

Weekly Review in Charts  
9 to 15 October 2023

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Kevin Lings

15 October 2023

STANLIB

# Weekly economic review: 9 to 15 October 2023

13 October 2023

	2019 %	2020 %	2021 %	2022 %	2023 Year-to-date
South Africa All Share Index	8.2%	4.1%	24.1%	-0.9%	-0.2%
Dow Jones Industrial Average	22.3%	7.2%	18.7%	-8.8%	1.6%
S&P 500 equity index	28.9%	16.3%	26.9%	-19.4%	12.7%
Nasdaq 100 index	38.0%	47.6%	26.6%	-33.0%	37.1%
Stoxx Euro 600	23.2%	-4.0%	22.2%	-12.9%	5.7%
FTSE 100 Index	12.1%	-14.3%	14.3%	0.9%	2.0%
Shanghai Composite Index	22.3%	13.9%	4.8%	-15.1%	0.0%
NIKKEI 225 Index	18.2%	16.0%	4.9%	-9.4%	23.8%
Gold	18.3%	25.0%	-3.6%	0.4%	5.3%
Oil	21.9%	-21.7%	52.9%	8.7%	0.3%
Rand/Dollar	-2.7%	5.0%	8.6%	-6.2%	-10.4%
Dollar/Euro	-1.8%	9.0%	-7.1%	6.6%	1.7%
Bitcoin	92.2%	303.2%	59.7%	-64.3%	62.3%
<i>US 10-year bond yield</i>	1.92%	0.93%	1.52%	3.88%	4.63%
<i>US 2-year bond yield</i>	1.58%	0.13%	0.73%	4.41%	5.04%
<i>SA 10-year bond yield</i>	8.48%	7.70%	8.60%	9.88%	11.14%

# Impact of past geopolitical events on the US equity market

S&P 500 performance following major geopolitical events					
Event	Date	day of	1 month later	6 months later	1 year later
Pearl Harbor attack	12/7/1941	0.0%	-3.4%	-10.2%	-0.2%
Cuban missile crisis	10/16/1962	-0.3%	5.0%	20.7%	27.4%
Six-day war	6/5/1967	-1.5%	1.7%	6.1%	11.2%
Iraq invasion of Kuwait	8/2/1990	-1.1%	-9.3%	-3.5%	8.9%
1st World Trade Center bombing	2/26/1993	0.2%	1.2%	4.2%	5.4%
9/11 terrorist attack	9/17/2001	-4.9%	-1.4%	6.7%	-20.0%
Iraq war	3/20/2003	0.2%	2.2%	18.6%	27.0%
Libyan civil war	2/22/2011	-2.1%	-3.7%	-16.3%	1.1%
Russian annexation of Crimea	2/20/2014	0.6%	2.4%	8.6%	15.4%
Russian invasion of Ukraine	2/24/2022	1.5%	7.0%	-2.0%	-6.0%
Israel invasion	10/9/2023	0.6%	?	?	?
	Average	-0.6%	0.2%	3.3%	7.0%

## Weekly economic review: 9 to 15 October 2023

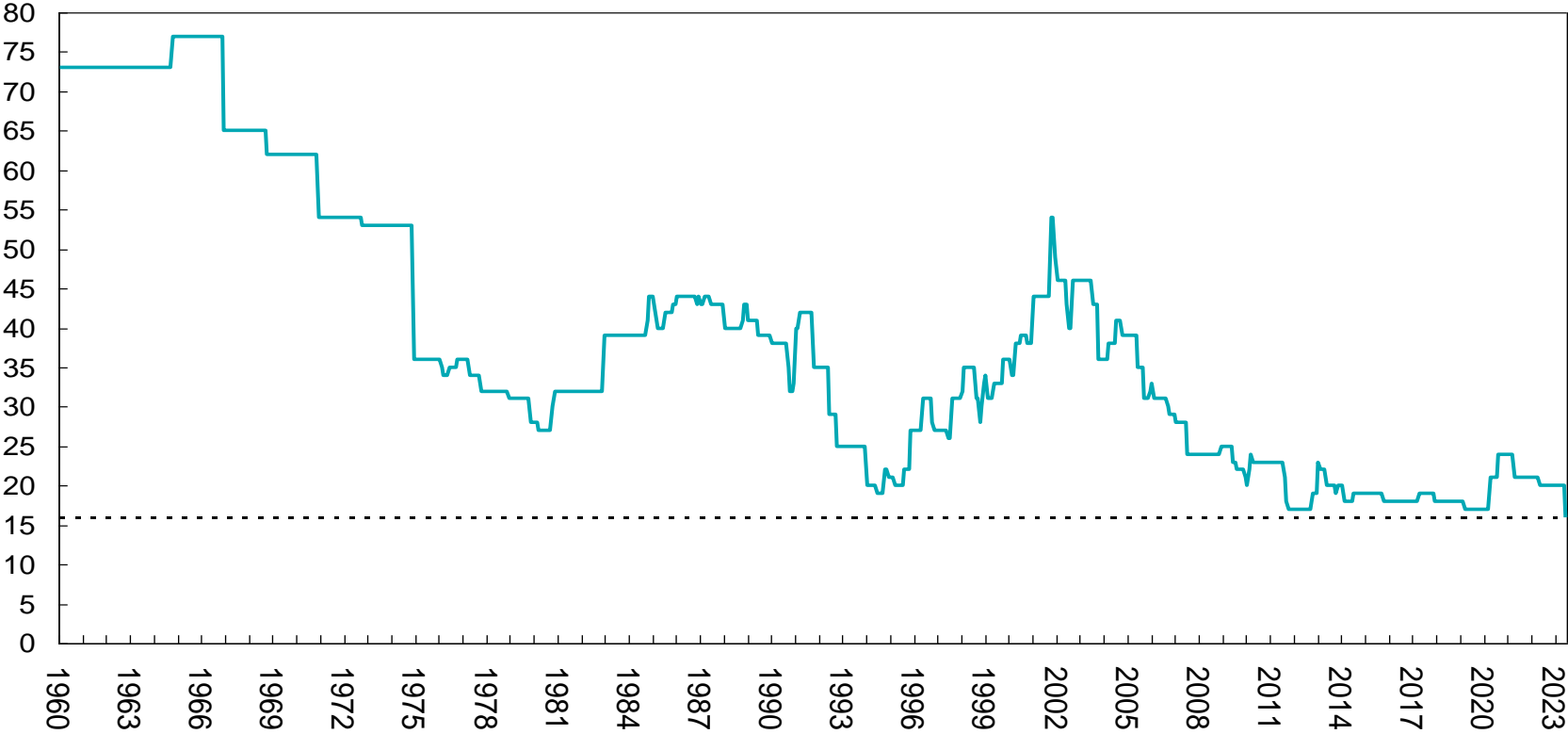
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### Chart of the week

- According to the Pew Research Center, US public trust in the federal government, which has been low for decades, has returned to a record low during the middle of 2023 following a modest improvement in 2020 and 2021.
- Currently, well less than 20% of Americans say they trust the federal government to do what is right “just about always” (1%) or “most of the time” (15%).
- The current level of trust is the lowest in more than 6 decades and has declined substantially over the period. In 2022, 20% of people surveyed said they trusted the government just about always or most of the time vs 16% in the middle of 2023.
- The loss of trust in the US government (and most governments) is understandable given a wide range of issues including a large increase in debt, and lack of effective leadership.

# US public trust in government (PEW survey)

Index



# Weekly economic review: 9 to 15 October 2023

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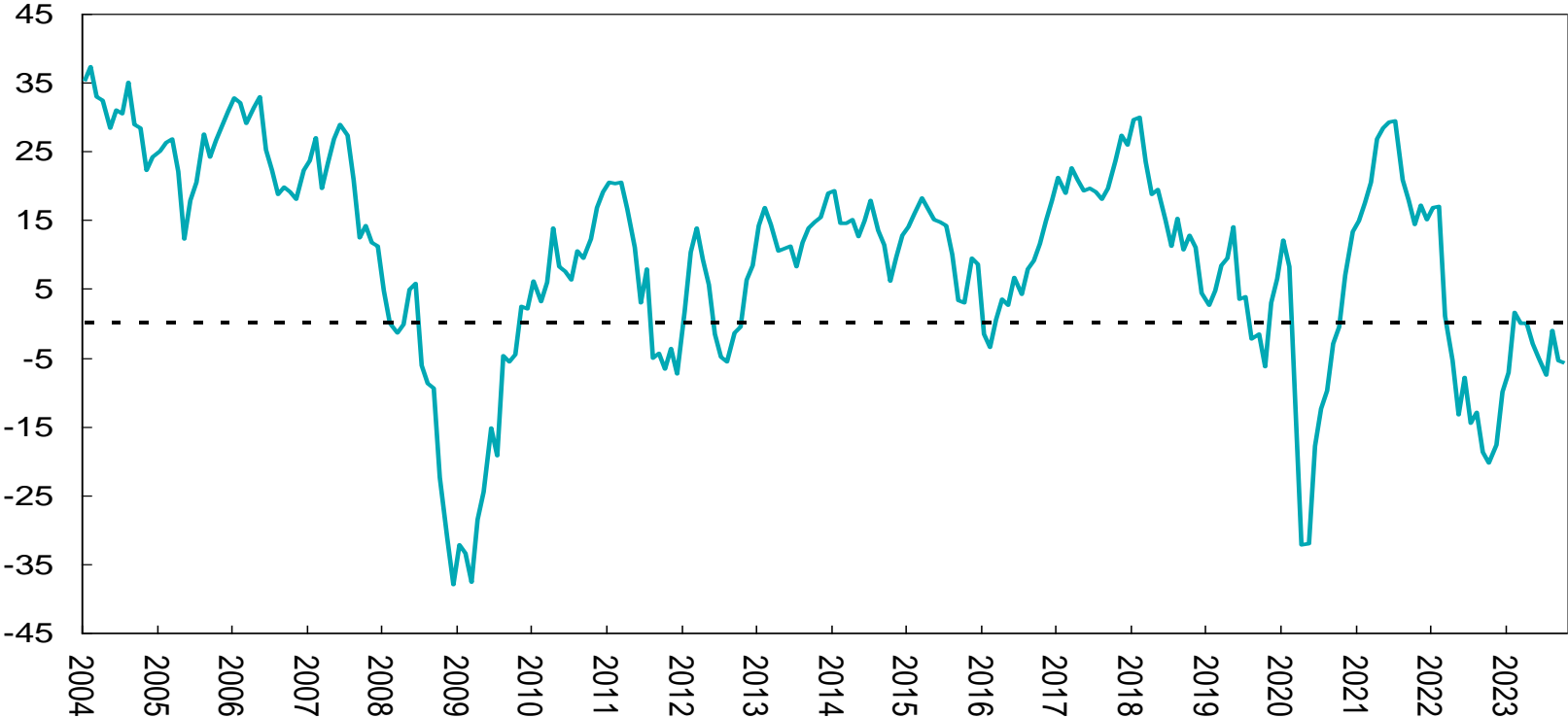
Monday, 9 October 2023

- Global investor confidence for October 2023

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# Global economic confidence index (Sentix)

Sentix global confidence index



Weekly economic review: 9 to 15 October 2023

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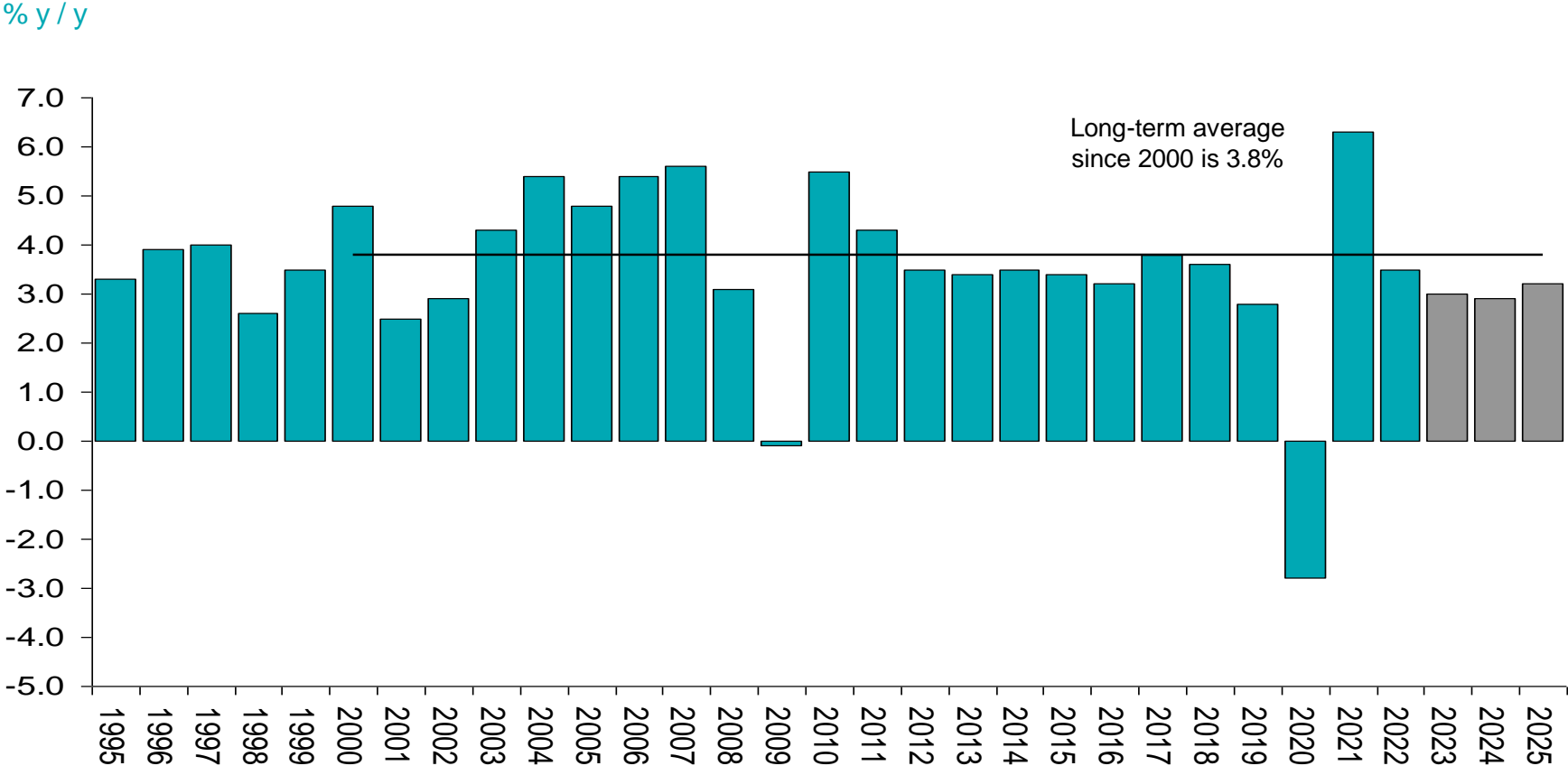
Tuesday, 10 October 2023

- IMF World Economic Outlook October 2023
- US NFIB small business confidence for September 2023

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# IMF: World GDP growth forecast



## IMF growth forecasts: October 2023

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	2022	2023	2024
<b>World</b>	3.5	3.0	2.9
<b>Advanced Economies</b>	2.6	1.5	1.4
US	2.1	2.1	1.5
Euro Area	3.3	0.7	1.2
Japan	1.0	2.0	1.0
UK	4.1	0.5	0.6
<b>Emerging Economies</b>	4.1	4.0	4.0
China	3.0	5.0	4.2
India	7.2	6.3	6.3
Brazil	2.9	3.1	1.5
Russia	-2.1	2.2	1.1
<b>Sub-Saharan Africa</b>	4.0	3.3	4.0
South Africa	1.9	0.9	1.8
Nigeria	3.3	2.9	3.1

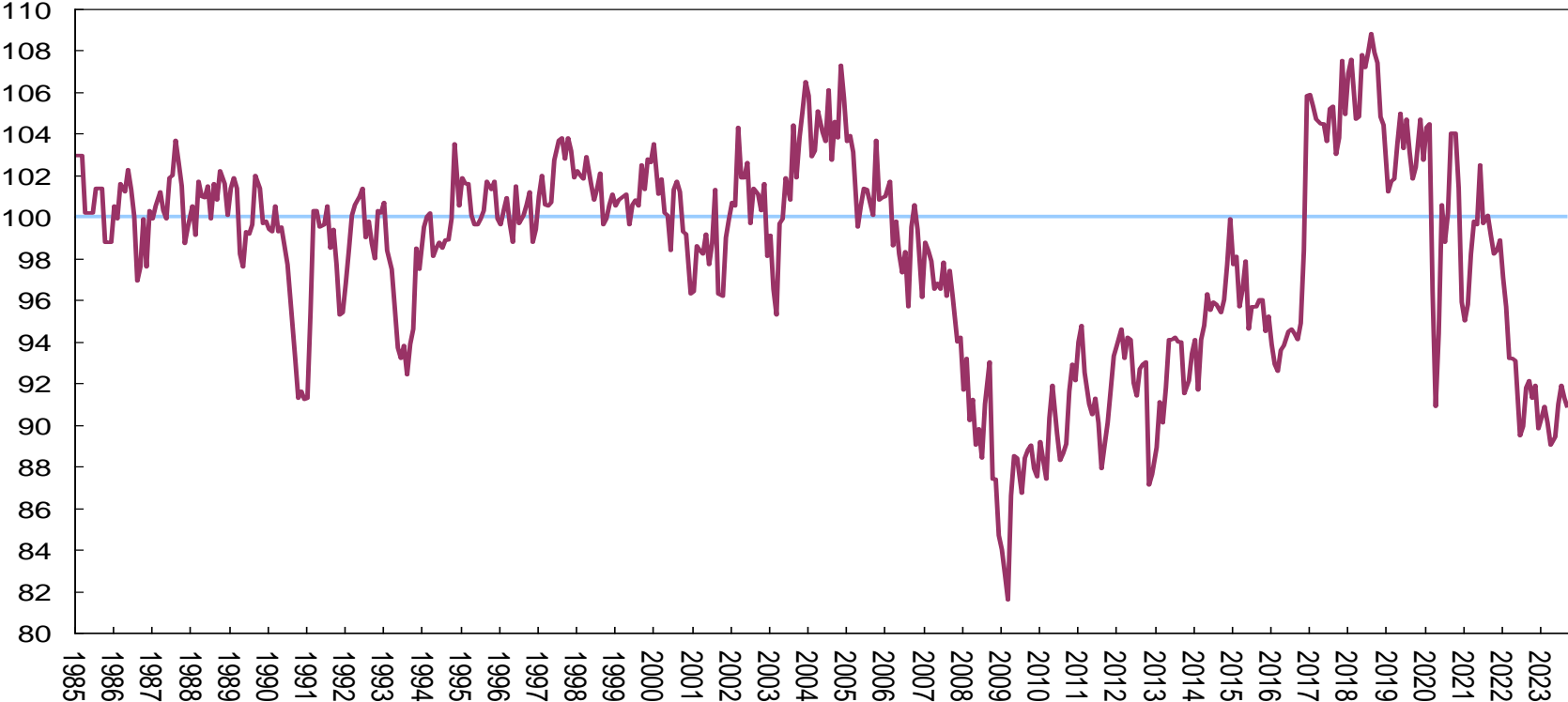
## IMF growth forecasts: revisions since July 2023

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IMF	2023	2024
<b>World</b>	<b>0.0</b>	<b>-0.1</b>
<b>Advanced Economies</b>	<b>0.0</b>	<b>0.0</b>
US	0.3	0.5
Euro Area	-0.2	-0.3
Japan	0.6	0.0
UK	-1.0	-1.1
<b>Emerging Economies</b>	<b>0.0</b>	<b>-0.1</b>
China	-0.2	-0.3
India	0.2	0.0
Brazil	1.0	0.3
Russia	0.7	-0.2
<b>Sub-Saharan Africa</b>	<b>-0.2</b>	<b>-0.1</b>
South Africa	0.6	0.1
Nigeria	-0.3	0.1

# US small business confidence index (NFIB)

Index



# Weekly economic review: 9 to 15 October 2023

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Wednesday, 11 October 2023

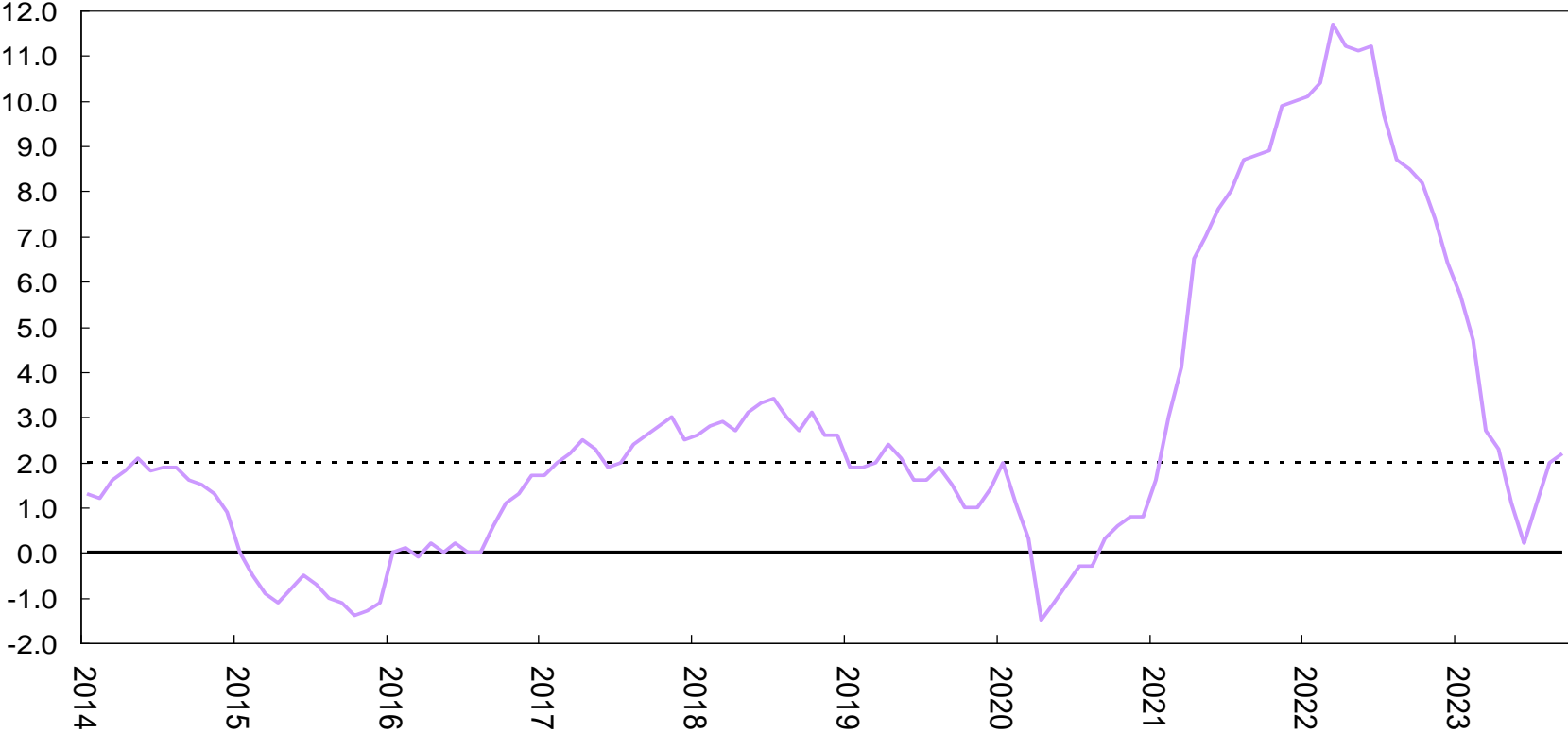
- US PPI inflation for September 2023
- US FOMC minutes
- US weekly mortgage applications



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# US producer inflation

% y/y



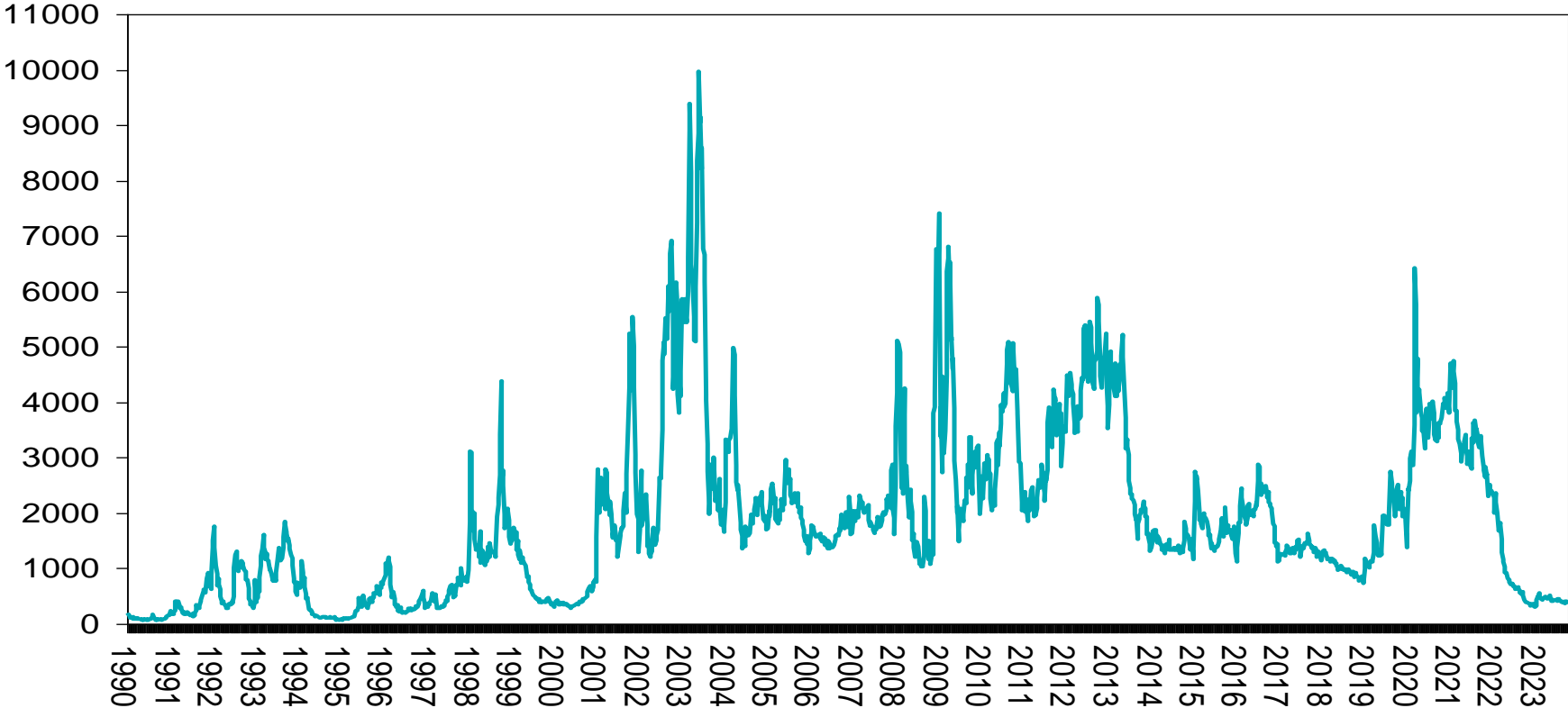
# US FOMC statement

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- The FOMC minutes showed the Fed's ongoing concerns about upside risks to inflation, amid robust economic growth.
- According to the FOMC "these risks included the imbalance of aggregate demand and supply persisting longer than expected, as well as risks emanating from global oil markets, the potential for upside shocks to food prices, the effects of a strong housing market on shelter inflation, and the potential for more limited declines in goods prices."
- "Some participants remarked that an upside risk to their projections for economic activity was that the unexpected resilience that the economy had demonstrated so far could persist".
- The focus has shifted from the level of the terminal rate to "higher for longer".
- "All participants agreed that policy should remain restrictive for some time until the Committee is confident that inflation is moving down sustainably toward its objective" to reduce the risk of "reacceleration."
- With treasury yields rising since the FOMC meeting and financial conditions tightening the minutes represent stale information. Currently, the market does not expect a rate hike in November.

# US mortgage refinancing index

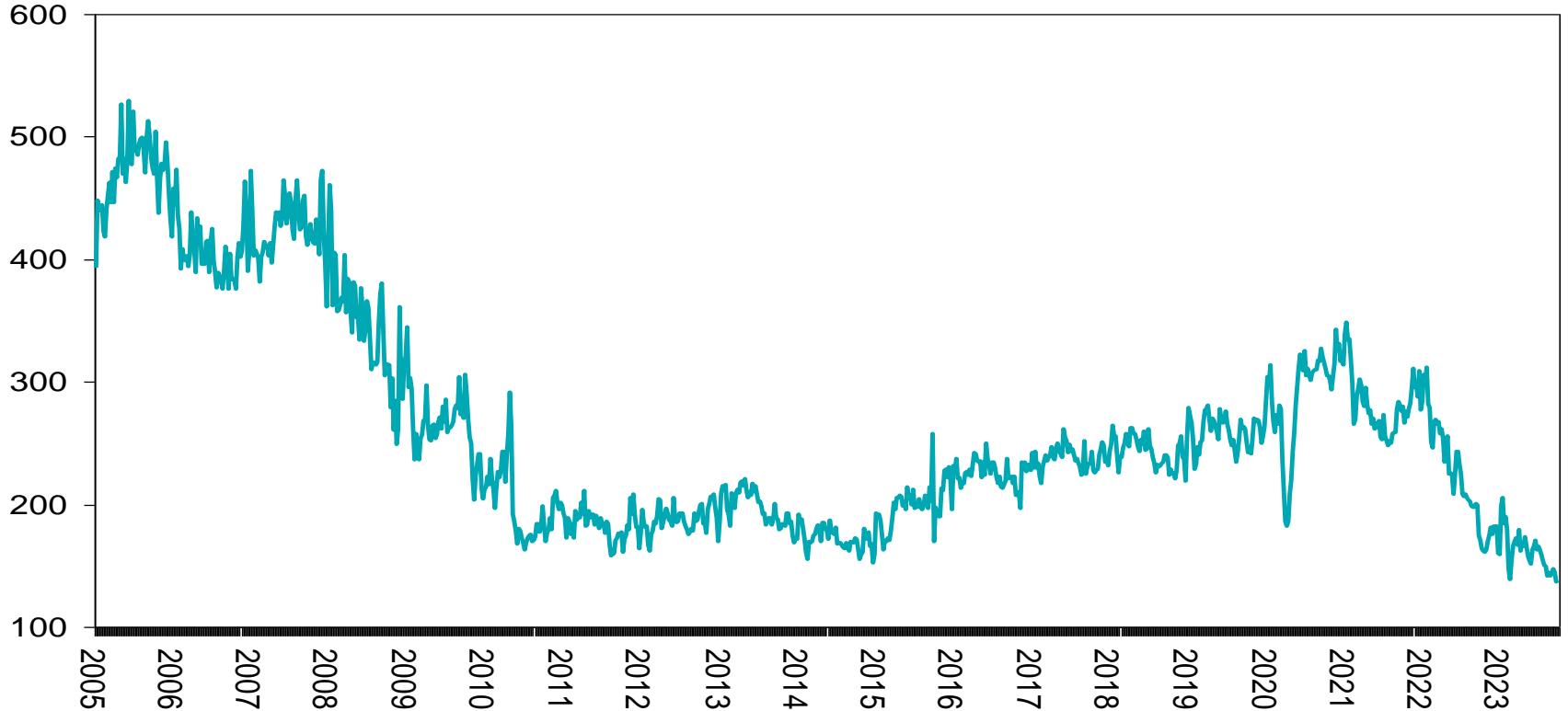
Index





# US mortgage applications for purchase

Market composite index



# US 30-year fixed rate mortgage

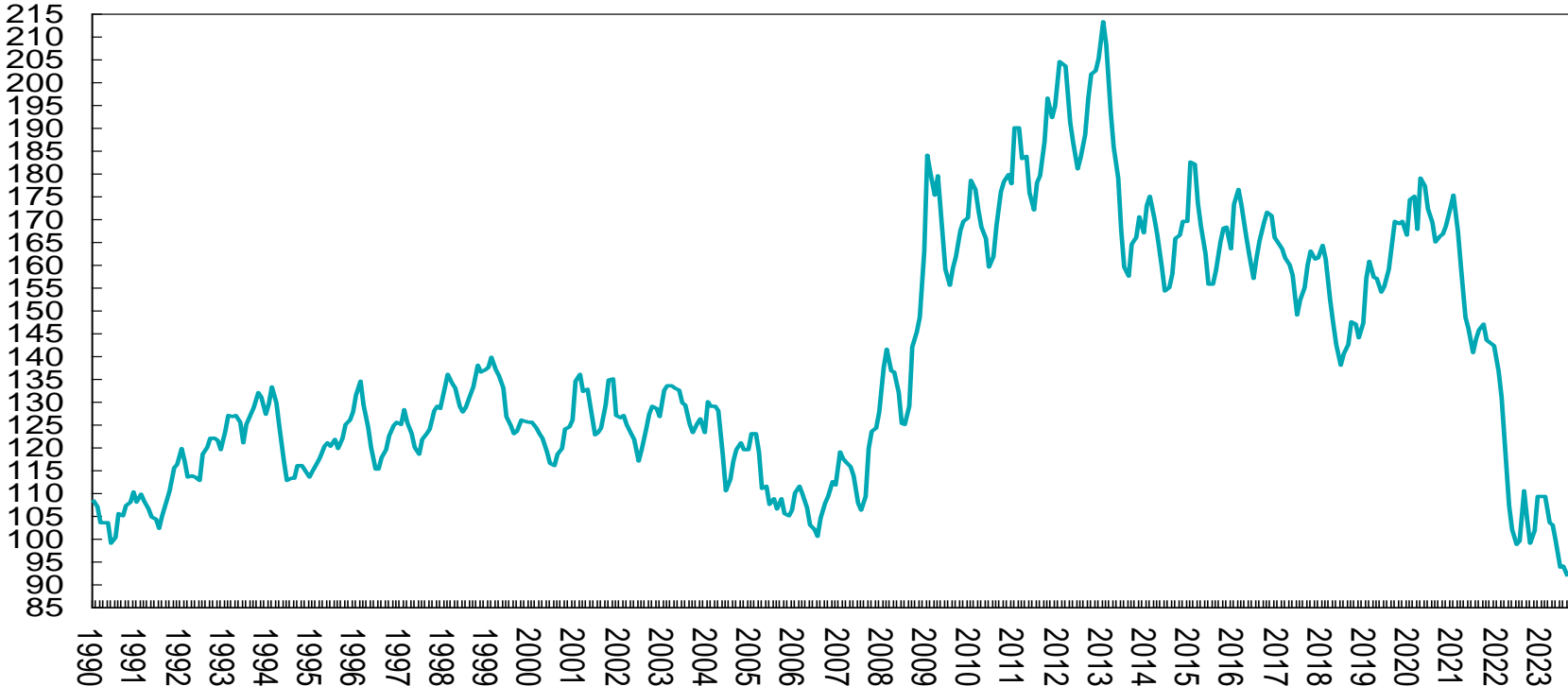
% yield, 30-year rate



# US housing affordability

Index, composite

The lower the index the more unaffordable housing has become



# Weekly economic review: 9 to 15 October 2023

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Thursday, 12 October 2023

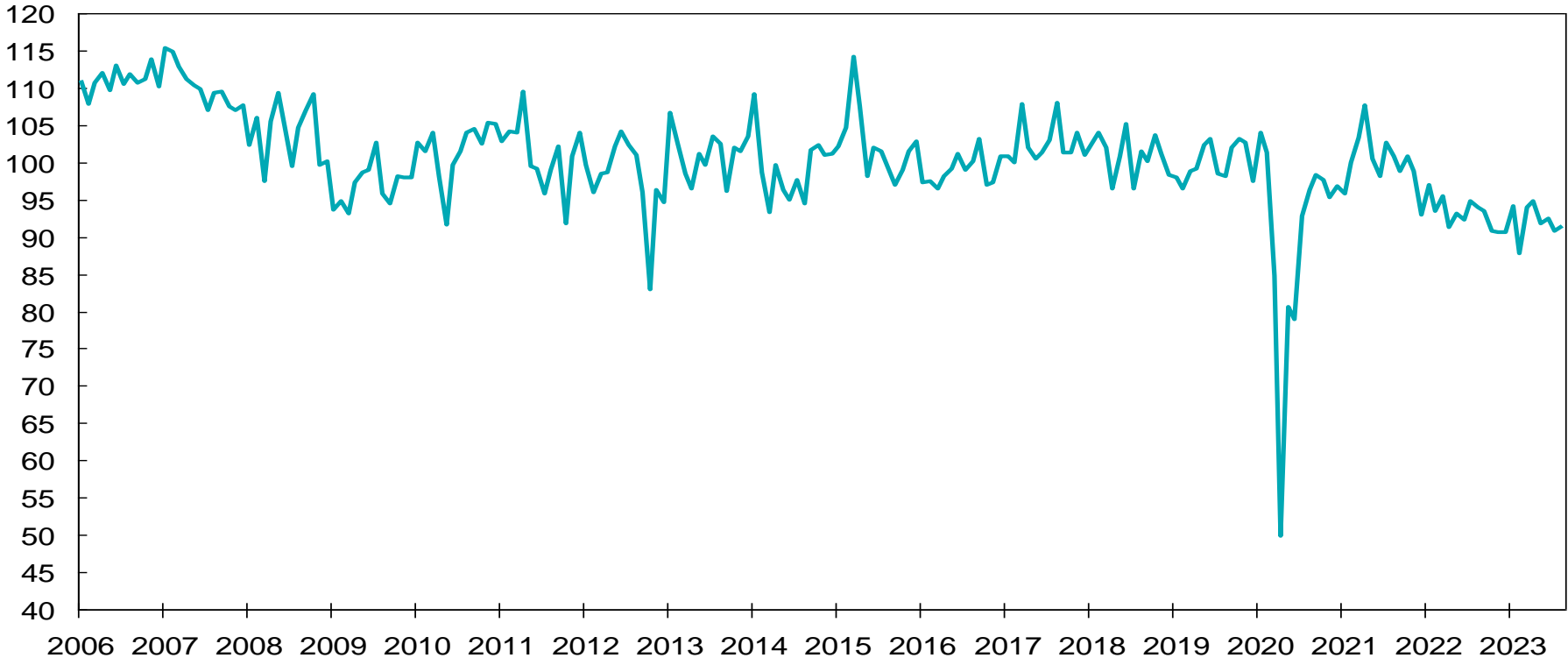
- SA mining production for August 2023
- SA manufacturing production for August 2023
- US consumer inflation for September 2023
- US weekly jobless claims



