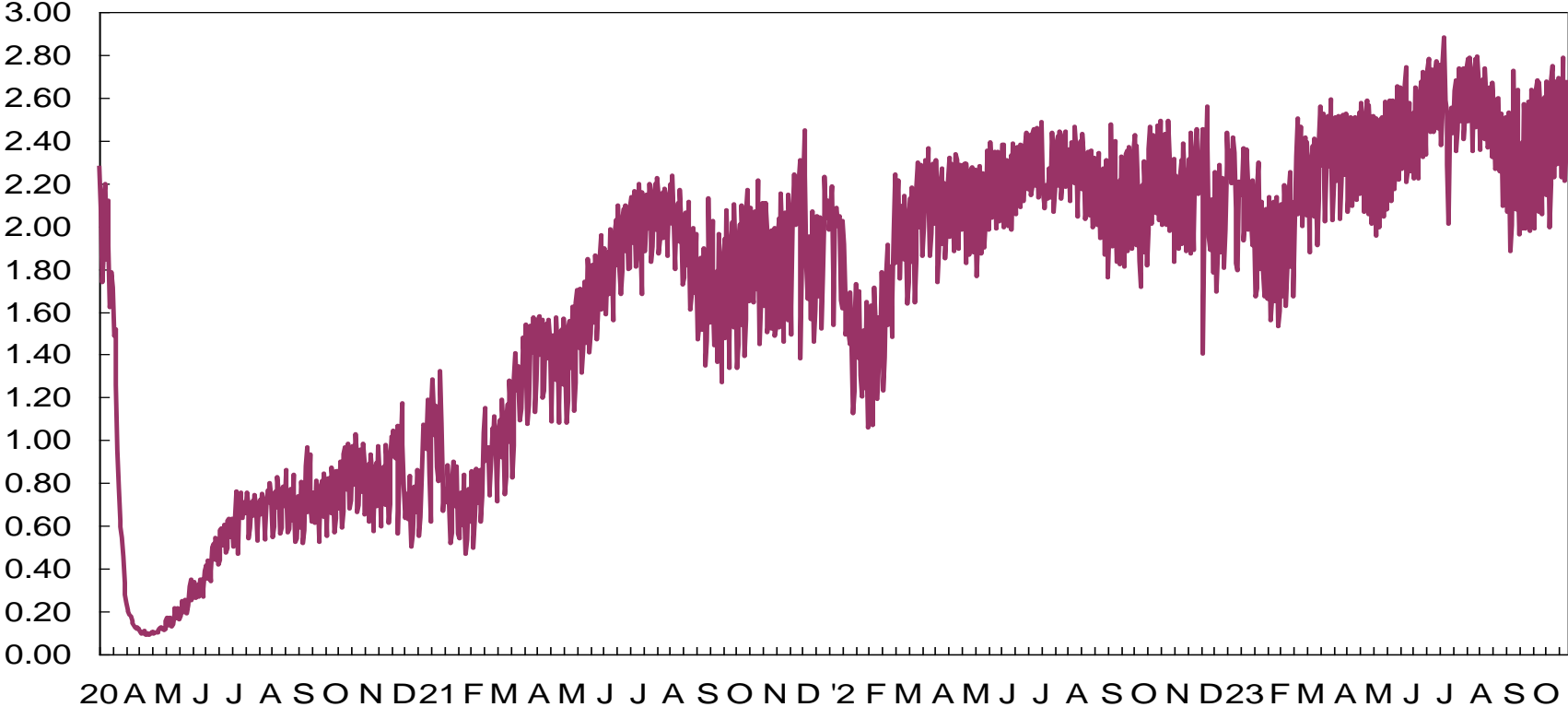
- US daily number of airport passengers
- US weekly motor gasoline sales
- US steel production capacity utilisation weekly
- US oil and gas rig count
- US weekly rail traffic



