
December 2019

World Economy

Global economic growth is forecast to edge up to 2.5% this year as investment and trade gradually recover from last year's significant weakness but downward risks persist, the World Bank says in its January 2020 'Global Economic Prospects' report. According to the World Bank, growth in the US is forecast to slow to 1.8% this year, which the institution notes reflects the negative impact of earlier tariff increases and elevated uncertainty. The euro area's growth is projected to slip to a downwardly revised 1% this year amid weak industrial activity. MPs approved legislation which will allow Britain to leave the European Union on January 31 with an exit deal. The UK GDP contracted 0.3% in November, the Office for National Statistics said in a statement, growing only 0.1% in the three months to the end of November. Manufacturing meanwhile slumped 1.7% in November.

SA Economy

SA achieved a trade surplus for November, bringing the surplus for the first 11 months of the year to over R10bn compared with the deficit for the same period last year. According to the November trade statistics released by the SA Revenue Service (Sars), the trade surplus for the month was R6.1bn. Fitch Ratings kept SA's credit rating unchanged and maintained its negative outlook, highlighting the risks posed by the country's low growth, rising government debt and exposure to state-owned entities (SOEs). Consumer price inflation (CPI) slowed in November to 3.6%, according to Stats SA data. The annual change in producer price inflation was 2.3% in November, down from 3% in October. Retail sales growth slowed marginally in October on revised figures, reaching the lowest level in seven months, according to Stats SA. In South Africa, growth is expected to pick up to 0.9%, assuming the new administration's reform agenda gathers pace, policy uncertainty wanes and investment gradually recovers. The seasonally adjusted Absa Purchasing Managers' Index (PMI) edged lower to 47.1 index points in December, down from the 47.7 index points recorded in November. The South African total new-vehicle sales market declined by 2.8% in 2019, according to data released. The new-vehicle export market provided a new yearly record, which is a 10.2% gain compared with vehicles exported in 2018. Manufacturing production declined 3.6% year-on-year, more than the 1.3% expected by economists.

Trends and Opportunities

- Naamsa expected domestic new-vehicle sales to expand by an estimated 2.3%
- Global economic growth is forecast to edge up to 2.5% this year
- The euro area's growth is projected to slip to 1% this year

"Success is a lousy teacher. It seduces smart people into thinking they can't lose." - **Bill Gates**

RvD de Kock

PJ de Jongh

NOBLE PRIVATE PORTFOLIOS (PTY) LTD

Reg No: 1996/006915/07

Suite 2 | 77 Park Drive | Northcliff | 2195

Tel: +27 (0) 11 476 8548 | Fax: +27 (0) 11 476 8375 | Website: www.noblepp.co.za

Directors: P J de Jongh, P A van Zyl, H W du Preez

Noble Private Portfolios (Pty) Ltd. is an authorised FSP in terms of the FAIS Act, 2002 (568)

Noble Private Portfolios (Pty) Ltd. is a member of StoneHouse Capital

STONEHOUSE
CAPITAL

Partnering the Exceptional