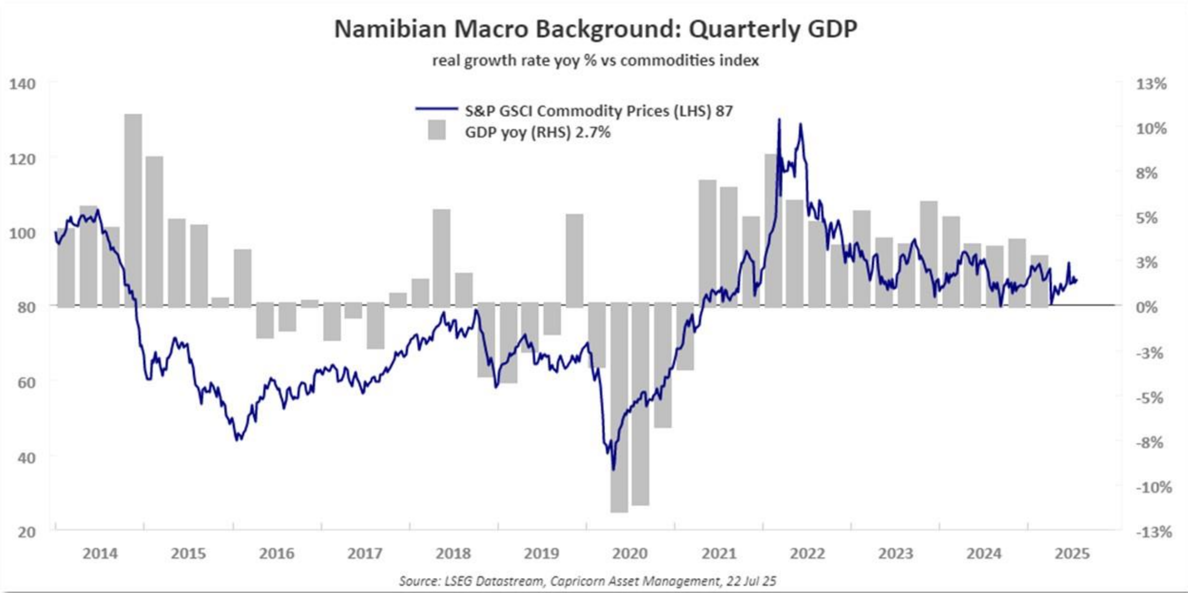
Market Update Tuesday, 22 July 2025

Global Markets



Asian share markets drifted lower after scaling a near four-year peak on Tuesday ahead of a slate of corporate earnings, while investors took stock of tariff negotiations between the U.S. and its trading partners. The dithering mood is set to continue in Europe where the focus will be on earnings from firms including SAP and UniCredit. EUROSTOXX 50 futures and DAX futures both dipped 0.5%, while FTSE futures eased 0.3%.

MSCI's broadest index of Asia-Pacific shares outside Japan hit its highest level since October 2021 in early Asian hours but was last down 0.4%. The index is up nearly 16% this year. The S&P 500 and the Nasdaq notched record-high closes on Monday. The Japanese markets returned to action after a holiday on Monday following the weekend's election where the ruling coalition suffered a defeat in upper house elections, although Prime Minister Shigeru Ishiba vowed to remain in his post. Japanese shares, briefly jumped at the open but reversed course to trade lower by Tuesday afternoon, as the election results were largely priced in and were not as bad as investors had feared.

The yen rallied 1% on Monday, recouping some of the losses from past weeks and was last slightly weaker at 147.73 per dollar. Kristina Clifton, an economist at the Commonwealth Bank of Australia, said the weakening of Ishiba's leadership will open the door to more fiscal expansion that is negative for Japanese assets, including the yen. Investor focus has been on tariff negotiations ahead of the August 1 deadline with the European Union exploring a broader set of possible countermeasures against the United States as prospects for an acceptable agreement with Washington fade. The most important deals for the global outlook are with the EU and Japan, CBA's Clifton said.

The euro was steady at $1.1689, after rising 0.5% in the previous session but still away from the near four-year high it reached at the start of the month. The single currency is up 13% this year as investors look for alternatives to U.S. assets bruised by tariff uncertainties. The dollar index, a measure against six other key currencies, was at 97.905. Investors are awaiting results this week from Wall Street giants Alphabet and Tesla, as well as from European heavyweights LVMH, and Roche, as uncertainty over tariffs clouds the outlook. The rumblings around the Federal Reserve's independence and whether U.S. President Donald Trump will fire Fed Chair Jerome Powell have kept investors on tenterhooks in recent weeks.