**STANLIB**

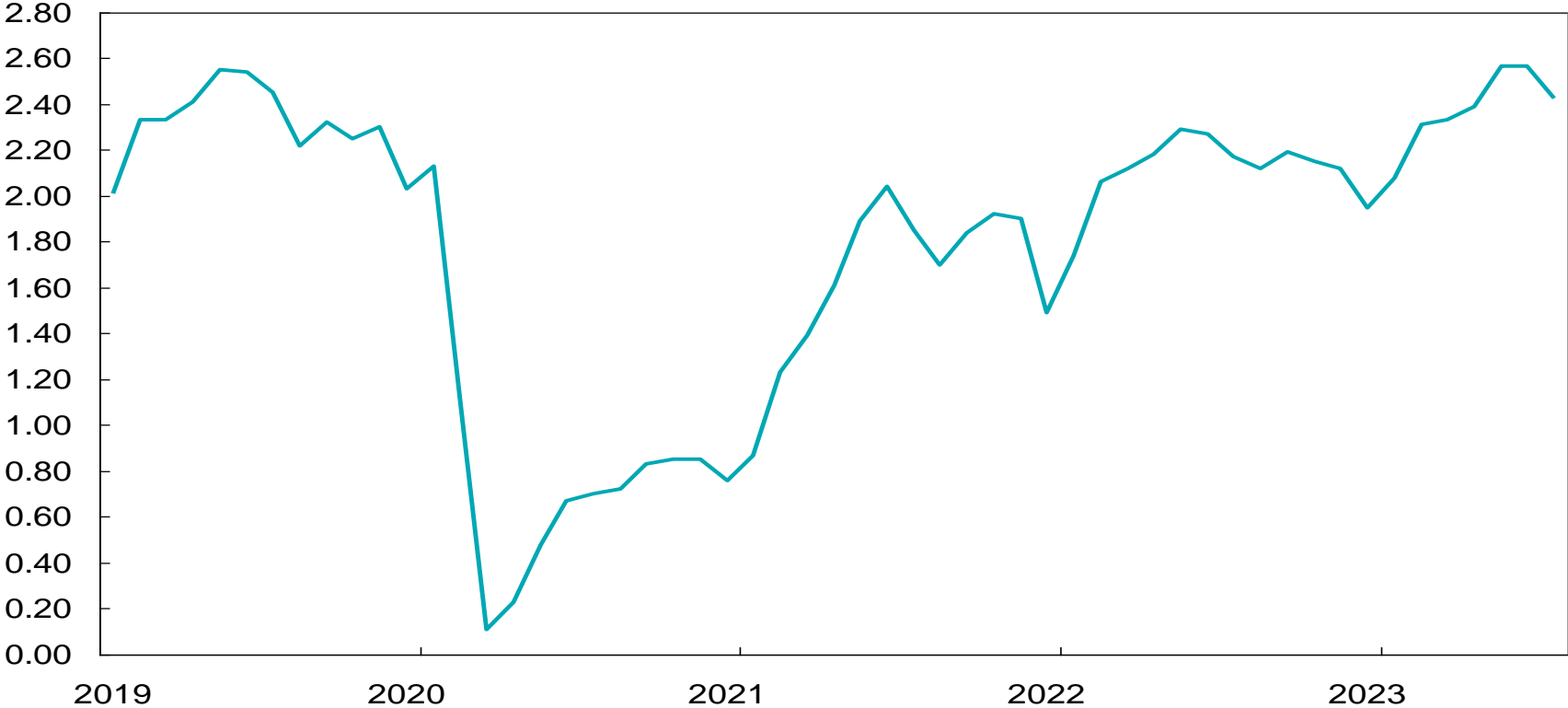
# US number of daily airport passengers

Number of passengers



# US number of airport passengers (monthly)

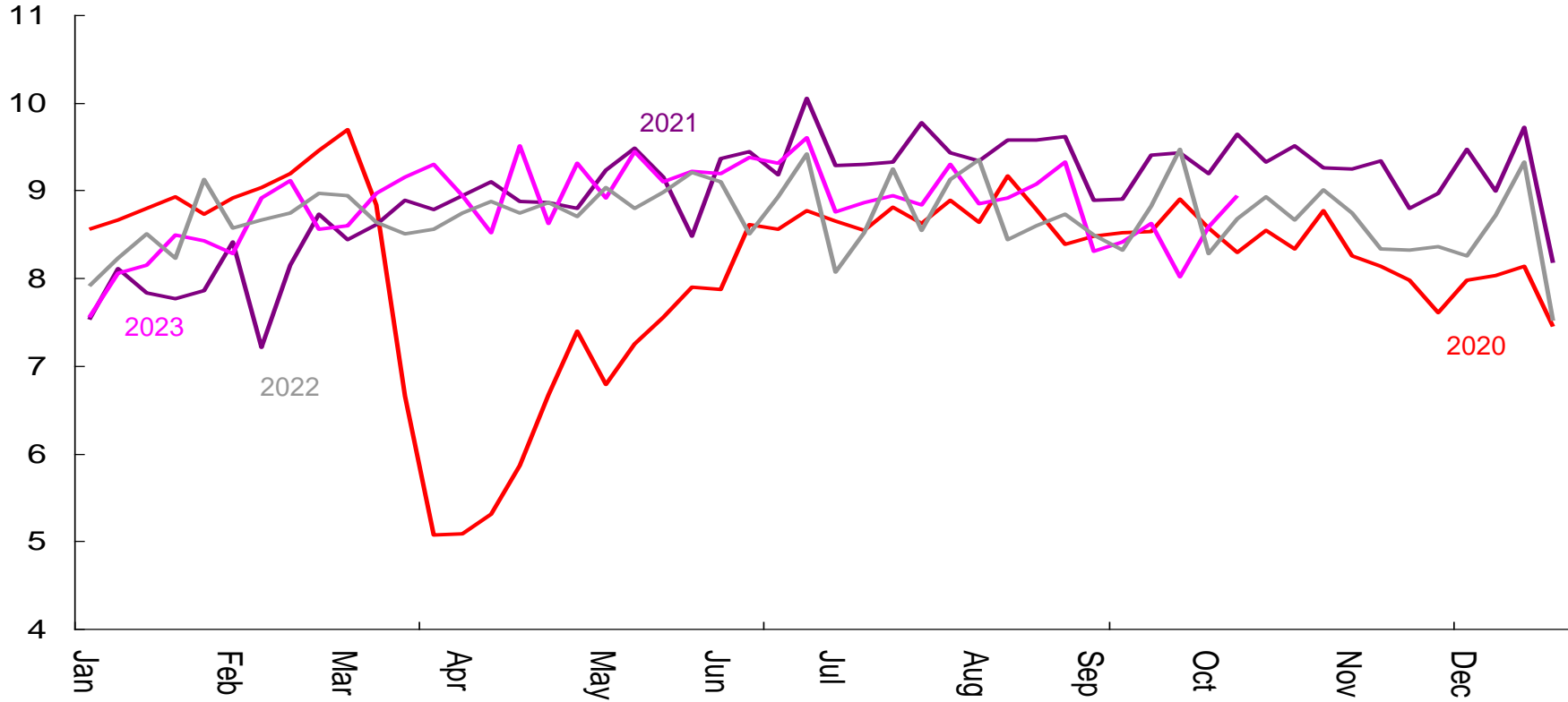
Number of passengers, millions



• Source: [US Department of Transport](#)

