



LOCAL MARKETS

- GLOBAL EVENTS IMPACT JSE

The JSE came under significant downward pressure in September, reflecting global macroeconomic headwinds and weakness across several commodities. The JSE All Share Index dropped 6.7% (-6.3% YTD/-1.6% 3Q26). A major contributor to the decline was the sharp correction in gold and platinum group metals prices, amid concerns about the outlook for global commodity demand. The broader risk-off environment, geopolitical tensions and higher oil prices added to the pressure, while subdued consumer spending remained a challenge for SA-focused businesses.

Resources were the weakest major sector, with the Resi-10 down 10.9% MoM (-3.6% YTD/+11.7% 3Q26). Financials and industrials also declined, with the Fini-15 falling 4.4% (+0.1% YTD/-6.0% 3Q26) and the Indi-25 closing 5.9% lower (-16.4% YTD/-11.3% 3Q26). The SA Listed Property Index edged 0.3% higher (+0.4% YTD/-3.6% 3Q26). The rand weakened by 1.9% against the US dollar (+0.8% YTD/+0.5% 3Q26).

Montauk Renewables' share price has seen strong upward momentum over the past three months but surged 67.6% in September to become the month's strongest performer. Montauk was followed by mid-tier miner and construction materials supplier, Afrimat (+23.7% MoM), and fertiliser and explosives Group, Omnia Holdings Ltd (+23.4% MoM) in third place.

In contrast to August, several of the JSE's big-name mining companies came under pressure as global commodity prices corrected. Gold Fields was September's worst-performing share, declining 19.4% MoM. Sappi was in second place with a share price decline of 14.9% MoM, and in third place AngloGold Ashanti (-14.6% MoM).

South Africa's (SA) August inflation printed softer than expected, with headline inflation at 4.4% vs 4.3% in July, while core inflation eased to 4.1% from 4.2%. However, the inflation outlook has become more challenging, particularly given higher oil prices and emerging risks to food inflation. Against this backdrop, the South African Reserve Bank (SARB) raised the repo rate by 25 bpts to 7.25% at its meeting on 23 September, in line with market expectations. The decision was unanimous and follows the MPC's decision to leave rates unchanged in July.

MANUFACTURING AND BUSINESS ACTIVITY DECLINES

South Africa's manufacturing sector suffered a setback in August, with production falling by 4.3% year-on-year after climbing 1.1% in July. The decline fell below market expectations of a 0.4% increase and was accompanied by a 3.1% month-on-month contraction in seasonally adjusted production, Statistics South Africa (Stats SA) said.

The result was consistent with the weakness seen in the Absa Purchasing Managers' Index (PMI) during August, when the index fell to 45.8 points.

The PMI, compiled by the Bureau for Economic Research (BER), showed a deterioration in business activity and new sales orders, with manufacturers reporting subdued demand, weak consumer confidence and softer spending on non-essential goods.

VEHICLE SALES REMAIN RESILIENT

South Africa's new vehicle market recorded aggregate domestic sales of 61,645 units in September 2026, representing a 12,7% increase compared to the 54,706 units sold during September 2025.

Export sales amounted to 31,473 units during the month, reflecting an 18,8% decrease compared to the corresponding month last year. Of the total reported industry sales of 61,645 vehicles, an estimated 50,171, or 81,4% represented dealer sales, 13,8% sales to the vehicle rental industry, 2,6% government purchases, and 2,2% corporate fleet sales.

The September 2026 new passenger car market registered 44,291 units, reflecting an increase of 14,7% compared to the 38,615 units sold in September 2025. The car rental industry accounted for a sound 18,4% of new passenger vehicle sales during the month.

Domestic sales of new light commercial vehicles, bakkies and minibuses amounted to 14,361 units, representing a 9,6% increase compared to the 13,099 units sold in September 2025.

INTERNATIONAL MARKETS

- A DIFFICULT MONTH FOR EQUITIES

September was a month when the supposedly safest corner of global markets (MSCI World -1.2% MoM/+12.7% YTD/+1.4% 3Q26) became a source of some of the biggest concerns. Investors faced a challenging backdrop of rising borrowing costs, currency interventions, geopolitical tensions, oil prices moving back above US\$100/bbl and renewed debate about the risks associated with AI. Yet it was US government bonds, traditionally the ballast in diversified portfolios, that delivered the biggest shock. The US 10-year Treasury yield peaked above 5.0% late in the month, reaching its highest level since before the 2007–2008 global financial crisis (GFC), while yields in Japan, Germany, France, and the UK also reached multi-year highs.

