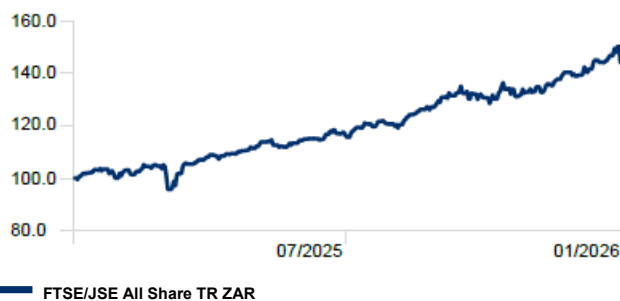


PCAM Perspectives: Monthly market review

February 2026

by PCAM Investment Team

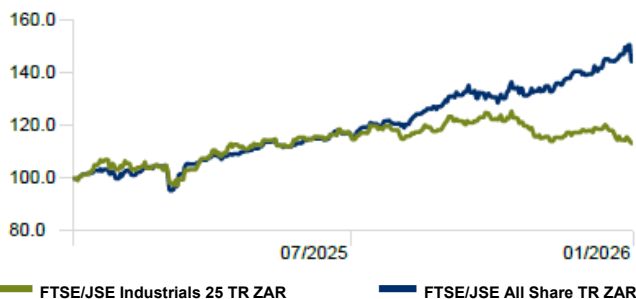
All Share: 2025/02/01 to 2026/01/31



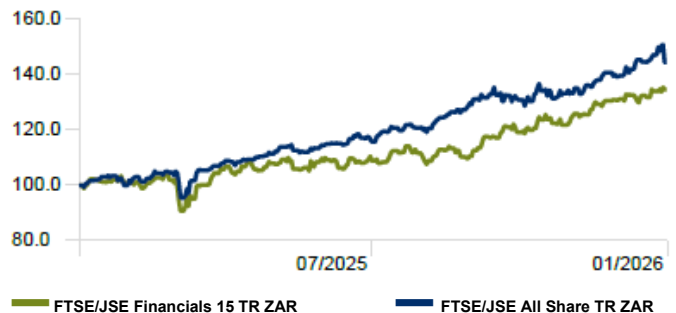
Resources: 2025/02/01 to 2026/01/31



Industrials: 2025/02/01 to 2026/01/31



Financials: 2025/02/01 to 2026/01/31



Local market: JSE carries strong momentum into 2026

The local market's strength carried into 2026, with the JSE ALSI (All Share Index) ending January 3.7% higher. The resources sector remained the primary contributor of the local markets' returns, supported by firmer gold and platinum prices. Gold reached record highs during the month, closing 9% higher, while platinum gained 3.4%. Firmer platinum prices provided a boost to local mining shares, with Sibanye Stillwater, Impala Platinum and Northam Platinum advancing 22%, 20.6% and 17.7%, respectively. Despite the strong performance, the month was far from smooth sailing. Both gold and platinum pulled back sharply on the final trading day of January as investors locked in profits following the extended bull run in commodities over the past 18 months.

Much of the strength in precious metals was underpinned by heightened geopolitical tensions, which supported demand for safe-haven assets, such as gold. The uncertainty created by geopolitical events also filtered through into energy markets, where oil prices experienced notable swings. Brent crude climbed 16.2% over the month to close at \$70.69 per barrel, driven by friction between the US and Iran, the latter one of OPEC's largest oil producers. The stronger oil price as well as higher operational output at Secunda and improved refinery at Natref, contributed to Sasol's 7.6% rise in January.

Local economics

The SARB's (South African Reserve Bank) MPC (Monetary Policy Committee) kept interest rates unchanged at its first meeting of the year. Governor Lesetja Kganyago maintained a cautious tone, focusing on anchoring inflation expectations amid a volatile global backdrop. He noted that global markets remain jittery, driving increased demand for gold and other precious metals, while also pointing to widening global imbalances, with China recording a \$1 trillion trade surplus for the first time.

