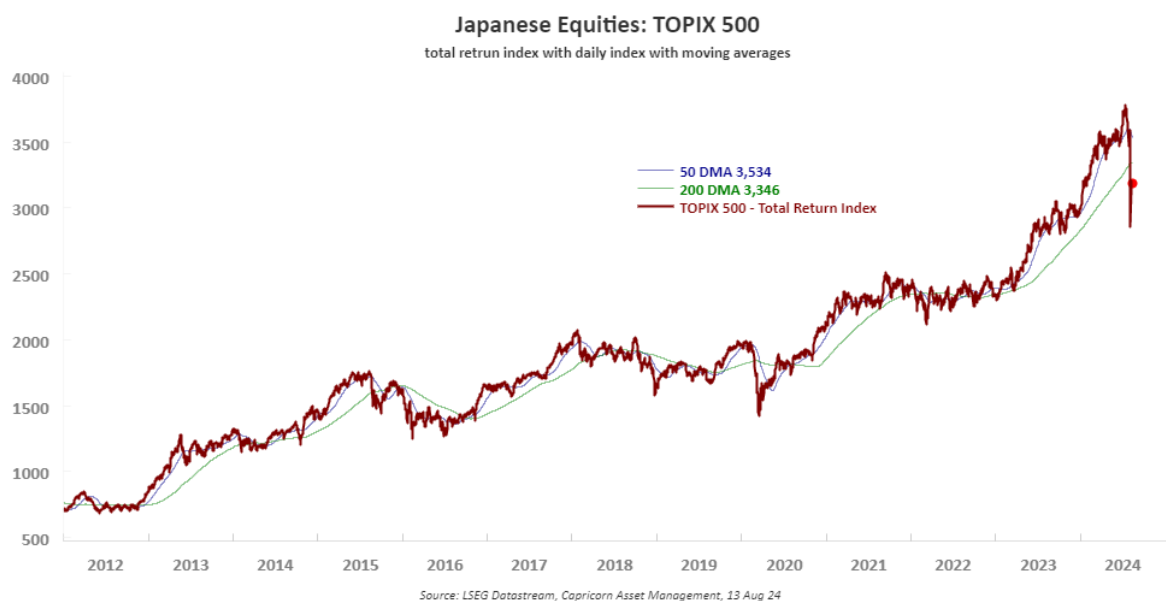




Market Update

Tuesday, 13 Aug 2024



Global Markets

World stocks edged higher on Monday while the yen slipped as a holiday in Japan removed one source of recent volatility, with investors looking ahead to U.S. and Chinese economic data. Investors were looking ahead to U.S. consumer price index data for July on Wednesday, which is expected to show month-on-month inflation ticked up to 0.2% after a minus 0.1% reading in June. Retail sales data is due on Thursday.

On Wall Street, the S&P 500 finished flat, and the Nasdaq Composite Index added 0.2%, while the Dow Jones Industrial Average slipped 0.4%. MSCI's gauge of stocks across the globe also ended flat. Stock markets had a wild ride last week, driven by a plunge in Japan, on the back of weak U.S. jobs numbers and the unwinding of a highly popular Japanese yen trading strategy. Yet some stronger-than-expected U.S. data helped allay fears of a global slowdown and stocks recovered almost all of their losses by Friday. "We have been winding risk down during the recent market move globally," said Robert Both, a senior macro strategist at TD Securities. "Our preferred positioning is dovish with moderate risk allocated at the moment."

