



## Market Update

Wednesday, 08 January 2025



## Global Markets

Global stocks lost ground while U.S. Treasury yields edged higher on Tuesday after data showed the American economy remained resilient, indicating the Federal Reserve could cut interest rates fewer times this year than the market had been expecting. On Wall Street, all three main indexes finished lower, with technology, consumer discretionary, and communication services stocks among the biggest losers. Energy and healthcare stocks advanced.

U.S. services sector activity accelerated in December, beating expectations, while a measure of prices paid for inputs rose to a nearly two-year high, according to data from the Institute for Supply Management. Labour Department data also showed U.S. job openings unexpectedly increased in November, although a softening in hiring pointed to a slowing labour market. Markets are currently pricing in the probability of just one Fed cut in 2025, down from two rate cuts in December, according to the CME FedWatch tool.

"The Trump trade has taken a bit of a breather right now because bond yields have been rising," said Wasif Latif, chief investment officer at Sarmaya Partners in New York. "I think the market is

beginning to take note that between tariffs and the deficit that there's question marks about how we're going to be able to lower the deficit with all this promised spending coming in terms of tax cuts and other things the new administration wants to implement."

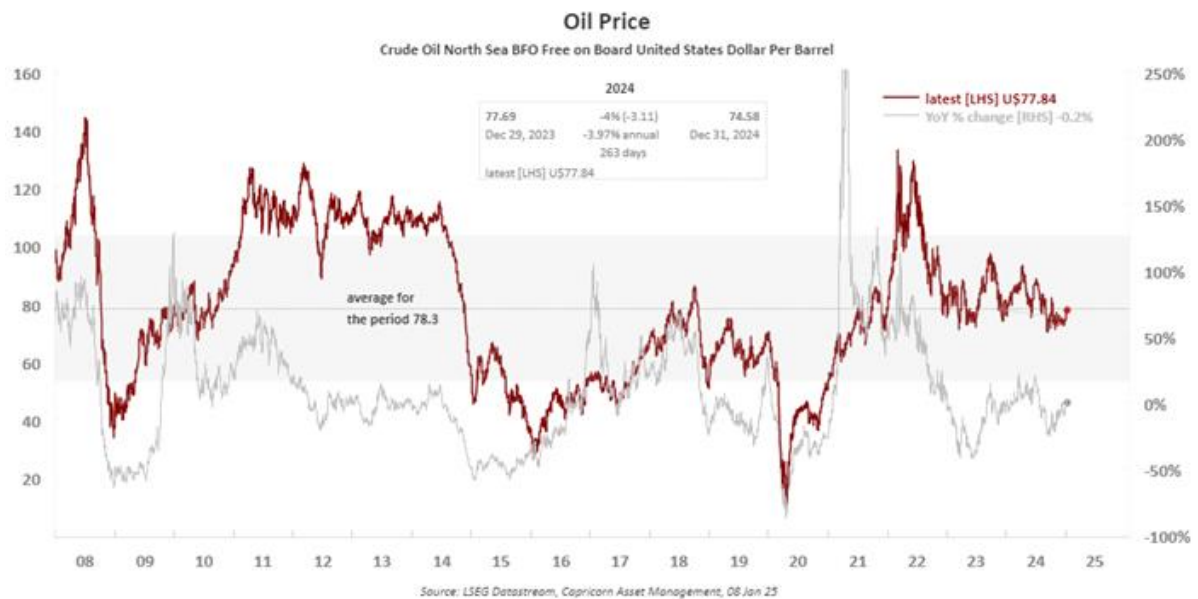
The Dow Jones Industrial Average fell 0.42% to 42,528.36, the S&P 500 fell 1.11% to 5,909.03 and the Nasdaq Composite fell 1.89% to 19,489.68. European stocks held their gains after rallying on Monday following a report saying President-elect Donald Trump's aides are considering narrower tariffs than previously thought. The European STOXX 600 index rose 0.32% for its second consecutive gain. It rose 1.75% on Monday following the report on tariffs, which caused shares of automakers to rally. MSCI's gauge of stocks across the globe fell 0.75% to 846.52.

Benchmark 10-year Treasury yields hit an eight-month high, buoyed by data showing the U.S. economy remained strong. The yield on 10-year notes rose 7.5 basis points to 4.691%, having peaked at 4.699%, the highest since April 26. "The 10-year continues to inch higher and the equity market hasn't picked up on the fact that bond yields are rising, and rising long-term yields is not good for equities," Latif added.

The dollar index, which measures the greenback against a basket of currencies including the yen and the euro, rose 0.33% to 108.67, with the euro down 0.47% at \$1.0341. The greenback rose to a near six-month peak against the Japanese yen after the U.S. data. It was up 0.23% at 157.96 yen. Earlier in the global session, the dollar hit its highest since July at 158.425 yen.

Oil prices settled higher, driven by concerns over limited supply from Russia and Iran because of Western sanctions and expected higher Chinese demand. Brent crude futures settled up 0.98% at \$77.05 a barrel. U.S. West Texas Intermediate (WTI) crude finished at \$74.25 a barrel, up 0.94%. Spot gold rose 0.53% to \$2,649.38 an ounce. U.S. gold futures settled 0.7% higher at \$2,665.40.

**Source: LSEG Thomson Reuters Refinitiv.**



## Domestic Markets

South Africa's rand slipped against a resurgent dollar on Tuesday, after positive U.S. data suggested the Federal Reserve would likely be cautious in cutting interest rates. At 1524 GMT, the rand traded at 18.6350 against the U.S. dollar, about 0.3% weaker than its previous close. Data showed U.S. job openings in November exceeded forecasts and grew to 8.098 million, signalling a generally stable jobs market, while U.S. services sector activity also accelerated in December.