On the domestic front, Kganyago highlighted the continued recovery in South Africa's economy, with four consecutive quarters of growth, the longest uninterrupted expansion since 2018. December inflation came in at 3.6%, which Kganyago suggested may be close to its peak, with price pressures expected to ease from here. Although rates were left unchanged, the SARB flagged potential upside risks to inflation, particularly from electricity and food costs. However, a stronger rand and lower oil prices provide some relief and support the case for an interest rate cut at the next MPC meeting in March.

Global markets: January – a rollercoaster

There was no shortage of news flow during the month, which created bouts of volatility across global financial markets. A major development that took place during January was Trump's intentions of acquiring Greenland, currently occupied under EU (European Union) territory as part of Denmark. The move sparked tensions between the US and the EU, with the EU rallying behind Denmark and Denmark's Prime Minister warning that any attack would lead to the end of NATO. The dispute also fuelled renewed tariff concerns as Trump pursued negotiations to acquire the territory. These geopolitical tensions, coming shortly after the capture of the Venezuelan president, helped drive gold prices higher while further boosting European defence stocks, which climbed 14% in January.

Nonetheless, despite all the headlines, global markets closed the month in positive territory. Emerging markets led the way, extending the strong momentum seen in the backend of 2025, with the MSCI Emerging Markets Index rising 8.9%. Performance was driven by South Korea, Brazil and Taiwan. Asian markets benefitted from robust semiconductor demand, while the Latin American region was supported by firmer commodity prices. The macroeconomic backdrop remained constructive for emerging markets. A weakening US dollar, combined with more attractive valuations relative to US equities, continued to draw investor interest toward non-US markets.

Developed markets, in contrast, lagged emerging markets but still posted gains, finishing the month 2.3% higher. Among US equities, a clear trend of diversification away from large-cap stocks was evident. Small-cap stocks started the year on a firm footing, with the Russell 2000 rising 5.5%, highlighting this broader diversification trend.

Earnings season in focus

Earnings season kicked off in January with global investment banks. JP Morgan Chase, Wells Fargo, and Bank of America all beat earnings expectations, signalling a positive outlook for US economic growth in 2026 despite ongoing global trade tensions and geopolitical uncertainty. Later in the month, mega-cap tech stocks reported their results. Microsoft and Meta exceeded consensus earnings forecasts, while Amazon delivered strong performance in its AWS (Amazon Web Services) and international segments. However, an overall miss on earnings expectations was a disappointment on the day.

All three companies highlighted increased capex (capital expenditure) plans, continuing to raise concerns among investors regarding the sustainability and return on investment of elevated capex levels. More notably, Microsoft shares fell 11% in January despite strong results, as investor sentiment waned on the potential concerns that generative AI may have on traditional software business models.

Fixed income

JGB's (Japanese Government Bonds) sold off in January amid fiscal dominance in Japan, which put upward pressure on yields, weighed on the Yen, and fuelled speculation of potential currency intervention. JGB's experienced their weakest start to the year in over three decades, with 10-year JGB's down 1.3% over the month. Furthermore, the Japanese yield curve steepened sharply, as 30-year yields climbed 23 bps (basis points), putting longer-term bond prices under pressure (due to the inverse relationship between bond prices and yields). The spread between two- and ten-year yields widened by 12 bps, reflecting the term premium priced into longer-duration JGBs and highlighting investors' concerns over Japan's fiscal dominance, government spending and debt issuance.

Across the pond in the US, stronger than expected US economic data, which included a lower unemployment rate of 4.4%, signalled a stabilising labour market, leading the Fed to keep policy rates steady between 3.50% and 3.75%. In

response, two-year treasury yields (the short end of the yield curve) rose by five basis points as markets pushed expectations for future rate cuts further out. On the longer end of the yield curve, concerns over the Fed's ability to control inflation while managing employment levels, weighed on longer-dated US treasuries. As a result, the US Dollar weakened by 1% against the Euro in January.

