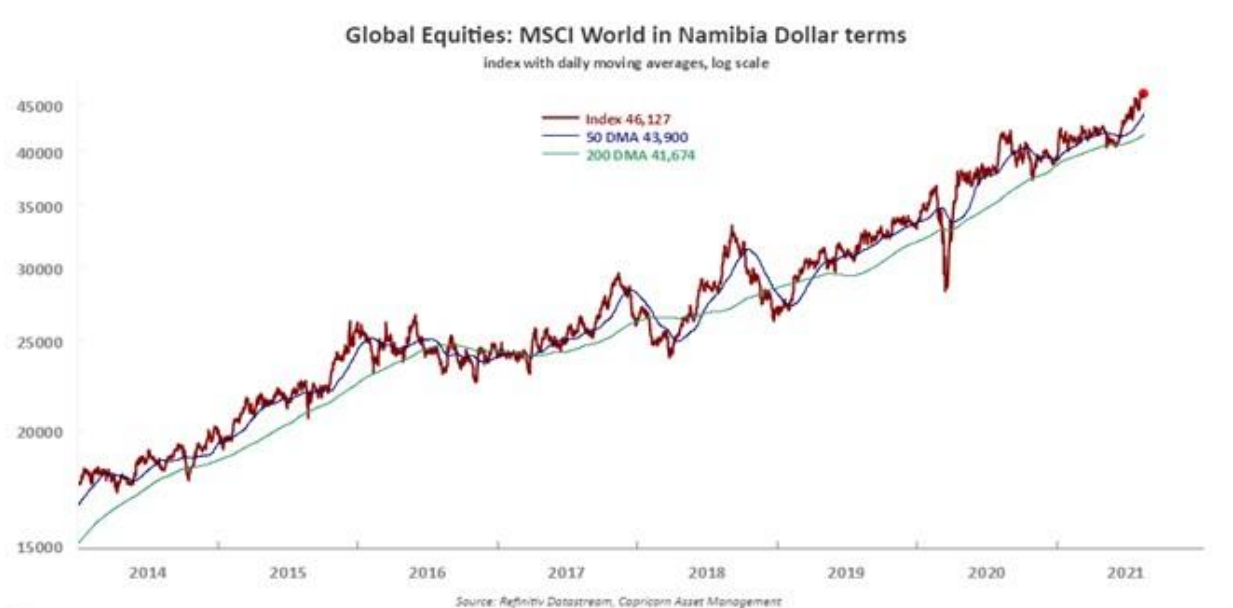




Market Update

Tuesday, 17 August 2021



Global Markets

Asian shares declined in early trade on Tuesday as growing anxiety over the spike in the Delta variant of COVID-19 infections and turmoil in Afghanistan eclipsed overnight strength on Wall Street. The continued spread of new COVID-19 variants and the impact on the global economy have shaken market confidence, with traders looking out for earnings reports from major retailers due later in the week. Investors were also watching news from Afghanistan, where thousands of civilians desperate to flee the country thronged Kabul airport after the Taliban seized the capital and declared the war against foreign and local forces over.

"Disappointing Chinese economic data, anxiety over developments in Afghanistan, concerns over the impacts of the Delta variant, and a steeper-than-expected pull-back in the NY Empire State manufacturing index weighed on risk appetite, boosting safe haven demand," analysts at ANZ said in a note.

Early in the Asian trading day, MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.4% while U.S. stock futures, the S&P 500 e-minis, were down 0.18%. Australian shares fell 0.75%,

although Japan's Nikkei stock index edged up 0.22%. China's blue-chip CSI300 index dipped 0.18% in early trade, while Hong Kong's Hang Seng index opened down 0.4%.

Wall Street rebounded on Monday, pushing up two of its three major indices, with the benchmark S&P 500 and the Dow industrials hitting record highs, as investors moved into defensive sectors and stocks recovered from initial losses. The Dow Jones Industrial Average and the S&P 500 rose 0.31% and 0.26%, respectively. The tech-heavy Nasdaq Composite slipped 0.2%. Tesla shares fell 4.3% after U.S. auto safety regulators said they had opened a formal safety probe into the company's driver assistance system Autopilot after a series of crashes involving emergency vehicles.

A raft of Chinese data on Monday showed a surprisingly sharp slowdown in the world's second-largest economy, while the New York Federal Reserve's Empire State barometer of manufacturing business activity fell more than expected. Investors are focused on when the Federal Reserve will rein in its easy money policies, with minutes from the central bank's latest meeting due on Wednesday. Boston Federal Reserve Bank President Eric Rosengren said on Monday that one more month of strong job gains could satisfy the U.S. central bank's requirements for beginning to reduce its monthly asset purchases.

