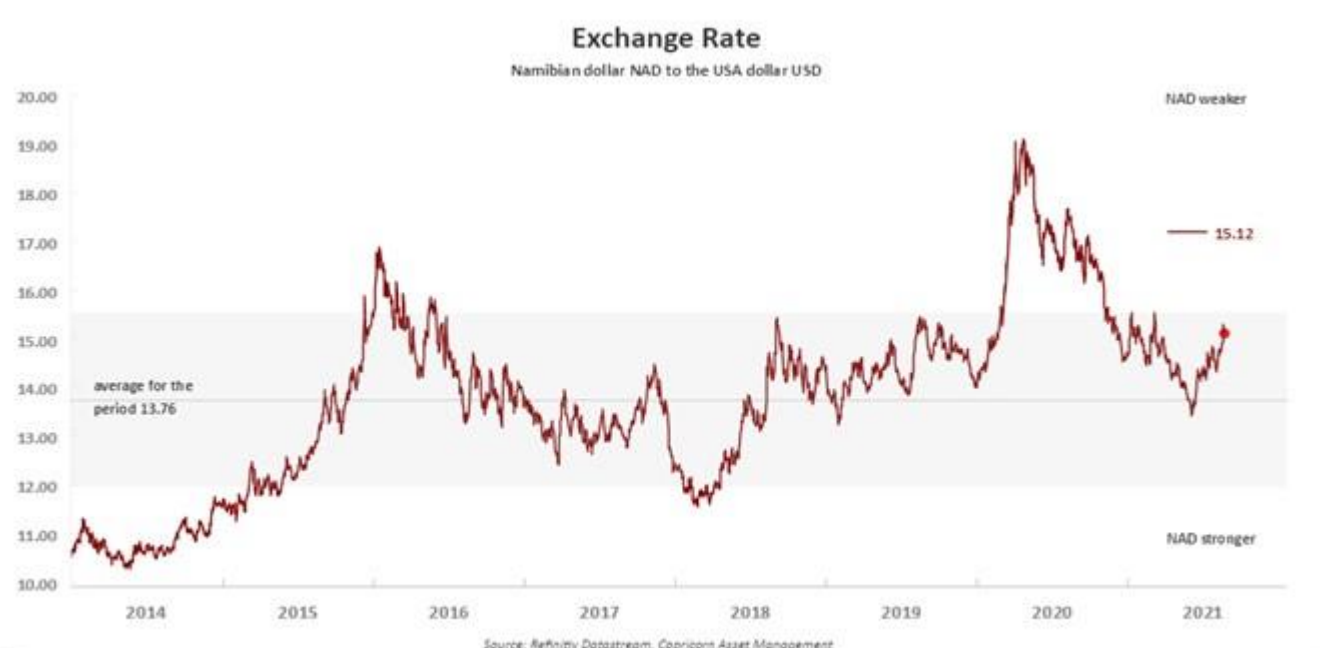




Market Update

Tuesday, 24 August 2021



Global Markets

Asian stocks rose on Tuesday on an extended bounce on Wall Street as investors drew comfort from full approval granted to the Pfizer BioNTech vaccine and on easing worries of an imminent tapering of stimulus by the Federal Reserve. The dollar was licking its wounds after its sharpest one-day fall since May, which spurred a 5% rally in oil prices on Monday.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 1.2%, with Japan and South Korean indexes jumping more than 1%. Australia shares were up 0.2% and Taiwan stocks rose 0.7%. Chinese markets also edged up 0.2%, with technology stocks extending their recovery after enduring a pummeling in recent weeks on regulatory worries.

Wall Street's strength underpinned sentiment in Asia. The Nasdaq reached an all-time closing high on Monday after the U.S. Food and Drug Administration granted full approval to the COVID-19

vaccine developed by Pfizer and BioNTech, in a move that could accelerate inoculations in the United States.

Analysts at ANZ pointed to growing expectations that decelerating global business activity will act as a restraint on central bank intentions to start dialling back monetary stimulus in the near term. Global markets took a beating last week on worries the Fed is edging closer to tapering its stimulus. Asia's main index tumbled 4.8% last week, and MSCI's Asia Pacific index ex-Japan index is still down 2.9% so far this month.

The improved sentiment overnight drove the dollar down more than 1% against its Australian and Canadian counterparts as well as the Norwegian crown and Swedish crown. "A positive risk backdrop has pushed flows out of the dollar," said Chris Weston, head of research at brokerage Pepperstone in Melbourne, adding that positive analyst commentary around oil and cyclical stocks had also helped the broad mood.

