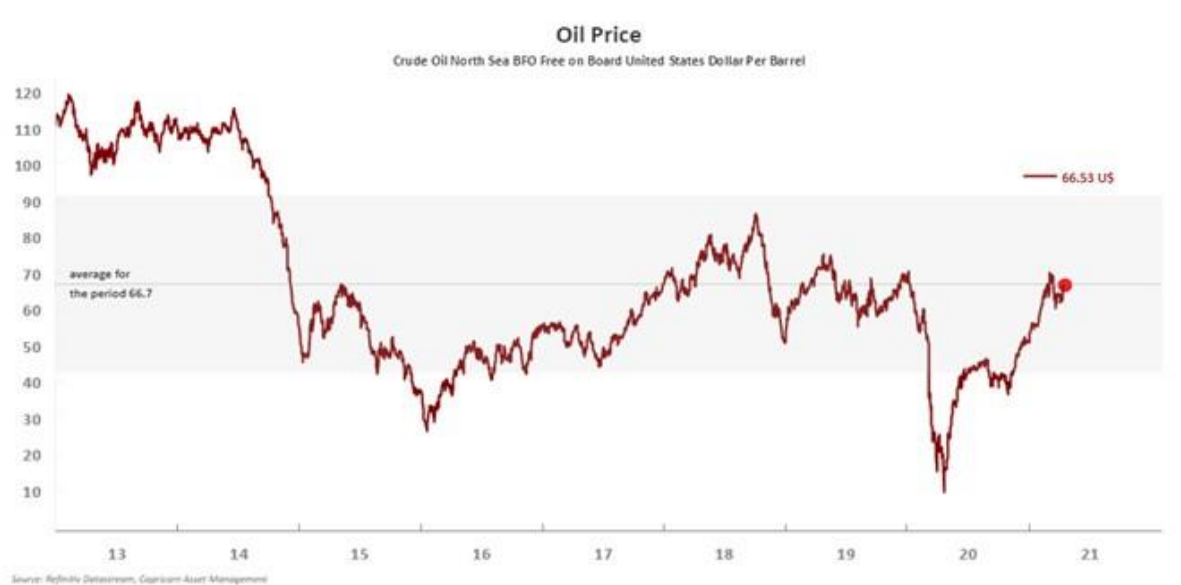




Market Update

Tuesday, 20 April 2021



Global Markets

Shares rose on Tuesday, led by a stronger Chinese opening and shaking off the initial drag from tech-driven Wall Street losses, while the dollar stayed at multiweek lows against other major currencies.

MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.2%, swinging into positive territory after Chinese blue chips rose 0.13%. South Korea gained 0.4%. Elsewhere, Japan's Nikkei dropped 1.84%, as the country continues to grapple with a resurgence in COVID cases. Australia slipped 0.33%. Hong Kong fell 0.11% although Chinese food delivery giant Meituan's shares rose 1.59% after the company said it had raised a huge \$9.98 billion through an equity and convertible bond sale.

Earlier, major Wall Street indexes drew back from record highs hit last week, with a big drag from Tesla Inc. The electric-car maker slid 3.4% after a Tesla vehicle believed to be operating without anyone in the driver's seat crashed into a tree on Saturday north of Houston, killing two occupants.

"This morning in Asia looks like a continuation of what we saw last night, where tech stocks got hit in the U.S.," said Mick McCarthy, Chief Markets Strategist, CMC Markets. McCarthy said that the falls in Japan were striking given the yen strength caused by the falling dollar, which would normally be

