



Market Update

Friday, 06 June 2025

Global Markets



Asian shares slipped on Friday as investors hunkered down for the all-important U.S. payrolls report, while Tesla suffered huge losses on the very public feud between President Donald Trump and billionaire Elon Musk. A run of soft economic data this week has markets wary of a downside surprise in the monthly payrolls print due later in the day, which would add to fears of stagflation while piling pressure on the Federal Reserve to ease policy in a hurry.

Tesla shares bounced 0.8% in after-hours trading after tumbling a whopping 14% overnight to wipe off \$150 billion in market value. That came after Trump threatened to cut off government contracts to Elon Musk's companies as the once close relationship turned into a bitter open disagreement. There were signs that tempers may be cooling a bit, with Trump telling Politico that "it's okay" when asked about the relationship and that White House aides had scheduled a call on Friday with Musk to broker a peace. Nasdaq futures rose 0.3% and S&P 500 futures gained 0.4%, while the losses in European stock futures narrowed, with EUROSTOXX 50 futures down just 0.1%.

MSCI's broadest index of Asia-Pacific shares outside Japan slipped 0.2% on Friday away from its eight-month peak. It is still set for a weekly rise of 2.1%. Chinese blue chips eased 0.2% and Hong Kong's Hang Seng dropped 0.5% as a call between Trump and Chinese President Xi Jinping offered

little clarity to ease ongoing trade tensions. "I think the fact that they are talking, the fact that there is a willingness to find a way through and the channels of communication are open is a positive," said Luke Yeaman, chief economist at the Commonwealth Bank of Australia. Most Asian shares are down slightly, but Japan's Nikkei is a rare bright spot in Asia, up 0.4%, helping trim its weekly drop to 0.7%.

Weaker-than-expected labour market data, including a 47% year-on-year jump in Challenger layoffs and a significant downside surprise in ADP's private payrolls, have dampened expectations for the payrolls report. Forecasts are centred on a rise of 130,000 jobs in May, with the unemployment rate holding steady at 4.2%. Any unexpected weakness could bring the next U.S. rate cut forward and trigger a huge rally in Treasuries. Futures imply scant chances of a rate cut until September, which is about 93% priced in, with another move likely to come in December. Yields on the benchmark ten-year Treasuries were flat at 4.3887%, having risen 3 basis points overnight to bounce away from a one-month low.

The dollar was 0.2% higher against its major peers on Friday just a touch above a six-week low as soft economic data dent the U.S. currency. The euro hit a six-week top of \$1.1495 overnight after the European Central Bank cut rates but signaled that it was nearing the end of its year-long policy easing cycle. Investors have given up on a move in July, with the final move most likely to come in October or December.

In commodities markets, oil prices were slightly lower but were headed for weekly gains on supply concerns. U.S. crude futures slipped 0.4% to \$63.12 a barrel but were up 3.8% for the week

In precious metals, gold prices climbed 0.4% to \$3,366.78 an ounce. For the week, they are up 2.3%.

Source: LSEG Thomson Reuters Refinitiv.

Domestic Markets



The South African rand strengthened on Thursday, helped by better-than-expected current account data. The country's current account deficit stood at 0.5% of gross domestic product (GDP) in the three months to March 31, unchanged from the previous quarter, central bank data showed on Thursday. Analysts polled by Reuters had expected a wider deficit of 0.9% of GDP.

At 1430 GMT, the rand traded at 17.74 against the dollar, 0.4% stronger than Wednesday's close. Nedbank economists said in a research note that the current account balance could worsen in the remainder of the year, as imports are expected to outpace exports. "Subdued inflation, higher real incomes, and a resilient rand will continue to bolster import demand. Exports, however, face notable downside pressures due to a weaker, uncertain, and generally volatile global economy," they wrote.

The Johannesburg Stock Exchange's Top 40 index was last up about 0.8%. The benchmark 2035 government bond was weaker, as the yield rose 3 basis points to 10.03%.

Source: LSEG Thomson Reuters Refinitiv.

I remain just one thing, and one thing only, and that is a clown. It places me on a far higher plane than any politician.