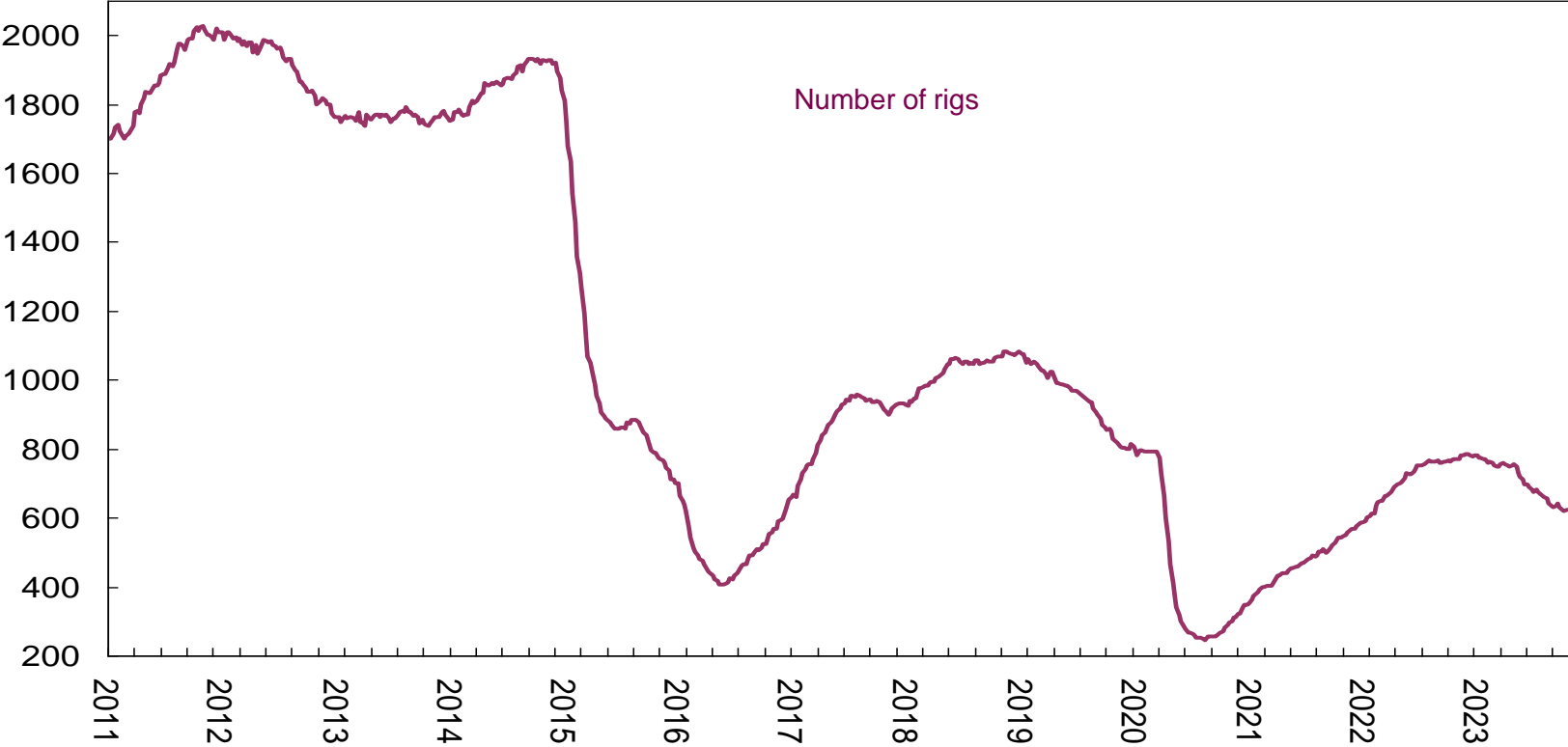
# US weekly motor gasoline supply

Million barrels per day



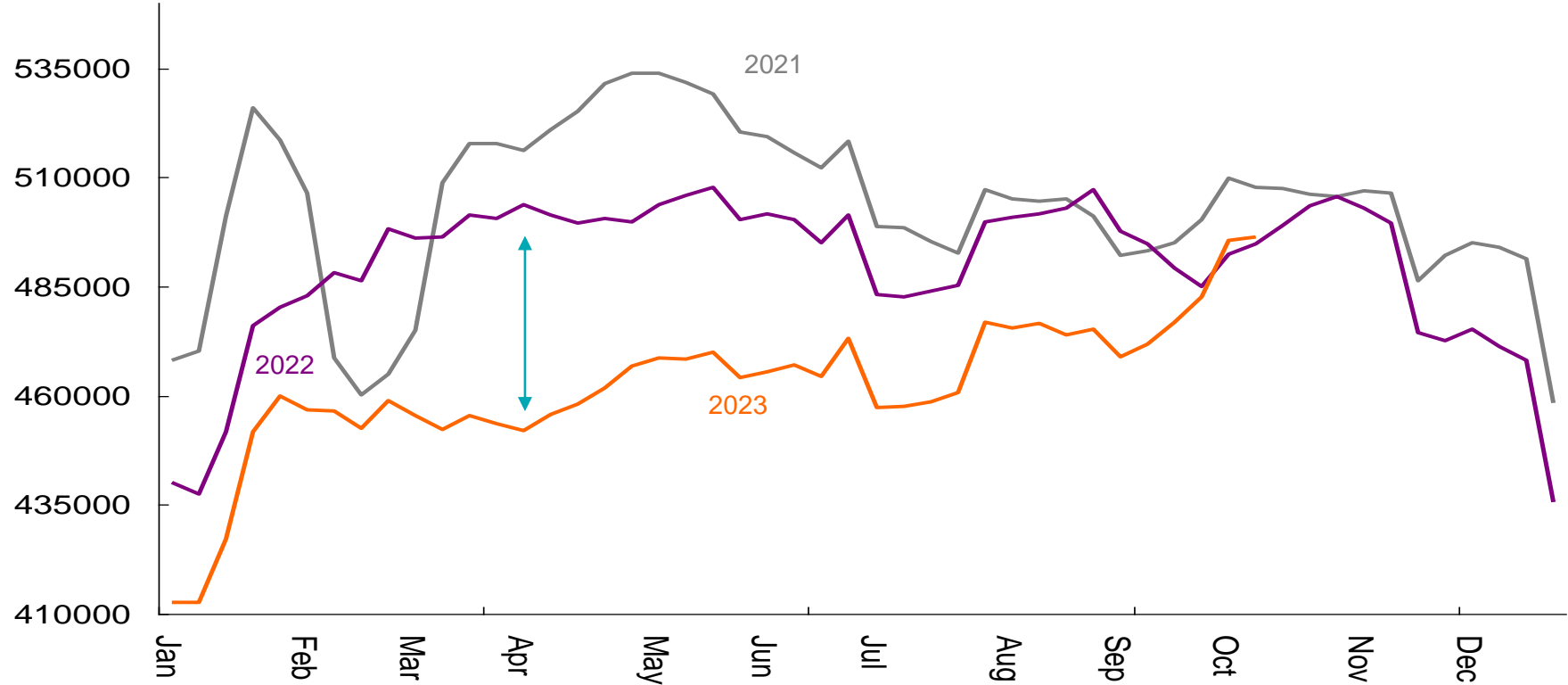
# US oil and gas rig count

Number of rigs



# US weekly rail traffic

Carloads and/or intermodal units



## SA energy crisis: 16 to 22 October 2023

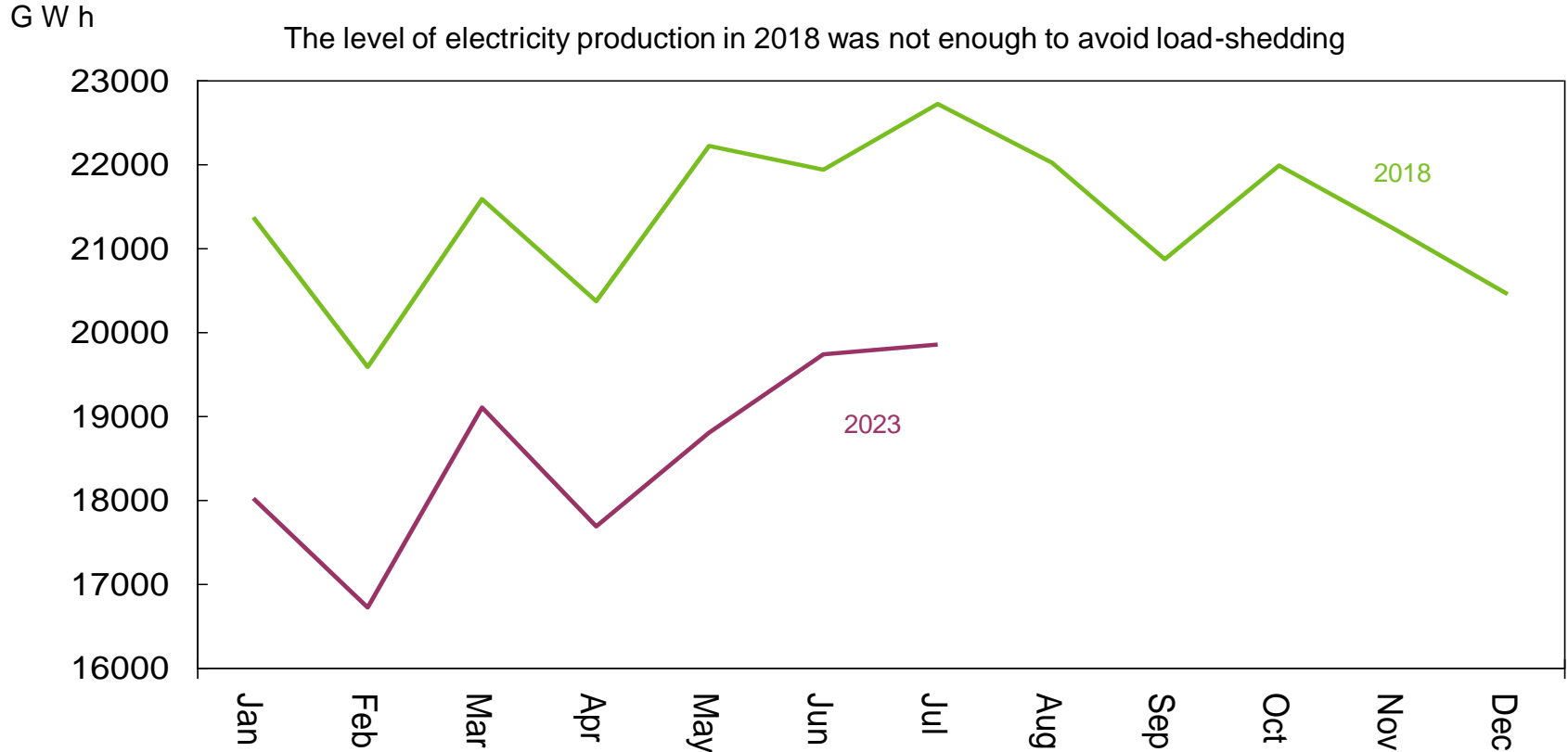
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- Independent Power projects (NERSA)
- SA number of days of load-shedding
- Eskom's Energy Availability Factor (EAF)



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# South Africa electricity production: 2018 vs 2023





