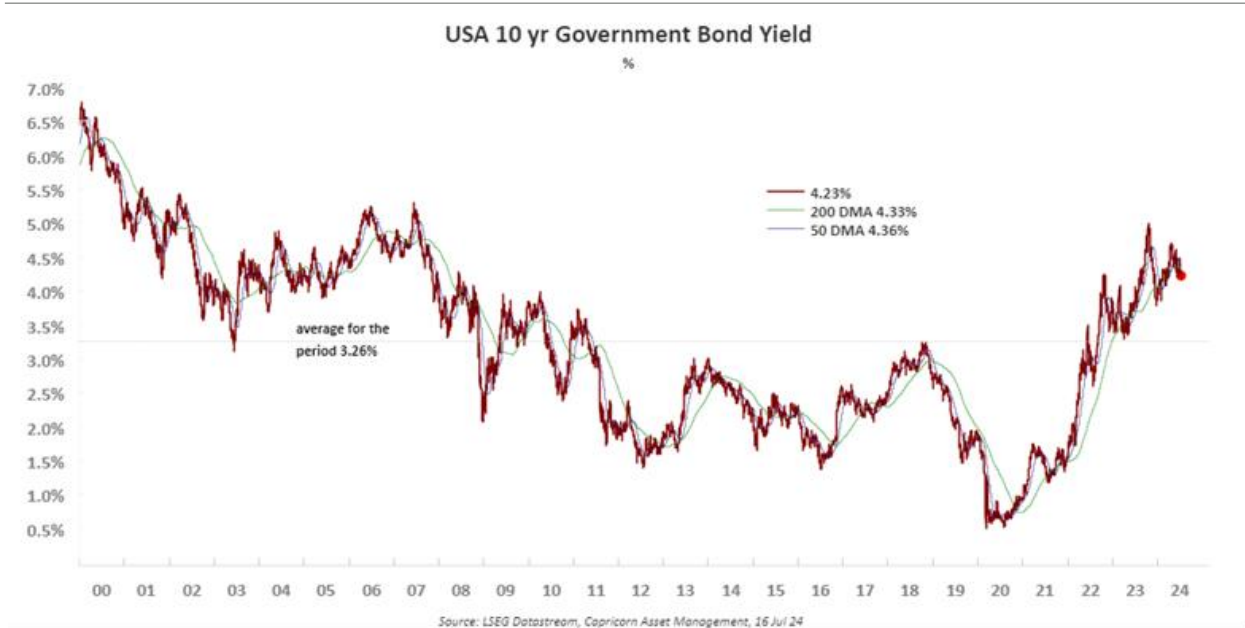




## Market Update

Tuesday, 16 July 2024



## Global Markets

World stock indexes and Treasury yields rose on Monday as investors weighed the prospect of Republican Donald Trump winning the U.S. presidential race after he survived an assassination attempt, while the dollar dipped after comments from Federal Reserve Chair Jerome Powell. Longer-dated U.S. bond yields climbed on the assumption that Trump policies would add to government debt and inflation, while crypto stocks rallied along with bitcoin. Trump has presented himself as a champion of cryptocurrency. Investors have viewed a Trump win as likely to mean more tax cuts and a looser regulatory environment. The S&P 500 energy sector gained 1.6%. On online betting website PredictIt, contracts for a Trump election victory traded at 68 cents, up from 60 cents on Friday, with a potential payout of \$1. Contracts for a Biden victory were at 26 cents.

