



GLOBAL

After the longest shutdown in history, the US government officially reopened

LOCAL

South Africa's Foreign Currency rating raised to BB

MACRO LANDSCAPE

More than a month later, the US government reopened following the longest shutdown in its history, coinciding with the release of delayed labour data. The US labour market remained sound, with Nonfarm Payrolls increasing by 119 000 in September, a figure better than market expectations. October figures, however, would be estimates, as the Bureau of Labour Statistics did not conduct its survey during the shutdown. As expected, the Federal Reserve cut rates by another 25 basis points, though two members dissented from the consensus. In the subsequent Q&A session, Chair Jerome Powell stressed that a December rate cut was "not a foregone conclusion," noting the Fed's expectation of further inflationary pressure from tariffs. To support its easing bias, the Fed will halt the shrinking of its balance sheet, beginning to reinvest maturing Treasury holdings from December 1. There is evidence that buyers are already responding to lower borrowing costs, with home sales rising 1.2%, slightly above market forecasts.

US sentiment weakened in November, as the University of Michigan's Consumer Sentiment Index fell to historical lows, although one-year inflation expectations eased marginally from 4.6% to 4.5%. The delayed retail sales data was also disappointing, growing at a slower pace of 0.2% compared to the previous month's 0.6%.

On the domestic front, headline inflation rose to 3.6% in October. This upward pressure was driven by a low base from the previous year, despite fuel prices rising only 0.1% MoM. On a YoY basis, however, fuel prices increased 3.3% due to a low base from the same period last year, signalling a reversal of prior deflationary trends. Food inflation, meanwhile, showed signs of moderation. Core inflation remained anchored near the South African Reserve Bank's (SARB) new 3% target, registering 3.1% in October. Money supply growth remained accommodative, accelerating to 7.5% in October, led by a rise in net foreign and net claims on the government sector. Supported by a low base and improved domestic conditions, private credit extension increased from 6.5% to 7.2%, with all underlying categories improving except for overdrafts. On the consumer front, retail sales grew 3.1% YoY in September, up from 2.2% in August, signalling strengthened demand. This is supported by higher employment growth, positive wealth effects from rising equity prices, and gradually declining borrowing costs.

Further positive news for South Africa came from S&P Global Ratings, which upgraded the country's long-term foreign currency rating to BB from BB-, maintaining a positive outlook. The upgrade reflects a sound domestic growth outlook and an improved fiscal position.

While other major central banks kept rates on hold, the South African Reserve Bank unanimously decided to cut its repo rate by a further 25 basis points to 6.75%, lowering the prime lending rate to 10.25%. The decision leaned on the committee's view that the recent gradual rise in inflation is temporary and its assessment that risks to the inflation outlook are broadly balanced.

1.70%

FTSE/JSE ALL
Share Index

0.02%

MSCI ACWI
Index

3.42%

FTSE/JSE All
Bond Index

0.25%

WGBI

7.71%

FTSE/JSE
SAPY

\$63.20

Brent Crude Oil
Price/Barrel

R17.11

USDZAR

As at close 28 Nov 2025



EQUITIES

Emerging markets' positive run broke in the final quarter of the year. The MSCI EM Index fell 2.4% in November, underperforming its developed-market counterpart, the MSCI World Index, which delivered a relatively flat return of 0.3%.

Within developed markets, Europe's STOXX 600 was the top performer, gaining 0.95%. Investor sentiment was supported by hopes of fiscal stimulus and infrastructure spending in Germany, while markets also began pricing in future monetary easing. In the US, the S&P 500 returned 0.2% amid heightened intramonth volatility; while concerns over high valuations persisted, a more optimistic tone emerged by month-end on expectations of a December Fed rate cut. The Magnificent 7 stocks struggled, as the Bloomberg Magnificent 7 Index declined 1.1% collectively. Nvidia experienced much noise over the month, shedding 6% in a single day, erasing roughly \$260 billion in market value, as its quarterly reports sparked fears that the AI investment boom had outpaced near-term fundamentals. Japan's Nikkei 225 fell 4.1%, pressured by a larger-than-expected quarterly GDP contraction of 0.4%. This was partly attributed to the impact of US import tariffs on exports, prompting the government to roll out a substantial stimulus package.

