



Monthly market commentary | June 2025

Global financial markets navigated a volatile landscape shaped by the interplay of macroeconomic uncertainty, shifting tariff policies, and escalating geopolitical tensions during June. Encouraging signs of trade deals, moderating inflation and resilient labour markets supported US markets, as the NASDAQ Composite index continued to lead global equity markets for the second consecutive month, delivering a solid return of 6.6%¹ in US dollar (USD) terms. The S&P 500 followed suit, delivering a return of 5%¹ in USD terms. After a positive start to the quarter, the UK and European markets underperformed, with the MSCI Europe (ex-UK) ending 2.2%¹ higher in USD terms.

A deteriorating USD and the eased trade tensions between the US and China were a notable tailwind for emerging market equities (MSCI EM), ending the month 6%¹ higher in USD terms. Developed market equities (MSCI World) stood their ground and delivered a third consecutive monthly positive return of 4.3%¹ in USD terms. Chinese equities (MSCI China) delivered a return of 3.7%¹ for the month in USD terms, as a degree of confidence was restored. Global property (FTSE EPRA Nareit) ended the month positively, up 1.1%¹ in USD terms.

Fixed income markets rallied in June, continuing the positive performance we have witnessed for the majority of the first half of the year. Expectations of two additional rate cuts in 2025 kept income securities on the shorter end in demand. Despite concerns about US debt sustainability, global bonds (FTSE WGBI) delivered a positive return of 1.9%¹ in USD terms for the month. The rand continued to benefit from a weakening USD, strengthening by 0.9%¹.

Despite a robust performance from the resources sector, local equities (FTSE/JSE Capped SWIX) lagged their developed and emerging market peers, but still ended the month 2.2%¹ higher. Platinum stocks were the cream of the crop (the consequence of a 26.2%¹ spike in the price of the metal), up 4.2%¹ for the month. Financials ended 1%¹ higher, after two solid preceding months, while Industrials also followed suit, ending the month 2.5%¹ higher. Listed property (ALPI) was marginally down for the month, by 0.2%¹.



Local bonds performed well as prospects of a lower inflation target remains in focus with the FTSE/JSE ALBI ending the month 2.3%¹ higher. Shorter-dated instruments in the one to 3-year and three to 7-year maturities ended the month 0.9%¹ and 1.8%¹ higher, respectively, while bonds in the seven to 12-year spectrum ended the month 2.3%¹ higher. Bonds in the 12+ year spectrum delivered a consecutive positive return of 3.2%¹. Local cash (STeFI) continued to deliver inflation-beating returns, with a return of 0.6%¹ for the month and 8.1%¹ over the last year.

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¹ Morningstar

² Momentum Investments

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