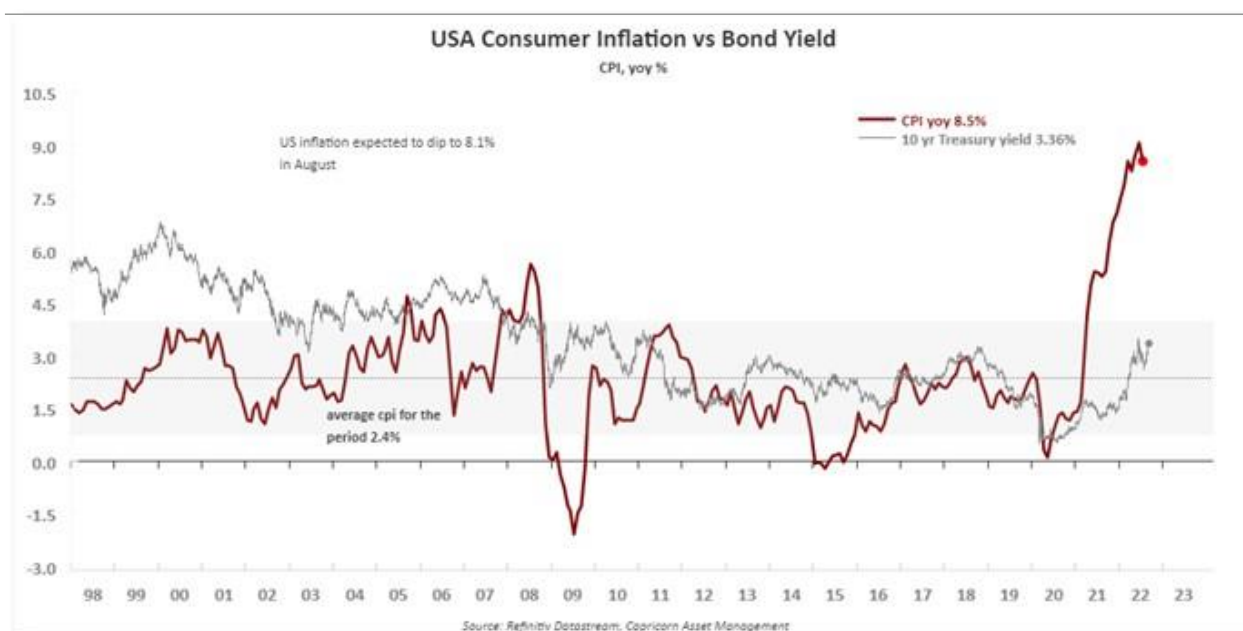




Market Update

Tuesday, 13 September 2022



Global Markets

Asian stocks rose on Tuesday as traders in Korea returned from holidays in a mood to catch up on a global bounce, while other markets held steady ahead of U.S. inflation data that will offer a crucial guide to the interest rate outlook.

Wall Street indexes posted a fourth straight session of gains overnight, while the U.S. dollar retreated further from milestone highs - partly on hopes that the prices data, due at 1230 GMT, might offer another signal that inflation has peaked.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.6%, led by a 2% jump for South Korea's Kospi. Japan's Nikkei tacked on 0.3%.

S&P 500 futures were flat, as were European futures. Easing oil prices have markets optimistic that headline inflation will steady or slow in the United States, and that this can reduce the need for future interest rate hikes.

Analysts warn that core inflation is likely to march on, however, and that the near-term rate implications are unclear.

"It's too early to be celebrating the end of inflation, as some market participants seem already to be doing," said ING economist Rob Carnell.

U.S. crude is hovering below \$90 a barrel, down nearly 30% since the middle of June and roughly where it traded before Russia's invasion of Ukraine.

Interest rate futures imply a 90% chance that the Federal Reserve lifts its benchmark interest rate by 75 basis points at next week's policy meeting - a position that is perhaps most vulnerable to a downside CPI surprise.

"The market-implied probability of a third 75 bp rate hike for September has increased noticeably in recent days," said NatWest Markets' U.S. rates strategist Jan Nevruzi.

"Results close to expectations for the August CPI report may not change the outcome too much in terms of the market's expectation," he said.

"If officials do decide to go with another 75bp, more than our long-standing call for 50bp...we suspect policymakers emphasise how they are front-loading hikes."

DOLLAR DIP

Asia data out on Tuesday offered a cloudy picture of regional economies. A 9% year-on-year jump in Japanese wholesale prices points to pressure on corporate margins, yet a slowdown in gains for August holds some hope of relief.

