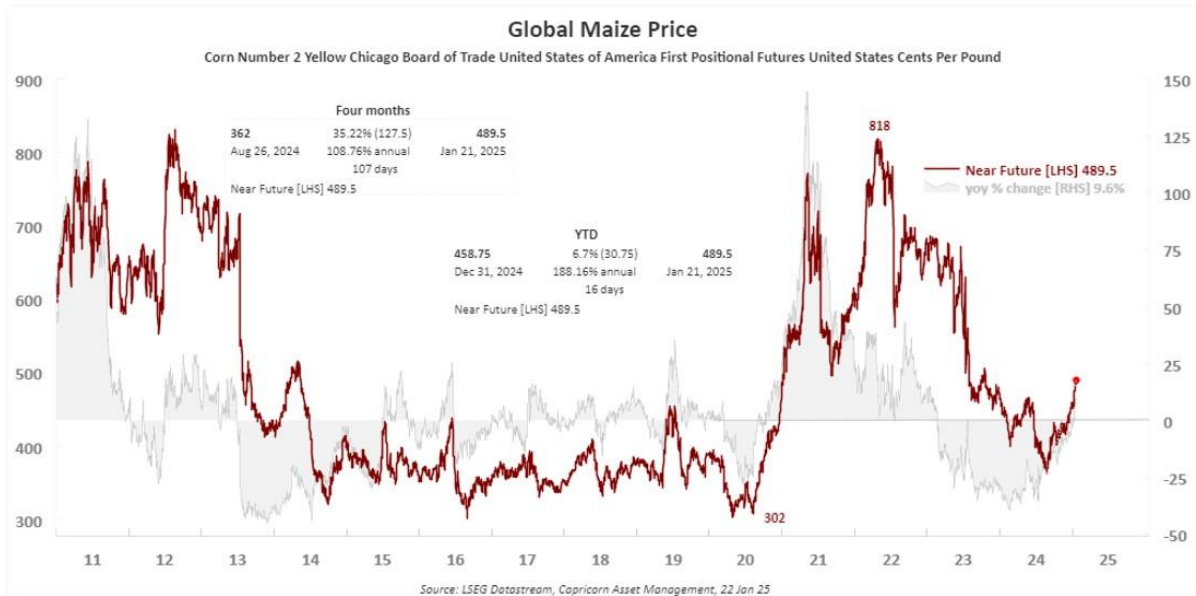




Market Update

Wednesday, 22 January 2025



Global Markets

World stocks rose on Tuesday and the dollar gained after plunging the previous day as Donald Trump's return to the White House brought mixed messaging on tariffs and highlighted markets' twitching about trade policy. Still, some investors were relieved that Trump did not announce a more comprehensive sweep of tariffs at the start of his second presidency, and that supported a pull-back in the 10-year Treasury bond yield. "Markets are still absorbing the flurry of executive orders released by Trump, but there is still a sense of relief in general," analysts at TD Securities said in a note.

The Canadian dollar and Mexican peso bore the brunt of the market swings after Trump said he was mulling imposing 25% tariffs on the neighboring countries as soon as Feb,1. A jump in the dollar had sent the Mexican peso sliding well over 1% earlier, while the Canadian dollar tumbled to a five-year low of \$0.689, although the selloff later moderated somewhat.

European shares were muted after Asia eked out small gains overnight, with investors and governments comforted by the fact that the European Union and China have dodged tariffs for now. Many investors and foreign capitals had expected tariffs to be among a raft of executive orders

Trump signed in his first day in office. Jan Von Gerich, chief strategist at lender Nordea, said investors should not assume that U.S. tariffs have been averted for good. "We shouldn't get too carried away by this, the fact that he didn't start with tariffs doesn't mean that they won't come later," he said. "For the global equity market, I think it's all about Trump now."

The MSCI index for world stocks climbed 0.7%, and U.S. shares were mostly higher. The S&P 500 index added 0.9%, the Nasdaq rose 0.6%, and the Dow Jones jumped 1.2%. Europe's continent-wide STOXX 600 index was 0.4% higher while MSCI's Asia ex-Japan stock index added 0.3%.

