

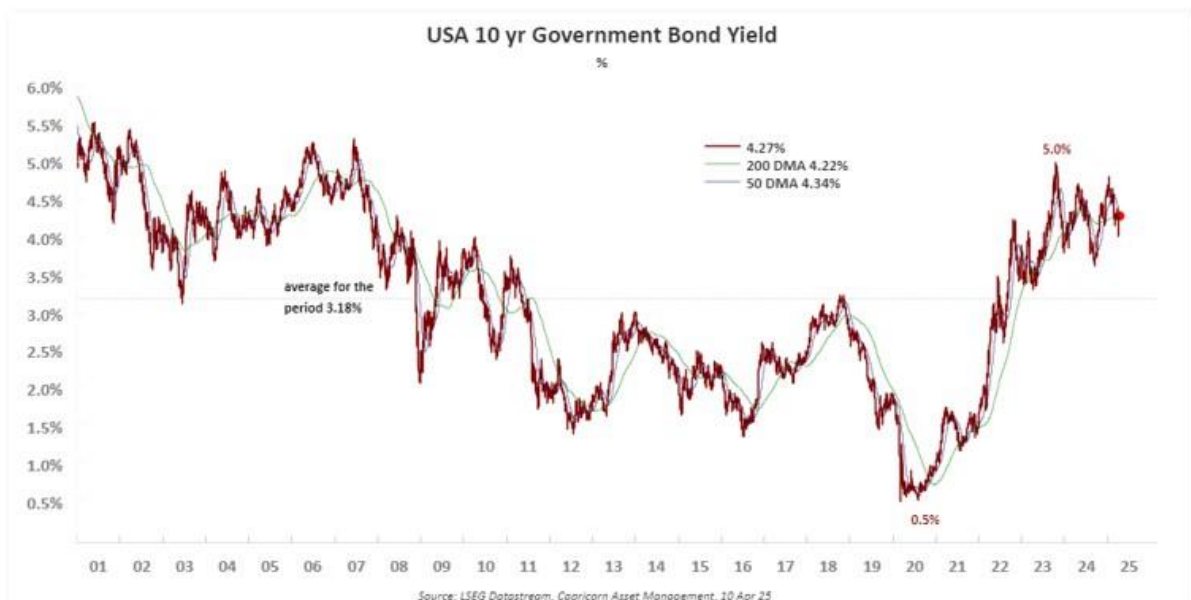
# The Daily Brief

 Capricorn Asset Management

Market Update

Thursday, 10 April 2025

## Global Markets



Global shares surged and a manic bond selloff stabilized on Thursday after U.S. President Donald Trump said he would temporarily lower the hefty duties he had just imposed on dozens of countries. However, the sharp overnight rally in U.S. stocks and the dollar lost steam as a trade war between the United States and China ratcheted up, with investors also perplexed over the flip-flopping of the Trump administration's tariff plans.

Following a days-long market rout that erased trillions of dollars from global stocks and jolted U.S. Treasury bonds and the dollar, Trump on Wednesday announced a 90-day pause on many of his new tariffs in a shock reversal. That pushed European futures up sharply in the Asian session, with EUROSTOXX 50 futures and DAX futures climbing nearly 8% each, while FTSE futures gained 5.4%. Japan's Nikkei similarly advanced more than 8%. But Wall Street took a breather after a towering rally overnight, as investors struggled to come to terms with the U.S. administration's economic policies.

Nasdaq futures fell more than 1% and S&P 500 futures were off 0.8%. Both indexes had clocked their biggest daily percentage gains in more than a decade during Wednesday's cash session. The dollar fell 0.8% against the yen and 0.6% on the Swiss franc, failing to sustain its jump against the two safe

haven currencies in the previous session. "I think the initial move was just massive, short cover, and this has given the world a bit of a breathing space, except for China... because markets were starting to price in the worst-case scenario. But now that the dust has settled, I think markets will seem to sort of figure out where to go from here," said Khoon Goh, head of Asia research at ANZ.

