



Prosperity

MARCH 2026

Economic and Market Overview
Latest Global & Local Company Updates



Private Clients
by  Old Mutual



PODCAST

MARKETS & MEANING



Each month, Sean Ashton, Head of Investments, steps back from the headlines to focus on the forces shaping markets and what they mean for long-term investors.

Mar '26: AI, platforms and the battle for the customer

Sean explores how AI may reshape digital platforms and the relationship between businesses and their customers. Drawing on examples from companies such as Booking Holdings, Google and Amazon, the conversation considers why some business models may be more exposed to this shift than others, and why trust, proprietary data and pricing power remain central to long-term value creation. From an investment perspective, the episode also discusses why recent volatility in technology stocks reflects genuine uncertainty about how value will be created and captured in an ai-driven world.

LISTEN NOW 

February was characterised by renewed geopolitical tension and shifting trade policy dynamics, alongside encouraging signs of fiscal stabilisation locally. Below we summarise the key economic developments, market movements and updates from our core portfolio holdings.

ECONOMIC UPDATE

February ended with renewed geopolitical tension as the US and Israel launched strikes against Iran for the second time in eight months. Oil prices rose in response.

At this stage, the economic impact remains uncertain. If higher energy prices prove temporary, the effect on global growth should be limited. A sustained increase, however, would weigh on activity and place upward pressure on inflation.

Trade policy uncertainty also resurfaced. The US Supreme Court invalidated much of the tariff regime introduced at the start of President Trump's second term. The administration responded by imposing temporary 15% duties under an alternative legal mechanism valid for 150 days.

With fewer unilateral options available to the White House, and Congress likely to play a larger role ahead of the mid-term elections, tariff levels are likely to settle below recent peaks, though still above early 2025 levels. Importantly, while last year's tariff escalation created anxiety, it disrupted global business activity less than initially feared.

Locally, the 2026 Budget was delivered in a far more stable political environment than last year's. Unlike 2025, when the Budget was postponed twice, there was broad agreement within the governing coalition.

Government bond yields have declined meaningfully, partly due to the shift toward a lower inflation target, reducing future borrowing costs. Higher precious metal prices are also expected to lift corporate tax revenues, although this reflects price strength rather than higher mining output. Most significantly, government debt is now projected to stabilise. Gross debt is expected to peak at 79.8% of GDP in the current fiscal year before gradually declining. This would mark the first time in 17 years that the debt ratio does not rise.

The improved outlook reflects continued fiscal discipline and a modestly stronger growth trajectory, with real GDP projected at 1.6% in 2026 and 2% by 2028. While further ratings upgrades are unlikely in the near term, sustained debt stabilisation and improved growth would be viewed favourably.

MARKET UPDATE

Against this backdrop, global equity markets delivered mixed returns in February. The MSCI World Index gained 0.8% for the month.

In the US, performance was uneven. The S&P 500 declined 0.9% and the Nasdaq fell 3.4%, while the Dow Jones Industrial Average edged 0.2% higher. Leadership broadened, with weakness in growth shares offset by strength elsewhere.

In the UK, equities were stronger. The FTSE 100 rose 6.7%, supported by large-cap multinational and resource-linked companies.

Asian markets were mixed. The Shanghai Composite gained 1.1%, while the Hang Seng declined 2.8%. Japan was the standout performer, with the Nikkei advancing 10.4%. Locally, the JSE extended its strong run. The All Share Index rose 7.0%, marking a twelfth consecutive month of gains. Resources led, with the Resi-10 up 13.4%, while the Fini-15 gained 7.4%. Industrials were broadly flat, with the Indi-25 down 0.1%.

The rand strengthened 1.3% against the US dollar to R15.93. Commodity prices remained firm, with Brent crude rising 2.5% to US\$72.5 per barrel and gold advancing 7.9%.

GLOBAL HOLDINGS



Stryker

Stryker reported strong fourth-quarter and full-year 2025 results. Organic sales grew 11%, revenue rose 11.4% and adjusted earnings per share increased 11.5% to US\$4.47, ahead of expectations. Growth was broad-based, with particular strength in MedSurg and Neurotechnology. Management guides to 8% – 9.5% revenue growth and around 10% earnings growth in 2026. We continue to favour Stryker for its leadership in orthopaedics and exposure to structural healthcare demand. Stryker's leadership in orthopaedics and exposure to structural healthcare demand align with our preference for high-quality businesses supported by durable competitive advantages.



