



South Africa Morning Sheet

- **We have published this morning the South Africa Q3 Quarterly Perspectives titled ‘No easy road to recovery’**
- **The July vehicle sales and PMI data due out this week will be key early reads of economic activity into Q3 20**
- **June had a record merchandise trade surplus of R46.6bn compared with an upwardly revised surplus of R19.7bn in May**

We published the Q3 South Africa Quarterly Perspectives report this morning titled ‘No ease road to recovery’, discussing our updated macroeconomic outlook and forecasts. We have revised our forecast for GDP contraction this year to 8.3% from 9.7% previously. This revision mostly reflects the better than expected data from Q1 and Q2. But given the recent escalation in new cases, we now believe that the economic recovery in H2 20 is likely to be slower than we previously expected amid extended lockdown measures, more localised disruptions to activity from ongoing COVID-19 outbreaks, and a large negative demand shock from job losses and the expiration of some of the government’s economic relief initiatives. For 2021, we forecast a partial recovery of 2.4%. South Africa’s already strained public finances will remain under immense pressure. In the Supplementary Budget presented in June, the National Treasury projected a main budget deficit of 14.6% of GDP (equivalent to a primary deficit of 9.7% of GDP) for FY2020/21. We believe the outcome is likely to be worse and project a main budget deficit of 16.6% of GDP. Finance Minister Mboweni has signalled a plan to achieve a primary balance in FY2023/24, which will require expenditure cuts worth R230bn in the next two fiscal years, over and above the planned R160bn wage bill cuts. We are doubtful that cuts of this magnitude can be achieved. Inflation is contained and will likely remain so for some time given the large negative demand shock to the economy. The current account deficit will narrow this year due to terms of trade support and weak domestic demand, but the capital account could remain under pressure in a global environment of elevated uncertainty. With respect to monetary policy, we expect another 25bp cut this year but see risks skewed in the direction of more. Given the inherent uncertainty and the magnitude of the policy challenges created by the crisis, other outcomes for the economy, relative to our baseline forecast, are possible, either for better or for worse (for a detailed discussion, see *South Africa Q3 20 Quarterly Perspectives: No easy road to recovery*, 3 August 2020).

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In the week ahead, there are a number early Q3 activity prints due out, namely, the vehicles sales and the PMI data for July. Today at 11:00, the data for the July Absa manufacturing PMI will be published. In June, the PMI showed a strong pick up in manufacturing sector after lockdown restrictions were relaxed substantially. The IHS Markit is also due to release its economy-wide PMI for July on Wednesday. This PMI survey covers the agricultural, mining, manufacturing, construction, wholesale, retail and services sectors. We believe that the economy-wide PMI improved in July as more firms opened for business under Level 3 of Lockdown. NAAMSA is also due to publish the July vehicle sales, providing some clues on the demand side of the economy. New vehicle sales improved in May and June after the hard lockdown pushed sales to a near stand-still in April. For July, we forecast that total domestic vehicle sales rose by 5%, which would still leave overall volumes down by about 20% compared to pre-lockdown levels. Meanwhile, the National Treasury is due to release the provisional financing data tomorrow at 17:00. The provisional financing data will be an early signal of the likely main budget deficit for July.

The South African Revenue Service (SARS) on Friday released the June merchandise trade balance, showing a record trade surplus. The merchandise trade data reflected a surplus of R46.6bn in June, way better than our forecast of a R8.1bn surplus. Exports rose by 10.1% m/m in the month, supported mainly by 'precious metals and stones', 'vehicle and transport equipment' and vegetable products. However, imports fell sharply during the month by 18.9% m/m, with the weakness mainly concentrated in equipment and mineral product imports. Using the SARS data, the quarterly merchandise trade surplus in Q2 20 comes to a seasonally adjusted and annualised R78.4bn, down from R203.bn in Q1. As we discussed in the *Q3 South Africa Quarterly Perspectives*, we believe that this is likely to have swung the current account balance to a deficit of 0.8% of GDP in Q2 compared to a surplus of 1.3% of GDP in Q1 20.

