



## Market Update

Thursday, 08 April 2021



## Global Markets

Asian share markets lagged on Thursday as U.S. stock futures nudged to another record high after the Federal Reserve underlined its commitment to keeping policy super loose even as the economy enjoys a rapid recovery.

MSCI's broadest index of Asia-Pacific shares outside Japan was flat, and also little changed on the week. Japan's Nikkei eased 0.3% and Chinese blue chips 0.1%, with trading very subdued. The outperformance of the U.S. economy helped S&P 500 futures add 0.3% to a new peak, while Nasdaq futures gained 0.4%. EUROSTOXX 50 futures firmed 0.2% and FTSE futures 0.3%.

Minutes of the Federal Reserve's last policy meeting showed members felt the economy was still far short of target and were in no rush to scale back their \$120 billion a month of bond buying. Fed Chairman Jerome Powell speaks at an IMF event later on Thursday and is likely to reiterate the dovish outlook.

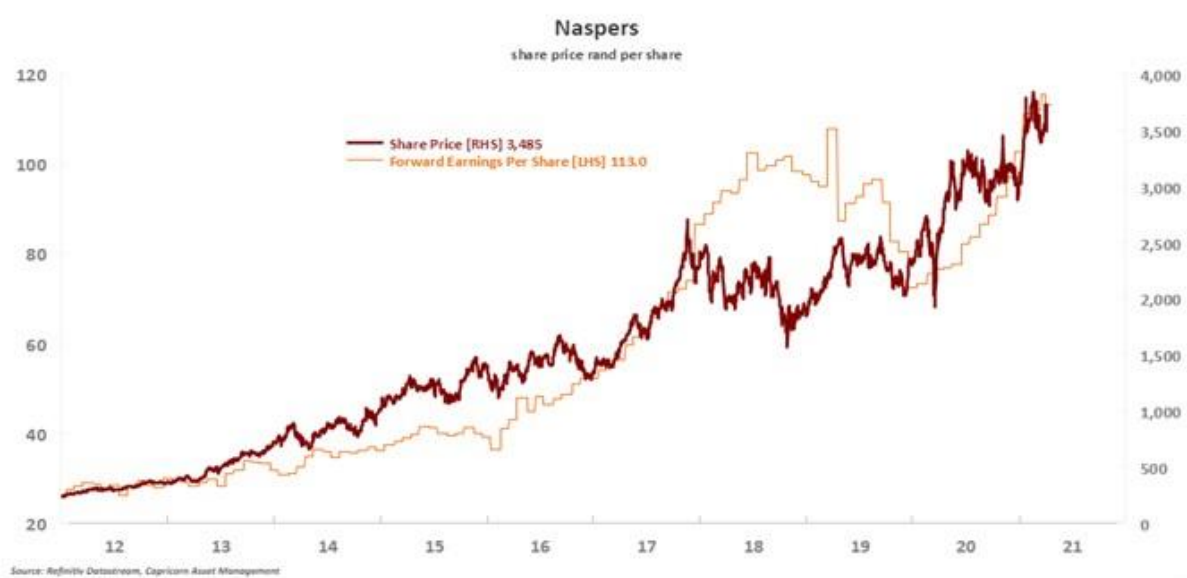
"This discussion is consistent with our view that it will be later this year before the Fed starts talking about talking about tapering, with actual changes to the purchase pace not occurring until Q1 2022," said analysts at JPMorgan. "Fed officials generally viewed the recent rise in longer-term Treasury

yields as reflecting an improving outlook and some firming of inflation expectations, and not a risk to the outlook."

Yields on 10-year Treasuries have since eased back a little to 1.667%, from the recent 14-month top of 1.776%, but have struggled to break under 1.59%. The pullback coincided with a dip in the dollar index to 92.444, from its recent five-month high at 93.439. The dollar was likewise holding at 109.78 yen, having faded from its recent one-year peak of 110.96. The euro was steady at \$1.1868, after reaching as high as \$1.1914 overnight following a surprisingly upbeat survey of European Union business activity.

