

This report summarises the key domestic and international data releases over the past week. In the full BER Weekly Review, we go beyond the data with our Week in Perspective commentary and a deep dive into the escalating US–Israel–Iran conflict. We explain why the Strait of Hormuz is critical for global oil markets and what sustained supply disruptions could mean for inflation, fuel prices and financial markets in South Africa. The full Weekly is available to BER Essential Insights subscribers (sign up [here](#) – only R210/month) and BER Premium Insights clients.

## DOMESTIC DATA

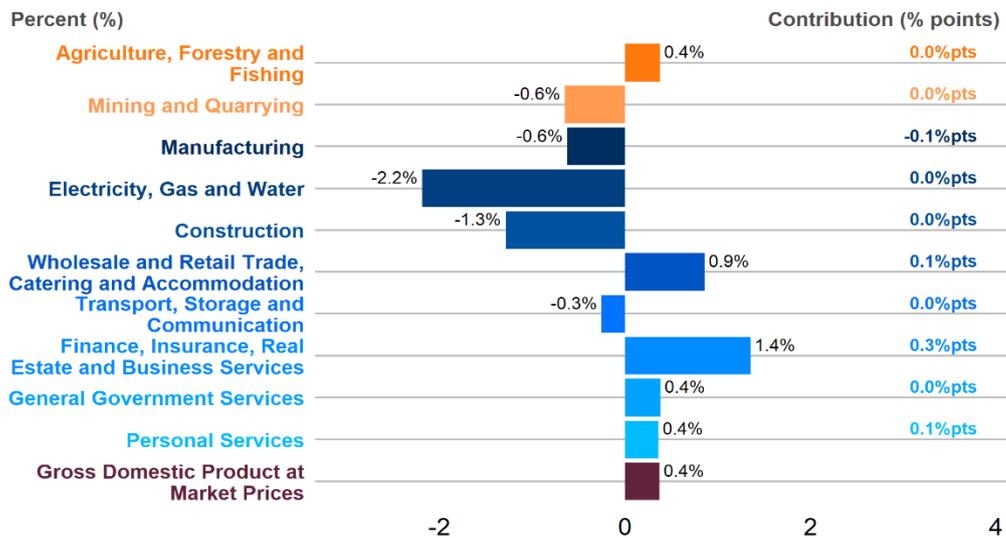
Nadia Matulich

### FINANCE AND INVESTMENT LIFT GDP

The key domestic release of the week was Q4 GDP, which came in at 0.4%, slightly above expectations. Full-year growth was somewhat weaker than anticipated at 1.1%, reflecting revisions to earlier quarters. Nevertheless, this is more than double the growth recorded in 2024 (0.5%).

From the production side, five sectors recorded growth – see the graph below for the details.

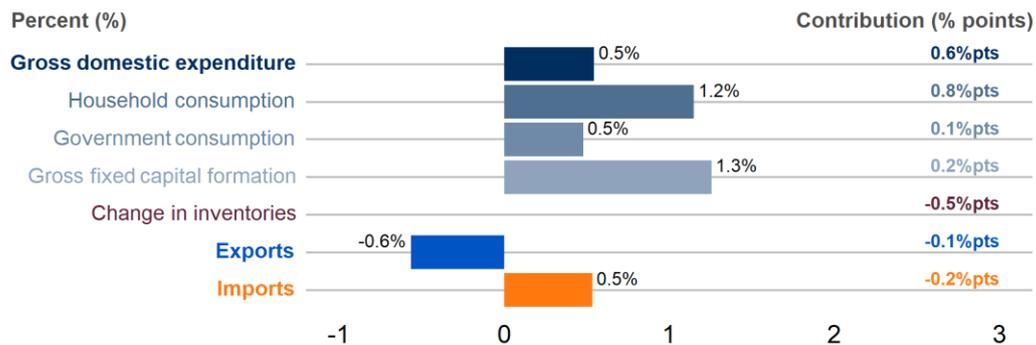
## Supply Side GDP (2025Q4)



Source: Stats SA

From the expenditure side (details on the graph), household consumption made the largest contribution, and fixed investment increased for the second consecutive quarter following a prolonged period of weakness since mid-2023. Clients can read our longer breakdown [here](#).

