Market Update — Monday, 03 August 2026

Global Markets

The constructive initial response to the Federal Reserve's July 29 rate hold has given way to a more cautious market reassessment. According to Bloomberg reporting via Moneyweb on July 31, investors were left uncertain by Chairman Kevin Warsh's press conference, with markets appearing unconvinced that the new Fed chair is as committed to restoring price stability as his public messaging implies. The bond market has amplified this concern: a concurrent selloff in US Treasuries is signalling that tough rhetoric alone is insufficient, with Bloomberg via Moneyweb noting the bond rout carries a pointed warning that the Fed must demonstrate credible action, not simply intent. The three FOMC dissenters who favoured a rate hike at the July meeting may yet gain traction ahead of the September 15–16 policy decision, particularly if this week's US employment data confirms continued labour market strength.

The macro data backdrop compounds this complexity. The US economy expanded at an annualised rate of just 1.5% in the second quarter of 2026, Bloomberg via Moneyweb reported on July 30, coming in softer than consensus forecasts. While consumer spending remained a support, a decline in net exports masked underlying demand strength. A combination of moderating growth, elevated inflation, and a fragmented FOMC places the Federal Reserve in difficult territory: the conditions that would typically warrant easing are offset by persistent price pressures that prevent it. For South Africa and Namibia, the implication is that dollar strength is unlikely to abate near-term, keeping import costs elevated and limiting monetary policy flexibility for both the South African Reserve Bank and the Bank of Namibia.

In energy markets, OPEC+ has completed the rollback of its voluntary oil output cuts, returning production to the market that had been withheld since 2022, according to Business Day on August 3. This supply addition adds to existing downward pressure on Brent crude, which had rebounded sharply to $87.59 per barrel on July 28. For net oil importers, including both Namibia and South Africa, any sustained moderation in Brent from the OPEC+ supply increase would provide meaningful relief on trade balances and transport costs, partially offsetting the fuel levy restoration announced in Namibia this week.

Gold posted its first monthly gain since February during July. According to Bloomberg via Moneyweb on July 31, spot gold was trading at $4,082.04 per ounce during Asian hours, having added 0.9% in each of the two prior sessions to record a net monthly advance. The Fed's unchanged policy stance removed a near-term headwind for the metal, and the positive monthly close reinforces gold's structural role as a hedge against inflation uncertainty and geopolitical disruption. This is a welcome development for Namibia-linked gold mining operations.

Source: LSEG Thomson Reuters Refinitiv.

Domestic Markets

The most immediately material development for Namibian households, businesses, and mining operations is a substantial fuel price increase taking effect this week. According to The Brief on July 31, fuel prices in Namibia will rise by N$2.00 per litre from 5 August 2026, as the government restores levies previously suspended. Namibia imports all of its refined petroleum products, and a N$2.00 per litre increase transmits directly into transport costs, food distribution margins, and the operating expenses of mining, agriculture, and construction. The increase is likely to put upward pressure on consumer price inflation, which the Namibia Statistics Agency recorded at 4.1% for 2025. Coming at a time when the Bank of Namibia raised its repo rate by 25 basis points to 6.75% in June 2026, and with the US dollar holding strength following the Fed's extended pause, the domestic cost environment is tightening across multiple channels simultaneously.

On the uranium front, Elevate Uranium Limited has set August 2026 as its target for releasing results from its U-pgrade™ pilot plant in Namibia, having previously experienced delays in achieving steady-state operations at the facility, according to reporting from Mining and Energy in April 2026. The company has implemented strengthened site management and refined operating procedures to stabilise the processing circuit. The results will represent the first representative metallurgical data from the pilot and will be closely watched by the uranium investment community, as they will inform the company's path toward commercial production. The Bank of Namibia has projected uranium mining as a key driver of growth within the primary industries in its 2026 economic outlook.

The Daures Green Hydrogen Village Phase 2 has new leadership. The Brief reported on July 31 that Mondjila Project has been appointed to lead the second phase of the project, following the departure of Jerome Namaseb as CEO. Namibia's green hydrogen programme remains a medium-term strategic priority for the country's economic diversification and energy transition agenda, and executive continuity is important for sustaining momentum with international partners and investors.

In South Africa, the rand enters August carrying significant headwinds. According to Bloomberg via Moneyweb on July 31, the rand has historically lost more than 2% against the dollar on average in August since 1997, making it the currency's worst-performing month seasonally. This year, the structural headwind is compounded by investors reassessing the SARB's policy stance following its surprise decision to hold the repo rate at 7% at the July 23–24 meeting, when a 25-basis-point hike had been widely anticipated. The combination of seasonal pressure, SARB policy uncertainty, and a Fed holding rates in a stronger-dollar environment presents a challenging backdrop for the rand. The currency was trading at approximately R16.47 per US dollar in early Monday trade, per Moneyweb.

Against this currency caution, Goldman Sachs has struck a more constructive note on South Africa's sovereign credit trajectory. Reporting by Bloomberg via Moneyweb on July 31, stronger-than-expected tax collections and improving public finances have bolstered expectations of further sovereign credit-rating upgrades within the next twelve months. A credit upgrade would directly lower government borrowing costs, reduce the risk premium embedded in South African assets, and attract additional foreign portfolio inflows. For Namibia, which remains closely linked to South Africa through the Common Monetary Area, an improvement in South Africa's sovereign standing provides a positive signal for regional investor sentiment.

On the structural policy front, reporting by Business Day on August 3 confirms that President Ramaphosa has publicly backed the proposed separation of Eskom's assets, even as mounting municipal debt is flagged as a critical challenge in the utility's restructuring. Presidential endorsement moves the long-discussed reform forward, though execution timelines and the resolution of municipal arrears remain key uncertainties. Separately, the Expropriation Act challenge has reached the High Court, with Business Day reporting on August 3 that the case is set to test political fault lines within the Government of National Unity, as the DA finds itself defending legislation it had previously opposed.

