Market Update **Wednesday, 11 March 2020**

Global Markets

Asian shares and Wall Street futures fell on Wednesday as growing scepticism about Washington's stimulus package to fight the coronavirus outbreak knocked the steam out of an earlier rally. Markets had been recovering from a brutal global selloff on Monday that was triggered by the double shock of an oil price crash and the worsening outbreak.

Those gains looked short-lived in early Asian trade, with U.S. stock futures falling 2.2% and MSCI's broadest index of Asia-Pacific shares outside Japan down 0.29%. Australian shares were down 2.0%, while Japan's Nikkei stock index slid 1.28%.

Earlier this week, U.S. President Donald Trump said he would take "major steps" to ease economic strains caused by the spread of the flu-like virus. Headlines focused on discussions of payroll tax cut, which helped lift market sentiment. However, the lack of major announcements since then has left some investors unimpressed. "We were promised something substantive from the Trump administration, and if it hasn't come yet at this hour, then it looks like it is being delayed," said Michael McCarthy, chief market strategist at CMC Markets in Sydney. "That's why markets have a negative tone. From a global investor's perspective, there are still a lot of downside risks."

On Wall Street, all three major indexes jumped nearly 5% on Tuesday, one day after U.S. equities markets suffered their biggest one-day losses since the 2008 financial crisis. The dollar gave up gains and fell against the yen, the Swiss franc and the euro as uncertainty set in. Benchmark U.S. 10-year Treasury yields were last at 0.7068%, more than double Monday's record low yield of 0.3180%. Further gains in yields could be limited because there are still strong expectations that the U.S. Federal Reserve and other central banks will support fiscal stimulus with monetary easing.

Market participants largely expect the Fed to cut interest rates for the second time this month at the conclusion of next week's regularly scheduled policy meeting after surprising investors last week with 50 basis point rate cut. The euro is also in focus before a European Central Bank meeting on Thursday, where policymakers will face pressure to ease policy after Italy put its entire country on lockdown in an attempt to slow new coronavirus infections.

U.S. crude reversed early losses to rise 3.23% to $35.53 a barrel, while Brent crude rose 3.44% to $38.50 per barrel due to signs that U.S. producers will cut output, but traders remain cautious about global energy demand. On Monday the oil market collapsed, and futures saw their largest percentage drop since 1991 Gulf War as a price war between Saudi Arabia and Russia broke out.

Many analysts say investors need to remain on guard for further market volatility, because the coronavirus still poses a risk to public health in many countries, which could place additional strains on the global economy. Spot gold, which is often bought as a safe-haven during times of uncertainty, rose 0.5% in Asia to $1,658.50 per ounce. The virus emerged late last year in the central Chinese province of Hubei but has since spread rapidly outside of China, leading to more than 4,000 deaths.

Shares in China fell 0.18% on Wednesday. China reported an uptick in new confirmed cases of coronavirus, reversing four straight days of declines. Restrictions on movement and factory closures aimed at stopping the epidemic are putting the brakes on global economic activity.

Source: Thomson Reuters

Domestic Markets

South Africa's rand firmed on Tuesday, recovering most of its losses as emerging markets broadly recovered from heavy selling in the previous session triggered by a dive in oil prices and fears about the economic impact of the coronavirus.

Stocks rose in line with a rebound in global markets, while FirstRand shares rose after half-year profits. At 1500 GMT the rand was 0.21% firmer at 16.0760, having tumbled to just short of 17.00, a four-year trough, on Monday as panic selling in Asia spread to the south and western hemispheres.

"We can expect the rand to continue in a broad range, while a break below R15.85 will affirm a move stronger for the local unit," said Bianca Botes, Treasury Partner at Peregrine Treasury Solutions.

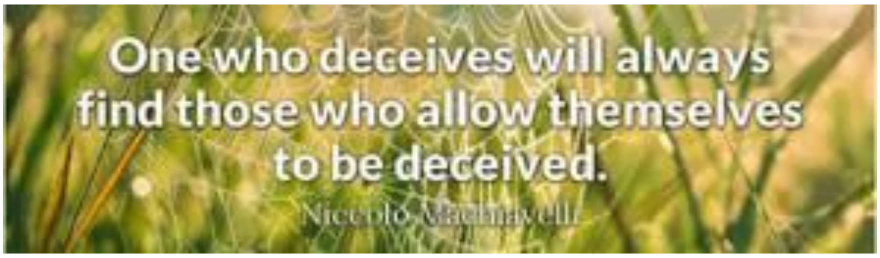
A price war between top producers Saudi Arabia and Russia triggered the biggest daily rout in oil prices since the 1991 Gulf War, with crude prices diving more than 25%, kindling a deep selloff across risk assets already reeling from coronavirus fears.

But an announcement by the United States of plans to take more measures to support its economy soothed some of those worries, while a rebound in oil prices also helped risk demand.

