

### ECONOMIC COMMENTARY - DR. FRANCOIS STOFBERG

#### The next inflation shock may begin with rain that does not fall

South Africans know inflation as a number announced by Statistics South Africa and tracked by the Reserve Bank. Fuel rises. Bread rises. The repo rate rises. Then, everyone asks the same question: When will interest rates come down?

But, the next inflation test may not start in Pretoria, Sandton, or Washington. It may start in the Pacific Ocean, where El Niño changes rainfall patterns; in the Strait of Hormuz, where energy and fertiliser shipments become vulnerable; and on farms, where producers must decide whether they can afford fertiliser for the next season. That is the uncomfortable lesson from recent global warnings about food, energy, and the weather. Inflation is no longer only a demand problem. It is increasingly a resilience problem.

A central bank can raise interest rates to cool spending. It can protect credibility. It can prevent a temporary shock from becoming a wage-price spiral. That matters. But, a central bank cannot make rain fall, repair a port, lower fertiliser prices, fix rail lines, stabilise electricity supply, or make diesel cheaper. Monetary policy can reduce appetite. It cannot increase harvests.

This is where South Africa's (SA's) debate becomes too shallow. We argue about whether government debt is good or bad, as if all borrowing is economically identical. It is not. Borrowing to fund waste, bailouts, and permanent consumption weakens a country. Borrowing to build productive capacity can strengthen it. One kind of debt eats the future. The other may enlarge it.

Investors understand this better than politicians do. Bond markets do not automatically hate debt. They hate debt that cannot explain how it will be repaid. They hate debt that buys no growth, creates no assets, and leaves no stronger economy behind. But, borrowing for electricity, water, ports, rail lines, logistics, digital infrastructure, and climate resilience can be different. If it raises productive capacity, lowers future costs, and crowds in private investment, it changes the story.

This matters because the world is becoming a factory of repeated shocks. A pandemic was called temporary. Russia's invasion of Ukraine created a temporary energy and fertiliser shock. The Middle East conflict creates another temporary oil shock. El Niño creates a temporary food shock. But, when temporary shocks arrive one after another, they stop feeling temporary to households. They become the new cost of living.

For SA, that matters deeply. We are not only exposed to global food and fuel prices. We have added domestic fragility to global volatility. When rail fails, food and minerals move by road at a higher cost. When electricity is unreliable, producers buy backup power. When water systems decay, farms and factories carry more risk. When municipalities break down, companies build private versions of public services. These costs do not disappear. They are quietly priced into bread, insurance, rent, school fees, medical bills, and retirement plans.

That is why the inflation discussion cannot end with the repo rate. A country does not become financially well by punishing demand every time supply fails. It becomes financially well by building systems that make the next shock less expensive. This is also the real lesson behind the artificial intelligence investment boom and the global race for infrastructure. Capital is flowing towards economies and companies that can power, compute, transport, defend, and adapt. The future will reward those who build capacity before the crisis, not those who explain why the crisis was unpredictable afterwards.

SA still has enormous strengths: Strong farmers, sophisticated financial markets, private-sector capability, valuable minerals, and a credible central bank. But, credibility without capacity is not enough. We cannot 'interest rate' our way out of broken logistics, weak municipalities, climate change, and underinvestment.

The next inflation shock may arrive through food. Or oil. Or the rand. Or the weather. The exact trigger is uncertain. The lesson is not. In a more volatile world, resilience is not a luxury. It is the cheapest form of inflation protection.

#### 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, 18 June 2026

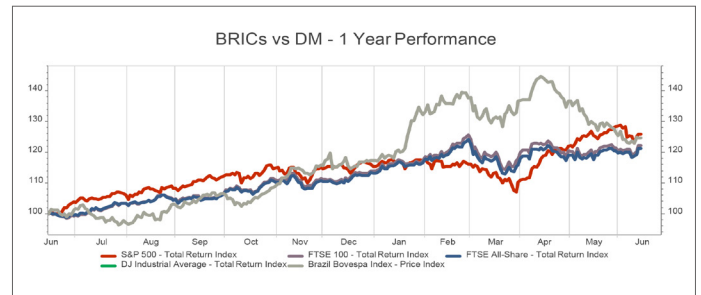
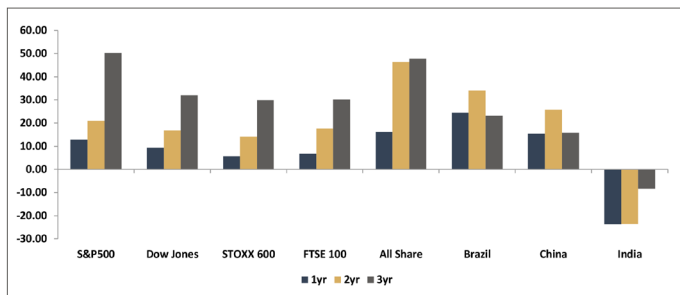
### GLOBAL INDICES

