

## PCAM Perspectives: Monthly market review

April 2025

by PCAM Investment Team

**All Share: 2024/03/31 to 2025/03/31**



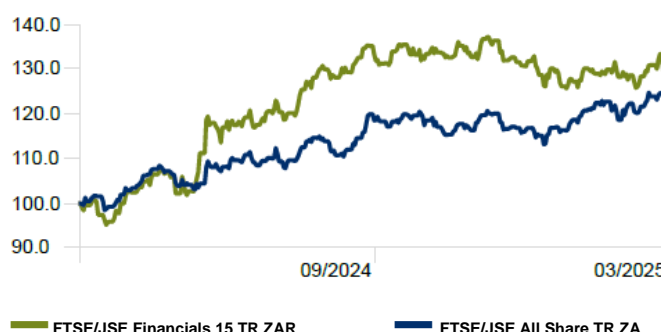
**Resources: 2024/03/31 to 2025/03/31**



**Industrials: 2024/03/31 to 2025/03/31**



**Financials: 2024/03/31 to 2025/03/31**



### Local market: A strong end to Q1

The All-Share Index (ALSI) finished the first quarter of 2025 on a strong note, gaining 3.55% in March. This pushed its year-to-date (YTD) performance up to +5.9%. The rand also strengthened against the US dollar, ending the month at R18.34 to the dollar.

Resources were the standout performers for the month, surging 20.9% in March and ending Q1 with a remarkable 33.7% gain. Within this sector, platinum stocks staged a significant rebound from the dampened start to the year. Implats climbed 42.9%, while Northam Platinum posted a 35.4% gain. This was driven by an 8.3% increase in platinum prices, which rose to \$1,010/oz on expectations of a larger than anticipated supply deficit.

Gold stocks continued their strong run, supported by ongoing global uncertainty and geopolitical tensions, particularly around international trade. Harmony Gold was a standout performer, gaining 47.9% in March and ending the quarter up 76.9%, as gold prices broke above the \$3,100/oz mark. Gold Fields also performed well, adding 27% to their month-on-month (MoM) performance and bringing their YTD performance up to 67%, despite the failed acquisition of Gold Road and some concerns over the potential capital allocation risk that came with this.

Standard Bank delivered a strong performance in March, gaining 10%. This followed a 4% rise in headline earnings per share (HEPS) for the 2024 financial year, with new medium-term HEPS growth targets set between 8% and 12%. Management also reaffirmed their strategic focus on areas of clear competitive advantage, highlighting ambitions to

lead Africa's energy and infrastructure development, while also prioritising building Africa's premier private bank, and maximising their diversified portfolios value.

On the downside, the FTSE/JSE Consumer Discretionary Index declined 9.4% in March, weighed down by concerns over a proposed VAT increase announced in the still contentious budget and questions around the sustainability of the recent pause in load shedding. A large detractor of this index was Richemont (CFR), which fell 15.1% in March, following a strong rally earlier in the quarter. Despite the pullback, Richemont still closed Q1 up 14.2%.

## **Monetary Policy Update**

The South African Reserve Bank's (SARB) Monetary Policy Committee (MPC) held the repo rate steady at 7.5% after their March meeting. Four members supported the hold, while two voted for a 25bps cut.

In their statement, the MPC cited global economic instability and local uncertainty as reasons for taking a cautious stance. Governor Lesetja Kganyago noted that although inflation risks remain, due to global developments, domestic inflation is currently well contained. It remains below the midpoint of the SARB's target range, with expectations anchored close to the midpoint.

The SARB forecast headline inflation at 3.6% for 2025 and 4.5% for 2026 following the meeting, supported by expectations of lower fuel prices and reduced increases in administered prices. They still anticipate a total of 50bps in rate cuts during the year, although the exact timing remains uncertain.

## **Budget 2.0: A Wobbly Rollout**

The revised budget speech delivered in late March was broadly market-friendly and met expectations. It maintained a commitment to primary fiscal surpluses and debt stabilisation. The most notable revision from the original 19th of February version was a smaller VAT increase: 1% to be implemented in two phases, 0.5% in May 2025 and another 0.5% in April 2026.

