



Market Update

Thursday, 29 April 2021



Global Markets

Shares rose in early trade on Thursday after the U.S. Federal Reserve said it was too early to consider rolling back emergency support for the economy, and as U.S. President Joe Biden unveiled plans for a \$1.8 trillion stimulus package.

Fed Chair Jerome Powell said on Wednesday that "it is not time yet" to begin discussing any change in policy after the U.S. central bank left interest rates and its bond-buying programme unchanged, despite taking a more optimistic view of the country's economic recovery.

Powell's comments came before Biden's unveiling of a sweeping package for families and education in his first speech to Congress. Excerpts of Biden's speech released in advance by the White House "hit the high points - big infra(structure) spend, talking climate action and vaccines," said John Milroy, investment adviser at Ord Minnett. "The Fed remains dovish, all very supportive."

Early in the Asian trading day, MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.1%. Australia's S&P/ASX 200 edged up 0.31%, as strong oil prices lifted energy stocks. China's blue-chip CSI300 index was 0.65% higher in early trade. Hong Kong's Hang Seng index opened up 0.7%, Seoul's KOSPI added 0.37% and Taiwan shares rose 0.48%. Markets in Japan were closed for a holiday but Nikkei futures edged 0.05% higher to 28,970.

Tech shares got a boost after Apple Inc on Wednesday posted sales and profits ahead of Wall Street expectations, though it warned a global chip shortage could dent iPad and Mac sales by several billion dollars. Nasdaq futures were 0.79% higher and S&P e-mini futures added 0.48% after Wall Street ended lower on Wednesday. The Dow Jones Industrial Average fell 0.48% to end at 33,820.38 points, while the S&P 500 lost 0.08% to 4,183.18.

The dollar dropped 0.15% against the yen to 108.43 and the euro gained 0.2% to 1.2147 following the Fed's decision to maintain supportive policies. Oil prices extended gains on Thursday after rising 1% in the previous session as bullish forecasts for a demand recovery this summer offset concerns of rising COVID-19 cases in India, Japan and Brazil. Brent crude for June rose 0.37%, to \$67.52 a barrel while U.S. West Texas Intermediate crude for June was at \$64.12 a barrel, up 0.41%. Spot gold added 0.42% to \$1,788.72 an ounce.



Domestic Markets

South Africa's rand firmed on Wednesday as the global hunt for high yields trumped caution ahead of the U.S. Federal Reserve's latest policy decision which will likely set the tone for global currency trading in the coming sessions. At 1500 GMT, the rand was 0.61% firmer at 14.2875 per dollar, recovering from a slide to a two-week low in the previous session in mixed trade with investors avoiding big bets.

With local markets closed on Tuesday for a national holiday, rand volumes were thin overnight, keeping the currency within a recent range tilted to the upside as investors worried about rate hikes by the Fed. But the high yield, or carry, available on the rand assets, has seen the currency outperform its emerging market peers.

The Fed is widely expected to maintain its policy stance and likely to repeat its dovish message, but some analysts say signs of rising inflation could nudge the central bank to abandon its rhetoric that a policy tightening was still a long way off.

"With the FOMC rate decision tonight I can't imagine we will see any kind of fireworks today," said chief trader at Standard Bank, Warrick Butler, in a note. "The market may try to price in some new hawkish point from (Fed chairman) Powell, but if that happens it will be a remarkable surprise given that nothing has changed globally or in the U.S. since we last heard from him."

Shares on the Johannesburg Stock Exchange (JSE) continued to scale up for a third consecutive trading day as global optimism around economic recovery continued to pump investors with confidence. The benchmark all-share index closed up 0.25% to 67,740 points while the blue-chip index of top 40 companies ended up 0.2% to 61,839 points. Banks, often said to be the strongest indicator of local economic recovery, led the gain on Wednesday with the bank index up 2.27%.

