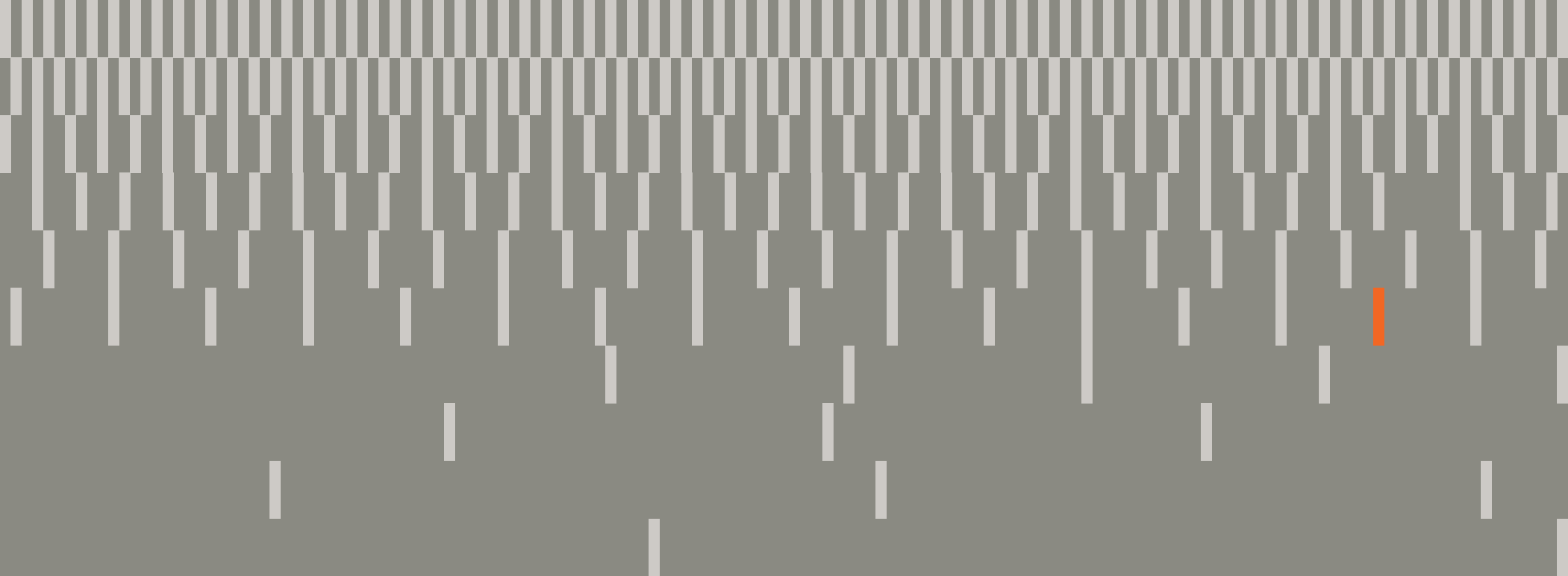




Market Commentary

October 2025

RISCURA

South African market themes



Financials outperformed (+8.5%), led by Capitec (+11%) and Discovery (+12%) on robust earnings



Bond yields fell below 9% for the first time since 2021; the ALBI rose 2.6%, buoyed by improved fiscal outlook



The rand held firm in October, showing resilience amid global dollar strength and stable domestic conditions



Business and manufacturing confidence remained subdued, with PMI readings still indicating contraction

South African equities extended their upward momentum in October, with the FTSE/JSE All Share Index rising 1.6% for the month and 33.9% year-to-date. The Capped SWIX Index gained 1.8% in October and 33.3% year-to-date. Sector performance was mixed: Financials led with a strong 8.5% gain, Industrials rose 1.8%, while Resources declined 4.8%. By market capitalisation, small caps outperformed with a 5.0% increase, followed by mid caps (+1.4%) and large caps (+1.3%).

Notable stock movements included Capitec, which rose 11% following a 26% year-on-year earnings increase and 8% client growth. Meanwhile, asset manager Ninety One gained 13% after reporting 9% assets under management (AUM) growth over Q3 2025. Discovery advanced 12% amid a favourable claims environment. In contrast, WeBuyCars fell 17% after an underwhelming trading update, and Transaction Capital fell 16% after guidance for a 20–25% decline in headline earnings.

