

PCAM Perspectives: Monthly market review

May 2026

by PCAM Investment Team

All Share: 2025/05/01 to 2026/04/30



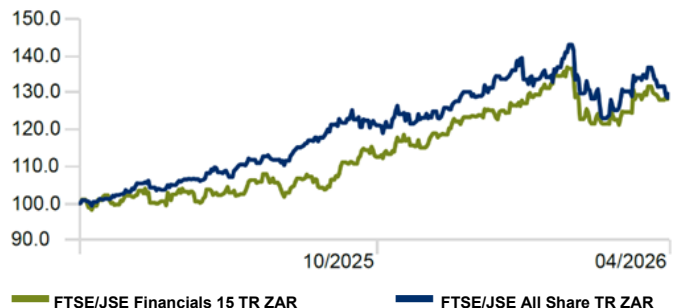
Resources: 2025/05/01 to 2026/04/30



Industrials: 2025/05/01 to 2026/04/30



Financials: 2025/05/01 to 2026/04/30



Local market: Resilience and recovery define a volatile April

The JSE ALSI (All Share Index) delivered a modest recovery in April, gaining 1.65% after March's sharp decline, bringing the YTD (year-to-date) performance to 1%. This rebound reflected a change in investor sentiment, with domestically-focused sectors outperforming commodity-linked counters as markets navigated ongoing geopolitical uncertainty and shifting global risk dynamics.

Sector performance and commodity impact

Sector returns painted a divergent picture. The JSE Property Index led the charge with a 5.4% gain, benefiting from increased appetite for domestic assets, while Financials and Industrials advanced 4.3% and 3% respectively. In stark contrast, the JSE Resources Index fell 2.6%, weighed down by softer precious metals prices despite elevated geopolitical tensions. Gold eased 0.7% to \$4,615 per ounce, while platinum was an outlier, rising 1.5% to \$1,979 per ounce, though still failing to support mining counters. As a result, major producers bore the brunt of the weakness, with Northam Platinum, AngloGold Ashanti, Impala Platinum and Sibanye Stillwater closing the month down 6.4%, 5.9%, 5.8% and 5.5% respectively.

Currency and commodity markets

The rand demonstrated unexpected resilience amid volatile oil markets and geopolitical headwinds, appreciating 2.4% against the US dollar to close at R16.70/USD, however it traded marginally softer against the pound closing April at R22.69/GBP. Brent crude traded above \$100 per barrel throughout the month, which underscored persistent energy supply concerns. The rand's strength suggested markets were cautiously pricing in potential de-escalation scenarios while maintaining a defensive posture on global growth prospects.

Global markets: Tech-led V-shaped recovery reaches record highs

Global equity markets in April highlighted the importance of staying invested during volatile periods, after a significant bounce was seen in April, with the S&P 500 surging 10.5% to close above 7,200 for the first time and the Nasdaq Composite advancing 15.3%, marking its best monthly gain since April 2020. The rally was characterised by a rotation back into tech and AI-related names as earnings season delivered better-than-expected results and capital expenditure guidance from major technology companies reinforced confidence in the AI buildout narrative. The MSCI Emerging Markets Index climbed 14.7% over the month, driven by Asian markets as Taiwan and South Korea benefited from their central positions in the AI semiconductor supply chain.

In April, the market displayed a remarkable ability to look through considerable geopolitical turbulence to focus on fundamental earnings strength. First-quarter earnings for the S&P 500 tracked at 27.1% y/y (year-over-year) growth on a blended basis, representing the fastest earnings expansion since late 2021 and the sixth consecutive quarter of double-digit earnings growth. Information technology, communication services and financials sectors led the earnings beat, with aggregate results running approximately 21% above consensus expectations. Goldman Sachs research reaffirmed its year-end S&P 500 target to 7,600 in late April, citing the strength of corporate earnings and continued AI investment as key supporting factors, while acknowledging that narrow market breadth and elevated valuations warrant some caution.

