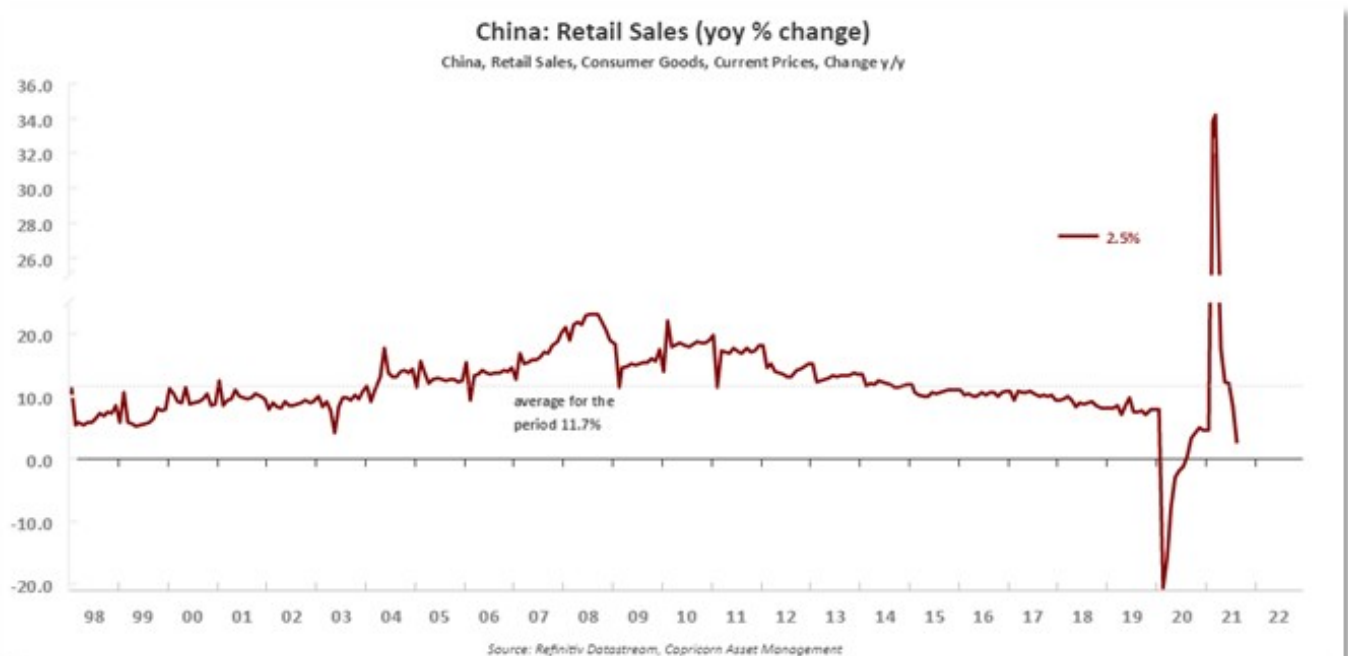




Market Update 2021

Wednesday, 15 September



Global Markets

Share fell on Wednesday as weak Chinese economic data reinforced worries about slowing growth globally as well as in the world's second-biggest economy amid fraught nerves over a still-dominant pandemic and tapering of central banks' stimulus.

MSCI's broadest index of Asia-Pacific shares outside Japan dropped 0.82%, extending earlier losses after the release of the Chinese data, while Tokyo's Nikkei shed 0.89%, moving off a more than 31-year closing-high the day before. A burst of data out of China showed businesses were grappling with the impact of localised lockdowns following sporadic COVID-19 outbreaks, supply bottlenecks and high raw materials costs.

Retail sales grew at the slowest pace since August 2020 and missed analysts' expectations, while industrial output also rose at a weaker pace from July, underscoring recent signs of slackening economic momentum in China and adding to expectations Beijing will offer more stimulus over coming months. After the data, Chinese blue chips were down 0.73%. The Hong Kong benchmark shed 0.87% dragged down by casino stocks as the gaming hub of Macau begins a consultation ahead of a closely watched rebidding of its multi-billion-dollar casinos next year. Shares of Wynn Macau at one point were down more than 30%.

