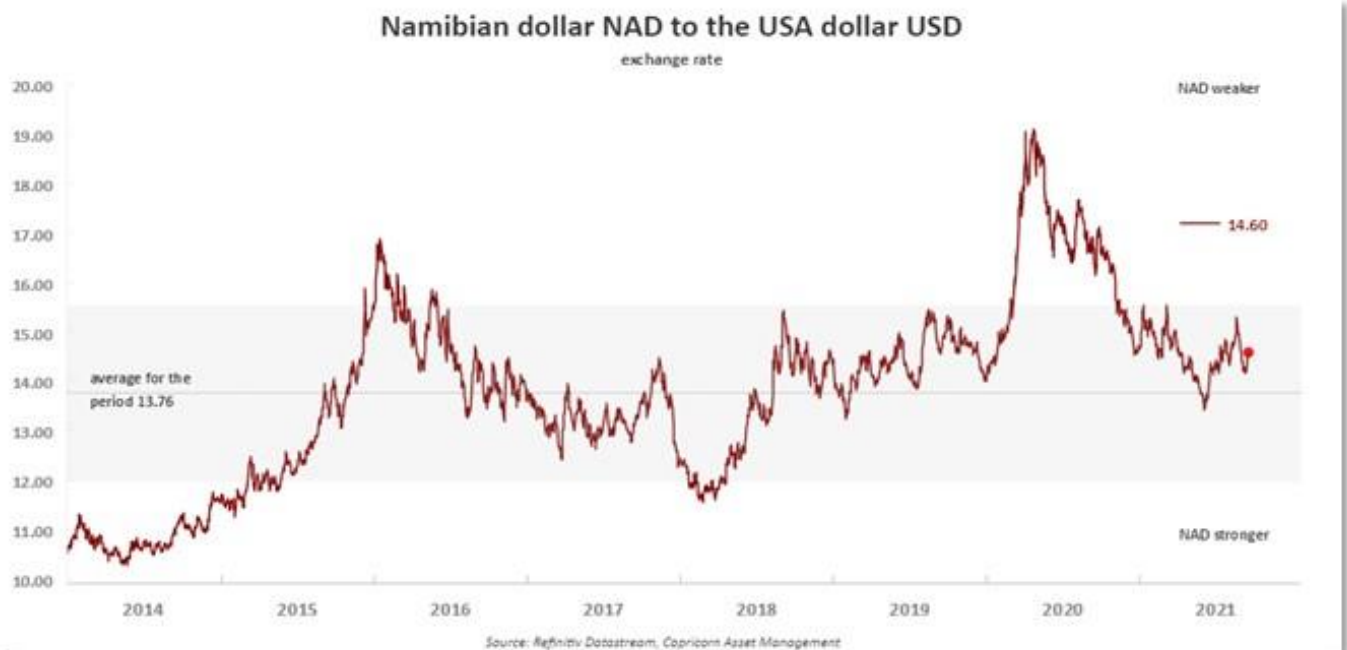




Market Update

Friday, 17 September 2021



Global Markets

Shares steadied in early trading on Friday after losses earlier in the week, but China jitters and global growth concerns weighed on investors' minds, while the dollar sat near a three-week high.

MSCI's broadest index of Asia-Pacific shares outside Japan recovered from early losses to trade flat, but was still down 2.7% on the week. Hong Kong's Hang Seng Index rose 0.5% after posting its lowest close in 10 months the day before, as the saga around China Evergrande Group lurched towards a conclusion, unsettling investors. The embattled property developer's shares dropped a further 5% on Friday.

Australian shares fell 1.03%, as a fall in iron ore prices hurt miners. However, Chinese blue chips eked out a 0.26% rise and Japan's Nikkei edged up 0.42% to head back towards a 31-year high hit on Monday. U.S. stock futures, the S&P 500 e-minis, were down 0.6%.

