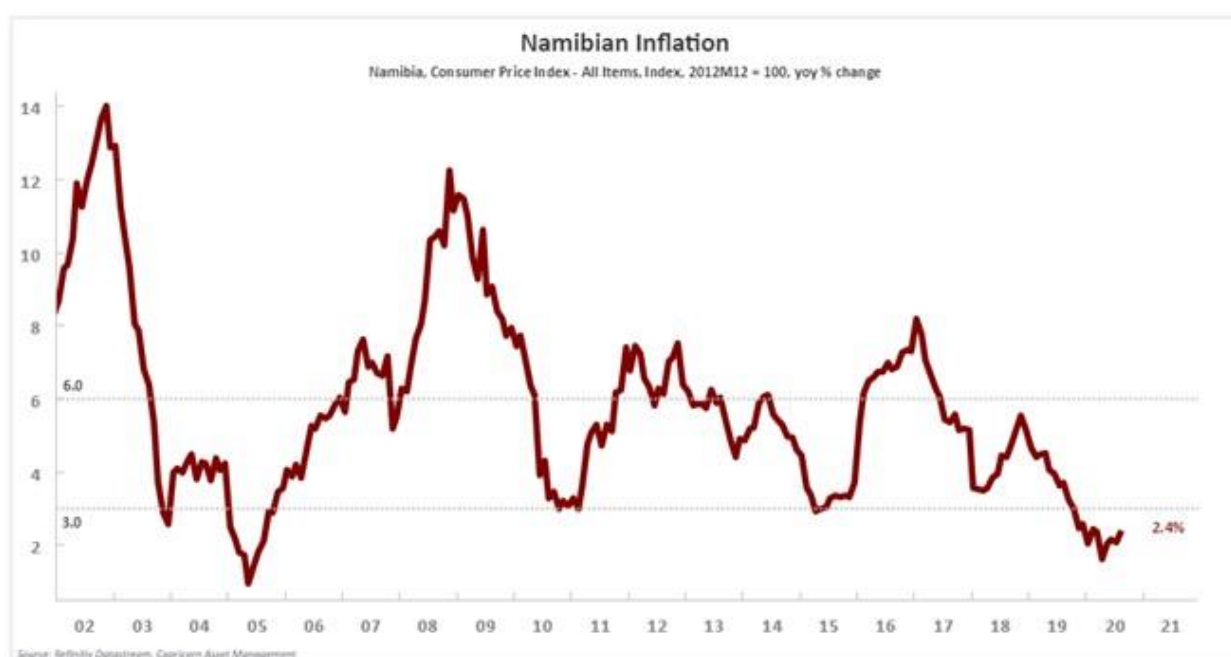




Market Update

Friday, 02 October 2020



Global Markets

U.S. stock futures dipped on Friday after President Donald Trump said he and his wife will quarantine after a close aide tested positive for the coronavirus. Subsequently, he tweeted that he and Melania tested positive for Covid. Futures for the S&P 500 fell 0.39% in Asian trading after the news, extending earlier losses, while Treasury yields remained broadly unchanged. The U.S. dollar held steady against most currencies, but it rose against the Australian and New Zealand dollars in a sign of risk aversion.

MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.15%. Australia's S&P/ASX 200 index fell 0.68% as a decline in oil and copper prices weighed on the resources sector. Japan's Nikkei 225 index was up 0.15% after the Tokyo Stock Exchange (TSE) resumed normal trading after its worst-ever outage brought the world's third-largest equity market to a standstill.

Trump said on Twitter that he and his wife had been tested for coronavirus after Hope Hicks, a senior advisor who recently travelled with the president, tested positive. If Trump also tested positive, that could cause a new wave of market volatility as investors brace for a hotly contested presidential election in November. "It depends on how serious this becomes, and whether or not

Trump is actually infected," said Masayuki Kichikawa, chief macro strategist at Sumitomo Mitsui Asset Management. "The most important thing is we were already worried about an uncertain outcome from the election, and this adds to the uncertainty."

