RESEARCH | NEDBANK CIB

Metals and Mining

Industry Insight

21 October 2025

SA diversified mining – Defying gravity (tariffs) II

At the start of 2025, we argued that the global economy and, by implication, commodity markets (specifically industrial metals) and stocks could be supported better than many expected, despite Trade War II – indeed this has been the case. We believe industrial metals have fared better than expected due to some offsetting factors, such as tariff front-running, the stop-start nature of Trump's tariff implementation and the stimulative impact of fiscal and loose monetary policies. Furthermore, commodity demand remains resilient across the board and the unintended consequences of deglobalisation/onshoring/near-shoring are increasing demand for manufactured goods. Therefore, looking ahead, we continue to back our call and believe commodity prices could defy the drag caused by tariff volatility.

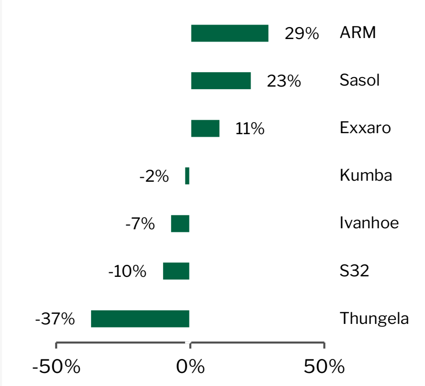
As such, Kumba, Exxaro and Sasol, remain our top picks in the sector, driven by attractive valuations. Thungela (Neutral) continues to be our less preferred name on account of weak thermal coal prices resulting in negative earnings momentum.

Overweight

Highlights

Kumba (Overweight)	R377
Sasol (Overweight)	R130
Exxaro (Overweight)	R216
Ivanhoe (Overweight)	CAD16
South32 (Overweight)	R40
ARM (Overweight)	R200
Thungela (Neutral)	R92

YTD Stock returns



Stocks – Maintain our Overweight

We maintain our constrictive stance on South Africa's (SA) diversified miners. **Kumba (Overweight; target price [TP] R377)** remains our topic in the coverage universe, driven by its attractive valuations and beaten-down share price. Despite near-term pressure from weaker oil prices, **Sasol's (Overweight; TP R130)** investment case remains compelling, driven by self-help initiatives rather than broader macroeconomic factors. Exxaro's cash returns to shareholders will remain undeterred, despite M&A. In fact, following the cash outflow from M&A (1H26), **Exxaro (Overweight; TP R216)** is expected to return more cash, as the need to build cash disappears. **Ivanhoe's (Overweight; TP CAD16)** long-life quality assets mean the Kakula seismic impact will be limited, as such the company share has recovered from the aftermath of the seismic impact. **Although South32's (Overweight; TP R40)** share has recovered recently, the company still trades at the widest discount to its commodity basket price. **African Rainbow Minerals (ARM; Overweight; R200)** has been the best-performing share in our coverage, up 29% ytd. Although ARM is reaping the benefit of strong gold and PGM prices, its profitability and dividend-paying ability are derived from the ferrous division – as such, we caution investors. We see little positive catalyst on **Thungela's (Neutral; TP R92)** investment case. Although Thungela's balance remains strong, the company is at risk of chewing up the cash buffer if thermal coal prices do not rebound over the next 18 months.

Commodities – Prefer base metals over bulk commodities

Although recession risks continue to linger, they remain relatively remote, in our view. Instead, the global economy is more likely to slow rather than completely contract. Consequently, our call for commodity prices (first published here in 1Q25) – to be supported despite increased volatility.

We maintain our preference for base metals (aluminium, copper and zinc) over bulk commodities (iron ore, thermal coals and manganese). Our base metal price forecast remains relatively unchanged. **We downgrade Brent oil prices by c.5% on average, respectively, between 2026E and 2028E.** The downgrade in oil prices comes on account of higher surpluses than previously thought, due to a looser supply environment. **That said, oil markets do not have a demand-side issue – +100mbd in 2026E-28E – but a supply-side issue, of which a low enough oil price could result in supply discipline back in favour**. In fact, OPEC+ overproduction seems to have peaked in June at 1mbd, with the September number 35kbpd quota. As such, we see oil prices at USD64/bbl and USD70/bbl in 2026E and 2027E, respectively.

ANALYST DETAILS

Thobela Bixa

thobelab@nedbank.co.za

CIB Research Portal

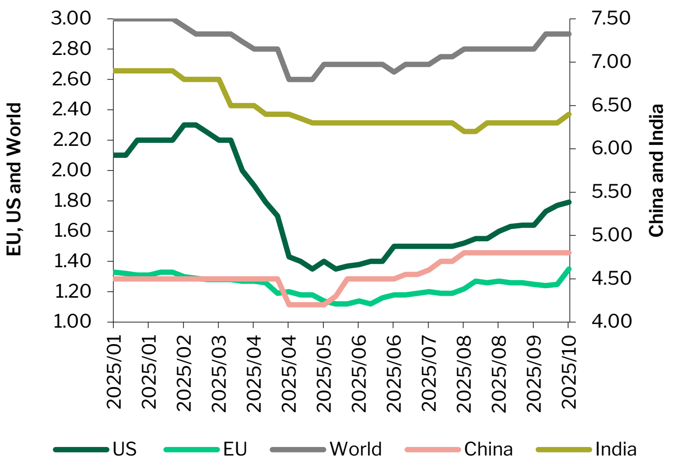
Nedbank's key calls

Below, we reiterate our 2025 calls, which were initially expressed in the 1Q25 , 2Q25 and 3Q25 reports: **while volatility persist in the near term, commodity prices and consequently stocks will remain supported.** This view has been supported by tariff front-running, fiscal and monetary supportive policies to soften the blow of tariffs on economies. Furthermore, supply challenges in base metals and a weaker USD provide near-term support for commodities such as copper, aluminium and zinc. Looking ahead, some of these factors are likely to rollover into 2026 and as such, we remain constructive commodities (base metals) and stocks in our coverage.

Key calls – Remain constructive base metals and SA diversified miners

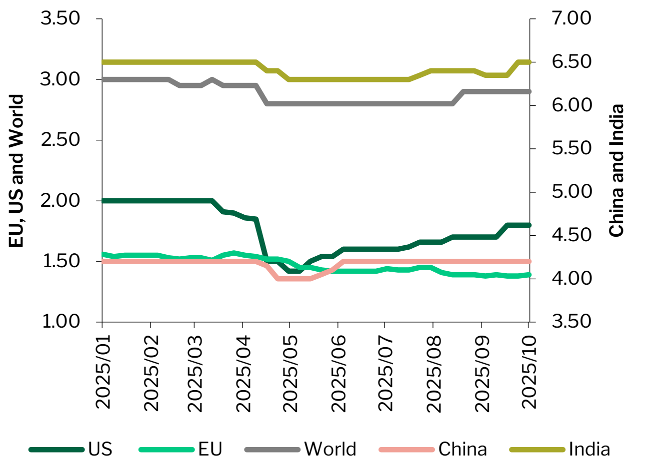
- **Global macro continues to defy gravity (=Trump induced volatility).** Despite earlier expectations that the world could enter a recession in 2H25, this now appears much less likely, as trade-related uncertainty continues to dissipate, monetary policy remains loose and economies are taking a stimulative fiscal stance to offset tariff impacts. As such, GPD forecast for both 2025 and 2026 have been improving, see Exhibits 1 and 2.

Exhibit 1: 2025 GDP estimate upgrades



Source: Bloomberg, Nedbank CIB Markets Research

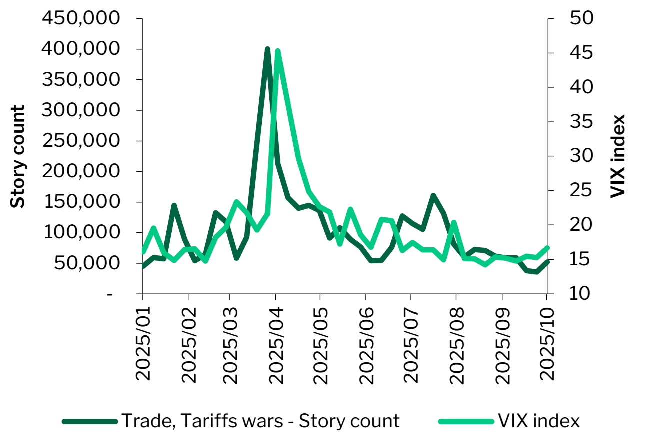
Exhibit 2: 2026 GDP estimates still see a growing global economy



Source: Bloomberg, Nedbank CIB Markets Research

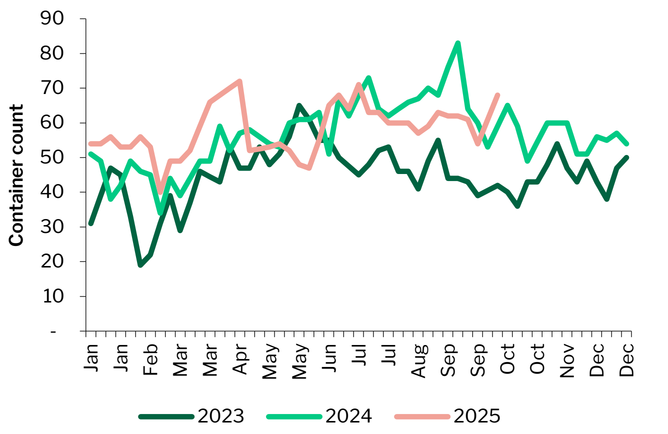
- **Trade war, is this still a thing?** According to Bloomberg News Trend data (on the count of news articles mentioning the words "tariff and trade"), tariff-related stories have plummeted to levels last seen in January 2025, before President Trump reignited his tariff rhetoric early October. The VIX index has also eased, as shown in Exhibit 3. The question is whether the world has really moved on from tariffs – and it appears so. With new trade deals and frameworks being signed between the US and other countries, it seems the biggest story of 2025 – tariffs – has slowly moved to the backburner. Tariff front-running and stop-start nature of tariff imposition, has aided in softening the blow of trade wars, see Exhibit 4 depicting China exporters to the US.

Exhibit 3: Tariff mentions have subsided and so has the VIX index



Source: Bloomberg, Nedbank CIB Markets Research

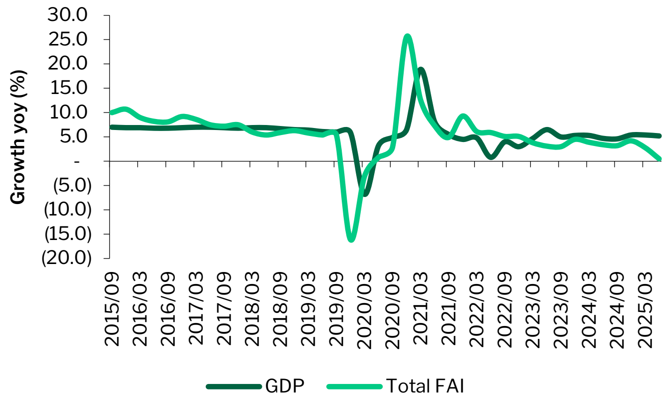
Exhibit 4: Tariff front-running – container count (China to the US)



Source: Bloomberg, NBS, Nedbank CIB Markets Research

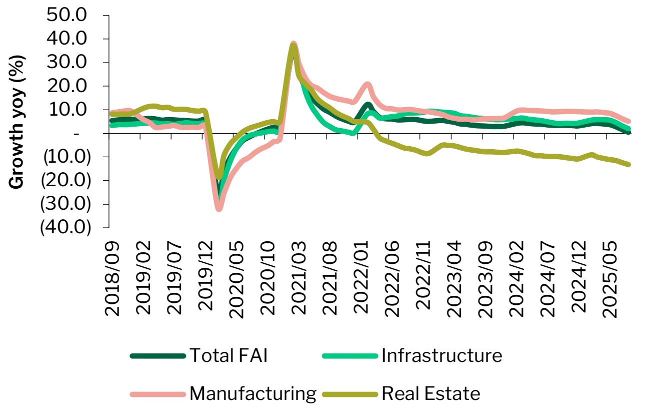
- **Slowing China economic momentum provides an impetus for government stimulus support; the upcoming 15th Five-Year Plan (FYP) could provide just that.** China's GDP growth slowed to 4,8% in 3Q25, from 5,2% in 2Q25. The biggest drag seems to be fixed-asset investment (FAI) – one of the main drivers of growth, see Exhibits 5 and 6. Given this backdrop, we expect the Chinese government to provide further support to the economy some time in 4Q25. With that said, a bazooka stimulus remains unlikely. As such, although the upcoming FYP is not expected to come with a fresh stimulus package, it could provide details on how growth in China could be supported in the coming years which could potentially see commodity support.

Exhibit 5: FAI weakness poses question mark on 3Q25 GDP growth



Source: Bloomberg, NBS, Nedbank CIB Markets Research

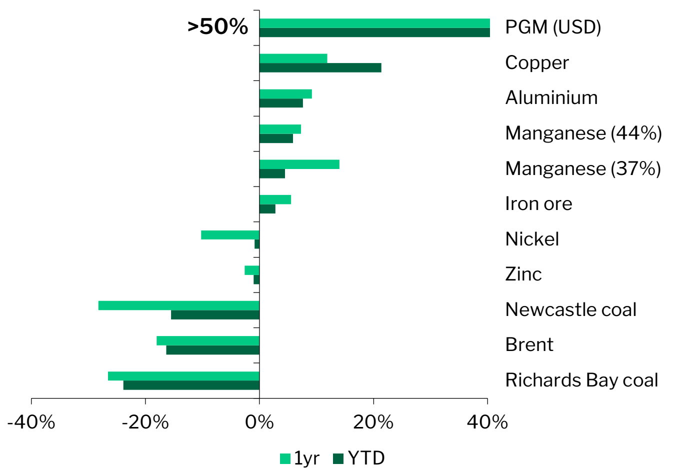
Exhibit 6: FAI components all pointing to a slowdown



Source: Bloomberg, NBS, Nedbank CIB Markets Research

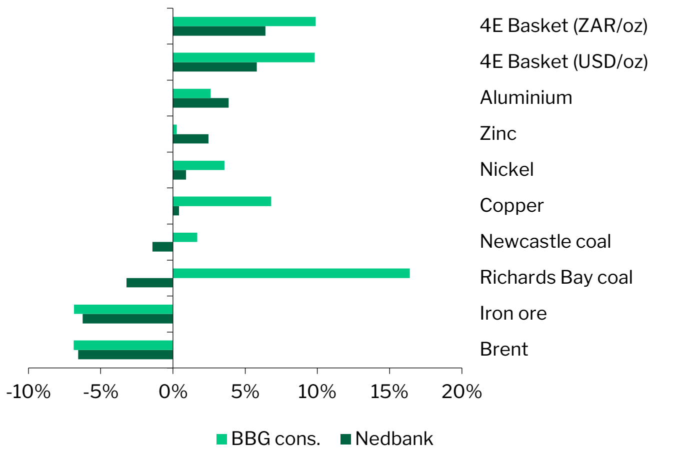
- **Commodity markets to remain supported for the rest of 2025 and into 2026.** Tariff front-running, a weaker USD, supply challenges and a stimulative fiscal and monetary environment have aided in supporting base metal prices in 2025, Exhibit 7. Looking into 2026, some of these factors could spillover. Furthermore, the reorganisation of global trade is supportive for manufactured goods near term, and as such, ourselves and Bloomberg consensus forecast, largely see price support in 2026E. We still maintain our bias towards base metals (aluminium, copper and zinc including PGMs) over bulks (iron ore and manganese) and energy (thermal coal and oil). Further out, base metals could remain supported by energy transition demand and limited supply, see Exhibit 9 and 10.

