

Today's highlights

- The world economy: Whither the Yen, the global economy and so the rand
- Waiting for the Tsogo Sun numbers
- Upcoming dividend dates and corporate actions
- Company calendar – 18 March to 25 March
- Economic calendar – 18 March to 25 March

Talking point: And now for some good news

After a harrowing week, at last some good news: teams working on the Fukushima nuclear power plant in Japan appear to be on the verge of a breakthrough in containing the fallout, while the UN Security Council approved the principle of imposing a no-fly zone over Libya. Intervention in the yen market by the world's leading economies has also helped calm nerves in the currency market.

Clearly the situation in both Japan and Libya is fragile, and a lot could still go wrong. At least in the former, there is willingness by all parties to get the right things done and to hasten the process of getting down to rebuilding infrastructure. The Libyan situation remains complex, as a no-fly zone may not on its own seriously blunt the forces of the Gaddafi loyalists or tilt things in favour of the rebels. Major intervention by outside forces may still be required. Meanwhile tensions remain in other countries in the region, like Bahrain and Yemen. Still, markets have calmed considerably since earlier in the week, as we discuss elsewhere in Daily View. Here's hoping for more of the same next week.

Market highlights

Wall Street rallied overnight on an improved profit forecast by FedEx and hopes that Japan would be able to contain the fallout from its nuclear reactor at Fukushima.

The JSE ended a choppy day yesterday slightly higher as traders weighed up the impact of hostilities in Libya and Bahrain with the unfolding nuclear crisis in Japan.

Bonds were softer yesterday but the rand pulled back later in the day, recovering most of the losses from late on Wednesday.

Commodities rallied yesterday, with oil rallying on concerns about North Africa and copper staging its biggest one day gain in five months on new buying by China.

Key indicators in a nutshell – Thursday 17 March 2011

Key indicators	Last price	1 Day	1 Month	1 Quarter	Year date to	1 Year
JSE All Share	30718.55	0.35%	-7.08%	-2.88%	-4.36%	8.73%
S&P 500	1273.72	1.34%	-4.09%	2.40%	1.28%	9.85%
Nikkei	8962.67	-1.44%	-16.60%	-13.02%	-12.38%	-16.41%
Rand/US \$	7.08	1.27%	3.33%	-2.99%	-6.53%	3.79%
Rand/GB Pound	11.41	0.31%	3.35%	-6.56%	-9.70%	-2.02%
US\$/Euro	1.40	-1.05%	-3.81%	-6.04%	-4.61%	-1.89%
Gold \$/oz.	1404.25	0.22%	2.27%	2.08%	-1.21%	24.76%

Company results and updates

Pinnacle Technology reported diluted HEPS for the six months to December of 48c, up from 34.3c reported in the similar period in 2009.

Orion Real Estate expects to see a decline in headline earnings per linked unit of between 35% and 45% for the six months to December.

Daily ideas

The world economy: Whither the Yen, the global economy and so the rand

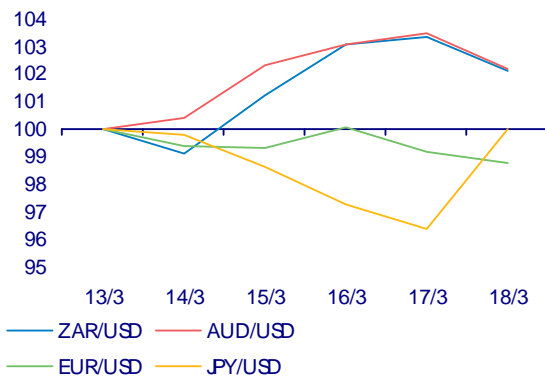
The online edition of the Wall Street Journal reported this morning has the following comment:

For the first time since they joined to rescue a sinking euro in 2000, the U.S., Japan, U.K., Canada and the European Central Bank Thursday night agreed to "concerted intervention in exchange markets." The ECB manages the currency shared by G-7 members France, Germany and Italy.

The move came "in response to recent movements in the exchange rate of the yen associated with the tragic events in Japan," according to a statement issued after a conference call among financial ministers and central bankers from the Group of Seven economies.

