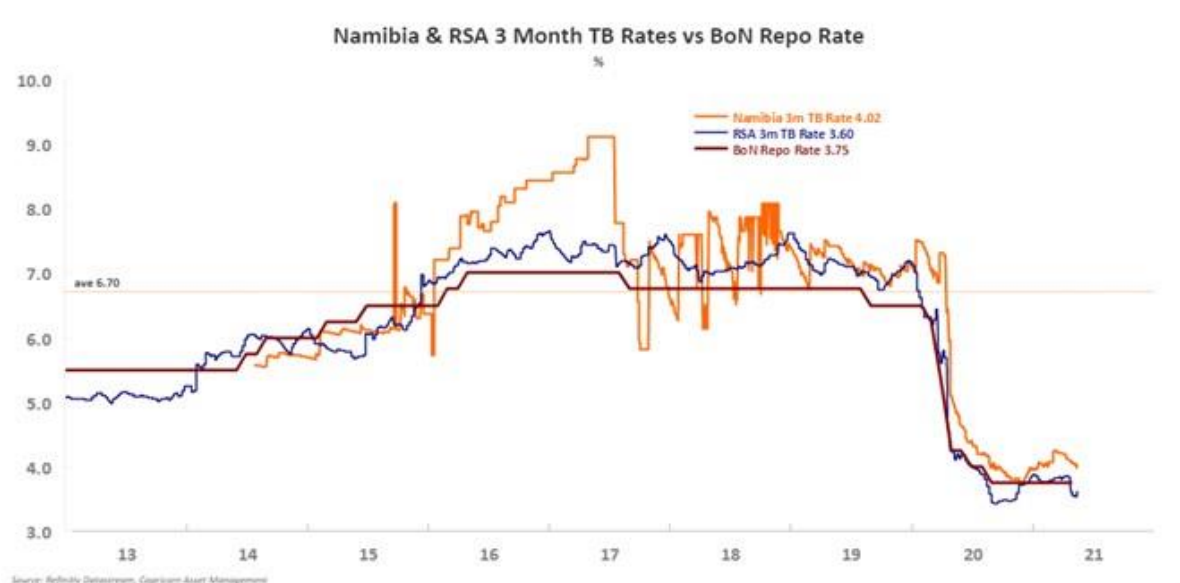


The Daily Brief



Market Update

Tuesday, 18 May 2021



Global Markets

Shares rose on Tuesday, shrugging off worries about an increase in regional coronavirus infections and a subdued session on Wall Street, while inflation jitters helped push gold prices to three-month highs.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 1.06% after a mixed session on Monday, still not recouping losses of the last few weeks amid new clusters of COVID-19 cases that are prompting some economies to impose fresh anti-virus measures. Japan's Nikkei rose as much as 2.2% on solid earnings reports and bargain hunting, while Hong Kong's stocks were up 1.24%. China's blue-chip CSI300 index was 0.20% lower.

Spot gold traded around \$1,869.06 an ounce, near a three-and-a-half month high, after the Empire State Manufacturing Survey, produced by the New York Fed, showed the highest prices paid since the series began in 2001. "Markets appear primed to seize on any upside surprises to growth and inflation data as implying a more rapid lift-off from zero rates than the Fed policy makers' own projections indicate," BlackRock investment strategists said in a note.

However, Dallas Federal Reserve President Robert Kaplan on Monday reiterated his view that he does not expect interest rates to rise until next year, helping to reassure markets that the Fed will

