



ECONOMIC UPDATE

IRAN CONFLICT



CUSTODIAN | DFM

Your Dedicated Investment Partner

Strait of Hormuz

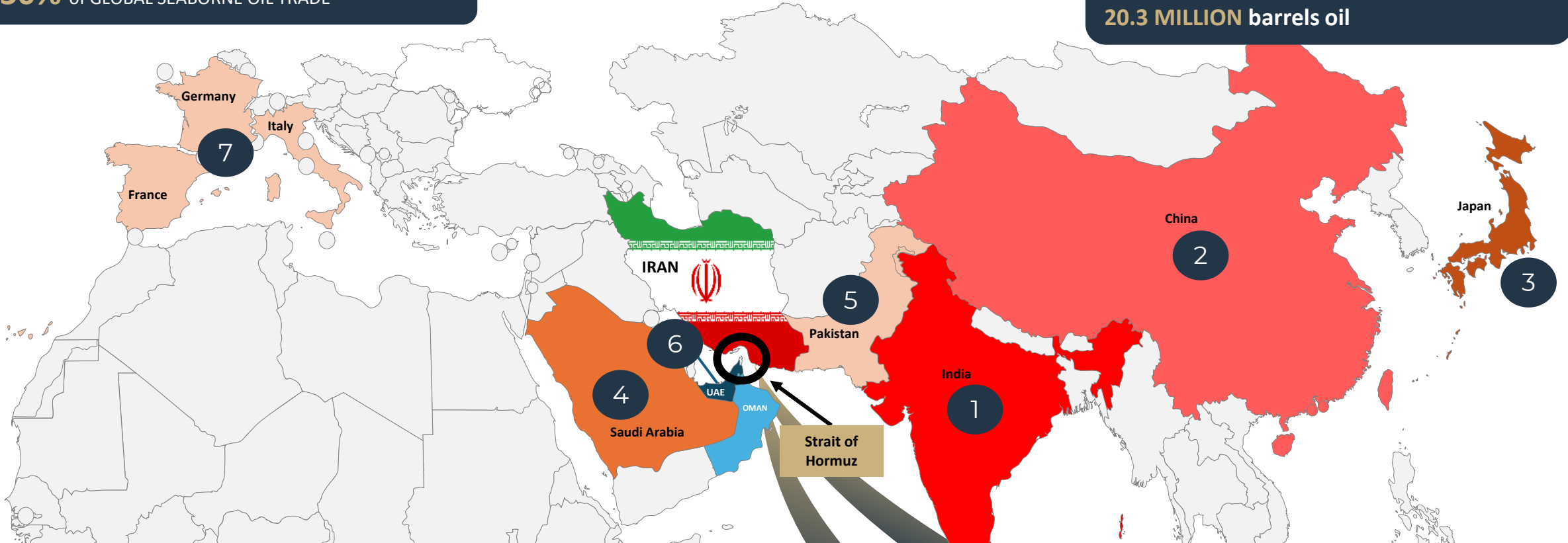
Shipments through the Strait of Hormuz:

30% of GLOBAL SEABORNE OIL TRADE

Connects oil production in the Middle East to global markets via the Arabian Sea and the Indian Ocean

Volume transported through the strait in 2024 (daily average):

