Weekly Market Wrap

10/07/2026

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Market Drivers

Global Market Drivers

- Oil price rises on renewed US-Iran attacks
- IMF reduced 2026 global economic growth forecast from 3.1% to 3.0%; warns of stalling disinflation
- US Fed minutes reveal split on inflation and interest rate decision
- Chinese production inflation data continues to rise – driven by energy & commodity costs
- Japanese bond yields reach near 30-year highs amid inflation and fiscal concerns

SA Market Drivers

- National Treasury cuts funding to mismanaged municipalities, including Johannesburg
- Transnet's bulk volumes recover to pre-Covid level, however general freight and container still lag
- Eskom's 9% electricity tariff increase continues to increase business and consumer costs

Charts That Matter

US & Iran renew attacks

Potential to end ceasefire and block oil/logistics again

- US said strikes were retaliation for Iran's bombing of ships in the Strait of Hormuz.
  - Targeted military facilities to reduce ability to attack ships.
- Trump said the ceasefire was effectively "over", while JD Vance said the US would keep striking if ships were attacked.
- Risk that Strait of Hormuz is blocked again.
  - Blockade is Iran's most effective weapon to hurt other economies.
  - However, blockade also hurts Iran's oil exports and trade routes.
  - Signs of reduced shipping already.
- Oil prices spiked up to $80 dollars before retreating to mid-$70 range.
  - Market to price in higher risk premium for increased conflict.
  - Continued global inflationary pressure.

Brent oil price jumps 8% on renewed attacks

Source: PortfolioMetrix, Bloomberg

IMF reduces 2026 global growth forecast

Cites higher energy prices, increased inflation and higher interest rates

- IMF's latest Outlook forecasts marginally reduced global growth for 2026, and recovery in 2027.
  - Concerns of higher energy, commodity and agricultural prices will slow production, consumption and growth.
- End of disinflationary trend removes ability for central banks to reduce interest rates.
  - Sustained higher interest rates will reduce growth.
- Overall growth is driven by Emerging/Developing Economies instead of Advanced.
  - High growth in India and China.
  - US remains above Advanced Economies average, driven by energy cost insulation and AI/Technology growth.
  - Marginal 2026 increases drive by resilience compared to prior assumptions.

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Slight reduction in 2026, and slight increase in 2027

Region	2025	2026		2027	
		Prior	Updated	Prior	Updated
Global	**3.4**	**3.1**	**3.0**	**3.2**	**3.4**
Advanced Economies	**1.9**	**1.8**	**1.7**	**1.7**	**1.8**
United States	2.1	2.3	2.3	2.1	2.2
United Kingdom	1.3	0.8	1.0	1.3	1.3
Eurozone	1.4	1.1	0.9	1.2	1.2
Germany	0.2	0.8	0.7	1.2	1.0
France	0.9	0.9	0.6	0.9	0.9
Emerging/Developing Economies	**4.4**	**3.9**	**3.8**	**4.2**	**4.5**
India	7.6	6.5	6.4	6.5	6.7
China	5.0	4.4	4.6	4.0	4.1
South Africa	1.1	1.0	1.1	1.3	1.3

Source: PortfolioMetrix, International Monetary Fund

Chinese production inflation rises sharply

Ends prolonged period of disinflation

- China's producer prices continued to rebound, with headline PPI rising 4.1% year-on-year.
  - Fourth monthly increase, signalling a break from the deflationary trend seen through 2023–2025.
- The strongest price pressures are concentrated in commodity-linked sectors.
  - Most exposed to higher global energy costs and supply-chain disruptions linked to Middle East tensions.
  - Suggests inflation pressures are uneven rather than broad-based.
- Headline PPI is positive, but the largest moves are clustered in a few upstream and industrial input categories.
- This supports the view that the current inflation impulse is largely supply-driven, rather than the result of stronger domestic demand.