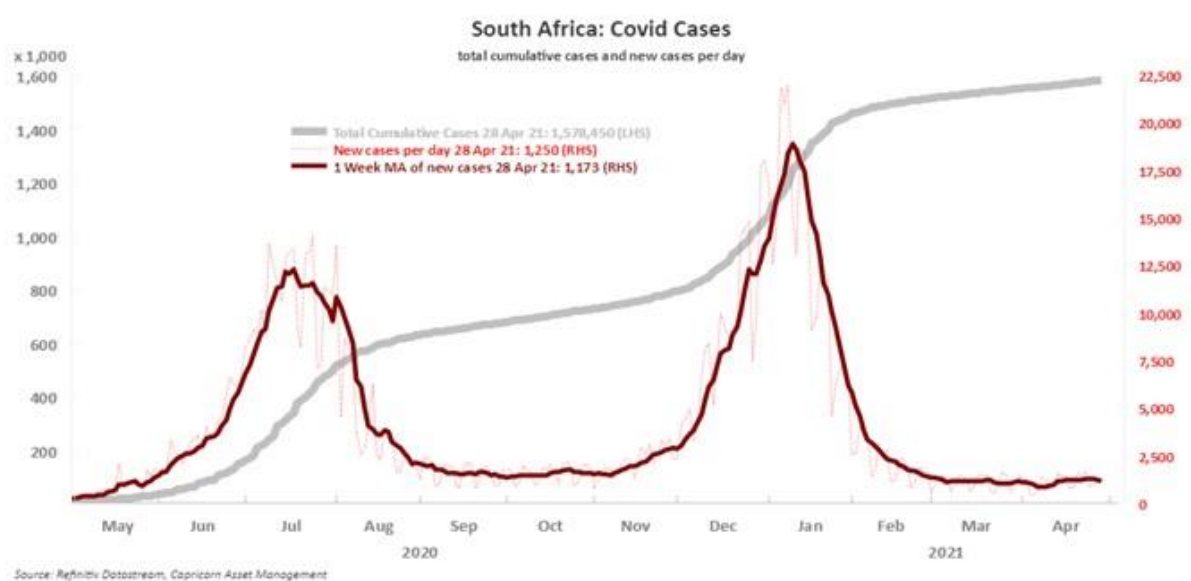
Bonds were weaker, with the yield on the benchmark 2030 government issue up 6.5 basis points at 9.22%.

Corona Tracker

GLOBAL CASES SOURCE - REUTERS		29-Apr-2021		6:08
	Confirmed Cases	New Cases	Total Deaths	Total Recovered
GLOBAL	149,052,705	633,450	3,280,986	99,252,025

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

Source: Thomson Reuters



When there is an income tax, the just man will pay more
and the unjust less on the same amount of income.

Plato

Market Overview

MARKET INDICATORS (Thomson Reuters)				29 April 2021	
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	➡	4.20	0.000	4.20	4.20
6 months	➡	4.41	0.000	4.41	4.41
9 months	➡	4.71	0.000	4.71	4.71
12 months	⬇	4.74	-0.010	4.75	4.74
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	⬆	4.41	0.394	4.02	4.75
GC22 (Coupon 8.75%, BMK R2023)	⬆	5.36	0.010	5.35	5.32
GC23 (Coupon 8.85%, BMK R2023)	⬆	5.26	0.010	5.25	5.22
GC24 (Coupon 10.50%, BMK R186)	⬆	7.61	0.055	7.56	7.56
GC25 (Coupon 8.50%, BMK R186)	⬆	7.62	0.055	7.57	7.57
GC26 (Coupon 8.50%, BMK R186)	⬆	7.62	0.055	7.57	7.57
GC27 (Coupon 8.00%, BMK R186)	⬆	7.91	0.055	7.86	7.86
GC30 (Coupon 8.00%, BMK R2030)	⬆	9.53	0.075	9.46	9.47
GC32 (Coupon 9.00%, BMK R213)	⬆	10.60	0.070	10.53	10.54
GC35 (Coupon 9.50%, BMK R209)	⬆	11.66	0.070	11.59	11.58
GC37 (Coupon 9.50%, BMK R2037)	⬆	12.14	0.070	12.07	12.07
GC40 (Coupon 9.80%, BMK R214)	⬆	12.91	0.065	12.84	12.84
GC43 (Coupon 10.00%, BMK R2044)	⬆	13.22	0.060	13.16	13.15
GC45 (Coupon 9.85%, BMK R2044)	⬆	13.50	0.060	13.44	13.43
GC50 (Coupon 10.25%, BMK: R2048)	⬆	13.51	0.060	13.45	13.44
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	⬆	1,781	0.26%	1,777	1,785
Platinum	⬇	1,219	-0.77%	1,229	1,223
Brent Crude	⬆	67.3	1.28%	66.4	67.6
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	⬆	1,397	0.89%	1,384	1,397
JSE All Share	⬆	67,740	0.25%	67,573	67,740
SP500	⬇	4,183	-0.08%	4,187	4,183
FTSE 100	⬆	6,964	0.27%	6,945	6,964
Hangseng	⬆	29,071	0.45%	28,942	29,221
DAX	⬆	15,292	0.28%	15,249	15,292
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	⬆	12,425	1.76%	12,211	12,425
Resources	⬇	69,836	-0.13%	69,926	69,836
Industrials	⬆	86,897	0.03%	86,871	86,897
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	⬇	14.23	-0.94%	14.36	14.22
N\$/Pound	⬇	19.82	-0.79%	19.98	19.85
N\$/Euro	⬇	17.25	-0.65%	17.36	17.25
US dollar/ Euro	⬆	1.212	0.27%	1.209	1.214
		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
		Mar 21	Feb 21	Mar 21	Feb 21
Inflation	⬆	3.1	2.7	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



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