



The Daily Brief



Market Update

Wednesday, 01 April 2020

Global Markets

Asian shares faced another leg lower on Wednesday as the coronavirus sharply slows global growth, leading a gauge of world stocks to post its biggest quarterly decline in more than a decade and oil prices to trade near lows last seen in 2002.

Shares on Wall Street tumbled on Tuesday, with the Dow registering its biggest quarterly fall since 1987 and the S&P 500 its steepest quarterly drop since a decade ago on growing evidence of the massive downturn the pandemic will incur. E-Mini futures for the S&P 500 traded 1% lower in after-hours trade, while Asian futures suggested the rout would continue. FTSE China A50 futures in Singapore were down 0.85% and Japan's Nikkei fell 1.86% in early trade. The first-quarter decline was the biggest on record for the S&P 500 as consumers hunkered down at home, leading businesses to announce massive staff furloughs and to shut temporarily.

U.S. economic activity is likely to be "very bad" and the unemployment rate could rise above 10% because of efforts to slow the spread of the coronavirus, Cleveland Federal Reserve Bank President Loretta Mester told CNBC. The United States marked 700 deaths in a single day from COVID-19 for the first time on Tuesday, lifting total U.S. fatalities from the disease to more than 3,700.

MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.35% in early trade. MSCI's gauge of stocks across the globe shed 0.48% following modest gains in Europe. The index fell nearly 22% for the quarter. Bucking the broader decline, Australian shares opened higher as a slowdown in new coronavirus cases brightened investor sentiment while rising iron ore prices gave miners a lift. Australia's S&P/ASX 200 index rose 1.59% after the benchmark fell 2% on Tuesday.

The number of coronavirus infections globally headed toward 800,000. Deutsche Bank analysts noted, however, that for two consecutive days the global growth in new cases was below 10%, having exceeded that rate for most of the past two weeks. Health officials were much more cautious. A World Health Organization official warned that even in the Asia-Pacific region, the epidemic was "far from over."

The dollar slid against a basket of currencies, pressured by the latest Federal Reserve measures to ensure sufficient liquidity in the global financial system. The Fed is now allowing foreign central banks to exchange their holdings of U.S. Treasury securities for overnight dollar loans. The dollar index fell 0.275% while the Japanese yen strengthened 0.12% versus the greenback at 107.44 per dollar.

Government bond yields held steady as investors remained cautious about buying riskier assets. The benchmark 10-year U.S. Treasury note rose 15/32 in price to yield 0.6538%. Crude oil benchmarks ended a volatile quarter with their biggest losses in history, with both U.S. and Brent futures hammered throughout March due to the pandemic and the eruption of the Saudi-Russia price war. Global fuel demand has been sharply cut by travel restrictions due to the coronavirus. Forecasters at major merchants and banks see demand slumping by 20% to 30% in April, and for weak consumption to linger for months. Crude futures ended the quarter down nearly 70% after record losses in March. U.S. crude fell 31 cents to \$20.17 a barrel and May Brent crude futures ended 2 cents lower at \$22.74 a barrel ahead of expiration.

Source: Thomson Reuters

Domestic Markets

South Africa's rand firmed against the dollar on Tuesday as strong trade balance numbers lifted the pressure on a currency which had plunged a day earlier following a sovereign credit rating downgrade, while stocks also closed higher.

At 1550 GMT the rand was 0.78% firmer at 17.7700 to the dollar.

South Africa's trade balance recorded a surplus of 14.15 billion rand (\$796.55 million) in February compared with a revised 2.72 billion rand deficit in January, data from the revenue service showed. Economists polled by Reuters had expected a 2 billion rand surplus for February.

The positive trade figures were a relief for the currency, which fell to an all-time low on Monday after Moody's downgraded South Africa's debt to "junk" late on Friday, with market anxiety over coronavirus adding to the pressure.

Bonds also firmed, with the 10-year government bond's yield falling 62.5 basis points to 10.965%.

The Johannesburg Stock Exchange's Top-40 index rose 2.47% to 40,738.57 points and the All-Share index climbed 2.48% to 44,490.31 points.

