BRENTHURST WEALTH

MONTH IN REVIEW | MARCH 2026

LOCAL MARKETS
- WORST MONTH IN 18 YEARS FOR JSE

The JSE delivered its worst monthly performance in 18 years, driven by the confluence of a falling gold price, a weak rand, the possibility of rate hikes, and a global energy shock that buoyed coal stocks but hammered everything else. The JSE All Share Index plummeted 11.2% MoM (-1.5% YTD), ending twelve consecutive months of gains. The rand weakened 5.9% MoM (-2.2% YTD) against the greenback. It was red across the board, with resources the worst performers, Resi-10 down 17.8% MoM (+5.5% YTD), followed by the SA Listed Property Index, which was down 11.8% MoM (-5.4% YTD). Financials also declined (Fini-15 -10.3% MoM/-0.9% YTD), as did industrials (Indi-25 -5.4% MoM/-9.3% YTD).

The best performers last month were companies that either produced what suddenly became more expensive (energy, oil) or sold essential items, such as food retailers. Sasol was the leading beneficiary of the geopolitical shock and soaring oil prices, with its share price surging by 55.1% MoM; it was March's best-performing share. Coal miner Thungela Resources was the month's second-best performer (+51.0% MoM). At a distant third was Exxaro Resources with a 13.6% MoM advance. Like Thungela, the coal price tailwind boosted Exxaro's share price.

Nearly half of the twenty worst-performing shares came from the mining sector as gold and platinum stocks fell sharply because of what the Middle East conflict means for inflation expectations and interest rate pricing, which has, in turn, weighed heavily on gold and platinum group metals prices. Impala Platinum (Implats; -32.4% MoM) was March's worst performer. Implats was followed by Harmony Gold and Sibanye Stillwater with MoM losses of 28.7% and 27.1%, respectively.

INFLATION LOWER, PMI IMPROVES

SA headline inflation slowed for a second consecutive month, easing to 3.0% in February vs 3.5% in January. MoM, headline inflation rose 0.4%. Core inflation, excluding the volatile food and non-alcoholic beverages, fuel and energy categories, moderated to 3.0% YoY (+0.7% MoM) from 3.4% in January, marking its lowest point since 2021, and a broad-based easing in underlying price pressures. The latest inflation aligns with the South African Reserve Bank's (SARB) newly adopted inflation target of 3%. Still, February data represents a "before" snapshot, captured prior to the escalation in global geopolitical tensions.

The seasonally adjusted Absa Purchasing Managers' Index (PMI) rose by 1.6 index points from 47.4 to 49 in March 2026. The increase in the PMI was primarily supported by a marginal rise in the business activity index and a sharp increase in the supplier deliveries index. However, the spike in supplier deliveries should be interpreted with caution. Given the continued weakness in new sales orders, the rise in this index (which signals that the pace of deliveries has slowed sharply) is unlikely to reflect stronger demand. Instead, it most likely points to ongoing supply chain disruptions and logistical constraints. These challenges may intensify if global shipping routes are further affected by geopolitical tensions, most notably a sustained closure of the Strait of Hormuz.

VEHICLE SALES POWER AHEAD

South African new vehicle market extended its domestic growth trajectory in March 2026, buoyed by domestic macro-economic support, even as the broader macro-economic environment begins to shift towards a more constrained outlook.

Aggregate domestic new vehicle sales in March 2026, at 58,060 units, the best March figures since 2007, reflected an increase of 8,560 units, or 17,3%, compared to the 49,500 vehicles sold in March 2025. Export sales decreased to 37,388 units, representing a loss of 5,3% compared to the 39,499 vehicles exported in March 2025.

INTERNATIONAL MARKETS

- TURMOIL DRIVES MARKETS LOWER

The US/Israel alliance's 28 February strikes on Iran, interpreted by some observers as being influenced by political considerations rather than purely strategic necessity, triggered what the International Energy Agency (IEA) has described as the largest supply disruption in the history of the global oil market. The consequences were swift and severe. In the aftermath of the initial strikes, the military conflict escalated rapidly with retaliatory attacks, and Iran declared that the Strait of Hormuz was effectively closed. This development, alongside the ongoing risk of disruption to Gulf energy infrastructure, materially altered investor expectations. Global equity markets responded accordingly, selling off sharply and ending a challenging March in negative territory (MSCI World -6.3% MoM/-3.5% YTD) as geopolitical risk rose and the macroeconomic outlook became far more uncertain.

Before the escalation, Brent crude had been trading at US$67/bbl, reflecting relatively balanced supply conditions and subdued global demand. Within hours of the strikes, investors began pricing in the risk of disruption to the Strait of Hormuz, through which one-fifth of global oil supply passes daily. A slew of tit-for-tat actions and statements followed, including US President Donald Trump issuing Iran an ultimatum to reopen the Strait within 48 hours or risk having its power plants bombed (Trump later backpedalled), with Iran threatening to 'completely' close the corridor if attacked. The shock has seen global growth forecasts dragged lower, inflation fears rise, and central banks rethink rate-cut timelines, just as economies were beginning to stabilise (while, of course, recognising the high humanitarian cost of the crisis, including thousands of civilian casualties).

