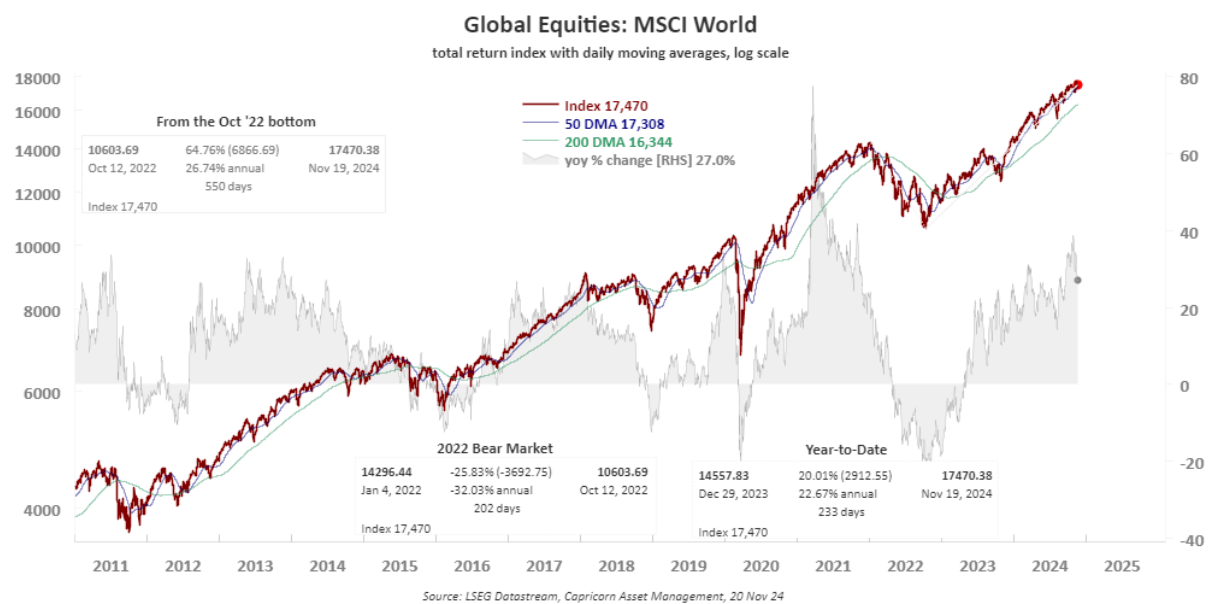




Market Update

Wednesday, 20 Nov 2024



Global Markets

Global stocks edged higher in choppy trading on Tuesday as markets awaited further appointments to the incoming White House administration, while oil prices eased as tensions rose between Russia and the United States over Ukraine. Investors are eyeing President-elect Donald Trump's pick for Treasury secretary, with the pool widening to include Apollo Global Management Chief Executive Marc Rowan and former Federal Reserve Governor Kevin Warsh.

Markets are positioning for potential tariffs and tax cuts from the incoming Trump administration that could lead to higher inflation and to fewer interest rate cuts by the Federal Reserve. The yield on benchmark U.S. 10-year notes fell 4.1 basis points to 4.373%. "I think it's all the unknown; we've had the big unknown, which is how the election was going to go, now that's known. But the next set of questions is what's going to happen with Congress and with the White House," said George Young, portfolio manager at Villere & Co in New Orleans. "You can have less regulation and with it the possibility of more mergers and acquisition. The only thing that's kind of a fly in the ointment is the bond market."

Benchmark S&P 500 and the Nasdaq were trading higher with gains in technology stocks outweighing losses in materials, energy and healthcare equities. Artificial intelligence chipmaker Nvidia is scheduled to report earnings on Wednesday.

The Dow Jones Industrial Average fell 0.40% to 43,217.01, the S&P 500 rose 0.03% to 5,895.43 and the Nasdaq Composite rose 0.38% to 18,863.40.

President Vladimir Putin on Tuesday lowered the threshold for a nuclear strike in response to a broader range of conventional attacks. He approved the change after two U.S. officials and a source familiar with the decision said that U.S. President Joe Biden's administration allowed Ukraine to use U.S.-made weapons to strike deep into Russia.

Europe's main stock index fell to a three-month low, as investors shifted from risky assets to safe havens amid heightened geopolitical tensions following Russia's warning on its updated nuclear doctrine. The pan-European STOXX 600 dropped to as low as 495.55, its lowest since early August. It was last down 0.7%. MSCI's gauge of stocks across the globe was up slightly 0.15% to 846.83. "The market's movement appears to be driven by this morning's news about changes to Russia's nuclear doctrine," said Michael Weidner, co-head of global fixed income at Lazard Asset Management.

Oil prices dipped, with Brent crude futures down 0.12% to \$73.20 a barrel, while U.S. West Texas Intermediate crude futures at \$69.08 a barrel, down 0.14%.

The Swiss franc rose around 0.20% against the euro, while the dollar index - which tracks the U.S. currency against six peers - was down 0.02% to 106.20. Gold was last up 0.43% at \$2,623.48 per ounce after hitting a one-week high.

Source: LSEG Thomson Reuters Refinitiv.



Domestic Markets

The South African rand fell on Tuesday as investors pulled out of riskier assets after President Vladimir Putin updated Russia's nuclear doctrine amid escalating tensions with the United States over Ukraine. At 1508 GMT, the rand traded at 18.0950 against the U.S. dollar, 0.85% weaker than its previous close. The currency had lost more than 1% against the greenback earlier in the day. Putin on Tuesday approved an updated nuclear doctrine, with the aim of making potential enemies understand the inevitability of retaliation for an attack on Russia or its allies, driving investors to safe-haven currencies like the dollar.