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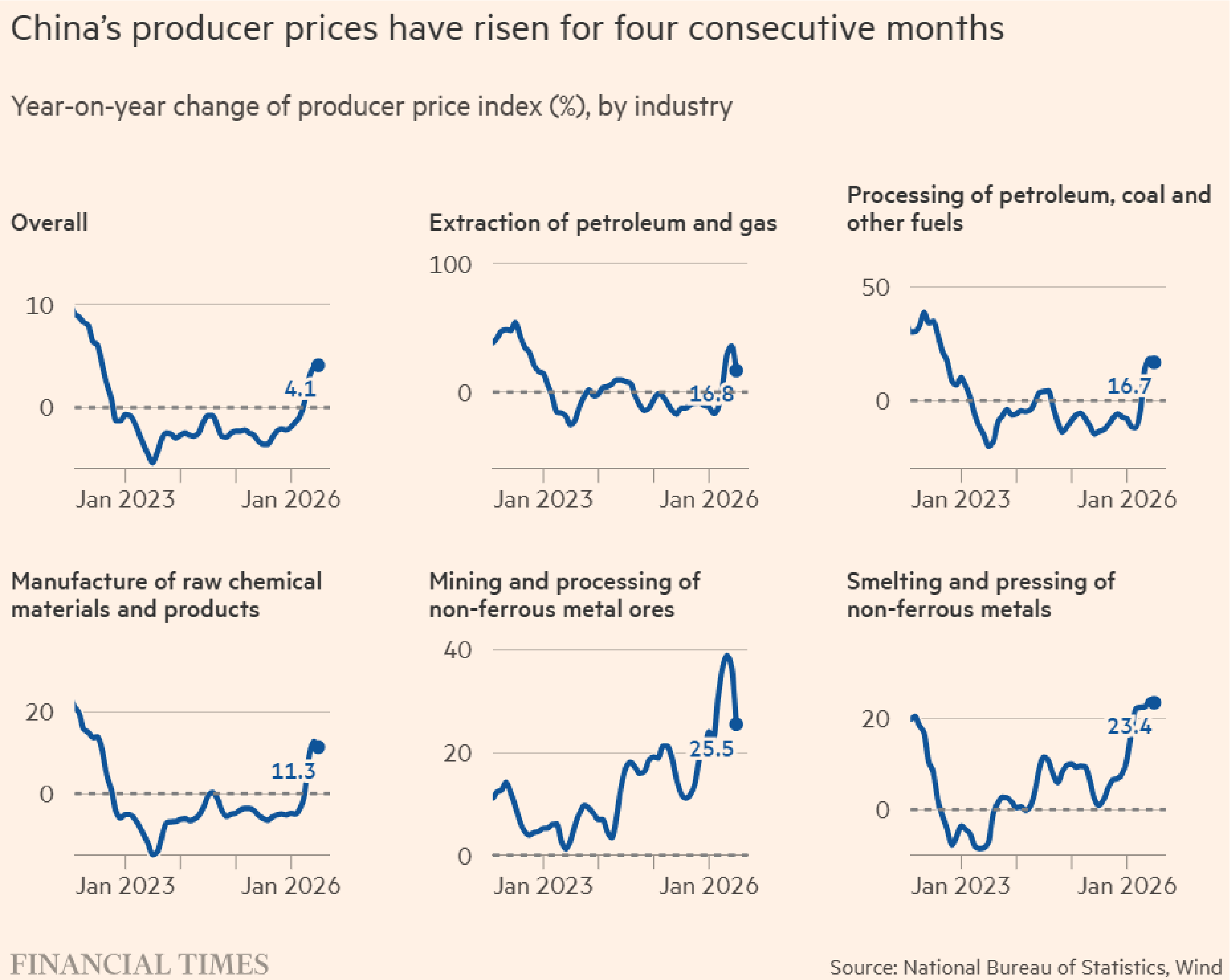
Chinese production experiences continued inflationary pressure



Source: PortfolioMetrix, Financial Times

Index Performance

07/07/2026

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SA Indices

South African Asset Classes (ZAR)

Local Indices

	SA Listed Property	SA Bonds	STeFI +1%	C-SWIX / C-ALSI	ALSI
1 Week	0.6%	0.7%	0.1%	0.0%	0.0%
1 Month	7.2%	3.9%	0.6%	-0.7%	-0.7%
3 Months	10.0%	8.2%	1.9%	-3.1%	-3.1%
6 Months	3.8%	5.2%	3.9%	-4.5%	-4.6%
1 Year	27.6%	21.5%	8.1%	18.1%	17.3%
3 Years	26.9%	18.6%	9.0%	18.5%	18.0%
5 Years	17.0%	12.5%	8.0%	14.5%	15.0%
10 Years	4.9%	10.8%	7.8%	9.6%	11.8%

SA Equity Indices

	SA Financials	SA Industrials	SA Resources	SA Small Cap	SA Mid Cap	SA Large Cap
1 Week	0.0%	0.0%	0.2%	-0.5%	0.3%	0.1%
1 Month	5.0%	1.9%	-9.5%	3.3%	-0.5%	-1.3%
3 Months	7.2%	4.5%	-19.5%	5.3%	-4.5%	-4.0%
6 Months	6.1%	-4.9%	-14.9%	2.0%	-8.0%	-5.6%
1 Year	28.6%	-1.6%	36.0%	21.6%	9.9%	17.5%
3 Years	24.4%	11.0%	22.1%	23.1%	16.9%	17.6%
5 Years	20.0%	11.1%	14.5%	20.0%	11.8%	15.1%
10 Years	10.5%	8.5%	17.7%	11.3%	7.5%	12.3%