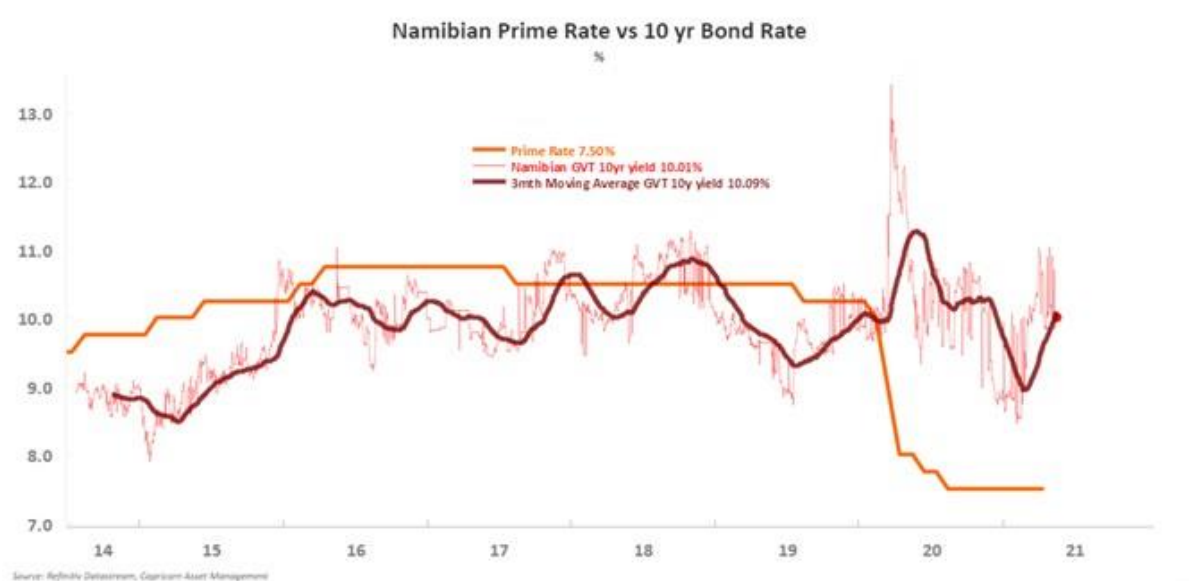
not tighten early, traders said. Markets are waiting on Wednesday's release of the minutes from the Federal Reserve's policy meeting last month, which could shed more light on the policymakers' outlook on inflation and an economic rebound.

In Australia, minutes of the central bank's May policy meeting showed it believed wages would likely need to expand "sustainably above 3%" to generate inflation, underscoring how long rates could remain near zero. Wage growth is currently running at just 1.4%.

Australia's benchmark rose 0.49%, while Singapore stocks also recovered some losses, gaining 1.21% after a 2% fall on Monday as the country reported the highest number of local infections in months. Shares in Taiwan, which is also seeing a spike in cases, also recovered as lawmakers said it was in talks with the United States for a share of the COVID-19 vaccine doses President Joe Biden plans to send abroad.

The dollar teetered near multi-month lows against European currencies as Treasury yields stalled in the wake of Kaplan's comments. U.S. Treasury yields traded one basis point wider to 1.6505%, while the two-year yield, which rises with traders' expectations of higher Fed fund rates, touched 0.1551% compared with a U.S. close of 0.153%. The dollar index was down 0.082%, with the euro at \$1.2157.

Overnight, the Dow Jones Industrial Average fell 0.16%, to 34,327.79, while the tech-heavy Nasdaq Composite dropped 50.93 points, or 0.38%, to 13,379.05 and the pan-European STOXX 600 index lost 0.05%. MSCI's gauge of stocks across the globe was 0.29% higher at 700.50. Oil prices rose, with Brent crude and West Texas Intermediate (WTI) crude both up around 0.3% in early Asian trade.



Domestic Markets

South Africa's rand firmed against the dollar in afternoon trade on Monday, recovering from losses earlier in the session as fears of a new wave of COVID-19 infections in Asia dampened demand for emerging market currencies. At 1500 GMT the rand was 0.21% firmer at 14.1050. The currency had earlier in the day weakened to a session low of 14.1850.

There was mixed trade in the rand in the previous week, breaking below the key 14.00 technical on its way to a 16-month best before retreating as fears over a return of inflation in the United States sparked worries about higher lending rates there.

