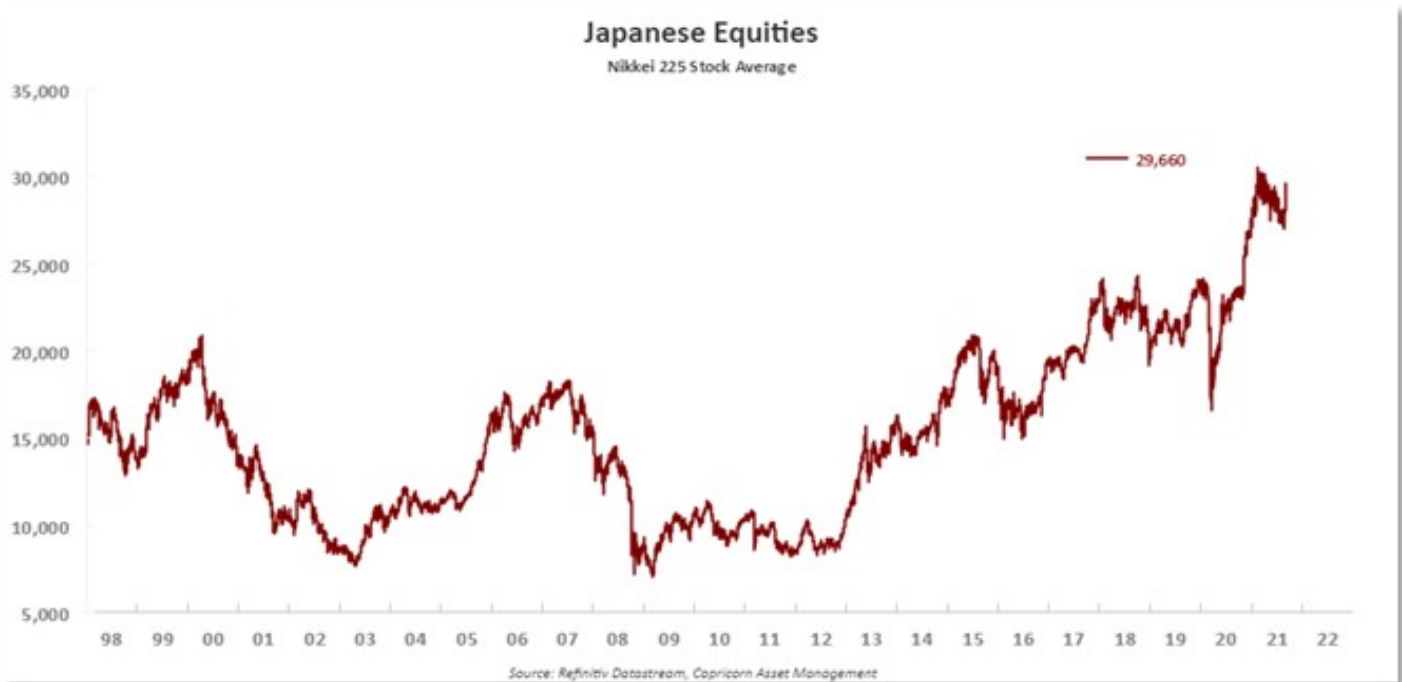




Market Update

Tuesday, 7 September 2021



Global Markets

Global stocks inched higher on Tuesday to a record high for the eight straight session as investors wagered the U.S. Federal Reserve is likely to delay the start of tapering its asset purchases after the soft U.S. jobs data.

Japanese shares extended their bull run on hopes the ruling Liberal Democratic Party will compile additional economic stimulus and easily win an upcoming general election after the country's unpopular Prime Minister Yoshihide Suga said he would quit. Tokyo's Nikkei rallied as much as 1.3%, moving past the psychological barrier of 30,000 for the first time since April, also helped by a reshuffle in the Nikkei.

