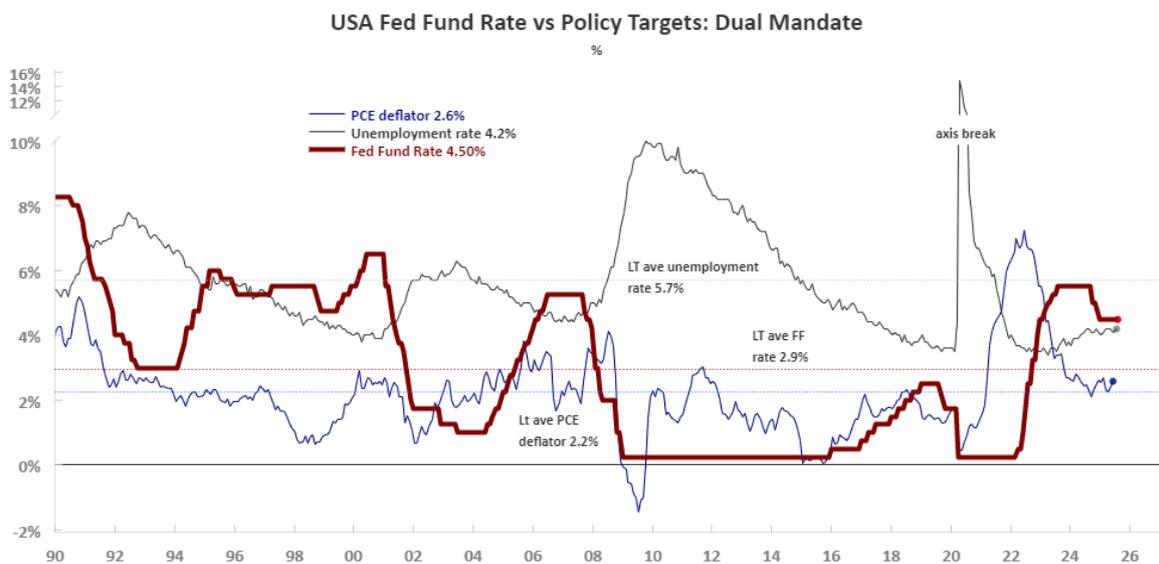




## Market Update

Wednesday, 27 August 2025



## Global Markets

Asian stocks were steady on Wednesday ahead of an earnings report from AI leader Nvidia that will shape near-term risk sentiment, while the U.S. dollar was frail as investors remained nervous about attacks on Federal Reserve autonomy. The U.S. Treasury yield curve has been steepening since President Donald Trump on Monday ordered the firing of Federal Reserve Governor Lisa Cook, an unprecedented move that could lead to a legal tussle after a lawyer for Cook said she will file a lawsuit to prevent it.

"The Fed has said it will abide by any decision the court makes on Lisa Cook but the reality is the Fed is in a bind," said Prashant Newnaha, senior Asia-Pacific rates strategist at TD Securities. "If the court ends up ruling in favor of Trump, this potentially puts Chair (Jerome) Powell in line to be fired for permitting a non-Fed employee to make decisions on behalf of the Fed Board" should Cook continue to serve between Trump's firing and the court's decision. Shorter-dated yields fell more than longer-dated ones, causing the yield curve to steepen. The yield on the two-year note, which typically moves in step with interest rate expectations, hit its lowest since May at 3.654% in early Asian hours, while the yield on the 30-year note was 1.5 basis point higher at 4.923%.

Trump has repeatedly criticized Powell and policymakers for not cutting interest rates. Market watchers interpreted Powell comments last week as indicating cuts could be on the way. That has led to investors wagering a cut next month, with traders pricing in an 84% chance of the Fed moving in September and expecting more than 100 bps of easing by June. "Markets are anticipating a scenario where Trump holds the majority on the Board of Governors setting the stage for cuts to come sooner and potentially faster," said Newnaha.