Source: Thomson Reuters

Corona Tracker

GLOBAL CASES SOURCE - REUTERS		01-Apr-2020		4:46
	Confirmed Cases	New Cases	Total Deaths	Total Recovered
GLOBAL	851,028	74,002	42,053	176,025



Market Overview

MARKET INDICATORS (Thomson Reuters)		Wednesday, 01 April 2020			
Money Market TB's		Last close	Difference	Prev close	Current Spot
3 months	⬇️	6.13	-0.297	6.43	6.13
6 months	⬇️	6.58	-0.106	6.69	6.58
9 months	⬇️	6.62	-0.056	6.67	6.62
12 months	⬇️	6.65	-0.127	6.78	6.65
Nominal Bonds		Last close	Difference	Prev close	Current Spot
GC20 (BMK: R207)	⬇️	6.83	-0.009	6.83	6.82
GC21 (BMK: R208)	⬇️	6.36	-0.150	6.51	6.35
GC22 (BMK: R2023)	⬇️	7.39	-0.295	7.69	7.39
GC23 (BMK: R2023)	⬇️	8.26	-0.295	8.55	8.25
GC24 (BMK: R186)	⬇️	10.13	-0.600	10.73	10.13
GC25 (BMK: R186)	⬇️	10.31	-0.600	10.91	10.31
GC27 (BMK: R186)	⬇️	10.88	-0.600	11.48	10.88
GC30 (BMK: R2030)	⬇️	11.46	-0.635	12.09	11.47
GC32 (BMK: R213)	⬇️	12.26	-0.635	12.89	12.26
GC35 (BMK: R209)	⬇️	12.58	-0.640	13.22	12.59
GC37 (BMK: R2037)	⬇️	12.75	-0.640	13.39	12.76
GC40 (BMK: R214)	⬇️	12.89	-0.635	13.53	12.88
GC43 (BMK: R2044)	⬇️	13.30	-0.635	13.94	13.31
GC45 (BMK: R2044)	⬇️	13.44	-0.635	14.08	13.45
GC50 (BMK: R2048)	⬇️	13.72	-0.645	14.37	13.75
Inflation-Linked Bonds		Last close	Difference	Prev close	Current Spot
GI22 (BMK: NCPI)	➡️	4.40	0.000	4.40	4.40
GI25 (BMK: NCPI)	➡️	4.60	0.000	4.60	4.60
GI29 (BMK: NCPI)	➡️	5.98	0.000	5.98	5.98
GI33 (BMK: NCPI)	➡️	6.70	0.000	6.70	6.70
GI36 (BMK: NCPI)	➡️	6.99	0.000	6.99	6.99
Commodities		Last close	Change	Prev close	Current Spot
Gold	⬇️	1,571	-3.14%	1,622	1,583
Platinum	⬇️	722	-0.14%	723	723
Brent Crude	⬇️	22.7	-0.09%	22.8	25.9
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	⬆️	900	4.19%	864	900
JSE All Share	⬆️	44,490	2.48%	43,414	44,490
SP500	⬇️	2,585	-1.60%	2,627	2,585
FTSE 100	⬆️	5,672	1.95%	5,564	5,672
Hangseng	⬆️	23,603	1.85%	23,175	23,413
DAX	⬆️	9,936	1.22%	9,816	9,936
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	⬆️	9,380	7.03%	8,764	9,380
Resources	⬆️	36,486	0.49%	36,309	36,486
Industrials	⬆️	64,677	2.29%	63,232	64,677
Forex		Last close	Change	Prev close	Current Spot
N\$ / US dollar	⬇️	17.84	-0.44%	17.92	17.87
N\$ / Pound	⬇️	22.16	-0.42%	22.25	22.12
N\$ / Euro	⬇️	19.68	-0.61%	19.80	19.69
US dollar / Euro	⬇️	1.103	-0.15%	1.105	1.102
		Namibia		RSA	
Economic data		Latest	Previous	Latest	Previous
Inflation	⬆️	2.5	2.1	4.6	4.5
Prime Rate	⬇️	9.00	10.00	8.75	9.75
Central Bank Rate	⬇️	5.25	6.25	5.25	6.25

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 a Bloomberg calculated Index

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.

Source: Bloomberg



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