BRENTHURST WEALTH

MONTH IN REVIEW | JUNE 2026

LOCAL MARKETS

- JSE UNDERPERFORMS

The JSE underperformed in June, with the JSE All Share Index declining by 3.8% (-4.8% YTD/-3.3% 2Q26). The weakness was largely concentrated in resources stocks, where precious metals shares were the biggest losers as geopolitical risk premiums unwound and commodity prices declined (Resi-10 -16.4% MoM/-15.6% YTD/-20.0% 2Q26). Large index constituents such as Sibanye Stillwater (-28.6%), South32 (-20.1%), Harmony Gold (-15.6%), Gold Fields (-14.1%), and BHP Group (-5.9%) ended June significantly lower.

These losses offset firmer property, financial and industrial shares. In contrast, domestic-focused sectors performed better. The SA Listed Property Index bounced 3.3% MoM (+2.3% YTD/+8.1% 2Q26), financials firmed 2.6% MoM (Fini-15 +5.3% YTD/+6.2% 2Q26), and industrials rose 1.9% MoM (Indi-25 -6.0% YTD/+3.6% 2Q26). The rand weakened by 1.0% MoM (+1.1% YTD/+3.3% 2Q26) against the US dollar, reflecting lower precious metals prices and dollar strength.

Datatec (+20.2%) was June’s best-performing share, driven by company-specific factors. It started the month on a positive footing following impressive FY26 results, which showed that its headline earnings per share rose 56.5% YoY to USc39.9 on gross invoiced income of US$8.5bn. Tiles, flooring and home finishing retailer Italtile (+19.8%) was second, with diversified logistics, dealership and fleet management company Super Group (+16.6% MoM), which is listed on the JSE and in the US, in third place.

Thermal coal exporter Thungela Resources (-35.8% MoM) was June’s worst performer by some distance. Thungela was up 49.3% in the year to end May as coal rallied sharply during the Iran war as a substitute energy source. However, with a ceasefire taking hold and oil prices dropping, the price of coal retreated in tandem, removing the war premium that had buoyed Thungela’s share price.Thungela was followed by Pan African Resources (-29.1% MoM) and Sibanye Stillwater (-28.6% MoM) in second and third place.

INFLATION HIGHER, BLEAK UNEMPLOYMENT NUMBERS

SA headline inflation rose to 4.5% YoY in May, up from 4.0% in April. The increase reflects the ongoing pass-through of the global oil price shock into domestic prices. Core inflation, excluding food, fuel and energy, climbed to 3.8% YoY from 3.6%. Real GDP growth edged higher to 0.5% QoQ in 1Q26, up from 0.4% in 4Q25, while annual growth accelerated to 1.9% YoY.

The outcome exceeded market expectations of 0.3% QoQ and 1.8% YoY growth, respectively, indicating slightly stronger-than-anticipated economic momentum in the early part of this year.

South Africa has lost 121,000 jobs over the past 12 months, with the latest Quarterly Employment Survey from Stats SA painting a bleak picture for workers and consumers.

According to Stats SA, total employment decreased by 121,000 or 1.1% year-on-year between March 2025 and March 2026. Employment decreased by 80,000 or 0.8% quarter-on-quarter, from 10,548,000 in December 2025 to 10,468,000 in March 2026.

POLICY UNCERTAINTY INDEX FURTHER INTO NEGATIVE TERRITORY

Not unexpectedly, in the light of recent negative geopolitical developments in the Middle East, the second quarter 2026 policy uncertainty index (PUI), compiled by NWU Business School, rose to 81.9 from 77.8 in first quarter 2026, thus moving further into negative territory (baseline 50). The recent Memorandum of Understanding between the US and Iran has been a positive factor for the world economy, but it came too late in the second quarter to make a real difference.

VEHICLE SALES CONTINUE UPWARD TREND

In June 2026, sales in South Africa's new-vehicle market increased 15.3% year on year to 54 482 units, representing not only the local industry's 21st consecutive month of year-on-year growth but also its strongest June performance since 2007.

The 2nd highest total of the year thus far, June 2026's figure furthermore represented a 6.7% month-on-month improvement over May 2026. However, new-vehicle export volumes decreased 6.9% year on year (though increased 15.2% month on month) to 33 879 units.

INTERNATIONAL MARKETS

- OIL, AI AND THE ONGOING IRAN ISSUE WEIGH ON MARKETS

Global equity markets entered June at record highs, but investor sentiment shifted as the month progressed, with markets contending with a combination of sticky inflation, uncertainty around the US Federal Reserve (Fed) leadership change, AI-valuation jitters, and Middle East peace fragility. The Iran conflict, which has roiled energy markets for the past four months, lurched through another cycle of ceasefire euphoria and military flare-ups. At the same time, the global AI/semiconductor unwind (concentrated in the Nasdaq but also spilling into Asian chip counters) ran parallel to the geopolitical news flow. Against this backdrop, global equities experienced a modest pullback with the MSCI World Index declining by 0.8% MoM (+8.9% YTD/+13.3% 2Q26). Still, towards the end of June, improving sentiment around US-Iran tensions and renewed strength in mega-cap technology shares helped markets recover some of their earlier losses.