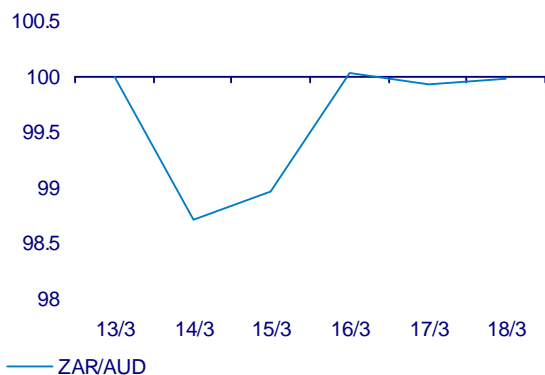
In early Asian trading after the announcement, the yen dropped to around 81.59 to the dollar from 79.19. When the earthquake struck last week, a dollar bought 82.80 yen. On Thursday, before the G-7 call, it hit a record of 76.25 to the dollar. Japan led Asian shares higher Friday morning, with the Nikkei Stock Average rising 1.8% as concern eased over the damage a rising yen inflicts on Japanese exports.

The intervention seemed to work, taking the Yen/US dollar back to its levels at the start of the week. Yen strength had been associated with a degree of rand and Aussie weakness versus the US dollar as we show below.

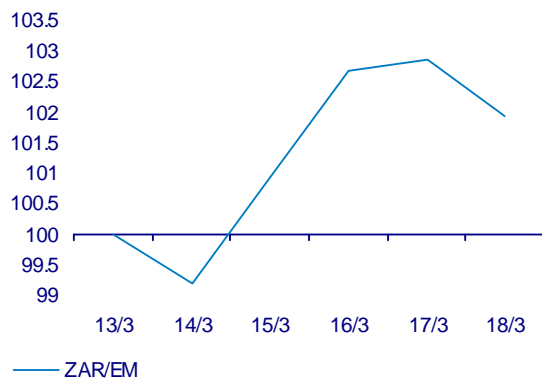
Currency moves – 13 March to 18 March 2011 (13 March = 100)

Source: Bloomberg and Investec Securities

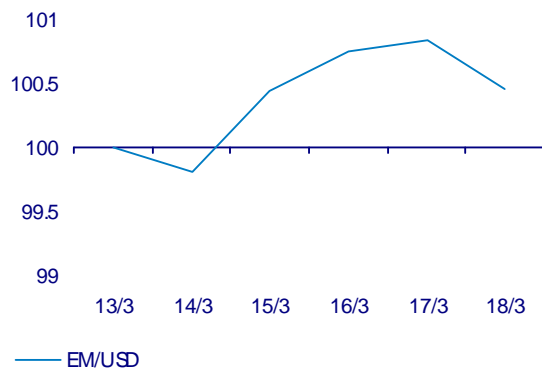
The crisis in Japan has had little influence on the rand. The rand has continued to move mostly in line with the Aussie dollar, also a commodity price influenced currency, and has weakened marginally against other emerging market currencies with which the rand is linked via portfolio flows. Our basket of emerging market (EM) currencies weakened marginally this week against the US dollar. Please note higher numbers indicate currency weakness.

The rand vs the USD - 13 March to 17 March 2011

Source: Bloomberg and Investec Securities

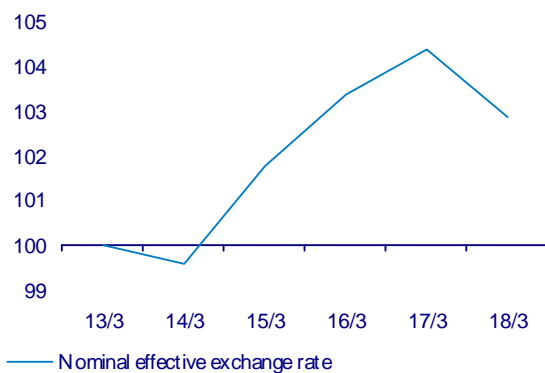
The rand vs EM currency basket - 13 March to 17 March 2011

