



GLOBAL

Liberation Day in the US was one for the books as tariff tantrums sparked trade war fears. The IMF revised global growth projections downwards.

LOCAL

The Budget 2.0 drama saw the GNU scrap its VAT hike. The SA equity market defied global jitters and outperformed most markets.

MACRO LANDSCAPE

April was a month of serious whiplash, with tariff tantrums, political party clashes and economic jump scares keeping investors on their toes. The International Monetary Fund revised their global growth expectation downwards to 2.8%, with the US forecast sitting at 1.8% and Europe, the UK, Canada and Mexico similarly facing downward projections. South Africa, however, experienced a rare upgrade to 1%, presenting a small silver lining in an otherwise gloomy forecast.

On the local front, Budget 2.0 was adopted by the National Assembly with some members embracing the new changes. However, other members fiercely opposed the fiscal framework. During the month, the DA and EFF took the GNU to court to scrap the 0.5% VAT increase. However, a plot twist surfaced on 23 April 2025 when the government reversed the VAT increase before the court could even make a ruling, highlighting that even in politics (as in markets), one should expect the unexpected.

Meanwhile, shock waves reverberated through global markets with the announcement by US President Donald Trump on Liberation Day – which wasn't very liberating. It was the larger-than-anticipated tariffs that Trump planned to impose on US trading partners that caused hysteria in the markets. On 9 April 2025, US equities displayed declines in the wake of the Liberation Day announcement, but a few hours later Trump adjusted all tariffs to a universal 10% for a period of 90 days, with the exception of Mexico and Canada. Surprisingly, a tit-for-tat war erupted between China and the US, with each superpower ratcheting up tariffs to 125%. The latest news, however, suggests that China is more open to negotiating than before, although it does not want to be bullied. Amid all the frenzy, inflation expectations rose, recession risks loomed and the Chicago VIX Fear Index spiked to COVID-era levels.

EQUITIES

Equities endured a turbulent month, with the MSCI World Index scraping together a 0.98% gain, despite early turmoil. Following the Liberation Day announcement, investors were left worried about the possibility of tariff wars. This prompted S&P 500 to plunge sharply before staging a partial recovery with the announcement of a 90-day reprieve on the tariffs imposition. The US equity market was able to recover the losses sustained by the end of the month. However, it still left the S&P 500 in negative territory at -0.7% and took the 3-month performance to a depressing -7.5%. European markets mirrored the volatility, with the STOXX 600 ending flat at -0.7% by the end of April, as tariff concerns eased. Japan's Nikkei 225 edged up 1.2% as the Bank of Japan held borrowing rates steady at 0.5% and lowered its growth and inflation expectations for subsequent fiscal years. A contributor to developed market performance was the KOSPI Index which was up 3.1%.

4.3%

FTSE/JSE All
Share Index

1.0%

MSCI AWCI
Index

0.8%

FTSE/JSE All
Bond Index

3.3%

WGBI

7.6%

FTSE/JSE SAPY

\$63.12

Brent Crude Oil
Price/Barrel

R18.61

USDZAR

As at close 30 April
2025



The MSCI EM Index fared better than its counterpart, climbing 1.3% for the month of April and pushing the YTD performance to 4.4%. This was boosted by strong performance in South Africa, with the FTSE/JSE All Share Index up 4.3%, taking the YTD performance to a pleasing double-digit figure of 10.5%. Brazil and India also made a positive contribution, with their 1-month performance up 3.7% and 3.5%, respectively. Trade war tensions weighed in on China's equity market performance, with the CSI 300 Index declining by 2.9%. In contrast, style performance was evident during the month, as growth stocks outperformed value by a wide margin. This was in the wake of the MSCI World Growth Index rising by 3.2% for the month and the MSCI World Value Index declining by 1.3%

FIXED INCOME

The fixed income markets were not spared from the Liberation Day commotion, with yields initially soaring before settling by the end of the month. The World Government Bond performed better than our local bonds, with the WGBI up 3.3%, pushing the YTD performance to 6%, and the ALBI up a mere 0.8%, bringing the YTD performance to 1.5%. As of the end of April, the US Forward Rate Agreement was pricing in three 25bps cuts for the remainder of 2025, while the EU and SA were pricing in roughly one to two 25bps rate cuts.

PROPERTY

Repricing in the real estate market over the years, in response to higher interest rates post-COVID and the destruction of supply and demand, saw the month deliver a mixed performance. The FTSE/ESPRA Global REITs Index produced a rather flat return for the month, with deviance in the asset class performance across the respective regions. In the US, MSCI US REITS declined by 2.6%, while the European and South African property markets rallied and returned 6.3% and 7.6%, respectively, displaying healthy gains over the month amid declines in average UK house prices.

COMMODITY

April was a depressing month for commodity markets. Most commodities, aside from gold, ended the month in negative territory, with the Bloomberg Commodity Index down 4.8%. The biggest loser was Brent Crude Oil, which fell by a steep 15.5%. The price declines were indicative of fears of a looming reduction in demand in the face of a possible global economic slowdown and the OPEC+ plans to increase output. Although beginning the month relatively positive, copper had declined by 6% by the end of the month, with global growth expectations adjusted accordingly. Industrial metals such as aluminium and palladium, in turn, were down 5.3% and 4.7%, respectively. Gold, as shiny as it is, benefitted from the uncertainty swirling in the world as monthly performance was up 5.3%. During the month, the price reached the \$3 500 mark before moderating somewhat as volatility subsided and the greenback stabilised.

