BRENTHURST
THE HOME OF WEALTH

MONTH IN REVIEW | MARCH 2025

LOCAL MARKETS
- MINING SHARES DRIVE JSE HIGHER

A flight to safety saw mining shares, especially gold and platinum stocks, outperform and do most of the heavy lifting that secured a higher close for the FTSE JSE All Share Index (+3.1% month on month, +5.4% YTD). The index closed at an all-time high of 90,149.7 on 19 March, while the Capped SWIX ended 3.6% higher MoM (+5.9% YTD). The Resi-10 (+19.5% MoM/+32.3% YTD) accounted for most of the gains, while the rest of the market constituents did not exactly shoot the lights out. Property shares declined (Listed Property Index -1.2% MoM/-3.8% YTD), as did industrials (Indi-25 -0.6% MoM/+3.7% YTD), while financials underperformed (Fini-15 +0.2% MoM/-1.7% YTD). The rand strengthened by 2.0% MoM against a weaker US dollar (+2.8% YTD).

After a dismal performance in February, precious metals miners once again soared in March as the gold price jumped 9.3% MoM, while platinum, palladium and rhodium prices also soared (up 5.1%, 7.4%, and 20.6% MoM, respectively). Trump's tariff plans and his unpredictability around trade and foreign policy buoyed demand for safe-haven assets, which in turn saw the gold price rally strongly. Sibanye Stillwater, which mines and processes platinum group metalss, gold, and copper, and gold miner Harmony shared the top-performing share spot with impressive 47.9% MoM gains. Impala Platinum was in third place and gained 42.9% month on month.

Montauk Renewables, which specialises in management, recovery and conversion of biogas into green energy and is also listed on the Nasdaq, was March's worst-performing share – down 44.6% MoM. Montauk was followed by Curro (-27.6% MoM) in second place and MAS P.L.C (-19.2% MoM) coming third.

INFLATION AND INTEREST RATE UNCHANGED

In economic data, the SA economy exhibited modest 4Q24 growth, with GDP expanding 0.6% QoQ, following a slight contraction (-0.1%) in 3Q24. GDP grew 0.6% for the full year. February headline inflation was unchanged at 3.2%, while core inflation eased for a fifth consecutive month to 3.4% YoY vs 3.5% in January. In line with expectations, the SARB's Monetary Policy Committee (MPC), at its March meeting, decided to keep the repo rate unchanged at 7.5%. Similar to its January statement, the SARB placed considerable emphasis on the ongoing volatility in the global economic environment. After being delayed in February, the Budget was presented on 12 March, eliciting mixed reactions from the market and reflecting a complex balancing act by the government.

SA’s trade balance returned to surplus territory in February, with a preliminary trade surplus of R20.9bn, according to data released by the SA Revenue Service (SARS). A surplus means the country sold more goods to other countries than it bought from them in February, which is good news for the economy.

POLICY UNCERTAINTY INDEX AT RECORD HIGH

In response to various global and domestic developments over the past few months, the NWU Business School‘s 1Q 2025 Policy Uncertainty Index (PUI), as largely expected, rose much further into negative territory - to 78.6 from 65.7 in 4Q 2024 (baseline 50). This is a record high for the PUI. Persistent negative factors again outweighed positive ones. Professor Raymond Parsons of the Northwest University Business School, publisher of the index, said after it was announced that although the PUI is now much further in negative territory, there were also positive factors present in the economic picture. A number of trends are supportive of SA’s current economic and business outlook. Inflation is now generally expected to remain well anchored around the SARB’s inflation mid-point of 4.5% and interest rates have recently been reduced.

ANOTHER GOOD MONTH FOR MOTOR INDUSTRY

Against considerable odds, South African new-car sales are on a roll. Figures published by motor industry association Naamsa showed that 33,447 cars were sold in March. That was 25.2% more than the 26,691 of March 2024. After the first quarter of 2025, aggregate new car sales stood at 102,268 — 20.6% more than the 84,775 at the same stage last year.

Combined sales of cars and commercial vehicles last month numbered 49,493 — a 12.5% improvement on the 43,989 of March 2024. This means that at the end of the first quarter of 2025, the aggregate market was 144,426 — 10.5% ahead of the 130,735 at the same stage last year.

INTERNATIONAL MARKETS

- TRUMP TARIFFS CAUSE CHAOS ON GLOBAL MARKETS

Most major global equity markets continued to struggle in March (MSCI World -4.4% MoM/-1.7% YTD) as unprecedented policy uncertainty surrounding on-again/off-again tariffs resulted in Trump administration-induced market turmoil. In addition, increasing US recession fears, coupled with frothy valuations, inflation, and weak consumer sentiment, have resulted in a potent negative cocktail for equity markets, with investors having to digest uncertainty and policy changes almost daily. Selling pressure once again increased towards month-end after US President Donald Trump signed an order to implement a 25% tariff on all auto imports, which is expected to disrupt operations for North American automakers and raise prices for US consumers. Trump called the tariffs “permanent” and said that his reciprocal tariff plan would start with “all countries” on 2 April. The CBOE Volatility Index (VIX), a measure of the US stock market’s volatility, soared as high as 29.57 in March, closing the month at 22.28 vs end December’s 17.35.

