

ECONOMIC COMMENTARY - DR. FRANCOIS STOFBERG

Climate diplomacy, Trump's tariffs, and a shifting global narrative

Global markets are, once again, facing a swirl of uncertainties as political, environmental, and economic forces collide. From Europe's tense climate diplomacy with China, to President Donald Trump's tariff threats and the absence of a unifying global economic narrative, investors are left to navigate a fog of competing signals.

A key focus is the European Union's (EU's) standoff with China over a proposed joint climate declaration. Beijing has been keen to issue a communiqué following a high-profile summit with the President of the European Commission, Ursula von der Leyen, hoping to showcase a shared commitment to tackling climate change. But Brussels is digging in its heels, demanding that China take bolder steps to cut greenhouse gas emissions before signing off on any statement. China has invested heavily in renewable technologies but its reliance on coal keeps it the world's top emitter. Europe, meanwhile, has pledged a 90% cut in emissions by 2040 but faces criticism for relying partly on carbon credits. With climate-driven extreme weather battering both regions, momentum for genuine progress seems both urgent and politically fraught.

While Europe struggles with climate diplomacy, it also faces the aftershocks of Trump's protectionist trade agenda. As the deadline looms for his sweeping reciprocal tariffs to come into force, Trump has fired a fresh warning: Any nation aligning with the BRICS group's "anti-American policies" will face an extra 10% tariff on exports to the United States (US). Negotiations with allies like the EU and Japan have faltered, and only three countries (the United Kingdom, China, and Vietnam) have reached deals to avoid Trump's tariff hammer. This uncertainty has frozen investment decisions and snarled global supply chains. Bonded warehouse costs have spiked as importers race to stockpile goods ahead of possible tariff hikes. Even though Trump paused the steepest tariffs for 90 days, boardrooms worldwide remain uneasy. As one supply chain consultant put it, companies can reroute ships relatively quickly but relocating entire factories is an eight-to-ten-year process; it is hard to plan when policy shifts weekly on the whim of one leader.

Beyond climate and trade, a deeper question stalks markets: What story do we tell about the global economy today? Historically, eras have been defined by big, coherent narratives. But now there is no single script. Instead, conflicting signals abound: Populism is rising, globalisation is fragmenting, and new trade corridors between emerging economies are forming even as established powers retreat behind tariff walls. The same data point can now be spun multiple ways. A resilient S&P 500 index, for example, might signal market optimism, or dangerous complacency. Artificial intelligence promises a productivity boom, yet also fuels fears of mass job losses. In geopolitics, the rise of friendship creates a veneer of stability, even as underlying vulnerabilities grow. This Rashomon effect (where everyone sees what they want to see) means that markets are holding steady for now but could turn violently if confidence breaks.

And there is plenty that could break it. The world's two largest economies are headed for pivotal climate deadlines in November but with a trust deficit between them. Tariff deadlines this month threaten to reignite trade wars. Underneath it all, long-term debt trajectories are worsening, while political instability from populist movements adds to the chaos. As one senior climate advisor observed: If the US will not lead, the EU and China must step up but only with substance, not hollow declarations. That same lesson applies to markets. Short-term resilience can mask deeper vulnerabilities, whether it is climate risk, geopolitical tensions, or financial imbalances.

Investors would be wise to watch carefully whether bold policy (from credible climate pledges to trade certainty) emerges in the coming weeks. Otherwise, today's uneasy calm may prove as fragile as a paper-thin communiqué.

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

9 July 2025

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UPDATE

Global Indices, Currencies and Commodities, 9 July 2025

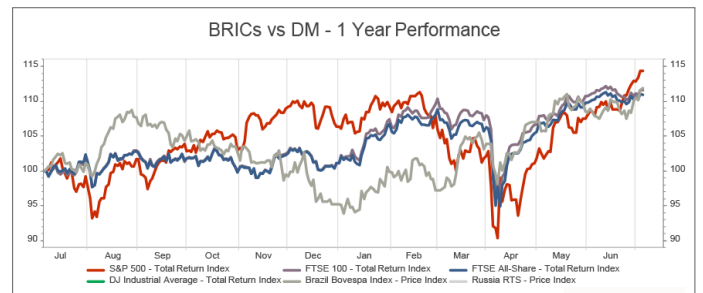
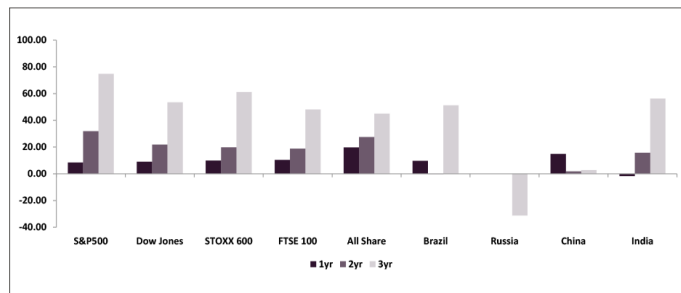
GLOBAL INDICES

