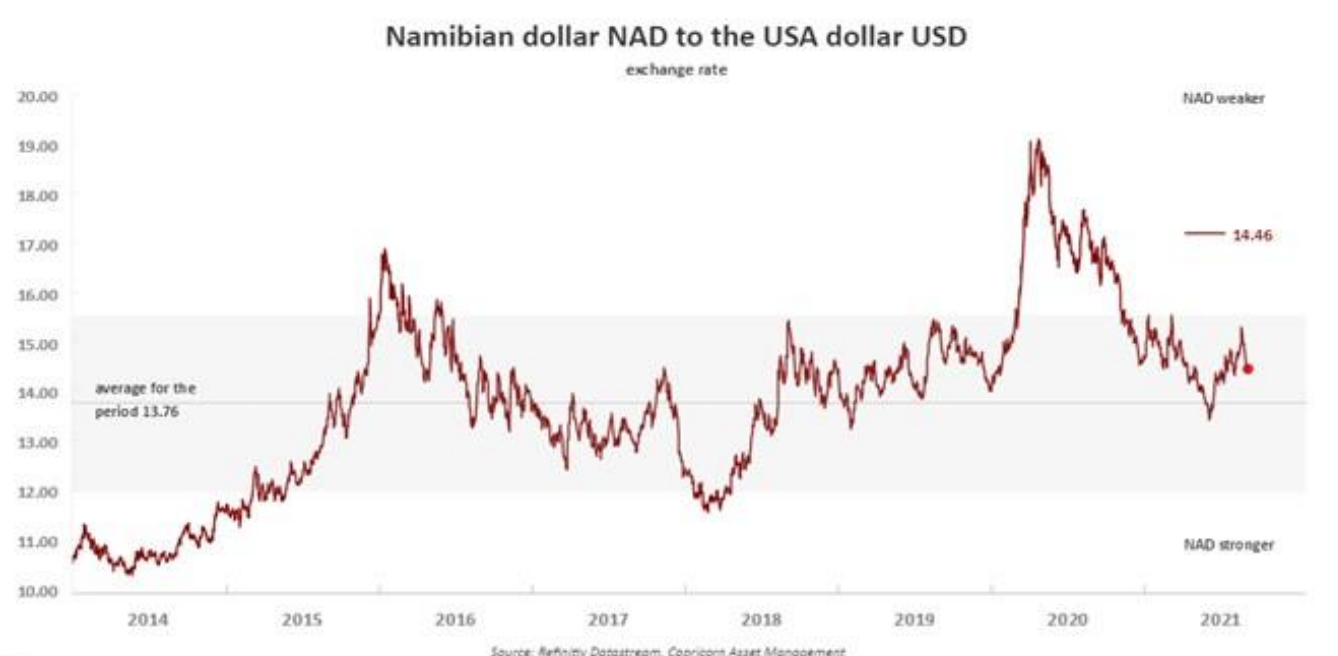




Market Update

Friday, 3 September 2021



Global Markets

Asian shares held their gains on Friday while the dollar was at a month low against major peers as traders awaited U.S. employment data with global shares at record highs.

MSCI's broadest index of Asia-Pacific shares outside Japan was broadly flat in early trading in Asia having posted gains in eight of the last nine sessions as the benchmark edges back towards its position in mid-July before Chinese regulatory crackdowns sent shares tumbling. Japan's Nikkei rose 0.38%, and MSCI's all-country world index edged higher having ended the previous session at its fifth consecutive closing high. Australia was up 0.3% and Korea rose 0.61% while Chinese blue chips fell 0.27% and Hong Kong dropped 0.6% right after the bell, as traders try to balance weaker economic data out of China against the potential for future stimulus.

Investors anticipate that Beijing will accelerate fiscal spending and credit growth as its economic recovery slows, but that such measures will be finely targeted as the U.S. Federal Reserve prepares to taper its own stimulus. Traders are hoping to get a better sense of the timing and pace of U.S. tapering on Friday after U.S. non-farm payroll data is published later in the day, as Fed Chair Jerome Powell has suggested an improvement in the employment numbers is the remaining major prerequisite for action.

According to a Reuters survey of economists, non-farm payrolls likely increased by 750,000 jobs last month after rising by 943,000 in July. "When it comes to tapering the focus is now the labour market. If we're in the area of 750,000 the expectation will be for a September tapering announcement," said Stefan Hofer, chief investment strategist at LGT private bank in Asia. Hofer said he was focused on leisure and hospitality jobs as they were a good indicator of the state of the recovery from the COVID-19 pandemic.

