



LAURIUM
CAPITAL

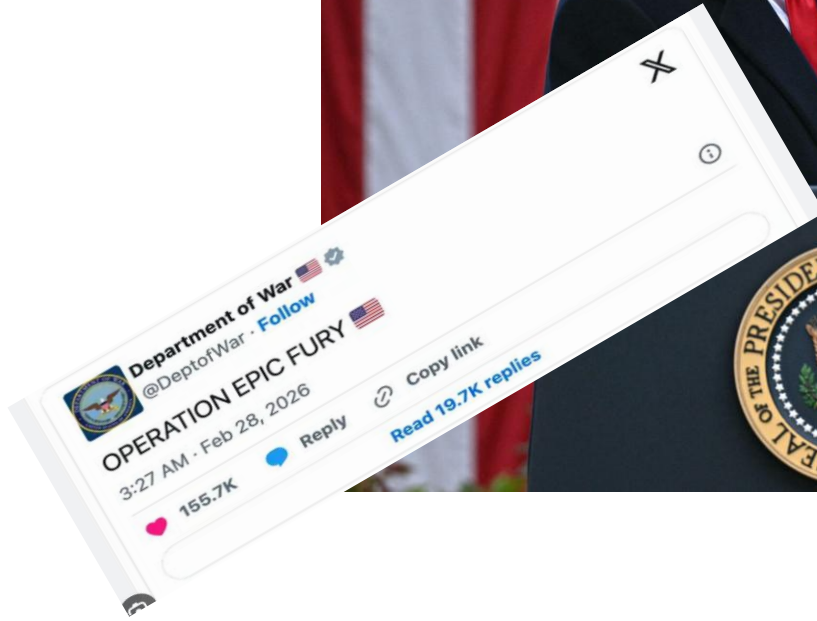
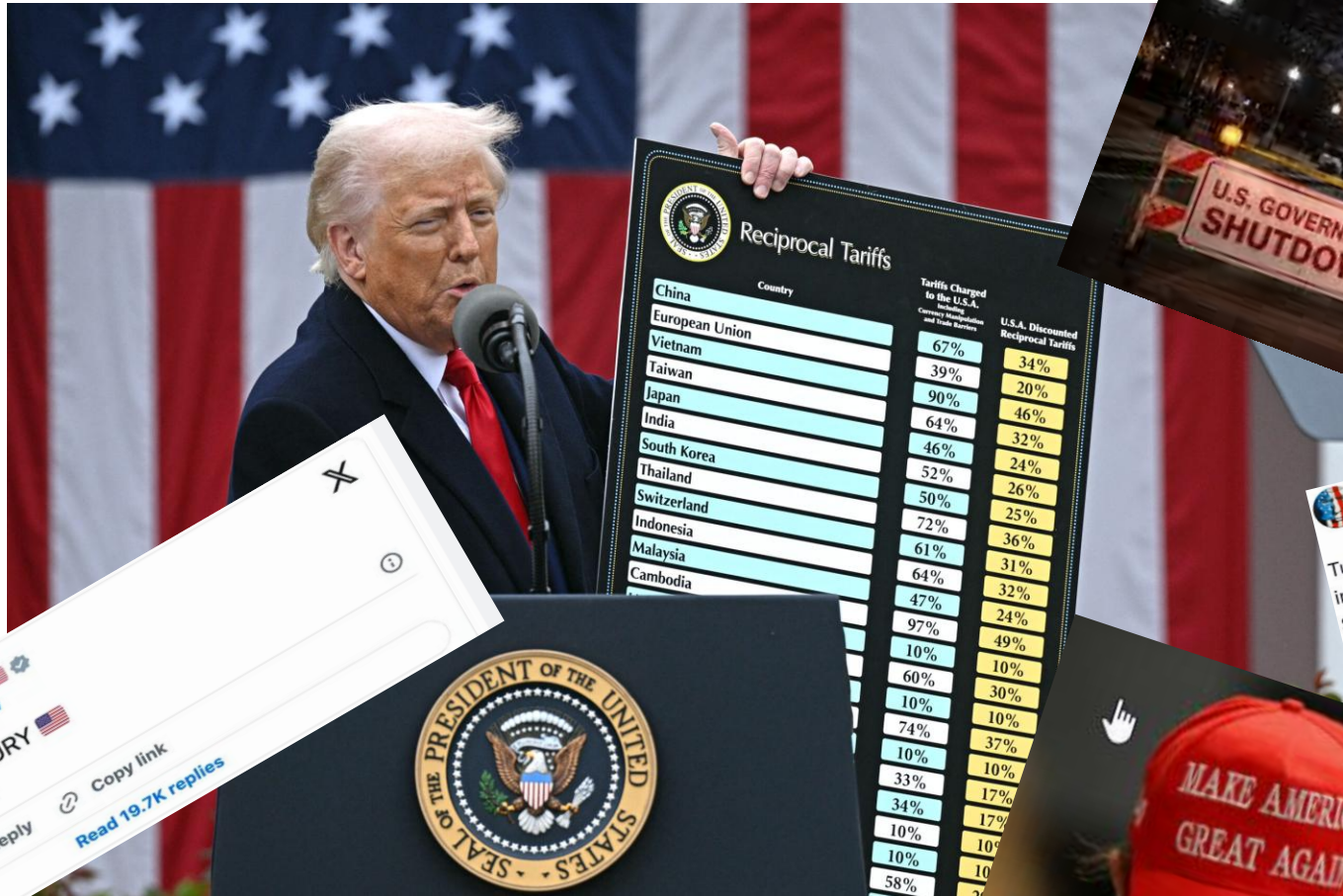
May 2026

