

Weekly Review in Charts  
27 November to 3 December 2023

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Kevin Lings

3 December 2023

STANLIB

# Weekly economic review: 27 November to 3 December 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%	9.3%
S&P 500 equity index	28.9%	16.3%	26.9%	-19.4%	19.7%
Nasdaq 100 index	38.0%	47.6%	26.6%	-33.0%	46.2%
Stoxx Euro 600	23.2%	-4.0%	22.2%	-12.9%	9.7%
FTSE 100 Index	12.1%	-14.3%	14.3%	0.9%	1.0%
Shanghai Composite Index	22.3%	13.9%	4.8%	-15.1%	-1.1%
NIKKEI 225 Index	18.2%	16.0%	4.9%	-9.4%	28.1%
Gold	18.3%	25.0%	-3.6%	0.4%	12.8%
Oil	21.9%	-21.7%	52.9%	8.7%	-6.5%
Rand/Dollar	-2.7%	5.0%	8.6%	-6.2%	-8.8%
Dollar/Euro	-1.8%	9.0%	-7.1%	6.6%	-1.6%
Bitcoin	92.2%	303.2%	59.7%	-64.3%	133.8%
<i>US 10-year bond yield</i>	1.92%	0.93%	1.52%	3.88%	4.22%
<i>US 2-year bond yield</i>	1.58%	0.13%	0.73%	4.41%	4.56%
<i>SA 10-year bond yield</i>	8.48%	7.70%	8.60%	9.88%	10.49%

1 December 2023

# Weekly economic review: 27 November to 3 December 2023

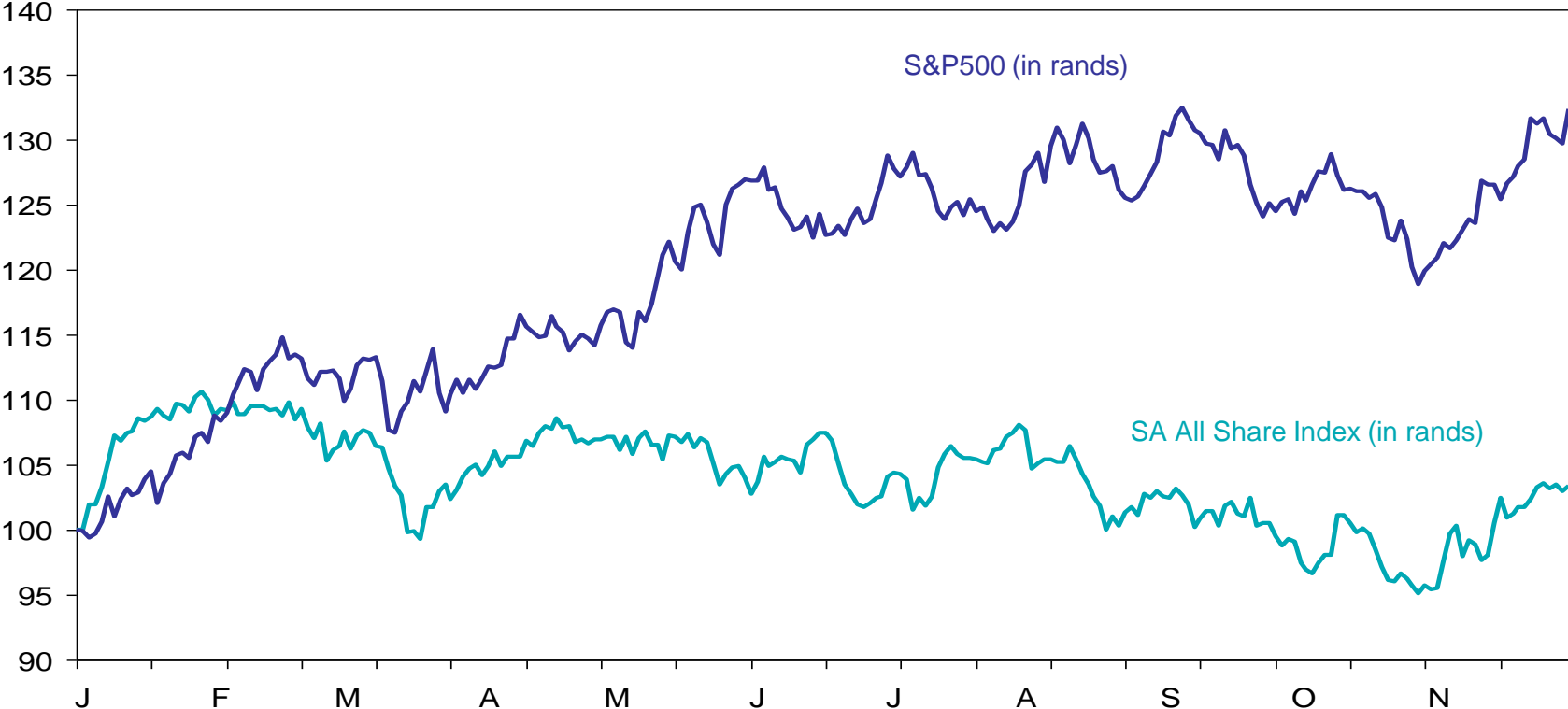
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## Chart of the week

- During the first 11 months of the year the S&P 500 equity index rose by an impressive 19% (in dollars), compared with 3.4% (in rands) for the SA All Share Index.
- In 2023, the monthly performance of the S&P 500 has ranged from a low of -4.9%*m/m* (Sep) to a high of 8.1%*m/m* (Nov). In fact, the index fell by a substantial 10.3% from end July 2023 to 27 October 2023, but then rallied strongly in November, regaining all the value lost over that period.
- If the performance of the S&P 500 is measured in Rands, then the gain from end 2022 to end November 2023 is an incredible 32.3%, highlighting the importance of diversifying a substantial portion of SA assets offshore.
- The strong US equity performance during November was supported by a range of factors including compelling evidence of a further slowdown in inflation, reduced concerns about the US going into recession despite high interest rates, and a growing conviction that interest rates have peaked and that the first interest rate cut could occur around the middle of 2024.
- In contrast SA's dismal equity performance in 2023 has been hampered by a multitude of factors including continued weak economic growth, significant and persistent infrastructure constraints (especially electricity outages as well as breakdowns in the port and rail networks), the under-performance of the Chinese economy, and a lack of effective policy implementation.

# Equity performance: SA All Share vs S&P500 in Rands

Index, end 2022 = 100 (Jan to Nov 2023)



Weekly economic review: 27 November to 3 December 2023

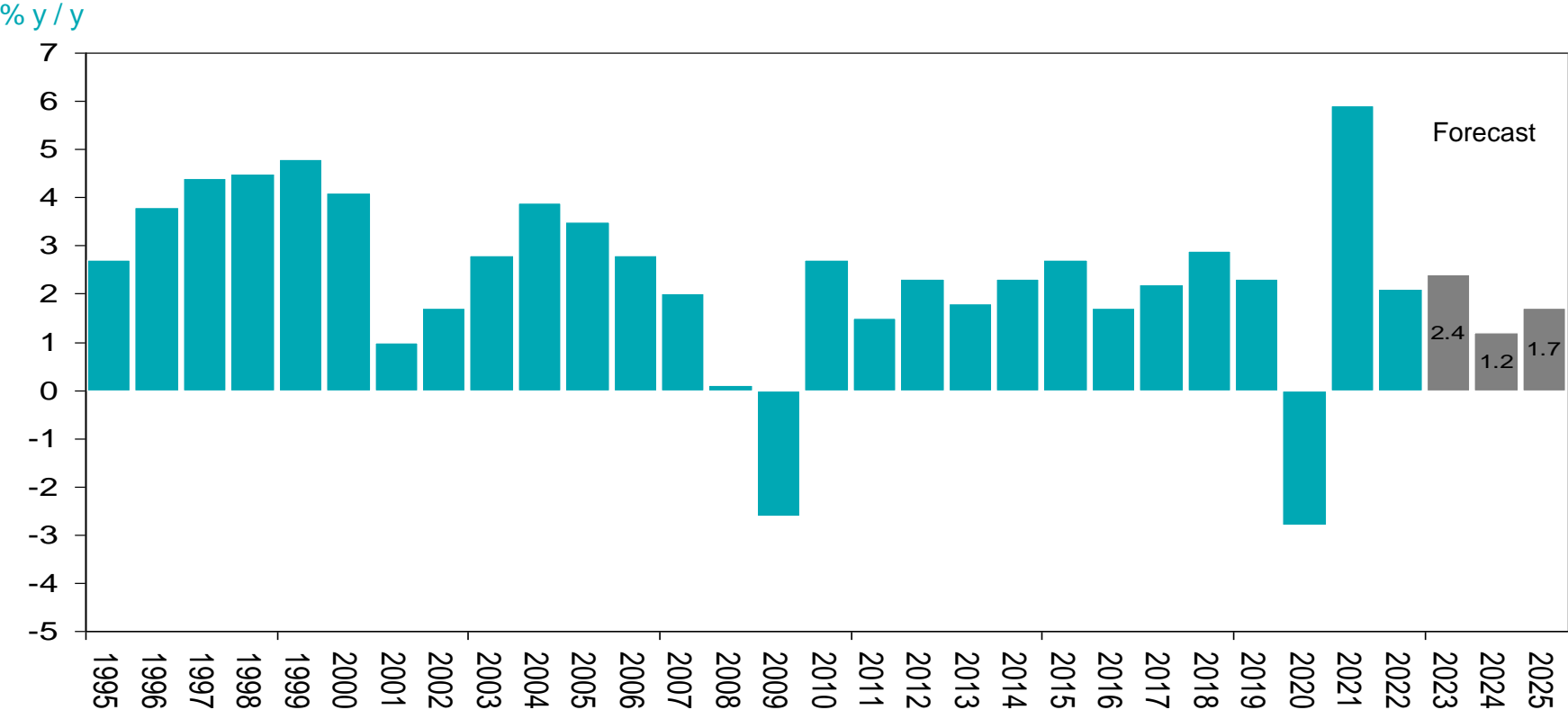
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Monday, 27 November 2023

- US consensus economic forecast for November 2023
- US new home sales for October 2023

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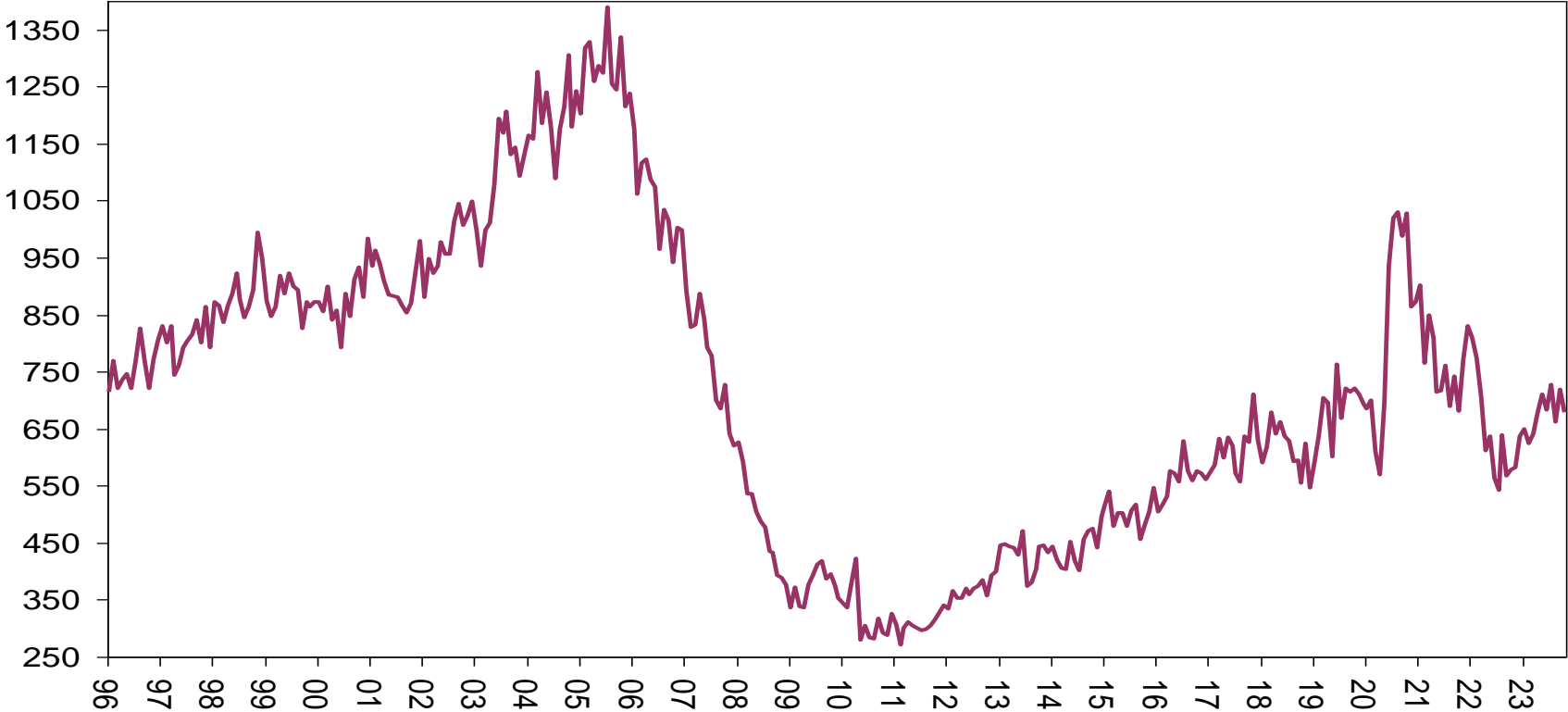
# US consensus real annual GDP growth



Source: Bloomberg

# US new home sales

000's



Weekly economic review: 27 November to 3 December 2023

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Tuesday, 28 November 2023

- US home prices for September 2023
- US consumer confidence for November 2023

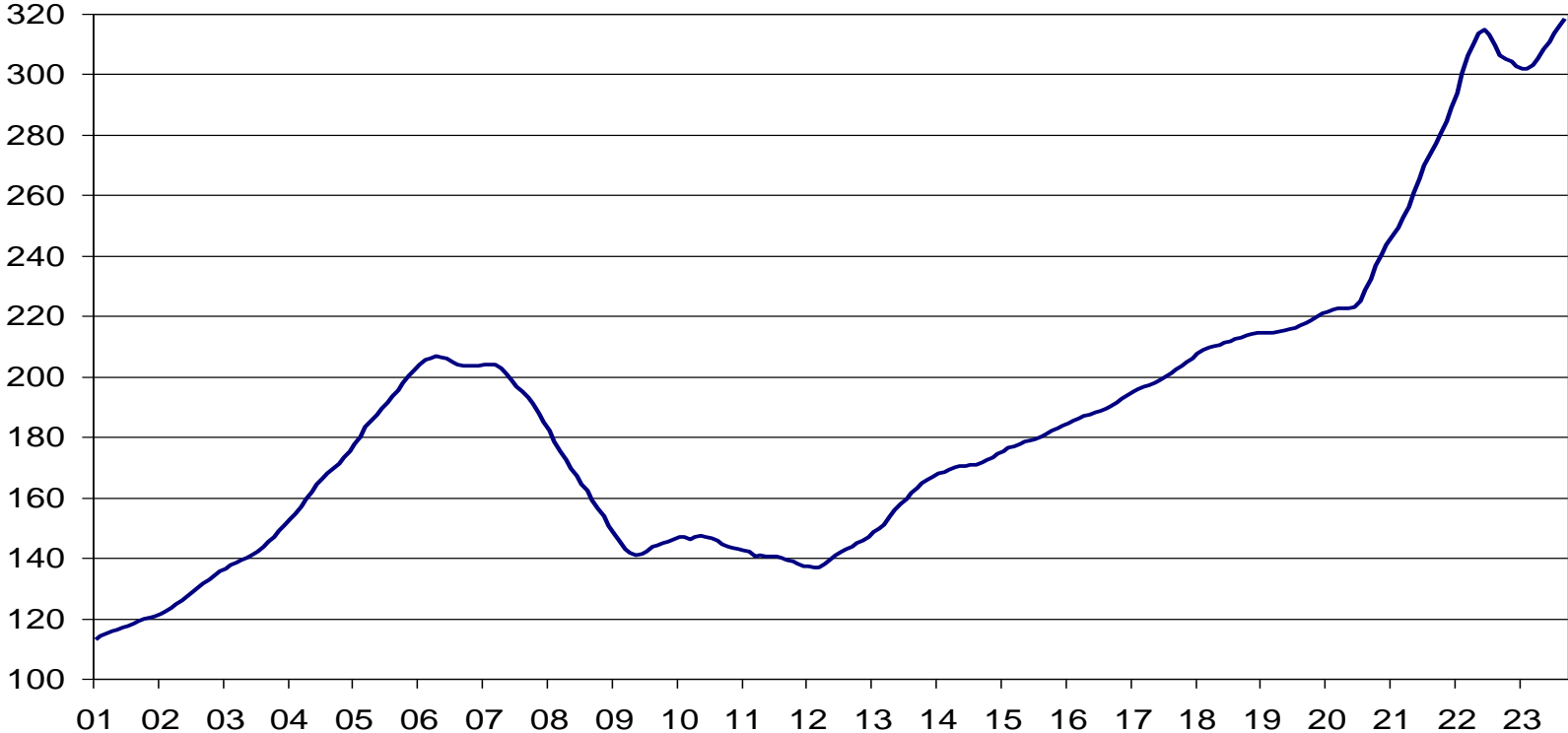
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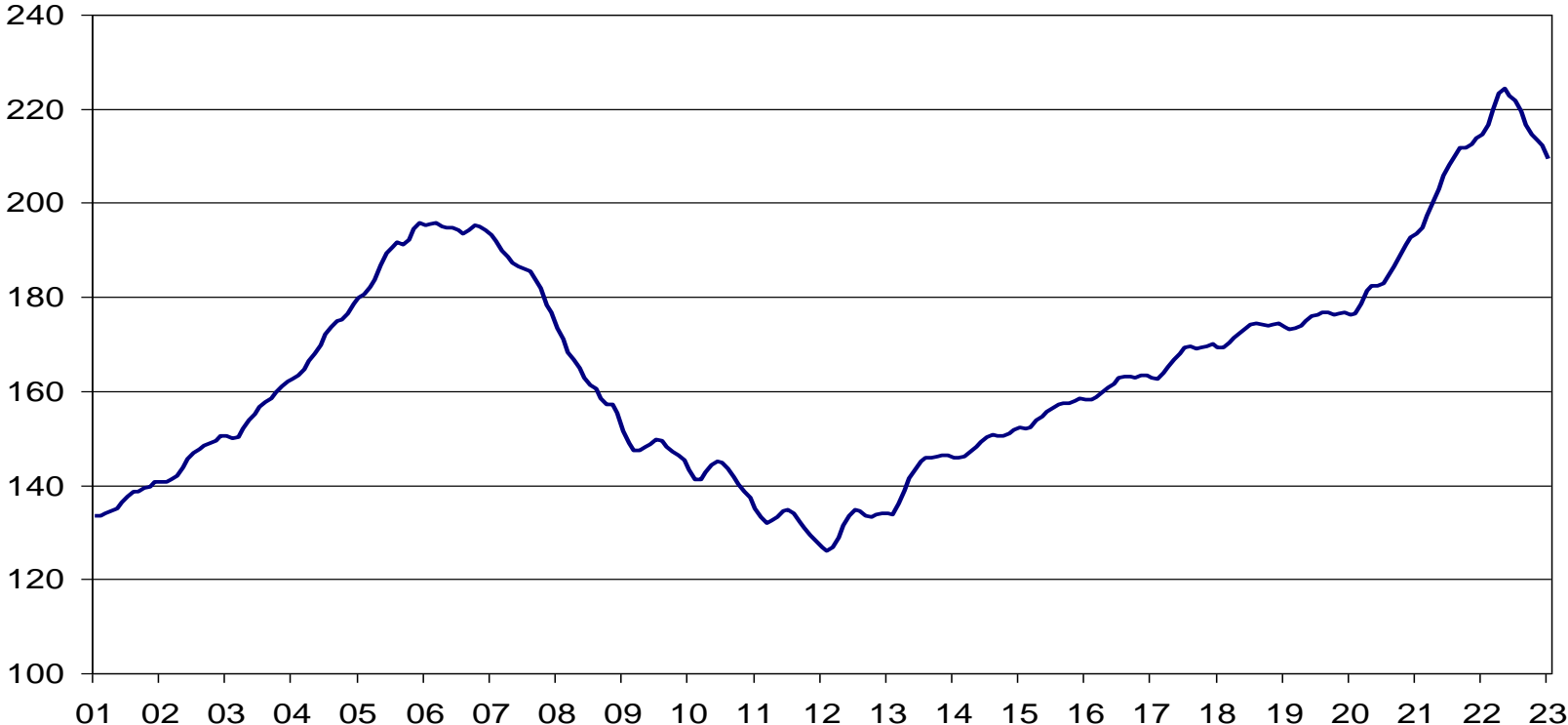
# US house prices

US house prices, nominal, S&P Case Shiller



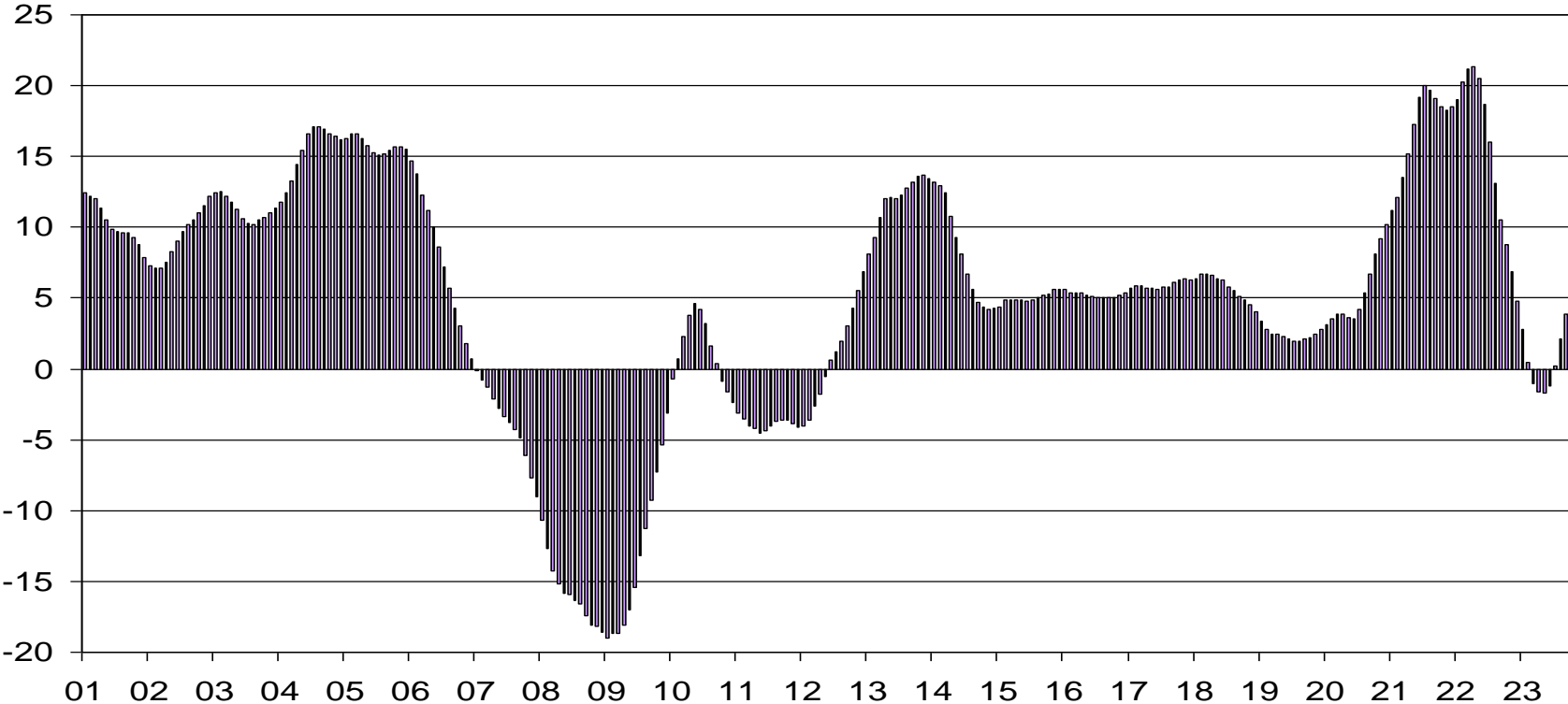
# US house prices in real terms

US house prices, real, S&P Shiller (data lags nominal by a few months)



# US house prices

US house prices, %, nominal, S&P Case Shiller

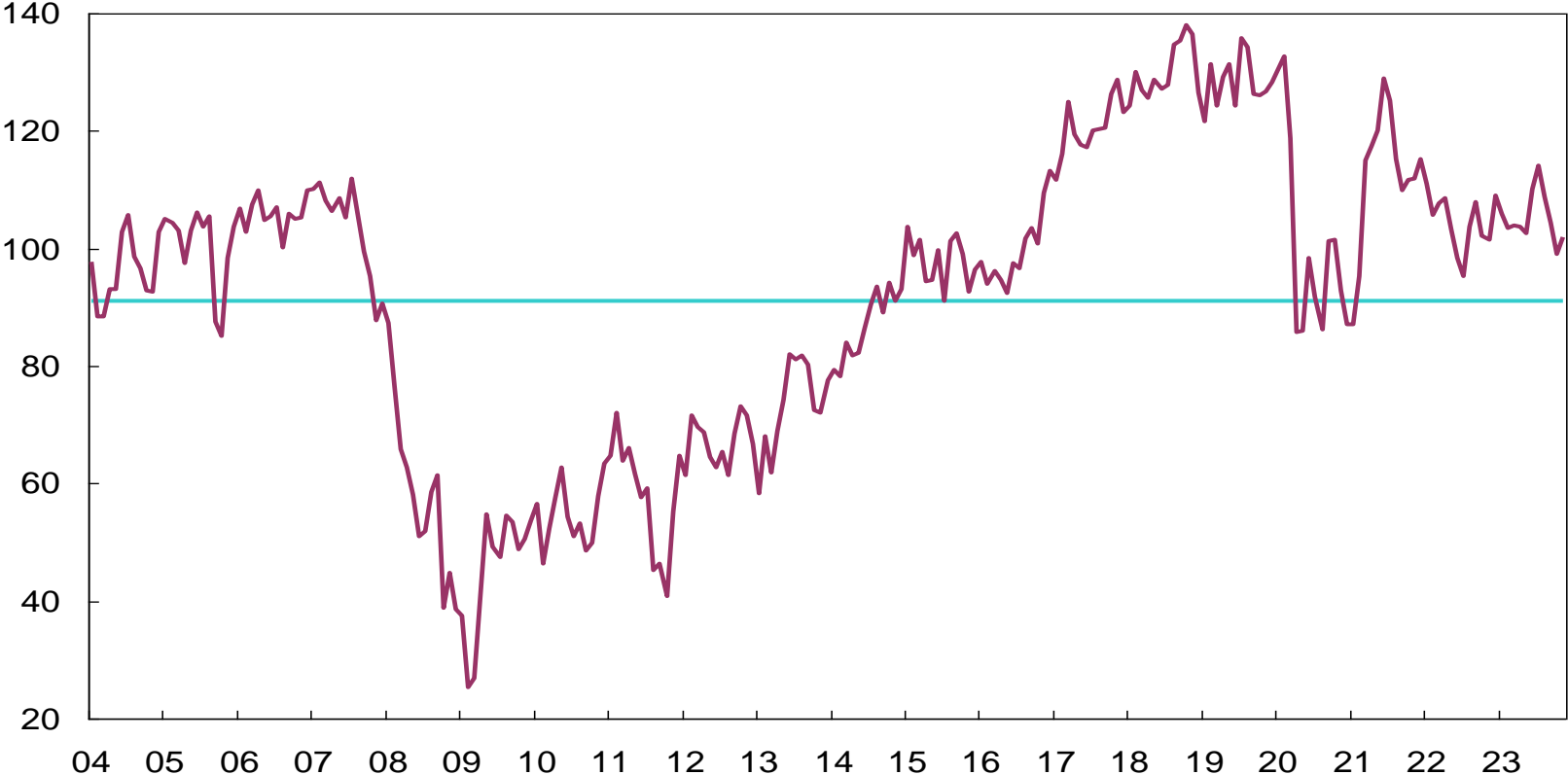






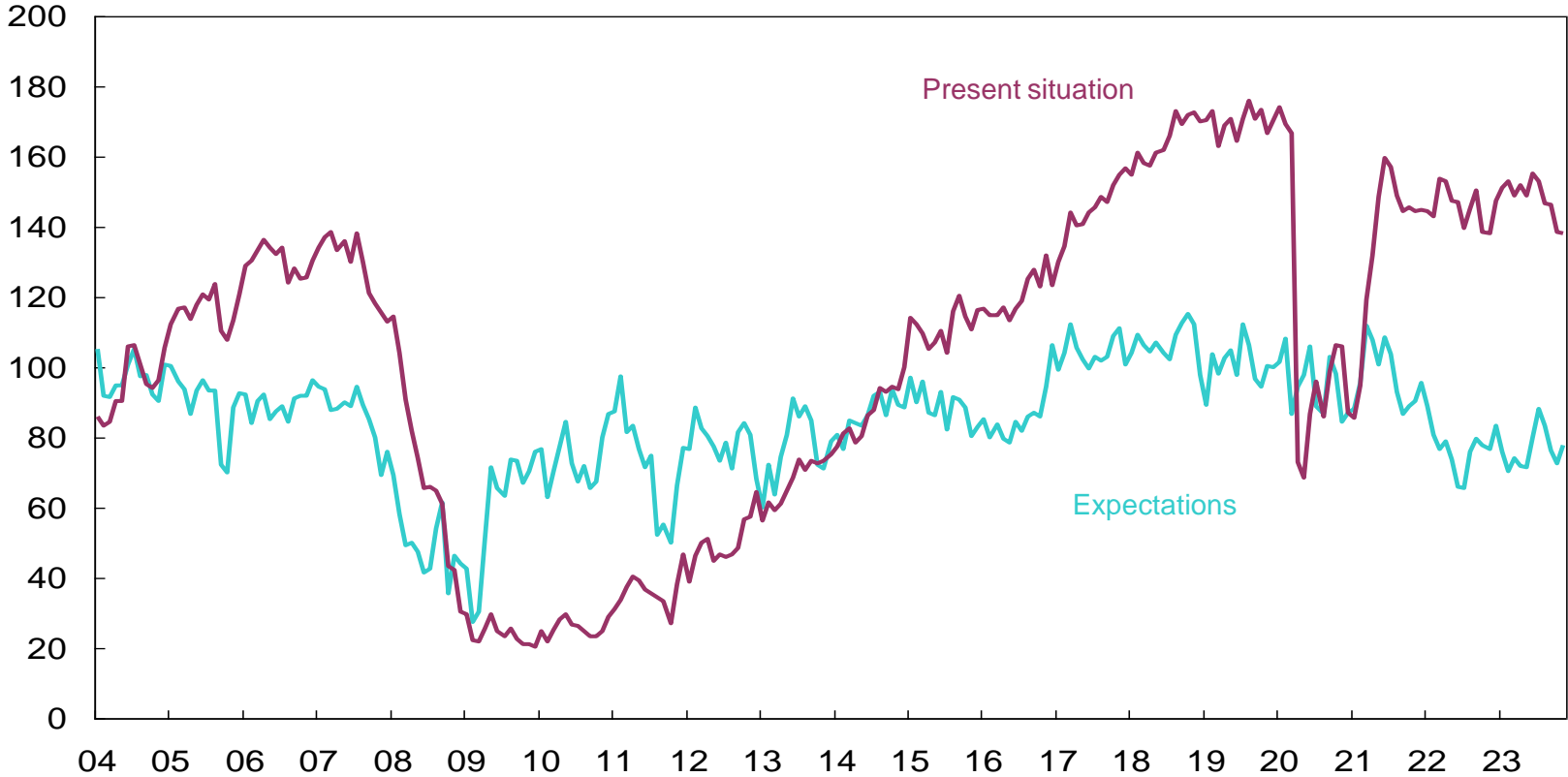
# US consumer confidence

Index



# US consumer confidence: present situation vs expectations

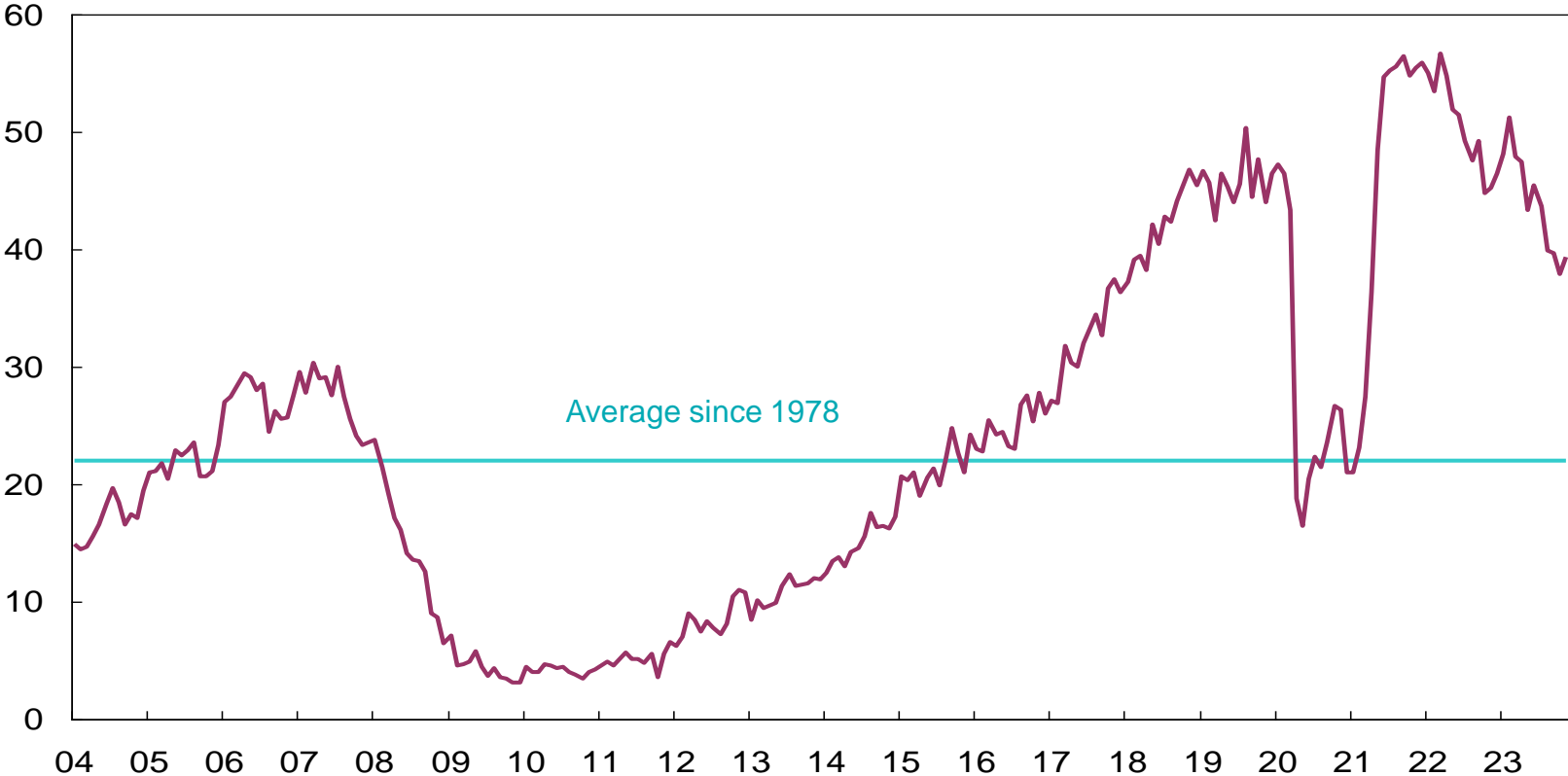
Index





# US consumer confidence – are jobs plentiful?

Index



# Weekly economic review: 27 November to 3 December 2023

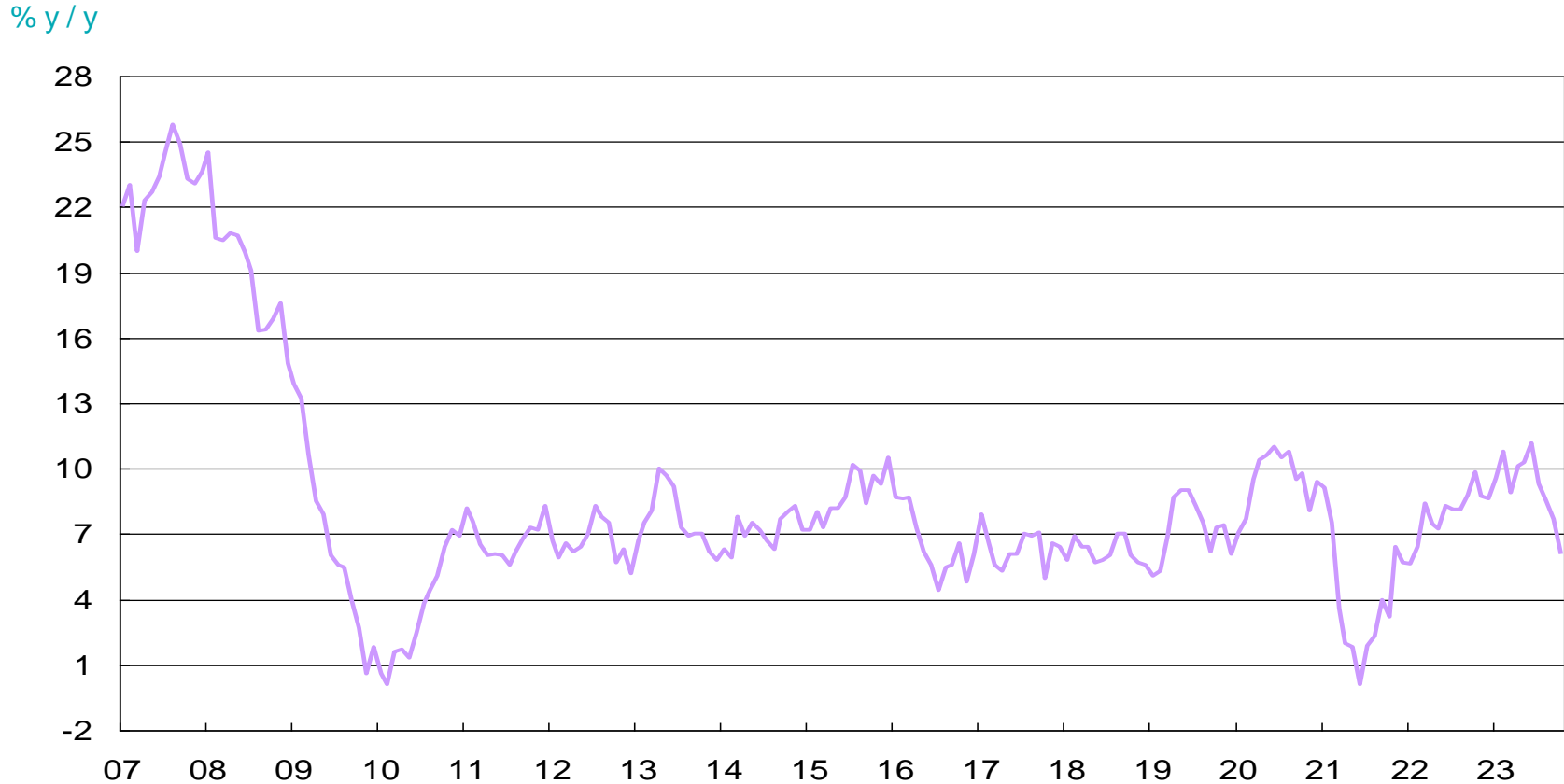
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Wednesday, 29 November 2023

- SA growth in money supply for October 2023
- SA growth in private sector credit for October 2023
- US weekly mortgage applications
- OECD economic outlook

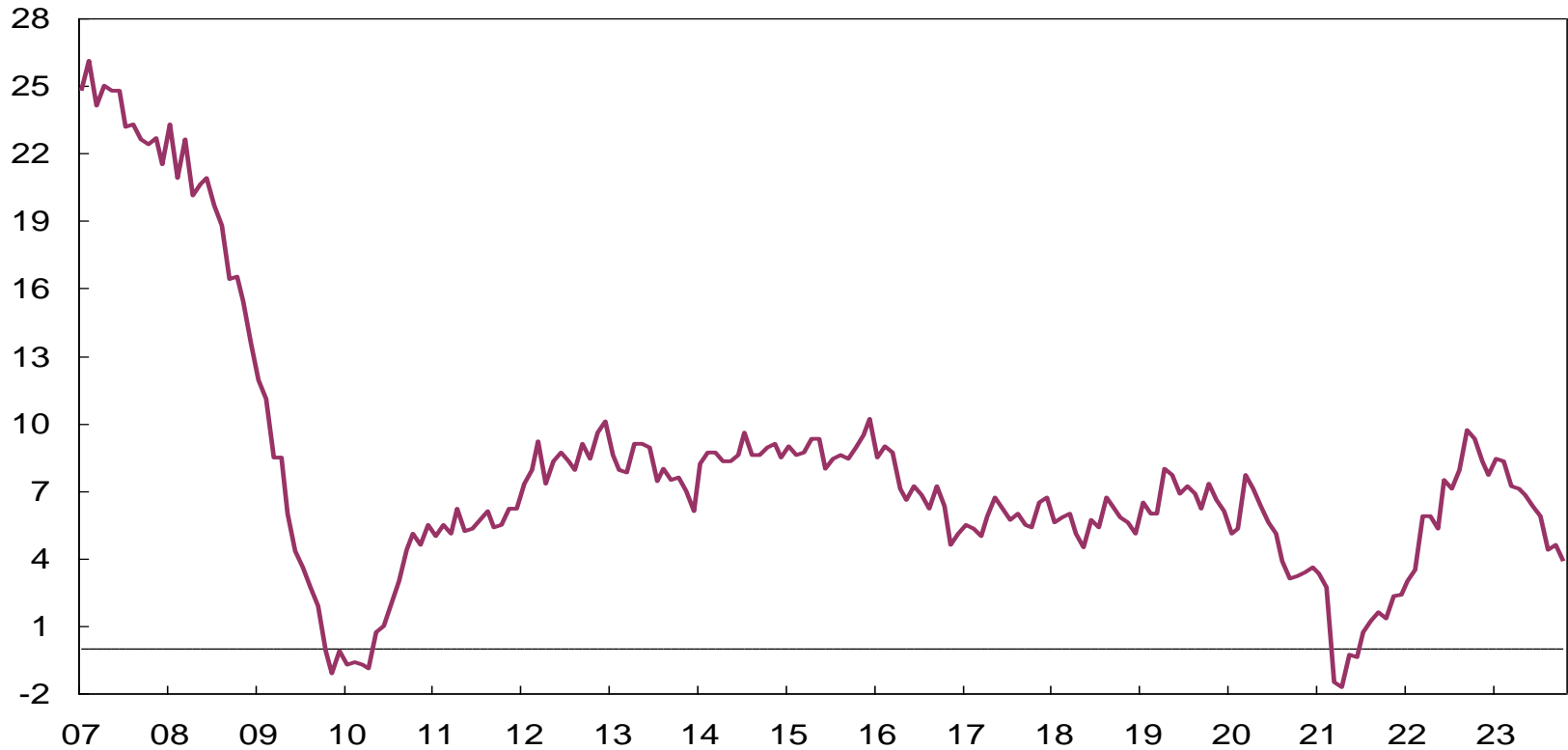
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# SA growth in M3 money supply