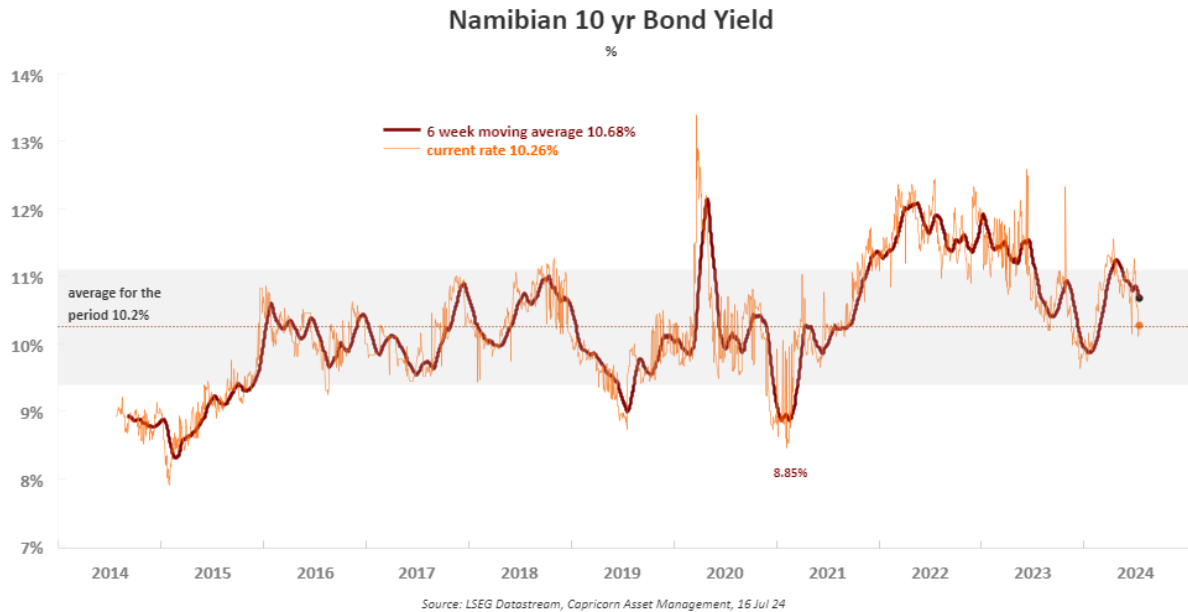
The assassination attempt in Pennsylvania on Saturday of Trump appeared to improve his chances for election. The motive behind a 20-year-old gunman's attempt on the life of Trump remained a mystery, with the suspect having been killed and the FBI unable to determine an ideology that may have been behind the attack. "The publicity around the event is providing some kind of a boost," said Josh Wein, portfolio manager at Hennessy Funds. But, he said, "the last four, five days the (stock) market has been rallying... so it's a continuation of a strong move from the back half of last week since we realized that maybe there is some reason to celebrate the idea that there could be one and now likely two rate cuts by the end of the year."

Investors digested comments from Powell, who said on Monday the three U.S. inflation readings over the second quarter of this year do "add somewhat to confidence" that the pace of price increases is returning to the Fed's target in a sustainable fashion. Traders are also pricing in a second and possible third rate cut by December. While all three major U.S. stock indexes ended well below session highs, the Dow Jones Industrial Average notched an all-time closing high. The Dow Jones Industrial Average rose 210.82 points, or 0.53%, to 40,211.72, the S&P 500 gained 15.87 points, or 0.28%, to 5,631.22 and the Nasdaq Composite gained 74.12 points, or 0.40%, to 18,472.57. Shares of Goldman Sachs gained 2.6% after the company reported quarterly results. More results are expected week for the second-quarter U.S. earnings season. MSCI's gauge of stocks across the globe rose 0.18 points, or 0.02%, to 828.73. The STOXX 600 index fell 1.02%. Dour updates from British luxury group Burberry and watchmaker Swatch Group raised questions about consumer confidence.

The dollar index, which measures the greenback against a basket of currencies, was last down 0.04% to 104.25, with the euro down 0.01% at \$1.0893. Against the Japanese yen, the dollar strengthened 0.02% to 158.04. The greenback fell to 157.15 as Powell spoke, its lowest since June 17, before rebounding. Bitcoin was last up slightly after it reached a three-week high earlier of \$63,838.86. Benchmark 10-year yields rose 4 basis points to 4.229%, while two-year yields fell half a basis point to 4.4554%.

Oil prices were down slightly, with worries about demand in top importer China offsetting support from OPEC+ supply restraint and ongoing tensions in the Middle East. U.S. crude lost 30 cents to settle at \$81.91 a barrel and Brent fell 18 cents to \$84.85.

