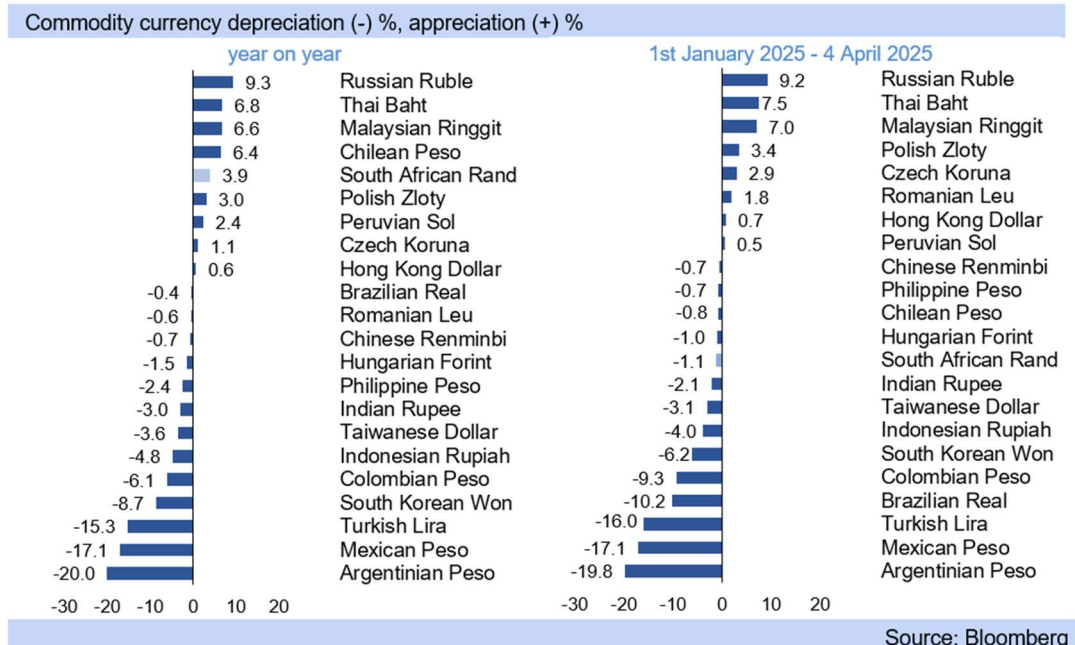


# SA Economics



Commodities' currencies note: weakness prevalent this week on global growth concerns

