

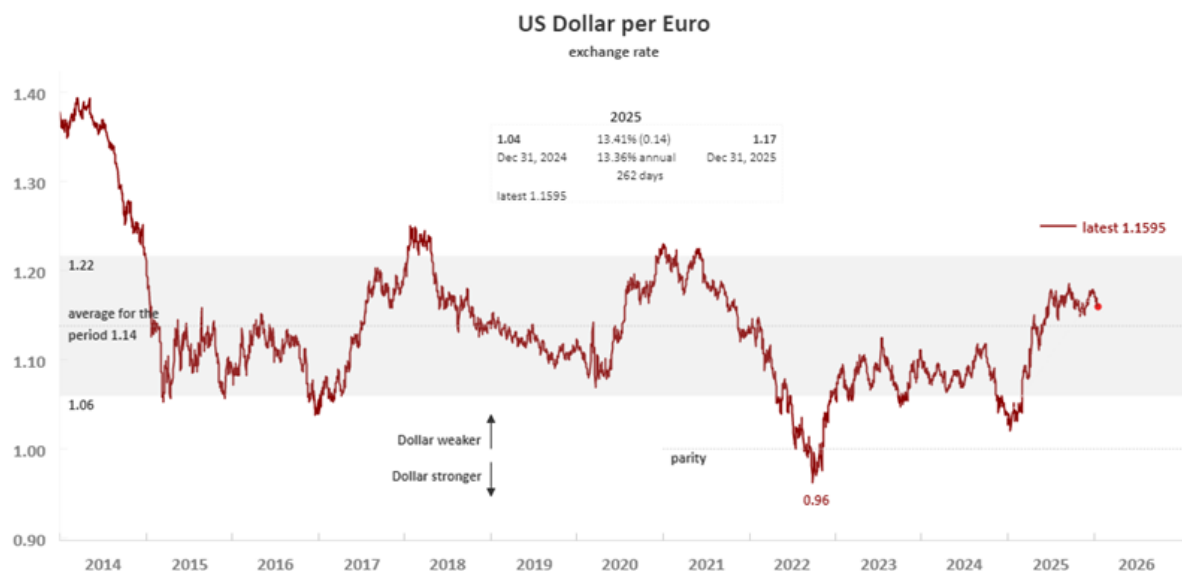
The Daily Brief



Capricorn Asset Management

Market Update

Monday, 19 January 2026



Global Markets

Stock markets slid in Asia on Monday after U.S. President Donald Trump threatened to slap extra tariffs on eight European nations until the U.S. is allowed to buy Greenland, pushing the dollar down against the safe-haven yen and Swiss franc. Gold and silver both jumped to all-time highs, while oil flatlined on concerns about what a possible trade war between the U.S. and Europe could mean for global growth and demand.

A holiday in U.S. equity and bond markets made for thin trading and probably contributed to a 0.8% drop in S&P 500 futures and a 1.1% fall in Nasdaq futures. For Europe, EUROSTOXX 50 futures and DAX futures both shed 1.1%, while FTSE futures lost 0.4%. Japan's Nikkei fell 0.8%, and MSCI's broadest index of Asia-Pacific shares outside Japan dipped 0.1%.

