

Weekly Review in Charts  
13 to 19 November 2023

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Kevin Lings

19 November 2023

**STANLIB**

# Weekly economic review: 13 to 19 November 2023

17 November 2023

	2019 %	2020 %	2021 %	2022 %	2023 Year-to-date
South Africa All Share Index	8.2%	4.1%	24.1%	-0.9%	1.2%
Dow Jones Industrial Average	22.3%	7.2%	18.7%	-8.8%	5.4%
S&P 500 equity index	28.9%	16.3%	26.9%	-19.4%	17.6%
Nasdaq 100 index	38.0%	47.6%	26.6%	-33.0%	44.8%
Stoxx Euro 600	23.2%	-4.0%	22.2%	-12.9%	7.3%
FTSE 100 Index	12.1%	-14.3%	14.3%	0.9%	0.7%
Shanghai Composite Index	22.3%	13.9%	4.8%	-15.1%	-0.4%
NIKKEI 225 Index	18.2%	16.0%	4.9%	-9.4%	28.7%
Gold	18.3%	25.0%	-3.6%	0.4%	9.2%
Oil	21.9%	-21.7%	52.9%	8.7%	-9.9%
Rand/Dollar	-2.7%	5.0%	8.6%	-6.2%	-7.5%
Dollar/Euro	-1.8%	9.0%	-7.1%	6.6%	-2.0%
Bitcoin	92.2%	303.2%	59.7%	-64.3%	121.2%
<i>US 10-year bond yield</i>	1.92%	0.93%	1.52%	3.88%	4.44%
<i>US 2-year bond yield</i>	1.58%	0.13%	0.73%	4.41%	4.88%
<i>SA 10-year bond yield</i>	8.48%	7.70%	8.60%	9.88%	10.55%

# Weekly economic review: 13 to 19 November 2023

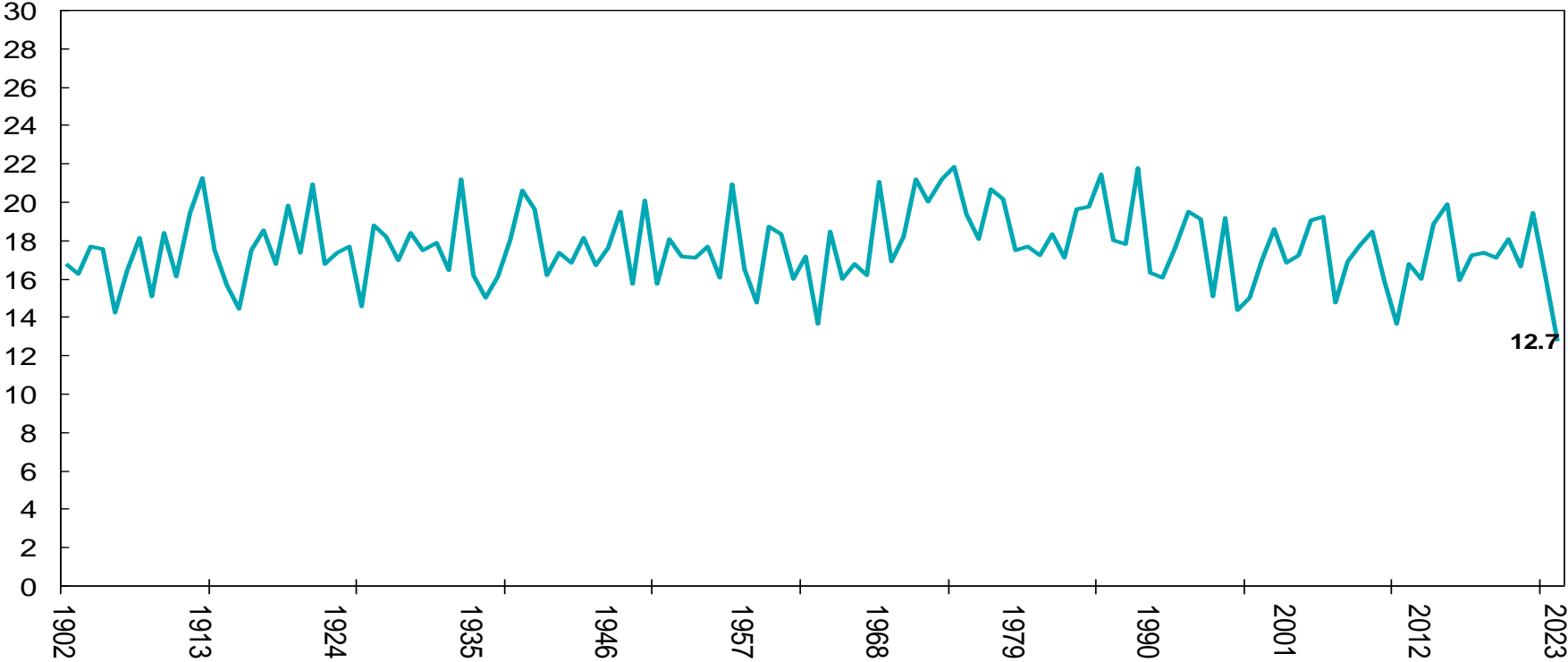
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## Chart of the week

- The water level at the port of Manaus in Brazil (which is located on the Amazon River) was measured at a low of 12.7 meters on 26 October 2023. This is the lowest level recorded since data started to be collected in 1902 (121 years).
- The low water level appears to be due to a severe drought, brought about by the current El Niño weather pattern. The region has recorded its lowest rainfall since 1980.
- The low water level has left boats stranded, disrupted food and water supplies, resulted in numerous wildfires, and decimated agricultural production. There has also been a significant loss of wildlife, including endangered river dolphins.
- There is a concern that the El Niño weather pattern could disrupt South Africa's summer agricultural season for 2023/2024. Fortunately, early indications suggest that the impact might not be as severe as initially feared. SA agricultural production has significant implications for SA economic growth, including exports, as well as inflation.

# Amazon water level: reached lowest ever on 26 October 2023

Minimum ebb level (m)



# Weekly economic review: 13 to 19 November 2023

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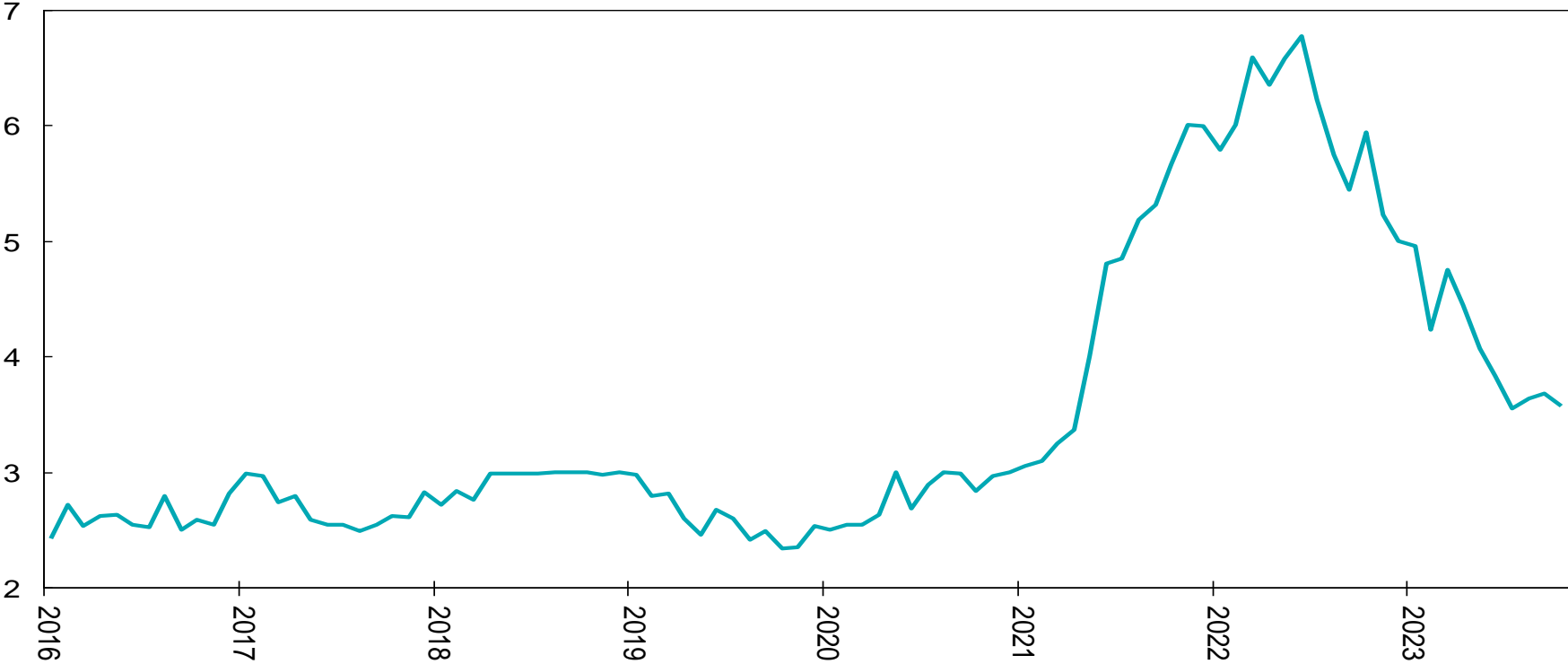
Monday, 13 November 2023

- US New York Fed inflation expectations for October 2023
- US government revenue and expenditure for October 2023

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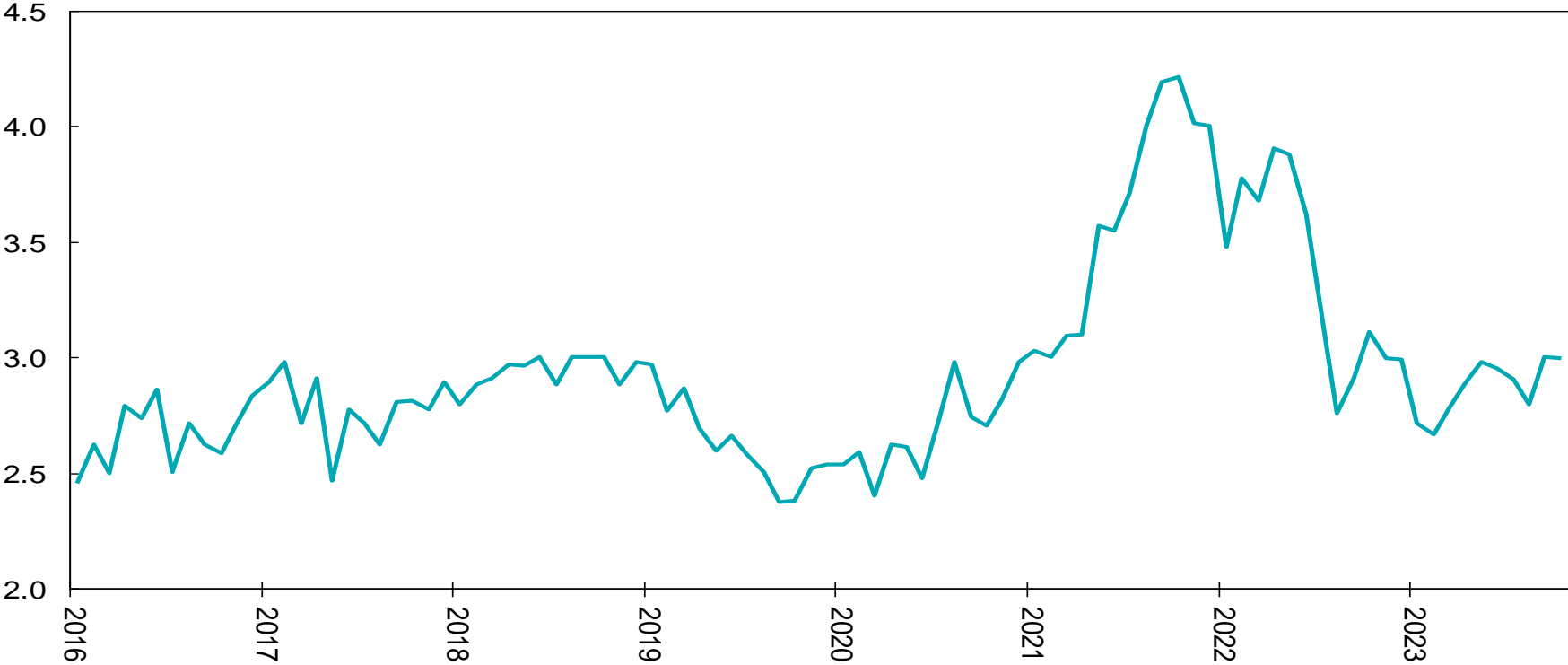
# US New York Fed 1-year inflation expectations

Index



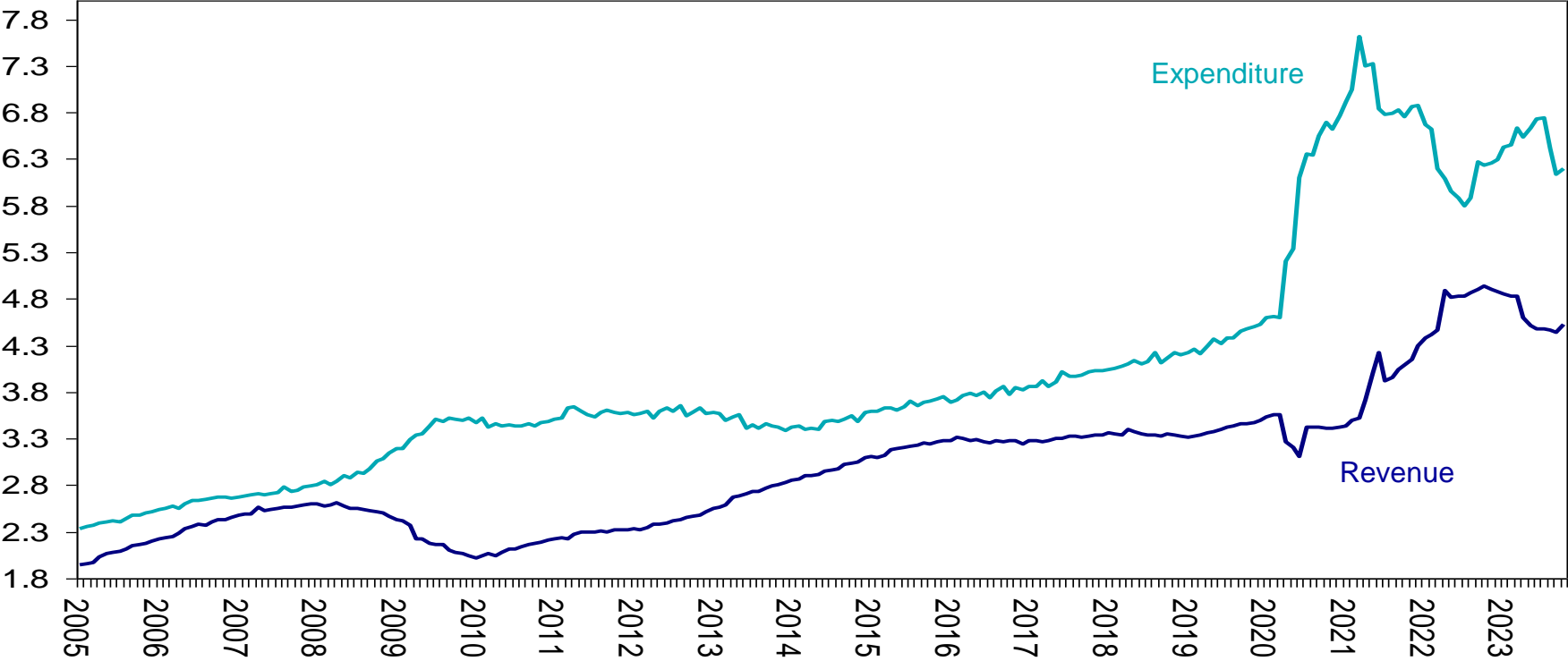
# US New York Fed 3-year inflation expectations

Index



# US Federal Budget

\$ trillion, 12-month running total

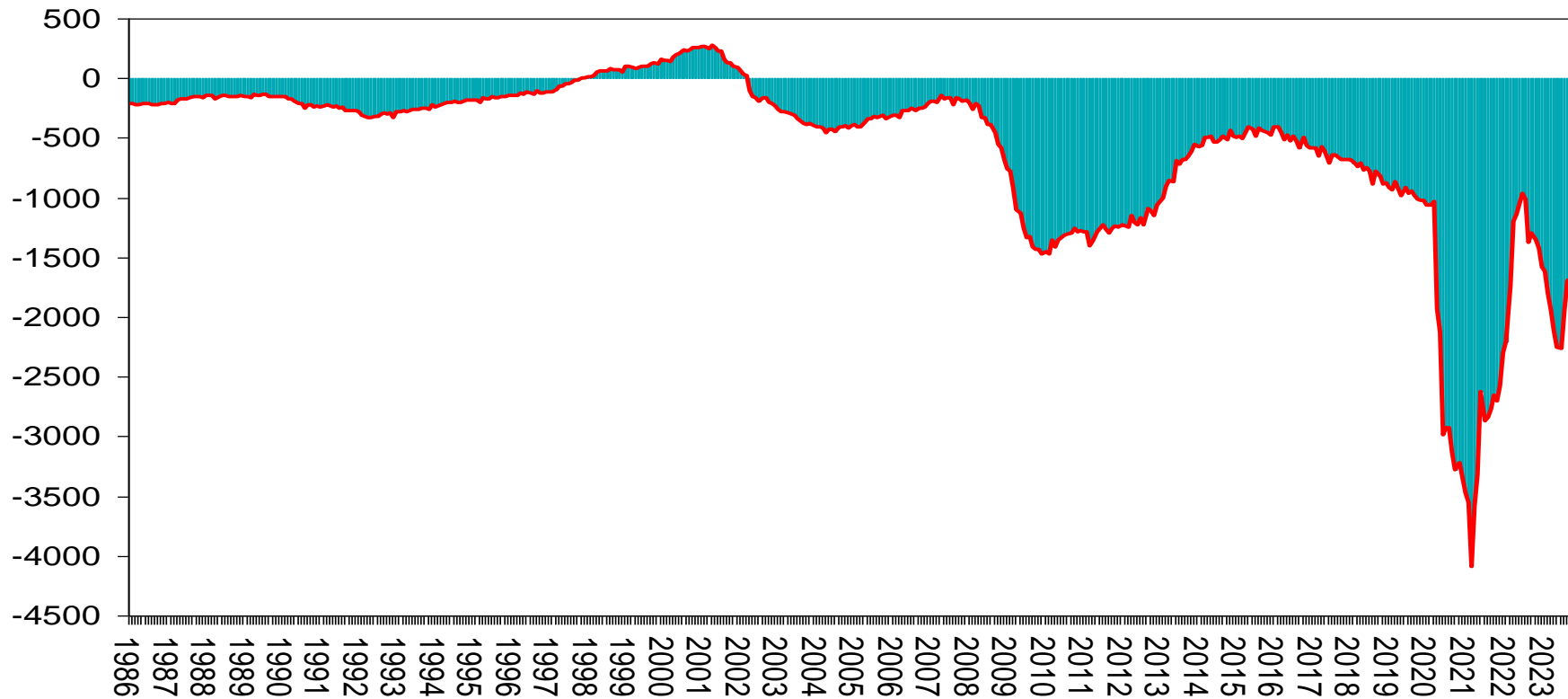


Source: US Department of the Treasury



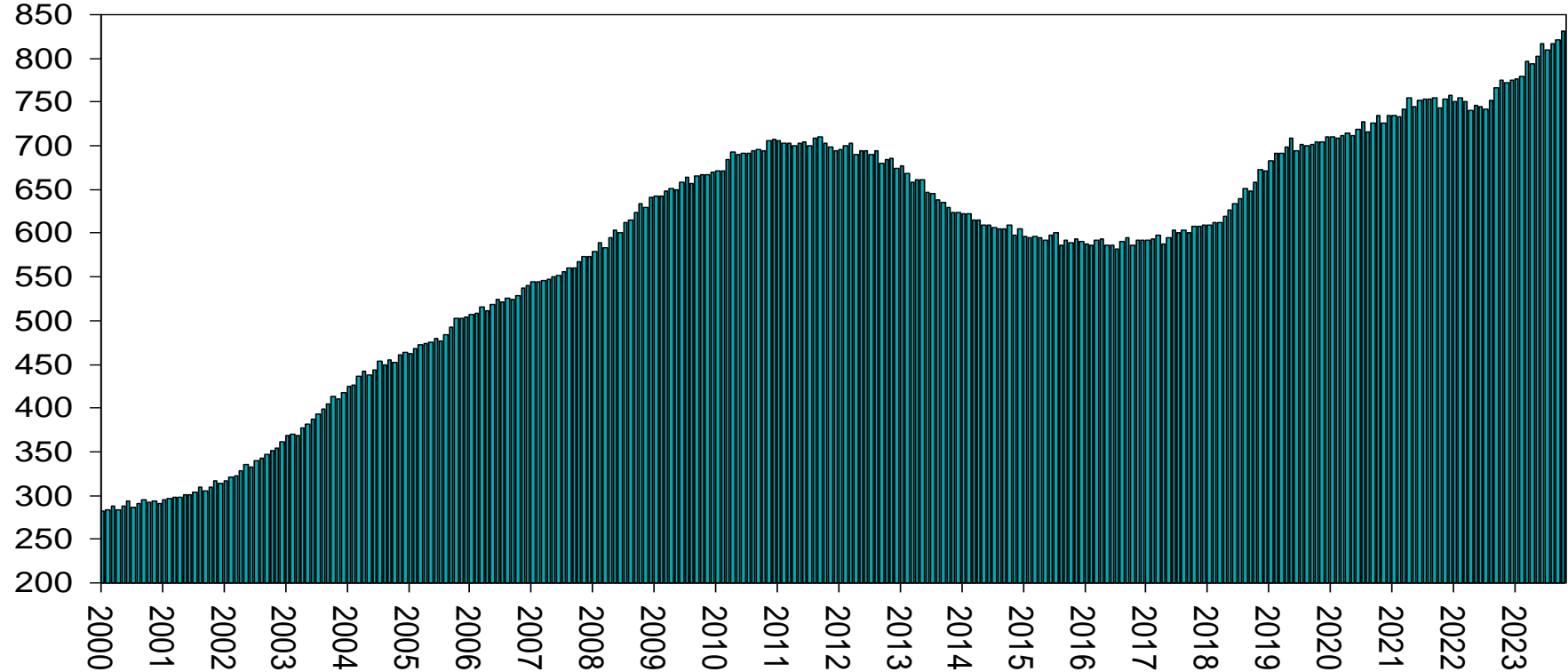
# US Federal budget

\$bn, 12 month running total



# US defence spending

\$ billion, 12-month rolling total



# Weekly economic review: 13 to 19 November 2023

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Tuesday, 14 November 2023

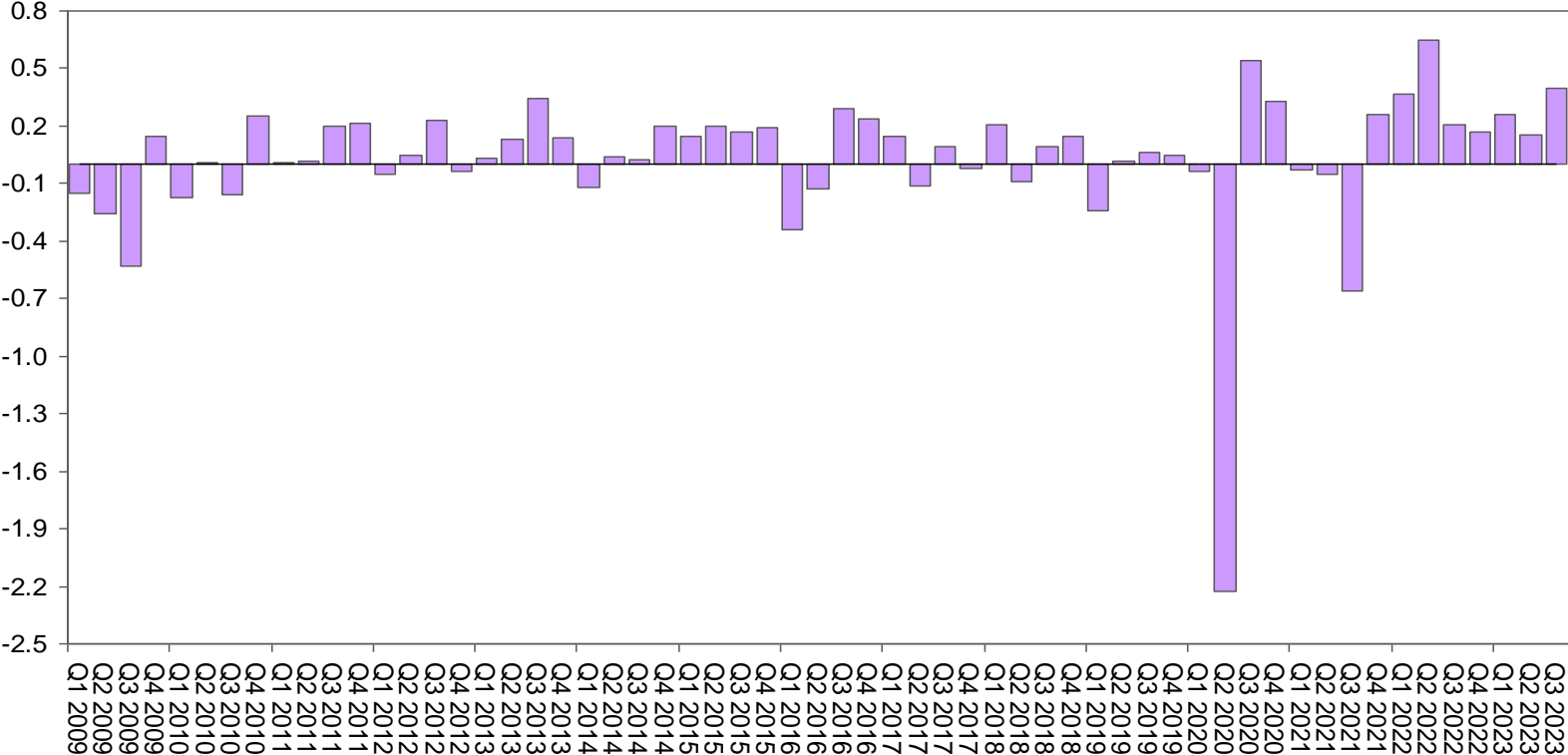
- SA unemployment rate for Q3 2023
- US NFIB small business confidence for October 2023
- US consumer inflation for October 2023



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# South Africa quarterly change in employment

Million



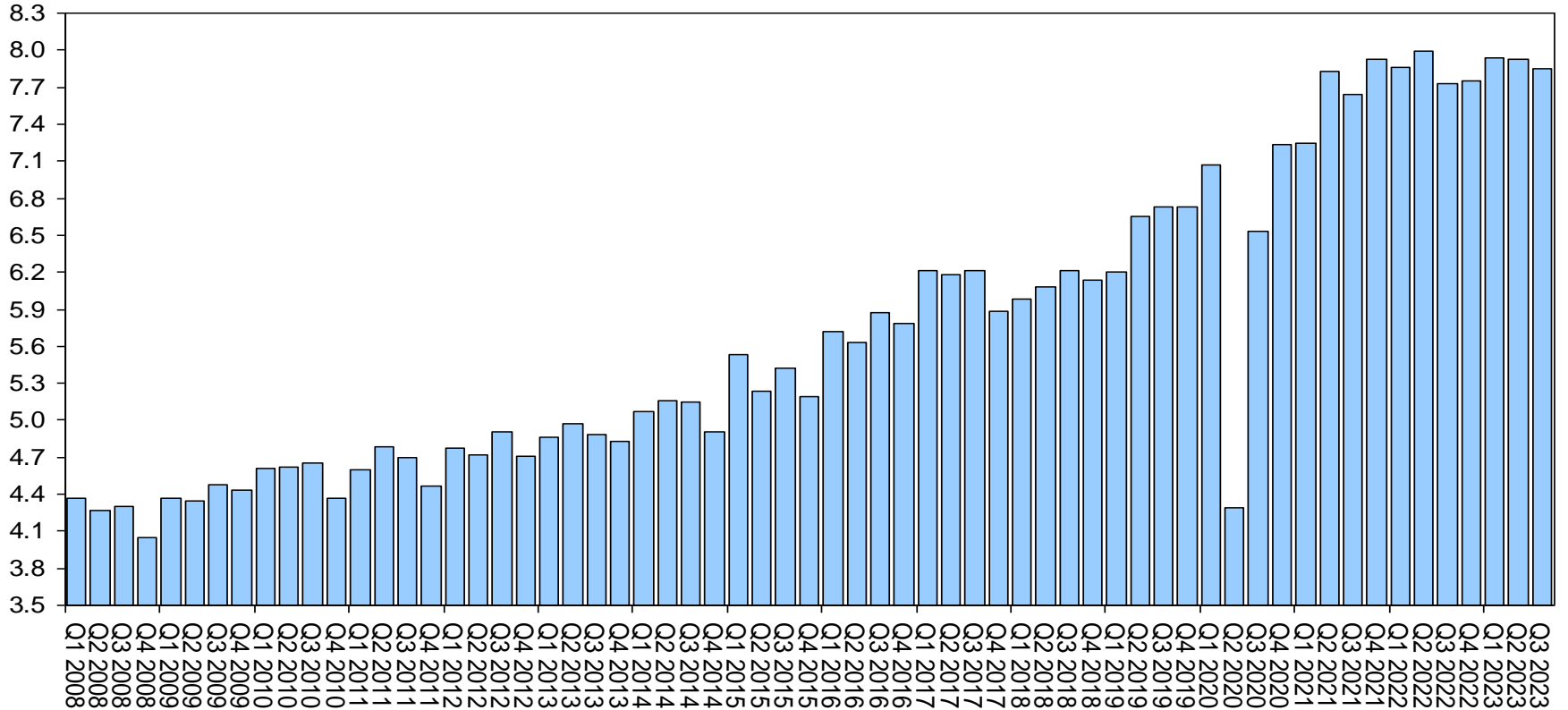
# South Africa employment (total)

Million



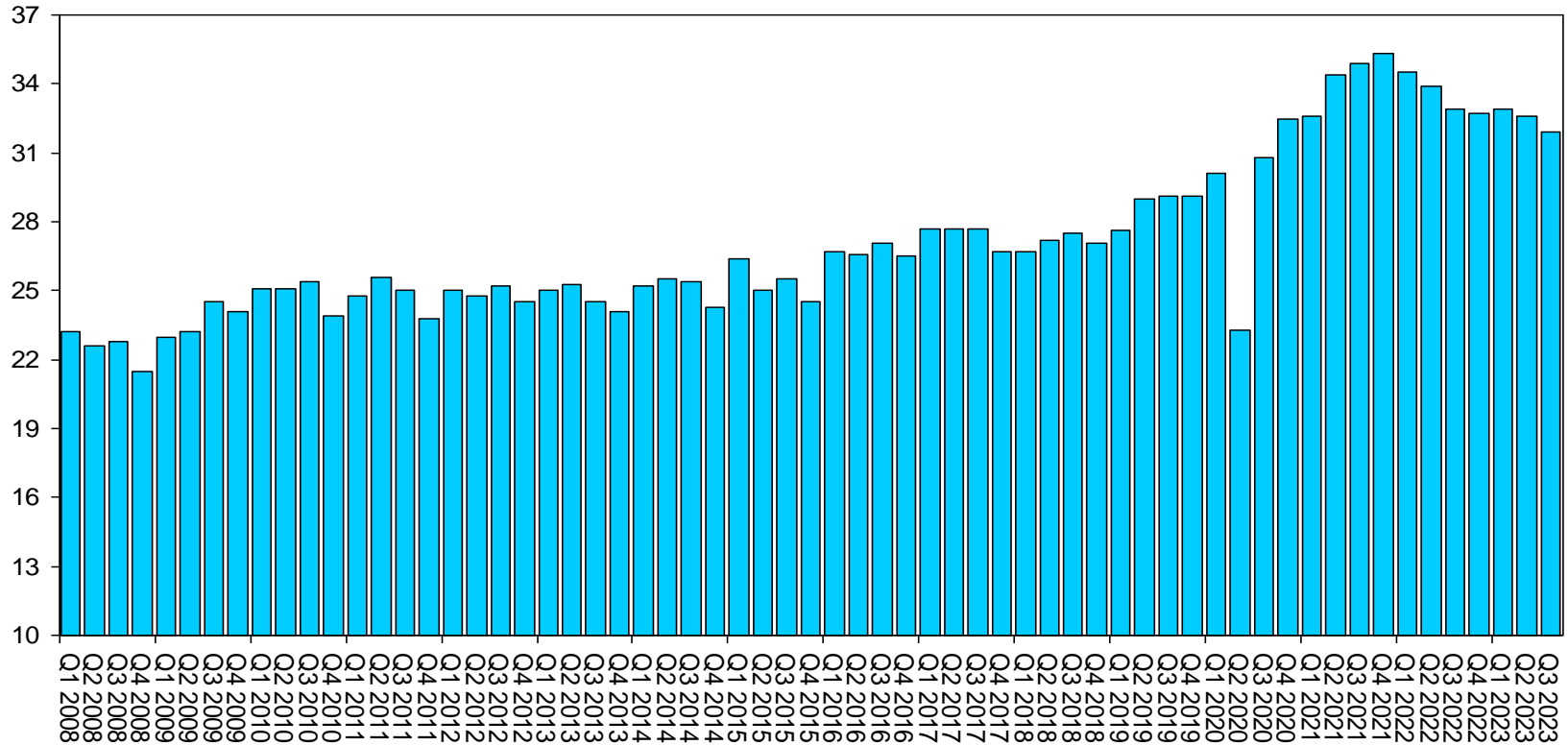
# South Africa number of people unemployed (Std definition)

Million



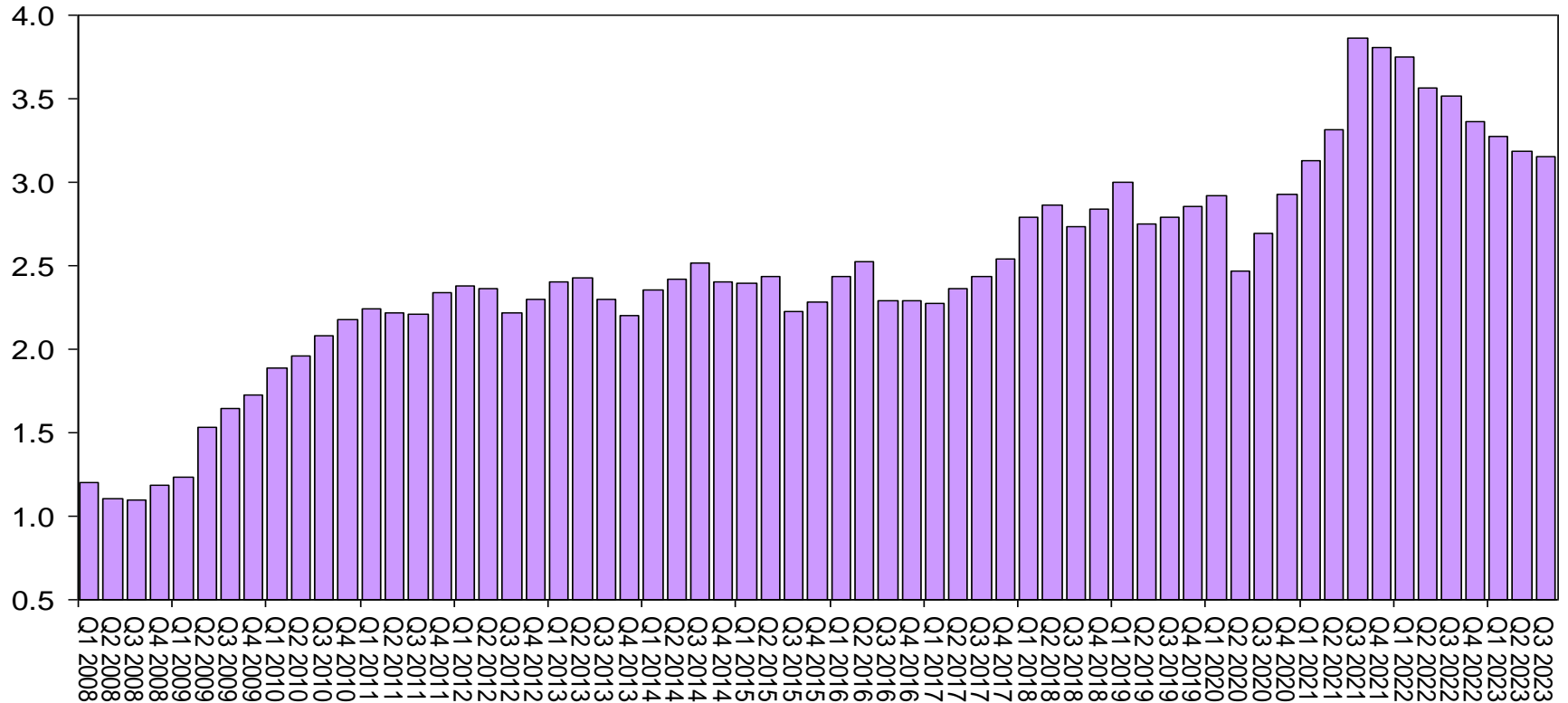
# South Africa official unemployment rate

Percentage, %



# South Africa discouraged workers

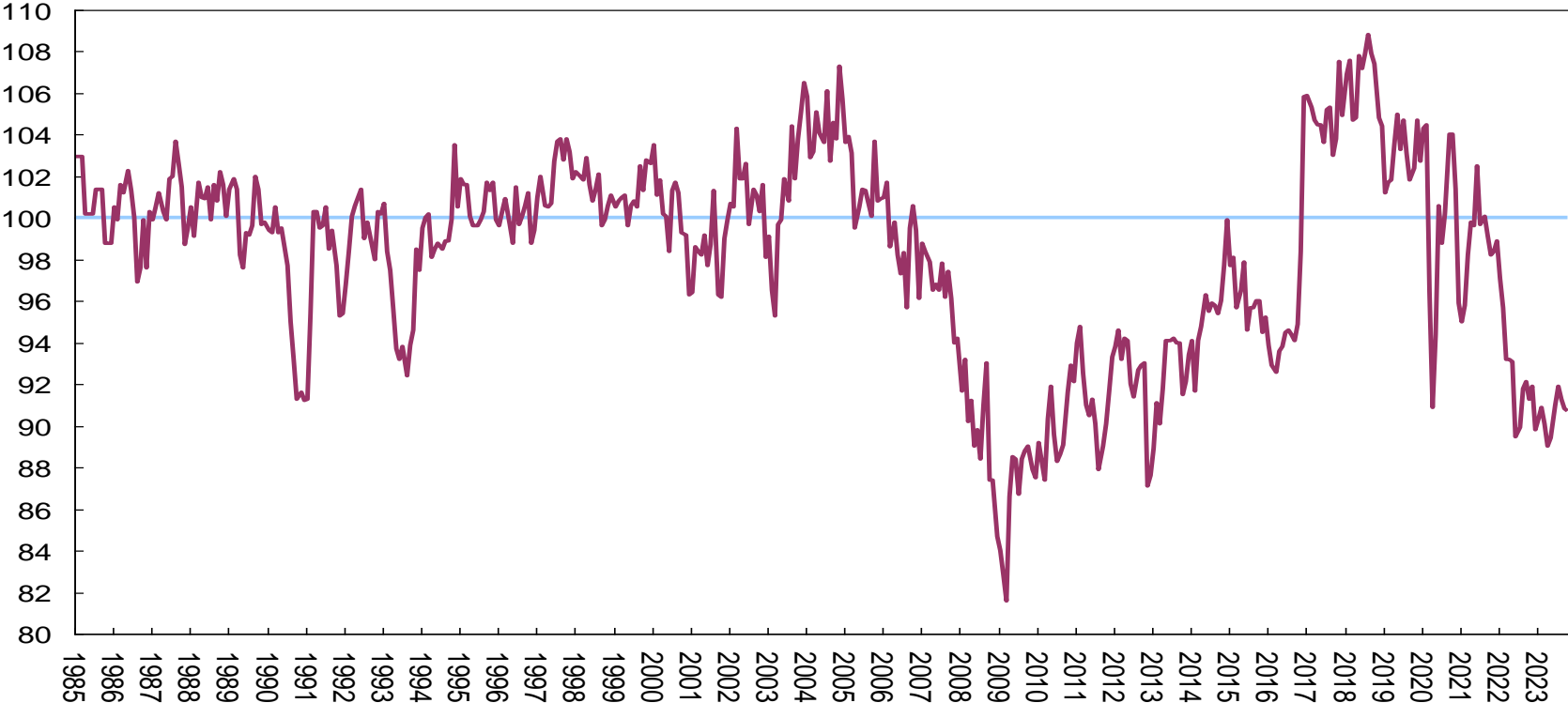
Million





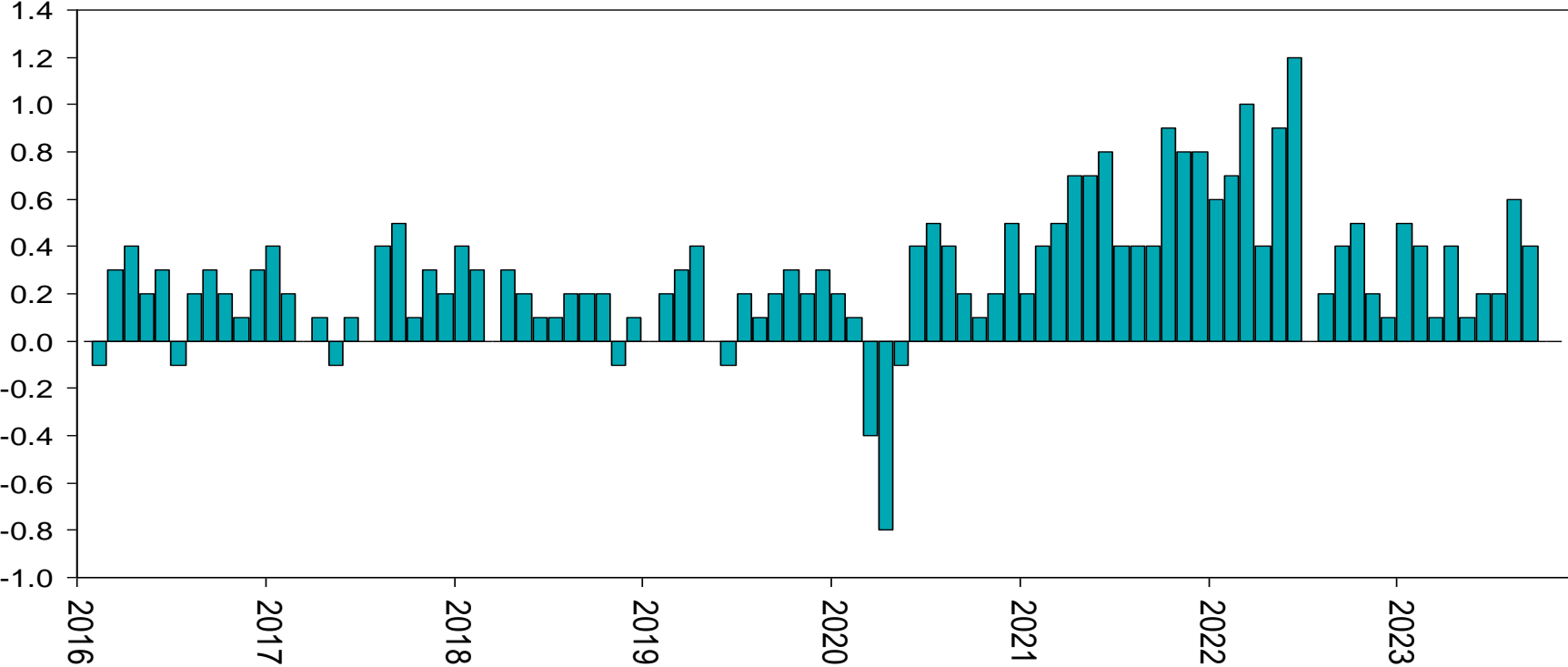
# US small business confidence index (NFIB)

