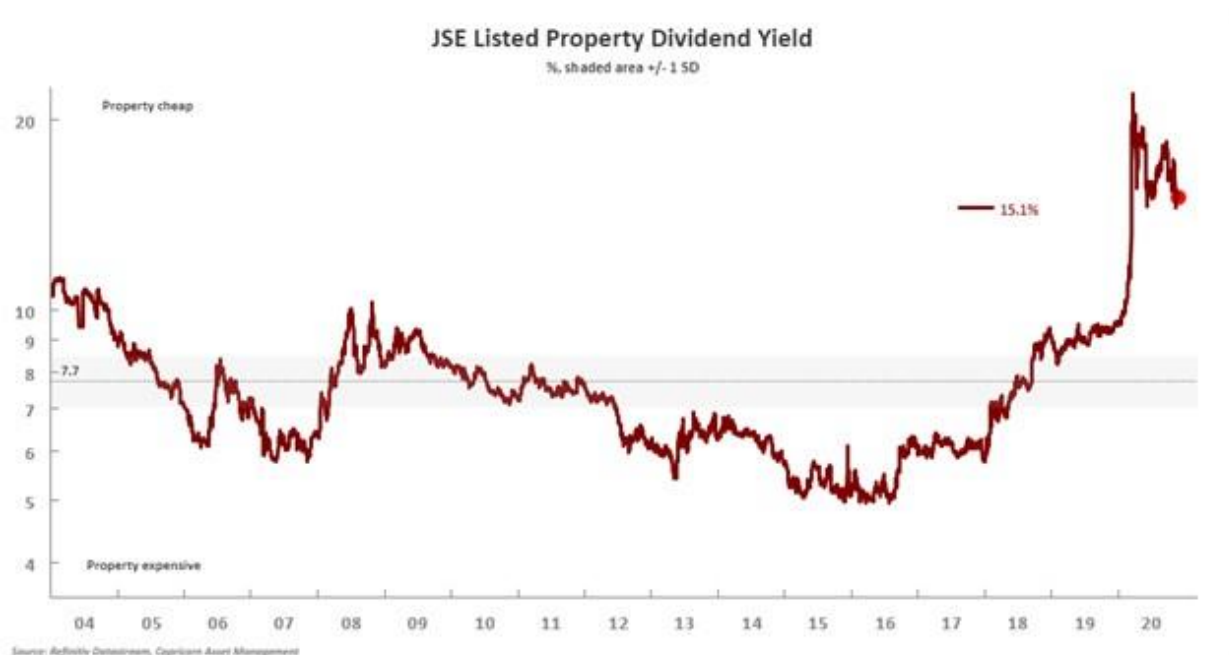




Market Update

Tuesday, 24 November 2020



Global Markets

Shares climbed on Tuesday as news U.S. President-elect Joe Biden was given the go-ahead to begin his White House transition added to an already brighter mood from progress made on COVID-19 vaccine and the prospects for a speedy global economic revival. U.S. General Services Administration chief Emily Murphy wrote in a letter to Biden on Monday that he can formally begin the hand-over process.

President Donald Trump tweeted that he had told his team "do what needs to be done with regard to initial protocols", an indication he was moving toward a transition after weeks of legal challenges to the election results. U.S. stocks also got an added boost after reports that Biden plans to nominate former Federal Reserve Chair, Janet Yellen, to become the next Treasury Secretary. Futures for the S&P 500 rose 0.48% in early Asian trade.

The upbeat backdrop helped MSCI's broadest index of Asia-Pacific shares outside Japan advance 0.15%. Australia's S&P/ASX 200 was 1.1% stronger, touching its highest level in almost nine months, with energy stocks leading the pack. Japan's Nikkei jumped 2.48% while Seoul's Kospi was 0.74%

higher. Chinese blue-chips and Hong Kong's Hang Seng were however outliers, edging down 0.75% and 0.08%.

