

ECONOMIC COMMENTARY - DR. FRANCOIS STOFBERG

The world is no longer rewarding stories; it is rewarding capacity

For much of the past decade, the easiest money was made in the weightless economy. Software scaled faster than factories. Platforms looked more powerful than production lines. Capital was cheap, rates were low, and the market was willing to pay extraordinary prices for profits that might only arrive years from now. That world has not disappeared. But, it is changing.

South Korea offers a useful glimpse of what the next phase may look like. Its current boom is not built on slogans about innovation. It is built on chips, ships, transformers, and weapons. Artificial intelligence (AI) needs semiconductors. Semiconductors need data centres. Data centres need electricity infrastructure. A more dangerous world needs ships, submarines, tanks, and defence systems. Korea happens to make many of these things at scale.

This is not by accident. It is the result of decades of industrial depth: Engineering skills, export discipline, large corporate balance sheets, supply-chain competence, and a national fear of falling behind. Some of Korea's conglomerates have long been criticised for being too sprawling. Yet, in this moment, that breadth has become useful. When the world suddenly needs strategic production, the country that still has factories, technicians, and institutional memory is not trapped in theory. It can deliver.

This is the first lesson for South Africa (SA). We speak too often as if growth will come from confidence alone. Confidence matters, but only when there is something real to be confident about. Investors do not ultimately reward speeches. They reward electricity, ports, skills, logistics, policy credibility, and companies that can compete beyond their home market. SA still has genuine advantages in mining, agriculture, energy, financial services, and parts of industrial production. But, advantage is not destiny. Without execution, it becomes a museum exhibit.

The second lesson is that capital is becoming less patient. The recent pressure on United States (US) technology shares after stronger employment data shows how quickly the market's mood can shift. If interest rates remain higher for longer, the future profits promised by AI are worth less today. The AI story may still be powerful, but investors are starting to ask harder questions: Who will pay for the infrastructure, who will earn the margins, and how long before the excitement becomes cash flow? That matters beyond Wall Street. In a cheap-money world, weak business models survive longer. Governments postpone trade-offs. Investors tolerate heroic assumptions. In a higher-rate world, the bill arrives sooner.

This leads to the third lesson: Debt is becoming political again. Developed countries have spent years behaving as if fiscal space was almost infinite. Wars, ageing populations, social promises, and higher interest costs are now testing that belief. Even the US' "exorbitant privilege" is not a permanent exemption from arithmetic. When debt service costs rise, they crowd out the future quietly at first, then suddenly. South Africans understand this better than most. We already know what happens when the state spends too much on yesterday's failures and too little on tomorrow's capacity. A country cannot build a dynamic economy while its budget is being eaten by interest payments, bailouts, and inefficiency.

There is a final, more uncomfortable lesson. The Americanisation of European football shows that capital does not merely fund institutions; it changes them. Investors see under-commercialised assets. Supporters see identity, memory, and belonging. Both may be right. Economies are similar. Reform fails when people are treated only as consumers, taxpayers, or line items on a spreadsheet.

The next decade may, therefore, be less glamorous than the last, but more honest. The winners will be countries that can produce, power, finance, defend, feed, and govern with competence. For SA, the question is simple: Are we building real capacity, or merely managing decline with better language? The world is moving from promises to proof. We should too.

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, 10 June 2026

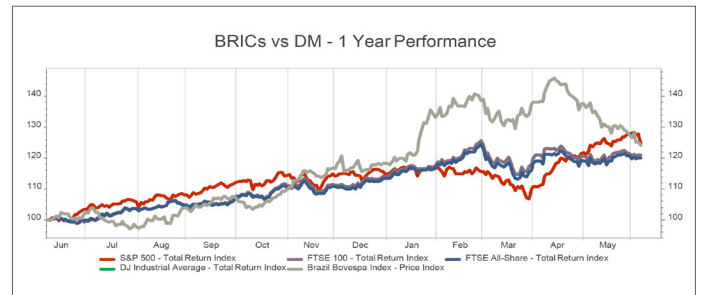
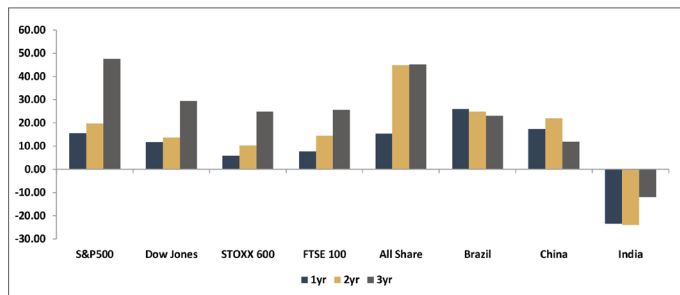
GLOBAL INDICES

