



Market Update

Wednesday, 30 April 2025

Global Markets

Shares struggled for direction on Wednesday and oil prices slid as relief over a potential easing of global trade tensions was offset by a worsening economic outlook and dour signals from corporates swept up by Donald Trump's tariffs. In China, data earlier in the day showed factory activity contracted at the fastest pace in 16 months in April, as hefty U.S. tariffs snapped two months of recovery and kept alive calls for further stimulus from Beijing. "The hit from sky-high U.S. tariffs meant the new export orders index dropped back to its lowest level, COVID-19 disruptions aside, since August 2012. The sharp drop in the PMIs likely overstates the impact of tariffs due to negative sentiment effects, but it still suggests that China's economy is coming under pressure as external demand cools," said Zichun Huang, a China economist at Capital Economics.

The dismal figures hobbled a rise in Chinese shares, with the CSI300 blue-chip index up a mere 0.07%. Hong Kong's Hang Seng Index ticked up 0.2%. The onshore yuan was little changed at 7.2686 per dollar. Despite Trump's move to soften the blow of his auto tariffs and signs of progress in broader trade negotiations, details remain scant, with Commerce Secretary Howard Lutnick saying he had reached one deal with a foreign power. Adding to the tariff anxiety, investors were also grappling with deteriorating U.S. data as Trump's hefty tariffs rippled across businesses and consumers at home.

Data on Tuesday showed the U.S. trade deficit in goods widened to a record high in March as businesses stockpiled ahead of Trump's tariffs, suggesting trade was a large drag on economic growth in the first quarter. First quarter GDP data is due later in the day. U.S. consumer confidence also slumped to a nearly five-year low in April. The precarious state of the global economic outlook, particularly in the United States, left Wall Street futures struggling to sustain gains made during the cash session overnight. Nasdaq futures were down 0.6% in Asia, while S&P 500 futures fell 0.5%. EUROSTOXX 50 futures slipped 0.2%, while MSCI's broadest index of Asia-Pacific shares outside Japan was up 0.4%. The Nikkei tacked on 0.2%.

The fallout from Trump's trade war reverberated further through the corporate world as delivery giant UPS said it would cut 20,000 jobs to lower costs, while General Motors pulled its outlook and delayed its investor call, joining a list of companies that have ditched forecasts for 2025 or slashed outlooks. "You start to see companies making some statements about low visibility, the unwillingness or inability to sign long-term contracts, to make long-term plans - that's a very slippery slope," said Fabiana Fedeli, M&G's chief investment officer of equities, multi asset and sustainability at a media roundtable on Monday.

U.S. growth figures and core PCE price index - the Fed's preferred measure of inflation - are due later today, ahead of jobs data at the end of the week. Payrolls are seen rising 130,000 and inflation is expected to ease, but there is much more uncertainty about GDP with the median forecast for a meagre 0.3% annualized growth. Markets are now pricing in 97 basis points worth of rate cuts from the Fed by December, up from about 80 bps early last week. That has in turn pushed U.S. yields down, with the two-year Treasury yield at a three-week trough of 3.6400%. The benchmark 10-year yield last stood at 4.1580%, also its lowest since early April. Data on Wednesday showed core inflation in Australia slowed to a three-year low in the first quarter, supporting the case for another cut in interest rates in coming weeks.

In the foreign exchange market, the dollar was on track for its worst monthly performance since November 2022 with a 4.65% loss, as erratic U.S. trade policies under Trump left the greenback vulnerable. On the other hand, the yen - a beneficiary of safe-haven demand - was set for a monthly gain of more than 5%, the most since July 2024. Similarly, the euro was headed for its largest monthly gain in over two years and last bought \$1.1369. The Aussie last traded 0.27% higher at \$0.6401.

Oil prices also extended their steep losses from the previous session on worries about global growth and its impact on demand. Brent crude futures were down 1% to \$63.61 a barrel having tumbled 2.4% overnight. U.S. crude lost 1.16% to fetch \$59.72 per barrel, after a 2.6% drop on Tuesday.

Spot gold fell 0.4% to \$3,303.53 an ounce.

Source: LSEG Thomson Reuters Refinitiv.

Domestic Markets

The South African rand weakened on Tuesday as investors waited for the finance minister to say when he will present another revised national budget. Finance Minister Enoch Godongwana has to make further adjustments after scrapping a contentious hike in value-added tax (VAT) that was fiercely opposed across the political spectrum.