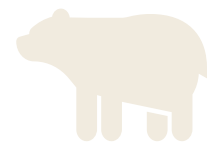
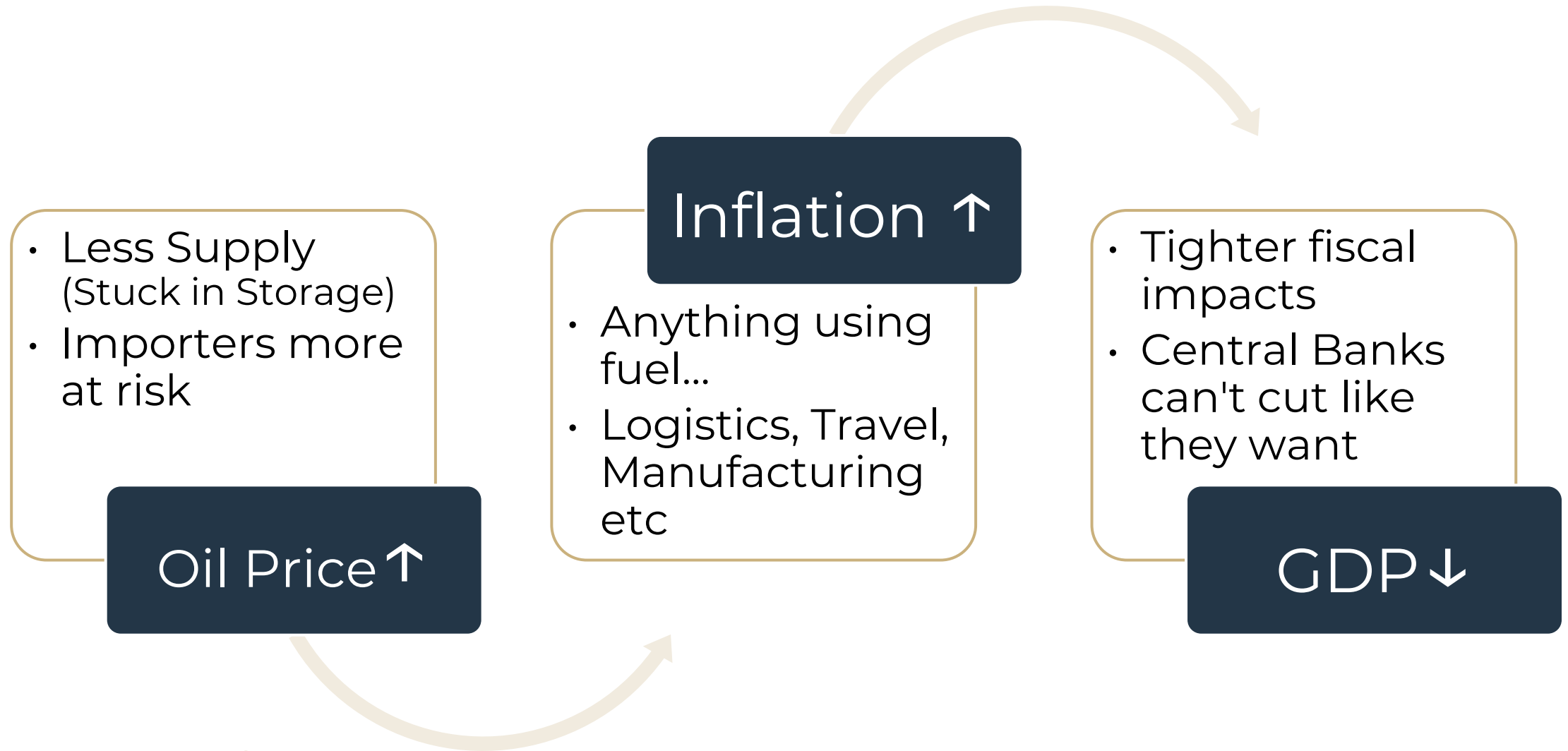
20.3 MILLION barrels oil



Most Affected Countries by Strait of Hormuz Disruptions:

- | | |
|---------------------------|---|
| 1. India | Imports 85% of its oil, with 60% through SOH |
| 2. China | 40% of oil imports pass through SOH. |
| 3. Japan | Imports 90% of its oil, with 75% passing through the SOH. |
| 4. Saudi Arabia | Saudi Arabia is the largest exporter of oil through the Strait. |
| 5. Pakistan | 90% of oil comes through the SOH |
| 6. UAE | 72% of oil relies on the SOH. |
| 7. France, Germany, Italy | 10% of oil imports come via the SOH. |

