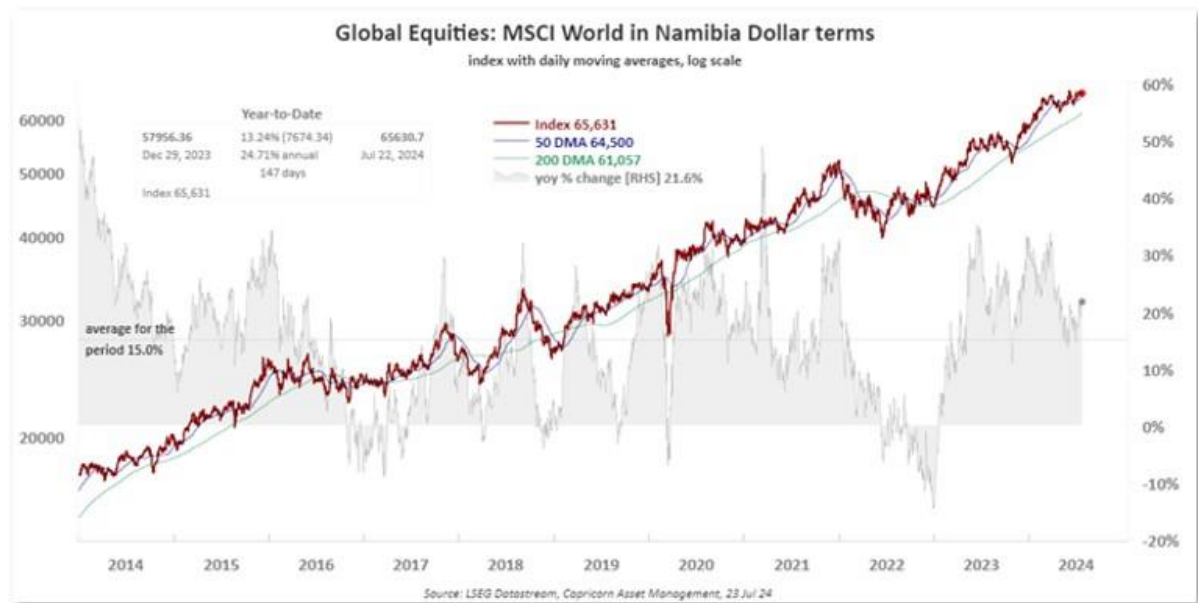




Market Update

Tuesday, 23 July 2024



Global Markets

An index of global shares steadied on Monday as investors weighed President Joe Biden's decision to end his re-election bid over the weekend, while a surprise rate cut by China's central bank failed to boost Asian markets. Biden announced on Sunday he would drop out of the U.S. presidential election race and endorsed Vice President Kamala Harris for the Democratic ticket to challenge former President Donald Trump, who is the Republican nominee. Markets took the news in stride, with MSCI's gauge of stocks across the globe up 0.75% at 816.92. The index fell 2.1% last week in its worst weekly performance since April. "I think largely the Biden bailing out was priced in; we just needed definitiveness on that," said Lou Basenese, president and chief market strategist at MDB Capital in New York. "Now you're seeing the Trump trades, more risk taking, and small caps, going long oil and gas, and bitcoin really returning to the market," he added.

The dollar was slightly higher against a basket of currencies, capturing some safe-haven flows, while bitcoin - which has tended to be a beneficiary of any growing chances of a return of Trump to the White House - steadied after having fallen on Sunday following Biden's announcement. The dollar index gained 0.1% to 104.32, with the euro up 0.07% at \$1.0885. Bitcoin, which hit six-week highs last week in its strongest weekly rally since February, traded on a more even keel on Monday, up 1.76% at \$68,158.

On Wall Street, all three major indexes finished higher, led by gains in technology and communication services stocks. Nvidia ended up nearly 5%, buoyed by news it is working on a new AI chip for the Chinese market. The Dow Jones Industrial Average rose 0.32% to 40,415.44, the S&P 500 gained 1.08% to 5,564.41 and the Nasdaq Composite gained 1.58% to 18,007.57. Investors will be eyeing a packed week of corporate earnings. Tesla and Google parent Alphabet kick off the season for the "Magnificent Seven" megacap group of stocks.

U.S. Treasuries were little changed as markets assessed the uncertainty surrounding the race for the White House, with yields on benchmark U.S. 10-year notes adding 1.7 basis points to 4.256%. Markets are fully pricing in the prospect of a rate cut by the Federal Reserve in September, which has helped underpin risk appetite. "The withdrawal of President Biden from the race, I don't think is going to have any impact on the market because whether it's Kamala Harris or somebody else, the policies are going to be the same," said David Spika, chief markets strategist at Turtle Creek Wealth Advisors in Dallas. "The market's growing today because big tech is back. We saw a couple of weeks in a row where there was a rotation out of the big tech names into small caps and values and cyclicals, which actually was very healthy," he added.

