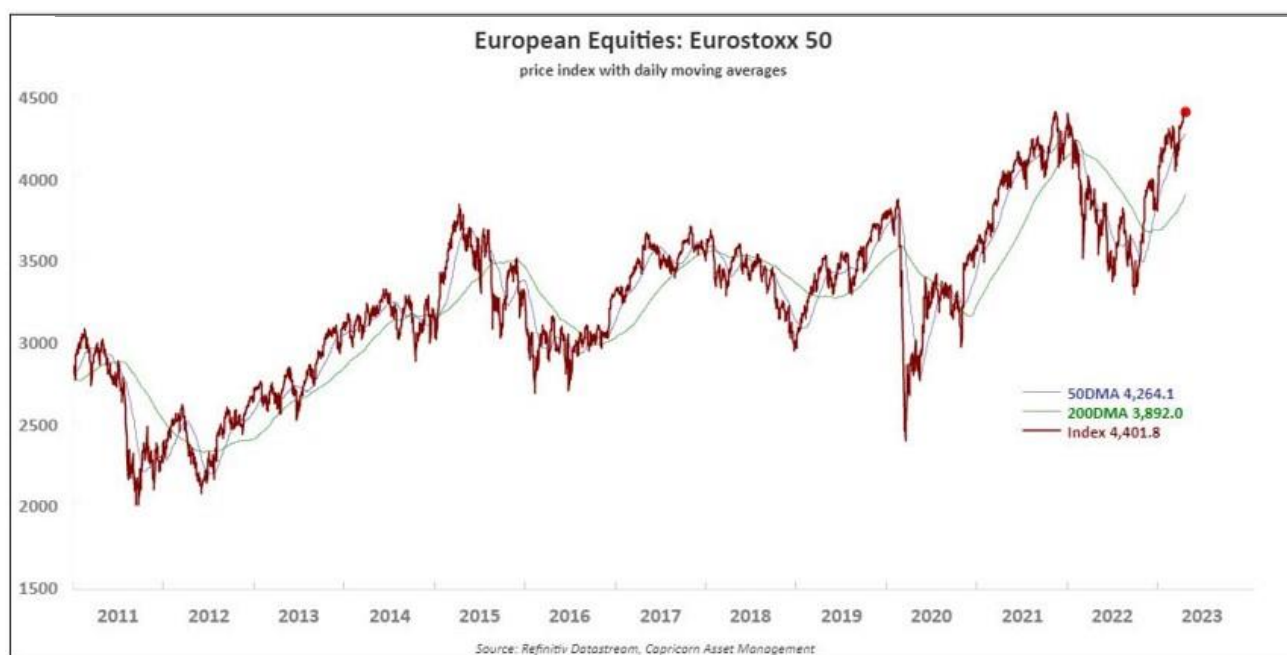




## Market Update

Tuesday, 25 April 2023



## Global Markets

Stocks fell broadly and the U.S. dollar also weakened early on Tuesday, reflecting investors' uncertainty in a busy week for corporate earnings and economic data.

MSCI's broadest index of Asia-Pacific shares outside Japan was down 1.2% by 0510 GMT.

Markets in Australia and New Zealand are shut for a holiday.

U.S. stock futures, the S&P 500 e-minis lost 0.3%.

In early European trades, the pan-region Euro Stoxx 50 futures were down 0.3%. German DAX futures and FTSE futures fell 0.2% and 0.3% respectively.

Japan bucked the overall stock weakness, as its benchmark Nikkei average gained 0.4%, touching 8-month high as strong chip investment lifted tech shares.

On Monday, the Nasdaq closed lower, underperforming the S&P 500 and the Dow, with pressure from high-profile megacaps as investors awaited results from companies including Microsoft, while Tesla shares fell on concerns about its spending plans.

"There's a lot of uncertainty. People still don't know how much bank lending has been impacted by recent developments ... (or) when inflation will durably peak," said Prashant Bhayani, chief investment officer Asia, BNP Paribas Wealth Management. Bhayani also pointed to anxiety about other weak spots that might be exposed by the recent turmoil in U.S. and Swiss banks.

Troubled U.S. bank First Republic Bank shares sank more than 20% after the closing bell on Monday as it said deposits plunged by more than \$100 billion in the first quarter and it was exploring options such as restructuring its balance sheet.

Meanwhile, Swiss banking giant UBS Group reported a 52% slide in quarterly profit, as it prepares to integrate fallen rival Credit Suisse. The drop in profit was largely due to UBS setting aside a further \$665 million to cover the costs of toxic mortgages that played a central role in the global financial crisis some 15 years ago.

Market participants are waiting for corporate earnings and a mix of economic data from the U.S., Europe and China for cues on the growth momentum and when a recession in the U.S. economy might start, he added.

Over in China, Hong Kong's benchmark fell 1.9%, while mainland stocks lost 0.9%.