South Africa	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
All Share	112721.27	1.3%	-3.5%	16%	21%	11%
Top 40	104697.8	1.2%	-4.0%	17%	22%	11%
Mid Cap	106644.7	0.8%	-3.4%	10%	17%	7%
Small Cap	108285.05	2.0%	0.9%	17%	21%	13%
Resource 20	113860.08	-1.7%	-16.0%	46%	40%	12%
Industrial 25	130675.62	1.8%	2.6%	-4%	10%	8%
Financial 15	25845.32	3.6%	3.8%	22%	23%	14%

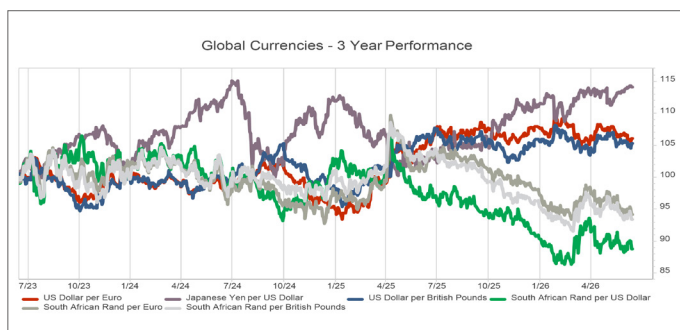
Europe	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
FTSE 100	10471.72	1.0%	2.0%	18%	13%	8%
DAX 30	24635.3	-0.5%	2.8%	4%	15%	9%
CAC 40	8350.87	1.6%	4.6%	8%	3%	5%
STOXX 600	633.21	1.7%	4.4%	15%	10%	7%

Asia	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Nikkei 225	66020.04	-0.9%	5.2%	73%	30%	18%
Hang Seng	24718.1	-1.0%	-6.2%	3%	17%	-3%
Shanghai	4031.513	0.1%	-4.3%	18%	15%	2%
India SENSEX	75527.95	1.7%	1.3%	-8%	-1%	8%

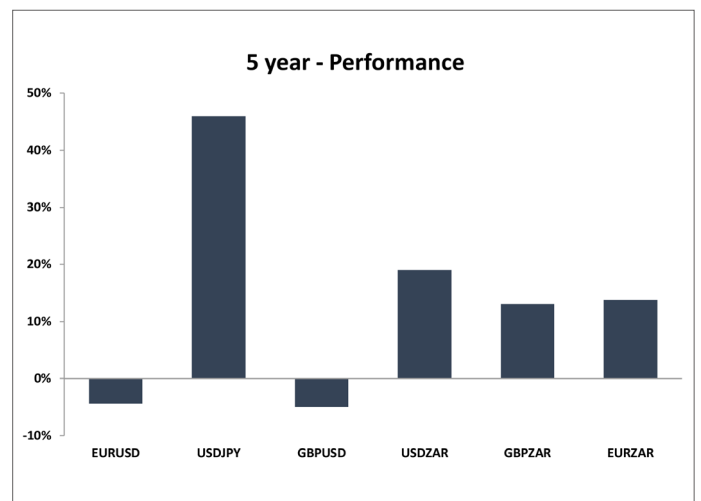
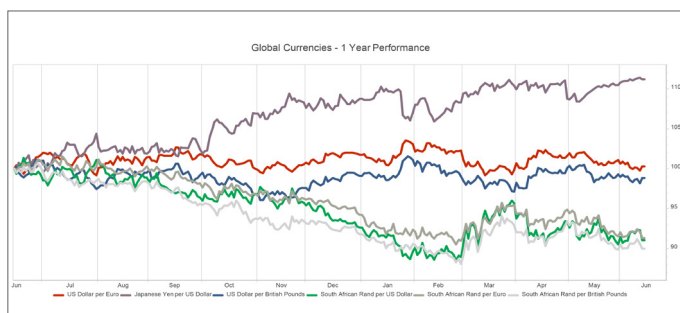
Americas	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Dow Jones	51202.26	0.7%	2.9%	19%	15%	8%
S&P 500	7431.46	0.6%	0.4%	23%	17%	12%
Nasdaq	25888.844	0.7%	-0.8%	32%	21%	13%
Brazil Bovespa	171132.66	1.3%	-5.1%	24%	19%	6%



