Weekly Market Wrap

28/08/2026

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Market Drivers

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Global Market Drivers

- Oil price eased from $90 to $83 on lower Hormuz tensions
- US July inflation rate comes in at 3.4% y/y
- US-Canada trade dispute escalates into matching tariffs
- Bank of Korea increased interest rates due to AI-led inflation concerns
- ECB minutes highlight tension between inflation concerns and growth risks

SA Market Drivers

- July producer inflation slows to 5.7% in July from 7.5% in June
- SARB leading indicator declines for third consecutive month
- ZAR and SA bonds strengthen as oil risk falls

Charts That Matter

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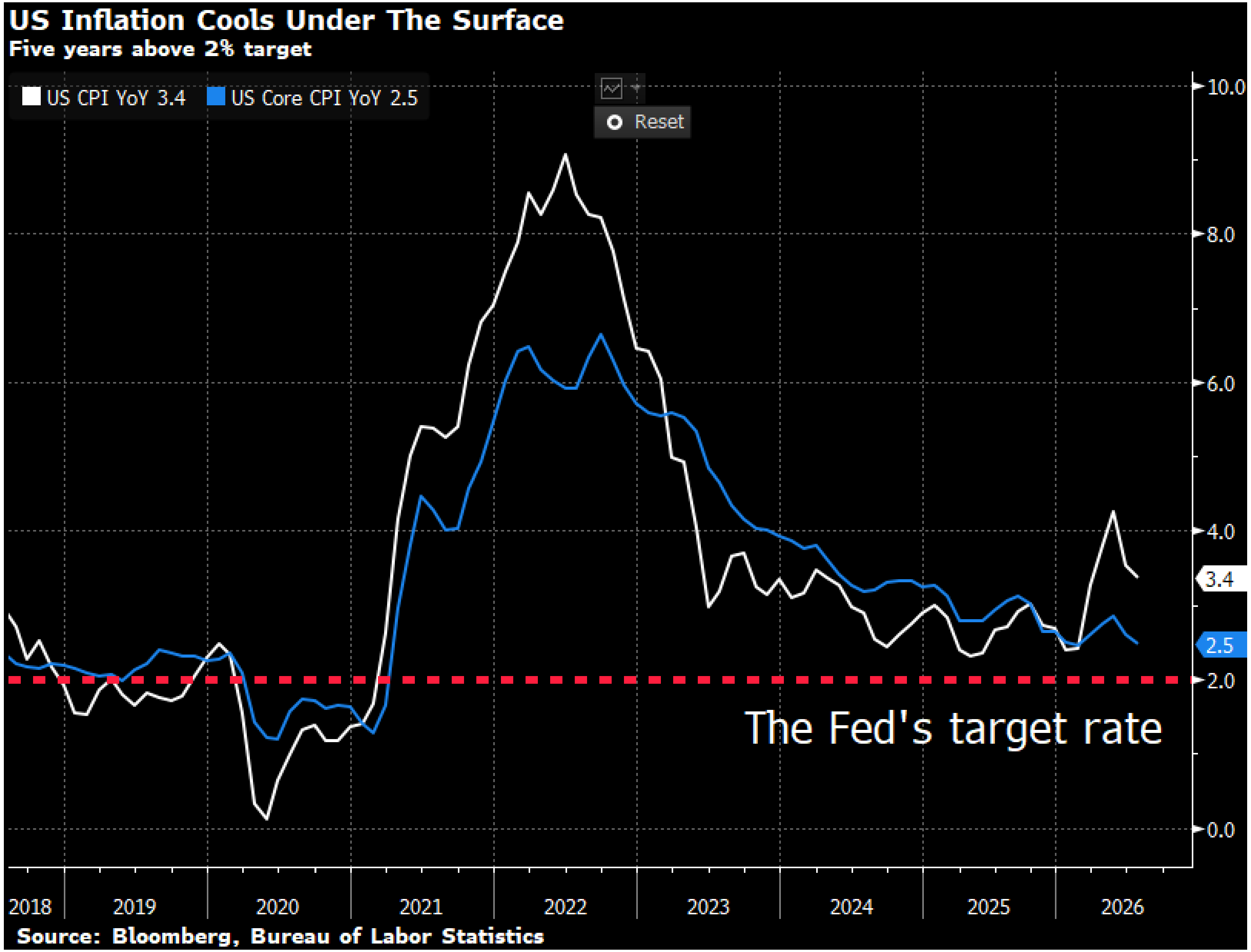
US Inflation Cools but Remains High

Widening gap suggest energy/food costs driving inflation pressures

- Headline and core inflation are increasingly diverging, with CPI at 3.4% y/y while Core CPI has moderated to 2.5% y/y.
  - CPI measures changes in the full basket of consumer prices, including more volatile food and energy prices.
  - Core CPI excludes food and energy, providing a less volatile measure of underlying inflationary pressures.
- The widening gap suggests the recent inflation increase is concentrated in more volatile components.
  - Higher energy prices have pushed headline CPI higher, while the continued moderation in Core CPI suggests underlying inflation has not reaccelerated to the same extent.
- The key risk is whether higher energy costs spill over into core inflation.
  - Falling oil prices should provide some headline relief, but broader pass-through into goods, services or wages could keep inflation and interest rates higher for longer.