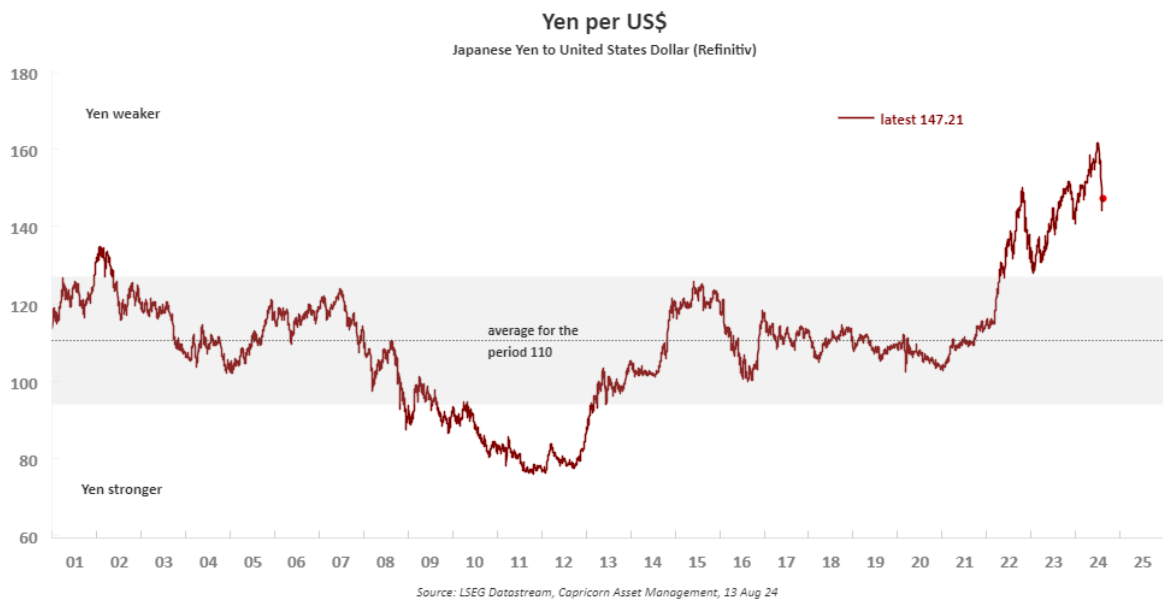
In Europe, the STOXX 600 index was little changed. Germany's DAX index was flat and Britain's FTSE 100 was 0.5% higher. For now, some investors said Wednesday's U.S. inflation report will set the tone for markets this week. "It's a pretty benign expectation," said Timothy Graf, a senior macro

strategist at State Street. "Inflation is really not the problem it once was." "The balance of risks is that policy has been too tight for too long. Now you're starting to see that show up in the labour market."

Japan's yen slipped, with the dollar up 0.4% at 147.26 yen. The dollar index was little changed at 103.16 while the euro rose 0.1% to \$1.0928. A sharp rally in the Japanese currency in July and August has wrong-footed investors, forcing them to unwind so-called carry trades in which they borrow in Japanese yen to buy dollars and other currencies to invest in higher-yielding assets. Data on Friday showed that leveraged funds - typically hedge funds and various types of money managers - closed their positions in the yen at the quickest rate since March 2011. "It has been a much quieter start to this week than last week," said Lee Hardman, currency strategist at MUFG. "The sharp reduction in short yen positions held by leveraged funds ... has likely provided some reassurance as well that the unwind of yen-funded carry trades is now more complete." Japanese markets were closed for a holiday on Monday, leading to a calm Asia session which saw MSCI's non-Japan Asia stock index tick 0.41% higher. China issues figures on retail sales and industrial production on Thursday, which are expected to show the economy continuing to underperform, potentially exacerbating some investors' fears about global growth.

The yield on the 10-year Treasury note, which sets the tone for borrowing costs around the world, slipped to 3.9035% after climbing 15 bps last week in its biggest rise since April. Yields move inversely to prices. Oil prices jumped by more than 3%, rising for a fifth consecutive session on expectations of a widening Middle East conflict threatened supplies. Israeli Defense Minister Yoav Gallant spoke on Sunday with U.S. Defense Secretary Lloyd Austin and told him Iran's military preparations suggest Iran is getting ready for a large-scale attack on Israel. Brent futures settled 3.3% higher at \$82.30 a barrel, while U.S. crude ended at \$80.06, up 4.2%.

Source: LSEG Thomson Reuters Refinitiv.



Domestic Markets

The South African rand was stronger on Monday at the start of a week filled with closely watched global and domestic economic data releases. At 1517 GMT, the rand traded at 18.20 against the dollar, about 0.7% firmer than its previous closing level. The U.S. dollar was down about 0.1% against a basket of global currencies. "Currency markets have continued to drift sideways in anticipation of the data-filled week," said Wichard Cilliers, head of market risk at TreasuryONE. "Emerging market currencies have firmed further after last week's sell-off, with the rand trading back at the R18.20 handle," Cilliers added.

