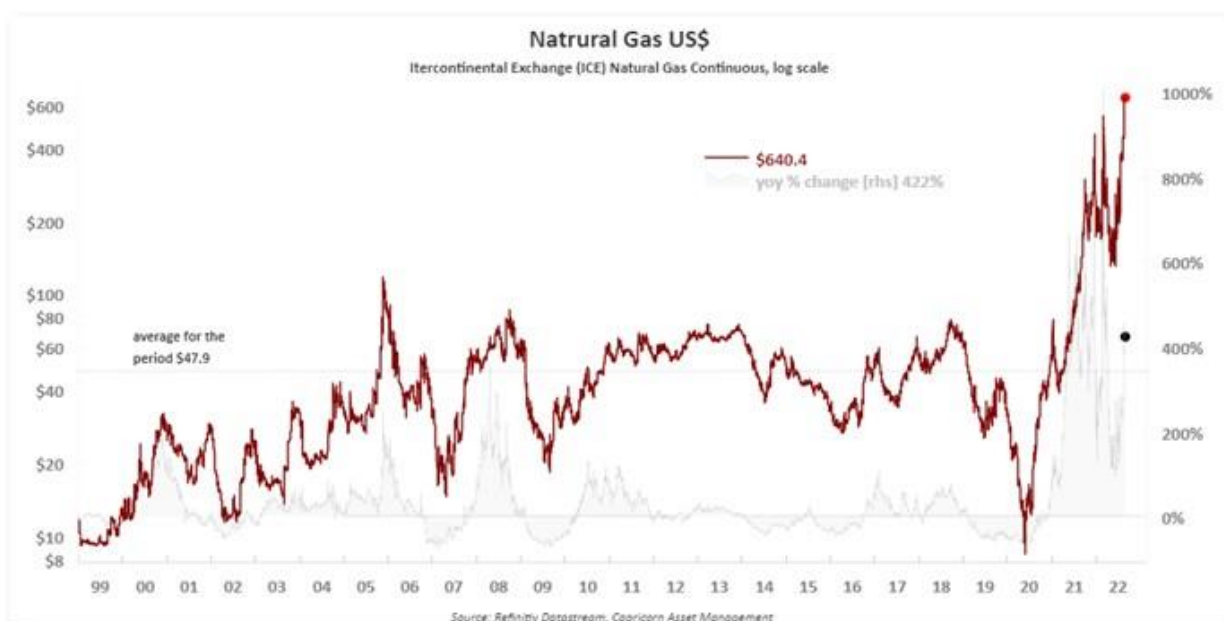




Market Update

Tuesday, 30 August 2022



Global Markets

Stock and bond markets attempted to steady on Tuesday, as investors turned their focus to this week's U.S. labour market report, to gauge if interest rate hikes that have been priced in around the world are justified.

By mid-morning, MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.4%, while Japan's Nikkei stock index rose nearly 1%, in part helped by a fresh round of weakness in the Japanese yen. Wall Street indexes fell on Monday, but the pace of selling was reduced and U.S. stock futures were steady in Asia. Besides interest rates, the health of China's economy is also at the forefront of investor concerns. China's benchmark Shanghai Composite Index lost 0.4% in early trade. Hong Kong's Hang Seng index fell 1.8% as investors start to walk back their enthusiasm about an agreement struck between China and the United States for access to Chinese companies audit papers.

At the Jackson Hole conference last week, Federal Reserve Chair Jerome Powell and European Central Bank speakers struck a hawkish tone, driving selling of bonds and equities as traders jacked up near-term interest rate expectations. "The markets focus for the next couple of weeks at least, will be the likely Fed action," said Manishi Raychaudhuri, head of APAC equity research at BNP Paribas. "Earlier, there was talk of a pivot of a possible cutting of interest rates by the Fed, maybe in 2023 second half or so, but that is now sort of falling by the wayside," he said. "Higher for longer (interest rate) is possibly the kind of narrative that's building up," he said.

Futures markets have odds of better than two-thirds that the ECB raises rates by 75 basis points in September, and see about a 70% chance that the Fed does likewise. U.S. non-farm payrolls data is due on Friday, and markets may not like a strong number if it supports the basis for a continuation of aggressive interest rate hikes.