Central bank policy and shifting rate expectations

On the macro front, central bank policy remained a critical focus throughout April. The Federal Reserve held its benchmark rate steady at 3.5% to 3.75% at its late April meeting, in what was expected to be Chair Jerome Powell's final meeting before the anticipated confirmation of Kevin Warsh as his successor. The decision saw an unusually high level of dissent, with four FOMC (Federal Open Market Committee) members voting against aspects of the statement. The last time this occurred was in October 1992. Three of the dissenters objected to further rate cuts, reflecting growing hawkish sentiment amid persistent inflation concerns driven by elevated energy prices. Markets subsequently priced in near-zero probability of rate cuts through to year-end, representing a significant shift from expectations at the start of the year.

Geopolitical stabilisation and valuation opportunity

The Middle East conflict, while still unresolved, showed tentative signs of potential de-escalation during April that contributed to a gradual improvement in risk sentiment. Brent crude prices, which had surged above \$118 per barrel in March, eased slightly by month-end as diplomatic efforts intensified and some shipping traffic through alternative routes resumed. This nascent stabilisation, combined with resilient corporate earnings and the March sell-off having compressed valuations across growth sectors, prompted investors to reassess risk-reward dynamics, with many viewing the volatility-induced repricing as an opportunity to re-enter quality positions at more attractive entry points.

Fun fact for the month of April

The "V-Shaped" Record

The S&P 500 recovered from its near 10% drawdown to pre-conflict levels in just 11 trading sessions, making it one of the fastest recoveries of its kind on record. By comparison, the 2020 COVID-19 drawdown took approximately 105 trading days to recover fully, while the 2025 "Liberation Day" tariff shock took roughly 17 trading days to return to pre-event levels and about 57 trading days to reach a new all-time high.

Market indicators

Index	Value	April (%)		YTD (%)	
All Share	115,181	▲	1.6%	▲	1.0%
S&P 500	7,209	▲	10.5%	▲	5.7%
FTSE 100	10,379	▲	2.3%	▲	5.8%
Rand/USD	16.7	▼	-2.4%	▲	0.8%
Rand/GBP	22.69	▲	0.5%	▲	1.8%
Gold (\$)	4,615	▼	-0.7%	▲	6.7%
Platinum (\$)	1979	▲	1.5%	▼	-2.7%
Brent Crude (\$)	114.01	▼	-3.7%	▲	87.4%

CCM rates

		INDIVIDUALS	NON-FINANCIAL ENTITIES	FINANCIAL ENTITIES
Fund	Balance	NET RATE	NET RATE	NET RATE
CALL ACCOUNT (ZAR):	0.00 – 9 999.99	4.80%	4.50%	4.10%
	10 000 – 24 999.99	5.30%	5.00%	4.60%
	25 000 – 49 999.99	5.55%	5.25%	4.85%
	50 000 – 99 999.99	5.80%	5.50%	5.10%
	100 000 – 249 999.99	5.95%	5.65%	5.25%
MONEY FUND (ZAR):	250 000 – 999 999.99	6.18%	5.88%	5.48%
	1 000 000 – 9 999 999.99	6.28%	5.98%	5.58%
	10 000 000 upwards	6.38%	6.08%	5.68%
PRIME MONEY FUND (ZAR):	1 000 000 – 25 000 000	6.90%	NA	NA
	25 000 000 upwards	6.70%	NA	NA
FCA ACCOUNT (USD):	0.1 - 10 000	0.00%	NA	NA
	10 0001 upwards	2.00%	NA	NA

Company results

Clicks Group – Interim results for the period ending February 2026

Normalised HEPS	R14.13	
Historical PE	22.5	
EPS growth	8.1%	
Turnover growth	7.4%	
ROE	53.4%	
Debt/Equity	72.5%	
NAV per share	R1.64	
Dividend yield	2.9%	
Share price	R266.31	

Nature of business

Clicks Group Ltd. operates as an investment holding company, which engages in the retail trade of healthcare products. It operates through the Retail and Distribution segments. The Retail segment consists of Clicks, health, beauty and homeware retailer; Sorbet, a franchising of hair and beauty salons; 180 Degrees Marketing, a software development company; and The Body Shop, which offers toiletries, cosmetics, gifting and grooming, with stores in the Republic of South Africa, Namibia, Eswatini, Botswana and Lesotho. The Distribution segment is involved in UPD, a pharmaceutical wholesaler that operates within the Republic of South Africa. The company was founded by Jack Goldin in August 1968 and is headquartered in Cape Town, South Africa.