In New Zealand rate hikes which began a year ago are starting to bite, sending home prices down 6% since last August.

The investment banking world is also offering a counterpoint to stock markets' enthusiasm. Goldman Sachs is mulling job cuts, a person familiar with the plans told Reuters overnight.

Buyout giant KKR is refusing to improve a takeover bid for Australian hospital operator Ramsay Health Care.

In currency markets, the dollar is off recent peaks. Tailwinds from last week's European rate hike have the euro extending a bounce and above parity at \$1.0127.

Even the battered Japanese yen is having a breather at 142.57 per dollar - a bit stronger than last week's 24-year low at 144.99 with some investors closing bets on a further slide as risks of official intervention increase.

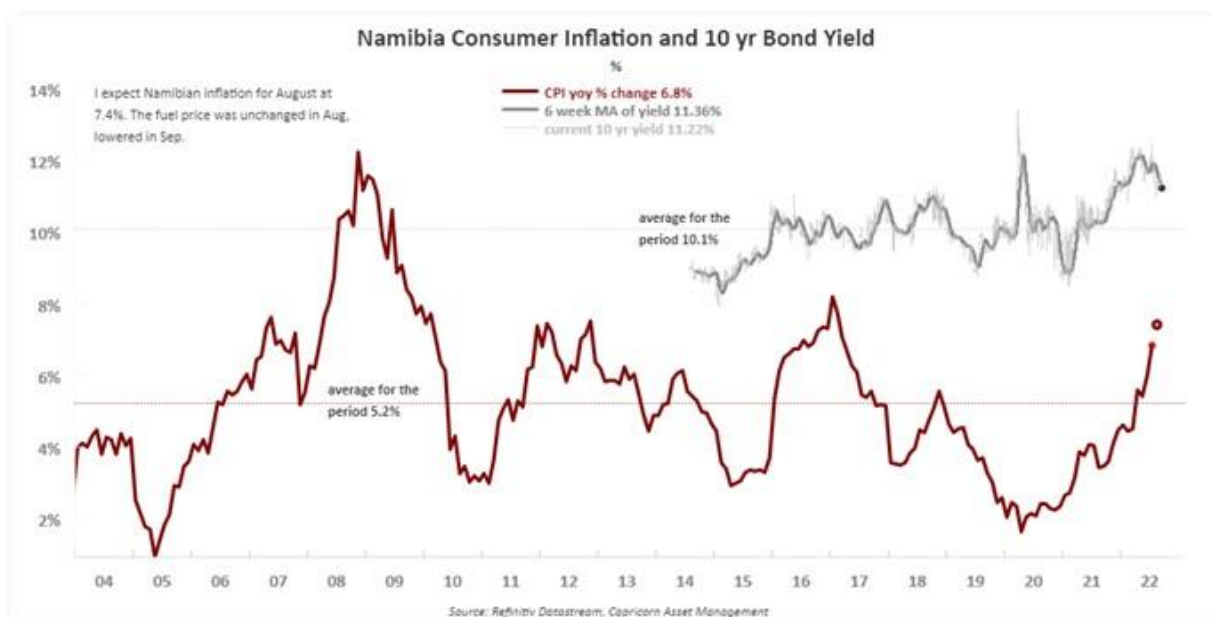
U.S. Treasury yields rose overnight after some lacklustre auctions. Selling was heaviest at the very long end, with the 30-year yield up about 6 bps to around 3.5%.

Benchmark 10-year yields steadied at 3.3405% in Tokyo trade on Tuesday, beneath the two-year yield of 3.5506%.

Gold and cryptocurrencies have crept higher on the softening dollar. Spot gold last held at \$1,723 an ounce, while bitcoin was at \$22,245.

Source: Thomson Reuters Refinitiv

Domestic Markets



South Africa's rand strengthened on Monday, as the dollar weakened ahead of key U.S. inflation data due on Tuesday that might give clues on how aggressively the Federal Reserve may hike interest rates at its Sept. 21 policy meeting.

At 1553 GMT, the rand traded at 17.1175 against the dollar, 1.23% stronger than its previous close.

The dollar index, which measures the currency against six major rivals, was down 0.52% at 108.19 after hitting a two-decade peak of 110.79 last week.

Investors will be looking at U.S. inflation data, which will be key for determining the policy direction that the Fed will take in the near term.

"With the U.S. CPI figures released tomorrow afternoon there could be space for the rand to strengthen in the interim," Investec analyst Annabel Bishop said in a research note.

