



glacier
invest



Glacier Invest | Market snapshots

Monthly edition | November 2024 recap



glacier
invest



Monthly market recap | November in review

Market news

- Manufacturing production in South Africa shrank by 0.8% y/y in September, following a similar revised decline in the prior month and marking the second consecutive period of downturn.
- Manufacturing Purchasing Manager's Index (PMI) in the US remained below the all-important 50 level in November, although it rose from 48.5 to 48.8. Services PMI, by contrast, surged from 55 to 57, well above consensus expectations.
- There were almost 1.49 million unemployed people in the UK in the three months to September 2024. The figure in December 2020 was the highest number since July 2015, when there were almost 1.84 million unemployed. The rise in unemployment in summer 2020 can be attributed to the COVID-19 pandemic and closure of significant parts of the UK economy.
- Retail sales in the Eurozone increased by 0.5% in September compared with 1.1% in August. Retail sales averaged 0.1% m/m from 1995 to 2024, reaching a record high of 19.3% in May 2020 and a record low of -11.3% in April 2020.

International markets

MSCI World (\$)	4.59%
Global Bonds (\$)	0.34%
Global Property (\$)	2.42%
MSCI EM (\$)	-3.58%
FTSE (£)	2.49%
S&P 500 (\$)	5.87%

Bond market

All Bond	3.06%
Bonds 1-3 years	1.03%
Bonds 3-7 years	2.32%
Bonds 7-12 years	3.20%
Bonds 12+ years	4.00%

Local markets

FTSE/JSE All Share	-0.94%
Industrials	-0.97%
Resources	-6.59%
Property	1.65%
Financials	0.48%
Cash	0.65%

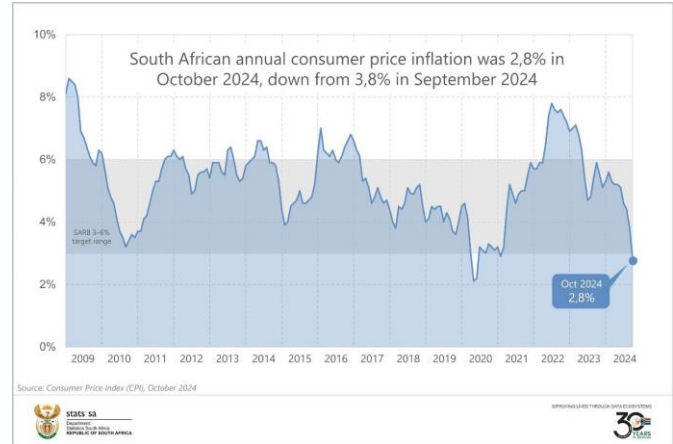
Currency

Rand vs USD	-2.12%
Rand vs EURO	0.60%
Rand vs GBP	-1.00%
Rand vs JPY	-0.26%
Rand vs AUD	0.002%



SA inflation cools in October

- According to Statistics SA, annual Consumer Price Inflation (CPI) dropped from 3.8% y/y in September to 2.8% y/y in October. CPI decreased by 0.1% m/m in October.
- October's print is the lowest since June 2020 (during the Covid-19 pandemic) when the rate was 2.2% y/y.
- Looking even further back, inflation hasn't been lower than 2.8% y/y since 2005 – nearly two decades ago.
- Falling fuel prices remain the primary factor behind the slowdown. Petrol and diesel prices decreased by 5.3% y/y between September and October.



