



# Prosperity

October 2025

- Economic and Market Overview
- Global Equities
- Local Equities

Private Clients  
by  Old Mutual Wealth

## ECONOMIC UPDATE

Despite a year marked by political shocks and uncertainty, the global economy has remained surprisingly resilient. When the US announced new tariffs in April, many expected a sharp slowdown. Instead, global growth has held up, helped by strong investment in artificial intelligence, a weaker US dollar, lower oil prices and interest rate cuts from major central banks. Reflecting this, the IMF upgraded its 2025 global growth outlook in October after initially downgrading it in April.

In the US, the Federal Reserve cut rates again in October, despite inflation rising to 3% year-on-year. With the government shutdown delaying key economic data releases, policymakers are operating with limited visibility. The Fed remains focused on protecting the labour market but has signalled that further cuts are not guaranteed if inflation remains stubborn and the economy continues to hold up.

Businesses have also adapted quickly to shifting trade conditions. Chinese exports remain robust overall, even as shipments to the US have slowed, helped by growing demand in other markets, including South Africa's automotive sector.

Encouragingly, the US and China reached a one-year trade truce last week. It will keep open the flow of rare earths from China, while the US will cut tariffs on China somewhat. While it does not resolve deeper tensions, it should ease some inflation pressures and reduce short-term risks to global growth.

Locally, South African data has been mixed but generally positive. Consumer activity continues to underpin the economy, supported by lower inflation and interest rate cuts. Real retail sales grew 3.5% in the year to August and new vehicle sales were 23% higher in September. Inflation rose slightly to 3.4% year-on-year in September (core at 3.2%) and may lift modestly in the near term, but once the outlook settles closer to 3%, the Reserve Bank is expected to resume gradual rate cuts.

South Africa also received a welcome vote of confidence with its removal from the FATF grey list. While largely anticipated by markets, it reflects tangible progress in strengthening governance and financial-crime controls. The priority now is to ensure these improvements translate into consistent implementation.

## MARKET UPDATE

Global equities delivered solid gains in October, with the MSCI World Index rising 2%. The US market led performance. The S&P 500 gained 2.3%, briefly touching a new record high before ending the month slightly off its peak. The Dow also closed at a record level, up 2.5% for the month, while the Nasdaq posted its seventh consecutive month of gains, climbing 4.7%.

The UK market also advanced, supported by stable inflation data. The FTSE 100 rose 3.9% in October.

Asian markets were mixed. China's manufacturing data disappointed, with the official PMI slipping deeper into contraction territory. Even so, the Shanghai Composite eked out a 1.8% gain, while the Hang Seng retreated 3.5%. In contrast, Japan was a standout performer: the Nikkei surged 16.6%, hitting record highs as investor sentiment remained strong.

On the local front, the JSE recorded an eighth consecutive monthly gain. The FTSE/JSE All Share Index rose 1.2%, driven largely by financials and industrials. The Fini-15 advanced 7.25% and the Indi-25 gained 1.5%. Resource shares, however, lagged sharply, with the Resi-10 declining 5.45% amid softer commodity sentiment.

The rand weakened slightly, down 0.4% against the US dollar. Brent crude eased 2.9% to end the month at US\$65 per barrel. Gold was volatile, pulling back sharply after reaching a record high above US\$4 380 per ounce mid-month, before recovering to finish October up 3.73%.

## GLOBAL EQUITIES



### Visa

Visa reported strong fourth quarter results, closing out another solid year of double-digit revenue and earnings growth. Full year revenue rose 11% to US\$40 billion, slightly ahead of expectations, supported by resilient consumer spending. Key volume drivers remained healthy, with payment volumes up 8% and processed transactions up 10% for the year, broadly in line with fourth quarter trends. Cross-border volumes, a higher-margin revenue stream, grew 12% despite normalising travel patterns, highlighting continued strength in international spending.

Growth was also boosted by a 13% increase in Data Processing revenue, reflecting higher pricing for Visa's value-added services. These now account for roughly 30% of group revenue and carry higher margins. Net income rose 11% to US\$22.5bn, or US\$11.47 per share (+14%). Capital returns remained significant, with US\$4.9bn in share buybacks in the fourth quarter and US\$18.2bn for the full year, reducing the share count by around 3%.



### Apple

With high expectations ahead of the iPhone 17 launch, Apple delivered solid full-year 2025 results. Early demand for the iPhone 17 has been strong, though ongoing supply constraints, particularly on certain models, limited sales and weighed on revenue in China. Management expects supply to improve and sees a stronger December quarter.

Group revenue rose 6.4% to US\$416.2bn for the year, with Q4 revenue up 8% year-on-year to a record US\$102.5bn (ahead of expectations of US\$102.3bn). Gross margin for Q4 was 47.2%, above guidance and 70bps higher than the prior quarter despite a US\$1.1bn tariff headwind. Operating income grew 8% to US\$133.1bn, while diluted EPS increased to US\$7.46 (from US\$6.08). Management highlighted double-digit adjusted EPS growth when excluding last year's EU tax charge.