## Private sector power projects (NERSA)

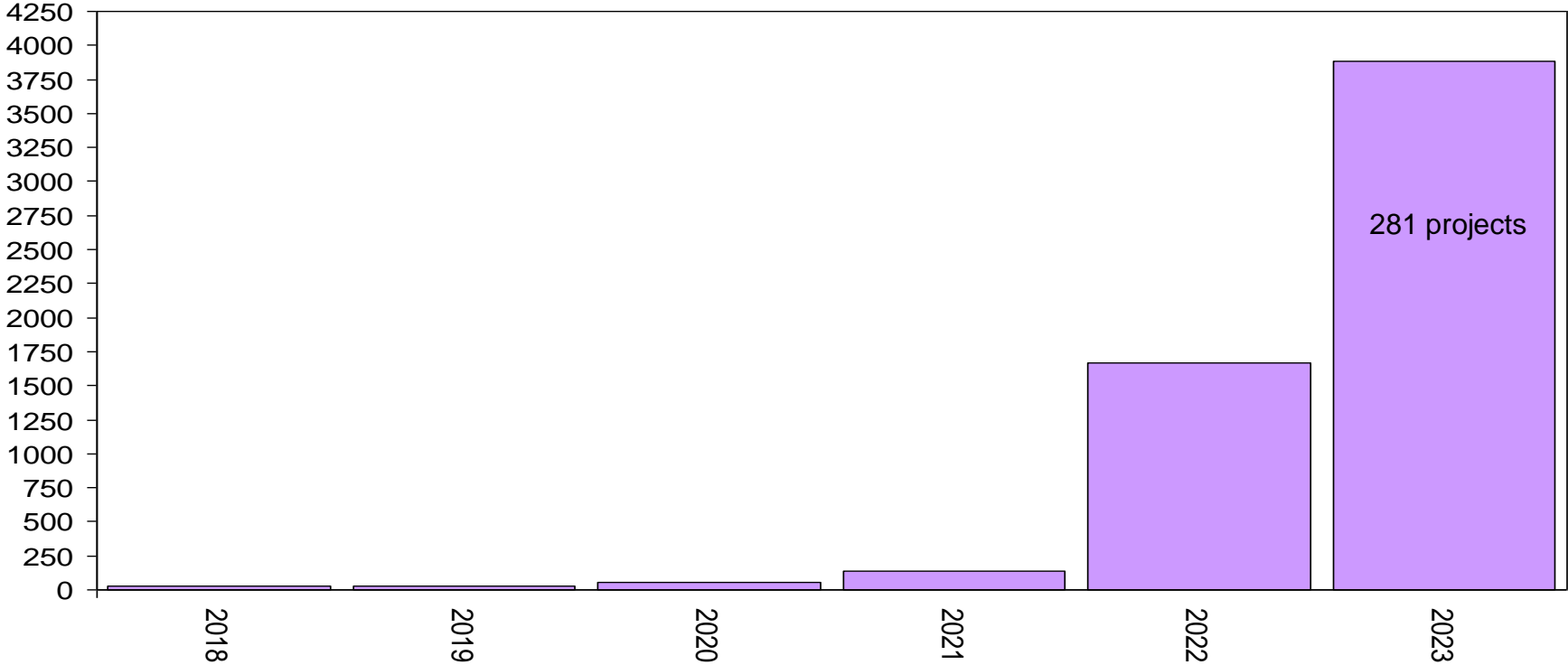
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Year	Number of projects	MW of all projects
2018	52	26
2019	41	23
2020	124	53
2021	282	134
2022	406	1664
2023*	281	3885

\*Jan-September 2023

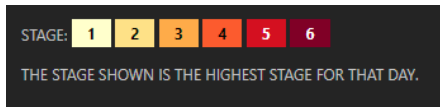
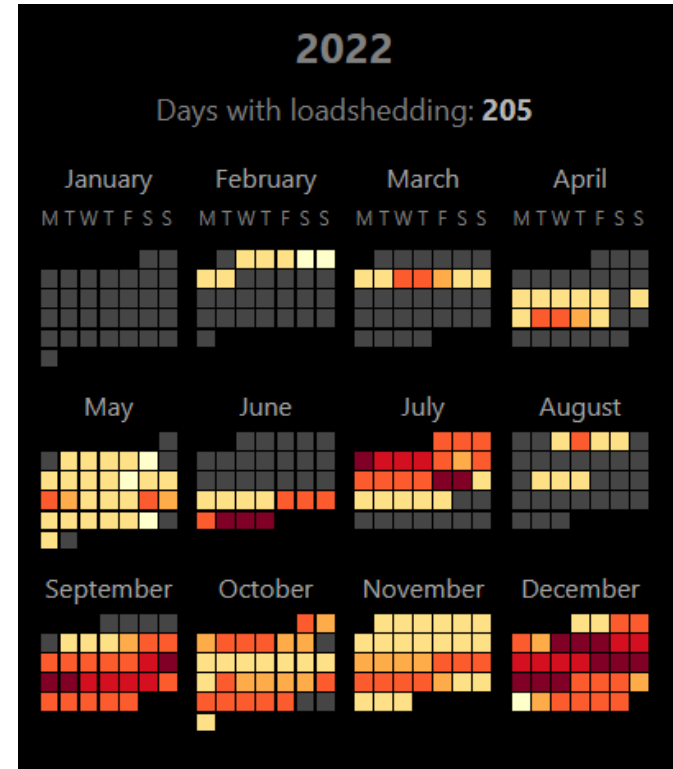
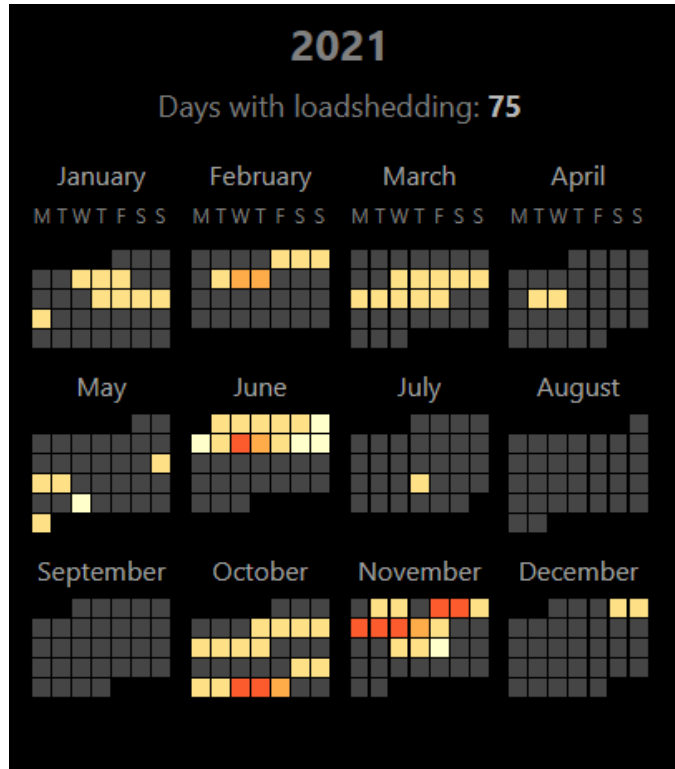
# SA private renewable energy projects (outside of REIPPP)

MW (January to September 2023)

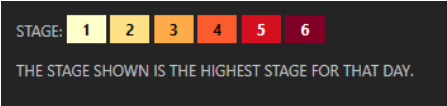
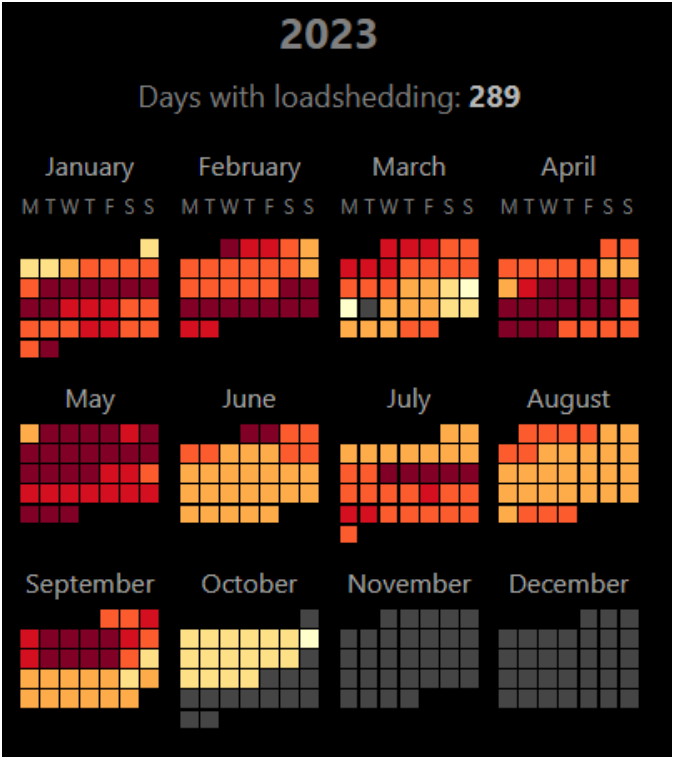


