

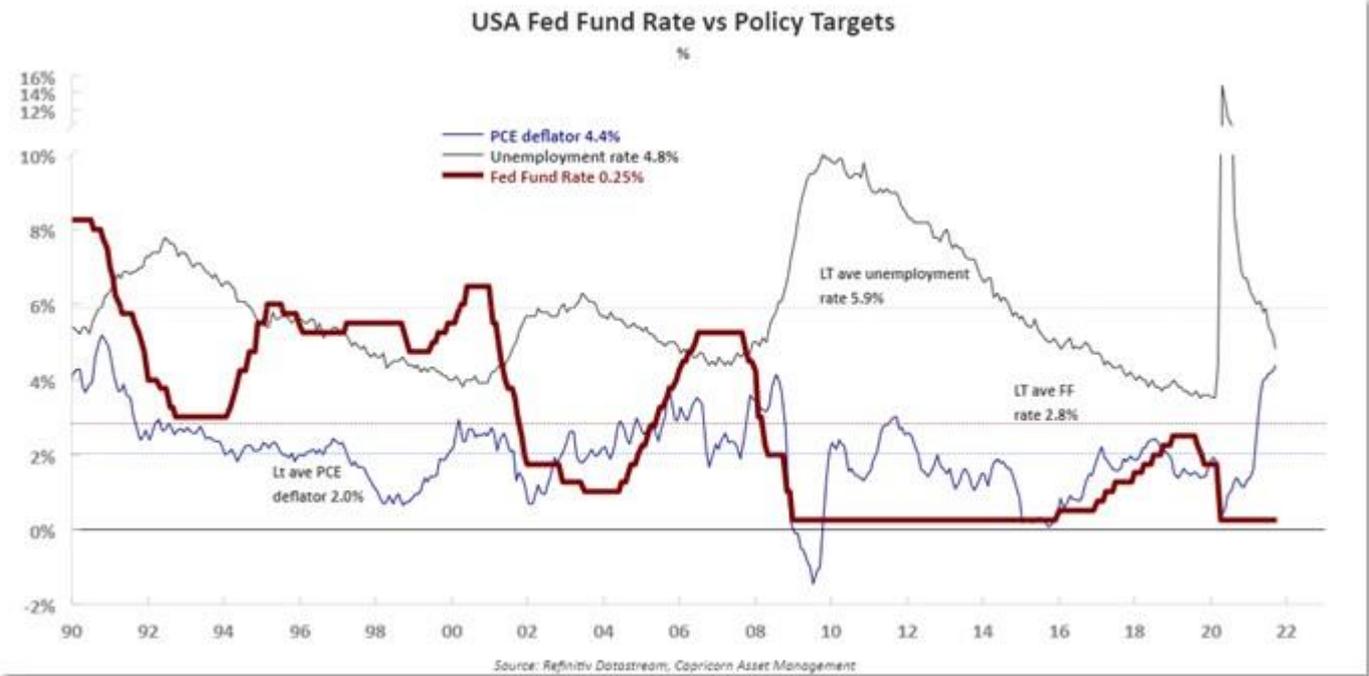


The Daily Brief

Capricorn Asset Management

Market Update

Tuesday, 2 November 2021



Global Markets

Global shares idled just below record highs on Tuesday and currencies held tight ranges as nervous investors awaited the Federal Reserve's policy meeting, one of several central bank decisions this week that could set the tone for risk appetite.

The Reserve Bank of Australia was the main focus on Tuesday, as it took a step toward unwinding extraordinary pandemic stimulus policies by abandoning an ultra-low target for bond yields. The spotlight now swings to the Fed and then the Bank of England, which also have meetings this week.

Asian shares were mixed with the MSCI's gauge of Asia-Pacific stocks outside Japan holding steady at 0435 GMT, Japan's Nikkei edging 0.4% lower and futures pointed to a weaker European and U.S. open. The MSCI's world equities index was down a marginal 0.02%, with Pan-region Euro Stoxx 50 futures 0.25% lower and E-mini futures for the S&P 500 index down 0.21%.

In Asia, the RBA defied investor expectations for a more hawkish pivot, pushing the Aussie and kiwi dollars lower and drove short-term bonds higher. "The market was pricing way more," said GSFM investment strategist Stephen Miller. "They thought that the RBA would take bigger steps to remove monetary accommodation given the upside risks to inflation and I think the RBA have made the minimum adjustment possible."

