



## Market Update

Wednesday, 06 November 2019

### Global Markets

Asian shares pulled back slightly on Wednesday as investors awaited new developments toward scaling back a bruising trade war between the United States and China. MSCI's broadest index of Asia-Pacific shares outside Japan eased 0.11%. Australian shares were down 0.09%, Chinese stocks drifted 0.08% lower while Japan's Nikkei stock index tacked on 0.2%.

Treasury yields fell slightly in Asia and crude oil futures also dipped as investors took a breather as U.S. and Chinese negotiators continued their efforts to seal a preliminary trade deal. The world's two biggest economies have signaled they are pushing hard for a 'phase one' trade agreement, possibly sometime this month.

The dollar held onto overnight gains against the yen and the euro after better-than-expected data on the U.S. services sector, but some analysts warn it will be difficult to shake lingering concern about the global economic outlook. "We've had a good run-up, but there may be some consolidation," said Shane Oliver, head of investment strategy and chief economist at AMP Capital Investors in Sydney. "The trade war is the biggest reason that global growth has weakened over the past 18 months. We would like to see tariffs scaled back. We're still waiting for clearer signs of a resolution."

U.S. stock futures edged 0.11% lower on Wednesday in Asia after the S&P 500 gave up just 0.01% on Tuesday, having reached a record high in the previous trading session. Traders and investors hope a preliminary Sino-U.S. trade pact will roll back at least some of the punitive tariffs that Washington and Beijing have imposed on each other's goods, but it is still uncertain when or where U.S. President Donald Trump will meet Chinese President Xi Jinping to sign the agreement.

In the onshore market the yuan traded at 6.9976 versus the dollar, approaching a three-month high as currency traders took their cue from hopes for a trade deal. Treasury prices rose slightly in Asia, recovering from a sell-off on Tuesday after data from the Institute for Supply Management (ISM) showed the U.S. services sector expanded more than expected in October.

The yield on benchmark 10-year Treasury notes fell to 1.8442% in Asia on Wednesday, while the two-year yield fell slightly to 1.6145%. A jump in oil prices overnight also faded in Asian trading. U.S. crude fell 0.47% to \$56.96 per barrel. Brent crude fell 0.52% to \$62.63 per barrel.

Elsewhere in the currency market, the dollar continued to benefit from the positive ISM data. The dollar traded at 109.076 yen, close to its highest since Aug. 1. The greenback also changed hands at \$1.1075 per euro, approaching its highest level since Oct. 16.

## **Domestic Markets**

South Africa's rand was little changed on Tuesday, as a rally sparked by Moody's decision to keep the country's credit rating at investment grade faded. At 1530 GMT the rand was at 14.7980 per dollar, less than 0.1% stronger than its previous close. Fund managers had expressed skepticism on Monday that a bounce in the rand would last, given major concerns over the weak economic growth outlook and alarming pace at which government debt is growing.

On Friday Moody's kept South Africa's sovereign debt at Baa3, the lowest rung of investment grade, but revised the outlook on that rating to "negative," which gives the country a window of up to 18 months in which a downgrade could be delivered.

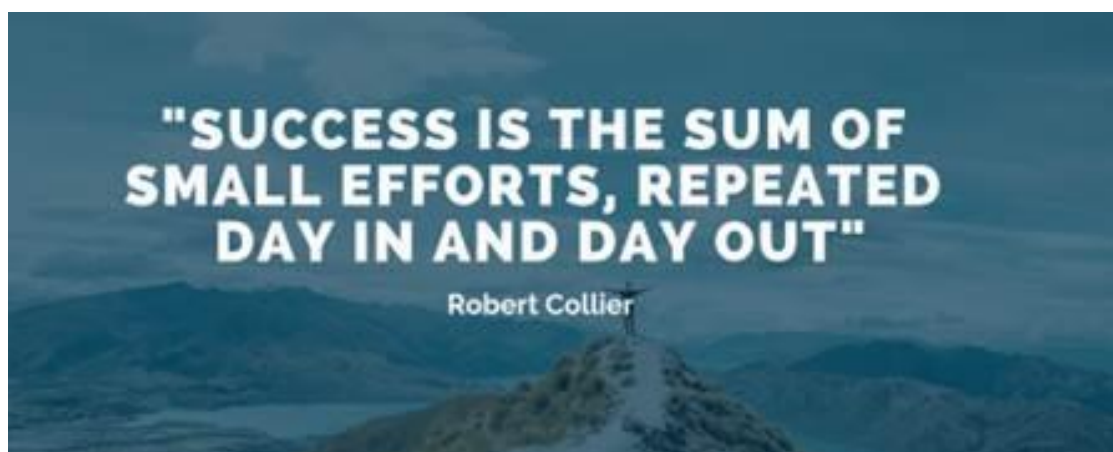
On the local bourse, stocks climbed in line with global peers on hopes that the United States would roll back some of the tariffs it has imposed on Chinese imports.