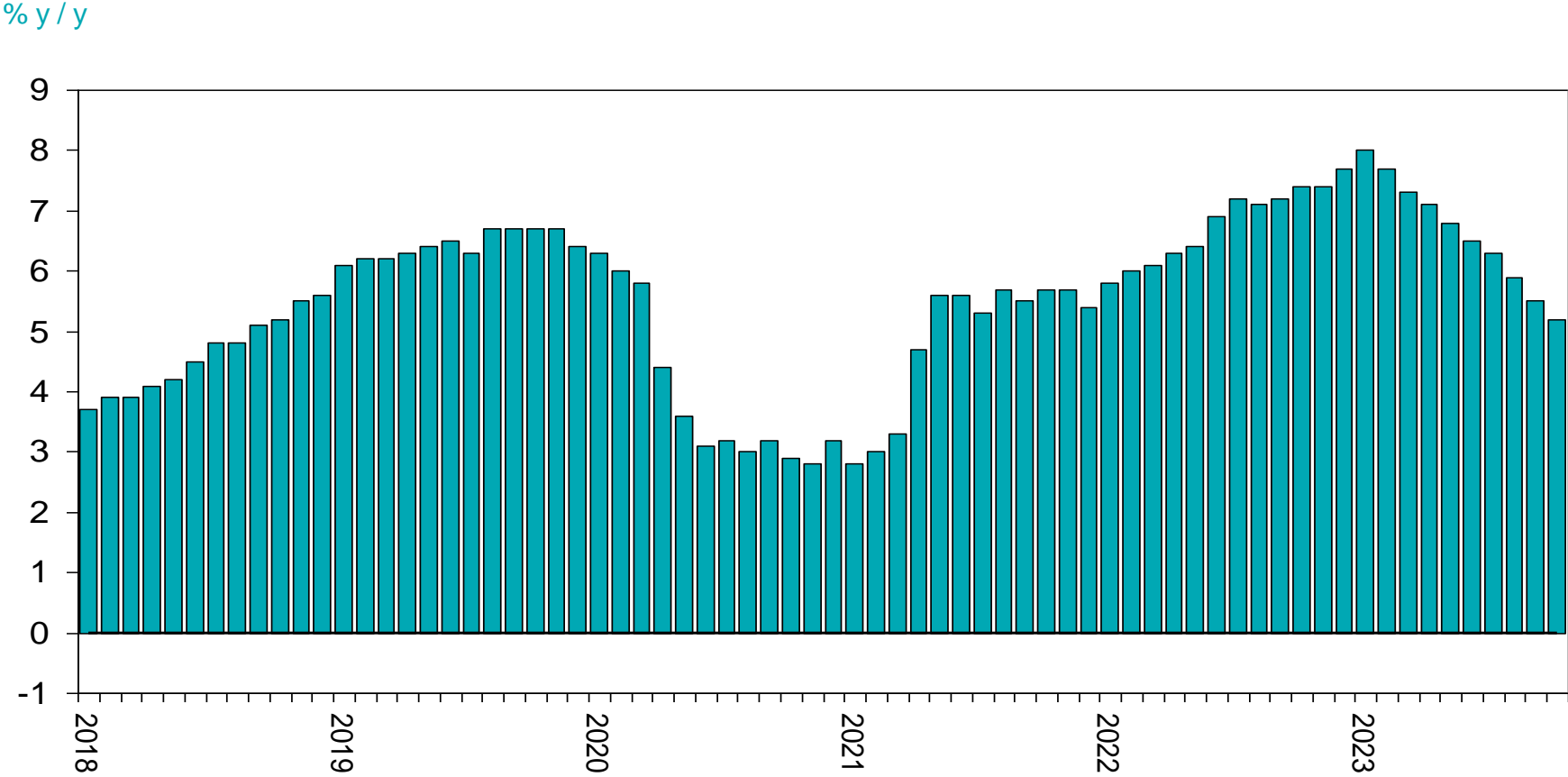


# SA private sector credit

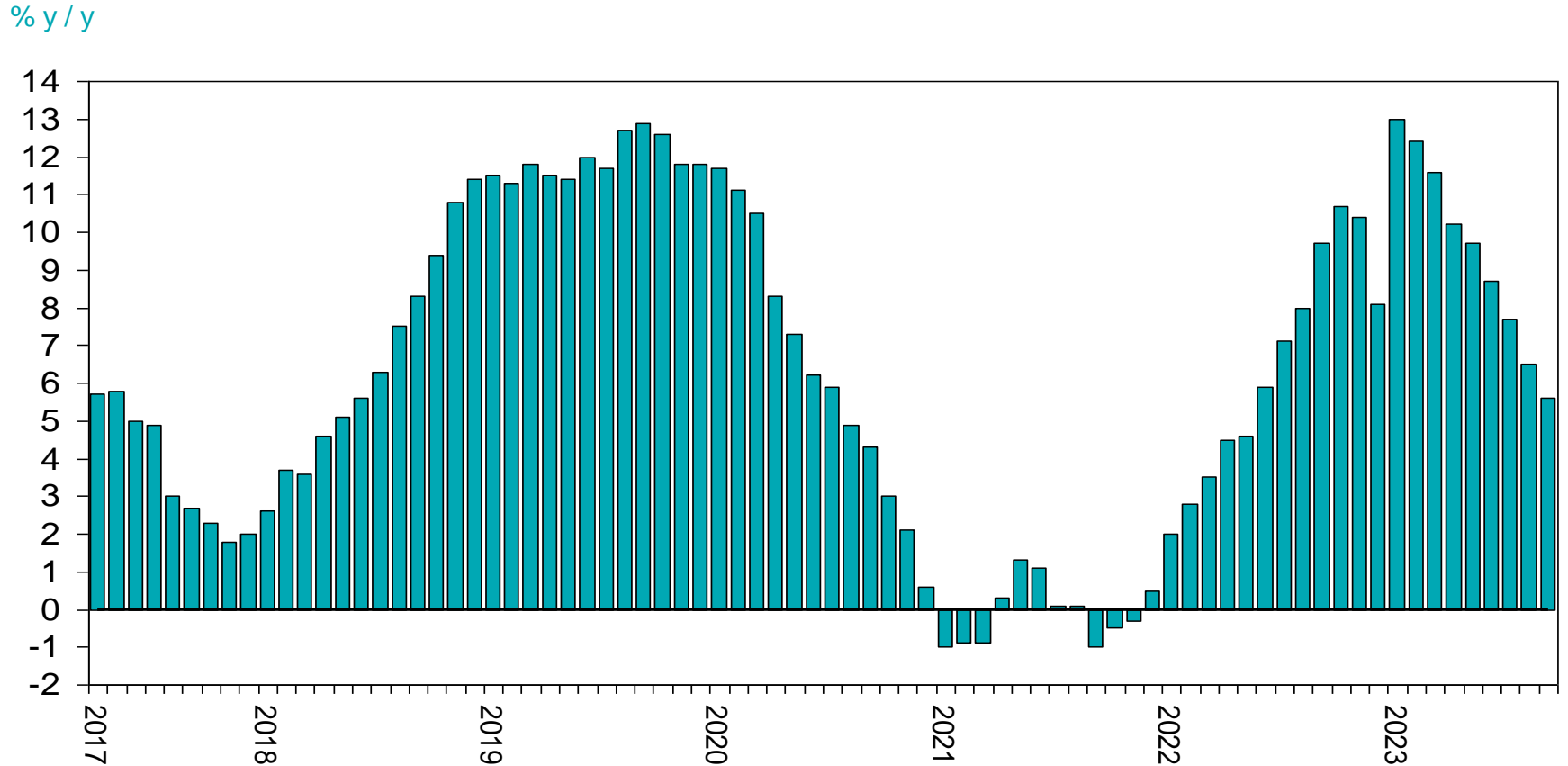
% y/y



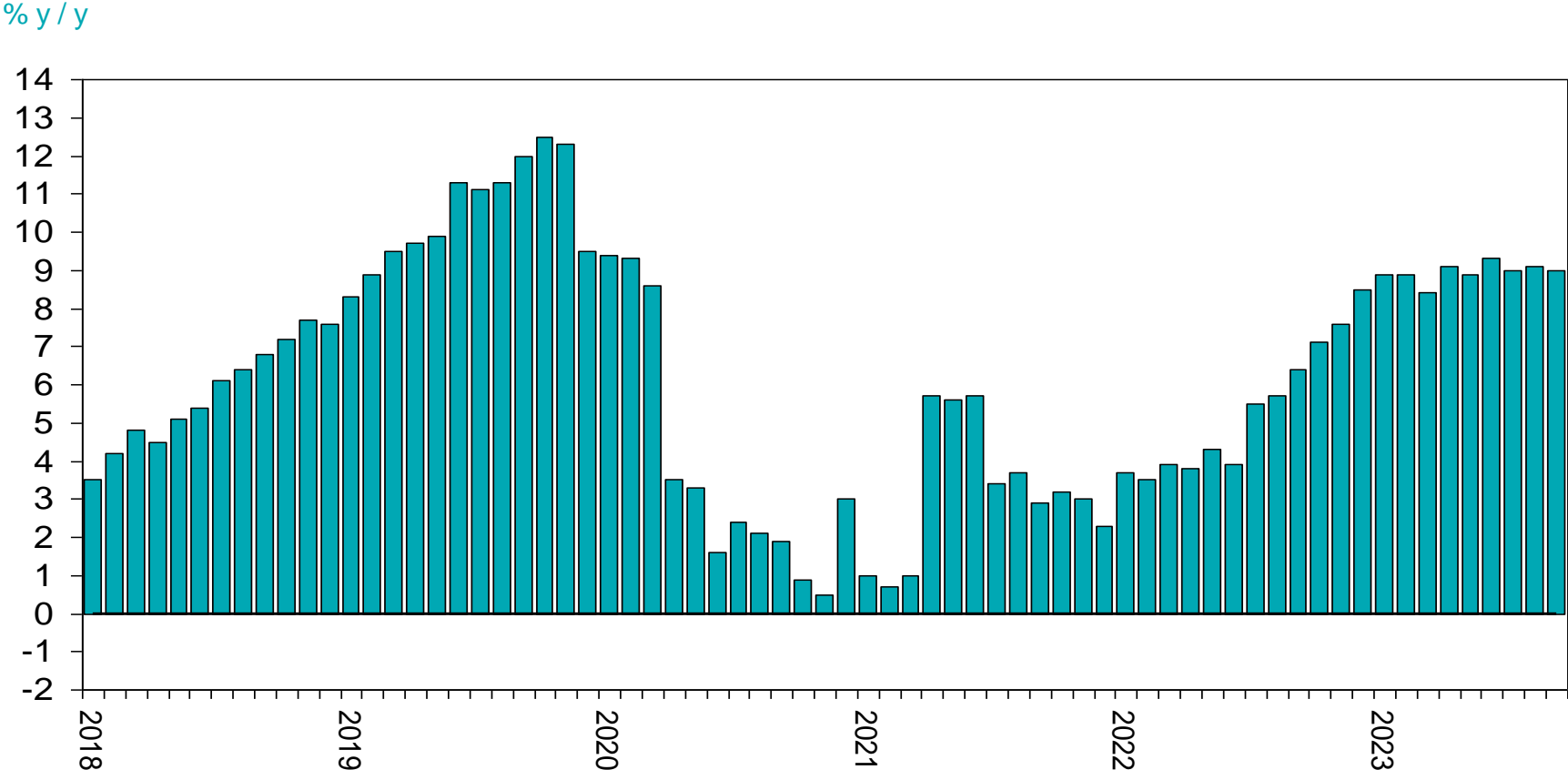
# SA rate of growth in total household credit



# SA rate of growth in household personal loans

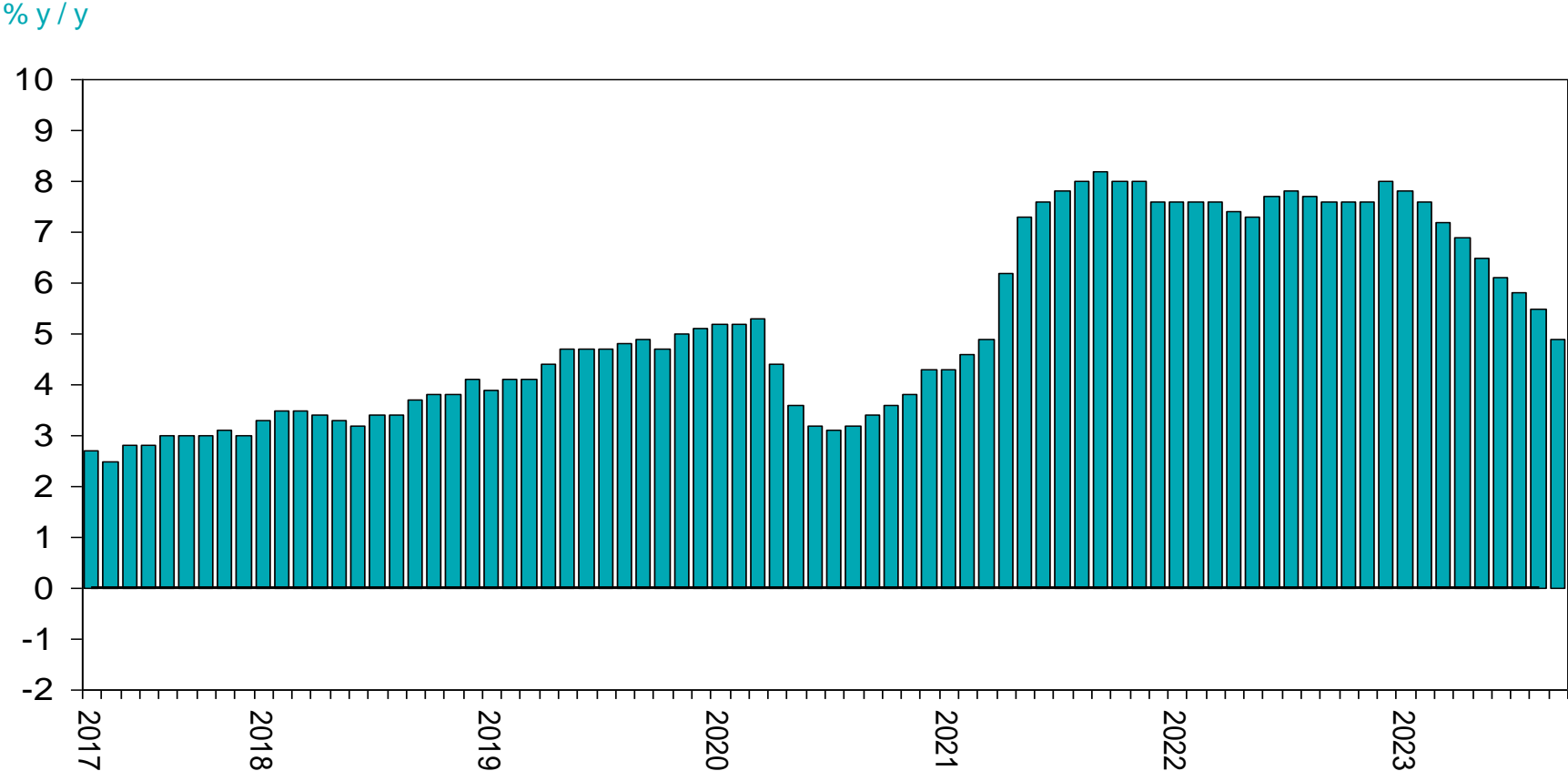


# SA rate of growth in household credit card debt



Source: South African Reserve Bank

# SA rate of growth in residential mortgages

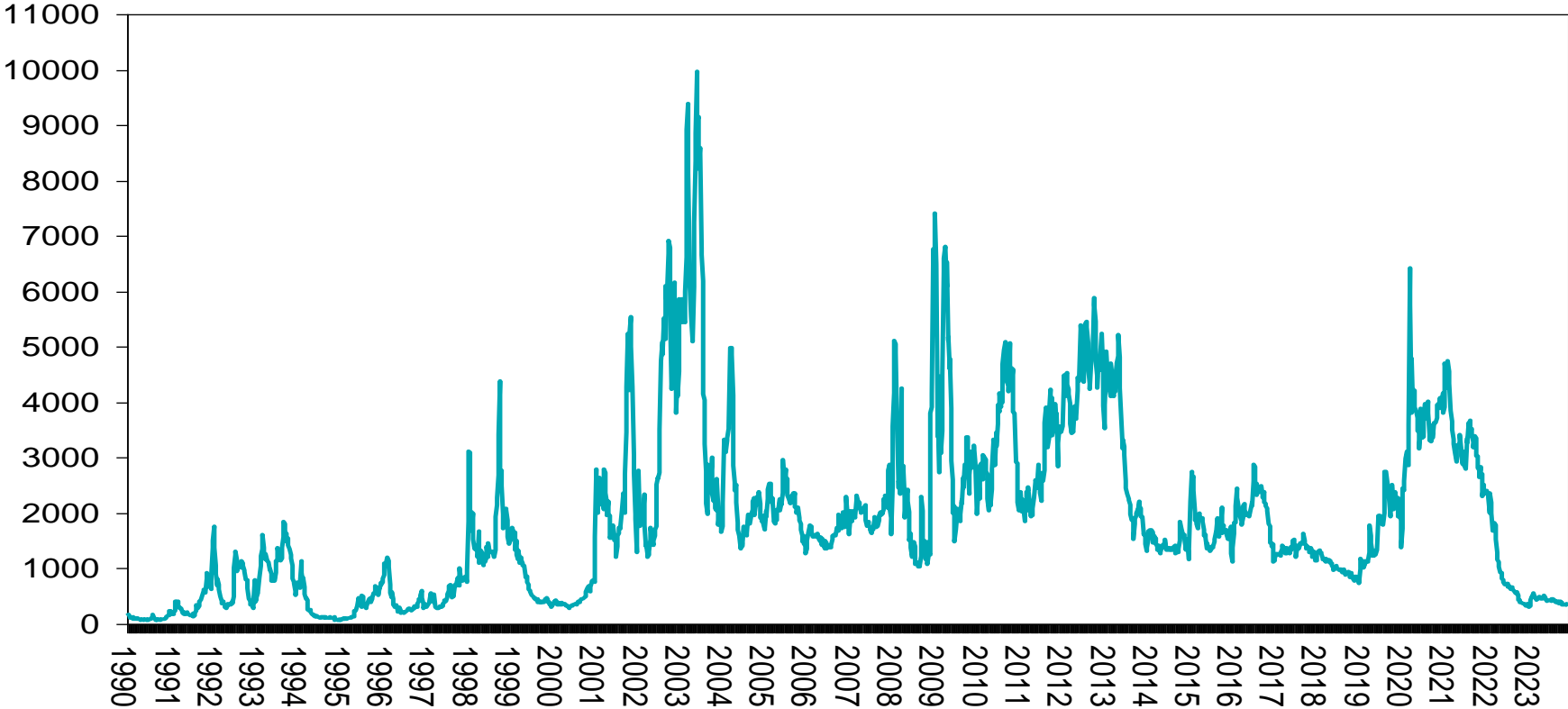


Source: South African Reserve Bank



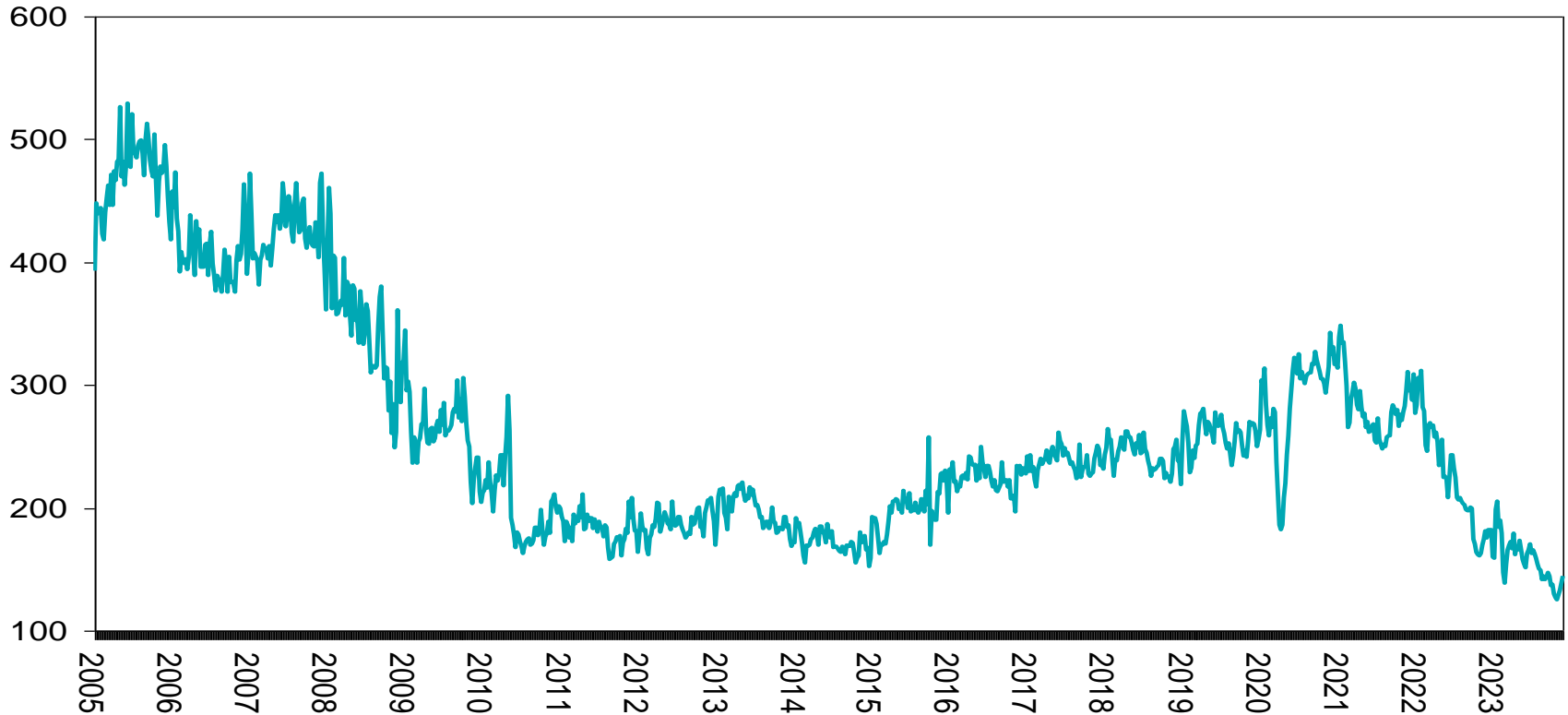
# US mortgage refinancing index

Index



# US mortgage applications for purchase

Market composite index



# US 30-year fixed rate mortgage

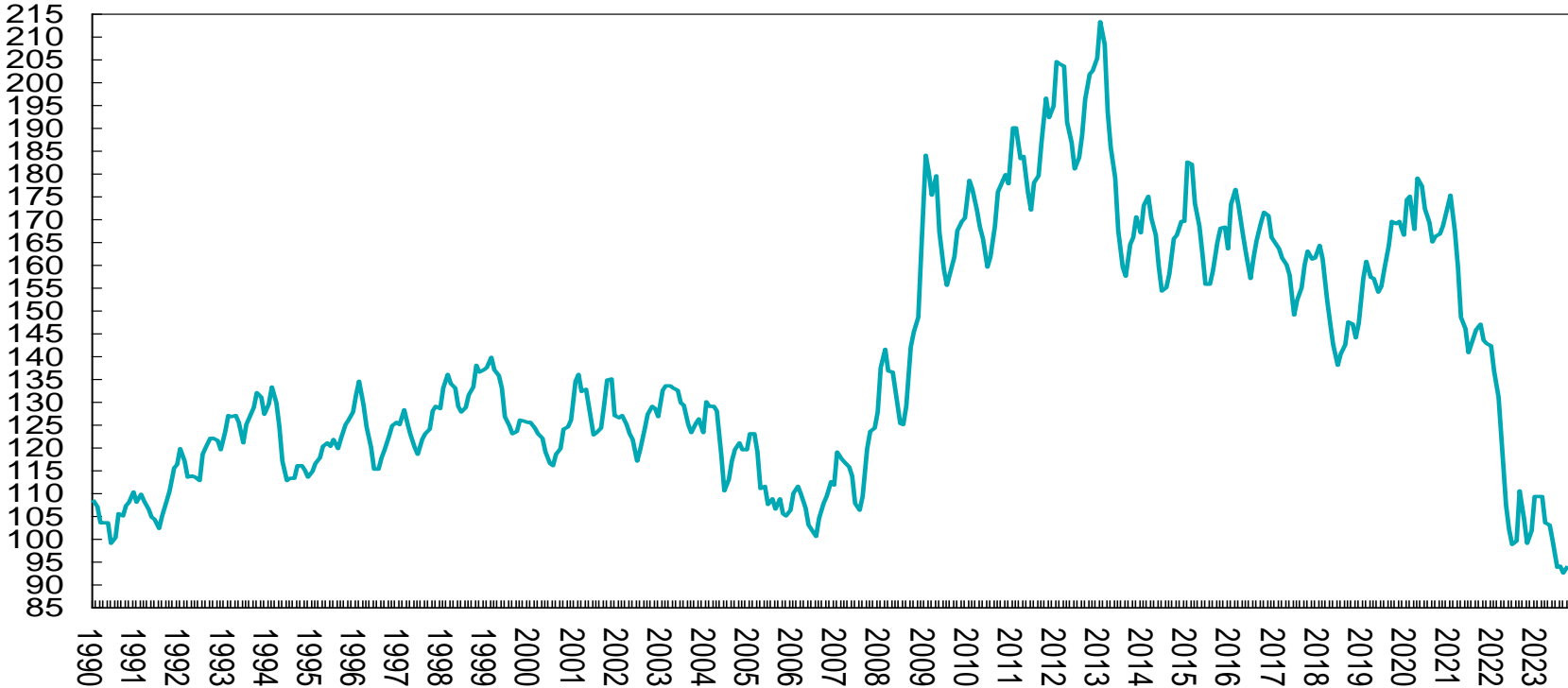
% yield, 30-year rate



# US housing affordability

Index, composite

The lower the index the more unaffordable housing has become



# OECD economic forecasts: November 2023

	Average 2013-2019	2022	2023	2024	2025
				Per cent	
<b>Real GDP growth<sup>1</sup></b>					
World <sup>2</sup>	3.4	3.3	2.9	2.7	3.0
G20 <sup>2</sup>	3.5	3.0	3.1	2.8	3.0
OECD <sup>2</sup>	2.3	2.9	1.7	1.4	1.8
United States	2.5	1.9	2.4	1.5	1.7
Euro area	1.9	3.4	0.6	0.9	1.5
Japan	0.8	0.9	1.7	1.0	1.2
Non-OECD <sup>2</sup>	4.4	3.6	4.0	3.8	4.0
China	6.8	3.0	5.2	4.7	4.2
India <sup>3</sup>	6.8	7.2	6.3	6.1	6.5
Brazil	-0.4	3.0	3.0	1.8	2.0
<b>OECD unemployment rate<sup>4</sup></b>	6.5	5.0	4.8	5.1	5.1
<b>Inflation<sup>1</sup></b>					
G20 <sup>2,5</sup>	3.0	7.9	6.2	5.8	3.8
OECD <sup>6,7</sup>	1.6	9.3	7.4	5.3	3.9
United States <sup>6</sup>	1.3	6.5	3.9	2.8	2.2
Euro area <sup>8</sup>	0.9	8.4	5.5	2.9	2.3
Japan <sup>9</sup>	0.9	2.5	3.2	2.6	2.0
<b>OECD fiscal balance<sup>10</sup></b>	-3.2	-3.4	-4.8	-4.3	-4.0
<b>World real trade growth<sup>1</sup></b>	3.4	5.2	1.1	2.7	3.3

# Weekly economic review: 27 November to 3 December 2023

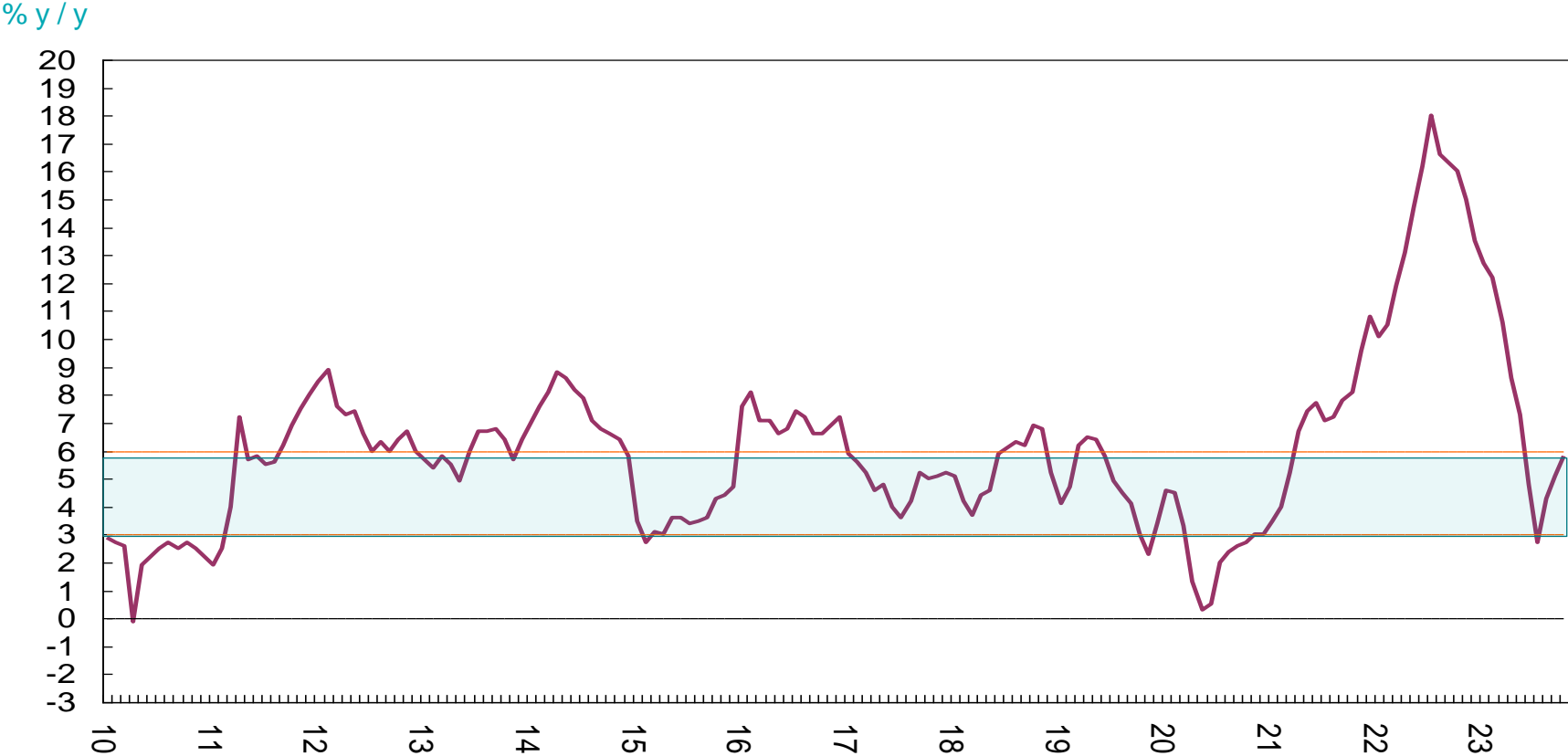
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## Thursday, 30 November 2023

- SA PPI inflation for October 2023
- SA trade balance for October 2023
- SA government revenue and expenditure for October 2023
- US weekly jobless claims
- US growth in personal income for October 2023
- US core PCE inflation for October 2023
- China manufacturing and services PMI for November 2023
- Euro-area consumer inflation for November 2023
- Start of COP 28 meetings

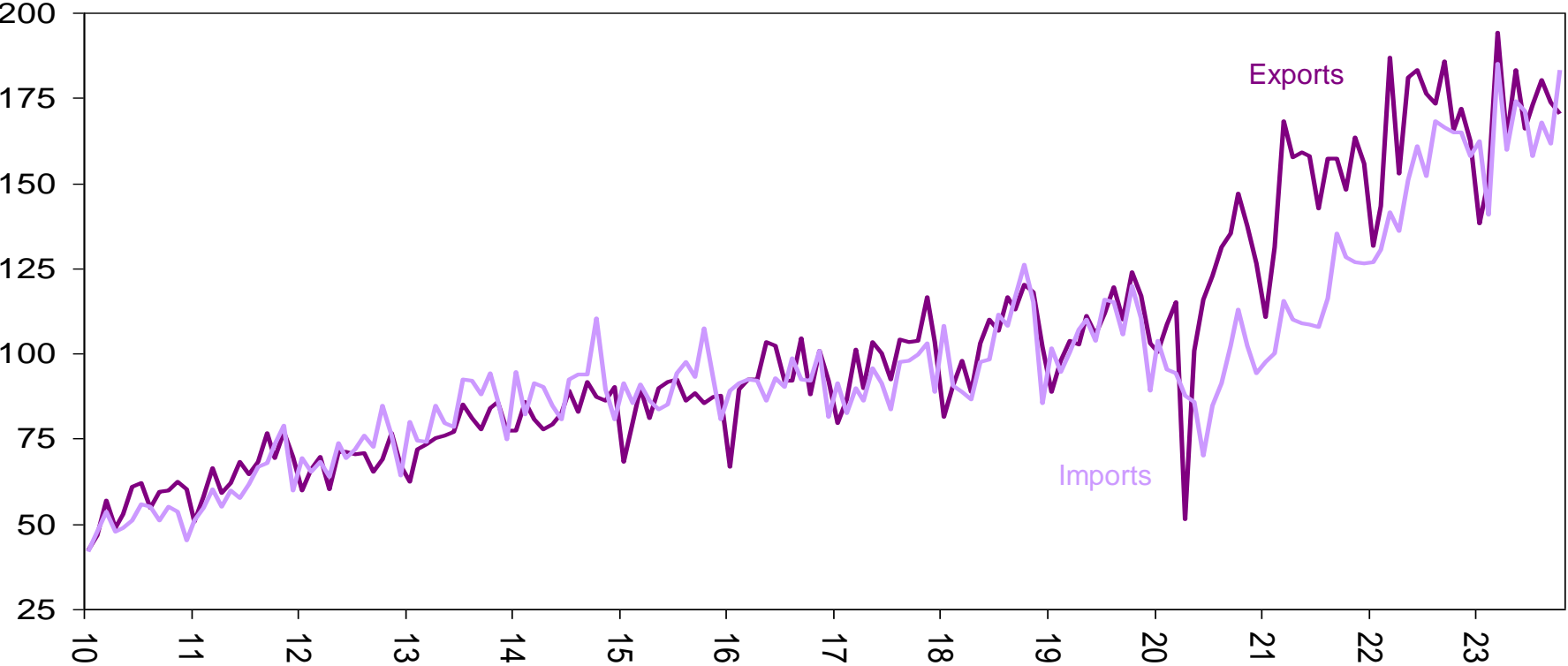
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# South Africa producer inflation



# SA imports and exports

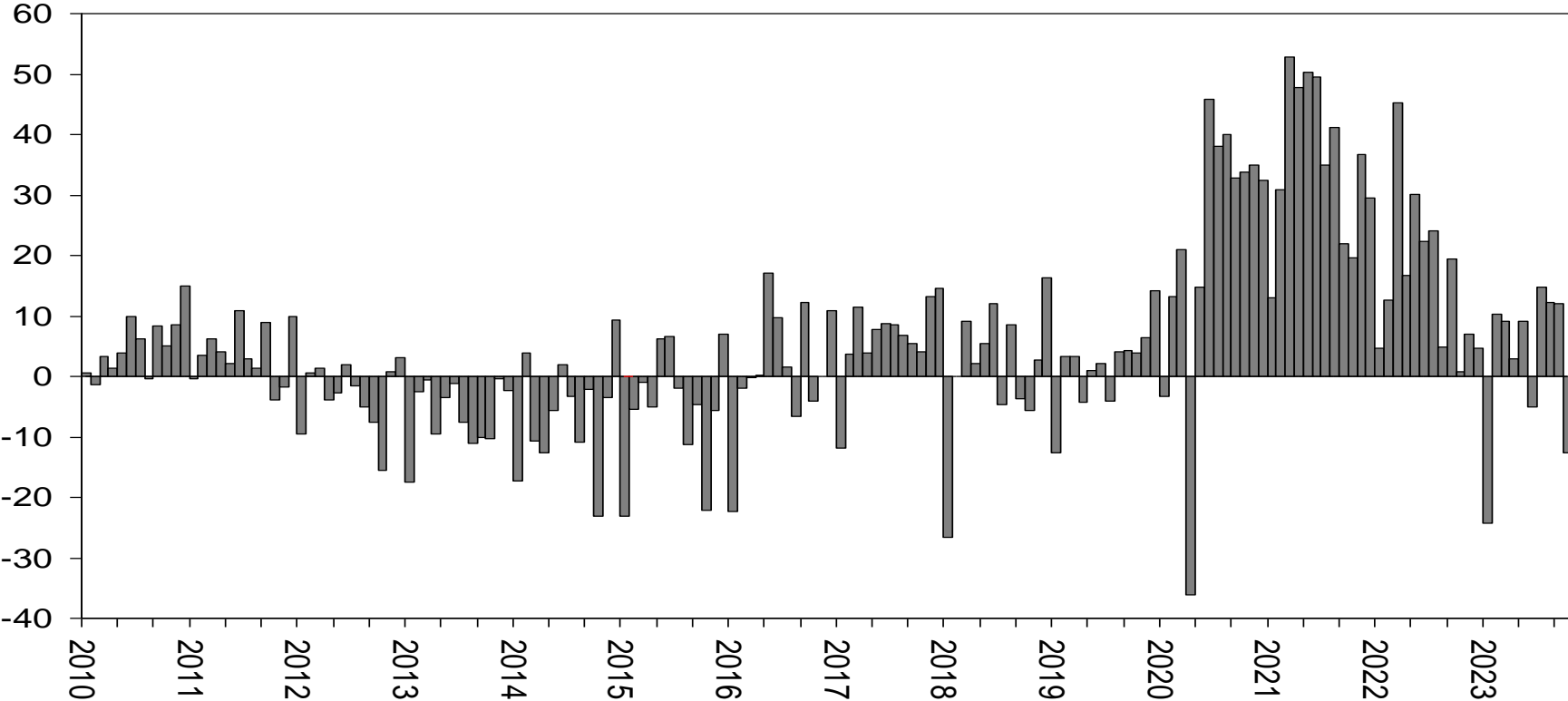
Rand billion





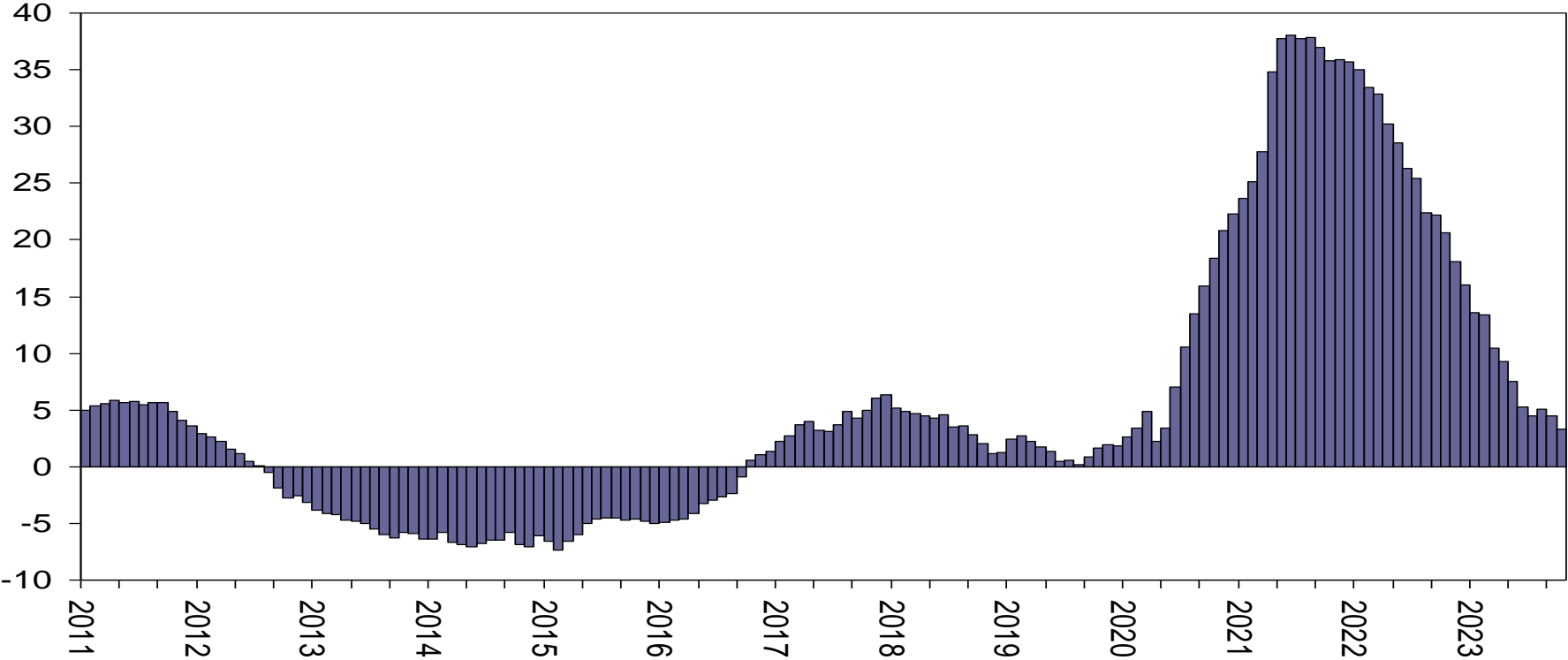
# SA trade balance

R billion



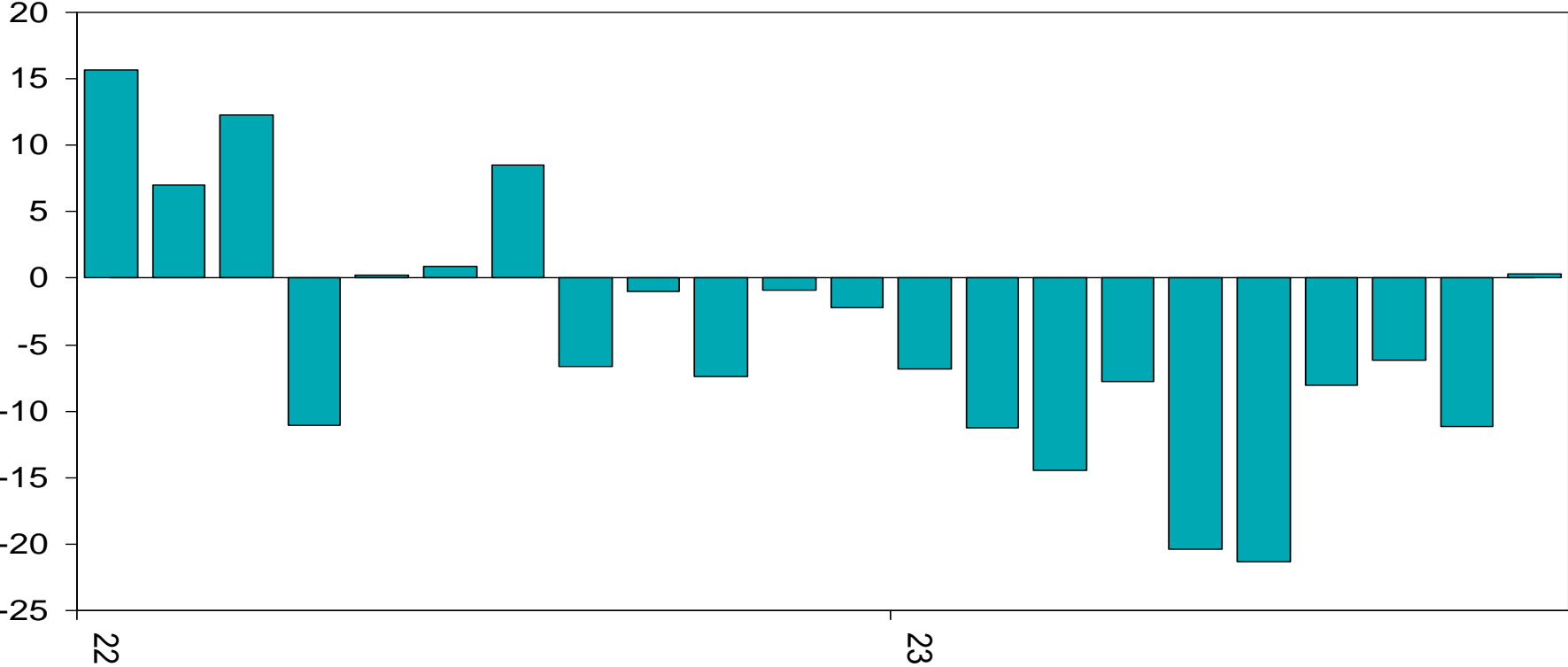
# SA trade balance – 12-month average

R billion



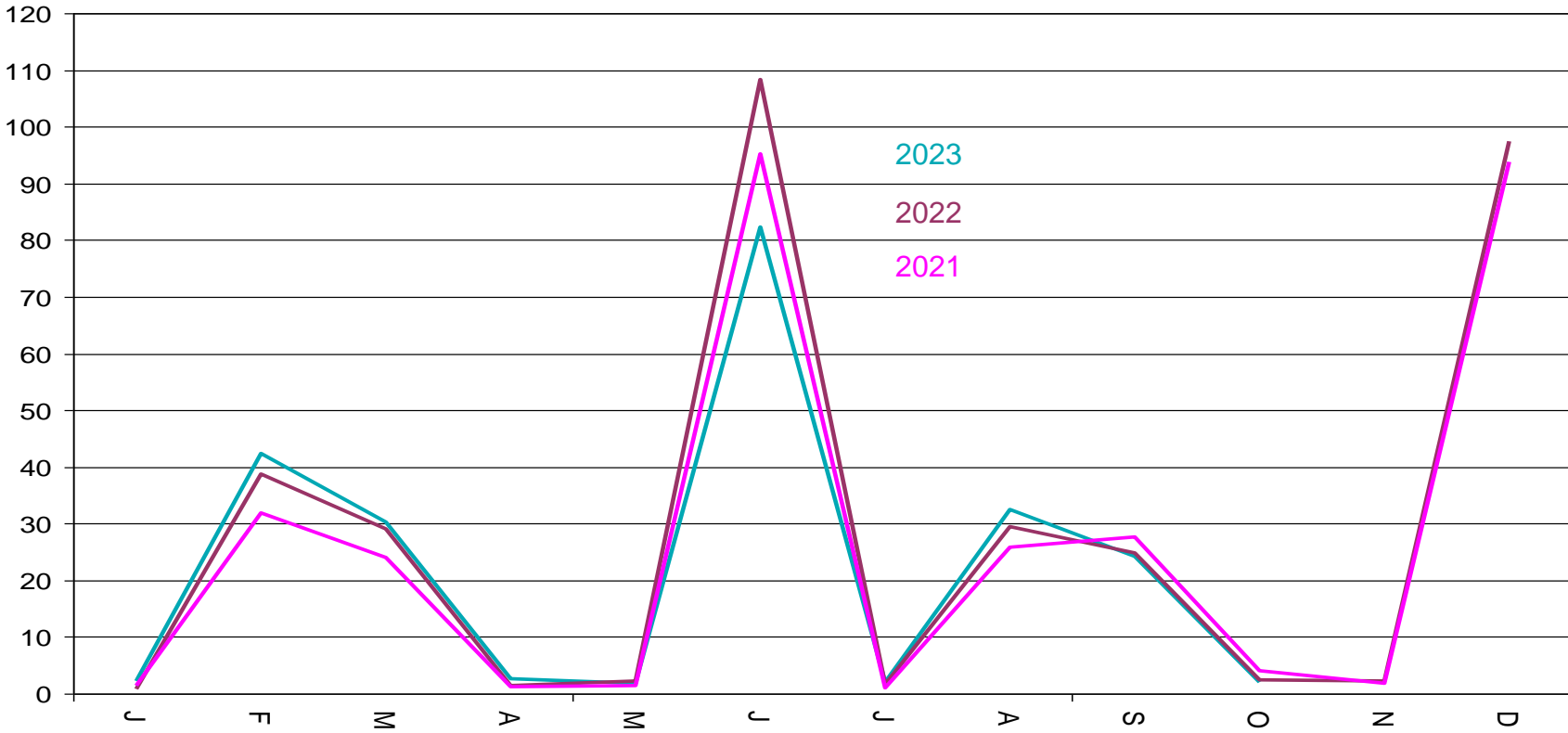
# SA growth in export revenue in Dollars

%y/y, dollars



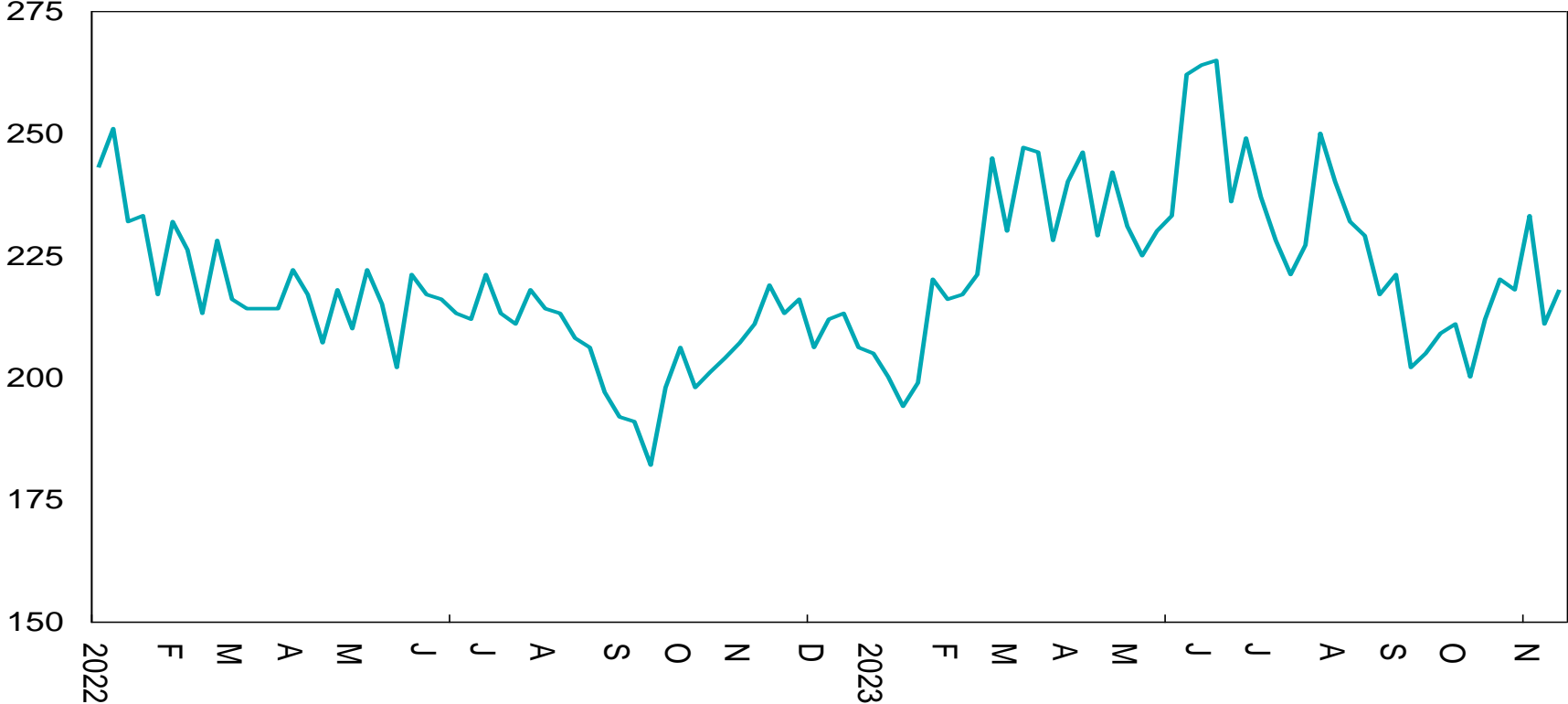
# SA corporate tax revenue collection monthly