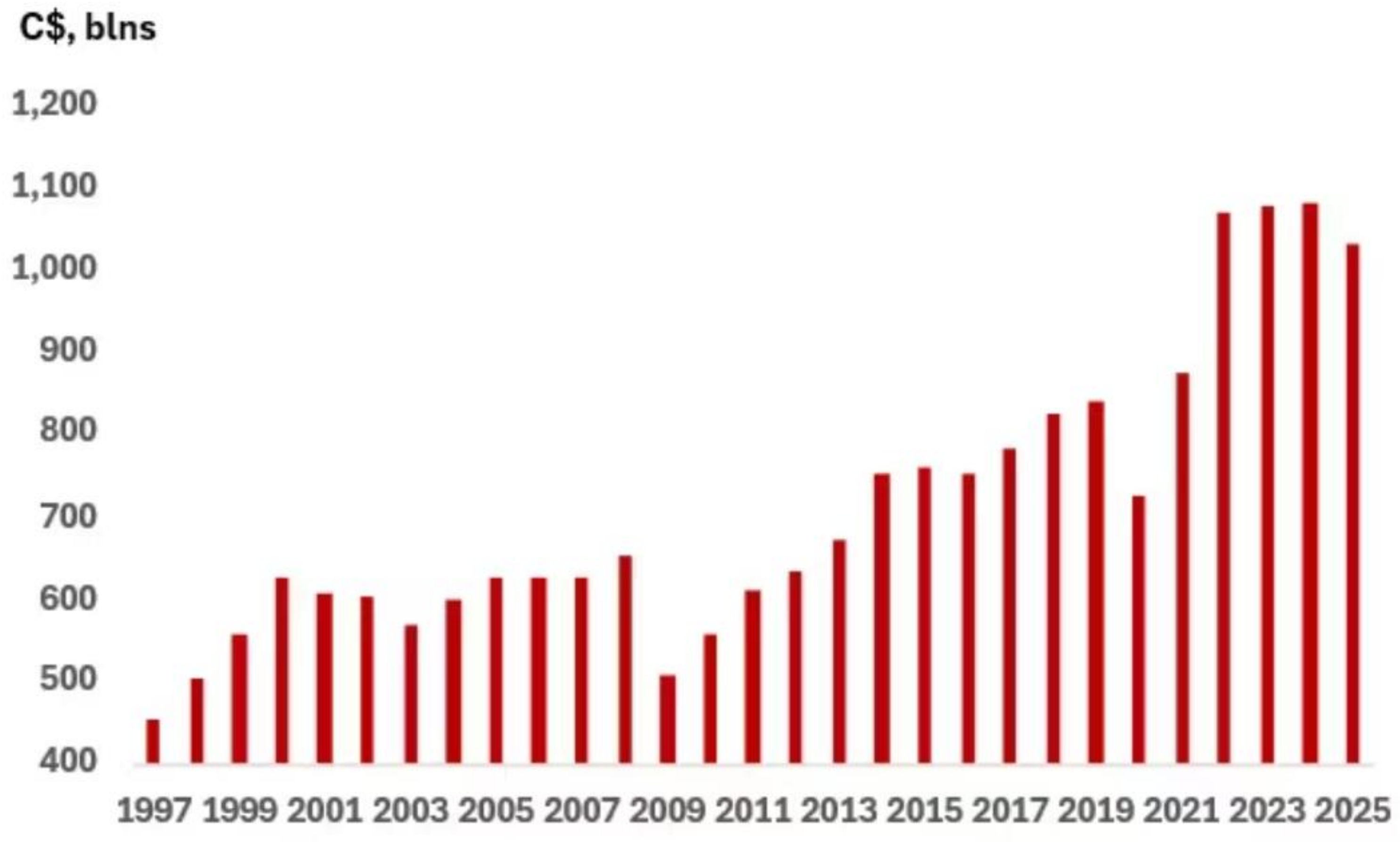
Source: PortfolioMetrix, Bloomberg

US-Canada Trade Tariffs Escalate

Adding strain onto major trading partner relationship

- US–Canada trade has more than doubled over the past three decades, reaching over C$1 trillion annually in recent years.
    - The scale of trade highlights how closely integrated the two economies and their supply chains have become.
- The latest tariff escalation puts this relationship under increasing pressure.
    - Canada has announced matching tariffs of 15%, 25% and 50% on C$27.6bn of US goods, following the breakdown in trade negotiations.
- Tariffs risk raising costs on both sides of the border.
    - Highly integrated sectors such as steel, aluminium, agriculture and manufacturing are particularly exposed to higher input costs and disrupted supply chains.

