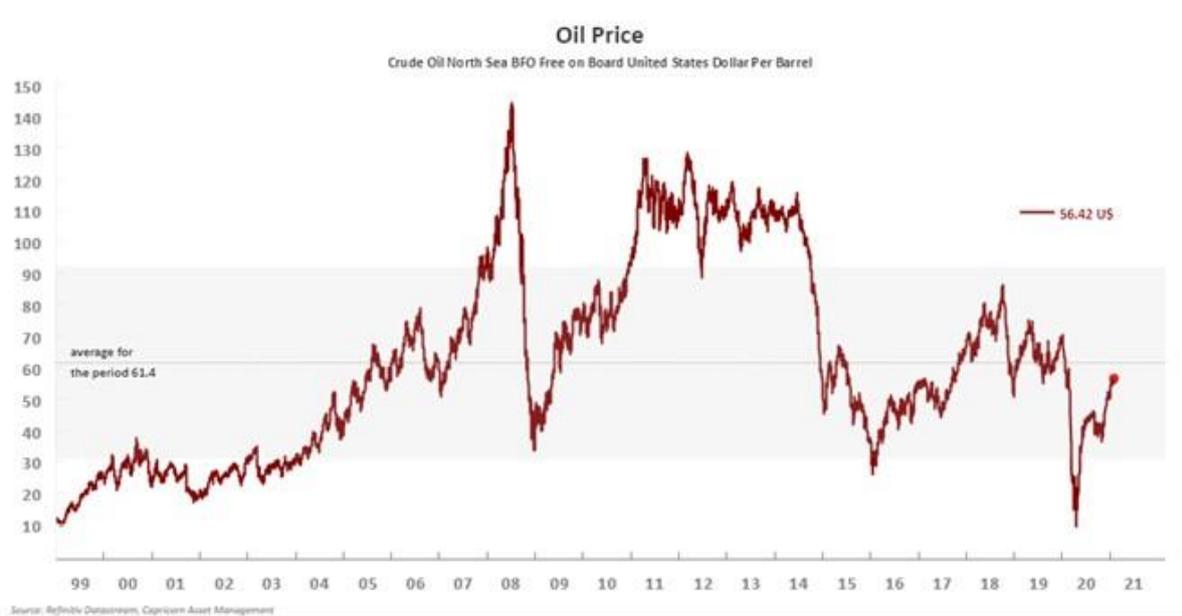




Market Update

Tuesday, 02 February 2021



Global Markets

Stock markets extended gains on Tuesday on increased optimism about stimulus packages and global economic recovery, while retail investors retreated from GameStop and their new-found interest in silver.

MSCI's gauge of Asia Pacific stocks outside Japan was up 1.25% mid-morning, building on Monday's rise. Hong Kong's Hang Seng Index and China's benchmark CSI300 Index opened 1.7% and 0.33% higher, respectively. Japan's Nikkei 225 gained 0.67%.

Markets were buoyant ahead of negotiations Tuesday between U.S. President Joe Biden and Republican senators on a new COVID support bill. The GOP's \$618bn stimulus plan released early Monday was about a third the size of the President's proposal. Top Democrats later on Monday filed a joint \$1.9 trillion budget measure in a step toward bypassing Republicans.

"The debate (around the stimulus package) will be really interesting. Markets will follow it," said Kyle Rodda, market analyst at IG. "(but) markets have been pricing in that a stimulus package will be put in place in the future."

Australia's S&P/ASX 200 benchmark added a further 1.23%, as the country's central bank is expected to maintain its current policy setting when it releases the results of its Tuesday board meeting at 3:30am GMT. South Korea's KOSPI also gained, adding 2.3%, as the country's ruling party readies another round of COVID-19 cash handouts and an extra budget.

Institutional investors are still digesting the retail trading frenzy that has boosted GameStop Corp and other so-called meme stocks in recent sessions against their financial fundamentals. Spot silver prices eased on Tuesday, falling more than 1% to \$28.30 in early trade, as some of the feverish retail-trader driven interest in the precious metal cooled. On Monday, amateur investors who have been organizing on social media sites like Reddit and Twitter, set their sights on silver, driving up mining stocks around the world and sending precious metals dealers scrambling for bars and coins to meet demand.