Additional adjustments included:

- No inflation-linked adjustment to personal income tax brackets
- Some spending cuts
- Slightly higher deficit and debt ratio

Despite its pragmatic tone, the revised budget faced political hurdles. Members of the GNU coalition, particularly the DA, opposed the VAT hike, citing its disproportionate impact on poorer households. Nevertheless, the budget passed in Parliament by a narrow margin of 194 votes to 184, highlighting concerns over the coalition's long-term stability. This saw a widespread market sell-off to kick-start the second quarter as investors were hesitant with regards to the South African economy's forward trajectory with an unstable GNU amid rising global tensions and uncertainty.

## **AGOA Uncertainty and the Auto Industry Impact**

South Africa exports roughly US\$1.9 billion worth of vehicles annually to the US under AGOA, which provides tariff-free access for eligible African countries. The future of AGOA is uncertain, following the actions of the Trump administrations increased global trade policy pressure.

The tariff-free access, which plays a critical role in South Africa's auto manufacturing sector is set to expire in September 2025. South African vehicles are the country's second-largest export to the US (after precious metals), accounting for 22% of total US-bound exports. Major automakers operating in South Africa under AGOA include BMW, Ford, Isuzu, Mercedes-Benz, Nissan, Toyota and Volkswagen.

Industry leaders have expressed serious concerns over the potential loss of AGOA benefits. Billy Tom, head of the Automotive Business Council (Naamsa), warned of the devastating impact that could follow the non-renewal of this agreement, noting that 86,000 jobs are directly tied to AGOA-related exports, with an additional 125,000 jobs in related industries, such as subcontracting and component manufacturing.

## **Global markets: Navigating global markets**

### **Weak end to Q1 for the US market**

The S&P and Nasdaq both ended the first quarter of 2025 on a weak note, falling 5.6% and 8.1% in March and ending the quarter down 4.3% and 10.3% respectively. The Magnificent Seven also faced a tough month, with stocks such as Microsoft, Amazon and Nvidia down 10.9%, 13.3% and 19.3% respectively. This downward trajectory was largely driven by investor concerns around aggressive U.S. trade policies, tariffs, and heightened competition in the artificial intelligence space following the news of China's DeepSeek AI model gaining traction. Although there were initial fears that DeepSeek's efficiency might dampen chip demand, Nvidia's share price managed to claw back some losses as

H2O chip orders surged in China. This was off the back of local firms adopting DeepSeek’s models, yet still showing a sustained appetite for advanced semiconductors, alleviating fears of a major demand drop-off.

### Pressure on consumer cyclicals

Consumer cyclical stocks also ended the quarter under pressure. Nike was down 20.1% in March and 16.1% YTD, LVMH declined 17.7% in March and 10% YTD, as well as Kering SA, which saw a sharp 29.6% month-on-month drop leaving the counter down 20% since the start of the year. This weakness stemmed from growing concern around tariffs and trade friction, building up to President Trump’s reciprocal tariff announcement on the 2nd of April – Liberation Day.

### Positive signs from the Chinese manufacturing sector

Meanwhile, there were positive signs coming out of China. The Caixin China General Manufacturing PMI rose to 51.2 in March from 50.8 in February, slightly surpassing expectations of 51.1. This marked the highest reading since November 2024, signalling an acceleration in output growth supported by a sustained rise in new orders and stronger demand conditions. Chinese foreign sales posted their biggest increase in 11 months and firms responded by boosting inventory purchases. Input prices declined for the first time in six months due to falling raw material costs, and this translated into lower output prices for the fourth month in a row amid strong market competition. However, business confidence dipped as firms remained cautious about rising global trade tensions, which continue to drive global market uncertainty.

### Eurozone: ECB rate cuts, inflation projections and signs of resilience to end the month of March

In Europe, the European Central Bank (ECB) cut its three key interest rates by 25 basis points, bringing the deposit facility rate down to 2.50%, the main refinancing rate to 2.65% and the marginal lending rate to 2.90%. This marked the sixth rate cut of the cycle, totalling 150 basis points in reductions. The ECB’s decision was guided by a reassessment of the inflation outlook and the effectiveness of monetary policy transmission. Inflation is now projected to average 2.3% in 2025, 1.9% in 2026 and 2.0% in 2027, with core inflation edging closer to the central bank’s 2% target. However, growth expectations were revised downward, with the economy expected to expand by just 0.9% in 2025 and 1.2% in 2026.

