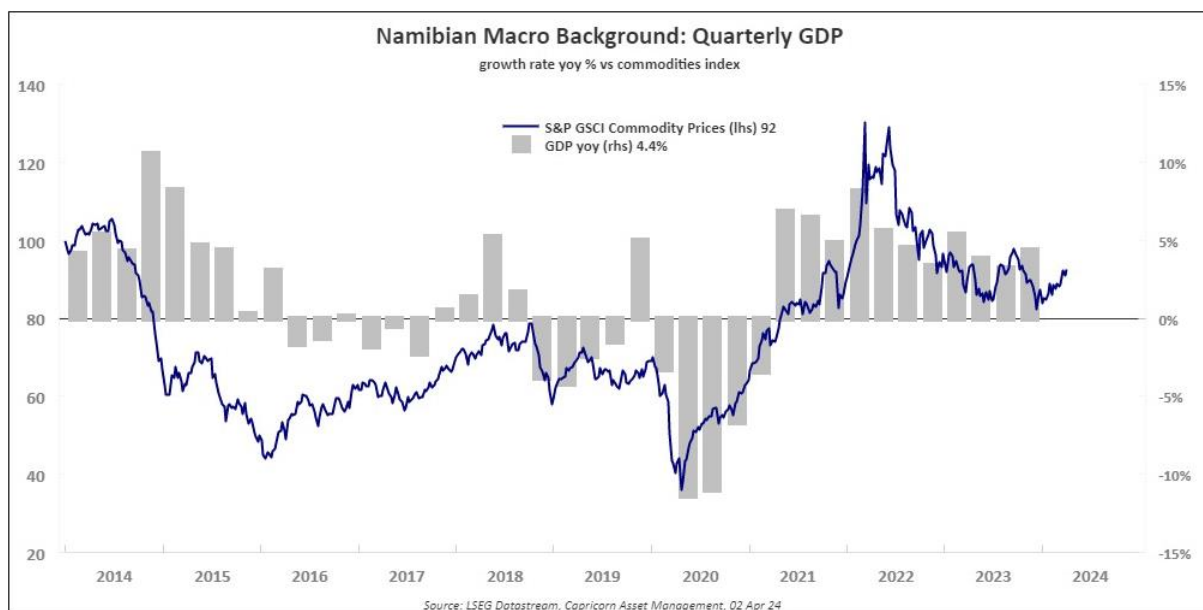




Market Update

Tuesday, 02 April 2024



Global Markets

Asian stocks rose on Tuesday and the dollar firmed, keeping the yen pinned near the 152-per-dollar levels that has traders worried about possible intervention, as expectations that the Federal Reserve was close to cutting interest rates faded. Data on Monday showed U.S. manufacturing grew for the first time in 1-1/2 years in March as production rebounded sharply and new orders increased, highlighting the strength of the economy and casting doubts on the timing of Fed rate cuts. The robust manufacturing data sent yields on U.S. Treasuries higher, with two-year and 10-year yields climbing to two-week peaks, boosting the dollar. MSCI's broadest index of Asia-Pacific shares outside Japan was 0.65% higher, while Japan's Nikkei reclaimed the 40,000 points mark and was last up 0.41%. The yen was last at 151.715 per dollar, not too far from the 34-year low of 151.975 it touched last week, with traders keenly watching for hints of intervention from Japanese authorities.

"The continued run of robust U.S. data is making the lives of Japanese currency officials attempting to support the yen increasingly uncomfortable," said Tony Sycamore, market analyst at IG. "It also means that a smoothing event (physical intervention) is unlikely to occur until after the 152.00 level breaks." Tokyo intervened in the currency market in 2022, first in September and again in October, as the yen slid toward 152 to the dollar, levels last seen in 1990. Japanese Finance Minister Shunichi

Suzuki said on Tuesday that authorities were ready to take appropriate action against excessive currency market volatility, without ruling out any options.