Pause And REFLECT

Navigating Fiscal Normalisation
and Rate cycle

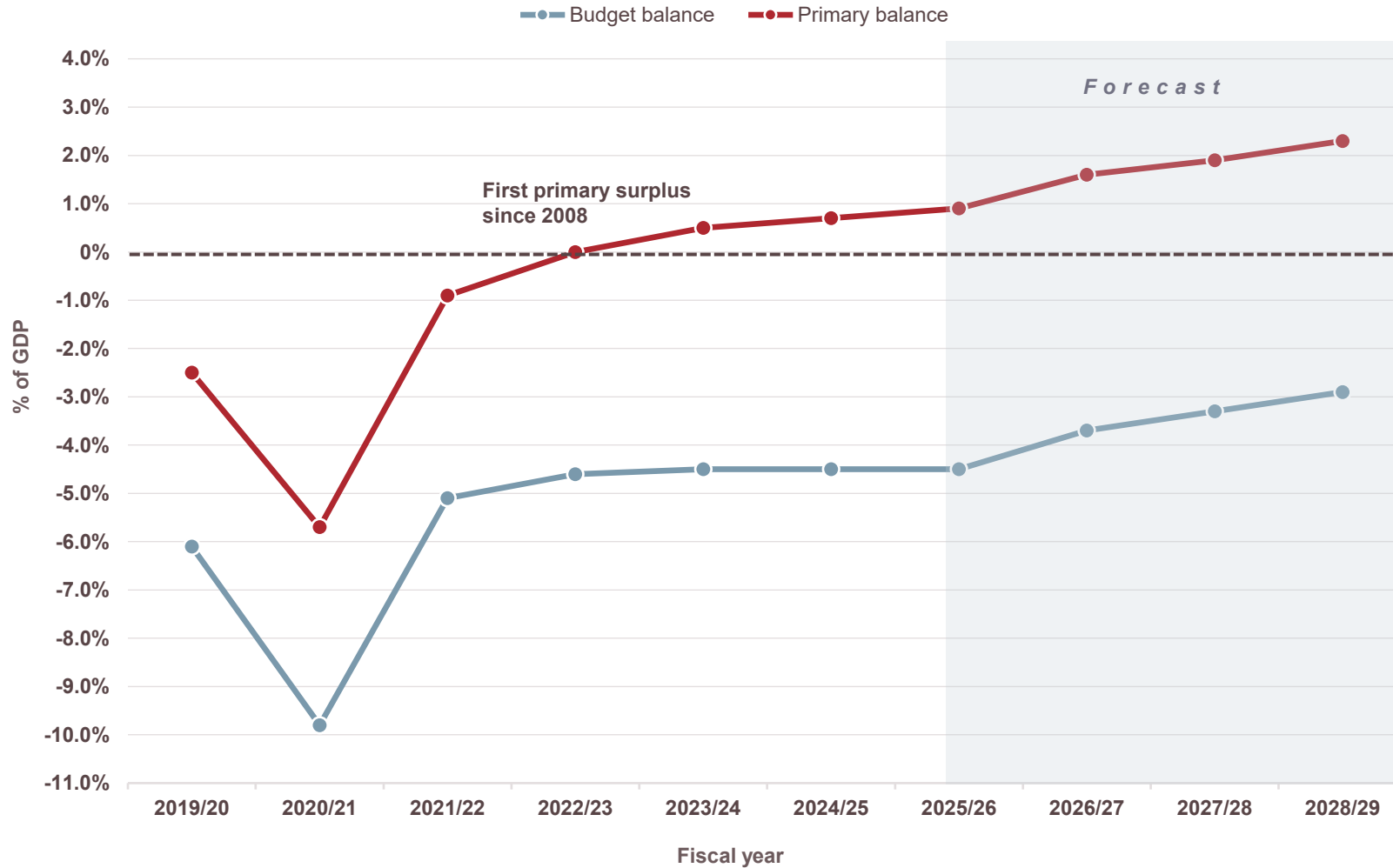
Shwebi Gqosha

Macro Environment: Crisis Era to Normalisation Phase



SA Fiscal Trajectory Improving

Primary surplus emerging as the headline metric - debt burden stabilising



Fiscal consolidation path

