



Market Update

Thursday, 20 March 2025

Global Markets



Asia shares edged up on Thursday after a Wall Street rally as investor sentiment was lifted by the prospect that the Federal Reserve could still deliver two rate cuts this year, though the gains were limited by a pullback in Chinese equities. The Fed on Wednesday left rates unchanged in a widely expected decision but maintained its projection for two quarter-percentage-point rate cuts by the year-end.

Policymakers did revise up their inflation forecast for the year and marked down their outlook for economic growth, citing risks from U.S. President Donald Trump's tariff policies. Still, investors took comfort from the Fed's "dot plot" of policy rate expectations and Chair Jerome Powell's comments that tariff-driven inflation would be "transitory" and largely confined to this year, in turn sending stocks higher while U.S. Treasury yields and the dollar fell.

Australian shares jumped 1%, while U.S. futures also extended their rally after the cash session ended on a high. Nasdaq futures ticked up 0.62% and S&P 500 futures advanced 0.46%. But stocks in Europe looked set to open lower, with EUROSTOXX 50 futures down 0.07% and FTSE futures easing 0.15%. Trading was thinned with Japan markets closed for a holiday, though Nikkei futures edged up 0.3%. Kerry Craig, global market strategist at J.P. Morgan Asset Management, said the Fed's easing

bias remained and it would continue to assess downbeat forward-looking consumer business surveys against robust backward-looking data such as a resilient labour market.

Trading of cash U.S. Treasuries was closed owing to the Japan holiday, though futures ticked higher, implying lower yields. Bond yields move inversely to prices. That in turn undermined the dollar, which fell 0.18% against the yen to 148.40, while the euro was not far from a five-month high at \$1.0893. Sterling scaled a four-month top of \$1.3015 early in the session, ahead of the Bank of England's policy decision later on Thursday, where it is similarly expected to keep rates on hold.

However, the buoyant mood failed to drive a broader rally across Asia, with MSCI's broadest index of Asia-Pacific shares outside Japan just up a marginal 0.2%. That was due to a slide in Chinese equities, with benchmark indexes in mainland China and Hong Kong falling shortly after the open before paring some of those losses. The CSI300 blue-chip index was last 0.63% lower while the Shanghai Composite Index eased 0.3%. Hong Kong's Hang Seng Index fell roughly 1.5%.

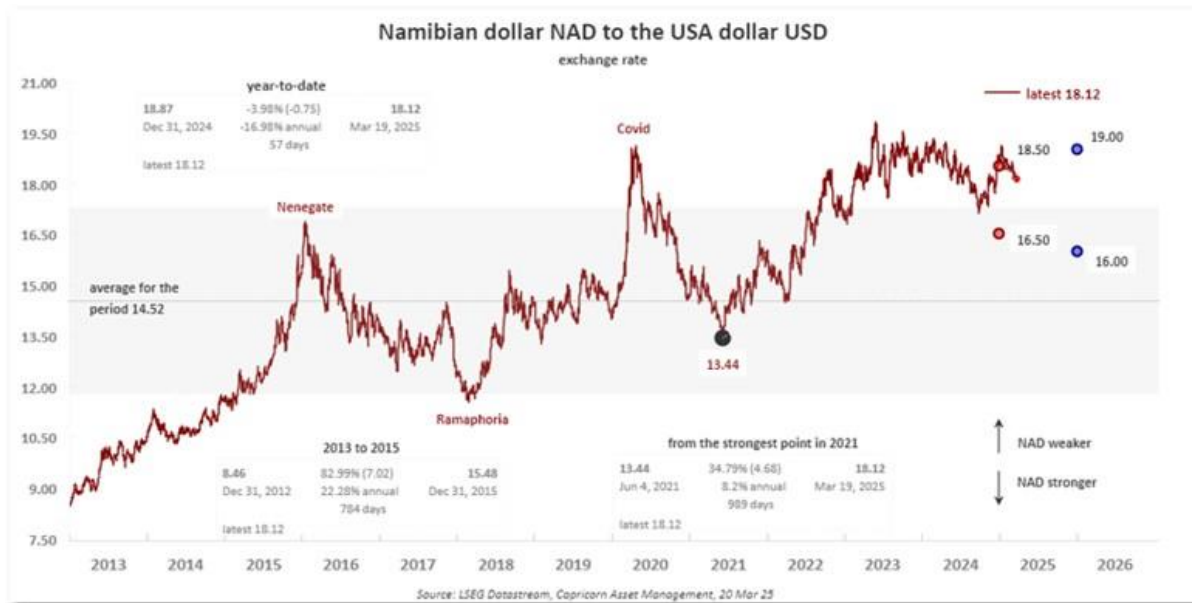
Earlier on Thursday, Beijing held its benchmark lending rates steady for the fifth straight month, matching market expectations. The yuan, which has been pressured by China's wide yield differentials with the United States, dipped 0.06% to 7.2354 per dollar in the onshore market. Its offshore counterpart fell 0.1% to 7.2383 per dollar. Elsewhere, data showed Australian employment unexpectedly fell in February to end a strong run of impressive gains, although the jobless rate stayed low. The Aussie fell in response to the weaker-than-expected employment figures and last traded 0.32% lower at \$0.6337.

Across the Tasman Sea, data also out on Thursday showed New Zealand's economy grew faster than forecast in the fourth quarter, dragging the economy out of recession. However, that did little to lift the New Zealand dollar, which fell 0.53% to \$0.5786.

