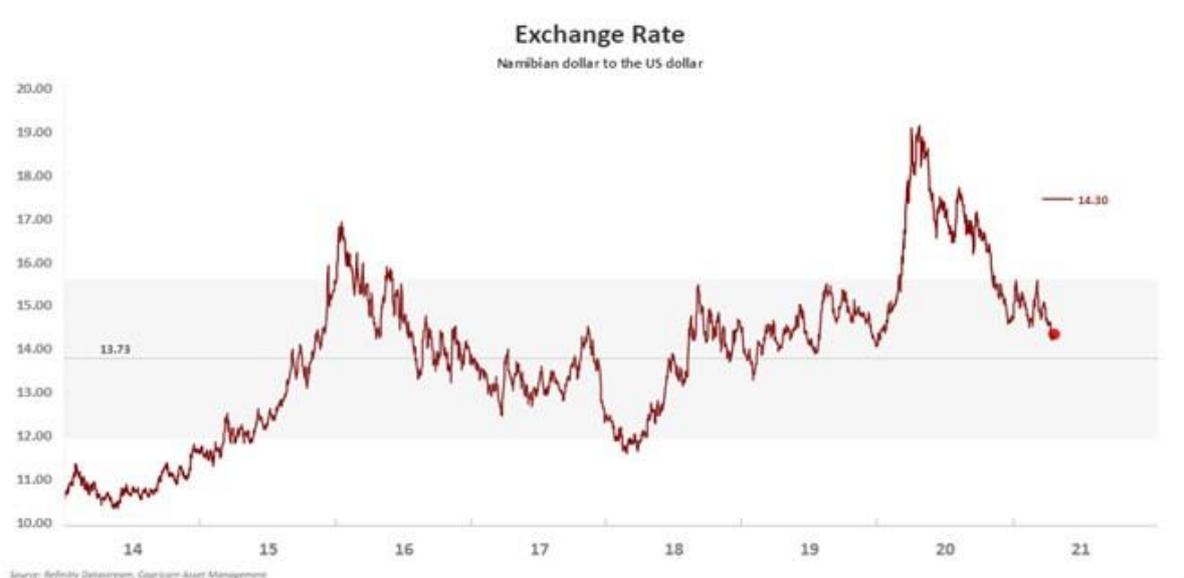




Market Update

Friday, 23 April 2021



Global Markets

A key gauge of Asian shares rose on Friday, supported by gains in China and a decision by the European Central Bank to maintain stimulus, while investors largely shrugged off the impact of a possible U.S. capital gains tax hike.

Modestly firmer equity markets contrasted with ructions in cryptocurrencies as investors fretted over the impact of tax changes. Bitcoin's rout deepened, dropping below the \$50,000 level to a low of \$48,338.37, its lowest level in nearly seven weeks. Ethereum plunged nearly 12% before trimming losses, and was last down about 7% at \$2,240.65.

The ECB's decision to leave policy on hold came despite its prediction of a strong rebound in the euro zone economy from mid-year as COVID-19 infections are brought under control. "There were a couple of subtle acknowledgements today that an upgrade to forecasts is likely coming at the June 10 meeting," said Ray Attrill, head of FX strategy at National Australia Bank. "Lagarde did highlight the pick-up in vaccinations and noted high frequency data are confirming to ECB staff that their previous view of an improvement in the medium-term (is) on course."

In a hit to stock market sentiment overnight, the administration of U.S. President Joe Biden was reported to be seeking an increase in the capital gains tax to near 40% for wealthy individuals,

almost double the current rate. The Dow Jones Industrial Average ended down 0.94%. "The move on the Dow overnight I think needs to be seen in the context that it's had a remarkable run up," said James McGlew, executive director of corporate stockbroking at Argonaut. "I don't think people are completely negative on the fact that those tax changes are being flagged. Ultimately it's money that will feed back into the economy."

In Asia on Friday MSCI's index of Asia-Pacific shares outside Japan shook off early small losses to rise 0.3%. Chinese blue-chip shares rose 0.93%, supported by consumer staples, health care and financial firms. Hong Kong's Hang Seng rose 0.93% and Seoul's Kospi added 0.1%. Japan's Nikkei stock index slid 0.7%.

