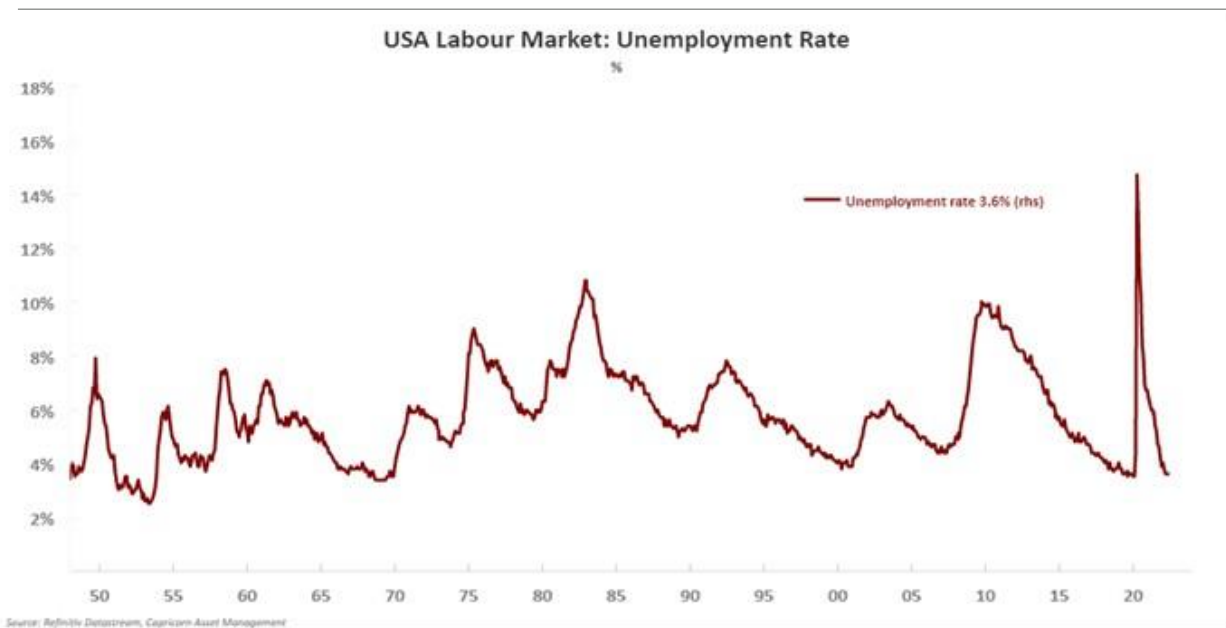




Market Update

Friday, 05 August 2022



Global Markets

HONG KONG, Aug 5 (Reuters) - Oil languished near its lowest since the start of the war in Ukraine on Friday on fears of a global recession, though stocks ignored such worries, gaining ahead of U.S. jobs data that will give another clue to the health of the world's largest economy.

Benchmark Brent crude futures were up a touch at \$94.23 a barrel and U.S. crude futures were also a whisker higher at \$88.70 a barrel after both closed the previous session at their lowest levels since February.

Losses were partly due to data on Wednesday showing a surge in U.S. inventories last week.

"It's a combination of the inventory data and a bit of worry about demand. Because the market is worried about growth more than inflation - even though inflation is still a major issue - the oil price has come down," said Prashant Bhayani, chief investment officer for Asia at BNP Paribas Wealth Management.

In another warning sign for the global economy, the closely watched part of the U.S. Treasury yield curve measuring the gap between yields on two- and 10-year Treasury notes reached 39.2 basis points overnight, the deepest inversion since 2000.

An inverted curve is often viewed as portending a recession.

On Friday morning, the 10-year yield was 2.6865% and the two-year yield 3.0509, leaving the gap between them at a still large 36.6 basis points.

"The bond market is saying there is a pretty high chance of recession, while the equity market is focused on the labour data, said Bhayani.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.74%, helped by gains from index heavyweight TSMC, which rose 1.8%, regaining ground it had lost earlier in the week due to U.S. House of Representatives Speaker Nancy Pelosi's visit to Taiwan.

Japan's Nikkei gained 0.43%.

U.S. employment data, due later in the day, is expected to show nonfarm payrolls increased by 250,000 jobs last month, after rising by 372,000 jobs in June.

"We're waiting to see a slowdown in the labour market, so if we get a large miss, it will finally confirm the labour market is slowing, and we'll see some more rallies in U.S. treasuries. If it's a beat people are going to say, 'oh well it will eventually miss'," said Bhayani.