Fun fact for the month of January

Amazon, Alphabet, Meta and Microsoft (four mega-cap technology stocks) have guided for a combined capex spend of approximately \$650 billion in 2026. To put this in perspective, this level of capital investment is roughly 1.5 times South Africa's forecasted nominal GDP for 2026, which FactSet estimates at \$424 billion. This level of spending reflects the rapid scale of AI infrastructure rollout, the intensifying competition between these firms and the significant barriers to entry it creates.

Market indicators

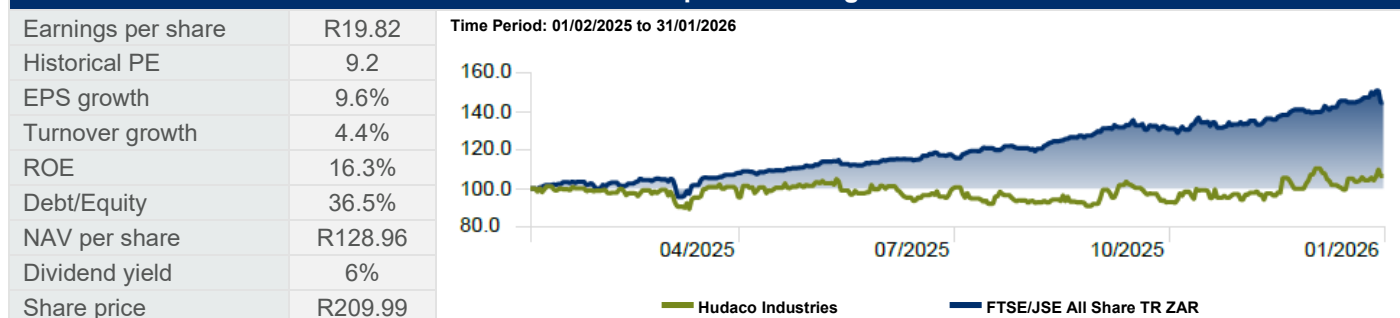
Index	Value	Jan (%)		YTD (%)	
All Share	120,046	▲	3.7%	▲	3.7%
S&P 500	6,939	▲	1.5%	▲	1.5%
FTSE 100	10,224	▲	3.0%	▲	3.0%
Rand/USD	16.0375	▼	-3.2%	▼	-3.2%
Rand/GBP	22.00746	▼	-1.3%	▼	-1.3%
Gold (\$)	4,714	▲	9.0%	▲	9.0%
Platinum (\$)	2102.8	▲	3.4%	▲	3.4%
Brent Crude (\$)	70.69	▲	16.2%	▲	16.2%

CCM rates

		INDIVIDUALS	NON-FINANCIAL ENTITIES	FINANCIAL ENTITIES
Fund	Balance	NETT RATE	NETT RATE	NETT 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

Hudaco Industries – Annual financial results for the period ending November 2025



Nature of business

Hudaco Industries Ltd. engages in the importing and distributing of branded automotive, industrial and electronic consumable products. It operates through the following segments: Consumer-Related Products and Engineering Consumables. The Consumer-Related Products segment comprises of automotive aftermarket products, batteries, power tool and fasteners, security equipment and communication equipment. The Engineering Consumables segment consists of diesel engines and spares, bearing, mechanical power transmission, thermoplastic pipes and fittings, specialised steel and electrical power transmission. The company was founded by J. Hubert Davies in 1891 and is headquartered in Edenvale, South Africa.

Latest results

Hudaco delivered a satisfactory set of financial results and remains well positioned to benefit from a recovery in SA Inc (South African Incorporated companies – companies who derive a predominant amount their revenue domestically) as momentum in the South African economy begins to build. The domestic outlook has improved, supported by structural progress at Transnet and Eskom under Operation Vulindlela, alongside the absence of load shedding, a stronger rand and firm commodity prices. Together, these factors bode well for a pickup in economic activity and investment within the South African economy. Given Hudaco's close alignment with underlying local economic conditions, Hudaco is well placed to participate in this cyclical upswing.

