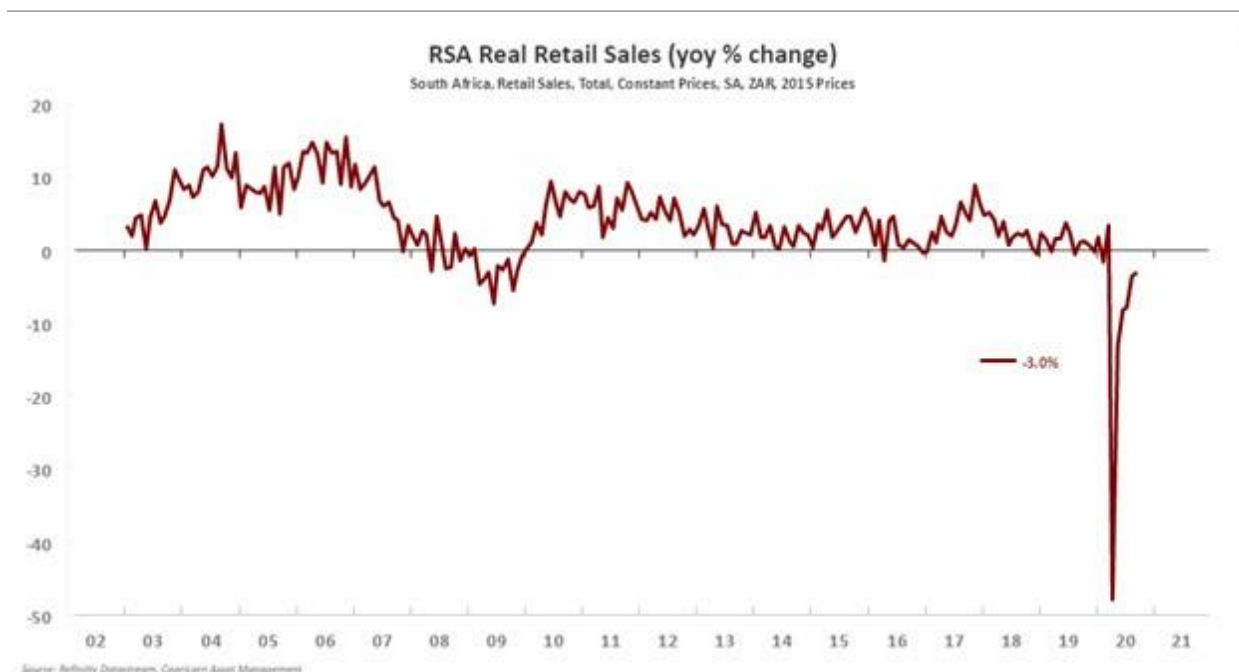




Market Update

Thursday, 19 November 2020



Global Markets

Asian shares drifted off all-time highs on Thursday as widening COVID-19 restrictions in the United States weighed on Wall Street, while bonds were underpinned by speculation the Federal Reserve would have to respond with yet more easing.

Japan also reported record news cases as Tokyo raised its pandemic alert to the highest level, shoving the Nikkei down 0.8% and away from a 29-year closing top. MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.6%, off their historic high. Chinese blue chips added 0.4% as President Xi Jinping vowed to cut tariffs and expand imports of high-quality goods and services. E-Mini futures for the S&P 500 steadied after Wall Street took a late dip on Wednesday. The Dow ended down 1.16%, while the S&P 500 lost 1.16% and the Nasdaq 0.82%.

Pfizer Inc shares had gained after the drugmaker said its COVID-19 vaccine was 95% effective and it would apply for emergency U.S. authorization within days. Pfizer's announcement came on the heels of a similar report from Moderna Inc.

Yet, the U.S. death toll still neared a world record of a quarter million as government officials in dozens of states weighed or implemented shutdown measures. New York closed its schools on Wednesday, while Minnesota ordered bars and restaurants to cease in-door dining. "The vaccines news are a positive medium-term impulse for the global economic outlook and investors are trying to weigh that against the prospect of an imminent stalling of the European and U.S. recovery amid the prospect of extensions of current lockdown measures," said Rodrigo Catril, a senior FX strategist at NAB.