The Aussie was 0.25% lower to be within its two-week range at \$0.75 while the kiwi moved 0.1% lower to \$0.7172. Australia's S&P/ASX 200 was down 0.5%. Australian 3-year bond yields were 6 basis points lower at 0.98%, compared with their recent 1.267% high on Oct. 29, while 10-year bonds pared earlier losses to push yields to 1.958%. U.S. 10-year yields held steady and 2-year treasury yields were one basis point lower to 0.491%.

Chinese shares fell 0.6%, dragged by financials and consumer firms even as the country's cabinet pledged more support for the consumer services sector, while tech stocks drove Hong Kong's Hang Seng index 0.6% higher. South Korea's KOSPI index gained 1.50%. Overnight, Wall Street advanced to record highs helped by gains for energy shares and Tesla. The Dow Jones Industrial Average rose 0.26%, after eclipsing 36,000 points for the first time during intraday trading. The S&P 500 gained 0.18% while the Nasdaq Composite added 0.63%.

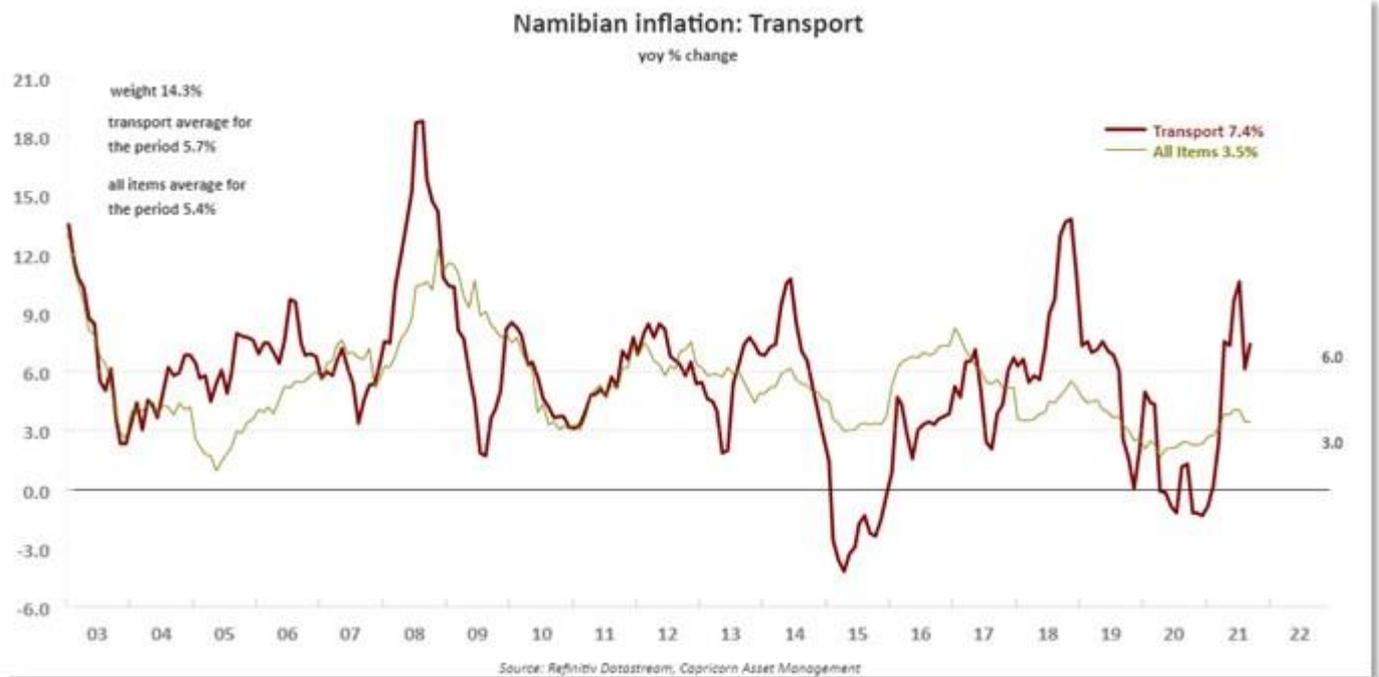
The yen was 0.31% weaker at 113.65 per dollar and the euro also edged 0.07% lower to \$1.15995.

The Fed on Wednesday is expected to approve plans to scale back its \$120 billion monthly bond-buying programme, while investors will also focus on commentary about interest rates and how sustained the recent surge in inflation is. "The elephant in the room is headline and underlying inflation, which are higher than the (Fed) was anticipating," said Standard Chartered's head of G10 FX, Steve Englander. "We expect the (Federal Open Market Committee) to state that the Fed is ready to act decisively if inflation is not moving towards target levels when tapering ends, but it still expects inflation to fall as supply constraints ease. We think investors will see this as advancing the likely timing of Fed rate hikes," he said.