Markets also remained focused on the timeline for tapering the Federal Reserve's massive pandemic-led stimulus. "There is uncertainty in markets at the moment as investors wait to see what the Federal Reserve will do about tapering their asset purchases, which depends on the state of the labour market and the inflation situation," said Sean Debow Asia CEO of Eurizon Asset Management. Debow said greater clarity would emerge on both in the coming weeks though for now markets were quick to react to any data points on employment and inflation.

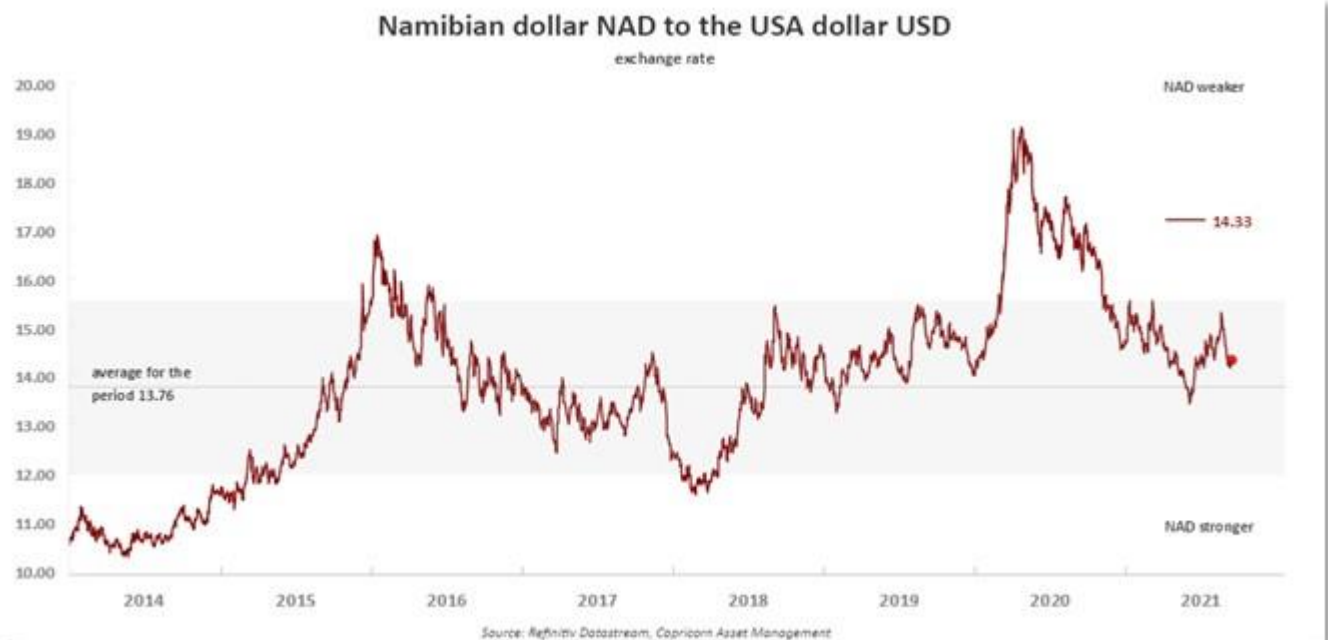
Overnight the U.S. Labour Department reported the Consumer Price Index in August posted its smallest gain in six months, suggesting inflation has probably peaked, aligning with Fed Chair Jerome Powell's long-held belief that high inflation is transitory. Lower inflation suggests that the Fed will be under less pressure to begin trimming its vast asset purchases, and, as a result, the yield on the benchmark 10-year note US10YT=RR fell as low as 1.263%, its lowest since Aug. 24.

Yields recovered slightly and were little changed in Asia on Wednesday at 1.285%, while the dollar was steady also having slipped against a basket of its peers on the inflation figures. Overnight on Wall Street, worries about slowing growth saw the Dow Jones Industrial Average down 0.84%, while the S&P 500 fell 0.57% and the Nasdaq Composite was down 0.45%.

Barely a tenth of respondents to Bank of America's monthly fund manager survey expect a stronger global economy in the coming months, marking the lowest proportion since last April's initial COVID-19 panic, the September edition of the survey showed. The spread of the Delta variant was cited as the reason for the pessimism.

