

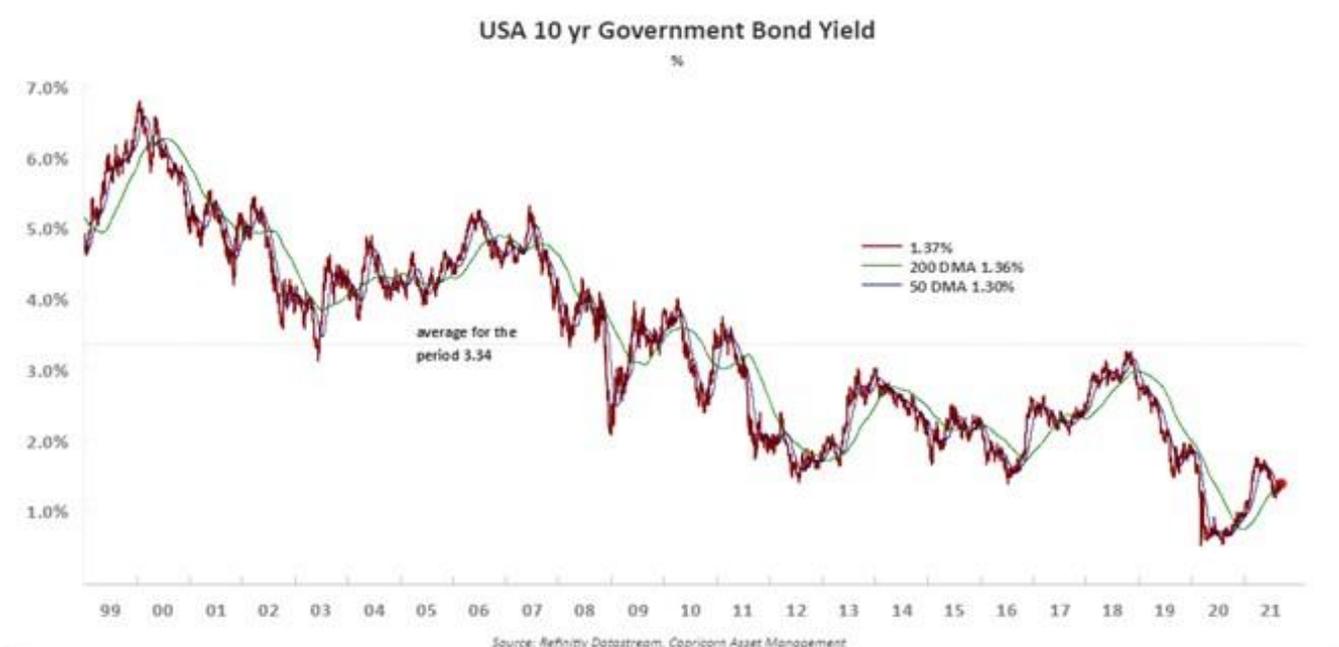


The Daily Brief

 Capricorn Asset Management

Market Update

Wednesday, 8 September 2021



Global Markets

Shares hovered just off six-week highs on Wednesday, as a more risk-averse mood spread into the market from the United States overnight due to worries about slowing growth that hurt equities while helping the dollar firm.

MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.13% having posted gains, if sometimes small, for 11 of the last 12 sessions. Japan's Nikkei reversed early losses and was last 0.42% higher after revised gross domestic product growth figures beat expectations for the world's third-biggest economy. Most other moves were muted in early trading. Australia slipped 0.32%, Chinese blue chips 0.04%, and the Hong Kong benchmark gained 0.12%.

Medium-term prospects for the region also continue to weigh on shares in Asia. The MSCI regional benchmark is still well-off all-time highs, unlike equity markets in the U.S. and Europe. "The Asia

Pacific region – following a zero-tolerance (coronavirus) pandemic policy and reliant on exports for growth - could underperform as global demand for goods softens and social distancing restrictions in many APAC cities are reimposed," said David Chao, Global Market Strategist, Asia Pacific (ex-Japan) at Invesco. "This, coupled with the region's much lower vaccination rate, could lead to a continued cycle of lockdown and releases."

