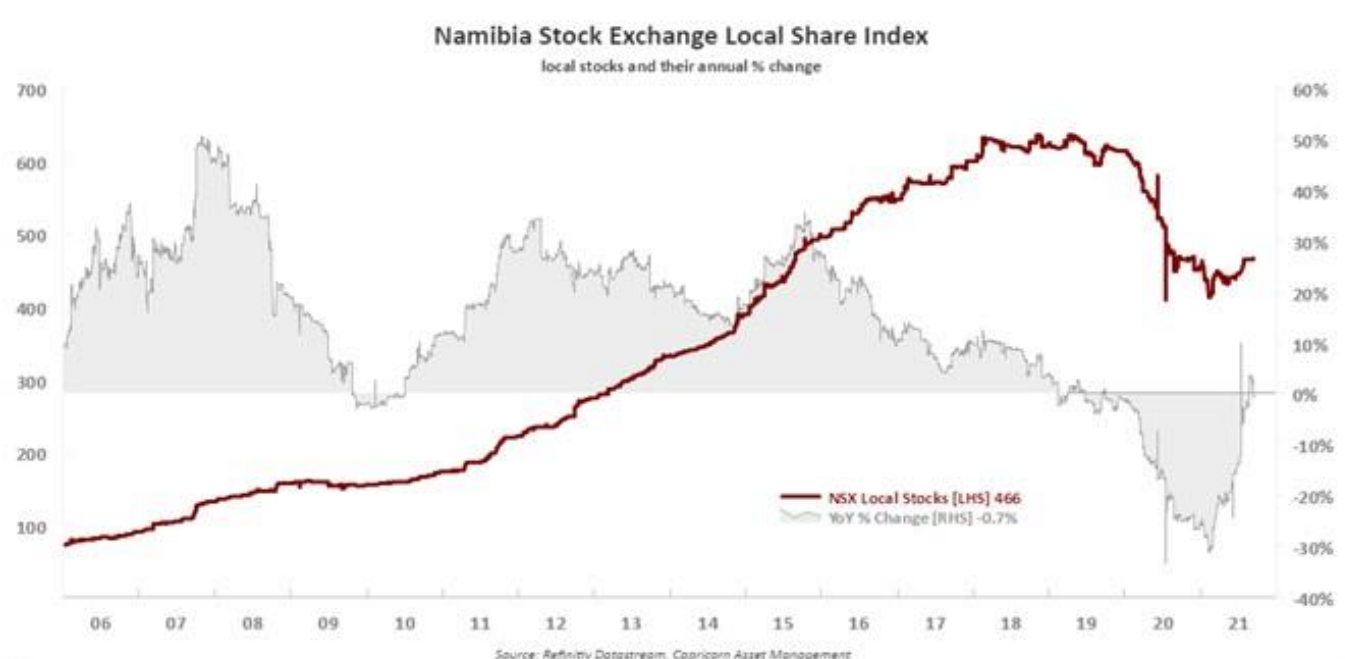




Market Update

Thursday, 16 September 2021



Global Markets

Asian shares gave up early gains to fall again on Thursday, weighed by declines in China and Hong Kong, even after a strong lead-in from Wall Street which had also pushed the dollar to the lower end of its recent range. MSCI's broadest index of Asia-Pacific shares outside Japan was last down 0.45%, while Japan's Nikkei, shed 0.47%, after hitting 31-year high on Monday.

"It's a bit choppy and uncertain at present, we've had a few soft days on the back of worries about global growth and then suddenly markets, at least U.S. markets, conclude 'it's not that bad after all,'" said Shane Oliver, chief economist at AMP Capital. He added worries about inflation and supply chain issues could still weigh on shares in the coming weeks, and "of course in Asia we've got a slowdown in China."

