



## Market Update

Friday, 14 March 2025

### Global Markets

Asia shares rose on Friday and global markets attempted a rebound after a brutal selloff earlier in the week, while gold reached a record as the latest escalation of global trade tensions left nervous investors seeking safe-haven assets. Relief over the likely aversion of a U.S. government shutdown boosted stocks in Asian trade, after Senate Democrat Chuck Schumer said he would vote to advance a Republican stopgap funding bill, signaling that his party would provide the necessary support.

U.S. stock futures rose sharply in response, with Nasdaq futures up more than 1% at one point and S&P 500 futures advancing 0.6%. EUROSTOXX 50 futures similarly gained 0.5% and FTSE futures gained 0.3%. DAX futures climbed 0.6%. MSCI's broadest index of Asia-Pacific shares outside Japan traded 0.95% higher, though it was on track to lose 1.5% for the week, as global trade disputes battered global stocks.

In the latest in a long list of tariff threats, U.S. President Donald Trump said on Thursday he would hit imports of European wine and spirits with duties of 200% if the EU did not remove retaliatory surcharges on American whiskey and other products that come into effect next month. "Trump is making it very clear that if anyone were to retaliate, his counter-escalation is going to be even sharper," said Vishnu Varathan, head of macro research for Asia ex-Japan at Mizuho. The latest developments sparked Thursday's steep selloff on Wall Street and the confirmation that the S&P 500 was in a correction, just a week after the Nasdaq confirmed the same.

Elsewhere, Japan's Nikkei rose 0.8%. A surge in consumer shares pushed Chinese stocks higher on Friday, after the northern Chinese city of Hohhot announced big cash rewards to boost birth rates. Investors were also awaiting a press conference next week by officials from Beijing's top planning agency and elsewhere for additional measures to boost domestic consumption. Hong Kong's Hang Seng Index jumped 2.4%, while China's CSI300 blue-chip index advanced 2.3%. The Shanghai Composite Index rose 1.7%.

The dollar regained some lost ground on Friday due to safe haven flows but was not too far off recent lows as worries of an impending U.S. recession and brewing trade tensions kept pressure on the greenback. The euro last traded 0.04% lower at \$1.08465, while sterling fell 0.03% to \$1.29475. The euro has drawn additional support from Germany's fiscal reset plan involving a 500 billion euro fund for infrastructure and sweeping changes to borrowing rules to revive growth and ramp up military spending in Europe's largest economy. Germany's outgoing lower house of parliament will vote on the measures on March 18 before the formation of a new parliament on March 25.

Next week will also see a slew of central bank meetings including the U.S. Federal Reserve, as investors await further guidance on the rate outlook amid uncertainty over Trump's trade policies and their impact on U.S. growth and inflation. "Our assessment is the direction of travel is consistent, rates will go lower. It's just a question of timing when they get to do it," said Mizuho's Varathan. The dollar was last up 0.5% against the yen at 148.50 but was set for a slight weekly loss against the Japanese currency as bets for more Bank of Japan (BOJ) rate hikes ramp up. The BOJ also meets next week.

In commodities, oil prices were higher after falling in the previous session. Brent futures rose 0.67% to \$70.35 a barrel. U.S. West Texas Intermediate crude futures added 0.75% to \$67.05 per barrel.

Gold reached a record high of \$2,993.80 an ounce on Friday. It was on track to gain 2.6% for the week.

**Source: LSEG Thomson Reuters Refinitiv.**

## Domestic Markets

South Africa's rand weakened on Thursday as the dollar recovered some ground after recent losses, a day after South Africa's national budget was tabled before lawmakers and met with resistance. At 1504 GMT, the rand traded at 18.3325 against the U.S. dollar, about 0.1% weaker than its previous close. It fell more than 1% at one point on Wednesday.

The dollar last traded firmer against a basket of currencies though it remained pressured after data on U.S. producer prices for February came in slightly weaker than expected and traders worried about global growth prospects amid trade tensions. Domestic investors will keep a keen eye on the post-budget discussions on Friday, following resistance to Finance Minister Enoch Godongwana's proposal on Wednesday to raise the value-added tax by 0.5 percentage point this year and another 0.5 percentage point next year.

The initial budget version shelved three weeks ago had put forward a 2-percentage-point VAT increase this year. Most big parliamentary parties publicly rejected Godongwana's revised budget, despite the scaling back of the size of a proposed hike in VAT, which currently sits at 15%. Data released by Statistics South Africa on Thursday showed mining output fell 2.7% year on year in January, while manufacturing output fell 3.3% year on year in the same month.

On the Johannesburg Stock Exchange, the blue-chip Top-40 index closed up about 0.4%. South Africa's benchmark 2030 government bond was weaker, with the yield up 2.5 basis points to 9.11%.

