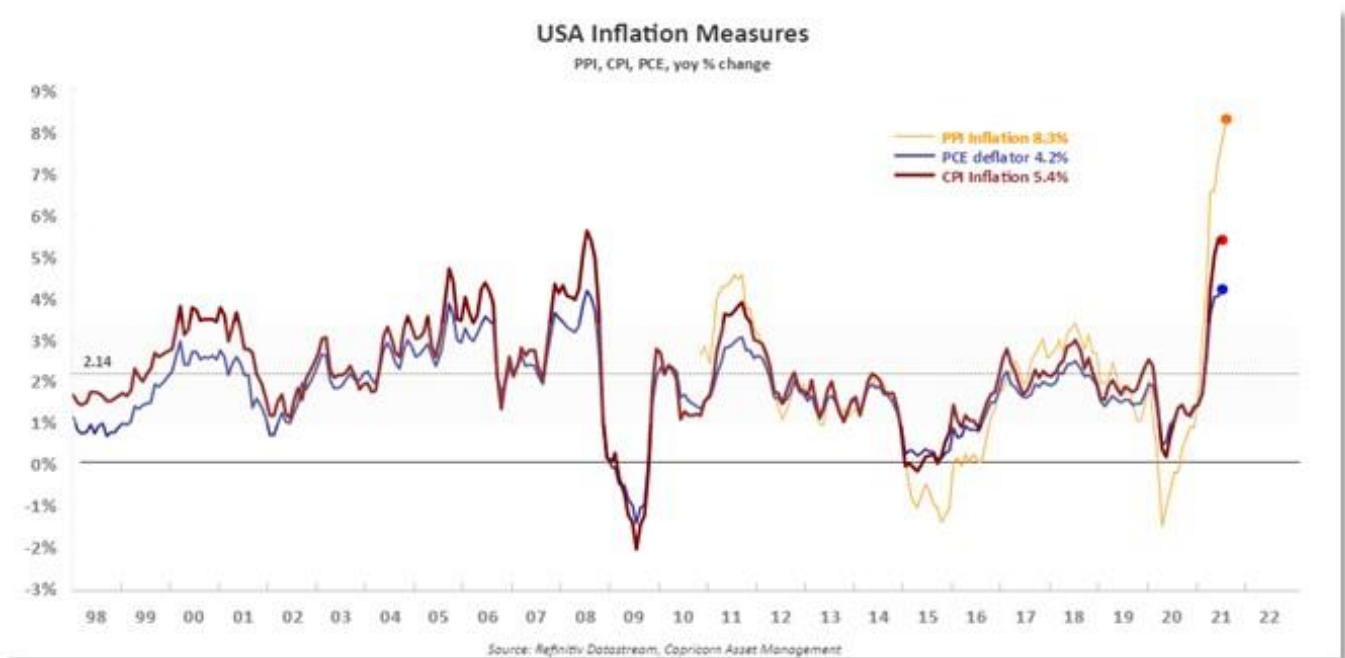




Market Update

Tuesday, 14 September 2021



Global Markets

Share markets were mixed and the dollar held steady on Tuesday, with investors awaiting U.S inflation data for more clues on when the Federal Reserve will taper stimulus. China's tightening grip on its technology companies and a widening liquidity crisis for the country's most indebted developer continued to keep investors on edge in early trade.

MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.13%. Australia's S&P/ASX200 slipped 0.31% to 7,400.8, while Hong Kong's Hang Seng Index dipped into negative territory. China's blue-chip CSI300 index was down 0.2% and Tokyo's Nikkei traded 0.72% higher.

In Hong Kong, shares of developer China Evergrande Group slumped after revealing it had appointed financial advisers to examine its capital structure. The company also said sales would fall again in August due to concerns over its debt which would hurt its liquidity and cash flow. Its shares dropped 7%.

China's technology stocks are also being closely scrutinised after authorities told the country's tech giants to stop blocking each other's links on their sites. The directive was the latest in a string of tightening regulations that has dragged down the Hang Seng Tech Index by nearly 40% since its peak this year in February.

