Weekly Review in Charts
20 to 26 November 2023

Kevin Lings

26 November 2023

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Weekly economic review: 20 to 26 November 2023

|	2019 %	2020 %	2021 %	2022 %	2023 Year-to-date
South Africa All Share Index	8.2%	4.1%	24.1%	-0.9%	3.6%
Dow Jones Industrial Average	22.3%	7.2%	18.7%	-8.8%	6.8%
S&P 500 equity index	28.9%	16.3%	26.9%	-19.4%	18.7%
Nasdaq 100 index	38.0%	47.6%	26.6%	-33.0%	46.1%
Stoxx Euro 600	23.2%	-4.0%	22.2%	-12.9%	8.3%
FTSE 100 Index	12.1%	-14.3%	14.3%	0.9%	0.5%
Shanghai Composite Index	22.3%	13.9%	4.8%	-15.1%	-0.8%
NIKKEI 225 Index	18.2%	16.0%	4.9%	-9.4%	28.9%
Gold	18.3%	25.0%	-3.6%	0.4%	10.3%
Oil	21.9%	-21.7%	52.9%	8.7%	-5.6%
Rand/Dollar	-2.7%	5.0%	8.6%	-6.2%	-9.8%
Dollar/Euro	-1.8%	9.0%	-7.1%	6.6%	-2.5%
Bitcoin	92.2%	303.2%	59.7%	-64.3%	128.0%
US 10-year bond yield	*1.92%*	*0.93%*	*1.52%*	*3.88%*	*4.47%*
US 2-year bond yield	*1.58%*	*0.13%*	*0.73%*	*4.41%*	*4.92%*
SA 10-year bond yield	*8.48%*	*7.70%*	*8.60%*	*9.88%*	*10.68%*

24 November 2023

Weekly economic review: 20 to 26 November 2023
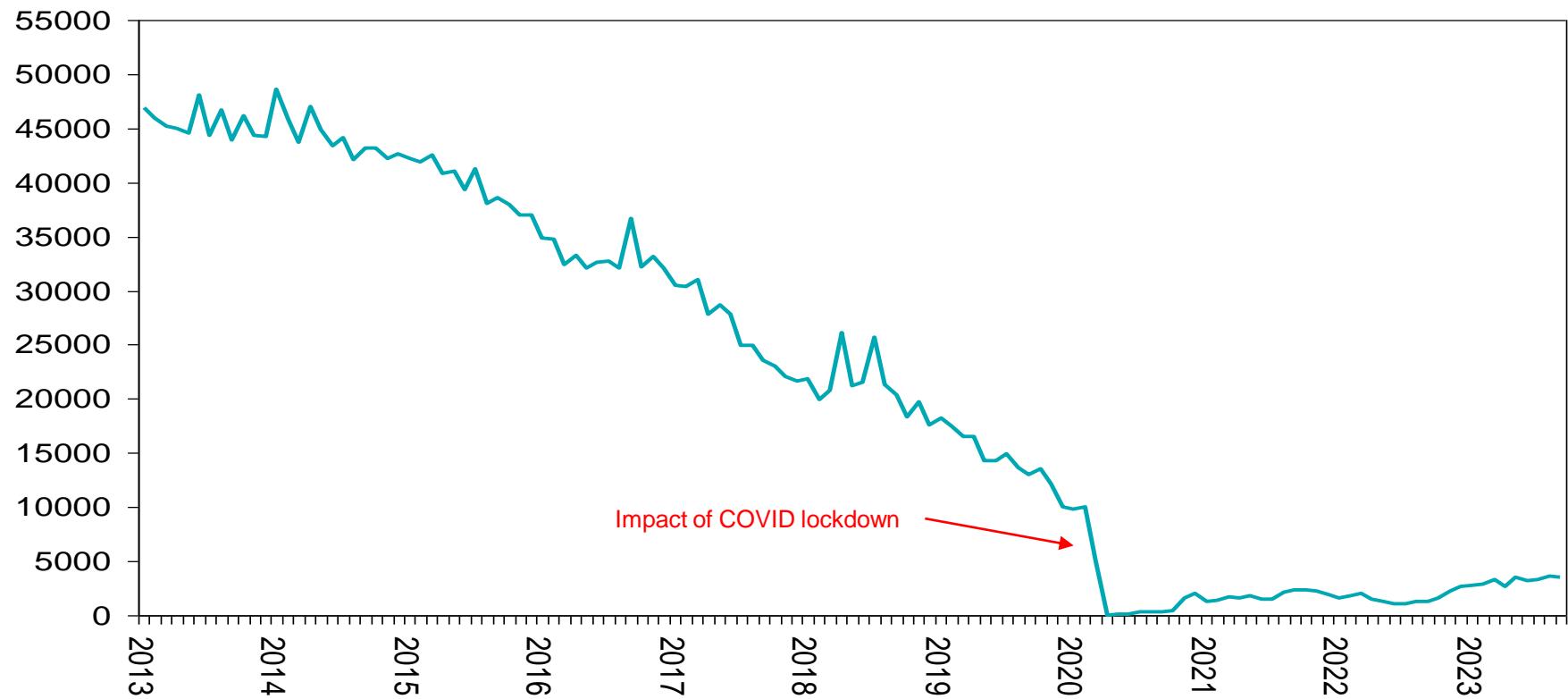
• SA's passenger rail transport system has been badly mis-managed for more than a decade.

• **In the first 9 months of 2023 the number of passenger rail journeys are an incredible 92.9% lower than the first 9 months of 2013**. This has forced thousands of commuters to use either taxi or bus transport.

• This decline in the performance of PRAS has occurred despite the agency receiving a massive increase in government transfers over the same period.

• In 2022 the Department of Transport was asked to explain to Parliament's Standing Committee on Appropriations why PRASA constantly underspent its capital infrastructure budget.

• A range of economic reports on South Africa have highlighted that many people live far from work opportunities, which stifles job creation. Under these circumstances, having a growing and effective passenger rail system would help enormously. Yet the government has simple neglected this vital infrastructure, thereby exacerbating the country's unemployment crisis.

SA passenger rail transport

Journeys, monthly data
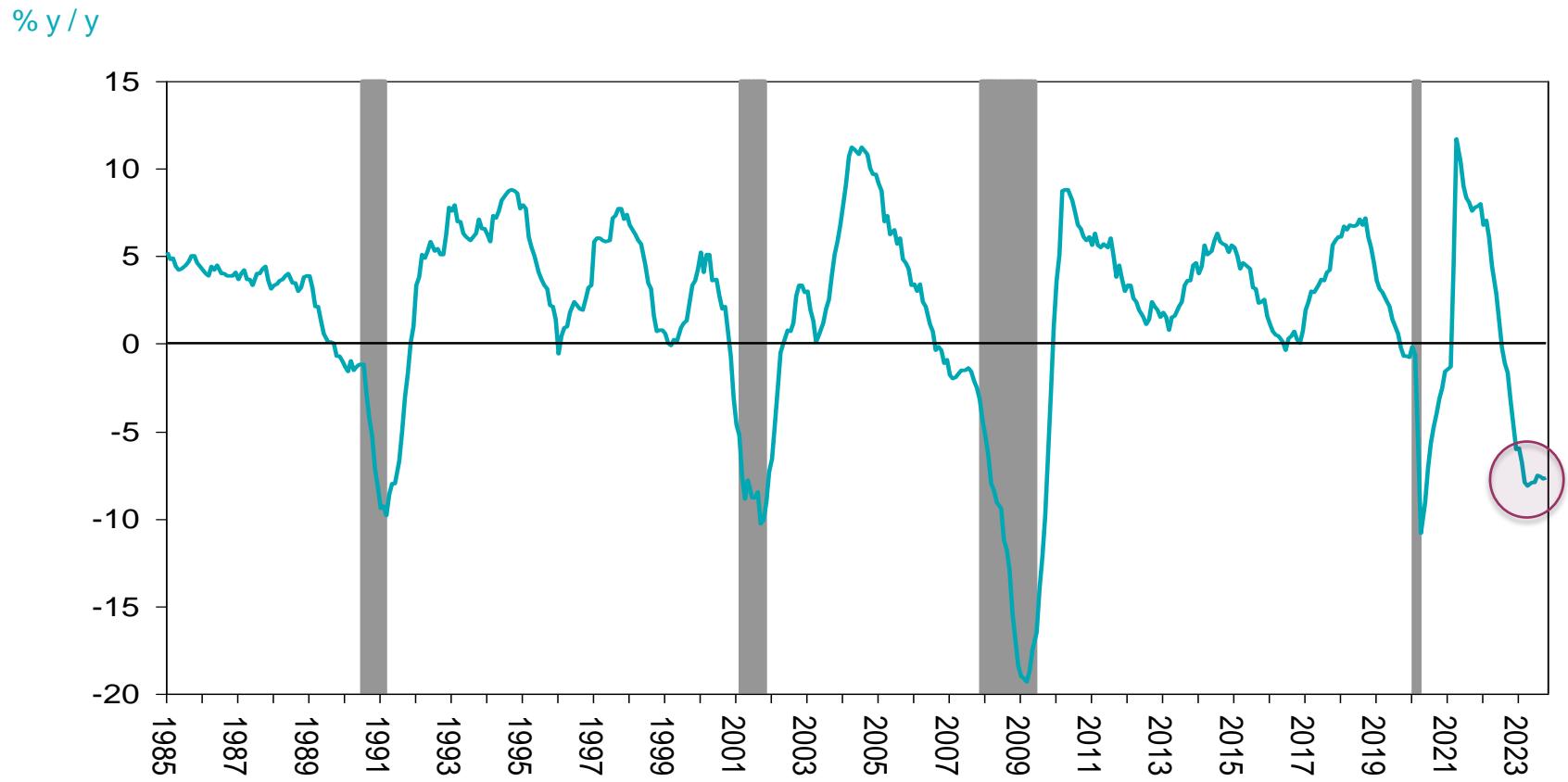
Weekly economic review: 20 to 26 November 2023

- US leading economic indicator for October 2023

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US leading economic indicator

% y / y

Weekly economic review: 20 to 26 November 2023

Tuesday, 21 November 2023

- SA leading economic indicator for November 2023

- SA business confidence (BER) for Q4 2023

- US Chicago Fed National Activity Index for October 2023

- US existing home sales for October 2023

- US FOMC minutes

- Euro-area vehicle sales for October 2023

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SA leading economic indictor

% y / y
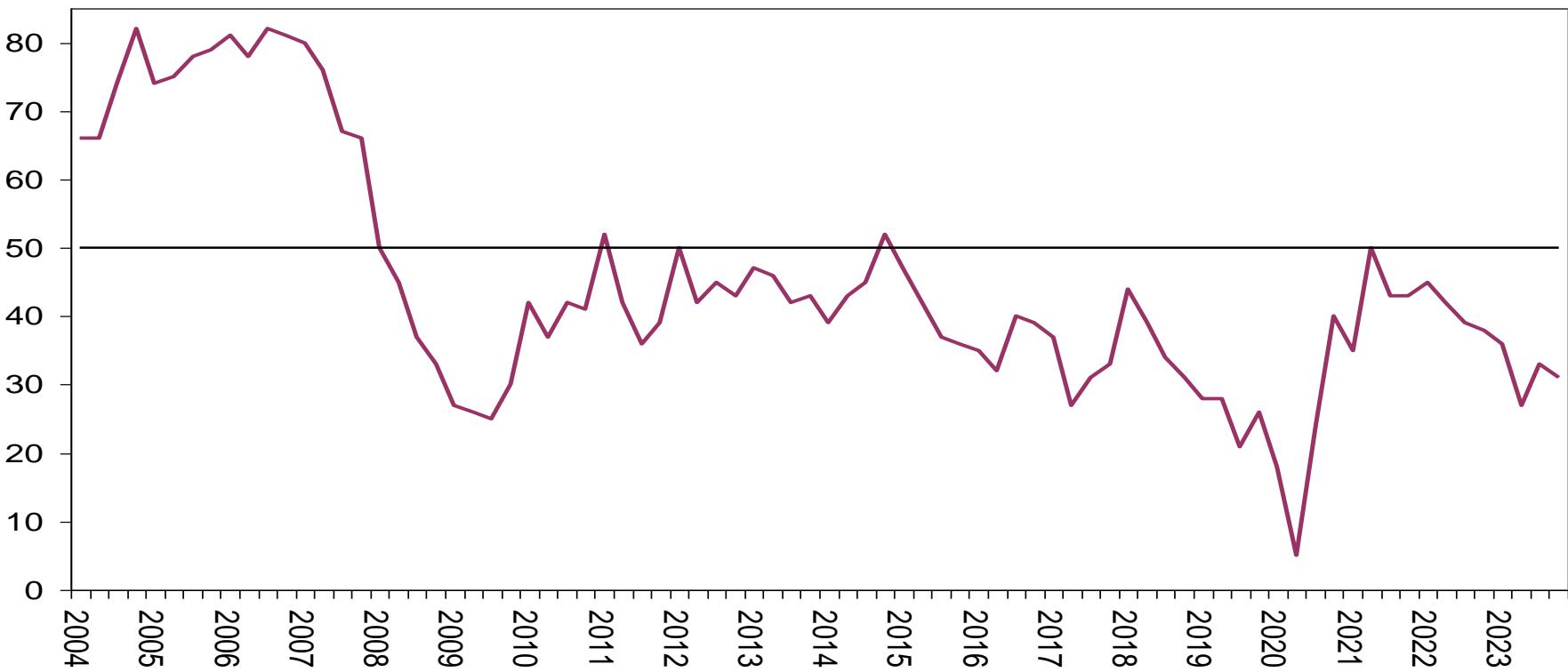
SA business confidence (BER)

Index
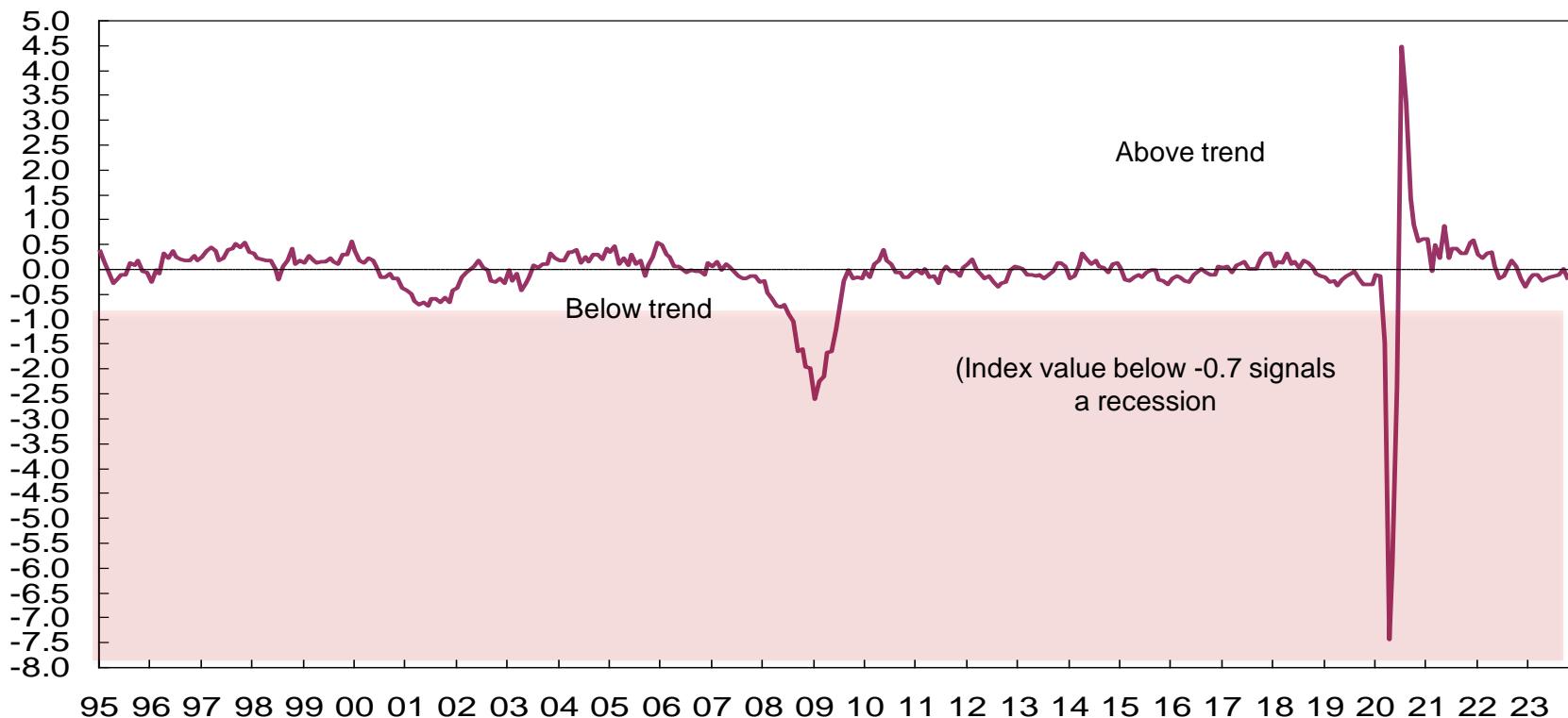
Source: Bureau of Economic Research, Stellenbosch

US Chicago Fed National Activity Index

Index, 3-month average

Above trend

Below trend

(Index value below -0.7 signals a recession
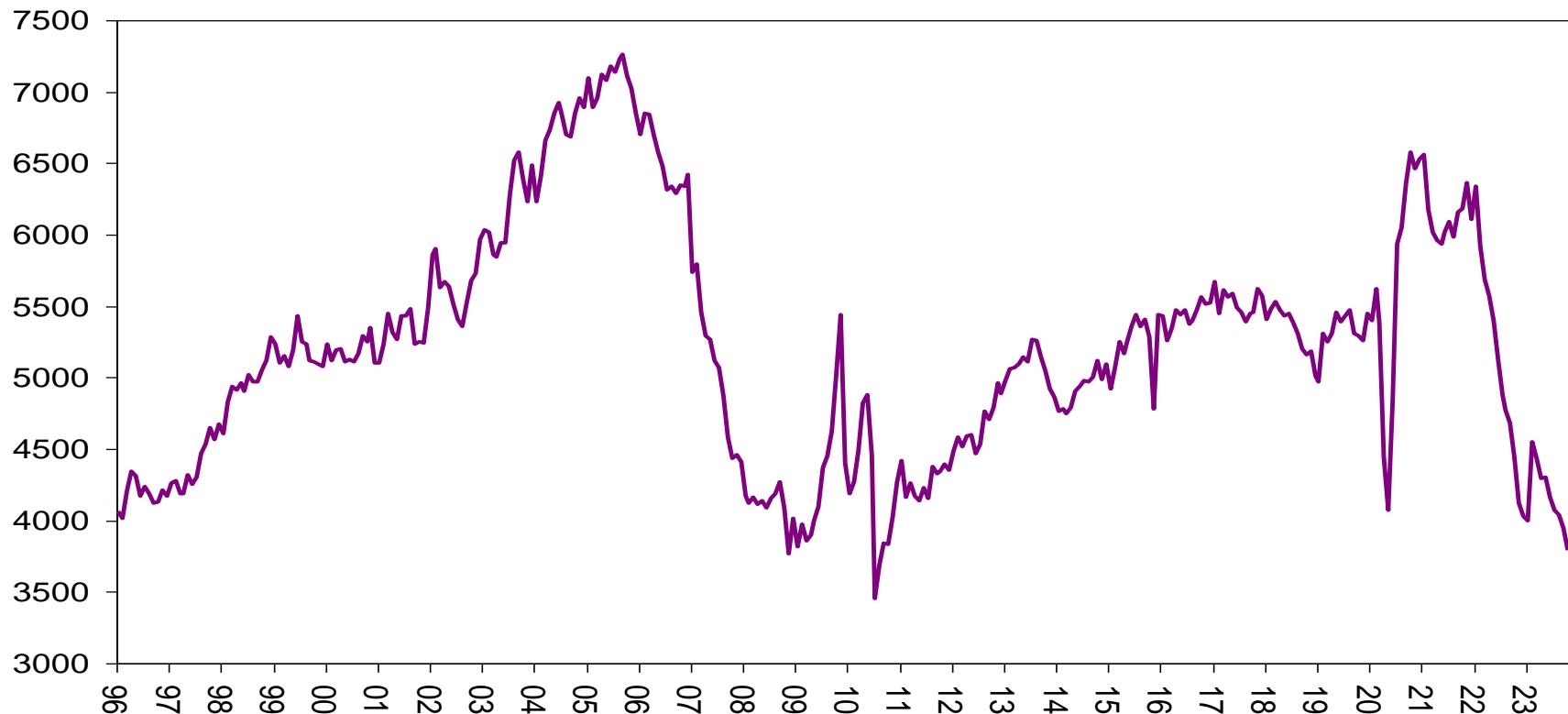
US existing home sales
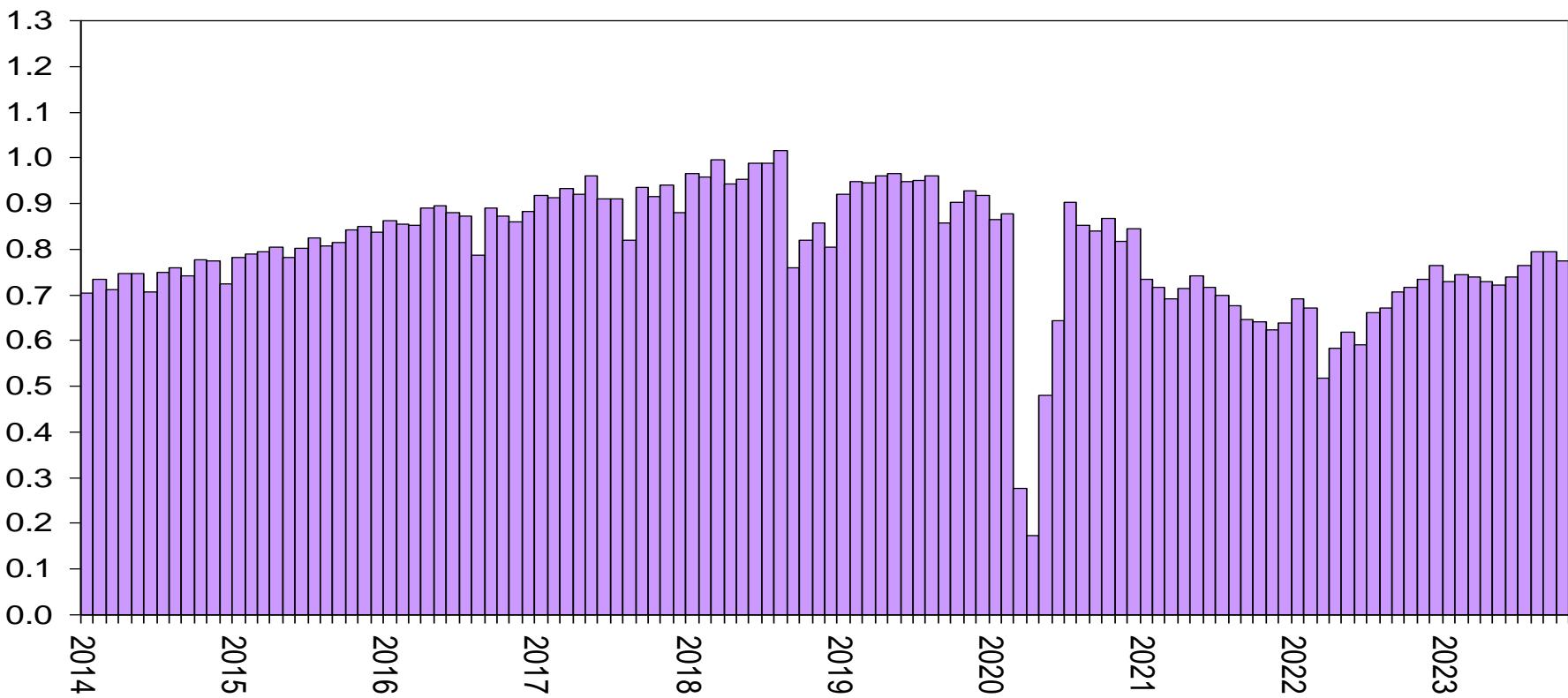
000's

Euro-area vehicle sales

Million, seasonally adjusted

Weekly economic review: 20 to 26 November 2023
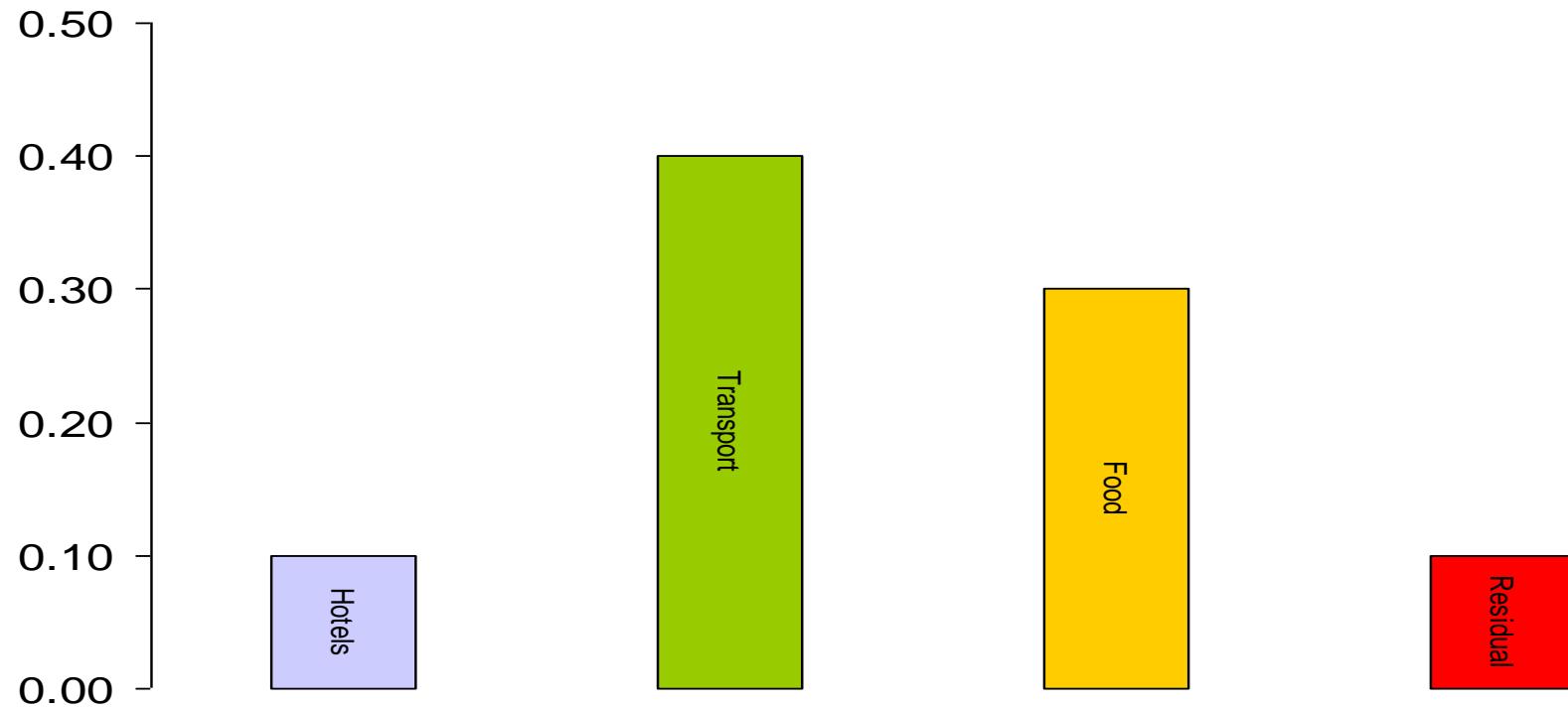
Wednesday, 22 November 2023

- SA consumer inflation for October 2023

- World Bank economic report in South Africa, focusing on crime

- US weekly mortgage applications

- US weekly jobless claims

- US durable goods orders for October 2023

- Euro-area manufacturing and services PMI for November 2023

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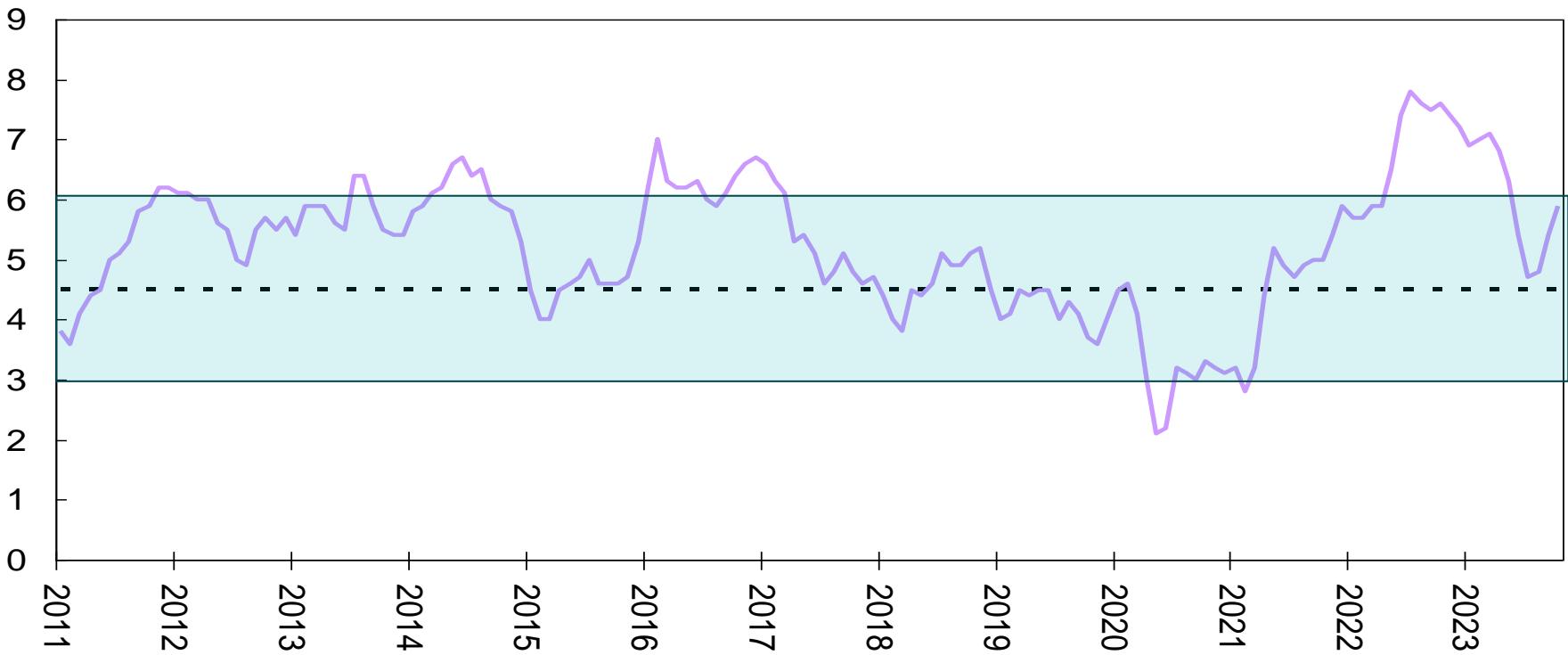
Contribution to monthly change in CPI

% October 2023, 0.9%m/m
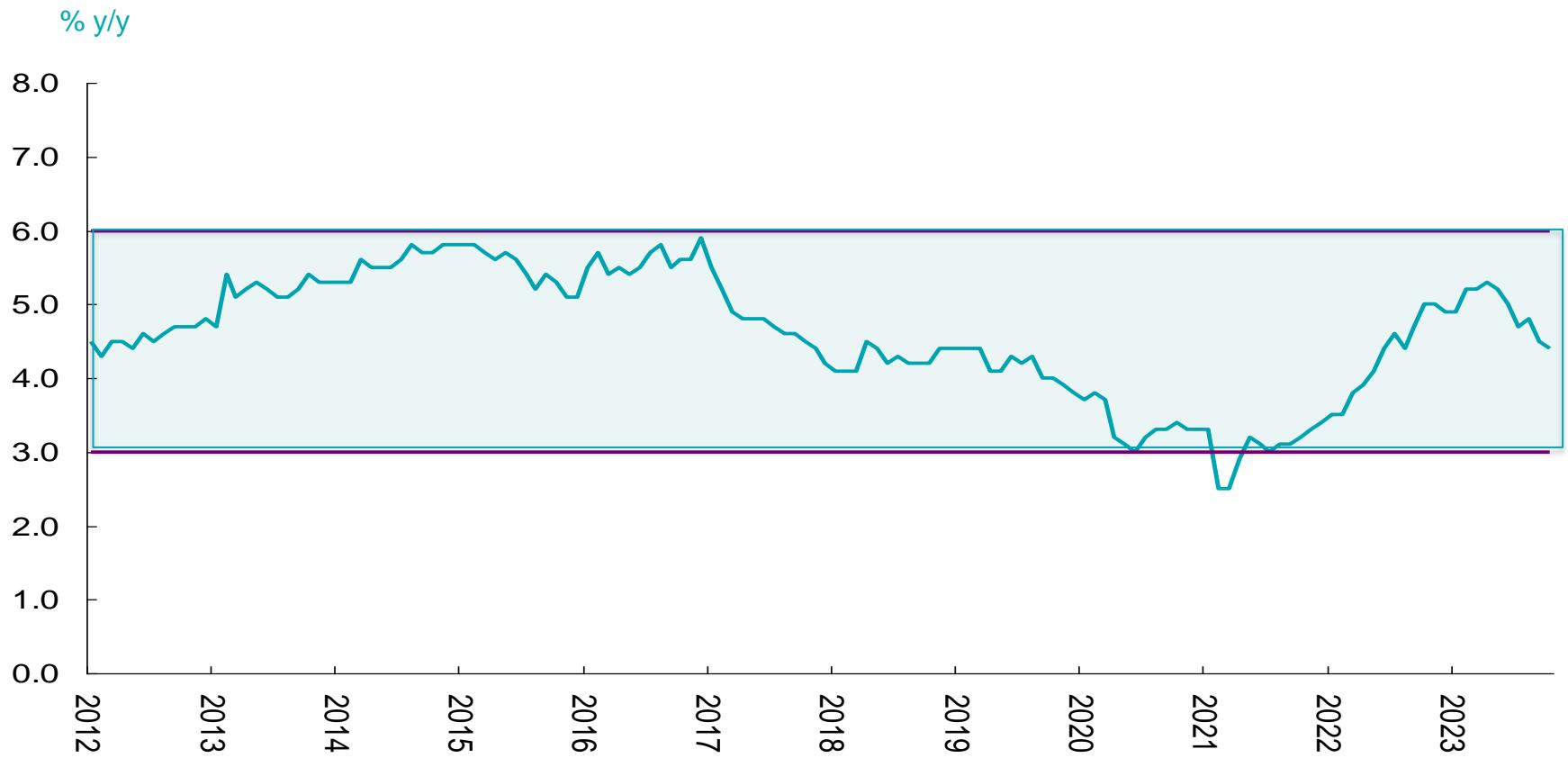
South Africa headline consumer inflation

% y/y
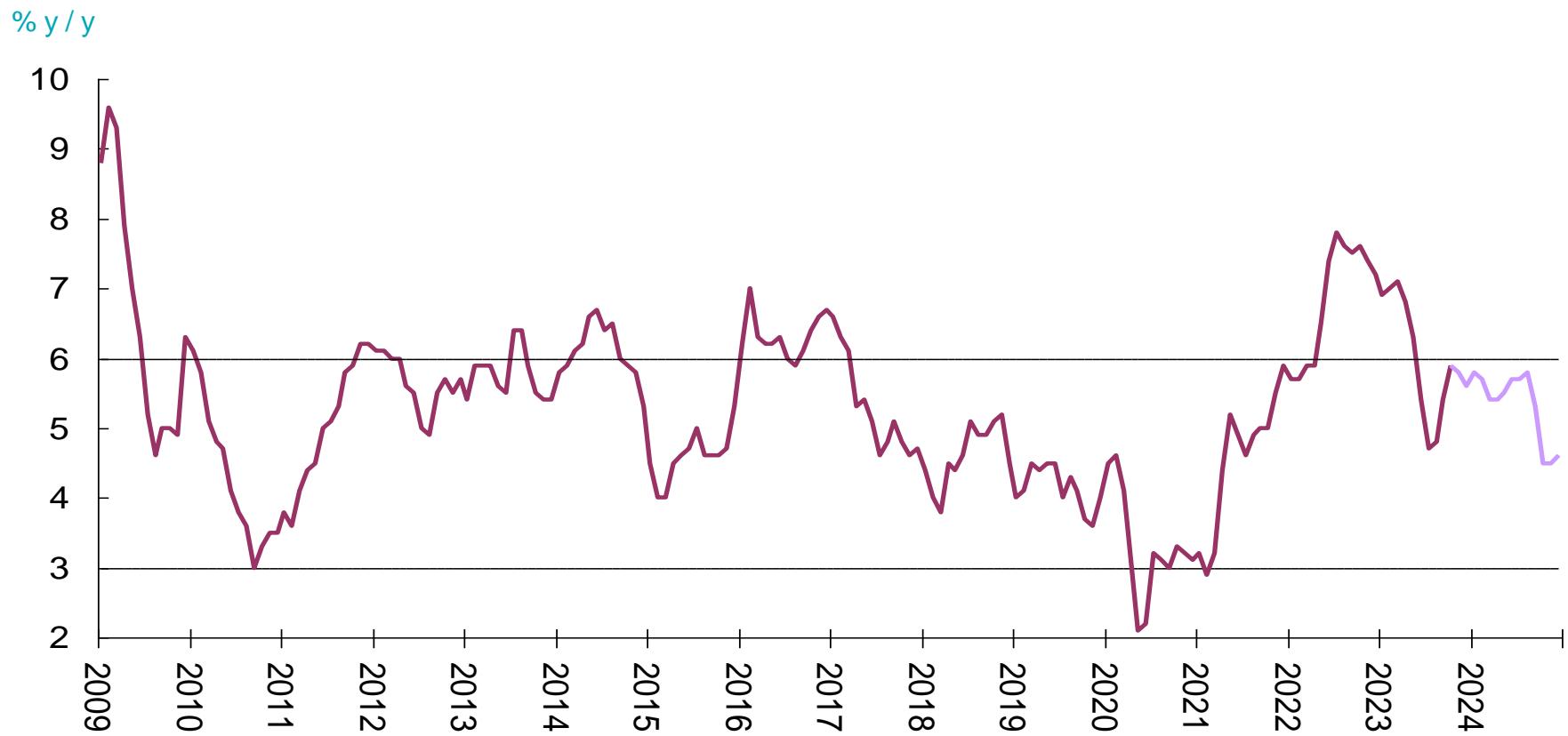
South Africa core inflation rate

South Africa headline CPI forecast

% y / y

World Bank economic report in South Africa (focus on crime)
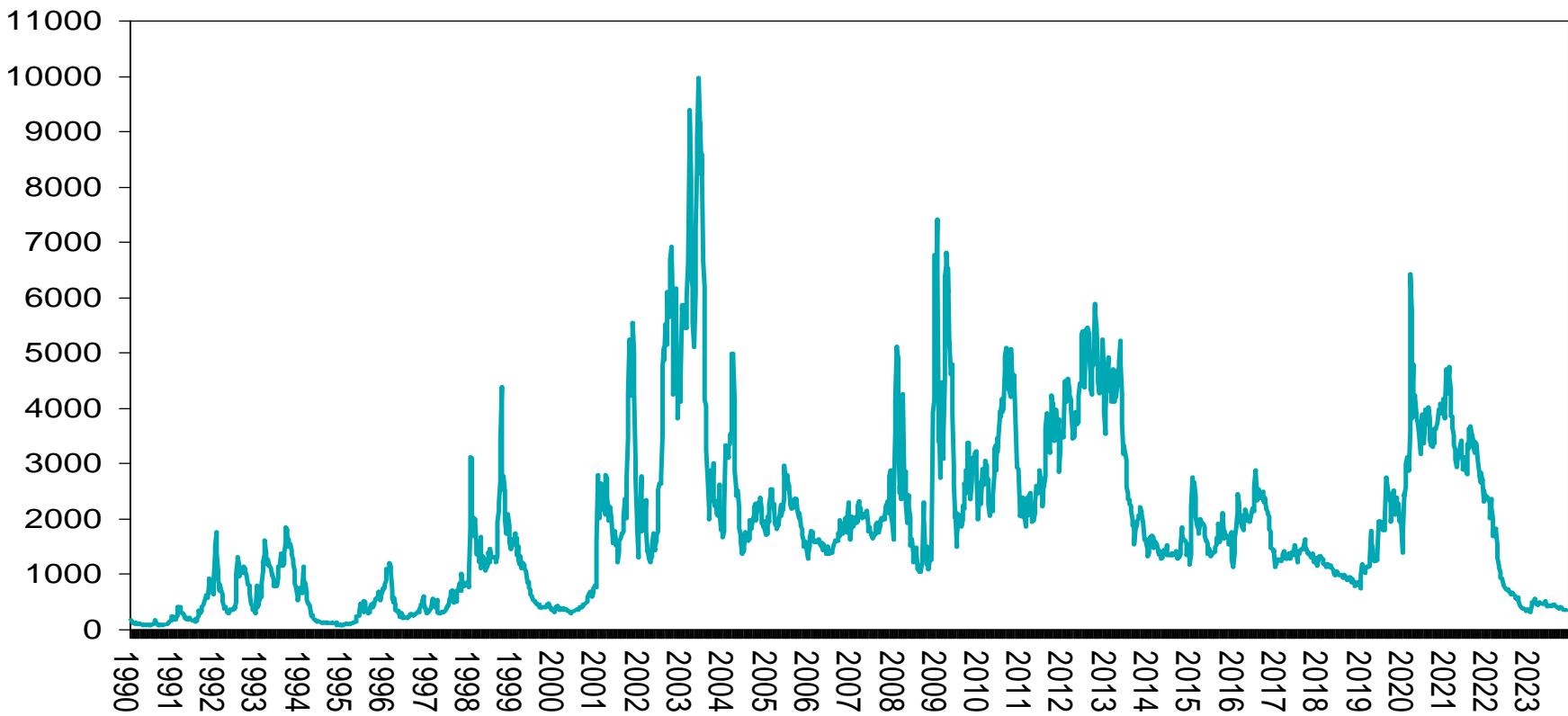
- The World Bank's 14th edition of the **South Africa Economic Update**, which was released on 22 November, is entitled Safety First: The Economic Cost of Crime in South Africa. Overall, a very detailed and insightful report, which some interesting and useful data.

