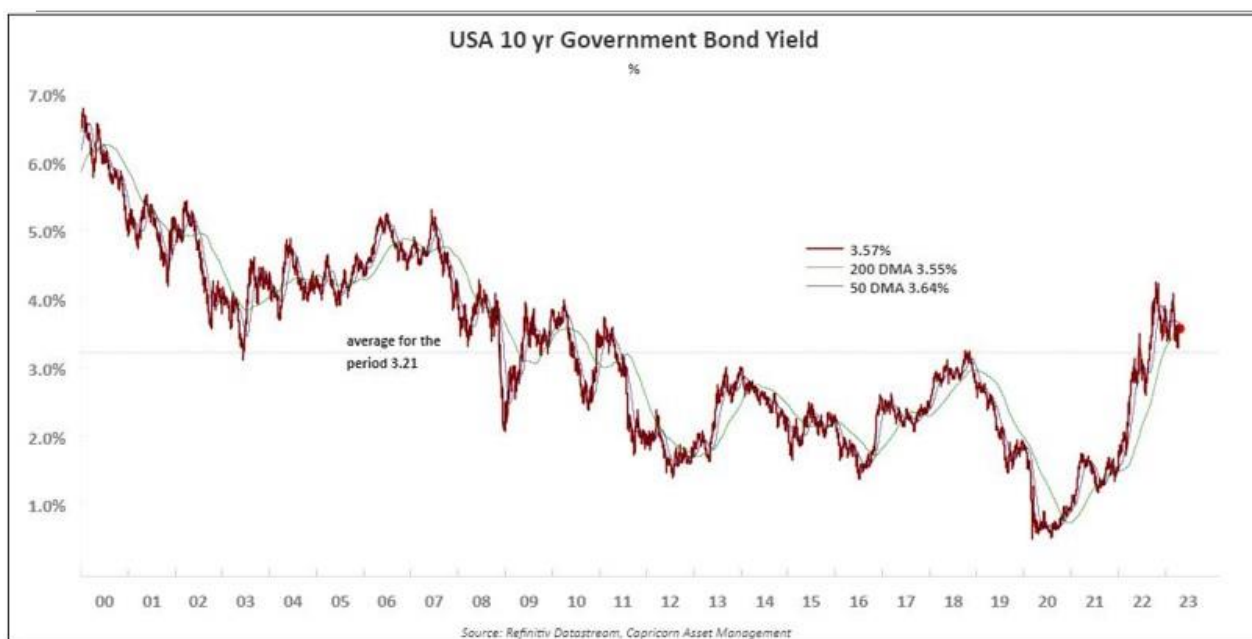




Market Update

Monday, 24 April 2023



Global Markets

Asian shares were mostly lower on Monday in a week packed with economic data and central bank meetings, along with earnings from the tech giants that have kept the S&P 500 afloat so far this year.

Market action was sluggish in the wake of Friday's surprisingly strong surveys of which reinforced the case for higher interest rates.

MSCI's broadest index of Asia-Pacific shares outside Japan eased 0.4%, while Japan's Nikkei nudged up 0.2%. Chinese blue chips fell 0.4%.

Over in Australia, there was some weakness in mining stocks after Chile moved to boost state control over its industry, which has the world's largest reserves of the battery metal.

EUROSTOXX 50 futures and FTSE futures were both little changed. S&P 500 futures and Nasdaq futures eased 0.3% ahead of a busy week of earnings.

Apple Inc and Microsoft Corp alone have accounted for nearly half of the S&P 500's gains through March, so there is much riding on their outlooks.

"We believe stalwarts Microsoft, Amazon and Google should all deliver cloud results that meet and likely exceed Street 1Q expectations this week despite recent noise in the market," said analysts at Wedbush Securities.

"We also believe a major narrative of tech earnings season will be the AI arms race and each Big Tech player updating investors on their own AI ambitions/monetization strategy as Redmond battles Google and other tech stalwarts for the AI trophy case."

The U.S. House of Representatives could this week vote on a Republican plan to raise the debt ceiling in exchange for spending cuts. Weak tax receipts mean the government could run out of money earlier than expected, and the risk of default has seen a rise in U.S. credit default swaps.

Figures on U.S. wages and economic growth due this week will likely reinforce the case for further tightening. The Atlanta Fed's influential GDP Now tracker has the U.S economy growing an annualised 2.5% in the first quarter, only a shade slower than the previous quarter.

BOJ GETS A NEW BOSS

Markets are pricing in an 86% chance the Federal Reserve will hike rates by a quarter point at its meeting in the first week of May, and fully expect a similar hike from the European Central Bank with some risk of a half-point move.

