

WEEK ENDING

31 MARCH 2023

## HIGHLIGHTS

### South Africa

1. The South African Reserve Bank's (SARB) Monetary Policy Committee (MPC) voted by 3 to 2 for a 50 basis points hike in the repo rate to 7,75%.
2. The South African Revenue Service (SARS) collected a record gross amount of R2,0678 trillion in the tax year ended 31 March.
3. Total nonfarm formal employment fell by 94 000 or 0,9% y/y in the fourth quarter.
4. The South African Reserve Bank (SARB) finally said that the upward phase of the business cycle started in May 2020.
5. The household debt to disposable income ratio eased to 62,3% in the fourth quarter from a revised 62,5% (62,8%) in the third quarter.
6. The ratio of gross national savings to GDP eased to 14,6% in 2022 from 16,5% in 2021.
7. The average wage settlement rate in collective bargaining agreements rose to 6,0% in 2022 from 4,4% in 2021 and 6,3% in 2020.
8. The ratio of industrial and commercial inventories to GDP plunged to a record low of 5,0% in the first quarter 2022, but edged up to 5,2% in the second quarter, 5,4% in the third quarter and 5,7% in the fourth quarter after being at 5,3% in 2021 from 6,8% in 2020, 7,5% in 2019 and 14,2% in 2007.
9. The import penetration ratio, which measures imports as a ratio of Gross Domestic Expenditure rose to 24,9% in the fourth quarter from a revised 24,8% (24,9%) in the third quarter.
10. The value of equity capital raised in the domestic and international primary share markets by JSE-listed companies declined by 63,8% in 2021 and by a further 47,7% in 2022 to only R13,3bn.
11. The trade weighted rand averaged 77,01 in March from 78,24 in February and 81,25 in January.
12. The volatility in the trade weighted rand eased to 3,49% in March from 4,92% in February, 4,82% in January and 2,99% in December.
13. The real trade weighted exchange rate index rose to 105,19 in January from 104,58 in December and 109,4 in November.
14. The number of tourists visiting South Africa rose to 613 432 in February 2023 from 310 173 in February 2022.
15. Producer inflation eased to 12,2% y/y in February from 12,7% y/y in January, 13,5% y/y in December, 15,0% y/y in November, 16,0% y/y in October, 16,3% y/y in September, 16,6% y/y in August and 18,0% y/y in July.
16. Broad M3 money supply growth rose to 10,81% y/y in February from 9,57% y/y in January and 8,66% y/y in December, while narrow M0 money supply growth jumped to 23,07% y/y in February from 16,26% y/y in January and 14,05% y/y in December.
17. Commercial banks increased other loans and advances by R15,9bn m/m in February.
18. Corporate credit growth rose to 12,2% y/y in February from 11,5% y/y in January and 10,8% y/y in December.
19. The foreign trade balance swung to a R16,134bn surplus in February from a revised R22,7bn (R23,1bn) deficit in January.
20. The rest of Africa was the region that had the highest export growth rate at 15,6% y/y in the first two months of 2023 with Asia the second best growth rate at 11,7% y/y.
21. The fiscal balance swung to a R8,1bn surplus in February 2023 from a R,4bn deficit in February 2022.
22. The government and a majority of unions in the Public Service Coordinating Bargaining Council officially agreed on a two-year wage deal on 31 March.
23. The number of Gigawatt hours lost to load shedding eased to 2 042 in March from 2 802 in February, 2 927 in January, 2 725 in December and only 162 in August.
24. Eskom's Energy Availability Factor (EAF) eased to 55,6% in week 12 from 58,5% in week 11.
25. Eskom changed its Unplanned Outage Assumption to 15 000 Megawatts (MW) from 13 000 MW.
26. The cabinet approved a bill on electricity regulation designed to clear the path for private generation projects and power trading.
27. Eskom profit for the six months ended September fell to R3,84bn from R10,61bn in the year earlier period.
28. The second production estimate of summer crops estimates a 1,69% increase in the maize crop over the first estimate.

### Rest of Africa

29. Trade and industry minister Souleymane Diarrassouba said Côte d'Ivoire will not organise the 3rd edition of the Intra-African Trade Fair.
30. The central bank of Egypt raised its benchmark lending rate by 200 basis points to 18,25%.
31. The central bank of Ghana raised its benchmark lending rate by 150 basis points to 29,5%.
32. The central bank of Kenya raised its benchmark lending rate by 75 basis points to 9,5%.
33. Consumer inflation in Kenya was steady at 9,2% y/y in March and February from 9,0% y/y in January and 9,1% y/y in December.
34. The economy of Mauritius expanded by 7,7% y/y in the fourth quarter after a 7,5% y/y gain in the third quarter.
35. Morocco's economy expanded by 0,5% y/y in the fourth quarter after a 1,6% y/y gain in the third quarter.
36. Senegal's economy expanded by 3,3% y/y in the fourth quarter after a 3,4% y/y gain in the third quarter.
37. Uganda's economy expanded by 4,4% y/y in the fourth quarter after a 9,2% y/y gain in the third quarter.

## WEEKLY ECONOMIC BRIEFING

38. Consumer inflation in Uganda eased to 9,0% y/y in March from 9,2% y/y in February and 10,4% y/y in January.
39. Consumer inflation in Zimbabwe eased to 87,6% y/y in March from 92,3% y/y in February, 229,8% y/y in January, 243,8% y/y in December 2022 and 285,0% y/y in August, but remains well above the December 2021 rate of 60,7%.
40. The central bank of Zimbabwe cut its benchmark lending rate by 1 000 basis points to 140,0%.