FIGURE 1

New data releases and key events

Date	Time	Event	Period	Survey	Absa	Prior	Prior-1	Comments
3-Aug	11:00	Absa manufacturing PMI, index	Jul	--	--	53.9	50.2	Manufacturing sector activity continued to improve in June as lockdown restrictions were relaxed further.
3-Aug	15:00	NAAMSA vehicle sales, % y/y	Jul	--	-24.7	-30.7	-68.0	After rising by 123% m/m sa in June, we forecast that total domestic vehicle sales rose by 5% in July. However, vehicle sales would be down by 20% compared to February i.e pre-lockdown levels.
4-Aug	17:00	Provisional financing data	Jul	--	--	--	--	The provisional financing data will be an early signal of the likely main budget deficit for July.
5-Aug	9:15	IHS Markit economy-wide PMI, index	Jul	--	--	42.5	32.5	The economy-wide PMI likely improved further in July as more firms opened for business under Level 3 of lockdown.
7-Aug	12:00	NCR Consumer Credit Market	Q1 20	--	--	--	--	The data will be a key indicator of consumer credit health before the pandemic hit South Africa.

R indicates "revised".

Source: Thomson Reuters, Bloomberg, Absa Research.

FIGURE 2

Review of recent key domestic data releases

Main indicators	Release date	Period	Survey	Actual	Prior	Comments
Merchandise trade balance, ZARbn	31-Jul	Jun	--	46.6	19.7	Quarterly, the merchandise trade surplus was a seasonally adjusted annualised R78.4bn in Q2 compared to R203.2bn in Q1.
Producer Price Index, % y/y	30-Jul	Jun	0.6	0.5	0.4	Headline PPI inflation (i.e. PPI inflation for final manufactured goods) rose slightly to 0.5% y/y in June from 0.4% in May, mainly due to the increase in fuel prices during the month.
Main budget balance, ZARbn	30-Jul	Jun	--	-22.3	-52.3	June main budget data showed a deficit of R22.3bn as tax revenues cratered under the pressure of the ongoing shock of the pandemic.
Crop Estimates Committee	29-Jul	2020	--	--	--	The sixth total maize production forecast rose by 37.9% y/y to 15.5mn in 2020.
Headline inflation, % y/y	29-Jul	Jun	2.2	2.2	2.1	Headline inflation rose due to a lower rate of fuel price deflation in June.
Core inflation, % y/y	29-Jul	Jun	3.0	3.0	3.1	Decelerating housing cost growth seems principally responsible for pulling core CPI slightly lower in June.
Private sector credit extension, % y/y	29-Jul	Jun	6.5	5.6	6.3	Credit extension growth decelerated for both households and corporates.
Quarterly Employment Statistics	28-Jul	Q1 20	--	--	--	Total employment in the formal non-agricultural sector fell by 3k q/q to 10.2mn in Q1. Against the weak labour market, real average monthly earnings (including bonuses and overtime) fell by 1.7% q/q in Q1 compared to a 0.1% decline in Q4.
Statistics of Liquidations and insolvencies	27-Jul	Jun	--	134.0	195.0	Liquidations were down 9.7% y/y and 17.8% in May and June, respectively, with the subdued prints likely reflecting the length of time it takes to liquidate a company.
Repo rate, %	23-Jul	--	3.50	3.50	3.75	The 5-member committee split on the decision, with 3 voting for the cut, but 2 preferring to keep rates on hold.
Retail sales, % y/y	22-Jul	May	--	-12.0	-50.4	Retail sales fell by 50.7% m/m sa in April due to the 'hard' lockdown, a little worse than we had expected, but rose much more sharply than we had expected in May, by 74.2% m/m sa.
Leading indicator, index	21-Jul	May	--	95.7	96.3	In level terms, the leading indicator is now at its lowest since the Global Financial crisis.
Producer Price Index, % y/y	16-Jul	May	-0.1	0.4	1.2	PPI inflation eased to a low of 0.4% y/y in May from 1.2% in April due to the effect of sharp fuel cuts.
Headline inflation, % y/y	15-Jul	May	2.2	2.1	3.0	Headline CPI inflation printed at just 2.1% y/y in May – the first downside breach of the target range since 2005. The outcome was mainly driven by the sharp drop in fuel prices.
Core inflation, % y/y	15-Jul	May	3.2	3.1	3.2	Core CPI inflation fell by 0.1pp to 3.1%, partly due to large-scale imputations of pricing information disrupted by the lockdown.
Mining output, % y/y	14-Jul	May	--	-29.8	-50.3	Mining production data came in somewhat stronger than expected in May, but the Q2 contraction on Q1 is still likely to be substantial.
Manufacturing production, % y/y	9-Jul	Apr	--	-49.4	-5.5	Broad-based weakness in April manufacturing output. Motor vehicle manufacturing came to a complete standstill.
Consumer Confidence Index	7-Jul	Q2 20	--	-33.0	-9.0	Consumer confidence collapsed to 1985 levels in Q2 mainly due to COVID-19.