U.S. treasuries have been cautious ahead of the data release, and in Asian hours on Friday the yield on benchmark 10-year Treasury notes was 1.2919% compared with its U.S. close of 1.294% on Thursday. The dollar stayed pinned at month lows against a basket of currencies, with the euro doing a fair amount of the work. The European single currency touched its highest level since early August against the greenback on Friday, as markets start to react to the potential for more sustained eurozone inflation and reduced stimulus from the European Central Bank. "The persistence of the increase in input inflation will provide more substance to arguments that the ECB should soon start to dial back its asset purchases," analysts at ANZ said.

Oil prices fell in early Asian hours having risen by more than \$1 a barrel on Thursday. U.S. crude dipped 0.36% to \$69.74 a barrel. Brent crude fell 0.27% to \$72.81 per barrel.

Source: Thomson Reuters Refinitiv



Domestic Markets

A rally in the South African rand came to a halt on Thursday afternoon, as investors turned cautious ahead of a U.S. jobs report on Friday that could affect expectations over the path of the Federal Reserve's policy.

At 1542 GMT, the rand traded at 14.4400 against the dollar, roughly 0.3% weaker than its previous close and on course for its first daily loss in almost two weeks. The rand had risen steadily this week in the wake of a dovish speech from Fed Chair Jerome Powell last Friday, when he suggested the bank was in no rush to raise interest rates.

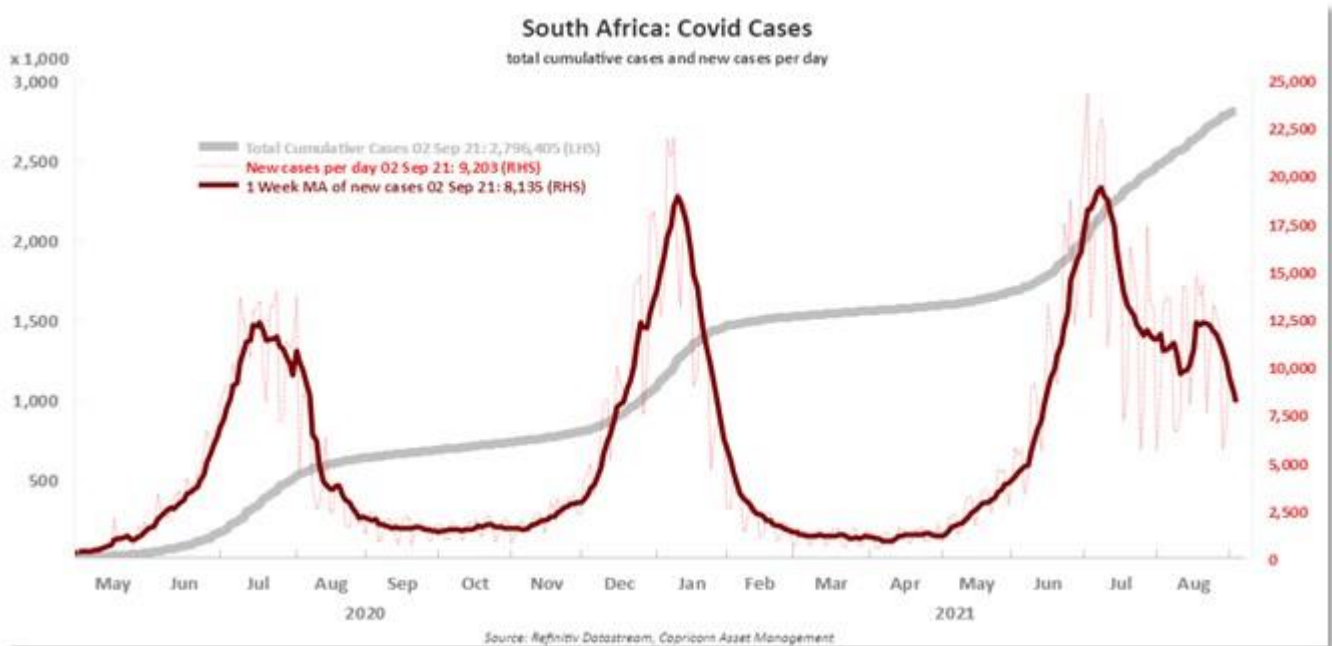
The local currency has shrugged off domestic data releases including budget and trade figures to track shifts in global sentiment and moves in the dollar. Andre Cilliers, currency strategist at TreasuryONE, said on Thursday morning the rand was heading into "overbought territory" after closing stronger for eight consecutive days.

On Friday, investors will look to a PMI survey for clues about the pace of South Africa's economic recovery from the COVID-19 pandemic.

On the Johannesburg bourse, stocks fell, with the All-Share index ending down 0.48% and the Top-40 index down 0.42%. Leading the decliners was insurer Discovery, which dropped 7.80% after it scrapped its annual dividend again and said it may have to raise equity capital to cover costs linked to its investment in China's Ping An. Miner Impala Platinum Holdings Ltd was another big faller, closing 6.86% weaker, as its annual headline earnings per share (HEPS) growth missed market expectations. Equity analyst Nkateko Mathonsi of Investec viewed the HEPS figure, the primary profit measure for South African companies, as well as the final dividend as "disappointing".