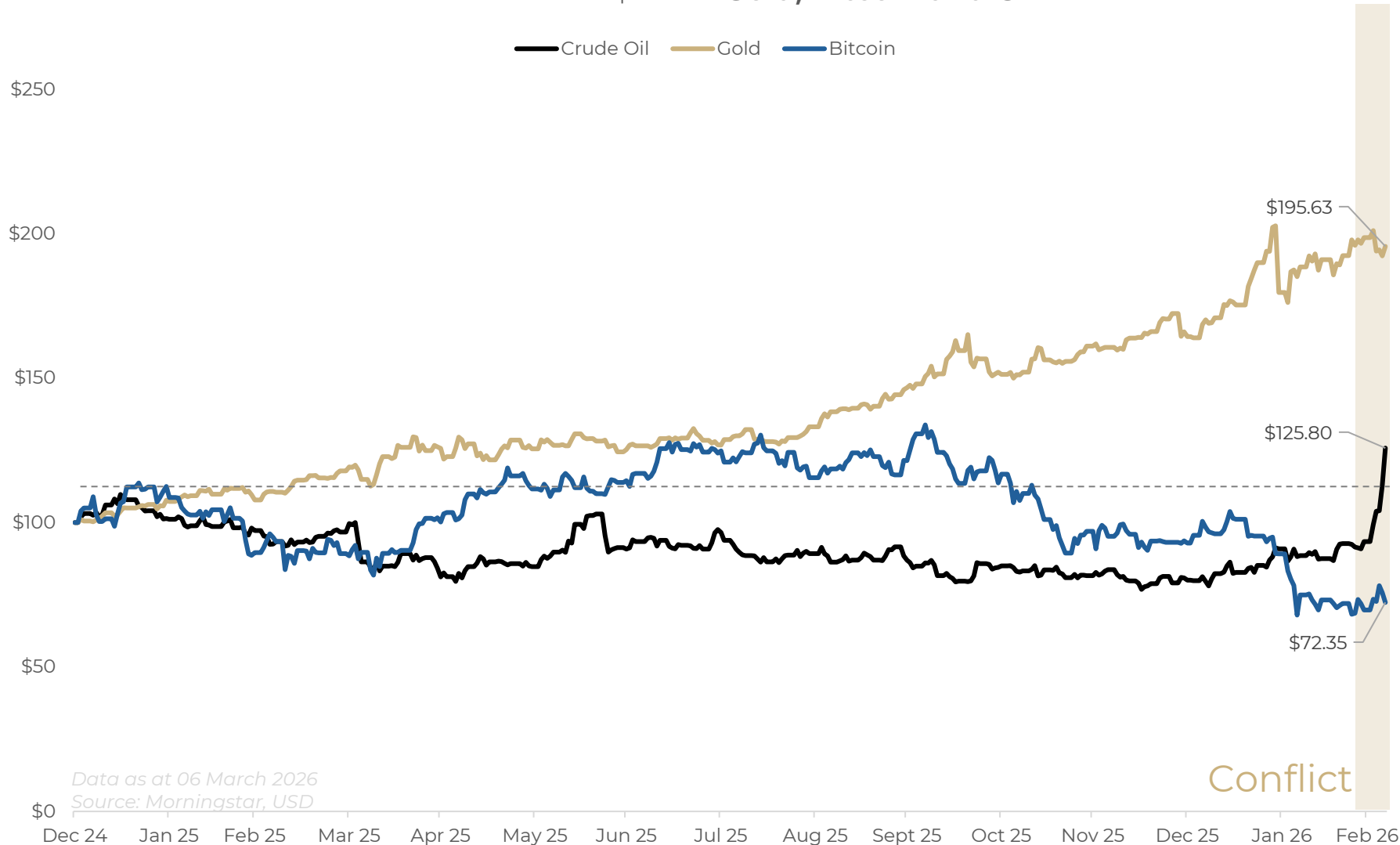
Impact of Oil & Inflation



Commodity Moves

Looking at Gold, Oil and Bitcoin gives an indication of the risk appetite in the market