R indicates "revised".

Source: Thomson Reuters, Bloomberg, Absa Research.

FIGURE 3

Key market indicators

	Previous close	Daily change	7 day change	1 month change	3 month change	1 year change	High in last year	Low over last year
USD/ZAR	17.01	1.5%	2.3%	0.4%	-9.5%	16.4%	19.09	13.99
EUR/ZAR	20.08	1.2%	3.6%	5.2%	-2.6%	23.6%	20.62	15.67
GBP/ZAR	22.26	1.5%	5.0%	5.6%	-5.1%	25.4%	23.54	17.96
AUD/ZAR	12.18	1.1%	3.1%	3.6%	0.9%	22.2%	12.18	9.71
ZAR/JPY	6.20	-0.7%	-2.8%	-1.9%	9.2%	-15.2%	7.79	5.64
EUR/USD	1.18	-0.6%	1.1%	4.8%	7.2%	6.3%	1.18	1.07
3m JIBAR	3.68	-2.5bp	-13.4bp	-22.5bp	-89.2bp	-319.2bp	6.99	3.66
R208	3.51	0.5bp	-4.0bp	-15.0bp	-46.5bp	-294.0bp	6.85	3.46
R186 (2026)	7.51	-1.5bp	-2.5bp	-38.0bp	-40.0bp	-91.0bp	11.22	7.23
US 2-year	0.11	-1.0bp	-3.8bp	-5.4bp	-7.5bp	-150.0bp	1.89	0.11
US 10-year	0.54	-0.5bp	-4.1bp	-10.0bp	-10.9bp	-119.1bp	2.08	0.50
All Share	55,845	-1.5%	-0.6%	3.6%	11.4%	-4.0%	59001.87	37963.01
S&P 500	3,246	-0.4%	1.1%	5.5%	14.2%	9.2%	3386.15	2237.40
Gold	1,975	0.8%	3.8%	11.1%	16.1%	36.5%	1974.69	1440.46
Platinum	907	0.5%	-1.7%	11.9%	18.2%	3.8%	1020.20	586.51
Brent	43.1	-2.4%	-98.6%	-98.6%	-94.6%	-99.0%	71.55	0.62
CDS Spreads	307.56	-2.9bp	15.7bp	4.9bp	-99.8bp	137.1bp	492.47	157.78

Note: Bond yield changes are denoted in basis points.

