



## Market Update

Tuesday, 12 November 2019

### Global Markets

Asian share markets flatlined on Tuesday as uncertainty over Sino-U.S. trade talks and political strife in Hong Kong dogged sentiment, while safe-haven bonds eked out a bounce.

MSCI's broadest index of Asia-Pacific shares outside Japan edged up a slight 0.04%, following a sharp 1.2% pullback on Monday. Japan's Nikkei dithered either side of flat, while Shanghai blue chips eased 0.1%. E-Mini futures for the S&P 500 also dipped 0.1%, as did EUROSTOXX 50 futures.

Caution ruled ahead of a speech by U.S. President Donald Trump to the Economic Club of New York later in the day in case there was any new word on the Sino-U.S. Phase one trade deal. Trump wrongfooted markets over the weekend when he said there had been incorrect reporting about U.S. willingness to lift tariffs on China. On a more positive note, Politico reported Trump would announce this week that he is delaying a decision on whether to slap tariffs on imported European Union autos for another six months.

Investors were anxious about the situation in Hong Kong after a violent escalation of protests knocked nearly 2% off Asia-exposed banks HSBC and StanChart. Riot police were deployed at metro stations across the territory and large queues were forming at railway platforms as commuters struggled to get to work.

A partial holiday in the United States closed the Treasury market on Monday and made for a quiet session on Wall Street. The Dow ended up 0.04%, while the S&P 500 lost 0.20% and the Nasdaq 0.13%. Shares of Boeing Co jumped 4.5% after saying it expected U.S. regulators to approve the return to commercial service of its grounded 737 MAX jet in the coming weeks, and expects commercial service to resume in January.

Treasuries were in demand when trading resumed in Asia, with yields on 10-year notes dropping to 1.918% and away from last week's three-month top of 1.97%. In currency markets, the main action was in sterling which hit a six-month high on the euro after the Brexit Party said it would not contest previously Conservative held seats in the UK election. In a significant boost for Prime Minister Boris Johnson ahead of the Dec. 12 election, Brexit Party leader Nigel Farage said he did not want anti-Brexit parties to win, so was standing down candidates in seats won by the Conservatives in 2017.

The pound reached 0.8582 per euro, and firmed to \$1.2856 having risen 0.6% overnight. Against a basket of currencies, the dollar steadied at 98.256. The euro edged up to \$1.1030 and away from a

three-week low of \$1.1015, while the dollar faded to 109.10 yen. Spot gold suffered a third day of declines, to touch its lowest since early August at \$1,447.89 per ounce. It was last trading at \$1,455.62. Oil prices edged lower as the lack of progress on U.S.-China trade negotiations kept prices pressured, though bullish inventory data offered some support. U.S. crude lost 15 cents to \$56.71 a barrel, while Brent crude futures fell 13 cents to \$62.05.

## Domestic Markets

South Africa's rand ended flat on Monday, with trading subdued by the trade deal stalemate between China and the United States. At 1530 GMT the rand was 0.05% weaker at 14.8570, clawing back some ground from a session-low of 14.9560.

"The rand has renewed weakness over the weekend and into the early part of Monday following the ongoing U.S. China trade narrative, with weak economic data warning of its impact in the global market place," IG Markets analyst Shaun Murison said.

Officials from Beijing and Washington said late last week that a rollback of some tariffs had been agreed as part of a preliminary deal, but it had yet to be finalised.

South African bonds also weakened, the yield on the benchmark due in 2026 adding 3.5 bps to 8.495%.

Stocks fell along with global equities as escalating violence in Hong Kong pushed Asian stocks to their worst day since August and stoked demand for yen and gold. The benchmark JSE Top-40 Index was down 1.05% to 49,876.79 points, while the broader All-Share Index fell 0.96% to 56,071.43 points.