R billion



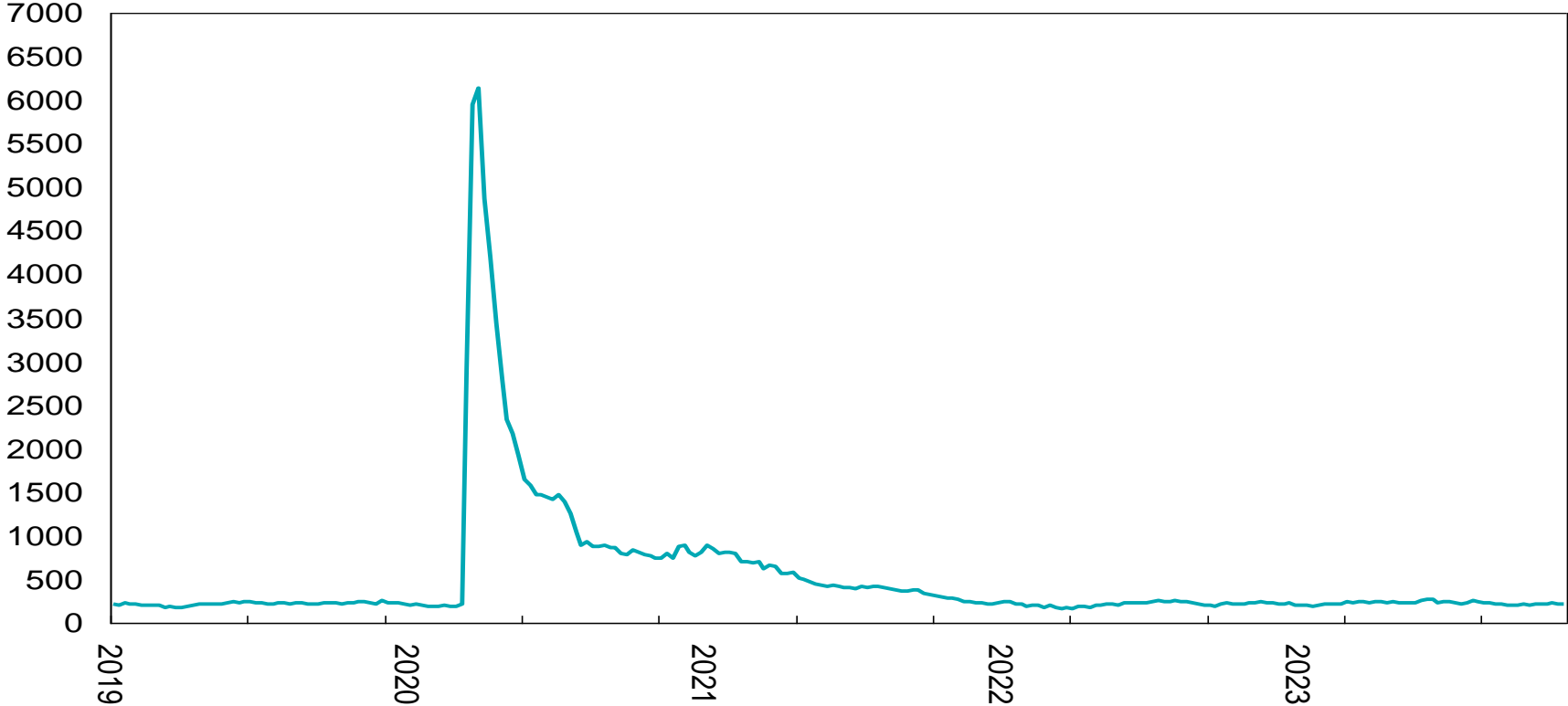
# US initial jobless claims

000's



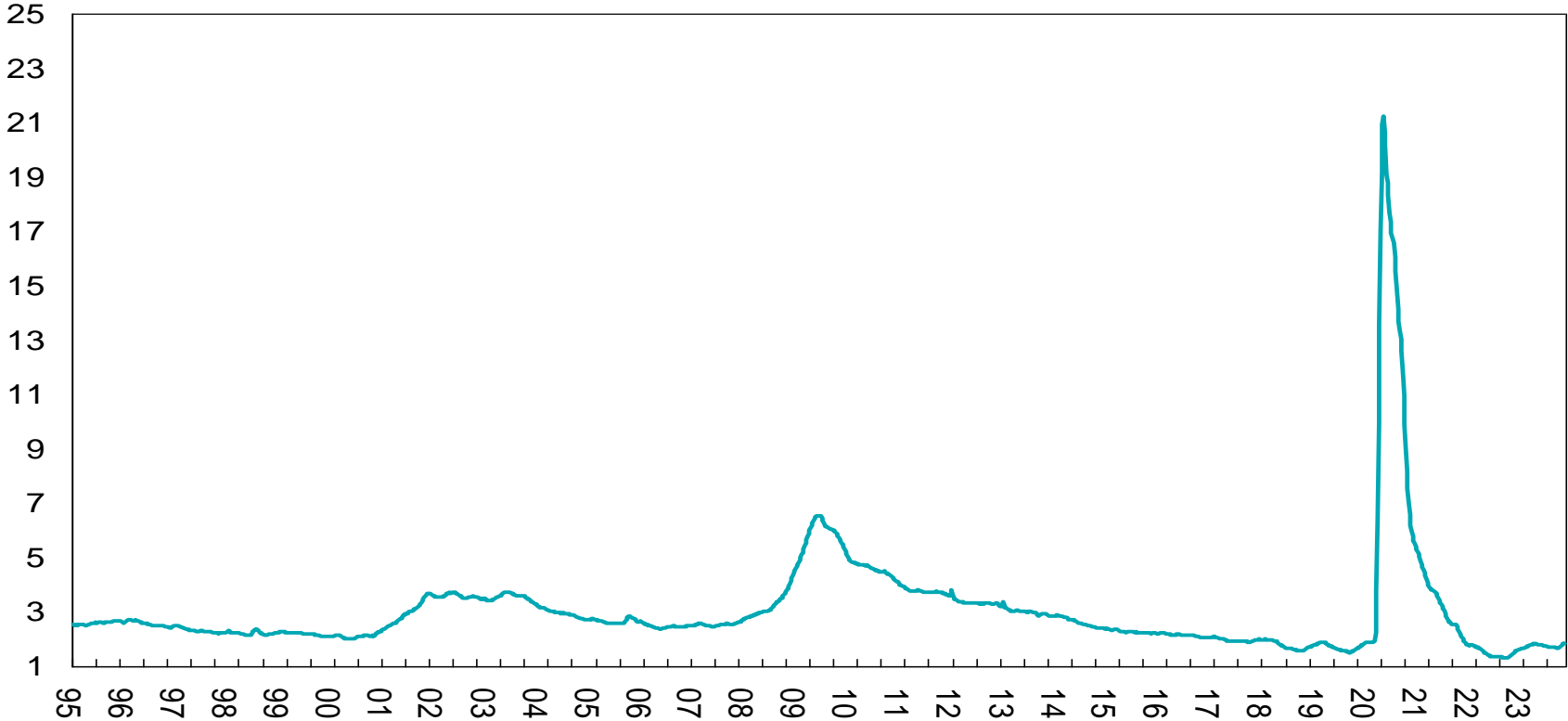
# US initial jobless claims

000's



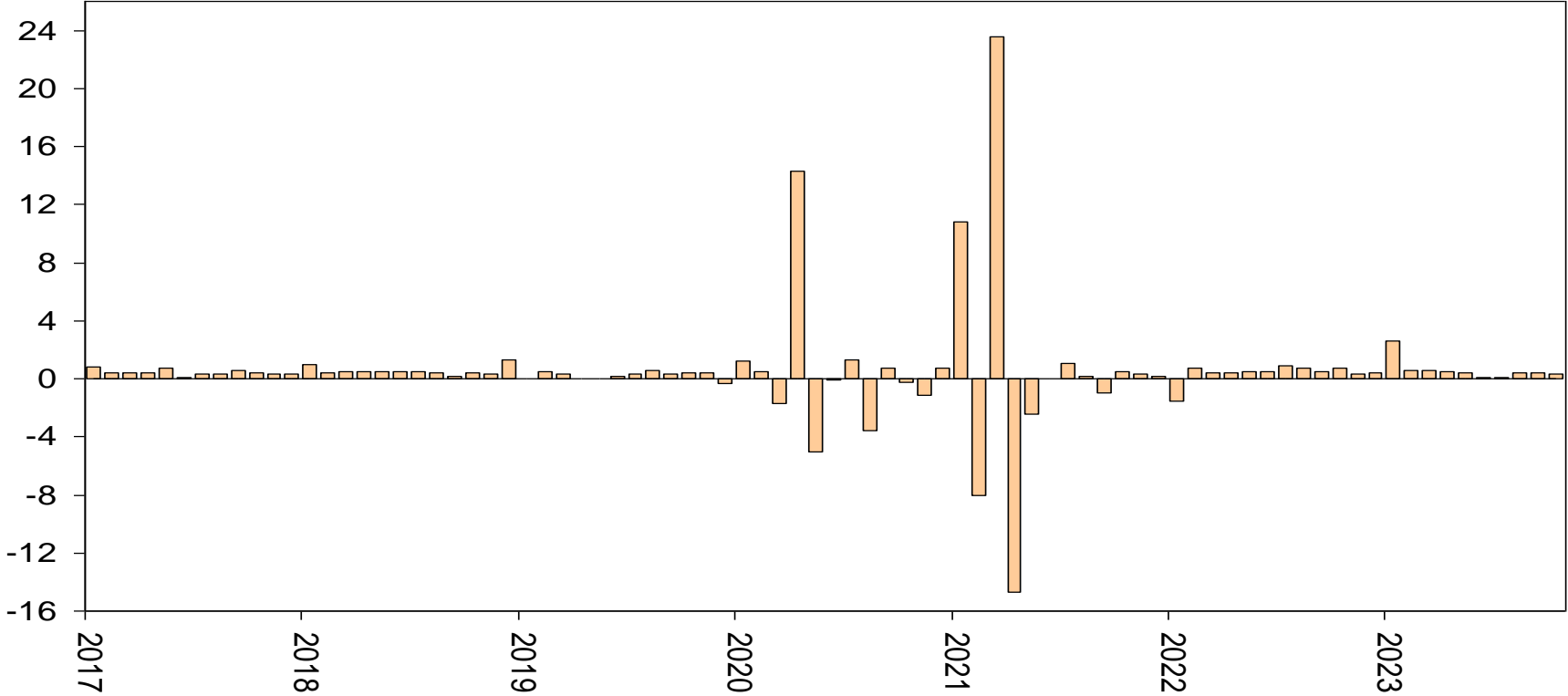
# US continuing claims

Million



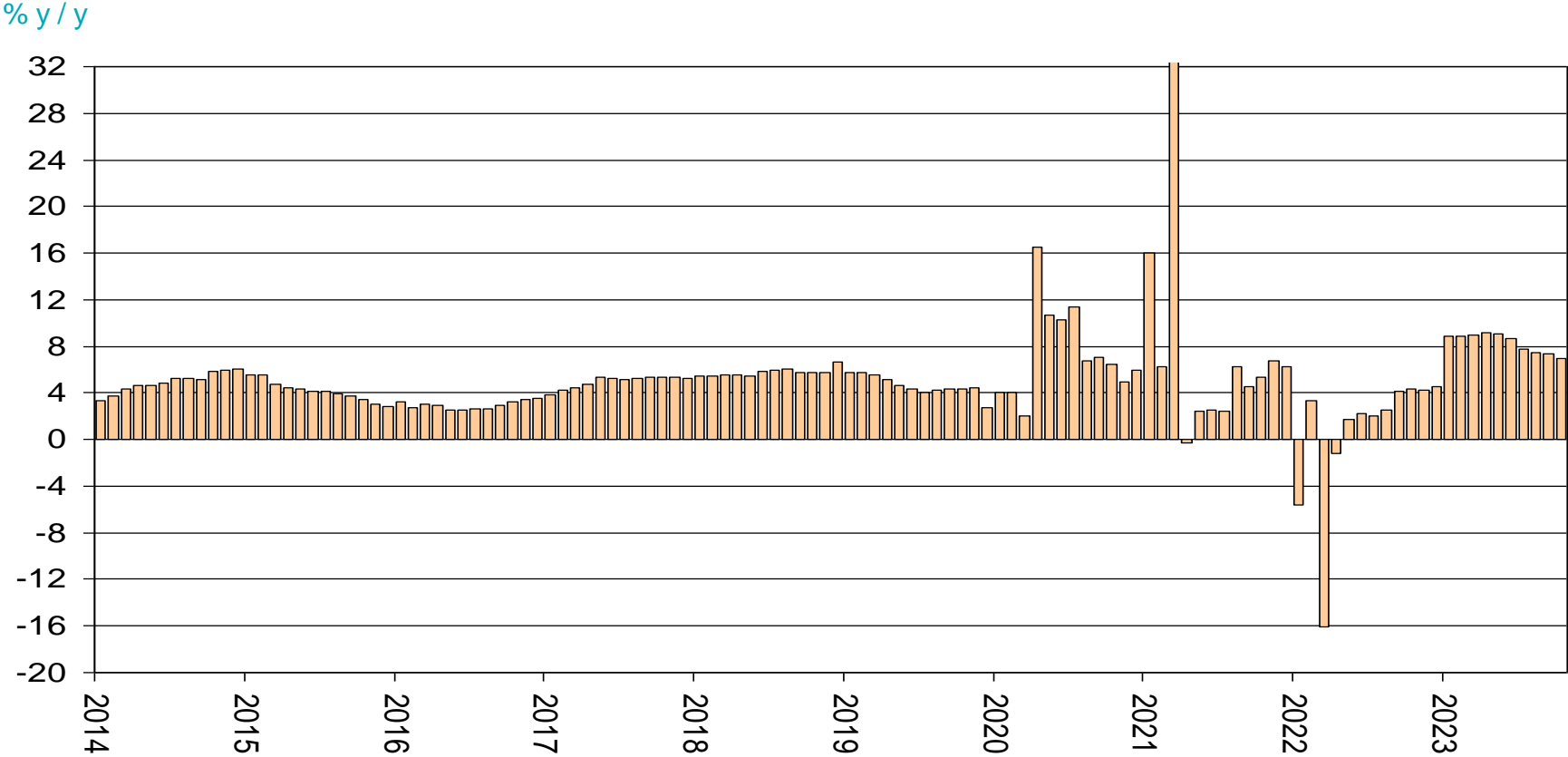
# US personal disposable income (nominal)

% m / m

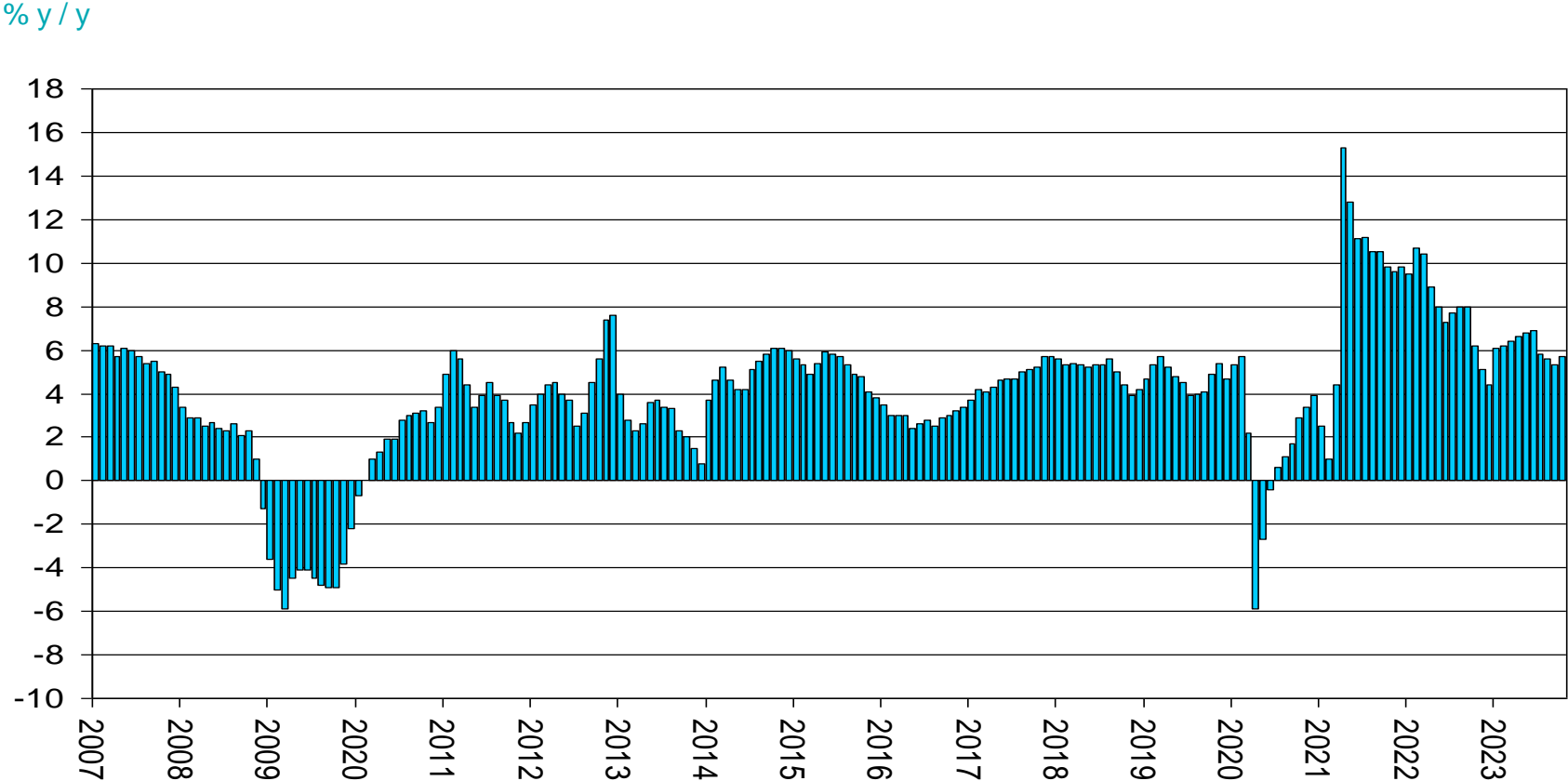




# US personal disposable income (nominal)

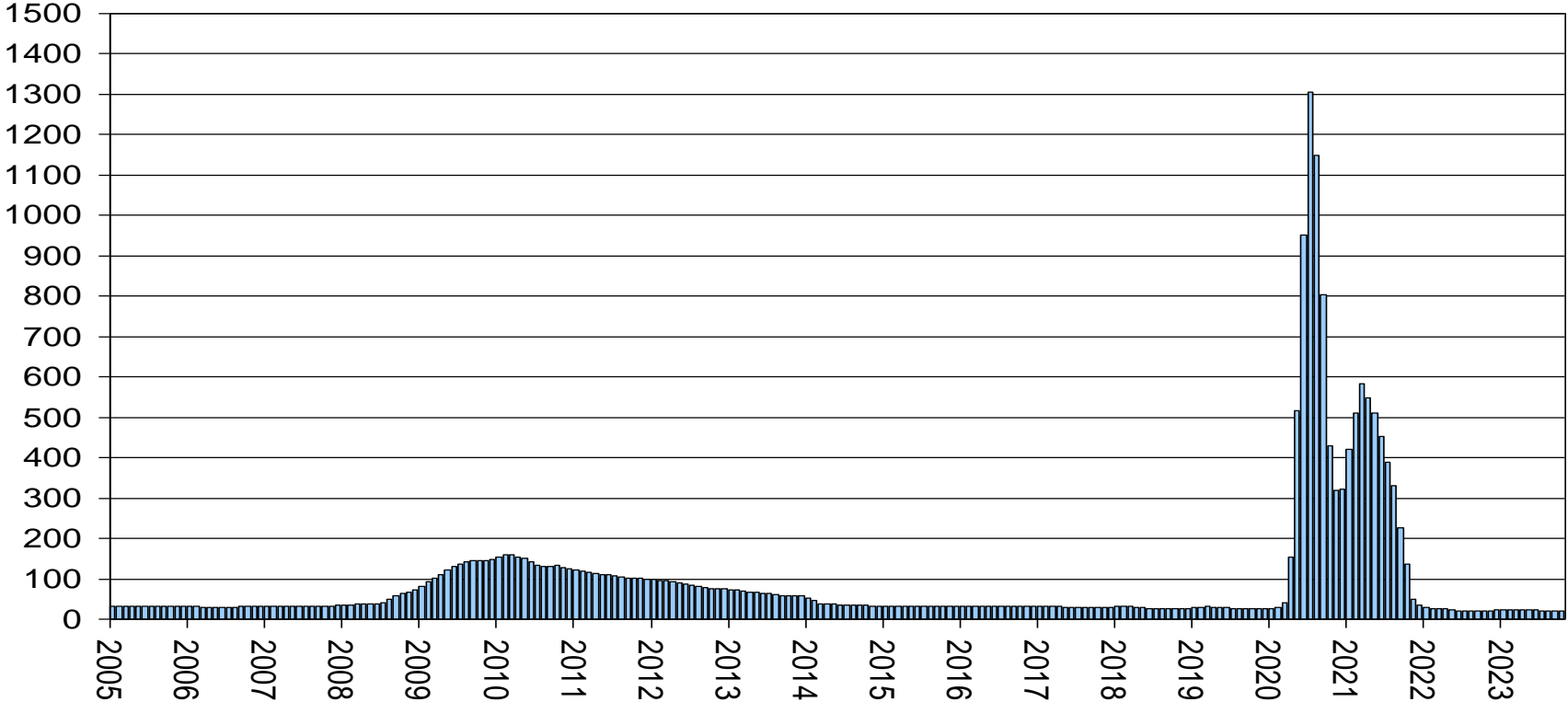


# US wage and salary income growth (nominal)



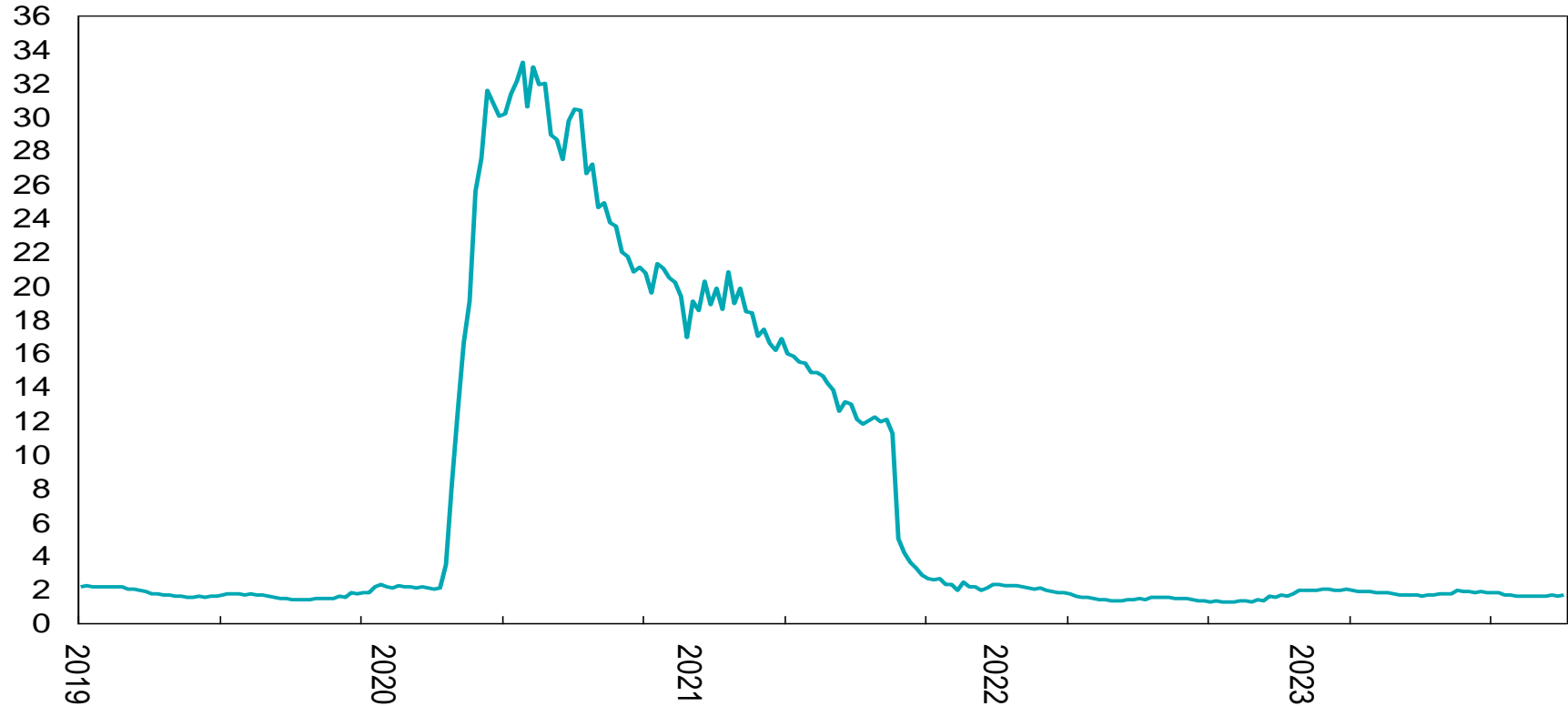
# US unemployment insurance benefits (nominal)

\$ billion, monthly, annualised



# US total number of people receiving unemployment benefits

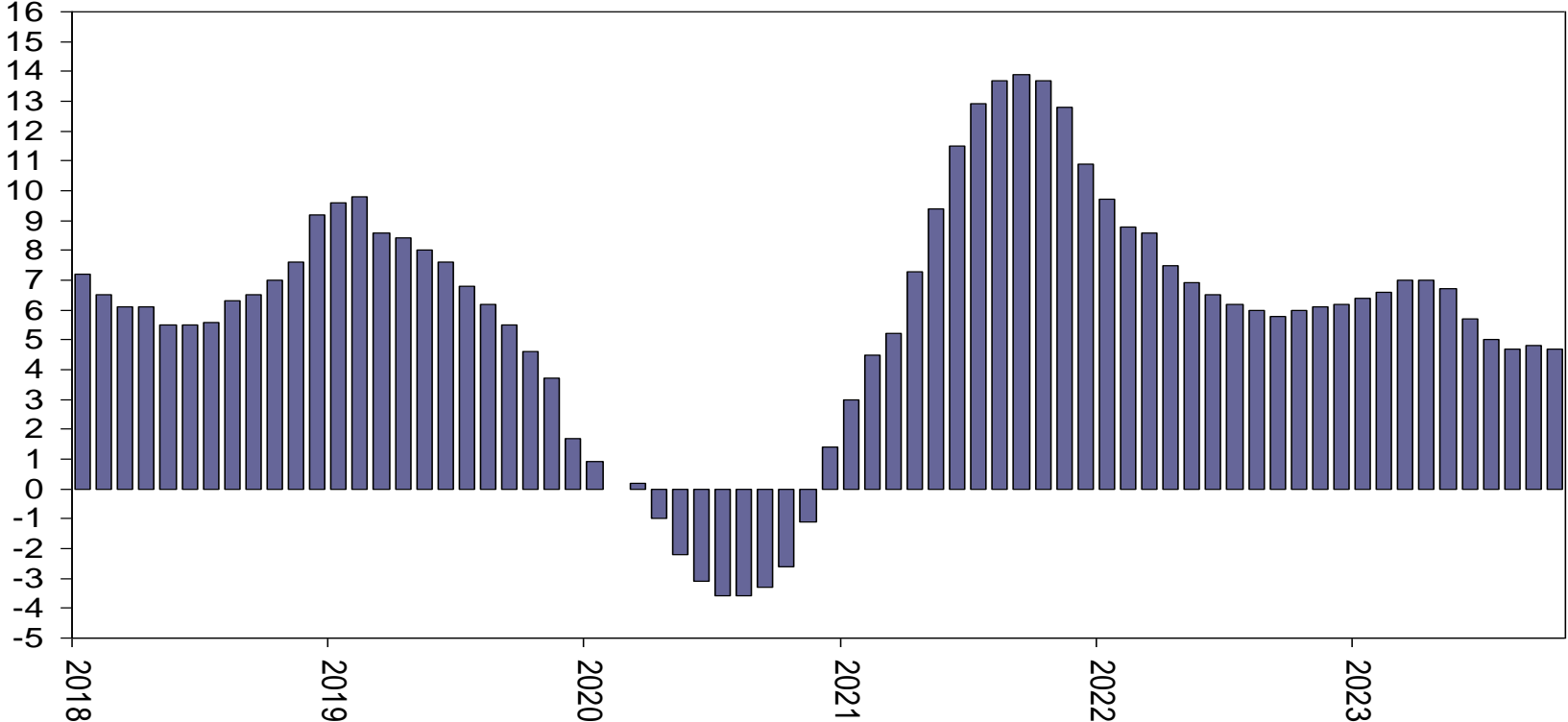
Millions of people (benefits from all programmes)



Source: US Department of Labour

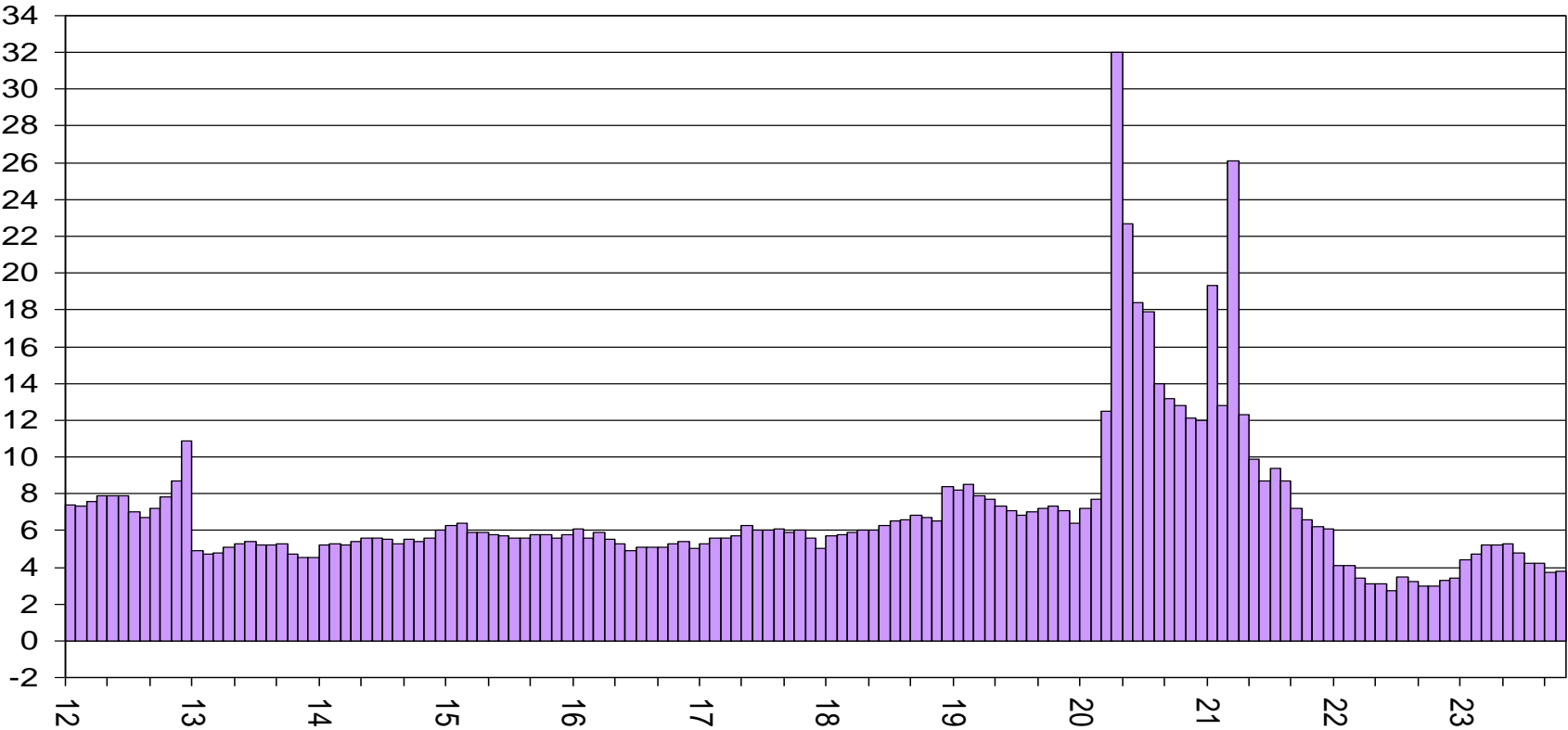
# US personal interest and dividend income (nominal)

%y/y, average annual

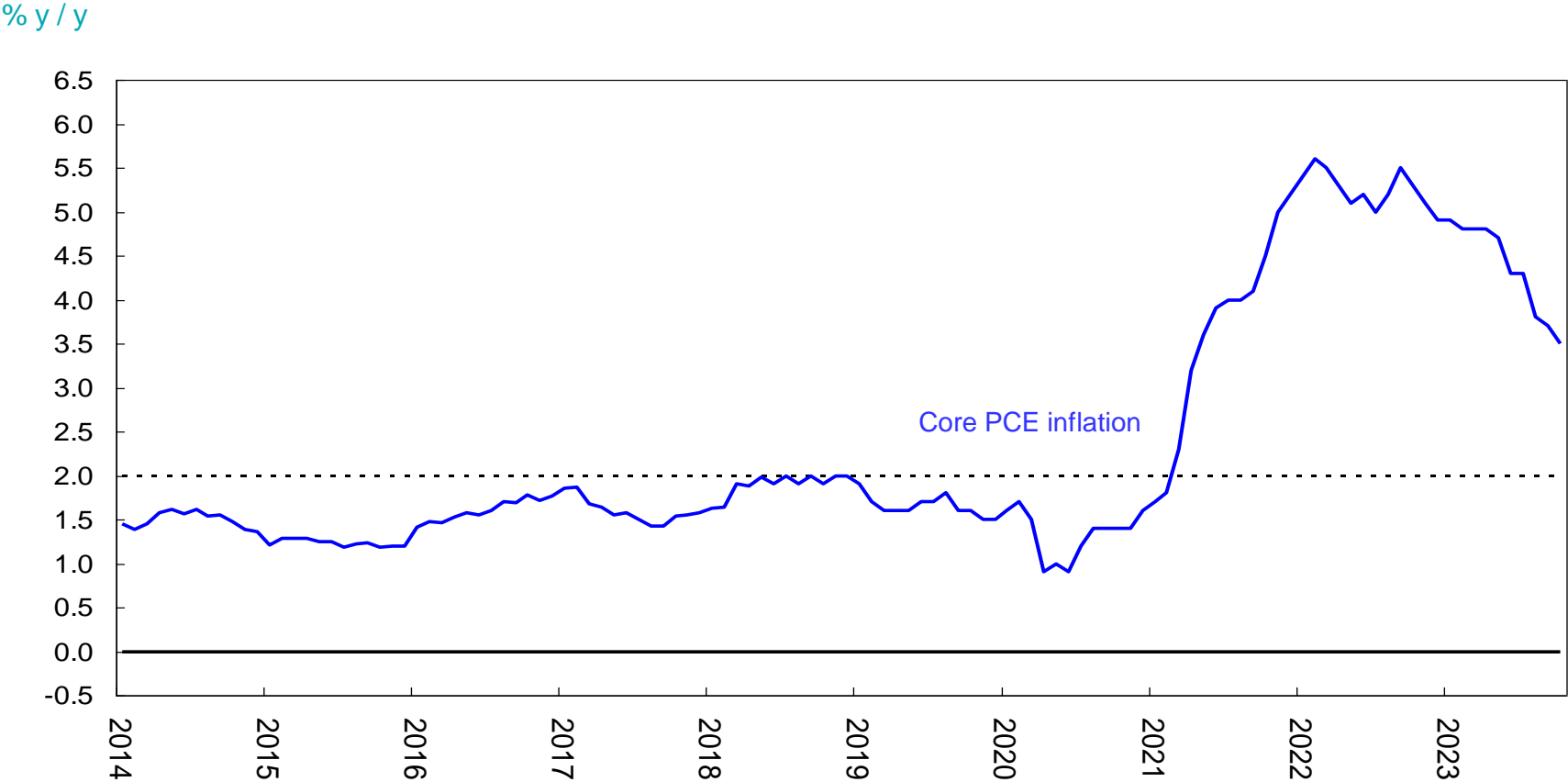


# US personal savings rate

% of disposable income



# US core PCE inflation



# China manufacturing PMI

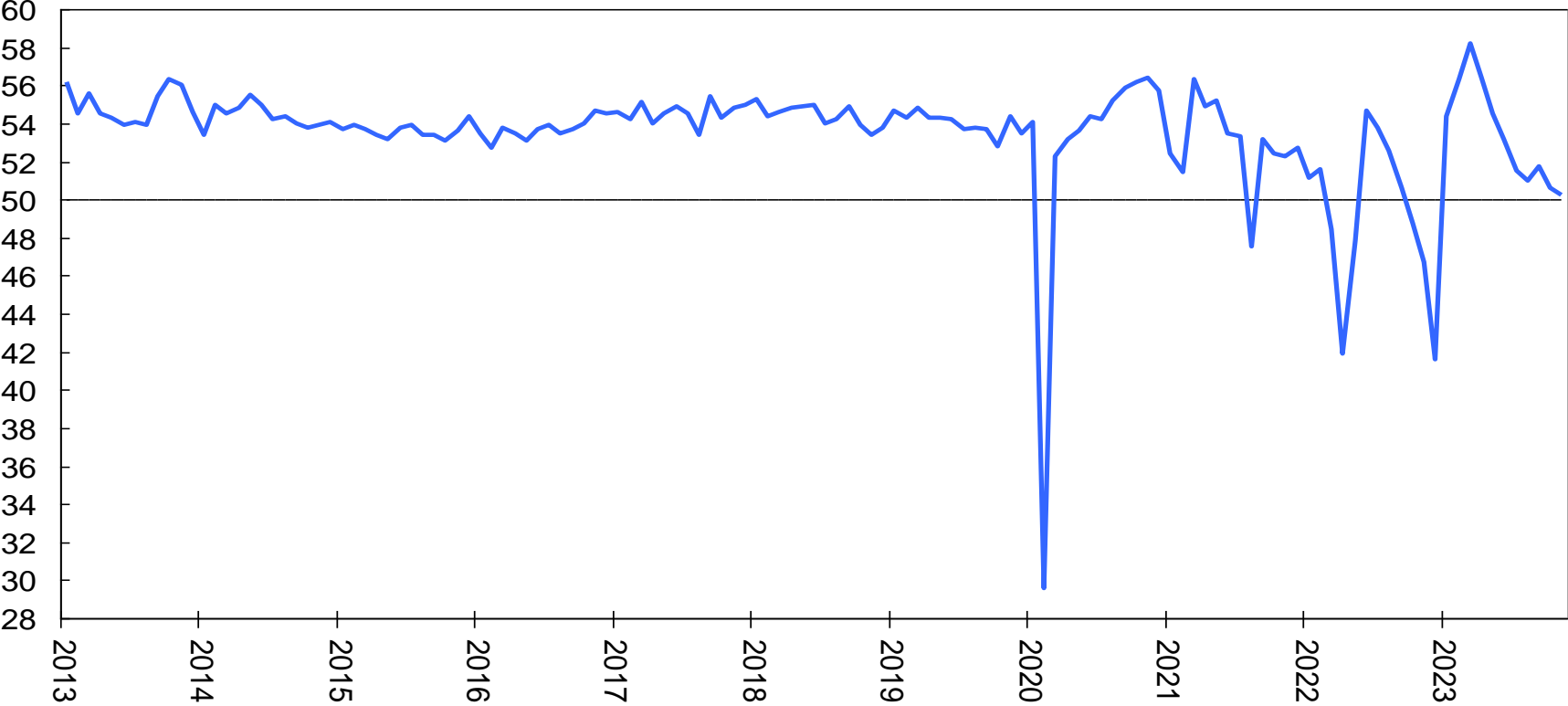
Index





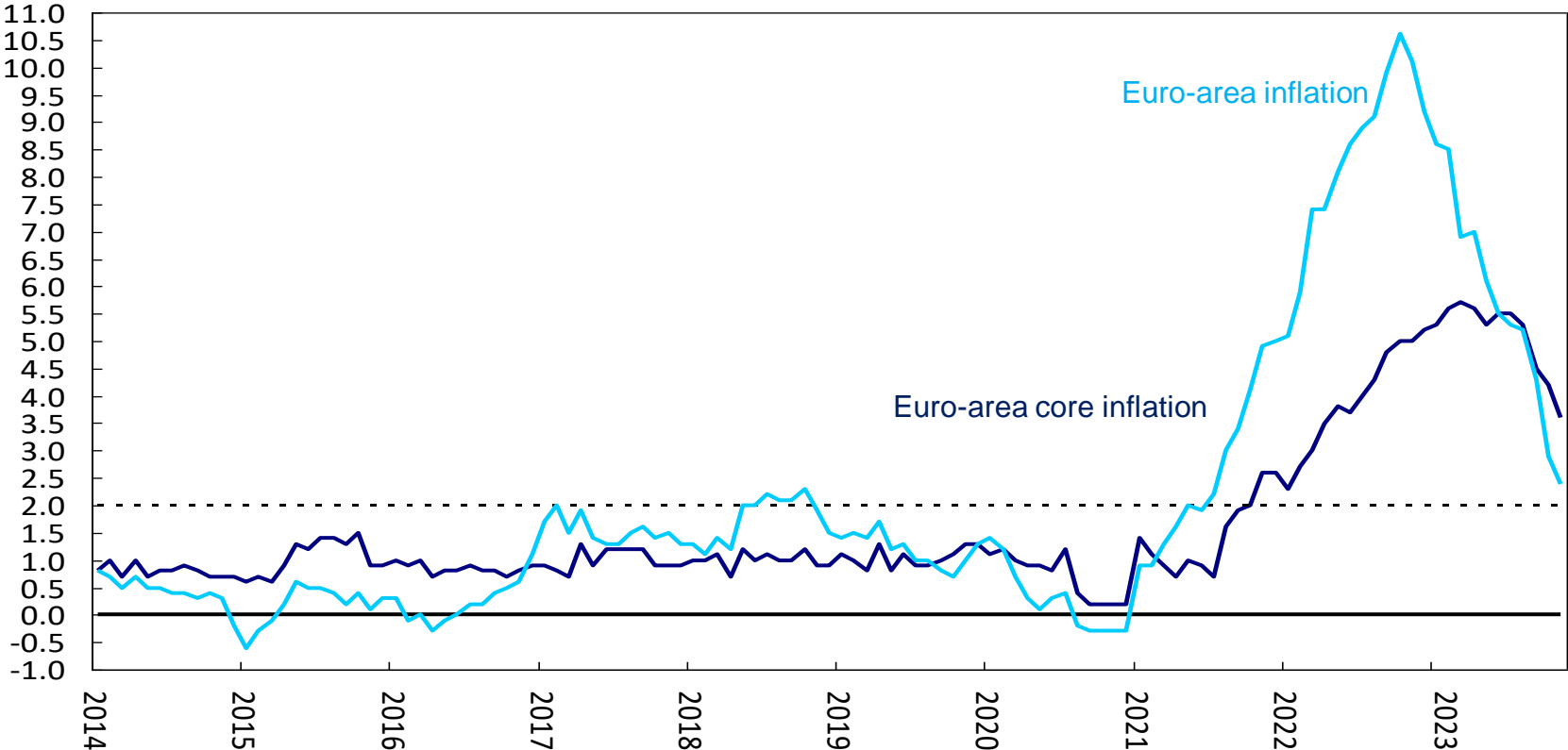
# China non-manufacturing PMI

Index

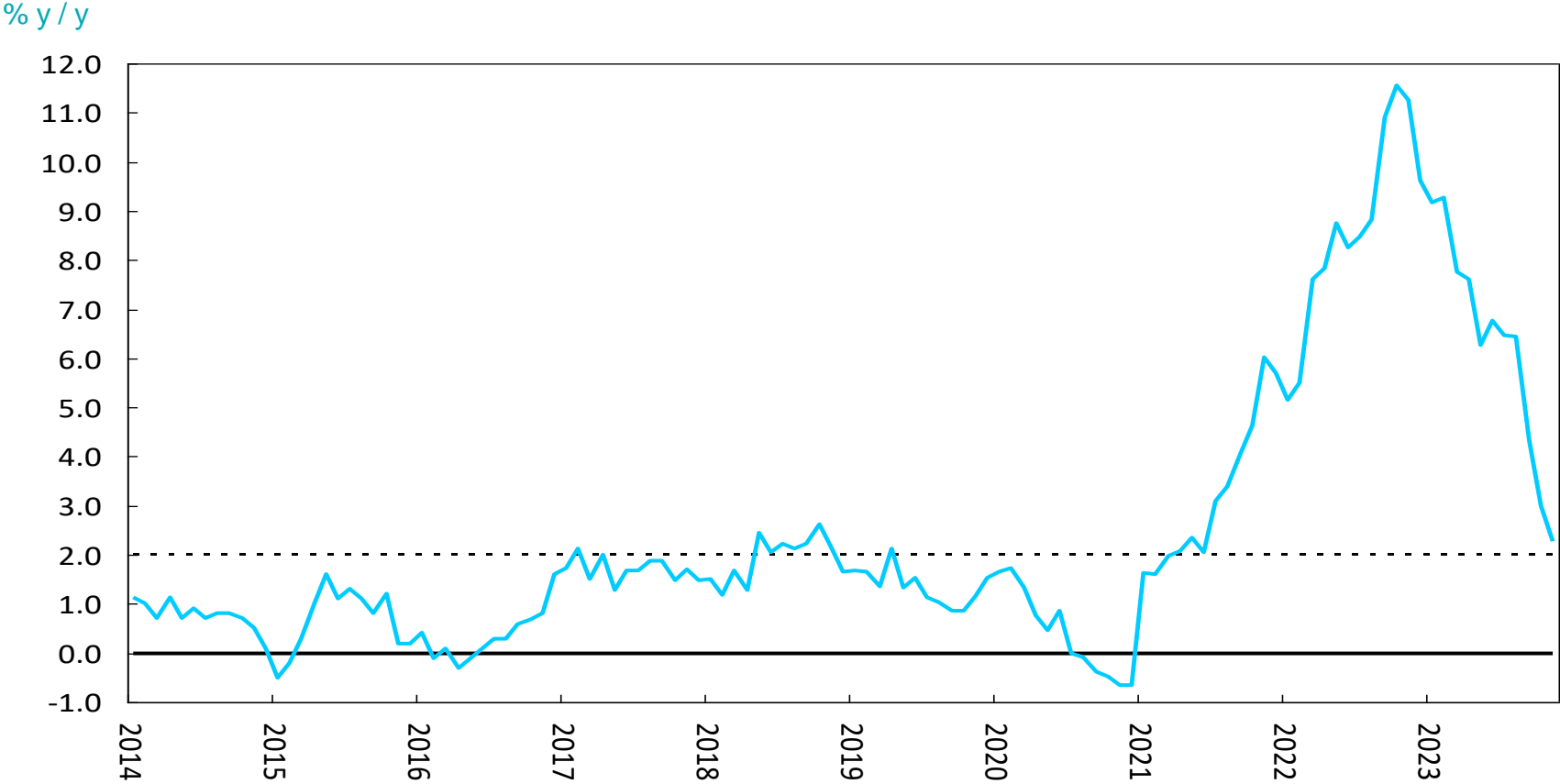


# Euro-area consumer inflation

% y/y

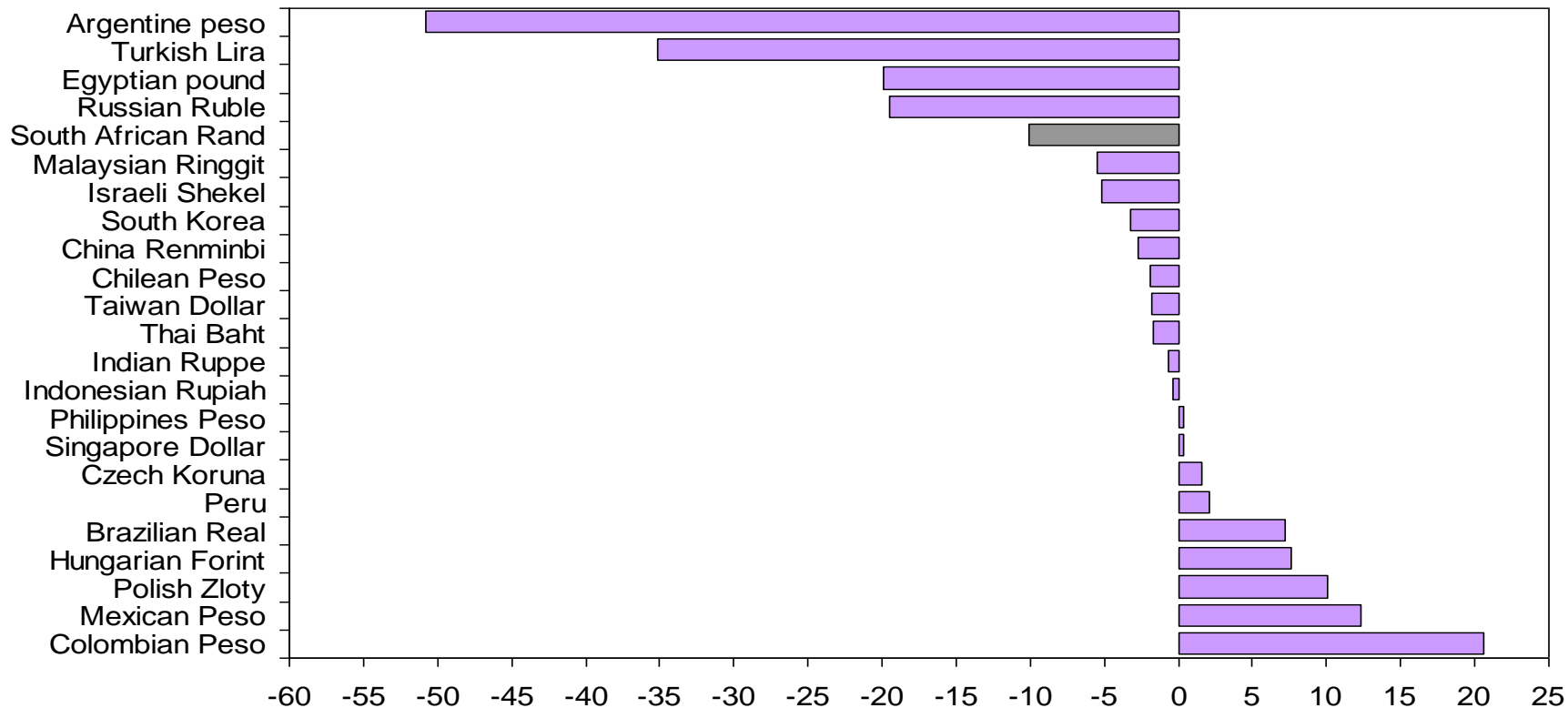


# Germany consumer inflation



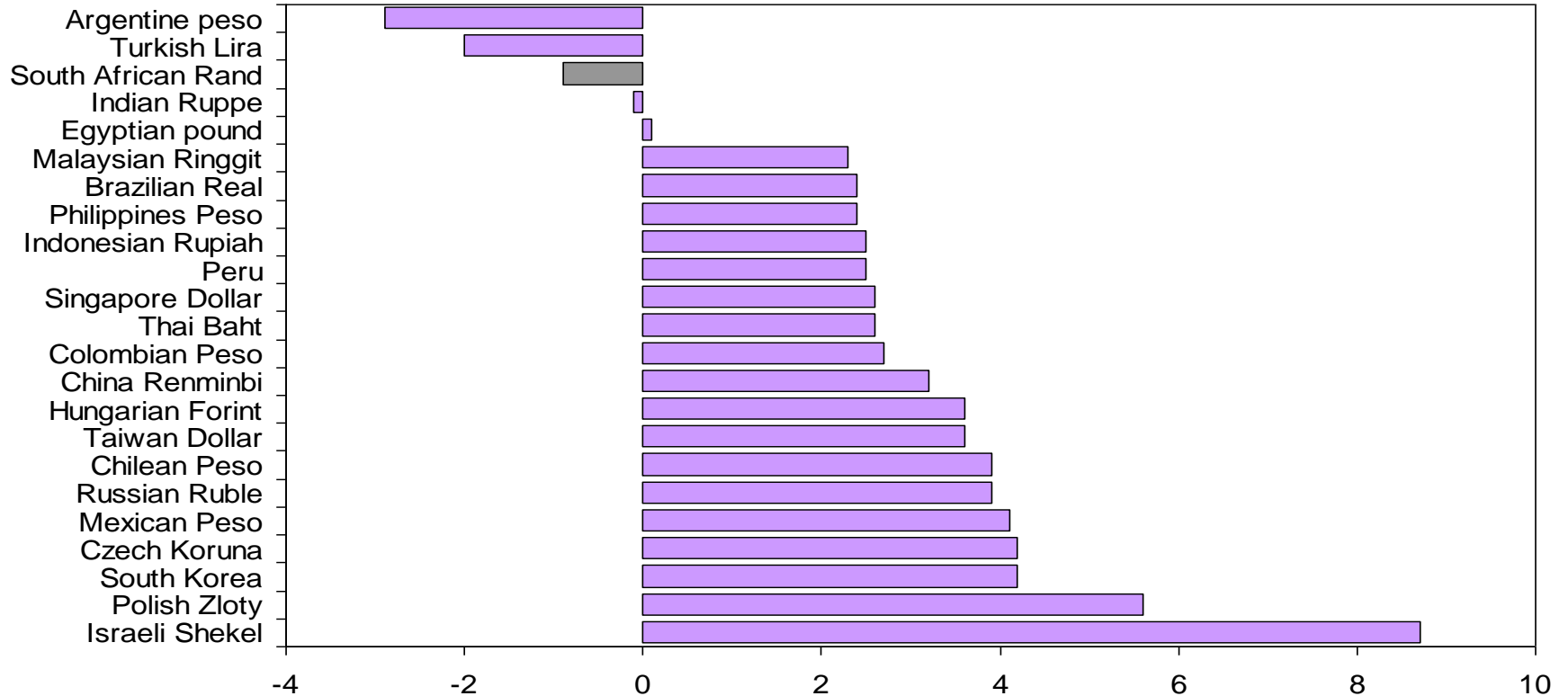
# Emerging market currencies vs USD (Jan to Nov 2023)