Towards the end of March, the EU showed signs of economic resilience. Business activity across the region reached its highest level in seven months, driven largely by an uptick in German manufacturing output. The HCOB Eurozone Composite PMI rose slightly to 50.4 in March from 50.2 in February, marking the third straight month of modest expansion. Germany recorded its strongest growth in private sector activity since May 2024, following parliamentary approval of a fiscal package that significantly increased government spending on defence, energy and infrastructure.

### Fun fact for the month of March

The terms 'bear' and 'bull' in financial markets originate from the way these animals fight. A bear typically swipes downward with its claws, symbolizing the decline seen in bear markets. In contrast, a bull thrusts upward with its horns, illustrating the upward momentum of a market rally.

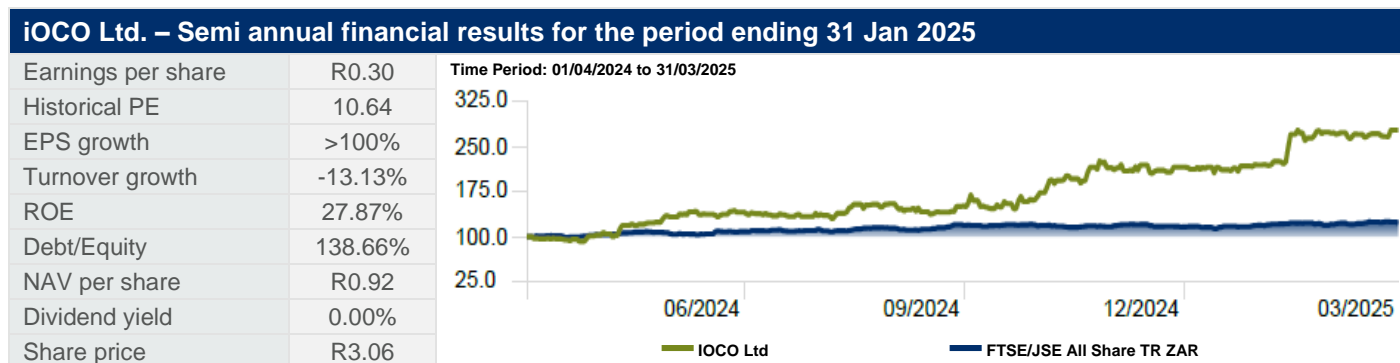
### Market indicators

Index	Value	March (%)	YTD (%)
All Share	88,637	▲ 4%	▲ 6%
S&P 500	5,612	▼ -6%	▼ -4%
FTSE 100	8,583	▼ -2%	▲ 6%
Rand/USD	18.392	▼ -1%	▼ -3%
Rand/GBP	23.739	▲ 2%	▲ 0%
Gold (\$)	3,123	▲ 10%	▲ 19%
Platinum (\$)	1009.7	▲ 8%	▲ 13%
Brent Crude (\$)	74.74	▲ 2%	▲ 0.1%

### CCM rates

Fund	Balance	Rate
CALL ACCOUNT	0.00 – 9 999.99	7.15%
	10 000 – 24 999.99	7.15%
	25 000 – 49 999.99	7.15%
	50 000 – 99 999.99	7.15%
	100 000 – 249 999.99	7.15%
CALL MONEY FUND: <i>Individuals</i>	250 000 – 999 999.99	7.33%
	1 000 000 – 9 999 999.99	7.33%
	10 000 000 upwards	7.33%
CALL MONEY FUND: <i>Non-individuals</i>	250 000 – 999 999.99	7.03%
	1 000 000 – 9 999 999.99	7.03%
	10 000 000 upwards	7.03%

## Company results



### Nature of business

iOCO Ltd. engages in the provision of information and communication technology solutions. It operates through the following segments: iOCO International, NEXTEC Legacy, and EasyHQ. The company was founded in 1998 and is headquartered in Sandton, South Africa.