Fixed income markets strengthened during the month, supported by fiscal improvements, falling government bond yields and South Africa's removal from the FATF "grey list". The SA government's 10-year borrowing rate dropped below 9% p.a. for the first time since 2021, reflecting stronger investor confidence and subdued inflation. The All Bond Index (ALBI) gained 2.6% for the month and 16.9% year-to-date, while inflation-linked bonds (CILI) rose 1.5% and the SteFI Composite Index added 0.6%. The rand was broadly stable against a strong US dollar (-0.4% month-on-month), and listed property (ALPI) strongly advanced by 8.1%

Inflation data showed a modest uptick. Headline CPI rose 3.4% year-on-year in September, up from 3.3% in August, driven by housing and utilities (4.5%) and restaurant prices (3.0%). Core inflation, which excludes food, non-alcoholic beverages, fuel, and energy, increased to 3.2% year-on-year, marking a

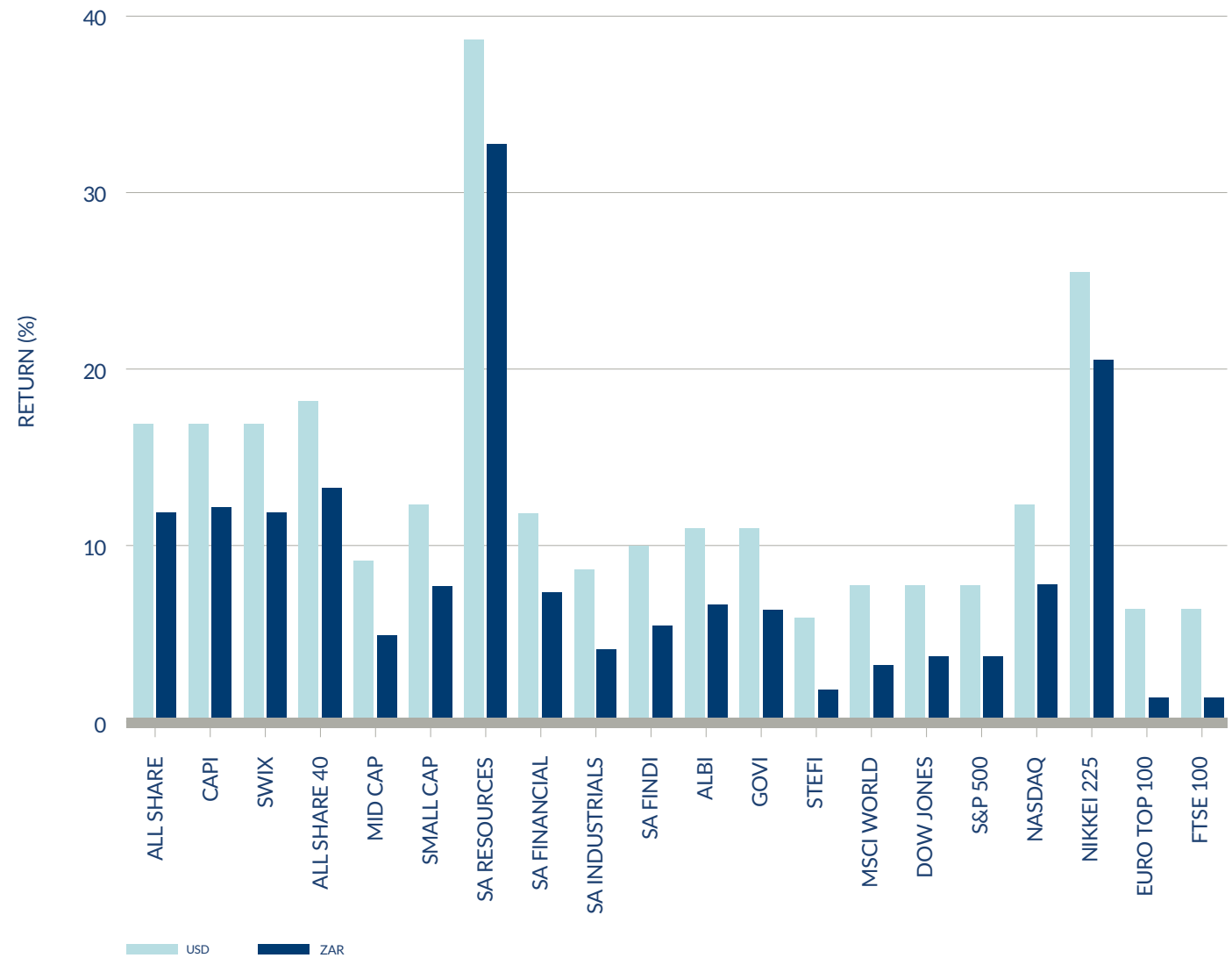
seven-month high. Producer inflation also picked up, with the PPI for final manufactured goods rising to 2.3% year-on-year in September from 2.1% in August, mainly due to higher food, beverage, tobacco and textile prices.