Mainland Chinese shares were little changed while MSCI's ex-Japan Asian-Pacific index was down 0.1%. The world's shares, measured by MSCI's gauge of 50 markets, tacked on 0.1% to log its eighth consecutive day of gains to record highs.

The latest rally, which started after Federal Reserve Chair Jerome Powell's dovish speech at Jackson Hole Symposium late last month, received a further boost from a surprisingly soft U.S. payrolls report on Friday. The U.S. economy created 235,000 jobs in August, the fewest in seven months as hiring in the leisure and hospitality sector stalled, reducing expectations of an early tapering by the Fed. That was way below economists' forecast of 728,000.

"It's the service sector that is losing steam and that clearly shows the impact of Delta variant. And the Fed has no reason to insist on tapering this year if the Delta variant is having an impact. After all its policy moves are contingent on job recovery," said Norihiro Fujito, chief investment strategist at Mitsubishi UFJ Morgan Stanley Securities.

U.S. S&P 500 futures were 0.1% higher from Friday's close after the U.S. holiday on Monday. Bond prices eased slightly, pushing up their yields, with the 10-year U.S. Treasuries yielding 1.339%, up 1.3 basis points. In the currency market, the euro changed hands at \$1.1884, a tad below Friday's one-month peak of \$1.1909 while the yen was little moved at 109.76 yen to the dollar. The Australian dollar fetched \$0.7455, not far from its 1-1/2-month high of \$0.74775 set on Friday. The immediate focus is on the Reserve Bank of Australia's policy meeting later in the day and on whether it will stick to its plan to start tapering its bond purchase this month.

Oil prices fell after Saudi Arabia's sharp cuts to crude contract prices for Asia revived concerns over the demand outlook. U.S. crude futures dropped 0.6% to \$68.90 per barrel.

Source: Thomson Reuters Refinitiv



Domestic Markets

South Africa's rand strengthened on Monday, continuing to trade on the front foot after a disappointing U.S. jobs report dampened expectations of when the Federal Reserve will begin tapering stimulus measures. At 1618 GMT, the rand traded at 14.2350 against the dollar, around 0.7% firmer than its previous close.

The rand rallied on Friday after the U.S. jobs report came in below market expectations, as the Fed has made a labour market recovery a condition for paring back its pandemic-era asset purchases. Along with other risk-sensitive currencies, the rand moves regularly on shifts in the outlook for U.S. monetary policy.

"September is typically a period for global financial markets where risk-off can subside, and while some churn is evident, risk-taking can start to pick up, and further dovish comments from the Fed would support this," Investec chief economist Annabel Bishop said.

