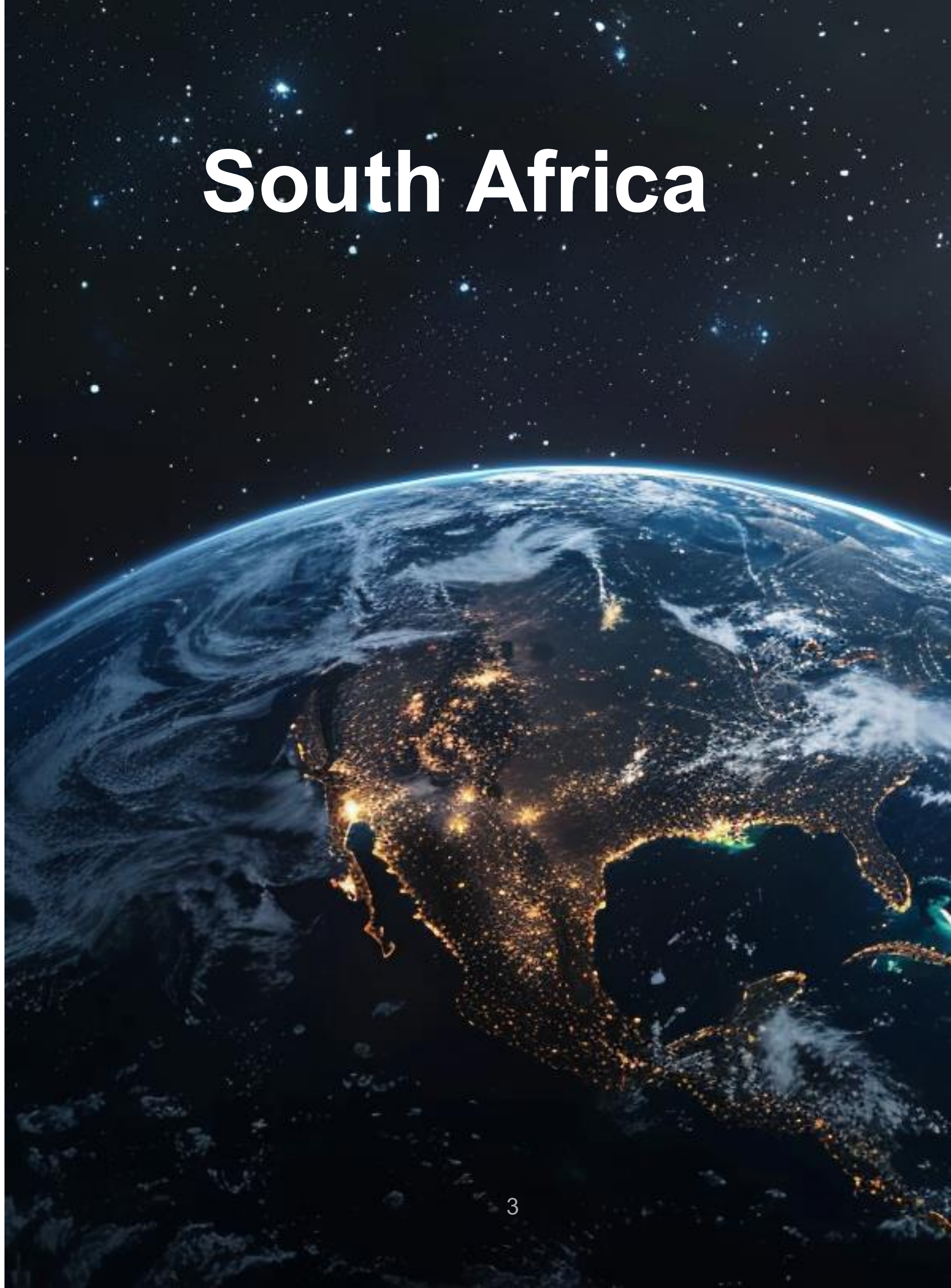
Graviton| Monthly Market Highlights

Monthly edition | August 2026 recap

South Africa



- SA's annual inflation rate fell sharply to 4.3% in July from 5.0% in June.
- According to Statistics South Africa (Stats SA), this marked the first decline in headline inflation in five months.
- The slowdown was mainly attributed to lower food inflation, smaller municipal tariff increases and falling fuel prices.

