



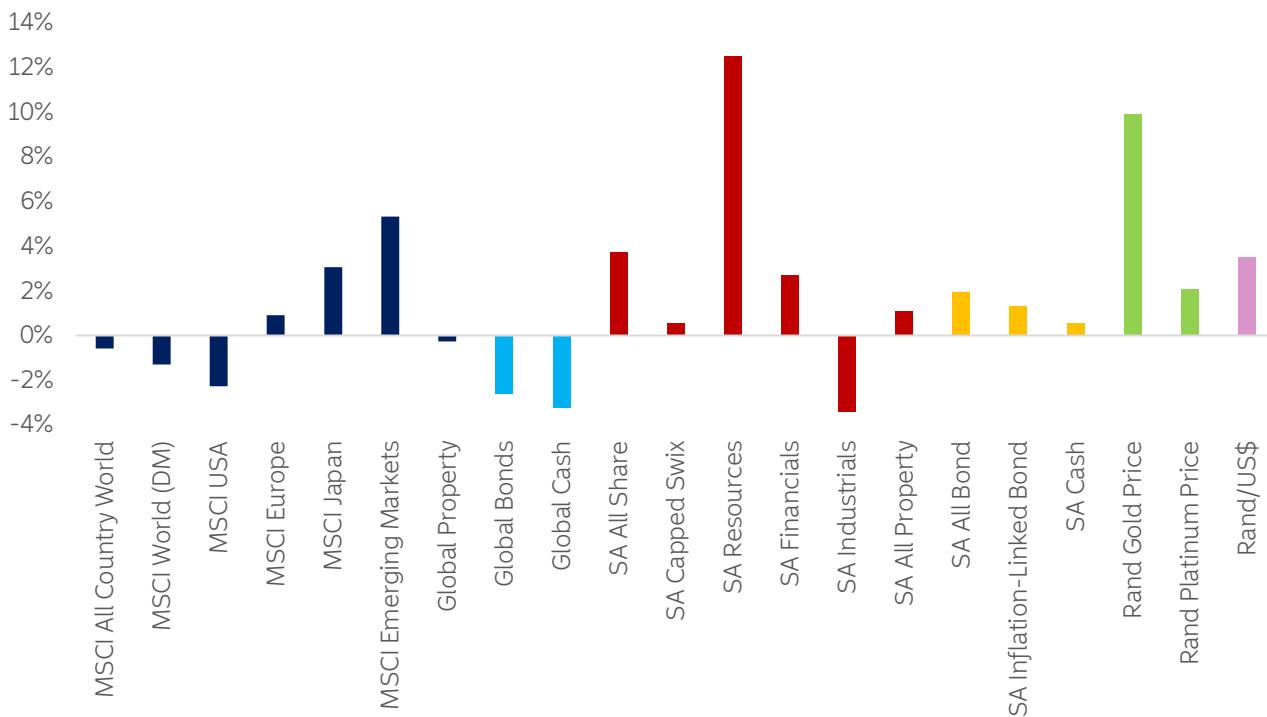
Market review for January 2026

Key market review takeaways for January 2026

- January was an eventful month on the geopolitical front. From the United States' (US) forceful capture of the Venezuelan president early in the month, to US threats to take Greenland by force from its North Atlantic Treaty Organisation (NATO) ally Denmark, interspersed with consistent worries about a possible US strike on Iran, newswires had no shortage of headline-grabbing content. In addition, the announcement of a criminal investigation into Federal Reserve (Fed) Chair Powell's multi-year renovations to the institution's office building re-ignited fears about the US central bank's continued independence.
- But despite the potential for widespread capital market instability from the above, there were surprisingly broad-based favourable returns from financial assets in the month, with all the main global asset classes (in dollars) and local asset classes (in rands) registering positive returns. Less surprising was that the US dollar gold price saw its sharpest monthly rise since September 1999 on the back of geopolitical and Fed independence fears, notwithstanding a sharp retreat on the last day of the month. Despite rand appreciation associated with US dollar weakness and strong precious metal prices, the gold exchange-traded fund (ETF) provided the strongest rand returns among all asset classes in January. However, the rand's strength eroded global asset returns for rand-based investors, prolonging the outperformance of local over global assets in recent years.
- The sharp rises in platinum and particularly gold prices cemented South African (SA) equities as the second-best performing local asset class in January, with the Resources sector particularly strong, although Financials also benefited from falling local bond yields as inflation expectations started adjusting to the lower inflation target. In contrast, Industrials produced negative returns, with particularly weak performances from Richemont, Naspers and Prosus. SA nominal and inflation-linked bonds, together with local listed property, produced decent returns in the month, while SA cash was the clear underperformer within the local asset bucket.
- Among the global asset classes, global equities again outperformed global bonds and cash, while global property generated the highest global asset class returns in the month. Emerging market (EM) equities produced the best overall returns within the global cohort, registering their highest returns since November 2022, as dollar weakness and strong commodity prices provided support. Japanese equities gave the highest returns within developed market (DM) equities, with the US lagging.

