EFFICIENT CORPORATE SOLUTIONS

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YOUR WEEKLY ECONOMIC UPDATE

21 July 2026

ECONOMIC COMMENTARY - DR. FRANCOIS STOFBERG

The high price of taking back control

The defining economic contest may not be capitalism vs. socialism, or even the United States (US) vs. China. It may be efficiency vs. sovereignty. Governments want control over production, money, payments, and data. Households gravitate towards financial gurus offering simple rules. In both cases, control feels like safety. Increasingly, however, it carries a price.

Consider China: Its economy grew by 4.3% in the second quarter, the weakest performance since the lockdown era, despite exports surging by more than 25% in June. Imports rose by 36%, and China's first-half trade surplus was smaller than a year ago.

China's export machine is not collapsing, but it can no longer conceal every domestic weakness. Beijing now faces a peculiar problem: It is trying to export and tax its way out of inadequate demand. Value-added-tax receipts rose by 6.2% from January to May, collections on personal income tax increased by 12.2%, and the combined government deficit narrowed. Instead of stimulus, China is drifting into austerity. Meanwhile, pensions, unemployment support, and poverty relief are absorbing more spending. Xi Jinping may prefer futuristic factories to welfarism, but a cooling economy and a greying population do not obey slogans. The state may direct capital, but it cannot command consumers to feel confident.

The US has its own illusion of control. Quantitative easing has left the Federal Reserve (Fed) with a $6.7-trillion balance sheet, roughly 21% of the gross domestic product (GDP). Banks have redesigned their liquidity models around abundant central-bank reserves. Drain the reservoir too quickly, and short-term markets may seize up. Keep it full, and the Fed distorts bond markets while looking like the government's financier. New Fed Chairman Kevin Warsh's five task forces (inflation, communication, artificial intelligence, data, and the balance sheet) show how monetary policy has changed. Interest rates are merely the visible part. The harder challenge is managing a financial system that has become dependent on previous interventions. The Fed controls the price of money, but not the consequences of that control.

Payments also show how national security can undermine collective prosperity. Brazil is defending Pix, India is exporting their Unified Payments Interface, Europe is developing Wero and a digital euro, and China is expanding alternative cross-border rails. These are understandable responses to the US' willingness to use access to its financial system as geopolitical leverage. Yet, what is rational for each country may be destructive for the world. Incompatible systems would raise costs, obstruct trade, and create opportunities for fraud and sanctions evasion. One estimate suggests that financial fragmentation could reduce the global GDP by 2.6% by 2030. Sovereignty can quietly become a tax paid by every business and every consumer.

Ageing economies offer an unexpected counterargument to this obsession with control. Research suggests that longer lives need not produce runaway healthcare costs. Americans reaching 66 are gaining additional years that are largely healthy, while hospital-cost growth has slowed sharply. Labour scarcity may also encourage automation and productivity. Demography creates pressure, but it does not dictate destiny. Economies adapt.

This matters for South Africa (SA). A young population is not automatically an economic advantage. Without education, employment, and productivity, it merely produces a longer queue for public support. Similarly, payment sovereignty without interoperability, industrial policy without competitiveness, or fiscal support without growth, would give us control without prosperity.

Households make the same mistake. American gurus fight excessive debt, British advisors obsess over saving pennies, and Asian finfluencers feed enthusiasm for leveraged trading. SA's weakness may be confusing the ownership of financial products with financial well-being. Insurance, retirement savings, property, and offshore investments can each be sensible, yet still fail to form a coherent financial plan.

The real choice is not between control and chaos. It is between brittle control and adaptive capacity. Nations become secure when they can participate from strength, not when they retreat behind financial walls. Households become financially well when their decisions work together, not when every uncertainty is avoided. Ultimately, productivity, not control, is the only sovereignty that lasts.

IN CLOSING

Attached, please find our latest update on global indices, currencies, and commodities, as provided by Efficient Private Clients.

