

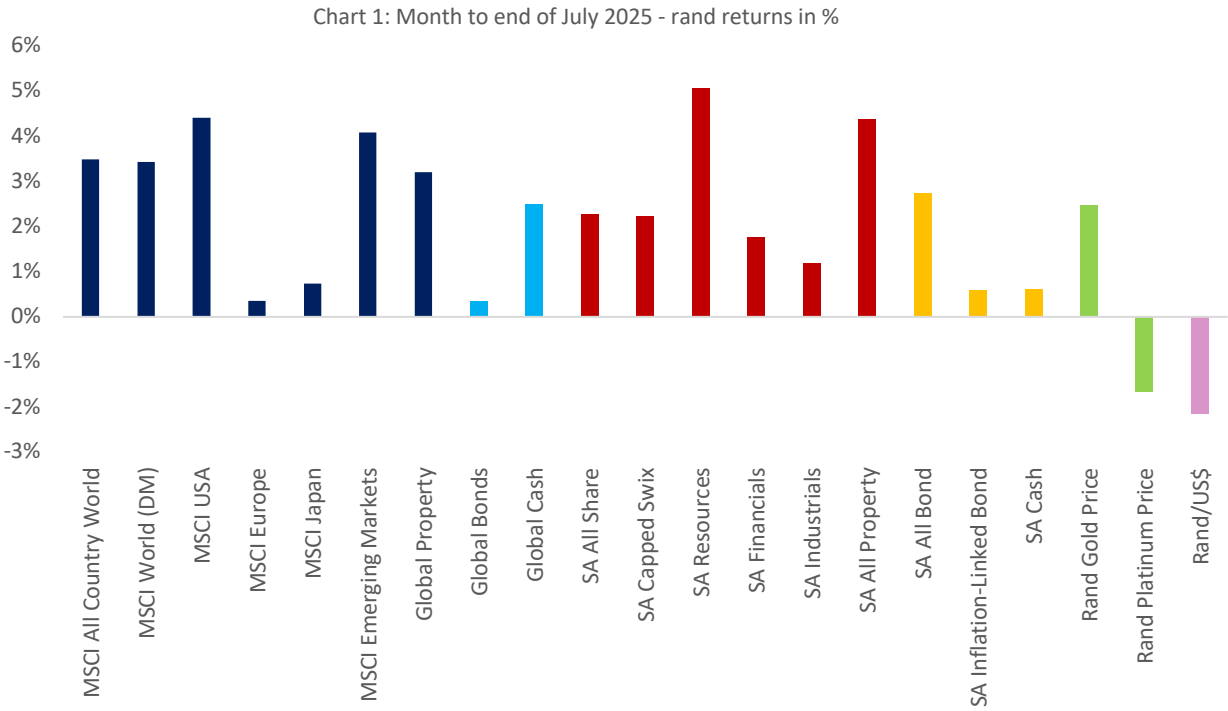


## Market review for July 2025

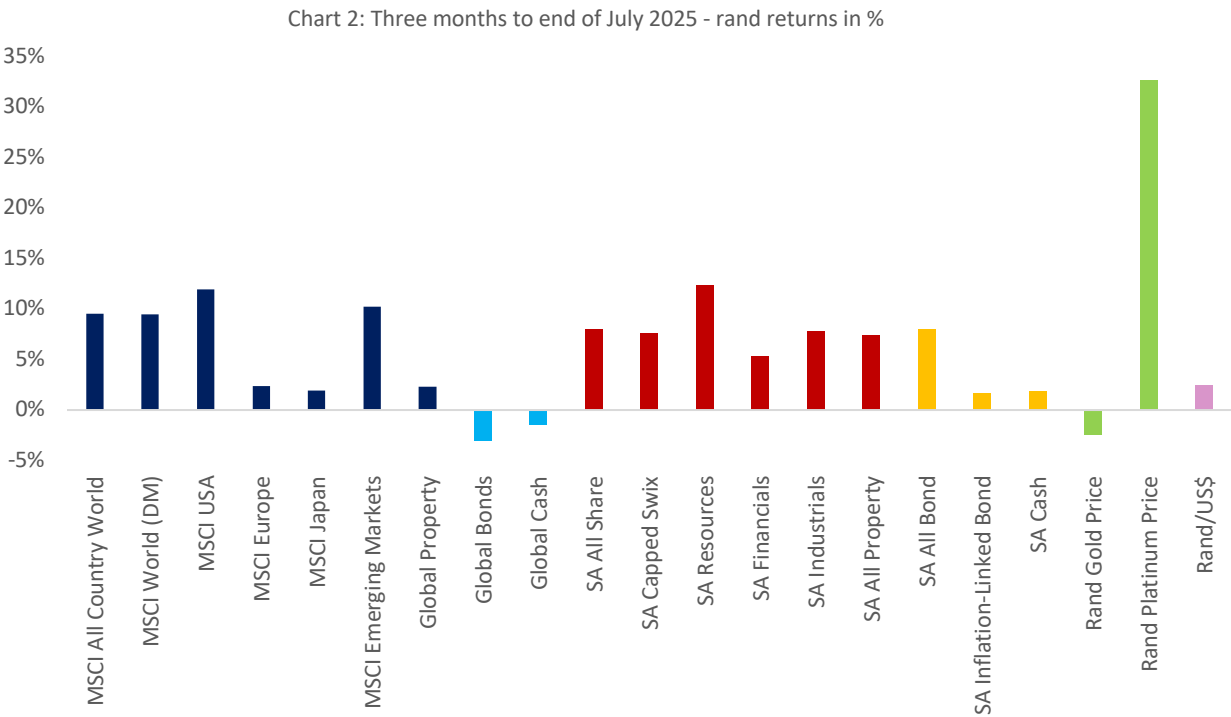
### Key market review takeaways for July 2025