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# SA mining production

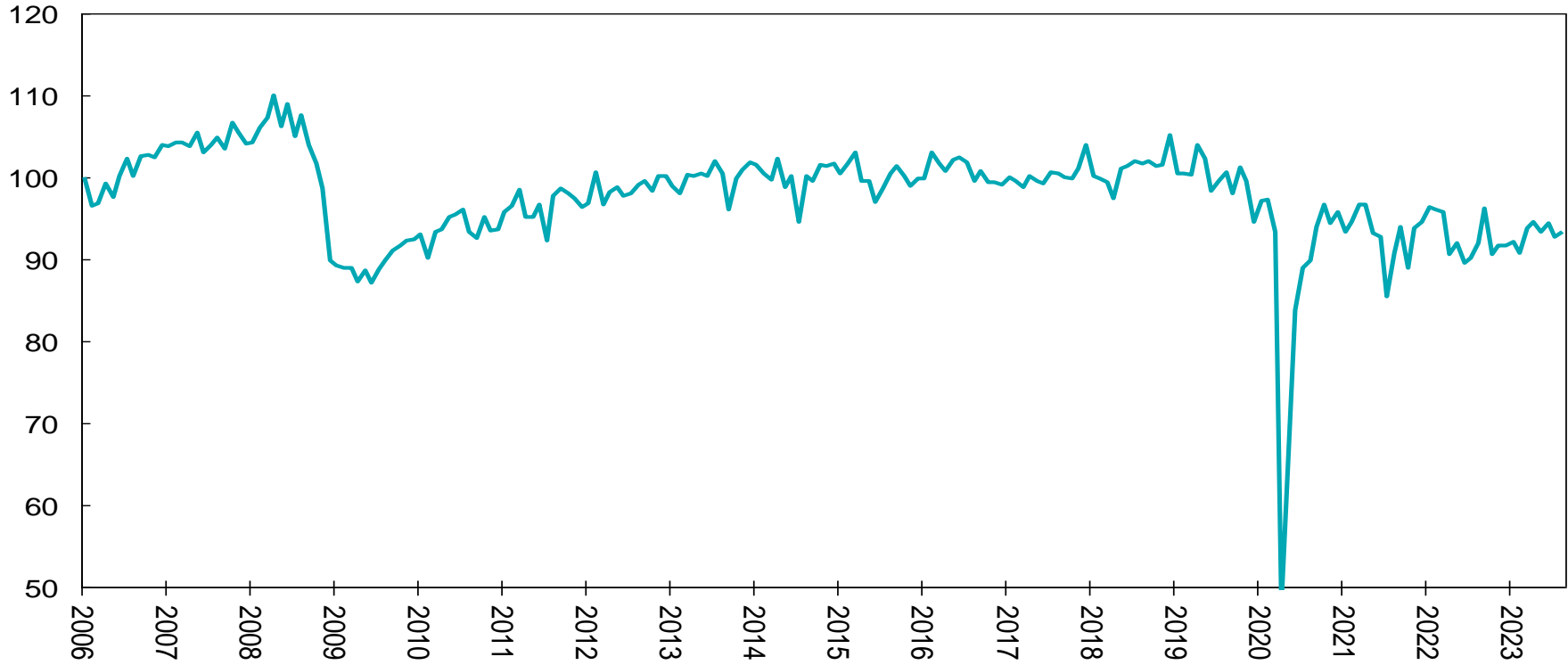
Index



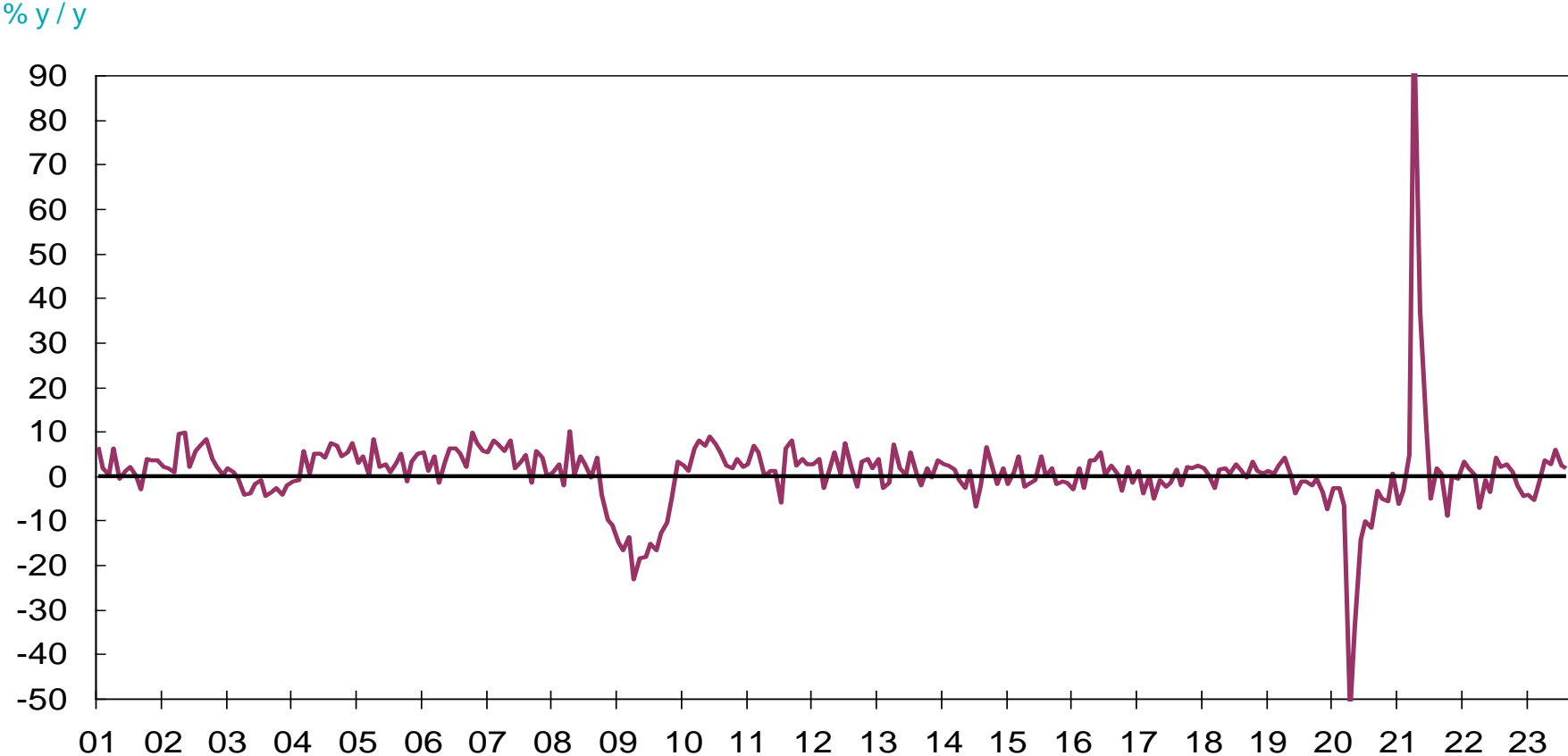
Source: Statistics South Africa

# SA manufacturing production index

Index

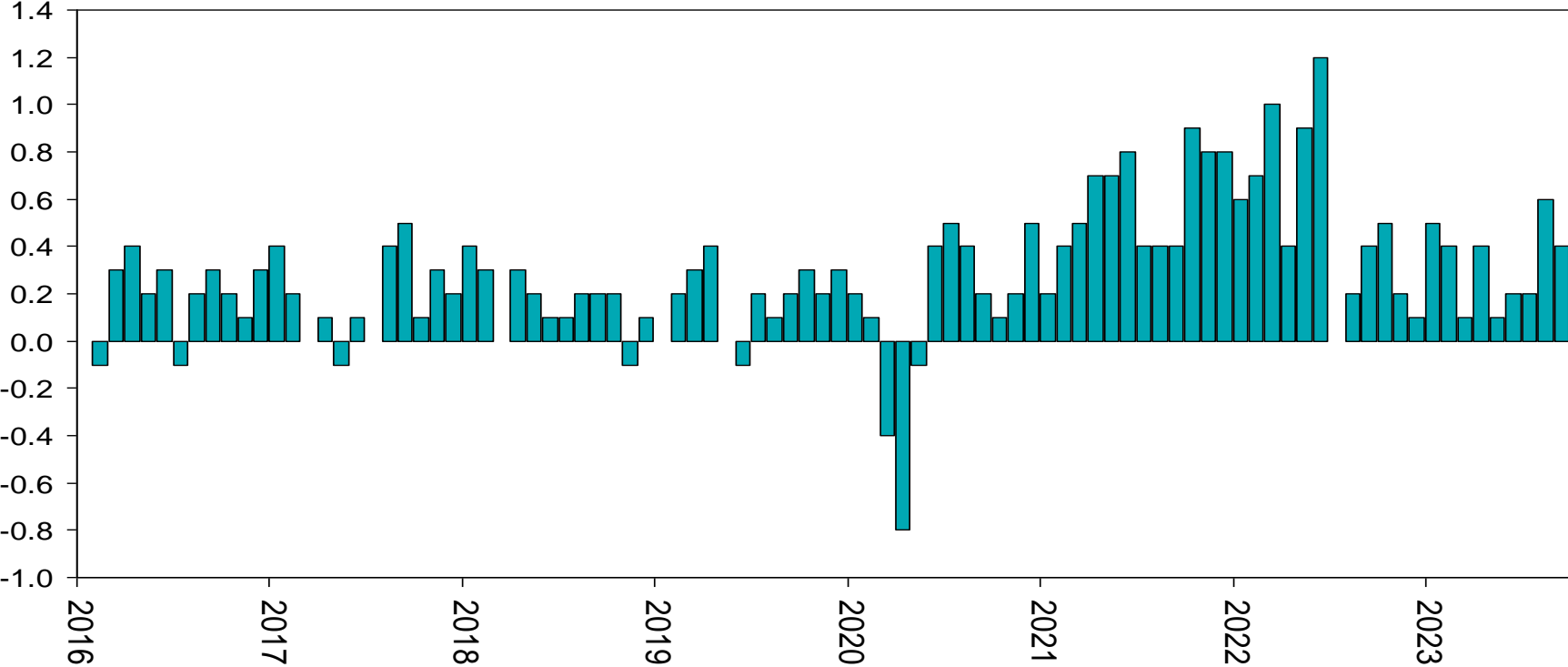


# SA manufacturing production (annual rate of growth)



# US headline inflation (month-on-month)

%m/m (seasonally adjusted)

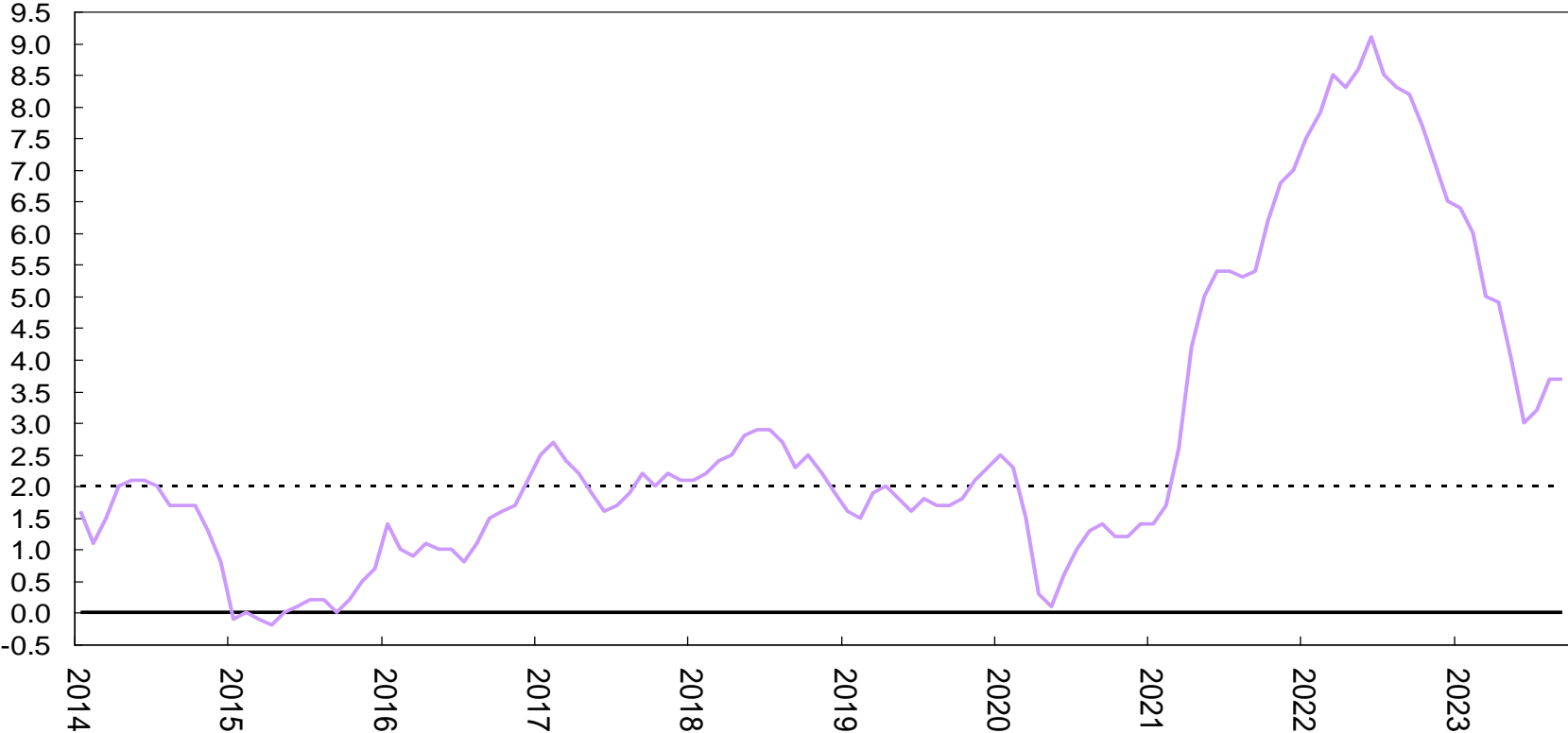


• Source: US Bureau of Labour Statistics



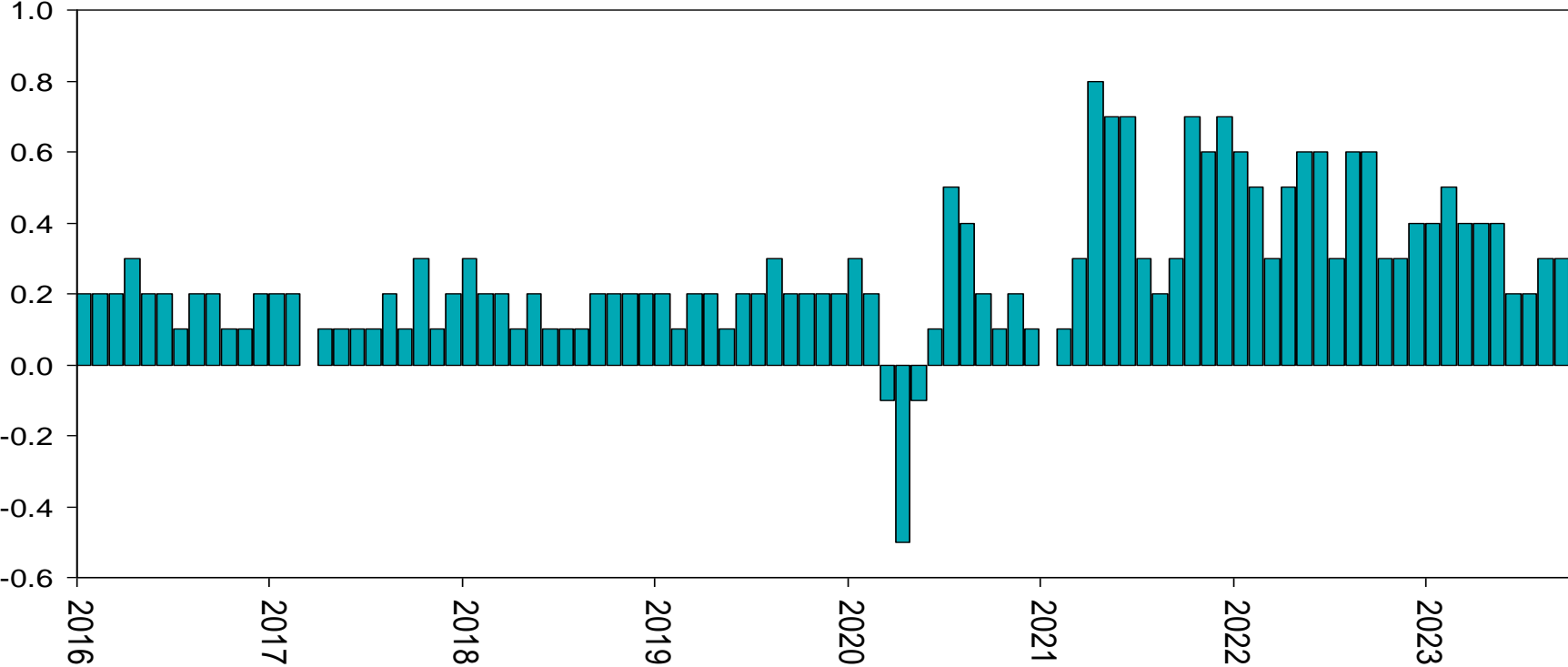
# US consumer inflation

% y/y



# US core inflation (month-on-month)

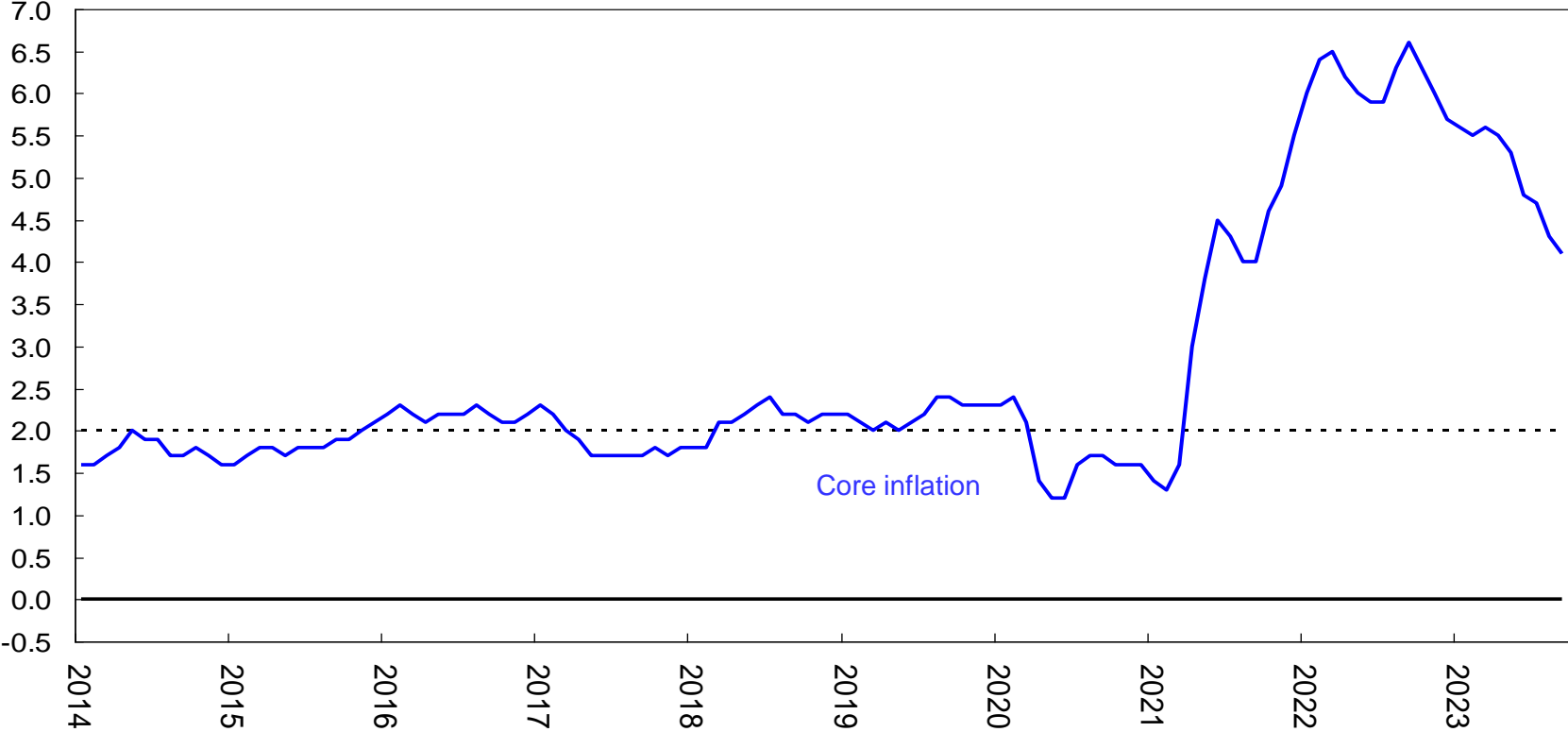
%m/m (seasonally adjusted)



• Source: US Bureau of Labour Statistics

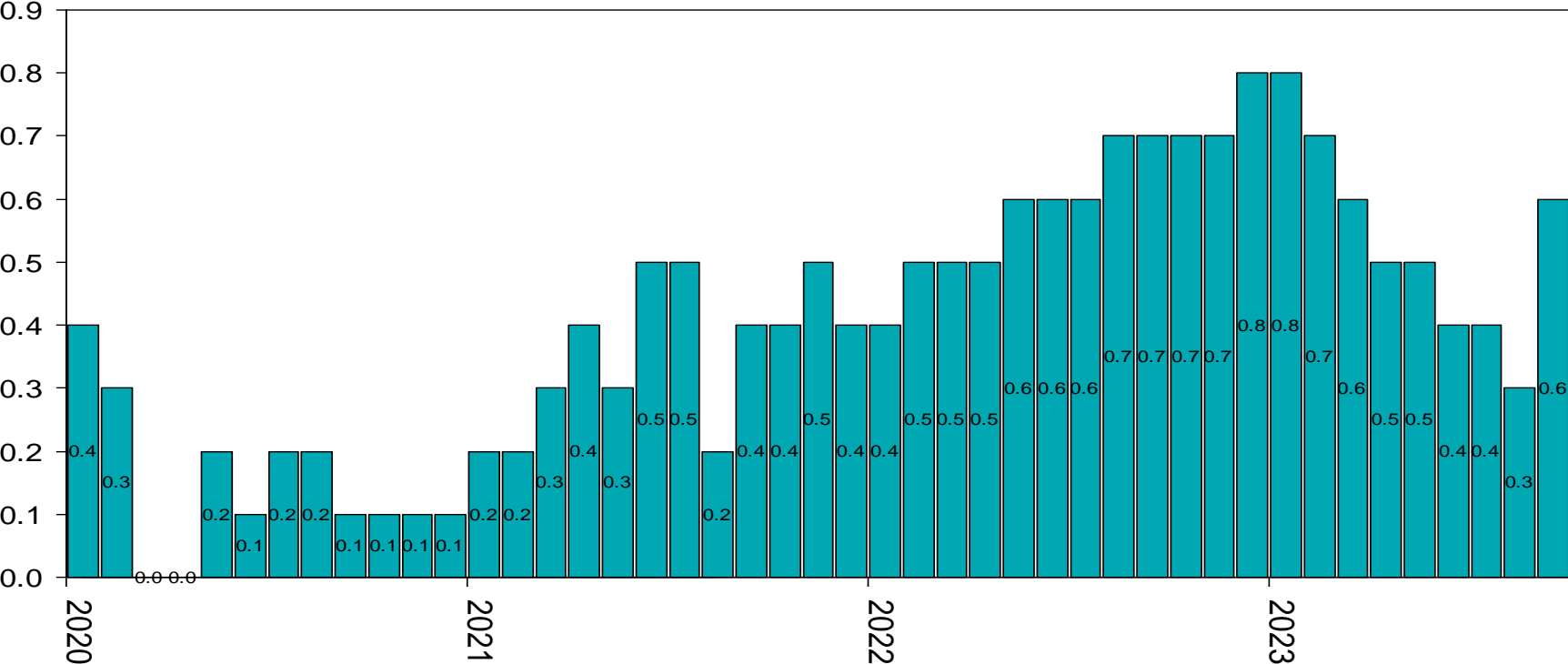
# US core consumer inflation

% y/y



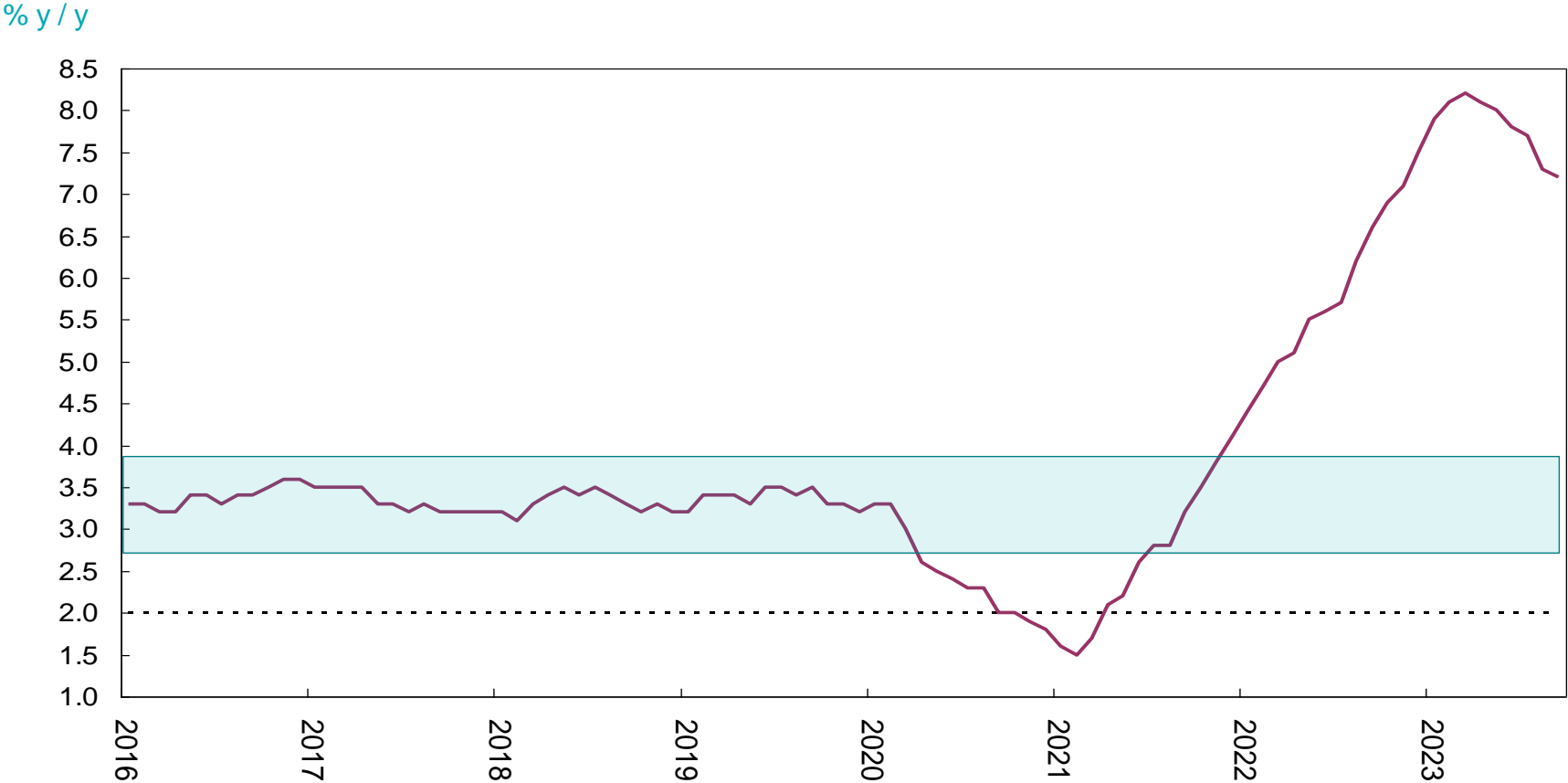
# US shelter inflation (month-on-month)

%m/m (seasonally adjusted)

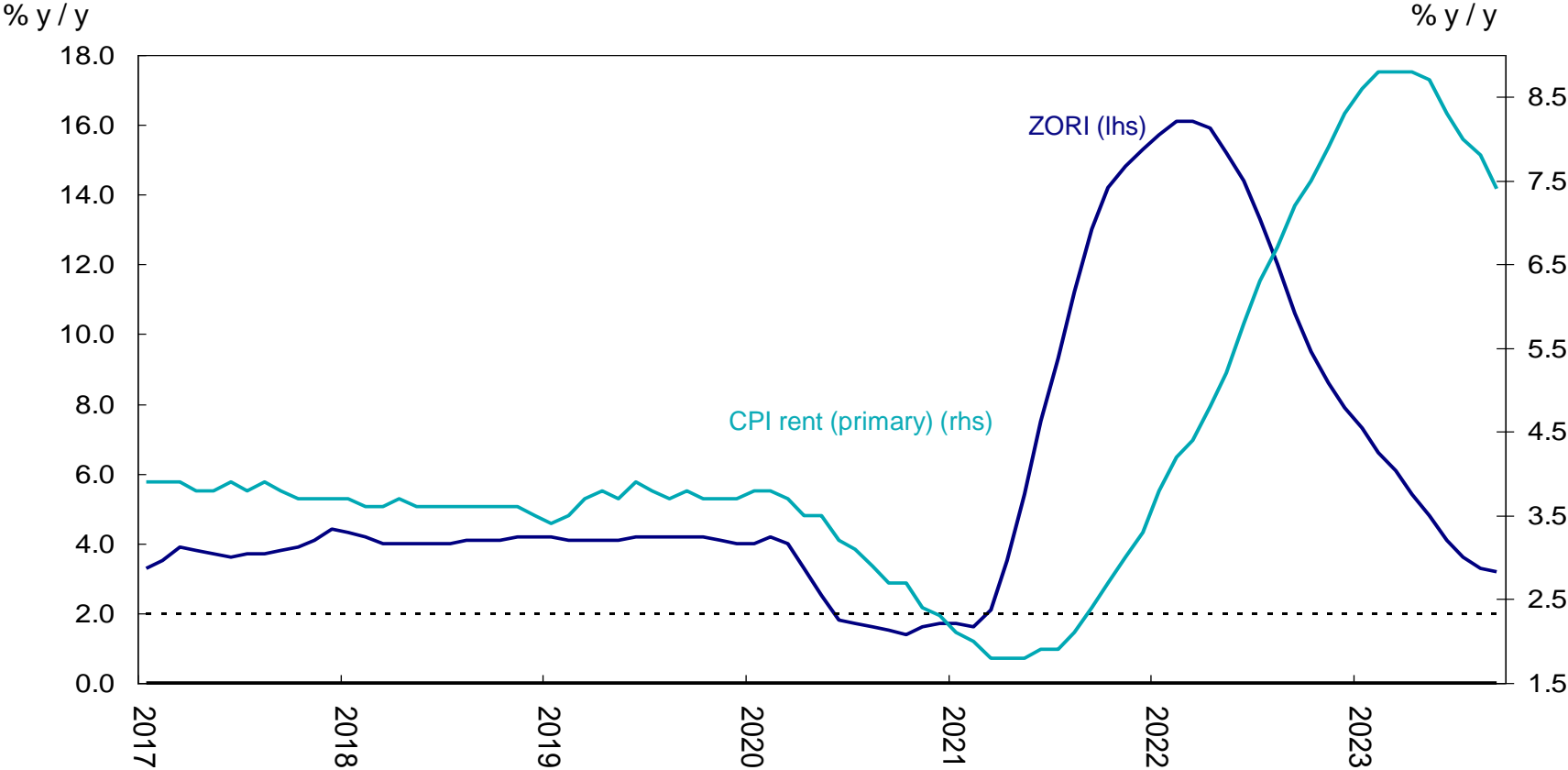


• Source: US Bureau of Labour Statistics

# US consumer inflation: shelter (33.3% weight)



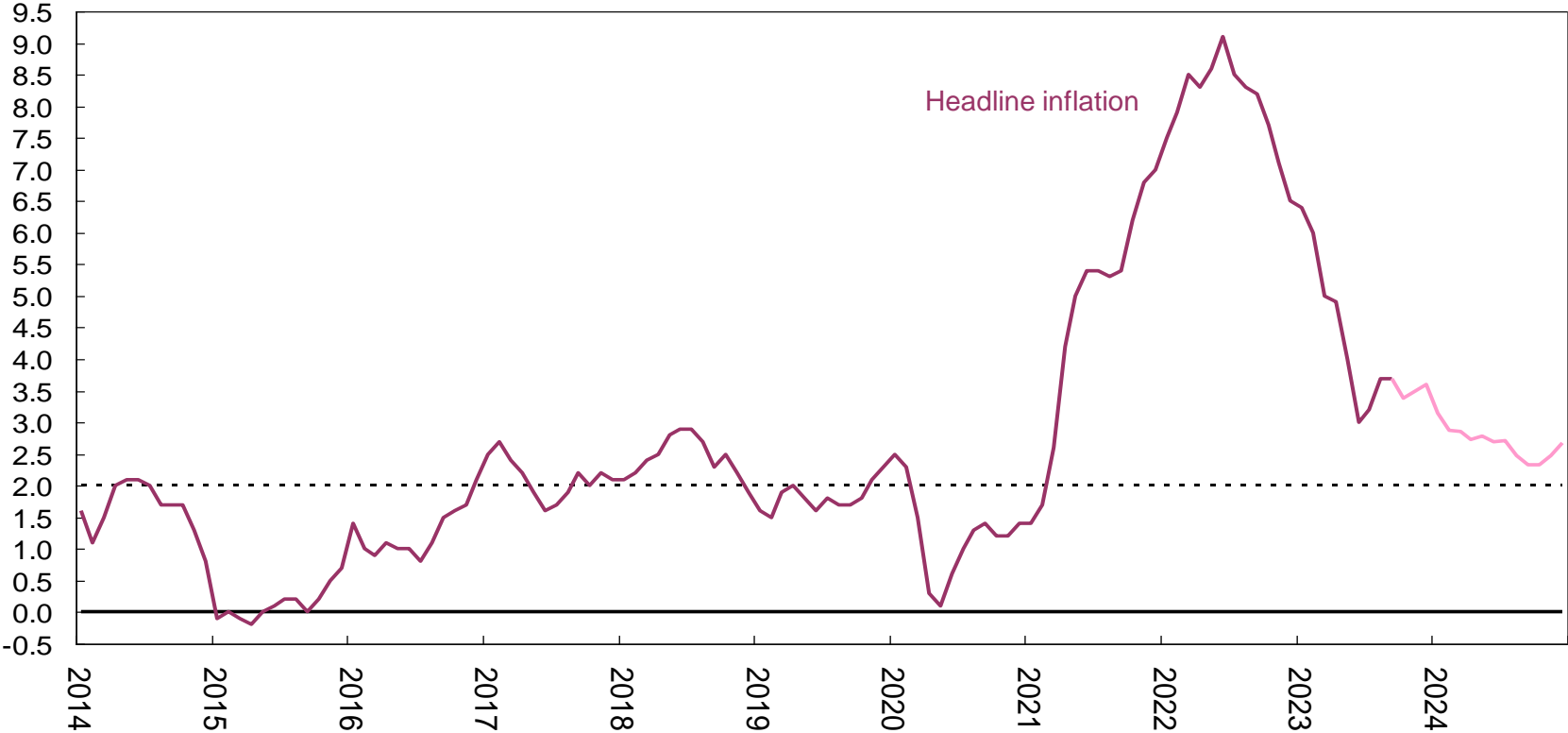
# US shelter inflation vs Zillow Observed Rent Index



• Source: US Bureau of Labour Statistics and Zillow

# US consumer inflation forecast

% y / y



• Source: US Bureau of Labour Statistics and STANLIB

# US initial jobless claims

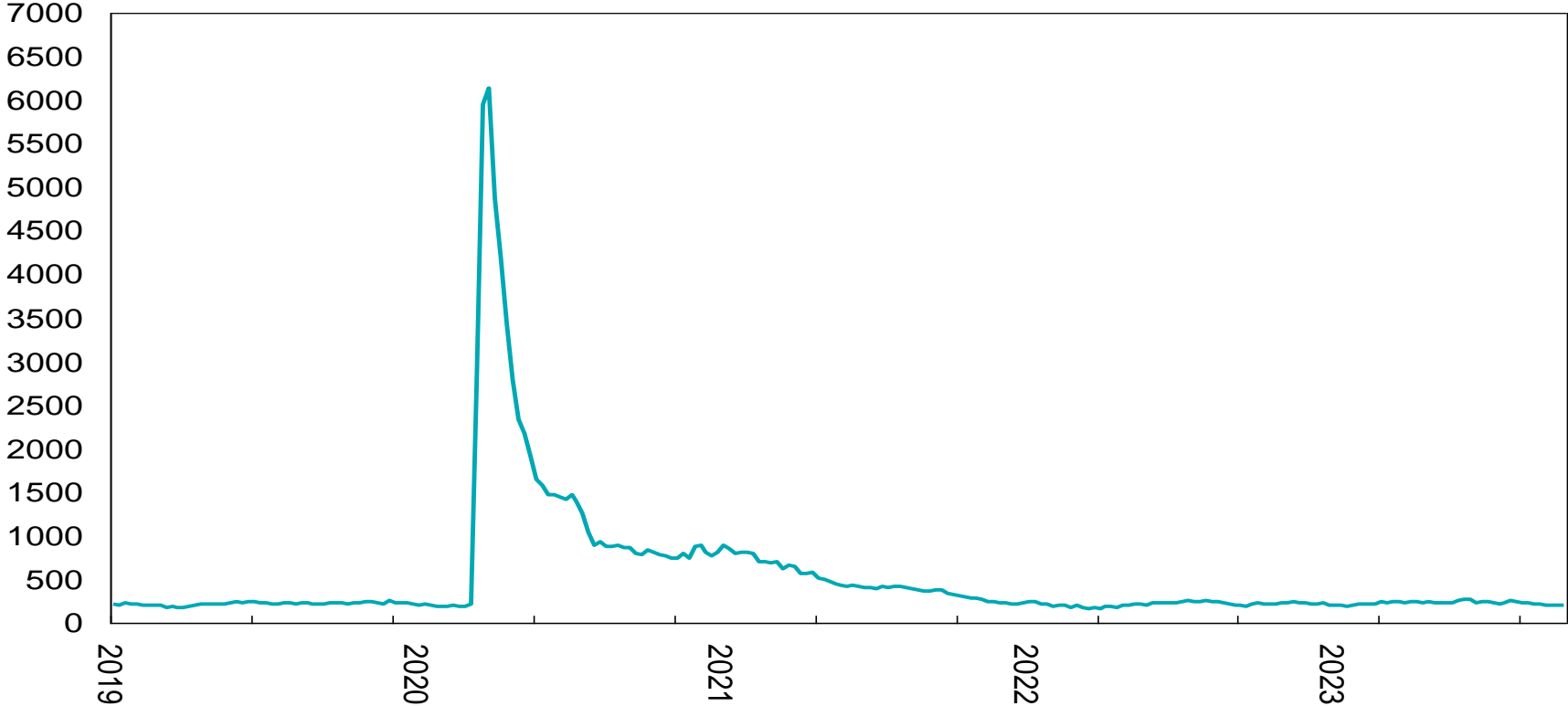
000's





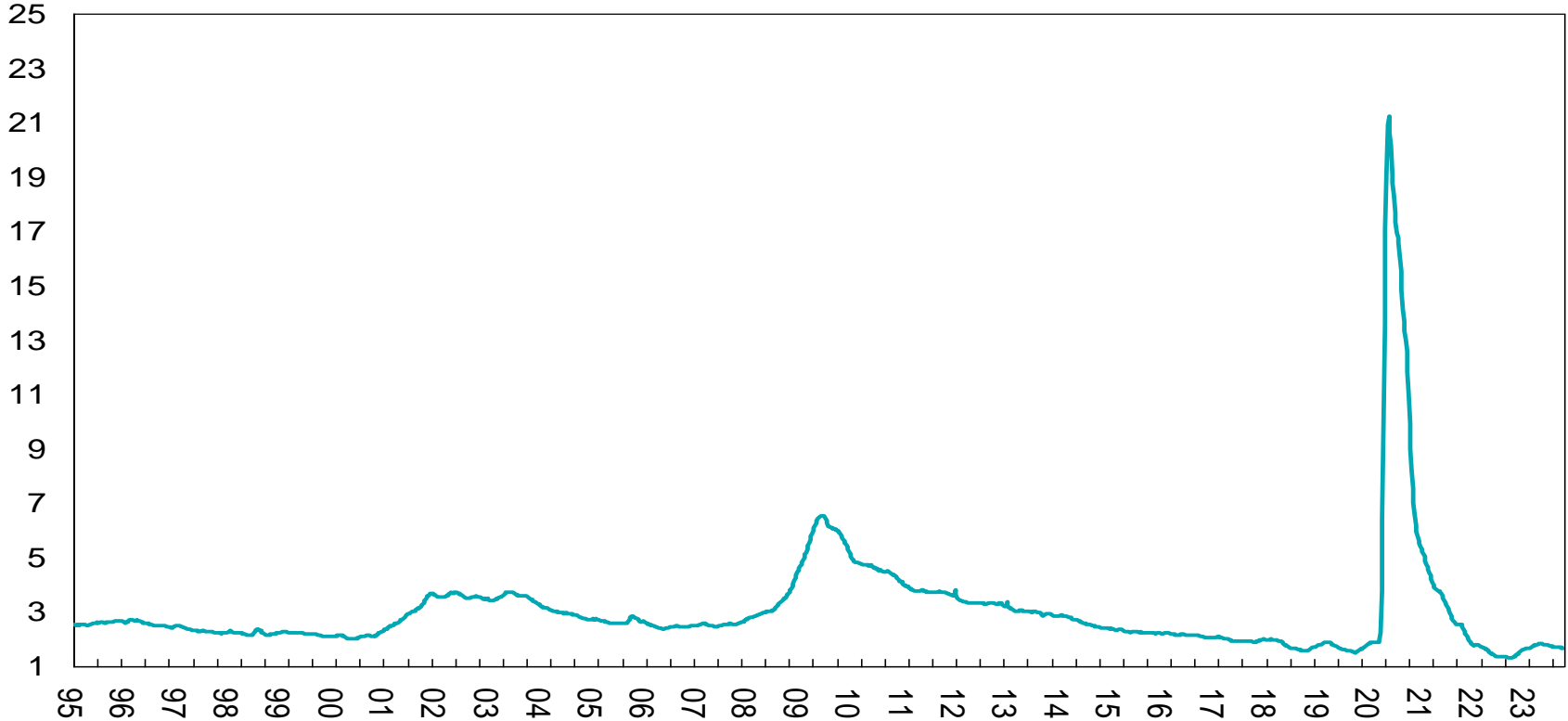
# US initial jobless claims

000's



# US continuing claims

Million



## Weekly economic review: 9 to 15 October 2023

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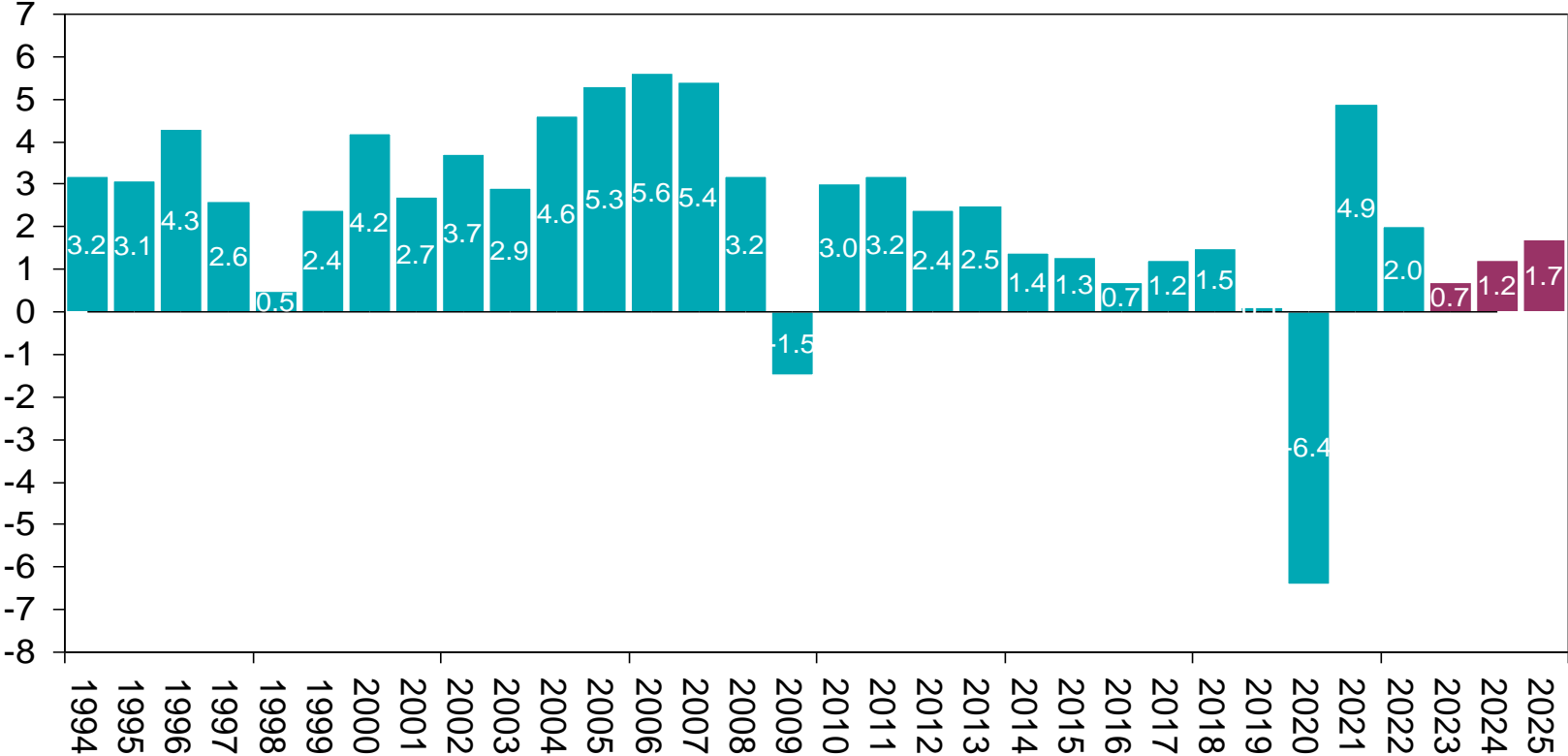
### Friday, 13 October 2023

- SA consensus economic forecast for October 2023
- US consumer confidence (Michigan) for October 2023
- US household inflation expectations for October 2023
- China consumer and producer inflation for September 2023
- China growth in imports and exports for September 2023
- Euro-area industrial production for August 2023

