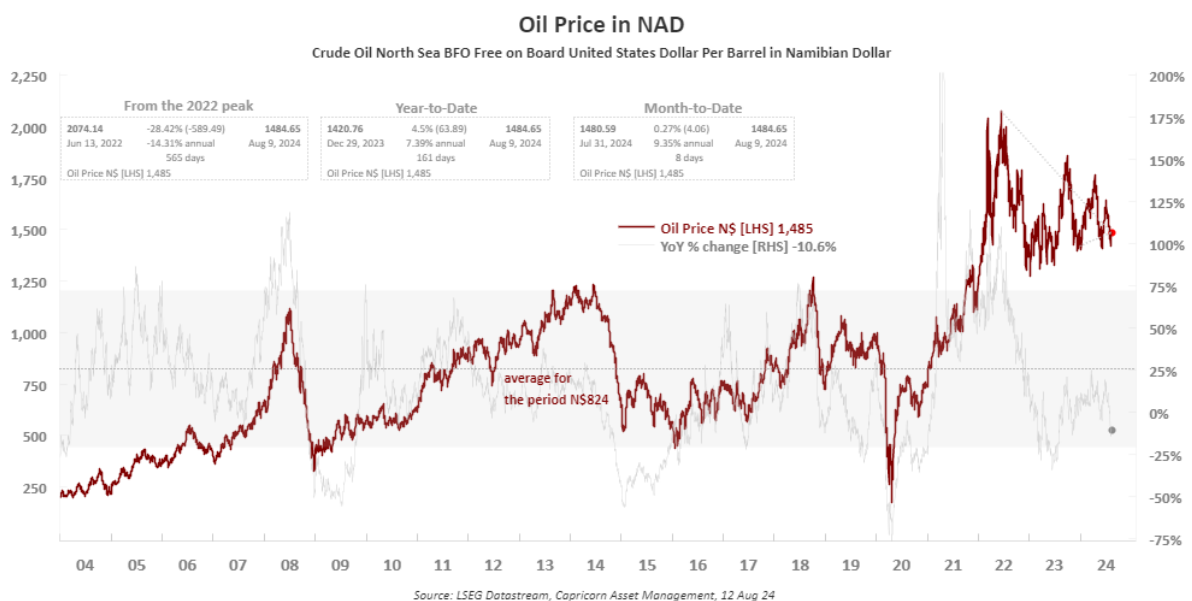




Market Update

Monday, 12 Aug 2024



Global Markets

The closely watched global equities index advanced on Friday, ending a volatile week unchanged after starting it with a massive sell-off, while the dollar slipped slightly and oil prices ended higher on supply concerns over the Middle East conflict. A trio of Federal Reserve policymakers indicated on Thursday that they were more confident that inflation was cooling enough to cut rates. Their comments - along with a bigger-than-expected fall in U.S. jobless claims data - had helped to reassure investors enough to underpin the stock market recovery.

