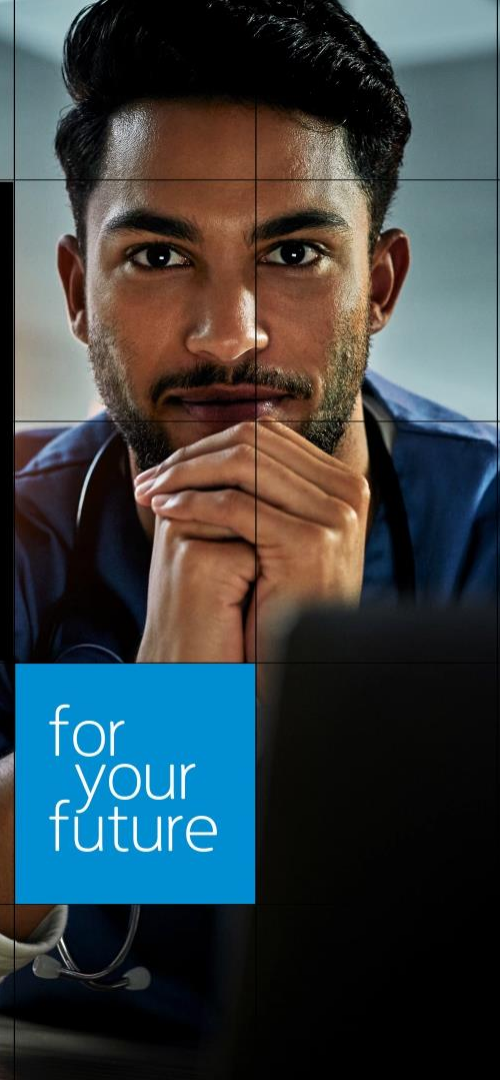


Monthly Market Highlights

Monthly edition | February 2025 recap

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Monthly market recap | February in review

Market news

- US retail sales dropped 0.9% in January, the biggest decrease since March 2023, after an upwardly revised 0.7% increase in December 2024, as per the Commerce Department's Census Bureau. The drop in retail sales was likely driven by frigid temperatures, wildfires and motor vehicle shortages, suggesting a sharp slowdown in economic growth early in the first quarter.
- The S&P Global US Composite Purchasing Managers' Index dropped sharply to 50.4 in February from 52.7 in January. It also marked the slowest pace of business expansion since September 2023, driven by a renewed contraction in services output that partially offset faster manufacturing growth.
- Mining production in SA decreased by 2.4% y/y in December 2024. Platinum group metal production decreased by 7.1% y/y and contributed -2.7% to the December figure, while gold production decreased by 8.4% y/y and contributed -1.1%.
- Producer prices in Japan increased by 4.2% y/y in January, accelerating from an upwardly revised 3.9% gain in December 2024. It was the 47th straight month of producer inflation, marking the highest print since May 2023.

International markets

MSCI World (\$)	-0.72%
Global Bonds (\$)	1.43%
Global Property (\$)	2.26%
MSCI EM (\$)	0.50%
FTSE (£)	1.32%
S&P 500 (\$)	-1.30%

Bond market

All Bond	0.07%
Bonds 1-3 years	0.50%
Bonds 3-7 years	0.28%
Bonds 7-12 years	-0.03%
Bonds 12+ years	-0.12%

Local markets

FTSE/JSE All Share	-0.01%
Industrials	-3.74%
Resources	-7.09%
Property	-0.29%
Financials	0.97%
Cash	0.59%

