

3 May 2011, Volume 3

#### Economic Indicators

	USD	Euro	Move
Rand	6.56	9.71	-2.91%
Pula	6.27	9.30	-2.08%
Kenya	83.2	122	0.60%
Kwacha	4654	6916	0.13%
Naira	155	227	-0.26%

	Price	Move
Gold (\$)	1566	9.03%
Oil (\$)	126	7.55%

*Move is % change monthly against USD*

#### Top 10 JSE Equity Buys

	Share Code	Current Price	Exit Price
1	Bidvest	15148	
2	Anglovaal	3080	
3	Stefanutti	1189	
4	RMH	2833	
5	Kumba	48002	
6	Ciplamed	687	
7	BHP	27450	
8	Imperial	11749	
9	Discovery	3787	
10	Vodacom	8030	

#### Prices in cents

#### JM BUSHHA Funds Returns

Fund Name	3 Years
CashPlus	9.48%
BondPlus	10.56%
Absolute AllClass	7.89%
Absolute Aggressive	8.32%
FinancialsPlus	9.45%
Diversified Equity	N/A
Real Return	9.62%
Global Investor	N/A
Afro Fund	N/A

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#### Regional Inflation on the rise

South Africa inflation for March 2011 rose to 4.1% from 3.7%, Namibia to 3.8% from 3.1% and Botswana to 9.5% from 8.5% year-on-year. Zambia bucked the trend where it declined to 8.8% from 9.2%. This is attributed to slowing food inflation due to a bumper maize harvest.

#### Investment markets: Equities & Fixed-Income

Bond yields rallied to propel returns of 2.26% versus equities 2.24% in April. JSE performance took direction from FTSE 100 and S&P 500 both with above 2.70% returns for the month. Gold was up a massive 9.30%.

However, the world economic recovery remains uncertain after Standard & Poor issued concerns about US debt levels. This could have led the US dollar index to fall 4.01% in April and the Euro gaining 4.58% against the greenback.

The South African Rand strengthened from R6.75/\$ to about R6.60/\$ against the US dollar. Its continued strength has caught many by surprise and this had a positive impact on bonds and will possibly keep inflation within the SARB target band of 3-6.00%. There is no change in our Top 10 buy list.

#### Economic Activities

Namibia rattles mining sector investors as it announced an exclusive exploration and mining rights of all country's strategic minerals to state-owned Empangelo Mining Company. There seem to be a regional call for more involvement in mining by governments.

Economic activity will remain subdued as long as it is centred on mining and urban infrastructure development. There is a need for re-thinking on industrialisation and job creation strategies in SADC.

#### Social and Political Developments

Zimbabwe's Mr. Morgan Tsvangirai announced that elections will be in 2012 to end the power-sharing government deal in that country. This was after MDC's Third Congress, which was attended by Kenyan Prime Minister Mr. Raila Odinga. Nonetheless MDC is now a mirror-image of South Africa political party COPE, both in continuous self-destruction violent in-fighting mode for party leadership positions.

The World Economic Forum (WEF) meets in Cape Town, 4-6 May 2011. Among those attending is a group of failed African individuals on the African Progress Panel. During their time of supposedly influence, *i.e.*, when they held public positions, they achieved nothing of social significance. It is reported that Mr. Tsvangirai will open a dinner session on the future of Zimbabwe. Does he have the insight? Only time will tell.

In most Africa, there is no sign of clear developmental programs to address social challenges by any government. Jostling for power is the common program.

#### Corporate developments at JM BUSHHA

We are preparing for our annual road show in June/July to share our investment research, strategies and other developments at JM BUSHHA. Full update will be in the next Monthly Newsletter.

#### Parting Words of Wisdom

*"Timing the market is like predicting the time it would take a cheetah to run between two different distances at different times and expecting to get the times correct each time". – Joseph M Busha*