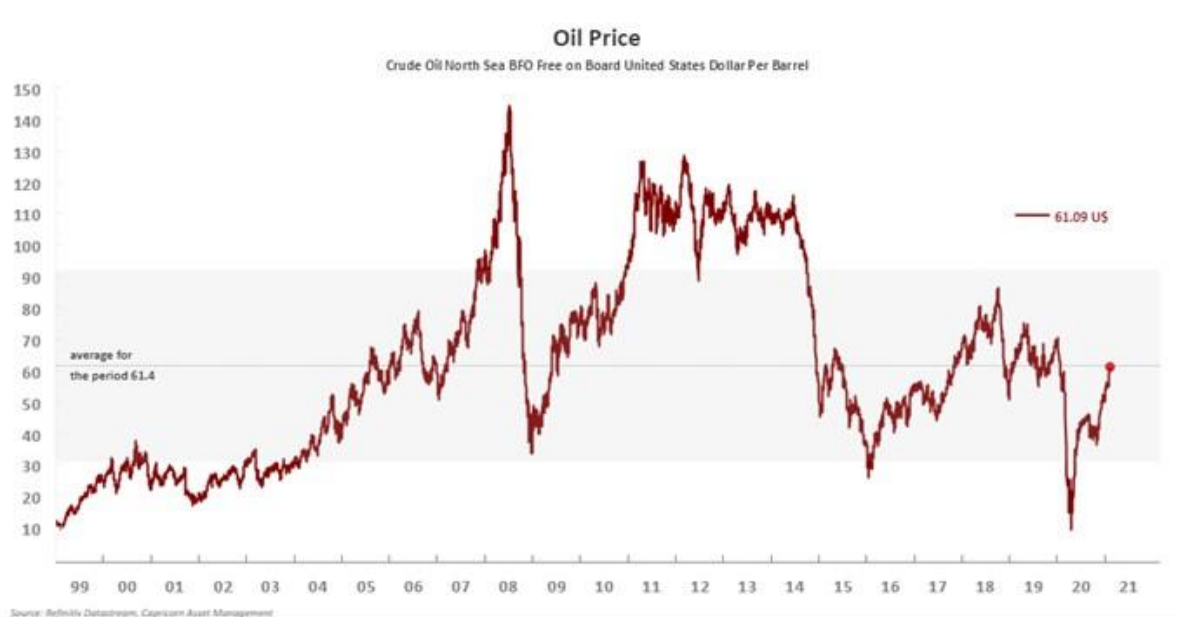




Market Update

Friday, 12 February 2021



Global Markets

Asian shares hovered just below a record high on Friday as mixed U.S. economic data caused some investors to show restraint after a global stock market rally pushed many bourses to dizzying heights.

MSCI's broadest index of Asia-Pacific shares outside Japan slipped 0.03%, trading just shy of an all-time high reached in the previous session. Australian stocks lost 0.31%. Shares in Tokyo fell 0.32%, pulling back from 30-year highs. Futures for the S&P 500 were off 0.12%. Markets in Greater China and most of Southeast Asia are closed on Friday for the Lunar New Year holiday. China's stock and bond markets, foreign exchange and commodity futures markets are closed through Feb. 17 for the holiday.

Bitcoin surged yet again to a new record high after BNY Mellon said it will offer custodian services for cryptocurrencies. The dollar headed for a weekly loss, stung by bitcoin's ascent and disappointing U.S. economic data.

Trading in the United States and Europe on Thursday did not move prices enough to provide much direction, said Tom Piotrowski, a market analyst at CommSec in Sydney. "We didn't get much of a lead-in from the northern hemisphere," Piotrowski said. "Markets are in a bit of a holding pattern waiting for the next catalyst and it is just a question of whether that catalyst is going to be a positive one or a negative one."

World stock markets were holding close to record highs on Thursday as investors weighed some tepid economic data against increasing vaccinations against COVID-19 and the prospect that more government spending and continued cheap money from central banks will drive higher growth and, eventually, inflation.

The MSCI world equity index, which tracks shares in 49 countries, dipped 0.12% on Friday, also pulling back from a record high. On Wall Street, the Nasdaq and S&P 500 eked out gains of 0.4% and 0.2%, respectively, while the Dow Jones Industrial Average slipped 0.02%.

Prices held near records as investors bet on more government spending, although enthusiasm was tempered when U.S. President Joe Biden said that China was poised to "eat our lunch," raising fears of renewed strain on Sino-U.S. ties.

U.S. weekly unemployment claims fell less than expected and core consumer prices rose at a slower pace, which caused some traders to temper the optimism about the economic outlook.