Corona Tracker

GLOBAL CASES		2021-09-03	
SOURCE - REUTERS			
	Confirmed Cases	New Cases	Total Deaths
GLOBAL	219,027,109	377,552	4,716,114



Source: Thomson Reuters Refinitiv

Experience without theory is blind, but theory without experience is mere intellectual play.

Immanuel Kant

Market Overview

MARKET INDICATORS (Thomson Reuters)		03 September 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	⇒	4.62	0.000	4.62	4.62
6 months	⇒	5.03	0.000	5.03	5.03
9 months	⇒	5.24	0.000	5.24	5.24
12 months	⇒	5.31	0.000	5.31	5.31
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	⇒	4.17	0.000	4.17	4.16
GC22 (Coupon 8.75%, BMK R2023)	⇒	5.55	0.000	5.55	5.51
GC23 (Coupon 8.85%, BMK R2023)	⇒	5.61	0.000	5.61	5.57
GC24 (Coupon 10.50%, BMK R186)	↓	6.91	-0.020	6.93	6.91
GC25 (Coupon 8.50%, BMK R186)	↓	7.10	-0.020	7.12	7.10
GC26 (Coupon 8.50%, BMK R186)	↓	7.76	-0.020	7.78	7.76
GC27 (Coupon 8.00%, BMK R186)	↓	8.03	-0.020	8.05	8.03
GC30 (Coupon 8.00%, BMK R2030)	↓	9.64	-0.020	9.66	9.64
GC32 (Coupon 9.00%, BMK R213)	↓	10.18	-0.025	10.21	10.18
GC35 (Coupon 9.50%, BMK R209)	↓	11.33	-0.010	11.34	11.34
GC37 (Coupon 9.50%, BMK R2037)	↓	12.03	-0.015	12.05	12.04
GC40 (Coupon 9.80%, BMK R214)	↓	12.87	-0.010	12.88	12.86
GC43 (Coupon 10.00%, BMK R2044)	↓	13.02	-0.030	13.05	13.04
GC45 (Coupon 9.85%, BMK R2044)	↓	12.99	-0.030	13.02	13.01
GC48 (Coupon 10.00%, BMK R2048)	↓	13.04	-0.010	13.05	13.05
GC50 (Coupon 10.25%, BMK: R2048)	↓	13.12	-0.010	13.13	13.13
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI22 (Coupon 3.55%, BMK NCPI)	⇒	3.95	0.000	3.95	3.95
GI25 (Coupon 3.80%, BMK NCPI)	⇒	3.96	0.000	3.96	3.96
GI27 (Coupon 4.00%, BMK NCPI)	⇒	4.99	0.000	4.99	4.99
GI29 (Coupon 4.50%, BMK NCPI)	↑	6.16	0.040	6.12	6.16
GI33 (Coupon 4.50%, BMK NCPI)	⇒	7.32	0.000	7.32	7.32
GI36 (Coupon 4.80%, BMK NCPI)	↑	7.71	0.117	7.60	7.71
Commodities		Last close	Change	Prev close	Current Spot
Gold	↓	1,809	-0.23%	1,814	1,813
Platinum	↓	999	-0.35%	1,002	1,001
Brent Crude	↑	73.0	2.01%	71.6	73.1
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,519	0.15%	1,517	1,519
JSE All Share	↓	66,654	-0.48%	66,976	66,654
SP500	↑	4,537	0.28%	4,524	4,537
FTSE 100	↑	7,164	0.20%	7,150	7,164
Hangseng	↑	26,090	0.24%	26,028	25,899
DAX	↑	15,841	0.10%	15,824	15,841
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	14,336	-0.94%	14,472	14,336
Resources	↓	63,429	-0.57%	63,793	63,429
Industrials	↓	84,608	-0.17%	84,755	84,608
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	14.45	0.40%	14.39	14.43
N\$/Pound	↑	19.99	0.85%	19.82	19.97
N\$/Euro	↑	17.16	0.70%	17.04	17.14
US dollar/ Euro	↑	1.187	0.30%	1.184	1.188
		Namibia		RSA	
Interest Rates & Inflation		Aug 21	Jul 21	Aug 21	Jul 21
Central Bank Rate	⇒	3.75	3.75	3.50	3.50
Prime Rate	⇒	7.50	7.50	7.00	7.00
		Jul 21	Jun 21	Jul 21	Jun 21
Inflation	↓	4.0	4.1	4.6	4.9

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 the Overall Index, including dual listed

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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