



Market Update

Friday, 01 August 2025

Global Markets

Asian shares were headed for the worst week since April on Friday after the U.S. slapped dozens of trading partners with steep tariffs, while investors anxiously await U.S. jobs data that could make or break the case for a Fed rate cut next month. European stock markets are on track for a lower open, with EUROSTOXX 50 futures down 0.5%. Both Nasdaq futures and S&P 500 futures slipped 0.2% after earnings from Amazon failed to meet lofty expectations, sending its shares tumbling 6.6% after hours.

Late on Thursday, President Donald Trump signed an executive order imposing tariffs ranging from 10% to 41% on U.S. imports from foreign countries. Rates were set at 25% for India's U.S.-bound exports, 20% for Taiwan's, 19% for Thailand's and 15% for South Korea's. He also increased duties on Canadian goods to 35% from 25% for all products not covered by the U.S.-Mexico-Canada trade agreement but gave Mexico a 90-day reprieve from higher tariffs to negotiate a broader trade deal.

MSCI's broadest index of Asia-Pacific shares outside Japan fell 1.1% to bring the total loss this week to 2.2%, the biggest since April. South Korea's KOSPI plunged 3.5% while Taiwanese shares fell 0.5%. Japan's Nikkei dropped 0.6%. Chinese blue chips fell 0.7% and Hong Kong's Hang Seng index lost 0.8%. Overnight, Wall Street failed to hold onto an earlier rally. Data showed inflation picked up in June, with new tariffs pushing prices higher and stoking expectations that price pressures could intensify, while weekly jobless claims signaled the labor market remained on a stable footing.

Fed funds futures imply just a 39% chance of a rate cut in September, compared with 65% before the Federal Reserve held rates steady on Wednesday, according to the CME's FedWatch. Much now will depend on the U.S. jobs data due later in the day and any upside surprise could price out the chance for a cut next month. Forecasts are centered on a rise of 110,000 in July, while the jobless rate likely ticked up to 4.2% from 4.1%. The greenback found support from fading prospects of imminent U.S. rate cuts, with the dollar index up 2.5% this week against its peers to 100, in the biggest weekly rise since late 2022.

The Canadian dollar was little impacted by the tariff news, having already fallen about 1% this week to a 10-week low. The yen was the biggest loser overnight, with the dollar up 0.8% to 150.7 yen, the highest since late March. The Bank of Japan held interest rates steady on Thursday and revised up its near-term inflation expectations, but Governor Kazuo Ueda sounded a little dovish in the press conference.

Treasuries were largely steady on Friday. Two-year Treasury yields were flat at 3.9510%, while benchmark 10-year yields ticked up 2 basis points to 4.3781%, after slipping 2 bps overnight.

In commodity markets, oil prices were little changed after falling 1% overnight. U.S. crude rose 0.1% to \$69.36 per barrel, while Brent was at \$71.8 per barrel, up 0.1%.

Spot gold prices were up a fraction at \$3,294 an ounce.

Source: LSEG Thomson Reuters Refinitiv.

Domestic Markets

South Africa's government borrowing costs dropped to their lowest in five years after the Reserve Bank announced on Thursday it would lower its inflation goal despite the finance minister not yet signing off on a formal change of target. "Over the past few months, the prospect of a lower inflation target has bolstered the rand and lowered long-term borrowing costs," Reserve Bank Governor Lesetja Kganyago said during a press conference. "We will use forecasts with a 3% inflation anchor at future meetings."

The previous target was 4.5%. Kganyago said the South African Reserve Bank will continue working with the National Treasury "to complete target reform and achieve permanently low inflation". South Africa's benchmark 2035 government bond was stronger by close, with the yield falling to 9.62%, the lowest since February 2020. Yields across the curve also fell following the announcement. Andrew Matheny, senior economist at Goldman Sachs, said there was room for yields to fall even further than they have now. "If indeed inflation remains very benign, and inflation expectations continue to come down, we think the next leg of curve repricing could well be at the front end," Matheny said. "The SARB is signaling a 5.5% terminal rate and market pricing is a little bit below 7% at the moment."

The central bank also cut its key interest rate by 25 basis points to 7.00%, a move unanimously supported by its Monetary Policy Committee. The decision aligned with the median forecast of economists polled by Reuters. Meanwhile, the rand remained at its weakest levels since May 15, reflecting investor uncertainty ahead of trade negotiations with the United States. At 1525 GMT the rand traded at 18.1257 against the U.S. dollar.

