BER BUREAU for ECONOMIC RESEARCH

WEEKLY REVIEW | NUMBER 13 | 10 APRIL 2026

Iran ceasefire removes the immediate worst-case scenario, but risks remain elevated

THE WEEK IN PERSPECTIVE

Lisette IJssel de Schepper

The week was once again dominated by developments in the Middle East, with markets initially taking comfort from the announcement of a ceasefire agreement between the US and Iran. This followed a period of extreme tension, after President Trump warned that "a whole civilisation will die tonight", pushing the situation to the brink and underscoring just how close the conflict came to a far more severe escalation. The framework reportedly consists of parallel sets of conditions from both sides, with each party outlining its own terms rather than agreeing to a single, unified deal. This reflects the still-fragile nature of the arrangement: while there is a shared interest in de-escalation, key points of contention remain unresolved, limiting the agreement's longevity at this stage.

Since then, developments have reinforced this sense of fragility. The ceasefire appears to be holding in a narrow sense. However, there has been ongoing military posturing, intermittent violations and attacks across the region (particularly involving Lebanon), which has seen sustained cross-border strikes, rising civilian displacement and mounting pressure on already strained infrastructure. Importantly, Israel's role will be critical in determining the path forward. Whether it aligns with the current de-escalation efforts or pursues further military action will likely shape the trajectory of the conflict and the extent to which the ceasefire can evolve into something more durable.

The focus has shifted from the announcement of a ceasefire to its practical implications on the ground and, crucially, at sea. Ultimately, it remains a case of "Strait watching": regardless of formal agreements, the key question is whether shipping flows through the Strait of Hormuz can be normalised, as this will ultimately determine the durability of the recent pullback in oil prices. Early indications suggest that conditions remain uneven, with only very limited vessel movement under specific arrangements since the ceasefire, while broader trade flows are still constrained.

US–Iran negotiations are expected to begin today, while Israel has indicated a willingness to engage in talks with Lebanon, after heavy attacks on the country yesterday. Even if the ceasefire holds, supply conditions are unlikely to normalise quickly, given the damage to infrastructure, logistical bottlenecks and elevated risk premia. As a result, sentiment and markets remain highly headline-driven, with rapid shifts between optimism and renewed caution. In that sense, the ceasefire reduces near-term tail risks but does little to resolve the broader uncertainty facing the global economy.

Weekly Key Indicators		
	Close	w-o-w
R/$	R16.46	-2.5%
R/€	R19.23	-1.4%
R/£	R22.08	-1.2%
$/€	$1.17	1.2%
Brent crude	$96.70	-11.2%
Gold	$4 770	2.1%
Platinum	$2 039	6.8%
JSE ALSI	118 205	1.8%
10y gov. bond	8.54	-48bps
FRA (1x4)*	6.81	-2bps
*Forward rate agreement		

In markets, the initial ceasefire announcement led to an almost 15% drop in some crude oil price measures, while stock markets surged at the open. The JSE ALSI benefitted from the relief rally, while the rand exchange rate strengthened sharply. The CDS spread – a measure of sovereign default risk – and local bond yields reflected the turnaround in sentiment. Some forward-rate measures even started to pull back SA interest rate hike expectations a little. However, by Wednesday evening, oil markets started to turn once again, with prices tracking closer (but not quite yet) to $100/bbl on Thursday. The price is still notably down from this time last week. Positive for SA trade dynamics, gold and platinum prices were up. Oil remains the key transmission channel, with broader asset price movements continuing to track shifts in perceived supply risk.

WEEK AHEAD: CHINA GDP IN FOCUS, WITH MINING DATA KEY LOCAL RELEASE

The main event on the global calendar will be China's Q1 GDP print on Thursday. China has set a 2026 growth target of around 4.5%–5%, and the Q1 outcome will be an important early signal of whether the economy is on track to meet this objective. Recent activity data suggest a relatively steady start to the year, with industrial production holding up and retail sales improving modestly, although underlying domestic demand remains fragile and the property sector continues to weigh on the outlook. On the upside, a stronger export performance and policy support could lift growth closer to 5%. On the downside, weak consumption and ongoing property sector strains could see growth undershoot.

