Market Commentary

November 2025

Global market themes

Chinese equities declined as both manufacturing and non-manufacturing PMIs remained in contraction

Japan's equity market weakened, with inflation rising above the Bank of Japan's target

Emerging markets underperformed, led by losses in technology-heavy Asian markets

Oil prices fell, while precious metals such as gold and silver recorded strong gains

Global equity markets experienced a volatile November but ended the month with modest gains as investors navigated uncertainty around monetary policy and the delayed release of key US data due to the 43-day government shutdown. The MSCI World Index rose 0.3% (in USD), supported by a late-month rally in defensive sectors such as healthcare and consumer staples, which outperformed cyclical and technology stocks. This rotation reflected growing caution toward stretched technology valuations particularly among AI-linked stocks, which had dominated performance earlier in the year. Emerging markets lagged developed peers, with the MSCI EM Index declining 2.4% (in USD), weighed by weakness in Chinese equities and profit-taking across Asia. Global bond markets were broadly flat at 0.2%, supported by rising expectations of a US Federal Reserve rate cut in December, offsetting concerns about higher future supply.

In the United States, the absence of official economic data (including October CPI and non-farm payrolls), elevated the importance of private indicators, which pointed to softer labour demand and moderating inflation. Against this backdrop, the S&P 500 ended the month up 0.2% (in USD), while the Dow Jones gained 0.3% (in USD) and the Nasdaq Composite fell 1.4% (in USD), breaking its winning streak. Technology stocks were the weakest segment, despite strong earnings from major players, as concerns about elevated valuations persisted. Defensive sectors, particularly healthcare, outperformed, benefiting from the rotation away from growth names. Market expectations for monetary easing strengthened, and by month-end, futures implied an 85% probability of a December Fed rate cut.

European equities posted modest gains in November, with the STOXX All Europe Index up 0.9% (in EUR) and the FTSE 100 rising 0.4% (in GBP). Economic data signalled stabilisation, as Eurozone GDP grew 0.2% in Q3 and inflation eased to 2.1% in October from 2.2% in September. Germany's DAX Index advanced 0.6% for the month, supported by industrials and consumer staples and France's CAC 40 gained 0.8%, aided by healthcare and luxury goods sectors. UK inflation moderated to 3.6% year-on-year, and core inflation edged down to 3.4%, while UK GDP growth slowed to 0.1% in Q3, reinforcing expectations that the Bank of England could deliver a rate cut by year-end.

Chinese markets remained under pressure, with the CSI 300 Index down 2.4% (in CNY) and the MSCI China Index falling 2.5% (in USD). PMI readings stayed in contraction territory for an eighth consecutive month, with the manufacturing PMI at 49.2 and the non-manufacturing PMI slipping to 49.5. Weak domestic demand and slowing investment in infrastructure and manufacturing continued to weigh on sentiment, despite earlier stimulus measures. Retail sales growth moderated, and industrial output showed signs of deceleration, underscoring the structural challenges facing the economy.

Japanese equities declined in November, with the Nikkei 225 down 4.1% (in JPY). Headline inflation rose to 3.0% year-on-year, while core inflation reached 3.1%, remaining above the Bank of Japan's 2% target. The increase reflected higher energy tariffs, food price adjustments, and rising service sector costs, alongside the yen's weakness beyond JPY154/USD, which lifted import prices. Manufacturing PMI remained in contraction at 48.3, and despite mounting inflationary pressures, the Bank of Japan maintained its accommodative stance.

Emerging markets underperformed developed peers, with the MSCI EM Index down 2.4% (in USD). Losses were concentrated in Asia, where technology-heavy markets such as Korea and Taiwan saw sharp declines. Indian equities gained 2.2% (in INR),

