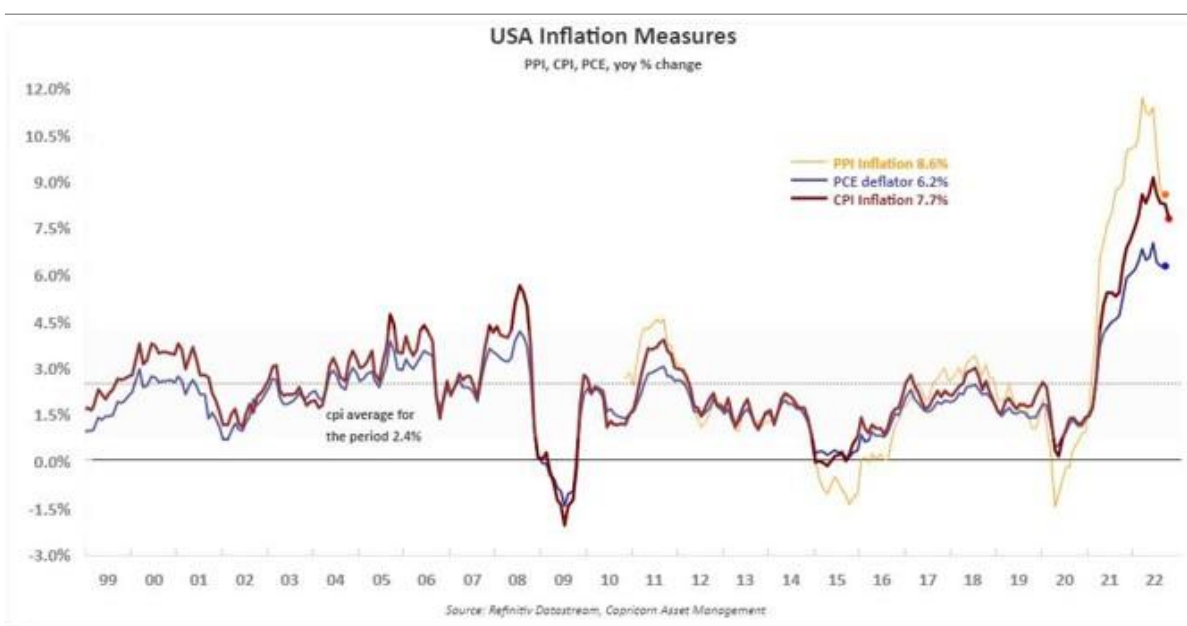




## Market Update

Friday, 11 November 2022



## Global Markets

Asian shares spiked higher on Friday, while the dollar nursed steep losses after a smaller-than-expected increase in U.S. consumer prices fuelled hopes that the Federal Reserve could tone down its aggressive pace of interest rate hikes.

MSCI's broadest index of Asia-Pacific shares outside Japan jumped 3.72%. Australia's S&P/ASX 200 index climbed 2.43% and Japan's Nikkei rose 3%.

The U.S. consumer price index climbed 7.7% year on year - the first time since February that the annual increase was below 8%, and the smallest gain since January.

"It's something the market had been waiting for a long time," said Shane Oliver, head of investment strategy and chief economist at AMP Capital. "There was a lot of money sitting on the sidelines."

Overnight, the S&P 500 and Nasdaq notched up their biggest daily percentage gains in over 2-1/2 years on the data.

After four consecutive 75 basis-point interest rate hikes to tame decades-high inflation, the case is now building for the Fed to moderate its aggressive stance, said Rodrigo Catril, senior currency strategist at National Australia Bank in Sydney.

Financial markets have now priced in an 85% likelihood of a smaller, 50 basis-point interest rate hike at the conclusion of next month's FOMC policy meeting, according to CME's Fedwatch tool.

Mainland China stocks opened 2.1% higher, while Hong Kong shares shot up 6.5% in early trade.

China stocks have had a turbulent few weeks - sliding on outbreaks of COVID-19, the ensuing lockdowns as well as feeble economic data, but also surging sporadically on hopes of an eventual economic reopening.

In the currency market, the U.S. dollar index slumped more than 2% overnight to 108.100, the most in over a decade. It was last at 108.230.

The greenback on Thursday recorded its worst day against the Japanese yen since 2016, having fallen 3.7%. It has since clawed back some of those losses and on Friday was up 0.53% at 141.69 yen.