Friday 4 April 2025

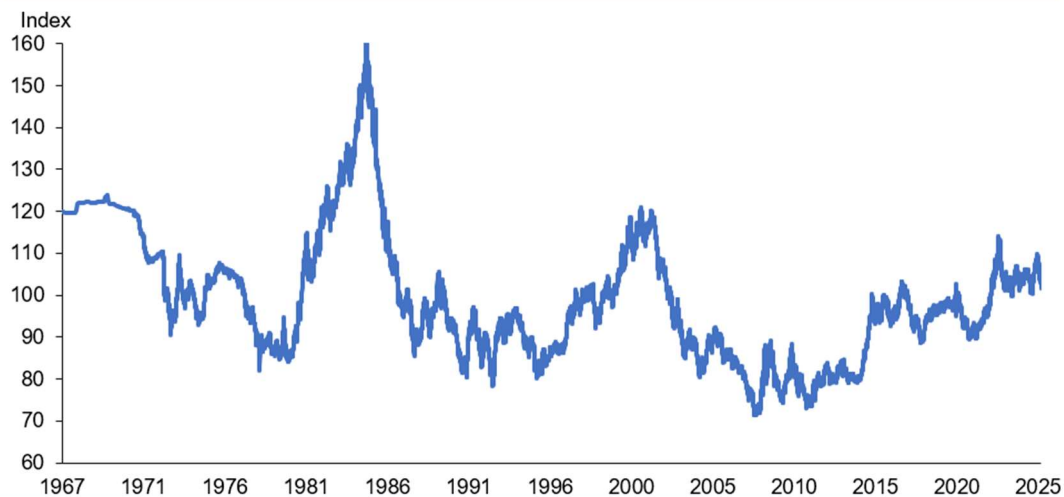


### Commodity prices - % ch 5 days

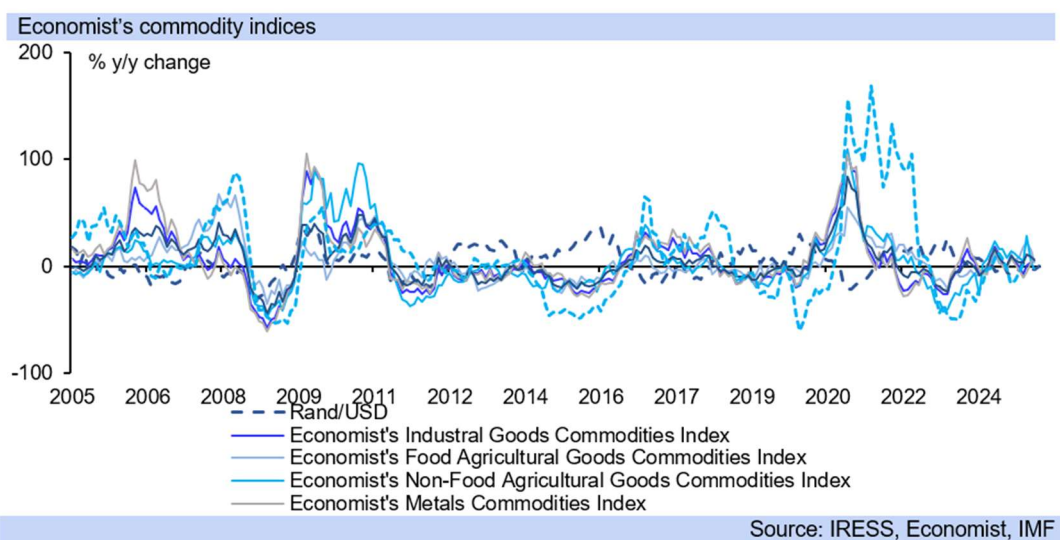
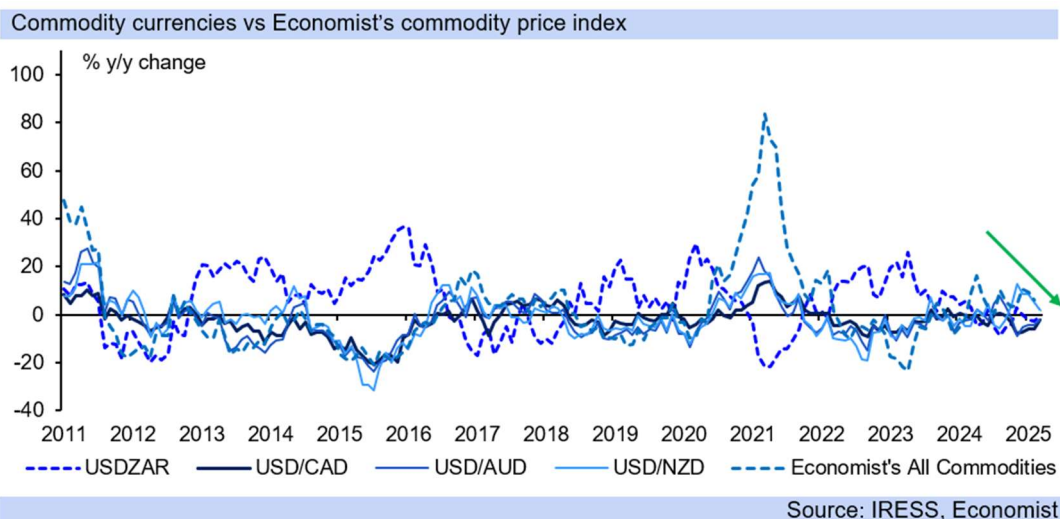
Commodity	% Ch	% USD
<b>Energy</b>		
NYM WTI crude	-8.07%	-11.26%
ICE Brent crude	-7.44%	-11.83%
ICE ARA Gasoil	-5.29%	-8.40%
NYM NYH Gasoline	-5.92%	-8.88%
NYM NYH heating oil	-5.73%	-8.73%
NYM HH Nat gas	-3.21%	-1.48%
ICE TIF Nat gas	-7.93%	
<b>Metals</b>		
LME Aluminum	-	-4.47%
LME Copper	-	-4.87%
LME Nickel	-	-3.17%
DCE Iron ore	-0.25%	+1.13%
SHHF Steel Rebar	-0.16%	-0.57%
Spot Gold	-0.61%	+0.36%
Spot Silver	-2.86%	-9.32%
<b>Agriculture</b>		
CME Live cattle	-1.30%	-0.72%
ICE Coffee	-2.06%	-0.70%
CBT Corn	-1.26%	-0.33%
ICE Cotton	-5.19%	-8.16%
CBT Soybeans	-2.50%	-3.59%
ICE sugar	-0.94%	-0.16%
CBT SRW Wheat	-1.91%	-0.47%