- The World Bank estimates that **crime costs the South African economy 9.6% of GDP** a year in terms of stolen property; protection costs – encompassing security and insurance; and missed economic opportunities.

- According to the World Bank "the prevalence of crime in South Africa remains a pressing concern, particularly due to high rates of violent offenses. With a consistent ranking among the **top five countries globally** for homicide rates, addressing this issue is crucial. Domestic organized crime is also increasing, including theft of key infrastructure networks".

- The World Bank also highlighted that **structural constraints** especially the electricity crisis and transport bottlenecks, have exacerbated SA's economic problems. Consequently, medium-term prospects are weak, with real GDP growth estimated at 0.7% in 2023 and projected to average 1.5% annually over 2024-2026.

US mortgage refinancing index
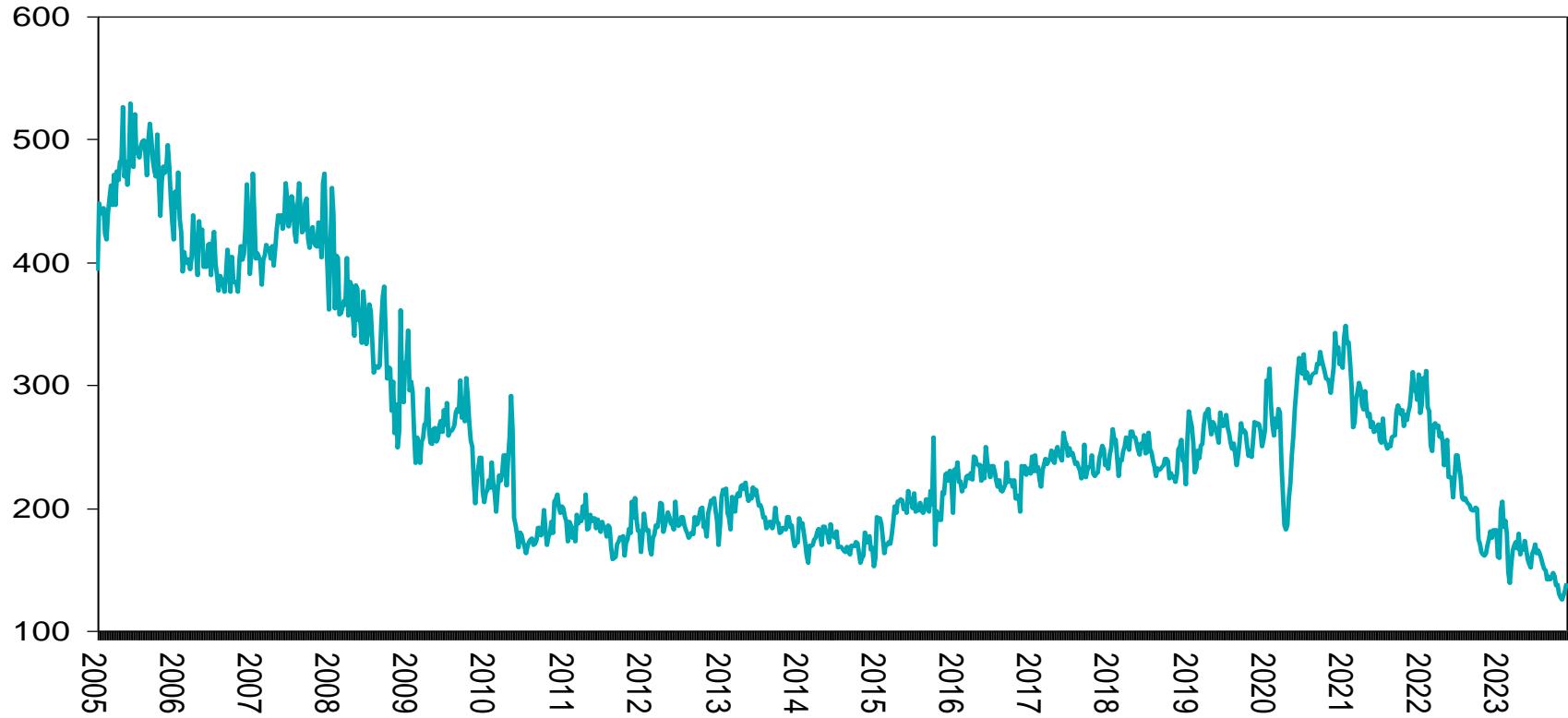
US mortgage applications for purchase

Market composite index

US 30-year fixed rate mortgage

% yield, 30-year rate
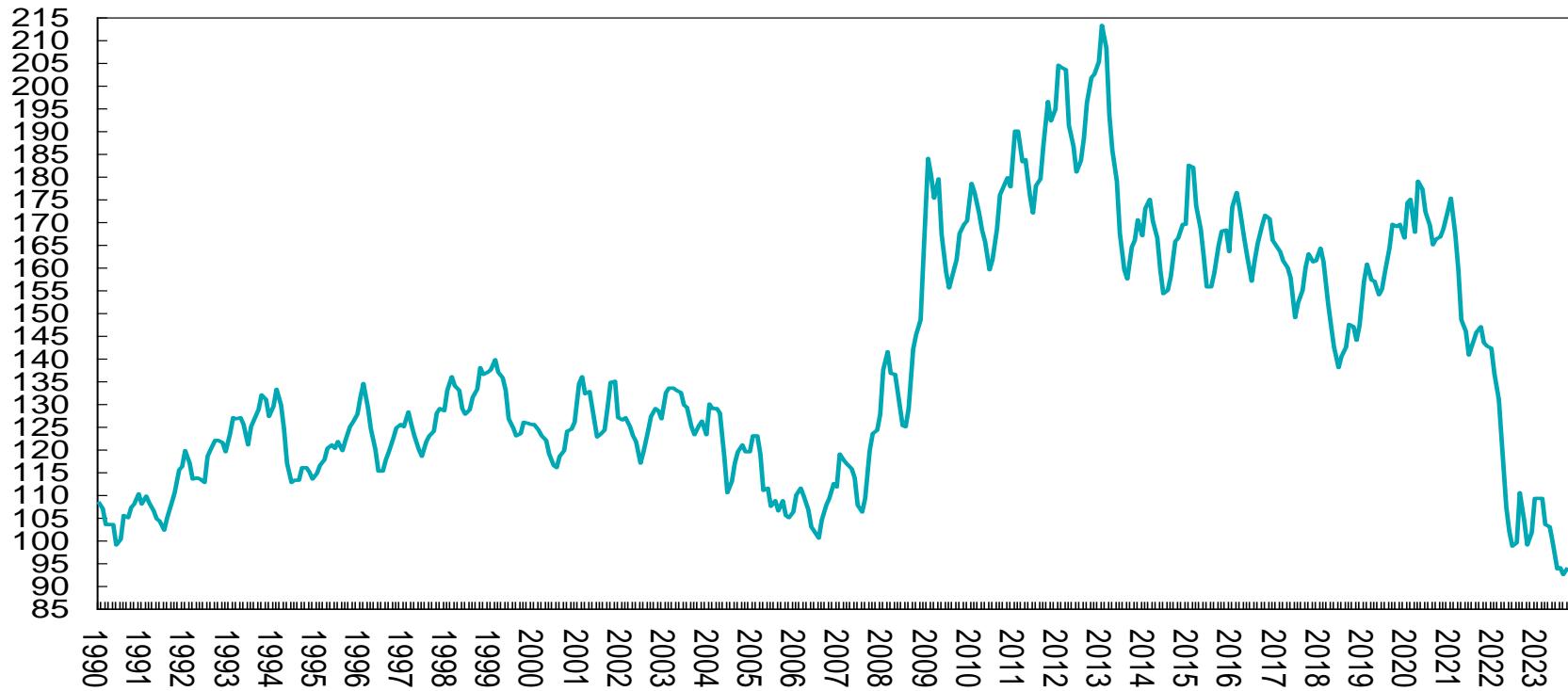
US housing affordability

The lower the index the more unaffordable housing has become

# US initial jobless claims
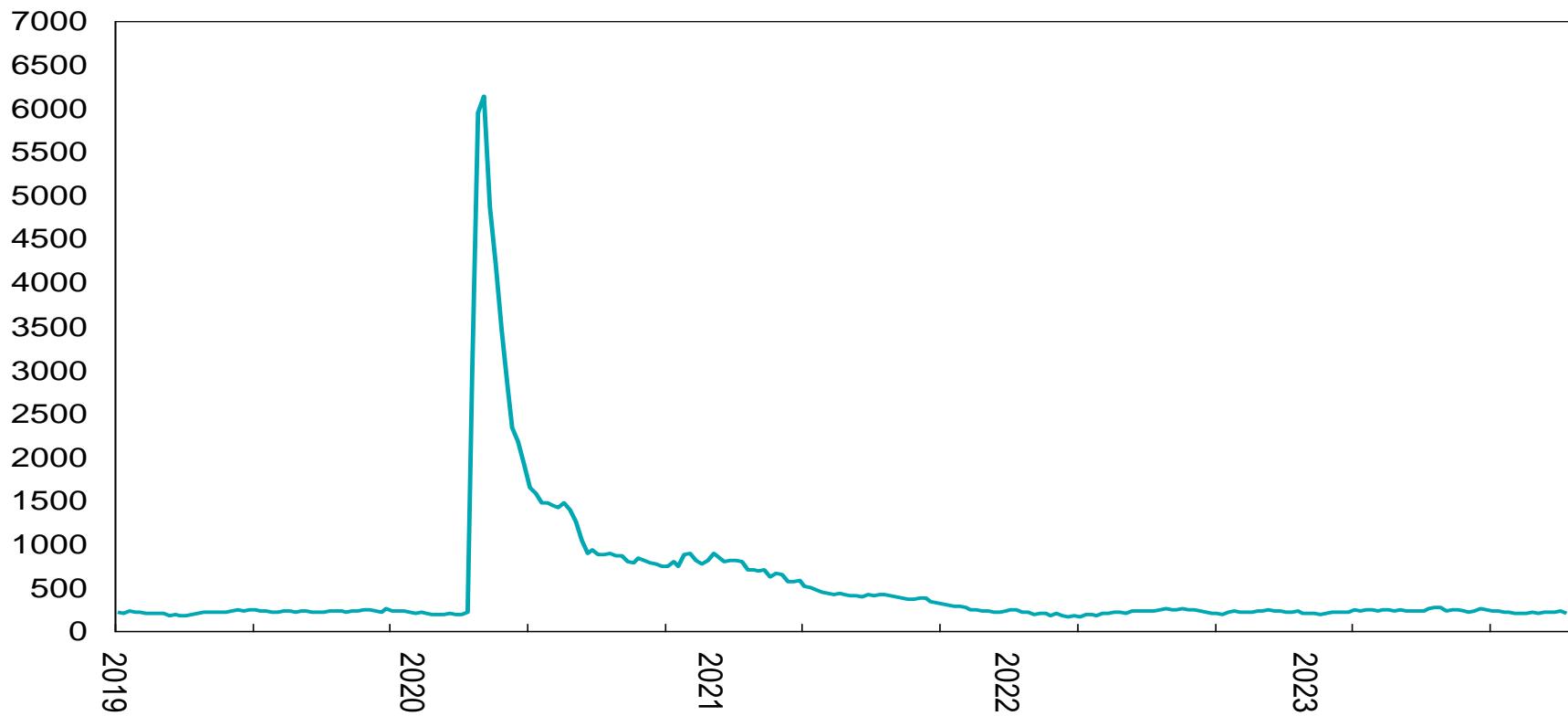
000's
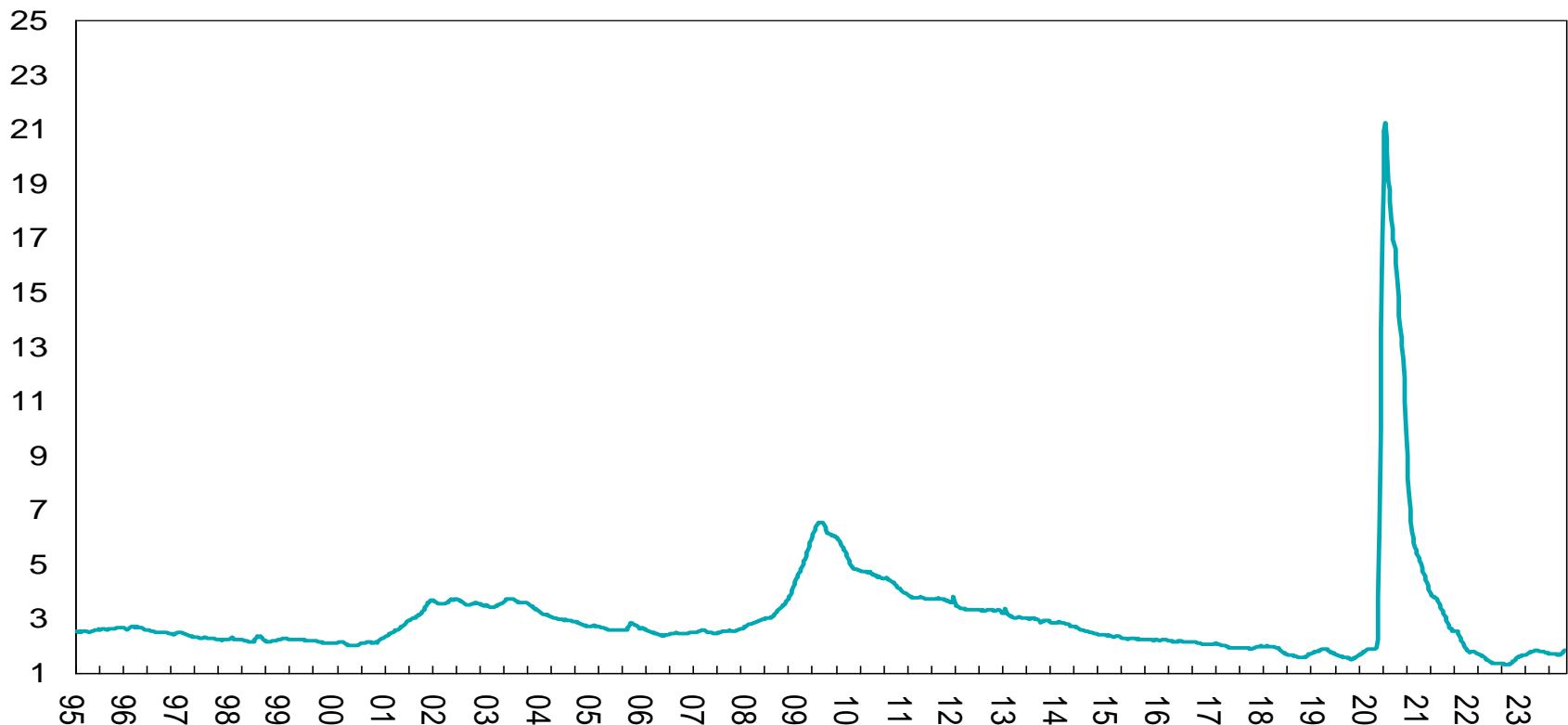
US initial jobless claims

US continuing claims
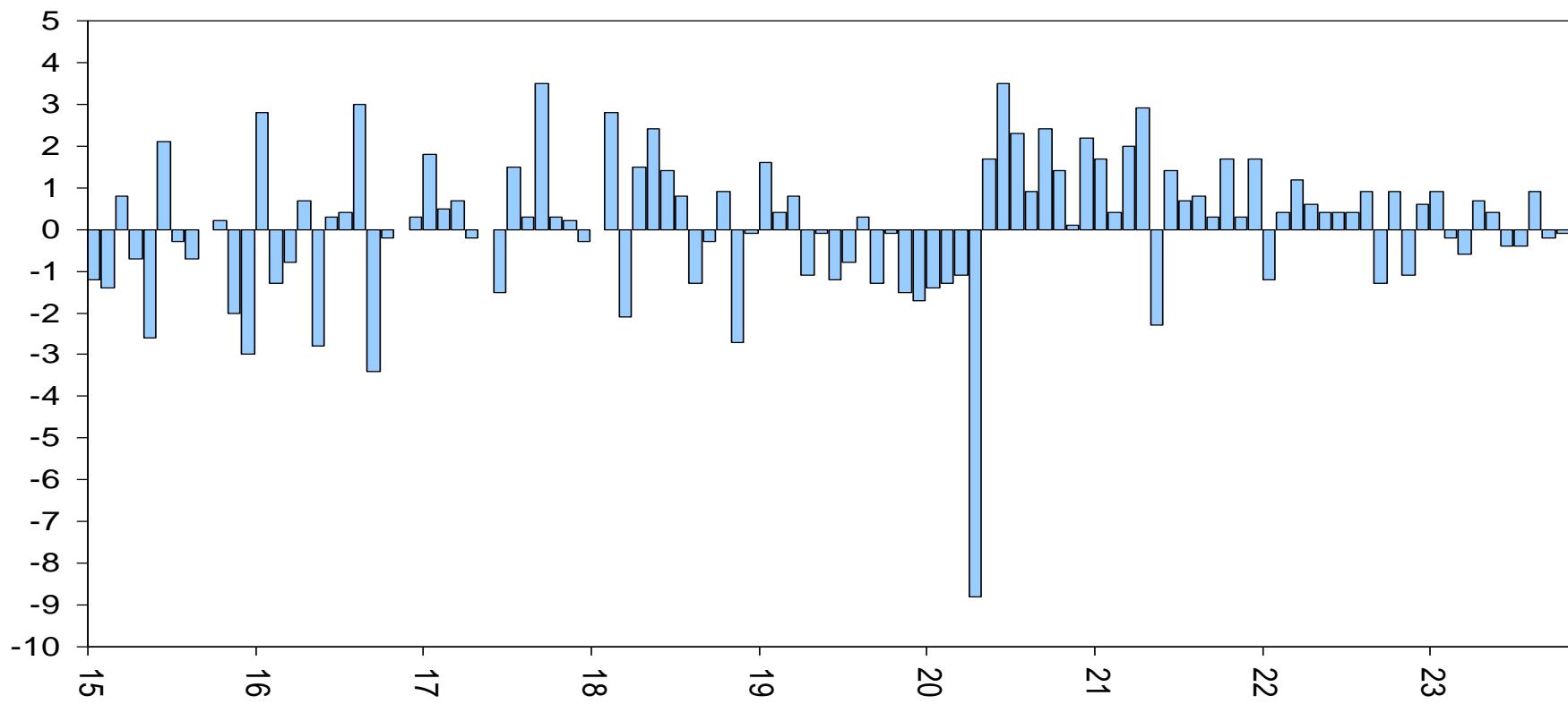
Million
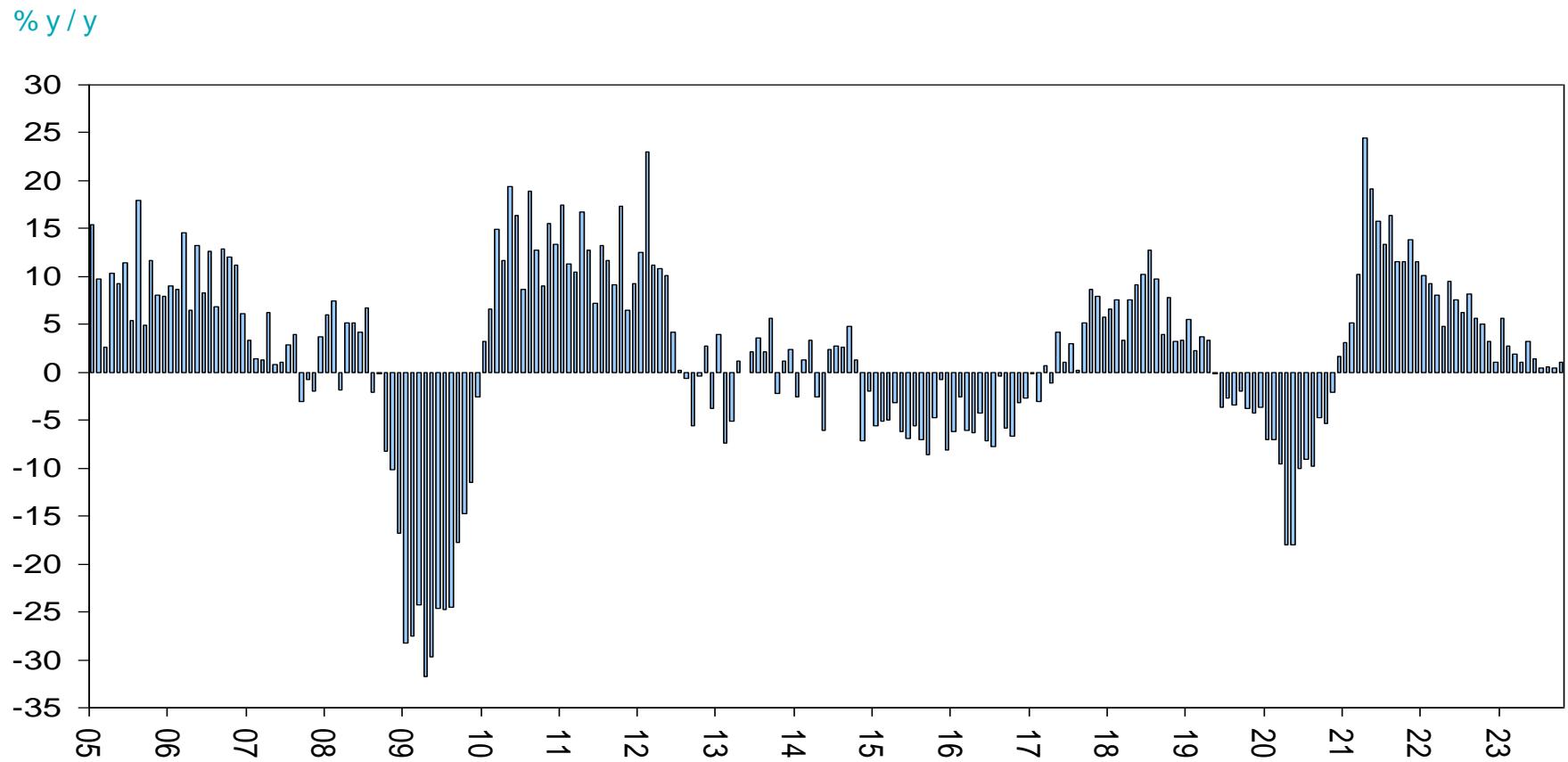
US durable goods orders (excl aircraft and defence)

% m / m
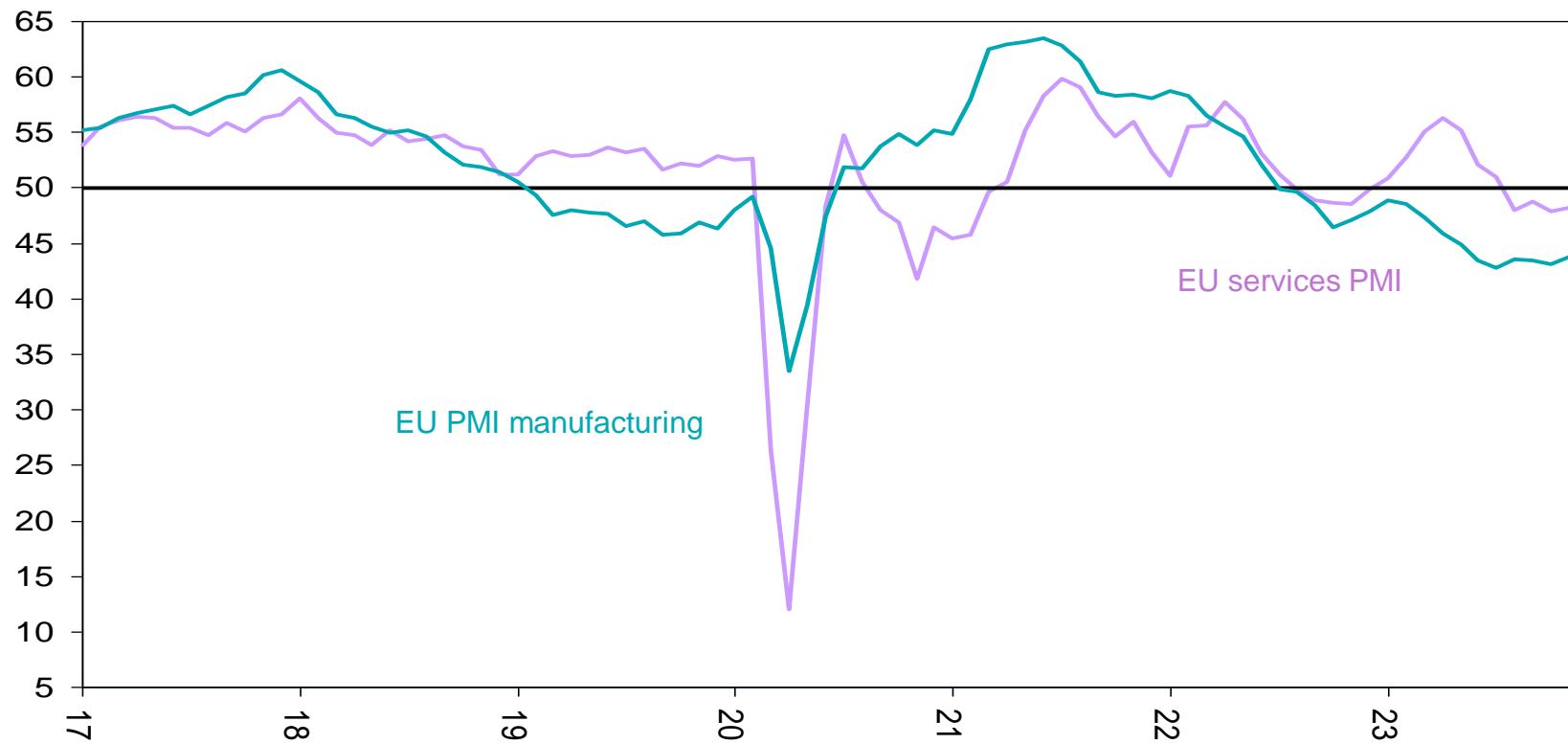
US durable goods orders (excl aircraft and defence)

% y / y

Euro-area manufacturing and services PMI

Index

Weekly economic review: 20 to 26 November 2023
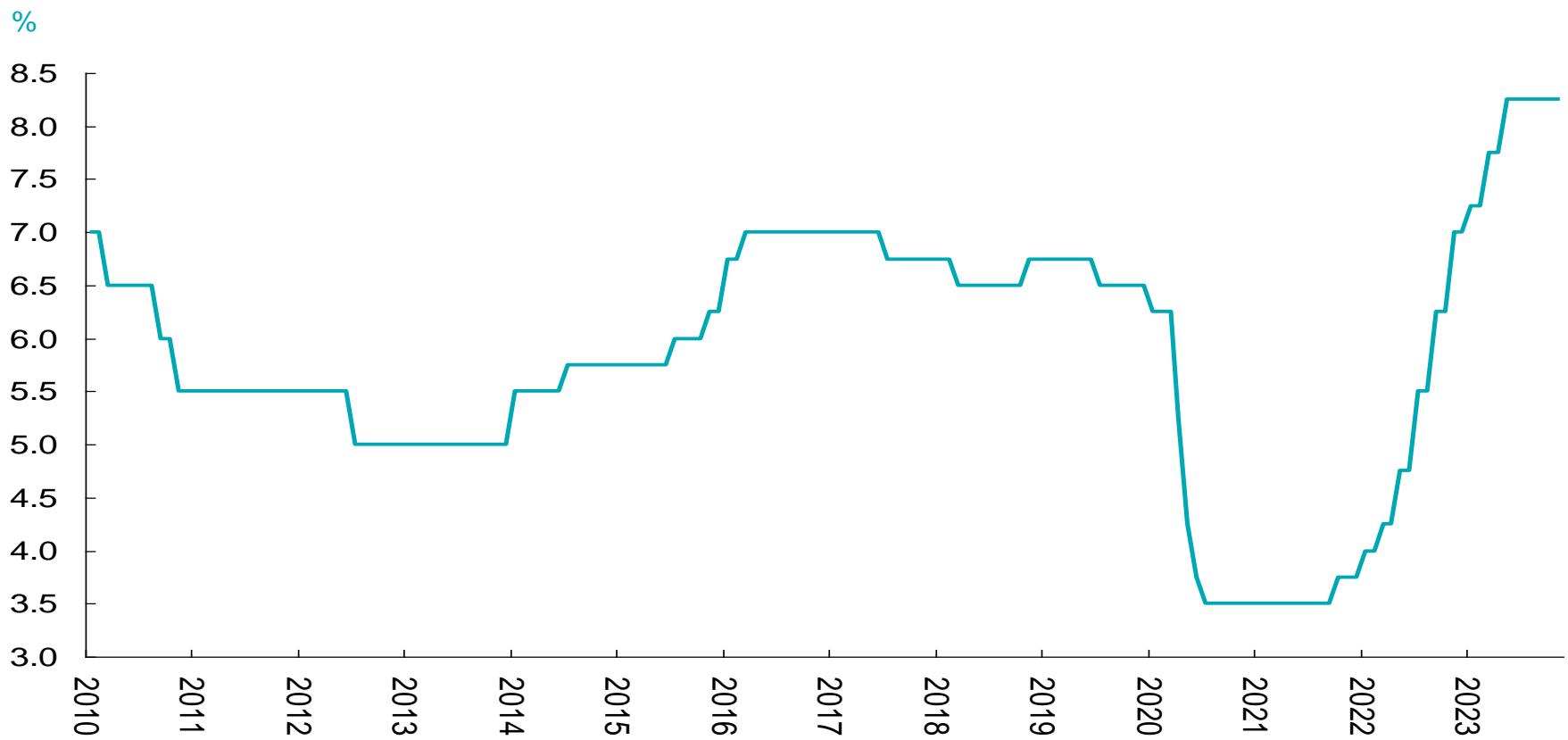
Thursday, 23 November 2023

- SA Reserve Bank interest rate decision

- China consensus economic forecast for November 2023

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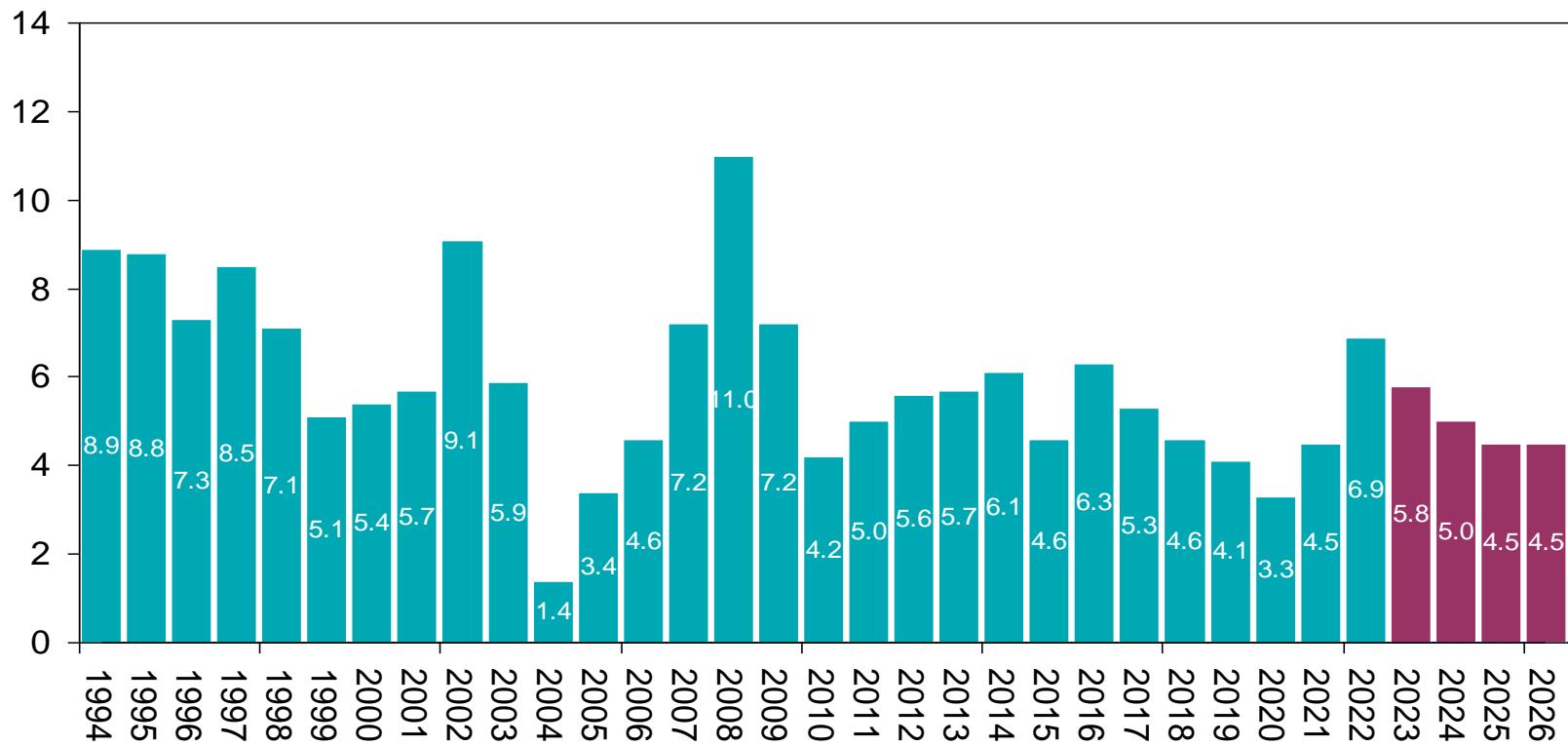
South Africa official interest rates