Offshore Indices

	Global Equities	US Equities	Developed Equities	EM Equities	Global Gov Bonds	Global Corps	Global Infra	Global Property
1 Week	-0.8%	-0.8%	-0.5%	-2.7%	-1.3%	-1.3%	0.5%	0.9%
1 Month	0.1%	0.4%	0.5%	-2.7%	-1.6%	-1.4%	0.5%	0.9%
3 Months	8.1%	9.1%	7.6%	11.6%	-4.0%	-3.5%	-1.7%	4.4%
6 Months	7.9%	7.1%	7.0%	14.6%	-2.3%	-1.7%	11.0%	10.1%
1 Year	12.9%	10.8%	11.2%	26.9%	-9.3%	-6.0%	9.5%	3.4%
3 Years	14.2%	14.7%	13.9%	15.7%	-3.1%	0.5%	8.2%	3.3%
5 Years	13.5%	14.9%	14.0%	10.1%	-1.2%	2.1%	10.2%	3.8%
10 Years	13.9%	16.0%	14.3%	11.2%	-0.3%	2.9%	10.3%	5.0%

Note: periods longer than a year are annualised.
Source: PortfolioMetrix, Morningstar

Global Indices

Global Asset Classes (USD)

Global Equity Regions

	Global Equities	Developed Equities	US Equities	UK Equities	Europe ex-UK Equities	Japan Equities	Pacific ex-Japan Equities	EM Equities	EM Asia Equities	EM Europe Equities	EM Lat Am Equities
1 Week	0.0%	0.3%	0.1%	2.5%	0.1%	1.4%	1.4%	-1.9%	-2.4%	2.7%	0.7%
1 Month	1.3%	1.7%	1.6%	2.9%	2.9%	0.6%	1.3%	-1.5%	-2.1%	6.6%	2.4%
3 Months	12.6%	12.1%	13.7%	5.1%	11.0%	9.7%	1.6%	16.2%	19.7%	13.5%	-3.4%
6 Months	9.2%	8.3%	8.5%	6.7%	6.2%	12.0%	7.9%	16.0%	18.4%	12.4%	11.4%
1 Year	23.2%	21.3%	20.8%	21.1%	17.9%	32.7%	16.2%	38.4%	42.6%	29.7%	34.4%
3 Years	20.0%	19.8%	20.6%	19.2%	17.1%	18.4%	13.6%	21.7%	23.8%	26.1%	13.3%
5 Years	10.8%	11.2%	12.1%	10.5%	8.8%	9.4%	5.6%	7.5%	7.8%	-9.2%	10.4%
10 Years	12.8%	13.2%	14.9%	9.1%	10.7%	9.7%	8.2%	10.1%	11.2%	0.4%	8.2%

Global Fixed Income

	Global Gov Bonds	Global Corps	Global High Yield	EM Bonds	Global ILBs
1 Week	-0.5%	-0.5%	0.2%	-0.3%	-0.2%
1 Month	-0.4%	-0.1%	0.6%	0.4%	-0.4%
3 Months	0.0%	0.5%	2.0%	2.3%	0.0%
6 Months	-1.0%	-0.4%	1.3%	1.4%	0.0%
1 Year	-1.0%	2.5%	5.0%	7.0%	1.8%
3 Years	1.9%	5.7%	9.3%	7.8%	3.2%
5 Years	-3.6%	-0.4%	3.8%	1.1%	-2.6%
10 Years	-1.2%	1.9%	5.4%	3.1%	0.8%

Global Alternatives

	Global Property	Global Infra
1 Week	1.7%	1.3%
1 Month	2.2%	1.7%
3 Months	8.7%	2.4%
6 Months	11.5%	12.4%
1 Year	12.8%	19.4%
3 Years	8.6%	13.7%
5 Years	1.3%	7.5%
10 Years	4.0%	9.2%

Note: periods longer than a year are annualised.
Source: PortfolioMetrix, Morningstar

Global Indices

Global Equity Factors & Sector Performance (USD)

