DESTINY
RETIREMENT FUNDS

Economies at a Glance

April 2025

UNITED STATES

The International Monetary Fund's (IMF) April 2025 World Economic Outlook (WEO) forecasts a cooling economy, with growth expected to slip to 1.8% in 2025 from 2.8% in 2024, driven by tighter financial conditions and higher interest rates. Inflation is forecasted to remain at 3% in 2025 with risks of upward price pressures persisting, particularly from trade barriers and new tariffs. The IMF flags a rising recession risk, now at 40%—up from 25% in October 2024—fuelled by uncertainties over fiscal and trade policies. Key threats include escalating trade tensions and geopolitical volatility, which could sap business investment and consumer spending. Yet, the economy could prove resilient if policy moves stabilise markets and strengthen confidence. Policymakers, nevertheless, face a tricky balancing act: supporting growth while keeping inflation in check amid a turbulent global backdrop. As such, decisions on trade and fiscal policy will be crucial in shaping growth in the near-term.

Forecast 2025:
GDP: 1.5%
Core PCE Inflation: 3.3%
Forecast 2026:
GDP: 1.7%
Core PCE Inflation: 3.0%

EUROZONE

The IMF's April 2025 WEO projects a lacklustre growth forecast of 0.8% in 2025 from 0.9% in 2024. Rising uncertainty, high energy dependence and tariffs weigh on consumption and manufacturing, while services remain the main growth driver. Spain, however, stands out with stronger growth momentum, projected at 2.5% in 2025, supported by reconstruction activity following floods. Inflation in the Eurozone is expected to fall to 2.1% in 2025, from 2.4% a year earlier, nearing the European Central Bank's target, but upward risks remain from trade restrictions and persistent wage demands. Intensifying trade disputes and geopolitical strains could further erode business investment and consumer sentiment. Yet, near-term support may emerge if fiscal stimulus, particularly in Germany, and interest rate cuts stabilise markets and restore confidence. Meanwhile, raising productivity, reducing internal barriers and strengthening the capital markets union are necessary for longer-term growth.

Forecast 2025:
GDP: 0.8%
HICP Inflation: 2.2%
Forecast 2026:
GDP: 1.1%
HICP Inflation: 1.9%

UNITED KINDOM

The IMF notes a subdued economic outlook, with growth projected to decline to 1.1% in 2025, down 0.5 percentage points (pp) from its January forecasts. Weak private consumption, higher inflation driven by regulated prices and energy costs, and the impact of recent tariff announcements are key factors behind the slowdown. Elevated gilt yields and geopolitical tensions have further dampened sentiment. Labour productivity growth has also declined, reflecting chronic investment weakness and slower job market churn compared to peers like the United States (US). Demographic challenges, including an ageing population, are adding to long-term pressures on labour supply and productivity. The IMF expects inflation to rise by 0.6pp in 2025 to 3.1%, reflecting stubborn price dynamics. With high public debt limiting fiscal manoeuvre, policymakers face a tough balancing act to support growth while tackling inflation and structural headwinds.

Forecast 2025:
GDP: 0.9%
Inflation: 3.1%
Forecast 2026:
GDP: 1.2%
Inflation: 2.2%

JAPAN

Japan's economic outlook is constrained, with the IMF projecting growth to decline to 0.6% in 2025, marking a 0.5pp downgrade from January forecasts. Tariffs announced in April 2025 and associated uncertainty are weighing on private consumption, despite above-inflation wage growth boosting household disposable income. Japan's inflation is expected to rise gradually, driven by persistent price pressures and energy costs, with monetary policy rates likely to increase toward a neutral setting over the medium term. Fiscal policy remains constrained, with public debt levels among the highest globally, limiting room for expansion. Structural reforms to enhance labour market flexibility, improve productivity and address demographic headwinds are critical to boosting long-term growth. The IMF notes that investment in renewable energy and digital infrastructure could further support economic resilience and reduce dependency on external energy sources.

Forecast 2025:
GDP: 1.0%
Inflation: 2.9%
Forecast 2026:
GDP: 0.7%
Inflation: 1.9%

CHINA

Rising growth challenges have prompted the IMF to downgrade its growth forecasts to 4.0% in both 2025 and 2026, marking downward revisions of 0.6pp and 0.5pp, respectively, from its January forecasts. This slowdown reflects the impact of recently implemented tariffs, trade policy uncertainty and deflationary pressures. Domestic demand remains weak, driven by a prolonged downturn in the real estate sector and high household savings. Consumer confidence has not recovered since its plunge in early 2022, further dampening consumption. The IMF points out that reducing barriers to entry, strengthening state-owned enterprises and improving the social safety net are critical to rebalancing growth drivers from investment and net exports toward consumption. Inflationary pressures remain muted. Inflation, forecast by the IMF to rise slightly from 0% in 2024 to 0.4% in 2025 and 0.9% in 2026, underscores the need for reforms to boost demand.