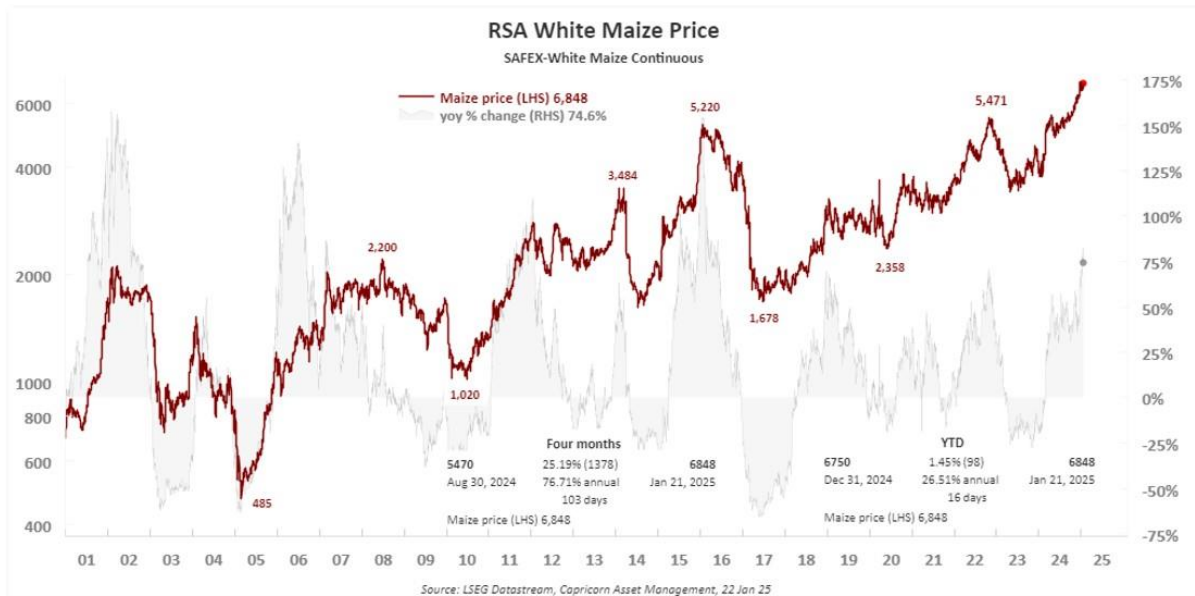
The dollar index, which measures the currency against six peers, was flat at 108.01. It had earlier risen to 108.79, although it failed to make back the 1.2% it lost on Monday in its biggest daily fall since November 2023. The euro ended the session flat at \$1.04200, after jumping 1.42% a day earlier. The dollar has risen about 5% since Trump won the Nov. 5 election, partly as investors have braced for wide-ranging levies that would likely hurt America's trading partners. As such, a more measured announcement from Trump on Monday with regard to tariffs knocked the U.S. dollar overnight.

The U.S. 10-year Treasury yield was down 4.7 basis points on Tuesday at 4.558%. They were nonetheless still up around a percentage point since the Federal Reserve started cutting rates in mid-September, reflecting a strong economy and dwindling prospects for large Fed reductions this year. China's CSI 300 index was unchanged while Japan's Nikkei 225 climbed 0.32%.

Chinese stocks were steady as Trump largely of definitive threats against the country's exports, although he warned he could impose tariffs if Beijing failed to approve a U.S. deal to be a half-owner of short-video app TikTok's U.S. business. "It's part of a transactional methodology," said Timothy Graf, head of macro strategy for EMEA at State Street. "It's better news than just slapping 60% or 100% tariffs on something, but something is going to be coming, I would think."

Oil prices fell on Tuesday as investors assessed Trump's plans to boost U.S. energy production, as well as the delay on tariffs. Brent crude was down 0.8% at \$79.50 a barrel, while U.S. crude was 2.3% lower at \$75.90 a barrel.

Source: LSEG Thomson Reuters Refinitiv.



Domestic Markets

South Africa's rand retreated against a buoyant dollar on Tuesday after U.S. President Donald Trump announced a flurry of policy changes following his Monday inauguration. At 1532 GMT, the rand traded at 18.5325 against the U.S. dollar, about 0.1% weaker than its previous close. The rand had gained about 1% on Monday ahead of Trump's swearing in. Like other risk-sensitive currencies, the rand often takes direction from global drivers like U.S. fiscal policy in addition to local factors. The dollar last traded about 0.2% stronger against a basket of currencies. "I think we need to wait until Trump's government is fully installed before decisions come on tariffs," said Adam Phillips, treasury specialist at Umkhulu Treasury.

