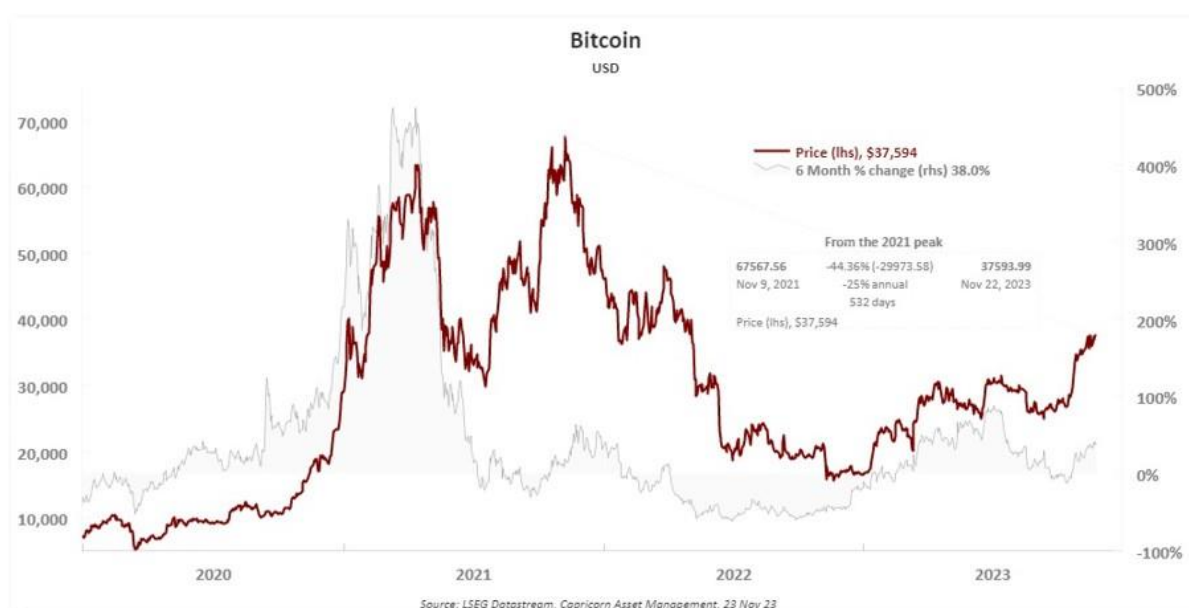




## Market Update

Thursday, 23 November 2023



## Global Markets

Asian shares were flat on Thursday with markets holding onto their gains for the week as confidence grows that interest rates globally will head lower next year, while oil prices fell on the prospects for smaller-than-expected output cuts by OPEC+. Investors are also looking to Chinese policymakers for clues on possible support for the long-suffering property market, in line with broader growth targets they are hammering out.

MSCI's broadest index of Asia-Pacific shares outside Japan edged down 0.11% in thin trading, with Japan and the United States on holiday. The U.S. market, which has priced out the chances of another rate hike in December, shrugged off strong weekly jobs data Wednesday night that may nevertheless reduce the prospects for quicker-than-expected rate cuts by the Federal Reserve, said Redmond Wong, Greater China market strategist at Saxo Markets.

Japanese markets are closed for a national holiday on Thursday, after the Nikkei 225 edged up 0.3% the day before and approached a three-decade high. Trading worldwide was expected to be quiet due to the Thanksgiving holiday in the U.S. China's benchmark share index fell 0.3% on Thursday, with the real estate sub-index down 0.8%. A large wealth manager with heavy exposure to the property market disclosed that it faces insolvency with relevant liabilities of up to \$64 billion.

Chinese government advisers will recommend to an annual policymakers' meeting that economic growth targets for next year be set at 4.5% to 5.5%, Reuters reported on Wednesday.

Hong Kong's Hang Seng index, lost 0.7% while Australia stocks fell 0.4%. Markets have generally been buoyant this month, with stocks rallying on expectations of a more benign interest rate backdrop. Wall Street's benchmark S&P 500 is nearing a fresh high for 2023, with the S&P 500 and MSCI's all-country index both up more than 8% this month alone. The tech-heavy Nasdaq Composite is up 11% for the month.

The next set of forward-looking flash November PMIs will help investors to assess recession risks and how quickly rate cuts might begin. The PMIs for the euro zone and Britain are already below the 50 threshold, suggesting that economic activity is contracting, while the U.S. October manufacturing PMI contracted sharply.

