AOA BRIEFINGS · SOUTHERN AFRICA EDITION · WEEK 26 · WEEK ENDING 27 JUNE 2026

Ten signals every Southern African asset owner should act on now

Sourced from market intelligence, SARB, PIC, IMF, S&P Global, TotalEnergies, Bloomberg, Reuters, and Moneyweb · Pension funds · SWFs · Insurers · Reserve managers · Family offices · Endowments

SARB REPO RATE

7.0%

→ Held since May 28 hike; July 23 now a genuine swing decision

RAND (USD/ZAR)

16.41

↓ Eased 0.44% June 26 as the dollar firms broadly

JSE ALL SHARE

≈112,700

↓ Slipped further from 114,006; still lagging NGX

SA CPI INFLATION (APR)

4.0%

↑ Steepest since Aug 2024; 2026 forecast raised to 4.4%

MOZAMBIQUE LNG

42% complete

↑ Up from 40%; 6,000+ workers now mobilised

COPPER (ZAMBIA EXPOSURE)

≈$13,800/t

↑ Near record highs; Citi sees $15,000/t within a year

NAMIBIA OIL FID

Targeted Q4 2026

→ FPSO talks open; capacity revised to ≈150k bpd

BOTSWANA DIAMOND DEAL

UAE/Oman talks open

→ Structure targeted by end-Oct 2026

ZIMBABWE INFLATION (JUNE)

4.7%

↑ Ticked up from 4.40%, still single-digit since 1997

Pension funds

Sovereign wealth funds

Insurers

Reserve managers

Family offices

Endowments

PART ONE · REGIONAL MONETARY ANCHORS

01

SARB's May hike has bedded in — July 23 is now a genuine swing decision for four countries

SARB has left the repo rate unchanged at 7.0% since its 25bp May 28 hike, and economists now describe the July 23 MPC meeting as a genuinely live swing decision rather than a foregone hold — a call that, through the Common Monetary Area peg, will be imported automatically into Namibia, Lesotho, and Eswatini regardless of their own domestic conditions.

PENSION FUNDS · INSURERS · RESERVE MANAGERS · ENDOWMENTS

- A "genuine swing decision" framing this far ahead of the meeting is itself notable — it means the 4–2 vote split from May has not resolved into clear consensus either way, and the committee remains genuinely split on whether May's risk-management hike was sufficient or the start of a cycle
- The original justification for May's hike — Middle East-driven inflation risk rather than domestic overheating — means the July call is now tied as much to how global energy and shipping costs evolve over the next month as to any purely South African data print
- Because Namibia, Lesotho, and Eswatini peg 1:1 to the rand under the CMA, their central banks do not get a vote on July 23 but absorb whatever SARB decides anyway — a reminder that this brief's "one decision, four countries" framing from May remains the operative reality, not a one-off observation
- For institutions running liability books across the CMA, the practical task ahead of July 23 is scenario-planning a hold, a further hike, and the much less likely cut — not assuming the rate path is settled simply because May's hike already happened

WATCH — JULY 23

Build three explicit scenarios for the July MPC decision — hold, hike, cut — into CMA-wide fixed income models now. Treat the outcome as live and undecided, not a formality following May's move.

02

South Africa's inflation path, not the rate decision itself, is what determines July's outcome

April's CPI print of 4.0% — the steepest since August 2024 — pushed SARB to revise its 2026 inflation forecast up to 4.4% from 3.7%, and the May and June data due before the MPC meets on July 23 are now the most closely watched numbers on the regional calendar this month.

