



Market Update

Friday, 21 February 2025

Global Markets

Asian shares rose on Friday, reversing Wall Street's negative lead as the U.S. exceptionalism narrative continued to lose its shine, while once unloved Chinese stocks found themselves more buyers thanks to optimism over artificial intelligence (AI). Gold hovered near a record high and was set to extend its gains for an eighth consecutive week, helped by safe-haven flows due to concerns over Donald Trump's tariff threats and amid contentious talks as the U.S. President pushes for a quick deal to end the Russia-Ukraine war.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.8% in the early Asian session, boosted by a jump in Hong Kong-listed stocks. Hong Kong's Hang Seng Index advanced 1.8% shortly after the open, while tech shares surged 2.5%. Similarly, China's CSI300 blue-chip index gained 0.2%, with the CSI big data index rising 2%. Chinese stocks have been on a tear in recent days, driven by DeepSeek's AI breakthrough that reignited investor interest in China's technology capabilities.

While the Hang Seng Tech Index has gained 26% for the year thus far, the S&P 500 is up just 4% over the same period. "DeepSeek has been a catalyst for sentiment changing," said Brian Arcese, portfolio manager at Foord Asset Management. Earlier this week, Chinese President Xi Jinping held a rare meeting with some of the biggest names in China's technology sector, urging them to "show their talent" and be confident in the power of China's model and market. "I think that is a shift in China. These things are done for a reason, nothing's really coming out of the meeting other than the fact that we're showing that we've met but that is a big signal, you don't do that lightly," said Arcese.

Elsewhere, Nasdaq futures ticked 0.02% higher while S&P 500 futures fell 0.03%, both struggling to recoup Wall Street's losses from the previous session. Thursday's downbeat forecast from Walmart, the world's largest retailer, dampened investor sentiment and stoked concerns about the outlook for the world's largest economy. "The Walmart report, it's such a bellwether for the U.S. economy, and usually probably in isolation you could look through it but following the weak retail sales data, suddenly there's some concerns out there," said Tony Sycamore, a market analyst at IG.

EUROSTOXX 50 futures were down 0.05%, while FTSE futures lost 0.08%. Japan's Nikkei edged up 0.05%, with its gains capped by a stronger yen. U.S. Treasury yields steadied on Friday, after falling in the previous session following comments from Treasury Secretary Scott Bessent who said any move to increase the share of longer-term Treasuries in government debt issuance is some way off. The two-year yield was last little changed at 4.2635%, while the benchmark 10-year yield stood at 4.4975%.

In currencies, the dollar was headed for a third straight weekly loss, as bulls who had built up big, long positions in anticipation of a trade war have backed off while Trump equivocates about tariffs. The weaker dollar left sterling at a two-month high of \$1.2674, while the euro steadied at \$1.0490 ahead of a weekend election in Germany. The yen, meanwhile, fell more than 0.4% to 150.28 per dollar, after having jumped on Thursday on heightened bets of further Bank of Japan (BOJ) rate hikes this year. Data on Friday showed Japan's core consumer inflation hit 3.2% in January, its fastest pace in 19 months.

Gold prices showed no signs of slowing, though. They rose to a fresh record high of \$2,956.69 an ounce. The precious metal is now up 12% in 2025 after rising 27% last year, its best performance in over a decade. U.S. gold futures settled 0.7% higher at \$2,956.10.

In the oil markets, Brent futures settled up 0.58% at \$76.48 a barrel while U.S. West Texas Intermediate crude futures (WTI) for March delivery rose 0.44% to \$72.57, underpinned by worries over supply disruptions in Russia.

Source: LSEG Thomson Reuters Refinitiv.

Domestic Markets

South Africa's rand strengthened against a weaker dollar on Thursday, as investors digested U.S. data and President Donald Trump's tariff plans. At 1509 GMT, the rand traded at 18.3975 against the dollar, about 0.7% firmer than its previous close. The dollar index was last trading down about 0.4% against a basket of currencies after data showed U.S. weekly jobless claims rose slightly.

Trump said on Wednesday that he would announce fresh tariffs over the next month or sooner, adding lumber and forest products to previously announced plans. The local currency slipped on Wednesday after a last-minute postponement of the national budget due to disagreements within the country's coalition government over a proposal to hike value-added tax (VAT).

