



## Market Update

Wednesday, 24 August 2022



## Global Markets

Asian stock markets slipped for an eighth straight session on Wednesday, and the dollar loomed large as fresh hawkish comments from a Federal Reserve official kept investors cautious ahead of this week's Jackson Hole symposium.

Minneapolis Federal Reserve Bank President Neel Kashkari was the latest official to reiterate the Fed's focus on controlling inflation ahead of all else, and said on Tuesday his biggest fear was underestimating the extent of price pressures.

MSCI's index of Asian shares outside Japan fell 0.2% in morning trade, on track for the index's eight successive daily drop, if sustained. Japan's Nikkei fell 0.6%.

Wall Street steadied overnight after two days of heavy losses, as soft U.S. data tempered rate-hike worries. The data also eased pressure on short-dated U.S. Treasuries.

U.S. services and manufacturing surveys had disappointed on Tuesday and July new home sales fell to a 6-1/2 year low.

"In some ways it's good news, the softer the data is now, the less the Fed has to do," said ING economist Rob Carnell, but he said there weren't too many reasons to expect a shift in tone from the Fed at this week's Jackson Hole symposium.

"It might be a bit early to be jumping that gun just yet...if you start to give the market a little sop that it might get better in time you might end up undermining your own approach."

S&P 500 futures fell 0.3% in Asia and European and FTSE futures also eased a bit.

Brent crude futures are hovering around \$100 a barrel on signs of U.S. demand and Saudi Arabia's talk of supply cuts. The higher oil price helped prop up energy stocks in Australia.

With little on the calendar ahead of the Jackson Hole symposium, moves elsewhere were slight and the dollar held near a two-decade high on the euro.

The Australian and New Zealand dollars drifted about 0.5% lower, pushing the Aussie to \$0.6897.

The euro which made a brief trip above parity on Tuesday, was struggling at \$0.9950 as markets see soaring energy prices setting off another round of inflationary pressure that will take a bite off growth.

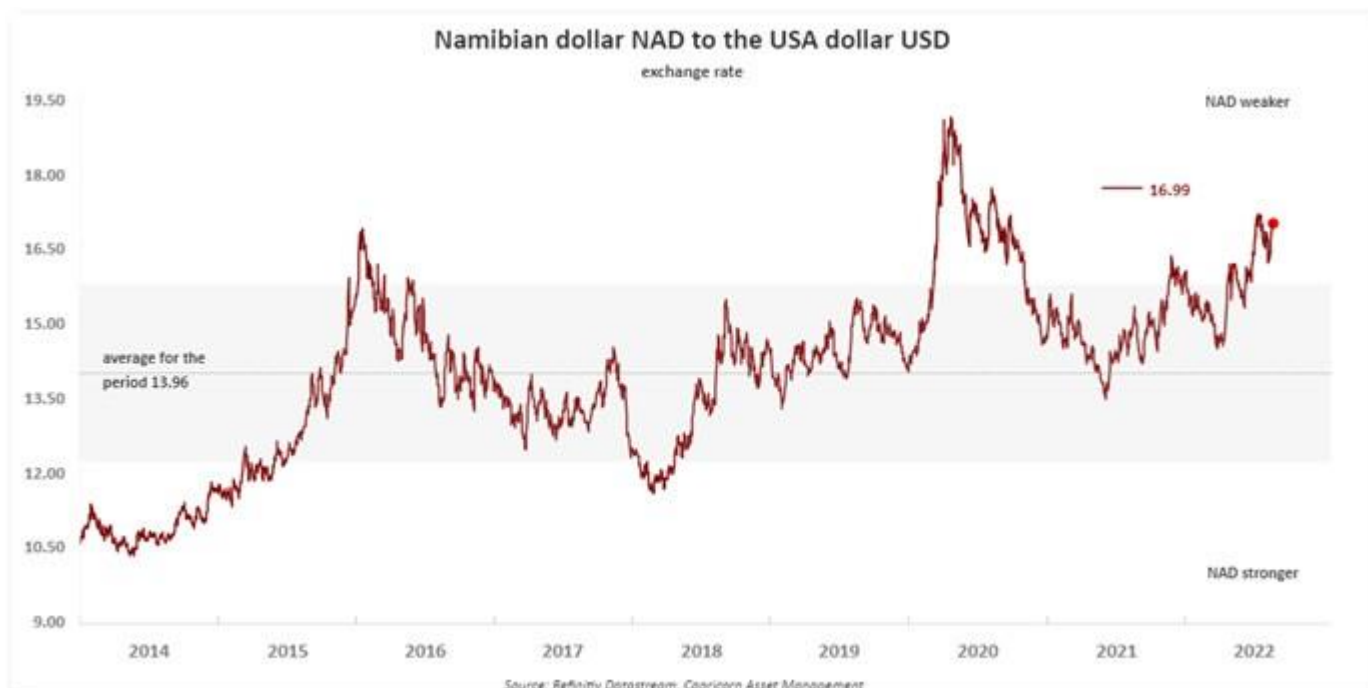
It had hit a 20-year low of \$0.9901 on Tuesday.

The Chinese economy is also sputtering and modest interest rate cuts have only drawn attention to weakness in the property sector and the lack of confidence and credit demand.

The yuan fell about 0.2% to 6.8519 per dollar. The Hang Seng fell 0.9% and onshore blue chips fell 0.7%.