Source: BusinessTech, Moneyweb, Business Day, Statistics SA – November 2024

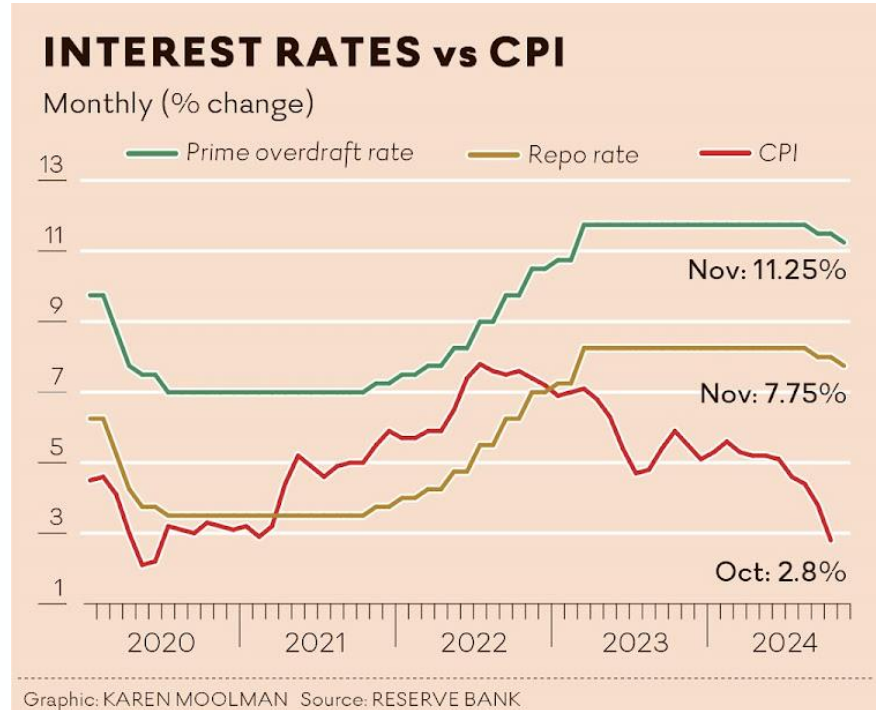


SARB cuts interest rates by 25 bps

- The Monetary Policy Committee announced its first interest rate cut earlier this year in September. This is the first cut since 2021 after 475 basis points of hikes that took the repo rate to a 15-year high of 8.25%.
- The South African Reserve Bank only made slight tweaks to its inflation projections for the next few years. It still sees inflation staying below 4% until the middle of next year.

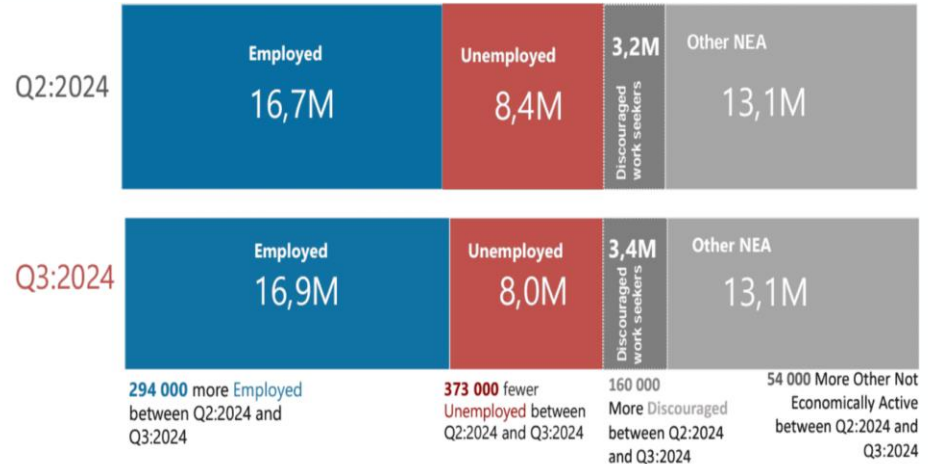


Source: IOL News, Reuters, South African Reserve Bank, Business Live – November 2024



SA unemployment rate dips in Q3

- The official South African unemployment rate decreased to 32.1% in Q3 from 33.5% in Q2. This is the first time the official rate has fallen in a year, according to Stats SA.
- The number of employed persons increased by 294 000, reaching a total of 16.9 million. 373 000 fewer individuals were classified as unemployed between Q2 2024 and Q3 2024, bringing the total to 8 million.
- The decline in unemployment in Q3 was driven by rising employment in six of the 10 industries tracked by Stats SA: community and social services, construction, trade, agriculture, mining and utilities.
- There were job losses in transport, manufacturing, private households and finance.