In addition, a spate of data, including jobless claims and consumer spending, suggested that the plodding U.S. economic recovery could be losing steam. Futures for the tech-heavy Nasdaq also fell 0.4% in Asian trading. The benchmark 10-year Treasury yield was little changed at 0.6709%. There was a brief jump in trading volumes for both S&P and Nasdaq futures, but activity has subsided as investors await more details, according to a currency trader based in Singapore.

China's stock and bond markets, foreign exchange and commodity futures markets are closed Oct. 1-8 for the Golden Week holiday. South Korea and Hong Kong markets are also closed on Friday for holidays. U.S. markets kicked off the fourth quarter by closing higher on Thursday while investors tracked progress in negotiations for additional fiscal stimulus.

The Dow Jones Industrial Average rose 0.13% on Thursday. The S&P 500 gained 0.53% and the Nasdaq Composite added 1.42%.

U.S. consumer spending is starting to slow due to a shaky jobs market. If policymakers cannot agree on more support, the U.S. economy could lose more momentum. Traders are also waiting for the Labour Department's report on non-farm payrolls and the jobless rate later Friday, following new layoff announcements from the likes of Disney and Goldman Sachs.

The dollar index was quoted at 93.811, close to a one-week low due to doubts about U.S. stimulus talks. Spot gold fell 0.55% to \$1,894.59 an ounce, adding to its worst month since November 2016, while oil prices continued to fall, adding to a 10% September drop. Brent crude futures were trading down 1.22% at \$40.43 a barrel in Asia on Friday, while U.S. crude futures were down 1.32% at \$38.21 a barrel. Oil prices fell more than 3% on Thursday as rising coronavirus cases around the world dampened the demand outlook, while a rise last month in member output from the Organization of the Petroleum Exporting Countries also pressured prices.

Domestic Markets

South Africa's rand extended its winning streak to a fourth session on Thursday as emerging and risk assets continued to benefit from political and economic uncertainty in the United States and prospects of a smooth rebound in global growth.

At 1615 GMT the rand was 0.51% firmer at 16.6825 per dollar compared to its previous close of 16.7675, bringing gains since Monday to nearly 4%.

Confusion over November's U.S. election, following Wednesday's chaotic debate between President Donald Trump and Democratic contender Joe Biden, combined with mixed jobs data to dampen the appeal of the U.S. dollar.

The greenback slipped to its lowest in nine-days as investors found more reasons to make riskier bets, though traders warned the move may be short-lived.

Large outflows from emerging market investments towards the end of September point to a big "risk-off" shift brewing, economists at the Institute of International Finance said.

Local economic data was also mixed, showing South Africa's economy was on the mend but from a very low base. The seasonally-adjusted Absa Purchasing Managers' Index (PMI) recovered further in September, but new car sales were down for an eight month in row.

The Johannesburg Stock Exchange firmed marginally, halting a two-day losing streak. The FTSE/JSE all share index was up 0.34% to close at 54,447 points while the FTSE/JSE top 40 companies index closed up 0.23% at 50,159 points.

The advance was led by local banks which gained on hopes of the domestic economy recovering as South Africa's tourism sector opened up to international travel from Thursday. The banking index was up almost one percent at the closing bell. Bonds also firmed, with the yield on benchmark 2030 paper was down 3.5 basis points to 9.41%.

Source: Thomson Reuters

Corona Tracker

GLOBAL CASES				
SOURCE - REUTERS				
	Confirmed Cases	New Cases	Total Deaths	Total Recovered
GLOBAL	34,273,422	81,484	1,017,804	24,405,429



