

ECONOMIC COMMENTARY - DR. FRANCOIS STOFBERG

The great reversal: US isolation, innovation, and the new global order

As the world races towards the next financial frontier, the United States (US) appears to be accelerating and braking at the same time. This past week, the US Congress tabled a package of cryptocurrency legislation that clarifies long-awaited regulatory grey areas: Splitting oversight responsibilities between the Commodity Futures Trading Commission and the Securities and Exchange Commission, and setting out clearer rules for stablecoins. These moves should, in theory, unlock innovation and foster financial inclusion through decentralised finance and tokenised assets. But tucked inside the package is something far more consequential: An outright ban on a US central bank digital currency (CBDC).

This is not just regulatory conservatism; it is a reversal of global momentum. While more than 100 countries are either developing or researching CBDCs, the US has effectively removed itself from this wave of digital transformation. The justification? A deeply libertarian mistrust of government surveillance, ironically juxtaposed against a broader erosion of financial privacy already occurring in traditional systems. In short, while the US clings to its role as global reserve currency issuer, it risks being leapfrogged by an evolving multilateral digital order.

This is not the only area where the US is pulling back from the global stage. At the G20 Finance Summit in South Africa, US Treasury Secretary Scott Bessent was notably absent. This undercut aims to strengthen multilateralism and address critical issues like African debt relief and infrastructure funding.

Washington's increasingly transactional posture is nowhere more evident than in its tariff policy. In Quarter 2 alone, US customs revenue surged to a record \$64 billion, much of it driven by Trump-era protectionism. Remarkably, few countries have retaliated, wary of disrupting trade flows with the world's largest consumer market. Domestically, these tariffs are feeding into inflation, especially as the US simultaneously dismantles its green energy ambitions. Trump's "Big Beautiful Bill" has gutted federal support for renewables, while boosting fossil fuel subsidies. At the same time, US trade policy all but bans affordable Chinese electric vehicles and batteries, even as US automakers struggle to offer competitive alternatives. In this context, the US looks set to remain a petrostate for the foreseeable future, handing Beijing leadership in the clean energy race.

The Federal Reserve (Fed), too, finds itself under political siege. Trump's open musings about firing Fed Chair Jerome Powell sent markets into a tailspin. While the legal framework makes such a move difficult, the threat alone has rattled confidence in the central bank's independence. With Powell's term ending in 2026, and markets already pricing in political risk, we may be entering an era where US monetary policy is seen as partisan and unstable.

Meanwhile, elite investment funds like Vy Capital (key backers of Elon Musk's ventures) are closing their doors to outside money after years of spectacular returns. This signals two things: That venture capital is becoming more insular, and that high-net-worth investors are consolidating power and innovation within ever more exclusive ecosystems. This does not bode well for broader financial inclusion.

Global peers are not faring much better. In Japan, inflation has overtaken wages, pushing voters towards populist promises of tax cuts and cash handouts ahead of the impending election. With government debt already at 235% of the gross domestic product, such fiscal loosening could rattle bond markets, which are already showing signs of strain.

What ties these stories together is a common thread: Retreat. Whether it is the US stepping back from global digital leadership, Japan resorting to fiscal populism, or the undermining of independent institutions, the world's largest economies seem increasingly focused inward.

In this new economic order, success may not hinge on domination but on cooperation. The countries that choose partnership over isolation, innovation over ideology, and credibility over chaos, will shape the future.

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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UPDATE

Global Indices, Currencies and Commodities, 22 July 2025

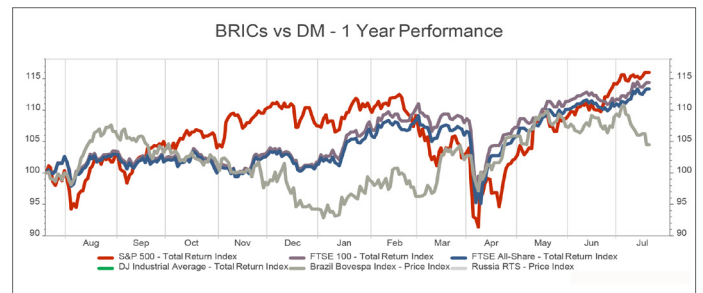
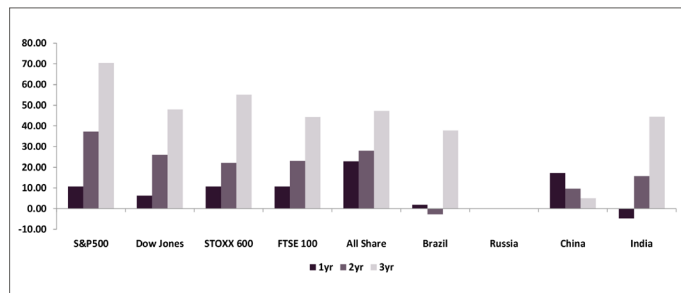
GLOBAL INDICES