Beyond the headline GDP number, the accompanying March activity data (industrial production, retail sales and the unemployment rate) will be key to gauge the underlying growth mix. Of particular importance will be whether momentum in industrial output is sustained, and whether there are clearer signs of a recovery in household demand.

For SA, the China data remain especially relevant given its implications for global commodity demand. In this context, next week's local mining production data (February) will also be closely watched. The previous print surprised to the upside, with broad-based gains across key commodities – particularly PGMs and manganese. The main question is whether this momentum was sustained into February or whether volatility in commodity prices and logistical constraints is starting to weigh on output again.

On the local political front, attention turns to this weekend's DA elective conference, where Cape Town Mayor Geordin Hill-Lewis is widely expected to emerge as federal leader, despite a formal challenge from Sibusiso Dyonase. His election would mark what party insiders describe as a generational shift in the DA's leadership. Deputy Finance Minister Ashor Sarupen is meanwhile set to take up the federal executive chairperson position, currently held by Helen Zille, who is not standing for re-election as she focuses on her Johannesburg mayoral campaign. Premium Insights clients can expect a detailed comment about the DA Congress next week.

Internationally, this weekend's Hungarian presidential election will be Europe's most important (scheduled) election this year, reflecting its potential impact on EU cohesion and fiscal flows. While Viktor Orbán is widely expected to retain power, Hungary remains at the centre of ongoing disputes with Brussels over rule-of-law concerns, access to EU funding and its stance on Ukraine. As a result, the outcome is likely to shape the trajectory of EU–Hungary relations and the broader functioning of EU decision-making, with implications for regional investor sentiment.

Date	Event	Latest
Tuesday (14 Apr)	SA: Mining Production (Feb)	4.6% y-o-y; 2.9% m-o-m
Tuesday (14 Apr)	US: PPI (Mar)	3.4% y-o-y; 0.7% m-o-m
Wednesday (15 Apr)	EZ: Industrial Production (Feb)	-1.2% y-o-y; -1.5% m-o-m
Thursday (16 Apr)	CN: GDP Growth Rate (Q1)	4.5% y-o-y
Thursday (16 Apr)	CN: Unemployment Rate, Retail Sales, Industrial Production (Mar)	5.3%; 2.8% y-o-y; 6.3% y-o-y
Thursday (16 Apr)	UK: GDP (Feb)	0.8% y-o-y; 0% m-o-m
Thursday (16 Apr)	UK: Industrial Production, Manufacturing Production (Feb)	0.4% y-o-y; 1.3% y-o-y
Thursday (16 Apr)	US: Industrial Production, Manufacturing Production (Mar)	1.4% y-o-y; 1.3% y-o-y

SA POLITICAL UPDATE

Natasha Marrian

RAMAPHOSA ASSENTS TO LEGISLATION TO PROFESSIONALISE THE PUBLIC SERVICE

President Cyril Ramaphosa has signed into law amendments to the Public Service Act, widely regarded as one of the most significant legislative developments since the 1996 Constitution. The amendments aim to professionalise the public service and limit political interference – a recommendation that emerged from the State Capture Inquiry, chaired by former Chief Justice Raymond Zondo.

The legislation sees administrative authority, from human resources to recruitment and appointment, shift from ministers and MECs at the provincial level to departmental heads, essentially bureaucrats. It clarifies the line between political and administrative functions within departments and prohibits senior managers and administrators from holding office within political parties – a provision aimed at reducing party-political influence within the public service.

Importantly, the legislation strengthens the role of the Director-General in the Presidency in overseeing senior appointments across government.