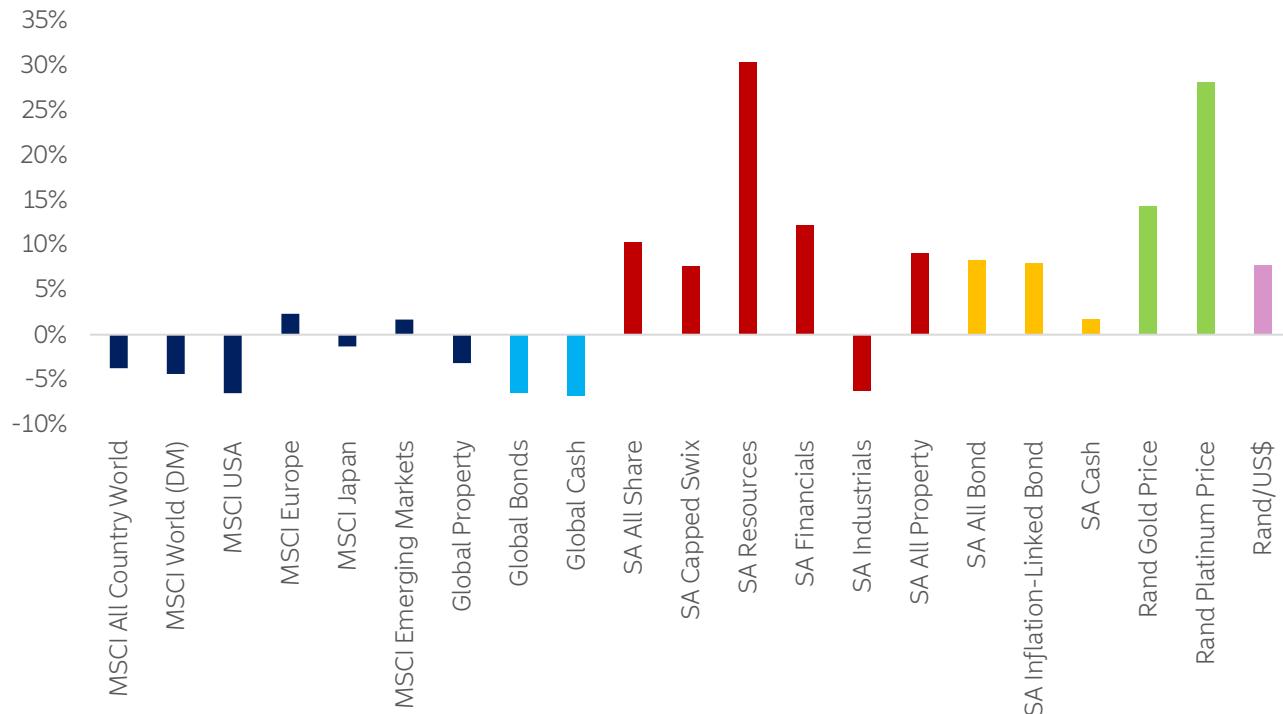
Asset class returns

Chart 1: Month to end of January 2026 - rand returns in %



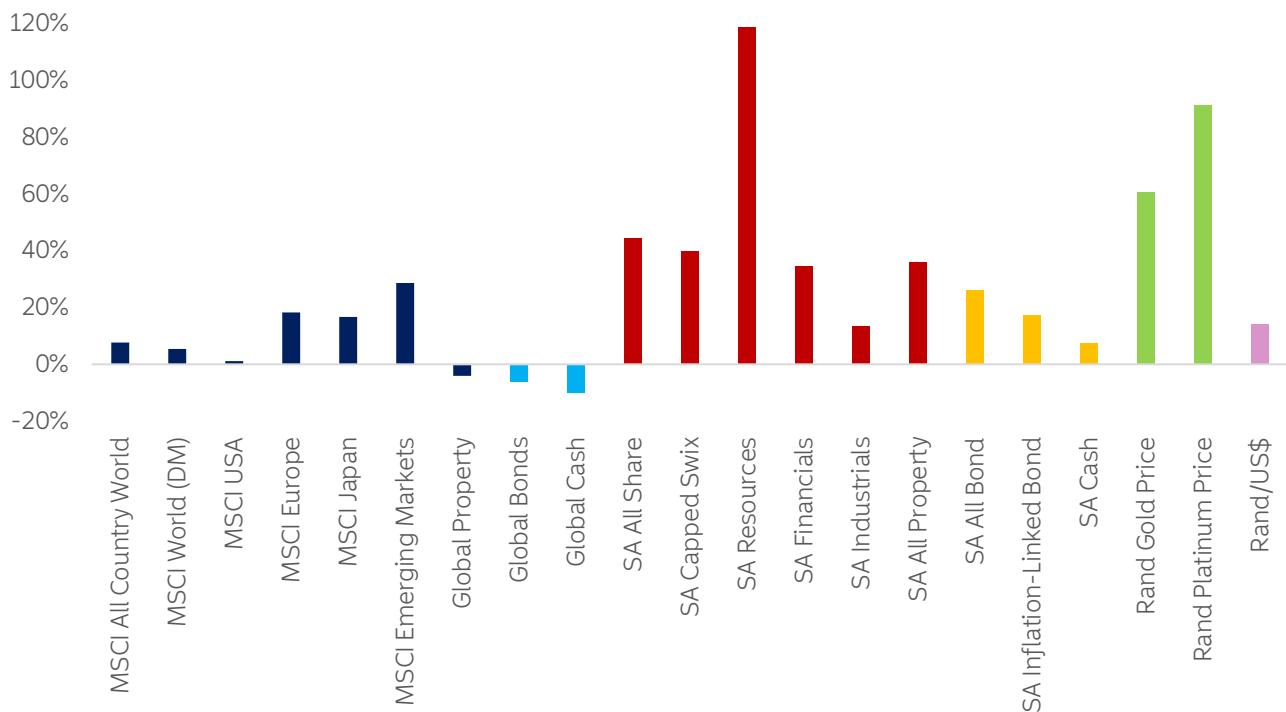
Source: Momentum Investments, various sources