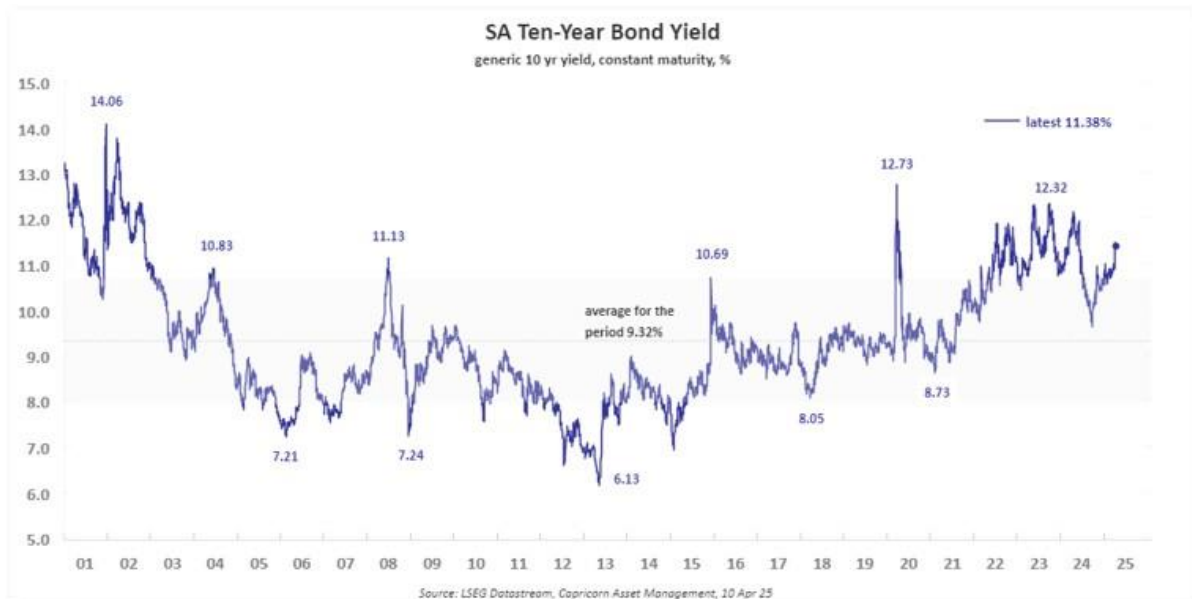
Trump's reversal on the country-specific tariffs is not absolute. A 10% blanket duty on almost all U.S. imports will remain in effect, the White House said. The announcement also does not appear to affect duties on autos, steel and aluminium that are already in place. Yet investors for now seemed to view the latest escalation of Sino-U.S. trade tensions with a narrow lens, choosing merely to focus on the 90-day window Trump has granted to dozens of countries. China's CSI300 blue-chip index was up 1%, while Hong Kong's Hang Seng Index advanced 2.4%. Still, the onshore yuan fell to its weakest level since December 2007 at 7.3518 per dollar. Prior to market opening, the People's Bank of China (PBOC) set the midpoint rate, around which the yuan is allowed to trade in a 2% band, at its lowest level since September 11, 2023.

A steep selloff in bonds this week also showed some signs of easing on Thursday. The benchmark 10-year Treasury yield dropped to 4.2908%, having touched a high of 4.5150% in the previous session and rising some 13 basis points. A violent U.S. Treasury selloff in the previous sessions, evoking the COVID-era "dash for cash", had reignited fears of fragility in the world's biggest bond market. Fed policymakers signalled they will not be quick to ride to the rescue with interest rate cuts because they expect higher tariffs to boost inflation, even as they worry Trump's trade policy could deal a blow to economic growth, minutes of the central bank's mid-March meeting out on Wednesday showed. Markets are now pricing in just about 80 basis points of rate cuts by December, down from more than 100 bps earlier in the week.

Elsewhere, oil prices fell as investors fretted about the worsening Sino-U.S. trade war.

Spot gold extended its climb and was last up 1.5% at \$3,128.92 an ounce.

**Source: LSEG Thomson Reuters Refinitiv.**



## Domestic Markets

The rand struck an all-time low in jittery trade on Wednesday, as U.S. President Donald Trump's trade war and the risk that South Africa's market-friendly coalition government could split unnerved investors. The rand fell as low as 19.9325 to the dollar, weaker than the previous record low of 19.9075 hit in June 2023, data from the London Stock Exchange Group showed. It recovered to 19.81 by 1533 GMT, but it was still down 0.2% on the day and more than 3% lower this week.

China and the European Union announced new tariffs on U.S. goods on Wednesday as the standoff between the United States and major economies showed no sign of resolution. Nicky Weimar, chief economist at South African bank Nedbank, said the rand was also being dragged lower by local politics. The two biggest parties in the coalition government, the African National Congress (ANC) and Democratic Alliance (DA), disagreed sharply over the budget, with the DA voting against it in parliament and going to court to try to block it. Despite both parties saying on Tuesday that they were not yet walking away from the Government of National Unity (GNU), investors are worried that the pro-business DA could quit the coalition or be forced out by the ANC.