Spot gold rose 0.12% to \$1,862.36 per ounce Tuesday. U.S. gold futures fell 0.04% to settle at \$1,860.1 per ounce. Brent crude was up 0.75% at \$56.77 a barrel. U.S. crude recorded the same gain to \$53.96 on Tuesday morning as falling inventories and rising fuel demand due to a massive snow storm in the Northeast United States propped up prices.

Domestic Markets

The South African rand firmed on Monday, adding to gains at the end of last week as yield-seeking investors made tentative bets on the volatile currency, while stocks moved up. At 1500 GMT, the rand was 0.74% firmer at 15.0450 against the U.S. dollar.

"The rand continues to dance to the global tune as 'risk off' and 'risk on' reactions vary on a regular basis. This has been the tale of most Emerging Market (EM) currencies throughout 2020 and now 2021," DailyFX analyst Warren Venketas said in a note. "With thoughtful government policies in 2021, the rand could climb further up the ladder as the leading EM currency as investors continue to seek alpha in the form of high yielding and beta markets such as South Africa."

With interest rates set to remain steady in South Africa, even as monetary and fiscal policy in the United States and Europe remains expansionary, the rand is an attractive "carry trade" - offering healthy returns against near-zero rates in the developed economies.

But traders warn these flows may be short lived with South Africa's fiscal risks coming into sharper focus with a slew of economic data and the budget near the end of the month.

Stocks ended higher on Monday as platinum and diversified mining companies reinforced a positive sentiment fuelled by a rally in global shares and the arrival of the first COVID-19 vaccine doses in South Africa. The benchmark all-share index closed up 0.52% at 62,797 points, while the bluechip index ended up 0.62% at 57,670 points. The diversified mining index surged 1.66% and the platinum mining index was up 2.92% as price of some commodities and precious metals gained.

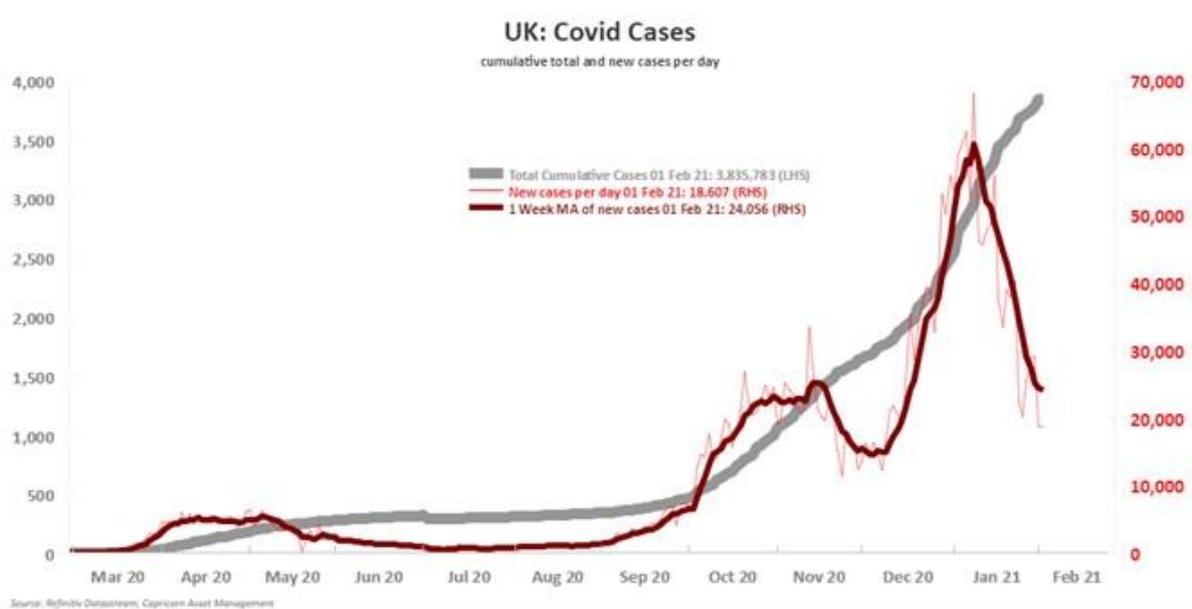
Bonds firmed alongside the rand, with the yield on the benchmark 2030 government issue down 8.5 basis points to 8.650%.