Source: Bloomberg and Investec Securities

The EM currency basket vs the USD - 13 March to 17 March 2011

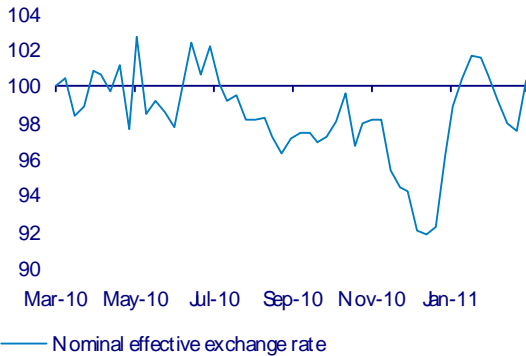
Source: Bloomberg and Investec Securities

On a trade weighted basis the rand had weakened by Wednesday and then recovered some of this loss on the Thursday. This has left the trade weighted rand almost unchanged over the past 12 months. By its own standards the rand on a trade weighted basis has been very stable these past 12 months though it was 10% stronger at year end as may be seen below.

The trade weighted rand - 13 March to 17 March 2011

Source: Bloomberg and Investec Securities

The trade weighted rand - 13 March to 17 March 2011



Source: Bloomberg and Investec Securities

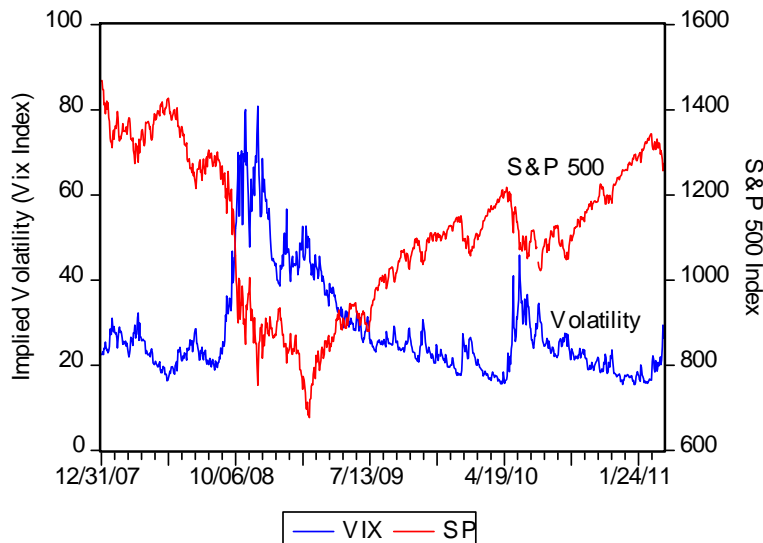
The explanation of this currency stability, particularly that of the rand and its relationship with the Aussie dollar, is that the tragic events in Japan are not expected to weaken global growth, provided Japan can get back to work and rebuild its shrunken capital stock. This proviso has risen and fallen with sometimes conflicting news of radiation leaks from the fatally damaged Fukushima Daiichi nuclear facility. The benchmark event for analysts is the Kobe earthquake of 1995 which was followed within a year by a pick up rather than a slow down in Japanese growth.

Stock markets, more than currency markets, have gyrated accordingly as they have been forced to re-examine their outlook for the global economy in the wake of the quake. Judged by the relief rally yesterday the equity markets have reason to believe the worst may be over for the Japanese economy and the clean up and rebuild may proceed immediately.

The volatility priced into equity markets spiked sharply in response to the earthquake and Tsunami – but the Euro debt crisis of April 2010 was even more disturbing to the markets. That European governments somewhat surprisingly took further steps to intervene in the Euro debt markets last weekend, may have helped to soothe the troubled market breast.