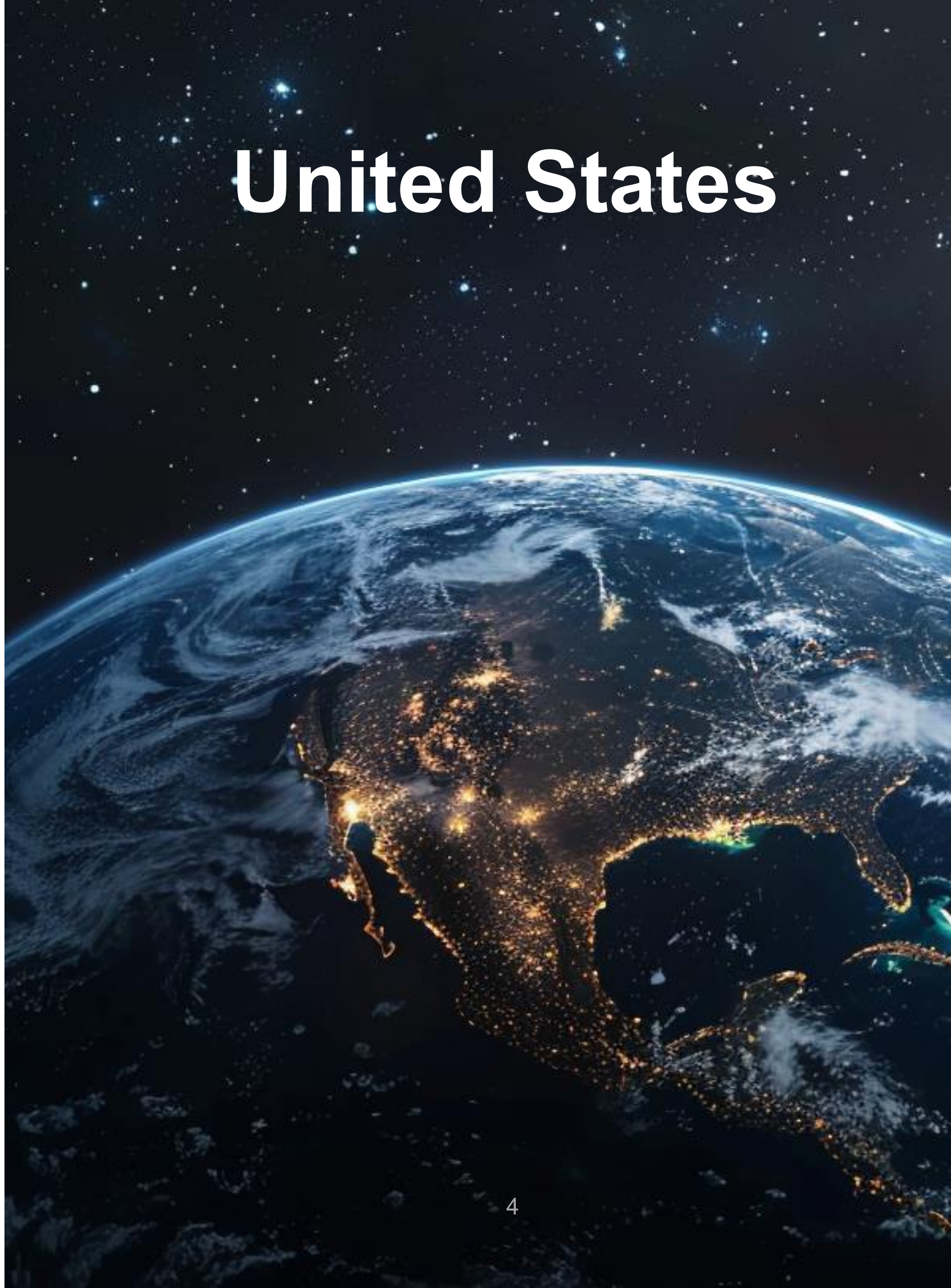
- South African retail sales grew 1.6% year-on-year (y/y) in June, easing from a downwardly revised 2.2% increase in May, according to the latest data released by Stats SA.
- On a seasonally-adjusted basis, retail sales fell 0.6% month-on-month (m/m) in June after a revised flat reading in May.

- SA's official unemployment rate rose to 33.6% in Q2 2026, up 0.9 percentage points, with the number of unemployed increasing by 345 000 to 8.481 million.
- SA's youth unemployment rate has risen to 47.4%, indicating almost one in every two young people in the labour force cannot find a job. According to Stats SA, five million young people aged 15 to 34 were unemployed in Q2 2026, up by 264 000 from the first quarter.

- The S&P Global SA PMI edged down to 50.3 in July 2026 from 50.5 in June, signalling a slower, but continued improvement in private sector conditions. Business activity returned to growth for the first time in three months.
- New orders contracted for a third consecutive month amid weak consumer demand, protests and cheaper imports, although export demand rose for a second straight month.

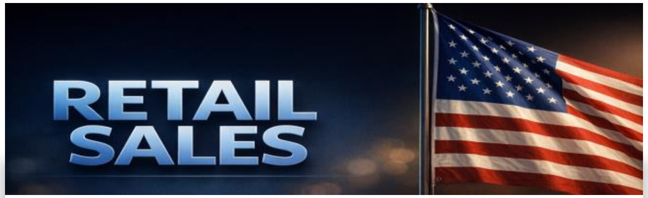
Source: Images – Microsoft Copilot (2026), IOL, Reuters, CNBC Africa, Business Day

United States



- US consumer prices eased slightly in July. The annual inflation rate dipped to 3.4%, however prices still remain higher than levels seen before the war with Iran.
- Core inflation, which excludes volatile food and energy prices, edged up to 2.5% y/y and rose a modest 0.2% from the previous month.