Currency

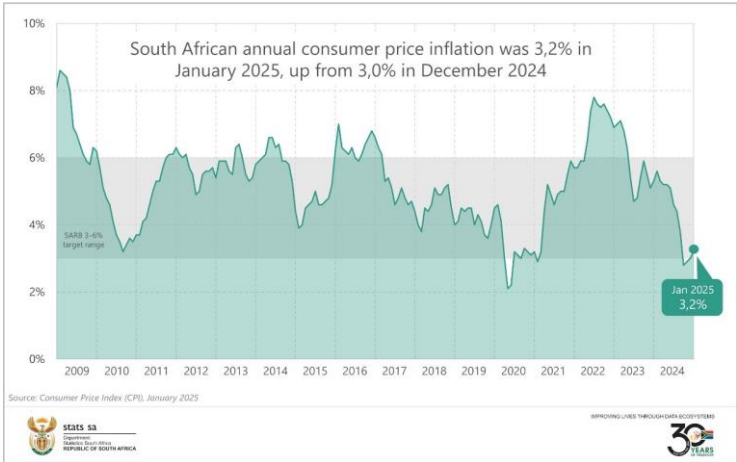
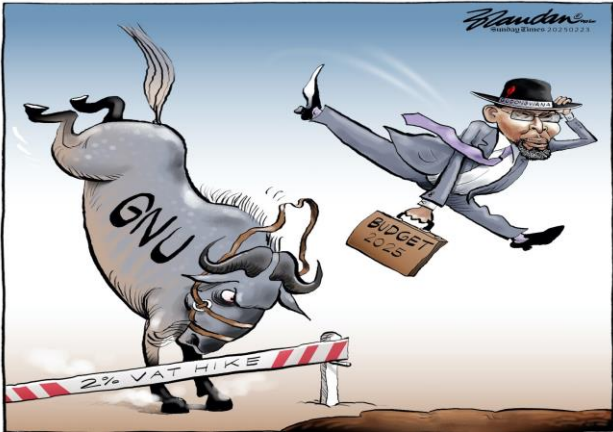
Rand vs USD	0.52%
Rand vs EURO	0.48%
Rand vs GBP	-0.80%
Rand vs JPY	-0.13%
Rand vs AUD	0.001%

Source: Sanlam Investments Multi-Manager, Reuters, Mining Weekly - February 2025

SA CPI ticks up slightly

- South African inflation rose slightly in January, marking the first release since Statistics SA updated its consumer price basket.
- Inflation rose to 3.2% y/y in January from 3.0% in December 2024, lower than the 3.3% forecast by economists and still well within the South African Reserve Bank's range of 3% to 6%.
- Annual core inflation, which strips out volatile items, such as food and energy, came in at 3.5% in January.

- The annual Budget Speech, which was scheduled for 19 February, was delayed due to a contentious debate over the proposed VAT increase. Treasury had sought to raise the VAT rate by 2% to 17%, a move that would disproportionately affect lower-income households.



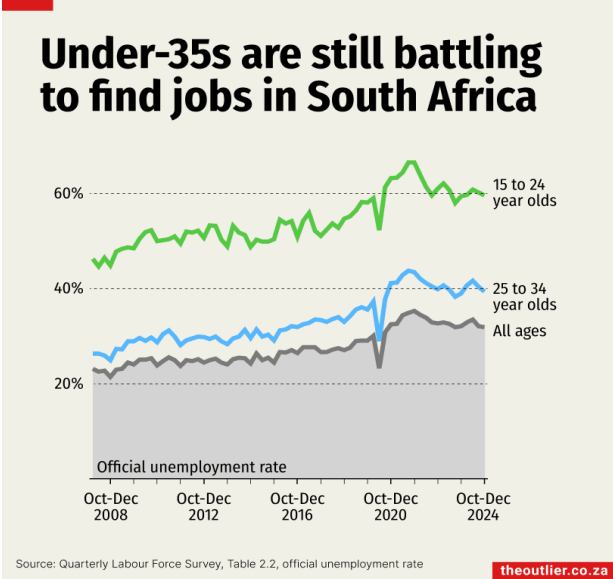
SA's Q4 unemployment declines slightly

- South Africa's official unemployment rate declined marginally in Q4 2024, supported by job creation in the finance and manufacturing sectors.
- This marked the second consecutive quarterly improvement, with unemployment easing to 31.9% in Q4 from 32.1% in Q3 2024, according to data from Statistics South Africa.
- The expanded unemployment rate—which includes discouraged job seekers—remained elevated at 41.9% in Q4, underscoring persistent labour market challenges.