Charlie Chaplin

Market Overview

MARKET INDICATORS (Bloomberg)				06 June 2025	
Money Market TB's		Last Close	Change	Prev Close	Current Spot
3 months	↓	7.55	-0.024	7.58	7.55
6 months	↓	7.68	-0.010	7.69	7.68
9 months	↓	7.71	-0.012	7.72	7.71
12 months	↓	7.72	-0.025	7.75	7.72
Nominal Bonds		Last Close	Change	Prev Close	Current Spot
GC26 (Coupon 8.50%, BMK: R186)	↑	7.60	0.051	7.54	7.59
GC27 (Coupon 8.00%, BMK: R186)	↑	8.16	0.047	8.11	8.16
GC30 (Coupon 8.00%, BMK: R2030)	↓	8.69	-0.098	8.79	8.69
GC32 (Coupon 9.00%, BMK: R213)	↑	9.77	0.195	9.57	9.77
GC35 (Coupon 9.50%, BMK: R209)	↑	11.02	0.128	10.89	11.02
GC37 (Coupon 9.50%, BMK: R2037)	↑	11.36	0.129	11.24	11.36
GC40 (Coupon 9.80%, BMK: R214)	↑	11.56	0.153	11.41	11.56
GC43 (Coupon 10.00%, BMK: R2044)	↑	11.69	0.131	11.56	11.70
GC45 (Coupon 9.85%, BMK: R2044)	↑	11.87	0.037	11.83	11.87
GC48 (Coupon 10.00%, BMK: R2048)	↑	11.92	0.075	11.85	11.92
GC50 (Coupon 10.25%, BMK: R2048)	↑	12.08	0.018	12.06	12.08
Inflation-Linked Bonds		Last Close	Change	Prev Close	Current Spot
GI25 (Coupon 3.80%, BMK: NCPI)	↓	1.76	-0.043	1.81	1.60
GI27 (Coupon 4.00%, BMK: NCPI)	↑	4.47	0.001	4.47	4.47
GI29 (Coupon 4.50%, BMK: NCPI)	↑	4.67	0.001	4.67	4.67
GI33 (Coupon 4.50%, BMK: NCPI)	↓	5.30	0.000	5.30	5.30
GI36 (Coupon 4.80%, BMK: NCPI)	↓	5.63	-0.001	5.63	5.63
Commodities		Last Close	Change	Prev Close	Current Spot
Gold	↓	3,353	-0.60%	3,373	3,364
Platinum	↑	1141	4.26%	1094	1172
Brent Crude	↑	65.3	0.74%	64.86	65.10
Main Indices		Last Close	Change	Prev Close	Current Spot
NSX Local Index	↑	1081	1.03%	1070	1081
JSE All Share	↑	96,412	0.80%	95,650	96,412
S&P 500	↓	5,939	-0.54%	5,971	5,939
FTSE 100	↑	8,811	0.11%	8,801	8,811
Hangseng	↓	23,820	-0.36%	23,907	23,820
DAX	↑	24,324	0.20%	24,276	24,324
JSE Sectors		Last Close	Change	Prev Close	Current Spot
Financials	→	21,083	0.00%	21,083	21,108
Resources	→	74,855	0.00%	74,855	77,216
Industrials	→	135,934	0.00%	135,934	136,261
Forex		Last Close	Change	Prev Close	Current Spot
N\$/US Dollar	↓	17.73	-0.51%	17.82	17.74
N\$/Pound	↓	24.07	-0.37%	24.16	24.03
N\$/Euro	↓	20.29	-0.34%	20.36	20.28
US Dollar/ Euro	↑	1.145	0.44%	1.14	1.14
		Namibia		RSA	
Interest Rates & Inflation		May-25	Apr-25	May-25	Apr-25
Central Bank Rate	→	6.75	6.75	7.25	7.50
Prime Rate	→	10.50	10.50	10.75	11.00
		Apr-25	Mar-25	Apr-25	Mar-25
Inflation	↓	3.6	4.2	2.8	2.7

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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