At the consumer level, South African Breweries has reported that cost-of-living pressure is reducing demand for its affordable beer brands, according to Business Day on August 3, a barometer of sustained household financial strain. The manufacturing sector faces further contraction as fuel costs increase, Business Day reported on August 3. The economic week ahead brings a diesel price increase alongside a modest petrol price decline. Consumer price inflation for June 2026 was recorded at 5.0%, per the South African Reserve Bank, well above the SARB's 3% target; the next CPI print is due on 19 August 2026 and will be pivotal in shaping expectations for the SARB's September 23 policy meeting.

> The ultimate goal is to be an interesting, useful, wholesome person. If you're successful on top of that, then you're way ahead of everybody.
>
> **Martha Stewart**

Market Overview

MARKET INDICATORS					03 August 2026
Money Market TB's		**Last Close**	**Change**	**Prev Close**	**Current Spot**
3 months	↓	7.15	-0.031	7.18	7.15
6 months	↑	7.43	0.006	7.42	7.43
9 months	↑	7.59	0.016	7.58	7.59
12 months	↑	7.58	0.006	7.58	7.58
Nominal Bonds		**Last Close**	**Change**	**Prev Close**	**Current Spot**
GC27 (Coupon 8.00%, BMK: R186)	↓	7.13	-0.003	7.13	7.13
GC28 (Coupon 8.50%, BMK: R186)	↓	8.22	-0.010	8.23	8.22
GC29 (Coupon 9.00%, BMK: R2030)	↓	8.71	-0.010	8.72	8.71
GC30 (Coupon 8.00%, BMK: R2030)	↓	8.78	-0.010	8.79	8.78
GC32 (Coupon 9.00%, BMK: R213)	↑	9.34	0.115	9.22	9.33
GC34 (Coupon 10.25%, BMK: R2035)	↑	10.01	0.010	10.00	10.01
GC35 (Coupon 9.50%, BMK: R209)	↑	10.35	0.010	10.34	10.34
GC37 (Coupon 9.50%, BMK: R2037)	↑	10.73	0.005	10.72	10.73
GC40 (Coupon 9.80%, BMK: R214)	↑	11.28	0.010	11.27	11.27
GC43 (Coupon 10.00%, BMK: R2044)	↑	11.43	0.005	11.43	11.43
GC45 (Coupon 9.85%, BMK: R2044)	↑	11.61	0.005	11.60	11.61
GC48 (Coupon 10.00%, BMK: R2048)	↑	11.62	0.015	11.60	11.62
GC50 (Coupon 10.25%, BMK: R2048)	↑	11.71	0.015	11.69	11.71
GC53 (Coupon 11.00%, BMK: R2053)	↑	11.80	0.020	11.78	11.80
Inflation-Linked Bonds		**Last Close**	**Change**	**Prev Close**	**Current Spot**
GI27 (Coupon 4.00%, BMK: NCPI)	→	4.22	0.000	4.22	4.22
GI29 (Coupon 4.50%, BMK: NCPI)	→	4.70	0.000	4.70	4.70
GI31 (Coupon 4.50%, BMK: NCPI)	→	5.00	0.000	5.00	5.00
GI33 (Coupon 4.50%, BMK: NCPI)	→	5.17	0.000	5.17	5.17
GI36 (Coupon 4.80%, BMK: NCPI)	→	5.71	0.000	5.71	5.71
GI41 (Coupon 4.80%, BMK: NCPI)	→	6.05	0.000	6.05	6.05
Commodities		**Last Close**	**Change**	**Prev Close**	**Current Spot**
Gold	↓	4,046	-1.40%	4,103	4,055
Platinum	↓	1648	-0.76%	1661	1646
Brent Crude	↓	87.9	-1.24%	89.03	83.33
Main Indices		**Last Close**	**Change**	**Prev Close**	**Current Spot**
NSX Overall Index	↑	1463	1.04%	1448	1463
JSE All Share	↓	111,493	-0.34%	111,873	111,493
S&P 500	↑	7,490	0.70%	7,438	7,490
FTSE 100	↑	10,895	0.25%	10,868	10,895
Hangseng	↑	25,970	0.33%	25,884	25,970
DAX	↑	25,629	0.07%	25,612	25,629
JSE Sectors		**Last Close**	**Change**	**Prev Close**	**Current Spot**
Financials	↑	26,489	1.04%	26,216	26,515
Resources	↓	106,704	-1.41%	108,233	108,141
Industrials	↓	130,683	-0.97%	131,968	131,563
Forex		**Last Close**	**Change**	**Prev Close**	**Current Spot**
N$/US Dollar	↑	16.53	0.18%	16.50	16.48
N$/Pound	↑	22.31	0.45%	22.21	22.17
N$/Euro	↑	19.09	0.42%	19.01	18.99
US Dollar/ Euro	↑	1.153	0.26%	1.15	1.15
		Namibia		**RSA**	
Interest Rates & Inflation		**Jul-26**	**Jun-26**	**Jul-26**	**Jun-26**
Central Bank Rate	→	6.75	6.75	7.00	7.00
Prime Rate	→	10.25	10.25	10.50	10.50
		Jun-26	**May-26**	**Jun-26**	**May-26**
Inflation	↑	4.4	4.1	5.0	4.5

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 listeds

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.

Capricorn Asset Management

Bank Windhoek

For enquiries concerning the Daily Brief please contact us at

Daily.Brief@capricorn.com.na