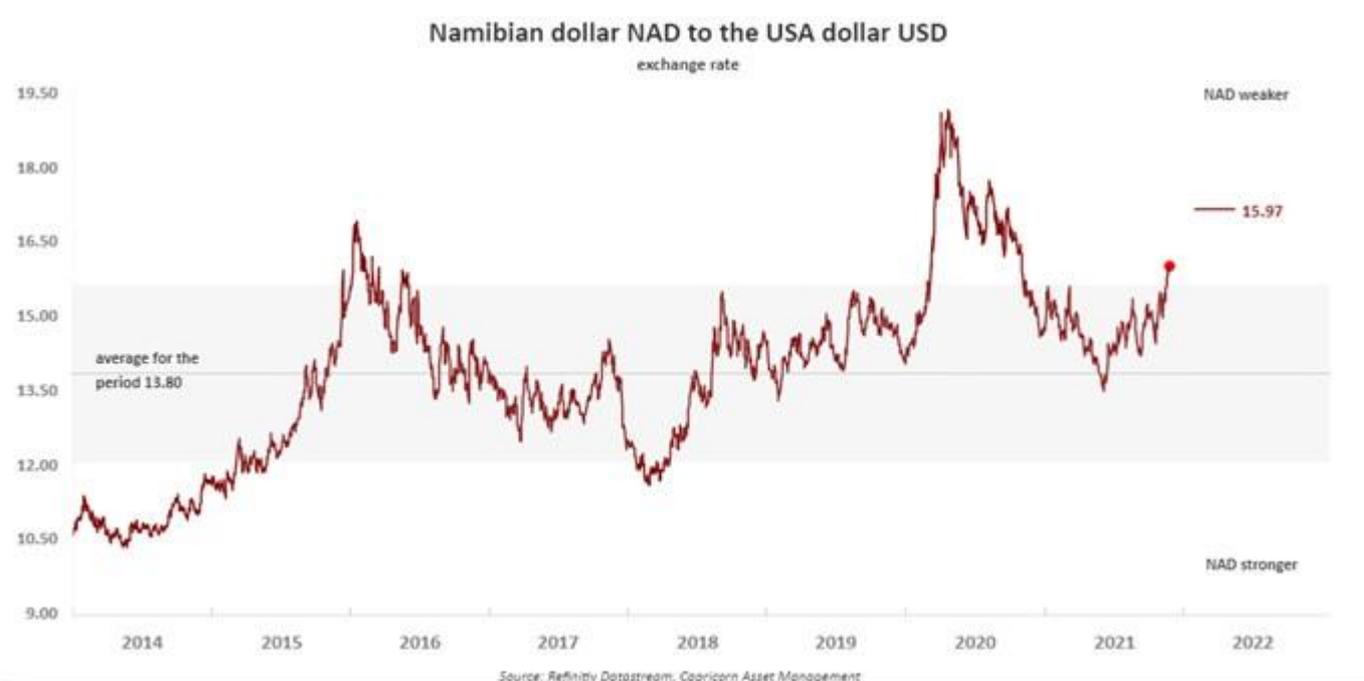




Market Update

Friday, 26 November 2021



Global Markets

Stocks suffered their sharpest drop in three months in Asia on Friday and oil tumbled after the detection of a new and possibly vaccine-resistant coronavirus variant sent investors scurrying toward the safety of bonds, the yen and the dollar.

MSCI's index of Asia shares outside Japan fell 1.8%, its sharpest drop since August. Casino and beverage shares sold off in Hong Kong, travel stocks dropped in Sydney and Tokyo. Japan's Nikkei skidded 3% and U.S. crude oil futures fell 2.7% amid fresh demand fears. S&P 500 futures were last down 1% and Euro STOXX 50 futures down 2%.

Little is known of the variant, detected in South Africa, Botswana and Hong Kong, but scientists said it has an unusual combination of mutations and may be able to evade immune responses or make it more transmissible. British authorities think it is the most significant variant to date, worry it could resist vaccines and have hurried to impose travel restrictions.

"You shoot first and ask questions later when this sort of news erupts," said Ray Attrill, head of FX strategy at National Australia Bank in Sydney, as the news rattled currency traders. Bets on rate hikes also retreated as Fed funds futures rallied and two-year Treasury yields fell 6 basis points, the sharpest drop since March 2020.

South Africa's rand dropped more than 1% to a one-year low on Friday and the risk-sensitive Australian and New Zealand dollars fell to three-month trough.

