



Market Update

Tuesday, 23 November 2021



Global Markets

Asia stocks were mostly lower on Tuesday, tracking a retreat on Wall Street after President Joe Biden picked Federal Reserve Chair Jerome Powell to lead the central bank for a second term, reinforcing expectations the U.S. will taper its stimulus soon.

MSCI's gauge of Asia Pacific stocks outside Japan fell 0.49%, while Hong Kong's Hang Seng Index and China's benchmark CSI300 Index opened 1.1% and 0.2% lower, respectively. Australia's S&P/ASX 200 outperformed with a 0.55% gain, boosted by miners and energy stocks. Japanese markets were closed for a public holiday.

Riskier assets have been shaken up again over recent sessions amid surging COVID-19 cases in Europe and renewed curbs, dousing investor hopes of a quicker recovery in consumption and growth worldwide. Germany's outgoing Chancellor Merkel said the latest surge is the worst experienced by the country so far, while Austria went into a fresh lockdown on Monday.

Overnight on Wall Street, the S&P 500 and Nasdaq Composite retreated from all-time highs after President Biden tapped Powell to continue as Fed chair, and Lael Brainard, the other top candidate for the job, as vice chair. "The USD looks poised to hold onto its gains post-Powell re-nomination as it leaves room for markets to flirt with the idea of a faster taper," said analysts at TD Securities in a note.

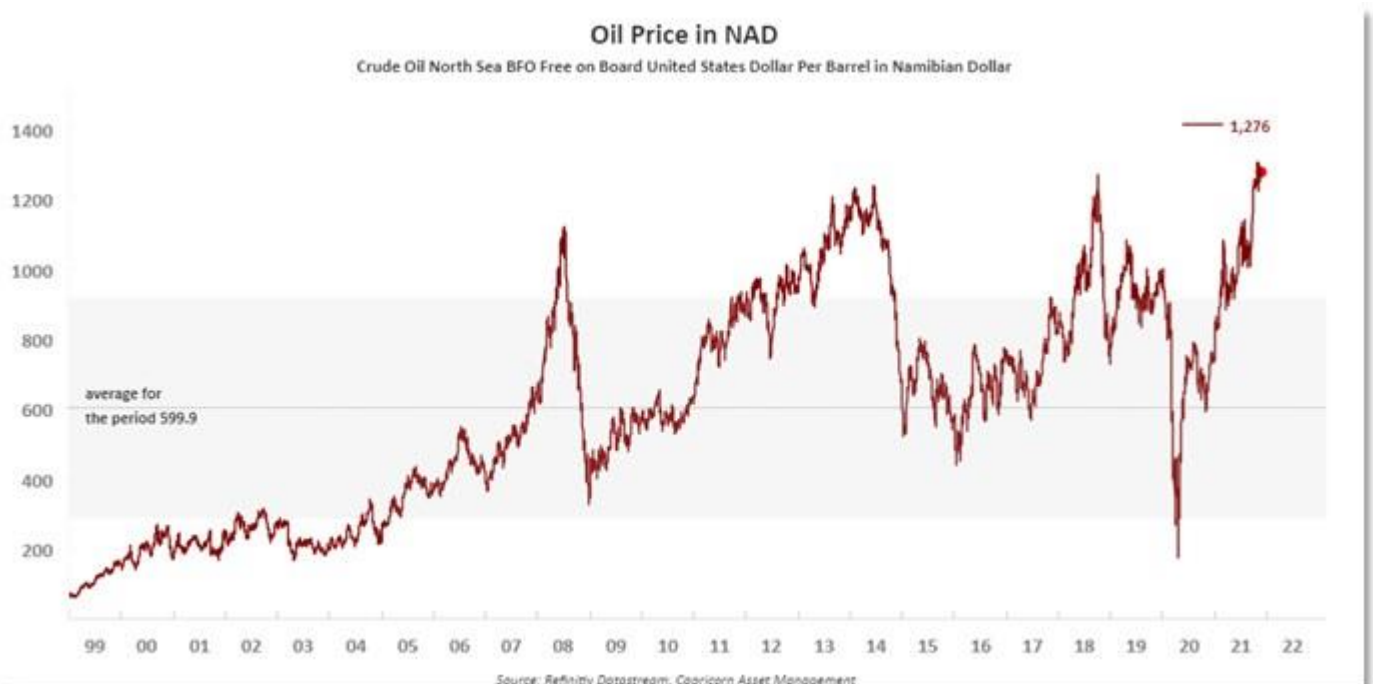
ANZ bank analysts concurred, saying in a note to clients that the Powell news stoked "expectations that tapering will accelerate and rates will begin to lift from June 2022." The U.S. rates chatter kept the dollar index well supported near a 16-month peak. The greenback was also near a 4-1/2-year top versus the yen in early deals on Tuesday.