US economic data released in June reflected a mixed picture. May headline inflation accelerated to 4.2% YoY vs April's 3.8% print, the highest since April 2023. Core inflation, which excludes food and energy, increased to 2.9% YoY from 2.8% previously, well above the Fed's 2% target. The data indicated that much of the inflation surge came from a 3.9% YoY jump in energy prices, putting the 12-month increase at 23.5%. Despite inflation pressures, US economic growth remained resilient. Final 1Q26 GDP data showed the economy expanded at an annualised pace of 2.1%, ahead of previous estimates. At its June meeting, Trump appointee Kevin Warsh's first as chair, the Fed held rates steady but updated quarterly projections highlighted that nine Fed officials anticipate a rate hike by the end of this year.

A rotation away from tech stocks gathered momentum, with AI capex concerns and macro risks driving US equity market volatility. The tech-heavy Nasdaq fell by 2.8% in June but recorded an impressive 2Q26 (+21.4%) and its best first half since 1986 (+12.8% YTD). The S&P 500 also declined (-1.1% MoM), as investors shifted towards defensive and industrial sectors, but posted its strongest first-half performance since 2021 (+9.6% YTD) and its largest quarterly gain since 2020 (+14.9% in 2Q26). The Dow Jones was the strongest performer among the major US indices, gaining 2.5% in June and reaching a record high (it has notched 19 record highs to end June 2026). The Dow also posted its best 1H performance since 2021, jumping 8.9% (+12.9% in 2Q26).

EXCEPT FOR GERMANY, EUROPEAN AND UK MARKETS CLOSE HIGHER

European equity markets tracked the global AI/tech sell-off and ceasefire headlines closely but were somewhat cushioned by less tech exposure vs their US counterparts. The Euro Stoxx 50 rose 4.6% MoM (+9.3% YTD/+13.6% 2Q26), while France's CAC advanced 2.7% MoM (+3.1% YTD/+7.5% 2Q26), and Germany's DAX declined by 0.4% MoM (+2.1% YTD/+10.2% 2Q26). May eurozone inflation rose to 3.2% vs April's 3.0%, again primarily driven by energy price inflation (+10.9% YoY). As a major net energy importer, Europe is especially vulnerable to energy shocks.

June was another volatile month in UK equity markets, with the FTSE 100 advancing only 0.8% (+5.7% YTD/+3.2% 2Q26). May UK inflation was unchanged at 2.8% YoY as slowing food prices offset rising transport costs. In late June, UK Prime Minister Keir Starmer announced his resignation as Labour Party leader, following mounting political pressure, internal party disputes, and a collapse in approval. He is the sixth British PM to have resigned in the past decade – an unprecedented era of political instability following the 2016 Brexit referendum.

ASIAN MARKETS MIXED, JAPAN SHINES

In China, equity markets were more mixed and choppier, with mainland China outperforming Hong Kong as the Hang Seng saw a sharp reversal from its strong 2025 performance, largely on the back of the same AI/semiconductor derating hitting US and European markets. The Shanghai Composite was up 0.6% MoM (+3.2% YTD/+5.2% 2Q26), but the Hang Seng dropped by 9.1% MoM (-10.7% YTD/-7.7% 2Q26). June's official manufacturing Purchasing Managers' Index (PMI) printed at 50.3 vs May's 50, above the 50-point mark that separates expansion from contraction.

Japan was again the standout performer, largely shrugging off the mid-June AI wobble as the benchmark Nikkei soared 5.6% (+39.2% YTD/+37.2% 2Q26), hitting fresh highs repeatedly during June. The equity market's resilience has been underpinned by AI/semiconductor-related strength (memory chips especially), fiscal stimulus, and corporate reform tailwinds that have outweighed other concerns.

Headline inflation printed at 1.5% in May vs April's 1.4%. The Bank of Japan hiked rates to 1%, the highest level since 1995, as yen and inflation worries take hold.

Brent crude oil ended June 20.8% lower MoM (+19.8% YTD/-38.5% 2Q26) at US$72.92/bbl. Crude prices initially tumbled on easing supply concerns as more oil tankers transited the Strait of Hormuz, but renewed attacks between Iran and the US late in the month ignited oil price concerns before prices slipped again at month-end as tensions eased after the two countries agreed to halt hostilities. Gold (-11.7% MoM/-7.2% YTD/-11.6% 2Q26) was notably weaker while platinum group metals remained under pressure. Platinum dropped 19.1% MoM (-24.7%YTD/-20.6% 2Q26), with palladium down 10.9% MoM (-25.2% YTD/-17.9% 2Q26) and rhodium falling by 11.9% MoM (-15.5% YTD/-24.0% 2Q26).

SMART TIP

TAKE NOTE OF NEW SARS REQUIREMENT FOR INTERNATIONAL TRAVEL

The **South African Revenue Service (SARS)** has announced that from Wednesday, 1 July 2026, any travellers **entering or leaving South Africa must submit an online traveller declaration** before they travel. The new travel rules form part of the digital 'travel pass' piloted at airports in South Africa back in 2022.

As part of a modernisation programme, SARS implemented the South African Traveller Management System (SATMS) on a pilot basis at select airports that year. It was later expanded to sea and land ports. During the pilot phase, the system operated on a voluntary basis, but it has now become a mandatory.

Sources: Anchor Capital; BusinessTech; NWU Business School

CONTACT ANY OF OUR HIGHLY QUALIFIED FINANCIAL ADVISORS AT OUR NINE OFFICES COUNTRYWIDE TO DISCUSS YOUR INVESTMENT STRATEGY

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