



Market Update

Wednesday, 16 November 2022



Global Markets

Asian stocks dropped and the dollar gained on Wednesday after a blast in Poland that Ukraine and Polish authorities said was caused by a Russian-made missile. Worries over a potential ratcheting up of geopolitical tensions spurred a drop of 1% in MSCI's broadest index of Asia-Pacific shares outside Japan.

Hong Kong's Hang Seng Index shed 1.1% and China's CSI 300 fell 0.4% by the midday break. The struggling property sector weighed on the markets, with China's new home prices falling at their fastest pace in more than seven years in October, weighed down by COVID 19-related curbs and industry-wide problems.

Australian shares fell 0.4%, while Japan's Nikkei stock index dropped 0.1%. U.S. stock futures, the S&P 500 e-minis, fell 0.2%. In early European trade, the pan-region Euro Stoxx 50 futures lost 0.9%, German DAX futures dipped 1%, and FTSE futures fell 0.5%.

NATO member Poland said on Wednesday that a Russian-made rocket killed two people in eastern Poland near Ukraine, and it summoned Russia's ambassador to Warsaw for an explanation after Moscow denied it was responsible. "(It) interrupted what is a far more constructive tone in markets

over the last three, four days," said Dwyfor Evans, head of Asia Pacific macro strategy at State Street Global Markets in Hong Kong, who noted optimism in the financial markets that U.S. inflation was cooling.

U.S. President Joe Biden said the United States and its NATO allies were investigating the blast but early information suggested it may not have been caused by a missile fired from Russia.

"I do think President Biden's comment was clear in representing the U.S. government," said Quincy Krosby, chief global strategist at LPL Financial in Charlotte, North Carolina. "Unless there's evidence to the contrary, (market concerns) should dissipate."

The safe-haven U.S. dollar pared gains against its major peers but was still mostly higher, led by a 0.63% advance versus the yen. Sterling lost 0.32%, while the risk-sensitive Aussie dollar weakened 0.34%. The euro was flat.

"A lot of headlines are going on around today but there's a feeling that this is not going to, at this stage... result in an escalation in tensions, or at least there is no appetite to go in that direction," said Rodrigo Catril, senior currency analyst at National Australia Bank in Sydney.

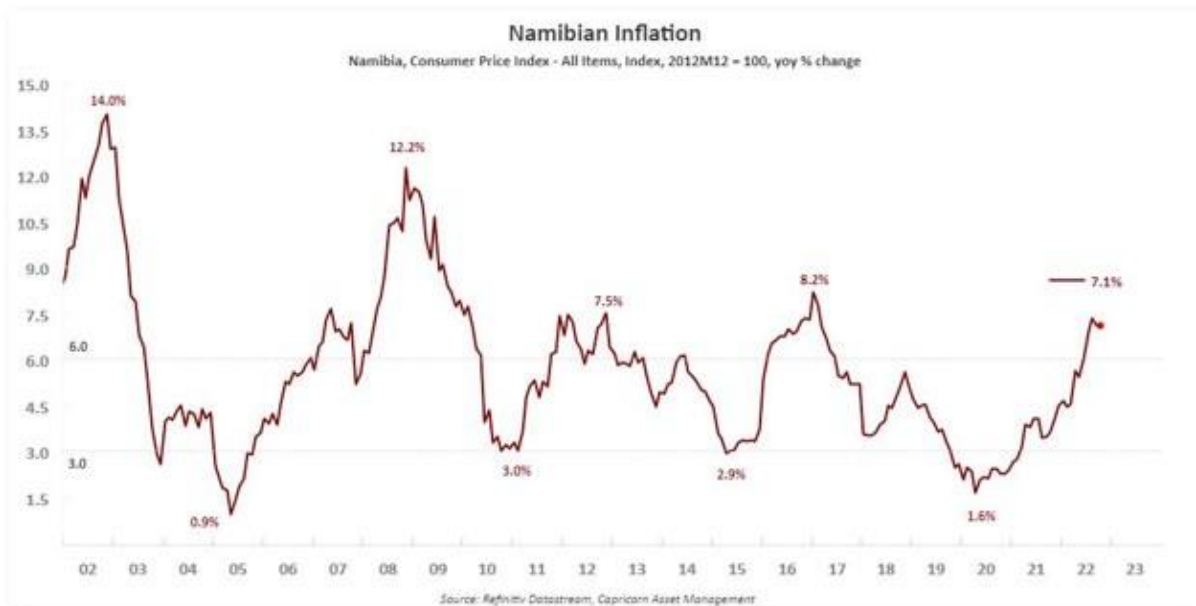
The fact that the risk-sensitive, pro-growth Australia and New Zealand dollars retained most of their big gains from Tuesday, following soft U.S. PPI readings, is an indication that "there is a lot of appetite to push the U.S. dollar lower," Catril said.