Index



# US headline inflation (month-on-month)

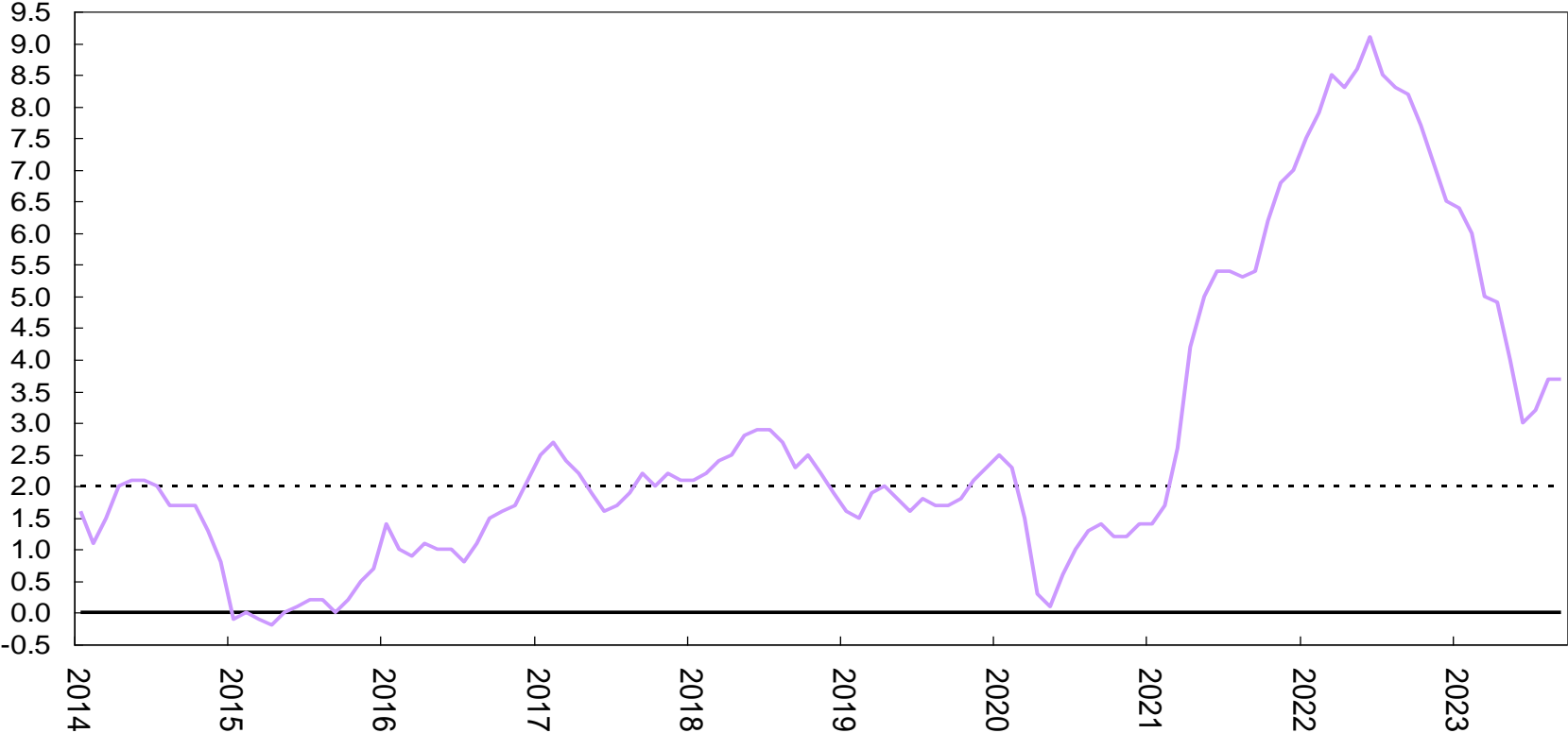
%m/m (seasonally adjusted)



• Source: US Bureau of Labour Statistics

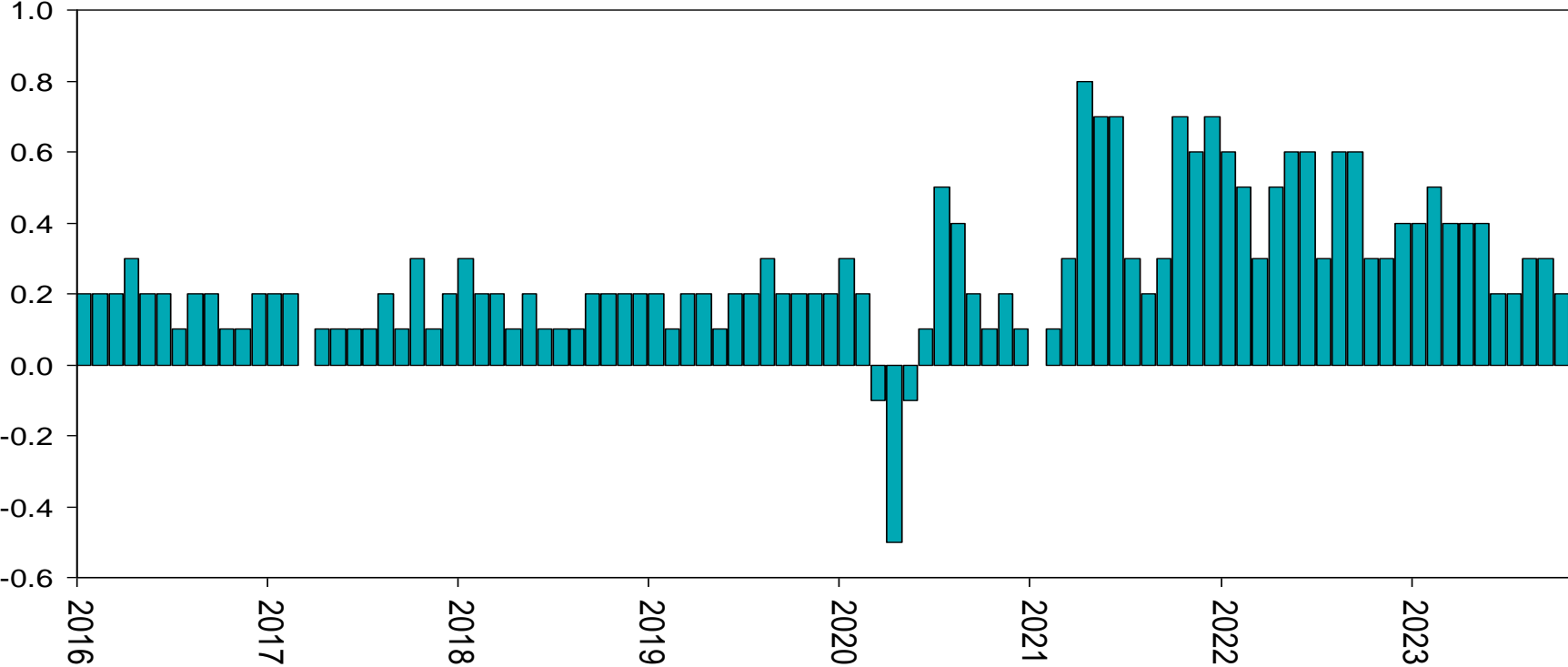
# US consumer inflation

% y/y



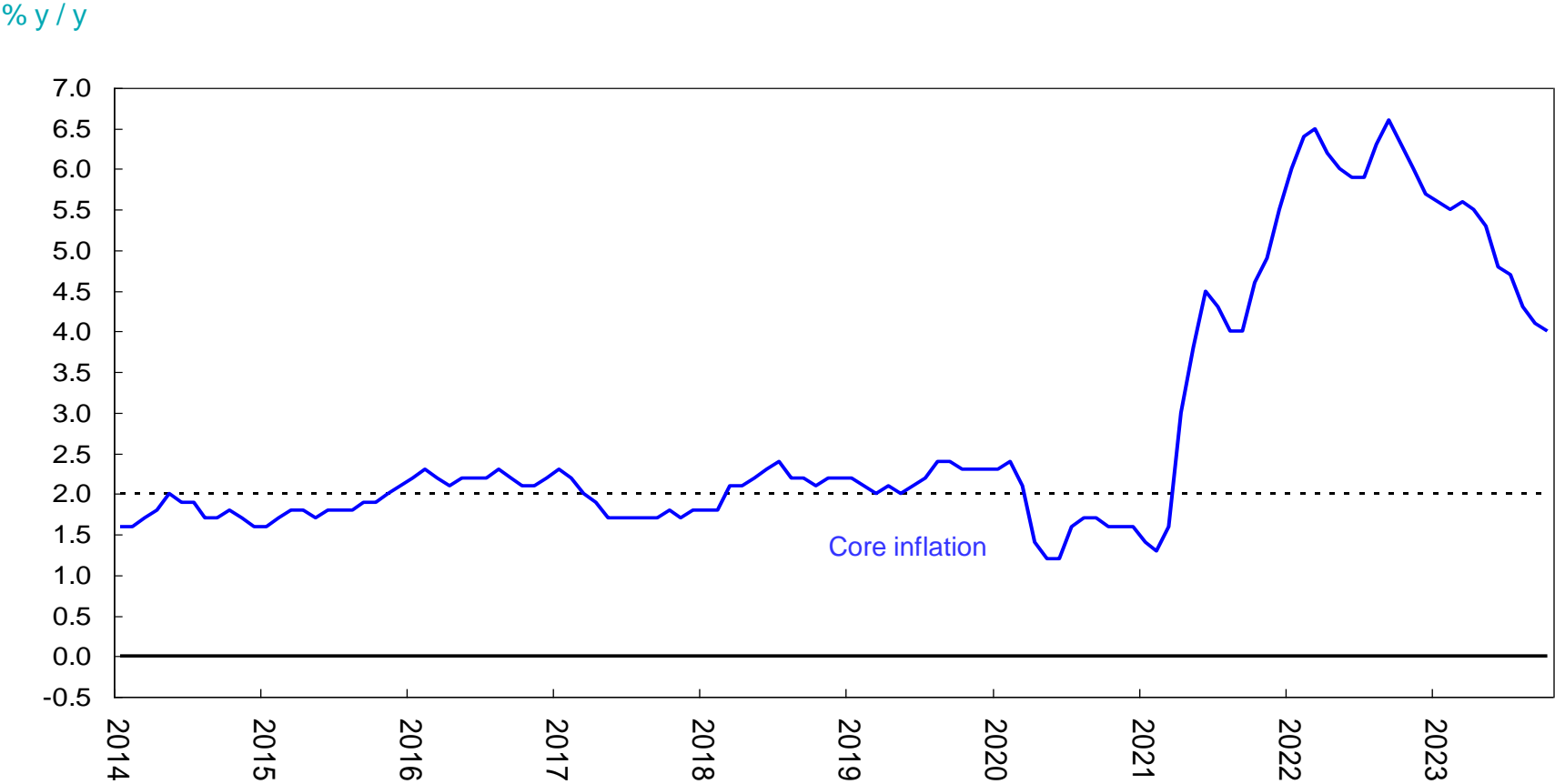
# US core inflation (month-on-month)

%m/m (seasonally adjusted)



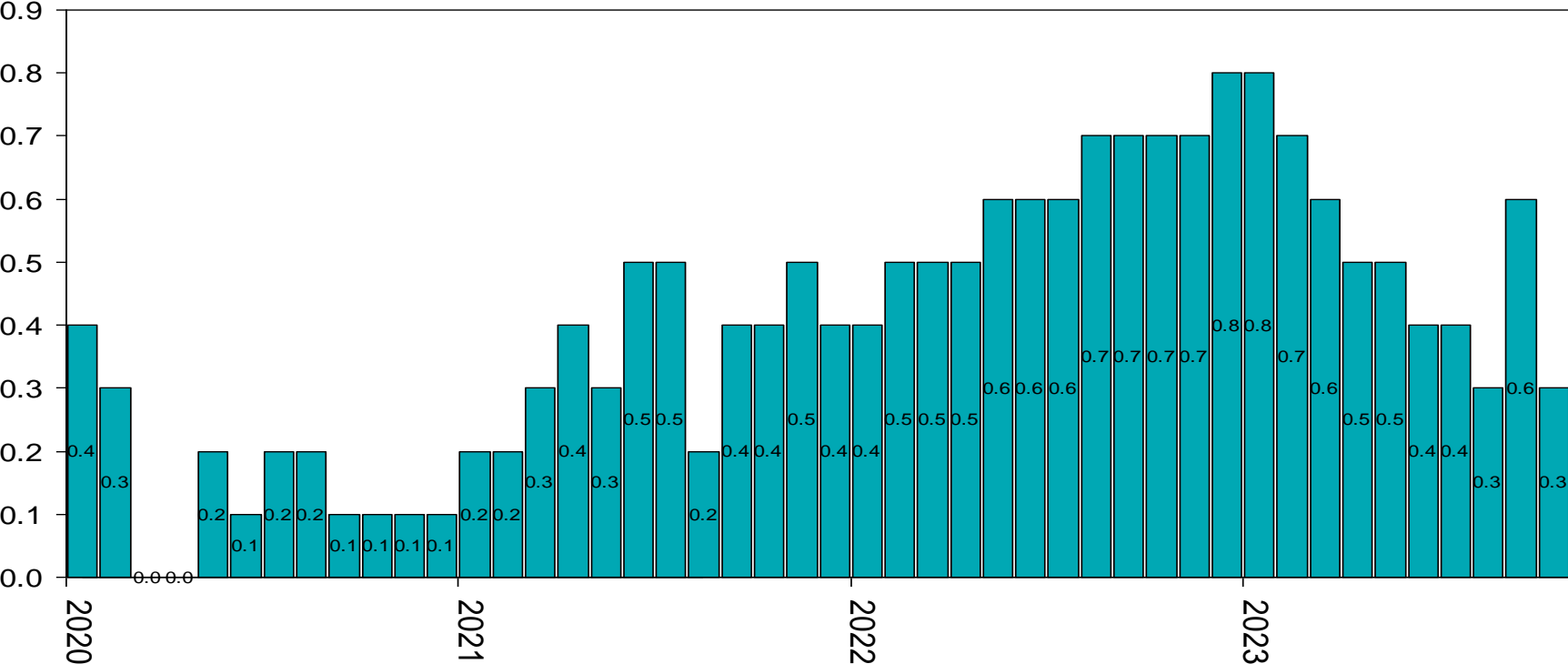
• Source: US Bureau of Labour Statistics

# US core consumer inflation



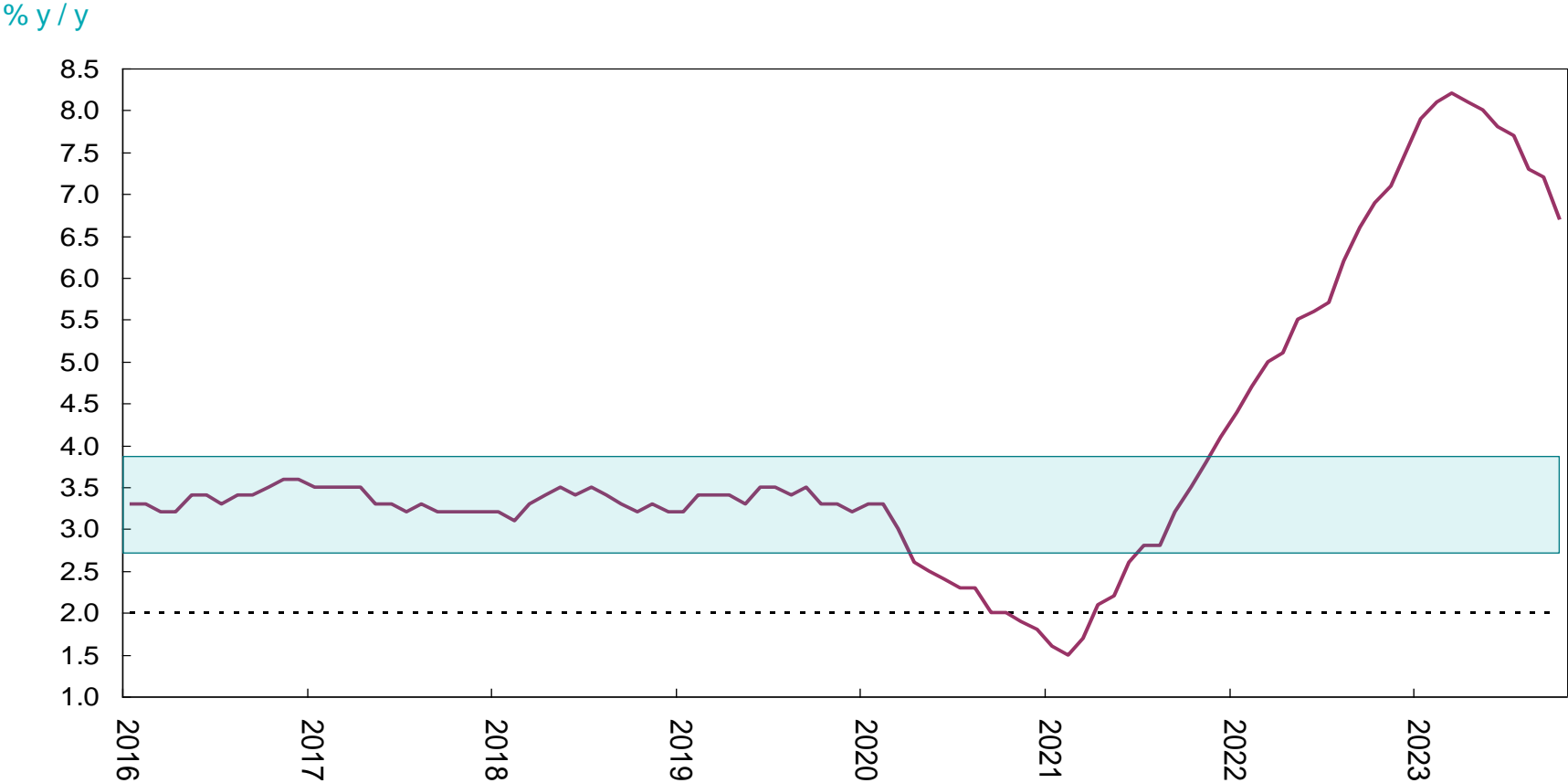
# US shelter inflation (month-on-month)

%m/m (seasonally adjusted)

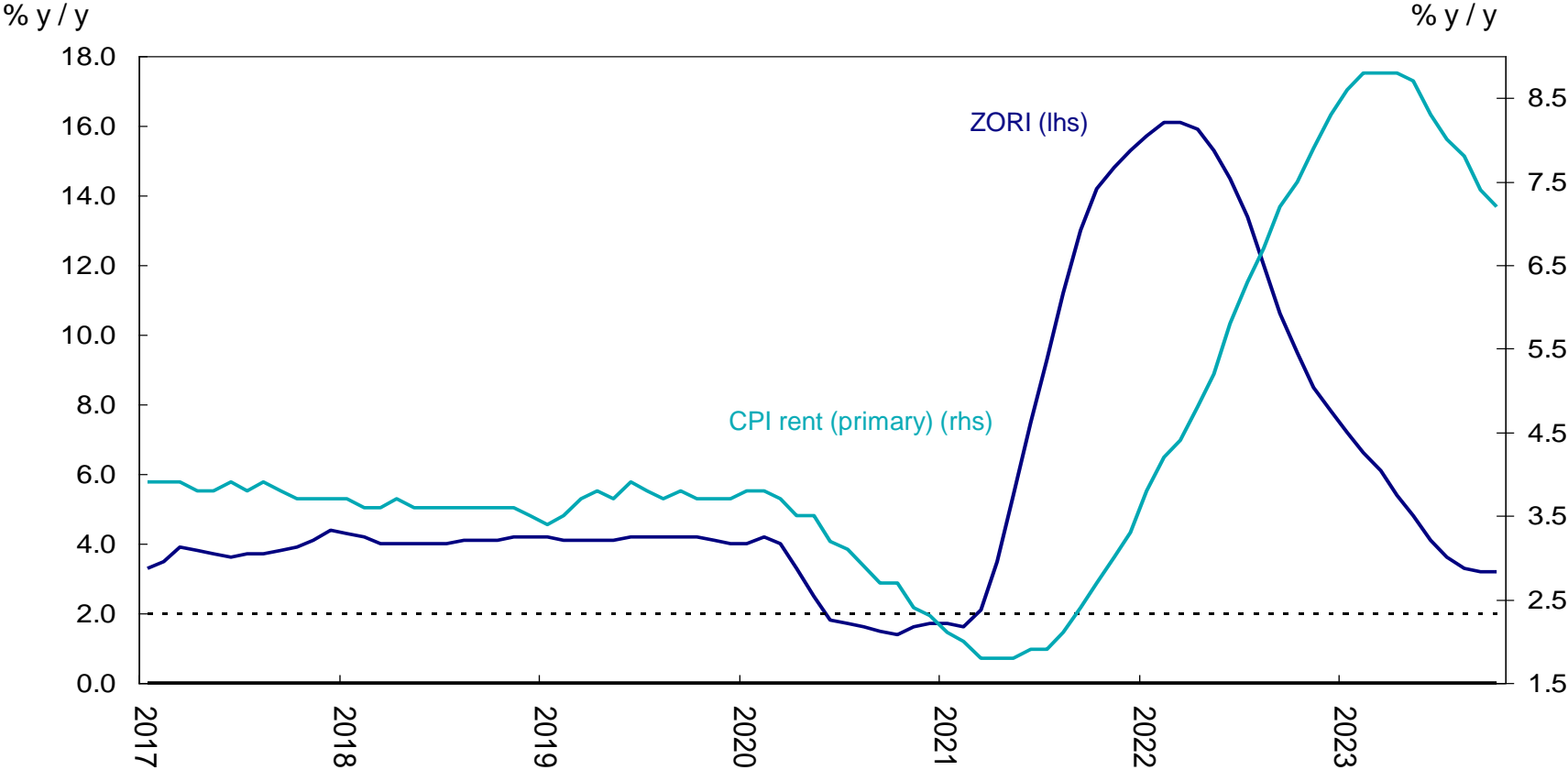


• Source: US Bureau of Labour Statistics

# US consumer inflation: shelter (33.3% weight)



# US shelter inflation vs Zillow Observed Rent Index

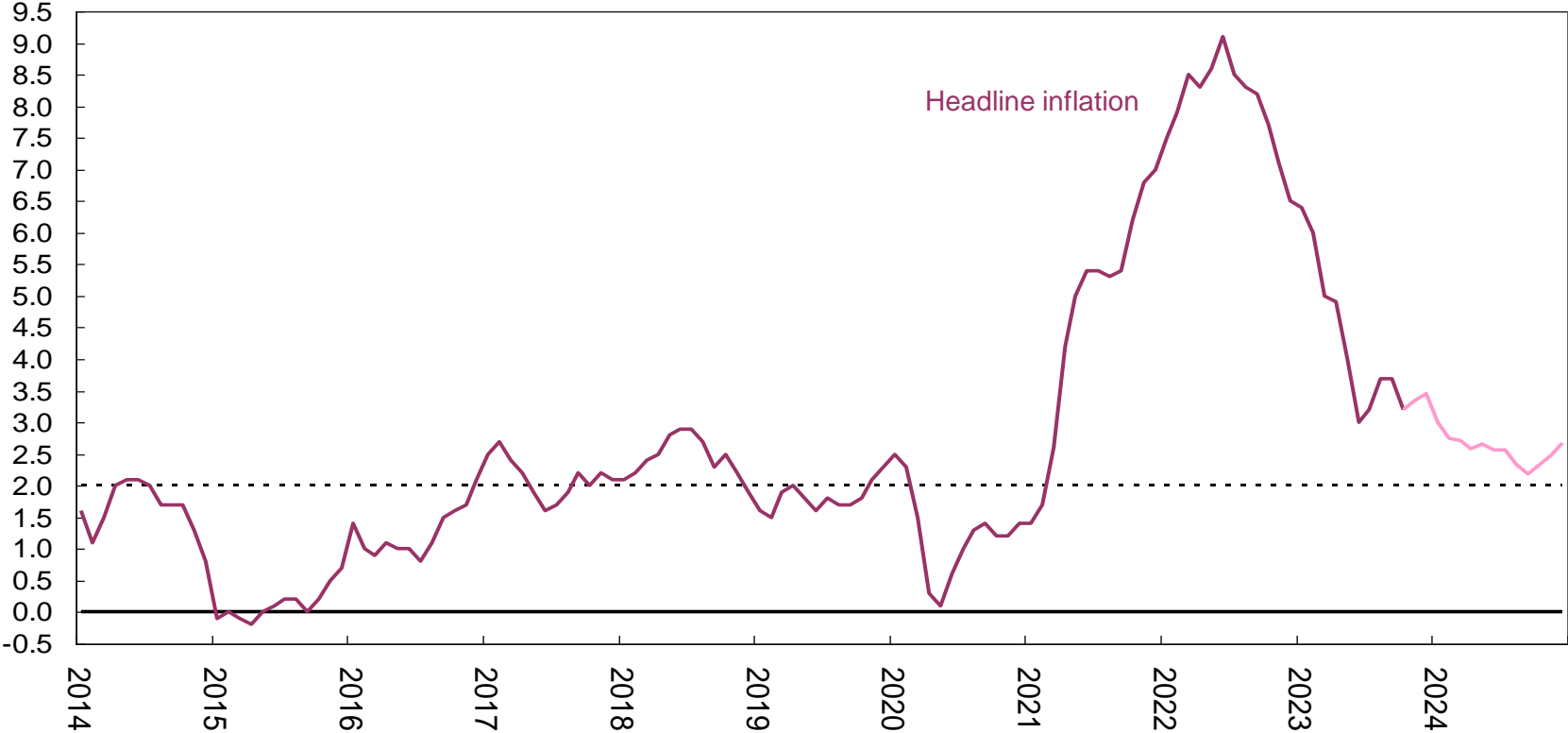


• Source: US Bureau of Labour Statistics and Zillow



# US consumer inflation forecast

% y / y



• Source: US Bureau of Labour Statistics and STANLIB

# Weekly economic review: 13 to 19 November 2023

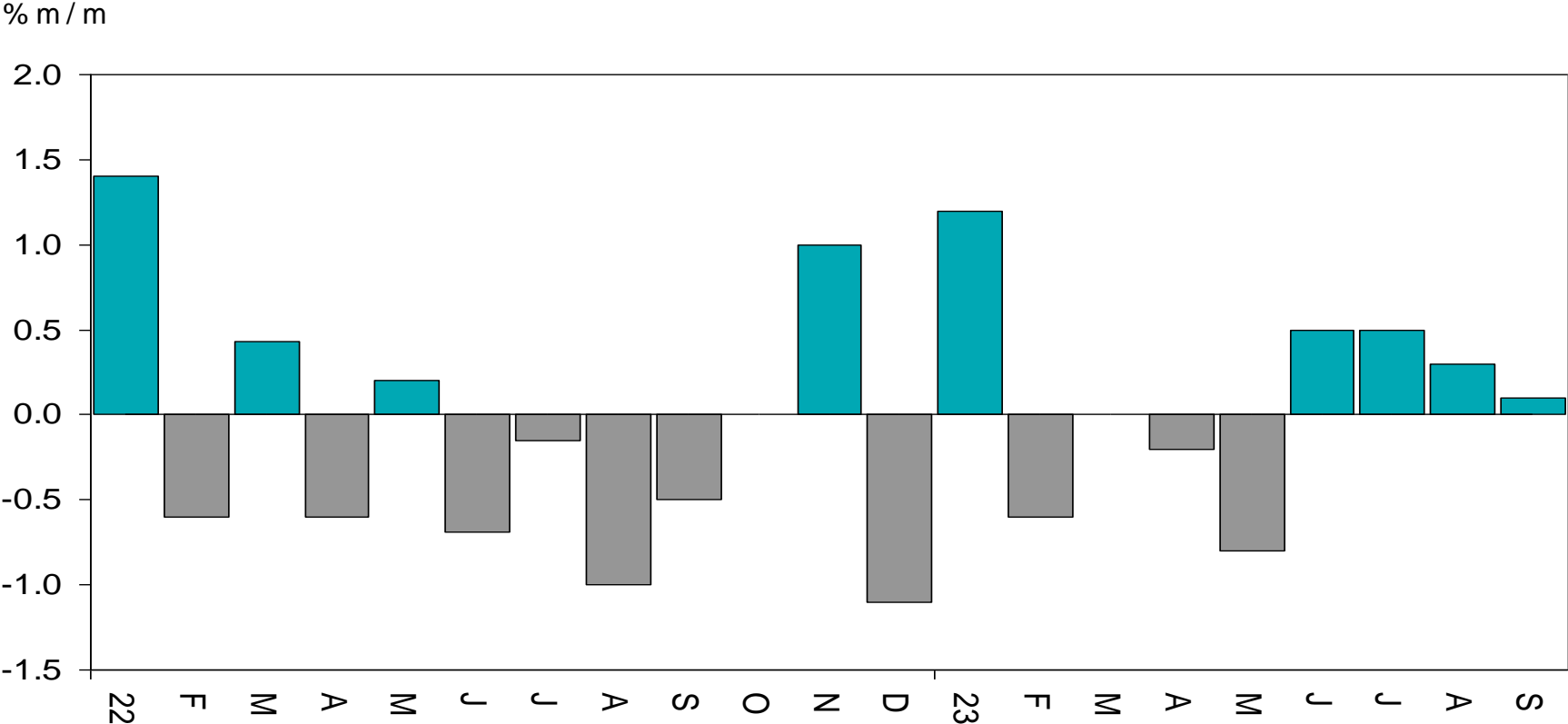
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Wednesday, 15 November 2023

- SA retail sales for September 2023
- US retail sales for October 2023
- US PPI inflation for October 2023
- US Empire manufacturing index for November 2023
- US weekly mortgage applications

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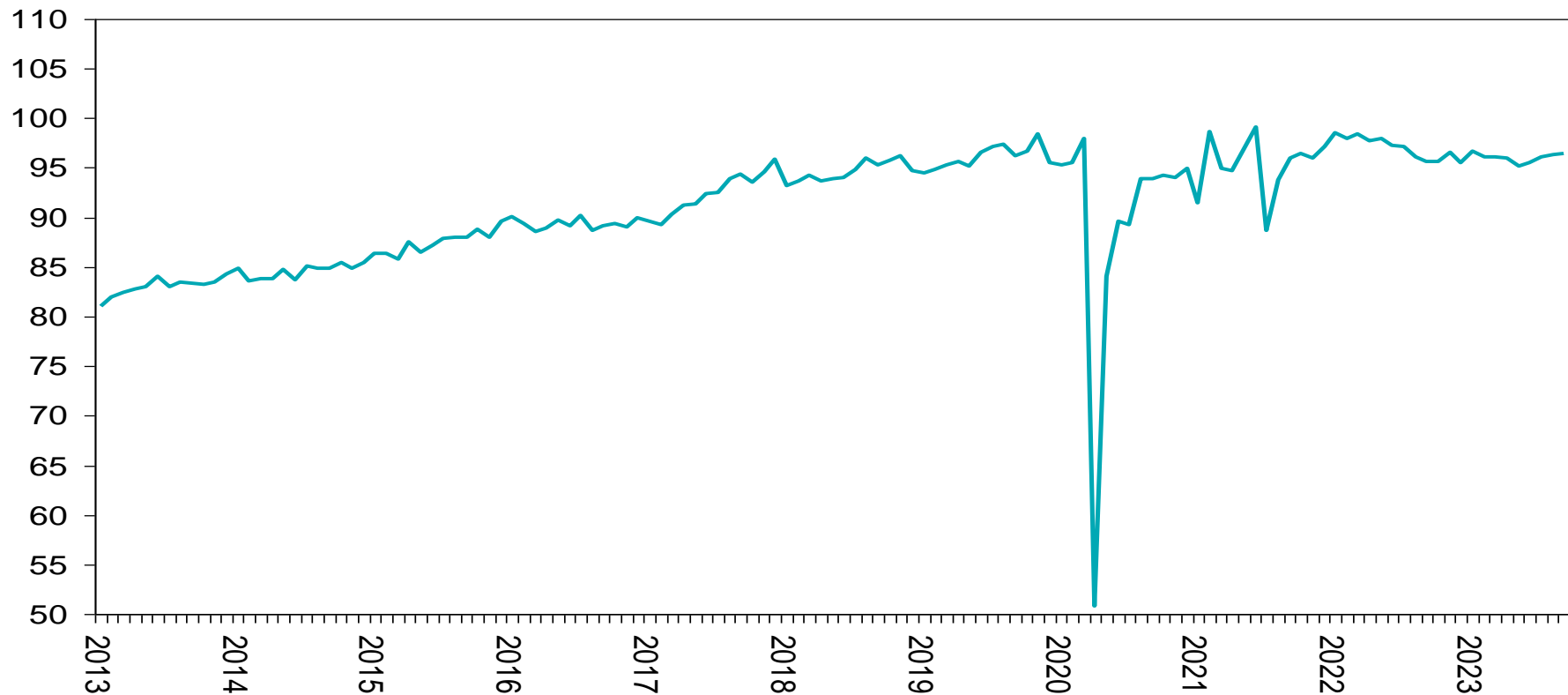
# SA retail spending (monthly)



Source: Statistics South Africa and STANLIB

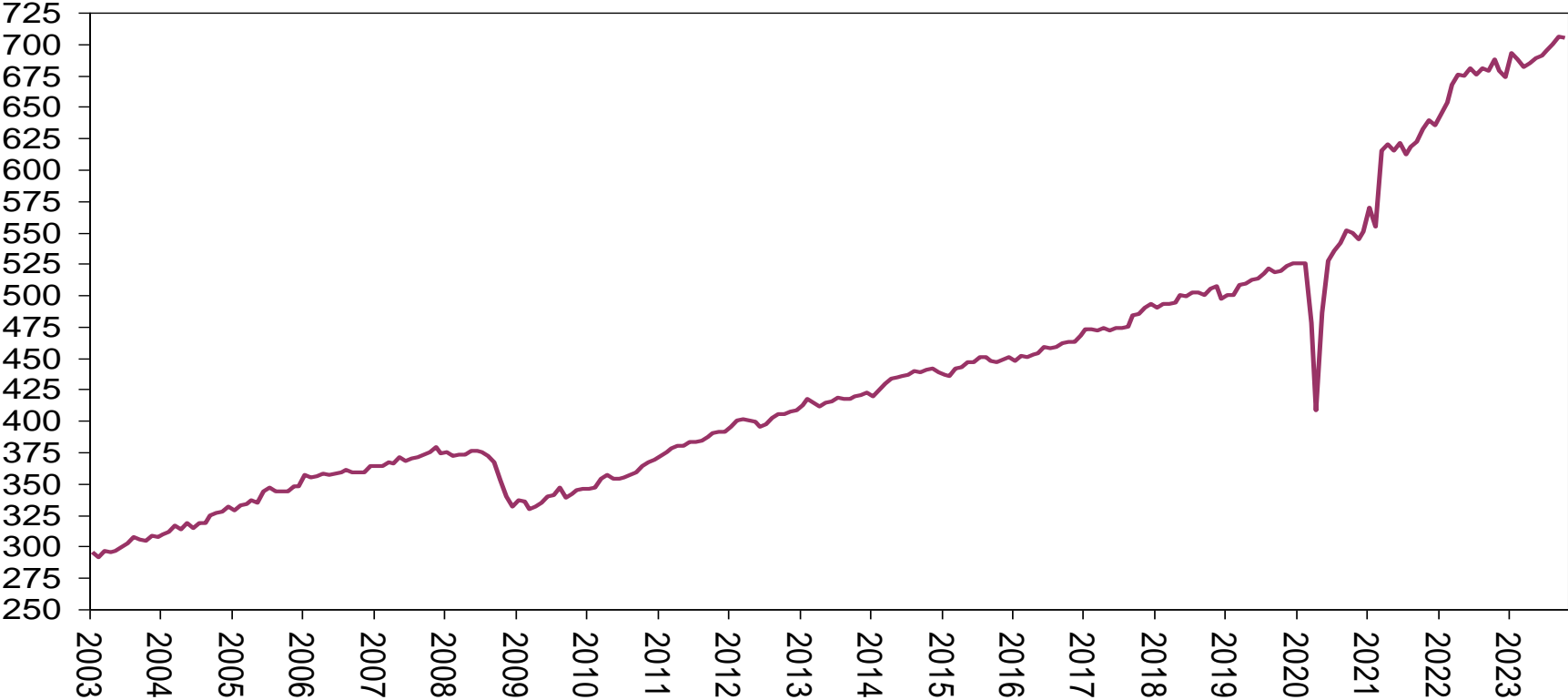
# SA retail sales (constant prices)

R billion



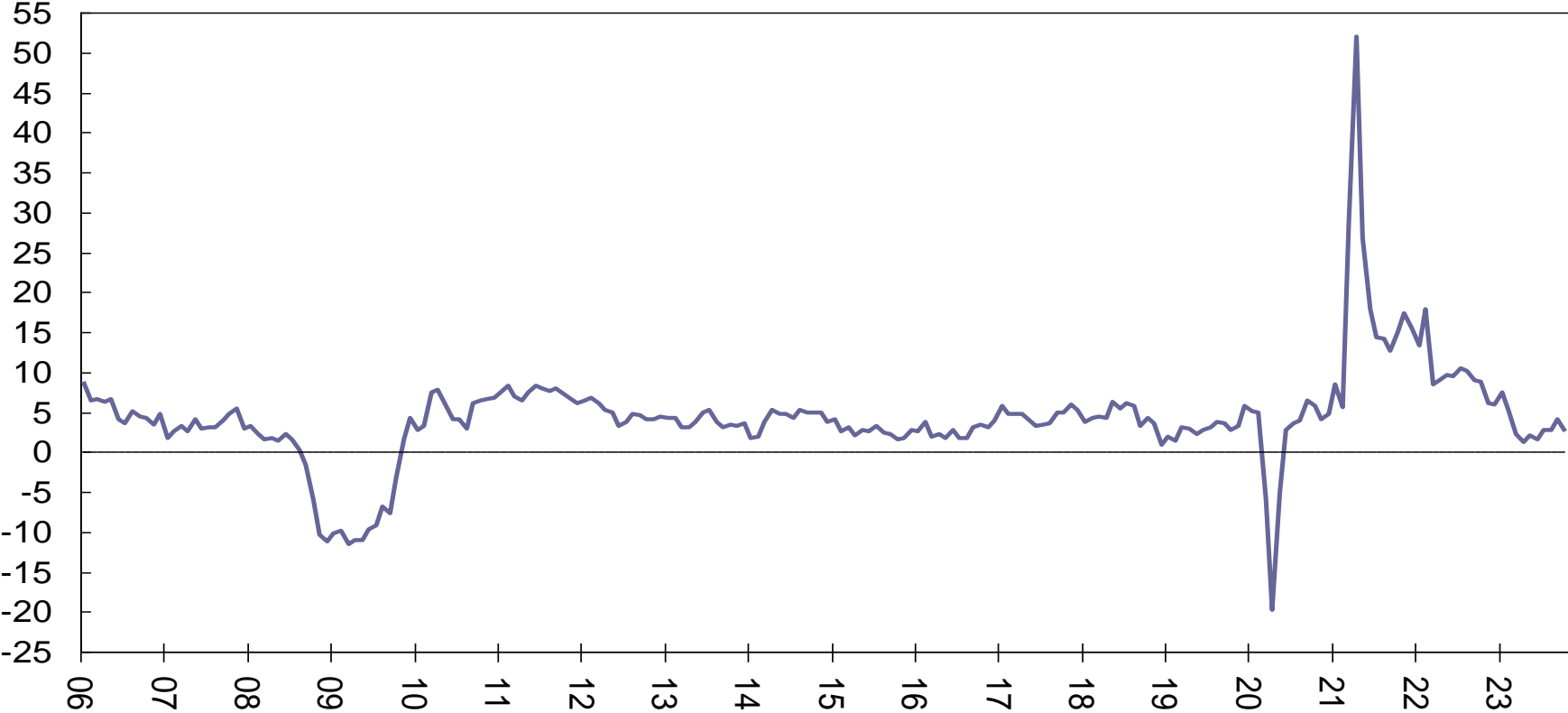
# US retail sales (total value)

