



Market Update

Monday, 18 March 2019

USA Markets

U.S. stocks rose on Friday, led by technology companies, as a report on progress in U.S.-China trade talks lifted sentiment, pushing the S&P 500 to its best week since November. China's state-run Xinhua news agency said Washington and Beijing were making substantive progress on trade talks, providing relief after news that a summit to seal a deal between the two sides would not happen at March-end.

Chipmakers, which tend to derive a large portion of their revenue from China, rose. The Philadelphia SE chip index climbed 2.9 percent while the S&P 500 technology index rose 1.2 percent. Despite the mixed news recently on the trade front, many investors expect a deal will eventually happen, said Paul Nolte, portfolio manager at Kingsview Asset Management in Chicago. In addition, he said, "Investors are warming up to the idea that central banks have taken a huge step backward in terms of tightening."

U.S. data showed manufacturing output fell for a second straight month in February and factory activity in New York state was weaker than expected this month. That followed a batch of weak data this week that lent support to the Federal Reserve's dovish stance on future interest rate hikes, which has helped to lift stocks this year.

Boeing Co closed up 1.5 percent, lifting the Dow, after the world's largest plane maker said a software upgrade for the 737 MAX aircraft will be rolled out in the coming weeks. Even so, Boeing's shares for the week lost 10.3 percent. The company's 737 MAX jets were grounded globally following a fatal crash involving one of its planes in Ethiopia on Sunday.

The Dow Jones Industrial Average rose 138.93 points, or 0.54 percent, to 25,848.87, the S&P 500 gained 14 points, or 0.50 percent, to 2,822.48 and the Nasdaq Composite added 57.62 points, or 0.76 percent, to 7,688.53. The S&P 500 posted its best weekly gain since the end of November and Nasdaq had its best weekly gain so far this year. For the week, the S&P 500 was up 2.9 percent, the Nasdaq was up 3.8 percent, and the Dow was up 1.6 percent.

Source: Thomson Reuters



Domestic Markets

South Africa's firmed on Friday as demand for emerging market currencies lifted on reports that China and the United States had made more progress in their trade talks. At 1505 GMT the rand was 0.86 percent firmer at 14.4150 per dollar.

Chinese Vice Premier Liu He spoke by telephone with U.S. Treasury Secretary Steven Mnuchin and U.S. Trade Representative Robert Lighthizer, with the two sides making further substantive progress on trade talks, Xinhua news agency said on Friday.

Bonds also gained, with the yield on the benchmark paper R186 down 9 basis points to 8.67 percent.

Analysts expect the rand to remain volatile as it reacts to global factors and concerns over the domestic economy. South Africa's struggling state power firm Eskom resumed power cuts on Thursday and said on Friday the blackouts would continue until Sunday. It warned that further cuts were likely next week, underscoring the risks to businesses in Africa's most industrialised economy.

The rand fell on Thursday after data showing that output in two key industrial sectors of mining and manufacturing remained weak.