**Source: LSEG Thomson Reuters Refinitiv.**



## Domestic Markets

The South African rand tumbled against the dollar on Monday, as the assassination attempt on former U.S. president Donald Trump this weekend dented appetite for riskier assets and spurred safe-haven demand globally. The risk-sensitive rand's fall was in line with moves seen in other emerging market currencies, as investors bet the attack would boost Trump's chances of winning November's U.S. election. At 1615 GMT, the rand traded at 18.19 to the dollar, about 1.3% weaker than where it closed last week.

"Risk aversion in global financial markets tends to see a sell-off of emerging market portfolio assets... (and) weakening EM currencies, and so the domestic currency," Annabel Bishop, chief economist at Investec, wrote in a research note explaining the rand's weakness on Monday.

This week's main domestic drivers will come on Thursday, when the South African Reserve Bank will announce its interest rate decision and President Cyril Ramaphosa will deliver an address to parliament on his coalition government's priorities. The focus at the rate announcement will be on hints about the potential timing of an interest rate cut, after a long string of "hold" decisions. Ramaphosa's speech will give an indication of the new government's plans on how to lift stagnant economic growth and woo investment.

On the Johannesburg Stock Exchange, the Top-40 index closed 0.65% stronger. The benchmark 2030 government bond was weaker, as the yield rose 10 basis points to 9.575%.

**Source: LSEG Thomson Reuters Refinitiv.**

Hold yourself responsible for a higher standard than anybody expects of you. Never excuse yourself.