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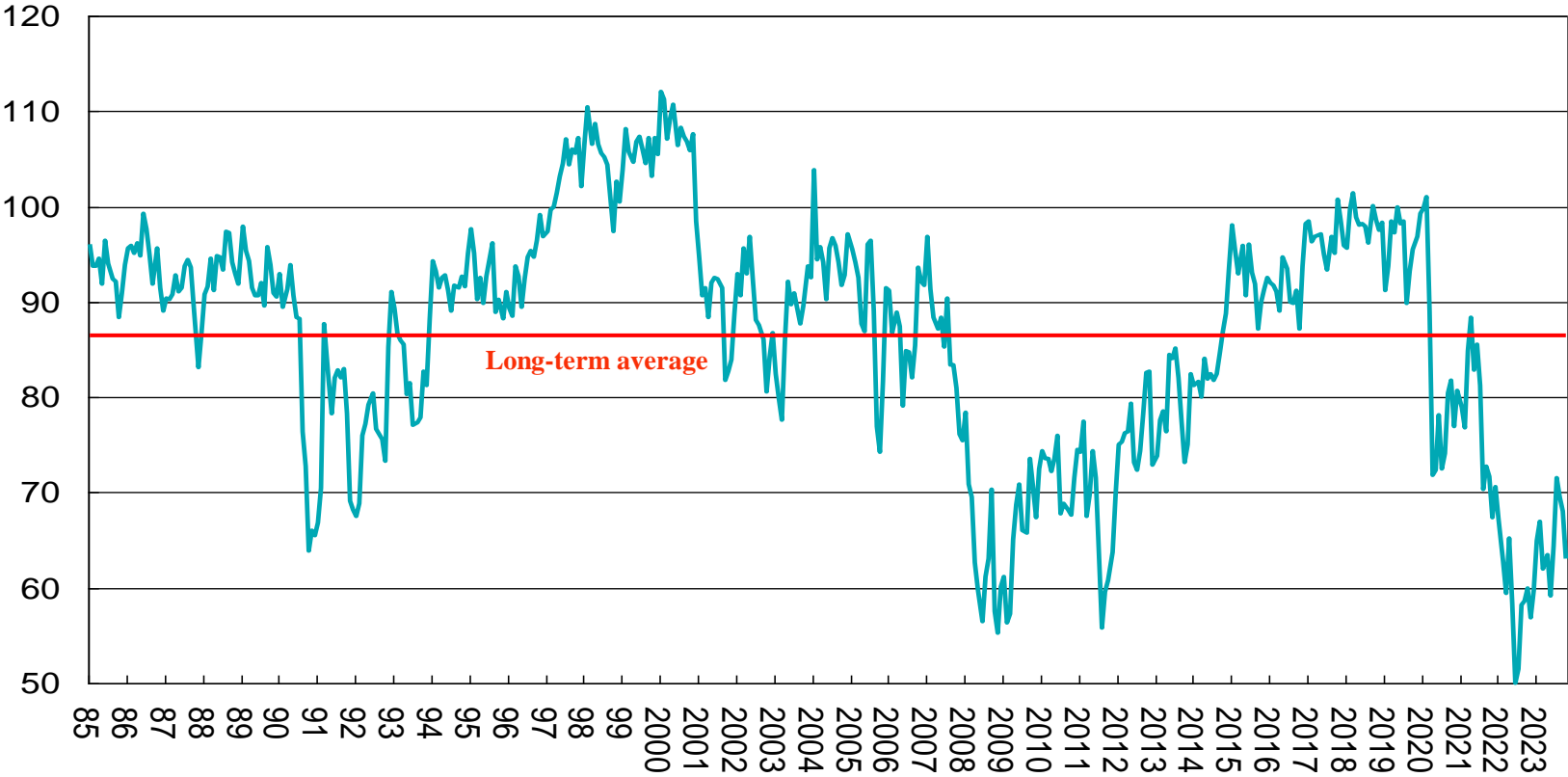
# SA consensus GDP annual growth rate

% y/y



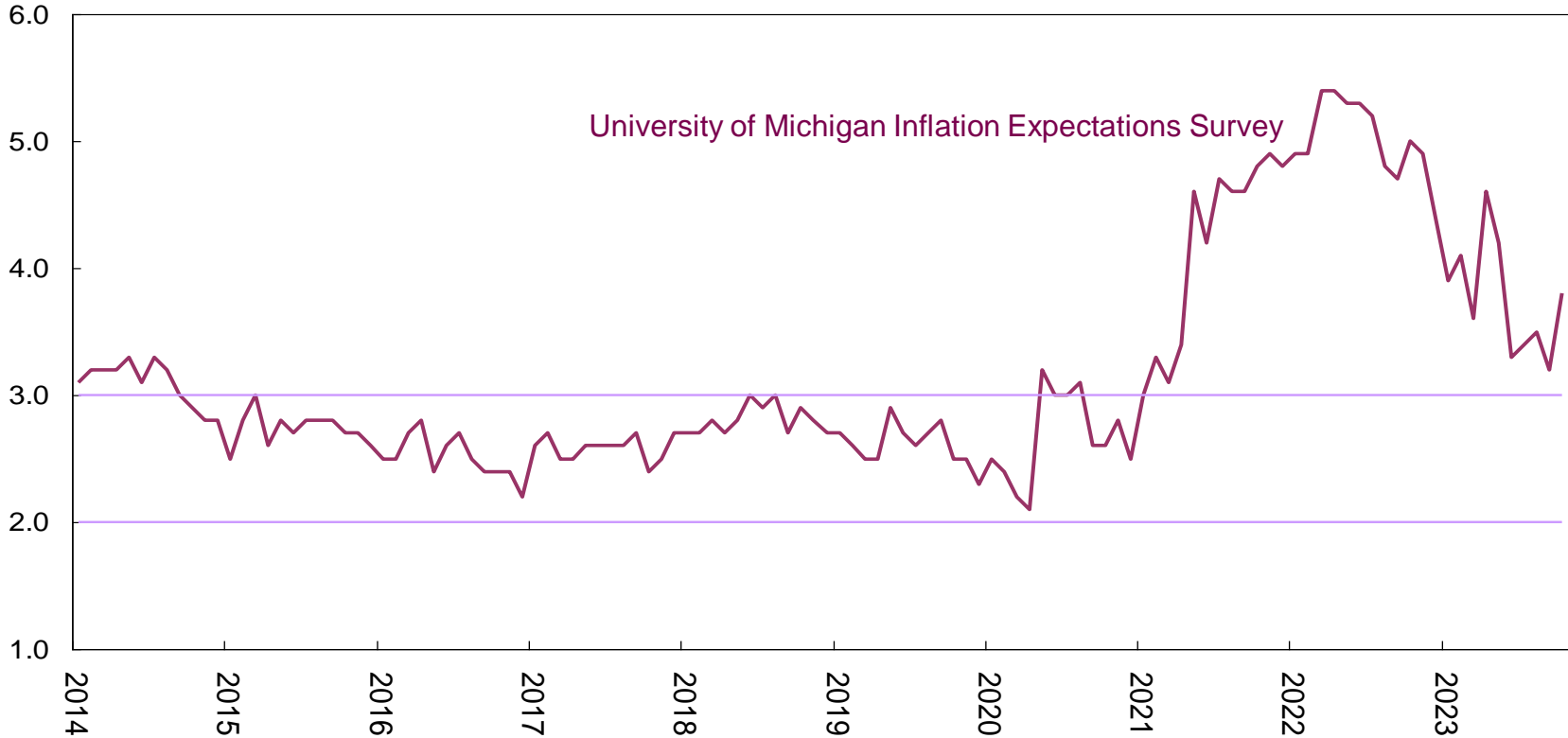
# US consumer confidence (University of Michigan)

Index



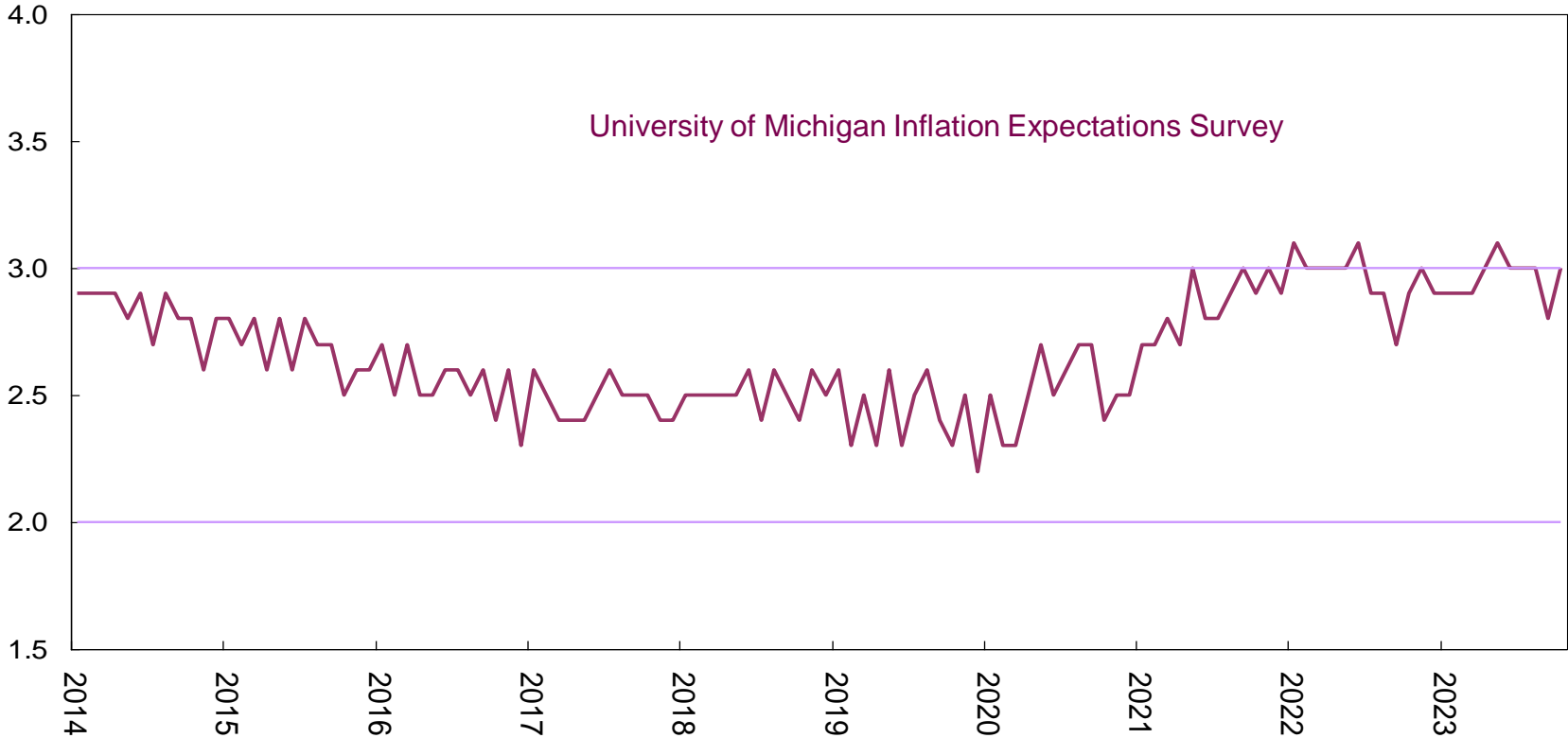
# US household inflation expectations in 12-months

Inflation rate in one year



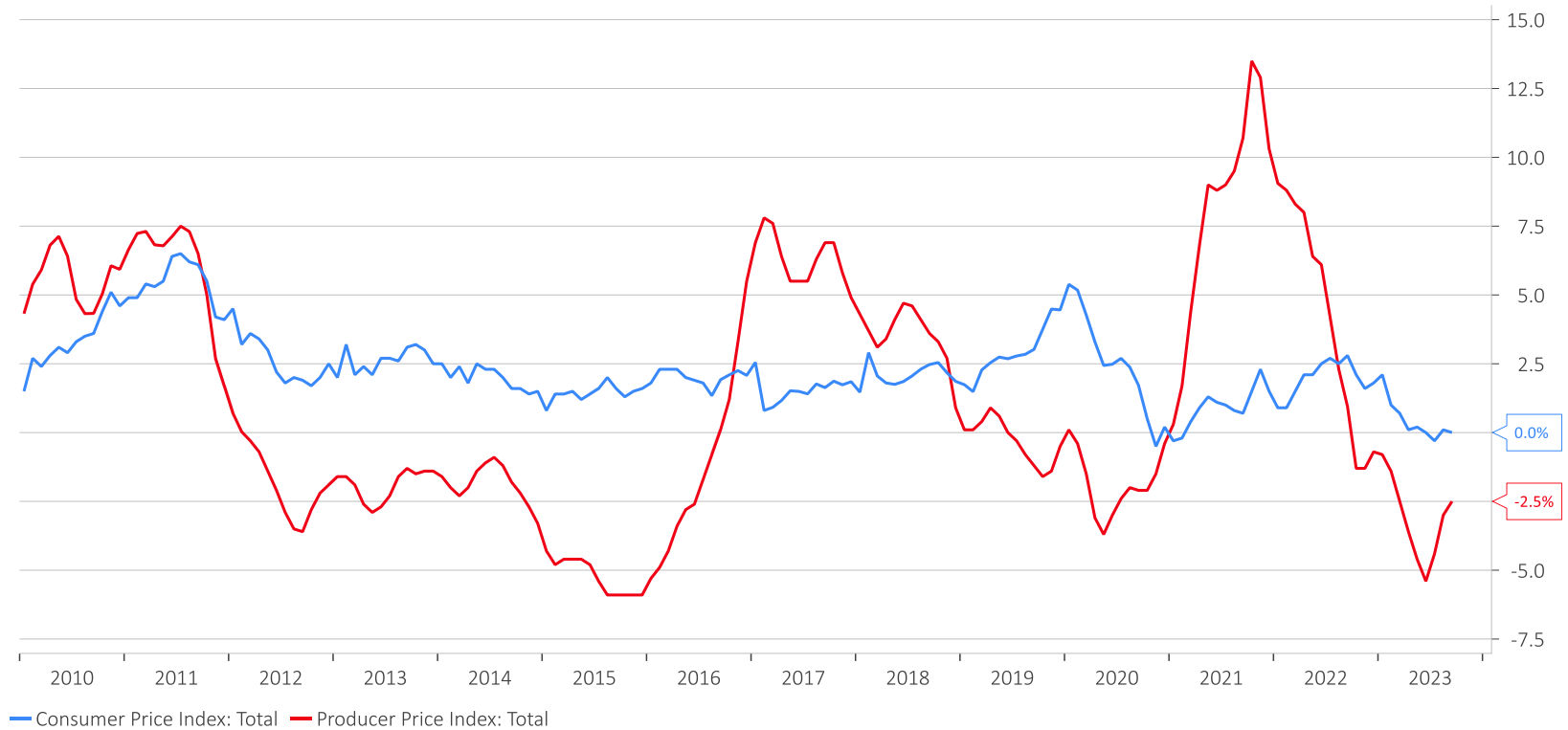
# US household inflation expectations in 5 to 10 years

Inflation rate in 5 to 10 years



# China consumer and producer inflation

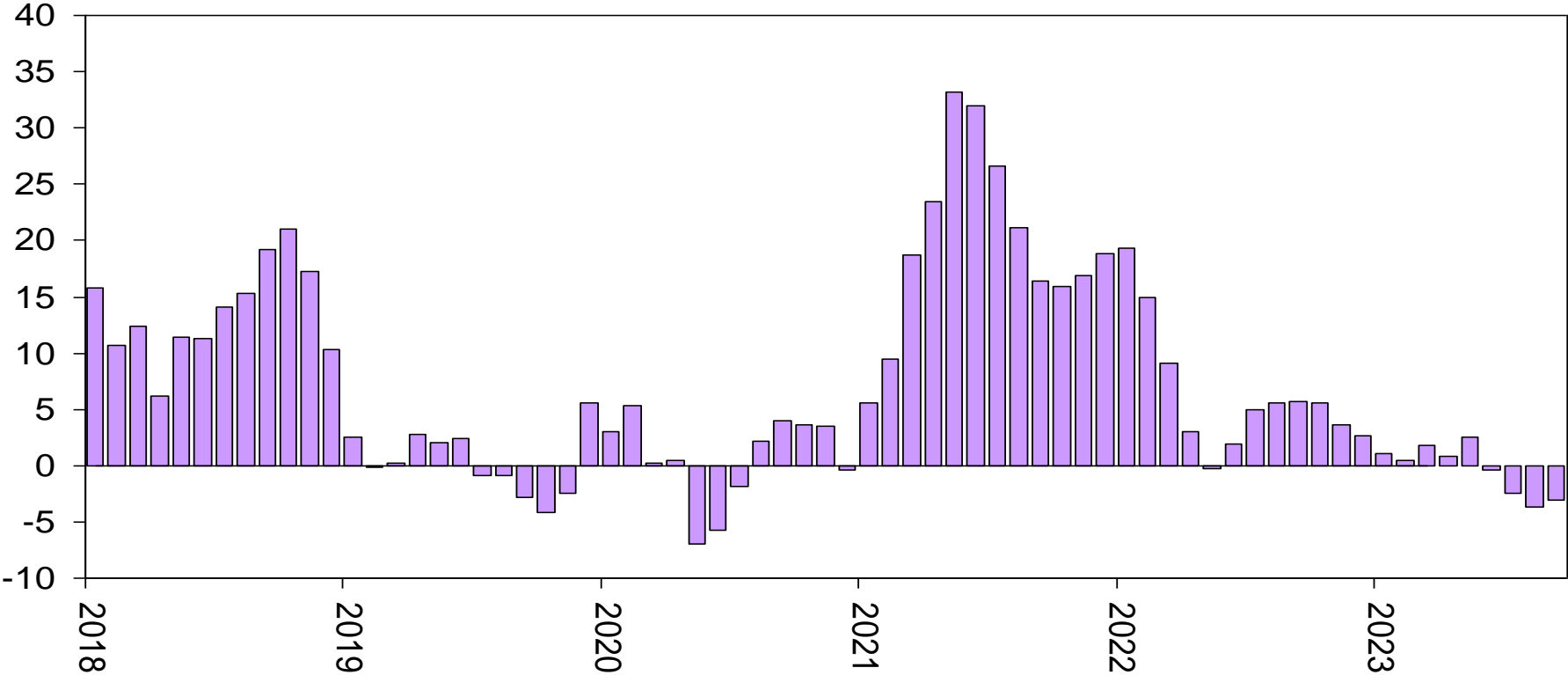
% y/y





# China imports

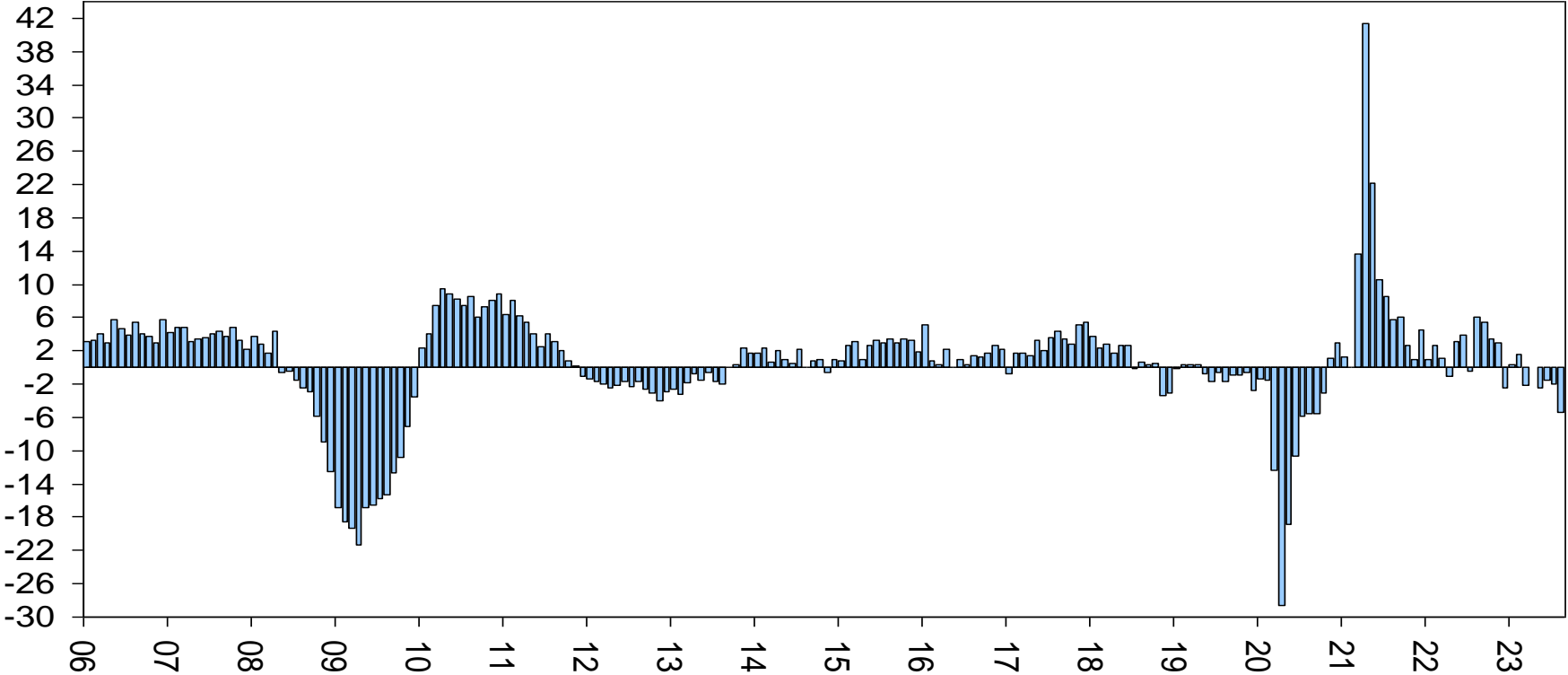
%y/y, 3-month average, CNY





# Euro-area industrial production

% y/y

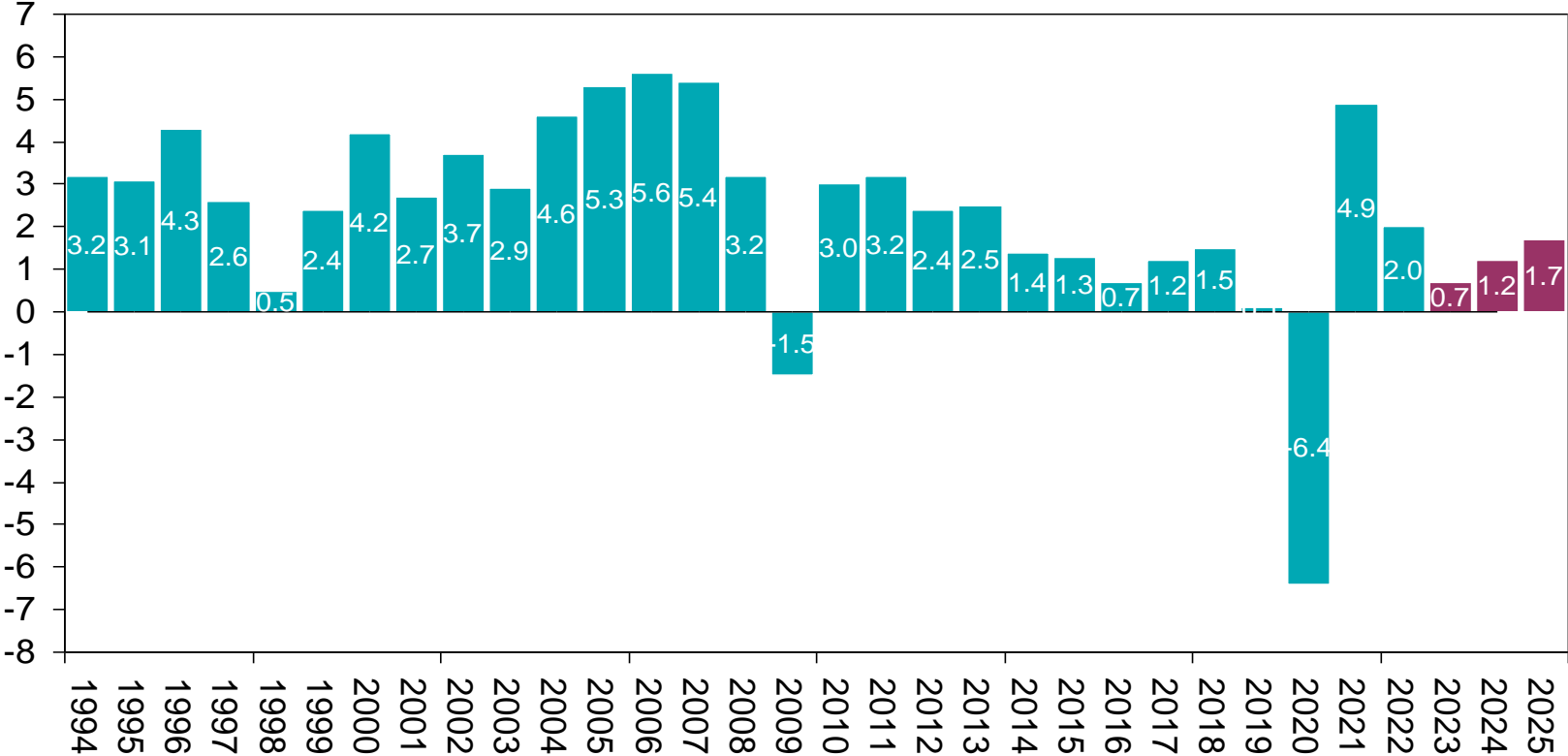


## Consensus GDP growth

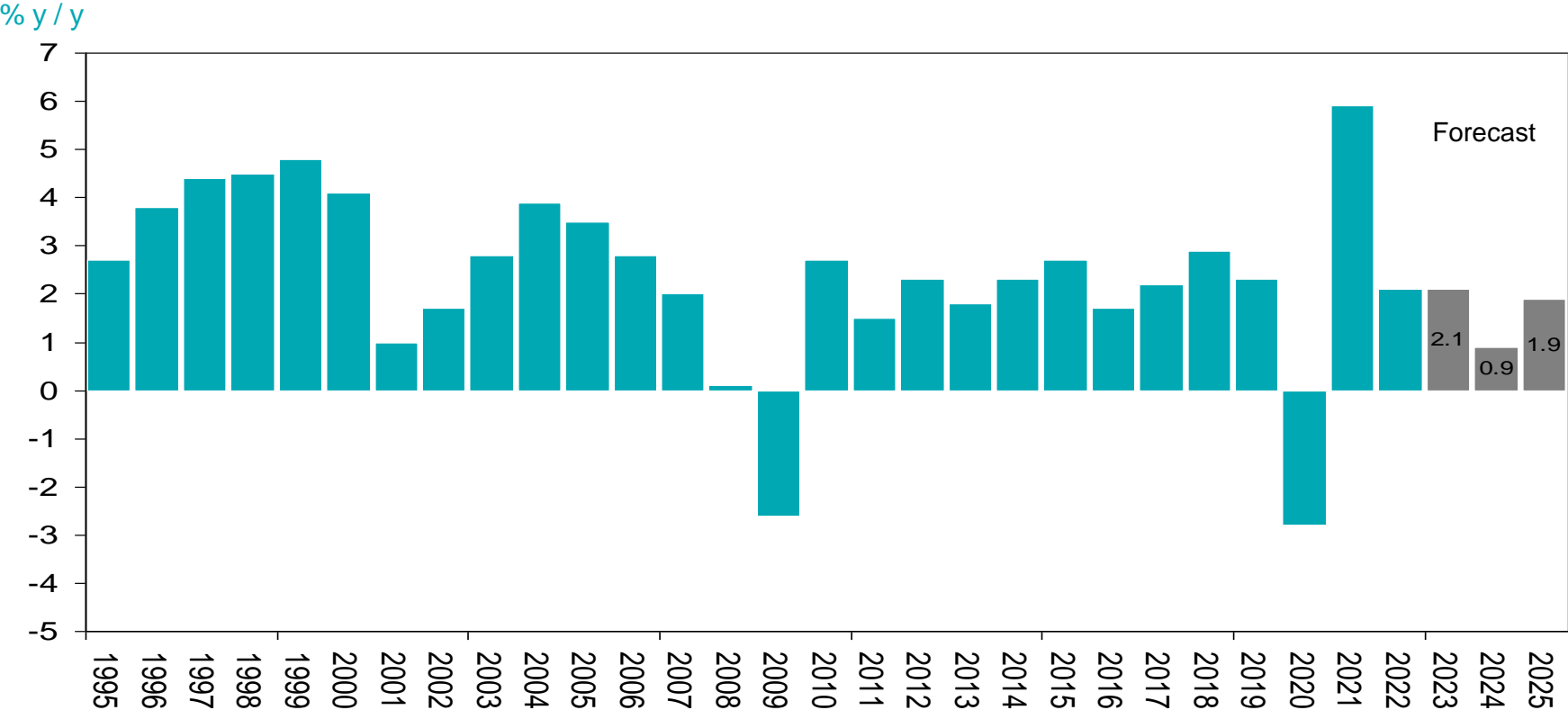
- South Africa consensus GDP growth forecast
- United States consensus GDP growth forecast
- Euro-area consensus GDP growth forecast
- China consensus GDP growth forecast

# SA consensus GDP annual growth rate

% y/y



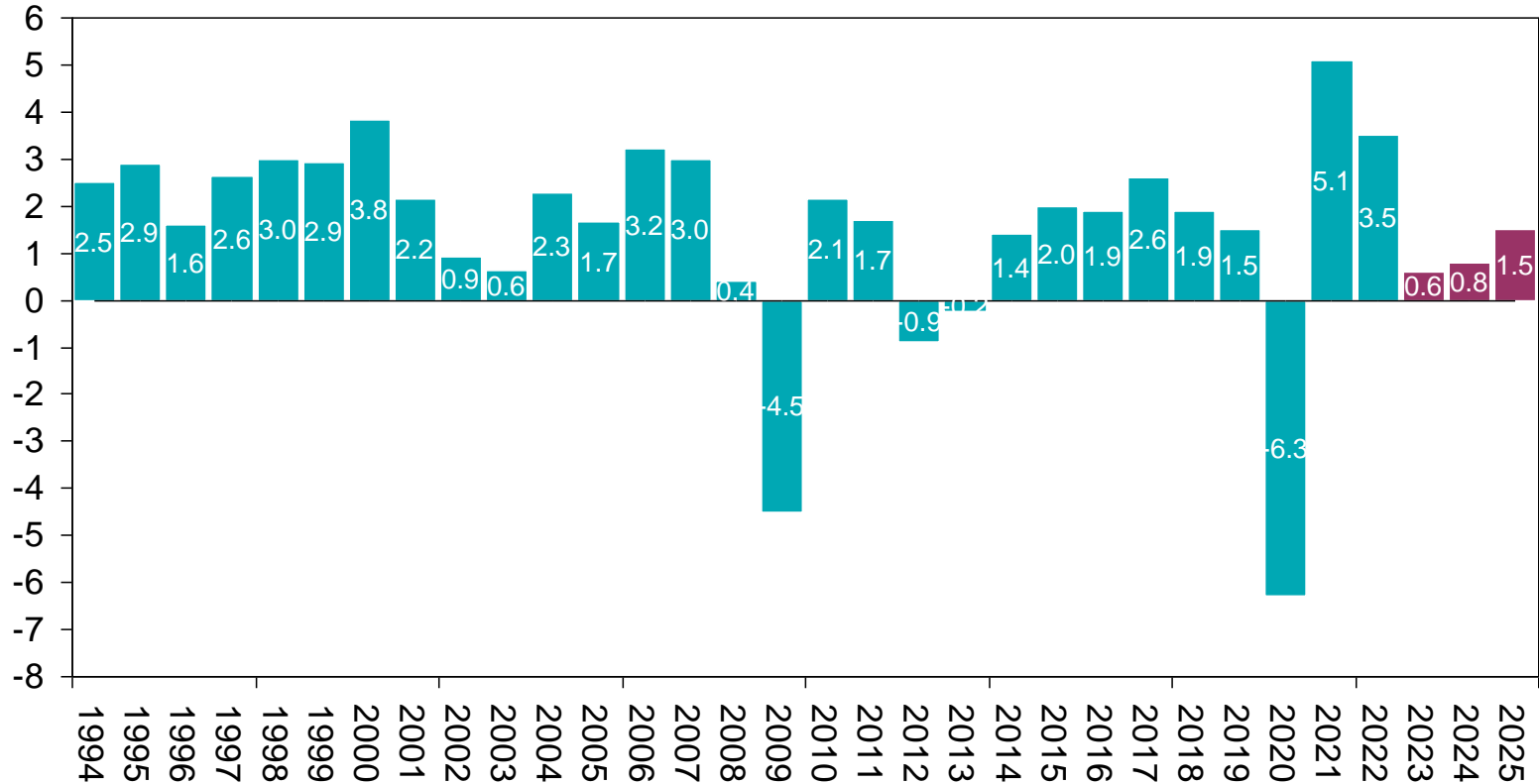
# US consensus real annual GDP growth



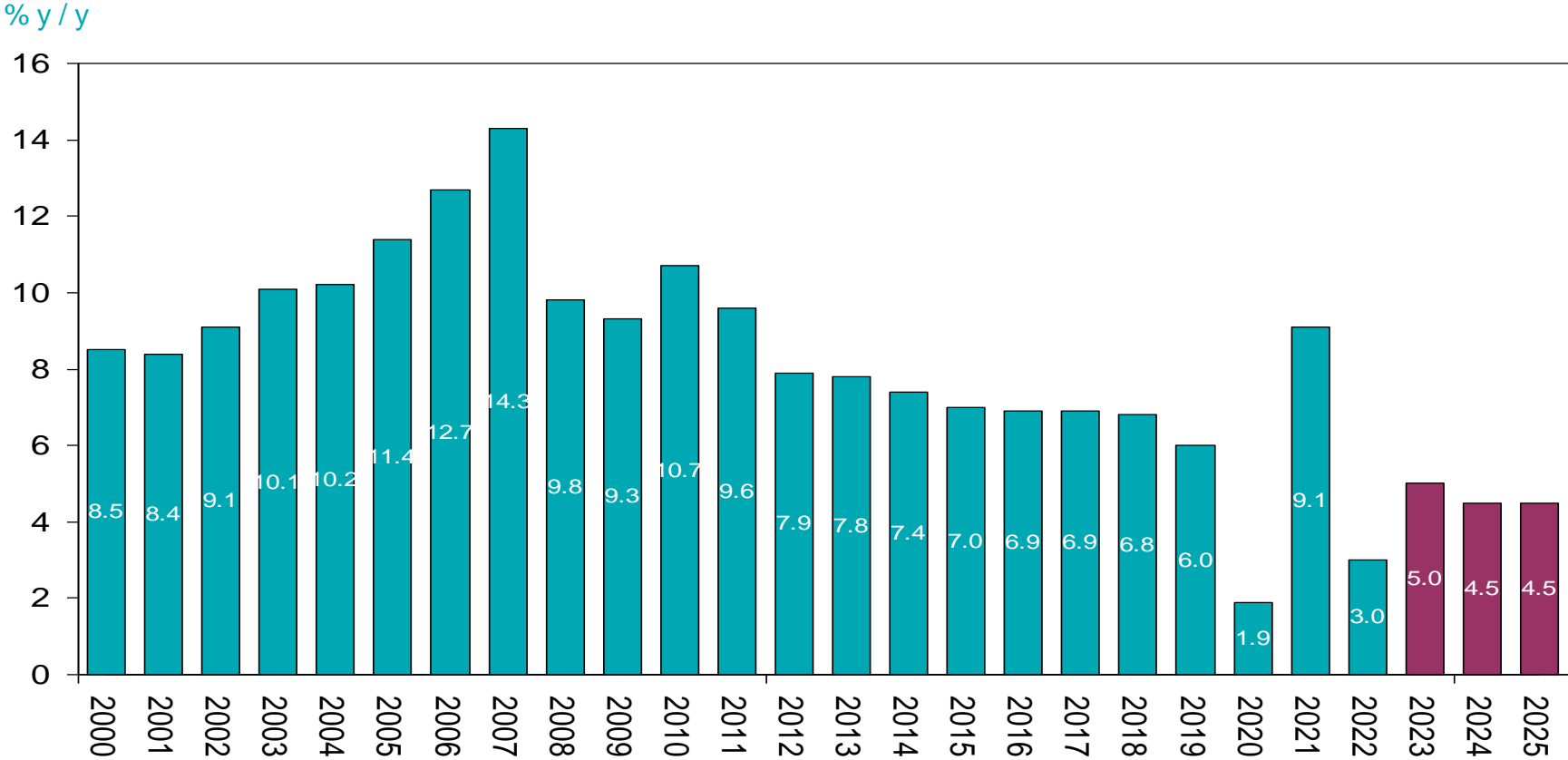
Source: Bloomberg

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

% y/y



# China GDP growth consensus forecast



Source: Bloomberg



## US financial conditions: 9 to 15 October 2023

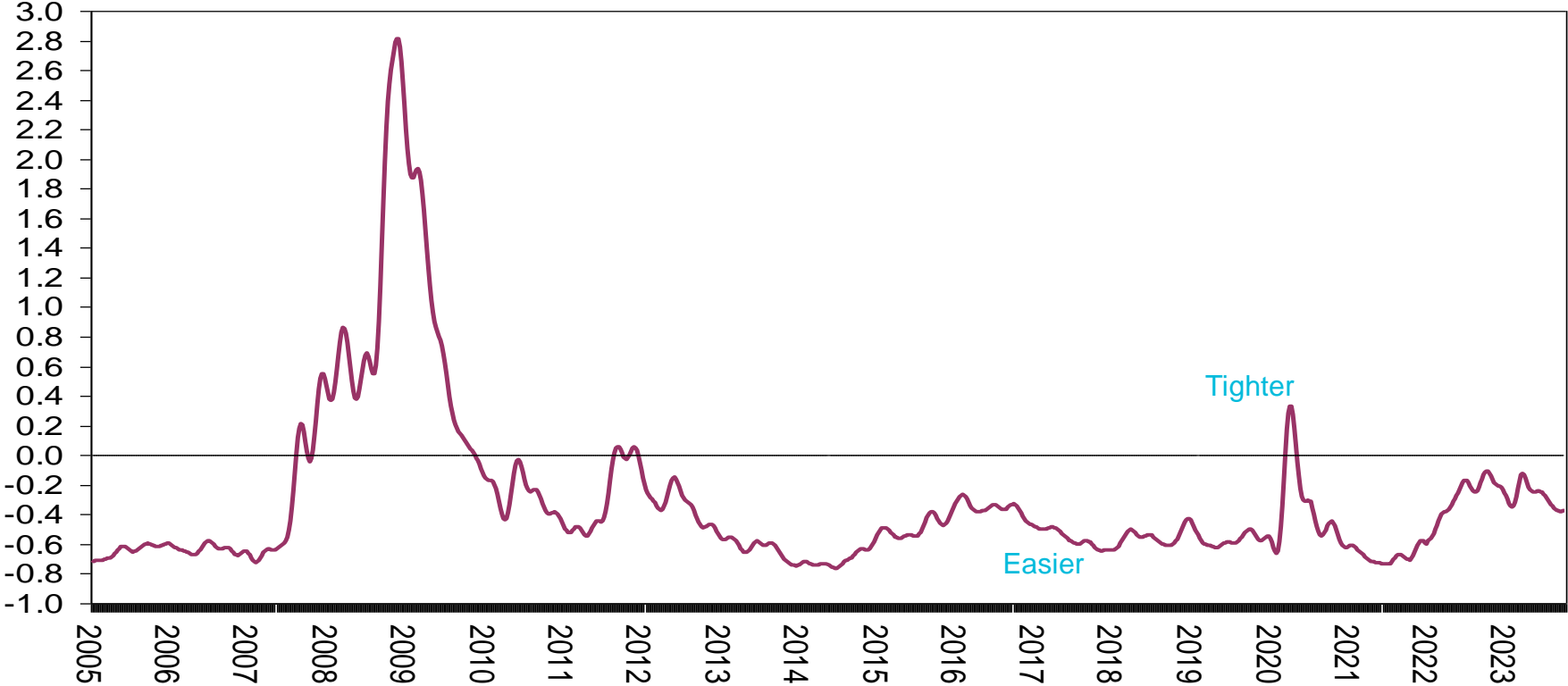
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- US financial conditions (Federal Reserve Chicago)
- US financial conditions (Federal Reserve Kansas City)
- US financial stress index (OFR)
- China PBOC liquidity injection

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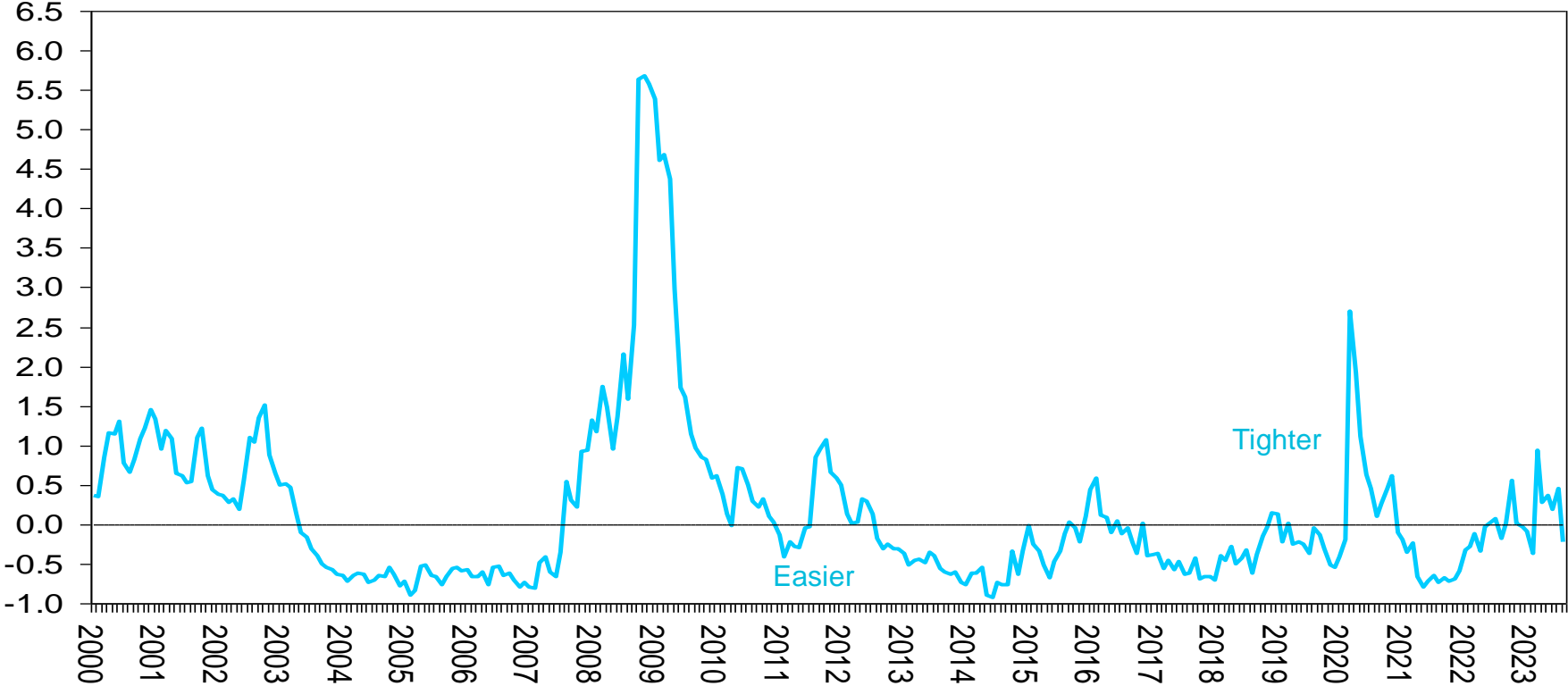
# US financial conditions (Federal Reserve Chicago)