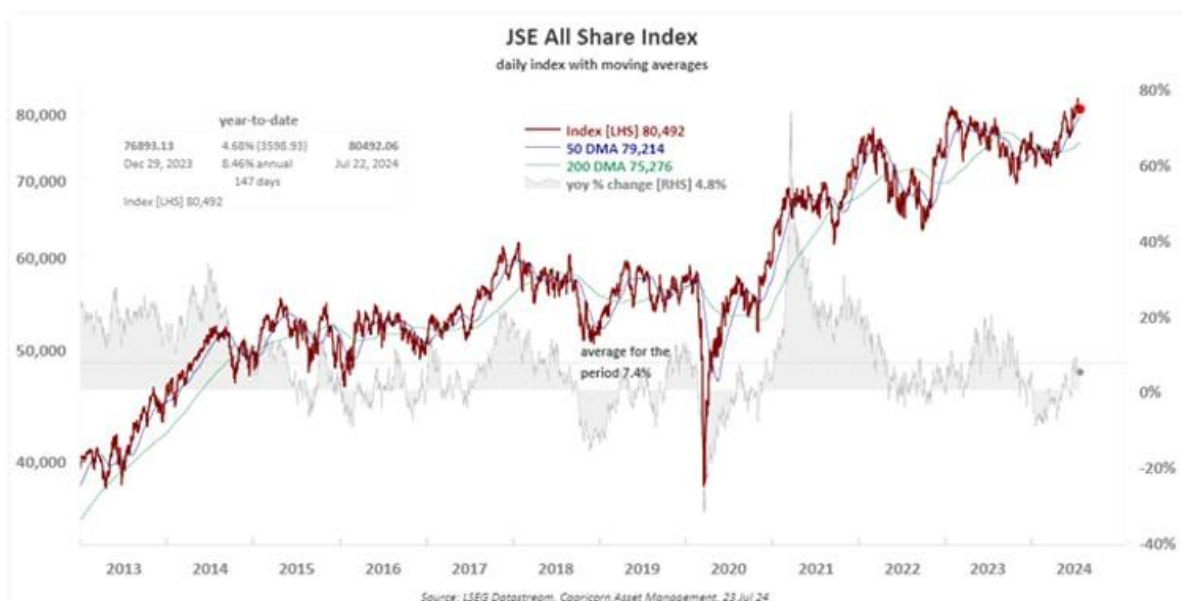
Europe's biggest banks also report this week, with eyes on whether the gains from higher interest rates have run out of steam and if recent political drama is weighing on sentiment. The STOXX 600 finished up 0.93%.

The People's Bank of China cut short-term rates by 10 basis points, which pulled down long-term borrowing costs and bond yields. The move follows Beijing's release of a policy document on Sunday outlining its ambitions for the economy. MSCI's broadest index of Asia-Pacific shares outside Japan lost 0.61%.

Oil prices fell for a second consecutive session amid rising stockpiles and signs of weak demand. Brent crude futures fell 0.3% to settle at \$82.40 per barrel, the lowest since June 11. U.S. West Texas Intermediate crude futures for August delivery expired on Monday after falling 35 cents to \$79.78 a barrel, also a one-month low.

Gold prices fell to more than a one-week low. Spot gold lost 0.07% to \$2,398.32 an ounce. U.S. gold futures gained 0.28% to \$2,402.10 an ounce.

Source: LSEG Thomson Reuters Refinitiv.



Domestic Markets

The South African rand was stable on Monday as investors awaited inflation data later this week for hints on the country's future interest rate path. At 1502 GMT, the rand traded at 18.2975 against the dollar, not far from its previous close of 18.2925. South Africa's inflation figures for June are due on Wednesday and may give clues on the interest rate outlook in Africa's most industrialised economy.

On Sunday, U.S. President Joe Biden ended his re-election bid and endorsed Vice President Kamala Harris to replace him as the Democratic candidate in the November election against Republican Donald Trump. "Harris's emergence as the likely Democratic candidate could introduce uncertainty, affecting market sentiment," said Andre Cilliers, currency strategist at TreasuryONE. The risk-sensitive rand often takes its cues from global drivers such as U.S. political developments in addition to domestic factors.

On the Johannesburg Stock Exchange, the blue-chip Top-40 index closed 0.75% higher. Tech bounced back from Friday losses whilst industrials, healthcare and retailers outperformed. Sasol Ltd ended +6.6% after a trading update met expectations across business units, with optimism around future revenues and volumes driving gains.

