



Market Update

Friday, 05 April 2019

Global Markets

Asian share markets consolidated their weekly gains on Friday as Sino-U.S. talks produced a lot of headlines but no conclusions, while caution ahead of U.S. payrolls and a holiday in China dampened volatility. MSCI's broadest index of Asia-Pacific shares outside Japan eased 0.1 percent but was only just off its highest since the end of August. The index was still up 1.8 percent for the week and 13 percent for the year so far. Japan's Nikkei added 0.3 percent, to be 2.8 percent firmer for the week. E-Mini futures for the S&P 500 edged up 0.1 percent

Xinhua reported Chinese President Xi Jinping had said progress was being made and called for an early conclusion of negotiations. U.S. President Donald Trump said on Thursday a deal could be announced in about four weeks, but warned it would be difficult to let China trade with the United States if remaining issues were not resolved.

Investors are also waiting on the U.S. payrolls report, which is forecast to bounce back by 180,000 in March, following February's distorted 20,000 rise. One focus will be hourly earnings, which climbed to 3.4 percent in February, the fastest pace since April 2009. Hopes for a solid number were boosted by data on jobless claims which fell to a 49-year low last week, pointing to sustained labour market strength.

The Dow ended Thursday up 0.64 percent, while the S&P 500 gained 0.21 percent and the Nasdaq dropped 0.05 percent. The S&P 500 reached its highest level since Oct. 9 and is only 1.75 percent below its all-time closing high.

Against a basket of currencies the dollar had bounced back to 97.287, from Wednesday's low of 96.962. Reuters reported Saudi Arabia is threatening to sell its oil in currencies other than the dollar if Washington passes a bill exposing OPEC members to U.S. antitrust lawsuits, three sources familiar with Saudi energy policy said.

The euro was flat at \$1.1223 having dipped overnight in the wake of poor German data. Industrial orders there fell by the most in more than two years in February as foreign demand slumped, another sign that Europe's largest economy had a weak start to the year.

Sterling was stalled at \$1.3077 as markets awaited some clarity on where Brexit was heading. Pro-Brexit lawmakers in Britain's upper house of parliament tried on Thursday to thwart the approval of a new law that would force Prime Minister Theresa May to seek a delay to prevent a disorderly EU

exit on April 12 without a deal. A source close to negotiations on the timetable for the bill said they expected it to be finalised on Monday.

In commodity markets, spot gold dipped to \$1,291.61 per ounce but held above a near 10-week low hit overnight. Brent oil had briefly touched \$70 a barrel for the first time since November on Thursday as expectations of tight global supply outweighed pressure from rising U.S. production. Brent crude futures were off 23 cents at \$69.17, while U.S. crude eased 3 cents to \$62.07 a barrel.

Source: Thomson Reuters

Domestic Markets

South Africa's rand firmed on Thursday, eking out gains late in the session as hopes of a trade deal between the United States and China bolstered risk appetite globally. White House economic adviser Larry Kudlow said on Thursday that trade talks between Washington and Beijing last week in the Chinese capital had made "good headway".

At 1700 GMT the rand was 0.2 percent firmer at 14.1150 per dollar from an overnight close of 14.1450 in New York. The rand posted the gains deep into offshore trade, having languished near short term technical support around 14.20 for most of the local session in low volume trade. The currency was volatile in the previous session after power firm Eskom said the utility needed an additional 250 billion rand (\$17.73 billion) to ease its financial and operational crisis.

However, demand from overseas investors has helped the rand cling on to gains that lifted it to a 2-month high on Monday after Moody's delayed a credit review on the country.

In equity markets, stocks weakened on profit-taking after gains in the previous session, with bullion shares weighing on further gains. The Johannesburg All-Share index fell 0.37 percent to 57,711 points while the Johannesburg Top-40 index dipped 0.37 percent to 51,449 points.