Growth of \$100 of **Gold, Bitcoin and Oil**



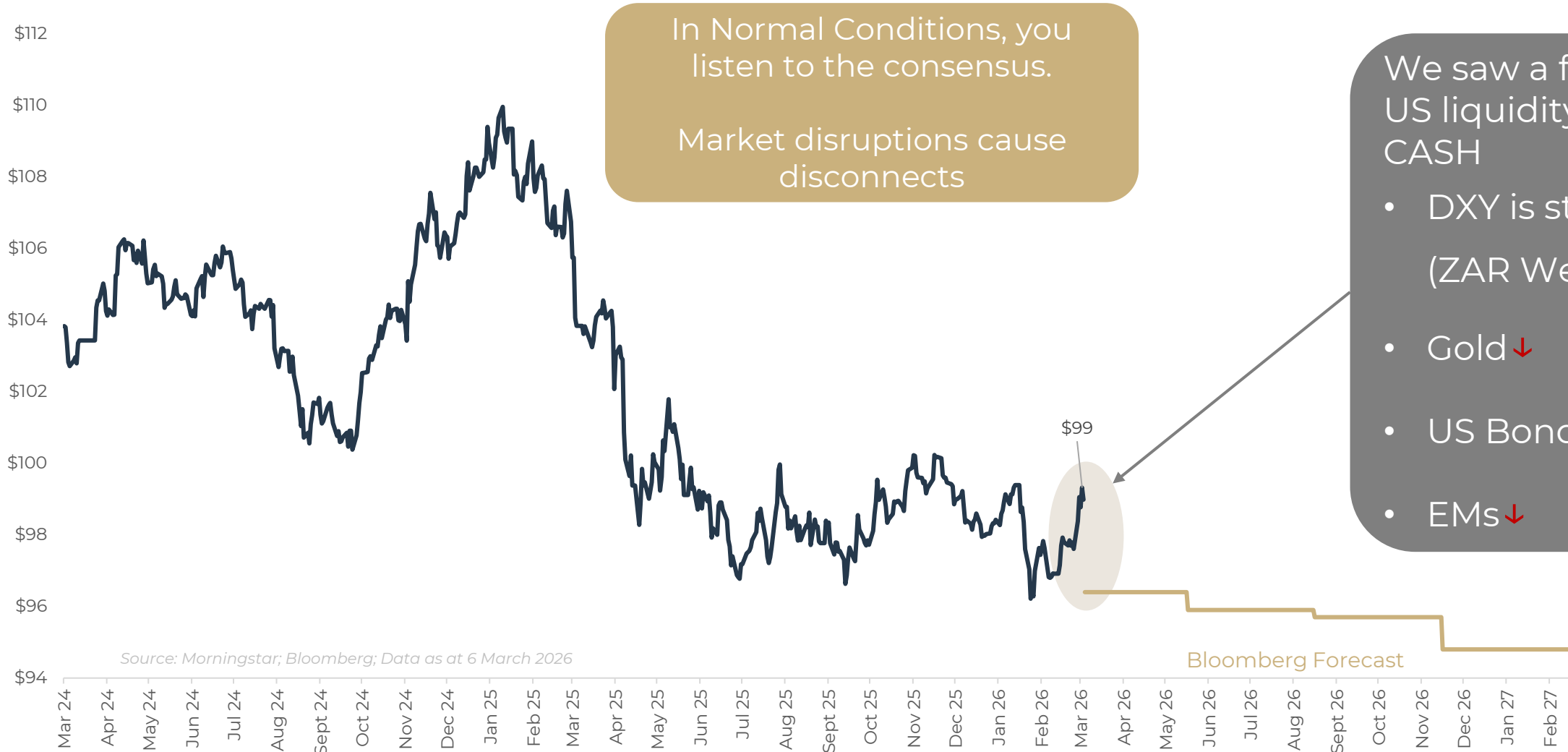
Gold has not reacted as is common during global volatility

Oil benefitted from the reduced supply

Bitcoin suffered from the risk-off sentiment

Is the Dollar a Safe Haven?