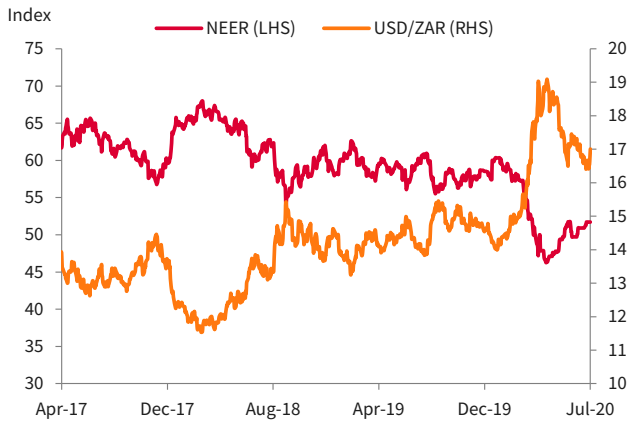
Source: Thomson Reuters, Absa Research

FIGURE 4
ZAR price of oil



Source: Thomson Reuters, Absa Research

FIGURE 6
ZAR performance



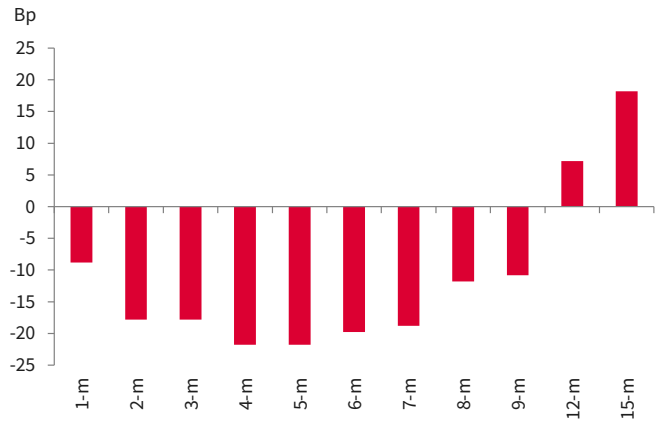
Note: Rise/fall in Nominal effective exchange rate implies ZAR ap/depreciation.
Source: Thomson Reuters

FIGURE 5
SA petrol price movements, as of 30 July 2020

	Petrol 95 unleaded	Petrol 93 unleaded	Diesel 0.05%	Diesel 0.005%
Pump price (c/l)	1,512	1,483	1,304	1,308
Basic fuel price (c/l)	526	519	569	573
Daily over/under recovery (c/l)	38	27	-16	-16
Avg. over/under recovery (c/l)	-6	-11	-46	-45
o/w due to int'l price	-16	-21	-56	-56
o/w due to FX rate	10	10	10	11

