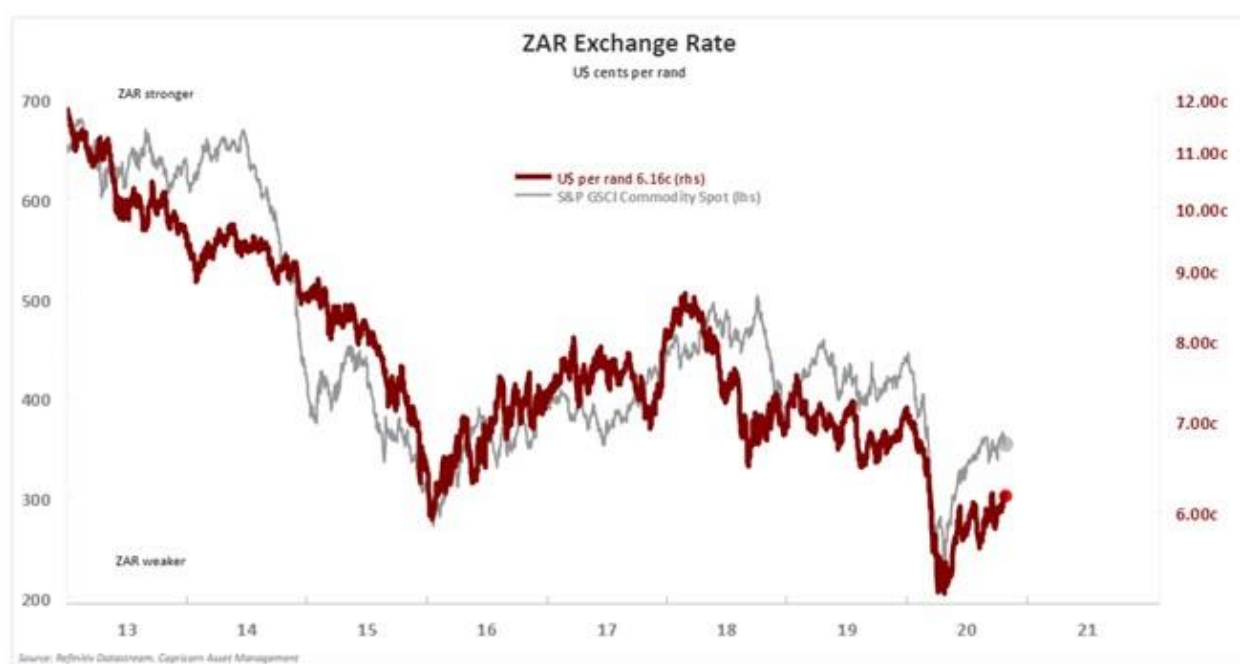




Market Update

Tuesday, 27 October 2020



Global Markets

Asian stocks markets fell on Tuesday as soaring global coronavirus cases and slow progress on a U.S. stimulus deal hammered investor sentiment and took a toll on Wall Street. MSCI's gauge of Asia Pacific stocks outside Japan was down 0.43%, with Australia's ASX 200 off 1.1% to an almost three-week low. China's CSI300 Index edged down 0.1%, as investors looked out for any news from a meeting of China's Communist Party leaders to set the next five-year plan.

Data out earlier in the day also showed China's industrial profits grew at a slower pace in September, suggesting a recovery in the manufacturing sector is yet to be bedded in. In Japan, the benchmark Nikkei 225 slipped 0.28% in morning trade while Hong Kong's Hang Seng index was down 1.02%.

U.S. indices fell sharply overnight to open the week's trading, as anxiety over new record daily COVID-19 cases in the United States, Russia and France weighed on investor appetite. Adding to the gloom, White House economic adviser Larry Kudlow told reporters on Monday that talks over a coronavirus relief package have slowed, though House Speaker Nancy Pelosi remained hopeful an agreement can be reached before the Nov. 3 elections. Many Senate Republicans have resisted legislation of a scope that Pelosi and Mnuchin have discussed, totalling around \$2 trillion.

"The challenge for markets is that in most cases they are already pricing a very strong economic bounce. The new outbreaks, and the potential for a double-dip recession, directly contradict this assumption," Michael McCarthy, chief market strategist at CMC Markets in Sydney.

National polls give Democrat Joe Biden a solid lead over President Donald Trump but the contest is much tighter in battleground states that could decide the outcome.

The sharp stock market decline set a bleak tone ahead of a busy third-quarter earnings season, with large U.S. tech firms like Apple, Amazon and Google-parent Alphabet set to report. Microsoft Corp reports its results next Tuesday.