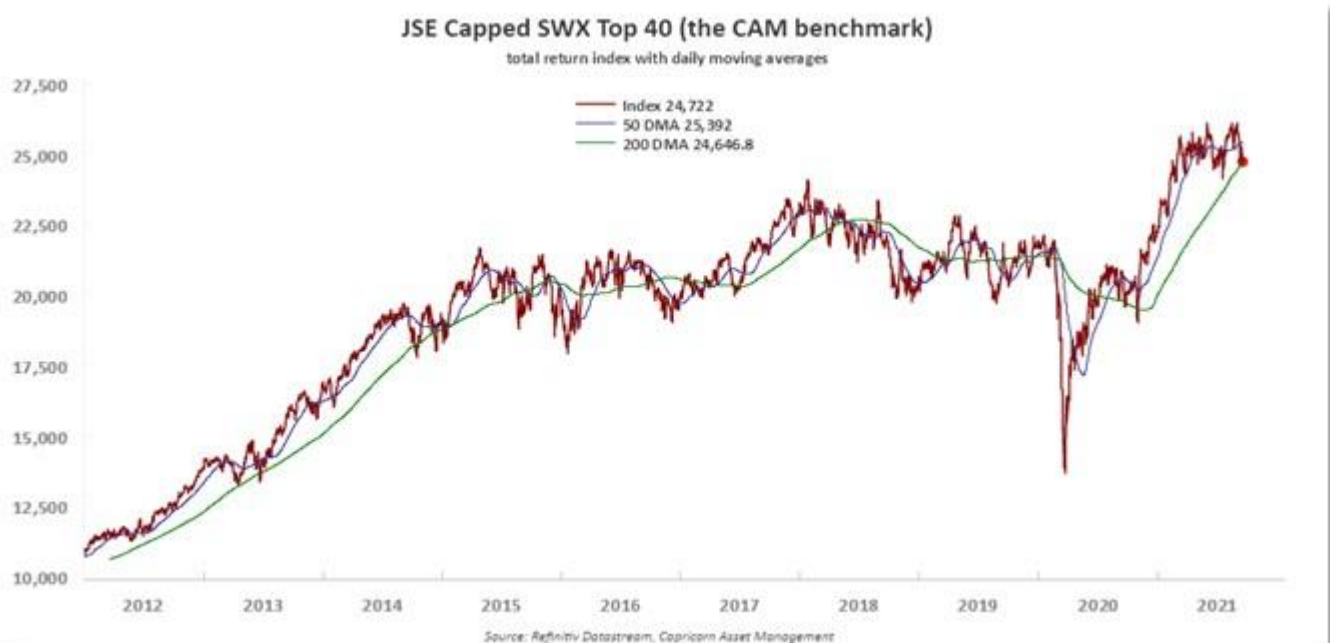
"We're looking at a market that is nervous, though hasn't seen sentiment turn outright bearish," said Kyle Rodda, an analyst at IG markets. "If you look for catalysts that could justify the next move to the upside in equities and risk assets, they are nowhere to be seen because global growth concerns are keeping investors on edge," he said.

Chinese data earlier this week suggested growth in the world's second-largest economy will slow in the second half of this year, while economists polled by Reuters said they expected the U.S. economic rebound to have been dented in Q3, partly on the spread of the Delta coronavirus variant. While respondents pushed back expectations for the Federal Reserve to announce a tapering of asset purchases to November, a likely move this year provided little support for risk assets.

This also meant that strong U.S. retail sales data overnight, a reprieve after a series of underperforming data reads, did little to boost U.S. equities. Any rise in sentiment was outweighed by gains in both U.S. yields and the dollar which pressured market-leading tech stocks and weighed on exporters.

In Asia, the yield on benchmark 10-year Treasury notes was 1.3378% compared with its U.S. close of 1.331%, and the dollar gained 0.04% against a basket of other majors. The Dow Jones Industrial Average fell 0.18%, the S&P 500 lost 0.16%, but the Nasdaq Composite inched up or 0.13%, supported by Amazon.com Inc after the strong retail data read. Gold recovered marginally on Friday with the spot price trading at \$1,755.03 per ounce, up 0.2% after reaching a one month low on Thursday as higher yields hurt the non-interest bearing metal. U.S. crude dipped 0.22% to \$72.45 a barrel. Brent crude fell 0.26% to \$75.53 per barrel, but both are still hovering just below their highest levels since early August.

