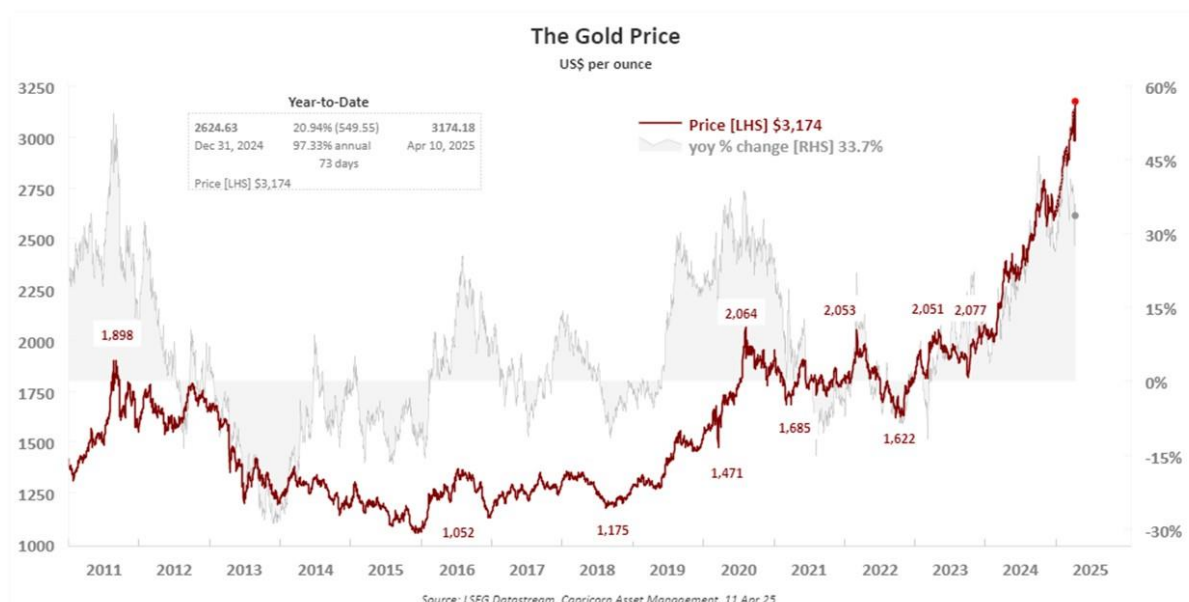




## Market Update

Friday, 11 April 2025

### Global Markets



Global stocks fell and the dollar sank further on Friday, while a manic bond selloff took hold in a brutal end to the week of tit-for-tat worldwide tariffs that have fed fears of a deep recession and shaken investor confidence in U.S. assets. The anxiety has sparked a rush into safe havens, sending the Swiss franc soaring to a decade high against the dollar, and gold to a new peak after a brief but massive relief rally following U.S. President Donald Trump's move to temporarily lower tariffs on many countries.

The selloff in U.S. Treasuries picked up pace during Asian hours, with the 10-year note yield rising to 4.45%, gaining about 45 basis points in the week, the biggest increase since 2001, LSEG data showed. Analysts and investors have pointed to this week's sharp selloff in Treasuries and weakness in the dollar as a sign of faltering confidence in the world's biggest economy. "There's clearly an exodus from U.S. assets. A falling currency and bond market is never a good sign," said Kyle Rodda, senior financial markets analyst at Capital.com. "This goes beyond pricing in a growth slowdown and trade uncertainty."

In Asia, Japan's Nikkei tumbled 4.3% on the day, while stocks in South Korea fell nearly 1%. Taiwan's main index reversed earlier losses to trade nearly 2% higher. U.S. futures for S&P 500 and Nasdaq

also reversed course to be slightly higher after a sharp drop overnight. European futures pointed to a higher open as nervous investors brace for volatility. "The short-term outlook for global risk assets remains uncertain given growth and inflation concerns, fluid sentiments and fast-changing developments on the trade and tariff fronts," said Vasu Menon, managing director of investment strategy at OCBC Bank in Singapore.

