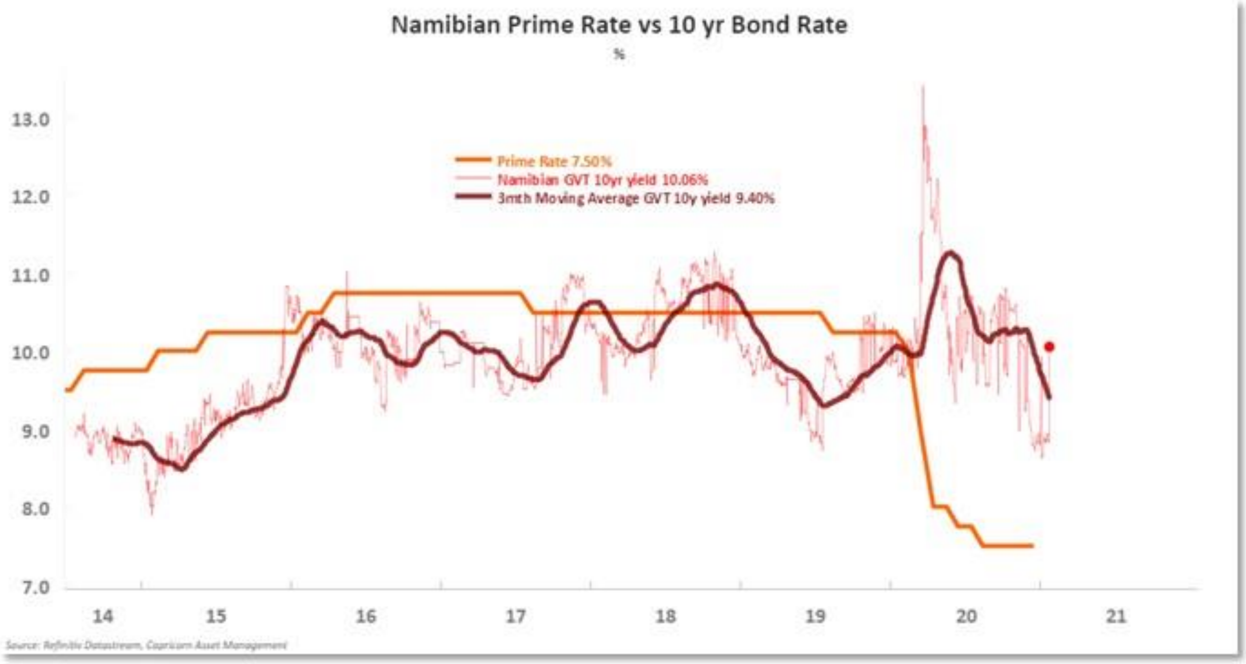
Market Update — Monday, 25 January 2021



Global Markets

Shares rose on Monday as concerns over rising COVID-19 cases and delays in vaccine supplies were eclipsed by expectations of a $1.9 trillion fiscal stimulus plan to help revive the U.S. economy. Global equity markets have scaled record highs in recent days on bets COVID vaccines will start to reduce the inflection rates worldwide and on a stronger U.S. economic recovery under President Joe Biden. Still, investors are also wary about towering valuations amid questions over the efficiency of the vaccines in curbing the pandemic and as U.S. lawmakers continue to debate a coronavirus aid package.

MSCI's broadest index of Asia-Pacific shares outside Japan rose slightly to 721.96 and just a short distance away from last week's record high of 727.31. The benchmark is up 8.5% so far in January, on track for its fourth straight monthly rise. Japan's Nikkei rebounded from falls in early trading to be up 0.36%. Australian shares were slightly higher too after the country's drug regulator approved the Pfizer/BioNTech COVID-19 vaccine with authorities saying a phased rollout will begin late next month. Chinese shares rose, with the blue-chip CSI300 index up 0.6%.

"The spotlight will be on Washington DC this week," said Stephen Innes, Chief Global Markets Strategist at Axi. The Biden administration tried to head off Republican concerns that their $1.9 trillion pandemic relief proposal was too expensive with lawmakers from both parties saying they had agreed that getting the COVID-19 vaccine to Americans should be a priority.

Financial markets have been eyeing a massive U.S. economic stimulus though disagreements have meant months of indecision in a country suffering more than 175,000 COVID-19 cases a day with millions out of work. "Vaccine breakthroughs make it likely that life will become more functional again at some point in 2021, resulting in higher GDP growth and more robust corporate earnings," Innes said. "But increasing global COVID19 infections, new variants of the virus, tightening social distancing restrictions and delays in vaccine rollouts in some places, all increase the near-term growth risks."

Global COVID-19 cases are inching towards 100 million with more than 2 million dead. Hong Kong locked down an area of the Kowloon peninsula on Saturday, the first such measure the city has taken since the pandemic began. Reports the new UK COVID variant was not only highly infectious but perhaps more deadly than the original strain also added to worries.