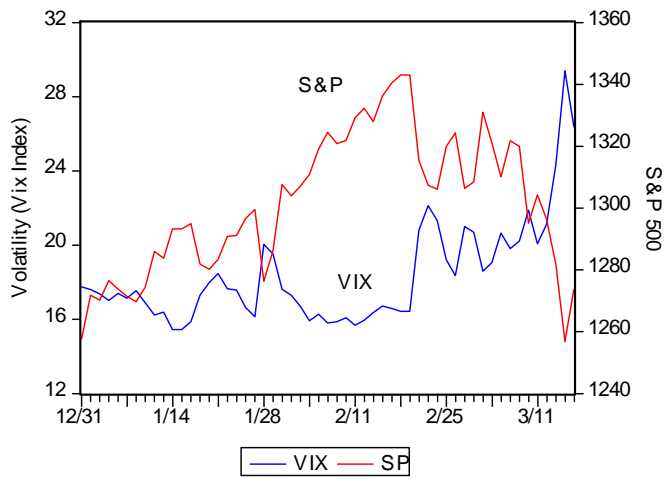
A mixture of oil price shocks, continued anxieties about the solvency of European governments and devastation in Japan has severely tested the willingness of equity investors to absorb risk. That the markets have come through so far without greater damage is probably testament to good fundamentals and undemanding valuations.

S&P 500 implied volatility (VIX) and valuations 2008- 2011 (Daily data)



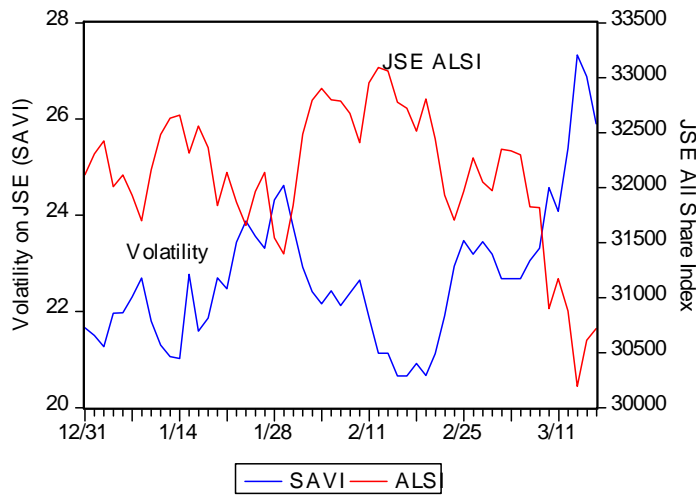
Source: I-Net Bridge and Investec Wealth and Management

S&P 500 implied volatility and Valuations - 1 January to 17 March 2011 (Daily data)



Source: I-Net Bridge and Investec Wealth and Management

JSE implied volatility and valuations - 1 January to 17 March 2011 (Daily data)



Source: I-Net Bridge and Investec Wealth and Management

We remain hopeful that the global economy has not been derailed by either the Tsunami or the oil price and that very good growth in earnings and dividends and undemanding valuations will provide generous compensation for the risks that equity investors have to absorb. Global economic strength will be good for commodity prices and so supportive of the rand. **Brian Kantor**

Gold Reef (GDF): Waiting for the Tsogo Sun numbers

Gold Reef (1500c; market cap: R17.7bn; forward PE [F2011, I-Net]: 11.2x) released results for the full year ended 31 December 2010, which exclude the results from Tsogo Sun.

Highlights are as follows:

Final	Dec 2010	Dec 2009	% change
Revenue	R2.21bn	R2.23bn	(0.8)
HEPS	101.6c	131.9c	(23)
Adjusted HEPS*	108.9c	126.8c	(14)
EBITDA	R823m	R897m	(6.8)
EBITDA Margin	37.2%	39.6%	
DPS	To be confirmed	65c	

**Adjusted HEPS excludes the non-recurring legal and advisory costs relating to the merger with Tsogo Sun.*

Gold Reef's results were disappointing with tough trading conditions continuing in the second half of 2010; however there were signs of economic improvement in the final quarter with trading levels at most of the casinos showing signs of a pickup.

EBITDA declined 6.8% mainly due to the company's fixed capacity and inflexible cost base. The EBITDA margin declined to 37.2% from 39.6%.

HEPS were down 23% to 101.6c, in line with the half year performance and continued tough trading conditions. These figures include non-recurring legal and advisory fees relating to the merger with Tsogo Sun and the Carte Blanche dispute. Excluding the once off items, adjusted HEPS were down 14.1% at 108.9c.

