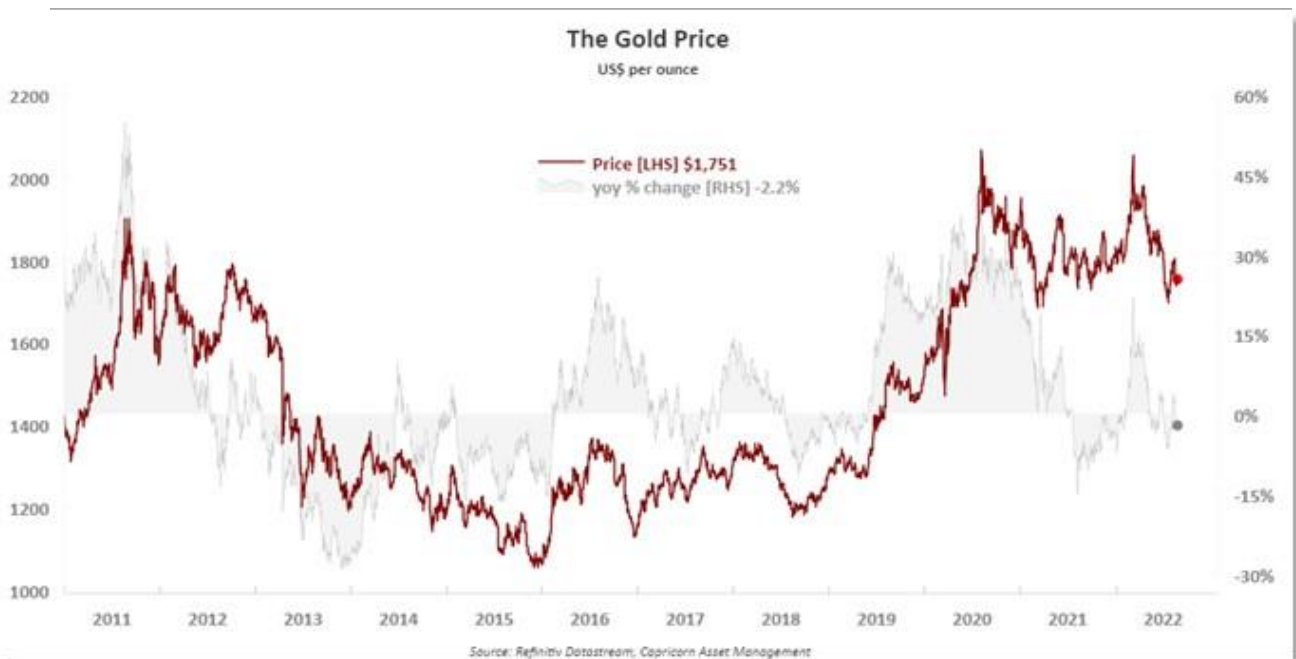




## Market Update

Thursday, 25 August 2022



## Global Markets

Share markets were broadly positive while the dollar was slightly weaker on Thursday, with investors nervously awaiting the U.S. Federal Reserve's annual Jackson Hole conference for clues on how sharp future interest rate hikes might be.

MSCI's broadest index of Asia-Pacific shares outside Japan edged up 0.3%, after U.S. stocks ended the previous session with mild gains. Australian shares climbed 0.7%, while Japan's Nikkei stock index rose 0.52% and China's CSI300 advanced 0.27%.

The Federal Reserve's annual monetary policy conference in Jackson Hole, Wyoming is due to start on Friday. Investors now expect the Fed Funds rate to peak at 3.80% in March 2023, up from 3.62% a fortnight ago, said Tapas Strickland, NAB's economics director. "Market moves at least are consistent with the hawkish pushback seen by Fed officials over recent weeks," he added. Interest rate futures imply a 60% chance of a 75 basis point Fed hike in September, up from 50% earlier this week.

In early Asian trade, the yield on benchmark 10-year Treasury notes rose to 3.1095% compared with its U.S. close of 3.106% on Wednesday. The two-year yield, which rises with traders' expectations of higher Fed fund rates, touched 3.4028% compared with a U.S. close of 3.386%. The yields had also made gains overnight, though that did not stop U.S. equity markets rising on Wednesday. The Dow Jones Industrial Average closed up 0.18%, the S&P 500 gained 0.29% and the Nasdaq Composite advanced 0.41%.

The dollar edged 0.01% lower against the yen to 137.09. It is still some distance from its high this year of 139.39 in mid-July. The European single currency was flat during early Asian trade at \$0.9968, having lost 2.45% in a month. The dollar index, which tracks the greenback against a basket of currencies of other major trading partners, was slightly weaker in Asia at 108.51.

"Expectations of a hawkish message from FOMC Chair Powell at Jackson Hole will likely keep upward pressure on the US dollar in the run up to his speech on Friday," Commonwealth Bank analysts wrote in a client note. "However there is a risk that the speech is deemed not hawkish enough and that we see some retracement in the US dollar."

U.S. crude ticked up 0.38% to \$95.25 a barrel. Brent crude climbed 0.5% to \$101.22 per barrel.

Gold was slightly higher, with spot gold trading at \$1,752.96 per ounce. "Gold edged higher as the market weighs the outlook for monetary policy ahead of the annual gather of central bankers at Jackson Hole. The weakening economic activity induced some haven buying in the precious metals, snapping six days of declines," ANZ analysts wrote in a note to clients.

**Source: Thomson Reuters Refinitiv**

## Domestic Markets



The rand was firmer on Wednesday. The dollar was quoted at ZAR16.93, down from ZAR16.96 late Tuesday.