R billion



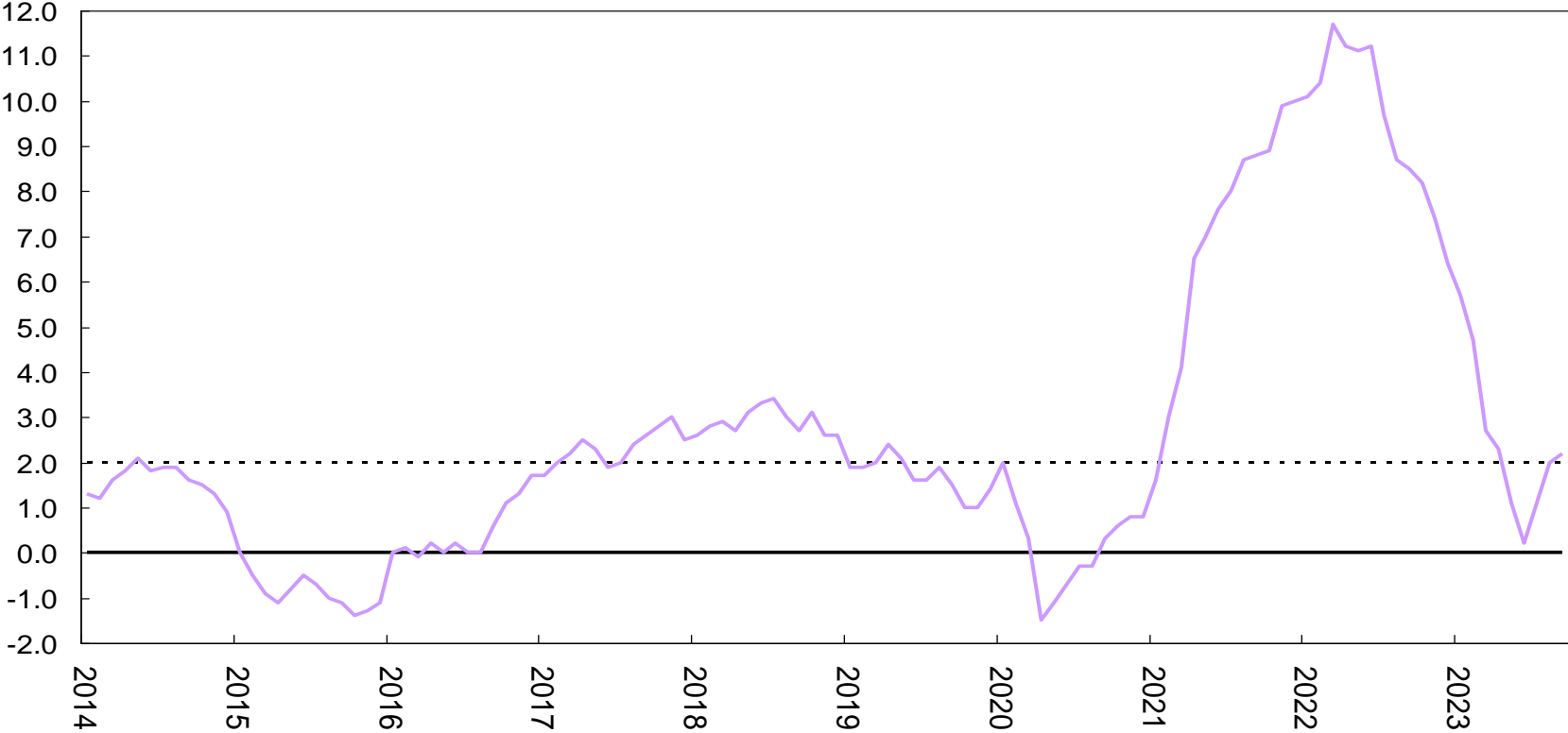
# US retail sales

% year-on-year, nominal



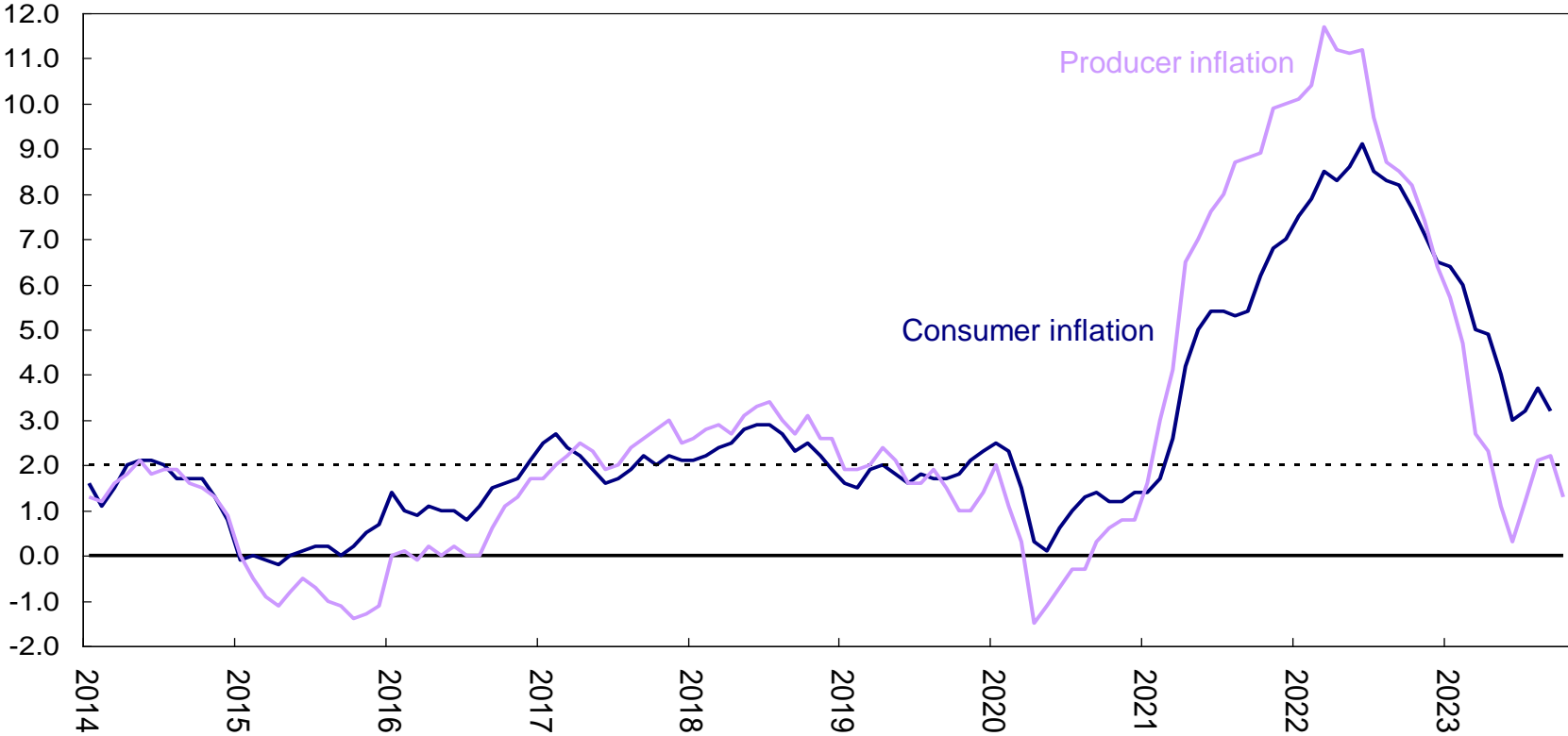
# US producer inflation

% y/y



# US consumer vs producer inflation

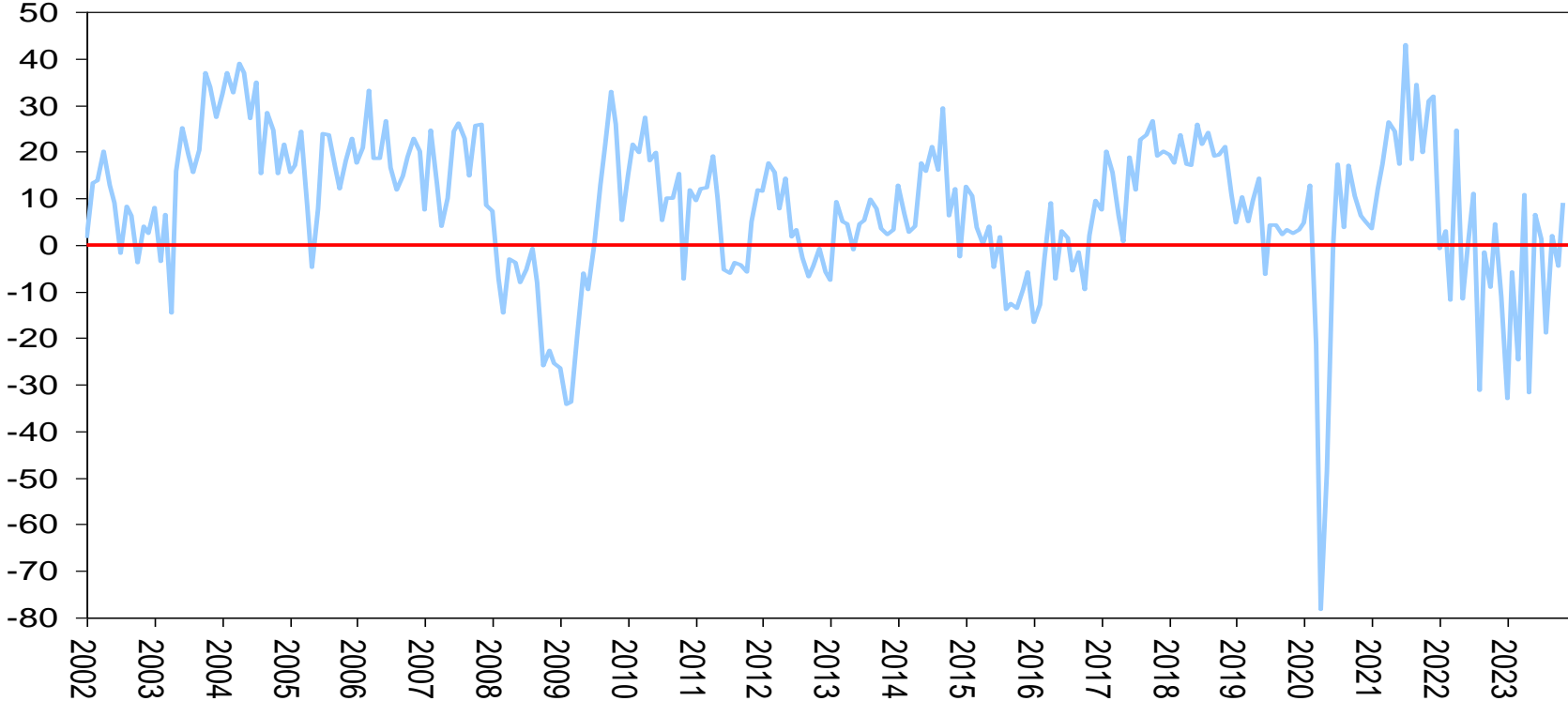
% y/y





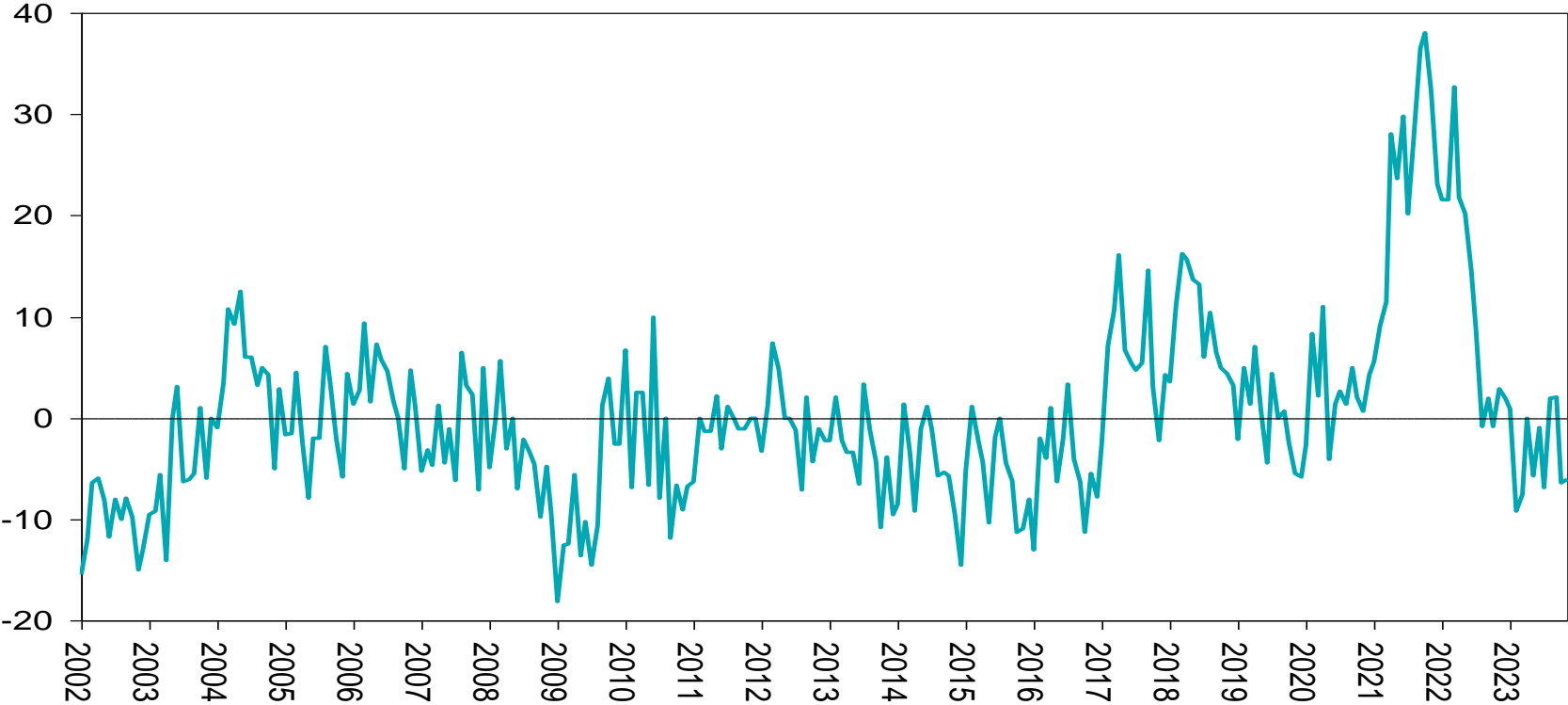
# US Empire State Manufacturing survey

Index



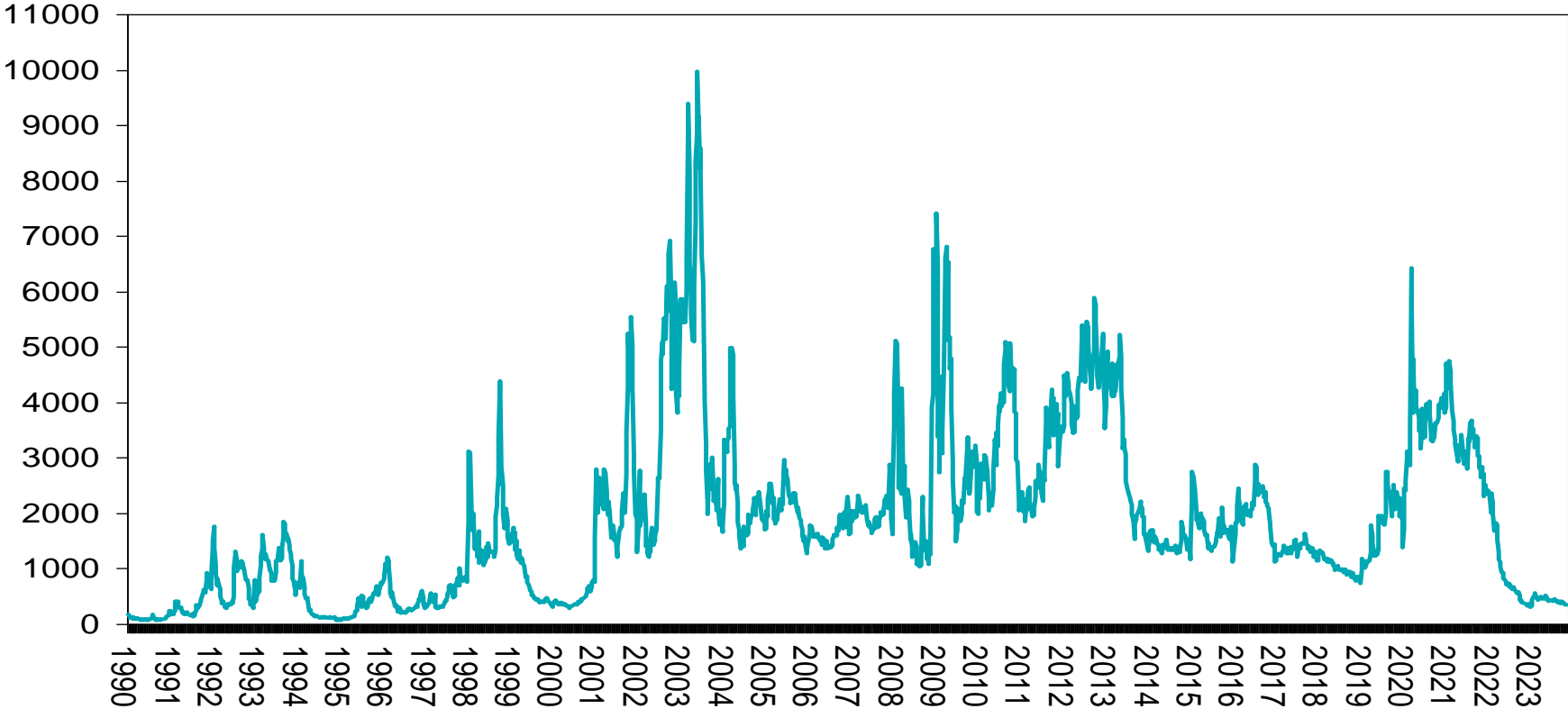
# US Empire State Manufacturing survey – delivery time

Index



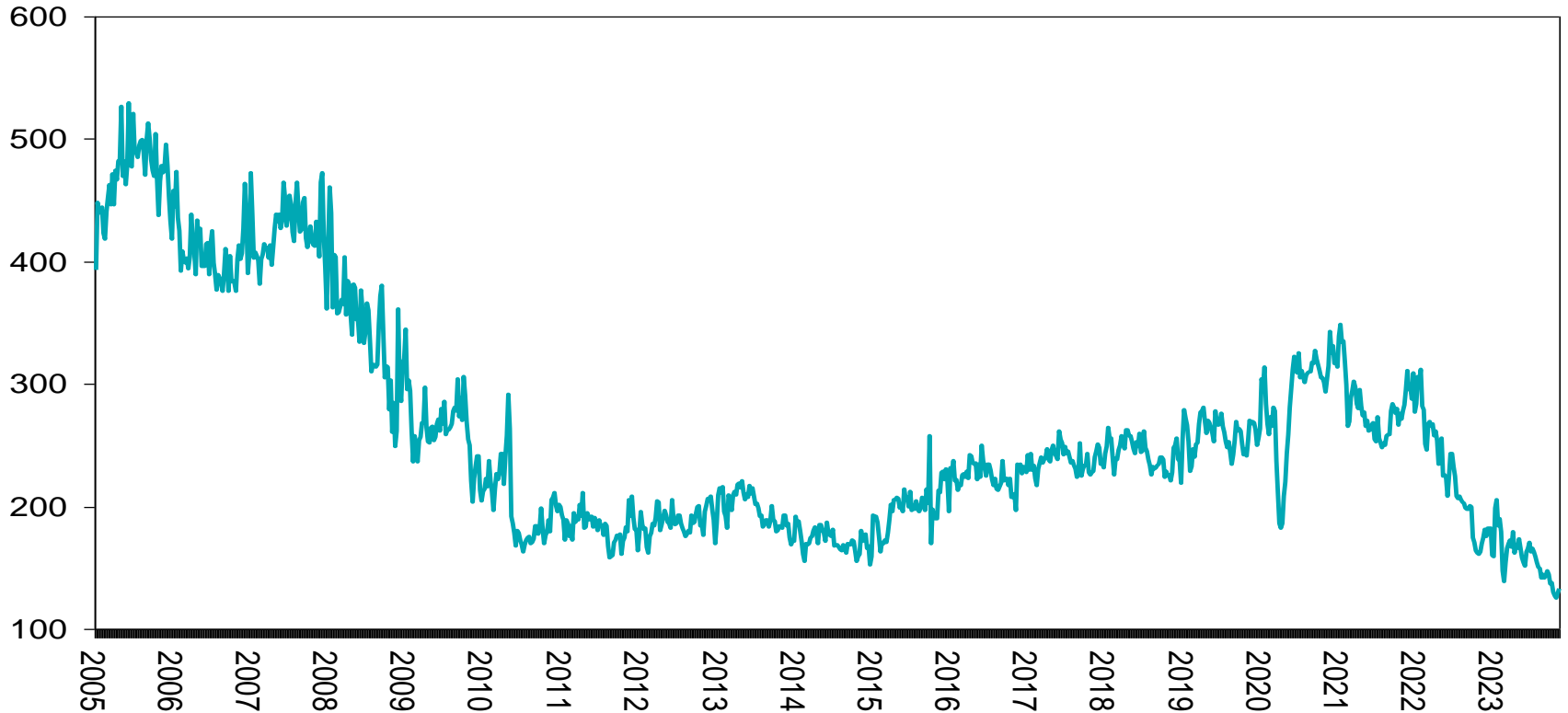
# US mortgage refinancing index

Index



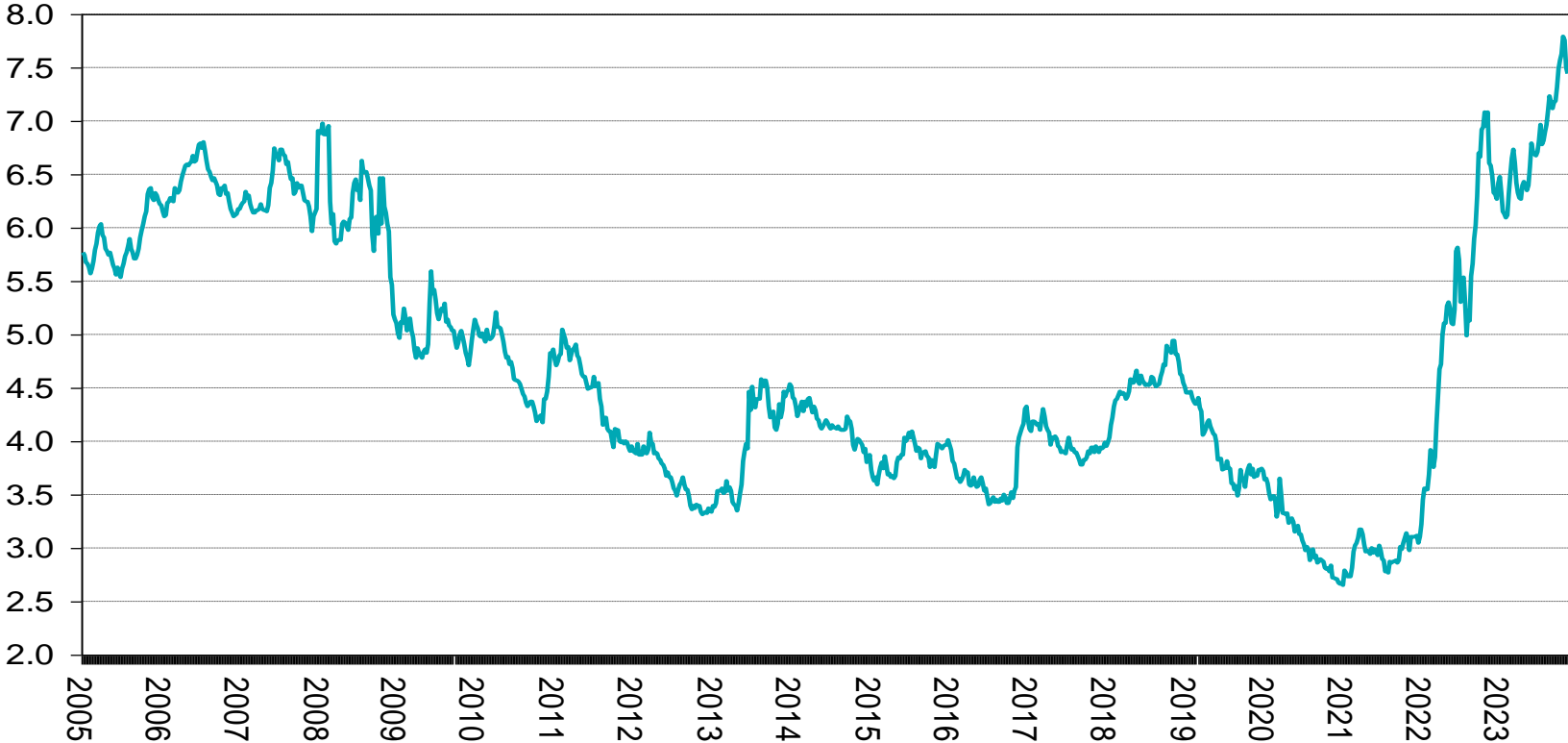
# US mortgage applications for purchase

Market composite index



# US 30-year fixed rate mortgage

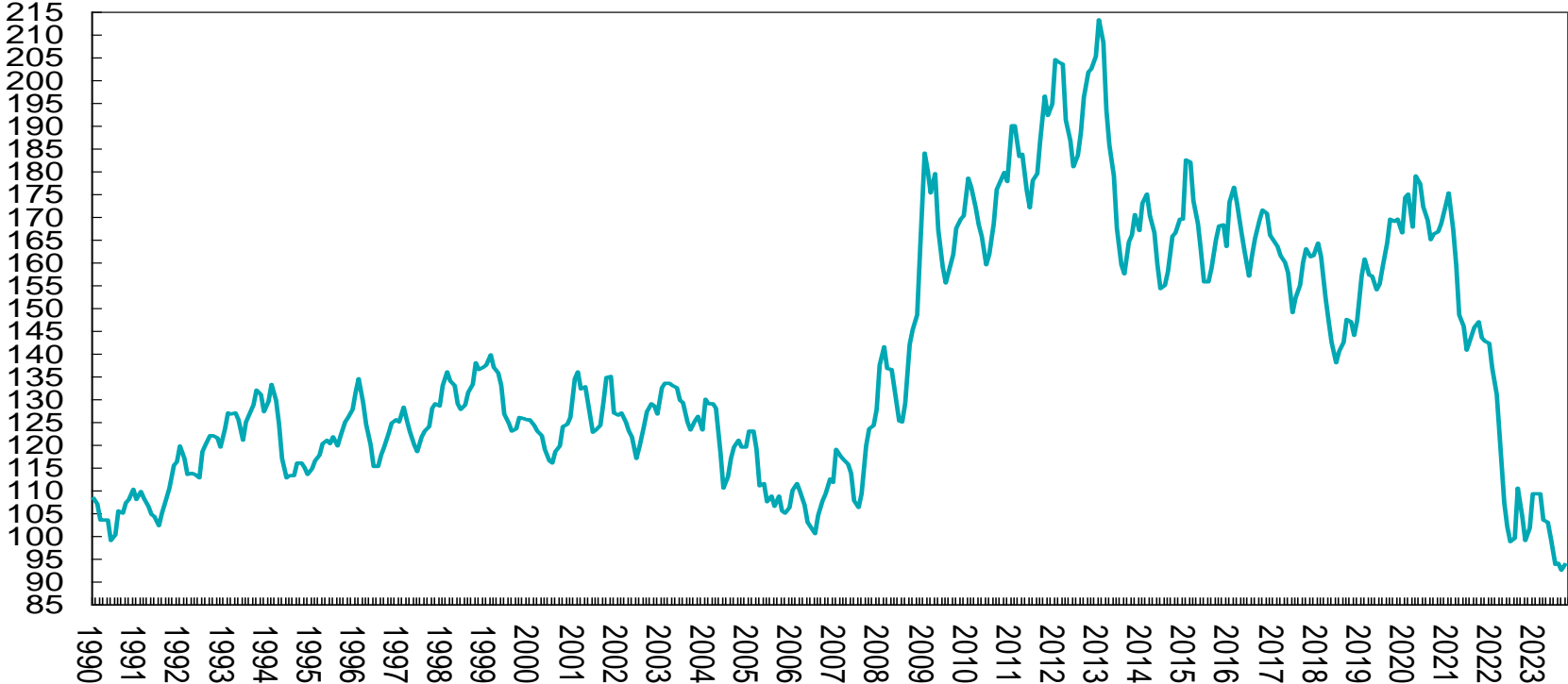
% yield, 30-year rate



# US housing affordability

Index, composite

The lower the index the more unaffordable housing has become



# Weekly economic review: 13 to 19 November 2023

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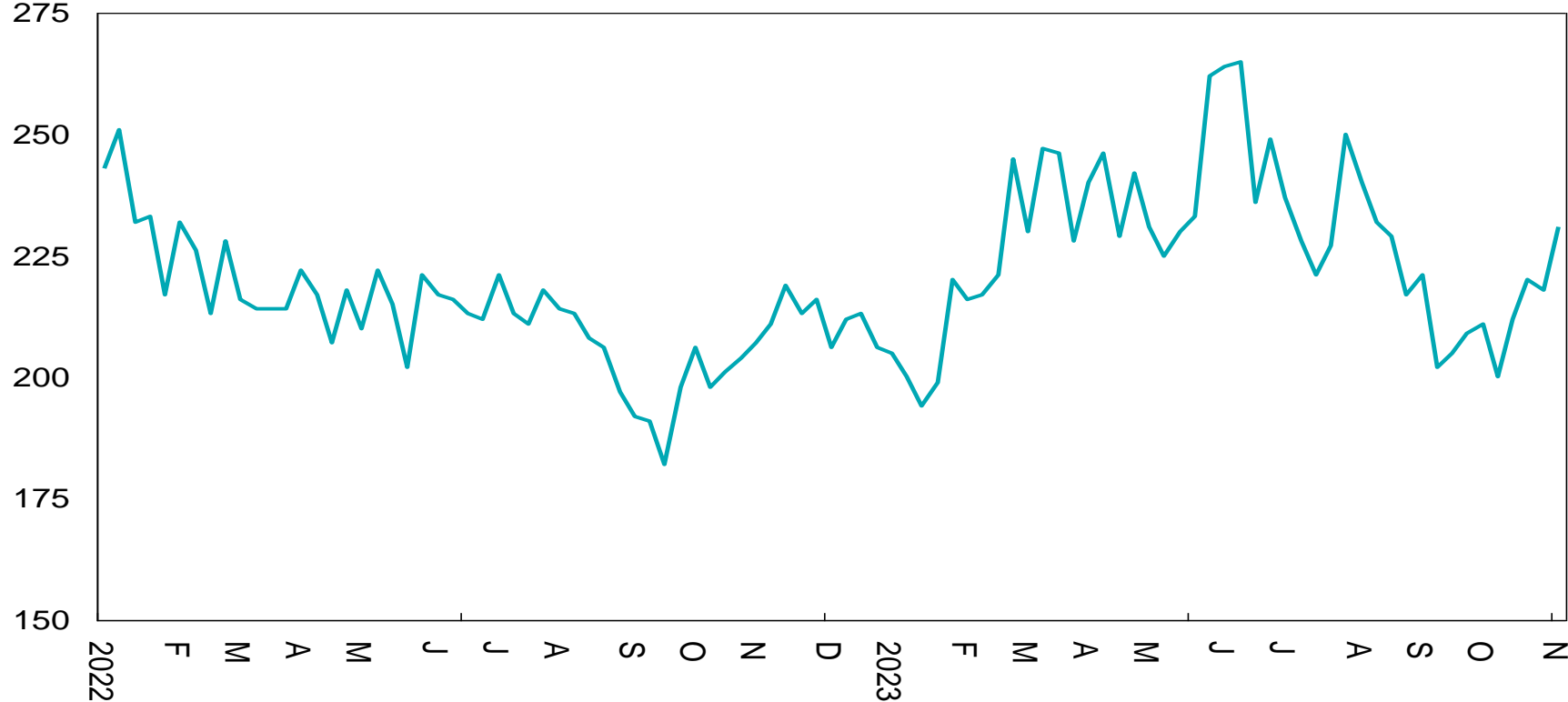
Thursday, 16 November 2023

- US weekly jobless claims
- US industrial production for October 2023
- US NAHB housing market activity index for November 2023

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# US initial jobless claims

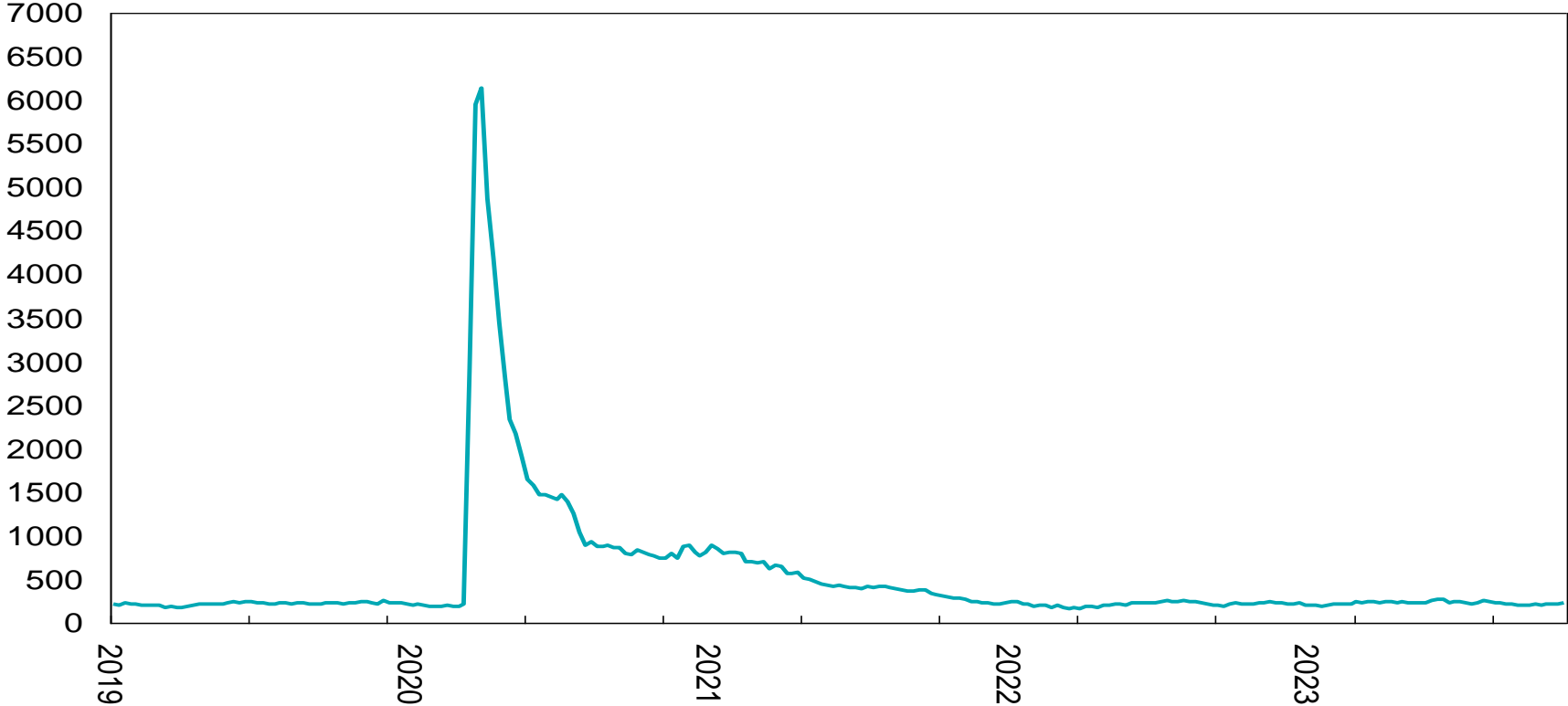
000's





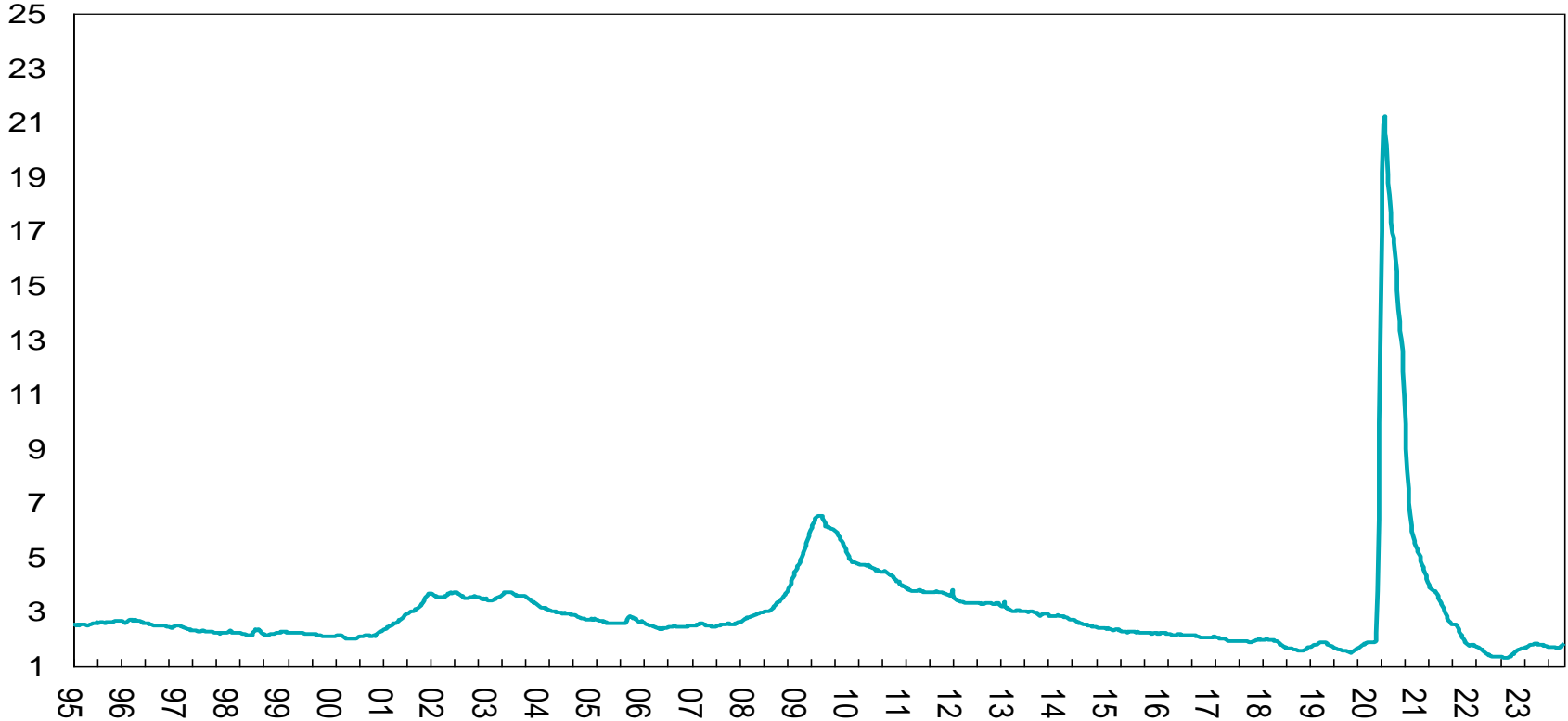
# US initial jobless claims

000's



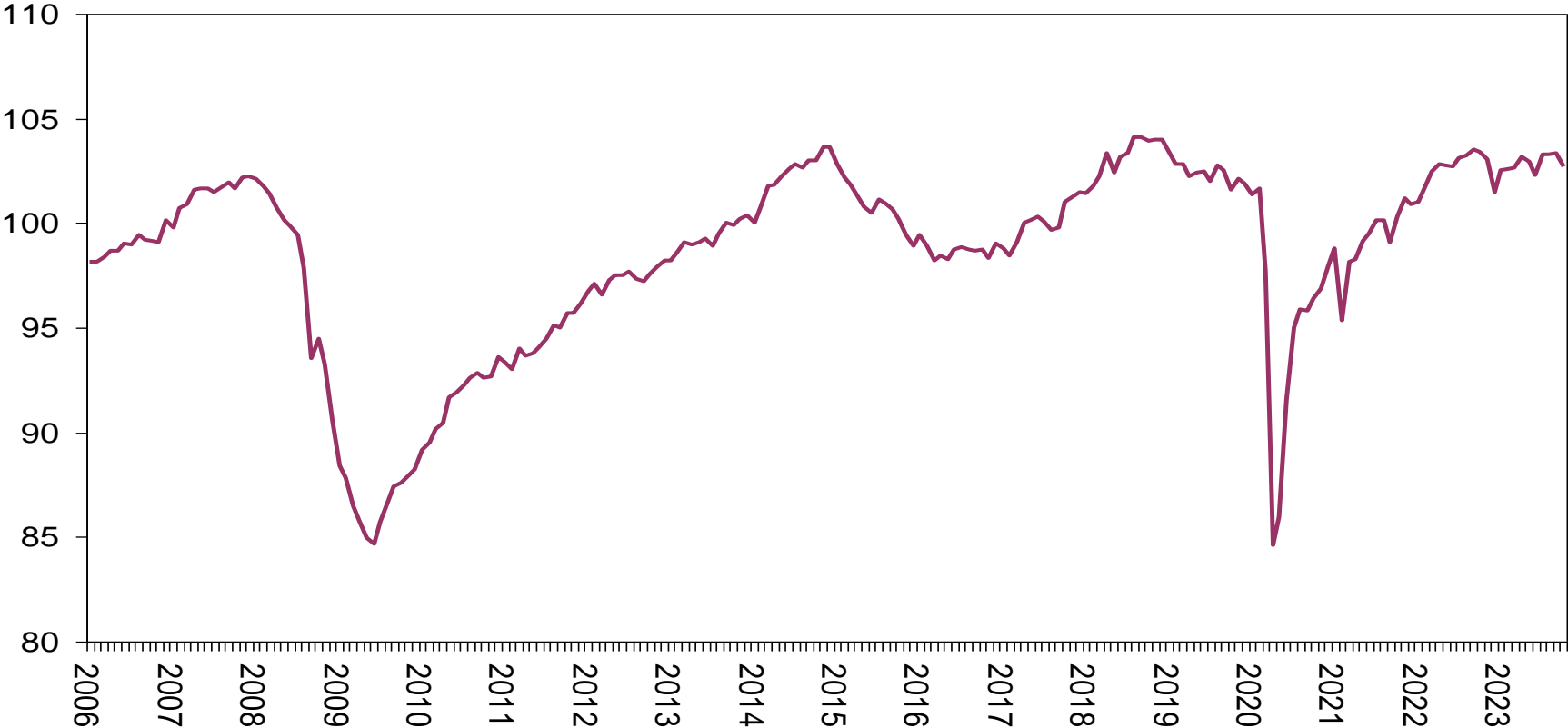
# US continuing claims

Million

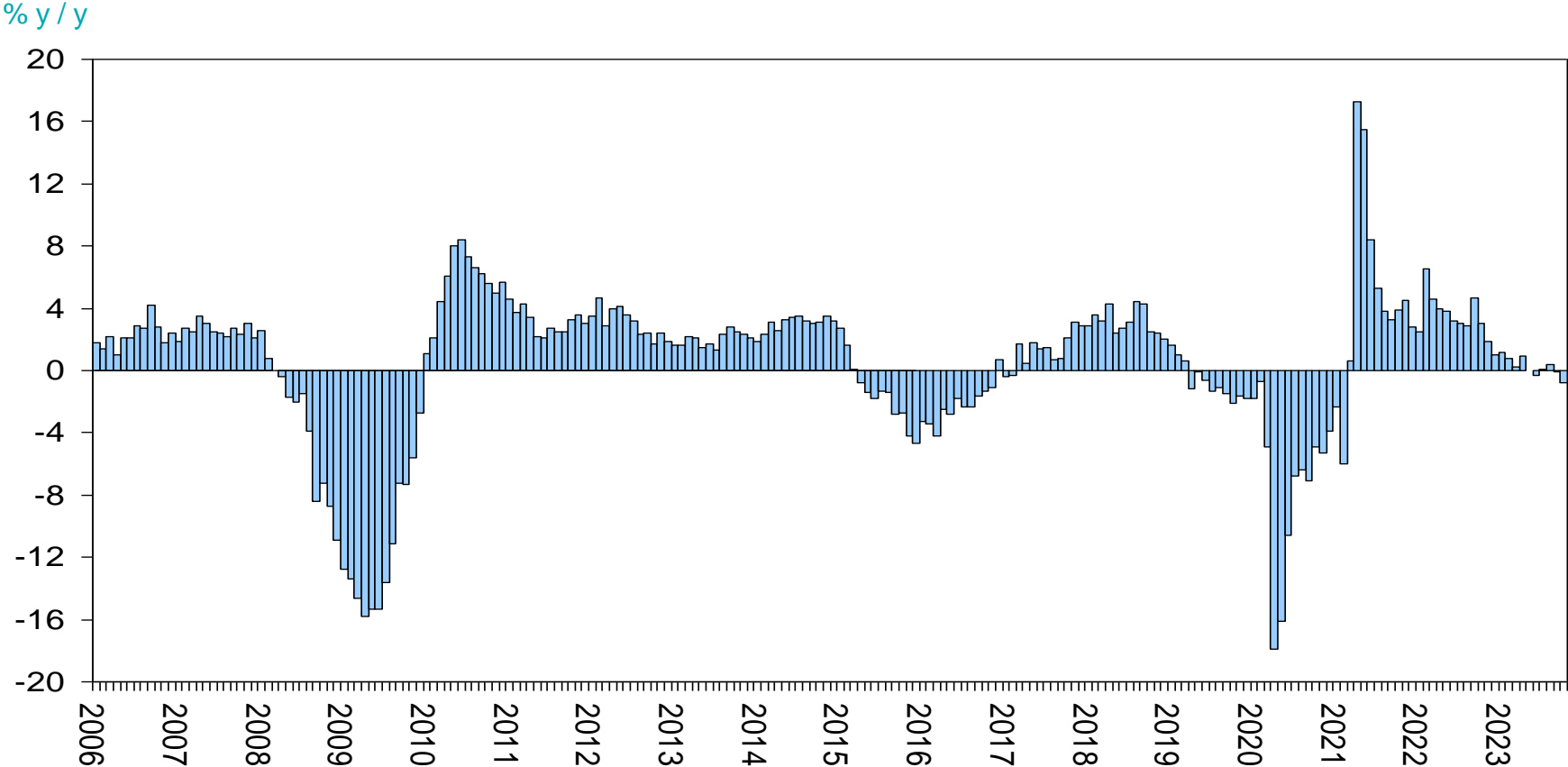


# US industrial production

Index

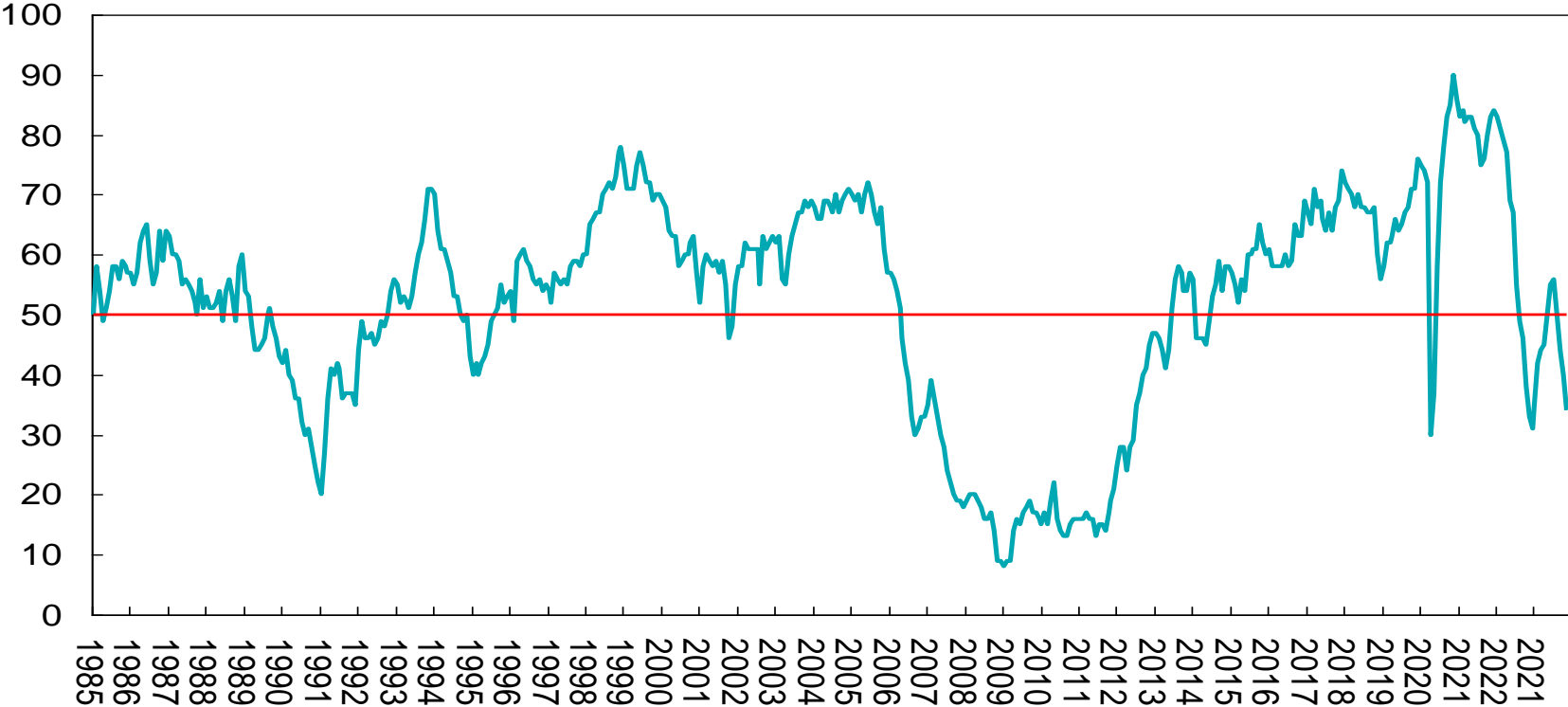


# US industrial production



# US NAHB housing activity index

Index



Source: US Federal Reserve

# Weekly economic review: 13 to 19 November 2023

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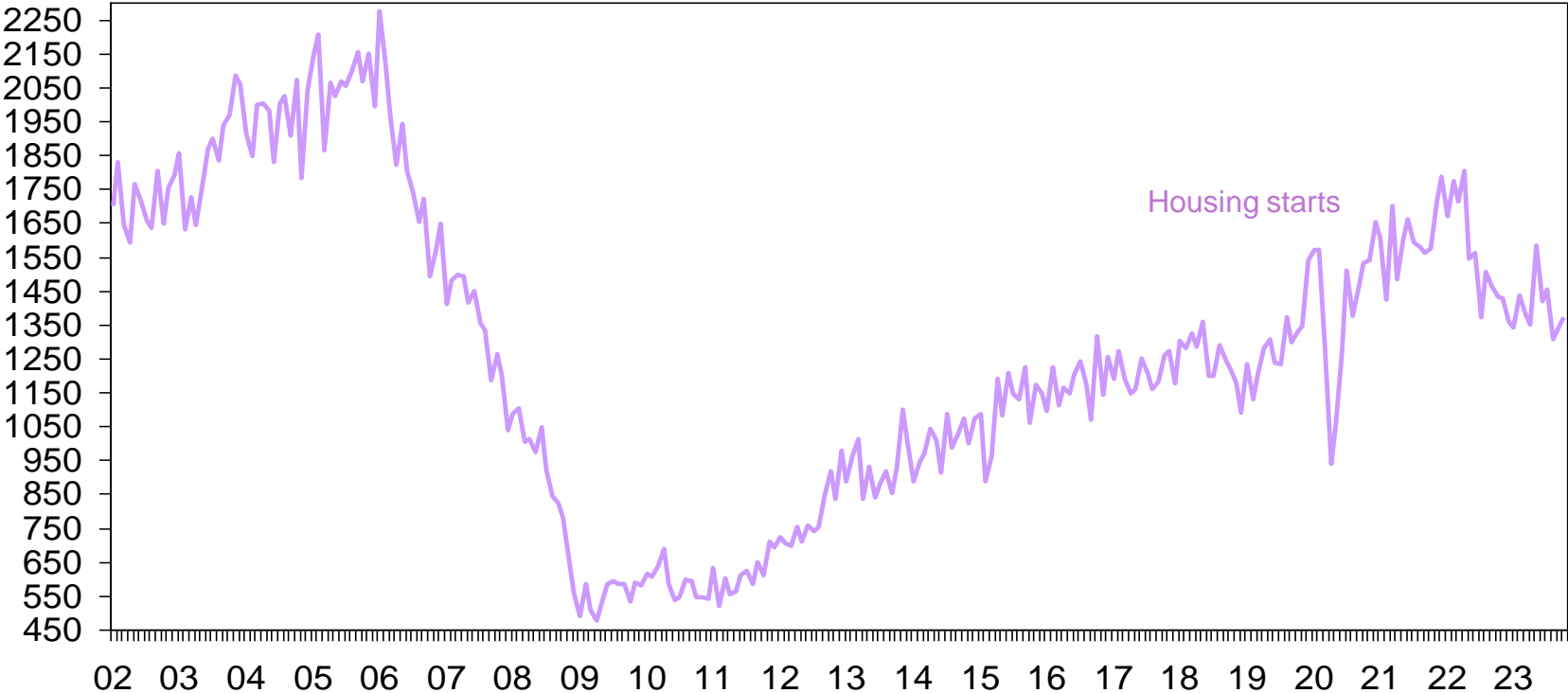
Friday, 17 November 2023

