



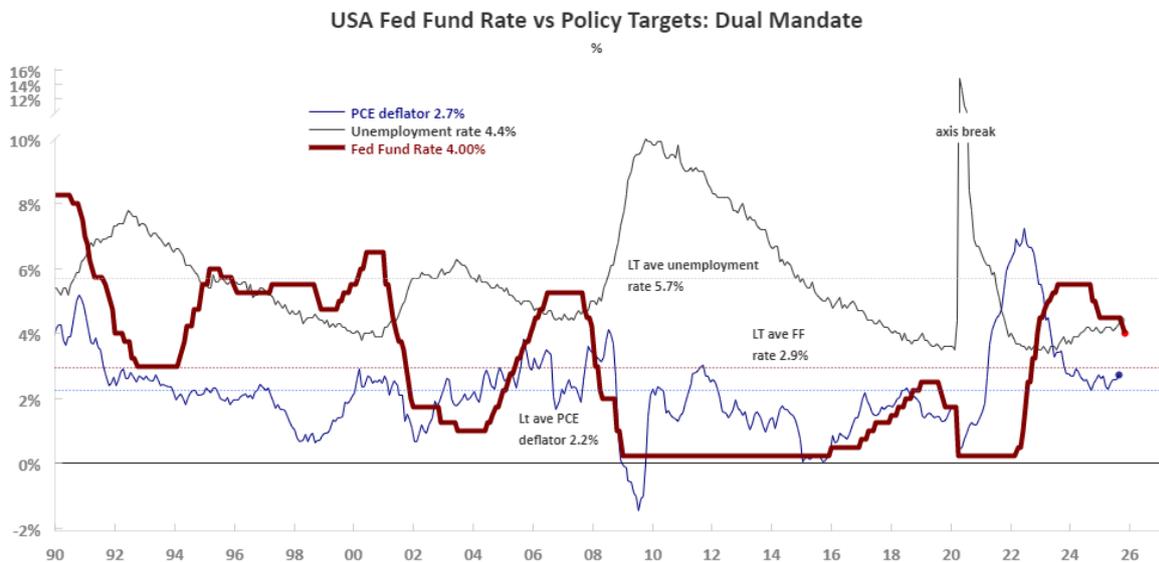
The Daily Brief

 Capricorn Asset Management

Market Update

Friday, 21 November 2025

Global Markets



Asian shares extended a global rout on Friday as a highly anticipated U.S. jobs report failed to provide clarity on the near-term path for interest rates, with investors dumping risk assets even after Nvidia's earnings dazzled. European markets are bracing for a sharply lower open, with EURO STOXX 50 futures down 1.4% and FTSE futures off 1%. Wall Street futures were up 0.2% in Asia trading.

U.S. stocks fell overnight on jitters over inflated tech stock prices - despite Nvidia's stellar forecasts - resulting in the Nasdaq's widest one-day swing since April 9 when the Trump administration's tariffs spooked markets.

Data showed the U.S. economy added far more jobs than expected in September, but a rise in the unemployment rate and downward revisions to prior months painted a murky picture for the Federal Reserve as it considers its interest rates next month. Treasury yields fell as futures moved to imply a 40% probability of a U.S. rate cut in December, up from 30% a day earlier, but with the next jobs report only available after the Fed meeting, investors were unconvinced that easing would come next month.

On Friday, MSCI's broadest index of Asia-Pacific shares outside Japan tumbled 2.2% to bring its weekly loss to 3.5%, the most substantial since early April. Japan's Nikkei fell 2.2% and was down 3.3% for the week. Shares in Taiwan dropped 3.4% while South Korea's market plunged 3.7%. Chinese shares also took a beating, with the CSI 300 and Hong Kong's Hang Seng index both off 1.5%. "There is no doubt that the U.S. tech sector has many bubble-like characteristics ... but this does not mean that prices have to pop," said Diana Mousina, deputy chief economist at AMP. "The bubble could just deflate a bit."

"Now that the government shutdown is over, Trump and his team are making more concessions and tariffs and U.S. shares usually perform well in November and December due to seasonality, (so) shares should have a better end to the year."

Overnight, Fed officials struck a cautious tone on inflation. Some voiced emerging concerns about financial market stability, including the potential for a sharp drop in asset prices, as they debated when and even whether to cut interest rates more.

Cleveland Fed President Beth Hammack warned that cutting rates further right now carried a wide range of risks for the economy. Fed Governor Lisa Cook said she saw a risk of outsized asset price declines.

On Friday, Japan's cabinet, led by Prime Minister Sanae Takaichi, approved a 21.3 trillion yen (\$135.5 billion) economic stimulus package, her first major policy initiative as leader.