In the currency market the euro edged up less than 0.1% on the day to \$1.2023 after dipping a day earlier. The dollar was slightly lower against the yen at 107.92 and the dollar index, which tracks the greenback against a basket of currencies of other major trading partners, fell 0.07% to 91.217.

The yield on benchmark 10-year Treasury notes was little changed at 1.554% after the capital gains tax reports pulled yields lower on Thursday. U.S. crude rose 0.5% to \$61.72 a barrel and global benchmark Brent crude added 0.3% to \$65.61 per barrel. Spot gold rose about 0.15% to \$1,786.86 per ounce.



Domestic Markets

South Africa's rand weakened on Thursday, in uncertain trade globally, as investors awaited the next moves in lending rates in the United States and Europe and weighed the impact on economic recovery of delayed vaccine rollouts.

At 1530 GMT the rand was 0.42% weaker at 14.3100 per dollar, back pedalling from an overnight close at 14.2500 in what has so far been a week of limited moves in a narrow range, reflecting the wider uncertainty in global markets.

The rand has by far outperformed its emerging market peers, with gains of around 3% year-to-date against the greenback, owing largely to the high real yield, or carry, on the currency that is a function of low inflation and high risk premium.

Higher commodity prices have also cushioned demand for the currency against rising U.S. Treasury yields and some indications that lending rates there and in the euro zone are on their way up.

"Given the rand's propensity to turn quickly, the question is how long can the current momentum persist? Our fair value estimate for the USD/ZAR is 14.00, based on the rally in commodity prices," said RMB analyst Nema Ramkhelawan-Bhana. "Due to ongoing fiscal risks, we expect USD/ZAR to trade above fair value, around a midpoint of 14.80," added Ramkhelawan-Bhana in a note.

Bonds were also weaker, with the yield on the benchmark 2030 issue up 3 basis points at 9.125%. Shares on the Johannesburg Stock Exchange (JSE) opened lower, recouping some of the losses through the day before backtracking to close in the red.

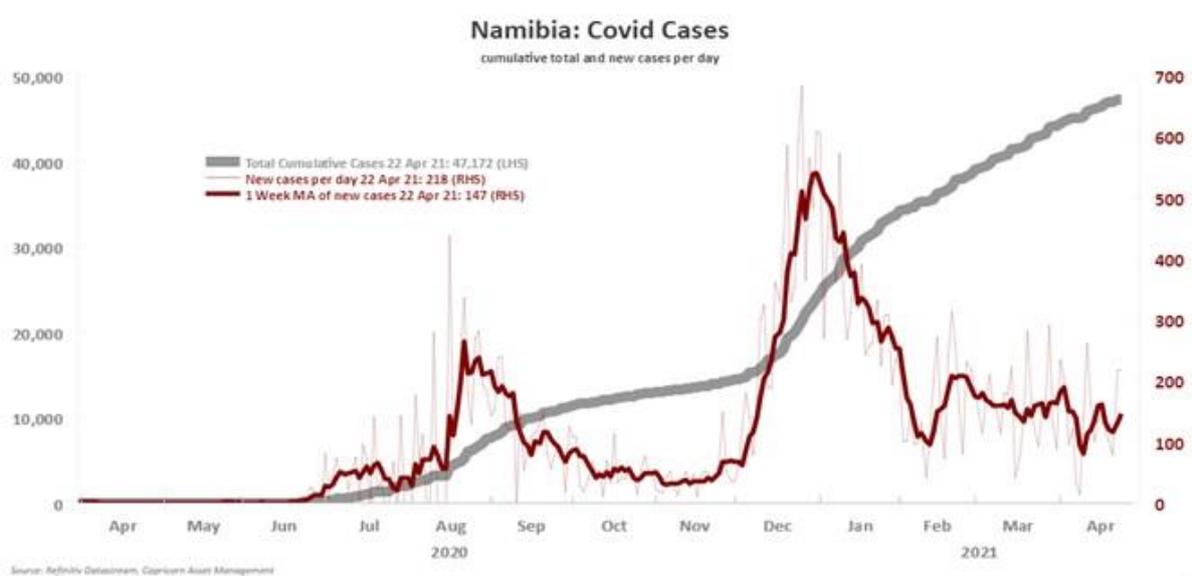
The benchmark FTSE/JSE all-share index closed 0.26% down at 66,972 points. The blue-chip index of top 40 companies ended 0.35% lower at 61,183 points. Sector performance was mixed with banks, financials and mining weaker, while real estate and industrials gained. "There is no clear trend," said Greg Davies, analyst at Cratos Capital. "Difficult to see what can push us a lot higher from here, but there's been some buying of the banks," he said, adding that banks were currently offering the most value.

