



Market Update

Friday, 13 August 2021



Global Markets

Most Asian equity markets continued to ignore record highs hit elsewhere in the world and fell in early trading on Friday, though Australia bucked the trend. MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.59%, having closed lower on each of the past three days. Traders have been pointing to continued worries about the potential for new regulatory crackdowns in China and the fallout from the surging Delta variant of the new coronavirus in several countries in the region.

Japan's Nikkei dropped 0.6%. Korea's Kospi dropped 1.45% with Samsung Electronics falling to a seven-month low on concerns that memory chip prices may start to slip around the fourth quarter. Hong Kong fell 0.45%, and Chinese blue chips fell 0.21%. "Rising regulatory and geopolitical risks are weighing on medium-term growth prospects (in China), especially in segments targeted by national reform or security effort," said private bank UBP in an investment outlook.

Australia's ASX200 rose 0.53% to a new record high, lifted by healthcare and technology companies. "For the most part (Australia) was not directly impacted by the crackdown by Chinese authorities on the tech sector," said Kyle Rodda, an analyst at IG markets. Large-scale regulatory

changes in China's manufacturing sector would have been a greater worry for Australian markets, he added.

Overnight, MSCI's gauge of stocks across the globe hit a new record high, and the Dow Jones Industrial Average and S&P 500 also closed at record highs for the third consecutive day. Big technology stocks drove the market higher as investors warmed to jobs data showing a steady U.S. economic recovery. Earlier, European stocks had equalled their longest winning streak since 2017, closing up 0.1% and extending gains for a ninth consecutive session.

The dollar held firm on Friday, staying near its highest level in four months against a basket of currencies as investors looked for more hints from the Federal Reserve on its plans to reduce monetary stimulus. The dollar index firmed to 92.976, near Wednesday's four-month high of 93.195. Analysts at Commonwealth Bank of Australia said a tapering announcement next month was not currently widely expected. "However, we expect market participants to be given some hints about tapering in next week's FOMC minutes and Chair Powell's speech at Jackson Hole at the end of the month," they wrote in a note.

The yield on benchmark 10-year Treasury notes was last 1.3506%, little changed from its U.S. close of 1.367% on Thursday. Oil prices fell for a second straight day after the International Energy Agency warned that demand growth for crude and its products had slowed sharply.



Domestic Markets

South Africa's rand lost ground on Thursday as data showing a steady U.S. job market recovery and a rise in producer prices added fuel to debate over whether the Federal Reserve could tighten monetary policy sooner than expected. At 1520 GMT, the rand traded at 14.7779 against the dollar, 0.84% weaker than its previous close.

The rand has been on a flimsier footing all week amid growing anticipation the U.S. Fed could soon start tapering its monetary stimulus, a sentiment bolstered by statements from Fed officials and strong U.S. jobs data. While this was tamed on Wednesday after data showed U.S. consumer

inflation cooled in July, helping the rand, on Thursday fresh data showed that the number of Americans filing for unemployment fell again last week and that producer price inflation rose far more than expected in July.

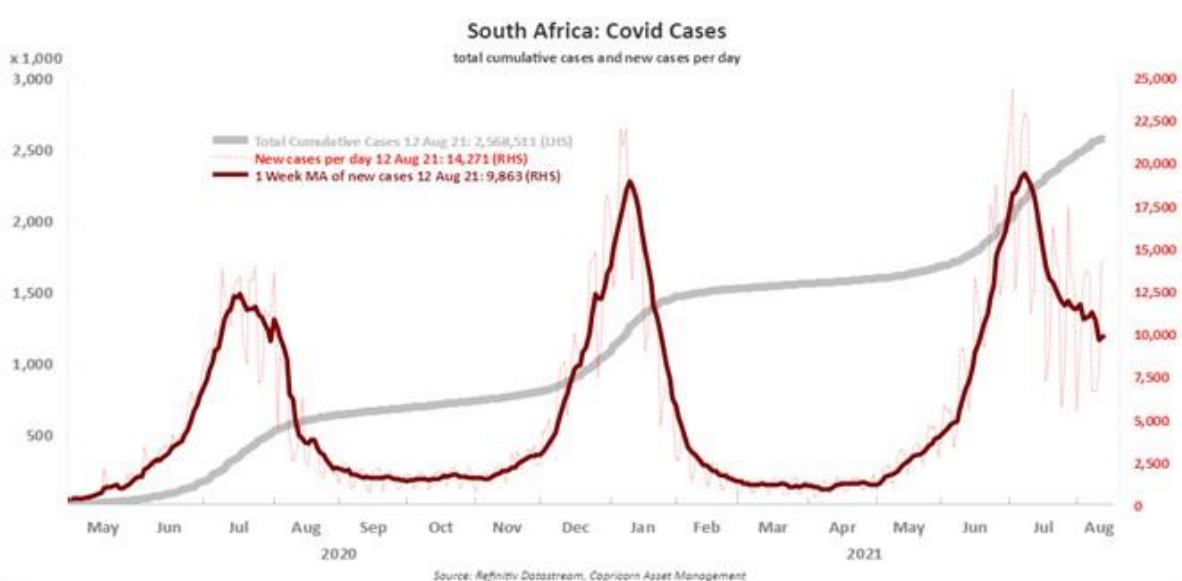
That again bolstered expectations that the United States could taper its bond buying programme and raise interest rates, pushing up the dollar. Riskier currencies such as the rand thrive on U.S. interest rates staying low because they benefit from the rate differential that increases their appeal for so-called carry trade, in which investors borrow in a low-yielding currency to invest in higher-yielding assets.