%
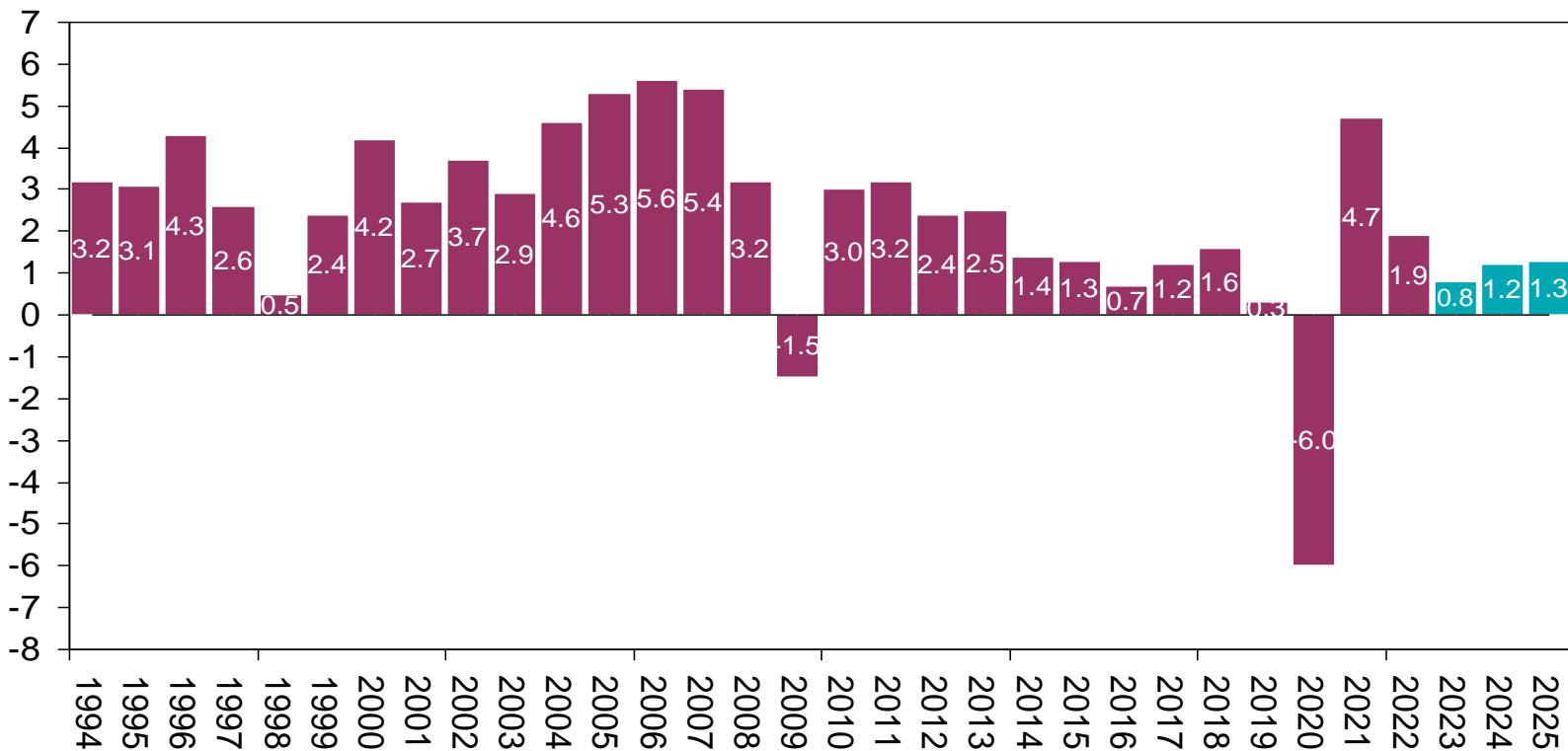
SA inflation rate (SA Reserve Bank forecast)

Average annual, %y/y

Source: Statistics South Africa and SARB
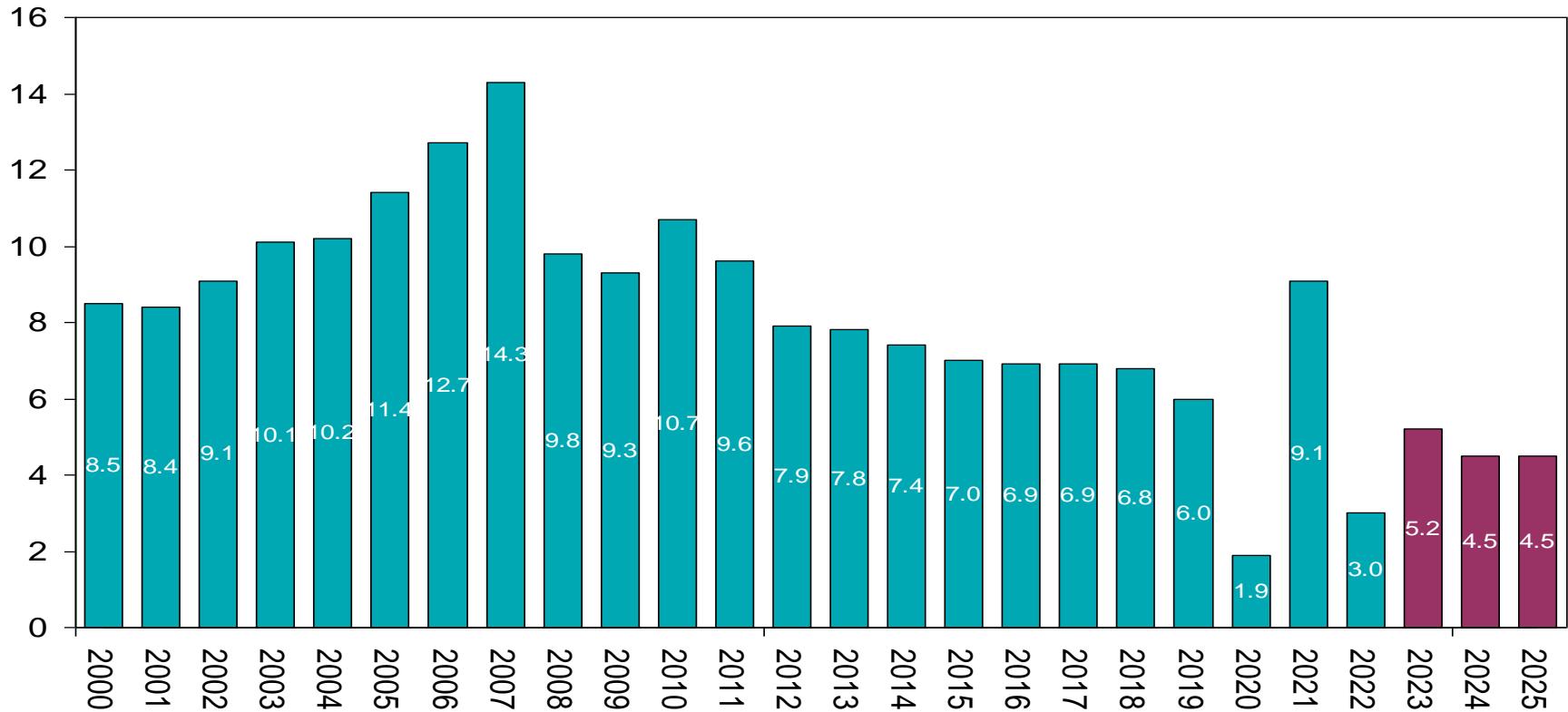
SA GDP annual growth rate (SA Reserve Bank forecast)

% y / y

Source: Statistics South Africa and SARB

China GDP growth consensus forecast

% y / y

Bar chart values by year:
- 2000: 8.5
- 2001: 8.4
- 2002: 9.1
- 2003: 10.1
- 2004: 10.2
- 2005: 11.4
- 2006: 12.7
- 2007: 14.3
- 2008: 9.8
- 2009: 9.3
- 2010: 10.7
- 2011: 9.6
- 2012: 7.9
- 2013: 7.8
- 2014: 7.4
- 2015: 7.0
- 2016: 6.9
- 2017: 6.9
- 2018: 6.8
- 2019: 6.0
- 2020: 1.9
- 2021: 9.1
- 2022: 3.0
- 2023: 5.2
- 2024: 4.5
- 2025: 4.5

Weekly economic review: 20 to 26 November 2023

Friday, 24 November 2023

- SA Reserve Bank post MPC conference call

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Although most of the post MPC discussion related to the macro-economic impact of SA's two-pot retirement system as well as GFECRA, the Governor highlighted some of the key inflation risks the MPC is concerned about:

• Geo-politics and the implication for the oil price

• SA fuel price, which can be impacted by the exchange rate and the fuel levy

• Food prices and the impact of the current El Nino effect

• Impact of fiscal policy

• Impact of SA's current logistical constraints

• It also seems reasonable to add the risk of SA's electricity price hikes as well as the private sector's investment in renewal energy – which could create further cost push inflationary pressures
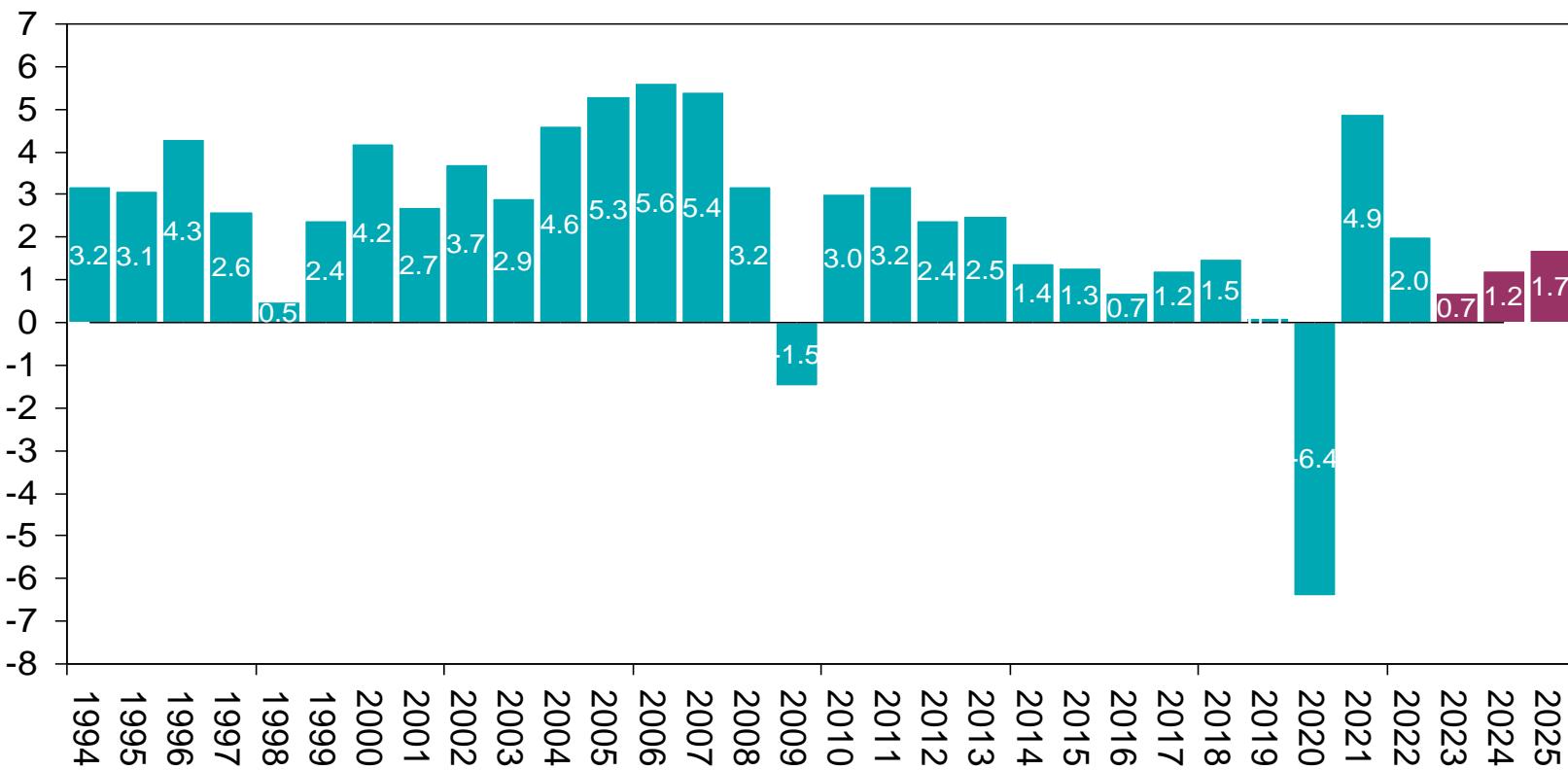
Consensus GDP growth

- South Africa consensus GDP growth forecast

- United States consensus GDP growth forecast

- Euro-area consensus GDP growth forecast

- China consensus GDP growth forecast

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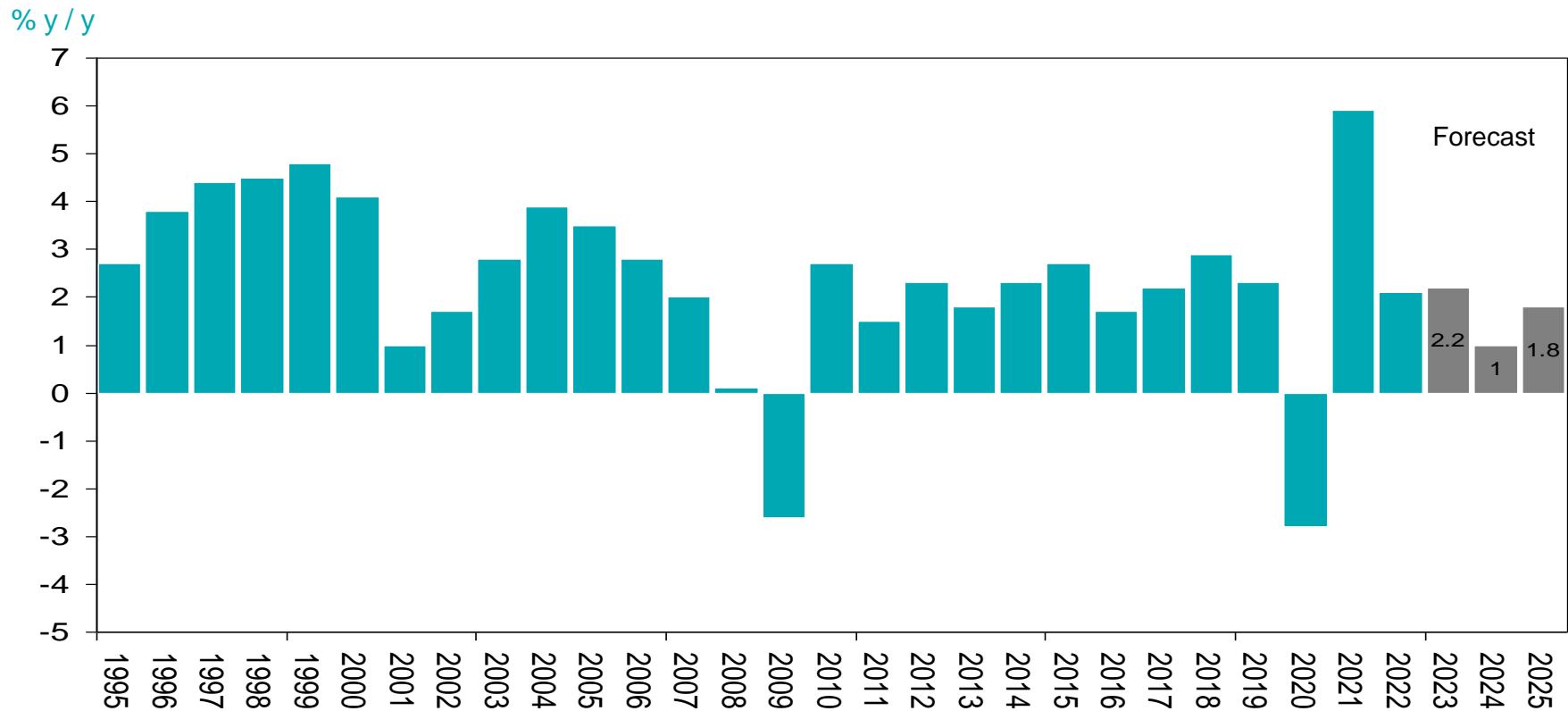
SA consensus GDP annual growth rate

% y / y
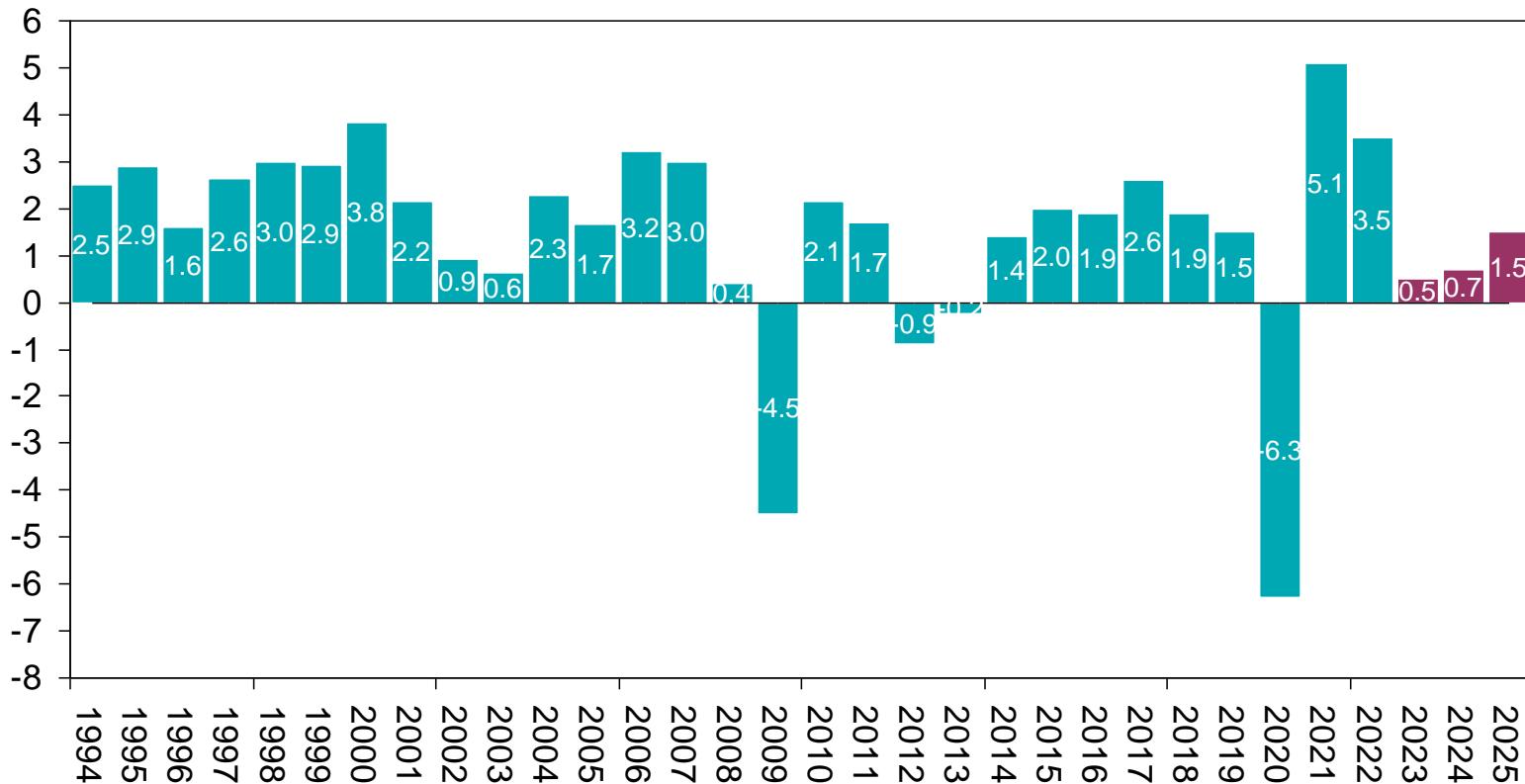
US consensus real annual GDP growth

% y / y

Forecast

Source: Bloomberg

Euro-area GDP annual growth rate: consensus growth estimate
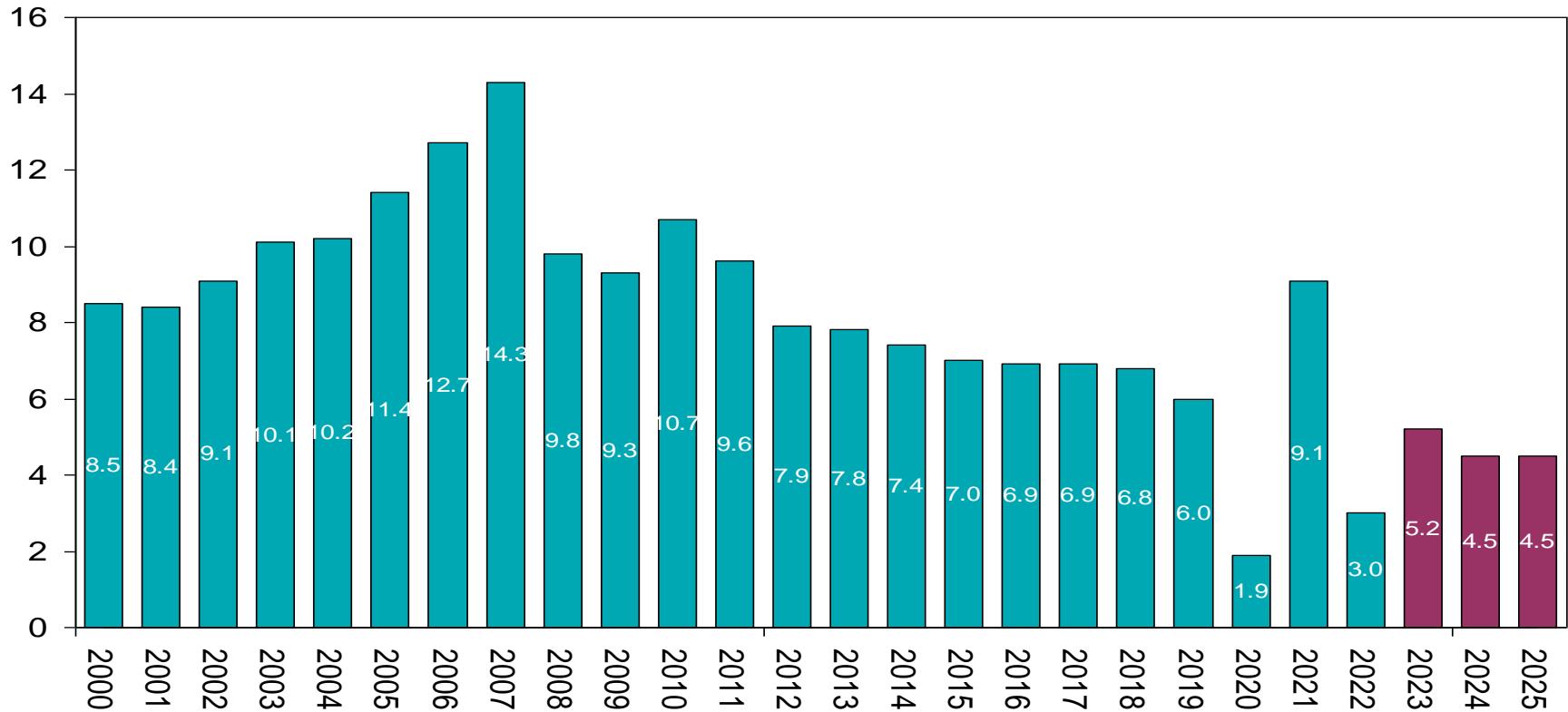
% y / y

China GDP growth consensus forecast

%y/y

Source: Bloomberg

US financial conditions: 20 to 26 November 2023
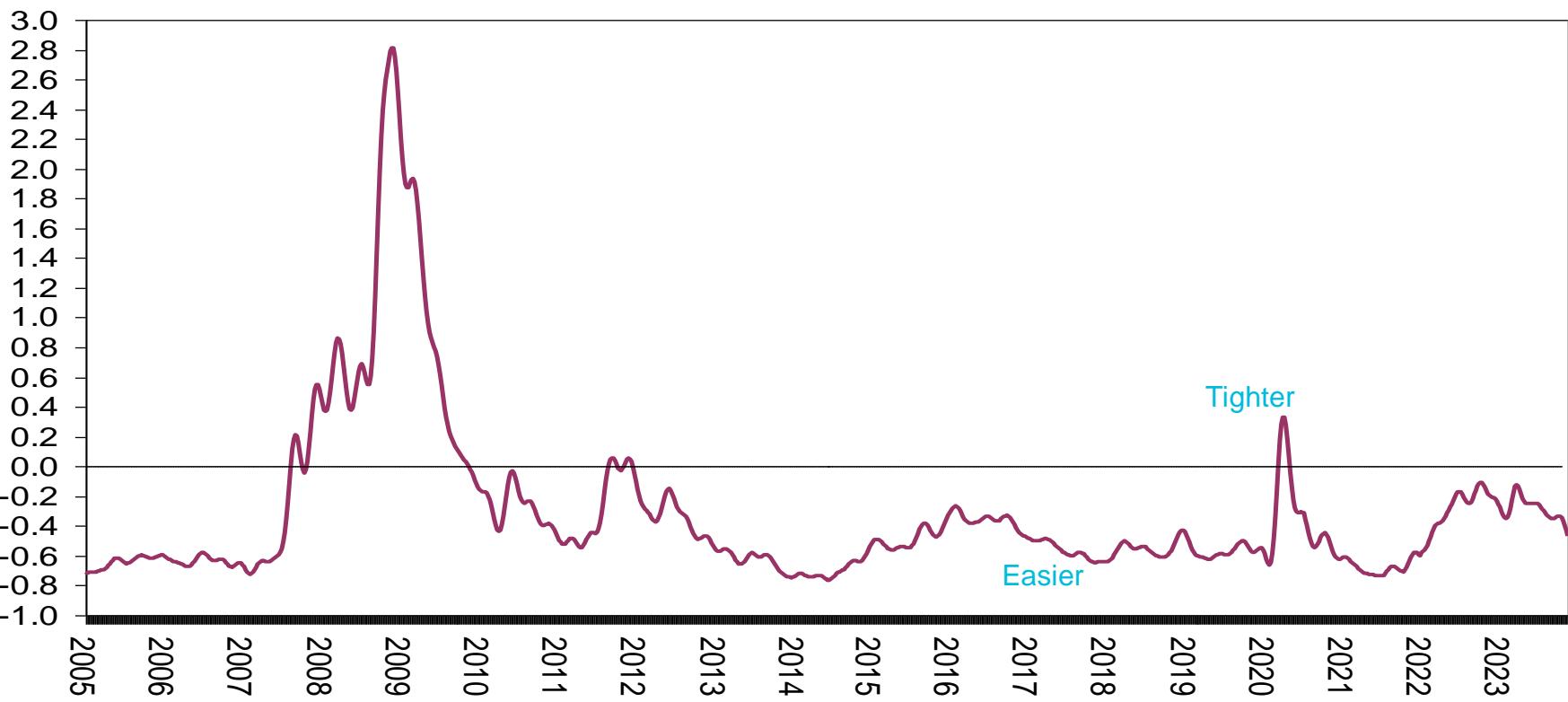
- US financial conditions (Federal Reserve Chicago)

- US financial conditions (Federal Reserve Kansas City)

- US financial stress index (OFR)

- China PBOC liquidity injection

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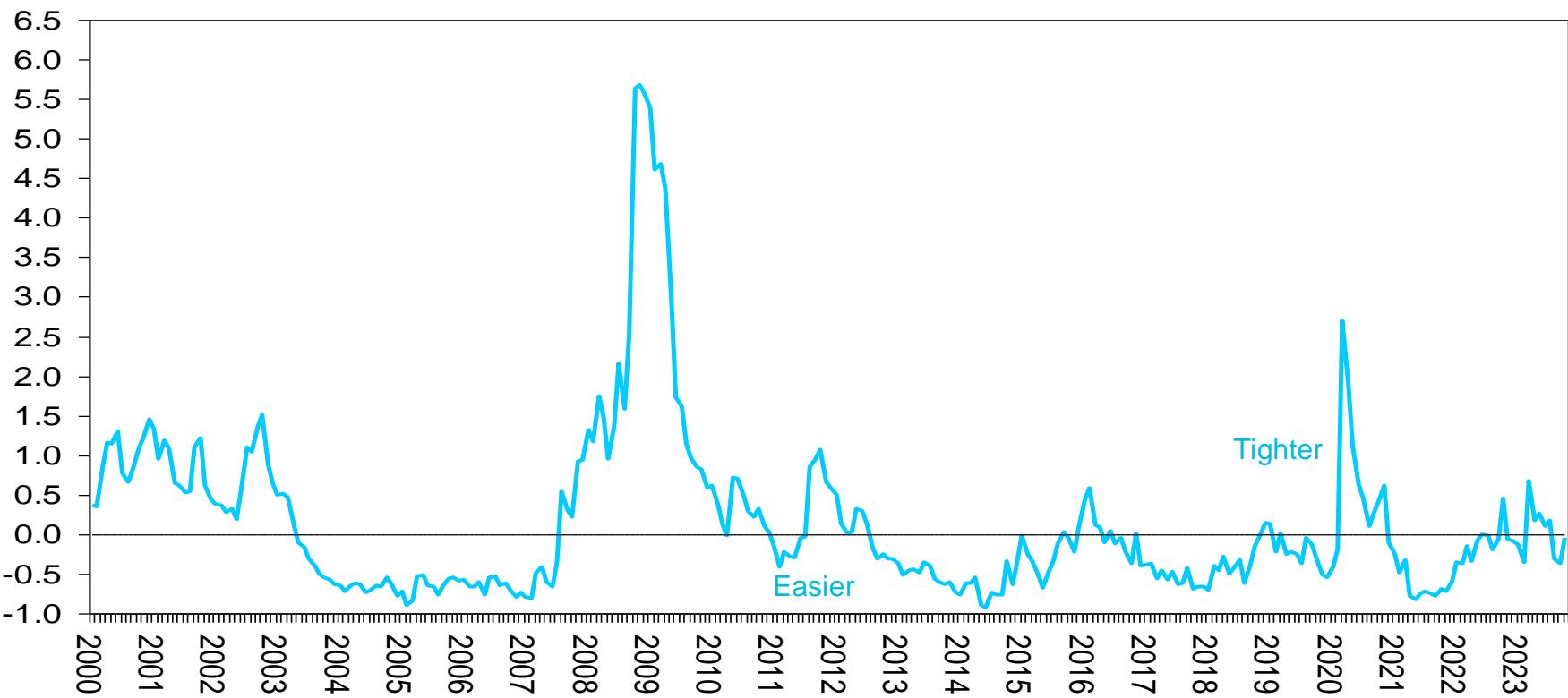
US financial conditions (Federal Reserve Chicago)
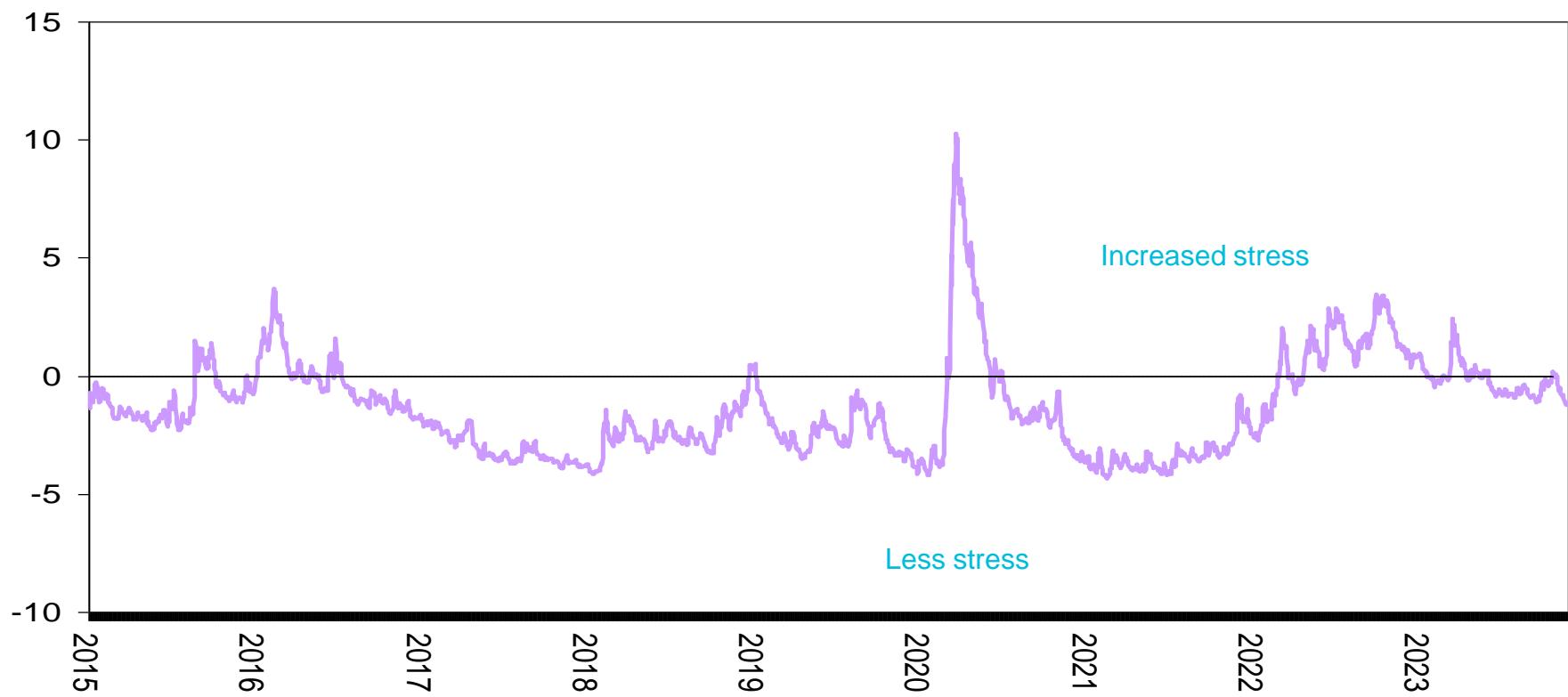
Index

US financial conditions (Federal Reserve Kansas City)

Index

US financial stress index (OFR Financial Stress Index)
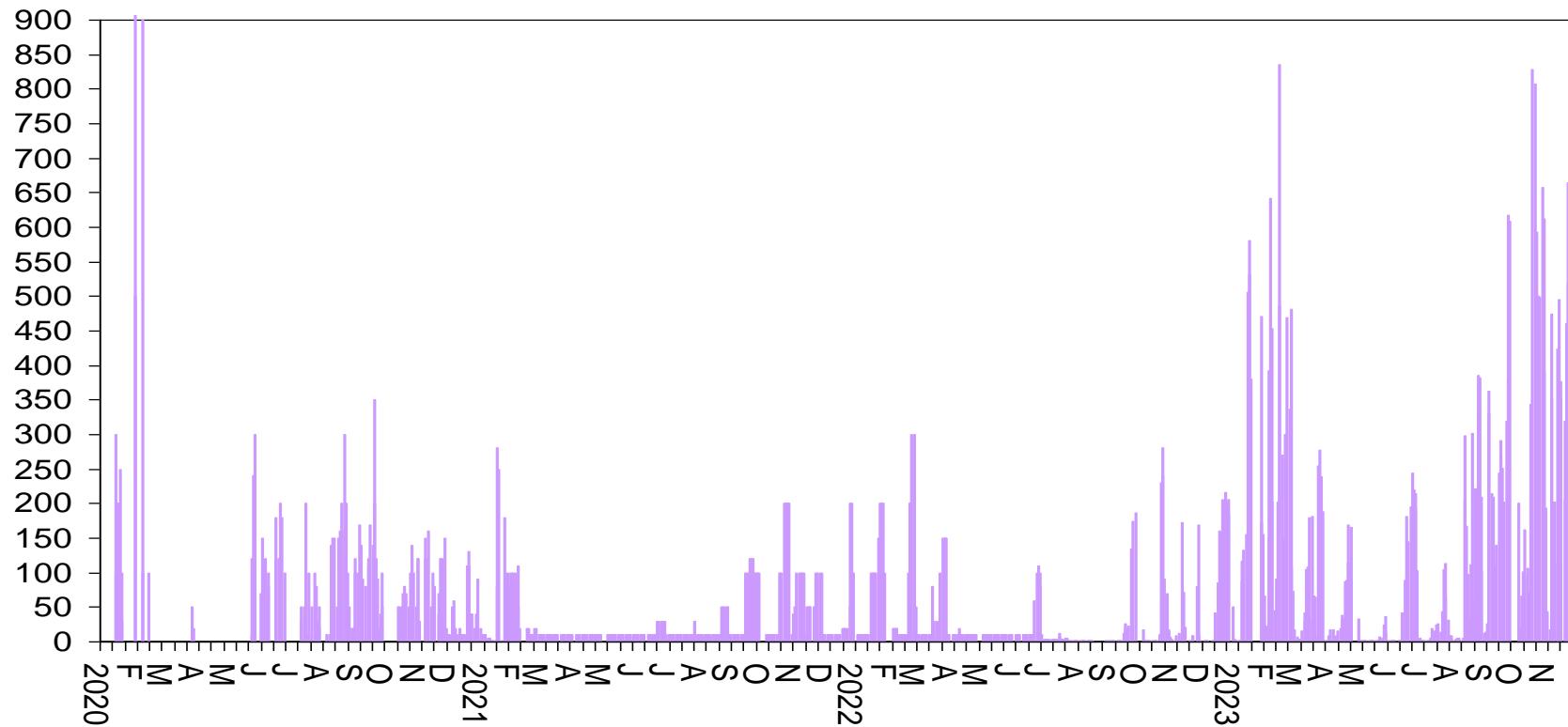
Index

China PBOC liquidity injection daily (total reverse Repos)