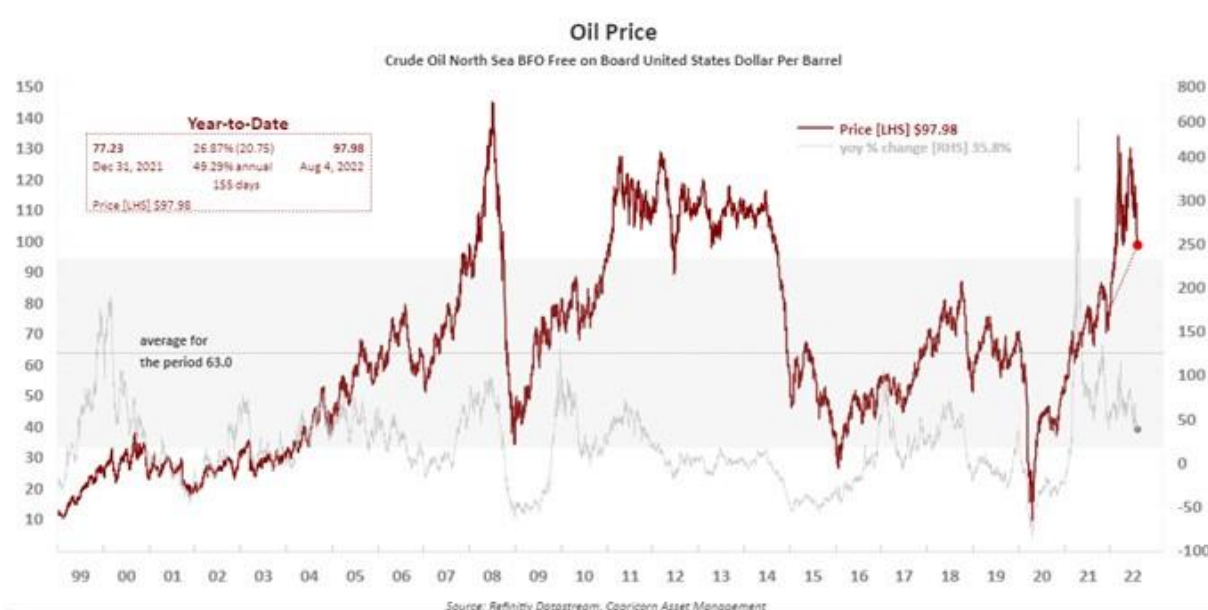
In currency markets the dollar index, which measures the greenback against six major peers, was at 105.86, having fallen 0.6% overnight alongside falling U.S. yields.

Sterling was down a whisker at \$1.2142 after taking a spin overnight as the Bank of England raised interest rates and warned a long recession was approaching Britain.

Spot gold was steady at \$1,790 an ounce.

Source: Thomson Reuters Refinitiv

Domestic Markets



South Africa's rand firmed on Thursday as the U.S. dollar edged down on fading support from the Federal Reserve's hawkish messaging ahead of highly anticipated jobs data on Friday.

At 1523 GMT the rand traded at 16.6750 against the dollar, up 0.39% from its previous close.

On Tuesday, the rand fell sharply in risk-off trade linked to U.S. House Speaker Nancy Pelosi's visit to Taiwan. But it recovered some ground on Wednesday.

Some traders use the rand as a proxy for emerging market risk, so it is highly susceptible to swings in global investor sentiment.

The Bank of England raised rates as expected on Thursday by 50 basis points, joining the Federal Reserve and other central banks in an accelerated race to catch soaring inflation.

Fed officials have continued to fight against the perception that U.S. interest rates were close to peaking, but the impact of the Fed's rhetoric on the dollar appears to be fading.

The dollar index, which tracks the currency against six major rivals, was last down 0.55% at 105.89.

Investors will get a key snapshot of how the U.S. economy is faring on Friday when the Labor Department reports employment data for July.

Stocks on the Johannesburg Stock Exchange rose marginally in the absence of major domestic catalysts, with the benchmark all-share index closing 0.16% higher at 68,717 points, while the blue-chip index of top 40 companies ending 0.21% higher at 62,327 points.

The South African government's benchmark 2030 bond was stronger, with the yield falling 16.5 basis points to 10.185%.