The dollar ticked up against a basket of six major currencies, rising 0.024% to 92.644 after dropping to a one-week low on Friday. In more risk-off moves, the yield on benchmark 10-year Treasury notes fell as demand for safe-haven U.S. bonds ticked up. The yield on benchmark 10-year Treasury notes dropped to 1.255% compared with its U.S. close of 1.257% on Monday. The two-year yield, which rises with traders' expectations of higher Fed fund rates, touched 0.2092% compared with a U.S. close of 0.205%.

U.S. crude ticked up 0.3% to \$67.49 a barrel. Brent crude rose to \$69.70 per barrel. Gold was slightly lower. Spot gold was traded at \$1,786.73 per ounce.



Domestic Markets

South Africa's rand weakened on Monday as disappointing Chinese economic data put a dampener on the global mood, while calls for more regulation of businesses in China dragged tech stocks linked to the world's second-largest economy. At 1611 GMT, the rand traded at 14.7902 against the dollar, 0.47% weaker than its previous close.

China's factory output and retail sales growth slowed sharply and missed expectations in July, as new COVID-19 outbreaks and floods disrupted business operations in the Asian country. China is one of South Africa's largest trading partners, and South African assets are highly susceptible to swings in sentiment on international markets. "Some concern is creeping into the market as the Delta variant is causing renewed lockdowns in several countries across the world," Andre Cilliers, Currency Strategist at TreasuryONE said.

Later in the week, investor attention will turn to South Africa's consumer price index (CPI) and retail sales data for clues about inflationary pressures and consumer demand. Africa's most industrialised nation has seen an uneven recovery from the COVID-19 pandemic, with some sectors such as mining buoyed by bumper commodity prices but others like tourism still badly affected.

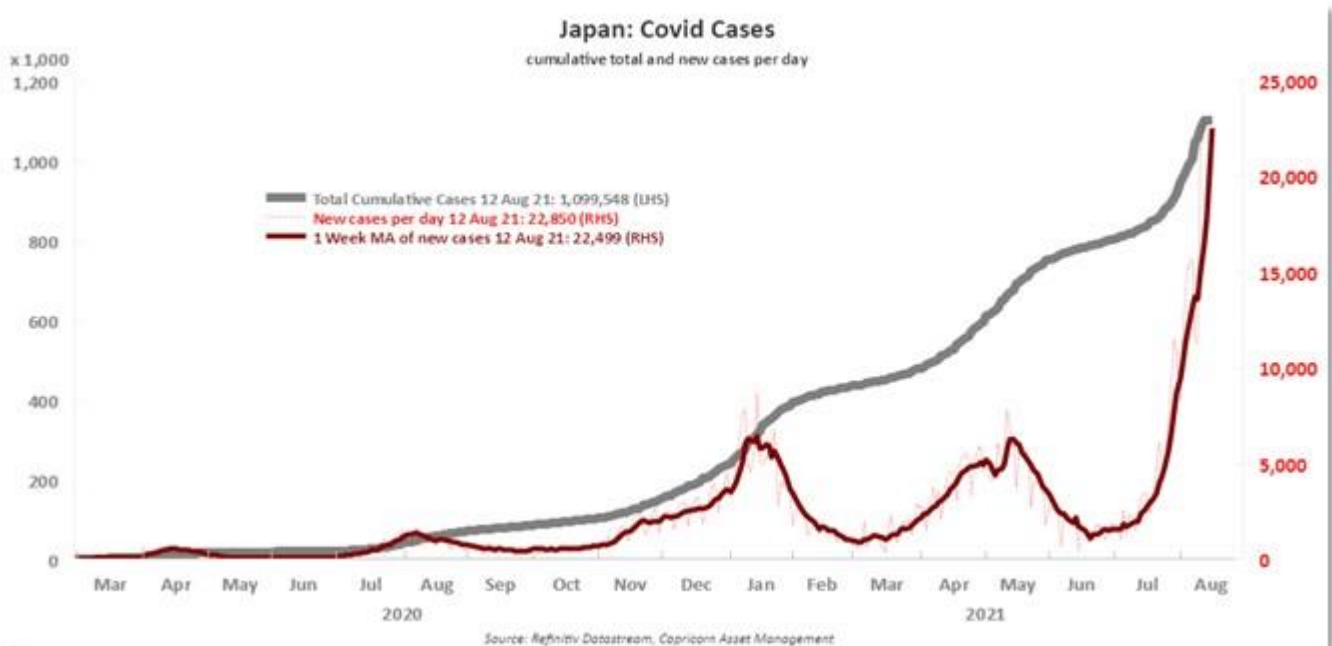
Among equities, South African heavy-weighted tech stocks were yet again at the mercy of investors pulling out of highly valued tech stocks in China, following state media commentary calling for stronger vetting of online games. It sent shares in Chinese internet behemoth Tencent Holdings Ltd and other video game companies skidding. The decline dragged e-commerce giant Naspers down 7.38% and its subsidiary Prosus 5.07% lower. Prosus holds a 28.9% stake in Tencent.