The Dow Jones Industrial Average fell 2.29% overnight, the S&P 500 lost 1.86%, while the Nasdaq Composite dropped 1.64%.

The dollar was holding largely steady, moving just a touch lower to trade at 92.951 against a basket of six major currencies. Much of the trading in currency markets, as well as other asset markets, was buffeted by the renewed coronavirus fears.

In early Asia, oil prices managed to staunch an extended sell-off though the outlook was weak due to the virus-induced worries over demand. Brent crude was up 12 cents, or 0.3%, at \$40.58 a barrel by 0039 GMT, having dropped more than 3% overnight. U.S. oil was up 13 cents, or 0.3%, at \$38.69 a barrel, after also declining more than 3% on Monday. The safe-haven Spot gold added 0.3% to \$1,907.41 an ounce Tuesday morning.

Domestic Markets

South Africa's rand strengthened slightly on Monday in tentative trade ahead of a budget speech in which the finance minister is expected to detail the impact of COVID-19 on an economy that was in recession and heavily in debt before the pandemic struck.

At 1600 GMT the rand was 0.08% firmer at 16.1800 per dollar compared to an opening level of 16.2275. The unit spent most of the session hovering above 16.3000 but strengthened after New York trading commenced.

The early weakness was caused by lingering investor concerns about surging coronavirus cases in Europe and the United States and a lack of progress toward a U.S. stimulus package, but the currency's high yield kept bulls in play, especially with the key 16.00 technical level on the horizon.

Economists polled by Reuters last week found the fiscal deficit was set to widen more than projected in June's emergency COVID-19 budget, while falling tax revenues following job losses and lower household expenditure would mean a slower return to growth.

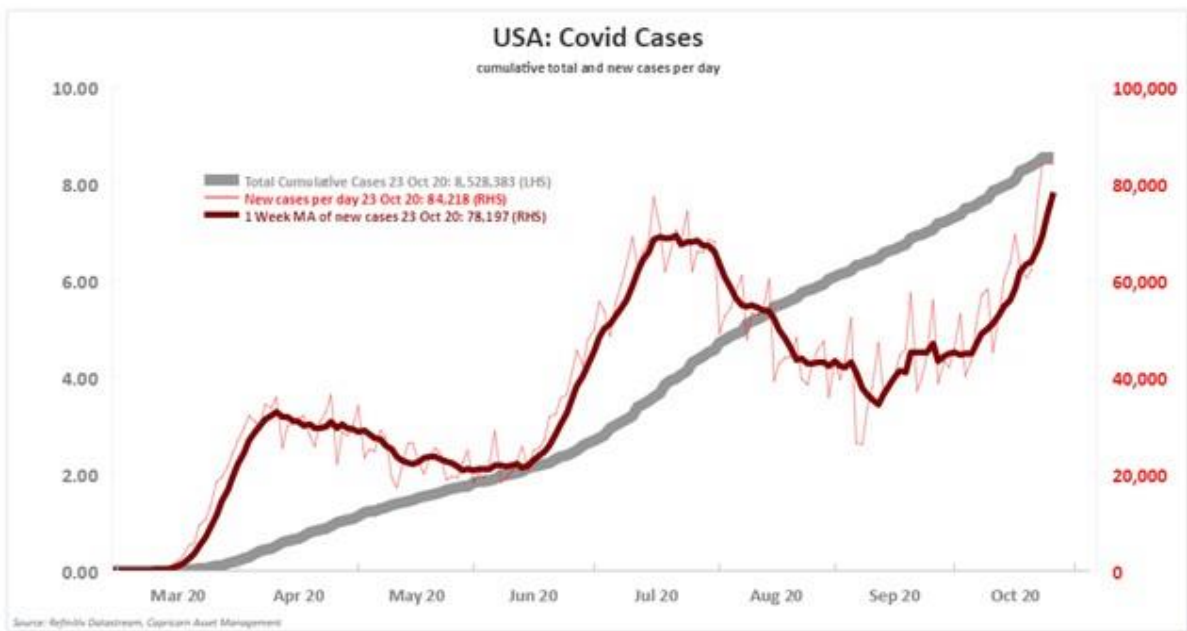
"Consternation – a most fitting description of market positioning ahead of the mini-budget on Wednesday and highly-contested U.S. elections on 3 November," said market analyst at RMB, Nema Ramkhelawan-Bhana. "Despite the whirlwind of risk, EM assets are trailblazing ... A situation which could be tested depending on the outcome of the MTBPS (Medium Term Budget Policy Statement.)"