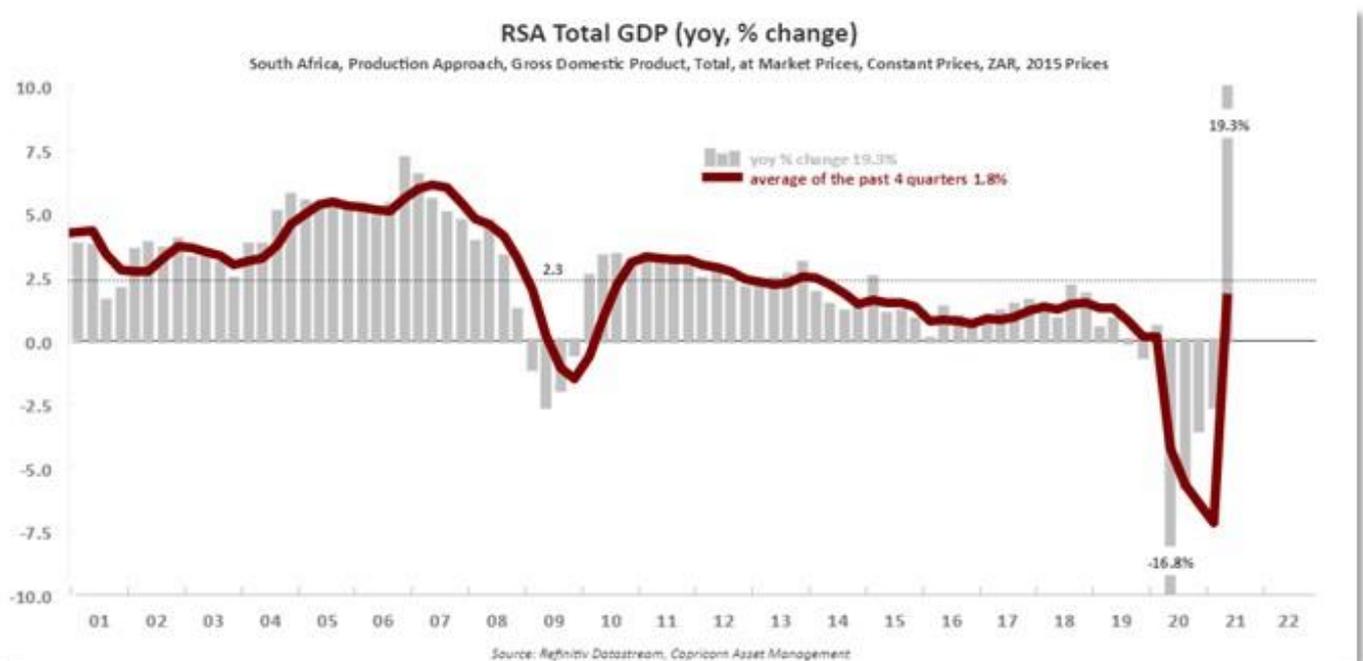
U.S. stock futures, the S&P 500 e-minis, gained 0.10%. Overnight the MSCI world equity index retreated from a record high after seven consecutive days of gains. U.S. shares had slipped, said analysts at ANZ in a note, on concerns that the U.S. economy may be starting to slow following "the weaker-than-expected jobs data on Friday evening after which markets were closed for a long weekend." In Europe, meanwhile, they said, "markets are focused on whether the European Central Bank will begin to scale back its bond purchase programs."

The Dow Jones Industrial Average and S&P 500 fell 0.76% and 0.34% while the Nasdaq Composite climbed 0.07% to another record close as investors switched out of cyclicals into blue-chip tech stocks. The dollar held onto its overnight gains against a basket of its peers having risen from near a four week-low overnight alongside benchmark U.S. treasury yields. Yields on 10-year Treasury notes dropped back in Asian hours and were last at 1.3570% compared to a U.S. close of 1.371% on Tuesday, after touching an eight-week high of 1.385% earlier in the day.

