

### ECONOMIC COMMENTARY - DR. FRANCOIS STOFBERG

#### Eskom, the South African economy's inflection point

For the first time in more than a decade, South Africans may be entering summer without the fear of load shedding hanging over every family dinner, boardroom meeting, or production line. Earlier this month, Eskom said that it expects no load shedding between September 2025 and March 2026, contingent on keeping unplanned breakdowns under control. Last summer, we saw just 13 days of cuts vs. 176 days the year before: A remarkable turnaround for a utility long synonymous with crisis.

#### Why does this matter?

Electricity is the lifeblood of modern economies. When it falters, industries seize up, households lose faith, and investors take their money elsewhere. Eskom's improved plant performance and more disciplined maintenance mean the question is no longer whether the lights will stay on but what a reliable grid could do for growth, jobs, and markets.

#### Manufacturing and mining are gearing up again

Few sectors suffered more from power cuts than manufacturing and mining. Outages throttled capacity, jammed export schedules, and forced costly diesel backups. The prospect of a stable summer allows plants to plan shifts and maintenance with confidence, thereby boosting throughput and safety in continuous-process operations. The latest Absa Purchasing Managers' Index (PMI) for manufacturing slipped back below 50 in August (to 49.5 from 50.8), reflecting weak demand and trade headwinds. However, a dependable grid removes a chronic drag that companies could not control.

#### Small business and consumer confidence

The gains are not just for heavy industry. For salons, cafés, and township retailers, unpredictability meant either investing in inverters or losing sales. A stable grid frees up cash flow and mental bandwidth. Entrepreneurs consistently rank energy reliability among their top concerns; lifting that weight nudges hiring, retail spend, and the micro-innovations that compound into growth. For households, the benefit is equally real. Reliable supply reduces the need for costly generators or solar kits, easing pressure on already stretched budgets. If inflation expectations ease on lower energy costs, the South African Reserve Bank may eventually gain the needed room to trim interest rates, another lift for consumers and credit-sensitive sectors like housing and retail.

#### Markets: A credibility signal

International investors watch infrastructure reliability as a proxy for reform momentum. The rand firmed about 0.4% on Friday after stronger net foreign reserves (up from \$65.143 billion in July to \$65.899 billion in August), and the 2035 bond yield eased (small moves but the direction matters). Consistent energy supply strengthens the case for capital inflows, softens risk premia, and supports equity earnings where electricity once pinched margins.

#### Keep the scepticism (a little)

Scepticism is healthy. Eskom's outlook is explicitly conditional: It hinges on keeping unplanned losses below stress thresholds and on continued discipline through maintenance cycles. Transmission and distribution weaknesses, municipal arrears, and residual governance risks have not vanished. One good season does not equal structural reform but it can be the platform for it.

#### Some other crosswinds

Even if electricity stabilises, other headwinds still have a bite. Business confidence slid to 39 in Quarter 3, below the long-term average, as firms contended with global volatility and new United States (US) trade barriers. Meanwhile, August's PMI dip underscores soft orders at home and abroad. And in agriculture, US tariffs of 30% plus cheap sugar imports are a "double-whammy" for cane growers, threatening rural jobs and incomes. In short, electricity reliability helps but trade and demand shocks still frame 2025's macro-story.

#### The bottom line: A real turning point – if we lock it in

South Africans are weary of false dawns. But if Eskom delivers a load-shedding-free summer, 2025 could mark the inflection point: Machines running, shifts working optimally, and confidence quietly rebuilding. That does not end our problems but it does remove the single biggest self-inflicted brake on growth. Keep the lights on, and the rest of the reform agenda suddenly has a fighting chance.

Kind regards

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## YOUR WEEKLY ECONOMIC UPDATE

