



# The Daily Brief

**Capricorn Asset Management**

## Market Update

Wednesday, 25 Sep 2024



## Global Markets

A widely followed global stock index rose to a record high and copper prices hit their strongest level in 10 weeks on Tuesday after China unveiled stimulus measures to support its economy, while China's yuan hit a 16-month high against the U.S. dollar. People's Bank of China Governor Pan Gongsheng announced plans to lower borrowing costs and inject more funds into the economy, as well as to ease households' mortgage repayment burden. Pan also said China would roll out structural monetary policy tools for the first time to help stabilize capital markets.

The S&P 500 moved lower after data showed U.S. consumer confidence unexpectedly fell in September amid mounting worries over the health of the labour market. But the index was last up slightly. Investors are looking for clues on the Federal Reserve's next move after the U.S. central bank began its latest easing cycle last week with a 50 basis point cut in interest rates. MSCI's gauge of stocks across the globe was last up 4.42 points, or 0.53%, at 844.47. The STOXX 600 index rose 0.65%. Earlier, the blue-chip CSI300 index and the Shanghai Composite index surged, while Hong Kong's Hang Seng Index jumped to a four-month high. The Dow Jones Industrial Average rose 3.81 points, or 0.01%, to 42,128.93, the S&P 500 rose 8.29 points, or 0.15%, to 5,726.88 and the Nasdaq Composite rose 78.97 points, or 0.44%, to 18,053.24.

"Between now and the time the Fed meets, we'll have a couple of jobs reports. They've told us unemployment is now the thing driving rate cut decisions. The soft landing is when unemployment doesn't start skyrocketing," said Kim Forrest, chief investment officer at Bokeh Capital Partners. U.S. rate futures have priced in a 56.5% chance of another super-sized rate cut of 50 bps at the November meeting, with a 43.5% odds of the more standard 25 easing.

U.S. crude rose \$1.19 to settle at \$71.56 a barrel and Brent rose to \$75.17 per barrel, up \$1.27 on the day. Three-month copper on the London Metal Exchange climbed by 2.7% to \$9,802 a metric ton by 1615 GMT after hitting its highest since July 15 at \$9,825. China is a top metals consumer. In other commodities, spot gold rose 1.07% to \$2,656.61 an ounce.

Risk appetite improved after China's stimulus measures. U.S. 10-year Treasury yields were little changed from the day before. The yield on benchmark U.S. 10-year notes rose 0.1 basis points to 3.739%, from 3.738% late on Monday. The U.S. dollar index extended declines after the consumer confidence data. The dollar index, which measures the greenback against a basket of currencies including the yen and the euro, fell 0.46% to 100.47, with the euro up 0.48% at \$1.1165. Against the Japanese yen, the dollar weakened 0.13% to 143.42. In a speech at a meeting with business leaders in Osaka on Tuesday, BOJ Governor Kazuo Ueda said it can afford to spend time scrutinizing market and overseas economic developments in setting monetary policy.

The Australian dollar strengthened 0.67% versus the greenback to \$0.6884. The Reserve Bank of Australia held interest rates steady, as expected, and reiterated that policy needed to stay tight, in contrast to the U.S. Federal Reserve which started its easing cycle with a 50 basis point (bp) cut last week.

**Source: LSEG Thomson Reuters Refinitiv.**



## Domestic Markets

Domestic Markets were closed yesterday for Heritage Day in South Africa.

Source: LSEG Thomson Reuters Refinitiv.

Rain is grace; rain is the sky descending to the earth;  
without rain, there would be no life.

