

## PCAM Perspectives: Monthly market review

September 2025

by PCAM Investment Team

### All Share: 2024/08/31 to 2025/08/31



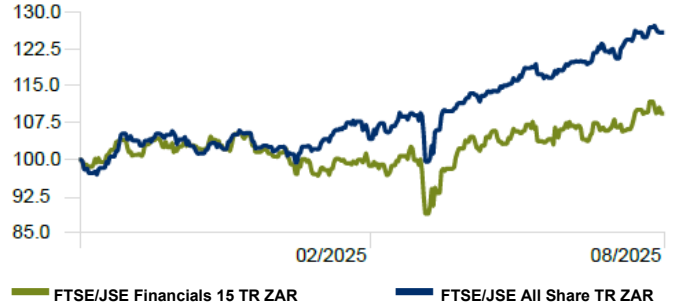
### Resources: 2024/08/31 to 2025/08/31



### Industrials: 2024/08/31 to 2025/08/31



### Financials: 2024/08/31 to 2025/08/31



## Local market: Resources remain the backbone of the local market

The JSE ALSI (All Share Index) had yet another month in the green, closing August 3.5% higher. Resources led the charge again, with the FTSE JSE Resources Index posting another 12% gain month-on-month (m/m) and extending its impressive year-to-date (YTD) performance to 72.9%.

Returns have remained concentrated in the local market. Three gold stocks, representing nearly 13.5% of the Capped SWIX at the time of writing, have contributed around 10% to the index's YTD performance. Similarly, platinum miners, making up about 5% of this index, have contributed almost 4% to the total returns over the course of the year. Collectively, these three gold stocks (AngloGold Ashanti, Gold Fields, and Harmony Gold), together with four largely pure-play PGM miners – Impala Platinum, Valterra, Northam, and Sibanye Stillwater - have driven more than half of the Capped SWIX's total returns this year.

August seemed to be no exception for the gold counters, with gold miners once again standing out - Gold Fields (+31%) and AngloGold (+21.2%). In contrast, local PGMs traded lower over the month with Sibanye Stillwater and Implats down 13.1% and 7.2% respectively, losing some momentum seen during the year.

Outside of the mining sector, Standard Bank extended its upward trajectory, rising 6.2% in August after reporting HEPS (headline earnings per share) of R14.58, above consensus estimates and 8% higher y/y (year-on-year). The bank complemented these strong results with a 10% increase in its interim dividend and reaffirmed its three core targets: banking revenue growth in the mid- to high-single digits, a flat to slightly lower cost-to-income ratio, and a return on equity anchored between 17% and 20%. Broader financial stocks also performed well, with Old Mutual, Absa, and Sanlam up 8.8%, 4.6%, and 4.1%, respectively.

### **Uptick in the local inflation**

Headline inflation ticked upward to 3.5% y/y in July up from the 3% y/y level in June but still in line with consensus expectations. This monthly change was mostly due to the cost of electricity and other core items. Electricity inflation released in July was 10.6% higher y/y, significantly outpacing the headline inflation number.

South Africa's producer price inflation (PPI) rose to 1.5% y/y in July, the highest level since August last year and above the consensus forecast of 1%. PPI is often viewed as a leading indicator of consumer inflation, as higher producer costs typically filter through to end consumer prices. The uptick points to higher cost pressures among the producers in the economy. Global trade dynamics, supply-side constraints, and the ripple effects of tariffs introduced during the year may also be contributing factors that we are starting to see play out within the PPI number.

### **SWIFT access concerns**

During August, fears emerged over potential US sanctions on South Africa's use of the payments system following the introduction of the US-SA Bilateral Relations Review Act. The Act proposed a reassessment of bilateral ties and possible sanctions on ANC leaders and government officials.

According to government insiders, there are concerns that such measures could result in South Africa losing access to the SWIFT interbank system, which enables global payment processing. While government officials continue to engage with the US to repair relations and avert sanctions, restrictions on access to the US dollar clearing system remain a key risk, with significant implications for the domestic economy. National Treasury has indicated that robust compliance and risk management within local banks would serve as the first line of defence. Ultimately, the balance between diplomatic engagement and domestic financial safeguards will be critical in determining South Africa's resilience to potential sanctions.