The progress made on COVID-19 vaccines, which had underpinned Wall Street overnight, helped keep risk appetite elevated as it boosted optimism about a quicker revival for the global economy. AstraZeneca said its COVID-19 vaccine, cheaper to make, easier to distribute and faster to scale-up than its rivals, could be as much as 90% effective. "Traders are still buying into vaccine news clearance, as the end of the pandemic becomes imaginable. Recent U.S. data restored a bit of confidence that the economy is holding up, despite surging COVID-19 infections and a painful lack of fresh fiscal stimulus," said Kyle Rodda, a market analyst for IG Australia. "And the news of Yellen's possible nomination to the role of U.S. Treasury Secretary potentially puts a very Fed-friendly uber-dove at the reins of fiscal policy."

The U.S. dollar index touched its lowest since Sept. 1 before edging 0.214% higher with the euro unchanged at \$1.184. On Wall Street, the Dow Jones Industrial Average rose 1.12% overnight, the S&P 500 gained 0.56% while the Nasdaq Composite added only 0.22%, underperforming as traders rotated away from big tech names. Some analysts expect big, short-term risks ahead of the U.S. Thanksgiving holiday, although others say unexpected news events at the start of the shorter trading week helped investors focus on the growing positives for financial markets.

Oil prices added to last week's gains as traders anticipated the vaccine news would spur a recovery in energy demand. "Investors are ignoring near-term headwinds, chief among which are surging global COVID infections, and instead looking ahead to next summer," said PVM analyst Stephen Brennock. The United States surpassed 255,000 deaths and 12 million infections since the pandemic began, with daily infections at a record near 170,000 and daily deaths around 1,500.

U.S. crude advanced 0.14% to \$43.12 per barrel and Brent was at \$46.10, up 0.09% on Tuesday, while an index of commodity prices touched its highest since early March. The yield on the benchmark 10-year notes rose slightly to 0.8684%. Spot gold fell to \$1,827.01 an ounce while U.S. gold futures dropped 0.46% to \$1,829.30 an ounce.

Domestic Markets

South Africa's rand gained on Monday, lifted by global optimism over coronavirus vaccines and shrugging off ratings downgrades that are likely to push up government borrowing costs. At 1430 GMT, the rand traded at 15.3500 versus the U.S. dollar, up 0.52% from its previous close.

The upbeat global market mood comes after a top official of the U.S. government's vaccine development effort said on Sunday that the first vaccines could be given to U.S. healthcare workers and others recommended by mid-December.

That outweighed the domestic impact of downgrades by Fitch and Moody's deeper into junk territory on Friday that the finance minister called painful. S&P Global affirmed its rating on Friday.

"Progress on various vaccine developments to protect against COVID-19 are fuelling investor risk-taking, with positioning increasing in perceived higher return assets," Investec Chief Economist Annabel Bishop said in a note. "While the rand seemingly shrugged off the rating downgrades ... market sentiment is highly fickle, and can easily collapse, returning the rand to weaker levels."

South Africa's public finances were in bad shape before the COVID-19 pandemic and have deteriorated since. This year's budget deficit is expected to reach more than 15% of gross domestic product.

Stocks rose, also spurred by vaccine hopes and a strong half-year performance by index heavyweight Naspers Ltd. The benchmark all-share index was up 1.02% to 57,193 points and the blue-chip top 40 companies index was up by 1.19% to 52,534 points. Media and internet giant Naspers, which has close to 30% weight on the two indices, was up 2.4% after e-commerce revenues rose 37% for the year ended Sept. 30.

Government bonds weakened, as the yield on the 2030 bond rose 7.5 basis points to 8.89%.

Source: Thomson Reuters

Corona Tracker

GLOBAL CASES				
SOURCE - REUTERS				
	Confirmed Cases	New Cases	Total Deaths	Total Recovered
GLOBAL	59,093,585	37,975	1,397,239	37,952,448

The number of new cases might be misleading. It depends on actual "cut-off" times.



