

## PCAM Perspectives: Monthly market review

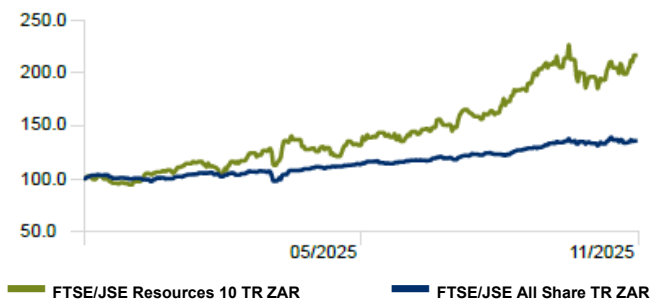
December 2025

by PCAM Investment Team

All Share: 2024/11/30 to 2025/11/30



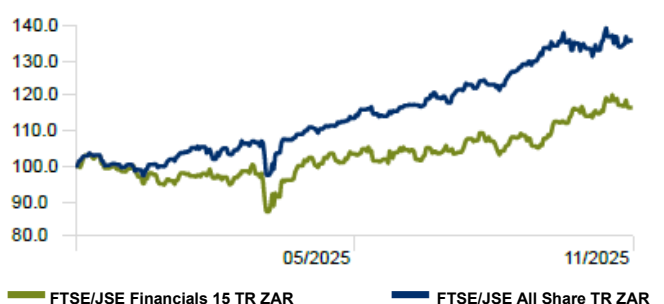
Resources: 2024/11/30 to 2025/11/30



Industrials: 2024/11/30 to 2025/11/30



Financials: 2024/11/30 to 2025/11/30



### Local markets: Resources back in the spotlight in November

The local market gained 1.7% in November, extending what has already been a strong year for the JSE ALSI (All Share Index). Resources led the advance, with the JSE RESI index up 10.4%, supported by strong gains in AngloGold Ashanti (+21.6%), Sibanye Stillwater (+20.6%) and Impala Platinum (+15%) as gold and platinum prices continued to strengthen. Local listed property also posted solid returns, with the FTSE JSE SA Listed Property Index rising 7.7%, driven by notable performances from Redefine Properties (+13%), Resilient REIT (+9.2%) and Growthpoint Properties (+7.3%).

Turning to the bond market, 10-year yields continued to decline - which is supportive of bond prices due to the inverse price-yield relationship - falling 36 bps (basis points) after the SARB (South African Reserve Bank) delivered another 25-bps rate cut. By the end of November, local bonds had delivered an impressive 17% return YTD (year-to-date).

### GDP surprises to the upside after another SARB rate cut

During November, the SARB introduced a new inflation target of 3% with a one-percentage-point tolerance band. The lower target is expected to gradually reduce inflation expectations and create room for lower interest rates over time, supporting household spending, business investment and ultimately economic growth. This policy shift preceded another rate cut a week later, with the SARB's MPC (monetary policy committee) lowering the policy rate to 6.75% at its most recent meeting. The MPC cited that the recent rise in inflation to 3.6% is viewed as temporary with their forecasts

pointing lower next year. This was supported by more favourable assumptions for both the rand and oil prices compared with their forecasts at their previous meeting.

Real GDP data for the third quarter was also released and surprised to the upside, rising 2.1% y/y (year-over-year), up from a revised 0.9% in the prior quarter. The strongest contribution came from a sharp 49.9% y/y surge in agriculture, forestry and fishing. On a seasonally adjusted, non-annualised basis - which provides a clearer view of underlying economic activity trends - the economy grew 0.5% q/q (quarter-on-quarter), marking the fourth consecutive quarter of expansion. This represents the longest stretch of growth since the second quarter of 2021 and indicates that domestic momentum continues to build.

Mining; trade, catering and accommodation; finance, real estate and business services; and general government services each contributed 0.1 percentage points to quarterly growth. Most of the mining gains came from stronger production in PGMs, manganese ore and coal. The volatile agriculture, forestry, and fishing sector's 49.9% yearly growth was driven by increased activity in field crops, horticulture, and animal products. The only sector to record a contraction was electricity, gas, and water, which declined 2.5% q/q, reflecting lower electricity production and consumption.

