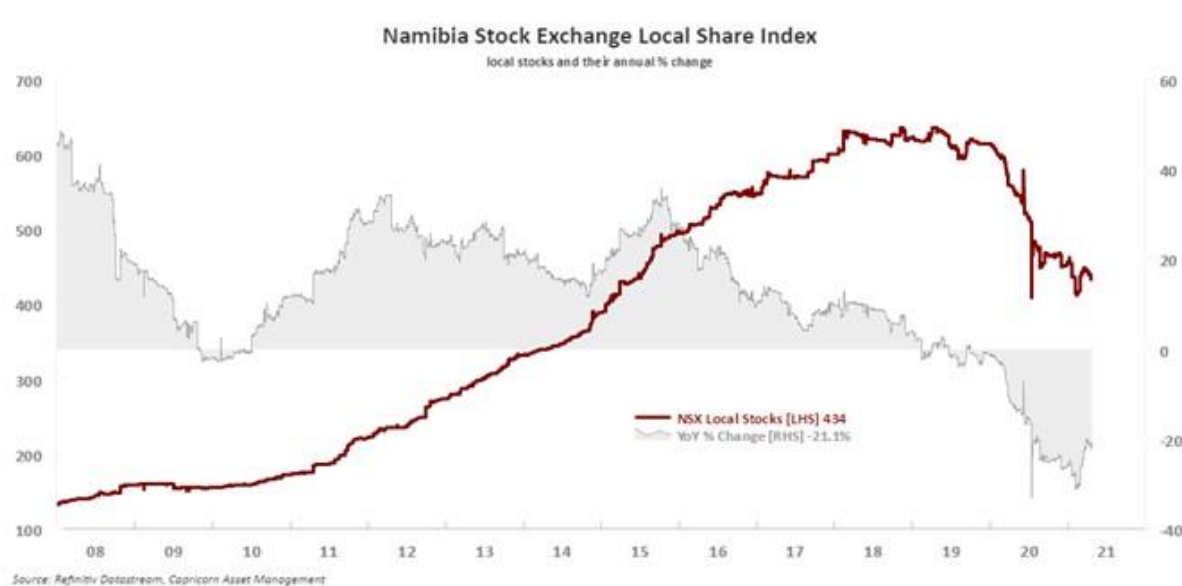




## Market Update

Wednesday, 28 April 2021



## Global Markets

Shares were mixed on Wednesday as already high valuations discouraged investors from buying equities ahead of a closely-watched U.S. Federal Reserve meeting.

MSCI's broadest index of Asia-Pacific shares outside Japan declined 0.23%. Australian stocks rose 0.55%, but shares in China slipped 0.44%. Stocks in Tokyo edged 0.16% higher. S&P 500 e-mini stock futures rose 0.09%.

Fed Chairman Jerome Powell is expected to reaffirm that easy monetary policy will remain in place for a prolonged period and dismiss any suggestions of tapering bond purchases. U.S. President Joe Biden will also address a joint session of Congress, where he may make additional comments about infrastructure and stimulus spending.

These developments would normally be a positive for stocks, but analysts say so much economic optimism is already priced into the equity market that it is difficult to buy stocks further from current levels. "We expect the Fed's tone on the economy to be more positive than at the March FOMC meeting, reflecting the ongoing pickup in the data, but we don't expect any substantive new signal yet on tapering," analysts at TD Securities wrote in a research note. "While we do not expect

much price action due to the Fed decision, Biden's remarks could continue to suggest more incoming supply, bear steepening the (Treasury yield) curve."

