



Market Update

Wednesday, 17 November 2021



Global Markets

The dollar reached a four-and-a-half-year high against the yen on Wednesday after better-than-expected U.S. retail data, which also boosted Wall Street equities, although Asian shares failed to follow suit. MSCI's index of Asia-Pacific shares outside Japan slipped 0.45% edging off Tuesday's near three-week closing high, with declines in most markets, while Japan's Nikkei lost 0.4%.

The dollar reached a high of 114.97 yen in early Asian hours, its strongest since March 2017, while the euro languished at a 16-month low at \$1.1320. The greenback was helped by Tuesday data which showed U.S. retail sales rose faster-than-expected in October, potentially encouraging the U.S. Federal Reserve to accelerate the tapering of its asset purchase programme, as inflation remains stubbornly high.

"The data backs up that sense that things are going pretty well, and the Fed can be a little more aggressive if it wants to be without completely causing the party to crash," said Rob Carnell, head of research for Asia Pacific at ING. "Top of mind for everyone is inflation right now, it's still an issue

after the numbers we got from the U.S. yesterday, and we've got a whole barrage of other inflation data coming today, particularly the U.K and Canada," he added.

Britain publishes its October CPI inflation data later today with a high print likely to add pressure on the Bank of England to raise rates in December after surprising markets by holding fire last month. "What it's not about is the Biden-Xi summit, which had the potential to do damage but seems not to have done so," Carnell added.

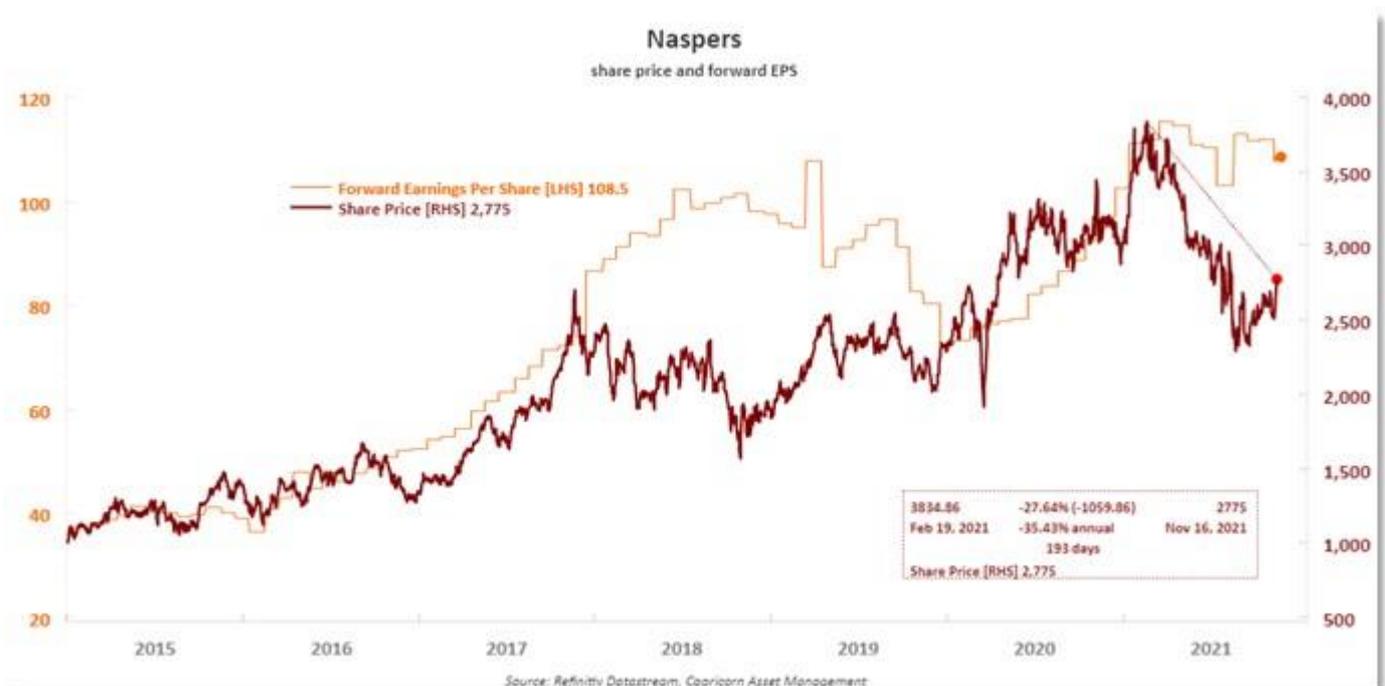
At a three hour meeting on Tuesday, U.S. president Joe Biden and Chinese leader Xi Jinping turned down some of the heat in Sino-U.S. tensions, though both sides held to their entrenched positions on a range of issues. The positive tone offered a slight boost to Asian shares on Tuesday, but this proved short lived.

On Wednesday, the Hong Kong benchmark slipped 0.4%, weighed by property developers and casinos as traders bet a recent rebound in both sectors had gone too far. Chinese blue chips were flat. Australian shares slipped 0.5%, weighed by Commonwealth Bank of Australia, the country's largest bank, whose shares slipped 6% after it flagged hit to margins from the low interest rate environment and mortgage competition.

