

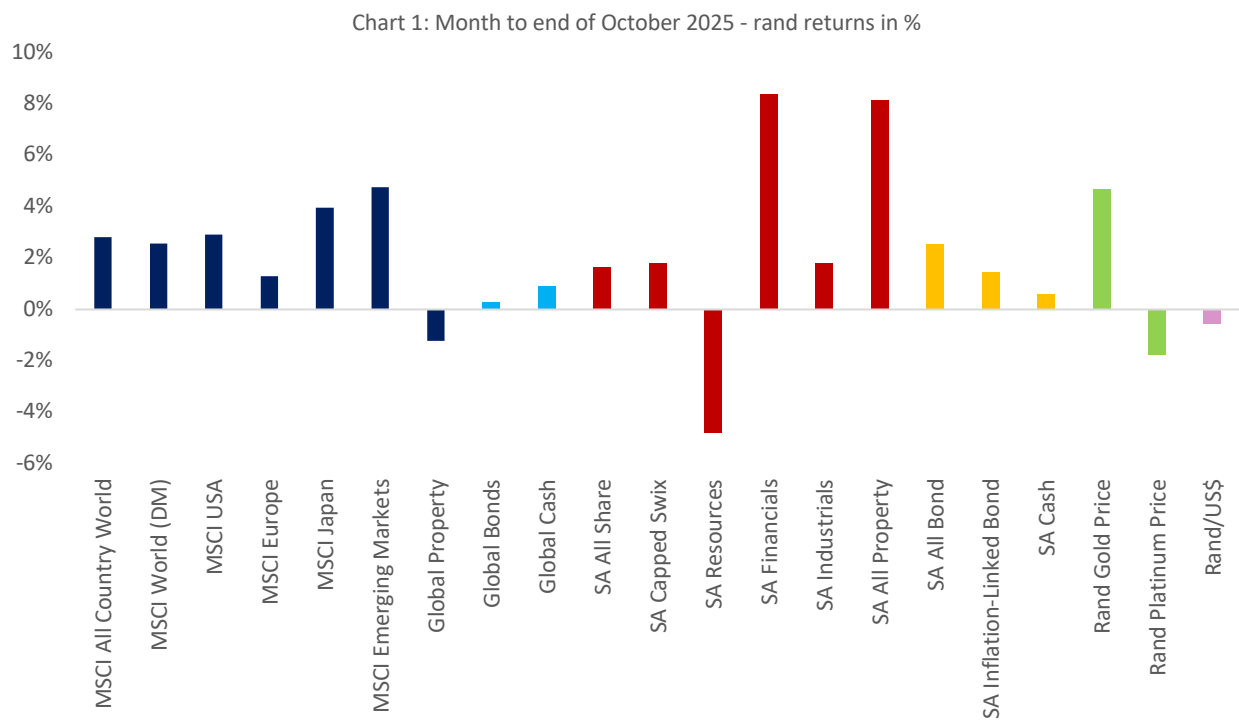


Market review for October 2025

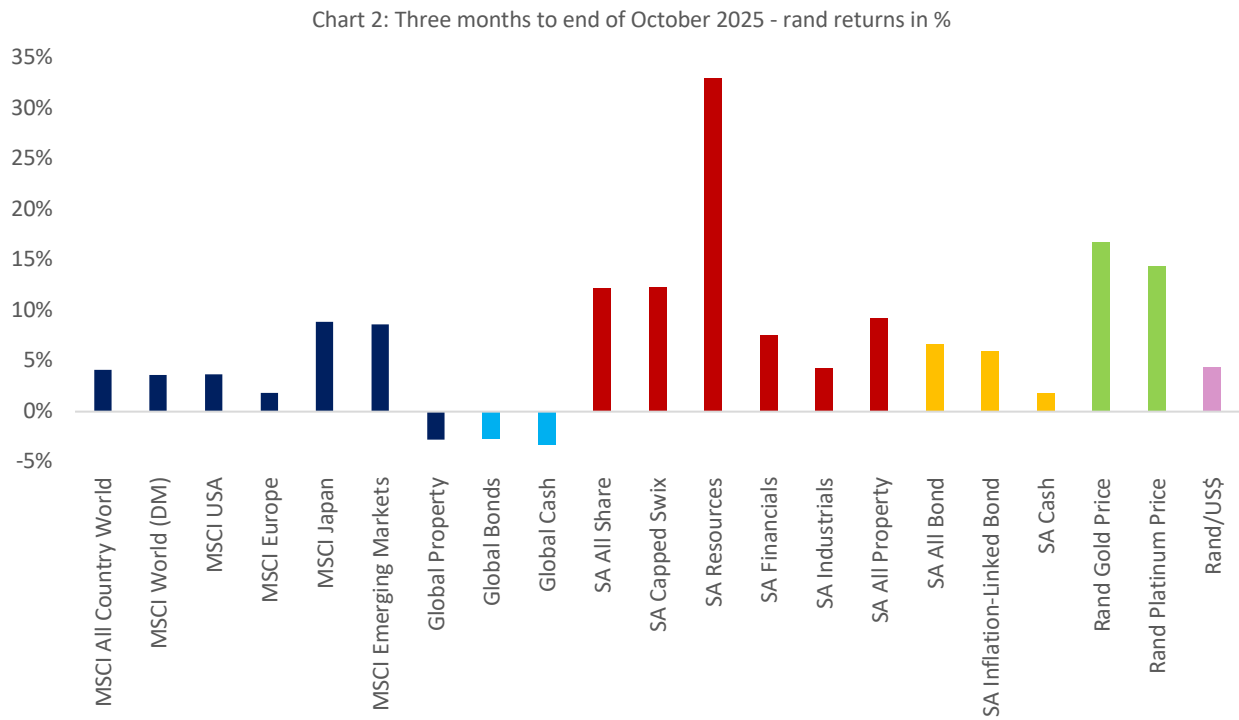
Key market review takeaways for October 2025