- US housing starts for October 2023
- US housing permits for October 2023
- S&P credit rating update on South Africa

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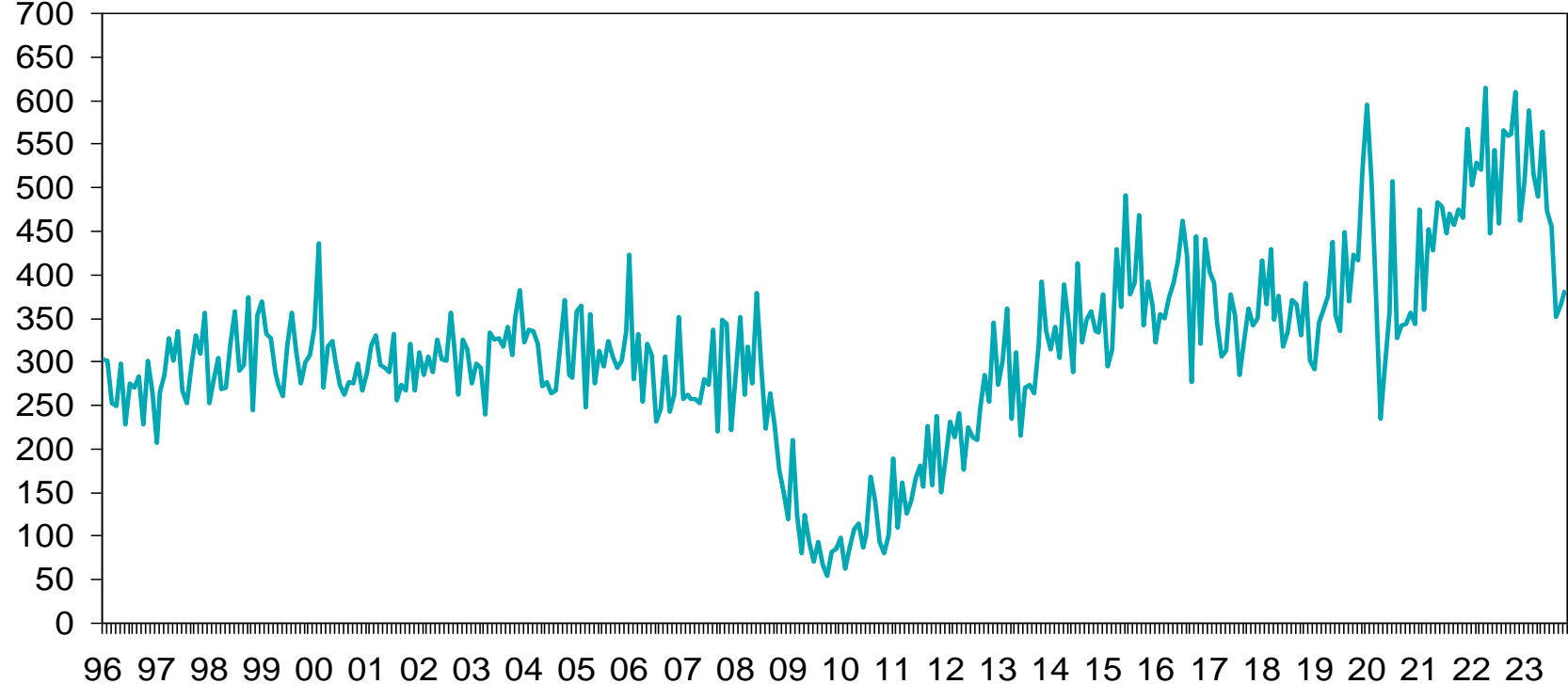
# US housing starts

Thousands, seasonally adjusted



# US housing starts – multi-family homes

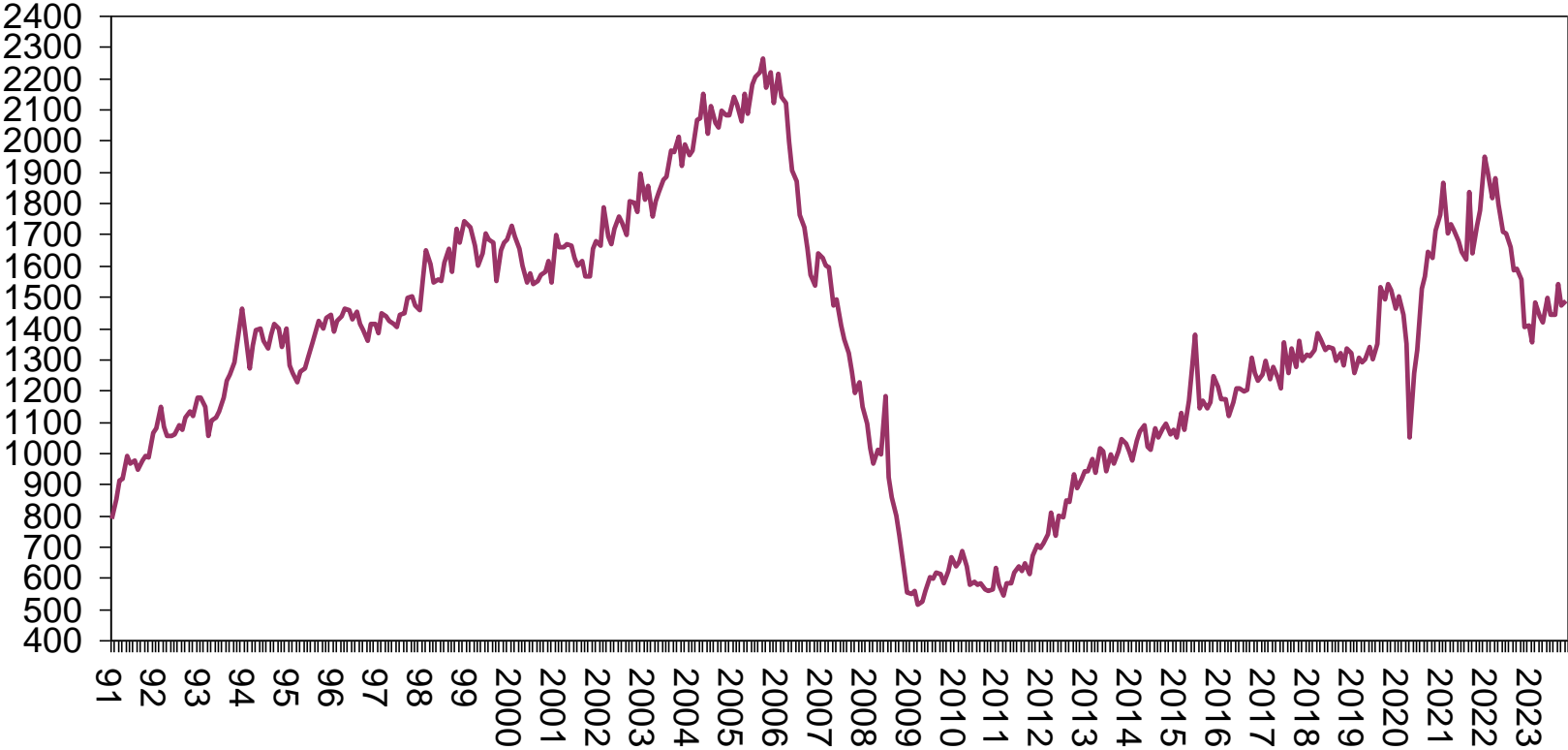
Thousands, seasonally adjusted





# US housing permits

Thousands, seasonally adjusted



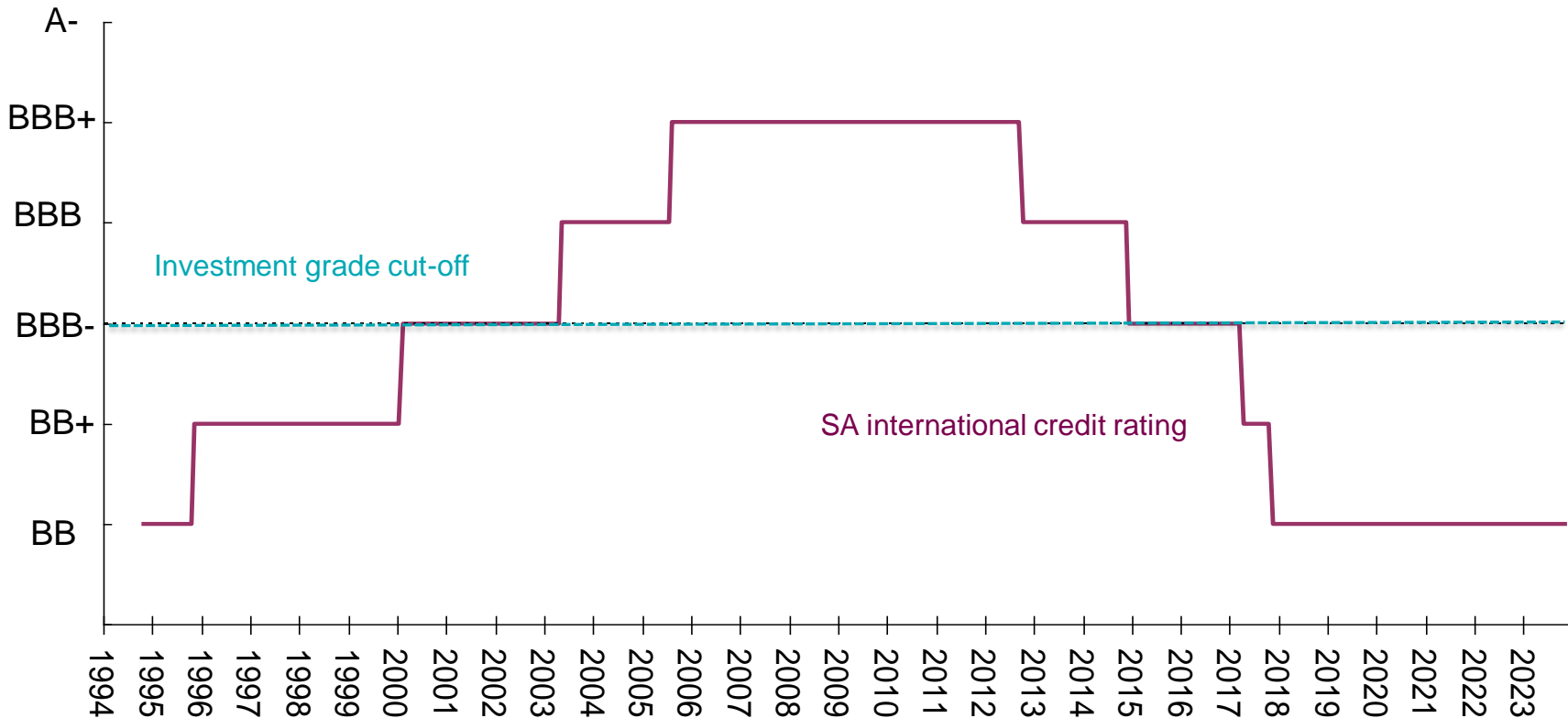
## S&P kept SA's credit rating on a stable outlook

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- S&P affirmed SA's international credit rating at BB- and kept the outlook as stable.
- S&P could lower the credit rating if the ongoing implementation of economic and governance reforms does not progress as planned. Although policy and reforms to address infrastructure deficits are ongoing, execution remains slow.
- Although the government intends to cut spending on goods and services, S&P argues that this could be challenging to implement, particularly in the lead up to elections next year.
- S&P expects SA's government debt will increase to 83% of GDP by March 2027 and interest costs will rise to 20% of government revenue, higher than their previous estimates of 79% and 19%.
- S&P argues that private-sector investment in power generation is picking up and will support the economy. GDP growth to average 1.6% from 2024 to 2026. S&P expects power outages to ease from 2025.
- Contingent liabilities arising from financially weak SOEs, such as Transnet, are likely to remain a risk to the economy and the government's fiscal position.
- SA's key credit strengths include a credible central bank, a flexible exchange rate, an actively traded currency, and deep capital markets.
- S&P believes the ruling ANC could lose its parliamentary majority in the 2024 elections due to deteriorating economic conditions and poor service delivery.

# South Africa's credit rating by S&P

Credit rating

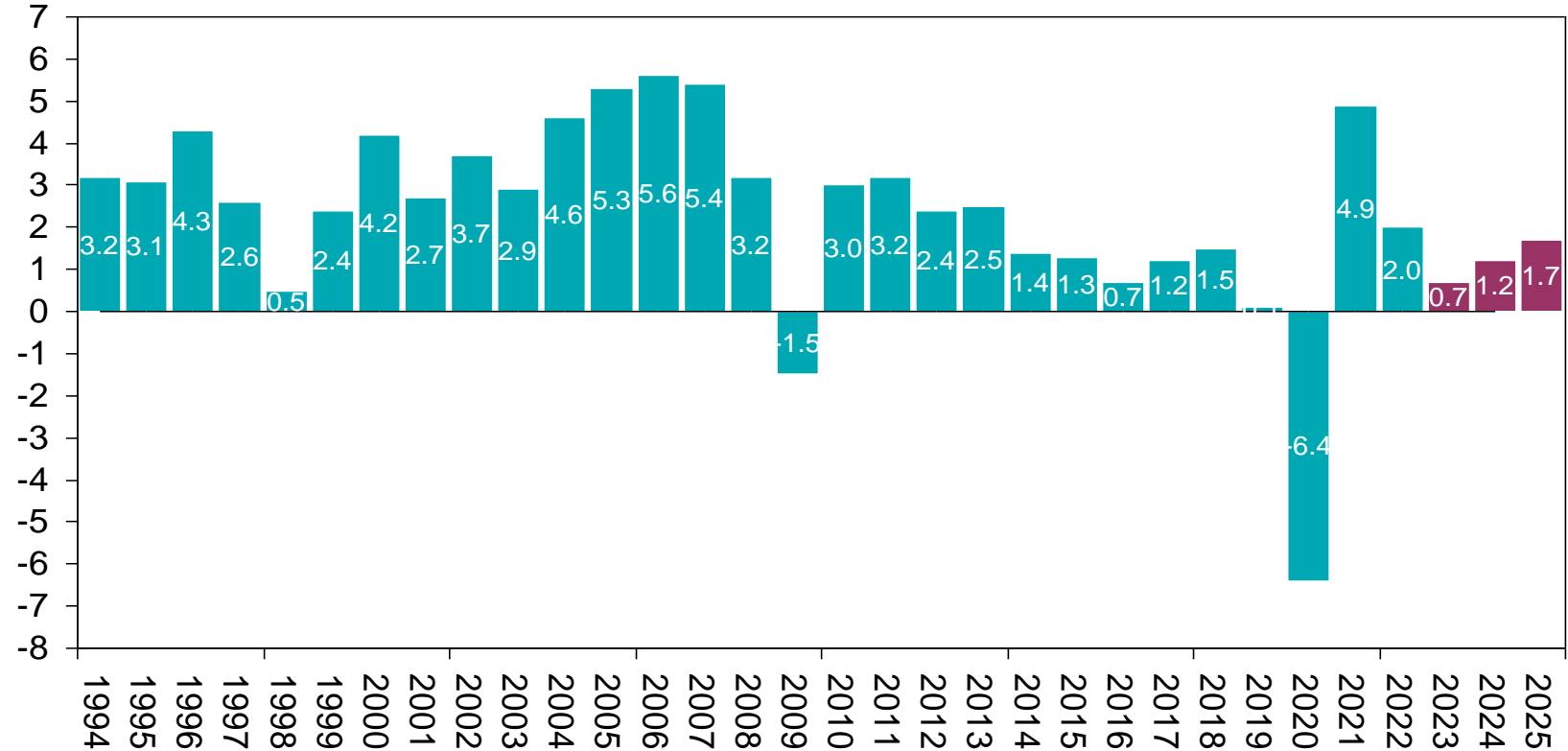


## Consensus GDP growth

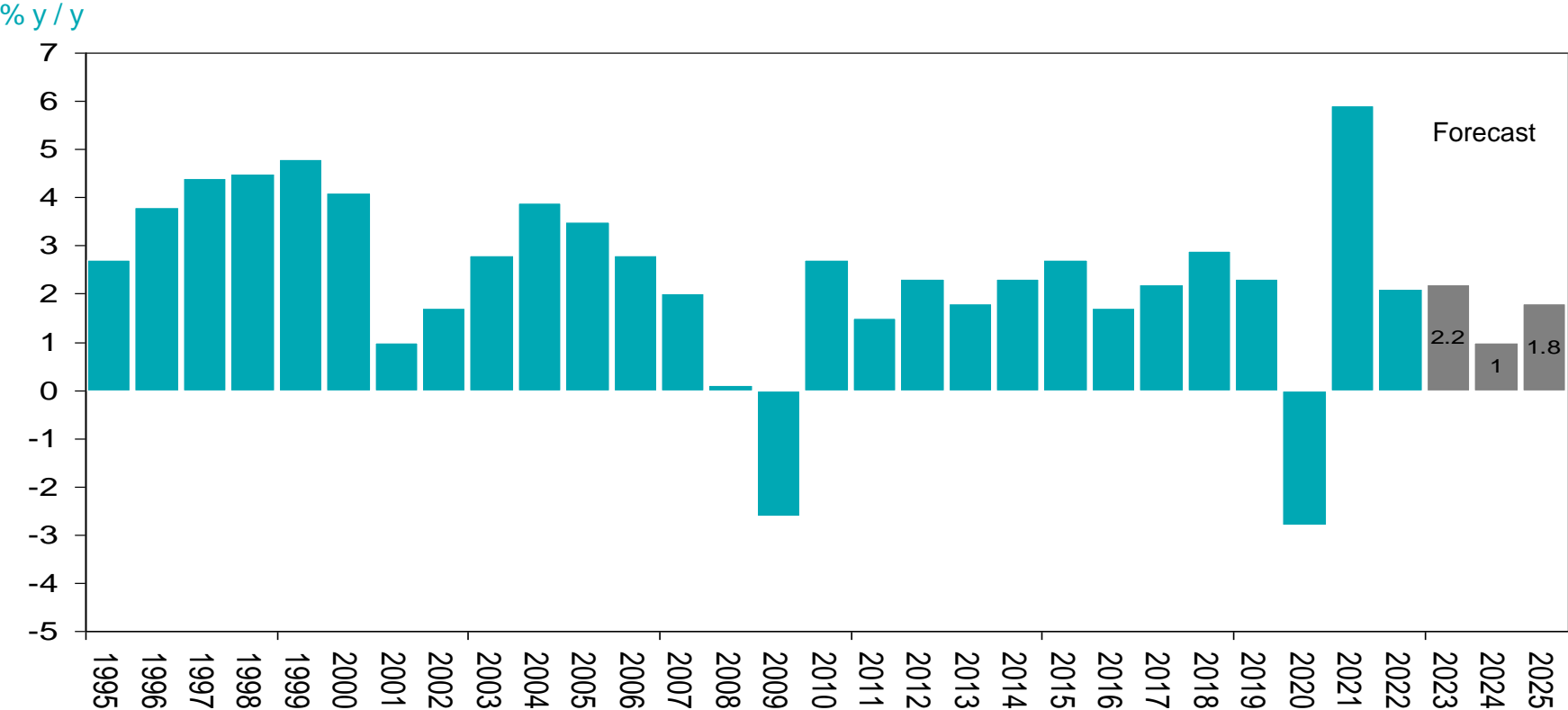
- South Africa consensus GDP growth forecast
- United States consensus GDP growth forecast
- Euro-area consensus GDP growth forecast
- China consensus GDP growth forecast

# SA consensus GDP annual growth rate

% y/y



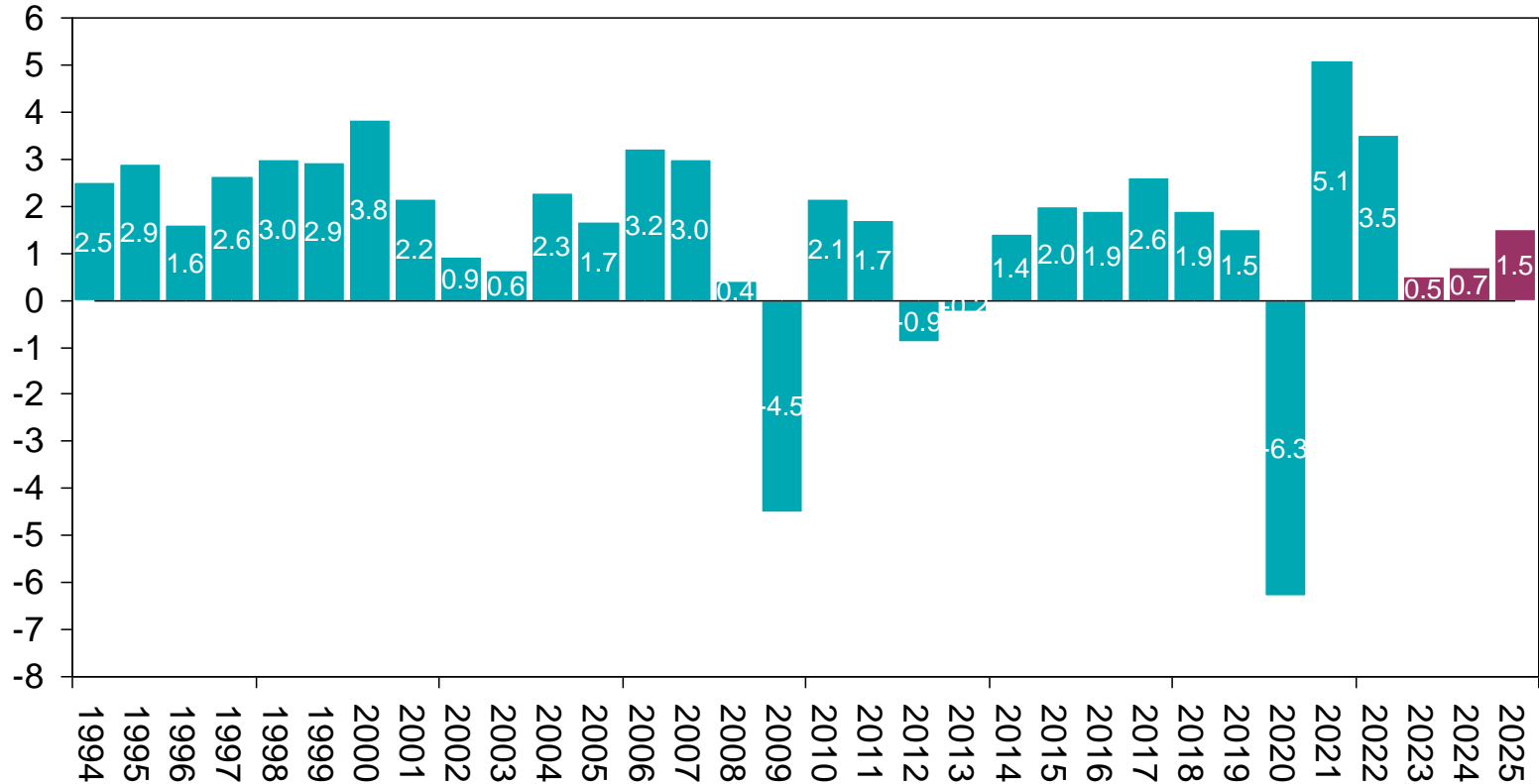
# US consensus real annual GDP growth



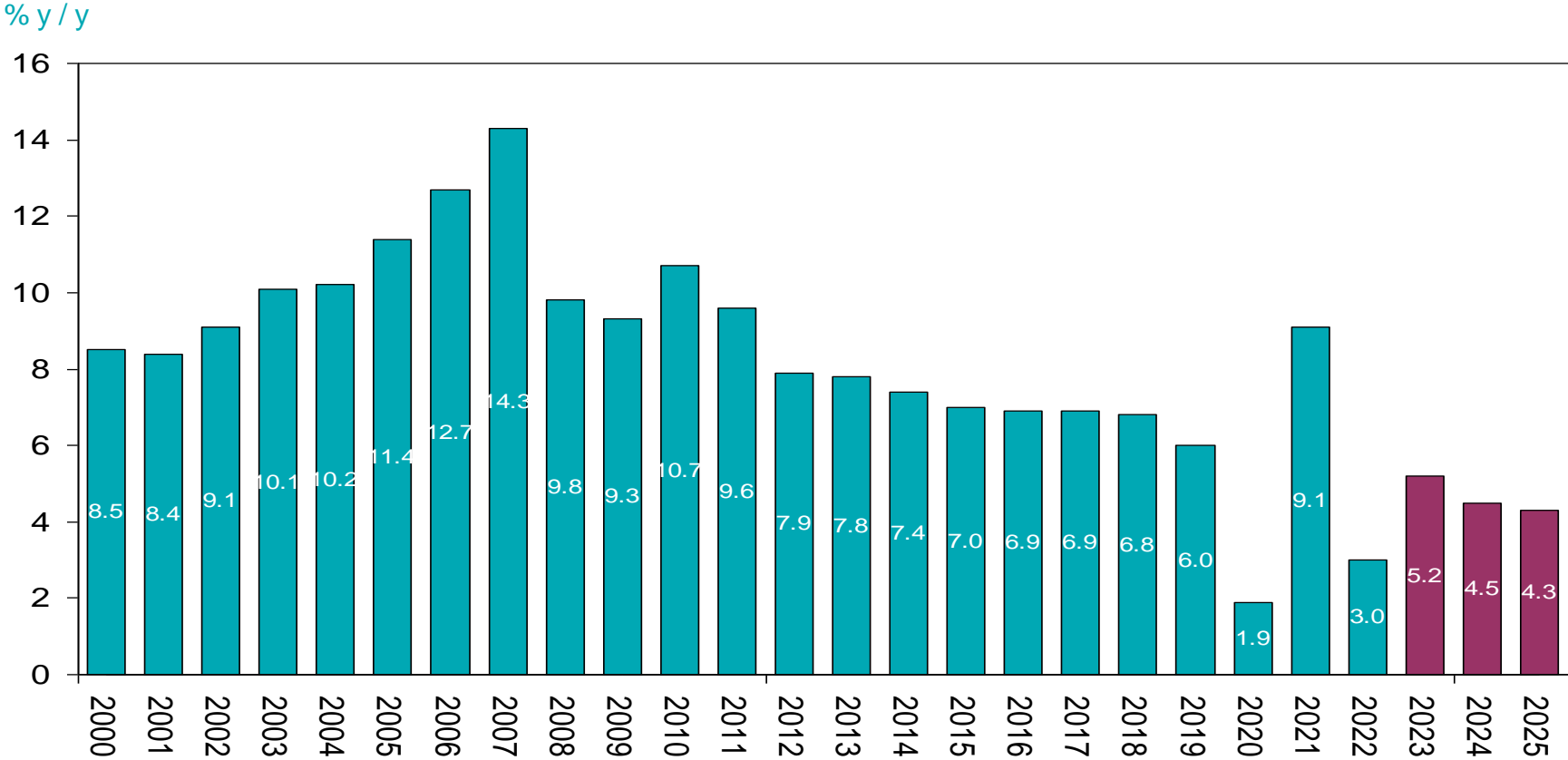
Source: Bloomberg

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

% y/y



# China GDP growth consensus forecast



Source: Bloomberg



## US financial conditions: 13 to 19 November 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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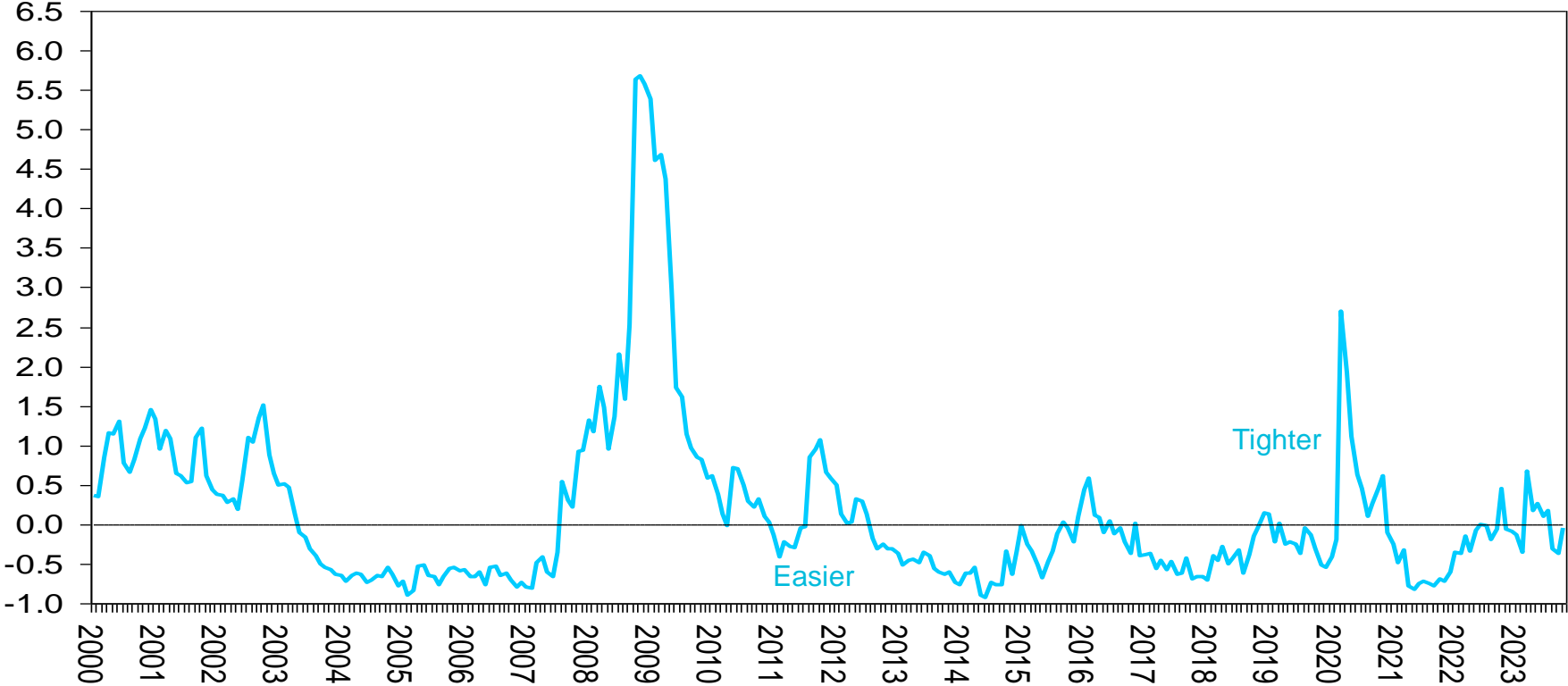
# US financial conditions (Federal Reserve Chicago)

Index



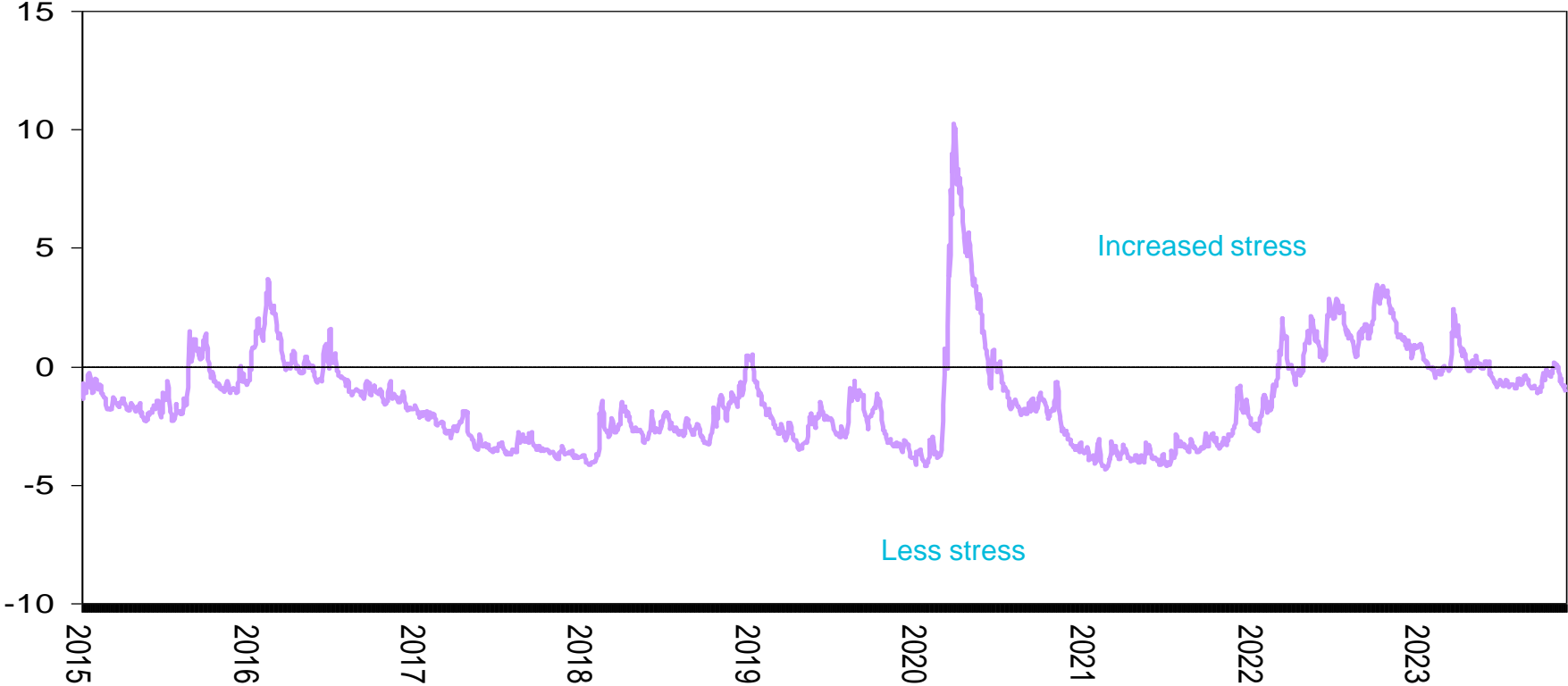
# US financial conditions (Federal Reserve Kansas City)

Index



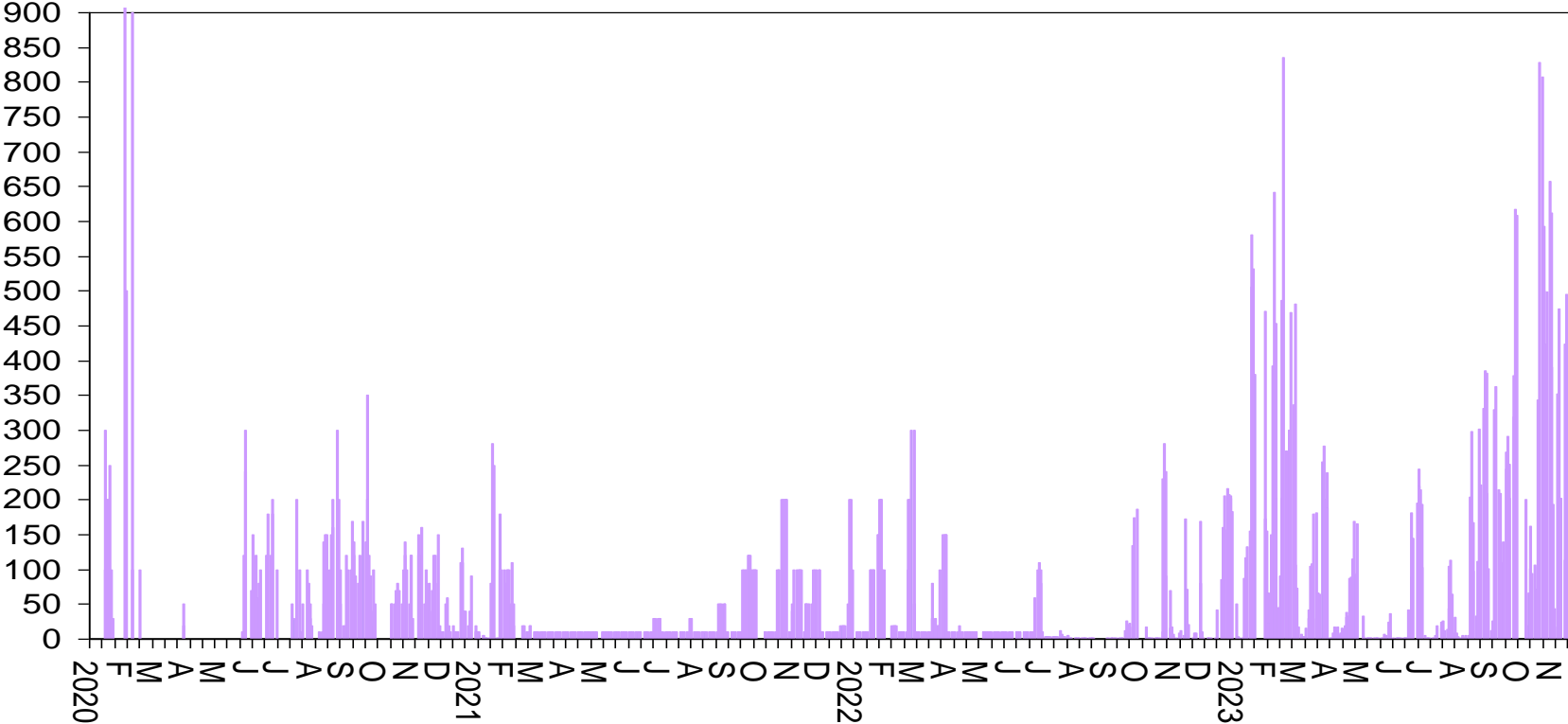
# US financial stress index (OFR Financial Stress Index)

Index



# China PBOC liquidity injection daily (total reverse Repos)

Yuan billion



## Commodity prices: 13 to 19 November 2023

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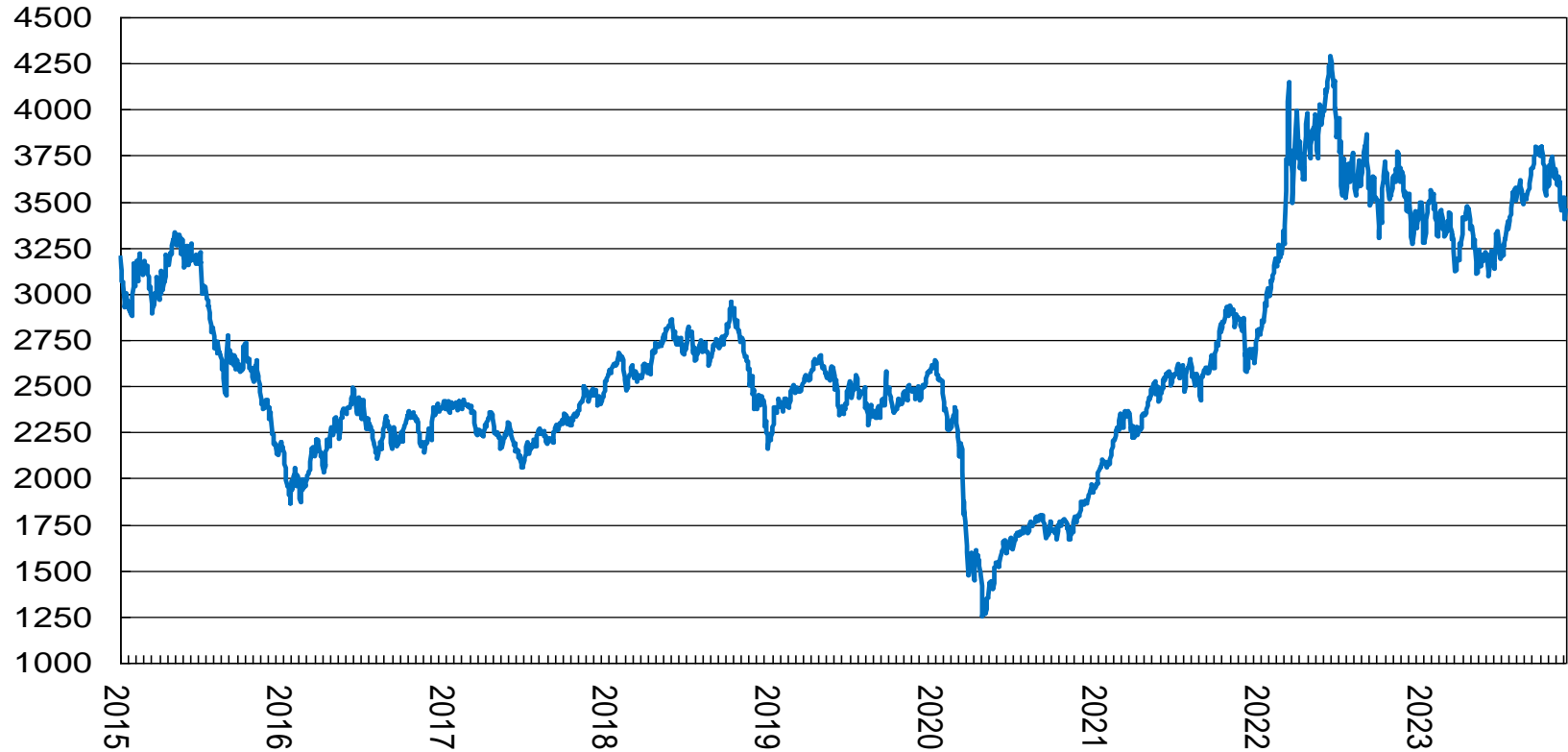
- Global commodity price index
- World food inflation
- Gold price
- Tin price
- Zinc price
- Lead price
- Silver price
- Oil price
- Copper price
- Platinum price
- Aluminium price
- Palladium price
- Rhodium price
- Wheat price



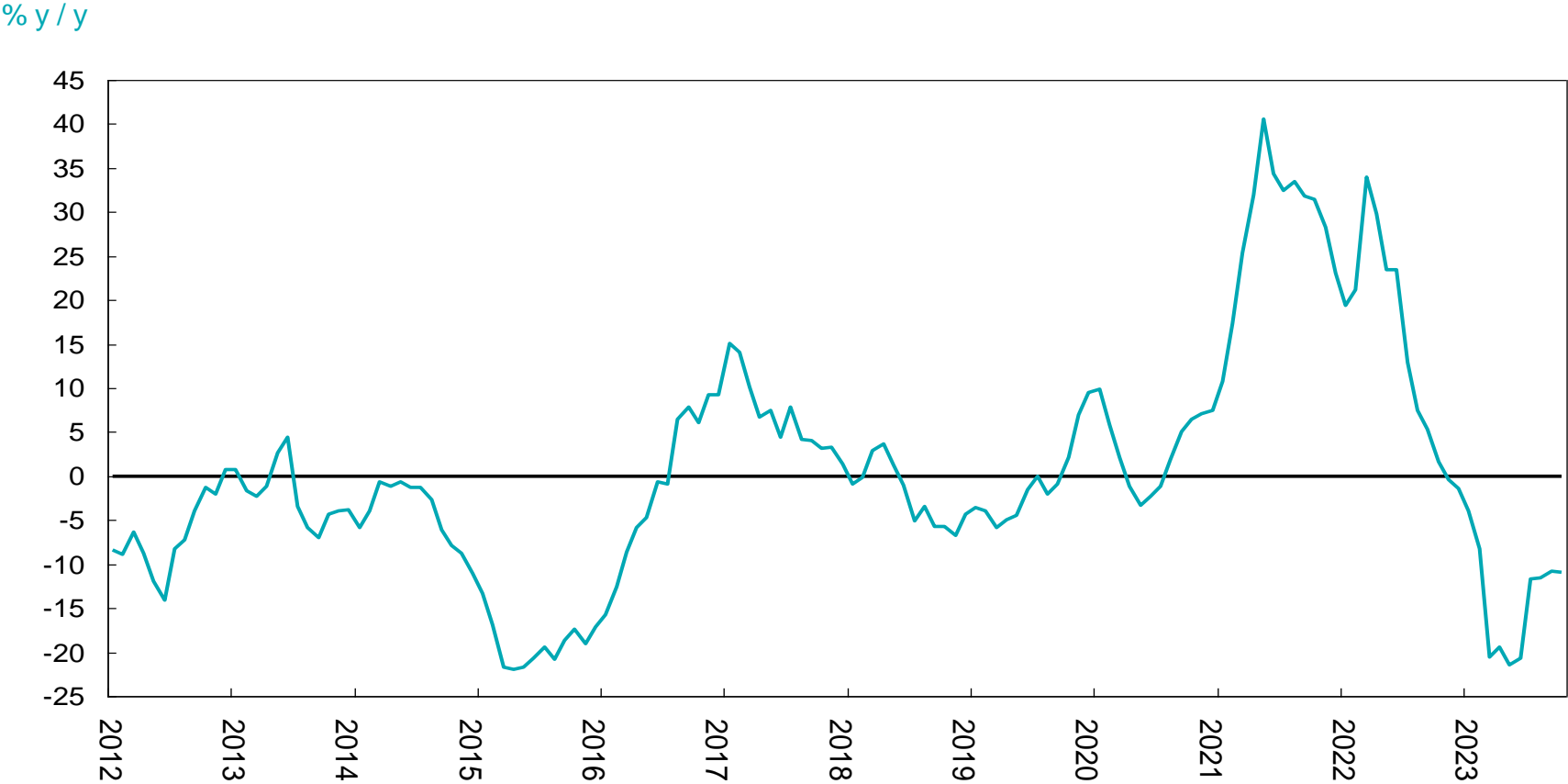
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# Global commodity price index (S&P GSCI)