The dollar was up 0.04% against the yen to 109.72. The euro currency was flat at \$1.1738, having lost 1.11% in a month, while the dollar index, which tracks the greenback against a basket of currencies of other major trading partners, was up slightly at 93.041. Last week, the dollar index hit a nine-month high on bets the Fed would start shifting away from its accommodative monetary policy, but that view began to change on Friday when Dallas Fed President Robert Kaplan said he might reconsider his hawkish stance if the virus harms the economy. Now, investors are less confident Fed Chair Jerome Powell's speech at Jackson Hole this week will indicate a timeline for winding down the Fed's bond-buying program.

Data overnight showed strong albeit slowing services and manufacturing activity in Europe while business activity growth in the United States slowed for a third straight month as the spread of the Delta virus variant took a toll. The yield on benchmark 10-year Treasury notes was up at 1.2567% compared with its U.S. close of 1.255% on Monday.

In commodities markets, Brent crude oil futures edged up 0.9% to \$69.45 a barrel after putting on more than 5% on Monday, as a weaker dollar and strong global equities markets boosted crude following seven sessions of declines. Gold prices fell slightly but hovered above the key psychological level of \$1,800.



Domestic Markets

South Africa's rand started the week on a firmer footing on Monday, benefiting from improved risk appetite on global markets. At 1527 GMT, the rand traded at 15.1725 against the dollar, 0.8% stronger than its previous close.

Last week the rand had a torrid time, losing almost 4% against the dollar as expectations that the U.S. Federal Reserve will start tapering its stimulus this year boosted the U.S. currency at the expense of riskier assets.

But the market on Monday opened with a more generous mood towards riskier assets on optimism over COVID-19 vaccines and easing lockdown restrictions.

But investors said the rand could still find itself on shaky ground in the coming days. "The rand is vulnerable to further weakness, particularly on a worsening in the U.S. growth outlook if U.S. third wave is more severe than the administration anticipates," said Annabel Bishop, chief economist at Investec.

This week, South Africa-focused investors will look to unemployment data, the producer price index and the central bank's leading indicator for clues about the health of Africa's most industrialised economy.

Investors on the Johannesburg Stock Exchange took the market to its first positive close on the back of a global lift in shares after three consecutive days of huge losses. They have their eyes firmly set on Federal Reserve's meeting on Friday to find clues on the roadmap for the tapering. "We have actually been living in a highly abnormal monetary policy situation ... never had interest rates this low in either short term or long term," said Wayne McCurrie, portfolio manager at FNB.

The top 40 companies index, which represents South African blue-chip shares, closed on Monday up 1.27% to 60,562 points and the benchmark all-share index ended up 1.24% to 66,829 points. The broad-based rally seen on Monday was primarily led by mining companies and banks, with the two sectoral indexes and both closing 2% higher.

Government bonds were also a touch stronger early on Monday, as the yield on the 2030 bond dipped 7.5 basis points to 8.88%.

