

DATA REVIEW | NUMBER 27

17 July 2026

This report summarises the key domestic and international data releases over the past week, including another disappointing mining production print in South Africa. Internationally, we cover softer-than-expected US inflation, weaker Chinese economic growth, disappointing eurozone industrial production and the modest recovery in UK GDP.

The full BER Weekly Review examines the return of the Strait of Hormuz blockade and what it means for global oil markets, why the SARB is likely to face another finely balanced interest rate decision next week, and whether renewed geopolitical tensions are enough to alter South Africa's inflation outlook. We also feature Natasha Marrian's analysis of the governance crisis at the Public Investment Corporation (PIC). The full Weekly is available to BER Essential Insights subscribers (**sign up here for only R210/month**) and Premium Insights clients.

DOMESTIC DATA

Nkosinathi Nonkonyana

SHARP DECLINE IN MINING OUTPUT MEANS SECTOR IS A LIKELY DRAG ON Q2 GDP

Mining production fell by 5.4% y-o-y in May, following an 8% rise in April. This was well below market expectations (+1.5% y-o-y) and follows five months of growth. Iron ore declined by 12.7%, marking the largest contribution to the contraction (-2.1% pts), followed by a 6.1% drop in coal (-1.5% pts) and a 4.4% decrease in the platinum group metals (-1.2% pts). Monthly production dropped by 5.2% in May, following a 3.1% expansion in April. Like manufacturing (released last week), we would need to see a significant month-on-month gain for the sector in June to prevent a quarterly contraction. This does not bode well for Q2 GDP.

Meanwhile, mineral sales climbed by 13.9% y-o-y in May, slowing down from 30.6% registered in April. Platinum group metal sales rose by 70.5% (13.2% pts), followed by a 7.1% rise in gold (2% pts) and 8.5% in coal (1.8% pts). However, iron ore was the largest drag on sales, contracting by 37.1% (-3.5% pts).

INTERNATIONAL DATA

Nomvelo Moima

US CONSUMER AND PRODUCER INFLATION EASE ON LOWER FUEL COSTS

In the US, headline consumer inflation surprised to the downside, rising by 3.5% y-o-y, slower than May's reading of 4.1% y-o-y and consensus of 3.8%. This marks the first deceleration in CPI in five months, driven by declining global oil prices during the month. In line with this development, much of the deceleration in the headline inflation was led by the energy index, with gasoline prices increasing at a considerably slower 26.7% y-o-y in June, down from a 40.5% rise in May. On a monthly basis, CPI registered its largest decline since April 2020, dropping by 0.4% m-o-m in June and reversing a 0.5% rise in the prior month. This comes as energy prices declined by 5.7% m-o-m, offsetting a 0.2% m-o-m rise in food prices. Excluding food and energy, annual core CPI also slowed, edging down from 2.9% to 2.6%.

Also released this week was the US producer price inflation print, which also cooled more than consensus expectations over the same period. Headline PPI increased by 5.5% y-o-y in June, after a downwardly adjusted 6% rise in the prior month. Month-on-month, factory gate inflation declined by 0.3%, down from a downwardly adjusted 0.6% increase the prior month, owing to a 1.4% m-o-m decline in goods prices, led by a 12% drop in gasoline prices.

Signs of cooling price pressures across both releases have given the US Fed a little more headroom to keep interest rates on hold, shifting market expectations of US Fed rate hikes further into the year and reducing bets on a rate hike at their July meeting.

CHINA'S GDP GROWTH SLOWS TO A MORE THAN THREE-YEAR LOW IN 2026Q2

Another surprise came from a slower-than-expected growth in China during the second quarter. Following a strong start to the year, the Chinese economy undershot Beijing's 4.5%-5% growth target, expanding by 4.3% y-o-y in 2026Q2, after growing by 5% y-o-y in 2026Q1. The slowdown was driven by the persistent imbalance between weak domestic demand and robust industrial productivity and exports. Indeed, household consumption remained subdued; however, the primary drag on growth in the second quarter was a steeper decline in fixed investment to -5.7% y-o-y in June, down from -4% in the prior month.

The usual monthly data echoed the GDP print. Retail sales managed to stage a rebound from a 0.6% y-o-y contraction in May, gaining 1% y-o-y in June. This was the first expansion in two months, which hardly points to a substantial pickup in domestic consumption, while fixed-asset investment was down 5.7% y-o-y in the first half of the year. Conversely, industrial production outpaced expectations, accelerating for a second consecutive month to grow by 5.3% y-o-y, up from 4.5% in the prior month. This was largely led by increased manufacturing production, which continues to highlight the economy's overreliance on external demand despite policymakers' stated plans to rebalance the economy.

EZ INDUSTRIAL PRODUCTION DISAPPOINTS, WHILE THE SERVICES SECTOR SUPPORTS UK GDP

After three straight months of positive industrial output, Eurostat reported that industrial activity in the region contracted by 0.2% m-o-m in May, disappointing expectations of a

0.2% rise. On an annual basis, factory output dropped by 1.2%, following a 0.4% gain in the prior month.

On the other hand, UK real GDP recorded a 0.1% m-o-m in May, completely reversing a 0.1% contraction in April. Growth was entirely due to higher economic activity in the service sector (up 0.3% in May, from -0.1% in April), offsetting contractions in the production (-0.5% in May, from +0.2%) and construction (-0.8% in May, from -0.1%) sectors.

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.

Copyright & Disclaimer

This publication is confidential and only for the use of the intended recipient.
Copyright for this publication is held by Stellenbosch University.



Although reasonable professional skill, care and diligence are exercised to record and interpret all information correctly, Stellenbosch University, its division BER and the author(s)/editor do not accept any liability for any direct or indirect loss whatsoever that might result from unintentional inaccurate data and interpretations provided by the BER as well as any interpretations by third parties. Stellenbosch University further accepts no liability for the consequences of any decisions or actions taken by any third party on the basis of information provided in this publication. The views, conclusions or opinions contained in this publication are those of the BER and do not necessarily reflect those of Stellenbosch University.