



## Market Update

Tuesday, 17 November 2020



## Global Markets

Asian stocks cautiously pushed further into record territory on Tuesday, and oil edged higher after U.S. benchmarks were pepped up by news of another promising coronavirus vaccine.

Investor sentiment was given a boost when Moderna Inc said its experimental COVID-19 vaccine was 94.5% effective in preventing infection based on interim late-state data. The Cambridge, Massachusetts-based firm became the second drugmaker, after Pfizer Inc to announce promising trial data in the development of a vaccine to defeat the pandemic. Its shares gained 9.6% on the day.

MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.11% on Tuesday morning, a day after hitting its highest level since launching in 1987. The MSCI World Index of global shares which also hit a record high on Monday, ticked higher still in Asia's morning trading. "Investors are looking further ahead in the pandemic development into 2021, instead of focusing on the very challenging outbreak that's taking place in the U.S. and Europe now," said Tai Hui, chief Asia market strategist, J.P. Morgan Asset Management, in emailed comments.

Hong Kong benchmark rose 0.1% and Australia's S&P/ASX 200 rose 0.23%, after Monday's trading had been severely curtailed by a software glitch. Japan's Nikkei 225 fell 0.2% after hitting a 29 year high the day before.

All three main Wall Street indexes advanced on Monday, led by cyclical and small cap names, with the Dow Jones Industrials Average setting a record as it neared the 30,000 mark for the first time in nine months. "This is a continuation of what we saw last week as the vaccine being a catalyst for a rotation into cyclical sectors such as energy, financials, and defence with expectations for renewed demand and travel," said Thomas Hayes, managing member at Great Hill Capital in New York.

The same sentiment helped oil prices hold onto Monday's gains. U.S. crude on Tuesday morning was at \$41.36 per barrel little changed after rising 3.02% on Monday and Brent rose 0.3% after an earlier rise of 2.43%.

In currency markets, China's central bank on Tuesday lifted its official yuan midpoint to the highest in nearly 29 months, underpinned by solid gains in spot prices a day earlier on the back of strong economic data. The positive news helped the risk friendly Australian dollar, which rose to a one week high against the dollar, but rising case numbers in the United States meant the dollar was broadly flat against the safe haven yen

U.S. Treasury yields rose on Monday and the yield curve steepened in the wake of the vaccine developments. The yield on Benchmark 10-year notes was last at 0.9012%, from 0.893% late on Friday.

## **Domestic Markets**

South Africa's rand firmed in early trade on Monday, riding a wave of demand for risk assets spurred by hopes for a COVID-19 vaccine and optimism arising from the prospects for a Biden presidency in the United States. At 0645 GMT the rand was quoted at 15.4800 per dollar, 0.2% firmer than Friday's closing level of 15.5100.

Early trade in Asia reflected the recent risk-on sentiment that has lifted the rand an eight-month best last week, with robust economic data from China and Japan keeping investors optimistic about a recovery in global growth.

The focus is expected to switch to South Africa's economic situation later in the week, as retail sales data will be released, the central bank will decide policy interest rates, and Standard & Poors and Moody's will complete credit rating reviews on Friday. "How these events play out could very well determine whether the USD-ZAR is able to sustain breaks below 15.50, or if it will settle in a range of 15.50-16.00 towards the backend of November," said investment economists at ETM Analytics in a note. "Barring any major shocks this week, the former appears the more likely outcome."

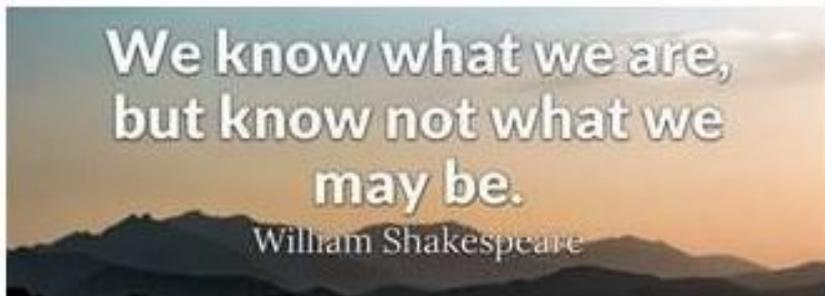
Bonds were also firmer, with the yield on the benchmark 2030 down 3.5 basis points to 8.87%.

In equities, mobile operator Vodacom reported a 15.7% rise in half-year earnings to 532 cents from 460 cents a year earlier. Energy giant Sasol said on Monday it had brought the last of seven units at its Lake Charles Chemicals Project (LCCP) into operation after a fire.