### **Offshore markets: Widespread strength in global markets**

August saw broad-based gains across global indices, with the S&P 500 rising 2%, the FTSE 100 up 1.2%, the Nikkei advancing 4.1%, and the Euro Stoxx 50 adding 60 basis points. Among the top performers were Alibaba (+11.9%), Apple (+11.8%), Intel (+23%), and UnitedHealth Group (+24.2%). In contrast, some large-cap tech names lagged, with Microsoft (-5%) and Meta (-4.5%) closing the month lower.

### **What has been brewing from beneath the surface**

Gold has outperformed equities, bonds, and Bitcoin YTD. This strength has been driven by a weaker US dollar and growing doubts over whether US Treasury bills still represent the true global risk-free asset. Concerns about the US fiscal position, and questions around the future effectiveness of monetary policy, particularly with the debate over the Fed's independence as Powell's term nears its end, have also supported demand for gold as a result of overhanging uncertainty. Continued dollar weakness, combined with strong central bank demand with elevated net quarterly purchases, could sustain inflows into gold and continue its YTD rally.

### **Feds focus on the potential cooling labour market**

US Fed Chair Jerome Powell delivered his final speech at the annual Jackson Hole conference in late August, striking a more dovish tone than at the July FOMC meeting. He highlighted downside risks to the US labour market, warning that these could materialise quickly through higher layoffs and rising unemployment, signalling a shift in focus toward employment data rather than solely inflation concerns. This prompted the derivatives market to raise the probability of a September rate cut, with odds climbing to around 90% by month-end and lifting sentiment across global risk assets.

Supporting this, August job data further strengthened expectations of rate cuts after nonfarm payrolls increased by just 22,000 versus expectations of 77,000, pushing the unemployment rate to 4.38%, the highest since late 2021. The data kept the cooling US labour market narrative intact, reflecting slower hiring rather than a sharp rise in layoffs, as employers continue to hold onto workers despite economic uncertainty.

## **AI chip developments within the China region**

Near the end of August, attention turned to Nvidia's results amid the ongoing AI boom, alongside speculation over whether advanced AI chip sales to China might resume. Sales of these chips were previously banned by US authorities due to national security concerns. Nvidia CEO Jensen Huang noted that a resumption of sales remains possible but indicated that discussions with the White House could take time. For now, Nvidia is only licensed to sell its older-generation H20 chips to China, with a 15% revenue share agreement with the US government still pending.

Alibaba reported results near the end of August. Adjusted EPS fell 10% y/y, partly due to increased capital expenditure in its cloud business segment, while revenue grew 2% y/y, missing Bloomberg consensus of 5.2%. Despite the softer headline numbers, sentiment was lifted by continued growth in its cloud segment and news that Alibaba is developing a domestically produced AI inference chip, currently in testing, aimed at reducing reliance on Nvidia's China-compliant H20 chips. This comes against the backdrop of tighter US export controls on advanced semiconductors. As a result, Alibaba's stock rallied 18% on the day of reporting and ended the month up 11.9%.

## **Fun fact for the month of August**

Trump tariffs have skyrocketed, nearly tripling the government's monthly revenue generated from tariffs to \$29 billion in June 2025. This is certainly positive for the US government, but tariffs still account for just 2.7% of federal revenue per annum, with individual income taxes making up the majority at 51.4%. With the US Government expected to pay \$1.5 trillion in interest payments in 2025, clearly tariff revenue alone cannot make up the shortfall and the Trump promised tax cuts would continue to worsen the unsustainable debt trajectory of the US. This can be seen in the rising term premium of the long duration treasury bonds.

