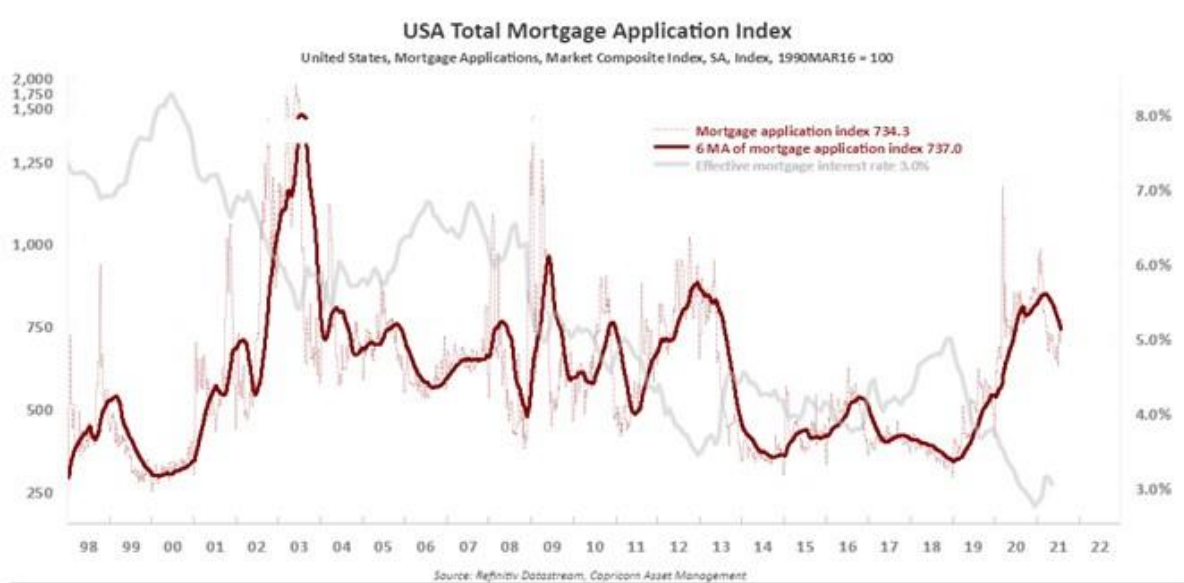




Market Update

Thursday, 05 August 2021



Global Markets

Shares held on to recent gains in morning trading on Thursday, despite hawkish remarks from a senior official at the U.S. Federal Reserve, that boosted the dollar while weighing on risk appetite, and uncertainty about Chinese policy.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.22%, and Japan's Nikkei climbed 0.32%. Australia gained 0.18%, Chinese blue chips fell 0.28% and Hong Kong advanced 0.45%. This week the MSCI Asian regional benchmark has walked back most of the ground lost a week earlier, when a series of Chinese regulatory crackdowns in sectors from property to education squeezed Chinese stocks and overshadowed the region as a whole.

Chinese equities have been calmer this week, barring sharp swings in tech giant Tencent after state media criticised the gaming industry. "In the short term, the further rebound may continue but uncertainties over policy control will drive long-term investors away from Chinese technology names," said Edison Pun, senior market analyst at Saxo Markets. Pun also pointed to remarks about the electronic cigarette business in state media Wednesday, which he said may also bring pressure to related stocks.

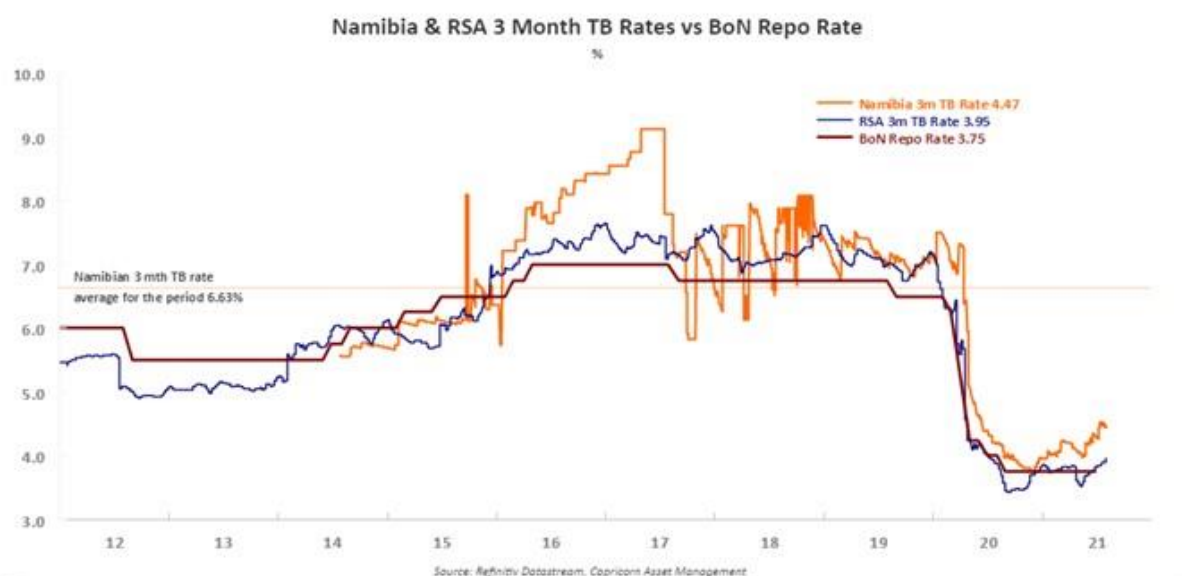
U.S. stocks closed mostly lower on Wednesday, with the S&P 500 receding 0.46% from a record high. The blue-chip Dow slid 0.92%, though the tech heavy Nasdaq eked out small gains with investors there attaching greater weight to positive data from the services sector than to negative jobs figures. U.S. stock futures - the S&P 500 e-minis - edged up 0.2% in Asian trading.