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# EFFICIENT

## CORPORATE SOLUTIONS

## UPDATE

Global Indices, Currencies and Commodities, 10 September 2025

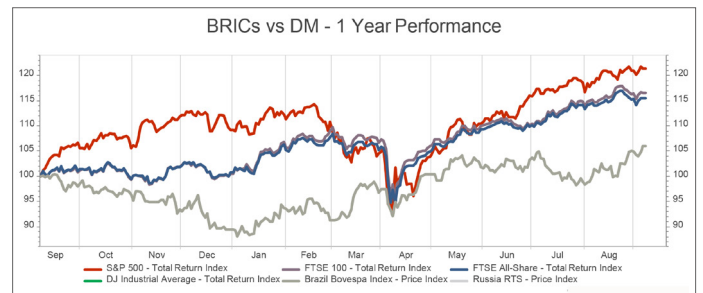
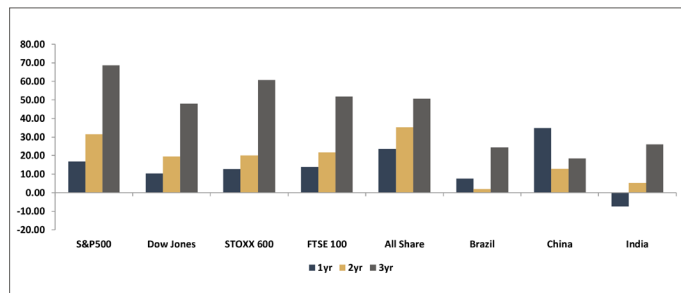
### GLOBAL INDICES

South Africa	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
All Share	101532.28	1.9%	24%	16%	14%
Top 40	94165.63	2.1%	26%	17%	14%
Mid Cap	99672.28	0.9%	17%	15%	12%
Small Cap	96186.38	1.8%	13%	18%	22%
Resource 20	93974.95	7.5%	75%	29%	12%
Industrial 25	137448.34	-0.2%	22%	15%	14%
Financial 15	21159.04	0.5%	3%	12%	17%

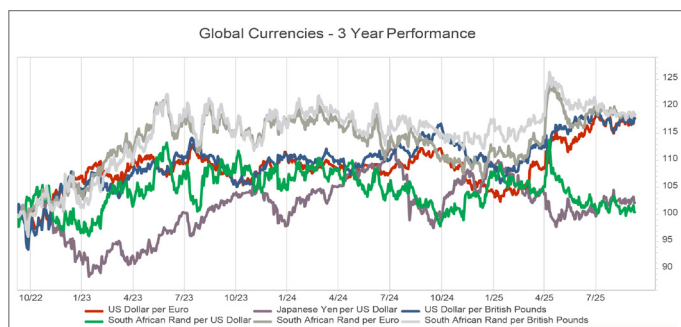
Europe	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
FTSE 100	9208.21	0.7%	12%	11%	10%
DAX 30	23596.98	-1.0%	27%	22%	13%
CAC 40	7674.78	0.7%	3%	3%	9%
STOXX 600	549.21	1.4%	7%	10%	9%
Russia RTS	955.46	0.0%	0%	0%	-5%

Asia	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
Nikkei 225	43018.75	6.1%	17%	14%	13%
Hang Seng	25417.98	2.1%	46%	17%	1%
Shanghai	3812.5144	5.4%	37%	10%	3%
India SENSEX	80710.76	0.0%	-2%	11%	16%

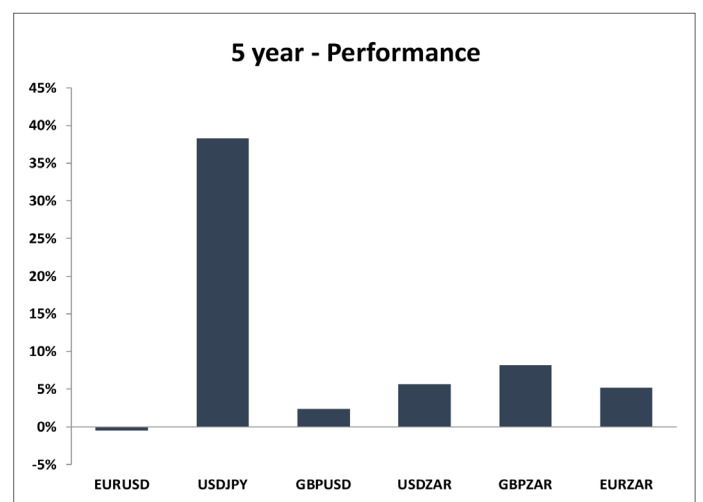
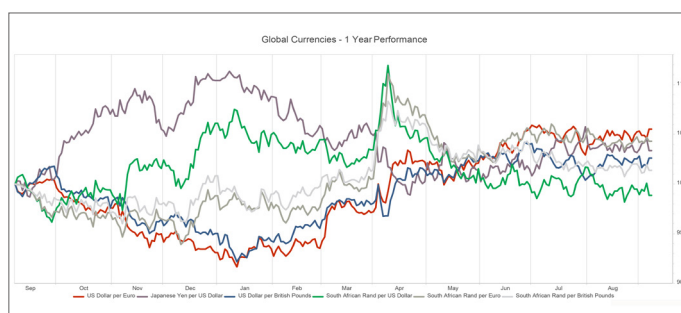
Americas	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
Dow Jones	45400.86	2.9%	11%	14%	10%
S&P 500	6481.5	2.9%	18%	20%	14%
Nasdaq	21700.389	3.7%	27%	24%	14%
Russel 1000	45400.86	2.9%	11%	14%	10%
Brazil Bovespa	142640.14	7.1%	4%	10%	7%



