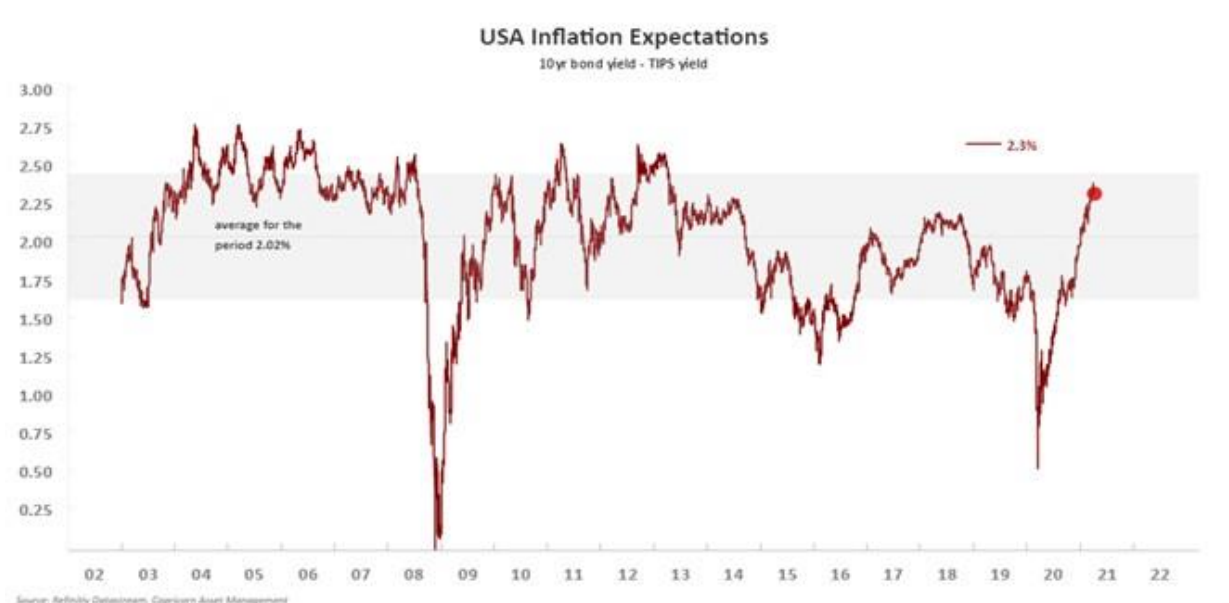




## Market Update

Wednesday, 07 April 2021



## Global Markets

A gauge of Asian shares climbed to three-week highs on Wednesday as investors eyed the upcoming earnings season for further signs of a global economic recovery, while the dollar slipped to a two-week low.

MSCI's broadest index of Asia-Pacific shares outside of Japan was up 0.3% for its second straight day of gains. It went as high as 697.01, a level last seen on March 18. Japan's Nikkei was a shade higher while Australian shares rose 0.6% and South Korea's KOSPI added 0.5%. Chinese shares, however, were weaker with the bluechip CSI300 index down about 1% after a strong rally last week.

"The U.S. economy is experiencing the first effects of a powerful double-dose vaccine of broad inoculation and fiscal stimulus," said David Kelly, chief global market strategist at J.P. Morgan Asset Management. "The reality is that forecasts remain very uncertain...(but) early signs show the recovery is accelerating, suggesting a faster return to 'normal' than many had dared to hope a few months ago," Kelly added.

Overnight, the three major Wall Street indexes closed lower, a day after the S&P 500 and the Dow rose to record levels driven by optimism from a greater-than-expected jobs report last Friday and

data showing a dramatic rebound in the U.S. services industry on Monday. The Dow fell 0.3%, the S&P 500 lost 0.10% and the Nasdaq Composite eased 0.05%.