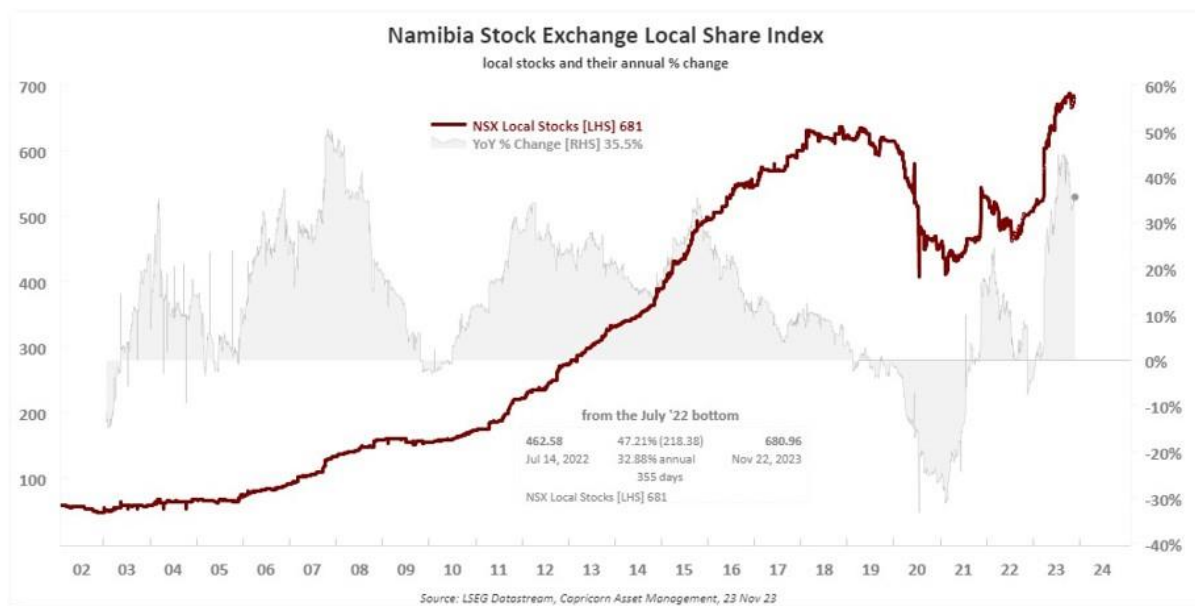
The yield on benchmark 10-year notes was at 4.408% on Thursday, after sliding to a two-month low of 4.363%. The dollar index rose overnight, bouncing from a 2-1/2 month low after data showed the number of Americans filing new claims for unemployment benefits fell more than expected last week.

U.S. crude fell 1.25% to \$76.14 per barrel and Brent was at \$80.84, down 1.37%, extending losses from the previous session after OPEC+ postponed a ministerial meeting, which stoked expectations that producers might cut output less than had been anticipated.

Sterling weakened on Wednesday and Britain's FTSE 100 fell for a third straight session after UK Finance Minister Jeremy Hunt unveiled tax cuts and other measures in his autumn budget to boost growth, but forecast a far more sluggish economic outlook than previously expected.

In cryptocurrencies, Binance chief Changpeng Zhao has stepped down and pleaded guilty to violations of U.S. anti-money laundering laws as part of a \$4 billion settlement resolving a years-long investigation into the world's largest crypto exchange. Bitcoin rose nearly 5% on Wednesday and was last at \$37,450. Spot gold added 0.2% to \$1,993.04 an ounce.

**Source: Thomson Reuters Refinitiv**



## Domestic Markets

South Africa's rand weakened against the U.S. dollar on Wednesday after local data showed higher-than-forecast inflation in October. At 1636 GMT, the rand traded at 18.8375 against the dollar, around 1% weaker than its previous close. The dollar was last up around 0.5% against a basket of major currencies.

Headline consumer inflation rose to 5.9% year-on-year in October from 5.4% in September, data from Statistics South Africa showed. Analysts polled by Reuters had forecast consumer price inflation at 5.5%. However, the South African Reserve Bank is still expected to leave rates unchanged on Thursday, analysts said.

"Given that the rise was driven by non-core components, the tightening cycle is unlikely to be restarted," Jason Tuvey, senior emerging markets economist at Capital Economics, said in a note. "But there's a growing risk that policymakers decide to delay the start of monetary easing until much later in 2024," Tuvey added.

On the stock market, the Top-40 and the broader all-share indexes closed around 0.7% higher. South Africa's benchmark 2030 government bond was weaker in late deals, with the yield up 23.5 basis points to 10.140%.