"Improved virus and growth expectations have spurred consumer and business confidence, driving up both domestic and global demand for manufactured products," said analysts at Barclays in a note. "This phenomenon is broad-based across European economies."

In commodity markets, gold was idling at \$1,736 an ounce after meeting resistance around \$1,745. Oil prices slipped, but were still within a narrow trading range that has held for the last two weeks or so. Brent fell 38 cents to \$62.78 a barrel, while U.S. crude lost 40 cents to \$59.36 per barrel.



## Domestic Markets

South Africa's rand edged lower on Wednesday in cautious trade as investors awaited local and international signals with little to drive a move in either direction. At 1515 GMT the rand was 0.12% weaker at 14.5225 per dollar, hardly moved from its overnight close of 14.5050.

The muted activity was reflected in other emerging market currencies, with most units trading sideways amid concerns about a resurgence of coronavirus infections and lower commodity prices. Soft data on purchasing managers and business sentiment also wobbled the rand's recent rally to a five-week peak. Private sector activity expanded marginally in March and business sentiment slipped in the same month.

"Given SA's fiscal risks and broader concerns over the COVID-19 pandemic, the market has viewed levels sub-R14.5000/\$ as favourable to purchase dollars," said economists at ETM Analytics.

Bonds firmed, with the yield on the instrument due in 2030 falling 7 basis points to 9.325%.

In the equities market, stocks fell, led by market heavyweight Naspers and technology investment company Prosus NV after it said it will sell a 2% stake in software group Tencent, worth about \$15 billion at current prices, in what could potentially be the biggest block trade on record. Dutch-based Prosus is majority-owned by Naspers. Its Johannesburg-listed shares fell by 4.12%, while Naspers declined 5.03%.

"We expect the news to be viewed cautiously until there is more clarity on how the funds will be redeployed," said analysts from Renaissance Capital in a note.

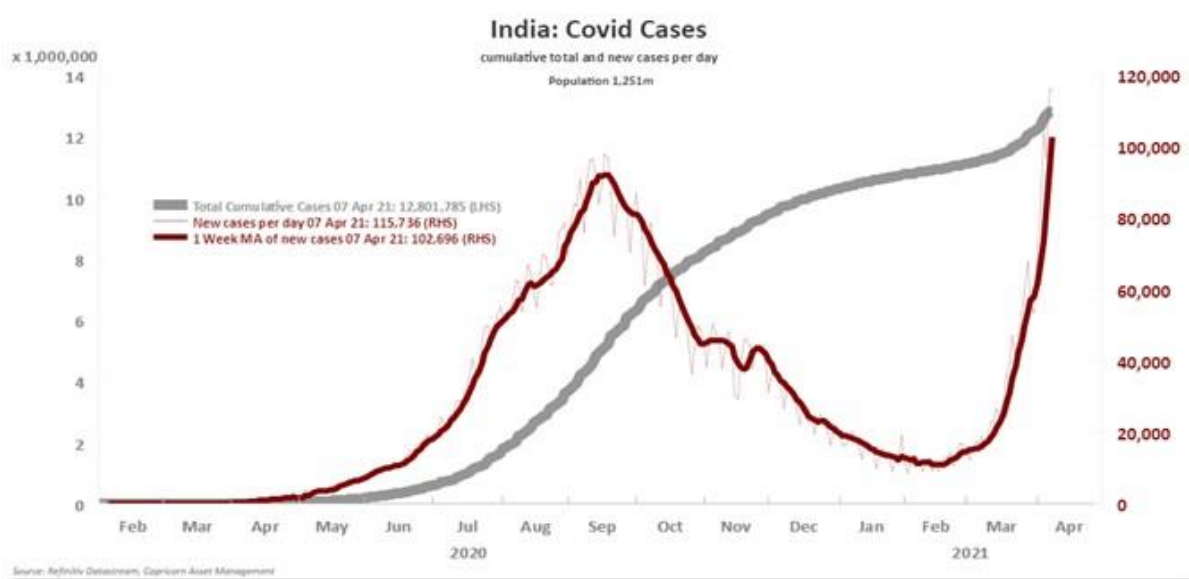
The Johannesburg All-Share index closed 1.33% weaker at 67,160 points, while the Top-40 index fell 1.54% to 61,409 points.

