

### ECONOMIC COMMENTARY - DR. FRANCOIS STOFBERG

#### US-China trade talks offer hope

##### Trade negotiations signal a shift in US-China relations

After months of heightened tariff pressure, the United States (US) and China appear to be moving towards de-escalation. Treasury Secretary Scott Bessent and US Trade Representative Jamieson Greer concluded talks with Chinese Vice-Premier He Lifeng in Geneva, calling the discussions “productive” and a sign of “substantial progress”. The talks resulted in an agreement to establish a bilateral mechanism for continued dialogue. Both delegations emphasised shared interests. US businesses, including major retailers, had warned of looming shortages if tensions continued. President Donald Trump called the talks a “friendly but constructive reset”. Chinese state media, in turn, described them as “candid and in-depth”, highlighting a desire to stabilise trade ties amid slowing global growth and mounting domestic pressures.

Markets responded positively: The S&P 500 and Nasdaq futures rose 1.5% and 2%, respectively. Gold fell 1.4% and 10-year US Treasury yields climbed slightly to 4.4%. Asian equities also gained, with Hong Kong’s Hang Seng Index up 0.9% and the CSI 300 rising 0.6%. The dollar strengthened modestly, while haven currencies (like the yen and franc) weakened.

##### China’s strategic pivot: Electrification as a geopolitical buffer

Amid trade tensions, China continues its push towards becoming the world’s first ‘electrostate’. Under President Xi Jinping’s leadership, the country has prioritised energy self-sufficiency and technological leadership in clean energy sectors. Clean technologies now make up 10% of China’s gross domestic product and were responsible for a quarter of its economic growth last year. Electrification has reached 30% of energy use, well above the 22% seen in the US and Europe, and continues to accelerate.

Electric vehicle sales are expected to exceed 12.5 million in 2025, outpacing internal combustion vehicles. At the same time, China is investing heavily in ultra-high-voltage transmission infrastructure, with up to \$800 billion allocated until 2030. These investments enable solar and wind power from inland regions to reach coastal industrial zones and support a more reliable, distributed power system.

By 2028, China is projected to source more than 50% of its power from low-carbon sources, including hydro, solar, wind, and nuclear. This transformation supports both energy security and export competitiveness, allowing China to dominate clean tech supply chains while reducing exposure to foreign energy dependencies.

##### Market implications and investment considerations

While the Geneva talks offer near-term relief, the broader macro-environment remains volatile. US markets have been erratic in recent weeks, with the VIX still elevated and asset correlations shifting unpredictably. Currency markets are also sensitive. The Taiwanese dollar, for instance, surged by more than 6% in days, raising speculation around trade negotiations influencing Asian holdings of US assets. Analysts warn of ‘avalanche risk’ if foreign institutions reduce their dollar exposure quickly. Central banks in Asia have already intervened to stabilise their currencies.

For investors, the strategic divide between the US and China presents clear themes: The US is prioritising fossil fuel exports and tariffs, while China is doubling down on electrification and supply chain control. These trends will influence capital flows, commodity demand, and technological competition for years to come.

##### In summary

US-China trade talks represent the most constructive engagement in months. China’s electrification strategy is also advancing rapidly, offering resilience amid trade and energy disruptions. That being said, volatility remains high across equities, bonds, and currency markets, driven by structural and policy shifts. As trade tensions ease, the long-term rivalry between the US and China is shifting towards industrial strategy and energy dominance. Stakeholders must prepare for a global economic environment shaped by decarbonisation, regionalisation, and intensified technological competition.

##### IN CLOSING

Attached, please find our latest update on global indices, currencies, and commodities, as provided by Efficient Private Clients.

Kind regards

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## YOUR WEEKLY ECONOMIC UPDATE