Chart 1 – Canada-US Total Trade (Exports + Imports) Over Time



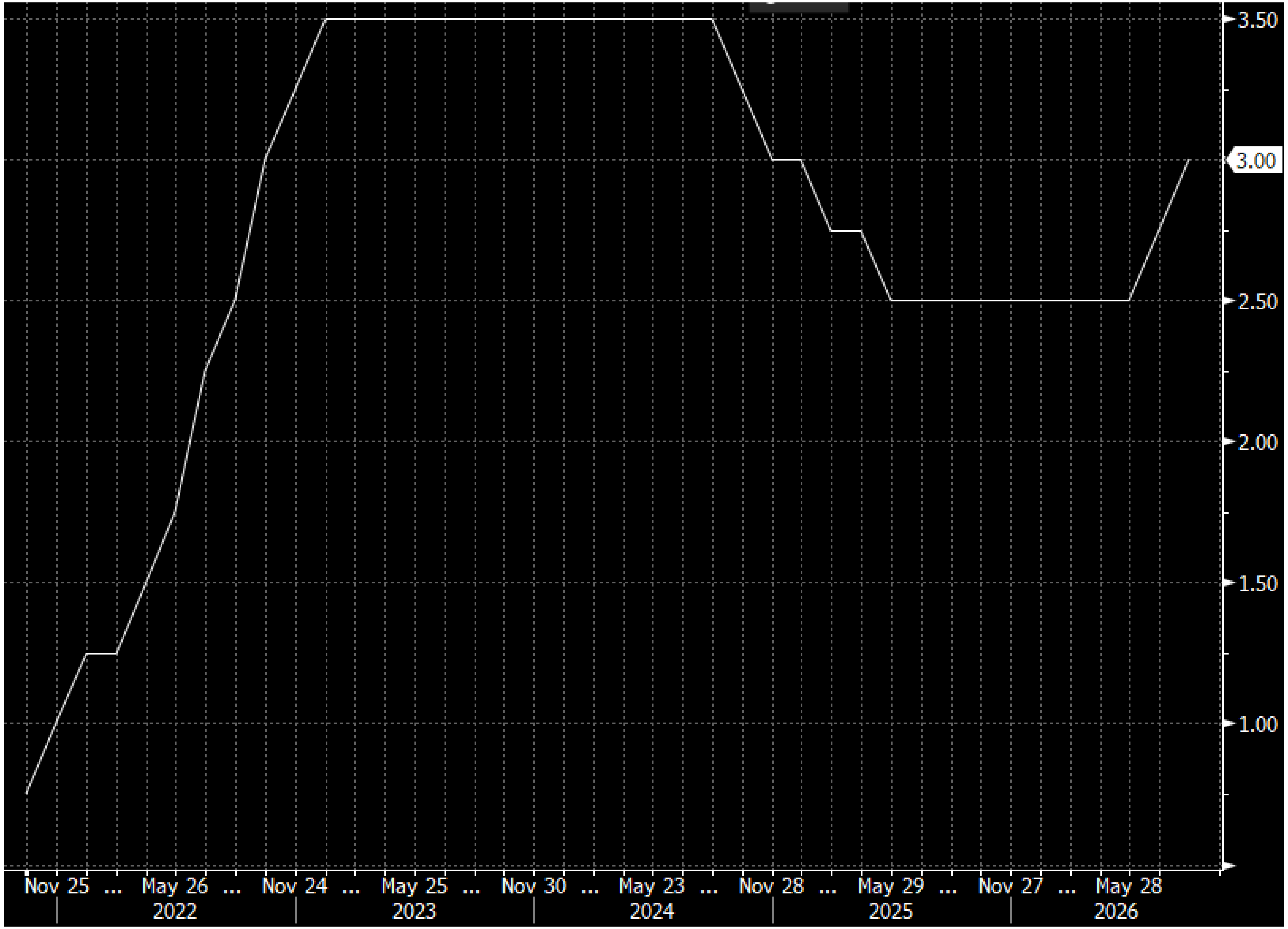
Source: Statscan, BMO GAM

Source: PortfolioMetrix

Bank of Korea Raises Interest Rates

Tightening resumes as inflation pressures build

- The Bank of Korea raised its policy rate by 25 bps to 3.00%, reversing part of the easing delivered since late 2024.
    - Rates had previously fallen from 3.50% to 2.50%, where they remained for roughly a year before the latest increase.
- The rate hike reflects renewed concerns around underlying inflation.
    - Strong AI-related investment and technology-sector growth have supported economic activity and added to domestic demand and inflation pressures.
- The decision highlights a changing global interest-rate environment.
    - Even after earlier rate cuts, persistent inflation can force central banks to reverse course and tighten policy again.