US Fed cuts interest rates

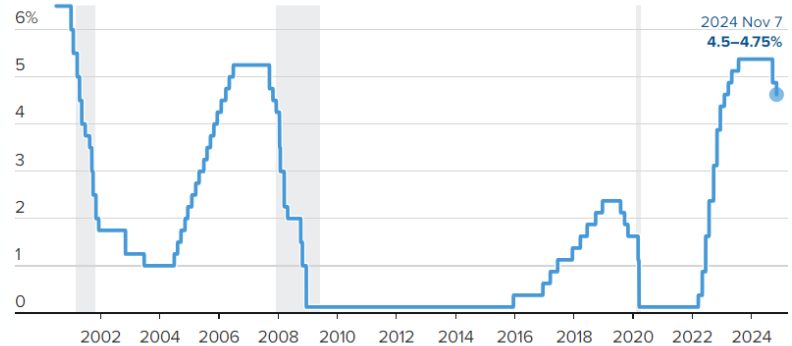
- The US Federal Reserve cut interest rates by 25 bps in November to a target range of 4.50-4.75%.
- This marks the second rate cut since the central bank initiated its policy of lowering borrowing costs in September, although this time the cut was more modest.
- The decision was facilitated by easing inflation and a softening labour market.
- Further rate cuts are anticipated in 2025, but the exact number remains uncertain due to potential influences from proposed policies by Trump. These include tax reductions, deregulation, broad-based tariffs, and large-scale deportations. The timing and full economic impact of these measures on the US economy have yet to be clearly defined.



Source: CNN Business, CNBC, CartoonStock - November 2024

Federal funds target rate

July 2000–November 2024



Note: From December 2008 to present, the chart reflects the **midpoint** of the Federal Reserve's target range. The target rate began in 1982.

Shaded areas indicate recessions as defined by the [National Bureau of Economic Research](#).

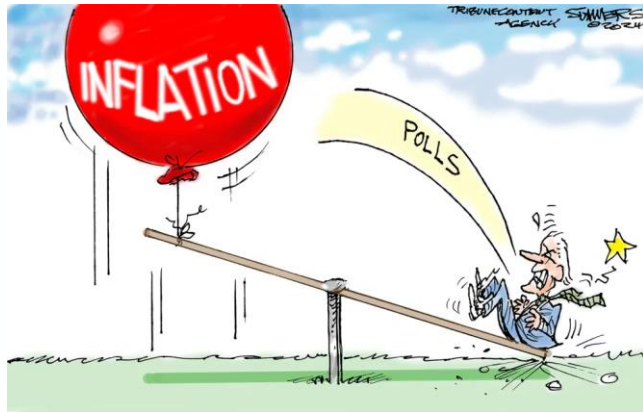
Source: [Federal Reserve Bank of New York](#)

Target rate as of Nov. 7, 2024



US annual inflation increases

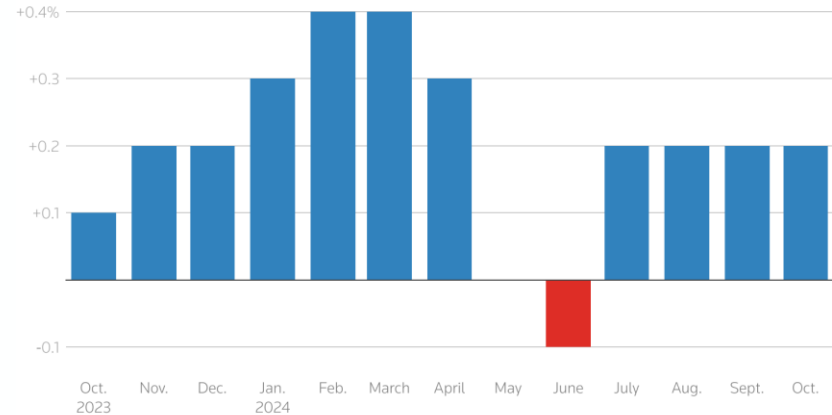
- US CPI, which tracks prices across a broad range of goods and services, rose by 0.2% in October, bringing the annual inflation rate to 2.6% y/y.
- Core inflation, excluding food and energy, accelerated 0.3% to reach 3.3% y/y.
- Energy prices, which have trended downward in recent months, remained steady in October.



