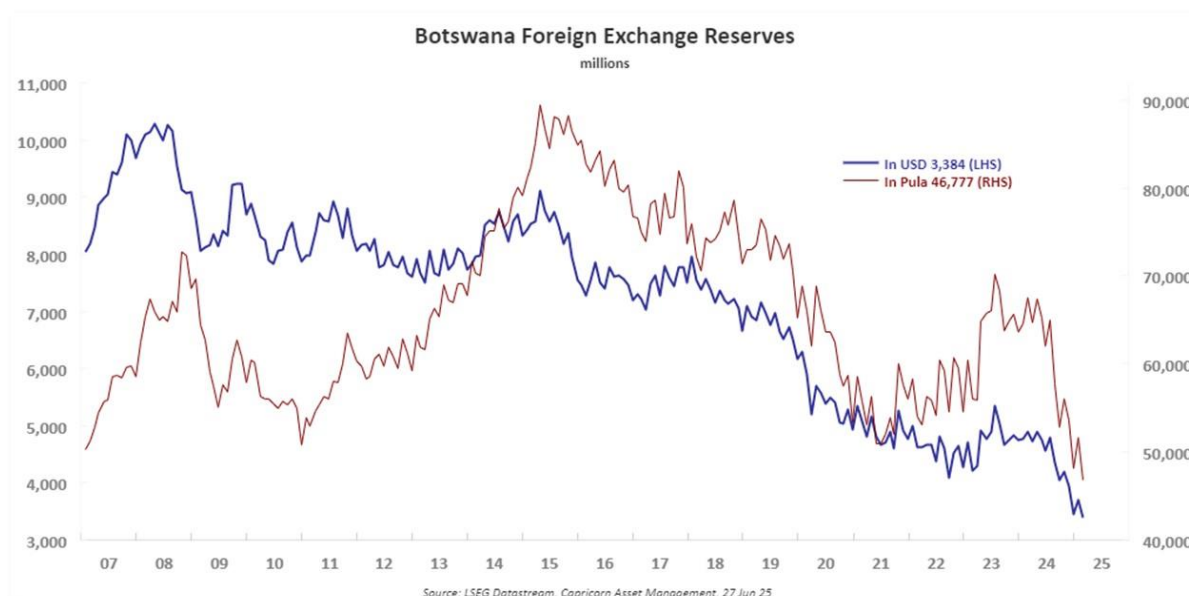




Market Update

Friday 27 June 2025

Global Markets



Asia shares hit their highest level in more than three years on Friday as they tracked a Wall Street rally, but the U.S. dollar struggled on concerns about the Federal Reserve's independence and expectations for early rate cuts. Stock indexes worldwide look set to end the week on a positive note, with worries about tensions in the Middle East and uncertainty over tariffs and trade deals on the backburner for now.

MSCI's broadest index of Asia-Pacific shares outside Japan hit its highest level since November 2021 early in the session, while the gauge of stocks across the globe hit another record high for the fourth straight session. EUROSTOXX 50 futures and DAX futures were both up more than 0.5%, while FTSE futures were little changed. S&P 500 futures and Nasdaq futures tacked on 0.1% each. Reasons for the upbeat mood included news that Washington has reached an agreement with Beijing on how to expedite rare earth shipments to the United States.

U.S. Treasury Secretary Scott Bessent also said on Thursday that he had asked Republicans in Congress to scrap the Section 899 retaliatory tax proposal from their tax and spending bill after Washington reached an agreement with Group of Seven industrial countries. Japan's Nikkei jumped 1.4% and surpassed the 40,000 mark for the first time in five months. Stocks in Hong Kong and

mainland China traded marginally lower, though the CSI 300 index was on track for a 2.6% gain for the week, which would be the largest since November 2024.

Much of the focus for markets over the past two sessions has been on the prospect of an early change of guard at the Fed, after the Wall Street Journal reported that U.S. President Donald Trump had toyed with the idea of selecting and announcing Fed Chair Jerome Powell's replacement by September or October. That knocked an already battered dollar even lower as traders fretted about an erosion of Fed independence and as they moved to price in more U.S. rate cuts this year.

The dollar languished near a 3-1/2-year low on Friday and was headed for a 1.4% weekly loss, its largest decline in over a month. For the year, the greenback is already down more than 10% and if it stays that way in the next few days, that will mark its biggest first half-of-a-year fall since the start of the era of free-floating currencies in the early 1970s. Against a weaker dollar, the euro was perched near its highest in over three years at \$1.1688. Sterling last bought \$1.3725.