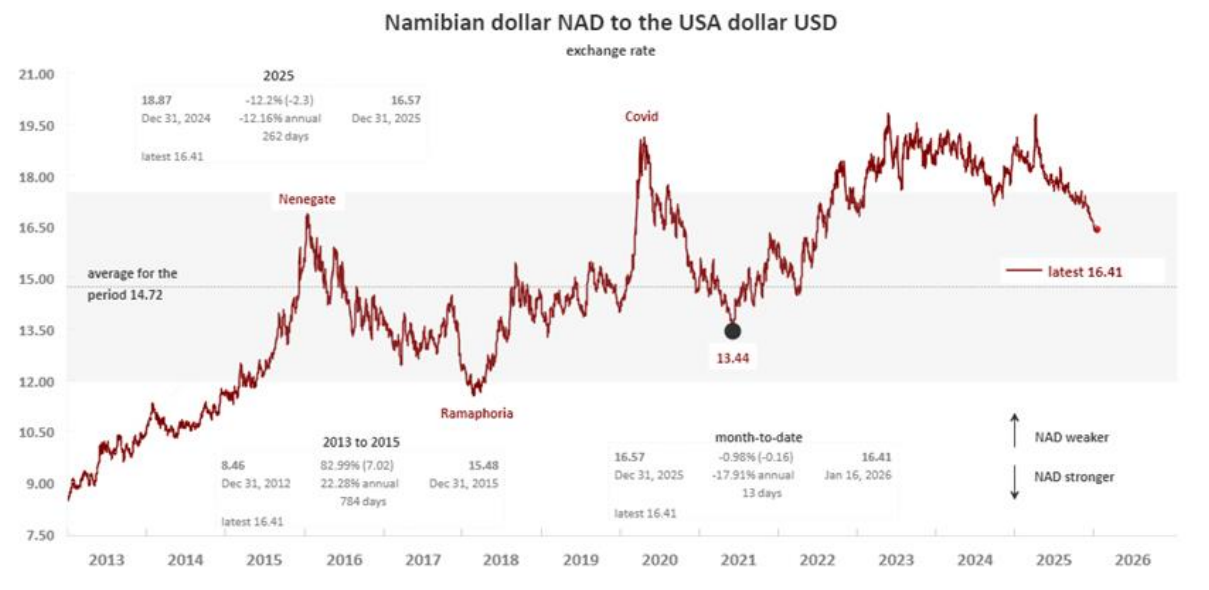
Trump said he would impose additional 10% import levies from February 1 on goods from Denmark, Norway, Sweden, France, Germany, the Netherlands, Finland and Britain, rising to 25% on June 1 if

no deal was reached. Major European Union states condemned the tariff threats over Greenland as blackmail, and France proposed responding with a range of previously untested economic countermeasures. The EU's options include a package of its own tariffs on 93 billion euros (\$108 billion) of U.S. imports that was suspended for six months in early August, and measures under an Anti-Coercion Instrument that could hit U.S. services trade or investments. Analysts at Deutsche Bank noted European countries owned \$8 trillion of U.S. bonds and equities, almost twice as much as the rest of the world combined and might consider bringing some of that money back home. "With the U.S. net international investment position at record negative extremes, the mutual interdependence of European-U.S. financial markets has never been higher," said George Saravelos, Deutsche's global head of FX research. "It is a weaponisation of capital rather than trade flows that would by far be the most disruptive to markets."

In currency markets, the euro recovered from an early dip to rise 0.3% to \$1.1628, while sterling clawed its way back up to \$1.3389. The dollar eased 0.4% against the Swiss franc to 0.7988 francs, and 0.2% against the yen to 157.80. The cash Treasury market was shut, but 30-year bond futures fell 9 ticks as investors hedged against the risk of future European selling.

Gold proved more of a safe harbour, rising 1.4% to \$4,660 an ounce, while silver climbed 3.3% to \$92.93. Oil prices were flat, amid lingering concerns about a potential U.S. strike on Iran as a U.S. Navy aircraft carrier group was expected to arrive in the Persian Gulf this week. Brent added 0.2% to \$64.29 a barrel, while U.S. crude rose 0.3% to \$59.65 per barrel.
(\$1 = 0.8611 euros)

Source: LSEG Thomson Reuters Refinitiv.



Domestic Markets

South Africa's rand traded weaker on Monday as risk appetite waned amid geopolitical tensions and as traders looked ahead to domestic inflation data due this week for clues on the central bank's rate-cutting path later this year. At 07:55 GMT, the rand traded at 16.4750 against the dollar, about 0.5% down from its previous close.

ETM Analytics said that risk appetite might be in shorter supply at the start of the week after President Donald Trump threatened a wave of increasing trade tariffs on key European allies till the U.S. is allowed to buy Greenland. "For the ZAR, this will leave the local unit on the defensive this morning. That sentiment may further compound in the trading sessions ahead, depending on the nature of negotiations and rhetoric between the U.S. and the EU over Greenland," ETM Analytics said in a research note. Like other risk-sensitive currencies, the rand often takes its cue from global drivers such as U.S. policy.

Domestically-focused traders will examine consumer inflation data on Wednesday, which has major relevance for monetary policy but also holds implications for South Africa's financial markets. "Consensus estimates have the inflation rate rising marginally to 3.6%, although the downside risk to this data is high. With the ZAR having performed well in recent months, the market has likely underestimated the ZAR's impact," ETM Analytics said.

On the Johannesburg Stock Exchange, the Top-40 index was down 0.2% in early trade. South Africa's benchmark 2035 government bond was also weaker in early deals, as the yield rose 9.5 basis points to 8.44%.