Source: Thomson Reuters Refinitiv



Domestic Markets

The South African rand fell to more than two-week lows on Thursday as the dollar jumped on a surprise rebound in U.S. retail sales, extending this week's rand losses to more than 2%. At 1550 GMT, the rand traded at 14.5750 against the dollar, around 1.1% weaker than its previous close and trading near its weakest since Aug. 31. The U.S. currency was up over 0.4% against a basket of peers.

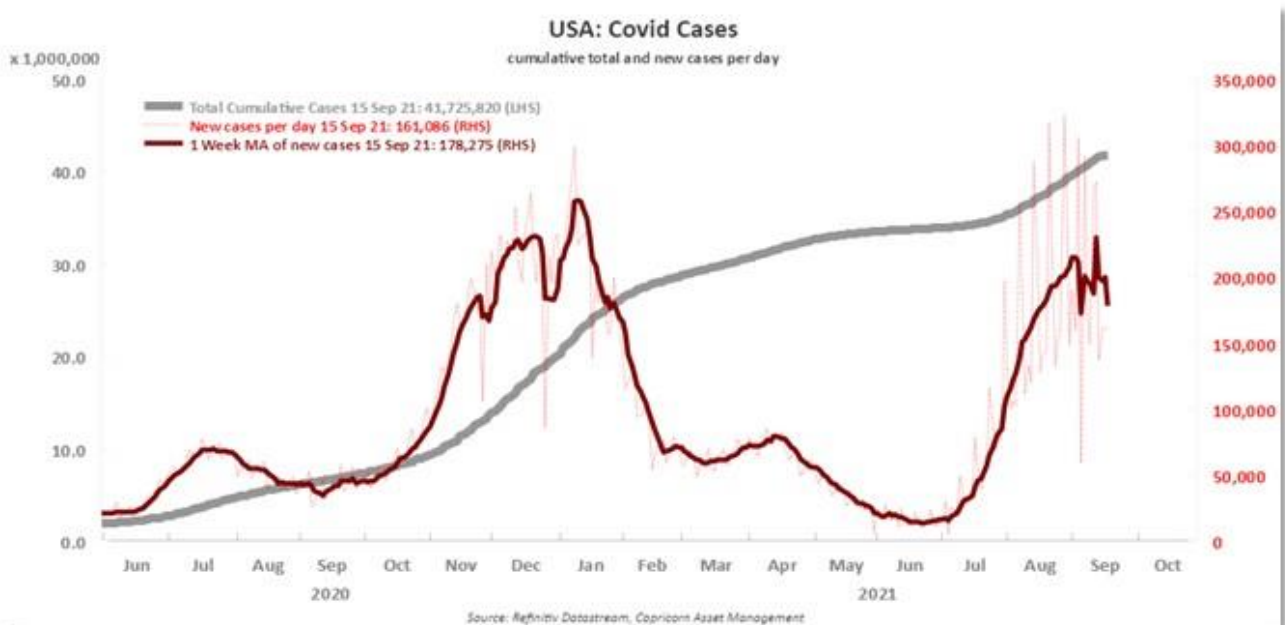
After three weeks of strong gains, the rand has reversed direction since Tuesday, buffeted by disappointing domestic retail data and a recommendation from investment bank JPMorgan to sell the currency.

Market attention will soon turn to next week's interest rate decision by South Africa's central bank, as well as local consumer price index (CPI) data. The bank has left its repo rate on hold at 3.5% for its past six meetings, diverging from some other emerging market central banks which have raised rates in response to inflationary pressures. The Reserve Bank's monetary policy committee will announce its rate decision on Sept. 23, with CPI data out the day before.

