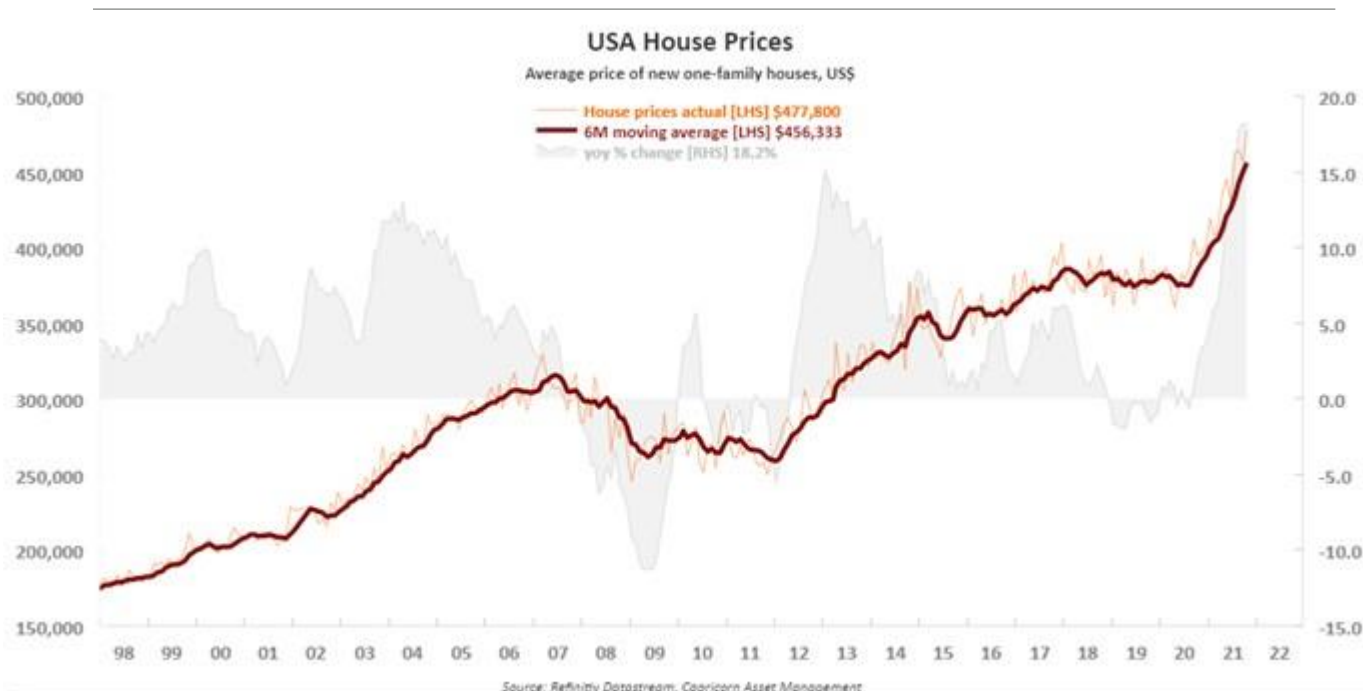




## Market Update

Tuesday, 1 December 2021



## Global Markets

Asian stocks rose from a one-year low on Wednesday as U.S. share futures and oil recovered from the previous day's selloff, but uncertainty over the impact of the Omicron coronavirus variant kept investors on edge.

U.S. Treasury yields rose, supporting the dollar after U.S. Fed chair Jerome Powell overnight came close to indicating the Fed will speed up the pace of tapering its asset purchases at its meeting later this month. "At present the market focus has been on Omicron and the potential that that can disrupt the world, but the real focus should be on the Fed and the rate policy. That's the biggest shock to come out of the last day or so," said Kerry Craig global market strategist at JPMorgan Asset Management.

MSCI's index of Asia-Pacific shares outside Japan rose 0.6%, as traders felt Tuesday's declines, which sent the benchmark to its lowest since November 2020, had gone a little far. Gains were largely shared across the region. Japan's Nikkei rose 0.7%, also helped by a pick-up in factory activity, while

U.S. S&P 500 futures rose 0.6% and Nasdaq futures rose 0.7% as sentiment turned after Dow Jones Industrial Average, the S&P 500 and the Nasdaq Composite had all closed down over 1.5%.

Powell said U.S. central bankers in December will discuss whether to end their bond purchases a few months earlier than had been anticipated, pointing to a strong economy, stalled workforce growth, and high inflation that is expected to last into mid-2022.

That pushed U.S. Treasury yields higher, especially at the short end of the curve. The yield on two-year notes, which reflects short-term interest rate expectations, last stood at 0.6025%. That was up from as low as 0.4410% on Tuesday, when traders were speculating the new variant could lead to a more dovish Fed. Benchmark 10-year notes also sold off, last yielding 1.4919%, up from Tuesday's two-and-a-half month low of 1.4443%.

Rising yields caused the dollar to steady against most peers and gain ground on the Japanese currency, rising to 113.4 yen. The potential for the Omicron variant to slow the pace of Fed tapering had been limiting the dollar's safe haven status in the days since news of the new strain emerged last Friday. The Australian dollar languished near a one-year low at \$0.7138 as the stronger dollar meant it sat out gains by other typically risk-friendly assets like Asian equities.