President Cyril Ramaphosa said the cabinet would work together to deliver a new budget, which is now scheduled for March 12. Foreign ministers from the G20 top economies met in South Africa on Thursday, amid tensions between members over the Ukraine war, trade disputes and with the top U.S. diplomat staying away owing to a feud with the hosts. G20 finance ministers and central bank governors are due to meet next week in Cape Town.

On the stock market, the Top-40 index closed about 0.7% higher. South Africa's benchmark 2030 government bond was slightly weaker, with the yield up 1.5 basis points to 9.195%.

Source: LSEG Thomson Reuters Refinitiv.

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Mike Murdock

Market Overview

MARKET INDICATORS (Bloomberg)		21 February 2025			
Money Market TB's		Last Close	Change	Prev Close	Current Spot
3 months	↓	7.55	-0.100	7.65	7.55
6 months	↓	7.70	-0.066	7.77	7.70
9 months	↓	7.75	-0.048	7.80	7.75
12 months	↓	7.78	-0.022	7.80	7.78
Nominal Bonds		Last Close	Change	Prev Close	Current Spot
GC25 (Coupon 8.50%, BMK: R186)	↓	7.51	-0.002	7.51	7.49
GC26 (Coupon 8.50%, BMK: R186)	↑	8.50	0.002	8.50	8.50
GC27 (Coupon 8.00%, BMK: R186)	↓	8.76	-0.049	8.81	8.77
GC30 (Coupon 8.00%, BMK: R2030)	↑	9.13	0.006	9.12	9.13
GC32 (Coupon 9.00%, BMK: R213)	↑	10.09	0.028	10.06	10.09
GC35 (Coupon 9.50%, BMK: R209)	↑	11.08	0.034	11.05	11.08
GC37 (Coupon 9.50%, BMK: R2037)	↑	11.29	0.026	11.26	11.29
GC40 (Coupon 9.80%, BMK: R214)	↑	11.61	0.036	11.57	11.61
GC43 (Coupon 10.00%, BMK: R2044)	↑	11.54	0.029	11.51	11.54
GC45 (Coupon 9.85%, BMK: R2044)	↓	11.74	-0.080	11.82	11.74
GC50 (Coupon 10.25%, BMK: R2048)	↑	11.66	0.006	11.66	11.66
Inflation-Linked Bonds		Last Close	Change	Prev Close	Current Spot
GI25 (Coupon 3.80%, BMK: NCPI)	↓	3.35	-0.002	3.35	3.34
GI27 (Coupon 4.00%, BMK: NCPI)	↑	4.39	0.004	4.39	4.39
GI29 (Coupon 4.50%, BMK: NCPI)	↑	4.80	0.008	4.79	4.80
GI33 (Coupon 4.50%, BMK: NCPI)	↑	5.30	0.021	5.28	5.30
GI36 (Coupon 4.80%, BMK: NCPI)	↓	5.66	-0.011	5.68	5.67
Commodities		Last Close	Change	Prev Close	Current Spot
Gold	↑	2,939	0.19%	2,933	2,930
Platinum	↑	981	0.53%	976	973
Brent Crude	↑	76.5	0.58%	76.04	76.27
Main Indices		Last Close	Change	Prev Close	Current Spot
NSX Local Index	↑	1034	0.88%	1025	1034
JSE All Share	↑	88,873	0.60%	88,342	88,873
S&P 500	↓	6,118	-0.42%	6,144	6,118
FTSE 100	↓	8,663	-0.57%	8,713	8,663
Hangseng	↑	23,336	3.36%	22,577	23,336
DAX	↓	22,315	-0.53%	22,434	22,315
JSE Sectors		Last Close	Change	Prev Close	Current Spot
Financials	→	20,361	0.00%	20,361	20,308
Resources	→	61,230	0.00%	61,230	63,352
Industrials	→	127,314	0.00%	127,314	127,502
Forex		Last Close	Change	Prev Close	Current Spot
N\$/US Dollar	↓	18.35	-0.92%	18.52	18.37
N\$/Pound	↓	23.23	-0.39%	23.32	23.27
N\$/Euro	↓	19.25	-0.31%	19.31	19.27
US Dollar/ Euro	↑	1.050	0.96%	1.04	1.05
Interest Rates & Inflation		Namibia		RSA	
		Jan-25	Dec-24	Jan-25	Dec-24
Central Bank Rate	↓	6.75	7.00	7.50	7.75
Prime Rate	↓	10.50	10.75	11.00	11.25
		Jan-25	Dec-24	Dec-24	Nov-24
Inflation	↓	3.2	3.4	3.0	2.9

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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