Concerns about growing fiscal expansion have weighed on the Japanese yen, which was struggling at 157.24 per dollar, just above a 10-month low. The rapid depreciation in the Japanese currency - down 6% this quarter - has raised the risk of an imminent government intervention.

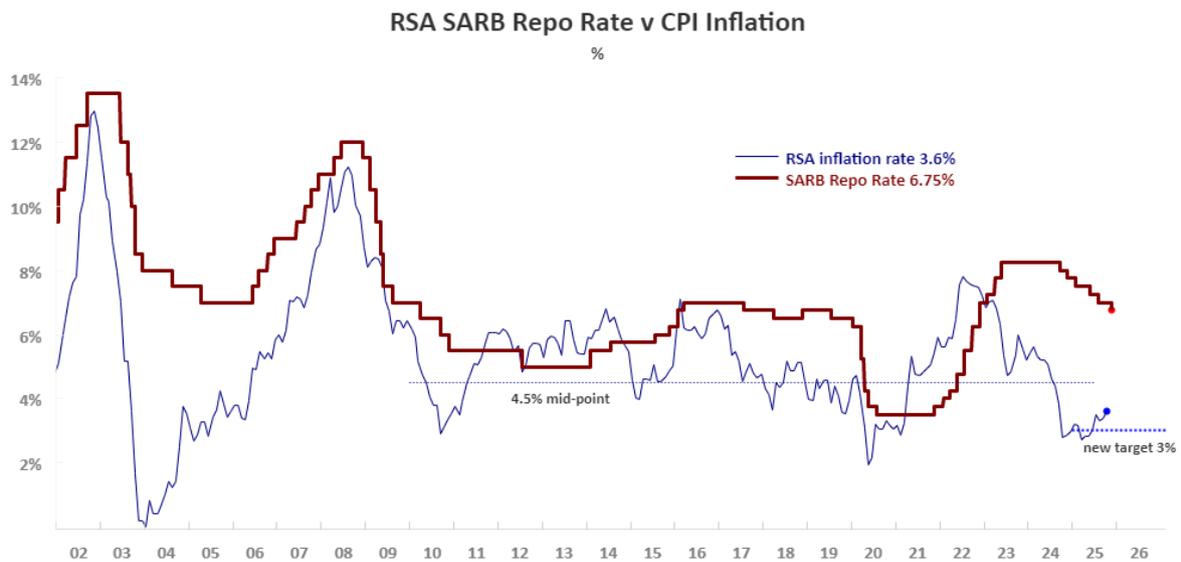
Bond investors breathed a sigh of relief after Takaichi said overall JGB issuance is expected to be smaller than last year's. The yield on ten-year Japanese government bonds fell 3 basis points to 1.785%, moving away from a 17-year peak of 1.835%.

Meanwhile, data showed Japan's core consumer prices rose 3% in October, keeping alive expectations of a near-term rate increase. Bank of Japan Governor Kazuo Ueda said the central bank would debate the "feasibility and timing" of a rate rise in upcoming meetings. "If the Japanese yen remains weak and forthcoming data confirm both economic recovery and increasing inflation, we think the BOJ will act, basing its decision on data and maintaining independence from political influence," said Min Joo Kang, a senior economist at ING.

Treasuries steadied after gaining overnight. Two-year Treasury yields were flat at 3.545%, having fallen 4 basis points overnight, while the 10-year yield was little changed at 4.0922% after easing 3 bps in U.S. trading hours. Oil prices extended their overnight slide on Friday as the U.S. government pushed for Ukraine's acceptance of a peace agreement with Russia. U.S. West Texas Intermediate crude dropped 1.2% to \$58.29 and was down 3% this week. Spot gold prices were off 0.5% to \$4,055 per ounce; they were little moved overnight.

Source: LSEG Thomson Reuters Refinitiv.

Domestic Markets



The rand was steady on Thursday after the South African Reserve Bank (SARB) cut its main lending rate at the first meeting since its inflation target was lowered. At 1621 GMT the rand traded at 17.1750 against the dollar, a whisker away from Wednesday's close.

In a unanimous decision, the SARB trimmed the rate by 25 basis points to 6.75%, while economists polled by Reuters had been divided on what the policy decision would be.

Nedbank economists who predicted the cut said in a research note that the bank's quarterly projection model points to interest rate cuts of 50-75 basis points over the next two years. "Our inflation forecast still reflects a slightly more prolonged rise in inflation than that of the SARB. However, much of the anticipated increase stems from the lower statistical base established throughout this year," said the note.