US markets have broadly underperformed since Trump’s return to the White House, with the three major US averages posting a dismal 1Q25 performance and significant monthly losses. The S&P 500 was down 5.8% MoM (-4.6% YTD), and the Dow fell by 4.2% (-1.3% YTD). The tech-heavy Nasdaq was the worst performer for the month – ending 8.2% lower (-10.4% YTD).

February headline inflation, as measured by the Consumer Price Index (CPI), printed at 2.8% YoY – cooling slightly more than expected (although it does not yet reflect the inflationary impact of Trump's tariffs) and vs January's 3.0% print. Core CPI, excluding food and energy, rose 3.1% YoY vs January's 3.3%. March consumer confidence dropped to the lowest level in four years on concerns about higher prices and the economic outlook amid the Trump administration's tariffs push. February core personal consumption expenditure (PCE), excluding food and energy, the US Federal Reserve's (Fed) preferred inflation gauge, printed at 2.8% YoY – up from January's 2.6% and the highest level since January 2024. As expected, the Fed kept rates on hold at its March meeting. Committee members lowered their GDP forecasts for 2025 and now see inflation rising more than they assessed just 3 months ago.

EUROPEAN AND UK MARKETS LOWER

European equity markets recorded their first MoM decline this year, reflecting the potential negative impact of Trump's tariffs obsession. Still, YTD, Europe has emerged as an attractive alternative to the US amid a surge in Euro-optimism. For the month, Germany's DAX declined 1.7% (+11.3% YTD), while France's CAC closed 4.0% lower (+5.8% YTD). The euro recorded its strongest monthly performance against the US dollar since November 2022, surging by 4.3% in March as a softer dollar and optimism over the EU's fiscal plans, including increased defence spending and Germany's debt reform, buoyed the currency. February eurozone headline inflation eased to 2.3% YoY vs January's 2.5%, while core inflation was down to 2.6% – the lowest since January 2022.

The UK market also ended March weaker, with the FTSE 100 down 2.6% (+5.0% YTD). February UK inflation slowed to 2.8% from 3.0% in January. Core inflation also slowed – coming in at 3.5% in February vs January's 3.7%.

ASIAN MARKETS SLIGHTLY HIGHER

While heightened concerns ahead of a fresh round of US-imposed automaker tariffs weighed on Asian markets, China's stock markets ended the month slightly higher on the back of positive policy signals from Beijing and the possibility of new tech innovations after DeepSeek. Hong Kong's Hang Seng rose 0.8% (+15.3% YTD), while the Shanghai Composite rose 0.4% (-0.5% YTD). China's official March manufacturing PMI continued to expand, coming in at 50.5 (the highest since March 2024) vs February's 50.2. The non-manufacturing PMI, which includes services and construction, climbed to 50.8 from 50.4 in the prior month. A reading above 50 reflects expansion, while below 50 suggests contraction.

Japan's benchmark Nikkei tumbled to its lowest level since September 2024 on 31 March, ending 4.1% lower MoM (-10.7% YTD) as concerns over the adverse impact of US tariffs on Japan's economy mounted. As an aside, Japan, South Korea, and China held their first economic dialogue in five years on 30 March, seeking to facilitate regional trade as they brace for Trump's tariffs. Japan's February core inflation printed at 3.0%, down from January's 3.2% YoY but surpassing expectations and reinforcing concerns about persistent price pressures.

BEST QUARTER FOR GOLD SINCE 1986

In commodities, on the back of escalating global trade tensions and heightened US tariff threats, investors flocked to safe-haven assets in March, resulting in the gold price (+9.3% MoM/+19.0% YTD – its best quarter since 1986) reaching a new record high of US$3,145/oz. Among platinum group metals (PGMs), platinum rose 5.1% MoM (+9.9% YTD), palladium advanced by 7.4% MoM (+8.6% YoY), and rhodium gained 20.6% MoM (+24.6% YTD). Brent crude rose by 2.1% MoM (+0.1% YTD) on concerns that oil supplies could decline if Trump follows through on threats to impose more tariffs on Russia and possibly attack Iran.

Sources: Anchor Capital; Business Day; Northwest University

SMART TIP

VIEW OUR PREVIOUS WEBINARS FOR STRATEGIES TO BUILD GLOBAL WEALTH

NOTE: Brenthurst presented a series of successful seminars in March. Many clients and prospective clients were unable to attend and asked for a recording of the events. The events were not recorded but do view our webinars to learn more about our strategies to build global wealth.

CLICK HERE TO WATCH PREVIOUS WEBINARS

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

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