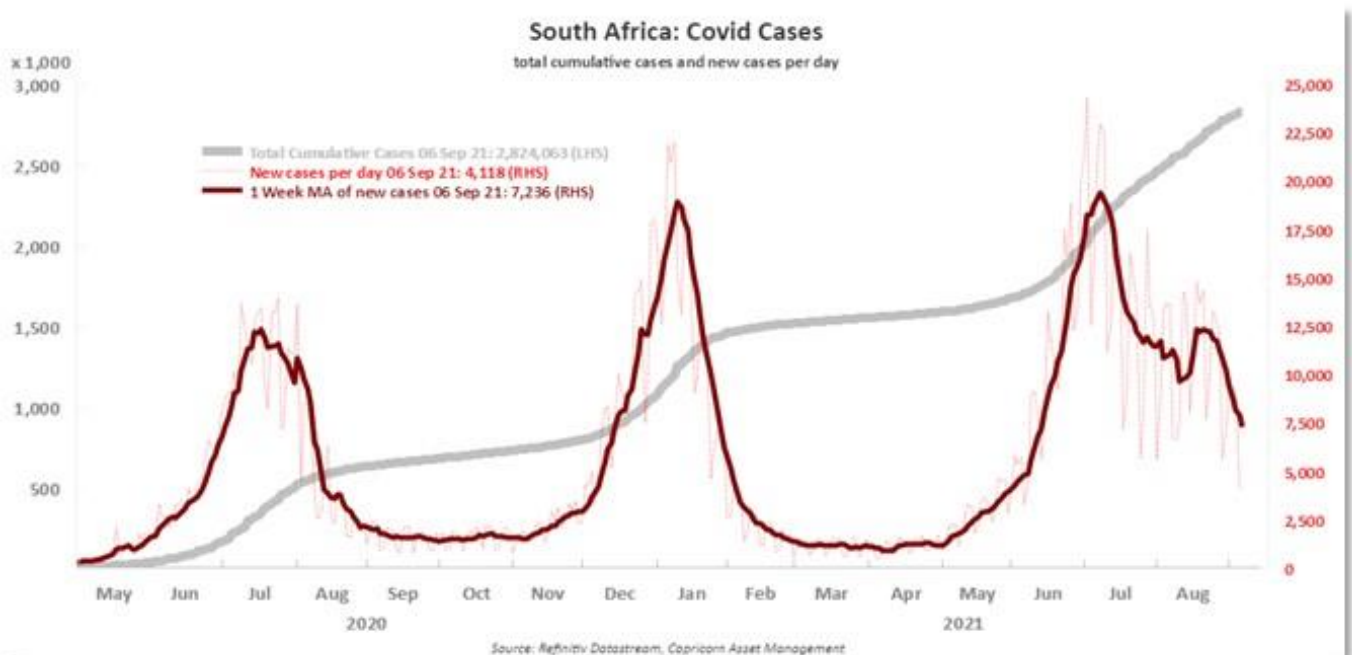
This week's economic data releases include South Africa's second-quarter gross domestic product (GDP) figures on Tuesday, as well as July manufacturing and second-quarter current account numbers on Thursday. Analysts polled by Reuters predict that GDP expanded 0.7% quarter on quarter, seasonally adjusted but not annualised, in the April-June quarter - down from 1.1% in the prior three-month period. That reflects expectations for a sluggish economic recovery from the COVID-19 pandemic.

The yield on the government's benchmark 2030 bond was flat at 8.810%.

In the equities market, stocks declined, led by retail group Steinhoff after a court judge ruled that it has jurisdiction to hear a liquidation bid against the retailer. The proceedings will now continue from later this week. The news overshadowed positive developments regarding its lawsuit settlement proposal, which was approved by majority creditors and claimants on Monday, moving the group closer to finalising a deal that has been a major headache since the company's restructuring. Steinhoff shares closed 21.62% weaker at 2.90 rand.

Overall, the Johannesburg All-Share index dipped 0.18% to 66,253 points while the Top-40 index declined 0.12%. Mining stocks were also in the red, with the mining index down 3.57% on weaker commodity prices.

Corona Tracker



Source: Thomson Reuters Refinitiv

Investing should be more like watching paint dry or watching grass grow. If you want excitement, take \$800 and go to Las Vegas.