- The United States (US) dollar rebounded in July as it became clearer that the US Federal Reserve (Fed) would not be cutting its policy rate at its 30 July meeting and as previously crowded short dollar positions were unwound. As a result, most currencies (including the rand) weakened against the dollar in July. This rand weakness provided support for the returns of rand-denominated global asset classes in the month.
- Global equities had a strong return month as markets were relieved that the US started settling tariff negotiations with some of its main trading partners (particularly Japan and then Europe) and made positive progress with China. Emerging equity markets (EM) slightly outperformed developed equity markets (DM) in this more risk-on environment, with US equity returns sharply outpacing those of Europe and Japan (which were both down in dollar terms) within DM.
- As the first signs of tariff-induced inflation became evident in US inflation releases in the month, US bonds came under some pressure, contributing to the underperformance of global bonds (down in dollar terms) against global equities in July. Lowered expectations of future Fed rate cuts on the back of strong US economic growth numbers (in addition to the inflation worries) also undermined the US bond market.
- The strong dollar had a negative impact on the dollar price of commodities in July, with the platinum price under pressure after an almost exponential rise in recent months. After being the strongest performer among all local and global asset classes for consecutive months in May and June, the rand platinum price took a breather in July and was the only asset class with negative returns for the month.
- The best-performing overall asset class in July was the South African (SA) listed property sector. As a geared play on the SA bond market, continued low SA inflation and a sharp rally in nominal bond yields on the last afternoon of the month – when the SA Reserve Bank (SARB) cut rates and indicated that they will in future target the low point of the official inflation target range (viz. 3%) – supported both nominal bonds and listed property. In contrast, the prevailing low local inflation and the unofficial lowering of the inflation target was less helpful for inflation-linked bonds (ILBs).
- SA equities continued to produce solid returns in July, underpinned by a strong performance from the Resource sector (particularly by stocks in the Chemicals, Energy and Precious Metals & Mining sub-sectors).