Index



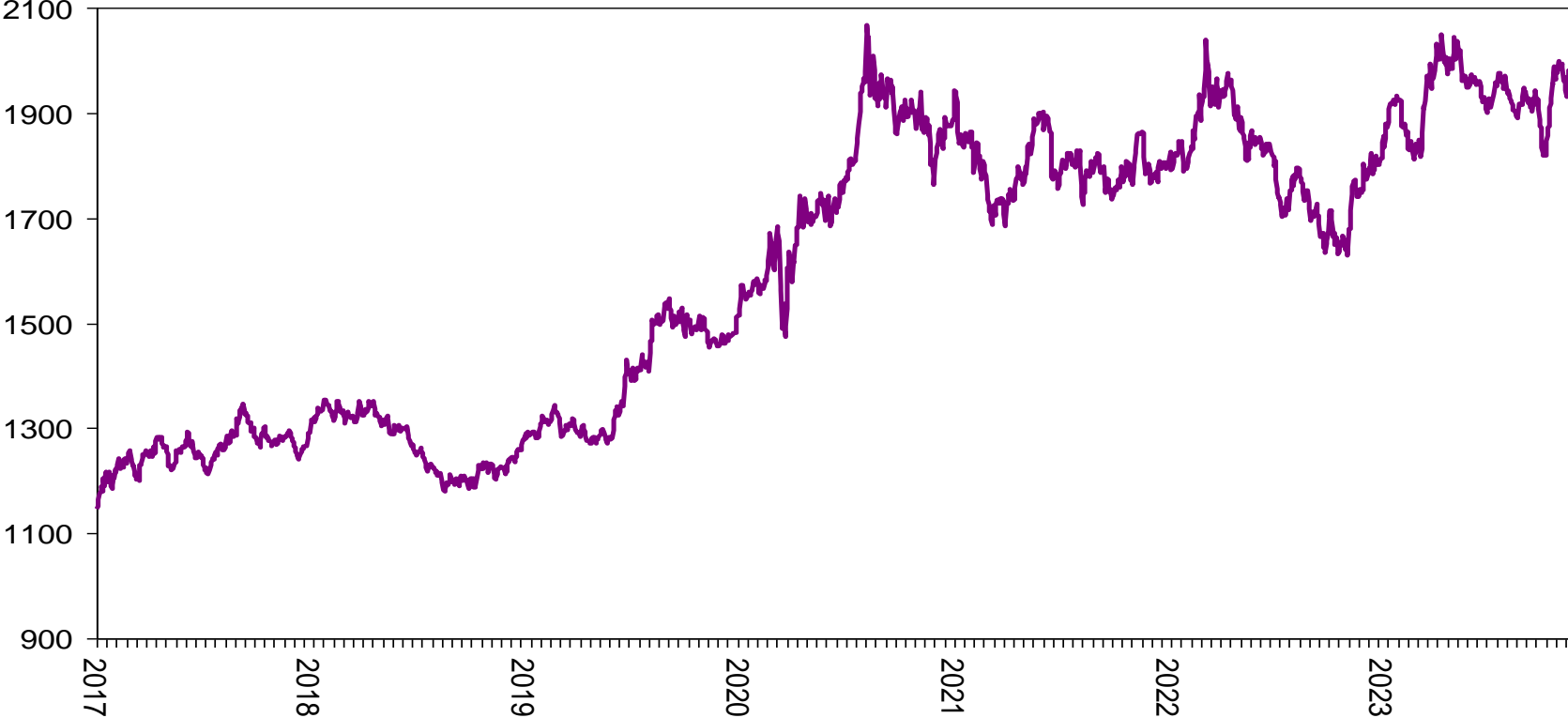
# World food inflation





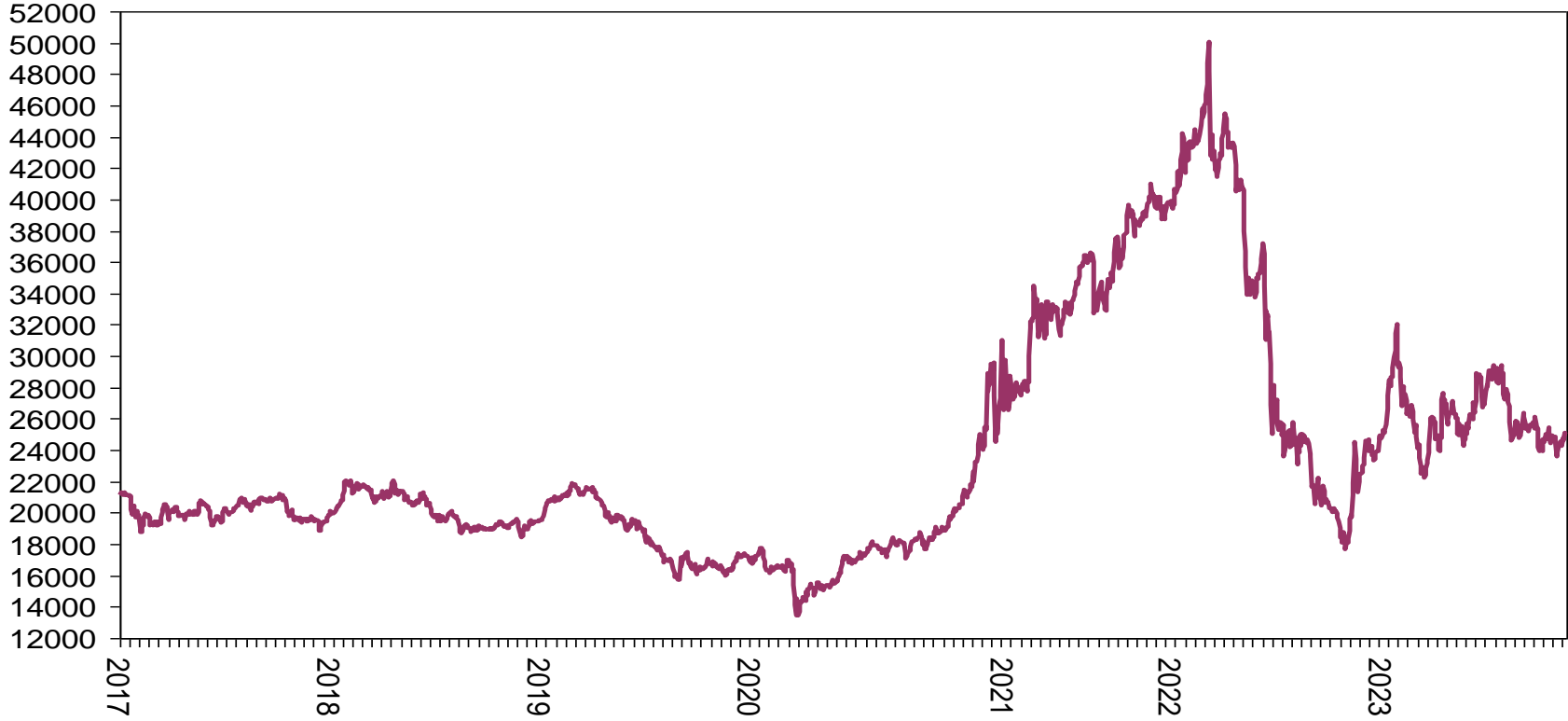
# Gold price

\$/ounce



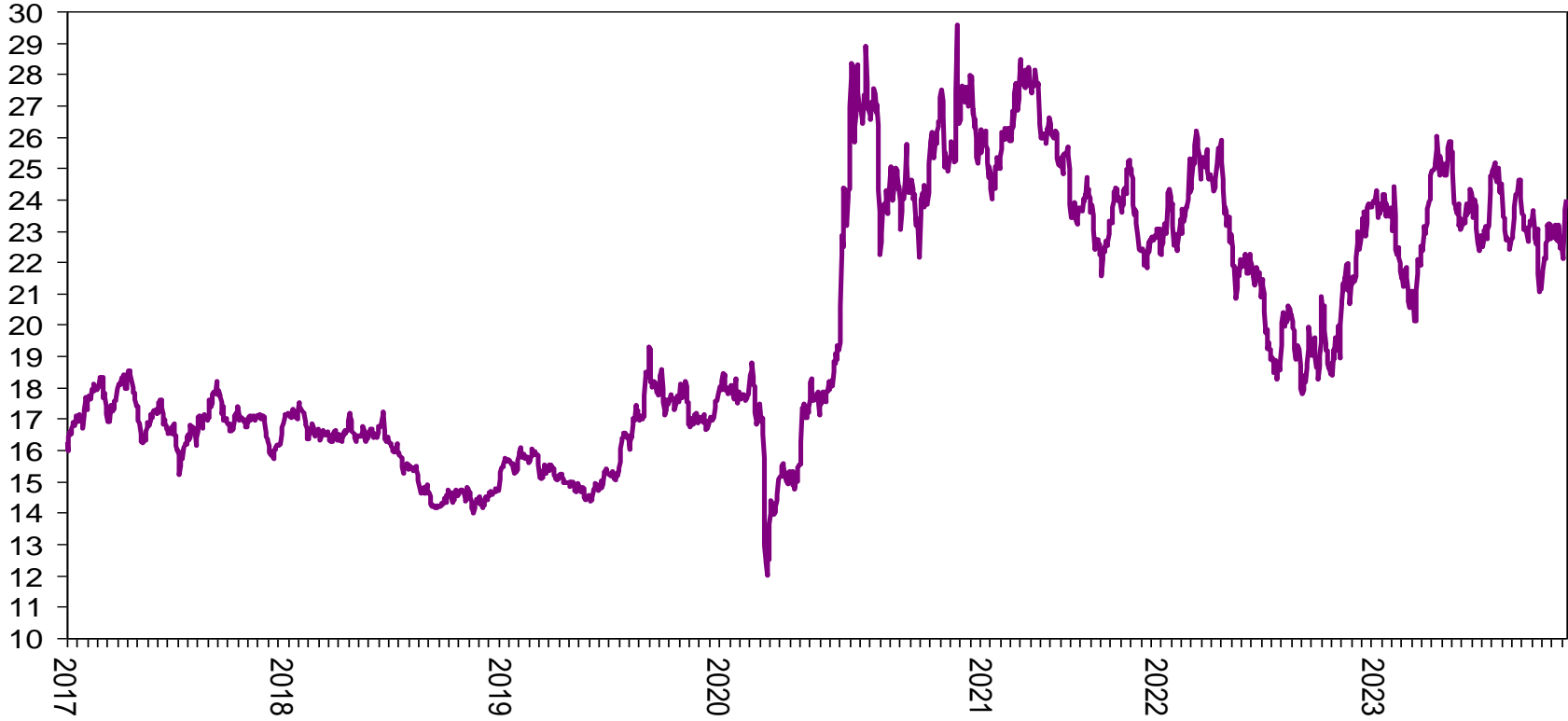
# Tin price

\$/MT



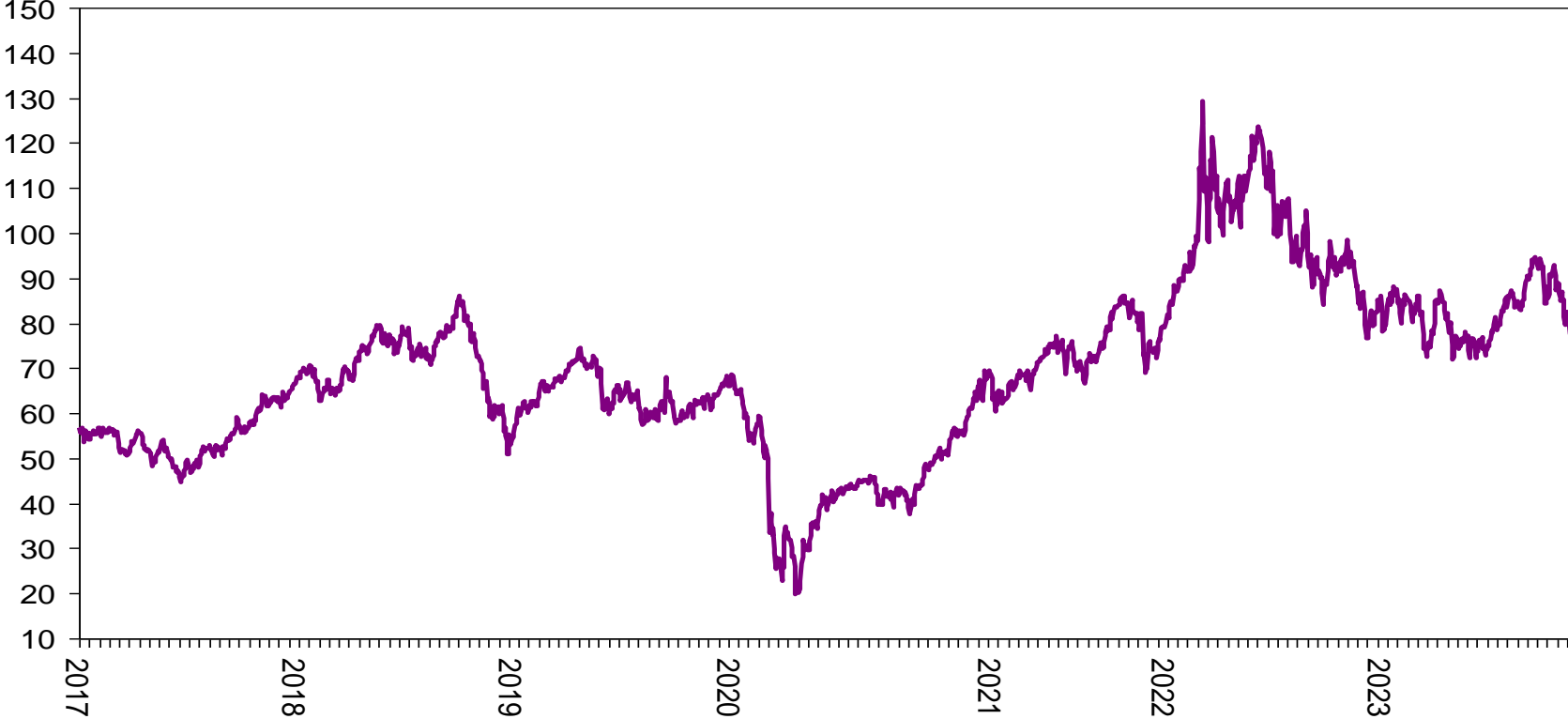
# Silver price

\$/ounce



# Oil price

\$/b l



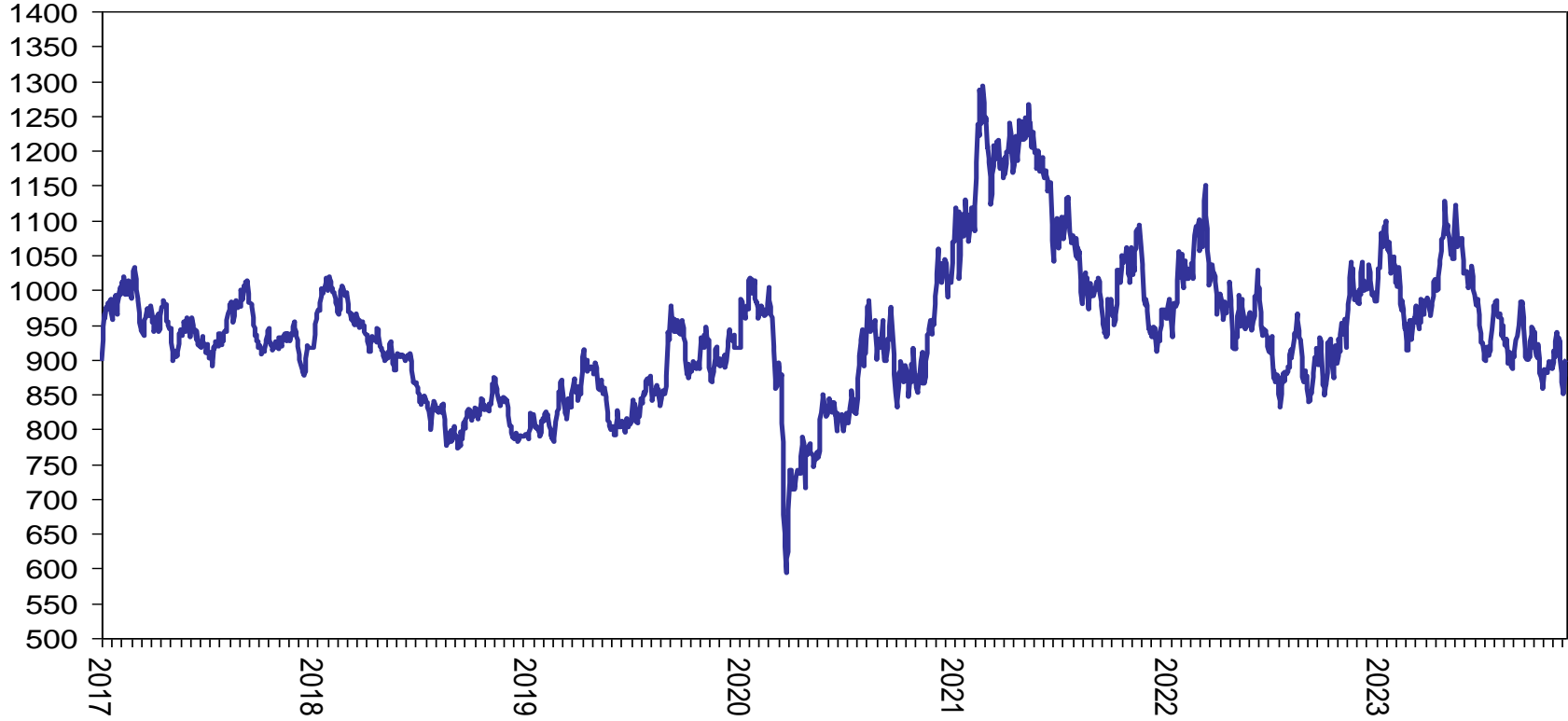
# Copper price

\$/MT



# Platinum price

\$/ounce



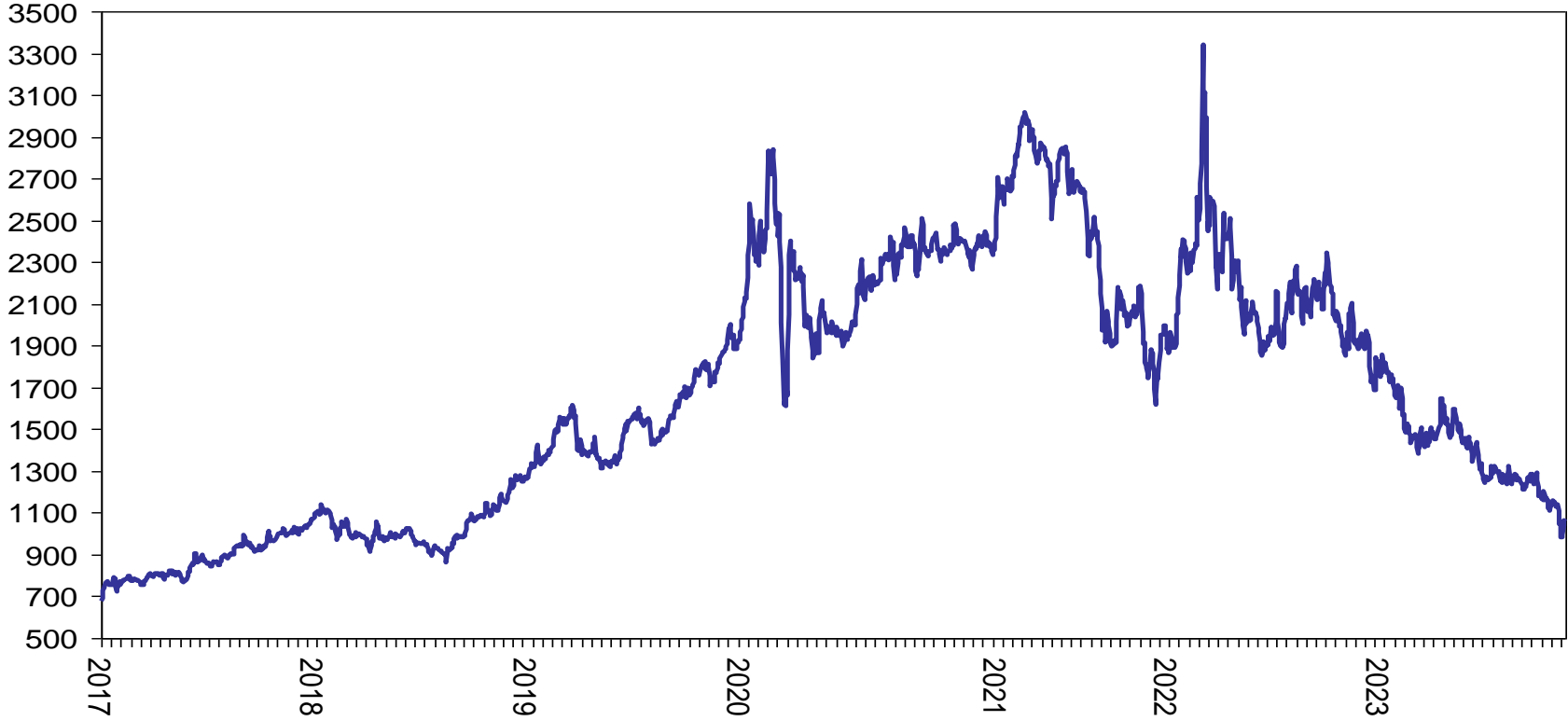
# Aluminium price

\$/MT



# Palladium price

\$/ounce





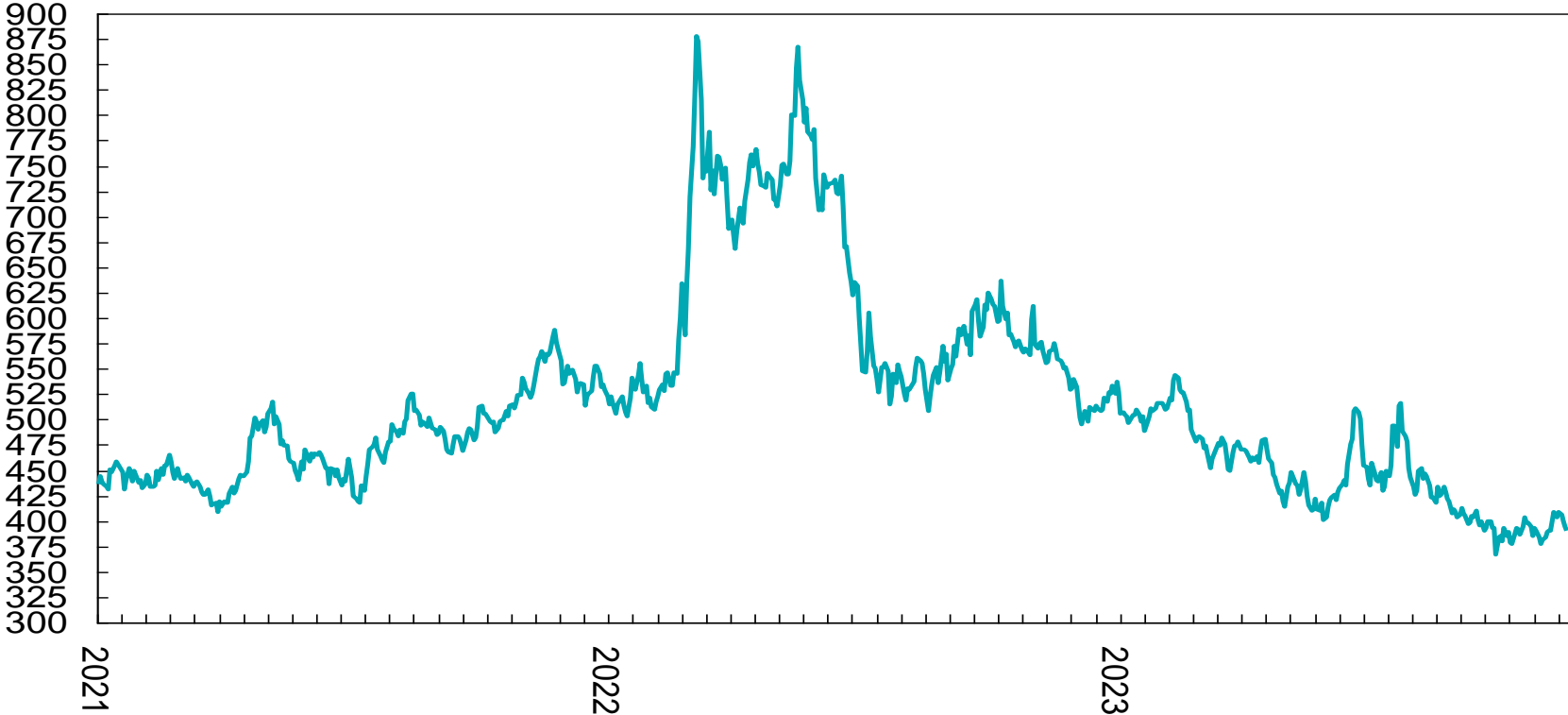
# Rhodium price

\$/ounce



# Global wheat price index

Index



# Financial markets: 13 to 19 November 2023

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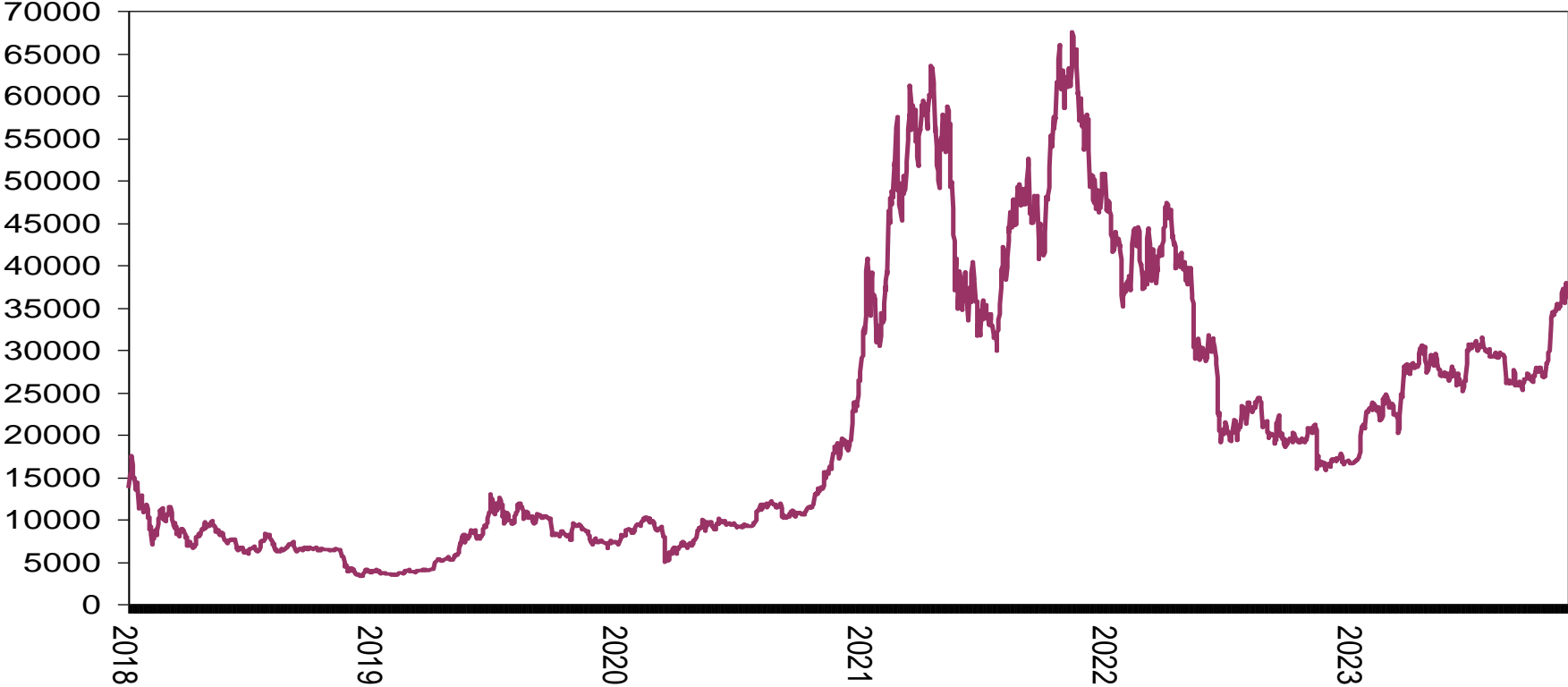
- Bitcoin price
- SA Rand vs Dollar, Euro, Pound
- SA Rand vs Dollar, monthly rate of change
- SA 10-year government bond yield
- US 10-year bond yield
- US S&P 500 equity index
- US Nasdaq 100 index
- US Chicago Board Options Exchange Volatility Index
- SA All Share equity index
- US Dollar per Euro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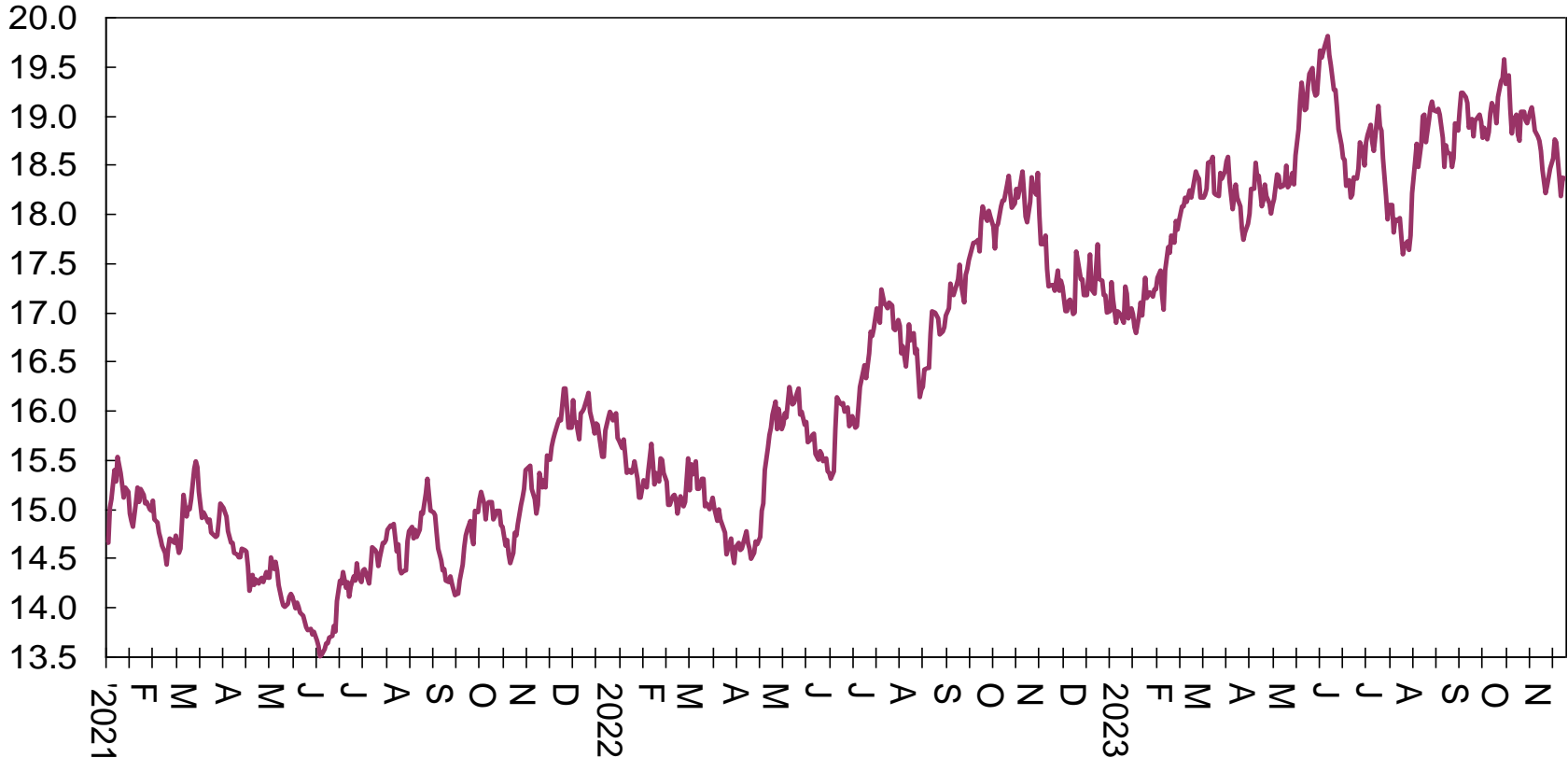
# Bitcoin price

Dollar



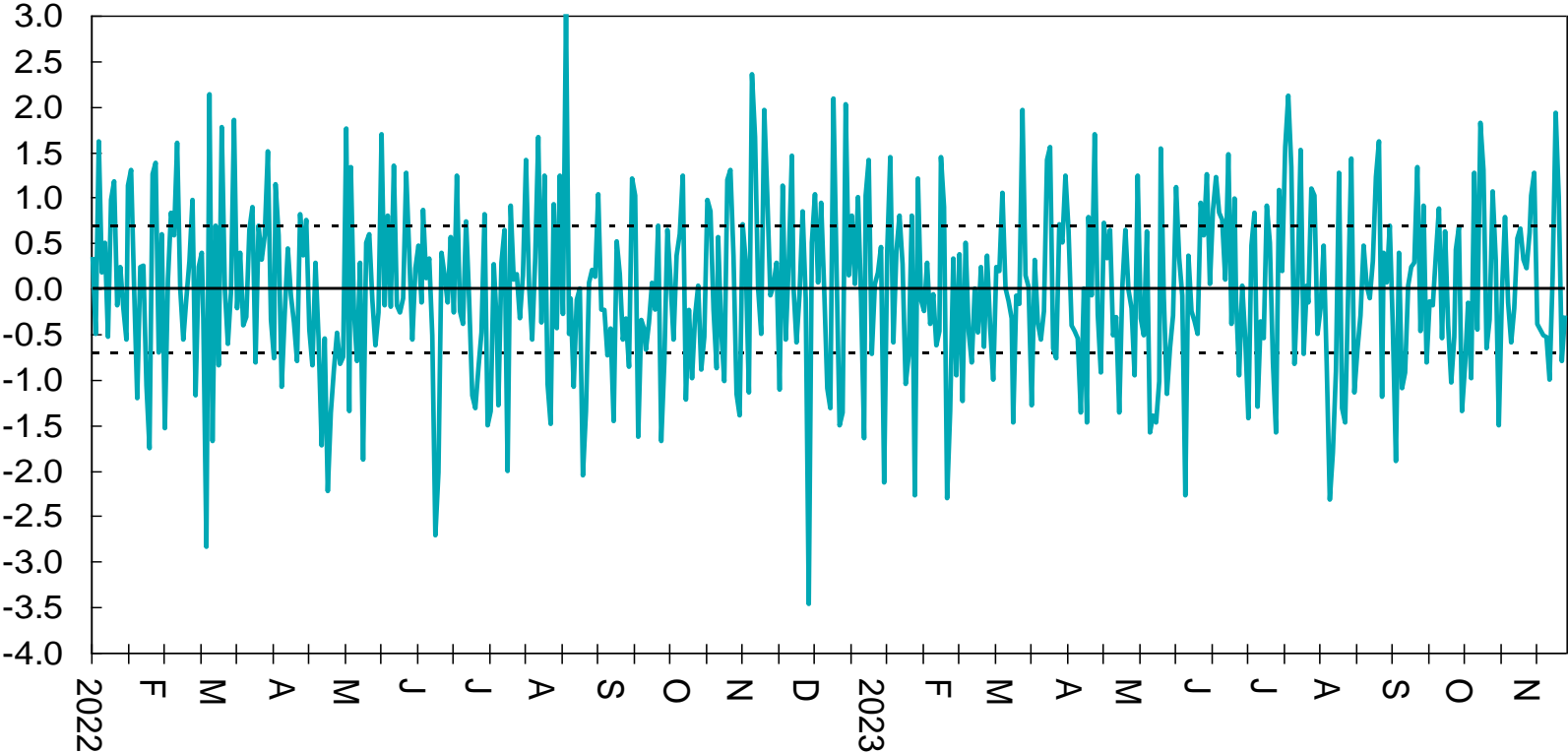
# South Africa Rand vs US Dollar (daily)

Rand per Dollar



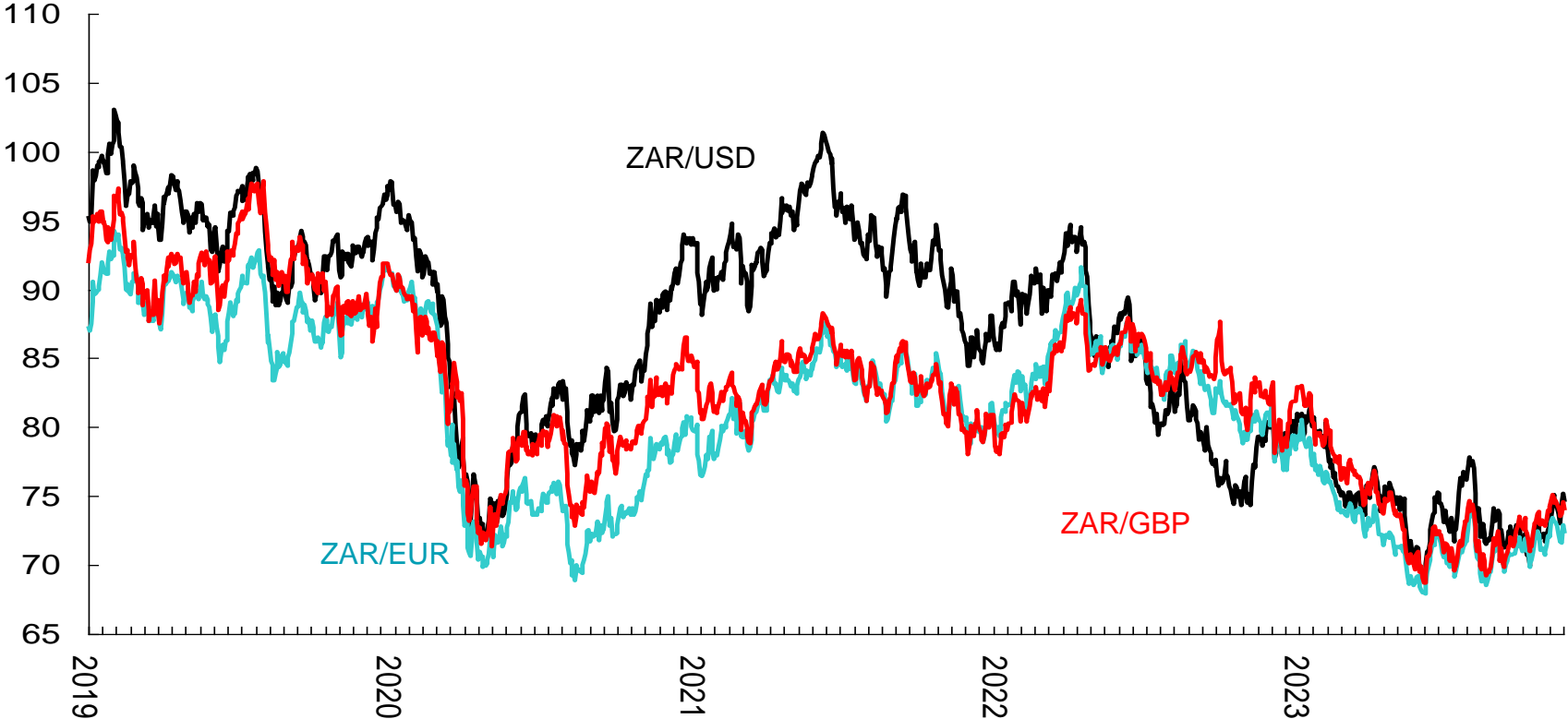
# South Africa Rand vs US Dollar (daily change in value)