COVID DEFICIT PEAK

-9.8%

2020/21 · pandemic shock

PRIMARY BALANCE PIVOT

2023/24

+0.5% after a decade of deficits

DEFICIT BY 2028/29

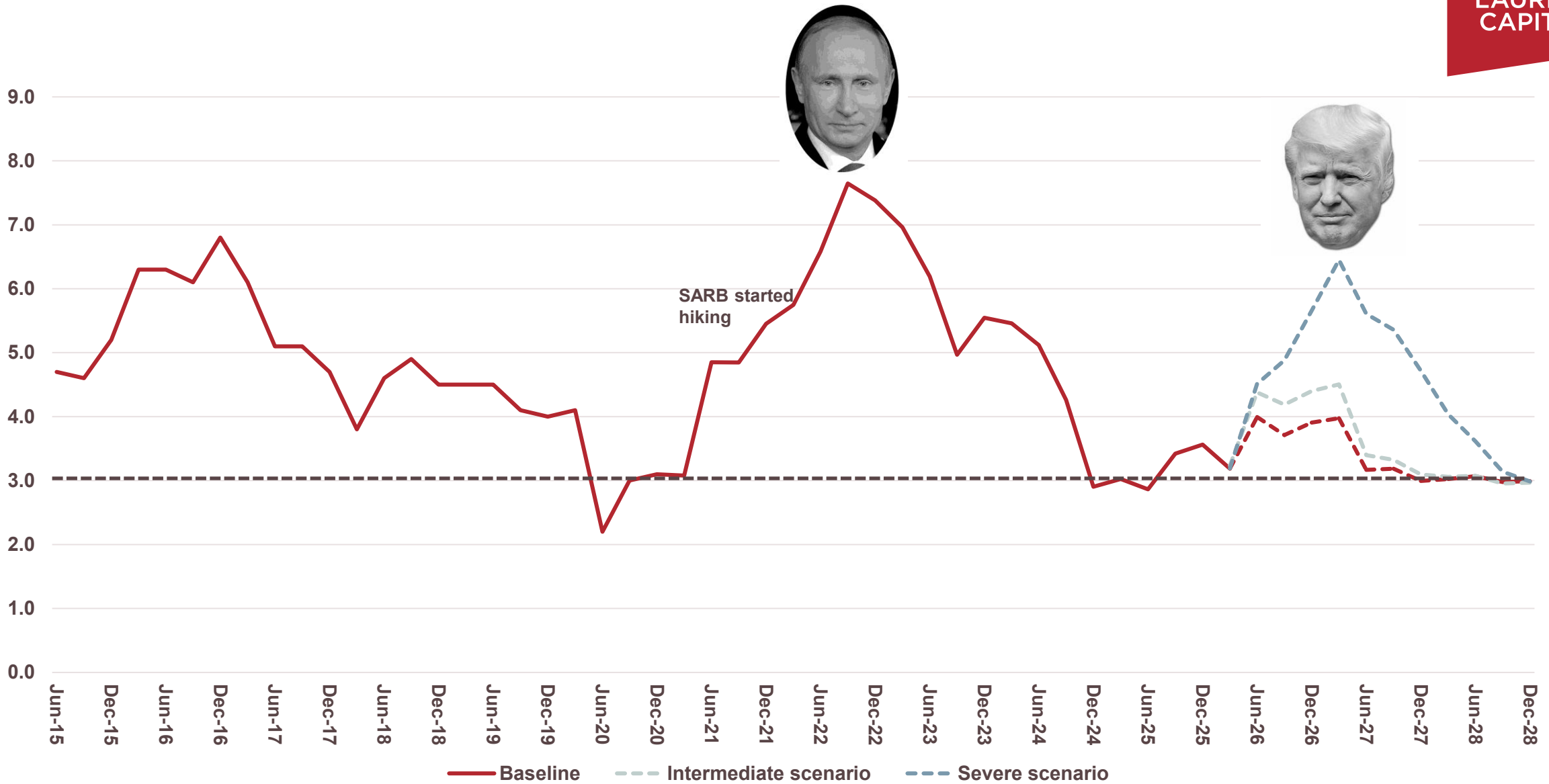
-2.9%

down from -4.5% current run-rate

Primary surplus build

+0.5% → **+2.3%** by 28/29

SA Inflation: What Lies Ahead?