Looking forward, Gold Reef, as a new merged entity with Tsogo Sun, believes it is in a good position to benefit from an expected medium term recovery in the economy, with an increase in consumer confidence and spending.

Gold Reef will make up around 30% of the total group, and to get more clarity on the future and prospects of the business we need to wait for the results of Tsogo Sun, which are due to be finalised on 31 March.

A dividend has not yet been declared as it will be based on the combined earning of the merged company and will be made after the results of Tsogo Sun are finalised. **Jared Nestadt**

Upcoming dividend dates and corporate actions

Share/security	Last day to trade	Ex-dividend	Record date	Pay date	Description	Per share amount/ result
Capitec Prefs	17 March	18 March	25 March	28 March	Cash Dividend	R3.4377
Clover Prefs	17 March	18 March	25 March		Cash Dividend	R0.0541
Dialogue	17 March	18 March	25 March	28 March	Capital Reduction	R0.1238
Foschini Prefs	17 March	18 March	25 March	28 March	Cash Dividend	R0.065
Hyprop	17 March	18 March	25 March	28 March	Interest	R1.83
Imperial	17 March	18 March	25 March	28 March	Cash Dividend	R2.20
Imperial Prefs	17 March	18 March	25 March	28 March	Cash Dividend	R3.61233
Italtile	17 March	18 March	25 March	28 March	Cash Dividend	R0.06
Liberty Holdings	17 March	18 March	25 March	28 March	Cash Dividend	R2.91
Lonfin	17 March	18 March	25 March	28 March	Cash Dividend	R0.038118
Merafe	17 March	18 March	25 March	28 March	Cash Dividend	R0.02
Northam	17 March	18 March	25 March	28 March	Cash Dividend	R0.05
Nedbank Prefs	17 March	18 March	25 March	28 March	Cash Dividend	R0.3620548
OneLogix	17 March	18 March	25 March	28 March	Capital Reduction	R0.03
Panprop	17 March	18 March	25 March	28 March	Scheme of arrangement with election	2.38 CPL per PAP (for holders of over 100 PAP)
PSG Fin Prefs	17 March	18 March	25 March	28 March	Cash Dividend	R3.4377
RAHold	17 March	18 March	25 March	28 March	Cash Dividend	R0.13
SA Corporate	17 March	18 March	25 March	28 March	Interest	R0.1418
Sabvest	17 March	18 March	25 March	28 March	Cash Dividend	R0.13
Sasfin Prefs	17 March	18 March	25 March	28 March	Cash Dividend	R3.6205
Santam	17 March	18 March	25 March	28 March	Cash Dividend	R3.25
Spur	17 March	18 March	25 March	28 March	Cash Dividend	R0.33
Sun International	17 March	18 March	25 March	28 March	Cash Dividend	R0.80
Sovereign	17 March	18 March	25 March	28 March	Cash Dividend	R0.13
Transpaco	17 March	18 March	25 March	28 March	Cash Dividend	R0.29
Anglo American	25 March	28 March	1 April	28 April	Cash Dividend and reinvestment plan	R2.8906
Amap	25 March	28 March	1 April	4 April	Capital Reduction	R0.04
Astrapak Prefs	25 March	28 March	1 April	4 April	Cash Dividend	R3.42685
AVI	25 March	28 March	1 April	4 April	Cash Dividend	R0.50
Bidvest	25 March	28 March	1 April	4 April	Cash Dividend	R2.25
Clover	25 March	28 March	1 April	4 April	Cash Dividend	R0.10
Fairvest	25 March	28 March	1 April	4 April	Interest	R0.05
FirstRand	25 March	28 March	1 April	4 April	Cash Dividend	R0.35
MMI	25 March	28 March	1 April	4 April	Cash Dividend	R0.42
MMI	25 March	28 March	1 April	4 April	Special Cash Dividend	R0.21