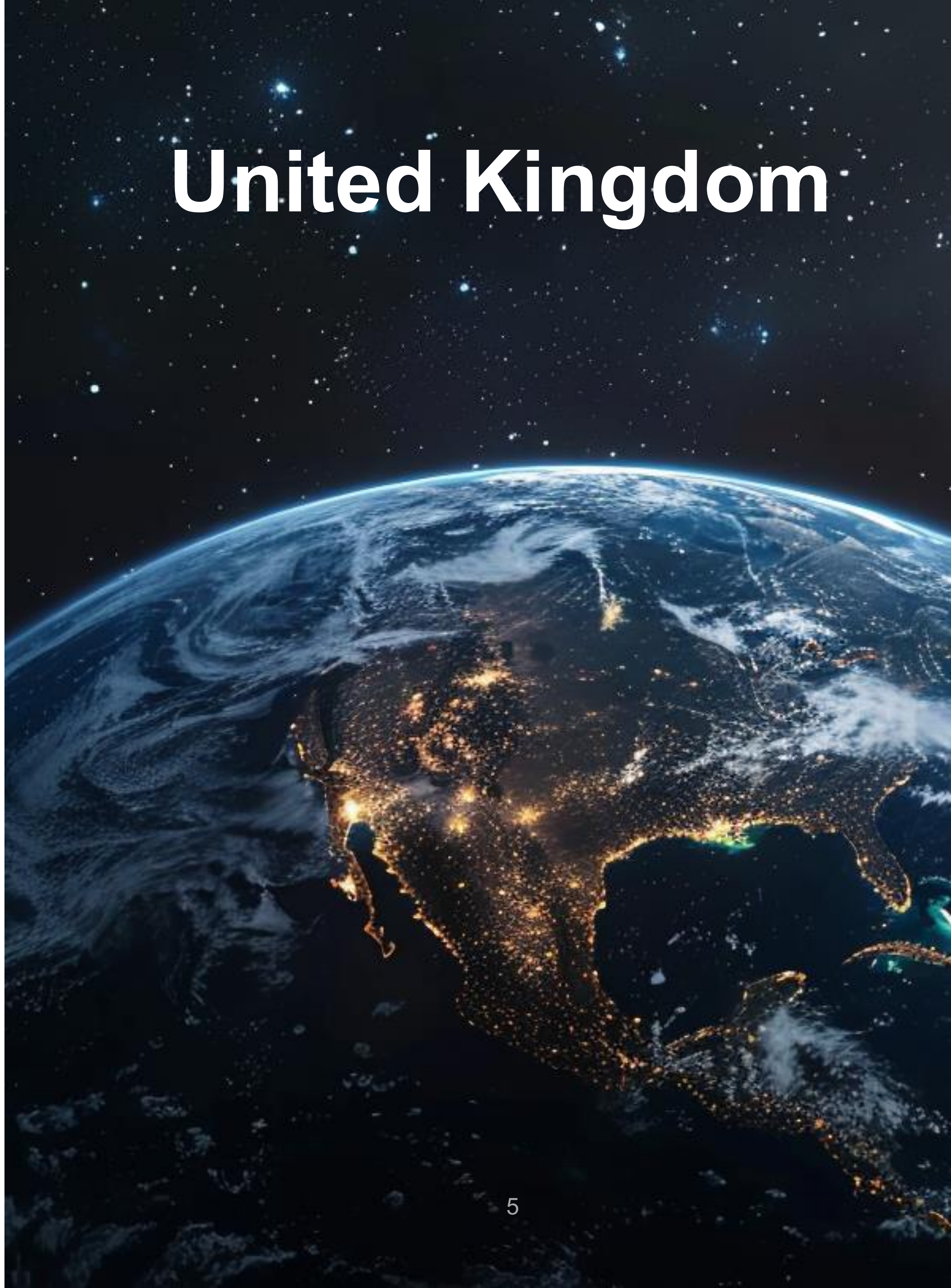
- US non-farm payrolls unexpectedly declined by a seasonally-adjusted 23 000 in July, amid the loss of 53 000 government jobs, weakness in the retail, leisure and hospitality sectors and slower-than-usual growth in healthcare.
- The unemployment rate edged down to 4.1%, as the labour force participation rate declined further to 61.4%, indicating that fewer Americans were either employed or actively seeking work.



- US retail sales fell 0.6% m/m in July, the first decline in nine months, as the boost from big tax refunds faded.
- This suggests that consumer spending is slowing down, prompting economists to cut their economic growth estimates for the third quarter.
- Core retail sales fell 0.4% m/m, confounding economists' expectations of a 0.3% increase.