Shoprite and platinum miners Impala Platinum fell to the bottom of the blue-chip index, with the grocer down 2.76% to 134.01 rand and Impala falling 2.64%. However, gold miners were buoyed by a rise in a gold prices off the back of fresh doubts over whether China and the U.S can strike a trade deal. AngloGold Ashanti was up 0.25% to 283.72 rand while rival Gold Fields rose 0.12% to 76.54 rand.

**Source: Thomson Reuters**



## Market Overview

MARKET INDICATORS (Thomson Reuters)		Tuesday, 12 November 2019			
<b>Money Market TB's</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
3 months	↓	6.97	-0.008	6.97	6.96
6 months	↑	7.24	0.010	7.23	7.23
9 months	↑	7.37	0.036	7.34	7.37
12 months	↑	7.47	0.047	7.42	7.47
<b>Nominal Bonds</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
GC20 (BMK: R207)	↓	7.36	-0.003	7.36	7.36
GC21 (BMK: R2023)	↓	7.56	-0.015	7.58	7.56
GC22 (BMK: R2023)	→	8.17	0.000	8.17	8.23
GC23 (BMK: R2023)	↑	8.69	0.003	8.69	8.76
GC24 (BMK: R186)	↑	9.22	0.020	9.20	9.07
GC25 (BMK: R186)	↓	8.98	-0.775	9.76	9.05
GC27 (BMK: R186)	↑	9.18	0.005	9.18	9.25
GC30 (BMK: R2030)	↑	10.46	0.055	10.41	9.71
GC32 (BMK: R213)	↓	10.21	-0.555	10.76	10.27
GC35 (BMK: R209)	↓	10.59	-0.028	10.62	10.65
GC37 (BMK: R2037)	↑	10.76	0.030	10.73	10.82
GC40 (BMK: R214)	↑	11.16	0.015	11.15	11.23
GC43 (BMK: R2044)	↑	11.22	0.035	11.19	11.28
GC45 (BMK: R2044)	↓	11.49	-0.019	11.51	11.55
GC50 (BMK: R2048)	↓	11.75	-0.044	11.80	11.82
<b>Inflation-Linked Bonds</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
GI22 (BMK: NCPI)	→	4.40	0.000	4.40	4.40
GI25 (BMK: NCPI)	→	4.60	0.000	4.60	4.60
GI29 (BMK: NCPI)	→	5.51	0.000	5.51	5.51
GI33 (BMK: NCPI)	↓	6.01	-0.100	6.11	6.01
GI36 (BMK: NCPI)	↓	6.30	-0.100	6.40	6.30
<b>Commodities</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Gold	↓	1,456	-0.19%	1,458	1,451
Platinum	↓	876	-1.24%	887	879
Brent Crude	↓	62.2	-0.53%	62.5	62.5
<b>Main Indices</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
NSX Overall Index	↓	1,329	-1.12%	1,344	1,329
JSE All Share	↓	56,175	-0.78%	56,617	56,175
SP500	↓	3,087	-0.20%	3,093	3,087
FTSE 100	↓	7,329	-0.42%	7,359	7,329
Hangseng	↓	26,927	-2.62%	27,651	27,066
DAX	↓	13,198	-0.23%	13,229	13,198
<b>JSE Sectors</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Financials	↓	16,318	-0.47%	16,394	16,318
Resources	↓	46,052	-1.13%	46,579	46,052
Industrials	↓	68,728	-0.77%	69,264	68,728
<b>Forex</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
N\$/US dollar	↑	14.88	0.47%	14.81	14.83
N\$/Pound	↑	19.13	1.13%	18.91	19.07
N\$/Euro	↑	16.42	0.60%	16.32	16.36
US dollar/ Euro	↑	1.103	0.15%	1.102	1.103
		<b>Namibia</b>		<b>RSA</b>	
<b>Economic data</b>		<b>Latest</b>	<b>Previous</b>	<b>Latest</b>	<b>Previous</b>
Inflation	↓	3.3	3.7	4.3	4.0
Prime Rate	↓	10.25	10.50	10.00	10.25
Central Bank Rate	↓	6.50	6.75	6.50	6.75

**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

**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.

Source: Thomson Reuters



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