Powell's current term, which has seen an emphasis on creating jobs from the prominent focus on inflation, has proven positive for risk assets, with the S&P gaining 69.7% since his appointment. U.S. Treasury yields were led higher by two-year notes, which typically moves in step with interest rate expectations. It hit its highest level since early March 2020.

In commodities, spot gold rose 0.19% to \$1,808.4 per ounce at 0226GMT, paring Monday's losses. Gold prices were under pressure as Powell's nomination drove expectations that the central bank will stay the course on tapering economic support.

Oil prices were in the red again after a short rebound the previous day from recent losses on reports that OPEC+ could adjust plans to raise oil production if large consuming countries release crude from their reserves or if the coronavirus pandemic dampens demand. Brent crude was down 0.21% at \$79.53 a barrel and U.S. crude dropped 0.5% to \$76.38 per barrel by 0226GMT. The U.S. Department of Energy is expected to announce a loan of oil from the Strategic Petroleum Reserve on Tuesday in coordination with other countries, Reuters reported earlier.

Source: Thomson Reuters Refinitiv



Domestic Markets

South Africa's rand dipped on Monday, as the U.S. dollar rose on Federal Reserve Chair Jerome Powell's nomination for another term. At 1603 GMT, the rand traded at 15.7575 against the dollar, roughly 0.1% weaker than its previous close.

In the absence of local drivers, the rand takes its cue from global factors, with the outlook for U.S. monetary policy a major theme. Some analysts said Powell staying on as Fed chair would mean greater scope for U.S. interest rate hikes.

The South African Reserve Bank (SARB) raised its main lending rate last week for the first time in three years, but that has done little to buttress the rand, with some traders instead focusing on the fact the SARB appears to favour a gradual tightening path.

Domestic data releases this week include a leading business cycle indicator on Tuesday and the producer price index on Thursday.

Johannesburg-listed stocks posted modest gains on Monday, with the All-share index closing up 0.7% at 70,866 points. The Financial 15 index ended on a high note despite a weaker rand. Investec crowned the financials, with both Ltd and PLC shares adding 4.2%.