CURRENCY

The greenback struggled, with the Dollar Spot Index declining by 4.6% in April. The rand displayed weakness across all major currencies, depreciating by 1.5% against the USD, yet achieving a 1.3% appreciation YTD. Rand depreciation appeared more severe when viewed against the Japanese Yen (down 6.5%), Euro (down 6.3%) and British pound (down 4.8%) for the month of April.



MAJOR ASSET CLASS PERFORMANCE

30 April 2025 (Local Currency)	1M	3M	YTD	1 Year	3 Year (annualised)	5 Year (annualised)	10 Year (annualised)
FTSE/JSE ALSI Total Return	4.3%	8.0%	10.5%	24.6%	12.4%	17.0%	9.0%
S&P 500 Total Return	-0.7%	-7.5%	-4.9%	12.1%	12.2%	15.6%	12.3%
STOXX 600 Total Return	-0.7%	-1.2%	5.1%	7.2%	8.2%	11.9%	5.6%
Nikkei 225 Total Return	1.2%	-8.1%	-8.8%	-4.3%	12.6%	14.5%	8.4%
MSCI World Total Return	0.9%	-4.2%	-0.8%	12.6%	11.6%	14.5%	9.9%
MSCI ACWI Total Return	1.0%	-3.5%	-0.3%	12.3%	10.8%	13.6%	9.2%
MSCI EM Total Return	1.3%	2.5%	4.4%	9.6%	4.3%	6.8%	3.5%
MSCI World Value Index	-1.3%	-0.9%	3.7%	11.8%	9.2%	13.6%	7.5%
MSCI World Growth Index	3.2%	-7.2%	-4.8%	13.5%	13.7%	14.8%	12.0%
MSCI World Small Cap Index	0.7%	-6.2%	-2.9%	6.4%	5.1%	11.3%	7.0%
Shanghai Shenzhen CSI 300 Index	-2.9%	-1.1%	-3.8%	8.1%	0.6%	1.7%	-0.1%
Korea Stock Exchange KOSPI Index	3.1%	2.7%	7.9%	-3.0%	0.4%	7.8%	4.0%
Taiwan Stock Exchange Weighted Index	-2.2%	-13.8%	-11.9%	1.6%	10.7%	16.8%	11.5%
NSE Nifty 50 Index	3.5%	3.7%	3.2%	9.2%	14.1%	21.4%	13.1%
Ibovespa Brasil Sao Paulo Stock Exchange Index	3.7%	7.1%	12.3%	7.3%	7.8%	10.9%	9.2%
Bloomberg Magnificent 7 Total Return Index	0.6%	-17.5%	-15.5%	23.6%	28.0%	34.3%	35.8%
STEFI	0.6%	1.9%	2.5%	8.2%	7.6%	6.2%	6.7%
ALBI	0.8%	1.0%	1.5%	19.4%	10.7%	11.0%	8.5%
IGOV	-0.2%	0.8%	0.4%	8.4%	5.7%	8.3%	5.0%
WGBI	3.3%	5.5%	6.0%	8.3%	0.2%	-2.6%	0.2%
Bloomberg US Agg Total Return	0.4%	2.6%	3.2%	8.0%	2.0%	-0.7%	1.5%
Bloomberg US Corporate High Yield TR Index	0.0%	-0.4%	1.0%	8.7%	6.2%	6.3%	4.9%
SAPY Total Return	7.6%	6.3%	3.8%	29.7%	15.0%	19.1%	2.2%
MSCI US REIT Total Return	-2.6%	-2.6%	-1.6%	15.6%	0.1%	9.0%	5.6%
STOXX 600 Real Estate Total Return	6.3%	2.0%	5.1%	6.9%	-5.7%	0.4%	-0.7%
FTSE EPRA Nareit Global REITs TR Index	-0.1%	0.0%	1.6%	13.1%	-1.2%	6.9%	3.6%
Crude Oil	-15.5%	-17.8%	-15.4%	-28.2%	-16.7%	20.1%	-0.6%
Aluminium	-5.3%	-7.5%	-6.0%	-7.4%	-7.7%	9.9%	2.2%
Copper	-6.0%	0.9%	4.1%	-8.7%	-2.2%	12.0%	3.7%
Gold	5.3%	17.5%	25.3%	43.8%	20.1%	14.3%	10.8%
Platinum	-2.8%	-1.3%	6.9%	3.4%	1.1%	4.5%	-1.7%
Nickel	-3.0%	1.5%	0.9%	-20.1%	-21.6%	4.7%	0.9%
Palladium	-4.7%	-7.1%	3.5%	-1.2%	-26.0%	-13.7%	2.0%
Iron Ore	-1.1%	-5.6%	-1.1%	-13.2%	-10.9%	2.7%	5.0%
Bloomberg Commodity Index Total Return	-4.8%	-0.3%	3.6%	4.1%	-3.7%	13.7%	1.7%
USDZAR	1.5%	-0.3%	-1.3%	-0.9%	5.6%	0.1%	4.6%
GBPZAR	4.8%	7.2%	5.2%	5.7%	7.7%	1.2%	3.1%
EURZAR	6.3%	9.0%	8.1%	5.2%	8.1%	0.8%	4.7%
JPYZAR	6.5%	8.2%	8.5%	9.2%	2.2%	-5.5%	2.7%
Dollar Index Spot	-4.6%	-8.2%	-8.3%	-6.4%	-1.1%	0.1%	0.5%

Source: Bloomberg

NEO SITHOLE, BSC(Hons)

C +27 60 685 2419 T +27 11 447 7716

F 086 272 1177 E nsithole@Mentenova.co.za

A 3rd Floor. Oxford & Glenhove Building 2.

114 Oxford Road. Rosebank. www.Mentenova.co.za