



# SELECT MANAGER

## Newsletter

October 2025

### MARKETS AND ECONOMICS

Global financial markets entered October riding the tailwind from September's excitement. Optimism, however, faded somewhat as trade tensions between the United States (US) and China resurfaced, economic data underwhelmed, and the lingering US government shutdown began to test investor sentiment.

Following Beijing's tightening of export controls on rare earth minerals, a crucial input for the US technology and defence industries, President Donald Trump threatened to impose 100% tariffs on China. This announcement triggered the S&P 500's steepest single-day drop since Liberation Day. Relief came later in the month when both nations agreed to a one-year trade truce that paused new tariffs, cut some existing duties, and reopened key commodity channels. The Federal Reserve also delivered its second rate cut this year, confirming the policy pivot that investors had been betting on, although policymakers cautioned that further easing might take longer than markets anticipate. In other developed markets, Japan stole the spotlight as equities surged 16.7% following the appointment of Sanae Takaichi as the nation's first female Prime Minister. Her policies are widely favoured by the markets. Europe lagged its peers, weighed down by political unease in France that dampened confidence across the region.

Emerging markets, once again, outperformed their developed counterparts, though strength was uneven and driven by country-specific stories rather than by broad-based strength. China retreated 3.8% amid the renewed trade

uncertainty and weaker economic activity. In contrast, Argentina's equity market soared 69.3% after President Javier Milei's party secured a decisive midterm victory, granting him a stronger mandate to continue his radical economic overhaul.

In South Africa (SA), equity momentum slowed slightly after a stellar September but still delivered positive returns. Financials did the heavy lifting (+8.4%), while Resource counters suffered their second monthly decline this year on the back of slightly softer commodity prices. In contrast, listed property posted an impressive 7.8% gain amid expectations of lower borrowing costs in 2026.

Other highlights for the month included:

- + **SA officially removed from the Financial Action Task Force's (FATF's) grey list:** SA has officially been removed from the FATF's grey list, a major milestone in restoring institutional credibility and investor confidence.
- + **Artificial intelligence (AI) chipmaker Nvidia became the first \$5 trillion company:** The chipmaker's record valuation and \$500 billion in new orders have cemented its dominance in the AI space.

<b>JSE All Share</b> 1,64%   109 243,56 ▲	<b>MSCI World (USD)</b> 2,00%   4 390,42 ▲	<b>MSCI EM (USD)</b> 4,18%   1 401,55 ▲
<b>SA Bonds</b> 2,56%   1 289,37 ▲	<b>SA Property</b> 7,84%   457,05 ▲	<b>CPI (y/y)</b> 3,40%   103,40 ▲
<b>Gold</b> 4,13%   4 004,43 ▲	<b>Platinum</b> -2,33%   1 560,80 ▼	<b>Oil</b> -1,91%   64,77 ▼
<b>\$/R</b> 0,34%   17,33 ▲	<b>€/R</b> -1,37%   19,99 ▼	<b>£/R</b> -1,87%   22,78 ▼