The rand strengthened against the US dollar as global sentiment improved

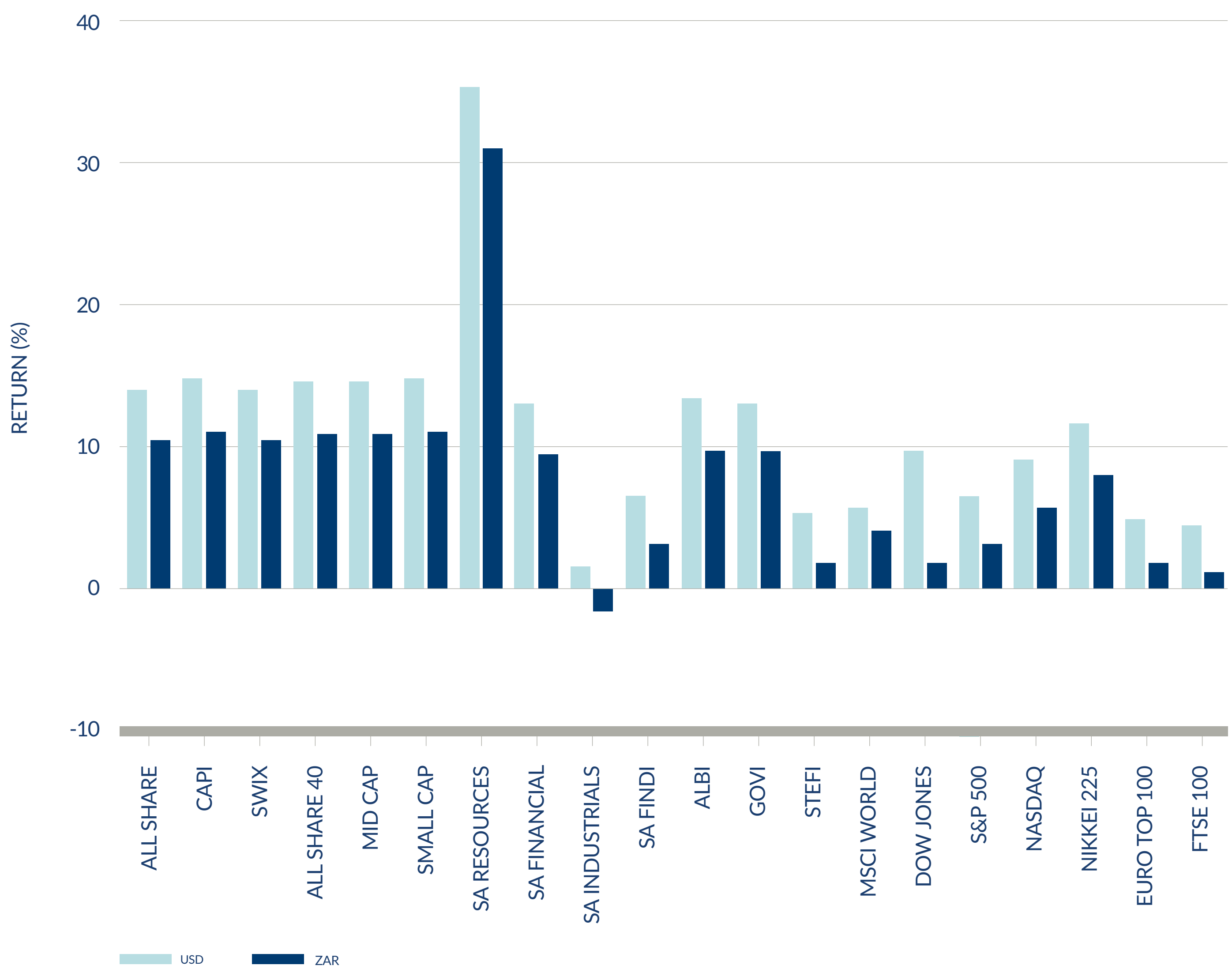
outperforming the broader region while Brazilian equities also advanced, with the Bovespa Index up 6.4% (in BRL), on strong domestic momentum.

Commodities delivered mixed returns. Brent crude oil fell 3.7% to $62.38, reflecting ample global supply and muted demand expectations. Precious metals surged, with gold rising 5.9% to $4,239.44 and silver gaining 16.0% to $56.50, supported by geopolitical uncertainty and central bank buying. Platinum increased 6.1% to $1,670.77, while palladium rose 1.1% to $1,454.50. Industrial metals were firmer, with copper up 3.3% to $11,233.69, while iron ore declined 3.7% to $102.20. Coal prices rose 5.2% to $90.50.