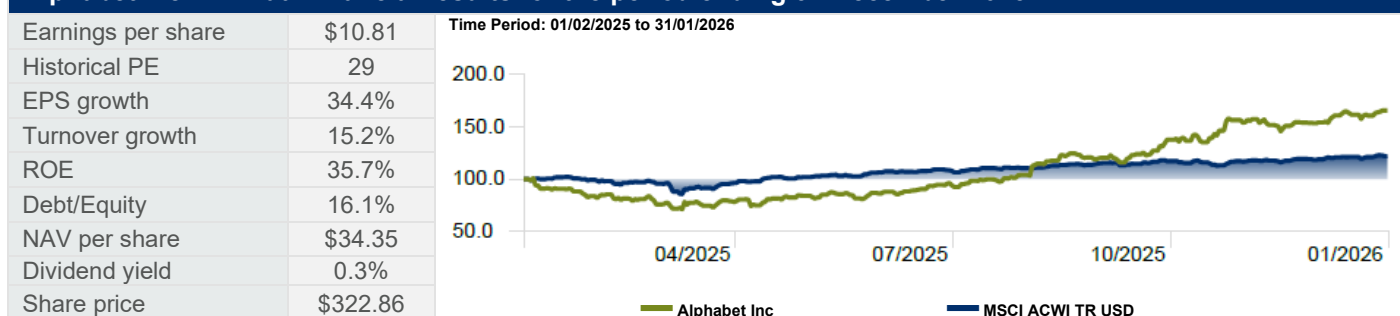
Early signs of an improving economic environment are already reflected in Hudaco's performance, with revenue and operating profits increasing 4% y/y and 9% y/y, respectively. This steady topline growth, coupled with higher operating profits, drove CEPS (comparable earnings per share) up 9.6%.

Hudaco's ability to provide value-added services on top of the industrial equipment it sells supports the development of long-standing customer relationships, creating opportunities for recurring sales opportunities. In addition, the company's competitive advantage of maintaining large inventory levels and meeting customer needs, positions Hudaco well to further strengthen and entrench themselves within existing customer relationships.

Dividend

Hudaco declared a final dividend of R7.70 per share, resulting in a dividend yield of 6% for the financial year ended November 2025. The dividend highlights Hudaco's steady shareholder returns amid a recovering domestic economy.

Alphabet Inc – Annual financial results for the period ending 31 December 2025



Nature of business

Alphabet Inc. is a holding company, which engages in software, health care, transportation and other technologies. It operates through the following segments: Google Services, Google Cloud and Other Bets. The Google Services segment includes products and services, such as ads, Android, Chrome, devices, Google Maps, Google Play, Search and YouTube. The Google Cloud segment refers to infrastructure and platform services, collaboration tools and other services for enterprise customers. The Other Bets segment relates to the sale of healthcare-related services and internet services. The company was founded by Lawrence E. Page and Sergey Mikhailovich Brin on October 2, 2015 and is headquartered in Mountain View, CA.

Latest results

Alphabet delivered another strong set of financial results, with topline revenue rising 18% y/y, reflecting solid performance across all operating divisions. The standout segment was Google Cloud, which posted 48% revenue growth compared to the same period in the prior year, driven by continued momentum in the platform business, particularly across enterprise AI infrastructure, AI solutions and core cloud products.

The launch of Gemini 3, their latest LLM (large language model), marked a significant milestone for the company. The model now processes more than 10 billion tokens per minute, while the Gemini app has grown to over 750 million MAU's (monthly active users). Growth across other operating segments also remained strong, with Search & Other revenue increasing 17% y/y, alongside a 17% y/y rise in Google subscriptions. YouTube's annual revenue surpassed \$60 billion across advertising and subscriptions. The company now has more than 325 million paid subscriptions across its consumer services, driven by strong adoption of Google One and YouTube Premium.