South Africa	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
All Share	97182.71	1.6%	20%	13%	12%
Top 40	89400.79	1.6%	21%	12%	12%
Mid Cap	99188.43	4.9%	16%	15%	11%
Small Cap	93480.93	1.6%	15%	17%	21%
Resource 20	78726.28	5.2%	28%	12%	9%
Industrial 25	136078.28	0.1%	25%	14%	12%
Financial 15	21298.37	1.0%	11%	15%	16%

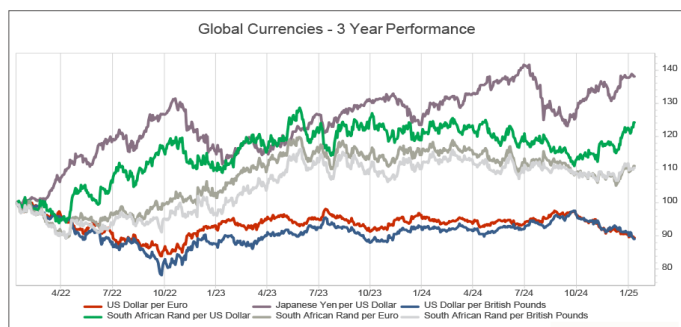
Europe	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
FTSE 100	8822.91	0.2%	7%	8%	7%
DAX 30	23787.45	-2.0%	29%	22%	14%
CAC 40	7696.27	-1.4%	0%	2%	9%
STOXX 600	541.13	-1.8%	5%	8%	8%
Russia RTS	955.46	0.0%	0%	0%	-5%

Asia	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
Nikkei 225	39810.88	5.5%	-3%	9%	12%
Hang Seng	23916.06	1.1%	33%	11%	-1%
Shanghai	3472.319	2.8%	17%	3%	2%
India SENSEX	83432.89	3.0%	4%	13%	18%

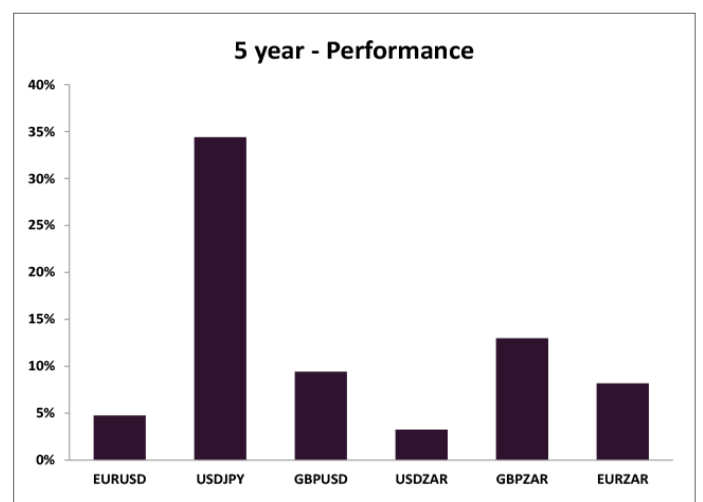
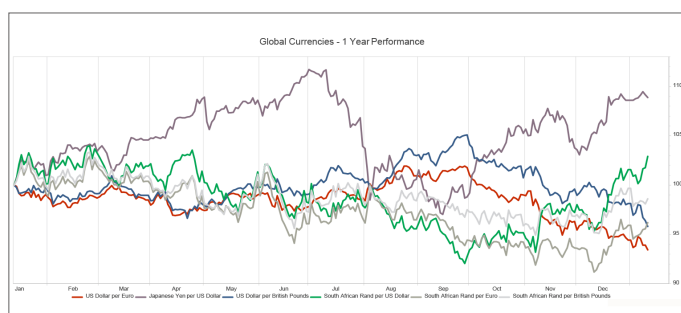
Americas	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
Dow Jones	44828.53	5.4%	14%	14%	12%
S&P 500	6279.35	5.2%	13%	19%	15%
Nasdaq	20601.102	6.2%	13%	22%	15%
Russel 1000	44828.53	5.4%	14%	14%	12%
Brazil Bovespa	141263.56	3.1%	12%	9%	8%