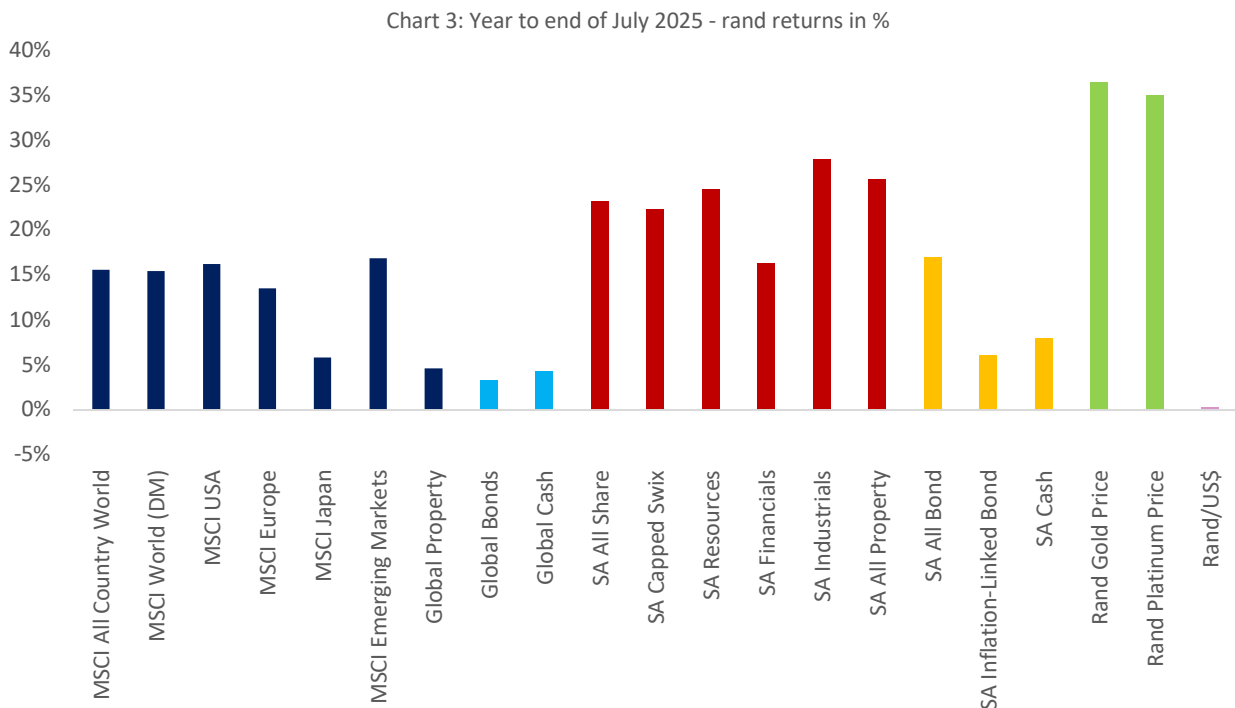
Asset class returns



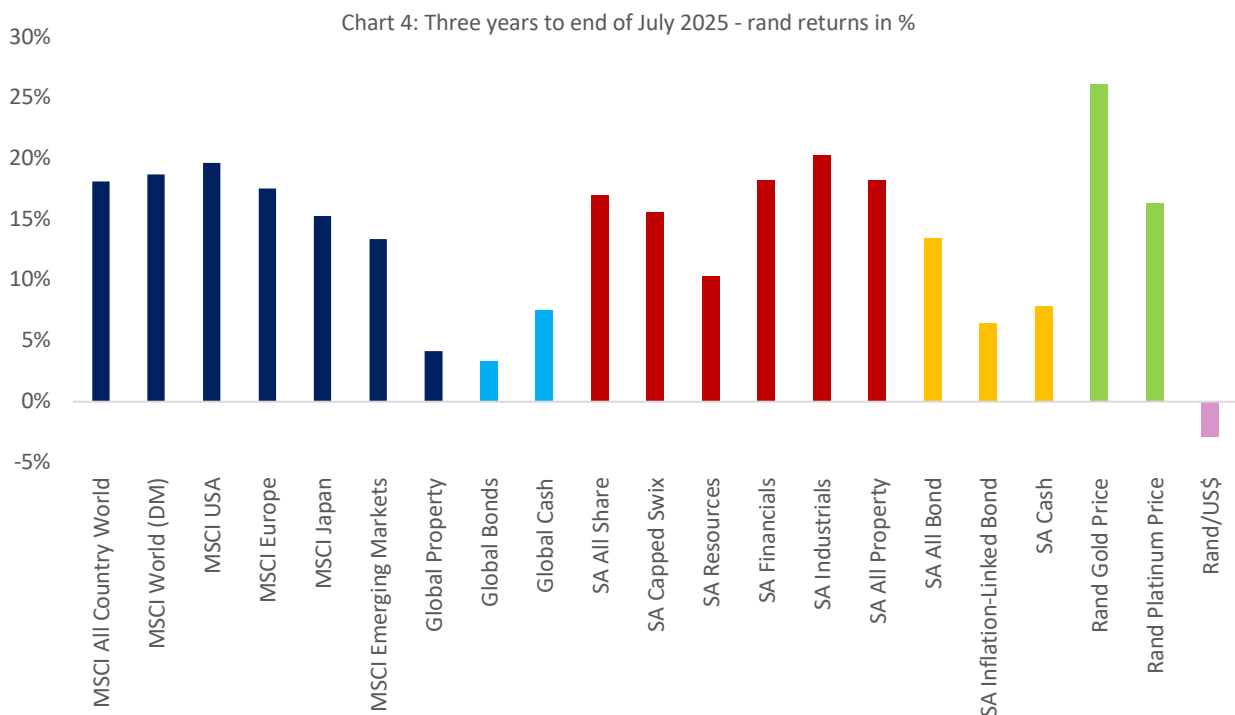
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