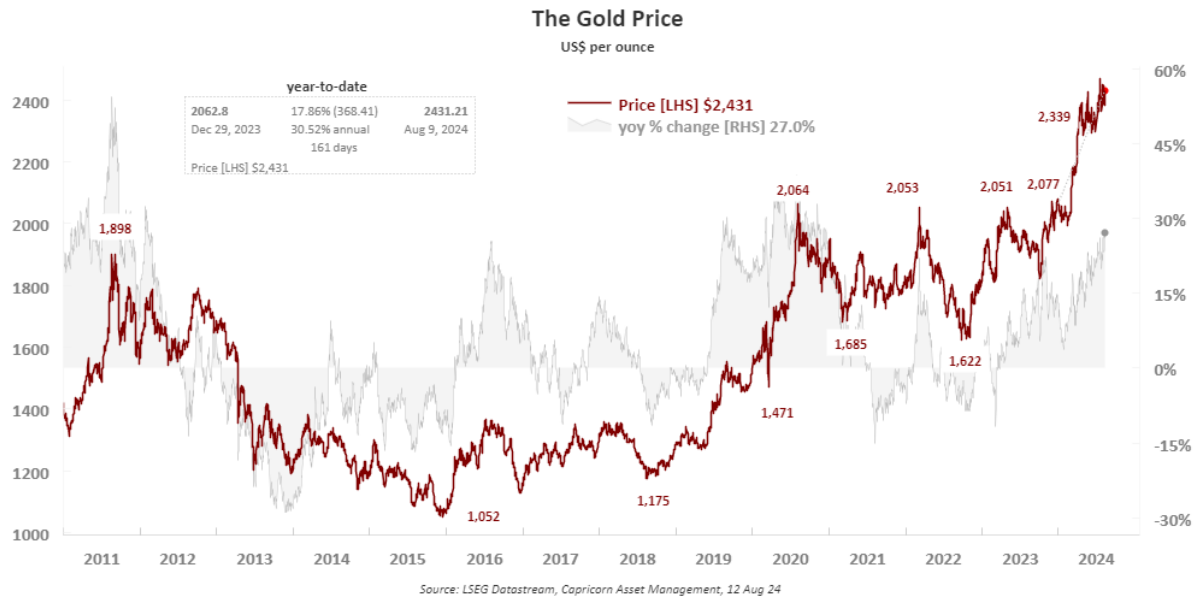
On Wall Street, the three main indexes closed higher after a choppy morning. All three had tumbled on Monday, when the S&P 500 lost 3% amid a global sell-off that started in Japan as investors unwound a popular trade and worried about the prospects for a U.S. recession. With Friday's lack of new economic catalysts, Robert Phipps, director at Per Stirling Capital Management in Austin, Texas, said investors focused on hopes the S&P 500 would surpass its recent trading range of 5135 to 5346. "We finished at the top of the range but were unable to break out of it," said Phipps, noting that this likely indicated that investors were still trying to make their mind up about the U.S. economy. "This was a relief rally, not where things were good but they were not as bad as expected. There wasn't a substantial enough economic data set during the week to break us out of the trading range." On top of economic concerns, Phipps pointed to fears "the Middle East might still erupt into a broader conflict over the weekend when markets are closed and unable to react."

Investors will look for fresh evidence on the chances of a soft landing for the American economy in next week's readings on the consumer prices and retail sales for July. But in a sign of relative calm on Friday, the CBOE volatility index, known as Wall Street's 'fear gauge,' fell 3.42 points to close at 20.37, in a far cry from its intraday spike on Monday to 65.73. On Wall Street, the Dow Jones Industrial Average rose 51.05 points, or 0.13%, to 39,497.54, the S&P 500 gained 24.85 points, or 0.47%, to 5,344.16 and the Nasdaq Composite gained 85.28 points, or 0.51%, to 16,745.30. But for the week, the S&P 500 fell 0.04%, the Nasdaq declined 0.18%, and the Dow shed 0.6%. Meanwhile, MSCI's gauge of stocks across the globe rose 5.39 points, or 0.69%, to 787.16 but was virtually unchanged for the week, down 0.01%. Earlier, Europe's STOXX 600 index closed up 0.57%. In Asia, Japan's Nikkei stocks benchmark closed 0.56% higher on the day but finished with a weekly loss of nearly 2.5%. It had fallen 12.4% on Monday.

In currencies, the dollar index, which measures the greenback against a basket of currencies including the yen and the euro, fell 0.12% to 103.16. Against the Japanese yen, the dollar weakened 0.42% to 146.66. The euro was down 0.03% at \$1.0915. In U.S. Treasuries, yields slipped after a volatile week while investors eyed the next week's key inflation data for fresh clues on the potential size of a September rate cut. The yield on benchmark U.S. 10-year notes fell 5.7 basis points to 3.94% from 3.997% late on Thursday. The 30-year bond yield fell 6.5 basis points to 4.2205% from 4.286%. The 2-year note yield, which typically moves in step with interest rate expectations, rose 0.9 basis points to 4.0531%, from 4.044% late on Thursday.

Oil prices settled higher as fears of a widening Middle East conflict persisted, with U.S. crude gaining 0.85% to end at \$76.84 a barrel while Brent advanced to \$79.66 per barrel, up 0.63% for the day. Gold prices were a touch firmer, with spot gold adding 0.12% to \$2,429.60 an ounce. U.S. gold futures gained 0.29% to \$2,429.20 an ounce.