### International

41. The number of confirmed cases of coronavirus exceeded 684 million on 2 April.
42. President Vladimir Putin signed a decree to enroll into the army 147 000 conscripts aged between 18 and 27 during the spring draft.
43. The central bank of Colombia raised its benchmark lending rate by 25 basis points to 13,0%.
44. The central bank of Mexico raised its benchmark lending rate by 25 basis points to 11,0%.
45. The central bank of Thailand raised its benchmark lending rate by 25 basis points to 1,75%.
46. A hybrid solution of working at home and working in the office is the preferred option for US workers.
47. US initial jobless claims rose by 7 000 w/w to 198 000 in the week ending 25 March.
48. The US S&P CoreLogic Case-Shiller 20-city home price index in the US rose by 2,5% y/y in January from 4,6% y/y in December, 6,8% y/y in November, 8,7% y/y in October and 10,4% y/y in September.
49. The US foreign trade deficit in goods widened to \$91,63bn in February from \$91,09bn in January and \$89,7bn in December.
50. Japan's unemployment rate rose to 2,6% in February from 2,4% in January after being steady at 2,5% in December and November after being steady at 2,6% in October and September.
51. Russia's unemployment rate eased to a record 3,5% in February from 3,6% in January and 3,7% in December.
52. Consumer inflation in Germany eased to 7,4% y/y in March from 8,7% y/y in February and January.
53. The Ifo Business Climate indicator for Germany rose to 93,3 in March from 91,1 in February.
54. OPEC+ on 2 April unexpectedly announced crude output cuts that will exceed 1 million barrels a day, with Saudi Arabia leading the way with 500 000 barrels.
55. The monthly average OPEC Reference Basket (ORB) eased to \$78,45 per barrel in March from \$81,88 in February, \$81,62 in January, \$117,72 in June, \$85,24 in January 2022 and \$17,64 in April 2020.

### South Africa

1. The South African Reserve Bank's (SARB) Monetary Policy Committee (MPC) voted by 3 to 2 for a 50 basis points hike in the repo rate to 7,75%. The two dissenting members voted for a 25 basis points increase, which was mine and the consensus forecast. I was expecting a stable repo rate for the remainder of 2023, but the OPEC+ oil output cut may result in higher oil prices, which puts a further rate increase back in play.
2. The South African Revenue Service (SARS) collected a record gross amount of R2,0678 trillion in the tax year ended 31 March. The net collection after payment of R381,1bn in refunds is R1,6867 trillion. This is the first time since it was formed that SARS collected more than R2 trillion. The amount paid in refunds is also the largest ever paid since its formation. The 2023 gross amount represents an increase of 9,7% over the 2022 collection, while the refunds paid for 2023 is an increase of 18,7% over the 2022 amount. The 2023 net revenue collected represents a 7,9% y/y increase. Compared with the 2022 revenue outcome, growth was recorded in all tax types. Personal income tax (PIT) grew by 8,3% to R601,7bn, company income tax (CIT) grew by 7,6% to R348,0bn, Value-Added Tax (VAT) grew by 8,0% to R422,2bn and Customs and other taxes grew by 27,4% to R73,9bn.
3. Total nonfarm formal employment fell by 94 000 or 0,9% y/y in the fourth quarter. The drop was due a 102 000 cut in community service jobs. This was due to the 2021 Local Government elections, when the Independent Electoral Commission hired election officials, who were then subsequently let go. Something similar will happen in the second quarter 2024 when the National Elections are due to be held.

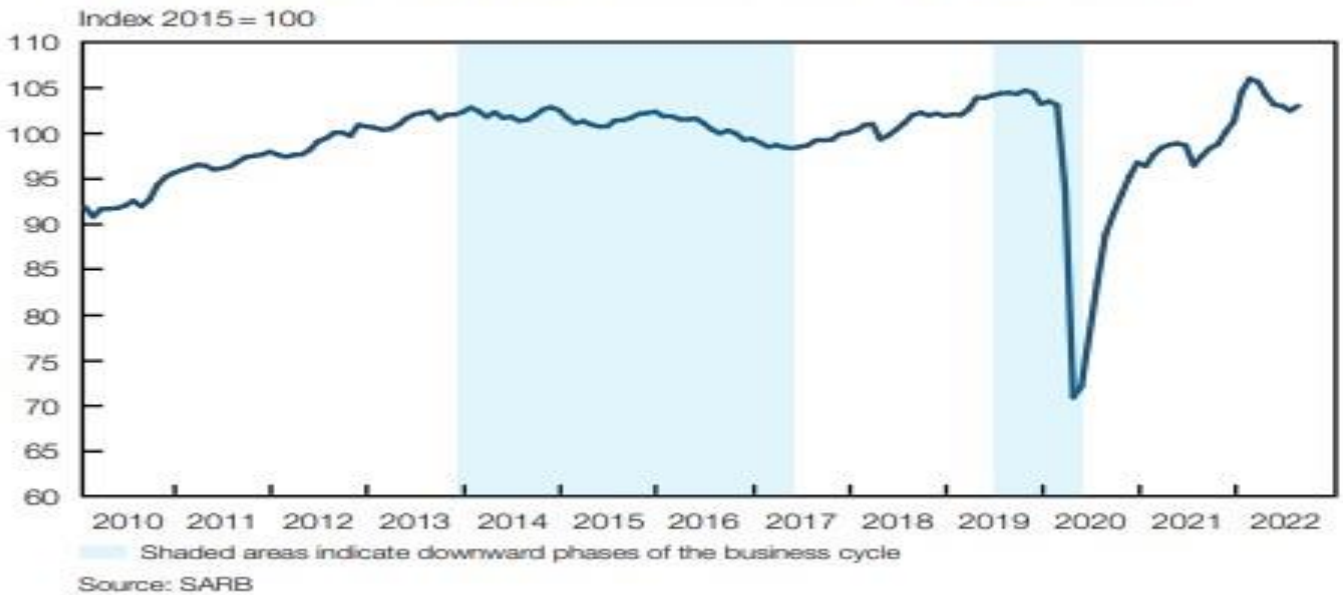
Figure A—: Employment in the non-agricultural formal sector, June 2018 – December 2022