Index



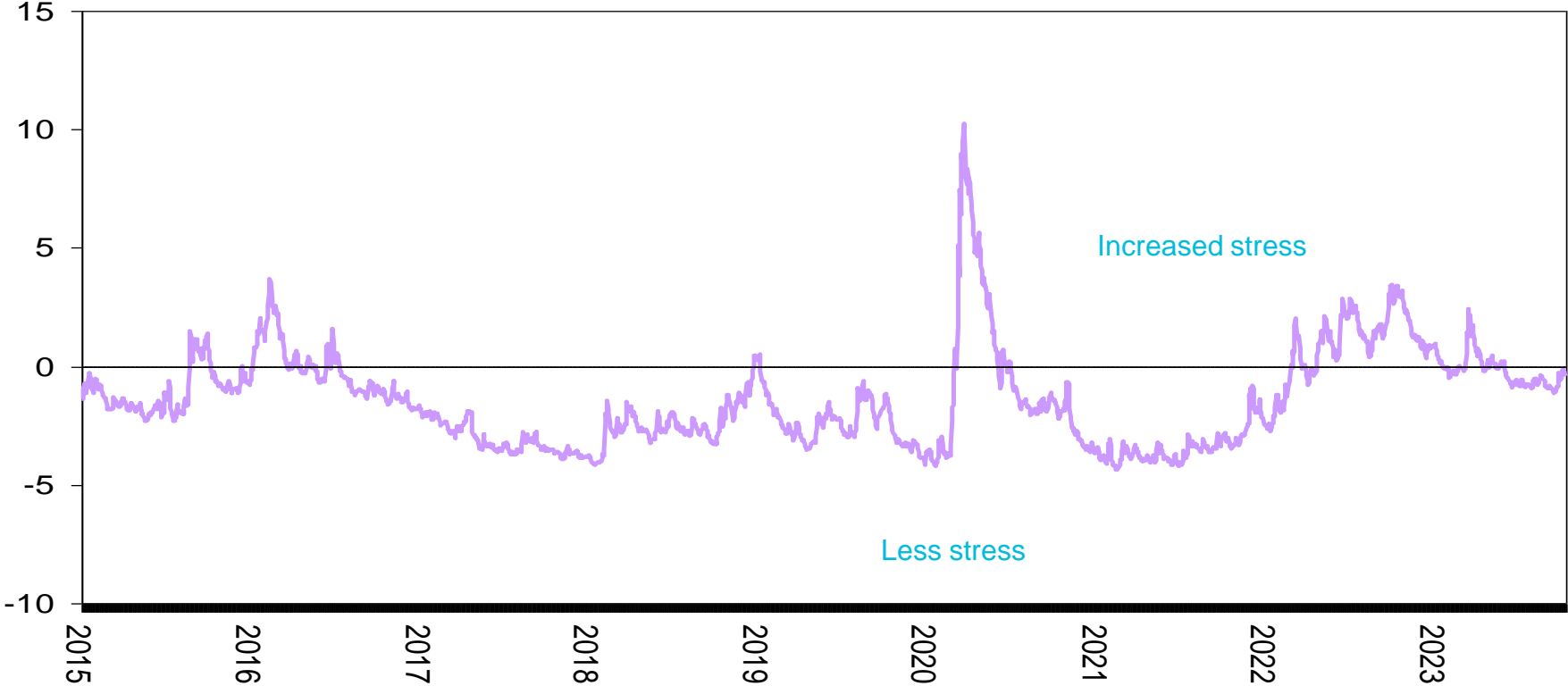
# US financial conditions (Federal Reserve Kansas City)

Index



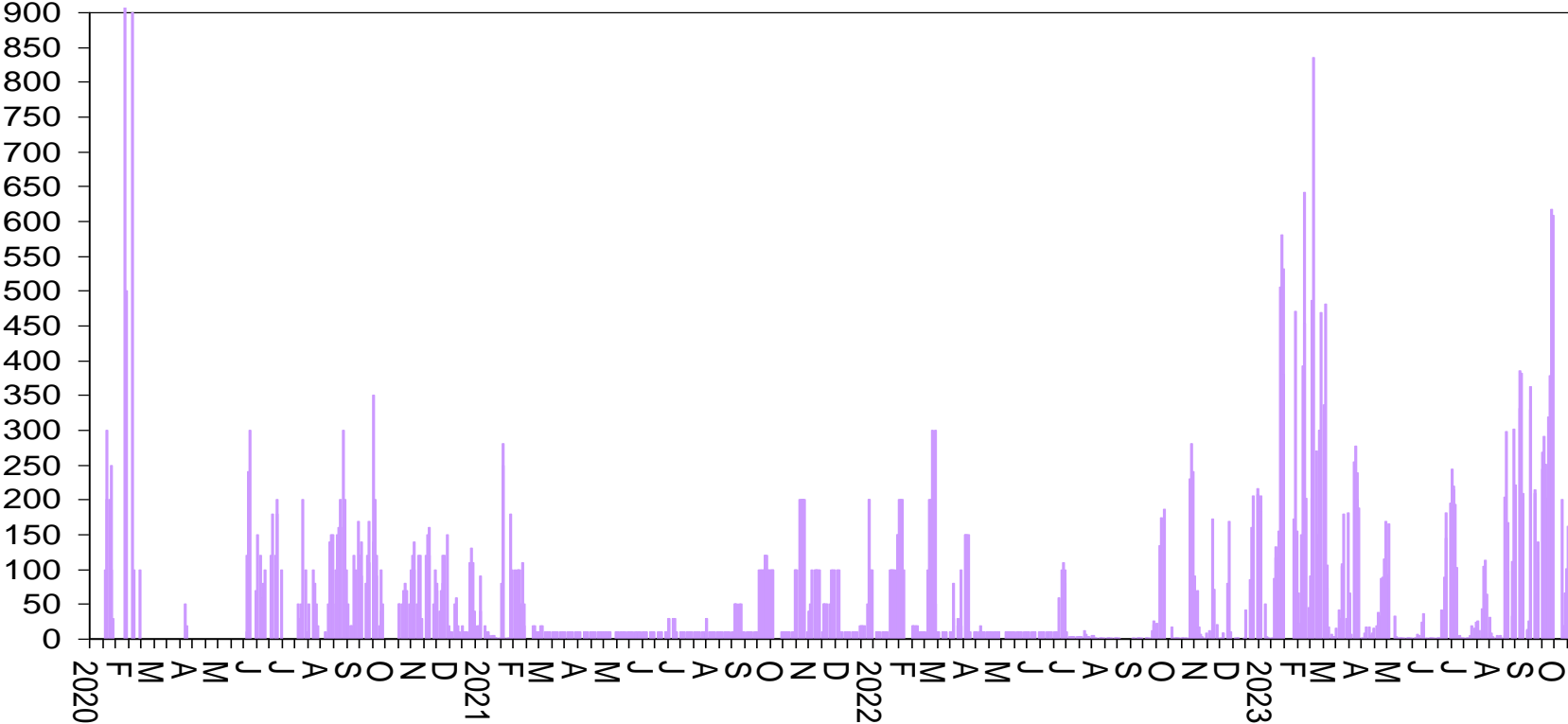
# US financial stress index (OFR Financial Stress Index)

Index



# China PBOC liquidity injection daily (total reverse Repos)

Yuan billion



## Commodity prices: 9 to 15 October 2023

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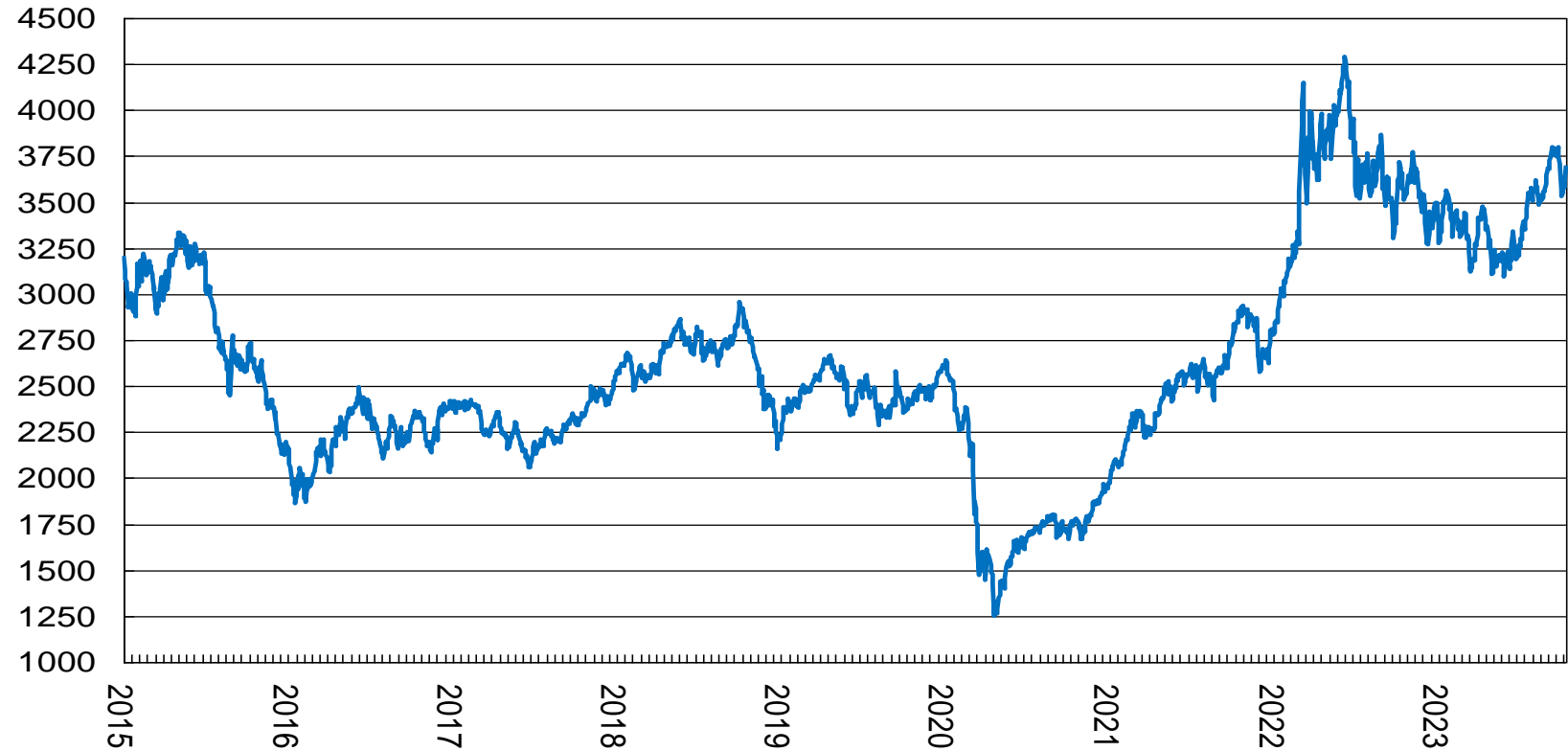
- Global commodity price index
- World food inflation
- Gold price
- Tin price
- Zinc price
- Lead price
- Silver price
- Oil price
- Copper price
- Platinum price
- Aluminium price
- Palladium price
- Rhodium price



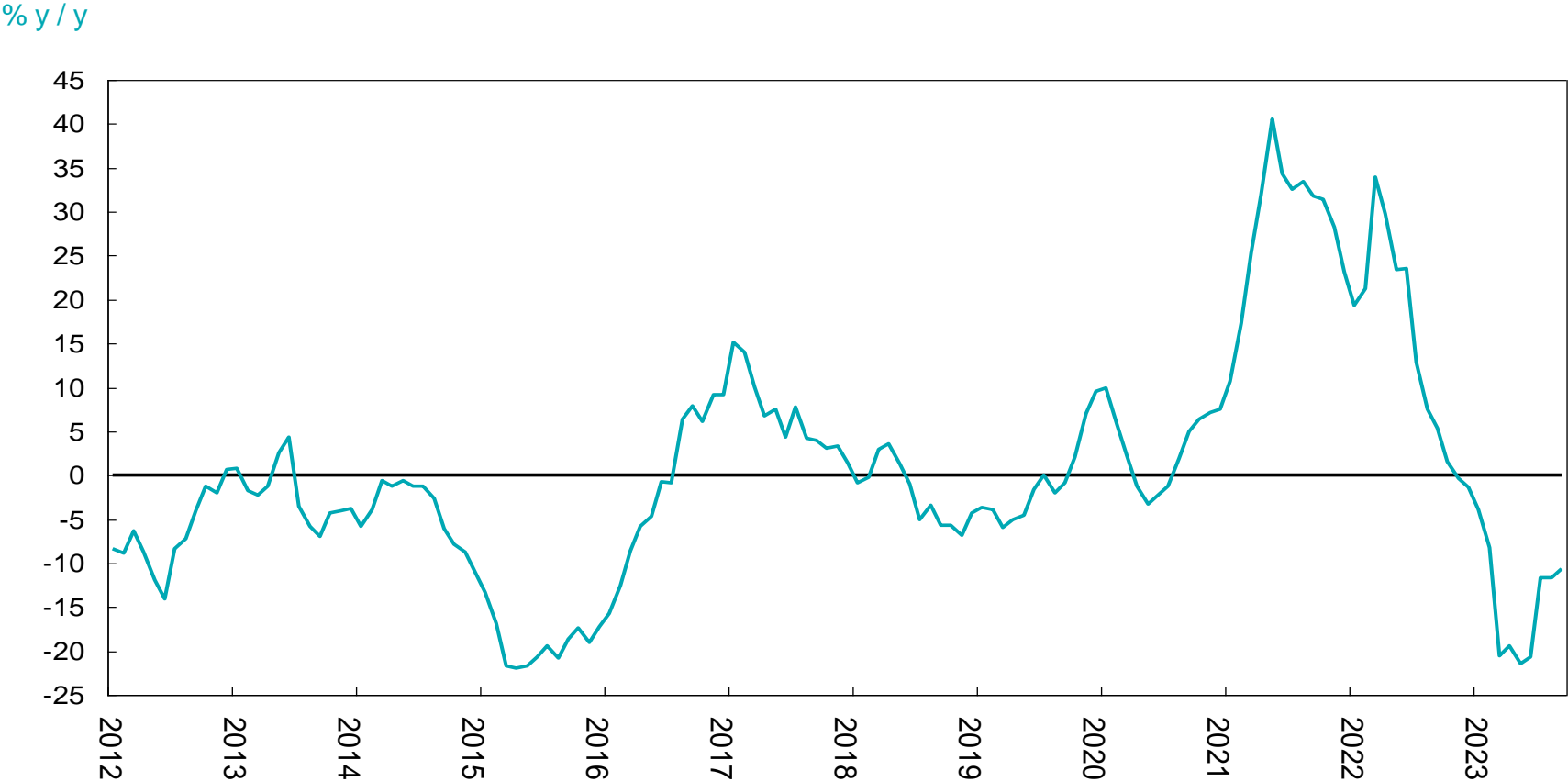
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# Global commodity price index (S&P GSCI)