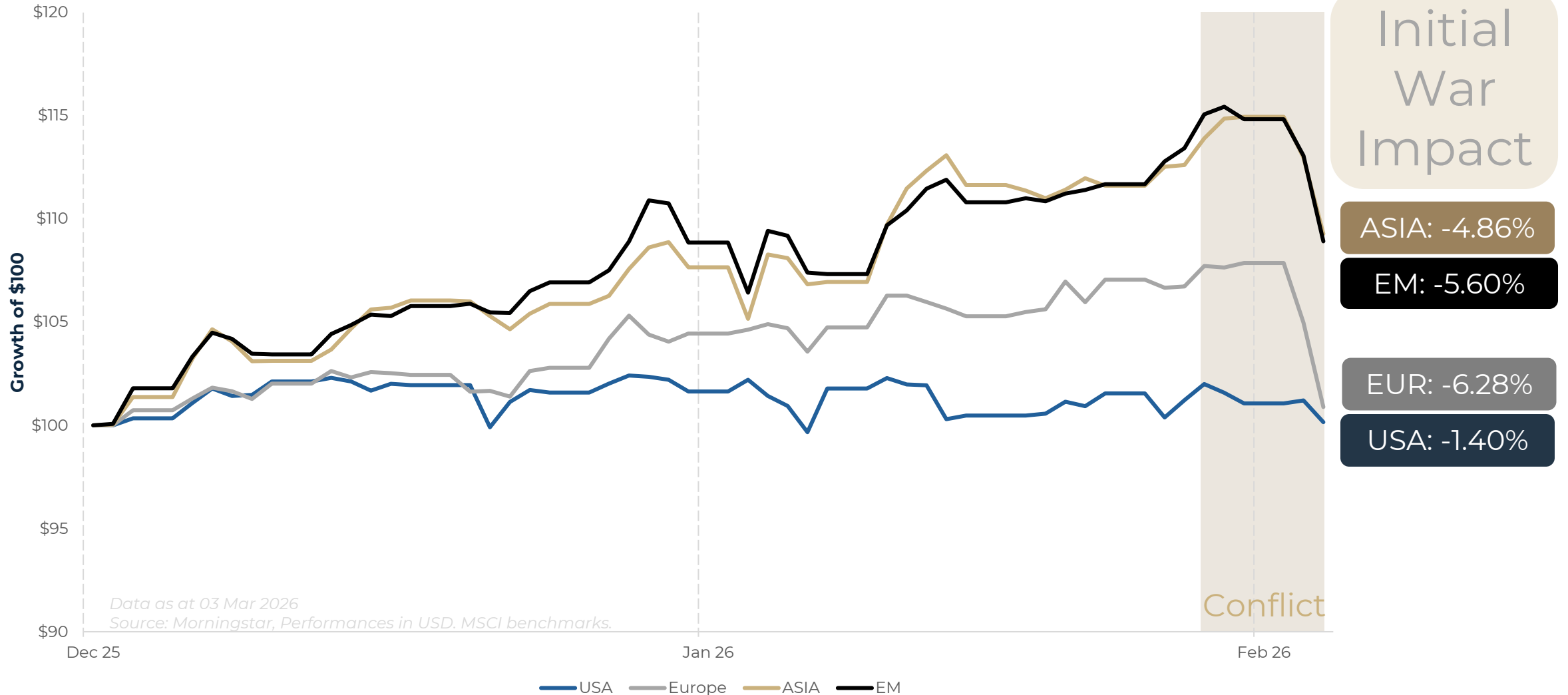
2 Year Movement of the DXY



The USD has long been a safe haven for times of war, this time was no different

A Shock To All Regions

Growth of \$100 of **USA, Europe and Asia**



The Initial shock of the War triggered RISK-OFF sentiment, which the US handled the best