## WEEKLY ECONOMIC BRIEFING

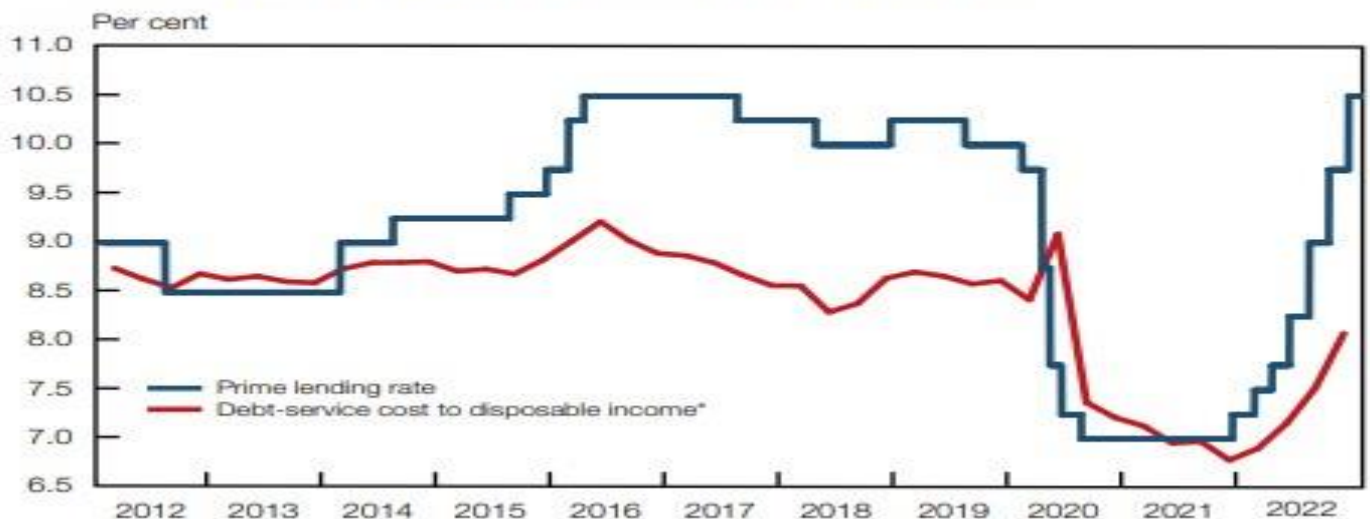
4. The South African Reserve Bank (SARB) finally said that the upward phase of the business cycle started in May 2020. I have said over the past two years that *we are now in an upturn that started in May 2020*. What I did not expect is that the SARB put in a new upward phase after having said for almost a decade (see December 2022 Quarterly Bulletin) that we are in a downward phase since December 2013. It now says that the reference date for the lower turning point in the South African business cycle was established as April 2017, with the downward phase of the business cycle lasting 41 months. The subsequent moderate upward phase lasted 26 months, with June 2019 identified as the reference peak. The ensuing downward phase lasted only 10 months up to April 2020 but was extremely severe due to the impact of the exogenous COVID-19 shock. The domestic economy then entered an upward phase of the business cycle in May 2020 as the recovery from the COVID-19 lockdowns commenced.

Figure 3 Current diffusion index (deviation from long-term trend)



5. The household debt to disposable income ratio eased to 62,3% in the fourth quarter from a revised 62,5% (62,8%) in the third quarter. The second quarter 2020 ratio of 78,6% was the highest since the first quarter 2009. The household debt service to disposable income ratio rose to 8,1% in the fourth quarter from 7,5% in the third quarter.

Household debt-service cost and the prime lending rate

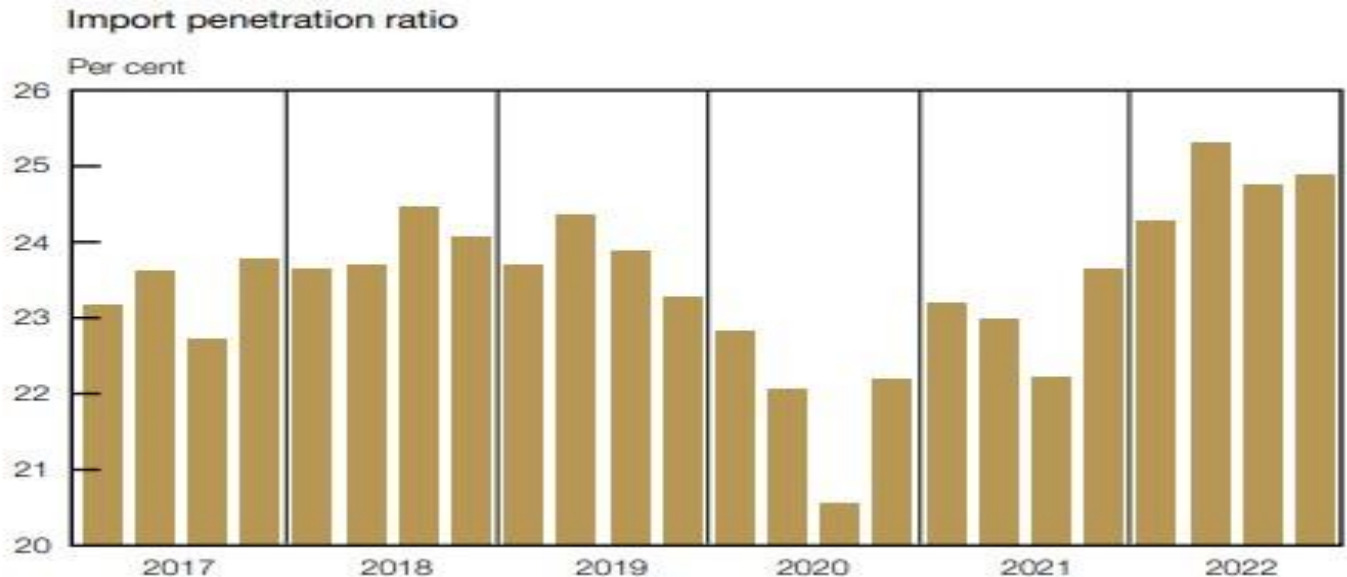


6. The ratio of gross national savings to GDP eased to 14,6% in 2022 from 16,5% in 2021. The corporate saving rate eased to 14,1% in 2022 from 15,8% in 2021, mainly due to higher dividend payments. Dissaving by general government as a percentage of nominal GDP slowed to 1,9% in 2022 from 2,1% in 2021. The annual saving rate of households eased to 2,4% from 2,8%.
7. The average wage settlement rate in collective bargaining agreements rose to 6,0% in 2022 from 4,4% in 2021 and 6,3% in 2020. This is according to Andrew Levy Employment Publications. The number of workdays lost due to industrial action however