South Africa	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
All Share	98687.07	3.9%	23%	13%	12%
Top 40	90973.71	4.0%	24%	13%	12%
Mid Cap	100839.65	6.3%	19%	15%	11%
Small Cap	94133.71	4.2%	18%	18%	21%
Resource 20	81001.39	5.4%	31%	12%	8%
Industrial 25	138234.6	3.2%	28%	15%	13%
Financial 15	21419.21	3.8%	14%	13%	15%

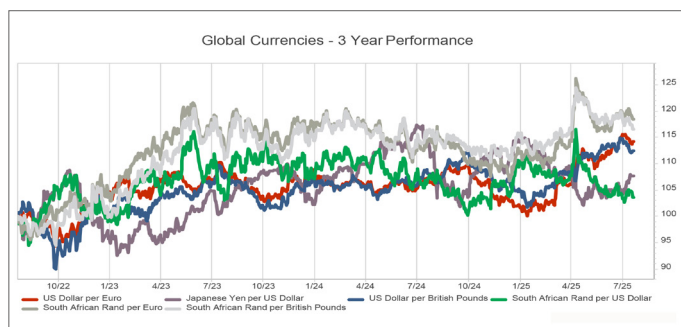
Europe	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
FTSE 100	8992.12	1.7%	10%	10%	7%
DAX 30	24289.51	4.2%	32%	23%	13%
CAC 40	7822.67	2.2%	3%	3%	9%
STOXX 600	547	1.2%	6%	9%	8%
Russia RTS	955.46	0.0%	0%	0%	-5%

Asia	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
Nikkei 225	39819.11	2.4%	-1%	11%	12%
Hang Seng	24825.66	4.7%	40%	14%	0%
Shanghai	3534.4827	4.3%	19%	5%	2%
India SENSEX	81757.73	0.4%	1%	11%	17%

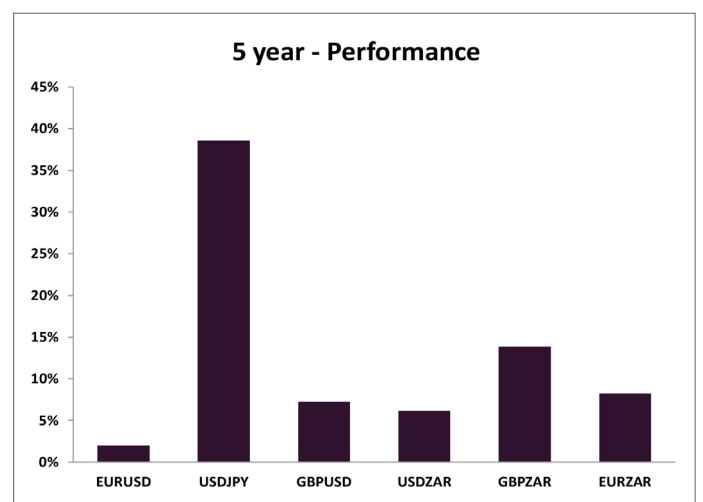
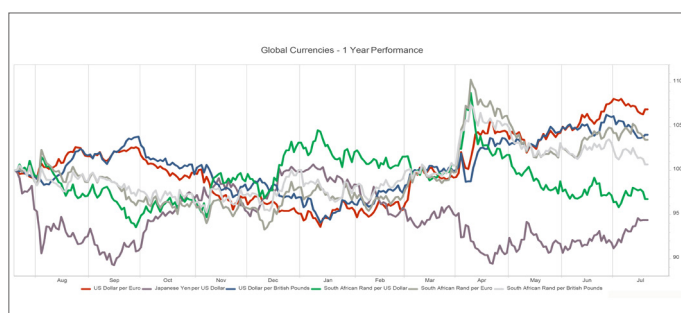
Americas	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
Dow Jones	44342.19	5.1%	9%	13%	11%
S&P 500	6296.79	5.3%	14%	18%	14%
Nasdaq	20895.654	6.9%	17%	21%	15%
Russel 1000	44342.19	5.1%	9%	13%	11%
Brazil Bovespa	133381.58	-3.8%	4%	6%	5%