Markets are looking at the "mixed signals from the data, and trying to assess what the Fed will do," said Kyle Rodda, an analyst at IG markets. Rodda said the latest moves were driven by an overnight speech from Fed Vice Chair Richard Clarida which took a more hawkish tone. Clarida, a major architect of the Fed's new policy strategy, said he felt the conditions for raising interest rates could be met by the end of 2022.

Those remarks helped U.S. yields and the dollar. The benchmark 10-year yield was last at 1.199% up from a U.S. close of 1.184%, having touched 1.127% - its lowest level since February - earlier in the day. This helped the dollar, which bought 109.63 yen, compared with a low of 108.71 on Wednesday. The firmer dollar in turn weighed a little on gold, with the spot price falling 0.1%.

U.S. crude rose 0.37% to \$68.4 a barrel while Brent crude climbed to \$70.61 per barrel, regaining a little ground after three days in a row of declines. Analysts at CBA said Wednesday's fall was a result of "a big rise in U.S. crude oil inventories (which) crystallised the market's conceptual angst about the Delta-variant COVID dragging on fuel demand."

Ether, the world's second-largest cryptocurrency, dropped 1.75% having gained 8.7% a day earlier ahead of a technical adjustment to its underlying ethereum blockchain, which should happen later today. Bitcoin fell 1.3%, resting in the vicinity of \$40,000 where it has been for the last week.



Domestic Markets

South Africa's rand retreated late on Wednesday as the dollar recovered, with currency markets also nervous ahead of U.S. jobs data seen as key to the U.S. central bank's policy stance.

The rand traded 0.36% weaker at 14.3600 against the dollar as of 1702 GMT, after firming to a new three-week high of 14.2275 earlier in the session.

The dollar recovered from a fall on Wednesday brought on by the release of an unexpectedly weak private employment report. Market focus was on U.S. non-farm payroll numbers due on Friday.

The non-farm payrolls is an important parameter to determine the U.S. Federal Reserve's future policy stance, which impact markets including riskier currencies such as the rand that thrive on U.S. rates staying low because they benefit from their appeal for carry trade.

Government bonds weakened alongside the currency, with the yield on the benchmark 2030 instrument up 6 basis points to 8.855%.

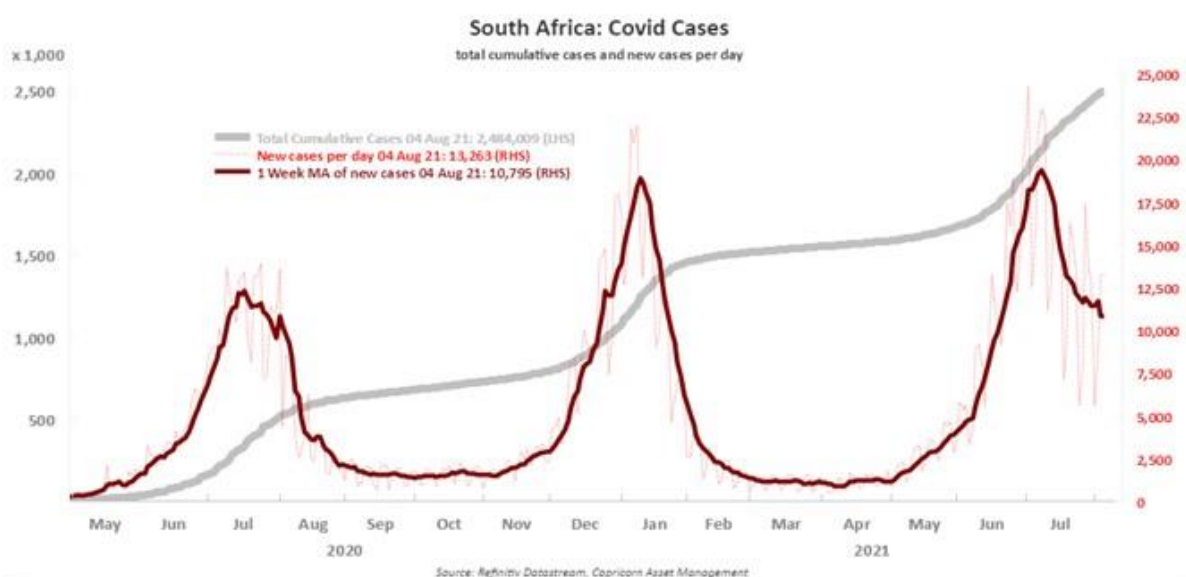
In the equities market, stocks rose as tech companies Naspers and its subsidiary Prosus recovered from the previous session's decline, tracking gains in Chinese tech giant Tencent Holdings as Chinese state media toned down criticism of the video game industry.