South Africa faces potential tariffs of 30% starting on August 1 unless a last-minute trade deal is reached. Trade Minister Parks Tau said on Thursday that South Africa is preparing an "enhanced" trade proposal at the urging of U.S. officials. "We're having to navigate a last-minute proposal that's enhanced from the proposal that we had initially given," Tau told South Africa's 702 radio. "And to tell the truth, it's wait and see." The nation submitted a trade deal proposal to U.S. President Donald Trump's administration in May and revised it in June but has yet to receive a response.

Source: LSEG Thomson Reuters Refinitiv.

A bookstore is one of the only pieces of evidence we have that people are still thinking.

Jerry Seinfeld

Market Overview

MARKET INDICATORS (Bloomberg)		01 August 2025			
Money Market TB's		Last Close	Change	Prev Close	Current Spot
3 months	↓	7.44	-0.028	7.47	7.44
6 months	↓	7.61	-0.022	7.63	7.61
9 months	↓	7.71	-0.024	7.73	7.71
12 months	↓	7.72	-0.015	7.73	7.72
Nominal Bonds		Last Close	Change	Prev Close	Current Spot
GC26 (Coupon 8.50%, BMK: R186)	↑	7.60	0.017	7.59	7.59
GC27 (Coupon 8.00%, BMK: R186)	↓	7.76	-0.014	7.77	7.76
GC30 (Coupon 8.00%, BMK: R2030)	↓	8.99	-0.021	9.01	8.99
GC32 (Coupon 9.00%, BMK: R213)	↓	9.50	-0.072	9.57	9.50
GC35 (Coupon 9.50%, BMK: R209)	↓	10.90	-0.020	10.93	10.91
GC37 (Coupon 9.50%, BMK: R2037)	↓	11.18	-0.015	11.19	11.18
GC40 (Coupon 9.80%, BMK: R214)	↑	11.38	0.026	11.35	11.37
GC43 (Coupon 10.00%, BMK: R2044)	↑	11.55	0.070	11.48	11.55
GC45 (Coupon 9.85%, BMK: R2044)	↑	11.87	0.097	11.77	11.87
GC48 (Coupon 10.00%, BMK: R2048)	↑	11.82	0.120	11.70	11.81
GC50 (Coupon 10.25%, BMK: R2048)	↑	12.05	0.126	11.93	12.05
Inflation-Linked Bonds		Last Close	Change	Prev Close	Current Spot
GI27 (Coupon 4.00%, BMK: NCPI)	↑	4.51	0.008	4.50	4.51
GI29 (Coupon 4.50%, BMK: NCPI)	↑	4.71	0.007	4.70	4.71
GI33 (Coupon 4.50%, BMK: NCPI)	↑	5.23	0.003	5.22	5.23
GI36 (Coupon 4.80%, BMK: NCPI)	↑	5.70	0.006	5.69	5.70
Commodities		Last Close	Change	Prev Close	Current Spot
Gold	↑	3,290	0.45%	3,275	3,290
Platinum	↓	1292	-1.60%	1313	1291
Brent Crude	↓	71.7	-2.10%	73.24	71.65
Main Indices		Last Close	Change	Prev Close	Current Spot
NSX Overall Index	↓	1061	-0.66%	1068	1061
JSE All Share	↓	98,520	-0.80%	99,315	98,520
S&P 500	↓	6,339	-0.38%	6,363	6,339
FTSE 100	↓	9,133	-0.04%	9,137	9,133
Hangseng	↓	24,664	-0.44%	24,773	24,664
DAX	↓	24,065	-0.81%	24,262	24,065
JSE Sectors		Last Close	Change	Prev Close	Current Spot
Financials	→	21,371	0.00%	21,371	21,559
Resources	→	82,453	0.00%	82,453	79,066
Industrials	→	139,103	0.00%	139,103	138,642
Forex		Last Close	Change	Prev Close	Current Spot
N\$/US Dollar	↑	18.22	1.22%	18.00	18.21
N\$/Pound	↑	24.06	1.01%	23.82	24.04
N\$/Euro	↑	20.79	1.27%	20.53	20.82
US Dollar/Euro	↑	1.142	0.18%	1.14	1.14
		Namibia		RSA	
Interest Rates & Inflation		Jul-25	Jun-25	Jul-25	Jun-25
Central Bank Rate	→	6.75	6.75	7.00	7.25
Prime Rate	→	10.50	10.50	10.50	10.75
		Jun-25	May-25	Jun-25	May-25
Inflation	↑	3.7	3.5	3.0	2.8

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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