FEBRUARY 2026

MONTHLY MARKET WRAP

INN8 INVEST

GLOBAL MINING SHARES ARE THE NEW MARKET DARLINGS

UNITED STATES	UK/EUROPE	ASIA	SOUTH AFRICA
AI shares dragged market down.	BoE and ECB left rates unchanged.	Japan – landslide victory for LDP. China – economy remains resilient.	JSE at record high led by resources.

UNITED STATES

- **US GDP growth slowed and inflation rose.** Economic growth slowed more than expected in Q4. For the full year in 2025, the economy grew 2.2%, down from 2.8% in 2024. Producer prices increased more than expected in January, suggesting annual inflation will stay above the Fed's 2% target through the early part of the year.
- **AI-related shares lost ground** as investors worried about high valuations and how long it might take for AI investments to boost revenue growth. Renewed tariff concerns and ongoing geopolitical tensions compounded matters. The Nasdaq Composite Index was down 3.3% and the S&P 500 Index shed 0.8%.

UK/EUROPE

- The **UK economy grew less than expected** in the fourth quarter. For the full year, the economy grew 1.3%. The Bank of England (BoE) held interest rates steady, predicting that inflation will fall to or below its target of 2% by April.
- The European Central Bank (ECB) **maintained interest rates at 2%.**
- The **STOXX 600 Index climbed 3.7% to an all-time high,** helped by improved earnings expectations and investors' desire to diversify beyond US tech stocks.

ASIA

- The **Chinese economy has demonstrated remarkable resilience,** despite domestic challenges and a volatile external environment, said the IMF. Growth is expected to be lower at 4.5% from 5% last year.
- The People's Bank of China reaffirmed that it will implement a 'moderately loose' monetary policy to boost domestic demand, technological innovation; and small to medium-sized enterprises.
- In Japan the LDP's landslide victory reflected the public's **backing of Prime Minister Takaichi's policy agenda,** which is focused on aggressive fiscal spending, investment, and targeted tax cuts.

SOUTH AFRICA

- **CPI slowed to 3.5% y/y in January,** and the unemployment rate declined to 31.4% in 4Q25.
- **Markets gave initial thumbs up to the 2026 budget.** The budget outlines a fiscal framework that narrows the deficit and places public finances on a more sustainable path, while providing relief to households and, more importantly, formal small businesses.
- The **JSE is at a record high, led by strong commodity prices.** The JSE All Share Index jumped to a new record, up 7%.

Annualised returns (%)	1m	1yr	3yr	5yr	10yr
MSCI AC World Index ($)	1.3	24.2	20.7	11.7	13.0
S&P 500 Index ($)	-0.8	17.0	21.8	14.2	15.5
Nasdaq Composite ($)	-3.3	21.0	26.4	12.3	18.5
Bloomberg Global Aggr. Bond Index ($)	1.1	8.2	4.7	-1.2	1.2
JSE All Share	7.0	54.5	22.5	18.7	13.8
Property Index	6.6	44.7	26.9	20.9	4.6
Bonds (ALBI)	1.7	28.2	17.5	13.2	11.5
Money Market (STeFI Composite)	0.5	7.4	8.0	6.7	6.8
Rand/dollar (depreciation +)	-1.3	-14.7	-4.6	1.1	0.1
SA inflation (1 month lag)	0.2	3.5	4.0	4.9	4.7

Source: Morningstar

1.3% ↑
MSCI AC World Index ($)

1.1% ↑
Bloomberg Global Aggregate Bond Index ($)

7.0% ↑
All Share Index

1.7% ↑
All Bond Index

10.25% →
SA Prime Rate

7.52%
INN8 Invest Flexible Income: YIELD (net of fees)
(31 January 2026)

$/R15.94
Exchange rate

$72.87
Oil price
(Settlement price: 27/02/26)