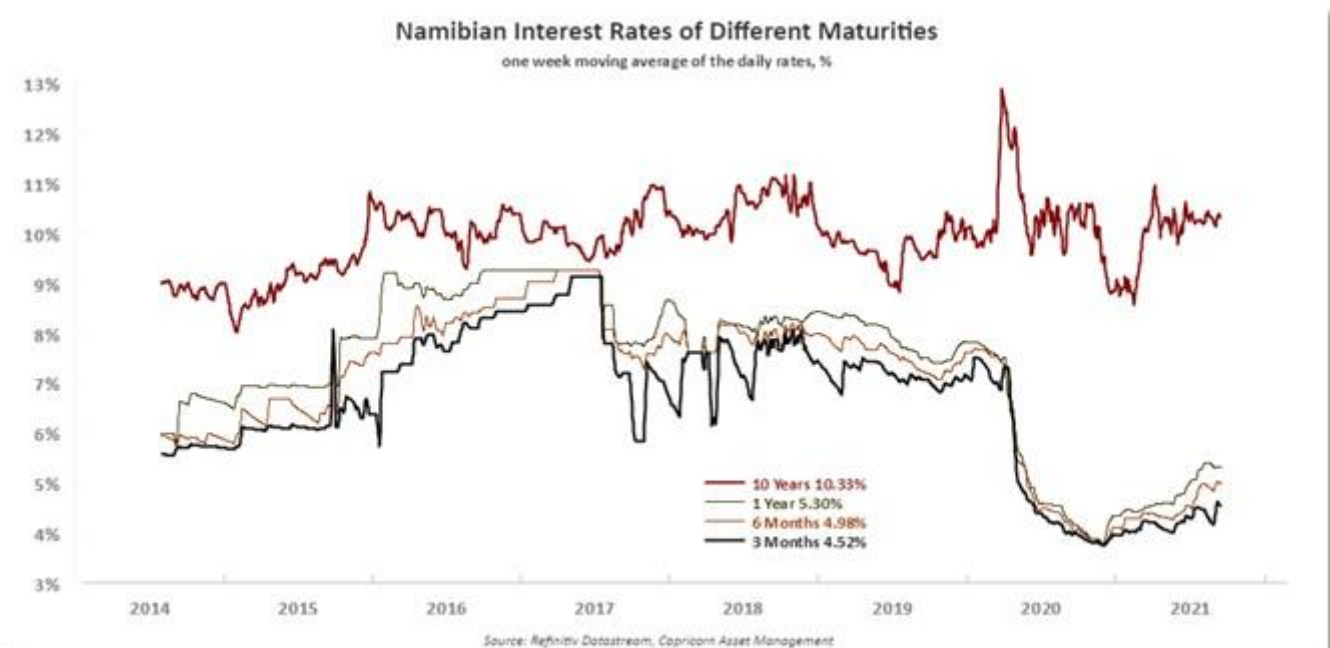
There were gains on Thursday in Australia, up 0.65%, but the Hong Kong benchmark fell 0.42% with property names continuing to drag - embattled developer China Evergrande Group fell another 8%. Chinese blue chips lost 0.66%, a day after economic data missed expectations. U.S. stock futures, the S&P 500 e-minis, were flat.

Overnight U.S. stocks closed higher, as rising crude oil prices boosted energy shares and a raft of positive U.S. data supported those who feel growth in the world's biggest economy should remain strong. The Dow Jones Industrial Average rose 0.68%, the S&P 500 gained 0.85% and the Nasdaq Composite added 0.82%.

That risk-on mood pushed the dollar lower overnight against a basket of other major currencies, but it was little changed in Asian hours, with analysts at Westpac saying the greenback was looking set in its recent range. They said payroll and inflation data meant the U.S. Federal Reserve could take its time tapering its massive asset purchases - which would typically boost the dollar - while the "downside is unlikely to develop anytime soon either, with concerns about Delta (coronavirus variant) impact on global rebound prospects continuing to swirl, as underscored by China's weaker August activity data."

U.S. Treasury yields inched down in Asian hours with the yield on benchmark 10-year Treasury notes at 1.299% compared with its U.S. close of 1.304%. Westpac analysts said this, too, looked likely to be largely range-bound. Oil prices retreated, giving up some of this week's strong gains on the back of a larger-than-expected drawdown in crude oil stocks in the United States. Brent crude which touched its highest since late July on Wednesday, fell 0.24% on Thursday to \$75.3 per barrel, while U.S. crude dipped 0.22% to \$72.45 a barrel. Spot gold was flat at \$1794.41 per ounce, having fallen below the key \$1,800 level on Wednesday, hit by a bout of technical selling.