Source: NERSA

# South Africa number of days of loadshedding

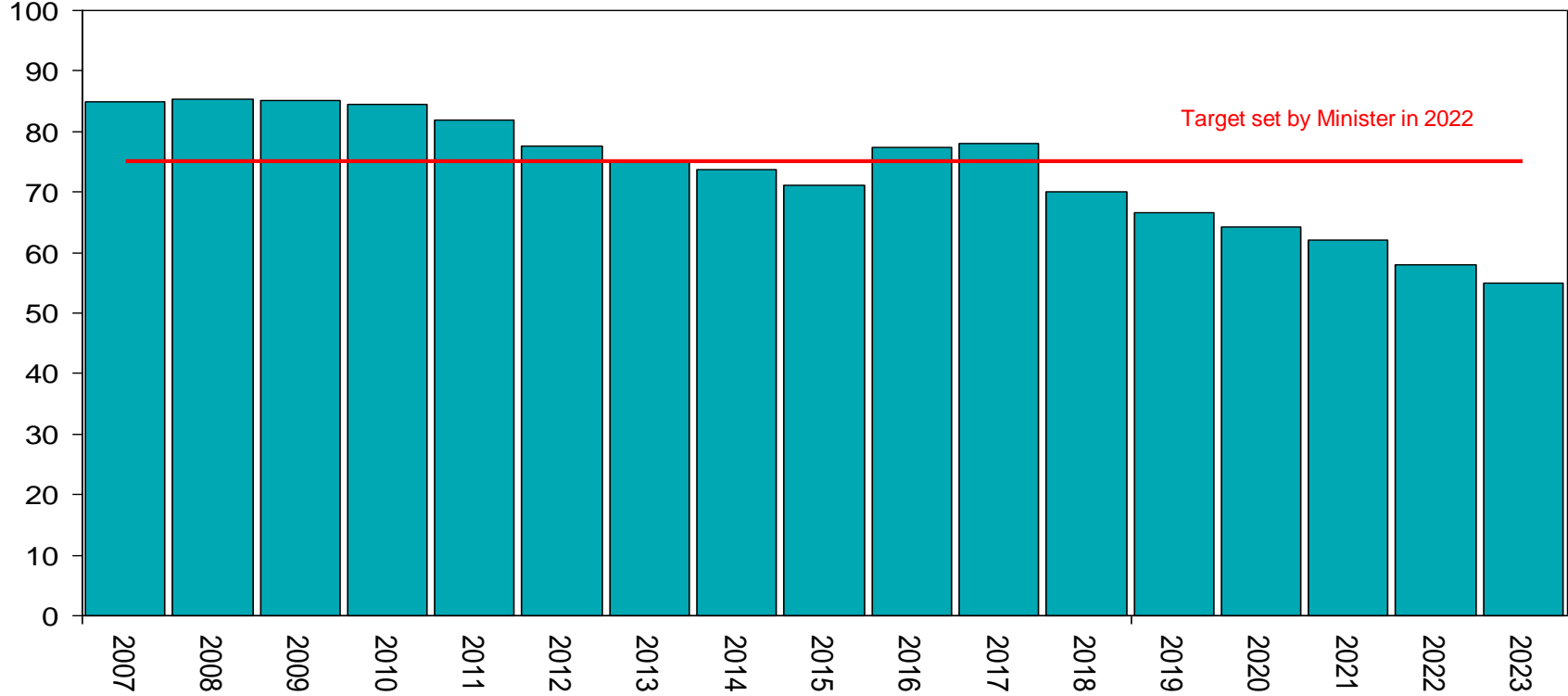


# South Africa number of days of loadshedding



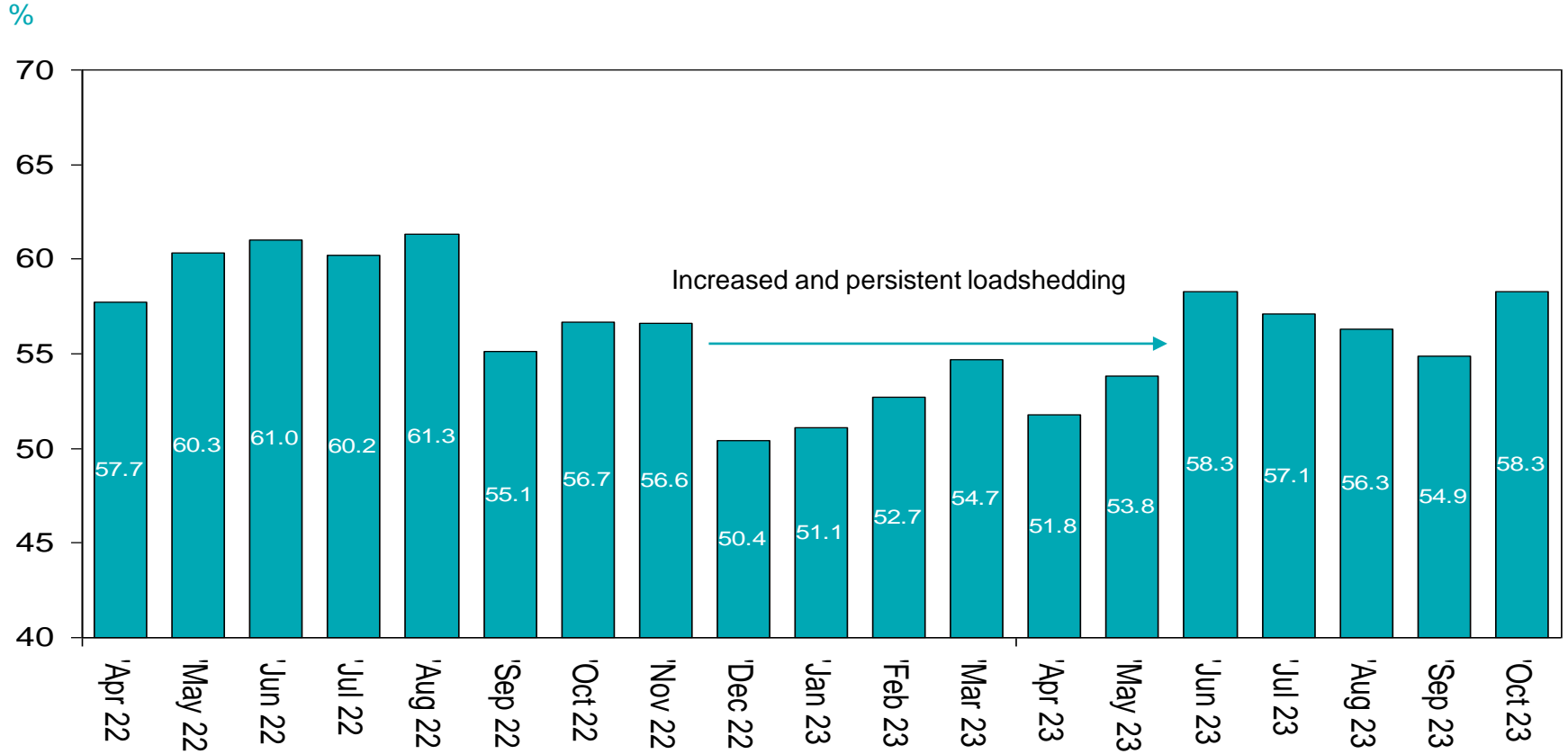
# Eskom Energy Availability Factor (EAF)