Market Overview

MARKET INDICATORS (Thomson Reuters)		24 November 2020			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	→	3.87	0.000	3.87	3.87
6 months	↑	4.00	0.008	3.99	4.00
9 months	↑	4.04	0.009	4.03	4.04
12 months	↑	4.04	0.009	4.03	4.04
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↑	4.10	0.060	4.04	4.06
GC22 (Coupon 8.75%, BMK R2023)	↑	4.87	0.005	4.86	4.86
GC23 (Coupon 8.85%, BMK R2023)	↑	4.77	0.005	4.76	4.76
GC24 (Coupon 10.50%, BMK R186)	↑	7.30	0.060	7.24	7.30
GC25 (Coupon 8.50%, BMK R186)	↑	7.31	0.060	7.25	7.31
GC26 (Coupon 8.50%, BMK R186)	↑	7.31	0.060	7.25	7.31
GC27 (Coupon 8.00%, BMK R186)	↑	7.60	0.060	7.54	7.60
GC30 (Coupon 8.00%, BMK R2030)	↑	9.20	0.065	9.13	9.19
GC32 (Coupon 9.00%, BMK R213)	↑	10.33	0.065	10.26	10.32
GC35 (Coupon 9.50%, BMK R209)	↑	11.29	0.035	11.26	11.29
GC37 (Coupon 9.50%, BMK R2037)	↑	12.02	0.030	11.99	12.01
GC40 (Coupon 9.80%, BMK R214)	↑	12.68	0.035	12.65	12.68
GC43 (Coupon 10.00%, BMK R2044)	↑	13.16	0.035	13.13	13.16
GC45 (Coupon 9.85%, BMK R2044)	↑	13.44	0.035	13.41	13.44
GC50 (Coupon 10.25%, BMK: R2048)	↑	13.47	0.025	13.45	13.47
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI22 (Coupon 3.55%, BMK NCPI)	→	4.49	0.000	4.49	4.49
GI25 (Coupon 3.80%, BMK NCPI)	→	4.25	0.000	4.25	4.25
GI29 (Coupon 4.50%, BMK NCPI)	→	4.41	0.000	4.41	4.41
GI33 (Coupon 4.50%, BMK NCPI)	→	6.66	0.000	6.66	6.66
GI36 (Coupon 4.80%, BMK NCPI)	→	7.02	0.000	7.02	7.02
Commodities		Last close	Change	Prev close	Current Spot
Gold	↓	1,836	-1.85%	1,870	1,825
Platinum	↓	926	-2.07%	946	932
Brent Crude	↑	46.1	2.45%	45.0	46.4
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,163	1.16%	1,149	1,163
JSE All Share	↑	57,147	0.94%	56,615	57,147
SP500	↑	3,578	0.56%	3,558	3,578
FTSE 100	↓	6,334	-0.28%	6,351	6,334
Hangseng	↑	26,486	0.13%	26,452	26,520
DAX	↓	13,127	-0.08%	13,137	13,127
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↑	11,338	0.62%	11,268	11,338
Resources	↑	51,771	0.65%	51,439	51,771
Industrials	↑	79,918	1.49%	78,747	79,918
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	15.41	0.02%	15.41	15.36
N\$/Pound	↑	20.54	0.33%	20.47	20.48
N\$/Euro	↓	18.25	-0.09%	18.27	18.21
US dollar/ Euro	↓	1.184	-0.11%	1.185	1.185
		Namibia		RSA	
Interest Rates & Inflation		Oct 20	Sep 20	Oct 20	Sep 20
Central Bank Rate	→	3.75	3.75	3.50	3.50
Prime Rate	→	7.50	7.50	7.00	7.00
		Oct 20	Sep 20	Sep 20	Aug 20
Inflation	↓	2.3	2.4	3.0	3.1

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: Bloomberg



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