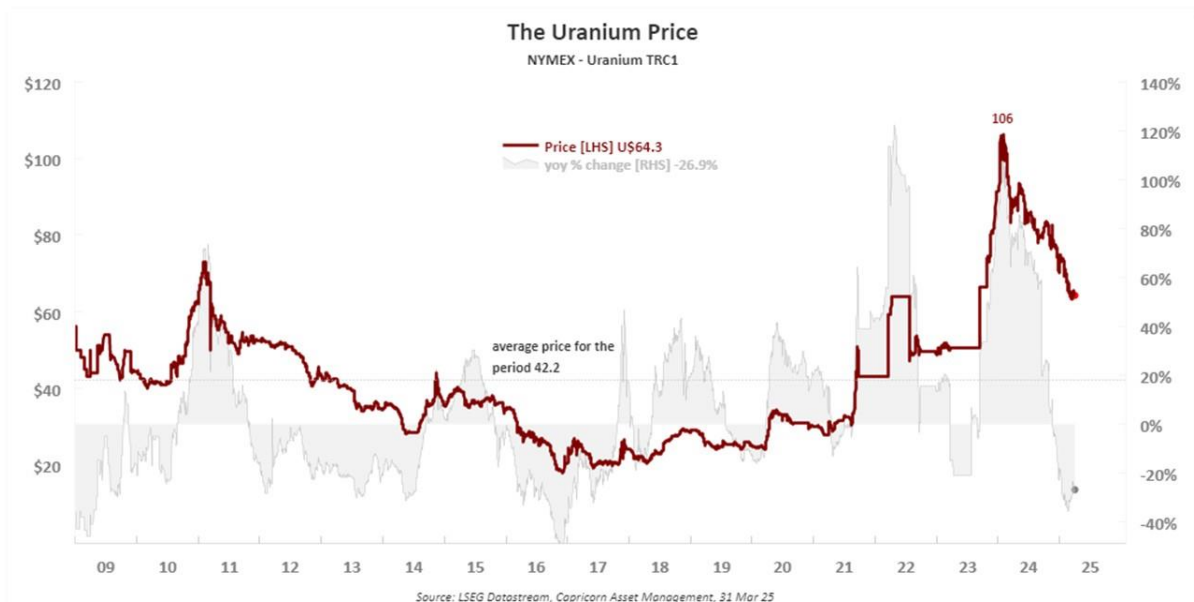




Market Update

Monday, 31 March 2025

Global Markets



World share markets were in a tailspin on Monday after U.S. President Donald Trump said tariffs would essentially cover all countries, stoking worries a global trade war could lead to recession. Trump's comments to reporters on Air Force One seemed to dash hopes the levies would be more limited. Trump is due to receive tariff recommendations on Tuesday and announce initial levels on Wednesday, followed by auto tariffs the day after.

Seeking any safe harbor from the trade storm, investors piled into sovereign bonds and the Japanese yen, while lifting gold prices to another all-time high. S&P 500 futures lost 0.8%, extending Friday's rout, while Nasdaq futures shed 1.4%. EUROSTOXX 50 futures fell 0.8%, while FTSE futures and DAX futures were both down 0.5%.

The European Union was ready to respond with tariffs of its own, German Chancellor Olaf Scholz said on Sunday, but there were also reports the block was preparing a list of concessions to offer to Trump. "For the first time in years, we find ourselves genuinely worried about risk assets," said Ajay

Rajadhyaksha, head of rates markets at Barclays. "If policy chaos and trade wars worsen much further, a recession is now a realistic risk across major economies," he added. "For the first time in many quarters, we favour core fixed income over global equities."

Japan's Nikkei led the rout in Asia, losing an eye-watering 4.1% to a six-month low as automaker stocks continued to suffer fallout from Trump's talk of 25% tariffs on imported cars. MSCI's broadest index of Asia-Pacific shares outside Japan shed 1.9% and South Korea 3.0. Chinese blue chips fell 1.0% as a survey showed manufacturing activity inched higher in March, much as analysts expected.

Many economists are worried that tariffs will hit the U.S. economy hard, even while limiting the Federal Reserve's scope to cut rates by also lifting inflation in the short term. "Recession risks have become elevated – to a 40% probability – on concerns that aggressive U.S. policies hit business and household sentiment," warned Bruce Kasman, chief economist at JPMorgan. "With the latest tariff increases set to push U.S. core inflation above 4% next quarter, a household sector with a healthy balance will need to show a willingness to lower its saving rate to cushion this blow."