A court on Sunday issued an order suspending the VAT hike and setting aside the adoption of the fiscal framework, paving the way for Godongwana to table new budget instruments in parliament. At 1416 GMT, the rand traded at 18.5475 against the dollar, down about 0.3% on its previous close. Wrangling over the 2025 budget has been the biggest test yet of the Government of National Unity.

Godongwana initially proposed a two percentage-point hike in VAT in a February budget that was postponed at the last minute because of disagreements in the coalition. He watered that down to a one-point VAT increase spread over two years in an amended March budget, but most political parties continued to reject the plan and last week Godongwana caved to pressure to withdraw it. Domestic investors on Wednesday will turn towards March credit extension, budget and trade figures for clues on the health of the local economy.

On the stock market, the Top 40 index was last up about 0.7%. The benchmark 2030 government bond was marginally stronger, as the yield fell 5 basis points to 8.82%.**Source: LSEG Thomson Reuters Refinitiv.**

It is difficult to say what is impossible, for the dream of
yesterday is the hope of today and the reality of tomorrow.

Robert H. Goddard

Market Overview

MARKET INDICATORS (Bloomberg)				30 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)	↓	8.00	-0.269	8.27	7.99
GC27 (Coupon 8.00%, BMK: R186)	↓	8.27	-0.070	8.35	8.28
GC30 (Coupon 8.00%, BMK: R2030)	↓	8.85	-0.138	8.99	8.85
GC32 (Coupon 9.00%, BMK: R213)	↓	9.89	0.000	9.89	9.89
GC35 (Coupon 9.50%, BMK: R209)	↓	11.20	-0.060	11.26	11.20
GC37 (Coupon 9.50%, BMK: R2037)	↓	11.54	-0.031	11.57	11.54
GC40 (Coupon 9.80%, BMK: R214)	↓	11.68	-0.059	11.74	11.68
GC43 (Coupon 10.00%, BMK: R2044)	↓	11.84	-0.052	11.89	11.84
GC45 (Coupon 9.85%, BMK: R2044)	↑	12.17	0.012	12.16	12.17
GC48 (Coupon 10.00%, BMK: R2048)	↓	12.07	-0.021	12.09	12.07
GC50 (Coupon 10.25%, BMK: R2048)	↓	12.27	-0.011	12.28	12.27
Inflation-Linked Bonds		Last Close	Change	Prev Close	Current Spot
GI25 (Coupon 3.80%, BMK: NCPI)	↑	2.91	0.036	2.88	2.89
GI27 (Coupon 4.00%, BMK: NCPI)	↑	4.45	0.006	4.44	4.45
GI29 (Coupon 4.50%, BMK: NCPI)	↑	4.66	0.008	4.65	4.66
GI33 (Coupon 4.50%, BMK: NCPI)	↑	5.31	0.007	5.30	5.31
GI36 (Coupon 4.80%, BMK: NCPI)	↓	5.63	-0.002	5.63	5.63
Commodities		Last Close	Change	Prev Close	Current Spot
Gold	↓	3,317	-0.79%	3,344	3,307
Platinum	↓	981	-0.88%	990	982
Brent Crude	↓	64.3	-2.44%	65.86	63.50
Main Indices		Last Close	Change	Prev Close	Current Spot
NSX Local Index	↑	1047	1.06%	1036	1047
JSE All Share	↑	91,311	0.65%	90,720	91,311
S&P 500	↑	5,561	0.58%	5,529	5,561
FTSE 100	↑	8,463	0.55%	8,417	8,463
Hangseng	↑	22,067	0.27%	22,008	22,067
DAX	↑	22,426	0.69%	22,272	22,426
JSE Sectors		Last Close	Change	Prev Close	Current Spot
Financials	→	20,437	0.00%	20,437	20,765
Resources	→	69,695	0.00%	69,695	70,023
Industrials	→	127,990	0.00%	127,990	128,162
Forex		Last Close	Change	Prev Close	Current Spot
N\$/US Dollar	↑	18.55	0.11%	18.53	18.55
N\$/Pound	↓	24.87	-0.12%	24.90	24.84
N\$/Euro	↓	21.13	-0.14%	21.16	21.11
US Dollar/ Euro	↓	1.139	-0.09%	1.14	1.14
		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 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.



Capricorn Asset Management



Bank Windhoek

For enquiries concerning the Daily Brief please contact us at

Daily.Brief@capricorn.com.na

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