%, Jan to Nov 2023



# Emerging market currencies vs USD (Nov 2023)

%, Nov 2023



# Weekly economic review: 27 November to 3 December 2023

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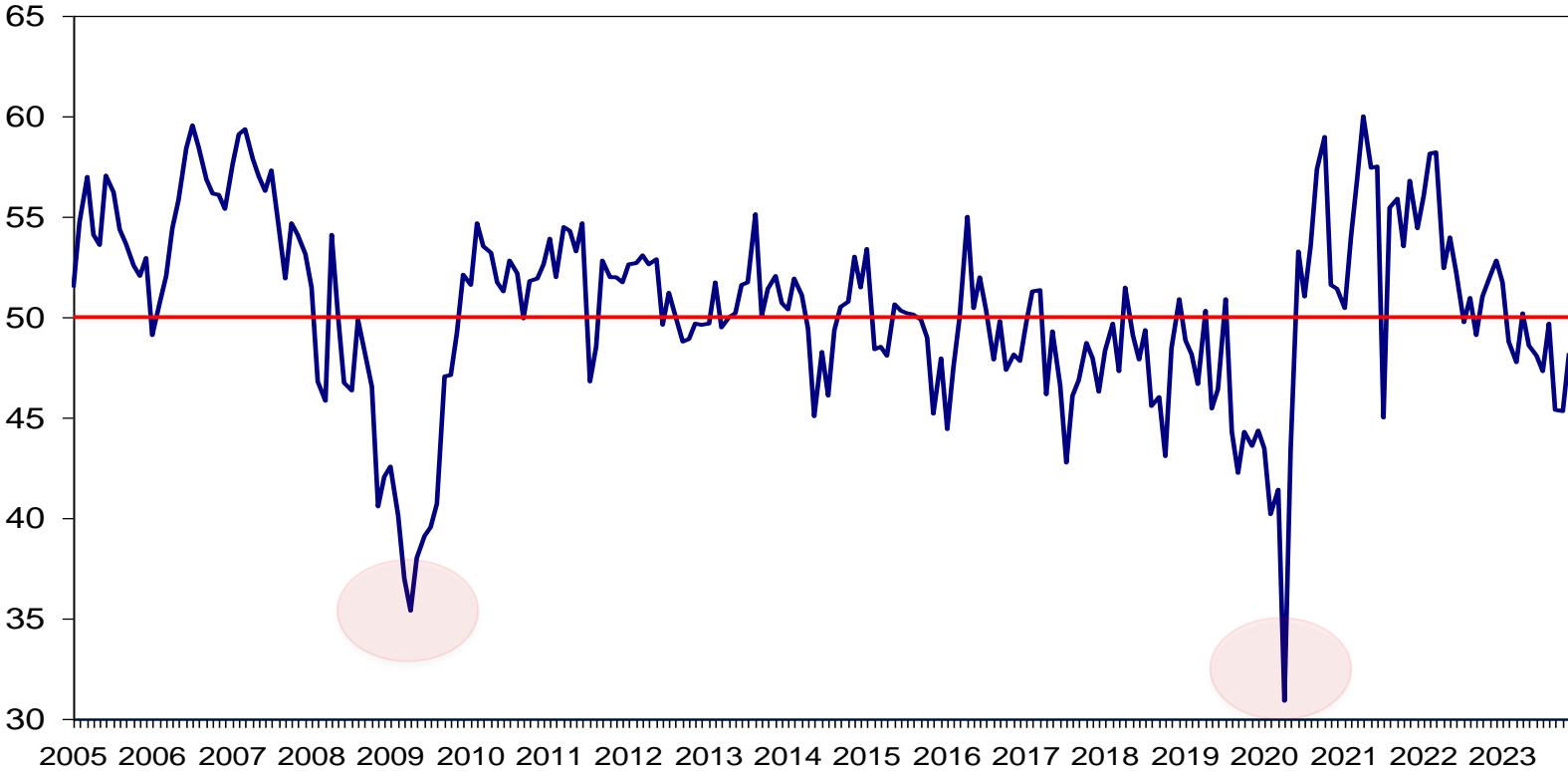
## Friday, 1 December 2023

- SA manufacturing PMI for November 2023
- SA vehicle sales for November 2023
- SA National Treasury issued R47 billion guarantee to Transnet
- US ISM manufacturing index for November 2023
- US vehicle sales for November 2023

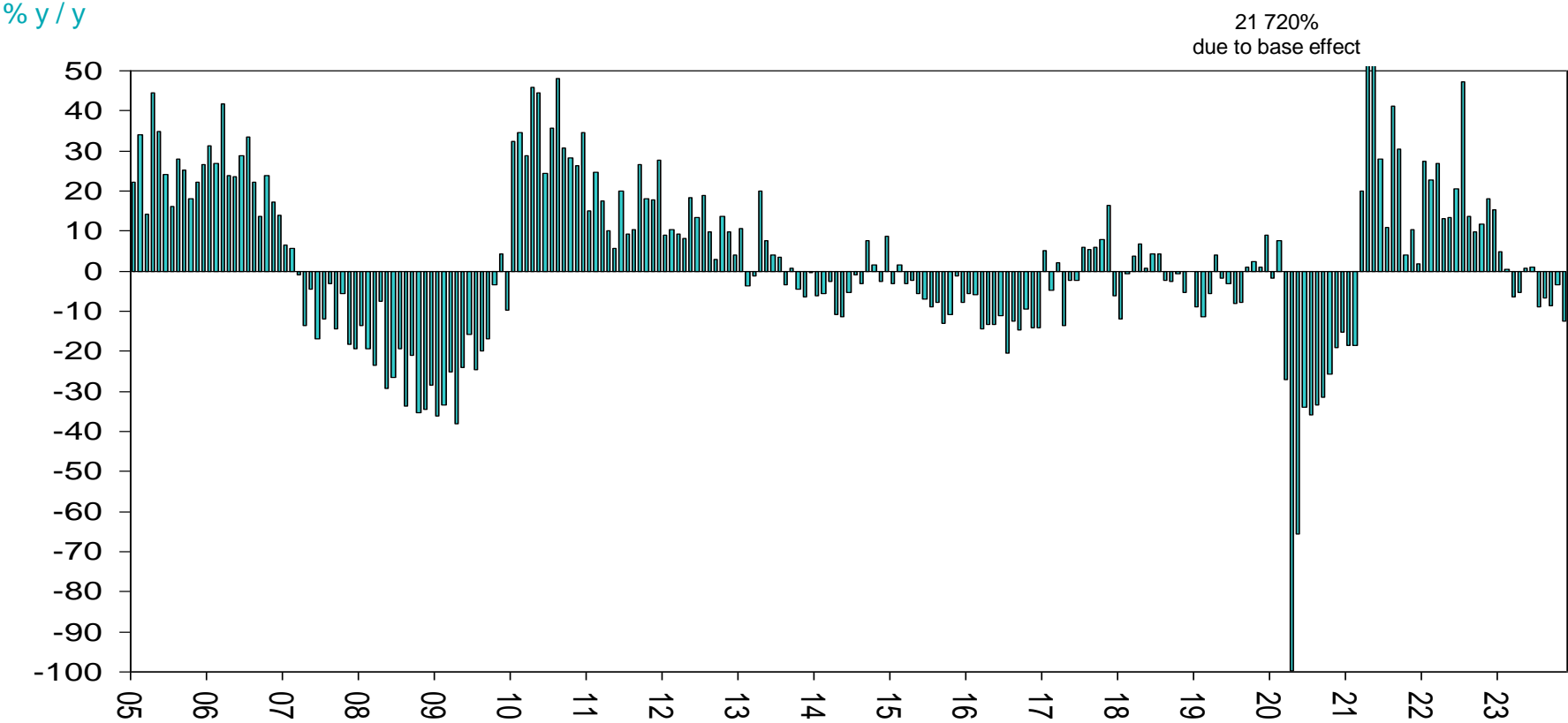
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# South Africa manufacturing PMI (ABSA)

Index, seasonally adjusted



# SA passenger vehicle sales



Source: NAAMSA



## SA National Treasury R47bn guarantee for Transnet

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- Government issued Transnet with a R47 billion guarantee facility, effective immediately.
- National Treasury and the Department of Public Enterprises have been working with Transnet to find a solution to the company's immediate and longer-term problems. The decision to grant the guarantee facility is a result of these discussions.
- Transnet will drawdown an initial amount of R22.8 billion to deal with immediate liquidity matters such as settling maturity debt. Government has not considered an equity injection.
- Any further drawdowns of the guarantee will be subject to Transnet meeting strict conditions.
- The guarantee will help to mitigate Transnet's refinancing risk, as well as provide additional liquidity. Transnet's longer-term challenges remain significant. In that regard the appointment of a credible CEO would be helpful.

# Emerging Market Peer Comparison

Sovereign	LTFC Rating/ Outlook/ STFC Rating	2023	2023	2023-2026	2026	2023-2026	2026	2023-2026
		GDP Per Capita (US\$)	Real GDP Per Capita Growth (% 10yr wtd avg)	Gross External Financing Needs/CARs + Useable Reserves (%)	Narrow Net External Debt/CARs (%)	Change in Net GG Debt/GDP (%)	Net GG Debt/GDP (%)	GG Interest/GG Revenues (%)
South Africa	BB-/Stable/B	6,243.2	0.1	101.3	31.4	6.5	79.5	19.5
Bangladesh	BB-/Negative/B	2,555.9	5.1	96.1	67.6	5.6	36.0	26.2
Brazil	BB-/Positive/B	9,843.3	1.4	75.7	(4.1)	6.7	66.0	14.5
Colombia	BB+/Stable/B	7,284.3	2.0	104.5	128.0	3.7	53.8	14.6
India	BBB-/Stable/A-3	2,560.2	5.2	80.2	(1.9)	8.1	83.6	28.3
Morocco	BB+/Stable/B	3,802.8	1.8	92.8	23.6	4.2	66.2	7.6
Turkey	B/Stable/B	11,240.7	2.8	154.2	59.1	8.2	29.7	17.1
Vietnam	BB+/Stable/B	4,234.4	5.0	90.9	21.3	3.9	35.0	6.4

Source: S&P Global Ratings. Ratings and Scores as of Oct 2023. LT—Long-Term. ST—Short-Term. FC—Foreign Currency. CARs—Current Account Receipts. GG—General Government.

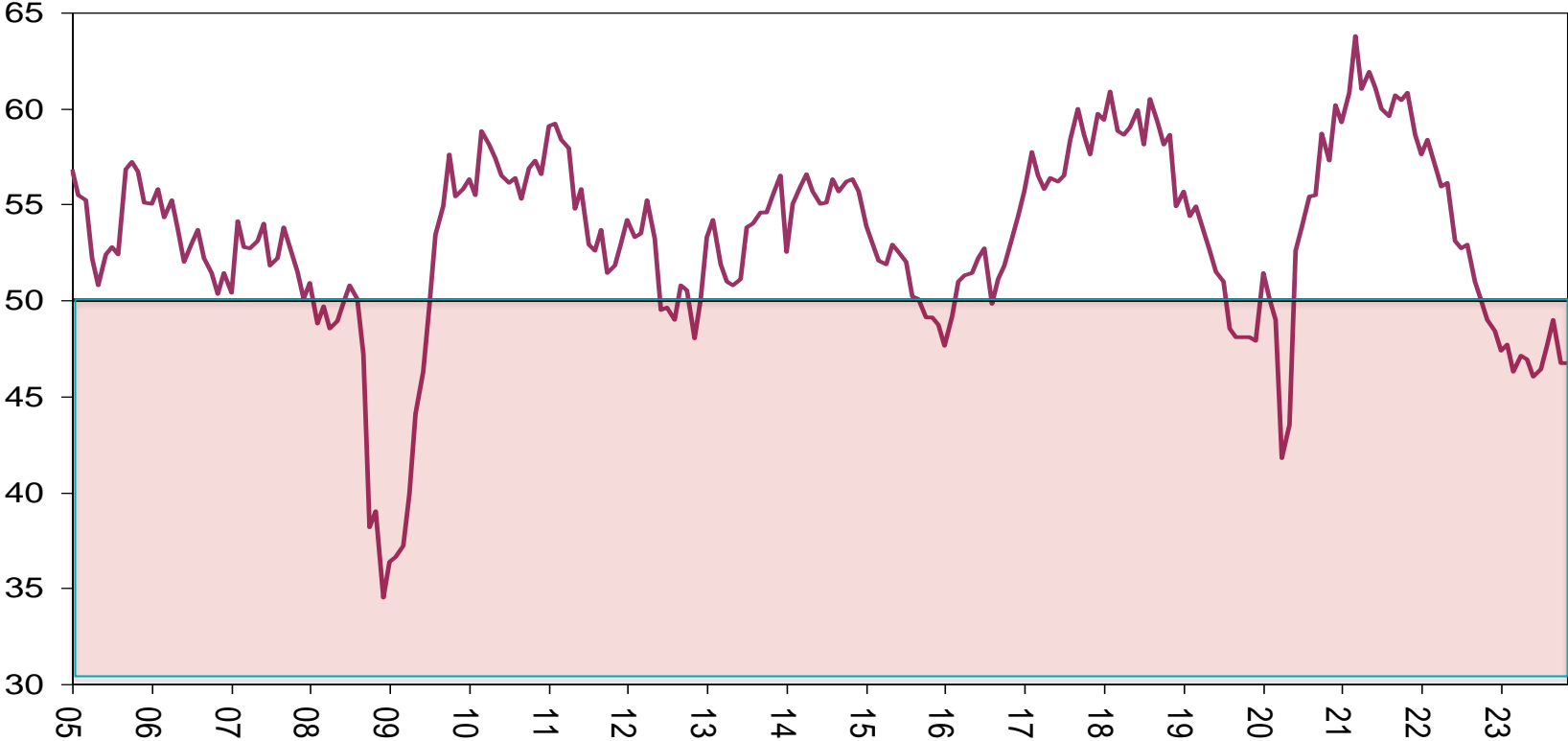
# Emerging Market Peer Comparison

Sovereign	LTFC Rating/ Outlook/ STFC Rating	Institutional Assessment	Economic Assessment	External Assessment	Fiscal Assessment: Budget	Fiscal Assessment: Debt	Monetary Assessment
South Africa	BB-/Stable/B	4	5	2	6	6	2
Bangladesh	BB-/Negative/B	5	4	3	6	5	4
Brazil	BB-/Positive/B	4	5	2	6	6	3
Colombia	BB+/Stable/B	3	4	5	4	4	3
India	BBB-/Stable/A-3	3	4	1	6	6	3
Morocco	BB+/Stable/B	4	5	2	4	4	3
Turkey	B/Stable/B	5	4	6	6	5	5
Vietnam	BB+/Stable/B	4	4	3	4	4	4

Source: S&P Global Ratings. Ratings and Scores as of Oct 2023. LT—Long-Term. ST—Short-Term. FC—Foreign Currency.

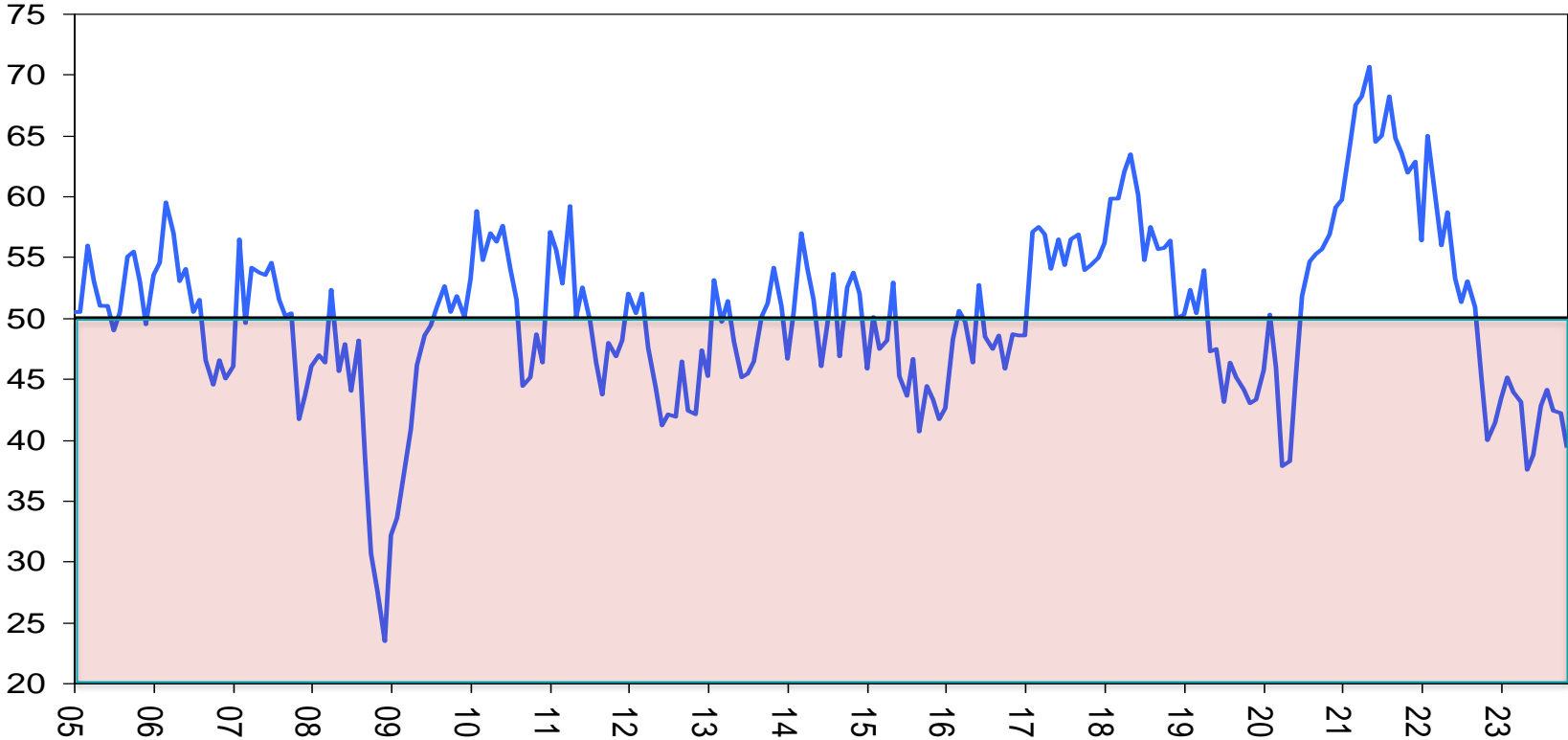
# US ISM manufacturing index

Index



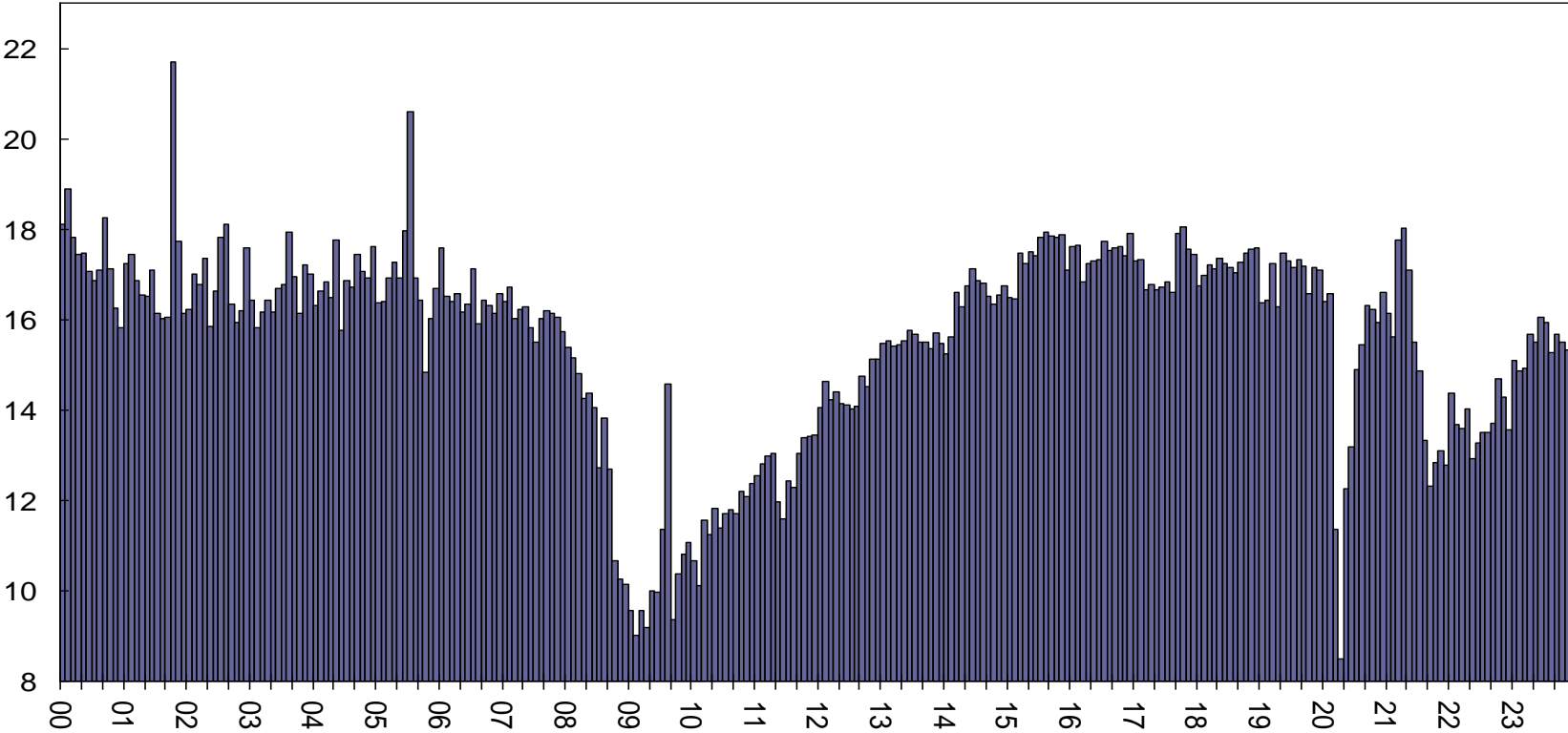
# US ISM backlog of orders index

Index



# US light vehicle sales

Seasonally adjusted, annualised, million

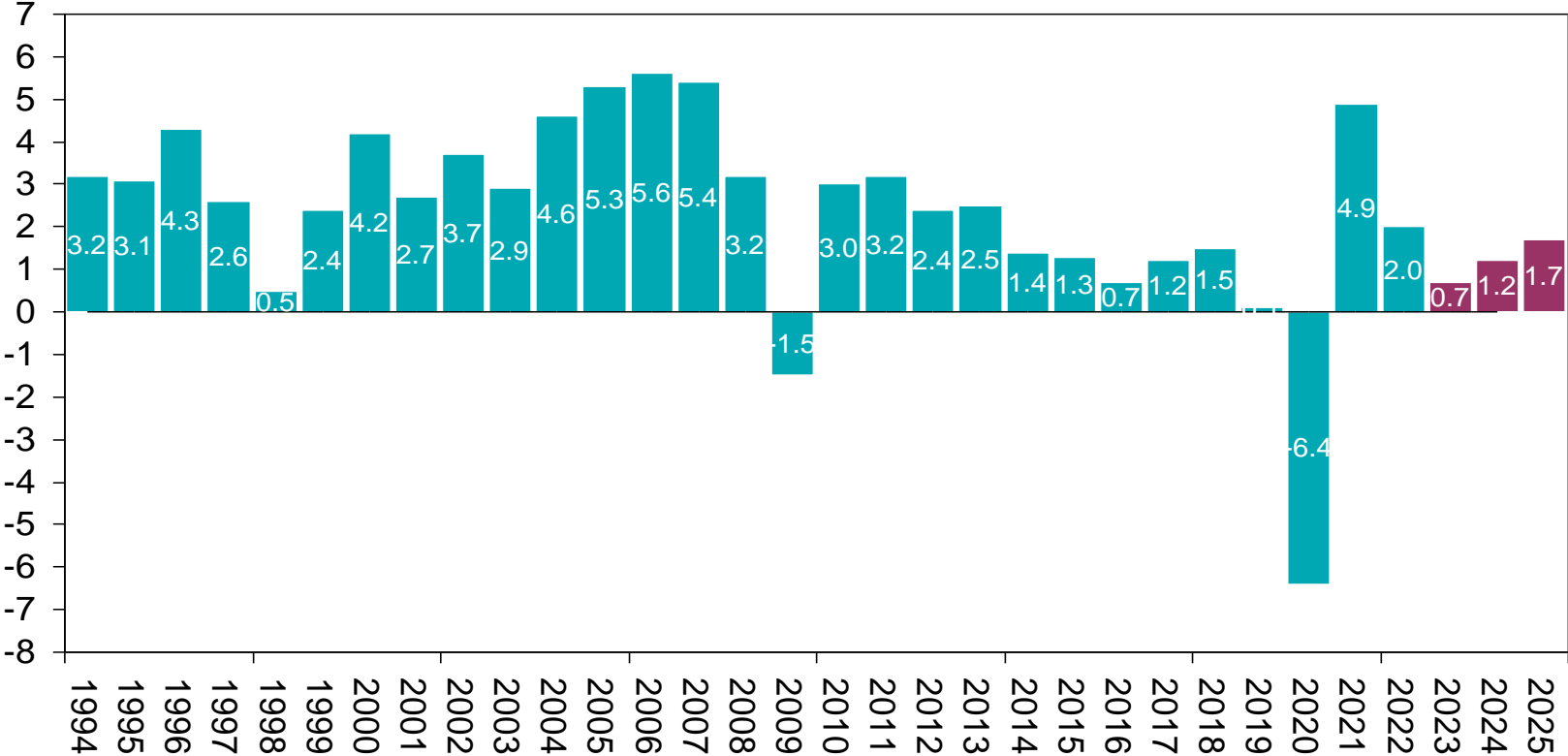


## Consensus GDP growth

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

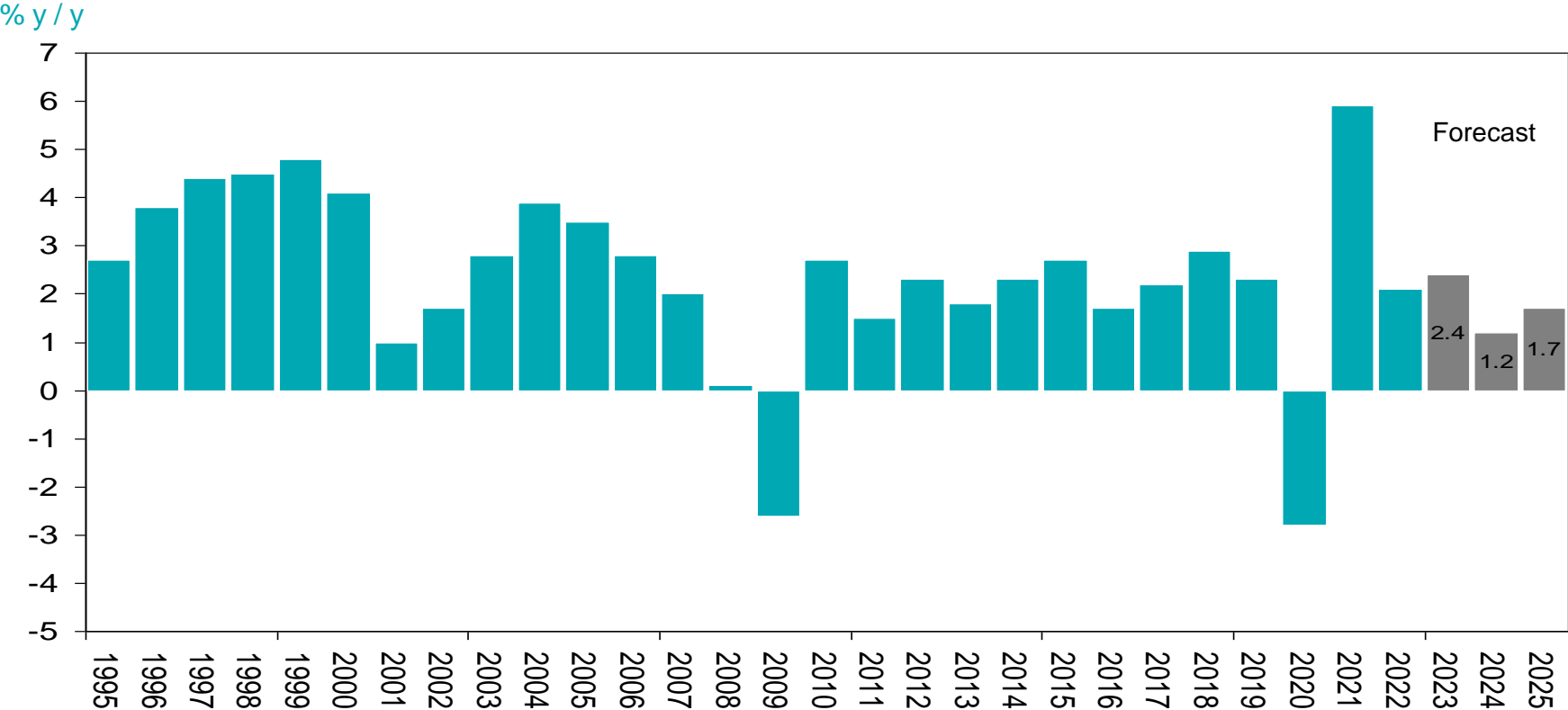
# SA consensus GDP annual growth rate

% y/y





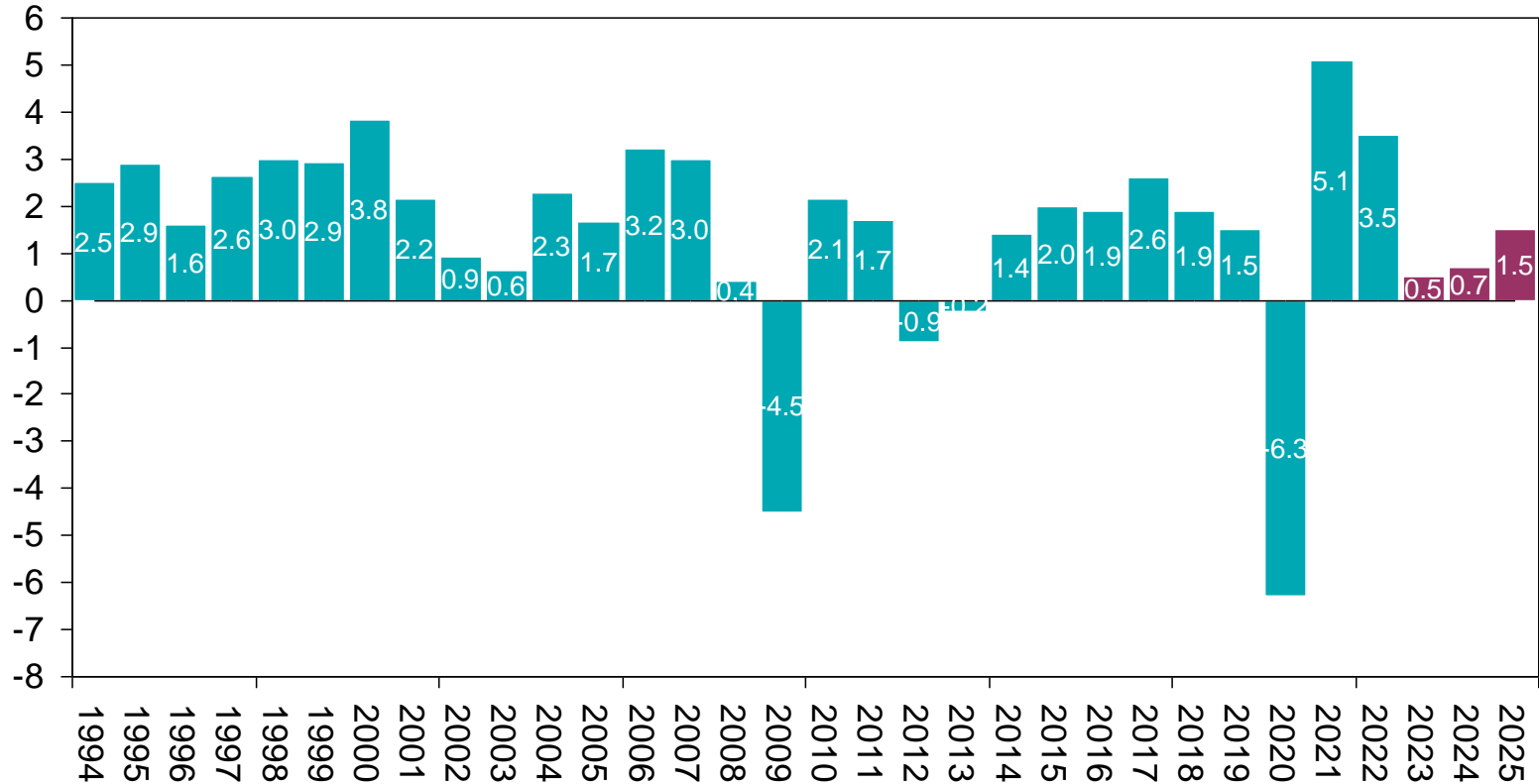
# US consensus real annual GDP growth



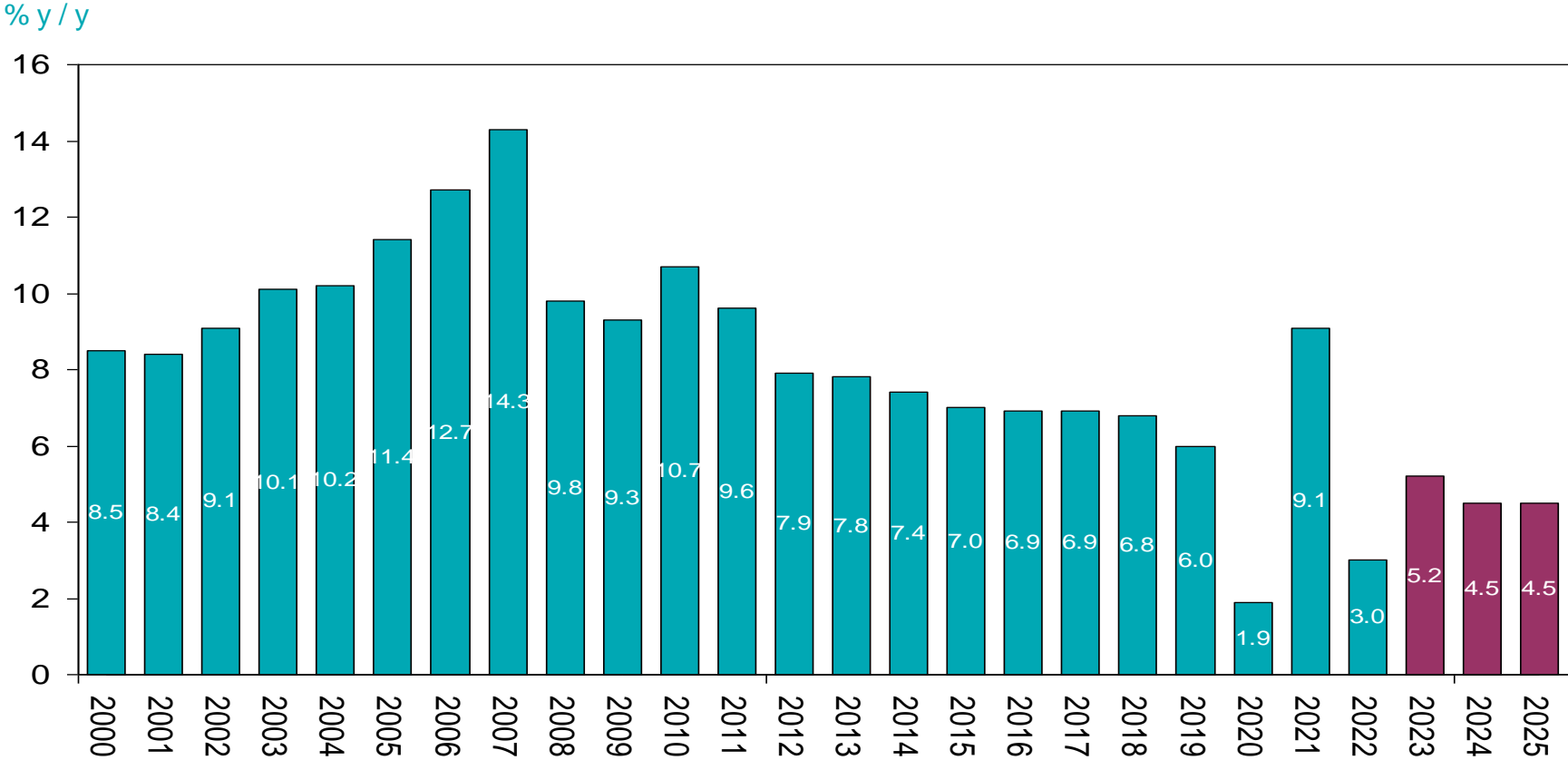
Source: Bloomberg

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

% y/y



# China GDP growth consensus forecast



Source: Bloomberg

## US financial conditions: 27 November to 3 December 2023

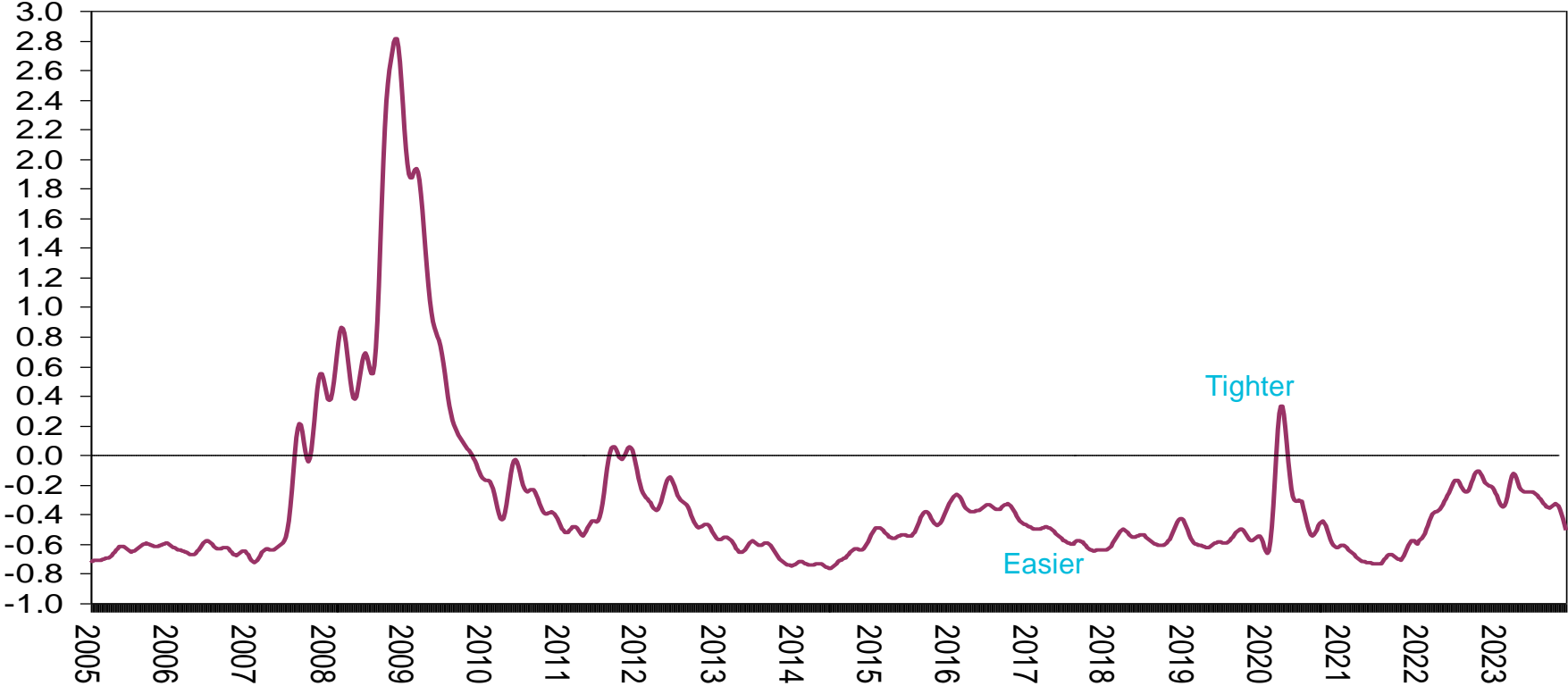
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- US financial conditions (Federal Reserve Chicago)
- US financial conditions (Federal Reserve Kansas City)
- US financial stress index (OFR)
- China PBOC liquidity injection

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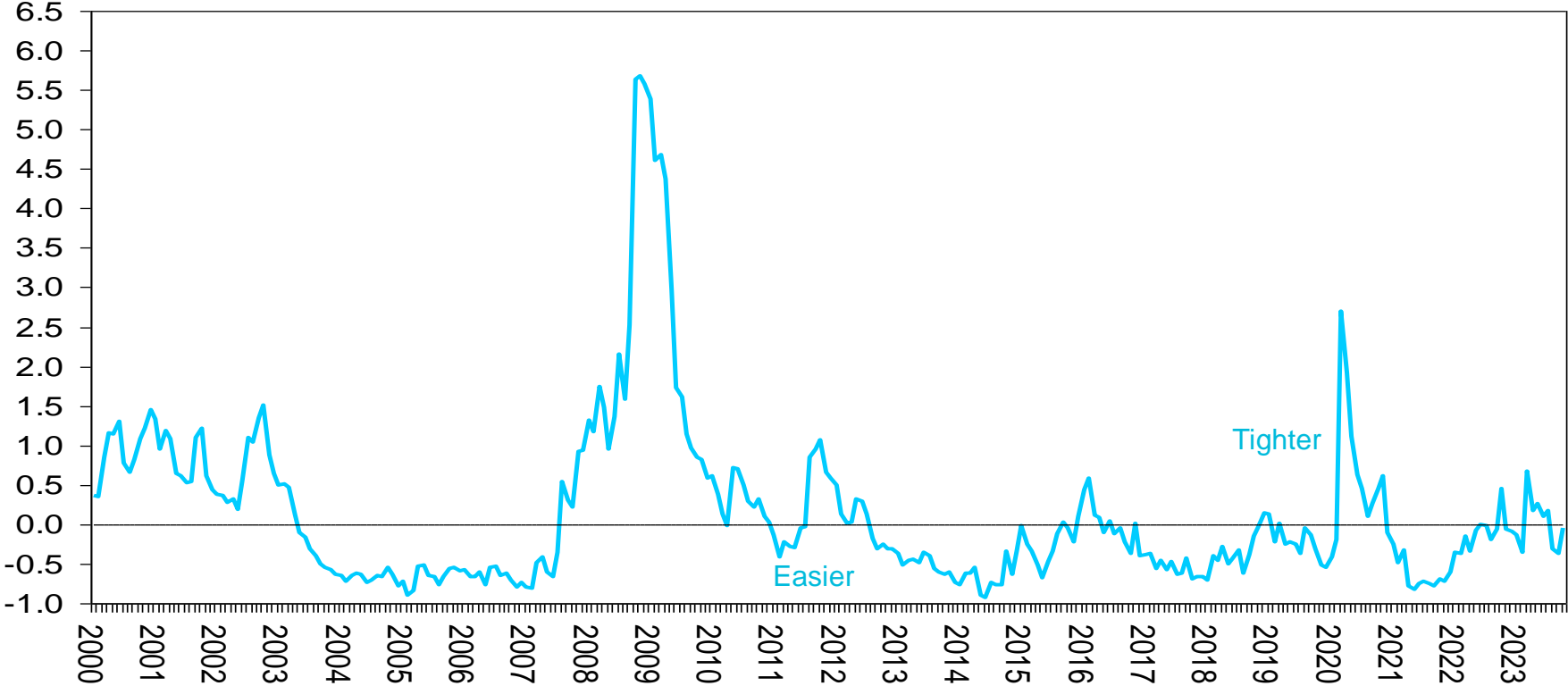
# US financial conditions (Federal Reserve Chicago)