Kind regards
Marius du Toit
Managing Executive: Efficient Benefit Consulting

t: 021 007 1550 | t: 087 944 7999
e: info@efcorporate.co.za

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UPDATE

Global Indices, Currencies and Commodities, 21 July 2026

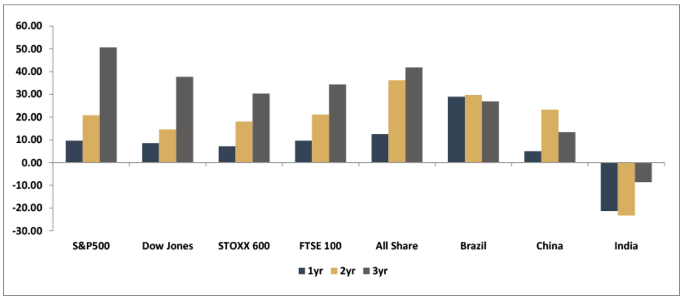
GLOBAL INDICES

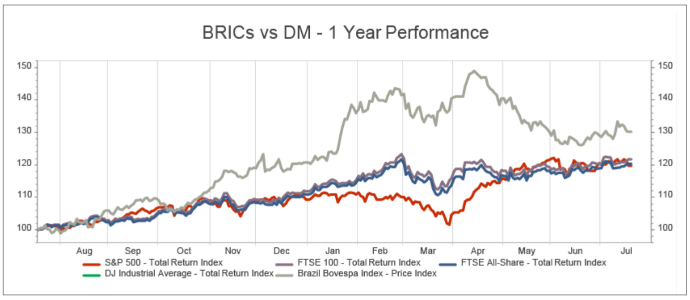
South Africa	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
All Share	109569.92	-0.7%	-5.6%	13%	17%	10%
Top 40	101222.47	-0.7%	-6.3%	13%	17%	11%
Mid Cap	105133.3	0.6%	-2.1%	6%	11%	7%
Small Cap	108709.91	-1.0%	-0.8%	16%	17%	14%
Resource 20	101407.88	-3.2%	-17.2%	28%	28%	9%
Industrial 25	131251.14	0.6%	0.9%	-4%	11%	9%
Financial 15	26070.46	0.1%	-1.8%	24%	18%	15%

Europe	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
FTSE 100	10600.37	1.0%	0.9%	18%	14%	9%
DAX 30	24830.98	-0.9%	-0.4%	2%	16%	10%
CAC 40	8338.81	0.0%	-1.1%	7%	5%	5%
STOXX 600	641.53	0.1%	0.3%	17%	12%	7%

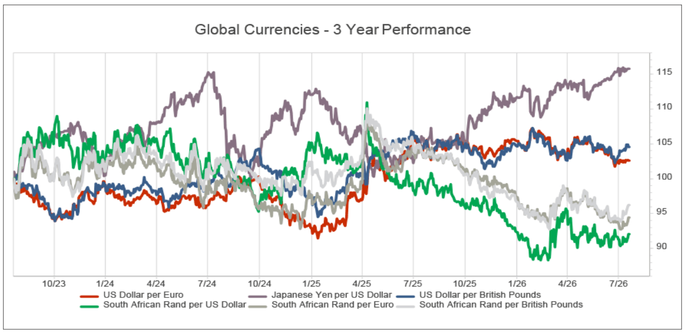
Asia	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Nikkei 225	64141.12	-6.4%	-8.2%	61%	25%	18%
Hang Seng	24562.24	1.6%	1.0%	0%	18%	-3%
Shanghai	3764.1548	-5.8%	-8.4%	7%	13%	1%
India SENSEX	78151.45	0.8%	1.3%	-5%	-2%	8%

Americas	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Dow Jones	52146.42	-0.9%	1.3%	17%	13%	8%
S&P 500	7457.69	-1.6%	0.5%	18%	16%	12%
Nasdaq	25520.244	-2.9%	-1.9%	22%	19%	12%
Brazil Bovespa	173714.08	-2.3%	3.1%	28%	16%	7%