- The producer price index (PPI) in the US rose 4.7% y/y in July, the lowest reading since March, following a 5.5% increase in June.
- On a monthly basis, headline PPI was unchanged.
- Core producer prices, which exclude food and energy, climbed 4.2% from a year earlier and edged up 0.2% compared with June.

Source: Images – Microsoft Copilot (2026), CNBC, Reuters, Guardian, CNN, US Bureau of Labor Statistics



United Kingdom

- A rise in household energy bills pushed UK inflation to a four-month high in July. Further increases are possible as the Iran conflict continues.
- Annual consumer price inflation rose to 2.9% from 2.6% in June, largely off the back of a 13% increase in the energy price cap.

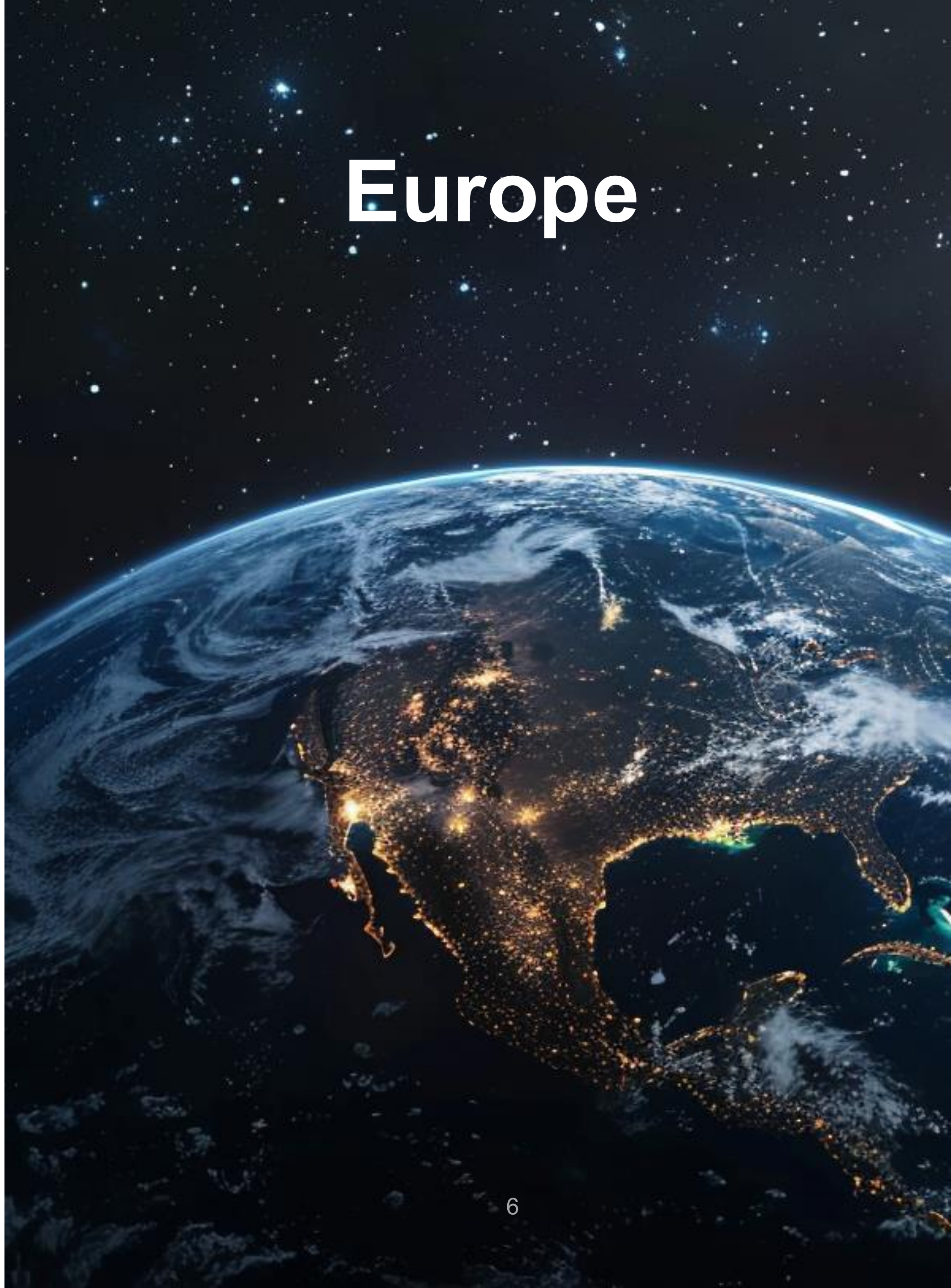
- Britain's economy unexpectedly expanded by 0.3% in June, although quarterly growth slowed to 0.4% from 0.6% in the first quarter.
- Economists, however, cautioned that strong first-half growth is often followed by weaker performance later in the year.
- June’s growth was driven by a 0.4% rise in services, partly offset by declines of 0.2% in industrial production and 0.1% in construction.