Greater China was the only region to decline in Q4, with revenue down 3.6% y-o-y to US\$14.5bn due to iPhone shortages. However, management pointed to strong store traffic and robust demand for the iPhone 17, expecting a return to growth in Q1. The Americas (Apple's largest region) delivered US\$44.2bn in Q4 (+6.1% YoY), while Europe, Japan and Rest of Asia Pacific all achieved record Q3 revenue.

## LOCAL EQUITIES



### Capitec

Capitec reported another impressive interim performance with growth in headline earnings of 26% and a 2% improvement in the group's return on equity to 31%, far exceeding peers' recent performance.

Growth was supported by innovations in personal banking including a new cross border money transfer collaboration with Mama Money, launch of mobile Capitec Connect devices and financing to further support growth of Capitec Connect and launch of an accessible credit card to assist clients entering the credit market. Furthermore, the recently launched Business Banking division continued to scale aggressively, as indicated in the growth of GlobalBiz Clients (+57%) and Trading Merchants (+165%). Funeral and Life cover growth momentum was maintained, supporting a 45% increase in the net insurance result. Geographic expansion gained pace with new product structures launched in Latvia and Mexico through AvaFin.

There is no shortage of growth levers to accelerate Capitec's growth over the medium term including the scale of Business Banking and Life cover in South Africa, as well as continued innovation and product expansion opportunities internationally through AvaFin. The interim dividend was increased in line with headline earnings, up 26% to 2620 cents per share.



### Clicks

Despite a challenging operating environment, Clicks delivered solid full-year results, with diluted headline earnings per share (HEPS) up 14.1%. Group revenue rose 5.3% and trading margin improved by 60bps to 9.8% - within its medium-term target range of 9% -10%. Gross margin expanded by 30bps to 22.1%, supported by stronger private label sales. The final dividend increased by 14.2% to 886c per share, maintaining a 65% payout ratio. The group continued its expansion strategy, ending the year with 990 stores (+55) and 780 pharmacies (+60).

Looking ahead, discretionary spending is expected to remain constrained. However, we believe that Clicks is well positioned to defend and grow market share through effective promotions and the continued growth of higher-margin private label products, which are targeted to reach 35% of front-shop sales in the medium term. The group plans R1.3 billion in capex for FY2026, focusing on new stores, refurbishments and infrastructure upgrades, as it works towards its long-term goal of 1 200 stores. It also aims to open 10 - 15 UniCare specialised pharmacies in the medium term.

# CONTACT US

## CAPE TOWN

### PINELANDS

Old Mutual Wealth, Mutualpark, Jan Smuts Drive, Pinelands, 7405  
Tel: 021 524 4678

### STELLENBOSCH

97 La Gratitude, Dorp Street, Stellenbosch, 7600  
Tel: 021 861 5300

### NEWLANDS

22 Kildare Street, Newlands, 7700  
Tel: 021 524 4678

## GEORGE

1st Floor, Building 5, 27 York Street, George  
Tel: 082 823 2731

## JOHANNESBURG

2nd Floor, Lacey Oak House, Bally Oaks Office Park, Ballyclare Drive, Bryanston, 2191  
Tel: 011 245 3805

## PRETORIA

6th Floor 180, Maine, Park Lane West, 197 Amaranth Ave, Menlyn, 0181  
Tel: 012 369 7236

## KWAZULU NATAL

74 Old Main Road, Unit 7, Kloof  
Tel: 031 767 7300

**Private Clients**  
by  Old Mutual Wealth

Private Clients by Old Mutual Wealth (Private Clients) is a division of Old Mutual Wealth Trust Company (Pty) Ltd ("OMWTC"), a licensed Financial Services Provider, Reg No: 1925/002721/07. Private Clients is authorised to provide financial services on the OMWTC licence.  
To report unethical behaviour, call the Anonymous Reporting line 0800 222 117, email [toahotline@tip-offs.com](mailto:toahotline@tip-offs.com) or visit [www.tip-offs.com](http://www.tip-offs.com).  
Old Mutual Wealth, Mutualpark, Jan Smuts Drive, Pinelands, 7405 | Tel: +27 (0)21 524 4678 | Email: [privateclients@omwealth.co.za](mailto:privateclients@omwealth.co.za)

This document is for information purposes only and does not constitute financial advice in any way or form. It is important to consult a financial planner to receive financial advice before acting on any information contained herein. Old Mutual Wealth and its directors, officers and employees shall not be responsible and disclaims all liability for any loss, damage (whether direct, indirect, special or consequential) and/or expense of any nature whatsoever, which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of, or reliance upon any information contained in this document.