Source: Bloomberg

### USD Index



Source: Bloomberg



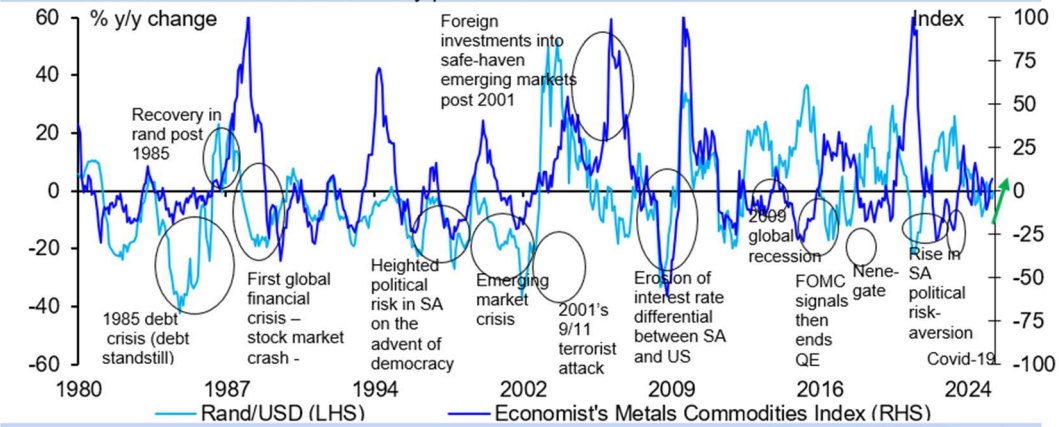
- The rand has lost substantial ground on the expected exit of South Africa's second largest political party (the DA) from the coalition government (GNU), after the DA voted against the recent budget's VAT increases and lack of lower state spending.
- The US dollar index has tracked back to levels before the US election last year, but the rand weakened instead to R19.12/USD, R24.92/GBP and R21.12/EUR, as investor sentiment plunges on building expectations of the DA's exit from the GNU.
- A week ago, the rand was at R23.47/GBP, R19.53/EUR, and R18.12/USD. While the DA sought fiscal rectitude from the expenditure side, the ANC looked at

higher revenue to avoid borrowing, and so credit rating, pressures, in line with the IMF.

- The inability to meet halfway, or near there, saw the DA vote against the revised budget, which only proposed very mild VAT changes (0.5% over two years) in comparison to the 2% hike originally mooted, setting investor sentiment back.
- The substantial drop in market confidence over worries of who would now enter the GNU, has been the chief reason for the rand's weakness, with the ANC's NEC (National Executive Council) set to discuss this on Sunday, as well as the DA's exit.
- The lifespan of the GNU to date has been vastly insufficient to make the turnaround needed, at Transnet for example which will take five to ten years to meet the freight needs of the economy, and so economic growth remains hampered.
- The collapse in commodity prices has also afflicted the rand, as the broad-based, but unequal tariff increases from the US has negatively affected expectations on global and US growth, and so global demand for basic materials.
- For South Africa, while it sees tariff lifts on some metals and minerals, it avoids them on others, but faces heavy US protectionism on vehicle, agricultural and other exports, as well as the loss of its free trade benefits with the US under AGOA.
- As highlighted on Monday (in the Rand note, contact details below) the US's Liberation Day tariff hikes do not erase uncertainty from the financial markets, and these can be lifted further or lowered at will by the US, causing further disruptions.