PENSION FUNDS · INSURERS · RESERVE MANAGERS

- A 70-basis-point forecast revision in a single MPC cycle is a large input change for actuarial and ALM teams running rand fixed income and annuity liability models — one that should already be reflected in real-return assumptions, independent of what July's decision turns out to be
- With April's print already running above SARB's 3% target and the forecast trending higher, the bar for the committee to justify a further hike in July is lower than it would be against a stable or falling inflation trend — the data, more than any single statement from the Bank, is doing the work of setting market expectations
- A second consecutive acceleration in the May or June print would make the "one-off Middle East shock" framing this brief flagged after May's hike much harder to sustain, shifting the question from whether SARB hikes again to how many more times this cycle
- For allocators, the inflation print itself — not commentary or forward guidance — remains the single most decision-relevant data point for South African and CMA-wide rate exposure heading into the back half of the year

MODEL THIS

Continue running real-return assumptions on rand fixed income against the revised 4.4% 2026 inflation forecast. Treat the next two CPI prints, due before July 23, as the key inputs that will determine whether that forecast itself needs revising again.

PART TWO · SOUTHERN AFRICAN SIGNALS

03

Two-pot withdrawals keep climbing as the PIC's asset base passes R3 trillion

South Africa's two-pot retirement system saw another wave of early-access claims at the start of the new 2026/27 tax year, continuing the pattern this brief has tracked since the system's 2024 launch, even as the PIC — manager for the GEPF and roughly 35 public-sector funds — continues to oversee an asset base above R3 trillion.

PENSION FUNDS · INSURERS

- The recurrence of a large withdrawal spike at the start of each new tax year, rather than a one-off 2024 launch phenomenon, confirms this brief's earlier framing — two-pot liquidity demand is now a structural, calendar-driven feature of the South African retirement system, not a transitional adjustment that fades with time
- Debt consolidation and basic living costs remain the dominant cited reasons for withdrawal, which keeps this a genuine cost-of-living signal as much as a pensions-policy one — relevant context for SARB's own inflation and household-pressure assessment ahead of July's decision
- The PIC's R3 trillion-plus asset base keeps it systemically important for the JSE, the rand bond market, and any infrastructure-financing initiative the GNU pursues — its allocation decisions matter well beyond the retirement system itself
- Retirement funds and sponsors should continue treating two-pot withdrawal volatility as a permanent, recurring liquidity-planning input timed to the start of each tax year, rather than a feature that diminishes as the system matures

PLAN FOR

Build the start-of-tax-year two-pot withdrawal spike into recurring liquidity and cash-flow planning as a permanent calendar feature of the South African retirement system, not a one-time transitional event.

04

The JSE keeps lagging while Nigeria's market sets the regional pace

The FTSE/JSE All Share Index sits near 112,700, having slipped further from the 114,006 level reported two weeks ago, even as the NGX has spent the past month consolidating near record territory before its own recent correction — a gap between Africa's two largest exchanges that continues to widen rather than close.

PENSION FUNDS · SWFS · FAMILY OFFICES · ENDOWMENTS

- A market capitalisation of roughly R25 trillion still makes the JSE Africa's largest exchange by a wide margin, but scale has not translated into momentum this year — the index has continued drifting lower over the past fortnight rather than stabilising
- South African retirement funds remain net withdrawing under the two-pot system rather than net allocating into local equities at the pace that would support the index — the domestic liquidity story driving Nigeria's market this year simply has no equivalent on the JSE right now
- A 7.0% policy rate and a rand that, while weaker on the week, remains far more stable than several regional peers reduce the relative urgency to chase risk assets locally — capital continuing to favour cash and bonds domestically is a rational response to the current rate environment, even if it weighs on the index
- For institutions benchmarked against global or regional indices, the JSE's continued underperformance against the NGX strengthens the case this brief has made for staying close to Regulation 28's offshore allocation ceiling — worth revisiting in any attribution review ahead of the GNU's next budget cycle

REVIEW

Update the domestic-versus-offshore attribution review with the JSE's continued slide from 114,006 toward 112,700. The underperformance gap against Nigeria and global peers is widening, not stabilising.

05

Eskom and Transnet reform keeps moving even as GNU energy policy stays unsettled

Eskom's unbundling into a fully independent transmission entity continues on the timeline Ramaphosa committed to in his 2026 SONA, and Transnet's freight volume recovery has held through the second quarter — genuine operational continuity even as the GNU's internal coordination on energy policy remains visibly strained.