Currency markets saw the rand appreciate 1.3% against the US dollar, closing at R17.13/USD, amid improved local sentiment and expectations of further monetary easing. The dollar weakened broadly, while the euro and pound were stable following dovish signals from the ECB and BoE.

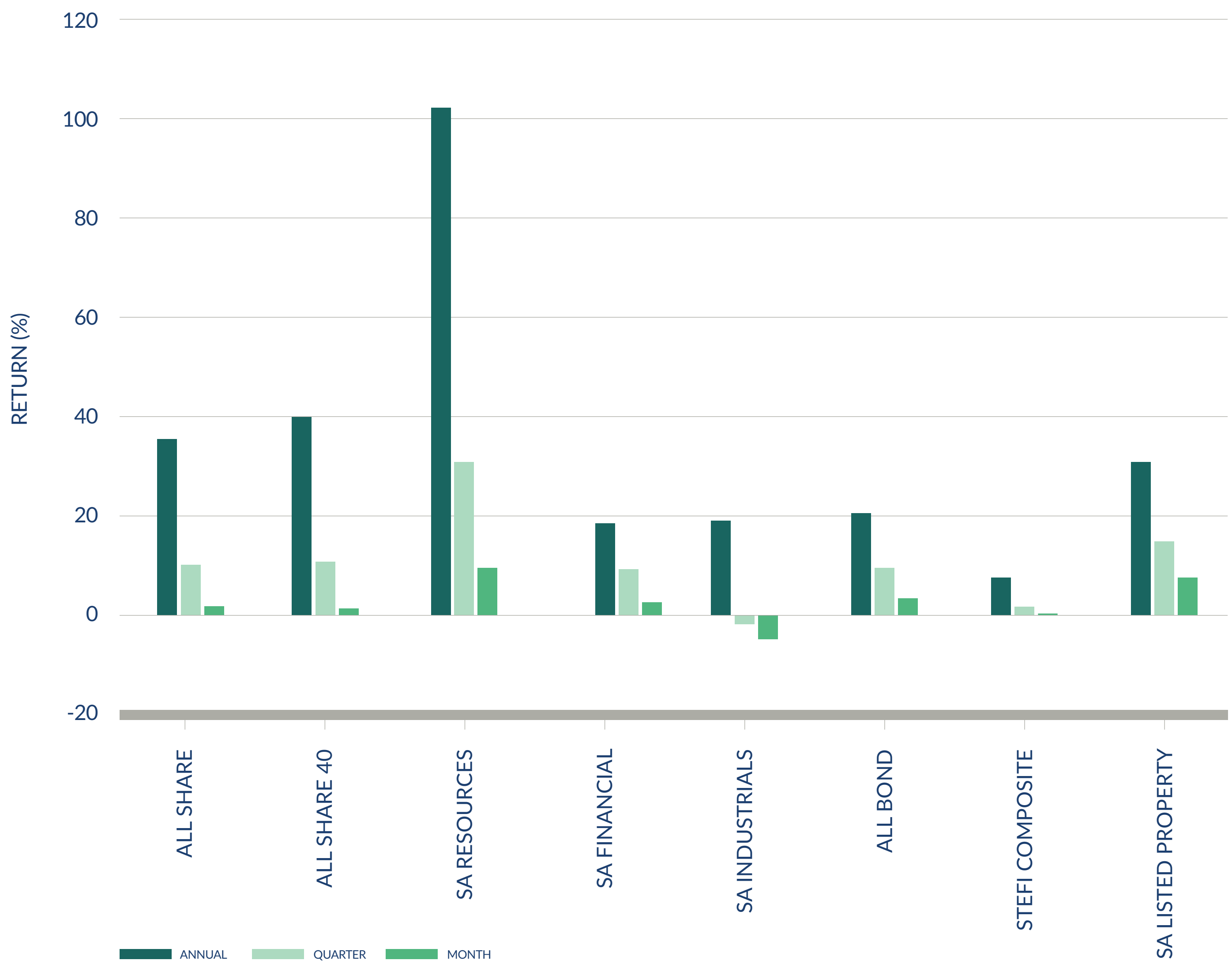
World Market Indices Performance

QUARTERLY RETURN OF MAJOR INDICES



South African Market Indices Performance

RETURNS OF THE FTSE/JSE SECTORS AND INDICES



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