### Latest results

The Company was pleased to present its first set of financial results under the new iOCO name, following the name change from EOH Holdings Limited to iOCO Limited on 11 December 2024. This name change reflected a revitalised Group, underpinned by disciplined planning, strategic execution, and a strong focus on value creation. For the six months ended 31 January 2025 (HY2025), EBITDA increased by 159.3% to R252 million from R97 million in HY2024. Headline earnings per share (HEPS) rose to 19 cents, compared to a loss of 11 cents per share in HY2024. Total cash generated from operations grew to R302 million, up from R201 million in HY2024. Although group revenue, excluding non-recurring sold entities, declined by 6.4% to R2.7 billion, gross profit increased by 2.8% to R823 million, resulting in an improved gross margin of 30%, up from 27%. The Group's streamlined structure, now operating across five companies, has enabled reinvestment in growth and geographic diversification, positioning iOCO for market share expansion and cost efficiency gains, which are reflective in the HY2025 performance.

With a largely rehabilitated balance sheet, the arrival of a well-aligned management team, and a return to profitability supported by strong working capital management and cash generation, we believe this business is well-positioned for long-term value creation. Upcoming share buybacks, as a capital allocation tool, further strengthen our conviction that the company's rebranding and new leadership will drive shareholder value over the medium to long term.

### Dividend

iOCO does not currently pay a dividend, which is typical among technology companies that prefer to rather reinvest in the business to remain competitive and drive innovation.



### Nature of business

Airbnb, Inc. engages in the management and operation of an online marketplace. Its marketplace model connects hosts and guests online or through mobile devices to book spaces. The company was founded by Brian Chesky, Nathan Blecharczyk and Joseph Gebbia in 2007 and is headquartered in San Francisco, CA.

### Latest results

Airbnb is a fundamentally strong company that has grown from strength to strength over the last few years. They have a wide moat business which leverage a network effect. Since their 2020 IPO, their revenue and gross book value (GBV) have tripled and in 2024, they successfully outpaced the growth of the broader travel industry. As a result, Airbnb's revenue surpassed \$11 billion in 2024, driven by strong demand, a relatively modest increase in the Average Daily Rate,

as well as an increase in monetisation efforts which included expansion of guest travel experience and an introduction of an additional fee for cross-currency bookings.

These efforts filtered down into an 11% increase year-over-year in adjusted EBITDA, totalling to \$4 billion in 2024 and representing an adjusted EBITDA margin of 36%. Consequently, Airbnb generated \$4.5 billion in FCF (free cash flow) in 2024, highlighting the strength of their cash generating business. Although market concerns of a tariff induced recession in 2025 has put pressure on travel equities, we believe that this is an opportune time to buy the best-in-class companies, such as Airbnb, who have a temporary cloud over them. As a result, we remain excited about Airbnb's growth trajectory and its continued delivery of strong performance moving into the future.

## Dividend

Airbnb do not pay a dividend but rather focus on growing the business through the reinvestment of distributable earnings in new growth opportunities.

## Snippets

### Trade Wars and GNU Negotiations

With signature Donald Trump fanfare, the US president delivered his so called 'liberation day' speech on the 2nd of April, announcing a new round of global tariffs. This date was shifted from the 1st of April because of April fool's day. Trump thought that no one would believe what he was going to say! I think he was right on that one - the announcement of sweeping global tariffs caught the world by surprise. This sparked unprecedented uncertainty in the global economy which wreaked havoc in financial markets worldwide.

The US equity market was the worst affected, with the S&P 500 Index selling off -4.8% the day after the announcement. It has now returned -13.5% for year to date and has wiped \$10 Trillion off the markets. The tariffs imposed on the imports of goods made in other countries is in fact a tax on the people of the country imposing the tariffs. You will not hear President Trump acknowledge this, especially seeing that the tariffs amount to the biggest tax hike in the US since 1968 – effectively a 22% additional tax on US companies and citizens. Nice to know that SA is not the only country adept at scoring own goals!

On Wednesday night, Trump partially climbed down from last week's tariff announcement. While the 10% across-the-board tariff will remain, the country-specific tariffs have been postponed for 90 days, unless other countries retaliate with their own tariffs on the US. As expected, China retaliated, and the US tariffs will now increase to 125%. The economic drag from trade policy is likely to be somewhat less than before, and thus the prospect of a recession is a closer call.