Oil reacted more strongly and prices regained some ground after steep falls in the previous session, ahead of a meeting by the Organization of the Petroleum Exporting Countries (OPEC). U.S. West Texas Intermediate (WTI) crude futures rose 1.9%, to \$67.43 a barrel. Brent crude futures gained 2.22%, to \$70.78 a barrel.

However, there is still much uncertainty about the COVID outlook and governments, scientists and investors are trying to determine how much protection current vaccines would offer against Omicron. Gold, despite all the excitement, saw little safe haven demand with the spot price at \$1,776 an ounce, up 0.16% and largely within its recent range.

**Source: Thomson Reuters Refinitiv**



## Domestic Markets

The South African rand strengthened on Tuesday, benefiting from a weaker dollar after Moderna's chief executive said COVID-19 vaccines are unlikely to be as effective against the Omicron variant as they have been with other types.

Risk appetite took a beating across world markets but a weaker dollar saw the rand trading at 16.0300 at 1603 GMT against the greenback, 0.68% firmer than its previous close.

The currency plunged to its weakest since October 2020 on Friday as the world reacted with alarm to the news of the new variant, Omicron, which was first detected in southern Africa.

Market participants however remained cautious. "Markets seemed to be moderating after last week's initial panic but remain skittish to any negative news, with Moderna suggesting a new vaccination may be needed and Jerome Powell cautioning that risks to the US economy from the new variant are to the downside," RMB economist Siobhan Redford said.

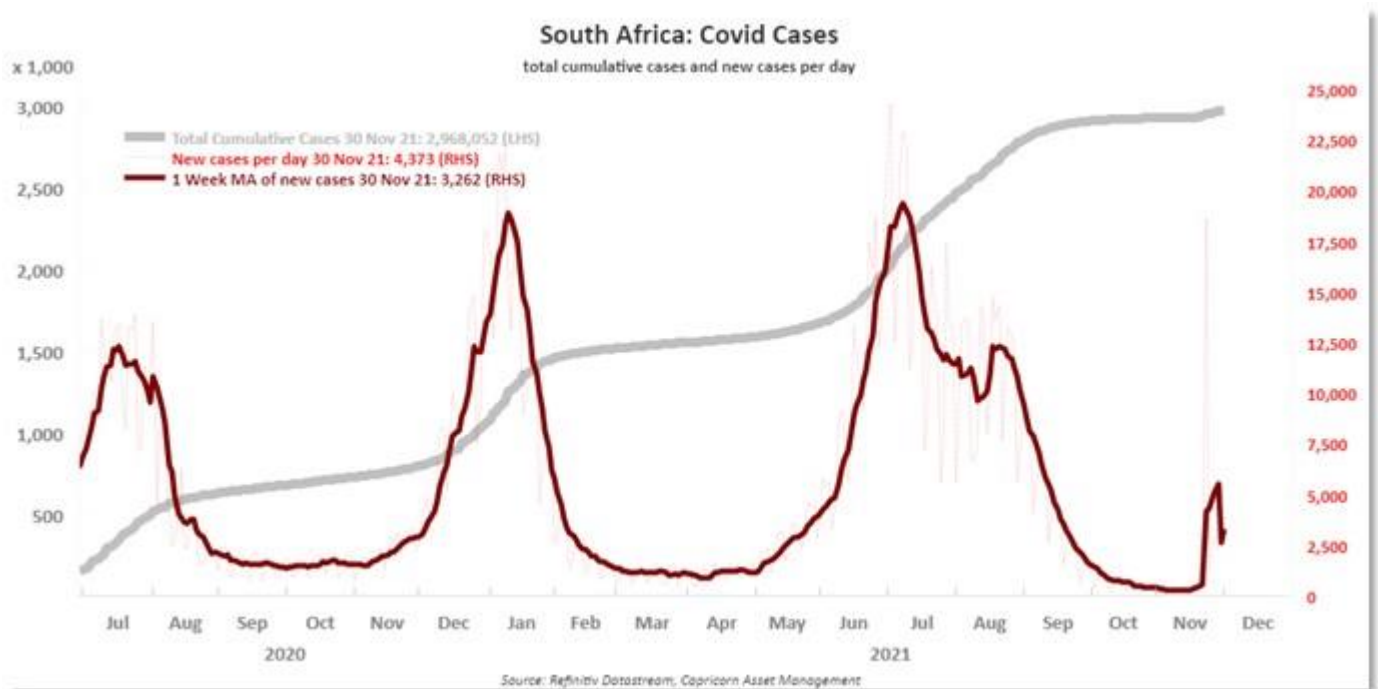
In fixed income, the yield on the benchmark 2030 maturity dipped 9 basis points to 9.770%.

The Johannesburg All-Share index closed 0.67% firmer, while the Top-40 index climbed 0.73% due to "bargain hunters mainly. The weaker rand makes them (stocks) very attractive from a valuation perspective," Sasfin Securities portfolio manager Nesan Nair said.