Despite a recent string of strong macro data including China's 4.5% GDP growth for the first quarter and retail sales that beat expectations, the economic recovery there is still uneven and has yet to trickle down to corporate earnings, said Carlos Casanova, senior economist for Asia at UBP.

"With the reopening stories clearly behind us, we don't yet have clear visibility as to where we are going to see priorities in policymaking," he said.

In the U.S. treasury market, yields fell as participants looked for less risky places to park cash amid concerns over the approaching U.S. debt ceiling deadline, with the House of Representatives expected to vote on a Republican-led debt and spending bill this week.

Benchmark 10-year notes edged down to 3.4749% by 0511 GMT, after strengthening on Monday to 3.5034%.

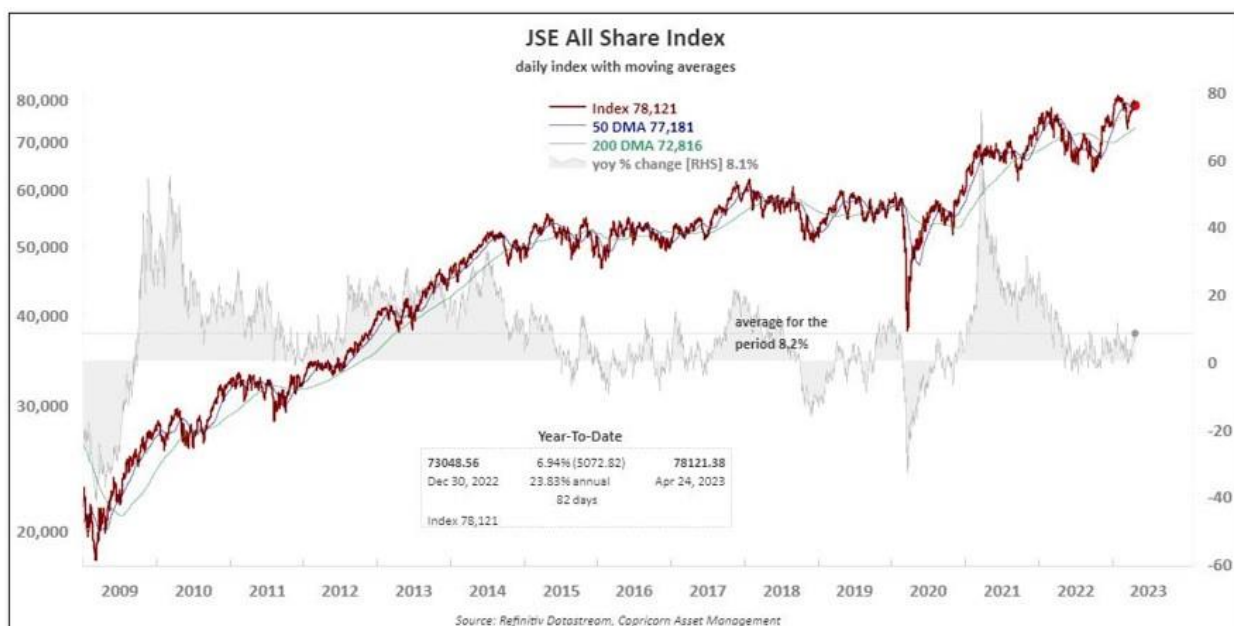
One-month Treasury yields rose from their lowest levels since October on Monday on concerns about a potential standoff over the debt ceiling, with the House of Representatives expected to vote on a Republican-led debt and spending bill this week.

The dollar index was almost flat by 0510 GMT, paring some earlier losses. Gold gave up some gains. Spot gold was traded at \$1991.39 per ounce.

Oil prices were steady. Brent crude edged up 4 cents \$82.70 a barrel by 0506 GMT, while U.S. West Texas Intermediate crude edged up to \$78.73 a barrel.

**Source: Thomson Reuters Refinitiv**

## Domestic Markets



The South African rand slipped on Monday as markets awaited economic data out of the U.S. later this week, which could influence the Federal Reserve's rate-hiking cycle.

At 1512 GMT, the rand traded at 18.1550 to the dollar, down 0.28% from its Friday close.

The U.S. currency was last down 0.18% against a basket of rivals.

The lack of risk appetite for the rand is a response "to high impact data this week that will set the tone for next week's Fed rate decision – an announcement that will likely shape the (South African Reserve Bank's) reaction", DailyFX analyst Warren Venketas told Reuters.

Investors will be looking at the U.S. GDP quarterly growth rate and core Personal Consumption Expenditures (PCE) index data due later this week for clues on the Fed's future path.

South Africa marks Freedom Day on Thursday, and with the following Monday another public holiday - Workers' Day - many local traders will be away from their desks from Wednesday's market close until next Tuesday.

The risk-sensitive rand often takes its cue from global factors like the outlook for U.S. monetary policy in the absence of major local drivers.

On global markets, the focus will be on a slew of central bank policy meetings that could signal how soon the steep increases in interest rates globally might come to an end.