Source: Thomson Reuters Refinitiv



Domestic Markets

The South African rand fell on Wednesday as a drop in retail sales added to evidence that riots and tight COVID-19 restrictions dealt the economy a severe blow at the start of the third quarter. At 1550 GMT, the rand traded at 14.4525 against the dollar, roughly 0.9% weaker than its close on Tuesday, when it also slid.

Retail sales contracted 0.8% year on year in July and by 11.2% month on month. More than 300 people died and thousands of shops were looted as some of the worst violence of the post-apartheid era erupted soon after the arrest of former president Jacob Zuma in July.

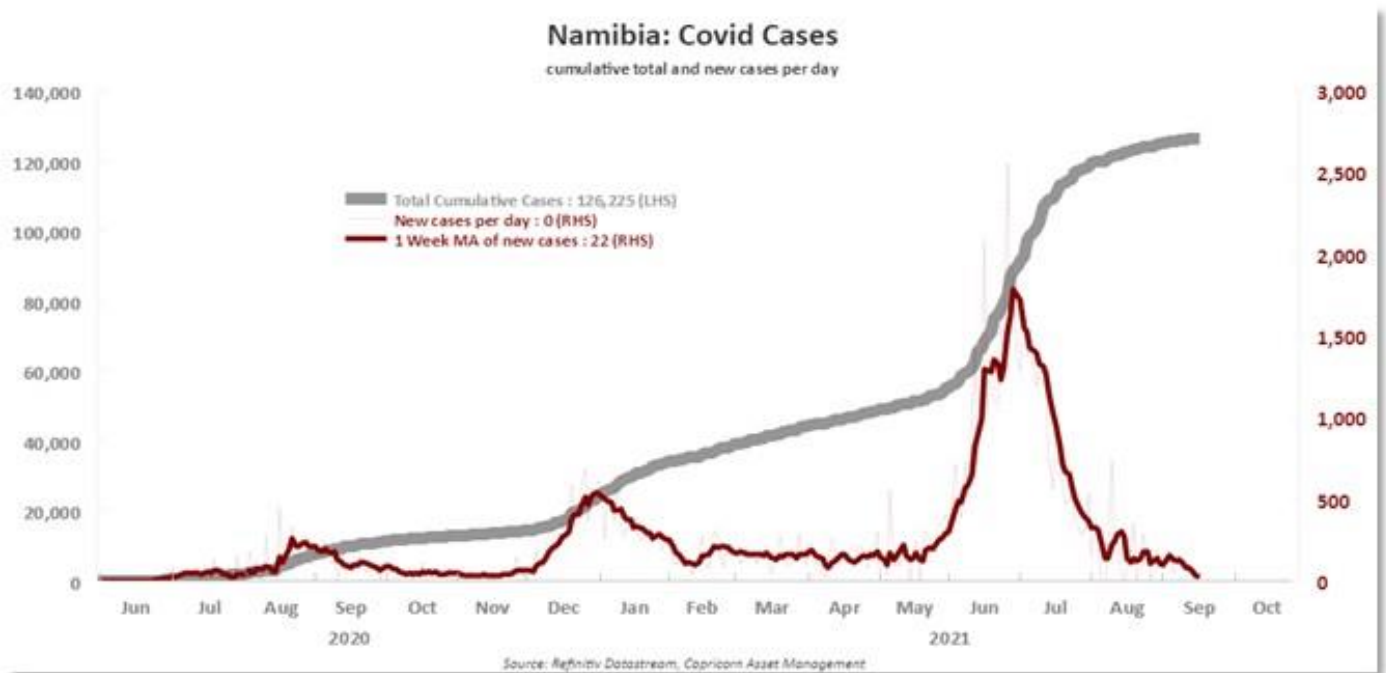
Capital Economics said the retail numbers, coupled with poor July manufacturing figures last week, raised the prospect that the economy could contract over the third quarter as a whole, derailing a recovery from the coronavirus pandemic. "Against this backdrop, the central bank is unlikely to be in a rush to follow its peers elsewhere in the emerging world and raise interest rates," it said in a research note.

