

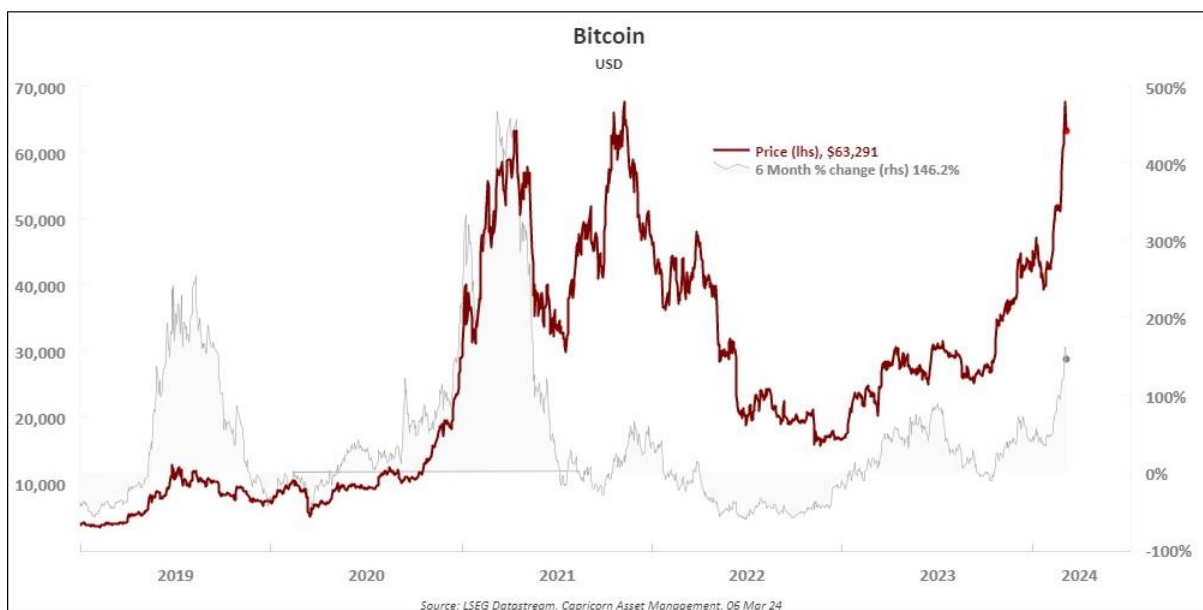
The Daily Brief



Capricorn Asset Management

Market Update

Wednesday, 06 March 2024



Global Markets

Wall Street stocks closed sharply lower on Tuesday while bitcoin and gold touched all-time highs as market participants eyed upcoming economic data and central bank actions. All three major U.S. stock indexes fell 1% or more on the day, with the tech-laden Nasdaq suffering the steepest loss. "This seems to be a day when bad news is bad news," said Tom Hainlin, national investment strategist at U.S. Bank Wealth Management in Minneapolis. "We had sluggish data. It's more about concerns about a slowing economy and less about how many times the Fed will cut interest rates this year." Despite the risk-averse sentiment among stock investors, bitcoin touched and then backed away from, a record high. The cryptocurrency was last off 7.6% on the day at \$62,380.

"You've had this big run in stocks, and investors are looking to put their money into some other areas where they think they can generate some cash," said Chuck Carlson, CEO of Horizon Investment Services in Hammond, Indiana. Gold also reached an all-time high, powered by interest rate cut expectations. "We can draw the line from weaker economic data to higher expectations that the Fed will cut interest rates to less support for the dollar, which, in turn, supports gold," Hainlin added. Economic data showed a waning expansion of the U.S. services sector, and a steeper-than-expected drop in new factory orders. The Dow Jones Industrial Average fell 404.64 points, or 1.04%,

to 38,585.19, the S&P 500 lost 52.3 points, or 1.02%, to 5,078.65 and the Nasdaq Composite dropped 267.92 points, or 1.65%, to 15,939.59.