This comes a day after the outlet branded online games "spiritual opium", driving down shares in Tencent, with the panic spilling over to holders of its shares and gaming rivals. Naspers, through Prosus, holds around a 30% stake in Tencent. Johannesburg-listed shares of Prosus jumped 3.15% while Naspers rose 2.81%. Other notable gainers was the country's third largest telecom company Telkom, after it reported a 7.3% rise in first quarter group core earnings.

Corona Tracker

GLOBAL CASES		04-Aug-2021	
SOURCE - REUTERS			
	Confirmed Cases	New Cases	Total Deaths
GLOBAL	200,106,545	382,469	4,416,173

Source: Thomson Reuters



Facts are many, but the truth is one.

Rabindranath Tagore

Market Overview

MARKET INDICATORS (Thomson Reuters)		05 August 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	⇒	4.28	0.000	4.28	4.28
6 months	↑	4.52	0.008	4.51	4.51
9 months	↑	4.78	0.009	4.77	4.78
12 months	↑	4.91	0.008	4.90	4.91
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↑	4.45	0.030	4.42	4.45
GC22 (Coupon 8.75%, BMK R2023)	↑	5.66	0.030	5.63	5.63
GC23 (Coupon 8.85%, BMK R2023)	↑	5.56	0.030	5.53	5.53
GC24 (Coupon 10.50%, BMK R186)	↑	7.65	0.050	7.60	7.65
GC25 (Coupon 8.50%, BMK R186)	↑	7.66	0.050	7.61	7.66
GC26 (Coupon 8.50%, BMK R186)	↑	7.66	0.050	7.61	7.66
GC27 (Coupon 8.00%, BMK R186)	↑	7.95	0.050	7.90	7.95
GC30 (Coupon 8.00%, BMK R2030)	↑	9.16	0.060	9.10	9.18
GC32 (Coupon 9.00%, BMK R213)	↑	10.16	0.060	10.10	10.17
GC35 (Coupon 9.50%, BMK R209)	↑	11.13	0.075	11.06	11.15
GC37 (Coupon 9.50%, BMK R2037)	↑	11.61	0.075	11.54	11.64
GC40 (Coupon 9.80%, BMK R214)	↑	12.49	0.115	12.38	12.50
GC43 (Coupon 10.00%, BMK R2044)	↑	12.73	0.105	12.63	12.76
GC45 (Coupon 9.85%, BMK R2044)	↑	13.01	0.105	12.91	13.04
GC48 (Coupon 10.00%, BMK R2048)	↑	13.10	0.100	13.00	13.12
GC50 (Coupon 10.25%, BMK: R2048)	↑	13.04	0.100	12.94	13.06
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI22 (Coupon 3.55%, BMK NCPI)	⇒	3.95	0.000	3.95	3.95
GI25 (Coupon 3.80%, BMK NCPI)	⇒	4.00	0.000	4.00	4.00
GI27 (Coupon 4.00%, BMK NCPI)	⇒	4.99	0.000	4.99	4.99
GI29 (Coupon 4.50%, BMK NCPI)	⇒	6.19	0.000	6.19	6.19
GI33 (Coupon 4.50%, BMK NCPI)	⇒	7.01	0.000	7.01	7.01
GI36 (Coupon 4.80%, BMK NCPI)	⇒	7.61	0.000	7.61	7.61
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,811	0.08%	1,810	1,814
Platinum	↓	1,026	-2.26%	1,049	1,016
Brent Crude	↓	70.4	-2.80%	72.4	70.3
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,497	0.24%	1,493	1,497
JSE All Share	↑	68,898	0.28%	68,706	68,757
SP500	↓	4,403	-0.46%	4,423	4,403
FTSE 100	↑	7,124	0.26%	7,106	7,118
Hangseng	↑	26,427	0.88%	26,195	26,199
DAX	↑	15,692	0.88%	15,555	15,702
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	13,095	-0.26%	13,129	13,403
Resources	↑	71,750	0.77%	71,203	71,049
Industrials	↑	86,237	0.08%	86,170	85,731
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	14.37	0.48%	14.30	14.36
N\$/Pound	↑	19.96	0.30%	19.90	19.99
N\$/Euro	↑	17.01	0.27%	16.96	17.01
US dollar/ Euro	↓	1.184	-0.21%	1.186	1.185
		Namibia		RSA	
Interest Rates & Inflation		Jun 21	May 21	Jun 21	May 21
Central Bank Rate	⇒	3.75	3.75	3.50	3.50
Prime Rate	⇒	7.50	7.50	7.00	7.00
		Jun 21	May 21	Jun 21	May 21
Inflation	↑	4.1	3.8	4.9	5.2

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: Thomson Reuters



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