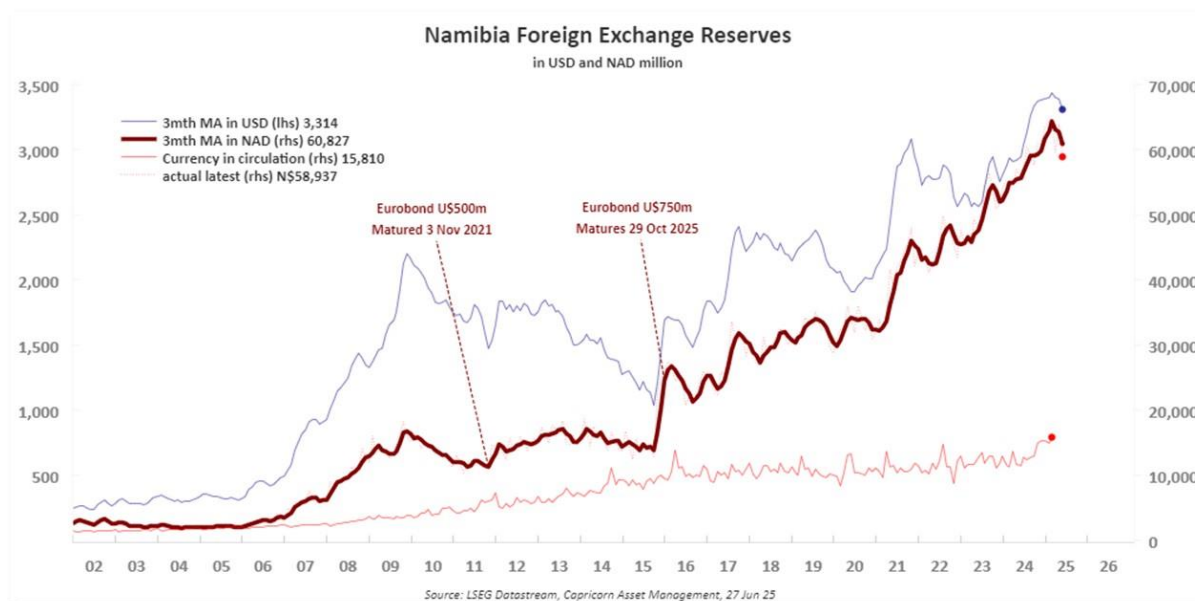
Adding to the Fed cut bets has been a raft of weaker-than-expected U.S. economic data, with attention now shifting to Friday's release of the core PCE price index, the U.S. central bank's preferred measure of inflation. U.S. Treasury yields were steady in Asia after falling the previous session, with the two-year yield at 3.7418% and the benchmark 10-year yield last at 4.2573%.

In commodities, oil prices were set for a weekly decline with the Iran-Israel ceasefire holding and easing concerns over Middle East supply risks. Brent crude futures were up 0.58% at \$68.12 a barrel while U.S. crude rose 0.6% to \$65.63 per barrel on Friday, but both were headed for a fall of more than 10% for the week.

Spot gold fell 1% to \$3,294.50 an ounce.

Source: LSEG Thomson Reuters Refinitiv.

Domestic Markets



The South African rand was flat in choppy Thursday trading as investors reacted to key U.S. economic indicators and the removal of a South African deputy trade minister. At 1432 GMT, the rand traded at 17.7325 against the dollar, roughly in line with Wednesday's close. The rand had gained almost 1% over the greenback after a media report said U.S. President Donald Trump considered selecting and announcing Federal Reserve Chair Jerome Powell's replacement by September or October to undermine his position.

But it later weakened against a rebounding dollar and after South African President Cyril Ramaphosa removed Andrew Whitfield, DA politician from his position as deputy trade minister, said senior market analyst at IG - Shaun Murison. Murison added that higher-than-expected U.S. core inflation data released on Thursday also added to the rand's volatility.

Domestic data showed that producer inflation slowed to 0.1% in May, according to Statistics South Africa. Economists polled by Reuters expected the producer inflation to come in at 0.7% year-on-year from 0.5% recorded in April. Separately, a quarterly bulletin by the South African Reserve Bank showed that foreign direct investment outflows grew by 61% quarter-on-quarter in the three months to March 31, even as inflows grew by 56%.

The Johannesburg Stock Exchange's Top 40 index last traded up 0.8%. South Africa's benchmark 2035 government bond was weaker, as the yield rose 3 basis points to 9.955%

Source: LSEG Thomson Reuters Refinitiv.

