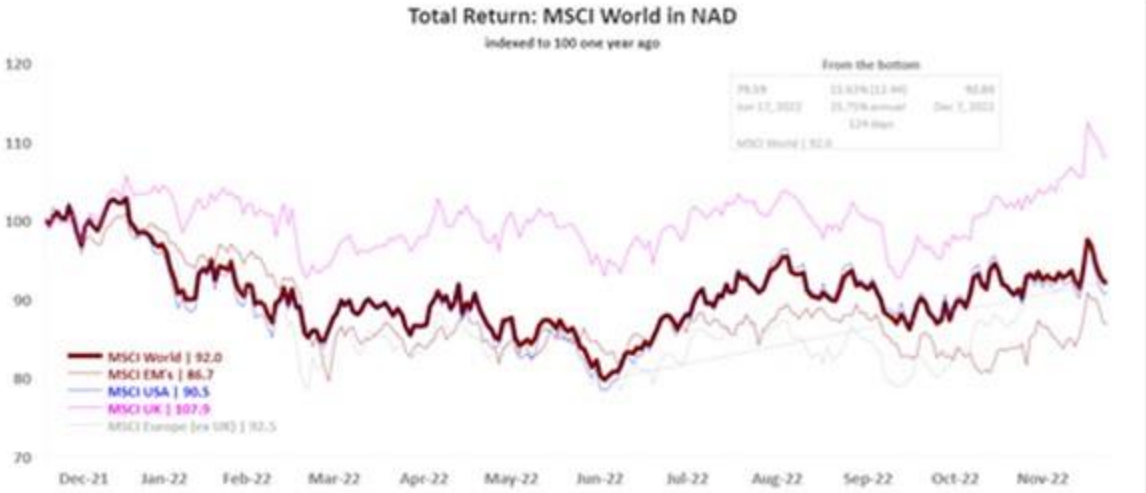

## Market Update Thursday, 08 December 2022




| Name | Latest level | MTD | 1 MTH | 3 MTH | 6 MTH | YTD | 1 YR | 2 YR | 3 YR | 5 YR | 7 YR | 10 YR | 15 YR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MSCI World | 92.0 | -1.4 | 1.0 | -0.7 | 7.9 | -9.9 | -7.3 | 9.3 | 12.5 | 12.4 | 11.9 | 17.6 | 12.8 |
| MSCI Emerging Markets | 86.7 | -0.4 | 3.6 | -1.2 | 2.2 | -13.7 | -12.7 | -3.8 | 4.7 | 4.5 | 8.0 | 9.3 | 7.4 |
| MSCI USA | 90.5 | -2.7 | -0.2 | -3.6 | 7.7 | -11.3 | -8.9 | 10.4 | 14.9 | 15.2 | 14.2 | 20.8 | 15.8 |
| MSCI UK | 107.9 | 2.4 | 5.3 | 8.1 | 9.2 | 4.2 | 9.3 | 15.0 | 7.7 | 7.2 | 6.4 | 10.7 | 7.8 |
| MSCI Europe (excl UK) | 92.5 | 2.0 | 4.9 | 9.9 | 10.2 | -10.3 | -6.8 | 6.8 | 9.0 | 8.2 | 8.4 | 14.0 | 8.9 |

*Data in the chart includes values up to the date stamp in the "source" text. Data in the table includes values up to the last closing values, normally the last business day before the date stamp. Returns for periods longer than a year are annualised. Note that these are total return indices. All measurement periods end at the latest available value.*

*Source: Refinitiv Datastream, CAM, 08 Dec 22*

## Global Markets

Asian equities edged higher on Thursday, propped up by Hong Kong and China stocks even as growing fears of an economic slowdown and worries over the pace of the Federal Reserve's interest rate hikes weighed on sentiment. MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.19%, set to snap a two-day losing streak. China's stock market was 0.12% higher, with Hong Kong's Hang Seng Index surging nearly 2%. The gains in Chinese shares came after some investors booked profits on Wednesday after the government announced sweeping changes to ease a tough anti-COVID policy that has battered the world's second-largest economy.

Elsewhere in Asia, Australia's S&P/ASX 200 index lost 0.67%, while Japan's Nikkei fell to near one-month low. The market generally struggled for direction as traders digested data showing that U.S. worker productivity rebounded at a slightly faster pace than initially thought in the third quarter, but the trend remained weak, keeping labour costs elevated. Increasing fears that the U.S. central bank might stick to a longer rate-hike cycle in the wake of strong jobs and service-sector reports has crimped investors' risk appetite.

Also weighing on the equities market was U.S. Treasury yields, with five-year notes to 30-year bonds hovering at three-month lows. "The thing that stands out is what's going on U.S. Treasury market, there does not seem to be a lot behind the moves and I think that's what driving most of the rest of the market," said Rob Carnell, head of ING's Asia-Pacific research. "Ahead of the FOMC next week, we may see range trading a little bit."

