

Efficient Research

Another Record!

9 May 2008

The JSE all share closed on a new record of 32 153.48 points yesterday - breaking the previous high recorded on Tuesday by 224.39 points. The bourse was supported by stronger commodity prices, a slightly weaker rand as well as good results released by miners this week. Resources (2.09%) were stronger with BHP Billiton improving 3.7% (R296.69) and Anglo American adding 1.5% (R515.54). The Platinum mining index advanced just over 2.0%. Whilst Anglo Platinum closed unchanged, Impala Platinum was up 3.0% (R340). Platinum miner Lonmin surged 6.5% (R505.99); reporting a 61% y:y increase in operating profit for the six months to March 2008. The Gold mining index improved 2.09%. AngloGold Ashanti collected 1.3% (R295) and Gold Fields closed 2.5% higher (R104.67). Harmony reported almost double cash operating profits for the first quarter to March (R828m) when compared to Q407 (R450m); the miner's share price was 3.5% stronger (R92) at close. Financials advanced marginally (0.18%). On the downside of the market, Banks were flat for the day (-0.06%) as the Big Four closed mixed; Nedbank (-2.3%, R111.40), Standard Bank (-0.6%, R89), First Rand (+1.4%, R15.61) and Absa (+0.3%, R92.28). Industrials were down 0.83%.

The gold price (\$883.45/oz) was supported by a weaker dollar (US\$/€ 1.54) and oil-induced inflation fears. The platinum price traded above the \$2,000/oz-mark earlier, at \$2,010 per ounce. The violent unrest in Nigeria, continued tension between Iran and the West as well as supply concerns ahead of the U.S' driving season is pushing Brent crude prices higher. The barrel price of oil was quoted at \$122.44 earlier. The rand depreciated marginally against the dollar (R7.56) but strengthened against both the Euro (R11.69) and the British pound (R14.85). The R153 bond retreated 4 points yesterday (10.345%).

Wall Street advanced as Wal-Mart Stores Inc. and News Corp. reported sales figures above analyst's expectations and higher closing prices in commodity stocks. The Dow Jones added 0.41%, Nasdaq increased 0.52% and the S&P 500 advanced 0.37%. Following three cuts in borrowing costs since December 2007, the Bank of England kept their main interest rate unchanged yesterday (5.0%) - citing inflation fears. The FTSE 100 closed just in the green, up 0.16%. The European Central Bank also decided on an unchanged stance (4.0%) and the bank's president, MR. Jean-Claude Trichet, commented that inflation remains their top priority. The Xetra DAX retreated marginally (-0.06%) and the CAC 40 closed down (-0.39%). In Asia, the Nikkei 225 is 1.44% in the red as Toyota Motor Corp. (the world's second biggest automaker) forecasted lower profits largely due to the softer U.S. economy and higher material prices. Down under, the Australian market is up 0.88% also supported by commodities' performance. Renewed strength in precious metal prices should continue to provide support to the resources sector today, while the financial stocks continued to lag further behind.

Local Markets				Exchange Rate			
	Index	Points	%		Points	%	
All Share	32,153.48	259	0.81	R/\$	7.56	-0.02	-0.24
Top 40	30,145.83	289	0.97	R/€	11.69	0.04	0.36
Indi 25	21,153.41	-178	-0.83	R/£	14.85	0.07	0.44
Fini 15	7,359.83	16	0.22	\$/€	1.54	0.00	0.03
Mid Cap	30,044.98	-155	-0.51	\$/¥	103.79	-0.86	-0.82
Small Cap	29846.381	-22	-0.07	Interest Rates			
Financials	19,308.09	35	0.18	REPO	11.50	0.00	0.00
Resources	72,875.17	1491	2.09	Prime	15.00	0.00	0.00
Gold	2,460.31	50	2.09	R 153	10.345	0.04	0.39
Platinum	134.91	3	2.03	R 157	9.47	0.03	0.32
Construction	76.09	0	0.63	Commodities			
Banks	31,118.27	-19	-0.06	Gold \$	883.45	14.65	1.69
Retail	22,265.96	-377	-1.66	Platinum \$	2,010.00	55.50	2.84
IT	13,091.15	11	0.08	Oil \$	122.44	1.97	1.64
International Markets							
	Index	Point	%		Index	Point	%
Nikkei 225	13,743.11	-200	-1.44	CAC 40	5,055.58	-20	-0.39
Australia	5,852.00	51	0.88	Dow Jones	12,866.78	52	0.41
FTSE 100	6,270.80	10	0.16	Nasdaq	2,451.24	13	0.52
DAX	7,071.90	-4	-0.06	S&P 500	1,397.68	5	0.37

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