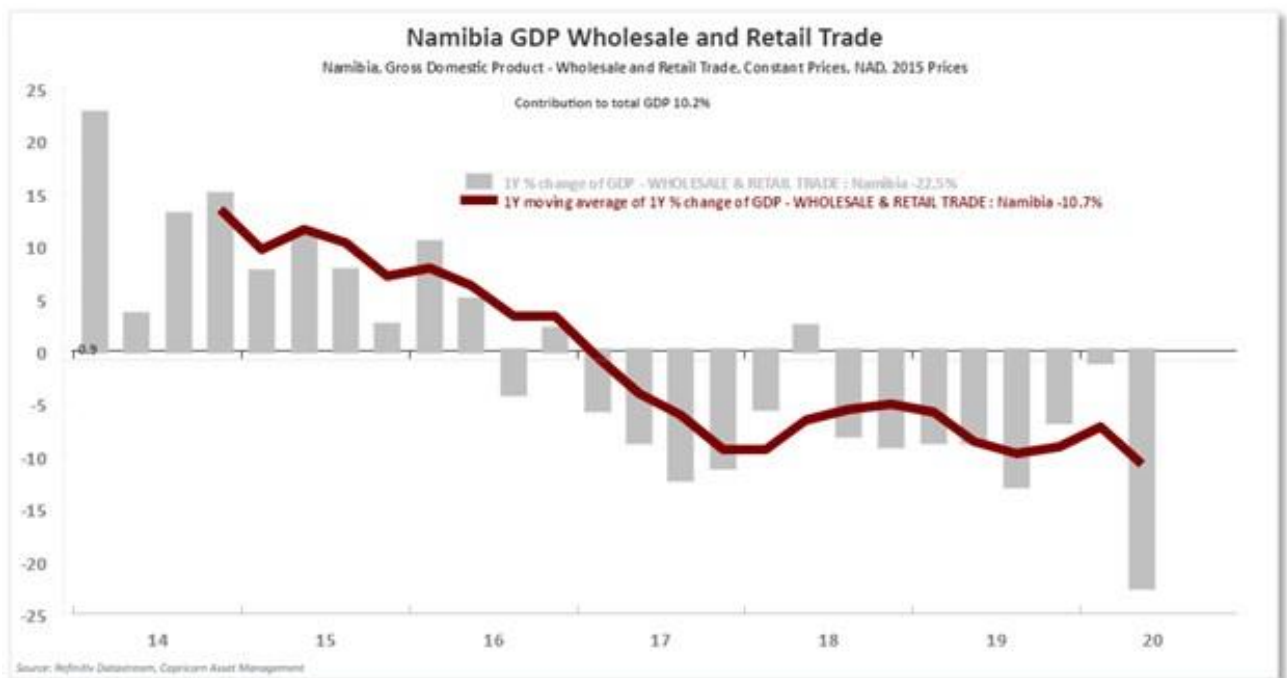




**Market Update**

**Friday, 13 November 2020**



**Global Markets**

Stocks in Asia fell on Friday, following on from selloffs in the United States and Europe as investors feared the economic impact of an accelerating rise in coronavirus infections. The United States has reported fresh daily records for new COVID-19 case hospitalisations this week, prompting cities and states, including Chicago, Detroit and California, to re-impose public health restrictions. European officials have also warned against complacency and said measures to control infections must continue despite hopes that vaccines under development could help to slow the spread of the novel coronavirus.

U.S. Federal Reserve Chair Jerome Powell said on Thursday during a discussion with other central bankers that progress in developing a coronavirus vaccine was welcome news but that near-term economic risks remain as infections accelerate, underscoring the likely need for additional government stimulus.

Against that grim backdrop, MSCI's broadest index of Asian shares outside Japan dipped 0.25% in early trade as shares across the region stumbled. Chinese blue-chips led losses, falling 1.21%.

Australian shares lost 0.47%, Seoul's Kospi was down 0.16% and the Hang Seng was 0.55% lower. Japan's Nikkei 225 fell 0.95%.