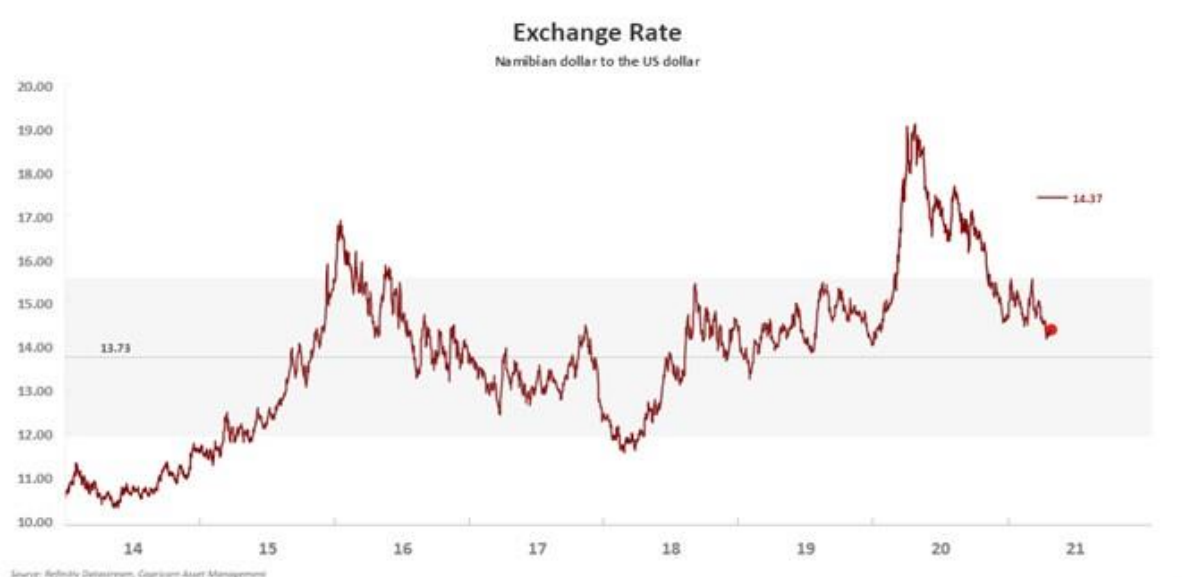
The Dow Jones Industrial Average rose 0.01%, but the S&P 500 lost 0.02%, and the Nasdaq Composite dropped 0.34% as investors digested a mixed bag of earnings from Tesla Inc, 3M Co, Microsoft Corp, and Google-parent Alphabet overnight. Some investors were also reluctant to move before earnings from heavyweights Apple Inc, Facebook Inc, and Amazon.com Inc due later this week.

An improving U.S. economy, rising coronavirus vaccination rates, and expectations for big fiscal spending are causing more investors to question when the Fed will start slowing its bond purchases and how much inflation policymakers will tolerate.

Breakeven rates on 10-year Treasury Inflation-Protected Securities, a measure of expected annual inflation for the coming decade, rose to 2.41%, the highest since 2013. Yields on benchmark 10-year Treasuries stood at 1.62%, close to a one-week high.

The dollar edged up slightly against the yen and the British pound, but trading is expected to be subdued until Powell speaks after the Fed meeting. The Australian dollar was knocked lower after disappointing data on consumer prices. In the cryptocurrency market, Ether rose to an all-time high above \$2,700 after Bloomberg reported that the European Investment Bank plans to sell a two-year digital bond worth 100 million euros (\$120.80 million) on the ethereum blockchain network. Rival cryptocurrency Bitcoin edged up to \$55,618.

In commodities, Brent crude futures fell 0.09% to \$66.36 a barrel while U.S. West Texas Intermediate crude lost 0.05% to \$62.91 per barrel due to worries about energy demand. Benchmark copper continued its ascent toward a record above \$10,000 a tonne. The metal is used so widely in manufacturing and heavy industry across the globe that it is considered a barometer of economic health. However, gold, which is often seen as a hedge against inflation, fell 0.49% to \$1,768.00 in cautious trade ahead of the Fed meeting.



## Domestic Markets

South Africa's rand edged higher early on Monday in thin trade ahead of a national holiday, with traders unlikely to take many big bets before key data due later in the week. At 1515 GMT, the rand was 0.17% firmer at 14.2625 per dollar, not far off its close at 14.2875 on Friday in New York.

The rand has made solid gains in April, outperforming its emerging market peers, with gains of around 3% year-to-date against the U.S. dollar, as higher commodity prices cushioned demand for the currency against rising U.S. Treasury yields.

