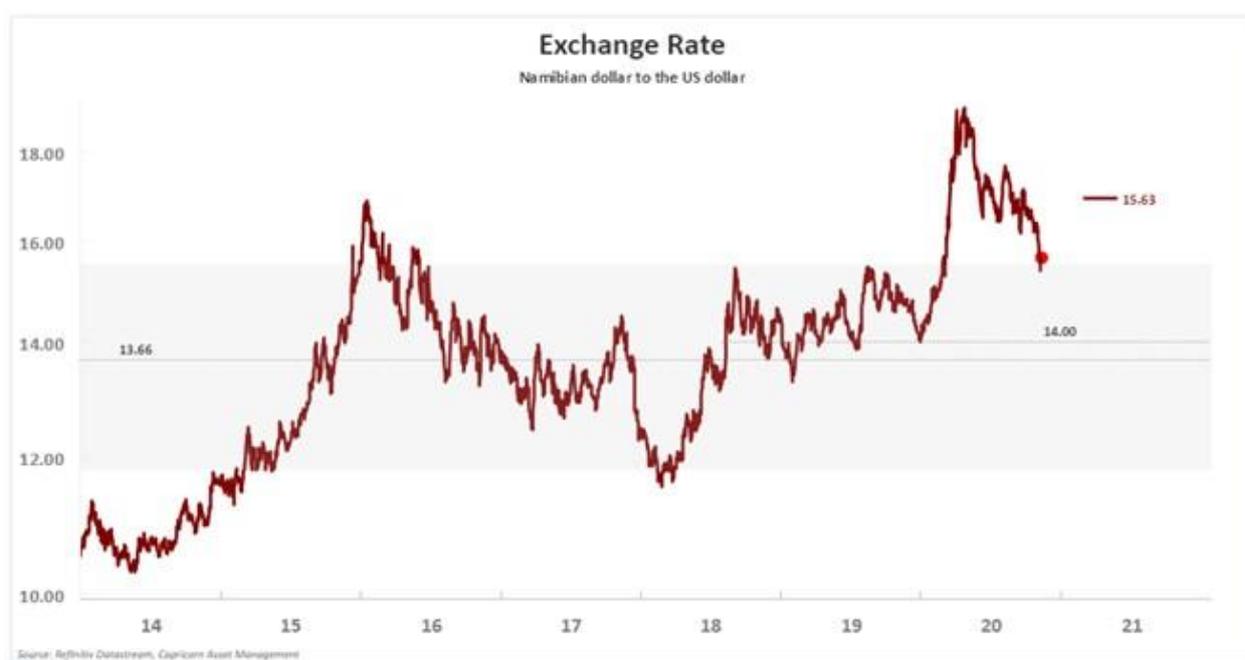




Market Update

Wednesday, 11 November 2020



Global Markets

Stock markets gained on Wednesday, as news of a working COVID-19 vaccine seemed to inoculate investors against worry about surging infections in Europe and the United States, while the kiwi rose as traders thought the central bank sounded upbeat.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.4% and Japan's Nikkei rose 1%, although most of the action was switching between sectors within markets, as investors shift from coronavirus winners into some of the hardest hit sectors. Banks, for example, made modest additions to Tuesday gains, as did energy and some travel stocks while tech companies fell. Oil futures sat by two-month highs on anticipation of better demand in a post-pandemic world.

Currency markets were mostly steady save for the kiwi, which climbed half a percent to a 19-month high after the Reserve Bank of New Zealand kept rates on hold, as expected, but sounded less dovish than forecast about the outlook. Other majors and fixed income markets were mostly flat with traders unwilling to extend a selloff in the haven assets of bonds and the yen while a trying northern winter looms.

S&P 500 futures wobbled either side of flat and Nasdaq 100 futures rose 0.4% after another session of Wall Street selling of hitherto soaring big tech firms. "A rotation theme remains evident in equity markets," said National Australia Bank strategist Rodrigo Catril in a note. "Big tech, which has benefited from our virus-driven change in behaviour, is now falling out of favour while small-cap stocks and those that have been most affected by social distancing restrictions have outperformed."

Amazon.com Inc was also under pressure overnight after European authorities filed an antitrust suit against the online retailing giant. It has suffered its sharpest two-day drop since March, shedding 8%, though has gained 64% this year. In Hong Kong on Wednesday the Hang Seng traded just below flat as gains in financials were outweighed by losses in tech names such as Tencent and Alibaba. In Tokyo, industrials led the charge as enthusiasm for buying airlines petered out. In Australia banks made small gains while camping gear retailers, buy-now-pay-later darling Afterpay and Dominos Pizza extended losses.

The moves mirror a Wall Street rotation since Pfizer Inc announced on Monday that its COVID-19 vaccine candidate, developed with German partner BioNTech, showed a 90% success rate in preventing infection during trials. The blue-chip Dow Jones, buoyed by industrial shares, is up nearly 4% this week, while the tech-heavy Nasdaq has lost almost that much and the S&P 500 is up 1%.

That came with a big selloff in U.S. Treasuries and the Japanese yen, even while COVID-19 deaths have crossed 300,000 in Europe and keep rising in spite of a second series of social restrictions as the northern autumn turns to winter. "The rate of change that we've seen in the U.S. bond market over the last few days is just not sustainable," said Chris Weston, head of research at broker Pepperstone, who is looking for more easing from the U.S. Federal Reserve next month. "Given the shaky patch that we know we've got to navigate through, which is going to be a very dark winter in the U.S...I just can't see a situation where the Fed don't do something to keep nominal bond yields in check."

Investors are also looking to hear from European Central Bank president Christine Lagarde about the European economic outlook and stimulus prospects in a speech at 1300 GMT. The U.S. bond market is shut for Veterans Day but the yield on benchmark 10-year Treasuries posted its highest close since March on Tuesday at 0.9720%.