	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
South Africa						
All Share	111275.44	-2.9%	-3.3%	15%	20%	10%
Top 40	103419.54	-3.2%	-3.4%	16%	21%	11%
Mid Cap	105823.18	-1.3%	-5.6%	11%	17%	7%
Small Cap	106177.7	-1.6%	-1.1%	16%	20%	13%
Resource 20	115887.21	-7.2%	-9.3%	50%	39%	12%
Industrial 25	128372.43	0.4%	-1.0%	-6%	9%	8%
Financial 15	24947.82	-2.2%	0.2%	18%	23%	13%

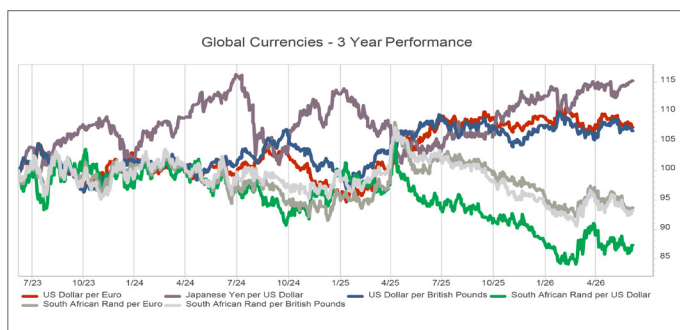
	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Europe						
FTSE 100	10368.05	-0.4%	1.5%	18%	12%	8%
DAX 30	24759.05	-1.4%	1.5%	2%	15%	10%
CAC 40	8218.24	0.4%	1.9%	5%	1%	5%
STOXX 600	622.66	-0.5%	2.1%	13%	9%	7%

	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Asia						
Nikkei 225	66588.12	0.4%	11.9%	77%	32%	18%
Hang Seng	24961.95	-0.9%	-3.6%	4%	16%	-3%
Shanghai	4027.736	-1.0%	-2.1%	19%	15%	2%
India SENSEX	74243.34	-0.7%	-3.6%	-9%	0%	7%

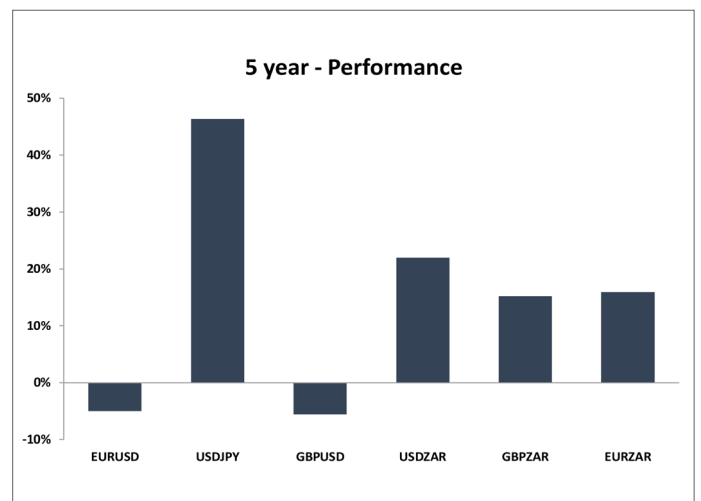
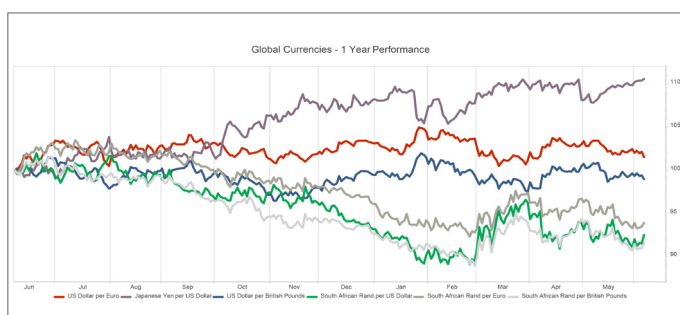
	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Americas						
Dow Jones	50866.78	-0.3%	3.2%	20%	14%	8%
S&P 500	7383.74	-2.6%	1.7%	24%	17%	12%
Nasdaq	25709.432	-4.7%	1.5%	33%	22%	13%
Brazil Bovespa	169019.13	-2.7%	-9.5%	24%	18%	5%