CURRENCIES

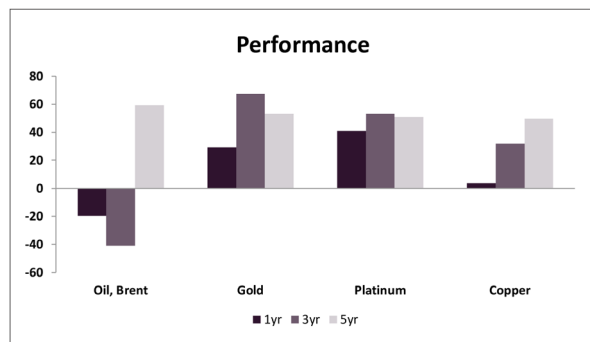
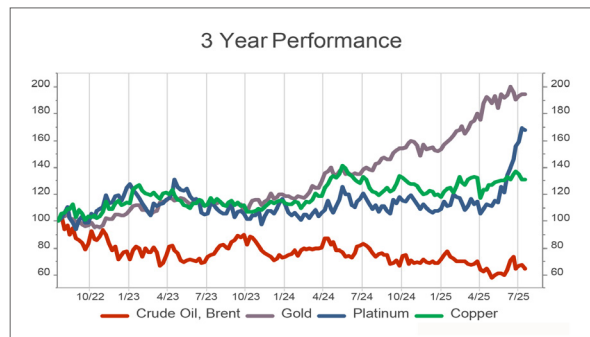
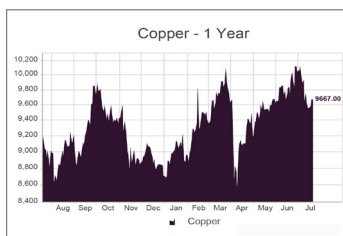
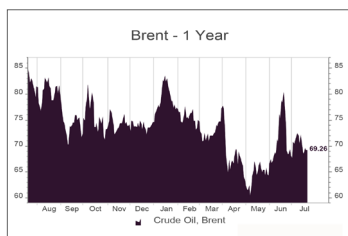
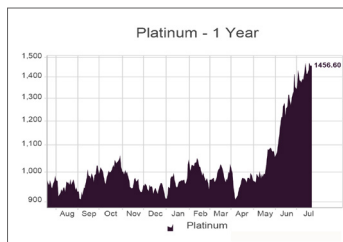
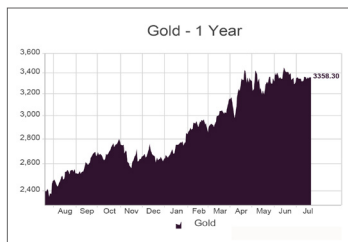


Currencies	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
USD/ZAR	17.69	-1.7%	-3%	-1%	1%
GBP/ZAR	23.78	-1.9%	1%	2%	3%
EUR/ZAR	20.61	-0.6%	3%	2%	2%
AUD/ZAR	11.54	-0.9%	-6%	-2%	0%
EUR/USD	1.16	1.2%	7%	2%	0%
USD/JPY	148.50	1.8%	-6%	2%	7%



