



Protecting Your Finances in a Digital World

In today's digital age, safeguarding your money online is essential. As your financial partner, we want to ensure that you are well prepared to safeguard your financial assets and the importance of fraud awareness. Here are some essential tips and real-life examples to help you stay protected.

Recognise Common Scams

Be cautious of calls requesting sensitive details, unsolicited emails, or messages. Legitimate organisations will never ask for your passwords or PINs. Always verify the caller, check the email addresses and websites, and avoid clicking on links contained in emails.

Real-Life Fraudster Scam Example

Fraudster: Good afternoon, Mrs Anne. I'm calling from Bank Etosha to inform you that we've issued a new card for you. Please pick it up at your branch.

Mrs Anne: But my card only expires next year.

Fraudster: Due to increasing fraud, your card has been stopped, and you need to pick up a new one. You won't be able to make further transactions with your current card.

Mrs Anne: I need to buy groceries today!

Fraudster: No problem, I can help you reactivate it. Please provide your card number and the number on the back.

Mrs Anne: My card number is 49449499449994, and on the back, it is 432.

Fraudster: You will now receive an OTP. Read it as soon as you get it.

Mrs Anne: It's 4545.

Fraudster: Your card will now work. Pick up your new card at the branch when you can. Goodbye.



Our Bank Details

Our bank details are available on the following platforms:

- Capricorn Asset Management website at www.cam.com.na
- Capricorn Online accessed via our website
- Bank Windhoek Internet Banking Platform via Third party payments

Please always ensure that you have verified our banking details on these platforms.

Please use your **unique Client and Account number** as reference to ensure the correct allocation of funds e.g. E12345678A12345.

Once you have made a deposit, please always email your proof of payment and documentary proof of source of funds to cam.service@capricorn.com.na



Capricorn Online: Deposits made easy

With Capricorn Online, managing your investment portfolio has never been easier. Through a secure digital login you are able to easily build your wealth.

Some of the features include:



Submit deposit/buy instructions online



Set-up recurring deposit/buy instructions



Open new Unit Trust Funds online

To register for Capricorn Online, simply send and email to cam.service@capricorn.com.na.

Mrs Anne has just been scammed.

The fraudster used her cellphone nr, card details and CVV on a crypto currency website which generated an OTP. By giving the OTP to the fraudster, the fraudster was able to make unauthorised transactions on a crypto currency website upon which the user lost funds which is irreversible and untraceable. **Be cautious: your bank will never ask for such information.** Fraudsters are getting smarter daily and will utilise various tactics to deceive you. They may uncover some of your personal details online, such as friends and family names, your home language or the town you reside in, which they will use to build rapport with you and ultimately deceive you.



Be Wary of Phishing Attempts

Phishing scams impersonate trustworthy sources to trick individuals into revealing their personal information via email. These emails often create a sense of urgency and direct you to fake websites.

How to Spot a Phishing Email

- **Urgency:** Messages often demand immediate action.
- **Fake Links:** Links direct users to look-alike websites.
- **Suspicious Email Addresses:** The sender's email may differ slightly from official addresses.

Verifying Websites

Ensure the website address begins with "**https://**" and look for a **padlock icon** indicating a secure connection. These checks help ensure you're accessing your financial information from a trusted source.



If You See Something, Say Something

Review your activity and monthly statements regularly to detect any

unfamiliar transactions. If you suspect fraudulent activity, report it immediately to cam.service@capricorn.com.na and the relevant authorities.



Is Your Information Compromised? What to Do

If you detect that your information or documentation has been stolen or compromised, you should report it to CAM immediately at +264 299 1950 or email cam.service@capricorn.com.na. Upon receipt of such a report, we will place an immediate hold on your investment account.



How to Protect Your Details

- **Use Official Websites:** Always log in to Capricorn Online via www.cam.com.na.
- **No Requests for Passwords:** We will never request your password or login details via email or phone.
- **Self-Reset:** You can reset your Capricorn Online password by yourself.
- **Verification Required:** No changes to your details will be processed without positive personal verification.



Take Action

If you receive a suspicious email purporting to be from us, forward it to cam.info@capricorn.com.na or call us at 061-299 1950.

By staying vigilant online, you can protect your finances and enjoy peace of mind.

Economic Update

The current macroeconomic and investment landscape can be typified by a sense of relief, albeit primarily therein that things have not worsened.

The following factors contribute to this developing sense of relief:

- The ongoing military conflicts have not



escalated into nuclear exchanges even though the humanitarian tragedies remain shocking.

- The USA economy is doing well with real growth of about 3% and inflation of more or less 3%.
- China is muddling through its crises without serious contagion to the rest of the world.
- Europe appears to be improving gradually, while the European Central Bank (ECB) is on the brink of lowering interest rates.
- African leaders are showing a sense of resolve to improve things on the continent.
- Prompted by ongoing polls, analysts and commentators are becoming more hopeful that the upcoming SA elections will not result in economic disaster.
- The Namibian economy is on the right track, being pulled along by several encouraging projects and plans in the mining and energy domains.
- Stock markets are making new highs.
- Copper and gold prices are up, and oil is down.

The outlook is for positive growth in most key economies, although for Developed Markets (DM's) at +1.7% it's not all that great, with the exception of the USA (+2.7%). Emerging Markets (EM's) at +4.2% are showing better growth prospects, including BRICS with Brazil (+2.2%), Russia (+3.2%) India (+6.8%) and China (+4.2%), but barely positive growth in the RSA. The International Monetary Fund (IMF), World Bank and the Organisation for Economic Co-operation and Development (OECD) have all sounded off on global growth expectations of 2.5% to 3.5%. "Goldilocks" is alive and well in the USA. However, it bears repeating that forward looking indicators are troubling, such as the composite leading indicator and the inverted yield curve. There are pockets of the economy that are flashing red, such as the commercial real estate market, which bears a close watch. Yet, the labour market remains tight with strong wages growth and very low unemployment.