Central banks in Canada and Sweden meet this week, but most attention will be on the Bank of Japan for the first meeting chaired by its new governor, Kazuo Ueda.

Ueda on Monday said policy easing had to be continued since inflation was still under 2% in trend terms.

Only three out of 27 economists polled by Reuters expect the BOJ to start to scale back its yield curve control policy (YCC) this soon, but there are reports the central bank is considering conducting a comprehensive review of the impact of its easing.

"Media background suggests don't expect tweaks to YCC, but its clear the writing is on the wall and the risk is of more substantive change at the next meeting," said Tapas Strickland, head of market economics at NAB.

In contrast, the head of Belgium's central bank warned in an FT article on Monday that investors are underestimating how high eurozone borrowing costs will rise.

The divergence in policy between Japan and the rest of the developed world has seen the yen weaken steadily in the last few weeks, with the euro in particular hitting a six-month high.

The single currency was firm at 147.56 yen on Monday, while the dollar held at 134.35.

The euro held at \$1.0980, within sight of its recent one-year peak of \$1.1075.

A higher dollar and bond yields have been a burden for gold, which shed 1.2% last week and was last lying at \$1,979 an ounce.

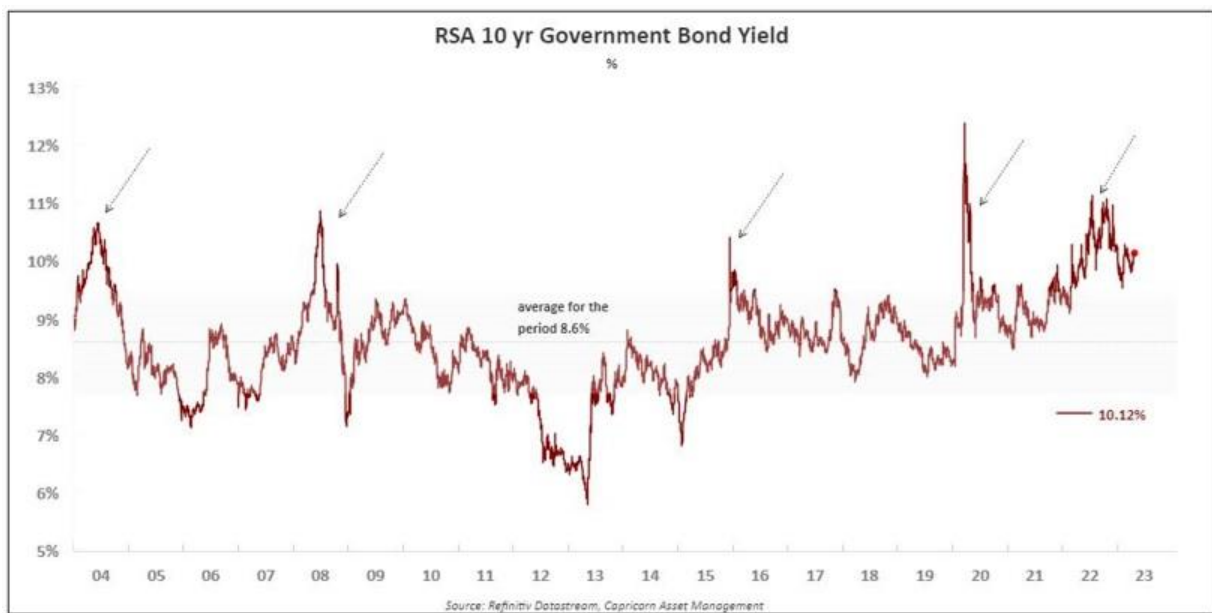
Chicago wheat gained almost 1% after Russia threatened to terminate a grain deal allowing Ukrainian exports, raising concerns over world supplies.

Oil prices also lost ground last week, though planned production cuts from OPEC offer some support.

Brent eased 66 cents on Monday to \$81.00 a barrel, while U.S. crude fell 67 cents to \$77.20 per barrel.

Source: Thomson Reuters Refinitiv

Domestic Markets



A late rally pushed the JSE into the black. The Top40 rose 0.1%. Financials had a good day while the industrial materials, construction, and industrial metals and mining sectors fared worst. Anglo American Plc contributed the most to the index decline, decreasing 2.8%. BHP Group Ltd. had the largest drop, falling 2.9%. Declining diversified miners and soft techs kept the market in check. Bulk miners held up, but we are unlikely to see any follow through this morning as SGX iron ore is down 5.2%. Gainers outpaced losers three-to-one on the Top40 but by a more modest two-to-one on the All Share.