Petrochemicals firm Sasol Ltd closed 5% weaker after its chief financial officer said on Monday the company expects asset sales and robust crude and chemical prices to continue to buoy cash flow this year, though a resurgence of COVID-19 in China could depress that outlook. Sasol also did not declare a dividend to conserve cash.

Overall, the All-Share Index fell 0.81% and the Top-40 index dropped 1.05%. Local government bonds also weakened, with the yield on the 2030 instrument up 1.5 basis points at 8.900%.

Corona Tracker

GLOBAL CASES		17-Aug-2021	
SOURCE - REUTERS			
	Confirmed Cases	New Cases	Total Deaths
GLOBAL	207,756,364	269,495	4,544,084



Source: Thomson Reuters Refinitiv

There has never been a protracted war from which a country has benefited.

Sun Tzu

Market Overview

MARKET INDICATORS (Thomson Reuters)		17 August 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	⇒	4.28	0.000	4.28	4.28
6 months	⇒	4.49	0.000	4.49	4.49
9 months	⇒	4.79	0.000	4.79	4.79
12 months	⇒	4.95	0.000	4.95	4.95
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↑	4.38	0.040	4.34	4.38
GC22 (Coupon 8.75%, BMK R2023)	↑	5.73	0.040	5.69	5.73
GC23 (Coupon 8.85%, BMK R2023)	↑	5.63	0.040	5.59	5.63
GC24 (Coupon 10.50%, BMK R186)	↓	7.67	-0.020	7.69	7.67
GC25 (Coupon 8.50%, BMK R186)	↓	7.68	-0.020	7.70	7.68
GC26 (Coupon 8.50%, BMK R186)	↓	7.68	-0.020	7.70	7.68
GC27 (Coupon 8.00%, BMK R186)	↓	7.97	-0.020	7.99	7.97
GC30 (Coupon 8.00%, BMK R2030)	↑	9.20	0.015	9.19	9.20
GC32 (Coupon 9.00%, BMK R213)	↑	10.20	0.015	10.19	10.20
GC35 (Coupon 9.50%, BMK R209)	↑	11.13	0.015	11.12	11.14
GC37 (Coupon 9.50%, BMK R2037)	↑	11.63	0.030	11.60	11.63
GC40 (Coupon 9.80%, BMK R214)	↑	12.47	0.030	12.44	12.47
GC43 (Coupon 10.00%, BMK R2044)	↑	12.72	0.025	12.69	12.71
GC45 (Coupon 9.85%, BMK R2044)	↑	13.00	0.025	12.97	12.99
GC48 (Coupon 10.00%, BMK R2048)	↑	13.07	0.020	13.05	13.07
GC50 (Coupon 10.25%, BMK: R2048)	↑	13.01	0.020	12.99	13.01
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)	⇒	6.19	0.000	6.19	6.19
GI33 (Coupon 4.50%, BMK NCPI)	⇒	7.01	0.000	7.01	7.01
GI36 (Coupon 4.80%, BMK NCPI)	⇒	7.61	0.000	7.61	7.61
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,787	0.45%	1,779	1,787
Platinum	↓	1,022	-0.40%	1,027	1,022
Brent Crude	↓	69.5	-1.53%	70.6	69.5
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,532	0.47%	1,524	1,532
JSE All Share	↓	68,825	-0.81%	69,385	68,825
SP500	↑	4,480	0.26%	4,468	4,480
FTSE 100	↓	7,154	-0.90%	7,219	7,154
Hangseng	↓	26,181	-0.80%	26,392	25,901
DAX	↓	15,926	-0.32%	15,977	15,926
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↑	13,788	2.35%	13,471	13,788
Resources	↓	69,063	-1.19%	69,898	69,063
Industrials	↓	87,006	-1.91%	88,700	87,006
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	14.82	0.37%	14.77	14.89
N\$/Pound	↑	20.53	0.27%	20.47	20.59
N\$/Euro	↑	17.46	0.25%	17.41	17.53
US dollar/ Euro	↓	1.178	-0.12%	1.179	1.177
		Namibia		RSA	
Interest Rates & Inflation		Jun 21	May 21	Jun 21	May 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	Jun 21	May 21
Inflation	↓	4.0	4.1	4.9	5.2

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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