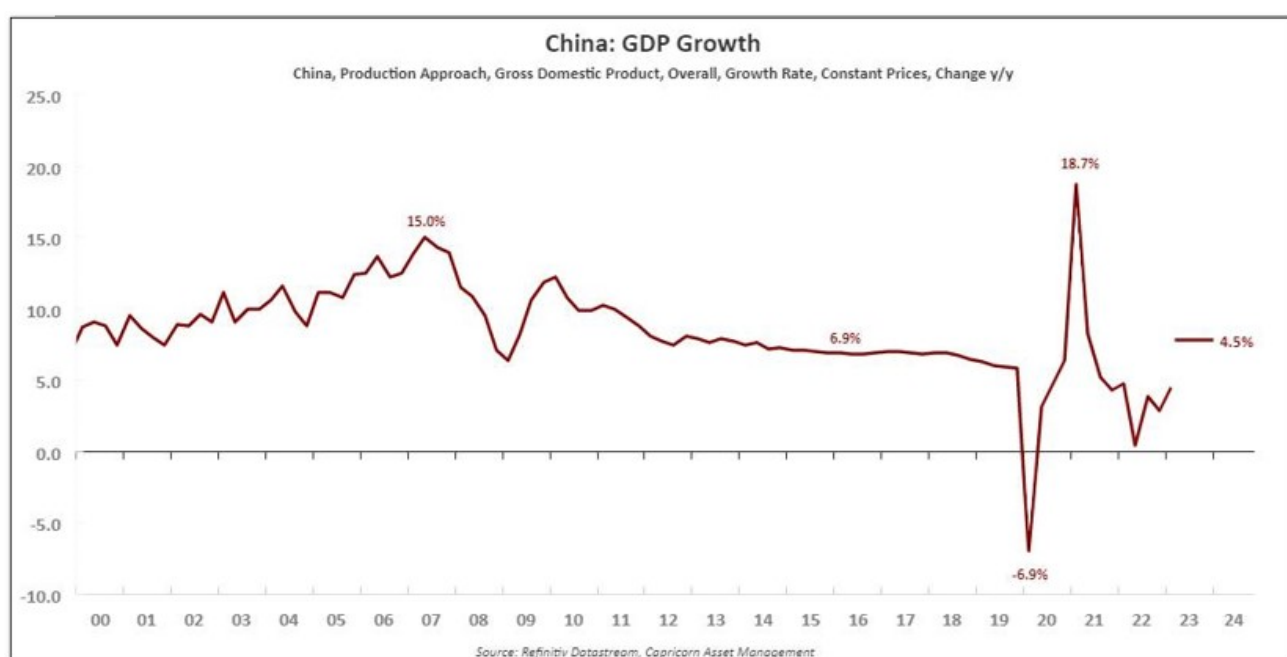




Market Update

Tuesday, 18 April 2023



Global Markets

Asia's shares pared losses on Tuesday as China's economy recorded a stronger-than-expected recovery from punishing pandemic lockdowns last year that led to a major slowdown.

MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.2%, a smaller decline than the 0.4% fall earlier in the session.

China's economy grew 4.5% year on year for the first quarter which eclipsed the expectations of most economists.

The currencies of Australia and New Zealand, whose exports are reliant on Chinese demand, both popped higher after the GDP data.

Hong Kong's Hang Seng Index was down 0.4% in early trade on Tuesday while China's bluechip CSI300 Index gained 0.3%.

"On balance, quite an encouraging report with retail sales, GDP and property sales coming in higher than expected ... reinforces the story that recovery momentum post-pandemic remains intact," said Christopher Wong, a currency strategist at OCBC in Singapore.

Separate data on March activity also released on Tuesday showed retail sales growth beat expectations and hit a near two-year high, while factory output growth also sped up.

For 2023, GDP growth was expected to pick up to 5.4%, a Reuters poll showed, from 3.0% last year, which was one of its worst performances in nearly half a century due to the pandemic.

China's government has set a 5% target for economic growth for this year after missing the 2022 goal.

In Asian trade, the yield on benchmark 10-year Treasury notes rose to 3.5889% compared with its U.S. close of 3.591% on Monday.

The two-year yield, which rises with traders' expectations of higher Fed fund rates, touched 4.1773% compared with a U.S. close of 4.188%.

Australian shares recouped some earlier losses but were still down 0.27%, while Japan's Nikkei stock index rose 0.56%.

