



Market Update

Friday, 25 April 2025

Global Markets

Asian stock markets headed for a second straight week of gains on Friday and the dollar for its first weekly rise in more than a month as investors have welcomed an apparent softening of the White House stance on China, despite no signal of detente. U.S. tech giant and Google parent Alphabet also beat profit expectations and reaffirmed AI spending targets, pushing its shares up nearly 5% in after-hours trade and pulling along peers and S&P 500 futures, which rose 0.5%. Overnight on Wall Street investors had shrugged off a mixed bag of corporate results and the S&P 500 rose 2%.

The dollar, which has taken a beating through a volatile few weeks of tariff announcements, reversals and a flight out of U.S. assets has seemed to steady around \$1.1350 per euro at 143 Japanese yen, with dollar selling abating in Asia on Friday. "There is probably a feeling from market participants that they have regained some 'control' on the U.S. government and can somehow force a more friendly stance on key topics. Investors will be seeking confirmation of the more optimistic stance on U.S. assets to justify further dollar gains," said ING currency strategist Francesco Pesole in a note to clients."

After tit-for-tat tariffs put an effective embargo on trade between the world's two biggest economies, the U.S. this week shifted tone and said the situation would be unsustainable. China, however, has said it has not held trade talks with Washington, despite comments to the contrary from U.S. President Donald Trump, and has warned other countries against striking deals with the U.S. that come at China's expense. "The equity rebound in the past two days is the direct result of Donald Trump's seeming U-turn on his stance on China tariffs, thereby confirming that the U.S. does not have the cards in this particular poker game," said Jefferies' global head of equity strategy Christopher Wood.

In Japan, the Nikkei was up 1.4% on Friday and has regained all its losses since Trump's April 2 announcement of the highest U.S. tariffs in a hundred years - levies he largely suspended, except for China and a baseline tariff of 10%. Tech shares led gains, with electric-motor maker Nidec stock up 11% as it forecasts a record annual profit and Nissan shares bouncing 2% as investors bet the worst may be over as the automaker forecast a record net loss. In Hong Kong, the Hang Seng rose 0.9% and there were small rises for mainland China's Shanghai Composite and blue chip CSI300.

The U.S. dollar index was up 0.4% for the week at 99.619. Markets in Australia and New Zealand were closed for a public holiday. There were also plenty of warning signs that markets' uneasy calm may not last very long.

Gold was firm at \$3,349 an ounce and analysts at Philip Securities in Singapore noted the Gold/S&P 500 ratio, a gauge of investors' gloom, was at its highest since the pandemic-driven bear market of 2020.

Overnight Procter & Gamble, PepsiCo, Chipotle Mexican Grill and American Airlines all cut or withdrew forecasts due to elevated uncertainty among consumers.

Pressure remains on the U.S. Treasury market which was sold off heavily as Trump's tariff barrage rattled confidence in U.S. leadership and assets, leaving 10-year yields at 4.3168% on Friday.

Source: LSEG Thomson Reuters Refinitiv.

Domestic Markets

The South African rand was stable on Thursday after the finance ministry said it was withdrawing a contentious increase in value-added tax (VAT) that was due to take effect next month and as investors awaited clarity on the budget plans. The country's biggest parties have clashed over the budget's proposal to raise VAT by 0.5 percentage points on May 1 and another 0.5 points next year, which threatened the stability of the coalition government and roiled South African markets over recent weeks.

At 1303 GMT, the rand traded at 18.68 against the dollar, near its closing level of 18.6875 on Wednesday. The VAT hike has caused political wrangling for weeks, exposing deep rifts between coalition government heavyweights, the African National Congress (ANC) and the Democratic Alliance (DA). The DA, which is the second-biggest party in the Government of National Unity (GNU) stoked fears that it could leave the coalition after challenging the tax increase in court and voting against the fiscal framework in parliament.

"While the move (to withdraw the VAT hike) suggests the GNU is likely to remain intact, providing a measure of stability, uncertainty persists," said Zain Vawda, market analyst at Market Pulse by OANDA. Vawda said the currency remains under pressure until the government outlines plans for alternative funding or potential budget cuts, leaving room for potential setbacks in the rand's recent gains. The rand hit an all-time low this month on the VAT dispute and risk aversion over U.S. President Donald Trump's tariffs. It has since staged a recovery but is still down about 2% since the start of the month.