Source: CNBC, Reuters, Daily Press - November 2024

Monthly change in US Consumer Price Index

Prices rose 0.2% in October



Data are seasonally adjusted. Published November 13, 2024 at 1:37 PM GMT

By Reuters • Sources: Bureau of Labor Statistics, LSEG



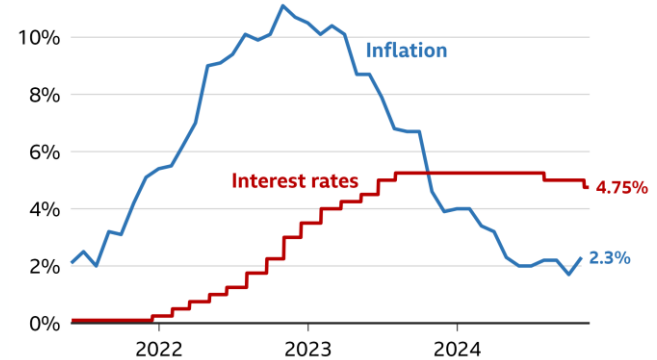
BOE cuts rates by 25 bps

- The Bank of England (BOE) cut interest rates to 4.75% from 5% in November for only the second time since 2020 and said future reductions were likely to be gradual.
- The BOE's cautious language on future interest rate cuts was similar to previous months, in keeping with investors' view that it is likely to cut interest rates more slowly than the European Central Bank.
- Policymakers cited the continued easing of inflation as a key factor in their decision. However, they highlighted that the government's fiscal plan had prompted an upward revision in their growth and inflation projections.
- The BOE said inflation was likely to rise to around 2.5% by the end of this year from 1.7% in September and hit 2.7% by the end of next year, before falling gradually below its 2% target by the end of the three-year forecast period.



Source: Reuters, CNBC, BBC News, X (Andy Davey) – November 2024

Inflation and interest rates



Source: ONS, Bank of England. Last update: 20 Nov 2024

BBC

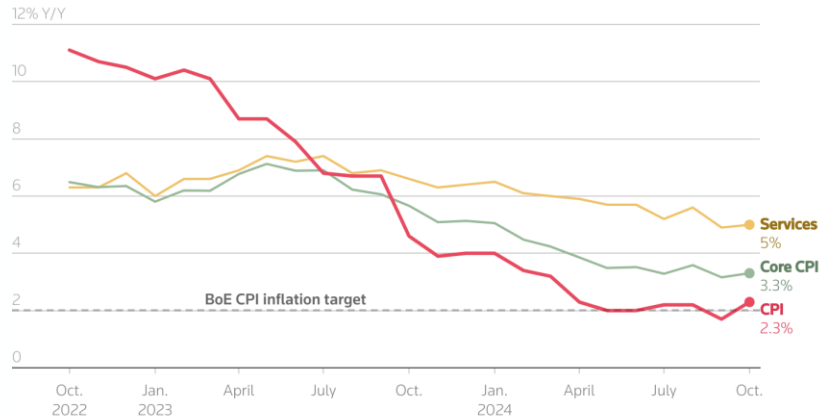


UK inflation rises to 6-month high

- UK inflation exceeded expectations in October, rising to 2.3% y/y and surpassing the BOE's 2% target.
- This rebound, driven primarily by higher regulated domestic energy tariffs, follows a 1.7% increase in September. This is the first time that inflation has risen above target since 2021.
- The increase took inflation to a six-month high and represented the biggest m/m rise in the annual CPI since inflation peaked in October 2022.
- Core inflation, which excludes energy, food, alcohol and tobacco prices, picked up to 3.3% y/y from September's 3.2% y/y.
- Services inflation - which the BOE views as a key measure of domestically generated price pressure - rose to 5% y/y in October from 4.9% y/y in September

UK inflation rises by more than expected in October

British inflation rose to an annual rate of 2.3% in October from 1.7% in September, going back above the Bank of England's 2% target. Core price growth and inflation in the service sector rose slightly.