- The UK unemployment rate held at 4.9% in the three months to June, according to the Office for National Statistics (ONS).
- Wage growth in the UK slowed in June and vacancies hit a five-year low as workers came under pressure from a renewed cost of living squeeze amid the economic impact from the Iran war.
- Vacancy numbers declined to 707 000 in the May-to-July period, according to the ONS.

- Retail sales fell by 0.5% in July, reversing the gains seen in June and May, while annual sales growth slowed to 1.6% from a downwardly revised 3.8%.
- The largest drag came from clothing and footwear sales, which declined 2.7% m/m, their biggest fall since May 2025, as many retailers shifted their summer discounting period from July to June.

Source: Images – Microsoft Copilot (2026), Guardian, Reuters, WSJ, BBC, ONS

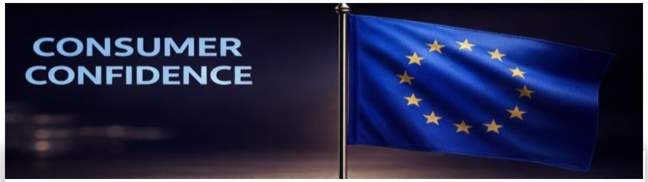
Europe



- The European Central Bank (ECB) left its key interest rates unchanged at its July meeting, following a 25 bps increase in June. This, the first rate hike in three years, was driven by rising energy prices and persistent inflationary pressures.
- The interest rates on the deposit facility rate and main refinancing operations rate remain at 2.25%, and 2.40%.

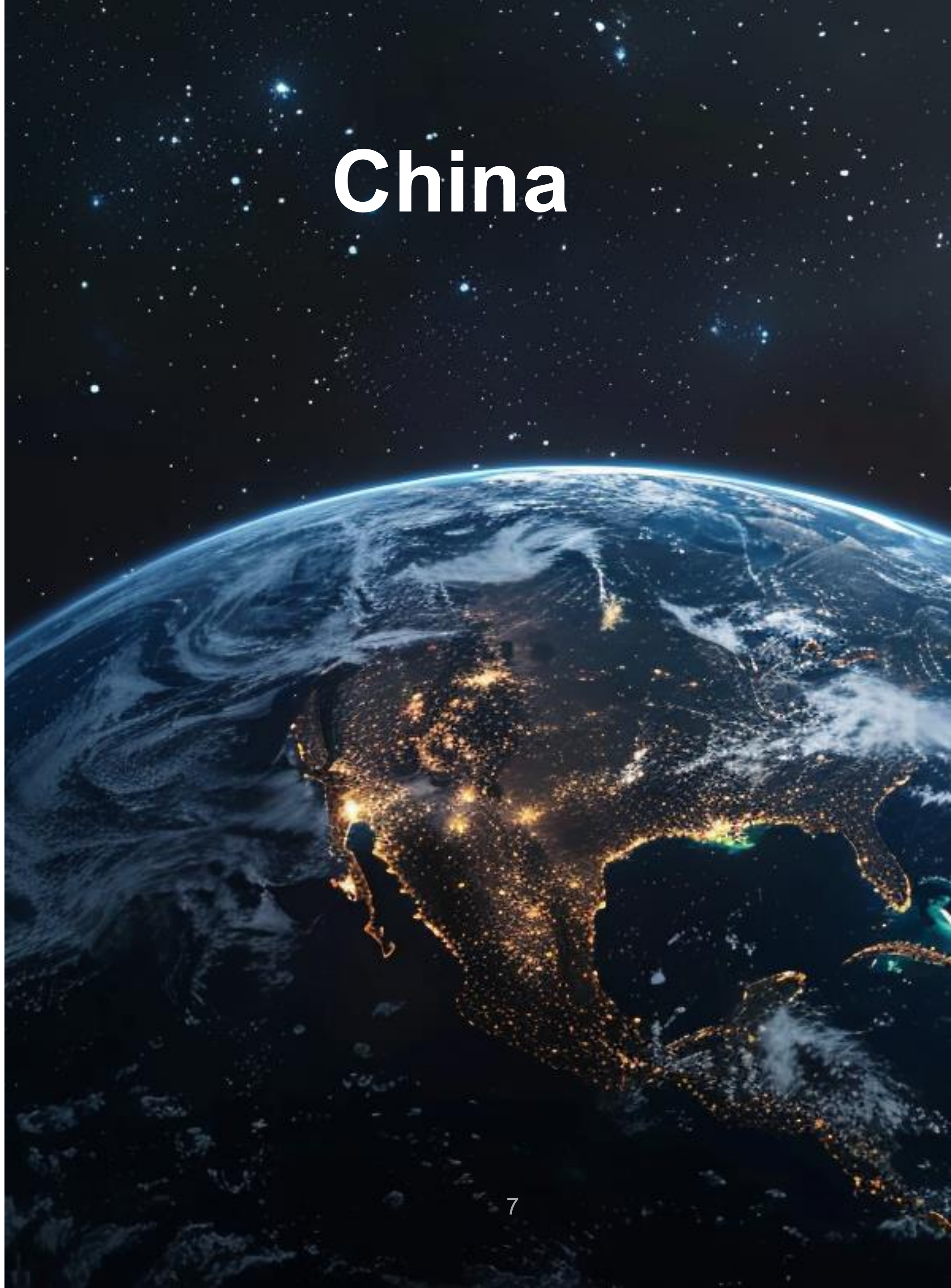
- Eurozone annual inflation accelerated to 2.9% in July from 2.8% in June and remained above the ECB's 2% target.
- The increase was driven by higher energy prices, with energy inflation rising to 10.3% from 8.5%.
- The core inflation rate, which excludes energy and food, increased to 2.5% from 2.4%.