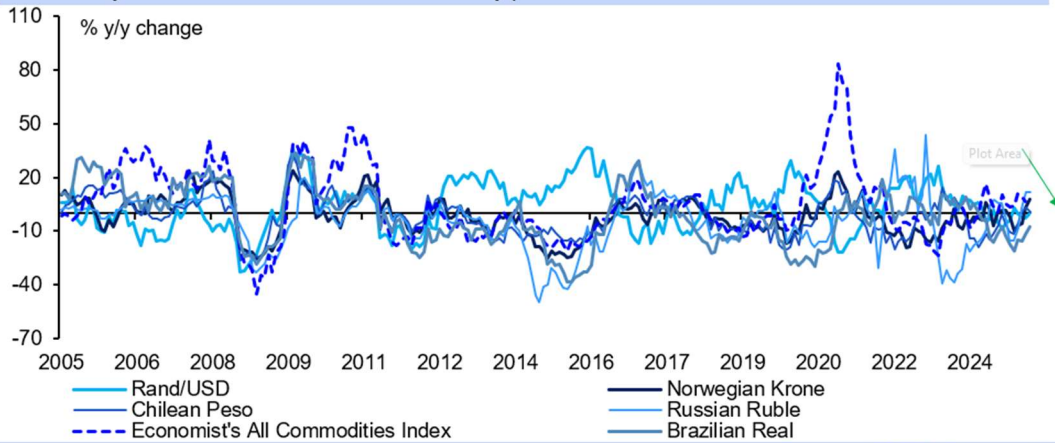
Please scroll down to the second section below

