



SELECT MANAGER

Newsletter

September 2025

MARKETS AND ECONOMICS

Financial markets concluded September, and Quarter 3, on a positive note despite persistent trade policy anxiety, growing global government debt level concerns, and ongoing inflation vigilance. Sentiment was supported by higher expectations for interest rate cuts, on the back of weakness in the United States (US) labour market, as well as resilient corporate earnings.

While developed markets also advanced, emerging markets outperformed during the month. China extended its recovery for a fifth consecutive month (in USD) as targeted stimulus and liquidity support drove investor interest, especially in the technology and electric vehicle names. South Africa emerged as a close second, where stronger commodity prices and renewed foreign flows produced the index's largest monthly gain of 2025. In the US, Oracle made a dramatic mid-month rally, jumping 43% in a single trading day after announcing large artificial intelligence (AI)/cloud contracts, drawing fresh capital into large-cap tech and materially supporting index performance. This rally reinforced the importance of the AI theme in shaping investor sentiment.

Global bond markets also posted gains for the month, finding support from the US Federal Reserve delivering its first rate cut of 25 basis points for 2025, and also signalling the prospect of further easing. Locally, monetary easing hit a pause as the South African Reserve Bank left the repo rate unchanged, adopting a slightly cautious, data-dependent tone. Two of the committee members voted in favour of a cut, while the others preferred no change in light of a planned move to

lower the inflation target. Local bonds continued to rally, with the ten-year government bond ending at its lowest level in more than four years.

Other highlights during the month included:

- + Gold shone brighter with a double-digit monthly gain:** Risks of a US government shutdown contributed to a stunning double-digit rally in gold, briefly hitting a record high of \$3 871.40/oz, and gaining more than 10% in September (its highest monthly increase since July 2020).
- + US Quarter 2 growth accelerated:** The Bureau of Economic Analysis' third estimate lifted Quarter 2 gross domestic product to 3.8% annualised, powered by stronger consumer spending and an increase in business investment (including AI-related capex). The upward revision somewhat tempered recession fears and supported equity valuations.
- + South African Parliamentary scrutiny resurfaced:** KwaZulu-Natal Police Commissioner Nhlanhla Mkhwanazi implicated several Members of Parliament in procurement irregularities at the Madlanga Commission of Inquiry, prompting an ad-hoc investigation, which briefly weighed on local sentiment and credit-sensitive assets.

JSE All Share 6,61% 107 940,48 ▲	MSCI World (USD) 3,21% 4 306,70 ▲	MSCI EM (USD) 7,15% 1 346,05 ▲
SA Bonds 3,32% 1 257,18 ▲	SA Property - 0,96% 430,07 ▼	CPI (y/y) 3,30% 103,20 ▲
Gold 12,71% 3 845,77 ▲	Platinum 18,43% 1 598,09 ▲	Oil - 2,15% 66,03 ▼
\$/R - 2,28% 17,27 ▼	€/R - 1,84% 20,27 ▼	£/R - 2,71% 23,22 ▼