Japan and Australia each hinted at possible border closures in response to the new variant. "Markets are anticipating the risk here of another global wave of infections if vaccines are ineffective," said Moh Siong Sim, a currency analyst at the Bank of Singapore. "Reopening hopes could be dashed."

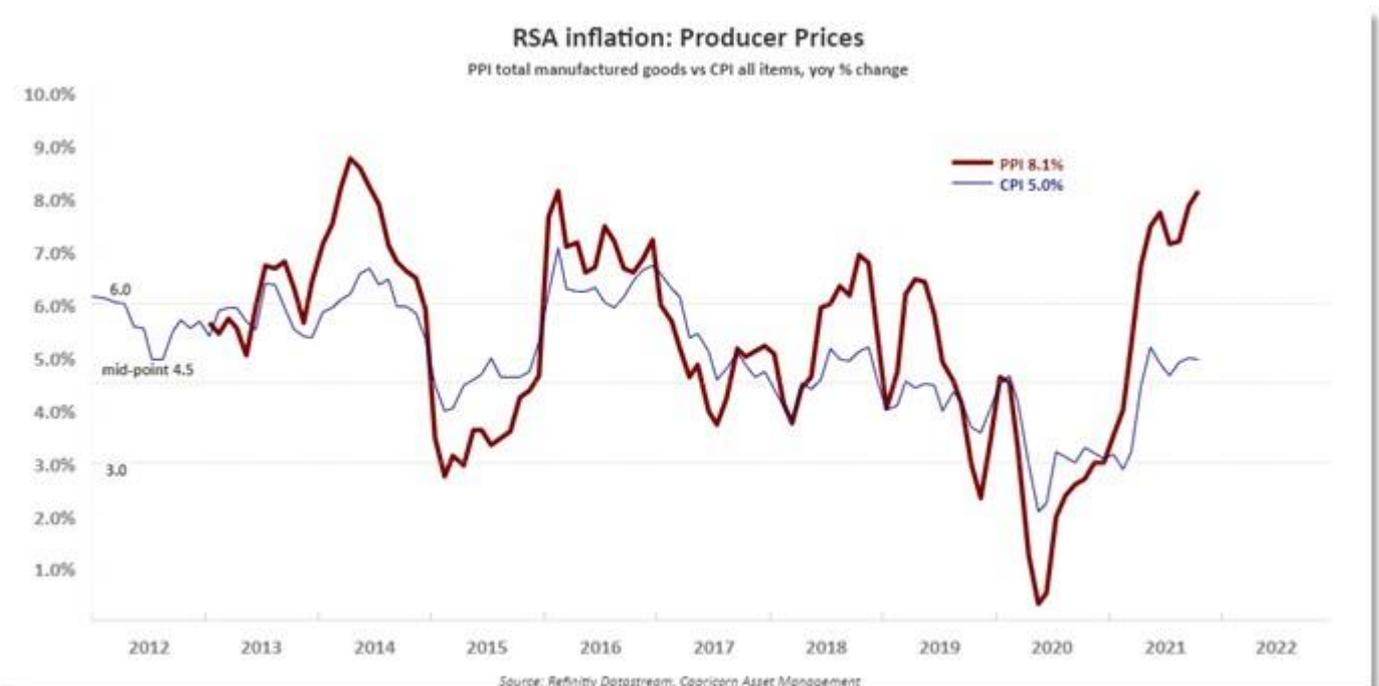
Equity selling in Asia has global shares, on course for their worst week since early October. Dow futures fell 1%, while FTSE futures fell 1.9%.

Moves in Treasuries were also sharp at the longer end, with 10-year Treasury yields down eight bps to 1.5618% and 30-year yields down 7 bps to 1.8963%. Though that leaves yields inside recent ranges, heat has come out of wagers on the pace of rate hikes and the December 2022 Fed funds futures contract was last up 9 bps.

The yen jumped about 0.6% to 114.67 per dollar and the Aussie was last down 0.6% at \$0.7141. The euro edged up 0.1% to \$1.1221, as safety rather than policy differentials drove trade in Asia. The moves come against an already growing backdrop of concern about COVID-19 outbreaks driving restrictions on movement and activity in Europe and beyond.

European countries expanded COVID-19 booster vaccinations and tightened curbs overnight. Slovakia announced a two-week lockdown, the Czech government will shut bars early and Germany crossed the threshold of 100,000 COVID-19-related deaths. Shanghai on Friday limited tourism activities and a nearby city cut public transport as China doubles down on its zero-tolerance approach that is also unnerving traders.