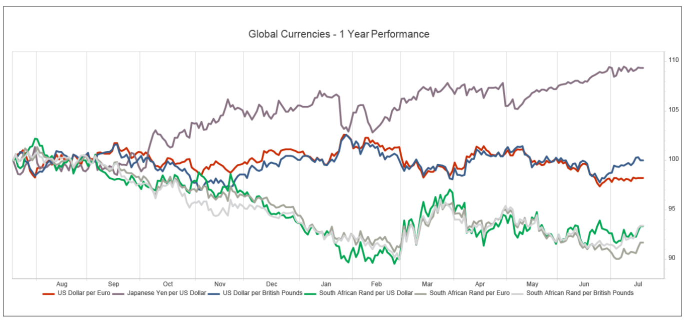


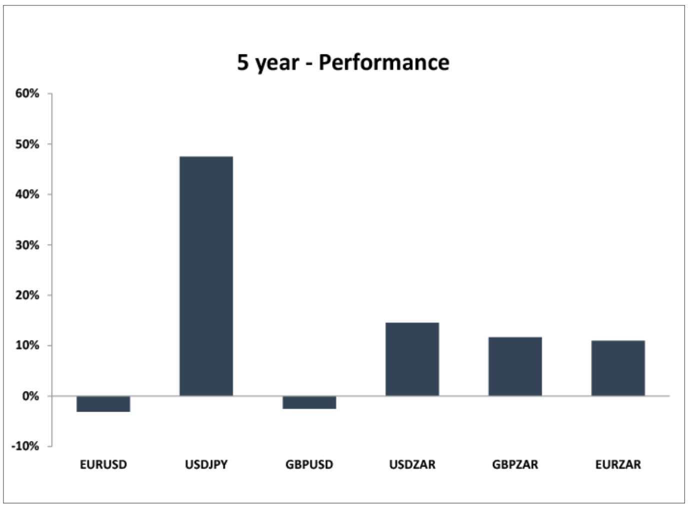


CURRENCIES



Currencies	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
USD/ZAR	16.52	1.4%	0.4%	-7%	-5%	2%
GBP/ZAR	22.21	1.8%	2.2%	-7%	-3%	2%
EUR/ZAR	18.90	1.6%	0.3%	-8%	-3%	2%
AUD/ZAR	11.53	1.3%	-0.1%	0%	-3%	1%
EUR/USD	1.14	0.2%	-0.3%	-2%	2%	-1%
USD/JPY	162.42	0.4%	0.8%	9%	2%	8%





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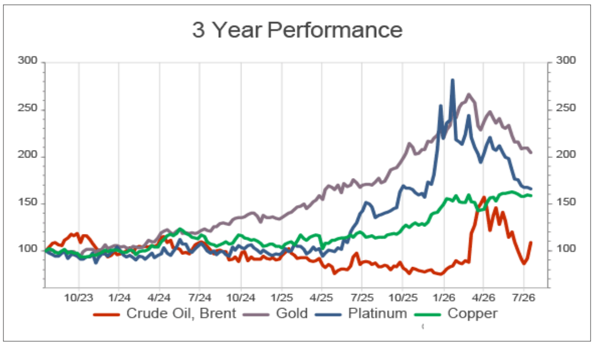
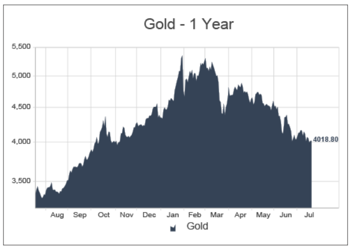
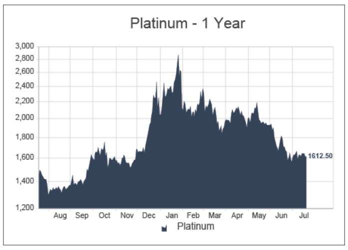
Global Indices, Currencies and Commodities, 21 July 2026

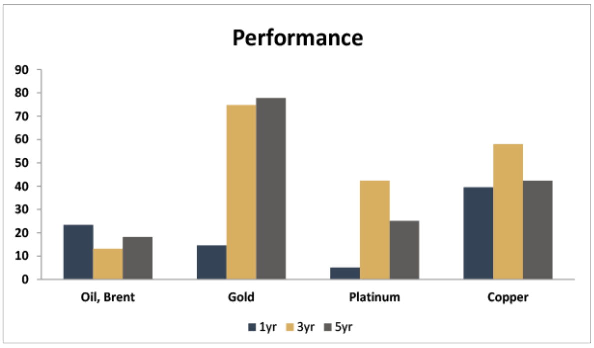
COMMODITIES

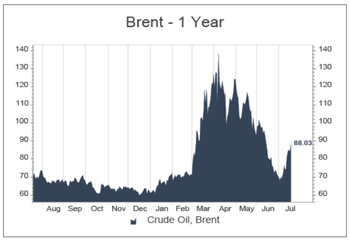
Commodities	Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
Gold	4018.80	-2.3%	-8.3%	15%	21%	14%
Platinum	1612.50	-1.0%	-10.9%	5%	21%	10%
Silver	56.33	-6.4%	-21.0%	40%	29%	18%
Brent Crude	88.03	18.4%	9.6%	23%	1%	-4%
Copper	13373.50	-0.3%	-2.6%	40%	18%	6%