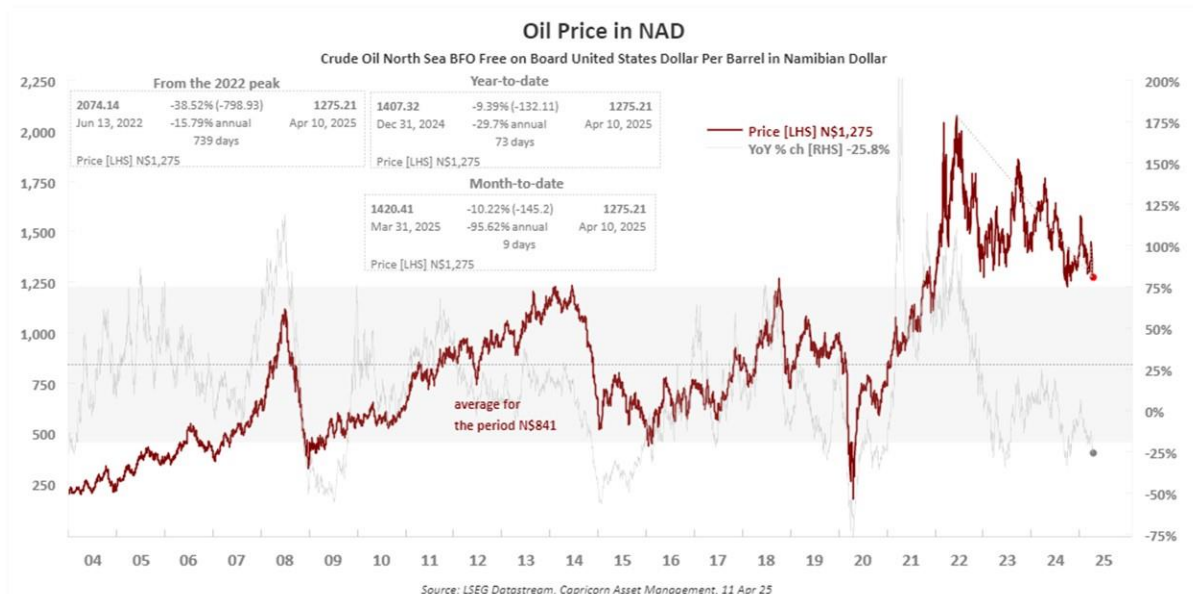
Investors are grappling with worries over the escalating Sino-U.S. trade war after Trump ratcheted up tariffs on Chinese imports, raising them effectively to 145%. China has hit back, hiking its tariffs on the U.S. with each Trump increase, raising fears that Beijing may jack up duties above the current 84%. Chinese stocks were relatively steady. The blue-chip CSI300 Index was 0.1% lower while Hong Kong's benchmark Hang Seng rose 0.56%. James Athey, fixed income manager at Marlborough, said the outlook remains darker and more clouded in uncertainty than it did a month ago. "There are still so many unanswered and unanswerable questions."

The U.S. dollar has faced relentless selling in the past few weeks, with traders seeking shelter in the Japanese yen, the Swiss franc as well as the euro. On Friday, the dollar sank to its lowest in 10 years against the Swiss franc and a six-month low against the yen. The euro surged 1.7% to \$1.13855; a level last seen in February 2022. The dollar index, which measures the greenback against six other units, fell below 100 for the first time since July 2023. The dollar's slide provided relief to some of the currencies in emerging markets, including the ringgit.

Markets mostly shrugged off data from the U.S. Labor Department that showed consumer prices unexpectedly fell in March although the improvement in inflation is unlikely to be sustained in the wake of tariffs. Meanwhile, a violent U.S. Treasury selloff this week, evoking the COVID-era "dash for cash", had reignited fears of fragility in the world's biggest bond market. Thirty-year bond yields rose to 4.90%, on course for their biggest weekly jump since at least 1982, LSEG data showed.

In commodities, gold prices scaled a record high on safe haven flows. It was last up 1.1% at \$3,210 per ounce. Oil prices slipped on Friday, set for second straight week in the red on concerns about a prolonged trade war between the United States and China. U.S. West Texas Intermediate crude futures fell 0.5%, while Brent crude futures fell 0.6%.