Brent crude futures were last 30 cents firmer at \$43.90 a barrel, just below a two-month high made overnight. Gold was steady at \$1,879.36 an ounce.

Domestic Markets

South Africa's rand extended its retreat from a more than 8-month high against the dollar on Tuesday, after police issued a warrant for the arrest on corruption charges of Ace Magashule, a top official of the governing African National Congress party.

The rand traded at 15.6200 against the U.S. dollar at 1436 GMT, 1.48% weaker than its Monday close, as the South African currency fell despite world markets rising on positive news from drugmaker Pfizer on the search for a coronavirus vaccine.

Magashule, who told reporters he had done nothing wrong, is secretary-general of the ANC, in charge of day-to-day running of the party, and his arrest could have significant political ramifications if he has to take leave or resign.

Signs of instability within the ANC tend to hurt the rand, which had climbed to 15.2100 per dollar on Monday, its highest level since March 5.

Government bonds also weakened, with the yield on the benchmark due in 2030 up 11.5 basis points to 8.845%.

Stocks, however, climbed further on optimism around a COVID-19 vaccine, which had sent shares soaring. The All-Share index closed 0.45% higher at 52,923 points, while the benchmark Top-40 index rose 0.64% to 57,672 points.

"There was a strong outcome over the Pfizer vaccine which has caused fund managers to reposition their investments. As a result we are seeing banks and retailers benefiting from this," said Greg Davies, a trader with Cratos Capital. The banking index closed up 4.26%. Gold shares were also among the gainers, rising 3.76% on the back of a recovery in the bullion price as investors bet on continued monetary support from central banks to revive a pandemic-hit global economy.

Source: Thomson Reuters

Corona Tracker

GLOBAL CASES		10-Nov-2020		0:47	
SOURCE - REUTERS		Confirmed Cases	New Cases	Total Deaths	Total Recovered
GLOBAL	51,227,551	311,675	1,269,346	33,487,872	

I've only ever trusted my gut on everything. I don't trust my head, I don't trust my heart, I trust my gut.

Bryan Adams

Market Overview

MARKET INDICATORS (Thomson Reuters)		11 November 2020			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	→	3.85	0.000	3.85	3.85
6 months	→	3.92	0.000	3.92	3.92
9 months	→	3.88	0.000	3.88	3.88
12 months	→	3.83	0.000	3.83	3.83
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	→	4.02	0.000	4.02	4.02
GC22 (Coupon 8.75%, BMK R2023)	↑	4.68	0.150	4.53	4.63
GC23 (Coupon 8.85%, BMK R2023)	↑	4.58	0.150	4.43	4.53
GC24 (Coupon 10.50%, BMK R186)	↑	7.27	0.175	7.09	7.28
GC25 (Coupon 8.50%, BMK R186)	↑	7.28	0.175	7.10	7.29
GC26 (Coupon 8.50%, BMK R186)	↑	7.28	0.175	7.10	7.29
GC27 (Coupon 8.00%, BMK R186)	↑	7.57	0.175	7.39	7.58
GC30 (Coupon 8.00%, BMK R2030)	↑	9.18	0.150	9.03	9.15
GC32 (Coupon 9.00%, BMK R213)	↑	10.34	0.120	10.22	10.34
GC35 (Coupon 9.50%, BMK R209)	↑	11.25	0.120	11.13	11.22
GC37 (Coupon 9.50%, BMK R2037)	↑	11.97	0.100	11.87	11.94
GC40 (Coupon 9.80%, BMK R214)	↑	12.58	0.070	12.51	12.58
GC43 (Coupon 10.00%, BMK R2044)	↑	13.10	0.070	13.03	13.10
GC45 (Coupon 9.85%, BMK R2044)	↑	13.38	0.070	13.31	13.38
GC50 (Coupon 10.25%, BMK: R2048)	↑	13.43	0.070	13.36	13.40
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI22 (Coupon 3.55%, BMK NCPI)	→	4.49	0.000	4.49	4.49
GI25 (Coupon 3.80%, BMK NCPI)	→	4.25	0.000	4.25	4.25
GI29 (Coupon 4.50%, BMK NCPI)	→	4.38	0.000	4.38	4.38
GI33 (Coupon 4.50%, BMK NCPI)	→	6.76	0.000	6.76	6.76
GI36 (Coupon 4.80%, BMK NCPI)	→	7.02	0.000	7.02	7.02
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,877	0.79%	1,862	1,880
Platinum	↑	883	1.92%	866	886
Brent Crude	↑	43.6	2.85%	42.4	44.1
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,160	2.16%	1,136	1,160
JSE All Share	↑	57,672	0.64%	57,307	57,672
SP500	↓	3,546	-0.14%	3,551	3,546
FTSE 100	↑	6,297	1.79%	6,186	6,297
Hangseng	↑	26,301	1.10%	26,016	26,281
DAX	↑	13,163	0.51%	13,096	13,163
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↑	11,377	3.91%	10,949	11,377
Resources	↑	52,719	2.61%	51,378	52,719
Industrials	↓	80,216	-1.79%	81,679	80,216
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	15.62	1.64%	15.37	15.56
N\$/Pound	↑	20.73	2.46%	20.23	20.63
N\$/Euro	↑	18.46	1.67%	18.15	18.39
US dollar/ Euro	↑	1.181	0.01%	1.181	1.182
Interest Rates & Inflation		Namibia		RSA	
		Latest	Previous	Latest	Previous
Central Bank Rate	↓	3.75	4.00	3.50	3.75
Prime Rate	↓	7.50	7.75	7.00	7.25
		Sep 20	Aug 20	Sep 20	Aug 20
Inflation	→	2.4	2.4	3.0	3.1

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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