Exhibit 7: Base metals outperform while energy struggles



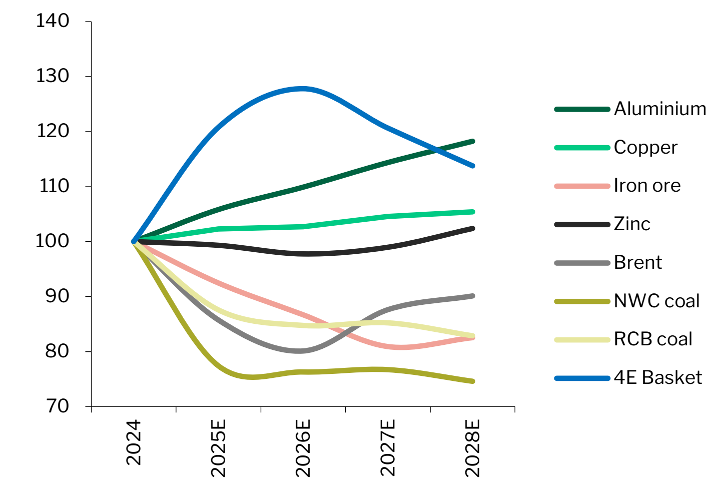
Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 8: Nedbank and Bloomberg consensus constructive commodity prices in 2026



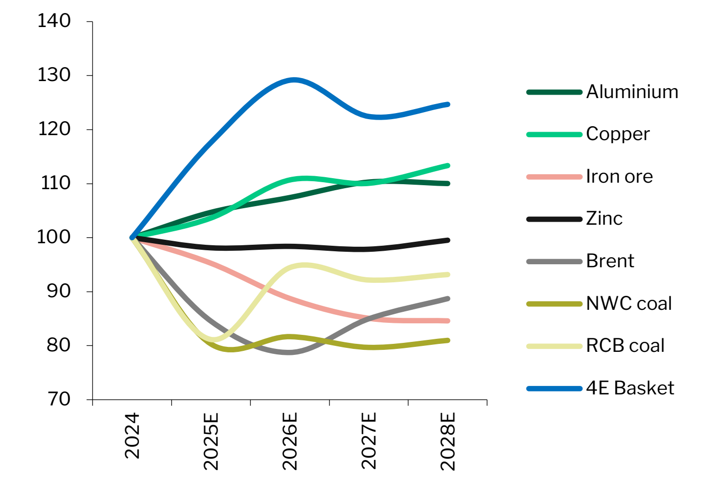
Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 9: Nedbank commodity price forecast indexed



Source: Bloomberg, Nedbank CIB Markets Research

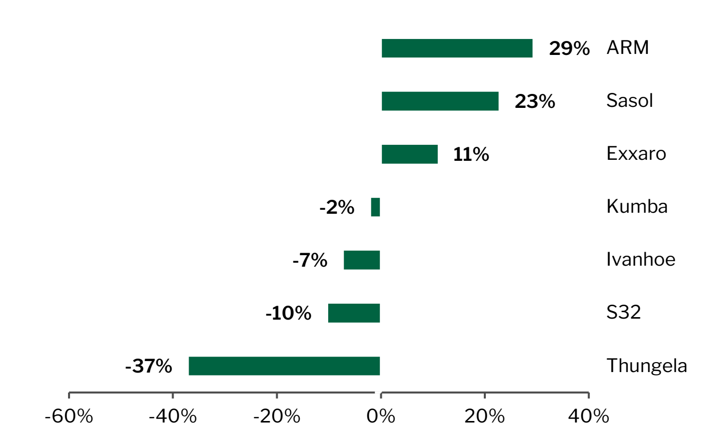
Exhibit 10: Consensus commodity price forecast indexed



Source: Bloomberg, Nedbank CIB Markets Research

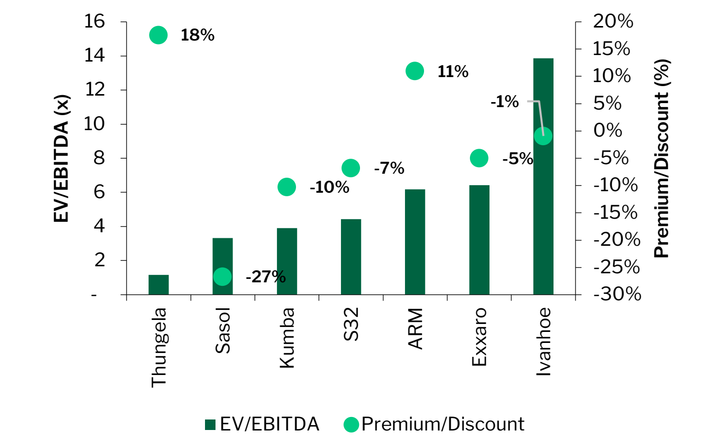
- **SA's diversified miners remain attractive relative to history, leaving us Overweight the sector.** While our Overweight call on SA's diversified mining sector has been mixed for the most part of 2025 (Exhibit 11), we still see value in the shares. Except for Thungela and ARM, most companies are still trading at a discount relative to the long term (LT) average 1yr forward EV/EBITDA multiple, see Exhibit 12. Stable commodity prices and attractive valuations could continue to support the shares into 2026.

Exhibit 11: Ytd stock returns mixed, ARM is the best performer



Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 12: Most companies trade at a discount to the LT average



Source: Bloomberg, Nedbank CIB Markets Research

Company investment cases – Overweight

Exhibit 13: Ranking table of SA diversified mining companies

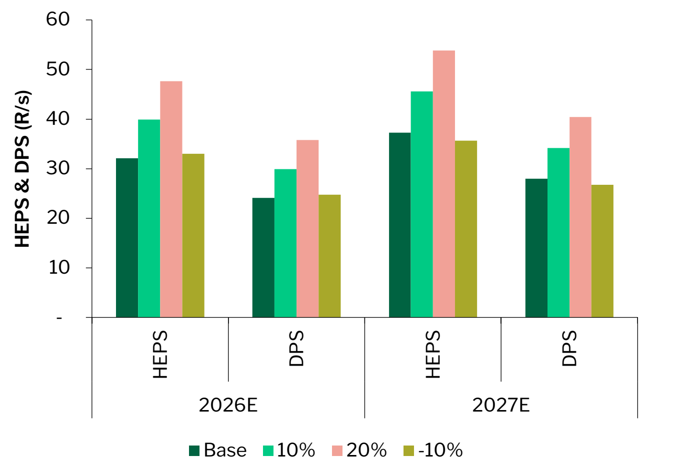
		Spot	Target price	Tot. Return	HEPS (R/s)			EV/EBITDA (x)			DPS			Dividend yield (%)			FCF yield (%)		
Company	Rec.	R/s	R/s	(%)	CY24	CY25	CY26	CY24	CY25	CY26	CY24	CY25	CY26	CY24	CY25	CY26	CY24	CY25	CY26
Kumba	Overweight	317	377	28%	39	38	32	5.4	4.4	5.1	39	29	24	9	9	8	14	12	9
Exxaro	Overweight	175	216	33%	30	29	25	6.3	6.0	5.7	17	16	13	9	9	8	15	13	13
Sasol	Overweight	103	130	25%	38	29	26	2.9	2.7	2.6	1	-	-	1	-	-	13	17	13
South32*	Overweight	36	43	25%	0	13	21	12.7	11.4	3.5	5	7	9	3	4	5	2	6	9
ARM	Overweight	196	200	10%	20	15	15	56.9	47.4	13.0	13	10	8	7	5	4	8	9	11
Ivanhoe*	Overweight	16	16	4%	17	22	48	-	115	40.0	-	-	-	-	-	-	-	-	-
Thungela	Neutral	84	92	16%	26	8	2	1.1	0.7	0.5	13	3	2	11	4	3	12	0	8

Source: Company reports, Nedbank CIB Markets Research
*Reported in USDc

Kumba (Overweight; TP R377) – Attractive investment case despite moderating iron ore prices

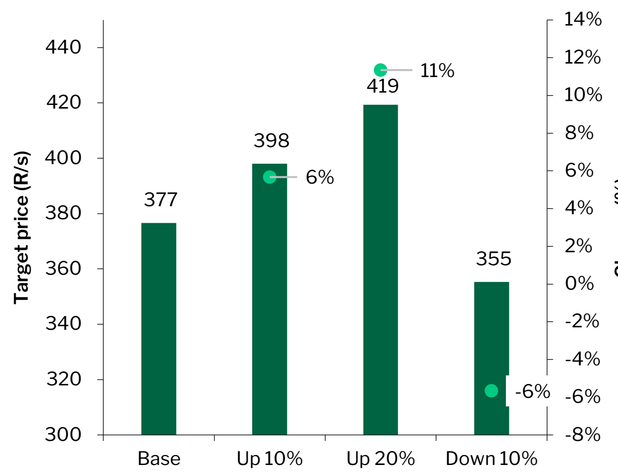
- We marginally downgrade our TP to R377 (from R385) due to marginally reduced iron ore prices (-2% in 2026E) and a stronger rand vs USD. Our TP implies an attractive 28% total return. Despite the revision, we maintain our Overweight recommendation. Our Overweight recommendation is premised on 1) Kumba's high-quality assets at a favourable cost-curve position; 2) its undemanding valuations, currently trading at 3,9x, which is a 10% discount to the long-term 1yr forward EV/EBITDA on Bloomberg consensus; and 3) stabilising Transnet performance, which had previously constrained Kumba's sales volumes. As such, we remain constructive on Kumba and rate the company at Overweight.
- On our numbers, should the Transnet operational momentum continue to improve, Kumba could stand to benefit significantly, see Exhibits 14 and 15.
- Kumba is forecast to generate c.R22bn in FCF and distribute c.R17bn to ordinary shareholders at attractive FCF and dividend yields of 11% and 8%, on average, over 2025E and 2026E, respectively. Also, due to its high margins, the company generates WACC-beating ROIC, well ahead of its SA bulk commodity peer group, creating economic value for shareholders.
- **Upside/downside potential:**
  - **Upside:** 1) Higher iron ore prices than forecast; 2) TFR operations improve quicker than expected; and 3) a weaker ZAR/USD than forecast.
  - **Downside:** 1) Trade tensions have a more significant impact on China than predicted; 2) SA rail logistics deteriorates further; and 3) the company is unable to contain unit costs in line with lower production guidance.

Exhibit 14: HEPS and DPS sensitivity to rail volume improvement



Source: Company reports, Nedbank CIB Markets Research

Exhibit 15: TP sensitivity to rail volume improvement

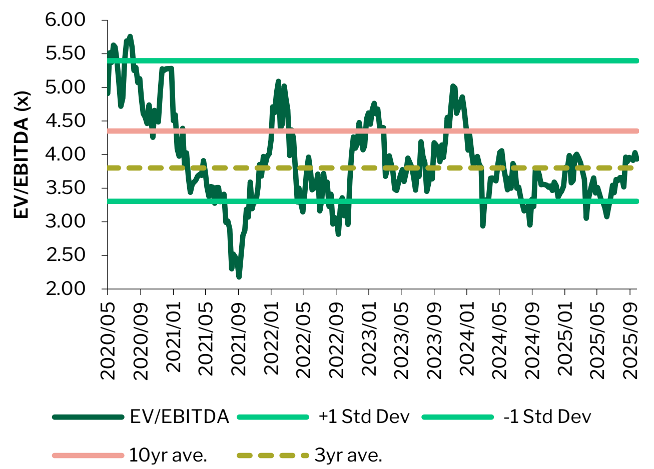


Source: Company reports, Nedbank CIB Markets Research

Exhibit 16: HEPS and DPS sensitivity to spot prices, R/sh

Source: Company reports, Bloomberg, Nedbank CIB Markets Research

Exhibit 17: Discount to long-term one-year forward EV/EBITDA

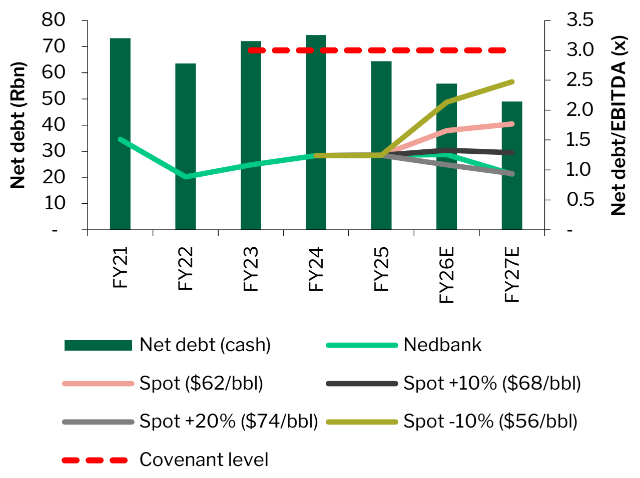


Source: Bloomberg, Nedbank CIB Markets Research

Sasol (Overweight; TP R130) – Look through near-term noise to 2HY26 operational improvement

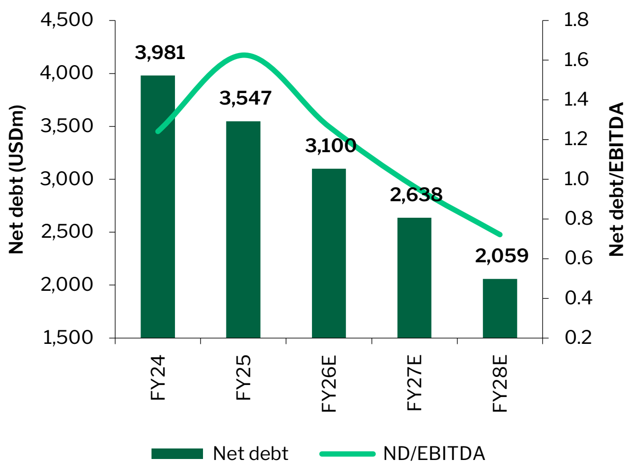
- We retain our Overweight recommendation and reduce our TP to R130 from R145 on account of our lower oil price forecast and a stronger rand, partly offset by robust refining margins in the near term. As argued in our reports, here, here and here, we firmly believe Sasol's value unlock squarely sits within management control. The oil price will do what it will do and is not a main driver to our constructive recommendation in Sasol. Rather our views are that current valuations are over-indexing on risk while ignoring reality and the potential value unlock from self-help initiatives.
- The bullish investment case is premised on 1) deeply discounted valuations, despite the business turning the corner; 2) an unstretched balance sheet – Sasol does not require a rights issue nor will it breach covenants even at USD50/bbl and R18/USD; and 3) improving operational performance from Secunda Operations and International Chemicals (IC, Exhibit 20) driven by self-help initiatives should stabilise Sasol's cash generation despite moderating oil prices.
- We still maintain that Sasol's balance sheet is not overly stretched and the company is unlikely to breach covenants or need a rights issue, see Exhibit 19. Furthermore, on our numbers, Sasol has hedged 46% of FY26E crude oil sales at better prices than current spot prices. Thus, although there is risk to oil prices moderating further from here, Sasol earnings could be shielded by hedging positions.
- **Upside/downside potential:**
  - **Upside risks:** 1) Operational improvement is faster than expected; 2) oil and chemical prices perform better than expected; and 3) ability to find more gas in Mozambique to extend the plateau to 2030 from 2028.
  - **Downside risks:** 1) Operational challenges persist; 2) oil and chemical prices decline by more than our expectations; and 3) decarbonisation pressure persists, and the company is forced to abandon its highly profitable SA assets.

Exhibit 18: Net debt/EBITDA sensitivity



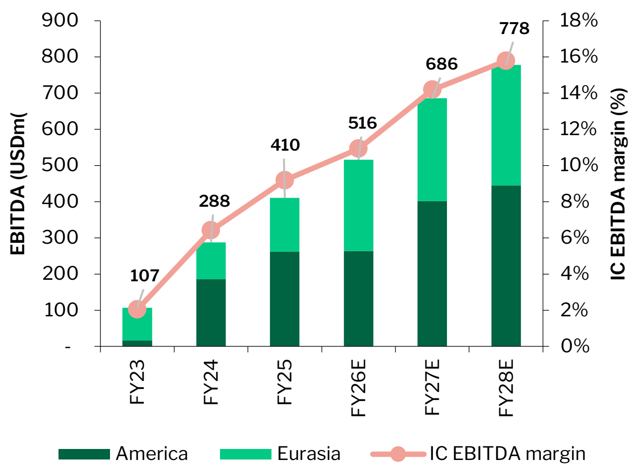
Source: Company reports, Nedbank CIB Markets Research

Exhibit 19: Sasol due to breach below USD3bn net debt in FY27E



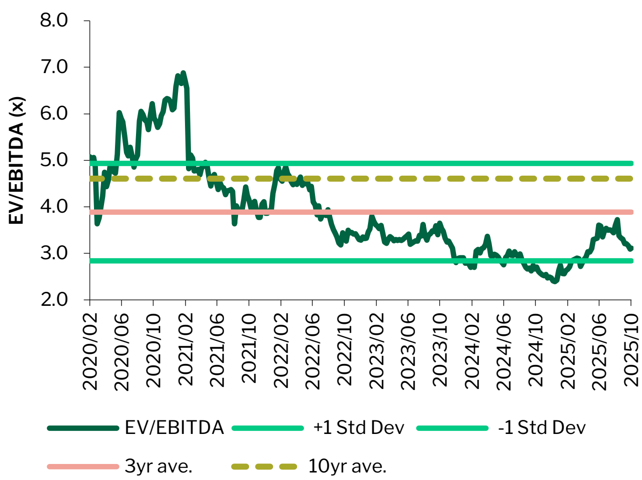
Source: Company reports, Nedbank CIB Markets Research

Exhibit 20: Recovery in IC is predominantly a self-help story



Source: Company reports, Nedbank CIB Markets Research

Exhibit 21: Discount to long-term one-year forward EV/EBITDA

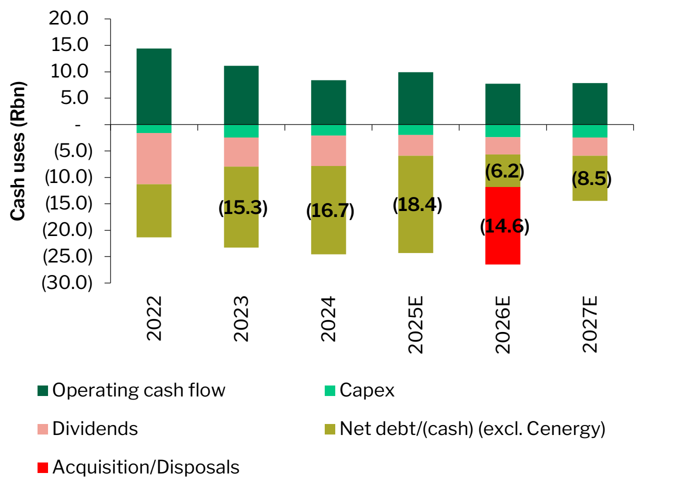


Source: Bloomberg, Nedbank CIB Markets Research

Exxaro (Overweight; TP R216) – Valuation dismissive of defensive domestic coal exposure