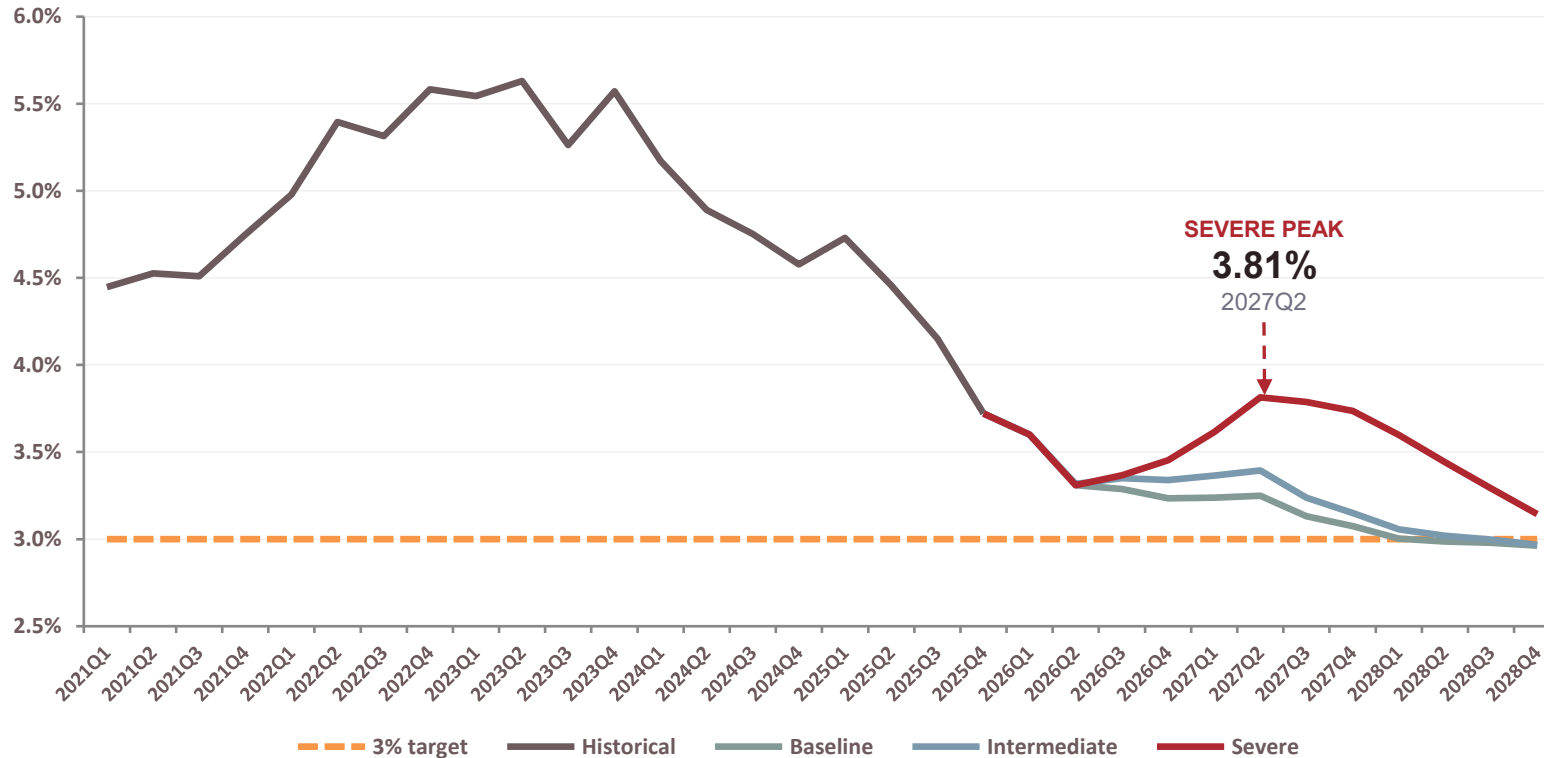


Source: SARB



Three paths, one target

SA Inflation Expectations – Two years from now



MARKET IMPLICATION

Severe = sticky SARB = prolonged duration pain.