- Soft United States (US) employment and inflation data during the month bolstered market expectations for consecutive Federal Reserve (Fed) interest rate cuts at the back end of October (which did materialise) and in December. In conjunction with solid US technology company earnings announcements for the third quarter of 2025, this contributed to positive risk sentiment prevalent in financial markets in October. It also helped that US president Trump backtracked throughout the month on earlier threats to impose large additional tariffs on China in response to China's plan to tighten export controls on rare earth minerals. As a result, global equities strongly outperformed global fixed income in October, with global cash returns slightly above global bonds.
- Emerging equity markets outshone developed markets (DM) in October, with strong showings from Korean and Taiwanese artificial intelligence (AI) related companies, in line with the global AI theme. Japan was a strong performer within DM after the election of new premier Takaichi on a growth and stock market friendly policy agenda.
- South African (SA) bonds continued to rally in October, supported by a sanguine local inflation release and strong foreign investor inflows. Lower bond yields underpinned both the SA listed property sector (the strongest performer among all local and global asset classes in the month) and the financial sector (the outperforming sector within the SA equity market). SA financials also benefited from the correct anticipation of the country's removal from the Financial Action Task Force's (FATF) greylist on 24 October 2025, reducing future administrative burdens for the sector.
- US dollar gold and platinum prices experienced similar see-saw trends in October. While gold was well supported in the first half of the month as US-China trade skirmishes flared up and US real rates declined (diminishing the opportunity cost of holding gold as a non-interest-bearing asset), the gold price reversed in the second half of October as US-China trade relations settled and US real rates retraced back up. After parabolic rises in both gold and platinum prices in 2025, these commodity prices experienced technical corrections in October from extremely overbought levels, which coincided with strength in the US dollar. Against this commodity price backdrop, it is thus no surprise that SA platinum and gold share prices retraced in October after very strong performances throughout this year.

