



Monthly market commentary | August 2025

Despite continued tariff-related policy uncertainty and less positive US labour market news, global equities posted positive returns, supported by strong corporate earnings, moderating inflation and the promise of lower interest rates. Developed market equities (MSCI World) rose 2.6%¹ in USD terms for the month. The NASDAQ Composite index also continued its positive streak, delivering a return of 1.7%¹ in US dollar (USD) terms as the S&P 500 index held up well for the month, returning 2%¹ in US dollar (USD) terms.

In emerging markets (MSCI EM), strong performance from China underpinned gains of 1.3%¹ for the month, supported by the extended trade truce with the US, which helped export-oriented firms. Brazil also drove emerging market returns higher, up 10.3%¹ for the month. Global property (FTSE EPRA Nareit) also returned a strong 4.2%¹ in USD terms.

In global bond markets, US Treasuries rallied, particularly at the short end, on expectations of monetary easing. The 10-year yield also declined, contributing to a positive return for US Treasuries during the month. UK Gilts and German Bunds suffered small losses, while French government bonds underperformed amid fiscal concerns. Global bonds (FTSE WGBI) delivered a positive overall return of 1.4%¹ in USD terms for the month. The rand strengthened against the USD and ended the month up 2.6%¹.

Local equities (FTSE/JSE Capped SWIX) continued their impressive run, again outperforming their developed market and emerging market peers, ending the month 3.5%¹ higher and delivering a return of 25%¹ over the last 12 months. Resources had another strong month, up 11.4%¹ and 54.4%¹ over the past 12 months. Financials and Industrials also posted gains, though much more muted, delivering 1%¹ and 1.1%¹ for the month respectively. Listed property (ALPI) had another month of solid returns, up 2%¹.

Local bonds (FTSE/JSE ALBI) delivered more muted returns in August, after a solid run in the preceding three months and despite the rand appreciating, ending 0.8%¹ higher for the month. Shorter-dated instruments in the one to 3-year and three to 7-year maturities ended the month 0.9%¹ and 1.1%¹ higher, respectively, while bonds in the seven to 12-year spectrum ended the month 0.9%¹



higher. Bonds in the 12+ year spectrum delivered another consecutive positive return of 0.4%¹. For the month. Local cash (STeFI) was up 0.6%¹ for the month, delivering an inflation-beating return of 7.9%¹ over the last year.

Prepared by Equilibrium

Enabling your advice outcomes

¹ Morningstar

² Momentum Investments

For more information and the latest DFM updates

Website: eqinvest.co.za

LinkedIn: <https://www.linkedin.com/company/eq-invest/>

Disclaimer: Reasonable steps have been taken to ensure the validity and accuracy of the information in this document. However, Equilibrium does not accept any responsibility for any claim, damages, loss, or expense, howsoever arising out of or in connection with the information in this document, whether by a client, investor or intermediary. The content used in this document is sourced from various media publications, the Internet, and Momentum Investments. For further information, please visit us at eqinvest.co.za.

Momentum Financial Planning is part of Momentum Metropolitan Life Limited, an authorised financial services and registered credit provider (FSP6406). Equilibrium Investment Management (Pty) Ltd (Equilibrium) is an authorised financial services provider (FSP32726) and part of Momentum Group Limited and rated B-BBEE level 1. EQ-CL-028-AZ-5048.