Index



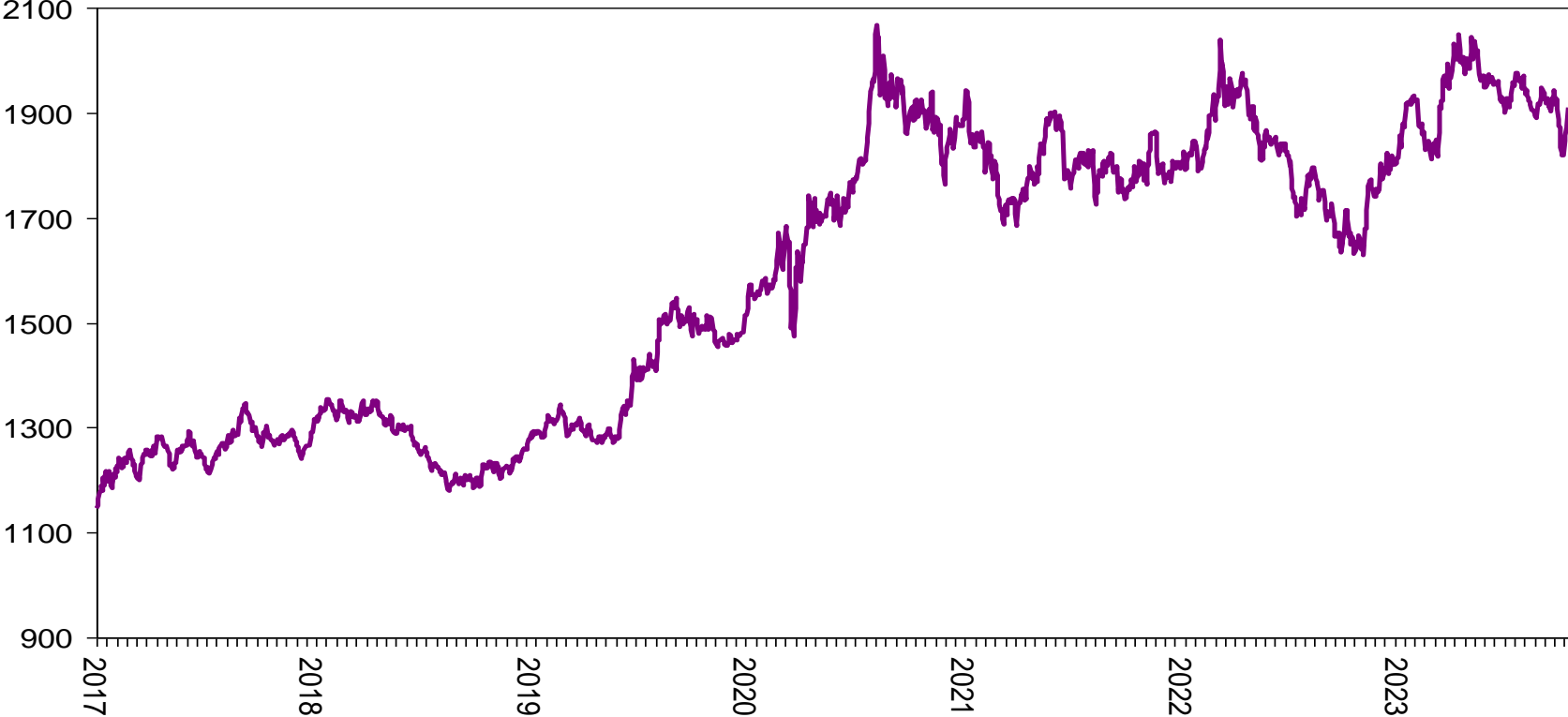
# World food inflation





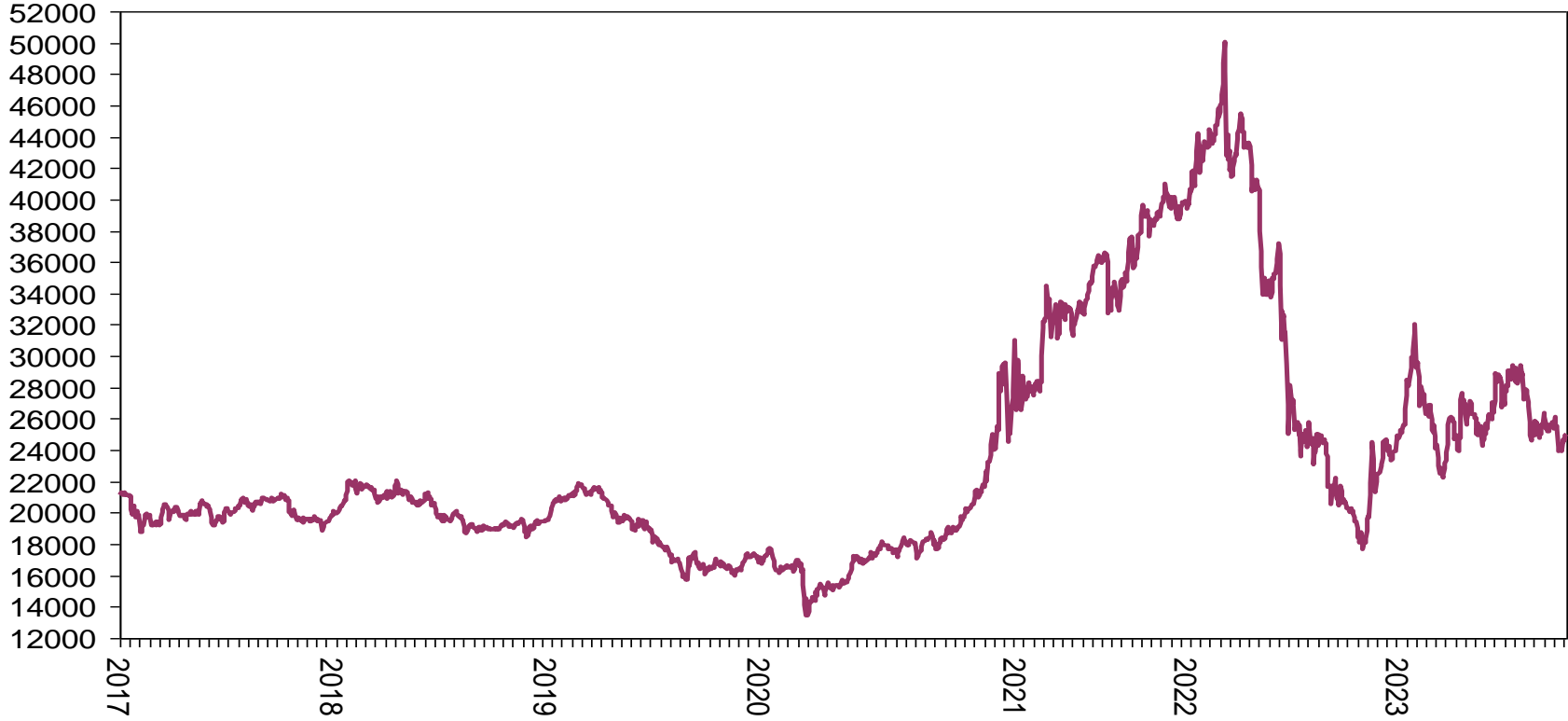
# Gold price

\$/ounce



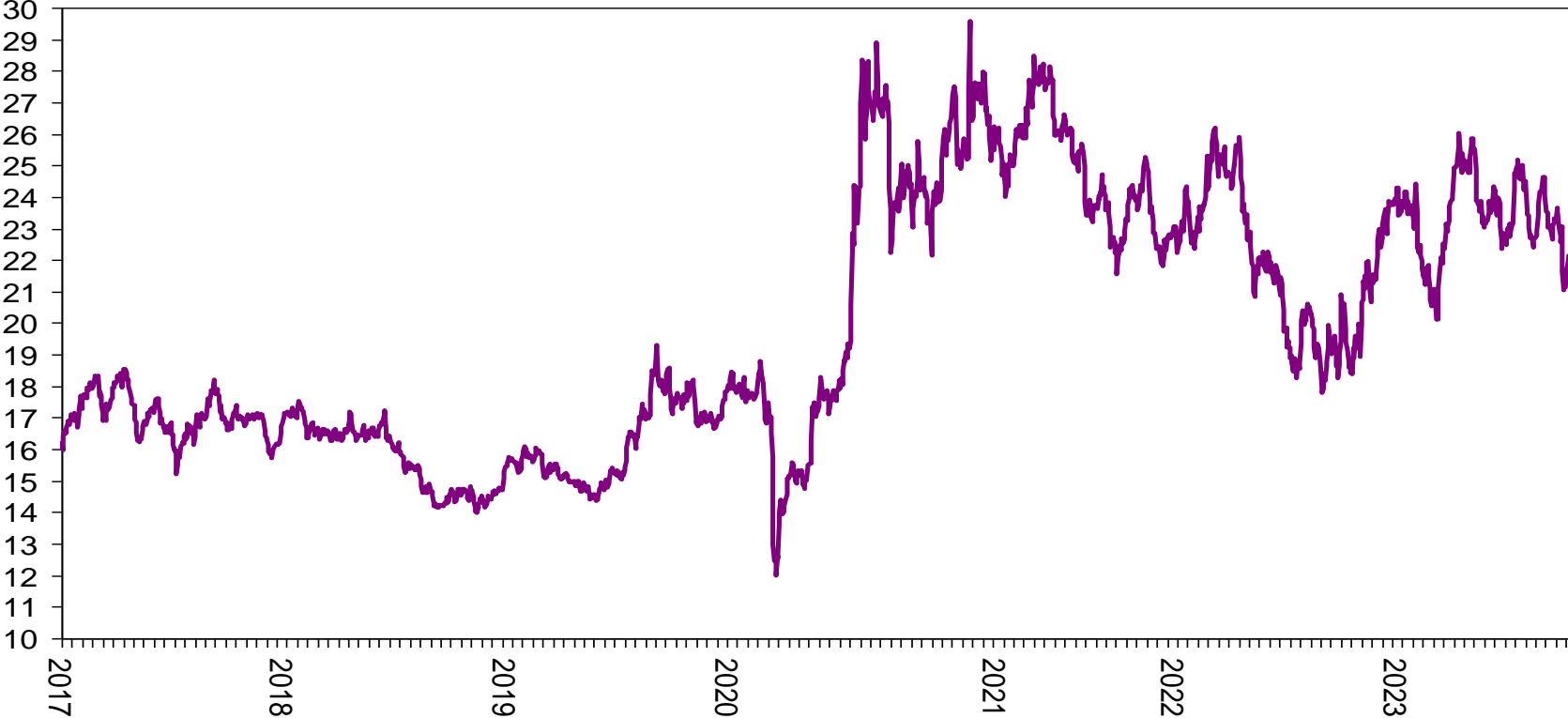
# Tin price

\$/MT



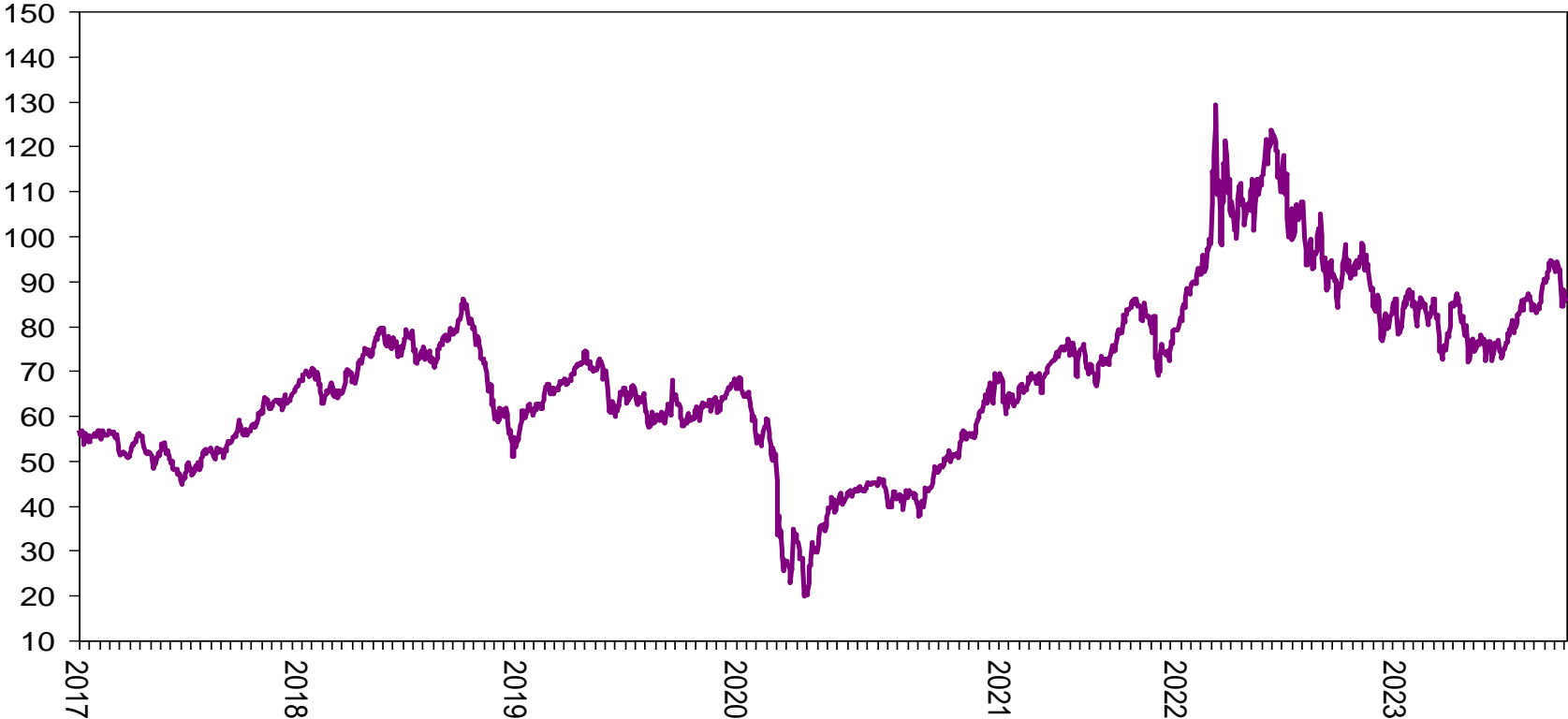
# Silver price

\$/ounce



# Oil price

\$/b l



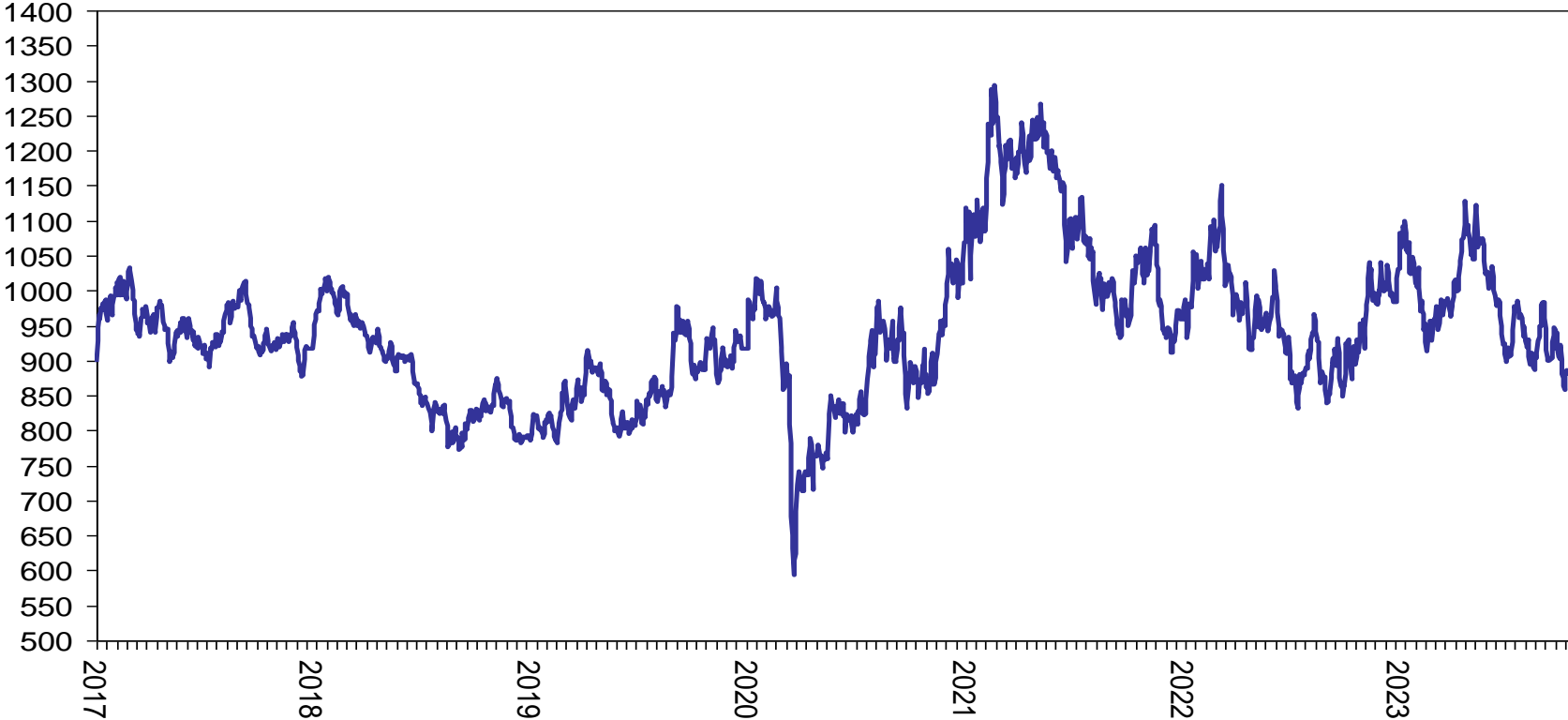
# Copper price

\$/MT



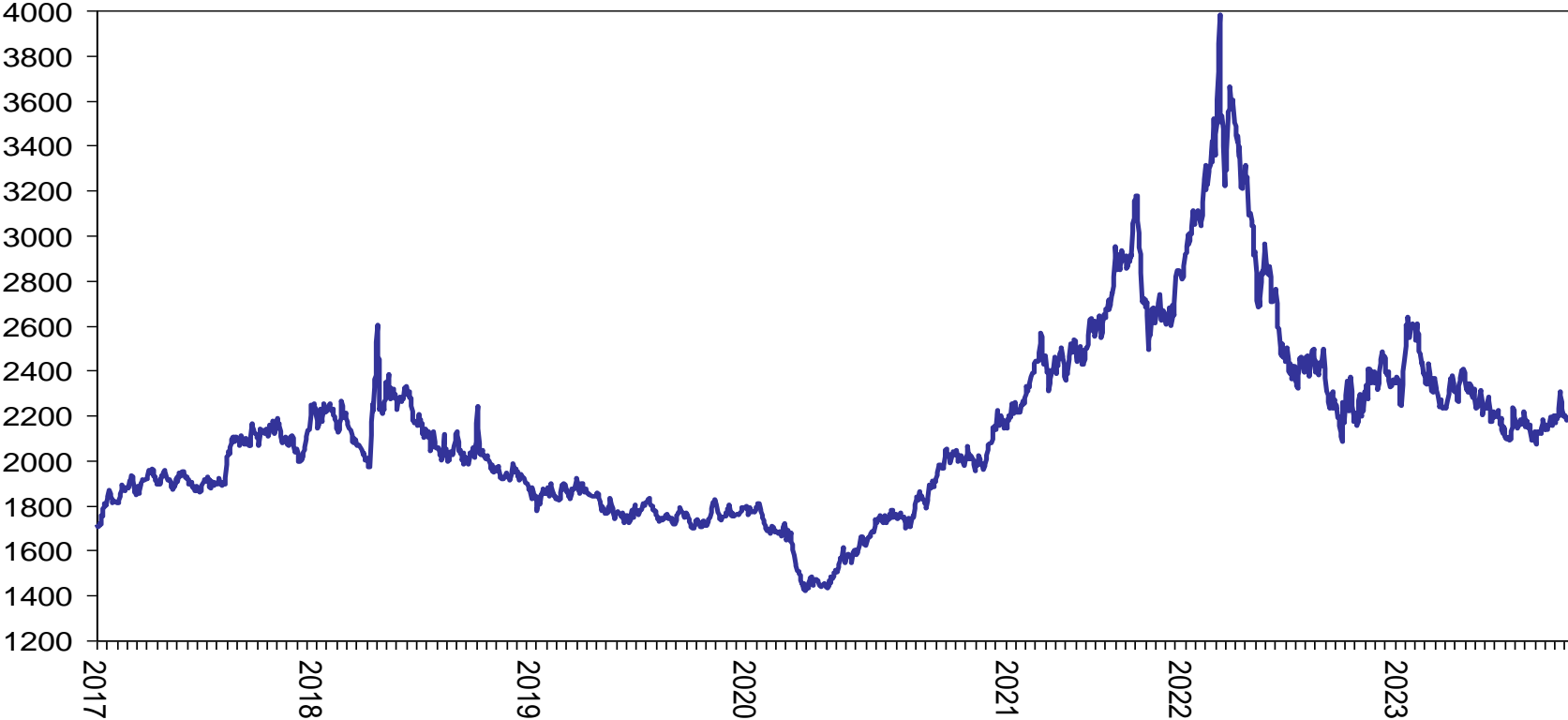
# Platinum price

\$/ounce



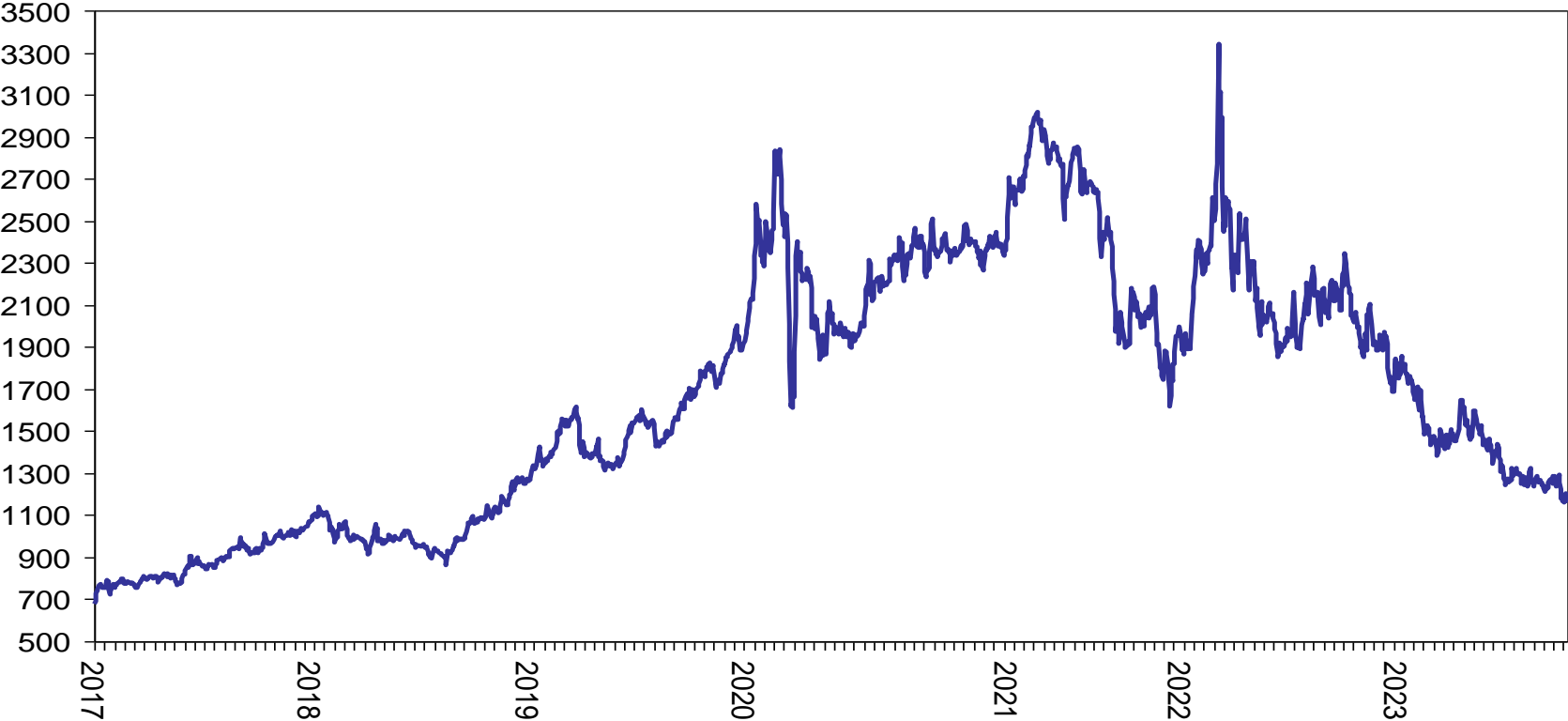
# Aluminium price

\$/MT



# Palladium price

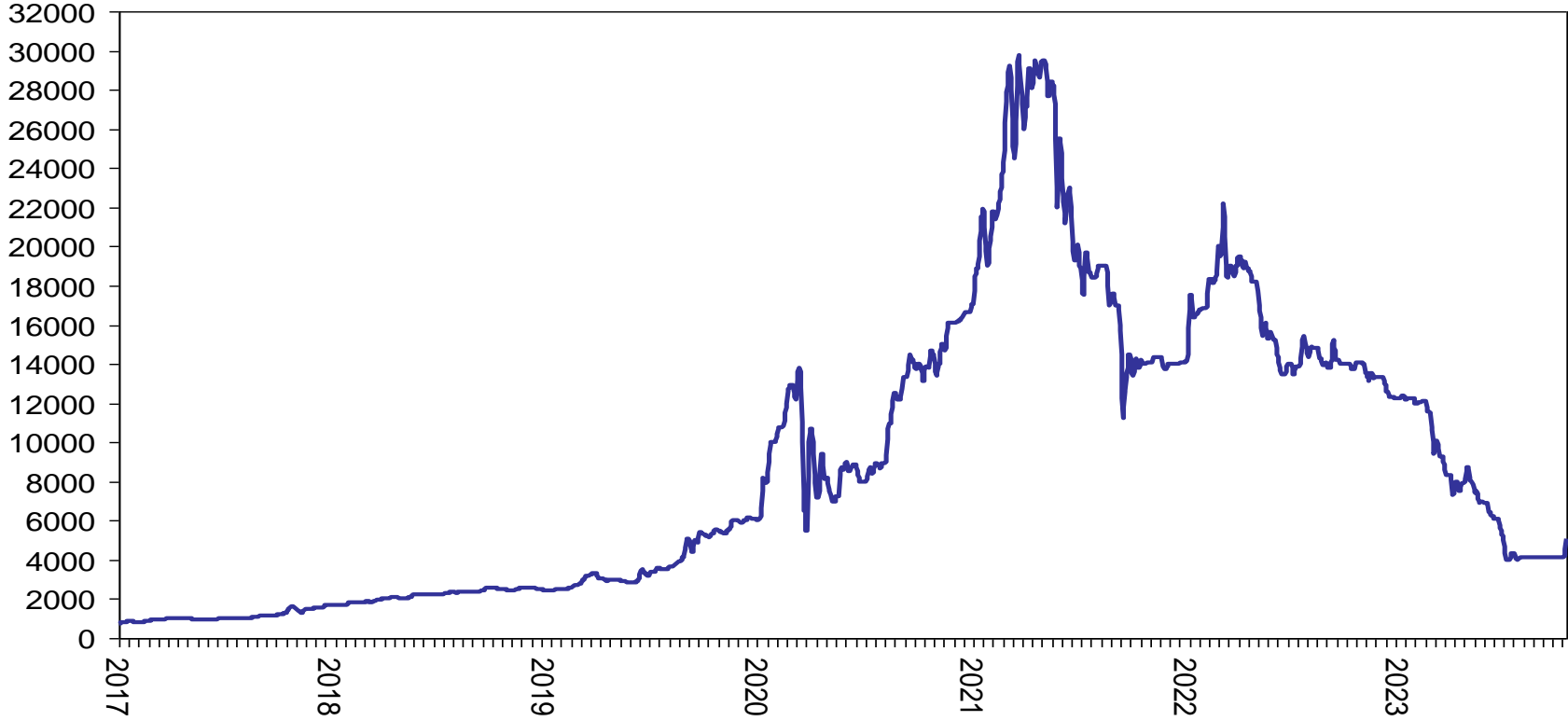
\$/ounce





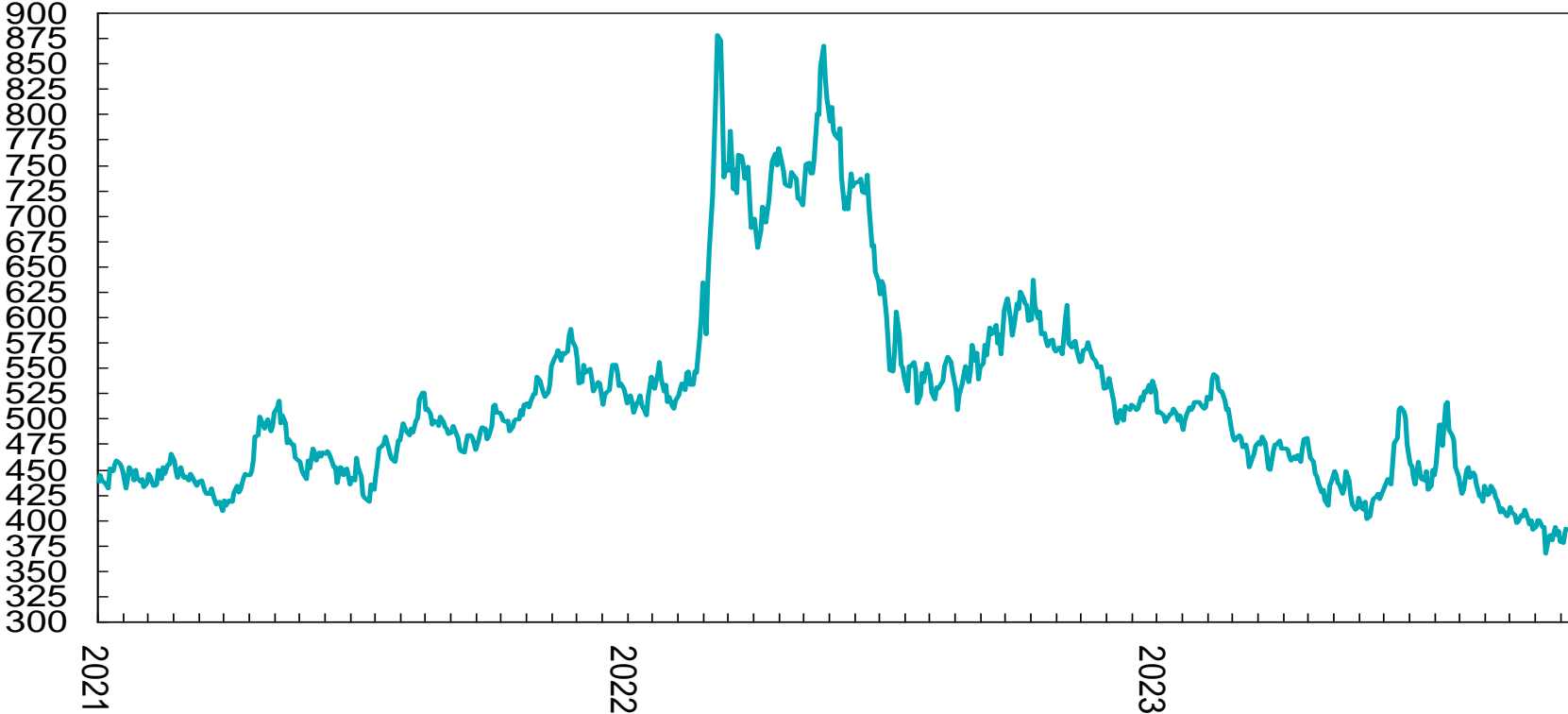
# Rhodium price

\$/ounce



# Global wheat price index

Index



# Financial markets: 9 to 15 October 2023

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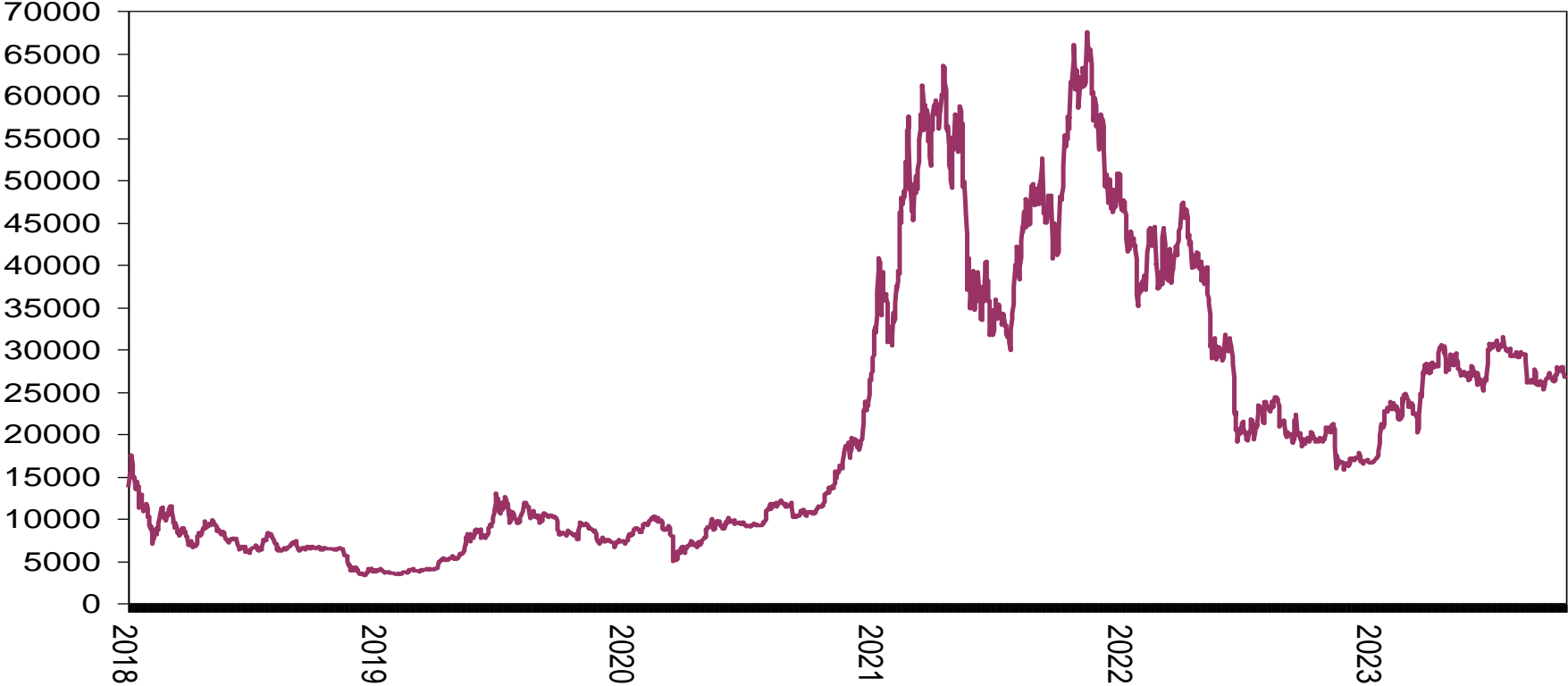
- Bitcoin price
- SA Rand vs Dollar, Euro, Pound
- SA Rand vs Dollar, monthly rate of change
- SA 10-year government bond yield
- US 10-year bond yield
- US S&P 500 equity index
- US Nasdaq 100 index
- US Chicago Board Options Exchange Volatility Index
- SA All Share equity index
- US Dollar per Euro
- 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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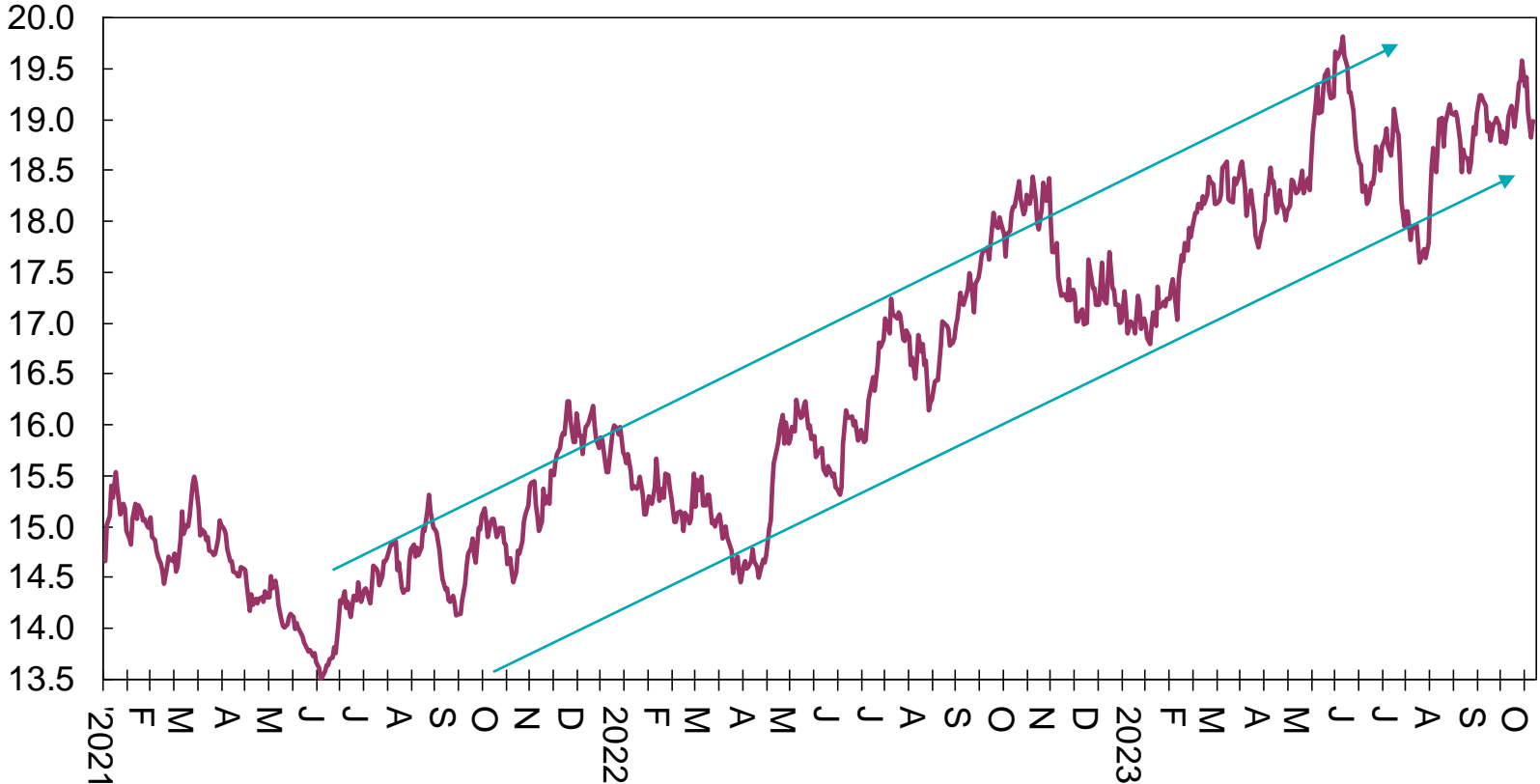
# Bitcoin price

Dollar



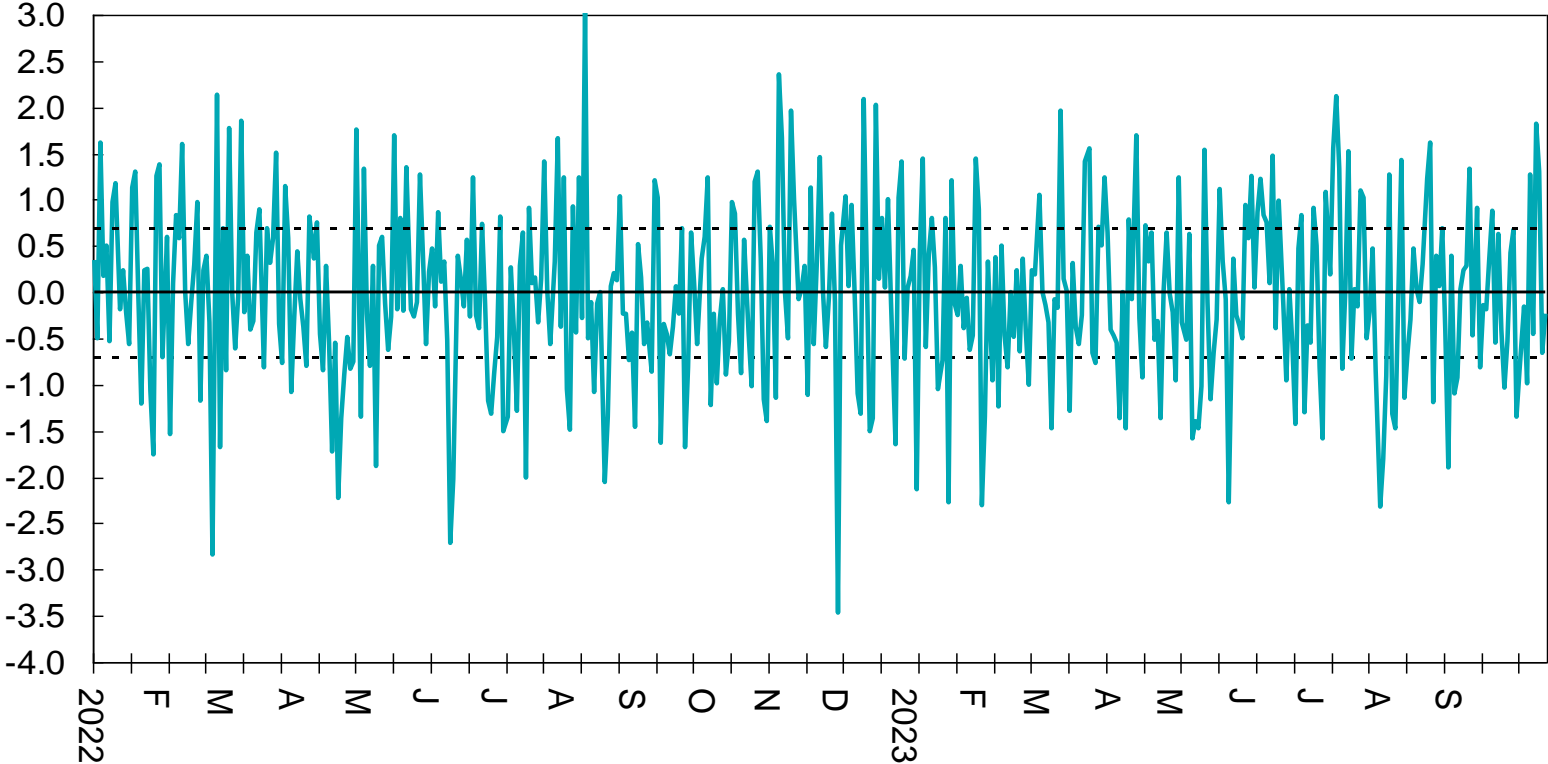
# South Africa Rand vs US Dollar (daily)

Rand per Dollar



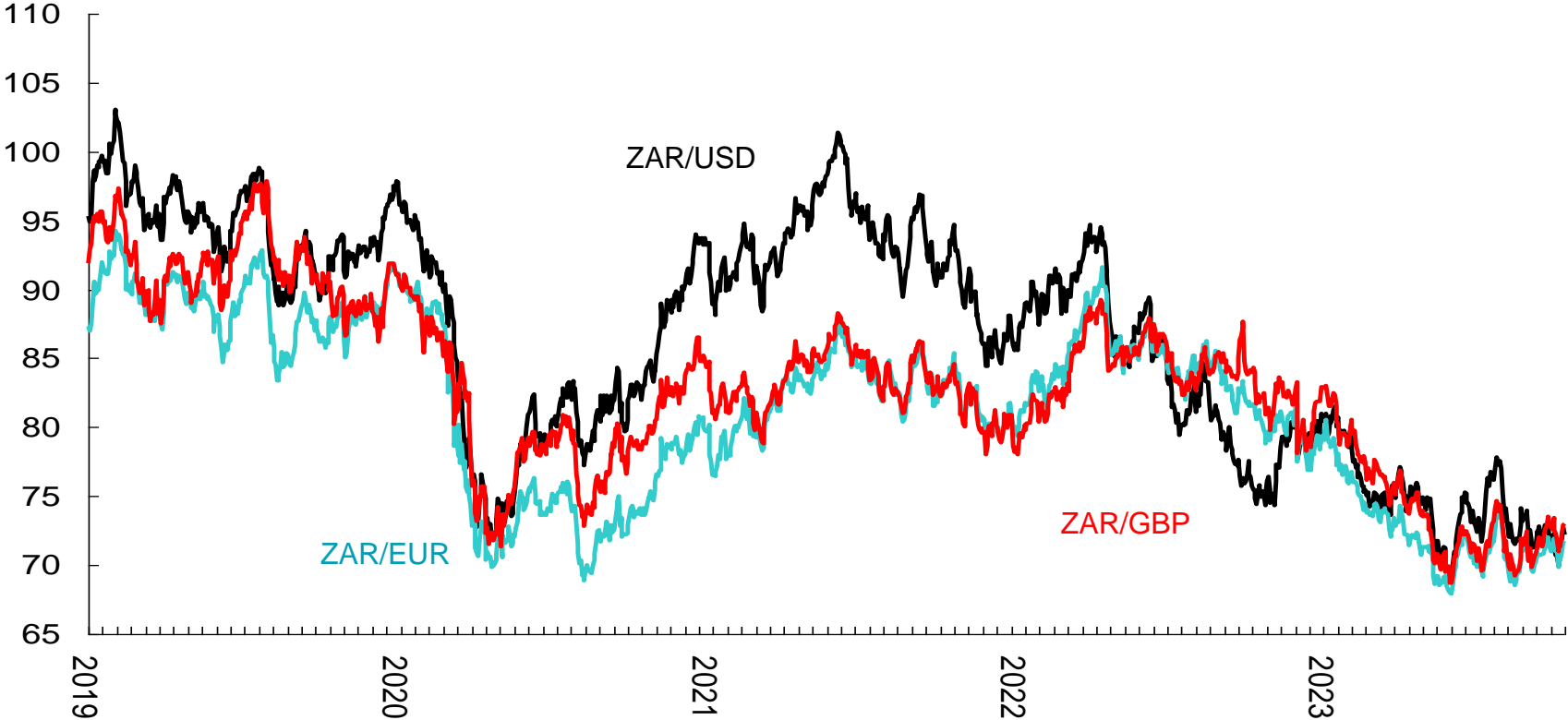
# South Africa Rand vs US Dollar (daily change in value)