The yield on benchmark 10-year Treasury notes rose to 3.8068% in Tokyo, compared with 3.799% at the close of U.S. trading on Tuesday. It earlier fell as low as 3.757%, matching the previous session's intraday trough, which was the lowest since Oct. 6.

U.S. crude dipped 0.74% to \$86.29 a barrel. Oil prices rose on Tuesday after news that oil supply to Hungary via the Druzhba oil pipeline had been temporarily suspended due to a fall in pressure. Gold was slightly lower, with spot gold trading at \$1,778.17 per ounce.

Source: Reuters Refinitiv

Domestic Markets



The South African rand strengthened on Tuesday as the dollar deepened losses after a smaller-than-expected rise in U.S. producer prices provided further evidence that inflation may be cooling. At 1611 GMT, the rand traded at 17.2450 against the dollar, 0.36% stronger than its closing level on Monday. The dollar index, which tracks the U.S. currency against a basket of others, was down more than 0.6%.

The U.S. producer price index (PPI) increased 8.0% for the 12 months through October compared with economist expectations for an 8.3% rise and September's 8.4% increase, according to Labor Department data.

On the Johannesburg Stock Exchange, the Top-40 index closed 0.36% higher, mirroring global markets.

The government's benchmark 2030 bond was slightly stronger in afternoon deals, with the yield down 1 basis points at 10.245%.

Source: Reuters Refinitiv

We do not remember days, we remember moments.

Cesare Pavese

Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)		16 November 2022			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↑	7.42	0.034	7.38	7.42
6 months	→	7.54	0.000	7.54	7.54
9 months	→	8.10	0.000	8.10	8.10
12 months	→	8.33	0.000	8.33	8.33
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC23 (Coupon 8.85%, BMK R2023)	↑	8.99	0.035	8.96	8.99
GC24 (Coupon 10.50%, BMK R186)	↓	8.16	-0.015	8.18	8.20
GC25 (Coupon 8.50%, BMK R186)	↓	8.61	-0.015	8.63	8.65
GC26 (Coupon 8.50%, BMK R186)	↓	8.67	-0.015	8.69	8.71
GC27 (Coupon 8.00%, BMK R186)	↓	9.64	-0.015	9.66	9.68
GC30 (Coupon 8.00%, BMK R2030)	↑	11.55	0.050	11.50	11.57
GC32 (Coupon 9.00%, BMK R213)	↑	11.72	0.035	11.68	11.76
GC35 (Coupon 9.50%, BMK R209)	↑	12.40	0.075	12.33	12.43
GC37 (Coupon 9.50%, BMK R2037)	↑	13.00	0.075	12.92	13.04
GC40 (Coupon 9.80%, BMK R214)	↑	13.32	0.080	13.24	13.37
GC43 (Coupon 10.00%, BMK R2044)	↑	13.88	0.100	13.78	13.91
GC45 (Coupon 9.85%, BMK R2044)	↑	14.40	0.100	14.30	14.43
GC48 (Coupon 10.00%, BMK R2048)	↑	14.54	0.105	14.44	14.57
GC50 (Coupon 10.25%, BMK: R2048)	↑	14.55	0.105	14.45	14.58
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI25 (Coupon 3.80%, BMK NCPI)	→	2.88	0.000	2.88	2.88
GI27 (Coupon 4.00%, BMK NCPI)	→	3.94	0.000	3.94	3.94
GI29 (Coupon 4.50%, BMK NCPI)	→	5.19	0.000	5.19	5.19
GI33 (Coupon 4.50%, BMK NCPI)	→	5.93	0.000	5.93	5.93
GI36 (Coupon 4.80%, BMK NCPI)	→	6.90	0.000	6.90	6.90
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,778	0.36%	1,772	1,774
Platinum	↓	1,015	-0.29%	1,017	1,017
Brent Crude	↑	93.9	0.77%	93.1	93.3
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,697	-0.18%	1,700	1,697
JSE All Share	↑	72,999	0.24%	72,822	72,999
SP500	↑	3,992	0.87%	3,957	3,992
FTSE 100	↓	7,369	-0.21%	7,385	7,369
Hangseng	↑	18,343	4.11%	17,620	18,116
DAX	↑	14,379	0.46%	14,313	14,379
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	15,771	-1.86%	16,070	15,771
Resources	↑	72,797	1.32%	71,847	72,797
Industrials	↑	87,561	0.76%	86,897	87,561
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	17.31	0.06%	17.30	17.32
N\$/Pound	↑	20.53	0.97%	20.33	20.55
N\$/Euro	↑	17.91	0.28%	17.86	17.96
US dollar/ Euro	↑	1.035	0.22%	1.033	1.037
		Namibia		RSA	
Interest Rates & Inflation		Oct 22	Sep 22	Oct 22	Sep 22
Central Bank Rate	↑	6.25	5.50	6.25	6.25
Prime Rate	↑	10.00	9.25	9.75	9.75
		Oct 22	Sep 22	Sep 22	Aug 22
Inflation	→	7.1	7.1	7.5	7.6

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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