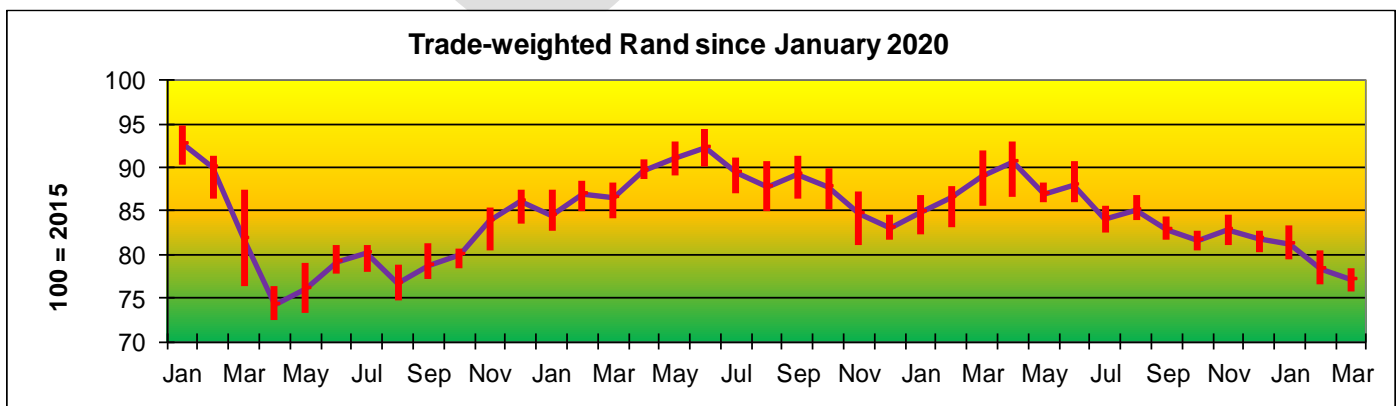
# WEEKLY ECONOMIC BRIEFING

jumped to 2,4 million in 2022 from 1,5 million in 2021 compared with only 55 000 in 2020 when most wage negotiations were deferred following the outbreak of Covid-19.

8. **The ratio of industrial and commercial inventories to GDP plunged to a record low of 5,0% in the first quarter 2022, but edged up to 5,2% in the second quarter, 5,4% in the third quarter and 5,7% in the fourth quarter after being at 5,3% in 2021 from 6,8% in 2020, 7,5% in 2019 and 14,2% in 2007.** The replenishment of inventories is why I expected above consensus GDP growth in 2022 and 2023r. I saw no media coverage of this important indicator.
9. **The import penetration ratio, which measures imports as a ratio of Gross Domestic Expenditure rose to 24,9% in the fourth quarter from a revised 24,8% (24,9%) in the third quarter.** I expect a drop in the first quarter due to the fall in imports in February.



10. **The value of equity capital raised in the domestic and international primary share markets by JSE-listed companies declined by 63,8% in 2021 and by a further 47,7% in 2022 to only R13,3bn.** This was the lowest annual total since 1994.
11. **The trade weighted rand averaged 77,01 in March from 78,24 in February and 81,25 in January.** The base year of the indices changed from 2010 to 2015, so this shows that the rand is some 23% weaker than 2015. The weights of the five major currencies are Euro (30,68), Chinese yuan (24,53), US dollar (10,56), Japanese yen (4,95) and Indian rupee (4,85). The weakest point in 2022 was on 13 December when there was speculation that President Cyril Ramaphosa would resign due to the "Farmgate" scandal. The weakest point in 2021 was on 26 November when the UK announced a ban on flights from South Africa. The annual average was 85,32 in 2022 compared with 87,72 in 2021.



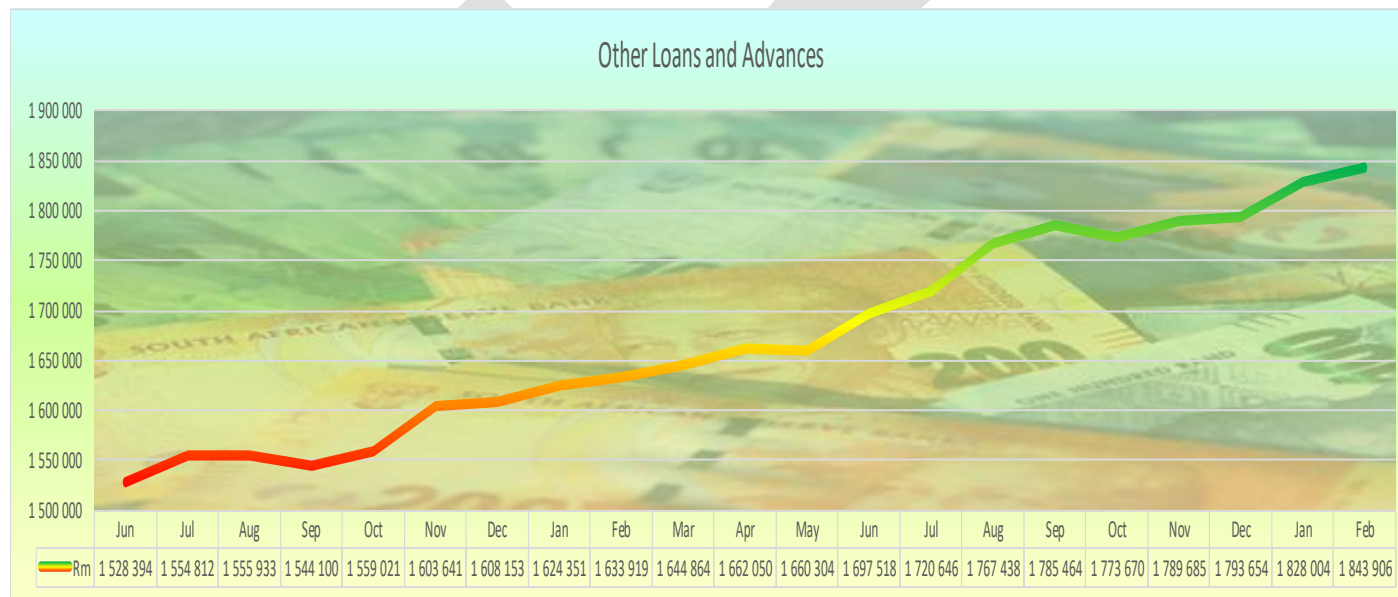
12. **The volatility in the trade weighted rand eased to 3,49% in March from 4,92% in February, 4,82% in January and 2,99% in December.** The measure of volatility I use is to divide the monthly range by the monthly average. The rand's weakening in October 2008 resulted in the most volatile month ever, exceeding that of December 2001. The October 2008 volatility was 28,25% compared with December 2001's 23,22%. The May 2013 volatility of 11,61% was due to the announcement that the US Federal Reserve would start tapering its bond buying programme sometime in the future. The actual tapering started in December 2013. The most volatile month in 2014 was January at 6,7%, while December was the most volatile in 2015. In 2016 the most volatile month was May at 8,37%, while December at 10,91% was the most volatile month in 2017. In 2018 the most volatile month was August at 9,51%, while in 2019 it was January at 6,99%, while the least volatile month was April at 2,99%. In 2020 the most volatile month was March at 13,57%, while October was the least volatile month at 2,32%. In 2021 the most volatile month was November at 7,35%, while April



## WEEKLY ECONOMIC BRIEFING

was the least volatile month at 2,35%. In 2022 the most volatile month was March at 7,17%, while May was the least volatile month at 2,53%.

