



Market Update

Wednesday, 10 June 2020

Global Markets

Asian equities slipped on Wednesday after most U.S. stocks pared gains made during their recent rally, although the Nasdaq benchmark reached its second straight day at a record high as oil prices rose. Investors adopted a more cautious stance as attention turned to the U.S. Federal Reserve, which wraps up its two-day meeting later on Wednesday.

"Markets have taken a pause given the run-up we've had in recent weeks," said Charlie Ripley, senior investment strategist at Allianz Investment Management. "If you look at past Fed meetings it has been gloomy so it would be interesting to see the data they put forward given the jobs report." Australian S&P/ASX 200 fell 0.4%, Japan's Nikkei 225 index lost 0.8% and South Korea's KOSPI slipped 0.3%.

No major policy announcements are expected from the Fed, but the U.S. central bank will issue its first economic projections since December. Investors will be watching as the Fed attempts to gauge the economic cost of widespread pandemic-related lockdowns, as well as any hints of future stimulus.

The Nasdaq's 0.3% gain came on the back of strong gains in tech-related shares, a day after the index became the first major Wall Street index to confirm a new bull market. Apple, up 3.2%, gave the Nasdaq its biggest boost on Tuesday. But the Dow and S&P 500 benchmarks both fell. Financial and industrial shares, which have been among stocks that have surged in recent weeks on hopes of an improved economic outlook, were the biggest drags on the S&P 500 on Tuesday. The Dow Jones Industrial Average fell 1.09% and the S&P 500 declined 0.78%. MSCI's gauge of stocks across the globe fell 0.5% about 6% below its all-time peak in February.

Oil prices closed higher as concerns about a resurgence in coronavirus cases were offset by recent commitments from the major oil producers to rein in production. Brent oil futures rose 38 cents to settle at \$41.18 a barrel, while U.S. crude settled up 75 cents at \$38.94.

In currency markets, the safe-haven yen and Swiss franc both gained against the dollar for a second straight day this week. The yen rose to one-week highs against the greenback, while the Swiss franc climbed to its highest in more than two months versus the greenback.

Latin American stocks and currencies were down Tuesday as investors cashed in after a recent rally. Regional currencies weakened ahead of the Fed meeting. The declines weighed on the broader

emerging markets shares benchmark, which was up 0.2%. The broader Latin American shares benchmark was down 0.85%.

Gold jumped 1.2% on Tuesday as investors sought refuge in the safe-haven asset as they await remarks from the Fed meeting. U.S. gold futures settled up 1% to \$1,721.90 an ounce.

Source: Thomson Reuters

Domestic Markets

South Africa's rand ended the local session largely unchanged on Tuesday, pausing its rally as traders took profits after a strong advance by emerging currencies spurred by global economic recovery hopes.

At 1550 GMT the rand was 0.02% firmer at 16.6770, barely moved from its overnight close having touched a fresh two-month best of 16.6250 before pausing as traders waited for the United States Federal Reserve's policy meeting.

Investors are looking ahead to Wednesday's Fed announcement following the two-day meeting. Speculation is growing that the U.S. central bank might adopt yield targets on bonds, or some other measures to anchor long-term yields.

Bonds weakened, with the yield on the 10-year government bond up 10.5 basis points to 9.115%.

Stocks fell again on Tuesday, tracking global equities as traders bullish on risk ran out of steam after days of rallying, with investors opting to bank profits or head for safe-haven assets on the day.

The benchmark FTSE/JSE all share index shed 0.37% to close at 54,483 points. The Top-40 index slipped 0.4% to end the trading at 49,915 points. The slide in the market came despite gold mining companies in the country posting hefty gains on the back of a steep rise in spot bullion, up 1.3% to \$1,715 per ounce at 1600 GMT. The Johannesburg Stock Exchange's (JSE) gold index, representing five major gold companies, was up 3.74%.