**Source: LSEG Thomson Reuters Refinitiv.**



## Domestic Markets

South Africa's rand firmed in early trade on Thursday, recouping some of its recent loss as investors took a breather after U.S. President Donald Trump announced an immediate 90-day tariff pause for many countries. At 0631 GMT, the rand traded at 19.25 against the U.S. dollar, about 0.4% stronger than its previous close. The local currency hit a record low of 19.9325 on Wednesday, the day Trump's country-specific import tariffs kicked in. Trump said he would temporarily lower tariffs imposed on dozens of countries, including South Africa but kept a 10% blanket duty on almost all U.S. imports.

In addition to Trump's tariffs, local politics have also weighed on the risk-sensitive rand, after a contentious budget vote last week threatened the future of the ruling coalition. The second-biggest party in the coalition, the pro-business Democratic Alliance, voted against key legislation in the budget and challenged the budget process in court. South Africa-focused investors on Thursday will look out for February domestic manufacturing data due at 1100 GMT for clues on the health of the economy.

Benchmark 2030 government bonds were stronger in early deals, with the yield down 15.5 basis points at 9.15%.

**Source: LSEG Thomson Reuters Refinitiv.**

Our greatest glory is not in never falling, but in rising every time we fall.

**Confucius**

## Market Overview

MARKET INDICATORS (Bloomberg)				11 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	↓	7.51	-0.029	7.54	7.51
6 months	↑	7.62	0.018	7.60	7.62
9 months	↑	7.72	0.052	7.67	7.72
12 months	↑	7.77	0.026	7.74	7.77
<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)	↓	6.21	-0.350	6.56	8.50
GC26 (Coupon 8.50%, BMK: R186)	↓	8.38	-0.064	8.45	8.38
GC27 (Coupon 8.00%, BMK: R186)	↓	8.50	-0.024	8.52	8.50
GC30 (Coupon 8.00%, BMK: R2030)	↓	9.12	-0.174	9.29	9.12
GC32 (Coupon 9.00%, BMK: R213)	↓	9.79	-0.031	9.82	9.79
GC35 (Coupon 9.50%, BMK: R209)	↑	11.60	0.014	11.59	11.60
GC37 (Coupon 9.50%, BMK: R2037)	↑	11.93	0.005	11.92	11.93
GC40 (Coupon 9.80%, BMK: R214)	↓	12.21	-0.017	12.23	12.21
GC43 (Coupon 10.00%, BMK: R2044)	↓	12.25	-0.055	12.31	12.26
GC45 (Coupon 9.85%, BMK: R2044)	↓	12.17	-0.181	12.35	12.17
GC48 (Coupon 10.00%, BMK: R2048)	↓	12.29	-0.122	12.41	12.29
GC50 (Coupon 10.25%, BMK: R2048)	↓	12.25	-0.126	12.37	12.25
<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)	↑	3.10	0.010	3.09	3.08
GI27 (Coupon 4.00%, BMK: NCPI)	↑	4.45	0.002	4.44	4.45
GI29 (Coupon 4.50%, BMK: NCPI)	↑	4.66	0.002	4.66	4.66
GI33 (Coupon 4.50%, BMK: NCPI)	↑	5.29	0.000	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	↑	3,176	3.03%	3,083	3,201
Platinum	↓	936	-0.03%	936	944
Brent Crude	↓	63.3	-3.28%	65.48	64.16
<b>Main Indices</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
NSX Local Index	↑	962	5.71%	910	962
JSE All Share	↑	86,042	4.31%	82,486	86,042
S&P 500	↓	5,268	-3.46%	5,457	5,268
FTSE 100	↑	7,913	3.05%	7,679	7,913
Hangseng	↑	20,914	1.12%	20,682	20,914
DAX	↑	20,563	4.53%	19,671	20,563
<b>JSE Sectors</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
Financials	→	18,190	0.00%	18,190	18,945
Resources	→	65,573	0.00%	65,573	71,001
Industrials	→	115,741	0.00%	115,741	118,853
<b>Forex</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
N\$/US Dollar	↑	19.41	0.57%	19.30	19.40
N\$/Pound	↑	25.17	1.70%	24.75	25.28
N\$/Euro	↑	21.74	2.89%	21.13	21.92
US Dollar/ Euro	↑	1.120	2.75%	1.09	1.13
		<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.*



**Capricorn Asset Management**



**Bank Windhoek**

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