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## November 2019

### World Economy

According to data released by CPB (China Peoples Bank), world trade volumes fell by a substantial 1.3% month-on-month in September 2019. Effectively, world trade has been in recession for most of 2019. This will be the first annual decline in world trade since the global financial market crisis in 2009. In September 2019, US house prices, as measured by the Case Shiller Composite 20 Index, rose by a solid 0.4% m/m (seasonally adjusted). Over the past year, house prices are up a relatively modest 2.1% y/y, which is close to the slowest annual increase since August 2012. The Institute for Supply Management data showed the US factory purchasing managers' index (PMI) unexpectedly declined to 48.1, near the expansion's low point, from 48.3. Official figures have shown that Britain's economy is growing at its weakest annual pace since 2010. Industry leaders see little or no improvement in 2020. China's factory activity showed surprising signs of improvement in November, with growth picking up to a near three-year high, a private sector survey showed.

### SA Economy

South Africa's gross domestic product contracted by 0.6% in the third quarter. Consumer-price growth slowed to 3.7% compared with 4.1% in September, Statistics South Africa said. Producer price inflation slowed in October to levels not seen since April 2015. The 3% year-on-year figure was down from 4.1% in September, according to information from Stats SA. Two of the five-member monetary policy committee (MPC) wanted an immediate cut in the repo rate, but it was left at 6.5%, said governor Lesetja Kganyago. The Absa purchasing managers index (PMI) fell to 47.7 index points in November from 48.1 in October, according to a release from the bank. Standard and Poor's Ratings Services (S&P) decided to leave SA's international credit rating unchanged at BB (BB is two notches below investment grade) but revised the outlook from stable to negative. The leading business cycle indicator fell to 103.2 in September from 103.8 in August, data from the Reserve Bank showed. Figures released by the department of trade & industry showed that aggregate sales across all vehicle categories fell 5.8% in November compared with November 2018. For most of 2019, monthly overseas sales have been at least 10% better than the corresponding 2018 period.

### Trends and Opportunities

- World trade has been in recession for most of 2019.
- South Africa's GDP contracted by 0.6% in the third quarter.
- SA's CPI slowed to 3.7% in October.

*"The idea is to go from numbers to information to understanding."* - Hans Rosling

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