Caution ahead of a local decision on interest rates, due on Thursday, and consumer price-growth figures before that, have also limited rand gains. In a poll by Reuters last week, all 25 economists surveyed see the Monetary Policy Committee (MPC) of South Africa's Reserve Bank (SARB) keeping its repo rate unchanged for a fifth straight meeting at a record low 3.5%.

"Our focus will be on the SARB's updated economic forecast and guidance regarding the prospects of monetary policy normalization," said Credit Suisse analyst Alexey Pogorelov. "In our view, the backdrop in the domestic economy could allow the MPC to push back policy normalization, unlike the external environment, which may be in favour of early policy tightening by major developed central banks."

On the bourse, stocks firmed, boosted by gold shares, despite a pause in global markets as demand for riskier assets softened. The benchmark all-share index closed up 0.93% at 67,217 points while the blue-chip index of top 40 companies ended up 1.02% at 61,193 points.

Gold stocks soared, driven by a firmer bullion price which hit a 3-1/2-month high, with Harmony Gold up 10.13% and Gold Fields 5.44% stronger. Curbing further gains, Redefine Properties closed down 4.36% after reporting a drop in half-year headline earnings.

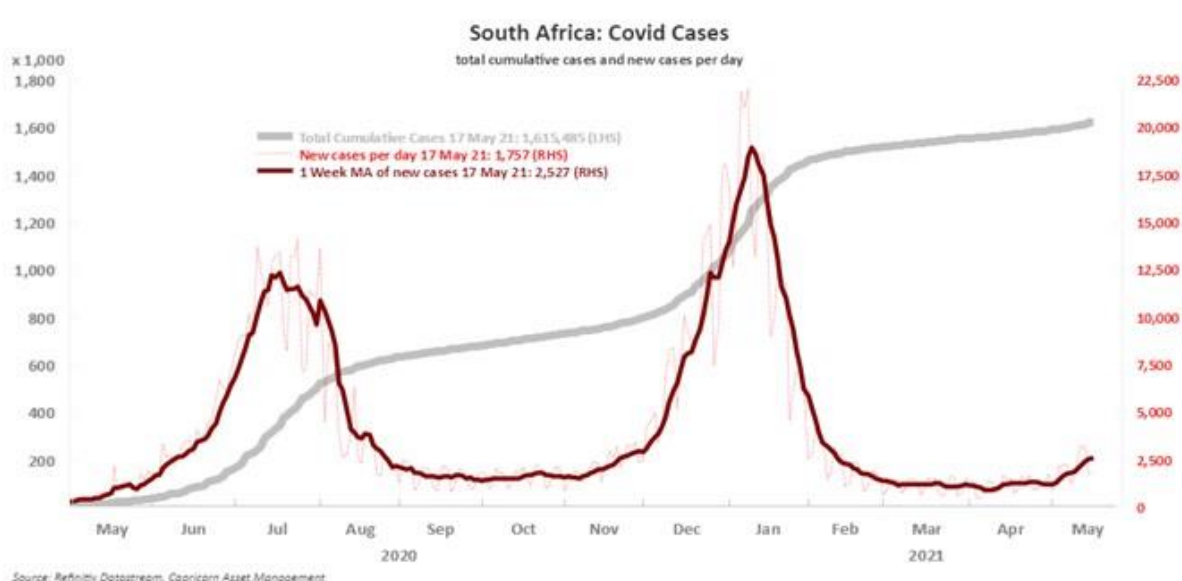
Government bonds weakened, with the yield on the benchmark instrument due in 2030 rising by 2.5 basis points to 9.13%.

Corona Tracker

GLOBAL CASES SOURCE - REUTERS		18-May-2021		5:39
	Confirmed Cases	New Cases	Total Deaths	Total Recovered
GLOBAL	163,374,272	416,195	3,523,229	112,607,736

The number of new cases is distorted by cut-off times.