"We are still concerned about the regulations, what they mean and how they will be rolled, but with the correction that is underway, that means there is some value in certain parts of the Chinese equities market," Luke Moore, Oreana Financial Services chief executive, told Reuters. "We don't see an end in sight to the changes yet, we think the uncertainty is going to continue and everyone is looking for clarity on how far the regulations will go and what could be next." The Nasdaq Golden Dragon China Index, which tracks Chinese companies listed in the United States, fell 1.1% on Monday, to take its decline over the past six months to 35.5%.

Meanwhile, markets are awaiting U.S. inflation data on Tuesday, expected to show core consumer prices rose 0.3% in August. Prices were up 0.3% the previous month and 0.9% in June. The data comes ahead of a key meeting by the Federal Reserve on Sept 21-22. "We estimate the pace of price increases declined in August as re-opening frictions slowly fade," Commonwealth Bank head of international economics Joseph Capurso said in a note to clients. "There will be lots of analysis of individual price moves that reflect the re-opening of the economy and supply bottlenecks."

On Wall Street, the Dow Jones Industrial Average rose 261.91 points, or 0.76%, to 34,869.63, the S&P 500 gained 10.15 points, or 0.23%, to 4,468.73 and the Nasdaq Composite dipped 9.91 points, or 0.07%, to 15,105.58.

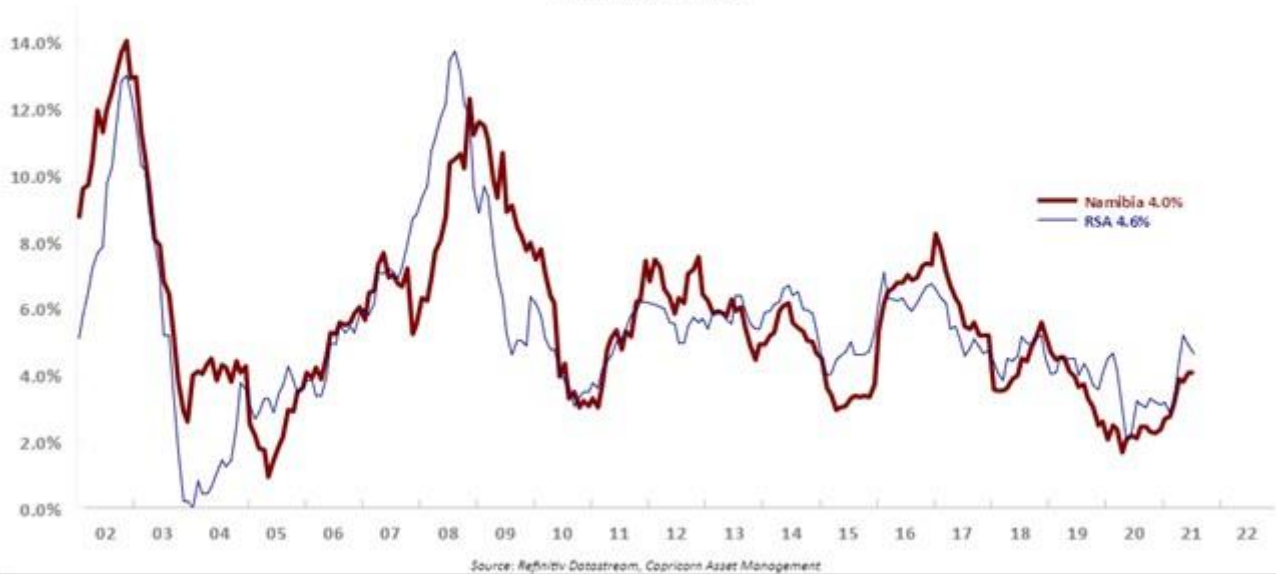
The prospect of a corporate tax hike in the United States from 21% to 26.5% as part of a \$3.5 trillion budget bill remains front and centre for investors. Goldman Sachs estimates a tax rate increase to 25% plus half of the proposed hike in foreign income tax rates could shave 5% off S&P500 earnings in 2022.

The dollar index was flat in Asian trade at 92.62 after falling back from its two-week high reached on Monday of 92.87. The yield on benchmark 10-year Treasury notes rose to 1.3259% compared with its U.S. close of 1.324% on Monday. The two-year yield, which rises with traders' expectations of higher Fed fund rates, touched 0.2129% compared with a U.S. close of 0.215%. U.S. crude ticked up 0.3% to \$70.66 a barrel. Brent crude rose to \$73.69 per barrel. Gold was slightly lower. Spot gold traded at \$1,790.31 per ounce.