The CPI data sent U.S. Treasury yields to a five-week low overnight.

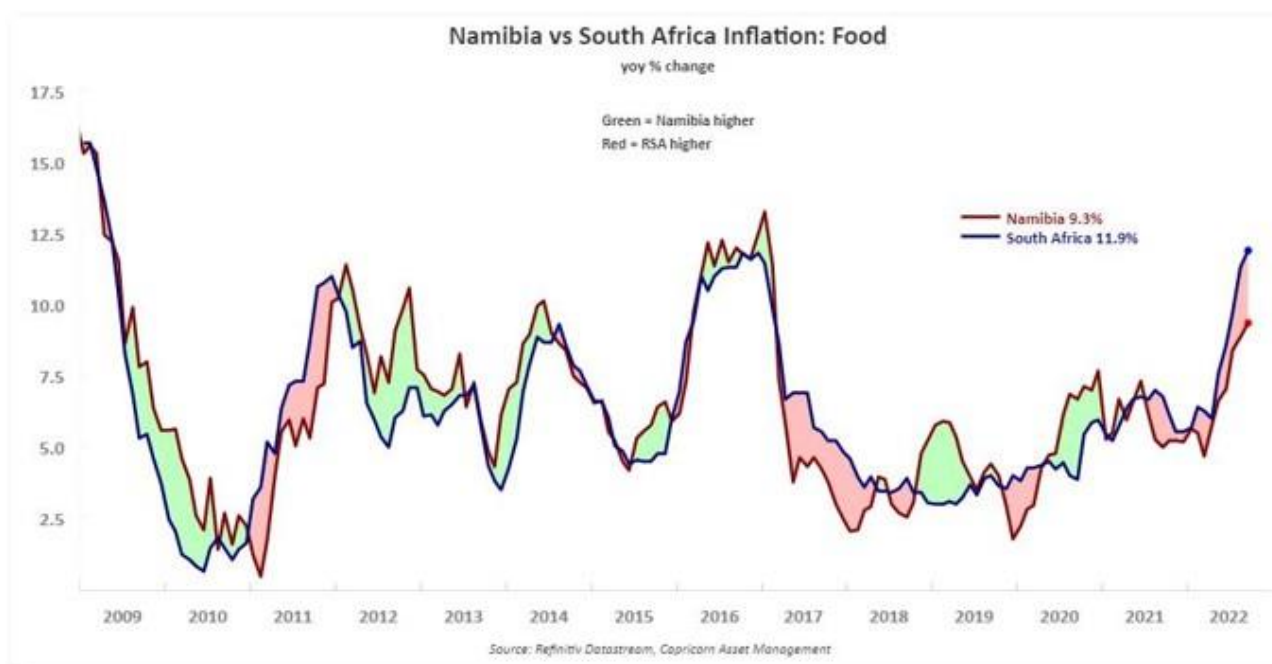
Bitcoin fell 1% as crypto exchange FTX scrambles to raise about \$9.4 billion from investors and rivals in a bid to save the firm.

Meanwhile, oil prices rose on Friday as fears of a U.S. recession eased but they were on track for weekly declines of more than 4% due to COVID-related worries in China.

U.S. crude rose 0.25% to \$86.69 per barrel and Brent was at \$93.88, up 0.22% on the day.

**Source: Reuters Refinitiv**

## Domestic Markets



The South African rand rallied on Thursday afternoon, as the dollar dropped sharply on lower-than-expected U.S. inflation data that could allow the Federal Reserve to dial back its hefty interest rate hikes.

At 1517 GMT, the rand traded at 17.4525 against the dollar, up about 1.8% on its previous close.

The dollar index, which tracks the U.S. currency against a basket of others, was down more than 1.6%.

U.S. consumer prices were up 7.7% year on year in October, marking the first time since February that the annual increase was below 8%.

Among domestic drivers for the rand, South African manufacturing data for September surprised to the upside, rising 2.9% year-on-year versus analysts' predictions for a 2.35% fall.

"The recovery in manufacturing in the third quarter was encouraging and points to the sector making a positive contribution to aggregate GDP following the negative contribution in the second quarter," Nedbank economists said in a research note.

The Johannesburg Stock Exchange's All-share index closed 1.5% higher, helped by optimism over the U.S. inflation numbers. The yield on the South African government's benchmark 2030 bond fell 22 basis points to 10.28%, reflecting a stronger price.

