Prosperity

APRIL 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.

April 2026: Hormuz, Markets and Opportunity
In our latest episode, Sean unpacks the recent market volatility linked to tensions around the Strait of Hormuz, and what it means for global markets and portfolios. The discussion looks beyond the headlines to explain how disruptions to energy supply can impact inflation, supply chains and sectors like semiconductors. It also highlights how markets behave in uncertain times.

Using examples such as Microsoft and NVIDIA, Sean explains why recent sell-offs in technology may be creating better long-term opportunities, while cautioning that it is likely too late to chase gains in energy. Overall, the episode reinforces the importance of staying focused on long-term value rather than reacting to short-term market noise.

LISTEN NOW

March was marked by rising geopolitical tension and a sharp increase in oil prices, which shifted market sentiment and reignited concerns around inflation and global growth. Below we summarise the key economic developments, market movements and updates from our core portfolio holdings.

ECONOMIC UPDATE

The year began with optimism around global and local growth, inflation and interest rates. By the end of the first quarter, however, stagflation concerns have started to re-emerge.

Conflict in the Middle East has escalated in a region that produces roughly a third of the world's oil and gas. Iran has largely closed the Strait of Hormuz, a key route for energy, fertilisers and other commodities. As a result, Brent crude has risen above US$110 per barrel for the first time since 2022, nearly doubling since the start of the year.

The impact on the global economy will depend on how long the conflict persists and the extent of damage to energy infrastructure. Sustained high oil prices would weigh on growth and push inflation higher. While the global economy is less sensitive to oil shocks than in the past, due to higher incomes and improved energy efficiency, the effect remains significant.

Markets have reacted negatively as investors price in weaker company earnings and the prospect of interest rates staying higher for longer. While some sectors and countries may benefit, most companies face slower revenue growth and rising input costs, putting pressure on margins.

Central banks are likely to look through the direct impact of energy prices and focus on whether inflation becomes more widespread. The longer prices remain elevated, the greater the risk that higher costs are passed on to consumers.

In SA, inflation remains contained at 3%, giving the Reserve Bank some room to assess the impact of higher fuel prices. Rates were left unchanged at 6.75% in March. The Bank expects inflation to rise modestly in the near term before easing again, although sustained oil strength and rand weakness remain key risks.

MARKET UPDATE

Against this more uncertain backdrop, global equity markets delivered weaker and more volatile returns in March. The MSCI World Index declined 6.5% for the month.

In the US, markets had their worst performance since March 2025. The S&P 500 fell 5.1% and the Nasdaq declined 4.9%, with growth stocks particularly impacted by rising rate expectations and uncertainty around the outcome of the Middle East conflict. The Dow Jones Industrial Average declined by 5.4%.

In the UK, equities remained relatively supported, with the FTSE 100 rising 1.8%, benefiting from its exposure to energy and resource companies.

Europe was no exception, with the Eurostoxx 600 losing 8% to erase all the gains for 2026 while the German DAX dropped by 10.3%. UK equities fell 6.7%.

Asian markets also ended lower, with the Shanghai Composite declining 6.5%, while the Hang Seng fell 6.9%. Japan also pulled back sharply, with the Nikkei down 12.5% following a strong prior month.

After 12 consecutive positive months, the JSE ended in negative territory, following international markets. The All Share Index declined 11.2% in March. Resources were hit hard on declining precious metals prices, with the Resi-10 down 17.8% by month end. Financials fell by 10.3%, while Industrials continued with recent weakness to end 5.4% lower.

The rand weakened by 6.3% against the US dollar to R16.91/US$. Commodity prices were a key feature of the month, with Brent crude surging by over 60% to US$110 per barrel, while gold gave back recent gains to close at US$4,670, down 11.5% for the month.

Against this backdrop, markets are likely to remain volatile. Periods like this reinforce our focus on high-quality businesses with strong balance sheets, pricing power and the ability to grow earnings through the cycle.

.

GLOBAL HOLDINGS

Berkshire Hathaway

Berkshire Hathaway reported weaker full-year 2025 results, with net earnings declining 24.8% to US$66.97bn as insurance underwriting normalised and catastrophe losses increased. This was partly offset by strong investment income. Capital allocation remained conservative, with Berkshire a net seller of equities. Cash rose to a record US$373bn, while the equity portfolio remains concentrated in Apple, American Express, Bank of America, Coca-Cola and Chevron.

We favour Berkshire for its diversified earnings, disciplined capital allocation and strong balance sheet, which support resilient long-term growth and provide flexibility to deploy capital as opportunities arise.

LOCAL HOLDINGS

Valterra Platinum

Valterra Platinum reported strong 2025 results, with revenue up 7% and earnings ahead of expectations. The business generated solid cash flow and ended the year with net cash of R11.5bn. Performance improved in the second half, helped by a recovery at Amandelbult and steady production at Mogalakwena. Costs were well controlled, with R5bn in savings, supporting a higher dividend of R45 per share. Looking ahead, production is expected to remain stable, with costs guided at around R19 000 – R20 000 per ounce and lower spending supporting cash flow in 2026.