The drag from new U.S. restrictions was only amplified by the total lack of progress on a fiscal stimulus bill, fuelling speculation the Federal Reserve would have to expand its asset-buying campaign at a December policy meeting. Two top Fed officials on Wednesday held out the option of doing more.

The chance of further easing has helped nudge 10-year Treasury yields down to 0.85% and away from an eight-month top of 0.975% touched last week. It has also weighed on the dollar, which slipped for five sessions in a row before steadying a little on Thursday. Against a basket of currencies, it was last at 92.477, still close to recent lows of 92.129. The dollar has likewise been in a slow decline against the Japanese yen to reach 103.72 and was approaching the recent eight-month trough at 103.16.

The euro has had pandemic problems of its own as lockdowns spread across the continent, keeping it capped at \$1.1844 and short of the recent peak of \$1.1919. Sterling dipped to \$1.3230 as Brexit talks dragged on. The Times reported Europe's leaders would demand the European Commission publish no-deal plans as the deadline neared.

Bitcoin, sometimes regarded as a safe haven or at least a hedge against inflation, rose to more than \$18,000 for the first time in nearly three years. It last stood at \$17,808. All the talk of policy easing put a floor under gold prices, leaving the metal steady at \$1,868 an ounce. Oil prices eased as virus restrictions hit fuel demand across Europe and the U.S. U.S. crude fell 35 cents to \$41.47 a barrel, while Brent crude futures lost 23 cents to \$44.11.

Domestic Markets

South Africa's rand eased on Wednesday on weak year-on-year retail sales data for September even as global euphoria around a coronavirus vaccine softened, making riskier currencies less attractive.

At 1600 GMT, the rand was trading 0.29% softer at 15.4250 per dollar, lower than its already weak morning opening as poor retail data pulled it down further.

South Africa's retail sales, which indicates consumer demand for finished goods, dropped by 2.7% in September compared with the same month a year ago, highlighting a weak pick-up in activity despite opening of the lockdown in the country.

"The hard activity data suggest that the recovery struggled to gather momentum in September," Virág Fórizsm, Africa economist for Capital Economics, said in a report.

Traders and investors, however, mostly stayed cautious ahead of the country's monetary policy review coming up on Thursday. Analysts predict key interest rates will likely be unchanged but the South African Reserve Bank's (SARB) commentary on the extent of the impact of the coronavirus and the economic outlook beyond 2020 will be keenly watched.

On the stock market, shares gained brushing aside concerns around the poor retail sales numbers as vaccine hopes continued to lift optimism. After Tuesday's profit-booking, the benchmark all-share

index gained 0.47% to end at 57,324 points and the blue-chip top 40 companies index closed up 0.44% at 52,518 points.

The indices are hovering just shy of their yearly highs seen first in February and then in August with industrial and financial companies reinforcing the positive momentum created by the country's banks.

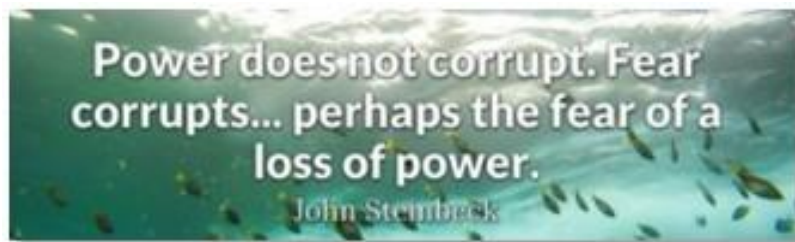
Bonds also stayed firm with the yield on the benchmark 2030 government issue down 1 bp to 8.82%.