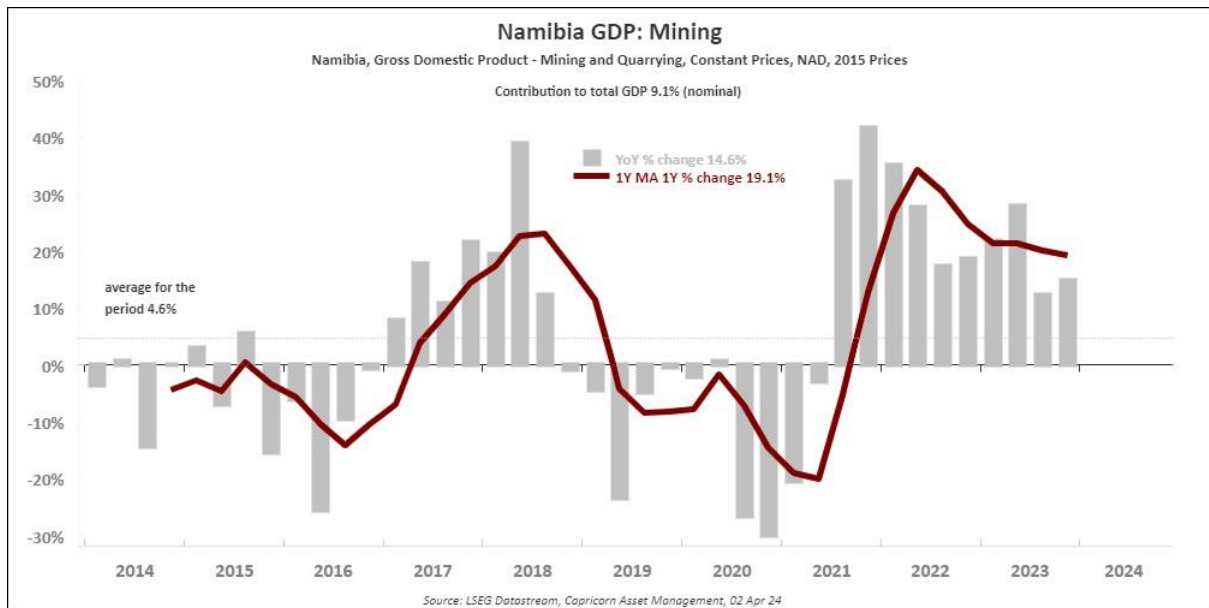
Chinese stocks were mixed, with the blue chip index largely flat while Hong Kong's Hang Seng Index was up more than 2%, catching gains as the financial hub reopened after a public holiday on Monday. China stocks logged their biggest daily gain in a month on Monday, after the latest manufacturing activity data signalled that the economy's recovery is gaining traction.

Overnight, S&P 500 kicked off the first session of the second quarter on a quiet note, weighed by worries over the timing of interest rate cuts after stronger-than-expected manufacturing data pushed Treasury yields higher. The index had clocked the biggest first quarter percentage gain in five years. The yield on 10-year Treasury notes eased 2.4 basis points to 4.305% in Asian hours, having touched a two week high of 4.337% in the previous session. The two-year U.S. Treasury yield, which typically moves in step with interest rate expectations, slipped 2.5 basis points to 4.693% on Tuesday, not far from the near two-week high of 4.726% touched in the previous session. The elevated yields broadly lifted the dollar, with the euro down 0.11% to \$1.0731 and sterling last at \$1.2541, down 0.07% on the day. Against a basket of currencies, the dollar was 0.038% higher at 105.05, just shy of the four-and-a-half month high of 105.07 it touched on Monday after the stronger-than-expected data.

Markets are now pricing in a 61% chance of the Fed cutting rates in June, compared with 70% a week earlier, according to CME FedWatch Tool. They are also pricing in 68 basis points of cuts this year, lower than the 75 basis points they projected last week. "Markets may have over-reacted to the blowout ISM manufacturing numbers, considering the Fed chair Powell's insistence on dialling back policy restraint later this year," said Nicholas Chia, Asia macro strategist at Standard Chartered. "If core PCE inflation eases to 2.5%-2.6% by the June meeting, rate cuts could be in play which open the door to mild USD weakness. The risk is that the Fed fails to reach unanimity on cuts, providing another leg up to US yields and the USD."

In commodities, U.S. crude rose 0.3% to \$83.96 per barrel and Brent was at \$87.72, up 0.34% on the day, aided by signs of improved demand and rising Middle East tensions. Spot gold eased 0.1% to \$2,248 per ounce, after hitting an all-time high of \$2,265.49 on Monday.

Source: Thomson Reuters Refinitiv



Domestic Markets

The South African rand was little changed in early trade on Thursday, ahead of a flurry of domestic economic data expected later in the day. At 0620 GMT, the rand traded at 18.9450 to the dollar, down about 0.1% on its previous close. The benchmark 2030 government bond was flat. Thursday's data releases include the February Producer Price Index (PPI), February budget balance and February trade statistics.