Source: Thomson Reuters Refinitiv

Namibian Inflation and RSA Inflation

CPI all items, yoy % change



Domestic Markets

South Africa's rand and stocks gained on Monday, benefiting from an easing of local coronavirus lockdown restrictions. At 1454 GMT, the rand traded at 14.1425 against the dollar, roughly 0.5% firmer than its previous close.

President Cyril Ramaphosa announced the loosening of restrictions in a televised address on Sunday, shortening a nationwide curfew and extending the hours of alcohol sales as new infections decline. South Africa has been the worst-hit on the African continent in terms of reported COVID-19 cases and deaths, with its economic recovery hampered by a slow start to its vaccination campaign.

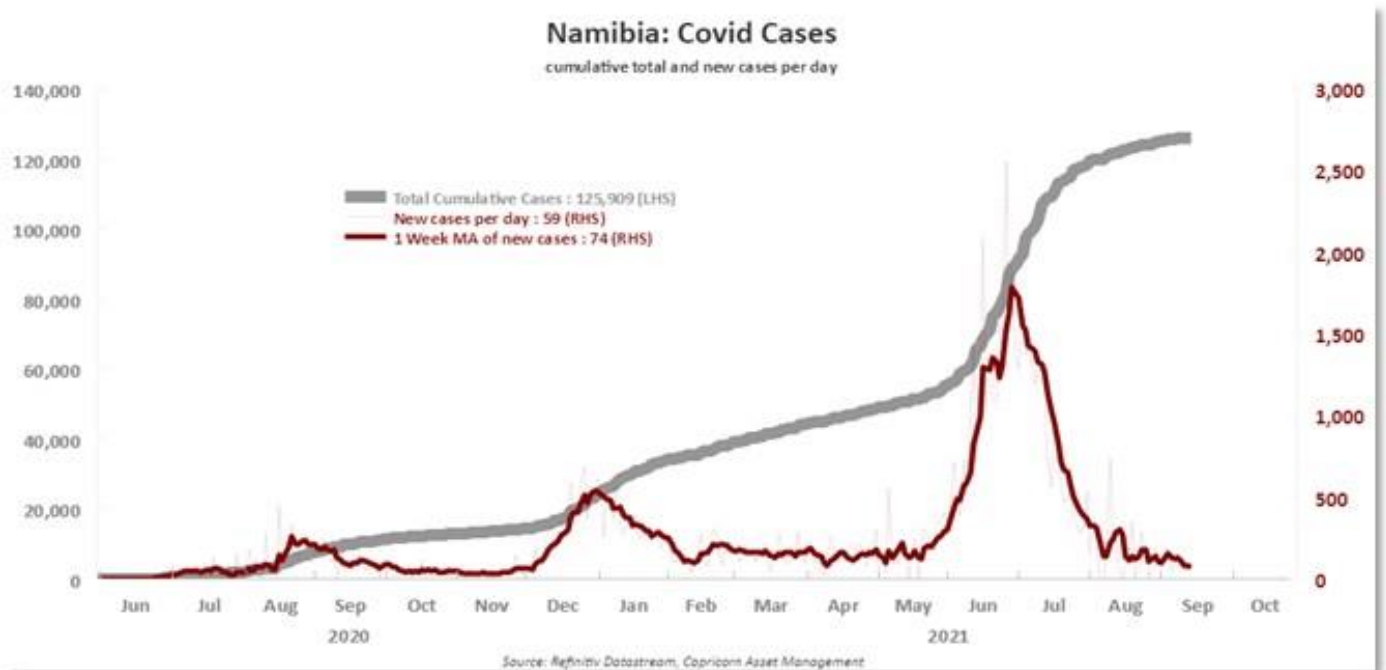
This week, domestic investors will look to mining figures for June and July as well as July retail sales for clues about the pace of that recovery. Globally the focus is on U.S. economic data releases that could be crucial to the Federal Reserve's decision on when to exit its super-supportive policy.

Shares on the Johannesburg-based stock exchange were lifted as the government eased local restrictions, and Wall Street stayed upbeat. The benchmark all-share index went up by more than half a percentage point to end the day at 64,652 points and the blue-chip index of top 40 companies closed up 0.55% to 58,495 points.

