



Market Update

Friday, 10 September 2021



Global Markets

Shares rallied on Friday after two days of losses, but were still in a nervous mood as global investors grapple with how best to interpret central banks' cautious moves to end stimulus, which also left currency markets quiet.

MSCI's broadest index of Asia-Pacific shares outside Japan, gained 0.47% in early trading, but is still down around 0.8% compared to last week's close, in line with the global trend. Japan's Nikkei rose 0.25%, and U.S. stock futures, the S&P 500 e-minis, were flat. Australia gained 0.4% as mining stocks rose after aluminium prices hit multi-year highs, and Chinese blue chips also advanced 0.5%.

But gains were lead by Hong Kong with the local benchmark rebounding 1.5% having fallen over 2% the day before when Chinese tech stocks took another battering after authorities called gaming firms in for a word. But traders are still cautious about buying too much of the dip. "At some point

in time investors will say actually this is the right price, it's not going to go to zero," said John Lau, head of Asian equities and a senior portfolio manager at SEI, referring to Chinese tech names. "I think most investors will wait until the dust settles and see whether there is enough clarity before they can act, at this point in time its extremely difficult."

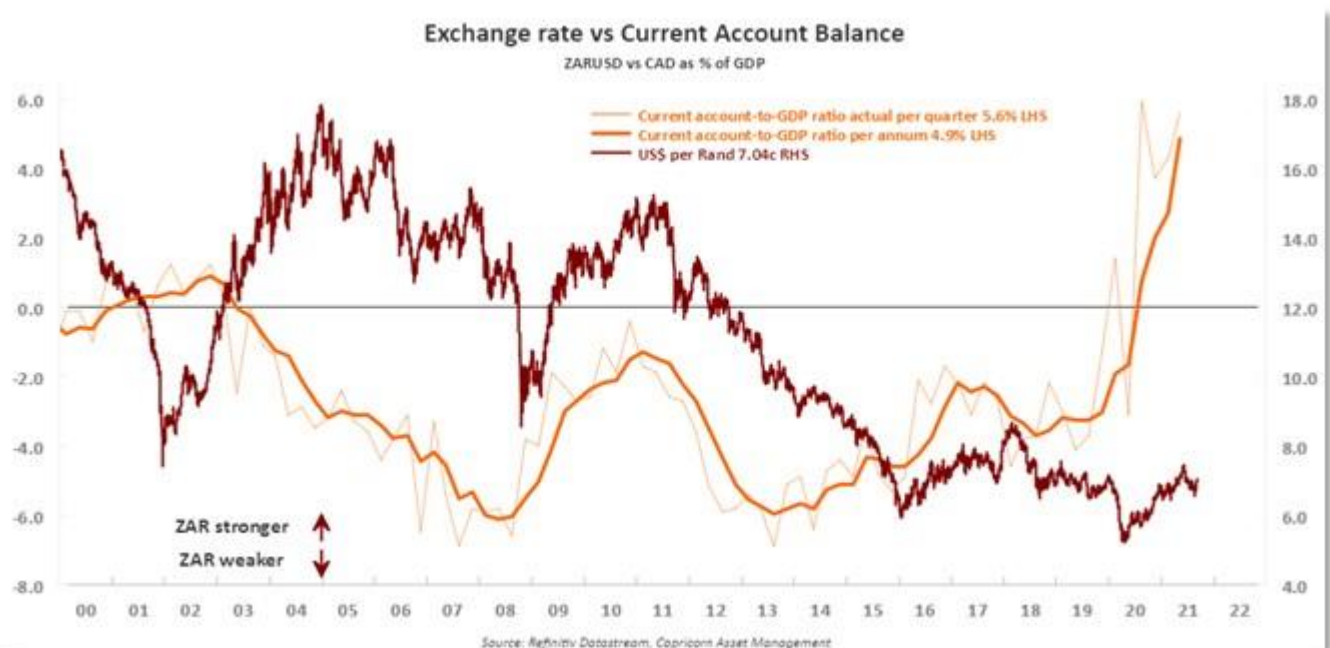
Reaction to the European Central Bank saying over the coming quarter it would slow emergency bond purchases implemented during the COVID-19 pandemic was constrained by the ECB refraining from detailing how it plans to end its 1.85-trillion-euro Pandemic Emergency Purchase Programme.

"Risk sentiment flip-flopped through the overnight session, initially reacting positively to the ECB meeting and evidence of ongoing strength in the U.S. labour market. However, U.S. equities ended in the red, likely reflecting concerns about the timing of central bank tapering and ongoing Delta woes," said analysts at ANZ. The Dow Jones Industrial Average fell 0.43%, the S&P 500 lost 0.46%, and Nasdaq Composite dipped 0.25%.