**Source: Thomson Reuters**

## Corona Tracker

GLOBAL CASES		16-Nov-2020		21:03
SOURCE - REUTERS				
	Confirmed Cases	New Cases	Total Deaths	Total Recovered
<b>GLOBAL</b>	54,553,593	95,305	1,319,855	35,275,929



## Market Overview

MARKET INDICATORS		17 November 2020			
<b>Money Market TB's</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
3 months	↓	3.80	-0.005	3.81	3.80
6 months	↓	3.82	-0.057	3.87	3.82
9 months	↓	3.78	-0.078	3.86	3.78
12 months	↓	3.86	-0.096	3.96	3.86
<b>Nominal Bonds</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
GC21 (Coupon 7.75%, BMK: R2023)	↓	4.04	-0.045	4.08	4.01
GC22 (Coupon 8.75%, BMK: R2023)	↓	4.50	-0.040	4.54	4.37
GC23 (Coupon 8.85%, BMK: R2023)	↓	4.33	-0.045	4.37	4.37
GC24 (Coupon 10.50%, BMK: R186)	↓	6.99	-0.026	7.02	7.02
GC25 (Coupon 8.50%, BMK: R186)	↓	6.98	-0.020	7.00	7.00
GC26 (Coupon 8.50%, BMK: R186)	↓	7.15	-0.023	7.17	7.17
GC27 (Coupon 8.00%, BMK: R186)	↓	7.81	-0.012	7.82	7.81
GC30 (Coupon 8.00%, BMK: R2030)	↓	9.42	-0.058	9.48	9.13
GC32 (Coupon 9.00%, BMK: R213)	↓	10.09	-0.045	10.14	9.76
GC35 (Coupon 9.50%, BMK: R209)	↓	11.05	-0.005	11.05	11.03
GC37 (Coupon 9.50%, BMK: R2037)	↓	11.70	-0.005	11.70	11.65
GC40 (Coupon 9.80%, BMK: R214)	↓	12.57	-0.009	12.57	12.64
GC43 (Coupon 10.00%, BMK: R2044)	↓	13.06	-0.024	13.08	13.09
GC45 (Coupon 9.85%, BMK: R2044)	↓	13.28	-0.009	13.29	13.28
GC50 (Coupon 10.25%, BMK: R2048)	↓	13.40	-0.007	13.41	13.47
<b>Inflation-Linked Bonds</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
GI22 (Coupon 3.55%, BMK: NCPI)	↓	4.09	-0.001	4.09	4.13
GI25 (Coupon 3.80%, BMK: NCPI)	↓	4.17	-0.032	4.20	4.13
GI29 (Coupon 4.50%, BMK: NCPI)	↓	4.65	0.000	4.65	4.65
GI33 (Coupon 4.50%, BMK: NCPI)	↓	6.73	0.000	6.73	6.73
GI36 (Coupon 4.80%, BMK: NCPI)	↑	6.94	0.010	6.93	6.94
<b>Commodities</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
Gold	↓	1,889	-0.01%	1,889	1,887
Platinum	↑	929	3.90%	894	926
Brent Crude	↑	43.8	2.43%	42.78	44.20
<b>Main Indices</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
NSX Local Index	↑	554	0.36%	552	554
JSE All Share	↑	57,267	0.15%	57,183	57,267
S&P 500	↑	3,627	1.17%	3,585	3,627
FTSE 100	↑	6,421	1.66%	6,316	6,421
Hangseng	↑	26,404	0.08%	26,382	26,404
DAX	↑	13,139	0.47%	13,077	13,139
<b>JSE Sectors</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
Financials	↓	11,497	-1.74%	11,700	11,537
Resources	↑	51,500	0.95%	51,015	52,381
Industrials	↑	79,933	0.47%	79,559	79,089
<b>Forex</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
N\$/US Dollar	↓	15.34	-1.10%	15.51	15.32
N\$/Pound	↓	20.24	-1.12%	20.47	20.25
N\$/Euro	↓	18.18	-0.93%	18.35	18.17
US Dollar/ Euro	↑	1.185	0.42%	1.18	1.19
<b>Interest Rates &amp; Inflation</b>		<b>Namibia</b>		<b>RSA</b>	
		<b>Oct-20</b>	<b>Sep-20</b>	<b>Oct-20</b>	<b>Sep-20</b>
Central Bank Rate	⇒	3.75	3.75	3.50	3.50
Prime Rate	⇒	7.50	7.50	7.00	7.00
		<b>Oct-20</b>	<b>Sep-20</b>	<b>Sep-20</b>	<b>Aug-20</b>
Inflation	↓	2.3	2.4	3.0	3.1

**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 a Bloomberg calculated Index

**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.

Source: Bloomberg



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