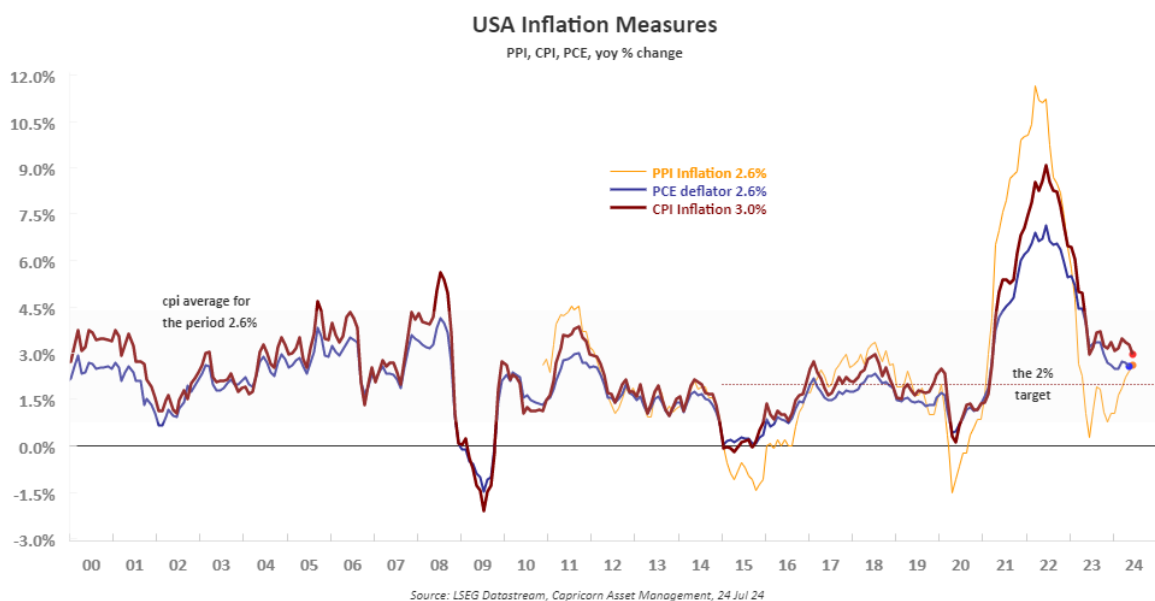




Market Update

Wednesday, 24 July 2024



Global Markets

Global stocks edged lower after paring early gains while U.S. bond yields dropped on Tuesday as markets awaited economic data and a plethora of corporate earnings, moving past U.S. President Joe Biden's decision to end his re-election bid. U.S. Vice President Kamala Harris will campaign in the battleground state of Wisconsin on Tuesday after securing support from a majority of delegates to the Democratic National Convention, making her the party's presumptive nominee.

Alphabet reported better-than-expected results after the closing bell, while Tesla saw its profit sink 45% on waning electric vehicle demand. Their results kicked off quarterly earnings season for the so-called Magnificent Seven technology megacaps that have driven recent market gains. The U.S. core personal consumption expenditures index, the Federal Reserve's preferred inflation measure, will be released on Friday. The yield on benchmark U.S. 10-year notes fell 0.9 basis points to 4.251%. "The market is in the show-me-the-money stage where it's about the earnings being delivered," said Wasif Latif, chief investment officer at Sarmaya Partners.

MSCI's gauge of stocks across the globe fell 0.06% to 816.37. On Wall Street, all three major indexes pared early sessions gains and finished lower, dragged down by energy and utilities stocks. The pan-European STOXX 600 index gained 0.13%, helped by a technology-related rally. Overnight in Asia, MSCI's broadest index of Asia-Pacific shares outside Japan closed 0.30% higher at 566.92. "We've had a strong run-up so far this year and a lot of the good news up until now is baked in, whether it's