Source: ONS | Reuters, Nov. 20, 2024 | By Pasit Kongkunakornkul



Eurozone economy grows in Q3

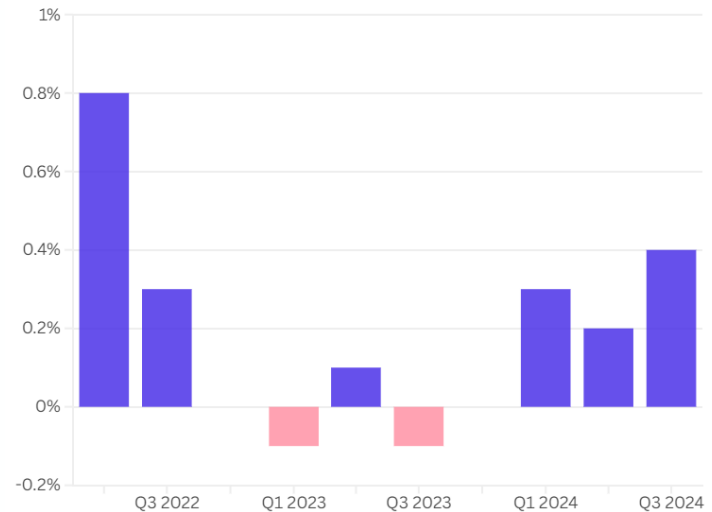
- The Eurozone economy grew 0.4% in Q3 2024, according to the European Union's statistics agency.
- Spain saw one of the highest growth rates, increasing 0.8% on the previous quarter, while Ireland, which generally records volatile figures due to the high proportion of international corporations, increased 2%.
- Germany, the Eurozone's largest economy, posted unexpected GDP growth of 0.2% in Q3. This performance enabled Germany to narrowly avoid a recession, defying earlier forecasts by some economists, despite ongoing challenges in its critical manufacturing sector.



Source: CNBC, Eurostat, Cartoon Movement - November 2024

Euro zone economic growth

Percentage change from previous quarter



Source: Eurostat



China CPI increases at a slower pace

- China's CPI dropped 0.3% m/m against an unchanged outcome in September and below a forecast 0.1% decline.
- The producer price index (PPI) slid 2.9% y/y in October, deeper than the 2.8% fall in September, and below the expected 2.5% decline.



Source: Reuters, China Daily, Cartoon Movement - November 2024



China keeps lending rates steady

- The People's Bank of China (PBoC) kept the 1-year Loan Prime Rate (LPR) at 3.1%, and the 5-year LPR at 3.6%.
- The 1-year LPR affects corporate and most household loans in China, while the 5-year LPR acts as a benchmark for mortgage rates.
- The rate decision came after a cut of 25 bps to both the 1-year and 5-year LPRs in October.
- The PBoC kept the medium-term lending facility rate unchanged at 2% on 900 billion yuan (US\$124.26 billion) worth of one-year loans to some financial institutions, according to the bank's official statement.