- Young people are the most affected, with 60% of the labour force in the 15 to 24 age group unemployed. Many of them are likely searching for their first job but are struggling to find one.



Source: Reuters, BusinessTech, Stats SA, Zapiro Cartoons, The Outlier - February 2025

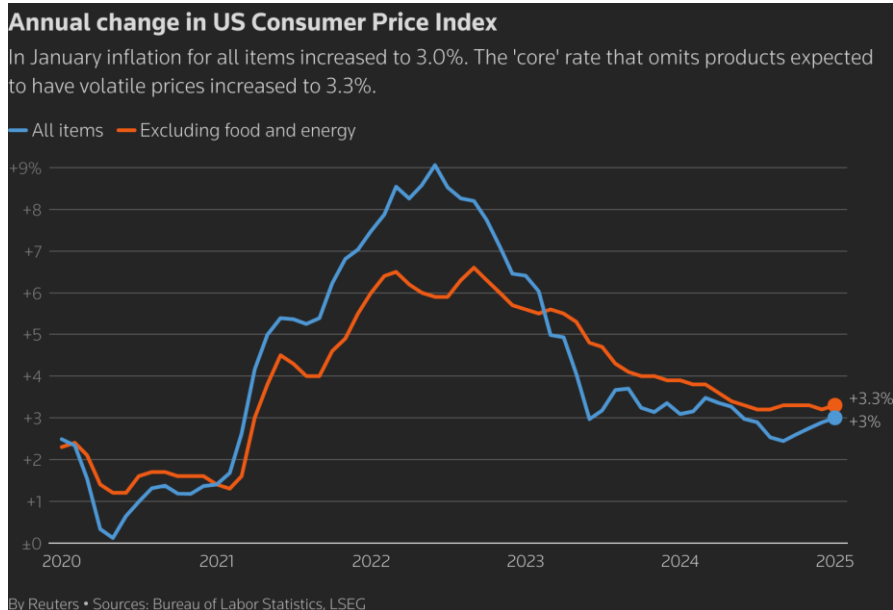


US consumer prices increase

- US consumer prices saw their sharpest increase in nearly 18 months in January, reflecting broad-based cost pressures across goods and services. The data reinforces the Federal Reserve's cautious stance on rate cuts, as policymakers assess rising inflationary risks amid ongoing economic uncertainty.
- The Consumer Price Index (CPI) increased by 0.5% in January, the biggest gain since August 2023, after rising 0.4% in December, taking the annual inflation rate to 3%.
- Core CPI, which excludes the volatile food and energy components, climbed 0.4% in January, taking the annual rate to 3.3%.



Source: Reuters, Business Day – February 2025

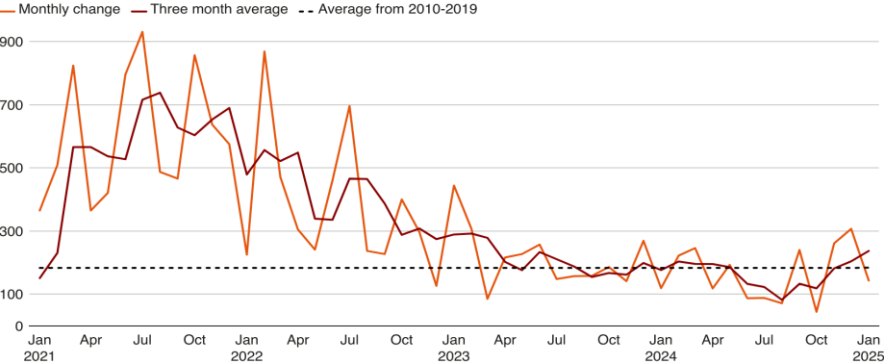


US job growth slows

- In January, the US nonfarm payroll increased by 143 000 jobs after rising by an upwardly revised 307 000 in December 2024, the most in nearly two years.
- The healthcare sector continued to dominate employment gains, adding 44 000 jobs.

Hiring returns to normal

U.S. payrolls grew on average by 183,000 a month from 2010 to 2019. After largely exceeding that during the pandemic, recent job growth has been below that trend.

