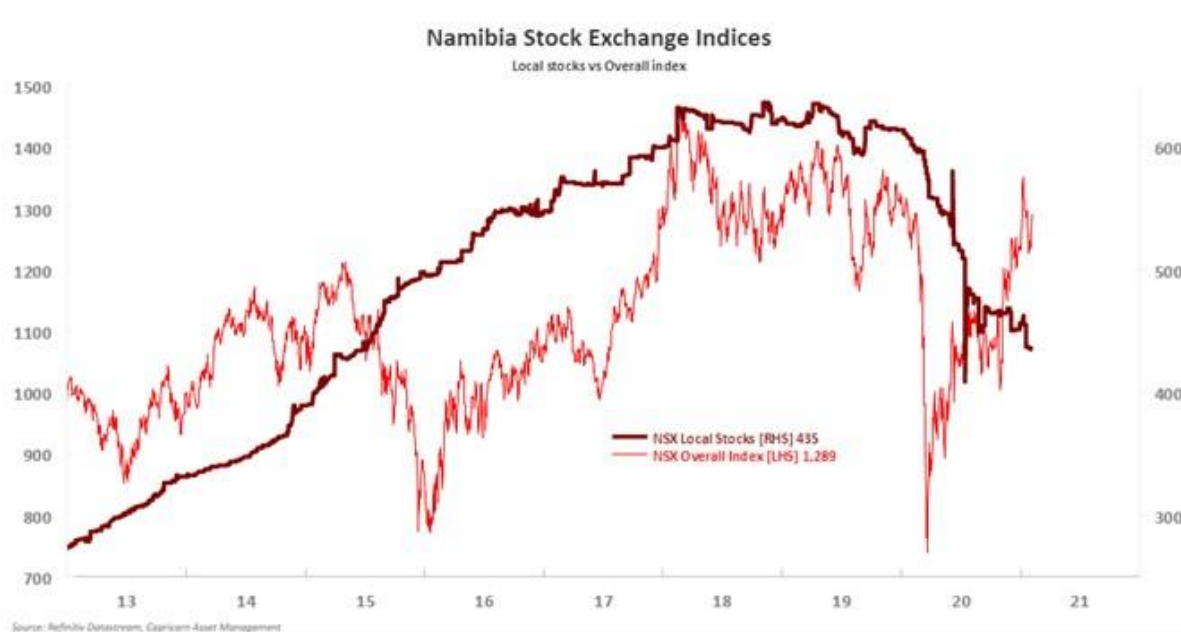




## Market Update

Monday, 08 February 2021



## Global Markets

Asian shares hovered near record highs on Monday while oil edged closer to \$60 a barrel on hopes a \$1.9 trillion COVID-19 aid package will be passed by U.S. lawmakers as soon as this month just as coronavirus vaccines are being rolled out globally.

MSCI's broadest index of Asia-Pacific shares outside Japan was last up 0.3% at 717.2 after climbing as high as 730.16 late last month. Japan's Nikkei jumped 2% while Australian shares advanced 0.8% led by technology and mining shares. Chinese shares were mildly positive with the blue-chip CSI300 index up 0.1%. E-mini futures for the S&P 500 added 0.4% in early Asian trading.

Hopes of a quicker economic revival and supply curbs by producer group OPEC and its allies pushed oil to its highest level in a year as it edged near \$60 a barrel. Global equity markets have scaled record highs in recent days on hopes of faster economic revival led by successful vaccine rollouts and expectations of a large U.S. pandemic relief package.

On Friday, the Nasdaq and S&P 500 hit all-time highs on stronger-than-expected corporate results in the fourth quarter and as companies were on track to post earnings growth for the first quarter

instead of a decline. The rallies came even as U.S. data painted a dour picture of the country's labour market with payrolls rising by 49,000, half of what economists were expecting.

The weak report spurred the push for more stimulus, underscoring the need for lawmakers to act on President Joe Biden's \$1.9 trillion COVID-19 relief package. Biden and his Democratic allies in Congress forged ahead with their stimulus plan on Friday as lawmakers approved a budget outline that will allow them to muscle through in the coming weeks without Republican support.

U.S. Treasury Secretary Janet Yellen predicted the United States would hit full employment next year if Congress can pass its support package. "That's a big call given full employment is 4.1%, but one that will sit well with the market at a time when the vaccination program is being rolled out efficiently in a number of countries," said Chris Weston, Melbourne-based chief strategist at Pepperstone.