Indexes on the Johannesburg Stock Exchange lost heavily on Thursday, pulled down by mining companies which fell on the back of a drop in commodity prices, especially of platinum group metals and gold. The retreat in commodity prices in the last two months have instilled fears that a bull run in the shares of mining companies, which are an important export revenues earner, is coming to an end. This in turn impacts the outlook on the local economy.

"It is a cocktail of negative things that is hurting the market," said Greg Davies, trader at Cratos Capital. Weak Chinese data, lower commodity prices and fall in U.S. shares have all contributed towards Thursday's fall, he said. The benchmark all-share index dropped 1.66% to end the day's trading at 63,314 points. The blue-chip index of top 40 companies fell by 1.94% to 57,098 points. The index is now where it was at the beginning of the year and has lost almost 10% in the last one month.

Corona Tracker



Source: Thomson Reuters Refinitiv

Though we travel the world over to find the beautiful,
we must carry it with us or we find it not.

Ralph Waldo Emerson

Market Overview

MARKET INDICATORS (Thomson Reuters)		17 September 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↓	4.49	-0.037	4.53	4.49
6 months	↓	4.96	-0.026	4.99	4.96
9 months	↓	5.20	-0.043	5.24	5.20
12 months	↓	5.30	-0.022	5.32	5.30
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↑	4.24	0.025	4.22	4.23
GC22 (Coupon 8.75%, BMK R2023)	↓	4.96	-0.020	4.98	4.96
GC23 (Coupon 8.85%, BMK R2023)	↓	5.68	-0.020	5.70	5.68
GC24 (Coupon 10.50%, BMK R186)	↓	7.03	-0.005	7.04	7.03
GC25 (Coupon 8.50%, BMK R186)	↓	7.22	-0.005	7.23	7.22
GC26 (Coupon 8.50%, BMK R186)	↓	8.02	-0.005	8.03	8.02
GC27 (Coupon 8.00%, BMK R186)	↓	8.15	-0.005	8.16	8.15
GC30 (Coupon 8.00%, BMK R2030)	↓	9.80	-0.030	9.83	9.80
GC32 (Coupon 9.00%, BMK R213)	↓	10.35	-0.030	10.38	10.35
GC35 (Coupon 9.50%, BMK R209)	↓	11.46	-0.010	11.47	11.46
GC37 (Coupon 9.50%, BMK R2037)	↓	12.15	-0.010	12.16	12.16
GC40 (Coupon 9.80%, BMK R214)	↓	12.99	-0.010	13.00	12.99
GC43 (Coupon 10.00%, BMK R2044)	↓	13.13	-0.010	13.14	13.13
GC45 (Coupon 9.85%, BMK R2044)	↓	13.10	-0.010	13.11	13.10
GC48 (Coupon 10.00%, BMK R2048)	↓	13.14	-0.010	13.15	13.14
GC50 (Coupon 10.25%, BMK: R2048)	↓	13.22	-0.010	13.23	13.22
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	↓	1,753	-2.19%	1,793	1,763
Platinum	↓	933	-1.48%	947	940
Brent Crude	↑	75.7	0.28%	75.5	75.4
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,446	-3.14%	1,493	1,446
JSE All Share	↓	63,314	-1.66%	64,385	63,314
SP500	↓	4,474	-0.16%	4,481	4,474
FTSE 100	↑	7,027	0.16%	7,016	7,027
Hangseng	↓	24,668	-1.46%	25,033	24,739
DAX	↑	15,652	0.23%	15,616	15,652
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	13,942	-2.38%	14,281	13,942
Resources	↓	58,796	-4.02%	61,262	58,796
Industrials	↓	80,358	-0.08%	80,418	80,358
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	14.59	1.33%	14.40	14.57
N\$/Pound	↑	20.12	0.97%	19.92	20.10
N\$/Euro	↑	17.16	0.89%	17.01	17.15
US dollar/ Euro	↓	1.176	-0.43%	1.182	1.177
		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.



For enquiries concerning the Daily Brief please contact us at

Daily.Brief@capricorn.com.na

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