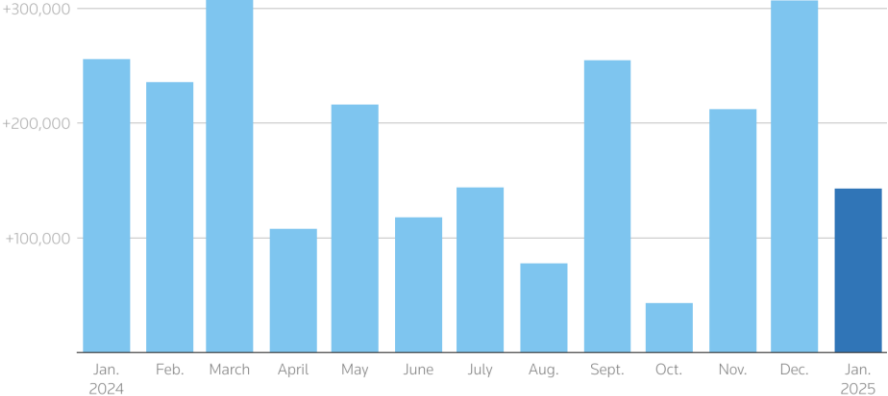


Note: Figures in thousands; October data impacted by union strikes.
 • Source: Bureau of Labor Statistics

Source: Reuters – February 2025

Monthly change in US jobs

Employers added 143,000 positions in January



Data are seasonally adjusted.
 By Ben Welsh • Sources: Bureau of Labor Statistics, LSEG

UK inflation accelerates

- The UK's inflation rate increased to 3% in January according to data released by the Office for National Statistics (ONS).
- The consumer price index fell to a lower-than-expected 2.5% in December 2024.
- The ONS attributed January's inflation increase primarily to a smaller-than-usual decline in airfares—a volatile component that had contributed to lower inflation in December—as well as rising automotive fuel prices.
- Core inflation—which strips out volatile components such as energy, food, alcohol, and tobacco—rose to 3.7% in January from 3.2% in December 2024. Notably, core services inflation increased from 4.4% to 5% y/y, highlighting persistent price pressures in the sector, according to the ONS.
- The UK's inflation rate reached a three-year low of 1.7% in September 2024 but has since trended higher, driven by rising fuel costs and faster increases in services prices relative to goods.

British inflation speeds up

British consumer price inflation sped up to an annual rate of 3.0% in January from 2.5% in December, while core CPI rose to 3.7% and services price inflation rose to 5%.



Source: ONS | Reuters, Feb. 19, 2025 | By Pasit Kongkunakornkul

Source: CNBC, Reuters - February 2025

German elections 2025

- Voter turnout in the most recent German elections reached 82.5%, the highest since 1987. This marks a notable increase from the 76.6% turnout observed four years ago. In total, more than 48.8 million of Germany's 59.2 million eligible voters participated in the election.
- The Christian Democratic Union, and its Bavarian sister party, the Christian Social Union formed a coalition and emerged as the single biggest party in Germany's election, winning 29% of the vote.
- The right-wing Alternative for Germany had its best-ever result, winning 21% of the vote.
- The party of the outgoing chancellor, Olaf Scholz, the Social Democratic Party, had its worst-ever result in over 130 years, winning only 16% of the vote.