The market was lifted by mining companies with the resources index up 1.77%. The local economy-linked stocks such as banking and financials added to the gain with the bank index closing up 1.18%. However, the star performer of the day was Sasol Ltd, the world's biggest producer of motor fuel from coal, which clocked almost 8.5% on Monday on stronger crude prices.

The yield on the government's benchmark 2030 bond was up 4 basis points to 8.895%, reflecting a lower price.

Corona Tracker



Source: Thomson Reuters Refinitiv

Do not brood over your past mistakes and failures as this will only fill your mind with grief, regret and depression. Do not repeat them in the future.

Swami Sivananda

Market Overview

MARKET INDICATORS (Thomson Reuters)		14 September 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↑	4.53	0.008	4.52	4.53
6 months	↑	4.98	0.008	4.97	4.98
9 months	↑	5.21	0.009	5.20	5.21
12 months	↑	5.30	0.008	5.29	5.30
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↑	4.62	0.390	4.23	4.22
GC22 (Coupon 8.75%, BMK R2023)	↑	4.95	0.010	4.94	4.95
GC23 (Coupon 8.85%, BMK R2023)	↑	5.67	0.010	5.66	5.67
GC24 (Coupon 10.50%, BMK R186)	↑	7.04	0.025	7.01	7.04
GC25 (Coupon 8.50%, BMK R186)	↑	7.23	0.025	7.20	7.23
GC26 (Coupon 8.50%, BMK R186)	↑	8.03	0.025	8.00	8.03
GC27 (Coupon 8.00%, BMK R186)	↑	8.16	0.025	8.13	8.16
GC30 (Coupon 8.00%, BMK R2030)	↑	9.79	0.050	9.74	9.78
GC32 (Coupon 9.00%, BMK R213)	↑	10.33	0.045	10.29	10.32
GC35 (Coupon 9.50%, BMK R209)	↑	11.46	0.045	11.41	11.45
GC37 (Coupon 9.50%, BMK R2037)	↑	12.14	0.045	12.10	12.13
GC40 (Coupon 9.80%, BMK R214)	↑	12.99	0.050	12.94	12.98
GC43 (Coupon 10.00%, BMK R2044)	↑	13.13	0.050	13.08	13.12
GC45 (Coupon 9.85%, BMK R2044)	↑	13.10	0.050	13.05	13.09
GC48 (Coupon 10.00%, BMK R2048)	↑	13.14	0.050	13.09	13.13
GC50 (Coupon 10.25%, BMK: R2048)	↑	13.22	0.050	13.17	13.21
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)	⇒	3.96	0.000	3.96	3.96
GI27 (Coupon 4.00%, BMK NCPI)	⇒	4.99	0.000	4.99	4.99
GI29 (Coupon 4.50%, BMK NCPI)	⇒	6.16	0.000	6.16	6.16
GI33 (Coupon 4.50%, BMK NCPI)	↑	7.92	0.599	7.32	7.92
GI36 (Coupon 4.80%, BMK NCPI)	⇒	7.71	0.000	7.71	7.71
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,793	0.34%	1,787	1,792
Platinum	↑	961	0.56%	956	958
Brent Crude	↑	73.5	0.81%	72.9	74.1
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,490	0.91%	1,476	1,490
JSE All Share	↑	64,652	0.55%	64,296	64,652
SP500	↑	4,469	0.23%	4,459	4,469
FTSE 100	↑	7,068	0.56%	7,029	7,068
Hangseng	↓	25,814	-1.50%	26,206	25,687
DAX	↑	15,701	0.59%	15,610	15,701
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↑	14,005	1.13%	13,848	14,005
Resources	↑	61,773	1.77%	60,698	61,773
Industrials	↓	81,362	-0.57%	81,827	81,362
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↓	14.14	-0.41%	14.20	14.18
N\$/Pound	↓	19.56	-0.43%	19.65	19.62
N\$/Euro	↓	16.70	-0.45%	16.77	16.74
US dollar/ Euro	↓	1.181	-0.05%	1.181	1.181
		Namibia		RSA	
Interest Rates & Inflation		Aug 21	Jul 21	Aug 21	Jul 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	Jul 21	Jun 21
Inflation	↓	4.0	4.1	4.6	4.9

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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