**Source: Reuters Refinitiv**

Learn from yesterday, live for today, hope for tomorrow.  
The important thing is not to stop questioning.  
**Albert Einstein**

## Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)		11 November 2022			
<b>Money Market TB Rates %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
3 months	↑	7.38	0.016	7.37	7.38
6 months	↑	7.62	0.009	7.61	7.62
9 months	⇒	8.23	0.000	8.23	8.23
12 months	↑	8.51	0.016	8.49	8.51
<b>Nominal Bond Yields %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
GC23 (Coupon 8.85%, BMK R2023)	↓	8.98	-0.045	9.02	8.98
GC24 (Coupon 10.50%, BMK R186)	↓	8.22	-0.160	8.38	8.19
GC25 (Coupon 8.50%, BMK R186)	↓	8.67	-0.160	8.83	8.64
GC26 (Coupon 8.50%, BMK R186)	↓	8.73	-0.160	8.89	8.70
GC27 (Coupon 8.00%, BMK R186)	↓	9.70	-0.160	9.86	9.67
GC30 (Coupon 8.00%, BMK R2030)	↓	11.57	-0.220	11.79	11.53
GC32 (Coupon 9.00%, BMK R213)	↓	11.75	-0.215	11.96	11.71
GC35 (Coupon 9.50%, BMK R209)	↓	12.33	-0.230	12.56	12.31
GC37 (Coupon 9.50%, BMK R2037)	↓	12.92	-0.230	13.15	12.90
GC40 (Coupon 9.80%, BMK R214)	↓	13.21	-0.225	13.44	13.19
GC43 (Coupon 10.00%, BMK R2044)	↓	13.75	-0.230	13.98	13.72
GC45 (Coupon 9.85%, BMK R2044)	↓	14.27	-0.230	14.50	14.24
GC48 (Coupon 10.00%, BMK R2048)	↓	14.40	-0.225	14.63	14.38
GC50 (Coupon 10.25%, BMK: R2048)	↓	14.41	-0.225	14.64	14.39
<b>Inflation-Linked Bond Yields %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
GI25 (Coupon 3.80%, BMK NCPI)	⇒	2.88	0.000	2.88	2.88
GI27 (Coupon 4.00%, BMK NCPI)	⇒	3.94	0.000	3.94	3.94
GI29 (Coupon 4.50%, BMK NCPI)	⇒	5.19	0.000	5.19	5.19
GI33 (Coupon 4.50%, BMK NCPI)	⇒	5.93	0.000	5.93	5.93
GI36 (Coupon 4.80%, BMK NCPI)	⇒	6.90	0.000	6.90	6.90
<b>Commodities</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Gold	↑	1,755	2.84%	1,706	1,761
Platinum	↑	1,032	4.74%	985	1,048
Brent Crude	↑	93.7	1.10%	92.7	94.8
<b>Main Indices</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
NSX Overall Index	↑	1,654	1.60%	1,628	1,654
JSE All Share	↑	70,710	1.54%	69,640	70,710
SP500	↑	3,956	5.54%	3,749	3,956
FTSE 100	↑	7,375	1.08%	7,296	7,375
Hangseng	↓	16,081	-1.70%	16,359	17,202
DAX	↑	14,146	3.51%	13,666	14,146
<b>JSE Sectors</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Financials	↑	16,088	1.34%	15,875	16,088
Resources	↑	69,497	1.64%	68,375	69,497
Industrials	↑	83,023	1.89%	81,484	83,023
<b>Forex</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
N\$/US dollar	↓	17.35	-2.21%	17.74	17.37
N\$/Pound	↑	20.32	0.65%	20.19	20.33
N\$/Euro	↓	17.71	-0.50%	17.80	17.74
US dollar/ Euro	↑	1.021	1.97%	1.001	1.022
		<b>Namibia</b>		<b>RSA</b>	
<b>Interest Rates &amp; Inflation</b>		<b>Oct 22</b>	<b>Sep 22</b>	<b>Sep 22</b>	<b>Aug 22</b>
Central Bank Rate	↑	6.25	5.50	6.25	5.50
Prime Rate	↑	10.00	9.25	9.75	9.00
		<b>Sep 22</b>	<b>Aug 22</b>	<b>Sep 22</b>	<b>Aug 22</b>
Inflation	↓	7.1	7.3	7.5	7.6

**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

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**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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