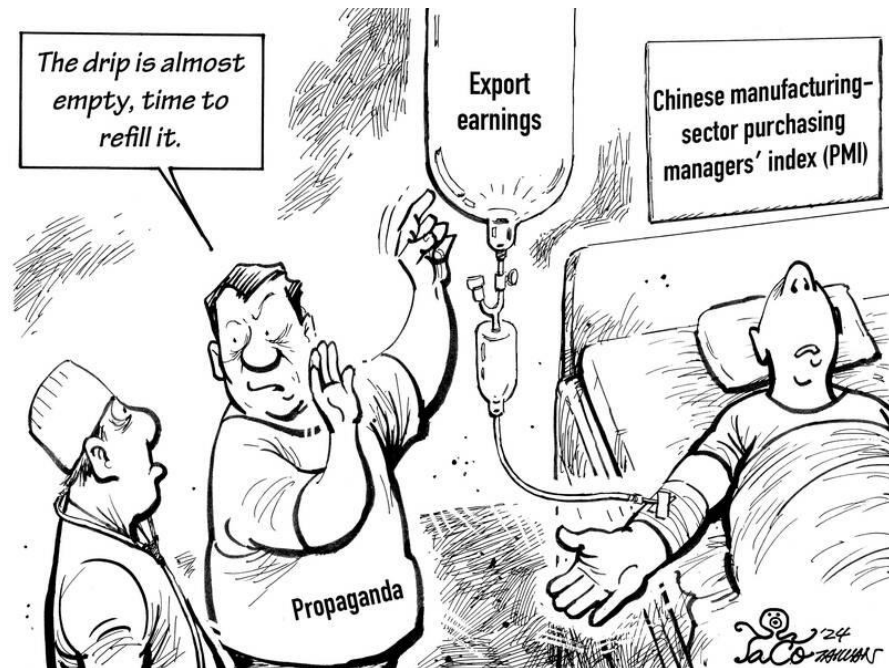


Source: Daily Friend, BBC, Financial Times, Rediff - February 2025



China: PMI contracts in January

- The Caixin China General Manufacturing Purchasing Managers' Index registered 50.1 in January, slightly below both market expectations and the December 2024 reading of 50.5.
- This marks the fourth consecutive month of expansion in factory activity, although the pace of growth slowed, reflecting the weakest performance in the current sequence.
- Foreign orders contracted for the second consecutive month, reflecting ongoing headwinds from evolving global trade policies.



Source: CNBC Africa, Trading Economics, Taipei Times - February 2025

Japan's core inflation reaches a 19-month peak

- In January, Japan's inflation increased by 4% y/y, marking its highest level since January 2023. This data further strengthens the case for potential rate hikes by the Bank of Japan (BOJ).
- The core inflation rate, excluding fresh food prices, rose to 3.2%, up from 3% in December 2024, surpassing economists' expectations of 3.1%, according to a Reuters poll. This was the highest reading since June 2023.
- The "core-core" inflation rate, which excludes both fresh food and energy prices and is closely monitored by the BOJ, saw a modest increase to 2.5% from 2.4% in December 2024.
- The headline inflation rate, which was 3.6% in December 2024, has remained above the BOJ's 2% target for 34 consecutive months.

Annual change in the Consumer Price Index (CPI) in Japan from January 2019 to January 2025



Source: CNBC, Reuters, Statista - February 2025

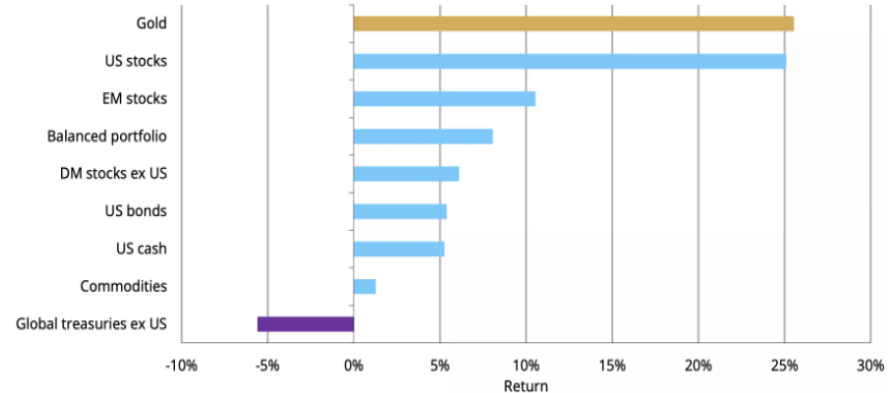
Of interest | Gold's 2024 performance – best in 14 years

- Gold performed exceptionally well in 2024, outperforming all major asset classes and reinforcing its role as a key portfolio diversifier.
- Gold gained 25.5% for the year, driven by its appeal as a hedge against elevated geopolitical uncertainty and market volatility.

