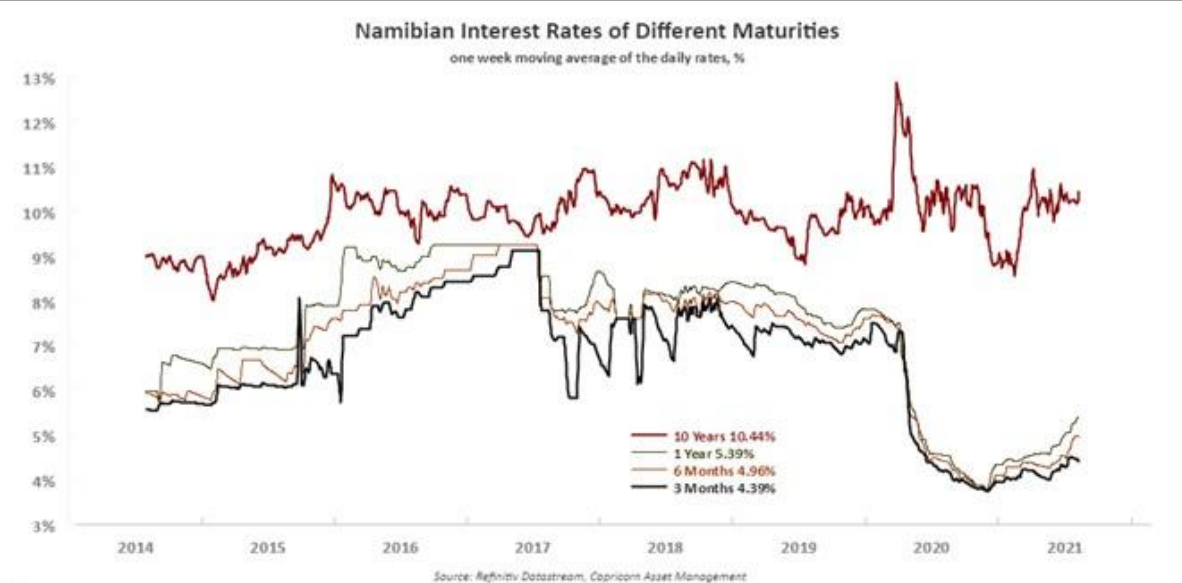




Market Update

Wednesday, 11 August 2021



Global Markets

The dollar and U.S. yields extended gains in Asia on Wednesday, spurred by tapering talk, while Asian shares traded sideways on fears about the spread of the coronavirus despite a record close on Wall Street. The dollar index rose to its highest since mid-July, gaining against the yen, while the euro neared year-to-date lows against the greenback. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.08% in Asian trading, with Chinese bluechips down 0.38% Korea's KOSPI down 0.37%.

Improving U.S. economic data and a more hawkish tone from Federal Reserve officials have led markets to expect the central bank to begin tapering its asset purchases later this year, pushing up yields and supporting the dollar. But the move has been well flagged, meaning a repeat of the so-called "taper tantrum" of 2013 that shook markets when the Fed began putting the brakes on its quantitative easing program, is unlikely said Ray Farris, chief investment officer South Asia, Credit Suisse.

"In Asia there's a little bit of concern about tapering but there is increasing understanding that we're unlikely to get a tantrum," said Farris. "But there is a lot more concern about Delta because of its impact on a lot of Asian economies where vaccination rates are lower," he said. The Delta variant of

the new coronavirus is spreading quickly in many Asian countries raising fears about local travel restrictions, hurting the economic recovery.

Australia was a rare bright spot, with the local index gaining 0.61%, helped by the announcement of a record share buyback by country's largest bank, Commonwealth Bank of Australia, with its annual results. Japan's Nikkei gained 0.57%.

The dollar was supported by rises in longer and shorter dated treasury yields which reached their highest levels since mid-July, with yields on benchmark 10-year Treasury notes touching a five week high of 1.3610%.

The Dow and S&P 500 closed at record highs as economically sensitive value stocks gained with the U.S. Senate's passage of a \$1 trillion bipartisan infrastructure package, which now passes to the House of Representatives. The infrastructure package could provide the nation's biggest investment in decades in roads, bridges, airports and waterways.