Yuan billion

Commodity prices: 20 to 26 November 2023

- 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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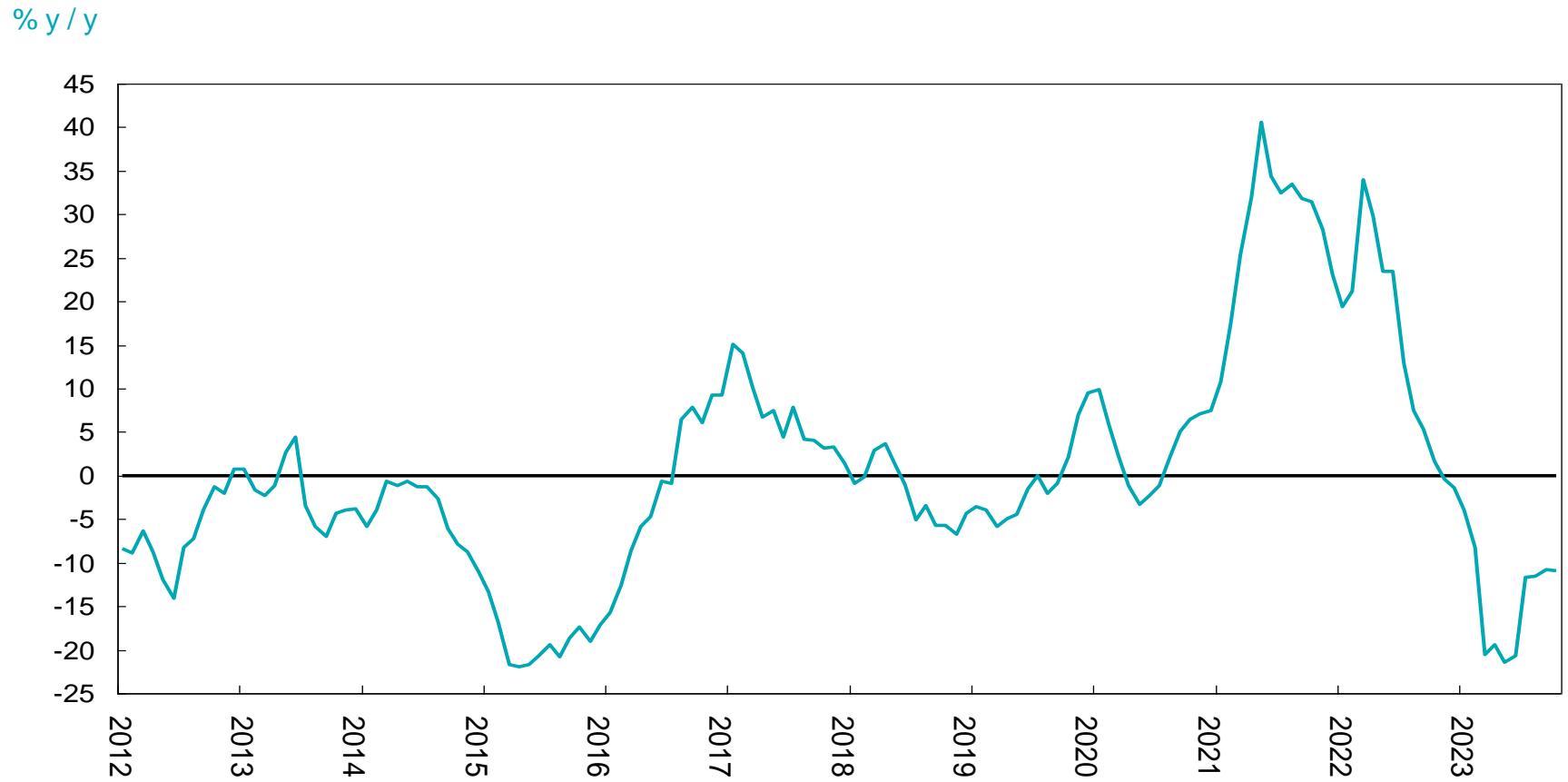
Global commodity price index (S&P GSCI)

Index

World food inflation

% y / y

Gold price
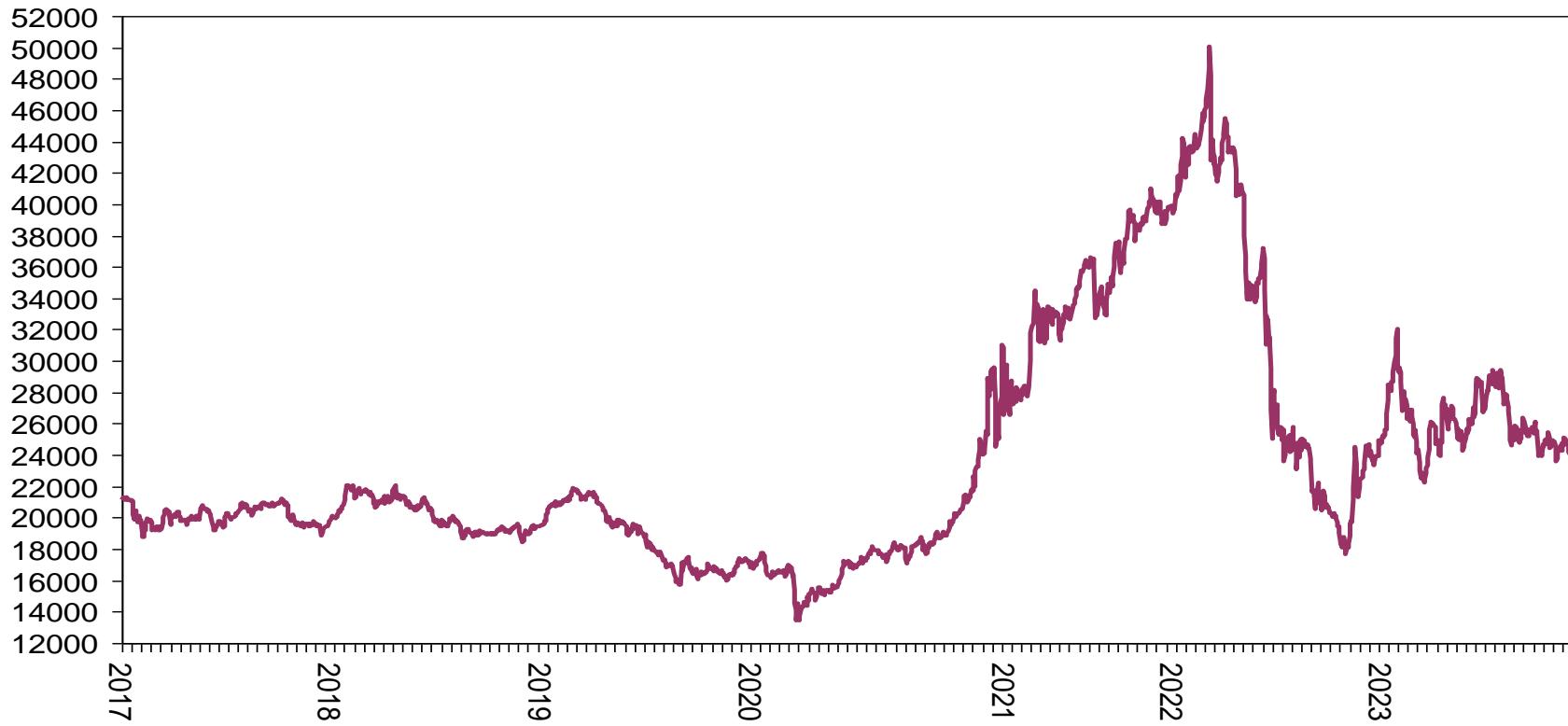
$/ounce

Tin price

$/MT

Silver price

$/ounce

Oil price
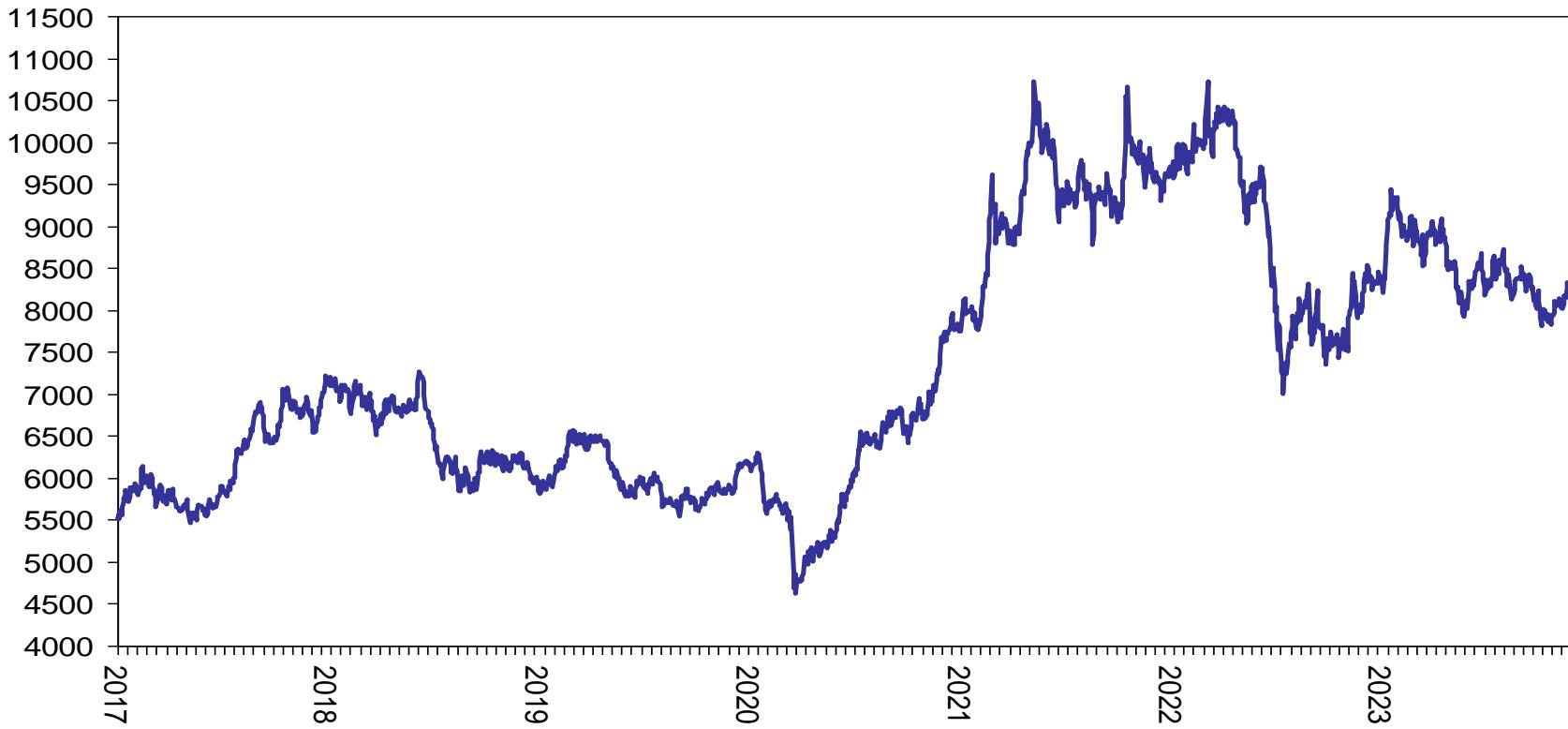
Copper price
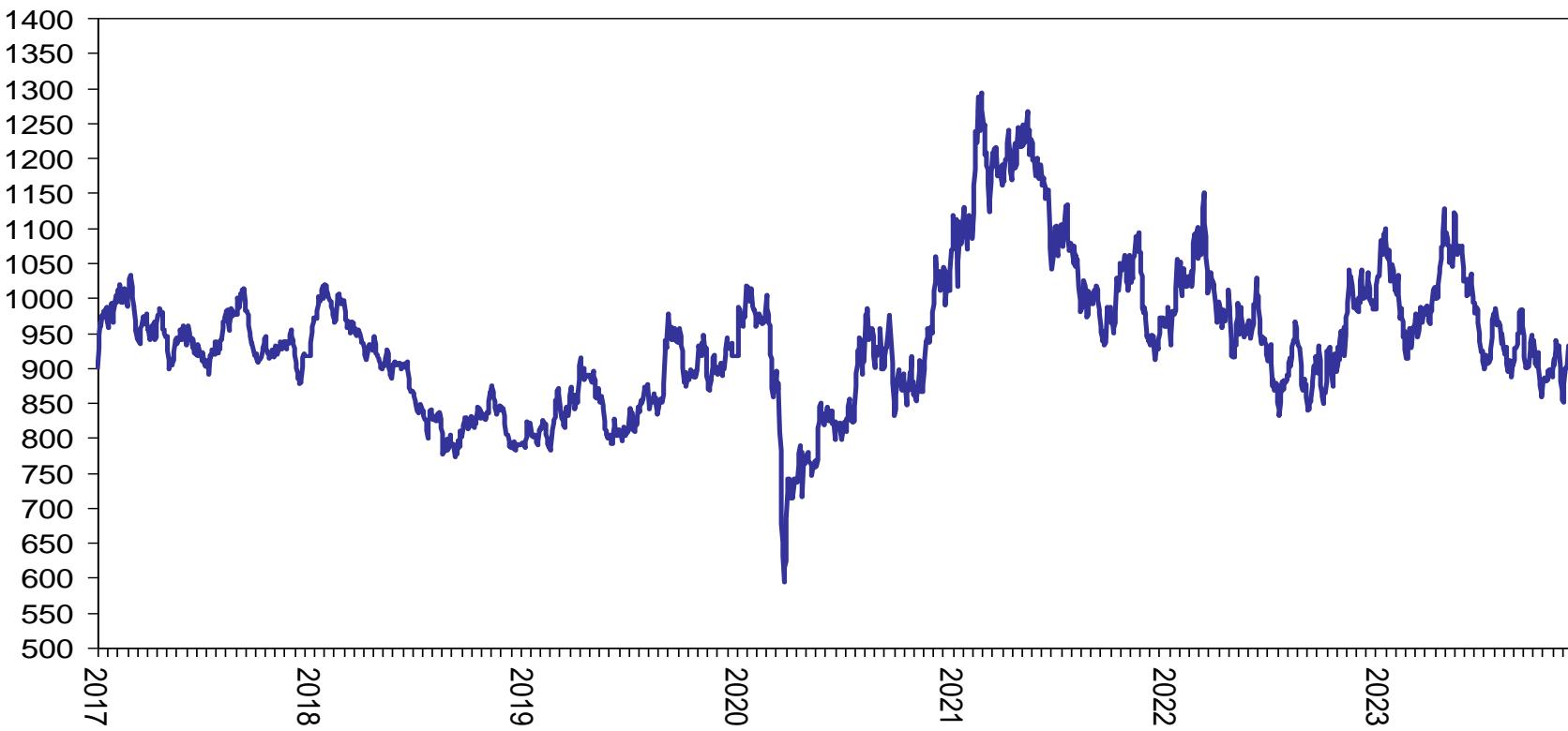
$ / M T

Platinum price
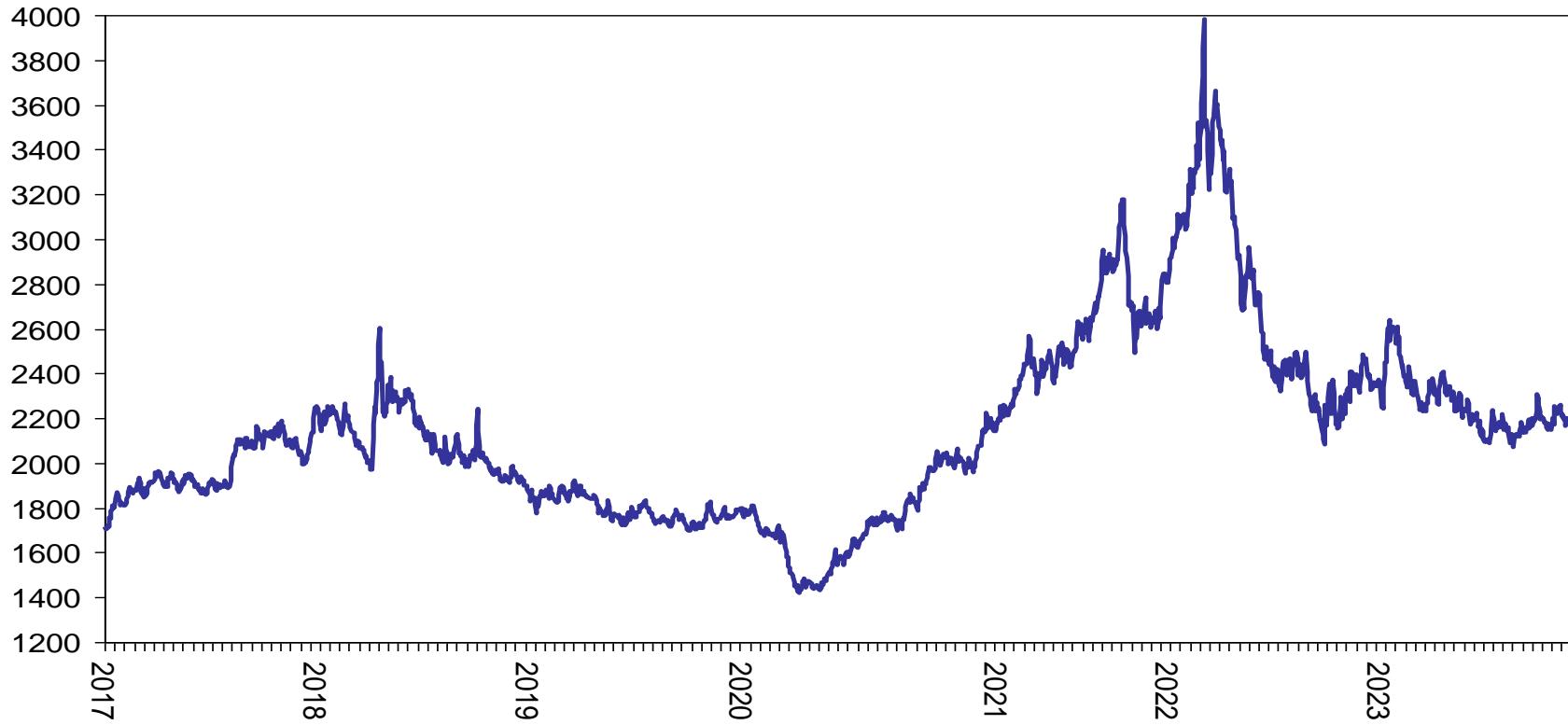
$/ounce

Aluminium price
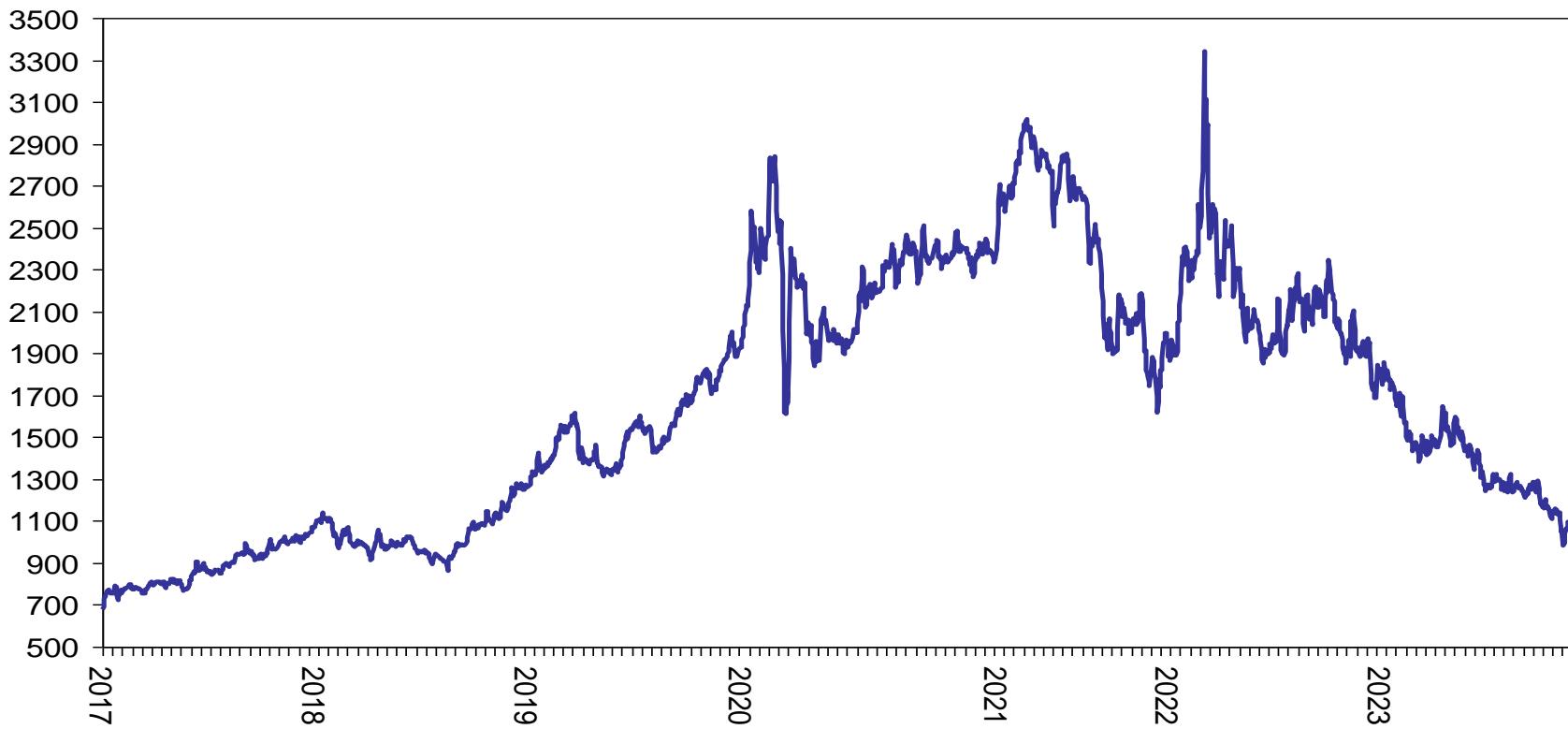
$/MT

Palladium price
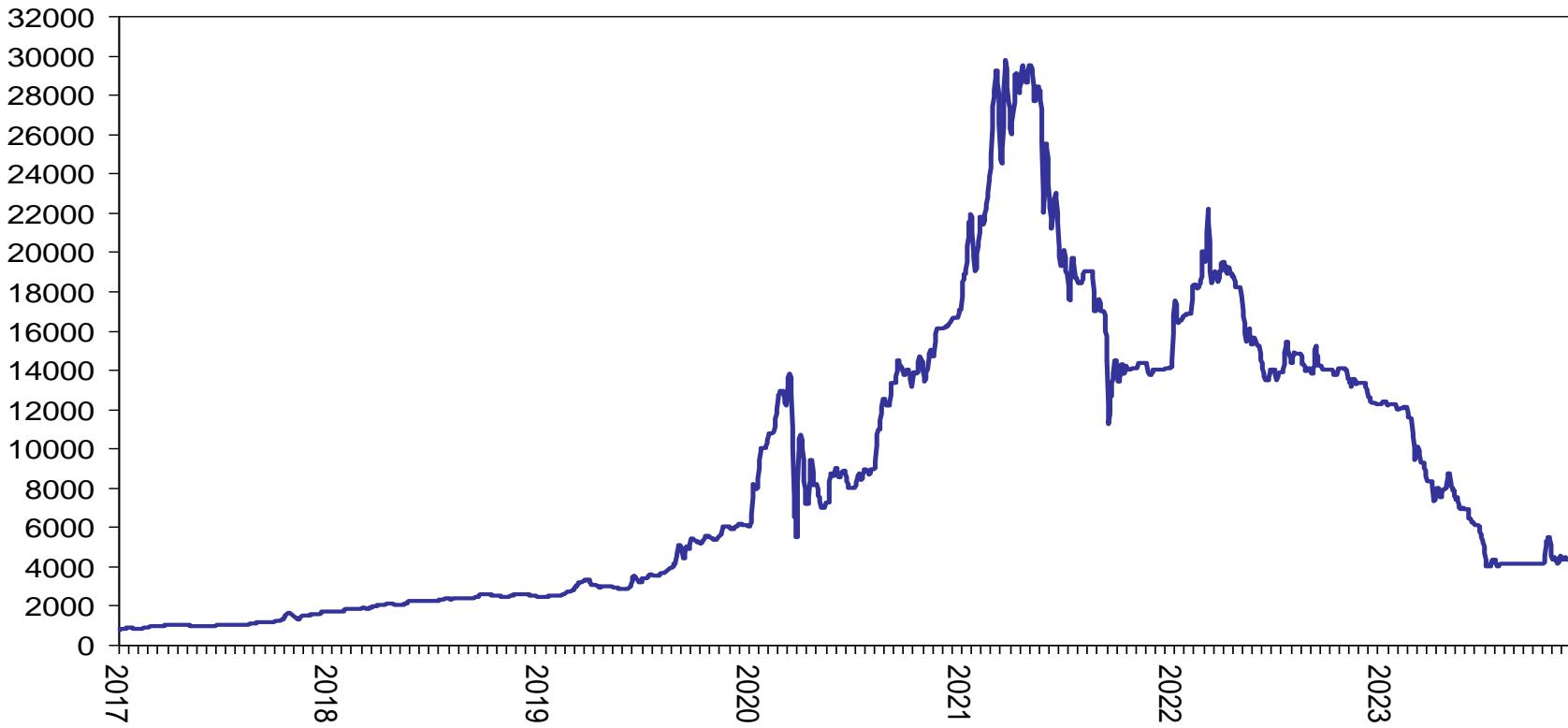
$/ounce

Rhodium price
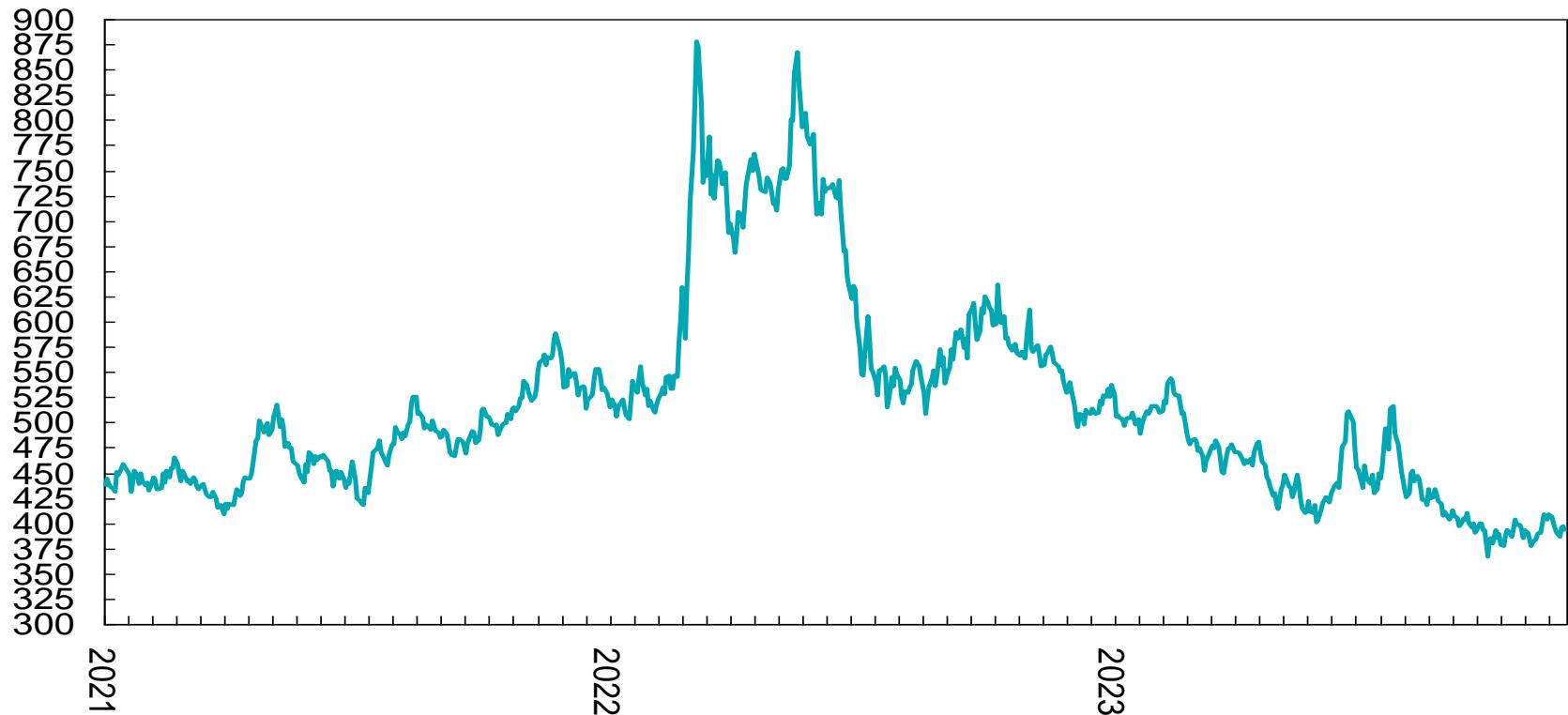
$/ounce

Global wheat price index

Source: Goldman Sachs

Financial markets: 20 to 26 November 2023
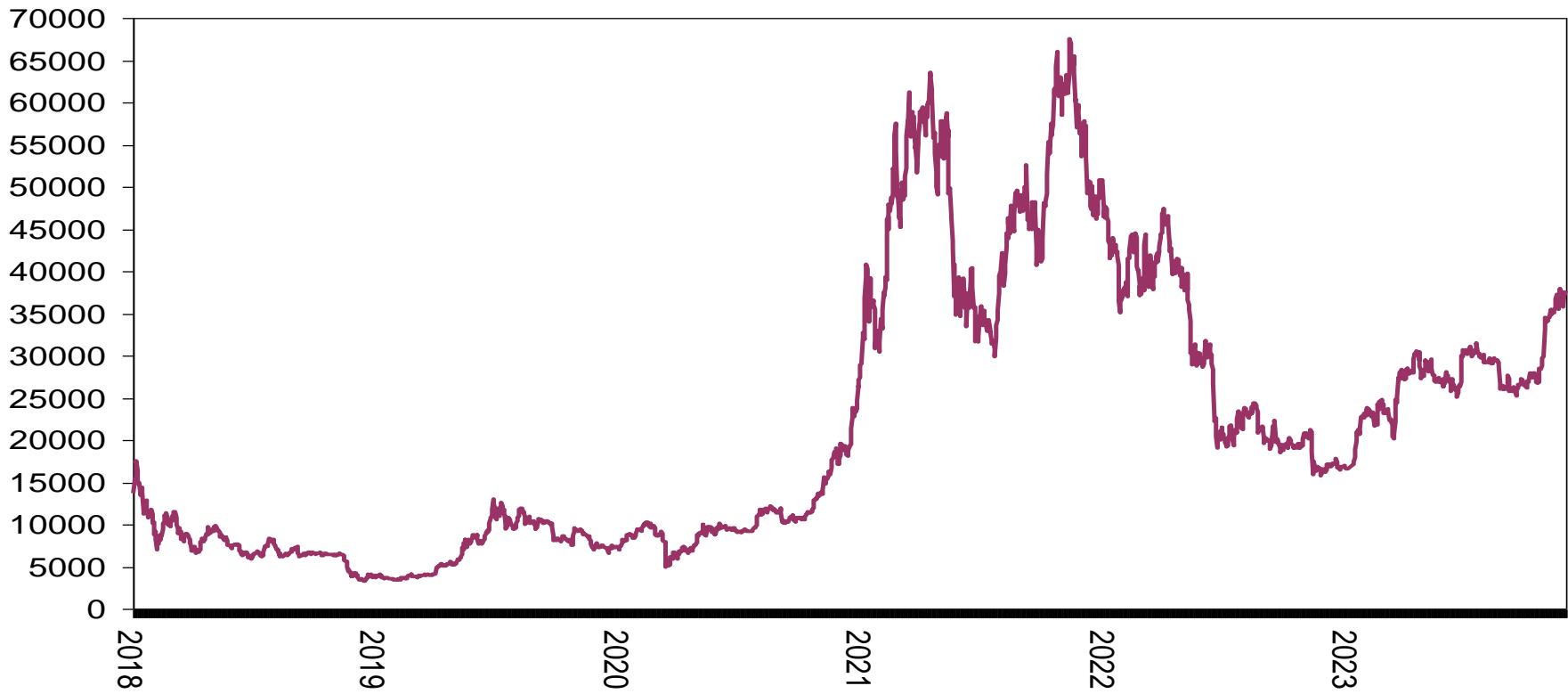
- Bitcoin price

- 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
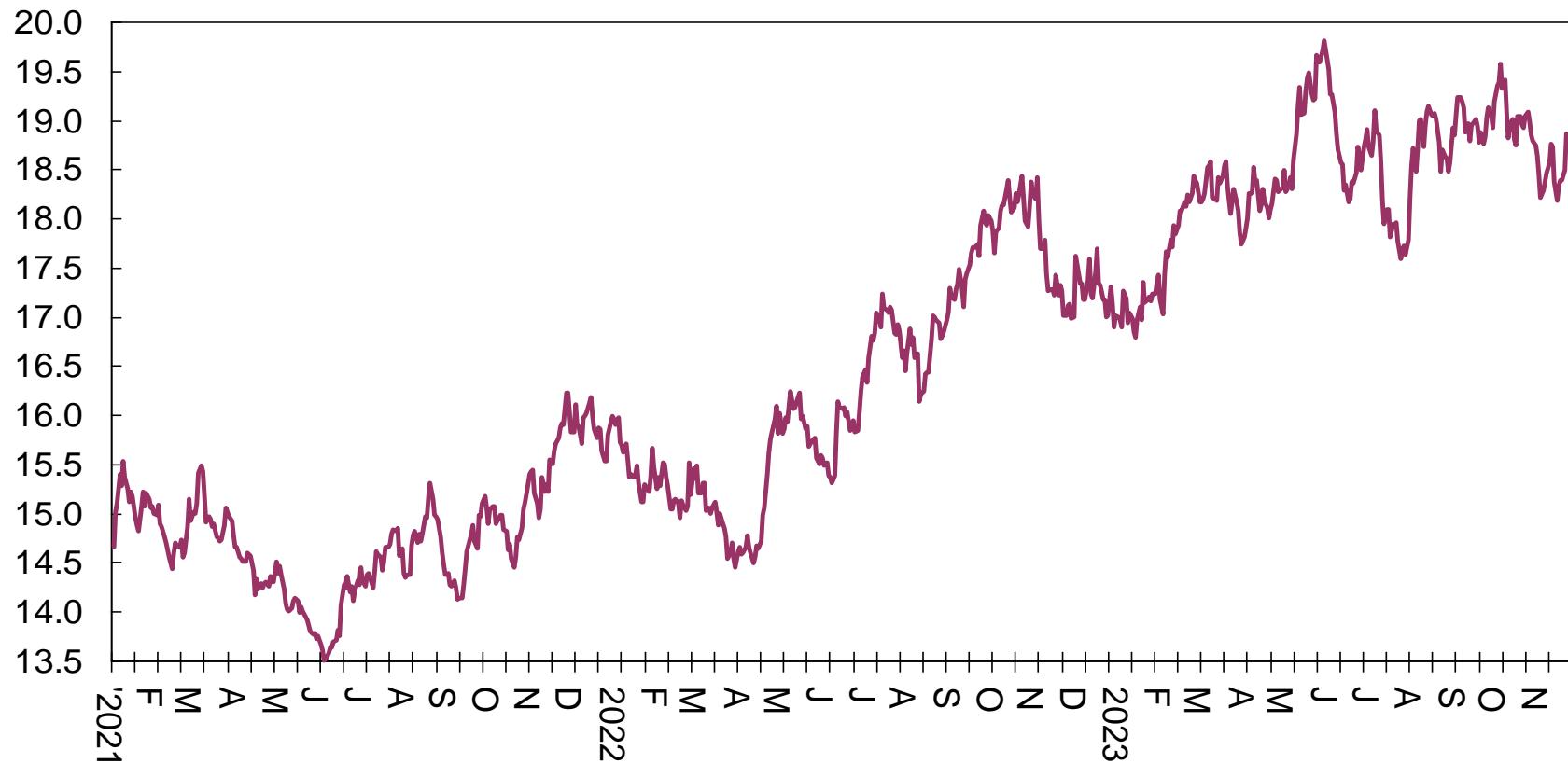
Dollar

South Africa Rand vs US Dollar (daily)
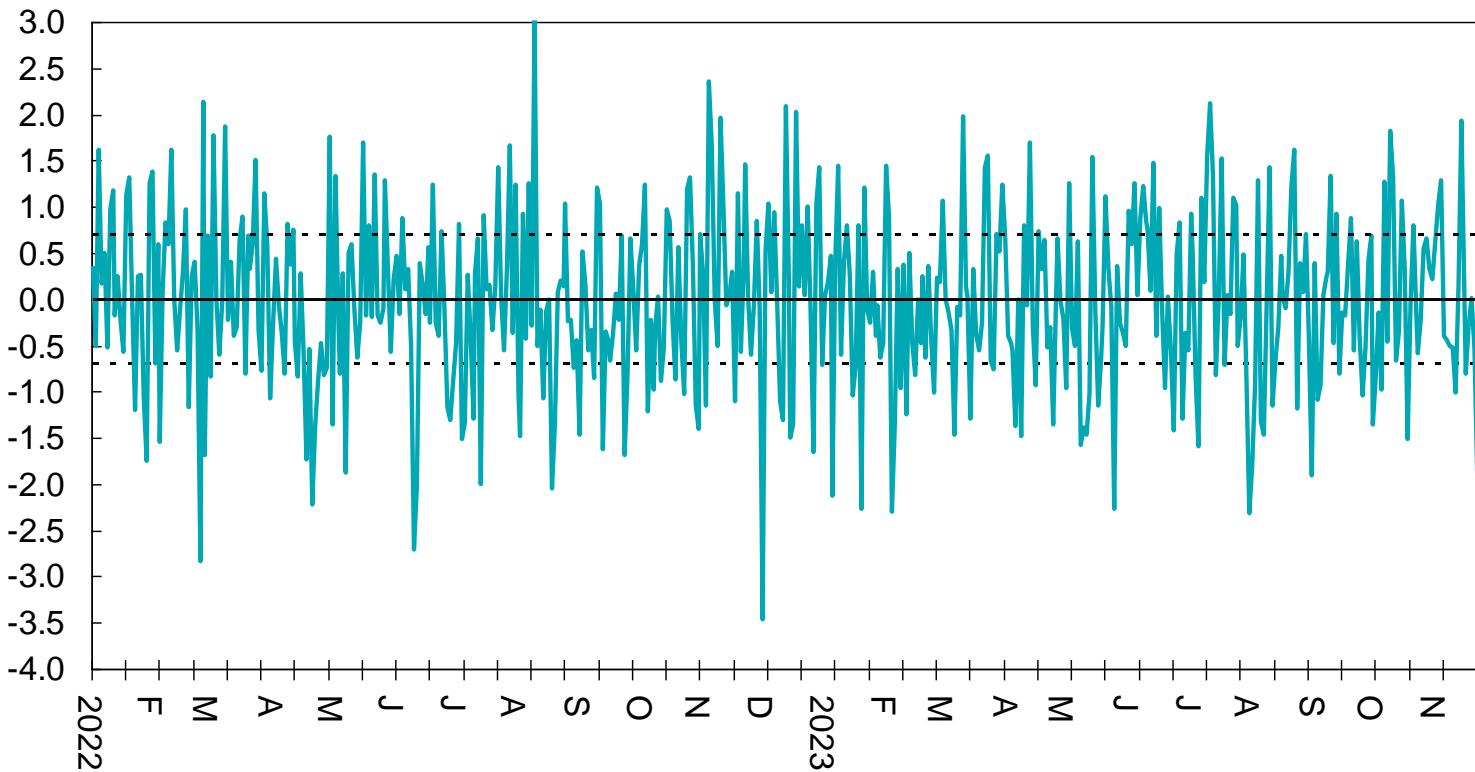
Rand per Dollar