Source: PortfolioMetrix, Bloomberg

Index Performance

25/08/2026

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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	-1.3%	0.5%	0.1%	3.4%	3.4%
1 Month	-0.8%	2.2%	0.7%	7.1%	7.1%
3 Months	0.8%	2.0%	2.0%	1.3%	1.3%
6 Months	-3.4%	-0.5%	3.9%	-5.9%	-5.8%
1 Year	16.6%	17.1%	8.1%	18.6%	17.6%
3 Years	23.8%	16.8%	8.9%	21.0%	20.8%
5 Years	16.2%	12.0%	8.1%	15.3%	16.0%
10 Years	4.3%	10.7%	7.8%	9.8%	12.0%

SA Equity Indices

	SA Financials	SA Industrials	SA Resources	SA Small Cap	SA Mid Cap	SA Large Cap
1 Week	-0.6%	-1.2%	12.1%	-1.2%	0.1%	4.0%
1 Month	0.8%	-4.8%	28.2%	-1.5%	1.6%	8.3%
3 Months	1.5%	-6.5%	9.0%	-2.9%	-3.9%	1.7%
6 Months	-1.5%	-7.9%	-7.4%	-4.9%	-13.1%	-5.7%
1 Year	22.5%	-11.8%	58.5%	12.6%	7.5%	18.9%
3 Years	21.7%	8.8%	36.8%	20.3%	15.5%	21.1%
5 Years	18.2%	10.0%	20.1%	18.2%	11.2%	16.5%
10 Years	9.7%	7.2%	20.3%	10.3%	6.8%	12.6%

Offshore Indices

	Global Equities	US Equities	Developed Equities	EM Equities	Global Gov Bonds	Global Corps	Global Infra	Global Property
1 Week	-1.6%	-2.0%	-1.7%	-1.4%	-1.0%	-0.9%	-2.0%	-0.5%
1 Month	-1.2%	-1.5%	-1.2%	-0.9%	-3.4%	-3.6%	-6.7%	-6.8%
3 Months	0.9%	0.9%	1.3%	-1.9%	-1.9%	-2.0%	-1.9%	0.2%
6 Months	9.7%	11.9%	10.0%	7.3%	-1.1%	-0.7%	0.0%	4.9%
1 Year	10.7%	8.7%	9.4%	21.0%	-8.9%	-7.3%	5.4%	1.4%
3 Years	15.0%	15.2%	14.8%	16.0%	-2.5%	0.5%	8.4%	4.3%
5 Years	12.4%	13.4%	12.7%	10.1%	-2.2%	1.0%	8.7%	2.5%
10 Years	13.8%	16.0%	14.2%	10.6%	0.0%	2.9%	10.1%	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	0.1%	0.1%	-0.2%	2.2%	1.3%	-1.3%	1.9%	0.4%	-0.2%	3.1%	5.0%
1 Month	4.1%	4.0%	3.8%	4.5%	4.8%	4.6%	5.0%	4.5%	4.4%	8.2%	1.2%
3 Months	3.0%	3.4%	3.0%	6.2%	4.5%	1.9%	6.5%	0.1%	-0.3%	11.6%	0.1%
6 Months	8.9%	9.2%	11.1%	3.6%	4.5%	4.0%	4.4%	6.5%	8.4%	9.8%	-3.9%
1 Year	21.9%	20.5%	19.7%	21.0%	20.3%	23.4%	19.7%	33.2%	36.0%	24.6%	36.6%
3 Years	21.2%	21.0%	21.5%	21.2%	18.8%	20.2%	17.7%	22.2%	24.3%	23.1%	15.0%
5 Years	11.0%	11.3%	11.9%	11.4%	9.0%	9.7%	7.5%	8.7%	9.2%	-9.1%	11.6%
10 Years	12.5%	12.9%	14.7%	8.7%	10.2%	9.1%	8.3%	9.3%	10.3%	0.4%	7.4%

Global Fixed Income

	Global Gov Bonds	Global Corps	Global High Yield	EM Bonds	Global ILBs
1 Week	0.8%	0.9%	0.4%	0.5%	0.9%
1 Month	1.7%	1.6%	1.6%	1.1%	2.0%
3 Months	0.2%	0.1%	1.6%	1.1%	-0.1%
6 Months	-1.9%	-1.5%	1.4%	-0.2%	-0.9%
1 Year	0.3%	2.0%	4.8%	4.6%	3.1%
3 Years	2.8%	5.9%	9.3%	7.7%	3.9%
5 Years	-3.5%	-0.3%	4.0%	1.0%	-2.9%
10 Years	-1.2%	1.8%	5.1%	2.8%	0.6%