Equity markets proved more resilient, supported by robust corporate earnings and continued enthusiasm for AI, although rising yields and oil prices triggered late-month volatility and renewed inflation concerns. Overall, September once again lived up to its reputation as a difficult month for equities (the so-called September Effect), but the more significant development was arguably unfolding in the bond market.

US equities were broadly weaker last month, with the key backdrop being a shift in expectations around US Federal Reserve (Fed) policy and renewed focus on the impact of higher rates on equity valuations. The three major US indices delivered a mixed month. The tech-heavy Nasdaq (+1.6% MoM/+15.6% YTD/+2.5% 3Q26) ended higher, while the S&P 500 (-0.5% MoM/+11.8% YTD/+2.0% in 3Q26) and the Dow (-4.3% MoM/+5.9% YTD/-2.7% in 3Q26) lost ground.

In US economic data, August headline inflation was unchanged vs July at 3.4% YoY, while core inflation, excluding food and energy, eased to 2.4% from July's 2.5%. The Fed's preferred inflation gauge also showed some moderation, with August core personal consumption expenditure (PCE), excluding food and energy, rising 3.0% YoY vs 3.3% in July. The US economy continued to show resilience, with 2Q26 GDP revised higher to 2.2% YoY from an earlier estimate of 1.5%, supported by increases in consumer and government spending and investment. The Fed delivered a 25-bpt rate hike mid-month, with hawkish commentary and mixed economic data raising expectations for an additional hike this month.

EUROPEAN AND UK STOCKS WEAKER

European equity markets (Euro Stoxx 50 -2.2% MoM/+11.0% YTD/-1.0% 3Q26) experienced a volatile and weaker September, recording their first monthly decline in six months as higher borrowing costs and renewed inflation concerns weighed on sentiment. Among the major country benchmarks, Germany's DAX fell 4.0% MoM (+2.9% YTD/+0.8% 3Q26) while France's CAC declined 4.4% MoM (-2.3% YTD/-5.2% 3Q26). The European Central Bank raised rates early in the month and warned that inflation could remain elevated, contributing to higher eurozone sovereign yields and putting pressure on equity valuations. August eurozone inflation accelerated to 3.2% YoY from July's 2.9%, driven primarily by higher energy costs.

UK equities lost ground in September, with the benchmark FTSE 100 Index down 2.0% MoM (+6.8% YTD/+1.0% 3Q26), as higher oil prices and rising bond yields weighed on sentiment. The Bank of England held rates steady at 3.75% mid-month. August inflation rose to 3.1% YoY, a five-month high, driven by transport costs, with motor fuel inflation rising to 23.0% YoY from 15.5% in July.

PRESSURE ON MARKETS IN ASIA

China's equity markets faced renewed pressure in September, with a sharp late-month sell-off pushing indices to multi-month, and in some cases, one-year lows. Weak macroeconomic indicators and geopolitical concerns weighed on sentiment, despite further domestic policy support from Beijing. In the final week of September, ahead of China's Golden Week national holiday, selling intensified. The Shanghai Composite Index fell 3.6% MoM (-3.2% YTD/-6.2% 3Q26), while the Hang Seng shed 3.7% (-3.2% YTD/-6.2% 3Q26). There were, however, some signs of improvement in China's economic data. September's official manufacturing Purchasing Managers' Index (PMI) snapped two months of contractions, rising to 50.1 from 49.8 in August. The 50-point mark separates expansion from contraction.

Japanese equities traded sideways to lower for most of September, as global macroeconomic pressures overshadowed strong domestic corporate earnings. The Nikkei nevertheless ended the month 0.7% higher (+32.6% YTD/-4.7% 3Q26). August headline inflation was unchanged at 1.9% YoY, matching July's print.

A sharp divergence between energy and precious metals characterised commodity markets. Brent crude rose 14.4% MoM (+70.1% YTD/+14.9% 3Q26), supported by the protracted US-Iran military impasse and temporary damage to Saudi Arabia's East-West pipeline, which raised concerns about global energy supply. Precious metals came under pressure as the US 10-year Treasury yield climbed to multi-year highs, increasing the opportunity cost of holding non-yielding assets. Gold declined 6.3% MoM (-3.7% YTD/+2.6% 3Q26), while platinum group metals also experienced a volatile month. Platinum fell 4.5% MoM (-16.7% YTD/+3.7% 3Q26), palladium declined 11.5% (-25.4% YTD/-5.9% 3Q26), while rhodium rose 0.6% (-0.8% YTD).

Sources: Anchor Capital, Business Report, Naamsa

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