# South Africa Rand vs US Dollar (daily change in value)
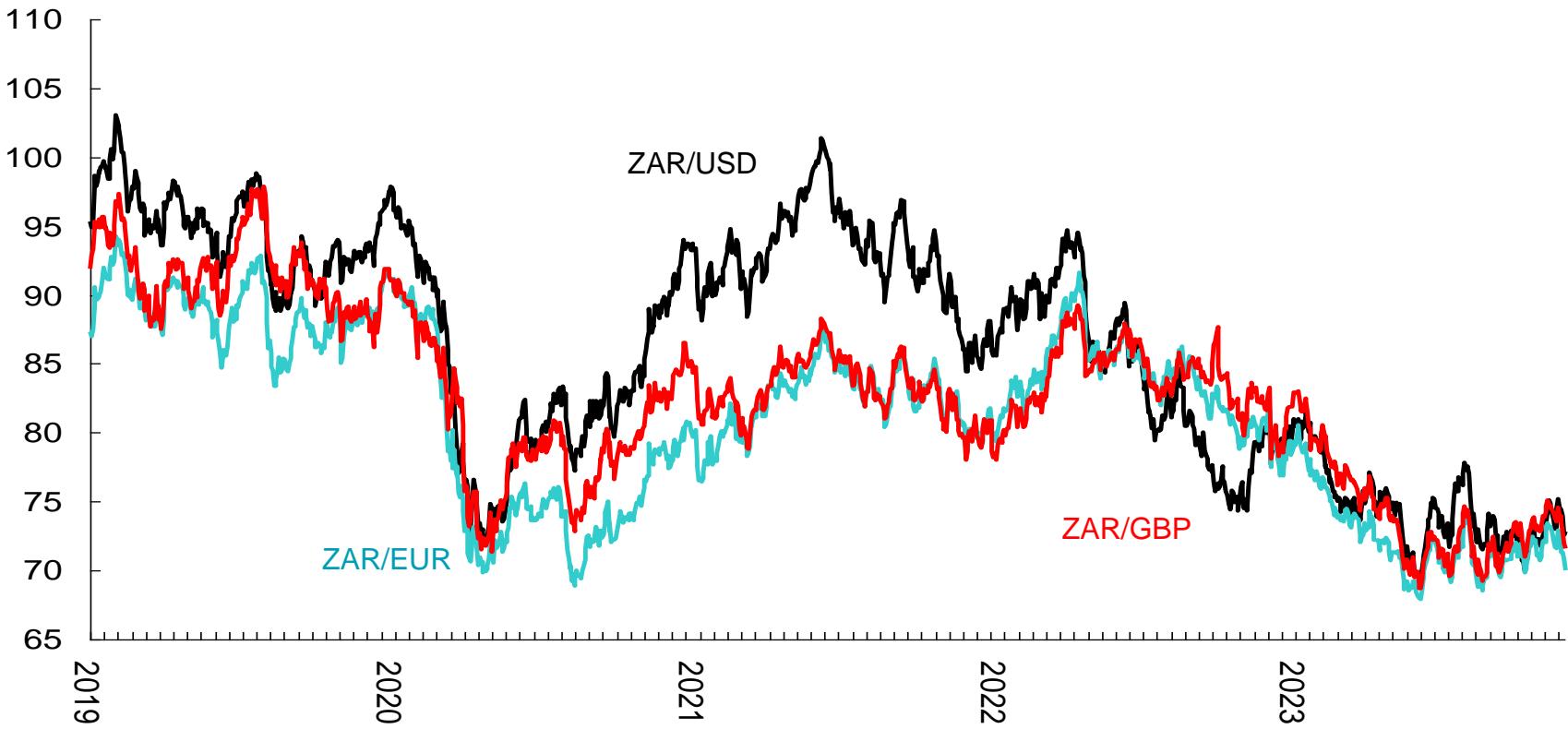
% change, day-on-day

SA Rand vs Dollar, Euro and Pound
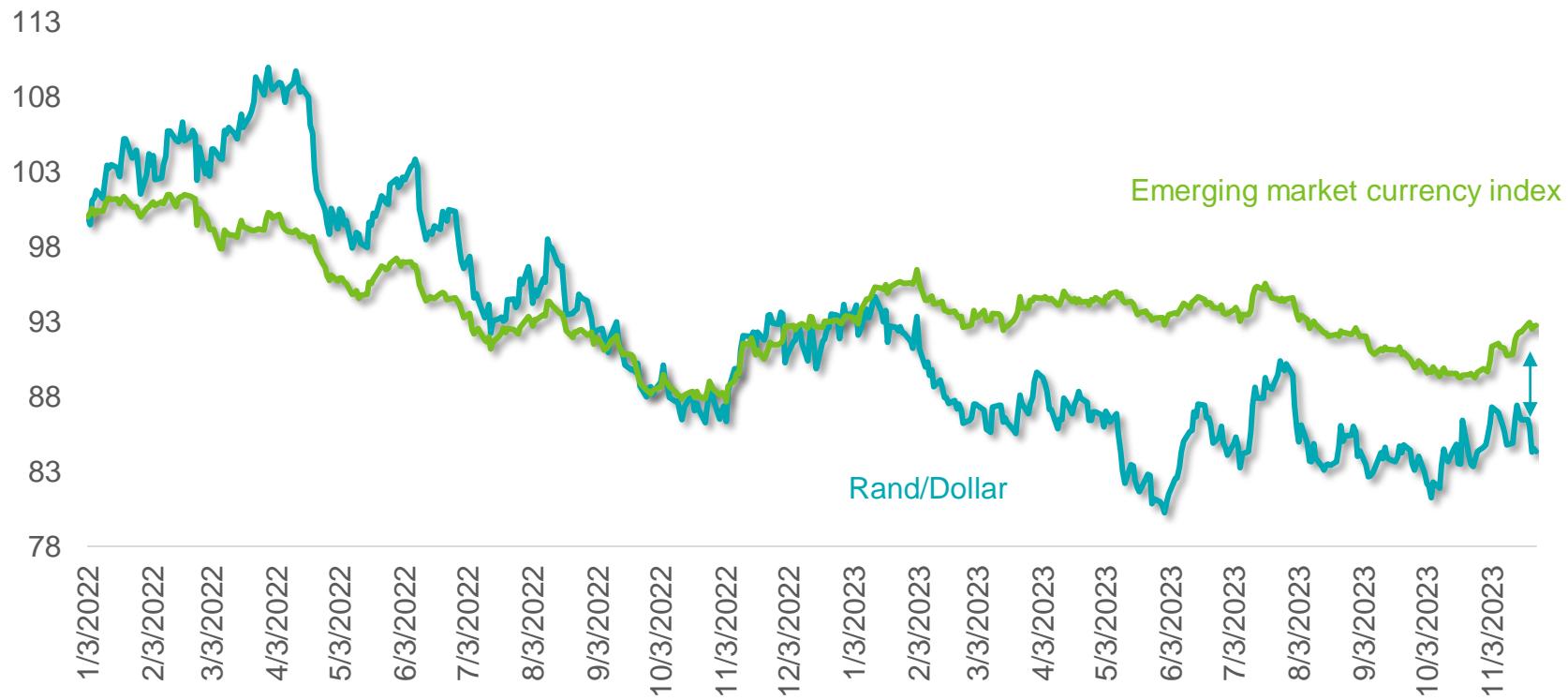
Index, 1 January 2017 = 100
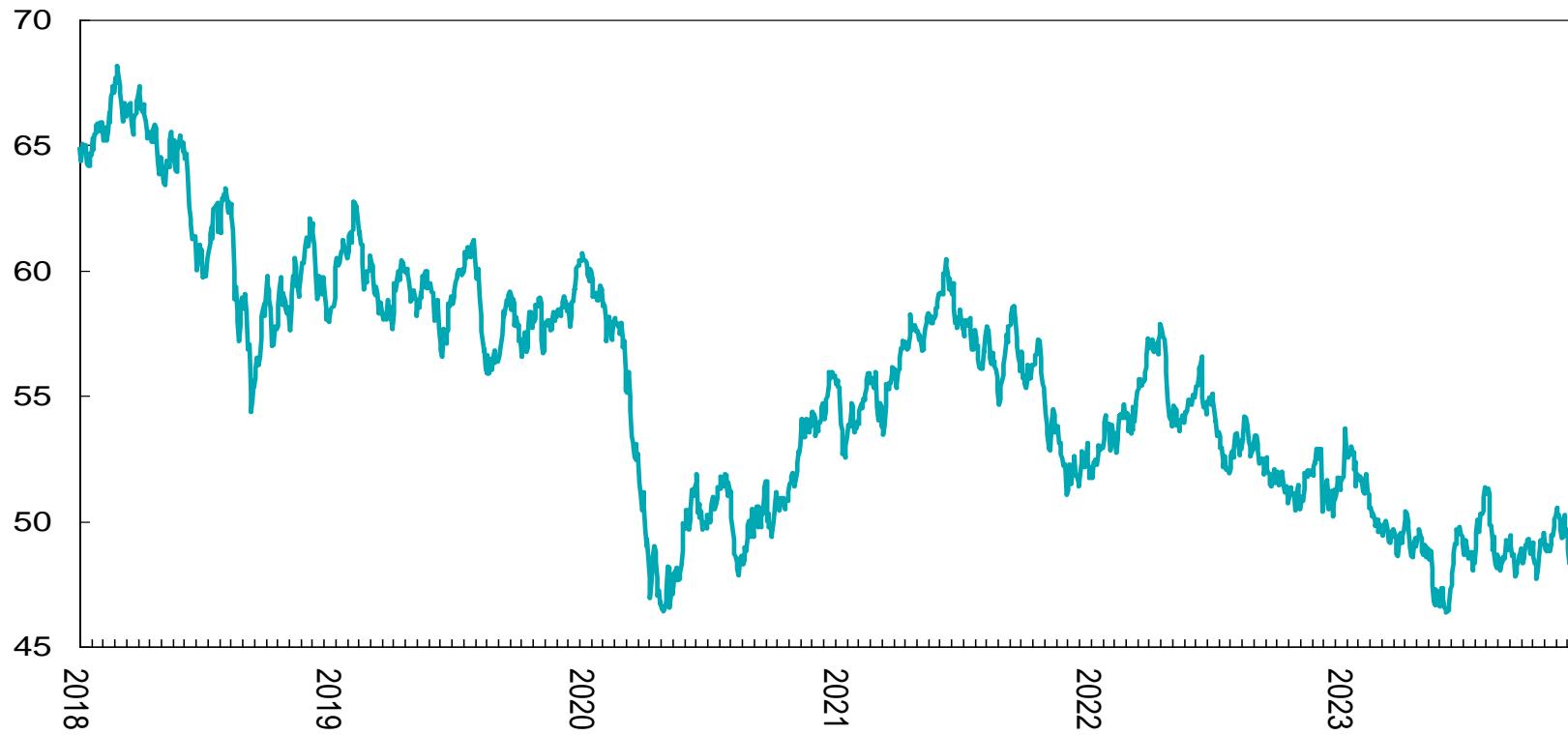
Rand/US Dollar vs Emerging Market Currencies

Index, 1 Jan 2022 = 100

Emerging market currency index

Rand/Dollar

Source: Analytics Consulting, Macrobond, 24 November 2023

SA trade-weighted exchange rate
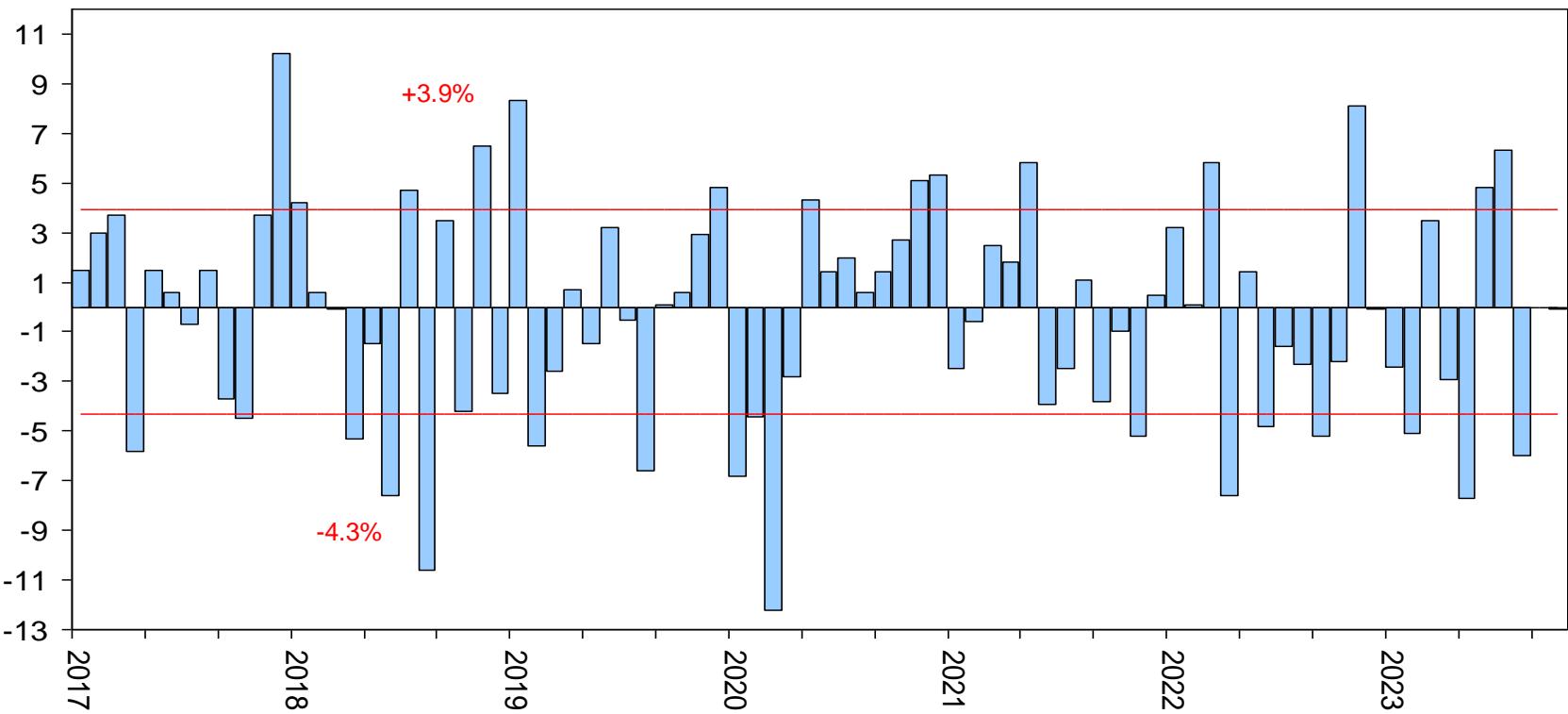
Index, nominal, daily data from J P Morgan

Monthly percentage change in Rand/Dollar

% month-on-month
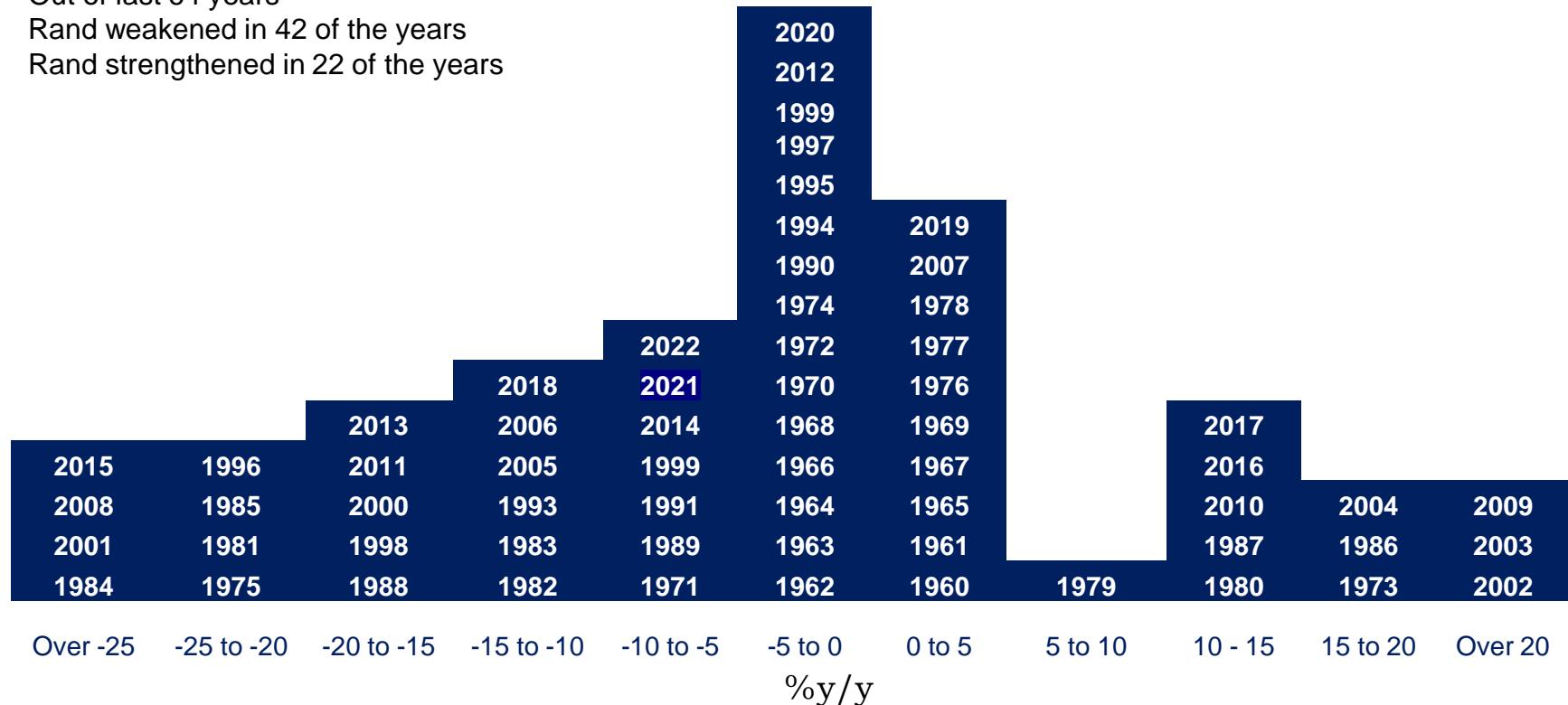
Rand/Dollar annual performance

Out of last 64 years
Rand weakened in 42 of the years
Rand strengthened in 22 of the years
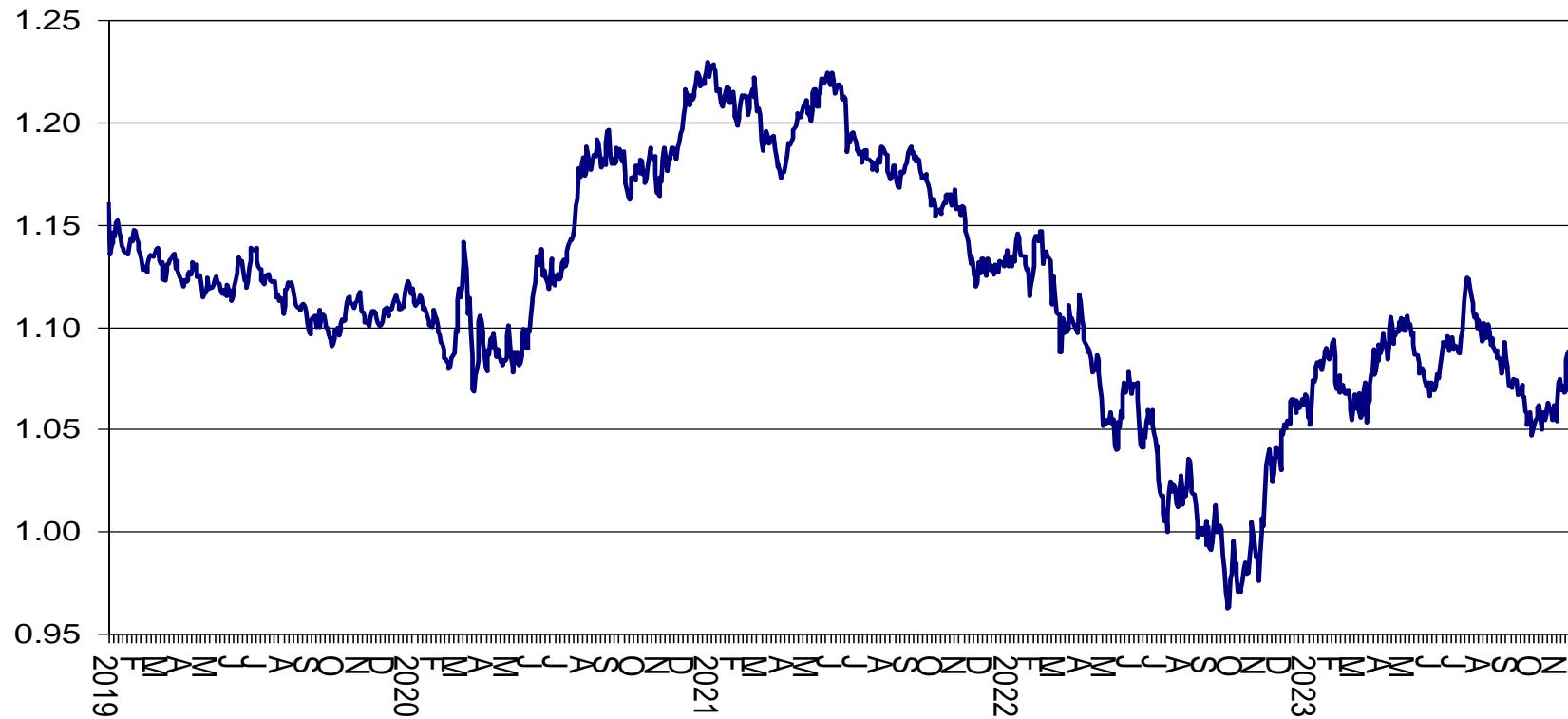
Over -25	-25 to -20	-20 to -15	-15 to -10	-10 to -5	-5 to 0	0 to 5	5 to 10	10 - 15	15 to 20	Over 20
					2020					
					2012					
					1999					
					1997					
					1995					
					1994	2019				
					1990	2007				
					1974	1978				
				2022	1972	1977				
			2018	2021	1970	1976				
		2013	2006	2014	1968	1969		2017		
2015	1996	2011	2005	1999	1966	1967		2016		
2008	1985	2000	1993	1991	1964	1965		2010	2004	2009
2001	1981	1998	1983	1989	1963	1961		1987	1986	2003
1984	1975	1988	1982	1971	1962	1960	1979	1980	1973	2002

%y/y
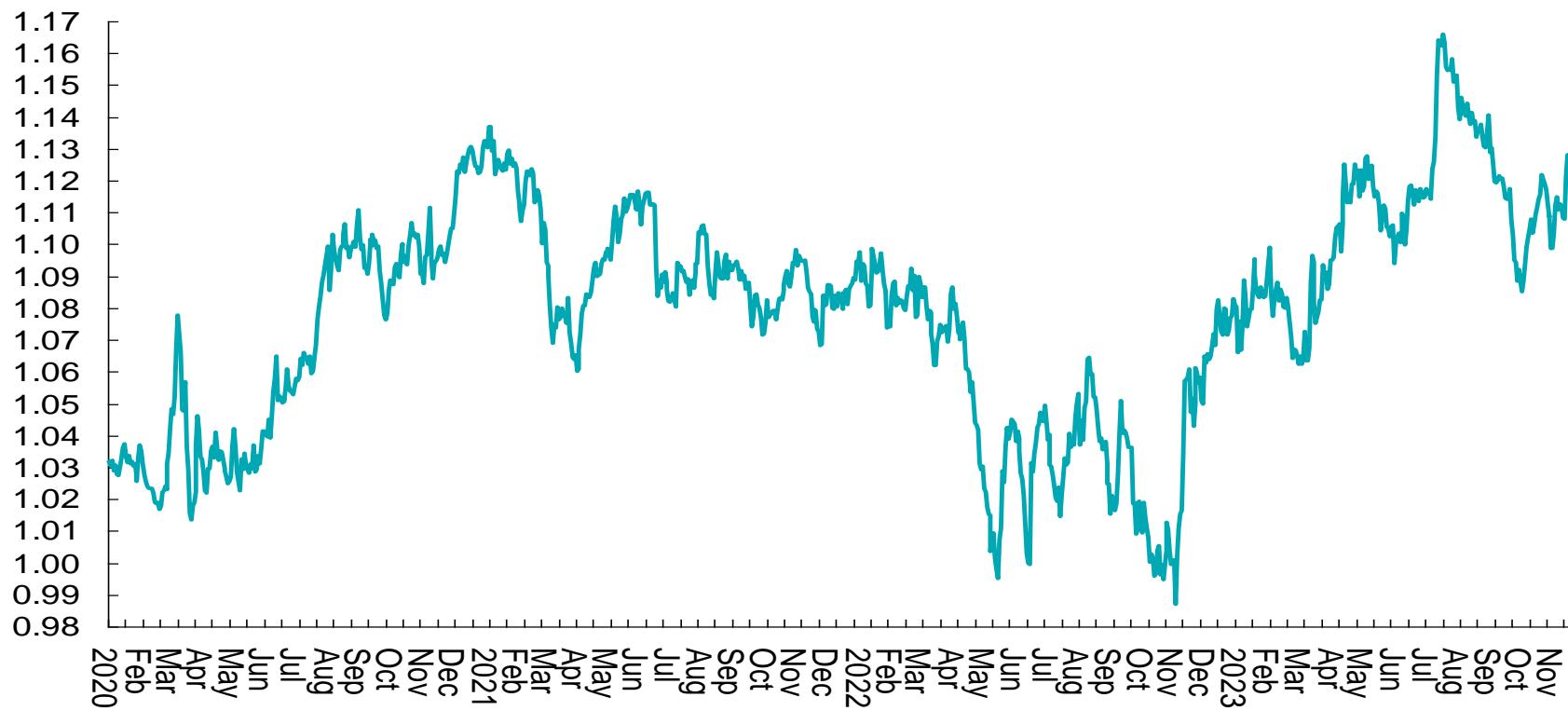
US Dollar vs Euro

Dollar per Euro

US Dollar per Swiss Franc

USD per CHF

US Dollar vs CNY
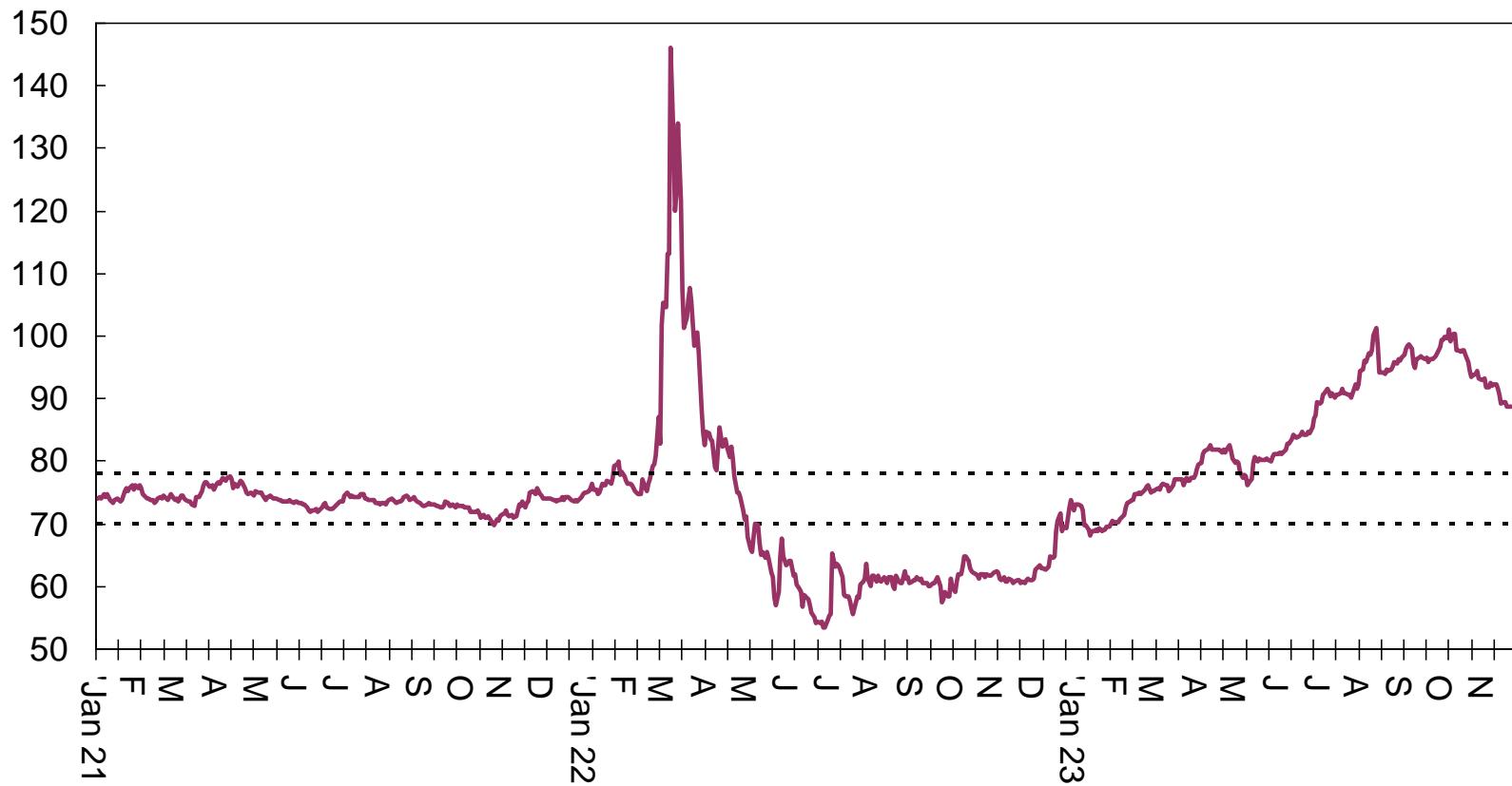
CNY per US Dollar

Russian Ruble vs US Dollar (daily)