SCENARIO SUMMARY

BASELINE

Benign glide path

END 2028Q4

2.96%

HITS 3%
2028Q2

INTERMEDIATE

Bumpy, still converges

END 2028Q4

2.97%

HITS 3%
2028Q3

SEVERE

Inflation persistence

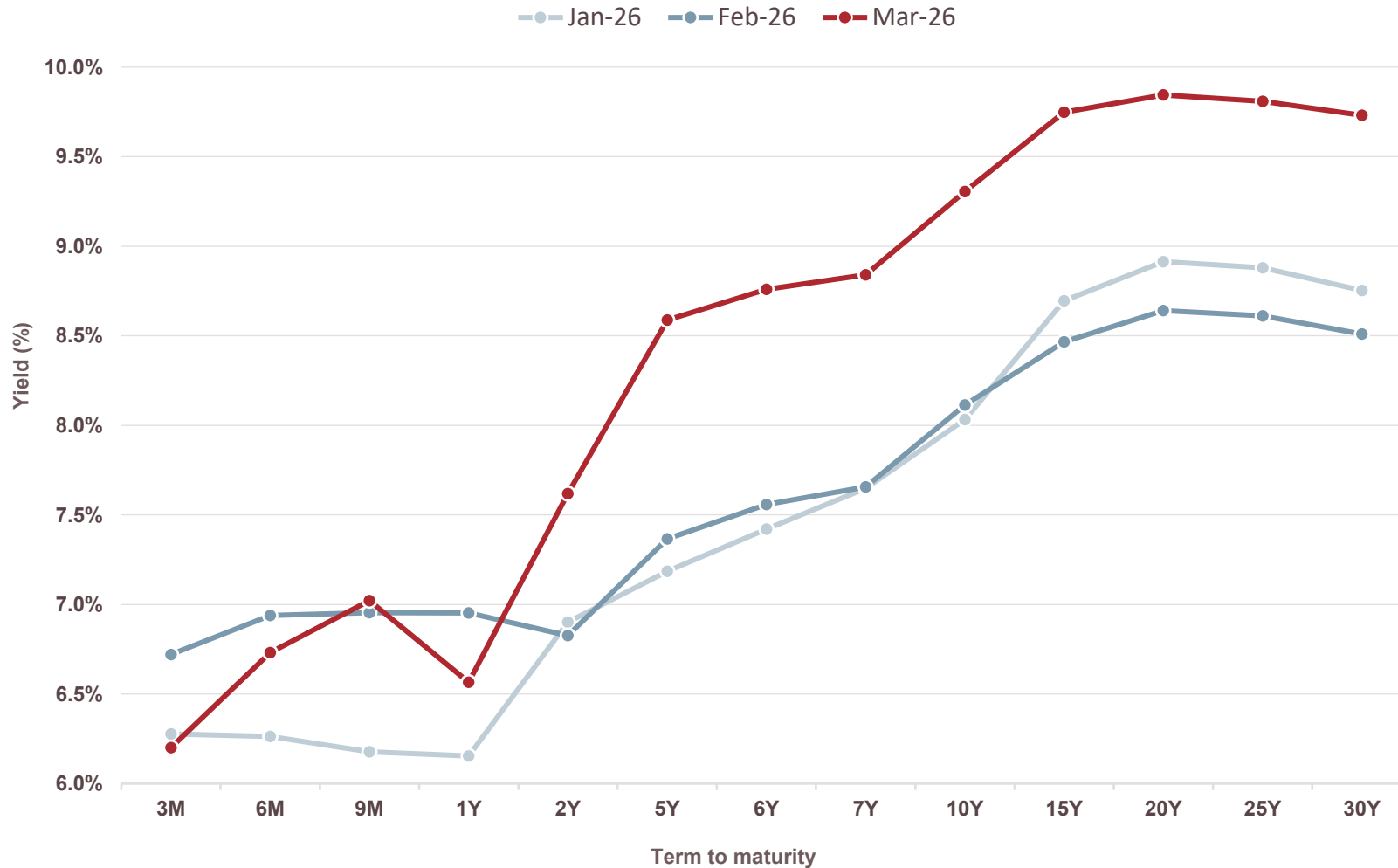
END 2028Q4

3.14%

HITS 3%
Never

SA Sovereign Yield Curve

Three-month evolution of the nominal bond curve



Key moves, Jan → Mar

2Y

+72 bp

6.90% → 7.62% · front end re-priced

30Y

+98 bp

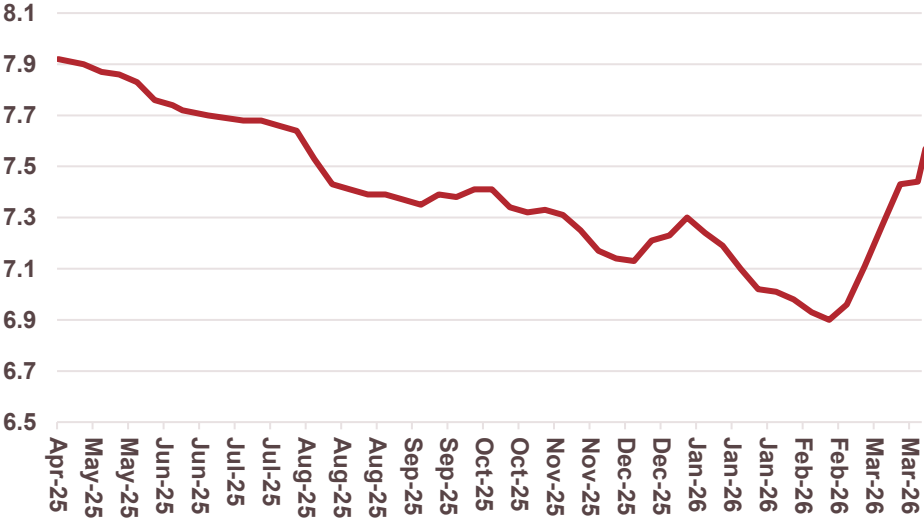
8.75% → 9.73% · long end repricing term premium

Where are the opportunities?