Headline inflation in Africa's most industrialised economy quickened to 3.6% year-on-year in October from 3.4% in September, staying within the 1 percentage point tolerance band of the central bank's new 3% target announced last week. The bank previously had a target range of 3-6%. On the Johannesburg Stock Exchange, the Top-40 index was last up 0.3%. South Africa's benchmark 2035 government bond was slightly weaker, with the yield rising to 8.6%.

Source: LSEG Thomson Reuters Refinitiv.

A nickel ain't worth a dime anymore.

Yogi Berra

Market Overview

MARKET INDICATORS		21 November 2025			
Money Market TB's		Last Close	Change	Prev Close	Current Spot
3 months	↑	7.34	0.026	7.31	7.34
6 months	↑	7.38	0.035	7.34	7.38
9 months	↑	7.39	0.031	7.36	7.39
12 months	↑	7.38	0.044	7.33	7.38
Nominal Bonds		Last Close	Change	Prev Close	Current Spot
GC26 (Coupon 8.50%, BMK: R186)	↑	7.41	0.031	7.38	7.36
GC27 (Coupon 8.00%, BMK: R186)	↓	7.22	-0.040	7.26	7.16
GC28 (Coupon 8.00%, BMK: R186)	↓	8.14	-0.065	8.21	8.09
GC30 (Coupon 8.00%, BMK: R2030)	↓	8.53	-0.065	8.59	8.47
GC32 (Coupon 9.00%, BMK: R213)	↓	8.91	-0.060	8.97	8.86
GC35 (Coupon 9.50%, BMK: R209)	↓	10.11	-0.050	10.16	10.06
GC37 (Coupon 9.50%, BMK: R2037)	↓	10.27	-0.055	10.32	10.21
GC40 (Coupon 9.80%, BMK: R214)	↓	10.52	-0.040	10.56	10.47
GC43 (Coupon 10.00%, BMK: R2044)	↓	10.83	-0.045	10.87	10.78
GC45 (Coupon 9.85%, BMK: R2044)	↓	11.10	-0.045	11.15	11.05
GC48 (Coupon 9.85%, BMK: R2044)	↓	10.93	-0.045	10.97	10.88
GC50 (Coupon 10.25%, BMK: R2048)	↓	10.93	-0.045	10.97	10.88
Inflation-Linked Bonds		Last Close	Change	Prev Close	Current Spot
GI27 (Coupon 4.00%, BMK: NCPI)	→	4.58	0.000	4.58	4.53
GI29 (Coupon 4.50%, BMK: NCPI)	→	4.95	0.000	4.95	4.90
GI31 (Coupon 4.50%, BMK: NCPI)	→	5.23	0.000	5.23	5.18
GI33 (Coupon 4.50%, BMK: NCPI)	→	5.46	0.000	5.46	5.41
GI36 (Coupon 4.80%, BMK: NCPI)	→	5.89	0.000	5.89	5.84
GI41 (Coupon 4.80%, BMK: NCPI)	→	6.19	0.000	6.19	6.14
Commodities		Last Close	Change	Prev Close	Current Spot
Gold	↓	4,077	-0.02%	4,078	4,033
Platinum	↓	1518	-1.87%	1547	1501
Brent Crude	↓	63.4	-0.20%	63.51	62.45
Main Indices		Last Close	Change	Prev Close	Current Spot
NSX Local Index	↑	1208	0.25%	1205	1208
JSE All Share	↓	109,569	-2.08%	111,897	109,569
S&P 500	↓	6,539	-1.55%	6,642	6,539
FTSE 100	↑	9,528	0.22%	9,507	9,528
Hangseng	↓	25,287	-2.12%	25,836	25,287
DAX	↑	23,279	0.50%	23,163	23,279
JSE Sectors		Last Close	Change	Prev Close	Current Spot
Financials	↑	23,695	0.36%	23,609	23,371
Resources	↓	111,744	-1.20%	113,096	107,350
Industrials	↑	143,144	0.13%	142,952	140,997
Forex		Last Close	Change	Prev Close	Current Spot
N\$/US Dollar	↑	17.24	0.23%	17.20	17.28
N\$/Pound	↑	22.53	0.31%	22.46	22.60
N\$/Euro	↑	19.85	0.05%	19.84	19.95
US Dollar/ Euro	↑	1.153	0.26%	1.15	1.15
Interest Rates & Inflation		Namibia		RSA	
		Oct-25	Sep-25	Nov-25	Oct-25
Central Bank Rate	↓	6.50	6.75	6.75	7.00
Prime Rate	↓	10.13	10.38	10.25	10.50
		Oct-25	Sep-25	Oct-25	Sep-25
Inflation	↑	3.6	3.5	3.6	3.4

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 listed

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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