Investors normally interpret better employment figures as a sign the Federal Reserve is less likely to delay trimming its massive asset purchases, which have been supporting share prices in recent months. In addition, Federal Reserve Bank Governor Michelle Bowman added her voice to the growing number of policymakers who say the weak August jobs report likely won't throw off the central bank's plan to trim its \$120 billion in monthly bond purchases later this year.

In currency markets, the euro was flat in Asian hours at \$1.1820, after the ECB announcement helped it stem a few days of losses, as it fell off its month high set at the end of last week. The dollar was also little changed against a basket of peers but on course for nearly a 0.5% weekly rise. The yield on benchmark 10-year Treasury notes edged up to 1.307% compared with its U.S. close of 1.3%. U.S. crude dipped 0.1% to \$68 a barrel. Brent crude fell 0.15% to \$71.34 per barrel.

Source: Thomson Reuters Refinitiv



Domestic Markets

South Africa's rand strengthened on Thursday thanks to current account data recording its largest surplus ever in the second quarter, while stocks were hammered as investors exited tech companies after China's government summoned gaming firms.

At 1550 GMT the rand traded at 14.1400 against the dollar, around 0.37% stronger than its previous close.

A major driver of the record Q2 current account reading was that the trade balance notched up a surplus of 613.7 billion rand (\$43.39 billion), up from 450.8 billion rand previously and also an all-time high, on higher key commodities prices and buoyant global demand.

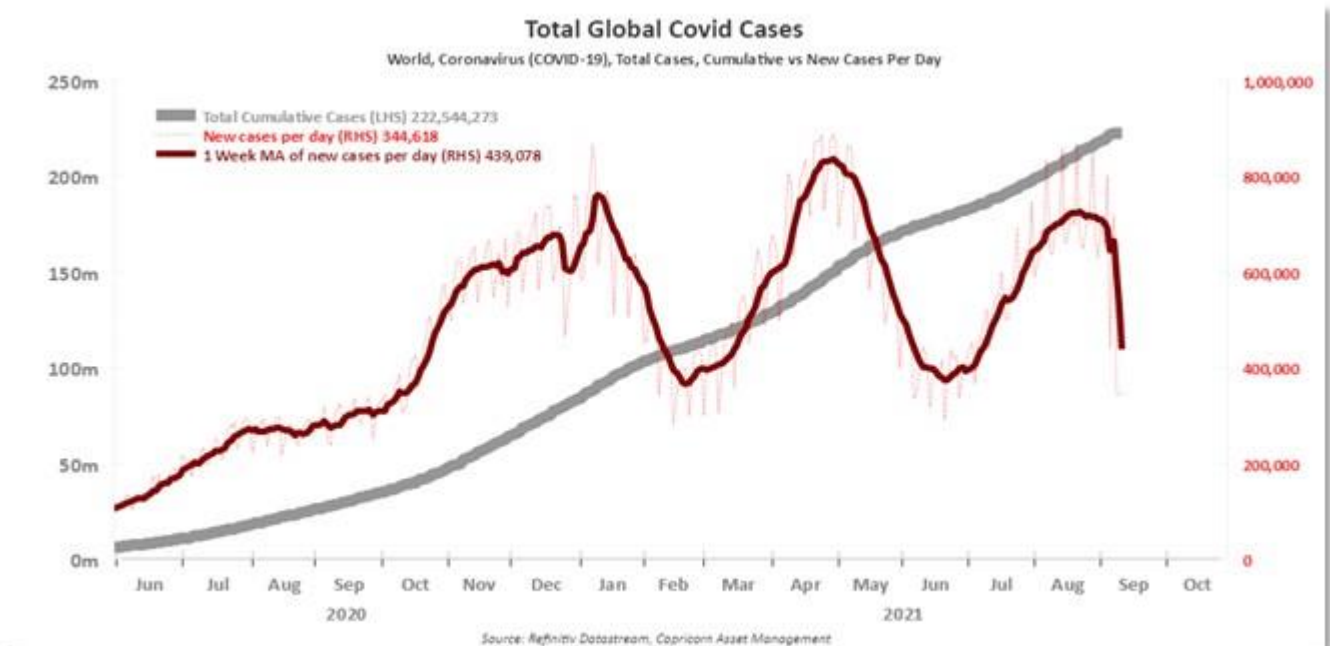
"As was the case in previous quarters, the magnitude of the surplus once again surpassed expectations," said Pieter du Preez, a senior economist at NKC African Economics. "We expect the current account to remain in surplus territory over the near term as the elevated commodity price environment buoys exports. Therefore, we forecast the current account to record a surplus in 2021, before moving back into deficit territory during H2 2022."