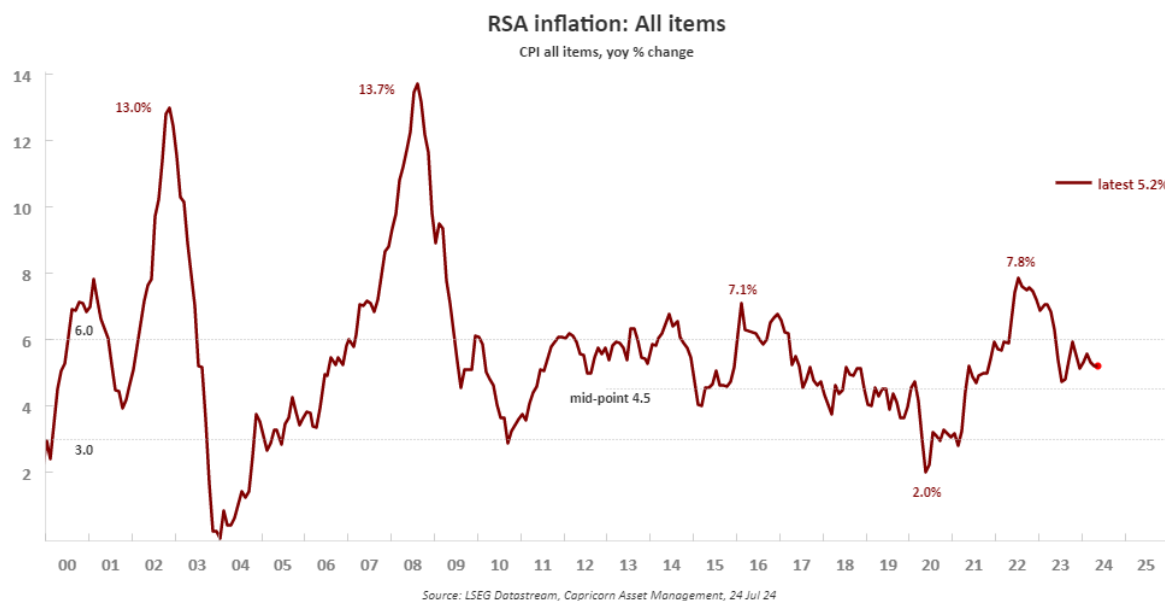
earnings related or rate-cut related," Latif added. The Dow Jones Industrial Average fell 0.14% to 40,358.09, the S&P 500 lost 0.16% to 5,555.74 and the Nasdaq Composite lost 0.06% to 17,997.35.

The dollar strengthened overall, while the yen rose for a second straight day against the greenback. The dollar index, which measures the greenback against a basket of currencies, gained 0.14% at 104.45, with the euro down 0.37% at \$1.0849. The yen strengthened 0.9% against the greenback at 155.63 per dollar.

Crude oil prices fell about 2% to a six-week low on rising expectations of a ceasefire in Gaza and growing concerns about demand in China. Brent futures 1.7% to settle at \$81.01 a barrel, while U.S. West Texas Intermediate crude (WTI) closed 1.8% lower at \$76.96. Gold prices edged up, with spot gold added 0.43% to \$2,407.87 an ounce. U.S. gold futures gained 0.43% to \$2,402.40 an ounce.

Bitcoin, which had risen on bets that a potential Trump administration would take a light-touch approach to cryptocurrency regulation, fell 3.60% at \$65,698. Ethereum declined 0.48% at \$3,473.

Source: LSEG Thomson Reuters Refinitiv.



Domestic Markets

The South African rand weakened on Tuesday, as investors looked towards June inflation data due on Wednesday and markets watched for developments in the U.S. presidential race. At 1500 GMT, the rand traded at 18.4025 against the dollar, about 0.9% weaker than its previous close.

"Market participants (are) sitting on the sidelines watching the U.S. presidential race unfold and also local inflation data out tomorrow," said Rand Merchant Bank analysts in a research note. On Sunday, U.S. President Joe Biden withdrew his bid for re-election in the November vote and endorsed Vice President Kamala Harris to face Republican Donald Trump.

Statistics South Africa will release local inflation data on Wednesday, which will give hints on the future interest rate path of Africa's most industrialised economy. Monetary policy has remained tight as the central bank tries to steer inflation back towards the midpoint of its 3%-6% target range. Economists polled by Reuters expect June year-on-year inflation at 5.1%. Inflation was seen at 5.2% the month before.