Source: Thomson Reuters



You were born to win, but to be a winner, you must plan to win, prepare to win, and expect to win.

Zig Ziglar

Market Overview

MARKET INDICATORS (Thomson Reuters)				18 May 2021	
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	↔	4.02	0.000	4.02	4.02
6 months	↓	4.30	-0.009	4.31	4.30
9 months	↔	4.48	0.000	4.48	4.48
12 months	↑	4.57	0.017	4.55	4.57
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↓	4.53	-0.005	4.53	4.75
GC22 (Coupon 8.75%, BMK R2023)	↑	5.47	0.025	5.45	5.47
GC23 (Coupon 8.85%, BMK R2023)	↑	5.37	0.025	5.35	5.37
GC24 (Coupon 10.50%, BMK R186)	↑	7.71	0.010	7.70	7.71
GC25 (Coupon 8.50%, BMK R186)	↑	7.72	0.010	7.71	7.72
GC26 (Coupon 8.50%, BMK R186)	↑	7.72	0.010	7.71	7.72
GC27 (Coupon 8.00%, BMK R186)	↑	8.01	0.010	8.00	8.01
GC30 (Coupon 8.00%, BMK R2030)	↑	9.43	0.025	9.41	9.43
GC32 (Coupon 9.00%, BMK R213)	↑	10.47	0.025	10.45	10.48
GC35 (Coupon 9.50%, BMK R209)	↑	11.39	0.005	11.39	11.40
GC37 (Coupon 9.50%, BMK R2037)	↑	11.88	0.005	11.87	11.88
GC40 (Coupon 9.80%, BMK R214)	↑	12.69	0.025	12.67	12.68
GC43 (Coupon 10.00%, BMK R2044)	↑	13.00	0.040	12.96	13.00
GC45 (Coupon 9.85%, BMK R2044)	↑	13.28	0.040	13.24	13.28
GC50 (Coupon 10.25%, BMK: R2048)	↑	13.30	0.040	13.26	13.30
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI22 (Coupon 3.55%, BMK NCPI)	↔	3.89	0.000	3.89	3.89
GI25 (Coupon 3.80%, BMK NCPI)	↔	4.00	0.000	4.00	4.00
GI29 (Coupon 4.50%, BMK NCPI)	↔	5.65	0.000	5.65	5.65
GI33 (Coupon 4.50%, BMK NCPI)	↔	6.80	0.000	6.80	6.80
GI36 (Coupon 4.80%, BMK NCPI)	↔	7.35	0.000	7.35	7.35
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,866	1.30%	1,842	1,871
Platinum	↑	1,239	1.18%	1,225	1,239
Brent Crude	↑	69.5	1.09%	68.7	69.8
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,429	0.52%	1,421	1,429
JSE All Share	↑	67,217	0.93%	66,598	67,217
SP500	↓	4,163	-0.25%	4,174	4,163
FTSE 100	↓	7,033	-0.15%	7,044	7,033
Hangseng	↑	28,194	0.59%	28,028	28,553
DAX	↓	15,397	-0.13%	15,417	15,397
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	12,612	-0.58%	12,685	12,612
Resources	↑	70,663	1.84%	69,386	70,663
Industrials	↑	83,982	0.85%	83,277	83,982
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↓	14.09	-0.18%	14.12	14.06
N\$/Pound	↑	19.92	0.08%	19.90	19.92
N\$/Euro	↓	17.12	-0.09%	17.14	17.10
US dollar/ Euro	↑	1.215	0.09%	1.214	1.217
		Namibia		RSA	
Interest Rates & Inflation		Apr 21	Mar 21	Apr 21	Mar 21
Central Bank Rate	↔	3.75	3.75	3.50	3.50
Prime Rate	↔	7.50	7.50	7.00	7.00
		Apr 21	Mar 21	Mar 21	Feb 21
Inflation	↑	3.9	3.1	3.2	2.9

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 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: Thomson Reuters



Capricorn Asset Management



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