- The Eurozone composite PMI rose to 52.1 in August, a nine-month high, signalling continued expansion.
- Manufacturing activity strengthened, led by Germany's strongest expansion since January 2022.
- Demand improved, as new orders increased and export growth returned for the first time in 4.5 years.



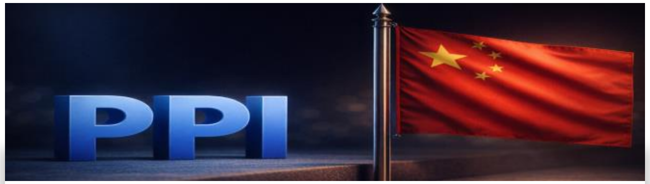
- Eurozone consumer confidence improved for a fourth consecutive month, rising to -15.5 in August from -15.9 in July, beating expectations.
- Sentiment reached its strongest level since February, signalling improving consumer optimism.
- Geopolitical risks continue to pose inflation and growth challenges.

Source: Images – Microsoft Copilot (2026), Reuters, Trading Economics, European Central Bank



China

- China’s consumer price index (CPI) rose by 0.5% y/y in July 2026, slowing from a 1% increase in June. From the previous month, CPI edged down 0.1%.
- Core CPI, which excludes volatile prices of food and energy, rose 0.9% y/y.
- Inflation reached its lowest level since January as food prices fell further and non-food inflation continued to moderate.



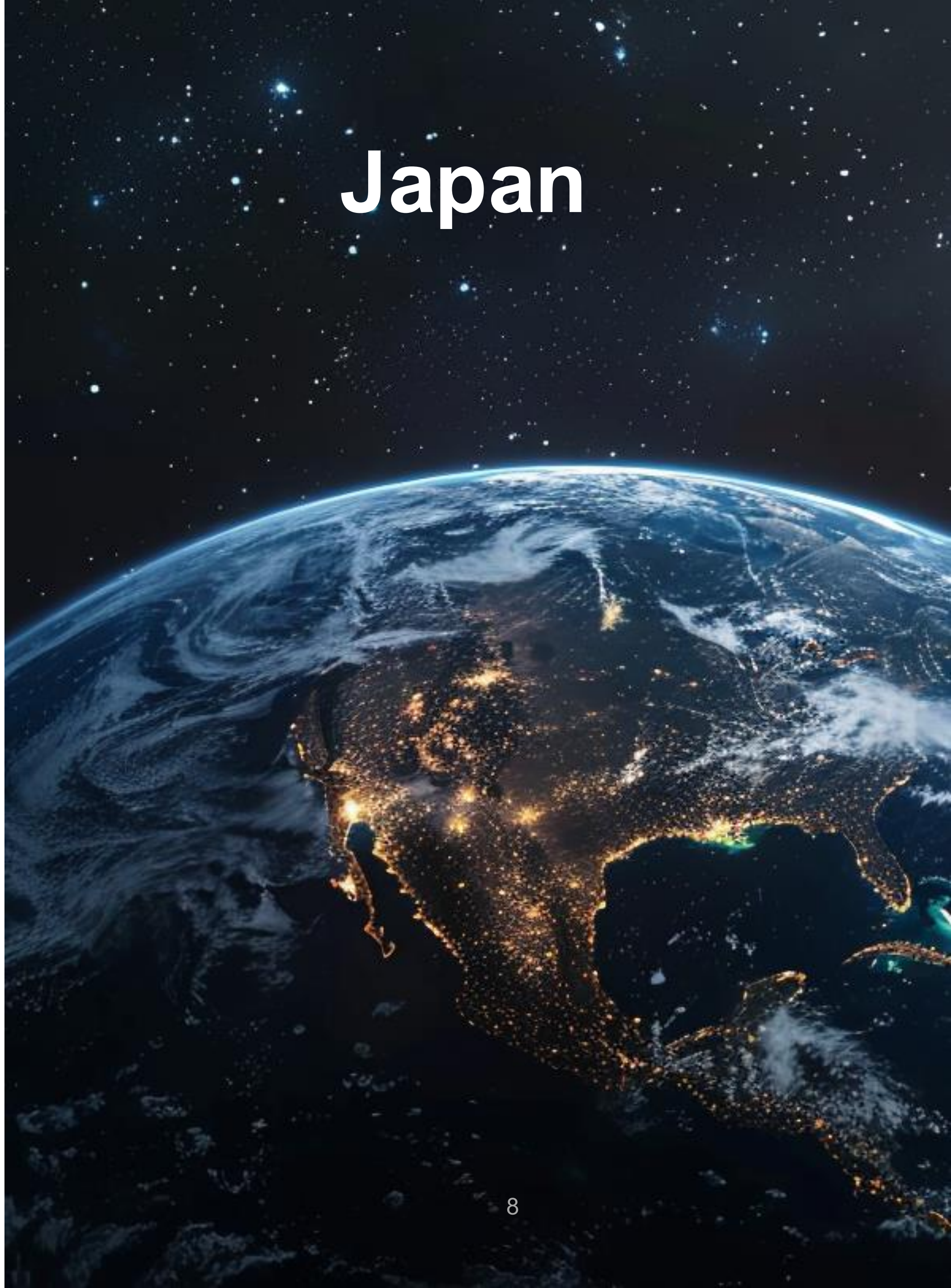
- China’s producer price index (PPI) increased by 3.5% y/y in July, slowing to a three-month low from June's 4.1% gain.
- On a monthly basis PPI dropped by 0.7%.
- Producer inflation fell to its lowest level since April as domestic demand remained weak and energy cost pressures eased.