Global Alternatives

	Global Property	Global Infra
1 Week	1.3%	-0.2%
1 Month	-1.8%	-1.7%
3 Months	2.3%	0.1%
6 Months	4.1%	-0.7%
1 Year	11.6%	16.1%
3 Years	10.0%	14.3%
5 Years	1.1%	7.3%
10 Years	3.8%	8.9%

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	0.1%	1.6%	-1.0%	1.4%	0.6%	0.3%
1 Month	4.1%	7.5%	3.2%	6.7%	2.0%	5.3%
3 Months	3.0%	9.5%	-3.8%	3.3%	5.0%	8.4%
6 Months	8.9%	15.8%	10.4%	7.1%	3.8%	14.5%
1 Year	21.9%	40.4%	29.3%	22.6%	8.0%	25.2%
3 Years	21.2%	25.4%	31.6%	22.7%	12.6%	19.2%
5 Years	11.0%	15.1%	13.8%	9.8%	7.1%	9.0%
10 Years	12.5%	12.0%	16.5%	12.9%	8.3%	10.4%

Global Sectors

	Comm Services	Consumer Cyclical	Consumer Defensive	Energy	Financials	Healthcare	Industrials	Tech	Real Estate	Utilities	Basic Materials
1 Week	1.7%	0.8%	0.9%	-1.4%	0.6%	2.9%	-1.7%	-1.4%	1.4%	-0.4%	6.4%
1 Month	5.8%	7.6%	2.2%	3.0%	3.0%	7.0%	0.8%	4.1%	-0.5%	-4.2%	12.1%
3 Months	-5.2%	-0.8%	0.9%	3.5%	10.7%	13.4%	1.1%	1.2%	1.1%	-2.8%	6.1%
6 Months	1.6%	-0.1%	-4.2%	12.2%	11.3%	6.7%	-0.1%	22.7%	-0.9%	-5.8%	0.3%
1 Year	8.5%	1.0%	6.1%	38.7%	19.5%	22.3%	20.8%	38.3%	6.6%	10.3%	32.8%
3 Years	24.6%	11.3%	7.2%	16.4%	26.5%	9.4%	21.0%	32.7%	9.6%	16.6%	16.4%
5 Years	8.3%	3.4%	4.2%	19.4%	13.6%	4.6%	11.4%	18.4%	0.6%	8.4%	7.7%
10 Years	9.7%	9.4%	5.6%	9.2%	13.2%	8.7%	11.9%	22.9%	3.3%	8.3%	10.7%

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

Market Metrics

26/08/2026

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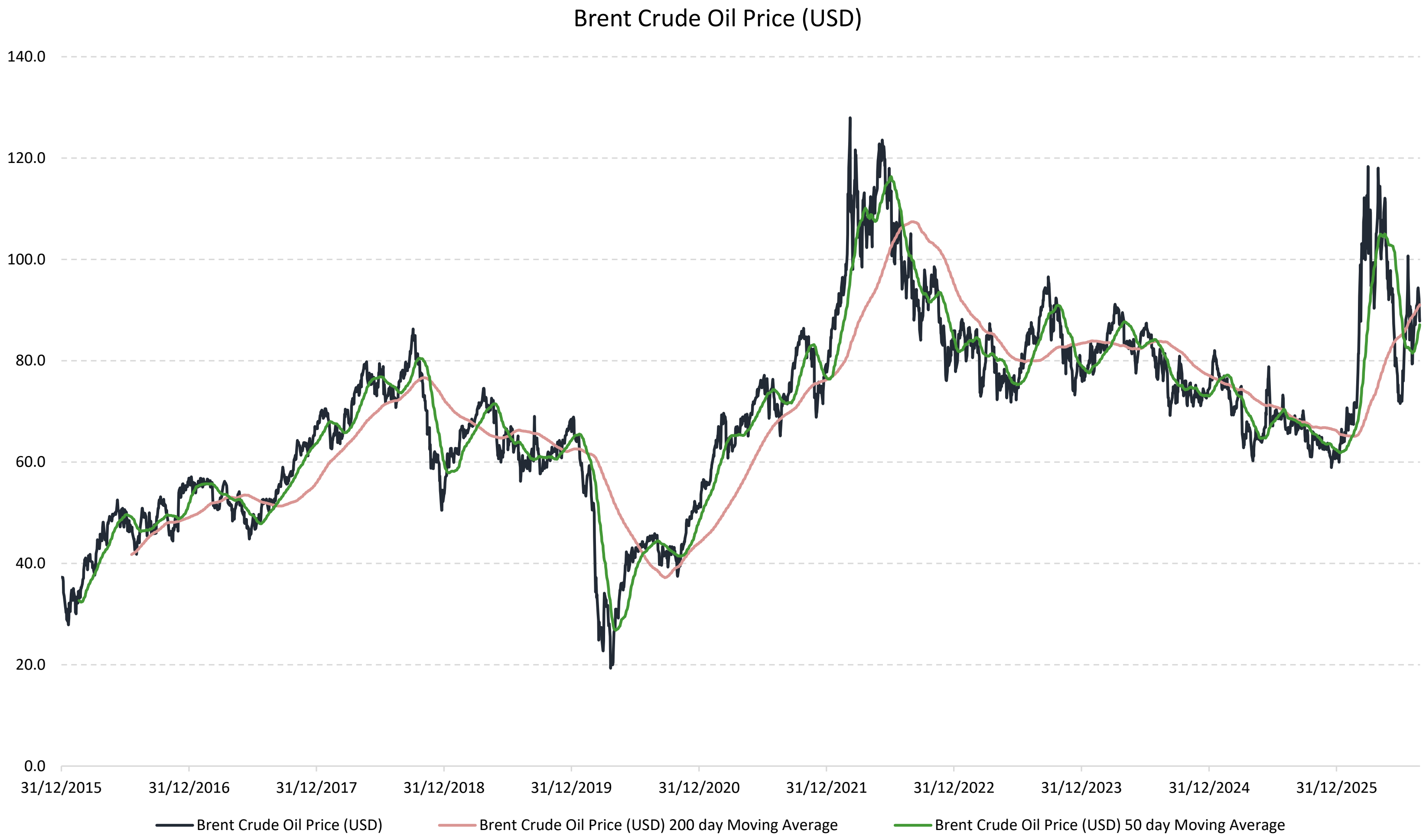
Commodities

