JULY 2026
MONTHLY MARKET WRAP

MARKETS WHIPSAWED ON WAR TENSIONS AND AI SPENDING WORRIES

UNITED STATES	EUROPE/UK	ASIA	SOUTH AFRICA
Chipmakers weigh on equity markets.	EU: left rates unchanged. Burnham takes over as UK PM.	China: intervened in share market . Japan: intervened to support yen.	Positive month for equity market.

UNITED STATES

- Tariffs returned with a bang as President Trump imposed 10% to 12.5% duties on imports from most major US trading partners.
- Growth slowed to an annualised 1.5% in Q2, but robust consumer spending underscored strong domestic demand.
- The US Fed left rates unchanged. Long-bond yields climbed globally on concerns around the Fed reining in inflation. The Treasury 30-year yield now at the highest since 2007.
- Equities remained volatile. A sell-off in chipmakers gathered pace, driving the high-profile group of shares down amid recently renewed concerns that AI spending has outpaced its promise. The S&P 500 Index was flat (-0.1%), dragged down by semiconductor shares. The *PHLX* Semiconductor Index dropped 20% in July.

UK/EUROPE

- The ECB kept rates unchanged but a September hike firmly in play.
- Volkswagen cut its revenue expectations for the year as falling sales in China intensified pressure to overhaul Europe's largest carmaker.
- The British economy eked out minimal growth of 0.1% in May. The outlook for the economy remains darkened by the shadow of the conflict in the Gulf and uncertainty over the latest change of political leadership at home – their seventh in 10 years.

ASIA

- China mounted an effort to steady the share market, with regulators, state-backed investors, insurers and asset managers moving to shore up confidence after a sell-off in tech shares. The *ChinaAMC STAR 50 ETF* secured a record 13.8 billion yuan ($2 billion) in daily inflows on 20 July.
- Memory chipmaker *CXMT* surged 466% in its Shanghai debut, becoming China's largest onshore-listed company as investors piled into the AI share.
- Japan and US took joint action in the currency market to arrest the yen's slide to 40-year lows. Trading higher at 157 yen to the dollar at month end.

SOUTH AFRICA

- SARB kept interest rates unchanged. A surprisingly dovish statement that took the wind out of the rand.
- SA secured a R24.76 billion World Bank loan to boost infrastructure.
- The latest *Old Mutual Savings and Investment Monitor* study revealed that lower and middle-income households turned increasingly to gambling to pay debt, trapping themselves in deeper debt.
- The JSE All Share Index was up 1% in July, boosted by resources and property shares.

Annualised returns (%)	1m	1yr	3yr	5yr	10yr
MSCI AC World Index ($)	0.1	22.1	18.3	10.8	12.3
S&P 500 Index ($)	-0.1	19.6	19.3	12.9	15.1
Nasdaq Composite ($)	-3.2	20.9	21.8	12.4	18.3
Bloomberg Global Aggr. Bond Index ($)	-0.5	1.6	3.0	-1.9	0.2
JSE All Share	1.2	17.2	16.3	14.5	11.6
Property Index	2.2	26.1	26.8	17.9	3.8
Bonds (ALBI)	-1.4	16.6	16.4	11.9	10.4
Money Market (STeFI Composite)	0.6	7.0	7.9	7.0	6.8
Rand/dollar (depreciation +)	0.9	-9.2	-2.5	2.5	1.8
SA inflation (1 month lag)	0.7	5.0	4.4	5.2	4.7

Source: Morningstar. This Market Wrap combines publicly available information from multiple reputable financial publications and market data sources with our own analysis and commentary.

0.1% ↑
MSCI AC World Index ($)

-0.5% ↓
Bloomberg Global Aggregate Bond Index ($)

1.2% ↑
All Share Index

-1.4% ↓
All Bond Index

10.50% →
SA Prime Rate

7.83%
INN8 Invest Flexible Income: YIELD (net of fees)
(30 June 2026)

$/R16.56
Exchange rate

$87.25
Oil price
(Settlement price: 31/07/26)