



Monthly market commentary | August 2026

Global equities advanced further in August, amid tensions remaining high in the Middle East, as reignited US-Iran tensions pushed oil prices higher. Technology-focused and commodity-producing markets led the gains for the month, as US stock markets rebounded substantially with more companies reporting stellar second quarter earnings. Semiconductor stocks bounced back, but it was the software sector that had stronger gains. A string of blockbuster earnings results demonstrated that, rather than being displaced by artificial intelligence (AI), enterprise software is serving as the mandatory foundation for deploying it.

The US was amongst the best performing major stock market regions, with the S&P 500 ending the month 2.7%¹ higher in US dollar (USD) terms. The Nasdaq Composite returned to positive territory after delivering consecutive negative monthly returns, up 4%¹ in USD terms. Japanese equities (TOPIX) also rose over the month, coinciding with the softening of the yen, ending 3.6%¹ higher in USD terms. Global equities (MSCI ACWI) had a consecutive positive month, up 2.7%¹ and 22.3%¹ over the last 12 months in USD terms. Developed market equities (MSCI World) posted positive returns, up 2.6%¹ in USD terms, primarily due to strong earnings in energy and technology-related sectors.

Emerging markets' (MSCI EM) performance improved, ending the month 3.4%¹ higher in USD terms. The sector outperformed its developed market counterparts, driven in part by USD weakness and a stabilising technology and AI hardware sector. Global property (FTSE EPRA Nareit) registered the weakest returns due to rising sovereign bond yields and inflationary concerns, ending the month 2.9%¹ lower in USD terms. Global bonds (FTSE WGBI) delivered mixed returns, ending the month 0.4%¹ higher in USD terms, as sovereign yields rose across major developed markets, driven by the US Federal Reserve's hawkish commentary. The rand was one of the best performing currencies against the US dollar, ending the month 2.5%¹ stronger.

Local equities (FTSE/JSE Capped All Share) delivered their best month since February, up 4.6%¹, for a return of 19.4%¹ over the last 12 months. Resources drove the surge in equities, amid higher gold and PGM prices, ending the month up a staggering 24.5%¹, for a return of 54.4%¹ over the last 12 months.

Financials and Industrials, however, experienced a challenging month, ending 1.6%¹ and 5.6%¹ lower, respectively. Listed property (FTSE/JSE All Property) was broadly weaker due to the less supportive global interest rate outlook, lagging both local bonds and local equities, ending the month 4.1%¹ lower, but still delivering a healthy 18.5%¹ over the last 12 months.

Local bonds (FTSE/JSE All Bond), though still outperforming their global peers, were primarily influenced by a mix of favourable domestic fiscal confidence and opposing global macroeconomic pressures and ended the month only 0.7%¹ higher, with a return of 16.5%¹ over the last 12 months. Bonds in the one to 3-year spectrum and 12+ year spectrum contributed 0.7%¹, while instruments in the three to 7-year and seven to 12-year maturities ended the month 0.5%¹ and 0.8%¹ higher, respectively. Local cash (STeFI Composite) was 0.6%¹ higher in August, for a return of 7%¹ over the last 12 months.

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