### CURRENCIES

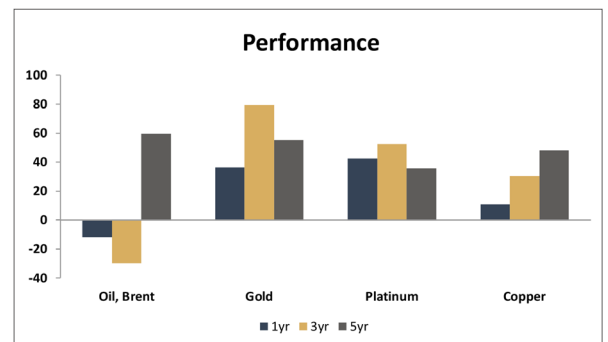
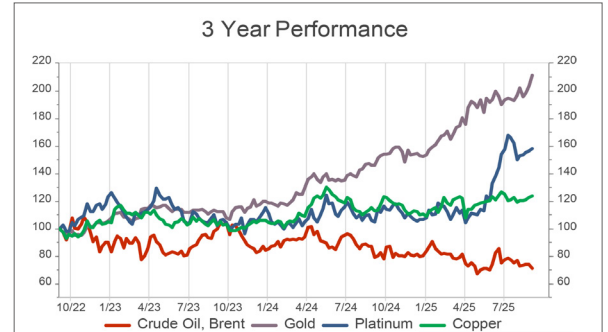
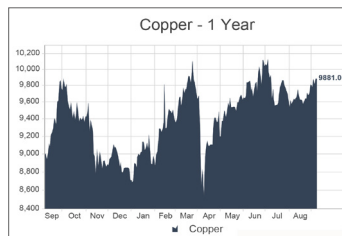
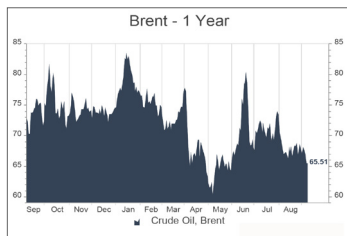
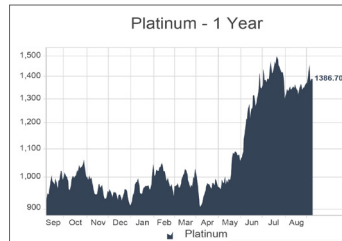
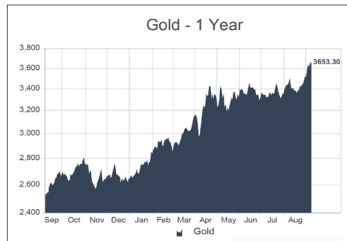


Currencies	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
USD/ZAR	17.58	-0.8%	-1%	-4%	1%
GBP/ZAR	23.77	-0.2%	1%	0%	2%
EUR/ZAR	20.63	-0.1%	4%	0%	1%
AUD/ZAR	11.52	-0.3%	-3%	-3%	-1%
EUR/USD	1.17	0.7%	6%	5%	0%
USD/JPY	147.08	-0.5%	3%	0%	7%