Higher yields had hurt non-interest-bearing gold overnight, but the spot price gained 0.18% on Wednesday to \$1798.03 per ounce, edging back towards \$1800 having fallen below the level in the previous session. Bitcoin paused for breath after plunging 17% on Monday to a low of around \$43,000 before recovering. It was last at \$47,000, little changed in Asian hours.

U.S. crude oil meanwhile ticked up 0.29% to \$68.55 a barrel as Brent crude gained 0.1% to \$71.73 per barrel.

Source: Thomson Reuters Refinitiv



Domestic Markets

The South African rand fell on Tuesday, hurt by a strong dollar that was pulled higher by rising U.S. Treasury yields, despite local gross domestic product (GDP) figures coming in better than expected. At 1557 GMT, the rand traded at 14.3225 against the dollar, roughly 0.7% weaker than its previous close.

The dollar was 0.5% stronger against a basket of peers, moving away from a near one-month low hit last week after a surprisingly soft jobs report. In recent weeks the rand has mainly tracked global drivers including shifts in the outlook for the Federal Reserve's monetary policy, shrugging off domestic data releases.

On Tuesday, the statistics agency said the economy grew 1.2% in the second quarter compared to the previous three months, versus forecasts for 0.7% growth. A sectoral breakdown painted a mixed picture, with industries like communications and agriculture expanding but finance and construction contracting.

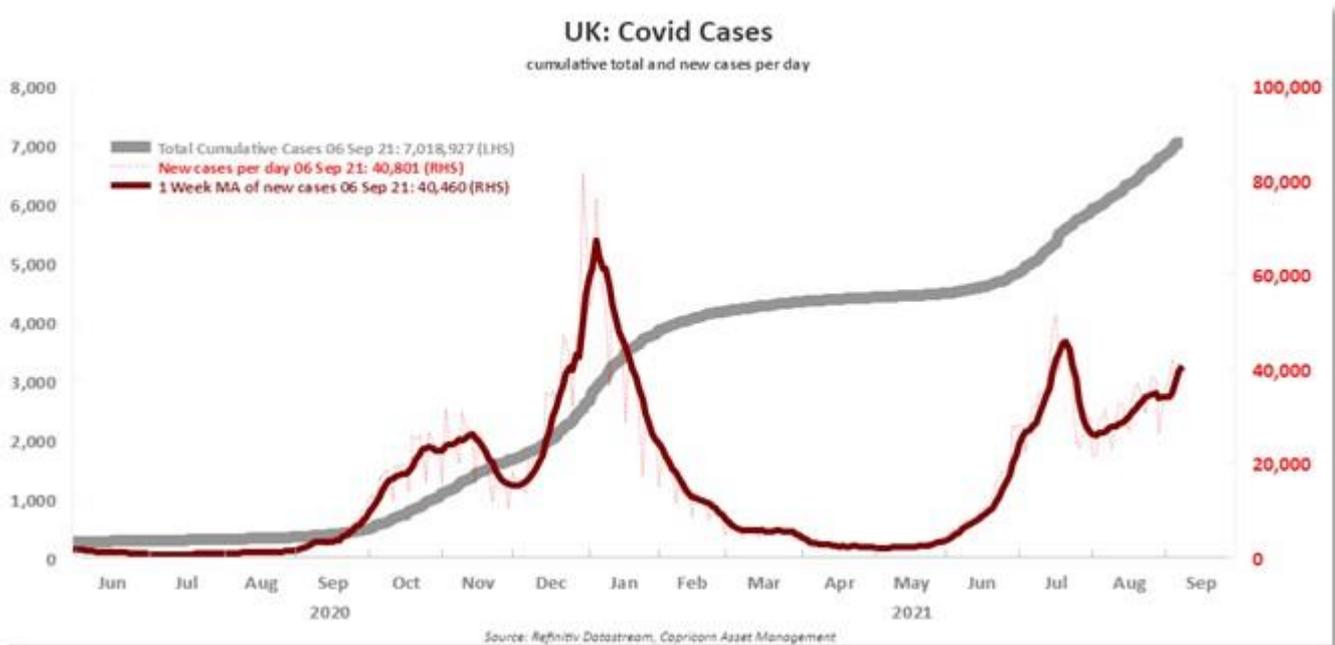
Central bank data showed net reserves rose to \$55.67 billion in August, boosted by an increase in holdings of special drawing rights.

