

**3 August 2011, Volume 6**

**Economic Indicators**

	USD	Euro	Move
<b>Rand</b>	6.69	9.47	-1.1%
<b>Pula</b>	6.43	9.15	0.28%
<b>Kenya</b>	90.7	129	2.89%
<b>Kwacha</b>	4726	6730	-2.54%
<b>Naira</b>	153	213	2.24%

	July	July	Move
<b>Gold (\$)</b>	1501	1627	8.39%
<b>Oil (\$)</b>	112	117	4.36%

*Move is % change monthly against USD*

**Top 10 JSE Equity Buys**

	Share Code	Current Price	Exit Price
1	Bidvest	16092	
2	Anglovaal	3218	
3	Stefanutti	1180	
4	RMH	2548	
5	Kumba	52819	
6	Ciplamed	655	
7	BHP	24820	
8	Imperial	11600	
9	Discovery	3976	
10	Vodacom	8650	

**Prices in SA cents**

**JM BUSHHA Funds Returns**

Fund Name	3 Years
<b>CashPlus</b>	9.19%
<b>BondPlus</b>	12.22%
<b>Absolute AllClass</b>	8.24%
<b>Absolute Aggressive</b>	8.94%
<b>FinancialsPlus</b>	14.43%
<b>Diversified Equity</b>	N/A
<b>Real Return</b>	9.46%
<b>Global Investor</b>	N/A
<b>Afro Fund</b>	9.46%

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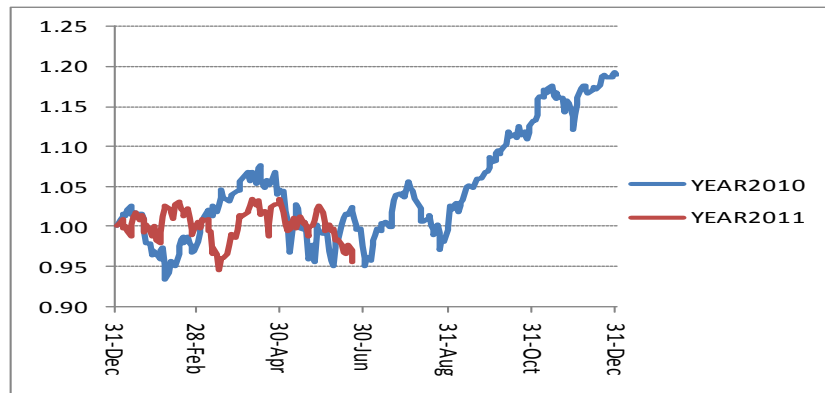
**Inflationary pressures**

Global inflation is increasing. Closer to home SA inflation is at 5.02%, Namibia 5.40%, Botswana 9.50% and Zambia at 9.00%. The threat of inflation will be worse in the coming years as country debts, prices and social unrest increase. The USA and other developed but debt-ridden countries will take the world down the troubled (financial crisis) road once again.

**Investment markets: USA credit problems**

After EU credit woes, the BIG one, the USA, has joined the club of debt-troubled countries around the globe. The developed world is living on borrowed money. Would the United States of America default on its financial obligations? This, the market would not believe for now. Only time will tell how the USA will manage its US\$14.10 trillion debt. Investors must keep holding on to their breath.

The equity markets have been outshined by fixed-income investments year to date. The credit problems are keeping investors out until there are clear signs of economic recovery. Equity performance in 2011 mirrors that of 2010 for the same period. Will it recover like last year, rallying about 19% up for the last six months?



**Economic Activities**

HSBC, UK's biggest bank is set to cut about 30,000 jobs. This follows 15,000 jobs lost at Lloyds Banking Group, 28,000 at Royal Bank of Scotland and Barclays shed about 2,600. Now is SA, Standard Bank retrenched about 3,000 people. There is talk that ABSA might follow. Pick and Pay have just done that. How will this affect economic activity? I believe the job cuts are about saving salaries for the senior managers and pleasing shareholders – to say profits will remain up. Sustainable job creating activities will remain subdued as there will be less capital investment due to the credit crunch.

**Social and Political Developments**

Social unrest continues to grip some parts of the world. If elders do not lead, show the way and control, the young ones will run around everywhere and shout out loud about anything. The ANC Youth League is raising a number of issues. Should these be ignored, and are these issues a creation of the youth only? No, these questions are pertinent and the world youth is crying for help and solutions.

**Corporate developments at JM BUSHHA**

We have moved offices to 28 Bompas Road, Dunkeld, Johannesburg. Please visit us if you can for a cup of coffee and other matters you may want to discuss.

**Parting Words of Wisdom**

*"Put not your trust in money, but put your money in trust". – Oliver Wendell Holmes.*