From a trade balance perspective, the external trade balance deteriorated to a deficit of R70 billion, compared to R50 billion in the second quarter. Exports grew 0.7% q/q, supported mainly by vegetables and mineral products. Imports accelerated at a faster rate, reflecting higher demand for machinery and electrical equipment, mineral products, textiles, as well as animal and vegetable fats and oils.

## **Global markets: A tepid November**

November was a relatively soft month for global equity markets. Broad indices including the S&P 500, Euro Stoxx 50 and FTSE 100 posted modest gains of 0.2%, 0.3% and 0.4% respectively. In contrast, Asian markets traded mostly lower with the Nikkei falling 4.1% and the Hang Seng closing moderately lower (-0.2%).

### **Tech weakness and volatility defined November**

The third-quarter earnings season, which concluded in October, highlighted strong corporate performance, with 81% of S&P 500 companies reporting earnings beats. Despite this, November proved challenging for many US tech stocks, with Oracle, Nvidia, Salesforce and Microsoft closing the month down 23.1%, 12.6%, 11.5%, and 5% respectively. Investor caution grew around a potential AI bubble and stretched valuations among several mega-cap names. Strong results from Nvidia were not enough to ease concerns as markets questioned whether earnings expectations had become overly optimistic. This sentiment spilled over into global markets, particularly in Asia, where tech-heavy indices in Taiwan and South Korea experienced steeper declines.

Amid a difficult trading environment for many of the US tech stocks, Alphabet stood out, outperforming its "Magnificent Seven" peers, closing November 13.9% higher. Positive sentiment around the stock was lifted by news that Google's TPUs (tensor processing units) may pose meaningful competition to Nvidia's GPUs (graphics processing units), with TPUs reportedly priced at roughly half the cost. Additional bullish drivers included reports that Meta and xAI are exploring Google Cloud and TPUs as an alternative - potentially redirecting billions in compute spending to Google.

Furthermore, rapid adoption of Gemini, now surpassing 650 million MAUs (monthly active users), has reinforced the strength of Google's full-stack AI strategy. Elon Musk added to this momentum by naming Alphabet and Nvidia as his top AI picks, citing that Google has "laid the groundwork for immense value creation from an AI standpoint." Overall, these developments highlight increasing competition amid global demand for machine-learning hardware designed to accelerate AI model performance.

Despite this fierce tech backdrop, the most notable performers in November came from the healthcare sector, with Eli Lilly and Merck & Co up 24.6% and 21.9% respectively. Eli Lilly's gains were driven by the success of its GLP-1 obesity and diabetes drugs, Mounjaro and Zepbound, as well as positive phase 3 trial data for its oral obesity pill, Orforglipron. Merck benefited from European approval of a subcutaneous version of its oncology drug, Keytruda, strong third-quarter 2025 earnings and a series of analyst upgrades.

### **End of the US government shutdown with eyes shifting to the Fed's December rate decision**

November marked the end of the longest US government shutdown on record (43 days). Having the government fully operational again is crucial for assessing the underlying health of the US economy and for gauging the direction of the Fed (Federal Reserve) ahead of the December FOMC (Federal open market committee) meeting. During the month, Fed Governor, Chris Waller, and San Francisco Fed President, Mary Daly, raised concerns about the strength of the US labour market, indicating room for further monetary policy intervention. Another notable voice, John Williams (New York Fed President), also signalled the possibility of a December rate cut, a view reinforced by softer-than-expected September consumer confidence data. Together, these factors pushed market expectations for a December cut to around 86% by month-end.

However, other policymakers adopted a more hawkish stance. Weekly jobless claims remained low, with the final reading of November coming in at 216,000, below expectations of 230,000 and lower than the previous week's 222,000. Retail data also suggested underlying resilience, with US Black Friday online sales rising 9.1% y/y. Despite the upbeat headline numbers, Mastercard SpendingPulse reported a more nuanced picture. On a nominal basis, combined in-store and online retail sales rose just 4.1% y/y, pointing to a more pedestrian underlying growth trend, with little to write home about.