In the European Union, political leaders expressed widespread dismay over a hold-up by AstraZeneca and Pfizer Inc in delivering promised doses, with Italy's prime minister lashing out at the vaccine suppliers, saying delays amounted to a serious breach of contractual obligations.

On Friday, the Dow fell 0.57%, the S&P 500 lost 0.30% and the Nasdaq added 0.09%. The three main U.S. indexes closed higher for the week, with the Nasdaq up over 4%. Jefferies analysts said U.S. stock markets looked overvalued though they still remained bullish. "For the stock market to have a real nasty unwind, rather than just a bull market correction, there needs to be a catalyst," analyst Christopher Wood said. "That means either an economic downturn or a material tightening in Fed policy," Wood said, adding neither was likely to occur in a hurry.

In currencies, major pairs were trapped in a tight range as markets awaited a U.S. Federal Reserve meeting on Wednesday. The dollar index was flat at 90.19, with the euro at $1.2169, while sterling was last trading at $1.3691. The Japanese yen was unchanged at 103.77 per dollar.

In commodities, oil prices fell with Brent down 12 cents at $55.29 a barrel and U.S. crude off 3 cents at $52.24. Gold was higher with spot prices up 0.2% at 1,855.9 an ounce.

Domestic Markets

South Africa's rand weakened on Friday, as a rally in riskier assets driven by hopes of U.S. economic stimulus faded, while stocks also fell.

At 1440 GMT, the rand traded at 15.0600 versus the dollar, 0.77% weaker than its previous close. The decline was in line with other emerging market currencies including the Russian rouble and Turkish lira.

The rand has mainly moved on global factors recently, shrugging off a run of poor domestic data that points to lingering weakness in Africa's most industrialised economy. This week, retail sales and mining figures for November came in worse than expected.

On Thursday, the central bank kept its main lending rate unchanged, providing some support to the currency.

But analysts at Commerzbank said the rand remained vulnerable, after rising significantly in the last few months of 2020. "The fragile economy and the high level of government debt, which continues to rise, limit further rand appreciation potential," they said in a research note.

Shares on the Johannesburg Stock Exchange (JSE) softened on concerns over a surge in coronavirus cases in China which forced the country to impose restrictions on travel and transport this week. The benchmark all-share index fell 0.29% to 63,988 points while the bluechip top 40 companies index shed 0.14% to end at 58,886 points.

Friday's fall was selectively cushioned as expectations that China's travel restrictions will be extended drove gains in Chinese technology stocks, which would benefit from more online activity. That in turn boosted Johannesburg index heavyweights Naspers Ltd and its subsidiary Prosus NV. Prosus holds over 30% stake in Chinese internet giant Tencent Holdings Ltd, which owns China's biggest messaging app WeChat. Both the companies had gained over 50% last year led by a rally in Tencent.

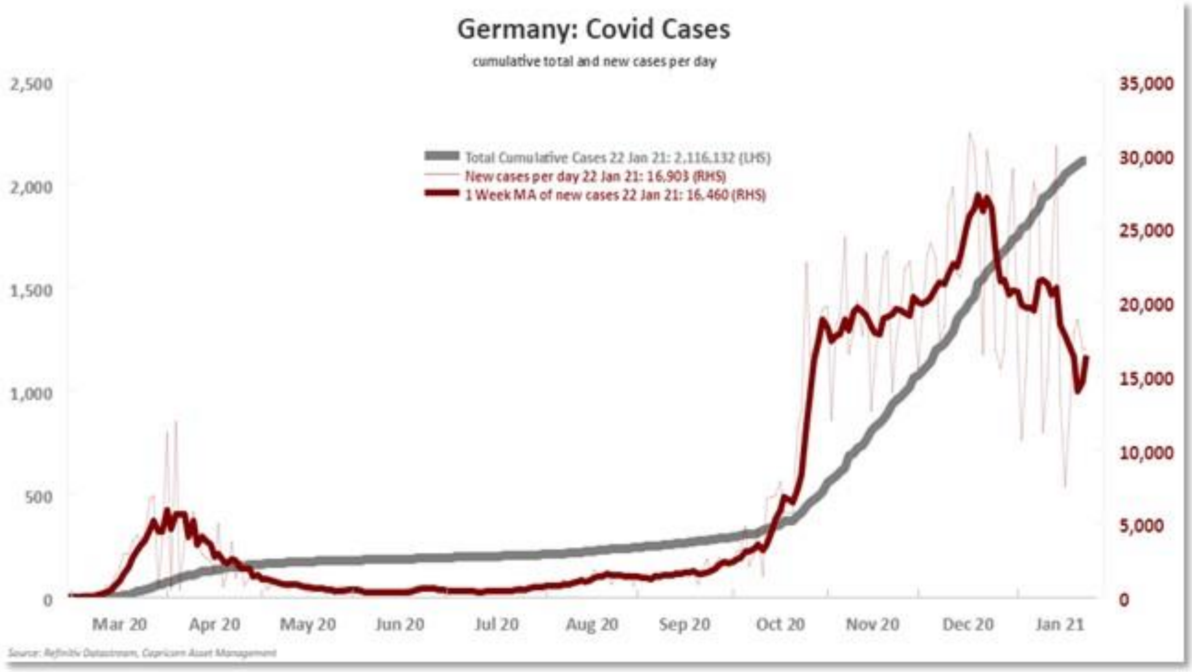
Government bonds fell, as the yield on the benchmark 2030 issue increased 5.5 basis points to 8.775%.