Among emerging markets, Brazil and India were rare positive performers, gaining 6.4% and 1.96%, respectively. India's gains were supported by steady domestic flows and improving economic confidence. South Africa's FTSE/JSE All Share Index delivered a positive return of 1.7%, though weaker than in prior months, as global risk aversion driven by fears of a correction in tech stocks weighed on performance. China's CSI 300 Index declined 2.4%, reflecting slowing industrial production growth of 4.9% due to softer manufacturing output and weaker retail sales. The slowdown was led by a protracted property sector downturn, with fixed-asset investment contracting 1.7% YTD, alongside subdued consumer confidence and decreased external demand.

Value stocks continued their recent outperformance over growth stocks. The MSCI World Value Index gained 2.2% for the month, while the MSCI World Growth Index declined 1.3%.

FIXED INCOME

The fixed income market was rather optimistic in November, with the World Government Bond Index gaining 0.25%. US 10-Year Treasury yields fell 6 bps from the previous month, anchoring closer to 4.0% and briefly dipping below this level intramonth as expectations for Fed rate cuts intensified.

Locally, renewed investor appetite for South African bonds was evident. SA 10-year government bond yields eased to 8.5% (their lowest level since February 2021), supported by a favourable inflation outlook and a 25 bps interest rate cut by the SARB. Consequently, the FTSE/JSE All Bond Index continued to outperform, rising 3.4% for the month and pushing its YTD performance to nearly 21%. Inflation-linked bonds also performed strongly, gaining 3.8%. The current SA 10-year nominal bond yield fell by 36 bps from the previous month, while the current 10-year inflation-linked bond yield declined by 33 bps.

PROPERTY

Global property markets fared better in November, with the Nareit Global REITs Index gaining 1.7%. The US was the primary driver of these gains, as the MSCI US REIT Index returned 2.3%, while the European property market was relatively flat, returning 0.1%. South Africa's listed property sector continued to flourish, delivering a 7.7% return for the month and pushing its YTD performance to 30.4%.

COMMODITIES

Commodity markets posted modest gains in November, with the Bloomberg Commodity Index rising 3.2%. The advance was buoyed by platinum's stellar performance, which surged 6.1% amid reports of persistent supply shortages from South Africa, robust investment demand, and increasing geopolitical competition between the US and China for the metal. Gold also continued to benefit from market volatility, gaining 5.9%.

The main drag on the commodity complex was crude oil, which experienced significant volatility. Prices initially rose following Ukrainian attacks on Russian oil refineries. However, they retreated later in the month, declining 2.9% in November to approximately \$63.20 per barrel as the US pushed for a peace deal between Russia and



Ukraine. A surprise buildup in US inventories (~2.77 million barrels) toward the month-end added further downward pressure.

CURRENCY

The US dollar weakened slightly in November, with the Dollar Spot Index down 0.3% as economic data lowered the perceived probability of a December Fed rate cut intramonth but increased the probability at month's end. The ZAR appreciated against major currencies, gaining 1.3% against the US dollar, trading between R17.11 and R17.31/\$ in the month, 2.6% against the Japanese yen, which remained weak despite the cabinet's approval of a \$135.4 billion stimulus package, 0.7% against the British pound, and 0.8% against the Euro.