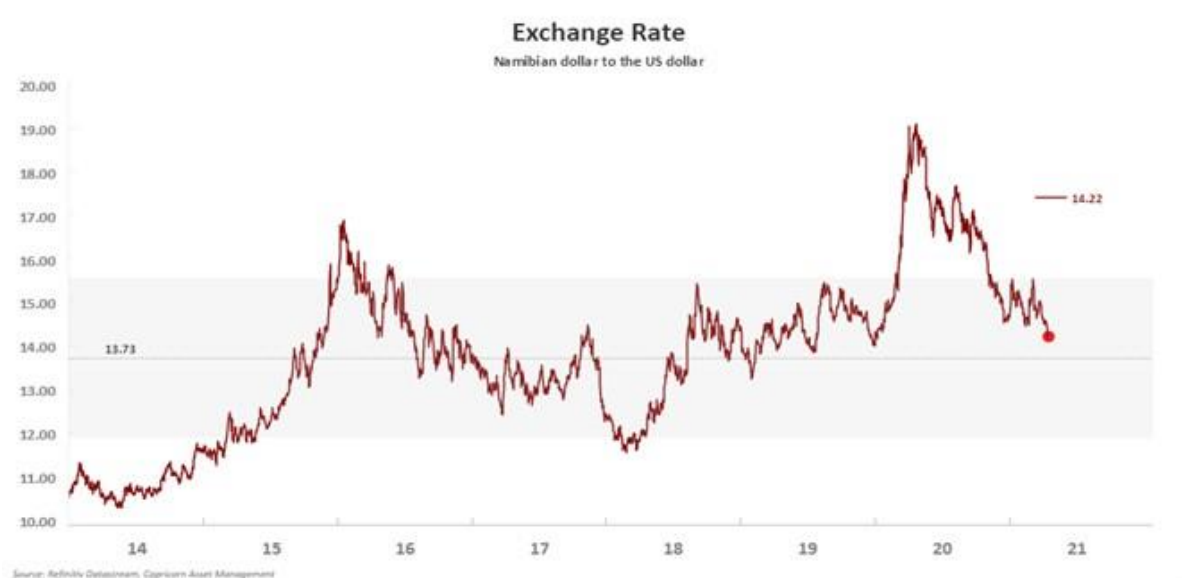
supportive for Japanese stocks, adding he thought this would change one way or the other later in the day.

The tech-heavy Nasdaq was the biggest mover, falling 0.98%, while the Dow Jones Industrial Average declined 0.36%, and the S&P 500 0.53%. However, e-mini futures for the S&P 500 rose 0.13%, suggesting markets could bounce back later in the day.

In currency markets, the dollar continued its recent weakness, falling further from six week lows it hit on Monday. "In our view, USD can remain heavy this week as focus shifts from U.S. economic outperformance to the improving global economic outlook more broadly," wrote analysts at CBA in a research note. In Asian trade, the dollar dropped 0.08% against the yen, while the Australian dollar gained 0.14% and the Euro gained 0.07% on the dollar respectively.

The yield on benchmark 10-year Treasury notes rose to 1.6029% compared with its U.S. close of 1.599%.

Oil prices continued to rise. U.S. crude ticked up 0.19% to \$63.50 a barrel, and Brent crude rose to \$67.2 per barrel.



Domestic Markets

South Africa's rand strengthened on Monday, aided by the U.S. dollar being pinned near a one-month low and greater global risk appetite. At 1500 GMT, the rand traded at 14.2500 versus the dollar, around 0.45% stronger than its previous close.

The dollar was dragged down by Treasury yields hovering near their lowest in five weeks after the U.S. Federal Reserve reiterated its view that any spike in inflation was likely to be temporary.

Meanwhile, greater risk sentiment, fuelled by expectations that monetary policy will remain accommodative the world over, sent Asian shares to a new high.

"As it is becoming clear that loan growth is not picking up in the U.S., the bond market is starting to question the reflation trade," said currency analyst at Nedbank Neels Heyneke. "One of the major reasons the ZAR is outperforming the other EMs is higher real rates. The other major driver is rising commodity prices driving a higher current account."

Spot gold touched its highest in nearly two months earlier, while platinum and palladium were also up on the day.

South Africa recorded large current account and trade surpluses in the last two quarters of 2020 on higher demand for commodities as global trade conditions eased with the falling COVID-19 infections and a subsequent loosening of restrictions on economic activity.

Bonds dipped, as the yield on the benchmark 2030 instrument rose 3 basis point to 9.09%.

