



## The Age of Financial Noise: Why Calm Investors May Win

The first quarter of 2026 reminded investors just how quickly markets can shift, and how easily emotion can overshadow disciplined decision-making. Early in the year, improving business sentiment, easing inflation and resilient regional markets created optimism across Southern Africa. However, geopolitical tensions escalated sharply after strikes on Iran and disruptions to the Strait of Hormuz sent oil prices soaring and triggered significant volatility across global markets.

As markets reacted to rapidly changing developments, investors were exposed to a constant stream of breaking news alerts, social media commentary and conflicting opinions from analysts across the world. In environments like these, it becomes increasingly difficult to separate meaningful long-term signals from short-term noise. Yet history continues to show that emotional reactions during periods of uncertainty can often be more damaging than the market event itself.

While headlines focused on falling markets and rising uncertainty, the underlying data told a more balanced story. Money market investments continued to deliver steady positive returns, diversified portfolios helped cushion volatility, and investors who remained committed to long-term strategies were ultimately rewarded as markets recovered rapidly in April. Even after March's sharp declines, many equity and bond portfolios still reflected strong 12-month performance figures, highlighting the importance of maintaining perspective beyond a single difficult month.

The quarter highlighted an important lesson. Reacting emotionally to daily headlines can often do more harm than the market event itself.

**“Markets are trading hope,  
not resolution.”**

Charu Chanana, April 2026

Investors who sold during periods of panic risked locking in losses, while those who remained invested benefited from the swift recovery that followed. Within days of some of the quarter's worst market sentiment, several global indices had already rebounded strongly, reminding investors just how quickly markets can recover when uncertainty begins to ease.

In many cases, the real risk was not the volatility itself, but the temptation to make urgent decisions based on incomplete or constantly changing information. Markets move quickly, but emotional decisions made in moments of uncertainty can have lasting consequences for long-term financial outcomes.

At Capricorn Asset Management, we believe successful investing is built on discipline, perspective and long-term thinking. Calm investing is not about ignoring risk, it is about focusing on meaningful signals rather than short-term noise. Diversification, patience and a clear investment framework remain some of the most effective tools for navigating uncertain environments.

Q1 2026 served as a powerful reminder that sensible investing is not about reacting to every headline, but about remaining focused on long-term objectives through both market optimism and market uncertainty.



## Annual Customer Satisfaction Survey 2026

At Capricorn Asset Management, exceptional service delivery remains one of our core priorities. As part of this commitment, our annual Customer Satisfaction Survey will take place from 27 April to the end of June 2026.

We have partnered with Livingfacts, an independent South African-based research firm, to conduct this project. You may be invited to participate in a confidential telephonic interview conducted by Livingfacts. Calls may therefore originate from a South African number.

The survey helps us assess how effectively we are meeting client expectations and where we can continue to improve our products and services. Clients can be assured that this is a legitimate survey conducted on our behalf.

Participation is entirely voluntary, and **clients will never be asked for passwords, OTPs, account numbers or confidential information.**

Your feedback is highly valued and plays an important role in helping us maintain and elevate the standards of service we provide. For any queries, please contact us at 061 299 1950 or via email at [cam.info@capricorn.com.na](mailto:cam.info@capricorn.com.na).



## April 2026 Review

Why are equity markets not crashing? One could be forgiven for thinking that the current geopolitical turmoil would trigger a financial crisis in the markets. And yet, investors appear to have become immune to the perma-crisis that the world insists on maintaining, or perhaps it is crisis fatigue, or perhaps it is a real belief in the resilience of the world economy. Be that as it may, it put the spotlight on fundamentals rather than headlines. Some of the factors that underpin the resilience in markets are the following:

- **Earnings:** What matters to investors is that the companies are still making profits. The past few earnings seasons have been strong, early indications are that the current earnings season will be better than expected, and the outlook for earnings growth over the next twelve months is healthy.
- **Past the peak of uncertainty:** The very worst of the crisis and its accompanying volatility are in the rear-view mirror. There will not be a global economic collapse or a total shutdown, rather, a slow fizzling out of intense aggression and perhaps ending in a deal of truce or indefinite ceasefire.
- **Dip buying:** In the February 2022 invasion of Ukraine and on tariff day in April 2025, the market drops were soon followed by significant rallies. Therefore, buying the dips was a rewarding strategy. There is FOMO (fear of missing out) in the air, which reinforces the idea of buying the dip.
- **Technology shares are back:** AI is not going away, and computer chips remain in high demand. The recent release of a new AI model put the cat amongst the pigeons in the broader software industry, leading to turmoil in private credit markets exposed to it.