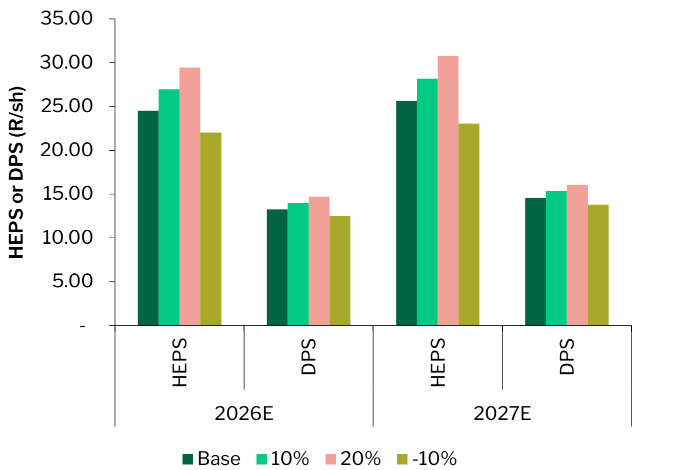
- We revise our TP to R216 (from R196) and retain our Overweight position in the company. The upgrade to TP is due to higher domestic revenue price assumptions than before, partly offset by a stronger rand vs the USD. Our constructive stance on Exxaro is premised on 1) the company's strong cash generation profile and investor-friendly capital allocation, which support superior investor returns – the company has returned over R40bn to shareholders since 2020 at an industry-beating average dividend yield of 17%; 2) Exxaro's high exposure to the SA domestic market, which shields the company from moderating export prices – Exxaro's domestic revenue is 67% for 2025E; 3) finally, despite M&A, where Exxaro is likely to pay R14,6bn, it could still end 2026E with a net cash position of R6,2bn, we estimate, Exhibit 22. Thus M&A will have no impact to shareholder returns. Indeed, Exxaro is reassessing its capital allocation framework for the post-deal environment, and all indications are that more cash will be returned to shareholders.
- On our numbers, we see an upside potential to our HEPS and DPS forecasts should the Transnet operational momentum continue to improve, and Exxaro could stand to benefit significantly, see Exhibit 23.
- **Upside/downside potential:**
  - **Upside: 1)** Stronger-than-expected thermal coal and iron ore prices; 2) TFR challenges resolving quicker than expected; and 3) coal demand continuing to remain stronger than expected in the long term due to a slower energy transition pace.
  - **Downside: 1)** China and India's domestic coal production displacing more imports than expected; 2) a further deterioration in SA rail logistics; and 3) inability to contain unit cost should the company be forced to curtail production further due to TFR.

Exhibit 22: Exxaro to remain in a strong net cash even post-acquisition



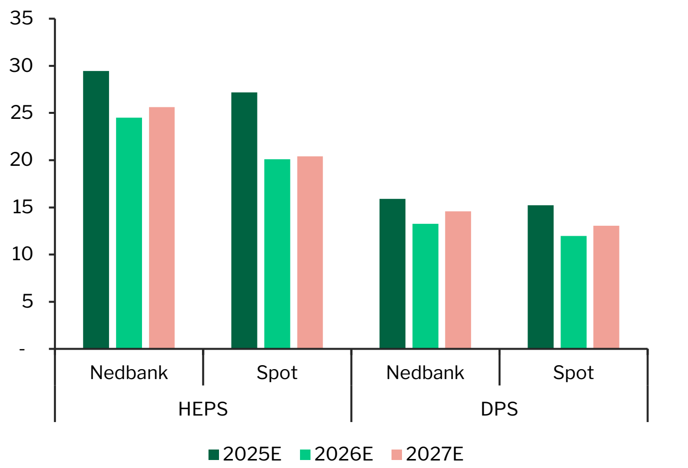
Source: Company reports, Nedbank CIB Markets Research

Exhibit 23: HEPS and DPS sensitivity to rail volume improvement



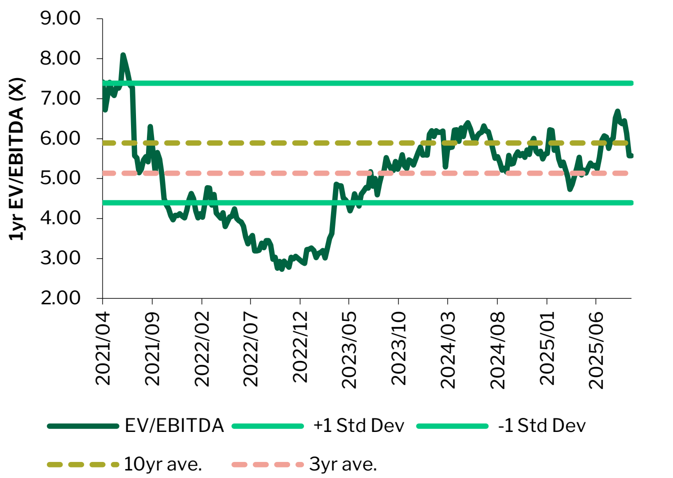
Source: Company reports, Nedbank CIB Markets Research

Exhibit 24: HEPS and DPS momentum protected by domestic exposure



Source: Company reports, Bloomberg, Nedbank CIB Markets Research

Exhibit 25: 5% discount to long-term 1yr forward EV/EBITDA

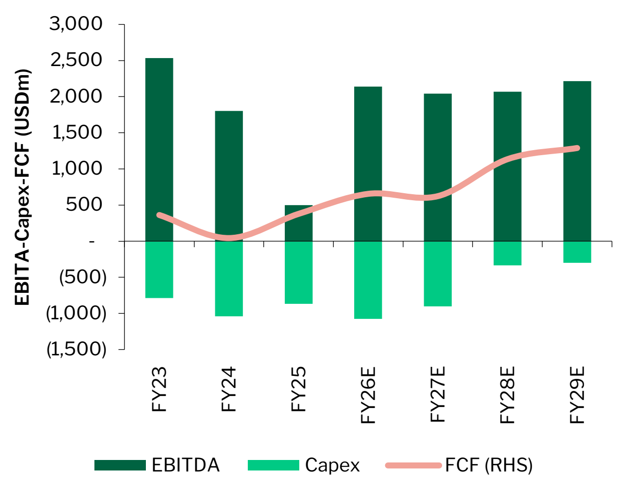


Source: Bloomberg, Nedbank CIB Markets Research

South32 (Overweight; TP R40) – Base metal exposure supports our Overweight position

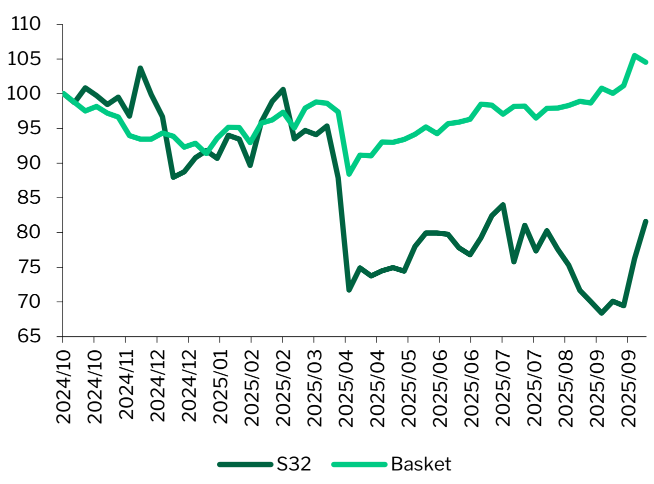
- Although South32's TP has been revised down to R40 (from R45), our Overweight recommendation remains unchanged. The downward revision to the TP was mainly due to a cut in our NPV for Mozal and the disposal of the nickel assets below our NPV value. We valued Cerro Matoso at c.USD250m but the company has entered into a sale agreement for USD100m. Our Overweight recommendation is driven by South32's commodity and geographical diversification and exposure to future-facing metals that will play a pivotal role in the green energy transition (GET). We believe such an exposure is a source of defensiveness to future company earnings and could drive the company's rerating as the world scrambles for supply of these future-facing metals.
- On account of reducing capex on the back of Hermosa project winding down and improving base metal prices, South32's FCF generation is expected to improve, lifting 3x to over USD1,1bn in FY28E from USD0,38bn from FY25.
- Having rationalised its portfolio, tilting towards GET metals, South32 has set itself up as a pure-energy transition play. On Bloomberg consensus one-year forward EV/EBITDA, South32 does seem to have rerated, now trading at 5,4x, a 13% premium to the long-term average, Exhibit 29. However, despite the rerating on better multiples, South32 is still underperforming its basket price by 23%, Exhibit 27. Thus, South32 could still play catch and rerate further. Furthermore, on our coverage universe, South32 has the best earnings momentum. As such, we remain constructive to rerate the company.
- **Upside/downside potential:**
  - **Upside:** 1) Commodity price performance is stronger than expected, particularly for green metals; 2) execution of projects is on time and on budget; and 3) effective cost-management strategies mitigate the impact of operational challenges.
  - **Downside:** 1) Operational challenges persist; 2) unable to extend the life of mines, with limited remaining reserves (e.g., Brazilian alumina and Australian manganese); and 3) execution risks associated with capital projects and potential M&A activity.

Exhibit 26: Declining capex to support FCF generation



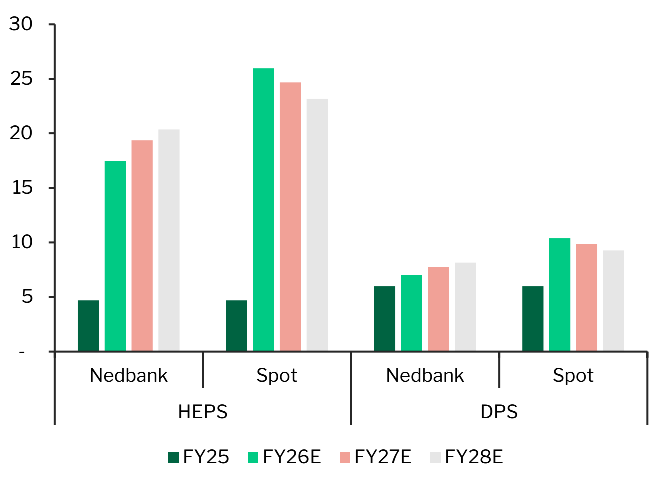
Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 27: A 23% lag to commodity basket price



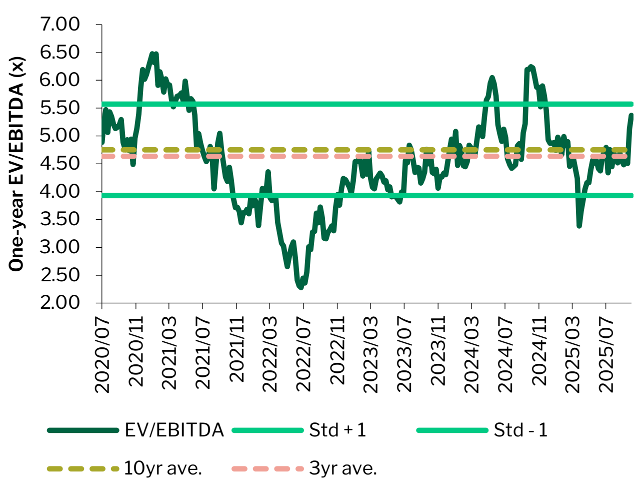
Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 28: Positive HEPS and DPS momentum



Source: Company reports, Bloomberg, Nedbank CIB Markets Research

Exhibit 29: Rerating at play, one-year forward EV/EBITDA

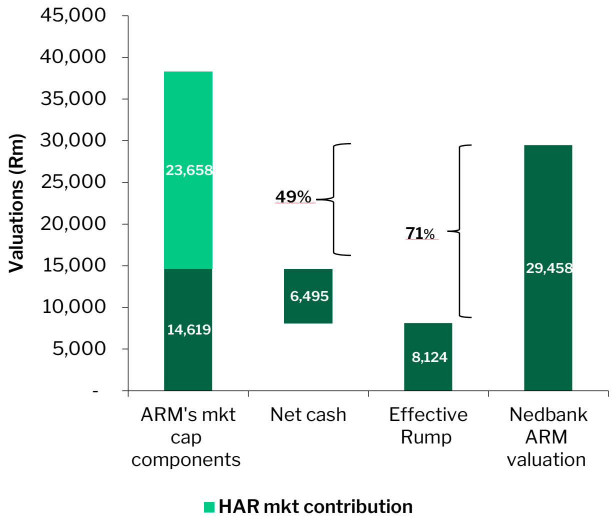


Source: Bloomberg, Nedbank CIB Markets Research

ARM (Overweight; TP R200) – Rump discount improves due to PGM rally

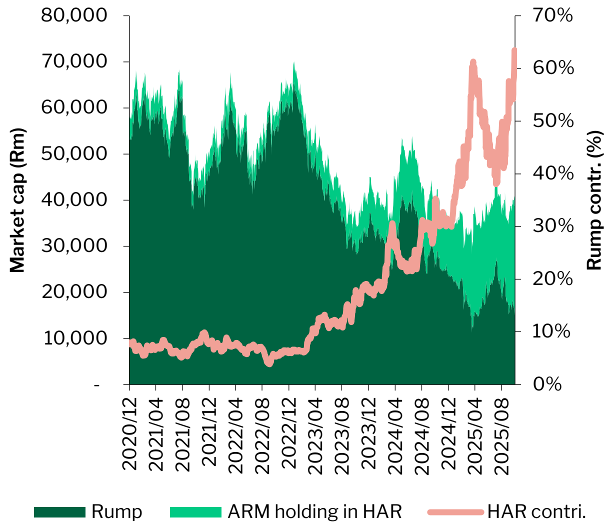
- We retain our Overweight recommendation on ARM, but the TP has been marginally upgraded to R200 (from R191) driven by slightly higher PGM price assumptions and higher contribution from Harmony but slightly offset by a stronger rand vs the USD. Based on Harmony's market cap, we calculate ARM's implied rump valuation at R15,1bn or R8,6bn, including a net cash position of R6,5bn in 1H25, see Exhibit 30. Furthermore, Harmony's share now accounts for close to 60% of ARM's valuation, which is significant, Exhibit 31. Given the support for gold prices and consequently Harmony's share, the current dynamic could take time to change and, therefore, ARM could remain undervalued by our calculations. With that said, we remain constructive ARM and keep our Overweight recommendation.
- Despite strong PGM prices forecasted over FY26E-28E, ARM's HEPS and DPS momentum is still expected to be negative. The negative momentum is on account of weakening iron ore prices and the loss of domestic iron ore sale volumes, Exhibit 32.
- **Upside/downside potential:**
  - **Upside**: 1) A stronger-than-expected rebound in PGM prices; 2) TFR challenges resolving quicker than expected; and 3) a complete reversal in the planned Bokoni reinvestment (this is highly unlikely, in our view).
  - **Downside**: 1) PGM volume project ramp-up tracking lower than estimated; 2) a further deterioration in SA rail logistics; and 3) execution risk associated with its current and future PGM projects.