PENSION FUNDS
INSURERS
SWFS

- The transmission entity's independence timeline holding steady through another quarter, without a fresh round of the dilution attempts this brief flagged earlier in the year, is itself a credibility marker — infrastructure investors should continue treating the unbundling commitment as protected, not just announced
- Transnet's freight volume gains, first confirmed earlier this year, appear to be holding rather than reversing — relevant directly for any institution with exposure to mining, agriculture, or export-linked equities that depend on rail and port throughput
- The planned separation of the National Ports Authority from Transnet, alongside the new Transport Economic Regulator, remains the next structural milestone in the same playbook — separating network infrastructure from operations to allow competition and private capital in
- GNU coordination problems on energy policy — renewables versus nuclear versus Eskom timelines diverging by party — remain a real implementation risk worth tracking, but continue to lag behind, not lead, the structural reforms actually moving on the ground

POSITION

Continue building infrastructure-linked credit and equity exposure to the rail, ports, and transmission unbundling process. The operational data continues to outpace the political noise around it.

06

Mozambique's LNG restart passes 42% complete as the workforce keeps scaling up

Construction on the $20bn-plus Mozambique LNG project has advanced to 42% complete, up from 40% reported two weeks ago, with more than 6,000 workers now mobilised at Afungi — continued tangible progress on the fiscal transformation catalyst this brief has tracked since the project's full restart was confirmed in January.

PENSION FUNDS
SWFS
RESERVE MANAGERS
ENDOWMENTS

- A workforce that has grown from roughly 4,000 to more than 6,000 in a matter of weeks signals the project has moved decisively past the planning and remobilisation phase into active, large-scale construction — the kind of acceleration that typically marks a project entering its main build-out
- Two percentage points of progress in two weeks is a meaningfully faster pace than the project posted in its first months back from force majeure — worth watching for whether this rate of advance is sustained or was a one-off catch-up phase
- The continued build-out keeps the 2029 first-LNG target credible as a medium-term anchor for Mozambique's fiscal recovery, even as this year's local-currency distress signal, flagged in earlier editions, remains a separate near-term concern on a different time horizon
- For sovereign credit allocators, sustained construction progress and a rapidly scaling workforce are exactly the kind of hard, observable evidence that should keep this project modelled as the base case for Mozambique's structural fiscal recovery, not a contingent upside

REASSESS

Continue treating the Mozambique LNG restart, now at 42% complete with a workforce above 6,000, as the base case for medium-term fiscal recovery modelling, independent of this year's separate local-currency distress.

07

Zambia heads to the polls on 13 August as copper hits record highs

Zambia's 13 August election is now formally confirmed, with President Hichilema standing for re-election within the UPND against an opposition Tonse Alliance led by Brian Mundubile — a vote that lands just as copper prices push toward record territory near $13,800 a tonne, with Citi projecting $15,000/tonne within a year.

PENSION FUNDS
SWFS
RESERVE MANAGERS

- Copper's rally toward $13,800/tonne, well above the levels this brief cited even a few weeks ago, is the single most important variable supporting Zambia's post-restructuring fiscal trajectory — a sustained move toward Citi's $15,000 forecast would materially ease the refinancing burden on the more than 40% of debt maturing within four years
- An incumbent standing for re-election with continuity as the explicit pitch is, on balance, the outcome global creditors and rating agencies are most likely to read as supportive of the restructuring's durability — a contested or disputed result would reopen exactly the kind of uncertainty the November 2025 default exit was meant to close
- The $3.3bn unresolved commercial creditor gap, including China Development Bank exposure, remains the other live variable alongside the election and the copper price — none of the three has resolved on its own, and all three now converge on the same window between now and the August vote
- For allocators, this is the moment all three variables this brief has flagged — the commercial creditor resolution, the copper price path, and the election outcome — are converging into the same six-week window, making it the highest-information period for Zambian sovereign risk since the restructuring closed

TRACK

Treat the next six weeks — running through the 13 August election — as the highest-information window yet for whether Zambia's restructuring holds. Copper's rally toward $15,000/tonne is the tailwind; the commercial creditor gap and the vote itself are the swing factors.