Some investors saw a buying opportunity in the slump. "My view is this is the dark just before dawn," said Michael Frazis, portfolio manager at Frazis Capital Partners in Sydney. "You've got the second wave of coronavirus, new sets of shutdowns, clear problems around the world, travel dropping off again... But at the same time, we have the strongest possible evidence that we do have a vaccine and many people will be vaccinated over the next few months." "We think this is all actually very positive and it's actually a good time to be investing in markets," he said. Frazis said many risks nevertheless remained for short-term traders amid ongoing uncertainty over issues like the U.S. stimulus response.

On Thursday, top Democrats in the U.S. Congress urged renewed negotiations over a multitrillion-dollar coronavirus aid proposal, but the top Republican immediately rejected their approach as too expensive, continuing a months-long impasse. Wall Street dropped on Thursday in a broad sell-off. The Dow Jones Industrial Average fell 1.08%, pulled lower by industrial and financial companies sensitive to economic growth. The S&P 500 lost 1.00% and the technology-heavy Nasdaq Composite dropped 0.65%.

U.S. Treasury yields also sank on Thursday, weighed down by the persistent rise in coronavirus cases and data showing inflation remained benign in the world's largest economy. The U.S. yield curve, viewed in part as a gauge of risk appetite, also flattened. On Friday, U.S. yields continued to tick lower, with benchmark 10-year Treasury notes yielding 0.8766%, compared to a Thursday close of 0.886%.

"Bond yields, which had been flirting with the 1.0% level in terms of the U.S. 10Y Treasury, have ... snapped back sharply in terms of yield," Rob Carnell, Asia Pacific head of research at ING said in a note. "That move most likely got a further nudge from the softer-than-expected U.S. inflation data for October which were released yesterday, and which tally with a weaker economic reality."

Rising risk aversion lifted the safe-haven yen, with the dollar dropping 0.18% against the Japanese currency to 104.93. The euro was flat in Asian morning trade and the dollar index ticked 0.2% higher to 92.987.

An unexpected rise in U.S. crude stockpiles exacerbated virus-linked economic fears in commodity markets, pushing U.S. crude 1.63% lower to \$40.45 per barrel. Global benchmark Brent crude dropped 1.45% to \$42.90 per barrel. Spot gold gained 0.17% to \$1,878.97 per ounce.

## Domestic Markets

The South African rand was mostly unchanged against the dollar on Thursday as global market optimism over a potential COVID-19 vaccine wavered on concerns over logistics, while the country's record unemployment rate weighed on stocks.

The rand traded at 15.6200 against the U.S. dollar at 1529 GMT, 0.08% firmer than it closed on Wednesday. The rand is seen as a proxy for emerging market risk and is highly susceptible to swings in global market sentiment.

The market was further dampened by local data releases, with South Africa's unemployment rate at a record high of 30.8% in the third quarter and mining output contracting 2.8% in September.

Investors are looking for clues about the health of Africa's most industrialised economy, which is forecast to contract by at least 7% this year because of the pandemic.

In fixed income, the yield on the 2030 bond was flat at 6.955%.

The unemployment figures also hurt stocks, with the benchmark All-Share Index ending the day 1% lower at 57,031 points and blue-chip Top-40 Index closing down 0.85% at 52,335 points. "Initially, we thought with President Ramaphosa's easing of the lockdown regulations it would have given the market a boost. However, with the unemployment numbers coming out later in the day, it then pulled the market negatively," said Greg Davis, a trader at Cratos Capital.

President Cyril Ramaphosa said in a televised address on Wednesday that the country would open up travel to all countries in an effort to boost the battered tourism and hospitality sectors. Shares in banks, whose lending businesses suffer when borrowers lose their jobs, fell from highs seen earlier in the week. The banking index was down 1.8% to 67,14 points.

