

## Efficient Research

# Red Day (also) for Resources

4 July 2008

The JSE All share was (again) dipped in red yesterday, closing 3.11% lower (28 392). An array of bad news was doing the rounds in the market, including U.S. markets being in bear territory, record oil prices, declines in consumer confidence worldwide and tighter monetary environments. The big drop in Resources (-4.22%) was due to BHP Billiton decreasing 4.2% (R264.28) and Anglo American declining 3.6% (R498). The Platinum mining index tumbled 6.78% with Impala Platinum falling 9.6% (R268.50) and Anglo Platinum off 2.9% (R1255). The Gold mining index shed nearly 3.0%. Gold miners all closed lower; Gold Fields -4.1% (R94), AngloGold Ashanti - 2.9% (R260) and Harmony - 1.4% (R94). Even in the midst of record oil prices, Sasol came under selling pressure and was 3.4% (R431) lower at close. Industrials decreased 1.61%. SABMiller dropped 3.3% (R169.58). Financials retreated 1.83% and Banks gave up 2.23%. Standard Bank was 3.6% lower whilst both Nedbank (R88.80) and First Rand (R13.04) was 0.8% softer each.

The gold and platinum price was quoted slightly softer earlier at \$935.80/oz and \$2034/oz. The oil price was \$3.06 dollar per barrel more expensive earlier, quoted at a record of \$146.16! The ECB – after hiking by 25 basis points - announced the possible delay of further rate hikes, which supported the rand and the local currency strengthened against its major counterparts. The R153 government bond gained 14 points yesterday (11.65%), following the stronger rand.

On the New York Stock Exchange, more than five stocks retreated for every three that rose yesterday, according to Bloomberg and the main markets closed mixed. European markets were not expecting the ECB's plans to hold-off any further monetary tightening for the near future. This helped financial and banking stocks whilst pharmaceutical shares also ended firmer. Japanese stocks were in the red earlier, still hampered by concerns surrounding record oil prices and its effect on both corporate earnings and consumer spending. The Australian market was trading firmer earlier.

| Local Markets |       |        |       | Exchange Rate  |         |        |       |
|---------------|-------|--------|-------|----------------|---------|--------|-------|
|               | Index | Points | %     |                |         | Points | %     |
| All Share     | 28392 | -912   | -3.11 | R/\$           | 7.73    | -0.11  | -1.37 |
| Top 40        | 26731 | -870   | -3.15 | R/€            | 12.16   | -0.29  | -2.31 |
| Indi 25       | 18336 | -300   | -1.61 | R/£            | 15.35   | -0.28  | -1.81 |
| Fini 15       | 6030  | -119   | -1.93 | \$/€           | 1.57    | -0.02  | -1.23 |
| Mid Cap       | 25725 | -734   | -2.77 | \$/¥           | 106.79  | 0.94   | 0.89  |
| Small Cap     | 25086 | -699   | -2.71 | Interest Rates |         |        |       |
| Financials    | 15828 | -295   | -1.83 | REPO           | 12.00   | 0.00   | 0.00  |
| Resources     | 66631 | -2933  | -4.22 | Prime          | 15.50   | 0.00   | 0.00  |
| Gold          | 2313  | -71    | -2.96 | R 153          | 11.65   | -0.14  | -1.15 |
| Platinum      | 116   | -8     | -6.78 | R 157          | 10.61   | -0.15  | -1.39 |
| Construction  | 67    | -2     | -3.28 | Commodities    |         |        |       |
| Banks         | 25670 | -586   | -2.23 | Gold \$        | 935.80  | -7.15  | -0.76 |
| Retail        | 18317 | -559   | -2.96 | Platinum \$    | 2034.00 | -36.50 | -1.76 |
| IT            | 12219 | -285   | -2.28 | Oil \$         | 146.16  | 3.06   | 2.14  |

| International Markets |       |       |       |           |       |       |       |
|-----------------------|-------|-------|-------|-----------|-------|-------|-------|
|                       | Index | Point | %     |           | Index | Point | %     |
| Nikkei 225            | 13231 | -34   | -0.26 | CAC 40    | 4397  | 53    | 1.23  |
| Australia             | 5157  | 63    | 1.24  | Dow Jones | 11289 | 73    | 0.65  |
| FTSE 100              | 5477  | 50    | 0.93  | Nasdaq    | 2245  | -6    | -0.27 |
| DAX                   | 6354  | 48    | 0.77  | S&P 500   | 1263  | 1     | 0.11  |

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