Source: Thomson Reuters Refinitiv

Corona Tracker

Name	Cases - cumulative total	⇅	Cases - newly reported in last 7 days	Deaths - cumulative total	Deaths - newly reported in last 7 days
Global	578,142,444		6,356,578	6,405,080	14,843

Source: Thomson Reuters Refinitiv

Words mean more than what is set down on paper. It takes the human voice to infuse them with deeper meaning.

Maya Angelou

Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)				05 August 2022	
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	➔	6.53	0.000	6.53	6.53
6 months	➔	6.76	0.000	6.76	6.76
9 months	➔	7.52	0.000	7.52	7.52
12 months	⬆️	7.88	0.008	7.87	7.88
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC23 (Coupon 8.85%, BMK R2023)	⬇️	8.59	-0.175	8.77	8.57
GC24 (Coupon 10.50%, BMK R186)	⬇️	8.31	-0.210	8.52	8.31
GC25 (Coupon 8.50%, BMK R186)	⬇️	8.76	-0.210	8.97	8.76
GC26 (Coupon 8.50%, BMK R186)	⬇️	8.82	-0.210	9.03	8.82
GC27 (Coupon 8.00%, BMK R186)	⬇️	9.79	-0.210	10.00	9.79
GC30 (Coupon 8.00%, BMK R2030)	⬇️	11.48	-0.165	11.64	11.51
GC32 (Coupon 9.00%, BMK R213)	⬇️	11.61	-0.155	11.77	11.64
GC35 (Coupon 9.50%, BMK R209)	⬇️	12.04	-0.195	12.24	12.04
GC37 (Coupon 9.50%, BMK R2037)	⬇️	12.66	-0.205	12.87	12.72
GC40 (Coupon 9.80%, BMK R214)	⬇️	12.99	-0.205	13.19	13.04
GC43 (Coupon 10.00%, BMK R2044)	⬇️	13.51	-0.205	13.72	13.57
GC45 (Coupon 9.85%, BMK R2044)	⬇️	14.03	-0.205	14.24	14.09
GC48 (Coupon 10.00%, BMK R2048)	⬇️	14.21	-0.210	14.42	14.26
GC50 (Coupon 10.25%, BMK: R2048)	⬇️	14.22	-0.210	14.43	14.27
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI22 (Coupon 3.55%, BMK NCPI)	➔	3.55	0.000	3.55	0.00
GI25 (Coupon 3.80%, BMK NCPI)	➔	3.94	0.000	3.94	3.94
GI27 (Coupon 4.00%, BMK NCPI)	➔	4.99	0.000	4.99	4.99
GI29 (Coupon 4.50%, BMK NCPI)	➔	4.85	0.000	4.85	4.85
GI33 (Coupon 4.50%, BMK NCPI)	➔	6.52	0.000	6.52	6.52
GI36 (Coupon 4.80%, BMK NCPI)	➔	7.28	0.000	7.28	7.28
Commodities		Last close	Change	Prev close	Current Spot
Gold	⬆️	1,791	1.48%	1,765	1,790
Platinum	⬆️	926	3.16%	898	935
Brent Crude	⬇️	94.1	-2.75%	96.8	94.4
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	⬆️	1,546	0.61%	1,537	1,546
JSE All Share	⬆️	68,717	0.16%	68,611	68,717
SP500	⬇️	4,152	-0.08%	4,155	4,152
FTSE 100	⬆️	7,448	0.03%	7,446	7,448
Hangseng	⬆️	20,174	2.06%	19,767	20,204
DAX	⬆️	13,663	0.55%	13,588	13,663
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	⬇️	15,386	-0.11%	15,402	15,386
Resources	⬆️	62,475	0.77%	61,996	62,475
Industrials	⬇️	84,687	-0.01%	84,698	84,687
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	⬇️	16.60	-0.85%	16.74	16.60
N\$/Pound	⬇️	20.19	-0.71%	20.33	20.15
N\$/Euro	⬇️	17.01	-0.04%	17.01	16.98
US dollar/ Euro	⬆️	1.024	0.78%	1.016	1.023
Interest Rates & Inflation		Namibia		RSA	
		Jul 22	Jun 22	Jul 22	Jun 22
Central Bank Rate	⬆️	4.75	4.25	5.50	4.75
Prime Rate	⬆️	8.50	8.00	9.00	8.25
		Jun 22	May 22	Jun 22	May 22
Inflation	⬆️	6.0	5.4	7.4	6.5

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 the Overall Index, including dual listed

Source: Thomson Reuters Refinitiv

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.



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