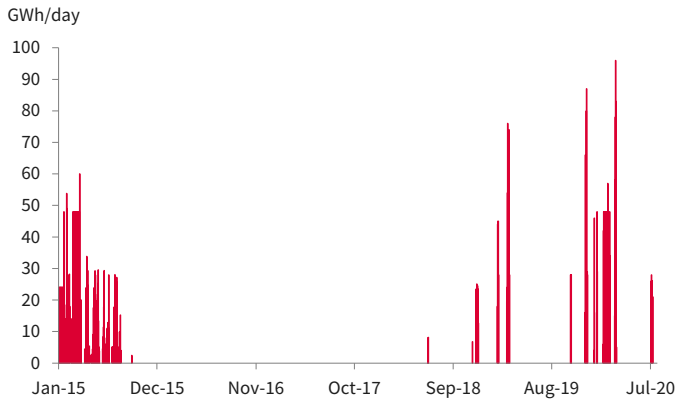
Source: CEF, Absa Research

FIGURE 7
Implied change in the repo rate based on FRA curve



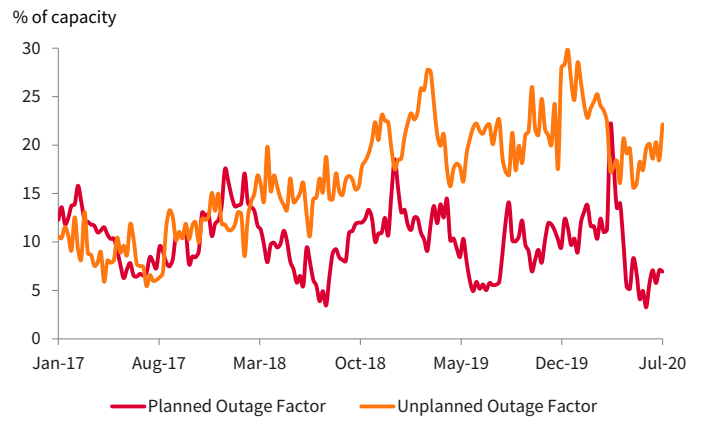
Note: Calculated by subtracting 3-month Jibar from the corresponding FRA rate.
Source: Thomson Reuters, Absa Research

FIGURE 8
Load shedding intensity



Source: Eskom, Absa Research

FIGURE 9
Maintenance vs breakdowns



Source: Eskom, Absa Research

FIGURE 10
Latest changes in water dam levels

	As at 27 July (%)	ppΔ from previous week	ppΔ from previous year	Long-run average
Eastern Cape	51.6	0.1	-5.0	58.4
Free State	80.7	-0.5	-3.1	79.8
Gauteng	99.3	-0.1	7.5	95.0
Kwazulu-Natal	59.4	-0.4	-1.4	58.4
Lesotho	22.8	-0.5	-2.4	34.2
Limpopo	64.1	-0.5	6.6	65.7
Mpumalanga	71.2	-0.4	3.0	72.7
Northern Cape	93.9	2.5	9.5	82.6
North West	69.5	-0.1	5.0	67.4
Eswatini	74.0	-0.8	-15.1	80.1
Western Cape	60.7	-0.2	-0.7	42.9
Grand total	68.6	-0.4	-1.7	68.5

Source: Department of Water and Sanitation, Absa Research

FIGURE 11
Rainfall

millimeters	May-20	% Δ from LT average	Feb-Apr average	% Δ from LT average
Eastern Cape	28.7	20.6	70.6	5.9
Free State	0.0	-100.0	77.9	17.0
Gauteng	0.0	-100.0	101.0	31.9
Kwazulu-Natal	4.8	-82.6	101.9	11.1
Limpopo	0.7	-93.6	74.4	1.0
Mpumalanga	0.2	-98.6	73.2	-13.6
Northern Cape	1.5	-88.8	30.9	-1.8
North West	0.0	-100.0	72.7	14.4
Western Cape	40.6	-27.5	19.7	-44.2
Weighted average	9.2	-55.1	57.5	2.1

Source: South African Weather Service, Absa Research

FIGURE 12

Absa exchange rate forecasts (end of period)

Period end	USDZAR	EURZAR	CNYZAR	ZARJPY	GBPZAR	AUDZAR
Monthly						
Jun-20	16.50	17.99	2.32	6.48	20.30	10.40
Jul-20	16.30	17.83	2.30	6.57	20.11	10.33
Aug-20	16.20	17.75	2.29	6.61	20.02	10.30
Sep-20	16.00	17.60	2.27	6.69	19.84	10.24
Oct-20	15.90	17.62	2.26	6.73	19.84	10.30
Nov-20	15.85	17.62	2.26	6.75	19.84	10.33
Dec-20	15.75	17.64	2.25	6.79	19.85	10.40
Jan-21	15.81	17.77	2.26	6.77	20.11	10.50
Feb-21	15.84	17.84	2.26	6.76	20.24	10.55
Mar-21	15.90	17.97	2.27	6.73	20.51	10.65
Apr-21	16.04	18.14	2.29	6.71	20.72	10.76
May-21	16.11	18.22	2.30	6.70	20.82	10.81
Quarterly						
Jun-20	16.50	17.99	2.32	6.48	20.30	10.40
Sep-20	16.00	17.60	2.27	6.69	19.84	10.24
Dec-20	15.75	17.64	2.25	6.79	19.85	10.40
Mar-21	15.90	17.97	2.27	6.73	20.51	10.65
Jun-21	16.25	18.40	2.32	6.68	21.03	10.92
Sep-21	16.40	18.83	2.36	6.62	21.56	11.19
Dec-21	16.60	19.26	2.41	6.57	22.08	11.45
Annual						
Dec-20	15.75	17.64	2.25	6.79	19.85	10.40
Dec-21	16.60	19.26	2.41	6.57	22.08	11.45
Dec-22	17.25	20.53	2.61	6.23	23.81	12.59
Dec-23	18.00	21.60	2.71	5.89	25.02	13.14

