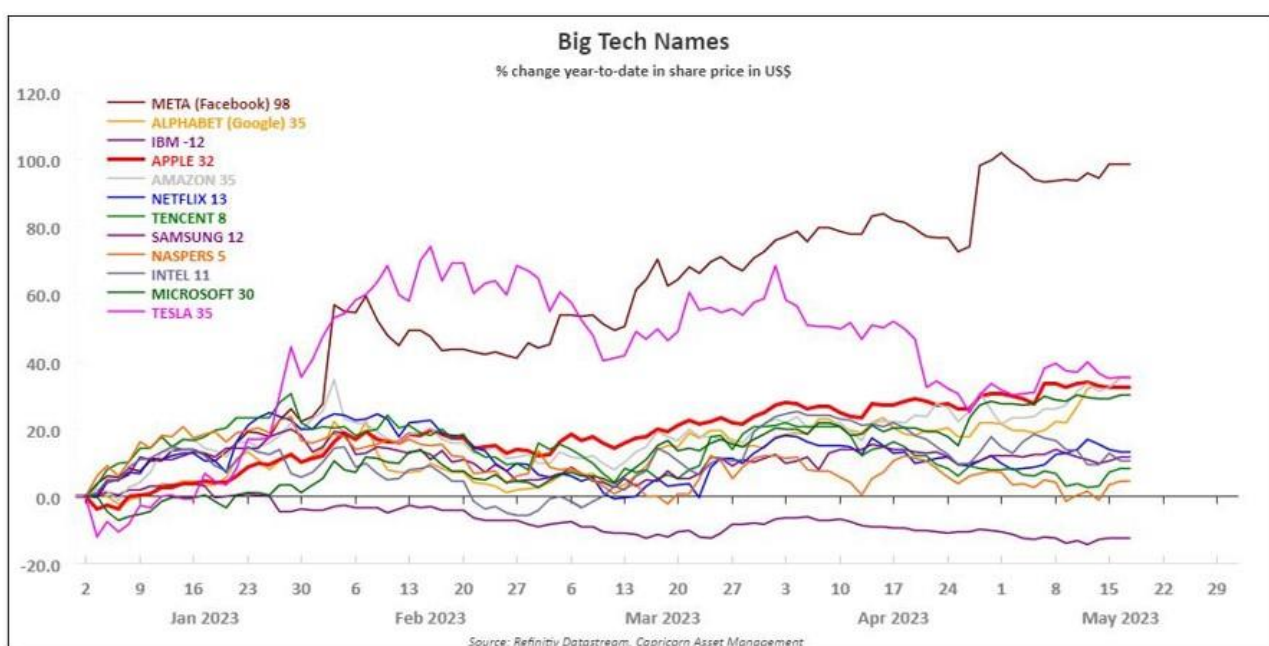




Market Update

Wednesday, 16 May 2023



Global Markets

Asian shares were subdued on Wednesday and the dollar hovered around a five-week peak as investors remained risk averse, with the U.S. debt ceiling talks and a mixed set of economic data weighing on sentiment.

MSCI's broadest index of Asia-Pacific shares outside Japan was 0.20% lower, while Australia's S&P/ASX 200 index was down 0.56%. The Shanghai Composite Index and Hong Kong's Hang Seng Index eased 0.4%, dragged by China data showing a wobbly post-COVID recovery.

Japan's Nikkei, however, spiked 0.68% higher, scaling above 30,000 for the first time since September, 2021.

Democratic President Joe Biden and top congressional Republican Kevin McCarthy edged closer to a deal to avoid a looming U.S. debt default Tuesday.

After an hour of talks, McCarthy, the speaker of the House of Representatives, told reporters the two sides remained far apart on an agreement to lift the debt ceiling.

But he said, "It is possible to get a deal by the end of the week. It's not that difficult to get to an agreement."

Without an agreement, in about two weeks, the government might not be able to pay its bills, with economists fearing the country will likely slide into a recession.

As the deadline approaches, "one thing investors can be certain of is that more uncertainty lies ahead", said Saira Malik, chief investment officer at Nuveen. Malik expects further volatility across equity and fixed income markets until there is greater clarity on the outcome of the negotiations.

"The most likely scenario is a resolution, perhaps at the eleventh hour, enabling the federal government to meet its obligations."

U.S. stock indexes closed down overnight, hamstrung by dour forecast from Home Depot and April U.S. retail sales data that underscored softer consumer spending.

The main macro focus is on the U.S. retail sales figures, ING economists said. "These actually came in on the lower end of expectations though the news was mixed, with a lower headline but higher core sales figures muddying the message."

Recent economic data indicates slowing in the U.S. economy following a string of rate hikes by the Federal Reserve to fight high inflation. Markets are pricing the Fed to cut rates towards the end of the year, according to CME FedWatch tool, but some Fed officials have stuck to a hawkish rhetoric.