U.S. Treasuries settled down on Tuesday morning. The two-year yield fell to 3.4293%, after rising as high as 3.489% on Monday, its highest since late 2007. Benchmark 10-year yields also fell to 3.0949%, down from 3.13% on Monday.

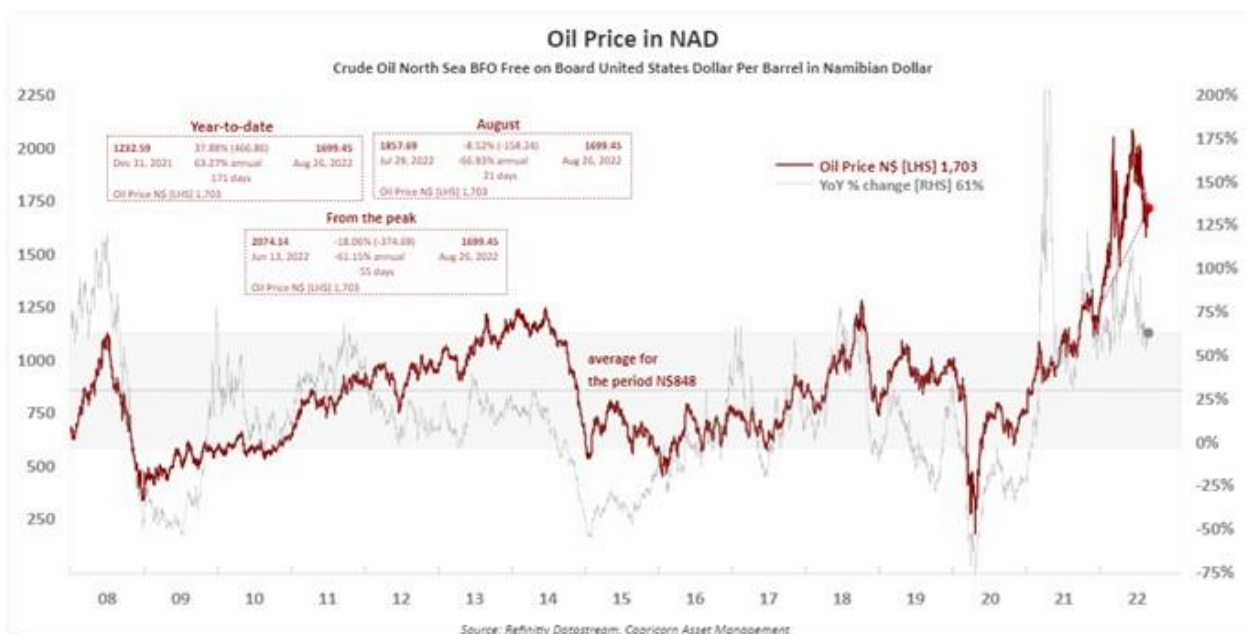
The U.S. dollar steadied after an overnight dip, though the euro was already struggling to hang on to small gains driven by ECB hike bets and a cooling of gas prices. The dollar index which measures the currency's value against a basket of peers, rose 0.2% to 108.85, not far from the two decade peak of 109.48 it made a day earlier. The dollar traded at \$0.9987 per euro and bought 138.59 yen.

Oil mostly held gains on the prospect of output cuts, as traders look ahead to a producers meeting on Sept. 5. U.S. crude was about 30 cents a barrel weaker at \$96.68 and Brent crude fell 68 cents to \$104.41.

Gold was slightly lower. Spot gold was traded at \$1,735.95 per ounce.

Source: Thomson Reuters Refinitiv

Domestic Markets



South Africa's rand rose on Monday after the dollar retreated from its latest 20-year high, scaled after hawkish comments from the U.S. Federal Reserve Chair Jerome Powell last week. At 1529 GMT, the rand traded at 16.8350 against the dollar, 0.37% stronger than its previous close. The rand had fallen to 17.0025 earlier in the day. The dollar index, which measures the U.S. currency against six rivals, was last down at 108.81, after earlier hitting a two-decade peak of 109.48.