Global Factors

	Global Equities	Global Equities - Value	Global Equities - Momentum	Global Equities - Quality	Global Equities - Min Vol	Global Equities - Small Cap
1 Week	0.0%	2.4%	-7.5%	-1.2%	2.3%	0.0%
1 Month	1.3%	1.5%	-1.2%	0.7%	2.4%	4.0%
3 Months	12.6%	12.6%	20.1%	11.5%	5.2%	16.2%
6 Months	9.2%	14.4%	17.9%	7.2%	3.3%	14.2%
1 Year	23.2%	36.1%	36.2%	22.9%	5.9%	23.4%
3 Years	20.0%	22.4%	32.3%	21.1%	11.8%	17.3%
5 Years	10.8%	13.6%	14.8%	9.6%	6.8%	8.6%
10 Years	12.8%	11.9%	16.9%	13.1%	8.3%	10.7%

Global Sectors

	Comm Services	Consumer Cyclical	Consumer Defensive	Energy	Financials	Healthcare	Industrials	Tech	Real Estate	Utilities	Basic Materials
1 Week	3.9%	1.5%	2.2%	2.6%	3.6%	3.3%	-1.0%	-4.3%	2.1%	0.5%	0.8%
1 Month	-0.6%	1.0%	3.1%	-5.6%	6.9%	7.2%	2.1%	-1.6%	1.3%	2.4%	-2.4%
3 Months	8.1%	7.5%	3.9%	-9.7%	12.9%	9.2%	8.2%	27.8%	5.1%	-1.1%	-1.0%
6 Months	0.9%	-5.2%	9.0%	19.7%	6.8%	1.2%	11.0%	20.4%	7.4%	9.1%	3.5%
1 Year	19.5%	4.9%	4.9%	27.2%	18.8%	19.0%	24.3%	40.1%	7.9%	17.0%	24.9%
3 Years	25.7%	9.9%	6.7%	14.3%	25.0%	8.7%	20.5%	30.7%	8.2%	16.9%	11.9%
5 Years	8.9%	2.3%	4.2%	15.6%	13.5%	4.4%	11.7%	18.8%	0.3%	10.0%	5.4%
10 Years	10.0%	10.0%	5.6%	8.2%	13.9%	8.1%	12.5%	24.0%	3.6%	8.6%	10.5%

Note: periods longer than a year are annualised.
Source: PortfolioMetrix, Morningstar

Market Metrics

08/07/2026

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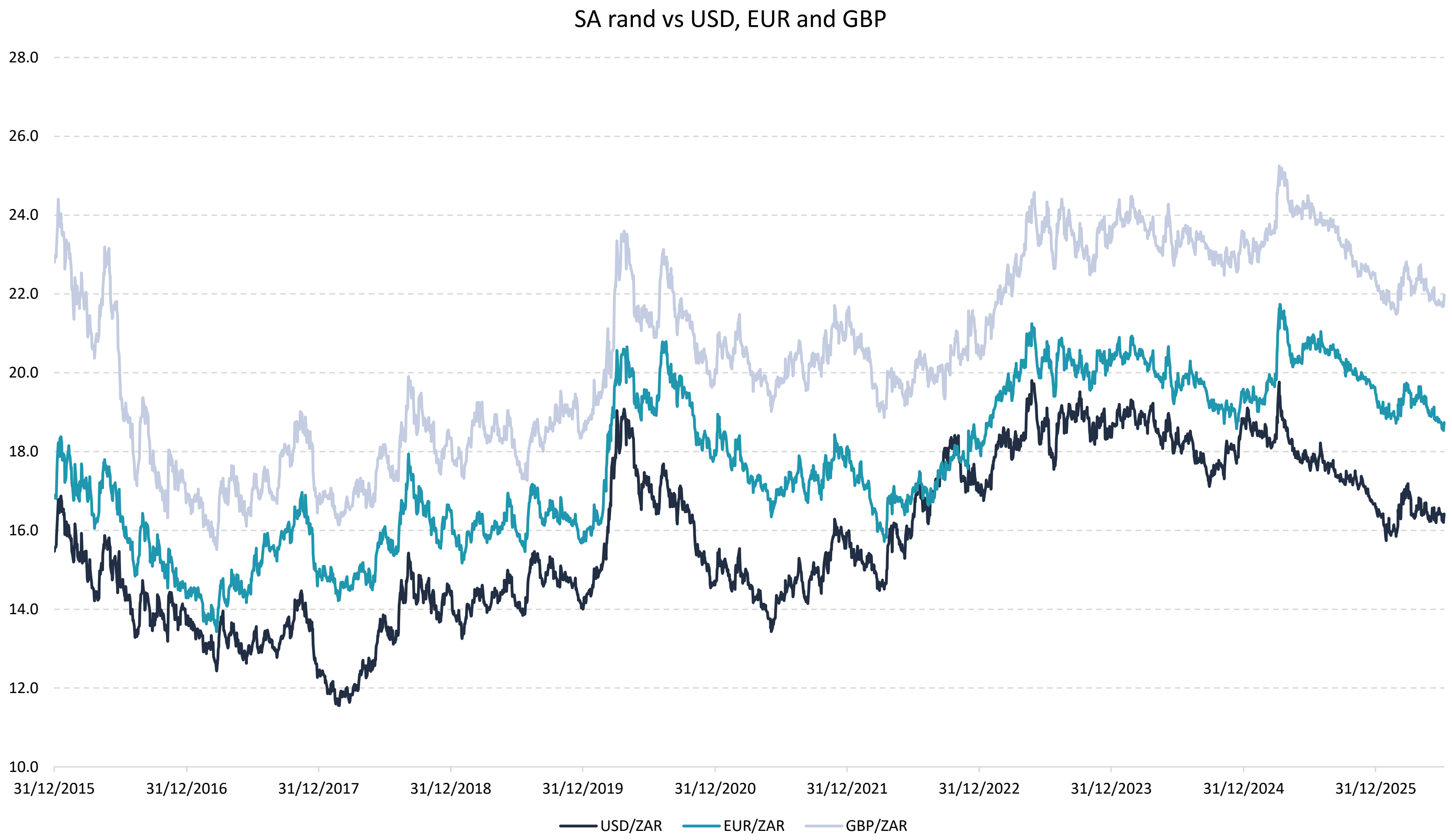
Currencies