Asset class returns

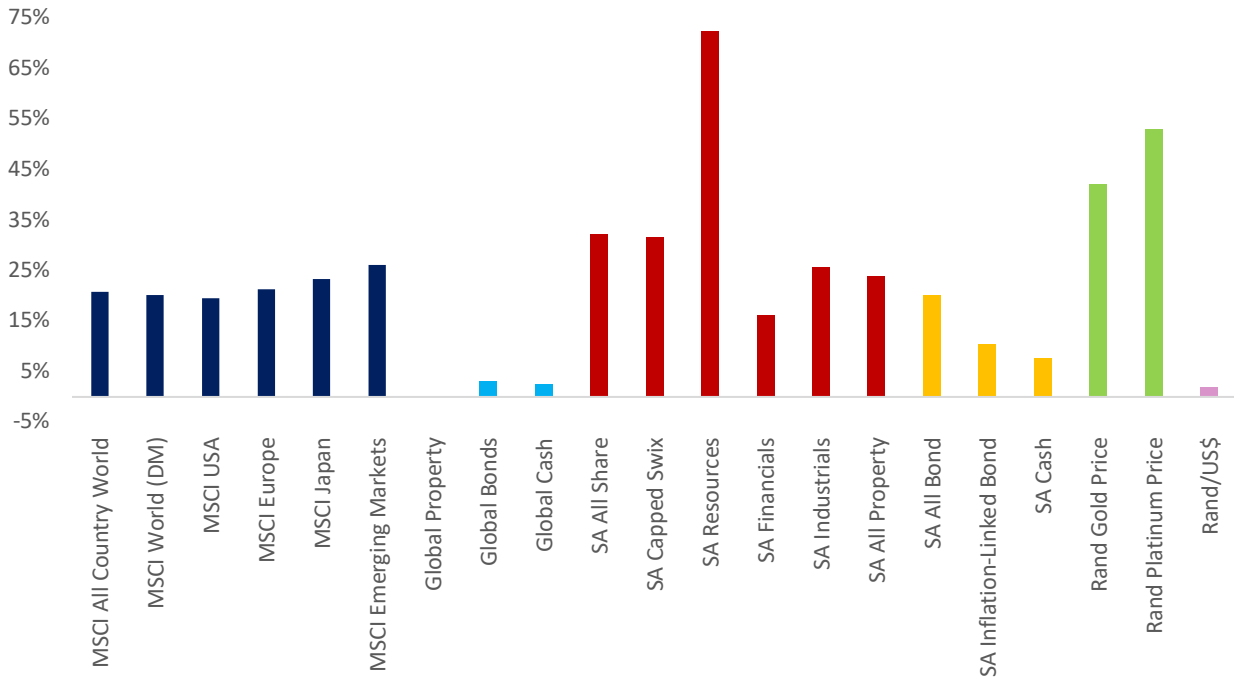


Source: Momentum Investments, various sources



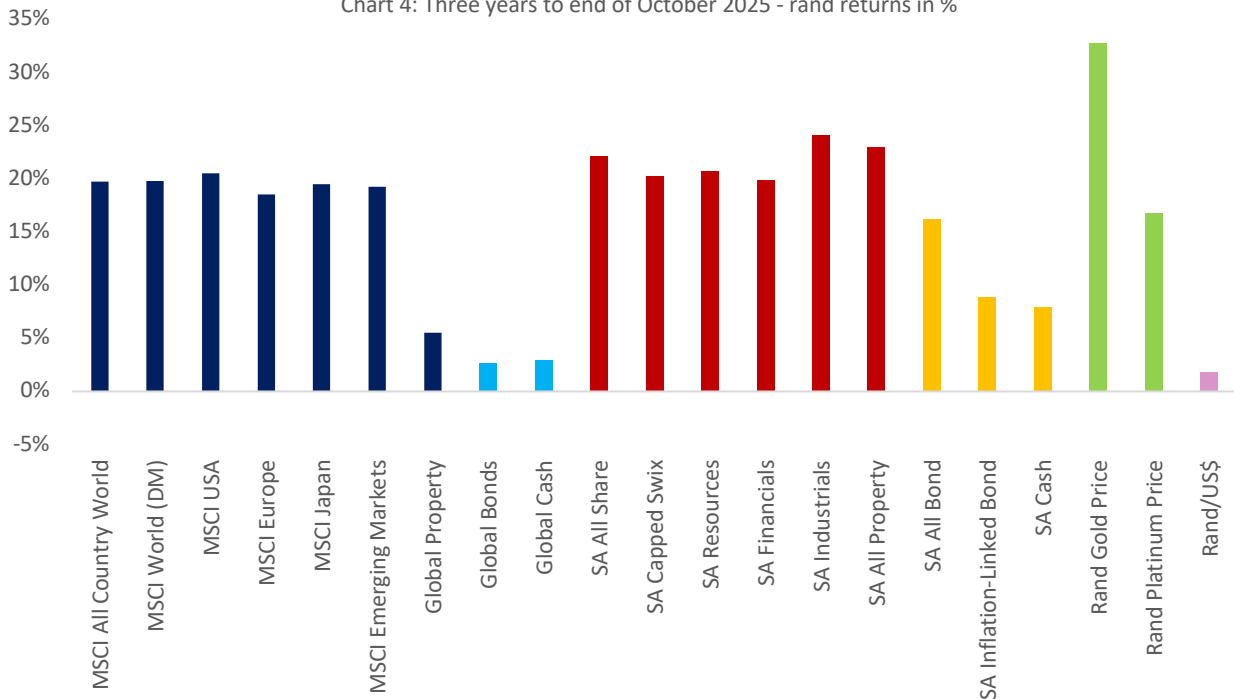
Source: Momentum Investments, various sources

Chart 3: Year to end of October 2025 - rand returns in %



Source: Momentum Investments, various sources

Chart 4: Three years to end of October 2025 - rand returns in %



Source: Momentum Investments, various source

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