Australia's central bank considered hiking rates for an 11th time in April before deciding to pause, but was ready to tighten further if inflation and demand failed to cool, minutes of the Reserve Bank of Australia's April meeting showed.

On Wall Street, the Dow Jones Industrial Average rose 0.3%, the S&P 500 gained 0.33% and the Nasdaq Composite gained 0.28%.

"The possibility of further tightening of Federal Reserve policy resulted in Treasury yields lifting while U.S. equity markets were relatively subdued," ANZ economists wrote on Tuesday.

Two key business surveys for the U.S. published on Monday, including the Empire State Survey, showed business conditions and sentiment remained robust despite the banking sector crisis and tightening monetary policy conditions.

European stocks ended just barely lower to snap a five-session streak of gains, with the pan-European STOXX 600 index down 0.01.

The winning streak was the longest for the index in three months.

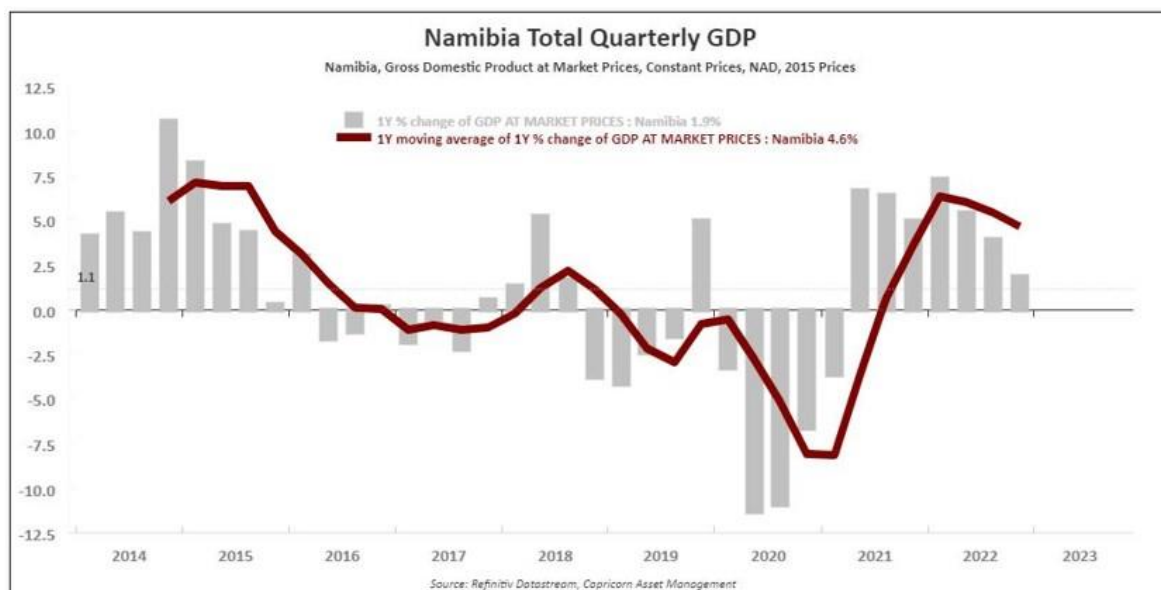
The dollar rose 0.04% against the yen at 134.51, still some distance from its high this year of 137.91 hit in March.

The European single currency was flat on the day at \$1.0929, having gained 0.77% in a month, while the dollar index, which tracks the greenback against a basket of currencies of other major trading partners, was down at 102.06.

U.S. crude ticked up 0.25% to \$81.03 a barrel. Brent crude rose to \$84.95 per barrel.

Gold was slightly high with the spot price at \$1997.09 per ounce. **Source: Thomson Reuters Refinitiv**

Domestic Markets



The South African rand fell on Monday as the dollar gained on global markets, while stocks were down at the day's close.

At 1620 GMT, the rand traded at 18.3100 against the dollar, 1.33% weaker than its closing level on Friday.

The dollar index, which measures the currency against six rivals, was last up 0.541% at 102.210.

Greg Davies, head of wealth at Cratos Capital, told Reuters that the rand remained weaker due to investors' concerns over long power cuts during the South African winter.

The struggling state utility said on Monday it will continue to implement Stage 5 and Stage 6 power cuts due to breakdowns at some of its plants.

On Wednesday, investors will be looking closely at the March consumer price index (CPI) to gauge the success of the South African Reserve Bank's interest rate hikes in taming price pressures.

The worst power cuts on record mean the prospects for growth in Africa's most industrialised economy this year are bleak.