Corona Tracker

GLOBAL CASES		23-Apr-2021		5:33
SOURCE - REUTERS				
	Confirmed Cases	New Cases	Total Deaths	Total Recovered
GLOBAL	144,237,383	647,005	3,203,915	95,409,925

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

Source: Thomson Reuters



Thinking is the hardest work there is, which is probably the reason why so few engage in it.

Henry Ford

Market Overview

MARKET INDICATORS (Thomson Reuters)				23 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	⬇	4.71	-0.009	4.72	4.71
12 months	⬇	4.74	-0.018	4.76	4.74
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	⬇	4.02	-0.125	4.15	4.02
GC22 (Coupon 8.75%, BMK R2023)	⬇	5.35	-0.125	5.48	5.35
GC23 (Coupon 8.85%, BMK R2023)	⬇	5.25	-0.125	5.38	5.25
GC24 (Coupon 10.50%, BMK R186)	⬆	7.57	0.045	7.52	7.58
GC25 (Coupon 8.50%, BMK R186)	⬆	7.58	0.045	7.53	7.59
GC26 (Coupon 8.50%, BMK R186)	⬆	7.58	0.045	7.53	7.59
GC27 (Coupon 8.00%, BMK R186)	⬆	7.87	0.045	7.82	7.88
GC30 (Coupon 8.00%, BMK R2030)	⬆	9.43	0.030	9.40	9.44
GC32 (Coupon 9.00%, BMK R213)	⬆	10.49	0.035	10.46	10.51
GC35 (Coupon 9.50%, BMK R209)	⬆	11.48	0.040	11.44	11.51
GC37 (Coupon 9.50%, BMK R2037)	⬆	11.96	0.045	11.92	11.99
GC40 (Coupon 9.80%, BMK R214)	⬆	12.75	0.085	12.66	12.75
GC43 (Coupon 10.00%, BMK R2044)	⬆	13.05	0.050	13.00	13.07
GC45 (Coupon 9.85%, BMK R2044)	⬆	13.33	0.050	13.28	13.35
GC50 (Coupon 10.25%, BMK: R2048)	⬆	13.34	0.050	13.29	13.36
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)	⬇	5.69	-0.037	5.73	5.69
GI33 (Coupon 4.50%, BMK NCPI)	⬇	6.80	-0.050	6.85	6.80
GI36 (Coupon 4.80%, BMK NCPI)	⬇	7.35	-0.005	7.35	7.35
Commodities		Last close	Change	Prev close	Current Spot
Gold	⬇	1,784	-0.53%	1,793	1,784
Platinum	⬇	1,203	-0.87%	1,214	1,205
Brent Crude	⬆	65.4	0.12%	65.3	65.8
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	⬇	1,357	-0.14%	1,359	1,357
JSE All Share	⬇	66,972	-0.26%	67,146	66,972
SP500	⬇	4,135	-0.92%	4,173	4,135
FTSE 100	⬆	6,938	0.62%	6,895	6,938
Hangseng	⬆	28,755	0.47%	28,622	28,946
DAX	⬆	15,321	0.82%	15,196	15,321
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	⬇	12,096	-0.24%	12,126	12,096
Resources	⬇	68,622	-0.91%	69,254	68,622
Industrials	⬆	86,814	0.09%	86,735	86,814
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	⬆	14.29	0.37%	14.24	14.29
N\$/Pound	⬇	19.78	-0.29%	19.83	19.80
N\$/Euro	⬆	17.17	0.21%	17.14	17.17
US dollar/ Euro	⬇	1.202	-0.15%	1.203	1.203
		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	Mar 21	Feb 21
Inflation	⬆	3.1	2.7	3.2	2.9

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 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



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