The Johannesburg Stock Exchange's Top 40 index closed 2% lower. The benchmark 2030 government bond price also dropped, with the yield rising 10.5 basis points to 9.305%.

**Source: LSEG Thomson Reuters Refinitiv.**

Don't watch the clock; do what it does. Keep going.

**Sam Levenson**

## Market Overview

MARKET INDICATORS (Bloomberg)				10 April 2025	
<b>Money Market TB's</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
3 months	↑	7.54	0.028	7.51	7.54
6 months	↑	7.60	0.012	7.59	7.60
9 months	↑	7.67	0.056	7.61	7.67
12 months	↑	7.74	0.018	7.72	7.74
<b>Nominal Bonds</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
GC25 (Coupon 8.50%, BMK: R186)	↓	6.56	-0.618	7.18	6.09
GC26 (Coupon 8.50%, BMK: R186)	↑	8.45	0.046	8.40	8.45
GC27 (Coupon 8.00%, BMK: R186)	↑	8.52	0.015	8.50	8.52
GC30 (Coupon 8.00%, BMK: R2030)	↑	9.29	0.105	9.19	9.30
GC32 (Coupon 9.00%, BMK: R213)	↑	9.82	0.004	9.82	9.82
GC35 (Coupon 9.50%, BMK: R209)	↑	11.59	0.356	11.23	11.59
GC37 (Coupon 9.50%, BMK: R2037)	↑	11.92	0.047	11.88	11.93
GC40 (Coupon 9.80%, BMK: R214)	↑	12.23	0.006	12.22	12.23
GC43 (Coupon 10.00%, BMK: R2044)	↓	12.31	-0.005	12.32	12.31
GC45 (Coupon 9.85%, BMK: R2044)	↑	12.35	0.010	12.34	12.35
GC48 (Coupon 10.00%, BMK: R2048)	↑	12.41	0.014	12.40	12.41
GC50 (Coupon 10.25%, BMK: R2048)	↓	12.37	0.000	12.37	12.38
<b>Inflation-Linked Bonds</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
GI25 (Coupon 3.80%, BMK: NCPI)	↑	3.09	0.015	3.08	3.08
GI27 (Coupon 4.00%, BMK: NCPI)	↑	4.44	0.002	4.44	4.44
GI29 (Coupon 4.50%, BMK: NCPI)	↑	4.66	0.003	4.66	4.66
GI33 (Coupon 4.50%, BMK: NCPI)	↑	5.29	0.001	5.29	5.29
GI36 (Coupon 4.80%, BMK: NCPI)	↓	5.63	-0.002	5.63	5.63
<b>Commodities</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
Gold	↑	3,083	3.33%	2,983	3,120
Platinum	↑	936	1.58%	922	942
Brent Crude	↑	65.5	4.23%	62.82	65.20
<b>Main Indices</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
NSX Local Index	↓	910	-3.50%	943	910
JSE All Share	↓	82,486	-2.07%	84,227	82,486
S&P 500	↑	5,457	9.51%	4,983	5,457
FTSE 100	↓	7,679	-2.93%	7,911	7,679
Hangseng	↑	20,730	2.30%	20,264	20,730
DAX	↓	19,671	-3.00%	20,280	19,671
<b>JSE Sectors</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
Financials	→	19,074	0.00%	19,074	18,190
Resources	→	64,060	0.00%	64,060	65,573
Industrials	→	118,475	0.00%	118,475	115,741
<b>Forex</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
N\$/US Dollar	↓	19.30	-2.33%	19.76	19.28
N\$/Pound	↓	24.75	-1.98%	25.25	24.80
N\$/Euro	↓	21.13	-2.31%	21.63	21.17
US Dollar/ Euro	↓	1.095	-0.45%	1.10	1.10
		<b>Namibia</b>		<b>RSA</b>	
<b>Interest Rates &amp; Inflation</b>		<b>Feb-25</b>	<b>Jan-25</b>	<b>Mar-25</b>	<b>Jan-25</b>
Central Bank Rate	↓	6.75	7.00	7.50	7.50
Prime Rate	↓	10.50	10.75	11.00	11.00
		<b>Mar-25</b>	<b>Feb-25</b>	<b>Feb-25</b>	<b>Jan-25</b>
Inflation	↑	4.2	3.6	3.2	3.2

#### 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

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**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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**Bank Windhoek**

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