Exhibit 30: ARM's rump is a 71% discount to our Nedbank-derived value



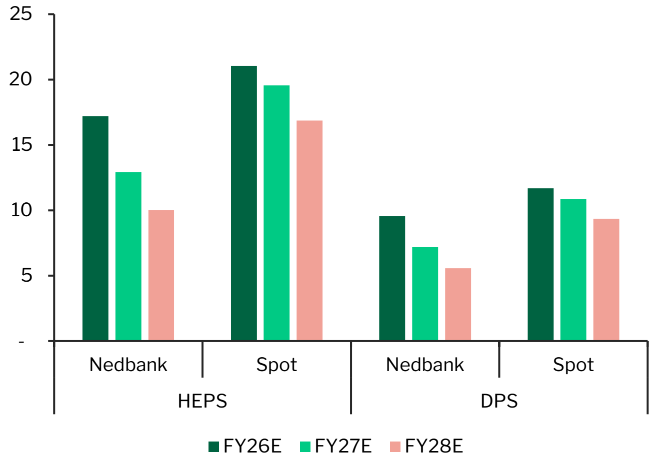
Source: Company reports, Bloomberg, Nedbank CIB Markets Research
Rump = (ARM mkt cap – ARM holding in HAR mkt cap) x (1 – 10% discount)

Exhibit 31: Harmony accounting for over 60% of ARM's market cap



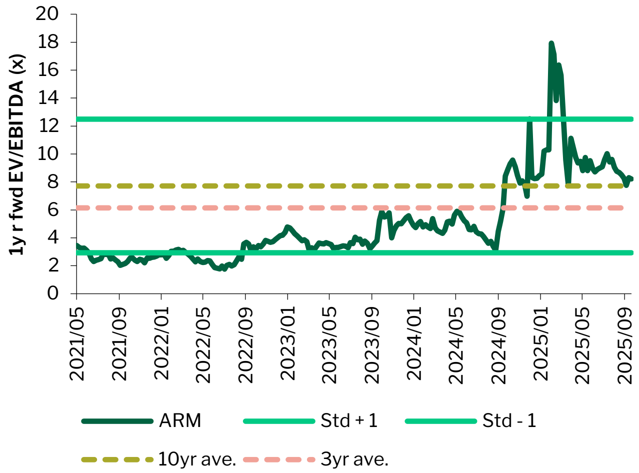
Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 32: Negative HEPS and DPS momentum despite strong PGMs



Source: Company reports, Nedbank CIB Markets Research

Exhibit 33: Rerating at play, one-year forward EV/EBITDA

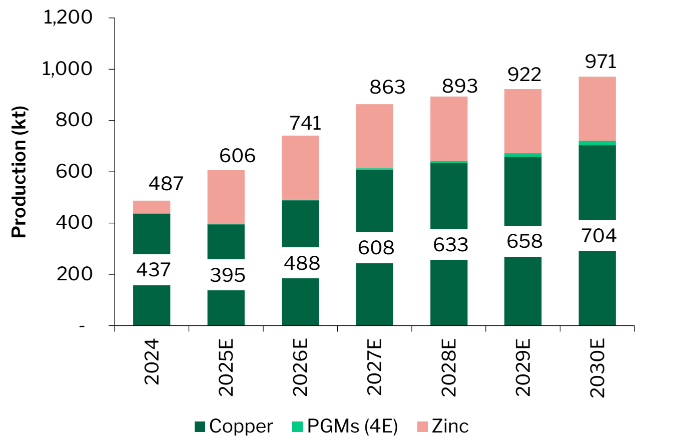


Source: Bloomberg, Nedbank CIB Markets Research

Ivanhoe Mines (Overweight; TP CAD16) – Supply disruption, a short-term pain

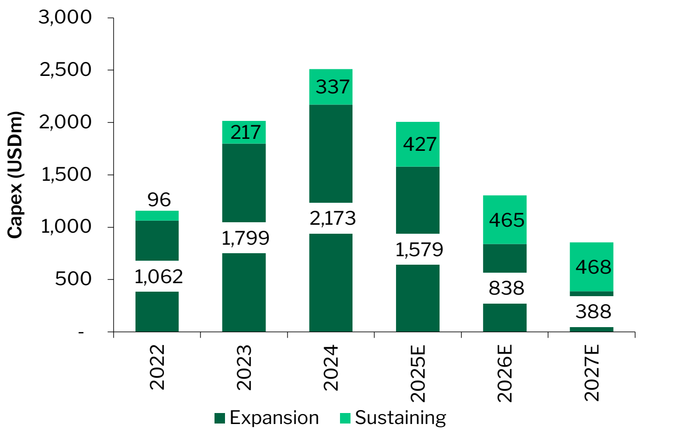
- We retain our Overweight recommendation on Ivanhoe Mines and slightly increase our TP to CAD16 from CAD15. Our Overweight recommendation is premised on 1) Ivanhoe's long life and high-quality assets at a favourable cost-curve position across the metals it produces; 2) growing production volumes in a strong price environment, see Exhibit 34; 3) positive FCF momentum – capex inflection point reached USD2bn (100% basis) in 2024 and is expected to fall to USD856m in 2027E, see Exhibit 35; and 4) Ivanhoe trading at a relatively undemanding EV/EBITDA multiple of 14,3x, which is a 15% premium to the three-year average. Although the company trades at a premium relative to history, this could persist as Ivanhoe delivers on project targets. As such, we retain our Overweight rating and see the share price supported, especially at copper prices above USD9 000/t.
- **Upside/downside potential:**
    - **Upside:** 1) Commodity prices overshoot our forecast; 2) project challenges get resolved quicker while having a limited impact on volumes; and 3) management does better on cost than we anticipate.
    - **Downside:** 1) Weaker commodity prices than forecast; 2) project challenges with a longer lasting impact on production volumes and costs; and 3) worse-than-expected cost and capex profiles.

Exhibit 34: Ivanhoe's production ramp-up profile, koz converted to kt



Source: Company reports, Nedbank CIB Markets Research

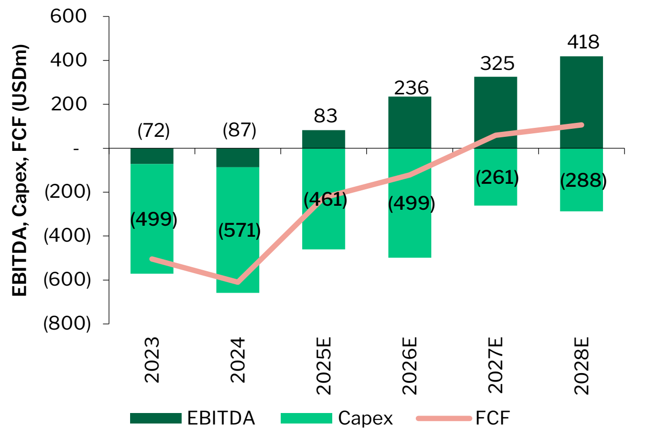
Exhibit 35: Group capex peaked in 2024, 100% basis



Source: Company reports, Nedbank CIB Markets Research

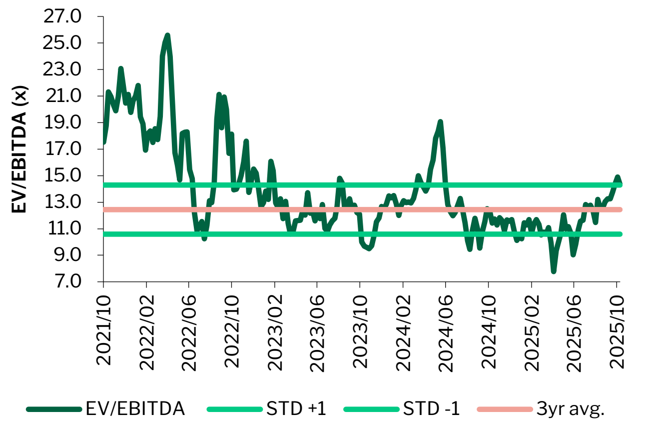
- On our numbers, over 2025E-28E, we expect Ivanhoe's EBITDA and FCF to increase to USD418m and USD106m, respectively, by 2028E, see Exhibit 36. This is likely to be driven by a combination of increasing production volumes, reducing unit costs and favourable commodity prices. On a one-year forward Bloomberg consensus EV/EBITDA multiple, Ivanhoe's rating has fully recovered, see Exhibit 37. We believe the rerating has been driven by 1) better understanding of the Kakula seismic impact – which we deem as limited; 2) strong copper prices; and 3) PGM basket price rally. Given the strong price momentum in base metals and PGMs, Ivanhoe could continue to trade higher.

Exhibit 36: EBITDA and FCF generation to increase



Source: Company reports, Nedbank CIB Markets Research

Exhibit 37: One-year forward EV/EBITDA fully recovered from Kakula seismic issues

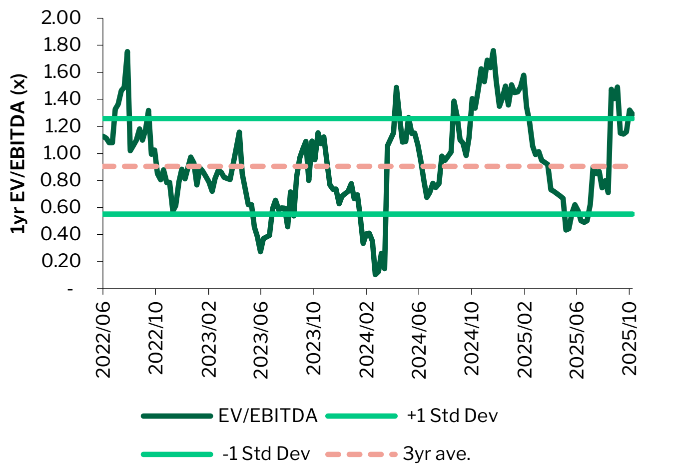


Source: Bloomberg, Nedbank CIB Markets Research

Thungela (Neutral; TP R92) – Challenging investment case especially on weaker coal prices

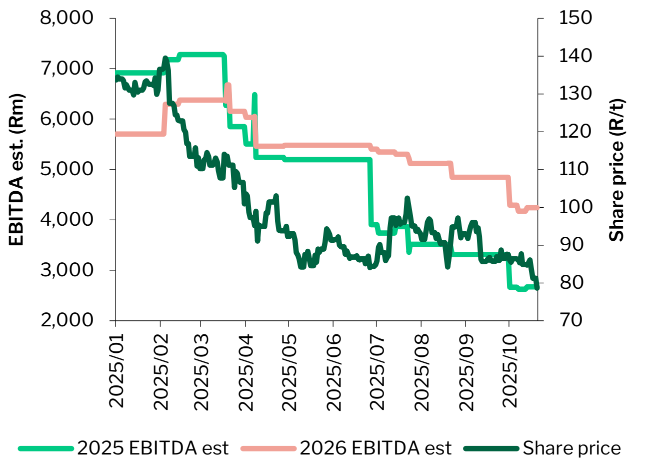
- We downgrade our TP to R92 from R108 on the back of a stronger ZAR/USD vs previously. Although keep our recommendation unchanged at Neutral for Thungela, the company outlook is looking gloomy. On our assessment, Thungela's earnings and FCF generation look vulnerable unless thermal coal prices move higher. With that said, this risk could be offset by 1) increasing sales export volumes on the back of improving Transnet rail; 2) forward currency instruments at around R19/USD, which have so far helped offset an earnings and FCF decline; and 3) a strong net cash position of R6,3bn (1H25), which should help the company navigate the current low prices.
- On Bloomberg consensus one-year forward EV/EBITDA, Thungela trades at 1,3x, which is a 42% premium to history, see Exhibit 38. The rerate in the EV/EBITDA is driven by the deteriorating EBITDA estimates due to weakening coal prices, Exhibit 39.
- Within our coverage universe, Thungela has the least attractive HEPS/DPS/FCF profile, mainly driven by the subdued thermal coal price, while costs are likely to rise, Exhibit 40, and as such, Thungela's FCF generation is expected to be subdued over the coming years, Exhibit 41.
- **Upside/downside potential:**
  - **Upside:** 1) Thermal coal prices are stronger than expected; 2) TFR challenges are resolved quicker than expected; and 3) coal demand remains stronger than expected in the long term due to a slower energy transition pace.
  - **Downside:** 1) China and India's domestic coal production displaces more imports; 2) SA rail logistics deteriorates further; and 3) the company is unable to contain unit costs should it be forced to curtail production due to TFR.

Exhibit 38: Thungela's 1yr forward EV/EBITDA



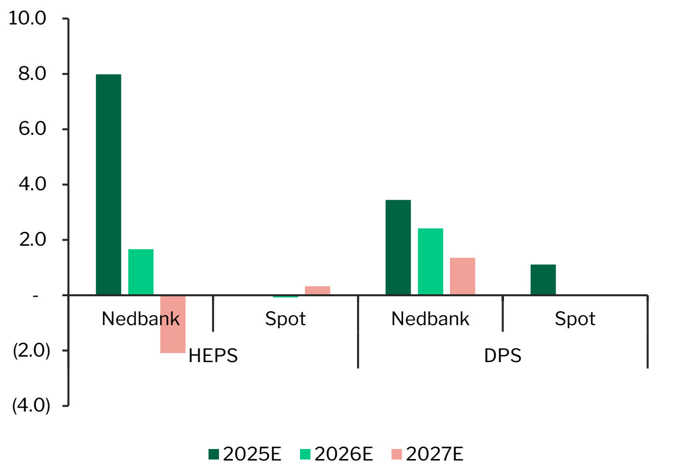
Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 39: Deteriorating earnings estimates



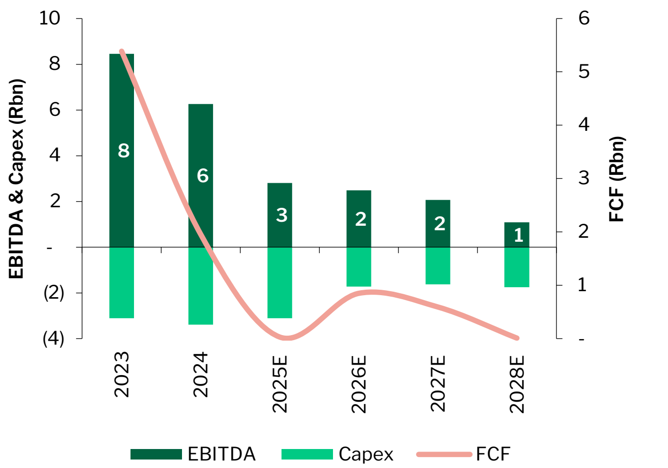
Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 40: At spot, Thungela's HEPS and DPS will be challenged



Source: Company reports, Bloomberg, Nedbank CIB Markets Research

Exhibit 41: Thungela's deteriorating FCF generation



Source: Bloomberg, Nedbank CIB Markets Research

Commodities

While precious and base metals have been supported in line with our views first published in our 1Q25, 2Q25 and 3Q25 reports, bulk and energy commodities have struggled. We believe this trend is likely to persist for the rest of 2025. The following key revisions have been made to our price deck:

- PGMs – We marginally lift our 3E PGM basket (USD) by 3% in 2025 to reflect PGM prices that have run ahead of our expectations.
- Brent – We reduce brent prices by 7% on average over 2026E-28E. We now expect a looser supply/demand environment than previously thought.
- Manganese and Zinc – 2025E manganese and zinc prices have been realigned to ytd numbers.
- ZAR/USD – Due to a stronger rand vs the USD, we strengthen our ZAR/USD exchange by 2% across the forecast period.

Exhibit 42: Nedbank's commodity price deck

Current vs previous forecast		Units	Ytd	Spot	2024	2025E	2026E	2027E	2028E
METALS									
Aluminium	**Current**	**USD/t**	**2,582**	**2,778**	**2,457**	**2,600**	**2,700**	**2,810**	**2,905**
	Previous	*USD/t*				*2,520*	*2,700*	*2,810*	*2,905*
	Change	*%*				*3%*	*0%*	*0%*	*0%*
Copper	**Current**	**USD/t**	**9,657**	**10,605**	**9,250**	**9,460**	**9,500**	**9,670**	**9,750**
	Previous	*USD/t*				*9,460*	*9,500*	*9,670*	*9,750*
	Change	*%*				*0%*	*0%*	*0%*	*0%*
Iron ore	**Current**	**USD/t**	**96**	**98**	**104**	**96**	**90**	**84**	**86**
	Previous	*USD/t*				*96*	*92*	*84*	*86*
	Change	*%*				*0%*	*-2%*	*0%*	*0%*
Manganese (37%)	**Current**	**USD/t**	**4.87**	**4.91**	**5.15**	**4.85**	**4.49**	**4.51**	**4.60**
	Previous	*USD/t*				*4.67*	*4.49*	*4.51*	*4.60*
	Change	*%*				*4%*	*0%*	*0%*	*0%*
Manganese (44%)	**Current**	**USD/t**	**5.67**	**5.57**	**6.32**	**5.65**	**5.23**	**5.26**	**5.36**
	Previous	*USD/t*				*5.80*	*5.23*	*5.26*	*5.36*
	Change	*%*				*-3%*	*0%*	*0%*	*0%*
Nickel	**Current**	**USD/t**	**15,446**	**15,126**	**17,063**	**15,460**	**15,600**	**16,200**	**16,524**
	Previous	*USD/t*				*15,460*	*15,600*	*16,200*	*16,524*
	Change	*%*				*0%*	*0%*	*0%*	*0%*
Zinc	**Current**	**USD/t**	**2,801**	**2,934**	**2,809**	**2,790**	**2,746**	**2,780**	**2,876**
	Previous	*USD/t*				*2,680*	*2,746*	*2,780*	*2,876*
	Change	*%*				*4%*	*0%*	*0%*	*0%*
PGM basket (USD/oz 3E)	**Current**	**ZAR/oz**	**1,462**	**2,028**	**1,224**	**1,501**	**1,585**	**1,505**	**1,424**
	Previous	*ZAR/oz*				*1,433*	*1,540*	*1,478*	*1,395*
	Change	*%*				*5%*	*3%*	*2%*	*2%*
PGM basket (ZAR/oz 3E)	**Current**	**ZAR/oz**	**26,439**	**35,229**	**22,445**	**27,189**	**28,924**	**28,429**	**28,036**
	Previous	*ZAR/oz*				*25,601*	*28,624*	*28,632*	*27,140*
	Change	*%*				*6%*	*1%*	*-1%*	*3%*
ENERGY									
Newcastle coal	**Current**	**USD/t**	**106**	**103**	**136**	**105**	**104**	**104**	**101**
	Previous	*USD/t*				*105*	*104*	*104*	*101*
	Change	*%*				*0%*	*0%*	*0%*	*0%*
Richards Bay coal	**Current**	**USD/t**	**91**	**82**	**106**	**93**	**90**	**91**	**88**
	Previous	*USD/t*				*93*	*90*	*91*	*88*
	Change	*%*				*0%*	*0%*	*0%*	*0%*
Brent	**Current**	**USD/bbl**	**70**	**61**	**80**	**69**	**64**	**70**	**72**
	Previous	*USD/bbl*				*69*	*70*	*73*	*76*
	Change	*%*				*0%*	*-9%*	*-4%*	*-5%*
Ethane	**Current**	**USc/g**	**25**	**26**	**19**	**25**	**21**	**21**	**22**
	Previous	*Usc/g*				*25*	*21*	*21*	*22*
	Change	*%*				*0%*	*0%*	*0%*	*0%*
CURRENCIES									
Exchange rate	**Current**	**ZAR/USD**	**18.42**	**17.37**	**18.34**	**18.15**	**18.25**	**18.89**	**19.70**
	Previous	*ZAR/USD*				*18.35*	*18.93*	*19.38*	*19.70*
	Change	*%*				*-1%*	*-4%*	*-3%*	*0%*