European shares ended lower after moves by China to stimulate its economy failed to impress investors, who grew cautious ahead of euro zone and U.S. economic data, as well as a policy decision from the European Central Bank. The pan-European STOXX 600 index lost 0.23% and MSCI's gauge of stocks across the globe shed 0.79%. Emerging market stocks lost 0.89%. MSCI's broadest index of Asia-Pacific shares outside Japan closed 0.95% lower, while Japan's Nikkei lost 0.03%. The dollar inched lower against a basket of world currencies after the weaker-than-expected U.S. economic data.

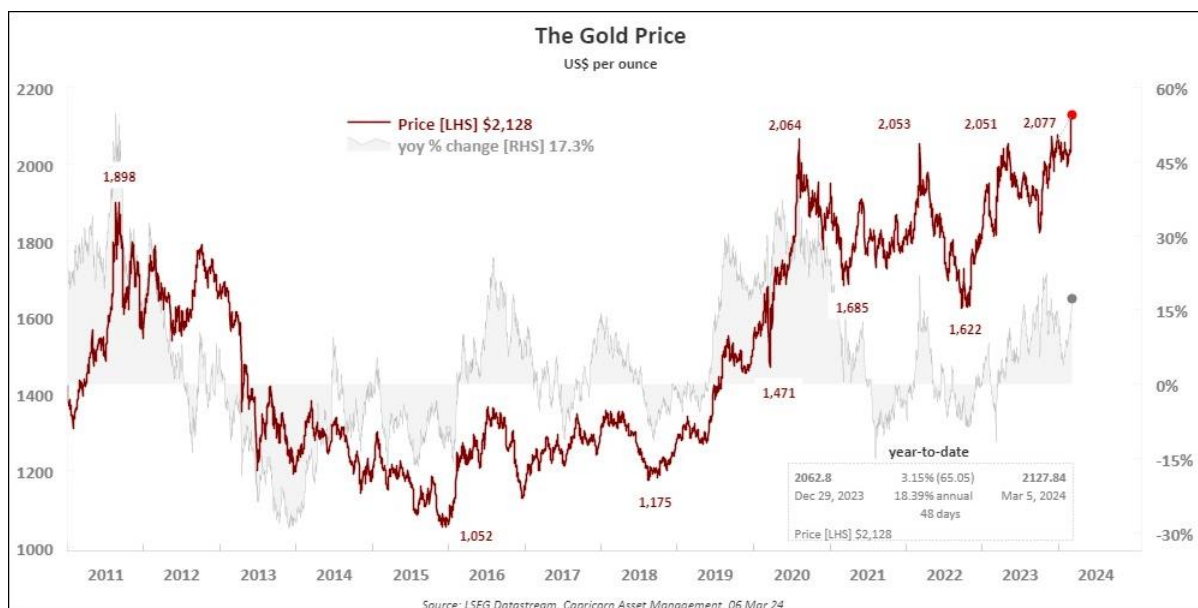
The dollar index fell 0.07%, with the euro up 0.03% to \$1.0857. The Japanese yen strengthened 0.39% versus the greenback to 149.95 per dollar, while Sterling was last trading at \$1.2706, up 0.13% on the day.

Benchmark 10-year U.S. Treasury yields fell to a one-month low following the softer-than-expected services sector data as investors prepared for Friday's employment report. Benchmark 10-year notes last rose 21/32 in price to yield 4.137%, from 4.219% late on Monday. The 30-year bond last rose 43/32 in price to yield 4.275%, from 4.355% late on Monday.

Oil prices softened on scepticism over China's economic growth plan ahead of the latest weekly of U.S. crude inventory reports. U.S. crude dropped 0.75% to settle at \$78.15 per barrel, while Brent settled at \$82.04, down 0.92% on the day.

Gold touched an all-time high as market participants solidified their bets that the Fed will begin lowering its key policy rate in June. Spot gold added 0.7% to \$2,129.54 an ounce.