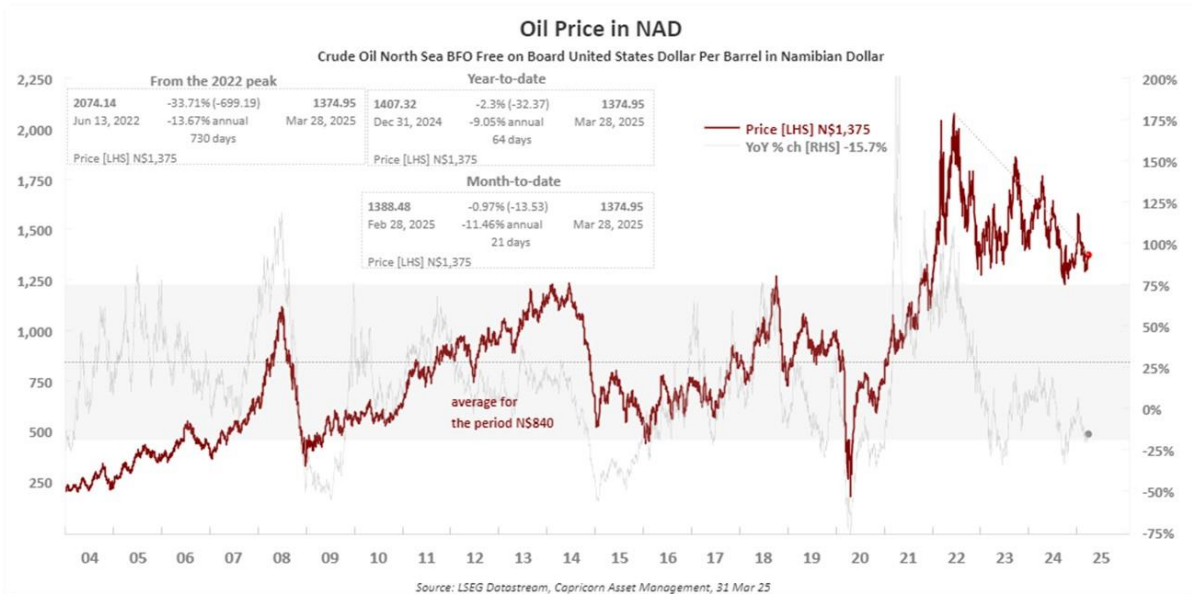
Analysts at Goldman Sachs now saw a 35% chance of a U.S. recession, up from 20% previously, saying they expected Trump to announce reciprocal tariffs that average 15% across all U.S. trading partners on April 2. Data out on Friday underlined the risks as a key measure of core inflation rose by more than expected in February while consumer spending disappointed. That raised the stakes for the March payrolls report due on Friday where any outcome below the 140,000-gain expected would only add to recession fears. Also due are a rush of surveys on factories and services, along with figures on trade and job openings.

Bond investors seemed to be betting the slowdown in U.S. economic growth will outweigh a temporary lift in inflation and prompt the Fed to cut rates by around 79 basis points this year. This, combined with a flight from risk assets, saw 10-year Treasury yields drop to 4.206% while two-year yields hit 3.861%. The outlook for rates could become clearer when Fed Chair Jerome Powell speaks on Friday, following a host of other Fed speakers this week. The drop in yields saw the dollar ease 0.6% to 148.90 yen, while the euro held at \$1.0835. The dollar index held at 103.880, having slipped for the previous two sessions.

The risk of slower global growth was making itself felt on oil prices, offsetting comments from Trump that he would impose secondary tariffs of 25% to 50% on all Russian oil if he feels Moscow is blocking his efforts to end the war in Ukraine. Brent slipped 30 cents to \$73.33 a barrel, while U.S. crude dropped 31 cents to \$69.05 per barrel.

The perceived safety of gold saw the metal hit another all-time high at \$3,111 an ounce.

Source: LSEG Thomson Reuters Refinitiv.



Domestic Markets

South Africa's rand slipped on Friday, as concerns lingered over U.S. President Donald Trump's tariffs and an impasse between the ruling coalition's two biggest parties over the state budget. At 1507 GMT, the rand traded at 18.3975 against the dollar, about 0.8% weaker than its previous close.

Domestically, government partners the African National Congress and the Democratic Alliance have been at loggerheads for weeks over a VAT hike proposal in the national budget, which is yet to be passed. Local news website news24 reported on Friday that the request that the two parties reach a deal on the shared management of economic policy. It said the DA had pinned its support for the budget on securing such an agreement.