Wall Street closed lower on Wednesday, with the benchmark S&P 500 declining for the fifth straight session, while the tech-heavy Nasdaq finished lower for the fourth day in a row. Many in the market believe inflation is moderating and bond yields have peaked, allowing central banks to begin slowing rate hikes when policy-makers from the Fed, the Bank of England and the European Central Bank meet next week. The Fed is widely expected to raise interest rates by 50 basis points next week after delivering four consecutive 75 bps hikes.

The Bank of Canada on Wednesday hinted that its historic tightening campaign was near an end as it raised benchmark overnight interest rates by 50 basis points to 4.25%, the highest level in almost 15 years. Meanwhile, the yield on 10-year Treasury notes was up 4.3 basis points (bps) to 3.451%, while the yield on the 30-year Treasury bond was up 3.4 bps to 3.448%. Yields on both notes touched three month lows on Wednesday.

The two-year U.S. Treasury yield, which typically moves in step with interest rate expectations, was up 3.9 bps at 4.296%. In the currency market, the dollar index rose 0.171%, with the euro down 0.05% to $1.05, while sterling was last trading at $1.2184, down 0.12% on the day. Oil prices steadied in early Asian trade on Thursday after sinking to their lowest level this year. U.S. crude rose 0.96% to $72.70 per barrel and Brent was at $77.79, up 0.8% on the day.

**Source: Reuters Refinitiv**

## Domestic Markets


| Name | Latest level | MTD | 1 MTH | 3 MTH | 6 MTH | YTD | 1 YR | 2 YR | 3 YR | 5 YR | 7 YR | 10 YR | 15 YR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| JSE Top 40 | 106.5 | -1.0 | 8.8 | 13.4 | 9.4 | 5.6 | 7.3 | 16.6 | 15.5 | 9.3 | 9.8 | 10.7 | 9.4 |
| JSE Top 40 Capped | 107.7 | -1.1 | 8.2 | 12.9 | 9.6 | 6.8 | 8.4 | 18.6 | 15.8 | 9.8 | 9.7 | 10.6 | 9.8 |
| JSE Top 40 SWIX | 106.9 | -1.6 | 6.1 | 10.2 | 7.4 | 6.0 | 7.6 | 11.5 | 11.3 | 5.2 | 6.9 | 9.0 | 8.7 |
| JSE Top 40 SWIX Capped | 109.6 | -1.7 | 5.3 | 10.1 | 7.2 | 8.3 | 10.3 | 17.1 | 13.0 | 6.2 | 6.5 | 8.5 | N/A |
| JSE Top 40 Even Weights | 111.5 | -1.1 | 5.0 | 11.5 | 7.8 | 10.1 | 12.2 | 22.1 | 16.4 | 8.9 | 8.0 | 8.1 | N/A |

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Source: Refinitiv DatastreamCAM, 08 Dec 22

The South African rand gained on Wednesday as the U.S. dollar retreated on global markets and China eased some COVID-19 restrictions. At 1605 GMT, the rand traded at 17.1700 against the dollar, about 0.9% stronger than its previous close. The dollar was down about 0.3% against a basket of currencies. The risk-sensitive rand had strengthened on Tuesday as markets welcomed a surprising jump in economic growth figures and a pause in the political turmoil around President Cyril Ramaphosa amid the "Farmgate" scandal.

On Wednesday the rand shrugged off an escalation in power cuts, with state utility Eskom repeating the worst outage level on record called "Stage 6". That means at least six hours a day without power for most South Africans. Eskom said on Wednesday it had imposed power cuts of 6,000 megawatts, or about a fifth of demand because breakdowns have taken 19,052 megawatts of generation capacity out of action. The ZAR strengthened sharply in the afternoon as did domestic bonds. The R2030 yield moved from the day's worst of 10.598% to end at 10.499%.

On Thursday, investor attention turns to third-quarter current account data and October manufacturing numbers. Economists polled by Reuters are predicting the current account deficit will narrow to 0.8% of gross domestic product and that manufacturing output will rise 4.5% year on year. The Johannesburg Stock Exchange's All-share index ended 0.7% lower, partly reflecting a fall in world stocks on economic growth fears.

**Source: Reuters Refinitiv**

Education is an ornament in prosperity and a refuge in adversity.