Rand vs Economist's metals commodity price index



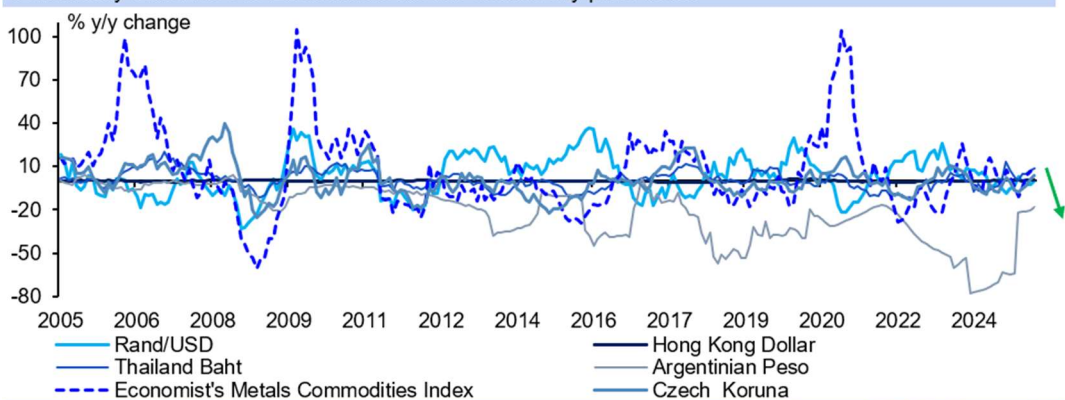
Source: IRESS, Investec

Commodity currencies vs Economist's commodity price index



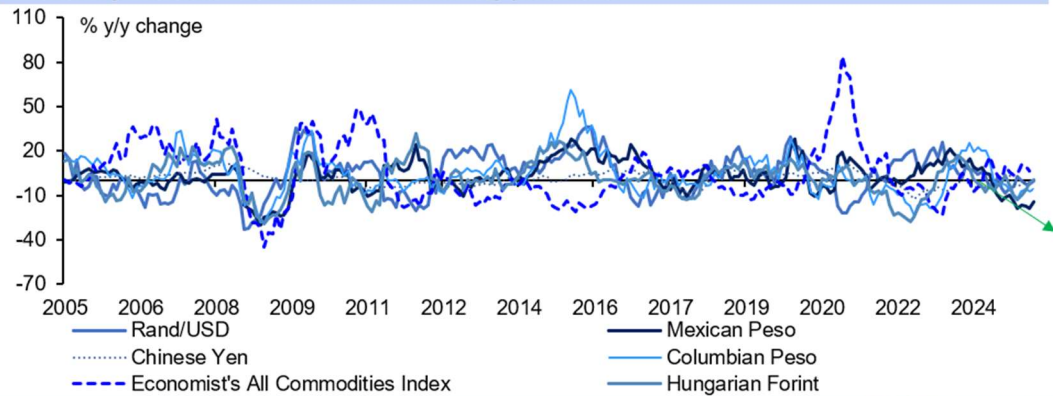
Source: IRESS, Economist

Commodity currencies vs Economist's metals commodity price index



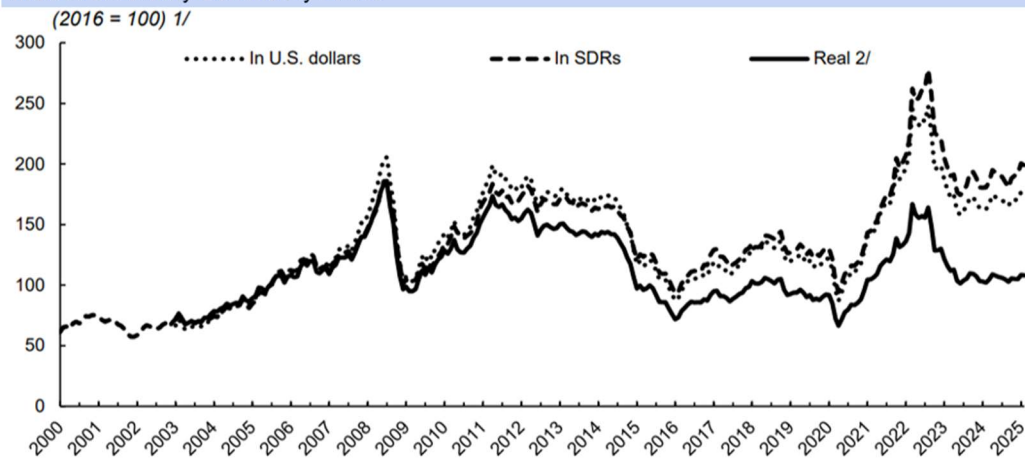
Source: IRESS, Economist

Commodity currencies vs Economist's commodity price index



Source: IRESS, Economist

Indices of Primary Commodity Prices



Source: IMF

Note: 1. Combines indices of non-fuel primary commodity prices and energy prices  
2. Deflated by US CPI

- SA exports exempt from US tariffs include “base metals (copper, zinc and manganese), precious metals such as gold, fertilisers and pesticides, various wood products including pulp and paper, as well as nickel products” (SA freight news).
- Southern Africa’s freight news adds “(c) coal will also not be subject to the new tariffs as it is an important part of Trump’s anti-decarbonisation drive. Semiconductors, pharmaceuticals and medical products ... will be exempt from the import tariffs.”

- “Exempting base metals such as platinum from the punishing tariffs was widely anticipated ... as, without the commodity, the US automotive sector would not be able to manufacture component parts such as catalytic converters.”
- Prior forecasts on both global and domestic economic growth are now under threat, which in turn is negative for commodity prices, and so commodity currencies, and has seen the general weakness in commodity currencies this week.
- The Minerals Council South Africa notes concern “about the ... resultant lower demand for South Africa’s minerals as a result of sweeping tariffs imposed by the US government on imports from foreign countries.”
- “Despite the exclusions, we remain concerned about the adverse impact on business and consumer sentiment and the resultant feedthrough to business investment, consumer spending and ultimately global real GDP growth.”
- “Even though PGMs are excluded from the latest round of tariff increases, vehicle prices in the US will increase because of the 25% tariff the Trump administration has imposed on all vehicle imports... (which) will slow demand for automobiles”.
- “Platinum, palladium and rhodium are used to make autocatalysts for vehicle exhausts to scrub out pollutants. If car and truck sales slow, demand for PGMs will reduce and result in volatile near-term prices.”
- Financial market volatility persists, and market bets have lifted on US rate cuts this year on expected, marked US economic weakness, but this has failed to benefit the rand, as market fears changes in SA’s government are very high.