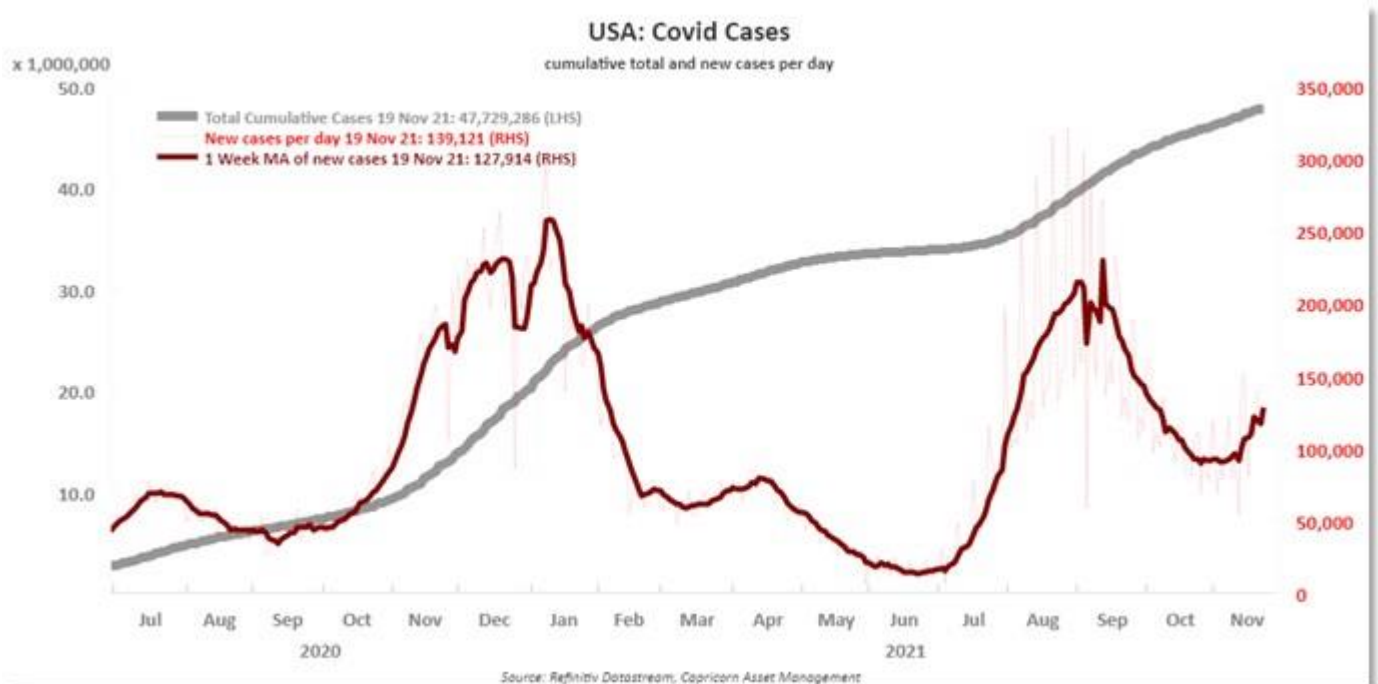
Aspen Pharmacare ended as the top dog among the blue chips, however, gaining 5.7%. Kenyan President Uhuru Kenyatta will be visiting Aspen's Gqeberha facility on Wednesday as part of his three-day visit to SA. The SA Presidency said in a statement on Saturday that the SA President Cyril Ramaphosa and Kenya's Kenyatta will discuss the latest developments around the global response to the Covid-19 pandemic, including vaccine manufacturing and distribution and the possibility of cooperation between the two countries.

Tech investor Naspers and its international investment arm Prosus were among the biggest losers in the large caps, finishing 2.3% and 1.5% lower, respectively. For the six months to the end of September, Cape Town-based Naspers reported pretax profit of USD15.80 billion, multiplying from USD2.84 billion a year earlier. Revenue from contracts with customers increased 43% to USD3.58 billion from USD2.50 billion. Worries at investee Tencent hit the stocks on Monday as China brought down its regulatory hammer on some of its largest tech firms. Alibaba, Tencent, Baidu and other companies were all hit with fines over the weekend for violating antitrust laws, the State Administration of Market Regulation said in a statement.

The government's benchmark 2030 bond weakened, with the yield rising 11.5 basis points to 9.595%.

Corona Tracker

GLOBAL CASES		23-Nov-2021		6:20
SOURCE - REUTERS				
	Confirmed Cases	New Cases	Total Deaths	
GLOBAL	257,593,644	346,035	5,411,779	



Source: Thomson Reuters Refinitiv

If it was all about me, I'd do a whole lot of pop records,
 make a whole lot of money, just rake in the dough. But
 it's never been all about me. It's all about being a voice
 for the voiceless. People who can't speak for
 themselves, who don't have a mic, don't have a say.