The rand is likely to take its direction this week from global data prints, including U.S. consumer inflation data on Wednesday, and South African mining, unemployment and retail sales figures over Tuesday and Wednesday. The U.S. inflation reading will be scrutinised for clues on the Federal Reserve's monetary policy path, while the local data releases will show whether Africa's most industrialised economy gained any momentum in the middle of the year. Oxford Economics Africa said the domestic data releases were not expected to show much improvement, with the unemployment rate seen stuck around 32%, the mining sector dealing with supply-side constraints and subdued consumer demand continuing to pressure retail.

On the Johannesburg Stock Exchange, the blue-chip Top-40 index closed about 0.1% down. South Africa's benchmark 2030 government bond was stronger, with the yield down 3 basis points at 9.36%. **Source: LSEG Thomson Reuters Refinitiv.**

If you want others to be happy, practice compassion. If you want to be happy, practice compassion.

Dalai Lama

Market Overview

MARKET INDICATORS (LSEG Thomson Reuters Refinitiv)					13 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	0.017	8.54	8.56
12 months	↑		8.44	0.008	8.43	8.44
Nominal Bond Yields %			Last close	Difference	Prev close	Current Spot
GC24 (Coupon 10.50%, BMK R186)	↓		9.10	-0.020	9.12	9.10
GC25 (Coupon 8.50%, BMK R186)	↓		9.00	-0.020	9.02	9.00
GC26 (Coupon 8.50%, BMK R186)	↓		8.20	-0.020	8.22	8.20
GC27 (Coupon 8.00%, BMK R186)	↓		8.56	-0.020	8.58	8.56
GC28 (Coupon 8.50%, BMK R2030)	↓		8.72	-0.015	8.73	8.72
GC30 (Coupon 8.00%, BMK R2030)	↓		8.94	-0.015	8.95	8.94
GC32 (Coupon 9.00%, BMK R213)	↓		9.51	-0.015	9.53	9.51
GC35 (Coupon 9.50%, BMK R209)	↓		10.30	-0.025	10.33	10.30
GC37 (Coupon 9.50%, BMK R2037)	↓		10.90	-0.025	10.92	10.90
GC40 (Coupon 9.80%, BMK R214)	↓		11.57	-0.030	11.60	11.55
GC43 (Coupon 10.00%, BMK R2044)	↓		11.73	-0.030	11.76	11.73
GC45 (Coupon 9.85%, BMK R2044)	↓		12.08	-0.030	12.11	12.08
GC48 (Coupon 10.00%, BMK R2048)	↓		11.97	-0.025	11.99	11.97
GC50 (Coupon 10.25%, BMK: R2048)	↓		12.02	-0.025	12.04	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	↑		2,472	1.70%	2,431	2,460
Platinum	↑		937	1.56%	922	934
Brent Crude	↑		82.3	3.31%	79.7	81.7
Main Indices			Last close	Change	Prev close	Current Spot
NSX Overall Index	↑		1,761	0.03%	1,760	1,761
JSE All Share	↓		80,561	-0.22%	80,739	80,561
SP500	↑		5,344	0.00%	5,344	5,344
FTSE 100	↑		8,210	0.52%	8,168	8,210
Hangseng	↑		17,112	0.13%	17,090	17,150
DAX	↑		17,726	0.02%	17,723	17,726
JSE Sectors			Last close	Change	Prev close	Current Spot
Financials	↓		19,288	-0.47%	19,379	19,288
Resources	↓		57,784	-1.30%	58,544	57,784
Industrials	↑		110,014	0.61%	109,352	110,014
Forex			Last close	Change	Prev close	Current Spot
N\$/US dollar	↓		18.25	-0.27%	18.29	18.23
N\$/Pound	↓		23.29	-0.23%	23.34	23.30
N\$/Euro	↓		19.94	-0.13%	19.97	19.94
US dollar/ Euro	↑		1.093	0.14%	1.092	1.094
			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.



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