However, she added that the rand is still very weak overall and is still reflective of an elevated risk aversion environment.

Shares on the Johannesburg Stock Exchange rose, mirroring gains in global equities as oil prices climbed on supply concerns.

Overall on the stock market, the Top-40 ended 1.59% higher while the broader all-share rose 1.55%.

The government's benchmark 2030 bond strengthened, with the yield down 12 basis points at 10.185%.

Source: Thomson Reuters Refinitiv

Corona Tracker

Name	Cases - cumulative total	⇌	Cases - newly reported in last 7 days	Deaths - cumulative total	Deaths - newly reported in last 7 days
Global	605,912,418		2,948,854	6,491,649	8,208

Source: Thomson Reuters Refinitiv

Big words seldom accompany good deeds.

Charlotte Whitton

Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)		13 September 2022			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	⇒	6.60	0.000	6.60	6.60
6 months	↑	6.91	0.041	6.87	6.91
9 months	↑	7.67	0.042	7.63	7.67
12 months	↑	8.13	0.017	8.11	8.13
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC23 (Coupon 8.85%, BMK R2023)	↓	8.67	-0.010	8.68	8.63
GC24 (Coupon 10.50%, BMK R186)	↓	8.24	-0.070	8.31	8.24
GC25 (Coupon 8.50%, BMK R186)	↓	8.69	-0.070	8.76	8.69
GC26 (Coupon 8.50%, BMK R186)	↓	8.75	-0.070	8.82	8.75
GC27 (Coupon 8.00%, BMK R186)	↓	9.72	-0.070	9.79	9.72
GC30 (Coupon 8.00%, BMK R2030)	↓	11.48	-0.120	11.60	11.46
GC32 (Coupon 9.00%, BMK R213)	↓	11.62	-0.115	11.74	11.60
GC35 (Coupon 9.50%, BMK R209)	↓	12.20	-0.100	12.30	12.18
GC37 (Coupon 9.50%, BMK R2037)	↓	12.79	-0.110	12.90	12.79
GC40 (Coupon 9.80%, BMK R214)	↓	13.15	-0.110	13.26	13.14
GC43 (Coupon 10.00%, BMK R2044)	↓	13.68	-0.100	13.78	13.67
GC45 (Coupon 9.85%, BMK R2044)	↓	14.20	-0.100	14.30	14.19
GC48 (Coupon 10.00%, BMK R2048)	↓	14.35	-0.100	14.45	14.34
GC50 (Coupon 10.25%, BMK: R2048)	↓	14.36	-0.100	14.46	14.35
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI25 (Coupon 3.80%, BMK NCPI)	↓	2.90	-1.000	3.90	2.90
GI27 (Coupon 4.00%, BMK NCPI)	⇒	4.99	0.000	4.99	4.99
GI29 (Coupon 4.50%, BMK NCPI)	↓	4.73	-0.002	4.73	4.73
GI33 (Coupon 4.50%, BMK NCPI)	⇒	6.10	0.000	6.10	6.11
GI36 (Coupon 4.80%, BMK NCPI)	↑	7.10	0.300	6.80	7.10
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,724	0.47%	1,716	1,724
Platinum	↑	907	2.95%	881	905
Brent Crude	↑	94.0	1.25%	92.8	93.9
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,582	1.87%	1,552	1,582
JSE All Share	↑	69,772	1.55%	68,708	69,772
SP500	↑	4,110	1.06%	4,067	4,110
FTSE 100	↑	7,473	1.66%	7,351	7,473
Hangseng	⇒	19,362	0.00%	19,362	19,447
DAX	↑	13,402	2.40%	13,088	13,402
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↑	15,244	1.60%	15,003	15,244
Resources	↑	64,643	2.11%	63,310	64,643
Industrials	↑	85,723	1.23%	84,682	85,723
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↓	17.12	-1.04%	17.30	17.08
N\$/Pound	↓	20.00	-0.25%	20.05	20.02
N\$/Euro	↓	17.33	-0.26%	17.37	17.32
US dollar/ Euro	↑	1.012	0.80%	1.004	1.015
Interest Rates & Inflation		Namibia		RSA	
		Aug 22	Jul 22	Aug 22	Jul 22
Central Bank Rate	↑	5.50	4.75	5.50	5.50
Prime Rate	↑	9.25	8.50	9.00	9.00
		Jul 22	Jun 22	Jul 22	Jun 22
Inflation	↑	6.8	6.0	7.8	7.4

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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