Forecast 2025:
GDP: 4.1%
Inflation: 0.2%
Forecast 2026:
GDP: 4.0%
Inflation: 0.7%

EMERGING MARKETS

Emerging markets face a testing landscape, according to the IMF's April 2025 WEO, defined by heightened trade policy uncertainty, tariff-related spillovers and souring sentiment. Growth is forecast to slip to 3.7% in 2025 and 3.9% in 2026, down 0.5pp and 0.4pp, respectively, from the IMF's January 2025 projections. The ASEAN (Association of Southeast Asian Nations) region, with its deep trade ties to the US and China, faces heightened vulnerability. In Latin America, sharp growth downgrades for Mexico (1.7pp and 0.6pp lower in 2025 and 2026, respectively) weaken regional prospects, while slowing Russian domestic demand drags on emerging and developing Europe. Inflationary pressures will diverge across regions. In China, US tariffs are likely to suppress inflation by curbing export demand, intensifying overcapacity, and deepening deflationary trends in an economy already hampered by weak domestic consumption, while inflation in Sub-Saharan Africa, with a higher import dependence and facing currency depreciation, could remain high.

Forecast 2025:
GDP: 3.8%
Inflation: 3.4%
Forecast 2026:
GDP: 3.9%
Inflation: 3.0%

SOUTH AFRICA

South Africa faces intensifying headwinds. The IMF's growth forecasts for 2025 and 2026 have been cut by 0.5pp and 0.3pp, respectively, driven by a weaker-than-anticipated 2024 performance, souring sentiment, escalating protectionist measures and a sharper slowdown in key global markets. Global trade disruptions threaten exports by dampening demand from SA's key trading partners, including China and the European Union. Meanwhile, exposed fractures in the Government of National Unity (GNU)—caused by disputes over a rejected increase in the value-added tax rate and disagreement over land, education and health policies—eroded the post-May 2024 election optimism and dampened domestic sentiment. The Bureau for Economic Research noted that business's assessment of certainty in the political climate which hit 2012 levels in the final quarter of 2024, faltered again in the first quarter of 2025, with 77% of manufacturers citing political uncertainty as the primary constraint to investment. These fears were reaffirmed in the April 2025 Bank of America Merrill Lynch Fund Manager Survey which noted fading reform expectations, with a net c.40% of investors expecting a deceleration in structural reform progress—the weakest level since the question was surveyed in 2019—despite having peaked above a net positive 50% in the third quarter of 2024. Upward inflationary threats, driven by a weaker rand persist, but disappointing growth may persuade the South African Reserve Bank to ease monetary policy further.

Forecast 2025:
GDP: 1.2%
Inflation: 4.1%
Forecast 2026:
GDP: 1.6%
Inflation: 4.6%