13. **The real trade weighted exchange rate index rose to 105,19 in January from 104,58 in December and 109,4 in November.** The rand remains under pressure due to geopolitical events and load shedding.
14. **The number of tourists visiting South Africa rose to 613 432 in February 2023 from 310 173 in February 2022.** They more than doubled to 849 675 in January 2023 from 377 651 in January 2022 after surging to 5 698 062 in 2022 from 2 255 699 in 2021. The growth in the number of overseas tourists in 2022 was even more impressive as they surged to 1 450 671 in 2022 from 377 804 in 2021. In January 2023 the number of overseas tourists jumped to 187 189 from 64 714 in January 2022. In February 2023 the number of overseas tourists rose to 192 835 from 93 899 in February 2022. I saw no media report on this data.
15. **Producer inflation eased to 12,2% y/y in February from 12,7% y/y in January, 13,5% y/y in December, 15,0% y/y in November, 16,0% y/y in October, 16,3% y/y in September, 16,6% y/y in August and 18,0% y/y in July.** The July 2022 rate was the highest producer inflation since comparable records began in 2013. Intermediate producer inflation eased to 5,0% y/y in February from 5,8% y/y in January, 8,0% y/y in December, 8,6% y/y in November, 11,2% y/y in October, 13,7% y/y in September, 13,4% y/y in August, 14,7% y/y in July, 15,2% y/y in June, 15,6% y/y in May and 17,6% y/y in April, while farm input inflation rose to 14,2% y/y in February from 11,7% y/y in January, 16,0% y/y in December, 17,4% y/y, 14,7% y/y, 16,0%, 15,1%, 15,0%, 14,9%, 18,9% and 17,8%. Mining producer inflation eased to 19,5% y/y in February from 19,7% y/y in January, 27,3% y/y in December, 24,3% y/y in November, 27,2% y/y in October, 30,7% y/y in September, 17,3% in August after being steady at 21,2% in July and June from 17,7% in May and 10,9% in April. The annual average for 2022 was 14,4% from 7,1% in 2021 and only 2,6% in 2020.
16. **Broad M3 money supply growth rose to 10,81% y/y in February from 9,57% y/y in January and 8,66% y/y in December, while narrow M0 money supply growth jumped to 23,07% y/y in February from 16,26% y/y in January and 14,05% y/y in December.** Total loans and advances, which excludes investments and bills discounted, rose to ,88% y/y in February from 9,68% y/y in January after being steady at 9,22% y/y in December and November from 9,82% y/y in October, 10,46% y/y in September, 9,46% y/y in August, 8,29% y/y in July and 1,44% y/y in June 2021.
17. **Commercial banks increased other loans and advances by R15,9bn m/m in February.** This category is mostly overdrafts and is one of the reasons why there was no “V” shaped recovery in domestic demand during most of 2021. Since June 2021, there has been a R315,5bn increase.

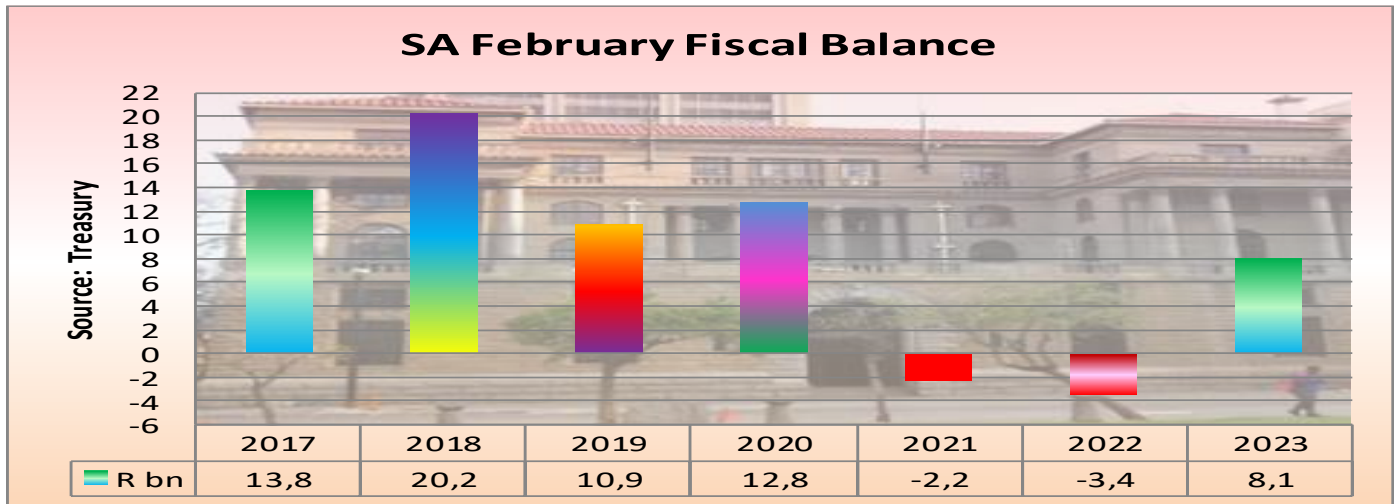


18. **Corporate credit growth rose to 12,2% y/y in February from 11,5% y/y in January and 10,8% y/y in December.** Household credit growth eased to 7,6% y/y in February from 7,9% y/y in January and 7,7% y/y in December after being steady at 7,4% y/y in November and October from 7,2% y/y in September.
19. **The foreign trade balance swung to a R16,134bn surplus in February from a revised R22,7bn (R23,1bn) deficit in January.** I warned in the Week Ahead (WA270323) that I was more optimistic than the consensus forecast of a R14bn deficit as the number of full containers exported jumped by 16,4% m/m in February, while the number of full containers imported dropped by 0,8% m/m. I was therefore forecasting a smaller R5bn deficit. In the vent, imports fell by R23,9bn or 14,8% m/m to R138,2bn, while exports rose by R14,9bn or 10,7% to R154,3bn.
20. **The rest of Africa was the region that had the highest export growth rate at 15,6% y/y in the first two months of 2023 with Asia the second best growth rate at 11,7% y/y.** Despite the implementation of the African Free Trade Agreement in January 2021, exports to the rest of Africa only rose by 19,3% in 2021 compared with a 30,5% increase for total exports, but in 2022, the rest of