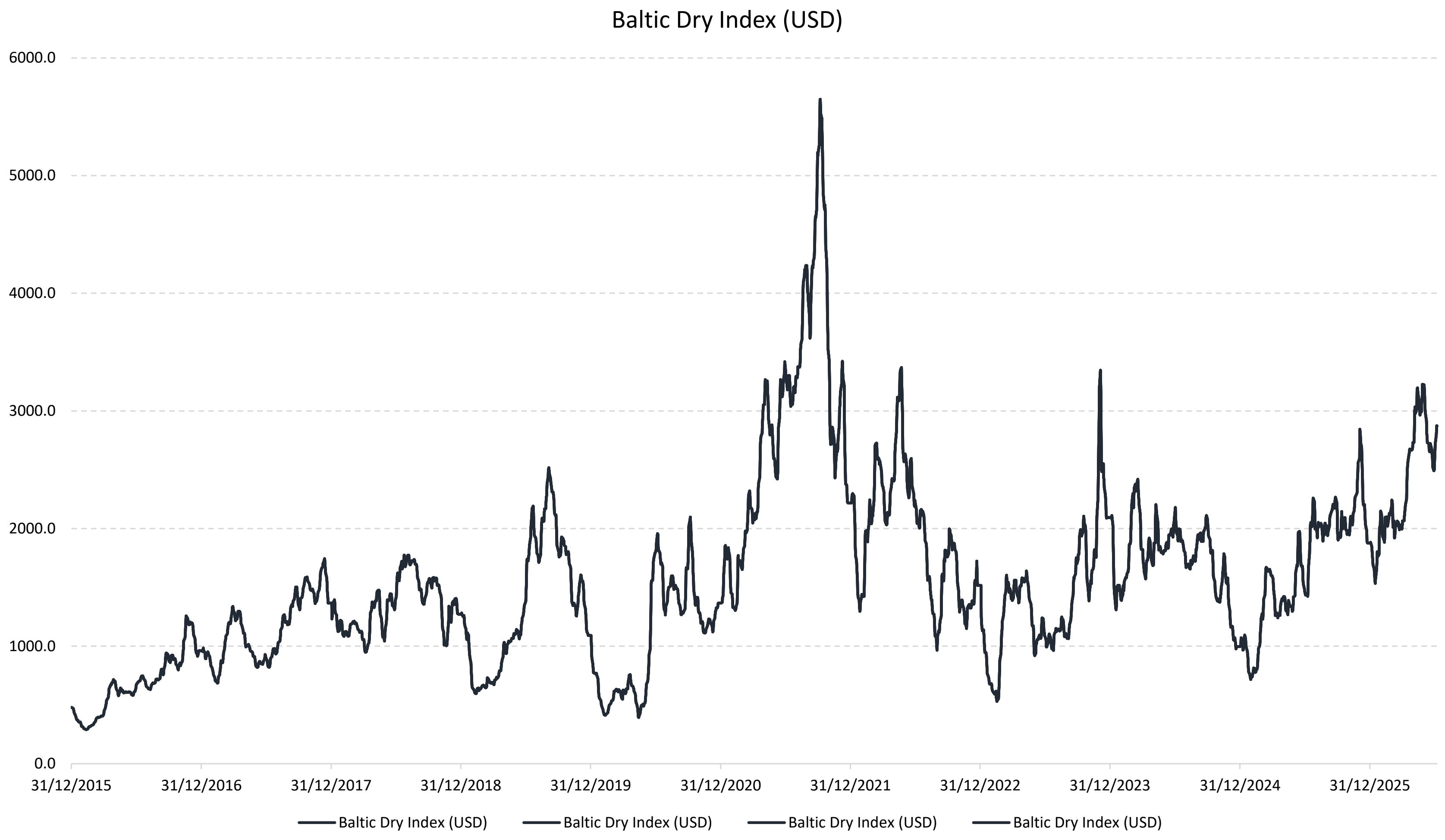
SA Rand vs USD, EUR and GBP



Source: PortfolioMetrix, Bloomberg