Corona Tracker

GLOBAL CASES SOURCE - REUTERS		24-Jan-2021		13:47
	Confirmed Cases	New Cases	Total Deaths	Total Recovered
GLOBAL	98,640,431	71,593	2,121,266	62,945,042

The number of new cases is distorted by cut-off times.

Source: Thomson Reuters



Diligence is the mother of good luck.

Benjamin Franklin

Market Overview

MARKET INDICATORS (Thomson Reuters)				25 January 2021
Money Market TB Rates %	**Last close**	**Difference**	**Prev close**	**Current Spot**
3 months	4.16	0.000	4.16	4.16
6 months	4.46	0.017	4.44	4.46
9 months	4.48	0.008	4.47	4.48
12 months	4.51	0.025	4.49	4.51
Nominal Bond Yields %	**Last close**	**Difference**	**Prev close**	**Current Spot**
GC21 (Coupon 7.75%, BMK R208)	4.38	0.025	4.35	4.38
GC22 (Coupon 8.75%, BMK R2023)	5.17	0.000	5.17	5.17
GC23 (Coupon 8.85%, BMK R2023)	5.07	0.000	5.07	5.07
GC24 (Coupon 10.50%, BMK R186)	6.97	0.030	6.94	6.97
GC25 (Coupon 8.50%, BMK R186)	6.98	0.030	6.95	6.98
GC26 (Coupon 8.50%, BMK R186)	6.98	0.030	6.95	6.98
GC27 (Coupon 8.00%, BMK R186)	7.27	0.030	7.24	7.27
GC30 (Coupon 8.00%, BMK R2030)	9.08	0.045	9.03	9.08
GC32 (Coupon 9.00%, BMK R213)	10.19	0.045	10.14	10.18
GC35 (Coupon 9.50%, BMK R209)	11.36	0.045	11.31	11.36
GC37 (Coupon 9.50%, BMK R2037)	11.91	0.045	11.87	11.91
GC40 (Coupon 9.80%, BMK R214)	12.64	0.035	12.60	12.64
GC43 (Coupon 10.00%, BMK R2044)	12.99	0.045	12.94	12.99
GC45 (Coupon 9.85%, BMK R2044)	13.27	0.045	13.22	13.27
GC50 (Coupon 10.25%, BMK: R2048)	13.28	0.040	13.24	13.28
Inflation-Linked Bond Yields %	**Last close**	**Difference**	**Prev close**	**Current Spot**
GI22 (Coupon 3.55%, BMK NCPI)	4.10	0.000	4.10	4.10
GI25 (Coupon 3.80%, BMK NCPI)	4.25	0.000	4.25	4.25
GI29 (Coupon 4.50%, BMK NCPI)	5.39	0.000	5.39	5.39
GI33 (Coupon 4.50%, BMK NCPI)	6.83	0.000	6.83	6.83
GI36 (Coupon 4.80%, BMK NCPI)	7.25	0.000	7.25	7.25
Commodities	**Last close**	**Change**	**Prev close**	**Current Spot**
Gold	1,853	-0.93%	1,870	1,854
Platinum	1,099	-2.49%	1,127	1,099
Brent Crude	55.4	-1.23%	56.1	55.4
Main Indices	**Last close**	**Change**	**Prev close**	**Current Spot**
NSX Overall Index	1,272	-1.72%	1,294	1,272
JSE All Share	63,988	-0.29%	64,175	63,988
SP500	3,841	-0.30%	3,853	3,841
FTSE 100	6,695	-0.30%	6,715	6,695
Hangseng	29,448	-1.60%	29,928	30,057
DAX	13,874	-0.24%	13,907	13,874
JSE Sectors	**Last close**	**Change**	**Prev close**	**Current Spot**
Financials	11,686	-2.13%	11,940	11,686
Resources	62,700	-1.34%	63,551	62,700
Industrials	86,576	1.21%	85,543	86,576
Forex	**Last close**	**Change**	**Prev close**	**Current Spot**
N$/US dollar	15.13	1.25%	14.94	15.08
N$/Pound	20.71	0.90%	20.52	20.67
N$/Euro	18.41	1.29%	18.17	18.36
US dollar/ Euro	1.217	0.04%	1.216	1.218
	Namibia		**RSA**	
Interest Rates & Inflation	**Dec 20**	**Nov 20**	**Dec 20**	**Nov 20**
Central Bank Rate	3.75	3.75	3.50	3.50
Prime Rate	7.50	7.50	7.00	7.00
	Dec 20	**Nov 20**	**Dec 20**	**Nov 20**
Inflation	2.4	2.2	3.1	3.2

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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