CABINET RESHUFFLE

In our **January note on the political year ahead**, we flagged a potential Cabinet reshuffle around April. An overhaul of the National Cabinet remains on the cards but will most likely take place later in the year – the delays, according to our information, are due to the DA elective congress taking place this weekend and the upcoming IFP elective congress. The DA leadership overhaul is likely to result in a request to Ramaphosa to shake up the Cabinet's core. The IFP is meeting on April 13 to determine the date for its elective gathering.

The extension of the Madlanga Commission of Inquiry to August is also part of the reason for the delays – the reshuffle would have to resolve the issue around suspended police minister Senzo Mchunu, and a permanent minister will have to be deployed to the post, currently filled in an acting capacity by Firoz Cachalia.

ANC SPECIAL NATIONAL EXECUTIVE COMMITTEE MEETING

The ANC is set to hold a special national executive committee meeting, starting today. The meeting is set to focus on the SA Communist Party's (SACP) decision to contest elections independently. The ANC will determine whether to kick SACP members off its lists for posts in municipalities across the country and how to recalibrate its approach to the SACP as an electoral competitor rather than an alliance partner.

The ANC will also outline its mayoral selection process and invite proposals and applications for mayoral posts, specifically for the metros. We understand that a big name is being sought to take on Helen Zille, who is on the campaign trail for the mayoral post in the City of Johannesburg. Senior ANC leaders are set to eye the integrity committee leader and party stalwart Frank Chikane to go head-to-head with Zille. However, NEC members have also raised former City manager and another party stalwart, Trevor Fowler, as a possible contender.

Another issue set to be raised at the meeting is the move by Gauteng Premier Panyaza Lesufi to appoint the EFF’s Nkululeko Dunga as the Gauteng MEC. Lesufi said he was forced to overhaul his Cabinet and include the EFF to ensure his minority government could pass the provincial budget. However, he has been criticised by the ANC Youth and Veterans’ Leagues for bringing the EFF into the Gauteng government, given its half-a-trillion-rand budget. EFF leader Julius Malema, at a media briefing on Thursday, defended Lesufi, saying an MK, EFF, ANC tie-up was inevitable and was the “future” coalition set to take control of SA in the coming years.

DOMESTIC DATA

Nkosinathi Nonkonyana

S&P GLOBAL PMI ENTERS EXPANSION FOR THE FIRST TIME IN SIX MONTHS

The S&P Global PMI rose from 50 in February to 50.8 in March 2026. Four out of the five sub-components had a positive effect on the PMI’s direction. However, as was the case with the **Absa PMI** last week, the increase in the supplier deliveries index (16-month high) did not reflect its usual positive signal but rather supply chain disruptions that slowed deliveries.

Output growth accelerated largely because businesses were stockpiling inventory ahead of expected price increases. Total inventories increased for the first time since November 2025, and employment registered the steepest rise since May 2024.

Overall, while headline PMI has returned to expansionary territory, underlying demand conditions remain weak, suggesting the recovery is not yet on a firm footing. Furthermore, although survey data pointed to an improvement in overall business conditions in March, signs of heightened economic uncertainty and supply chain disruptions linked to the Middle East war have begun to emerge. New orders contracted, driven by an accelerated drop in export sales, the fastest decline in over two years.

Rising oil prices, a stronger US dollar (i.e. weaker rand) and increased wage pressures have elevated input costs. Therefore, firms have reacted by raising their output prices at the fastest pace since the end of 2024. Like the Absa PMI, the most noteworthy developments were an increase in prices and a notable downtick in expectations. Sentiment has been at its lowest since July 2021, which does not bode well for business activity.

MANUFACTURING OUTPUT REVERSES JANUARY GAIN

Manufacturing production contracted by 2.8% y-o-y in February 2026, following a 0.1% y-o-y decline in January. The reduction observed in output was broad-based and driven by contractions across several categories.

Food and beverages contracted by 4.5% y-o-y and contributed -1.1 percentage points (% pts) to the overall decline. Wood and wood products, paper, publishing and printing volumes decreased by 9.7% y-o-y and reduced overall output by 1% pts. Basic iron and steel, non-ferrous metal products, metal products, and machinery weakened by 3.6% y-o-y and weighed on output by 0.8% pts.