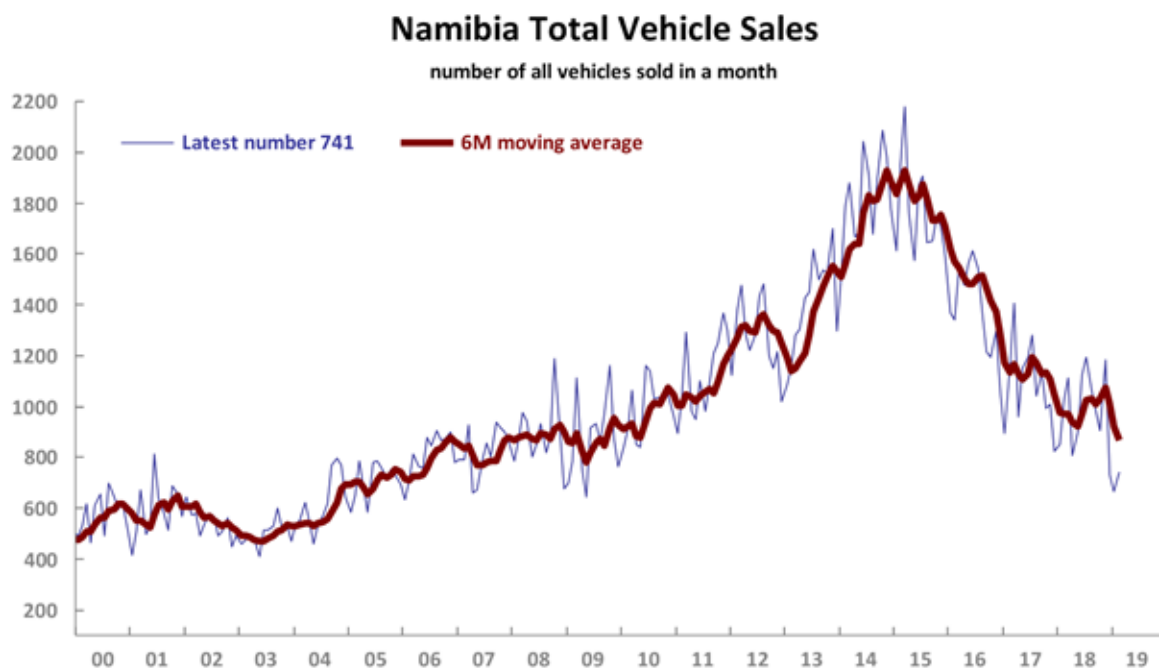
"These are currently not good odds for the rand," Commerzbank analysts said in a note. "Above all, the uncertainty about the (Moody's) rating review on 29 March is likely to lead to increased nervousness on the markets and thus to stronger fluctuations in ZAR exchange rates."

On the bourse, the Top-40 index closed 0.4 percent higher at 49,684 points while the broader all-share rose 0.45 percent to 56,040 points.

Multichoice topped the gainers' list on the Top-40 index, jumping nearly 5 percent after fund manager Allan Gray up stake in the pay-TV company to 5.5 percent.

Source: Thomson Reuters

Chart of the Day



Source: Thomson Reuters Datastream, Capricorn Asset Management

Market Overview

MARKET INDICATORS		14 March 2019			
Money Market TB's		Last close	Difference	Prev close	Current Spot
3 months	↓	7.33	-0.025	7.36	7.33
6 months	↓	7.88	-0.010	7.89	7.88
9 months	↓	8.18	-0.010	8.19	8.18
12 months	↓	8.34	-0.004	8.35	8.34
Bonds		Last close	Difference	Prev close	Current Spot
GC21 (BMK: R208)	↓	8.14	-0.025	8.17	8.17
GC24 (BMK: R186)	↑	9.61	0.020	9.59	9.64
GC27 (BMK: R186)	↑	9.82	0.025	9.80	9.85
GC30 (BMK: R2030)	↑	10.62	0.025	10.59	10.65
GI22 (BMK: NCPI)	⇒	4.79	0.000	4.79	4.79
GI25 (BMK: NCPI)	⇒	5.21	0.000	5.21	5.21
GI29 (BMK: NCPI)	⇒	5.77	0.000	5.77	5.77
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,309	0.56%	1,302	1,304
Platinum	⇒	838	0.00%	838	831
Brent Crude	↑	67.6	1.32%	66.7	67.8
Main Indices		Last close	Change	Prev close	Current Spot
NSX (Delayed)	↓	1,322	-0.88%	1,334	1,322
JSE All Share	↑	55,829	0.23%	55,700	55,829
SP500	↑	2,811	0.69%	2,792	2,811
FTSE 100	↑	7,159	0.11%	7,151	7,159
Hangseng	↓	28,807	-0.39%	28,921	28,769
DAX	↑	11,572	0.42%	11,524	11,572
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	16,339	-1.04%	16,511	16,339
Resources	↑	45,670	1.14%	45,155	45,670
Industrials	↑	67,895	0.28%	67,703	67,895
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	14.42	0.48%	14.35	14.46
N\$/Pound	↑	19.23	2.52%	18.75	19.19
N\$/Euro	↑	16.33	0.83%	16.19	16.36
US dollar/ Euro	↑	1.133	0.35%	1.13	1.132
		Namibia		RSA	
Economic data		Latest	Previous	Latest	Previous
Inflation	↓	4.7	5.1	4.0	4.5
Prime Rate	⇒	10.50	10.50	10.25	10.25
Central Bank Rate	⇒	6.75	6.75	6.75	6.75

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

Source: Bloomberg

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