% change, day-on-day



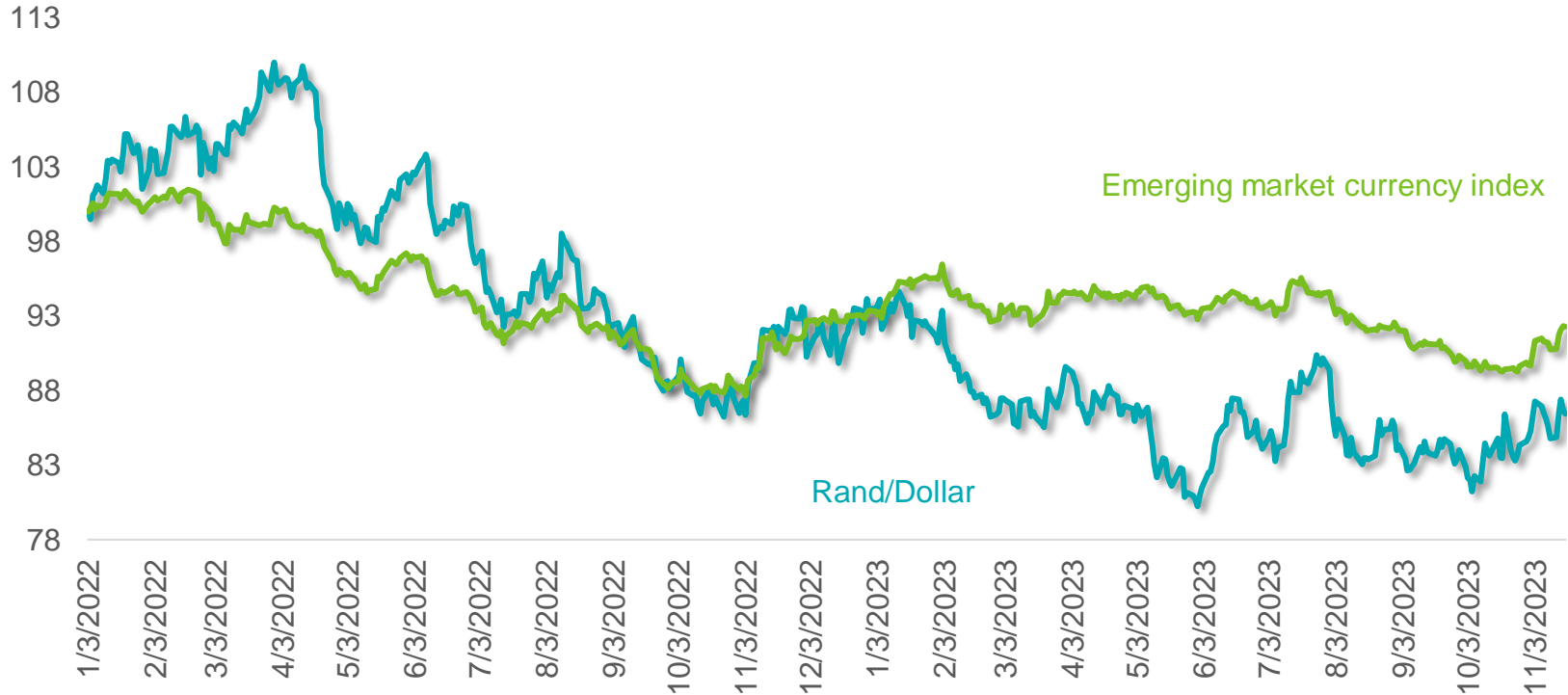
# SA Rand vs Dollar, Euro and Pound

Index, 1 January 2017 = 100



# Rand/US Dollar vs Emerging Market Currencies

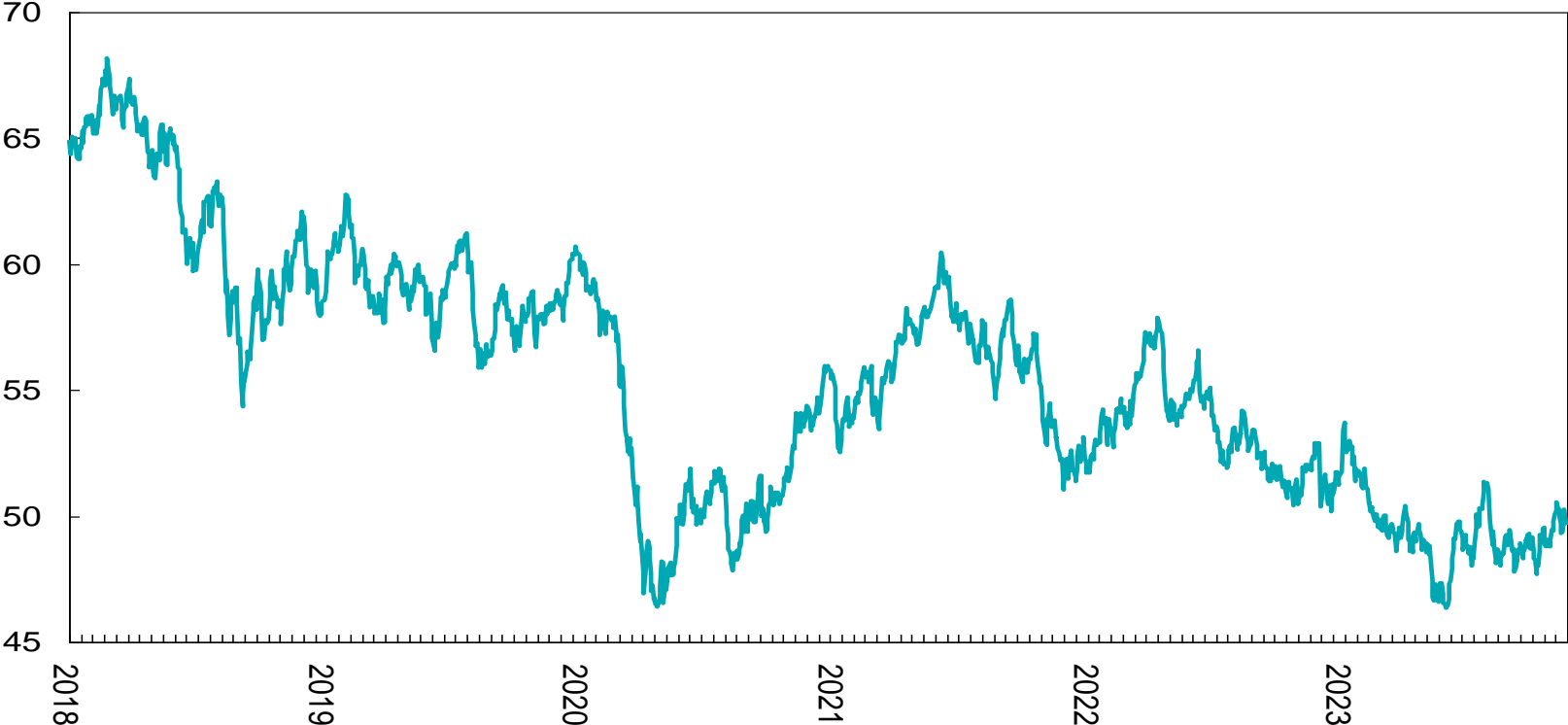
Index, 1 Jan 2022 = 100





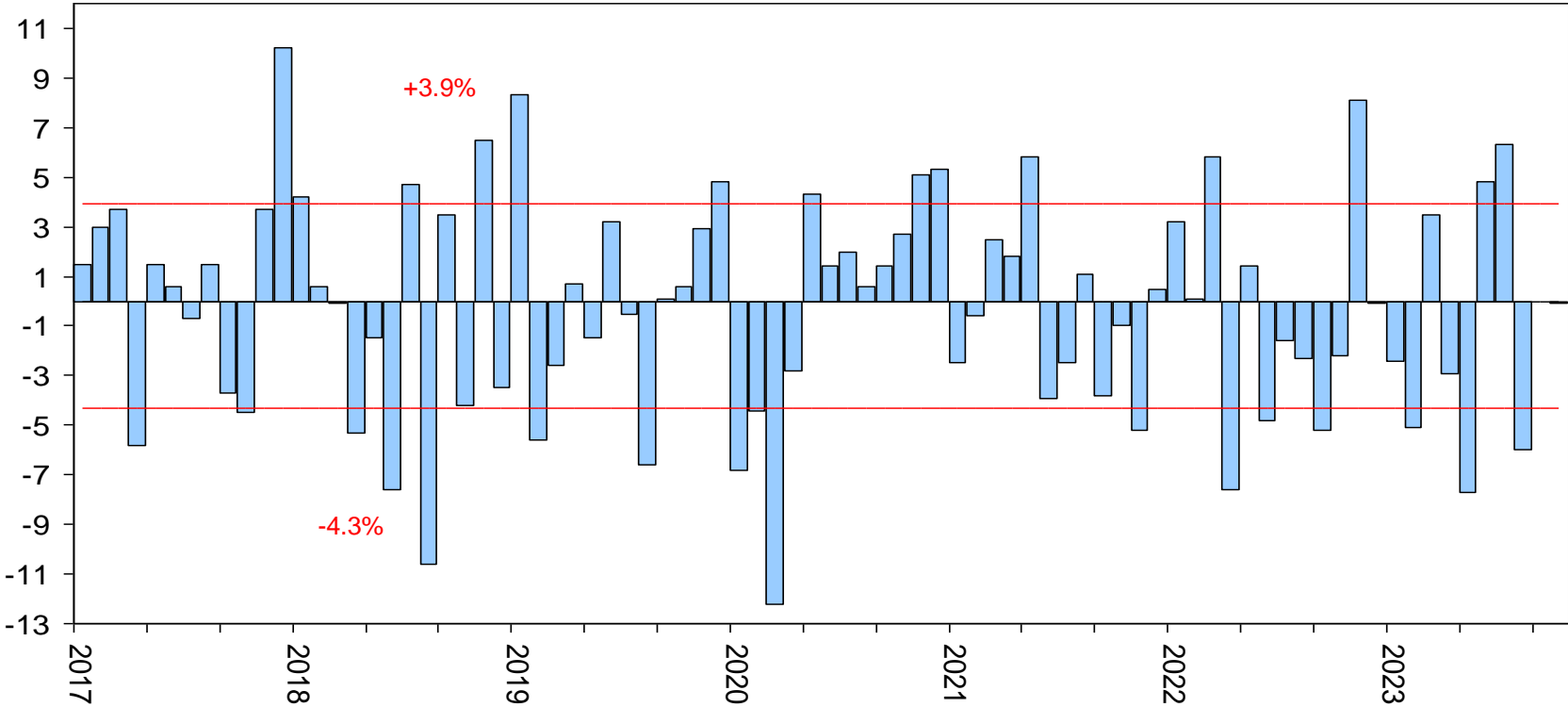
# SA trade-weighted exchange rate

Index, nominal, daily data from JP Morgan



# Monthly percentage change in Rand/Dollar

% month-on-month

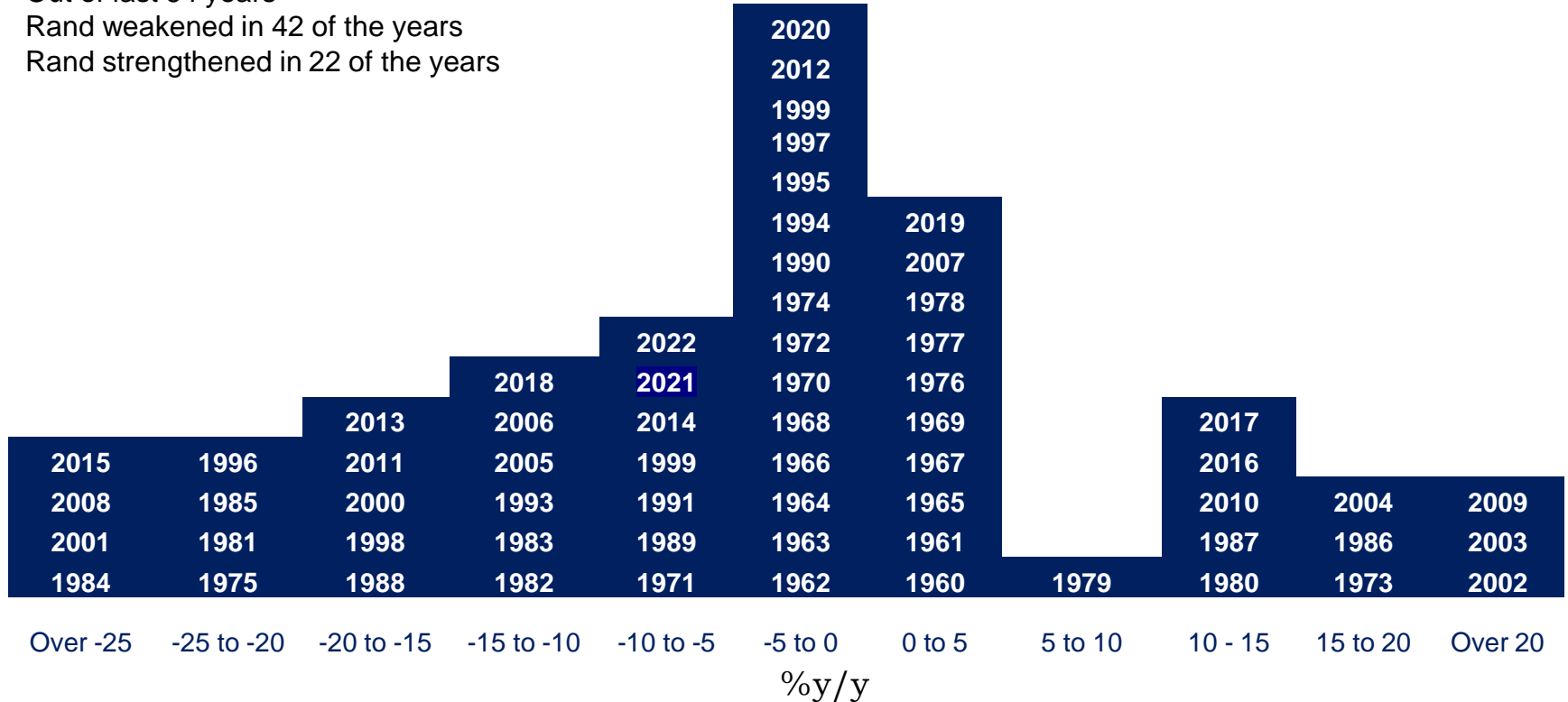


# Rand/Dollar annual performance

Out of last 64 years

Rand weakened in 42 of the years

Rand strengthened in 22 of the years



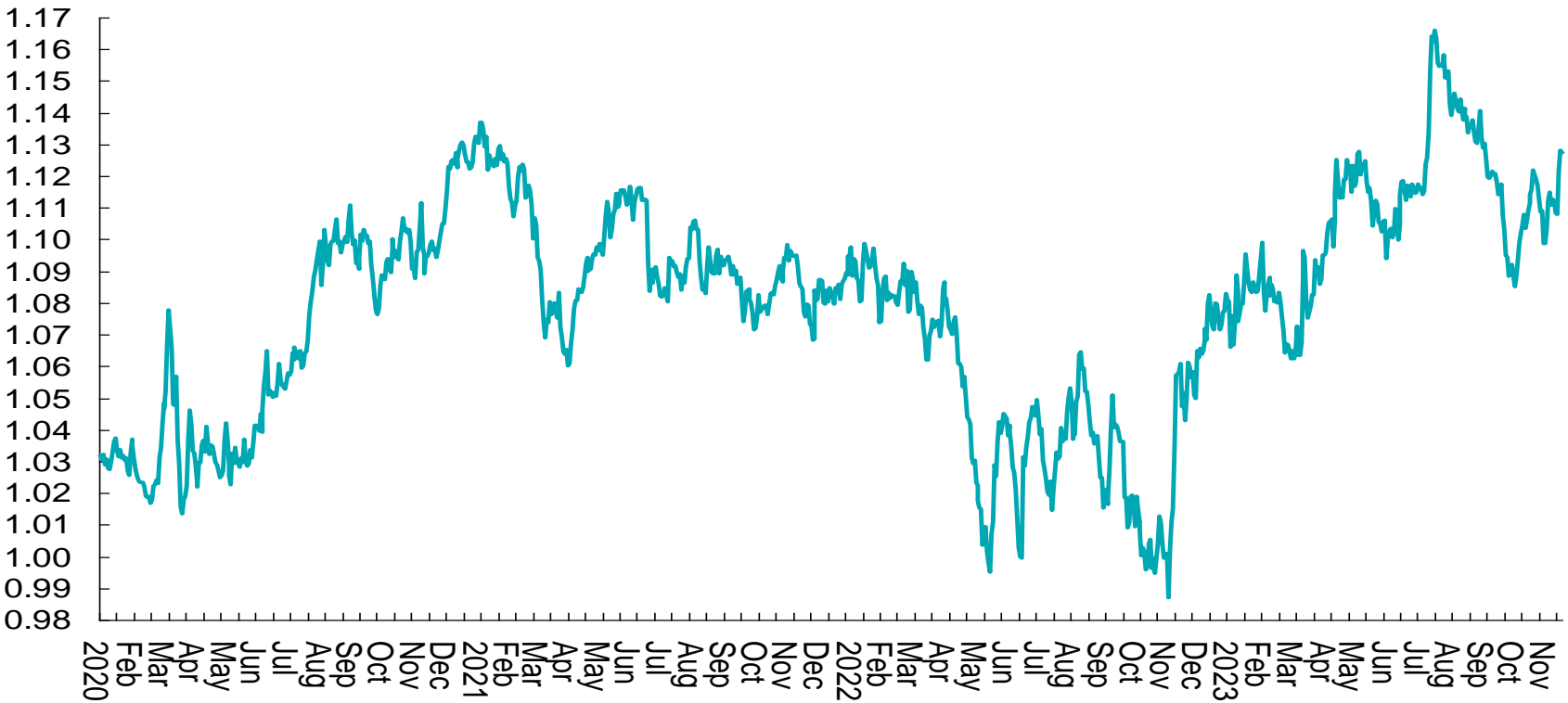
# US Dollar vs Euro

Dollar per Euro



# US Dollar per Swiss Franc

USD per CHF



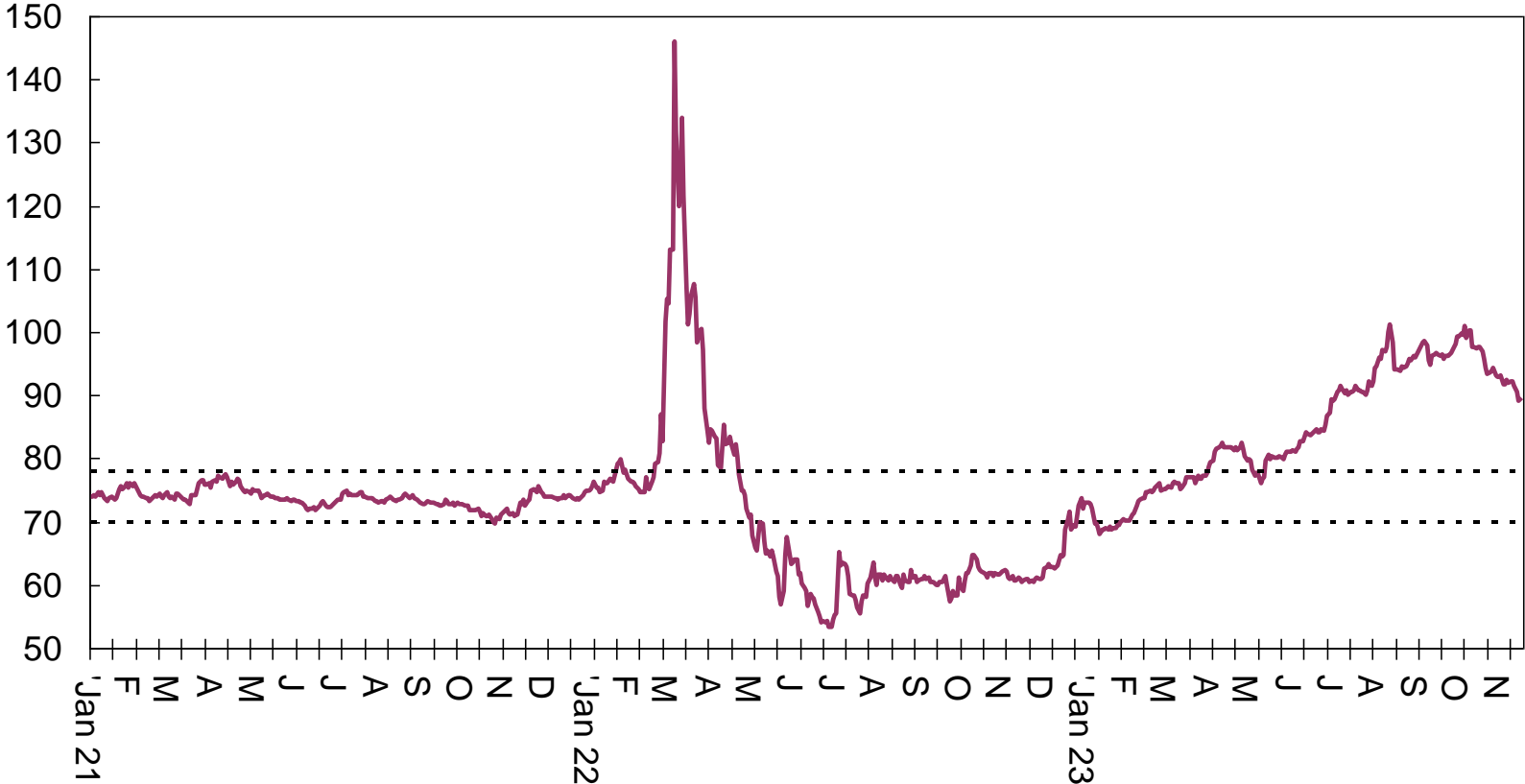
# US Dollar vs CNY

CNY per US Dollar



# Russian Ruble vs US Dollar (daily)

Ruble per Dollar



# Japanese Yen per US Dollar

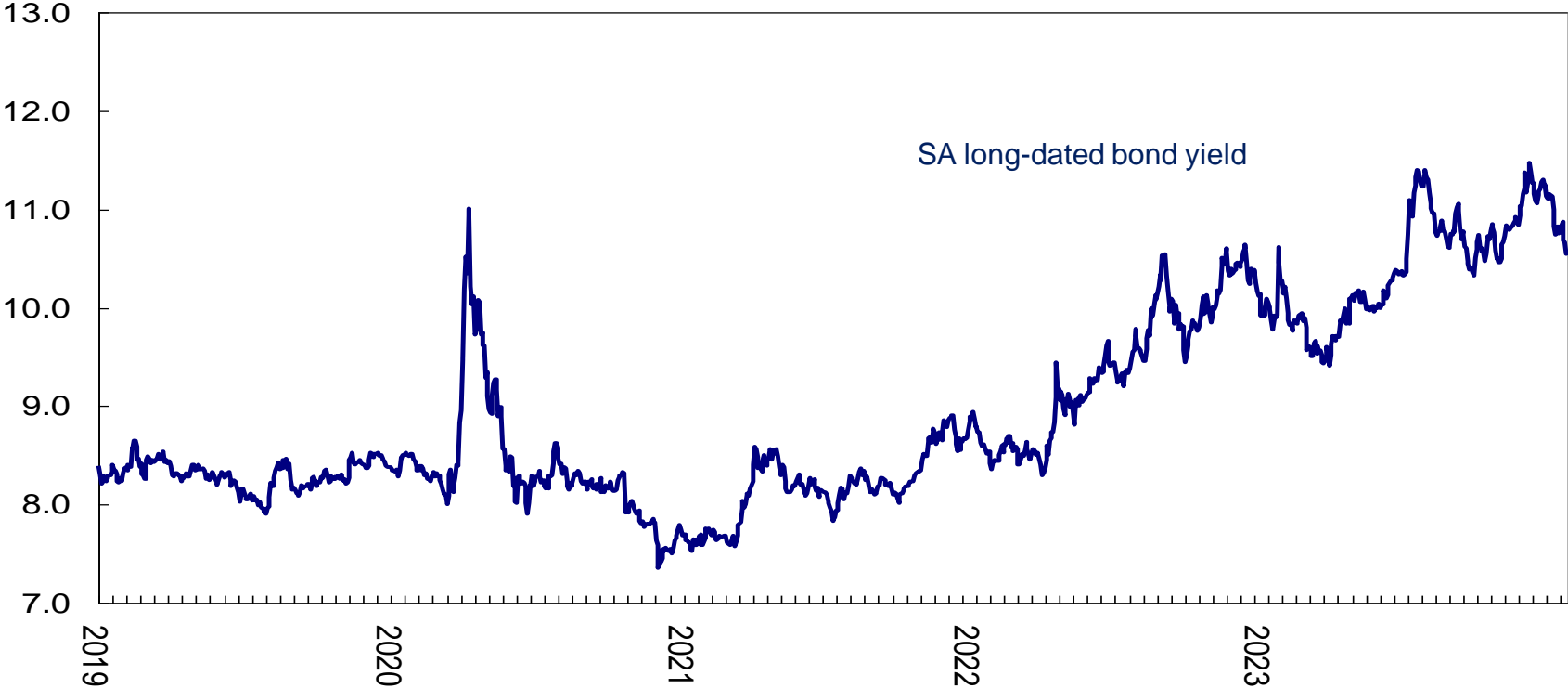
Yen per Dollar





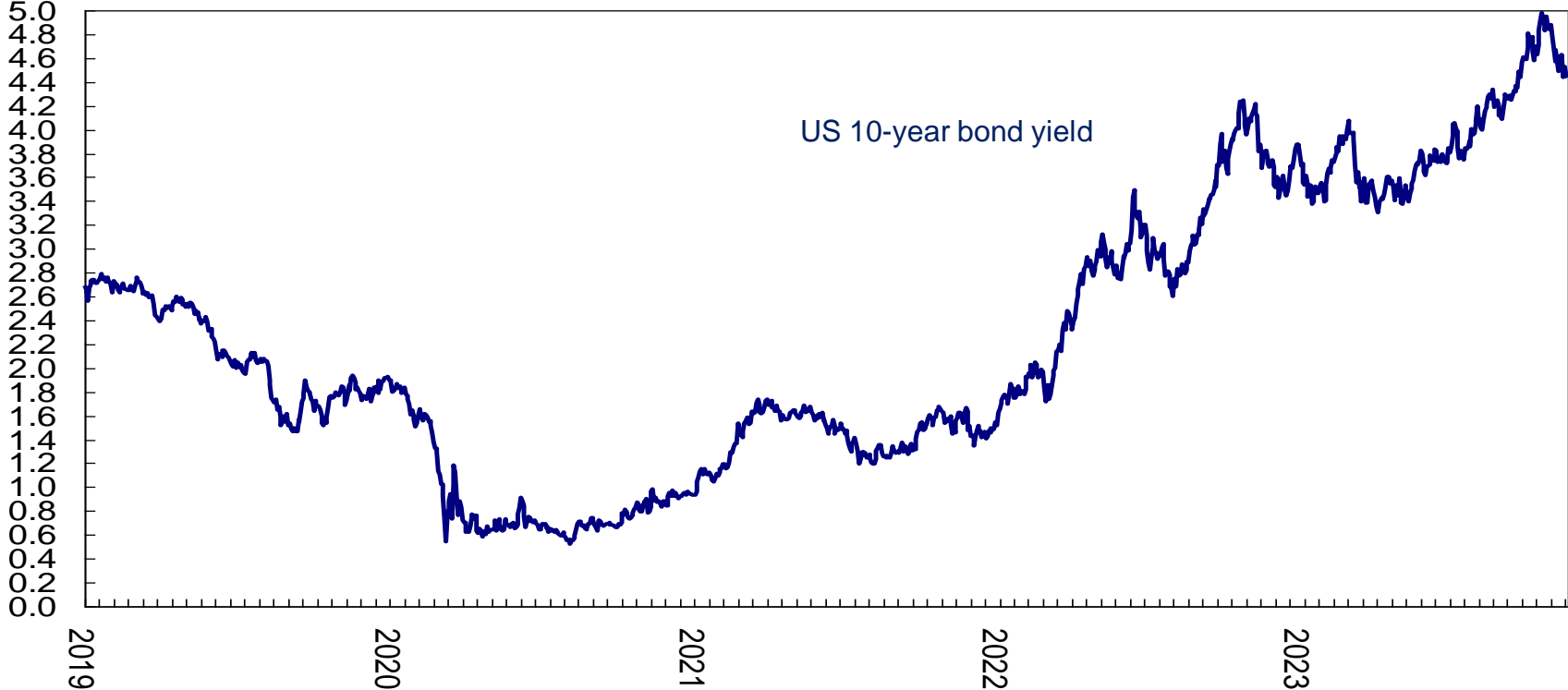
# SA long-dated government bond yield

% yield



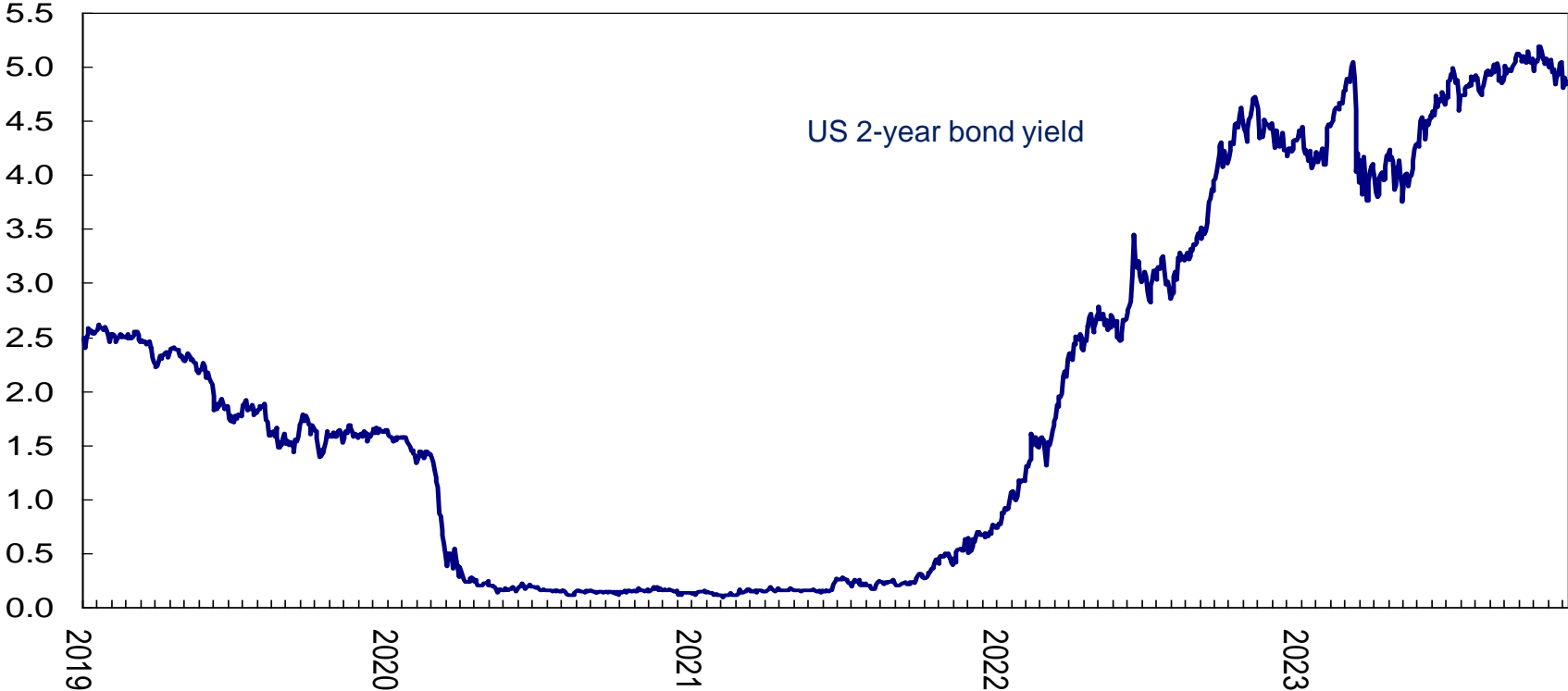
# US 10-year government bond yield

% yield



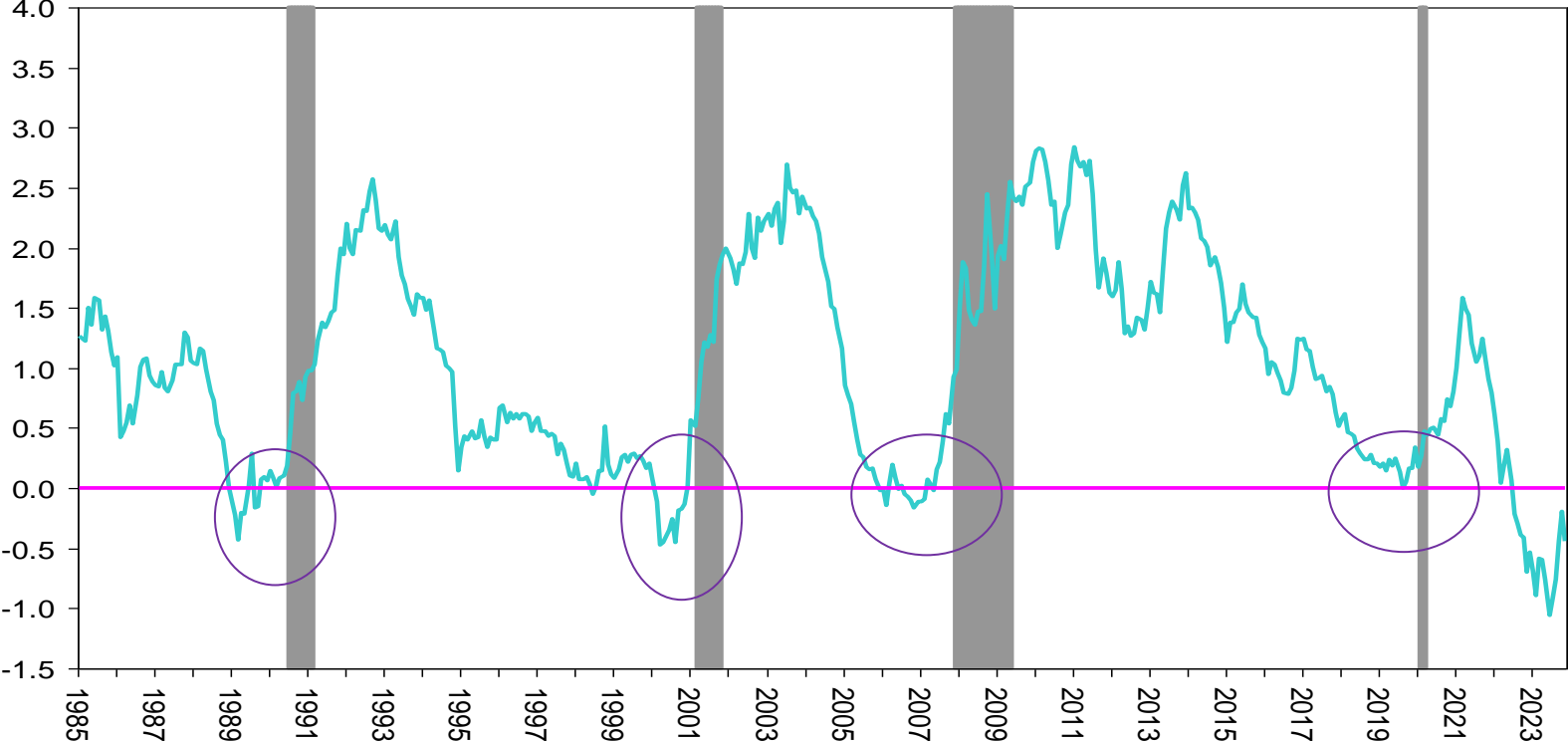
# US 2-year government bond yield

% yield



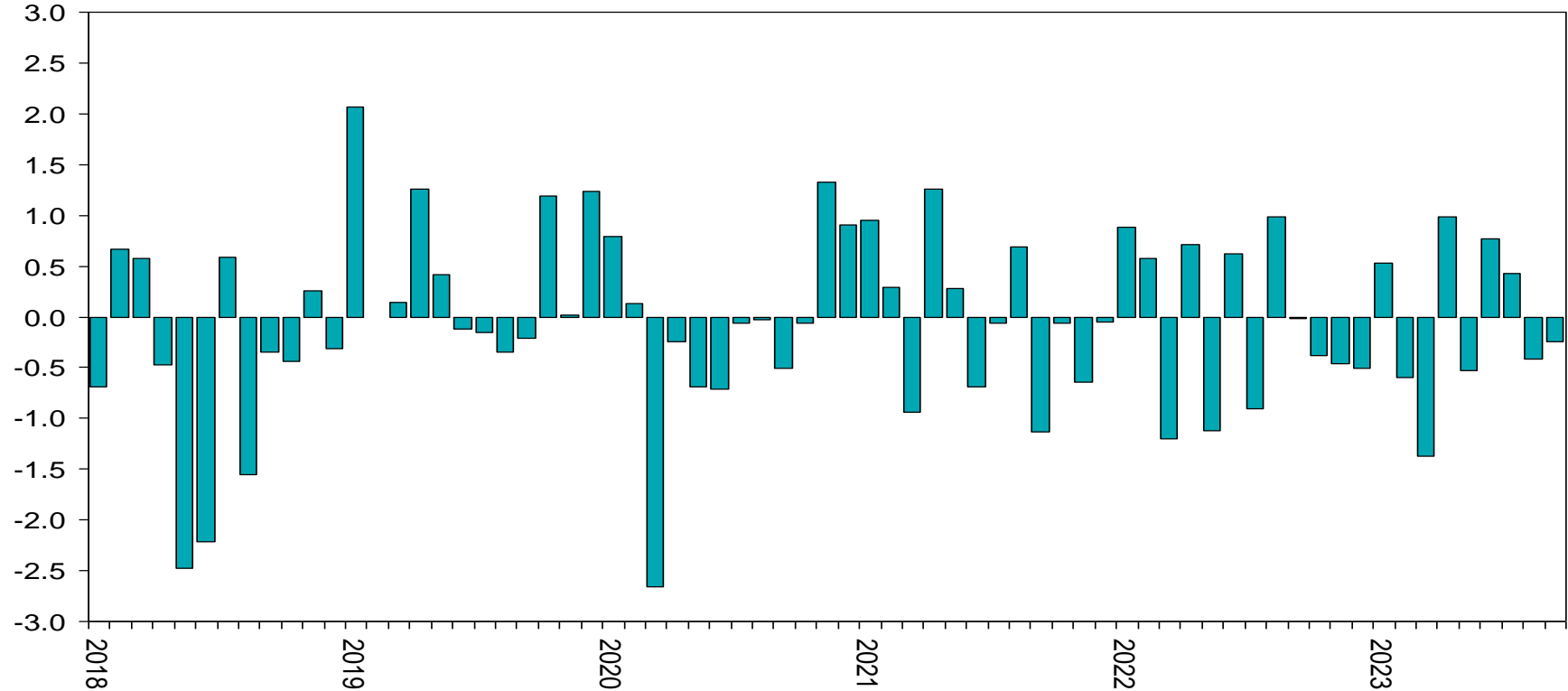
# US 10-year less 2-year treasury and business cycle

Percentage points



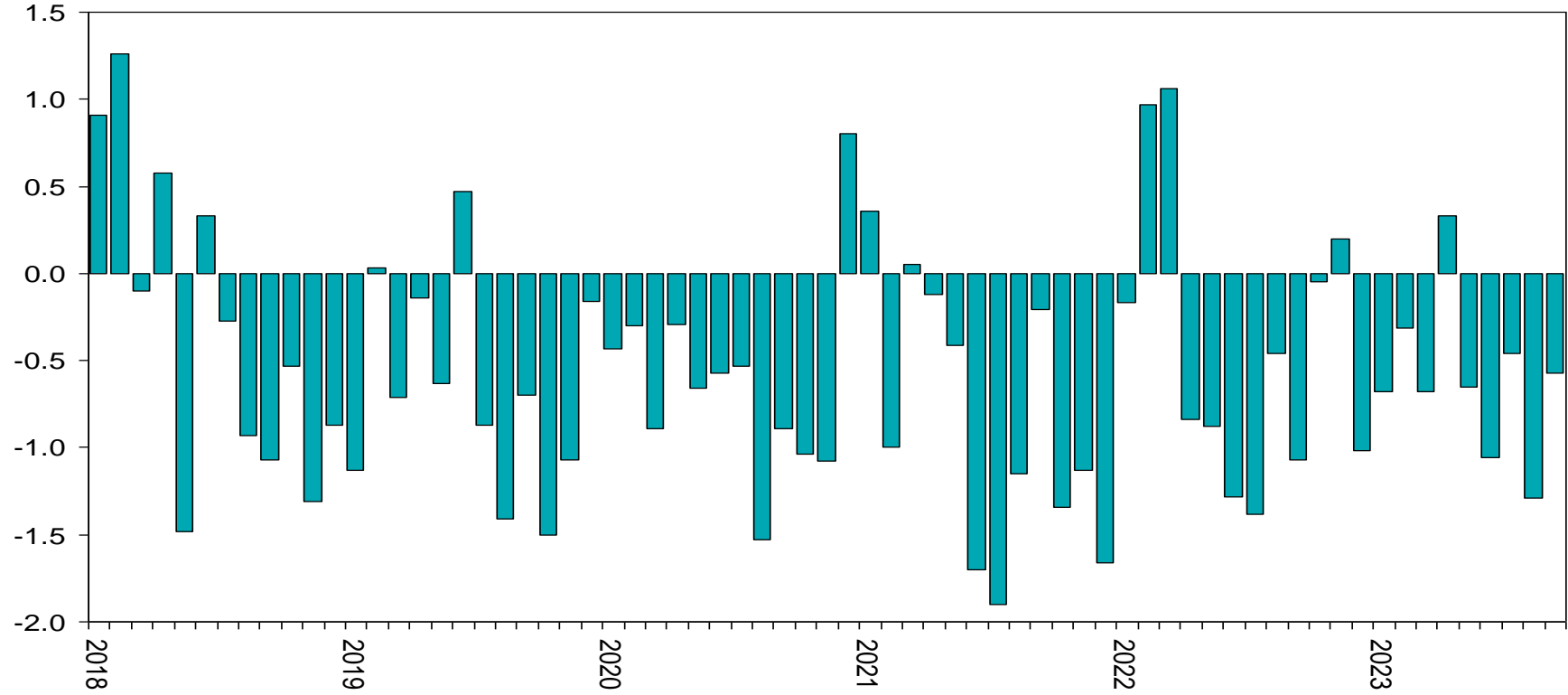
# Foreign buying of South African government bonds

\$ billion (SA Reserve Bank data)



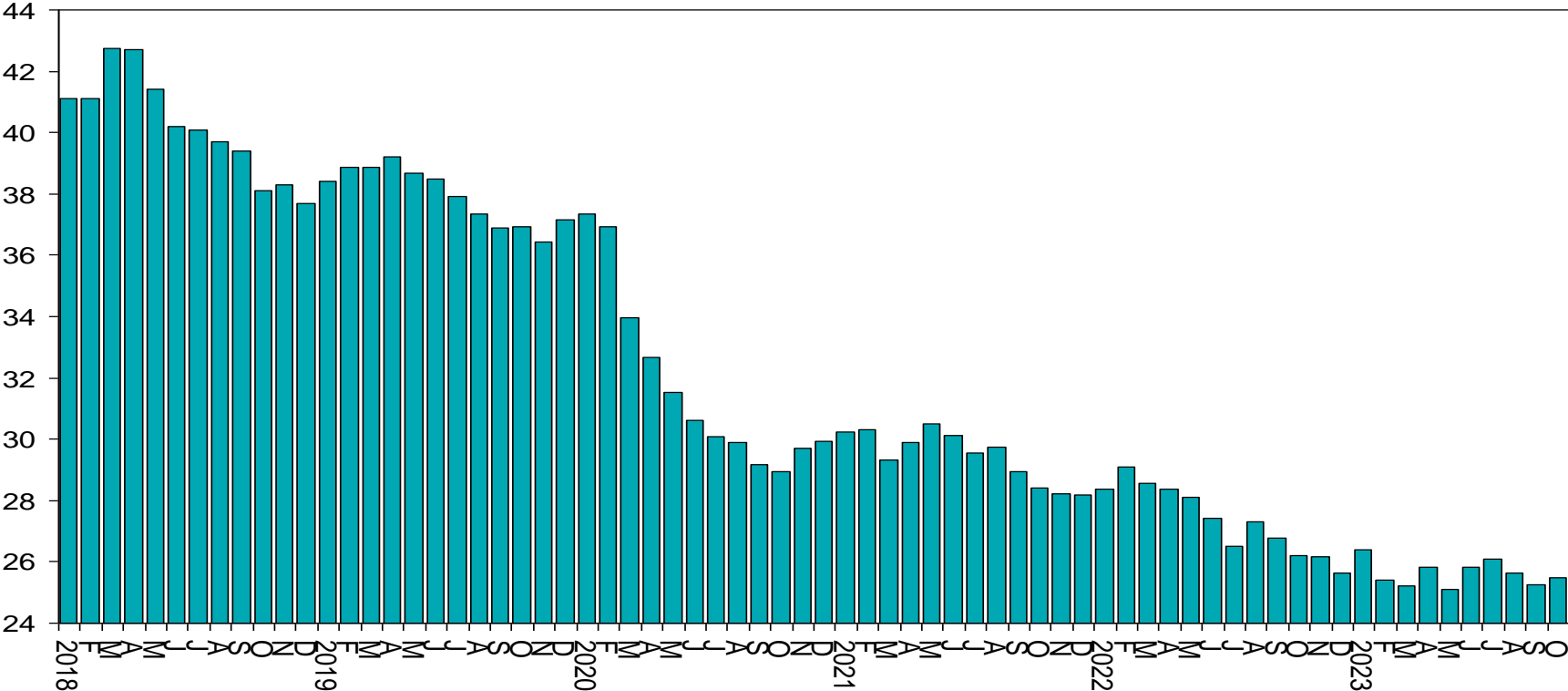
# Foreign buying of South African equities

\$ billion (SA Reserve Bank data)