Market Cap Impact

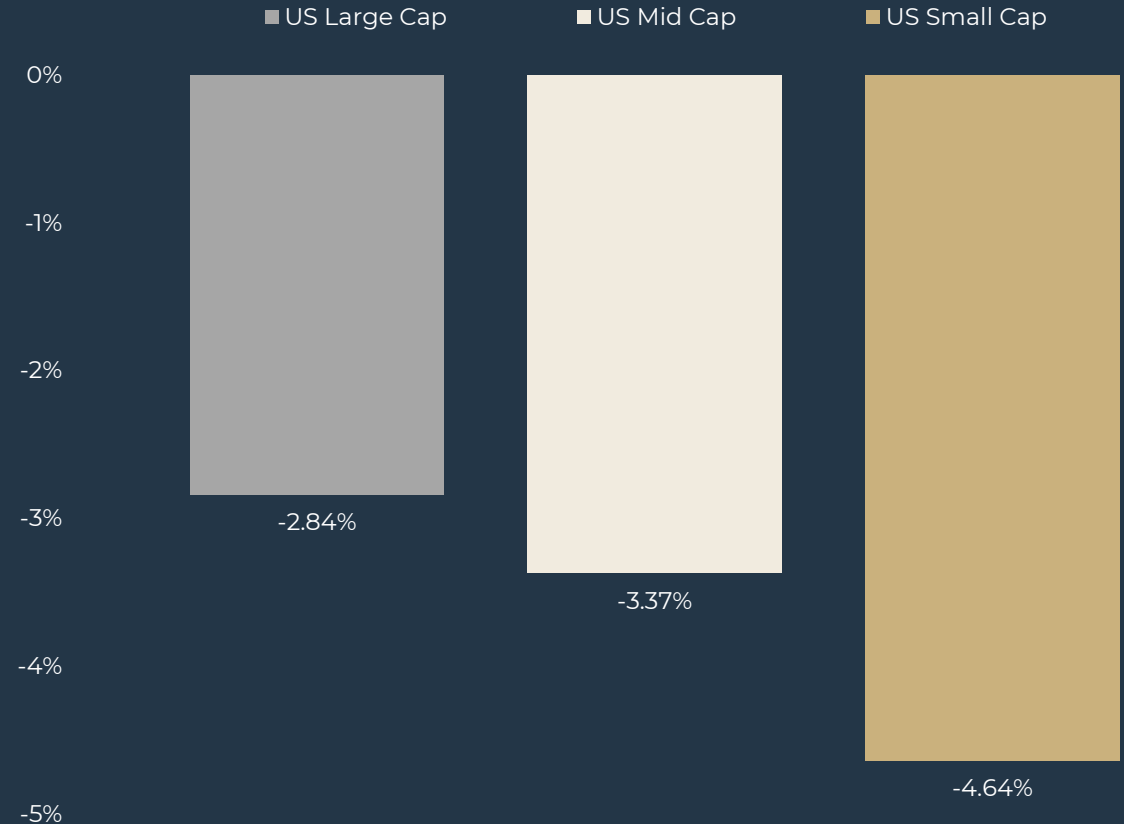
We have seen that the US has handled the shock of the Iran war well being less dependant on oil imports.

Largely because they're bigger, more diversified, and financially stronger.

But also, because many of the Large Cap companies earn revenue globally which helps them absorb shocks.

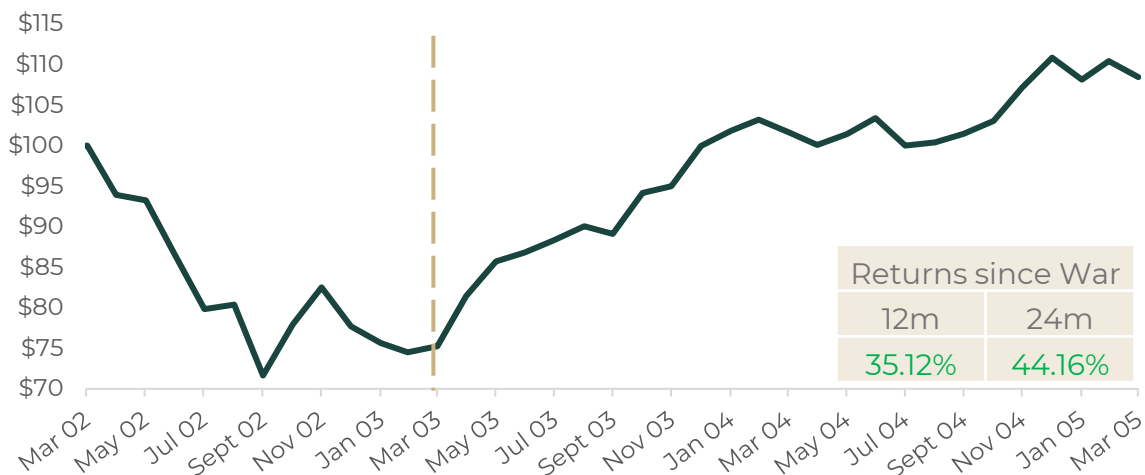
Smaller caps are usually more domestic and more sensitive to economic uncertainty like expected interest rate cuts.