Oil prices gained on a larger than expected drawdown in crude oil stocks in the United States, with U.S. crude gaining 0.51% to \$70.82 a barrel and Brent crude rising 0.46% to \$73.94 per barrel. Spot gold was traded at \$1802.0374 per ounce off 0.12%, having reached a one-week peak of \$1,808.50 on the prospects for lower interest rates.

Source: Thomson Reuters Refinitiv



Domestic Markets

The South African rand slumped on Tuesday afternoon, bringing to a halt a recent rally as investment bank JPMorgan recommended selling the currency. At 1515 GMT, the rand traded at 14.2700 against the dollar, roughly 0.8% weaker than its previous close.

JPMorgan said in a note to clients that three factors made the rand look vulnerable: it had reached high levels on an in-house emerging market risk appetite index, key terms of trade were starting to look less favourable and investors might also look at hedging options again soon.

The rand has been one of the best-performing emerging market currencies this year, gaining around 3% against the dollar year-to-date at a time when other units have been under pressure.

Bumper prices for South Africa's commodities exports, in particular metals and precious metals, have helped government revenue collection and supported an economic recovery from the COVID-19 pandemic. But after strong gains in the past three weeks, some analysts have predicted a reversal.

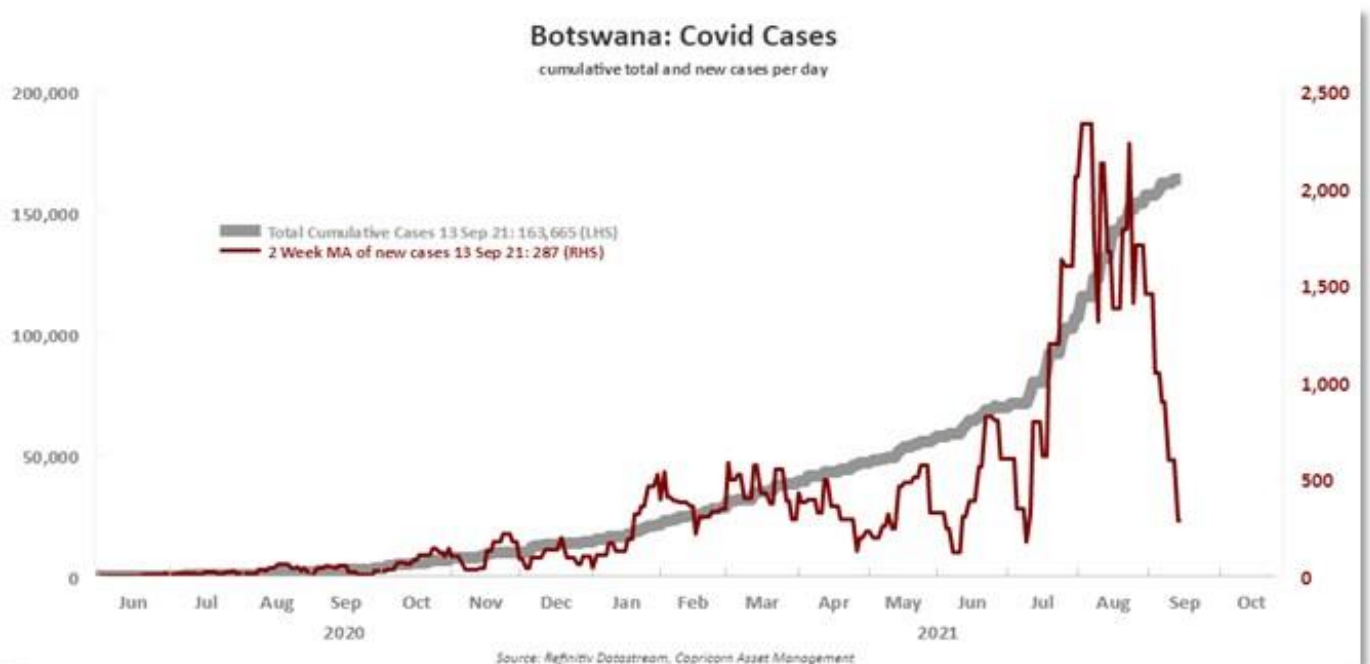
Shares listed on the Johannesburg Stock Exchange (JSE) slipped on Tuesday after a strong start to the week, as weak platinum prices pulled down the mining companies which had spearheaded most of the gains earlier. However, local banks, often considered the barometer of the domestic economy, fared well as investors said the worst of the third wave of coronavirus in the country was over and some green shoots were visible.