The country's central bank will also publish its quarterly bulletin, shedding light on foreign direct investment flows in the final three months of last year. Early on Thursday, central bank data showed private sector credit extension picked up slightly in February, to 3.32% in year-on-year terms.

Source: Thomson Reuters Refinitiv

Success is never final, failure is never fatal. It's courage that counts.

John Wooden

Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)					02 April 2024	
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot	
3 months	⇒	8.78	0.000	8.78	8.78	
6 months	⇒	8.84	0.000	8.84	8.84	
9 months	⇒	8.92	0.000	8.92	8.92	
12 months	⇒	9.03	0.000	9.03	9.03	
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot	
GC24 (Coupon 10.50%, BMK R186)	⇒	9.20	0.000	9.20	9.20	
GC25 (Coupon 8.50%, BMK R186)	⇒	9.51	0.000	9.51	9.51	
GC26 (Coupon 8.50%, BMK R186)	⇒	9.17	0.000	9.17	9.17	
GC27 (Coupon 8.00%, BMK R186)	⇒	9.63	0.000	9.63	9.63	
GC28 (Coupon 8.50%, BMK R2030)	⇒	9.59	0.000	9.59	9.59	
GC30 (Coupon 8.00%, BMK R2030)	⇒	10.06	0.000	10.06	10.06	
GC32 (Coupon 9.00%, BMK R213)	⇒	10.73	0.000	10.73	10.73	
GC35 (Coupon 9.50%, BMK R209)	⇒	11.37	0.000	11.37	11.37	
GC37 (Coupon 9.50%, BMK R2037)	⇒	12.44	0.000	12.44	12.44	
GC40 (Coupon 9.80%, BMK R214)	⇒	12.70	0.000	12.70	12.70	
GC43 (Coupon 10.00%, BMK R2044)	⇒	12.99	0.000	12.99	12.99	
GC45 (Coupon 9.85%, BMK R2044)	⇒	13.04	0.000	13.04	13.04	
GC48 (Coupon 10.00%, BMK R2048)	⇒	13.02	0.000	13.02	13.02	
GC50 (Coupon 10.25%, BMK: R2048)	⇒	13.18	0.000	13.18	13.18	
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot	
GI25 (Coupon 3.80%, BMK NCPI)	⇒	3.90	0.000	3.90	3.10	
GI27 (Coupon 4.00%, BMK NCPI)	⇒	4.57	0.000	4.57	4.72	
GI29 (Coupon 4.50%, BMK NCPI)	⇒	4.99	0.000	4.99	5.13	
GI33 (Coupon 4.50%, BMK NCPI)	⇒	5.70	0.000	5.70	5.75	
GI36 (Coupon 4.80%, BMK NCPI)	⇒	5.89	0.000	5.89	6.10	
Commodities		Last close	Change	Prev close	Current Spot	
Gold	↑	2,250	0.81%	2,232	2,255	
Platinum	↓	902	-0.71%	908	906	
Brent Crude	↓	87.4	-0.07%	87.5	87.9	
Main Indices		Last close	Change	Prev close	Current Spot	
NSX Overall Index	⇒	1,529	0.00%	1,529	1,529	
JSE All Share	⇒	74,536	0.00%	74,536	74,536	
SP500	↓	5,244	-0.20%	5,254	5,244	
FTSE 100	⇒	7,953	0.00%	7,953	7,953	
Hangseng	⇒	16,541	0.00%	16,541	16,915	
DAX	⇒	18,492	0.00%	18,492	18,492	
JSE Sectors		Last close	Change	Prev close	Current Spot	
Financials	⇒	16,502	0.00%	16,502	16,502	
Resources	⇒	57,251	0.00%	57,251	57,251	
Industrials	⇒	103,936	0.00%	103,936	103,936	
Forex		Last close	Change	Prev close	Current Spot	
N\$/US dollar	↓	18.86	-0.01%	18.86	18.93	
N\$/Pound	↓	23.66	-0.61%	23.80	23.74	
N\$/Euro	↓	20.25	-0.48%	20.35	20.31	
US dollar/ Euro	↓	1.074	-0.46%	1.079	1.073	
		Namibia		RSA		
Interest Rates & Inflation		Feb 24	Jan 24	Feb 24	Jan 24	
Central Bank Rate	⇒	7.75	7.75	8.25	8.25	
Prime Rate	⇒	11.50	11.50	11.75	11.75	
		Feb 24	Jan 24	Feb 24	Jan 24	
Inflation	↓	5.0	5.4	5.6	5.3	

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 listeds

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.



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