The Fed would raise rates as high as needed, and would keep them there "for some time" to bring down soaring inflation, Powell told the Jackson Hole central banking conference in Wyoming on Friday. Rising interest rates in the developed world make high-yielding but riskier emerging market currencies such as the rand lose their appeal to investors.

In the stock market, the Top-40 index closed down 1.51%, while the broader all-share ended 1.38% lower, mirroring the slump in global equities fuelled by global recession fears. However, retailer Massmart Holdings Ltd had a bumper day and closed nearly 45% higher, after U.S. retail giant Walmart Inc launched a 6.4 billion rand (\$380.05 million) offer for the remaining 47% of the South African company it did not already own, a move welcomed by analysts. "Massmart is not going to keep its head above water much longer without any further assistance in the form of liquidity from shareholders," Gryphon Asset Management portfolio manager Casparus Treurnicht said.

The government's benchmark 2030 bond fell, with the yield up 5.5 basis points to 10.245%.

(\$1 = 16.8401 rand) .

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	596,873,121		5,086,223	6,459,684	13,914

Source: Thomson Reuters Refinitiv

Wherever you are - be all there.

[Jim Elliot](#)

Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)				30 August 2022	
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	⇒	6.56	0.000	6.56	6.56
6 months	↑	6.82	0.042	6.78	6.82
9 months	↑	7.54	0.091	7.45	7.54
12 months	↑	7.92	0.042	7.88	7.92
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC23 (Coupon 8.85%, BMK R2023)	⇒	8.57	0.000	8.57	8.57
GC24 (Coupon 10.50%, BMK R186)	↑	8.29	0.055	8.23	8.30
GC25 (Coupon 8.50%, BMK R186)	↑	8.74	0.055	8.68	8.75
GC26 (Coupon 8.50%, BMK R186)	↑	8.80	0.055	8.74	8.81
GC27 (Coupon 8.00%, BMK R186)	↑	9.77	0.055	9.71	9.78
GC30 (Coupon 8.00%, BMK R2030)	↑	11.54	0.055	11.48	11.55
GC32 (Coupon 9.00%, BMK R213)	↑	11.67	0.055	11.62	11.67
GC35 (Coupon 9.50%, BMK R209)	↑	12.16	0.050	12.11	12.17
GC37 (Coupon 9.50%, BMK R2037)	↑	12.76	0.035	12.73	12.77
GC40 (Coupon 9.80%, BMK R214)	↑	13.14	0.050	13.09	13.15
GC43 (Coupon 10.00%, BMK R2044)	↑	13.65	0.050	13.60	13.66
GC45 (Coupon 9.85%, BMK R2044)	↑	14.17	0.050	14.12	14.18
GC48 (Coupon 10.00%, BMK R2048)	↑	14.32	0.045	14.28	14.33
GC50 (Coupon 10.25%, BMK: R2048)	↑	14.33	0.045	14.29	14.34
Inflation-Linked Bond Yields %		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)	⇒	4.80	0.000	4.80	4.80
GI33 (Coupon 4.50%, BMK NCPI)	⇒	6.29	0.000	6.29	6.29
GI36 (Coupon 4.80%, BMK NCPI)	⇒	6.98	0.000	6.98	6.98
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,738	0.06%	1,737	1,734
Platinum	↑	864	0.06%	864	857
Brent Crude	↑	105.1	4.06%	101.0	104.5
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,556	-1.86%	1,585	1,556
JSE All Share	↓	69,207	-1.38%	70,173	69,207
SP500	↓	4,031	-0.67%	4,058	4,031
FTSE 100	⇒	7,427	0.00%	7,427	7,427
Hangseng	↓	20,023	-0.73%	20,170	19,912
DAX	↓	12,893	-0.61%	12,971	12,893
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	15,496	-1.67%	15,758	15,496
Resources	↓	63,106	-2.18%	64,512	63,106
Industrials	↓	84,621	-1.00%	85,475	84,621
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↓	16.82	-0.23%	16.86	16.82
N\$/Pound	↓	19.69	-0.56%	19.81	19.68
N\$/Euro	↑	16.81	0.12%	16.80	16.81
US dollar/ Euro	↑	1.000	0.34%	0.996	1.000
		Namibia		RSA	
Interest Rates & Inflation		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

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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