Ruble per Dollar

Japanese Yen per US Dollar

Yen per Dollar

SA long-dated government bond yield

% yield
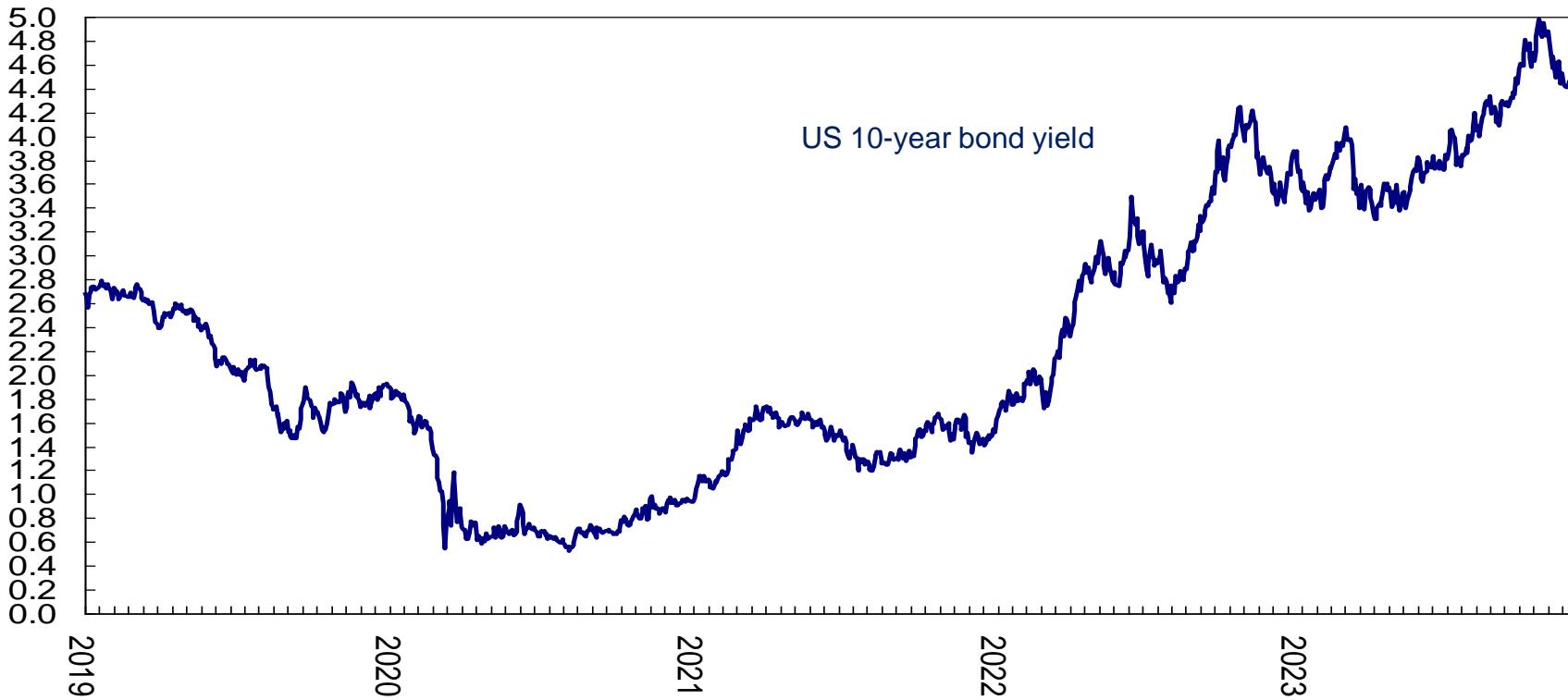
SA long-dated bond yield

US 10-year government bond yield

% yield
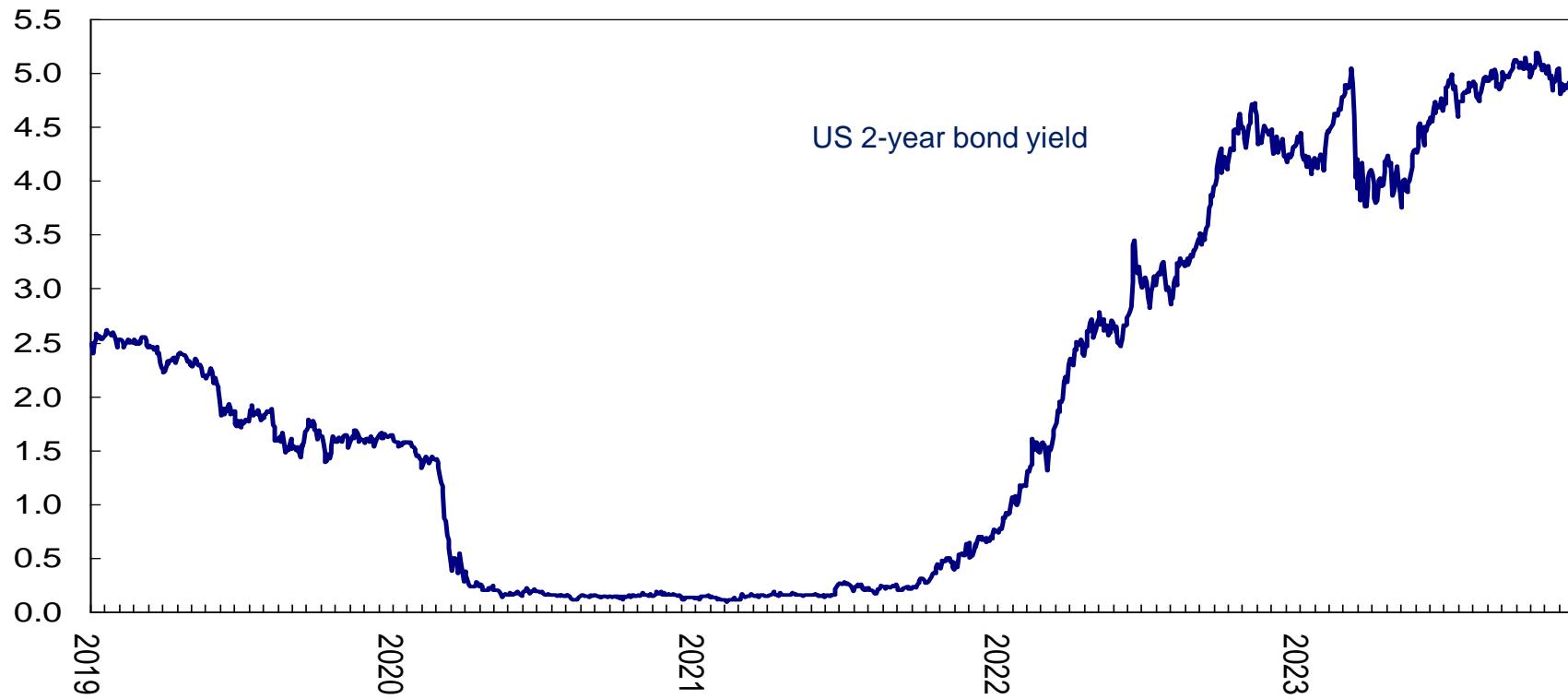
US 10-year bond yield

US 2-year government bond yield
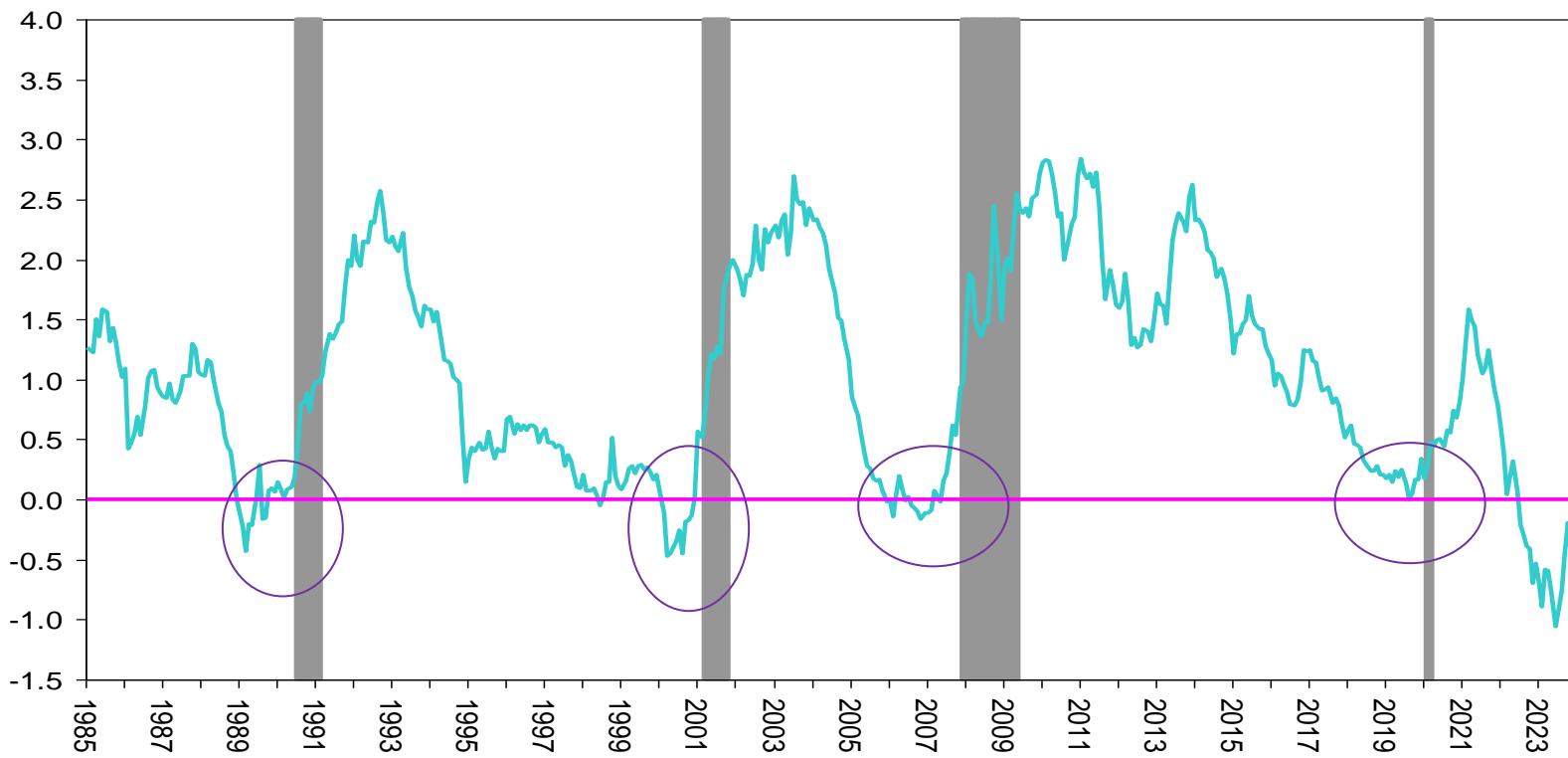
% yield

US 2-year bond yield

US 10-year less 2-year treasury and business cycle
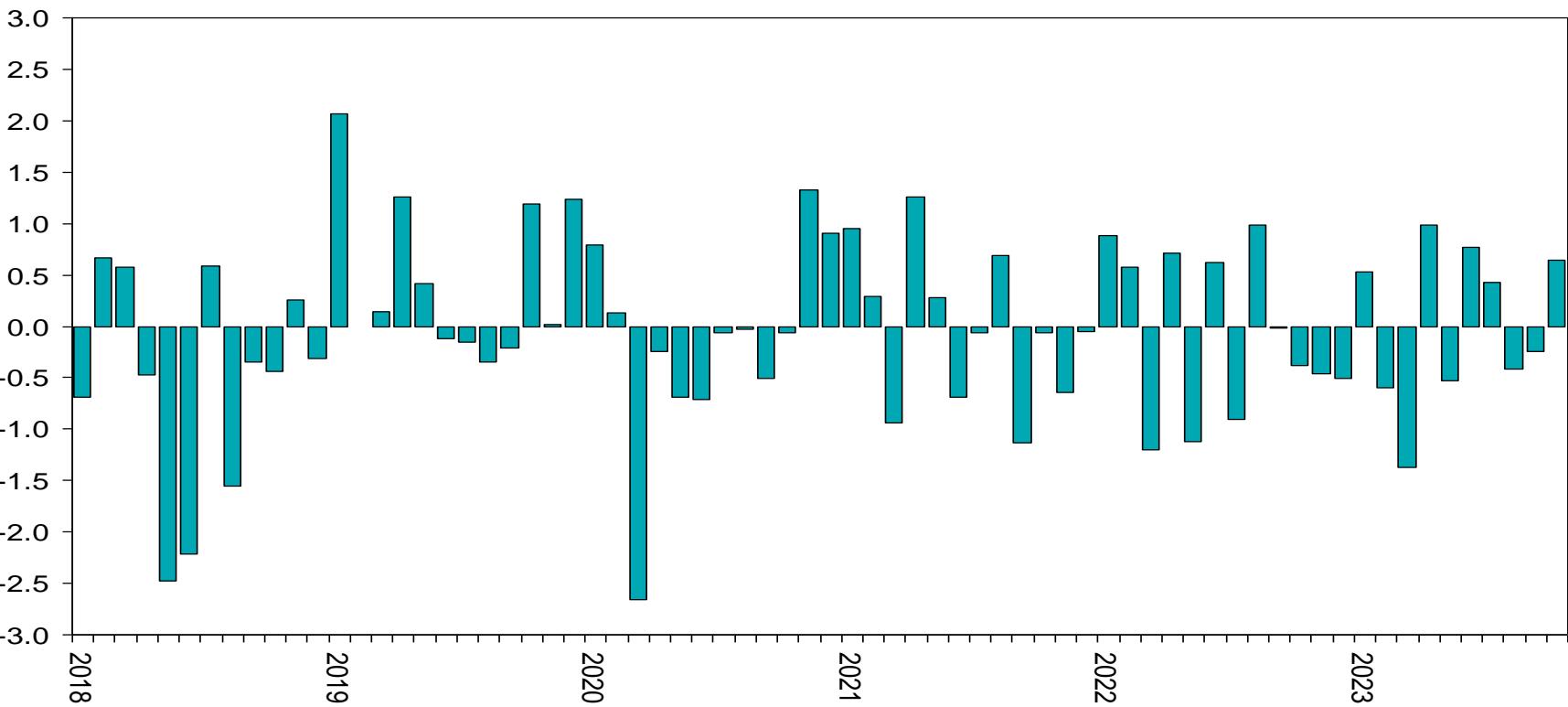
Percentage points

Foreign buying of South African government bonds
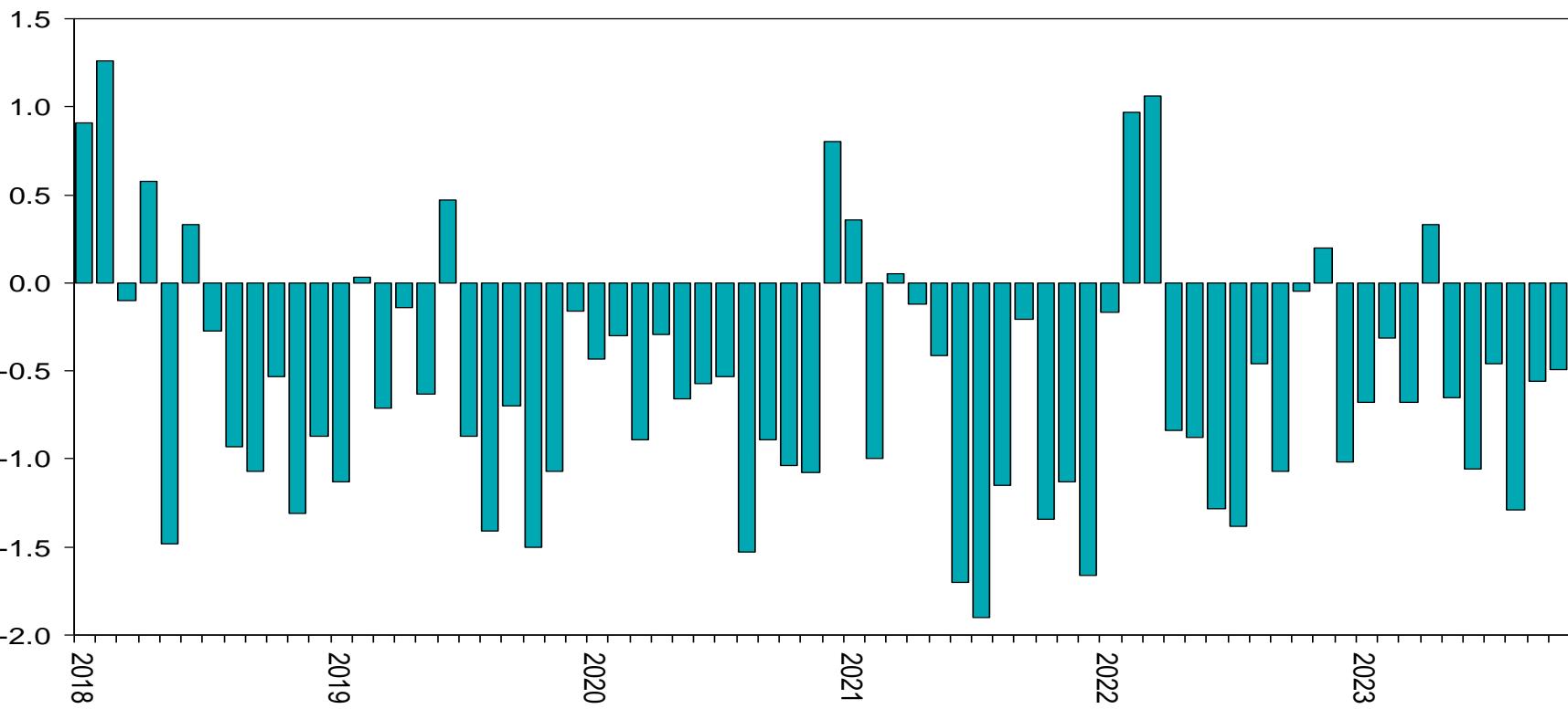
$ billion (SA Reserve Bank data)
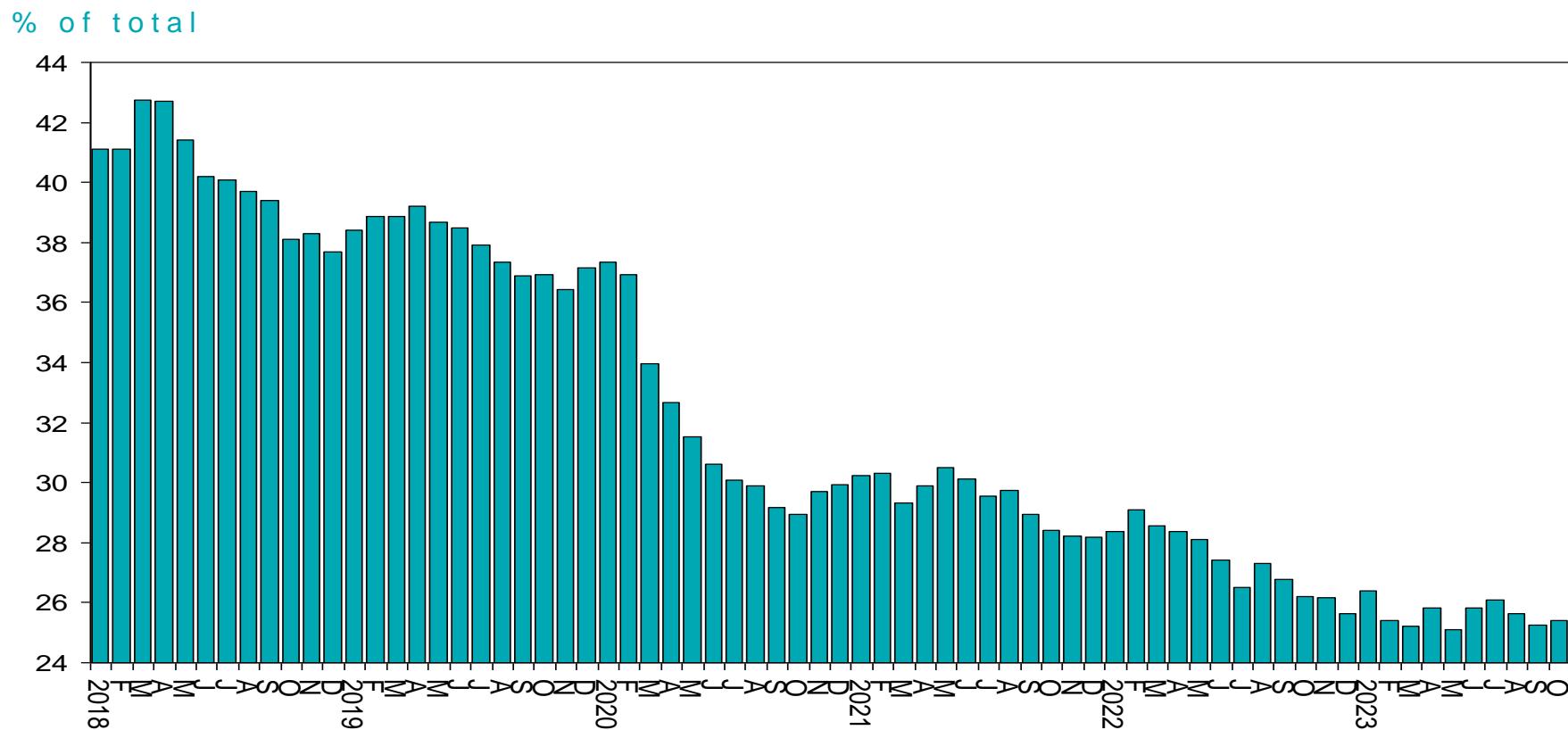
Foreign buying of South African equities

$ billion (SA Reserve Bank data)
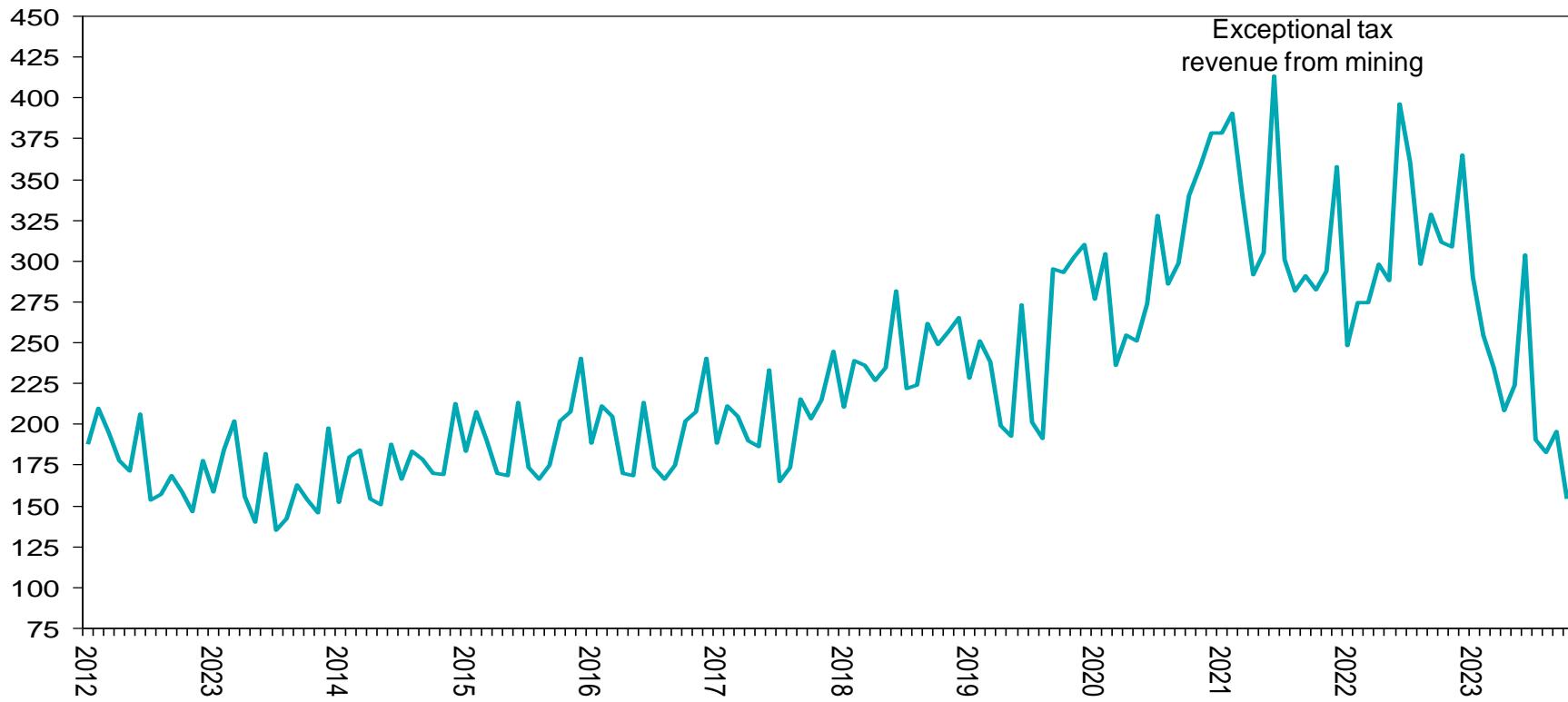
Foreign ownership of South African government bonds

% of total

Source: South African National Treasury
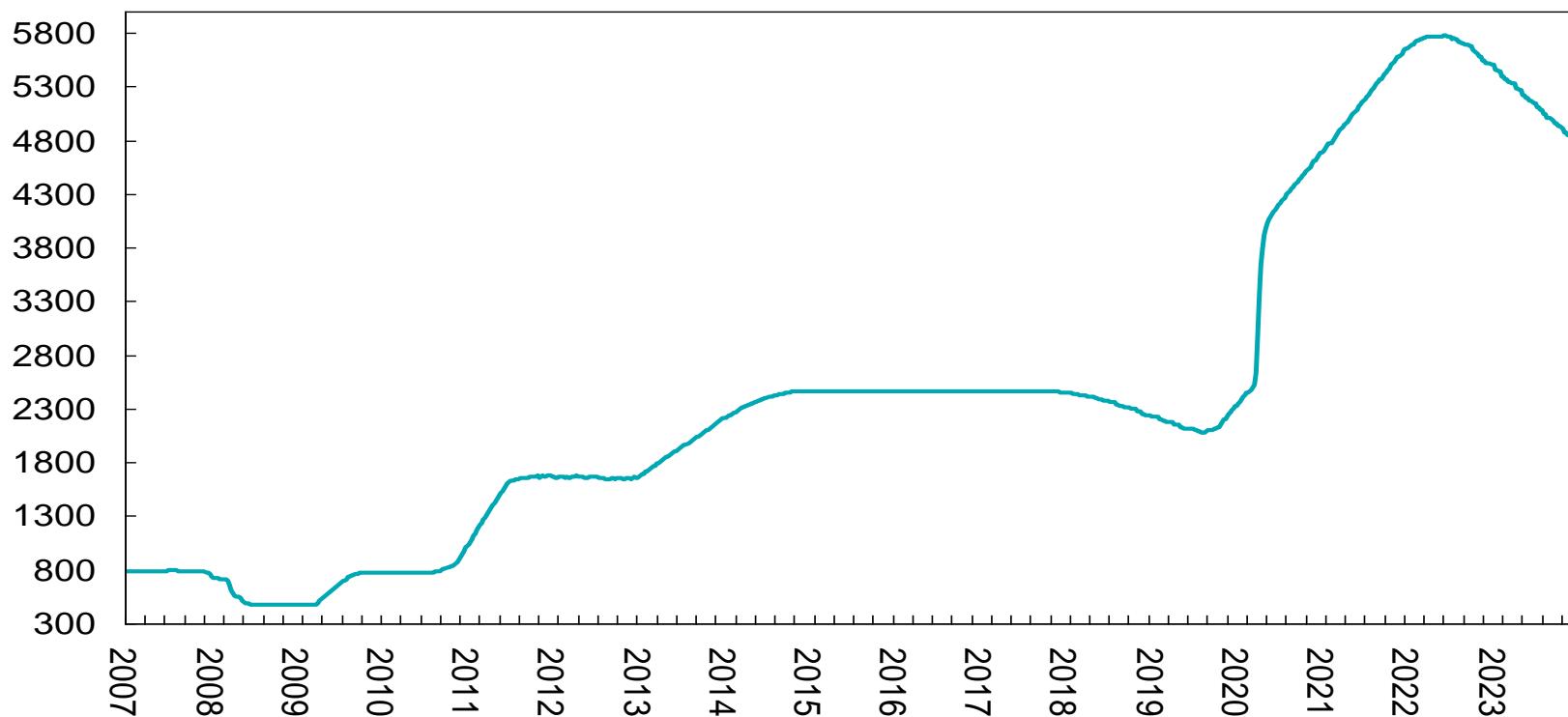
SA government cash balance (commercial banks & Reserve Bank)

R billion

Exceptional tax revenue from mining

US Federal Reserve ownership of government bonds
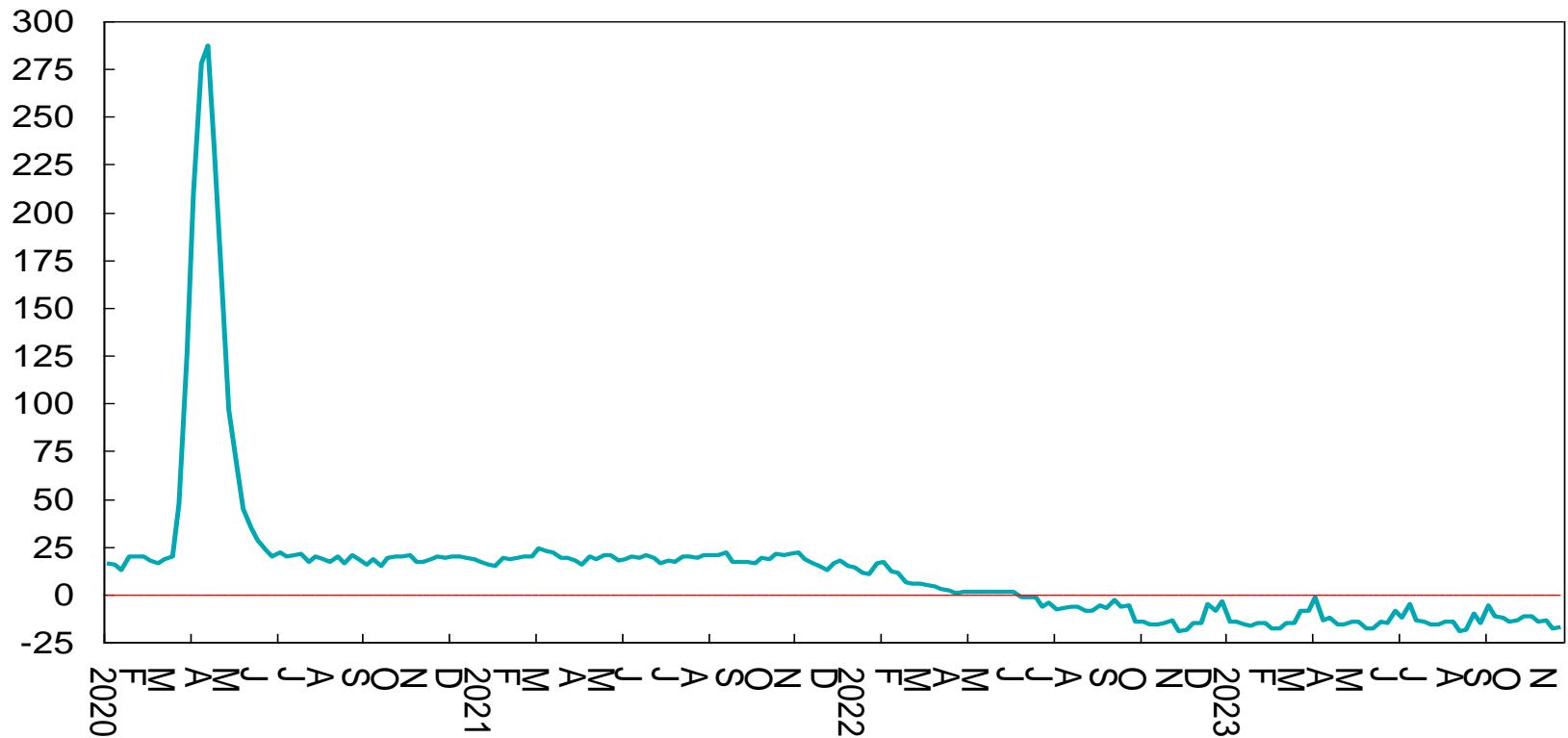
$ billion

US Federal Reserve purchase of government bonds
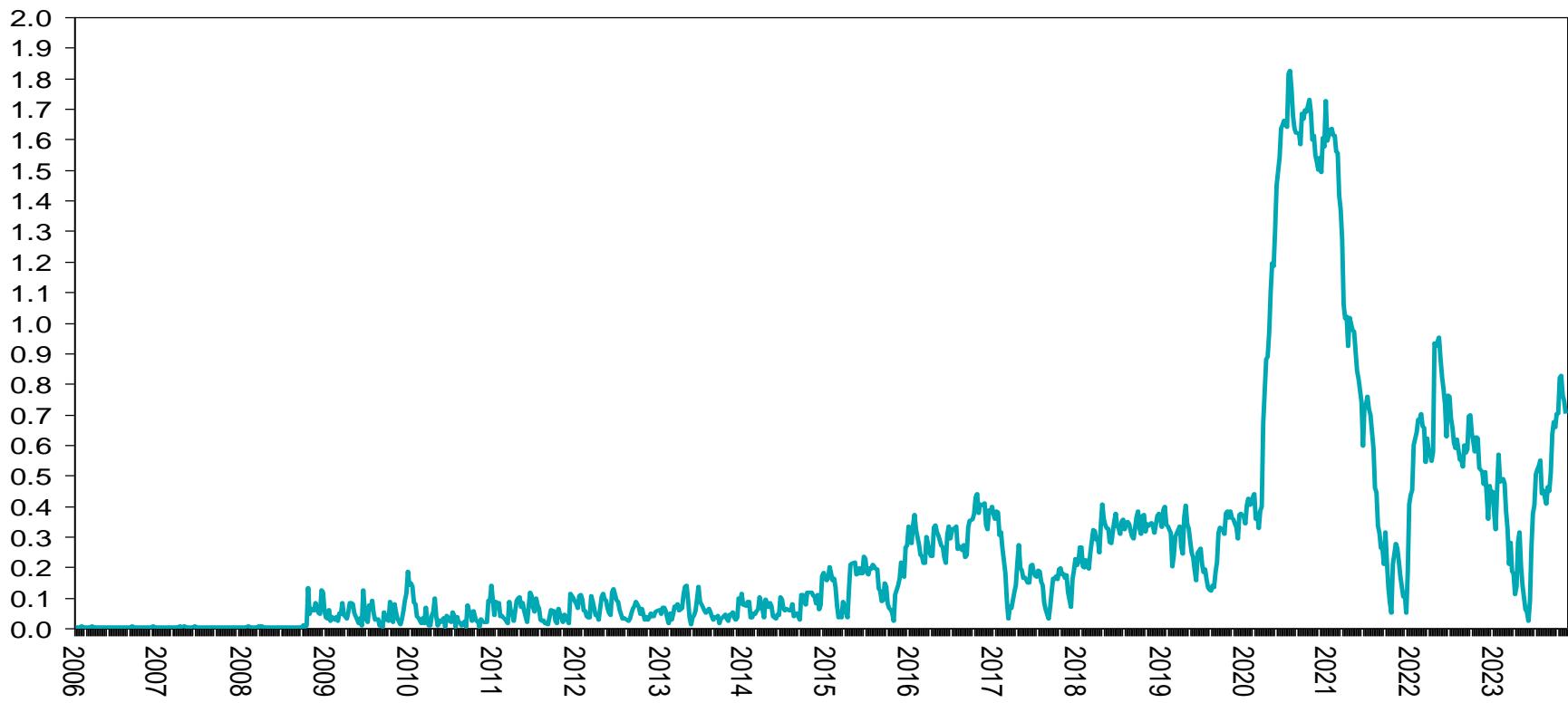
4-week average rate of purchases, $ billion

US Treasury cash balance at Federal Reserve
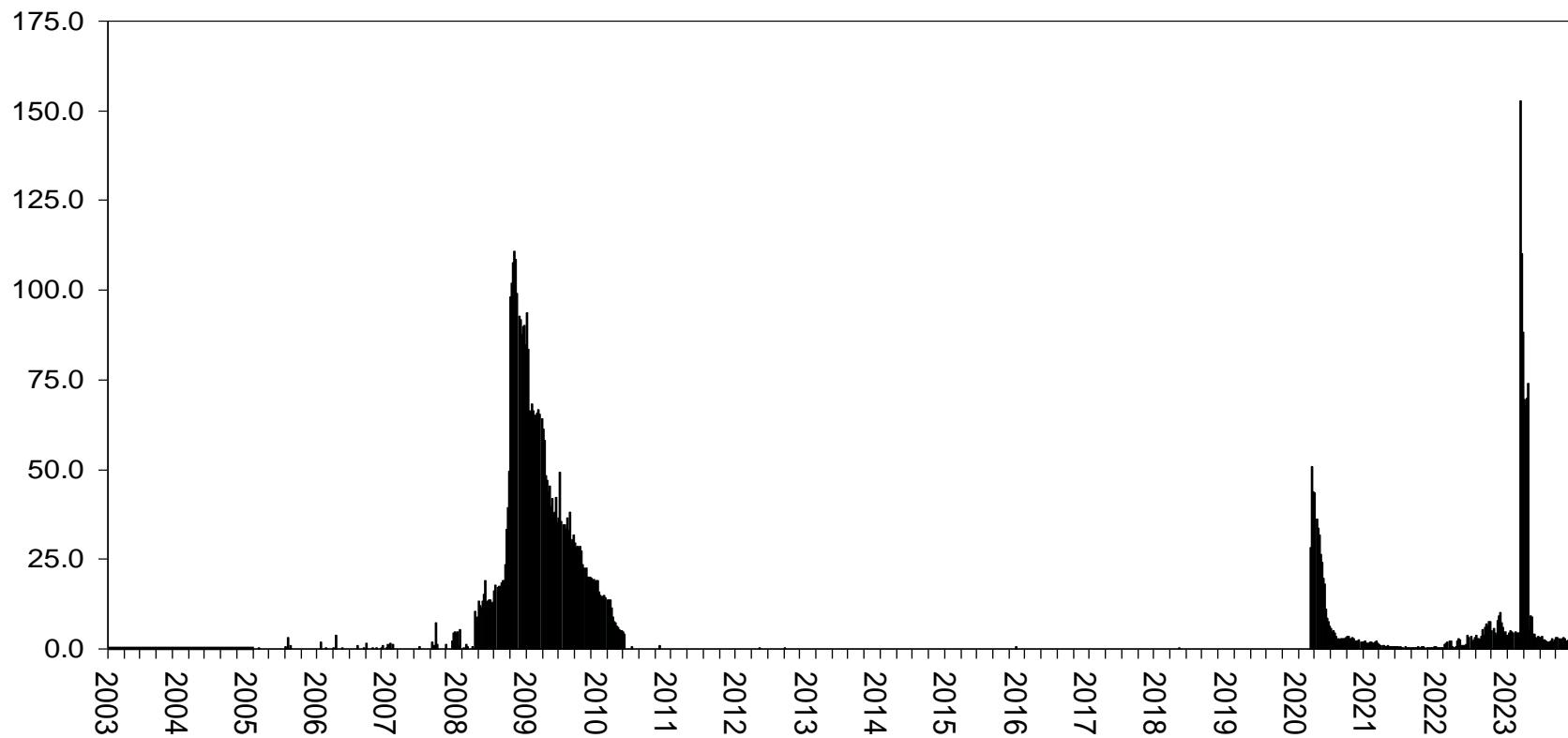
$ trillion, weekly

US Federal Reserve discount window (balance)
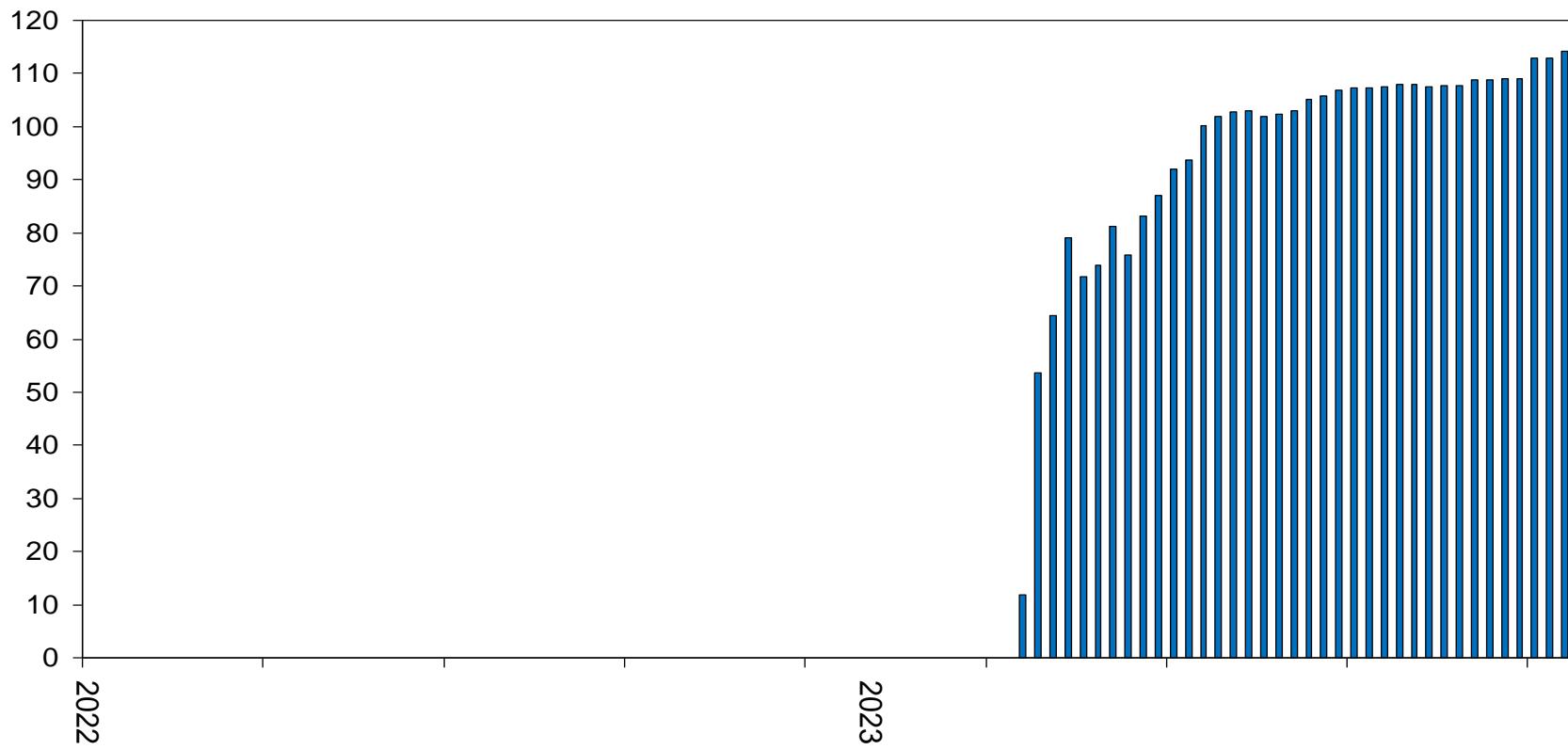
$ billion (weekly data)