On the stock market, the Top 40 index closed about 0.4% lower. South Africa's benchmark 2030 government bond was marginally weaker, with the yield up 0.5 basis point to 9.155%.

Source: LSEG Thomson Reuters Refinitiv.

Start by doing what's necessary; then do what's possible;
and suddenly you are doing the impossible.

Francis of Assisi

Market Overview

MARKET INDICATORS (Bloomberg)		31 March 2025			
Money Market TB's		Last Close	Change	Prev Close	Current Spot
3 months	↑	7.51	0.007	7.51	7.51
6 months	↓	7.59	-0.011	7.60	7.59
9 months	↑	7.61	0.009	7.60	7.61
12 months	↑	7.72	0.038	7.68	7.72
Nominal Bonds		Last Close	Change	Prev Close	Current Spot
GC25 (Coupon 8.50%, BMK: R186)	↑	7.36	0.207	7.15	7.27
GC26 (Coupon 8.50%, BMK: R186)	↑	8.44	0.015	8.42	8.44
GC27 (Coupon 8.00%, BMK: R186)	↑	8.57	0.030	8.54	8.57
GC30 (Coupon 8.00%, BMK: R2030)	↑	9.05	0.031	9.02	9.05
GC32 (Coupon 9.00%, BMK: R213)	↑	9.69	0.013	9.68	9.69
GC35 (Coupon 9.50%, BMK: R209)	↑	11.22	0.265	10.96	11.22
GC37 (Coupon 9.50%, BMK: R2037)	↑	11.40	0.047	11.35	11.40
GC40 (Coupon 9.80%, BMK: R214)	↑	11.72	0.152	11.57	11.72
GC43 (Coupon 10.00%, BMK: R2044)	↑	11.83	0.033	11.79	11.83
GC45 (Coupon 9.85%, BMK: R2044)	↑	11.77	0.006	11.77	11.77
GC48 (Coupon 10.00%, BMK: R2048)	↓	11.79	-0.015	11.80	11.79
GC50 (Coupon 10.25%, BMK: R2048)	↑	11.76	0.088	11.67	11.76
Inflation-Linked Bonds		Last Close	Change	Prev Close	Current Spot
GI25 (Coupon 3.80%, BMK: NCPI)	↓	3.36	-0.158	3.52	3.36
GI27 (Coupon 4.00%, BMK: NCPI)	↓	4.44	-0.024	4.47	4.44
GI29 (Coupon 4.50%, BMK: NCPI)	↓	4.66	-0.029	4.69	4.66
GI33 (Coupon 4.50%, BMK: NCPI)	↓	5.29	-0.021	5.32	5.29
GI36 (Coupon 4.80%, BMK: NCPI)	↑	5.65	0.006	5.64	5.65
Commodities		Last Close	Change	Prev Close	Current Spot
Gold	↑	3,085	0.91%	3,057	3,121
Platinum	↓	986	-0.30%	989	993
Brent Crude	↓	73.6	-0.54%	74.03	73.55
Main Indices		Last Close	Change	Prev Close	Current Spot
NSX Local Index	↓	1026	-2.10%	1048	1026
JSE All Share	↓	89,573	-0.36%	89,898	89,573
S&P 500	↓	5,581	-1.97%	5,693	5,581
FTSE 100	↓	8,659	-0.08%	8,666	8,659
Hangseng	↓	23,036	-1.67%	23,427	23,036
DAX	↓	22,462	-0.96%	22,679	22,462
JSE Sectors		Last Close	Change	Prev Close	Current Spot
Financials	⇒	20,922	0.00%	20,922	20,454
Resources	⇒	66,776	0.00%	66,776	69,052
Industrials	⇒	125,616	0.00%	125,616	124,475
Forex		Last Close	Change	Prev Close	Current Spot
N\$/US Dollar	↑	18.43	1.10%	18.23	18.27
N\$/Pound	↑	23.85	1.02%	23.61	23.66
N\$/Euro	↑	19.97	1.37%	19.70	19.78
US Dollar/ Euro	↑	1.083	0.28%	1.08	1.08
Interest Rates & Inflation		Namibia		RSA	
		Feb-25	Jan-25	Feb-25	Jan-25
Central Bank Rate	↓	6.75	7.00	7.50	7.75
Prime Rate	↓	10.50	10.75	11.00	11.00
Inflation	↑	3.6	3.2	3.2	3.2

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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