



SELECT MANAGER

Newsletter

January 2026

MARKETS AND ECONOMICS

The year began with a familiar mix of market concentration, heightened geopolitical tensions, and uneven economic signals, all of which contributed to elevated volatility. The United States (US), once again, sat at the centre of global market narratives, as renewed tariff threats and foreign policy actions revived the “Sell America” theme. This dynamic weighed on sentiment towards US assets and pushed the US dollar to bearish levels last seen in 2022. Outside of the US, equity returns were broadly positive across regions.

Developed markets moved higher during the month, with momentum coming largely from outside the US. Geopolitical flashpoints (including US military action against Venezuela and escalating rhetoric around “capturing” Greenland), accompanied by renewed tariff threats towards Europe, dampened US sentiment during the month. Within the US, market enthusiasm rotated towards small-cap stocks, which outperformed the popular growth technology counters. While the rotation was incremental rather than decisive, it marked another step away from the narrow dominance that defined much of 2025.

Emerging market equities also again outperformed in January, driven by strong gains from Asian and commodity-linked economies. Performance, however, was highly concentrated. Korea (+24%), Brazil (+13%), and Taiwan (+12%) did the heavy index lifting, delivering double-digit gains on the back of rising commodity prices and renewed investor interest in technology and semiconductor-related stocks.

In South Africa, the local equity market closed the month higher, supported by a sharp rally

in resource counters, which rose approximately 13%. Strength in commodity prices provided direct earnings support for the sector, while a firmer rand helped anchor inflation expectations, lower input costs, and improve overall investor confidence.

Other highlights during the month included:

- + Precious metals reached record highs, despite double-digit intraday losses:** Gold and platinum continued their strong advancements in the midst of renewed geopolitical tensions, despite dropping more than 11% and 22% respectively on a single day at month end. This was after Kevin Warsh was named the next Chair of the Federal Reserve, after Chair Jerome Powell steps down in May. Investors expect Warsh to support rate cuts but tighten the Federal Reserve’s balance sheet.
- + The South African rand hit its strongest level against the US dollar since 2022:** The rand entered 2026 with impressive momentum, surging to its strongest level since 2022 and extending a powerful rally that defined much of 2025. The rand appreciated roughly 3% during the month, closing near R16.10/USD. This extraordinary climb reflects a compelling combination of global monetary shifts, domestic reform progress, and a favourable commodity environment.

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| JSE All Share 3,72% 120 045,73 ▲ | MSCI World (USD) 2,24% 4 527,59 ▲ | MSCI EM (USD) 8,85% 1 528,09 ▲ |
| SA Bonds 1,95% 1 396,66 ▲ | SA Property 0,98% 492,42 ▲ | CPI (y/y) 3,60% 103,60 ▲ |
| Gold 13,44% 4 887,07 ▲ | Platinum 5,63% 2 121,60 ▲ | Oil 13,92% 69,32 ▲ |
| \$/R - 2,55% 16,14 ▼ | €/R - 1,70% 19,12 ▼ | £/R - 0,96% 22,09 ▼ |