Commodities

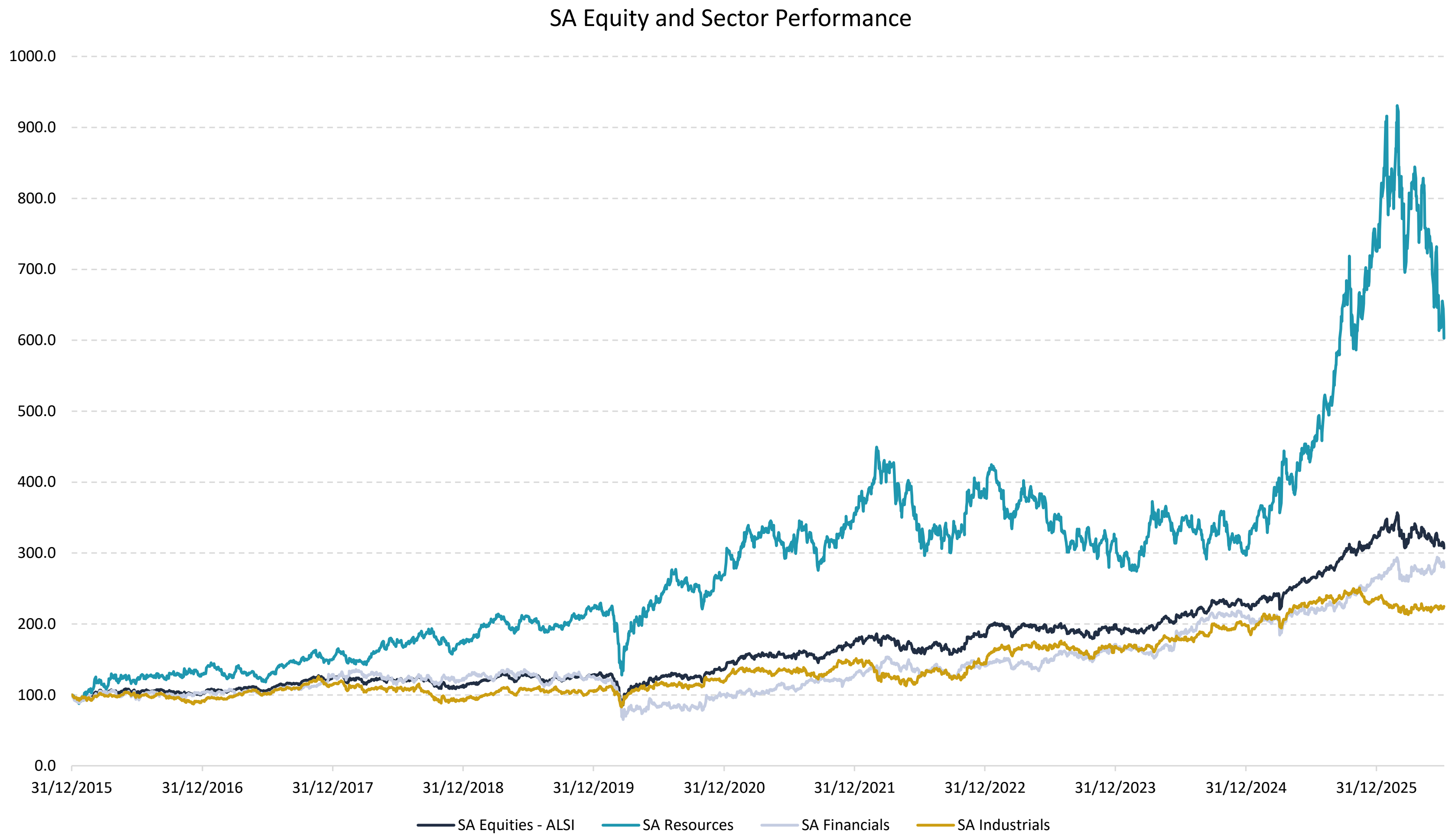
Baltic Dry Index (USD)