Source: Thomson Reuters Refinitiv



Domestic Markets

South Africa's rand firmed slightly on Thursday, as the dollar slipped but still traded near a 16-month high after investors bet that the U.S. Federal Reserve will tighten monetary policy faster than its peers. At 1500 GMT, the rand traded 0.2% firmer at 15.8600 against the dollar.

Fed minutes showed on Wednesday that various policymakers at the U.S. central bank would be open to speeding up the taper of their bond-buying programme and raising interest rates more quickly if high inflation held. Dollar moves have been one of the main drivers for the rand in recent days, along with emerging market contagion linked to a meltdown in the Turkish lira.

On the domestic front, data showed producer inflation quickened in October, providing more clues about price pressures in Africa's most industrialised economy. Last week, the South African Reserve Bank raised rates for the first time in three years in response to broadening inflationary risks, but that has done little to buttress the rand, which is down roughly 4% against the dollar this month.

The yield on the government's benchmark 2030 bond was down 3 basis points to 9.725%.

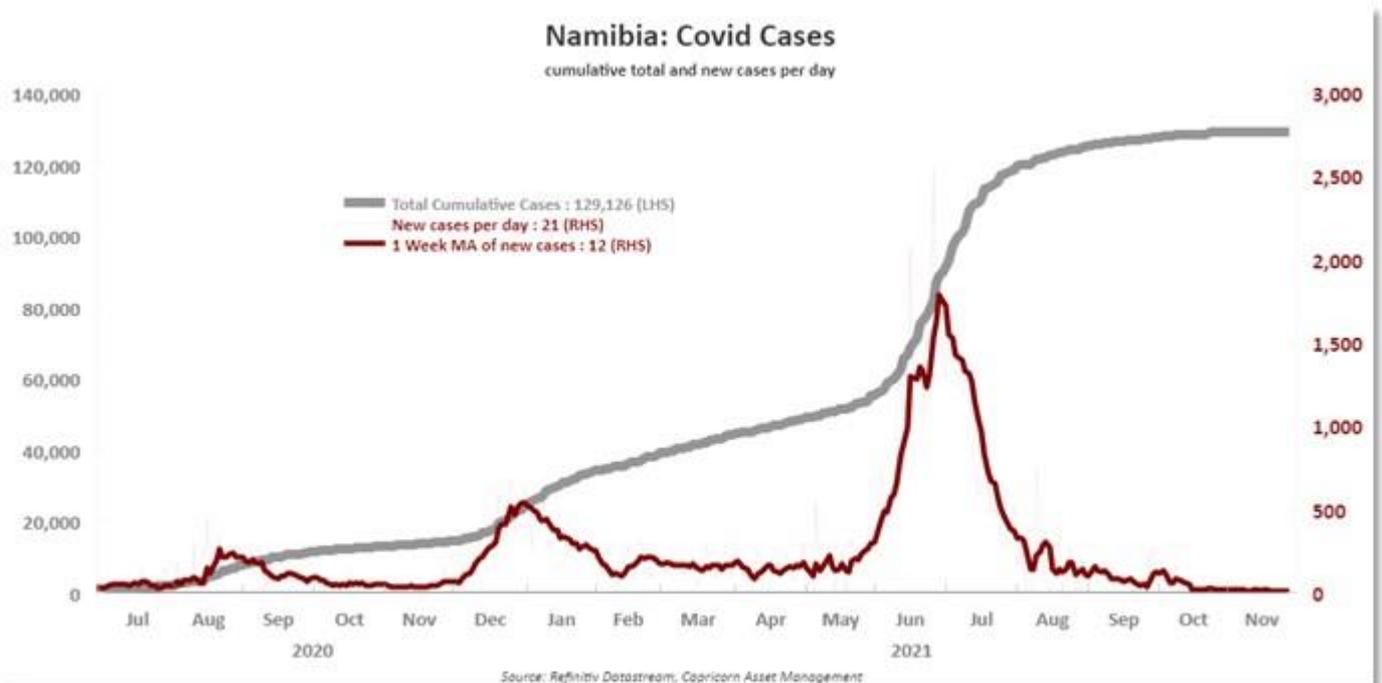
Shares on the Johannesburg Stock Exchange (JSE) slipped, though the fall was limited, despite strong global markets, as a new coronavirus variant discovered in South Africa spooked investors. The daily tally of COVID-19 cases has started rising in the country, signalling the early phase of a fourth wave.