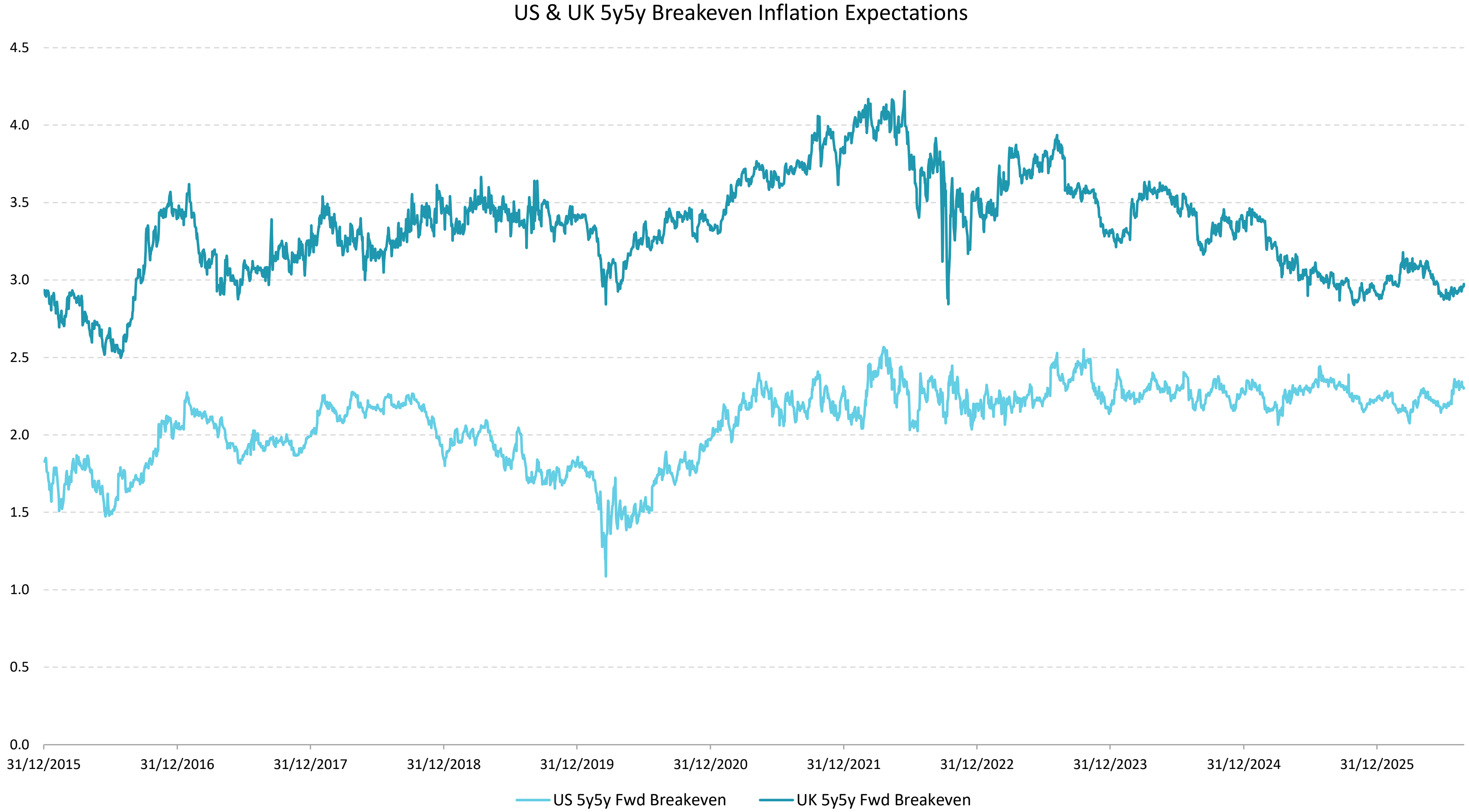
Brent Crude (USD)