Stocks fell as surging coronavirus cases darkened the global economic outlook. The benchmark All-Share index closed 0.81% lower at 54,891 points and the Top-40 index fell 0.80% to 50,287 points. Among the biggest decliners, retailer Steinhoff holdings shares fell 3.49% to 83 cents and pharmacy group DisChem weakened 4.32% to 18.62 rand.

Government bonds strengthened slightly, with the yield on the instrument due in 2030 down 0.5 basis points at 9.280%. **Source: Thomson Reuters**

Corona Tracker

GLOBAL CASES		2020-10-27		03:19:23.698Z
SOURCE - REUTERS				
	Confirmed Cases	New Cases	Total Deaths	Total Recovered
GLOBAL	43,315,069	283,389	1,156,285	29,612,918



My kingdom is not of this world. If it were, my servants would fight to prevent my arrest by the Jews. But now my kingdom is from another place.

Jesus Christ

Market Overview

MARKET INDICATORS (Thomson Reuters)		27 October 2020			
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	→	3.85	0.000	3.85	3.85
6 months	→	3.90	0.000	3.90	3.90
9 months	→	3.89	0.000	3.89	3.89
12 months	→	3.82	0.000	3.82	3.82
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC21 (Coupon 7.75%, BMK R208)	↑	4.11	0.060	4.05	4.11
GC22 (Coupon 8.75%, BMK R2023)	↓	5.03	-0.010	5.04	5.03
GC23 (Coupon 8.85%, BMK R2023)	↓	4.93	-0.010	4.94	4.93
GC24 (Coupon 10.50%, BMK R186)	↑	7.44	0.045	7.39	7.44
GC25 (Coupon 8.50%, BMK R186)	↑	7.45	0.045	7.40	7.45
GC26 (Coupon 8.50%, BMK R186)	↑	7.45	0.045	7.40	7.45
GC27 (Coupon 8.00%, BMK R186)	↑	7.74	0.045	7.69	7.74
GC30 (Coupon 8.00%, BMK R2030)	↓	9.58	-0.005	9.59	9.58
GC32 (Coupon 9.00%, BMK R213)	↓	10.69	-0.005	10.69	10.69
GC35 (Coupon 9.50%, BMK R209)	↓	11.71	-0.025	11.74	11.71
GC37 (Coupon 9.50%, BMK R2037)	↓	12.45	-0.020	12.47	12.45
GC40 (Coupon 9.80%, BMK R214)	↑	13.11	0.015	13.09	13.11
GC43 (Coupon 10.00%, BMK R2044)	↑	13.61	0.015	13.60	13.61
GC45 (Coupon 9.85%, BMK R2044)	↑	13.89	0.015	13.88	13.89
GC50 (Coupon 10.25%, BMK: R2048)	↑	13.96	0.010	13.95	13.96
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI22 (Coupon 3.55%, BMK NCPI)	→	4.49	0.000	4.49	4.49
GI25 (Coupon 3.80%, BMK NCPI)	→	4.49	0.000	4.49	4.49
GI29 (Coupon 4.50%, BMK NCPI)	↓	4.60	-1.310	5.91	4.38
GI33 (Coupon 4.50%, BMK NCPI)	→	6.76	0.000	6.76	6.76
GI36 (Coupon 4.80%, BMK NCPI)	→	7.02	0.000	7.02	7.02
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,902	0.05%	1,901	1,908
Platinum	↓	870	-3.53%	902	878
Brent Crude	↓	40.5	-3.14%	41.8	40.7
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,115	-1.61%	1,133	1,115
JSE All Share	↓	54,891	-0.81%	55,340	54,891
SP500	↓	3,401	-1.86%	3,465	3,401
FTSE 100	↓	5,792	-1.16%	5,860	5,792
Hangseng	→	24,919	0.00%	24,919	24,630
DAX	↓	12,177	-3.71%	12,646	12,177
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	10,645	-1.35%	10,791	10,645
Resources	↓	52,093	-0.89%	52,562	52,093
Industrials	↓	74,457	-0.60%	74,906	74,457
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	16.21	0.14%	16.18	16.16
N\$/Pound	↑	21.11	0.01%	21.10	21.06
N\$/Euro	↓	19.13	-0.30%	19.19	19.11
US dollar/ Euro	↓	1.181	-0.43%	1.186	1.183
		Namibia		RSA	
Interest Rates & Inflation		Latest	Previous	Latest	Previous
Central Bank Rate	↓	3.75	4.00	3.50	3.75
Prime Rate	↓	7.50	7.75	7.00	7.25
		Sep 20	Aug 20	Aug 20	Jul 20
Inflation	→	2.4	2.4	3.1	3.2

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



Capricorn Asset Management



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