# Foreign ownership of South African government bonds

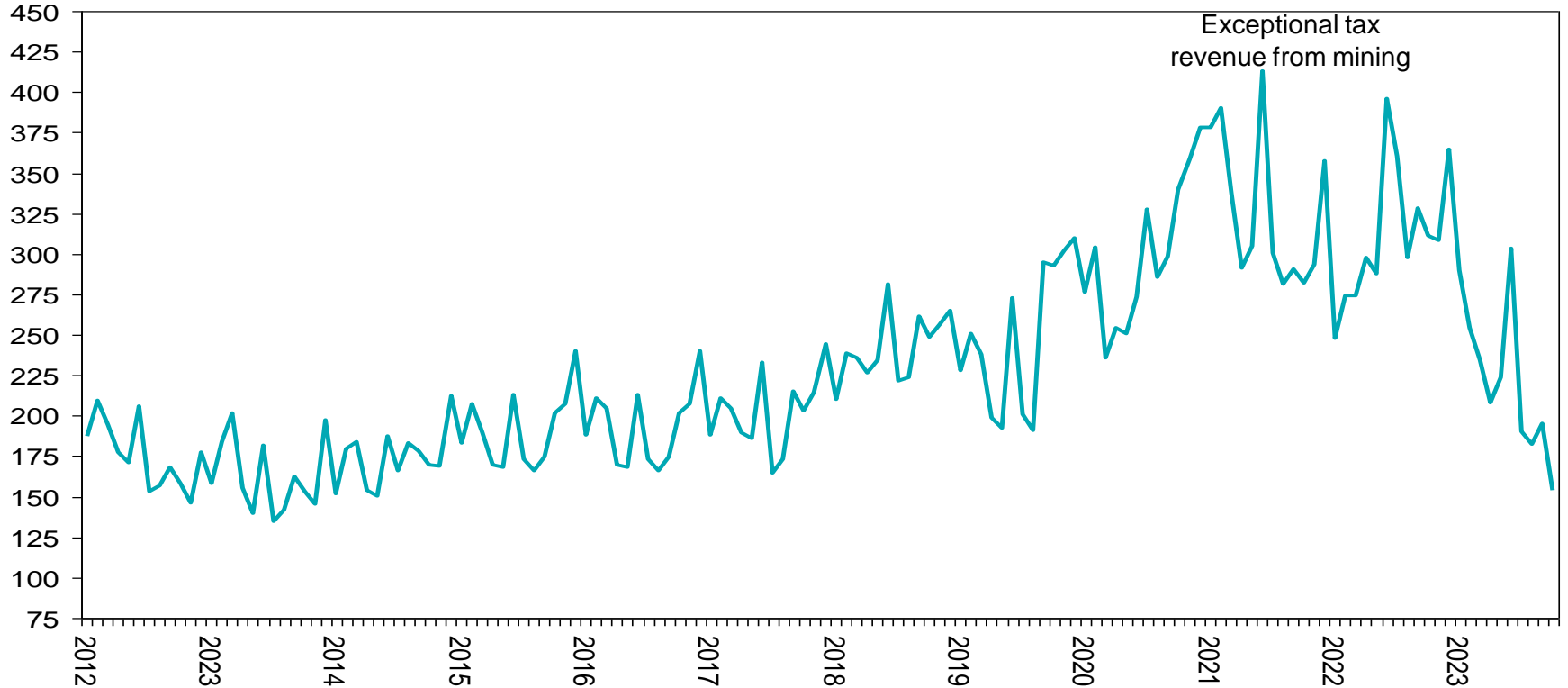
% of total



Source: South African National Treasury

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

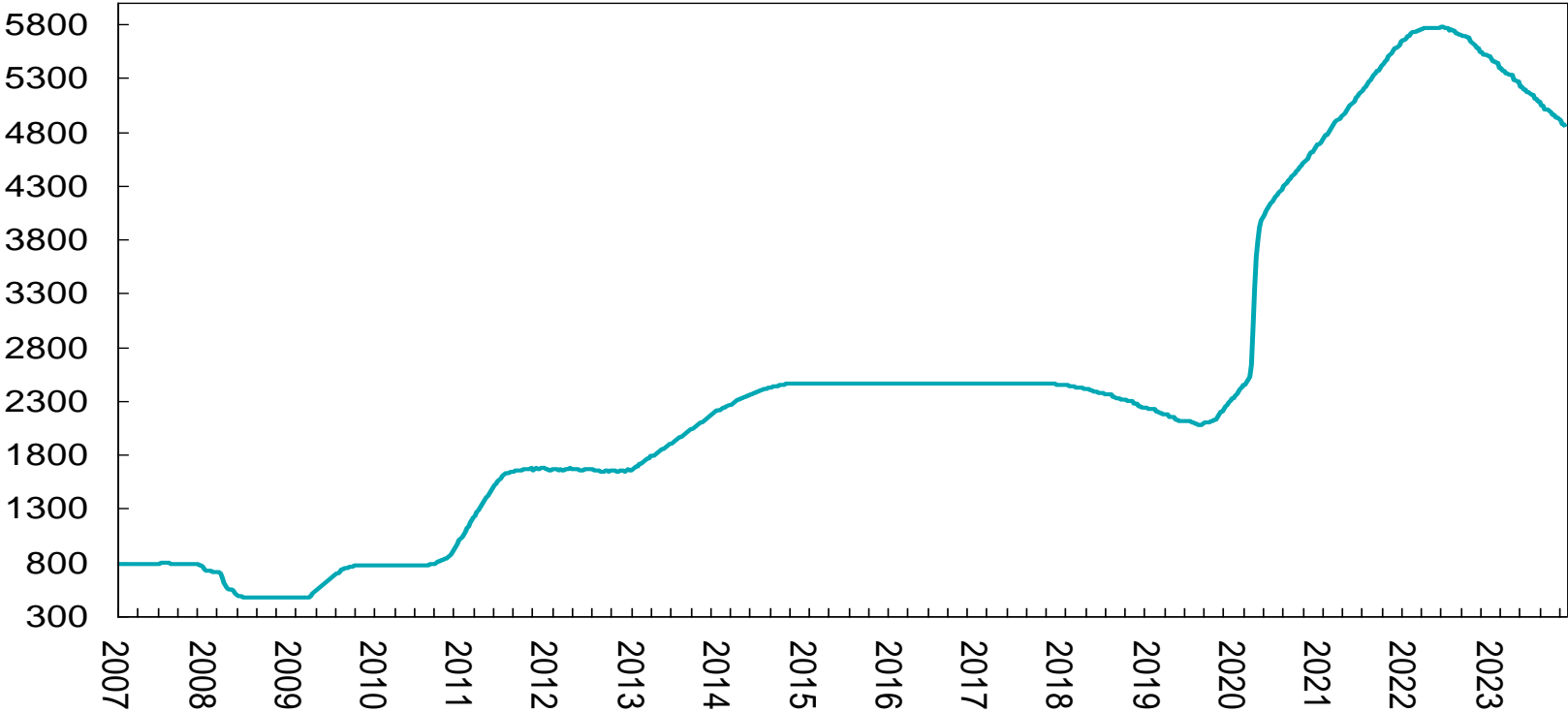
R billion





# US Federal Reserve ownership of government bonds

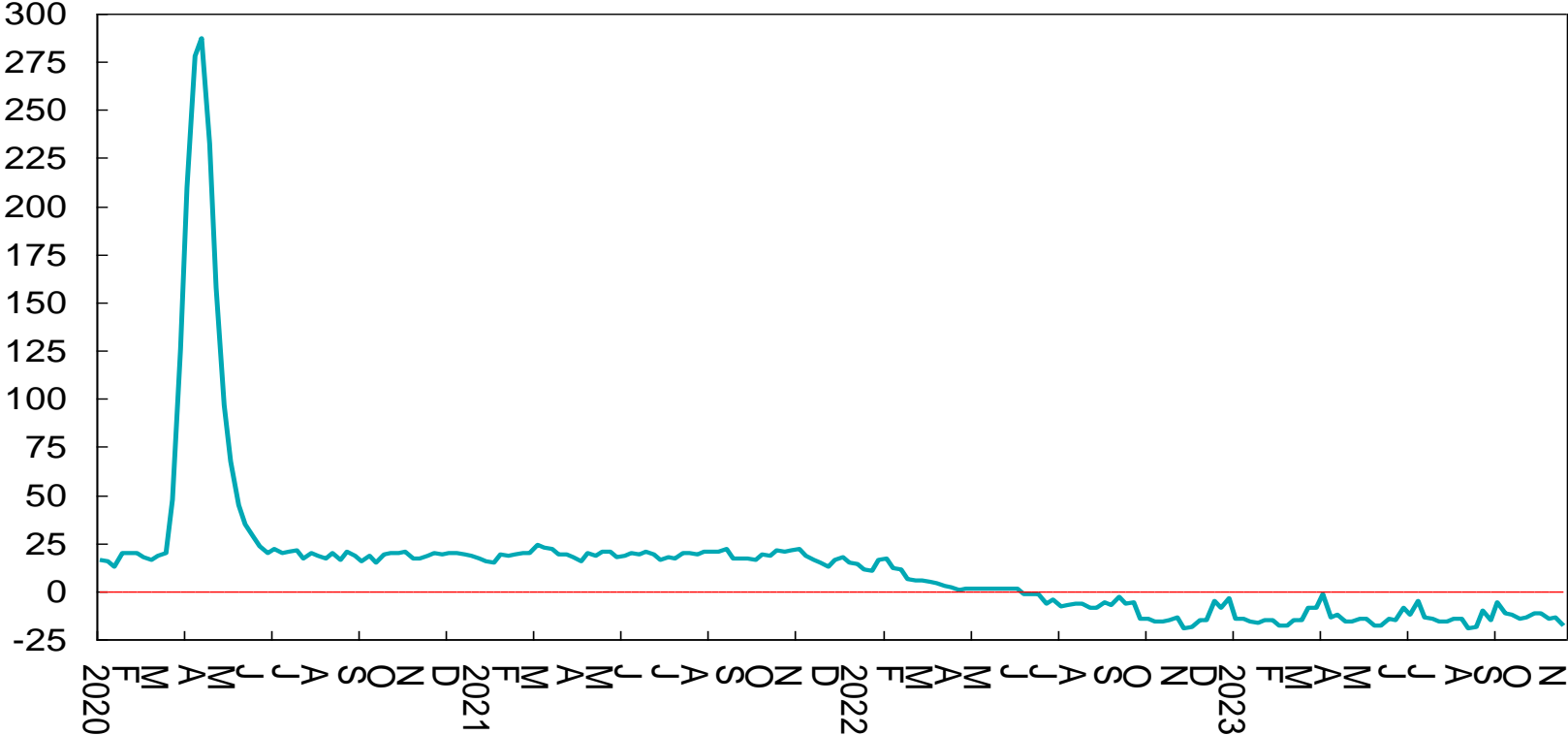
\$ billion



Source: US Federal Reserve

# US Federal Reserve purchase of government bonds

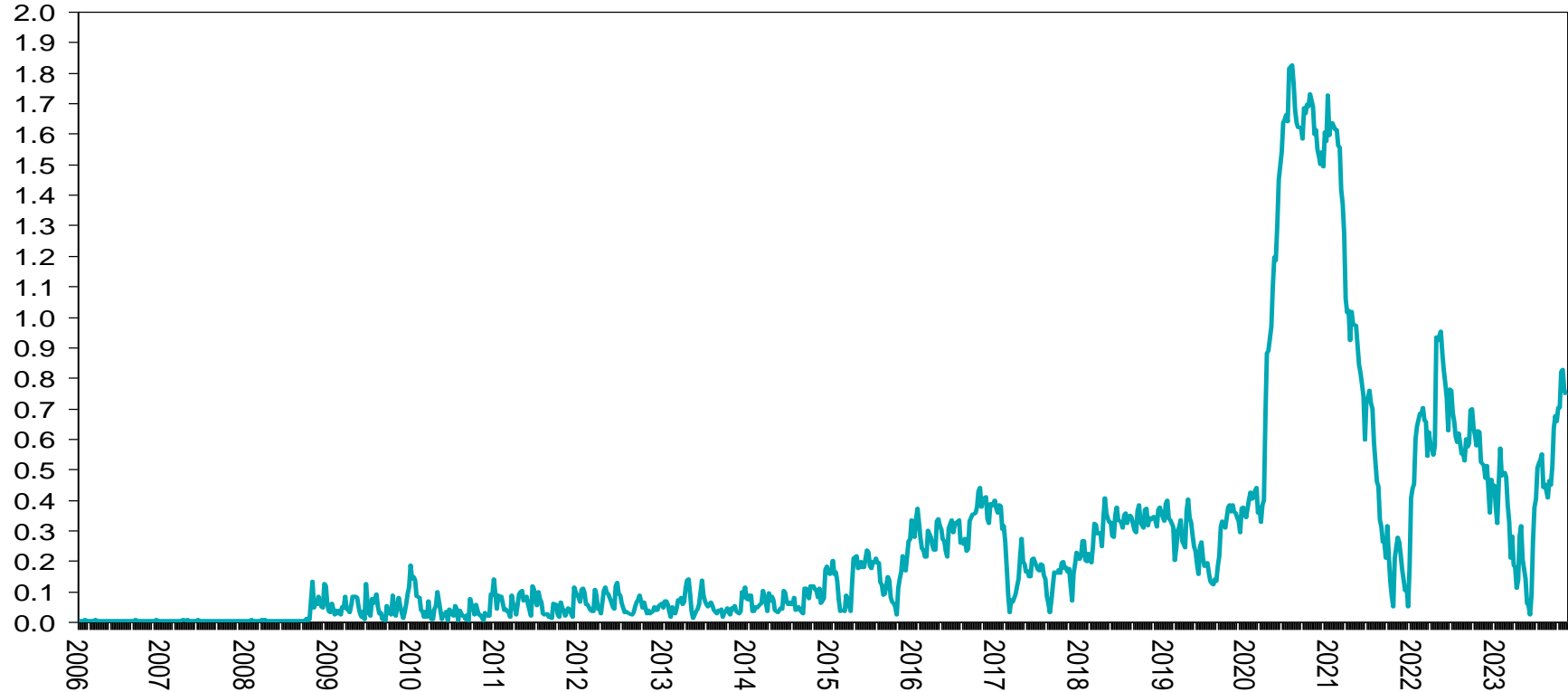
4-week average rate of purchases, \$ billion



Source: US Federal Reserve

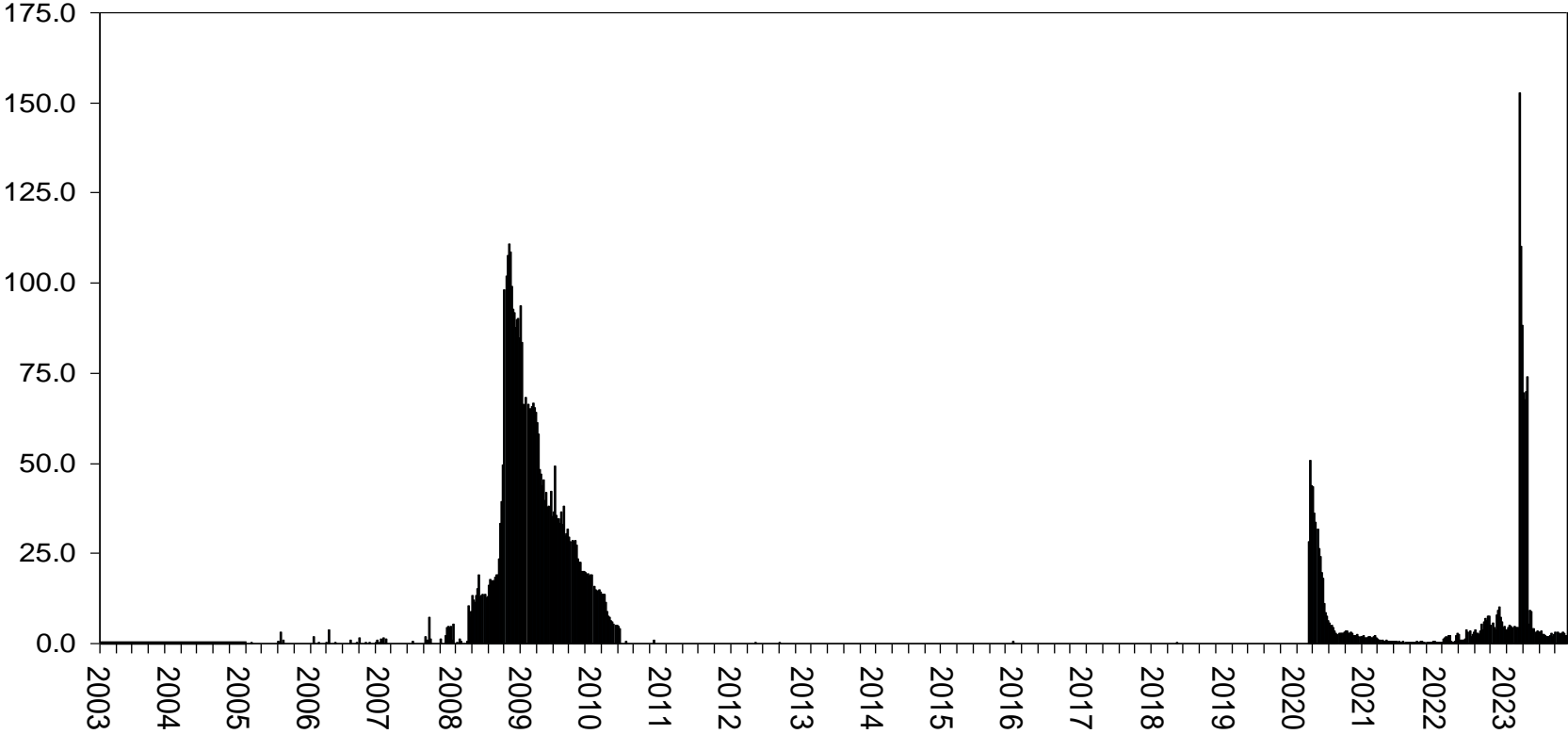
# US Treasury cash balance at Federal Reserve

\$ trillion, weekly



# US Federal Reserve discount window (balance)

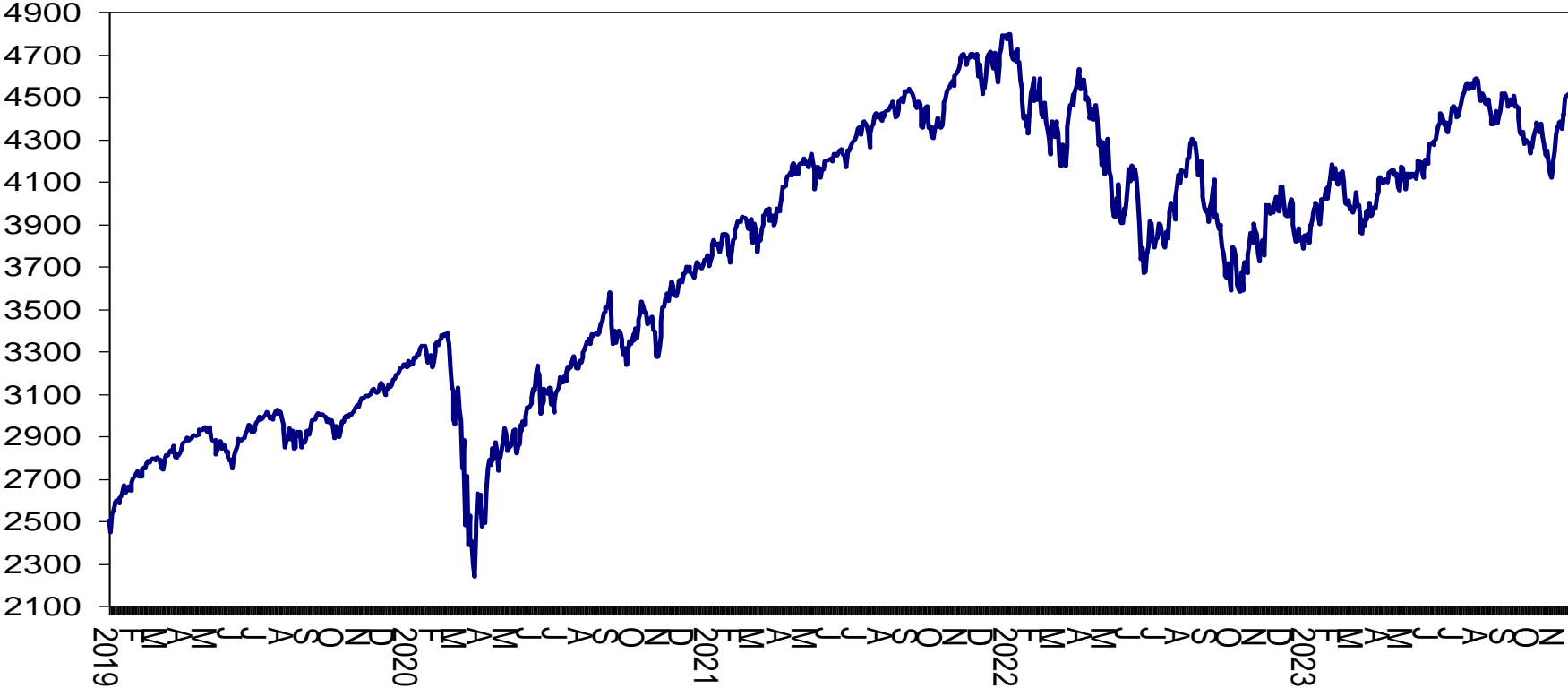
\$ billion (weekly data)





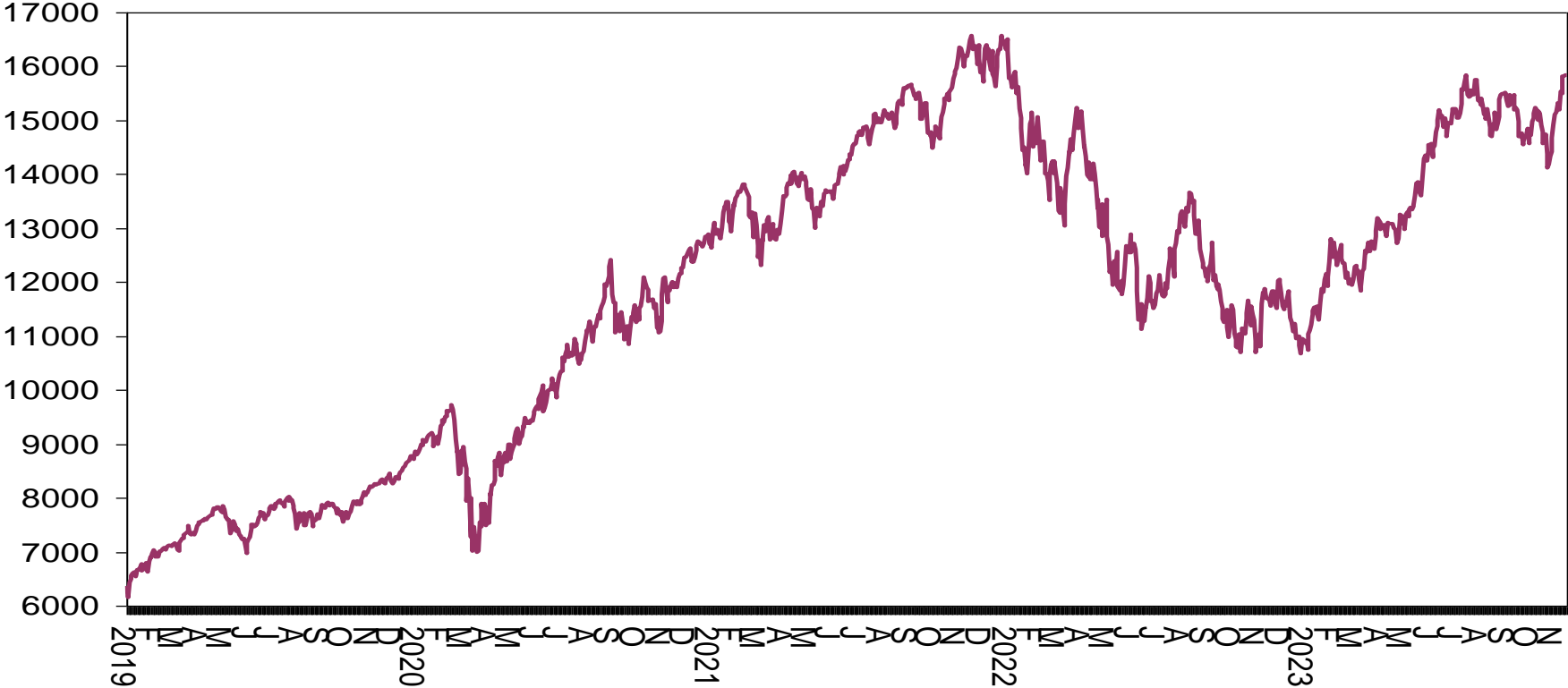
# US S&P 500

Index



# US NASDAQ (100) index

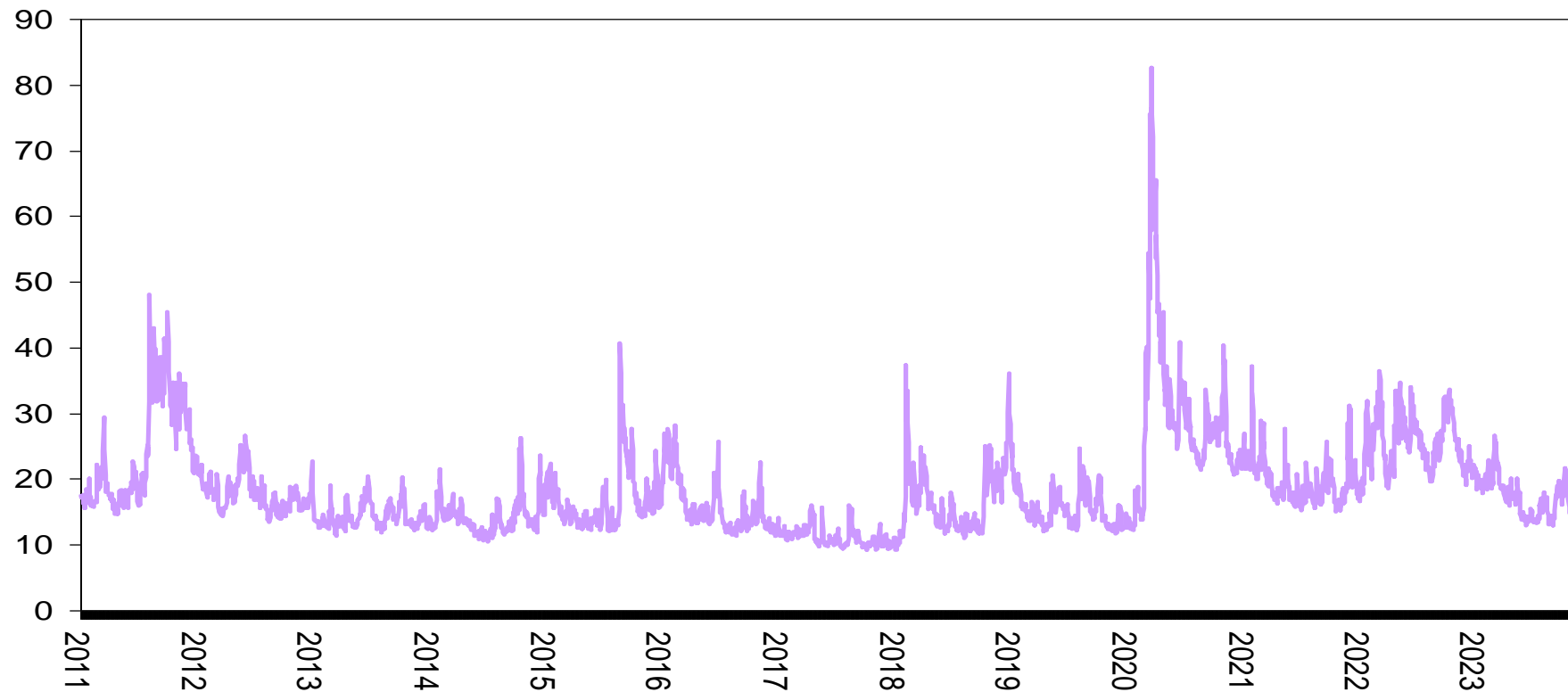
Index



# Chicago Board Options Exchange volatility index (VIX index)

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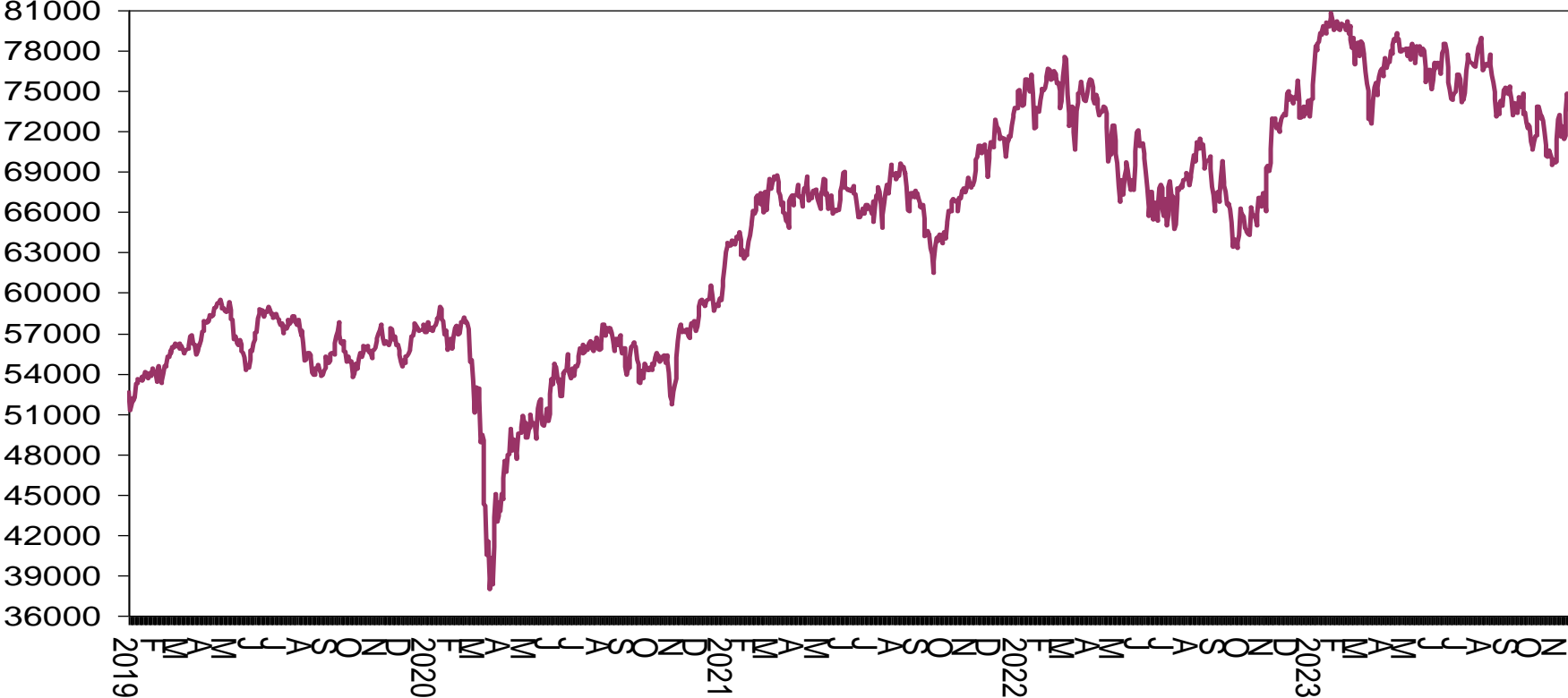
Index





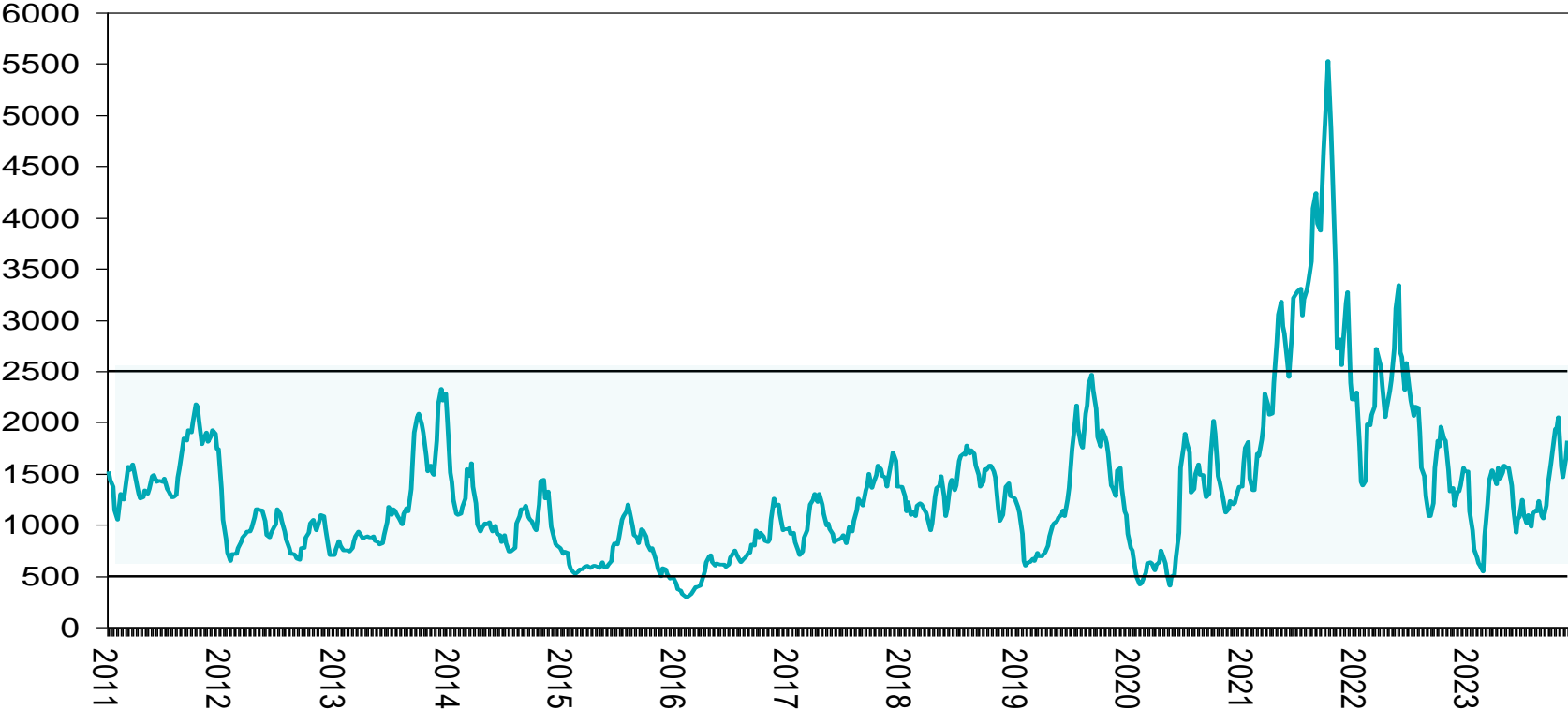
# SA equity market

Index



# Baltic Dry Index (shipping cost of commodities)

Index, Baltic Exchange

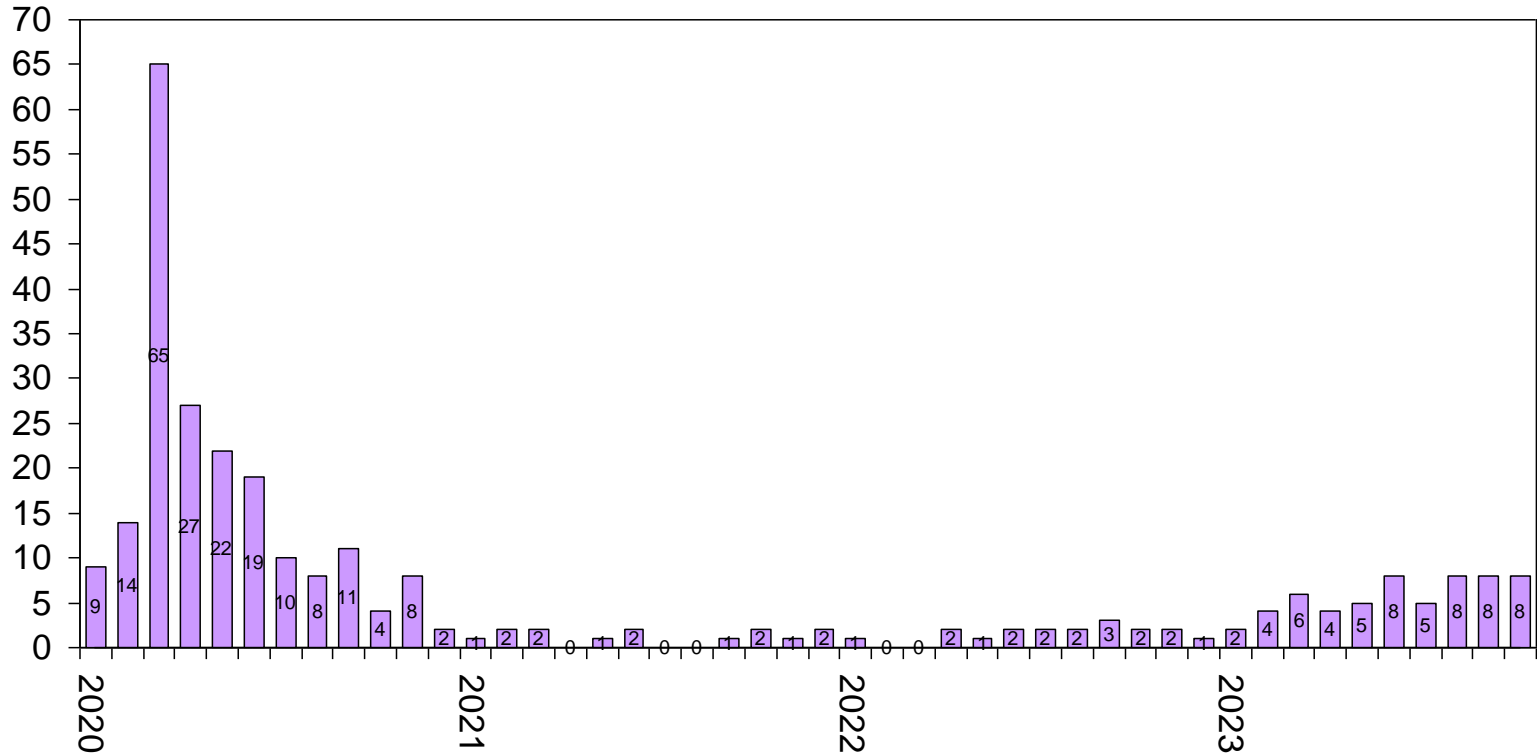


Source: Baltic Exchange



# 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: 13 to 19 November 2023

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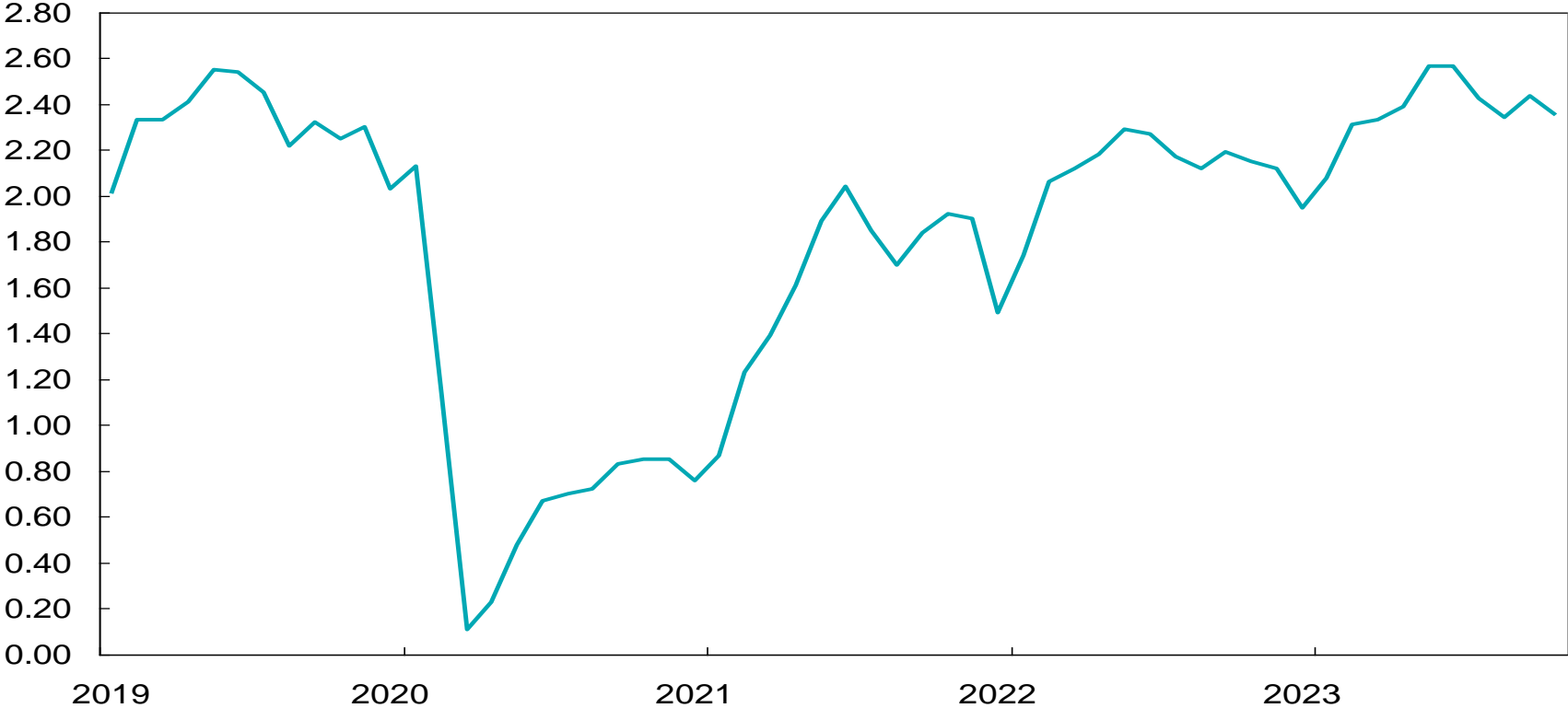
- US airport passengers monthly
- US weekly motor gasoline sales
- US oil and gas rig count
- US weekly rail traffic



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# US number of airport passengers (monthly)

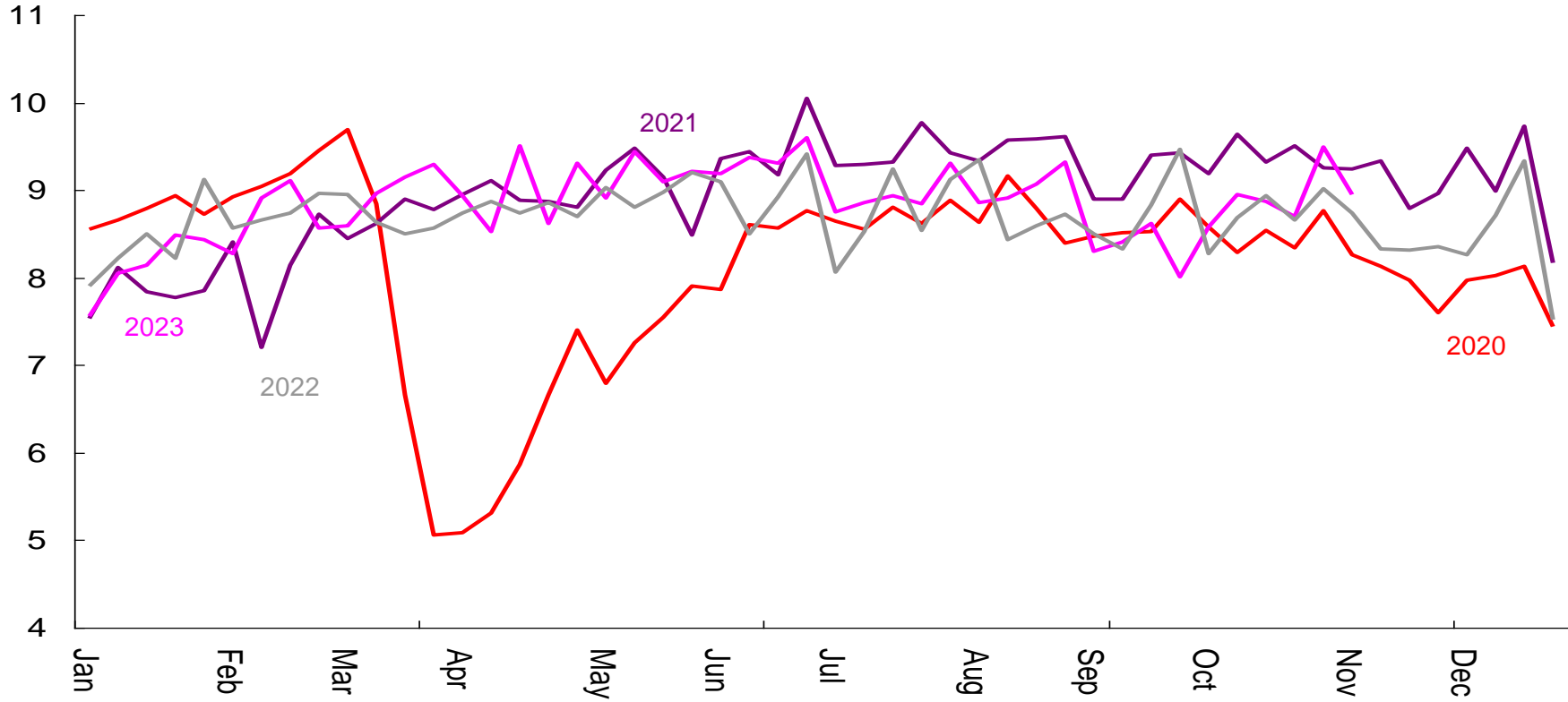
Number of passengers, millions



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

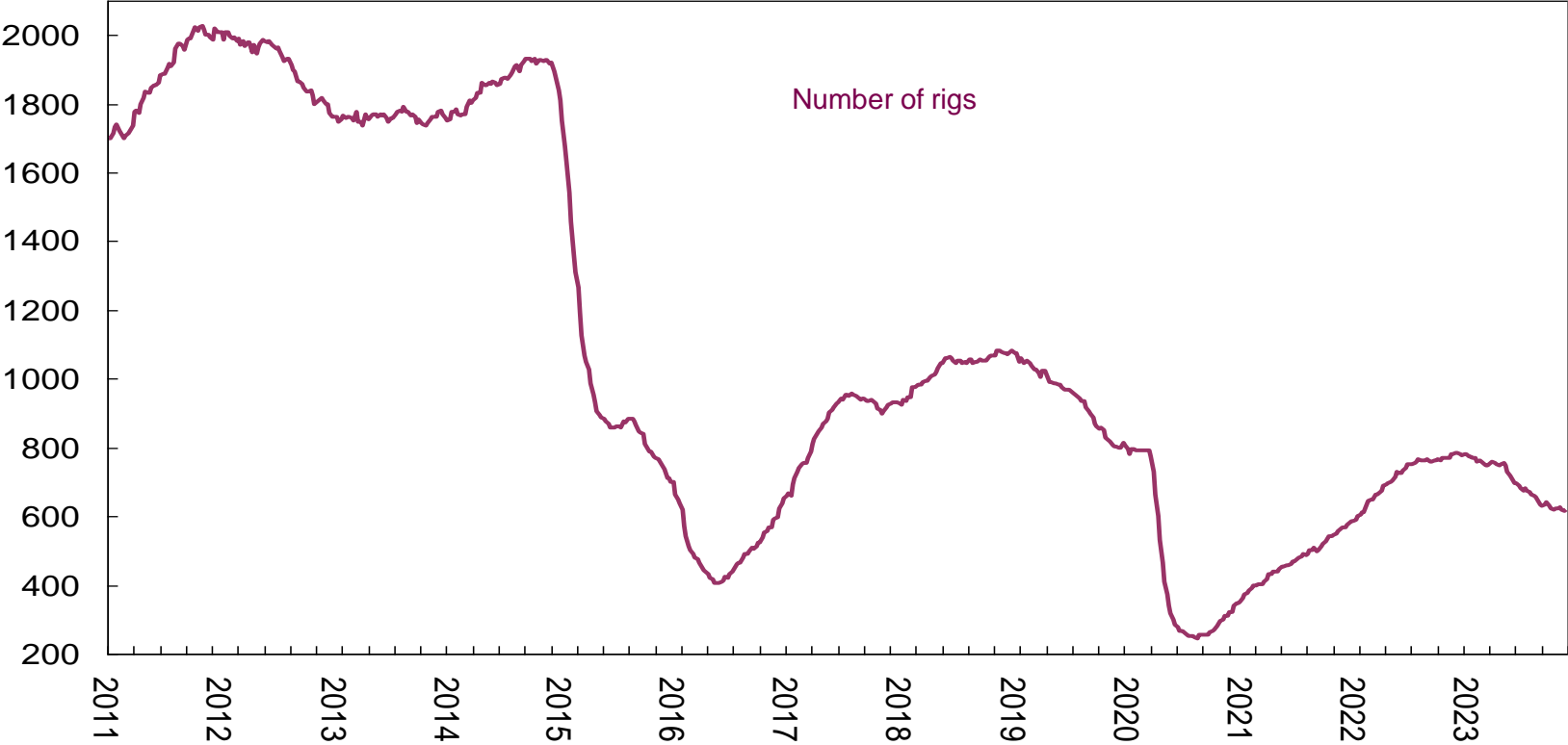
# US weekly motor gasoline supply

Million barrels per day



# US oil and gas rig count

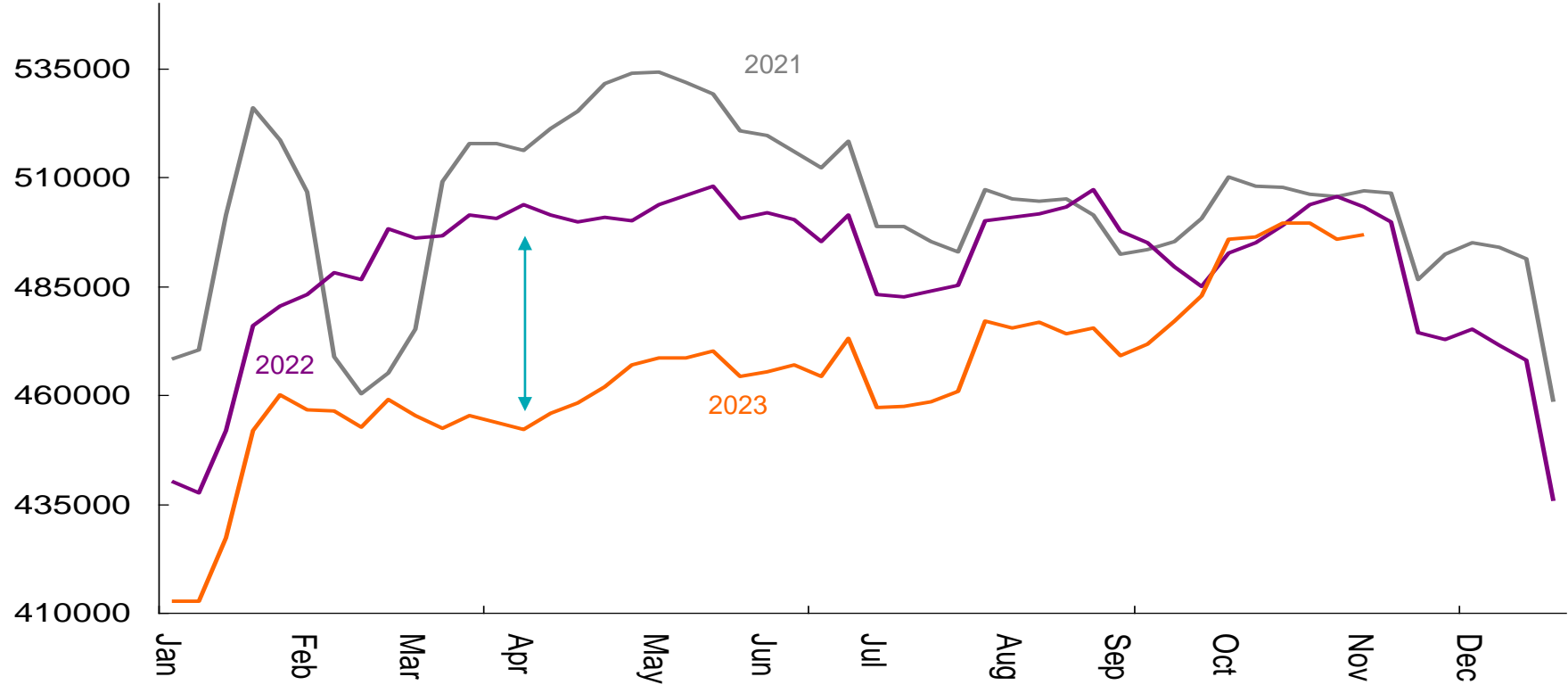
Number of rigs





# US weekly rail traffic

Carloads and/or intermodal units



## SA energy crisis: 13 to 19 November 2023

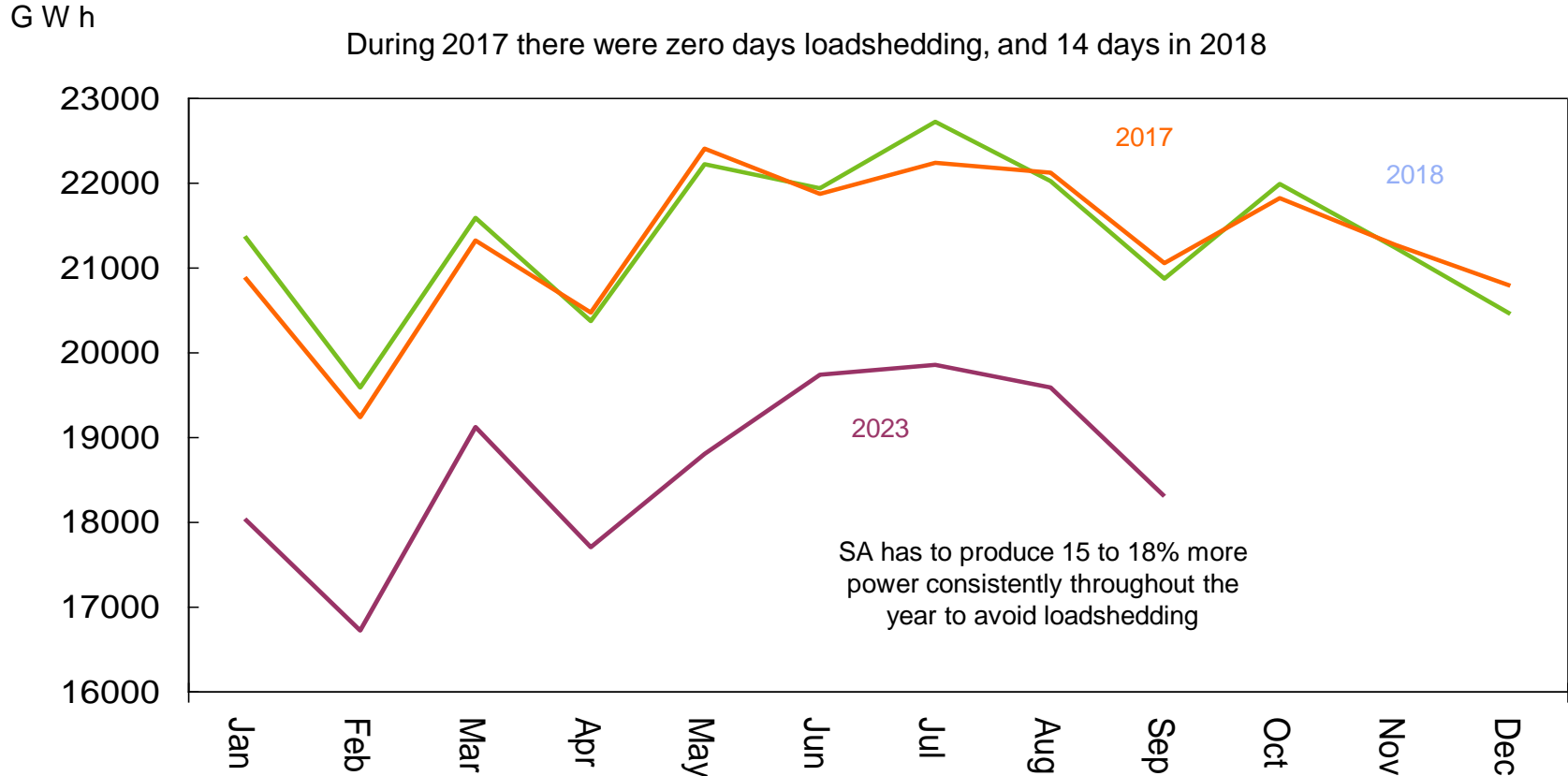
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- Independent Power projects (NERSA)
- SA number of days of load-shedding
- Eskom's Energy Availability Factor (EAF)