Cryptocurrency bitcoin reached a record high of \$49,000 before paring gains to trade up 0.57% at \$48,282. BNY Mellon said it will form a new unit to help clients hold, transfer and issue digital assets. That came just days after Elon Musk's Tesla revealed it had bought \$1.5 billion worth of the cryptocurrency and would soon accept it as a form of payment for its cars.

Spot gold fell 0.22% to \$1,821.86 per ounce. U.S. gold futures fell 0.19% to \$1,823.30. Gold prices are still on track for their best week in three amid broad dollar selling. The dollar index drifted 0.02% lower on Friday, on course for a 0.6% weekly decline. Soft demand at an auction of \$27 billion of new 30-year Treasuries on Thursday continued to weigh on prices in Asia on Friday. The yield on 10-year U.S. Treasuries rose to 1.1632%, while the 30-year yield edged up to 1.9468%.

Brent crude fell 0.69% to \$60.72 a barrel, having dropped half a percent the previous session. U.S. oil fell 0.81% to \$57.77 a barrel, after falling by 0.8% on Thursday. OPEC cut its demand forecast and the International Energy Agency said the market was still oversupplied, which cast a gloom over energy markets.

Domestic Markets

South Africa's rand soared to a one-month high on Thursday, boosted by soft economic outlook in the United States and slightly improved industrial data locally ahead of an address by President Cyril Ramaphosa later in the day.

At 1550 GMT, the rand was 0.9% firmer at 14.6275 per dollar, its best since Jan. 4, compared to a close of 14.7600 overnight.

The U.S. dollar retreated after benign U.S. inflation and dovish indications from the Federal Reserve pointed to policy staying accommodative in the near-term. This in turn pushed investors into higher-yielding emerging market assets.

Locally, South Africa's manufacturing output expanded 1.8% year-on-year in December, better than forecasts of a 1.3% contraction, rising 5.2% in the final quarter of 2020, evidence of a tentative rebound in Africa's most advanced economy.

"The upside surprise in South Africa's mining and manufacturing output in December is unlikely to be repeated in early 2021," said Africa analyst at Capital Economics Virág Fórizs. "The economic backdrop for President Cyril Ramaphosa's State of the Nation Address today is far from rosy and plans to impose harsh fiscal austerity to shore up weak public finances mean that the outlook is weak." Ramaphosa's State of the Nation (SONA) address is due at 1700 GMT.

The Johannesburg Stock Exchange (JSE) ended its six-day winning streak as investors opted for caution ahead of Ramaphosa's speech. The bourse was pulled down by mining and resources companies, even as banks and other financials provided some cushion.

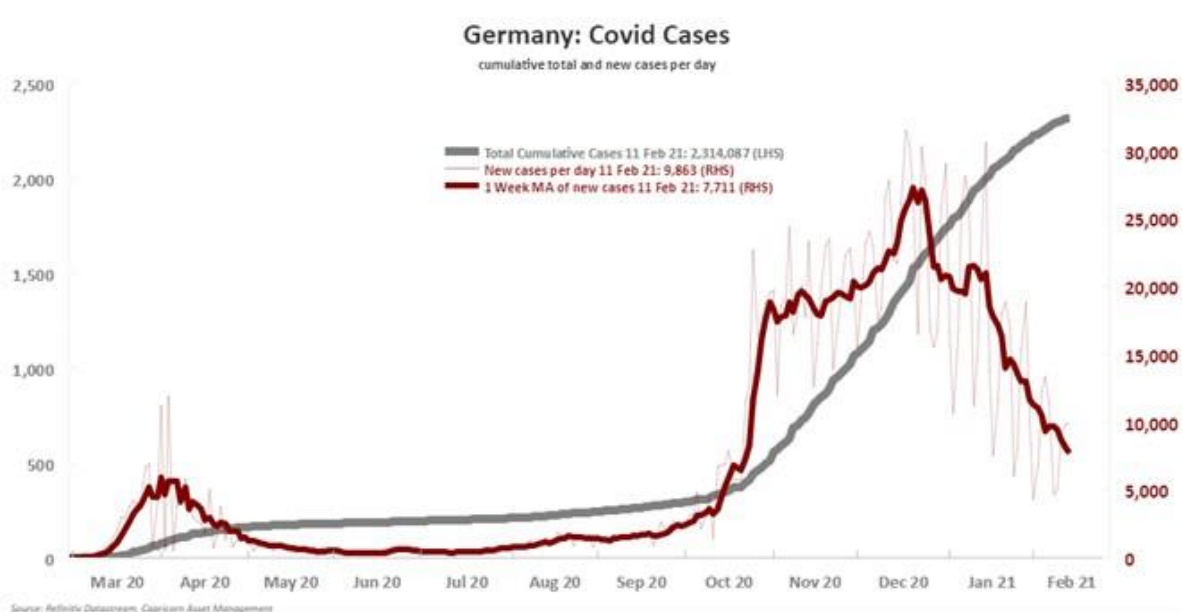
The benchmark FTSE/JSE all-share index ended up 0.41% to 65,883 points while the bluechip FTSE/JSE top-40 companies index closed up 0.36% to 60,420 points. Both indices slipped from their all-time peaks recorded on Wednesday. The banks index rose 0.42%, while the financial index inched up 0.31%. The list of top-10 mining companies was down 1.7%.