Source: Thomson Reuters

Corona Tracker

GLOBAL CASES				
SOURCE - REUTERS				
	Confirmed Cases	New Cases	Total Deaths	Total Recovered
GLOBAL	56,239,663	48,466	1,348,693	36,355,580

The number of new cases might be misleading. It depends on actual "cut-off" times.



Market Overview

MARKET INDICATORS (Thomson Reuters)		19 November 2020			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↑	3.86	0.009	3.85	3.86
6 months	↑	3.95	0.008	3.94	3.95
9 months	↑	3.97	0.009	3.96	3.97
12 months	↔	3.95	0.000	3.95	3.95
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↔	4.00	0.000	4.00	4.00
GC22 (Coupon 8.75%, BMK R2023)	↑	4.84	0.025	4.81	4.84
GC23 (Coupon 8.85%, BMK R2023)	↑	4.74	0.025	4.71	4.74
GC24 (Coupon 10.50%, BMK R186)	↓	7.24	-0.020	7.26	7.25
GC25 (Coupon 8.50%, BMK R186)	↓	7.25	-0.020	7.27	7.26
GC26 (Coupon 8.50%, BMK R186)	↓	7.25	-0.020	7.27	7.26
GC27 (Coupon 8.00%, BMK R186)	↓	7.54	-0.020	7.56	7.55
GC30 (Coupon 8.00%, BMK R2030)	↓	9.12	-0.020	9.14	9.12
GC32 (Coupon 9.00%, BMK R213)	↓	10.28	-0.010	10.29	10.28
GC35 (Coupon 9.50%, BMK R209)	↓	11.33	-0.015	11.34	11.33
GC37 (Coupon 9.50%, BMK R2037)	↓	12.07	-0.075	12.14	12.07
GC40 (Coupon 9.80%, BMK R214)	↓	12.79	-0.015	12.80	12.79
GC43 (Coupon 10.00%, BMK R2044)	↓	13.30	-0.025	13.32	13.30
GC45 (Coupon 9.85%, BMK R2044)	↓	13.58	-0.025	13.60	13.58
GC50 (Coupon 10.25%, BMK: R2048)	↓	13.60	-0.030	13.63	13.60
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI22 (Coupon 3.55%, BMK NCPI)	↔	4.49	0.000	4.49	4.49
GI25 (Coupon 3.80%, BMK NCPI)	↔	4.25	0.000	4.25	4.25
GI29 (Coupon 4.50%, BMK NCPI)	↔	4.38	0.000	4.38	4.41
GI33 (Coupon 4.50%, BMK NCPI)	↔	6.76	0.000	6.76	6.66
GI36 (Coupon 4.80%, BMK NCPI)	↔	7.02	0.000	7.02	7.02
Commodities		Last close	Change	Prev close	Current Spot
Gold	↓	1,871	-0.38%	1,879	1,861
Platinum	↑	942	1.85%	925	935
Brent Crude	↑	44.3	1.35%	43.8	44.2
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,183	0.67%	1,175	1,183
JSE All Share	↑	57,324	0.47%	57,053	57,324
SP500	↓	3,568	-1.16%	3,610	3,568
FTSE 100	↑	6,385	0.31%	6,365	6,385
Hangseng	↑	26,544	0.49%	26,415	26,382
DAX	↑	13,202	0.52%	13,133	13,202
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↑	11,674	0.29%	11,641	11,674
Resources	↑	51,858	0.37%	51,668	51,858
Industrials	↑	79,353	0.61%	78,871	79,353
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	15.44	0.46%	15.37	15.50
N\$/Pound	↑	20.49	0.67%	20.36	20.51
N\$/Euro	↑	18.30	0.38%	18.24	18.37
US dollar/ Euro	↓	1.185	-0.08%	1.186	1.185
Interest Rates & Inflation		Namibia		RSA	
		Oct 20	Sep 20	Oct 20	Sep 20
Central Bank Rate	↔	3.75	3.75	3.50	3.50
Prime Rate	↔	7.50	7.50	7.00	7.00
		Oct 20	Sep 20	Sep 20	Aug 20
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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