08

Namibia's oil FID talks open — and the production numbers are moving, not just the timeline

Final investment decision talks on Namibia's Venus discovery have opened in earnest, targeting a Q4 2026 FID, even as Shell has taken a roughly $400m writedown on the neighbouring Graff and Jonker fields and revised planned FPSO capacity to around 150,000 barrels per day — a sign the project is becoming more concrete, even as its economics are being recalibrated downward.

PENSION FUNDS
SWFS
ENDOWMENTS

- Open FID negotiations targeting a specific Q4 2026 date are a materially more advanced stage than the general "FID expected by year-end" framing this brief carried in recent weeks — the project has moved from a target window to an active negotiation with a defined endpoint
- Shell's $400m writedown on Graff and Jonker, alongside TotalEnergies CEO Patrick Pouyanné's public comments that breakeven economics now need to clear below $20/barrel to proceed, signals the operators are being disciplined about which discoveries actually get developed first — not every Namibian find from the original 3 billion-plus barrel estimate will necessarily reach FID on the original timeline
- A revised FPSO capacity of roughly 150,000 bpd, down from some of the higher early estimates, is still a transformational production figure for Namibia's economy — the scale-down is a recalibration toward bankable economics, not an abandonment of the opportunity
- The Welwitschia Sovereign Wealth Fund, still holding only a few hundred million Namibian dollars against a resource base that could eventually generate revenue many multiples larger, remains the institutional question to resolve before, not after, a Q4 2026 FID actually lands

WATCH — Q4 2026

Track the Venus FID negotiations toward their Q4 2026 target as the concrete trigger event, not the general year-end window cited previously. Use Shell's writedown and Pouyanné's sub-$20/bbl breakeven comment to recalibrate expectations for which Namibian fields actually proceed first.

09

Botswana's diamond renegotiation becomes a three-way regional contest

Talks on funding Botswana's larger equity stake in De Beers have opened with UAE and Omani sovereign capital, with a deal structure now targeted by the end of October 2026, even as Anglo American shortlists bidders for its 85% De Beers stake and Namibia and Angola continue pressing their own claims to a piece of the same ownership structure.

PENSION FUNDS
SWFS
ENDOWMENTS
RESERVE MANAGERS

- Gulf sovereign capital entering talks to help fund Botswana's equity ambitions is a meaningful development — it suggests Botswana is moving from stated intent toward an actual financing structure for what would be a historic shift from royalty-taker to equity-owner in its own dominant industry
- An end-October 2026 target date gives the three-way contest among Botswana, Namibia, and Angola a concrete deadline to negotiate against, rather than an open-ended process — expect positioning among the three producer-states to intensify as that date approaches
- Anglo American actively shortlisting bidders for its 85% stake, rather than simply fielding unsolicited interest, confirms the sale process is real and moving on its own commercial timeline — one that may not wait for all three African producer-states to finalise their financing
- For sovereign and reserve allocators with Botswana exposure, Gulf capital entering the picture changes the calculus on how the country's diamond-to-equity transition gets funded — less reliant on Botswana's own constrained fiscal position than earlier coverage assumed, but also now subject to a fresh set of external counterparties and their own terms

REASSESS

Track the UAE/Oman funding talks and the end-October 2026 target date as the concrete markers of whether Botswana can convert its diamond-to-equity ambitions into an actual ownership stake before Anglo American's own sale process concludes on its own timeline.

PART THREE · THIS WEEK'S ADDITIONAL SIGNAL

10

Zimbabwe's inflation ticks up to 4.7% — still single-digit, still the real test ahead

Zimbabwe's annual inflation rose modestly to 4.7% in June, up from 4.40% in May, while remaining within the single-digit range the country has held since January's 4.1% reading broke a 29-year run of double- and triple-digit prints — a small uptick that keeps the disinflation story intact, but is the first move in the wrong direction this year.