**John Updike**

## Market Overview

MARKET INDICATORS (LSEG Thomson Reuters Refinitiv)				25 September 2024	
<b>Money Market TB Rates %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
3 months	➔	8.40	0.000	8.40	8.20
6 months	➔	8.55	0.000	8.55	8.35
9 months	➔	8.56	0.000	8.56	8.37
12 months	➔	8.44	0.000	8.44	8.25
<b>Nominal Bond Yields %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
GC24 (Coupon 10.50%, BMK R186)	➔	8.12	0.000	8.12	8.10
GC25 (Coupon 8.50%, BMK R186)	➔	8.11	0.000	8.11	8.09
GC26 (Coupon 8.50%, BMK R186)	➔	8.19	0.000	8.19	8.17
GC27 (Coupon 8.00%, BMK R186)	➔	8.49	0.000	8.49	8.47
GC28 (Coupon 8.50%, BMK R2030)	➔	8.54	0.000	8.54	8.55
GC30 (Coupon 8.00%, BMK R2030)	➔	8.76	0.000	8.76	8.77
GC32 (Coupon 9.00%, BMK R213)	➔	9.32	0.000	9.32	9.32
GC35 (Coupon 9.50%, BMK R209)	➔	10.06	0.000	10.06	10.06
GC37 (Coupon 9.50%, BMK R2037)	➔	10.62	0.000	10.62	10.63
GC40 (Coupon 9.80%, BMK R214)	➔	11.25	0.000	11.25	11.25
GC43 (Coupon 10.00%, BMK R2044)	➔	11.40	0.000	11.40	11.41
GC45 (Coupon 9.85%, BMK R2044)	➔	11.75	0.000	11.75	11.76
GC48 (Coupon 10.00%, BMK R2048)	➔	11.66	0.000	11.66	11.66
GC50 (Coupon 10.25%, BMK: R2048)	➔	11.71	0.000	11.71	11.71
<b>Inflation-Linked Bond Yields %</b>		<b>Last close</b>	<b>Difference</b>	<b>Prev close</b>	<b>Current Spot</b>
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	4.57
GI29 (Coupon 4.50%, BMK NCPI)	➔	4.97	0.000	4.97	4.82
GI33 (Coupon 4.50%, BMK NCPI)	➔	5.62	0.000	5.62	5.42
GI36 (Coupon 4.80%, BMK NCPI)	➔	6.07	0.000	6.07	5.78
<b>Commodities</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Gold	⬆️	2,657	1.08%	2,628	2,659
Platinum	⬆️	986	3.08%	956	984
Brent Crude	⬆️	75.2	1.72%	73.9	74.9
<b>Main Indices</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
NSX Overall Index	➔	1,845	0.00%	1,845	1,845
JSE All Share	➔	84,778	0.00%	84,778	84,778
SP500	⬆️	5,733	0.25%	5,719	5,733
FTSE 100	⬆️	8,283	0.28%	8,260	8,283
Hangseng	⬆️	19,001	4.13%	18,247	19,205
DAX	⬆️	18,997	0.80%	18,847	18,997
<b>JSE Sectors</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
Financials	➔	21,457	0.00%	21,457	21,457
Resources	➔	57,002	0.00%	57,002	57,002
Industrials	➔	114,042	0.00%	114,042	114,042
<b>Forex</b>		<b>Last close</b>	<b>Change</b>	<b>Prev close</b>	<b>Current Spot</b>
N\$/US dollar	➔	17.33	0.00%	17.33	17.33
N\$/Pound	⬆️	23.24	0.49%	23.13	23.23
N\$/Euro	⬆️	19.37	0.61%	19.26	19.39
US dollar/ Euro	⬆️	1.118	0.61%	1.111	1.119
		<b>Namibia</b>		<b>RSA</b>	
<b>Interest Rates &amp; Inflation</b>		<b>Sep 24</b>	<b>Aug 24</b>	<b>Sep 24</b>	<b>Aug 24</b>
Central Bank Rate	⬇️	7.50	7.75	8.00	8.25
Prime Rate	⬇️	11.25	11.50	11.50	11.75
		<b>Aug 24</b>	<b>Jul 24</b>	<b>Aug 24</b>	<b>Jul 24</b>
Inflation	⬇️	4.4	4.6	4.4	4.6

**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

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**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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