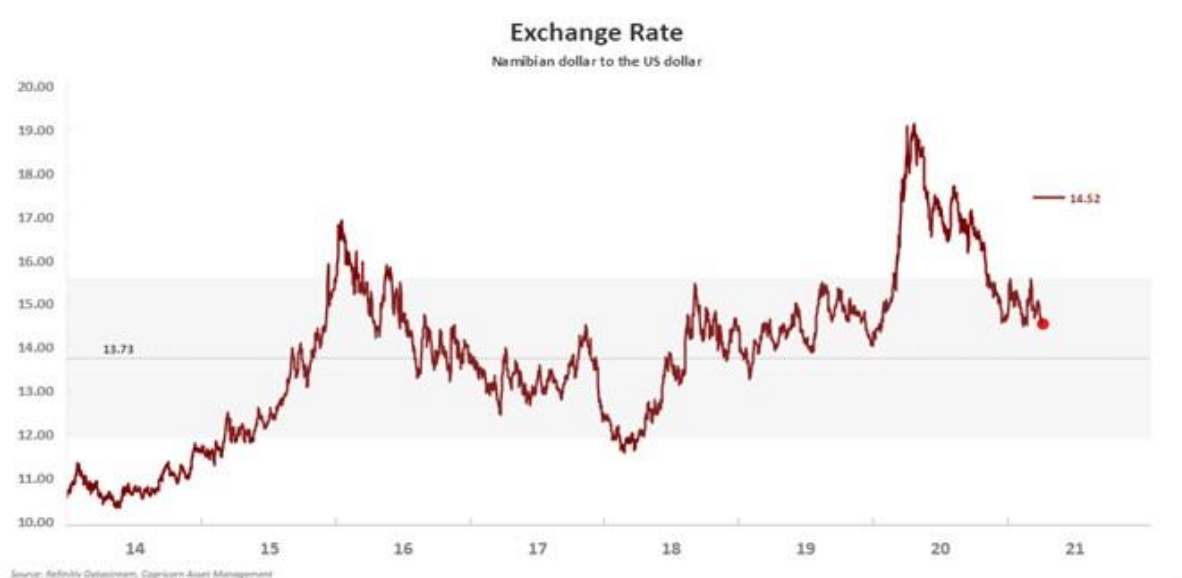
Investors also weighed the latest U.S. job openings report, which showed that vacancies rose to a two-year high in February while hiring had its biggest gain in nine months amid increased COVID-19 vaccinations and additional government stimulus. Moreover, the International Monetary Fund raised its global growth forecast to 6% this year from 5.5%, reflecting a rapidly brightening outlook for the U.S. economy.

With the upcoming earnings season expected to show S&P profit growth of 24.2% from a year earlier, according to Refinitiv data, investors will be watching to see whether corporate results further confirm recent positive economic data.

Elsewhere, the five-year U.S. Treasury yields dropped sharply to 0.874%, weighing on the U.S. dollar. The five-year Treasury yield is seen as a major barometer of how much faith investors have in the Federal Reserve's pledge that it does not expect to raise interest rates until 2024.

The dollar slipped to a two-week low against a basket of world currencies, with traders taking advantage of its strong March performance as dropping Treasury yields pressured the greenback. The dollar index fell to 92.258. The euro was flat at \$1.1874, sterling was slightly higher at \$1.3835, the Australian dollar rose to \$0.7668, while the Japanese yen was higher at 109.62.

Crude oil prices rose on the prospects for stronger global economic growth amid increased COVID-19 vaccinations and a report showing that crude inventories in the United States, the world's biggest fuel consumer, fell in the week-ended April 2. Brent crude futures for June rose by 34 cents, or 0.5%, to \$63.08 a barrel while U.S. crude for May was up 32 cents, or 0.5%, to \$59.65. Spot gold was off a touch at \$1,737.6 an ounce.



## Domestic Markets

South Africa's rand edged firmer to a new five-week best on Tuesday, boosted by greater risk demand as U.S. treasuries slipped and global commodity prices rallied. At 1520 GMT the rand was 0.15% firmer at 15.5425 per dollar, having touched 14.4900 earlier, its best since Feb. 25.

The greenback slipped to a two-week low against a basket of currencies on Tuesday, as traders booked profits after a strong March. A fall in Treasury yields from recent peaks also put pressure on the dollar.