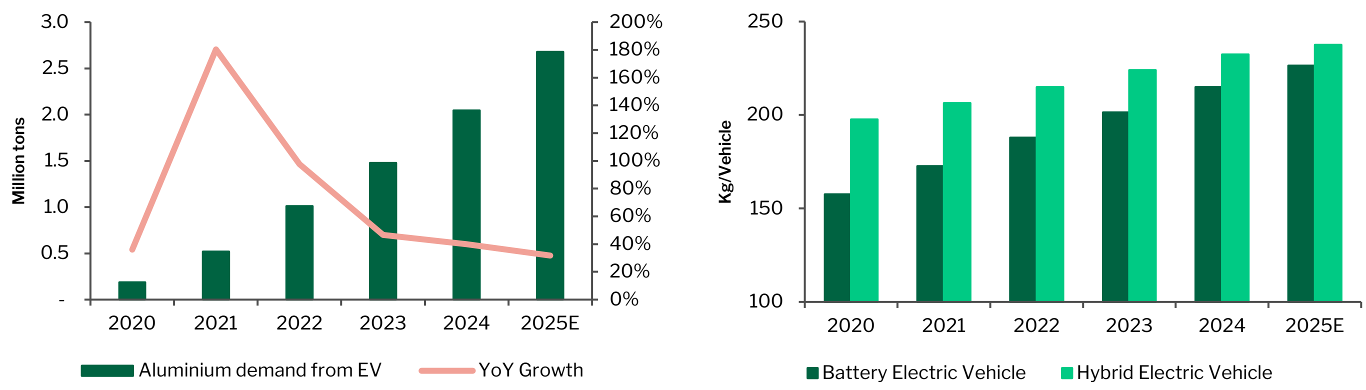
Source: Bloomberg, Nedbank CIB Markets Research

Commodity discussions – Supply disruptions, a weaker USD and rate cuts support prices

Aluminium – Electric vehicle (EV) growth and limited supply to support prices

- Fundamentals remain well-supported amid muted supply growth, even as China's energy transition ambitions keep demand up. China is inching closer to its self-imposed aluminium capacity limit of 45mtpa, initially set in 2017 to curb oversupply and emissions. At the current run rate, the country is set to overshoot this 45mtpa limit in 2025. In the near term, China is likely to produce above the cap until a more permanent solution is found; thus, the cap is unlikely to cause a permanent supply shortage. Further support to prices has come in the form of rate cuts and a persistently weaker USD. Thus, we continue to see supported prices.
- Strong structural demand drivers such as energy transition, especially from China, will support demand in the near and long terms, as shown in Exhibits 43. New energy vehicles (NEVs) and renewable energy capacity installations continue to offset the demand drag from the prolonged slump in China's property sector.

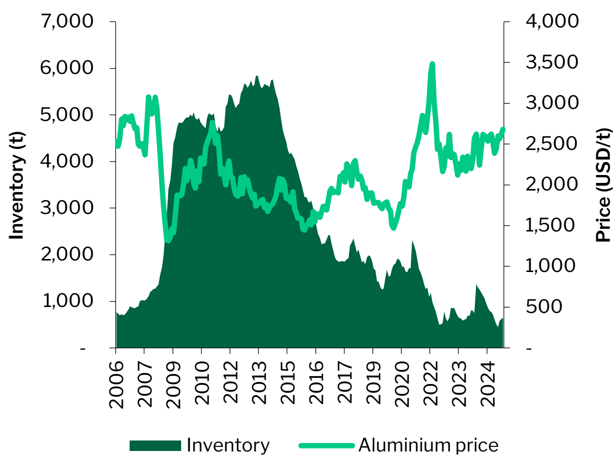
Exhibit 43: China's growing EV demand expected to continue to drive aluminium demand



Source: Bloomberg Intelligence, IAI, SMM, Antaike, Nedbank CIB Markets Research

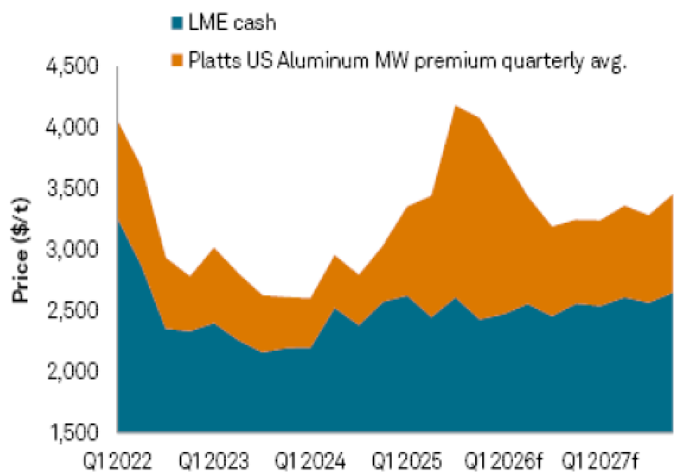
- With inventories remaining at near record lows, it is not surprising that aluminium prices have been supported, see Exhibit 44. Further exacerbating the environment is the 50% US tariff import tax on all aluminium imports, which has resulted in an elevated premium for US Midwest, see Exhibit 45.
- Thus, we see aluminium prices supported for the rest of 2025 and beyond. As such, we forecast aluminium prices will average USD2 600/t, USD2 700/t and USD2 810/t over 2025E, 2026E and 2027E, respectively.

Exhibit 44: Low LME inventories keeping prices elevated



Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 45: US Midwest premium hit record highs on US tariffs

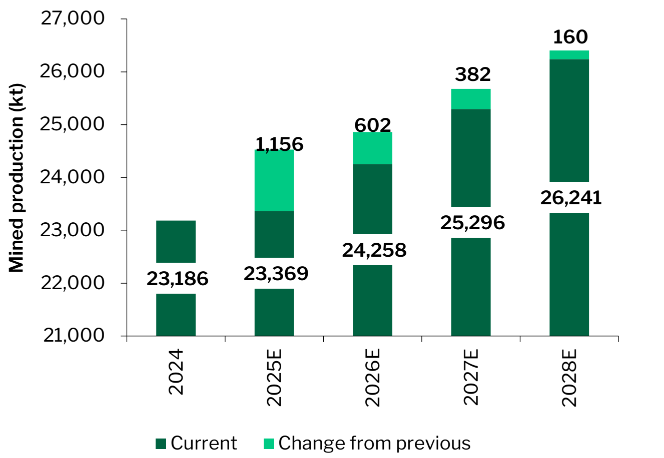


Source: S&P Cap IQ

Copper – Supply disruption, a weak USD and rate cuts support prices

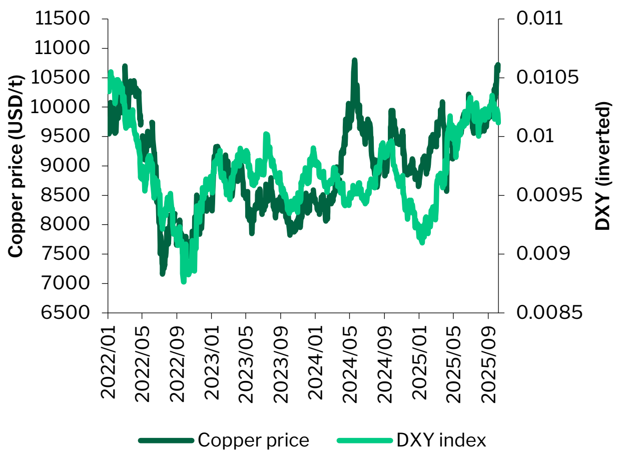
- Copper prices have rallied over 20% ytd, driven by supply disruptions (given the 0,8mt Grasberg mine closure, the latest), which have chewed right through analyst disruption allowance. Furthermore, a weaker USD and a looser monetary environment have aided the rally. This is despite the uncertainty caused by Trump's tariffs. With supply unlikely to flood the market anytime soon and further rate cuts expected in late 2025 and in 2026, copper prices are likely to be supported above USD9 000/t in the near term. Consequently, we set our average prices at 9 460/9 000/9 670 (USD/t), over 2025E/26E/27E, respectively.
- Considering the 0,8mt Grasberg mine shutdown on 8 September 2025, we further curtail our supply by 2% on average between 2025E-28E, respectively, see Exhibit 46. This, combined with the weaker US dollar index (DXY), down almost 10% ytd (Exhibit 47), has supported copper prices in 2025. With that said, near-term fundamentals look supportive copper prices. However, although we are constructive on copper, we caution against extrapolating from current prices. More specifically, we just do not see prices supported above USD11 000/t for an extended period of time.

Exhibit 46: Copper supply disruptions result in lowered mine output



Source: S&P Cap IQ, Nedbank CIB Markets Research

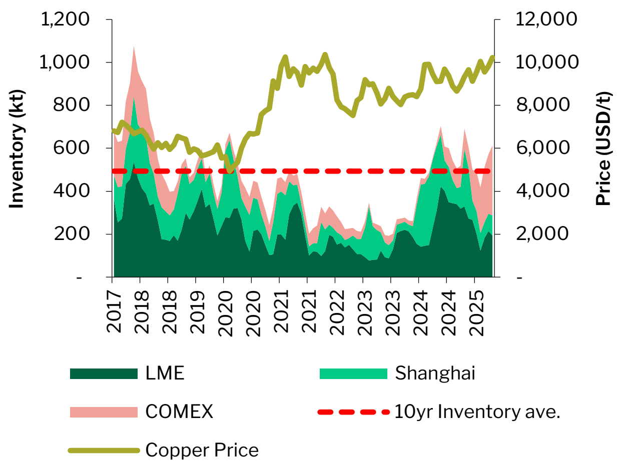
Exhibit 47: Weaker DXY index (USD) aiding to support copper prices



Source: Bloomberg, Nedbank CIB Markets Research

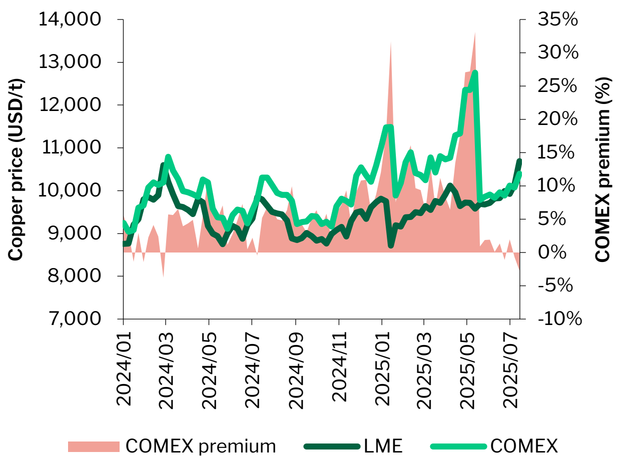
- COMEX inventories have continued to build despite Trump backpaddling on imposing a copper tariff, see Exhibit 48. It appears the markets are not willing to trust what the US president might do next. Given the backpaddling, US copper prices have fallen significantly, with the US premium to LME shrinking from 33% to a discount of 4% now, see Exhibit 49. In the absence of a renewed tariff rhetoric, copper prices should see fewer dislocations and trade more in line with fundamentals.

Exhibit 48: COMEX inventories rise to front-run the tariff impact



Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 49: Back to normal after the Trump-tariff reversal

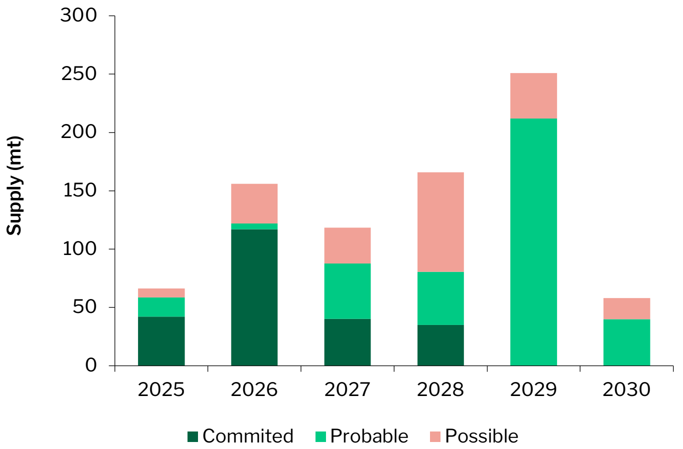


Source: Bloomberg, Nedbank CIB Markets Research

Iron ore – China's stimulus support help keep prices higher than fundamentals suggest

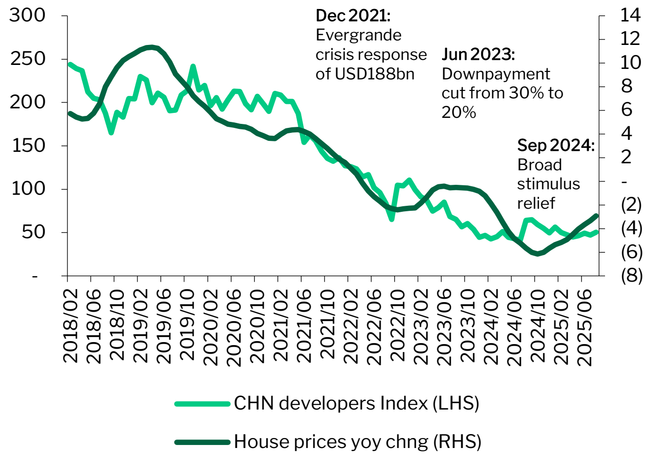
- Iron ore fundamentals have remained weak ytd, consistent with our earlier expectations. Supply continues to expand (see Exhibit 50), while demand, particularly from China, has been subdued due to persistent challenges in the property sector and broader macroeconomic headwinds. On fresh iron ore supply, we remain sceptical about the Simandou project's ability to deliver ore on time and on budget—rarely do green mining projects ever do this. Case in point, project progress was halted on 02 October 2025 after an incident that fatally wounded three workers.
- Although fundamentals could remain weak, China's stimulus support has been supportive of the real estate sector (housing prices and developers' index) and, by implication, iron ore prices, see Exhibit 51. Thus, continued expectations of a China stimulus will continue supporting iron ore prices at levels above where fundamentals might suggest. As such, we see prices averaging USD96/t and USD90/t in 2025E/26E, respectively. That said, downside risks are mounting, and supply is likely to grow in the short to medium term, while China's consumption has likely peaked.

Exhibit 50: Supply growth likely to persist for the rest of this decade



Source: CRU, Company reports, Nedbank CIB Markets Research

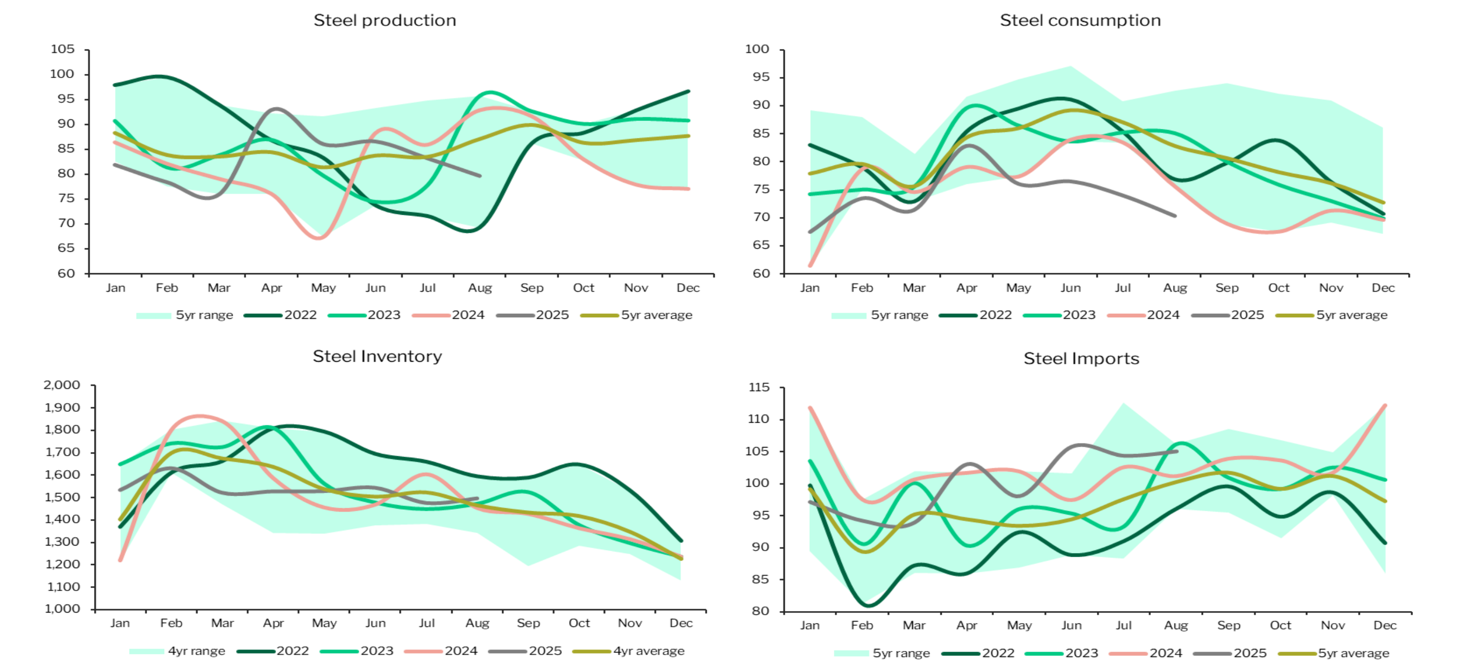
Exhibit 51: Stimulus announcements support China's real estate sector and, in turn, iron ore prices



Source: Bloomberg, Nedbank CIB Markets Research

- China's steel value chain indicators all pointing downward on account of weak China steel fundamentals, Exhibit 52. We do not expect this to change in a meaningful way any time soon. China is reeling from a multi-year property sector downturn that continues to explore new lows.