Source: CNBC, Mackay Cartoons - November 2024



China's October exports hit 19-month high

- China's exports surged in October, marking the fastest growth in over two years, as manufacturers rushed shipments to key markets ahead of potential tariff escalations from the US and the European Union.
- Exports rose by 12.7% y/y to US\$309.06 billion in October — the highest jump since March 2023 when they rose 14.8%. Imports fell 2.3%, turning negative for the first time in four months.
- China's exports to the US increased an annual 8.1% in October, while exports to Europe jumped 12.7% over the same period.
- The world's second-largest economy has been grappling with weakening domestic consumption and a protracted property crisis



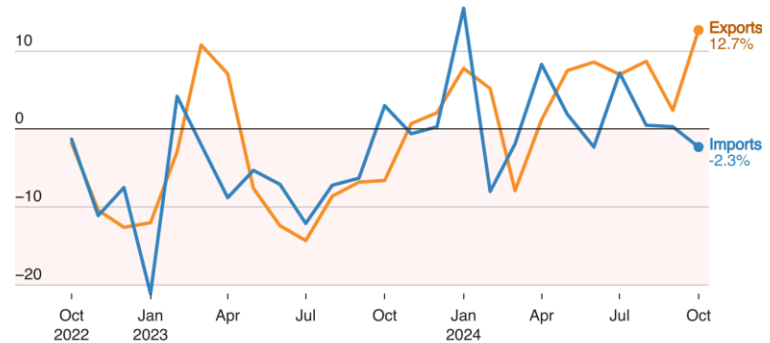
Source: Reuters, CNBC, Political calculations - November 2024

China's export growth accelerates in October

China's exports grew at the fastest pace in 27 months in October, imports turned negative for first time in four months.

Change in exports and imports

20% Y/Y

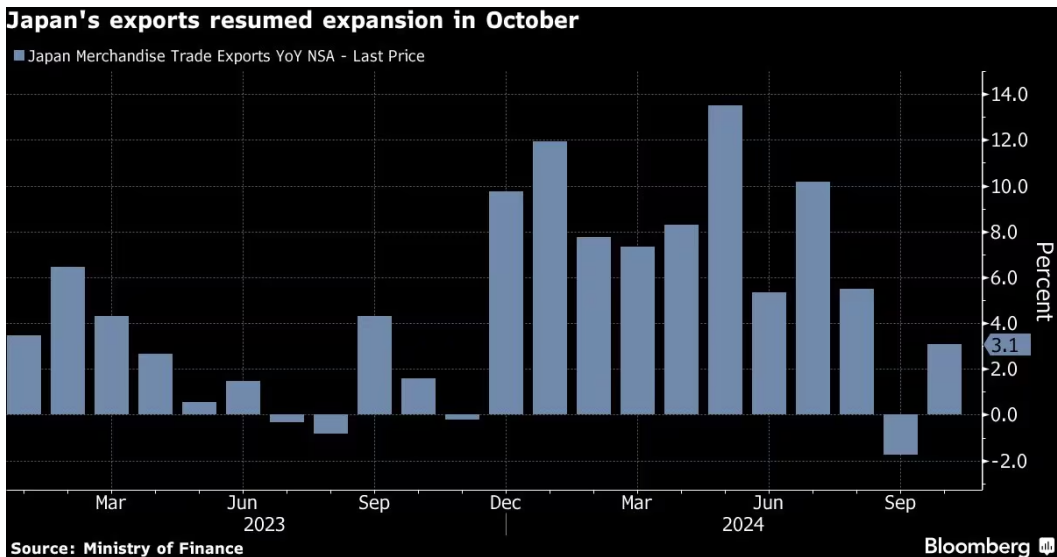


Source: LSEG Datastream | Reuters, Nov. 7, 2024 | By Kripa Jayaram



Japanese exports rebound, exceeding expectations

- Japan's exports increased 3.1% y/y in October, rebounding from a 1.7% fall in September that marked a 43-month low.
- Imports to Asia's second-largest economy increased 0.4% in October from a year earlier.
- Japan's trade deficit expanded to 461.2 billion yen (US\$2.98 billion), wider than the Reuters poll expectations of 360.4 billion yen and compared to September's revised figure of 294.1 billion yen.



Of interest: The world's 30 largest exporters

- As global protectionism intensifies, international trade flows are undergoing significant shifts.
- China's export sector demonstrates notable resilience despite rising tariffs. The country delivered goods worth US\$500 billion to the US last year, but this dynamic faces potential disruption under the Trump administration.
- The Top 30 exporting nations' global goods exports totalled US\$23.8 trillion in 2023, representing a 5% decline compared to 2022.
- Export values fell across 20 of the top 30 exporting nations, driven by an increase in trade restrictions.