South Africa's state electricity utility intensified power cuts on Friday morning after breakdowns at generating units at four plants on Thursday. Eskom Holdings SOC Ltd. removed 6,000 megawatts from the grid from 5 a.m. local time and will continue to do so until further notice, according to a statement. It cited outages at the Tutuka, Kriel, Duvha and Kendal facilities.

President Cyril Ramaphosa is facing increasing pressure to hand powers to his new electricity minister and enable him to make decisions to stave off more intense blackouts as peak winter demand looms. Two months after Ramaphosa appointed Kgosientsho Ramokgopa to the post, the president has yet to clarify what capacities he will transfer from the energy and public enterprises ministries, which have responsibility for policy and the state electricity company respectively, to the new office.

Source: Thomson Reuters Refinitiv

There is a wisdom of the head, and a wisdom of the heart.

Charles Dickens

Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)				24 April 2023	
Money Market TB Rates %					
		Last close	Difference	Prev close	Current Spot
3 months	⇒	8.47	0.000	8.47	8.47
6 months	↑	8.85	0.025	8.83	8.85
9 months	↑	9.23	0.025	9.20	9.23
12 months	↑	9.33	0.025	9.30	9.33
Nominal Bond Yields %					
		Last close	Difference	Prev close	Current Spot
GC23 (Coupon 8.85%, BMK R2023)	⇒	8.40	0.000	8.40	8.40
GC24 (Coupon 10.50%, BMK R186)	↑	9.10	0.035	9.07	9.10
GC25 (Coupon 8.50%, BMK R186)	↑	9.25	0.035	9.22	9.25
GC26 (Coupon 8.50%, BMK R186)	↑	9.15	0.035	9.12	9.15
GC27 (Coupon 8.00%, BMK R186)	↑	9.62	0.035	9.59	9.62
GC28 (Coupon 8.50%, BMK R2030)	↑	9.92	0.050	9.87	9.92
GC30 (Coupon 8.00%, BMK R2030)	↑	10.62	0.050	10.57	10.62
GC32 (Coupon 9.00%, BMK R213)	↑	11.29	0.040	11.25	11.29
GC35 (Coupon 9.50%, BMK R209)	↑	12.59	0.030	12.56	12.59
GC37 (Coupon 9.50%, BMK R2037)	↑	13.03	0.030	13.00	13.03
GC40 (Coupon 9.80%, BMK R214)	↑	13.15	0.035	13.11	13.14
GC43 (Coupon 10.00%, BMK R2044)	↑	13.94	0.035	13.90	13.94
GC45 (Coupon 9.85%, BMK R2044)	↑	13.84	0.035	13.80	13.84
GC48 (Coupon 10.00%, BMK R2048)	↑	13.99	0.035	13.95	13.99
GC50 (Coupon 10.25%, BMK: R2048)	↑	14.09	0.035	14.05	14.09
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)	⇒	3.63	0.000	3.63	3.63
GI29 (Coupon 4.50%, BMK NCPI)	⇒	5.25	0.000	5.25	5.25
GI33 (Coupon 4.50%, BMK NCPI)	⇒	6.19	0.000	6.19	6.19
GI36 (Coupon 4.80%, BMK NCPI)	⇒	6.46	0.000	6.46	6.46
Commodities					
		Last close	Change	Prev close	Current Spot
Gold	↓	1,983	-1.07%	2,004	1,977
Platinum	↑	1,124	2.84%	1,093	1,098
Brent Crude	↑	81.7	0.69%	81.1	80.6
Main Indices					
		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,569	-2.44%	1,609	1,569
JSE All Share	↓	77,911	-1.23%	78,883	77,911
SP500	↑	4,134	0.09%	4,130	4,134
FTSE 100	↑	7,914	0.15%	7,903	7,914
Hangseng	↓	20,076	-1.57%	20,397	19,840
DAX	↑	15,882	0.54%	15,796	15,882
JSE Sectors					
		Last close	Change	Prev close	Current Spot
Financials	↓	15,462	-0.52%	15,543	15,462
Resources	↓	69,360	-3.55%	71,913	69,360
Industrials	↓	105,645	-0.37%	106,035	105,645
Forex					
		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	18.09	0.38%	18.02	18.10
N\$/Pound	↑	22.48	0.27%	22.42	22.49
N\$/Euro	↑	19.87	0.56%	19.76	19.86
US dollar/ Euro	↑	1.099	0.18%	1.097	1.098
Interest Rates & Inflation					
		Namibia		RSA	
		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
		Mar 23	Feb 23	Mar 23	Feb 23
Inflation	⇒	7.2	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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