

Efficient Research

JSE All Green

29 August 2008

The JSE All share gained a firm 2.19% (28 028) yesterday, as all the main indices closed in the green. The local bourse ignored the stellar Producer Price Inflation figure for July (18.9% y:y) and interest rate sensitive indices advanced. Financials ended 3.05% stronger with Banks increasing 3.8%. Amongst the big four, Standard Bank (R92) and First Rand (R16.74) gained 4.5% and 4.0% respectively each. Retailers closed 3.1% up. Pick & Pay added 2.2% (R29.60), Mr. Price jumped 5.7% (R22.72) and Woollies gathered 3.4% (R12.30). Firmer commodity prices lead Resources higher (+1.03%) with BHP Billiton up 0.9% (R245.65) and Anglo American adding 0.5% (R414.99). The Gold mining index advanced 2.0%. AngloGold Ashanti ended 1.8% (R213.50) higher and Harmony was up 3.4% (R68.95) at close. Platinum miner Anglo Platinum rallied 4.3% (R980) though Impala Platinum retreated 0.4% (R224) even though the miner reported a 57.0% increase in headline earnings per share for the year. Industrials strengthened 3.41% with PPC surging 8.7% (R33.90) after the cement maker announced a sale of 15.0% to black investors and that the sale will have a minimum diluting effect on existing shareholders.

The gold price firmed (\$835.85/oz) as the U.S. dollar gave up some strength. The Platinum price was also higher earlier at \$1469.00/oz. The oil price was \$1.72 per barrel less expensive at \$115.48 this morning. The rand strengthened against the major currencies yesterday as expectations of no further hikes in the interest rate grew. The bond market traded range bound with the R153 inching 1 point lower (9.72%) and the R157 unchanged (9.12%).

Wall Street ended firmly in the green after the second quarter growth figures came in higher than expected at 3.3% (annualised rate). This eased concerns that the world's largest economy is wavering on the brink of a recession and the Dow Jones gained 1.85%. The main European markets ended higher as well on the back of positive U.S. growth figures and much the same can be said for the markets in the East this morning. Firmer commodity prices have also supported the Australian bourse.

Locally, the money supply and credit figures for July were released earlier this morning. Money supply as defined by M3 grew by 18.5% y:y in the month whilst Private Sector Credit Extension grew at 19.8% y:y. Both these figures show some cooling in the pace of increase though it is still higher than the benchmark nominal growth rate which averaged 15.0% for the first half of the year. The trade balance will be published this afternoon, which might have some influence on the rand.

Local Markets				Exchange Rate			
	Index	Points	%			Points	%
All Share	28028	601	2.19	R/\$	7.69	-0.02	-0.26
Top 40	25922	551	2.17	R/€	11.35	-0.06	-0.53
Indi 25	19550	644	3.41	R/£	14.10	-0.08	-0.56
Fini 15	7228	236	3.38	\$/€	1.48	0.00	0.00
Mid Cap	29468	741	2.58	\$/¥	109.08	0.07	0.06
Small Cap	27091	319	1.19	Interest Rates			
Financials	18916	560	3.05	REPO	12.00	0.00	0.00
Resources	58296	592	1.03	Prime	15.50	0.00	0.00
Gold	1848	37	2.03	R 153	9.72	0.01	0.05
Platinum	96	1	1.33	R 157	9.12	0.00	0.00
Construction	84	4	4.55	Commodities			

Banks	32703	1202	3.81	Gold \$	835.85	2.55	0.31
Retail	24771	745	3.10	Platinum \$	1469.00	22.00	1.52
IT	13590	48	0.36	Oil \$	115.48	-1.72	-1.47

International Markets							
	Index	Point	%		Index	Point	%
Nikkei 225	13065	297	2.33	CAC 40	4461	88	2.02
Australia	5215	72	1.39	Dow Jones	11715	213	1.85
FTSE 100	5601	73	1.32	Nasdaq	2412	29	1.22
DAX	6421	100	1.57	S&P 500	1301	19	1.48

Prepared by: Doret Els (Economist)

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