The release of producer price inflation data on Wednesday kicks off a series of month-end announcements, including national budget and trade figures, which may provide direction for the currency in addition to the U.S. Federal Reserve meeting this week. "Should the trade balance show signs of deteriorating faster than expected as local demand picks up, the market may reassess its outlook for the ZAR for the rest of the year," economists at ETM Analytics said.

The dollar inched up on the day with investors consolidating positions ahead of the Fed meeting, and while no major policy changes are expected, investors will pay close attention to comments from Chairman Jerome Powell.

Stocks on the Johannesburg Stock Exchange (JSE) inched up on optimism about the prospect of a global economic recovery from the pandemic. That mood was boosted by the South African health ministry's announcement on Monday of the resumption of a research study into Johnson & Johnson's COVID-19 vaccine that was paused over very rare cases of blood clots.

The benchmark all-share index rose up 0.41% to end at 67,573 points and the blue-chip index of top 40 companies closed up 0.39% to 61,717 points. Aspen Pharmacare, which will be manufacturing the J&J vaccines in the country, rose more than 10%. Drugstore chain Clicks Group, which will be among the companies distributing the shot and vaccinating the population, ended up almost 6%.

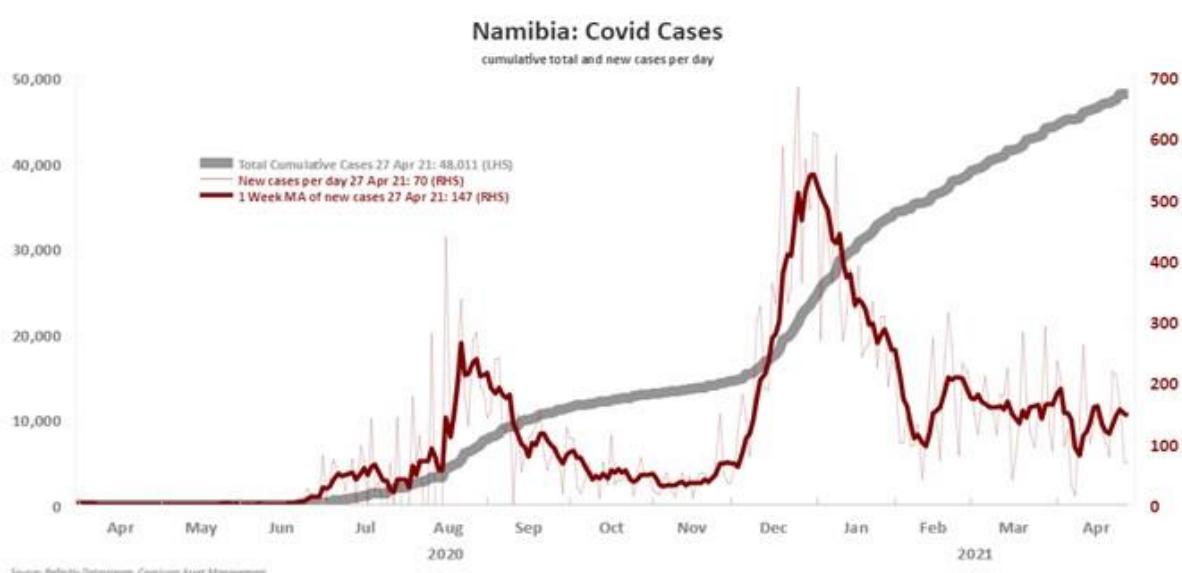
Bonds firmed, with the yield on the 2030 benchmark issue shedding 6 basis point to 9.155%.

## Corona Tracker

GLOBAL CASES		28-Apr-2021		5:33
SOURCE - REUTERS		Confirmed Cases	New Cases	Total Deaths
				Total Recovered
GLOBAL		148,187,822	569,886	3,265,595
				98,547,210