Percent

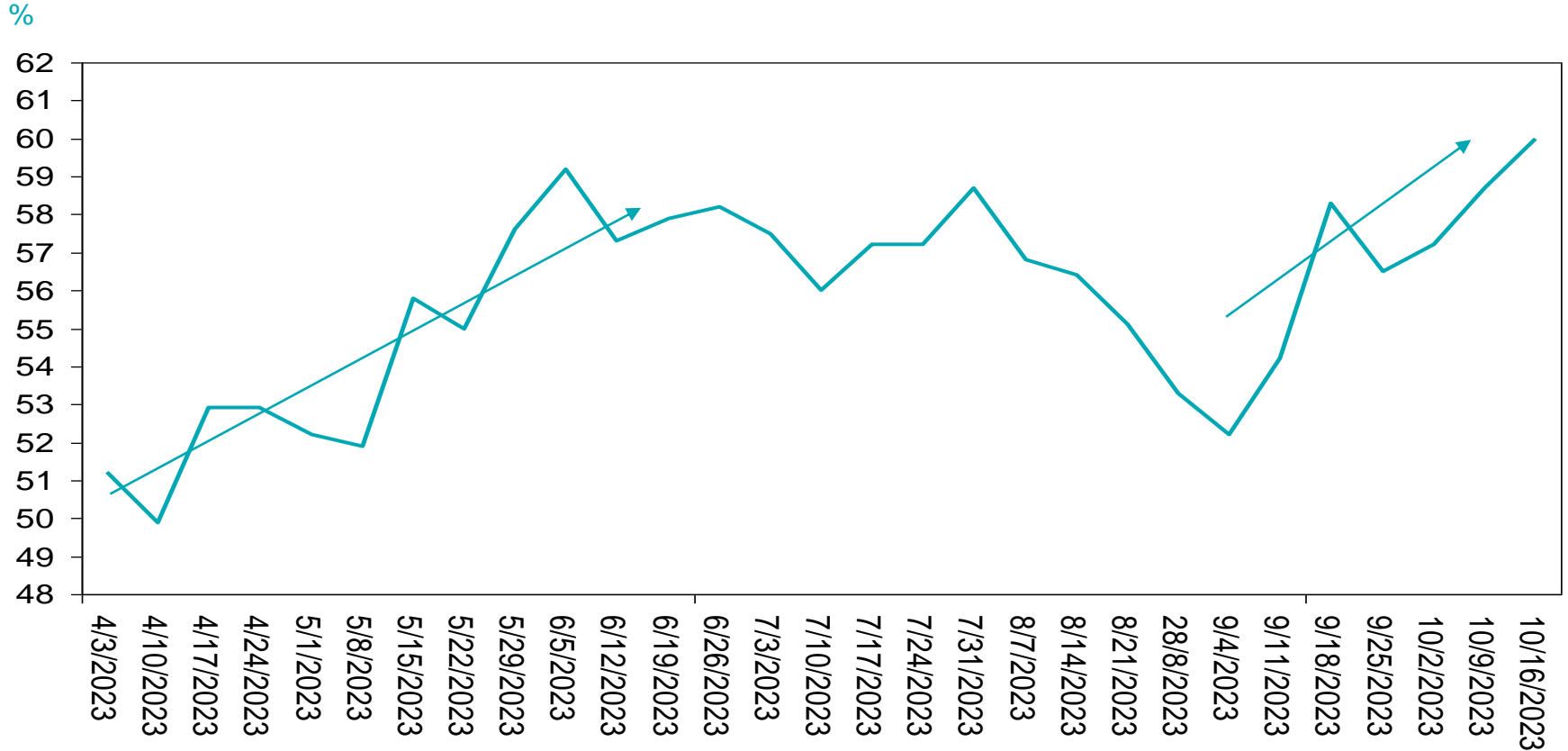


Source: Eskom

# ESKOM Energy Availability Factor (EAF) - monthly



# ESKOM Energy Availability Factor (EAF) - weekly



## Global climate data: 16 to 22 October 2023

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- World air temperature
- Northern Hemisphere air temperature
- Southern Hemisphere air temperature
- Arctic air temperature
- Antarctic air temperature
- Tropics air temperature (23.5°S to 23.5°N)
- Daily sea surface temperature