- China kept key lending rates unchanged, with the one-year loan prime rate (LPR) at 3% and five-year LPR at 3.5%. This marks the 15th consecutive month of stable borrowing costs.
- The one-year LPR is the benchmark for most loans, while the five-year LPR guides mortgage pricing.
- Rates were left unchanged despite weaker July economic data.

- Retail sales gained 0.6% y/y in July. They slowed from 1% growth in June and fell well short of expectations for a 1.5% increase.
- Retail sales, excluding automobiles, rose 2.5%.
- On a monthly basis, retail sales rose 0.06% in July following a 0.35% gain in June.

Source: Images – Microsoft Copilot (2026), Trading Economics, CNBC, Reuters

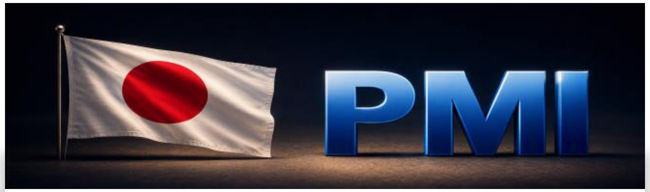
Japan



- Japan's headline inflation rate hit 1.9% in July, the highest level this year.
- The core consumer price index, which includes energy-related items but excludes volatile fresh food prices, rose 1.8% y/y in July.
- The so called "core-core" inflation rate, which strips out prices of both fresh food and energy, rose 1.9% y/y.

- Japan's producer inflation eased to 7.2% y/y in July, slightly below expectations. It moderated from June's three-year high.
- Producer prices continued to rise across all categories.
- On a monthly basis, producer prices edged up 0.1%, slowing sharply from an upwardly revised 0.5% gain in June. This marked the weakest monthly gain in five months.