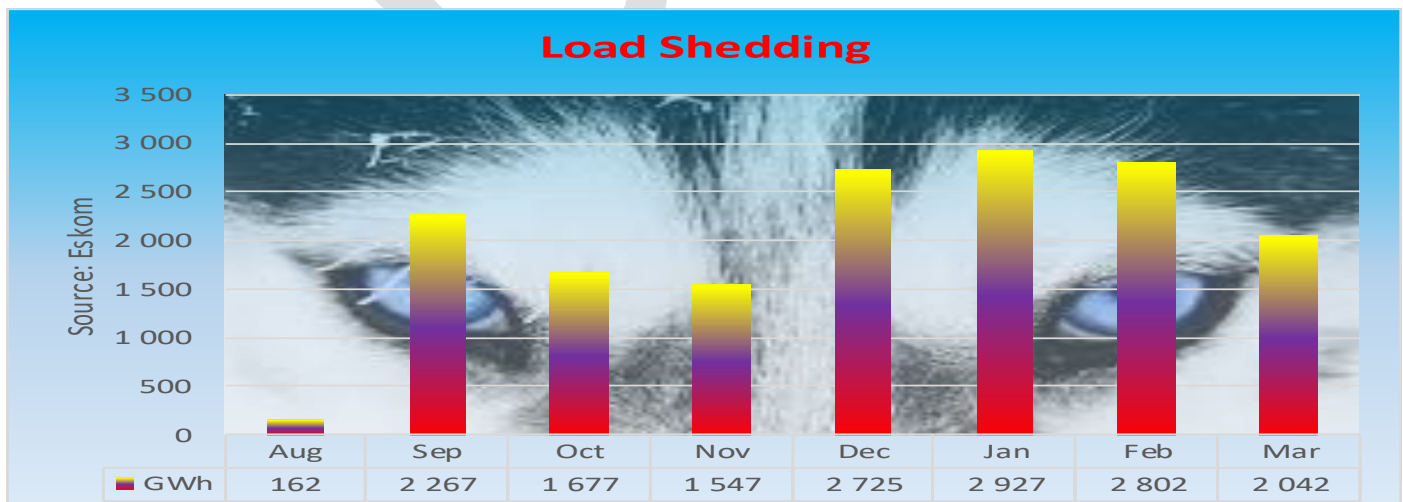
## WEEKLY ECONOMIC BRIEFING

Africa was the best performing region with a 28,1% y/y gain compared with 11,1% y/y for total exports. In June 2022 for the first time in ages, an African country (Mozambique with 5,9% of exports) was in the Top Five of export destinations and that performance continued in July with Mozambique accounting for 4,9% of exports, but in August there was no African country in the Top Five. The second best region in 2022 was Oceania with a 15,1% y/y rise. In 2021, the Americas was once again the top export destination with growth of 60,4% y/y, while Europe came second with growth of 38,2 % y/y.

21. **The fiscal balance swung to a R8,1bn surplus in February 2023 from a R,4bn deficit in February 2022.** I saw no media coverage of this data even though the Budget was presented on 22 February. The February 2023 surplus was due to a 13,7% y/y gain in revenue and a 6,1% y/y rise in outlays.



22. **The government and a majority of unions in the Public Service Coordinating Bargaining Council officially agreed on a two-year wage deal on 31 March.** The first year allows for a 7,5% increase. The increase for the next year is linked to National Treasury's projected CPI forecast. National Treasury estimates the cost of the deal at R37,4bn in 2023/24 with carry-through implications for future financial years. The Treasury emphasised it would not increase borrowing to pay for wages (or any consumption expenditure) and that, as cautioned in previous budget statements, the higher-than-budgeted costs of compensation will lead to significant trade-offs.
23. **The number of Gigawatt hours lost to load shedding eased to 2 042 in March from 2 802 in February, 2 927 in January, 2 725 in December and only 162 in August.** I am hoping that this year we will see a reduction in load shedding as mining companies use less power due to their embedded generation as well as imports from Botswana and Zambia.



24. **Eskom's Energy Availability Factor (EAF) eased to 55,6% in week 12 from 58,5% in week 11.** I saw no media coverage of this important indicator. Unplanned outages rose to 30,98% in week 12 from 30,71% in week 11 and 25,43% in week 13 of 2022. Planned maintenance rose to 12,31% in week 12 from 9,44% in week 11, 13,57% in week 4, 13,04% in week 3, 12,87% in week 2, 13,94% in week 1 and only 5,06% in week 30. The EAF fell to 58,01% in 2022 from 61,79% in 2021, 64,96% in 2020, 66,93% in 2019, 71,84% in 2018 and 78,61% in 2016. Planned maintenance outages eased to 10,62% in 2022 from 10,81% in 2021, 11,32% in 2020 and 9,94% in 2019.

## WEEKLY ECONOMIC BRIEFING

25. **Eskom changed its Unplanned Outage Assumption to 15 000 Megawatts (MW) from 13 000 MW.** This means that there is no longer a "green" week in its 52-week outlook. I had been asking Eskom to change its unplanned outage assumption since 13 March. I saw no media report on the change.
26. **The cabinet approved a bill on electricity regulation designed to clear the path for private generation projects and power trading.** The Electricity Regulation Amendment Bill outlines an entity to buy power as a step toward establishing a competitive market.
27. **Eskom profit for the six months ended September fell to R3,84bn from R10,61bn in the year earlier period.** For 2023, Eskom said it would need R60bn for operations, three quarters of which has already been arranged with the remainder to be secured through a private share placement.
28. **The second production estimate of summer crops estimates a 1,69% increase in the maize crop over the first estimate.** The first crop estimate is normally below the final crop. For the 2022/23 crop the final crop was 6,5% more than the first estimate.