Market Overview

MARKET INDICATORS (Thomson Reuters)		02 October 2020			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↑	3.88	0.008	3.87	3.88
6 months	↓	3.95	-0.017	3.97	3.95
9 months	↓	3.98	-0.009	3.99	3.98
12 months	↓	3.95	-0.017	3.97	3.95
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↓	4.08	-0.025	4.10	4.08
GC22 (Coupon 8.75%, BMK R2023)	↓	5.19	-0.030	5.22	5.19
GC23 (Coupon 8.85%, BMK R2023)	↓	5.09	-0.030	5.12	5.09
GC24 (Coupon 10.50%, BMK R186)	↓	7.52	-0.010	7.53	7.52
GC25 (Coupon 8.50%, BMK R186)	↓	7.53	-0.010	7.54	7.53
GC26 (Coupon 8.50%, BMK R186)	↓	7.53	-0.010	7.54	7.53
GC27 (Coupon 8.00%, BMK R186)	↓	7.82	-0.010	7.83	7.82
GC30 (Coupon 8.00%, BMK R2030)	↓	9.71	-0.035	9.75	9.71
GC32 (Coupon 9.00%, BMK R213)	↓	10.86	-0.025	10.88	10.86
GC35 (Coupon 9.50%, BMK R209)	↑	12.00	0.025	11.98	11.99
GC37 (Coupon 9.50%, BMK R2037)	↑	12.67	0.010	12.66	12.67
GC40 (Coupon 9.80%, BMK R214)	↑	13.18	0.030	13.15	13.18
GC43 (Coupon 10.00%, BMK R2044)	↑	13.71	0.040	13.67	13.70
GC45 (Coupon 9.85%, BMK R2044)	↑	13.99	0.040	13.95	13.98
GC50 (Coupon 10.25%, BMK: R2048)	↑	14.07	0.050	14.02	14.06
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI22 (Coupon 3.55%, BMK NCPI)	⇒	4.49	0.000	4.49	4.49
GI25 (Coupon 3.80%, BMK NCPI)	⇒	4.49	0.000	4.49	4.49
GI29 (Coupon 4.50%, BMK NCPI)	⇒	5.91	0.000	5.91	5.91
GI33 (Coupon 4.50%, BMK NCPI)	⇒	6.82	0.000	6.82	6.82
GI36 (Coupon 4.80%, BMK NCPI)	⇒	7.09	0.000	7.09	7.09
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,905	1.04%	1,885	1,902
Platinum	↑	896	0.88%	888	887
Brent Crude	↓	40.9	-0.05%	41.0	40.1
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,077	-0.24%	1,079	1,077
JSE All Share	↑	54,447	0.34%	54,265	54,447
SP500	↑	3,381	0.53%	3,363	3,381
FTSE 100	↑	5,879	0.23%	5,866	5,879
Hangseng	⇒	23,459	0.00%	23,459	23,459
DAX	↓	12,731	-0.23%	12,761	12,731
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↑	10,159	0.86%	10,072	10,159
Resources	↓	53,032	-0.66%	53,383	53,032
Industrials	↑	73,766	0.79%	73,187	73,766
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↓	16.59	-0.78%	16.72	16.72
N\$/Pound	↓	21.39	-1.01%	21.60	21.50
N\$/Euro	↓	19.49	-0.54%	19.60	19.58
US dollar/ Euro	↑	1.175	0.25%	1.172	1.172
Interest Rates & Inflation		Namibia		RSA	
		Latest	Previous	Latest	Previous
Central Bank Rate	↓	3.75	4.00	3.50	3.75
Prime Rate	↓	7.50	7.75	7.00	7.25
		Aug 20	Jul 20	Aug 20	Jul 20
Inflation	↑	2.4	2.1	3.1	3.2

Notes to the table:

- The money market rates are TB rates
- “BMK” = Benchmark
- “NCPI” = Namibian inflation rate
- “Difference” = change in basis points
- Current spot = value at the time of writing
- NSX is a Bloomberg calculated Index

Important Note:

This is not a solicitation to trade and CAM will not necessarily trade at the yields and/or prices quoted above. The information is sourced from the data vendor as indicated. The levels of and changes in the yields need to be interpreted with caution due to the illiquid nature of the domestic bond market.

Source: Bloomberg



For enquiries concerning the Daily Brief please contact us at

Daily.Brief@capricorn.com.na

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