## Demand Side GDP (2025Q4)



Source: Stats SA

## STRENGTHENING PERFORMANCE IN MANUFACTURING AND MINING

Manufacturing output increased by 1.5% m-o-m in January, following declines of 1.3% and 2.2% in the preceding two months. In y-o-y terms, however, performance remains weak, with output in January 0.7% lower. This nonetheless represents an improvement relative to December and November, which recorded annual declines of 1.5% and 2.1%, respectively.

The biggest drag on annual growth were wood and wood products, paper, publishing and printing (down 11%, contributing -1.3%pts) and basic iron and steel, non-ferrous metal products, metal products and machinery (down 5.7%, contributing -1.2%pts). The largest positive contributor was petroleum, chemical products, rubber and plastic products (up 6.7%, contributing 1.4%pts).

Mining production performed strongly in January, increasing by 2.9% m-o-m and 4.6% y-o-y. Platinum group metals were the largest contributor, rising by 10.8% and accounting for 2.7%pts of growth. Chromium and manganese production also increased strongly, up 37.3% and 12.5% respectively, contributing 1.8 and 1.0 \$pts. Iron ore was the largest negative contributor, declining by 1.8% and subtracting 0.3 percentage points. T

### **CURRENT ACCOUNT RETURNS TO SURPLUS**

The balance of payments data showed that the trade surplus widened from R169bn to R282bn, driven by higher export values and lower imports. This largely reflects stronger export prices alongside declining import prices.

The current account balance, which includes income flows in addition to trade in goods and services, shifted from a deficit of R72bn (-0.9% of GDP) in Q3 to a surplus of R50.2bn (0.6% of GDP) in Q4. This represents the first current account surplus since 2023Q3.

## **INTERNATIONAL DATA**

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### **ANNUAL US CPI HOLDS STEADY IN FEBRUARY**

In line with consensus forecasts, US consumer inflation unchanged from January at 2.4% y-o-y. Food and shelter inflation remained stable at 3.1% and 3.0%, respectively. However, energy prices rebounded modestly to 0.5% y-o-y in February (up from -0.1%), driven by shallower declines in gasoline prices and increases in fuel oil and natural gas prices. On a seasonally adjusted monthly basis, inflation rose by 0.3% in February from 0.2% in the prior month. This was mainly due to energy prices rising by 0.6% m-o-m, up from -1.5%, along with slight gains in food prices.

Excluding food and energy costs, the core measure of inflation in February remained unchanged from January at 2.5%, with a monthly increase of 0.2% m-o-m, a slight easing from the previous month's 0.3% m-o-m rise.

February's inflation report does not reflect the recent surge in energy prices caused by the escalation of conflict in the Middle East. Consequently, markets showed little reaction to headline CPI remaining stable at a seven-month low ahead of the Fed interest rate decision next week, with attention on an expected stronger headline inflation print in March.

### **CHINA'S FEBRUARY CONSUMER INFLATION SURPRISED TO THE UPSIDE, BUT PRODUCER PRICE DEFLATION PERSISTS**

In China, the February CPI report came in at 1.3% y-o-y, exceeding market expectations of 0.8% and marking a sharp increase from 0.2% in January. A nine-day Lunar New Year holiday boosted domestic travel and consumer spending, pushing headline CPI to a three-year high. Food prices accelerated at the fastest pace since October 2024, rising 1.7% in February after a 0.7% decline the previous month, notably boosted by softer pork price declines. Meanwhile, producer inflation fell by 0.9% y-o-y, less than the 1.4% decline seen in the prior month.

Beijing has reaffirmed its commitment to an “around 2%” inflation target; however, with factory-gate inflation (PPI) still experiencing deflationary pressures, it seems unlikely that the latest recovery in consumer prices will be sustained. That said, higher energy costs, which are expected to push up global inflation, might provide some support against deflationary impulses in the Chinese economy.

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