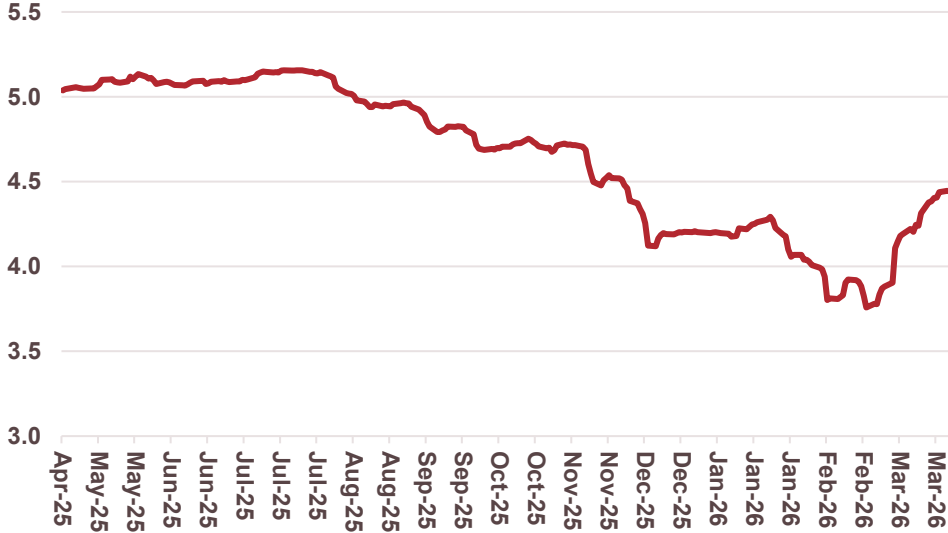
SHORT-TERM RATES

6-mnth Treasury Bill



INFLATION LINKED BONDS

7Y Real Yield



Source: Bloomberg

How one catastrophic month threatens to derail the SA Fixed income Bull Run



MARCH 2026 RETURN

-6.83%

2nd worst month in 20+ years of ALBI data.

Only exceeded by **March 2020 (-9.75%)** during the COVID-19 global liquidity crisis.