On the Johannesburg Stock Exchange, the blue-chip Top 40 index last traded about 0.7% higher. The benchmark 2030 government bond was stronger, as the yield fell 15 basis points to 8.89%.

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Source: LSEG Thomson Reuters Refinitiv.

The best preparation for tomorrow is doing your best today.

H. Jackson Brown, Jr.

Market Overview

MARKET INDICATORS (Bloomberg)				25 April 2025	
Money Market TB's		Last Close	Change	Prev Close	Current Spot
3 months	↑	7.64	0.055	7.58	7.64
6 months	↑	7.65	0.016	7.64	7.65
9 months	↑	7.76	0.017	7.74	7.76
12 months	↑	7.79	0.009	7.78	7.79
Nominal Bonds		Last Close	Change	Prev Close	Current Spot
GC26 (Coupon 8.50%, BMK: R186)	↓	8.25	-0.043	8.30	8.25
GC27 (Coupon 8.00%, BMK: R186)	↓	8.35	-0.015	8.37	8.36
GC30 (Coupon 8.00%, BMK: R2030)	↓	8.86	-0.200	9.06	8.86
GC32 (Coupon 9.00%, BMK: R213)	↓	9.90	-0.035	9.93	9.90
GC35 (Coupon 9.50%, BMK: R209)	↑	11.56	0.083	11.48	11.57
GC37 (Coupon 9.50%, BMK: R2037)	↑	11.91	0.000	11.91	11.92
GC40 (Coupon 9.80%, BMK: R214)	↑	12.05	0.000	12.05	12.05
GC43 (Coupon 10.00%, BMK: R2044)	↓	11.91	-0.096	12.00	11.91
GC45 (Coupon 9.85%, BMK: R2044)	↓	12.19	-0.085	12.27	12.19
GC48 (Coupon 10.00%, BMK: R2048)	↓	12.08	-0.108	12.19	12.08
GC50 (Coupon 10.25%, BMK: R2048)	↓	12.29	-0.037	12.33	12.29
Inflation-Linked Bonds		Last Close	Change	Prev Close	Current Spot
GI25 (Coupon 3.80%, BMK: NCPI)	↑	2.92	0.008	2.92	2.89
GI27 (Coupon 4.00%, BMK: NCPI)	↓	4.44	-0.002	4.44	4.44
GI29 (Coupon 4.50%, BMK: NCPI)	↓	4.65	-0.003	4.65	4.65
GI33 (Coupon 4.50%, BMK: NCPI)	↑	5.30	0.027	5.27	5.30
GI36 (Coupon 4.80%, BMK: NCPI)	↑	5.64	0.012	5.62	5.64
Commodities		Last Close	Change	Prev Close	Current Spot
Gold	↑	3,349	1.86%	3,288	3,297
Platinum	↓	975	-0.05%	976	965
Brent Crude	↑	66.6	0.65%	66.12	66.66
Main Indices		Last Close	Change	Prev Close	Current Spot
NSX Local Index	↑	1033	0.98%	1023	1033
JSE All Share	↑	90,553	0.79%	89,847	90,553
S&P 500	↑	5,485	2.03%	5,376	5,485
FTSE 100	↑	8,407	0.05%	8,403	8,407
Hangseng	↑	22,056	0.67%	21,910	22,056
DAX	↑	22,065	0.47%	21,962	22,065
JSE Sectors		Last Close	Change	Prev Close	Current Spot
Financials	→	20,058	0.00%	20,058	20,265
Resources	→	71,055	0.00%	71,055	71,383
Industrials	→	125,701	0.00%	125,701	126,794
Forex		Last Close	Change	Prev Close	Current Spot
N\$/US Dollar	↑	18.80	0.75%	18.66	18.83
N\$/Pound	↑	25.08	1.33%	24.75	25.02
N\$/Euro	↑	21.42	1.47%	21.11	21.35
US Dollar/ Euro	↑	1.139	0.80%	1.13	1.13
		Namibia		RSA	
Interest Rates & Inflation		Apr-25	Mar-25	Apr-25	Mar-25
Central Bank Rate	→	6.75	6.75	7.50	7.50
Prime Rate	→	10.50	10.50	11.00	11.00
		Mar-25	Feb-25	Mar-25	Feb-25
Inflation	↑	4.2	3.6	2.7	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 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.



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