Data showed options traders are pricing in about a \$260 billion swing in Nvidia's market value after the firm reports earnings, where its business in China will be in focus following an unusual profit-sharing deal with the Trump administration. Caught in the crossfire of a Sino-U.S. trade war, the fate of Nvidia's China business hangs on where the world's two largest economies land on tariff talks and chip trade curbs. That has left traders hesitant in placing major bets. MSCI's broadest index of Asia-Pacific shares outside Japan up just 0.2%, Japan's Nikkei was little changed and share prices in Taiwan were up 0.6%. China's blue-chip stocks gained 0.3%, hovering near a three-year high touched earlier in the week. Stocks in China have been on a tear recently, buoyed by tech sector.

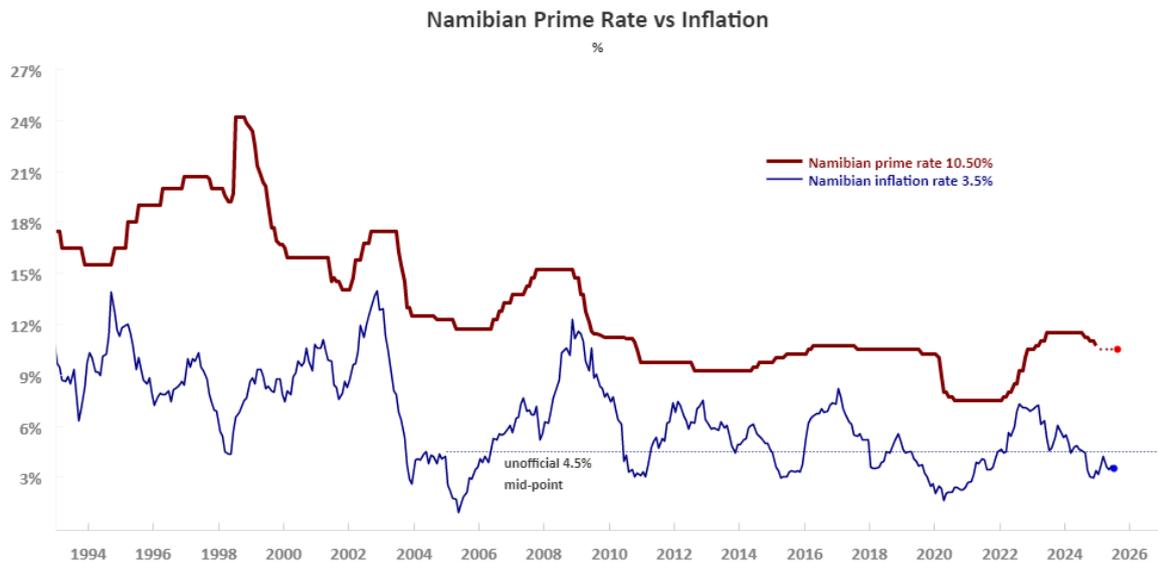
After an initial sharp drop in the dollar after Trump's comment, the greenback remained near those lows. The euro last fetched \$1.1636, while the yen was steady at 147.6 a dollar. "I think investors are focused more on the upcoming payroll print and what that means for a September rate move. The hope is that a rate cut is still on the cards without a sharp deterioration in the labor market," said Ben Bennett, APAC investment strategist at Legal and General Investment Management. "That could keep investor sentiment very strong. Tonight's Nvidia results will also be important for the near-term direction of markets."

In commodities, spot gold was 0.23% lower after hitting a two-week high in the previous session.

Oil prices were little changed after falling in the previous session, as the market awaits massive new U.S. tariffs on imports from India, the world's third-largest crude consumer, in response to India's purchases of Russian oil.

**Source: LSEG Thomson Reuters Refinitiv.**

## Domestic Markets



The South African rand softened on Tuesday after the release of a local leading business cycle indicator. At 1501 GMT the rand traded at 17.6575 against the dollar, about 0.3% weaker than Monday's close. South Africa's composite leading business cycle indicator rose 0.4% month on month in June, central bank data showed on Tuesday. The indicator collects data on vehicle sales, business confidence, money supply and other factors and helps investors gauge the outlook for Africa's most industrialized economy.

South African food services company Bid Corporation reported a 6.5 % rise in full-year earnings on Wednesday despite enduring a challenging and uncertain trading environment. The company, which operates in Australasia, Europe and emerging markets such as China and the Middle East, said its headline earnings per share rose to 2,562.7 cents for the year ending on 30 June, from 2,405.5 cents a year earlier.