Johannesburg-listed shares rose marginally, but local indices lost some ground after the U.S. market opened as Wall Street slipped on worries over the slowing pace of economic recovery. The Johannesburg Stock Exchange's All-share index ended the day up 0.39% at 66,515 points and the Top-40 index ended at 60,341 points, up 0.51%.

After a massive fall the previous day, scandal-hit retailer Steinhoff International rose by almost 8% as investors digested news that its \$1.7 billion settlement proposal with creditors and claimants had received the desired 75% approval. Shares in the country's largest grocery retailer Shoprite Holdings rose 2.6% after the company recorded a 20% jump in annual earnings.

Corona Tracker

GLOBAL CASES		07-Sep-2021	
SOURCE - REUTERS			
	Confirmed Cases	New Cases	Total Deaths
GLOBAL	221,621,208	191,413	4,757,099



Source: Thomson Reuters Refinitiv

If four things are followed - having a great aim, acquiring knowledge, hard work, and perseverance - then anything can be achieved.

A. P. J. Abdul Kalam

Market Overview

MARKET INDICATORS (Thomson Reuters)		08 September 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↓	4.57	-0.031	4.60	4.57
6 months	↓	5.01	-0.013	5.02	5.01
9 months	↓	5.22	-0.006	5.23	5.22
12 months	↓	5.30	-0.004	5.31	5.30
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	⇒	4.62	0.000	4.62	4.17
GC22 (Coupon 8.75%, BMK R2023)	↑	5.11	0.005	5.10	5.08
GC23 (Coupon 8.85%, BMK R2023)	↑	5.63	0.005	5.62	5.60
GC24 (Coupon 10.50%, BMK R186)	↑	6.99	0.020	6.97	6.99
GC25 (Coupon 8.50%, BMK R186)	↑	7.18	0.020	7.16	7.18
GC26 (Coupon 8.50%, BMK R186)	↑	7.84	0.020	7.82	7.84
GC27 (Coupon 8.00%, BMK R186)	↑	8.11	0.020	8.09	8.11
GC30 (Coupon 8.00%, BMK R2030)	↑	9.74	0.055	9.68	9.74
GC32 (Coupon 9.00%, BMK R213)	↑	10.29	0.045	10.24	10.29
GC35 (Coupon 9.50%, BMK R209)	↑	11.42	0.045	11.38	11.42
GC37 (Coupon 9.50%, BMK R2037)	↑	12.11	0.030	12.08	12.11
GC40 (Coupon 9.80%, BMK R214)	↑	12.95	0.035	12.92	12.93
GC43 (Coupon 10.00%, BMK R2044)	↑	13.11	0.030	13.08	13.11
GC45 (Coupon 9.85%, BMK R2044)	↑	13.08	0.030	13.05	13.08
GC48 (Coupon 10.00%, BMK R2048)	↑	13.12	0.025	13.09	13.12
GC50 (Coupon 10.25%, BMK: R2048)	↑	13.20	0.025	13.17	13.20
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	↓	1,794	-1.59%	1,823	1,797
Platinum	↓	999	-2.00%	1,019	1,003
Brent Crude	↓	71.7	-0.73%	72.2	72.1
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,507	0.18%	1,505	1,507
JSE All Share	↑	66,515	0.39%	66,254	66,515
SP500	↓	4,520	-0.34%	4,535	4,520
FTSE 100	↓	7,149	-0.53%	7,187	7,149
Hangseng	↑	26,354	0.73%	26,164	26,280
DAX	↓	15,843	-0.56%	15,932	15,843
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	14,118	-0.42%	14,177	14,118
Resources	↑	63,022	0.21%	62,892	63,022
Industrials	↑	85,214	0.97%	84,395	85,214
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	14.30	0.54%	14.23	14.32
N\$/Pound	↑	19.72	0.19%	19.68	19.70
N\$/Euro	↑	16.93	0.29%	16.88	16.94
US dollar/ Euro	↓	1.184	-0.24%	1.187	1.183
		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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