Expectations of a U.S. economic recovery have not boosted the greenback though, "because this shift in prospects is seen by the market as part of a global recovery," Westpac economists wrote in a note. "Investors therefore favour risk taking, and so value the safety of the U.S. dollar less." Indeed, the greenback came off a four-month high against the Japanese yen to be last at 105.49. The euro was a tad weaker after rising 0.7% on Friday to a one-week high of \$1.2054. It was last at \$1.2034. The risk-sensitive Australian dollar eased from a one-week high to \$0.7675.

In commodities, Brent crude and U.S. crude climbed 59 cents each to \$59.93 and \$0.5744 respectively. U.S. gold futures were up 0.1% at \$1,815.4 an ounce.

## Domestic Markets

South Africa's rand firmed on Friday to end the week in the black, boosted by signs of a smaller fiscal deficit and faster procurement of COVID-19 vaccines ahead of the budget speech later in the month.

At 1500 GMT the rand was 0.63% firmer at 14.9100 per dollar, not far off the two-week best of 14.8950 it touched earlier in the week and bringing gains to around 1.5% since the beginning of the month.

Slowing coronavirus infections after a second wave hit late in 2020 and better than expected tax revenues ahead of the Feb. 24 national budget, have soothed sentiment.

"Growth in South Africa is shaping up to be better than initial expectations," said Morgan Stanley analysts in a note. "We move ZAR back to neutral as a positive budget outturn, as we now expect, will likely support the currency through continued bond inflows.

Chief economist at Old Mutual, Johann Els, said higher-than-anticipated tax revenue could result in a budget revenue overrun as much as 106 billion rand. "Should even a portion of this windfall be realised, I see no need for government to raise taxes in this case, as has been suggested as a means to fund the vaccine rollout," said Els.

South Africa has the most confirmed coronavirus cases in the continent, with over 1.4 million infections. After a slow start the country has accelerated vaccine purchases. On Friday the health ministry said it had secured vaccines for at least 26 million people.

The stock market moved up for the third consecutive day in a rally largely broad-based, taking the main index close to its all-time high seen last month.

The market has been bullish in the last three days as falling coronavirus cases in the country have brightened prospects of a faster economic recovery. The benchmark all-share index closed up 0.79%

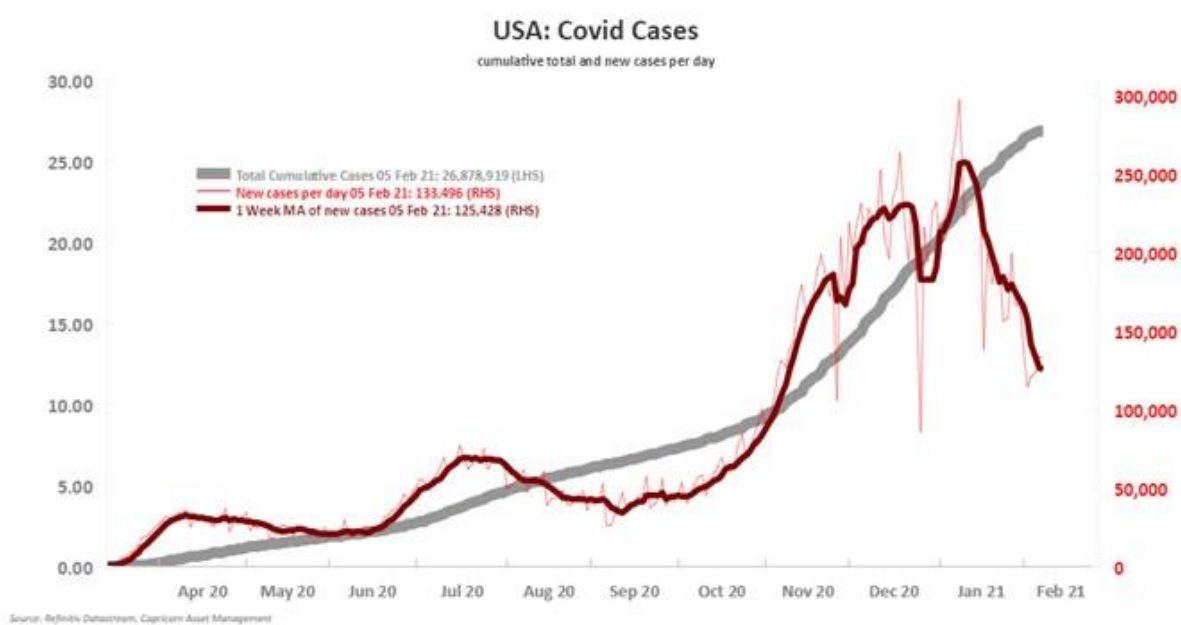
to end at 64,289 points and the blue-chip top-40 companies index ended up 0.66% to 58,877. The benchmark index touched an all-time peak on Jan. 25 of 64,557 points.