Domestic releases due later in the week include producer inflation numbers on Thursday, money supply and private sector credit data, and trade balance and budget balance figures on Friday.

The Johannesburg Stock Exchange's Top 40 index was last down about 0.3%. South Africa's benchmark 2035 government bond was weaker, as the yield rose 1.5 basis points to 9.59%.

**Source: LSEG Thomson Reuters Refinitiv.**

Experience is simply the name we give our mistakes.

**Oscar Wilde**

## Market Overview

MARKET INDICATORS		27 August 2025			
<b>Money Market TB's</b>		Last Close	Change	Prev Close	Current Spot
3 months	↓	7.34	-0.014	7.35	7.34
6 months	↓	7.53	-0.019	7.55	7.53
9 months	↓	7.60	-0.037	7.64	7.60
12 months	↓	7.60	-0.027	7.63	7.60
<b>Nominal Bonds</b>		Last Close	Change	Prev Close	Current Spot
GC26 (Coupon 8.50%, BMK: R186)	→	7.56	0.000	7.56	7.51
GC27 (Coupon 8.00%, BMK: R186)	↓	7.87	-0.005	7.87	7.77
GC30 (Coupon 8.00%, BMK: R2030)	↑	8.78	0.025	8.76	8.68
GC32 (Coupon 9.00%, BMK: R213)	↑	9.20	0.025	9.18	9.10
GC35 (Coupon 9.50%, BMK: R209)	↑	10.57	0.027	10.55	10.47
GC37 (Coupon 9.50%, BMK: R2037)	↑	10.89	0.037	10.85	10.79
GC40 (Coupon 9.80%, BMK: R214)	↑	11.28	0.045	11.24	11.19
GC43 (Coupon 10.00%, BMK: R2044)	↑	11.43	0.040	11.39	11.33
GC45 (Coupon 9.85%, BMK: R2044)	↑	11.50	0.040	11.46	11.40
GC50 (Coupon 10.25%, BMK: R2048)	↑	11.62	0.040	11.58	11.52
<b>Inflation-Linked Bonds</b>		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)	→	4.96	0.000	4.96	4.91
GI33 (Coupon 4.50%, BMK: NCPI)	→	5.33	0.000	5.33	5.28
GI36 (Coupon 4.80%, BMK: NCPI)	→	5.90	0.000	5.90	5.85
<b>Commodities</b>		Last Close	Change	Prev Close	Current Spot
Gold	↑	3,394	0.82%	3,366	3,381
Platinum	↑	1355	0.70%	1346	1353
Brent Crude	↓	67.2	-2.30%	68.80	67.18
<b>Main Indices</b>		Last Close	Change	Prev Close	Current Spot
NSX Local Index	↓	1080	-0.18%	1082	1080
JSE All Share	↓	102,433	-0.53%	102,979	102,433
S&P 500	↑	6,466	0.42%	6,439	6,466
FTSE 100	↓	9,266	-0.59%	9,321	9,266
Hangseng	↓	25,328	-0.77%	25,525	25,328
DAX	↓	24,153	-0.49%	24,273	24,153
<b>JSE Sectors</b>		Last Close	Change	Prev Close	Current Spot
Financials	→	22,047	0.00%	22,047	21,780
Resources	→	88,911	0.00%	88,911	89,360
Industrials	→	142,299	0.00%	142,299	141,147
<b>Forex</b>		Last Close	Change	Prev Close	Current Spot
N\$/US Dollar	↑	17.63	0.11%	17.61	17.65
N\$/Pound	↑	23.76	0.30%	23.69	23.76
N\$/Euro	↑	20.52	0.29%	20.46	20.52
US Dollar/ Euro	↑	1.164	0.34%	1.16	1.16
		Namibia		RSA	
<b>Interest Rates &amp; Inflation</b>		Jul-25	Jun-25	Jul-25	Jun-25
Central Bank Rate	→	6.75	6.75	7.00	7.25
Prime Rate	→	10.50	10.50	10.50	10.75
		Jul-25	Jun-25	Jul-25	Jun-25
Inflation	↓	3.5	3.7	3.5	3.0

#### 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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