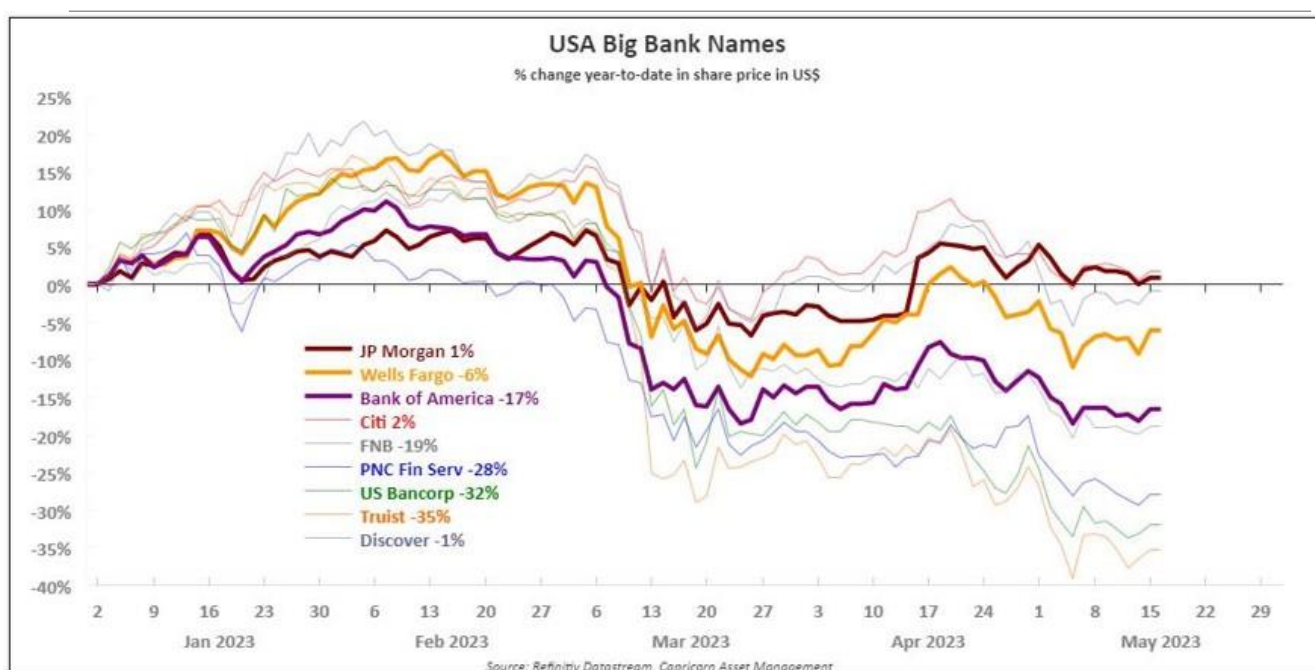




Market Update

Tuesday, 16 May 2023



Global Markets

Asia stocks mostly held firm on Tuesday despite weaker-than-expected Chinese economic data, with investors expecting the world's second-biggest economy to provide policy support.

Expectations that the dollar will soften also cushioned emerging markets, although investors were wary of crucial U.S. government debt-ceiling negotiations, with a little more than two weeks to go before the government could run short of money to pay its bills.

Japan's broad Topix gained 0.48% to 2,124.92, its highest since August 1990, helped by the robust outlook of its megabanks.

China's industrial output grew 5.6% in April from a year earlier, accelerating from the 3.9% pace seen in March and marking the quickest growth since September 2022, data showed on Tuesday. But it was well below expectations for a 10.9% increase in a Reuters poll of analysts.

Retail sales also missed expectations, and, coming against a backdrop of China's weak industrial, credit growth and import indicators, highlighted a wobbly post-COVID recovery.

With the softer readings, the market expects the policy response to try and shore up the economy and ensure that corporate confidence is back and growth is more sustainable, said Kerry Craig, a global market strategist with JPMorgan.

MSCI's broadest index of Asia-Pacific shares outside Japan edged 0.3% higher.

"The market is thinking that the Fed is done and the U.S. dollar is going to come down a little bit so that supports the markets in Asia," Craig said.

China's benchmark stock index dropped 0.29%. But Hong Kong's Hang Seng index extended its rally of the previous day, opening 0.53% higher, with the tech gauge climbing 1.19%.