% change, day-on-day



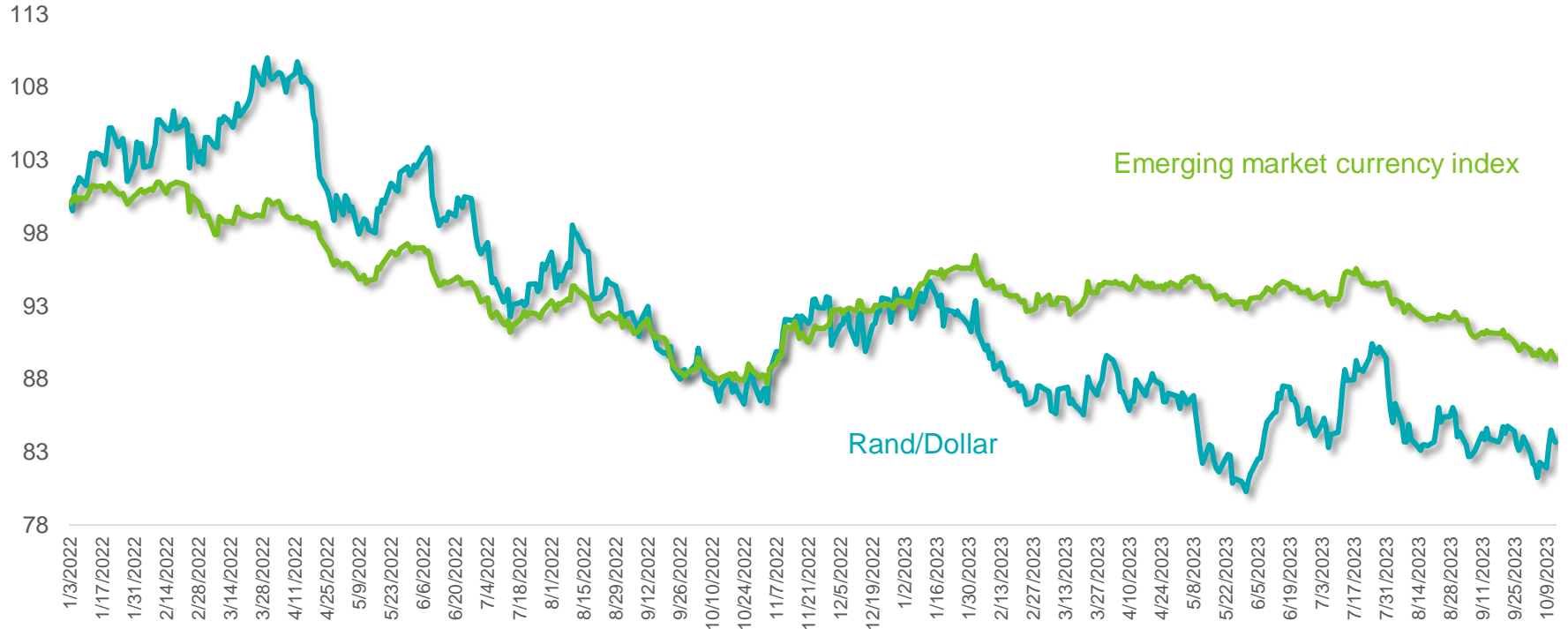
# SA Rand vs Dollar, Euro and Pound

Index, 1 January 2017 = 100



# Rand/US Dollar vs Emerging Market Currencies

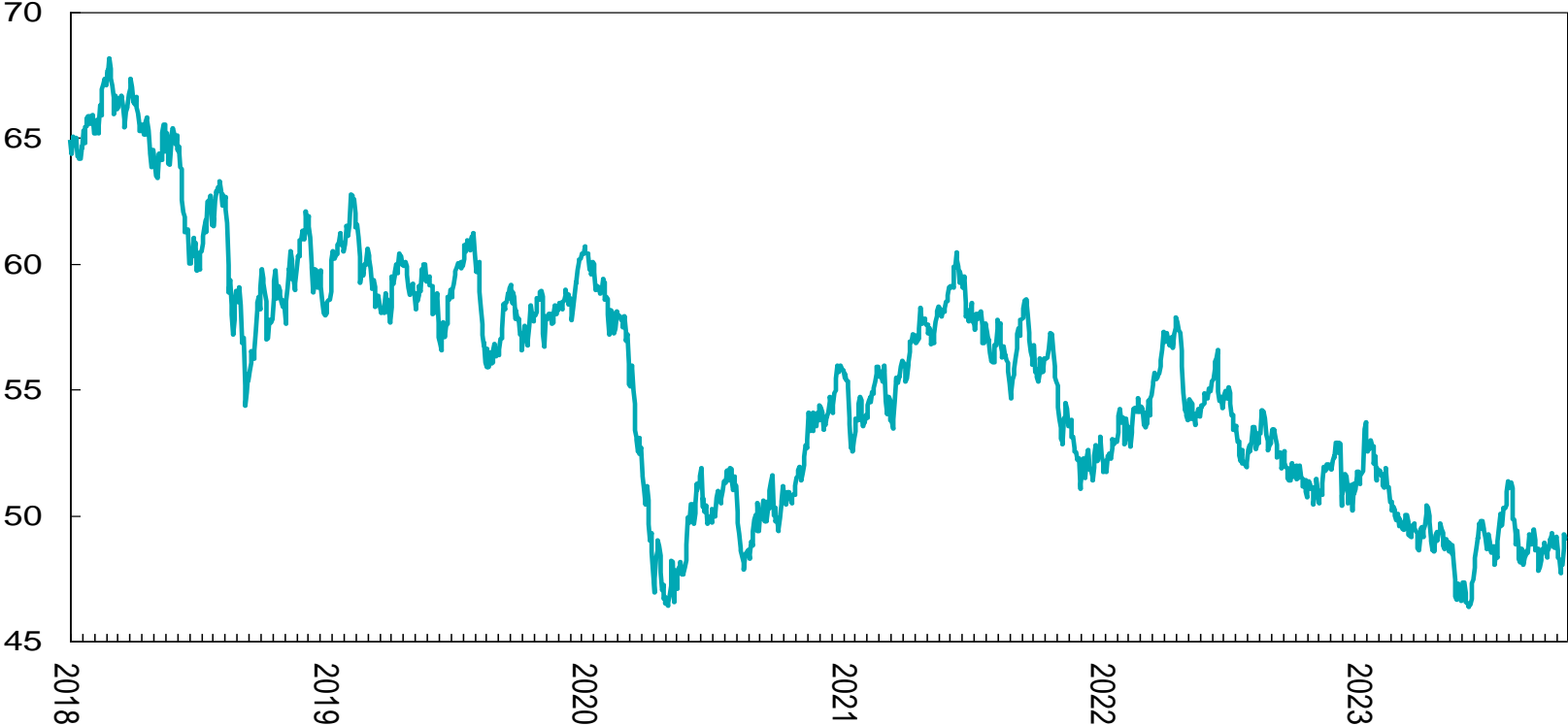
Index, 1 Jan 2022 = 100





# SA trade-weighted exchange rate

Index, nominal, daily data from JP Morgan



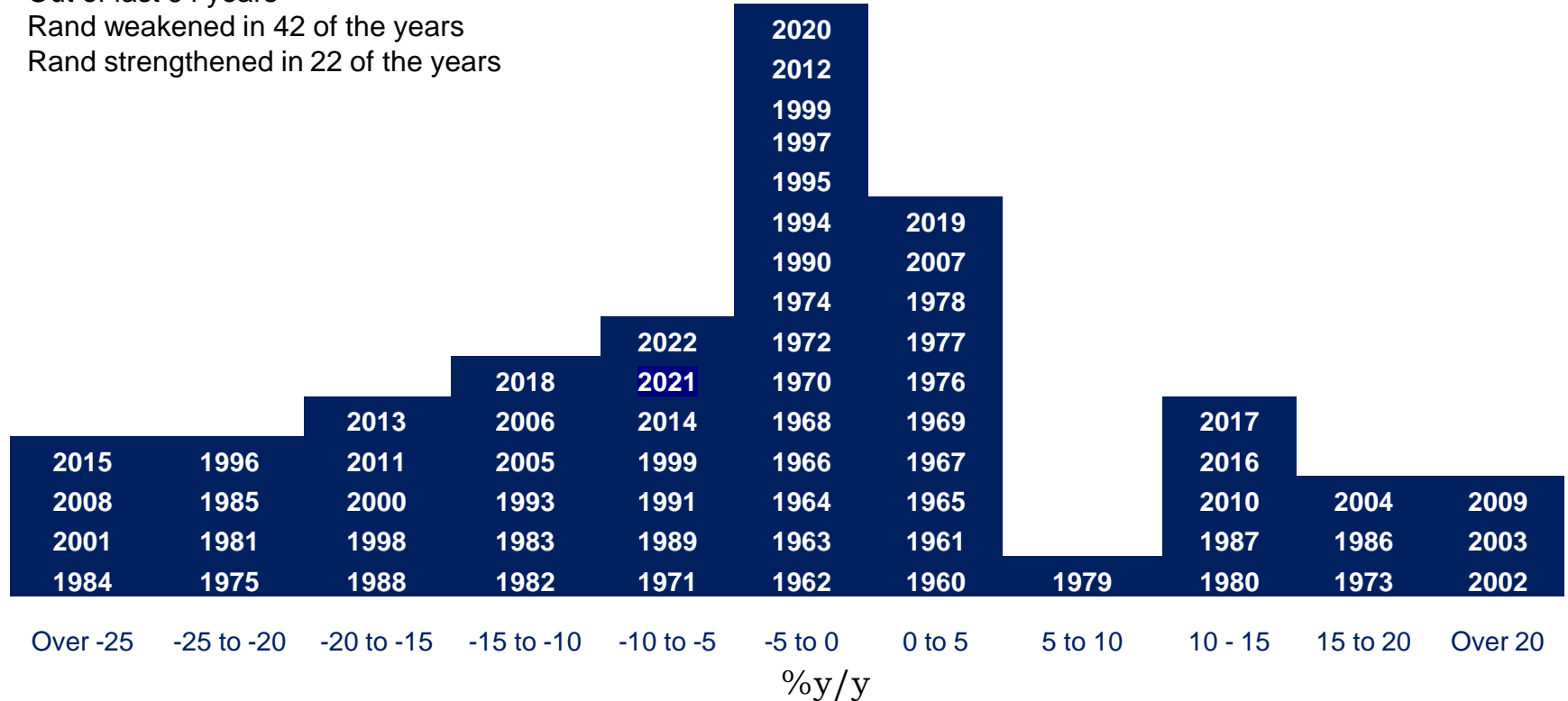


# Rand/Dollar annual performance

Out of last 64 years

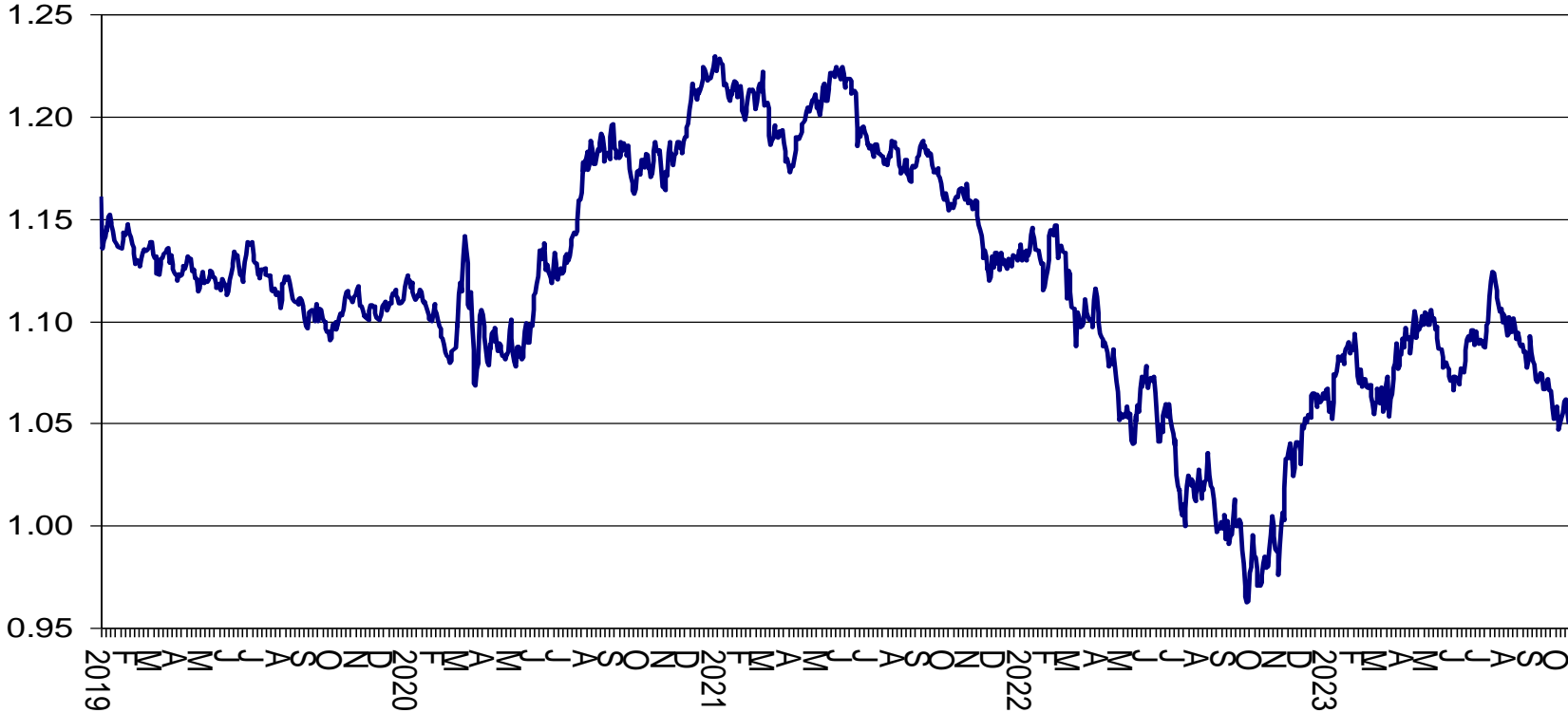
Rand weakened in 42 of the years

Rand strengthened in 22 of the years



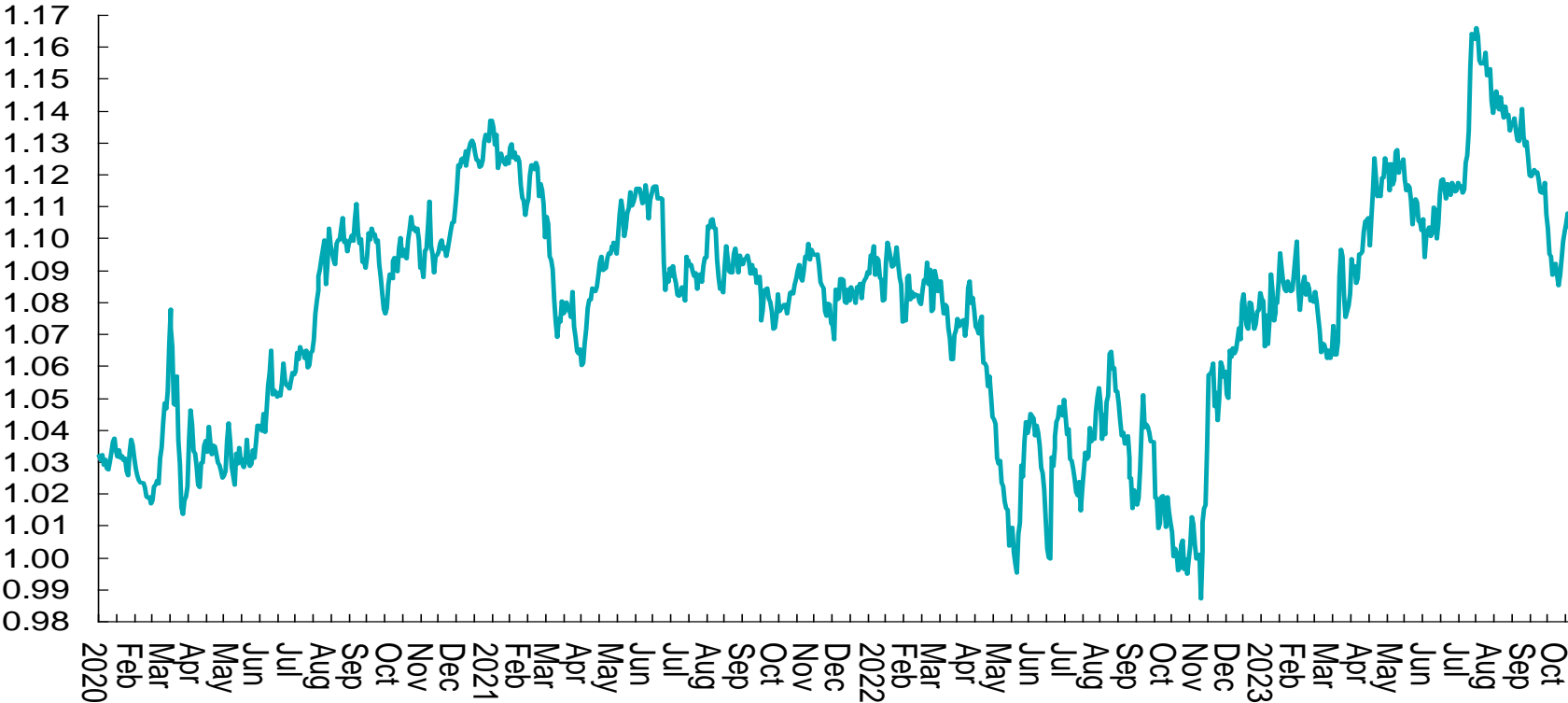
# US Dollar vs Euro

Dollar per Euro



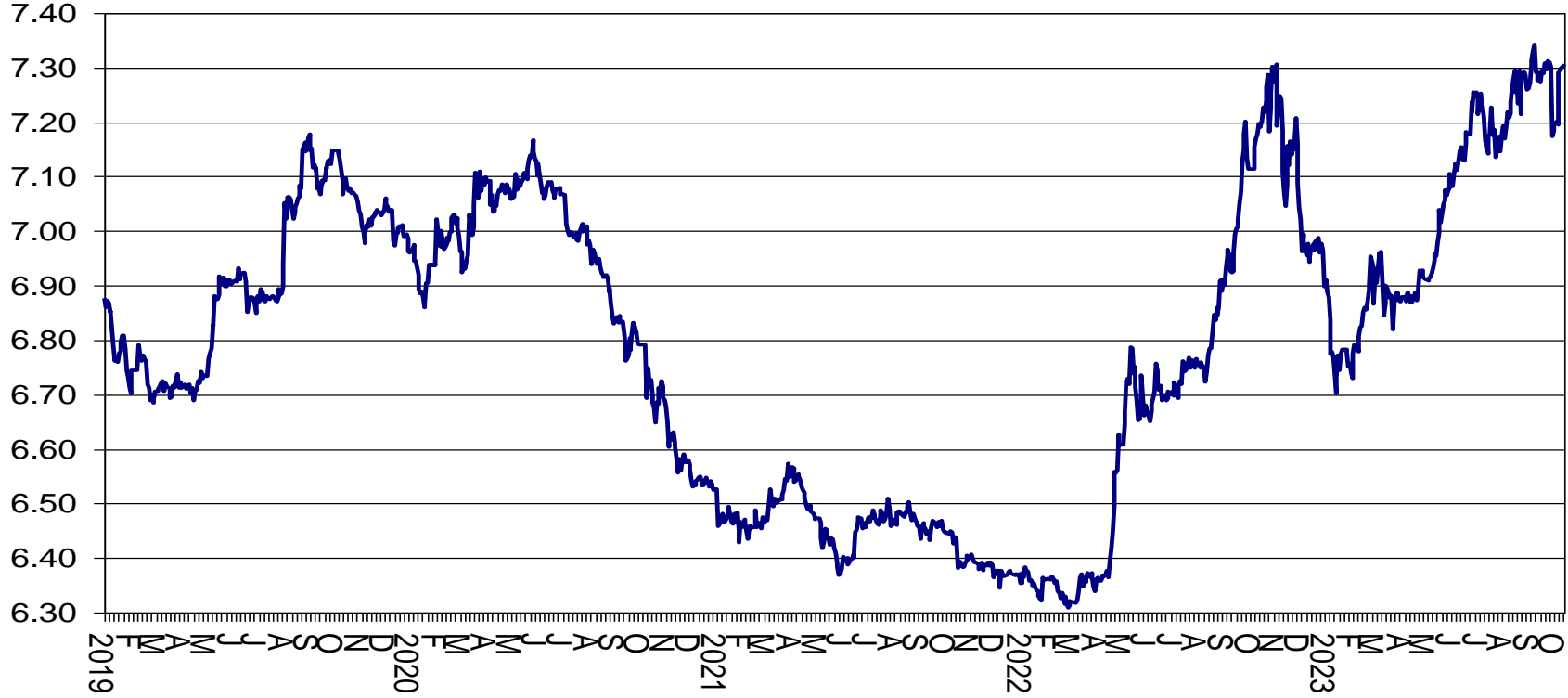
# US Dollar per Swiss Franc

USD per CHF



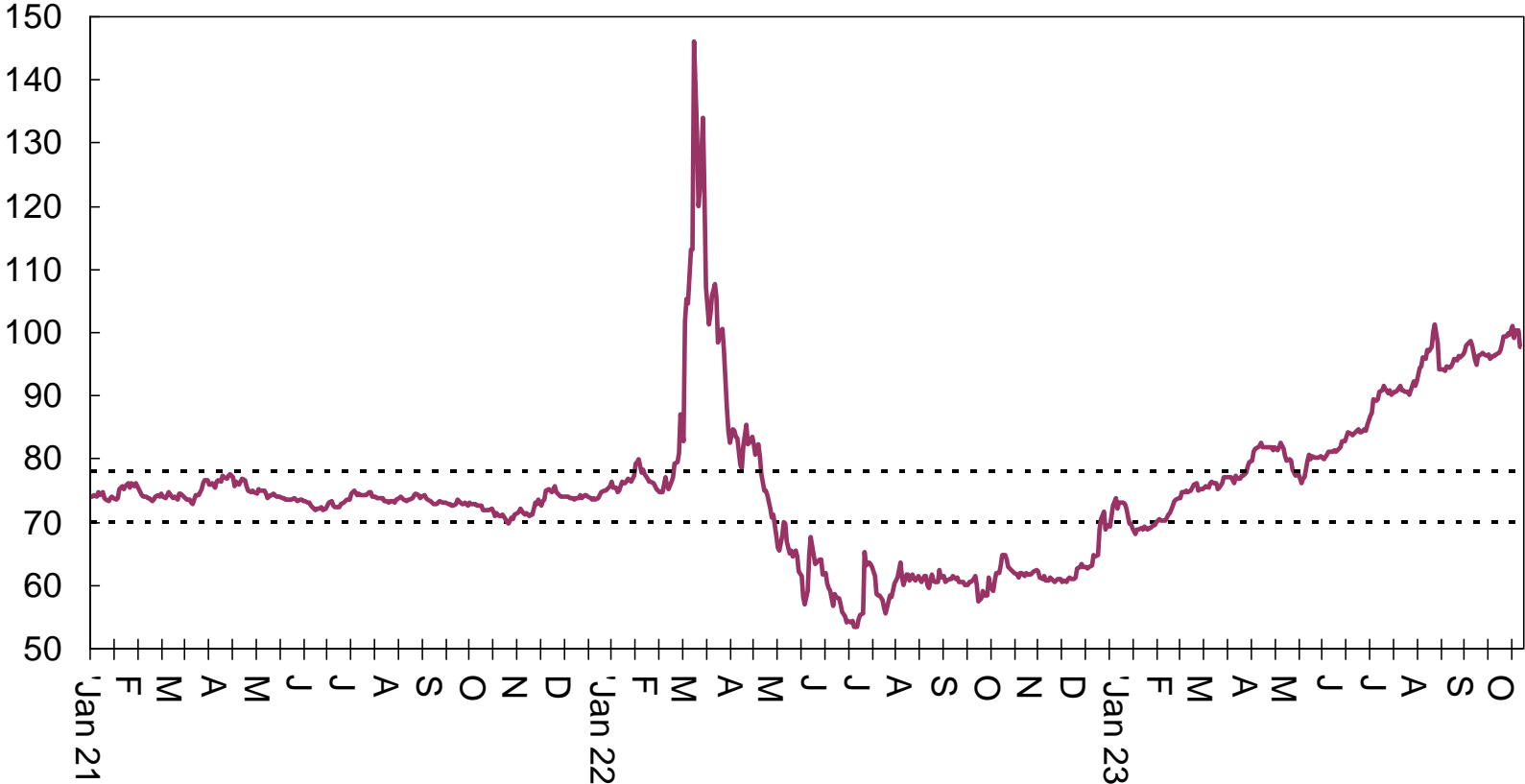
# US Dollar vs CNY

CNY per US Dollar



# Russian Ruble vs US Dollar (daily)

Ruble per Dollar



# Japanese Yen per US Dollar

Yen per Dollar





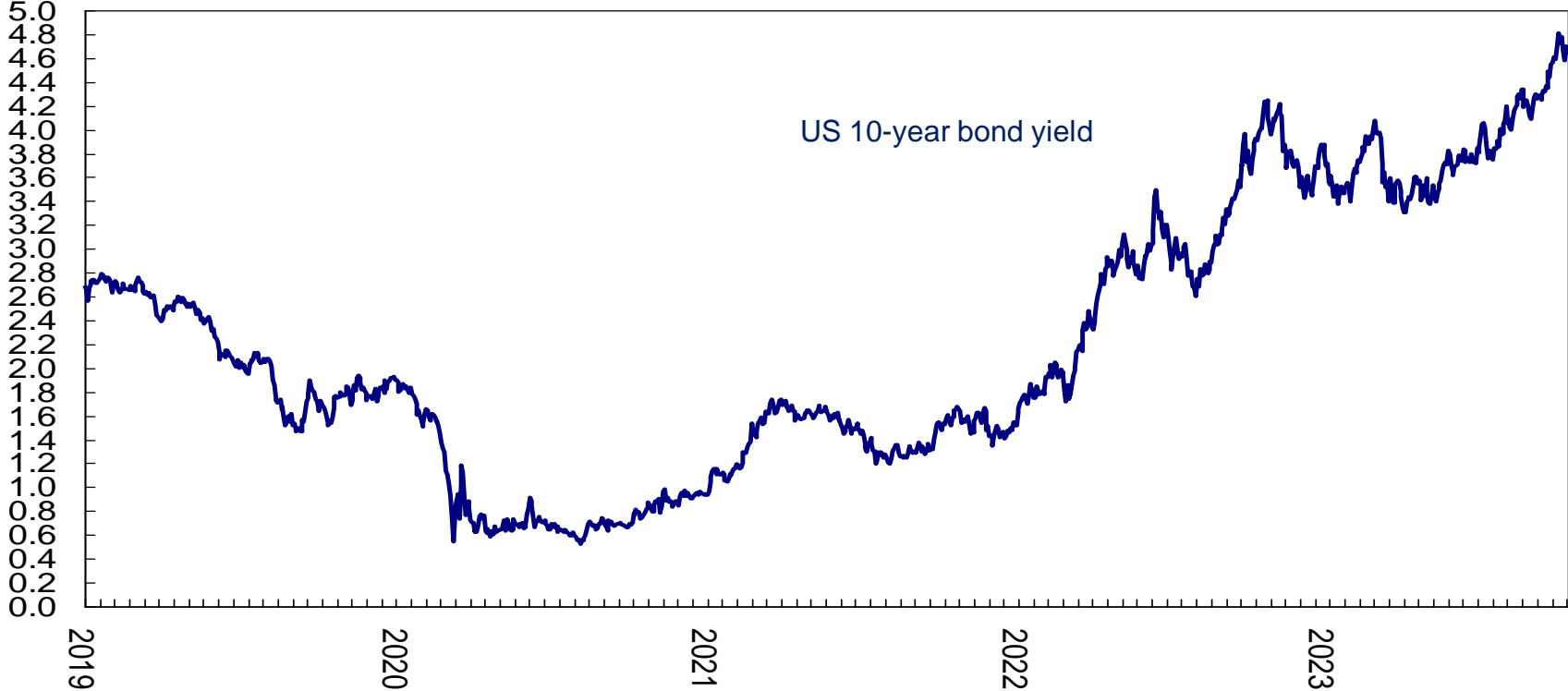
# SA long-dated government bond yield

% yield



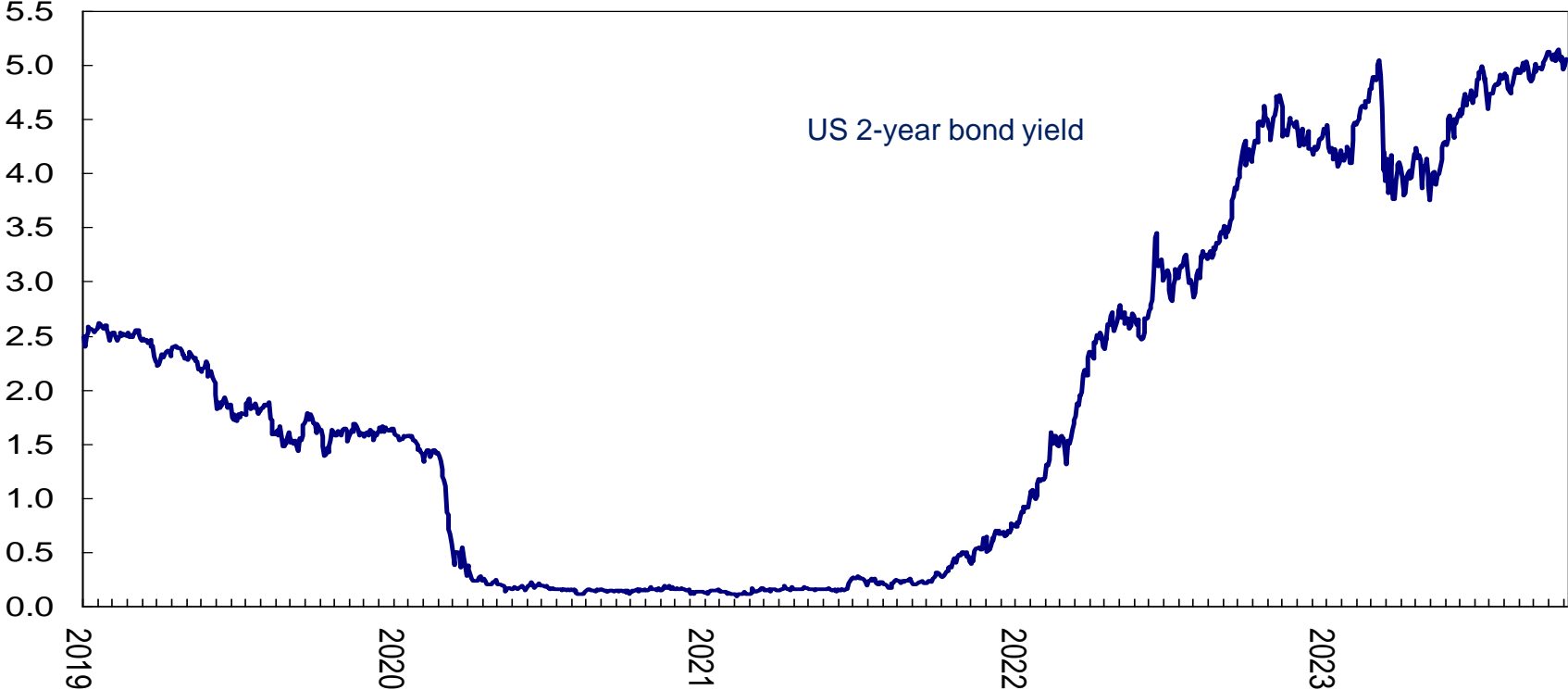
# US 10-year government bond yield

% yield



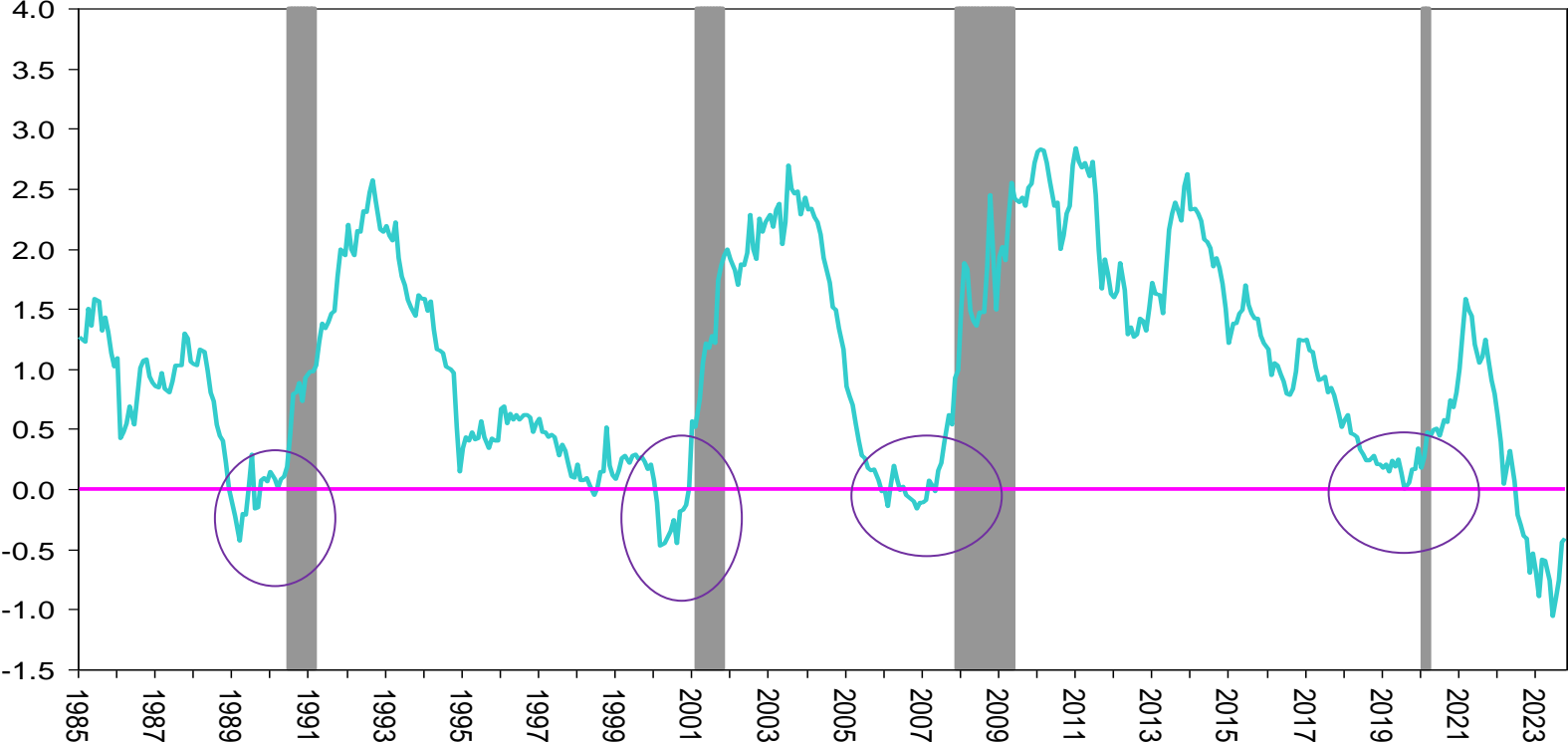
# US 2-year government bond yield

% yield



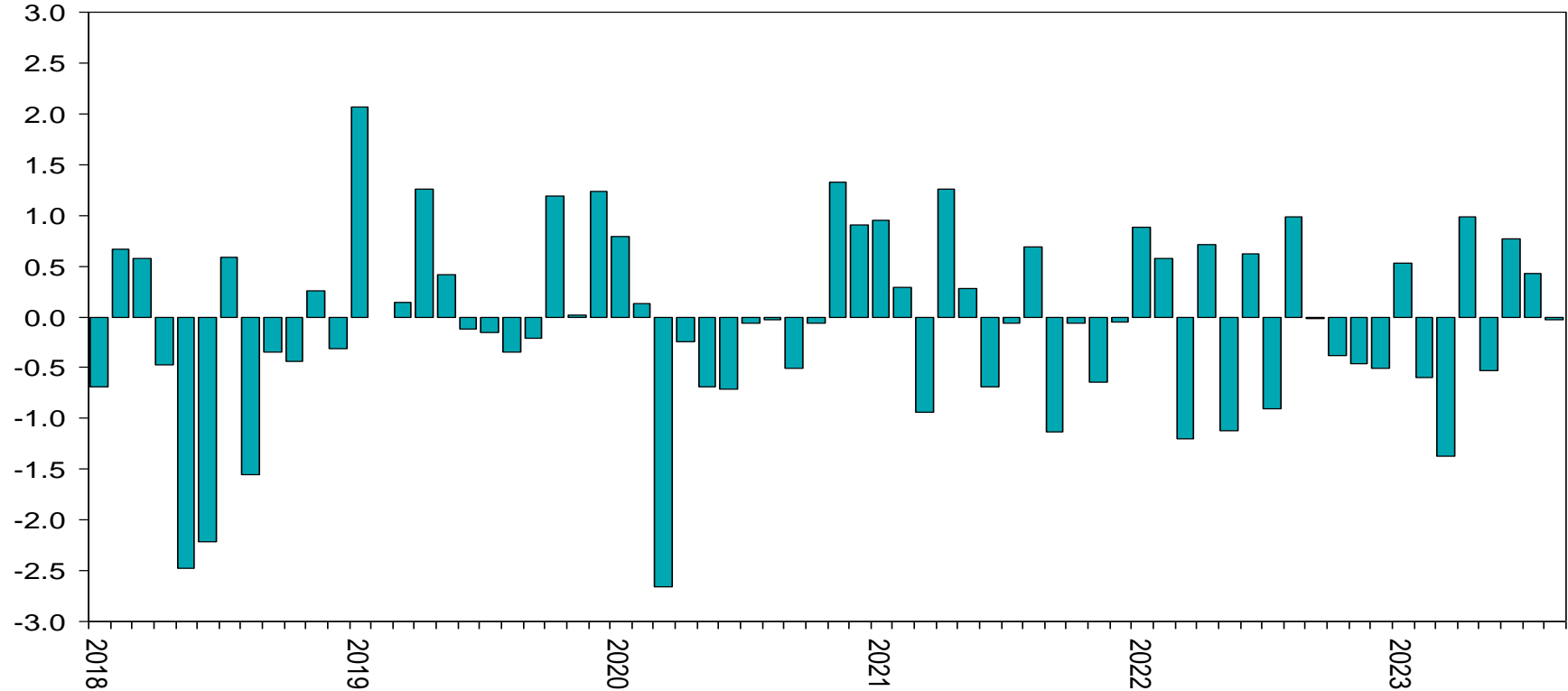
# US 10-year less 2-year treasury and business cycle

Percentage points



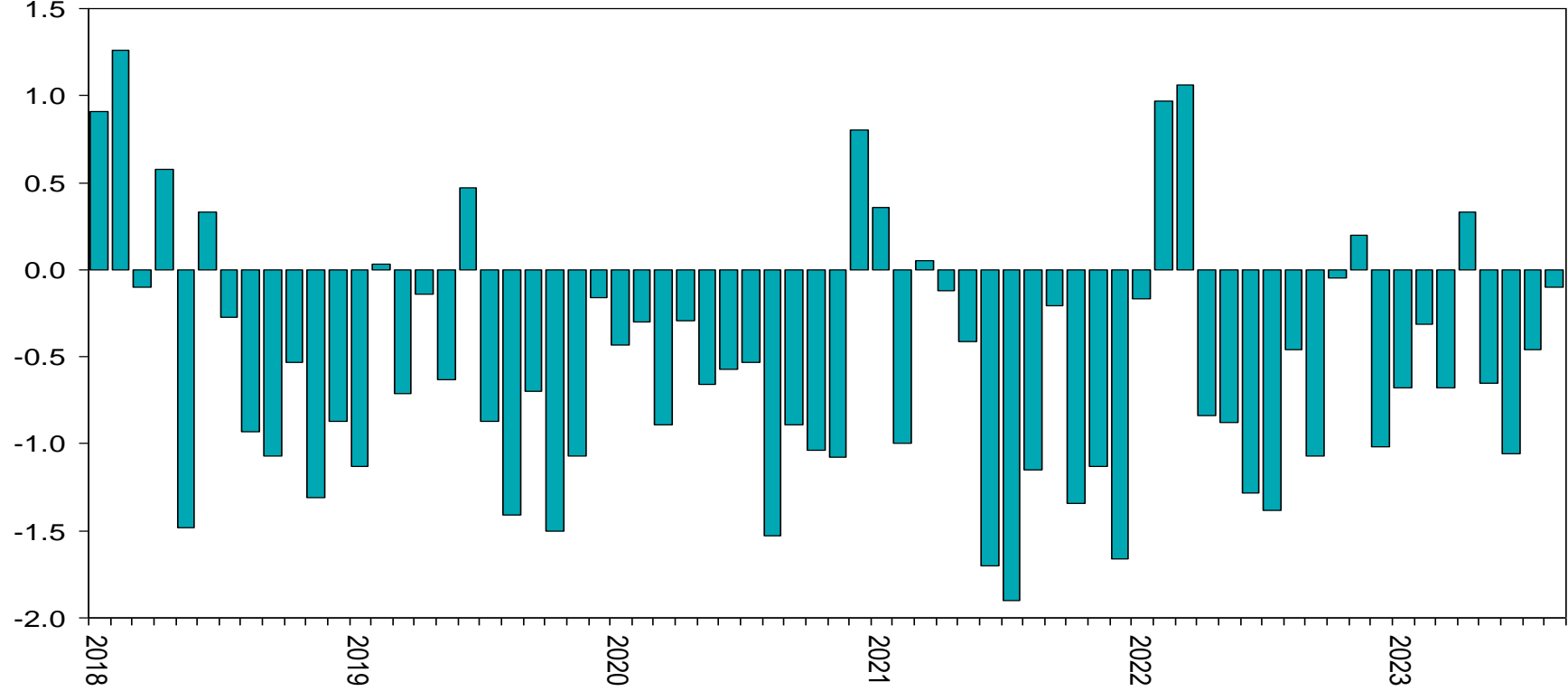
# Foreign buying of South African government bonds

\$ billion (SA Reserve Bank data)



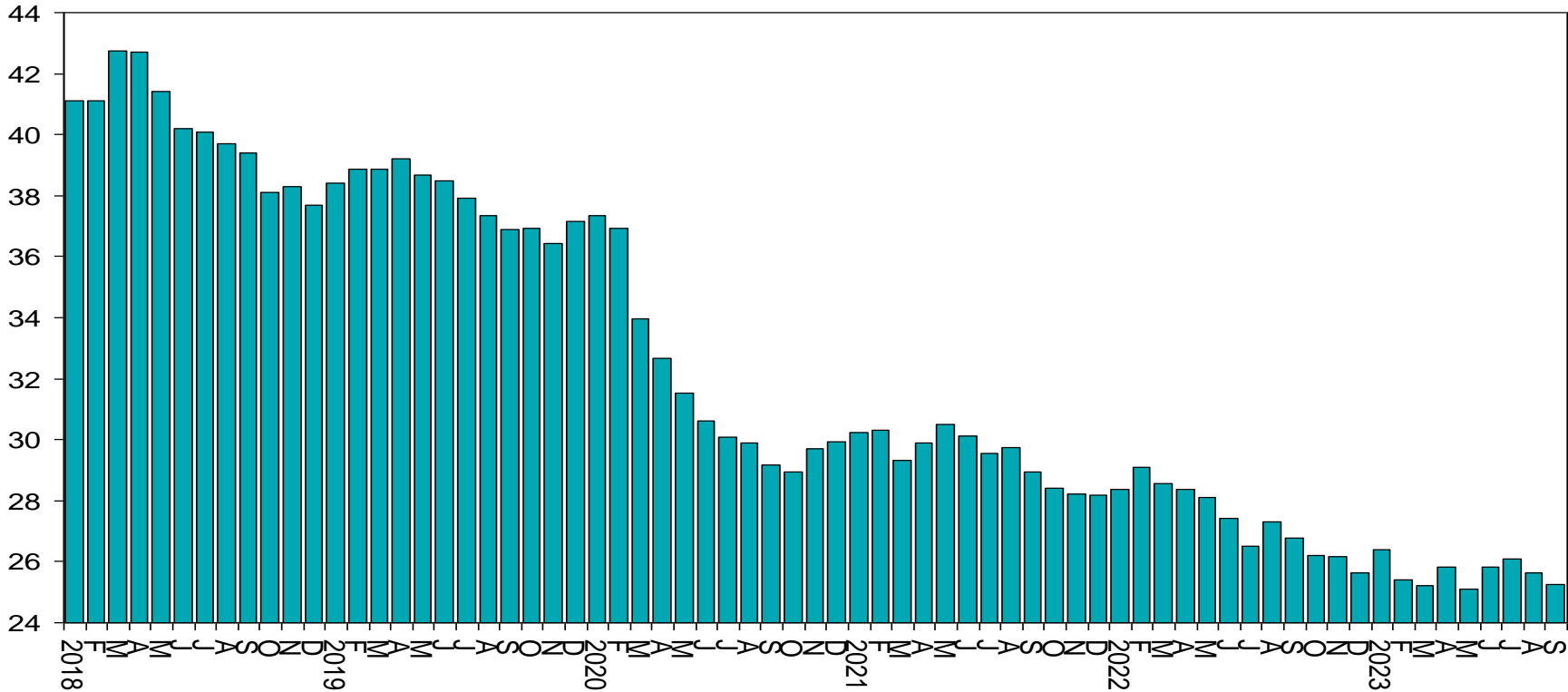
# Foreign buying of South African equities

\$ billion (SA Reserve Bank data)



# Foreign ownership of South African government bonds

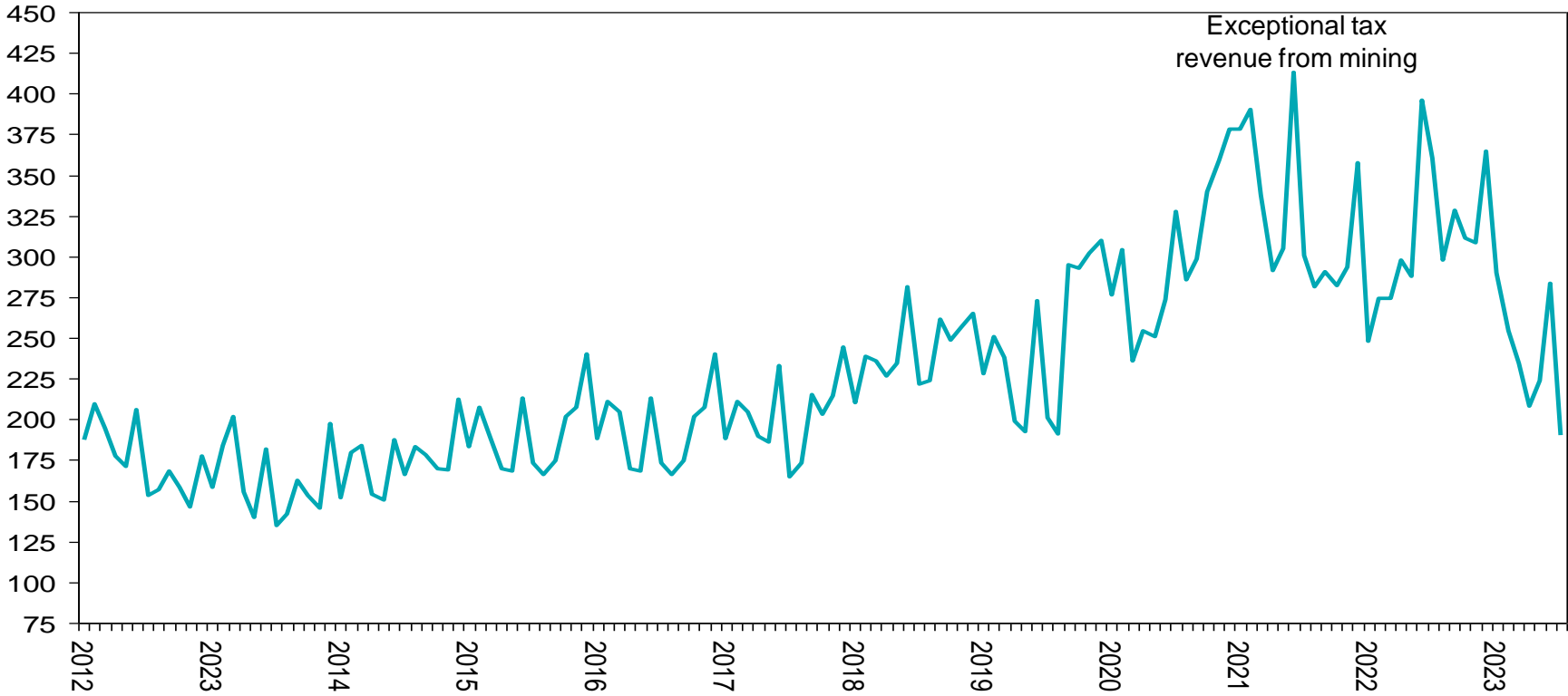
% of total



Source: South African National Treasury

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

R billion



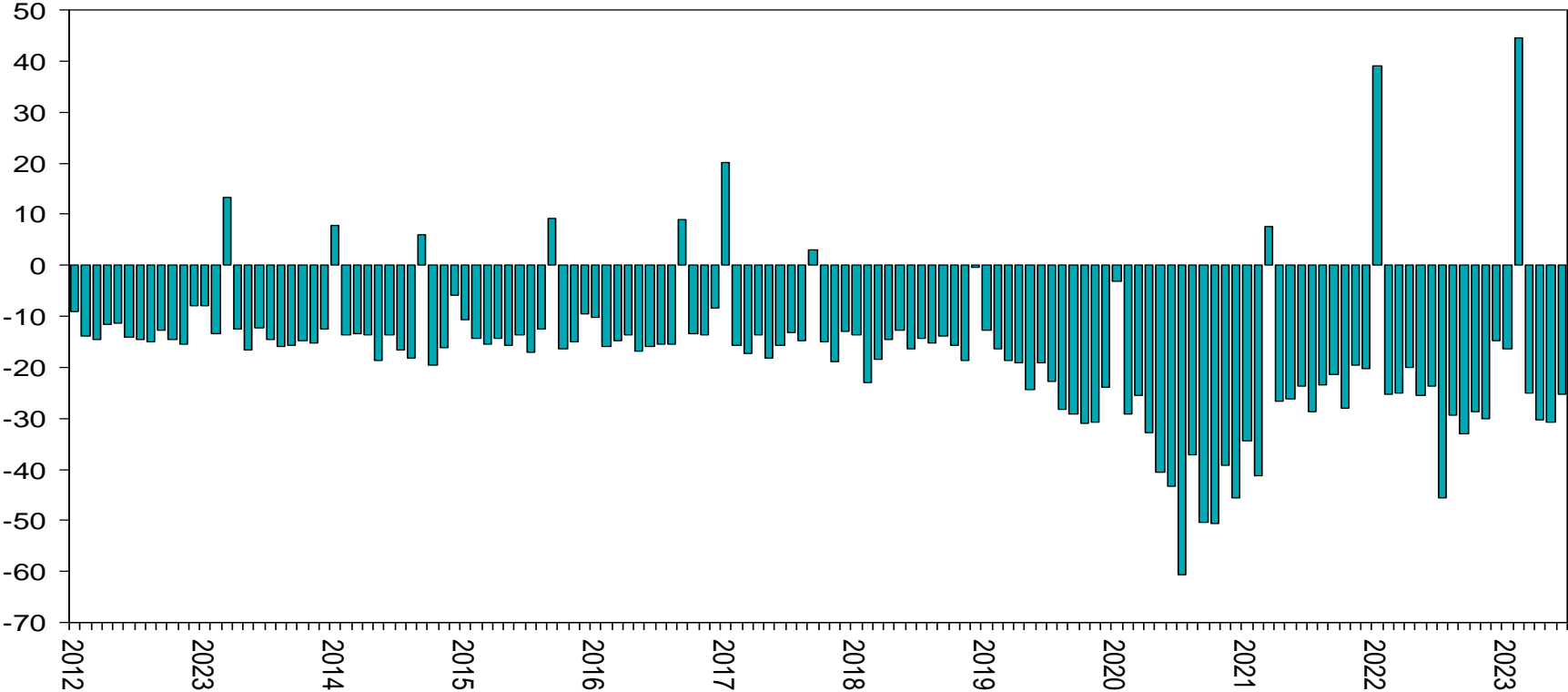
Source: South African National Treasury



# SA government net domestic long-term debt issuance

R billion

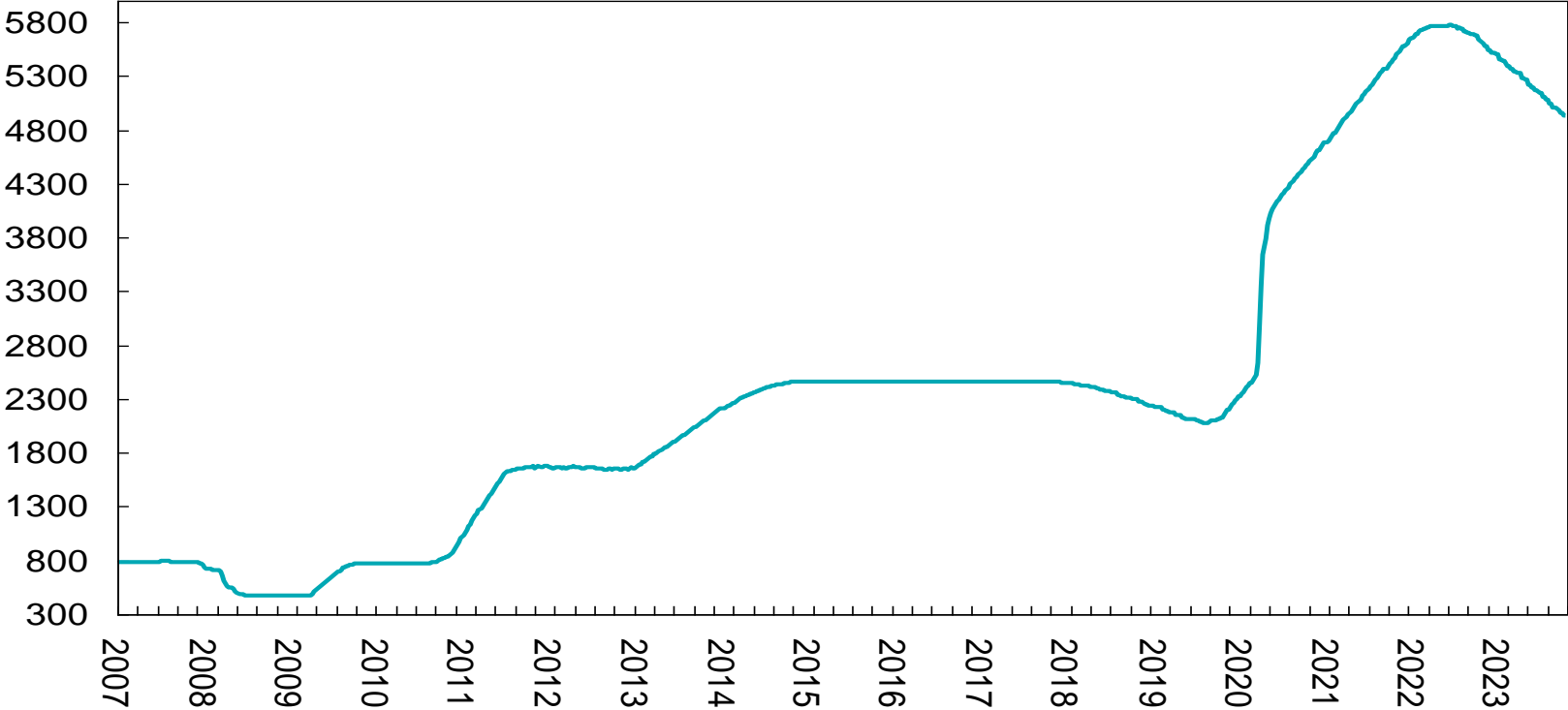
Positive balances reflect the net impact of debt redemptions during the month



Source: South African National Treasury

# US Federal Reserve ownership of government bonds

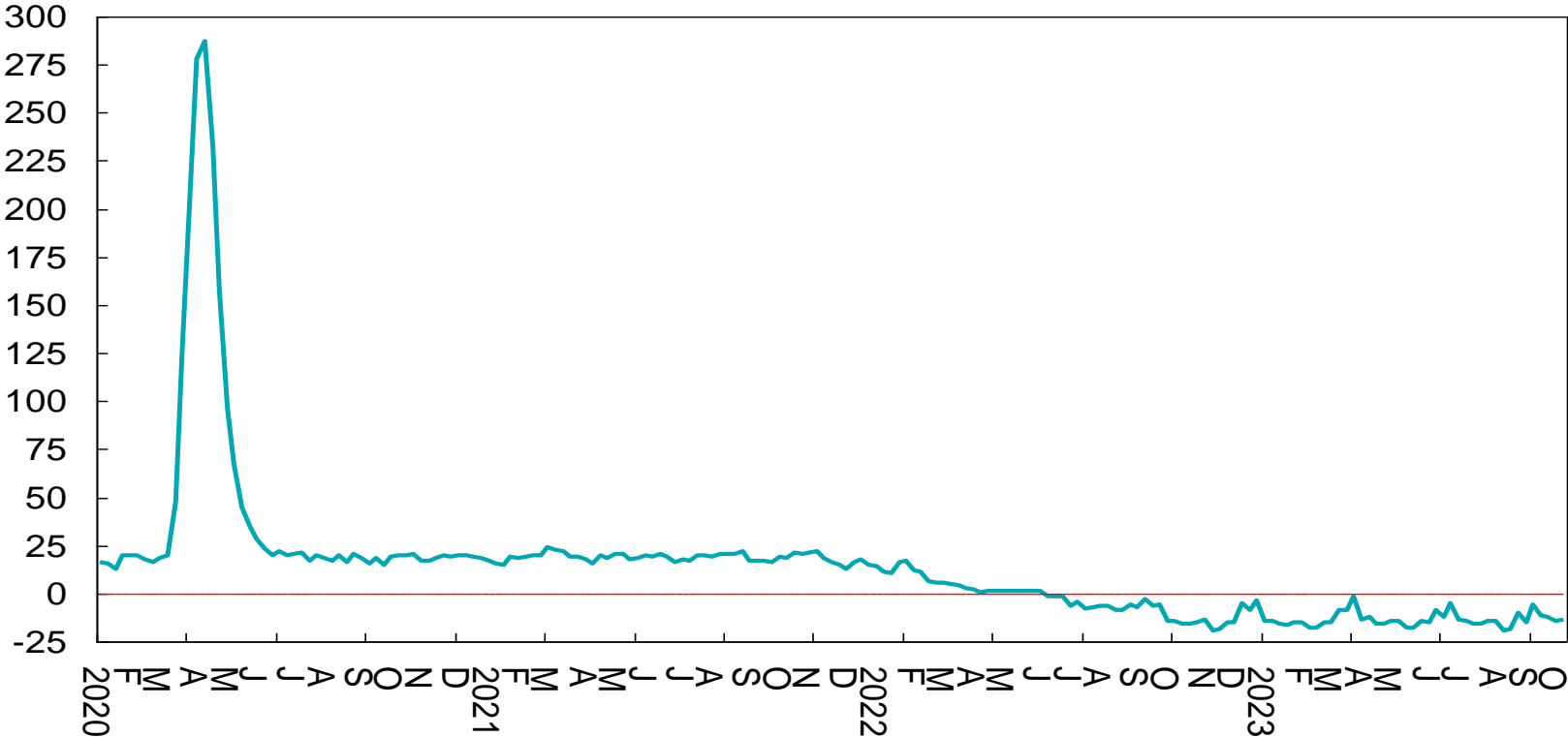
\$ billion



Source: US Federal Reserve

# US Federal Reserve purchase of government bonds

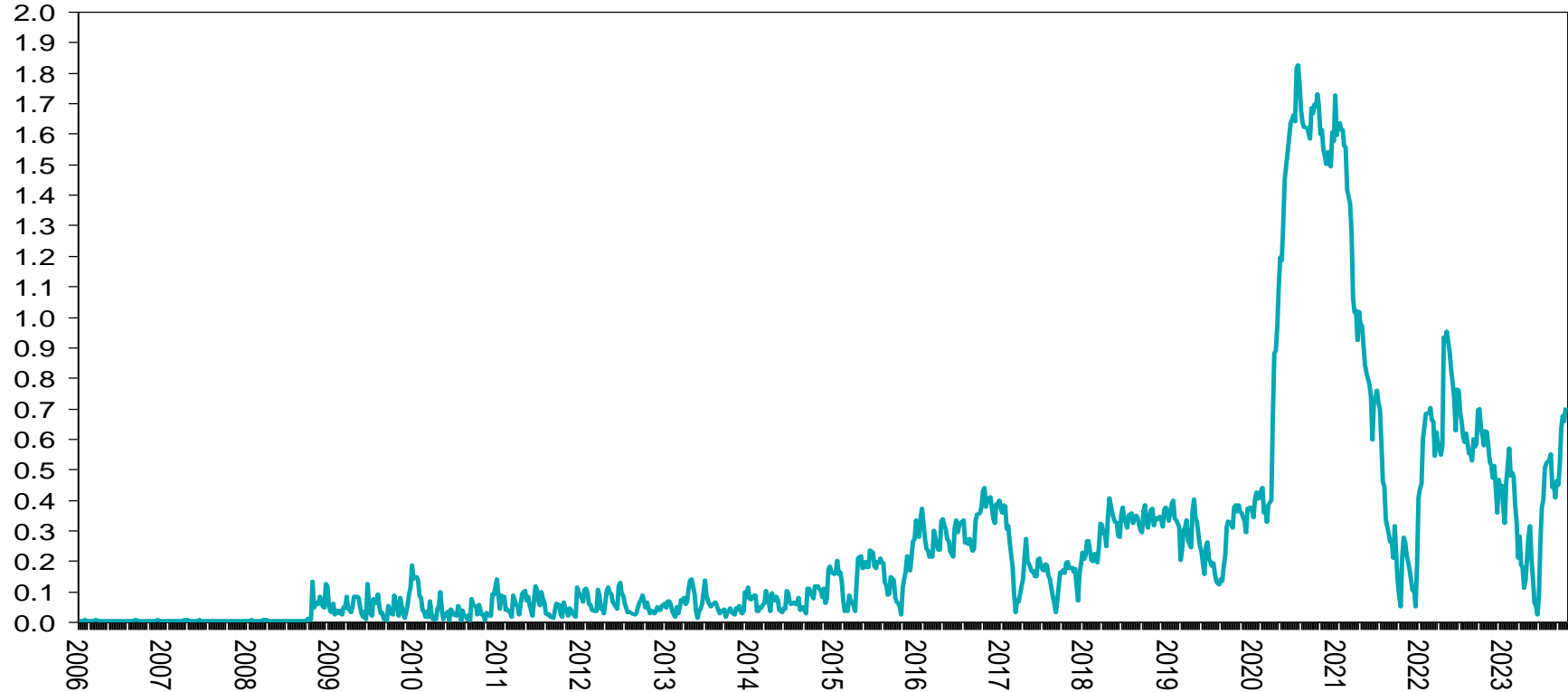
4-week average rate of purchases, \$ billion



Source: US Federal Reserve

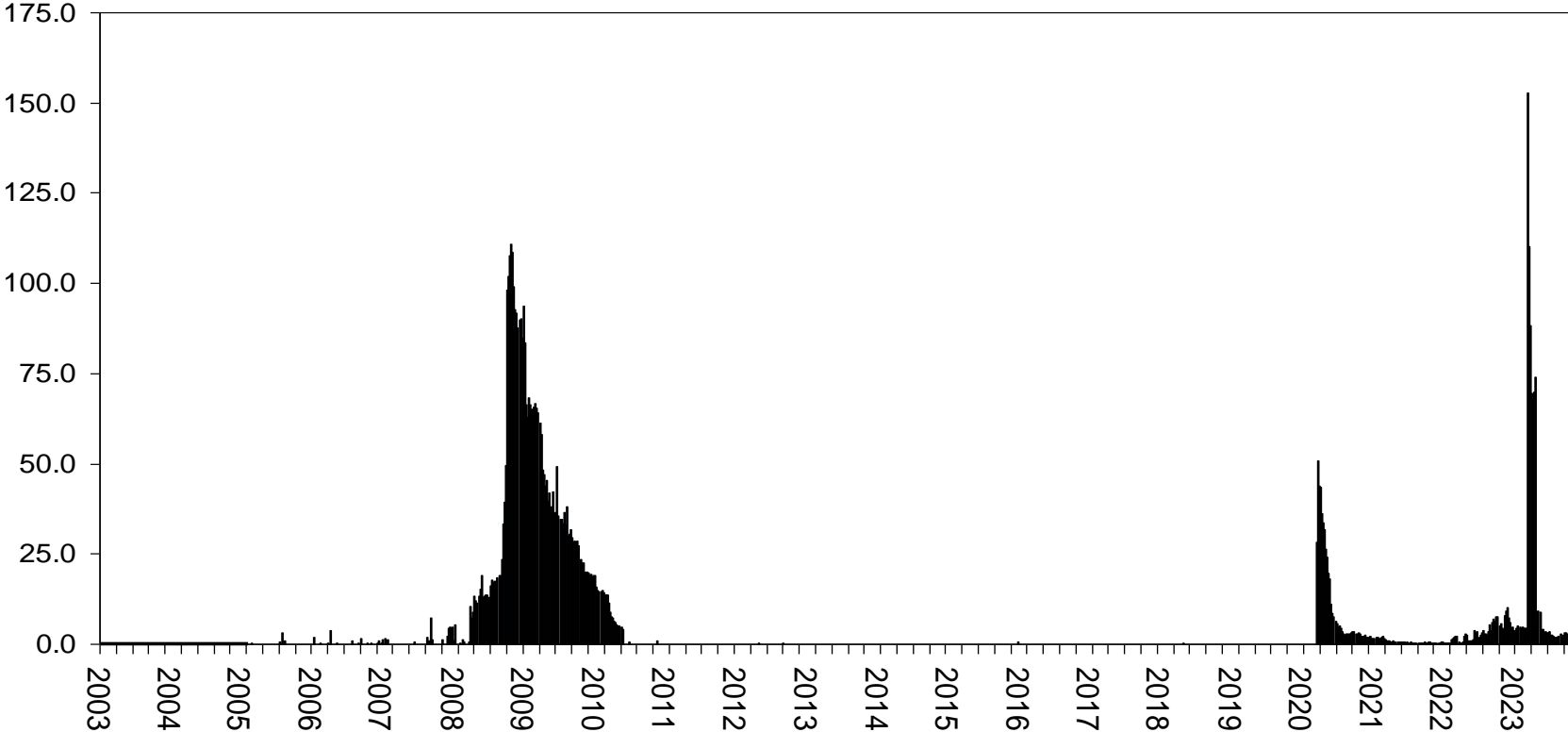
# US Treasury cash balance at Federal Reserve