Retail activity moderated, with sales up 2.3% year-on-year in August compared to 5.7% in July. The slowdown reflected weaker demand in food, beverages, and tobacco categories, which detracted from overall retail trade. However, other segments such as hardware, paint, and glass outlets performed relatively well. Motor trade sales continued their upward trend, increasing 1.9% year-on-year, supported by growth in new and used vehicle sales and higher fuel income.

Business confidence remained subdued. Both the RMB/BER Business Confidence Index and the Absa Purchasing Managers' Index (PMI) continued to reflect caution among firms, with the PMI still signalling contraction in manufacturing. Despite some improvement in trade and commodity prices, the overall sentiment pointed to ongoing uncertainty in the operating environment.

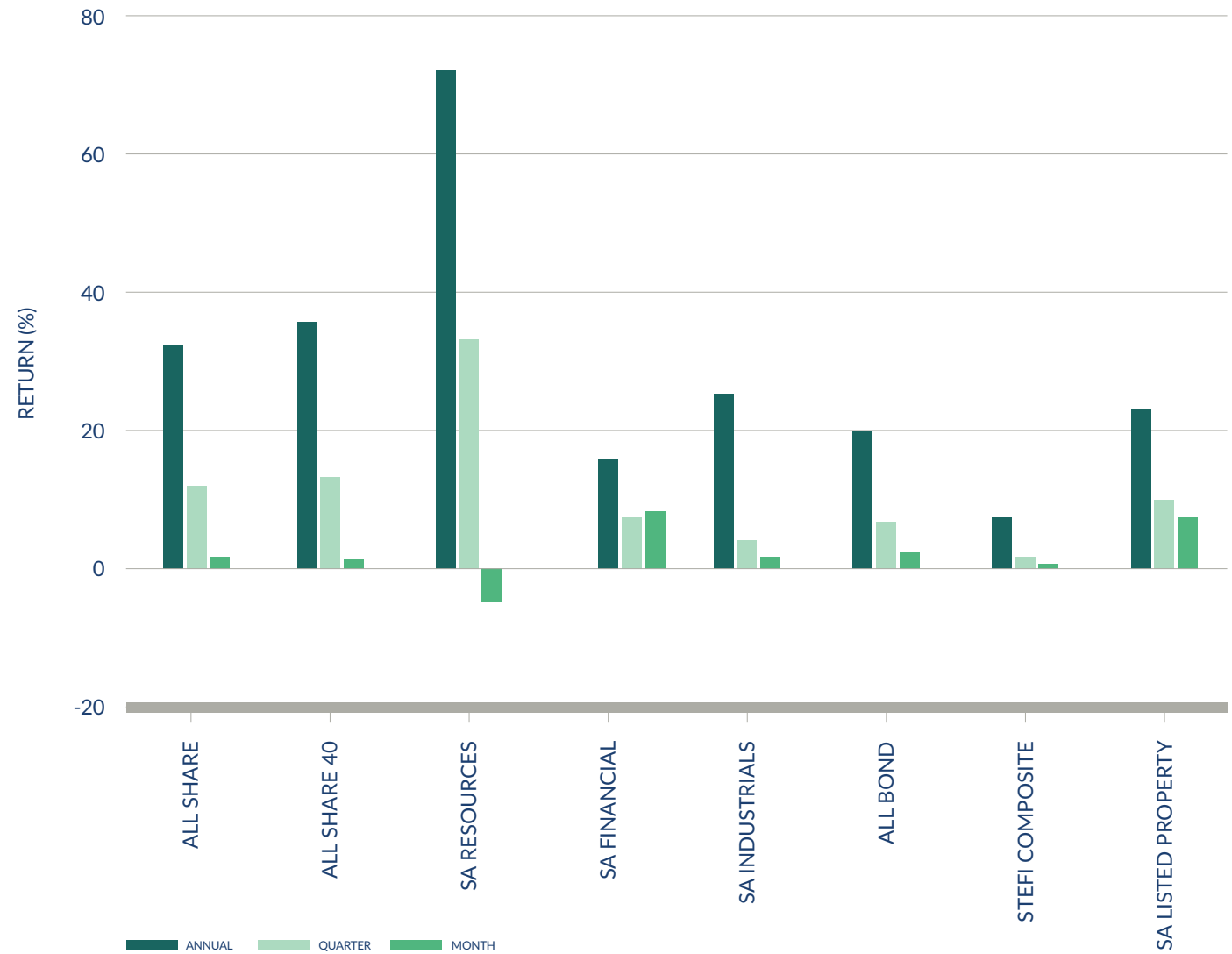
World Market Indices Performance

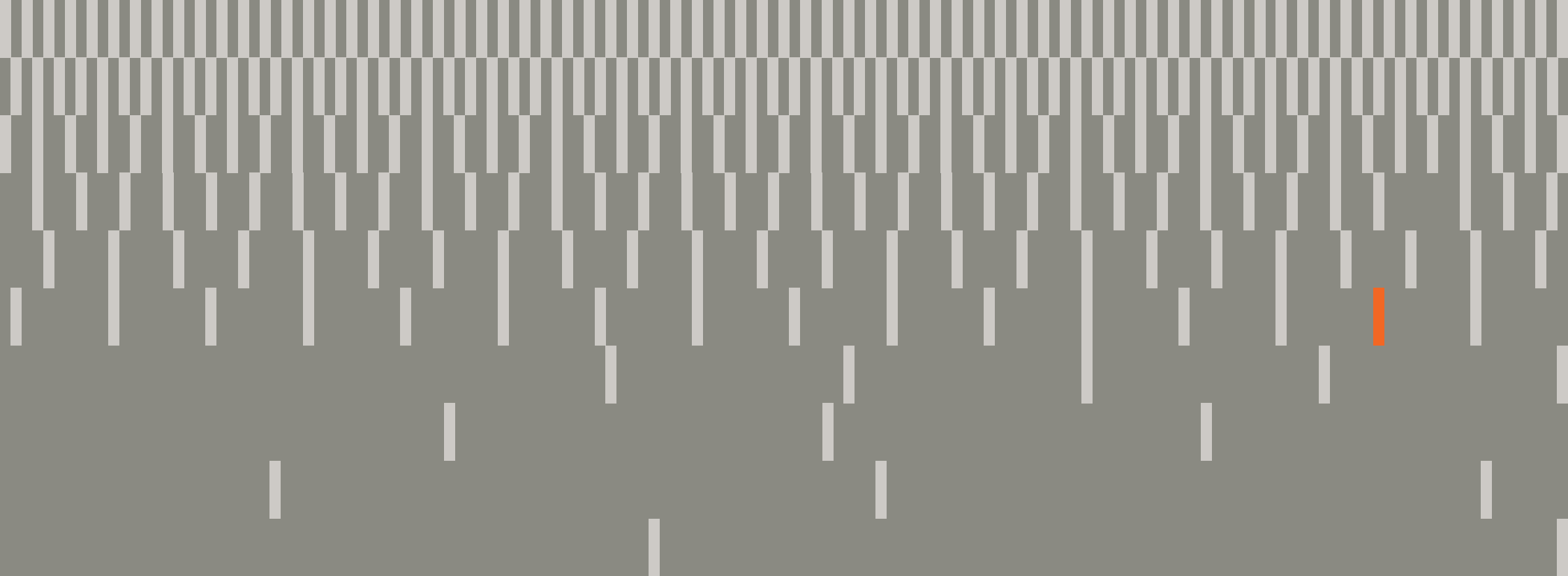
QUARTERLY RETURN OF MAJOR INDICES



South African Market Indices Performance

RETURNS OF THE FTSE/JSE SECTORS AND INDICES





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