## Corona Tracker

GLOBAL CASES		07-Apr-2021		1:03
SOURCE - REUTERS		Confirmed Cases	New Cases	Total Deaths
				Total Recovered
GLOBAL	132,740,221	375,686	3,017,875	87,708,871

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

Source: Thomson Reuters



There are times you can't really see or even feel how sweet life can be. Hopefully its mountains will be higher than its valleys are deep. I know things that are broken can be fixed. Take the punch if you have to, hit the canvas and then get up again. Life is worth it.

**Queen Latifah**



## Market Overview

MARKET INDICATORS (Thomson Reuters)				08 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	↓	4.19	-0.008	4.20	4.19
6 months	⇒	4.42	0.000	4.42	4.42
9 months	↓	4.76	-0.009	4.77	4.76
12 months	↓	4.83	-0.027	4.86	4.83
<b>Nominal Bond Yields %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
GC22 (Coupon 8.75%, BMK R2023)	↓	5.86	-0.010	5.87	5.86
GC23 (Coupon 8.85%, BMK R2023)	↓	5.76	-0.010	5.77	5.76
GC24 (Coupon 10.50%, BMK R186)	↓	7.69	-0.090	7.78	7.70
GC25 (Coupon 8.50%, BMK R186)	↓	7.70	-0.090	7.79	7.71
GC26 (Coupon 8.50%, BMK R186)	↓	7.70	-0.090	7.79	7.71
GC27 (Coupon 8.00%, BMK R186)	↓	7.99	-0.090	8.08	8.00
GC30 (Coupon 8.00%, BMK R2030)	↓	9.62	-0.145	9.77	9.63
GC32 (Coupon 9.00%, BMK R213)	↓	10.71	-0.150	10.86	10.72
GC35 (Coupon 9.50%, BMK R209)	↓	11.69	-0.165	11.86	11.69
GC37 (Coupon 9.50%, BMK R2037)	↓	12.21	-0.175	12.39	12.21
GC40 (Coupon 9.80%, BMK R214)	↓	12.92	-0.170	13.09	12.94
GC43 (Coupon 10.00%, BMK R2044)	↓	13.25	-0.165	13.41	13.27
GC45 (Coupon 9.85%, BMK R2044)	↓	13.53	-0.165	13.69	13.55
GC50 (Coupon 10.25%, BMK: R2048)	↓	13.55	-0.165	13.72	13.57
<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	↓	1,737	-0.36%	1,744	1,744
Platinum	↓	1,225	-0.59%	1,233	1,235
Brent Crude	↑	63.2	0.67%	62.7	62.8
<b>Main Indices</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
NSX Overall Index	↓	1,353	-0.62%	1,361	1,353
JSE All Share	↓	67,160	-1.33%	68,064	67,160
SP500	↑	4,080	0.15%	4,074	4,080
FTSE 100	↑	6,885	0.91%	6,824	6,885
Hangseng	↓	28,675	-0.91%	28,939	28,953
DAX	↓	15,176	-0.24%	15,213	15,176
<b>JSE Sectors</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Financials	↓	12,200	-0.55%	12,268	12,200
Resources	↓	68,336	-0.32%	68,556	68,336
Industrials	↓	87,501	-2.66%	89,894	87,501
<b>Forex</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
N\$/US dollar	↑	14.56	0.32%	14.52	14.51
N\$/Pound	↓	20.00	-0.33%	20.07	19.98
N\$/Euro	↑	17.29	0.27%	17.24	17.24
US dollar/ Euro	↓	1.187	-0.04%	1.188	1.188
		<b>Namibia</b>		<b>RSA</b>	
<b>Interest Rates &amp; Inflation</b>		<b>Apr 21</b>	<b>Mar 21</b>	<b>Apr 21</b>	<b>Mar 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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