South Africa's benchmark 2030 government bond was stronger, with the yield falling 8 basis points to 9.57%.

Source: LSEG Thomson Reuters Refinitiv.

Education is an admirable thing, but it is well to remember from time to time that nothing that is worth knowing can be taught.

Oscar Wilde

Market Overview

MARKET INDICATORS (LSEG Thomson Reuters Refinitiv)					23 July 2024	
Money Market TB Rates %			Last close	Difference	Prev close	Current Spot
3 months	⇒		8.47	0.000	8.47	8.47
6 months	↑		8.67	0.017	8.66	8.67
9 months	↓		8.69	-0.009	8.70	8.69
12 months	↑		8.66	0.017	8.65	8.66
Nominal Bond Yields %			Last close	Difference	Prev close	Current Spot
GC24 (Coupon 10.50%, BMK R186)	↓		9.10	-0.070	9.17	9.10
GC25 (Coupon 8.50%, BMK R186)	↓		9.00	-0.070	9.07	9.00
GC26 (Coupon 8.50%, BMK R186)	↓		8.33	-0.070	8.40	8.33
GC27 (Coupon 8.00%, BMK R186)	↓		8.61	-0.070	8.68	8.61
GC28 (Coupon 8.50%, BMK R2030)	↓		8.91	-0.080	8.99	8.90
GC30 (Coupon 8.00%, BMK R2030)	↓		9.12	-0.080	9.20	9.11
GC32 (Coupon 9.00%, BMK R213)	↓		9.52	-0.065	9.58	9.51
GC35 (Coupon 9.50%, BMK R209)	↓		10.18	-0.080	10.26	10.17
GC37 (Coupon 9.50%, BMK R2037)	↓		10.96	-0.080	11.04	10.95
GC40 (Coupon 9.80%, BMK R214)	↓		11.46	-0.075	11.54	11.46
GC43 (Coupon 10.00%, BMK R2044)	↓		11.62	-0.095	11.72	11.62
GC45 (Coupon 9.85%, BMK R2044)	↓		11.98	-0.095	12.08	11.98
GC48 (Coupon 10.00%, BMK R2048)	↓		11.99	-0.090	12.08	11.99
GC50 (Coupon 10.25%, BMK: R2048)	↓		12.06	-0.090	12.15	12.06
Inflation-Linked Bond Yields %			Last close	Difference	Prev close	Current Spot
GI25 (Coupon 3.80%, BMK NCPI)	⇒		3.10	0.000	3.10	3.50
GI27 (Coupon 4.00%, BMK NCPI)	⇒		4.60	0.000	4.60	4.61
GI29 (Coupon 4.50%, BMK NCPI)	⇒		4.97	0.000	4.97	4.88
GI33 (Coupon 4.50%, BMK NCPI)	⇒		5.62	0.000	5.62	5.52
GI36 (Coupon 4.80%, BMK NCPI)	⇒		6.07	0.000	6.07	5.95
Commodities			Last close	Change	Prev close	Current Spot
Gold	↓		2,398	-0.13%	2,401	2,397
Platinum	↓		947	-1.58%	963	948
Brent Crude	↓		82.4	-0.28%	82.6	82.4
Main Indices			Last close	Change	Prev close	Current Spot
NSX Overall Index	↑		1,759	0.09%	1,758	1,759
JSE All Share	↑		80,492	0.71%	79,923	80,492
SP500	↑		5,564	1.08%	5,505	5,564
FTSE 100	↑		8,199	0.53%	8,156	8,199
Hangseng	↑		17,636	1.25%	17,418	17,620
DAX	↑		18,407	1.29%	18,172	18,407
JSE Sectors			Last close	Change	Prev close	Current Spot
Financials	↑		19,087	0.70%	18,955	19,087
Resources	↓		60,007	-1.09%	60,666	60,007
Industrials	↑		108,490	1.67%	106,710	108,490
Forex			Last close	Change	Prev close	Current Spot
N\$/US dollar	↓		18.24	-0.17%	18.27	18.24
N\$/Pound	↓		23.59	-0.07%	23.61	23.59
N\$/Euro	↓		19.87	-0.05%	19.88	19.87
US dollar/ Euro	↑		1.089	0.11%	1.088	1.089
			Namibia		RSA	
Interest Rates & Inflation			Jun 24	May 24	Jun 24	May 24
Central Bank Rate	⇒		7.75	7.75	8.25	8.25
Prime Rate	⇒		11.50	11.50	11.75	11.75
			Jun 24	May 24	May 24	Apr 24
Inflation	↓		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

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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