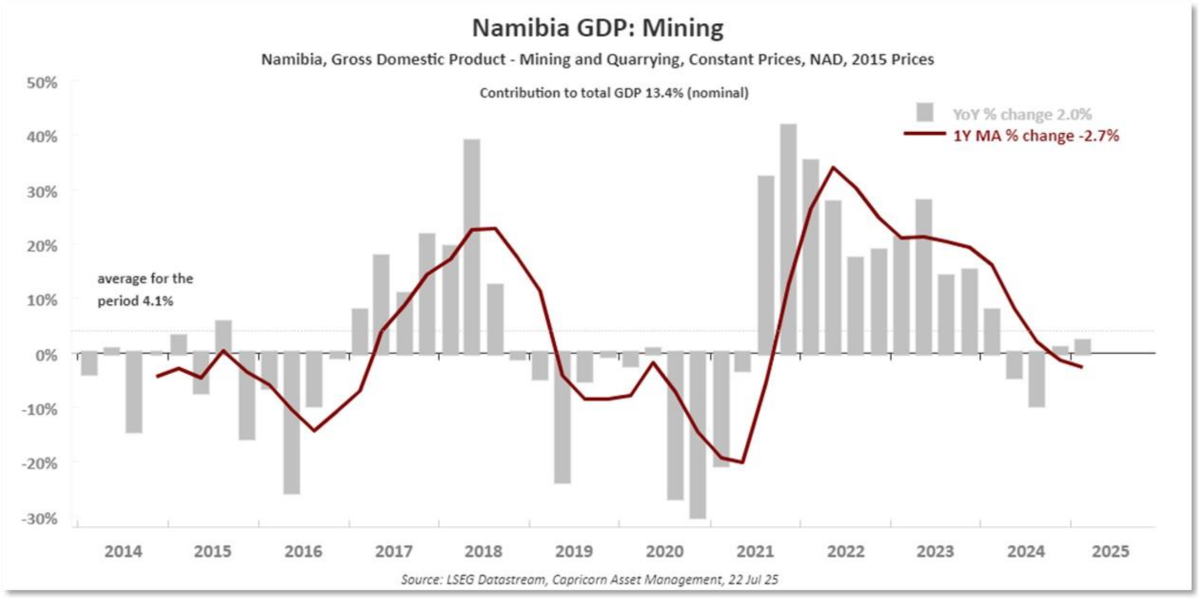
Trump appeared near the point of trying to fire Powell last week but backed off with a nod to the market disruption that would likely follow. U.S. Treasury Secretary Scott Bessent said on Monday the entire Federal Reserve needed to be examined as an institution and whether it had been successful, further exacerbating concerns about the independence of the U.S. central bank. The Fed is widely expected to hold rates steady in its July meeting but might lower rates later in the year. The market focus will be squarely on Powell's speech later on Tuesday for clues about when the Fed might ease policy. Goldman Sachs strategists expect the Fed to deliver three consecutive 25-basis-point cuts starting in September, "provided inflation expectations remain in check amidst worries about Fed independence."

In commodities, Brent crude futures fell nearly 1% to $68.56 a barrel, while U.S. West Texas Intermediate crude slipped 1% to $66.51 per barrel.

Spot gold was little changed at $3,389.98 per ounce, as of 0503 GMT. Earlier in the session, bullion hit its highest level since June 17. U.S. gold futures held their ground at $3,402.90.

Source: LSEG Thomson Reuters Refinitiv.

Domestic Markets



The South African rand held steady in early trade on Monday, with the main focus this week on inflation data that will influence the central bank's thinking on interest rates. At 0740 GMT the rand traded at 17.7075 against the dollar, unchanged from Friday's close.

Statistics South Africa will release June inflation data on Wednesday, with analysts polled by Reuters expecting a modest rise to 3% year on year from 2.8% in May. "A softer print could open the door for one last rate cut this year, while a firmer number would push that possibility further out," said Andre Cilliers, currency strategist at Treasury ONE. The South African Reserve Bank's next interest rate announcement is on July 31. The bank cut its repo rate by 25 basis points at its last meeting in May, with inflation below its 3%-6% target range.