Overnight on Wall Street, the Dow Jones Industrial Average rose 0.15%, the S&P 500 gained 0.39% and the Nasdaq Composite was up 0.76%, supported by the retail sales figures. These also provided a boost to U.S. Treasuries and benchmark 10-year note yields reached as high as 1.646% in early Asia, a three-week high.

U.S. crude dipped 0.66% to \$80.25 a barrel. Brent crude fell 0.5% to \$82.03 per barrel. Spot gold rose 0.25% to \$1,854 an ounce, climbing back towards the five-month high of \$1,876.9 hit a day earlier on rising inflation concerns. Rival inflation hedge bitcoin was steady at \$60,240 having shed 5% a day earlier and briefly falling below \$60,000.

Source: Thomson Reuters Refinitiv



Domestic Markets

South Africa's blue-chip stock index of the top 40 firms listed on the Johannesburg Stock Exchange (JSE) clocked an all-time high record on Tuesday as general optimism and technology shares kept the market firm for the fifth consecutive day.

The record came just a day after the broader all-share index crossed the 70,000-point mark for the first time ever. South African stocks have been among the best performing emerging markets in the last two months, driven in particular by a rebound in performances of companies largely dependent on the local economy, such as banks and financials, retail and real estate.

This has been further boosted by hopes of continued fiscal discipline based on new Finance Minister Enoch Godongwana's mid-term budget speech last week, Anchor Capital said in a note.

Wayne McCurrie, portfolio manager at FNB, said the current rally is more broad-based, although the recovery in index heavyweights - especially technology companies Naspers and subsidiary Prosus - has a big role to play. "The market is not cheap anymore. It is difficult to find value like earlier in the year when JSE was only driven by commodity and mining companies," he said.

The blue-chip index closed 1.26% up at 64,281 points. The broader all-share index also inched up for the fifth consecutive day, rising 1.21% to 70,938 points, its best ever.

The South African rand weakened through the day as the dollar strengthened and hit a 16-month peak after strong U.S. retail sales data calmed inflation fears. At 1610 GMT, the rand was trading at 15.5015 to the dollar, 1.66% weaker than its previous close.

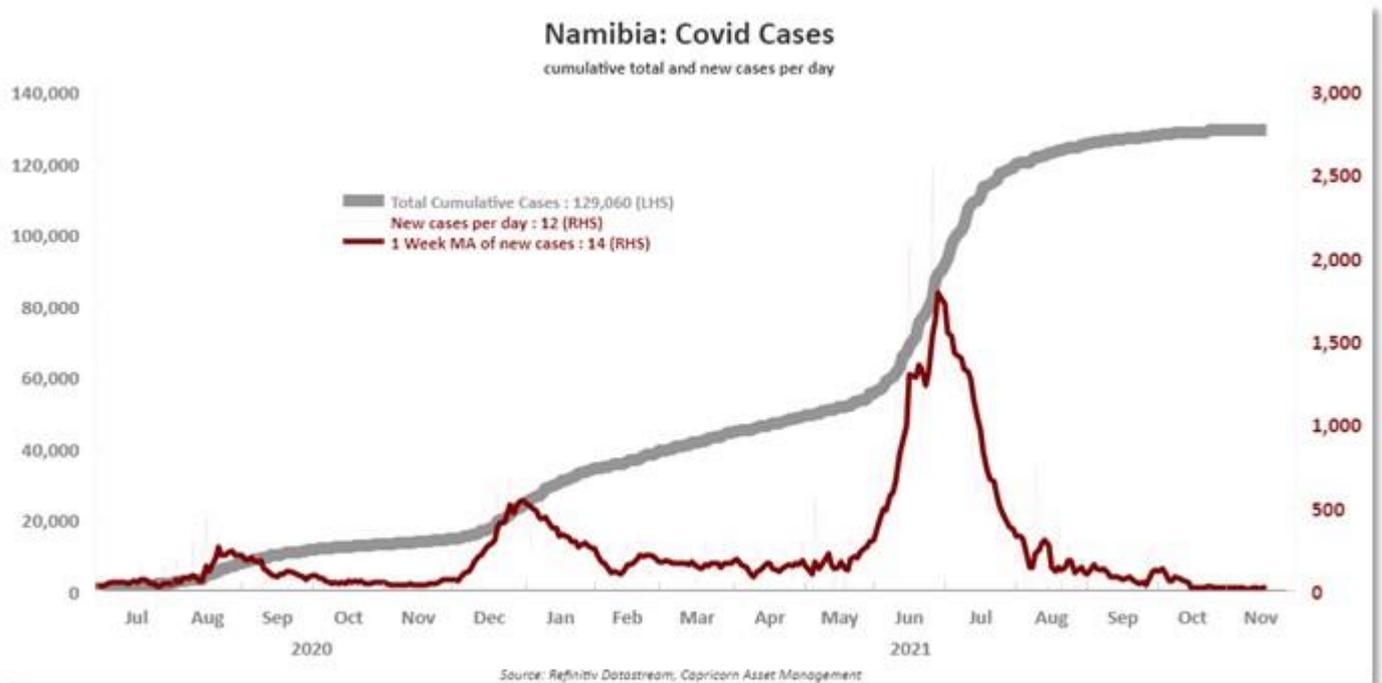
Investors are awaiting domestic inflation data, due alongside retail sales data on Wednesday, and the South African Reserve Bank's monetary policy committee meeting on Thursday, where some expect that it will hike interest rates. A Reuters poll found 13 of 20 economists surveyed between Nov. 10-12 said the SARB would keep the repo rate unchanged at 3.50%, while the other seven predicted a hike of 25 basis points. But in an extra question answered by 12 economists, a median of responses suggested there was an almost 50% chance the SARB would hike interest rates at this meeting.

