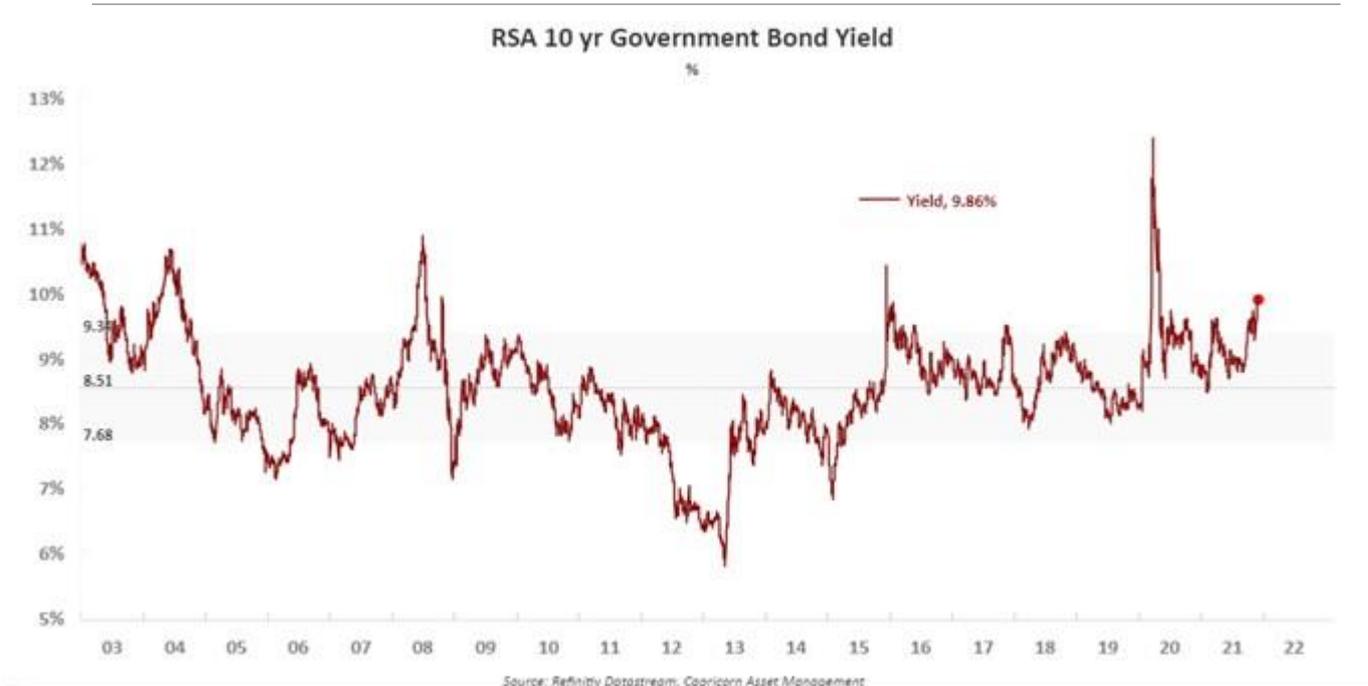




Market Update

Tuesday, 30 November 2021



Global Markets

Asian share markets were trading in positive territory on Tuesday as investors became cautiously optimistic the new Omicron variant might not cause a widespread global economic disruption to worsen the coronavirus pandemic. The higher open followed a brighter lead from Wall Street on Monday which reacted to news from U.S President Joe Biden that new lockdowns as a result of the variant were off the table for now.

MSCI's index of Asia-Pacific shares outside Japan was 0.52% higher on Tuesday. In Australia, the S&P/ASX200 was up 1.15% while Japan's Nikkei was trading 1.2% higher early in the session. Hong Kong's Hang Seng Index underperformed, down 0.25% while China's blue-chip CSI 300 index was up 0.13%.

Activity in China's services sector grew at a slightly slower pace in November, official data showed on Tuesday, as the sector took a hit from fresh lockdown measures as authorities raced to contain the

latest outbreak. The official non-manufacturing Purchasing Managers' Index (PMI) fell to 52.3 in November from 52.4 in October, data from the National Bureau of Statistics (NBS) showed.

The better performance across Asian equities markets came after a virus-led sell down late last week when global investors were concerned the variant could prompt further lockdowns which could impede the economic recovery. "All my clients and colleagues were net buyers on Monday and today," said John Milroy, an adviser at Ord Minnett in Sydney. "Sure there is another new variant but unless there are renewed and widespread lockdowns the V-shaped recovery is intact, particularly in the U.S. Earnings forecasts are intact and households are flush with cash."