## Corona Tracker

GLOBAL CASES				
SOURCE - REUTERS				
	Confirmed Cases	New Cases	Total Deaths	Total Recovered
<b>GLOBAL</b>	106,046,128	289	2,314,258	68,932,781

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

Source: Thomson Reuters



If you don't know where you are going, any road will get you there.

**Lewis Carroll**



## Market Overview

MARKET INDICATORS (Thomson Reuters)		08 February 2021			
<b>Money Market TB Rates %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
3 months	→	4.16	0.000	4.16	4.16
6 months	→	4.51	0.000	4.51	4.51
9 months	↑	4.57	0.017	4.55	4.57
12 months	↑	4.61	0.025	4.59	4.61
<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)	↑	4.37	0.020	4.35	4.37
GC22 (Coupon 8.75%, BMK R2023)	→	5.30	0.000	5.30	5.31
GC23 (Coupon 8.85%, BMK R2023)	→	5.20	0.000	5.20	5.21
GC24 (Coupon 10.50%, BMK R186)	↓	6.93	-0.010	6.94	6.94
GC25 (Coupon 8.50%, BMK R186)	↓	6.94	-0.010	6.95	6.95
GC26 (Coupon 8.50%, BMK R186)	↓	6.94	-0.010	6.95	6.95
GC27 (Coupon 8.00%, BMK R186)	↓	7.23	-0.010	7.24	7.24
GC30 (Coupon 8.00%, BMK R2030)	↑	8.77	0.025	8.74	8.77
GC32 (Coupon 9.00%, BMK R213)	↑	9.88	0.015	9.86	9.89
GC35 (Coupon 9.50%, BMK R209)	↑	11.03	0.040	10.99	11.03
GC37 (Coupon 9.50%, BMK R2037)	↑	11.62	0.090	11.53	11.58
GC40 (Coupon 9.80%, BMK R214)	↑	12.35	0.055	12.29	12.36
GC43 (Coupon 10.00%, BMK R2044)	↑	12.70	0.055	12.64	12.71
GC45 (Coupon 9.85%, BMK R2044)	↑	12.98	0.055	12.92	12.99
GC50 (Coupon 10.25%, BMK: R2048)	↑	13.00	0.050	12.95	13.01
<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)	→	4.10	0.000	4.10	4.20
GI25 (Coupon 3.80%, BMK NCPI)	→	4.25	0.000	4.25	4.25
GI29 (Coupon 4.50%, BMK NCPI)	→	5.73	0.000	5.73	5.73
GI33 (Coupon 4.50%, BMK NCPI)	→	6.82	0.000	6.82	6.82
GI36 (Coupon 4.80%, BMK NCPI)	→	7.27	0.000	7.27	7.27
<b>Commodities</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Gold	↑	1,812	1.08%	1,792	1,813
Platinum	↑	1,124	2.39%	1,097	1,132
Brent Crude	↑	59.3	0.85%	58.8	60.0
<b>Main Indices</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
NSX Overall Index	↑	1,289	2.18%	1,261	1,289
JSE All Share	↑	64,289	0.79%	63,786	64,289
SP500	↑	3,887	0.39%	3,872	3,887
FTSE 100	↓	6,489	-0.22%	6,504	6,489
Hangseng	↑	29,289	0.60%	29,114	29,481
DAX	↓	14,057	-0.03%	14,060	14,057
<b>JSE Sectors</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Financials	↑	12,589	3.14%	12,205	12,589
Resources	↑	60,732	0.58%	60,380	60,732
Industrials	↓	86,793	-0.01%	86,803	86,793
<b>Forex</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
N\$/US dollar	↓	14.84	-1.03%	15.00	14.86
N\$/Pound	↓	20.38	-0.57%	20.50	20.40
N\$/Euro	↓	17.87	-0.37%	17.94	17.89
US dollar/ Euro	↑	1.204	0.67%	1.196	1.204
		<b>Namibia</b>		<b>RSA</b>	
<b>Interest Rates &amp; Inflation</b>		<b>Dec 20</b>	<b>Nov 20</b>	<b>Dec 20</b>	<b>Nov 20</b>
Central Bank Rate	→	3.75	3.75	3.50	3.50
Prime Rate	→	7.50	7.50	7.00	7.00
		<b>Dec 20</b>	<b>Nov 20</b>	<b>Dec 20</b>	<b>Nov 20</b>
Inflation	↑	2.4	2.2	3.1	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: Bloomberg



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