The benchmark R186 government bond yield was quoted at 8.86% late Wednesday, compared to 8.93% at the time of the equities close on Tuesday.

South African consumer inflation kept accelerating in July as food and fuel prices remained high. Annual headline consumer price inflation hit a 13-year high of 7.8% in July, rising from 7.4% in June. In May, it stood at 6.5%. Headline CPI reached 8.6% in February 2009.

The key drivers of this 7.8% annual inflation rate were food and non-alcoholic beverages; housing and utilities; transport; and miscellaneous goods and services. The consumer price index increased by 1.5% month-on-month in July 2022. Consumer prices remain well above the South African Reserve Bank's inflation target of between 3% and 6%.

Stocks in Johannesburg struggled for direction. The Top 40 index closed up 46.85 points, or 0.1%, at 63,079.74 on Wednesday. The Mid Cap index ended down 0.5% at 77,541.80, while the All Share index closed 0.1% higher at 69,808.71. Sasol was up 3.4%, the best performer in the Top 40 as the Brent oil price passed the USD100 mark, to be quoted at USD100.83 a barrel, up from USD99.50 at the equities close Tuesday. Richemont closed 2.9% higher. The Swiss luxury goods firm announced the sale of a 51% stake in its online fashion retailer Yoox Net-a-Porter to Farfetch and Dubai-based Mohammad Alabbar-owned Symphony Global. Richemont will take a non-cash charge of just under EUR3 billion as a result of the deal.

**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	595,219,966		5,220,311	6,453,458	13,680

Source: Thomson Reuters Refinitiv

Let us be grateful to people who make us happy, they are the charming gardeners who make our souls blossom.

**Marcel Proust**

## Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)				25 August 2022	
<b>Money Market TB Rates %</b>		Last close	Difference	Prev close	Current Spot
3 months	⇒	6.56	0.000	6.56	6.56
6 months	⇒	6.75	0.000	6.75	6.75
9 months	⇒	7.46	0.000	7.46	7.46
12 months	↑	7.86	0.008	7.85	7.86
<b>Nominal Bond Yields %</b>		Last close	Difference	Prev close	Current Spot
GC23 (Coupon 8.85%, BMK R2023)	⇒	8.62	0.000	8.62	8.64
GC24 (Coupon 10.50%, BMK R186)	↓	8.34	-0.095	8.44	8.33
GC25 (Coupon 8.50%, BMK R186)	↓	8.79	-0.095	8.89	8.78
GC26 (Coupon 8.50%, BMK R186)	↓	8.85	-0.095	8.95	8.84
GC27 (Coupon 8.00%, BMK R186)	↓	9.82	-0.095	9.92	9.81
GC30 (Coupon 8.00%, BMK R2030)	↓	11.59	-0.040	11.63	11.58
GC32 (Coupon 9.00%, BMK R213)	↓	11.72	-0.030	11.75	11.71
GC35 (Coupon 9.50%, BMK R209)	↓	12.25	-0.055	12.30	12.23
GC37 (Coupon 9.50%, BMK R2037)	↓	12.87	-0.055	12.92	12.85
GC40 (Coupon 9.80%, BMK R214)	↓	13.23	-0.065	13.29	13.21
GC43 (Coupon 10.00%, BMK R2044)	↓	13.74	-0.065	13.80	13.72
GC45 (Coupon 9.85%, BMK R2044)	↓	14.26	-0.065	14.32	14.24
GC48 (Coupon 10.00%, BMK R2048)	↓	14.42	-0.065	14.49	14.41
GC50 (Coupon 10.25%, BMK: R2048)	↓	14.43	-0.065	14.50	14.42
<b>Inflation-Linked Bond Yields %</b>		Last close	Difference	Prev close	Current Spot
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)	↓	6.29	-0.075	6.36	6.29
GI36 (Coupon 4.80%, BMK NCPI)	↓	6.98	-0.075	7.05	6.98
<b>Commodities</b>		Last close	Change	Prev close	Current Spot
Gold	↑	1,751	0.18%	1,748	1,757
Platinum	↓	877	-0.31%	880	881
Brent Crude	↑	101.2	1.00%	100.2	101.8
<b>Main Indices</b>		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,563	-1.02%	1,579	1,563
JSE All Share	↑	69,809	0.05%	69,772	69,809
SP500	↑	4,141	0.29%	4,129	4,141
FTSE 100	↓	7,472	-0.22%	7,488	7,472
Hangseng	↓	19,269	-1.20%	19,503	19,553
DAX	↑	13,220	0.20%	13,194	13,220
<b>JSE Sectors</b>		Last close	Change	Prev close	Current Spot
Financials	↓	15,527	-0.75%	15,644	15,527
Resources	↓	63,638	-0.37%	63,871	63,638
Industrials	↑	85,623	0.67%	85,055	85,623
<b>Forex</b>		Last close	Change	Prev close	Current Spot
N\$/US dollar	↓	16.92	-0.26%	16.96	16.84
N\$/Pound	↓	19.96	-0.64%	20.09	19.92
N\$/Euro	↓	16.86	-0.28%	16.91	16.83
US dollar/ Euro	↓	0.997	-0.02%	0.997	1.000
		Namibia		RSA	
<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	Jul 22	Jun 22
Inflation	↑	6.8	6.0	7.8	7.4

**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 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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**For enquiries concerning the Daily Brief please contact us at**

**[Daily.Brief@capricorn.com.na](mailto:Daily.Brief@capricorn.com.na)**

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