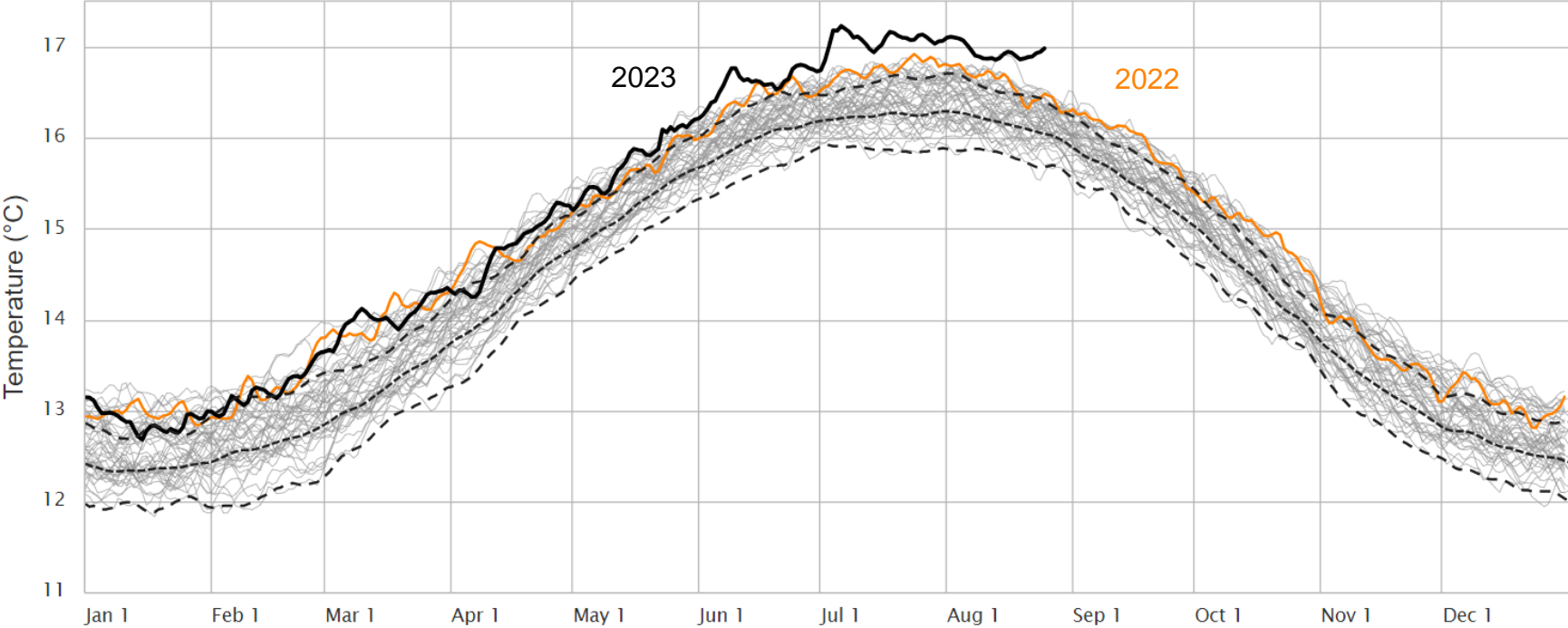


**STANLIB**



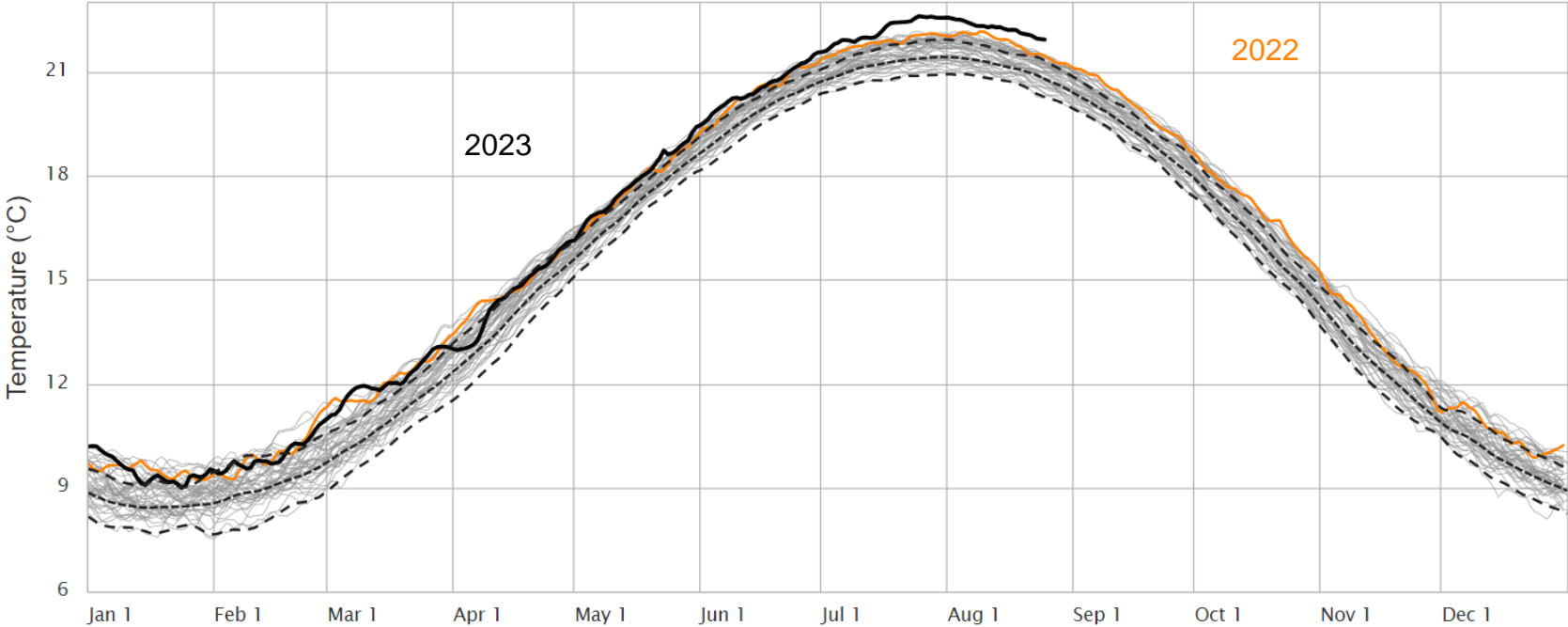
# World air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



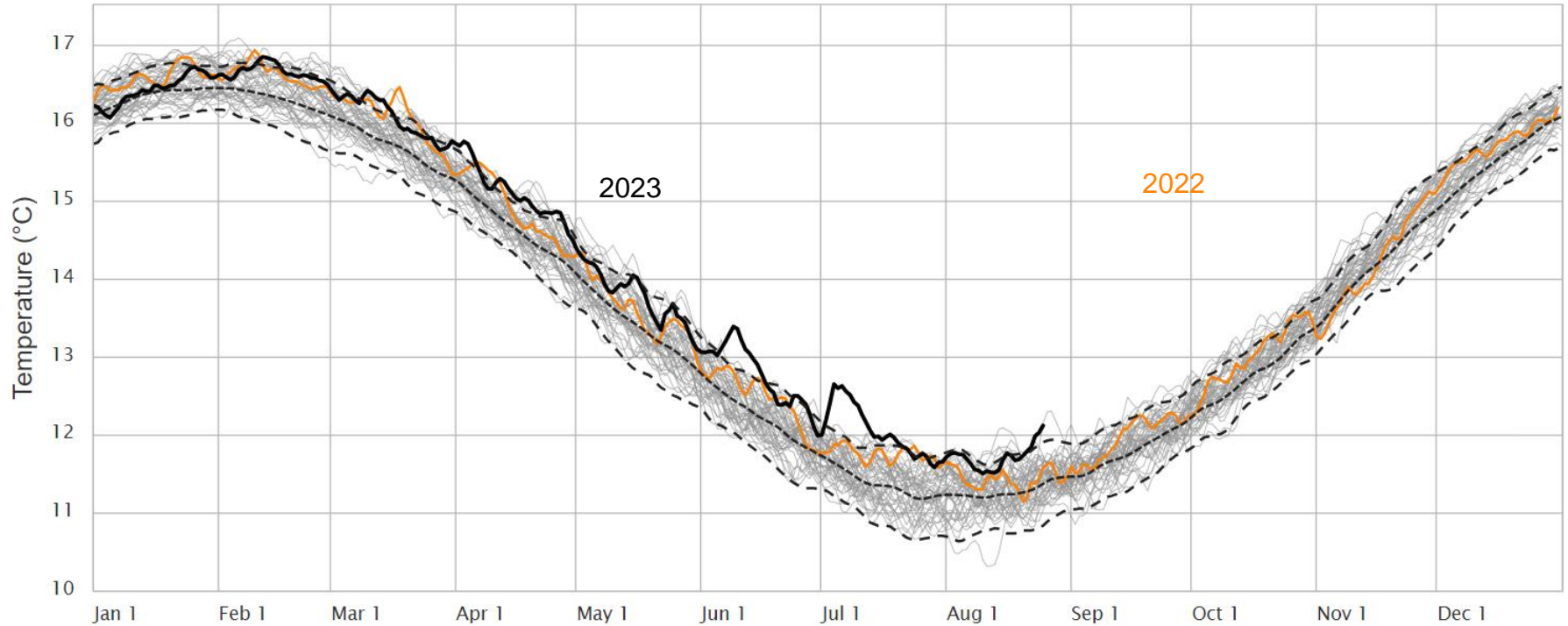
# Northern Hemisphere air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



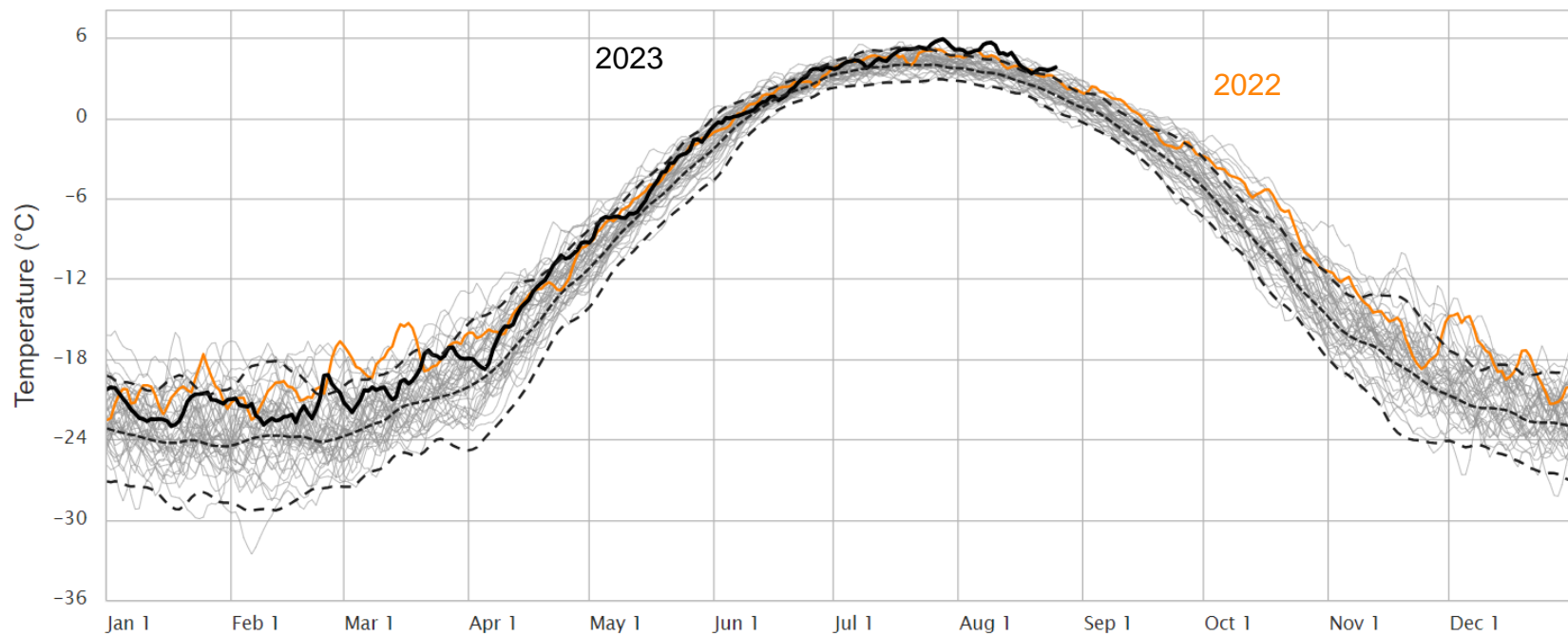
# Southern Hemisphere air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