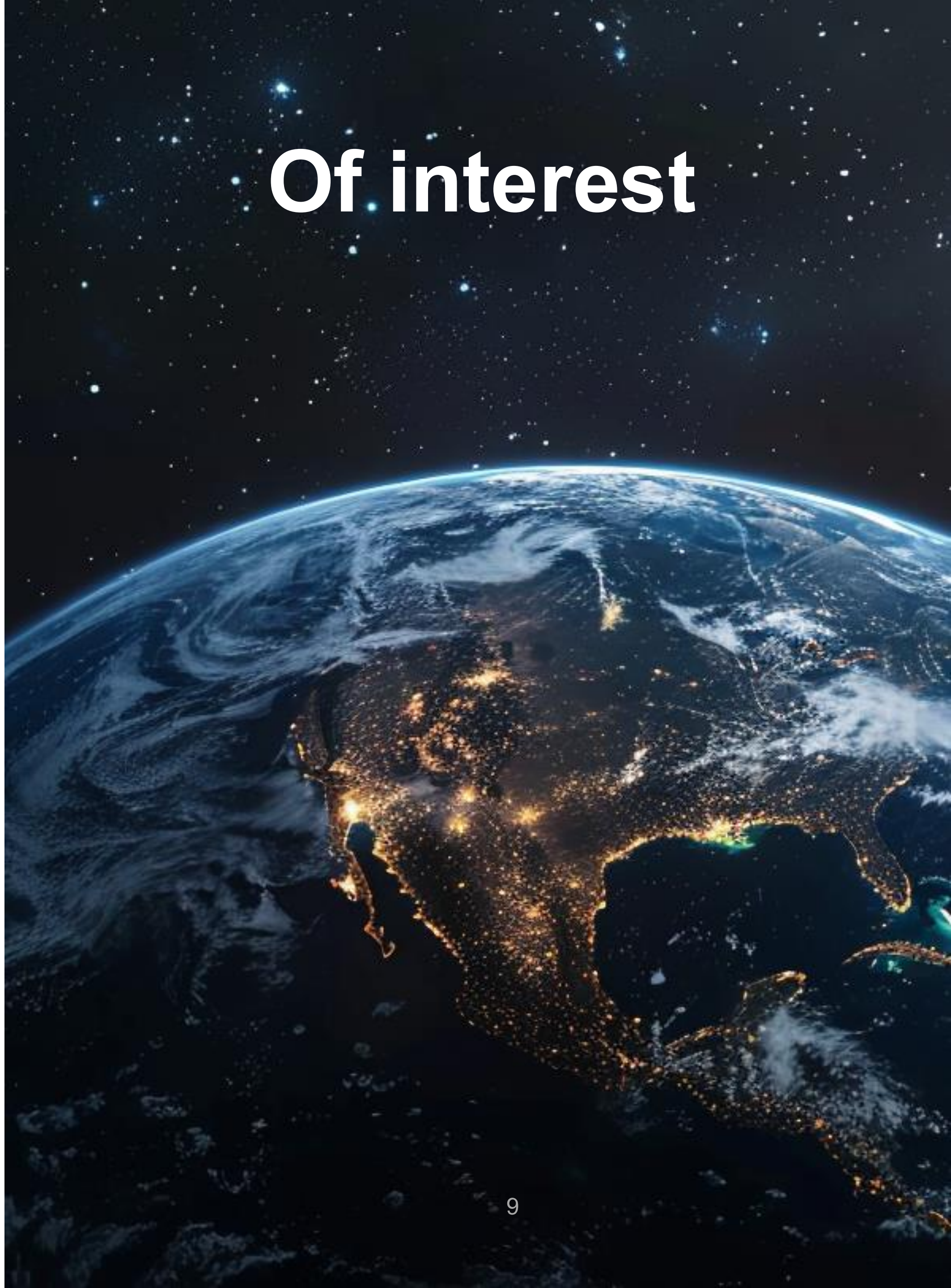
- Japan's economy grew at an annualised rate of 1.1% in Q2 2026, easing from a marginally revised 1.9% growth rate in the previous quarter.
- This expansion marked the third consecutive quarter of growth.
- Consumer spending, which makes up more than half of Japan's economy, was flat in Q2 as higher cost pressures limited its contribution to economic growth.



- Japan's composite PMI rose to 53.4 in August from a final 52.7 in July, flash data showed, its highest level since February.
- Private sector activity extended its growth streak to 17 months, supported by stronger manufacturing and services activity.
- New orders accelerated, while export sales recorded their strongest growth since early 2018.

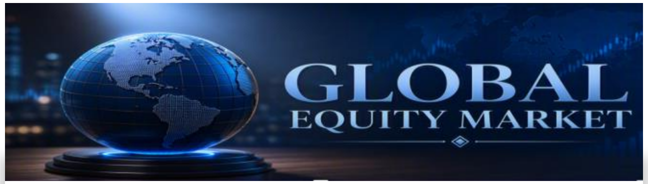
Source: Images – Microsoft Copilot (2026), Trading Economics, CNBC, Reuters, Japan Times

Of interest



- CIS assets under management rose to R4.6 trillion in Q2, reversing the decline recorded in the previous quarter.
- The industry attracted net inflows of R63.6 billion in Q2, despite challenging market and geopolitical conditions.
- New investments contributed R30.4 billion, while reinvested income added a further R33.2 billion.
- South African hedge fund AUM declined to R213 billion from R216 billion at end 2025.

- AI web traffic remains highly concentrated, despite the rapid launch of new tools across the market. ChatGPT maintains a dominant position.
- ChatGPT recorded 5.3 billion visits in June 2026, exceeding the combined traffic of the next 14 most-visited AI tools and accounting for 53% of total traffic.
- Google Gemini and Anthropic Claude ranked second and third.
- US-based platforms dominated the rankings.



- Global equity market capitalisation reached a record US$157.8 trillion in 2025, increasing by more than US$25 trillion y/y.
- The US remained the dominant equity market, with a market value of US$68.9 trillion, representing 44% of the global total.
- China and the European Union each accounted for US$15.5 trillion, remaining the second-largest equity markets globally.

- South African investors increased allocations to portfolios with higher equity exposure in Q2. Multi-asset high equity funds attracted the largest total net inflows of about R17.4 billion.
- Demand for South African interest-bearing short-term portfolios remained strong. They attracted R14.6 billion in net inflows during Q2, the second-largest inflow.
- The local CIS industry recorded net inflows of R63.6 billion during the quarter.

Source: Images – Microsoft Copilot (2026), ASISA, Visual Capitalist, Citywire

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