

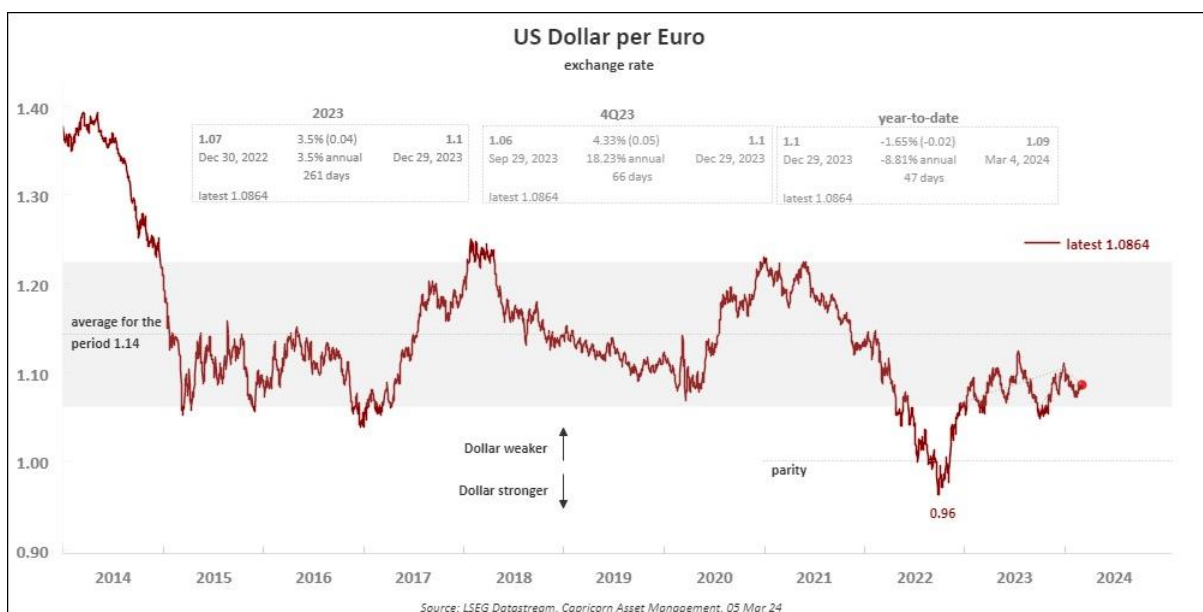
The Daily Brief



Capricorn Asset Management

Market Update

Tuesday, 29 March 2024



Global Markets

Wall Street stocks closed lower on Monday, backing away from record highs, while U.S. Treasury yields ticked higher as investors looked ahead to key jobs data and Federal Reserve Chair Jerome Powell's congressional testimony later in the week. Bitcoin was being closely watched as the cryptocurrency inched closer to its first record high since November 2021. After European stocks backed off from record highs, the major U.S. equity indexes followed suit, failing to eke out further gains following Friday's record-setting rally. All three U.S. indexes struggled for gains through much of the range-bound session, but lost momentum in the final hour. The S&P 500 closed modestly lower, while the Nasdaq and the Dow registered more pronounced declines.

Market participants appeared to be showing caution ahead of Powell's two-day congressional testimony on Wednesday and Thursday, the European Central Bank's policy decision and the Labor Department's crucial February jobs report to be released early on Friday. "Nothing is really happening (Monday) and that's why the stock market is undulating within small boundaries," said Sam Stovall, chief investment strategist of CFRA Research in New York. "The market is waiting for Jerome Powell's testimony to Congress, it's waiting for employment data on Friday and wondering whether we are going to get any kind of meaningful digestion of recent gains." Powell's testimony

and the jobs data will be scrutinized for any clarification on the timing and extent of the Fed's expected cuts to its key policy interest rate this year. On average, analysts believe the U.S. economy added 200,000 jobs in February, and the unemployment rate held firm at 3.7%.

The Dow Jones Industrial Average fell 97.55 points, or 0.25%, to 38,989.83, the S&P 500 lost 6.13 points, or 0.12%, to 5,130.95 and the Nasdaq Composite dropped 67.43 points, or 0.41%, to 16,207.51. European shares settled just south of all-time highs as investors digested recent gains and looked ahead to the European Central Bank's monetary policy meeting on Thursday. The pan-European STOXX 600 index lost 0.03%, and MSCI's gauge of stocks across the globe shed 0.01%. Emerging market stocks rose 0.51%. MSCI's broadest index of Asia-Pacific shares outside Japan closed 0.57% higher, while Japan's Nikkei rose 0.50%.