Index



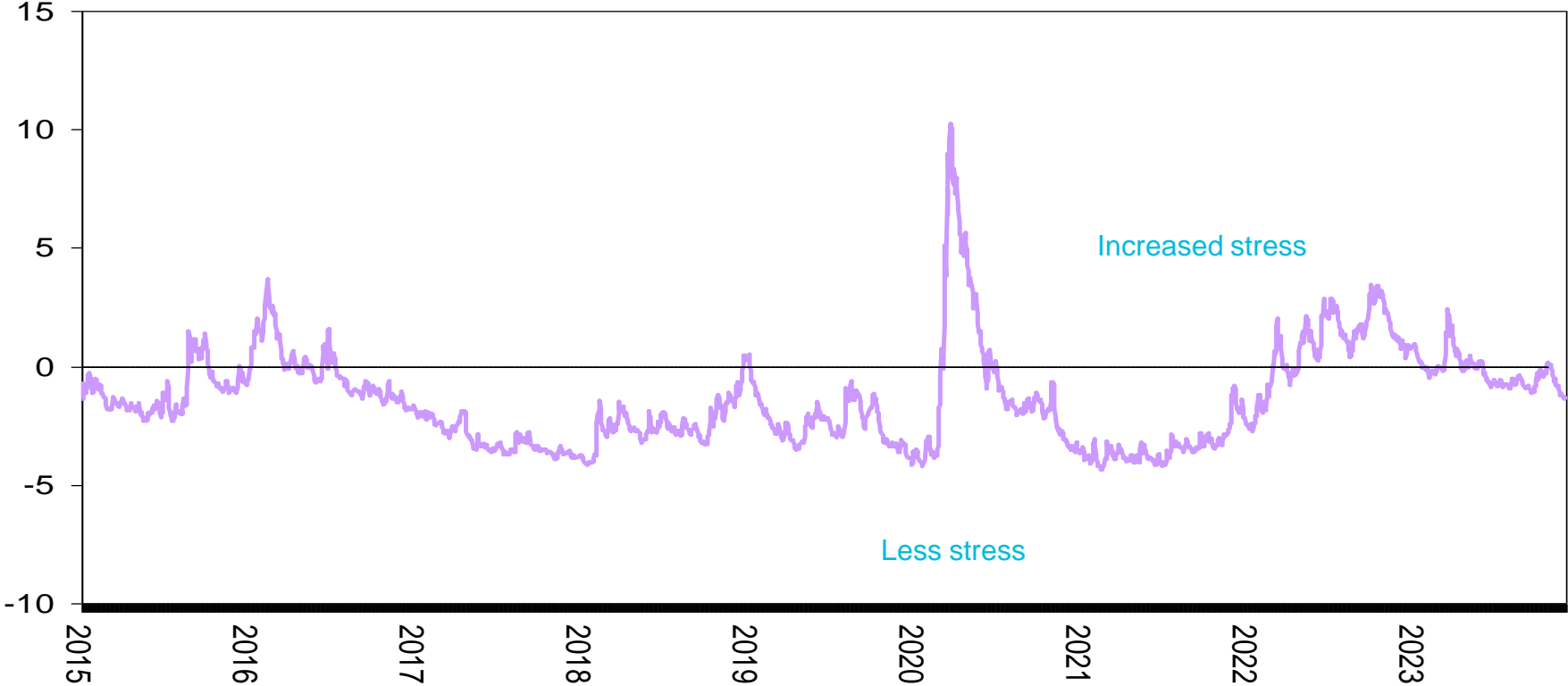
# US financial conditions (Federal Reserve Kansas City)

Index



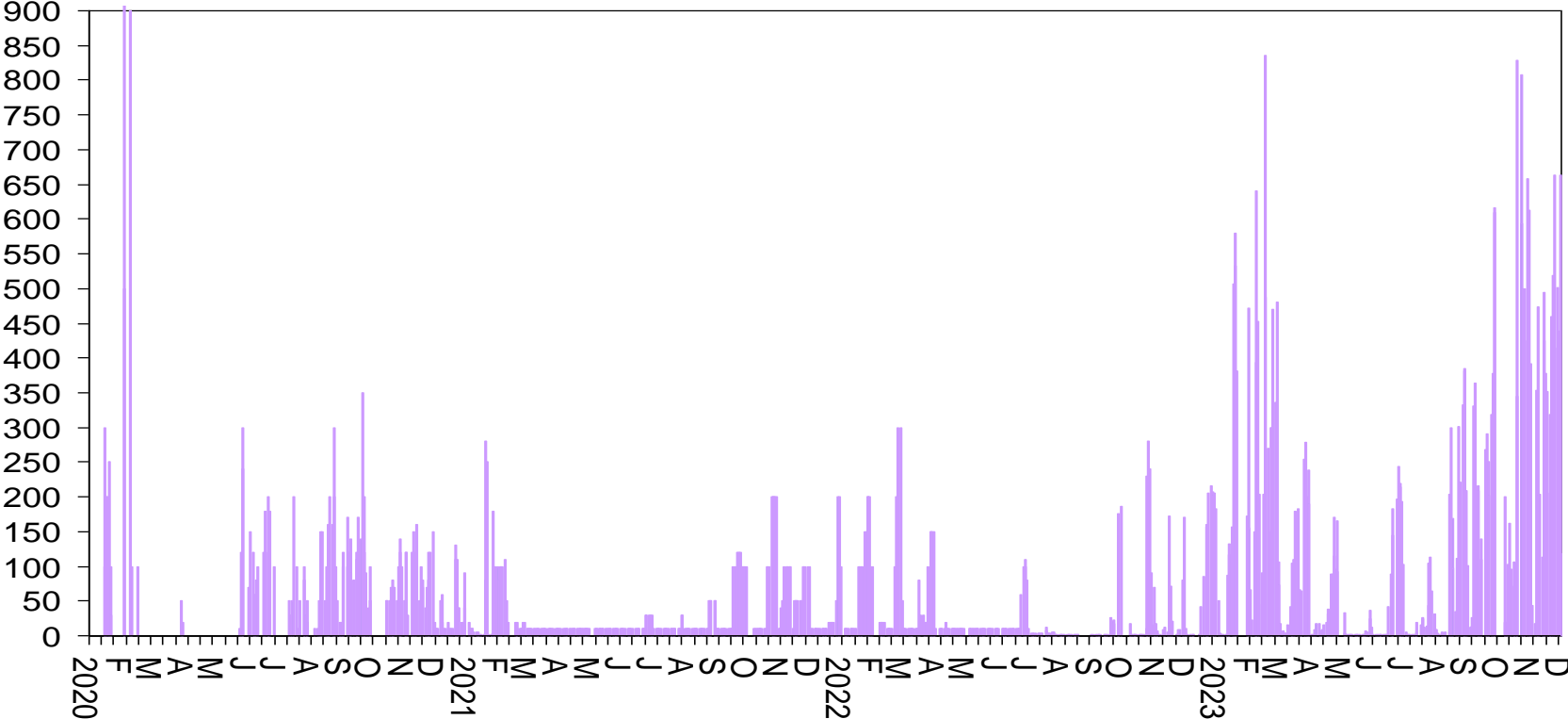
# US financial stress index (OFR Financial Stress Index)

Index



# China PBOC liquidity injection daily (total reverse Repos)

Yuan billion





# Commodity prices: 27 November to 3 December 2023

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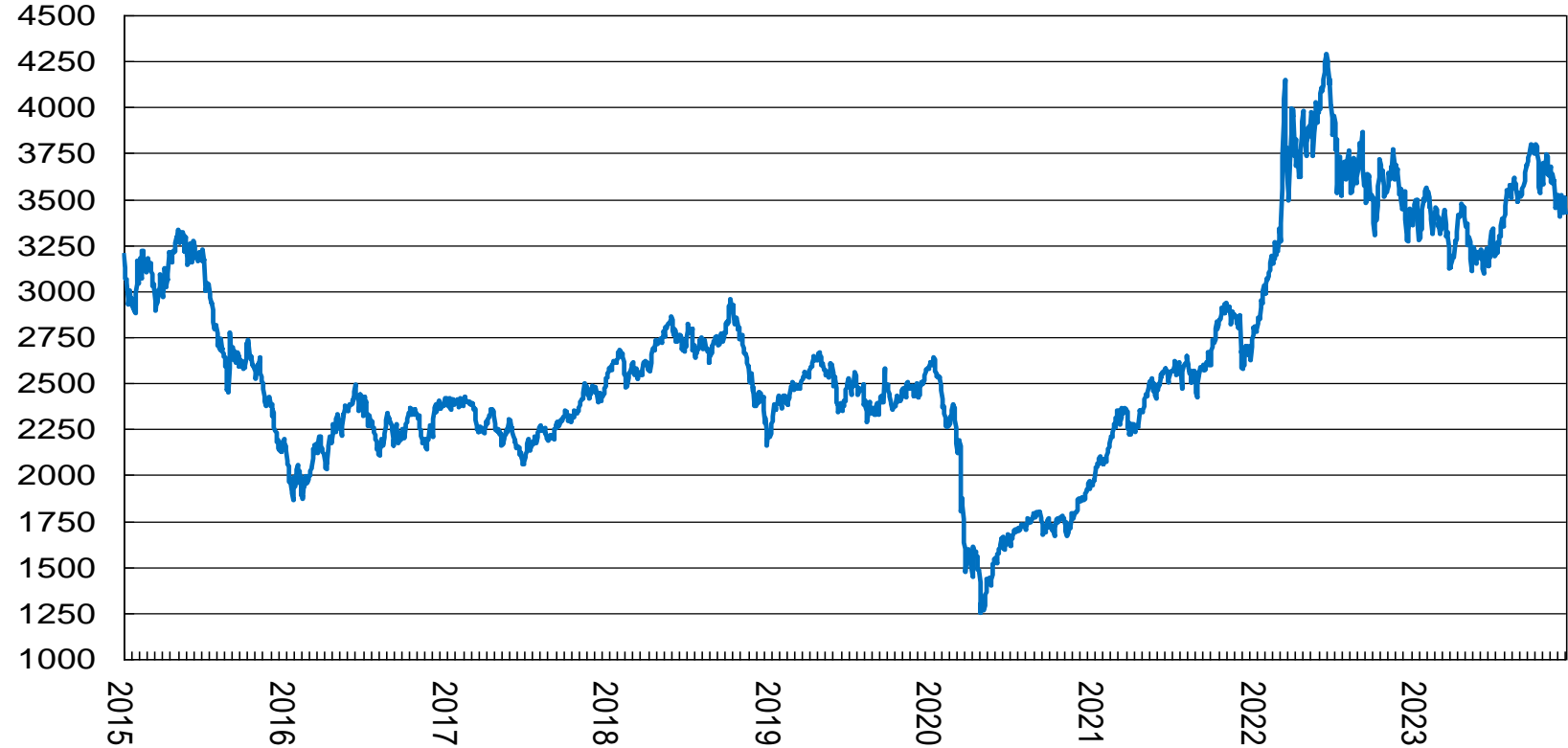
- Global commodity price index
- World food inflation
- Gold price
- Tin price
- Zinc price
- Lead price
- Silver price
- Oil price
- Copper price
- Platinum price
- Aluminium price
- Palladium price
- Rhodium price
- Wheat price



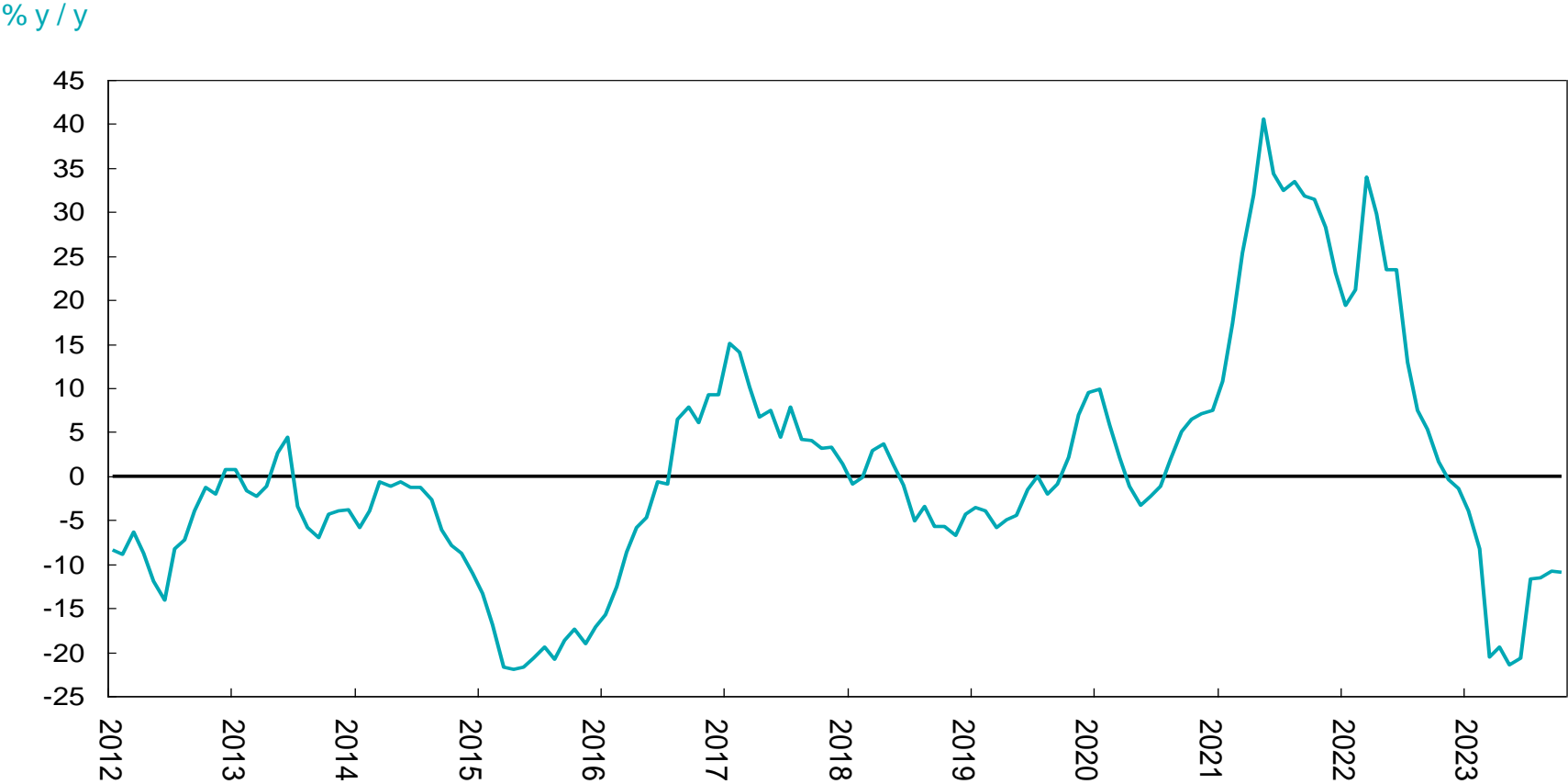
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# Global commodity price index (S&P GSCI)

Index

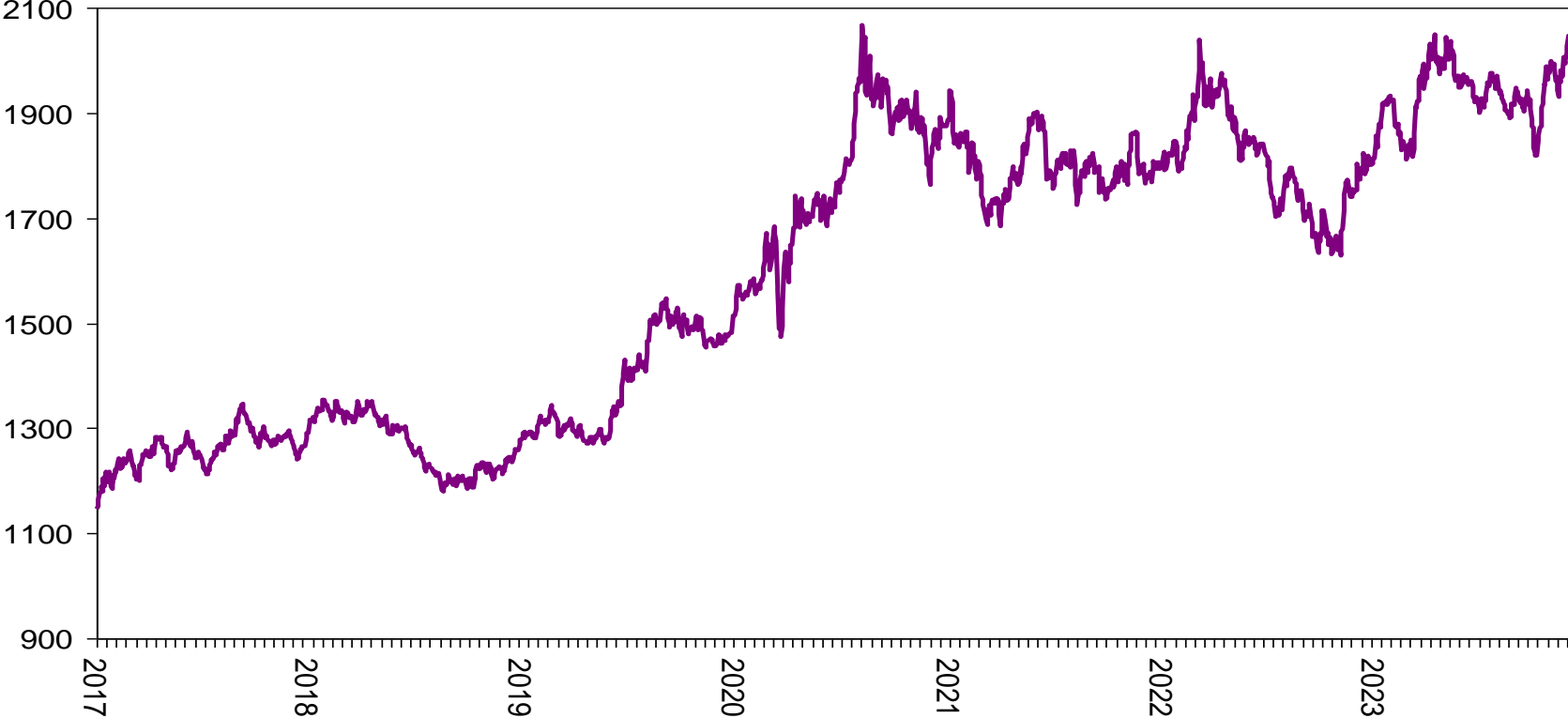


# World food inflation



# Gold price

\$/ounce



# Tin price

\$/MT



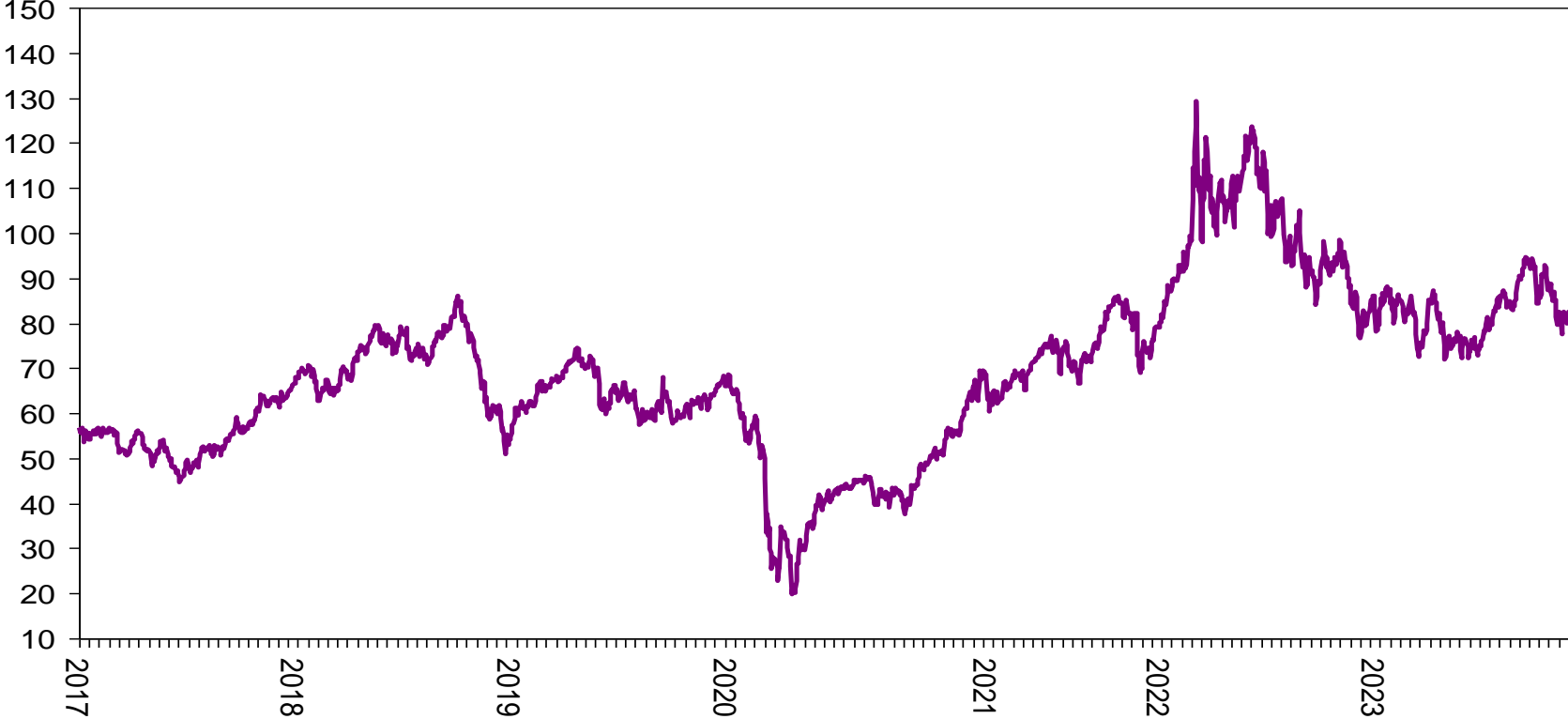
# Silver price

\$/ounce



# Oil price

\$/b l



# Copper price

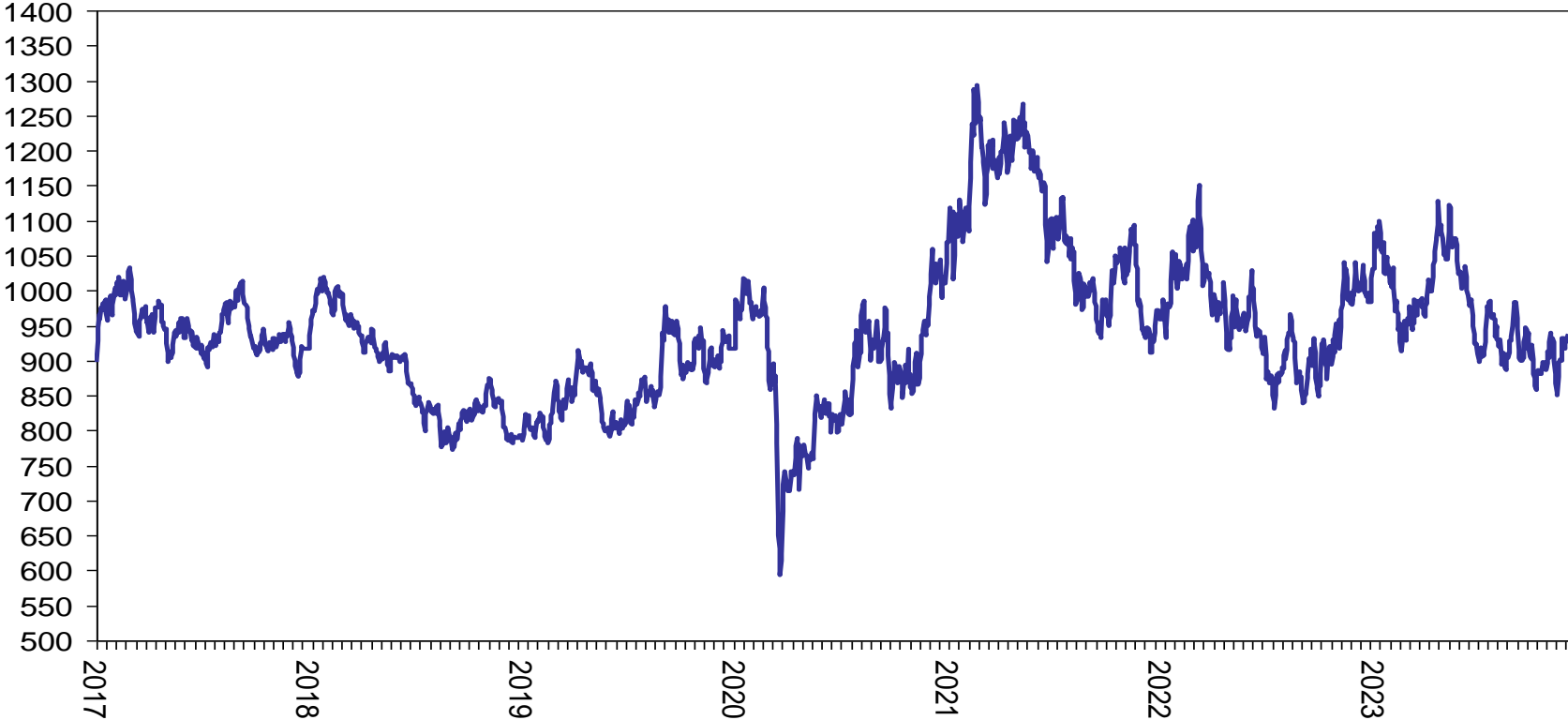
\$/MT





# Platinum price

\$/ounce



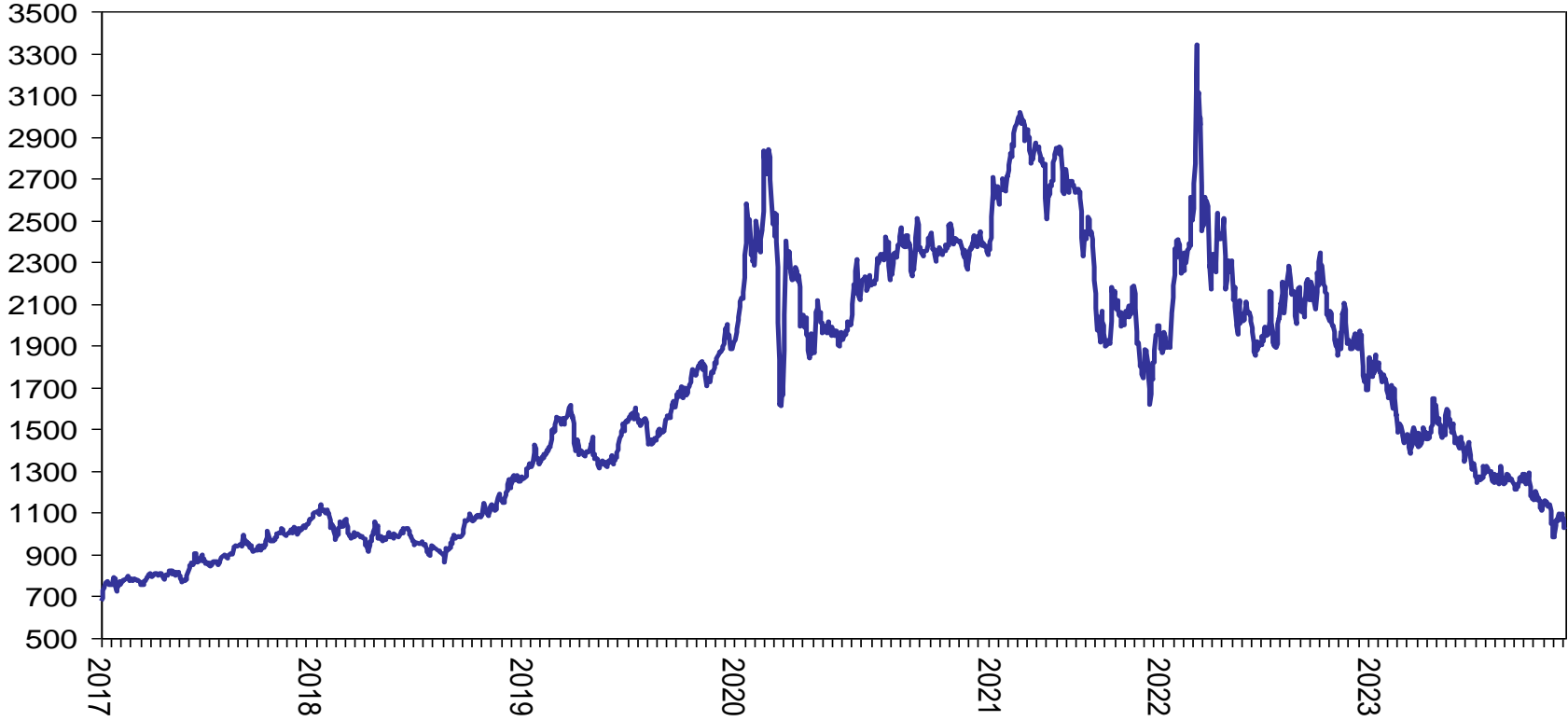
# Aluminium price

\$/MT



# Palladium price

\$/ounce



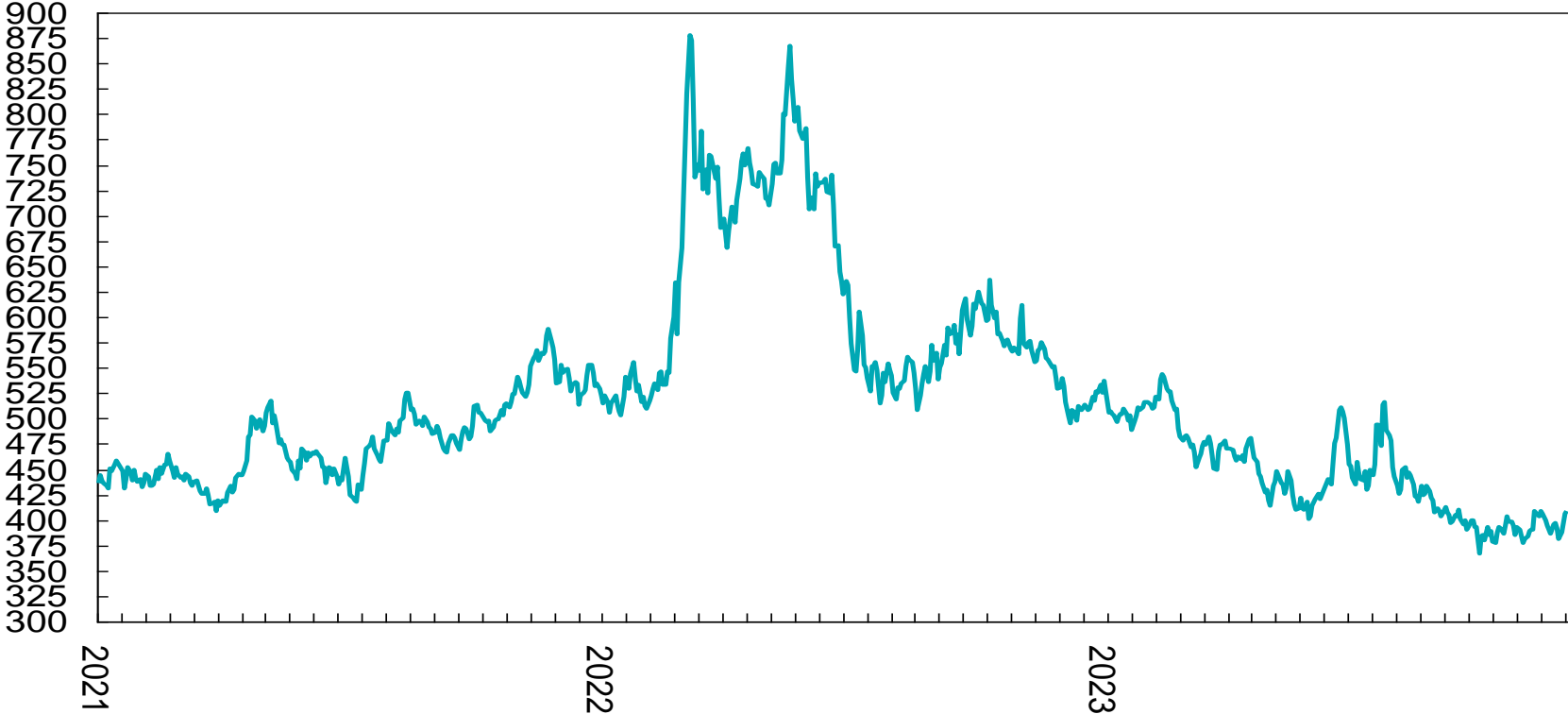
# Rhodium price

\$/ounce



# Global wheat price index

Index



# Financial markets: 27 November to 3 December 2023

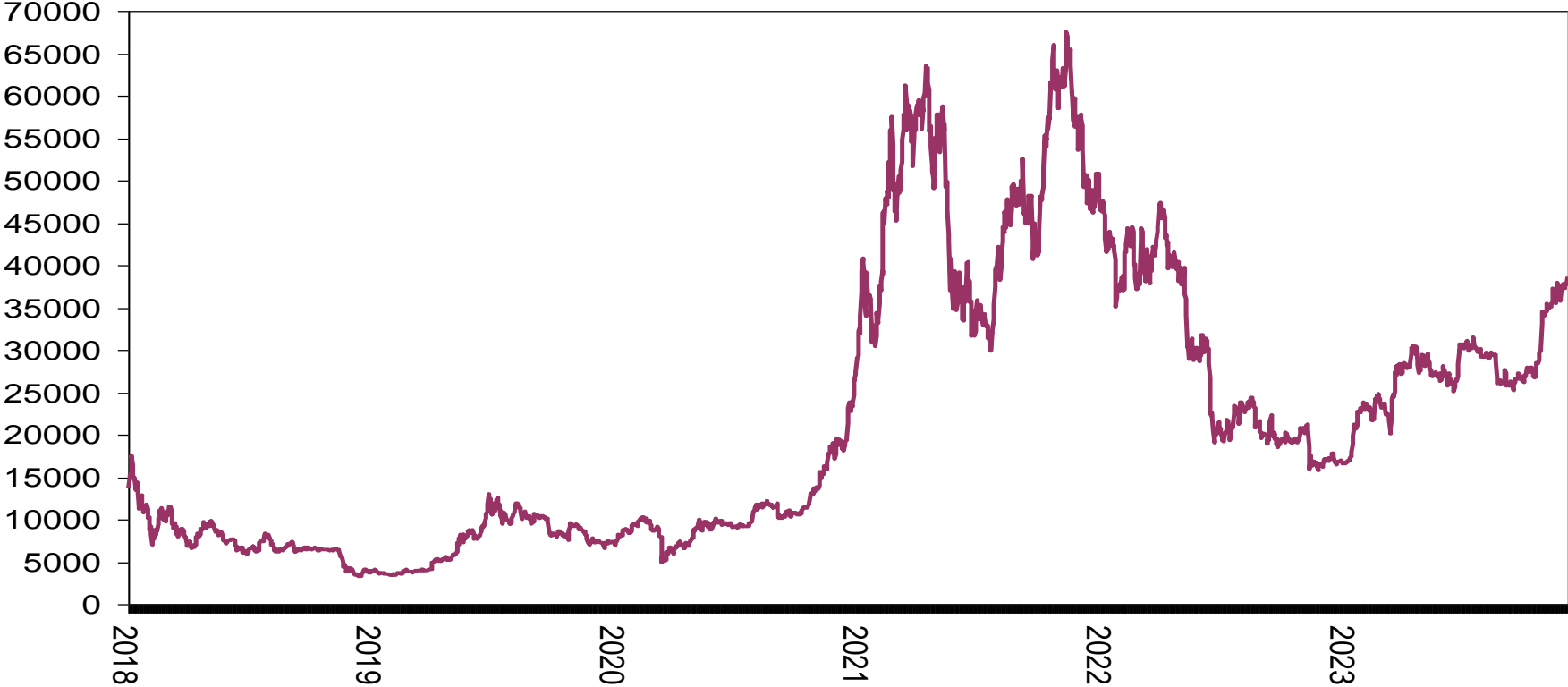
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- Bitcoin price
- SA Rand vs Dollar, Euro, Pound
- SA Rand vs Dollar, monthly rate of change
- SA 10-year government bond yield
- US 10-year bond yield
- US S&P 500 equity index
- US Nasdaq 100 index
- US Chicago Board Options Exchange Volatility Index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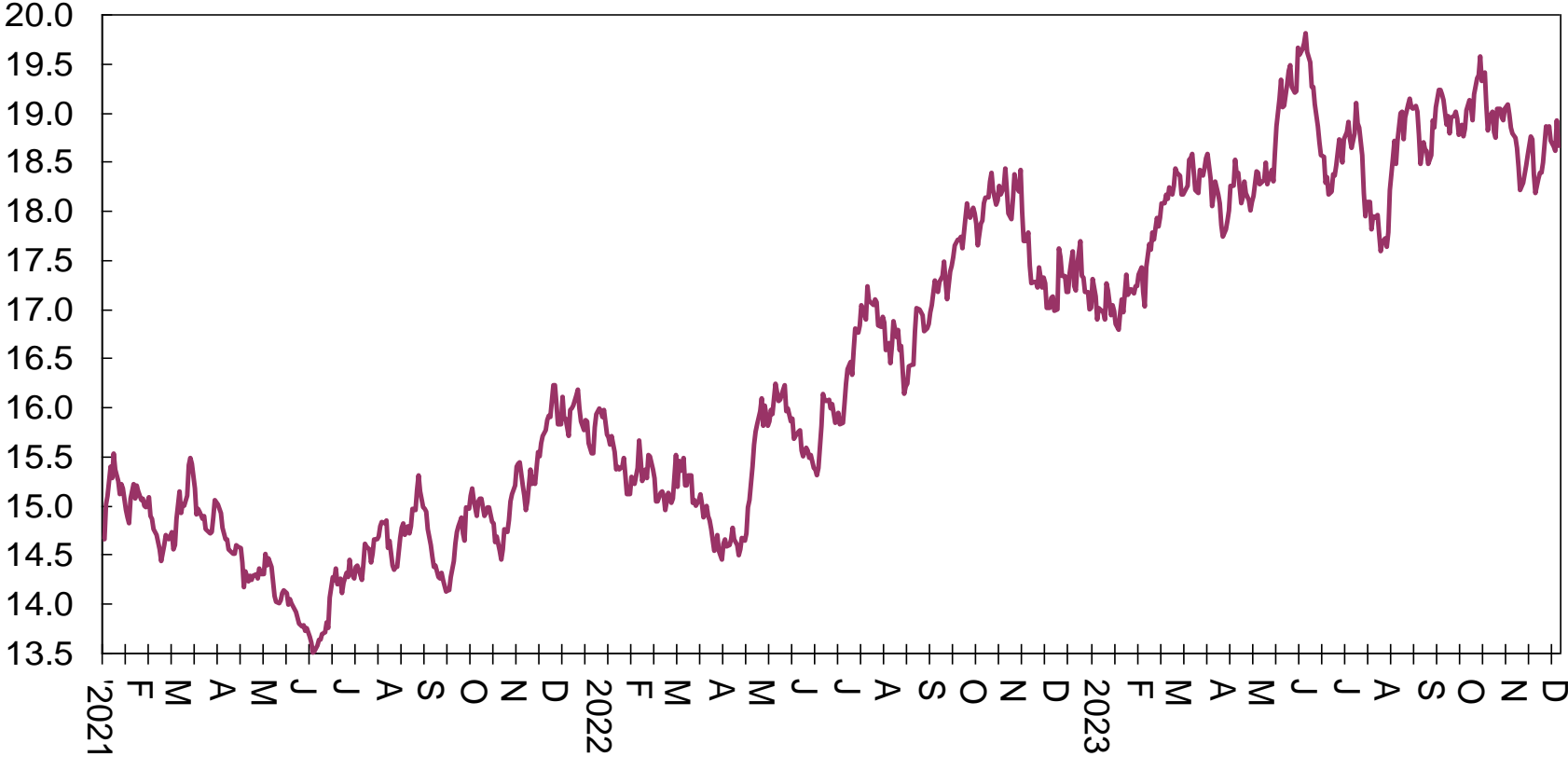
# Bitcoin price

Dollar



# South Africa Rand vs US Dollar (daily)

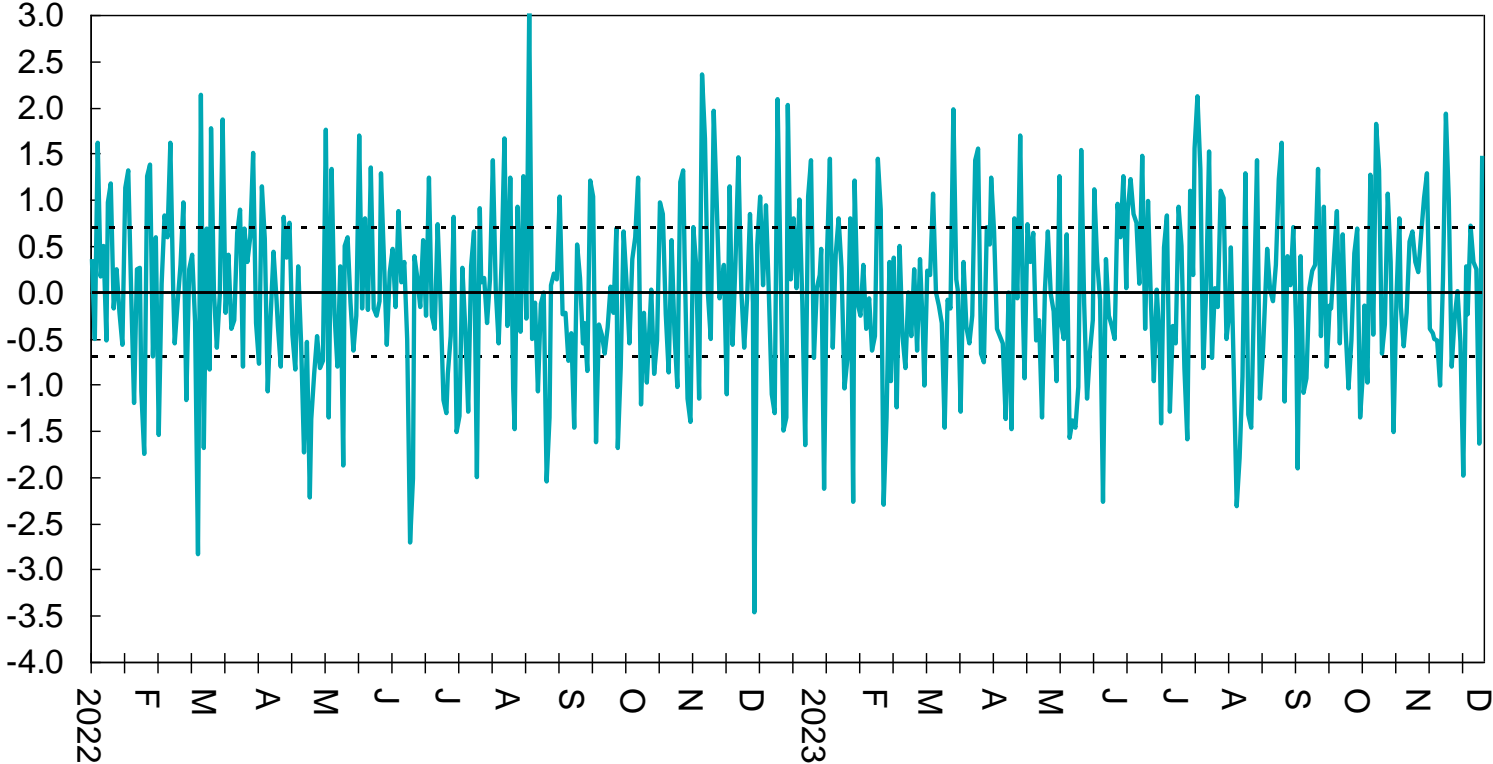
Rand per Dollar





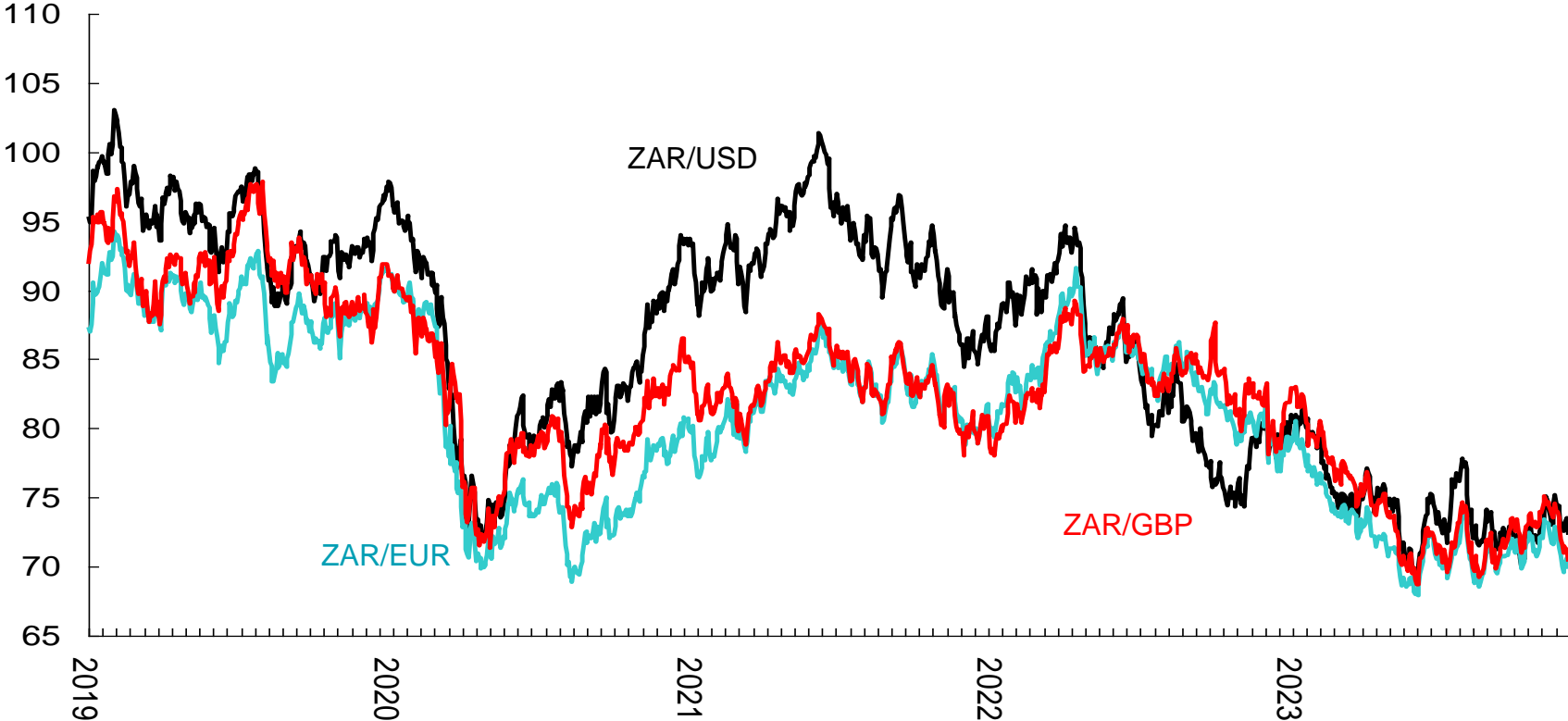
# South Africa Rand vs US Dollar (daily change in value)