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# EFFICIENT

## CORPORATE SOLUTIONS



UPDATE

Global Indices, Currencies and Commodities, 14 May 2025

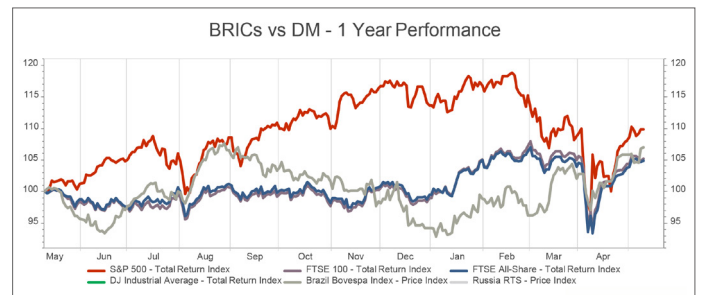
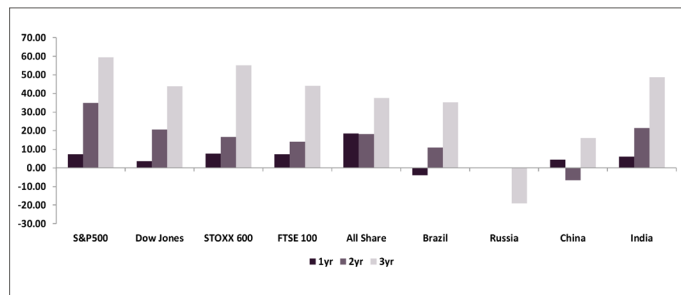
### GLOBAL INDICES

South Africa	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
All Share	91861.21	11.4%	18%	9%	12%
Top 40	84383.47	11.5%	18%	8%	12%
Mid Cap	91095.94	12.6%	15%	9%	11%
Small Cap	89708.79	10.6%	24%	15%	22%
Resource 20	70418.82	7.4%	14%	0%	9%
Industrial 25	130307.78	12.6%	20%	12%	13%
Financial 15	20549.37	13.0%	23%	15%	15%

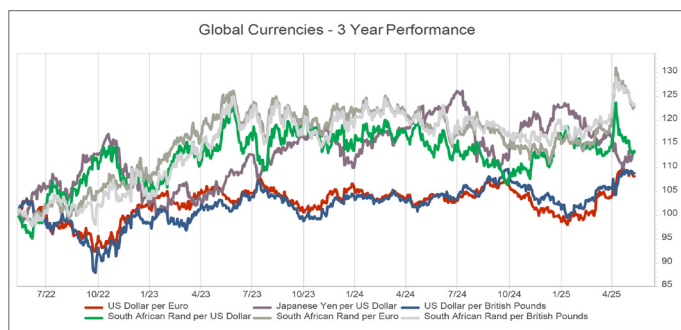
Europe	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
FTSE 100	8554.8	11.4%	2%	5%	8%
DAX 30	23499.32	19.5%	26%	21%	17%
CAC 40	7743.75	12.8%	-5%	2%	11%
STOXX 600	537.96	14.5%	4%	8%	10%
Russia RTS	955.46	0.0%	0%	0%	-3%

Asia	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
Nikkei 225	37503.33	18.3%	-1%	13%	13%
Hang Seng	22867.74	12.8%	23%	7%	-1%
Shanghai	3341.9988	4.9%	6%	0%	3%
India SENSEX	79454.47	7.6%	10%	13%	20%

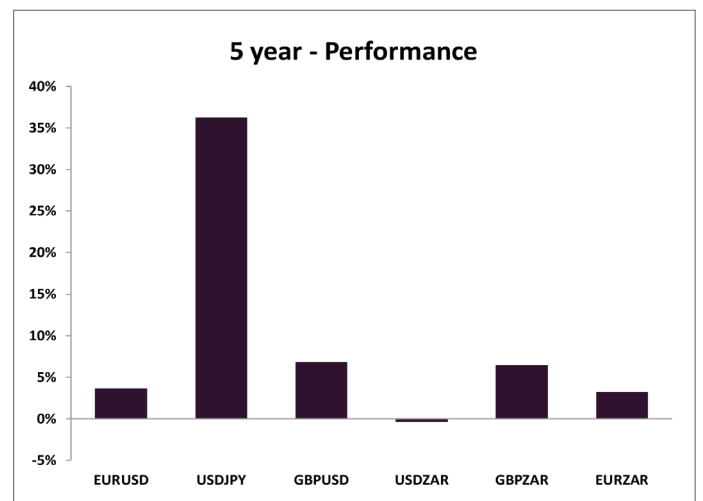
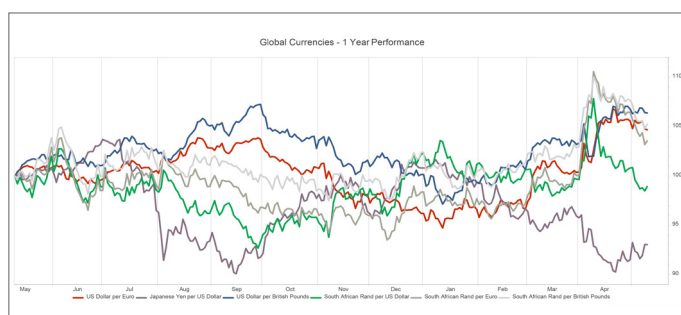
Americas	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
Dow Jones	41249.38	1.6%	5%	11%	11%
S&P 500	5659.91	3.7%	9%	17%	14%
Nasdaq	17928.916	4.7%	10%	21%	14%
Russel 1000	41249.38	1.6%	5%	11%	11%
Brazil Bovespa	136511.88	6.8%	6%	13%	11%