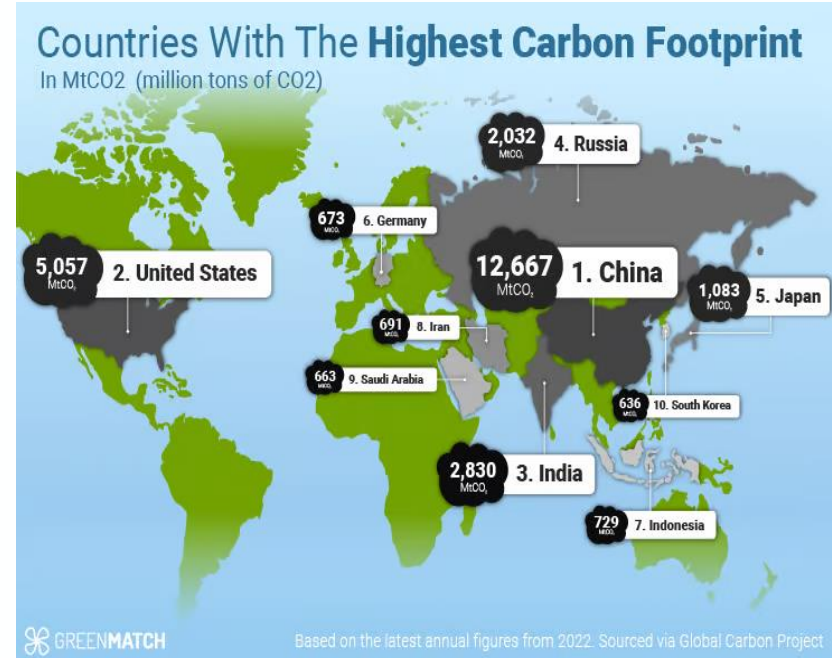


Source: Visual Capitalist – November 2024



Of interest: Global CO₂ emissions

- Global CO₂ emissions hit a record high in 2024.
- Emissions rose by 0.8% to 37.4 billion metric tonnes.
- Coal, oil, and natural gas are the main contributors.
- Despite renewable energy growth, fossil fuel use continues to dominate.



Glacier Financial Solutions (Pty) Ltd is a licensed Financial Services provider.

The information in this document is provided for information purposes only and should not be construed as the rendering of advice to clients. Although we have taken reasonable steps to ensure the accuracy of the information, neither Sanlam nor any of its subsidiaries accept any liability whatsoever for any direct, indirect or consequential loss arising from the use of, or reliance in any manner on the information provided in this document.

Sanlam Multi Manager International (Pty) Ltd FSP 845 is a Licensed Discretionary Financial Services Provider, acting as a Juristic Representative under Glacier Invest. As Juristic Representative of Glacier Invest, Sanlam Multi Manager International (Pty) Ltd manages the retail investment solutions offered by Glacier Invest.

Glacier Financial Solutions (Pty) Ltd. | A member of the Sanlam Group | Private Bag X5 | Tyger Valley 7536 | Email client.services@glacier.co.za | Tel +27 21 917 9002 / 0860 452 364 | Fax +27 21 947 9210 | Web www.glacier.co.za | Reg No 1999/025360/07 | Licensed Discretionary Financial Services Provider FSP 770, trading as Glacier Invest.

Sanlam Multi Manager International (Pty) Ltd. | A member of the Sanlam Group | Private Bag X8 | Tyger Valley 7536 | Tel +27 21 950 2600 | Fax +27 21 950 2126 | Web www.sanlaminvestments.com | Reg No 2002/030939/07 | Licensed Discretionary Financial Services Provider, Sanlam Multi Manager International acting as Juristic Representative under the Glacier Invest FSP 770.



glacier
invest