The Johannesburg Stock Exchange's Top 40 index was up about 0.4% in early trade. The benchmark 2035 government bond was little changed in early deals, with the yield at 9.935%

Source: LSEG Thomson Reuters Refinitiv.

No dream is too big. No challenge is too great. Nothing we want for our future is beyond our reach.

Donald Trump

Market Overview

MARKET INDICATORS (Bloomberg)					22 July 2025
Money Market TB's		**Last Close**	**Change**	**Prev Close**	**Current Spot**
3 months	↓	7.50	-0.045	7.55	7.50
6 months	↓	7.65	-0.005	7.65	7.65
9 months	↓	7.75	-0.006	7.76	7.75
12 months	↑	7.74	0.002	7.74	7.74
Nominal Bonds		**Last Close**	**Change**	**Prev Close**	**Current Spot**
GC26 (Coupon 8.50%, BMK: R186)	↓	7.71	-0.003	7.71	7.71
GC27 (Coupon 8.00%, BMK: R186)	↓	7.80	-0.005	7.81	7.80
GC30 (Coupon 8.00%, BMK: R2030)	↑	9.03	0.012	9.02	9.03
GC32 (Coupon 9.00%, BMK: R213)	↑	9.63	0.036	9.60	9.63
GC35 (Coupon 9.50%, BMK: R209)	↓	10.93	0.000	10.93	10.93
GC37 (Coupon 9.50%, BMK: R2037)	↓	11.23	-0.008	11.24	11.23
GC40 (Coupon 9.80%, BMK: R214)	↓	11.43	-0.004	11.43	11.43
GC43 (Coupon 10.00%, BMK: R2044)	↓	11.57	-0.002	11.58	11.57
GC45 (Coupon 9.85%, BMK: R2044)	↓	11.85	-0.001	11.85	11.85
GC48 (Coupon 10.00%, BMK: R2048)	↑	11.78	0.000	11.78	11.78
GC50 (Coupon 10.25%, BMK: R2048)	↓	12.07	-0.002	12.07	12.07
Inflation-Linked Bonds		**Last Close**	**Change**	**Prev Close**	**Current Spot**
GI27 (Coupon 4.00%, BMK: NCPI)	↑	4.53	0.002	4.53	4.53
GI29 (Coupon 4.50%, BMK: NCPI)	↓	4.72	0.000	4.72	4.72
GI33 (Coupon 4.50%, BMK: NCPI)	↓	5.25	-0.005	5.25	5.25
GI36 (Coupon 4.80%, BMK: NCPI)	↑	5.71	0.001	5.71	5.71
Commodities		**Last Close**	**Change**	**Prev Close**	**Current Spot**
Gold	↑	3,397	1.41%	3,350	3,387
Platinum	↑	1451	1.50%	1429	1455
Brent Crude	↓	69.2	-0.10%	69.28	68.80
Main Indices		**Last Close**	**Change**	**Prev Close**	**Current Spot**
NSX Overall Index	↑	1077	0.37%	1073	1077
JSE All Share	↑	99,654	0.98%	98,687	99,654
S&P 500	↑	6,306	0.14%	6,297	6,306
FTSE 100	↑	9,013	0.23%	8,992	9,013
Hangseng	↑	24,997	0.01%	24,994	24,997
DAX	↑	24,308	0.07%	24,290	24,308
JSE Sectors		**Last Close**	**Change**	**Prev Close**	**Current Spot**
Financials	→	21,419	0.00%	21,419	21,333
Resources	→	81,001	0.00%	81,001	84,893
Industrials	→	138,235	0.00%	138,235	138,229
Forex		**Last Close**	**Change**	**Prev Close**	**Current Spot**
N$/US Dollar	↓	17.62	-0.56%	17.72	17.60
N$/Pound	↑	23.78	0.08%	23.76	23.71
N$/Euro	→	20.60	0.00%	20.60	20.57
US Dollar/ Euro	↑	1.169	0.78%	1.16	1.17
		Namibia		**RSA**	
Interest Rates & Inflation		**Jun-25**	**May-25**	**Jun-25**	**May-25**
Central Bank Rate	→	6.75	6.75	7.25	7.25
Prime Rate	→	10.50	10.50	10.75	10.75
		Jun-25	**May-25**	**May-25**	**Apr-25**
Inflation	↑	3.7	3.5	2.8	2.8

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.

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