Henry Ward Beecher

## Market Overview

| MARKET INDICATORS (LSEG Thomson Reuters Refinitiv) |   |               |                   |                   | 16 July 2024      |                     |
|--|---|---------------|-------------------|-------------------|-------------------|---------------------|
| <b>Money Market TB Rates %</b>                     |   |               | <b>Last close</b> | <b>Difference</b> | <b>Prev close</b> | <b>Current Spot</b> |
| 3 months   | ↓ |               | 8.83              | -0.008            | 8.83              | 8.83                |
| 6 months   | ↓ |               | 8.90              | -0.008            | 8.91              | 8.90                |
| 9 months   | ↓ |               | 8.95              | -0.025            | 8.97              | 8.95                |
| 12 months  | ↓ |               | 8.97              | -0.042            | 9.01              | 8.97                |
| <b>Nominal Bond Yields %</b>                       |   |               | <b>Last close</b> | <b>Difference</b> | <b>Prev close</b> | <b>Current Spot</b> |
| GC24 (Coupon 10.50%, BMK R186)                     | ↑ |               | 9.10              | 0.085             | 9.02              | 9.10                |
| GC25 (Coupon 8.50%, BMK R186)                      | ↑ |               | 9.00              | 0.085             | 8.92              | 9.00                |
| GC26 (Coupon 8.50%, BMK R186)                      | ↑ |               | 9.08              | 0.085             | 8.99              | 9.08                |
| GC27 (Coupon 8.00%, BMK R186)                      | ↑ |               | 9.26              | 0.085             | 9.17              | 9.26                |
| GC28 (Coupon 8.50%, BMK R2030)                     | ↑ |               | 9.39              | 0.100             | 9.29              | 9.39                |
| GC30 (Coupon 8.00%, BMK R2030)                     | ↑ |               | 9.95              | 0.100             | 9.85              | 9.95                |
| GC32 (Coupon 9.00%, BMK R213)                      | ↑ |               | 10.48             | 0.090             | 10.39             | 10.48               |
| GC35 (Coupon 9.50%, BMK R209)                      | ↑ |               | 11.51             | 0.095             | 11.42             | 11.51               |
| GC37 (Coupon 9.50%, BMK R2037)                     | ↑ |               | 12.16             | 0.105             | 12.05             | 12.16               |
| GC40 (Coupon 9.80%, BMK R214)                      | ↑ |               | 12.54             | 0.115             | 12.43             | 12.53               |
| GC43 (Coupon 10.00%, BMK R2044)                    | ↑ |               | 12.72             | 0.100             | 12.62             | 12.72               |
| GC45 (Coupon 9.85%, BMK R2044)                     | ↑ |               | 13.11             | 0.100             | 13.01             | 13.11               |
| GC48 (Coupon 10.00%, BMK R2048)                    | ↑ |               | 13.20             | 0.115             | 13.08             | 13.20               |
| GC50 (Coupon 10.25%, BMK: R2048)                   | ↑ |               | 13.34             | 0.115             | 13.22             | 13.34               |
| <b>Inflation-Linked Bond Yields %</b>              |   |               | <b>Last close</b> | <b>Difference</b> | <b>Prev close</b> | <b>Current Spot</b> |
| GI25 (Coupon 3.80%, BMK NCPI)                      | ⇒ |               | 3.10              | 0.000             | 3.10              | 3.10                |
| GI27 (Coupon 4.00%, BMK NCPI)                      | ⇒ |               | 4.60              | 0.000             | 4.60              | 4.64                |
| GI29 (Coupon 4.50%, BMK NCPI)                      | ⇒ |               | 4.97              | 0.000             | 4.97              | 4.97                |
| GI33 (Coupon 4.50%, BMK NCPI)                      | ⇒ |               | 5.62              | 0.000             | 5.62              | 5.60                |
| GI36 (Coupon 4.80%, BMK NCPI)                      | ⇒ |               | 6.07              | 0.000             | 6.07              | 6.09                |
| <b>Commodities</b>                                 |   |               | <b>Last close</b> | <b>Change</b>     | <b>Prev close</b> | <b>Current Spot</b> |
| Gold   | ↑ |               | 2,422             | 0.45%             | 2,411             | 2,430               |
| Platinum   | ↓ |               | 995               | -0.34%            | 998               | 993                 |
| Brent Crude  | ↓ |               | 84.9              | -0.21%            | 85.0              | 84.6                |
| <b>Main Indices</b>                                |   |               | <b>Last close</b> | <b>Change</b>     | <b>Prev close</b> | <b>Current Spot</b> |
| NSX Overall Index                                  | ↑ |               | 1,827             | 0.81%             | 1,813             | 1,827               |
| JSE All Share                                      | ↑ |               | 82,154            | 0.57%             | 81,686            | 82,154              |
| SP500  | ↑ |               | 5,631             | 0.28%             | 5,615             | 5,631               |
| FTSE 100   | ↓ |               | 8,183             | -0.85%            | 8,253             | 8,183               |
| Hangseng   | ↓ |               | 18,016            | -1.52%            | 18,293            | 17,764              |
| DAX  | ↓ |               | 18,591            | -0.84%            | 18,748            | 18,591              |
| <b>JSE Sectors</b>                                 |   |               | <b>Last close</b> | <b>Change</b>     | <b>Prev close</b> | <b>Current Spot</b> |
| Financials   | ↑ |               | 19,484            | 1.33%             | 19,229            | 19,484              |
| Resources  | ↑ |               | 62,180            | 0.47%             | 61,887            | 62,180              |
| Industrials  | ↑ |               | 110,210           | 0.13%             | 110,072           | 110,210             |
| <b>Forex</b>                                       |   |               | <b>Last close</b> | <b>Change</b>     | <b>Prev close</b> | <b>Current Spot</b> |
| N\$/US dollar                                      | ↑ |               | 18.19             | 1.37%             | 17.95             | 18.24               |
| N\$/Pound  | ↑ |               | 23.59             | 1.16%             | 23.32             | 23.63               |
| N\$/Euro   | ↑ |               | 19.82             | 1.25%             | 19.57             | 19.85               |
| US dollar/ Euro                                    | ↓ |               | 1.089             | -0.11%            | 1.091             | 1.089               |
| <b>Interest Rates &amp; Inflation</b>              |   |               | <b>Namibia</b>    |                   | <b>RSA</b>        |                     |
| Central Bank Rate                                  | ⇒ | <b>Jun 24</b> | <b>May 24</b>     | <b>Jun 24</b>     | <b>May 24</b>     |                     |
| Prime Rate   | ⇒ | 7.75          | 7.75              | 8.25              | 8.25              |                     |
| Inflation  | ↓ | <b>Jun 24</b> | <b>May 24</b>     | <b>May 24</b>     | <b>Apr 24</b>     |                     |
|  |   | 4.6           | 4.9               | 5.2               | 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

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**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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