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

Source: Thomson Reuters





## Market Overview

MARKET INDICATORS (Thomson Reuters)				28 April 2021	
<b>Money Market TB Rates %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
3 months	⇒	4.20	0.000	4.20	4.20
6 months	⇒	4.41	0.000	4.41	4.41
9 months	⇒	4.71	0.000	4.71	4.71
12 months	⇓	4.74	-0.010	4.75	4.74
<b>Nominal Bond Yields %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
GC21 (Coupon 7.75%, BMK R208)	⇑	4.75	0.734	4.02	4.75
GC22 (Coupon 8.75%, BMK R2023)	⇒	5.35	0.000	5.35	5.36
GC23 (Coupon 8.85%, BMK R2023)	⇒	5.25	0.000	5.25	5.26
GC24 (Coupon 10.50%, BMK R186)	⇒	7.56	0.000	7.56	7.57
GC25 (Coupon 8.50%, BMK R186)	⇒	7.57	0.000	7.57	7.58
GC26 (Coupon 8.50%, BMK R186)	⇒	7.57	0.000	7.57	7.58
GC27 (Coupon 8.00%, BMK R186)	⇒	7.86	0.000	7.86	7.87
GC30 (Coupon 8.00%, BMK R2030)	⇒	9.46	0.000	9.46	9.47
GC32 (Coupon 9.00%, BMK R213)	⇒	10.53	0.000	10.53	10.54
GC35 (Coupon 9.50%, BMK R209)	⇒	11.59	0.000	11.59	11.60
GC37 (Coupon 9.50%, BMK R2037)	⇒	12.07	0.000	12.07	12.08
GC40 (Coupon 9.80%, BMK R214)	⇒	12.84	0.000	12.84	12.86
GC43 (Coupon 10.00%, BMK R2044)	⇒	13.16	0.000	13.16	13.17
GC45 (Coupon 9.85%, BMK R2044)	⇒	13.44	0.000	13.44	13.45
GC50 (Coupon 10.25%, BMK: R2048)	⇒	13.45	0.000	13.45	13.46
<b>Inflation-Linked Bond Yields %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
GI22 (Coupon 3.55%, BMK NCPI)	⇒	3.89	0.000	3.89	3.89
GI25 (Coupon 3.80%, BMK NCPI)	⇒	4.00	0.000	4.00	4.00
GI29 (Coupon 4.50%, BMK NCPI)	⇒	5.65	0.000	5.65	5.65
GI33 (Coupon 4.50%, BMK NCPI)	⇒	6.80	0.000	6.80	6.80
GI36 (Coupon 4.80%, BMK NCPI)	⇒	7.35	0.000	7.35	7.35
<b>Commodities</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Gold	⇓	1,777	-0.20%	1,780	1,770
Platinum	⇓	1,229	-1.22%	1,244	1,217
Brent Crude	⇑	66.4	1.17%	65.7	66.7
<b>Main Indices</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
NSX Overall Index	⇒	1,384	0.00%	1,384	1,384
JSE All Share	⇒	67,573	0.00%	67,573	67,573
SP500	⇓	4,187	-0.02%	4,188	4,187
FTSE 100	⇓	6,945	-0.26%	6,963	6,945
Hangseng	⇓	28,942	-0.04%	28,953	28,976
DAX	⇓	15,249	-0.31%	15,296	15,249
<b>JSE Sectors</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Financials	⇒	12,211	0.00%	12,211	12,211
Resources	⇒	69,926	0.00%	69,926	69,926
Industrials	⇒	86,871	0.00%	86,871	86,871
<b>Forex</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
N\$/US dollar	⇑	14.36	0.64%	14.27	14.39
N\$/Pound	⇑	19.98	0.73%	19.84	19.98
N\$/Euro	⇑	17.36	0.71%	17.24	17.37
US dollar/ Euro	⇑	1.209	0.06%	1.208	1.207
		<b>Namibia</b>		<b>RSA</b>	
<b>Interest Rates &amp; Inflation</b>		<b>Apr 21</b>	<b>Mar 21</b>	<b>Apr 21</b>	<b>Mar 21</b>
Central Bank Rate	⇒	3.75	3.75	3.50	3.50
Prime Rate	⇒	7.50	7.50	7.00	7.00
		<b>Mar 21</b>	<b>Feb 21</b>	<b>Mar 21</b>	<b>Feb 21</b>
Inflation	⇑	3.1	2.7	3.2	2.9

**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 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: Thomson Reuters



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