2025 FULL-YEAR RETURN

+24.2%

Best year in the dataset

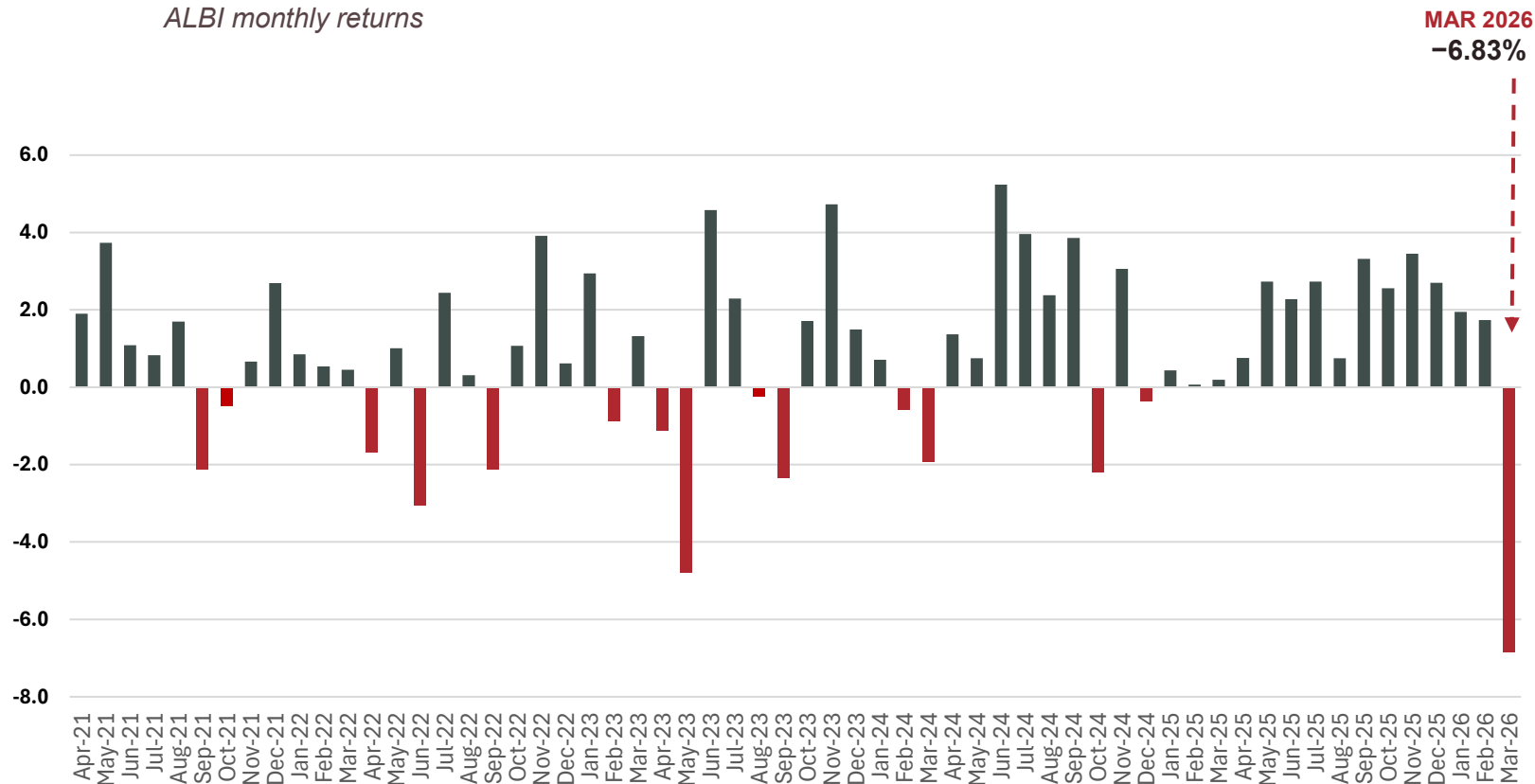
YTD 2026 (3 MONTHS)