Spot gold was up 0.4%, while platinum gained 2%. Copper was also on the rise, adding more than 2%.

"In all, the risk environment is supportive of the rand. The local currency's persistent strength is underpinned by meaningful export activity, which is borne out in SA's trade statistics," said RMB's Nema Ramkhelawan-Bhana in a note. "In the absence of any further negative local news the rand should maintain a strengthening bias."

After a slow start to its COVID-19 vaccine procurement and rollout programme, and fears of a reintroduction of tighter lockdown measures, South Africa is ramping up inoculations. The country has signed an agreement to buy 20 million doses of the Pfizer-BioNTech, dual-shot COVID-19 vaccine, a senior government official said, boosting plans to accelerate the pace of vaccinations from this month.

Bonds firmed, with the yield on the benchmark government bond due in 2030 falling 10 basis points to 9.465%.

The Johannesburg Stock Exchange (JSE) extended its run of gains as positive growth indicators in the United States and China pumped momentum into shares globally. The benchmark FTSE/JSE all-share index went up by 1.23% to end at 68,064 points and the bluechip FTSE/JSE top-40 companies index closed up 1.27% to 62,372 points.

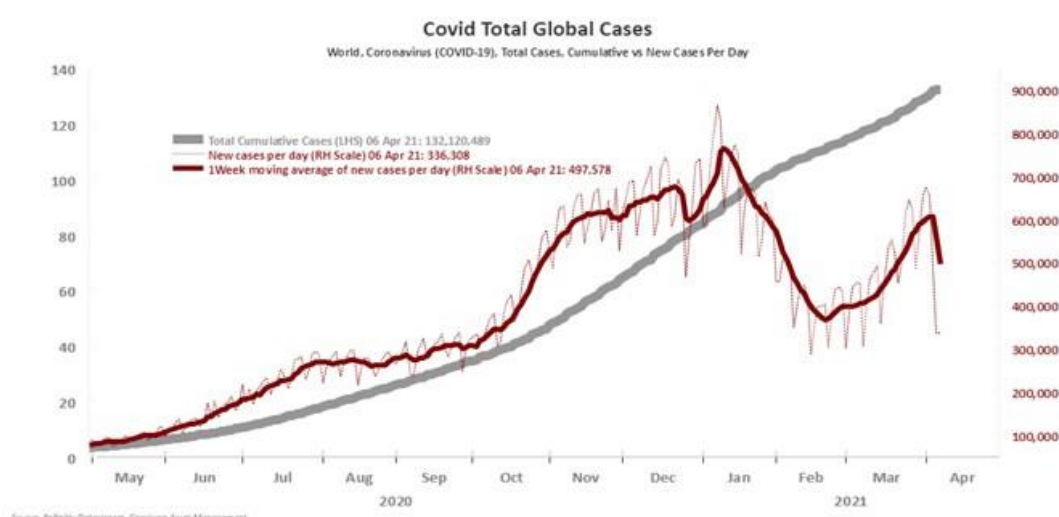
"Strong commodity prices globally and stable yields in the U.S. have kept the risk-on mood in emerging markets and that is what is driving the local market," said Sithembile Bopela, Investment Analyst at FNB. She said there were structural deficiencies in the local economy that were capping the gains, visible in the weak bank index, but investors were largely relying on global cues.

## Corona Tracker

GLOBAL CASES		07-Apr-2021		2:04
SOURCE - REUTERS				
	Confirmed Cases	New Cases	Total Deaths	Total Recovered
<b>GLOBAL</b>	132,120,489	336,308	3,004,871	87,236,615

The number of new cases is distorted by cut-off times.