On Thursday, scientists said they had detected a new COVID-19 variant - called B.1.1.529 - in the country, which had a "very unusual constellation" of mutations. They called it concerning.

The stock market, which had been hovering around its all-time highs for past two weeks, shed early gains, with the blue-chip index of top 40 companies losing 0.17% to end at 64,063 points. The benchmark all-share index closed down 0.01% at 70,555 points.

Corona Tracker

GLOBAL CASES		26-Nov-2021		5:32
SOURCE - REUTERS				
	Confirmed Cases	New Cases	Total Deaths	
GLOBAL	259,612,713	483,706	5,436,733	



Source: Thomson Reuters Refinitiv

Men make history and not the other way around. In periods where there is no leadership, society stands still. Progress occurs when courageous, skillful leaders seize the opportunity to change things for the better.

Harry S Truman

Market Overview

MARKET INDICATORS (Thomson Reuters)		26 November 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↓	4.37	-0.010	4.38	4.37
6 months	↑	5.11	0.020	5.09	5.11
9 months	↑	5.54	0.064	5.48	5.54
12 months	↑	5.66	0.066	5.59	5.66
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC22 (Coupon 8.75%, BMK R2023)	↑	4.66	0.040	4.62	4.66
GC23 (Coupon 8.85%, BMK R2023)	↑	6.54	0.040	6.50	6.54
GC24 (Coupon 10.50%, BMK R186)	↓	7.73	-0.010	7.74	7.73
GC25 (Coupon 8.50%, BMK R186)	↓	7.96	-0.010	7.97	7.96
GC26 (Coupon 8.50%, BMK R186)	↓	8.93	-0.010	8.94	8.93
GC27 (Coupon 8.00%, BMK R186)	↓	9.17	-0.010	9.18	9.17
GC30 (Coupon 8.00%, BMK R2030)	↓	10.62	-0.030	10.65	10.62
GC32 (Coupon 9.00%, BMK R213)	↓	11.39	-0.035	11.43	11.39
GC35 (Coupon 9.50%, BMK R209)	↓	11.91	-0.045	11.95	11.91
GC37 (Coupon 9.50%, BMK R2037)	↓	12.54	-0.055	12.60	12.54
GC40 (Coupon 9.80%, BMK R214)	↓	13.31	-0.030	13.34	13.31
GC43 (Coupon 10.00%, BMK R2044)	↓	13.55	-0.030	13.58	13.55
GC45 (Coupon 9.85%, BMK R2044)	↓	13.53	-0.030	13.56	13.53
GC48 (Coupon 10.00%, BMK R2048)	↓	13.55	-0.040	13.59	13.55
GC50 (Coupon 10.25%, BMK: R2048)	↓	13.78	-0.040	13.82	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	5.99
GI33 (Coupon 4.50%, BMK NCPI)	⇒	7.96	0.000	7.96	7.82
GI36 (Coupon 4.80%, BMK NCPI)	⇒	8.18	0.000	8.18	8.01
Commodities		Last close	Change	Prev close	Current Spot
Gold	↓	1,788	0.00%	1,789	1,798
Platinum	↑	995	2.13%	975	982
Brent Crude	↓	82.2	-0.04%	82.3	80.2
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,487	-0.23%	1,491	1,487
JSE All Share	↓	70,555	-0.01%	70,559	70,555
SP500	⇒	4,701	0.00%	4,701	4,701
FTSE 100	↑	7,310	0.33%	7,286	7,310
Hangseng	↑	24,740	0.22%	24,686	24,185
DAX	↑	15,918	0.25%	15,878	15,918
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↑	13,936	0.99%	13,799	13,936
Resources	↓	65,733	-1.71%	66,875	65,733
Industrials	↑	94,130	0.71%	93,463	94,130
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	15.95	0.53%	15.87	16.14
N\$/Pound	↑	21.25	0.50%	21.15	21.47
N\$/Euro	↑	17.88	0.62%	17.77	18.11
US dollar/ Euro	↑	1.121	0.08%	1.120	1.122
		Namibia		RSA	
Interest Rates & Inflation		Nov 21	Oct 21	Nov 21	Oct 21
Central Bank Rate	⇒	3.75	3.75	3.75	3.50
Prime Rate	⇒	7.50	7.50	7.25	7.00
		Oct 21	Sep 21	Oct 21	Sep 21
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

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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