- **Fuel prices:** In Namibia, South Africa, and Botswana, hikes were announced for April that were lower than expected. However, the longer the conflagration lasts, the more likely it is that catch-up hikes will follow.
- **Grain prices:** These have not yet reacted to the surge in fertiliser costs – monoammonium phosphate, ammonia, urea, and potash. Of late, grain prices in SA have dropped sharply, helping to keep food inflation in check. However, a surge in input costs, such as fertiliser and diesel, does not bode well for inflation going forward.
- **Other oil related commodities:** Tungsten (+650%), Sulphuric acid (+241%), Helium (+100%), Liquid natural gas (+58%), Thermal coal (+42%), Polyethylene (+40%), and Polypropylene (+35%) are just some of the eye-watering jumps that we have seen. Therefore, it is not only an oil story.
- **Precious metals:** Gold (-9%), Silver (-15%) and Platinum (-7%) price movements indicate that expectations are that rising interest rates, driven by inflationary conditions, will lead to an increase in the opportunity cost of holding precious metals as opposed to assets that carry yield.



What are the macroeconomic and socio-political effects?

- **Inflation:** General progress to lower inflation trajectories will be interrupted. In the USA, it is likely to remain firmly above the 2% target. The newly minted 3% targeting regime in SA, will fail to maintain the target as long as fuel prices do not fall sharply. Similarly, in Botswana, the 4.5% mid-point and the 3% to 6% band will not hold. Namibia does not have an official targeting framework, but the fixed exchange rate regime dictates that the interest rate structure cannot deviate significantly from that of the anchor country.
- **Discontent:** Domestic political landscapes in many countries will be re-shaped by the cost-of-living crisis that consumers (read voters) continue to experience. The poor will be especially hard hit due to fuel, food and paraffin. Therefore, political pressure on incumbents to flare up again.

Why is inflation not exploding? Simply put, the jury is still out. The latest published inflation rates do not (yet) reflect the full effect of the oil shock. Only once we get the April numbers, which will be published over the course of May, will we see how widespread the effects are becoming. This is the challenge of data timing and timeliness. There is a plethora of products that are affected, some of which are the following:



- **Currency:** The USA has established itself as an alternative for nations that historically imported their refined products from the Gulf. Reports out of SA noted several huge tankers from the USA unloading fuel in Durban. As the largest oil producing nation, exporting surpluses, the US dollar is regaining its status as somewhat of a safe haven. The SA terms of trade have not deteriorated much. Hence, the currency's relative stability.
- **Growth:** We noted the following in our previous monthly note: A drawn-out conflict that results in \$100+ oil for longer, could yet prove to be the trigger that tips the world economy back into recessionary conditions. The same goes for Namibia and SA. Such a spike in fuel prices acts like a tax that drags down profit for businesses and drains disposable income from consumers. The disruption in supply chains of not only oil, but many other related and unrelated products, will choke growth as well.
- **Monetary policy:** Here, our view also remains unchanged. Central Banks are unlikely to cut interest rates again this year. The cost-push nature of this inflationary shock makes rate setting especially tricky – higher interest rates are unlikely to rein in such inflation. However, Central Banks will emphasise the dangers of second round effects. For them to maintain credibility, they will be forced to look and sound hawkish, i.e. watchful and on guard, ready to raise rates to head off these second order effects.



## Stay Digitally Smart: How to Protect Your Finances from Fraud and Scams

In today's connected world, managing your finances online has never been easier. From checking balances and downloading statements to making transactions and managing investments, digital platforms offer speed, convenience, and greater control.

Unfortunately, as technology evolves, so do the tactics used by fraudsters.

Across the world, criminals are using increasingly sophisticated methods to trick people into handing over sensitive information, approving payments, or giving access to their accounts. Namibia has also seen a rise in phishing attempts, fake investment schemes, unauthorised banking transactions, card fraud, and social engineering scams.

The good news is that a few sensible habits can go a long way in helping you stay protected.

### Common Fraud Tactics to Watch Out For

#### Phishing Emails and Messages

Fraudsters send messages that appear to come from banks, investment companies, courier services, or trusted brands. These messages often ask you to click a link, verify your account, or update personal details.

#### Fake Websites

Some scammers create websites that look almost identical to legitimate financial institutions. Their goal is to steal usernames, passwords, card details, and other login information.