Corona Tracker

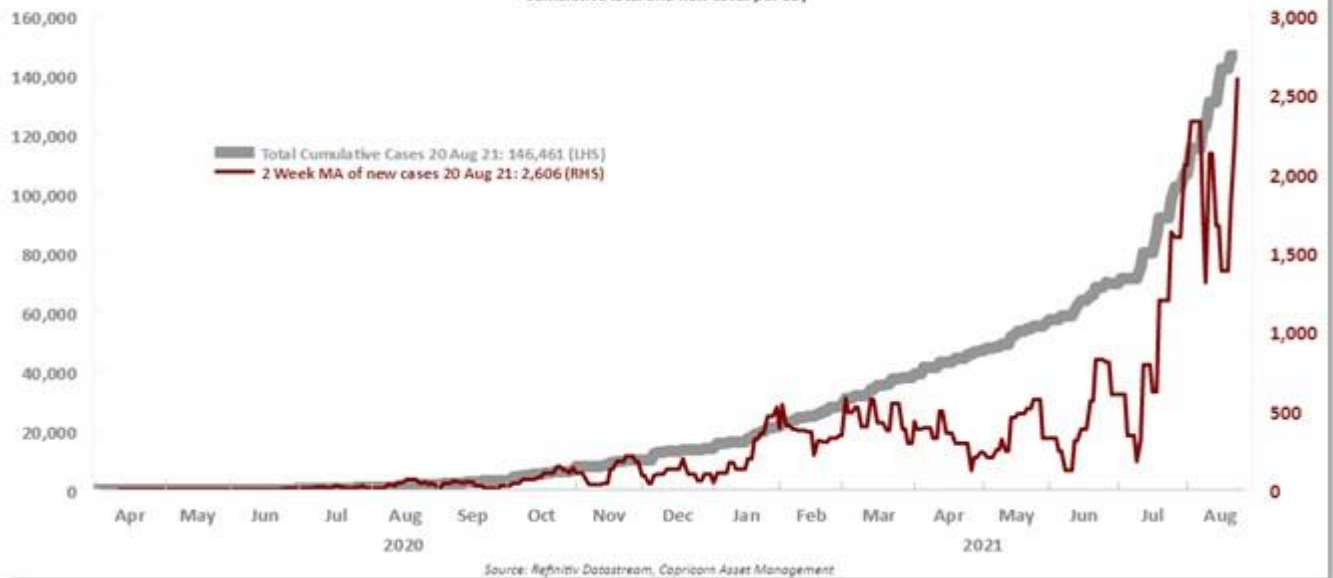
PFIZER-BIONTECH COVID-19 VACCINE GAINS FULL U.S. REGULATORY APPROVAL

Tuesday, August 24th 2021, 3:00:41 AM, Naveen Mutnal

The U.S. drug regulator on Monday granted full approval to the Pfizer Inc COVID-19 vaccine - the first to secure such Food and Drug Administration validation - prompting President Joe Biden to make a fresh pitch to vaccine skeptics to get the shot to fight the relentless pandemic.

Botswana: Covid Cases

cumulative total and new cases per day



Source: Thomson Reuters Refinitiv

Ideas are more powerful than guns. We would not let our enemies have guns, why should we let them have ideas.

Joseph Stalin

Market Overview

MARKET INDICATORS (Thomson Reuters)		24 August 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↑	4.20	0.020	4.18	4.20
6 months	↑	4.86	0.029	4.83	4.86
9 months	↓	5.20	-0.030	5.23	5.20
12 months	↑	5.36	0.020	5.34	5.36
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↓	4.24	-0.015	4.26	4.24
GC22 (Coupon 8.75%, BMK R2023)	↓	5.66	-0.015	5.68	5.66
GC23 (Coupon 8.85%, BMK R2023)	↓	5.56	-0.015	5.58	5.56
GC24 (Coupon 10.50%, BMK R186)	↓	7.63	-0.030	7.66	7.63
GC25 (Coupon 8.50%, BMK R186)	↓	7.64	-0.030	7.67	7.64
GC26 (Coupon 8.50%, BMK R186)	↓	7.64	-0.030	7.67	7.64
GC27 (Coupon 8.00%, BMK R186)	↓	7.93	-0.030	7.96	7.93
GC30 (Coupon 8.00%, BMK R2030)	↓	9.18	-0.075	9.26	9.18
GC32 (Coupon 9.00%, BMK R213)	↓	10.19	-0.060	10.25	10.19
GC35 (Coupon 9.50%, BMK R209)	↓	11.11	-0.055	11.17	11.11
GC37 (Coupon 9.50%, BMK R2037)	↓	11.59	-0.075	11.66	11.59
GC40 (Coupon 9.80%, BMK R214)	↓	12.42	-0.065	12.49	12.42
GC43 (Coupon 10.00%, BMK R2044)	↓	12.66	-0.065	12.72	12.66
GC45 (Coupon 9.85%, BMK R2044)	↓	12.94	-0.065	13.00	12.94
GC48 (Coupon 10.00%, BMK R2048)	↓	13.02	-0.060	13.08	13.02
GC50 (Coupon 10.25%, BMK: R2048)	↓	12.96	-0.060	13.02	12.96
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)	⇒	3.96	0.000	3.96	3.96
GI27 (Coupon 4.00%, BMK NCPI)	⇒	4.99	0.000	4.99	4.99
GI29 (Coupon 4.50%, BMK NCPI)	⇒	6.19	0.000	6.19	6.19
GI33 (Coupon 4.50%, BMK NCPI)	⇒	7.01	0.000	7.01	7.01
GI36 (Coupon 4.80%, BMK NCPI)	⇒	7.61	0.000	7.61	7.61
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,805	1.37%	1,781	1,802
Platinum	↑	1,013	1.73%	996	1,013
Brent Crude	↑	68.8	5.48%	65.2	69.0
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,490	1.91%	1,462	1,490
JSE All Share	↑	66,829	1.24%	66,011	66,829
SP500	↑	4,480	0.85%	4,442	4,480
FTSE 100	↑	7,109	0.30%	7,088	7,109
Hangseng	↑	25,110	1.05%	24,850	25,502
DAX	↑	15,853	0.28%	15,808	15,853
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↑	14,088	1.66%	13,857	14,088
Resources	↑	66,515	2.60%	64,832	66,515
Industrials	↑	83,009	0.09%	82,931	83,009
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↓	15.11	-1.21%	15.30	15.12
N\$/Pound	↓	20.73	-0.51%	20.84	20.76
N\$/Euro	↓	17.75	-0.81%	17.89	17.75
US dollar/ Euro	↑	1.174	0.40%	1.170	1.174
		Namibia		RSA	
Interest Rates & Inflation		Aug 21	Jul 21	Aug 21	Jul 21
Central Bank Rate	⇒	3.75	3.75	3.50	3.50
Prime Rate	⇒	7.50	7.50	7.00	7.00
		Jul 21	Jun 21	Jul 21	Jun 21
Inflation	↓	4.0	4.1	4.6	4.9

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 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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