Atlanta Fed president Raphael Bostic said that the Fed will need to stay "super strong" in fighting inflation even if the unemployment rate starts to rise later in the year, while Chicago Federal Reserve President Austan Goolsbee said it was premature to be discussing interest rate cuts.

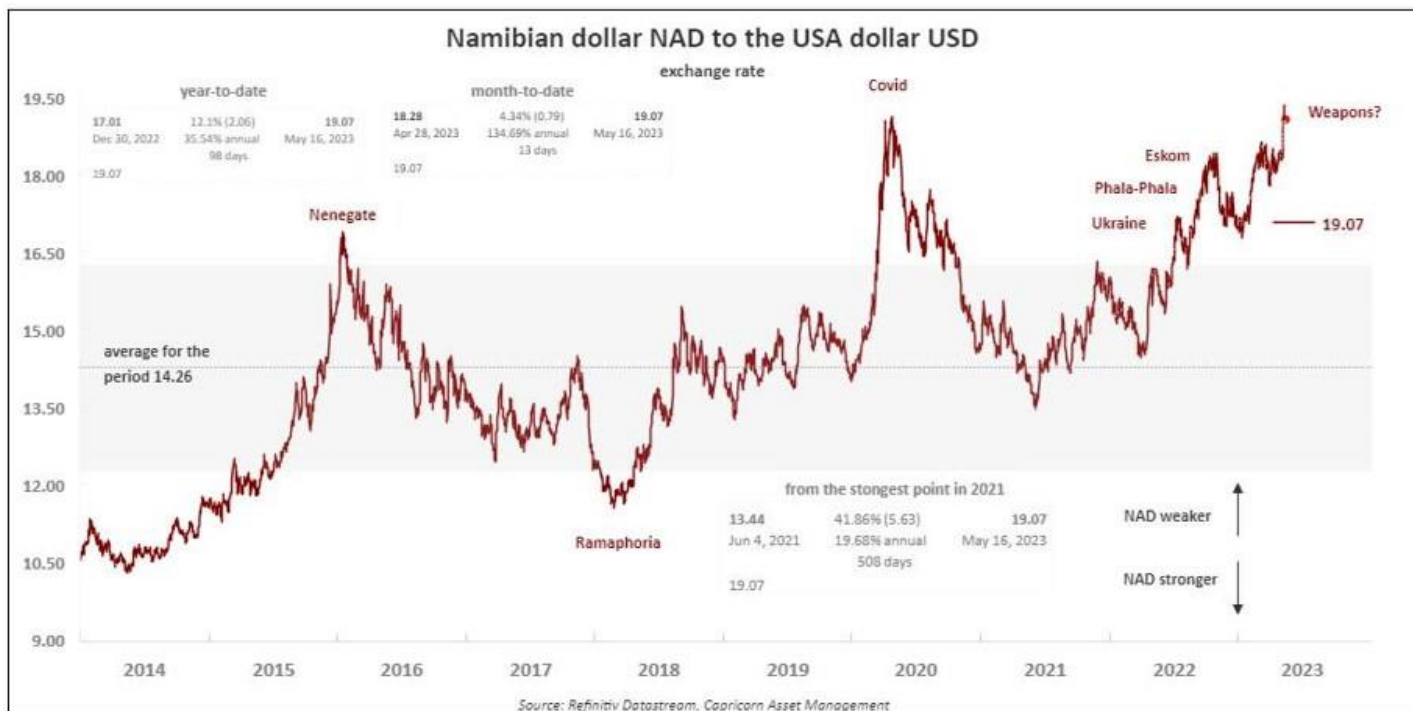
Meanwhile, the dollar index, which measures the U.S. currency against six rivals, rose 0.01% to 102.61, inching closer to the five-week high of 102.75 it touched on Monday.

The Japanese yen weakened 0.05% to 136.47 per dollar, while Sterling was last trading at \$1.248, down 0.04% on the day.

U.S. crude fell 0.31% to \$70.64 per barrel and Brent was at \$74.69, down 0.29% on the day, as a surprise rise in U.S. crude inventories stoked demand concerns on the heels of weaker-than-expected economic data from the U.S. and China, the world's two biggest oil consumers.

Gold prices held steady after retreating from the key \$2,000-an-ounce mark in the previous session. Spot gold was last at \$1,991.49 an ounce

Source: Thomson Reuters Refinitiv



Domestic Markets

South Africa's rand weakened on Tuesday, after data released earlier in the day showed a rise in first-quarter unemployment figures, providing a steer on the health of the local economy after a week of market turbulence.

At 1515 GMT the rand traded at 19.0900 against the dollar, about 0.34% weaker than Monday's close.