Source: PortfolioMetrix, Bloomberg

Market Metrics

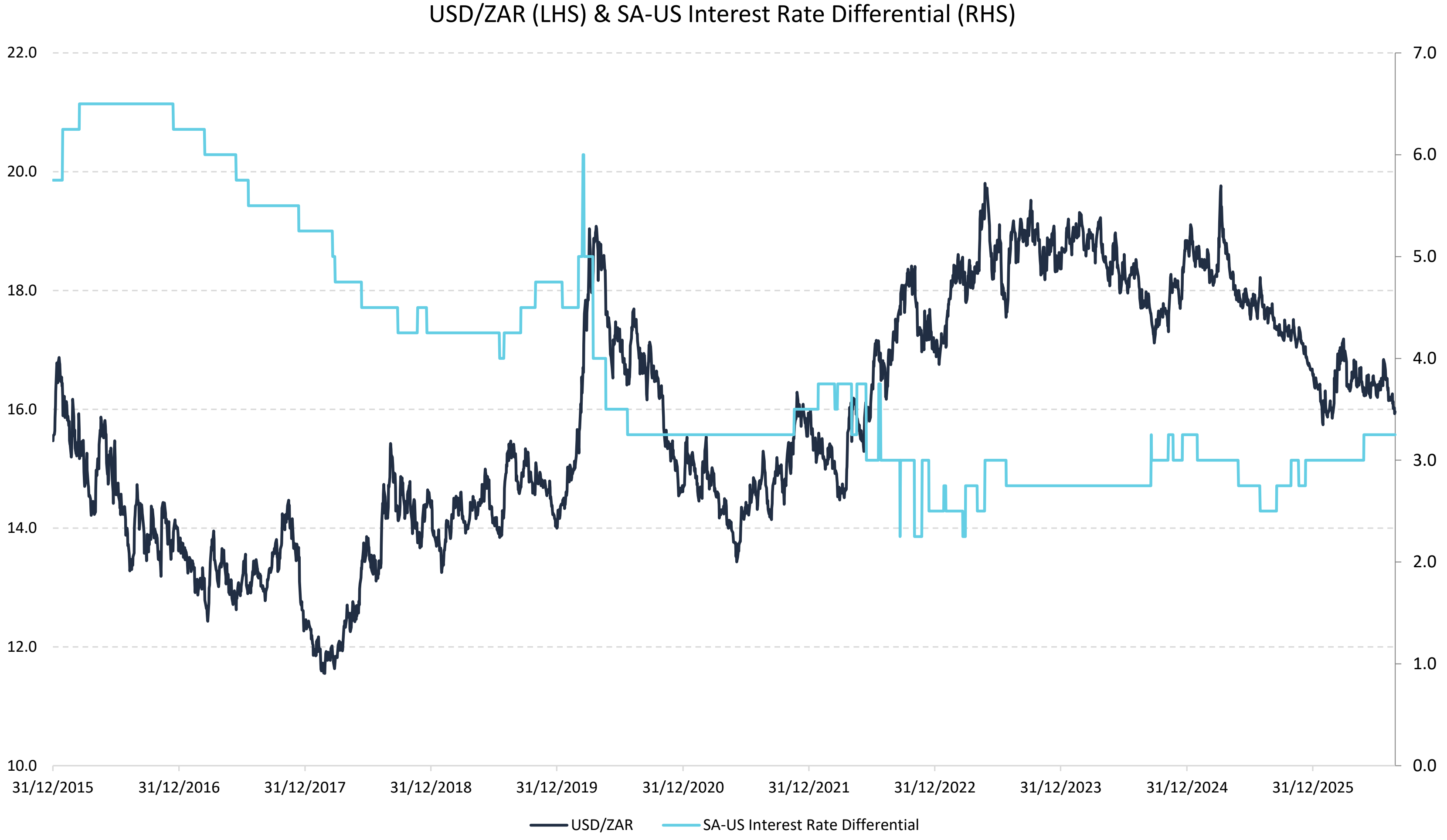
US & UK 5y5y Breakeven Inflation Expectations



