



Market Update

Monday, 29 April 2019

Global Markets

Asian shares rebounded on Monday after strong U.S. first-quarter economic growth boosted the S&P 500 index to a record high, and the recovery was also supported by data showing profits at Chinese industrial firms grew for the first time in four months.

Still nagged by uncertainty over the outlook for the global economy, investors were awaiting a meeting of the U.S. Federal Reserve this week and Chinese factory data for further clues on policy direction in the world's biggest economies.

MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.38 percent, rebounding from its biggest weekly drop in more than a month last week. Chinese blue-chips jumped 1 percent after losing 5.6 percent last week. Australian shares were down 0.43 percent after hitting an 11-year closing high on Friday, while Seoul's KOSPI was up 0.74 percent. Japan's financial markets are closed for a long national holiday this week, but Nikkei 225 futures in Singapore were 0.85 percent higher.

Monday's gains follow data showing U.S. gross domestic product grew at a faster 3.2 percent annualised rate in the first quarter. In contrast with weakness in Asian markets last week, Wall Street ended Friday on a high note, propelled by the GDP figures. The Dow Jones Industrial Average rose 0.31 percent to 26,543.33 and the Nasdaq Composite added or 0.34 percent to 8,146.40. The S&P 500 gained 0.47 percent to 2,939.88, its second record closing high for the week.

While the strong U.S. GDP data helped to ease fears of an imminent recession, investors noted that it was driven by a smaller trade deficit and a large accumulation of unsold merchandise, as consumer and business spending slowed sharply. The March reading for core personal consumption expenditures (PCE), the Fed's favoured inflation measure, is due later on Monday. The central bank's Federal Open Market Committee (FOMC) will announce its policy decision on Wednesday, with Chairman Jerome Powell expected to balance the strong domestic growth data against persistent concerns over the global outlook. Markets will also be looking to global factory activity surveys this week, particularly official and private readings on Chinese manufacturing which will both be released Tuesday.

With Japan on an extended break, currency markets were calm ahead of the FOMC meeting and U.S. jobs numbers. The dollar was flat against the yen at 111.60, and the euro was up 0.05 percent to \$1.1154. The dollar index, which tracks the greenback against a basket of six major rivals, turned 0.03 percent lower to 97.981.

U.S. crude dipped 0.5 percent at \$62.98 a barrel, continuing lower after U.S. President Donald Trump on Friday pressured the Organization of the Petroleum Exporting Countries to raise crude production to ease gasoline prices. Brent crude fell 0.37 percent to \$71.88 per barrel. Spot gold was flat, trading at \$1,285.78 per ounce.

Source: Thomson Reuters

Domestic Markets

South Africa's rand firmed on Friday, recovering from a four-week low touched in the previous session, as the dollar slipped after U.S. economic growth data. Stocks ended flat.

At 1520 GMT the rand traded at 14.3000 to the dollar, 0.97 percent firmer than its New York close on Thursday. The currency had slipped to 14.5550 on Thursday, its weakest price since March 29.

"U.S. GDP data would have driven a lot of people back into emerging market currencies, of which the rand would have benefited because there has been a sell-off over the last two or three days," said Sanlam Private Wealth portfolio manager Gary McNamara.

The dollar fell to a session low against a basket of currencies on Friday, after data showed U.S. GDP accelerated in the first quarter. But the burst in growth was driven by trade and the largest accumulation of unsold goods since 2015 - temporary factors that are likely to reverse in the coming quarters.

In fixed income, the yield on the benchmark 10-year issue ZAR186 fell 1.5 basis points to 8.575 percent.

On the bourse, the benchmark JSE Top 40 Index closed 0.19 percent higher at 52,572 while the broader All-Share Index finished 0.15 percent higher at 58,894.

The markets had closed two hours earlier due to a software upgrade, the exchange operator JSE Limited said.

Mining firm Goldfields was among the top performers in the blue-chip index, rising by 0.97 percent to 55.44 rand after the Bank of Montreal raised their rating to outperform from underperform.