According to our **Gold Return Attribution Model**, gold's positive performance was linked to the following key factors:

- Strong central bank and investor demand, which offset declining consumer demand
- Heightened geopolitical risk due to increased conflicts, along with a busy electoral year across the world
- Periods of opportunity costs when markets saw lower yields and a weakening US dollar.

Chart 1: Gold outperformed all major asset classes in 2024

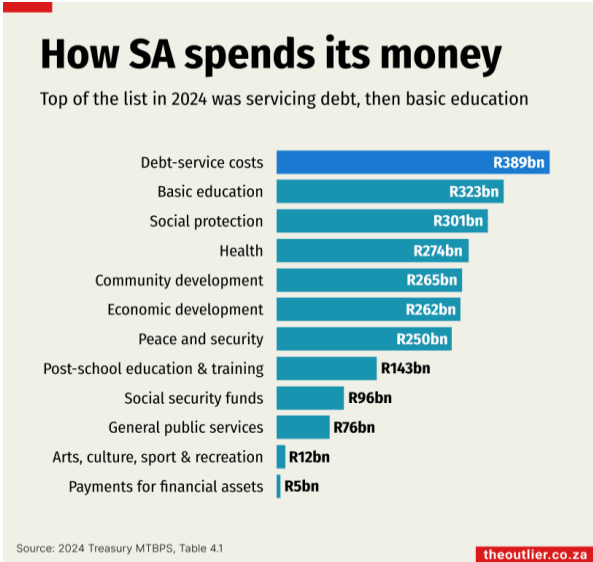


*Data as of 31 December 2024. Indices used Bloomberg Barclays Global Treasury ex US, Bloomberg Barclays US Bond Aggregate, ICE BofA US 3-Month Treasury Bills, New Frontier Global Institutional Portfolio Index, MSCI World ex US Total Return Index, Bloomberg Commodity Total Return Index, MSCI EM Total Return Index, LBMA Gold Price PM (USD/oz), MSCI US Total Return Index.

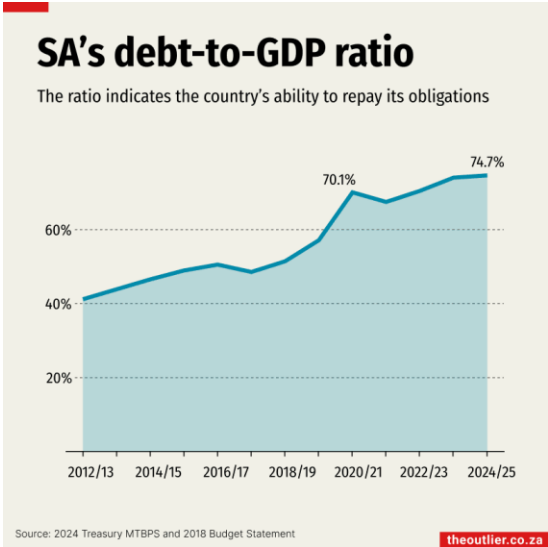
Source: Bloomberg, ICE Benchmark Administration, World Gold Council

Of interest | SA in the charts

- A large portion of the country’s money is spent on servicing debt: R389-billion in 2024, according to the National Treasury.
- The debt-to-GDP ratio measures a country’s total debt as a percentage of its GDP, which helps assess its ability to repay its debt. A decade ago, the government said it wanted to prevent debt from rising to 40% of GDP – a mark that has long been passed.



Source: The Outlier - February 2025



Of interest | The 20 best-performing S&P 500 stocks

- Over the past two decades, broad-market investors in the S&P 500 have seen strong returns, with the index averaging 10.4% annually from 2005 to 2024.
- However, a select group of companies has significantly outpaced the index, generating exceptional long-term returns—some through consistent compounding, while others experienced periods of rapid growth.
- The infographic alongside ranks the 20 best-performing S&P 500 stocks based on their annualised total returns (CAGR) over the past 20 years.



Source: Visual Capitalist - February 2025

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