



Monthly market commentary | October 2025

Global markets continued to move higher in October, driven by robust economic growth and easing monetary policy. Performance was also supported by indicative signs of easing trade tensions and successive strong corporate earnings. Emerging markets continued their positive streak and again outperformed their developed market counterparts, ending the month 4.2%¹ higher in US dollar (USD) terms. Developed market equities (MSCI World) ended the month 2%¹ higher in USD terms.

In the US, a one-year trade deal was reached with China, halting steeper US tariffs and restricting China's export controls on rare earth minerals, which are pivotal components in the AI supply chain. This supported market sentiment with the technology sector continuing to lead the performance charts. The Magnificent Seven-dominated S&P 500 closed the month 2.3%¹ higher in USD terms. The Nasdaq Composite also delivered another solid return of 4.7%¹ in USD terms, as tech and AI names continued to maintain their momentum.

India (MSCI India) drove emerging market returns higher, up 4.4%¹ for the month in USD terms. Emerging market returns were further boosted by the overwhelming victory of President Javier Milei's party in the Argentinian mid-term election. Following strong performance in the third quarter, the Chinese Index (MSCI China) ended the month 3.8%¹ lower in USD terms. This was primarily due to US-China trade tensions, weak local demand and underwhelming manufacturing and service sector growth. Global property (FTSE EPRA Nareit) was down 1.5%¹ in USD terms for the month.

Global fixed income markets delivered mixed performance. Emerging market debt outperformed, supported by a combination of higher real yields and a weak USD. US Treasury yields declined, driven by the Fed's interest rate cut and easing inflation expectations. In the Eurozone, markets were relatively calm, with 10-year German bond yields stable. Overall, global bonds (FTSE WGBI) delivered a negative return of 0.3%¹ in USD terms in October. The rand weakened by 0.6%¹ against the USD.

Local equities (FTSE/JSE Capped SWIX) underperformed both their developed and emerging market counterparts, ending the month 1.8%¹ higher but still ahead on a yearly basis, delivering a return of 31.7%¹ over the last 12 months. The Resources sector was down 4.8%¹ for the month, after a stellar run over the past several months. Financials delivered a strong 8.4%¹, benefiting from the country's



removal from the Financial Action Task Force's (FATF) grey list, while Industrials returned a positive 1.8%¹ for the month. Listed property (ALPI) also ended the October higher, up 8.1%¹.

Local bonds (FTSE/JSE ALBI) benefited from the strong global backdrop as well as domestic drivers, inclusive of subdued inflation and prospects of a near-term improvement in the fiscal outlook, delivering a positive return of 2.6%¹ for the month and 20.1%¹ over the last 12 months. The most significant contribution was again from bonds in the 12+ year spectrum, delivering a return of 3.7%¹. Local cash (STeFI) was 0.6%¹ higher for the month and 7.7%¹ over the last 12 months.

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¹ Morningstar

² Momentum Investments

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