"The South African economy will find it difficult to cope with a sustained aggressive hiking cycle from the U.S.," Venketas added.

"The next few weeks will be crucial for not just the local currency but the South African economy as a whole."

Shares on the Johannesburg Stock Exchange gained slightly, with both the broader all-share index and the blue-chip Top-40 index ending over 0.2% higher.

The government's benchmark 2030 bond was weaker, with the yield up 6 basis points at 10.180%.

**Source: Thomson Reuters Refinitiv**

We must not allow other people's limited perceptions to define us.

Virginia Satir



## Market Overview

MARKET INDICATORS (Thomson Reuters Refinitiv)				25 April 2023	
Money Market TB Rates %		Last close	Difference	Prev close	Current Spot
3 months	⇒	8.47	0.000	8.47	8.47
6 months	⇒	8.85	0.000	8.85	8.85
9 months	⇒	9.23	0.000	9.23	9.23
12 months	⇒	9.33	0.000	9.33	9.33
Nominal Bond Yields %		Last close	Difference	Prev close	Current Spot
GC23 (Coupon 8.85%, BMK R2023)	⇒	8.40	0.000	8.40	8.40
GC24 (Coupon 10.50%, BMK R186)	↑	9.15	0.050	9.10	9.14
GC25 (Coupon 8.50%, BMK R186)	↑	9.30	0.050	9.25	9.29
GC26 (Coupon 8.50%, BMK R186)	↑	9.20	0.050	9.15	9.19
GC27 (Coupon 8.00%, BMK R186)	↑	9.67	0.050	9.62	9.66
GC28 (Coupon 8.50%, BMK R2030)	↑	9.98	0.060	9.92	9.97
GC30 (Coupon 8.00%, BMK R2030)	↑	10.68	0.060	10.62	10.67
GC32 (Coupon 9.00%, BMK R213)	↑	11.36	0.070	11.29	11.35
GC35 (Coupon 9.50%, BMK R209)	↑	12.65	0.055	12.59	12.64
GC37 (Coupon 9.50%, BMK R2037)	↑	13.09	0.060	13.03	13.07
GC40 (Coupon 9.80%, BMK R214)	↑	13.21	0.060	13.15	13.20
GC43 (Coupon 10.00%, BMK R2044)	↑	13.98	0.045	13.94	13.98
GC45 (Coupon 9.85%, BMK R2044)	↑	13.88	0.045	13.84	13.88
GC48 (Coupon 10.00%, BMK R2048)	↑	14.04	0.055	13.99	14.04
GC50 (Coupon 10.25%, BMK: R2048)	↑	14.14	0.055	14.09	14.14
Inflation-Linked Bond Yields %		Last close	Difference	Prev close	Current Spot
GI25 (Coupon 3.80%, BMK NCPI)	⇒	3.29	0.000	3.29	3.29
GI27 (Coupon 4.00%, BMK NCPI)	⇒	3.63	0.000	3.63	3.63
GI29 (Coupon 4.50%, BMK NCPI)	⇒	5.25	0.000	5.25	5.25
GI33 (Coupon 4.50%, BMK NCPI)	⇒	6.19	0.000	6.19	6.19
GI36 (Coupon 4.80%, BMK NCPI)	⇒	6.46	0.000	6.46	6.46
Commodities		Last close	Change	Prev close	Current Spot
Gold	↑	1,989	0.30%	1,983	1,996
Platinum	↓	1,082	-3.76%	1,124	1,088
Brent Crude	↑	82.7	1.31%	81.7	82.6
Main Indices		Last close	Change	Prev close	Current Spot
NSX Overall Index	↓	1,564	-0.34%	1,569	1,564
JSE All Share	↑	78,121	0.27%	77,911	78,121
SP500	↑	4,137	0.09%	4,134	4,137
FTSE 100	↓	7,912	-0.02%	7,914	7,912
Hangseng	↓	19,960	-0.58%	20,076	19,576
DAX	↓	15,864	-0.11%	15,882	15,864
JSE Sectors		Last close	Change	Prev close	Current Spot
Financials	↓	15,455	-0.04%	15,462	15,455
Resources	↑	69,361	0.00%	69,360	69,361
Industrials	↑	106,172	0.50%	105,645	106,172
Forex		Last close	Change	Prev close	Current Spot
N\$/US dollar	↑	18.13	0.24%	18.09	18.14
N\$/Pound	↑	22.63	0.66%	22.48	22.65
N\$/Euro	↑	20.02	0.73%	19.87	20.05
US dollar/ Euro	↑	1.104	0.49%	1.099	1.105
Interest Rates & Inflation		Namibia		RSA	
		Apr 23	Mar 23	Apr 23	Mar 23
Central Bank Rate	↑	7.25	7.00	7.75	7.75
Prime Rate	↑	11.00	10.75	11.25	10.75
		Mar 23	Feb 23	Mar 23	Feb 23
Inflation	⇒	7.2	7.2	7.1	7.0

**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 listed

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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.*



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