Products in the Harmonized Tariff Schedule of the US

HTSUS	Description
05080000	Coral, shells, cuttlebone and similar materials, unworked or simply prepared, but not cut to shape; powder and waste thereof
25041050	Natural graphite, in powder or flakes (other than crystalline flake)
25049000	Natural graphite, other than in powder or in flakes
25101000	Natural calcium phosphates, natural aluminum calcium phosphates, unground
25102000	Natural calcium phosphates, natural aluminum
25111010	Natural barium sulfate (barytes), ground
25111050	Natural barium sulfate (barytes), not ground
25191000	Natural magnesium carbonate (magnesite)
25199010	Fused <u>magnesia</u> : dead-burned (sintered) magnesia, whether or not cont. small quant. of other oxides added before sintering
25199020	Caustic calcined magnesite
25249000	Asbestos other than Crocidolite
25292100	Fluorspar, containing by weight 97 percent or less of calcium fluoride
25292200	Fluorspar, containing by weight more than 97 percent of calcium fluoride
25302010	Kieserite
25302020	Epsom salts (natural magnesium sulfates)
25309010	Natural cryolite; natural chiolite
25309020	Natural micaceous iron oxides
25309080	Other mineral substances, not elsewhere specified or included
26020000	Manganese ores and concentrates including ferruginous manganese ores & concentrates, with manganese content over 20%, calculated on dry weight
26030000	Copper ores and concentrates
26050000	Cobalt ores and concentrates
26060000	Aluminum ores and concentrates
26080000	Zinc ores and concentrates
26100000	Chromium ores and concentrates
26110030	Tungsten ores
26110060	Tungsten concentrates
26121000	Uranium ores and concentrates
26140030	Synthetic rutile

Source: US Government



Products in the Harmonized Tariff Schedule of the US

HTSUS	Description
28140080	Titanium ores and concentrates, other than synthetic rutile
28159030	Synthetic tantalum-niobium concentrates
28159080	Niobium, tantalum or vanadium ores and concentrates, <del>resoi</del>
28161000	Silver ores and concentrates
28171000	Antimony ores and concentrates
28203000	Ash and residues (other than from the manufacture of iron or steel), containing mainly copper Slag (other than from the manufacture of iron or steel), containing by weight over 40% titanium, and which if containing over 2% by weight of copper, lead, or zinc is not to be treated for the recovery thereof
28209950	
27011100	Coal, anthracite, <del>whether or not</del> pulverized, but not agglomerated
27011200	Coal, bituminous, <del>whether or not</del> pulverized, but not agglomerated
27011900	Coal, other than anthracite or bituminous, <del>whether or not</del> pulverized, but not agglomerated
27012000	Coal, briquettes, <del>ovoids</del> and similar solid fuels manufactured from coal
27021000	Lignite (excluding jet), <del>whether or not</del> pulverized, but not agglomerated
27022000	Lignite (excluding jet), agglomerated
27030000	Peat (including peat litter), <del>whether or not</del> agglomerated
27040000	Coke and semicoke of coal, lignite or peat, <del>whether or not</del> agglomerated; retort carbon
27050000	Coal gas, water gas, producer gas and similar gases, other than petroleum gases and other gaseous hydrocarbons
27060000	Tars (including reconstituted tars), distilled from coal, lignite or peat, and other mineral tars, whether dehydrated or partially distilled
27071000	Benzene, from the distillation of high-temperature coal tar, or in which the weight of the aromatic constituents <u>exceeds</u> that of the nonaromatic constituents
27072000	Toluene, from the distillation of high-temperature coal tar, or in which the weight of aromatic constituents exceeds that of the nonaromatic constituents
27073000	Xylenes, from the distillation of high-temperature coal tar, or in which the weight of the aromatic constituents <u>exceeds</u> that of the nonaromatic constituents
27074000	Naphthalene, from the distillation of high-temperature coal tar, or in which the weight of the aromatic constituents exceeds that of the nonaromatic constituents
27075000	Aromatic hydrocarbon mixtures (from the distillation of high-temperature coal tar, or similar products in which the weight of the aromatic constituents exceeds that of the nonaromatic constituents), other than Benzene, Toluene, Xylenes, and Naphthalene, in which 65% or more by volume (including losses) distills at 250 C by the ISO 3405 method (equivalent to the ASTM D 86 method)
27079100	Creosote oils, from the distillation of high-temperature coal tar or similar products in which the weight of the aromatic constituents exceeds that of the nonaromatic constituents
27079910	Light oil, from the distillation of high-temperature coal tar or similar products in which the weight of the aromatic constituents exceeds that of the nonaromatic constituents