But in an interview with Reuters on Friday, Finance Minister Enoch Godongwana ruled out the chances of a recession this year.

On the Johannesburg Stock Exchange, the blue-chip Top-40 index closed down 0.13%, while the broader all-share index ended the day 0.19% lower.

The government's benchmark 2030 bond was weaker, with the yield up 10.5 basis points at 10.050%.

Source: Thomson Reuters Refinitiv

A penny saved is a penny earned.
Benjamin Franklin

Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)				18 April 2023	
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	⬆️	8.49	0.017	8.47	8.49
6 months	➡️	8.73	0.000	8.73	8.73
9 months	⬆️	9.13	0.017	9.11	9.13
12 months	⬆️	9.23	0.025	9.20	9.23
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC23 (Coupon 8.85%, BMK R2023)	➡️	8.40	0.000	8.40	8.40
GC24 (Coupon 10.50%, BMK R186)	⬆️	9.02	0.140	8.88	9.02
GC25 (Coupon 8.50%, BMK R186)	⬆️	9.17	0.140	9.03	9.17
GC26 (Coupon 8.50%, BMK R186)	⬆️	9.07	0.140	8.93	9.07
GC27 (Coupon 8.00%, BMK R186)	⬆️	9.54	0.140	9.40	9.54
GC28 (Coupon 8.50%, BMK R2030)	⬆️	9.85	0.105	9.75	9.85
GC30 (Coupon 8.00%, BMK R2030)	⬆️	10.55	0.105	10.45	10.55
GC32 (Coupon 9.00%, BMK R213)	⬆️	11.24	0.110	11.13	11.24
GC35 (Coupon 9.50%, BMK R209)	⬆️	12.61	0.105	12.50	12.61
GC37 (Coupon 9.50%, BMK R2037)	⬆️	13.05	0.105	12.95	13.05
GC40 (Coupon 9.80%, BMK R214)	⬆️	13.17	0.110	13.06	13.16
GC43 (Coupon 10.00%, BMK R2044)	⬆️	13.97	0.105	13.87	13.97
GC45 (Coupon 9.85%, BMK R2044)	⬆️	13.87	0.105	13.77	13.87
GC48 (Coupon 10.00%, BMK R2048)	⬆️	14.03	0.105	13.93	14.03
GC50 (Coupon 10.25%, BMK: R2048)	⬆️	14.13	0.105	14.03	14.13
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI25 (Coupon 3.80%, BMK NCPI)	➡️	3.29	0.000	3.29	3.29
GI27 (Coupon 4.00%, BMK NCPI)	⬇️	3.63	-0.070	3.70	3.63
GI29 (Coupon 4.50%, BMK NCPI)	⬇️	5.16	-0.088	5.25	5.16
GI33 (Coupon 4.50%, BMK NCPI)	⬇️	6.19	-0.026	6.22	6.19
GI36 (Coupon 4.80%, BMK NCPI)	⬇️	6.46	-0.104	6.56	6.46
Commodities		Last close	Change	Prev close	Current Spot
Gold	⬇️	1,995	-0.41%	2,003	1,998
Platinum	⬆️	1,048	0.32%	1,045	1,046
Brent Crude	⬇️	84.8	-1.80%	86.3	84.9
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	⬇️	1,617	-0.46%	1,624	1,617
JSE All Share	⬇️	78,724	-0.19%	78,870	78,724
SP500	⬆️	4,151	0.33%	4,138	4,151
FTSE 100	⬆️	7,880	0.10%	7,872	7,880
Hangseng	⬆️	20,782	1.68%	20,439	20,627
DAX	⬇️	15,790	-0.11%	15,808	15,790
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	⬇️	15,716	-1.54%	15,962	15,716
Resources	⬆️	70,796	0.83%	70,213	70,796
Industrials	⬇️	105,832	-0.13%	105,969	105,832
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	⬆️	18.31	1.28%	18.08	18.30
N\$/Pound	⬆️	22.66	0.96%	22.45	22.66
N\$/Euro	⬆️	20.01	0.61%	19.89	20.01
US dollar/ Euro	⬇️	1.093	-0.67%	1.100	1.094
		Namibia		RSA	
Interest Rates & Inflation		Mar 23	Feb 23	Mar 23	Feb 23
Central Bank Rate	➡️	7.00	7.00	7.75	7.25
Prime Rate	➡️	10.75	10.75	11.25	10.75
		Mar 23	Feb 23	Feb 23	Jan 23
Inflation	➡️	7.2	7.2	7.0	6.9

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 listeds

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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