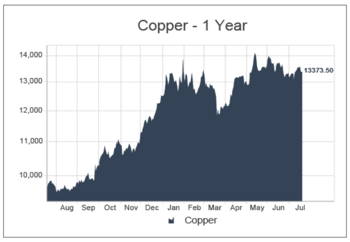






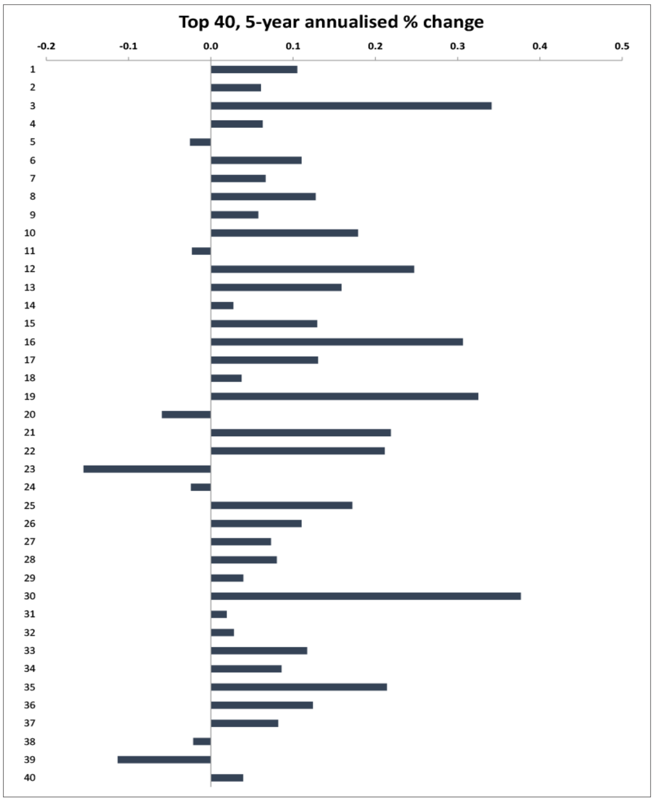






TOP 40

Top 40		Close	1W %	1M %	1 Year %	2Y Ann %	5Y Ann %
1	ABSA GROUP LTD	217.11	0.5%	-11.8%	24%	20%	11%
2	ANGLO AMERICAN PLC	755.37	-4.2%	-15.4%	43%	19%	6%
3	ANGLO GOLD ASHANTI	1255.68	-5.6%	-18.9%	50%	54%	34%
4	ANHEUSER-BUSCH INBEV	1341.10	3.0%	1.0%	11%	9%	6%
5	ASPEN	150.32	-0.5%	2.4%	32%	-19%	-3%
6	BHP Group Limited	662.22	-1.0%	-11.7%	44%	13%	11%
7	BID CORP LTD	439.62	1.9%	2.5%	-3%	2%	7%
8	BRITISH AMERICAN TOBACCO PLC	1032.54	5.6%	6.3%	13%	32%	13%
9	BIDVEST GROUP LIMITED	238.43	1.3%	-1.9%	3%	-6%	6%
10	COMPAGNIE FINANCIERE	3977.62	7.4%	7.7%	24%	19%	18%
11	CLICKS GROUP	229.34	1.9%	-1.7%	-38%	-18%	-2%
12	CAPITEC	4714.99	-0.6%	1.6%	38%	32%	25%
13	DISCOVERY	254.23	-2.0%	-10.8%	18%	37%	16%
14	EXXARO RESOURCES LTD	200.95	3.6%	-6.5%	18%	1%	3%
15	FIRSTRAND	97.76	0.9%	0.1%	31%	13%	13%
16	GOLDFIELDS LTD	527.50	-5.8%	-20.6%	23%	31%	31%
17	GLENCORE PLC	113.45	1.4%	-10.6%	55%	2%	13%
18	GROWTHPOINT	17.57	1.3%	1.3%	24%	21%	4%
19	HARMONY GOLD MINING	240.50	-3.2%	-17.0%	-2%	12%	33%
20	IMPLATS	176.79	-2.7%	-17.2%	2%	39%	-6%
21	INVLTD	135.61	2.5%	-0.3%	3%	-1%	22%
22	INVESTECP	137.35	2.9%	0.3%	4%	-1%	21%
23	MONDI PLC	168.18	8.1%	6.4%	-40%	-33%	-15%
24	MR PRICE GROUP LTD	176.43	-1.4%	1.3%	-18%	-8%	-2%
25	MTN GROUP	232.99	1.9%	2.3%	60%	76%	17%
26	NEDBANK	273.52	0.9%	0.2%	13%	3%	11%
27	NASPERS -N	840.00	-2.3%	0.0%	-24%	9%	7%
28	NEPI ROCKCASTLE PLC	149.67	1.3%	3.7%	9%	7%	8%
29	OLD MUTUAL LTD	13.41	1.4%	-2.1%	17%	6%	4%
30	OUTSURANCE	81.84	1.8%	7.4%	7%	31%	38%
31	PEPKOR HOLDINGS LTD	21.36	-1.9%	-6.9%	-23%	4%	2%
32	PROSUS NV	729.06	-1.7%	0.0%	-28%	6%	3%
33	REMGRO	188.82	-0.7%	-1.3%	12%	19%	12%
34	REINET INVESTMENTS SCA	444.41	-0.4%	-3.0%	-13%	-1%	9%
35	STANBANK	321.98	-0.8%	-2.9%	42%	24%	21%
36	SHOPRITE	283.19	-0.2%	-4.0%	5%	0%	12%
37	SANLAM	88.00	-1.4%	-3.4%	2%	5%	8%
38	SASOL	188.21	10.6%	4.6%	114%	18%	-2%
39	Sibanye Stillwater Ltd	32.69	-5.5%	-24.2%	-16%	24%	-11%
40	VODACOM GROUP LIMITED	156.99	2.9%	7.8%	12%	31%	4%



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