Source: Thomson Reuters



## Market Overview

MARKET INDICATORS (Thomson Reuters)				07 April 2021	
<b>Money Market TB Rates %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
3 months	→	4.20	0.000	4.20	4.20
6 months	↓	4.42	-0.008	4.43	4.42
9 months	↓	4.77	-0.008	4.78	4.77
12 months	↓	4.85	-0.027	4.88	4.85
<b>Nominal Bond Yields %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
GC21 (Coupon 7.75%, BMK R208)	→	4.44	0.000	4.44	#VALUE!
GC22 (Coupon 8.75%, BMK R2023)	↓	5.87	-0.120	5.99	5.87
GC23 (Coupon 8.85%, BMK R2023)	↓	5.77	-0.120	5.89	5.77
GC24 (Coupon 10.50%, BMK R186)	↓	7.78	-0.075	7.85	7.75
GC25 (Coupon 8.50%, BMK R186)	↓	7.79	-0.075	7.86	7.76
GC26 (Coupon 8.50%, BMK R186)	↓	7.79	-0.075	7.86	7.76
GC27 (Coupon 8.00%, BMK R186)	↓	8.08	-0.075	8.15	8.05
GC30 (Coupon 8.00%, BMK R2030)	↓	9.77	-0.100	9.87	9.73
GC32 (Coupon 9.00%, BMK R213)	↓	10.86	-0.105	10.96	10.82
GC35 (Coupon 9.50%, BMK R209)	↓	11.86	-0.125	11.98	11.83
GC37 (Coupon 9.50%, BMK R2037)	↓	12.39	-0.135	12.52	12.36
GC40 (Coupon 9.80%, BMK R214)	↓	13.09	-0.115	13.21	13.06
GC43 (Coupon 10.00%, BMK R2044)	↓	13.41	-0.125	13.54	13.39
GC45 (Coupon 9.85%, BMK R2044)	↓	13.69	-0.125	13.82	13.67
GC50 (Coupon 10.25%, BMK: R2048)	↓	13.72	-0.115	13.83	13.69
<b>Inflation-Linked Bond Yields %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
GI22 (Coupon 3.55%, BMK NCPI)	→	3.89	0.000	3.89	3.89
GI25 (Coupon 3.80%, BMK NCPI)	→	4.05	0.000	4.05	4.05
GI29 (Coupon 4.50%, BMK NCPI)	→	5.73	0.000	5.73	5.73
GI33 (Coupon 4.50%, BMK NCPI)	→	6.85	0.000	6.85	6.85
GI36 (Coupon 4.80%, BMK NCPI)	→	7.35	0.000	7.35	7.35
<b>Commodities</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Gold	↑	1,744	0.88%	1,728	1,737
Platinum	↑	1,233	1.97%	1,209	1,239
Brent Crude	↑	62.7	0.95%	62.2	62.9
<b>Main Indices</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
NSX Overall Index	↑	1,361	1.87%	1,336	1,361
JSE All Share	↑	68,064	1.23%	67,236	68,064
SP500	↓	4,074	-0.10%	4,078	4,074
FTSE 100	↑	6,824	1.28%	6,737	6,824
Hangseng	→	28,939	0.00%	28,939	28,765
DAX	↑	15,213	0.70%	15,107	15,213
<b>JSE Sectors</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Financials	↑	12,268	0.84%	12,166	12,268
Resources	↑	68,556	2.45%	66,915	68,556
Industrials	↑	89,894	0.52%	89,425	89,894
<b>Forex</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
N\$/US dollar	↓	14.52	-0.20%	14.55	14.49
N\$/Pound	↓	20.07	-0.73%	20.21	20.01
N\$/Euro	↑	17.24	0.34%	17.18	17.20
US dollar/ Euro	↑	1.188	0.54%	1.181	1.187
		<b>Namibia</b>		<b>RSA</b>	
<b>Interest Rates &amp; Inflation</b>		<b>Mar 21</b>	<b>Feb 21</b>	<b>Mar 21</b>	<b>Feb 21</b>
Central Bank Rate	→	3.75	3.75	3.50	3.50
Prime Rate	→	7.50	7.50	7.00	7.00
		<b>Feb 21</b>	<b>Jan 21</b>	<b>Feb 21</b>	<b>Jan 21</b>
Inflation	→	2.7	2.7	2.9	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: Thomson Reuters



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