## Fun fact for the month of November

Gold has reached record breaking price levels this year, drawing a large amount of investor attention. However, despite this, silver has been the real standout performer. Silver has outperformed gold over the 1, 3, 5, and 10 year periods and most notably, it surpassed gold by roughly 40% YTD. While gold has dominated headlines, silver has quietly delivered stronger performance in the background.

## Market indicators

Index	Value	Nov (%)	YTD (%)
All Share	110,959	▲ 1.7%	▲ 36.2%
S&P 500	6,849	▲ 0.2%	▲ 17.8%
FTSE 100	9,721	▲ 0.4%	▲ 23.0%
Rand/USD	17.128	▼ -1.2%	▼ -9.2%
Rand/GBP	22.694	▼ -0.3%	▼ -4.0%
Gold (\$)	4,218	▲ 5.9%	▲ 60.4%
Platinum (\$)	1677.7	▲ 6.9%	▲ 87.7%
Brent Crude (\$)	63.2	▼ -2.9%	▼ -15.3%

## CCM rates

Fund	Balance	Rate
CALL ACCOUNT	0.00 – 9 999.99	6.65%
	10 000 – 24 999.99	6.65%
	25 000 – 49 999.99	6.65%
	50 000 – 99 999.99	6.65%
	100 000 – 249 999.99	6.65%
CALL MONEY FUND: <i>Individuals</i>	250 000 – 999 999.99	6.7%
	1 000 000 – 9 999 999.99	6.7%
	10 000 000 upwards	6.7%

## Company results

### Mr Price Group – Interim results for the period ending 30 September 2025

Earnings per share	R4.9	
Historical PE	14.2	
EPS growth	6.4%	
Turnover growth	5.4%	
ROE	29.0%	
Debt/Equity	64.7%	
NAV per share	R51.8	
Dividend yield	4.5%	
Share price	R216.9	

## Nature of business

Mr Price Group Ltd. is a diversified retail company operating across apparel, homeware, financial services and telecoms. Its operations are structured into five segments: Apparel, Homeware, Financial Services, Telecoms and Central Services.

Within the group, the Apparel division offers clothing, sportswear, footwear, sporting equipment and accessories. The Homeware division focuses on homeware and furniture retail. Trade receivables, along with the Group's financial services and mobile products, fall under the Financial Services segment. Cellular products and related services are delivered through the Telecoms segment, while Central Services supports the broader business through a mix of chargeable and non-chargeable services.

Founded in 1985 by Laurie John Chiappini and Stewart Barnet Cohen, the company is headquartered in Durban, South Africa.

## Latest results

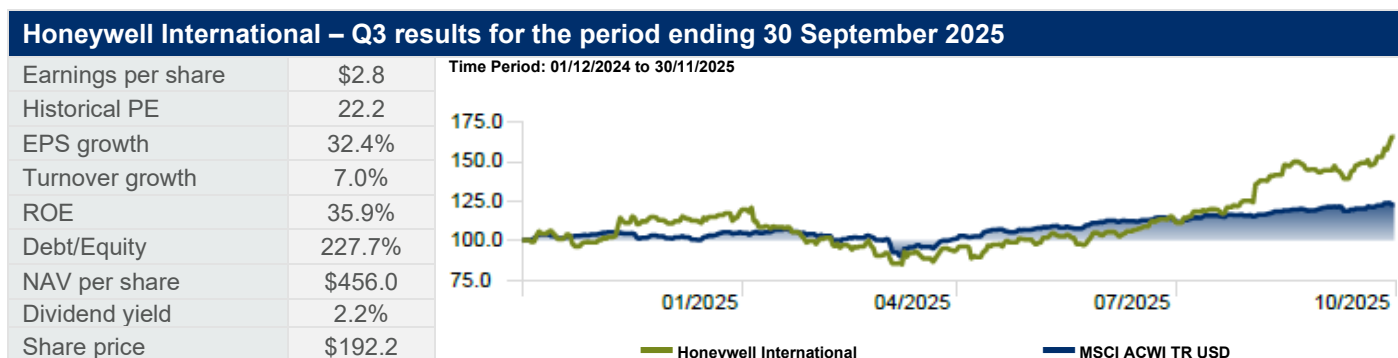
Since the COVID-19 pandemic, South Africa has experienced a sustained rise in debt-service costs and elevated inflation across key essentials, such as food, electricity, and transportation. Coupled with negative real wage growth in 2022–2023, these pressures have weighed heavily on consumer confidence and spending behaviour. At the same time, rapid growth in online gambling expenditure has further diverted disposable income, creating a more challenging and complex backdrop for retailers to navigate.