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# South Africa electricity production: 2017/2018 vs 2023



## Private sector power projects (NERSA)

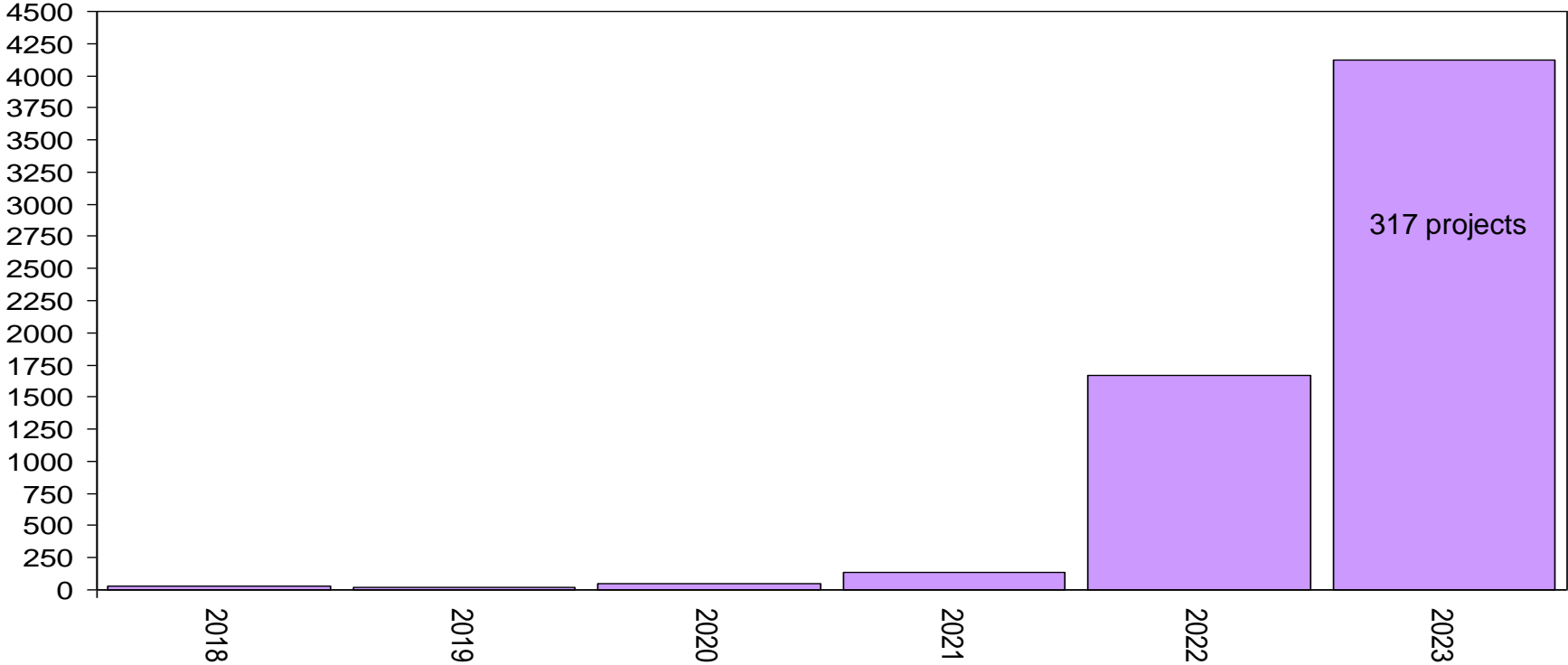
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Year	Number of projects	MW of all projects
2018	52	26
2019	41	23
2020	124	53
2021	282	134
2022	406	1664
2023*	317	4126

\*Jan-October 2023

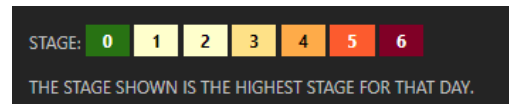
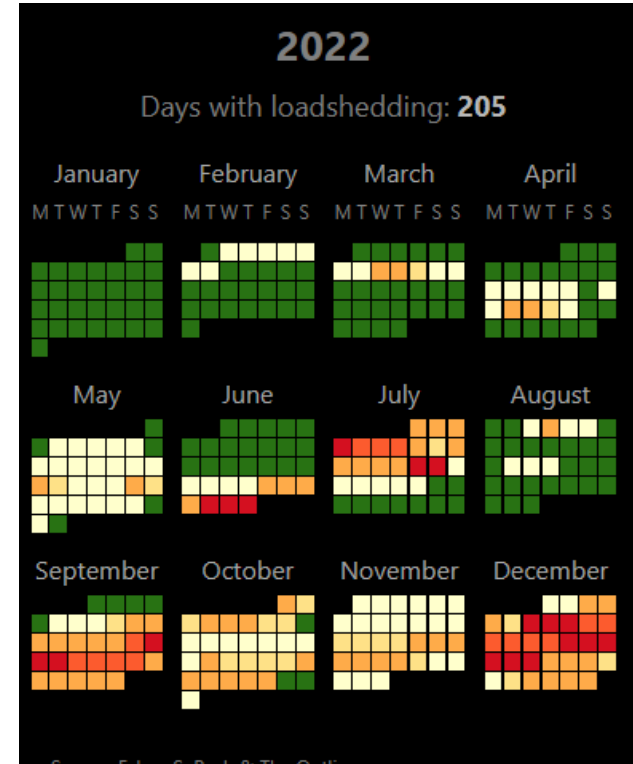
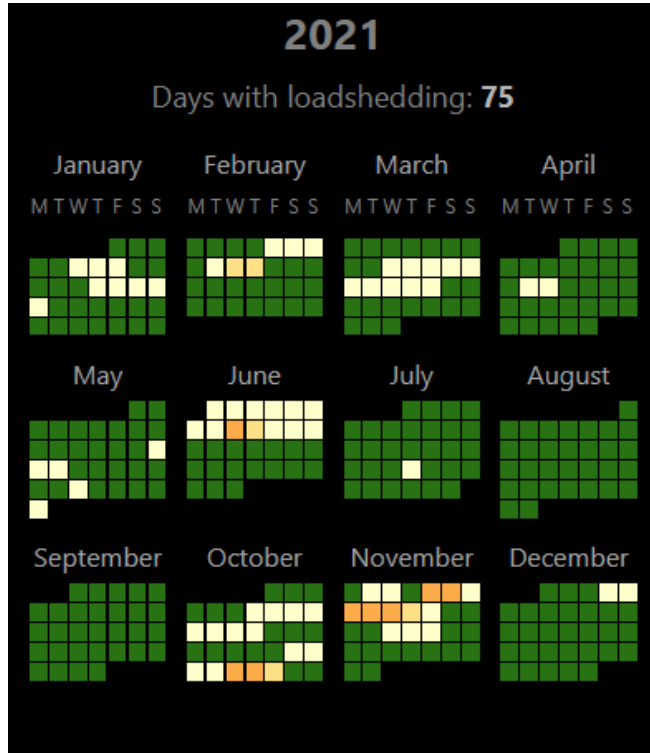
# SA private renewable energy projects (outside of REIPPP)

MW (January to September 2023)

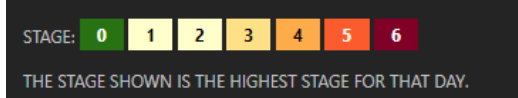
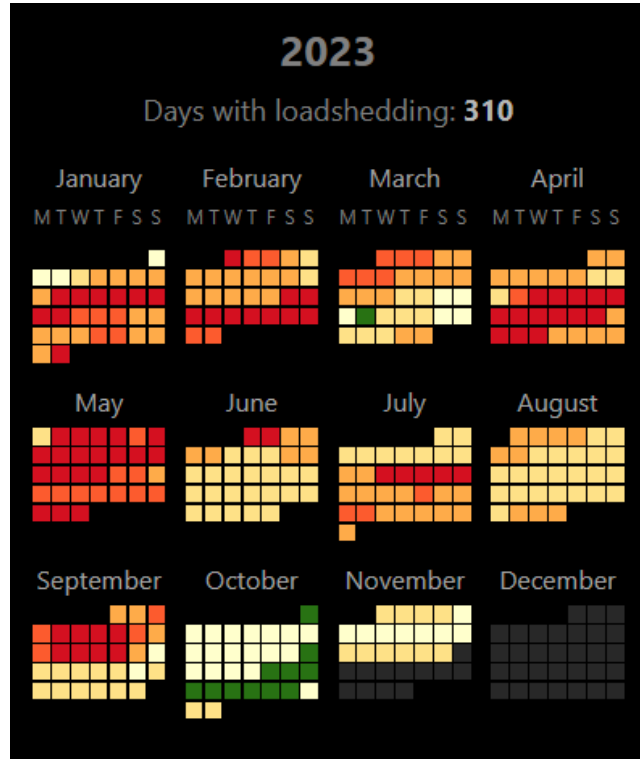


Source: NERSA

# South Africa number of days of loadshedding

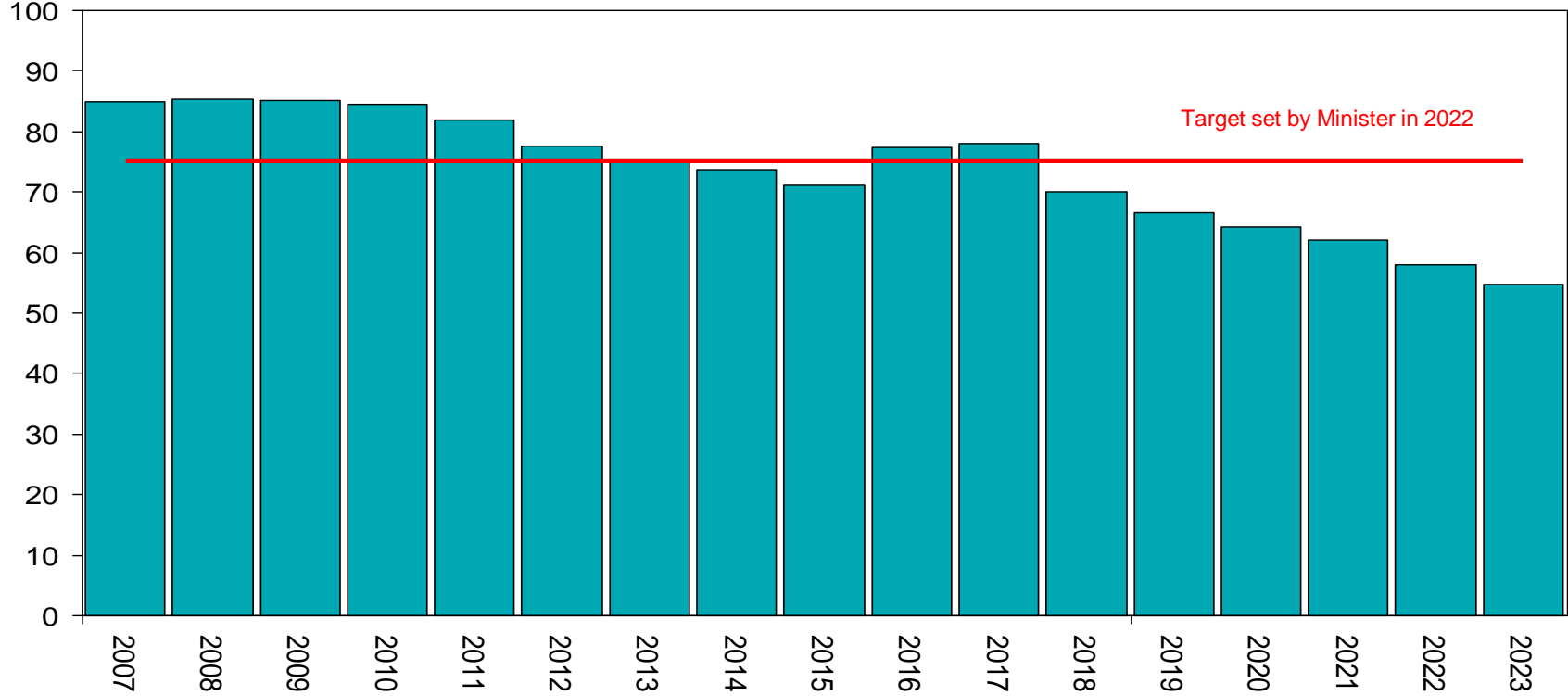


# South Africa number of days of loadshedding



# Eskom Energy Availability Factor (EAF)

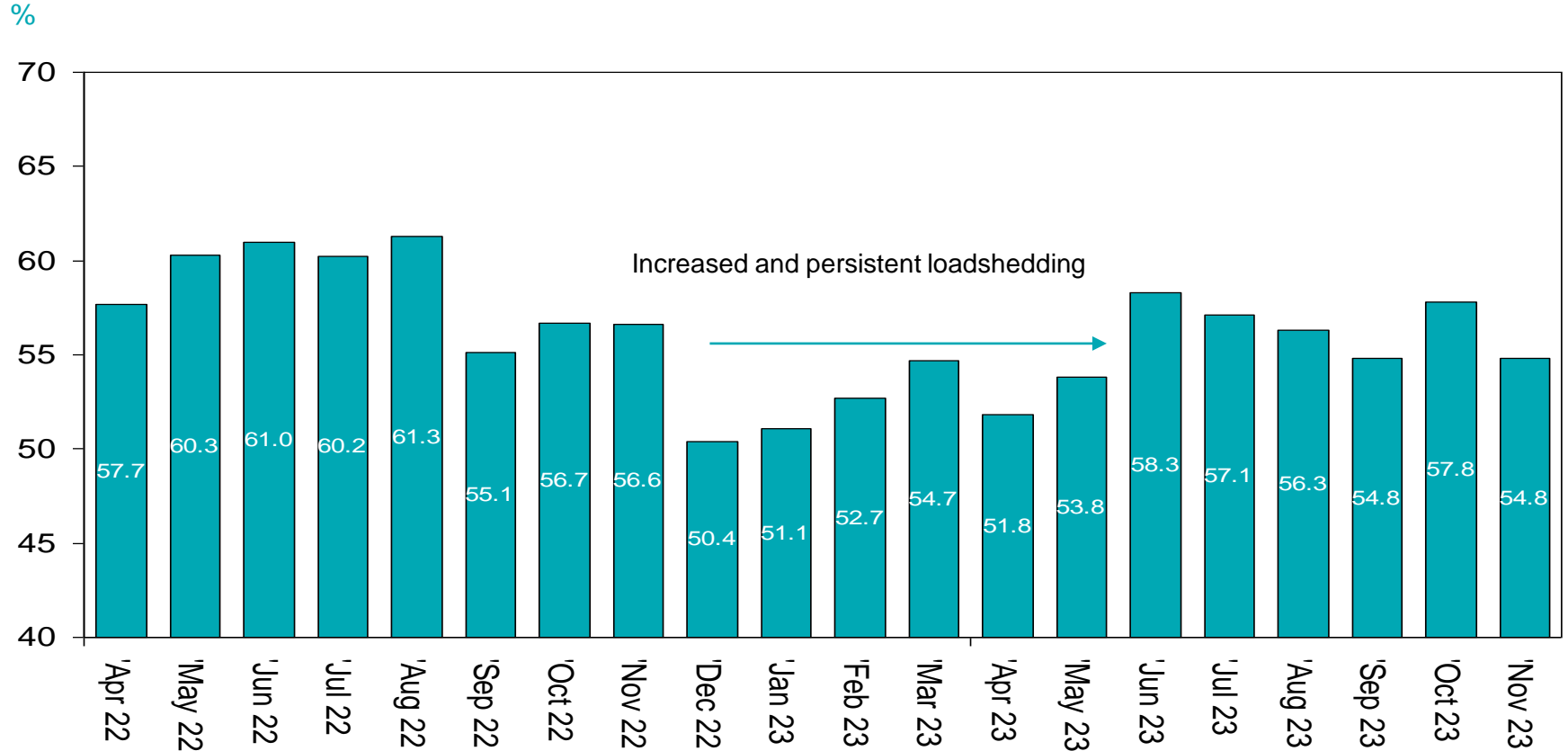
Percent



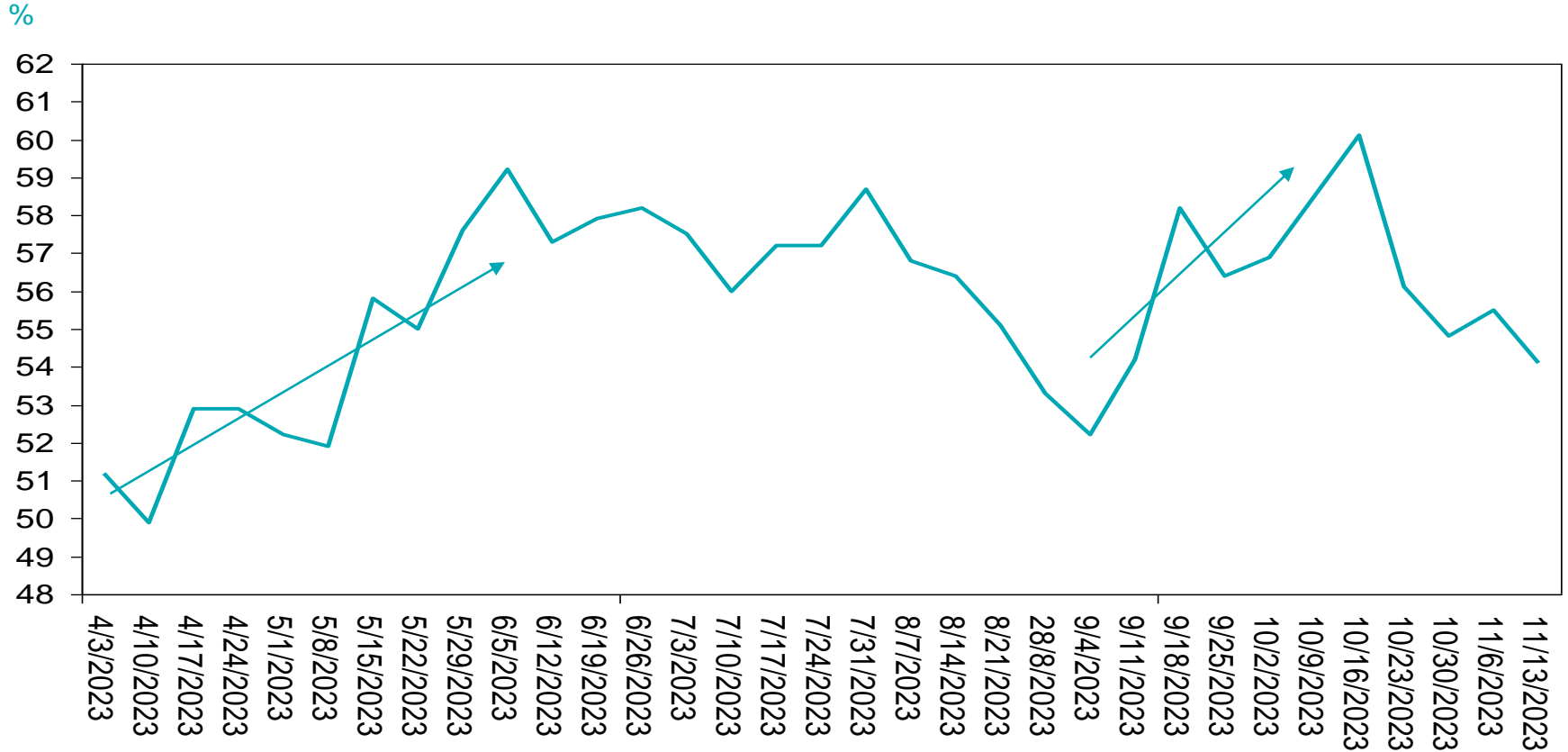
Source: Eskom



# ESKOM Energy Availability Factor (EAF) - monthly



# ESKOM Energy Availability Factor (EAF) - weekly



# Global climate data: 13 to 19 November 2023

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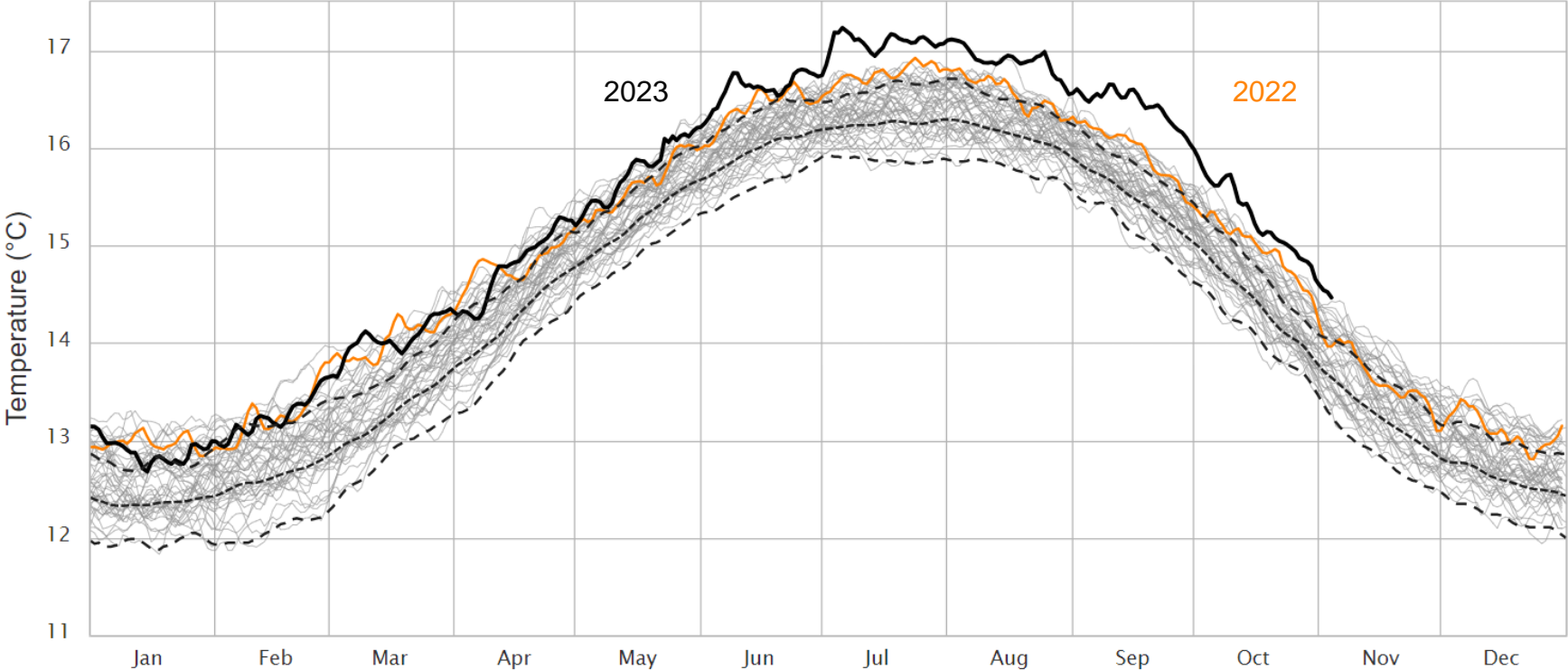
- World air temperature
- Northern Hemisphere air temperature
- Southern Hemisphere air temperature
- Arctic air temperature
- Antarctic air temperature
- Tropics air temperature (23.5°S to 23.5°N)
- Daily sea surface temperature



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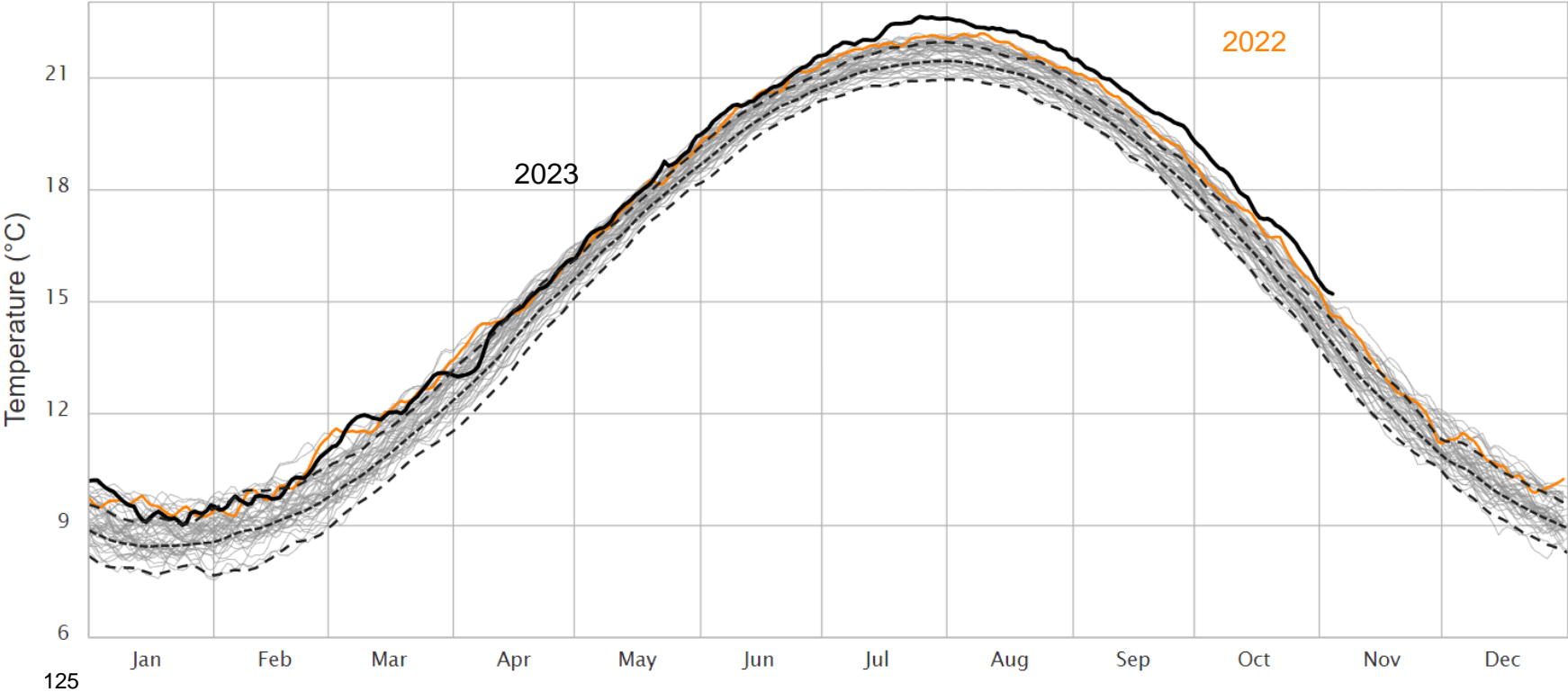
# World air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



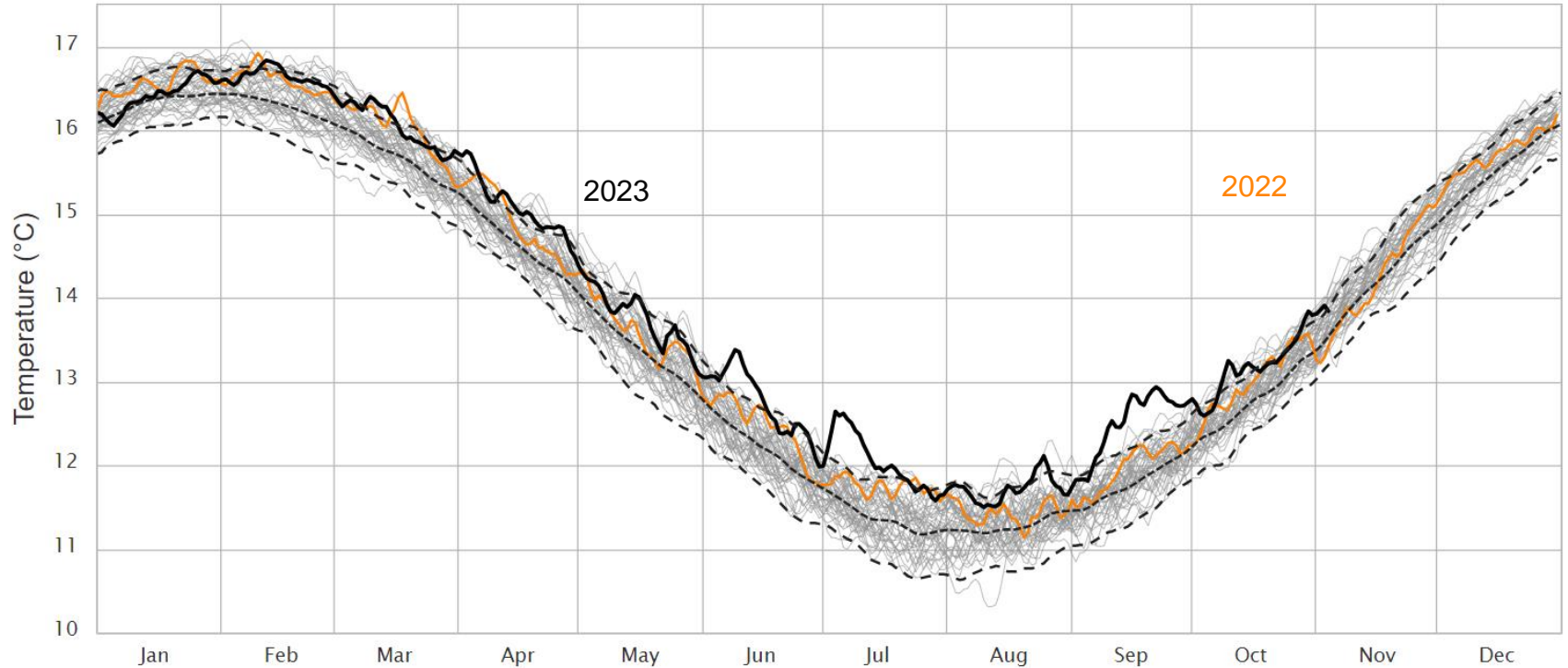
# Northern Hemisphere air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



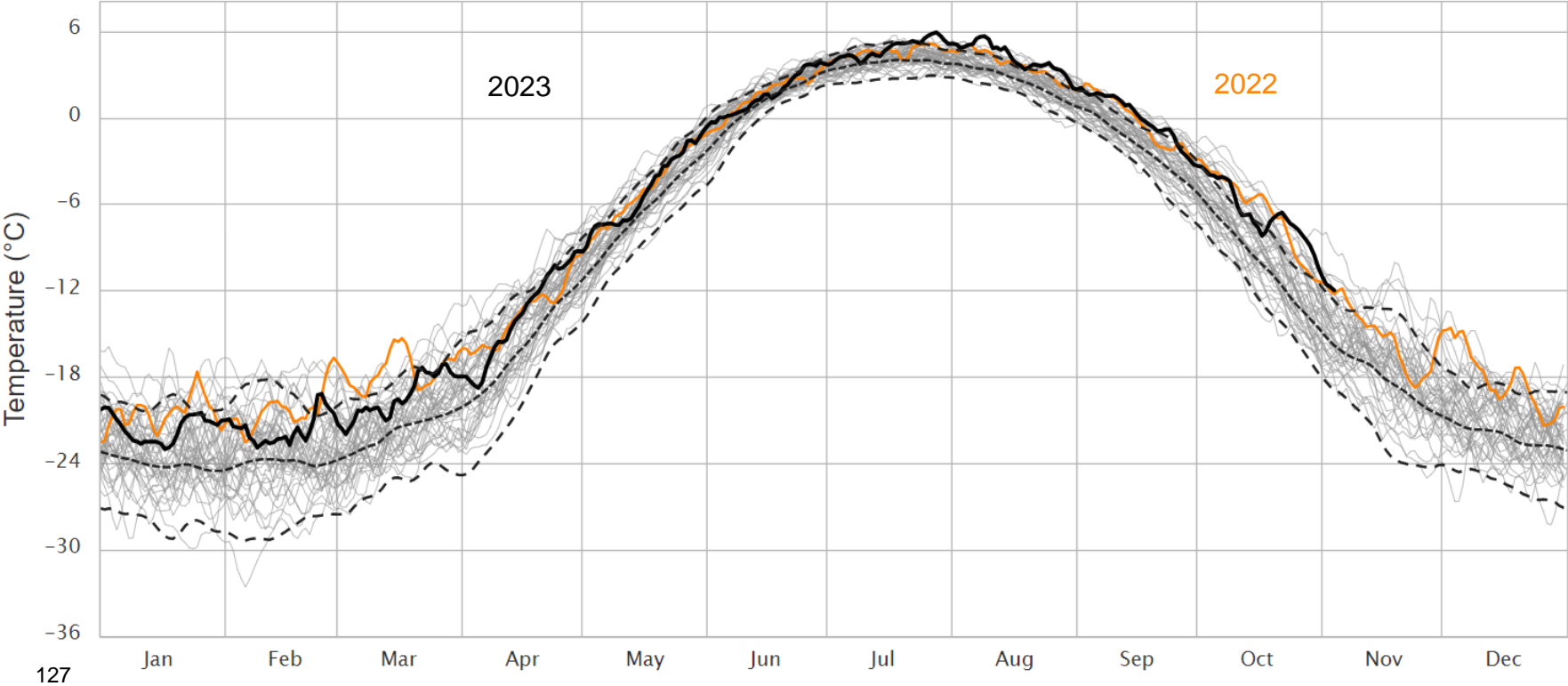
# Southern Hemisphere air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



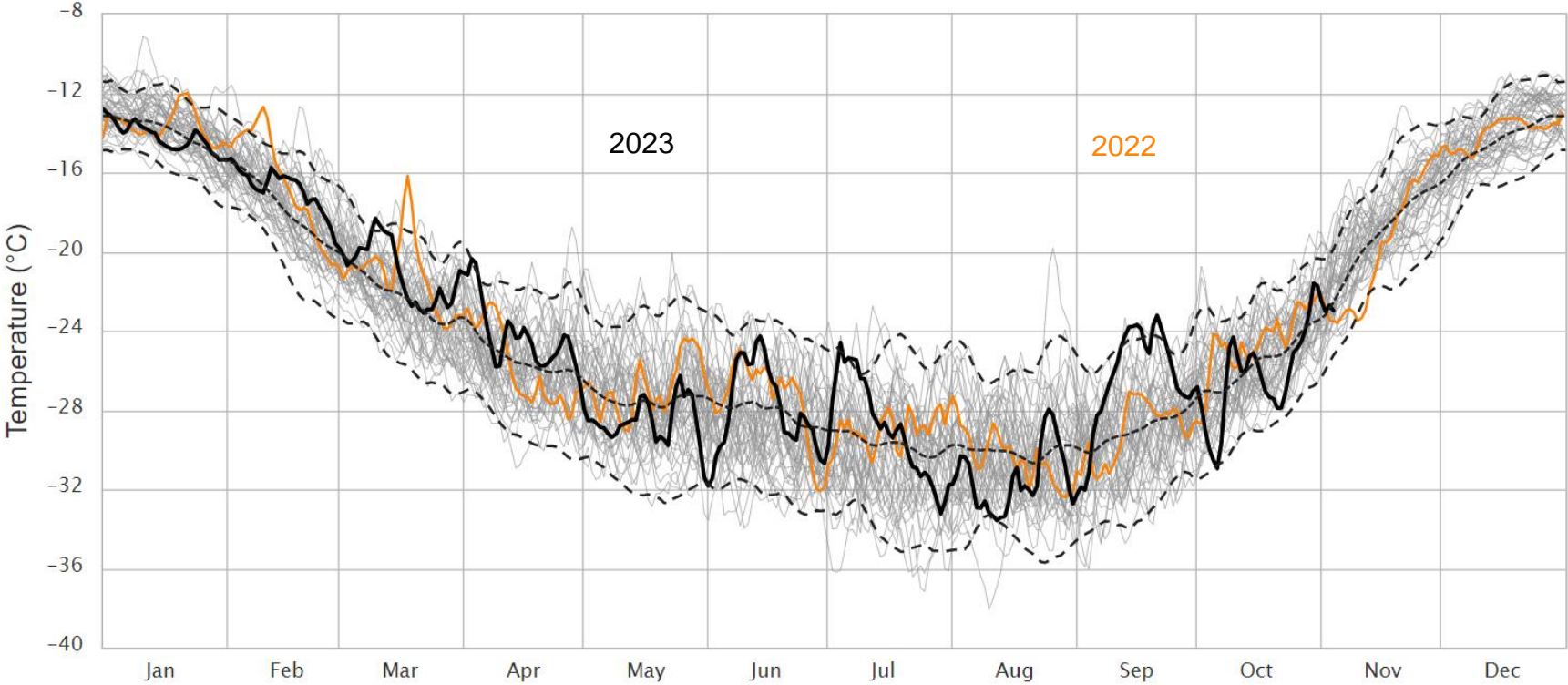
# Arctic air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



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

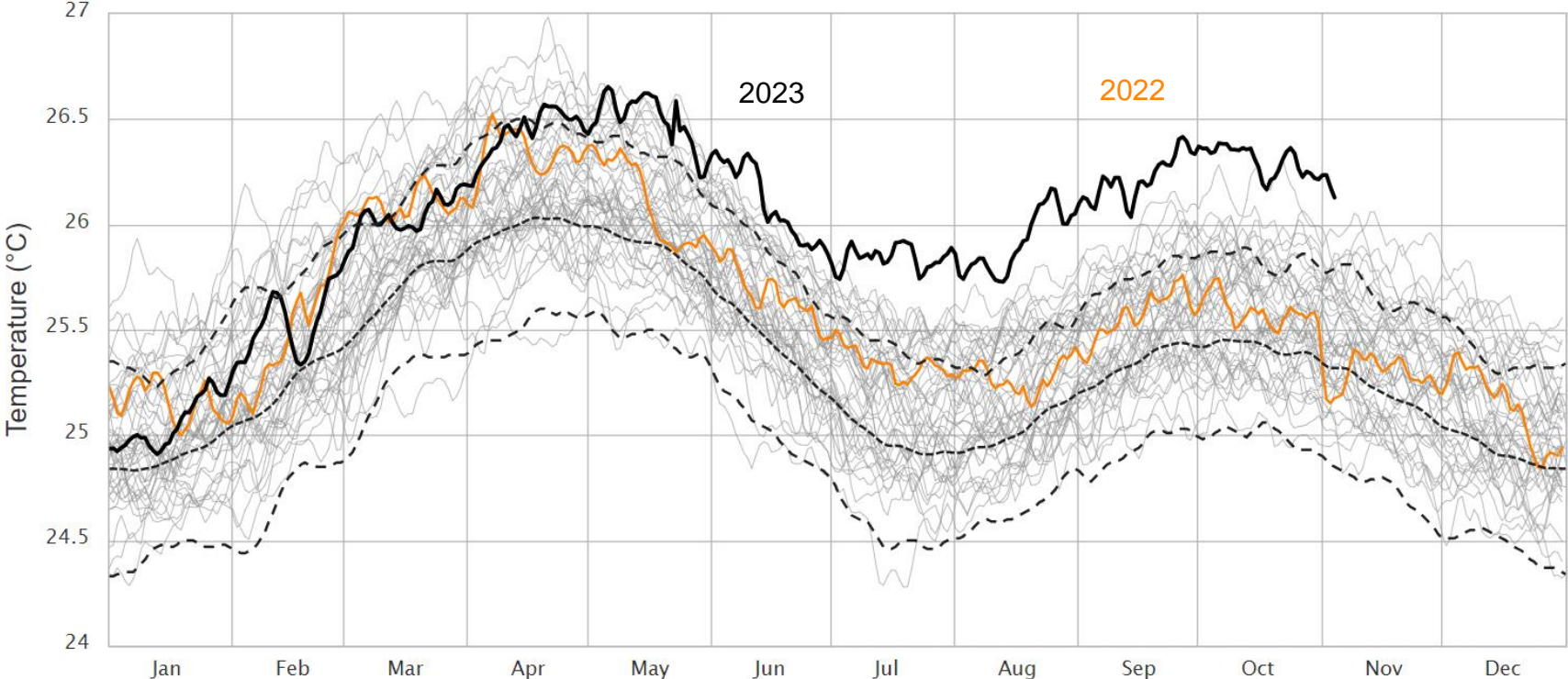
Average, temperature, degrees Celsius





# 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

