

1 April 2011, Volume 2

Economic Indicators

	USD	Euro	Move
Rand	6.75	9.58	-3.01%
Pula	6.41	9.10	-1.69%
Kenya	82.7	116	0.85%
Kwacha	4648	6606	-0.82%
Naira	155	219	2.51%

	Price	Move
Gold (\$)	1432	5.9%
Oil (\$)	117	12.8%

Move is % change monthly against USD

Top 10 JSE Equity Buys

	Share Code	Current Price	Exit Price
1	Bidvest	14866	
2	Anglovaal	2999	
3	Stefanutti	1036	
4	RMH	2800	
5	Kumba	47800	
6	Ciplamed	689	
7	BHP	27000	
8	Imperial	11420	
9	Discovery	3811	
10	Vodacom	7938	

Prices in cents

JM BUSHHA Funds Returns

Fund Name	3 Years
CashPlus	9.61%
BondPlus	9.54%
Absolute AllClass	8.07%
Absolute Aggressive	7.98%
FinancialsPlus	9.45%
Diversified Equity	N/A
Real Return	9.62%
Global Investor	N/A
Afro Fund	N/A

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Economic news

SA core inflation (CPI) remained flat at 3.7% y-o-y but PPI rose to 6.7% in February from 5.5% in January. Social disturbance calling for political reforms in Arab countries has disrupted oil production – although not significant on global scale (e.g., in Libya).

A final decision on the SACU revenue formula is expected this April. The proposal is that Botswana's share would drop by R8 billion, Namibia by 4.8 billion, Swaziland by R206 million while Lesotho and SA would increase by R614 million and R12 billion respectively.

In Zimbabwe, revenue collection remains below target by US\$80 million every month. The struggle continues.

Investment markets: Equities & Fixed-Income

Global equity markets experienced huge swings in March after the unfortunate and devastating tsunami that hit Japan and fears of harmful radiation from damaged reactors. JSE All Share Equity Index plunged almost 6% but recovered to 0.52% up from February values. Bonds remain under pressure and money market rates remain flat.

We expect resource and financial stocks to be the main overall equity returns drivers in the next few months. Harmony sprang to life after a favourable report that it could be takeover target. Aspen, Raubex, MTN and WHBO were replaced on our Top 10 buy-list by Bidvest, Anglovaal, Imperial and RMB Holdings.

Economic Activities

An Extraction Industry Transparency Initiative (EITI) global conference was held in March aimed at increasing transparency on revenue flows between mines and governments. SA, Botswana and Namibia have not joined but Zambia has signed to implement the EITI objectives.

Zimbabwe government is pressing ahead with its intention of making foreign-owned companies give 51% shares to certain local Zimbabweans. This might slow activity in this fragile economy as both foreign and domestic investors wait on the sidelines.

Social and Political Developments

Ivory Coast and Libyan crisis are degenerating into civil wars. The UN Security Council imposed a no-fly zone over Libyan skies, but what is interesting is that the allied forces are taking sides militarily in the uprising with Britain indicating that it might arm the rebels. The USA is talking about ensuring Mr. Gaddafi is removed from power. The world leadership does not learn from history – the history of Iraq, Afghanistan, Palestine and so on.

SA municipal elections are now set for 18 May 2011, which has been declared a public holiday. Municipal service delivery protests continue. Ever wondered why communities do not use the democratic elections to choose administrative councillors who could deliver their services' wishes-list? We believe education is the long-term answer.

Corporate developments at JM BUSHHA

Our new funds, the JM BUSHHA Diversified Equity Fund and JM BUSHHA Communities (SRI) Fund will be fully invested this April. Details for SRI product will be provided in the next Monthly Newsletter - Volume 3.

Parting Words of Wisdom

"Aspire to inspire before you expire". – Unknown