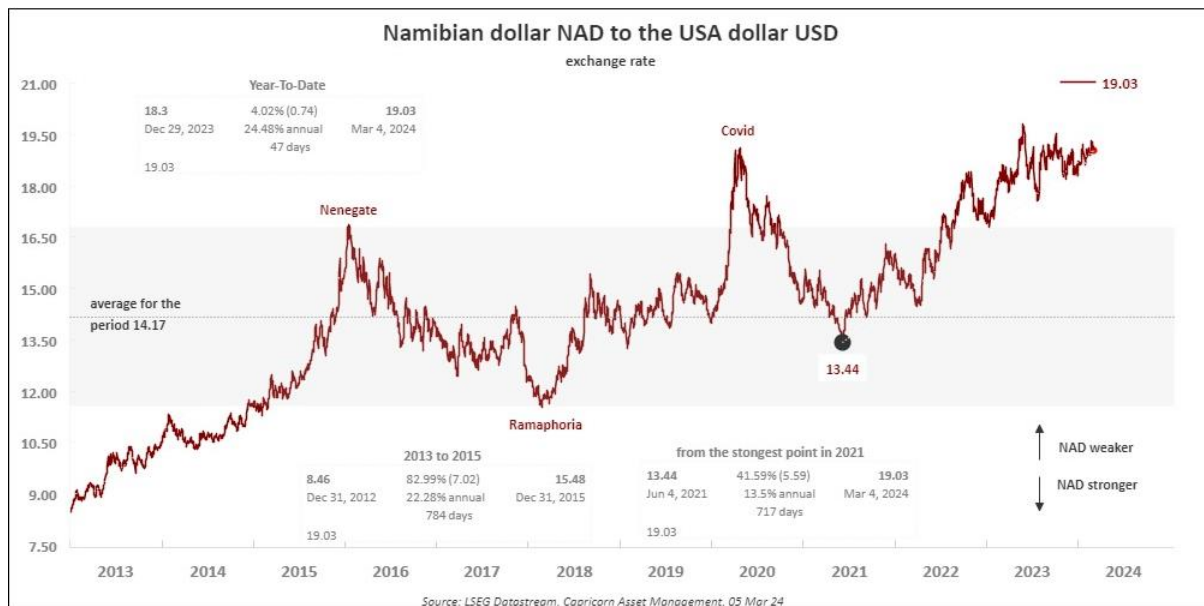
Bitcoin rose to a more than two-year peak. The cryptocurrency was last up 8.1% at \$67,655, approaching an intraday record reached in November 2021. "Bitcoin is a very high-volatility, speculative, momentum-related play and it always has been," Oliver Pursche, senior vice president at Wealthspire Advisors in New York. "The one thing it's good for from an analyst's perspective is it's an indicator of risk sentiment and investors' willingness to take on risk."

The dollar was essentially unchanged against a basket of world currencies. The dollar index fell 0.03%, with the euro up 0.16% to \$1.0854. The Japanese yen weakened 0.27% versus the greenback at 150.53 per dollar, while Sterling was last trading at \$1.2689, up 0.31% on the day. U.S. Treasury yields rose. Benchmark 10-year notes US last fell 9/32 in price to yield 4.217%, from 4.182% late on Friday. The 30-year bond last fell 14/32 in price to yield 4.3522%, from 4.327% late on Friday.

Oil prices reversed earlier gains as demand concerns offset a widely expected move on the part of OPEC+ to extend its output cuts. "With oil prices down even after OPEC said it's going to keep a rein on output, oil seems to be telling a different story from what equities are saying," Stovall said. "It implies the oil market is worried about global economic growth and there could be more problems to emanate from China that we are currently anticipating." U.S. crude fell 1.54% to settle at \$78.74 per barrel, while Brent settled at \$82.80, down 0.9% on the day.

Gold surged as market participants solidified their bets that the Fed would begin cutting interest rates in June. Spot gold added 1.6% to \$2,116.77 an ounce.

Source: Thomson Reuters Refinitiv



Domestic Markets

South Africa's rand firmed on Monday, ahead of gross domestic product (GDP) figures and a whole-economy purchasing managers' index (PMI) survey. At 1514 GMT, the rand traded at 19.02 against the U.S. dollar, about 0.4% higher than its closing level on Friday. The dollar was last down 0.08% against a basket of global currencies.