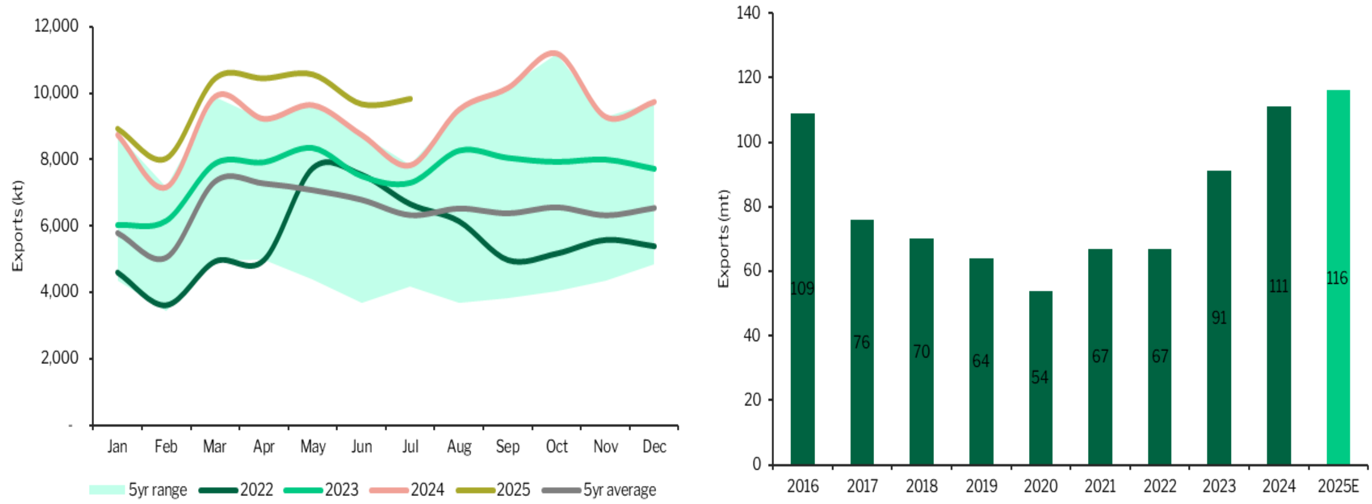
Exhibit 52: China's steel value chain – all trending down as China's construction industry continues to struggle



Source: Bloomberg, NBS, Nedbank CIB Markets Research

- China's steel exports are doing the heavy lifting in supporting the country's iron ore demand, see Exhibit 53. High frequency data suggest China's steel exports are on track to hit another record high of 116mt in 2025, implying a 4,5% growth. This is against the backdrop of protectionist regimes across the globe. Although we do not foresee China continuing to grow exports at current rates, however, the allure of cheap Chinese products is hard to ignore.

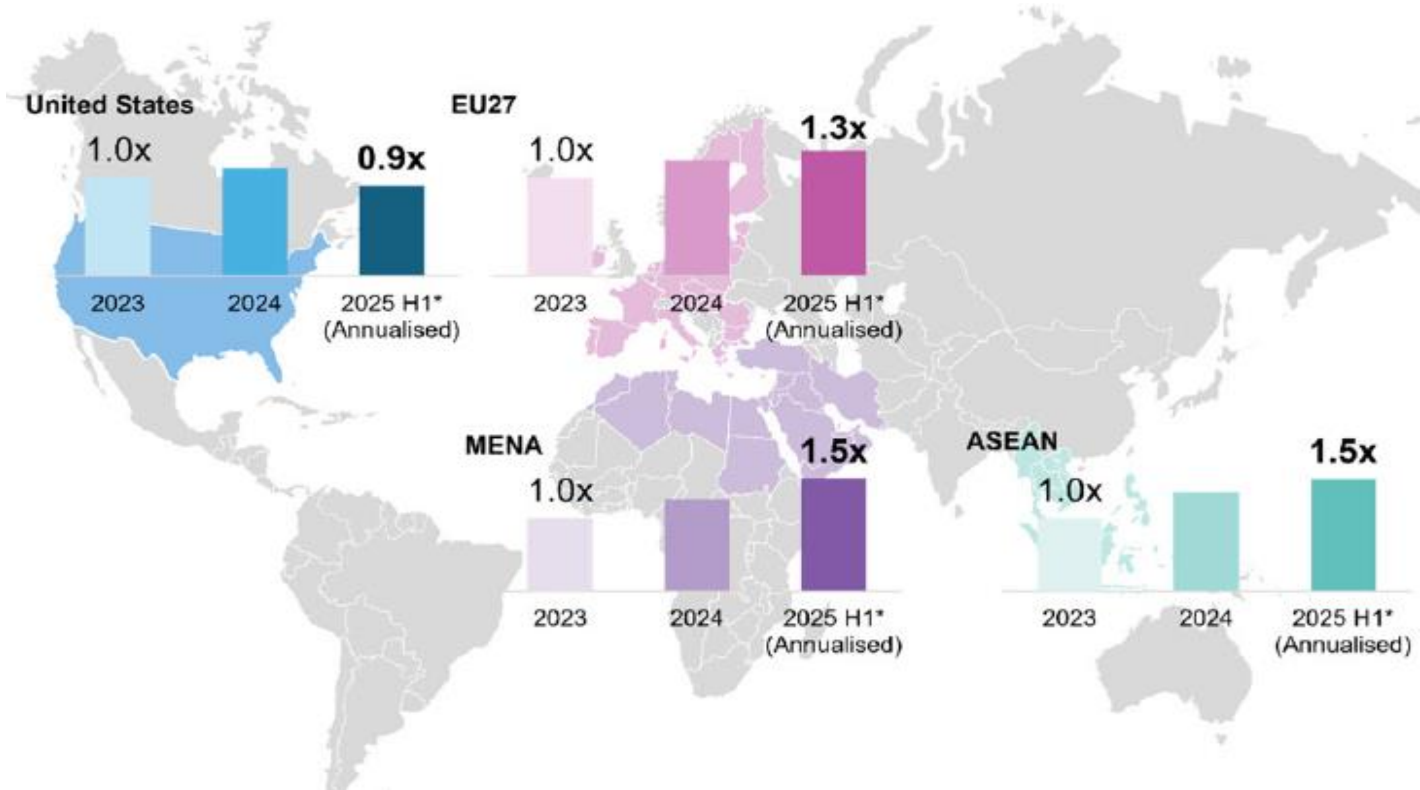
Exhibit 53: China's steel exports – continue to grow despite protectionist regimes and are on track to hit another record high



Source: Bloomberg, NBS, Nedbank CIB Markets Research

- Over and above exporting metal products, China's steel industry has also been supported by the export of steel-containing products (indirect steel exports), as shown in Exhibit 54. In 1H25, China's indirect steel exports were on track to see growth despite Trump's tariffs. The decline in US exports has been more than offset by growth in other regions, particularly Middle East and North Africa (MENA) and the Association of Southeast Asian Nations (ASEAN).

Exhibit 54: China's indirect steel exports – the fall in the US due to tariffs is being offset by other regions, especially MENA and ASEAN

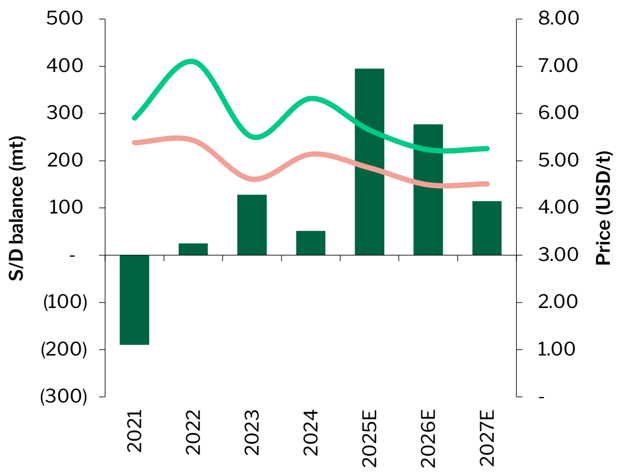


Source: CRU

Manganese – Balanced market resulting in muted price action

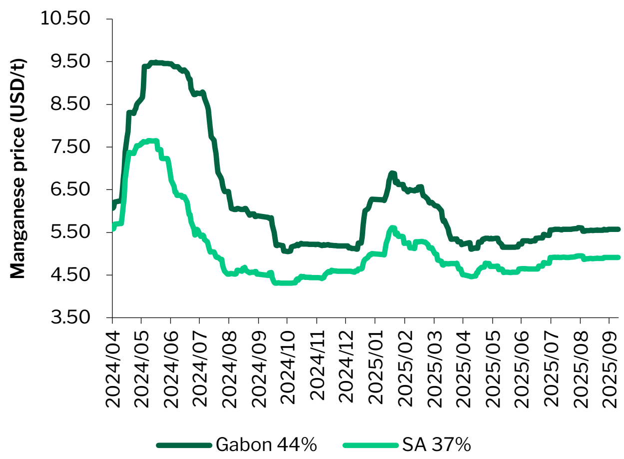
- We marked our 2025E prices to align with ytd numbers and keep our prices further out unchanged. We expect the manganese market to stay well-supplied through the forecast period, with production ramping up from key regions such as Australia, SA and Gabon, eclipsing demand. As such, we see prices remaining muted over the forecast period. In the medium to long term, supply could be constrained by declining grades, leading to open cast mines moving underground, and possibly consolidation in the SA Kalahari Manganese Field. Manganese demand from battery electric vehicles will only have a meaningful contribution beyond this decade.

Exhibit 55: Surpluses likely to persist in the medium term



Source: CRU, Bloomberg, Nedbank CIB Markets Research

Exhibit 56: Manganese prices remain range-bound

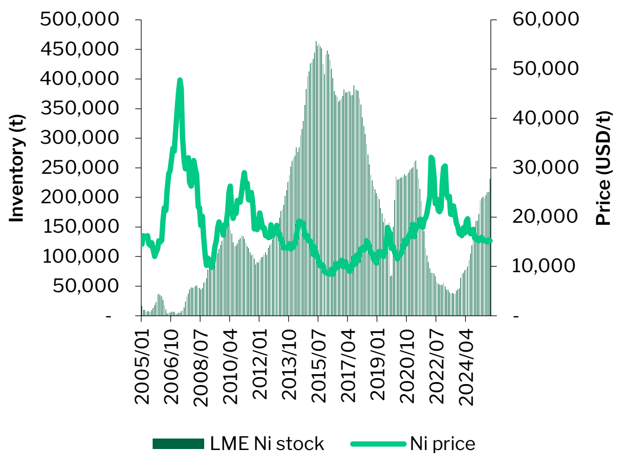


Source: Bloomberg, Nedbank CIB Markets Research

Nickel – Oversupply to persist, keeping prices muted

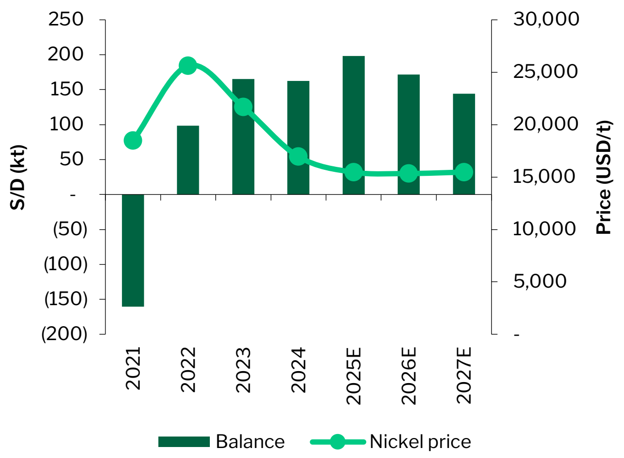
- Nickel prices continue to be under pressure driven by unrelenting supply from Indonesia amid a waning demand environment. Consequently, we have seen LME warehouse stock beginning to build, rising 44% (or 771kt) ytd, see Exhibit 57. Although we have seen capacity closures from listed international miners, this is significantly minute, and more capacity closures are required, especially from Indonesia – but the country operates integrated nickel mines that are low cost. As such, while we keep our 2025E nickel price unchanged at USD15 460, Exhibit 58.

Exhibit 57: Surpluses likely to persist in the medium term



Source: CRU, Bloomberg, Nedbank CIB Markets Research

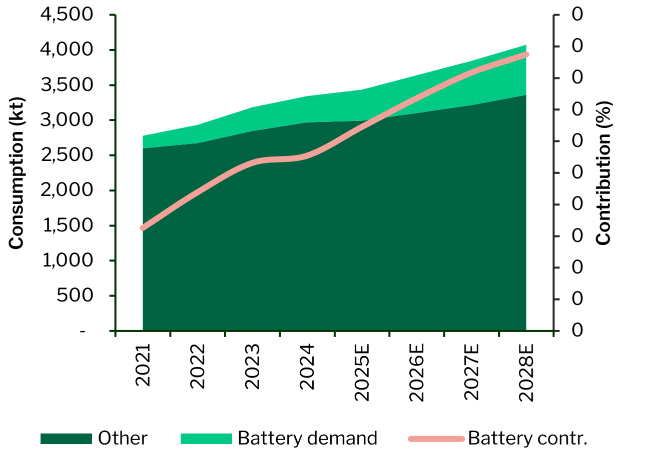
Exhibit 58: Persistent surpluses to keep prices muted



Source: CRU, Nedbank CIB Markets Research

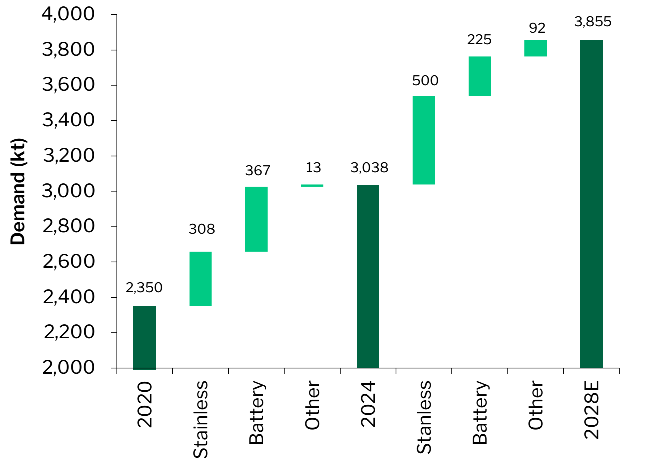
- Although from a low base, nickel battery demand is set to be the largest driver of nickel demand growth over the next couple of years, growing contribution to 17% by 2028 from 7% in 2021. Stainless steel, the largest end user, will continue to grow, albeit at a slower rate, as China's economy slows down in the coming years.