Despite these headwinds, Mr Price has delivered robust results, achieving a two-year CAGR (compound annual growth rate) in HEPS (Headline earnings per share) of 8.7%. These results highlight the company's ability to perform across different stages of the business cycle, supported by a diverse portfolio of brands under the group. Mr Price has also managed to expand gross profit margins in highly promotional market environments, leading to margin growth across all segments of the business.

The company's value-focused approach (which aligns well with the current economic environment and consumer environment) as well as their strict cost control measures, coupled with an improving cash conversion operating cycle, have strengthened its cash-accretive business model. This has positioned them well within the South African context leading to sustained performance. Overall, Mr Price is well positioned to benefit from an improving local economy and a stronger consumer, while continuing to demonstrate resilience during more challenging trading conditions.

## Dividend

Mr Price's most recent interim dividend was 323.2c per share, representing a 6.5% increase from 1H25. Following the release of their interim results, the group has also maintained its payout ratio at 63%.



## Nature of business

Honeywell International, Inc. is a software industrial company, which offers industry-specific solutions to aerospace and automotive products and services. It operates through the following business segments: Aerospace Technologies, Industrial Automation, Building Automation, Energy and Sustainability Solutions and Corporate and All Other. The company was founded by Albert M. Butz in 1906 and is headquartered in Charlotte, NC.

## Latest results

Honeywell is a long-standing global industrial automation conglomerate. More recently, the company has started a strategic shift to unlock shareholder value by breaking up the conglomerate into three separately listed businesses that management believes can command higher valuations and be worth more as the sum of its parts, while creating greater operational simplicity. As part of this process, Honeywell has spun off Solstice Advanced Materials, a specialty materials business producing refrigerants, semiconductor materials and protective fibres. In February 2025, the company also announced the planned spin-off of its Aerospace division, with completion expected in the second half of 2026. This breakup strategy aligns with management's intention to reposition Honeywell as a leading automation pure play, leveraging the company's decades of domain expertise and industrial experience.

Honeywell's recent results reflected this momentum. Q3 revenue increased by 7%, while organic revenue rose 6%, exceeding management's guidance of +2% to +4%. Operating cash flow was also notably stronger at \$3.29 billion, well above the FactSet consensus of \$2.21 billion. Analyst's reactions were broadly positive, supported by Q3 EPS (ex-items) beat with EPS coming in at \$2.8 per share vs consensus expectations of \$2.6 per share.

With operational simplicity beginning to take place and Honeywell transitioning their operating divisions into separately listed entities, we remain constructive on Honeywell's ability to continue unlocking shareholder value through both structural simplification and operational momentum. This view is reinforced by the company's record backlog and robust 22% y/y growth in new orders.

## Dividend

Honeywell's most recent quarterly dividend of \$1.19 per share traded ex-dividend on 14 November 2025. On the date of writing the company's dividend yield stands at 2.38%, which is higher than the levels seen over the previous five years.

## Snippets

### Mark MacSymon CFP® excels in CITYWIRE Advisers Award

1. Mark MacSymon CFP® excels in CITYWIRE Advisers Award, this time being recognised for outstanding practice management.  
<https://citywire.com/za/news/adviser-awards-2025-citywire-sa-announces-this-year-s-winners/a2477644>

### Medical aid plan checklist

2. Medical aid plan checklist - Chris Fraenkel CFP® provides a very useful checklist to review if you are considering changing your medical aid plan before the end of the year.  
<https://www.privateclient.co.za/post/medical-aid-plan-checklist-what-to-review-before-upgrading>