In commodities, oil prices ticked higher owing in part to an escalation of tensions in the Middle East. Brent crude futures rose 0.54% to \$71.16 a barrel, while U.S. West Texas Intermediate crude (WTI) gained 0.54% to \$67.52 per barrel.

Gold scaled yet another record high of \$3,057.21 an ounce, helped by the prospect of further Fed easing this year.

Source: LSEG Thomson Reuters Refinitiv.



Domestic Markets

The South African rand was steady on Wednesday after statistics agency data showed the country's year on year inflation rate remained unchanged in February. At 1506 GMT, the rand traded at 18.1325 against the dollar, near its previous close of 18.1350.

South Africa's headline consumer inflation stood at 3.2% last month, the same level as in January. Economists had forecast annual inflation would pick up slightly to 3.3%. The South African Reserve Bank will deliver its monetary policy decision on Thursday. Analysts polled by Reuters think a rate pause is likely. However, some economists did not rule out the possibility of the central bank delivering another cut after Wednesday's lower-than-expected inflation reading. Separately, South African retail sales rose 7.0% year on year in January after rising by a revised 3.2% in December.

On the stock market, the Top 40 index closed about 1.5% higher. South Africa's benchmark 2030 government bond was stronger, with the yield down 3 basis points to 9.095%.

Source: LSEG Thomson Reuters Refinitiv.

Happiness depends upon ourselves.

Aristotle

Market Overview

MARKET INDICATORS (Bloomberg)			20 March 2025		
Money Market TB's		Last Close	Change	Prev Close	Current Spot
3 months	↑	7.51	0.009	7.50	7.51
6 months	↓	7.60	-0.011	7.61	7.60
9 months	↓	7.60	-0.069	7.67	7.60
12 months	↓	7.68	-0.022	7.71	7.68
Nominal Bonds		Last Close	Change	Prev Close	Current Spot
GC25 (Coupon 8.50%, BMK: R186)	↓	7.29	-0.161	7.46	7.06
GC26 (Coupon 8.50%, BMK: R186)	↓	8.40	-0.041	8.44	8.39
GC27 (Coupon 8.00%, BMK: R186)	↓	8.55	-0.051	8.60	8.56
GC30 (Coupon 8.00%, BMK: R2030)	↑	9.04	0.004	9.03	9.04
GC32 (Coupon 9.00%, BMK: R213)	↓	9.71	-0.034	9.75	9.71
GC35 (Coupon 9.50%, BMK: R209)	↓	10.95	-0.071	11.02	10.95
GC37 (Coupon 9.50%, BMK: R2037)	↑	11.18	0.033	11.14	11.18
GC40 (Coupon 9.80%, BMK: R214)	↑	11.56	0.027	11.53	11.56
GC43 (Coupon 10.00%, BMK: R2044)	↑	11.54	0.004	11.54	11.54
GC45 (Coupon 9.85%, BMK: R2044)	↑	11.72	0.018	11.70	11.72
GC48 (Coupon 10.00%, BMK: R2048)	↑	11.74	0.079	11.67	11.74
GC50 (Coupon 10.25%, BMK: R2048)	↑	11.63	0.069	11.56	11.63
Inflation-Linked Bonds		Last Close	Change	Prev Close	Current Spot
GI25 (Coupon 3.80%, BMK: NCPI)	↑	3.47	0.011	3.46	3.46
GI27 (Coupon 4.00%, BMK: NCPI)	↑	4.43	0.004	4.43	4.44
GI29 (Coupon 4.50%, BMK: NCPI)	↑	4.66	0.004	4.65	4.66
GI33 (Coupon 4.50%, BMK: NCPI)	↑	5.31	0.001	5.31	5.31
GI36 (Coupon 4.80%, BMK: NCPI)	↓	5.64	-0.002	5.64	5.64
Commodities		Last Close	Change	Prev Close	Current Spot
Gold	↑	3,048	0.43%	3,035	3,049
Platinum	↓	998	-0.63%	1004	998
Brent Crude	↑	70.8	0.31%	70.56	71.23
Main Indices		Last Close	Change	Prev Close	Current Spot
NSX Local Index	↑	1045	0.67%	1038	1045
JSE All Share	↑	90,150	1.41%	88,893	90,150
S&P 500	↑	5,675	1.07%	5,615	5,675
FTSE 100	↑	8,707	0.02%	8,705	8,707
Hangseng	↓	24,383	-1.57%	24,771	24,383
DAX	↓	23,288	-0.40%	23,381	23,288
JSE Sectors		Last Close	Change	Prev Close	Current Spot
Financials	→	20,396	0.00%	20,396	20,626
Resources	→	65,975	0.00%	65,975	67,351
Industrials	→	125,405	0.00%	125,405	127,249
Forex		Last Close	Change	Prev Close	Current Spot
N\$/US Dollar	↓	18.12	-0.11%	18.14	18.14
N\$/Pound	↓	23.57	-0.08%	23.59	23.57
N\$/Euro	↓	19.76	-0.50%	19.86	19.77
US Dollar/ Euro	→	1.090	0.00%	1.09	1.09
		Namibia		RSA	
Interest Rates & Inflation		Feb-25	Jan-25	Feb-25	Jan-25
Central Bank Rate	↓	6.75	7.00	7.50	7.75
Prime Rate	↓	10.50	10.75	11.00	11.00
		Feb-25	Jan-25	Feb-25	Jan-25
Inflation	↑	3.6	3.2	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

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

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