With inflation looking transitory and government finances in better shape, the rand will continue to hover around its fair value of 15.50 per dollar, FNB's McCurrie said.

Bonds weakened with the yield on the benchmark instrument due in 2030 rising 4 basis points to 9.495%.

Corona Tracker

GLOBAL CASES		16-Nov-2021		1:56
SOURCE - REUTERS				
	Confirmed Cases	New Cases	Total Deaths	
GLOBAL	254,344,398	355,957	5,364,696	



Source: Thomson Reuters Refinitiv

People should think things out fresh and not just accept conventional terms and the conventional way of doing things.

R. Buckminster Fuller

Market Overview

MARKET INDICATORS		17 November 2021			
Money Market TB's		Last Close	Change	Prev Close	Current Spot
3 months	↓	4.605	-0.013	4.618	4.605
6 months	↓	4.985	-0.121	5.106	4.985
9 months	↑	5.521	0.07	5.451	5.521
12 months	↑	5.547	0.071	5.476	5.547
Nominal Bonds		Last Close	Change	Prev Close	Current Spot
GC22 (BMK: R2023)	↑	4.768	0.042	4.726	4.713
GC23 (BMK: R2023)	↓	6.311	-0.017	6.328	6.303
GC24 (BMK: R186)	↑	7.492	0.010	7.482	7.482
GC25 (BMK: R186)	↑	7.914	0.007	7.907	7.894
GC27 (BMK: R186)	↑	8.642	0.009	8.633	8.634
GC30 (BMK: R2030)	↑	10.320	0.065	10.255	10.328
GC32 (BMK: R213)	↑	11.319	0.138	11.181	11.328
GC35 (BMK: R209)	↓	11.520	-0.006	11.526	11.536
GC37 (BMK: R2037)	↑	12.841	0.099	12.742	12.873
GC40 (BMK: R214)	↑	13.030	0.072	12.958	13.059
GC43 (BMK: R2044)	↑	13.167	0.036	13.131	13.202
GC45 (BMK: R2044)	↑	13.109	0.065	13.044	13.137
GC50 (BMK: R2048)	↑	13.590	0.104	13.486	13.452
Inflation-Linked Bonds		Last Close	Change	Prev Close	Current Spot
GI22 (BMK: NCPI)	↓	3.967	-0.001	3.968	3.968
GI25 (BMK: NCPI)	⇒	4.000	0.000	4.000	3.994
GI29 (BMK: NCPI)	↓	5.796	-0.001	5.797	5.797
GI33 (BMK: NCPI)	↑	7.418	0.003	7.415	7.418
GI36 (BMK: NCPI)	↑	7.557	0.001	7.556	7.556
Commodities		Last Close	Change	Prev Close	Current Spot
Gold	↓	1,850.63	-0.66%	1,862.84	1,855.26
Platinum	↓	1065.15	-2.26%	1089.82	1070.76
Brent Crude	↑	82.43	0.46%	82.05	81.90
Main Indices		Last Close	Change	Prev Close	Current Spot
NSX Overall Index	↑	732.59	0.57%	728.43	732.59
JSE All Share	↑	70,938.41	1.21%	70,090.54	70,938.41
S&P 500	↑	4,700.90	0.39%	4,682.80	4,700.90
FTSE 100	↓	7,326.97	-0.34%	7,351.86	7,326.97
Hangseng	↓	25,600.31	-0.44%	25,713.78	25,600.31
DAX	↑	16,247.86	0.61%	16,148.64	16,247.86
JSE Sectors		Last Close	Change	Prev Close	Current Spot
Financials	⇒	14,078.02	0.00%	14,078.02	14,028.79
Resources	⇒	63,925.72	0.00%	63,925.72	64,904.54
Industrials	⇒	94,091.04	0.00%	94,091.04	95,652.47
Forex		Last Close	Change	Prev Close	Current Spot
N\$/US Dollar	↑	15.51	1.77%	15.24	15.50
N\$/Pound	↑	20.84	1.91%	20.45	20.84
N\$/Euro	↑	17.56	1.33%	17.33	17.52
US Dollar/ Euro	↓	1.13	-0.88%	1.14	1.13
		Namibia		RSA	
Economic data		Latest	Previous	Latest	Previous
Inflation	↑	3.61	3.47	5.00	4.90
Prime Rate	⇒	7.50	7.50	7.00	7.00
Central Bank Rate	⇒	3.75	3.75	3.50	3.50

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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