### Rest of Africa

29. **Trade and industry minister Souleymane Diarrassouba said Côte d'Ivoire will not organise the 3rd edition of the Intra-African Trade Fair.** This was scheduled to be held from 21-27 November in Abidjan. The cancellation was because of major constraints relating to the requirements to host the event.
30. **The central bank of Egypt raised its benchmark lending rate by 200 basis points to 18,25%.** The Monetary Policy Committee stressed that higher borrowing costs are necessary to tame high inflation forecasts, despite moderating real economic activity. The move also aims to alleviate pressure on the Egyptian pound amid the country's currency crisis, as the spread between the black market and official rates continues to widen due to the speculation of a fourth currency devaluation since last March.
31. **The central bank of Ghana raised its benchmark lending rate by 150 basis points to 29,5%.** This was the second consecutive rate hike this year, pushing borrowing costs to their highest level since at least January 2001, in an effort to re-anchor inflation expectations toward the medium target and thus put the economy firmly on the path of stability.
32. **The central bank of Kenya raised its benchmark lending rate by 75 basis points to 9,5%.** The consensus forecast was for a smaller 25 basis points increase and bringing borrowing costs to the highest since mid-2018. Policymakers noted the sustained inflationary pressures, the elevated global risks and their potential impact on the domestic economy, and concluded that there was scope for a further tightening of the monetary policy in order to anchor inflation expectations.
33. **Consumer inflation in Kenya was steady at 9,2% y/y in March and February from 9,0% y/y in January and 9,1% y/y in December.** A faster rise in prices of food & non-alcoholic beverages (13,4% vs 13,3% in February vs 12,8% in January vs 13,8% in December) was the main reason behind the high inflation.
34. **The economy of Mauritius expanded by 7,7% y/y in the fourth quarter after a 7,5% y/y gain in the third quarter.** This was the seventh consecutive quarter of growth, mainly boosted by the hospital sector (83,0% vs 202,2% in Q3); manufacturing (11,7% vs 6,6%) and agriculture, forestry and fishing (9,6% vs 2,7%). Positive contributions also came from financial & insurance activities (5,8%, the same pace as in Q3); information & communication (4,5% vs 3,6%); art, entertainment and recreation (4,5% vs 0,2%) and wholesale & retail trade (3,9% vs 2,7%). Considering the full year of 2022, the economy grew by 8,7%, faster than a 3,4% rise in 2021.
35. **Morocco's economy expanded by 0,5% y/y in the fourth quarter after a 1,6% y/y gain in the third quarter.** The expansion was driven by external demand in a context of high inflation and an improvement of the national economy's need for financing. The agricultural sector contracted by 15,1%, compared with a 17,8% expansion in the fourth quarter 2022 and fishing activities slowed to 12,3% from 53,4%. Also, industrial activity shrank by 2,4%, after rising 5,4%, particularly due to a fall in mining (-16,0% vs -1,5%) and a slowdown in manufacturing (4,6% vs 6,8%), construction (4,6% vs 6,8%) and utilities (4,5% vs 7,0%). The services sector grew 0,4%, less than 5,1% a year earlier.
36. **Senegal's economy expanded by 3,3% y/y in the fourth quarter after a 3,4% y/y gain in the third quarter.** Both the industrial sector (+3,9%) and services (+3,8%) recorded growth, while agricultural activity contracted (-1,6%). Considering the full year of 2022, Senegal's GDP advanced by 4%, following a 6% expansion in 2021.
37. **Uganda's economy expanded by 4,4% y/y in the fourth quarter after a 9,2% y/y gain in the third quarter.** This was the eighth consecutive quarter of growth but the weakest since the third quarter 2021, driven by services (10,0% vs 13,4% in Q4) and primary activities (5,3% vs 0,2%). On the other hand, the industrial sector contracted (-3,6% vs 12,5% in Q3), dragged down by mining & quarrying (-55,8% vs 75,0%) and manufacturing (-1,1% vs 16,0%).
38. **Consumer inflation in Uganda eased to 9,0% y/y in March from 9,2% y/y in February and 10,4% y/y in January.** This was the softest reading since August 2022.
39. **Consumer inflation in Zimbabwe eased to 87,6% y/y in March from 92,3% y/y in February, 229,8% y/y in January, 243,8% y/y in December 2022 and 285,0% y/y in August, but remains well above the December 2021 rate of 60,7%.** Zimbabwe's economic crisis deepened in 2022, amid stubbornly high inflation and unemployment, due to the global food and energy shortages precipitated



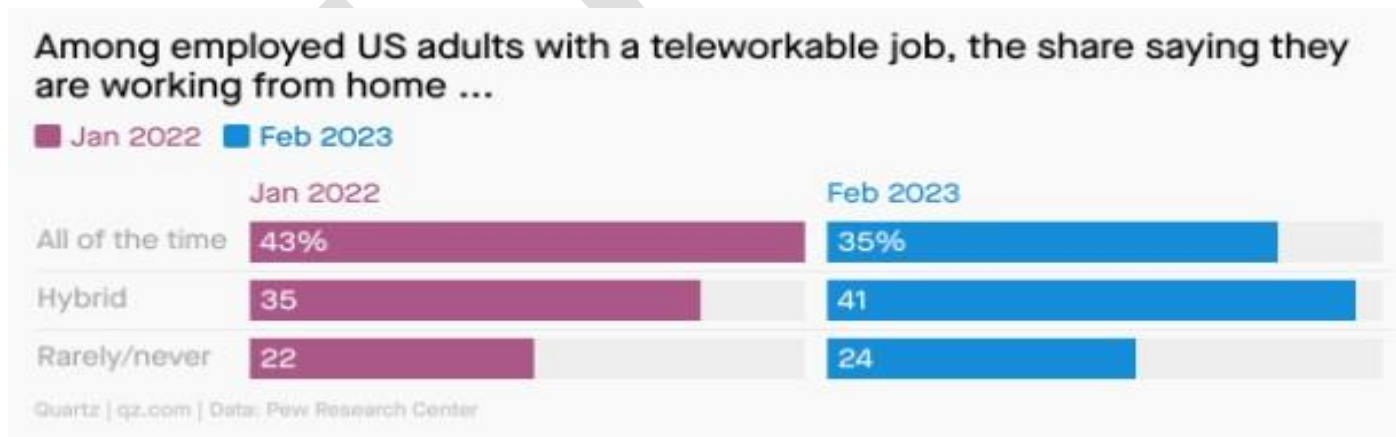
# WEEKLY ECONOMIC BRIEFING

by the war in Ukraine. In addition, years of government mismanagement and corruption have also hit the economy. On a monthly basis, consumer prices fell by 1,6% in February, the first drop since June 2018, after a 1,1% rise in January. In March prices rose by 0,1% m/m.