Exhibit 59: Battery contribution to demand set to grow



Source: CRU, S&P Cap IQ, Nedbank CIB Markets Research

Exhibit 60: Battery materials the main driver of nickel demand

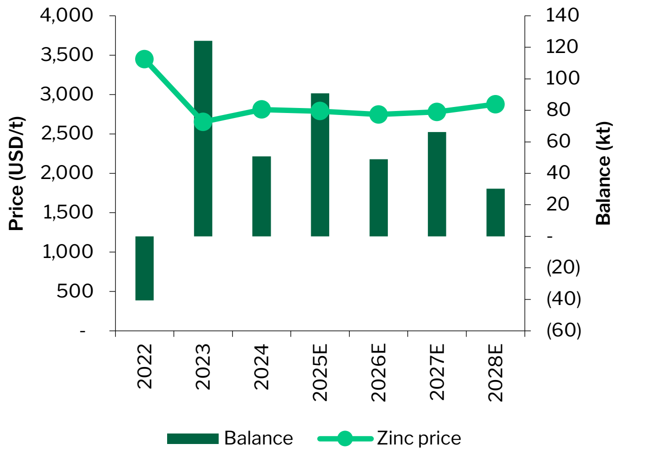


Source: CRU, S&P Cap IQ, Nedbank CIB Markets Research

Zinc – Declining inventory stocks and rate cuts mask a looming lower price threat

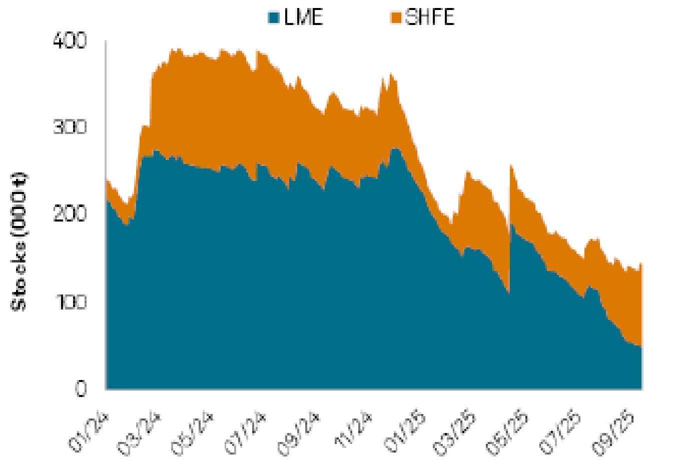
- Our 2025E zinc price was upgraded 4% to USD2 790/t driven by higher ytd average as zinc prices were supported by shrinking inventories and a weaker USD. Medium term, we firmly believe zinc markets are likely to be well supplied for the next couple of years, see Exhibit 61. As such, we see prices range-bound, averaging between USD2 746/t to USD2 876/t over 2026E-28E. Longer term, beyond 2028E, we see prices supported reducing surpluses. Major zinc discoveries have been sparse in recent history, with South32's Taylor zinc project being the only meaningful discovery in the past decade. Furthermore, zinc resource grades have been falling, likely to put further strain on future supply. As such, we are constructive on the zinc market longer term on the back of looming supply challenges.
- The steady decline in LME zinc stocks (Exhibit 62), likely reflecting a redirection of inventories to the US, combined with a weaker USD, has masked weaker fundamentals, leading to more supported prices than would otherwise be expected. On the other hand, due to weaker construction in China, the SHFE has been building stocks and is likely to continue to do so.

Exhibit 61: Surpluses to reduce over time, supporting prices



Source: S&P Cap IQ, Bloomberg, Nedbank CIB Markets Research

Exhibit 62: Inventory stock drawdowns continue, especially on LME

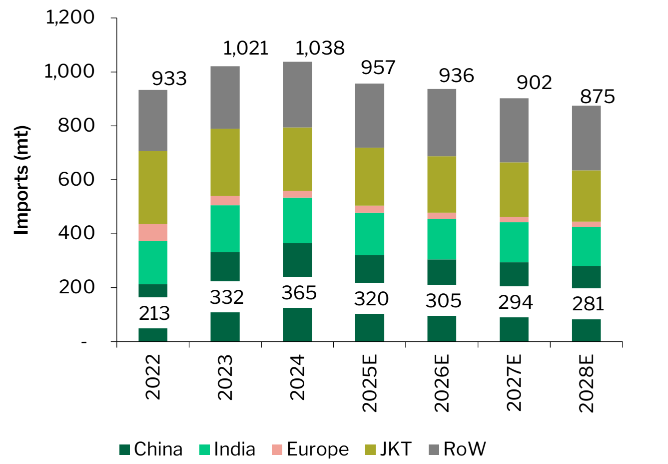


Source: S&P Cap IQ

Thermal coal – Well-supplied markets putting pressure on prices near term

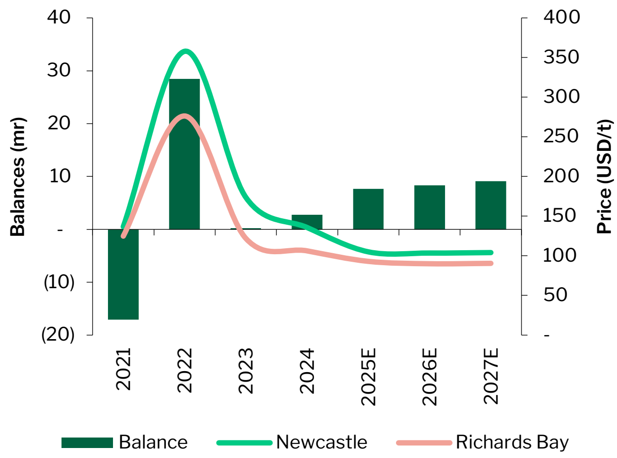
- Although the over-production control measures introduced in July 2025 in China have helped support thermal coal seaborne imports, this is unlikely to fully reverse the damage already done in 1H25. Thus, we still expect China's seaborne demand to decline to 320mt in 2025, taking the total seaborne market lower with it to below 1bn metric tonnes, see Exhibit 63. Overall, we expect the seaborne thermal coal market to decline to 800mt by 2030. The reducing demand amid the energy transition will likely be matched by supply over the forecast period, as shown in Exhibit 64. Consequently, we see prices averaging between USD88/t and USD104/t for Richards Bay and Newcastle over 2026E-28E. That said, our prices have been left unchanged across the board.

Exhibit 63: Seaborne imports peaked in 2024



Source: CRU, Nedbank CIB Markets Research
JKT = Japan, Korea and Taiwan

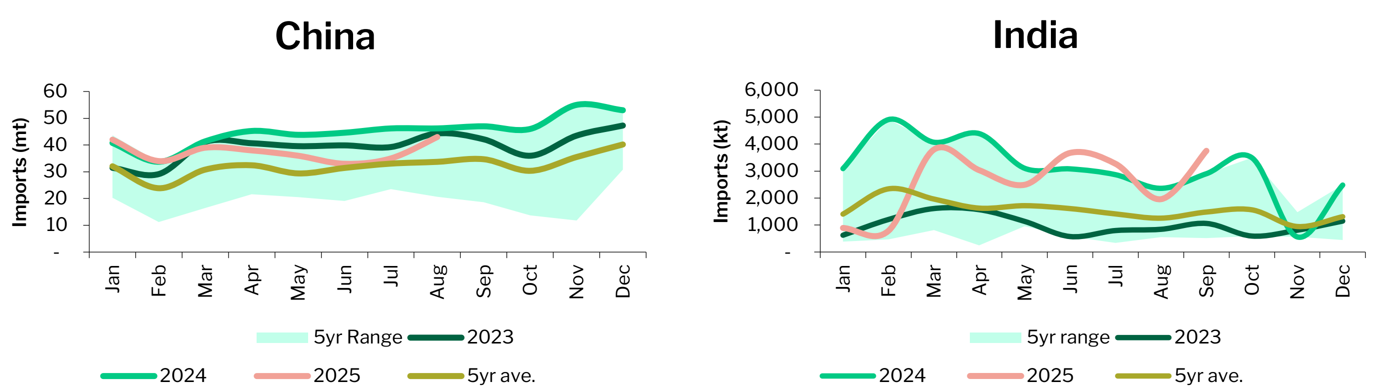
Exhibit 64: Surpluses to reduce over time, supporting prices



Source: CRU, Bloomberg, Nedbank CIB Markets Research

- On the back of over-production controls set in China in July and India in the post-monsoon season, coal imports have been supported in both countries in August and September, respectively. China's thermal coal imports have rebounded 30% from the lows (33mt) set in June to 43mt at the end of August, see Exhibit 65. Indian imports also rebounded strongly, up 92% to 3,8mt at the end of September, from 2mt in August. As a result, we have seen support for thermal coal prices move higher. However, apart from a colder-than-expected winter in the Northern Hemisphere, we see no reasons for thermal coal prices to move higher than USD95/t and USD115/t for Richards Bay and Newcastle, respectively.

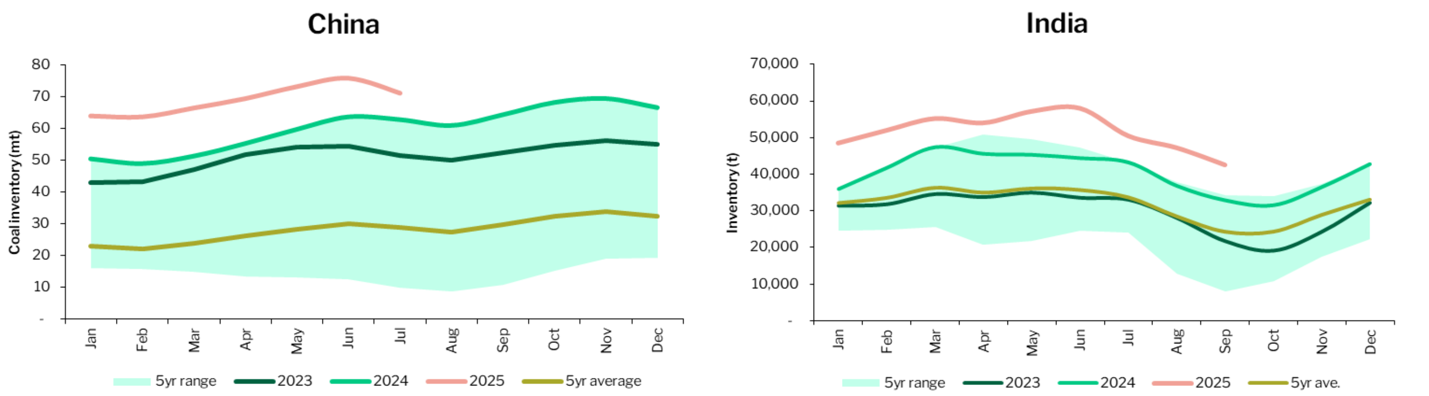
Exhibit 65: China and India imports – improving imports could support prices into the Northern Hemisphere winter



Source: Bloomberg, NBS, Global Port Ltd, Nedbank CIB Markets Research

- China and India's coal inventory stocks remain elevated, driven by a combination of high domestic production and imports, as illustrated in Exhibit 66. Such inventory levels are not helping weak sentiment either.

Exhibit 66: China and India inventory – coal stocks tracking above the five-year average

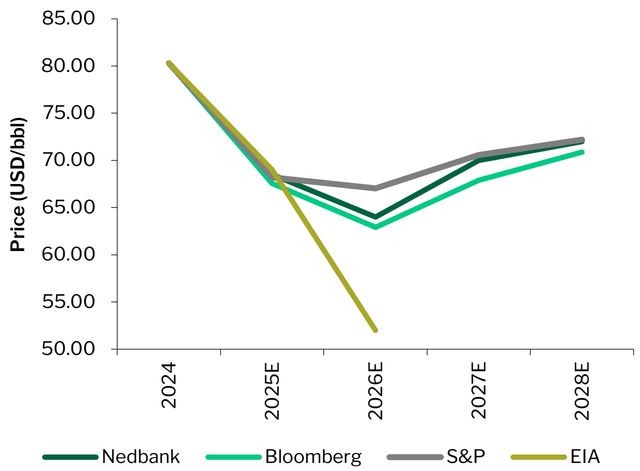


Source: Bloomberg, NBS, Nedbank CIB Markets Research

Brent – Hard to find bulls, we are constructive oil

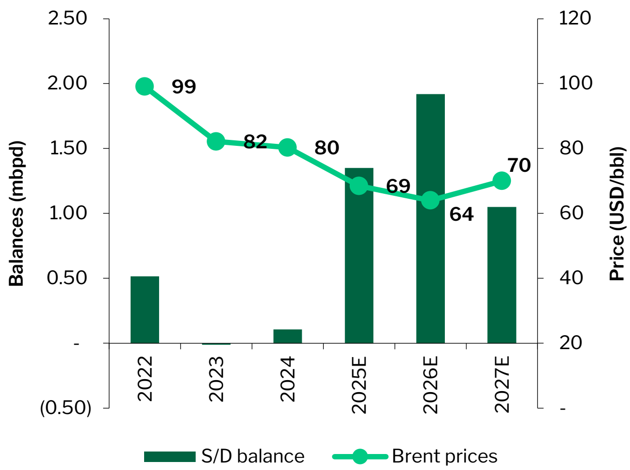
- At this juncture, it is hard to find many bulls in the oil market, although we agree with some aspects of the sentiment, especially around global demand weakness. For us, the question is not so much about the strength of demand – as important as that is – but more about whether supply is able to match demand. Many seem to think OPEC+ is dead set on supplying barrels to the market despite the level of demand. OPEC and the expanded cartel (OPEC+) have seen again and again how important cooperation is versus disintegration – no one is a winner during times of disintegration; 2015 and 2020 are cases in point. Thus, were prices to move sharply down, which seems likely, we would expect OPEC+ and other producers to eventually act to rebalance the market.
- Consequently, we set our prices at USD70/bbl, USD64/bbl and USD68/bbl over 2025E, 2026E and 2027E, respectively. Although we kept our 2025E price unchanged, prices for 2026E and 2027E have been revised down 8% and 7%, respectively, on account of much looser supply/demand balances (+1,8mbpd and 1,4mbpd, respectively), see Exhibit 68. Although dissipating, geopolitical discourses will continue to drive price in the short term.

Exhibit 67: Oil price forecasts from different houses



Source: Bloomberg, S&P, EIA, OPEC, Nedbank CIB Markets Research

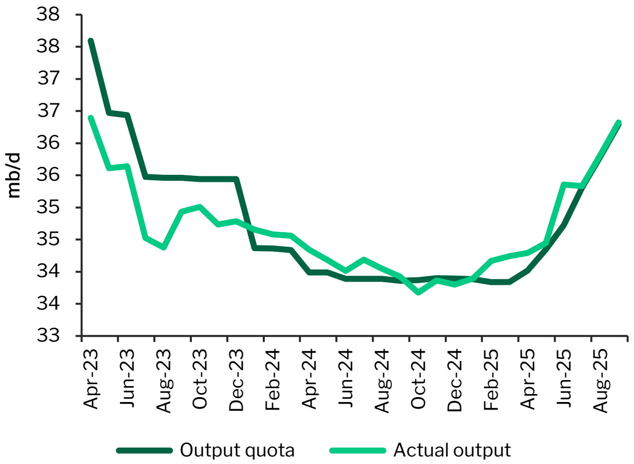
Exhibit 68: Building balances to suppress prices



Source: OPEC, EIA, BNEF, Nedbank CIB Markets Research

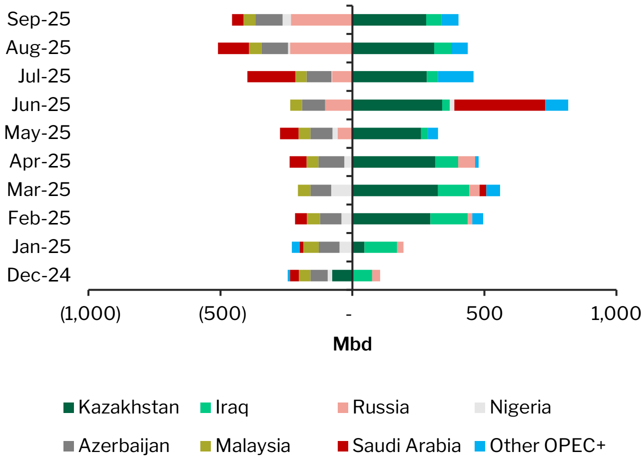
- After producing above-target quota since the beginning of 2025, OPEC+'s actual production has started to converge to its target quota level, see Exhibit 69. This convergence, coupled with the latest production hike of 137kbpd for October, confirms our long-held assumption that OPEC+ will not simply ignore market dynamics and continue to overproduce. Furthermore, as seen from the inability to meet the target quota, OPEC+'s supply increase from here seems limited, but their ability to stomach lower oil prices is not unlimited.