JPMorgan told clients on Tuesday that several factors made the rand look vulnerable, including a deterioration in key terms of trade.

Johannesburg-listed stocks inched up on Wednesday, but slowing Chinese factory output and retail sales kept gains in check as elsewhere on global equities markets. The fortunes of some heavyweight South African companies such as tech investor Naspers, luxury goods maker Richemont and mining firms are inextricably linked to China.

Trading on the Johannesburg Stock Exchange was subdued for much of the day but two key indices ended in positive territory: the blue-chip Top-40, which closed up 0.2% at 58,230 points, and the All-share index, which ended up 0.13% at 64,385 points.

Corona Tracker



Source: Thomson Reuters Refinitiv

Has this world been so kind to you that you should leave with regret? There are better things ahead than any we leave behind.

C. S. Lewis

Market Overview

MARKET INDICATORS (Thomson Reuters)		16 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	0.000	4.99	4.99
9 months	↑	5.24	0.017	5.22	5.24
12 months	→	5.32	0.000	5.32	5.32
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↓	4.22	-0.005	4.22	4.24
GC22 (Coupon 8.75%, BMK R2023)	↑	4.98	0.025	4.96	4.98
GC23 (Coupon 8.85%, BMK R2023)	↑	5.70	0.025	5.68	5.70
GC24 (Coupon 10.50%, BMK R186)	↑	7.04	0.005	7.03	7.05
GC25 (Coupon 8.50%, BMK R186)	↑	7.23	0.005	7.22	7.24
GC26 (Coupon 8.50%, BMK R186)	↑	8.03	0.005	8.02	8.04
GC27 (Coupon 8.00%, BMK R186)	↑	8.16	0.005	8.15	8.17
GC30 (Coupon 8.00%, BMK R2030)	↑	9.83	0.050	9.78	9.83
GC32 (Coupon 9.00%, BMK R213)	↑	10.38	0.050	10.33	10.38
GC35 (Coupon 9.50%, BMK R209)	↑	11.47	0.030	11.44	11.47
GC37 (Coupon 9.50%, BMK R2037)	↑	12.16	0.030	12.13	12.17
GC40 (Coupon 9.80%, BMK R214)	↑	13.00	0.035	12.96	12.98
GC43 (Coupon 10.00%, BMK R2044)	↑	13.14	0.035	13.11	13.15
GC45 (Coupon 9.85%, BMK R2044)	↑	13.11	0.035	13.08	13.12
GC48 (Coupon 10.00%, BMK R2048)	↑	13.15	0.035	13.12	13.16
GC50 (Coupon 10.25%, BMK: R2048)	↑	13.23	0.035	13.20	13.24
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	↓	1,793	-0.65%	1,804	1,786
Platinum	↑	947	0.83%	939	942
Brent Crude	↑	75.5	2.53%	73.6	75.4
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,493	0.26%	1,489	1,493
JSE All Share	↑	64,385	0.13%	64,300	64,385
SP500	↑	4,481	0.85%	4,443	4,481
FTSE 100	↓	7,016	-0.25%	7,034	7,016
Hangseng	↓	25,033	-1.84%	25,502	24,519
DAX	↓	15,616	-0.68%	15,723	15,616
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↑	14,281	0.37%	14,229	14,281
Resources	↑	61,262	1.19%	60,541	61,262
Industrials	↓	80,418	-0.64%	80,934	80,418
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	14.40	0.56%	14.32	14.50
N\$/Pound	↑	19.92	0.76%	19.77	20.03
N\$/Euro	↑	17.01	0.67%	16.90	17.10
US dollar/ Euro	↑	1.182	0.11%	1.180	1.179
		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
		Aug 21	Jul 21	Jul 21	Jun 21
Inflation	↓	3.4	4.0	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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