

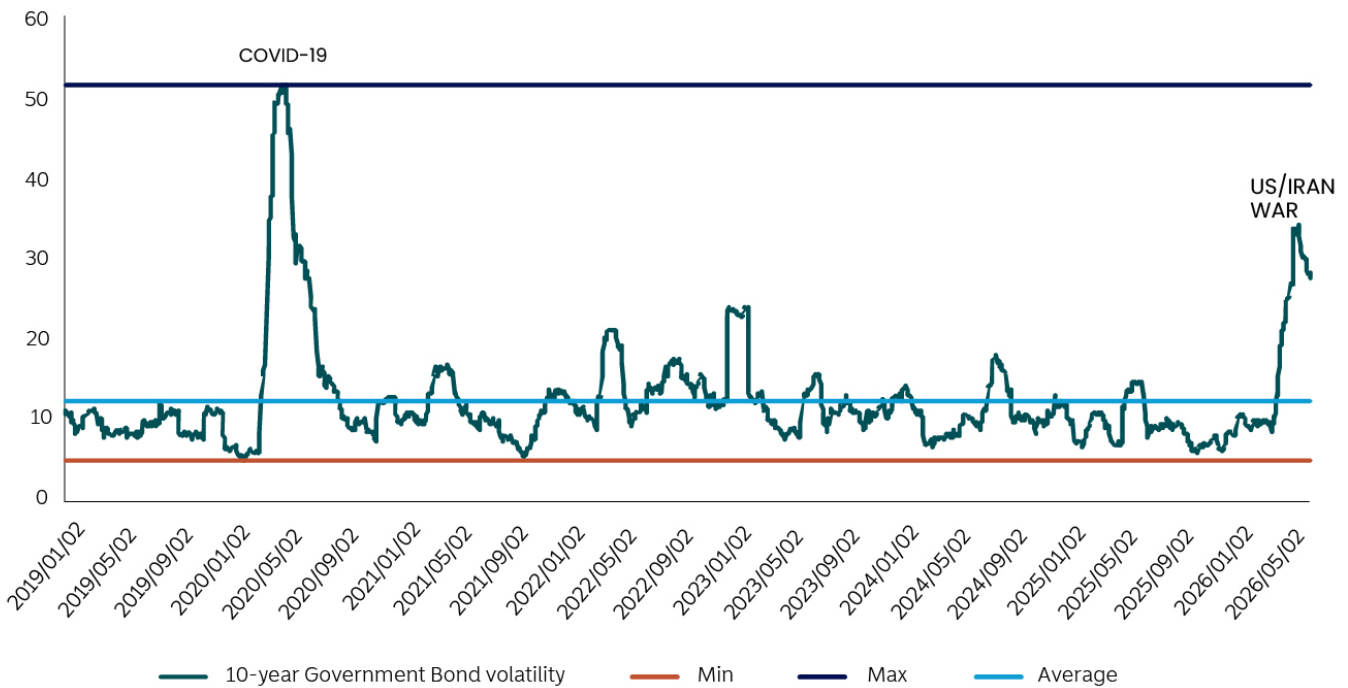


## Shifting perspectives among SA bond investors

Overnight, the fortunes of South African (SA) bond yields turned extremely volatile as oil prices strengthened from \$60 per barrel to over \$100 per barrel. SA 10-year-bond 30-day volatility shot up 211% between 27 February 2026 and 13 April 2026.