The Johannesburg Stock Exchange's Top-40 Index closed up 0.6% to 50,984 points, while the broader All-Share Index ended 0.6% higher at 57,247 points.

"The news with regards to the truce, so to speak, between Trump and Beijing certainly does have a part to play, given that we've seen the markets pretty much across the board being fairly healthy today," said Independent Securities trader Ryan Woods.

Insurer Old Mutual and energy company Sasol were among the biggest winners, with Old Mutual rising 4.19% to 20.41 rand and Sasol closing up 3.65% to 290.89 rand.

**Source: Thomson Reuters**



## Market Overview

MARKET INDICATORS		06 November 2019			
<b>Money Market TB's</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
3 months	↑	7.099	0.068	7.031	7.099
6 months	↑	7.257	0.024	7.233	7.257
9 months	↑	7.353	0.044	7.309	7.353
12 months	↓	7.458	-0.006	7.464	7.458
<b>Nominal Bonds</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
GC20 (BMK: R207)	↓	7.182	-0.022	7.204	7.170
GC21 (BMK: R2023)	↑	8.155	0.002	8.153	8.153
GC22 (BMK: R2023)	↓	8.165	-0.006	8.171	8.165
GC23 (BMK: R2023)	→	8.341	0.000	8.341	8.340
GC24 (BMK: R186)	↓	8.967	-0.002	8.969	8.964
GC25 (BMK: R186)	↑	8.984	0.001	8.983	8.983
GC27 (BMK: R186)	→	9.081	0.000	9.081	9.079
GC30 (BMK: R2030)	↓	10.097	-0.008	10.105	10.099
GC32 (BMK: R213)	↓	10.137	-0.011	10.148	10.137
GC35 (BMK: R209)	↓	10.732	-0.008	10.740	10.732
GC37 (BMK: R2037)	↓	10.855	-0.010	10.865	10.856
GC40 (BMK: R214)	↓	11.092	-0.001	11.093	11.092
GC43 (BMK: R2044)	↓	11.159	-0.001	11.160	11.159
GC45 (BMK: R2044)	↓	11.366	-0.012	11.378	11.363
GC50 (BMK: R2048)	↓	11.229	-0.020	11.249	11.225
<b>Inflation-Linked Bonds</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
GI22 (BMK: NCPI)	↑	4.365	0.015	4.350	4.366
GI25 (BMK: NCPI)	↑	4.680	0.058	4.622	4.680
GI29 (BMK: NCPI)	↑	5.546	0.001	5.545	5.546
GI33 (BMK: NCPI)	→	6.127	0.000	6.127	6.127
GI36 (BMK: NCPI)	↑	6.501	0.065	6.436	6.501
<b>Commodities</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
Gold	↓	1,483.61	-1.74%	1,509.82	1,485.48
Platinum	↓	929.41	-0.75%	936.40	924.00
Brent Crude	↑	62.96	1.34%	62.13	62.62
<b>Main Indices</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
NSX Overall Index	↑	614.62	1.06%	608.17	614.62
JSE All Share	↑	57,246.91	0.56%	56,928.87	57,246.91
S&P 500	↓	3,074.62	-0.12%	3,078.27	3,074.62
FTSE 100	↑	7,388.08	0.25%	7,369.69	7,388.08
Hangseng	↑	27,719.62	0.13%	27,683.40	27,719.62
DAX	↑	13,148.50	0.09%	13,136.28	13,148.50
<b>JSE Sectors</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
Financials	→	16,139.59	0.00%	16,139.59	16,459.05
Resources	→	47,035.65	0.00%	47,035.65	47,099.57
Industrials	→	70,161.50	0.00%	70,161.50	70,300.67
<b>Forex</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
N\$/US Dollar	↓	14.75	-0.41%	14.81	14.78
N\$/Pound	↓	19.01	-0.37%	19.08	19.04
N\$/Euro	↓	16.34	-0.85%	16.48	16.37
US Dollar/ Euro	→	1.11	0.00%	1.11	1.11
		<b>Namibia</b>		<b>RSA</b>	
<b>Economic data</b>		<b>Latest</b>	<b>Previous</b>	<b>Latest</b>	<b>Previous</b>
Inflation	↓	3.26	3.71	4.10	4.30
Prime Rate	↓	10.25	10.50	10.00	10.00
Central Bank Rate	↓	6.50	6.75	6.50	6.50

**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

**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.

Source: Thomson Reuters



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