Overall, the company's AI investments and infrastructure continue to drive revenue growth across the business. As a result of rapid customer demand and Alphabet's push to solidify its leadership in the AI race, CEO Sundar Pichai announced that capital expenditure for 2026 is expected to range between \$175 billion and \$185 billion, illustrating Google's commitment to becoming a leader in the AI space.

Dividend

Alphabet pays a small dividend, with its most recent quarterly dividend declared at \$0.21 per share. The company reinvests a significant portion of its earnings to remain competitive and support future growth opportunities. This strategy is reflected in its latest results, where management has guided for capex of approximately \$175-\$185 billion for 2026, highlighting the company's continued focus on heavy reinvestment to continue driving growth in particular within the Google Cloud space.

Snippets

Take action to maximise tax benefits as the financial year end approaches...

The financial year end is fast approaching and now is the time to take advantage of the 2025 / 2026 tax exemptions. These transactions need to be made before the 27th of February 2026. PCH wealth manager, Mark MacSymon CFP®, says that leaving top-ups to the last minute tends to only increase the January administration hangover. "Getting on top of these efficient tax planning and investment considerations as soon as you are back in office always alleviates pressure later in the month," says MacSymon.

These include, but are not limited to:

1. Annual donations tax exemption
2. Retirement Annuity (RA) contributions.
3. Tax-Free Saving Account (TFSA) contributions

[READ MORE](#)

It has been a busy start to the year at PCH and we are focused on ensuring that our clients have taken advantage of financial year end tax benefit opportunities, which must be actioned before the end of February 2026. Our wealth managers have been busy connecting with top journalists to answer important questions, including:

FPI Financial Planner of the Year and PCH wealth manager, Nicola Langridge CFP®, was interviewed by Pippa Hudson on Cape Talk 567AM recently. Nicola provided expert advice on the legal and practical implications of

joint bank accounts in South Africa, including tax considerations and estate planning. Listen to the interview below:

[CapeTalk 567 AM - Lunch with Pippa Hudson - 29 Jan 2026 @ 14h39 - Private Client Holdings](#)

PCH wealth manager, Warren Buys CFP® CFA®, was interviewed by Jeremy Maggs and Moneyweb on Hot 1027 to discuss the urgency of annual tax opportunities, focusing on contributions to retirement funds and annuities. Listen to the interview below:

[Hot 1027 - Hot 1027 Business with Jeremy Maggs & Moneyweb - 4 Feb 2026 @ 18h26 - Private Client Holdings](#)

Dividends payable

Dividends in LDT order					
Company	Decl	LDT	Pay	Amt	Curr
Zeda Ltd. (ZEDA)	25-Nov	03-Feb	09-Feb	126	ZARc
Vunani Capital Partners Ltd. (EXVCP)	29-Jan	05-Feb	10-Feb	8.5	ZARc
KAL Group Ltd. (KAL GROUP)	27-Nov	10-Feb	16-Feb	154	ZARc
Exchange Traded Funds (PIPAMETF)	05-Feb	10-Feb	16-Feb	6.02	ZARc
Exchange Traded Funds (SATRILB)	05-Feb	10-Feb	16-Feb	2.68	ZARc
Exchange Traded Funds (TBGTAMETF)	05-Feb	10-Feb	16-Feb	44	ZARc
Greencoat Renewables plc (GRP)	29-Jan	17-Feb	13-Mar	1.7	EURc
Exchange Traded Notes (NEWWVEEUR)	03-Feb	17-Feb	23-Feb	16	ZARc
Exchange Traded Notes (NEWWVEGBP)	03-Feb	17-Feb	23-Feb	38	ZARc
Exchange Traded Notes (NEWWVEUSD)	03-Feb	17-Feb	23-Feb	28	ZARc
Caxton and CTP Publishers and Printers Ltd. (CAXTON)	29-Jan	24-Feb	02-Mar	100	ZARc
Hudaco Industries Ltd. (HUDACO)	05-Feb	24-Feb	02-Mar	770	ZARc
Tharisa plc (THARISA)	01-Dec	24-Feb	11-Mar	1.5	USDc



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