## Dividends payable

Dividends in LDT order					
Company	Decl	LDT	Pay	Amt	Curr
Afine Investments Ltd. (AFINE)	17-Nov	02-Dec	08-Dec	22.5	ZARc
Boxer Retail Ltd. (BOXER)	13-Oct	02-Dec	08-Dec	45.3	ZARc
Caxton and CTP Publishers and Printers Ltd. (CAXTON)	12-Sep	02-Dec	08-Dec	70	ZARc
Coronation Fund Managers Ltd. (CORONAT)	18-Nov	02-Dec	08-Dec	254	ZARc
Dipula Properties Ltd. (DIPULA B)	12-Nov	02-Dec	08-Dec	25.93	ZARc
Datatec Ltd. (DATATEC)	30-Oct	02-Dec	08-Dec	175	ZARc
Emira Property Fund Ltd. (EMIRA)	12-Nov	02-Dec	08-Dec	64.4	ZARc
ISA Holdings Ltd. (ISA)	07-Nov	02-Dec	08-Dec	9.4	ZARc
Ninety One plc (NINETY 1P)	17-Nov	02-Dec	19-Dec	6	GBPp
Naspers Ltd. (NASPERS-N)	25-Nov	02-Dec	08-Dec	508	ZARc
Ninety One Ltd. (NINETY 1L)	17-Nov	02-Dec	19-Dec	135	ZARc
Oasis Crescent Property Fund (OASIS)	21-Oct	02-Dec	08-Dec	62.66	ZARc
We Buy Cars Holdings Ltd. (WEBUYCARS)	17-Nov	02-Dec	08-Dec	30	ZARc
AECI Ltd. (AECI 5.5%P)	25-Nov	09-Dec	15-Dec	62.37	ZARc
Burstone Group Ltd. (BURSTONE)	19-Nov	09-Dec	15-Dec	45.96	ZARc
CAFCA Ltd. (CAFCA)	21-Nov	09-Dec	19-Dec	2.8	USDc
Investec Ltd. (INVLTD)	20-Nov	09-Dec	30-Dec	17.5	GBPp
Investec plc (INVPLC)	20-Nov	09-Dec	30-Dec	17.5	GBPp
Mr Price Group Ltd. (MRPRICE)	20-Nov	09-Dec	15-Dec	323.2	ZARc
Nu-World Holdings Ltd. (NUWORLD)	31-Oct	09-Dec	15-Dec	148.5	ZARc
Octodec Investments Ltd. (OCTODEC)	25-Nov	09-Dec	15-Dec	72.5	ZARc
Sirius Real Estate Ltd. (SIRIUS)	17-Nov	09-Dec	22-Jan	3.18	EURc
YeboYethu Ltd. (YEBOYETHU)	21-Nov	09-Dec	15-Dec	101	ZARc
NWK Holdings Ltd. (NWKH)	28-Nov	12-Dec	15-Dec	23	ZARc
Acsion Ltd. (ACSION)	27-Nov	15-Dec	22-Dec	22	ZARc
Argent Industrial Ltd. (ARGENT)	20-Nov	15-Dec	22-Dec	67	ZARc
Castleview Property Fund Ltd. (CASTLEVIEW)	01-Dec	15-Dec	22-Dec	11.07	ZARc
eMedia Holdings Ltd. (E MEDIA)	27-Nov	15-Dec	22-Dec	14	ZARc
Famous Brands Ltd. (FAMBRANDS)	22-Oct	15-Dec	22-Dec	162	ZARc
Frontier Transport Holdings Ltd. (FRONTIERT)	27-Nov	15-Dec	22-Dec	27.7	ZARc
Hosken Consolidated Investments Ltd. (HCI)	27-Nov	15-Dec	22-Dec	60	ZARc
Life Healthcare Group Holdings Ltd. (LIFEHC)	27-Nov	15-Dec	22-Dec	35	ZARc
PBT Holdings Ltd. (PBT HOLD)	28-Nov	15-Dec	22-Dec	15	ZARc
Safari Investments RSA Ltd. (SAFARI)	01-Dec	15-Dec	22-Dec	37.6	ZARc
TeleMasters Holdings Ltd. (TELEMASTR)	27-Nov	15-Dec	22-Dec	0.2	ZARc
Tsogo Sun Ltd. (TSOGO SUN)	27-Nov	15-Dec	22-Dec	15	ZARc
Fairvest Ltd. (FTAPROPA)	01-Dec	19-Dec	29-Dec	72.92	ZARc



### CONTACT US

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