The Namibian economy is set to grow at a robust rate of 4% plus for several years, including in 2024. There seems to be two phases facing the economy:

1. a period of "influx" of capital, human and

2. otherwise, which could take three to five years, perhaps until the end of the decade, followed by a serious "boom" period when the megaprojects start to produce green hydrogen, oil and gas.

This will put the economy on a totally different footing with numerous possible impacts, ranging from growth, inflation, income and fiscal-, monetary- and exchange rate policy. SA continues to flirt with a contraction in economic activity, but the leading indicator is signaling a possible bottom. The World Economic Outlook (WEO) of the IMF continues to indicate below average growth in Botswana for several years due to a not-so-rosy global diamond market.

DM inflation is expected to reach 2%, on average, starting in 2025. In our view, USA inflation will drift down to 2% only by the middle of next year. USA inflation measures have, generally, become stuck somewhat with Consumer Price Inflation (CPI) at 3.5% yoy, the Personal Consumption Expenditure (PCE) deflator at 2.5% yoy and Producer Price Index (PPI) at 2.1% yoy. Chinese inflation is expected to behave much like that of the DM's over the next several years. In fact, currently, China is flirting with deflation with PPI at -2.8% yoy and CPI at 0.1% yoy. European, UK and German inflation down-trends have cemented the view that the European Central Bank (ECB) will likely lower rates in June.

Inflation in Namibia ticked up to 4.8% in April from 4.5% in March, mainly due to a fuel price hike of about 5% in the month. We anticipate that inflation will remain at or just below 5% for several months, before drifting down to below 4.0% by year-end 2024, followed by a gradual uptrend to 5% by year-end 2025. In SA, inflation registered at 5.2% in April in line with our expectations. It should remain around 5%+ for the next several months, after which it should resume its downward trend to around 4% by year-end. In Botswana, inflation reached 2.9% in March. We anticipate a rising trend to mid-2024, but it should also be below 4% by year-end. Risks to inflation remain OPEC (oil), El Nino (food), Russia/Middle East (oil and food) and souring EM sentiment (currency). Recent weakness in oil, combined with currency strength



augurs well for CPI.

Copper continues to give a positive signal on global demand – it is up 19% ytd and 23% yoy. Oil in NAD terms is now up “only” 7% ytd, having fallen by 6% in the first two weeks of May. Therefore, the “catch up” adjustments in fuel prices that we foresee, should not be as severe as previously feared. Nevertheless, energy remains a dark horse and a volatility driver in the inflation picture, although oil and gas are still significantly lower than their eye-watering peaks of 2022. Global and domestic grains (maize and wheat) prices have spiked recently, seemingly succumbing to El Niño fears. These trends bear watching, because, if maintained, it will show up in food inflation down the line. The spike in the gold price can largely be attributed to buying out of China, both by retail investors and the central bank, the PBoC.

The ZAR (NAD) currency is fairly firm so far this year, depreciating by “only” 2.5% ytd versus the USD. We anticipate that it ought to remain firm from here, perhaps continuing post-elections. Our targets are for USDZAR at 19.00 and 19.20, and EURZAR at 20.70 and 21.90 at ye 2023 and 2024, respectively. The USD is behaving much like we anticipated at the outset of the year, benefiting from safe haven demand, economic outperformance, capital inflows, and favourable anticipated interest rate differentials, appreciating by 3.4% versus the euro ytd.

It is difficult to see a catalyst for credit demand growth in Namibia while interest rates remain as high as they are. Mortgages (of firms and households) constitute 50% of the “book”. Therefore, total Private Sector Credit (PSCE) is likely to grow only if and when the property market swings up. Credit demand in SA and Namibia remains weak, with PSCE at 5.2% and 2.0% yoy, respectively, while in Botswana it is relatively strong

at 12% yoy. Money supply growth rates are running at 6.8%, 10.3%, and 8.6%, for the three geographies, respectively.

In many spheres, economic growth is crucial, not least of which for fiscal health, amply demonstrated by the “daylight” between the fiscal trajectories of SA and Namibia being played out, finding expression in discounts of some bond yields compared to SA benchmarks. In SA, a negative fiscal spiral is looming, some would even say a short-term debt trap. The interest bill, Eskom, Transnet, local authorities and now the NHI, are problematic, aside from immense pressure to increased social spending. Debt-to-GDP ratios are diverging. For Namibia, Botswana and SA, by next year, these ratios are expected to be 57%, 19% and 75%, respectively. Regardless, creditworthiness needs to be higher on the agenda of the MoF, in our view. Globally, the lack of fiscal manoeuvrability and high indebtedness remain a big concern.

As we said previously, the South African Reserve Bank (SARB) does not necessarily have to wait for the Fed before it acts and the Bank of Namibia (BoN) does not necessarily have to wait for the SARB, but they probably will. We anticipate the earliest cut by the Fed in July. If so, the SARB will hold in May and July and cut in September. The SARB Governor’s aim for the early introduction of the new, lower, midpoint inflation target of 3.5% is complicating matters. Nevertheless, BoN is likely to cut in October. Along with higher for longer, one could term the outlook “later and shallower”.

Elections and wars still hold sway this year with global leaders taking pot-shots (real and imagined) at each other for (political) gain, which could be seen with Biden’s latest tariff hikes on Chinese goods. Nevertheless, it is still likely that conventional economic policy responses will assist the global economy to navigate through the worst of it.