Advanced Micro Devices (AMD)

AMD reported fourth-quarter 2025 results that exceeded earnings expectations by roughly 15%. The share price softened as forward guidance was more conservative and broader technology sentiment remained cautious. Some of the quarterly strength reflected resumed chip sales to China and inventory effects. Looking ahead, acceleration in AMD's data centre GPU business from the second half of 2026 remains central to the thesis. We see the company as well positioned to capture a growing share of AI-related data centre spending as volumes scale.



Microsoft

Microsoft reported second-quarter FY26 results, with revenue of US\$81.3bn, up 15% in constant currency, and operating income rising 19%. Cloud revenue reached US\$32.9bn, with Azure growing 38%, reflecting ongoing enterprise migration and AI workloads. Capital expenditure remained elevated at US\$37.5bn as Microsoft invests heavily in AI infrastructure. While Azure growth was slightly below expectations, the strategic direction remains clear. Microsoft remains a core holding given its dominant ecosystem, recurring revenue base and ability to embed AI across products integral to enterprise operations.



Eli Lilly

Eli Lilly's fourth-quarter 2025 results showed revenue rising 43% to US\$19.3bn, driven by strong demand for diabetes and obesity treatments. Earnings increased 42% to US\$7.54 per share, ahead of expectations, and 2026 guidance was upgraded. The continued scale-up of GLP-1 therapies and progress across the broader pipeline support our conviction in the company's durable long-term growth profile.



Alphabet

Alphabet reported strong fourth-quarter 2025 results, with revenue increasing 18% to US\$113.8bn and earnings per share rising 31%. Google Search remained resilient, while Google Cloud grew 48%, supported by AI-driven enterprise demand. Although higher capital expenditure plans weighed on sentiment, we believe AI is reinforcing Alphabet's competitive advantages across Search, Cloud and YouTube, strengthening its long-term positioning.



Uber Technologies

Uber reported fourth-quarter 2025 results with Gross Bookings growing 22.5% year on year and adjusted EBITDA rising 35% to US\$2.5bn. Earnings were slightly below expectations as investment in growth initiatives continued. As scale improves, margin expansion should become more evident. Uber's global network effects and improving profitability underpin the long-term investment case.



S&P Global

S&P Global reported fourth-quarter 2025 results with revenue up 9% to US\$3.9bn and adjusted earnings per share rising 14% year on year. Management highlighted continued integration of AI across its proprietary data platforms. Rather than being disrupted, we believe S&P Global is well positioned to leverage AI to enhance its products and deepen client relationships. Its recurring revenue base and strong cash generation provide a solid foundation for sustainable growth.

L'ORÉAL

L'Oréal

L'Oréal reported full-year 2025 results, with sales increasing 4%, modestly ahead of the broader beauty market, and operating margins stable at 20.2%. Emerging markets were the primary growth driver, while performance in developed markets improved in the second half. Global brand leadership, disciplined innovation and consistent cash generation underpin its long-term investment appeal.

BOOKING HOLDINGS

Booking Holdings

Booking Holdings reported fourth-quarter 2025 results ahead of expectations, with revenue growing 11% and adjusted EBITDA rising 19%. Margins improved to 34.6%, despite slightly higher marketing spend, and the company returned US\$2.1bn to shareholders through buybacks. Scale, operational efficiency and disciplined capital allocation remain central to the long-term thesis.

LOCAL HOLDINGS

Bidcorp

Bidcorp

Bidcorp reported interim 2026 results with revenue up 7.1% and trading profit rising 8.1%. Margins improved to 5.4%, and the interim dividend of R6.15 per share exceeded expectations. The focus on margin expansion and disciplined capital allocation supports our preference for cash-generative businesses with defensible market positions.

BHP

BHP Group

BHP delivered a strong first-half result, with revenue increasing 11% and underlying EBITDA rising 25%, supported by higher copper prices and record production. The interim dividend of 73 US cents per share reflected robust cash flows. The strategic shift toward copper strengthens long-term growth optionality while maintaining near-term cash generation.

GLENCORE

Glencore

Glencore reported full-year 2025 results broadly in line with expectations. Stronger copper performance and a resilient marketing division offset weaker coal earnings, and the strengthened balance sheet allowed US\$4.5bn to be returned to shareholders. Its diversified model and exposure to transition metals provide resilience across commodity cycles and support sustainable cash flows over time.



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