Source: US Government

Products in the Harmonized Tariff Schedule of the US	
HTSUS	Description
	Picolines, from the distillation of high-temperature coal tar or similar products in which the weight of the aromatic constituents exceeds that of the nonaromatic constituents
27079920	
	Carbazole, from the distillation of high-temperature coal tar or similar products in which the weight of the aromatic constituents exceeds that of the nonaromatic constituents, having a purity of 85% or more by weight
27079940	
	Phenols, from the distillation of high-temperature coal tar or similar products in which the weight of aromatic constituents exceeds that of nonaromatic constituents, containing more than 50% by weight of hydroxybenzene
27079951	
	Metacresol, orthocresol, paracresol, and metaparacresol, from the distillation of high-temperature coal tar or similar products where the weight of the aromatic constituents exceeds that of the nonaromatic constituents, having a purity of 75% or more by weight
27079955	
27079959	Phenols, nesoi
	Other products of the distillation of high-temperature coal tar and similar products in which the weight of the aromatic constituents exceed that of the nonaromatic constituents, nesoi
27079990	
27081000	Pitch, obtained from coal tar or other mineral tars
27082000	Pitch coke, obtained from coal tar or other mineral tars
	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.
27090010	
	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more
27090020	
	Light oil motor fuel from petroleum oils and oils from bituminous minerals (other than crude) and containing by weight 70% or more of petroleum oils or oils from bituminous minerals
27101215	
	Light oil motor fuel blending stock from petroleum oils and oils from bituminous minerals (other than crude) containing by weight 70% or more from petroleum oils or oils from bituminous minerals
27101218	
27101225	Naphthas (except motor fuel or motor fuel blending stock)
	Light oil mixtures of hydrocarbons nesoi which contain by weight not over 50% of any single hydrocarbon compound
27101245	
	Light oils and preparations, from petroleum oils and oils from bituminous minerals or preparations nesoi containing by weight 70% or more of petroleum oils or oils obtained from bituminous minerals
27101290	
	Distillate and residual fuel oils (including blended fuel oils), derived from petroleum or oils from bituminous minerals, testing < 25 degrees A.P.I.
27101906	
	Distillate and residual fuel oils (including blended fuel oils), derived from petroleum oils or oils from bituminous minerals, testing 25 degrees A.P.I. or >
27101911	
	Kerosene-type jet fuel, from petroleum oils and oils of bituminous minerals (other than crude) or preparations containing by weight 70%+ of petroleum oils or oils obtained from bituminous minerals
27101916	
	Kerosene motor fuel (except kerosene-type jet fuel), from petroleum oils and oils of bituminous minerals (other than crude) or preparations containing by weight 70%+ of petroleum oils or oils obtained from bituminous minerals
27101924	