Domestically, South Africa's mining output fell 0.9% year on year in November compared to a revised increase of 1.1% in October, Statistics South Africa data showed on Tuesday. Focus on Wednesday will be on South Africa's December inflation data, with economists polled by Reuters forecasting an annual rate of 3.2%.

On the Johannesburg Stock Exchange, the blue-chip Top-40 index closed about 0.2% higher. South Africa's benchmark 2030 government bond was stronger, with the yield down 7.5 basis points to 9.095%.

Source: LSEG Thomson Reuters Refinitiv.

Quality is never an accident. It is always the result of intelligent effort.

John Ruskin

Market Overview

MARKET INDICATORS (LSEG Thomson Reuters Refinitiv)				22 January 2025	
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	➔	7.92	0.000	7.92	7.92
6 months	➔	7.95	0.000	7.95	7.95
9 months	➔	7.97	0.000	7.97	7.97
12 months	➔	7.96	0.000	7.96	7.96
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC25 (Coupon 8.50%, BMK R186)	⬇	8.13	-0.040	8.17	8.10
GC26 (Coupon 8.50%, BMK R186)	⬇	8.52	-0.040	8.56	8.50
GC27 (Coupon 8.00%, BMK R186)	⬇	8.95	-0.040	8.99	8.93
GC28 (Coupon 8.50%, BMK R2030)	⬇	9.18	-0.060	9.24	9.15
GC30 (Coupon 8.00%, BMK R2030)	⬇	9.09	-0.060	9.15	9.06
GC32 (Coupon 9.00%, BMK R213)	⬇	9.97	-0.065	10.04	9.94
GC35 (Coupon 9.50%, BMK R209)	⬇	10.83	-0.055	10.89	10.80
GC37 (Coupon 9.50%, BMK R2037)	⬇	11.22	-0.060	11.28	11.19
GC40 (Coupon 9.80%, BMK R214)	⬇	11.42	-0.050	11.47	11.37
GC43 (Coupon 10.00%, BMK R2044)	⬇	11.33	-0.065	11.39	11.30
GC45 (Coupon 9.85%, BMK R2044)	⬇	11.31	-0.065	11.37	11.28
GC48 (Coupon 10.00%, BMK R2048)	⬇	11.37	-0.065	11.44	11.35
GC50 (Coupon 10.25%, BMK: R2048)	⬇	11.54	-0.065	11.61	11.52
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI25 (Coupon 3.80%, BMK NCPI)	➔	3.10	0.000	3.10	4.00
GI27 (Coupon 4.00%, BMK NCPI)	➔	4.60	0.000	4.60	4.59
GI29 (Coupon 4.50%, BMK NCPI)	➔	4.97	0.000	4.97	4.73
GI33 (Coupon 4.50%, BMK NCPI)	➔	5.62	0.000	5.62	5.28
GI36 (Coupon 4.80%, BMK NCPI)	➔	6.07	0.000	6.07	5.62
Commodities		Last close	Change	Prev close	Current Spot
Gold	⬆	2,641	0.21%	2,636	2,662
Platinum	⬆	931	0.44%	927	941
Brent Crude	⬆	73.3	0.62%	72.8	73.3
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	⬆	1,846	0.15%	1,844	1,846
JSE All Share	⬇	84,787	-0.37%	85,102	84,787
SP500	➔	5,999	0.00%	5,999	5,999
FTSE 100	⬆	8,281	0.08%	8,275	8,281
Hangseng	⬇	19,367	-1.20%	19,603	19,382
DAX	⬆	19,426	0.85%	19,262	19,426
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	⬆	21,095	0.15%	21,064	21,095
Resources	⬇	55,026	-1.78%	56,025	55,026
Industrials	⬇	116,475	-0.31%	116,841	116,475
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	⬇	18.11	-0.40%	18.19	18.04
N\$/Pound	⬇	22.98	-0.33%	23.06	22.96
N\$/Euro	⬇	19.11	-0.51%	19.21	19.09
US dollar/ Euro	⬇	1.055	-0.10%	1.056	1.058
Interest Rates & Inflation		Namibia		RSA	
		Dec 24	Nov 24	Dec 24	Nov 24
Central Bank Rate	⬇	7.00	7.25	7.75	7.75
Prime Rate	⬇	10.75	11.00	11.25	11.25
		Dec 24	Nov 24	Nov 24	Oct 24
Inflation	⬆	3.4	3.0	2.9	2.8

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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