Corona Tracker

GLOBAL CASES		12-Feb-2021		5:55
SOURCE - REUTERS		Confirmed Cases	New Cases	Total Deaths
		Total Recovered		
GLOBAL	107,597,650	225,474	2,359,538	70,427,689

The number of new cases is distorted by cut-off times.

Source: Thomson Reuters



By all means let's be open-minded, but not so open-minded that our brains drop out.

Richard Dawkins

Market Overview

MARKET INDICATORS (Thomson Reuters)		12 February 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↔	4.16	0.000	4.16	4.16
6 months	↔	4.52	0.000	4.52	4.52
9 months	↔	4.58	0.000	4.58	4.58
12 months	↔	4.64	0.000	4.64	4.64
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↔	4.37	0.000	4.37	4.31
GC22 (Coupon 8.75%, BMK R2023)	↓	5.31	-0.035	5.35	5.33
GC23 (Coupon 8.85%, BMK R2023)	↓	5.21	-0.035	5.25	5.23
GC24 (Coupon 10.50%, BMK R186)	↓	6.96	-0.035	7.00	6.97
GC25 (Coupon 8.50%, BMK R186)	↓	6.97	-0.035	7.01	6.98
GC26 (Coupon 8.50%, BMK R186)	↓	6.97	-0.035	7.01	6.98
GC27 (Coupon 8.00%, BMK R186)	↓	7.26	-0.035	7.30	7.27
GC30 (Coupon 8.00%, BMK R2030)	↓	8.77	-0.085	8.86	8.78
GC32 (Coupon 9.00%, BMK R213)	↓	9.89	-0.095	9.99	9.90
GC35 (Coupon 9.50%, BMK R209)	↓	10.94	-0.105	11.05	10.95
GC37 (Coupon 9.50%, BMK R2037)	↓	11.48	-0.105	11.59	11.49
GC40 (Coupon 9.80%, BMK R214)	↓	12.28	-0.095	12.38	12.29
GC43 (Coupon 10.00%, BMK R2044)	↓	12.63	-0.100	12.73	12.64
GC45 (Coupon 9.85%, BMK R2044)	↓	12.91	-0.100	13.01	12.92
GC50 (Coupon 10.25%, BMK: R2048)	↓	12.92	-0.105	13.02	12.92
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI22 (Coupon 3.55%, BMK NCPI)	↔	4.20	0.000	4.20	4.20
GI25 (Coupon 3.80%, BMK NCPI)	↔	4.25	0.000	4.25	4.25
GI29 (Coupon 4.50%, BMK NCPI)	↔	5.73	0.000	5.73	5.73
GI33 (Coupon 4.50%, BMK NCPI)	↔	6.82	0.000	6.82	6.82
GI36 (Coupon 4.80%, BMK NCPI)	↔	7.27	0.000	7.27	7.27
Commodities		Last close	Change	Prev close	Current Spot
Gold	↓	1,825	-0.91%	1,842	1,823
Platinum	↓	1,235	-0.56%	1,242	1,227
Brent Crude	↓	61.1	-0.54%	61.5	60.8
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,309	-1.40%	1,328	1,309
JSE All Share	↓	65,883	-0.41%	66,151	65,883
SP500	↑	3,916	0.17%	3,910	3,916
FTSE 100	↑	6,529	0.07%	6,524	6,529
Hangseng	↑	30,174	0.45%	30,039	30,174
DAX	↑	14,041	0.77%	13,933	14,041
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↑	12,459	0.31%	12,421	12,459
Resources	↓	63,320	-1.70%	64,414	63,320
Industrials	↑	88,825	0.26%	88,593	88,825
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↓	14.63	-0.81%	14.75	14.63
N\$/Pound	↓	20.20	-0.91%	20.39	20.19
N\$/Euro	↓	17.74	-0.71%	17.87	17.74
US dollar/ Euro	↑	1.213	0.10%	1.212	1.212
		Namibia		RSA	
Interest Rates & Inflation		Dec 20	Nov 20	Dec 20	Nov 20
Central Bank Rate	↔	3.75	3.75	3.50	3.50
Prime Rate	↔	7.50	7.50	7.00	7.00
		Jan 21	Dec 20	Dec 20	Nov 20
Inflation	↑	2.7	2.4	3.1	3.2

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: Bloomberg



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