Source: Bloomberg, Absa Research.

FIGURE 13

Absa exchange rate forecasts (period average)

Period avg	USDZAR	EURZAR	CNYZAR	ZARJPY	GBPZAR	AUDZAR
Monthly						
Jun-20	17.01	18.56	2.40	6.31	21.06	10.81
Jul-20	16.40	17.91	2.31	6.53	20.20	10.36
Aug-20	16.25	17.79	2.30	6.59	20.07	10.32
Sep-20	16.10	17.68	2.28	6.65	19.93	10.27
Oct-20	15.95	17.61	2.27	6.71	19.84	10.27
Nov-20	15.88	17.62	2.26	6.74	19.84	10.32
Dec-20	15.80	17.63	2.25	6.77	19.84	10.36
Jan-21	15.78	17.71	2.25	6.78	19.98	10.45
Feb-21	15.83	17.80	2.26	6.76	20.18	10.52
Mar-21	15.87	17.90	2.27	6.74	20.38	10.60
Apr-21	15.97	18.05	2.28	6.72	20.62	10.71
May-21	16.08	18.18	2.30	6.70	20.77	10.79
Quarterly						
Jun-20	17.75	19.45	2.51	6.05	22.15	11.34
Sep-20	16.25	17.79	2.30	6.59	20.07	10.32
Dec-20	15.88	17.62	2.26	6.74	19.84	10.32
Mar-21	15.83	17.80	2.26	6.76	20.18	10.52
Jun-21	16.08	18.18	2.30	6.70	20.77	10.79
Sep-21	16.33	18.61	2.34	6.65	21.29	11.05
Dec-21	16.50	19.04	2.38	6.59	21.82	11.32
Annual						
Dec-20	16.36	18.02	2.32	6.60	20.54	10.55
Dec-21	16.18	18.41	2.32	6.68	21.02	10.92
Dec-22	16.92	19.89	2.51	6.40	22.94	12.02
Dec-23	17.63	21.06	2.66	6.06	24.41	12.87

Source: Bloomberg, Absa Research.