Source: PortfolioMetrix, Bloomberg

Currencies

SA-US exchange rate and interest rate differential

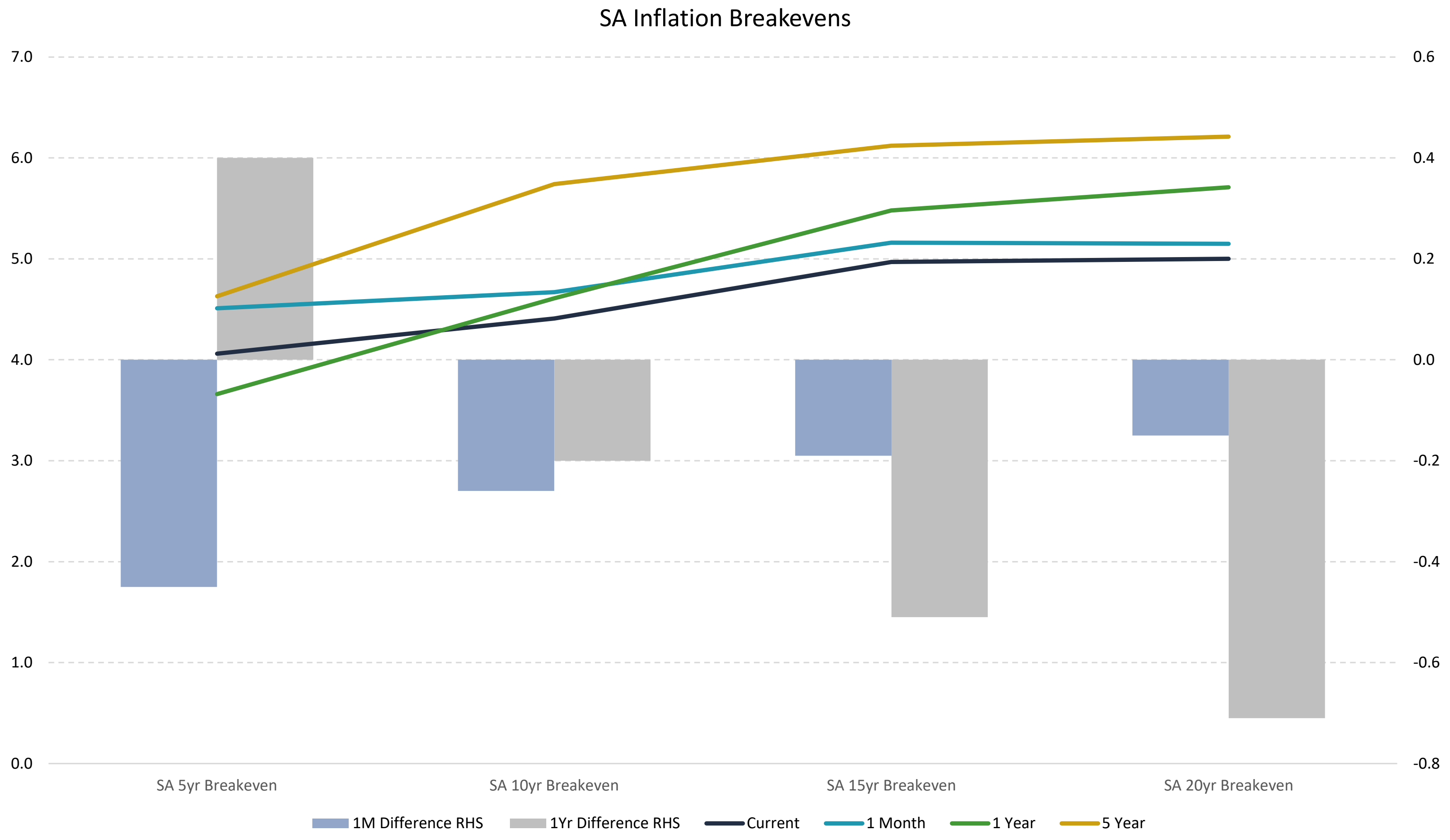


PMX

Source: PortfolioMetrix, Bloomberg

Market Metrics

South African Inflation Breakevens



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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www.portfoliometrix.com

JOHANNESBURG
Corner Main Office Park, 2 Payne Road, Bryanston, South Africa
+27 (10) 448 1400
infoSA@portfoliometrix.com

CAPE TOWN
1st Floor Constantia Emporium, Ladies Mile Road, Constantia, Cape Town, South Africa
+27 (10) 448 1400
infoSA@portfoliometrix.com

DURBAN
2 Ncondo Place, Ridgeside Dr, Umhlanga Ridge, Durban, 4319
+27 (10) 448 1400
infoSA@portfoliometrix.com

LONDON

25 Eccleston Place, Belgravia, London SW1W 9NF
+44 207 965 7533
infoUK@portfoliometrix.com

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Full calculation methodology available on request.