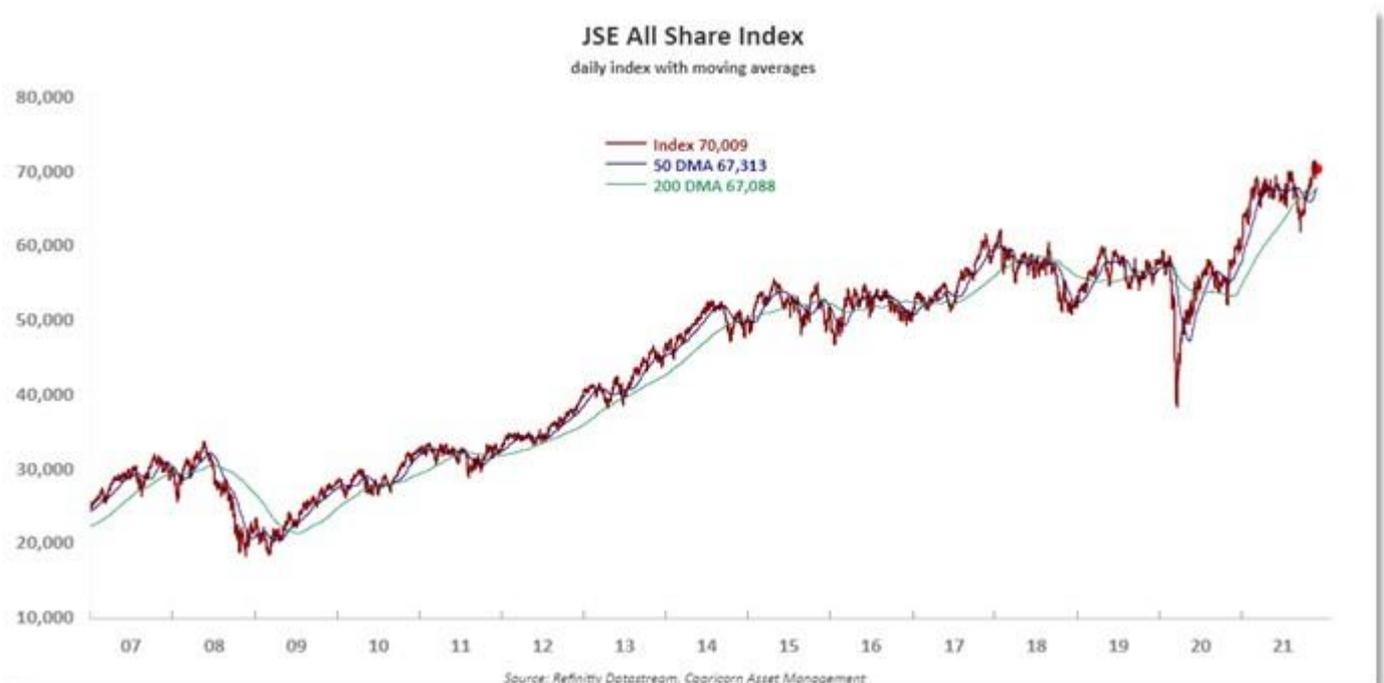
Despite the positive open Tuesday, advisers say some investors are still cautious about the impact Omicron could have in disrupting trade, travel and economic activity. "There are so many unknowns about Omicron and the market has been jumping at shadows," said James Rosenberg, a Sydney-based financial advisor at EL&C Baillieu said. "After such a strong run and with elevated valuations the market will always be susceptible to the odd shakeout on news that could bring risk."

The gains on Tuesday came after the Dow Jones Industrial Average on Monday rose 236.6 points, or 0.68%, to 35,135.94, the S&P 500 gained 60.65 points, or 1.32%, to 4,655.27 and the Nasdaq Composite added 291.18 points, or 1.88%, to 15,782.83.

In Asian trading, the yield on benchmark 10-year Treasury notes was at 1.5192% compared with its U.S. close of 1.529% on Monday. The two-year yield, which rises with traders' expectations of higher Fed fund rates, touched 0.502% compared with a U.S. close of 0.51%.

Gold eased as the result of other markets firming and fell 0.7% to \$1,783.1 per ounce in the U.S. session but it ticked up slightly higher early in Asia to be neutral. U.S. crude jumped 1.43% to \$70.95 a barrel. Brent crude rose to \$74.4 per barrel.

Source: Thomson Reuters Refinitiv



Domestic Markets

South Africa's rand firmed on Monday, recovering from last week's plunge to its lowest since October 2020 on concerns around the discovery of a COVID-19 variant in the country that has been described as the most concerning.