Statistics South Africa on Tuesday released the country's unemployment figures for the January-March period which showed a rise in unemployment to 32.9%, up from 32.7% in the previous quarter.

The rand was pummelled last week, reaching a record low against the backdrop of power cuts that show no sign of abating and claims that South Africa had provided arms to Russia.

Struggling state power utility Eskom is implementing the worst rolling blackouts on record, leaving businesses and households in the dark for up to 10 hours a day.

The blackouts are crippling the economy, with JP Morgan predicting that South African economic output would contract this year by 0.2% as a result.

Shares on the Johannesburg Stock Exchange ended the day down, with both the blue-chip Top-40 index and the broader all-share index closing around 0.4% lower.

South Africa's benchmark 2030 government bond marginally weaker, with the yield up 1 basis points at 10.755%.

Source: Thomson Reuters Refinitiv

"Embrace the symphony of life's possibilities, for within each note lies the melody of your own extraordinary journey."

Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)					17 May 2023
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	⇒	8.18	0.000	8.18	8.18
6 months	↑	8.82	0.017	8.81	8.82
9 months	↑	9.08	0.033	9.05	9.08
12 months	↑	9.17	0.033	9.14	9.17
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC23 (Coupon 8.85%, BMK R2023)	⇒	8.30	0.000	8.30	8.30
GC24 (Coupon 10.50%, BMK R186)	↑	9.41	0.010	9.40	9.41
GC25 (Coupon 8.50%, BMK R186)	↑	9.61	0.010	9.60	9.61
GC26 (Coupon 8.50%, BMK R186)	↑	9.44	0.010	9.43	9.44
GC27 (Coupon 8.00%, BMK R186)	↑	10.05	0.010	10.04	10.05
GC28 (Coupon 8.50%, BMK R2030)	↑	10.56	0.020	10.54	10.56
GC30 (Coupon 8.00%, BMK R2030)	↑	11.06	0.020	11.04	11.06
GC32 (Coupon 9.00%, BMK R213)	↑	11.39	0.020	11.37	11.39
GC35 (Coupon 9.50%, BMK R209)	↓	12.44	-0.005	12.45	12.44
GC37 (Coupon 9.50%, BMK R2037)	↓	13.31	-0.010	13.32	13.31
GC40 (Coupon 9.80%, BMK R214)	↓	13.33	-0.020	13.35	13.33
GC43 (Coupon 10.00%, BMK R2044)	↓	13.38	-0.030	13.41	13.38
GC45 (Coupon 9.85%, BMK R2044)	↓	13.83	-0.030	13.86	13.83
GC48 (Coupon 10.00%, BMK R2048)	↓	14.03	-0.030	14.06	14.03
GC50 (Coupon 10.25%, BMK: R2048)	↓	13.98	-0.030	14.01	13.98
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI25 (Coupon 3.80%, BMK NCPI)	⇒	3.29	0.000	3.29	3.29
GI27 (Coupon 4.00%, BMK NCPI)	⇒	3.69	0.000	3.69	3.69
GI29 (Coupon 4.50%, BMK NCPI)	⇒	5.05	0.000	5.05	5.05
GI33 (Coupon 4.50%, BMK NCPI)	⇒	6.05	0.000	6.05	6.05
GI36 (Coupon 4.80%, BMK NCPI)	⇒	6.38	0.000	6.38	6.38
Commodities		Last close	Change	Prev close	Current Spot
Gold	↓	1,989	-1.58%	2,021	1,989
Platinum	↓	1,057	-0.74%	1,065	1,060
Brent Crude	↓	74.9	-0.43%	75.2	74.8
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,529	-0.40%	1,535	1,529
JSE All Share	↓	77,973	-0.37%	78,262	77,973
SP500	↓	4,110	-0.64%	4,136	4,110
FTSE 100	↓	7,751	-0.34%	7,778	7,751
Hangseng	↑	19,978	0.04%	19,971	19,823
DAX	↓	15,898	-0.12%	15,917	15,898
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	14,885	-0.06%	14,894	14,885
Resources	↓	68,820	-1.12%	69,600	68,820
Industrials	↓	108,085	-0.09%	108,181	108,085
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	19.06	0.29%	19.01	19.09
N\$/Pound	↓	23.80	-0.11%	23.83	23.80
N\$/Euro	↑	20.70	0.12%	20.68	20.73
US dollar/ Euro	↓	1.086	-0.10%	1.087	1.086
		Namibia		RSA	
Interest Rates & Inflation		Apr 23	Mar 23	Apr 23	Mar 23
Central Bank Rate	↑	7.25	7.00	7.75	7.75
Prime Rate	↑	11.00	10.75	11.25	10.75
		Apr 23	Mar 23	Mar 23	Feb 23
Inflation	↓	6.1	7.2	7.1	7.0

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

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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