US Federal Reserve Bank Term Funding Program (balance)
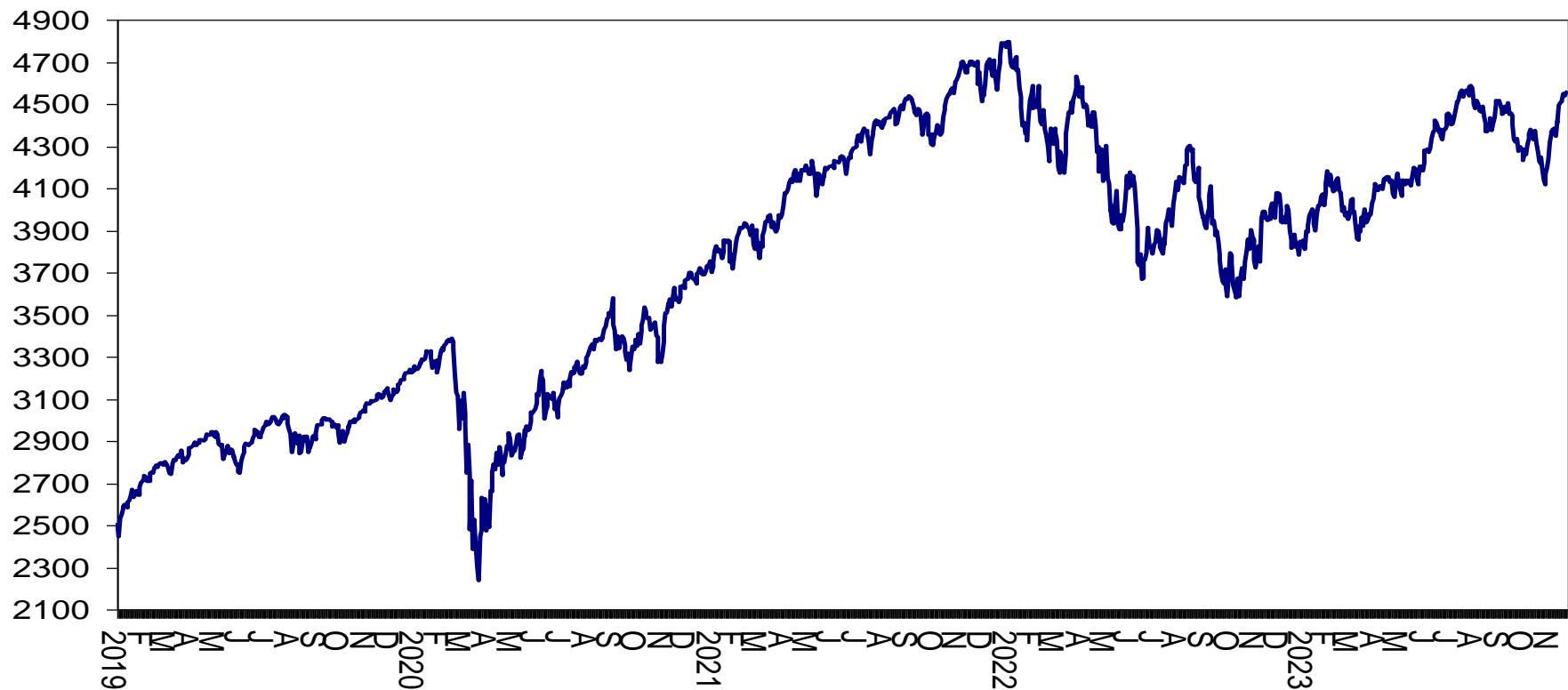
US S&P 500
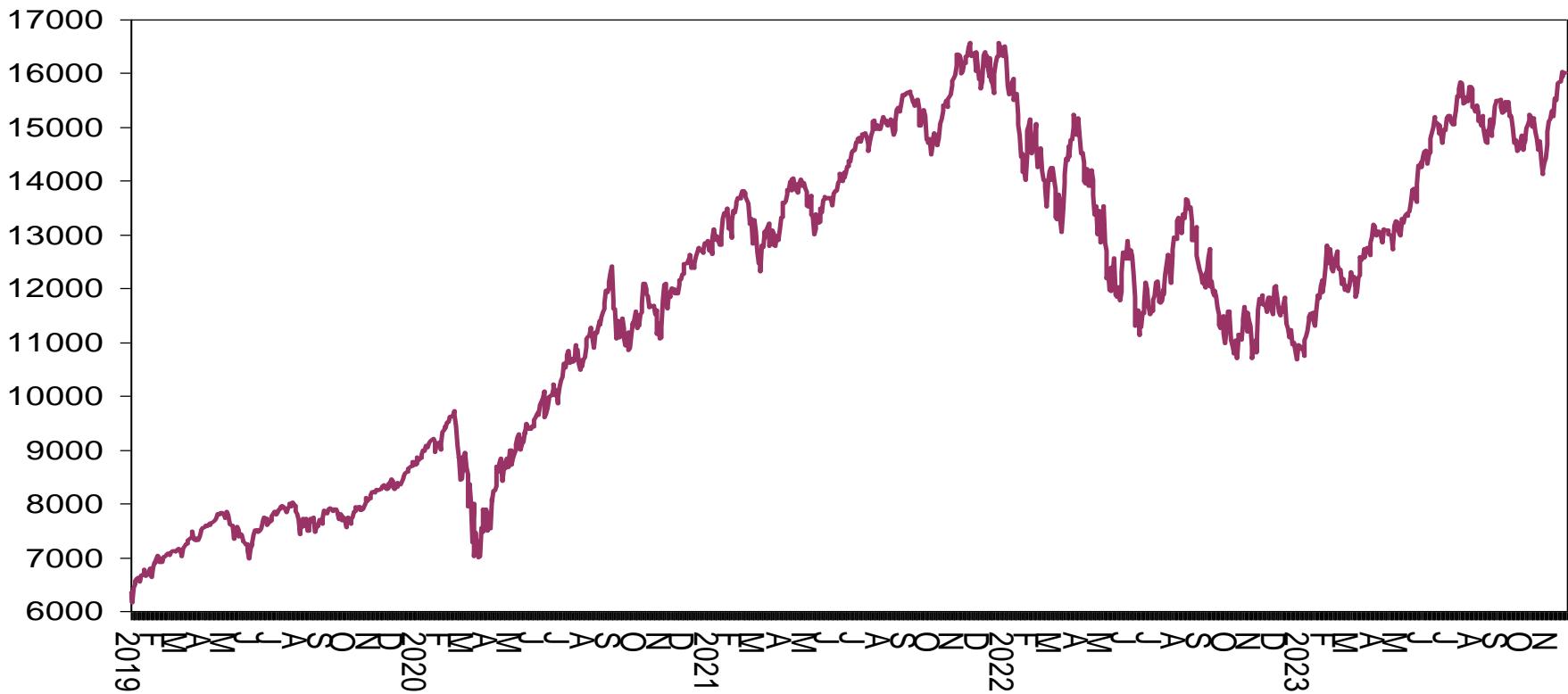
US NASDAQ (100) index
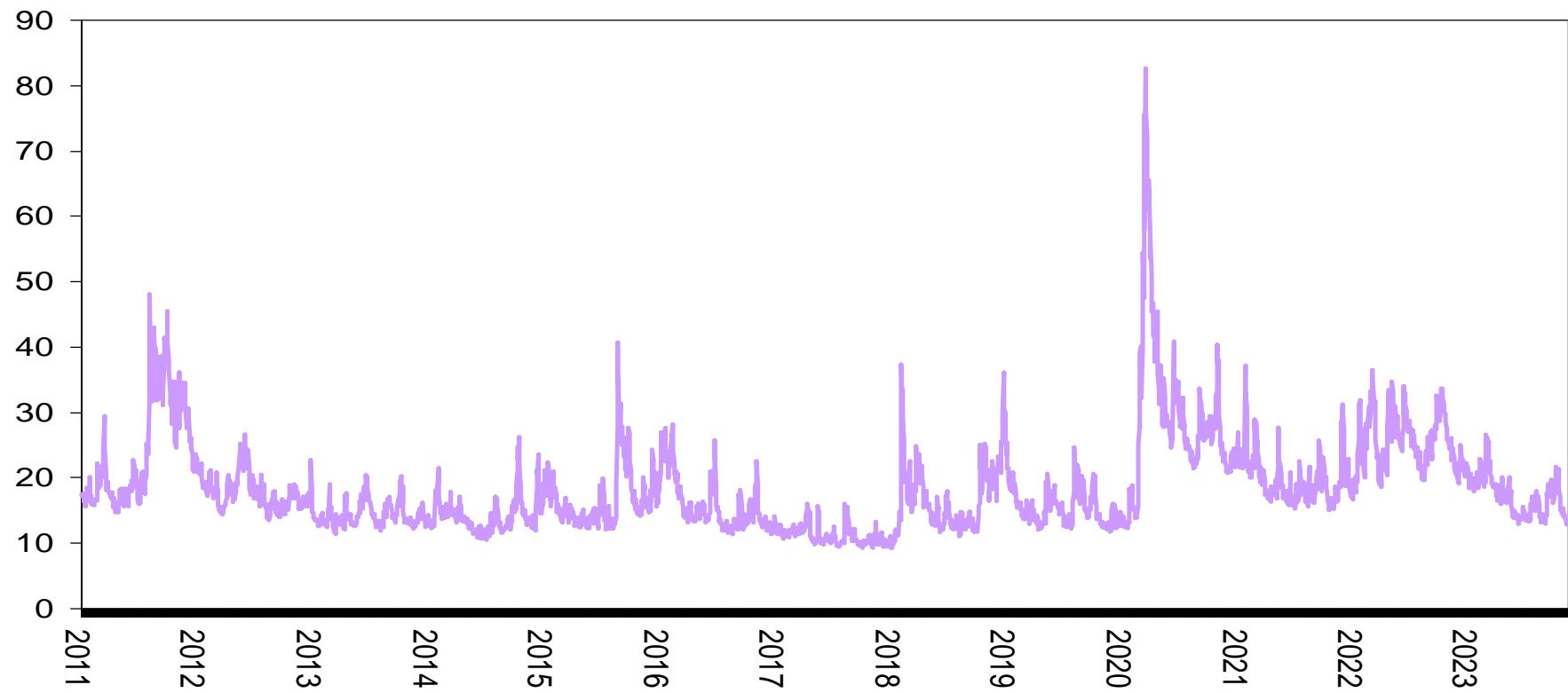
Index

Chicago Board Options Exchange volatility index (VIX index)
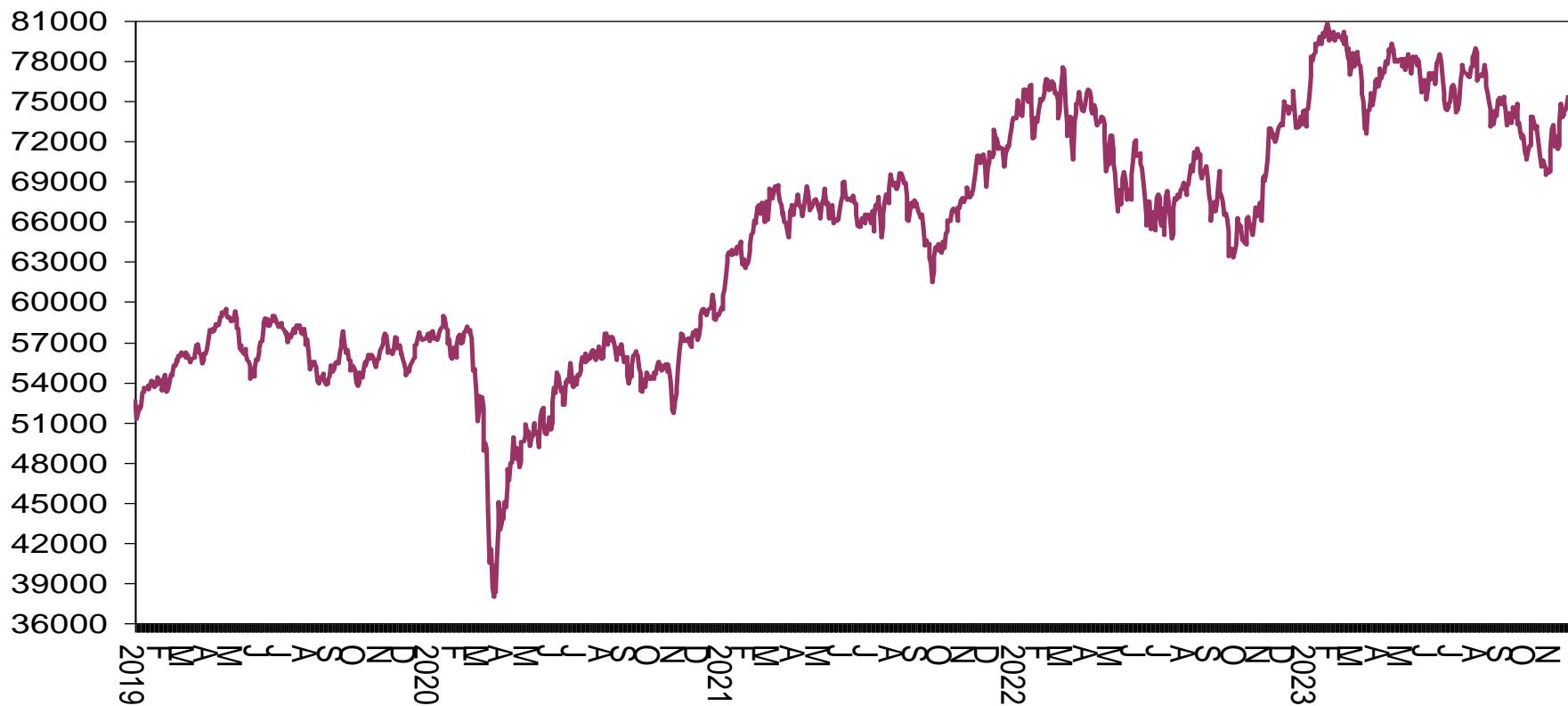
Index

SA equity market
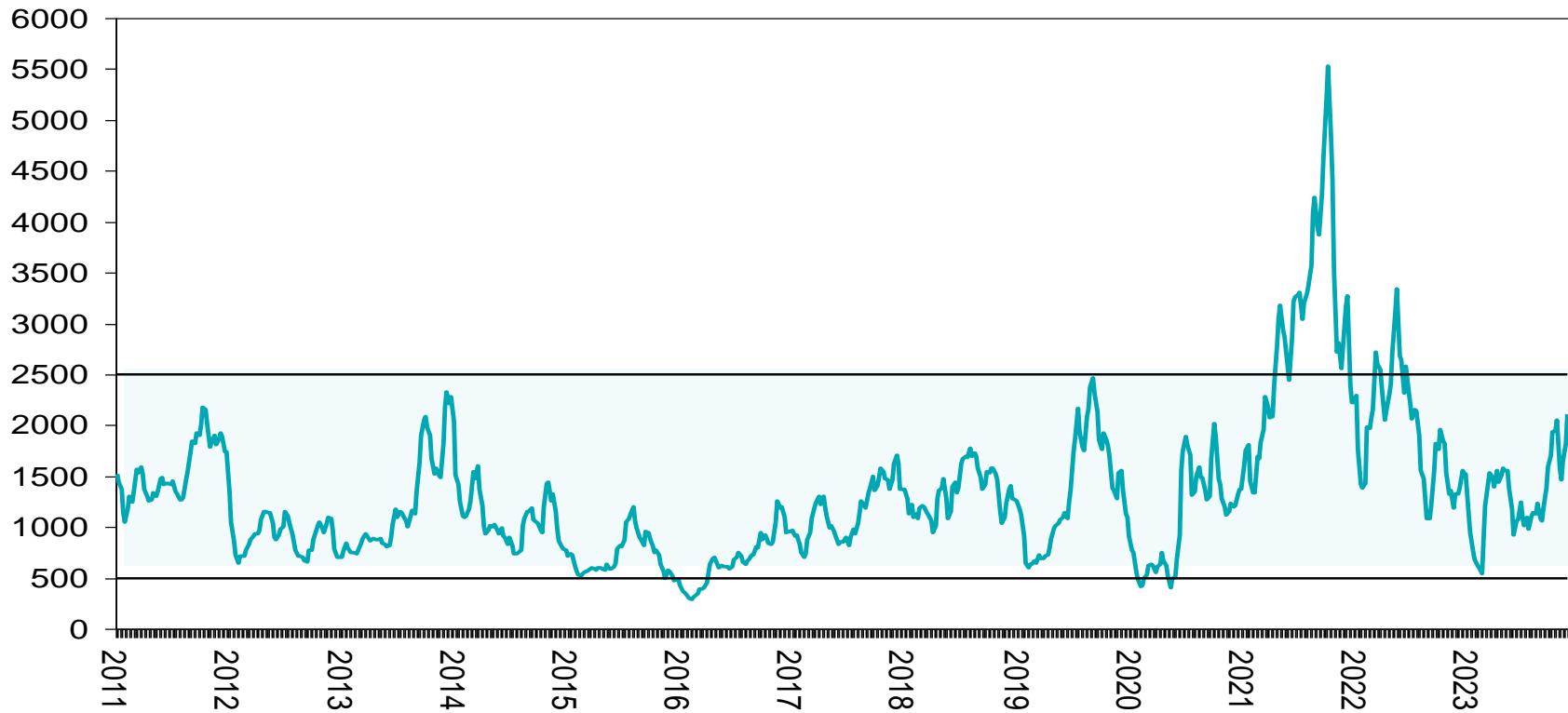
Baltic Dry Index (shipping cost of commodities)
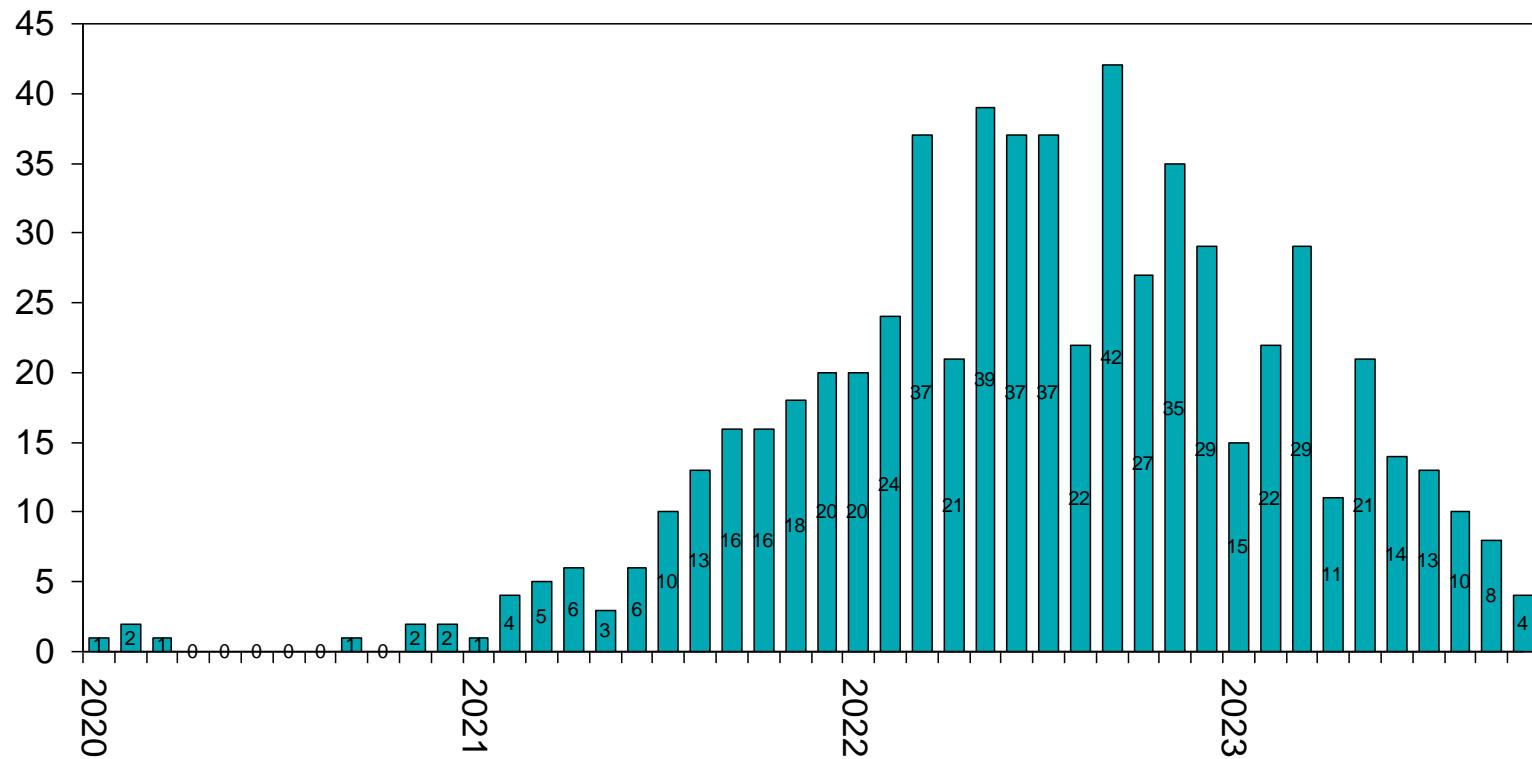
Source: Baltic Exchange
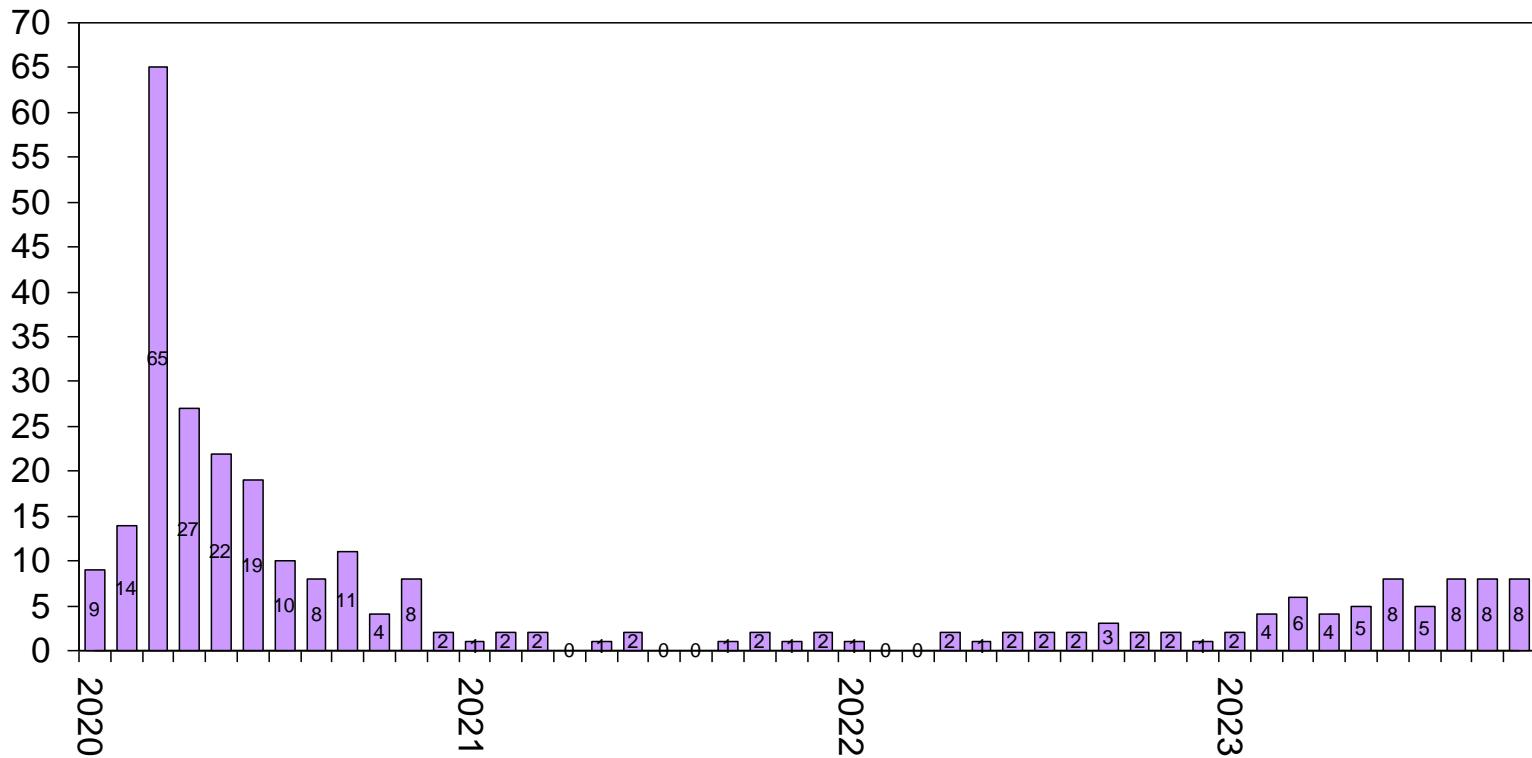
Number of central banks increasing interest rates each month

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: 20 to 26 November 2023
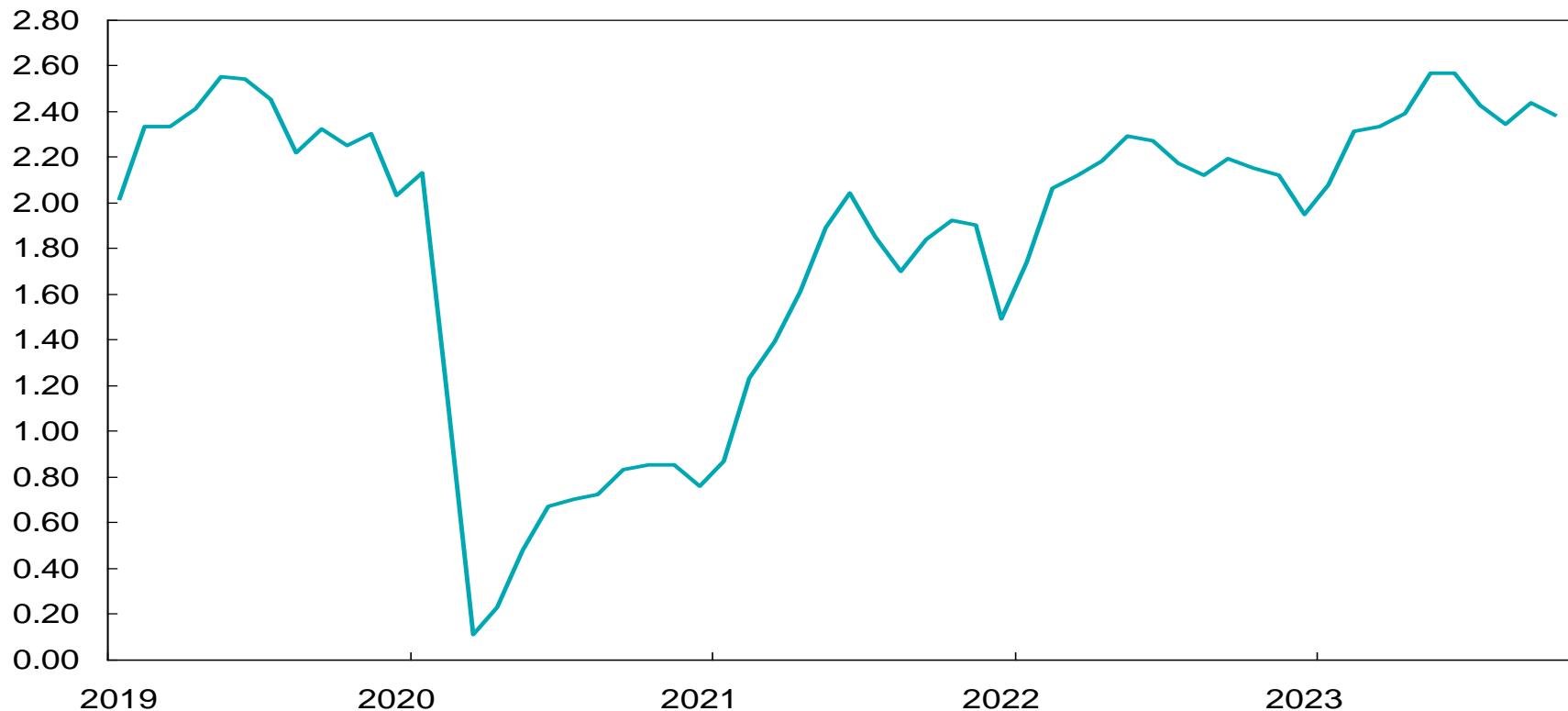
- US airport passengers monthly
- US weekly motor gasoline sales
- US oil and gas rig count
- US weekly rail traffic

STANLIB

US number of airport passengers (monthly)
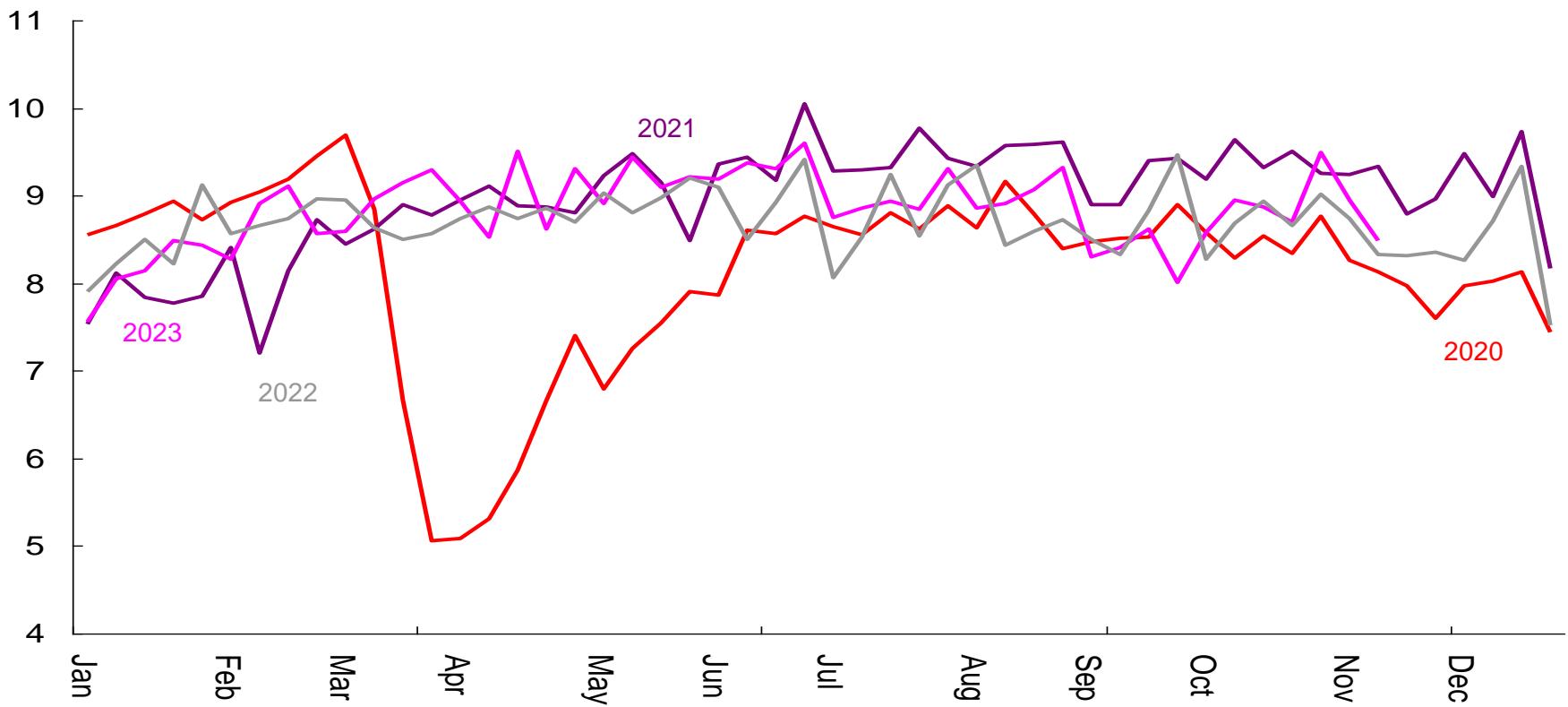
Number of passengers, millions

US weekly motor gasoline supply

Million barrels per day

US oil and gas rig count
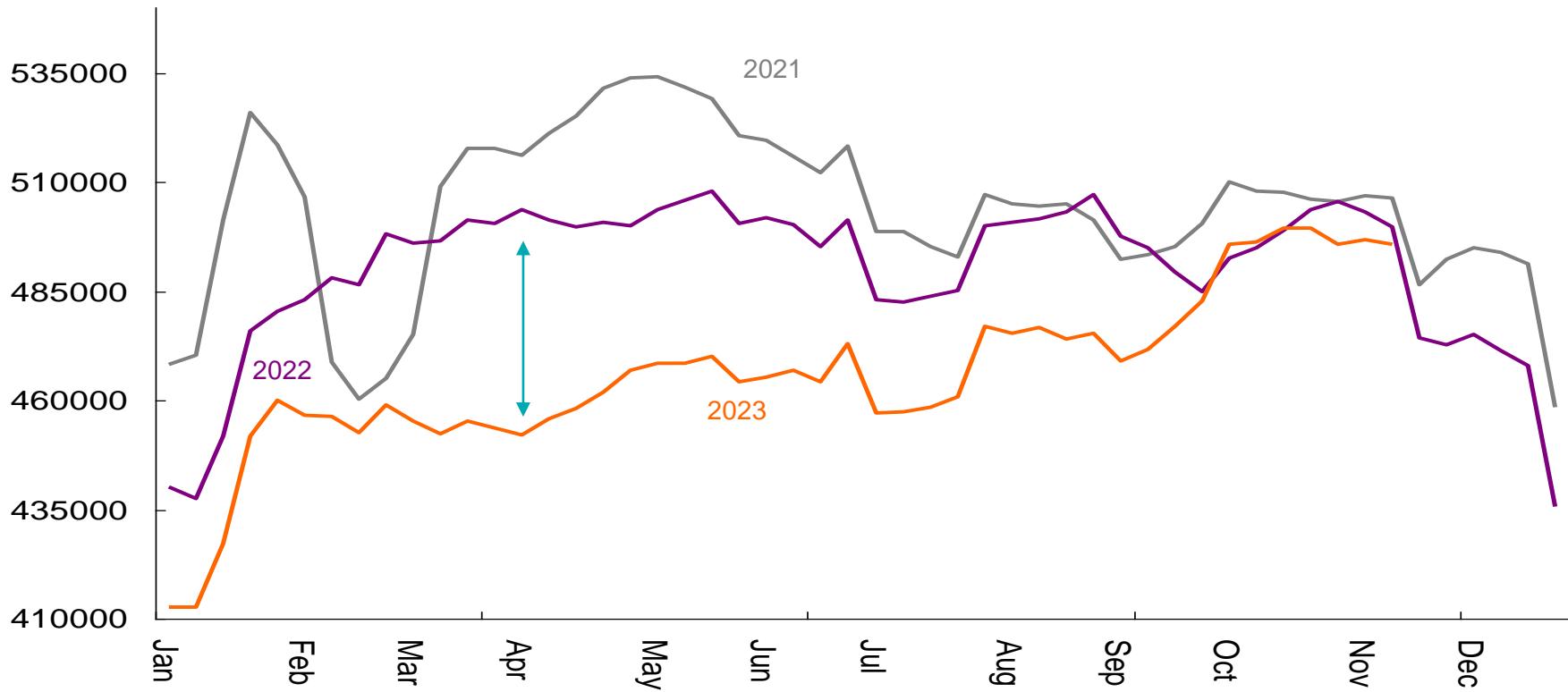
Number of rigs

Number of rigs

US weekly rail traffic

Carloads and/or intermodal units

SA energy crisis: 20 to 26 November 2023
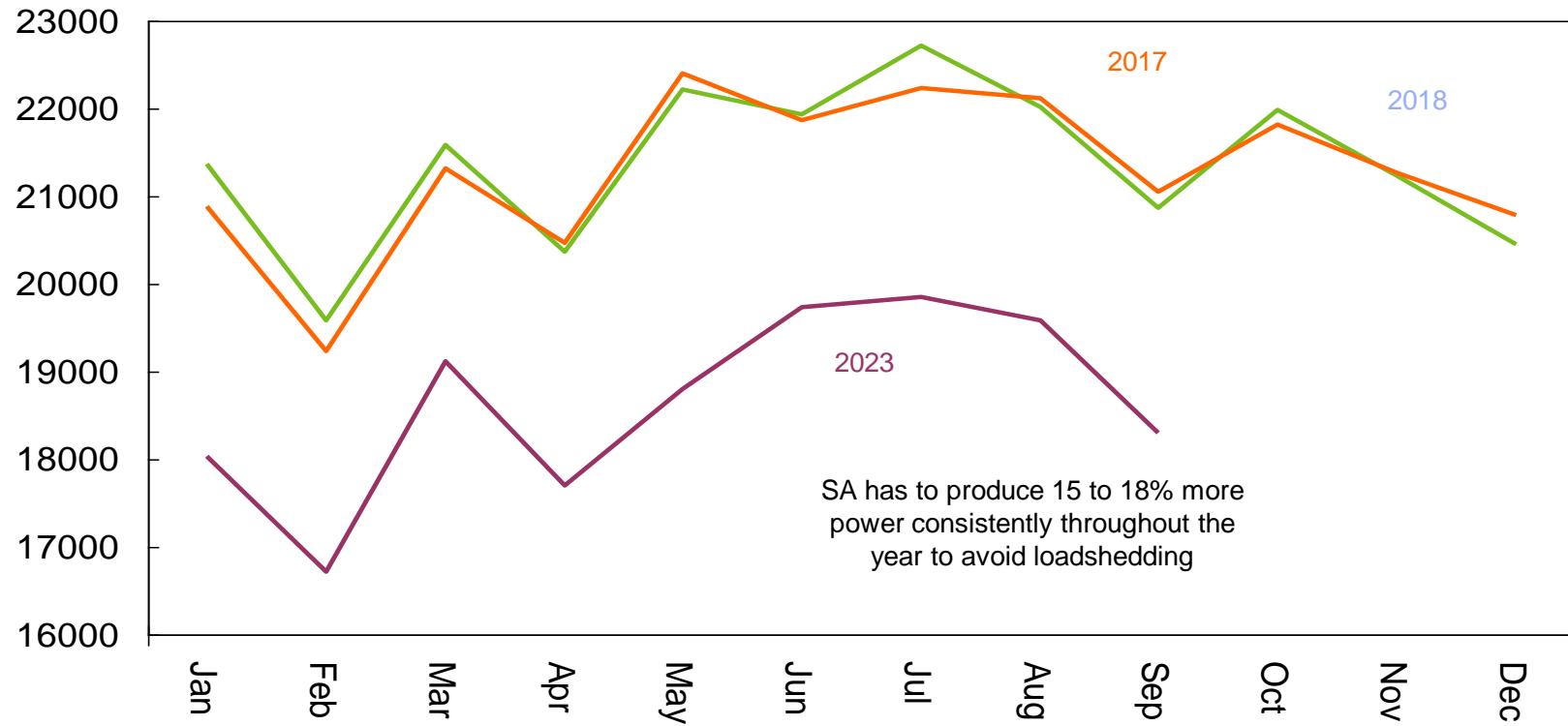
- Independent Power projects (NERSA)
- SA number of days of load-shedding
- Eskom's Energy Availability Factor (EAF)

STANLIB

South Africa electricity production: 2017/2018 vs 2023

G W h

During 2017 there were zero days loadshedding, and 14 days in 2018

2017

2018

2023

SA has to produce 15 to 18% more power consistently throughout the year to avoid loadshedding