FIGURE 14

Detailed CPI inflation forecasts

Date	CPI index	CPI % y/y	Core CPI index	Core CPI % y/y	Food CPI index	Food CPI % y/y	Brent \$/bbl	Brent R/bbl
Jan-19	109.2	4.0	109.0	4.4	109.4	3.0	59.0	815.9
Feb-19	110.1	4.1	110.2	4.4	109.4	2.9	64.3	888.7
Mar-19	111.0	4.5	111.0	4.4	109.7	3.1	66.0	949.3
Apr-19	111.7	4.4	111.3	4.1	109.9	2.9	71.5	1010.6
May-19	112.0	4.5	111.3	4.1	110.2	3.2	72.1	1038.8
Jun-19	112.4	4.5	111.7	4.3	110.7	3.7	65.7	956.6
Jul-19	112.8	4.0	112.2	4.2	110.7	3.4	64.1	899.9
19-Aug	113.1	4.3	112.3	4.3	111.2	3.9	58.8	891.9
19-Sep	113.4	4.1	112.5	4.0	111.5	3.9	63.4	941.7
19-Oct	113.4	3.7	112.6	4.0	111.4	3.6	60.3	899.9
19-Nov	113.5	3.6	112.7	3.9	111.7	3.5	63.9	945.5
19-Dec	113.8	4.0	112.9	3.8	112.1	3.9	69.0	992.4
20-Jan	114.1	4.5	113.0	3.7	113.5	3.7	64.4	927.7
20-Feb	115.2	4.6	114.4	3.8	114.0	4.2	56.5	848.7
20-Mar	115.6	4.1	115.1	3.7	114.3	4.3	32.1	535.6
20-Apr	115.0	3.0	114.9	3.2	114.7	4.4	14.9	276.2
20-May	114.3	2.1	114.7	3.1	115.0	4.4	29.4	533.9
20-Jun	114.9	2.2	115.0	3.0	115.3	4.2	40.3	689.6
Jul-20F	116.3	3.1	115.5	2.9	115.4	4.3	40.3	660.6
Aug-20F	116.6	3.1	115.6	2.9	115.9	4.2	43.7	710.8
Sep-20F	116.8	3.0	115.9	3.0	116.2	4.2	45.6	733.8
Oct-20F	116.9	3.1	116.0	3.0	116.3	4.4	43.6	695.2
Nov-20F	117.0	3.1	116.2	3.1	116.6	4.4	43.8	695.5
Dec-20F	117.3	3.1	116.5	3.2	116.9	4.3	44.0	695.5
Jan-21F	117.6	3.0	116.5	3.1	118.4	4.3	44.1	695.5
Feb-21F	118.8	3.1	118.1	3.2	118.8	4.2	44.5	703.7
Mar-21F	119.4	3.3	118.8	3.2	119.1	4.2	45.0	713.7
Apr-21F	119.7	4.1	118.9	3.5	119.6	4.3	45.9	733.4
May-21F	119.8	4.8	118.8	3.5	120.2	4.5	46.5	748.1
Jun-21F	120.3	4.7	119.3	3.7	120.6	4.6	47.1	760.6
Jul-21F	121.0	4.0	119.8	3.7	120.7	4.6	47.5	771.9
Aug-21F	121.1	3.9	119.9	3.7	121.2	4.6	47.9	782.5
Sep-21F	121.5	4.1	120.2	3.7	121.5	4.6	48.3	792.2
Oct-21F	121.6	4.0	120.3	3.7	121.8	4.7	48.7	801.0
Nov-21F	121.8	4.1	120.5	3.7	121.9	4.6	49.0	808.8
Dec-21F	122.2	4.2	120.9	3.8	122.0	4.4	49.3	815.7
Quarterly averages								
19.Q1	110.1	4.2	110.1	4.4	109.5	3.0	63.1	884.7
19.Q2	112.0	4.4	111.4	4.2	110.3	3.2	69.7	1002.0
19.Q3	113.1	4.1	112.3	4.1	111.1	3.7	62.1	911.2
19.Q4	113.6	3.7	112.7	3.9	111.7	3.7	64.4	945.9
20.Q1	115.0	4.4	114.2	3.7	113.9	4.1	51.0	770.7
20.Q2	114.7	2.4	114.9	3.1	115.0	4.3	28.2	499.9
20.Q3F	116.5	3.0	115.7	3.0	115.8	4.2	43.2	701.7
20.Q4F	117.1	3.1	116.2	3.1	116.6	4.4	43.8	695.4
21.Q1F	118.6	3.2	117.8	3.2	118.8	4.2	44.5	704.3
21.Q2F	119.9	4.5	119.0	3.6	120.1	4.5	46.5	747.3
21.Q3F	121.2	4.0	120.0	3.7	121.2	4.6	47.9	782.2
21.Q4F	121.9	4.1	120.6	3.7	121.9	4.6	49.0	808.5
Annual averages								
2015	92.0	4.6	93.0	5.5	92.0	4.6	52.7	665.6
2016	97.8	6.3	98.2	5.6	97.8	6.3	44.2	646.2
2017	103.0	5.3	102.8	4.7	103.0	5.3	54.8	731.1
2018	107.8	4.6	107.2	4.3	107.0	3.6	71.1	942.8
2019	112.2	4.1	111.6	4.1	110.7	3.4	64.8	935.9
2020F	115.8	3.2	115.2	3.2	115.3	4.2	41.5	666.9
2021F	120.4	4.0	119.3	3.5	120.5	4.5	47.0	760.6