PENSION FUNDS | FAMILY OFFICES | ENDOWMENTS

- A 30-basis-point uptick after several months of stability is small enough to be noise, but it is the first such move since the single-digit run began — exactly the kind of early signal the IMF and independent analysts have repeatedly flagged as the thing to watch for, given Zimbabwe's history of stabilisation attempts that later reversed
- The IMF's Staff-Monitored Program remains a validation step rather than a financing arrangement — Zimbabwe still has no lending backstop if this uptick proves to be the start of a renewed acceleration rather than a one-month wobble
- Tight monetary conditions, restrained fiscal spending, and gold/FX backing for the ZiG remain the specific mechanisms behind the broader disinflation achievement — none of those have visibly changed, which argues for treating June's uptick as noise until at least one more print confirms a direction
- The 2030 target for the ZiG to become sole legal tender depends entirely on this kind of price stability holding for years, not months — a single uptick does not undermine that goal, but it is a reminder of how much further the credibility-building process still has to run

MONITOR, DON'T COMMIT

Treat June's uptick to 4.7% as noise pending confirmation, not a reversal. Continue monitoring through at least two more prints before revising the view that Zimbabwe's disinflation is durable rather than a favourable window.

CHIEF EXECUTIVE READ — THE WEEK IN ONE PARAGRAPH

Southern Africa this week is defined by a rate decision that hasn't happened yet and a set of structural stories that keep advancing regardless. SARB's May hike to 7.0% has bedded in, but July 23 is now described as a genuinely open swing decision rather than a formality — one that, via the Common Monetary Area peg, will be imported automatically into Namibia, Lesotho, and Eswatini, with the May and June inflation prints due before then the most-watched data on the regional calendar. The rand eased modestly to 16.41 against a broadly firming dollar, while the JSE continued slipping, now near 112,700 and further from the 114,006 level reported two weeks ago, as South African retirement funds keep withdrawing under the two-pot system rather than allocating into local equities at the pace Nigeria's market has enjoyed. Underneath the monetary caution, the region's resource and infrastructure catalysts kept moving: Mozambique's LNG project advanced to 42% complete with its workforce scaling past 6,000, Eskom and Transnet reform held its course through another quarter, and Namibia's oil ambitions took a concrete step forward with Venus FID talks now targeting Q4 2026, even as Shell's writedown on Graff and Jonker showed operators recalibrating which discoveries actually proceed. Botswana's diamond-to-equity ambitions gained a financing path through opening UAE and Omani talks, even as the contest for De Beers ownership widened to include Namibia and Angola alongside Anglo American's own active bidder process. Zambia's 13 August election is now confirmed, landing in the same window as copper's rally toward record highs near $13,800 a tonne — the most consequential six weeks yet for whether its restructuring holds. And Zimbabwe's inflation ticked up for the first time this year, a small but genuine test of whether its single-digit run is durable. The overriding message: South Africa's own rate path remains the open question of the month, while the region's resource and reform stories keep compounding on their own multi-year timelines regardless of what SARB decides on 23 July.

SARB / rand — July 23 is a genuine swing decision; the May–June CPI prints will decide it

JSE / domestic equities — continues slipping toward 112,700; underperformance gap vs. NGX widening

Mozambique LNG — 42% complete, workforce past 6,000; treat as base case for fiscal recovery

Namibia oil — Venus FID talks target Q4 2026; Shell writedown shows discipline on which fields proceed

SA inflation — 2026 forecast at 4.4%; next two prints are the most-watched data this month

Two-pot / PIC — withdrawal spikes now a recurring, calendar-driven feature; PIC AUM above R3trn

Zambia — 13 August election, copper near record highs, and a $3.3bn creditor gap converge in the same six weeks

Botswana diamonds — UAE/Oman funding talks open a financing path amid a widening three-way contest

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