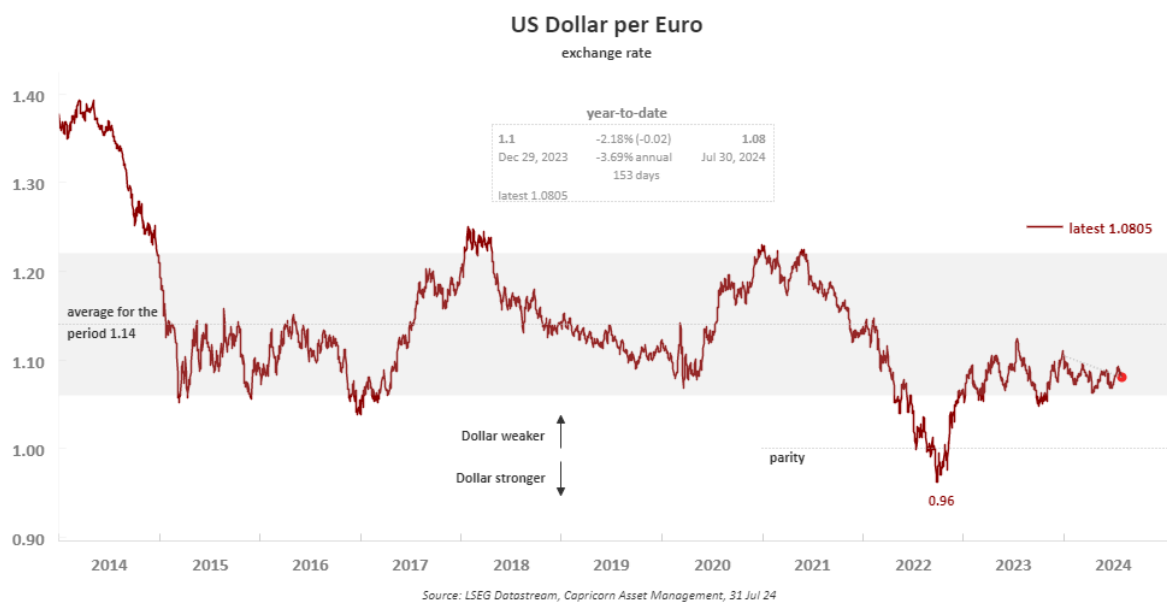




Market Update

Wednesday, 31 July 2024



Global Markets

MSCI's global equities gauge lost ground on Tuesday as investors were jittery ahead of major corporate earnings reports and central bank meetings, while concern about the global economy pushed oil prices lower. U.S. Treasury yields drifted lower in choppy trading as investors geared up for the outcome of the U.S. Federal Reserve meeting, which ends on Wednesday. The Fed is expected to hold interest rates steady for now but flag a rate cut in September.

Investors are also awaiting earnings reports from market heavyweights Microsoft and chipmaker AMD due after the bell and reports scheduled for later in the week from Apple and Amazon.com. "Markets are on watch for earnings and what the Fed will say on Wednesday," said John Praveen, managing director at Paleo Leon. Praveen said some investors also worried about escalation in the Middle East after an Israeli air strike targeted a senior Hezbollah commander in Beirut's southern suburbs late on Tuesday in what Israeli military said was retaliation for a cross-border attack that killed 12 children and teenagers.

On Wall Street, the Dow Jones Industrial Average rose 203.73 points, or 0.50%, to 40,743.66, the S&P 500 lost 27.12 points, or 0.50%, to 5,436.42 and the Nasdaq Composite lost 222.78 points, or 1.28%, to 17,147.42. MSCI's gauge of stocks across the globe fell 2.40 points, or 0.30%, to 801.95. Earlier, Europe's STOXX 600 index closed up 0.45%.

In currencies, the Japanese yen gained on news reports that the Bank of Japan is considering raising rates to 0.25% when it concludes its two-day meeting on Wednesday. The dollar index, which measures the greenback against a basket of currencies including the yen and the euro, fell 0.03% to 104.55. The euro fell 0.09% to \$1.0809. Against the Japanese yen, the dollar weakened 0.56% to 153.14. Sterling weakened 0.22% to \$1.2831. Traders have been pricing in a roughly even chance for a Bank of England rate cut at its policy meeting on Thursday.