Exhibit 69: OPEC+ discipline back in play…



Source: S&P Alt-view, BNEF, Nedbank CIB Markets Research

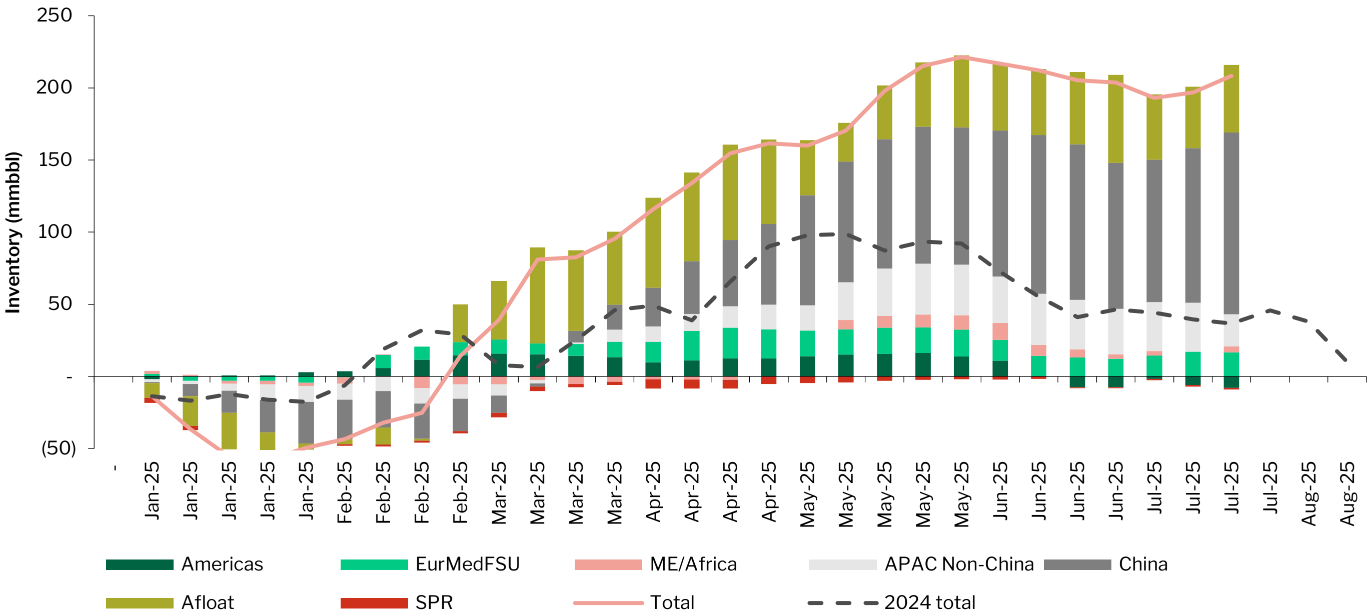
Exhibit 70: Kazakhstan continues to overproduction



Source: BNEF, Nedbank CIB Markets Research

- Inventory builds during 2025 has supported oil prices, see Exhibit 71. China, in particular, has been building stockpiles, taking advantage of the discounted oil supply in Russia. China's Strategic Petroleum Reserves (SPR) were sitting at 531mmbbl in 1Q25, and the country is said to be looking to expand this by another 60mmbbl by 1Q26.[1] Although this accumulation of stocks has supported prices in 2025, it does leave the 2026E year vulnerable as it is unlikely to repeat at the same scale.

Exhibit 71: Afloat storage, APAC and China continue to build inventories



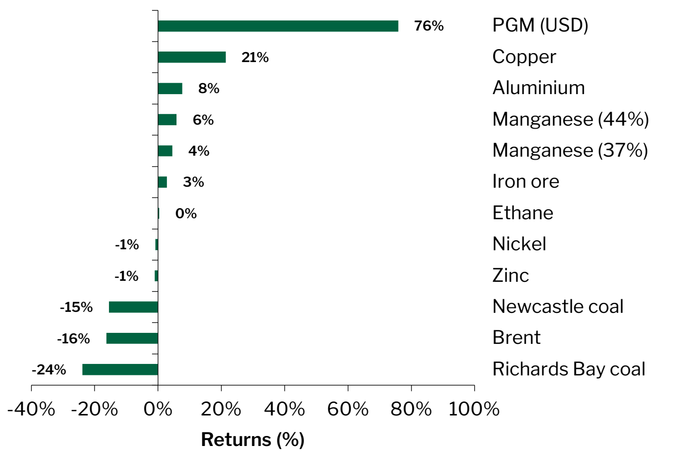
Source: S&P Alt-view, Nedbank CIB Markets Research

[1] China's Strategic Crude Oil Stockpiling and Geopolitical Implications for Energy Markets

Commodities in charts

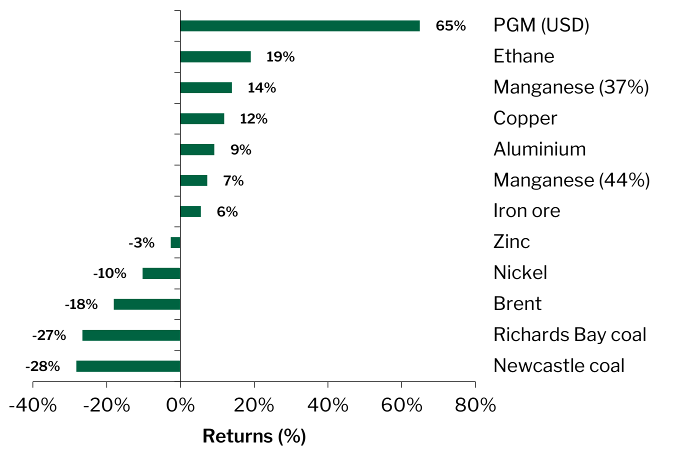
Below, we look at the performance of commodity prices in 1H25 (Exhibits 72 and 78). Overall, commodity price performance has been mixed. However, the performance has been broadly in line with our views, base metals and PGMs have performed better than bulk commodities and energy. PGM basket (USD/oz), copper and aluminium were up 76%, 21% and 8% ytd, respectively, while thermal coal (average RCB and NWC) and Brent oil were down 20% and 16%, respectively, over the same period.

Exhibit 72: Price performance, ytd



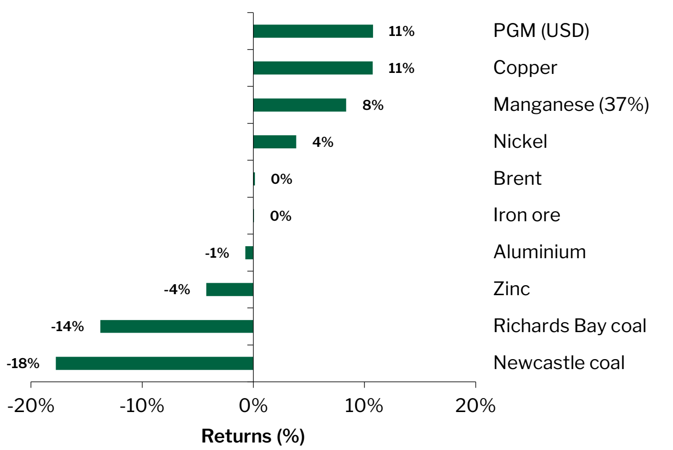
Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 73: One-year price performance



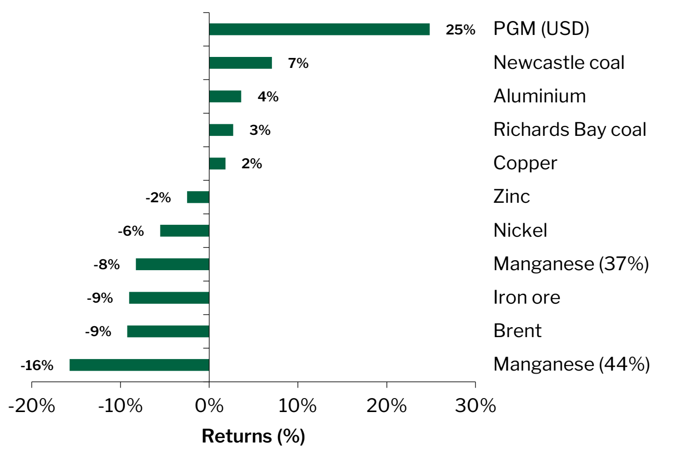
Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 74: 1Q25 price performance



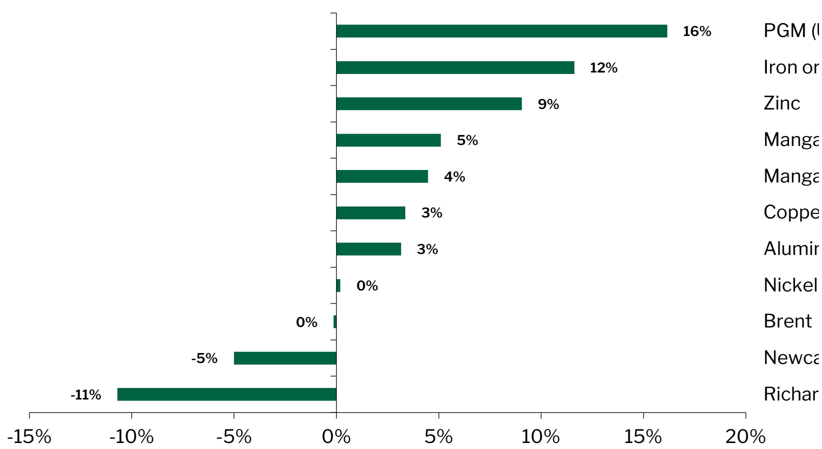
Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 75: 2Q25 price performance



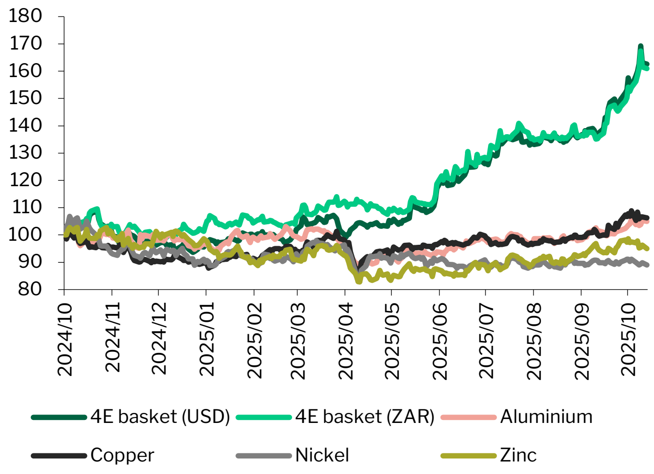
Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 76: 3Q25 price performance



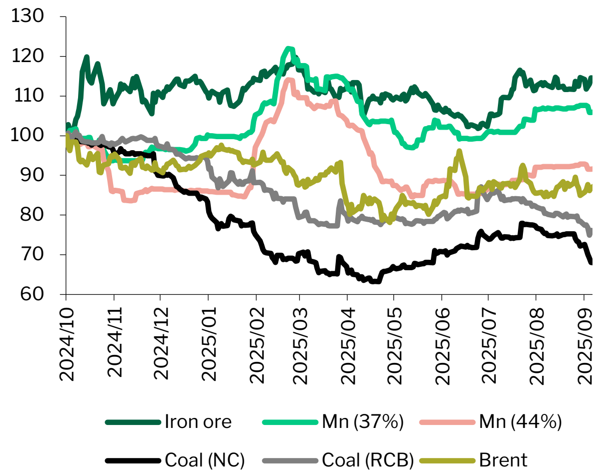
Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 77: Indexed price performance; base metals and PGMs



Source: Bloomberg, Nedbank CIB Markets Research

Exhibit 78: Indexed price performance; bulks and energy



Source: Bloomberg, Nedbank CIB Markets Research

Disclaimers

Please click here to view our Nedbank CIB Research disclaimer

Recommendation structure

We use a relative rating system using terms such as Overweight, Neutral, and Underweight.
Overweight: Over the next 12 months this stock's total return is expected to outperform the average total return of the stocks in the analyst's coverage universe
Neutral: Over the next 12 months this stock's total return is expected to perform in line with the average total return of the stocks in the analyst's coverage universe
Underweight: Over the next 12 months this stock's total return is expected to underperform the average total return of the stocks in the analyst's coverage universe
Not rated: We do not maintain an investment recommendation on this stock.
Restricted: We are restricted from rating this stock due to a potential conflict of interest, or for legal/policy/regulatory issues.
Target Price: The Target Price is the level the stock should currently trade at if the market were to accept the analyst's view of the stock and if the necessary catalysts were in place to effect this change in perception within the performance horizon. In this way, therefore, the target price abstracts from the need to take a view on the market or sector. If it is felt that the catalysts are not fully in place to effect a re-rating of the stock to its warranted target price, the fair value may be interpreted as a target price to be attained at some point in the future, namely in 12 to 18 months' time, unless a different time frame is specified.

Valuation and target price

African Rainbow Minerals (ARM): (RIC: ARI SJ, Rec: Overweight, CP: R196, TP: R200)
Exxaro Resources: (RIC: EXX SJ, Rec: Overweight, CP: R175, TP: R216)
Kumba Iron Ore: (RIC: KIO SJ, Rec: Overweight, CP: R317, TP: R377)
South32: (RIC: S32 SJ, Rec: Overweight, CP: R30, TP: R40)
Thungela Resources: (RIC: TGA SJ, Rec: Neutral, CP: R84, TP: R92)
Sasol Ltd: (RIC: TGA SJ, Rec: Overweight, CP: R103, TP: R130)
Ivanhoe Mines : (RIC: IVN SJ, Rec: Overweight, CP: R16, TP: R16)

Disclosures

Subject Company	Relevant disclosure(s) if any
African Rainbow Minerals	F , G , H , K
Exxaro Resources	F , G , H , K
Kumba Iron Ore	F , H , K
South32	F , K
Thungela Resources	F , H , K
Sasol Ltd	F , G , H , K
Ivanhoe Mines	H , K

A - Nedbank holds 1% or more of the total issued share capital of the subject company
B - Nedbank holds 5% or more of the total issued share capital of the subject company
C - The subject company holds 1% or more of the total issued share capital of Nedbank.
D - The analyst of this report (or a connected person) has a holding, is a director or officer, and/or has a direct or indirect financial interest in the subject company.
E - The analyst of this report (or a connected person) has traded in the securities of the subject company in the last 30 days.
F - Nedbank has a transactional banking relationship with the subject company
G - Nedbank earned investment banking fees from the subject company in the last 12 months
H - Nedbank has an investment banking relationship with the subject company
I - Nedbank has managed or co-managed a primary share issue for the subject company in the past 12 months
J - Nedbank has managed or co-managed a secondary share issue for the subject company in the past 12 months
K - Nedbank may conduct investment banking business with the subject company in the next 6 months
L - Nedbank /Analyst has a conflict of interest

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Recommendation history

African Rainbow Minerals

Report date	Report name	Analyst	Recommendation	Target price
05 09 2025	African Rainbow Minerals Ltd: FY25 results – mixed numbers, and Bokoni continues to disappoint	Thobela Bixa	Overweight	R191.61
23 07 2025	Metals and Mining: 2H25 diversified mining outlook – Defying gravity (= tariffs)	Thobela Bixa	Overweight	R191.00
24 06 2025	Local market outlook - Third quarter 2025: Local asset expected returns holding up well	Thobela Bixa	Neutral	R20.00

Exxaro Resources

Report date	Report name	Analyst	Recommendation	Target price
21 08 2025	Exxaro Resources Limited: 1H25 results – stronger numbers that beat expectation	Thobela Bixa	Overweight	R196.05
23 07 2025	Metals and Mining: 2H25 diversified mining outlook – Defying gravity (= tariffs)	Thobela Bixa	Overweight	R196
30 06 2025	Exxaro Resources Limited: 1H25 pre-close – mixed operationally but R20bn net cash will support shareholder returns	Thobela Bixa	Overweight	R203

Kumba Iron Ore

Report date	Report name	Analyst	Recommendation	Target price
21 08 2025	Exxaro Resources Limited: 1H25 results – stronger numbers that beat expectation	Thobela Bixa	Overweight	R196.05
23 07 2025	Metals and Mining: 2H25 diversified mining outlook – Defying gravity (= tariffs)	Thobela Bixa	Overweight	R196
30 06 2025	Exxaro Resources Limited: 1H25 pre-close – mixed operationally but R20bn net cash will support shareholder returns	Thobela Bixa	Overweight	R203

South32

Report date	Report name	Analyst	Recommendation	Target price
04 09 2025	Erratum: Sasol Ltd: Sasol is Buzzing… “to infinity and beyond!”	Thobela Bixa	Overweight	R45.00
28 08 2025	South32: FY25 Results – mixed numbers but company returns to net cash position	Thobela Bixa	Overweight	R45.00
23 07 2025	Metals and Mining: 2H25 diversified mining outlook – Defying gravity (= tariffs)	Thobela Bixa	Overweight	R45.00

Thungela Resources

Report date	Report name	Analyst	Recommendation	Target price
18 08 2025	Thungela Resources Ltd: 1H25 results – weak across the board	Thobela Bixa	Neutral	R107.81
23 07 2025	Metals and Mining: 2H25 diversified mining outlook – Defying gravity (= tariffs)	Thobela Bixa	Neutral	R108.00
26 06 2025	Thungela Resources Ltd: 1H25 pre-close statement – weak operational numbers balanced by strong net cash	Thobela Bixa	Overweight	R122.00

Sasol Ltd

Report date	Report name	Analyst	Recommendation	Target price
25 08 2025	Sasol Ltd: FY25 results – Strong beat, self-help story playing out	Thobela Bixa	Overweight	R135.00
23 07 2025	Metals and Mining: 2H25 diversified mining outlook – Defying gravity (= tariffs)	Thobela Bixa	Overweight	R135.00
24 06 2025	Local market outlook - Third quarter 2025: Local asset expected returns holding up well	Thobela Bixa	Overweight	R130.00

Ivanhoe Mines

Report date	Report name	Analyst	Recommendation	Target price
23 07 2025	Metals and Mining: 2H25 diversified mining outlook – Defying gravity (= tariffs)	Thobela Bixa	Overweight	C$16
10 07 2025	Ivanhoe Mines: Transfer of coverage – retain Overweight despite near-term operational challenges	ThobelaBixa	Overweight	C$16.19

** Validity time period of the target price or of the recommendation: 12-18 months*

Rating distribution (as at 30 September 2025)

Recommendation	Count	% of NCIB total stocks covered
Overweight	28	60%
Neutral	15	32%
Underweight	3	6%
No rating	1	2%
Total	47	100%