### CURRENCIES

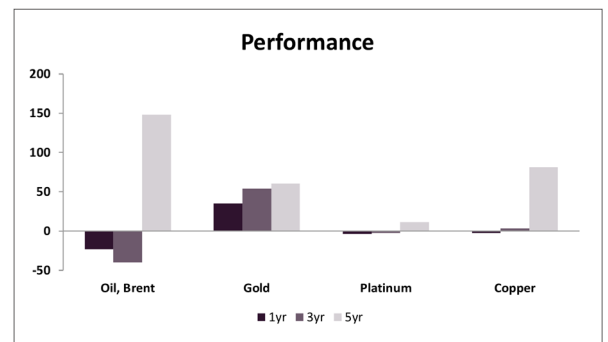
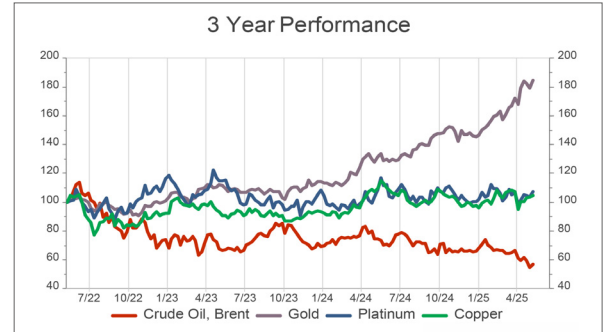
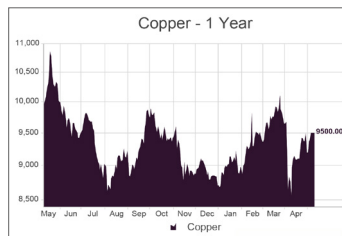
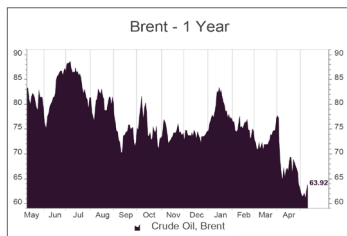
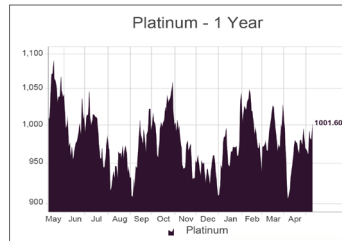
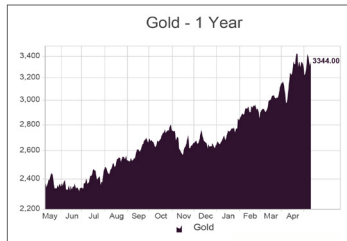


Currencies	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
USD/ZAR	18.26	-4.7%	-1%	-3%	0%
GBP/ZAR	24.29	-2.9%	5%	0%	2%
EUR/ZAR	20.57	-5.3%	4%	-1%	1%
AUD/ZAR	11.72	-1.9%	-4%	-5%	0%
EUR/USD	1.13	-0.6%	5%	2%	1%
USD/JPY	145.02	1.0%	-7%	4%	6%