% change, day-on-day



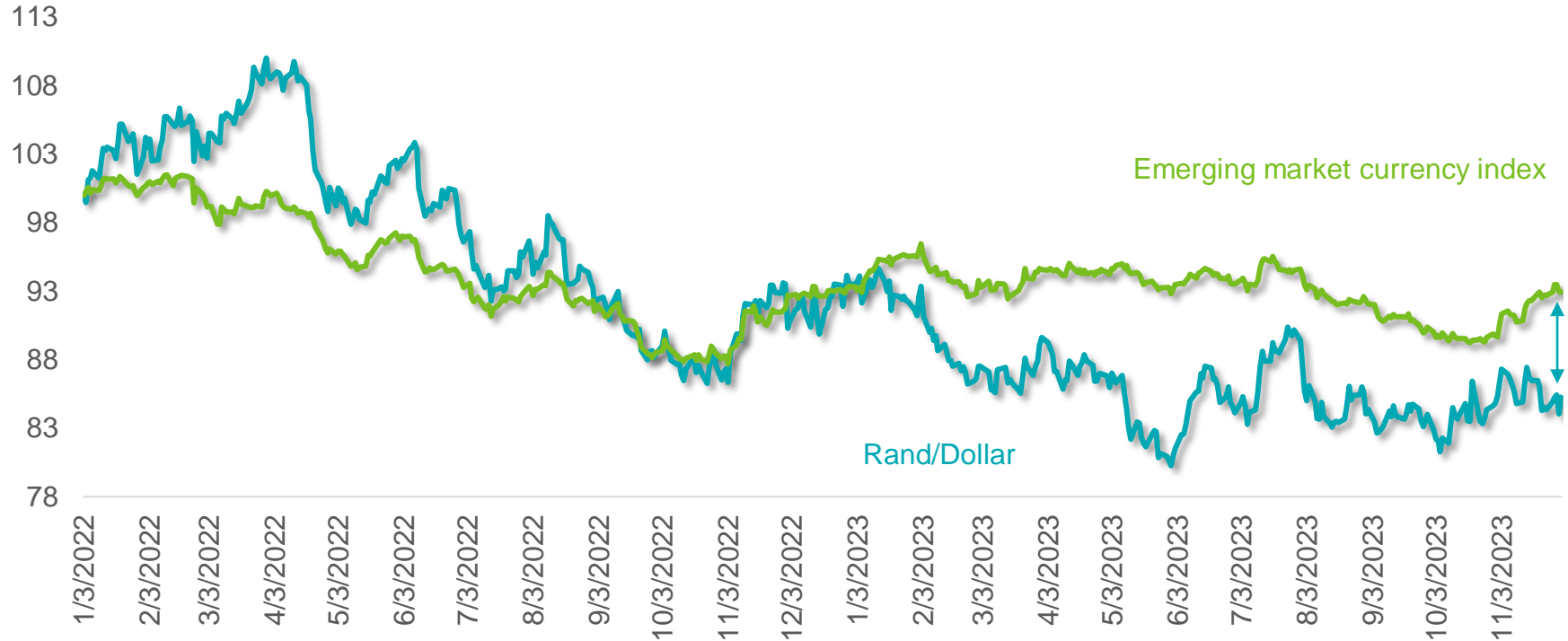
# SA Rand vs Dollar, Euro and Pound

Index, 1 January 2017 = 100



# Rand/US Dollar vs Emerging Market Currencies

Index, 1 Jan 2022 = 100



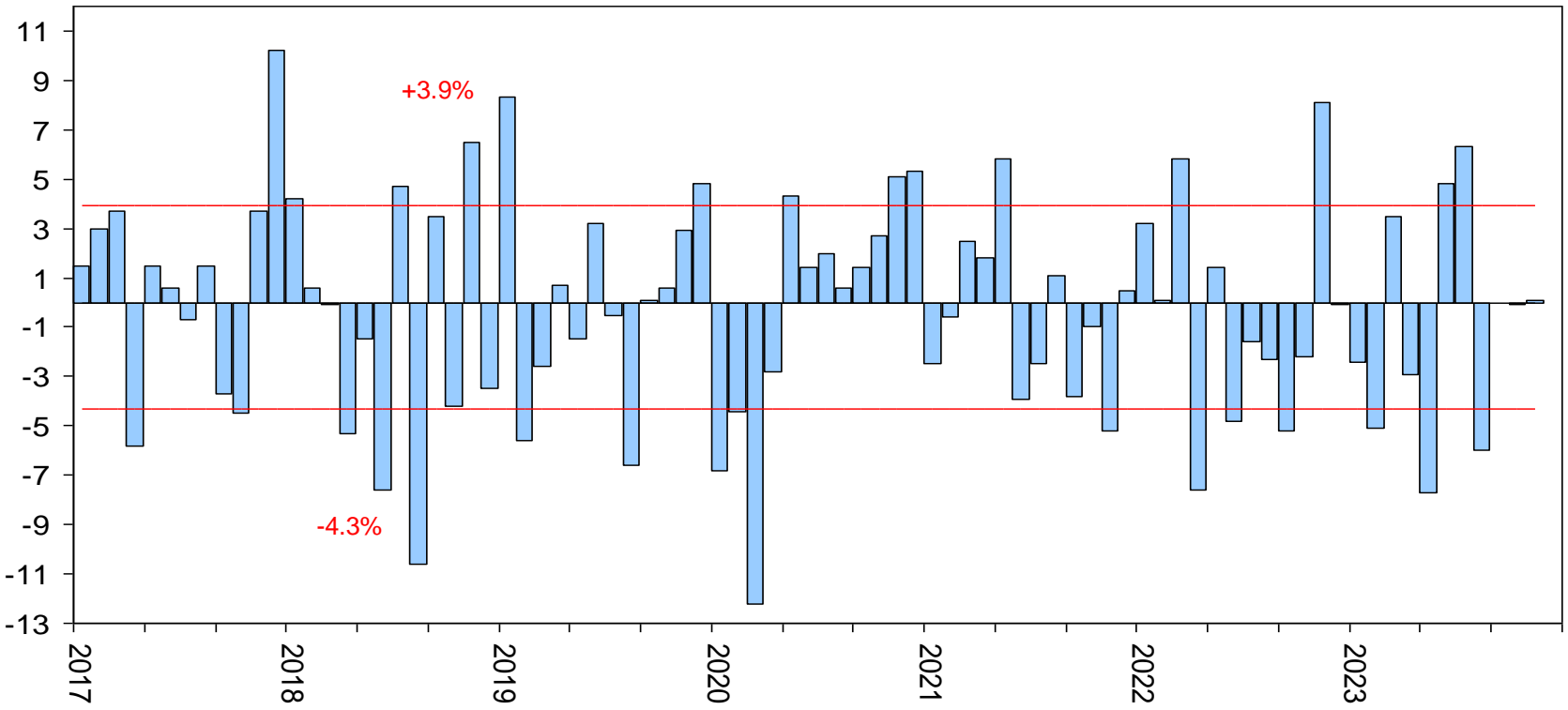
# SA trade-weighted exchange rate

Index, nominal, daily data from JP Morgan



# Monthly percentage change in Rand/Dollar

% month-on-month

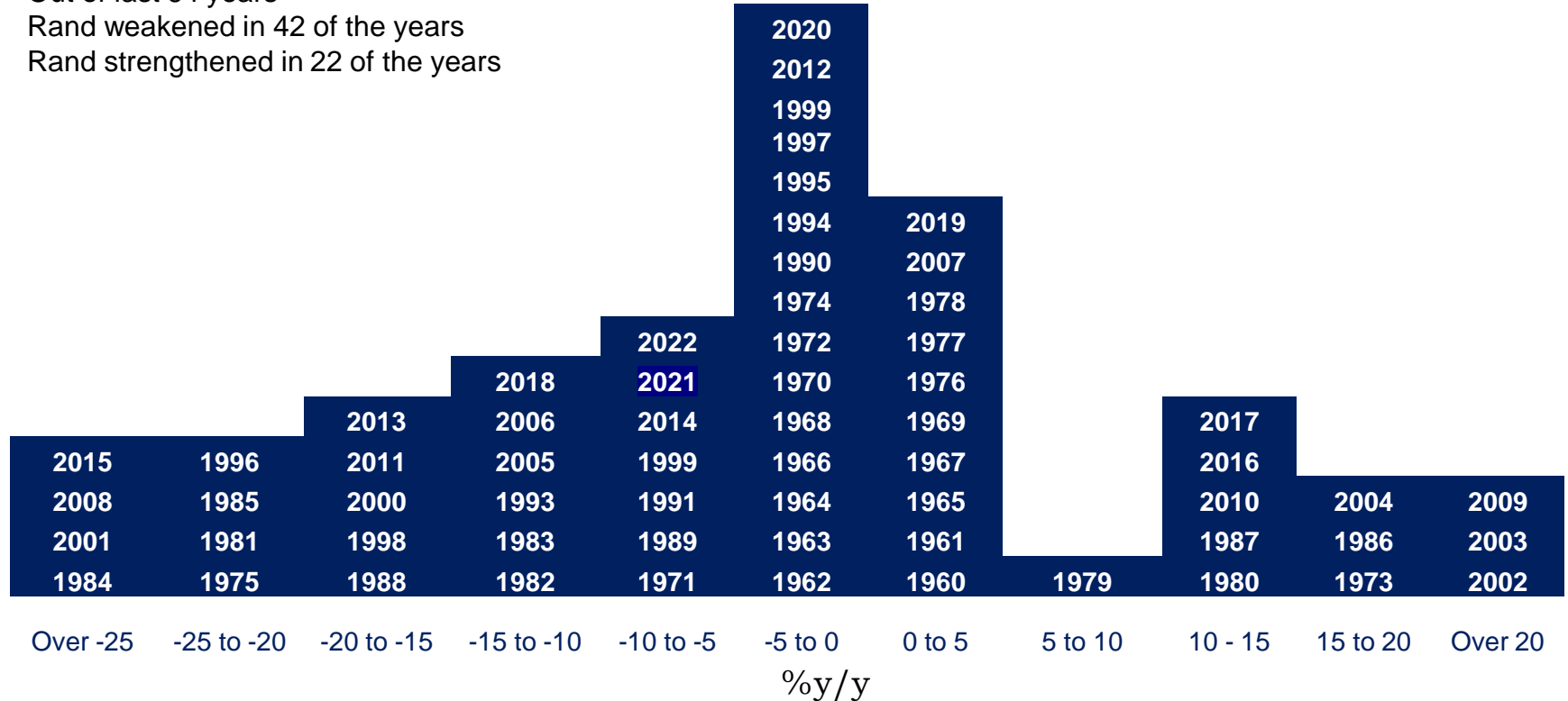


# Rand/Dollar annual performance

Out of last 64 years

Rand weakened in 42 of the years

Rand strengthened in 22 of the years



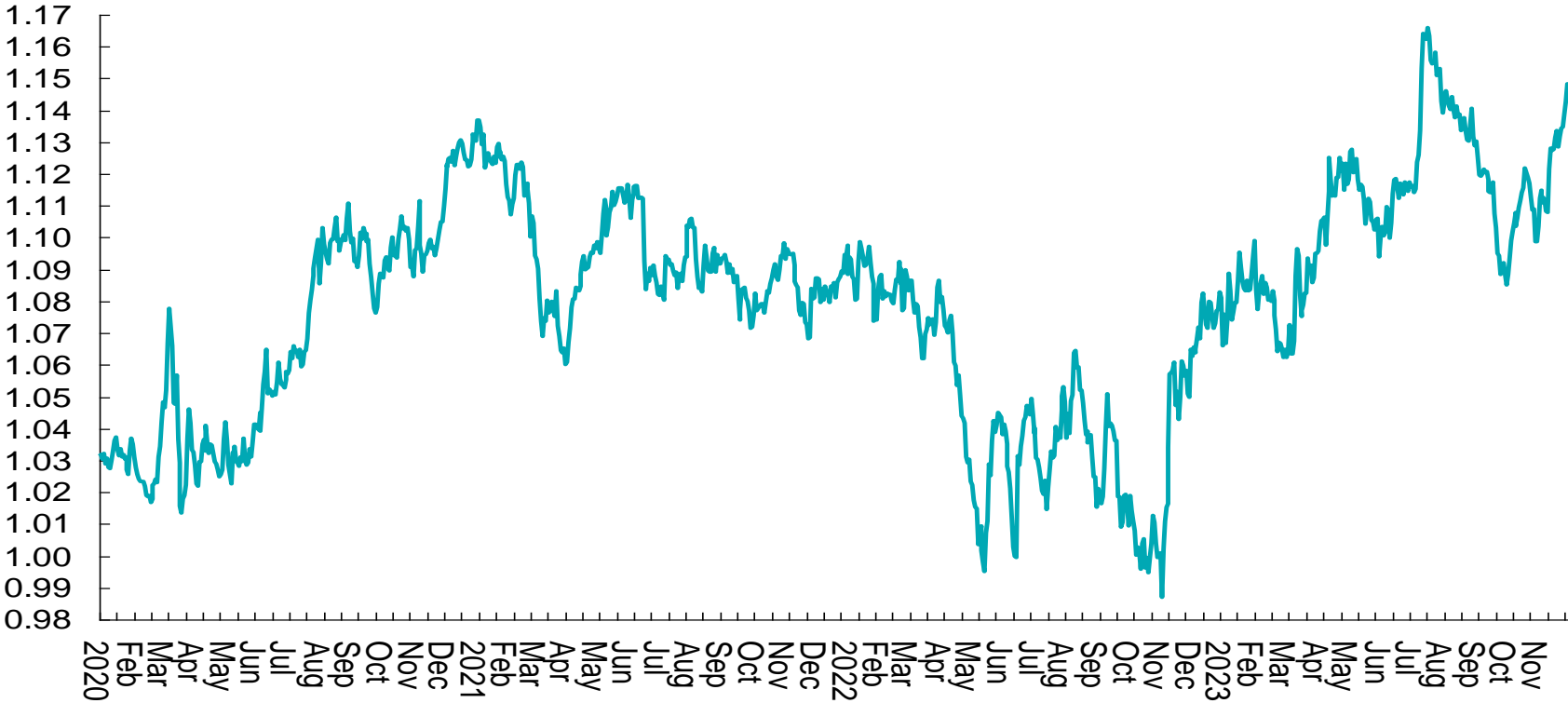
# US Dollar vs Euro

Dollar per Euro



# US Dollar per Swiss Franc

USD per CHF





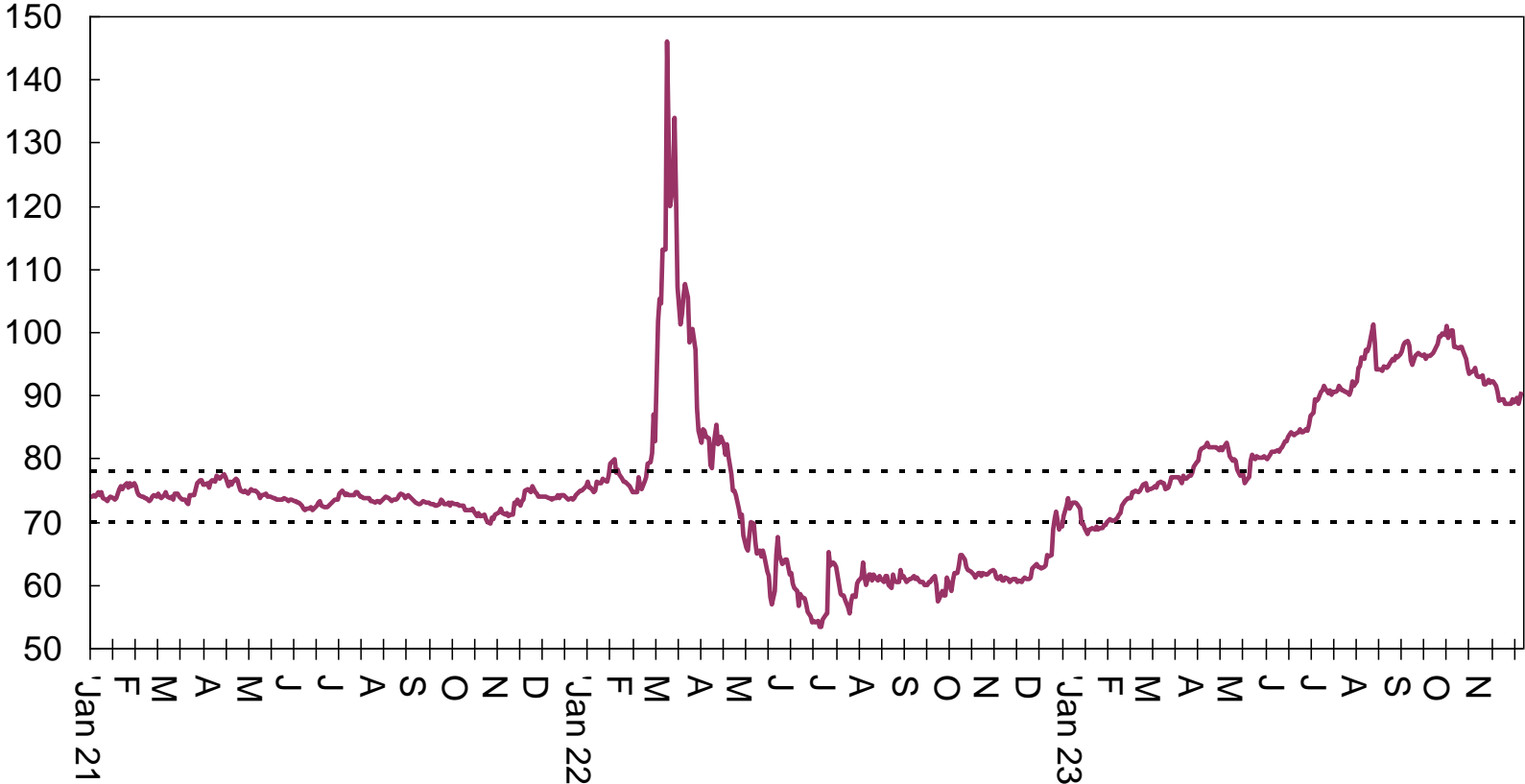
# US Dollar vs CNY

CNY per US Dollar



# Russian Ruble vs US Dollar (daily)

Ruble per Dollar



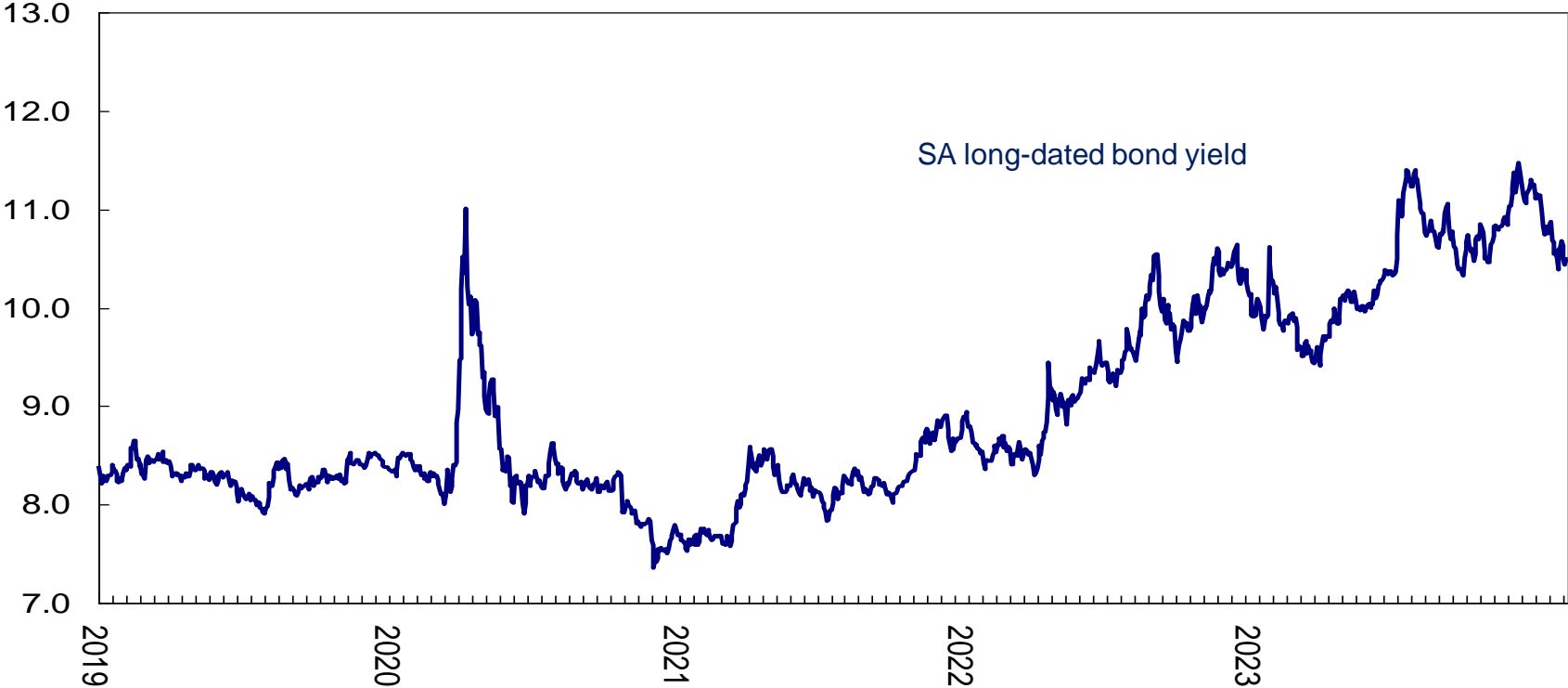
# Japanese Yen per US Dollar

Yen per Dollar



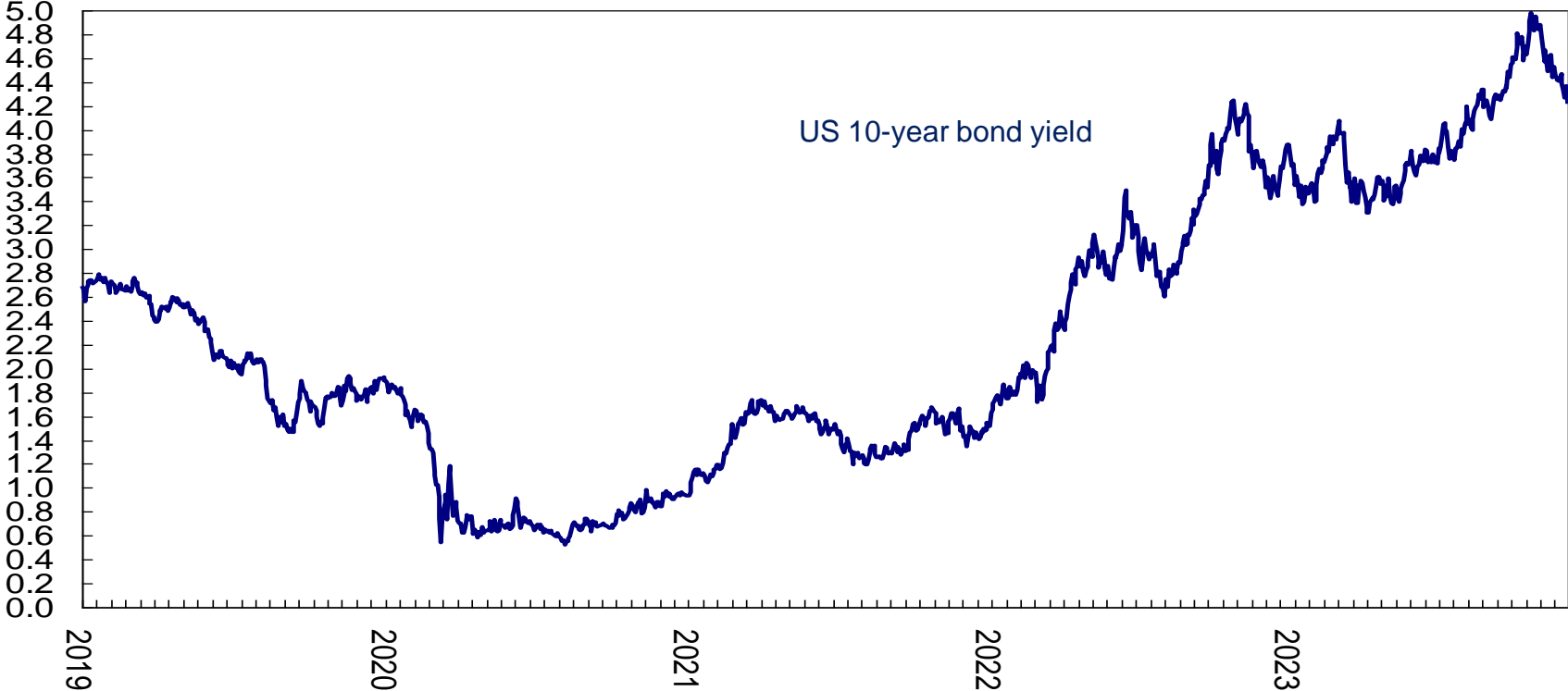
# SA long-dated government bond yield

% yield



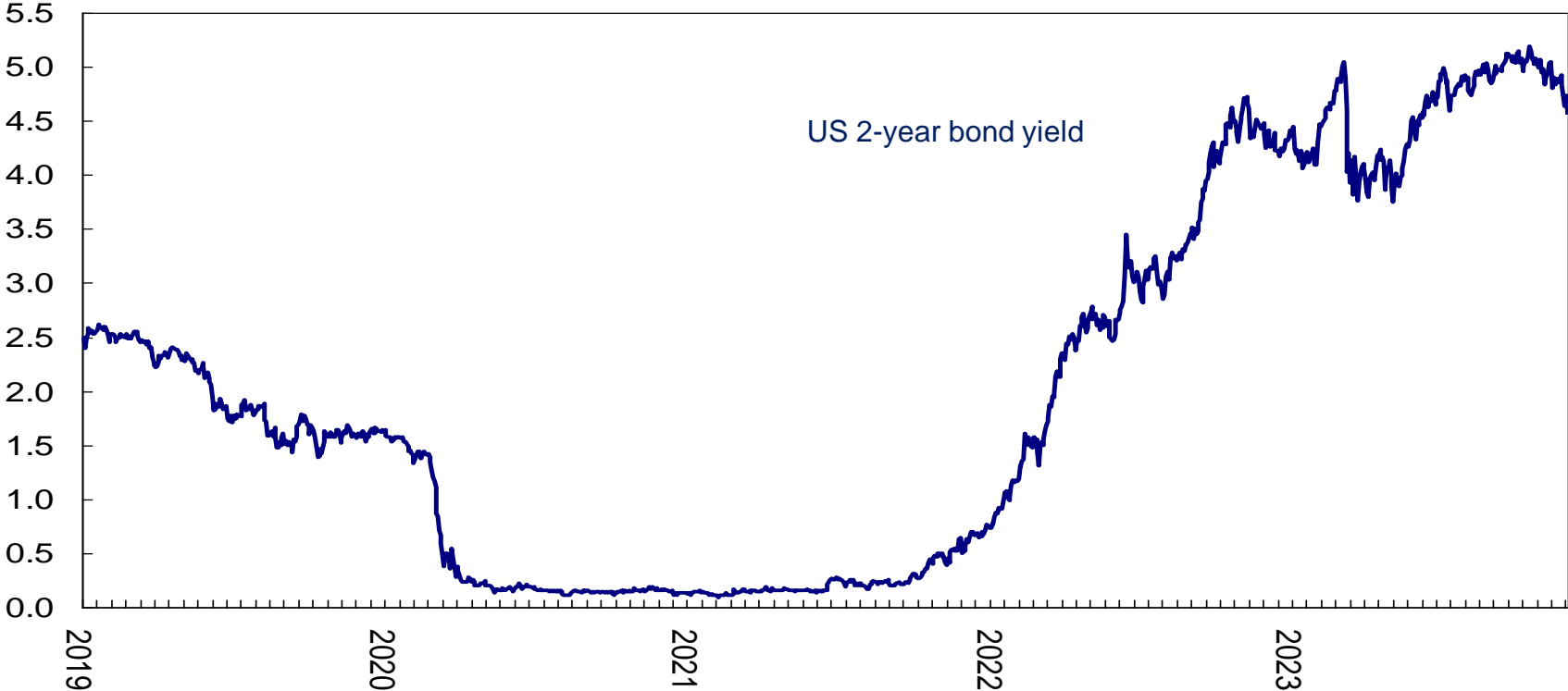
# US 10-year government bond yield

% yield



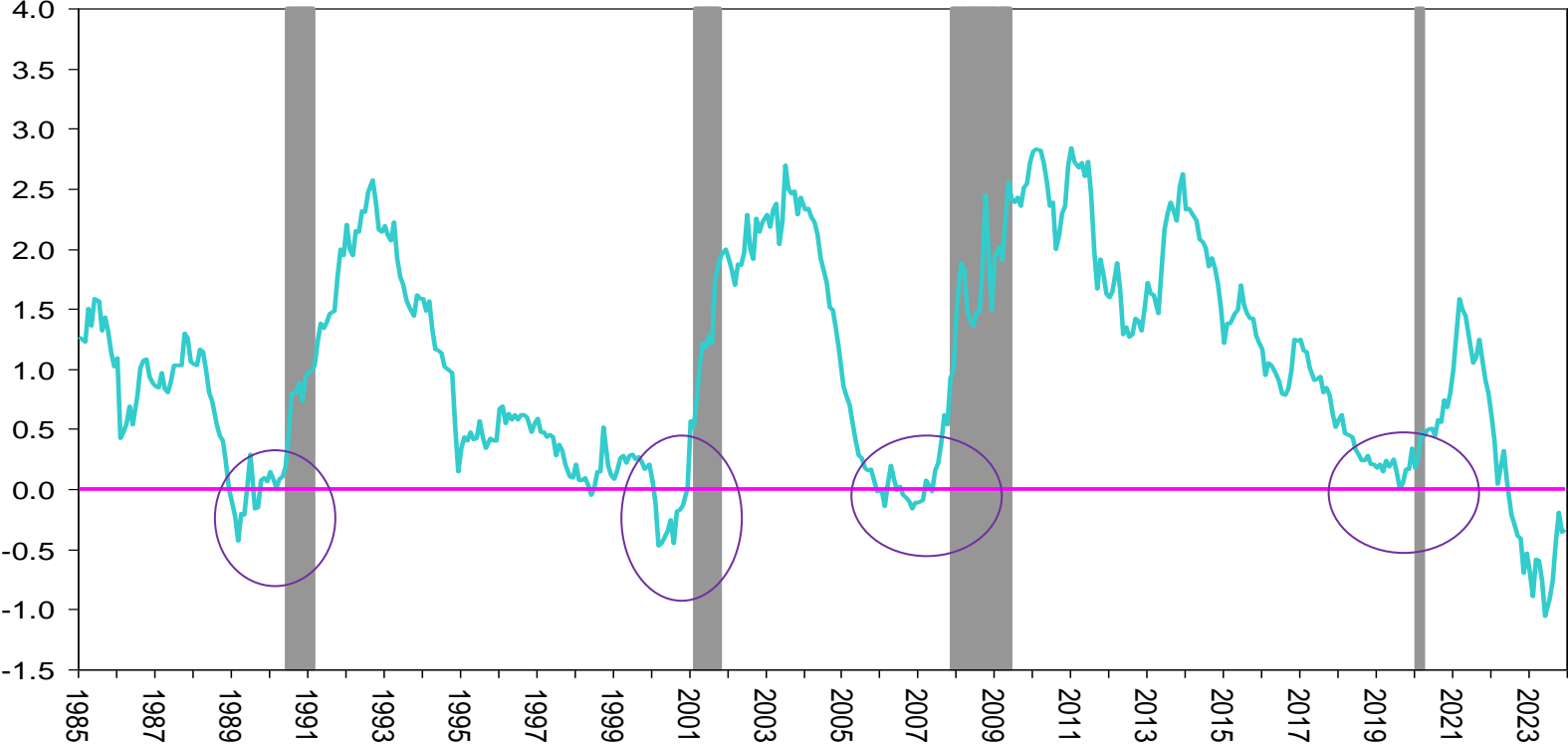
# US 2-year government bond yield

% yield



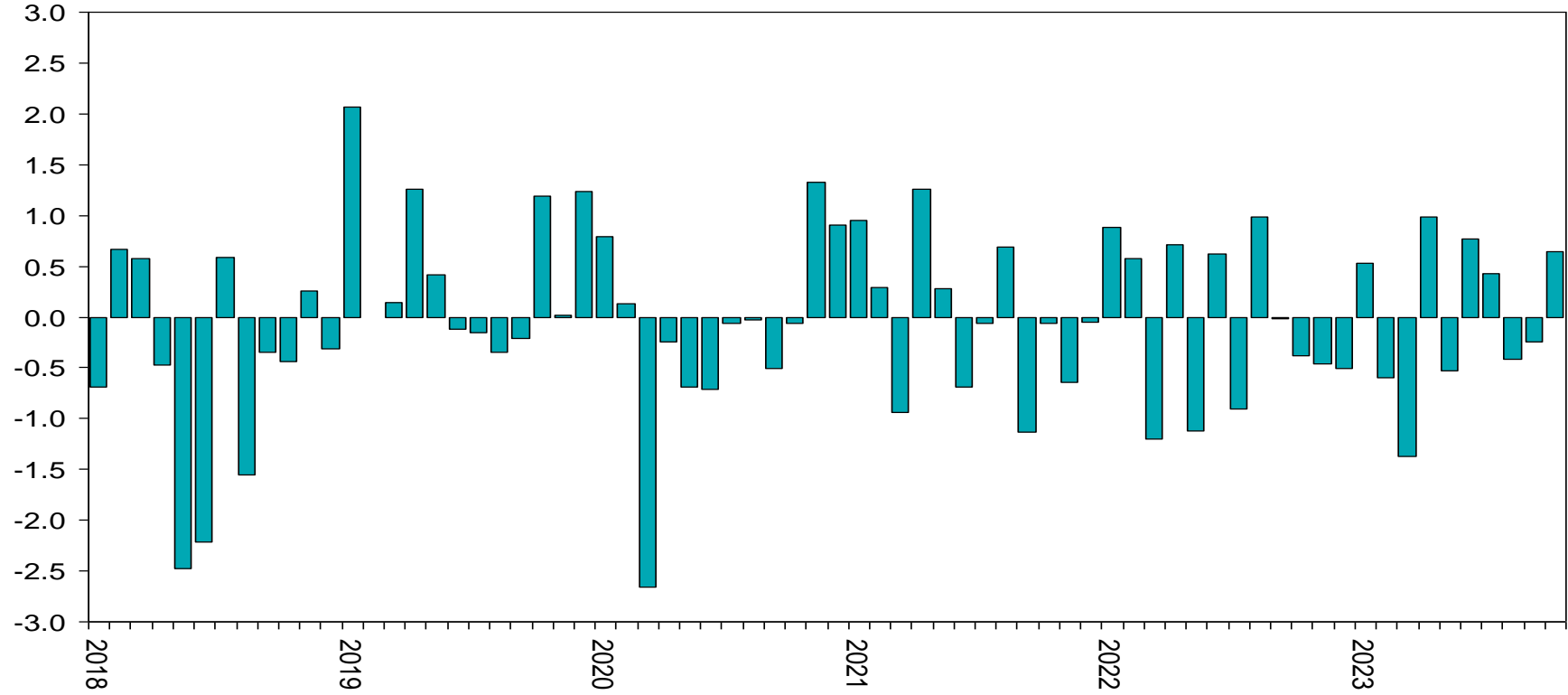
# US 10-year less 2-year treasury and business cycle

Percentage points



# Foreign buying of South African government bonds

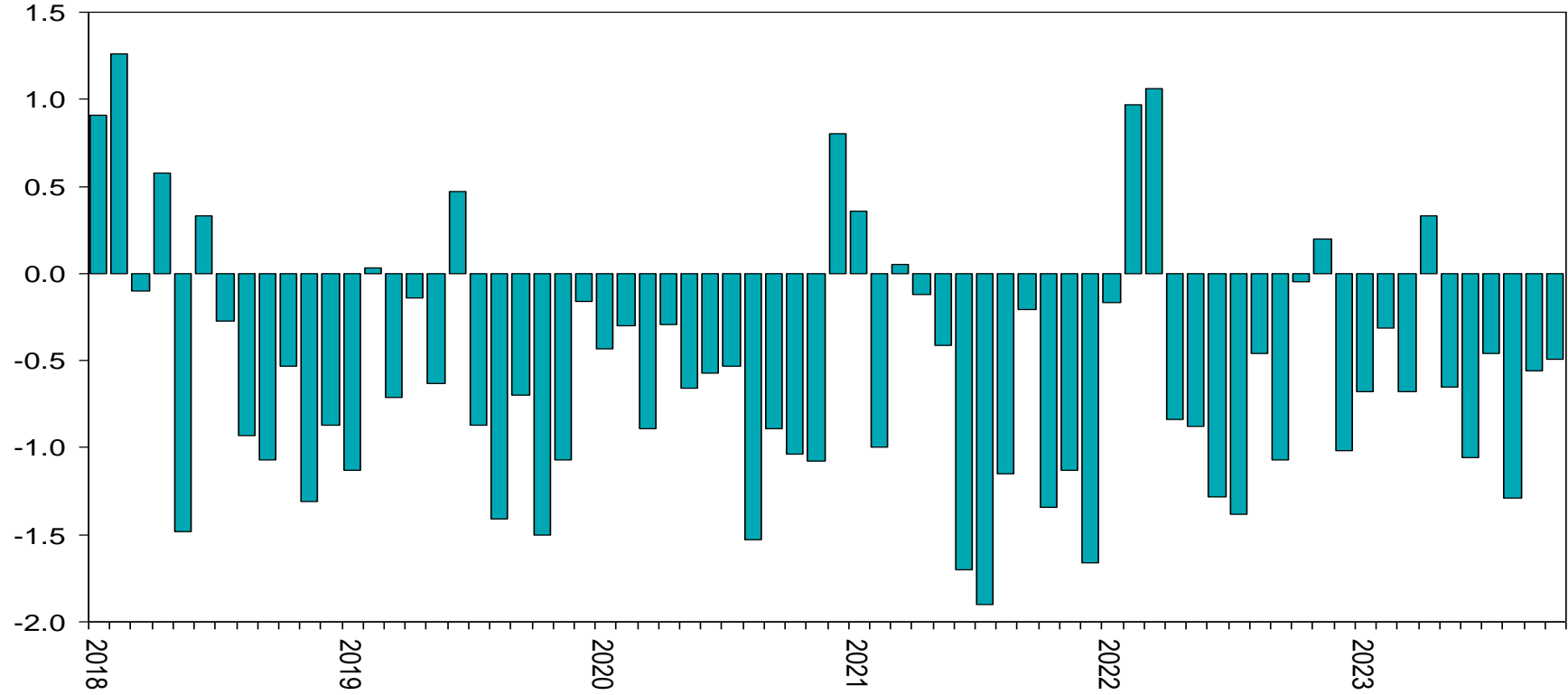
\$ billion (SA Reserve Bank data)





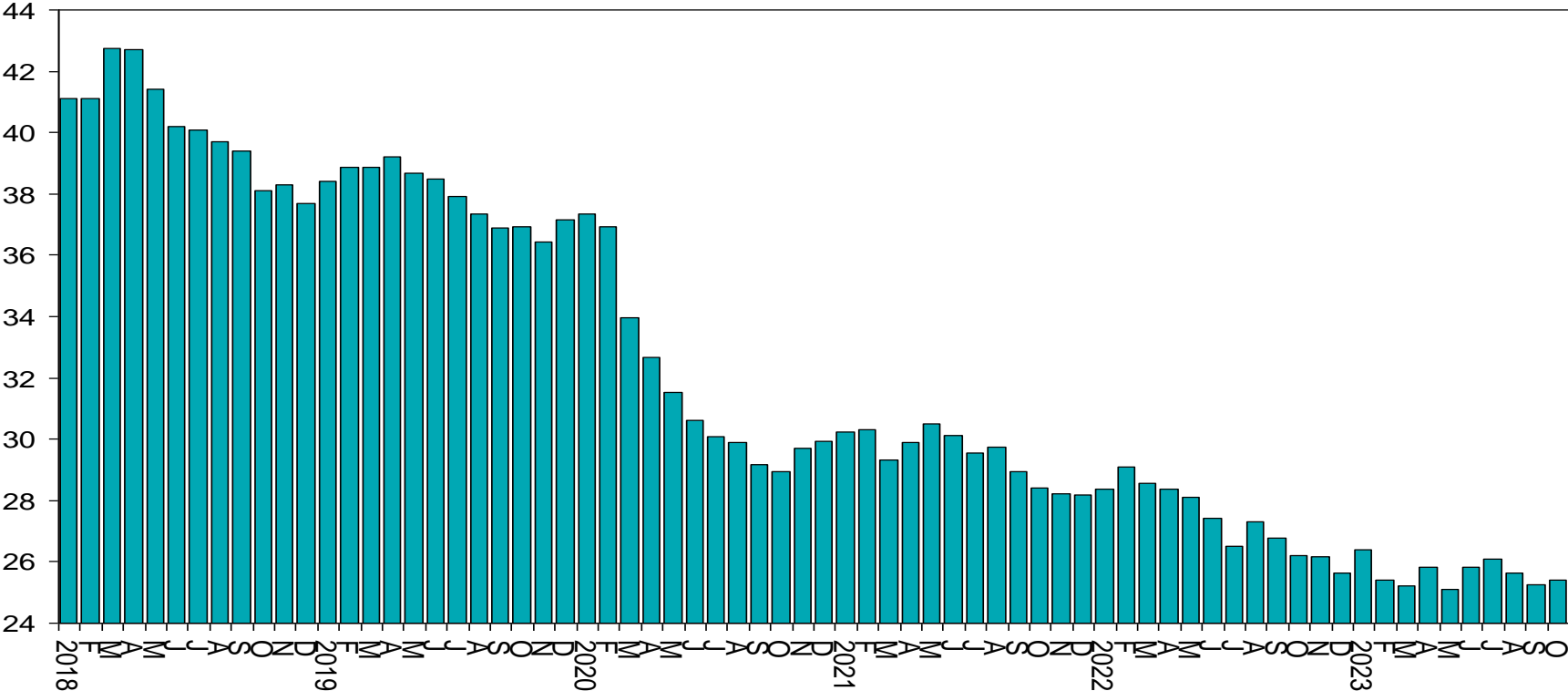
# Foreign buying of South African equities

\$ billion (SA Reserve Bank data)



# Foreign ownership of South African government bonds

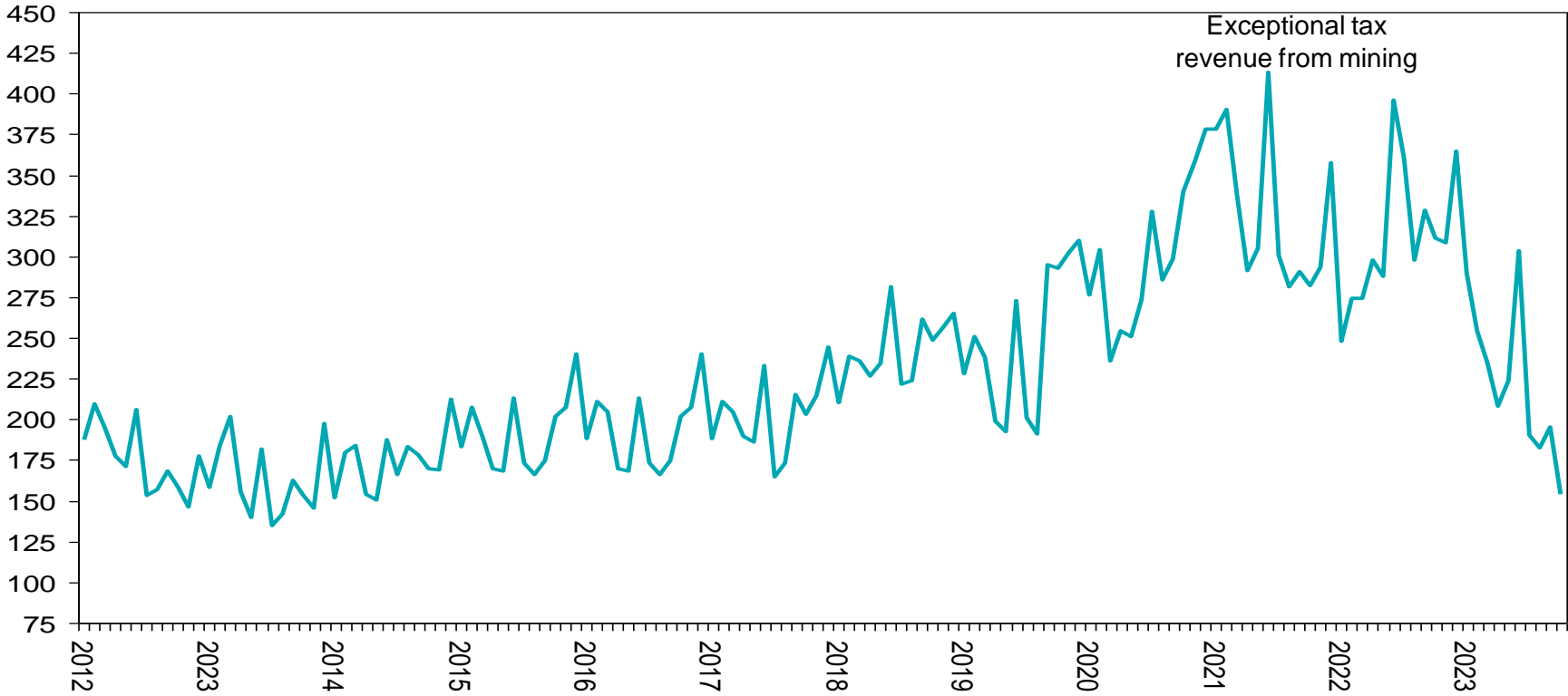
% of total



Source: South African National Treasury

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

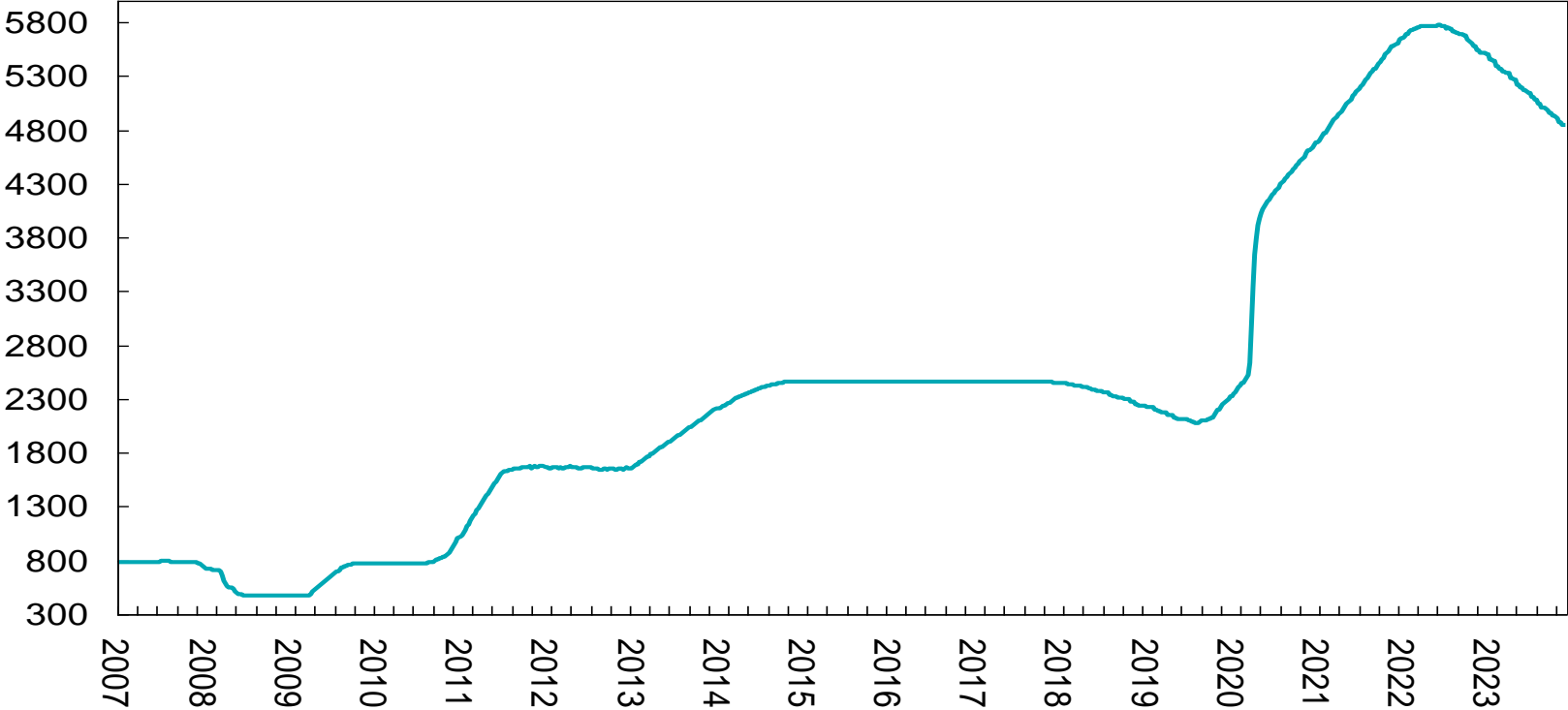
R billion



Source: South African National Treasury

# US Federal Reserve ownership of government bonds

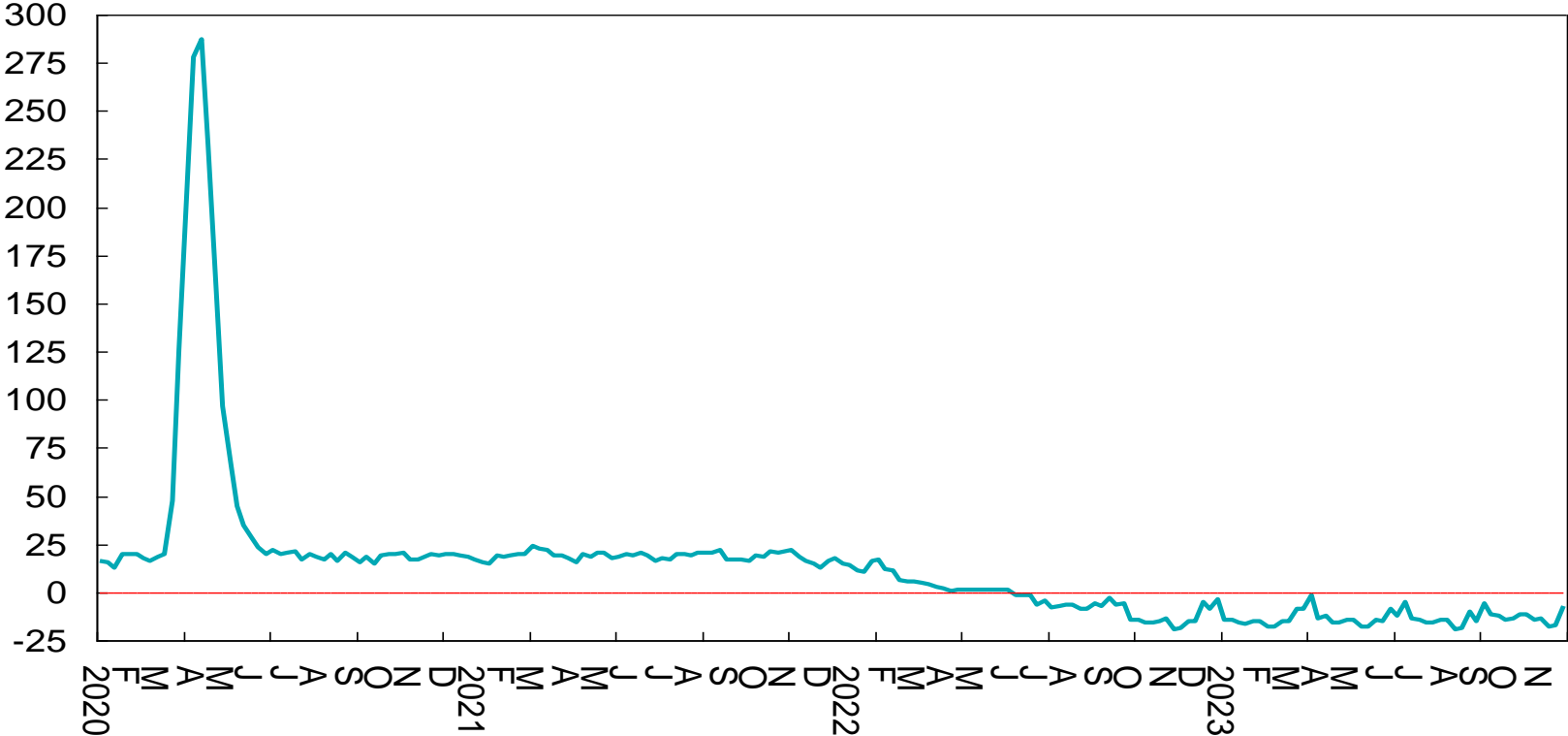
\$ billion



Source: US Federal Reserve

# US Federal Reserve purchase of government bonds

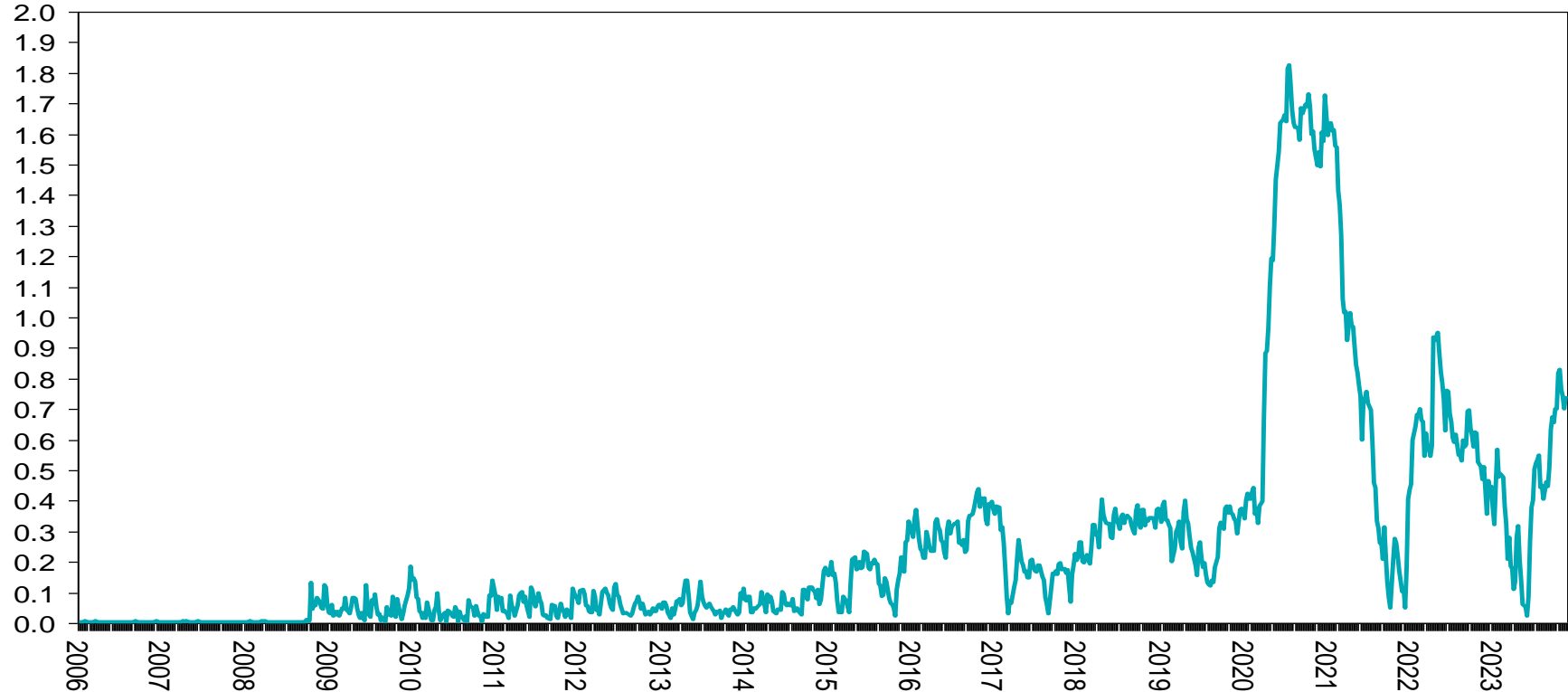
4-week average rate of purchases, \$ billion