Paul Samuelson

Market Overview

| MARKET INDICATORS (Thomson Reuters) | | 07 September 2021 | | | |
|---------------------------------------|---|-------------------|-------------------|-------------------|---------------------|
| Money Market TB Rates % | | Last close | Difference | Prev close | Current Spot |
| 3 months | → | 4.60 | 0.000 | 4.60 | 4.60 |
| 6 months | → | 5.02 | 0.000 | 5.02 | 5.02 |
| 9 months | → | 5.23 | 0.000 | 5.23 | 5.23 |
| 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) | ↑ | 4.62 | 0.455 | 4.17 | 4.17 |
| GC22 (Coupon 8.75%, BMK R2023) | ↑ | 5.10 | 0.010 | 5.09 | 5.11 |
| GC23 (Coupon 8.85%, BMK R2023) | ↑ | 5.62 | 0.010 | 5.61 | 5.63 |
| GC24 (Coupon 10.50%, BMK R186) | ↓ | 6.97 | -0.005 | 6.97 | 6.98 |
| GC25 (Coupon 8.50%, BMK R186) | ↓ | 7.16 | -0.005 | 7.16 | 7.17 |
| GC26 (Coupon 8.50%, BMK R186) | ↓ | 7.82 | -0.005 | 7.82 | 7.83 |
| GC27 (Coupon 8.00%, BMK R186) | ↓ | 8.09 | -0.005 | 8.09 | 8.10 |
| GC30 (Coupon 8.00%, BMK R2030) | ↓ | 9.68 | -0.020 | 9.70 | 9.70 |
| GC32 (Coupon 9.00%, BMK R213) | ↓ | 10.24 | -0.020 | 10.26 | 10.26 |
| GC35 (Coupon 9.50%, BMK R209) | ↓ | 11.38 | -0.025 | 11.40 | 11.39 |
| GC37 (Coupon 9.50%, BMK R2037) | ↓ | 12.08 | -0.025 | 12.10 | 12.09 |
| GC40 (Coupon 9.80%, BMK R214) | ↓ | 12.92 | -0.015 | 12.93 | 12.93 |
| GC43 (Coupon 10.00%, BMK R2044) | ↓ | 13.08 | -0.015 | 13.09 | 13.09 |
| GC45 (Coupon 9.85%, BMK R2044) | ↓ | 13.05 | -0.015 | 13.06 | 13.06 |
| GC48 (Coupon 10.00%, BMK R2048) | ↓ | 13.09 | -0.010 | 13.10 | 13.10 |
| GC50 (Coupon 10.25%, BMK: R2048) | ↓ | 13.17 | -0.010 | 13.18 | 13.18 |
| 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 | 0.000 | 6.16 | 6.16 |
| GI33 (Coupon 4.50%, BMK NCPI) | → | 7.32 | 0.000 | 7.32 | 7.32 |
| GI36 (Coupon 4.80%, BMK NCPI) | → | 7.71 | 0.000 | 7.71 | 7.71 |
| Commodities | | Last close | Change | Prev close | Current Spot |
| Gold | ↓ | 1,823 | -0.17% | 1,826 | 1,817 |
| Platinum | ↓ | 1,019 | -0.63% | 1,026 | 1,018 |
| Brent Crude | ↓ | 72.2 | -0.54% | 72.6 | 72.8 |
| Main Indices | | Last close | Change | Prev close | Current Spot |
| NSX Overall Index | ↓ | 1,505 | -0.61% | 1,514 | 1,505 |
| JSE All Share | ↓ | 66,254 | -0.18% | 66,372 | 66,254 |
| SP500 | → | 4,535 | 0.00% | 4,535 | 4,535 |
| FTSE 100 | ↑ | 7,187 | 0.68% | 7,138 | 7,187 |
| Hangseng | ↑ | 26,164 | 1.01% | 25,902 | 26,415 |
| DAX | ↑ | 15,932 | 0.96% | 15,781 | 15,932 |
| JSE Sectors | | Last close | Change | Prev close | Current Spot |
| Financials | ↓ | 14,177 | -0.32% | 14,223 | 14,177 |
| Resources | ↓ | 62,892 | -1.57% | 63,895 | 62,892 |
| Industrials | ↑ | 84,395 | 0.99% | 83,564 | 84,395 |
| Forex | | Last close | Change | Prev close | Current Spot |
| N\$/US dollar | ↓ | 14.23 | -0.59% | 14.31 | 14.23 |
| N\$/Pound | ↓ | 19.68 | -0.82% | 19.84 | 19.68 |
| N\$/Euro | ↓ | 16.88 | -0.71% | 17.00 | 16.89 |
| US dollar/ Euro | ↓ | 1.187 | -0.12% | 1.188 | 1.187 |
| | | 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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