CURRENCIES

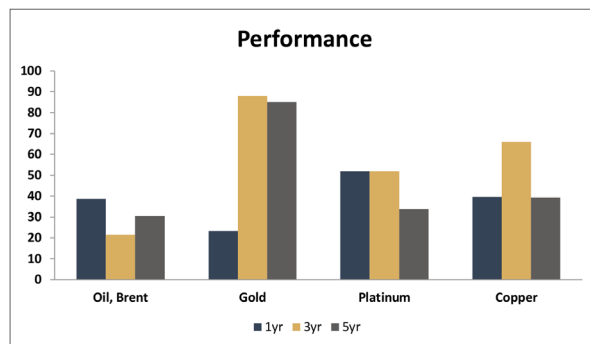
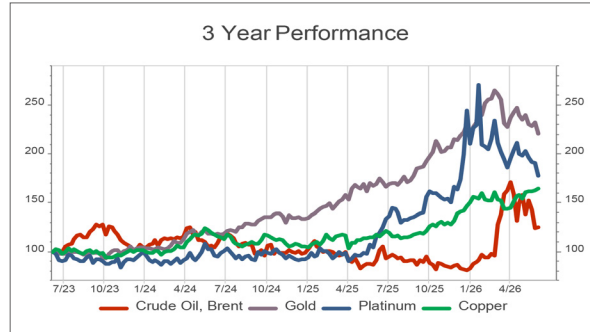
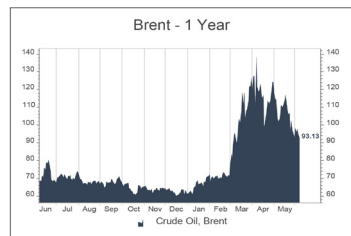
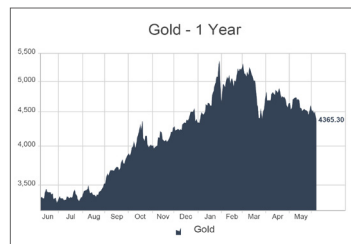


Currencies	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
USD/ZAR	16.46	2.1%	0.2%	-8%	-7%	4%
GBP/ZAR	22.03	1.2%	-1.5%	-8%	-4%	3%
EUR/ZAR	19.02	0.8%	-1.6%	-6%	-4%	3%
AUD/ZAR	11.65	0.1%	-2.0%	1%	-3%	2%
EUR/USD	1.16	-1.2%	-1.8%	1%	3%	-1%
USD/JPY	160.27	0.6%	2.3%	11%	1%	8%



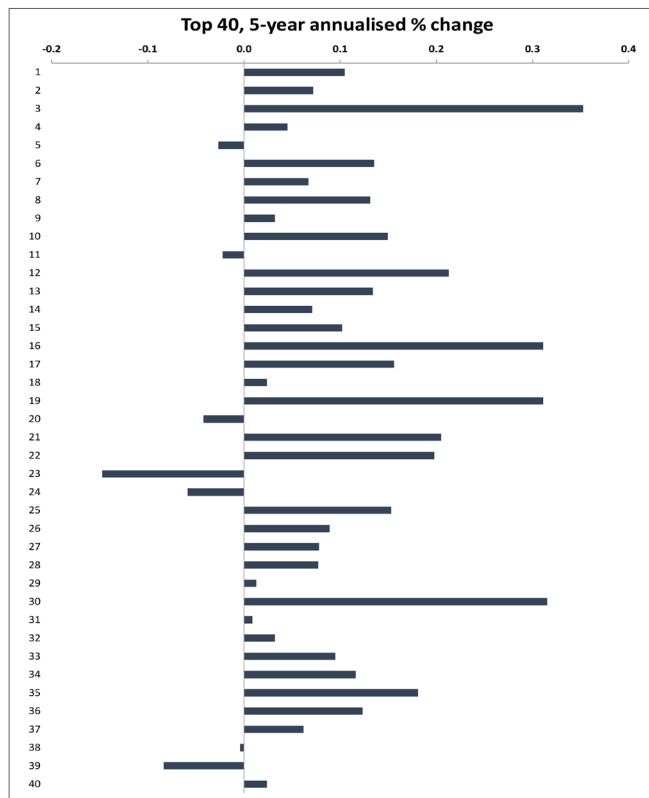
COMMODITIES

Commodities	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Gold	4365.30	-5.0%	-5.2%	23%	29%	13%
Platinum	1797.90	-6.8%	-9.0%	52%	28%	9%
Silver	69.10	-8.9%	-6.1%	84%	44%	16%
Brent Crude	93.13	0.3%	-18.7%	39%	11%	-3%
Copper	13731.00	0.9%	5.9%	40%	19%	5%