We aim above the mark to hit the mark.

Ralph Waldo Emerson

Market Overview

MARKET INDICATORS (Bloomberg)				27 June 2025	
Money Market TB's		Last Close	Change	Prev Close	Current Spot
3 months	↑	7.54	0.025	7.51	7.54
6 months	↑	7.65	0.020	7.63	7.65
9 months	↑	7.70	0.022	7.68	7.70
12 months	↓	7.69	-0.009	7.70	7.69
Nominal Bonds		Last Close	Change	Prev Close	Current Spot
GC26 (Coupon 8.50%, BMK: R186)	↑	7.53	0.127	7.40	7.52
GC27 (Coupon 8.00%, BMK: R186)	↓	7.73	-0.058	7.79	7.73
GC30 (Coupon 8.00%, BMK: R2030)	↑	8.89	0.252	8.64	8.89
GC32 (Coupon 9.00%, BMK: R213)	↓	9.39	-0.064	9.45	9.39
GC35 (Coupon 9.50%, BMK: R209)	↑	11.04	0.395	10.64	11.04
GC37 (Coupon 9.50%, BMK: R2037)	↑	11.27	0.029	11.24	11.28
GC40 (Coupon 9.80%, BMK: R214)	↑	11.49	0.117	11.38	11.49
GC43 (Coupon 10.00%, BMK: R2044)	↑	11.63	0.093	11.53	11.62
GC45 (Coupon 9.85%, BMK: R2044)	↑	11.81	0.116	11.69	11.81
GC48 (Coupon 10.00%, BMK: R2048)	↑	11.86	0.144	11.72	11.86
GC50 (Coupon 10.25%, BMK: R2048)	↑	11.97	0.161	11.81	11.97
Inflation-Linked Bonds		Last Close	Change	Prev Close	Current Spot
GI25 (Coupon 3.80%, BMK: NCPI)	↓	2.61	-0.013	2.62	2.56
GI27 (Coupon 4.00%, BMK: NCPI)	↓	4.51	-0.013	4.52	4.51
GI29 (Coupon 4.50%, BMK: NCPI)	↓	4.67	-0.007	4.68	4.67
GI33 (Coupon 4.50%, BMK: NCPI)	↓	5.29	-0.006	5.29	5.29
GI36 (Coupon 4.80%, BMK: NCPI)	↓	5.62	-0.001	5.62	5.62
Commodities		Last Close	Change	Prev Close	Current Spot
Gold	↓	3,328	-0.13%	3,332	3,288
Platinum	↑	1422	4.97%	1355	1388
Brent Crude	↑	67.7	0.07%	67.68	68.09
Main Indices		Last Close	Change	Prev Close	Current Spot
NSX Local Index	↑	1054	1.54%	1038	1054
JSE All Share	↑	95,968	0.69%	95,311	95,968
S&P 500	↑	6,141	0.80%	6,092	6,141
FTSE 100	↑	8,736	0.19%	8,719	8,736
Hangseng	↓	24,266	-0.24%	24,325	24,266
DAX	↑	23,649	0.64%	23,498	23,649
JSE Sectors		Last Close	Change	Prev Close	Current Spot
Financials	→	20,941	0.00%	20,941	20,822
Resources	→	74,708	0.00%	74,708	76,697
Industrials	→	135,652	0.00%	135,652	136,370
Forex		Last Close	Change	Prev Close	Current Spot
N\$/US Dollar	↑	17.85	0.56%	17.75	17.78
N\$/Pound	↑	24.50	0.99%	24.26	24.44
N\$/Euro	↑	20.88	0.87%	20.70	20.84
US Dollar/ Euro	→	1.170	0.00%	1.17	1.17
		Namibia		RSA	
Interest Rates & Inflation		May-25	Apr-25	May-25	Apr-25
Central Bank Rate	→	6.75	6.75	7.25	7.50
Prime Rate	→	10.50	10.50	10.75	11.00
		May-25	Apr-25	May-25	Apr-25
Inflation	↓	3.5	3.6	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 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

Disclaimer

The information contained in this note is the property of Capricorn Asset Management (CAM). The information contained herein has been obtained from sources and persons whom the writer believes to be reliable but is not guaranteed for accuracy, completeness or otherwise. Opinions and estimates constitute the writer's judgement as of the date of this material and are subject to change without notice. This note is provided for informational purposes only and may not be reproduced in any way without the explicit permission of CAM.

A member of  **Capricorn Group**