### CURRENCIES

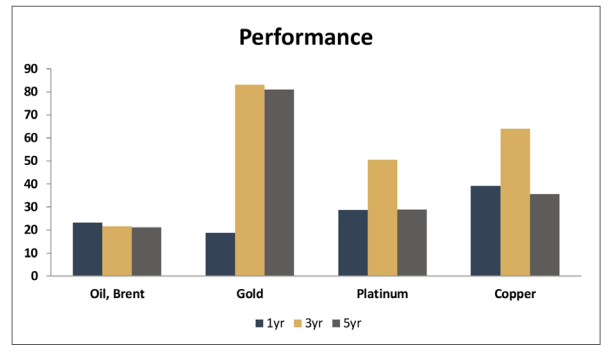
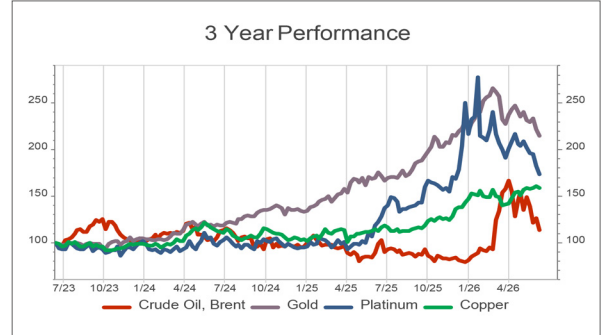
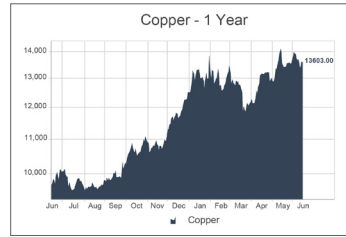
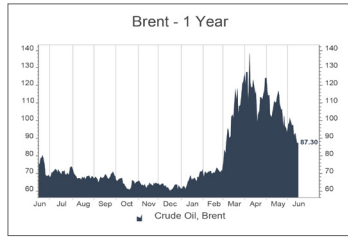
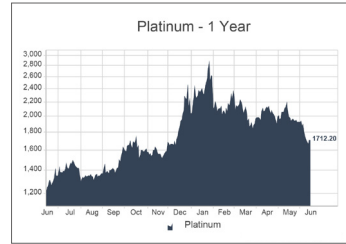
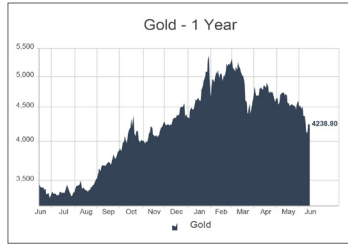


Currencies	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
USD/ZAR	16.29	-1.7%	-2.3%	-9%	-6%	3%
GBP/ZAR	21.85	-1.2%	-1.8%	-10%	-3%	2%
EUR/ZAR	18.86	-1.2%	-2.7%	-9%	-2%	2%
AUD/ZAR	11.49	-1.6%	-3.7%	-1%	-3%	2%
EUR/USD	1.16	0.4%	-0.5%	0%	4%	-1%
USD/JPY	160.23	-0.1%	1.0%	11%	1%	8%