CURRENCIES

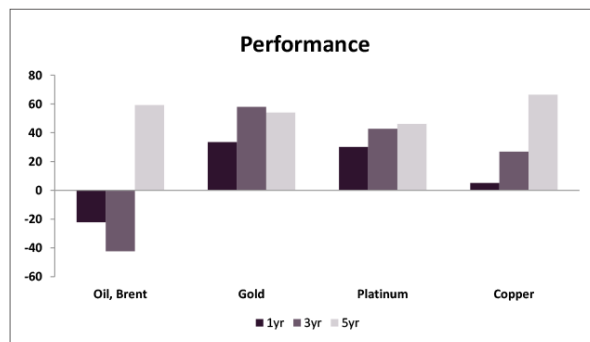
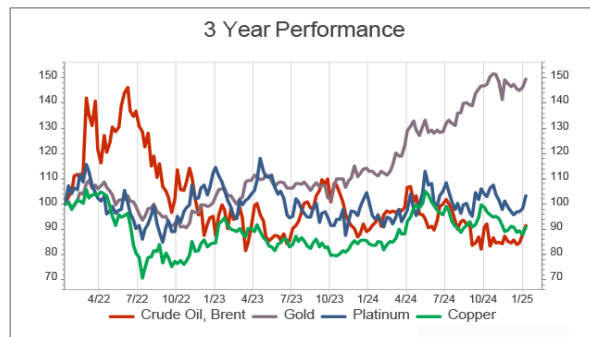
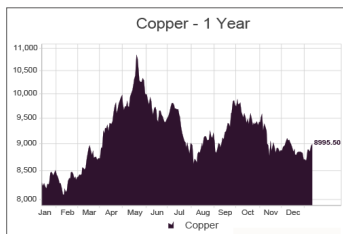
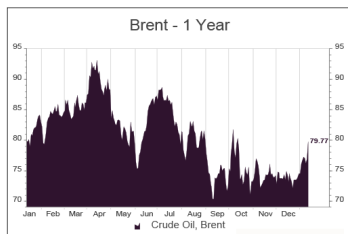
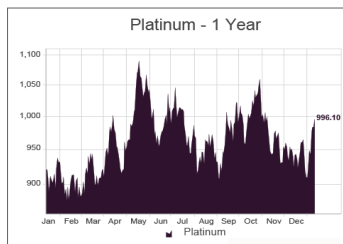
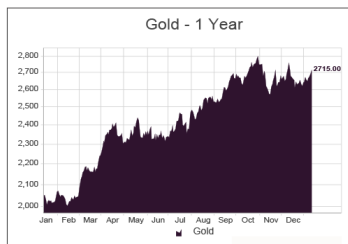


Currencies	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
USD/ZAR	17.61	-1.0%	-3%	-3%	1%
GBP/ZAR	24.03	-0.1%	3%	0%	2%
EUR/ZAR	20.74	2.4%	5%	0%	1%
AUD/ZAR	11.54	0.0%	-6%	-4%	-1%
EUR/USD	1.18	3.4%	9%	4%	1%
USD/JPY	144.53	-0.3%	-10%	1%	6%