Ice Cube

Market Overview

MARKET INDICATORS (Thomson Reuters)		23 November 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↓	4.36	-0.018	4.38	4.36
6 months	↓	5.03	-0.005	5.04	5.03
9 months	↓	5.41	-0.003	5.41	5.41
12 months	↓	5.53	-0.001	5.53	5.53
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC22 (Coupon 8.75%, BMK R2023)	↑	4.60	0.050	4.55	4.60
GC23 (Coupon 8.85%, BMK R2023)	↑	6.48	0.050	6.43	6.48
GC24 (Coupon 10.50%, BMK R186)	↑	7.61	0.060	7.55	7.61
GC25 (Coupon 8.50%, BMK R186)	↑	7.84	0.060	7.78	7.84
GC26 (Coupon 8.50%, BMK R186)	↑	8.81	0.060	8.75	8.81
GC27 (Coupon 8.00%, BMK R186)	↑	9.05	0.060	8.99	9.05
GC30 (Coupon 8.00%, BMK R2030)	↑	10.49	0.115	10.38	10.49
GC32 (Coupon 9.00%, BMK R213)	↑	11.24	0.110	11.13	11.25
GC35 (Coupon 9.50%, BMK R209)	↑	11.80	0.125	11.68	11.80
GC37 (Coupon 9.50%, BMK R2037)	↑	12.45	0.125	12.33	12.45
GC40 (Coupon 9.80%, BMK R214)	↑	13.22	0.115	13.11	13.19
GC43 (Coupon 10.00%, BMK R2044)	↑	13.45	0.120	13.33	13.45
GC45 (Coupon 9.85%, BMK R2044)	↑	13.42	0.120	13.30	13.42
GC48 (Coupon 10.00%, BMK R2048)	↑	13.45	0.120	13.33	13.45
GC50 (Coupon 10.25%, BMK: R2048)	↑	13.68	0.120	13.56	13.68
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI22 (Coupon 3.55%, BMK NCPI)	⇒	3.95	0.000	3.95	3.95
GI25 (Coupon 3.80%, BMK NCPI)	⇒	3.94	0.000	3.94	3.94
GI27 (Coupon 4.00%, BMK NCPI)	⇒	4.99	0.000	4.99	4.99
GI29 (Coupon 4.50%, BMK NCPI)	⇒	6.20	0.000	6.20	6.20
GI33 (Coupon 4.50%, BMK NCPI)	⇒	7.96	0.000	7.96	7.96
GI36 (Coupon 4.80%, BMK NCPI)	⇒	8.18	0.000	8.18	8.18
Commodities		Last close	Change	Prev close	Current Spot
Gold	↓	1,805	-2.14%	1,845	1,808
Platinum	↓	1,012	-1.91%	1,031	1,019
Brent Crude	↑	79.7	1.03%	78.9	79.3
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,504	1.28%	1,485	1,504
JSE All Share	↑	70,866	0.70%	70,376	70,866
SP500	↓	4,683	-0.32%	4,698	4,683
FTSE 100	↑	7,255	0.44%	7,224	7,255
Hangseng	↓	24,951	-0.39%	25,050	24,698
DAX	↓	16,116	-0.27%	16,160	16,116
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↑	14,092	1.00%	13,953	14,092
Resources	↑	65,586	1.22%	64,797	65,586
Industrials	↑	94,905	0.36%	94,561	94,905
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	15.73	0.18%	15.70	15.85
N\$/Pound	↓	21.07	-0.24%	21.12	21.23
N\$/Euro	↓	17.67	-0.30%	17.73	17.81
US dollar/ Euro	↓	1.123	-0.48%	1.129	1.124
		Namibia		RSA	
Interest Rates & Inflation		Nov 21	Oct 21	Nov 21	Oct 21
Central Bank Rate	⇒	3.75	3.75	3.75	3.50
Prime Rate	⇒	7.50	7.50	7.25	7.00
		Oct 21	Sep 21	Oct 21	Sep 21
Inflation	↑	3.6	3.5	5.0	5.0

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 listed

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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