Chart 2: Three months to end of January 2026 - rand returns in %



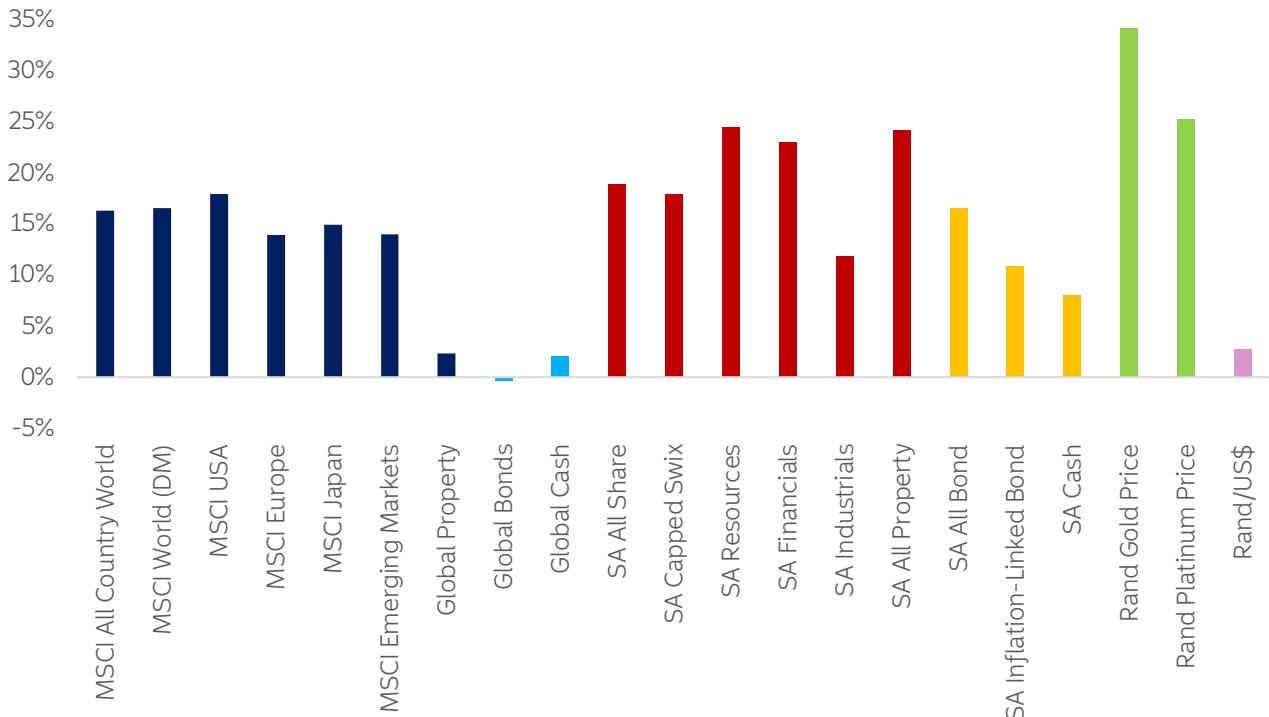
Source: Momentum Investments, various sources

Chart 3: Year to end of January 2026 - rand returns in %



Source: Momentum Investments, various sources

Chart 4: Three years to end of January 2026 - rand returns in %



Source: Momentum Investments, various sources

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