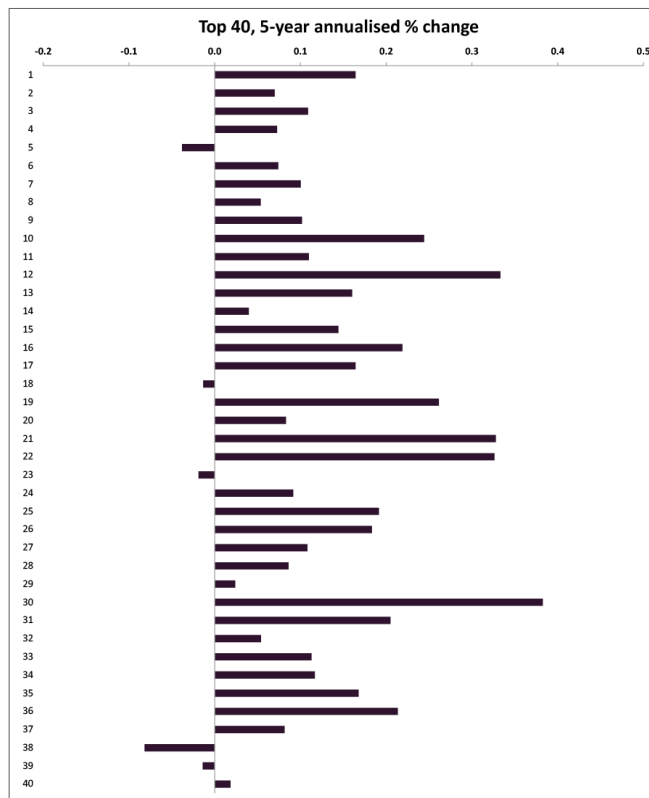
COMMODITIES

Commodities	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
Gold	3342.90	-1.0%	33%	24%	5%
Platinum	1382.10	27.8%	30%	17%	0%
Silver	37.08	6.1%	14%	19%	6%
Brent Crude	68.74	1.9%	-22%	-4%	12%
Copper	10120.00	4.9%	5%	10%	7%



TOP 40

Top 40		Close	1M %	1 Year %	2Y Ann %	5Y Ann %
1	ABSA GROUP LTD	179.60	2.9%	13%	3%	16%
2	ANGLO AMERICAN PLC	531.58	-0.1%	-4%	-1%	7%
3	ANGLO GOLD ASHANTI	832.40	0.4%	68%	45%	11%
4	ANHEUSER-BUSCH INBEV	1225.13	-4.3%	12%	7%	7%
5	ASPEN	118.56	-1.6%	-49%	-20%	-4%
6	BHP Group Limited	441.00	0.6%	-19%	-12%	7%
7	BID CORP LTD	461.00	-2.9%	7%	5%	10%
8	BRITISH AMERICAN TOBACCO PLC	848.40	3.7%	47%	16%	5%
9	BIDVEST GROUP LIMITED	238.75	-0.5%	-16%	-5%	10%
10	COMPAGNIE FINANCIERE	3316.86	-1.1%	17%	3%	24%
11	CLICKS GROUP	370.21	-2.9%	10%	19%	11%
12	CAPITEC	3578.10	3.8%	35%	51%	33%
13	DISCOVERY	220.45	-0.5%	58%	23%	16%
14	EXXARO RESOURCES LTD	156.05	6.0%	-17%	-3%	4%
15	FIRSTRAND	74.81	0.4%	-3%	4%	14%
16	GOLDFIELDS LTD	432.54	-3.2%	51%	29%	22%
17	GLENORE PLC	72.92	4.1%	-35%	-16%	16%
18	GROWTHPOINT	13.78	2.8%	12%	8%	-1%
19	HARMONY GOLD MINING	253.88	-5.6%	47%	78%	26%
20	IMPLATS	171.10	34.0%	78%	16%	8%
21	INVLT	130.68	4.5%	-3%	11%	33%
22	INVESTEC	130.06	3.1%	-4%	10%	33%
23	MONDI PLC	287.90	-0.7%	-20%	-1%	-2%
24	MR PRICE GROUP LTD	221.67	-8.2%	9%	25%	9%
25	MTN GROUP	139.97	6.2%	67%	1%	19%
26	NEDBANK	243.40	-3.7%	-7%	3%	18%
27	NASPERS -N	5359.27	0.1%	52%	27%	11%
28	NEPI ROCKCASTLE PLC	136.60	1.1%	4%	11%	9%
29	OLD MUTUAL LTD	12.15	3.5%	-3%	0%	2%
30	OUTSurance	78.72	-1.3%	67%	51%	38%
31	PEPKOR HOLDINGS LTD	28.15	-1.9%	44%	30%	21%
32	PROSUS NV	961.68	2.0%	47%	24%	5%
33	REMGRO	168.31	7.2%	21%	6%	11%
34	REINET INVESTMENTS SCA	531.01	10.3%	16%	13%	12%
35	STANBANK	226.50	-2.6%	6%	13%	17%
36	SHOPRITE	282.98	-1.1%	-2%	12%	21%
37	SANLAM	88.81	-1.0%	7%	22%	8%
38	SASOL	88.54	5.6%	-40%	-39%	-8%
39	Sibanye Stillwater Ltd	34.94	31.1%	64%	9%	-1%
40	VODACOM GROUP LIMITED	138.81	2.2%	41%	9%	2%



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