**Source: Thomson Reuters Refinitiv**

I like to think I'm the canary down the mine for people.

**Daisy May Cooper**

## Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)				23 November 2023	
<b>Money Market TB Rates %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
3 months	⇒	8.47	0.000	8.47	8.47
6 months	⇒	8.57	0.000	8.57	8.57
9 months	⇒	8.56	0.000	8.56	8.56
12 months	⇒	8.47	0.000	8.47	8.47
<b>Nominal Bond Yields %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
GC24 (Coupon 10.50%, BMK R186)	⬆️	8.19	0.250	7.94	8.19
GC25 (Coupon 8.50%, BMK R186)	⬆️	9.00	0.250	8.75	9.00
GC26 (Coupon 8.50%, BMK R186)	⬆️	8.31	0.250	8.06	8.31
GC27 (Coupon 8.00%, BMK R186)	⬆️	8.83	0.250	8.58	8.83
GC28 (Coupon 8.50%, BMK R2030)	⬆️	9.16	0.235	8.93	9.16
GC30 (Coupon 8.00%, BMK R2030)	⬆️	9.70	0.235	9.47	9.70
GC32 (Coupon 9.00%, BMK R213)	⬆️	10.32	0.230	10.09	10.32
GC35 (Coupon 9.50%, BMK R209)	⬆️	10.91	0.220	10.69	10.91
GC37 (Coupon 9.50%, BMK R2037)	⬆️	11.74	0.225	11.51	11.74
GC40 (Coupon 9.80%, BMK R214)	⬆️	11.65	0.215	11.43	11.65
GC43 (Coupon 10.00%, BMK R2044)	⬆️	11.67	0.215	11.45	11.67
GC45 (Coupon 9.85%, BMK R2044)	⬆️	12.19	0.215	11.97	12.19
GC48 (Coupon 10.00%, BMK R2048)	⬆️	12.18	0.210	11.97	12.18
GC50 (Coupon 10.25%, BMK: R2048)	⬆️	12.03	0.210	11.82	12.03
<b>Inflation-Linked Bond Yields %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
GI25 (Coupon 3.80%, BMK NCPI)	⇒	3.20	0.000	3.20	3.20
GI27 (Coupon 4.00%, BMK NCPI)	⇒	4.74	0.000	4.74	4.74
GI29 (Coupon 4.50%, BMK NCPI)	⇒	5.18	0.000	5.18	5.18
GI33 (Coupon 4.50%, BMK NCPI)	⇒	5.81	0.000	5.81	5.81
GI36 (Coupon 4.80%, BMK NCPI)	⇒	6.18	0.000	6.18	6.18
<b>Commodities</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Gold	⬇️	1,990	-0.43%	1,998	1,995
Platinum	⬇️	922	-1.30%	934	925
Brent Crude	⬇️	82.0	-0.59%	82.5	81.0
<b>Main Indices</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
NSX Overall Index	⬆️	1,611	0.11%	1,610	1,611
JSE All Share	⬆️	74,764	0.66%	74,271	74,764
SP500	⬆️	4,557	0.41%	4,538	4,557
FTSE 100	⬇️	7,470	-0.17%	7,482	7,470
Hangseng	⬆️	17,735	0.00%	17,734	17,655
DAX	⬆️	15,958	0.36%	15,901	15,958
<b>JSE Sectors</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Financials	⬇️	16,821	-0.50%	16,906	16,821
Resources	⬆️	57,143	1.26%	56,433	57,143
Industrials	⬆️	102,641	1.01%	101,614	102,641
<b>Forex</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
N\$/US dollar	⬆️	18.87	1.36%	18.62	18.84
N\$/Pound	⬆️	23.57	1.00%	23.34	23.56
N\$/Euro	⬆️	20.54	1.15%	20.31	20.54
US dollar/ Euro	⬇️	1.089	-0.20%	1.091	1.090
		<b>Namibia</b>		<b>RSA</b>	
<b>Interest Rates &amp; Inflation</b>		<b>Oct 23</b>	<b>Sep 23</b>	<b>Oct 23</b>	<b>Sep 23</b>
Central Bank Rate	⇒	7.75	7.75	8.25	8.25
Prime Rate	⇒	11.50	11.50	11.75	11.75
		<b>Oct 23</b>	<b>Sep 23</b>	<b>Oct 23</b>	<b>Sep 23</b>
Inflation	⬆️	6.0	5.4	5.9	5.4

#### 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 listeds

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**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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