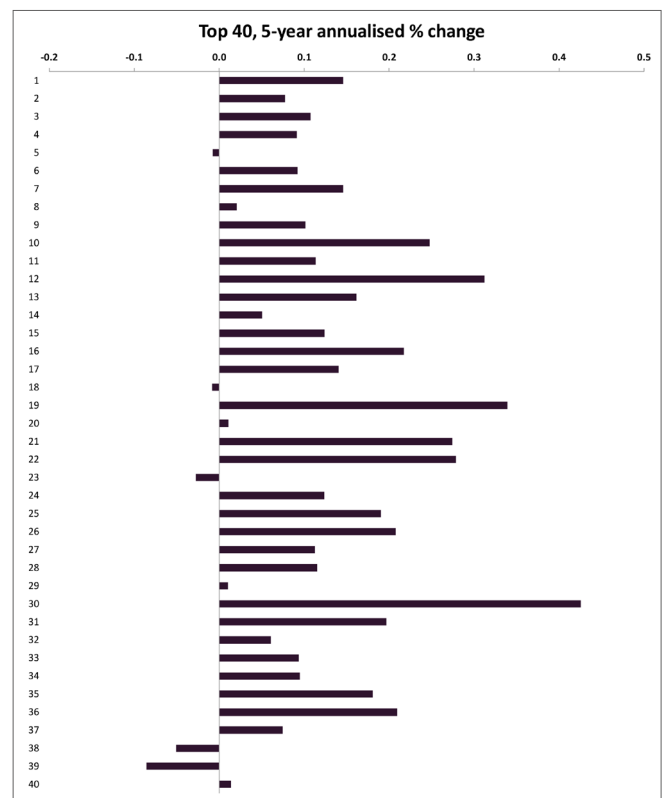
#### COMMODITIES

Commodities	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
Gold	3344.00	8.6%	35%	21%	5%
Platinum	1001.60	8.9%	-4%	-10%	1%
Silver	32.91	7.2%	9%	6%	10%
Brent Crude	63.92	-5.0%	-23%	-9%	24%
Copper	9500.00	11.3%	-2%	5%	11%



#### TOP 40

Top 40		Close	1M %	1 Year %	2Y Ann %	5Y Ann %
1	ABSA GROUP LTD	165.98	5.9%	12%	0%	15%
2	ANGLO AMERICAN PLC	500.76	11.9%	-21%	-6%	8%
3	ANGLO GOLD ASHANTI	811.96	14.9%	83%	25%	11%
4	ANHEUSER-BUSCH INBEV	1226.79	5.6%	4%	2%	9%
5	ASPEN	124.85	-14.3%	-46%	-16%	-1%
6	BHP Group Limited	443.10	9.3%	-16%	-11%	9%
7	BID CORP LTD	474.29	11.9%	9%	9%	15%
8	BRITISH AMERICAN TOBACCO PLC	764.30	-1.5%	37%	8%	2%
9	BIDVEST GROUP LIMITED	234.67	12.7%	-8%	-3%	10%
10	COMPAGNIE FINANCIERE	3193.94	4.5%	18%	2%	25%
11	CLICKS GROUP	390.46	16.9%	30%	21%	11%
12	CAPITEC	3420.48	21.1%	50%	46%	31%
13	DISCOVERY	206.65	14.6%	77%	22%	16%
14	EXXARO RESOURCES LTD	144.00	2.8%	-19%	-10%	5%
15	FIRSTRAND	72.83	9.9%	10%	7%	12%
16	GOLDFIELDS LTD	407.00	-2.8%	34%	14%	22%
17	GLENORE PLC	61.97	2.9%	-42%	-21%	14%
18	GROWTHPOINT	13.09	9.5%	22%	3%	-1%
19	HARMONY GOLD MINING	284.07	1.5%	67%	70%	34%
20	IMPLATS	114.21	11.6%	25%	-20%	1%
21	INVLT	114.00	8.2%	-7%	5%	27%
22	INVESTEC	114.37	8.0%	-8%	4%	28%
23	MONDI PLC	278.71	7.9%	-24%	-4%	-3%
24	MR PRICE GROUP LTD	239.26	17.3%	33%	29%	12%
25	MTN GROUP	118.27	13.7%	26%	0%	19%
26	NEDBANK	250.10	11.5%	7%	9%	21%
27	NASPERS -N	5085.54	19.8%	35%	29%	11%
28	NEPI ROCKCASTLE PLC	138.58	8.9%	11%	12%	12%
29	OLD MUTUAL LTD	12.06	26.9%	10%	2%	1%
30	OUTSurance	76.98	14.4%	90%	50%	43%
31	PEPKOR HOLDINGS LTD	27.10	18.2%	47%	29%	20%
32	PROSUS NV	897.11	14.6%	33%	23%	6%
33	REMGRO	160.40	13.4%	32%	7%	9%
34	REINET INVESTMENTS SCA	477.70	9.1%	8%	7%	9%
35	STANBANK	225.34	11.4%	24%	17%	18%
36	SHOPRITE	283.28	10.0%	11%	17%	21%
37	SANLAM	85.23	18.1%	22%	25%	7%
38	SASOL	63.98	15.6%	-51%	-48%	-5%
39	Sibanye Stillwater Ltd	22.85	34.0%	3%	-24%	-9%
40	VODACOM GROUP LIMITED	132.10	11.4%	43%	5%	1%



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