Elsewhere, the stronger dollar and higher bond yields weighed on gold, with the spot price falling 0.2%. Higher interest rates typically hurt non-interest bearing gold. Oil held on to gains in Asian trading, having risen 2% on Tuesday, on signs of rising fuel demand in the United States. U.S. crude ticked up 0.01%, Brent crude was flat.



Domestic Markets

South Africa's rand weakened slightly against the dollar on Tuesday, with a rise in local manufacturing production outdone by growing anticipation the United States could move to an earlier withdrawal of its economic stimulus. At 1441 GMT, the rand traded at 14.8325 against the dollar, 0.29% weaker than its previous close, even as local manufacturing production rose to a better-than-expected 12.5% year-on-year in June.

The prospect of higher U.S. interest rates tends to lessen the appeal of riskier, high-yielding currencies such as the rand and increase that of the dollar - a sentiment exacerbated by rising coronavirus cases both in the United States and elsewhere driven by the more infectious Delta variant.

"The rand reacted favourably to the (manufacturing) announcement albeit marginal as focus shifts to the U.S.," Warren Venketas, analyst at DailyFX, said in a note, adding the currency's future would remain highly dependent on the dollar and global risk aversion.

A strong U.S. jobs report last week and comments from two central bank officials have solidified expectations the U.S. Federal Reserve could soon start tapering its monetary stimulus. A rally in the dollar spurred by this has steadied somewhat, and investors are looking to U.S. inflation data on Wednesday for further clues.

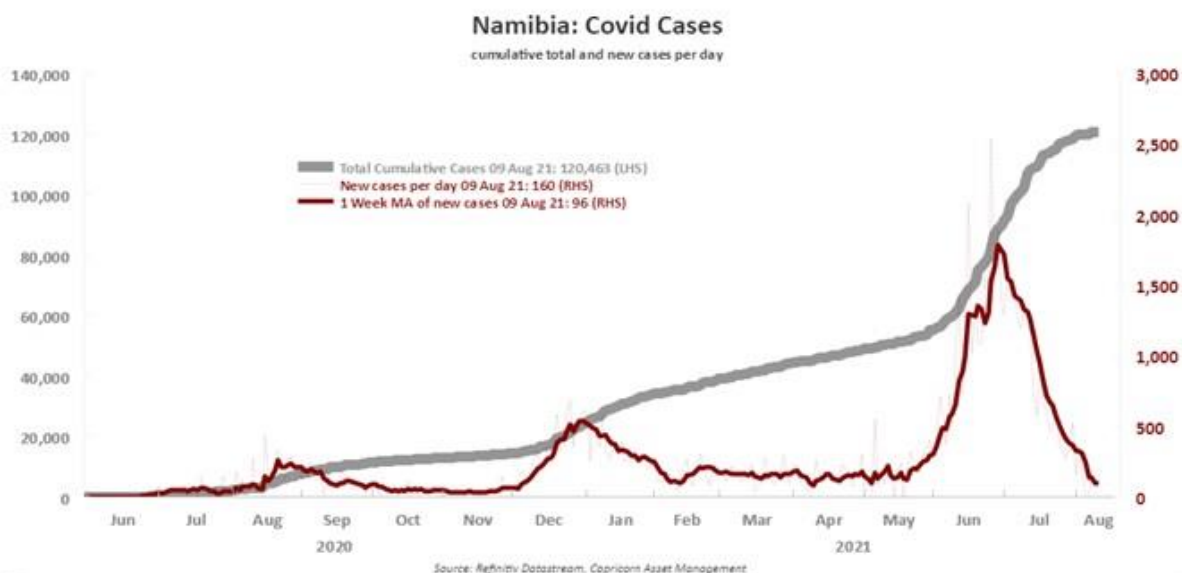
Government bonds strengthened slightly, with the yield on the benchmark 2030 instrument losing 1 basis point to stand at 8.950%.

Stocks closed higher, with the Johannesburg Stock Exchange's Top-40 Index climbing 1.65% to 63,541 points and the broader All-Share Index closing 1.35% higher at 69,602 points. The blue-chip index was dragged upwards by e-commerce giant Naspers and its subsidiary Prosus, whose main listing is in Amsterdam. Both rose more than 10% on the back of a rally in Chinese technology stocks. Prosus holds a 28% stake in Chinese internet behemoth Tencent.

