

Efficient Group

Red Week for JSE

28 July 2008

The JSE remained under pressure on Friday and the All share index dropped 1.6% to close the day below the 27,000 level on 26,996 points. For the week the market lost 2.2%. All the major sectors closed in the red on Friday, with financials (-2.2%) and industrials (-1.8%) leading the downside. Banks lost 2% on Friday, after the recent strong run in this sector, but the sector still added 2.7% for the week. Heavyweight miners Anglo American (-1.2%) and BHP Billiton (-1.7%) both lost ground, while Anglo platinum (1.0%) managed to edge higher on the back of a firmer platinum price. For the week resources lost 3.8%, with gold and platinum miners down 8.6% and 2.1% respectively. After losing some ground on Friday, the rand recovered over the weekend and gained 1% versus both the dollar and the pound and also dropped back below the R12.00 against the euro to trade on R/€11.91 earlier. Commodity price are mixed, with the price of gold dropping slightly to \$930 per ounce (-0.3%), while platinum's price is 1% firmer on 1758 per ounce. The price of oil is down to \$124 per barrel supported by the dollar which remains around the \$/€1.57 compared to \$/€1.59 at the beginning of last week. US markets closed higher on Friday as US durable manufactured goods orders rose by 0.8% in June (strongest in four months) and US new homes sales dropped by a smaller than expected 0.6%. European markets were less optimistic and the FTSE lost 0.2% as a drop in banking and insurance stocks dragged the market lower. Britain's second quarter GDP data indicated an annualised growth rate of 1.6%, down from 2.3% in the first quarter. The DAX was down 0.1%, while the CAC 40 in Paris managed to close 0.6% higher. The Nikkei (0.1%) was trading slightly higher earlier, but the Australian market was down 0.9%, after this market fell 3% on Friday as banks came under severe selling pressure. Important data are scheduled to be release this week including the US second quarter GDP (Thursday) and July employment (Friday) data. On the local front the June CPI and private credit extension data are scheduled for Wednesday, while the PPI and trade data should be released on Friday.

Local Markets				Exchange Rate			
	Index	Points	%			Points	%
All Share	26996	-434	-1.58	R/\$	7.59	-0.08	-1.00
Top 40	25099	-443	-1.73	R/€	11.91	-0.11	-0.88
Indi 25	18901	-357	-1.85	R/£	15.07	-0.15	-1.01
Fini 15	6855	-155	-2.21	\$/€	1.57	0.00	0.11
Mid Cap	27185	-128	-0.47	\$/¥	107.86	0.45	0.42
Small Cap	25610	-91	-0.35	Interest Rates			
Financials	17896	-361	-1.98	REPO	12.00	0.00	0.00
Resources	56754	-796	-1.38	Prime	15.50	0.00	0.00
Gold	2169	-4	-0.18	R 153	10.64	-0.01	-0.05
Platinum	93	-1	-0.93	R 157	9.66	-0.03	-0.31
Construction	71	-1	-0.78	Commodities			
Banks	30561	-610	-1.96	Gold \$	930.20	-3.30	-0.35
Retail	21749	-164	-0.75	Platinum \$	1758.00	17.50	1.01
IT	12973	-41	-0.32	Oil \$	124.79	-2.18	-1.72

International Markets							
	Index	Point	%		Index	Point	%
Nikkei 225	13354	16	0.12	CAC 40	4377	29	0.67
Australia	4985	-48	-0.94	Dow Jones	11371	21	0.19
FTSE 100	5353	-10	-0.18	Nasdaq	2311	30	1.33
DAX	6437	-4	-0.06	S&P 500	1258	5	0.42

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