Japan's benchmark Nikkei opened up 0.71% at 29,838.01.

Australia's S&P/ASX 200 index, however, lost 0.14% in early trading.

The dollar index fell 0.039%, with the Japanese yen strengthening 0.12% versus the U.S. currency at 135.96 per dollar.

Benchmark 10-year notes fell 1.5 basis points to 3.4906% on Tuesday.

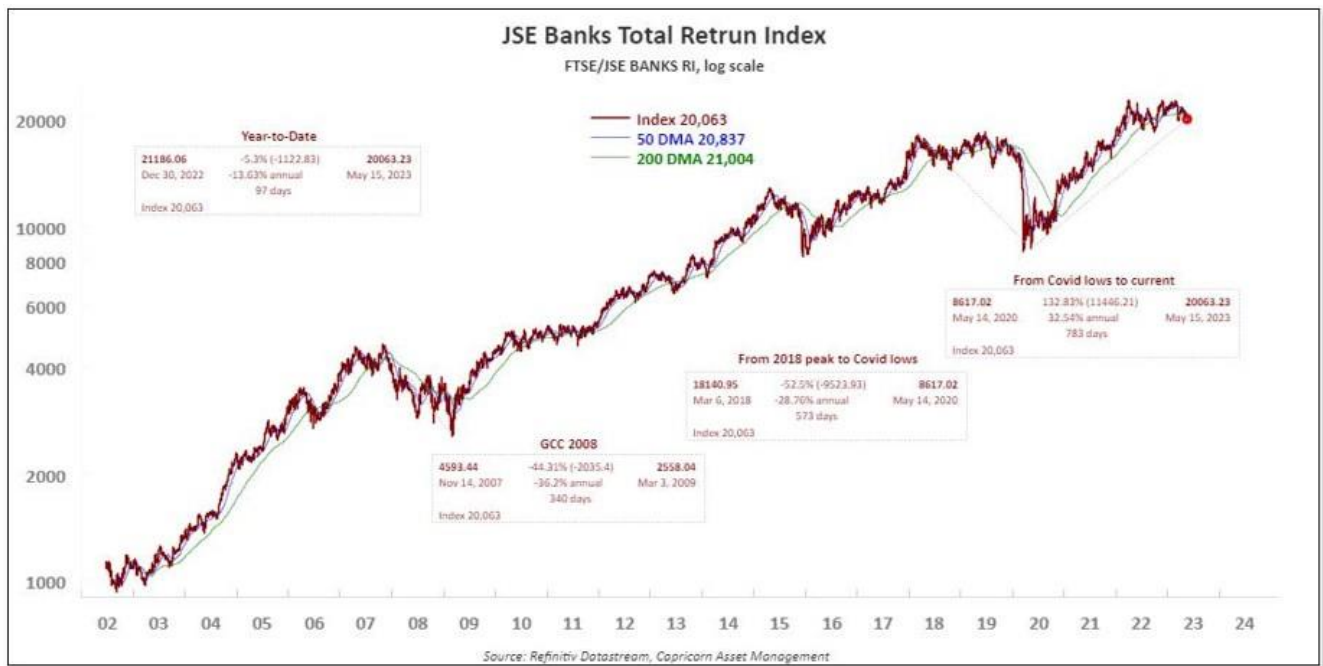
U.S. crude rose 0.39% to \$71.39 per barrel and Brent was at \$75.55, up 0.43% on the day.

Spot gold dropped 0.2% to \$2,016.75 an ounce.

Oil prices declined for the fourth straight session. U.S. crude futures eased 0.5% to \$69.71 per barrel, while Brent crude futures were down 0.6% to \$73.74 per barrel.

Gold prices were 0.2% higher at \$2,014.95.49 per ounce.

Source: Thomson Reuters Refinitiv



Domestic Markets

South Africa's rand firmed on Monday, recovering from an all-time low hit against the dollar last week as investors were spooked by possible sanctions amid U.S. allegations, rejected by Pretoria, that South Africa had shipped arms to Russia.

At 1543 GMT, the rand traded at 19.0325 against the dollar, 1.54% stronger than its previous close.

The currency - already under pressure over the worst power cuts on record - was pummeled last week by investor concerns over a U.S. allegation that a Russian ship had picked up weapons in South Africa in December.

It hit 19.51 to the dollar at one point on Friday, its weakest level ever.

South African officials swiftly rejected the U.S. claims and said the country had not approved any arms shipment to Russia in December.