Source: US Government

Products in the Harmonized Tariff Schedule of the US

HTSUS	Description
27101925	Kerosene motor fuel blending stock (except kerosene-type jet fuel), from petroleum oils and oils of bituminous minerals (other than crude) or preparations containing by weight 70%+ of petroleum oils or oils obtained from bituminous minerals
27101926	Kerosene (except kerosene-type jet fuel, kerosene motor fuel, and kerosene motor fuel blending stock), from petroleum oils and oils of bituminous minerals (other than crude) or preparations containing by weight 70%+ of petroleum oils or oils obtained from bituminous minerals
27101930	Lubricating oils, with or without additives, from petroleum oils and oils of bituminous minerals (other than crude) or preparations containing by weight 70%+ of petroleum oils or oils obtained from bituminous minerals
27101935	Lubricating greases, containing not over 10% by weight of salts of fatty acids of animal or vegetable origin, from petroleum oils and oils of bituminous minerals (other than crude) or preparations containing by weight 70%+ of petroleum oils or oils obtained from bituminous minerals
27101940	Lubricating greases, containing 10% or more by weight of salts of fatty acids of animal or vegetable origin, from petroleum oils and oils of bituminous minerals (other than crude) or preparations containing by weight 70%+ of petroleum oils or oils obtained from bituminous minerals
27101945	Mixture of hydrocarbons nesoi, which contain by weight not over 50% of any single hydrocarbon compound, from petroleum oils and oils of bituminous minerals (other than crude) or preparations containing by weight 70%+ of petroleum oils or oils obtained from bituminous minerals
27101990	Petroleum oils and oils from bituminous minerals or preparations nesoi containing by weight 70% or more of petroleum oils or oils obtained from bituminous minerals
27102005	Distillate and residual fuel oils (including blended fuel oils), testing under 25 degrees A.P.I., from petroleum oils and oils of bituminous minerals (other than crude) or preparations nesoi containing by weight 70%+ of petroleum oils or oils obtained from bituminous minerals, containing biodiesel, other than waste oils
27102010	Dist and resid fuel oil (including blends) derived from petro or oils fr bitum min testing <u>25 degree</u> A.P.I. or >, contng biodiesel
27102015	Kerosene-type jet fuel/mtr ful/mtr ful blend stock fr pet oils & bitumin min (o/th crude), or preps. 70%+ by w fr pet oils, ctg biodiesel
27102025	Kerosene (ex jet <u>fuel mtr</u> ful/mtr ful blend stock/jet), fr pet oils and bitumin. min (o/th crude) or preps 70%+ by wt fr pet oils, ctg biodie
27109100	Waste oils from petro oils/bitum minerals/preps 70%+ by wt. fr. petro oils/bitum minerals containing PCBs, PCTs or PBBs
27109905	Wastes of distillate and residual fuel oil (including blends) derived from petroleum oil/bituminous minerals, testing under <u>25 degree</u> A.P.I.
27109910	Wastes of distillate and residual fuel oil (including blends) derived from petroleum oil/bituminous minerals, testing 25 degrees A.P.I. or >
27109916	Waste motor fuel or motor fuel blending stock from petro oils and bitumin. minerals (o/than crude) or preps. 70%+ by wt. from petro oils
27109921	Waste kerosene or naphthas from petro oils and bitumin minerals (o/than crude) or preps. 70%+ by wt. From petro oils/bitumin minerals

Source: US Government

# Products in the Harmonized Tariff Schedule of the US

HTSUS	Description
27109931	Waste lubricating oils, w/or w/o additives, from petro oils and bitumin minerals (o/than crude) or preps. 70%+ by wt. from petro oils
27109932	Waste lubricating greases from petro oil/bitum min/70%+ by wt. fr petro oils but n/o 10% by wt. of fatty acid salts animal/vegetable origin
27109939	Waste lubricating greases from petro oil/bitum min/70%+ by wt. fr petro oils but over 10% by wt. of fatty acid salts animal/vegetable origin
27109945	Waste mixtures of hydrocarbons from petro oils & bitum. min. or preps.70%+ by wt. fr. petro oils, nesoi, n/o 50% any single hydrocarbon
27109990	Waste petroleum oils & oils from bitum. min. or preps nesoi 70%+ by wt. from petro. oils or bitum. min., nesoi
27111100	Natural gas, liquefied
27111200	Propane, liquefied
27111300	Butanes, liquefied
27111400	Ethylene, propylene, butylene and butadiene, liquefied
27111900	Liquefied petroleum gases and other gaseous hydrocarbons, nesoi
27112100	Natural gas, in gaseous state
27112900	Petroleum gases and other gaseous hydrocarbons, except natural gas
27121000	Petroleum jelly
27122000	Paraffin wax (whether or not colored), obtained by synthesis or other process and less than 0.75% oil by wt.
27129010	Montan wax (whether or not colored), obtained by synthesis or other process
27129020	Mineral waxes (i.e. paraffin w/0.75%+ oil, microcrystall. wax, slack lignite & peat waxes, ozokerite), obtained by synthesis
27131100	Coke, petroleum, not calcined
27131200	Coke, petroleum coke, calcined
27132000	Petroleum bitumen
27139000	Residues (except petroleum coke or petroleum bitumen) of petroleum oils or of oils obtained from bituminous materials
27141000	Bituminous or oil shale and tar sands
27149000	Bitumen and asphalt, natural; asphaltites and asphaltic rocks
27150000	Bituminous mixtures based on natural asphalt, natural bitumen, petroleum bitumen, mineral tar or mineral tar pitch
27160000	Electrical energy
28012000	Iodine
28042900	Rare gases, other than argon
28045000	Boron; tellurium
28046100	Silicon containing by weight not less than 99.99 percent of silicon
28048000	Arsenic
28049000	Selenium
28051910	Strontium
28051920	Barium
28051990	Alkali metals, other than sodium

Source: US Government