Corona Tracker

GLOBAL CASES		11-Aug-2021	
SOURCE - REUTERS			
	Confirmed Cases	New Cases	Total Deaths
GLOBAL	203,904,185	330,707	4,485,988

Source: Thomson Reuters



I am an old man and have known a great many troubles, but most of them never happened.

Mark Twain

Market Overview

MARKET INDICATORS (Thomson Reuters)		11 August 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↓	4.28	-0.008	4.28	4.28
6 months	↓	4.50	-0.008	4.51	4.50
9 months	↓	4.77	-0.009	4.78	4.77
12 months	↓	4.91	-0.009	4.92	4.91
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↓	4.33	-0.165	4.49	4.31
GC22 (Coupon 8.75%, BMK R2023)	↓	5.68	-0.025	5.70	5.66
GC23 (Coupon 8.85%, BMK R2023)	↓	5.58	-0.025	5.60	5.56
GC24 (Coupon 10.50%, BMK R186)	↑	7.74	0.005	7.73	7.75
GC25 (Coupon 8.50%, BMK R186)	↑	7.75	0.005	7.74	7.76
GC26 (Coupon 8.50%, BMK R186)	↑	7.75	0.005	7.74	7.76
GC27 (Coupon 8.00%, BMK R186)	↑	8.04	0.005	8.03	8.05
GC30 (Coupon 8.00%, BMK R2030)	↓	9.25	-0.010	9.26	9.28
GC32 (Coupon 9.00%, BMK R213)	↓	10.26	-0.010	10.27	10.28
GC35 (Coupon 9.50%, BMK R209)	↓	11.23	-0.015	11.24	11.24
GC37 (Coupon 9.50%, BMK R2037)	↓	11.72	-0.015	11.73	11.73
GC40 (Coupon 9.80%, BMK R214)	↓	12.58	-0.020	12.60	12.60
GC43 (Coupon 10.00%, BMK R2044)	↓	12.82	-0.025	12.85	12.85
GC45 (Coupon 9.85%, BMK R2044)	↓	13.10	-0.025	13.13	13.13
GC48 (Coupon 10.00%, BMK R2048)	↓	13.19	-0.025	13.21	13.21
GC50 (Coupon 10.25%, BMK: R2048)	↓	13.13	-0.025	13.15	13.15
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)	⇒	4.00	0.000	4.00	4.00
GI27 (Coupon 4.00%, BMK NCPI)	⇒	4.99	0.000	4.99	4.99
GI29 (Coupon 4.50%, BMK NCPI)	⇒	6.19	0.000	6.19	6.19
GI33 (Coupon 4.50%, BMK NCPI)	⇒	7.01	0.000	7.01	7.01
GI36 (Coupon 4.80%, BMK NCPI)	⇒	7.61	0.000	7.61	7.61
Commodities		Last close	Change	Prev close	Current Spot
Gold	↓	1,729	-0.04%	1,729	1,732
Platinum	↑	995	1.52%	980	1,002
Brent Crude	↑	70.6	2.30%	69.0	70.8
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,516	0.43%	1,509	1,516
JSE All Share	↑	69,602	1.35%	68,674	69,602
SP500	↑	4,437	0.10%	4,432	4,437
FTSE 100	↑	7,161	0.40%	7,132	7,161
Hangseng	↑	26,606	1.23%	26,283	26,635
DAX	↑	15,771	0.16%	15,745	15,771
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	13,538	-0.23%	13,570	13,538
Resources	↑	69,350	0.03%	69,329	69,350
Industrials	↑	89,841	3.47%	86,830	89,841
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	14.80	0.17%	14.77	14.83
N\$/Pound	↑	20.48	0.16%	20.45	20.51
N\$/Euro	↑	17.34	0.01%	17.34	17.37
US dollar/ Euro	↓	1.172	-0.16%	1.174	1.171
		Namibia		RSA	
Interest Rates & Inflation		Jun 21	May 21	Jun 21	May 21
Central Bank Rate	⇒	3.75	3.75	3.50	3.50
Prime Rate	⇒	7.50	7.50	7.00	7.00
		Jun 21	May 21	Jun 21	May 21
Inflation	↑	4.1	3.8	4.9	5.2

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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