-3.36%

Jan + Feb gains erased

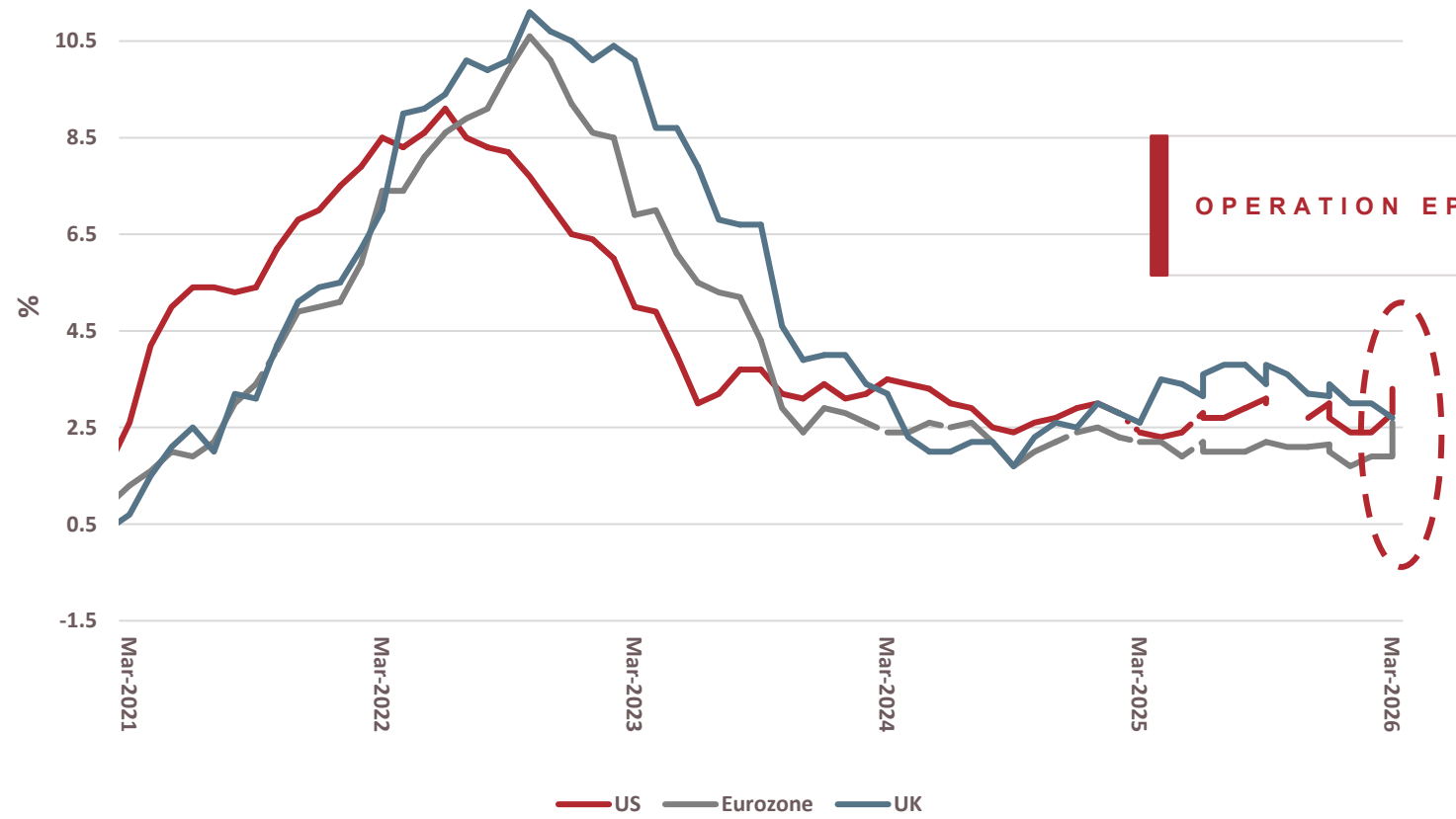
MONTHLY TOTAL RETURNS // LAST 60 MONTHS

ALBI monthly returns



Source: Laurium Capital, Bloomberg

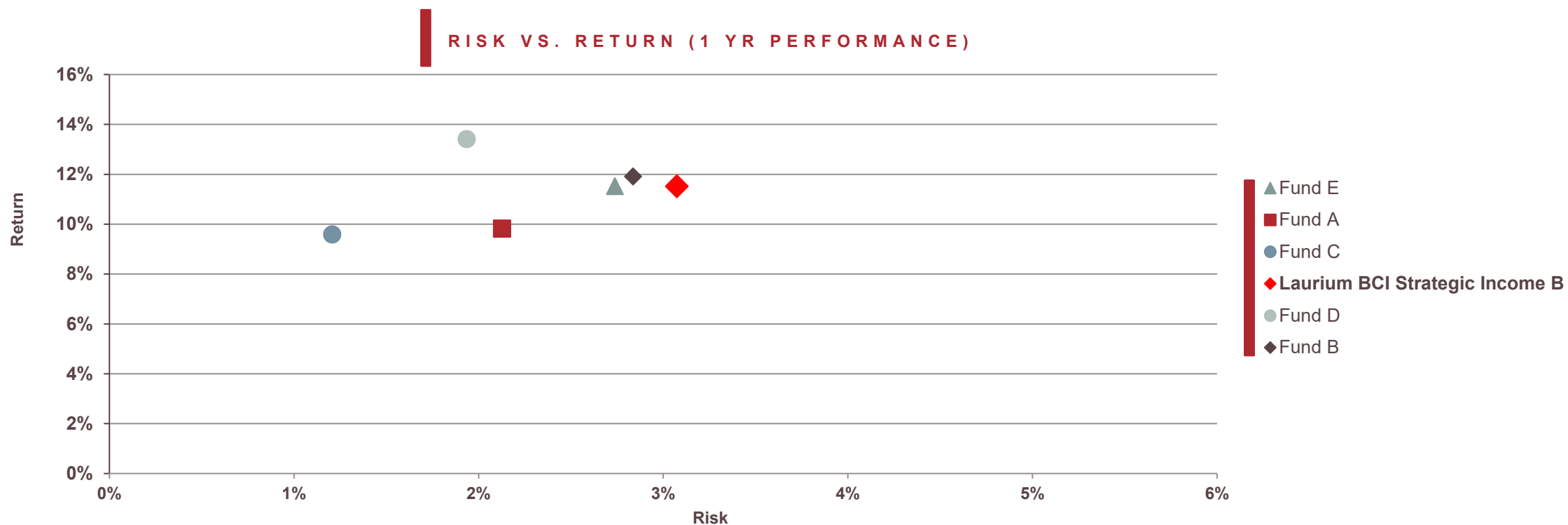
Resurgence in Global Inflation



Source: Bloomberg

Summary

- Collective Investment Scheme: governed by CISCA
- Launch date: **7 November 2014**
- Regulation 28 Compliant, Multi-Income ASISA Fund
- Benchmark: STeFi Call Deposit rate x 110%
- Low volatility, low risk
- **Positive months (92%)**
- **Positive rolling quarters (97%)**



Since Inception (annualised): **Fund: 8.5%** | Benchmark: 6.9%.
 5 Years (annualised): **Fund: 9.6%** | Benchmark: 7.1%
 10 Years (annualised): **Fund: 8.4%** | Benchmark: 6.9%

Source: Laurium Capital, Morningstar



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