



# SELECT MANAGER

## Newsletter

February 2026

### MARKETS AND ECONOMICS

Market activity remained choppy in February, as investors navigated a mix of geopolitical flare-ups and technology-led rotation. The United States (US)-Iran conflict and late-month US Supreme Court ruling on tariffs added fresh uncertainty. Oil and gold prices surged in response to heightened Middle East tensions, even as the US dollar strengthened from its lows.

Tensions in the Middle East escalated dramatically at the end of the month, after coordinated US and Israeli air strikes on Iran. Reports indicated that Iran's Supreme Leader, Ayatollah Ali Khamenei, had been killed in the strikes. Iran retaliated by launching hundreds of missiles and drones at US and Israeli bases in the region. Markets reacted sharply amid concerns that a prolonged conflict could disrupt Gulf oil exports, with some companies already suspending shipments through the Strait of Hormuz. These developments triggered a wave of safe-haven buying, pushing oil futures up sharply while gold and other defensive assets rallied as volatility increased.

In equity markets, US indices ended the month in the red. Declines in major technology counters dragged the Nasdaq to its weakest monthly performance in more than a year. However, small-cap and value stocks held up relatively well. In developed markets, Japan's Nikkei 225 emerged as a standout performer, reaching record highs amid optimism about pro-growth reforms. Robust export demand also fuelled investors' appetite for risk. European and United Kingdom (UK) markets extended their year-to-date gains, supported by improving economic data, increasingly dovish central bank expectations, and continued capital rotation away from the US.

Emerging markets also recorded another positive month, led by Asia-Pacific and commodity-exporting economies. Taiwan and South Korea, once again, led the gains as investor interest in semiconductor and artificial intelligence (AI)-linked manufacturers continued to strengthen.

South African equity markets outperformed, supported by a rally in precious metals and renewed policy credibility. Gold prices, after a brief dip earlier in the month, rebounded sharply, lifting mining stocks. Domestic banks and insurers also advanced on healthy fundamentals. Importantly, Finance Minister Enoch Godongwana's February Budget reinforced fiscal consolidation, highlighting stronger commodity-linked revenues that helped stabilise sovereign debt without the need for additional tax increases.

Other highlights during the month included:

- + **The US Supreme Court blocked Donald Trump's reciprocal tariffs:** The US Supreme Court ruled that the Trump administration exceeded its authority by imposing sweeping reciprocal tariffs under the International Emergency Economic Powers Act. The court held that tariffs constitute taxation powers reserved for Congress, effectively invalidating their legal foundation.
- + **The UK economy narrowly avoided a technical recession:** The UK narrowly avoided a recession in 2025 after its gross domestic product grew by a marginal 0.1% in the fourth quarter, preventing the two consecutive quarters of contraction that define a technical recession.
- + **AI darling Nvidia beat earnings expectations, but its share price fell:** Nvidia reported record quarterly revenue of roughly \$68 billion, comfortably exceeding analyst forecasts as demand for AI chips remained exceptionally strong. Despite the strong results, the company's share price fell around 4% to 5% following the release, reflecting growing scrutiny over valuations within the AI trade.

<b>JSE All Share</b> 7,01%   128 455,68 ▲	<b>MSCI World (USD)</b> 0,73%   4 556,79 ▲	<b>MSCI EM (USD)</b> 5,50%   1 610,70 ▲
<b>SA Bonds</b> 1,74%   1 420,95 ▲	<b>SA Property</b> 6,29%   523,38 ▲	<b>CPI (y/y)</b> 3,50%   103,80 ▲
<b>Gold</b> 8,00%   5 278,01 ▲	<b>Platinum</b> 11,87%   2 373,50 ▲	<b>Oil</b> 5,12%   72,87 ▲
<b>\$/R</b> - 1,28%   15,94 ▼	<b>€/R</b> - 1,53%   18,83 ▼	<b>£/R</b> - 2,70%   21,49 ▼