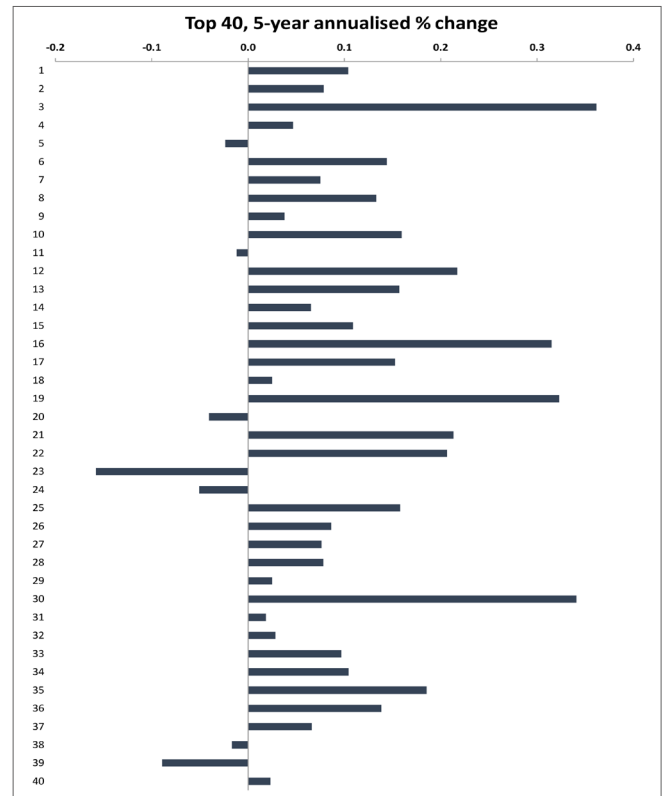
### COMMODITIES

Commodities	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Gold	4238.80	-2.9%	-10.2%	19%	27%	14%
Platinum	1712.20	-4.8%	-19.2%	29%	27%	9%
Silver	67.97	-1.6%	-20.6%	78%	42%	16%
Brent Crude	87.30	-10.3%	-21.6%	23%	4%	-3%
Copper	13603.00	-0.9%	-1.9%	39%	18%	5%



### TOP 40

Top 40	Company	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
1	ABSA GROUP LTD	240.00	2.9%	4.7%	35%	24%	10%
2	ANGLO AMERICAN PLC	875.14	1.5%	-0.5%	71%	26%	8%
3	ANGLO GOLD ASHANTI	1392.62	-0.9%	-17.4%	62%	80%	36%
4	ANHEUSER-BUSCH INBEV	1343.20	4.2%	1.9%	6%	8%	5%
5	ASPEN	146.49	1.2%	3.9%	19%	-20%	-2%
6	BHP Group Limited	729.12	4.9%	1.9%	65%	17%	14%
7	BID CORP LTD	432.95	5.0%	7.1%	-6%	1%	7%
8	BRITISH AMERICAN TOBACCO PLC	1014.07	4.9%	-1.4%	18%	34%	13%
9	BIDVEST GROUP LIMITED	238.40	2.8%	3.9%	0%	-2%	4%
10	COMPAGNIE FINANCIERE	3646.23	6.8%	11.4%	8%	9%	16%
11	CLICKS GROUP	235.37	0.2%	-7.1%	-37%	-12%	-1%
12	CAPITEC	4487.50	3.1%	3.4%	28%	42%	22%
13	DISCOVERY	283.01	6.3%	5.6%	29%	56%	16%
14	EXXARO RESOURCES LTD	215.72	-3.1%	-0.1%	43%	12%	7%
15	FIRSTSTRAND	94.45	3.8%	7.4%	26%	19%	11%
16	GOLDFIELDS LTD	590.07	-2.6%	-19.4%	32%	42%	31%
17	GLENORE PLC	129.01	-0.9%	0.5%	85%	8%	15%
18	GROWTHPOINT	16.97	4.8%	3.5%	26%	22%	2%
19	HARMONY GOLD MINING	257.18	-2.2%	-11.8%	-2%	28%	32%
20	IMPLATS	197.28	-1.7%	-25.6%	26%	50%	-4%
21	INVLTD	138.91	2.2%	6.0%	11%	4%	21%
22	INVESTECP	140.76	2.0%	4.8%	12%	5%	21%
23	MONDI PLC	156.93	-4.4%	-7.7%	-45%	-33%	-16%
24	MR PRICE GROUP LTD	169.41	-1.5%	13.3%	-23%	-4%	-5%
25	MTN GROUP	225.05	6.3%	5.6%	68%	67%	16%
26	NEDBANK	260.50	2.2%	1.5%	3%	7%	9%
27	NASPERS-N	855.92	-3.1%	1.0%	-21%	5%	8%
28	NEPI ROCKCASTLE PLC	142.00	3.0%	0.7%	5%	3%	8%
29	OLD MUTUAL LTD	13.53	4.9%	3.9%	9%	14%	2%
30	OUTSURANCE	73.80	7.1%	5.6%	-8%	33%	34%
31	PEPKOR HOLDINGS LTD	22.04	3.3%	1.8%	-22%	12%	2%
32	PROSUS NV	745.00	-2.9%	-0.4%	-24%	4%	3%
33	REMGRO	188.24	1.6%	0.2%	21%	21%	10%
34	REINET INVESTMENTS SCA	467.88	-2.7%	-17.5%	-5%	-1%	10%
35	STANBANK	320.61	4.4%	6.5%	36%	32%	19%
36	SHOPRITE	294.90	3.5%	3.1%	7%	9%	14%
37	SANLAM	88.04	4.4%	1.8%	-1%	11%	7%
38	SASOL	213.57	-6.3%	-3.2%	-145%	33%	-2%
39	Sibanye Stillwater Ltd	39.86	-6.3%	-27.3%	26%	38%	-9%
40	VODACOM GROUP LIMITED	150.51	-0.1%	-3.5%	10%	29%	2%



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