**Source: LSEG Thomson Reuters Refinitiv.**

Sometimes it's the journey that teaches you a lot about your destination.

Drake

## Market Overview

MARKET INDICATORS (Bloomberg)					14 March 2025
<b>Money Market TB's</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
3 months	↑	7.50	0.003	7.49	7.50
6 months	↓	7.61	-0.019	7.63	7.61
9 months	↓	7.67	-0.033	7.70	7.67
12 months	↓	7.71	-0.016	7.72	7.71
<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)	↓	7.45	-0.013	7.46	7.53
GC26 (Coupon 8.50%, BMK: R186)	↑	8.41	0.026	8.38	8.43
GC27 (Coupon 8.00%, BMK: R186)	↑	8.58	0.007	8.57	8.58
GC30 (Coupon 8.00%, BMK: R2030)	↑	9.03	0.012	9.02	9.04
GC32 (Coupon 9.00%, BMK: R213)	↑	9.68	0.039	9.65	9.69
GC35 (Coupon 9.50%, BMK: R209)	↑	10.91	0.014	10.90	10.91
GC37 (Coupon 9.50%, BMK: R2037)	↑	11.14	0.005	11.14	11.15
GC40 (Coupon 9.80%, BMK: R214)	↑	11.49	0.011	11.48	11.50
GC43 (Coupon 10.00%, BMK: R2044)	↓	11.53	-0.025	11.56	11.53
GC45 (Coupon 9.85%, BMK: R2044)	↑	11.60	0.013	11.59	11.60
GC48 (Coupon 10.00%, BMK: R2048)	↑	11.60	0.011	11.59	11.60
GC50 (Coupon 10.25%, BMK: R2048)	↑	11.50	0.014	11.49	11.50
<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)	↑	3.45	0.010	3.44	3.44
GI27 (Coupon 4.00%, BMK: NCPI)	↑	4.42	0.004	4.41	4.42
GI29 (Coupon 4.50%, BMK: NCPI)	↑	4.64	0.004	4.64	4.64
GI33 (Coupon 4.50%, BMK: NCPI)	↑	5.31	0.001	5.31	5.31
GI36 (Coupon 4.80%, BMK: NCPI)	↓	5.65	-0.002	5.65	5.65
<b>Commodities</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
Gold	↑	2,989	1.85%	2,935	2,990
Platinum	↑	1000	1.18%	988	999
Brent Crude	↓	69.9	-1.51%	70.95	70.59
<b>Main Indices</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
NSX Local Index	↑	1012	1.10%	1001	1012
JSE All Share	↑	87,636	0.65%	87,068	87,636
S&P 500	↓	5,522	-1.38%	5,599	5,522
FTSE 100	↑	8,543	0.02%	8,541	8,543
Hangseng	↑	23,976	2.19%	23,463	23,976
DAX	↓	22,567	-0.48%	22,676	22,567
<b>JSE Sectors</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
Financials	↑	19,976	0.54%	19,868	20,103
Resources	↑	63,475	1.77%	62,369	63,546
Industrials	↓	123,611	-0.51%	124,239	124,782
<b>Forex</b>		<b>Last Close</b>	<b>Change</b>	<b>Prev Close</b>	<b>Current Spot</b>
N\$/US Dollar	↓	18.33	-0.05%	18.34	18.23
N\$/Pound	↓	23.75	-0.08%	23.77	23.57
N\$/Euro	↓	19.91	-0.25%	19.96	19.77
US Dollar/ Euro	↓	1.085	-0.46%	1.09	1.08
		<b>Namibia</b>		<b>RSA</b>	
<b>Interest Rates &amp; Inflation</b>		<b>Feb-25</b>	<b>Jan-25</b>	<b>Feb-25</b>	<b>Jan-25</b>
Central Bank Rate	↓	6.75	7.00	7.50	7.75
Prime Rate	↓	10.50	10.75	11.00	11.00
		<b>Feb-25</b>	<b>Jan-25</b>	<b>Jan-25</b>	<b>Dec-24</b>
Inflation	↑	3.6	3.2	3.2	3.0

#### 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](mailto:Daily.Brief@capricorn.com.na)**

---

#### **Disclaimer**

*The information contained in this note is the property of Capricorn Asset Management (CAM). The information contained herein has been obtained from sources and persons whom the writer believes to be reliable but is not guaranteed for accuracy, completeness or otherwise. Opinions and estimates constitute the writer's judgement as of the date of this material and are subject to change without notice. This note is provided for informational purposes only and may not be reproduced in any way without the explicit permission of CAM.*

---

A member of  **Capricorn Group**