Stock markets also recovered, after hospitality shares fell sharply on the news a host of countries would bar travel from southern Africa, hitting hopes of a bumper season for a tourism industry already hurt badly by the pandemic.

At 1504 GMT, the rand traded at 16.1900 against the dollar, 0.61% firmer than its close on Friday, when it sank to 16.3675.

Global authorities reacted with alarm on Friday to the new variant, Omicron, which was detected in southern Africa, with the EU and Britain among those tightening border controls as scientists sought to find out if the mutation was vaccine-resistant.

With little yet known about the new coronavirus strain, market participants remained cautious. "While the initial knee-jerk of the variant seems to be over, we still see some vulnerability in the EM market, with the stronger dollar posing a risk," Andre Cilliers, currency strategist at TreasuryONE, said in a note. "It will also be a boon to the local market as the President (Cyril Ramaphosa) did not announce any new lockdown measures in his address last night," he said.

Opting not to impose further coronavirus curbs, Ramaphosa said on Sunday that authorities were considering making COVID-19 shots compulsory for certain places and activities, as a rise in infections linked to a new variant threatened to become a fourth wave.

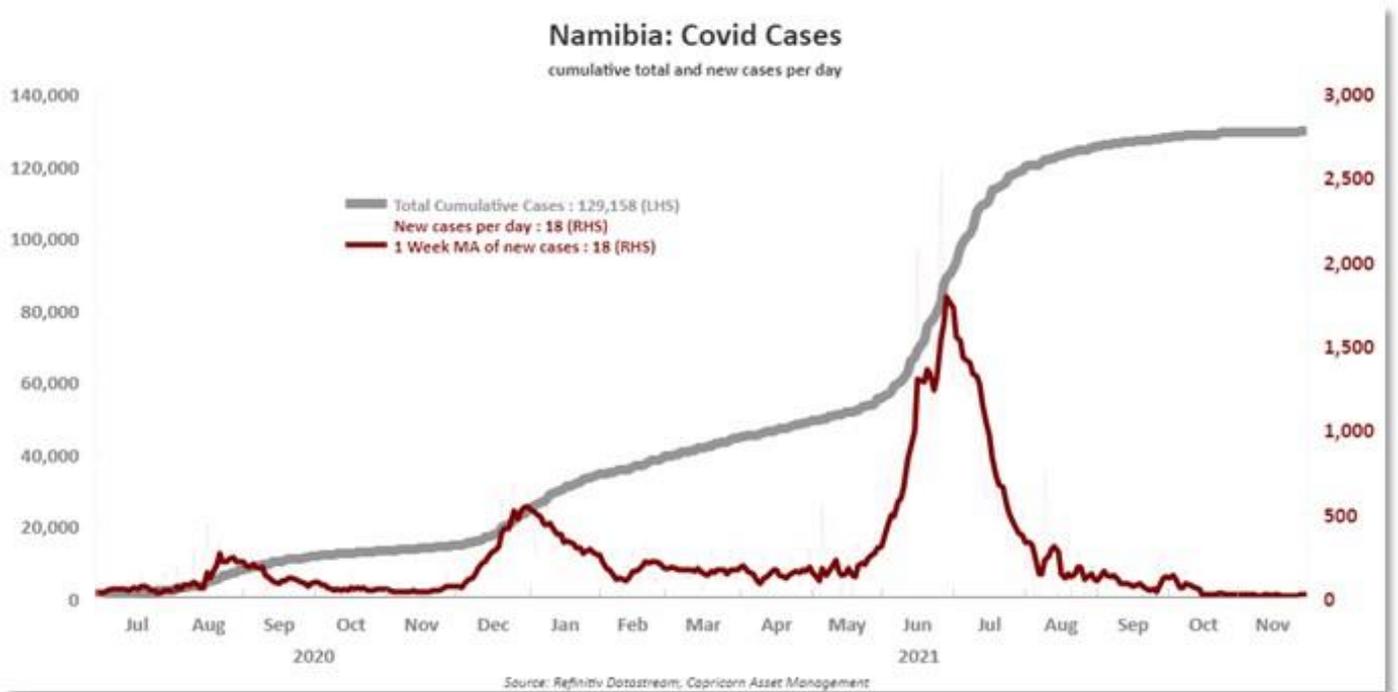
The Johannesburg Stock Exchange's All-Share Index closed 2.03% higher, with investors welcoming the news that domestic tourism remained unaffected for now. The blue-chip Top-40 was up 1.91%. The travel and leisure index jumped 5.12%, with hoteliers City Lodge, Sun International, which also owns the country's biggest casino chain, and Tsogo Sun Hotels up 9.24%, 12.55% and 3.10% respectively after crashing on Friday.