Note: *Crude oil price assumptions embedded into our inflation forecasts are based on Bloomberg consensus forecasts for Brent. Source: Bloomberg, Absa Research.

FIGURE 15

Main macroeconomic variables in South Africa

	2019		2020				2021				2019	2020F	2021F	2022F	2023F
	Q3	Q4	Q1	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F					
Output (% q/q saar)															
Real GDP	-0.8	-1.4	-2.0	-44.0	20.5	7.5	4.3	3.7	3.7	3.4	0.2	-8.3	2.4	1.9	1.2
Real GDP (%y/y)	0.1	-0.6	-0.3	-14.4	-10.1	-8.2	-6.7	8.8	4.8	3.8	0.2	-8.3	2.4	1.9	1.2
Private consumption	0.3	1.4	0.7	-17.1	2.4	3.7	2.4	2.5	2.9	3.1	1.0	-2.3	1.4	1.2	1.3
Public consumption	1.4	-0.2	1.1	2.1	1.8	0.6	-2.0	-2.3	-2.3	-2.2	1.5	1.2	-0.9	-2.0	-1.9
Investment	4.1	-10.0	-20.5	-66.7	6.4	4.7	9.7	9.2	9.8	10.3	-0.9	-22.7	-0.1	1.3	1.8
Exports	3.5	2.3	-2.3	-56.4	27.5	5.3	5.4	5.7	5.9	5.9	-2.5	-11.1	2.0	1.7	1.8
Imports	-8.9	-8.5	-16.7	-54.2	43.3	4.8	3.8	2.5	2.6	2.2	-0.5	-14.7	2.1	1.9	0.9
Prices (% y/y)															
CPI inflation	4.1	3.7	4.4	2.4	3.1	3.1	3.1	4.5	4.1	4.1	4.1	3.3	4.0	4.2	4.3
Core CPI inflation	4.1	3.9	3.7	3.1	3.1	3.1	3.2	3.6	3.5	3.4	4.1	3.3	3.4	3.5	3.7
PPI inflation	4.5	2.9	4.1	0.6	2	3.7	4.3	6.5	5.6	4.6	4.6	2.6	5.2	4.7	4.8
External and government accounts (% of GDP)															
Current account	-3.7	-1.3	1.3	-0.8	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6	-3.0	-0.2	-2.1	-2.8	-2.9
Main budget fiscal balance*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-6.6	-16.6	-12.0	-10.3	-8.4
Main primary balance*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-2.6	-11.6	-6.7	-4.5	-2.4
Government debt*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	63.5	84.6	87.7	94.1	97.4
Interest rates and exchange rate (eop)															
Repurchase rate, %	6.50	6.50	5.25	3.75	3.25	3.25	3.25	3.25	3.50	3.50	6.50	3.25	3.50	4.25	4.75
Prime rate, %	10.00	10.00	8.75	7.25	6.75	6.75	6.75	6.75	7.00	7.00	10.00	6.75	7.00	7.75	8.25
USDZAR	15.17	13.98	17.80	17.38	16.00	15.75	15.90	16.25	16.40	16.60	13.98	15.75	16.60	17.25	18.00

Note: *For fiscal year commencing 1 April.

Source: SARB, National Treasury, Stats SA, Thomson Reuters, Absa Research.

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