Latest results

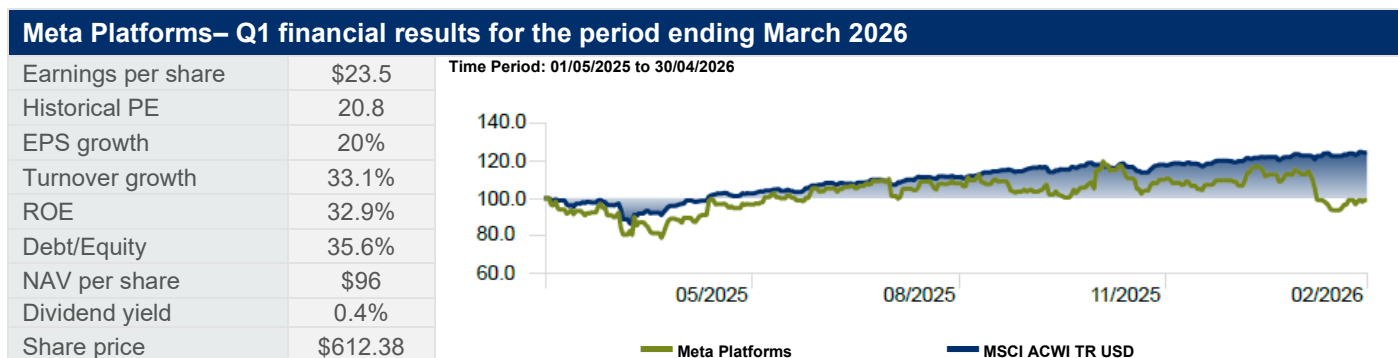
Clicks Group recently delivered a softer set of interim financial results. Retail sales grew by 5.4%, negatively affected by the Western Cape warehouse systems disruption alongside heightened competition from Dischem and Shoprite's Medrite pharmacies. Looking ahead, the group is taking active steps to improve sales growth by strengthening its loyalty ClubCard mechanics, tougher supplier negotiations on co-investment, accelerating its omnichannel capabilities, and trialling an OTC delivery option for clients from May 2026. Management has guided for the rollout of 40–50 new stores and pharmacies in FY26, which should support future growth. However, this remains challenging due to delays caused in obtaining pharmacy licenses (only 17 pharmacies rolled out so far this year).

Within the distribution business, UPD margins were softer due to the low SEP (Single Exit Price) increase – the government regulated maximum price that a pharmaceutical manufacturer or importer can charge for medicine in South Africa. However, there is potential for margin expansion in the second half of the year following the acquisition of a medical consumables business, which could become an accretive growth driver within the existing UPD logistics infrastructure.

Despite the recent share price weakness and meaningful derating, the group's longer-term investment case remains supported by several structural drivers. The Clicks ClubCard, now with 12.9 million active members contributing 83.7% of retail sales, remains a core competitive asset and the most widely used loyalty programme in the South African mass market. The continued growth of the private-label offering, now representing 26.5% of front shop and pharmacy sales, provides a meaningful margin buffer against competitive pricing pressure. In UPD, the ramp-up of the medical consumables business and the ongoing conversion of the wholesale fleet to electric vehicles (now 86% of wholesale deliveries) are expected to support margin recovery and cost efficiency heading into the second half.