\$ trillion, weekly



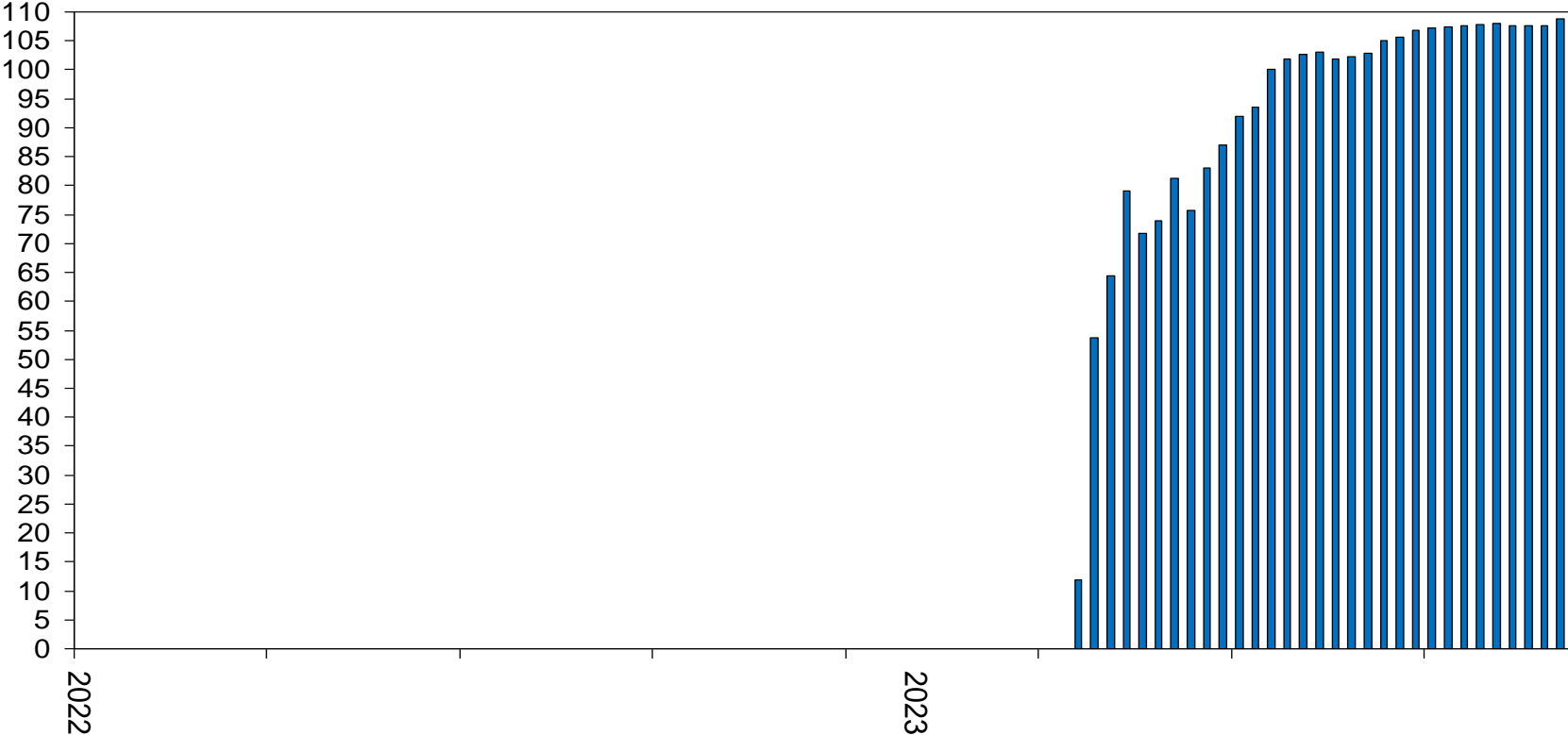
# US Federal Reserve discount window (balance)

\$ billion (weekly data)



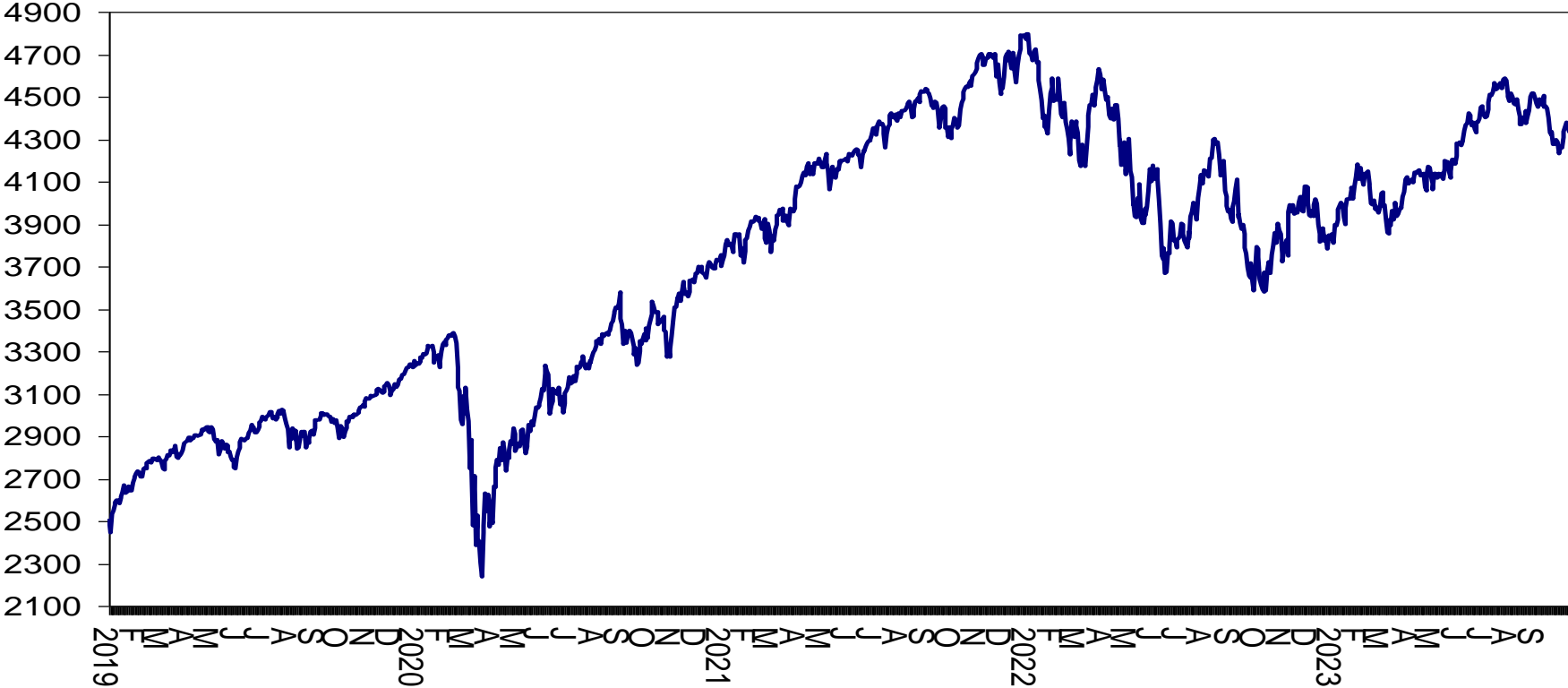
# US Federal Reserve Bank Term Funding Program (balance)

\$ billion (weekly data)



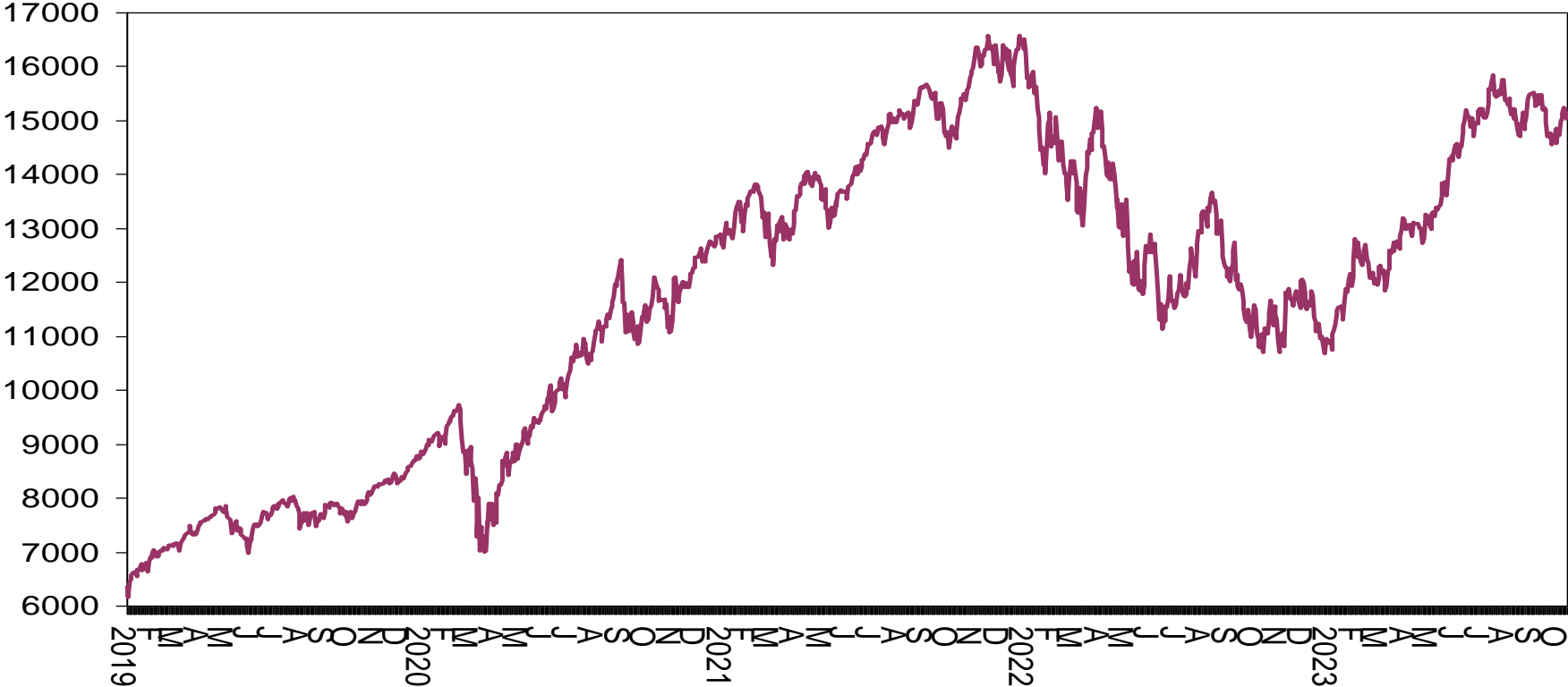
# US S&P 500

Index



# US NASDAQ (100) index

Index

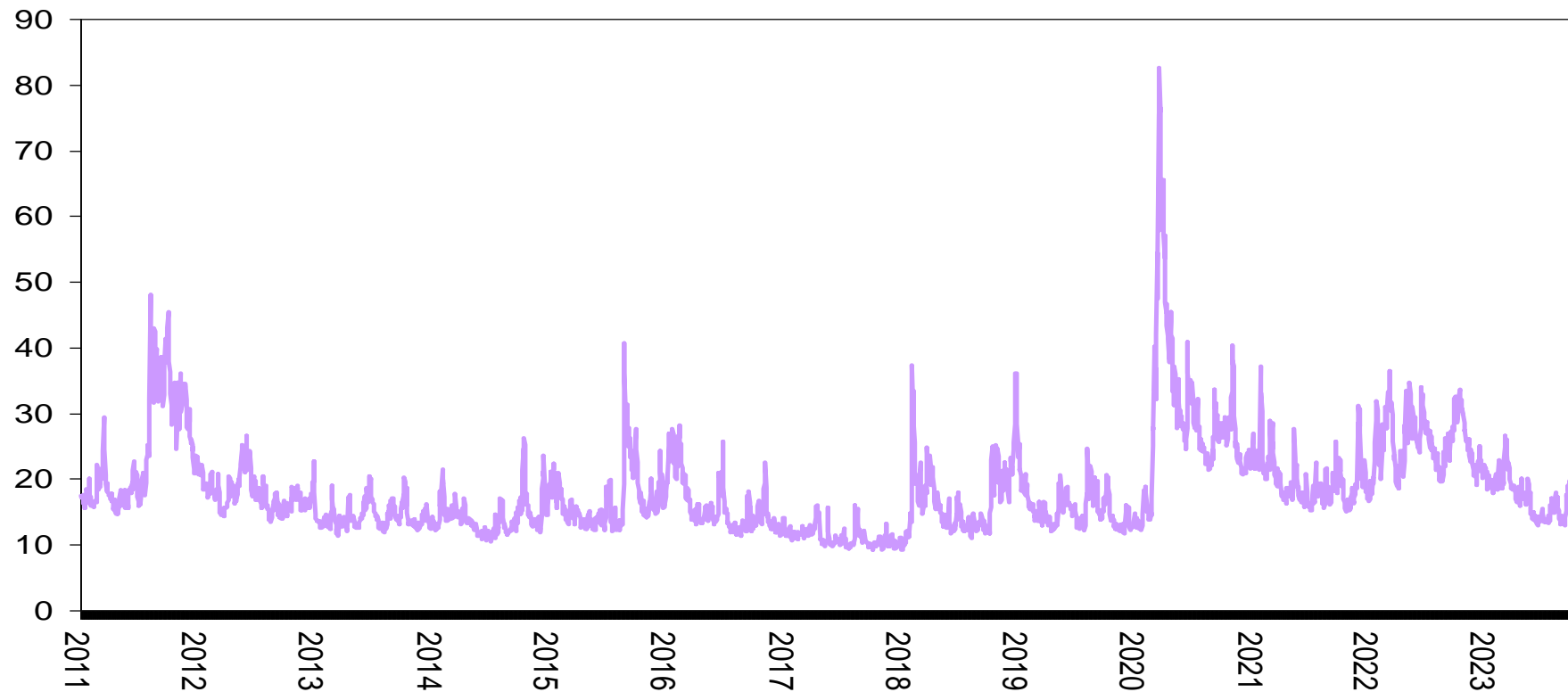




# Chicago Board Options Exchange volatility index (VIX index)

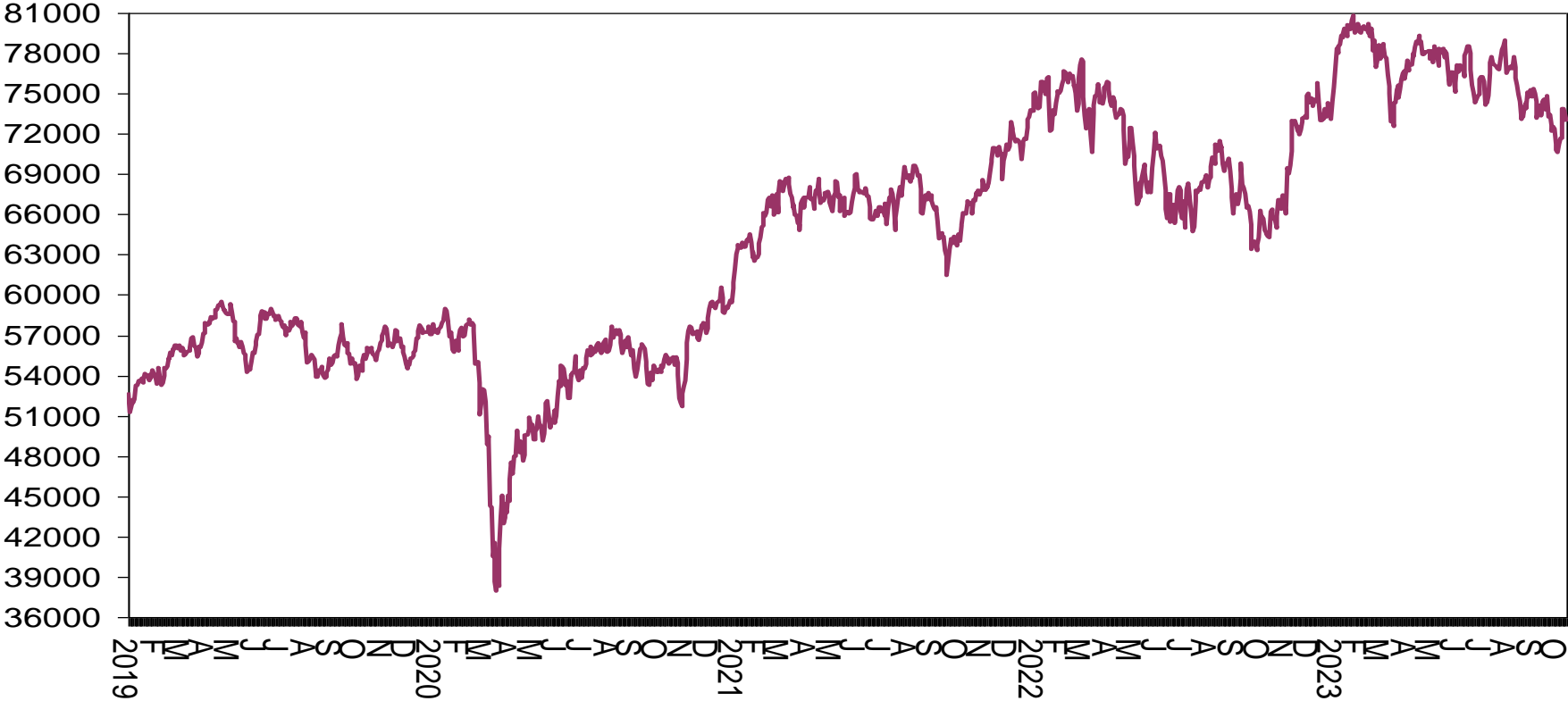
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Index



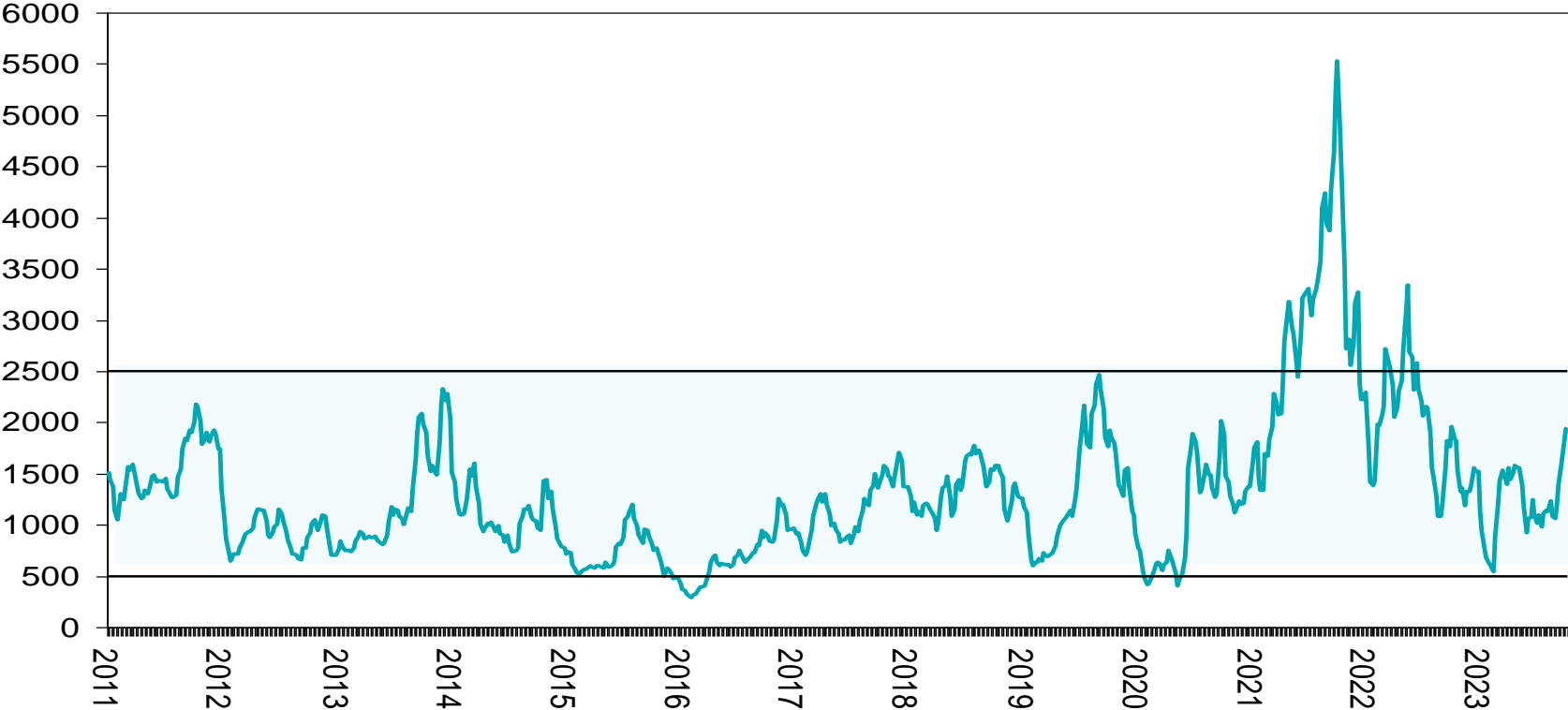
# SA equity market

Index



# Baltic Dry Index (shipping cost of commodities)

Index, Baltic Exchange

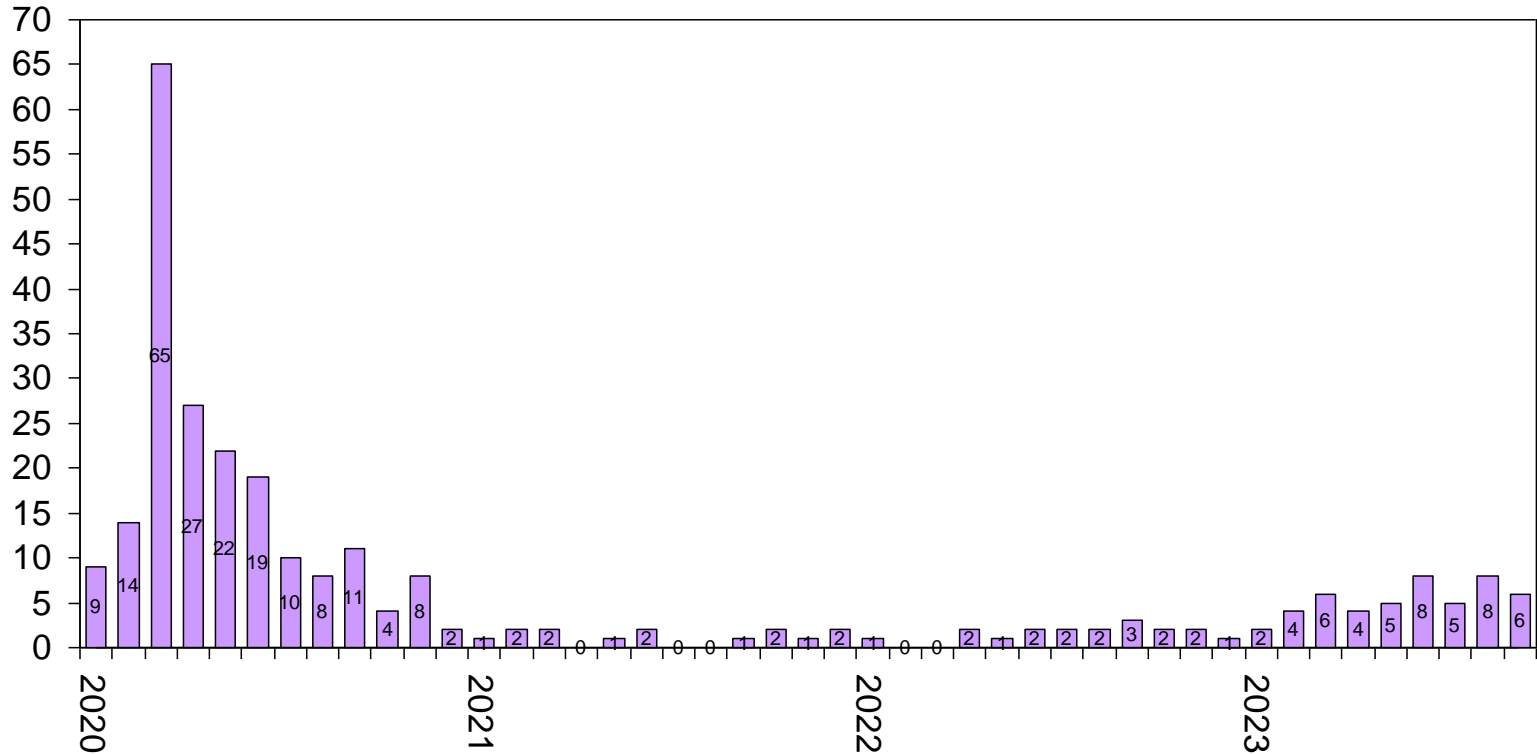


Source: Baltic Exchange



# 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: 9 to 15 October 2023

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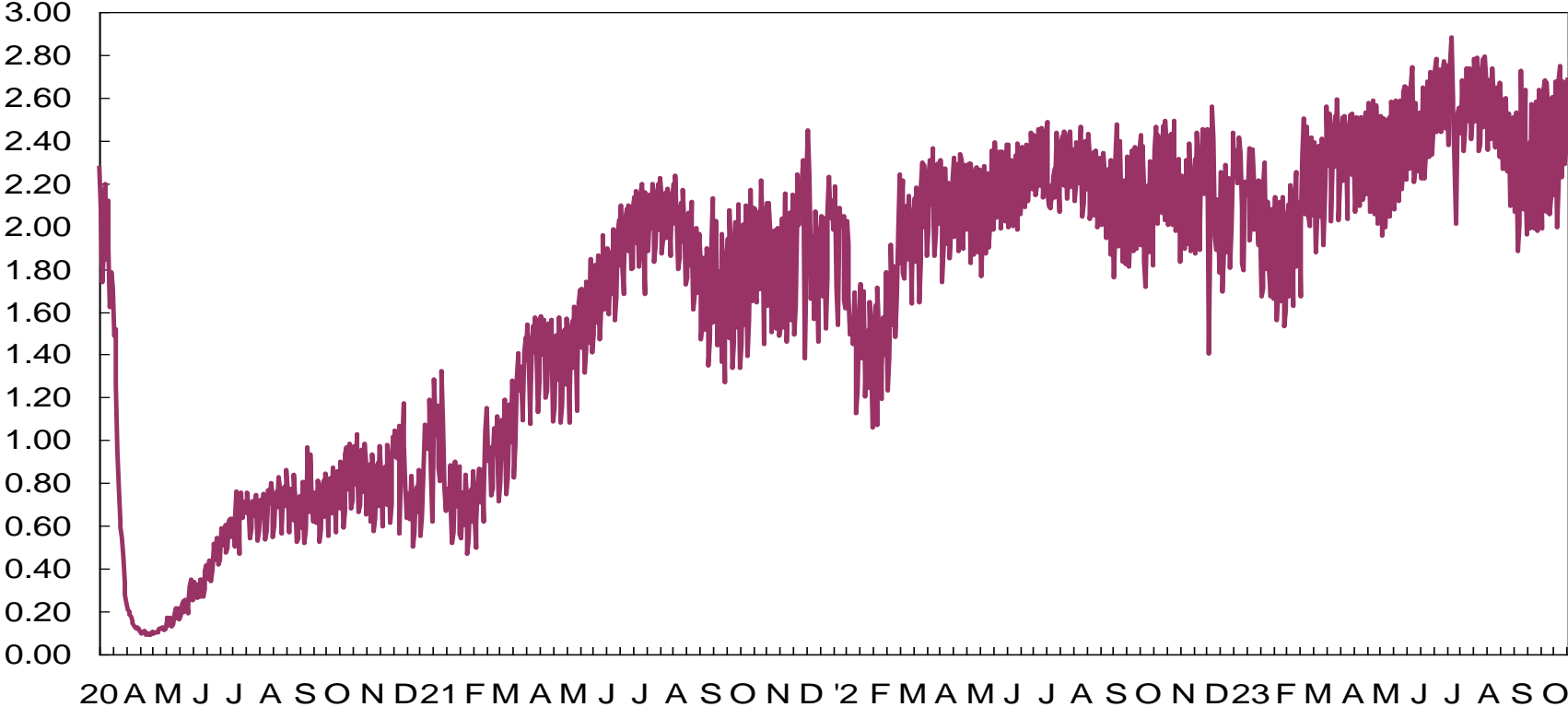
- US daily number of airport passengers
- US weekly motor gasoline sales
- US steel production capacity utilisation weekly
- US oil and gas rig count
- US weekly rail traffic



**STANLIB**

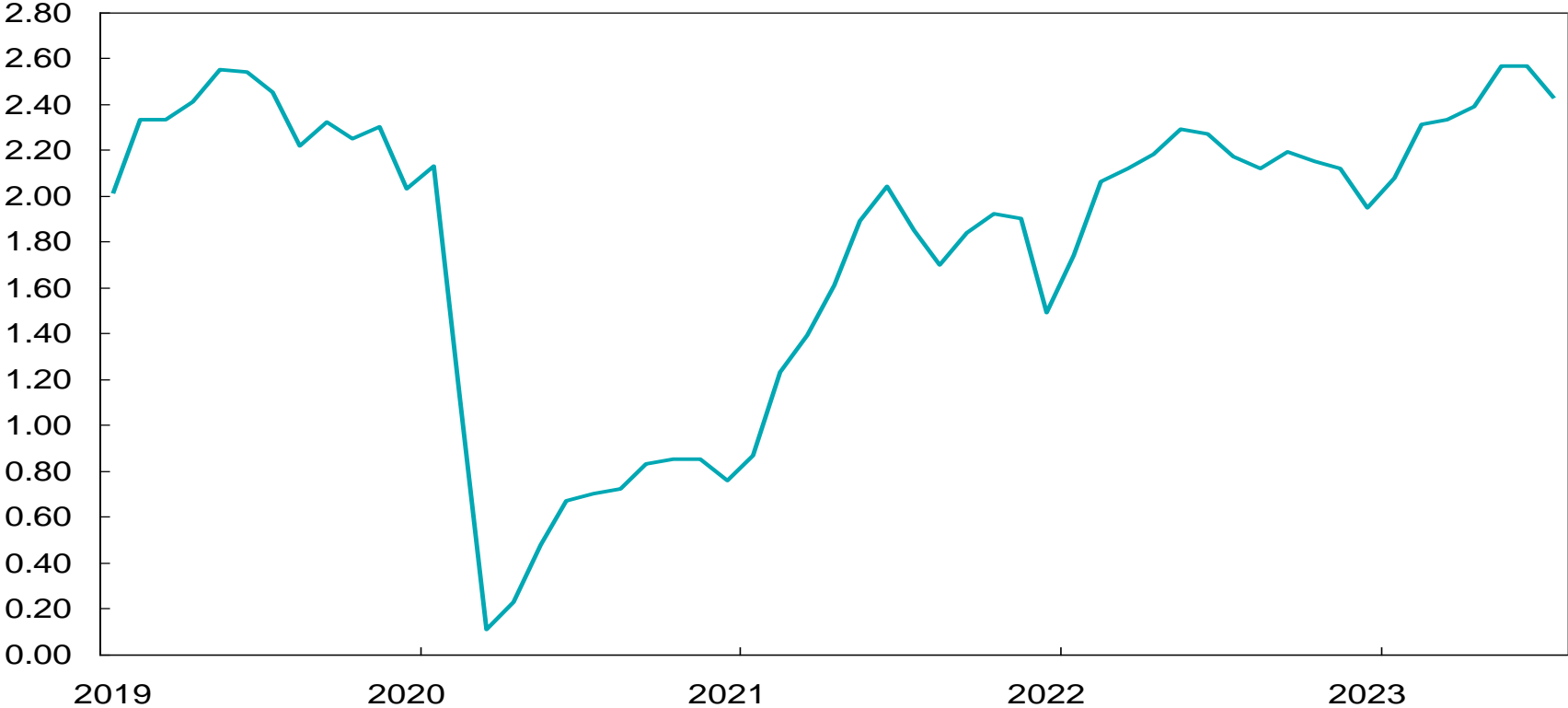
# US number of daily airport passengers

Number of passengers



# US number of airport passengers (monthly)

Number of passengers, millions

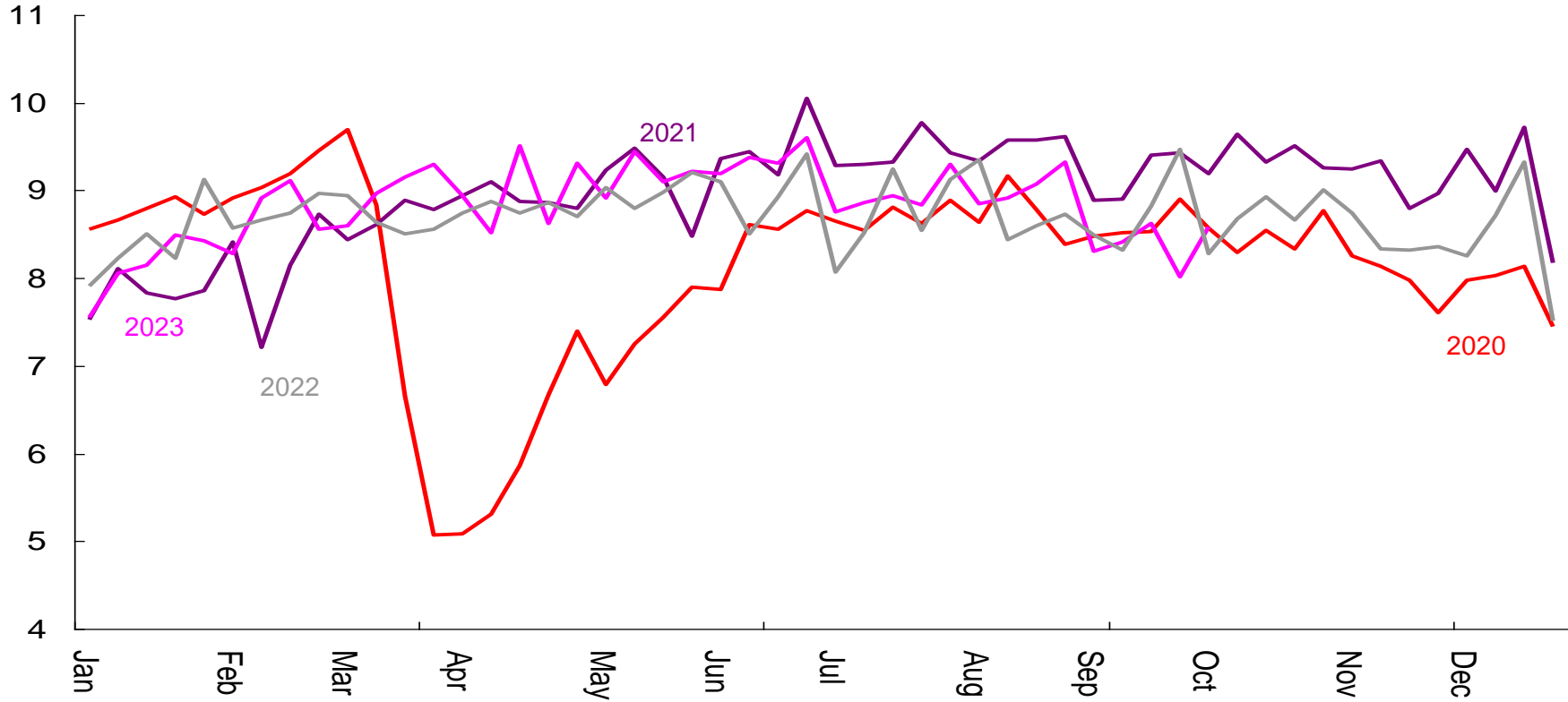


• Source: [US Department of Transport](#)



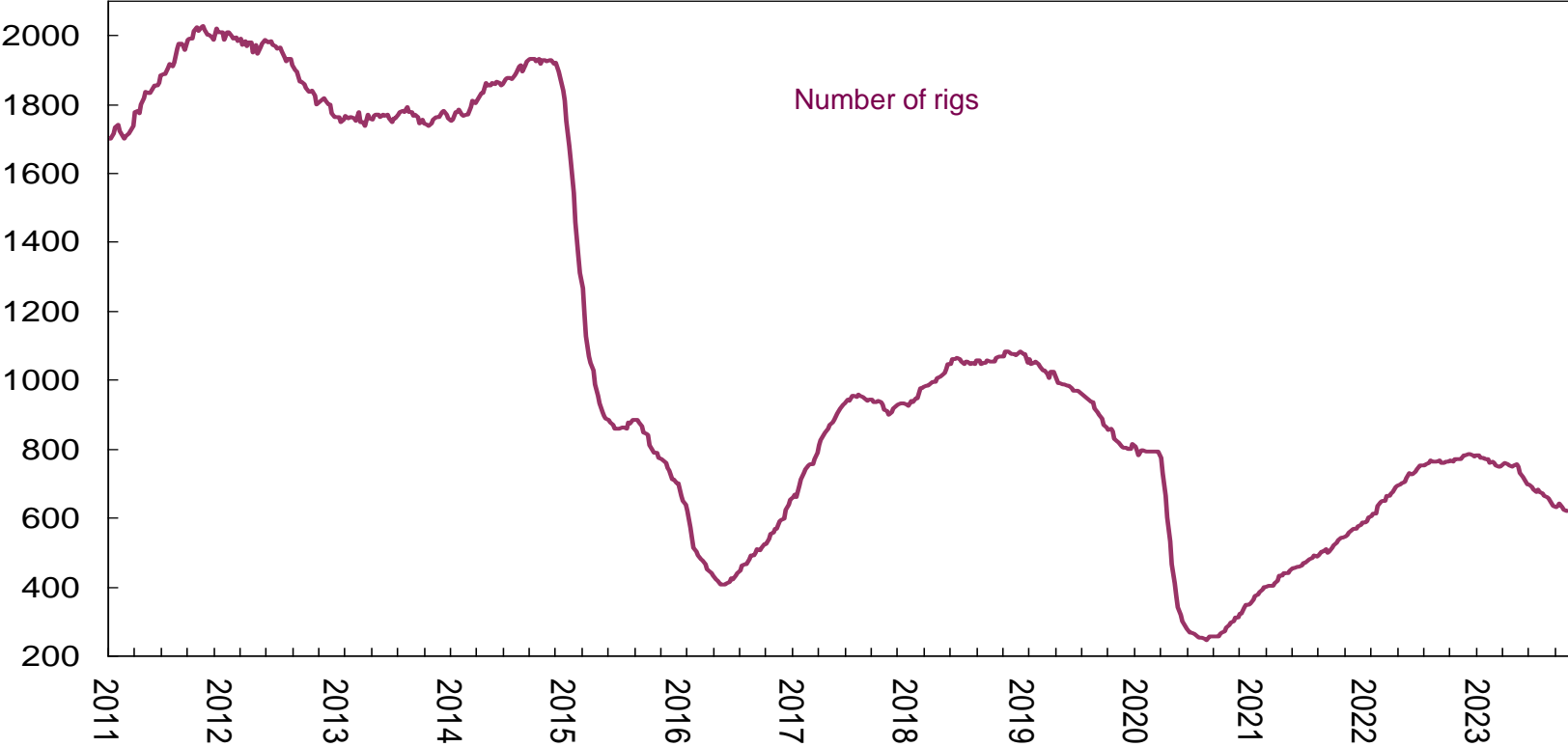
# US weekly motor gasoline supply

Million barrels per day



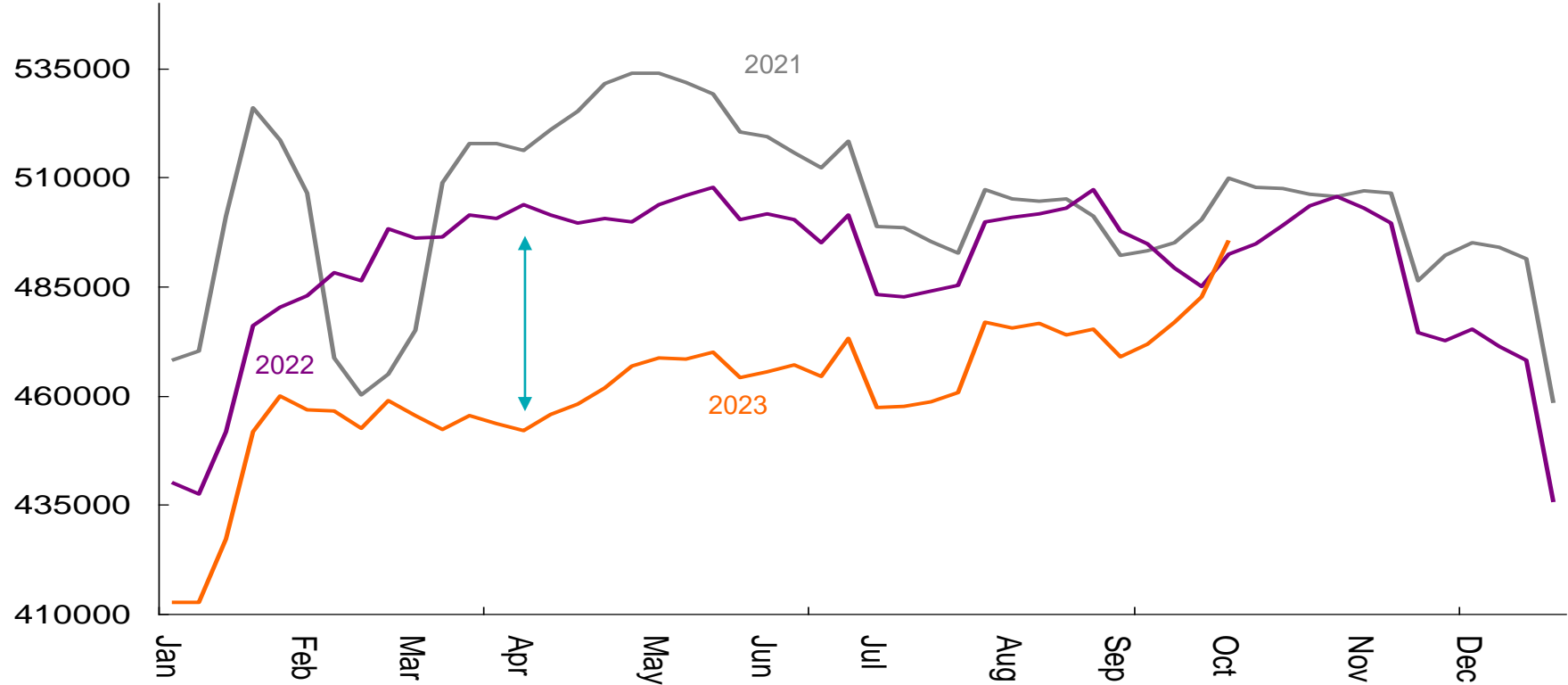
# US oil and gas rig count

Number of rigs



# US weekly rail traffic

Carloads and/or intermodal units



## SA energy crisis: 9 to 15 October 2023

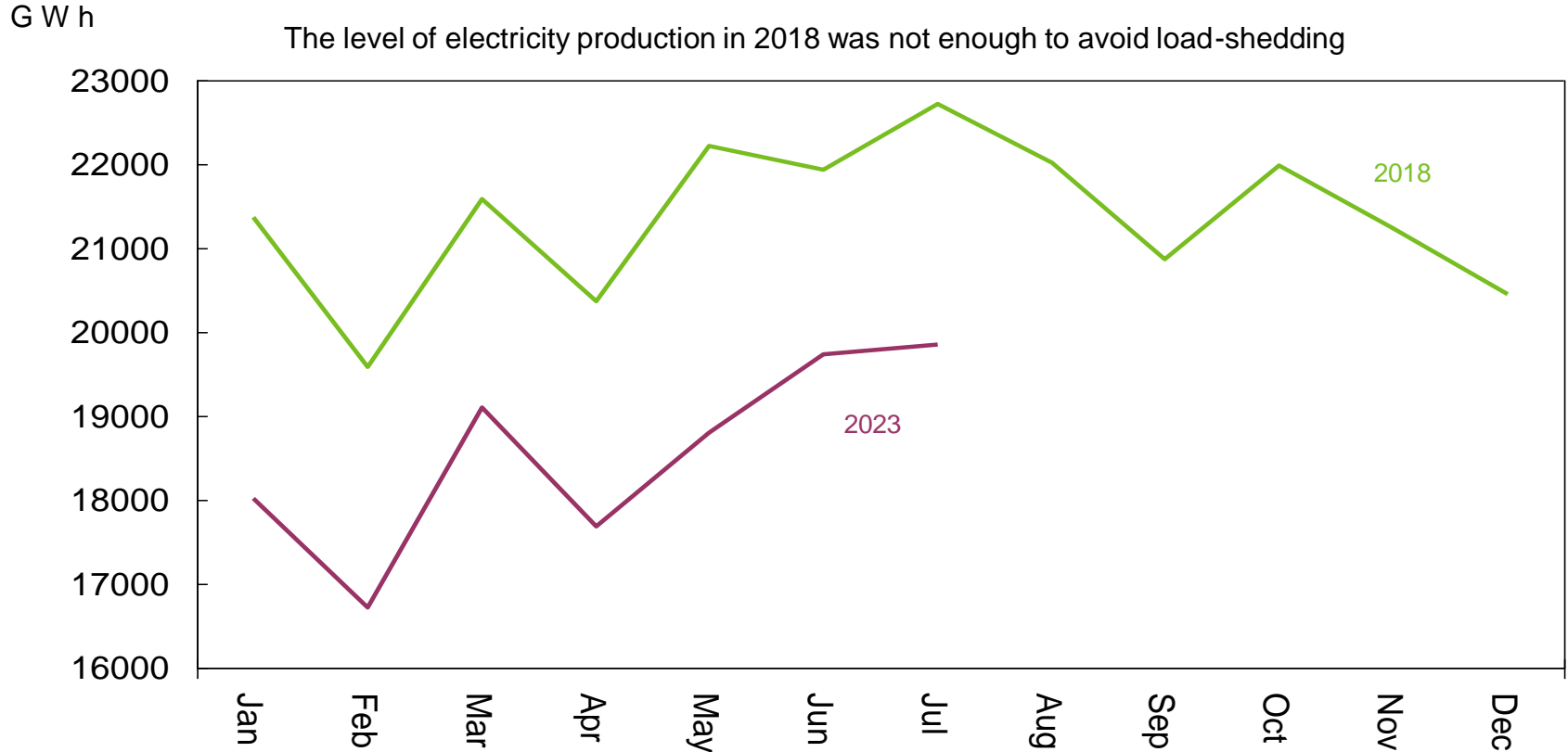
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- Independent Power projects (NERSA)
- SA number of days of load-shedding
- Eskom's Energy Availability Factor (EAF)