MAJOR ASSET CLASS PERFORMANCE

30 November 2025 (Local Currency)	1M	3M	YTD	1 Year	3 Year (annualised)	5 Year (annualised)	10 Year (annualised)
FTSE/JSE ALSI Total Return	1.70%	10.2%	36.2%	35.8%	18.2%	18.7%	11.7%
S&P 500 Total Return	0.25%	6.3%	17.8%	15.0%	20.6%	15.3%	14.6%
STOXX 600 Total Return	0.95%	5.1%	16.5%	16.0%	12.4%	10.9%	6.9%
Nikkei 225 Total Return	-4.10%	18.4%	28.3%	34.1%	24.0%	15.9%	12.0%
MSCI World Total Return	0.31%	5.7%	20.6%	17.5%	19.7%	13.4%	12.5%
MSCI ACWI Total Return	0.02%	6.0%	21.6%	18.7%	19.2%	12.5%	12.0%
MSCI EM Total Return	-2.38%	9.0%	30.4%	30.3%	15.3%	5.5%	8.3%
MSCI World Value Index	2.17%	3.5%	19.6%	12.8%	13.8%	12.6%	9.7%
MSCI World Growth Index	-1.27%	7.6%	21.5%	22.0%	25.5%	13.7%	14.9%
MSCI World Small Cap Index	1.74%	4.0%	19.3%	12.2%	13.4%	9.0%	9.6%
Shanghai Shenzhen CSI 300 Index	-2.38%	1.1%	18.1%	18.8%	8.5%	0.6%	4.8%
Korea Stock Exchange KOSPI Index	-4.33%	23.5%	66.4%	63.4%	19.2%	11.0%	9.3%
Taiwan Stock Exchange Weighted Index	-2.15%	14.3%	23.3%	27.7%	26.6%	18.7%	16.8%
NSE Nifty 50 Index	1.96%	7.5%	12.3%	10.1%	13.4%	16.7%	14.3%
Ibovespa Brasil Sao Paulo Stock Exchange Index	6.37%	12.5%	32.2%	26.6%	12.2%	7.9%	13.4%
Bloomberg Magnificent 7 Total Return Index	-1.12%	13.1%	24.0%	31.9%	55.4%	30.4%	37.8%
STEFI	0.53%	1.8%	6.9%	7.6%	8.0%	6.5%	6.8%
ALBI	3.42%	9.6%	20.9%	20.5%	16.1%	12.5%	10.4%
IGOV	3.79%	8.5%	12.4%	13.3%	10.0%	9.8%	5.9%
WGBI	0.25%	0.6%	7.4%	5.0%	3.1%	-3.3%	0.6%
Bloomberg US Agg Total Return	0.62%	2.4%	7.5%	5.7%	4.6%	-0.3%	2.0%
Bloomberg US Corporate High Yield TR Index	0.58%	1.6%	8.0%	7.5%	9.6%	4.8%	6.2%
SAPY Total Return	7.71%	15.0%	30.4%	31.0%	23.3%	23.7%	4.4%
MSCI US REIT Total Return	2.26%	1.8%	5.4%	-2.4%	7.3%	7.8%	6.1%
STOXX 600 Real Estate Total Return	0.11%	0.8%	4.3%	-1.1%	5.3%	-2.2%	-1.1%
FTSE EPRA Nareit Global REITs TR Index	1.70%	1.3%	9.7%	1.8%	6.5%	5.6%	4.5%
Crude Oil	-2.87%	-7.2%	-15.3%	-13.4%	-9.6%	5.8%	3.5%
Aluminium	-0.55%	9.7%	12.4%	10.6%	5.0%	7.0%	7.1%
Copper	2.77%	13.0%	27.6%	24.2%	10.7%	8.1%	9.3%
Gold	5.91%	23.0%	61.5%	60.4%	33.8%	19.0%	14.8%
Platinum	6.13%	21.9%	84.1%	75.9%	17.2%	11.5%	7.2%
Nickel	-2.60%	-4.0%	-3.1%	-6.7%	-18.3%	-1.7%	5.2%
Palladium	1.11%	31.8%	59.4%	48.0%	-8.2%	-9.4%	10.3%
Iron Ore	-0.51%	3.5%	6.6%	4.5%	1.6%	-3.8%	8.9%
Bloomberg Commodity Index Total Return	3.20%	8.5%	16.1%	17.3%	3.2%	11.8%	5.4%
USDZAR	-1.27%	-3.1%	-9.2%	-5.2%	-0.2%	2.0%	1.7%
GBPZAR	-0.66%	-5.1%	-3.9%	-1.6%	3.0%	1.9%	0.4%
EURZAR	-0.75%	-3.8%	1.7%	3.9%	3.5%	1.5%	2.7%
JPYZAR	-2.58%	-8.7%	-8.6%	-9.1%	-4.2%	-5.9%	-0.7%
Dollar Index Spot	-0.35%	1.7%	-8.3%	-5.9%	-2.1%	1.6%	-0.1%

Source: Bloomberg

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