MTN	25 March	28 March	1 April	4 April	Cash Dividend	R3.49
RMBH	25 March	28 March	1 April	4 April	Cash Dividend	R0.427
RMI	25 March	28 March	1 April	4 April	Cash Dividend	R0.228
Sasfin	25 March	28 March	1 April	4 April	Cash Dividend	R0.49
Standard Bank 6.5% Prefs	25 March	28 March	1 April	4 April	Cash Dividend	R0.0325
Standard Bank non cum Prefs	25 March	28 March	1 April	4 April	Cash Dividend	R3.379
Trencor	25 March	28 March	1 April	4 April	Cash Dividend	R1
Exxaro	1 April	4 April	8 April	11 April	Cash Dividend	R3
Fountainhead NPLs	1 April	4 April	8 April	11 April	Rights take up	1 FPTN converts into 1 FPT on take up at R6 per unit
Glenrand MIB	1 April	4 April	8 April	11 April	Scheme of arrangement	R2
Nedbank	1 April	4 April	8 April	11 April	Cash Dividend	R2.68
Standard Bank	1 April	4 April	8 April	11 April	Cash Dividend	R2.45
Sasol	1 April	4 April	8 April	11 April	Cash Dividend	R3.10
AECI	8 April	11 April	15 April	18 April	Cash Dividend	R1.35
Capital & Counties	8 April	11 April	15 April	19 April	Cash Dividend	GBP0.01
Ceramic	8 April	11 April	15 April	18 April	Cash Dividend	R1.40
Group Five	8 April	11 April	15 April	18 April	Capital Reduction	R0.52
Mondi	8 April	11 April	15 April	12 May	Cash Dividend and reinvestment plan	R1.61324545
Old Mutual	8 April	11 April	15 April	31 May	Cash or scrip dividend	GBP0.029 or shares
Steinhoff Prefs	8 April	11 April	15 April	18 April	Cash Dividend	R3.62
Wilson Bayly Holmes	8 April	11 April	15 April	18 April	Cash Dividend	R1.10
Afrox	14 April	15 April	21 April	26 April	Cash Dividend	R0.08
Brait	14 April	15 April	21 April	26 April	Rights issue	3 rights per 1 BAT
Mvela Resources	28 April	29 April	6 May	9 May	Unbundling and scheme of arrangement	83.5230 NHM and 9.5980 NHM per 100 MVL
Brimstone	6 May	9 May	13 May	16 May	Cash Dividend	R0.15
Country Bird	6 May	9 May	13 May	16 May	Capital reduction	R0.111
Mvela Resources	6 May	9 May	13 May	16 May	Scheme of arrangement	9.5980 NHM per 100 MVL
Afgri	13 May	16 May	20 May	23 May	Cash Dividend	R0.2415
Simmer and Jack	13 May	16 May	20 May	23 May	Unbundling	47.72727 VIL in addition to every 100 SIM
White Water Resources	13 May	16 May	20 May	23 May	Name change	Goliath Gold (GGM)
UCS	13 May	16 May	20 May	23 May	Unbundling	34 BCX per 100 UCS
Spanjaard	20 May	23 May	27 May	30 May	Cash Dividend	R0.16
Capital Shopping	27 May	31 May	3 June	21 June	Cash Dividend	R1.15355

Source: JSE

Company calendar – 18 March to 25 March

Wednesday 23 March	Eastern Platinum finals Jasco interims
Thursday 24 March	Litha Healthcare finals
Friday 25 March	Excellerate interims

Source: I-Net, Company updates

Economic calendar – 18 March to 25 March

Date	International	South Africa
Friday 18 March	Germany – February PPI [09h00] EMU – January Balance of payments [11h00] EMU – January Foreign trade [12h00]	
Monday 21 March	US – February Existing home sales [16h00]	Public holiday
Tuesday 22 March	UK – February CPI [11h30] UK – February Public sector finances [11h30]	Q4 Reserve Bank quarterly bulletin [10h00] Q4 Current account [10h00]
Wednesday 23 March	EMU – January Industrial new orders [12h00] EMU – March Consumer confidence prelim [17h00] US – February New home sales [16h00]	February CPI [10h00]
Thursday 24 March	Japan – February Trade balance Germany – March PMI flash [10h30] EMU – March PMI flash [11h00] UK – February Retail sales [11h30] US – February Durable goods orders [14h30] US – Initial jobless claims for previous week [14h30]	MPC meeting and rate announcement [15h00]
Friday 25 March	Japan – February CPI Germany – March Gfk consumer confidence survey [09h00] EMU – March M3 money supply [11h00] US – Q4 Real GDP final [14h30] US – March Consumer sentiment final [15h55]	