"There is less panic in the market today, people overreacted. Although overseas visitors will be curtailed for a while still, domestic people aren't affected, we've not gone to the higher levels (of restrictions)," Wayne McCurrie, portfolio manager at FNB Wealth and Investments said.

Government bonds also recovered, with the yield on the benchmark 2030 maturity down 4 basis points to 9.860%. The yield hit 10% on Friday, its highest since early May 2020.

Corona Tracker

GLOBAL CASES	30-Nov-2021		4:47
SOURCE - REUTERS	Confirmed Cases	New Cases	Total Deaths
GLOBAL	261,497,533	294,668	5,461,235



Source: Thomson Reuters Refinitiv

I can see, and that is why I can be happy, in what you call the dark, but which to me is golden. I can see a God-made world, not a manmade world.

Helen Keller

Market Overview

MARKET INDICATORS (Thomson Reuters)		30 November 2021			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↓	4.38	-0.018	4.40	4.38
6 months	↓	5.06	-0.055	5.11	5.06
9 months	↓	5.51	-0.111	5.62	5.51
12 months	↓	5.61	-0.126	5.73	5.61
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC22 (Coupon 8.75%, BMK R2023)	↓	4.47	-0.155	4.63	4.47
GC23 (Coupon 8.85%, BMK R2023)	↓	6.35	-0.155	6.51	6.35
GC24 (Coupon 10.50%, BMK R186)	↓	7.70	-0.045	7.74	7.70
GC25 (Coupon 8.50%, BMK R186)	↓	7.93	-0.045	7.97	7.93
GC26 (Coupon 8.50%, BMK R186)	↓	8.90	-0.045	8.94	8.90
GC27 (Coupon 8.00%, BMK R186)	↓	9.13	-0.045	9.18	9.13
GC30 (Coupon 8.00%, BMK R2030)	↓	10.76	-0.040	10.80	10.72
GC32 (Coupon 9.00%, BMK R213)	↓	11.51	-0.045	11.55	11.49
GC35 (Coupon 9.50%, BMK R209)	↓	12.04	-0.075	12.11	12.03
GC37 (Coupon 9.50%, BMK R2037)	↓	12.67	-0.070	12.74	12.65
GC40 (Coupon 9.80%, BMK R214)	↓	13.40	-0.150	13.55	13.44
GC43 (Coupon 10.00%, BMK R2044)	↓	13.66	-0.085	13.74	13.65
GC45 (Coupon 9.85%, BMK R2044)	↓	13.63	-0.085	13.72	13.62
GC48 (Coupon 10.00%, BMK R2048)	↓	13.66	-0.085	13.74	13.65
GC50 (Coupon 10.25%, BMK: R2048)	↓	13.89	-0.085	13.97	13.88
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)	⇒	5.99	0.000	5.99	5.99
GI33 (Coupon 4.50%, BMK NCPI)	⇒	7.82	0.000	7.82	7.82
GI36 (Coupon 4.80%, BMK NCPI)	⇒	8.01	0.000	8.01	8.01
Commodities		Last close	Change	Prev close	Current Spot
Gold	↓	1,785	-0.38%	1,792	1,790
Platinum	↑	963	1.00%	954	966
Brent Crude	↑	73.4	0.99%	72.7	73.7
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,441	2.74%	1,403	1,441
JSE All Share	↑	70,009	2.03%	68,615	70,009
SP500	↑	4,655	1.32%	4,595	4,655
FTSE 100	↑	7,110	0.94%	7,044	7,110
Hangseng	↓	23,852	-0.95%	24,081	23,579
DAX	↑	15,281	0.16%	15,257	15,281
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↑	13,460	3.58%	12,995	13,460
Resources	↑	65,581	2.35%	64,074	65,581
Industrials	↑	93,900	1.07%	92,909	93,900
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↓	16.14	-0.41%	16.20	16.14
N\$/Pound	↓	21.48	-0.59%	21.61	21.49
N\$/Euro	↓	18.22	-0.65%	18.34	18.24
US dollar/ Euro	↓	1.129	-0.23%	1.132	1.130
		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.



For enquiries concerning the Daily Brief please contact us at

Daily.Brief@capricorn.com.na

Disclaimer

The information contained in this note is the property of Capricorn Asset Management (CAM). The information contained herein has been obtained from sources which and persons whom the writer believe to be reliable but is not guaranteed for accuracy, completeness or otherwise. Opinions and estimates constitute the writer’s judgement as of the date of this material and are subject to change without notice. This note is provided for informational purposes only and may not be reproduced in any way without the explicit permission of CAM.

A member of  **Capricorn Group**