Valterra's low-cost assets and strong cash generation position it to benefit from any recovery in PGM prices while limiting downside in weaker markets.

Shoprite

Shoprite reported interim 2026 results, with sales up 7.2% to R136.8bn. Checkers continued to lead growth, while Shoprite and USave grew more steadily as the group focused on keeping prices affordable. Sixty60 remained a standout, with sales up 34.6% to R11.9bn, now making up more than 10% of supermarket sales. Growth was mainly driven by higher volumes rather than price increases. Profit increased to R7.7bn, with earnings up 7.9%. Margins were slightly lower as the group continued to invest in lower prices for customers. Looking ahead, Shoprite expects price increases to remain low and plans to spend around R7.5bn on new stores and improvements.

Shoprite's scale and execution continue to drive market share gains, positioning it to grow steadily even in a constrained consumer environment.

FirstRand

FirstRand reported solid interim 2026 results, with revenue up 9.2%. Growth was supported by higher fee income, while interest income also increased steadily. Credit losses rose slightly but remain well within the group's target range. Costs were well controlled, improving efficiency. Earnings increased 11.2% to 414.9 cents per share, while the interim dividend rose 18% to 259 cents.

Across the group, FNB delivered steady growth, RMB benefited from strong markets activity, and WesBank saw good growth in lending. Looking ahead, management expects continued growth, supported by stronger lending and stable credit quality.

FirstRand's consistent execution and strong returns position it to deliver steady earnings growth across cycles.

OUTsurance

OUTsurance reported solid interim results, with earnings up 12.6% to R2.5bn. Growth was driven by higher premiums and investment income, partly offset by increased claims from natural disasters in Australia. Premiums grew strongly, particularly in Australia, where Youi delivered growth of over 20%. New business also remained strong across the group.

The group declared a higher interim dividend of 120.7 cents per share, along with a special dividend, and remains well capitalised. Looking ahead, management expects continued growth, supported by lower reinsurance costs and improved efficiency. The Ireland business is still in its early stages and is expected to take time to become profitable.

Strong growth in Australia, a disciplined approach to risk and a healthy balance sheet position the group well to keep gaining market share over time.

Standard Bank

Standard Bank reported strong full-year 2025 results, with earnings per share up 12%. Growth was supported by higher fees and trading income, while interest income also increased. The final dividend rose 15% to 878 cents per share. Credit losses improved, with the credit loss ratio falling to 73bps, while costs remained well controlled.

Across the group, Corporate and Investment Banking delivered strong growth, while other divisions were more mixed. Insurance and asset management also performed well. Looking ahead, management expects steady growth in 2026, supported by rising revenue, stable credit quality and improved efficiency.

Standard Bank's scale across Africa and diversified earnings base position it to benefit from long-term growth across the continent.

Impala Platinum

Impala Platinum reported a strong recovery in the first half of 2026, with revenue up 44% to R60.8bn and EBITDA rising to R18.1bn. The group ended the period with net cash of R12.1bn. Performance improved across most operations, with higher production and stable output supported by additional third-party volumes. An interim dividend of 410 cents per share was declared. Production guidance for the year was maintained, with spending expected to increase in the second half.

Improving operations, a strong balance sheet and exposure to platinum group metals position the group well if prices remain supported.

Sanlam

Sanlam reported strong underlying results for 2025, with core earnings up 20% to R15.9bn, despite headline earnings declining due to once-off items. New business grew 22% to R500bn, supported by strong performance across life and general insurance. The group declared a dividend of 485 cents per share, up 9%. Looking ahead, management expects growth to continue, although near-term earnings may be impacted by ongoing investment in expansion and technology.

With its restructuring largely complete and growing exposure to higher-growth regions, Sanlam is well positioned for longer-term growth.

MTN

MTN reported strong 2025 results, with service revenue up 22.9% to R218.5bn and earnings rising sharply. Margins improved and return on equity reached 25.6%. The group surpassed 300 million subscribers, with strong growth in data usage and smartphone adoption. A dividend of R5 per share was declared, up 45%. Looking ahead, MTN plans to build on this momentum, focusing on data, fintech and digital infrastructure to drive further growth.

MTN's scale and exposure to data and financial services position it to benefit from long-term digital and financial inclusion trends across Africa.

Remgro

Remgro reported solid interim results, with earnings per share up 39% to R9.31, driven by strong contributions from key investments. Net asset value increased slightly, while cash rose to R12bn. An interim dividend of R1.73 per share was declared, up 80%.

Looking ahead, management remains focused on improving portfolio performance and allocating capital effectively.

Remgro's current discount to intrinsic value, combined with a strong balance sheet, provides a clear opportunity for value to be unlocked over time.

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 Amarand 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