
March 2020

World Economy

A record 6.65-million people filed jobless claims in the week ended March 28, according to the US labour department figures released. G20 finance ministers and central bankers pledged to address the debt burden of low-income countries and deliver aid to emerging markets as part of a plan to combat the coronavirus pandemic. The number of registered unemployed in Austria leapt 66% to a post-World War 2 high in March as the coronavirus pandemic wiped out jobs in sectors from tourism to retail, official data showed. Factories around the world suffered one of their grimmest months on record in March, as the coronavirus led to mass shutdowns and wreaked havoc on supply chains. Oil slumped to a 17-year low as coronavirus lockdowns cascaded through the world's largest economies, leaving the market overwhelmed by falling demand and a ballooning surplus of crude.

SA Economy

South Africa lost its last investment-grade rating when Moody's Investors Service cut it to Ba1, citing a weak economy and an unreliable power sector. South Africa recorded its biggest trade surplus in 14 months in February as exports to Europe surged. The trade balance swung to a surplus of R14.15 billion from a revised deficit of R2.72 billion in January, the South African Revenue Service said in a report. The JSE dropped 22.06% in the first quarter of 2020, its worst in nearly 22 years. Motorists will pay at least R1.30 less per litre of fuel when they fill up from Wednesday April 1, the energy department has announced. The drop was caused by a crash in oil prices amid a price war between Saudi Arabia and Russia, coupled with lower demand for oil due to the coronavirus pandemic. Annual growth in formal sector jobs rose marginally in the final quarter of 2019, driven by growth in community services and trade, Stats SA data revealed, but the picture is likely to worsen in the year ahead, said economists, as SA faces the consequences of a 21-day lockdown needed to slow the spread of the coronavirus. Figures released by the department of trade and industry show that in March, domestic new-car sales were 26.8% below March 2019. The total market for the first quarter of 2020 fell 12.8% compared to 2019. The Absa PMI improved to 48.1 index points in March, from February's 44.3 index points, when the gauge reached more than decade lows. On a quarterly basis, however, the PMI averaged 45.9 index points, its worst quarterly performance since 2009, the bank said.

Trends and Opportunities

- March, domestic new-car sales were 26.8% below March 2019
- The JSE dropped 22.06% in the first quarter of 2020
- More than 10 million people filed jobless claims in the USA in March 2020

"We do not want new orders. What the world wants is an old order of 2,000 years ago – the order of the man of Galilee. " - Jan Smuts

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