Sources: Bloomberg, StatsSA, SA Reserve Bank

Key market indicators – Thursday 17 March 2011

Indices	Last price	1 Day	1 Month	1 Quarter	Year to date	1 Year
JSE All Share	30718.55	0.35%	-7.08%	-2.88%	-4.36%	8.73%
JSE Fini 15	7806.35	0.81%	-4.16%	-2.47%	-4.47%	-1.86%
JSE Indi 25	25413.46	-0.21%	-5.34%	-3.93%	-5.15%	12.68%
JSE Mining	35879.32	0.85%	-11.09%	-2.54%	-3.54%	7.91%
JSE Resi 20	55003.67	0.83%	-9.87%	-0.89%	-2.31%	10.43%
S&P 500	1273.72	1.34%	-4.09%	2.40%	1.28%	9.85%
DJI	11774.59	1.39%	-3.70%	2.46%	1.70%	10.19%
NASDAQ	2636.05	0.73%	-6.00%	-0.26%	-0.63%	10.85%
Nikkei	8962.67	-1.44%	-16.60%	-13.02%	-12.38%	-16.41%
Hang Seng	22284.43	-1.83%	-2.69%	-1.89%	-3.26%	6.00%
FTSE 100	5696.11	1.75%	-5.65%	-2.99%	-4.60%	1.35%
CAC 40	3786.21	2.43%	-7.89%	-2.10%	-0.49%	-3.88%
DAX	6656.88	2.20%	-10.04%	-4.66%	-3.72%	11.49%
ASX-ORD	4638.40	-0.12%	-7.59%	-4.42%	-4.30%	-3.55%
JSE All Share (in US\$)	4337.98	1.62%	-3.99%	-5.79%	-10.61%	12.85%
MS EM Index	1091.45	-0.45%	-1.15%	-2.15%	-5.21%	10.08%
MS World Index	1279.70	1.55%	-4.80%	1.74%	-0.03%	7.20%

Currencies	Last price	1 Day	1 Month	1 Quarter	Year to date	1 Year
Rand/US \$	7.08	1.27%	3.33%	-2.99%	-6.53%	3.79%
Rand/GB Pound	11.41	0.31%	3.35%	-6.56%	-9.70%	-2.02%
Rand/Euro	9.92	0.23%	-0.54%	-8.74%	-10.90%	1.90%
Rand/Aus \$	6.96	0.82%	4.76%	-3.05%	-2.94%	-3.04%
Yen/ US \$	79.50	-0.45%	5.31%	5.48%	2.03%	13.58%
Swiss Franc/US \$	0.90	0.51%	7.41%	7.85%	3.90%	17.34%
US \$/Euro	1.40	-1.05%	-3.81%	-6.04%	-4.61%	-1.89%
US \$/GB Pound	1.61	-0.97%	-0.07%	-3.87%	-3.30%	-5.64%
US \$/Aus \$	0.98	-0.47%	1.32%	0.10%	3.92%	-6.63%
Nominal Effective Exchange Rate (2000 = 100)	74.27	3.00%	-1.06%	7.00%	9.41%	-0.53%

	Last price	1 Day	1 Month	1 Quarter	Year to date	1 Year
Commodities						
Gold \$/oz.	1404.25	0.22%	2.27%	2.08%	-1.21%	24.76%
Platinum/oz.	1700	0.47%	-7.13%	0.09%	-3.95%	3.91%
Brent Crude \$/bbl	113.84	2.48%	11.95%	24.63%	20.15%	42.71%

Fixed income	Closing yield %
SA R157	7.90
US 2 YEAR	0.60
US 10 YEAR	3.28
UK 2 YEAR	0.72
UK 10 YEAR	3.54
EURO 2 YEAR	1.56
EURO 10 YEAR	3.16

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