## Market indicators

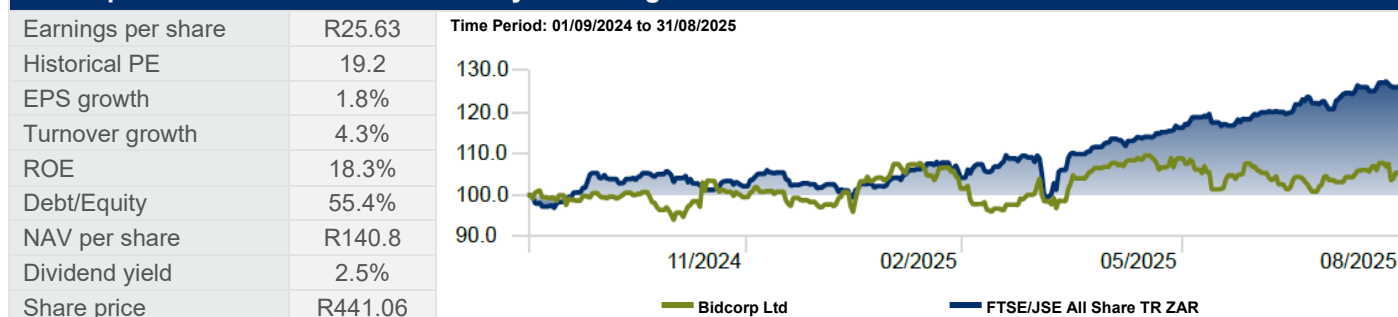
Index	Value	August (%)	YTD (%)
All Share	101,836	▲ 3.5%	▲ 23.6%
S&P 500	6,460	▲ 2.0%	▲ 10.8%
FTSE 100	9,187	▲ 1.2%	▲ 15.6%
Rand/USD	17.694	▼ -2.1%	▼ -6.2%
Rand/GBP	23.905	▼ -0.1%	▲ 1.2%
Gold (\$)	3,474	▲ 5.5%	▲ 32.1%
Platinum (\$)	1365.7	▲ 6.2%	▲ 52.8%
Brent Crude (\$)	68.12	▼ -6.1%	▼ -8.7%

## 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	6.86%
	1 000 000 – 9 999 999.99	6.86%
	10 000 000 upwards	6.86%

## Company results

### Bidcorp Ltd – Results for the financial year ending 30 June 2025



## Nature of business

Bid Corp. Ltd. engages in the provision of comprehensive foodservice solutions. It operates through the following geographical segments: Australasia, United Kingdom, Europe, Emerging Markets, and Corporate. The company was founded by Brian Joffe in 1988 and is headquartered in Johannesburg, South Africa.

## Latest results

Bid Corporation Ltd (Bidcorp) is a multinational foodservice company operating across the full foodservice value chain. Its growth strategy has been largely driven by bolt-on acquisitions, enabling the group to diversify and evolve from a traditional distributor into a fully integrated foodservice provider.

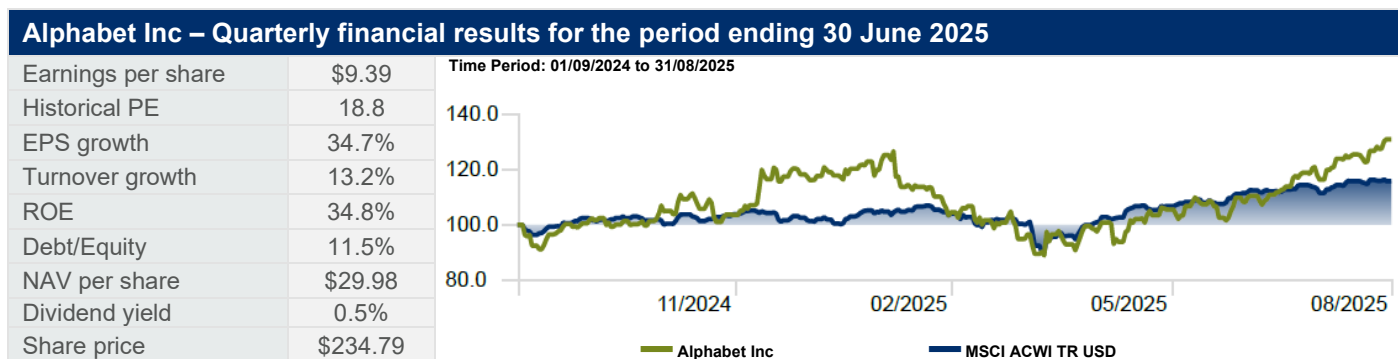
During the year, Bidcorp completed four acquisitions, which resulted in a slight decline in free cash flow. This outcome was anticipated and aligned with management's guidance. The company's recent results reflected a minor topline miss, but margin improvements supported modest bottom-line growth. Since management incentives are tied to HEPS growth rather than just revenue growth, further margin expansion appears likely over the long term. Simultaneously, bolt-on acquisitions and improving activity ratios are expected to provide additional support for topline growth over the medium term.