"It's certainly a little bit better than what anyone anticipated six months ago," said Wayne McCurrie, portfolio manager at FNB, on the prospects of the local economy. But he cautioned this could be short-lived as falling commodity prices could take the sheen off South Africa and that would reflect on the JSE as well.

The benchmark all-share index ended down 0.54% to 64,300 points and the blue-chip index of top-40 companies closed down 0.65% to 58,115 points. The mining index was down almost 2%, while the bank index closed up 1.31%.

The yield on the government's benchmark 2030 bond was little changed at 8.895%

Corona Tracker



Source: Thomson Reuters Refinitiv

Focusing your life solely on making a buck shows a certain poverty of ambition. It asks too little of yourself. Because it's only when you hitch your wagon to something larger than yourself that you realize your true potential.

Barack Obama

Market Overview

MARKET INDICATORS (Thomson Reuters)		15 September 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	⇒	4.53	0.000	4.53	4.53
6 months	↑	4.99	0.009	4.98	4.99
9 months	↑	5.22	0.016	5.21	5.22
12 months	↑	5.32	0.017	5.30	5.32
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↓	4.22	-0.400	4.62	4.23
GC22 (Coupon 8.75%, BMK R2023)	↑	4.96	0.005	4.95	4.96
GC23 (Coupon 8.85%, BMK R2023)	↑	5.68	0.005	5.67	5.68
GC24 (Coupon 10.50%, BMK R186)	↓	7.03	-0.005	7.04	7.04
GC25 (Coupon 8.50%, BMK R186)	↓	7.22	-0.005	7.23	7.23
GC26 (Coupon 8.50%, BMK R186)	↓	8.02	-0.005	8.03	8.03
GC27 (Coupon 8.00%, BMK R186)	↓	8.15	-0.005	8.16	8.16
GC30 (Coupon 8.00%, BMK R2030)	↓	9.78	-0.010	9.79	9.78
GC32 (Coupon 9.00%, BMK R213)	↓	10.33	-0.005	10.33	10.33
GC35 (Coupon 9.50%, BMK R209)	↓	11.44	-0.020	11.46	11.44
GC37 (Coupon 9.50%, BMK R2037)	↓	12.13	-0.010	12.14	12.14
GC40 (Coupon 9.80%, BMK R214)	↓	12.96	-0.025	12.99	12.97
GC43 (Coupon 10.00%, BMK R2044)	↓	13.11	-0.020	13.13	13.11
GC45 (Coupon 9.85%, BMK R2044)	↓	13.08	-0.020	13.10	13.08
GC48 (Coupon 10.00%, BMK R2048)	↓	13.12	-0.025	13.14	13.12
GC50 (Coupon 10.25%, BMK: R2048)	↓	13.20	-0.025	13.22	13.20
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	0.000	7.92	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	↑	1,804	0.60%	1,793	1,803
Platinum	↓	939	-2.26%	961	926
Brent Crude	↑	73.6	0.12%	73.5	74.1
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,489	-0.02%	1,490	1,489
JSE All Share	↓	64,300	-0.54%	64,652	64,300
SP500	↓	4,443	-0.57%	4,469	4,443
FTSE 100	↓	7,034	-0.49%	7,068	7,034
Hangseng	↓	25,502	-1.21%	25,814	25,103
DAX	↑	15,723	0.14%	15,701	15,723
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↑	14,229	1.60%	14,005	14,229
Resources	↓	60,541	-1.99%	61,773	60,541
Industrials	↓	80,934	-0.53%	81,362	80,934
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	14.32	1.27%	14.14	14.34
N\$/Pound	↑	19.77	1.07%	19.56	19.80
N\$/Euro	↑	16.90	1.21%	16.70	16.93
US dollar/ Euro	↓	1.180	-0.05%	1.181	1.180
		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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