Source: Thomson Reuters

## Corona Tracker

GLOBAL CASES				
SOURCE - REUTERS				
	Confirmed Cases	New Cases	Total Deaths	Total Recovered
GLOBAL	52,741,675	47,188	1,293,354	34,380,752

Everyone has his own specific vocation or mission in life; everyone must carry out a concrete assignment that demands fulfillment. Therein he cannot be replaced, nor can his life be repeated, thus, everyone's task is unique as his specific opportunity to implement it.

Viktor E. Frankl

## Market Overview

MARKET INDICATORS (Thomson Reuters)		13 November 2020			
<b>Money Market TB Rates %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
3 months	⇒	3.85	0.000	3.85	3.85
6 months	↑	3.93	0.009	3.92	3.93
9 months	↑	3.95	0.033	3.92	3.95
12 months	↑	3.91	0.042	3.87	3.91
<b>Nominal Bond Yields %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
GC21 (Coupon 7.75%, BMK R208)	⇒	4.02	0.000	4.02	4.02
GC22 (Coupon 8.75%, BMK R2023)	↑	4.72	0.030	4.69	4.69
GC23 (Coupon 8.85%, BMK R2023)	↑	4.62	0.030	4.59	4.59
GC24 (Coupon 10.50%, BMK R186)	⇒	7.26	0.000	7.26	7.25
GC25 (Coupon 8.50%, BMK R186)	⇒	7.27	0.000	7.27	7.26
GC26 (Coupon 8.50%, BMK R186)	⇒	7.27	0.000	7.27	7.26
GC27 (Coupon 8.00%, BMK R186)	⇒	7.56	0.000	7.56	7.55
GC30 (Coupon 8.00%, BMK R2030)	↑	9.14	0.010	9.13	9.14
GC32 (Coupon 9.00%, BMK R213)	↑	10.31	0.005	10.31	10.31
GC35 (Coupon 9.50%, BMK R209)	↑	11.27	0.040	11.23	11.26
GC37 (Coupon 9.50%, BMK R2037)	↑	11.99	0.040	11.95	12.05
GC40 (Coupon 9.80%, BMK R214)	↑	12.62	0.035	12.59	12.62
GC43 (Coupon 10.00%, BMK R2044)	↑	13.17	0.050	13.12	13.17
GC45 (Coupon 9.85%, BMK R2044)	↑	13.45	0.050	13.40	13.45
GC50 (Coupon 10.25%, BMK: R2048)	↑	13.49	0.070	13.42	13.48
<b>Inflation-Linked Bond Yields %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
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
<b>Commodities</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Gold	↑	1,876	0.59%	1,865	1,877
Platinum	↑	880	1.68%	865	886
Brent Crude	↓	43.5	-0.62%	43.8	43.0
<b>Main Indices</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
NSX Overall Index	↓	1,180	-1.76%	1,201	1,180
JSE All Share	↓	57,031	-1.00%	57,607	57,031
SP500	↓	3,537	-1.00%	3,573	3,537
FTSE 100	↓	6,339	-0.68%	6,382	6,339
Hangseng	↓	26,169	-0.22%	26,227	26,025
DAX	↓	13,053	-1.24%	13,216	13,053
<b>JSE Sectors</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Financials	↓	11,700	-2.49%	11,999	11,700
Resources	↓	51,015	-2.50%	52,323	51,015
Industrials	↑	79,559	0.73%	78,985	79,559
<b>Forex</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
N\$/US dollar	↑	15.64	0.12%	15.62	15.64
N\$/Pound	↓	20.51	-0.69%	20.65	20.52
N\$/Euro	↑	18.46	0.35%	18.40	18.46
US dollar/ Euro	↑	1.180	0.23%	1.178	1.180
		<b>Namibia</b>		<b>RSA</b>	
<b>Interest Rates &amp; Inflation</b>		<b>Oct 20</b>	<b>Sep 20</b>	<b>Oct 20</b>	<b>Sep 20</b>
Central Bank Rate	⇒	3.75	3.75	3.50	3.50
Prime Rate	⇒	7.50	7.50	7.00	7.00
		<b>Oct 20</b>	<b>Sep 20</b>	<b>Sep 20</b>	<b>Aug 20</b>
Inflation	↓	2.3	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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