Source: Thomson Reuters

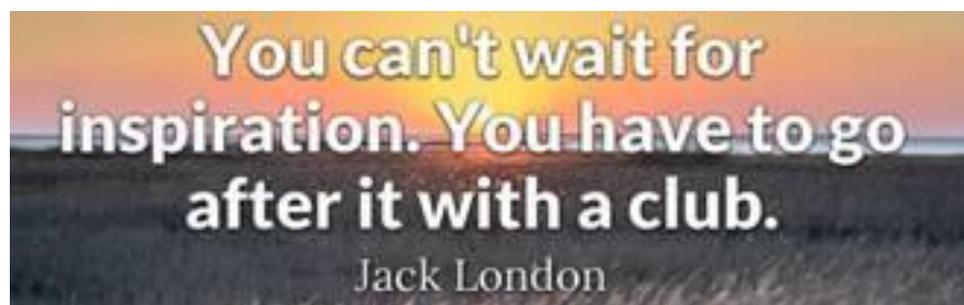
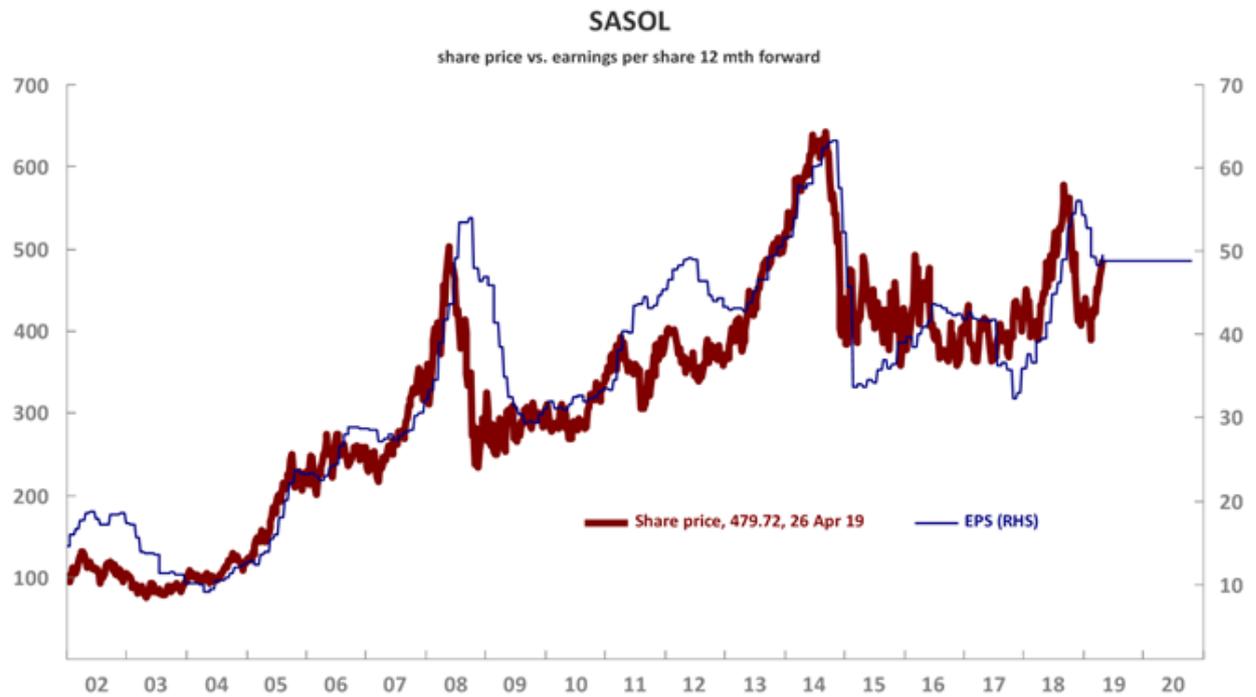


Chart of the Day



Market Overview

| MARKET INDICATORS | | 29 April 2019 | | | |
|--------------------------|---|-------------------|-------------------|-------------------|---------------------|
| Money Market TB's | | Last close | Difference | Prev close | Current Spot |
| 3 months | ➔ | 7.42 | 0.000 | 7.42 | 7.42 |
| 6 months | ➔ | 7.66 | 0.000 | 7.66 | 7.66 |
| 9 months | ➔ | 7.93 | 0.000 | 7.93 | 7.92 |
| 12 months | ➔ | 8.12 | 0.000 | 8.12 | 8.17 |
| Bonds | | Last close | Difference | Prev close | Current Spot |
| GC21 (BMK: R208) | ⬆ | 7.94 | 0.065 | 7.88 | 7.89 |
| GC24 (BMK: R186) | ⬆ | 9.47 | 0.239 | 9.23 | 9.45 |
| GC27 (BMK: R186) | ⬆ | 9.67 | 0.348 | 9.32 | 9.66 |
| GC30 (BMK: R2030) | ⬆ | 10.50 | 0.372 | 10.13 | 10.49 |
| GI22 (BMK: NCPI) | ➔ | 4.54 | 0.000 | 4.54 | 4.54 |
| GI25 (BMK: NCPI) | ➔ | 5.11 | 0.000 | 5.11 | 5.11 |
| GI29 (BMK: NCPI) | ➔ | 5.73 | 0.000 | 5.73 | 5.73 |
| Commodities | | Last close | Change | Prev close | Current Spot |
| Gold | ⬆ | 1,286 | 0.70% | 1,277 | 1,283 |
| Platinum | ⬆ | 895 | 1.36% | 883 | 897 |
| Brent Crude | ⬇ | 72.2 | -2.96% | 74.4 | 71.7 |
| Main Indices | | Last close | Change | Prev close | Current Spot |
| NSX (Delayed) | ⬆ | 1,371 | 0.03% | 1,371 | 1,371 |
| JSE All Share | ⬆ | 58,894 | 0.15% | 58,807 | 58,894 |
| SP500 | ⬆ | 2,940 | 0.47% | 2,926 | 2,940 |
| FTSE 100 | ⬇ | 7,428 | -0.08% | 7,434 | 7,428 |
| Hangseng | ⬆ | 29,605 | 0.19% | 29,550 | 29,812 |
| DAX | ⬆ | 12,315 | 0.27% | 12,283 | 12,315 |
| JSE Sectors | | Last close | Change | Prev close | Current Spot |
| Financials | ⬆ | 17,068 | 0.49% | 16,985 | 17,068 |
| Resources | ⬇ | 46,622 | -0.60% | 46,903 | 46,622 |
| Industrials | ⬆ | 73,798 | 0.45% | 73,466 | 73,798 |
| Forex | | Last close | Change | Prev close | Current Spot |
| N\$/US dollar | ⬇ | 14.36 | -0.47% | 14.43 | 14.35 |
| N\$/Pound | ⬇ | 18.55 | -0.31% | 18.60 | 18.56 |
| N\$/Euro | ⬇ | 16.01 | -0.31% | 16.06 | 16.01 |
| US dollar/ Euro | ⬆ | 1.115 | 0.16% | 1.11 | 1.116 |
| Economic data | | Namibia | | RSA | |
| | | Latest | Previous | Latest | Previous |
| Inflation | ⬆ | 4.5 | 4.4 | 4.5 | 4.1 |
| Prime Rate | ➔ | 10.50 | 10.50 | 10.25 | 10.25 |
| Central Bank Rate | ➔ | 6.75 | 6.75 | 6.75 | 6.75 |

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

Source: Bloomberg

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