Gold stocks also helped the bourse higher, tracking bullion as investors look for a safe haven metal as fears over the spread of the Omicron variant grow. Miners AngloGold Ashanti, Gold Fields and Harmony Gold, rose between 8.87% and 6.98%. Aspen Pharmacare closed 6.26% firmer after it took a step towards a licensing deal to package and sell Johnson & Johnson's COVID-19 vaccine in Africa, announcing on Tuesday it had signed non-binding terms with subsidiaries of the U.S. drugmaker.

# Corona Tracker

GLOBAL CASES		30-Nov-2021		0:04	
SOURCE - REUTERS					
	Confirmed Cases	New Cases	Total Deaths		
<b>GLOBAL</b>	262,207,643	396,636	5,468,697		



Source: Thomson Reuters Refinitiv

Do your duty and a little more and the future will take care of itself.

**Andrew Carnegie**



## Market Overview

MARKET INDICATORS (Thomson Reuters)				01 December 2021	
<b>Money Market TB Rates %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
3 months	↓	4.38	-0.018	4.40	4.38
6 months	↑	5.07	0.003	5.06	5.07
9 months	↓	5.51	-0.003	5.52	5.51
12 months	↓	5.61	-0.001	5.61	5.61
<b>Nominal Bond Yields %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
GC22 (Coupon 8.75%, BMK R2023)	↓	4.30	-0.175	4.47	4.30
GC23 (Coupon 8.85%, BMK R2023)	↓	6.18	-0.175	6.35	6.18
GC24 (Coupon 10.50%, BMK R186)	↓	7.60	-0.095	7.70	7.60
GC25 (Coupon 8.50%, BMK R186)	↓	7.83	-0.095	7.93	7.83
GC26 (Coupon 8.50%, BMK R186)	↓	8.80	-0.095	8.90	8.80
GC27 (Coupon 8.00%, BMK R186)	↓	9.04	-0.095	9.13	9.04
GC30 (Coupon 8.00%, BMK R2030)	↓	10.67	-0.090	10.76	10.67
GC32 (Coupon 9.00%, BMK R213)	↓	11.43	-0.080	11.51	11.43
GC35 (Coupon 9.50%, BMK R209)	↓	11.97	-0.070	12.04	11.97
GC37 (Coupon 9.50%, BMK R2037)	↓	12.59	-0.085	12.67	12.59
GC40 (Coupon 9.80%, BMK R214)	↓	13.30	-0.100	13.40	13.31
GC43 (Coupon 10.00%, BMK R2044)	↓	13.56	-0.100	13.66	13.56
GC45 (Coupon 9.85%, BMK R2044)	↓	13.53	-0.100	13.63	13.53
GC48 (Coupon 10.00%, BMK R2048)	↓	13.56	-0.100	13.66	13.56
GC50 (Coupon 10.25%, BMK: R2048)	↓	13.79	-0.100	13.89	13.79
<b>Inflation-Linked Bond Yields %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
GI22 (Coupon 3.55%, BMK NCPI)	⇒	3.95	0.000	3.95	3.95
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)	⇒	5.99	0.000	5.99	5.99
GI33 (Coupon 4.50%, BMK NCPI)	⇒	7.82	0.000	7.82	7.82
GI36 (Coupon 4.80%, BMK NCPI)	⇒	8.01	0.000	8.01	8.01
<b>Commodities</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Gold	↓	1,774	-0.63%	1,785	1,778
Platinum	↓	934	-3.00%	963	950
Brent Crude	↓	70.6	-3.91%	73.4	70.9
<b>Main Indices</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
NSX Overall Index	↑	1,457	1.13%	1,441	1,457
JSE All Share	↑	70,475	0.67%	70,009	70,475
SP500	↓	4,567	-1.90%	4,655	4,567
FTSE 100	↓	7,059	-0.71%	7,110	7,059
Hangseng	↓	23,475	-1.58%	23,852	23,805
DAX	↓	15,100	-1.18%	15,281	15,100
<b>JSE Sectors</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Financials	↑	13,591	0.98%	13,460	13,591
Resources	↑	67,251	2.55%	65,581	67,251
Industrials	↓	93,123	-0.83%	93,900	93,123
<b>Forex</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
N\$/US dollar	↓	15.88	-1.61%	16.14	15.80
N\$/Pound	↓	21.11	-1.74%	21.48	21.04
N\$/Euro	↓	18.00	-1.20%	18.22	17.90
US dollar/ Euro	↑	1.134	0.40%	1.129	1.133
		<b>Namibia</b>		<b>RSA</b>	
<b>Interest Rates &amp; Inflation</b>		<b>Nov 21</b>	<b>Oct 21</b>	<b>Nov 21</b>	<b>Oct 21</b>
Central Bank Rate	⇒	3.75	3.75	3.75	3.50
Prime Rate	⇒	7.50	7.50	7.25	7.00
		<b>Oct 21</b>	<b>Sep 21</b>	<b>Oct 21</b>	<b>Sep 21</b>
Inflation	↑	3.6	3.5	5.0	5.0

**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

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**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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