[Read the full letter by PCH, Director, Grant Alexander, here.](#)

## Dividends payable

### Dividends in LDT order

Company	Decl	LDT	Pay	Amt	Curr
African Rainbow Minerals Ltd. (ARM)	07-Mar	01-Apr	07-Apr	450	ZARc
Attacq Ltd. (ATTACQ)	11-Mar	01-Apr	07-Apr	44	ZARc
enX Group Ltd. (ENXGROUP)	12-Mar	01-Apr	07-Apr	155	ZARc
FirstRand Ltd. (FIRSTRAND)	06-Mar	01-Apr	07-Apr	219	ZARc
Grindrod Ltd. (GRINDROD)	06-Mar	01-Apr	07-Apr	17	ZARc
Grindrod Ltd. (GRINDROD PREF)	06-Mar	01-Apr	07-Apr	513	ZARc
Hyprop Investments Ltd. (HYPROP)	13-Mar	01-Apr	07-Apr	113.43	ZARc
JSE Ltd. (JSE)	03-Mar	01-Apr	07-Apr	828	ZARc
Metrofile Holdings Ltd. (METROFILE)	03-Mar	01-Apr	07-Apr	4	ZARc
Mondi plc (MONDIPLC)	20-Feb	01-Apr	16-May	46.67	EURc
Merafe Resources Ltd. (MERAPE)	10-Mar	01-Apr	07-Apr	8	ZARc
Motus Holdings Ltd. (MOTUS)	27-Feb	01-Apr	07-Apr	240	ZARc
OUTsurance Group Ltd. (OUTSURE)	14-Mar	01-Apr	07-Apr	88.6	ZARc



Standard Bank Group Ltd. (STANBANK6.5)	13-Mar	01-Apr	07-Apr	3.25	ZARc
Standard Bank Group Ltd. (STANBANK-P)	13-Mar	01-Apr	07-Apr	448.55	ZARc
Sanlam Ltd. (SANLAM)	06-Mar	01-Apr	07-Apr	445	ZARc
ADvTECH Ltd. (ADVTECH)	24-Mar	08-Apr	14-Apr	63	ZARc
AECI Ltd. (AECI)	26-Feb	08-Apr	14-Apr	219	ZARc
Exchange Traded Funds (NAQUAMETF)	03-Apr	08-Apr	14-Apr	11.49	ZARc
AVI Ltd. (A-V-I)	10-Mar	08-Apr	14-Apr	220	ZARc
Exchange Traded Funds (CCPAMETF)	03-Apr	08-Apr	14-Apr	0.35	ZARc
Exchange Traded Funds (CGEAMETF)	03-Apr	08-Apr	14-Apr	0.73	ZARc
Exchange Traded Funds (CESAMETF)	03-Apr	08-Apr	14-Apr	0.35	ZARc
Exchange Traded Funds (CGMAMETF)	03-Apr	08-Apr	14-Apr	0.87	ZARc
Curro Holdings Ltd. (CURRO)	05-Mar	08-Apr	14-Apr	16.6	ZARc
Exchange Traded Funds (COGAMETF)	03-Apr	08-Apr	14-Apr	0.87	ZARc
Exchange Traded Funds (CDIAMETF)	03-Apr	08-Apr	14-Apr	0.92	ZARc
Exchange Traded Funds (EBFAMETF)	03-Apr	08-Apr	14-Apr	3.3	ZARc
Harmony Gold Mining Company Ltd. (HARMONY)	04-Mar	08-Apr	14-Apr	227	ZARc
Homechoice International plc (HOMCHOICE)	11-Mar	08-Apr	14-Apr	97	ZARc
Libstar Holdings Ltd. (LIBSTAR)	18-Mar	08-Apr	14-Apr	15	ZARc
Lighthouse Properties plc (LIGHTPROP)	12-Mar	08-Apr	24-Apr	1.35	EURc
Mpact Ltd. (MPACT)	10-Mar	08-Apr	14-Apr	75	ZARc
Momentum Group Ltd. (MOMENTUM)	20-Mar	08-Apr	14-Apr	85	ZARc
MTN Group Ltd. (MTN GROUP)	17-Mar	08-Apr	14-Apr	345	ZARc
Nedbank Group Ltd. (NEDBANK)	04-Mar	08-Apr	14-Apr	1104	ZARc
Old Mutual Ltd. (OMUTUAL)	18-Mar	08-Apr	14-Apr	52	ZARc
Exchange Traded Funds (PIPAMETF)	03-Apr	08-Apr	14-Apr	5.16	ZARc
Exchange Traded Funds (PMINAMETF)	03-Apr	08-Apr	14-Apr	28.53	ZARc
Quilter plc (QUILTER)	05-Mar	08-Apr	27-May	4.2	GBPp
Resilient REIT Ltd. (RESILIENT)	18-Mar	08-Apr	14-Apr	221.28	ZARc
Exchange Traded Funds (RWGPAMETF)	03-Apr	08-Apr	14-Apr	6.06	ZARc
Exchange Traded Funds (RWGDVPROP)	03-Apr	08-Apr	14-Apr	3.06	ZARc
Exchange Traded Funds (RWESGPROP)	03-Apr	08-Apr	14-Apr	0.7	ZARc
Exchange Traded Funds (RWGLOPROP)	03-Apr	08-Apr	14-Apr	4.55	ZARc
Standard Bank Group Ltd. (STANBANK)	13-Mar	08-Apr	14-Apr	763	ZARc
Sabvest Capital Ltd. (SABCAP)	19-Mar	08-Apr	14-Apr	70	ZARc
Schroder European Real Estate Investment Trust plc (SERE)	18-Mar	08-Apr	15-May	1.48	EURc
Sea Harvest Group Ltd. (SEAHARVST)	04-Mar	08-Apr	14-Apr	22	ZARc
Sun International Ltd. (SUNINT)	17-Mar	08-Apr	14-Apr	237	ZARc
Exchange Traded Funds (TBGIAMETF)	03-Apr	08-Apr	14-Apr	129.6	ZARc
Exchange Traded Funds (VGEAMETF)	03-Apr	08-Apr	14-Apr	0.05	ZARc
Bell Equipment Ltd. (BELL)	28-Mar	14-Apr	22-Apr	160	ZARc
Brimstone Investment Corporation Ltd. (BRIMST-N)	04-Mar	14-Apr	22-Apr	40	ZARc
Exchange Traded Funds (GMFAMETF)	10-Apr	15-Apr	23-Apr	0.37	ZARc
Exchange Traded Funds (LCEAMETF)	10-Apr	15-Apr	23-Apr	4.03	ZARc
Exchange Traded Funds (SMFAMETF)	10-Apr	15-Apr	23-Apr	3.87	ZARc