In commodities markets, a further 4% drop in Chinese coal prices on Tuesday pushed them 50% below last month's record high. Oil prices were little changed as expectations of strong demand and a belief that a key producer group will not turn on the spigots too fast helped reverse initial losses caused by the release of fuel reserves by No. 1 world energy consumer China. U.S. crude was 0.08% lower at \$83.98 per barrel and Brent at \$84.76, up 0.03%.

Spot gold was 0.1% higher to \$1,793.24 an ounce. Bitcoin was 0.7% higher at \$61,365.2.

Source: Thomson Reuters Refinitiv



Domestic Markets

Markets were closed for the election holiday on Monday.

CARGO BY MODE OF TRANSPORT IN TONNES						
	Rail cargo	Road cargo	Air cargo	Sea Landed	Sea Shipped	Sea Trans-shipped
September '21	123,279 	357,723 	380 	329,971 	376,386 	69,625 
August '21	134,100 	347,315 	364 	261,617 	235,889 	73,143 
September '20	172,107 	294,764 	222 	401,518 	376,935 	4,095 

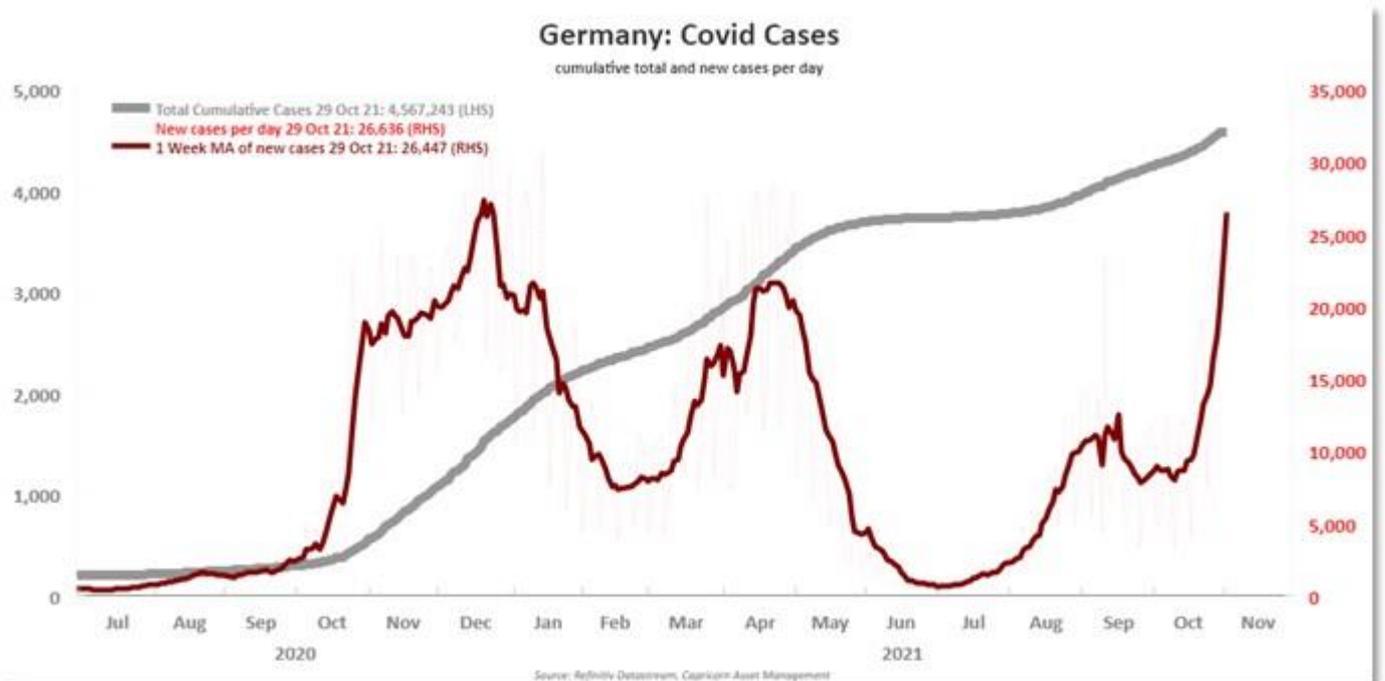
Cargo transported through sea mainly dominated by consignments of frozen fish, zinc concentrate and imports of goods mainly of petroleum oil, sulphuric acid and copper concentrate was the main driver of the transport composite index in September 2021.