40. **The central bank of Zimbabwe cut its benchmark lending rate by 1 000 basis points to 140,0%.** The cut was made as inflation has been easing since August.

## International

41. **The number of confirmed cases of coronavirus exceeded 684 million on 2 April.** The number of cases globally exceeded 100 000 on 6 March, 200 000 on 18 March, 300 000 on 21 March, 1 million on 2 April, 2 million on 15 April, 3 million on 27 April, 4 million on 10 May, 5 million on 20 May, 6 million on 29 May, 7 million on 7 June, 8 million on 15 June, 9 million on 21 June, 10 million on 28 June, 20 million on 9 August, 30 million on 16 September, 40 million on 18 October, 50 million on 7 November, 60 million on 24 November, 70 million on 9 December, 80 million on 26 December, 90 million on 10 January, 100 million on 25 January, 110 million on 16 February, 120 million on 14 March, 130 million on 1 April, 140 million on 16 April, 150 million on 28 April, 160 million on 11 May, 170 million on 28 May, 180 million on 23 June, 190 million on 16 July, 200 million on 3 August, 210 million on 18 August, 220 million on 3 September, 230 million on 21 September, 240 million on 14 October, 250 million on 6 November, 260 million on 25 November, 270 million on 12 December, 280 million on 25 December, 290 million on 1 January, 300 million on 6 January, 350 million on 22 January, 400 million on 8 February, 450 million on 8 March, 500 million on 11 April, 550 million on 27 June, 600 million on 20 August, and 650 million on 5 December, according to the John Hopkins University tracker.
42. **President Vladimir Putin signed a decree to enroll into the army 147 000 conscripts aged between 18 and 27 during the spring draft.** This will be the third mobilization since Russia invaded Ukraine on the 24 February 2022. Putin plans to increase the size of Russia's military to 1,5 million and the draft age will be raised to 21-30 over next few years.
43. **The central bank of Colombia raised its benchmark lending rate by 25 basis points to 13,0%.** This follows a 75 basis points increase in the previous meeting after inflation rose to above 13% in December.
44. **The central bank of Mexico raised its benchmark lending rate by 25 basis points to 11,0%.** This was the 15th consecutive rate hike and added to the 725 basis points of rate increases since the start of the bank's tightening cycle.
45. **The central bank of Thailand raised its benchmark lending rate by 25 basis points to 1,75%.** Policymakers noted that the gradual policy normalization to be appropriate in light of the economic growth and inflation outlook.
46. **A hybrid solution of working at home and working in the office is the preferred option for US workers.** This comes despite several large firms predicting that remote work would be a permanent option.



47. **US initial jobless claims rose by 7 000 w/w to 198 000 in the week ending 25 March.** The number of new claims continues to trend below their pre-pandemic 2019 weekly average of about 220 000, reflecting the continued recovery in the US labour market. The result further consolidated evidence of a tight labour market despite elevated tech layoffs and the Federal Reserve's aggressive tightening path. This could force employers to raise wages to attract and keep staff, adding to further inflationary pressure in the world's largest economy.
48. **The US S&P CoreLogic Case-Shiller 20-city home price index in the US rose by 2,5% y/y in January from 4,6% y/y in December, 6,8% y/y in November, 8,7% y/y in October and 10,4% y/y in September.** This was the slowest y/y increase since November 2019. The January increase was the eighth consecutive deceleration in home price growth as demand for housing has been hit by rising borrowing costs, low housing inventory, and stubbornly high inflation.
49. **The US foreign trade deficit in goods widened to \$91,63bn in February from \$91,09bn in January and \$89,7bn in December.** Exports of goods fell by 3,8% m/m, while imports eased by 2,3% m/m.



## WEEKLY ECONOMIC BRIEFING

50. **Japan's unemployment rate rose to 2,6% in February from 2,4% in January after being steady at 2,5% in December and November after being steady at 2,6% in October and September.** The jobs-to-applications ratio eased to 1,34 in February after being steady at 1,35 in January, December, November and October.
51. **Russia's unemployment rate eased to a record 3,5% in February from 3,6% in January and 3,7% in December.** The downward trend in unemployment mainly reflects ongoing labour shortages because so many people left Russia or were mobilized into the war. The number of unemployed people decreased by 99 000 people to 2,635 million.
52. **Consumer inflation in Germany eased to 7,4% y/y in March from 8,7% y/y in February and January.** Energy inflation slowed sharply to 3,5% from 19,1% in February, while food prices increased at a faster 22,3% compared with a 21,8% in February.
53. **The Ifo Business Climate indicator for Germany rose to 93,3 in March from 91,1 in February.** Confidence among businesses rose for a fifth consecutive month, despite the recent banking turmoil, high prices and borrowing costs.
54. **OPEC+ on 2 April unexpectedly announced crude output cuts that will exceed 1 million barrels a day, with Saudi Arabia leading the way with 500 000 barrels.** The group accounts for 40% of global oil production. Traders had expected OPEC+ to hold output steady. Ahead of the surprise intervention, crude capped its worst first-quarter drop since 2020 as banking sector turmoil and risks of recession in the US combined to hurt prices. The latest reductions come on top of a cut announced by OPEC+ in October last year of two million barrels per day.
55. **The monthly average OPEC Reference Basket (ORB) eased to \$78,45 per barrel in March from \$81,88 in February, \$81,62 in January, \$117,72 in June, \$85,24 in January 2022 and \$17,64 in April 2020.** The annual average ORB rose to \$106,08 per barrel in 2022 from \$69,89 in 2021, \$41,37 in 2020, \$64,08 in 2019, \$69,50 in 2018, \$52,51 in 2017 and \$40,76 in 2016. In 2012 the price averaged a record \$109,45 per barrel. The move above \$100 per barrel in 2011 and 2012 was due to the Arab Spring, while in 2022 it was due to the Russian invasion of Ukraine.

