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NEWSLETTER

AUGUST 2026

MARKETS AND ECONOMICS

Global markets remained resilient in August, driven by strong corporate earnings and continued capital deployment into artificial intelligence (AI). This cushioned market valuations against an increasingly complex macro backdrop of sticky inflation, hawkish central bank guidance, and geopolitical risks.

Tensions in the Middle East and risks around the Strait of Hormuz continued to develop, which pushed Brent crude to oscillate above $90 a barrel late in the month. With energy prices remaining high, this raised rate uncertainty and reinforced a higher-for-longer policy risk premium.

In the United States (US), the latest inflation print for July showed moderation, with the headline Consumer Price Index (CPI) at 3.4% year-on-year (core at 2.5%). This offered temporary relief to the economy. However, rising energy costs and firm domestic demand weighed heavily on the disinflation narrative. Central bank communication further complicated the outlook when the Federal Reserve Chair Kevin Warsh reinforced a hawkish stance at Jackson Hole, noting inflation progress remains incomplete and leaving September policy tightening on the table. This drove short-term Treasury yields higher.

Global investor sentiment was boosted by Nvidia's strong earnings results for Quarter 2 of 2026, which reinforced confidence in the AI-driven growth theme. The company projected revenue growth of 70% for the upcoming fiscal year, sparking a broad rally across the semiconductor sector, with Nvidia shares gaining 7%. Investment in AI infrastructure now accounts for more than half of US capital expenditure growth in 2026, supporting technology-heavy markets such as Taiwan (+6.71%) and South Korea (+3.51%).

Overall, developed markets advanced broadly, with Japanese equities (+3.1%) leading the rally. Emerging markets (+3.4%) outperformed their developed counterparts, although country-level performances diverged dramatically. Flat performance in China and declines in India and Brazil contrasted sharply with semiconductor-led advances in Taiwan and Korea.

Locally, South African equities were among the strongest performers during the month, with the aggregate index rising 4.7%. Performance was almost entirely concentrated in resource counters (+24.5%), which surged on the back of strong precious metal price action.

Other highlights for the month included:

+ **South Africa's (SA's) headline inflation cooled in July:** SA's headline inflation rate fell sharply to 4.3% in July from 5.0% in June, marking the first slowdown in five months and strengthening the case for keeping interest rates unchanged. Monthly CPI growth eased to just 0.2%, down from 0.7% previously.
+ **United Kingdom (UK) growth surprised on the upside:** Britain's economy grew unexpectedly by 0.3% in June, beating economists' forecasts of zero growth and putting the UK on track for the strongest G7 economic performance in the first half of 2026.

JSE All Share 4,65% | 116 257,26 ▲	**MSCI World (USD)** 2,58% | 4 967,92 ▲	**MSCI EM (USD)** 3,37% | 1 719,31 ▲
SA Bonds 0,69% | 1 418,13 ▲	**SA Property** - 3,81% | 488,38 ▼	**CPI (y/y)** 4,30% | 107,70 ▲
Gold 9,94% | 4 445,15 ▲	**Platinum** 9,37% | 1 814,10 ▲	**Oil** 2,91% | 90,49 ▲
$/R - 2,69% | 16,12 ▼	**€/R** - 1,98% | 18,72 ▼	**£/R** - 2,24% | 21,83 ▼

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