Stocks fell by almost a percentage on the opening day of the week as investors globally booked some gains, and were followed suit by traders in the local market. The benchmark FTSE/JSE all-share index closed down 0.88% to 68,094 points. The bluechip FTSE/JSE top 40 companies index ended down 0.91% to 62,326 points.

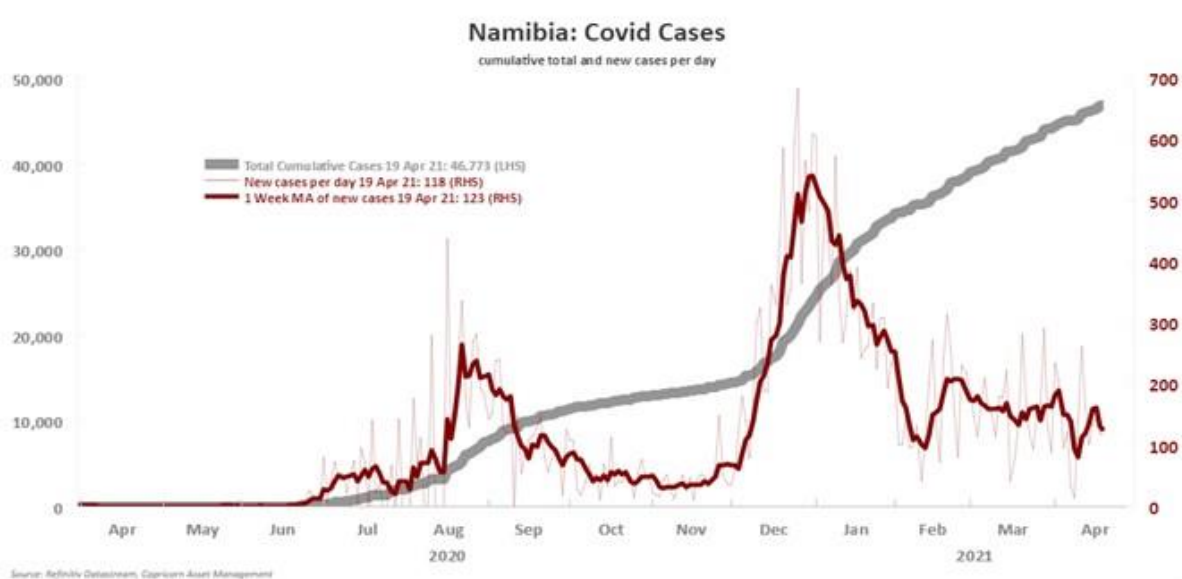
But analysts said it was more of a pause than a sell-off. "What was surprising to me was that the volumes were almost half of regular trading day volumes. It shows investors are just taking a pause," said David Shapiro, an independent market analyst. He said there were no major factors which should induce worry despite a close to 1% drop and most investors are holding their breath as the earnings season unfold in the U.S. this week.

Corona Tracker

GLOBAL CASES		20-Apr-2021		6:37
SOURCE - REUTERS		Confirmed Cases	New Cases	Total Deaths
		Total Recovered		
GLOBAL	141,719,699	525,128	3,164,148	93,567,798

The number of new cases is distorted by cut-off times.

Source: Thomson Reuters



It is time in the West to defend not so much human rights as human obligations.