Source: US Federal Reserve

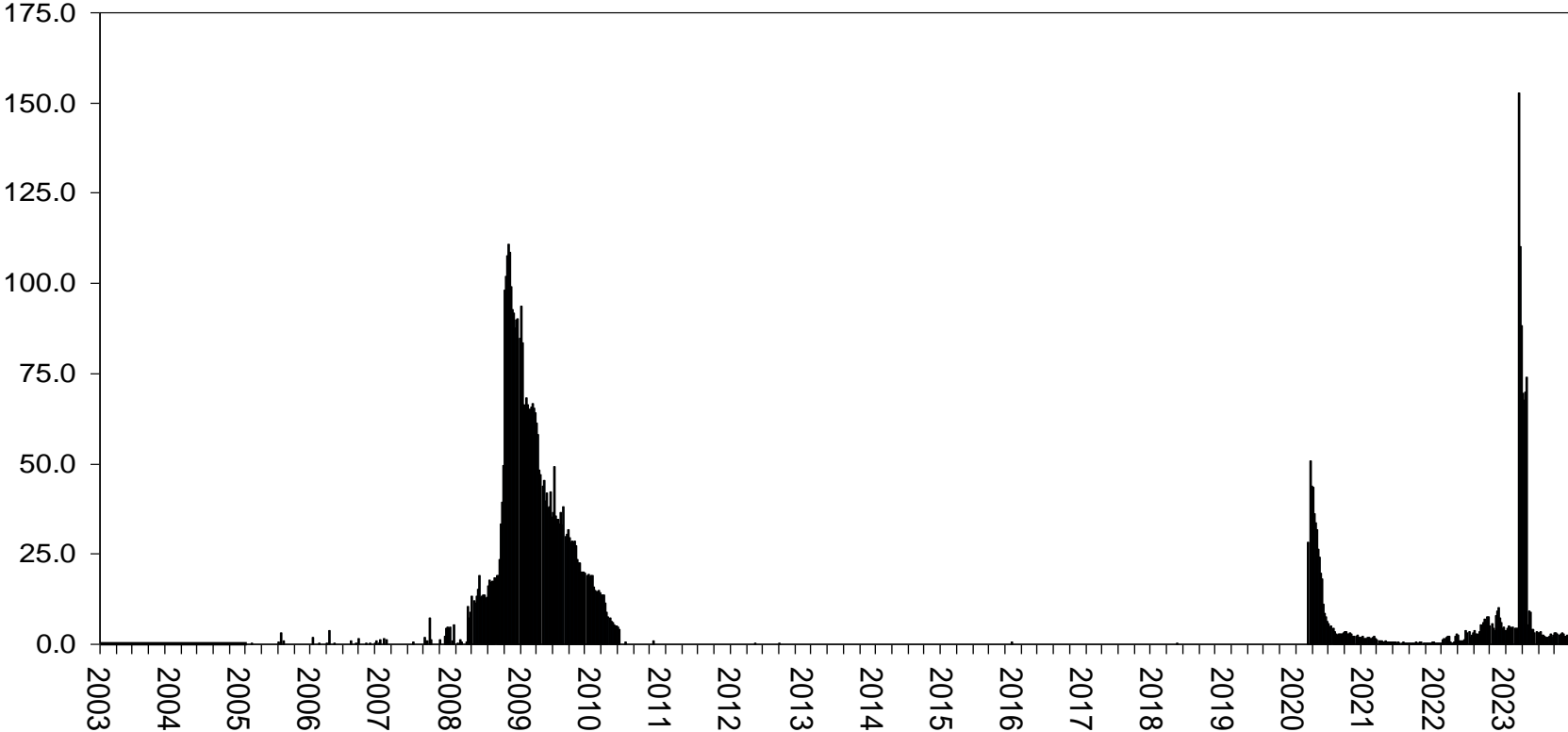
# US Treasury cash balance at Federal Reserve

\$ trillion, weekly



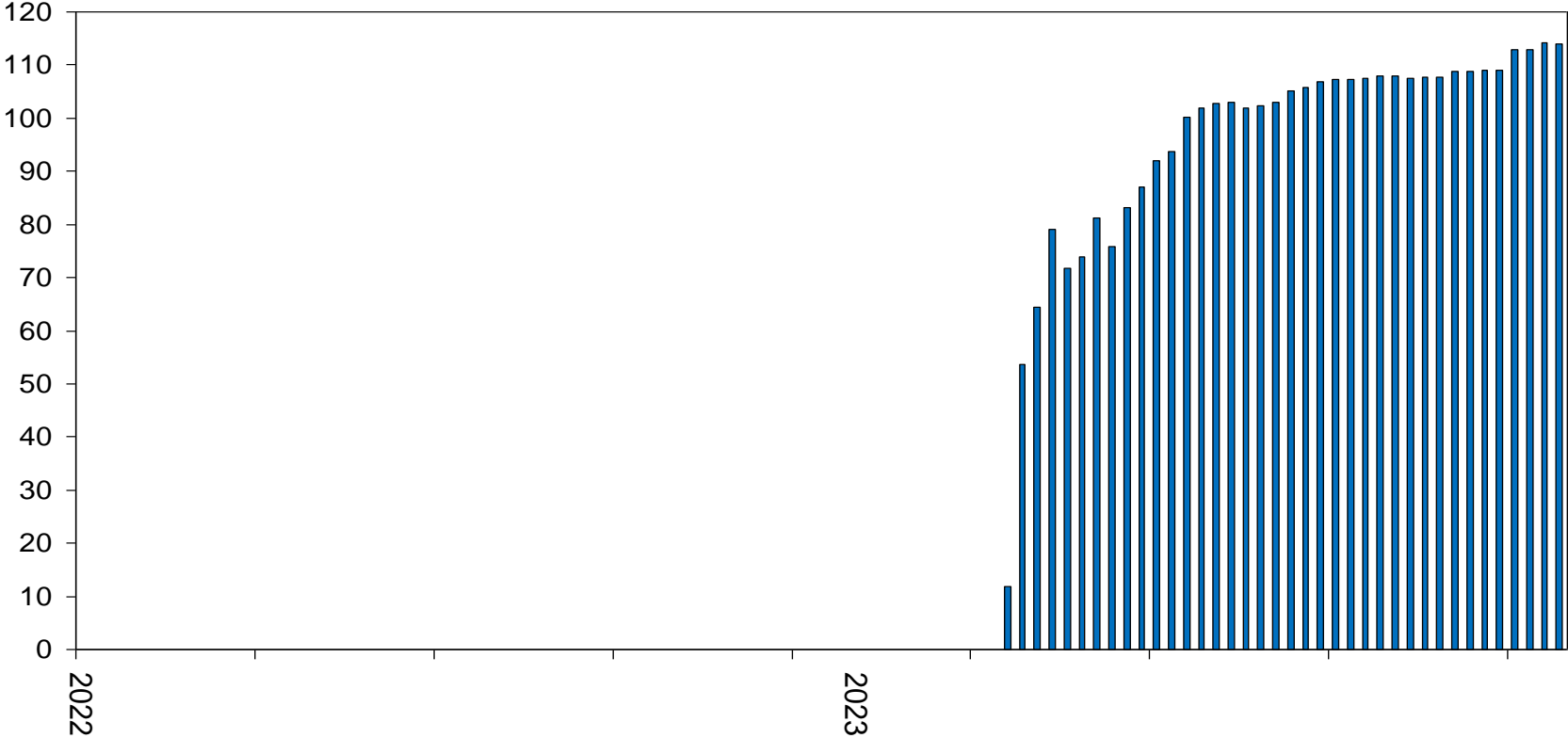
# US Federal Reserve discount window (balance)

\$ billion (weekly data)



# US Federal Reserve Bank Term Funding Program (balance)

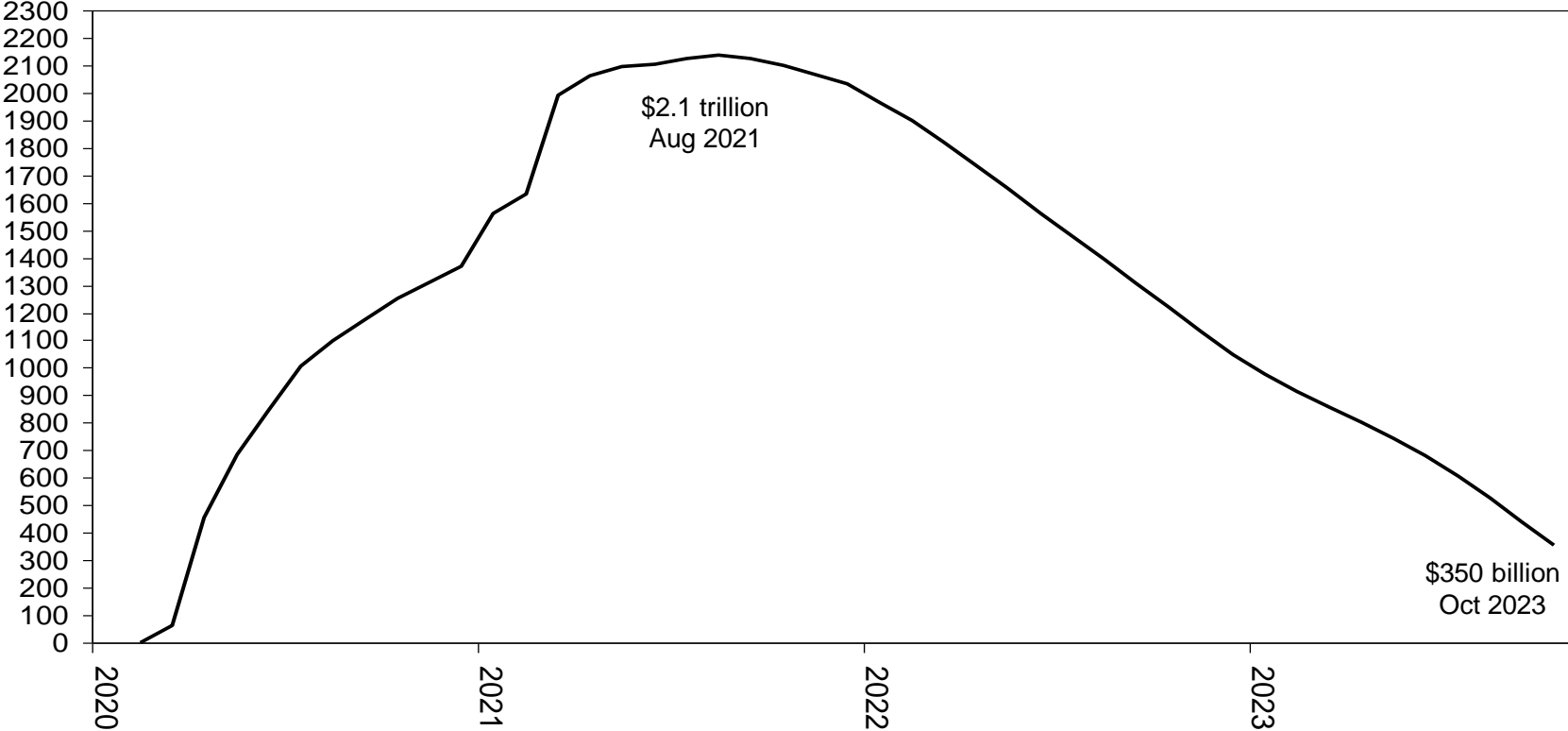
\$ billion (weekly data)





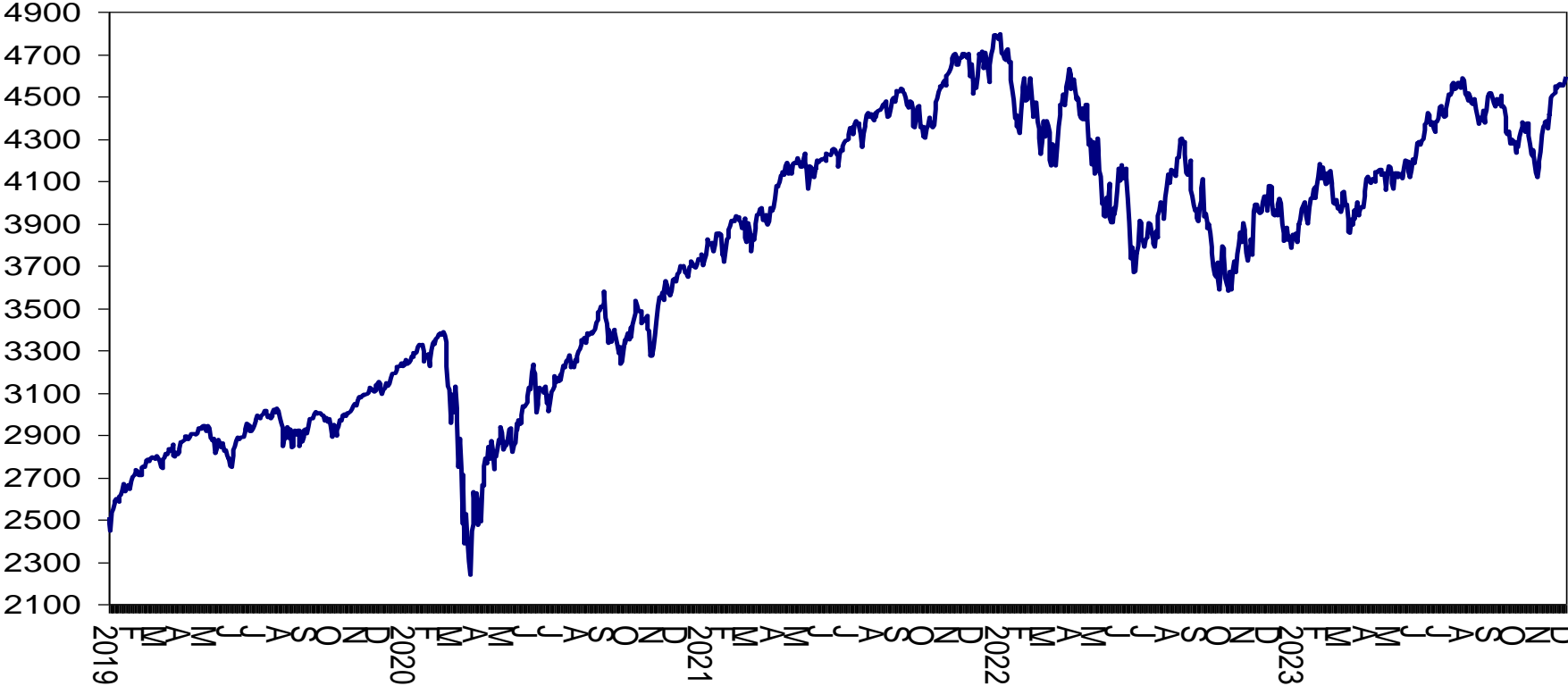
# US household excess savings

\$ billion (monthly data)



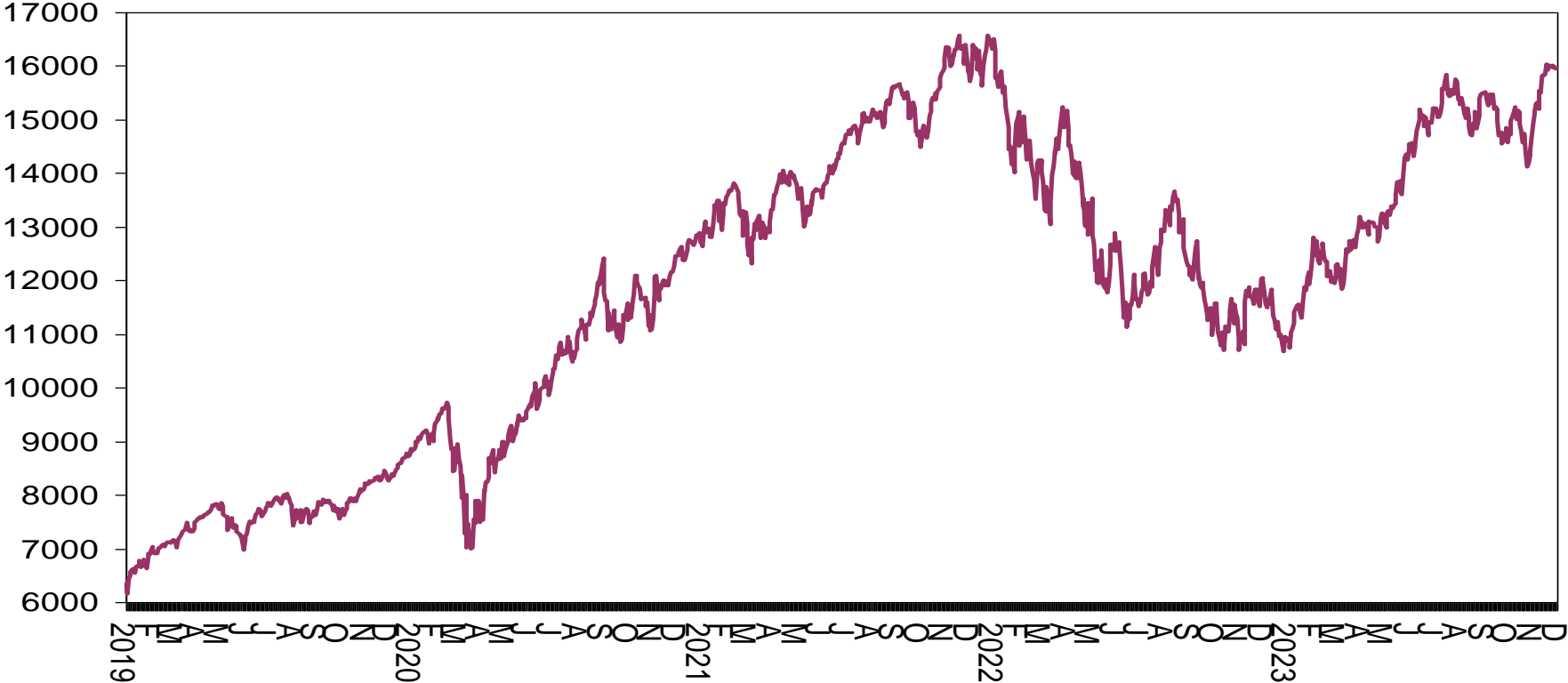
# US S&P 500

Index



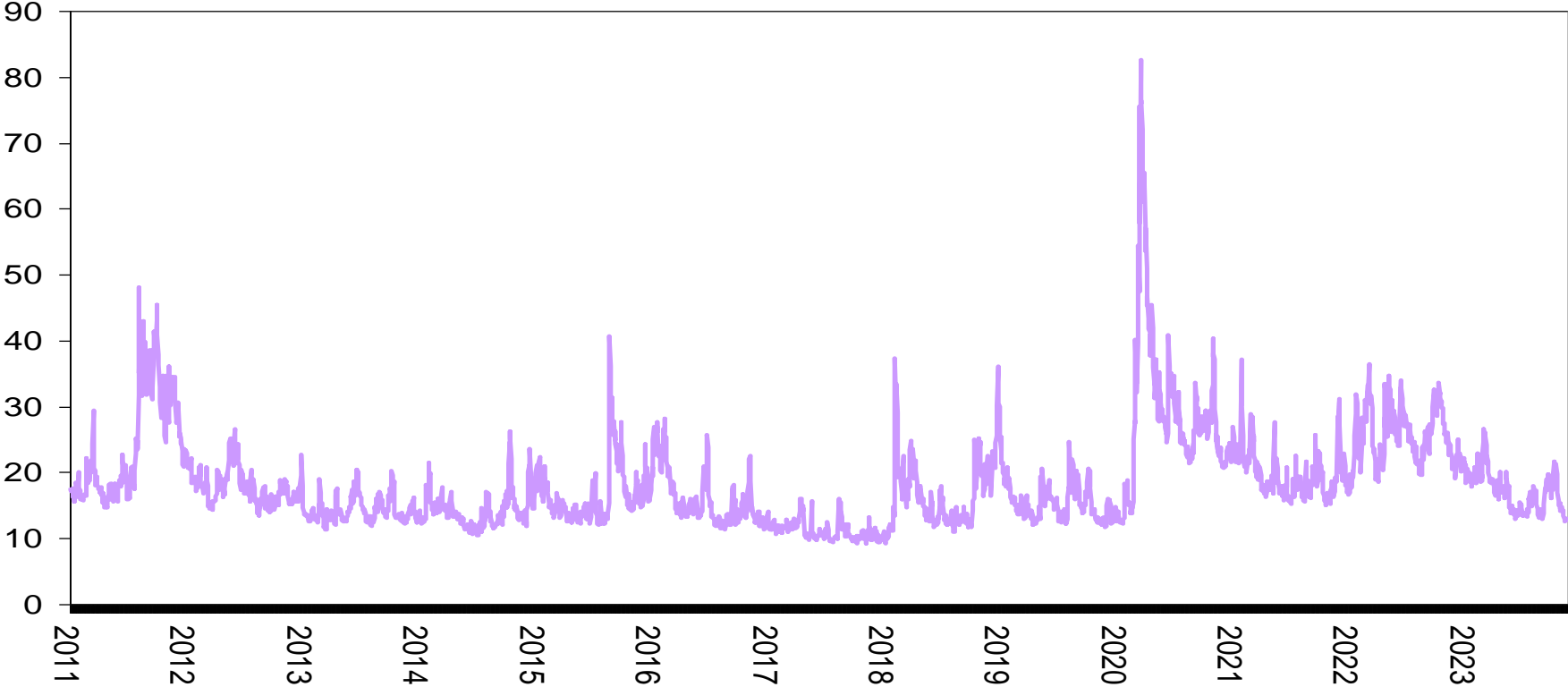
# US NASDAQ (100) index

Index



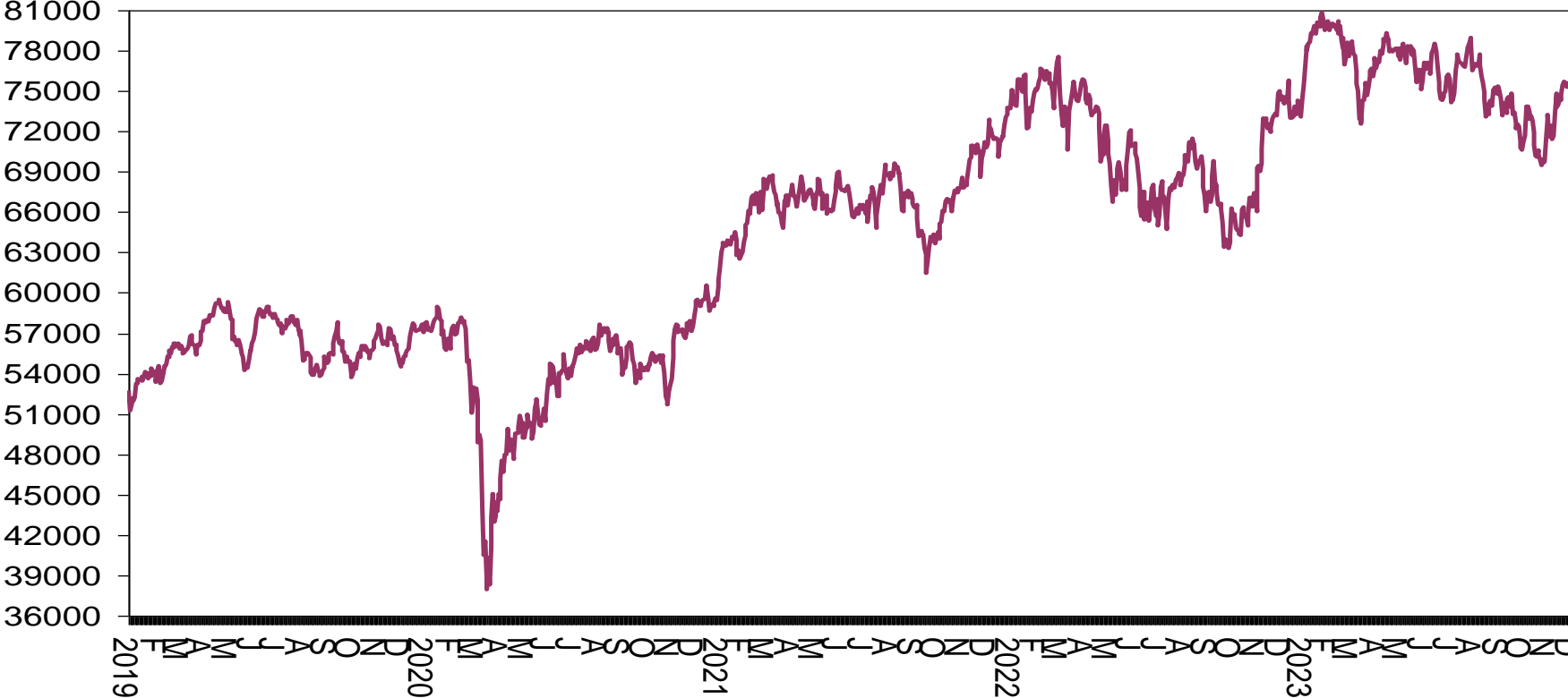
# Chicago Board Options Exchange volatility index (VIX index)

Index



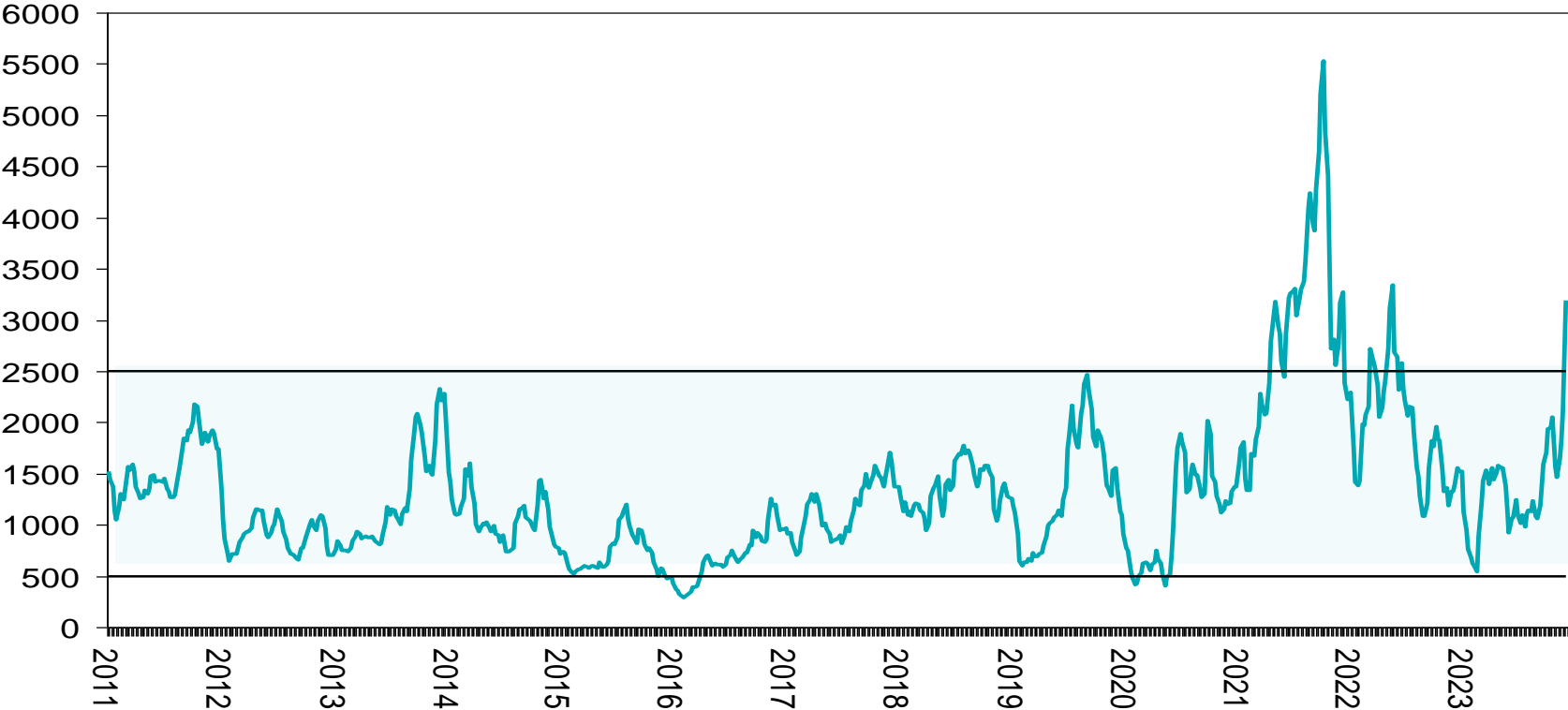
# SA equity market

Index



# Baltic Dry Index (shipping cost of commodities)

Index, Baltic Exchange

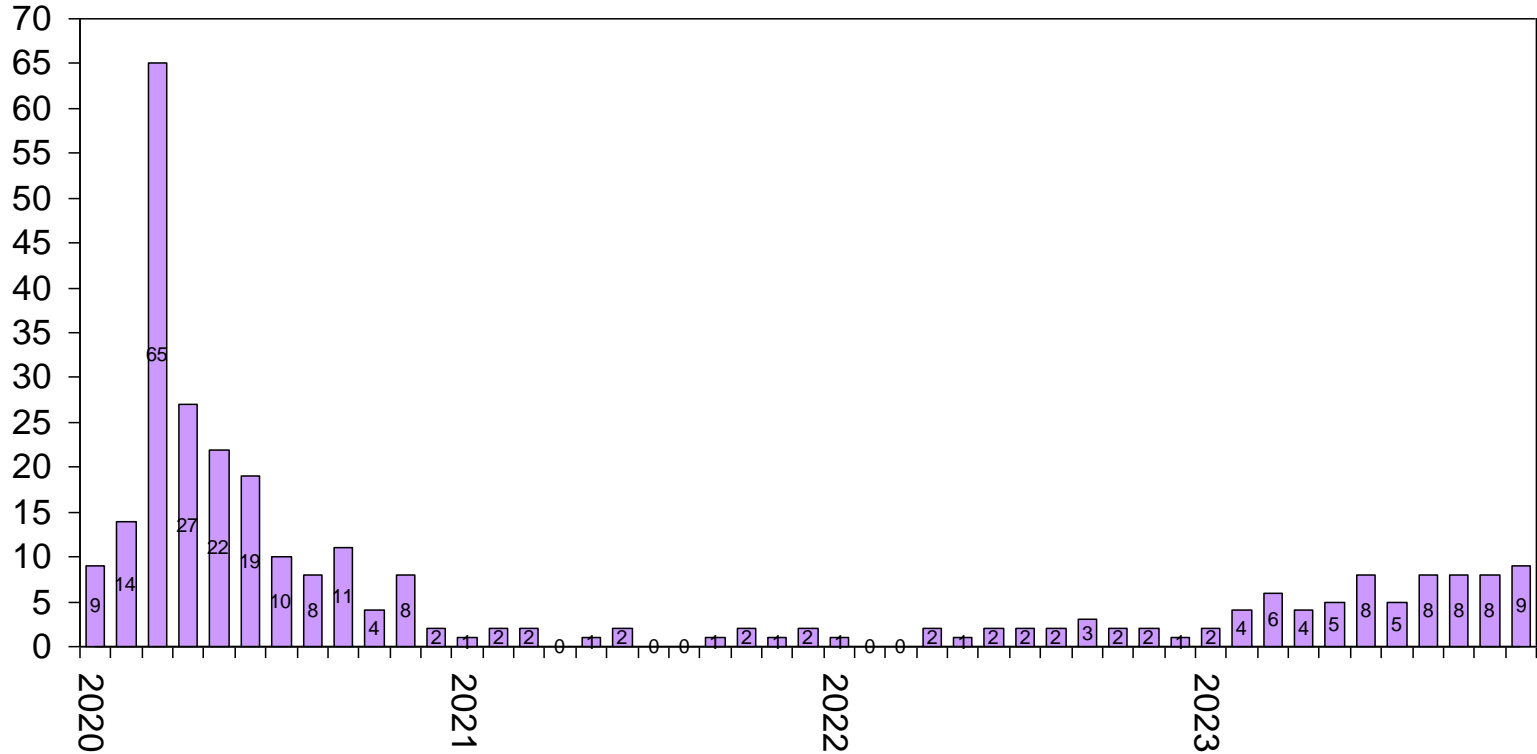


Source: Baltic Exchange



# Number of central banks cutting interest rates each month

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





## US fast economic data: 27 November to 3 December 2023

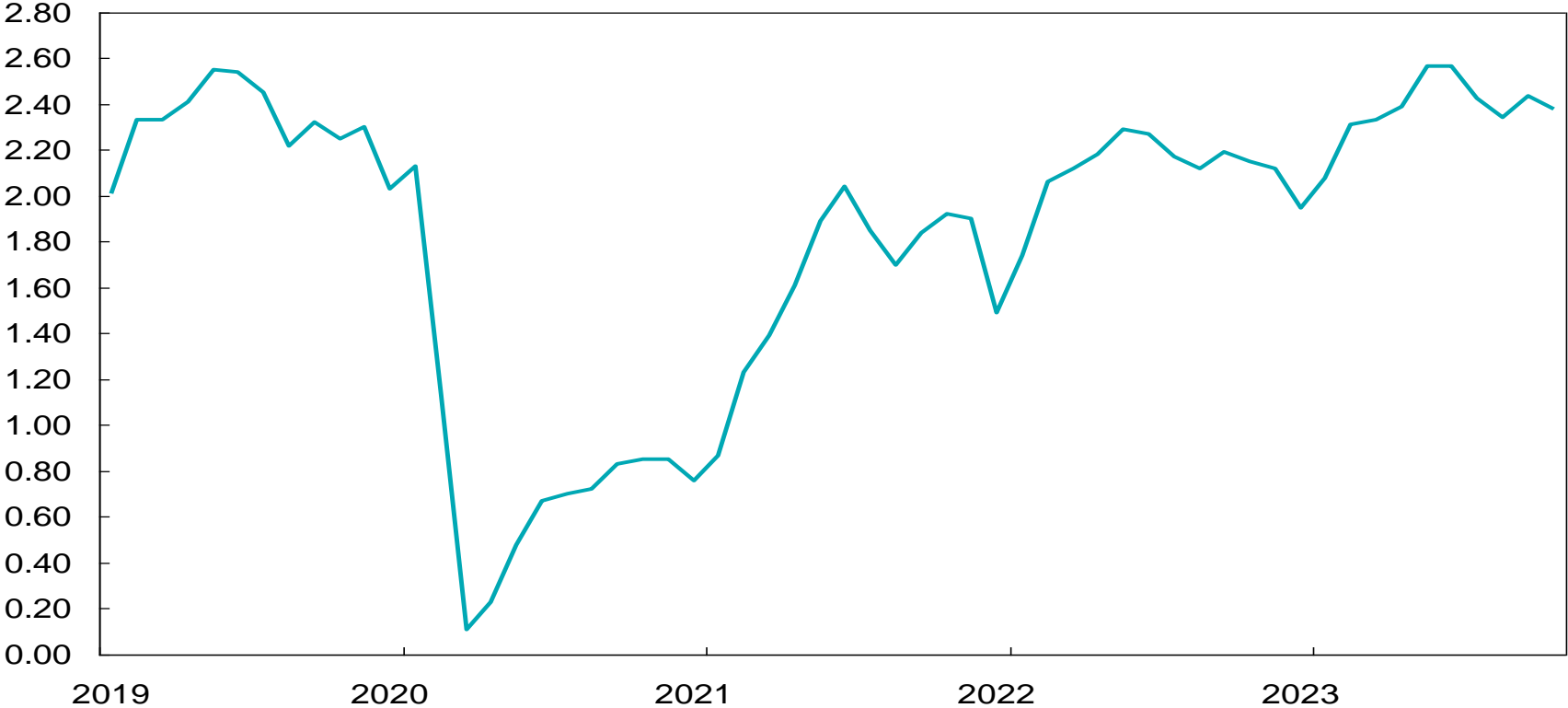
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- US airport passengers monthly
- US weekly motor gasoline sales
- US oil and gas rig count
- US weekly rail traffic

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# US number of airport passengers (monthly)