Namibia Breweries Ltd. (NBL)	28-Mar	16-Apr	14-May	157	NADc
Paratus Namibia Holdings Ltd. (PARATUS NM)	12-Mar	16-Apr	16-May	5	NADc
Absa Group Ltd. (ABSA)	11-Mar	22-Apr	29-Apr	775	ZARc
Absa Bank Ltd. (ABSABANK-P)	11-Mar	22-Apr	29-Apr	3939.66	ZARc
Anglo American Platinum Ltd. (AMPLATS)	17-Feb	22-Apr	29-Apr	6200	ZARc
Barloworld Ltd. (BARWORLD6%P)	04-Apr	22-Apr	29-Apr	6	ZARc
CA Sales Holdings Ltd. (CA SALES)	27-Mar	22-Apr	29-Apr	24.44	ZARc
Choppies Enterprises Ltd. (CHOPPIES)	19-Mar	22-Apr	08-May	1.6	BWPc
Hammerson plc (HAMMERSON)	26-Feb	22-Apr	03-Jun	8.07	GBPp
Stadio Holdings Ltd. (STADIO)	24-Mar	22-Apr	29-Apr	15.1	ZARc
Shaftesbury Capital plc (SHBCAP)	27-Feb	22-Apr	30-May	1.8	GBPp
Supermarket Income REIT plc (SUPR)	03-Apr	22-Apr	23-May	1.53	GBPp
Thungela Resources Ltd. (THUNGELA)	17-Mar	22-Apr	29-Apr	1100	ZARc
Wilson Bayly Holmes - Ovcon Ltd. (WBHO)	04-Mar	22-Apr	29-Apr	300	ZARc
aReit Prop Ltd. (AREIT)	08-Apr	25-Apr	05-May	40	ZARc
Glencore plc (GLENCORE)	19-Feb	25-Apr	04-Jun	5	USDc
SBN Holdings Ltd. (SBN HOLDINGS)	10-Mar	30-Apr	23-May	70	NADc



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