

MARKET SUMMARY

As of 2025/08/31

MARKET INDICES

	1 month	3 months	1 year	3 years	4 years	5 years
FTSE/JSE All Share	3.53	8.38	25.82	19.13	15.33	17.23
FTSE/JSE Capped SWIX All Share	3.54	8.14	25.06	17.51	13.89	17.08
FTSE/JSE SA Listed Property	2.80	6.75	18.10	21.67	14.85	21.31
All Bond Index	0.75	5.87	15.11	13.64	10.47	11.33
STeFI (Cash)	0.61	1.84	7.92	7.91	7.03	6.38
MSCI World	0.40	6.23	15.28	19.99	14.66	13.88
MSCI EM	-0.89	7.26	16.40	12.21	6.81	6.13
Oil Price	-8.10	4.46	-13.60	-9.84	3.37	9.46

MARKET COMMENTARY

Policy uncertainty remained prevalent in August, with President Trump continuing to escalate tariffs – most notably placing a 50% tariff on India – while increasing pressure on the Federal Reserve. Despite these risks, global equities not only recovered from April's "Liberation Day" declines but pushed to new highs. US and UK stocks set fresh record highs, as progress on trade agreements and expectations of monetary and fiscal stimulus lifted risk appetite. Developed Markets (DM) outperformed Emerging Markets (EM), led by strong gains in Japan and broader Europe, while US small caps outpaced large caps. A weaker U.S. dollar provided a modest tailwind to EM performance. Global bonds delivered positive returns over the month, as decreasing yields pushed bond prices higher. In the U.S., the yield curve steepened: front-end yields declined on rate-cut expectations, while longer maturities pushed higher as concerns over Fed independence and policy credibility gained traction.

South African equities (+3.5%) continued their strong momentum in August, outperforming both their DM and EM counterparts. This recent performance has pushed South African equities ahead of these peer groups (in Rands) over the past 10 and 15 years, respectively. The Resources sector (+11.4%) had another outstanding month, bringing its 12-month return to 63.4%. However, performance within the sector was mixed. Precious metal miners, which had contributed strongly to prior months, generally detracted from returns. AngloGold Ashanti (-11.8%) and Impala Platinum (-8.0%) were notable laggards, while Sasol (+26.2%), BHP (+8.8%), and Kumba Iron Ore (+11.8%) posted strong gains. Financials (+0.8%) and Industrials (+1.1%) delivered modest positive returns, reflecting steady but less pronounced growth. The Property sector (+2.8%) posted positive returns in August, with index heavyweights NEPI Rockcastle (+6.3%) and Growthpoint (+5.3%) posting strong performance.

South African bonds (+0.8%) rose modestly in August, pausing after a strong rally over the previous three months. This relatively muted gain came despite supportive factors, including a stronger Rand, a decline in the 10-year U.S. Treasury yield, and net foreign inflows.

Headline year-on-year inflation increased to 3.5% in July (data released in August), up from 3.0% in June, in line with consensus forecasts. This marks the highest inflation number in 10 months. Core inflation, which excludes volatile items such as food and energy, also increased in line with forecasts, albeit more moderately, rising to 3.0% from 2.9% in June. In other economic news, the South African Reserve Bank (SARB) addressed the country's inflation target, noting that the current framework has effectively maintained price stability and supported growth, with inflation easing since the pandemic. The SARB and National Treasury are reviewing the 3-6% target range to determine if adjustments could improve long-term outcomes. The Macroeconomic Standing Committee (MSC) will provide evidence-based recommendations to the Finance Minister and SARB Governor, who will decide on any changes and issue a formal announcement to guide expectations.

The **JSE All Share Index** (+3.5%) continued its strong momentum in August, largely driven by the Resource sector. The local market outperformed both developed market (DM) and emerging market (EM) peers over the month. **Resources** (+11.4%) was the best performing local sector for a third consecutive month, bringing the 12-month return to an impressive +63.4%. Performance within the sector was mixed: **AngloGold Ashanti** (-11.8%) and **Impala Platinum** (-8.0%) detracted, while **Sasol** (+26.2%), **BHP** (+8.8%) and **Kumba Iron Ore** (+11.8%) posted strong gains. Furthermore, **Financials** (+0.8%) and **Industrials** (+1.1%) posted modest but positive returns. **Listed Property** (+2.8%) posted positive performance this month, driven higher by the strong performance of Index heavyweights **NEPI Rockcastle** (+6.3%) and **Growthpoint** (+5.3%). **Local bonds** (+0.8%) posted marginally positive gains in August, pausing after a strong rally over the past three months. This relatively muted gain came despite supportive factors, including a stronger Rand, a decline in the 10-year U.S. Treasury yield, and net foreign inflows. **Cash** (+0.6%) remained a stable investment option, highlighting the relatively attractive yields available on conservative allocations.

*All data is sourced from Morningstar Direct as at 2025/08/31. The performance of South African asset classes is quoted in rands.

Returns greater than a year have been annualised. Returns prior to launch date are simulated and are based on the underlying funds at the initial weightings. Returns are net of TIC.
The average weighted Total Investment Charge (TIC) shown is equal to the sum of the unit trust's total expense ratio (TER) and transaction costs (TC). This is merely an indication as the underlying fund weightings vary daily and share classes may differ from one platform to another. TIC is inclusive of VAT. TIC excludes the Discretionary Management fee, Financial Advisor and Platform fees.
The SA CPI benchmark figure is lagged by one month as it gets calculated before the current month's inflation rate has been released.
Underlying asset allocations are lagged by one month. Share classes may differ depending on the platform the portfolio is loaded onto.
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