**Aristotle**

## Market Overview

| MARKET INDICATORS (Thomson Reuters Refinitiv) | | | | | 08 December 2022 |
|---|---|---|---|---|---|
| **Money Market TB Rates %** | | **Last close** | **Difference** | **Prev close** | **Current Spot** |
| 3 months | | 8.02 | 0.000 | 8.02 | 8.02 |
| 6 months | | 8.00 | 0.008 | 7.99 | 8.00 |
| 9 months | | 8.55 | 0.009 | 8.54 | 8.55 |
| 12 months | | 8.76 | 0.008 | 8.75 | 8.76 |
| **Nominal Bond Yields %** | | **Last close** | **Difference** | **Prev close** | **Current Spot** |
| GC23 (Coupon 8.85%, BMK R2023) | | 8.97 | 0.020 | 8.95 | 8.97 |
| GC24 (Coupon 10.50%, BMK R186) | | 8.41 | -0.105 | 8.51 | 8.44 |
| GC25 (Coupon 8.50%, BMK R186) | | 8.86 | -0.105 | 8.96 | 8.89 |
| GC26 (Coupon 8.50%, BMK R186) | | 8.92 | -0.105 | 9.02 | 8.95 |
| GC27 (Coupon 8.00%, BMK R186) | | 9.89 | -0.105 | 9.99 | 9.92 |
| GC30 (Coupon 8.00%, BMK R2030) | | 11.80 | -0.080 | 11.88 | 11.83 |
| GC32 (Coupon 9.00%, BMK R213) | | 11.99 | -0.065 | 12.05 | 12.02 |
| GC35 (Coupon 9.50%, BMK R209) | | 12.65 | -0.030 | 12.68 | 12.68 |
| GC37 (Coupon 9.50%, BMK R2037) | | 13.27 | -0.025 | 13.29 | 13.30 |
| GC40 (Coupon 9.80%, BMK R214) | | 13.54 | -0.040 | 13.58 | 13.53 |
| GC43 (Coupon 10.00%, BMK R2044) | | 14.09 | -0.030 | 14.12 | 14.12 |
| GC45 (Coupon 9.85%, BMK R2044) | | 14.61 | -0.030 | 14.64 | 14.64 |
| GC48 (Coupon 10.00%, BMK R2048) | | 14.72 | -0.035 | 14.75 | 14.75 |
| GC50 (Coupon 10.25%, BMK: R2048) | | 14.73 | -0.035 | 14.76 | 14.76 |
| **Inflation-Linked Bond Yields %** | | **Last close** | **Difference** | **Prev close** | **Current Spot** |
| GI25 (Coupon 3.80%, BMK NCPI) | | 3.90 | 0.000 | 3.90 | 3.90 |
| GI27 (Coupon 4.00%, BMK NCPI) | | 3.95 | 0.000 | 3.95 | 3.95 |
| GI29 (Coupon 4.50%, BMK NCPI) | | 5.18 | 0.000 | 5.18 | 5.18 |
| GI33 (Coupon 4.50%, BMK NCPI) | | 6.25 | 0.000 | 6.25 | 6.25 |
| GI36 (Coupon 4.80%, BMK NCPI) | | 6.56 | 0.000 | 6.56 | 6.56 |
| **Commodities** | | **Last close** | **Change** | **Prev close** | **Current Spot** |
| Gold | | 1,786 | 0.86% | 1,771 | 1,784 |
| Platinum | | 1,003 | 1.41% | 989 | 1,006 |
| Brent Crude | | 77.2 | -2.75% | 79.4 | 77.8 |
| **Main Indices** | | **Last close** | **Change** | **Prev close** | **Current Spot** |
| NSX Overall Index | | 1,677 | -1.68% | 1,706 | 1,677 |
| JSE All Share | | 74,011 | -0.73% | 74,557 | 74,011 |
| SP500 | | 3,934 | -0.19% | 3,941 | 3,934 |
| FTSE 100 | | 7,489 | -0.43% | 7,521 | 7,489 |
| Hangseng | | 18,815 | -3.22% | 19,441 | 19,359 |
| DAX | | 14,261 | -0.57% | 14,343 | 14,261 |
| **JSE Sectors** | | **Last close** | **Change** | **Prev close** | **Current Spot** |
| Financials | | 15,619 | -0.75% | 15,738 | 15,619 |
| Resources | | 73,204 | -1.05% | 73,980 | 73,204 |
| Industrials | | 90,783 | -0.67% | 91,397 | 90,783 |
| **Forex** | | **Last close** | **Change** | **Prev close** | **Current Spot** |
| N$/US dollar | | 17.13 | -1.09% | 17.32 | 17.16 |
| N$/Pound | | 20.89 | -0.58% | 21.02 | 20.92 |
| N$/Euro | | 17.99 | -0.75% | 18.13 | 18.03 |
| US dollar/ Euro | | 1.051 | 0.34% | 1.047 | 1.051 |
| | | **Namibia** | | **RSA** | |
| **Interest Rates & Inflation** | | **Nov 22** | **Oct 22** | **Nov 22** | **Oct 22** |
| Central Bank Rate | | 6.75 | 6.25 | 7.00 | 6.25 |
| Prime Rate | | 10.50 | 10.00 | 10.50 | 9.75 |
| | | **Oct 22** | **Sep 22** | **Oct 22** | **Sep 22** |
| Inflation | | 7.1 | 7.1 | 7.6 | 7.5 |

**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 listeds

**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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