Statistics South Africa will release fourth-quarter GDP figures on Tuesday, which are expected to show growth after the economy recorded a minor contraction in the third quarter of last year. Investor focus will also be on the S&P Global South Africa PMI out on Tuesday, which will shed light on business conditions in Africa's most industrialised economy in February. Gold and forex reserves and current account data will also be released later this week.

Shares on the Johannesburg Stock Exchange ended slightly lower, with the blue-chip Top-40 index closing down 0.24%. South Africa's benchmark 2030 government bond slipped marginally, with the yield up 1 basis point at 10.120%.

Source: Thomson Reuters Refinitiv

It is easier to prevent bad habits than to break them.

Benjamin Franklin

Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)				05 March 2024	
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	⇒	8.79	0.000	8.79	8.79
6 months	⇒	8.85	0.000	8.85	8.85
9 months	⇒	8.93	0.000	8.93	8.93
12 months	⇒	8.98	0.000	8.98	8.98
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC24 (Coupon 10.50%, BMK R186)	⬆️	9.17	0.010	9.16	9.18
GC25 (Coupon 8.50%, BMK R186)	⬆️	9.26	0.010	9.25	9.27
GC26 (Coupon 8.50%, BMK R186)	⬆️	9.26	0.010	9.25	9.27
GC27 (Coupon 8.00%, BMK R186)	⬆️	9.38	0.010	9.37	9.39
GC28 (Coupon 8.50%, BMK R2030)	⬆️	9.65	0.005	9.65	9.66
GC30 (Coupon 8.00%, BMK R2030)	⬆️	9.69	0.005	9.69	9.70
GC32 (Coupon 9.00%, BMK R213)	⬆️	10.18	0.005	10.17	10.19
GC35 (Coupon 9.50%, BMK R209)	⬆️	11.13	0.035	11.10	11.14
GC37 (Coupon 9.50%, BMK R2037)	⬆️	12.31	0.035	12.28	12.32
GC40 (Coupon 9.80%, BMK R214)	⬆️	12.47	0.050	12.42	12.48
GC43 (Coupon 10.00%, BMK R2044)	⬆️	12.64	0.045	12.60	12.65
GC45 (Coupon 9.85%, BMK R2044)	⬆️	12.47	0.045	12.43	12.48
GC48 (Coupon 10.00%, BMK R2048)	⬆️	12.60	0.050	12.55	12.61
GC50 (Coupon 10.25%, BMK R2048)	⬆️	12.33	0.050	12.28	12.34
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI25 (Coupon 3.80%, BMK NCPI)	⇒	3.90	0.000	3.90	3.90
GI27 (Coupon 4.00%, BMK NCPI)	⇒	4.55	0.000	4.55	4.55
GI29 (Coupon 4.50%, BMK NCPI)	⇒	5.03	0.000	5.03	5.03
GI33 (Coupon 4.50%, BMK NCPI)	⇒	5.69	0.000	5.69	5.69
GI36 (Coupon 4.80%, BMK NCPI)	⇒	5.99	0.000	5.99	5.99
Commodities		Last close	Change	Prev close	Current Spot
Gold	⬆️	2,115	1.52%	2,083	2,115
Platinum	⬆️	898	1.45%	885	890
Brent Crude	⬇️	82.8	-0.90%	83.6	82.6
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	⬇️	1,511	-0.89%	1,524	1,511
JSE All Share	⬇️	72,633	-0.20%	72,775	72,633
SP500	⬇️	5,131	-0.12%	5,137	5,131
FTSE 100	⬇️	7,640	-0.55%	7,683	7,640
Hangseng	⬆️	16,596	0.04%	16,589	16,273
DAX	⬇️	17,716	-0.11%	17,735	17,716
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	⬇️	17,243	-0.94%	17,406	17,243
Resources	⬆️	50,537	0.98%	50,045	50,537
Industrials	⬇️	100,781	-0.25%	101,032	100,781
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	⬇️	19.03	-0.31%	19.09	19.06
N\$/Pound	⬆️	24.16	0.02%	24.15	24.18
N\$/Euro	⬇️	20.66	-0.13%	20.69	20.68
US dollar/ Euro	⬆️	1.085	0.16%	1.084	1.085
		Namibia		RSA	
Interest Rates & Inflation		Jan 24	Dec 23	Jan 24	Dec 23
Central Bank Rate	⇒	7.75	7.75	8.25	8.25
Prime Rate	⇒	11.50	11.50	11.75	11.75
		Jan 24	Dec 23	Jan 24	Dec 23
Inflation	⬆️	5.4	5.3	5.3	5.1

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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