Source: LSEG Thomson Reuters Refinitiv.



Domestic Markets

Domestic markets were closed on Friday for a public holiday.

Source: LSEG Thomson Reuters Refinitiv.

Don't judge each day by the harvest you reap but by the seeds that you plant.

Robert Louis Stevenson

Market Overview

MARKET INDICATORS (LSEG Thomson Reuters Refinitiv)					12 August 2024
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	⇒	8.40	0.000	8.40	8.40
6 months	⇒	8.55	0.000	8.55	8.55
9 months	⇒	8.56	0.000	8.56	8.56
12 months	⇒	8.44	0.000	8.44	8.44
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC24 (Coupon 10.50%, BMK R186)	⇒	9.10	0.000	9.10	9.10
GC25 (Coupon 8.50%, BMK R186)	⇒	9.00	0.000	9.00	9.00
GC26 (Coupon 8.50%, BMK R186)	⇒	8.20	0.000	8.20	8.20
GC27 (Coupon 8.00%, BMK R186)	⇒	8.56	0.000	8.56	8.56
GC28 (Coupon 8.50%, BMK R2030)	⇒	8.70	0.000	8.70	8.72
GC30 (Coupon 8.00%, BMK R2030)	⇒	8.92	0.000	8.92	8.94
GC32 (Coupon 9.00%, BMK R213)	⇒	9.50	0.000	9.50	9.51
GC35 (Coupon 9.50%, BMK R209)	⇒	10.29	0.000	10.29	10.30
GC37 (Coupon 9.50%, BMK R2037)	⇒	10.88	0.000	10.88	10.90
GC40 (Coupon 9.80%, BMK R214)	⇒	11.54	0.000	11.54	11.55
GC43 (Coupon 10.00%, BMK R2044)	⇒	11.71	0.000	11.71	11.73
GC45 (Coupon 9.85%, BMK R2044)	⇒	12.06	0.000	12.06	12.08
GC48 (Coupon 10.00%, BMK R2048)	⇒	11.95	0.000	11.95	11.97
GC50 (Coupon 10.25%, BMK: R2048)	⇒	12.00	0.000	12.00	12.02
Inflation-Linked Bond Yields %		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	4.57
GI29 (Coupon 4.50%, BMK NCPI)	⇒	4.97	0.000	4.97	4.82
GI33 (Coupon 4.50%, BMK NCPI)	⇒	5.62	0.000	5.62	5.42
GI36 (Coupon 4.80%, BMK NCPI)	⇒	6.07	0.000	6.07	5.78
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	2,431	0.17%	2,427	2,431
Platinum	↓	922	-0.95%	931	927
Brent Crude	↑	79.7	0.63%	79.2	79.9
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	⇒	1,760	0.00%	1,760	1,760
JSE All Share	⇒	80,739	0.00%	80,739	80,739
SP500	↑	5,344	0.47%	5,319	5,344
FTSE 100	↑	8,168	0.28%	8,145	8,168
Hangseng	↑	17,090	1.17%	16,892	17,109
DAX	↑	17,723	0.24%	17,680	17,723
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	⇒	19,379	0.00%	19,379	19,379
Resources	⇒	58,544	0.00%	58,544	58,544
Industrials	⇒	109,352	0.00%	109,352	109,352
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↓	18.29	-0.35%	18.36	18.30
N\$/Pound	↓	23.34	-0.26%	23.40	23.36
N\$/Euro	↓	19.97	-0.37%	20.04	19.98
US dollar/ Euro	↓	1.092	-0.02%	1.092	1.092
		Namibia		RSA	
Interest Rates & Inflation		Jul 24	Jun 24	Jul 24	Jun 24
Central Bank Rate	⇒	7.75	7.75	8.25	8.25
Prime Rate	⇒	11.50	11.50	11.75	11.75
		Jul 24	Jun 24	Jun 24	May 24
Inflation	⇒	4.6	4.6	5.1	5.2

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 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

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**