Meanwhile, production decreased by 2.2% m-o-m in February 2026, from a 1.9% m-o-m rise in January. This coincides with the subdued reading observed in February's Absa PMI release, which indicated weaker manufacturing activity. This suggests that manufacturing is likely to remain a drag on near-term growth, particularly in the absence of a sustained improvement in external demand and logistics.

INTERNATIONAL DATA

Katrien Smuts

MARCH NONFARM PAYROLLS FAR EXCEEDED EXPECTATIONS

According to the latest BLS nonfarm payrolls data, the US economy added 178 000 jobs in March 2026, marking the largest m-o-m increase since December 2024. This far exceeded the expected 60 000 job additions. Separately, the household survey showed the unemployment rate declined from 4.4% to 4.3% in March. Most of the jobs were added in the healthcare and construction sectors, while federal government employment continued its decline. The stronger-than-expected print reinforces the view that the US labour market remains resilient, potentially reducing the urgency for near-term monetary policy easing.

EUROZONE RETAIL SALES SOFTEN

Retail sales growth softened from 2.1% in January to 1.7% in February, mostly due to a decline in the sales of food, drinks and tobacco. This points to still-fragile consumer demand in the Eurozone, despite some earlier signs of stabilisation.

FORECAST UPDATE

We have lifted our near-term oil price assumptions, although our quarterly average still implies some moderation from current elevated spot levels as the quarter progresses. That said, the balance of risks remains skewed to the upside, reflecting the fragile and stop-start nature of ceasefire negotiations, as well as the ongoing risk of renewed supply disruptions. Importantly, while it is still early days, the current under-recovery points to another significant diesel price hike at the start of next month – likely well beyond what any further fuel levy relief could offset. In particular, the risk of renewed disruption to shipping through key transit routes remains a central upside risk.

The rand has, on balance, proven more resilient than expected through the recent market turmoil. Indeed, our Q1 average forecast was only R0.05/$ off, as earlier-year strength helped offset more recent pressures.

On the domestic front, the growth outlook has softened. A weak February manufacturing print, which effectively reversed January's gains, has weighed on our high-frequency indicators for Q1. As a result, the current signal points to only modest quarter-on-quarter expansion, reinforcing downside risk to our existing 2026 growth forecast.

We are currently in the process of our quarterly forecast update and will share a more detailed and revised outlook with clients in the coming weeks.

	Actual		Forecast		Next release/meeting	
	2025	2026Q1	2026Q2	2026		
Brent crude oil ($, spot, avg.)	68.83	73.83	90.00	81.40	n/a	
ZAR/USD (avg.)	17.88	16.36	16.46	16.66	n/a	
Prime interest rate (%, end of period)	11.25	10.25	10.25	10.00	28-May-2026	
	2025	2025Q4	2026Q1	2026		
Headline CPI (y-o-y % change)	3.2	3.6	3.2	3.9	22-Apr-26	Mar
FNAB inflation (y-o-y % change)	4.1	4.2	4.3	3.9	22-Apr-26	Mar
Headline PPI (y-o-y % change)	1.5	2.9	2.0	2.2	30-Apr-26	Mar
Real GDP growth (seasonally adjusted)						
(y-o-y % change)	1.1			1.8	9-Jun-26	2026Q1
(q-o-q % change)		0.4	0.3			

Source: BER, Stats SA, Refinitiv, SARB

Note: The table is updated ad hoc and is indicative of our latest view.

FNAB stands for food & non-alcoholic beverages.

Premium Insights Clients can access more complete summaries of our forecast (updated each quarter) ***here****.*

CONTACT US

Editor: Lisette IJssel de Schepper
Tel: +27 (0)21 808 9777
Email: lisette@sun.ac.za

Click **here** for previous editions of this publication.
Please refer to the glossary on the **BER website** for explanations of technical terms.