Source: Thomson Reuters

Corona Tracker

GLOBAL CASES		10-Jun-2020		4:16
SOURCE - REUTERS				
	Confirmed Cases	New Cases	Total Deaths	Total Recovered
GLOBAL	7,242,166	114,151	410,151	3,122,414



Market Overview

MARKET INDICATORS (Thomson Reuters)					10 June 2020	
Money Market TB's			Last close	Difference	Prev close	Current Spot
3 months	↓		4.46	-0.280	4.74	4.46
6 months	↓		4.78	-0.098	4.88	4.78
9 months	↓		4.88	-0.023	4.90	4.88
12 months	↓		4.96	-0.035	5.00	4.96
Nominal Bonds			Last close	Difference	Prev close	Current Spot
GC21 (BMK: R208)	↓		4.15	-0.085	4.23	4.15
GC22 (BMK: R2023)	↓		6.03	-0.010	6.04	6.03
GC23 (BMK: R2023)	↓		6.12	-0.010	6.13	6.12
GC24 (BMK: R186)	↑		8.02	0.050	7.97	8.02
GC25 (BMK: R186)	↑		8.02	0.050	7.97	8.02
GC27 (BMK: R186)	↑		8.23	0.050	8.18	8.23
GC30 (BMK: R2030)	↑		9.76	0.105	9.65	9.76
GC32 (BMK: R213)	↑		10.64	0.100	10.54	10.64
GC35 (BMK: R209)	↑		12.28	0.115	12.16	12.29
GC37 (BMK: R2037)	↑		12.31	0.105	12.20	12.31
GC40 (BMK: R214)	↑		12.63	0.120	12.51	12.63
GC43 (BMK: R2044)	↑		13.05	0.110	12.94	13.05
GC45 (BMK: R2044)	↑		13.20	0.110	13.09	13.20
GC50 (BMK: R2048)	↑		13.25	0.120	13.13	13.25
Inflation-Linked Bonds			Last close	Difference	Prev close	Current Spot
GI22 (BMK: NCPI)	↑		4.40	0.050	4.35	4.40
GI25 (BMK: NCPI)	⇒		4.50	0.000	4.50	4.50
GI29 (BMK: NCPI)	↓		5.98	-0.005	5.98	5.98
GI33 (BMK: NCPI)	⇒		6.70	0.000	6.70	6.70
GI36 (BMK: NCPI)	⇒		6.99	0.000	6.99	6.99
Commodities			Last close	Change	Prev close	Current Spot
Gold	↑		1,714	1.16%	1,695	1,716
Platinum	↑		837	0.54%	833	839
Brent Crude	↑		41.2	0.93%	40.8	40.6
Main Indices			Last close	Change	Prev close	Current Spot
NSX Overall Index	↓		1,096	-0.14%	1,098	1,096
JSE All Share	↓		54,483	-0.37%	54,684	54,483
SP500	↓		3,207	-0.78%	3,232	3,207
FTSE 100	↓		6,336	-2.11%	6,473	6,336
Hangseng	↑		25,057	1.13%	24,777	25,093
DAX	↓		12,618	-1.57%	12,820	12,618
JSE Sectors			Last close	Change	Prev close	Current Spot
Financials	↓		11,236	-0.41%	11,282	11,236
Resources	↓		50,524	-0.19%	50,620	50,524
Industrials	↓		73,375	-0.47%	73,722	73,375
Forex			Last close	Change	Prev close	Current Spot
N\$/US dollar	↓		16.63	-0.27%	16.68	16.60
N\$/Pound	↓		21.17	-0.24%	21.22	21.15
N\$/Euro	↑		18.86	0.13%	18.83	18.83
US dollar/ Euro	↑		1.134	0.43%	1.129	1.134
			Namibia		RSA	
Economic data			Latest	Previous	Latest	Previous
Inflation	↓		1.6	2.4	4.1	4.6
Prime Rate	↓		8.00	9.00	7.75	8.75
Central Bank Rate	↓		4.25	5.25	4.25	5.25

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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