According to the Namibia Statistics Agency (NSA) transport sectoral report, Namibia transported 1 257 364 tonnes of cargo through rail, road, air and sea, compared to 1 052 427 tonnes and 1 249 640 tonnes that were transported in August 2021 and September 2020, respectively.

Overall, the transport composite cargo index recorded an increase on a monthly basis of 19.5% in September 2021 compared to a growth of 27.0% registered in August 2021, NSA said.

Source: Republikein

Corona Tracker



Source: Thomson Reuters Refinitiv

I'd be more frightened by not using whatever abilities I'd been given. I'd be more frightened by procrastination and laziness.

Denzel Washington

Market Overview

MARKET INDICATORS (Thomson Reuters)				02 November 2021	
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↓	4.49	-0.007	4.50	4.49
6 months	↓	4.92	-0.004	4.92	4.92
9 months	↓	5.37	-0.005	5.38	5.37
12 months	↓	5.45	-0.002	5.45	5.45
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC22 (Coupon 8.75%, BMK R2023)	⇒	4.92	0.000	4.92	4.92
GC23 (Coupon 8.85%, BMK R2023)	⇒	6.38	0.000	6.38	6.38
GC24 (Coupon 10.50%, BMK R186)	↑	7.77	0.010	7.76	7.77
GC25 (Coupon 8.50%, BMK R186)	↑	8.00	0.010	7.99	8.00
GC26 (Coupon 8.50%, BMK R186)	↑	8.97	0.010	8.96	8.97
GC27 (Coupon 8.00%, BMK R186)	↑	8.97	0.010	8.96	8.97
GC30 (Coupon 8.00%, BMK R2030)	⇒	10.54	0.000	10.54	10.54
GC32 (Coupon 9.00%, BMK R213)	↓	11.35	-0.015	11.36	11.35
GC35 (Coupon 9.50%, BMK R209)	↑	12.18	0.020	12.16	12.18
GC37 (Coupon 9.50%, BMK R2037)	↑	12.53	0.010	12.52	12.53
GC40 (Coupon 9.80%, BMK R214)	↑	13.43	0.015	13.41	13.43
GC43 (Coupon 10.00%, BMK R2044)	↑	13.46	0.015	13.44	13.46
GC45 (Coupon 9.85%, BMK R2044)	↑	13.51	0.015	13.49	13.51
GC48 (Coupon 10.00%, BMK R2048)	⇒	12.95	0.000	12.95	12.95
GC50 (Coupon 10.25%, BMK: R2048)	⇒	13.78	0.000	13.78	13.78
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
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)	⇒	6.20	0.000	6.20	6.20
GI33 (Coupon 4.50%, BMK NCPI)	⇒	7.96	0.000	7.96	7.96
GI36 (Coupon 4.80%, BMK NCPI)	⇒	8.18	0.000	8.18	8.18
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,793	0.57%	1,783	1,794
Platinum	↑	1,064	4.53%	1,018	1,056
Brent Crude	↑	84.7	0.39%	84.4	85.0
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	⇒	1,461	0.00%	1,461	1,461
JSE All Share	⇒	67,465	0.00%	67,465	67,465
SP500	↑	4,614	0.18%	4,605	4,614
FTSE 100	↑	7,289	0.71%	7,238	7,289
Hangseng	↓	25,154	-0.88%	25,377	25,090
DAX	↑	15,806	0.75%	15,689	15,806
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	⇒	13,956	0.00%	13,956	13,956
Resources	⇒	62,990	0.00%	62,990	62,990
Industrials	⇒	87,490	0.00%	87,490	87,490
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	15.42	1.37%	15.21	15.44
N\$/Pound	↑	21.06	1.17%	20.82	21.07
N\$/Euro	↑	17.89	1.75%	17.58	17.92
US dollar/ Euro	↑	1.161	0.39%	1.156	1.160
		Namibia		RSA	
Interest Rates & Inflation		Sep 21	Aug 21	Sep 21	Aug 21
Central Bank Rate	⇒	3.75	3.75	3.50	3.50
Prime Rate	⇒	7.50	7.50	7.00	7.00
		Sep 21	Aug 21	Sep 21	Aug 21
Inflation	↑	3.5	3.4	5.0	4.9

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.



For enquiries concerning the Daily Brief please contact us at

Daily.Brief@capricorn.com.na

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