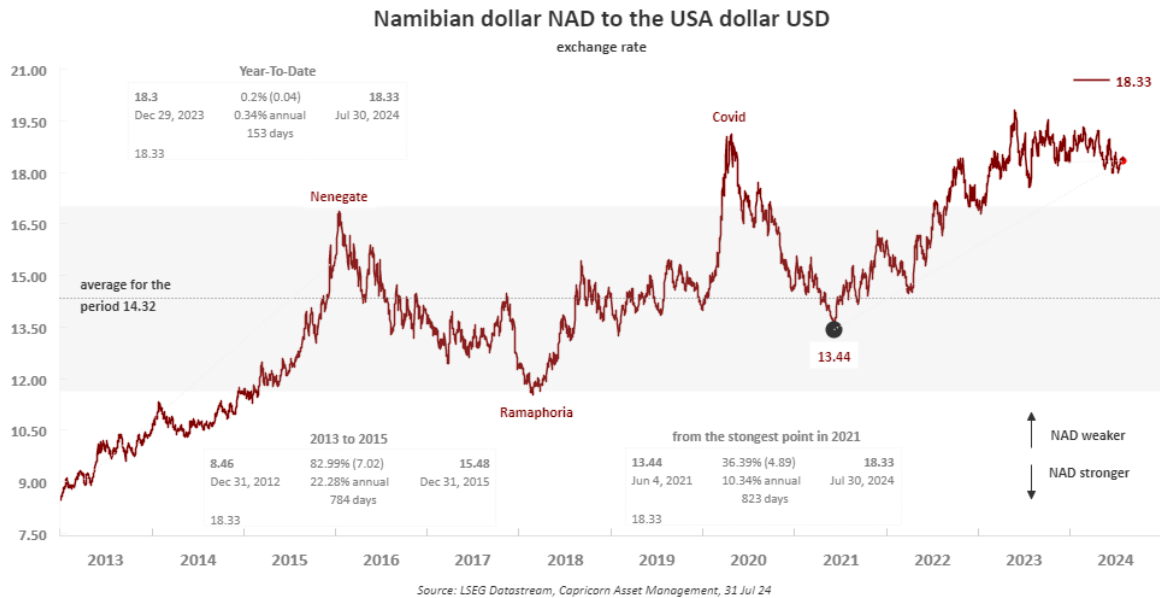
In U.S.

Treasuries, the yield on benchmark U.S. 10-year notes fell 3.5 basis points to 4.143%, from 4.178% late on Monday. The 30-year bond yield fell 3.2 basis points to 4.4013% from 4.433% late on Monday. And the 2-year note yield, which typically moves in step with interest rate expectations, fell 2.6 basis points to 4.3606%, from 4.387% late on Monday.

"The whisper expectation is for the Fed to acknowledge softness in inflation and the labour market and maybe acknowledge the potential for policy adjustment in September," said Thomas Urano, co-chief investment officer and managing director at Sage Advisory in Austin, Texas. "Absent that, the market would be short-term disappointed. Ultimately, we think the data will continue to show a much normalized labour market, if not weak, along with an inflation that's running in the Fed's target zone," Urano said.

In energy markets, oil prices fell more than 1% to settle at a seven-week low as investors worried that demand from China could be weakening while OPEC+ seems likely to stick to plans to increase supplies. U.S. crude settled down 1.4% at \$74.73 a barrel and Brent ended its session at \$78.63 per barrel, down 1.4% on the day. In precious metals, gold prices gained on investor optimism the Fed will drop clues on Wednesday about lowering interest rates in September.

Source: LSEG Thomson Reuters Refinitiv.



Domestic Markets

The South African rand gained on Tuesday as markets waited on the outcome of a U.S. Federal Reserve meeting on Wednesday which could give hints on its rate-cut timeline. At 1526 GMT, the rand traded at 18.35 against the dollar, about 0.5% stronger than its previous close, after tumbling against a stronger greenback on Monday.