Source: PortfolioMetrix, Bloomberg

Market Metrics

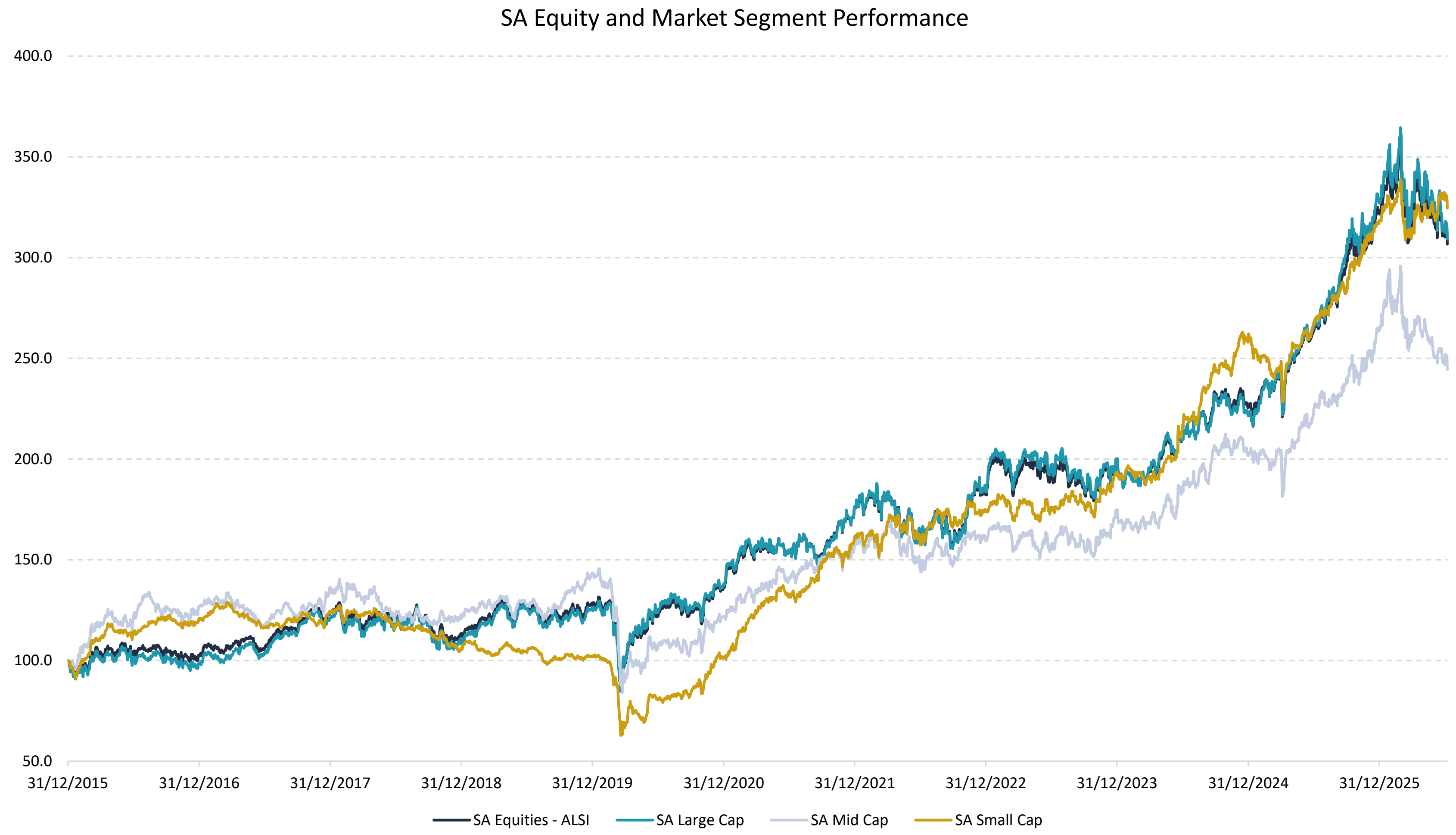
SA Equity and Sector Performance



Source: PortfolioMetrix, Bloomberg

Market Metrics

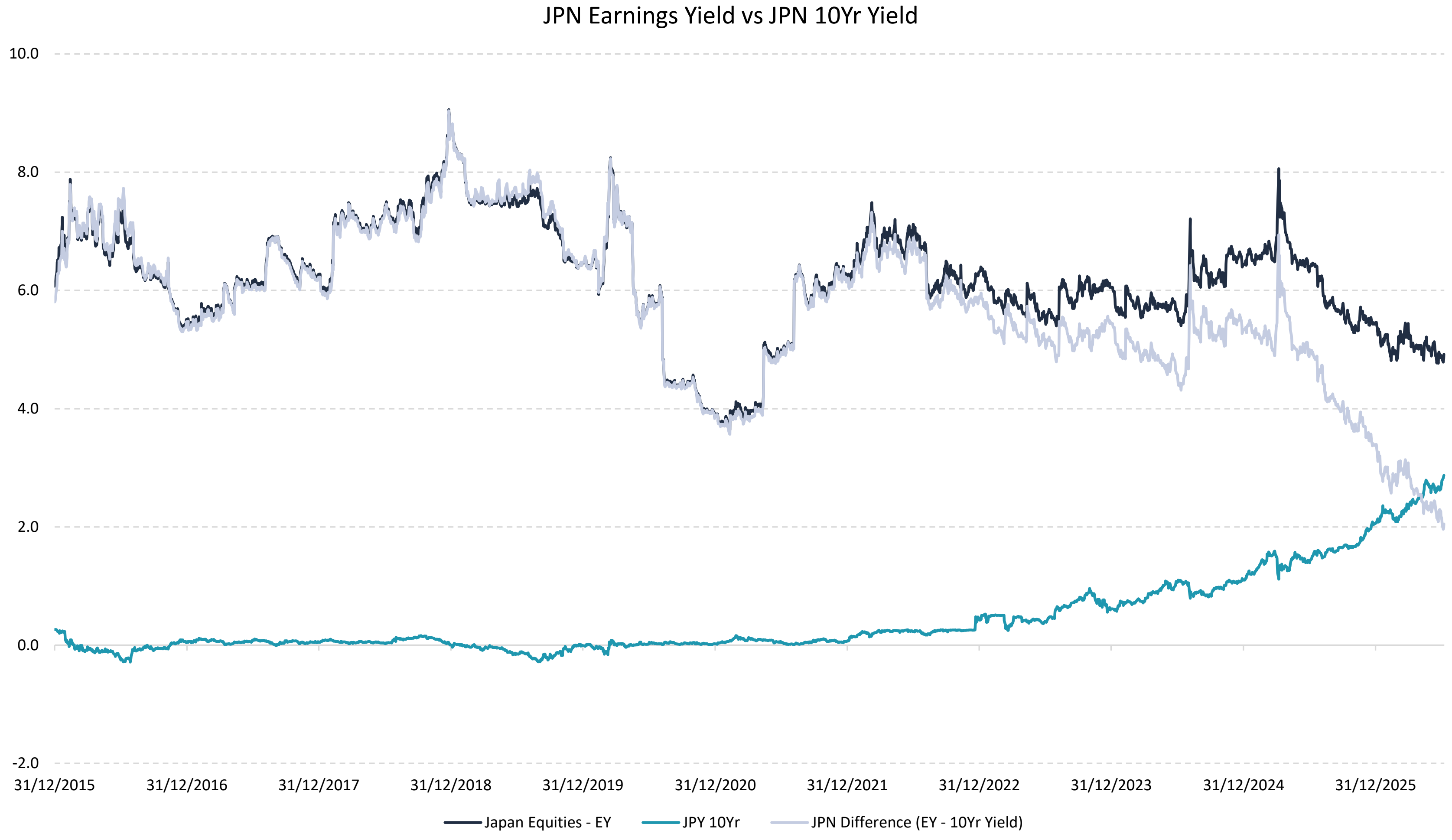
SA Equity Market Segment Performance



Source: PortfolioMetrix, Bloomberg

Market Metrics

JPN Equity Earnings Yield vs JPN 10Yr Yield



Source: PortfolioMetrix, Bloomberg

Glossary of Terms

Weekly Time Frame

- The Weekly Wrap is compiled every Thursday afternoon and thus the timeframe on charts will run from the prior Wednesday close to the current Wednesday close.

Global and SA Headlines

- The major headlines across the global dailies that had or have a direct impact on markets around the globe.

Macro Events

- The major macroeconomic releases over the week that help shape economic views and market movements.

Charts - Price Returns

- Bar charts depict price returns for the week to close of day Wednesday, as well as the prior week (shaded) in the currency as designated.

SA - US yield spreads

- This difference, or interest carry, is the SA risk spread this is guided by the interest rate differentials (and the levers that drive these expectations) between the two countries as well as providing a forecast of expected
- Rand depreciation over the 10 year period.

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Full calculation methodology available on request.