Indices summary for April 2025

Indices	One Month	Three Month	One Year	Three Years	Four Years	Five Years	Six Years	Seven Years	Ten Years
Local equity indices									
FTSE/JSE All-Share Index (ALSI)	4.34%	8.04%	24.60%	12.36%	12.56%	16.97%	11.81%	10.64%	9.00%
FTSE/JSE Shareholder Weighted Index (SWIX)	4.34%	8.04%	24.60%	11.37%	10.73%	14.76%	9.24%	8.14%	7.03%
FTSE/JSE Capped SWIX All Share Index	4.23%	7.57%	24.44%	11.19%	12.07%	16.52%	9.91%	8.18%	6.82%
FTSE/JSE All Share Top 40 Index	4.50%	9.79%	24.40%	12.72%	12.58%	16.77%	12.19%	11.13%	9.28%
FTSE/JSE Mid Cap Index	2.24%	1.55%	20.61%	8.07%	10.93%	15.74%	8.05%	6.15%	5.68%
FTSE/JSE Small Cap Index	3.89%	1.20%	29.66%	13.73%	18.10%	27.61%	15.32%	10.68%	8.52%
FTSE/JSE Resources Index	2.06%	12.25%	13.92%	0.26%	5.47%	14.78%	12.61%	14.64%	9.66%
FTSE/JSE Financials Index	5.04%	5.87%	31.65%	13.80%	18.56%	20.13%	8.23%	6.59%	5.91%
FTSE/JSE Industrials Index	5.01%	7.69%	25.48%	19.04%	13.03%	15.25%	11.68%	9.54%	8.20%
FTSE/JSE Research Affiliates Fundamental Indices 40 Index (RAFI)	2.05%	4.94%	13.33%	8.00%	13.30%	18.27%	10.73%	9.89%	8.79%
FTSE/JSE Research Affiliates Fundamental Indices All Share Index	2.43%	4.08%	12.13%	8.35%	13.23%	18.46%	10.71%	9.76%	8.62%
FTSE/JSE SA Listed Property Index (SAPY)	7.58%	6.30%	29.68%	15.04%	14.31%	19.10%	4.40%	2.27%	2.18%
FTSE/JSE All Property Index (ALPI)	7.65%	6.28%	29.95%	14.44%	13.71%	18.80%	3.82%	1.43%	1.11%
Local interest-bearing indices									
FTSE/JSE All Bond Index (ALBI)	0.76%	1.02%	19.44%	10.73%	10.15%	11.05%	9.13%	8.53%	8.54%
FTSE/JSE All Bond Index 1-3 years (ALBI)	1.06%	2.37%	11.74%	8.70%	7.65%	7.56%	8.01%	8.19%	8.15%
FTSE/JSE Inflation-Linked Government Index	-0.22%	0.76%	8.44%	5.69%	7.15%	8.29%	6.14%	5.63%	4.97%
Short-term Fixed Interest Composite Index (SteFI)	0.61%	1.85%	8.22%	7.63%	6.71%	6.23%	6.38%	6.51%	6.73%
Commodities									
NewGold Exchange-Traded Fund	7.09%	17.50%	41.99%	26.35%	24.12%	14.17%	21.94%	20.43%	15.48%
Gold price (in rands)	7.40%	17.20%	41.97%	26.46%	24.64%	14.49%	22.26%	20.78%	15.93%
Platinum Exchange-Traded Fund	-1.50%	-1.14%	2.28%	6.25%	0.25%	4.61%	5.61%	6.48%	2.47%
Platinum price (in rands)	-1.40%	-6.07%	2.38%	5.75%	0.21%	4.05%	5.36%	6.51%	2.69%
Currency movements									
Rand/euro movements	6.45%	9.35%	5.10%	8.20%	4.90%	0.98%	4.69%	4.95%	4.68%
Rand/dollar movements	1.12%	-0.25%	-1.14%	5.54%	6.41%	0.26%	4.44%	5.86%	4.52%
Local inflation index									
Consumer Price Index (CPI)			2.75%	5.03%	5.26%	4.85%	4.73%	4.70%	4.91%
Global indices									
MSCI World Index (All Countries)	1.45%	-4.54%	8.98%	15.54%	12.58%	13.67%	14.65%	15.24%	13.21%
MSCI Developed Markets Index	2.01%	-4.53%	10.88%	17.21%	14.10%	14.24%	15.65%	16.58%	14.28%
MSCI Emerging Markets Index	0.01%	1.30%	6.53%	10.13%	3.57%	6.60%	7.43%	7.83%	7.66%
Global Property Research (GPR) 250 REIT Index	1.42%	0.64%	12.10%	10.23%	14.39%	7.97%	12.25%	17.11%	13.76%
MSCI Africa Index	3.59%	10.20%	26.67%	7.27%	6.10%	8.93%	4.31%	3.68%	2.63%
FTSE World Government Bond Index	4.58%	5.20%	6.63%	5.71%	2.47%	-2.22%	3.56%	5.02%	4.67%
Three-month US dollar LIBOR rate	1.46%	0.75%	3.59%	10.08%	9.88%	2.90%	7.06%	8.32%	6.53%
Three-month Euro LIBOR rate	6.66%	10.03%	8.58%	11.29%	6.96%	2.46%	5.89%	5.93%	5.28%
ICE LIBOR 1 Month USD ZAR converted	1.46%	0.75%	3.64%	10.49%	10.17%	3.11%	7.23%	8.65%	6.69%
FTSE EPRA/NAREIT Developed Index	1.47%	-0.06%	8.29%	1.47%	5.00%	4.60%	5.03%	7.95%	6.78%

Note:

1. Source: Momentum Multi-Manager, IRESS, www.msci.com, www.yieldbook.com, www.ft.com.
2. Returns for periods exceeding one year are annualised.
3. The return for the Consumer Price Index (CPI) is to the end of the previous month. Due to the reweighting of the CPI from January 2009, this number reflects a compound of month-on-month CPI returns.
   The historical numbers used are the official month-on-month numbers based on a composite of the previous inflation series (calculations before January 2009) and the revised inflation series (calculations after January 2009).
4. The MSCI World Index (All countries) returns are adjusted to correspond with global investment prices received.
5. FTSE/JSE disclaimer: www.jse.co.za.
6. The information reproduced in this document has been compiled by or arrived at by investments from sources believed to be reliable.
7. Reasonable steps have been taken to ensure the validity and accuracy of the information in this document. However, Momentum Multi-Manager does not accept any responsibility for any claim, damages, loss or expenses, howsoever arising out of or in connection with the information in this document, whether by a client, investor or intermediary.
8. The content used in this document is sourced from various media publications, the internet and Momentum Investments. For more information, please visit us at www.momentum.co.za/business.
9. Momentum Investments is part of Momentum Metropolitan Life Limited, an authorized financial services and registered credit provider, and rated B-BBEE Level 1.

The macro research desk