On the bourse, the benchmark Top-40 index gained 1.29% to 44,252 points while the All-Share index rose 1.32% to 49,466 points. FirstRand closed up 4.52% to 52.60 rand after posting a 5% rise in interim profit. "The results were pretty decent given the torrid trading conditions we are facing. Bad debts are rising and that is obviously a concern so that put somewhat of a dampener on what would have ideally been a very good set of results in the current market conditions," said Ryan Woods, a trader at Independent Securities.

Curbing further gain, bullion stocks fell 7.7% amid profit taking after risk sentiment improved, with AngloGold Ashanti down 8.25% to 301.87 rand and Gold Fields 5.51% lower at 102.60 rand. Bonds also recovered, with the yield on the R2030 issue due in 2030 down 4.5 basis points to 9.175%.

Source: Thomson Reuters



Market Overview

MARKET INDICATORS (Thomson Reuters)					Wednesday, 11 March 2020
Money Market TB's		**Last close**	**Difference**	**Prev close**	**Current Spot**
3 months	↓	6.99	-0.288	7.28	6.99
6 months	↓	7.36	-0.106	7.46	7.36
9 months	↓	7.43	-0.057	7.48	7.43
12 months	↓	7.45	-0.085	7.53	7.45
Nominal Bonds		**Last close**	**Difference**	**Prev close**	**Current Spot**
GC20 (BMK: R207)	↓	7.04	-0.010	7.05	7.04
GC21 (BMK: R2023)	↑	7.24	0.020	7.22	7.23
GC22 (BMK: R2023)	↑	7.26	0.005	7.26	7.22
GC23 (BMK: R2023)	↑	8.01	0.005	8.01	7.97
GC24 (BMK: R186)	↓	8.59	-0.025	8.61	8.55
GC25 (BMK: R186)	↓	8.57	-0.025	8.59	8.53
GC27 (BMK: R186)	↓	9.14	-0.025	9.16	9.10
GC30 (BMK: R2030)	→	10.18	0.000	10.18	10.13
GC32 (BMK: R213)	↑	10.81	0.015	10.79	10.75
GC35 (BMK: R209)	↑	11.50	0.025	11.48	11.46
GC37 (BMK: R2037)	↑	11.54	0.025	11.52	11.47
GC40 (BMK: R214)	↑	11.80	0.040	11.76	11.74
GC43 (BMK: R2044)	↑	12.13	0.035	12.09	12.07
GC45 (BMK: R2044)	↑	12.37	0.035	12.33	12.31
GC50 (BMK: R2048)	↑	12.36	0.010	12.35	12.34
Inflation-Linked Bonds		**Last close**	**Difference**	**Prev close**	**Current Spot**
GI22 (BMK: NCPI)	→	4.40	0.000	4.40	4.40
GI25 (BMK: NCPI)	→	4.60	0.000	4.60	4.60
GI29 (BMK: NCPI)	→	5.98	0.000	5.98	5.98
GI33 (BMK: NCPI)	→	6.70	0.000	6.70	6.70
GI36 (BMK: NCPI)	→	6.99	0.000	6.99	6.99
Commodities		**Last close**	**Change**	**Prev close**	**Current Spot**
Gold	↓	1,649	-1.82%	1,680	1,664
Platinum	↑	869	0.73%	863	879
Brent Crude	↑	37.2	8.32%	34.4	37.3
Main Indices		**Last close**	**Change**	**Prev close**	**Current Spot**
NSX Overall Index	↑	1,090	1.65%	1,073	1,091
JSE All Share	↑	49,466	1.32%	48,820	49,156
SP500	↑	2,882	4.94%	2,747	2,882
FTSE 100	↓	5,960	-0.09%	5,966	5,960
Hangseng	↑	25,393	1.41%	25,040	25,166
DAX	↓	10,475	-1.41%	10,625	10,475
JSE Sectors		**Last close**	**Change**	**Prev close**	**Current Spot**
Financials	↑	13,001	1.74%	12,779	12,929
Resources	↑	37,707	0.09%	37,675	37,275
Industrials	↑	66,943	1.74%	65,798	66,776
Forex		**Last close**	**Change**	**Prev close**	**Current Spot**
N$/US dollar	↓	15.93	-0.95%	16.08	15.99
N$/Pound	↓	20.56	-2.64%	21.12	20.58
N$/Euro	↓	17.97	-2.40%	18.41	18.13
US dollar/ Euro	↓	1.128	-1.47%	1.145	1.134
		Namibia		**RSA**	
Economic data		**Latest**	**Previous**	**Latest**	**Previous**
Inflation	↓	2.1	2.6	4.0	3.6
Prime Rate	↓	10.25	10.50	9.75	10.00
Central Bank Rate	↓	6.25	6.50	6.25	6.50

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 a Bloomberg calculated Index

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.

Source: Bloomberg

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