#### Impersonation Calls

Criminals may phone victims pretending to be from a bank, fraud department, police service, or investment company. They often sound professional and may already know some personal information to appear credible.

#### OTP and Password Scams

One of the most common tactics is asking for your One-Time PIN, password, or verification code. They may claim there is suspicious activity on your account and say they need the code urgently.

#### Urgency and Panic Tactics

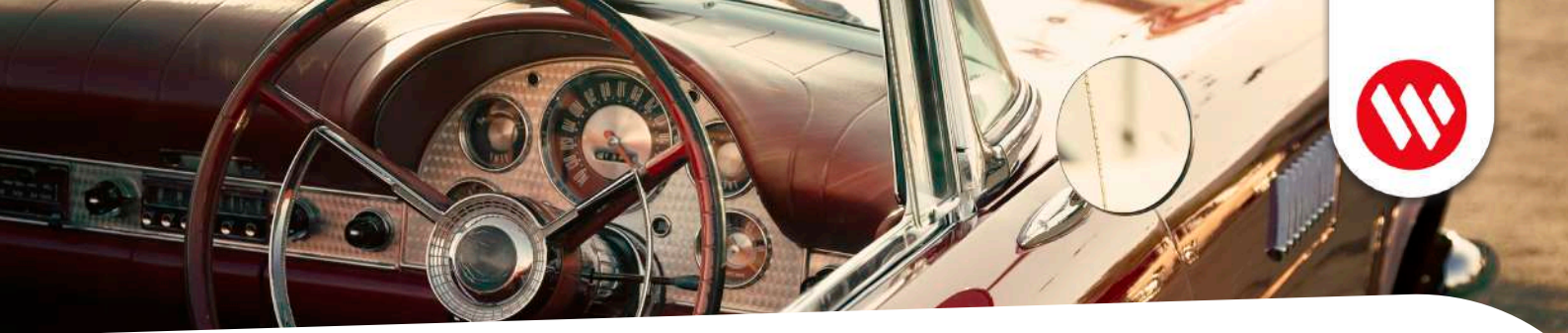
Scammers want you to act quickly before you think clearly. They may say your account will be blocked, a payment is pending, or your funds are at risk unless you respond immediately.

#### Fake Investment Opportunities

These scams promise unusually high returns, guaranteed profits, or "exclusive" opportunities that pressure you to act fast.

#### Important Reminder: Never Share OTPs or Passwords

Your password, PIN, and One-Time PIN are personal security tools designed to protect you.



**Trusted financial institutions will never ask you to share your password, OTP, or full login credentials over the phone,** by email, or by message. Legitimate institutions already have the information you provided when opening your account and do not need to request these details again.

Anyone asking for this information while creating urgency is almost certainly attempting to catch you off guard.

### Simple Ways to Protect Yourself

#### Pause Before You Click

Do not click on unexpected links or attachments. Rather visit the official website directly.

#### Verify Through Official Channels

If something feels suspicious, contact the business directly using official contact details from their website.

#### Use Strong Passwords

Create unique passwords using a mix of letters, numbers, and symbols. Avoid using the same password across multiple accounts.

#### Enable Extra Security Features

Where available, use Two-Factor Authentication for an added layer of protection.

#### Take Your Time

Fraudsters rely on panic and urgency. A moment of caution can prevent costly mistakes.

### How Capricorn Asset Management Supports Secure Digital Access

At Capricorn Asset Management, we take digital security seriously and remain committed to helping investors access and manage their finances with confidence. Through Capricorn Online, investors can securely manage their

portfolios, access statements, monitor investments, and transact online, supported by enhanced security measures such as Two-Factor Authentication and One-Time PIN verification to help safeguard personal information and account activity.

Should you ever suspect fraudulent activity relating to your account, or receive suspicious calls, emails, SMS messages or communications claiming to be from Capricorn Asset Management, we encourage you to report it immediately. Early reporting can play an important role in helping prevent unauthorised access or financial loss. **Please contact our dedicated fraud line on +264 83 299 1999 for immediate assistance.**

Digital tools continue to make financial management more accessible and convenient, but staying informed remains one of the strongest defences against fraud. By remaining cautious, informed and security-conscious, investors can significantly reduce the risk of falling victim to scams and continue managing their finances with confidence.

“ **Scammers rely on panic. A few moments of caution can prevent major losses.** ”

Visit <https://cam.com.na/Pages/OnlineServices.aspx> to learn more about Capricorn Online and how we can help you invest with confidence.

**Capricorn Asset Management – The sensible choice for your investment success.**

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