Source: Thomson Reuters Refinitiv



Domestic Markets

South Africa's rand recovered on Tuesday after data showed the economy grew marginally in the fourth quarter and a purchasing managers' index (PMI) survey revealed that the country's private sector activity expanded for the first time in six months. At 1538 GMT, the rand traded at 18.9325 against the U.S. dollar, about 0.6% stronger than its previous close. In the final quarter of 2023, South Africa's economy grew 0.1%, while for that year as a whole, growth came in at 0.6%, Statistics South Africa said.

The data meant that Africa's most industrialised economy narrowly avoided a technical recession - defined as two consecutive quarters of falling economic output - after a contraction of 0.2% in the third quarter. However, analysts remained unimpressed. "The South African economy managed to avoid a recession, but the overall picture has not changed: the economy remains stagnant amid soft domestic demand and numerous supply-side growth impediments," Jee-A van der Linde, senior economist at Oxford Economics, said in a research note.

Separately, S&P Global's whole-economy PMI survey showed South African private sector activity expanded in February for the first time since August as staffing and purchasing levels increased amid stronger confidence. A manufacturing sector PMI survey last week showed factory activity recovered in February after a steep slump the month before. A surge in the price of gold, one of South Africa's major exports, could also help boost the rand this week, said analysts at ETM Analytics.

On the stock market, the Top-40 index closed 0.61% lower. South Africa's benchmark 2030 government bond was slightly stronger, with the yield down 0.5 basis points to 10.095%.

Source: Thomson Reuters Refinitiv

No one can figure out your worth but you.

Pearl Bailey

Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)				06 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)	⬇	9.12	-0.045	9.17	9.12
GC25 (Coupon 8.50%, BMK R186)	⬇	9.21	-0.045	9.26	9.21
GC26 (Coupon 8.50%, BMK R186)	⬇	9.21	-0.045	9.26	9.21
GC27 (Coupon 8.00%, BMK R186)	⬇	9.33	-0.045	9.38	9.33
GC28 (Coupon 8.50%, BMK R2030)	⬇	9.62	-0.030	9.65	9.63
GC30 (Coupon 8.00%, BMK R2030)	⬇	9.66	-0.030	9.69	9.67
GC32 (Coupon 9.00%, BMK R213)	⬇	10.15	-0.030	10.18	10.15
GC35 (Coupon 9.50%, BMK R209)	⬇	11.12	-0.015	11.13	11.12
GC37 (Coupon 9.50%, BMK R2037)	⬇	12.30	-0.015	12.31	12.30
GC40 (Coupon 9.80%, BMK R214)	➡	12.47	0.000	12.47	12.47
GC43 (Coupon 10.00%, BMK R2044)	⬆	12.65	0.010	12.64	12.66
GC45 (Coupon 9.85%, BMK R2044)	⬆	12.48	0.010	12.47	12.49
GC48 (Coupon 10.00%, BMK R2048)	⬆	12.60	0.005	12.60	12.61
GC50 (Coupon 10.25%, BMK: R2048)	⬆	12.33	0.005	12.33	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	⬆	2,128	0.59%	2,115	2,126
Platinum	⬇	881	-1.88%	898	884
Brent Crude	⬇	82.0	-0.92%	82.8	82.2
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	⬇	1,501	-0.69%	1,511	1,501
JSE All Share	⬇	72,242	-0.54%	72,633	72,242
SP500	⬇	5,079	-1.02%	5,131	5,079
FTSE 100	⬆	7,646	0.08%	7,640	7,646
Hangseng	⬇	16,163	-2.61%	16,596	16,539
DAX	⬇	17,698	-0.10%	17,716	17,698
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	⬇	17,138	-0.61%	17,243	17,138
Resources	⬆	51,167	1.25%	50,537	51,167
Industrials	⬇	99,236	-1.53%	100,781	99,236
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	⬇	18.96	-0.36%	19.03	18.94
N\$/Pound	⬇	24.09	-0.28%	24.16	24.05
N\$/Euro	⬇	20.58	-0.38%	20.66	20.55
US dollar/ Euro	⬆	1.086	0.01%	1.085	1.085
		Namibia		RSA	
Interest Rates & Inflation		Feb 24	Jan 24	Feb 24	Jan 24
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 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.



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