While continuing to pursue acquisition opportunities for growth, Bidcorp has also prioritised returning capital to shareholders. The total dividend rose 6.4% to R11.60 per share, reflecting management's balanced approach. From a balance sheet perspective, the business remains financially robust. Net debt to EBITDA stood at 0.4x (FY24: 0.2x), while EBITDA interest coverage ratio was 23.1x (FY24: 23.2x), both slightly lower than the prior year but still in a healthy range.

Overall, management have been transparent in their guidance and have continued to deliver on their capital allocation priorities. Despite limited share price momentum as of recent times, the underlying fundamentals of the business remain strong.

## Dividend

Bidcorp's management has made its dividend policy a key capital allocation priority. The company currently pays a dividend yield of 2.48%, equating to a final dividend of R6 per share. Since 2016, Bidcorp has distributed R21.7 billion in dividends, excluding the FY2025 final dividend.



## 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 reported EPS of \$2.31 for the second quarter, surpassing FactSet's consensus estimate of \$2.18. Over the past year, the stock faced some pressure as analysts raised concerns about the future of its core search business amid the growing adoption of AI chatbots, while ongoing regulatory scrutiny over antitrust risks has further weighed on sentiment. Recently, the European Commission announced that Google LLC (a wholly owned subsidiary of Alphabet) had violated European competition laws through self-preferencing practices in its ad business, resulting in a fine of \$2.95 billion. The penalty was smaller than initially feared, and the market responded positively to the news. Nonetheless, Alphabet has appealed the fine, and Trump has also threatened to intervene by initiating a Section 301 investigation, which could potentially result in additional tariffs on the European Union.

Focusing attention on Alphabet's Q2 results, the EPS beating estimates, along with management commentary, has been largely positive. Management highlighted robust growth in its cloud division, as well as continued strength in YouTube and subscription services, providing a positive offset to the regulatory and market pressures. Consolidated group revenue grew 14% y/y, with Google Search & Other, YouTube ads, subscriptions, platforms and devices, and Google Cloud all delivering double-digit growth. Google Cloud was the standout performer, with revenue rising 32%, driven by demand for Google Cloud Platform, AI infrastructure, and generative AI solutions. Furthermore, Alphabet's Cloud annual revenue run rate has now surpassed \$50 billion, according to management. As a result, management has increased capital expenditure guidance to \$85 billion, reflecting their commitment to investing in the growth opportunities within this segment.

## Dividend

Alphabet pays a modest dividend yield of 0.46%. Like most tech companies, a large portion of their free cash flow generated is used to fund future growth initiatives and to remain competitive. Alphabet's approach is no different, hence the modest dividend yield and large investment in CAPEX (capital expenditure) and R&D (research and development).

## Snippets

### CREATING A LASTING LEGACY

Leaving a legacy is a wonderful gift, but it is also a complex one that must be thought through carefully. To make sure that your needs, as well as the needs of your beneficiaries, are met. Private Client Trust, the fiduciary pillar of Private Client Holdings, combines our extensive experience with in-depth analysis to assess both your current financial picture and the one you hope to achieve.

The first step is estate planning and taking a snapshot of how things currently stand, including your personal circumstances such as shareholder agreements and business partners. A good estate plan bridges the gap from where you are to where you would like to be. It takes into consideration any costs that may become payable at death and establishes whether there is sufficient capital available to pay off these debts including Executor Fees, Capital Gains Tax and Estate Duty. Your estate plan aims to minimise estate duty and maximise after-tax inheritance.

Wills and estate planning work hand in hand. Having a valid Will is essential to estate planning, just as knowing what your estate is worth is key to drafting a Will. A Will is one of the more important documents you will ever sign as it ensures that your estate is divested in the way you would like it to be. Over and above the accurate distribution of sentimental items among beneficiaries, a carefully drafted Will can also avoid cash flow challenges and save on Estate Duty and Income Tax – and help to prevent family conflicts.

