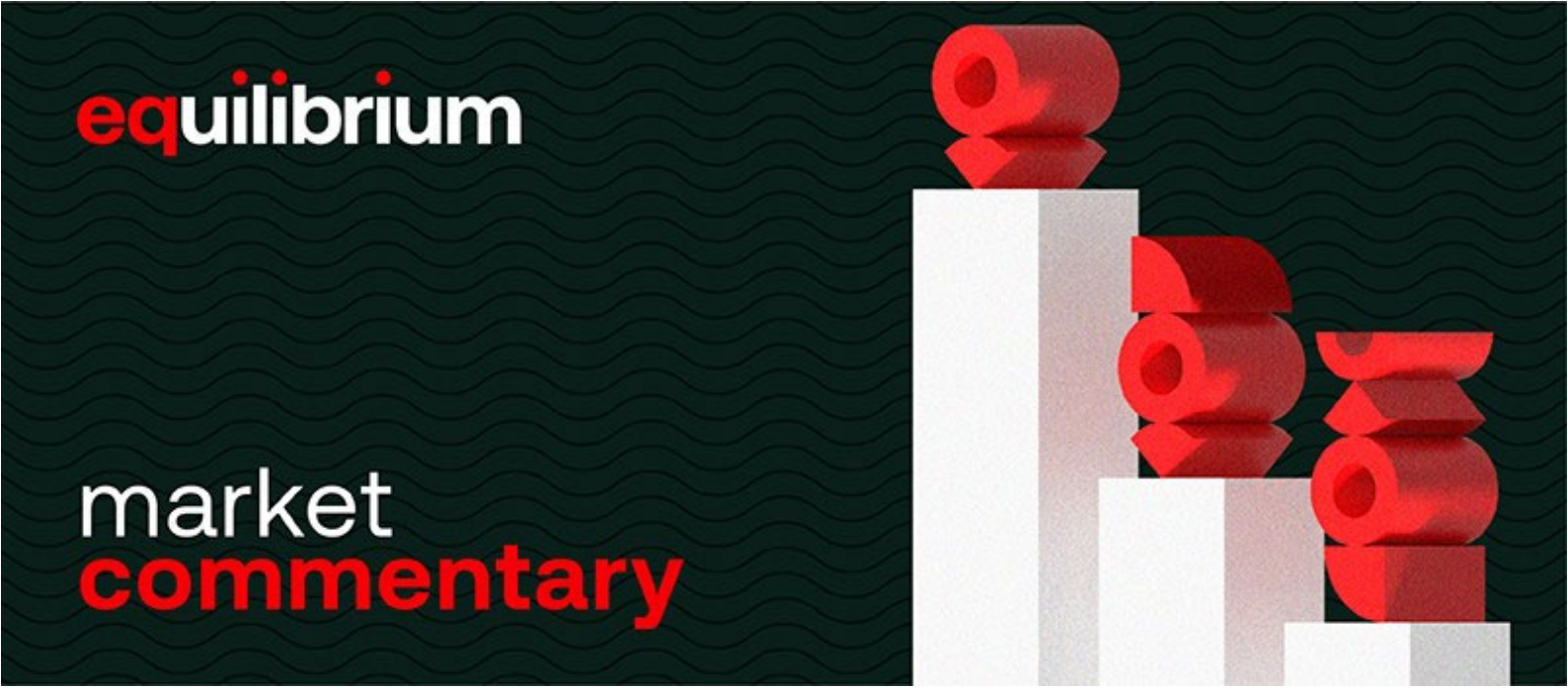

Monthly market commentary | September 2026

Global equities lost ground in September, broadly driven by increases in interest rates and oil prices, and a significant rise in bond yields. The US Federal Reserve (Fed) increased rates for the first time since 2023, strengthening the US dollar (USD) against most currencies, while precious metals gave back their gains from August's rally. Subsequently, gains were only seen in a niche group of large technology entities. The US-Iran negotiations over the Strait of Hormuz halted once again, resulting in the price of Brent Crude climbing above $100 per barrel.

The US equity market was a mixed bag for the month, with the S&P 500 ending the month 0.4%[1] lower in USD terms. The Nasdaq Composite continued in positive territory, delivering a consecutive positive monthly return of 1.9%[1] in USD terms. Japanese equities (TOPIX) also ended the month 1.4%[1] higher in USD terms, aided by a weaker yen. Global equities (MSCI ACWI) ended the month 1.1%[1] lower, but were still up 16.8%[1] over the last 12 months in USD terms.

Developed market equities (MSCI World) were also in negative territory, down 1.2%[1] in USD terms. The sell-off was broad-based, but the primary drag came from regional weakness and yield-sensitive sectors that suffered amid a spike in global bond yields to multi-decade highs. Emerging markets (MSCI EM) held up better than their developed market counterparts, ending the month 0.6%[1] lower in USD terms.

Global property (FTSE EPRA Nareit) ended the month down 5.4%[1] in USD terms, as the market penalised sectors sensitive to interest rates. Global bonds (FTSE WGBI) also came under heavy pressure, ending the month 2.3%[1] lower in USD terms, as sovereign yields rose across major developed markets, driven by the Fed's hawkish commentary.

The rand depreciated by 1.6%[1] against the US dollar, as the sharp increase in Brent Crude prices increased USD demand to pay for fuel, dragging the rand down in the process. This was exacerbated by the Fed's decision to increase rates.

Local equities (FTSE/JSE Capped All Share) had quite a difficult September as the forces that steered August's rally went into reverse, ending the month down 5.8%[1], for a return of 5.6%[1] over the last 12 months. Resources fell as gold and PGM prices retreated, ending the month down a significant 9.3%[1]. Financials and Industrials experienced another challenging month, ending 3.1%[1] and 4.9%[1] lower, respectively. Listed property (FTSE/JSE All Property) held up well, ending September 0.5%[1] higher, and still delivering a healthy 20.3%[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 virtually flat, up 0.01%[1], for a return of 12.8%[1] over the last 12 months. Bonds in the one to 3-year spectrum and 12+ year spectrum contributed 0.5%[1] and 0.2%[1], respectively, while instruments in the three to 7-year and seven to 12-year maturities ended the month 0.1%[1] and 0.2%[1] lower.

Local cash (STeFI Composite) was 0.6%[1] higher in September, for a return of 7%[1] over the last 12 months.

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