Corona Tracker

GLOBAL CASES				
SOURCE - REUTERS				
	Confirmed Cases	New Cases	Total Deaths	Total Recovered
GLOBAL	103,338,431	8,971	2,235,601	66,599,713

The number of new cases is distorted by cut-off times.

Source: Thomson Reuters



Always be a first-rate version of yourself, instead of a second-rate version of somebody else.

Judy Garland

Market Overview

MARKET INDICATORS (Thomson Reuters)		02 February 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	⇒	4.16	0.000	4.16	4.16
6 months	⇒	4.48	0.000	4.48	4.48
9 months	⇒	4.55	0.000	4.55	4.55
12 months	⇒	4.60	0.000	4.60	4.60
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↓	4.28	-0.070	4.35	4.35
GC22 (Coupon 8.75%, BMK R2023)	↑	5.36	0.040	5.32	5.25
GC23 (Coupon 8.85%, BMK R2023)	↑	5.26	0.040	5.22	5.15
GC24 (Coupon 10.50%, BMK R186)	↓	6.94	-0.045	6.99	6.91
GC25 (Coupon 8.50%, BMK R186)	↓	6.95	-0.045	7.00	6.92
GC26 (Coupon 8.50%, BMK R186)	↓	6.95	-0.045	7.00	6.92
GC27 (Coupon 8.00%, BMK R186)	↓	7.24	-0.045	7.29	7.21
GC30 (Coupon 8.00%, BMK R2030)	↓	8.95	-0.090	9.04	8.93
GC32 (Coupon 9.00%, BMK R213)	↓	10.12	-0.075	10.20	10.09
GC35 (Coupon 9.50%, BMK R209)	↓	11.23	-0.095	11.33	11.21
GC37 (Coupon 9.50%, BMK R2037)	↓	11.78	-0.115	11.90	11.81
GC40 (Coupon 9.80%, BMK R214)	↓	12.52	-0.085	12.61	12.49
GC43 (Coupon 10.00%, BMK R2044)	↓	12.86	-0.100	12.96	12.83
GC45 (Coupon 9.85%, BMK R2044)	↓	13.14	-0.100	13.24	13.11
GC50 (Coupon 10.25%, BMK: R2048)	↓	13.16	-0.090	13.25	13.14
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI22 (Coupon 3.55%, BMK NCPI)	⇒	4.10	0.000	4.10	4.10
GI25 (Coupon 3.80%, BMK NCPI)	⇒	4.25	0.000	4.25	4.25
GI29 (Coupon 4.50%, BMK NCPI)	⇒	5.73	0.000	5.73	5.73
GI33 (Coupon 4.50%, BMK NCPI)	⇒	6.82	0.000	6.82	6.82
GI36 (Coupon 4.80%, BMK NCPI)	⇒	7.27	0.000	7.27	7.27
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,860	0.76%	1,846	1,854
Platinum	↑	1,128	5.11%	1,073	1,110
Brent Crude	↑	56.4	0.84%	55.9	56.9
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,239	0.57%	1,232	1,239
JSE All Share	↑	62,797	0.52%	62,472	62,797
SP500	↑	3,774	1.61%	3,714	3,774
FTSE 100	↑	6,466	0.92%	6,407	6,466
Hangseng	↑	28,893	2.15%	28,284	29,365
DAX	↑	13,622	1.41%	13,433	13,622
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	11,597	-0.79%	11,689	11,597
Resources	↑	61,375	1.66%	60,375	61,375
Industrials	↑	84,690	0.27%	84,462	84,690
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↓	15.06	-0.58%	15.15	15.04
N\$/Pound	↓	20.57	-0.86%	20.75	20.57
N\$/Euro	↓	18.16	-1.21%	18.38	18.16
US dollar/ Euro	↓	1.206	-0.63%	1.214	1.207
		Namibia		RSA	
Interest Rates & Inflation		Dec 20	Nov 20	Dec 20	Nov 20
Central Bank Rate	⇒	3.75	3.75	3.50	3.50
Prime Rate	⇒	7.50	7.50	7.00	7.00
		Dec 20	Nov 20	Dec 20	Nov 20
Inflation	↑	2.4	2.2	3.1	3.2

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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