The greenback rose following the data and last traded about 0.1% stronger against a basket of currencies. The risk-sensitive rand had gained earlier after the Washington Post reported on Monday that aides to President-elect Donald Trump were exploring tariff plans that would represent a marked softening from promises he had made during his 2024 presidential campaign. While the news initially weakened the dollar, Trump's subsequent denial reversed some of the U.S. currency's declines.

On the stock market, the Top-40 index closed about 1% lower. South Africa's benchmark 2030 government bond was weaker, with the yield up 2 basis points to 9.05%.

**Source: LSEG Thomson Reuters Refinitiv.**

Measure what is measurable, and make measurable what is not so.

Galileo Galilei

## Market Overview

MARKET INDICATORS (LSEG Thomson Reuters Refinitiv)				08 January 2025	
<b>Money Market TB Rates %</b>		Last close	Difference	Prev close	Current Spot
3 months	→	8.01	0.000	8.01	8.05
6 months	↓	7.95	-0.008	7.95	8.02
9 months	↑	8.01	0.008	8.01	8.09
12 months	↑	8.01	0.008	8.00	8.08
<b>Nominal Bond Yields %</b>		Last close	Difference	Prev close	Current Spot
GC25 (Coupon 8.50%, BMK R186)	↑	8.23	0.025	8.21	8.10
GC26 (Coupon 8.50%, BMK R186)	↑	8.23	0.025	8.21	8.10
GC27 (Coupon 8.00%, BMK R186)	↑	8.67	0.025	8.65	8.54
GC28 (Coupon 8.50%, BMK R2030)	↑	8.96	0.020	8.94	8.84
GC30 (Coupon 8.00%, BMK R2030)	↑	8.92	0.020	8.90	8.80
GC32 (Coupon 9.00%, BMK R213)	↑	9.75	0.010	9.74	9.65
GC35 (Coupon 9.50%, BMK R209)	↑	10.75	0.030	10.72	10.53
GC37 (Coupon 9.50%, BMK R2037)	↑	10.97	0.025	10.94	10.77
GC40 (Coupon 9.80%, BMK R214)	↑	11.35	0.045	11.31	11.09
GC43 (Coupon 10.00%, BMK R2044)	↑	11.41	0.040	11.37	11.19
GC45 (Coupon 9.85%, BMK R2044)	↑	11.51	0.040	11.47	11.29
GC48 (Coupon 10.00%, BMK R2048)	↑	11.45	0.040	11.41	11.22
GC50 (Coupon 10.25%, BMK: R2048)	↑	11.38	0.040	11.34	11.15
<b>Inflation-Linked Bond Yields %</b>		Last close	Difference	Prev close	Current Spot
GI25 (Coupon 3.80%, BMK NCPI)	→	3.10	0.000	3.10	3.75
GI27 (Coupon 4.00%, BMK NCPI)	→	4.60	0.000	4.60	4.49
GI29 (Coupon 4.50%, BMK NCPI)	→	4.97	0.000	4.97	4.65
GI33 (Coupon 4.50%, BMK NCPI)	→	5.62	0.000	5.62	5.24
GI36 (Coupon 4.80%, BMK NCPI)	→	6.07	0.000	6.07	5.68
<b>Commodities</b>		Last close	Change	Prev close	Current Spot
Gold	↑	2,649	0.54%	2,635	2,662
Platinum	↑	951	1.87%	933	941
Brent Crude	↑	77.1	0.98%	76.3	73.3
<b>Main Indices</b>		Last close	Change	Prev close	Current Spot
NSX Overall Index	↑	1,830	0.30%	1,825	1,846
JSE All Share	↓	84,142	-0.71%	84,746	84,787
SP500	↓	5,909	-1.11%	5,975	5,999
FTSE 100	↓	8,245	-0.05%	8,250	8,281
Hangseng	↓	19,448	-1.22%	19,688	19,382
DAX	↑	20,341	0.62%	20,216	19,426
<b>JSE Sectors</b>		Last close	Change	Prev close	Current Spot
Financials	↑	20,949	0.52%	20,840	21,095
Resources	↑	54,434	1.67%	53,539	55,026
Industrials	↓	115,279	-2.93%	118,753	116,475
<b>Forex</b>		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	18.67	0.60%	18.56	18.71
N\$/Pound	↑	23.33	0.39%	23.24	22.96
N\$/Euro	↑	19.34	0.25%	19.29	19.09
US dollar/ Euro	↓	1.034	-0.49%	1.039	1.058
<b>Interest Rates &amp; Inflation</b>		Namibia		RSA	
		Dec 24	Nov 24	Dec 24	Nov 24
Central Bank Rate	↓	7.00	7.25	7.75	7.75
Prime Rate	↓	10.75	11.00	11.25	11.25
		Nov 24	Oct 24	Nov 24	Oct 24
Inflation	→	3.0	3.0	2.9	2.8

**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 listed

---

**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.*



---

**For enquiries concerning the Daily Brief please contact us at**

**[Daily.Brief@capricorn.com.na](mailto:Daily.Brief@capricorn.com.na)**

---

***Disclaimer***

*The information contained in this note is the property of Capricorn Asset Management (CAM). The information contained herein has been obtained from sources and persons whom the writer believes to be reliable but is not guaranteed for accuracy, completeness or otherwise. Opinions and estimates constitute the writer’s judgement as of the date of this material and are subject to change without notice. This note is provided for informational purposes only and may not be reproduced in any way without the explicit permission of CAM.*

---

A member of  **Capricorn Group**