TOP 40

Top 40	Company	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
1	ABSA GROUP LTD	233.20	-1.7%	2.6%	34%	25%	10%
2	ANGLO AMERICAN PLC	862.00	-1.5%	7.3%	56%	24%	7%
3	ANGLO GOLD ASHANTI	1405.50	-9.9%	-8.4%	69%	78%	35%
4	ANHEUSER-BUSCH INBEV	1288.53	-1.4%	-4.2%	2%	5%	5%
5	ASPEN	144.74	0.0%	-2.2%	19%	-21%	-3%
6	BHP Group Limited	695.31	-3.4%	5.9%	56%	12%	14%
7	BID CORP LTD	412.50	1.4%	0.2%	-13%	-1%	7%
8	BRITISH AMERICAN TOBACCO PLC	966.60	-3.6%	-0.9%	16%	28%	13%
9	BIDVEST GROUP LIMITED	232.00	-0.7%	-0.8%	-2%	-3%	3%
10	COMPAGNIE FINANCIERE	3415.20	-2.6%	8.9%	4%	5%	15%
11	CLICKS GROUP	235.00	0.2%	-10.4%	-38%	-11%	-2%
12	CAPITEC	4352.08	-2.4%	1.2%	24%	42%	21%
13	DISCOVERY	266.26	-4.3%	2.0%	22%	56%	13%
14	EXXARO RESOURCES LTD	222.68	3.6%	-1.8%	49%	13%	7%
15	FIRSTSTRAND	90.99	-1.5%	3.4%	21%	19%	10%
16	GOLDFIELDS LTD	605.70	-5.6%	-14.2%	32%	45%	31%
17	GLENORE PLC	130.14	3.6%	2.5%	84%	7%	16%
18	GROWTHPOINT	16.19	-3.1%	0.4%	22%	21%	2%
19	HARMONY GOLD MINING	263.00	-11.2%	0.2%	-4%	25%	31%
20	IMPLATS	200.68	-13.4%	-18.1%	49%	50%	-4%
21	INVLTD	135.96	-2.2%	1.5%	10%	5%	21%
22	INVESTECP	138.00	-3.6%	1.2%	10%	6%	20%
23	MONDI PLC	164.22	-1.3%	-7.6%	-44%	-33%	-15%
24	MIR PRICE GROUP LTD	172.00	10.1%	11.7%	-28%	-1%	-6%
25	MTN GROUP	211.74	-2.3%	-0.1%	63%	61%	15%
26	NEDBANK	254.77	-1.7%	-2.9%	1%	7%	9%
27	NASPERS -N	883.00	3.6%	-0.3%	-19%	7%	8%
28	NEPI ROCKCASTLE PLC	137.90	-2.7%	-1.9%	2%	2%	8%
29	OLD MUTUAL LTD	12.90	-0.1%	-3.5%	10%	10%	1%
30	OUTSURANCE	68.90	-2.8%	-2.0%	-14%	29%	32%
31	PEPKOR HOLDINGS LTD	21.34	-1.5%	-4.1%	-25%	12%	1%
32	PROSUS NV	767.36	4.3%	-3.1%	-20%	5%	3%
33	REMGRO	185.22	-2.8%	-3.8%	18%	23%	9%
34	REINET INVESTMENTS SCA	481.03	-1.9%	-16.3%	1%	-1%	12%
35	STANBANK	306.98	-2.4%	1.3%	32%	31%	18%
36	SHOPRITE	284.90	-0.2%	0.0%	1%	7%	12%
37	SANLAM	84.30	-1.7%	-2.1%	-6%	9%	6%
38	SASOL	228.05	13.3%	-4.6%	170%	39%	0%
39	Sibanye Stillwater Ltd	42.52	-12.9%	-14.9%	44%	40%	-8%
40	VODACOM GROUP LIMITED	150.68	-1.0%	1.1%	10%	27%	2%



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