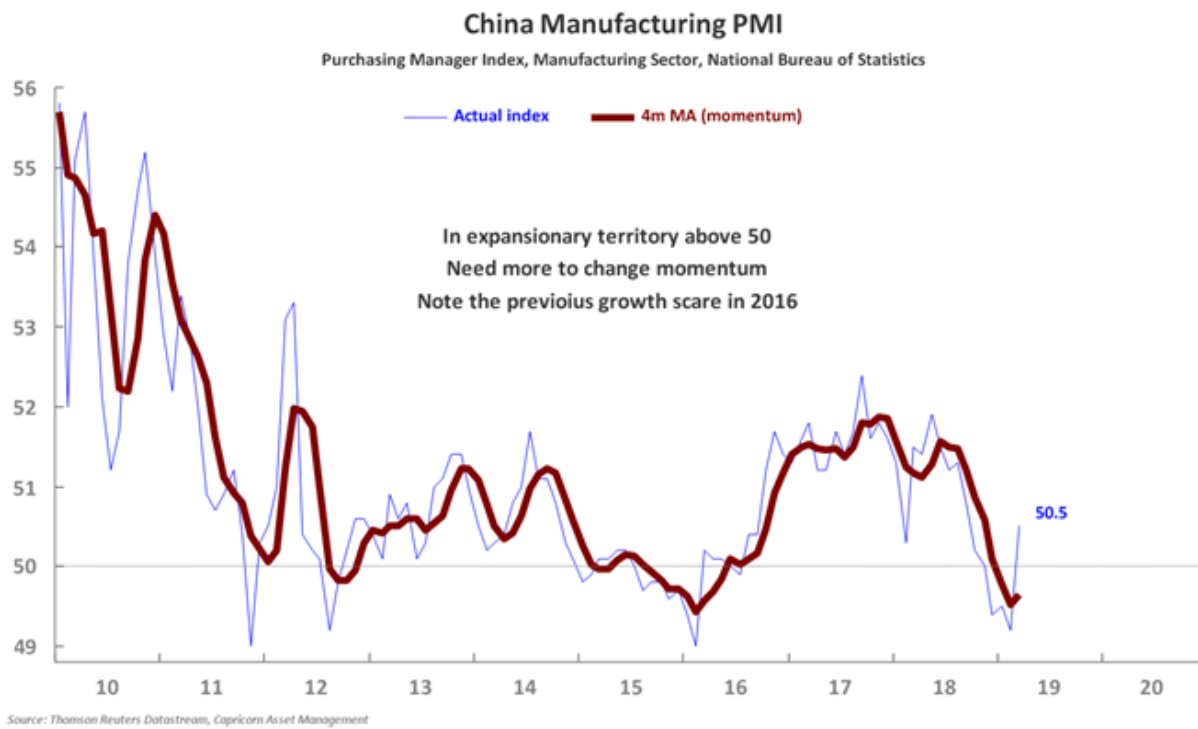
Among the decliners, bullion shares fell 0.89 percent, weighed down by a weaker spot gold price. AngloGold Ashanti fell 1.48 percent to 183,96 rand and Gold Fields dropped 1.49 percent to 52.80 rand.

Bonds also edged lower, with the yield on the benchmark government paper due in 2026 up 0.5 basis points to 8.535 percent.

Source: Thomson Reuters



Chart of the Day – A global game changer



Market Overview

MARKET INDICATORS		05 April 2019			
Money Market TB's		Last close	Difference	Prev close	Current Spot
3 months	⇒	7.31	0.000	7.31	7.31
6 months	⇒	7.88	0.000	7.88	7.88
9 months	⇒	8.15	0.000	8.15	8.15
12 months	⇩	8.33	-0.001	8.33	8.33
Bonds		Last close	Difference	Prev close	Current Spot
GC21 (BMK: R208)	⇩	7.96	0.050	7.91	7.96
GC24 (BMK: R186)	⇩	9.44	-0.055	9.49	9.43
GC27 (BMK: R186)	⇩	9.64	-0.080	9.72	9.63
GC30 (BMK: R2030)	⇩	10.47	0.190	10.28	10.45
GI22 (BMK: NCPI)	⇒	4.66	0.000	4.66	4.66
GI25 (BMK: NCPI)	⇒	5.11	0.000	5.11	5.11
GI29 (BMK: NCPI)	⇒	5.73	0.000	5.73	5.73
Commodities		Last close	Change	Prev close	Current Spot
Gold	⇩	1,292	0.19%	1,290	1,290
Platinum	⇩	898	2.61%	875	902
Brent Crude	⇩	69.4	0.13%	69.3	69.1
Main Indices		Last close	Change	Prev close	Current Spot
NSX (Delayed)	⇩	1,362	-0.84%	1,374	1,362
JSE All Share	⇩	57,711	-0.37%	57,926	57,897
SP500	⇩	2,879	0.21%	2,873	2,879
FTSE 100	⇩	7,402	-0.22%	7,418	7,407
Hangseng	⇩	29,936	-0.17%	29,986	29,936
DAX	⇩	11,988	0.28%	11,954	11,981
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	⇩	16,836	-0.14%	16,860	16,869
Resources	⇩	47,737	-1.37%	48,402	48,085
Industrials	⇩	70,368	0.07%	70,321	70,528
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	⇩	14.10	-0.41%	14.16	14.09
N\$/Pound	⇩	18.44	-1.03%	18.63	18.45
N\$/Euro	⇩	15.82	-0.54%	15.91	15.82
US dollar/ Euro	⇩	1.122	-0.12%	1.12	1.123
		Namibia		RSA	
Economic data		Latest	Previous	Latest	Previous
Inflation	⇩	4.4	4.7	4.1	4.0
Prime Rate	⇒	10.50	10.50	10.25	10.25
Central Bank Rate	⇒	6.75	6.75	6.75	6.75

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

Source: Bloomberg

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