Aleksandr Solzhenitsyn

Market Overview

MARKET INDICATORS (Thomson Reuters)				20 April 2021	
Money Market TB Rates %					
		Last close	Difference	Prev close	Current Spot
3 months	↔	4.20	0.000	4.20	4.20
6 months	↔	4.41	0.000	4.41	4.41
9 months	↓	4.72	-0.008	4.73	4.72
12 months	↓	4.73	-0.027	4.76	4.73
Nominal Bond Yields %					
		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↑	4.02	0.040	3.98	4.75
GC22 (Coupon 8.75%, BMK R2023)	↑	5.60	0.040	5.56	5.60
GC23 (Coupon 8.85%, BMK R2023)	↑	5.50	0.040	5.46	5.50
GC24 (Coupon 10.50%, BMK R186)	↑	7.51	0.030	7.48	7.50
GC25 (Coupon 8.50%, BMK R186)	↑	7.52	0.030	7.49	7.51
GC26 (Coupon 8.50%, BMK R186)	↑	7.52	0.030	7.49	7.51
GC27 (Coupon 8.00%, BMK R186)	↑	7.81	0.030	7.78	7.80
GC30 (Coupon 8.00%, BMK R2030)	↑	9.39	0.015	9.37	9.39
GC32 (Coupon 9.00%, BMK R213)	↑	10.46	0.015	10.45	10.46
GC35 (Coupon 9.50%, BMK R209)	↑	11.42	0.015	11.40	11.42
GC37 (Coupon 9.50%, BMK R2037)	↑	11.90	0.020	11.88	11.90
GC40 (Coupon 9.80%, BMK R214)	↑	12.65	0.020	12.63	12.66
GC43 (Coupon 10.00%, BMK R2044)	↑	12.97	0.005	12.97	12.98
GC45 (Coupon 9.85%, BMK R2044)	↑	13.25	0.005	13.25	13.26
GC50 (Coupon 10.25%, BMK: R2048)	↑	13.26	0.005	13.26	13.27
Inflation-Linked Bond Yields %					
		Last close	Difference	Prev close	Current Spot
GI22 (Coupon 3.55%, BMK NCPI)	↔	3.89	0.000	3.89	3.89
GI25 (Coupon 3.80%, BMK NCPI)	↔	4.00	0.000	4.00	4.00
GI29 (Coupon 4.50%, BMK NCPI)	↔	5.73	0.000	5.73	5.73
GI33 (Coupon 4.50%, BMK NCPI)	↔	6.85	0.000	6.85	6.85
GI36 (Coupon 4.80%, BMK NCPI)	↔	7.35	0.000	7.35	7.35
Commodities					
		Last close	Change	Prev close	Current Spot
Gold	↓	1,769	-0.39%	1,776	1,770
Platinum	↑	1,206	0.27%	1,203	1,204
Brent Crude	↑	67.1	0.42%	66.8	67.8
Main Indices					
		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,400	-0.19%	1,402	1,400
JSE All Share	↓	68,094	-0.88%	68,699	68,094
SP500	↓	4,163	-0.53%	4,185	4,163
FTSE 100	↓	7,000	-0.28%	7,020	7,000
Hangseng	↑	29,106	0.47%	28,970	29,156
DAX	↓	15,368	-0.59%	15,460	15,368
JSE Sectors					
		Last close	Change	Prev close	Current Spot
Financials	↓	12,417	-0.23%	12,446	12,417
Resources	↓	69,786	-0.80%	70,350	69,786
Industrials	↓	88,303	-1.19%	89,364	88,303
Forex					
		Last close	Change	Prev close	Current Spot
N\$/US dollar	↓	14.21	-0.61%	14.30	14.20
N\$/Pound	↑	19.88	0.53%	19.78	19.87
N\$/Euro	↓	17.11	-0.15%	17.14	17.12
US dollar/ Euro	↑	1.203	0.42%	1.198	1.206
Namibia					
RSA					
Interest Rates & Inflation					
		Apr 21	Mar 21	Apr 21	Mar 21
Central Bank Rate	↔	3.75	3.75	3.50	3.50
Prime Rate	↔	7.50	7.50	7.00	7.00
		Mar 21	Feb 21	Feb 21	Jan 21
Inflation	↑	3.1	2.7	2.9	3.2

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: Thomson Reuters



For enquiries concerning the Daily Brief please contact us at

Daily.Brief@capricorn.com.na

Disclaimer

The information contained in this note is the property of Capricorn Asset Management (CAM). The information contained herein has been obtained from sources which and persons whom the writer believe to be reliable but is not guaranteed for accuracy, completeness or otherwise. Opinions and estimates constitute the writer’s judgement as of the date of this material and are subject to change without notice. This note is provided for informational purposes only and may not be reproduced in any way without the explicit permission of CAM.

A member of  **Capricorn Group**