Government bonds firmed, with the yield on the benchmark 2030 instrument dropping 3 basis points to 8.935%.

Stocks, meanwhile fell with the Johannesburg Stock Exchange's Top-40 Index losing 0.33% to 63,277 points and the broader All-Share Index sliding 0.31% to stand at 69,402 points. Gold producers were among the biggest losers on the blue-chip index, hurt by a dip in the gold price. Lender Nedbank also closed 4.37% lower after an undisclosed seller sold around 4% worth of its stock via a block trade run by Goldman Sachs. By contrast, Africa's largest mobile operator MTN led the index higher, closing up 4.12% after announcing it would exit Syria immediately and not pursue its bid for an Ethiopian telecoms license.

Corona Tracker

GLOBAL CASES		13-Aug-2021	
SOURCE - REUTERS			
	Confirmed Cases	New Cases	Total Deaths
GLOBAL	205,267,017	352,754	4,507,536



Source: Thomson Reuters Refinitiv

Never mind your happiness; do your duty.

Peter Drucker

Market Overview

MARKET INDICATORS (Thomson Reuters)		13 August 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	⇒	4.28	0.000	4.28	4.28
6 months	⇒	4.49	0.000	4.49	4.49
9 months	↑	4.78	0.009	4.77	4.78
12 months	↑	4.93	0.008	4.92	4.93
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↓	4.31	-0.025	4.34	4.31
GC22 (Coupon 8.75%, BMK R2023)	↓	5.66	-0.025	5.69	5.66
GC23 (Coupon 8.85%, BMK R2023)	↓	5.56	-0.025	5.59	5.56
GC24 (Coupon 10.50%, BMK R186)	⇒	7.73	0.000	7.73	7.73
GC25 (Coupon 8.50%, BMK R186)	⇒	7.74	0.000	7.74	7.74
GC26 (Coupon 8.50%, BMK R186)	⇒	7.74	0.000	7.74	7.74
GC27 (Coupon 8.00%, BMK R186)	⇒	8.03	0.000	8.03	8.03
GC30 (Coupon 8.00%, BMK R2030)	↓	9.24	-0.025	9.26	9.22
GC32 (Coupon 9.00%, BMK R213)	↓	10.25	-0.025	10.27	10.24
GC35 (Coupon 9.50%, BMK R209)	↓	11.17	-0.060	11.23	11.18
GC37 (Coupon 9.50%, BMK R2037)	↓	11.66	-0.060	11.72	11.66
GC40 (Coupon 9.80%, BMK R214)	↓	12.51	-0.070	12.58	12.51
GC43 (Coupon 10.00%, BMK R2044)	↓	12.76	-0.065	12.83	12.77
GC45 (Coupon 9.85%, BMK R2044)	↓	13.04	-0.065	13.11	13.05
GC48 (Coupon 10.00%, BMK R2048)	↓	13.12	-0.070	13.19	13.12
GC50 (Coupon 10.25%, BMK: R2048)	↓	13.06	-0.070	13.13	13.06
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	↑	1,752	0.05%	1,752	1,756
Platinum	↑	1,018	0.07%	1,018	1,017
Brent Crude	↓	71.3	-0.18%	71.4	70.6
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,524	-0.45%	1,531	1,524
JSE All Share	↓	69,402	-0.31%	69,617	69,402
SP500	↑	4,461	0.30%	4,448	4,461
FTSE 100	↓	7,193	-0.37%	7,220	7,193
Hangseng	↓	26,518	-0.53%	26,660	26,226
DAX	↑	15,938	0.70%	15,826	15,938
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	13,451	-0.64%	13,537	13,451
Resources	↓	69,676	-0.87%	70,291	69,676
Industrials	↑	88,971	0.28%	88,724	88,971
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	14.78	0.85%	14.65	14.81
N\$/Pound	↑	20.40	0.36%	20.32	20.44
N\$/Euro	↑	17.33	0.78%	17.20	17.37
US dollar/ Euro	↓	1.173	-0.09%	1.174	1.174
		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
		Jul 21	Jun 21	Jun 21	May 21
Inflation	↓	4.0	4.1	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 the Overall Index, including dual listed

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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