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# South Africa electricity production: 2018 vs 2023



## Private sector power projects (NERSA)

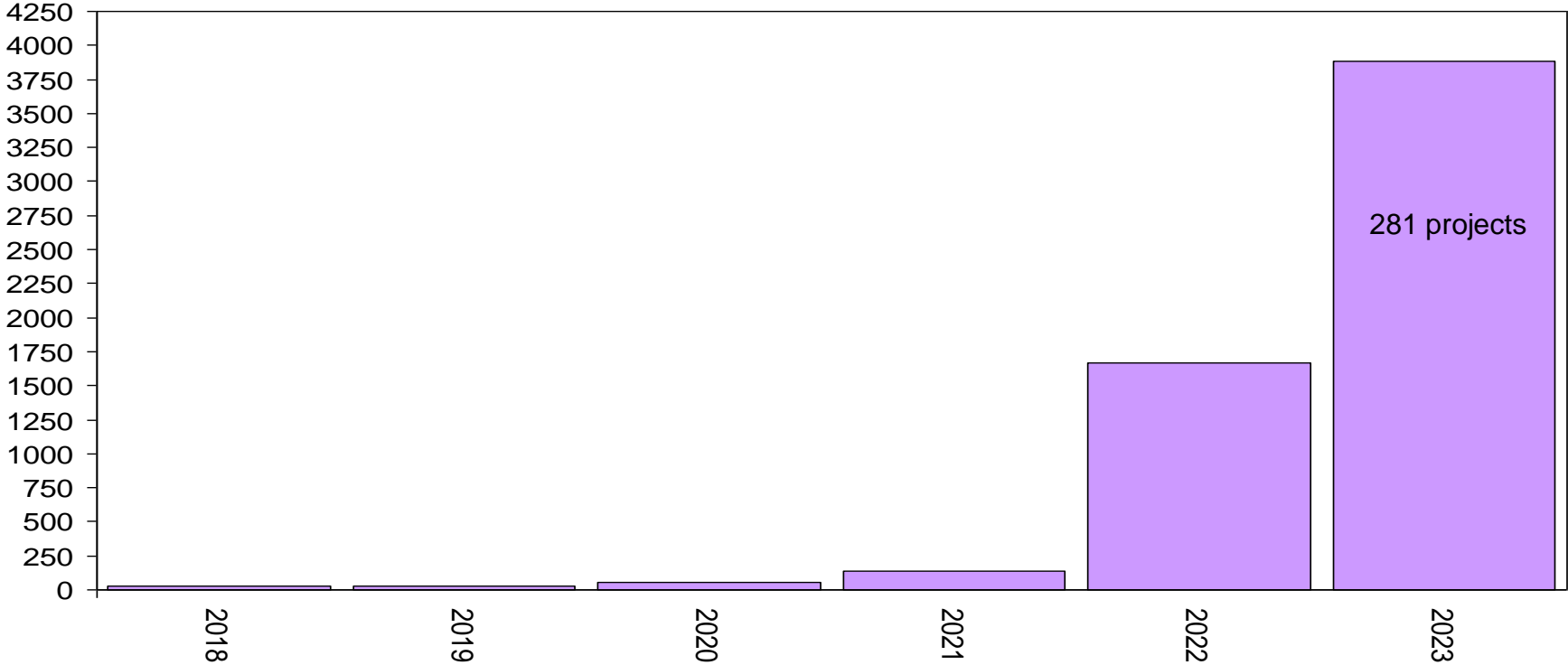
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Year	Number of projects	MW of all projects
2018	52	26
2019	41	23
2020	124	53
2021	282	134
2022	406	1664
2023*	281	3885

\*Jan-September 2023

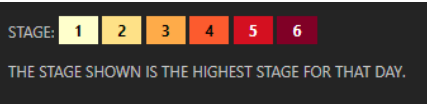
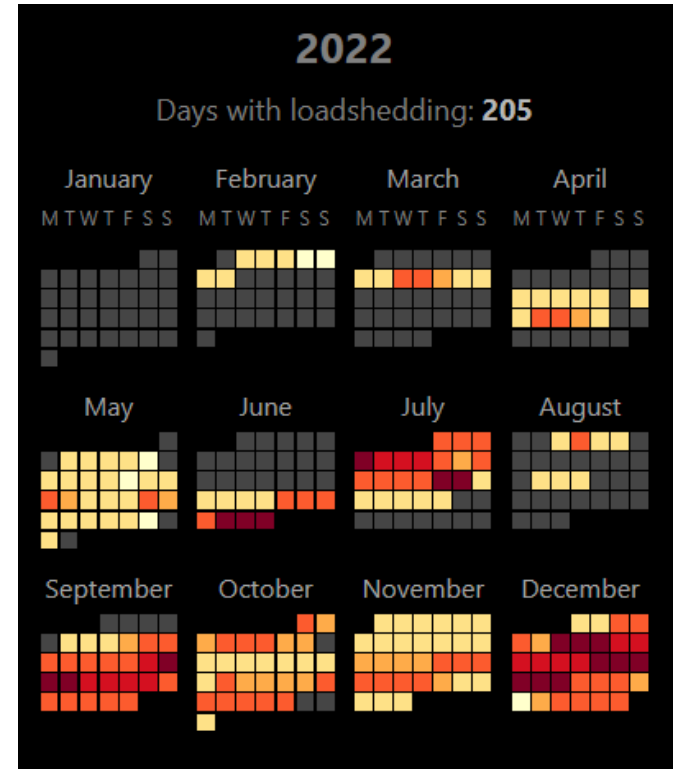
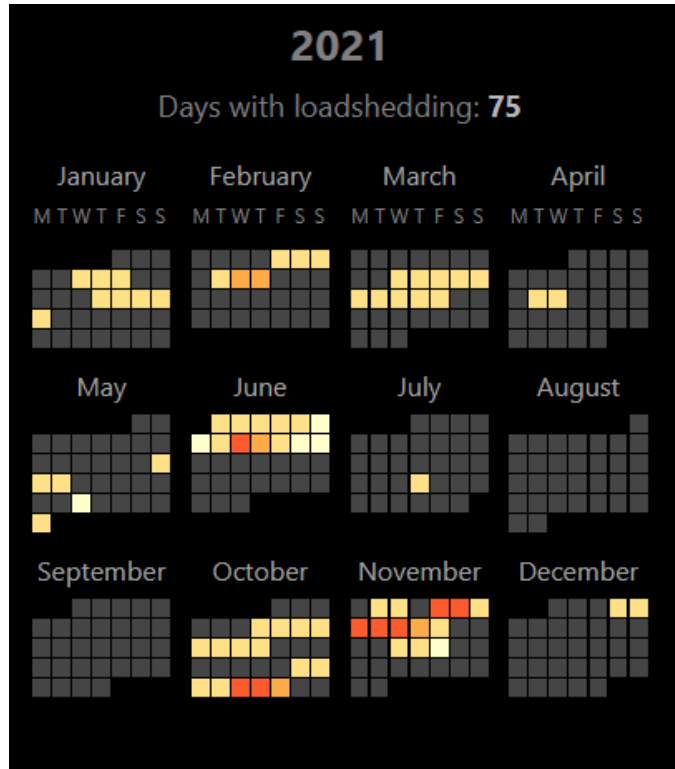
# SA private renewable energy projects (outside of REIPPP)

MW (January to September 2023)



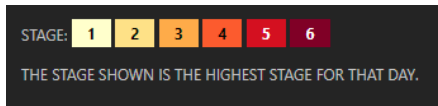
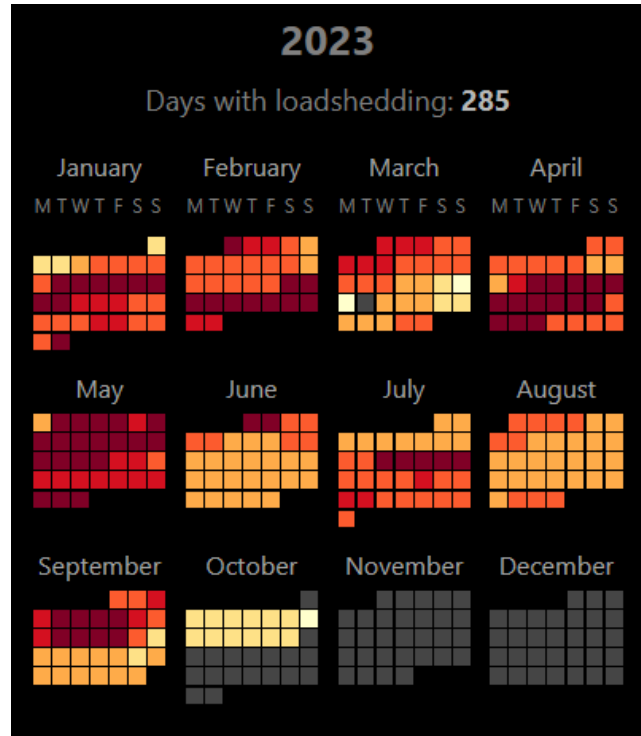
Source: NERSA

# South Africa number of days of loadshedding



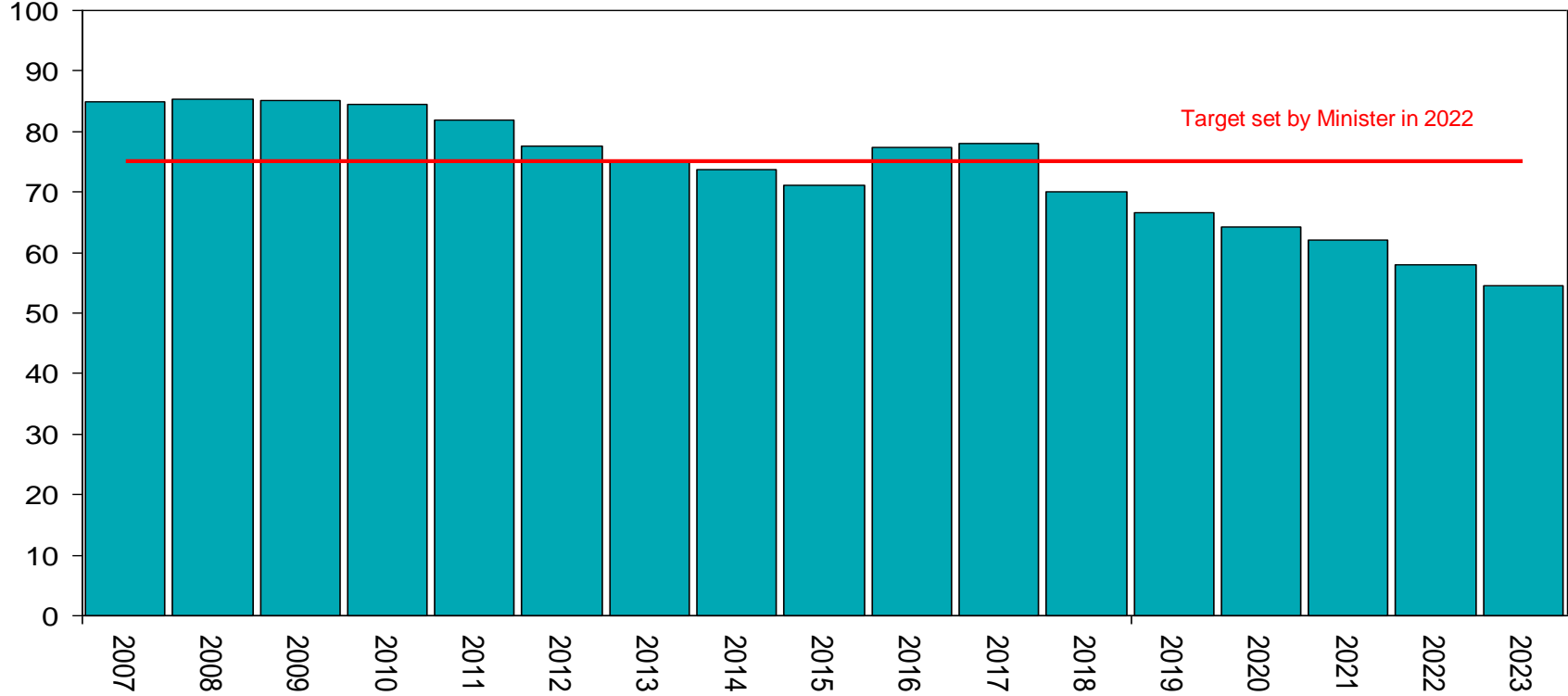


# South Africa number of days of loadshedding



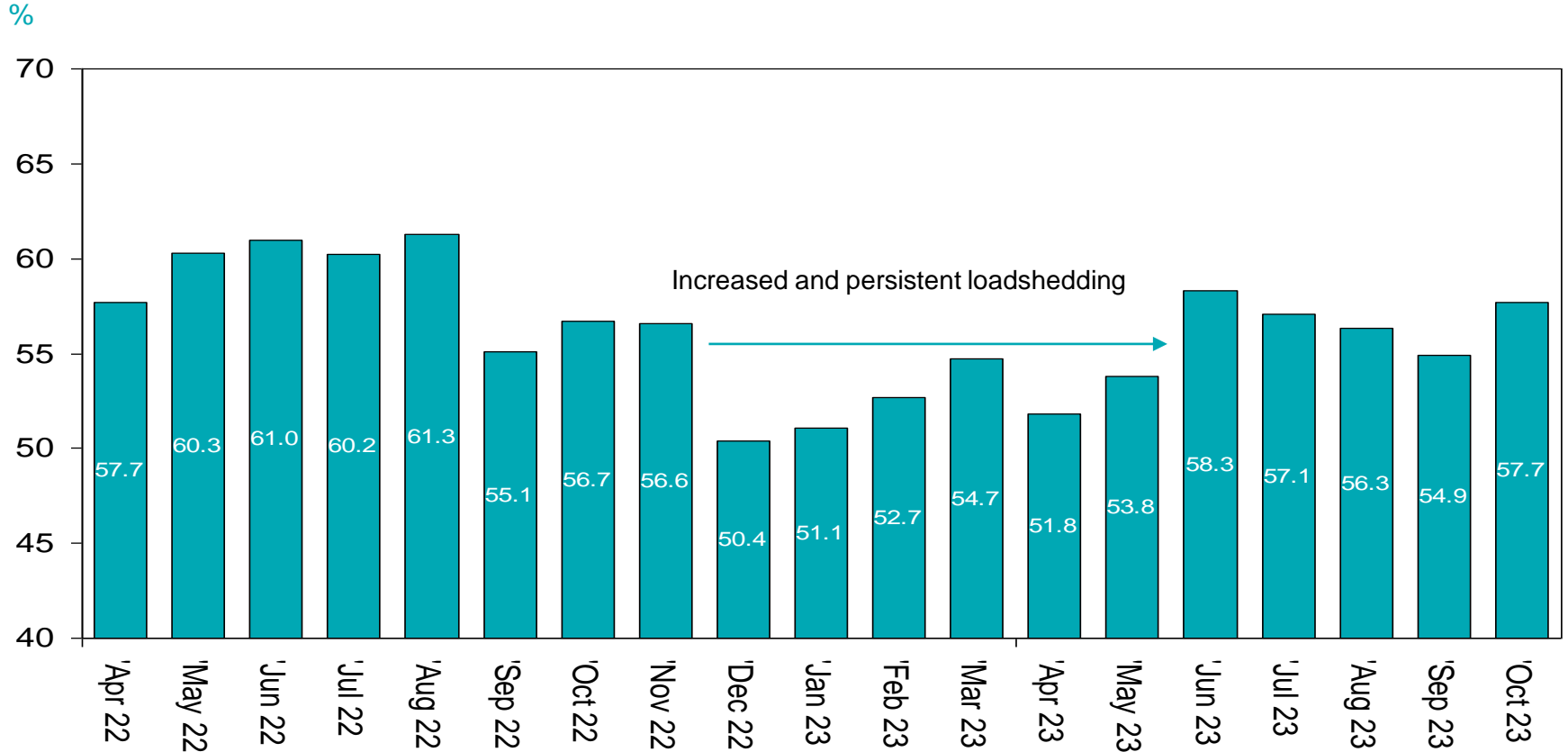
# Eskom Energy Availability Factor (EAF)

Percent

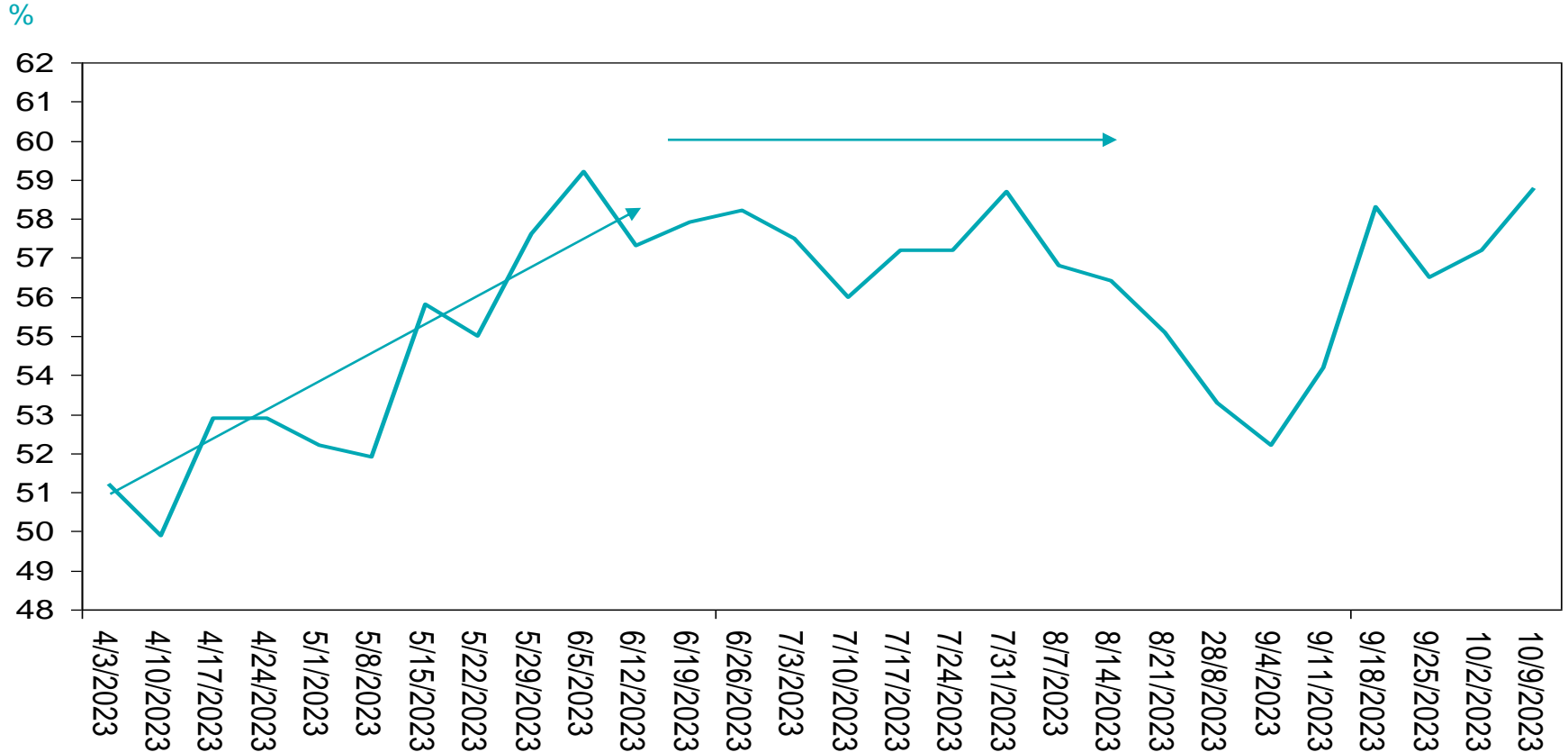


Source: Eskom

# ESKOM Energy Availability Factor (EAF) - monthly



# ESKOM Energy Availability Factor (EAF) - weekly



## Global climate data: 9 to 15 October 2023

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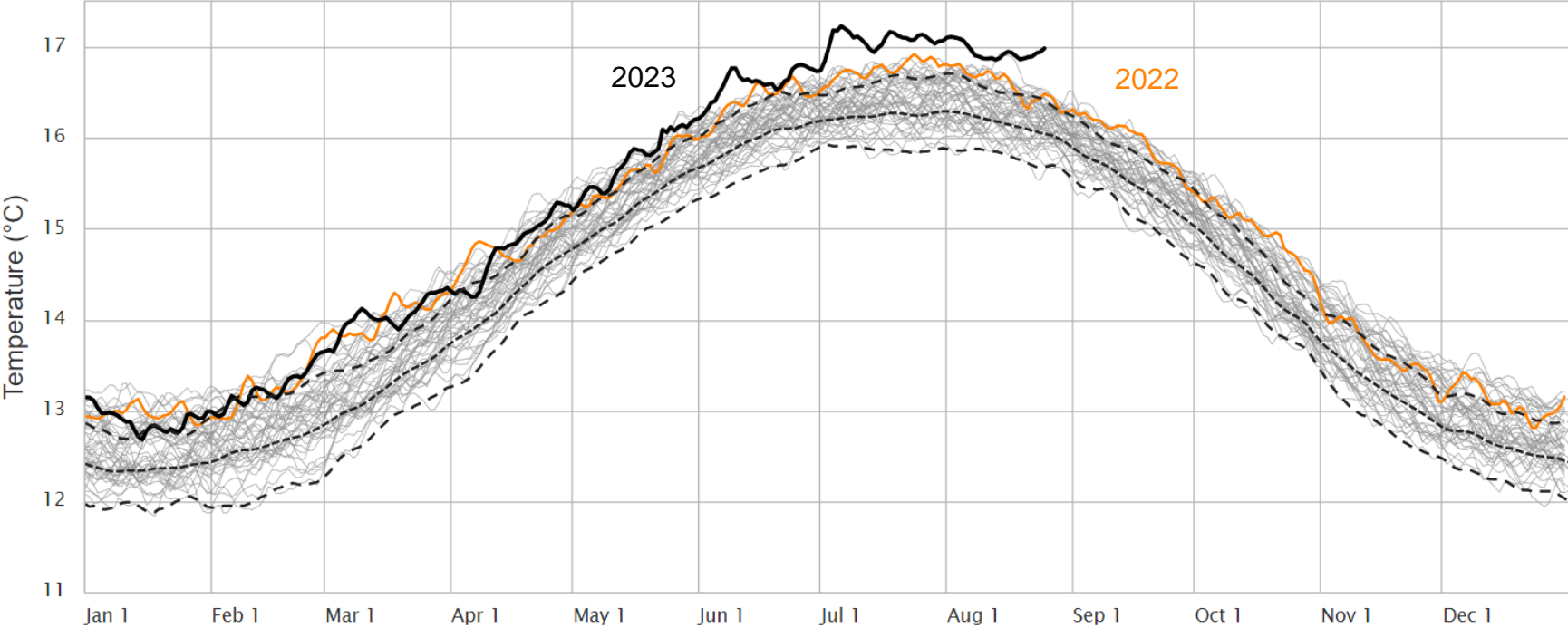
- World air temperature
- Northern Hemisphere air temperature
- Southern Hemisphere air temperature
- Arctic air temperature
- Antarctic air temperature
- Tropics air temperature (23.5°S to 23.5°N)
- Daily sea surface temperature



**STANLIB**

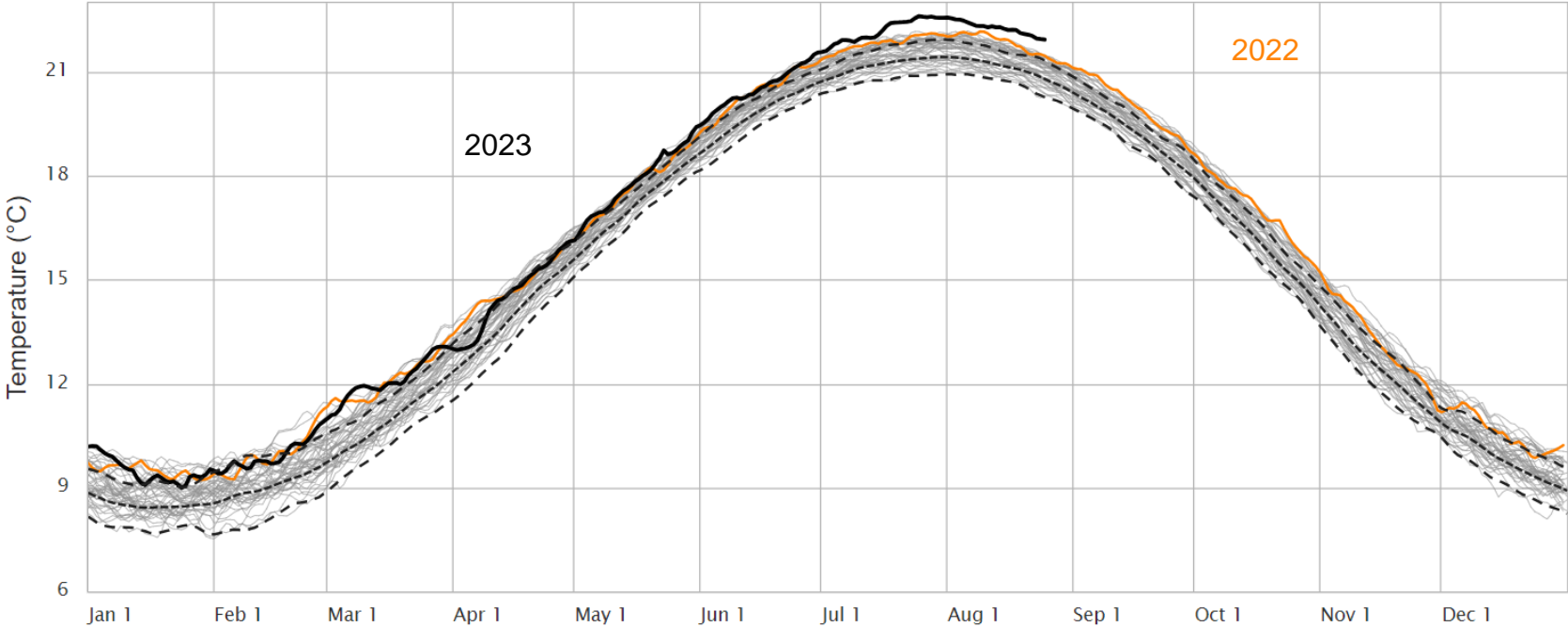
# World air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



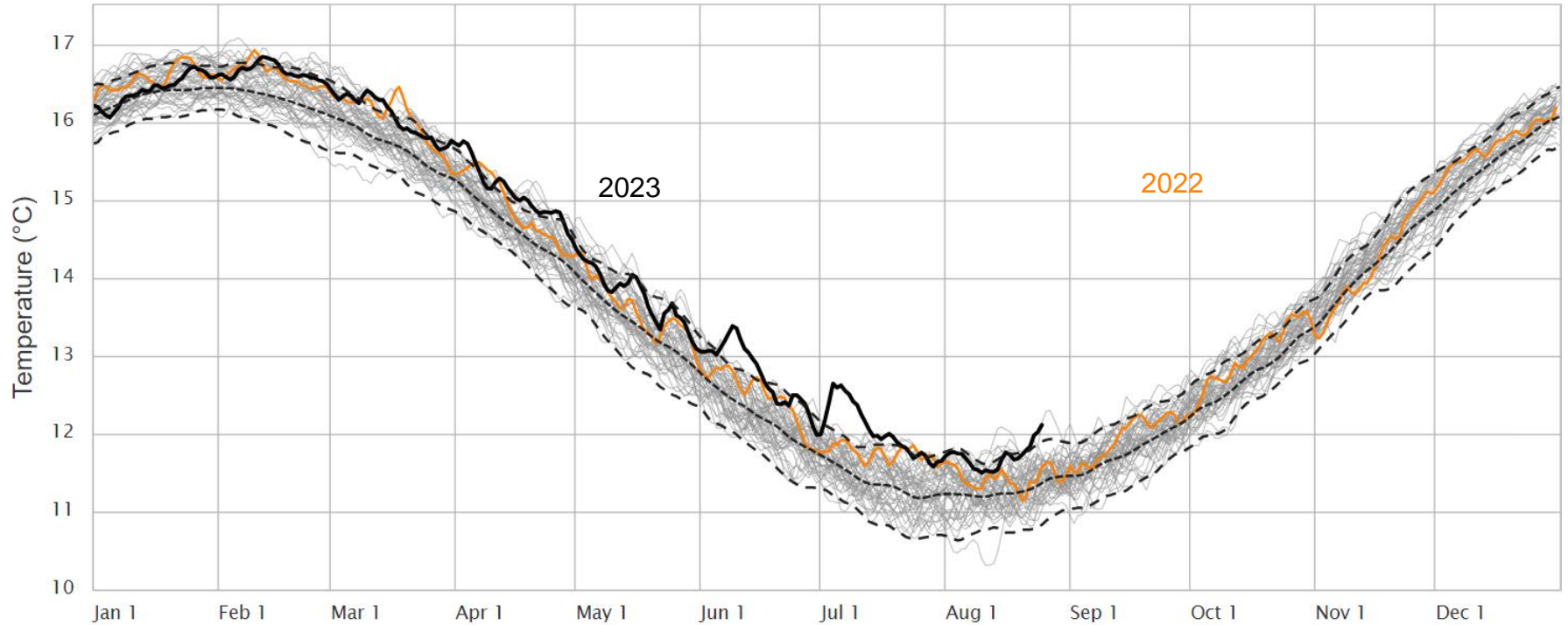
# Northern Hemisphere air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



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

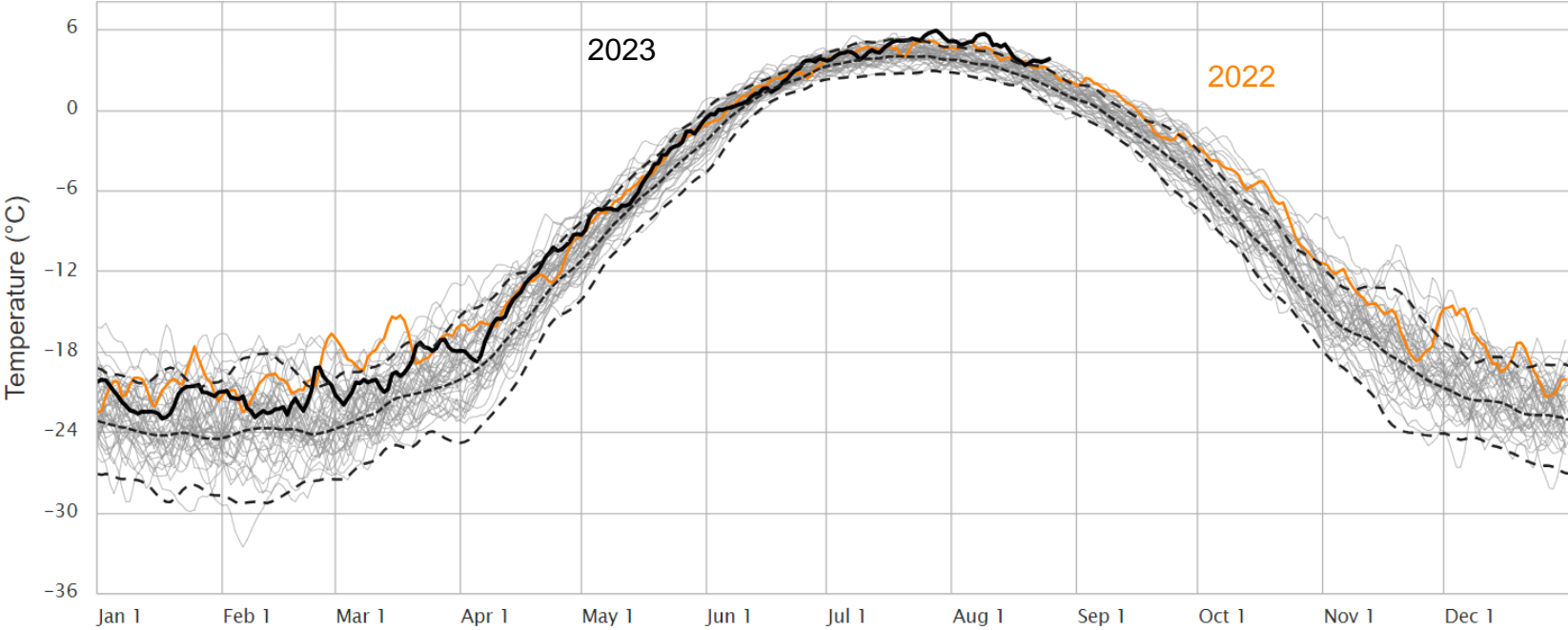
Average, temperature, degrees Celsius





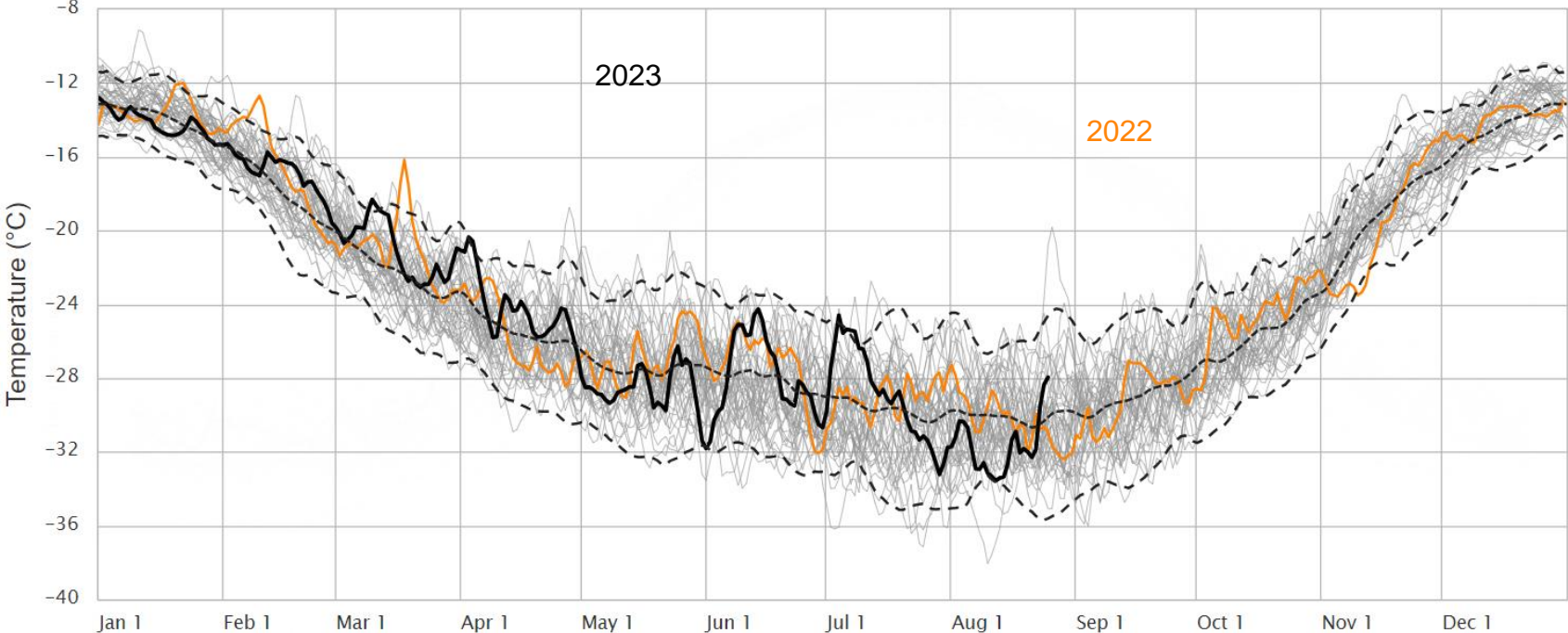
# Arctic air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



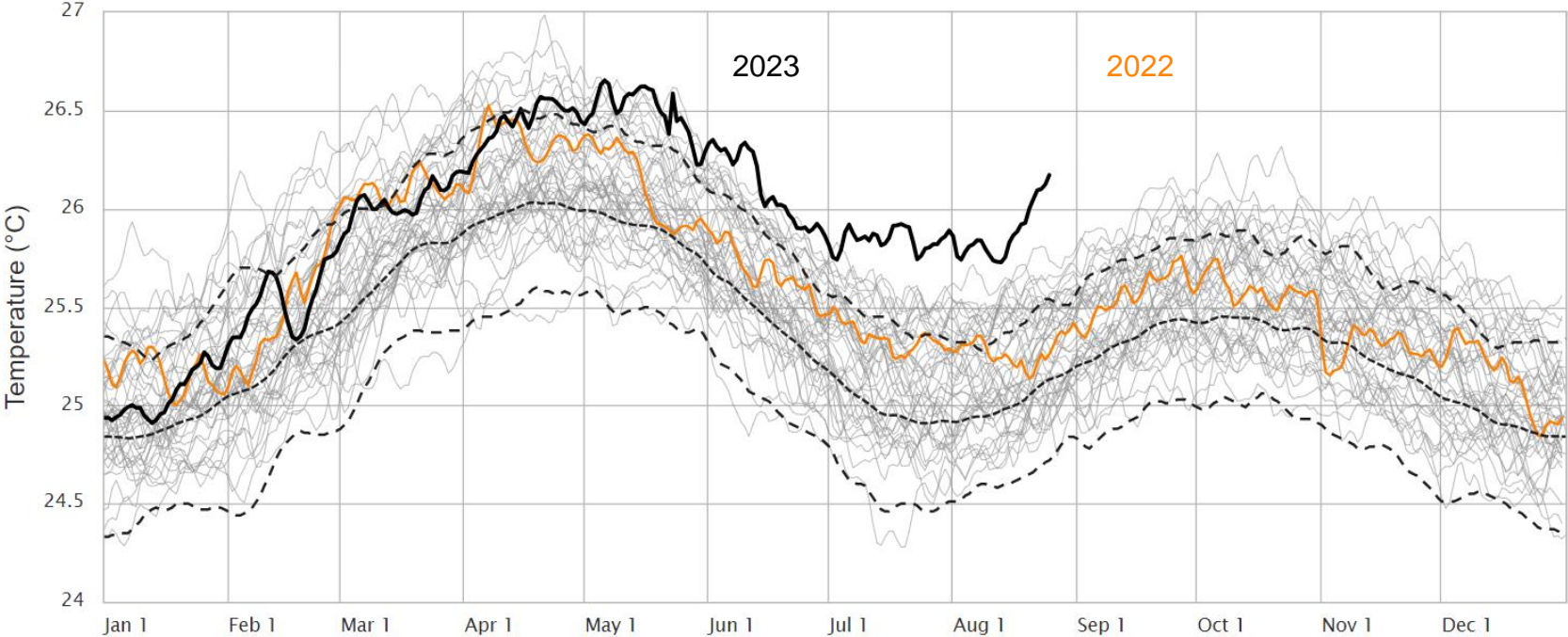
# Antarctic air temperature (at a height of 2 meters)

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