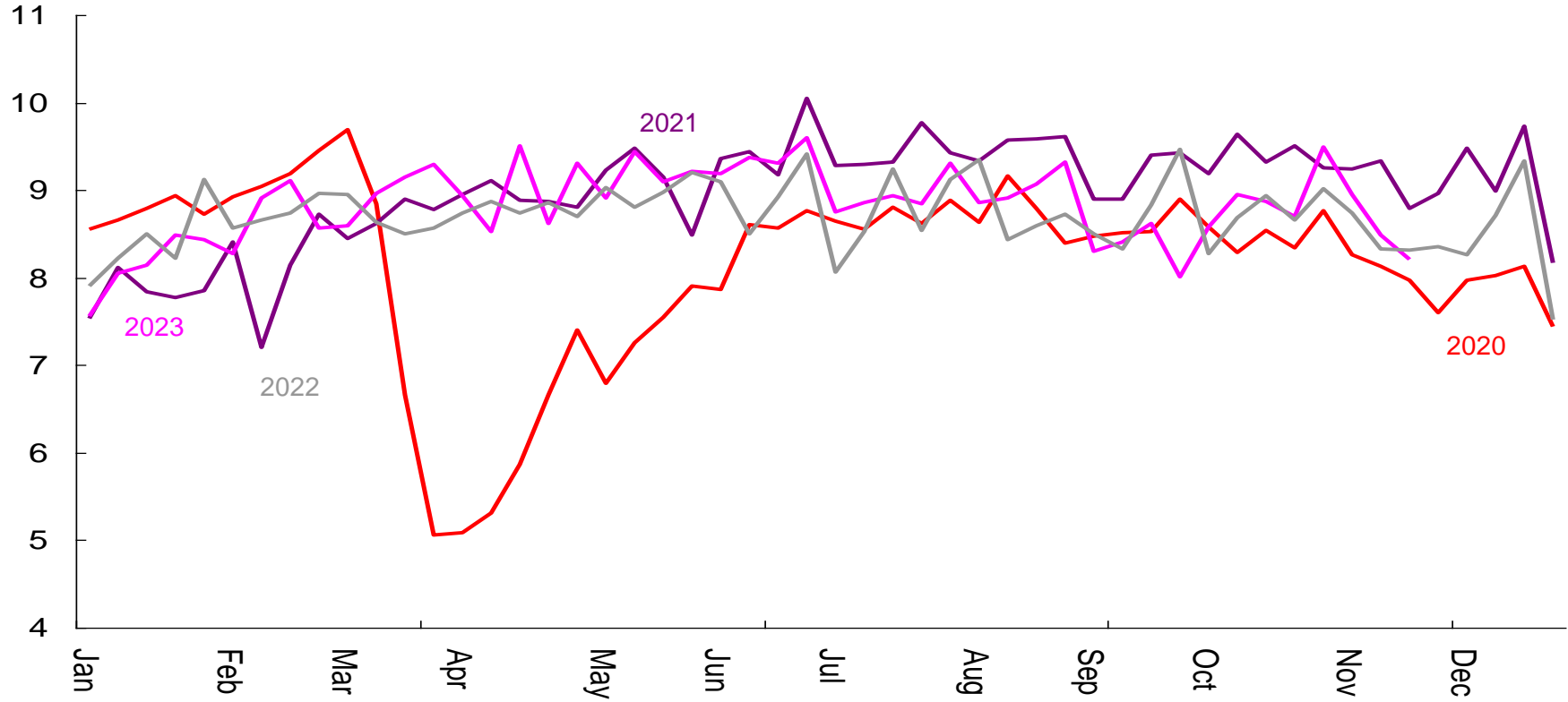
Number of passengers, millions



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

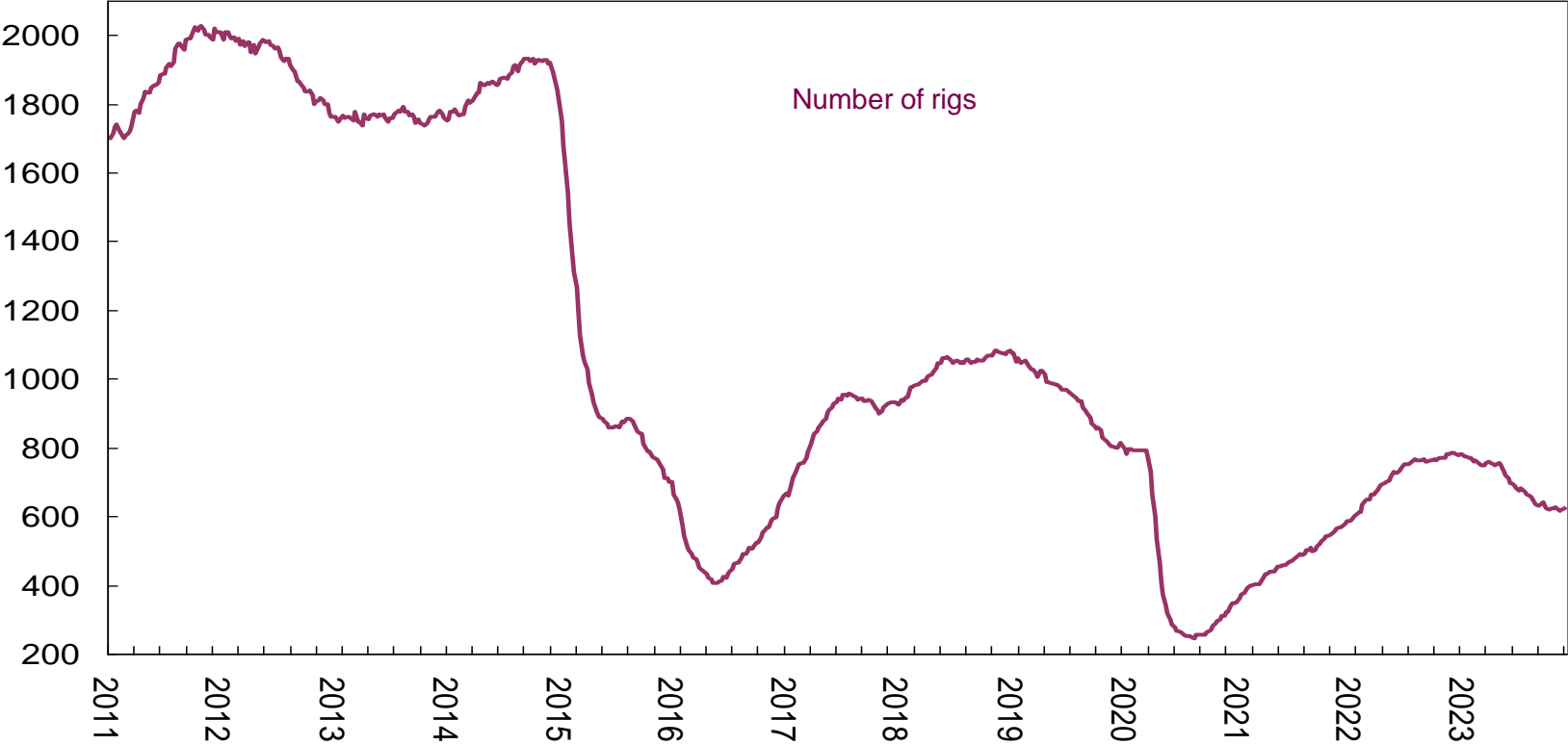
# US weekly motor gasoline supply

Million barrels per day



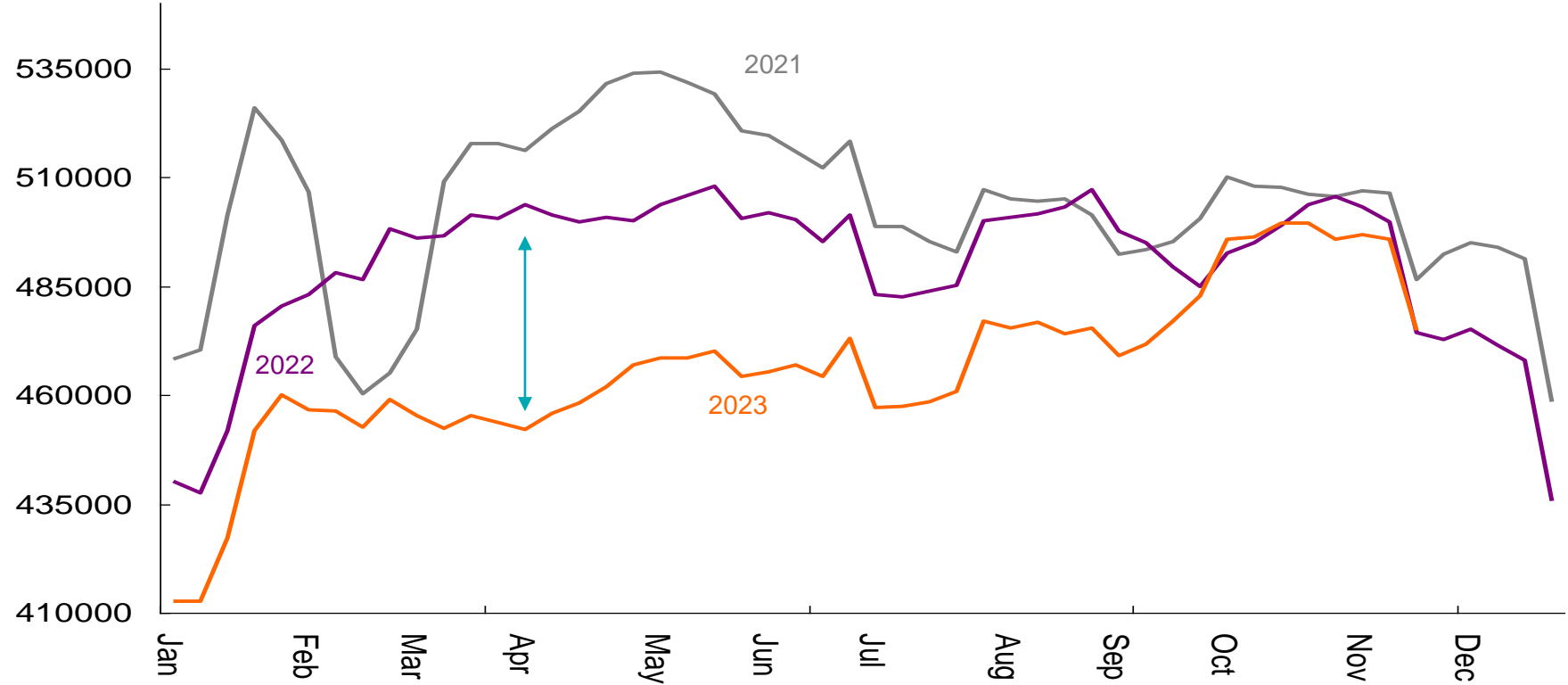
# US oil and gas rig count

Number of rigs



# US weekly rail traffic

Carloads and/or intermodal units



## SA energy crisis: 27 November to 3 December 2023

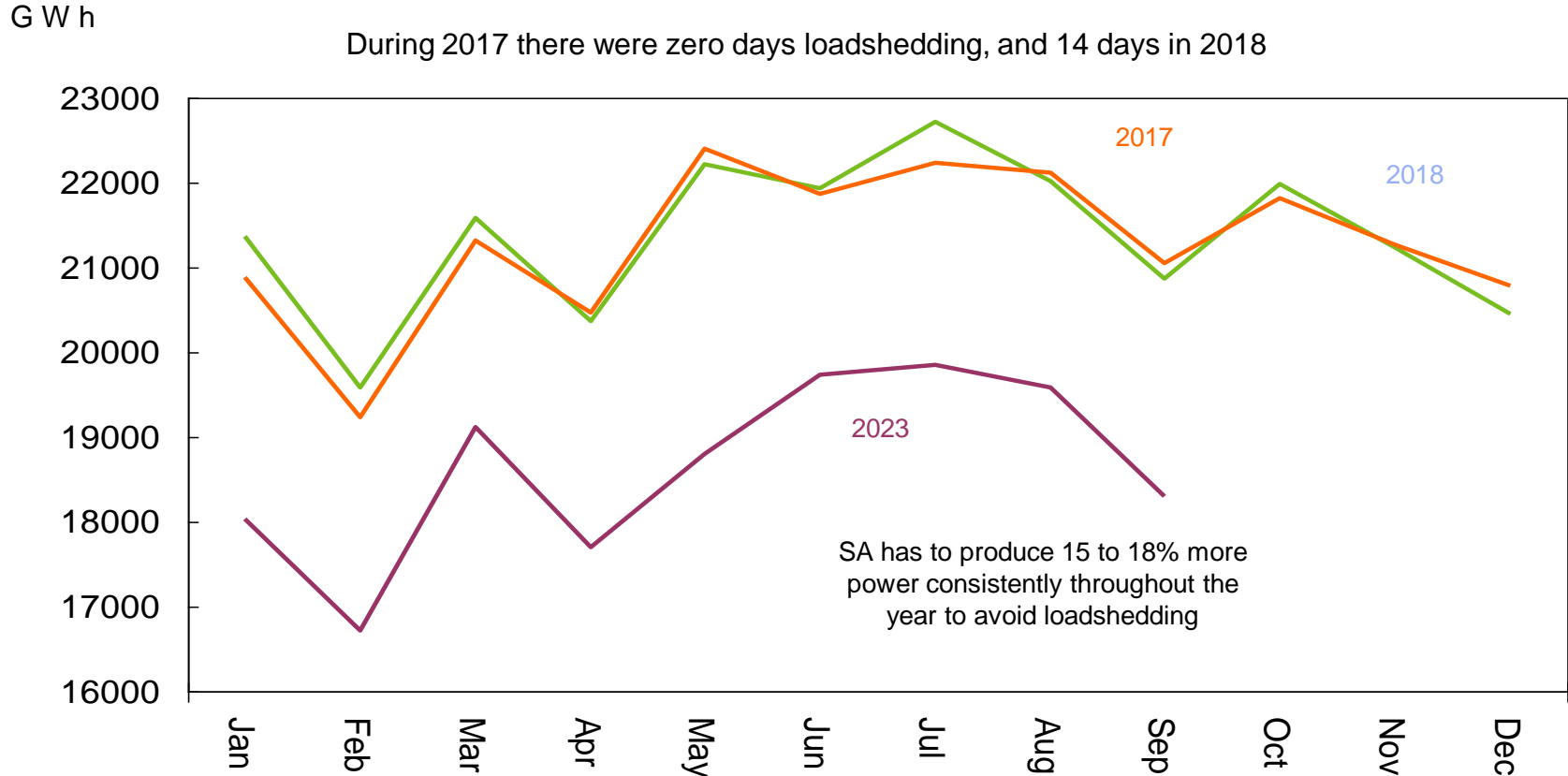
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- Independent Power projects (NERSA)
- SA number of days of load-shedding
- Eskom's Energy Availability Factor (EAF)



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# South Africa electricity production: 2017/2018 vs 2023



## Private sector power projects (NERSA)

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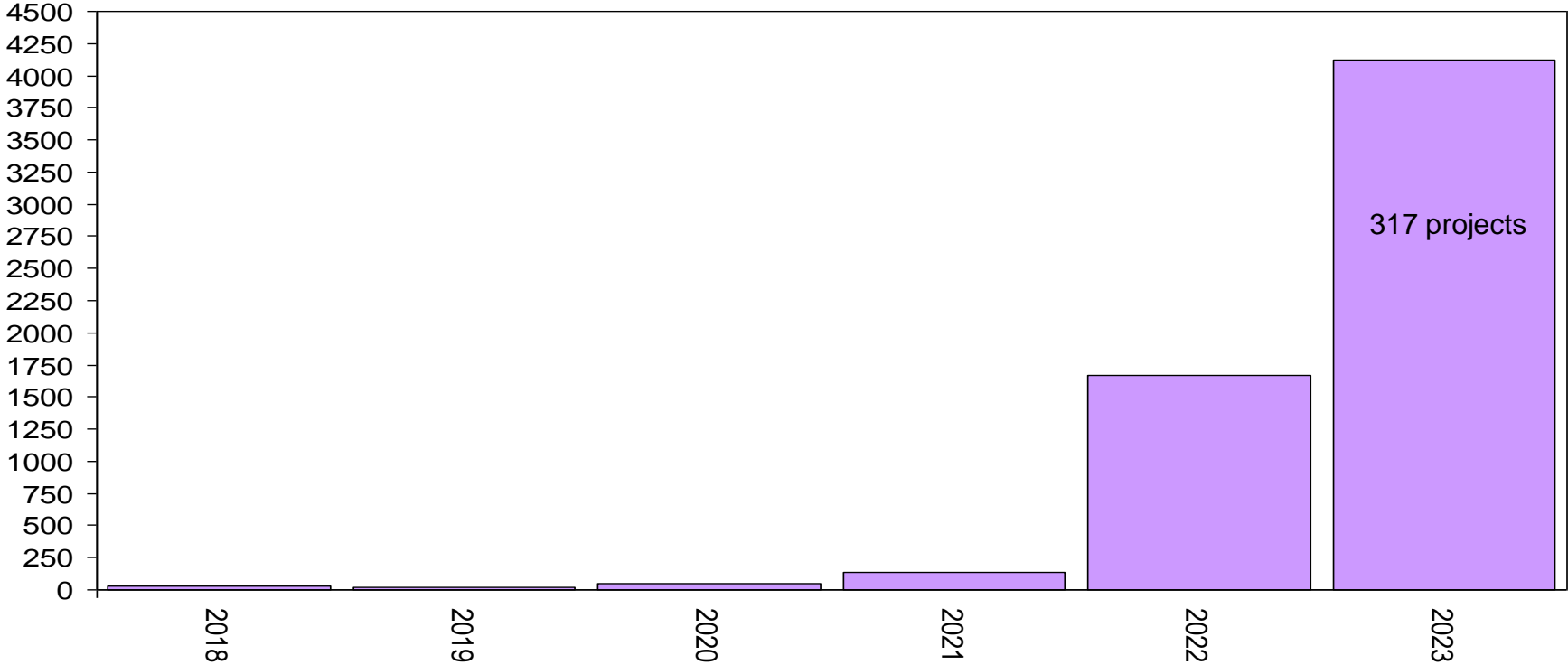
Year	Number of projects	MW of all projects
2018	52	26
2019	41	23
2020	124	53
2021	282	134
2022	406	1664
2023*	317	4126

\* Jan-October 2023



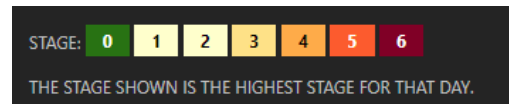
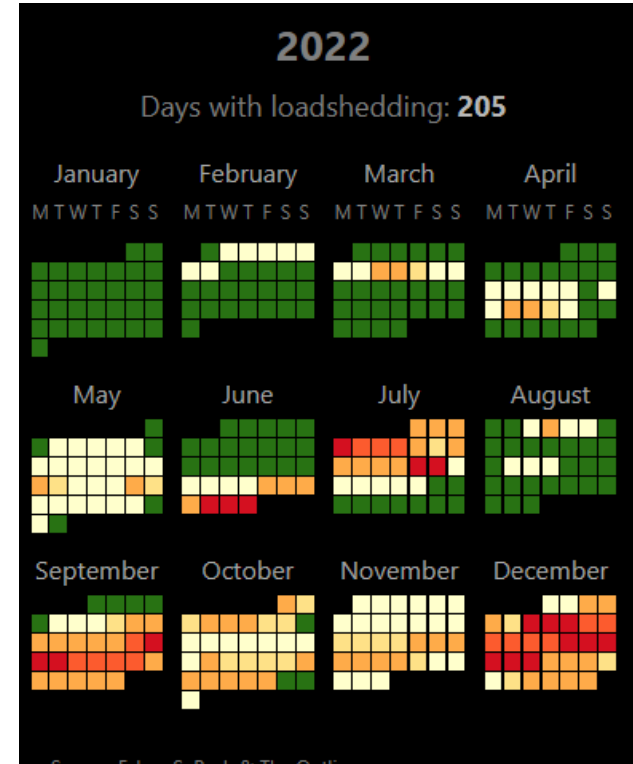
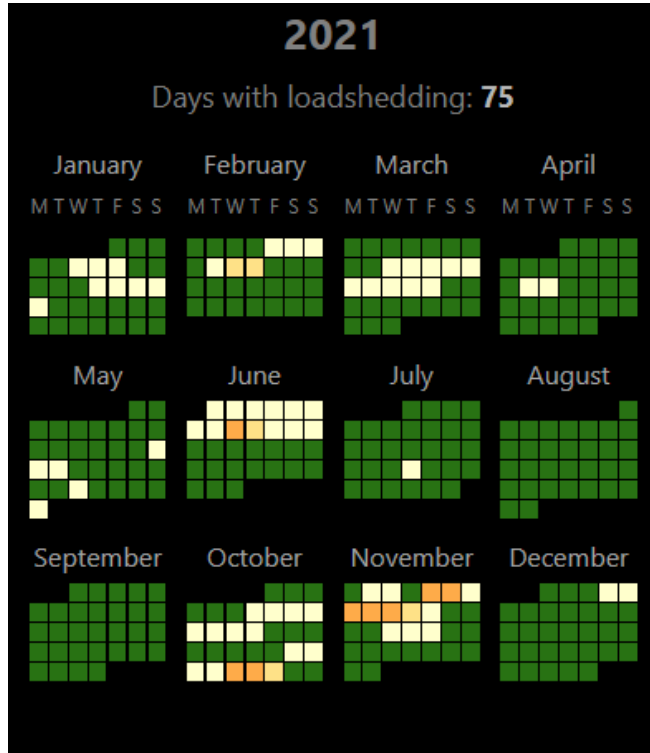
# SA private renewable energy projects (outside of REIPPP)

MW (January to September 2023)

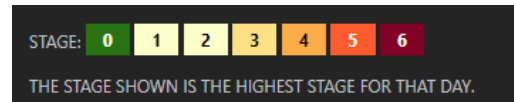
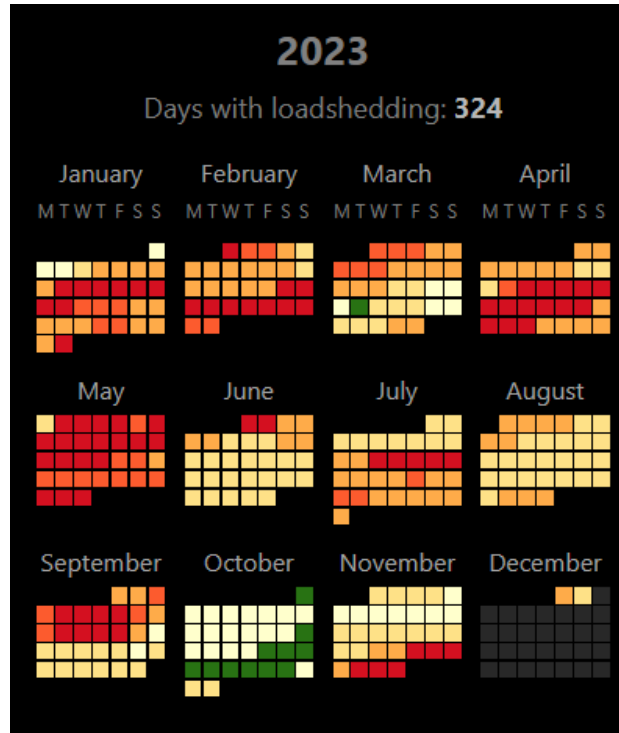


Source: NERSA

# South Africa number of days of loadshedding

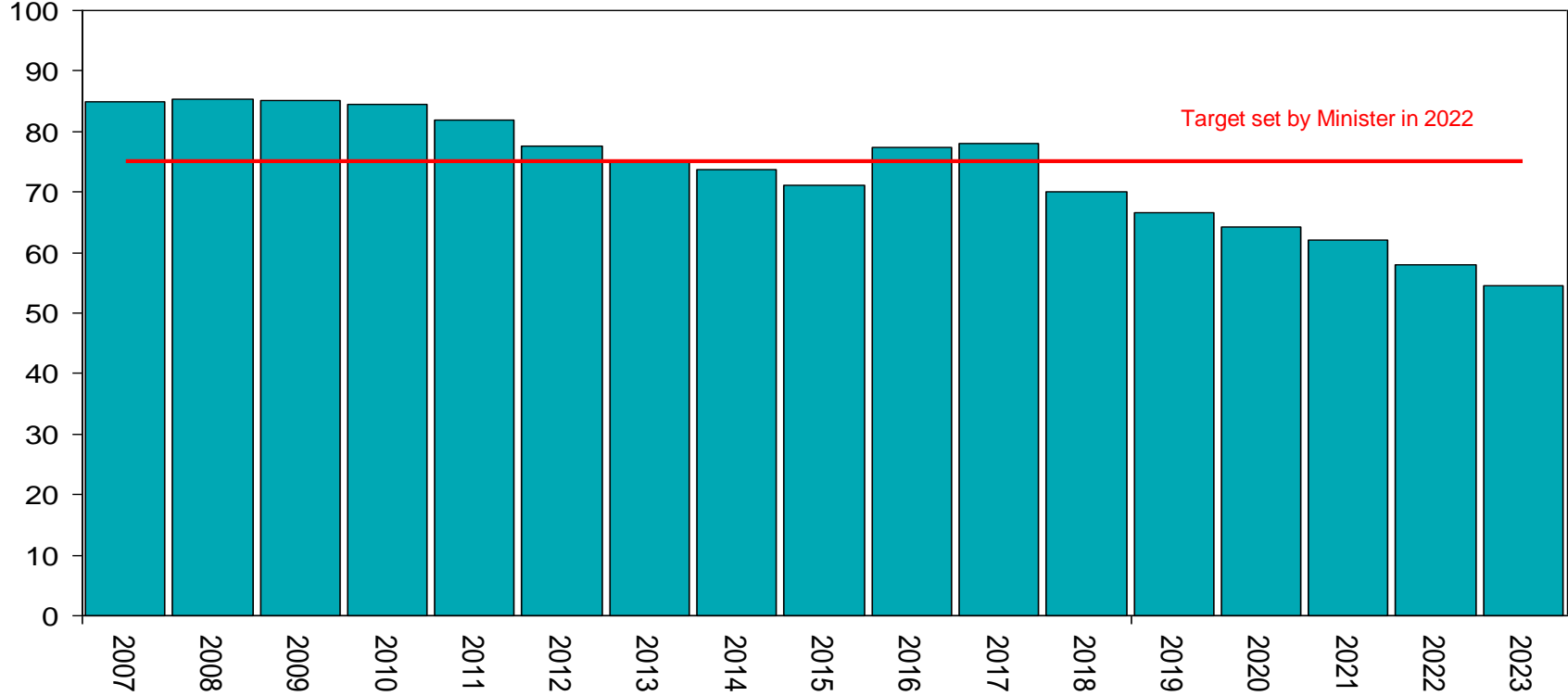


# South Africa number of days of loadshedding



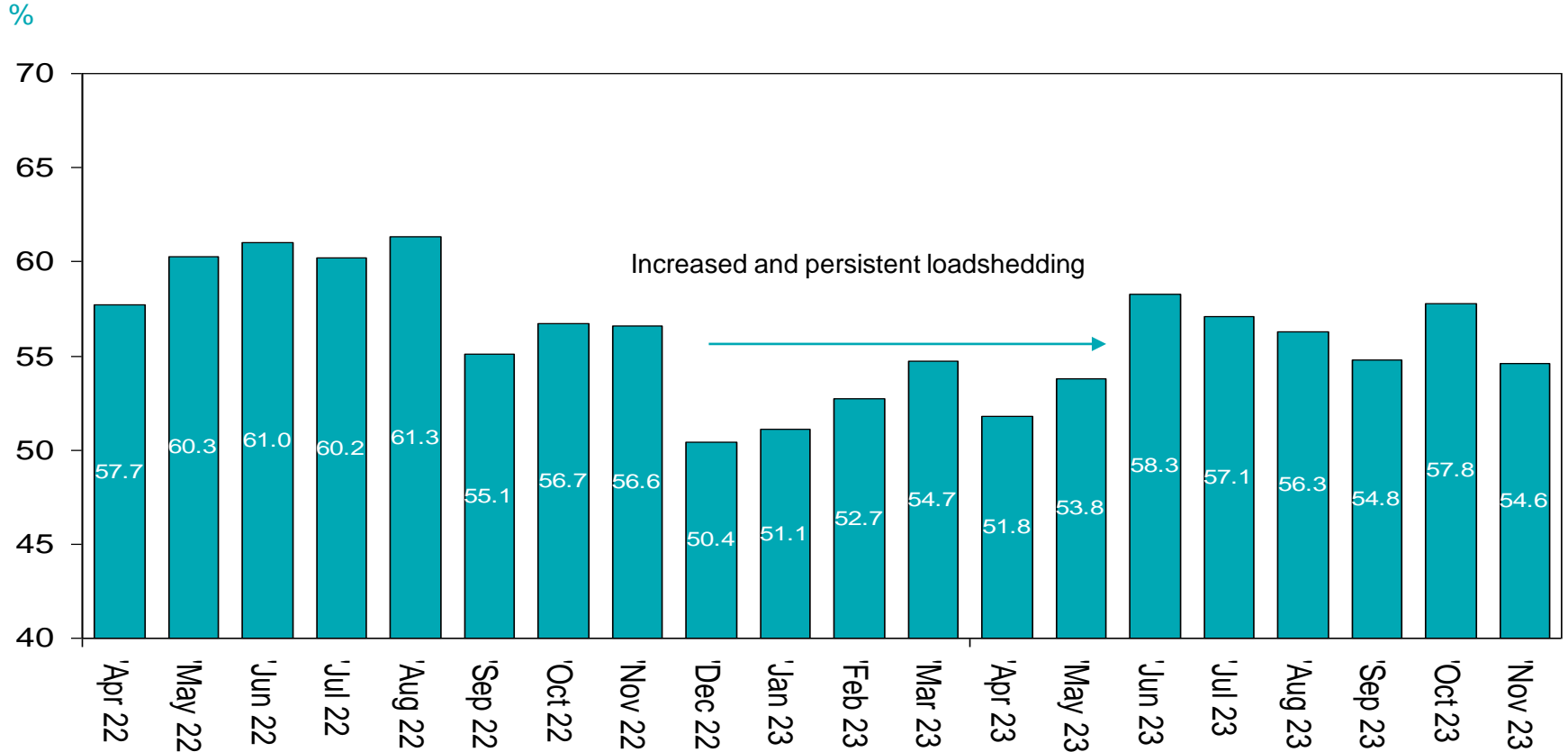
# Eskom Energy Availability Factor (EAF)

Percent

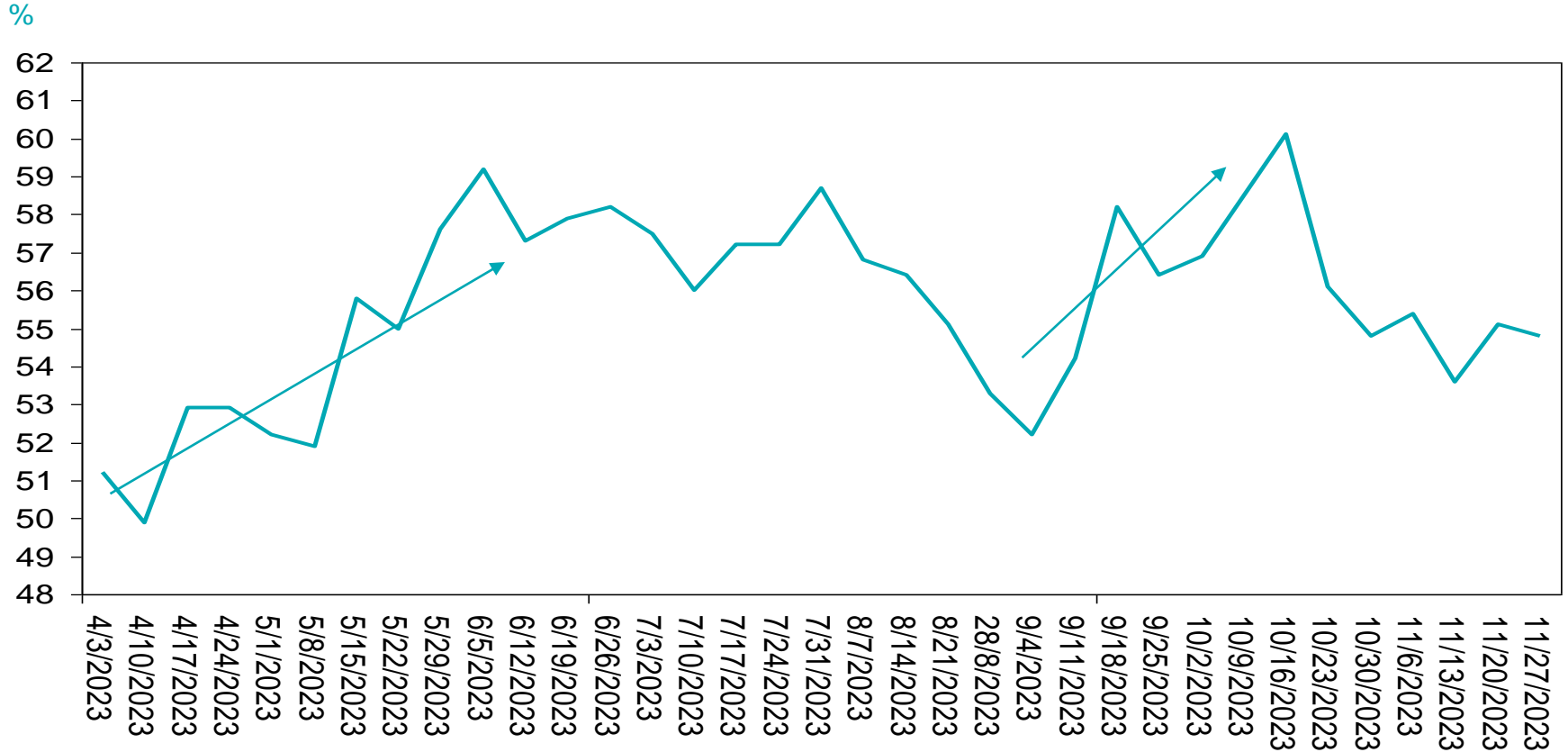


Source: Eskom

# ESKOM Energy Availability Factor (EAF) - monthly



# ESKOM Energy Availability Factor (EAF) - weekly



## Global climate data: 27 November to 3 December 2023

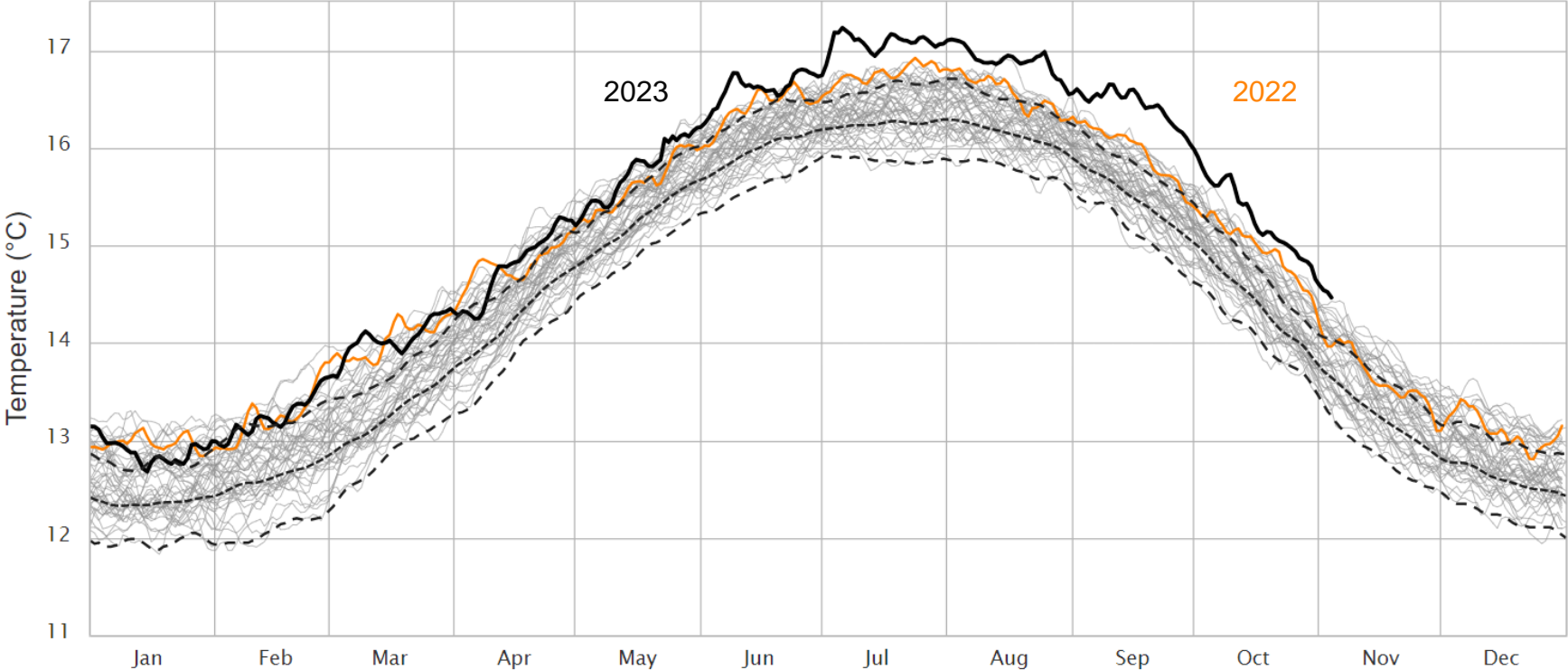
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- World air temperature
- Northern Hemisphere air temperature
- Southern Hemisphere air temperature
- Arctic air temperature
- Antarctic air temperature
- Tropics air temperature (23.5°S to 23.5°N)
- Daily sea surface temperature

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

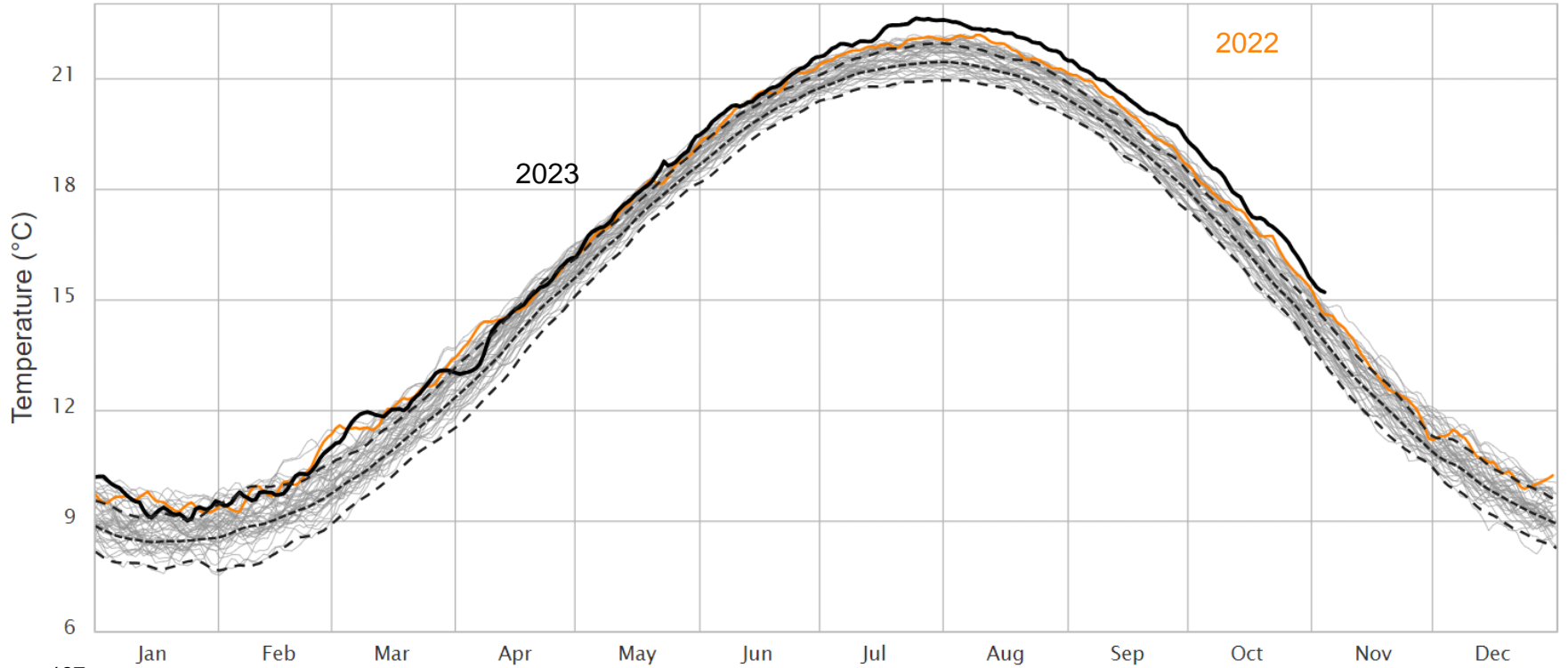
Average, temperature, degrees Celsius





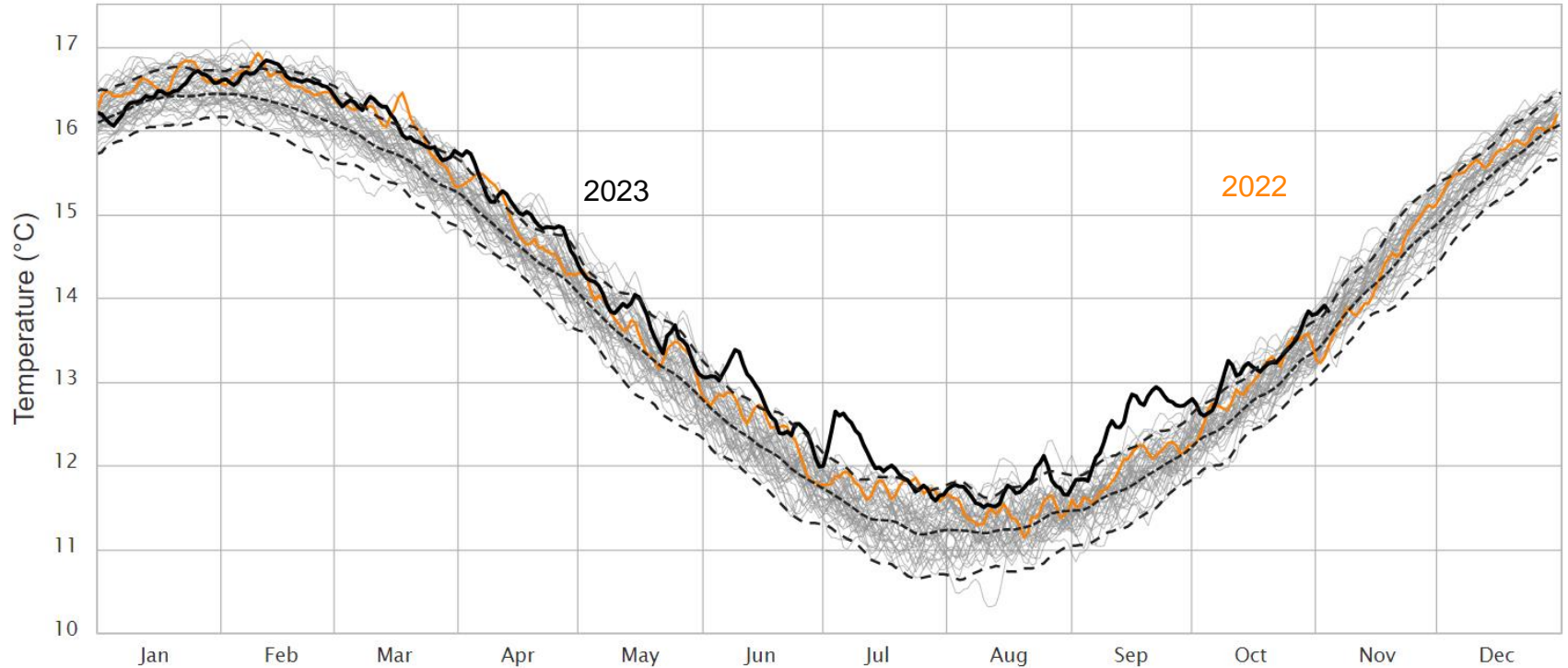
# Northern Hemisphere air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



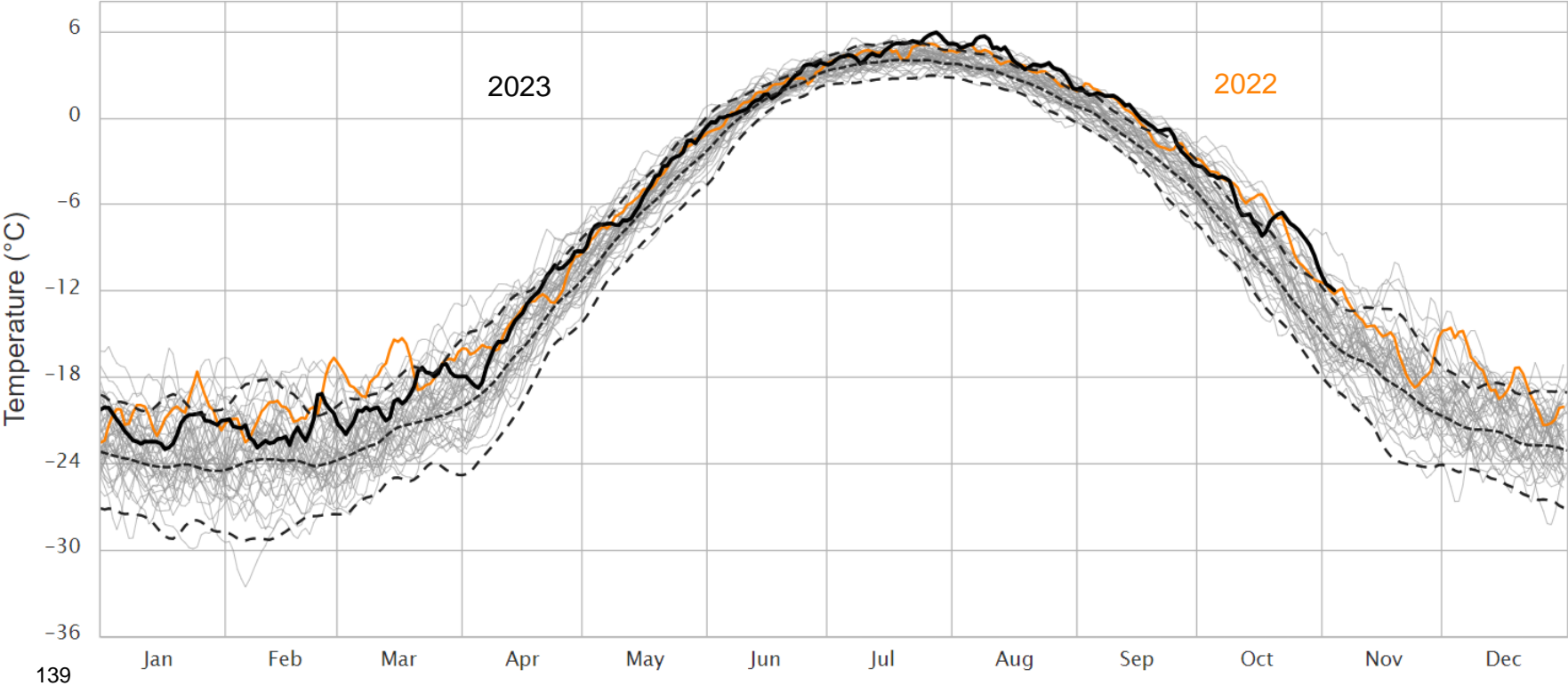
# Southern Hemisphere air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



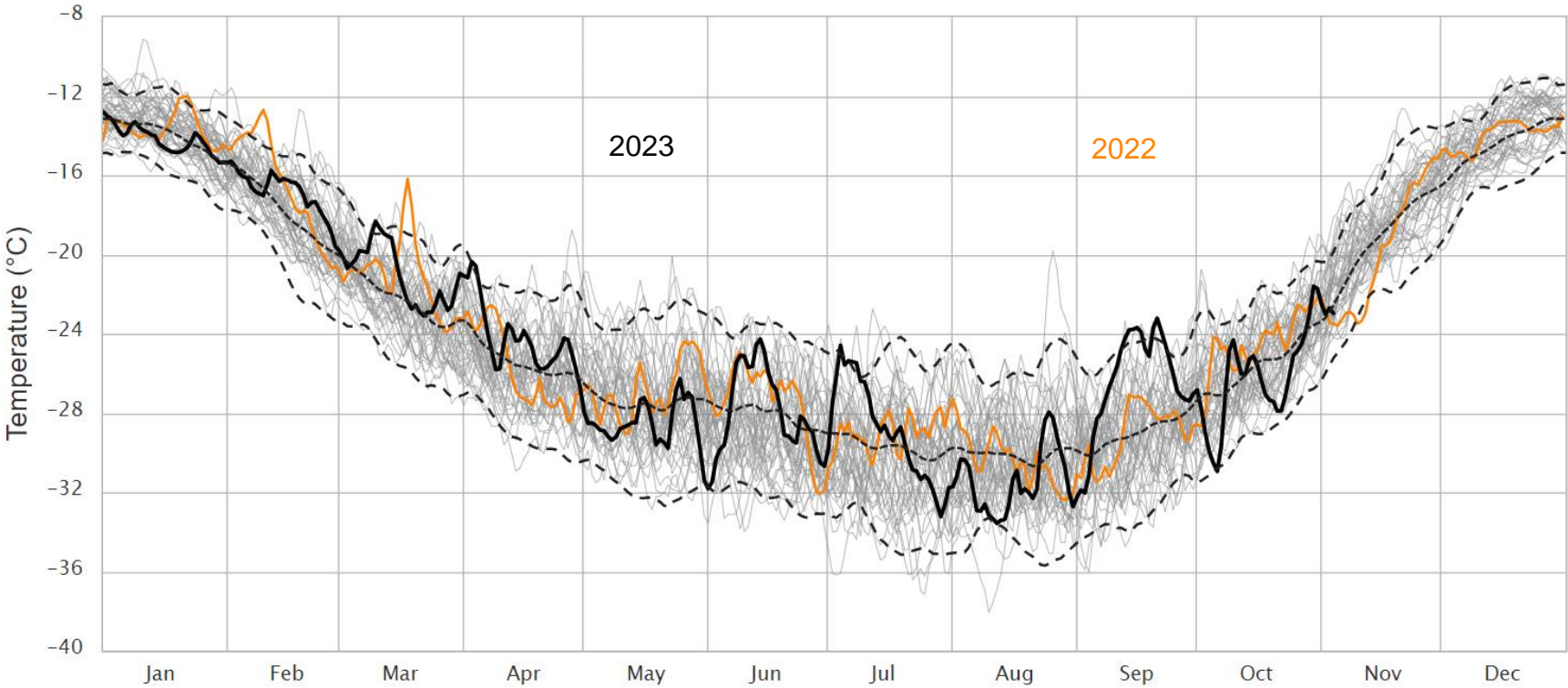
# Arctic air temperature (at a height of 2 meters)

Average, temperature, degrees Celsius



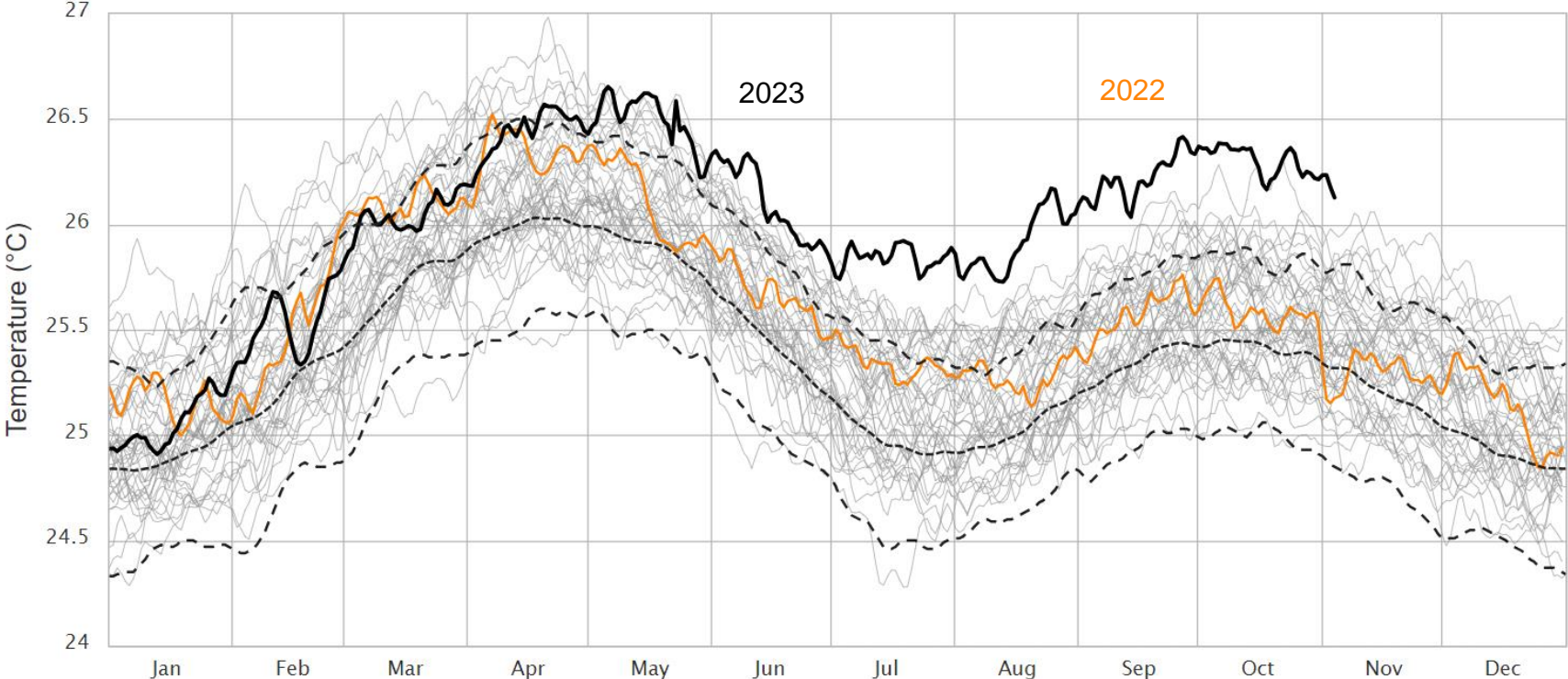
# Antarctic air temperature (at a height of 2 meters)

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