Source: Statistics South Africa and STANLIB

Private sector power projects (NERSA)
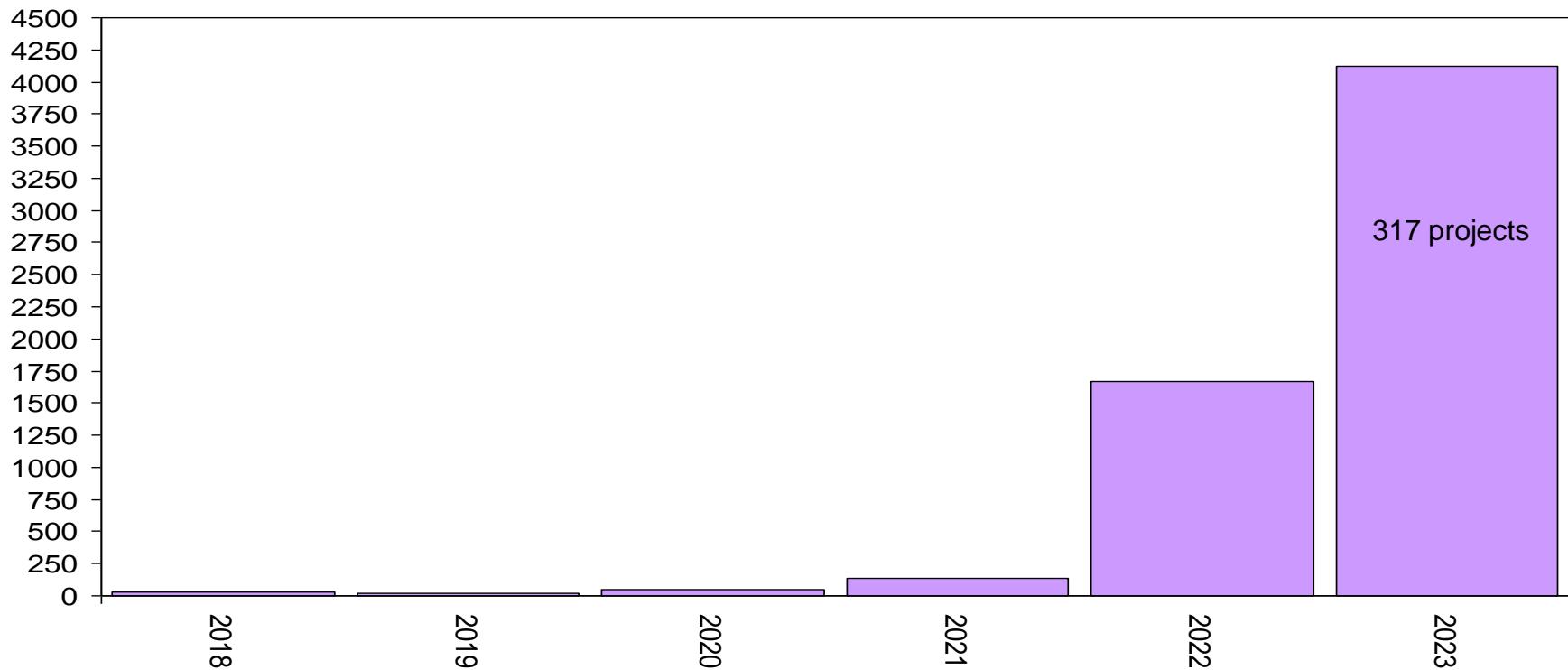
| Year	Number of projects	MW of all projects
2018	52	26
2019	41	23
2020	124	53
2021	282	134
2022	406	1664
2023*	317	4126
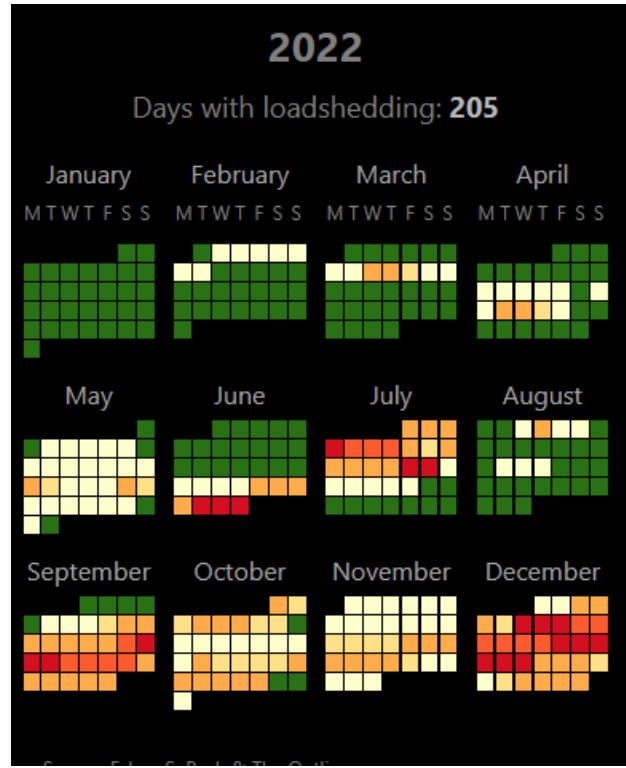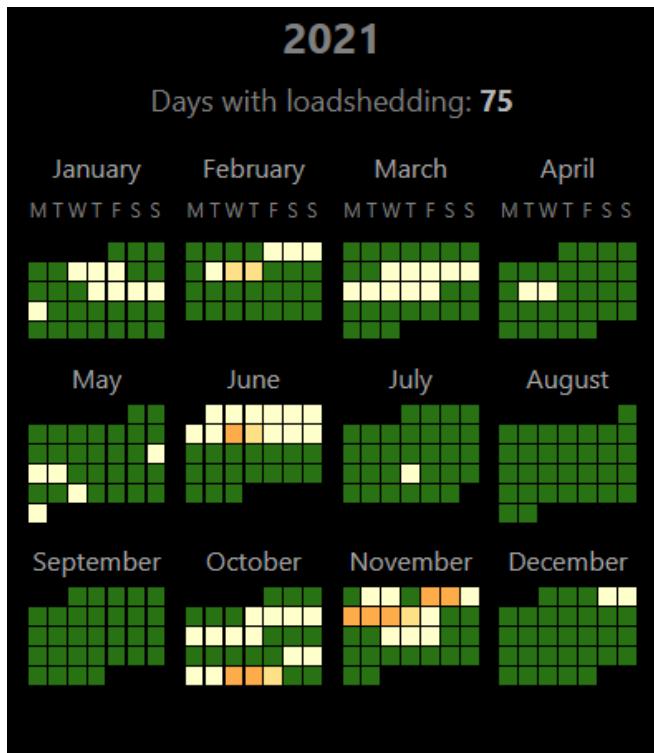
*Jan-October 2023

SA private renewable energy projects (outside of REIPPP)

MW (January to September 2023)

317 projects
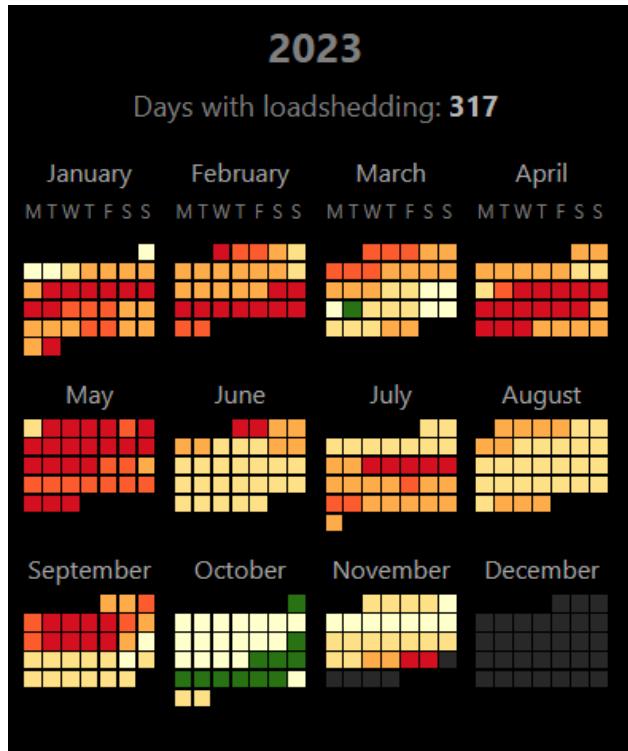
South Africa number of days of loadshedding


Source: theoutlier.co.za

Source: theoutlier.co.za
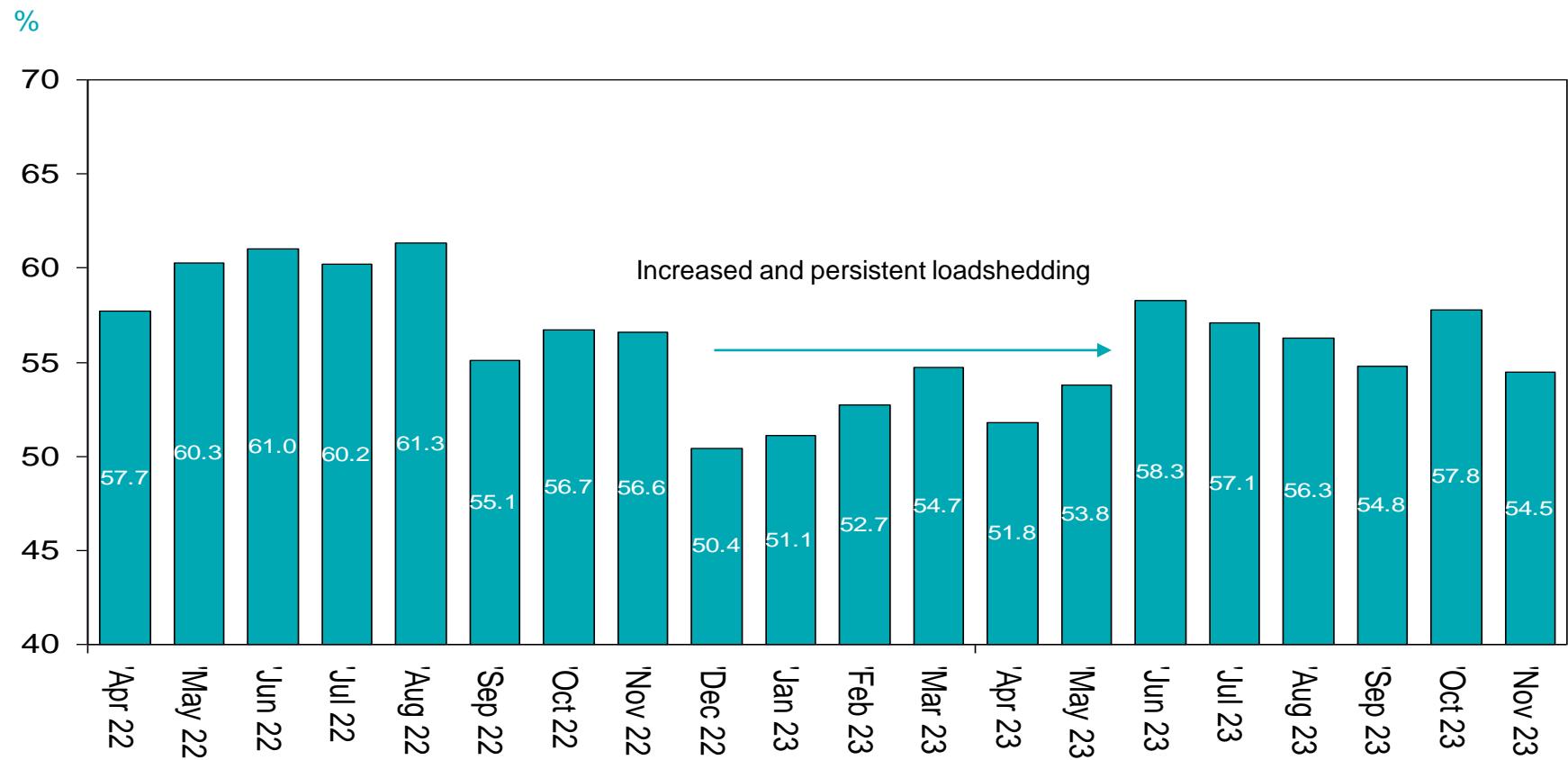
Eskom Energy Availability Factor (EAF)

Percent


Target set by Minister in 2022
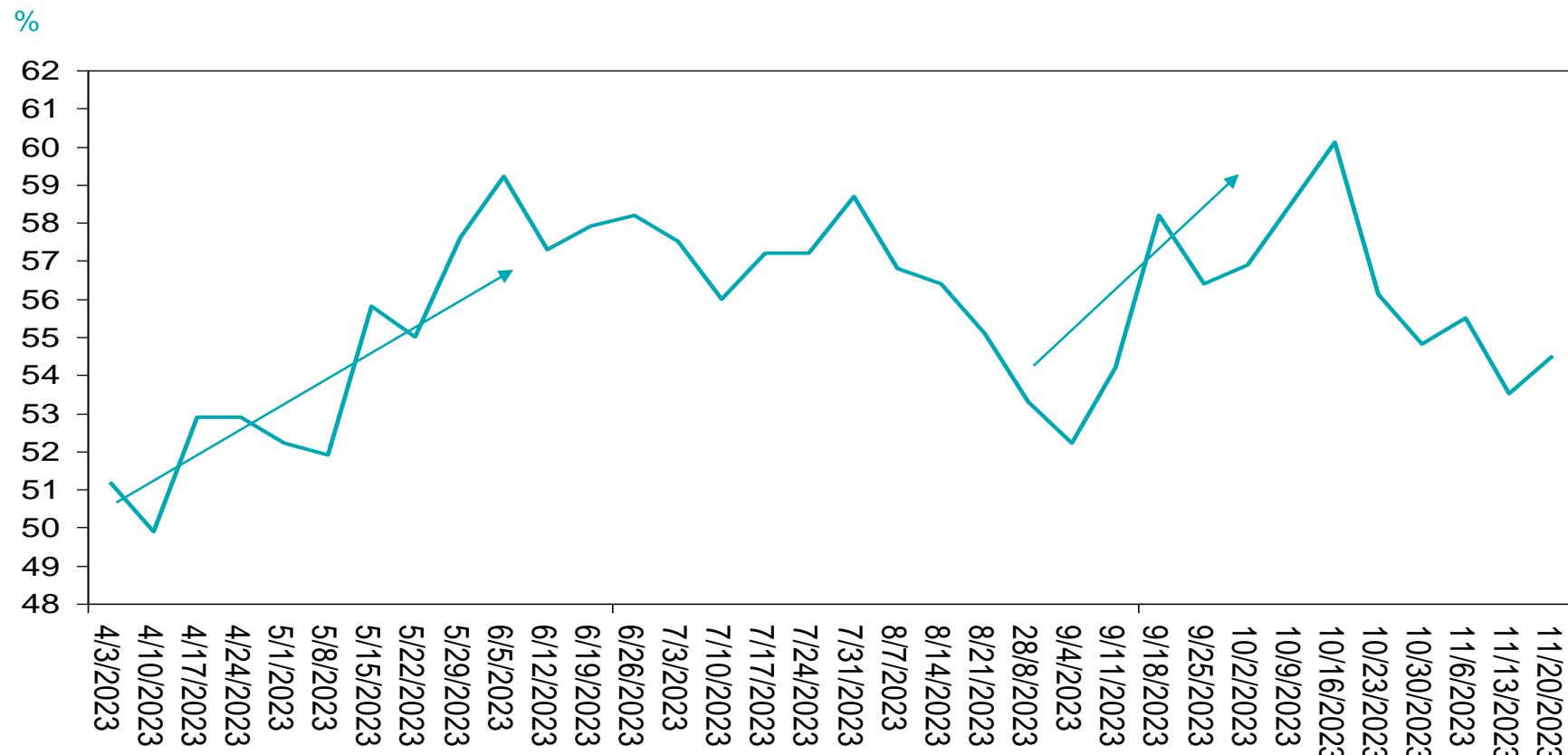
Source: Eskom

ESKOM Energy Availability Factor (EAF) - monthly

Source: Eskom
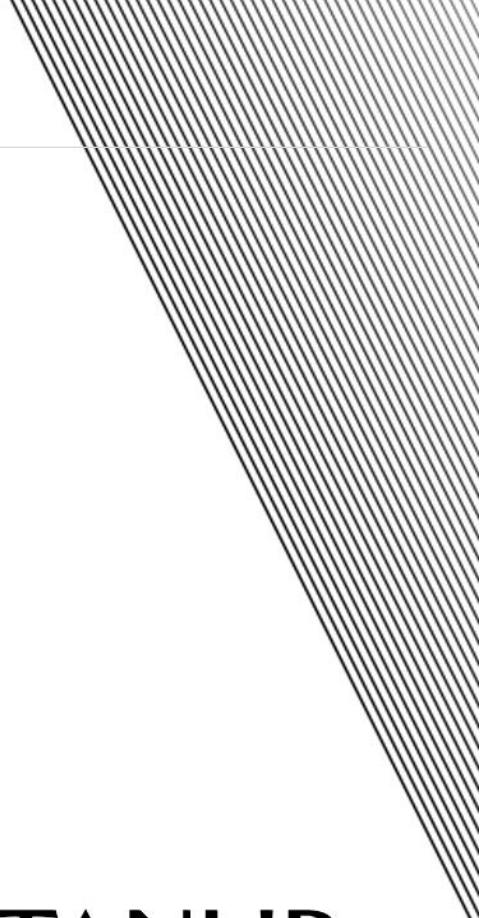
ESKOM Energy Availability Factor (EAF) - weekly

# Global climate data: 20 to 26 November 2023
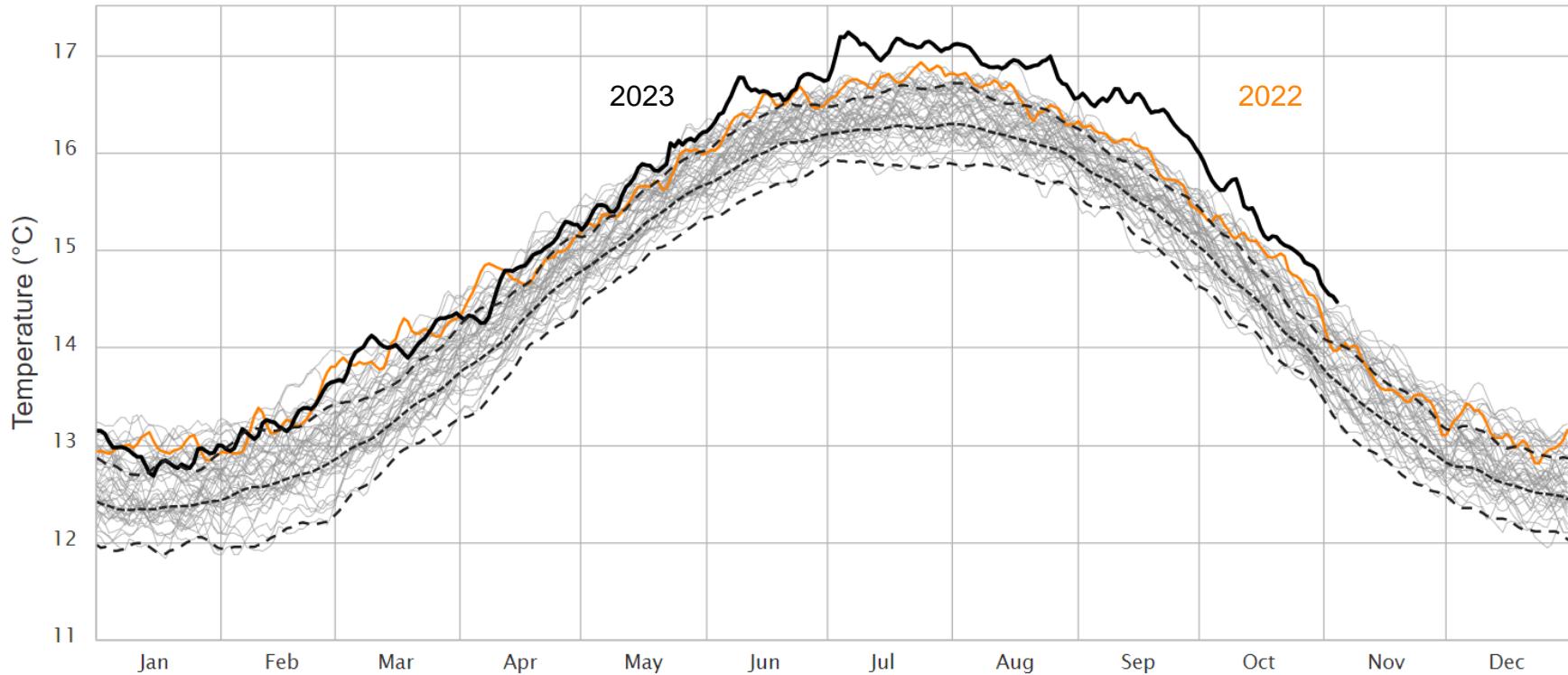
- World air temperature
- Northern Hemisphere air temperature
- Southern Hemisphere air temperature
- Arctic air temperature
- Antarctic air temperature
- Tropics air temperature (23.5°S to 23.5°N)
- Daily sea surface temperature

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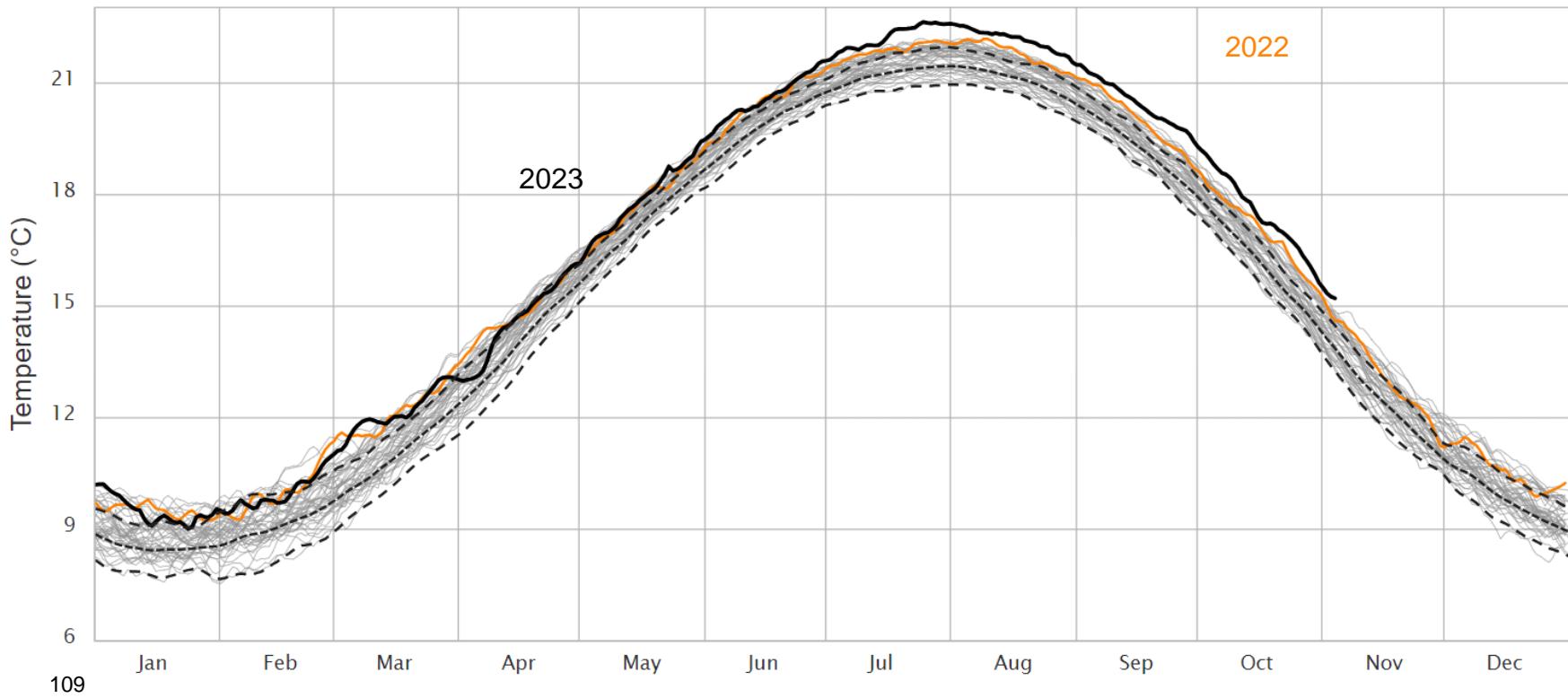
# World air temperature (at a height of 2 meters)
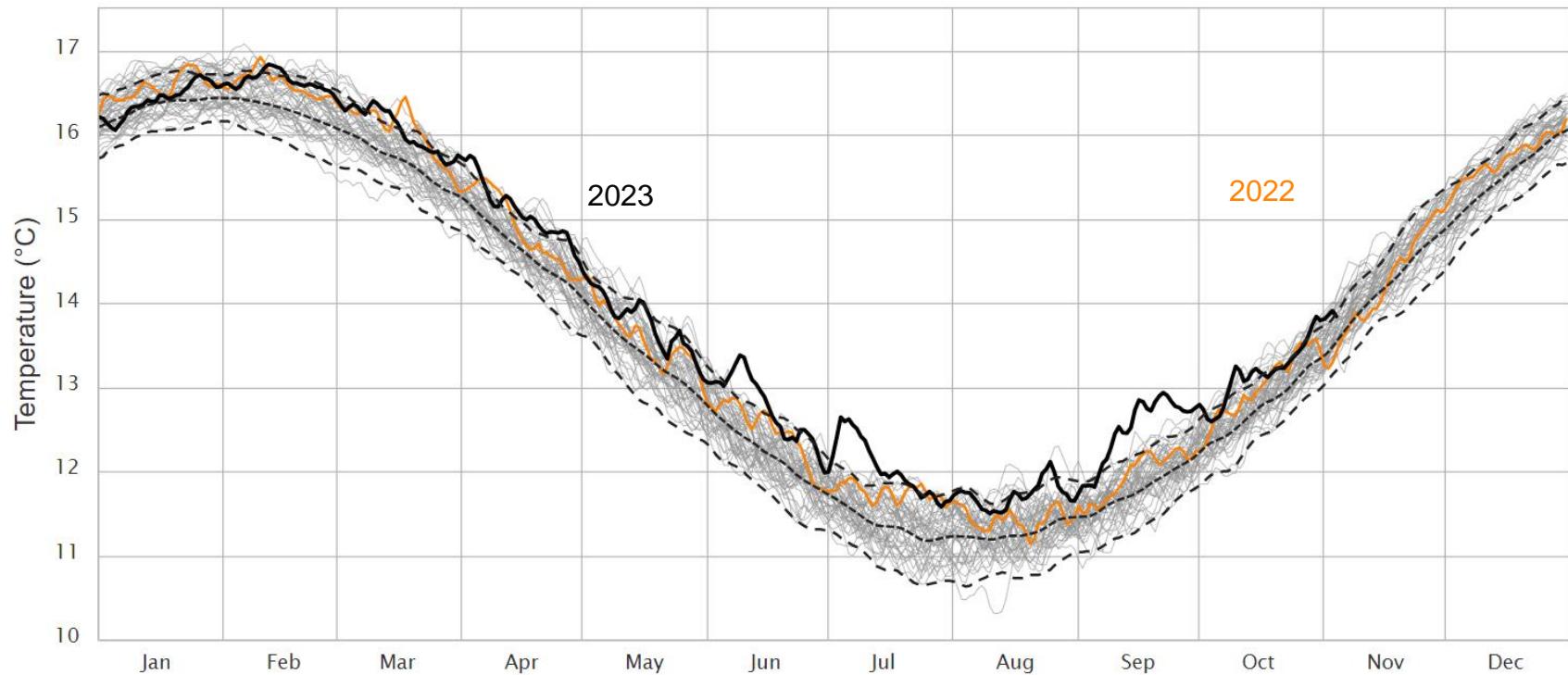
Northern Hemisphere air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius
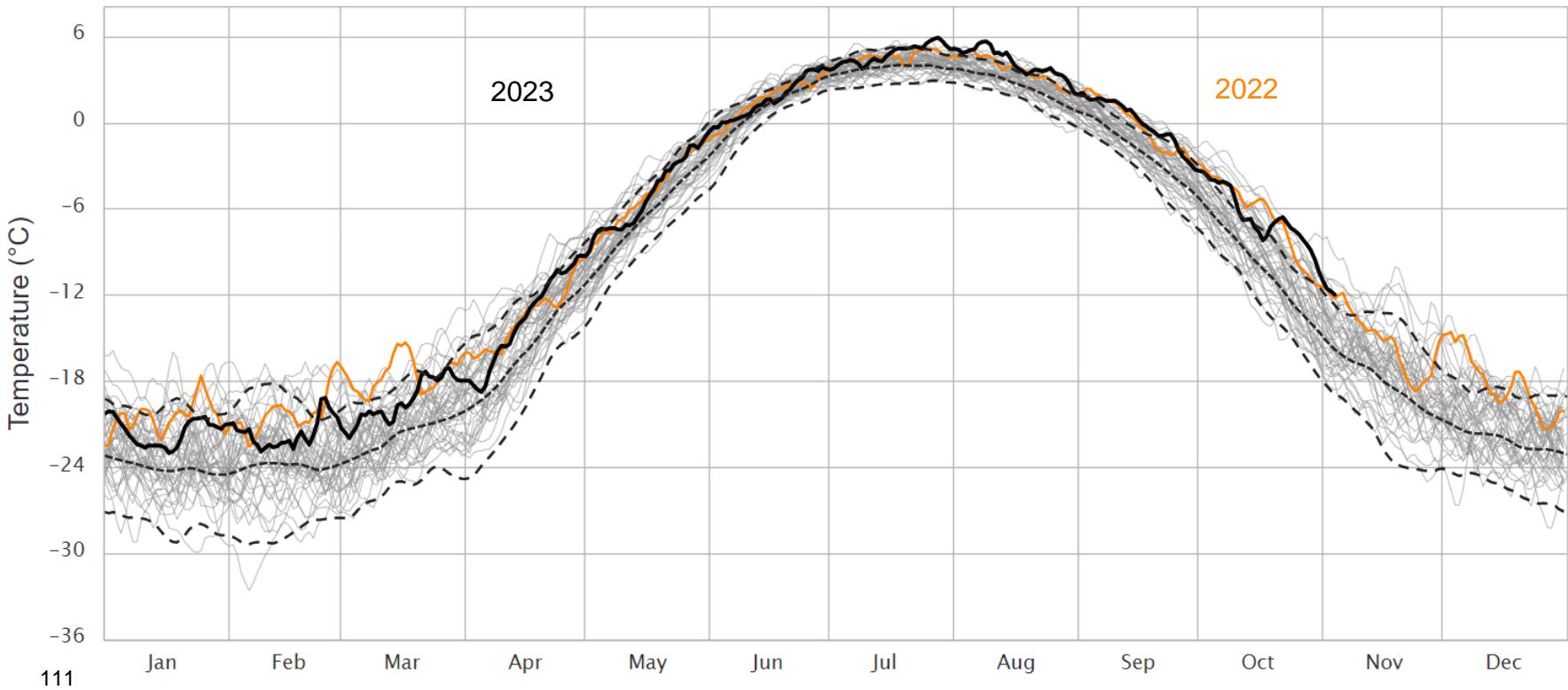
Southern Hemisphere air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius
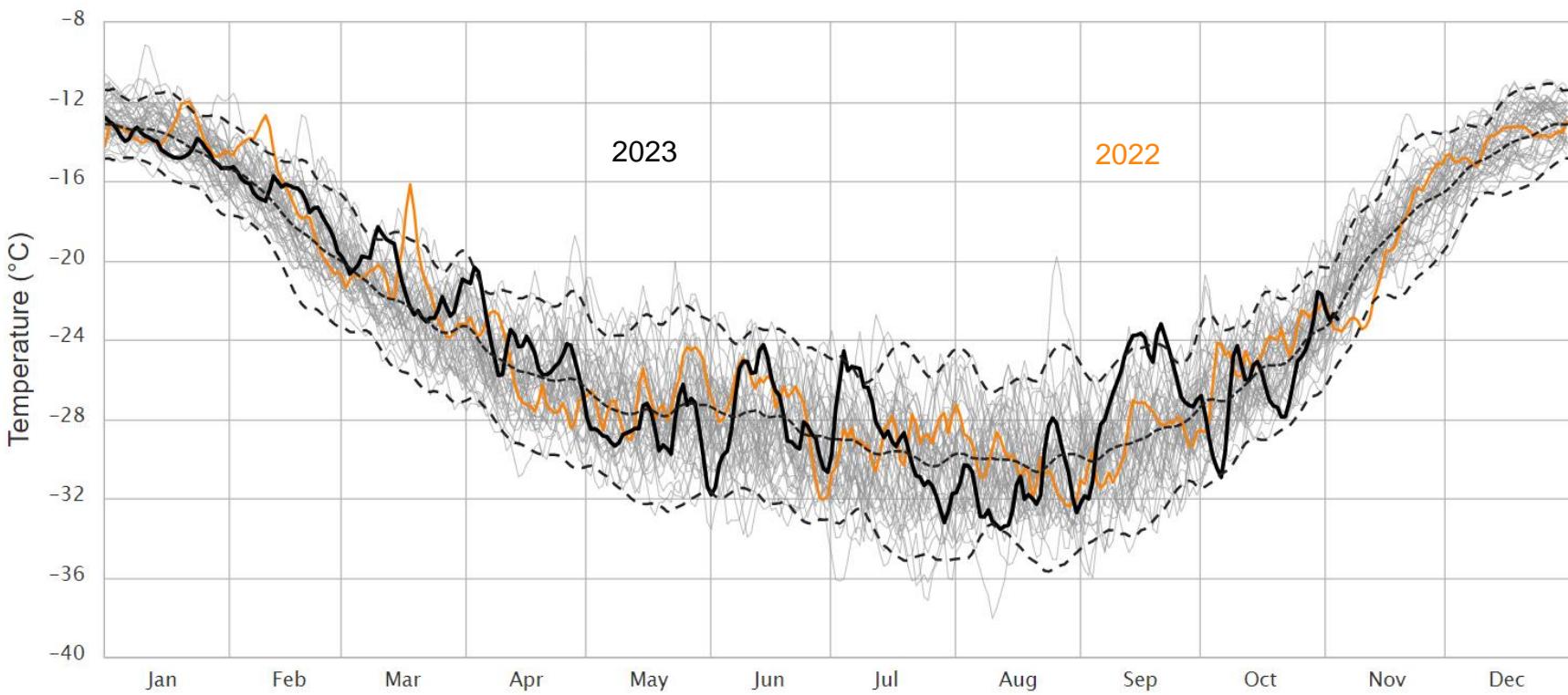
Arctic air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius
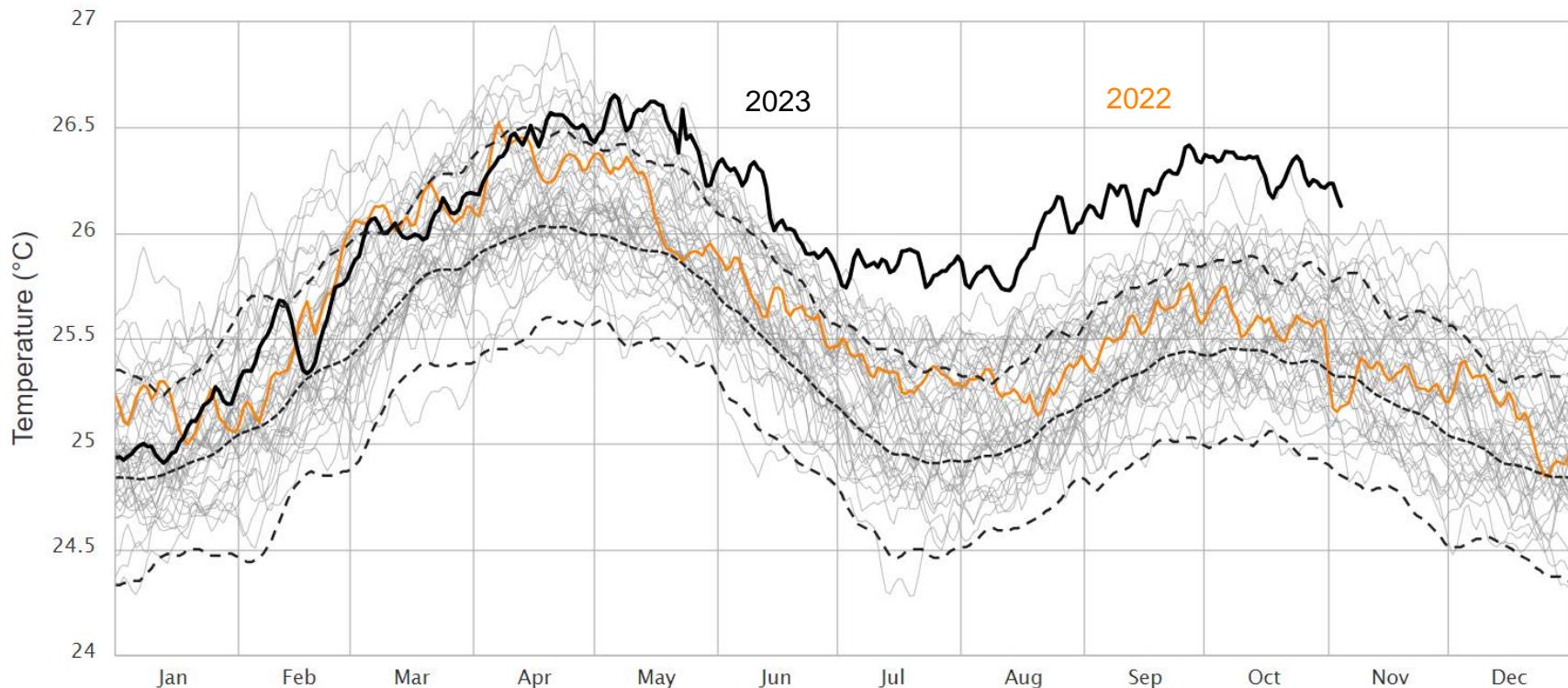
# Antarctic air temperature (at a height of 2 meters)

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