If you would like to create an estate plan, draft or update your Will please contact Sarah Love CFP® FPSA® TEP and the Private Client Trust fiduciary team at [sarah@privateclient.co.za](mailto:sarah@privateclient.co.za) or on Tel: 021 6711220

### The Mission Magazine

Wherever your passions take you, from mountain rivers to rainforest trails or city skylines, Private Client Holdings takes pleasure and pride in nurturing the wealth that supports the life you love. [READ MORE](#)

## Dividends payable

### Dividends in LDT order

Company	Decl	LDT	Pay	Amt	Curr
BHP Group Ltd. (BHP)	19-Aug	02-Sep	25-Sep	60	USDc
Hammerson plc (HAMMERSON)	31-Jul	02-Sep	16-Oct	7.94	GBPp
Lighthouse Properties plc (LIGHTPROP)	13-Aug	02-Sep	11-Sep	1.31	EURc
Merafe Resources Ltd. (MERAFE)	12-Aug	02-Sep	08-Sep	4	ZARc
Nedbank Group Ltd. (NEDBANK)	05-Aug	02-Sep	08-Sep	1028	ZARc
Resilient REIT Ltd. (RESILIENT)	14-Aug	02-Sep	08-Sep	245.72	ZARc
Standard Bank Group Ltd. (STANBANK6.5)	14-Aug	02-Sep	08-Sep	3.25	ZARc
SBN Holdings Ltd. (SBN HOLDINGS)	07-Aug	05-Sep	26-Sep	64	NADc
Absa Group Ltd. (ABSA)	18-Aug	09-Sep	15-Sep	785	ZARc
ADvTECH Ltd. (ADVTECH)	25-Aug	09-Sep	15-Sep	45	ZARc
Italtile Ltd. (ITLTILE)	25-Aug	09-Sep	15-Sep	22	ZARc
NEPI Rockcastle NV (NEPIROCK)	19-Aug	09-Sep	09-Oct	27.95	EURc
Exchange Traded Funds (RFIAMETF)	02-Sep	09-Sep	15-Sep	0.27	ZARc
Reinet Investments SCA (REINET)	27-May	09-Sep	17-Sep	37	EURc
Standard Bank Group Ltd. (STANBANK)	14-Aug	09-Sep	15-Sep	817	ZARc
Spur Corporation Ltd. (SPURCORP)	21-Aug	09-Sep	15-Sep	193	ZARc
The Foschini Group Ltd. (TFG PREF)	06-Jun	09-Sep	15-Sep	6.5	ZARc
Compagnie Financiere Richemont SA (RICHEMONT)	16-May	16-Sep	29-Sep	300	CHFc
Grindrod Ltd. (GRINDROD)	22-Aug	16-Sep	22-Sep	23	ZARc
Impala Platinum Holdings Ltd. (IMPLATS)	28-Aug	16-Sep	22-Sep	165	ZARc
South32 Ltd. (SOUTH32)	28-Aug	16-Sep	16-Oct	2.6	USDc
Santam Ltd. (SANTAM)	01-Sep	16-Sep	22-Sep	590	ZARc
Thungela Resources Ltd. (THUNGELA)	18-Aug	16-Sep	22-Sep	200	ZARc
Transpaco Ltd. (TRNPACO)	27-Aug	16-Sep	22-Sep	160	ZARc
Truworths International Ltd. (TRUWTHS)	28-Aug	16-Sep	22-Sep	170	ZARc
Bid Corporation Ltd. (BIDCORP)	27-Aug	22-Sep	29-Sep	600	ZARc
The Bidvest Group Ltd. (BIDVEST)	01-Sep	22-Sep	29-Sep	453	ZARc
Rainbow Chicken Ltd. (RAINBOW)	28-Aug	22-Sep	29-Sep	20	ZARc
Shoprite Holdings Ltd. (SHOPRIT)	02-Sep	22-Sep	29-Sep	496	ZARc
British American Tobacco plc (BATS)	13-Feb	30-Sep	07-Nov	60.06	GBPp
Motus Holdings Ltd. (MOTUS)	02-Sep	30-Sep	06-Oct	310	ZARc



### CONTACT US

[www.pcam.co.za](http://www.pcam.co.za)

[investing@privateclient.co.za](mailto:investing@privateclient.co.za)

Tel +27 21 671 1220

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