On the Johannesburg Stock Exchange, the blue-chip Top-40 index closed 0.24% higher. South Africa's benchmark 2030 government bond was stronger, as the yield fell 10.5 basis points to 9.46%.

Source: LSEG Thomson Reuters Refinitiv.

You have succeeded in life when all you really want is only what you really need.

Vernon Howard

Market Overview

MARKET INDICATORS (LSEG Thomson Reuters Refinitiv)					24 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	8.69	8.67
9 months	⇓		8.69	-0.008	8.70	8.69
12 months	⇓		8.66	-0.017	8.68	8.66
Nominal Bond Yields %			Last close	Difference	Prev close	Current Spot
GC24 (Coupon 10.50%, BMK R186)	⇓		9.10	-0.100	9.20	9.10
GC25 (Coupon 8.50%, BMK R186)	⇓		9.00	-0.100	9.10	9.00
GC26 (Coupon 8.50%, BMK R186)	⇓		8.33	-0.100	8.43	8.33
GC27 (Coupon 8.00%, BMK R186)	⇓		8.61	-0.100	8.71	8.61
GC28 (Coupon 8.50%, BMK R2030)	⇓		8.90	-0.110	9.01	8.90
GC30 (Coupon 8.00%, BMK R2030)	⇓		9.11	-0.110	9.22	9.11
GC32 (Coupon 9.00%, BMK R213)	⇓		9.51	-0.120	9.63	9.51
GC35 (Coupon 9.50%, BMK R209)	⇓		10.17	-0.055	10.23	10.17
GC37 (Coupon 9.50%, BMK R2037)	⇓		10.95	-0.060	11.01	10.95
GC40 (Coupon 9.80%, BMK R214)	⇓		11.47	-0.065	11.54	11.46
GC43 (Coupon 10.00%, BMK R2044)	⇓		11.62	-0.060	11.68	11.62
GC45 (Coupon 9.85%, BMK R2044)	⇓		11.98	-0.060	12.04	11.98
GC48 (Coupon 10.00%, BMK R2048)	⇓		11.99	-0.065	12.05	11.99
GC50 (Coupon 10.25%, BMK: R2048)	⇓		12.06	-0.065	12.12	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	⇑		2,409	0.48%	2,398	2,416
Platinum	⇓		943	-0.42%	947	947
Brent Crude	⇓		81.0	-1.69%	82.4	81.3
Main Indices			Last close	Change	Prev close	Current Spot
NSX Overall Index	⇓		1,757	-0.15%	1,759	1,757
JSE All Share	⇑		80,706	0.27%	80,492	80,706
SP500	⇓		5,556	-0.16%	5,564	5,556
FTSE 100	⇓		8,167	-0.38%	8,199	8,167
Hangseng	⇓		17,469	-0.94%	17,636	17,361
DAX	⇑		18,558	1.57%	18,271	18,558
JSE Sectors			Last close	Change	Prev close	Current Spot
Financials	⇑		19,200	0.59%	19,087	19,200
Resources	⇑		60,442	0.73%	60,007	60,442
Industrials	⇓		108,166	-0.30%	108,490	108,166
Forex			Last close	Change	Prev close	Current Spot
N\$/US dollar	⇑		18.39	0.79%	18.24	18.42
N\$/Pound	⇑		23.73	0.58%	23.59	23.74
N\$/Euro	⇑		19.95	0.44%	19.87	19.98
US dollar/ Euro	⇓		1.085	-0.35%	1.089	1.085
			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.



For enquiries concerning the Daily Brief please contact us at

Daily.Brief@capricorn.com.na

Disclaimer

The information contained in this note is the property of Capricorn Asset Management (CAM). The information contained herein has been obtained from sources and persons whom the writer believes to be reliable but is not guaranteed for accuracy, completeness or otherwise. Opinions and estimates constitute the writer’s judgement as of the date of this material and are subject to change without notice. This note is provided for informational purposes only and may not be reproduced in any way without the explicit permission of CAM.

A member of  **Capricorn Group**