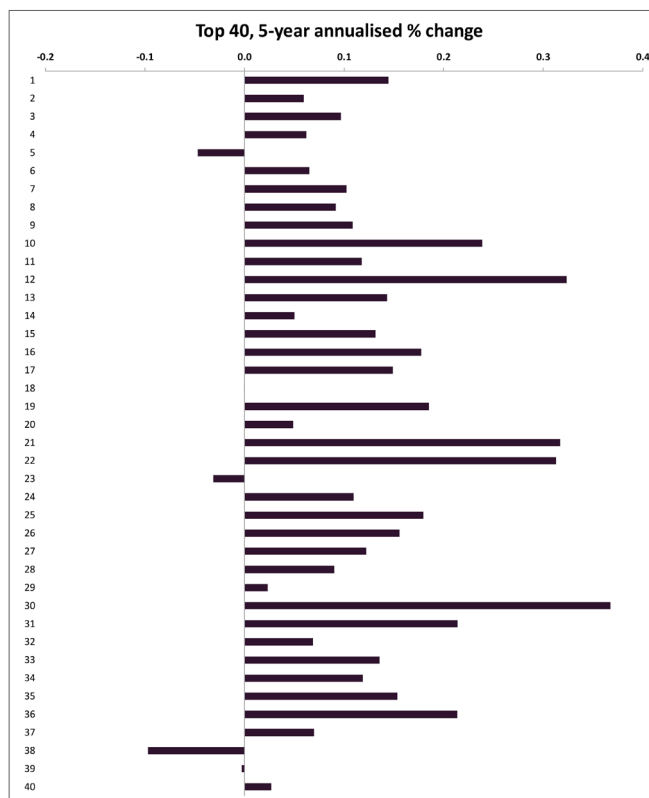
COMMODITIES

Commodities	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
Gold	3358.30	-1.5%	29%	23%	4%
Platinum	1456.60	9.8%	41%	15%	-1%
Silver	38.46	3.3%	20%	16%	5%
Brent Crude	69.26	-11.6%	-20%	-7%	11%
Copper	9667.00	-1.8%	3%	7%	6%



TOP 40

Top 40		Close	1M %	1 Year %	2Y Ann %	5Y Ann %
1	ABSA GROUP LTD	177.76	2.8%	15%	-1%	14%
2	ANGLO AMERICAN PLC	533.00	5.6%	1%	0%	6%
3	ANGLO GOLD ASHANTI	848.68	-1.3%	62%	43%	10%
4	ANHEUSER-BUSCH INBEV	1208.40	-5.6%	8%	8%	6%
5	ASPEN	113.80	-3.6%	-51%	-22%	-5%
6	BHP Group Limited	458.07	6.2%	-11%	-8%	6%
7	BID CORP LTD	456.85	2.5%	4%	4%	10%
8	BRITISH AMERICAN TOBACCO PLC	905.32	2.6%	51%	23%	9%
9	BIDVEST GROUP LIMITED	237.91	4.1%	-13%	-6%	11%
10	COMPAGNIE FINANCIERE	3148.98	-5.2%	13%	3%	24%
11	CLICKS GROUP	371.05	3.4%	10%	20%	12%
12	CAPIPEC	3493.96	1.9%	30%	44%	32%
13	DISCOVERY	218.38	2.1%	60%	20%	14%
14	EXXARO RESOURCES LTD	172.71	16.7%	-10%	2%	5%
15	FIRSTRAND	76.67	6.1%	-1%	4%	13%
16	GOLDFIELDS LTD	433.93	-1.4%	42%	23%	18%
17	GLENORE PLC	72.79	4.3%	-31%	-15%	15%
18	GROWTHPOINT	14.26	9.2%	19%	7%	0%
19	HARMONY GOLD MINING	248.84	-3.5%	32%	72%	19%
20	IMPLATS	180.73	20.1%	95%	15%	5%
21	INVLT	133.74	9.6%	-2%	10%	32%
22	INVESTEC	133.02	8.9%	-3%	10%	31%
23	MONDI PLC	269.33	-6.5%	-28%	-6%	-3%
24	MR PRICE GROUP LTD	215.50	-1.5%	6%	23%	11%
25	MTN GROUP	145.95	13.8%	97%	4%	18%
26	NEDBANK	245.66	-0.7%	-4%	4%	16%
27	NASPERS -N	5583.11	4.5%	59%	29%	12%
28	NEPI ROCKCASTLE PLC	137.20	1.2%	5%	11%	9%
29	OLD MUTUAL LTD	11.92	1.1%	-1%	-3%	2%
30	OUTSURANCE	77.51	-0.6%	64%	44%	37%
31	PEPKOR HOLDINGS LTD	27.65	0.7%	40%	30%	21%
32	PROSUS NV	1027.06	6.3%	57%	29%	7%
33	REMGRO	173.50	13.3%	29%	6%	14%
34	REINET INVESTMENTS SCA	522.17	10.8%	15%	10%	12%
35	STANBANK	232.06	2.2%	12%	12%	15%
36	SHOPRITE	277.21	2.1%	-3%	8%	21%
37	SANLAM	88.54	2.4%	12%	18%	7%
38	SASOL	89.92	-8.0%	-34%	-38%	-10%
39	Sibanye Stillwater Ltd	41.00	32.0%	96%	12%	0%
40	VODACOM GROUP LIMITED	142.87	10.8%	57%	12%	3%



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