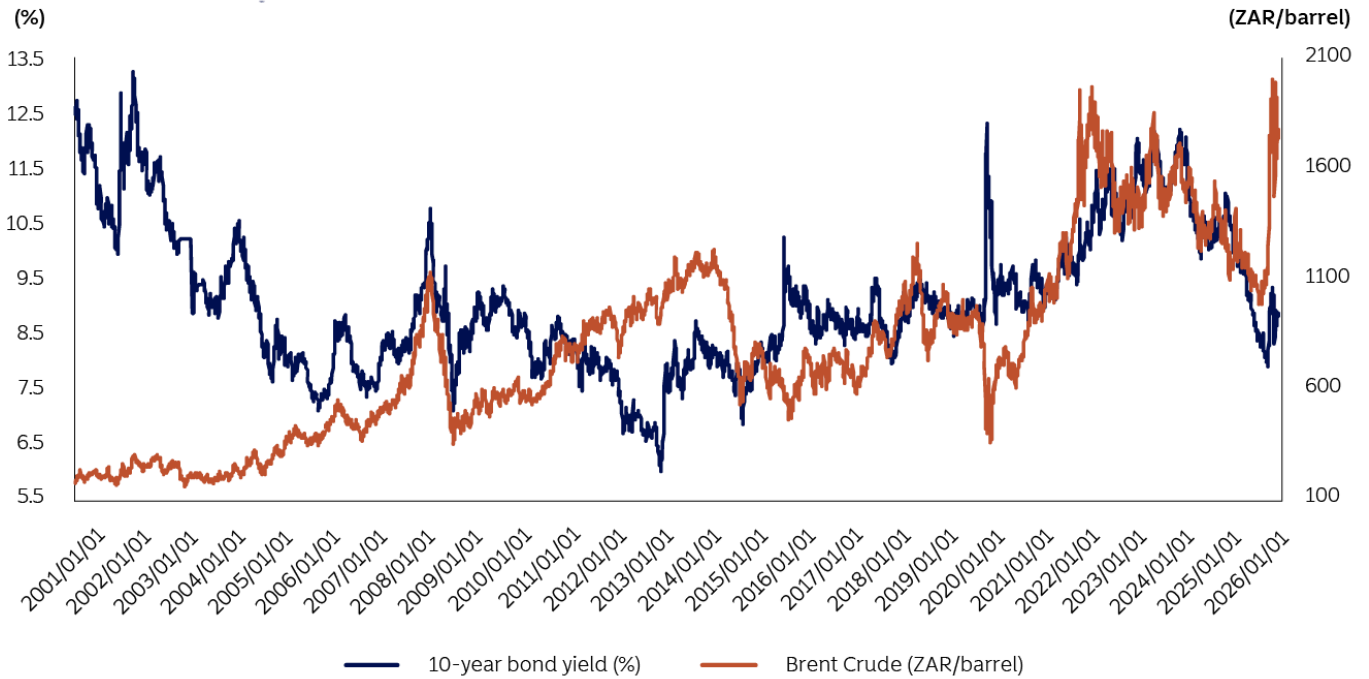
According to **Momentum Fixed Income**, the investment manager of the Curate income funds, the war between the United States (US) and Iran has shifted perspectives and the SA bond market, like other global markets, has been uncertain about the future and the impact on inflation and global growth.

South African 10-year Government Bond Yield Volatility



Source of chart: Bloomberg LLC, Momentum Asset Management Fixed Income, May 2026

## 10-year Bond Yield vs Brent Crude



Source of chart: Bloomberg LLC, Momentum Asset Management Fixed Income, May 2026

## Summary of charts

The 10-year government bond yield has fluctuated from lows of 7.95% in February 2026 to roughly 8.97% amid the geopolitical tension between the US and Iran and wild swings in the oil price. Persistent inflation risks from higher energy costs, potential slowdown in global growth from disruptions in the movement of oil and the mixed messaging from the US administration have shifted investor risk appetite and perspectives on SA inflation and the ability for the South African Reserve Bank (SARB) to cut rates in 2026, as was the consensus view at the start of 2026.

## Why is this relevant?

It is often said that the difference between a mountain and a molehill is perspective. Our view is that, amid the current volatility, the SA 10-year bond yield has shown a strong positive correlation with oil prices, largely due to the country's reliance on imported oil. As a result, once geopolitical tensions ease and oil markets stabilise and trend lower, we expect SA 10-year bond yields to follow.

## Three key takeaways from the chart

1

SA bond markets are extremely volatile, with significant uncertainty prevailing. However, one must always keep in mind that volatility is a function of markets.

2

The strong correlation between the SA 10-year bond yields and the oil price highlights the importance of inflation in bond valuations. If the US-Iran geopolitical tensions continue to have a lasting impact on oil prices and they remain elevated for longer, the SARB may be forced into a rate-hiking cycle that could keep bond yields elevated.

3

Perspective matters: If you believe it will work out, you'll see opportunities. If you believe it won't, you will see obstacles. The elevated volatility is a consequence of shifting perspectives.

## Curate Income funds

Managed by [Momentum Fixed Income](#)



## Overview of the Curate Income Funds

Our income funds include the following:

- **Curate Momentum Enhanced Yield Fund**: Designed for liquidity and capital stability, this low-risk fund does not invest in long-dated government bonds, limiting exposure to the recent sell-off where yields spiked sharply. Its shorter duration and credit exposure enhances resilience in the volatile markets, making it well suited for investors with short-term liquidity needs and lower risk tolerance.
- **Curate Momentum Flexible Income Fund**: While the fund holds longer-dated government bonds and may experience periods of volatility during market sell-offs, its flexible mandate allows diversification across multiple fixed income sectors to help manage risk and capture valuation opportunities as they arise.
- **Curate Momentum Income Plus Fund**: This fund, which invests exclusively in credit, is less subject to moves in government bond yields. Its stable return profile and consistent income characteristics make it an effective diversifier during periods of heightened government bond volatility.

If you'd like to learn more about the Curate Income Funds, please reach out to your Curate fund specialist.

For more information, visit our website [here](#).

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