US MARKETS CLOSE LOWER

Major US indices slid into correction territory, closing March meaningfully lower despite a sharp rally on 31 March. The catalyst: reports that the war could soon come to an end after Trump told reporters that he expects the US military to leave Iran in “two or three weeks” and a statement from Iranian President Masoud Pezeshkian signalling Iran’s willingness to end the war but seeking guarantees. Still, the S&P 500 ended March down 5.1% (-4.6% YTD), its worst monthly performance since 2022, while the Nasdaq fell 4.8% MoM (-7.1% YTD) and the Dow snapped its 10-month winning streak, dropping by 5.4% (-3.6% YTD).

At its March meeting, the US Federal Reserve (Fed) kept rates on hold (as expected), noting the “uncertain” impact on the US economy from the US-Israel war with Iran. US macroeconomic data were mixed. February headline inflation was unchanged from January at 2.4% YoY (+0.3% MoM), while core inflation, which strips out volatile food and energy prices, remained at 2.5% YoY (+0.2% MoM). US 4Q25 GDP growth was revised lower in March to a seasonally and inflation-adjusted annual rate of just 0.7%. This first GDP revision was a sharp step down from the previous estimate of 1.4%. January’s core personal consumption expenditure (PCE), excluding food and energy, the Fed’s preferred inflation gauge, climbed 3.1% YoY, up from December’s 3.0%.

WORST MONTH IN SIX YEARS ON EUROPEAN MARKETS

Europe’s energy vulnerability saw European equity markets recording a brutal month (their worst monthly performance in six years) as the outbreak of the crisis sparked heavy selling pressure across the continent’s markets. The Euro Stoxx 50 Index fell 9.1% MoM (-3.5% YTD), ending eight consecutive months of advances. France’s CAC plummeted 8.9% MoM (-4.1% YTD), and Germany’s DAX fell10.3% MoM (-7.4% YTD). On the data front, eurozone inflation rose unexpectedly, printing at 1.9% in February from 1.7% in January.

UK equity markets were relatively resilient considering the carnage in Europe, with the FTSE 100 down 6.2% MoM (+3.4% YTD). The FTSE 100 has a commodity-leaning structure, deriving around 15% of its total market cap from energy companies and effectively benefitting from an energy shock inflicting damage elsewhere. The UK economy barely expanded in 4Q25, with the second GDP estimate confirming growth of only 0.1%, unchanged from 3Q25. February inflation remained at 3.0% YoY, in line with expectations and unchanged from January, but still above the Bank of England’s (BoE) 2% target.

ASIAN MARKETS CLOSE IN THE RED

China’s equity markets also proved more defensive as the country has been aggressively building domestic renewable energy capacity, reducing dependence on oil from the Middle East. It also sources much of its oil from Russia via pipelines and is thus not subject to Strait of Hormuz disruption. Still, the major indices ended in the red with the Shanghai Composite down 6.5% MoM (-1.9% YTD), while Hong Kong’s Hang Seng declined by 6.9% MoM (-3.3% YTD). China’s March manufacturing activity expanded at its fastest rate in 12 months following two months of declines. The official manufacturing PMI rose to 50.4 vs February’s 49.0.

Being one of the world’s most oil-import-dependent major economies, Japan’s benchmark Nikkei was hard hit, falling 13.2% in March (+1.4% YTD). At its March meeting, the Bank of Japan (BoJ) left rates unchanged but kept the door open for a hike in April. Japan headline inflation fell to 1.3% in February vs January’s 1.5% – weaker than expected and remaining below the BoJ’s target.

By far the most dramatic single-commodity story of March was the oil price. In early March, Brent crude (+63.3% MoM; +94.5% YTD/) had soared above US$100/bbl, the first time at that level since Russia invaded Ukraine in February 2022. At one point in March, it reached an intraday spike of US$129/bbl before ending the month at US$118.35/bbl. Other commodities came under pressure amid heightened geopolitical tension as investors became increasingly risk-averse over the US/Israel/Iran war. The oil shock, which resulted in inflation fears and markets pricing in higher-for-longer rates, saw gold, a non-yielding asset, becoming less attractive as a firmer US dollar and rising bond yields proved more alluring to investors than the traditional safe-haven assets. After its spectacular run the gold price fell 11.6% MoM (+8.1% YTD), while platinum group metals (PGMs) also recorded big MoM drops – platinum was down 17.5% MoM (-5.2% YTD), palladium -17.2% (-8.6% YTD), and rhodium -14.8% MoM (+10.1% YTD).

Sources: Anchor Capital, BER, Naamsa

SMART TIP

ADVISORS' INSIGHTS

In view of the market turmoil several of our advisors shared their views on how investors should (or should not) respond.

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