Barclays' analysts said in a note they did not expect the rand to attract significant capital inflows in the long term.

"Investors, it seems, simply do not see value in South African economy, and we do not think this situation will change until there is material progress towards resolving energy or fiscal issues," Barclays said.

On the stock market, the Top-40 and the broader all-share index were both almost flat.

South Africa's benchmark 2030 government bond was stronger in afternoon deals, with the yield down 19.5 basis points at 10.745%.

Source: Thomson Reuters Refinitiv

Silence is the sleep that nourishes wisdom.
Francis Bacon

Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)					16 May 2023
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↑	8.18	0.008	8.18	8.18
6 months	↑	8.81	0.050	8.76	8.81
9 months	↑	9.05	0.050	9.00	9.05
12 months	↑	9.14	0.042	9.09	9.14
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC23 (Coupon 8.85%, BMK R2023)	→	8.30	0.000	8.30	8.30
GC24 (Coupon 10.50%, BMK R186)	↓	9.40	-0.285	9.69	9.43
GC25 (Coupon 8.50%, BMK R186)	↓	9.60	-0.285	9.89	9.63
GC26 (Coupon 8.50%, BMK R186)	↓	9.43	-0.285	9.72	9.46
GC27 (Coupon 8.00%, BMK R186)	↓	10.04	-0.285	10.33	10.07
GC28 (Coupon 8.50%, BMK R2030)	↓	10.54	-0.205	10.74	10.56
GC30 (Coupon 8.00%, BMK R2030)	↓	11.04	-0.205	11.24	11.06
GC32 (Coupon 9.00%, BMK R213)	↓	11.37	-0.155	11.53	11.39
GC35 (Coupon 9.50%, BMK R209)	↓	12.45	-0.165	12.61	12.47
GC37 (Coupon 9.50%, BMK R2037)	↓	13.32	-0.160	13.48	13.34
GC40 (Coupon 9.80%, BMK R214)	↓	13.35	-0.150	13.50	13.37
GC43 (Coupon 10.00%, BMK R2044)	↓	13.41	-0.150	13.56	13.43
GC45 (Coupon 9.85%, BMK R2044)	↓	13.86	-0.150	14.01	13.88
GC48 (Coupon 10.00%, BMK R2048)	↓	14.06	-0.150	14.21	14.08
GC50 (Coupon 10.25%, BMK: R2048)	↓	14.01	-0.150	14.16	14.03
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI25 (Coupon 3.80%, BMK NCPI)	→	3.29	0.000	3.29	3.29
GI27 (Coupon 4.00%, BMK NCPI)	→	3.69	0.000	3.69	3.69
GI29 (Coupon 4.50%, BMK NCPI)	→	5.05	0.000	5.05	5.05
GI33 (Coupon 4.50%, BMK NCPI)	→	6.05	0.000	6.05	6.05
GI36 (Coupon 4.80%, BMK NCPI)	→	6.38	0.000	6.38	6.38
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	2,021	0.47%	2,011	2,014
Platinum	↑	1,065	1.47%	1,050	1,059
Brent Crude	↑	75.2	1.43%	74.2	75.4
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,535	-0.14%	1,537	1,535
JSE All Share	↓	78,262	-0.09%	78,330	78,262
SP500	↑	4,136	0.30%	4,124	4,136
FTSE 100	↑	7,778	0.30%	7,755	7,778
Hangseng	↑	19,971	1.75%	19,627	19,995
DAX	↑	15,917	0.02%	15,914	15,917
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	14,894	-0.32%	14,941	14,894
Resources	↓	69,600	-0.34%	69,837	69,600
Industrials	↑	108,181	0.13%	108,036	108,181
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↓	19.01	-1.74%	19.35	19.13
N\$/Pound	↓	23.83	-1.13%	24.10	23.94
N\$/Euro	↓	20.68	-1.46%	20.99	20.80
US dollar/ Euro	↑	1.087	0.22%	1.085	1.087
		Namibia		RSA	
Interest Rates & Inflation		Apr 23	Mar 23	Apr 23	Mar 23
Central Bank Rate	↑	7.25	7.00	7.75	7.75
Prime Rate	↑	11.00	10.75	11.25	10.75
		Apr 23	Mar 23	Mar 23	Feb 23
Inflation	↓	6.1	7.2	7.1	7.0

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 listeds

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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