Traders also said that markets were confident of an interest rate cut by the South African Reserve Bank on Thursday, which could weaken the currency. South Africa-focussed investors will look to October inflation print on Wednesday and the central bank's monetary policy decision a day later. The bank is expected to reduce the repo rate by 25 basis points, according to a Reuters poll of economists, after a cut of the same magnitude at its September meeting.

On the Johannesburg Stock Exchange, the blue-chip Top-40 index closed 0.1% higher. South Africa's benchmark 2030 government bond was marginally stronger, with the yield down 1.3 basis points to 9.11%.

Source: LSEG Thomson Reuters Refinitiv.

We choose our joys and sorrows long before we experience them.

Khalil Gibran

Market Overview

| MARKET INDICATORS (LSEG Thomson Reuters Refinitiv) | | | | 20 November 2024 | |
|--|---|------------|------------|------------------|--------------|
| Money Market TB Rates % | | Last close | Difference | Prev close | Current Spot |
| 3 months | ↓ | 8.05 | -0.041 | 8.09 | 8.05 |
| 6 months | ↓ | 8.02 | -0.008 | 8.03 | 8.02 |
| 9 months | ↓ | 8.09 | -0.017 | 8.11 | 8.09 |
| 12 months | → | 8.08 | 0.000 | 8.08 | 8.08 |
| Nominal Bond Yields % | | Last close | Difference | Prev close | Current Spot |
| GC25 (Coupon 8.50%, BMK R186) | ↓ | 8.13 | -0.007 | 8.13 | 8.10 |
| GC26 (Coupon 8.50%, BMK R186) | ↓ | 8.26 | -0.007 | 8.27 | 8.23 |
| GC27 (Coupon 8.00%, BMK R186) | ↓ | 8.68 | -0.007 | 8.68 | 8.65 |
| GC28 (Coupon 8.50%, BMK R2030) | ↓ | 8.94 | -0.013 | 8.95 | 8.92 |
| GC30 (Coupon 8.00%, BMK R2030) | ↓ | 9.13 | -0.013 | 9.14 | 9.11 |
| GC32 (Coupon 9.00%, BMK R213) | ↓ | 9.93 | -0.003 | 9.94 | 9.91 |
| GC35 (Coupon 9.50%, BMK R209) | ↑ | 10.78 | 0.020 | 10.76 | 10.76 |
| GC37 (Coupon 9.50%, BMK R2037) | ↑ | 11.01 | 0.020 | 10.99 | 10.99 |
| GC40 (Coupon 9.80%, BMK R214) | ↓ | 11.39 | -0.008 | 11.40 | 11.38 |
| GC43 (Coupon 10.00%, BMK R2044) | → | 11.55 | 0.000 | 11.55 | 11.54 |
| GC45 (Coupon 9.85%, BMK R2044) | → | 11.57 | 0.000 | 11.57 | 11.56 |
| GC48 (Coupon 10.00%, BMK R2048) | ↓ | 11.47 | -0.005 | 11.48 | 11.46 |
| GC50 (Coupon 10.25%, BMK: R2048) | ↓ | 11.43 | -0.005 | 11.43 | 11.41 |
| 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 | 4.49 |
| 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 |
| Commodities | | Last close | Change | Prev close | Current Spot |
| Gold | ↑ | 2,632 | 0.75% | 2,612 | 2,636 |
| Platinum | ↑ | 974 | 0.69% | 967 | 971 |
| Brent Crude | ↑ | 73.3 | 0.01% | 73.3 | 73.2 |
| Main Indices | | Last close | Change | Prev close | Current Spot |
| NSX Overall Index | ↑ | 1,814 | 0.31% | 1,808 | 1,814 |
| JSE All Share | ↑ | 84,527 | 0.12% | 84,425 | 84,527 |
| SP500 | ↑ | 5,917 | 0.40% | 5,894 | 5,917 |
| FTSE 100 | ↓ | 8,099 | -0.13% | 8,109 | 8,099 |
| Hangseng | ↑ | 19,664 | 0.44% | 19,577 | 19,640 |
| DAX | ↓ | 19,060 | -0.67% | 19,189 | 19,060 |
| JSE Sectors | | Last close | Change | Prev close | Current Spot |
| Financials | ↑ | 21,009 | 0.16% | 20,976 | 21,009 |
| Resources | ↑ | 56,116 | 1.54% | 55,264 | 56,116 |
| Industrials | ↓ | 115,372 | -0.45% | 115,890 | 115,372 |
| Forex | | Last close | Change | Prev close | Current Spot |
| N\$/US dollar | ↑ | 18.05 | 0.61% | 17.94 | 18.08 |
| N\$/Pound | ↑ | 22.89 | 0.64% | 22.74 | 22.93 |
| N\$/Euro | ↑ | 19.12 | 0.58% | 19.01 | 19.14 |
| US dollar/ Euro | ↓ | 1.060 | -0.04% | 1.060 | 1.059 |
| | | Namibia | | RSA | |
| Interest Rates & Inflation | | Oct 24 | Sep 24 | Oct 24 | Sep 24 |
| Central Bank Rate | ↓ | 7.25 | 7.50 | 8.00 | 8.00 |
| Prime Rate | ↓ | 11.00 | 11.25 | 11.50 | 11.50 |
| | | Oct 24 | Sep 24 | Sep 24 | Aug 24 |
| Inflation | ↓ | 3.0 | 3.4 | 3.8 | 4.4 |

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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