Dividend

Clicks declared an interim dividend of 258 cents per share, an 8.4% increase y/y that reflects management's confidence in the sustainability of their cash generation.



Nature of business

Meta Platforms, Inc. engages in the development of social media applications. It builds technology that helps people connect and share, find communities and grow businesses. It operates through the Family of Apps (FoA) and Reality Labs (RL) segments. The FoA segment consists of Facebook, Instagram, Messenger, WhatsApp and other services. The RL segment includes augmented, mixed and virtual reality related consumer hardware, software and content. The company was founded by Mark Elliot Zuckerberg, Dustin Moskovitz, Chris R. Hughes, Andrew McCollum, and Eduardo P. Saverin on February 4, 2004, and is headquartered in Menlo Park, CA.

Latest results

Meta delivered a strong opening quarter of 2026, with revenue rising 33% y/y to \$56.3 billion, supported by a healthy mix of higher ad volumes and firmer ad pricing. Engagement across the Family of Apps remained resilient, with daily active users averaging 3.56 billion in the first quarter, indicating that the core advertising engine continues to compound despite a maturing user base.

The dominant theme was the acceleration of AI investment. Management highlighted the launch of Muse Spark, the first model from the newly formed Meta Superintelligence Labs, alongside upgrades to Meta AI and the scaling of business AI tools on WhatsApp and Messenger. To support this, full-year capital expenditure guidance was raised to \$125 to

\$145 billion, reflecting both rising component costs and expanded data centre commitments. This signals that the AI capex cycle is still building rather than peaking.

RL remained a drag, posting an operating loss of approximately \$4 billion, although AI-enabled glasses are emerging as a partial offset to weaker Quest headset sales. Reported earnings were flattered by a one-off \$8 billion tax benefit, so underlying profitability, while solid, was less striking than the headline figures suggest. Regulatory risk in the EU and US continues to warrant monitoring.

Dividend

Meta declared a quarterly dividend of \$0.53 per share, representing its ninth consecutive quarterly payout since initiating dividends in early 2024. This marks a significant shift for a company historically focused on reinvestment over distributions, particularly given Meta's current position in the midst of its peak AI infrastructure buildout phase.

Snippets

Reasons to be optimistic

PCH Wealth Manager Warren Buys (CFA® CFP®) was interviewed by Pedro van Gaalen in the Financial Mail recently. He spoke about the current global landscape and how it was already steadily transitioning towards a more multipolar structure, with economic geopolitical influence increasingly distributed across several major powers. [READ MORE](#)

Dividends payable

Dividends in LDT order

Company	Decl	LDT	Pay	Amt	Curr
Anheuser-Busch InBev SA/NV (AB INBEV)	12-Feb	05-May	11-May	100	EURc
Exxaro Resources Ltd. (EXXARO)	19-Mar	05-May	11-May	1000	ZARc
Glencore plc (GLENCORE)	18-Feb	05-May	03-Jun	8.5	USDc
PSG Financial Services Ltd. (PSG FIN)	16-Apr	05-May	11-May	45	ZARc
Netcare Ltd. (NTC PREF)	09-Apr	05-May	11-May	424.54	ZARc
RCL Foods Ltd. (RCL)	02-Mar	05-May	11-May	15	ZARc
Supermarket Income REIT plc (SUPR)	09-Apr	05-May	29-May	1.55	GBPp
Capitec Bank Holdings Ltd. (CAPITEC)	22-Apr	12-May	18-May	5360	ZARc
Exchange Traded Funds (PIPAMETF)	07-May	12-May	18-May	5.42	ZARc
Exchange Traded Funds (SATRIXCAP)	07-May	12-May	18-May	87.23	ZARc
Exchange Traded Funds (TBGTAMETF)	07-May	12-May	18-May	49.8	ZARc
Alphamin Resources Corp. (ALPHAMIN)	29-Apr	19-May	05-Jun	13	CADc
Zeder Investments Ltd. (ZEDER)	23-Apr	26-May	01-Jun	7	ZARc



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