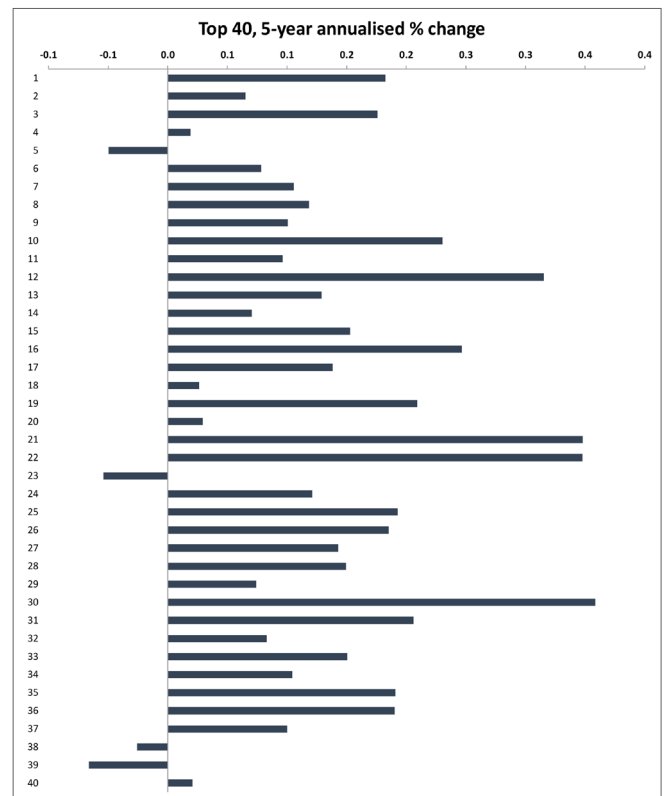
#### COMMODITIES

Commodities	Close	1M %	1 Year %	2Y Ann %	5Y Ann %
Gold	3653.30	6.4%	36%	29%	3%
Platinum	1386.70	4.2%	42%	16%	-2%
Silver	41.55	8.5%	35%	25%	-1%
Brent Crude	65.51	-5.3%	-12%	-15%	13%
Copper	9881.00	3.2%	11%	8%	5%



#### TOP 40

Top 40		Close	1M %	1 Year %	2Y Ann %	5Y Ann %
1	ABSA GROUP LTD	185.95	4.6%	8%	1%	18%
2	ANGLO AMERICAN PLC	540.42	9.0%	11%	4%	7%
3	ANGLO GOLD ASHANTI	1041.50	4.8%	102%	81%	18%
4	ANHEUSER-BUSCH INBEV	1057.30	-2.0%	-6%	-1%	2%
5	ASPEN	103.93	-9.6%	-48%	-21%	-5%
6	BHP Group Limited	475.80	3.3%	2%	-8%	8%
7	BID CORP LTD	444.00	-1.6%	-2%	1%	11%
8	BRITISH AMERICAN TOBACCO PLC	981.50	-2.1%	44%	25%	12%
9	BIDVEST GROUP LIMITED	216.32	-6.2%	-24%	-11%	10%
10	COMPAGNIE FINANCIERE	3169.76	8.1%	23%	9%	23%
11	CLICKS GROUP	361.94	-4.0%	-1%	15%	10%
12	CAPITEC	3423.80	-0.9%	18%	45%	32%
13	DISCOVERY	222.24	4.5%	48%	23%	13%
14	EXXARO RESOURCES LTD	184.68	16.9%	20%	4%	7%
15	FIRSTRAND	73.60	-3.1%	-13%	1%	15%
16	GOLDFIELDS LTD	605.81	13.3%	148%	60%	25%
17	GLENORE PLC	68.18	-5.3%	-23%	-19%	14%
18	GROWTHPOINT	14.05	-0.7%	0%	10%	3%
19	HARMONY GOLD MINING	250.58	-11.1%	57%	78%	21%
20	IMPLATS	184.00	8.3%	143%	48%	3%
21	INVLT	129.55	-0.3%	-3%	8%	35%
22	INVESTEC	128.95	-0.9%	-4%	7%	35%
23	MONDI PLC	240.32	-4.9%	-29%	-13%	-5%
24	MR PRICE GROUP LTD	207.72	-0.1%	-10%	26%	12%
25	MTN GROUP	139.56	-9.4%	53%	6%	19%
26	NEDBANK	212.51	-9.2%	-25%	-1%	19%
27	NASPERS -N	5724.15	2.6%	57%	31%	14%
28	NEPI ROCKCASTLE PLC	144.00	4.6%	-2%	13%	15%
29	OLD MUTUAL LTD	13.22	8.7%	4%	1%	7%
30	OUTSURANCE	72.36	-3.4%	47%	34%	36%
31	PEPKOR HOLDINGS LTD	25.00	-7.6%	17%	25%	21%
32	PROSUS NV	1079.71	4.7%	63%	32%	8%
33	REMGRO	167.96	2.0%	16%	3%	15%
34	REINET INVESTMENTS SCA	517.82	-0.2%	7%	13%	10%
35	STANBANK	241.48	5.1%	3%	12%	19%
36	SHOPRITE	278.33	6.9%	-8%	6%	19%
37	SANLAM	83.77	-0.6%	-2%	10%	10%
38	SASOL	125.54	41.6%	-3%	-30%	-3%
39	Sibanye Stillwater Ltd	37.81	-3.6%	135%	18%	-7%
40	VODACOM GROUP LIMITED	137.99	2.1%	24%	12%	2%



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