**Source: Thomson Reuters Refinitiv**

## Domestic Markets



South Africa's rand faces a fresh challenge amid uncertainty about the fate of Finance Minister Enoch Godongwana, who's battling allegations of sexual assault and may be forced to step down.

"Should Godongwana be sidelined just two months ahead of a budget update, the rand would likely extend a decline sparked by concerns about Federal Reserve tightening that have boosted the dollar", said George Glynos, the managing director and chief economist at ETM Analytics. The ZAR is hovering around the 17/USD mark, currently 17.02, leaving the dual-listeds mixed on the crosses.

The JSE outperformed global peers yesterday as the resource sectors climbed. Buying was evident across the sector with the iron ore miners leading the way. Techs put in a strong performance, while healthcare and telcos lagged. The telco index has fallen eight days in a row, down 10.7% from its MTN inspired bounce on 11 August. Turnover was light at just R15.8bn compared to the year's average of R23.6bn. The same was true for most markets – the LSE traded 28% less than its daily average for the year. Some market participants may be on the side-lines ahead of tomorrow's central banker shindig at Jackson Hole.

**Source: Bloomberg, Avior**

## Corona Tracker

Name	Cases - cumulative total	⇅	Cases - newly reported in last 7 days	Deaths - cumulative total	Deaths - newly reported in last 7 days
Global	594,367,247		5,174,305	6,451,016	13,643

Source: Thomson Reuters Refinitiv

Lend yourself to others, but give yourself to yourself.

Michel de Montaigne

## Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)				24 August 2022	
<b>Money Market TB Rates %</b>		Last close	Difference	Prev close	Current Spot
3 months	↑	6.56	0.016	6.54	6.56
6 months	↑	6.75	0.017	6.73	6.75
9 months	↑	7.46	0.017	7.44	7.46
12 months	↑	7.85	0.025	7.83	7.85
<b>Nominal Bond Yields %</b>		Last close	Difference	Prev close	Current Spot
GC23 (Coupon 8.85%, BMK R2023)	↑	8.62	0.045	8.57	8.62
GC24 (Coupon 10.50%, BMK R186)	↑	8.44	0.035	8.40	8.44
GC25 (Coupon 8.50%, BMK R186)	↑	8.89	0.035	8.85	8.89
GC26 (Coupon 8.50%, BMK R186)	↑	8.95	0.035	8.91	8.95
GC27 (Coupon 8.00%, BMK R186)	↑	9.92	0.035	9.88	9.92
GC30 (Coupon 8.00%, BMK R2030)	↑	11.63	0.025	11.61	11.63
GC32 (Coupon 9.00%, BMK R213)	↑	11.75	0.010	11.74	11.75
GC35 (Coupon 9.50%, BMK R209)	↑	12.30	0.020	12.28	12.30
GC37 (Coupon 9.50%, BMK R2037)	↑	12.92	0.020	12.90	12.92
GC40 (Coupon 9.80%, BMK R214)	↑	13.29	0.015	13.28	13.27
GC43 (Coupon 10.00%, BMK R2044)	↑	13.80	0.015	13.79	13.80
GC45 (Coupon 9.85%, BMK R2044)	↑	14.32	0.015	14.31	14.32
GC48 (Coupon 10.00%, BMK R2048)	↑	14.49	0.015	14.47	14.49
GC50 (Coupon 10.25%, BMK: R2048)	↑	14.50	0.015	14.48	14.50
<b>Inflation-Linked Bond Yields %</b>		Last close	Difference	Prev close	Current Spot
GI22 (Coupon 3.55%, BMK NCPI)	↔	0.20	0.000	0.20	0.00
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)	↔	4.78	0.000	4.78	4.78
GI33 (Coupon 4.50%, BMK NCPI)	↓	6.36	-0.140	6.50	6.36
GI36 (Coupon 4.80%, BMK NCPI)	↓	7.05	-0.200	7.25	7.05
<b>Commodities</b>		Last close	Change	Prev close	Current Spot
Gold	↑	1,748	0.69%	1,736	1,746
Platinum	↑	880	0.41%	876	878
Brent Crude	↑	100.2	3.88%	96.5	99.9
<b>Main Indices</b>		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,579	1.44%	1,556	1,579
JSE All Share	↑	69,772	0.83%	69,196	69,772
SP500	↓	4,129	-0.22%	4,138	4,129
FTSE 100	↓	7,488	-0.61%	7,534	7,488
Hangseng	↓	19,503	-0.78%	19,657	19,283
DAX	↓	13,194	-0.27%	13,231	13,194
<b>JSE Sectors</b>		Last close	Change	Prev close	Current Spot
Financials	↑	15,644	0.17%	15,618	15,644
Resources	↑	63,871	2.93%	62,054	63,871
Industrials	↑	85,055	0.06%	85,004	85,055
<b>Forex</b>		Last close	Change	Prev close	Current Spot
N\$/US dollar	↓	16.96	-0.06%	16.97	17.01
N\$/Pound	↑	20.09	0.62%	19.97	20.09
N\$/Euro	↑	16.91	0.20%	16.87	16.92
US dollar/ Euro	↑	0.997	0.26%	0.994	0.995
		<b>Namibia</b>		<b>RSA</b>	
<b>Interest Rates &amp; Inflation</b>		Jul 22	Jun 22	Jul 22	Jun 22
Central Bank Rate	↑	4.75	4.25	5.50	4.75
Prime Rate	↑	8.50	8.00	9.00	8.25
		Jul 22	Jun 22	Jun 22	May 22
Inflation	↑	6.8	6.0	7.4	6.5



**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

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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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