In the equities market, tech investor giants Naspers and its unit Prosus slumped 7.82% and 6.30% respectively after online gaming chiefs, including Tencent Holdings, were summoned by Chinese authorities to check they are sticking to strict new rules for the sector. Prosus holds close to 29% of Tencent.

Overall, the Johannesburg All-share index fell 2.06% while the Top 40 index declined 2.29%.

Corona Tracker

GLOBAL CASES		09-Sep-2021	
SOURCE - REUTERS			
	Confirmed Cases	New Cases	Total Deaths
GLOBAL	222,544,273	344,618	4,770,795



Source: Thomson Reuters Refinitiv

I no have education. I have inspiration. If I was educated, I would be a damn fool.

Bob Marley

Market Overview

MARKET INDICATORS (Thomson Reuters)		10 September 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↓	4.55	-0.020	4.57	4.55
6 months	↓	5.00	-0.007	5.01	5.00
9 months	↑	5.22	0.014	5.20	5.22
12 months	↓	5.30	-0.001	5.30	5.30
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↑	4.20	0.035	4.17	4.24
GC22 (Coupon 8.75%, BMK R2023)	↑	5.16	0.030	5.13	5.16
GC23 (Coupon 8.85%, BMK R2023)	↑	5.68	0.030	5.65	5.68
GC24 (Coupon 10.50%, BMK R186)	↑	7.00	0.020	6.98	7.01
GC25 (Coupon 8.50%, BMK R186)	↑	7.19	0.020	7.17	7.20
GC26 (Coupon 8.50%, BMK R186)	↑	7.85	0.020	7.83	7.86
GC27 (Coupon 8.00%, BMK R186)	↑	8.12	0.020	8.10	8.13
GC30 (Coupon 8.00%, BMK R2030)	↑	9.73	0.020	9.71	9.74
GC32 (Coupon 9.00%, BMK R213)	↑	10.28	0.025	10.26	10.29
GC35 (Coupon 9.50%, BMK R209)	↑	11.41	0.020	11.39	11.42
GC37 (Coupon 9.50%, BMK R2037)	↑	12.10	0.030	12.07	12.10
GC40 (Coupon 9.80%, BMK R214)	↑	12.93	0.015	12.92	12.94
GC43 (Coupon 10.00%, BMK R2044)	↑	13.08	0.010	13.07	13.09
GC45 (Coupon 9.85%, BMK R2044)	↑	13.05	0.010	13.04	13.06
GC48 (Coupon 10.00%, BMK R2048)	↑	13.09	0.010	13.08	13.10
GC50 (Coupon 10.25%, BMK: R2048)	↑	13.17	0.010	13.16	13.18
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI22 (Coupon 3.55%, BMK NCPI)	⇒	3.95	0.000	3.95	3.95
GI25 (Coupon 3.80%, BMK NCPI)	⇒	3.96	0.000	3.96	3.96
GI27 (Coupon 4.00%, BMK NCPI)	⇒	4.99	0.000	4.99	4.99
GI29 (Coupon 4.50%, BMK NCPI)	⇒	6.16	0.000	6.16	6.16
GI33 (Coupon 4.50%, BMK NCPI)	⇒	7.32	0.000	7.32	7.32
GI36 (Coupon 4.80%, BMK NCPI)	⇒	7.71	0.000	7.71	7.71
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,795	0.32%	1,789	1,798
Platinum	↓	977	-0.29%	980	977
Brent Crude	↓	71.5	-1.58%	72.6	71.9
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,469	-1.61%	1,493	1,469
JSE All Share	↓	64,177	-2.06%	65,525	64,177
SP500	↓	4,493	-0.46%	4,514	4,493
FTSE 100	↓	7,024	-1.01%	7,096	7,024
Hangseng	↓	25,716	-2.30%	26,321	26,150
DAX	↑	15,623	0.08%	15,610	15,623
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	13,952	-1.18%	14,118	13,952
Resources	↓	60,321	-1.90%	61,487	60,321
Industrials	↓	81,563	-2.79%	83,900	81,563
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	14.20	0.16%	14.18	14.17
N\$/Pound	↑	19.65	0.64%	19.52	19.62
N\$/Euro	↑	16.79	0.26%	16.75	16.76
US dollar/ Euro	↑	1.183	0.10%	1.181	1.183
		Namibia		RSA	
Interest Rates & Inflation		Aug 21	Jul 21	Aug 21	Jul 21
Central Bank Rate	⇒	3.75	3.75	3.50	3.50
Prime Rate	⇒	7.50	7.50	7.00	7.00
		Jul 21	Jun 21	Jul 21	Jun 21
Inflation	↓	4.0	4.1	4.6	4.9

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 listed

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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