Performance since War

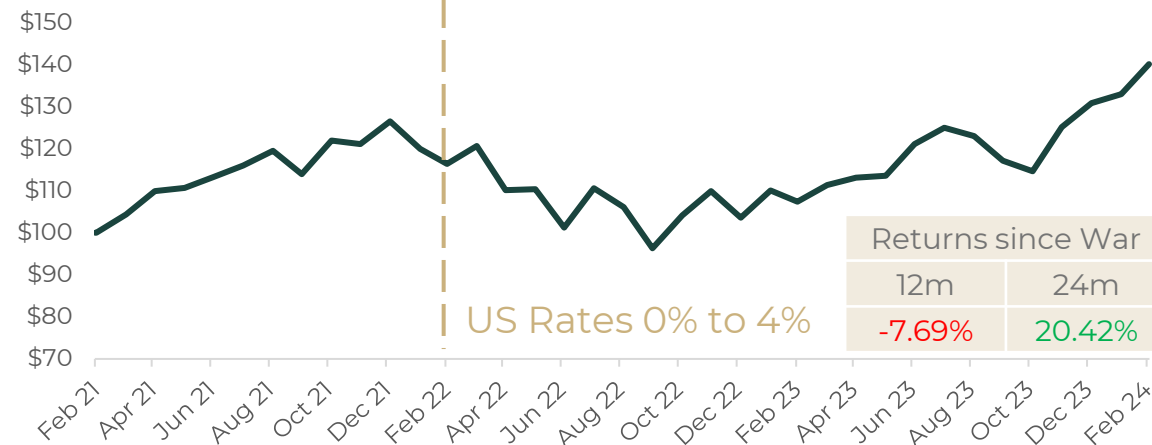


Panic creates Opportunity

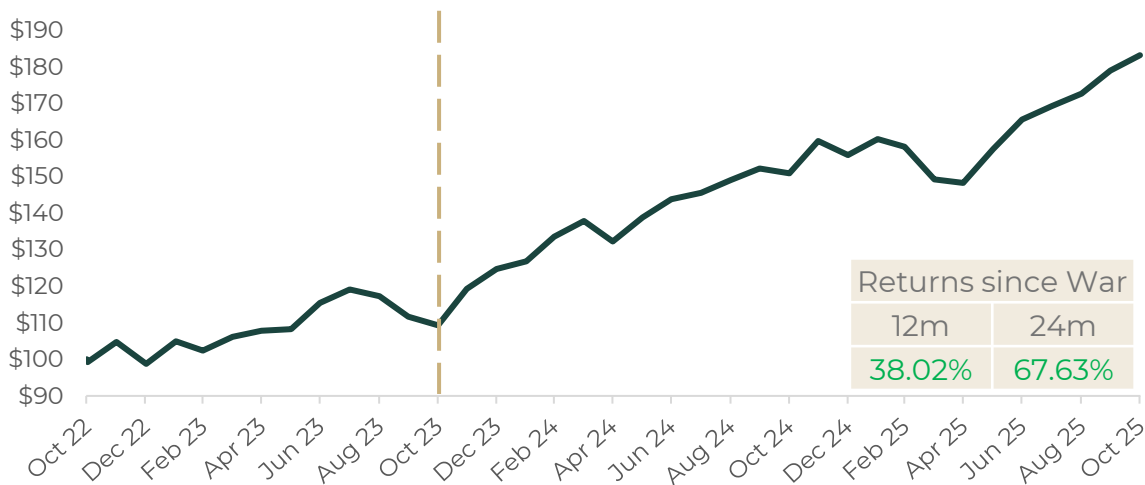
S&P 500 – Iraq War



S&P – Russia & Ukraine War



S&P 500 – Isreal War



Where will we go this time?



All we know is volatility breeds opportunity

At CUSTODIAN | **DFM** we pride ourselves in **Simple Solutions & Expert Support.**



Local Personal Share Portfolios (PSP)

Direct exposure to local shares listed on the Johannesburg Stock Exchange (JSE)



Global Personal Share Portfolios (PSP)

Direct offshore exposure to shares on stock exchanges world-wide.



PSP's in an Investment Proposal (Paraplanning)

We offer expert assistance in crafting professional and compelling proposals tailored to your needs.



Model or Wrap Portfolios

With our world-class systems and expertise, we can translate your vision into powerful model portfolios.

OUR APPROCH:

Our **#1** priority is creating financial security for our investors.

As a DEDICATED INVESTMENT PARTNER, we design tailored, advisor-focused solutions, free from jargon, that integrate seamlessly into your practice. Our goal is to enhance client relationships and support long-term growth.

Through this we aim to achieve financial security for our clients by realising

- consistent &
- sustainable

long term returns, without taking undue risks.

Consistency transforms average into excellence.

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