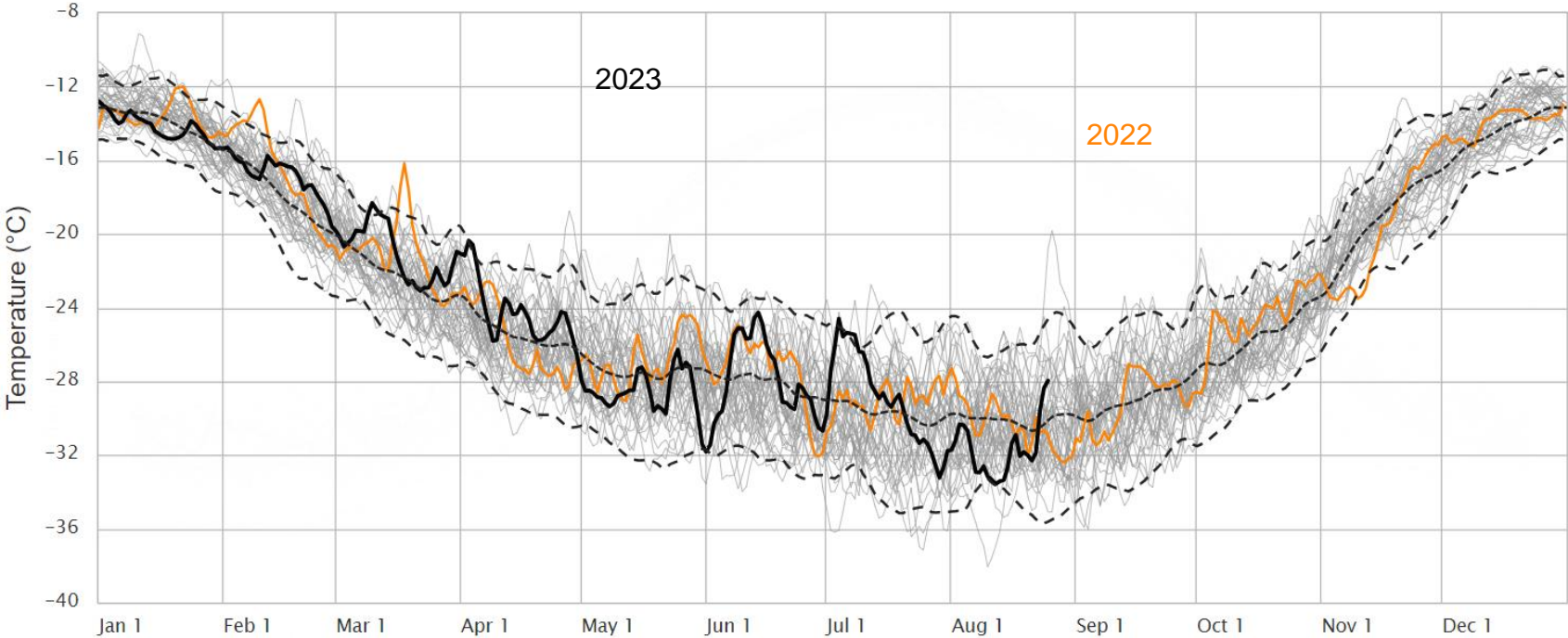
# Arctic air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



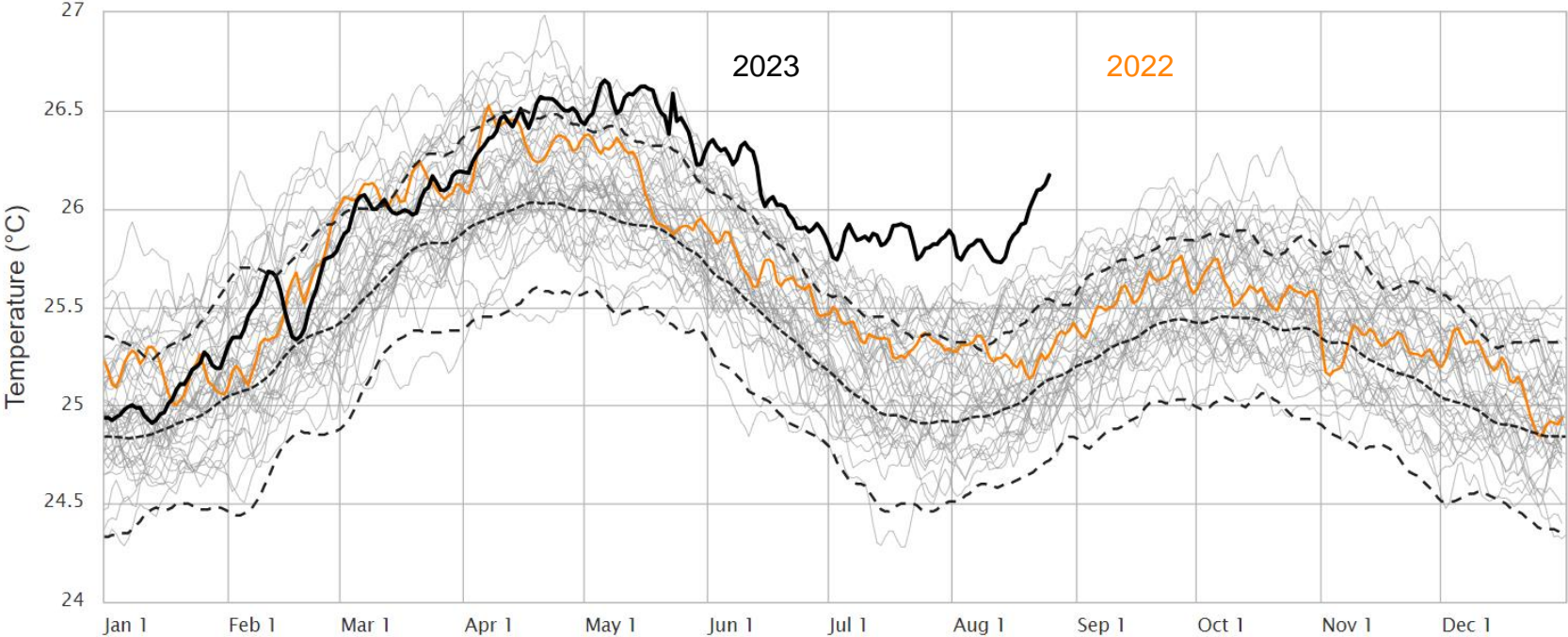
# Antarctic air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



# Tropics air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



# Daily sea surface temperature (60°S to 60°N)

Average, temperature, degrees Celsius