Investors will focus on the Fed on Wednesday for insights into the future interest rate path in the world's biggest economy. The Fed is expected to leave rates unchanged, but markets are betting on a cut at its September meeting. Like other risk-sensitive currencies, the rand often takes cues from global drivers such as U.S. monetary policy in addition to domestic factors.

South Africa's National Treasury data earlier in the day showed the country recorded a budget surplus of 38.55 billion rand (\$2.10 billion) in June. On the Johannesburg Stock Exchange, the Top-40 index closed 0.3% higher. South Africa's benchmark 2030 government bond was flat, with the yield at 9.505%.

Source: LSEG Thomson Reuters Refinitiv.

Forgiveness is the key to action and freedom.

Hannah Arendt

Market Overview

MARKET INDICATORS (LSEG Thomson Reuters Refinitiv)					31 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	-0.008	8.68 8.67
9 months	⇓		8.69	-0.017	8.71 8.69
12 months	⇓		8.66	-0.008	8.67 8.66
Nominal Bond Yields %			Last close	Difference	Prev close Current Spot
GC24 (Coupon 10.50%, BMK R186)	⇑		9.14	0.025	9.11 9.10
GC25 (Coupon 8.50%, BMK R186)	⇑		9.04	0.025	9.01 9.00
GC26 (Coupon 8.50%, BMK R186)	⇑		8.36	0.025	8.34 8.33
GC27 (Coupon 8.00%, BMK R186)	⇑		8.64	0.025	8.62 8.61
GC28 (Coupon 8.50%, BMK R2030)	⇒		8.93	0.000	8.93 8.90
GC30 (Coupon 8.00%, BMK R2030)	⇒		9.14	0.000	9.14 9.11
GC32 (Coupon 9.00%, BMK R213)	⇑		9.55	0.015	9.54 9.51
GC35 (Coupon 9.50%, BMK R209)	⇑		10.17	0.025	10.14 10.17
GC37 (Coupon 9.50%, BMK R2037)	⇑		10.95	0.040	10.91 10.95
GC40 (Coupon 9.80%, BMK R214)	⇑		11.45	0.050	11.40 11.46
GC43 (Coupon 10.00%, BMK R2044)	⇑		11.61	0.050	11.56 11.62
GC45 (Coupon 9.85%, BMK R2044)	⇑		11.97	0.050	11.92 11.98
GC48 (Coupon 10.00%, BMK R2048)	⇑		11.98	0.055	11.92 11.99
GC50 (Coupon 10.25%, BMK: R2048)	⇑		12.05	0.055	11.99 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	⇑		2,408	1.04%	2,384 2,421
Platinum	⇑		959	1.12%	949 966
Brent Crude	⇓		78.6	-1.44%	79.8 80.0
Main Indices			Last close	Change	Prev close Current Spot
NSX Overall Index	⇓		1,795	-0.57%	1,805 1,795
JSE All Share	⇑		81,199	0.23%	81,012 81,199
SP500	⇓		5,436	-0.50%	5,464 5,436
FTSE 100	⇓		8,274	-0.22%	8,292 8,274
Hangseng	⇓		17,003	-1.37%	17,238 17,335
DAX	⇑		18,411	0.49%	18,321 18,411
JSE Sectors			Last close	Change	Prev close Current Spot
Financials	⇑		19,524	0.81%	19,368 19,524
Resources	⇓		59,681	-1.00%	60,285 59,681
Industrials	⇑		108,705	0.56%	108,097 108,705
Forex			Last close	Change	Prev close Current Spot
N\$/US dollar	⇓		18.32	-0.61%	18.43 18.25
N\$/Pound	⇓		23.51	-0.80%	23.70 23.43
N\$/Euro	⇓		19.81	-0.64%	19.94 19.75
US dollar/ Euro	⇓		1.082	-0.04%	1.082 1.082
			Namibia		RSA
Interest Rates & Inflation			Jul 24	Jun 24	Jul 24 Jun 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	Jun 24 May 24
Inflation	⇓		4.6	4.9	5.1 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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