Some people want it to happen, some wish it would happen, others make it happen.

Michael Jordan

Market Overview

MARKET INDICATORS		19 January 2026			
Money Market TB's		Last Close	Change	Prev Close	Current Spot
3 months	↓	7.41	-0.006	7.41	7.41
6 months	↑	7.49	0.013	7.48	7.49
9 months	↓	7.51	-0.010	7.52	7.51
12 months	↓	7.48	-0.001	7.48	7.48
Nominal Bonds		Last Close	Change	Prev Close	Current Spot
GC26 (Coupon 8.50%, BMK: R186)	↑	4140.79	107.960	4032.83	4202.27
GC27 (Coupon 8.00%, BMK: R186)	↓	606.51	-34.194	640.70	611.52
GC28 (Coupon 8.00%, BMK: R186)	↓	168.08	-0.017	168.10	168.85
GC30 (Coupon 8.00%, BMK: R2030)	↓	122.69	-0.318	123.01	123.19
GC32 (Coupon 9.00%, BMK: R213)	↓	106.31	-0.370	106.68	106.83
GC35 (Coupon 9.50%, BMK: R209)	↑	97.15	0.686	96.46	97.59
GC37 (Coupon 9.50%, BMK: R2037)	↓	92.72	-0.568	93.28	93.13
GC40 (Coupon 9.80%, BMK: R214)	↓	90.22	-0.488924	90.71	90.63
GC43 (Coupon 10.00%, BMK: R2044)	↓	91.01	-0.697	91.70	91.38
GC45 (Coupon 9.85%, BMK: R2044)	↓	88.68	-0.861	89.54	89.05
GC48 (Coupon 9.85%, BMK: R2044)	↓	90.02	-0.558	90.58	90.42
GC50 (Coupon 10.25%, BMK: R2048)	↓	90.02	-0.558	90.58	90.42
Inflation-Linked Bonds		Last Close	Change	Prev Close	Current Spot
GI27 (Coupon 4.00%, BMK: NCPI)	↑	318.03	1.959	316.07	320.46
GI29 (Coupon 4.50%, BMK: NCPI)	↑	171.69	0.275	171.41	172.72
GI31 (Coupon 4.50%, BMK: NCPI)	↓	112.90	-0.064	112.96	113.67
GI33 (Coupon 4.50%, BMK: NCPI)	↑	87.89	0.037	87.85	88.51
GI36 (Coupon 4.80%, BMK: NCPI)	↓	81.39	-0.071	81.46	82.01
GI41 (Coupon 4.80%, BMK: NCPI)	↓	89.84	-0.143	89.98	90.56
Commodities		Last Close	Change	Prev Close	Current Spot
Gold	↓	4,596	-0.43%	4,616	4,665
Platinum	↓	2341	-2.97%	2413	2350
Brent Crude	↑	64.1	0.58%	63.76	63.79
Main Indices		Last Close	Change	Prev Close	Current Spot
NSX Local Index	↓	1320	-0.60%	1328	1320
JSE All Share	↓	119,649	-0.43%	120,170	119,649
S&P 500	↓	6,940	-0.06%	6,944	6,940
FTSE 100	↓	10,235	-0.04%	10,239	10,235
Hangseng	↓	26,559	-1.07%	26,845	26,559
DAX	↓	25,297	-0.22%	25,352	25,297
JSE Sectors		Last Close	Change	Prev Close	Current Spot
Financials	↑	25,187	0.32%	25,107	24,932
Resources	↓	136,869	-1.83%	139,422	137,613
Industrials	↓	138,602	-0.40%	139,159	137,375
Forex		Last Close	Change	Prev Close	Current Spot
N\$/US Dollar	↑	16.40	0.43%	16.33	16.48
N\$/Pound	↑	21.95	0.41%	21.86	22.06
N\$/Euro	↑	19.03	0.32%	18.97	19.15
US Dollar/ Euro	→	1.160	0.00%	1.16	1.16
		Namibia		RSA	
Interest Rates & Inflation		Dec-25	Nov-25	Dec-25	Nov-25
Central Bank Rate	→	6.50	6.50	6.75	6.75
Prime Rate	↓	10.00	10.13	10.25	10.25
		Dec-25	Nov-25	Nov-25	Oct-25
Inflation	↓	3.2	3.4	3.5	3.6

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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