

Today's highlights

- Equity markets: Back to square one
- Upcoming dividend dates and corporate actions
- Company calendar – 22 March to 29 March
- Economic calendar – 22 March to 29 March

Talking point: Not quite back in fashion yet

While the public-holiday shortened week has meant a welcome break on the company reporting front, it's a busy week for economy watchers, with three key events over the next three days.

Kicking off with things today, we saw the release of the Reserve Bank's Quarterly Bulletin for the fourth quarter of 2010, which showed that the current account deficit declined to 2.8% from 4.1% in the third quarter; real gross domestic expenditure grew by 1.2%, from 6.2% previously. We will look at these numbers more closely in the coming days.

Tomorrow then sees the release of consumer inflation data for February, while the Monetary Policy Committee (MPC) meeting closes on Thursday. Monetary tightening is certainly coming back into fashion around the world, with many emerging markets raising rates in recent months and the European Central Bank hinting strongly that it will hike rates at its meeting next month.

We do not expect the Reserve Bank to follow the fashion for rate hikes just yet. While there are certainly cost pressures on prices, mostly caused by higher energy prices as a result of the turmoil in the oil rich Arab countries of North Africa and the Middle East, these do not appear to be enough yet to move CPI out of the target range of 3% to 6%. However things could change over the course of the year, and we would expect the Bank to revise its inflation forecasts upwards, which in turn may give some guidance on when a rate hike may happen.

Market highlights

The planned merger between AT&T and T-Mobile lifted US equities last night, while progress on Japan's nuclear reactors also boosted sentiment.

The JSE closed lower on Friday despite generally positive moves on the world's leading bourses, as large industrial counters like MTN and Naspers weighed on the overall market.

Bonds gained on Friday while the rand strengthened as the overall mood in currency markets improved on news out of Japan and Libya.

Oil prices rose yesterday on a combination of new unrest in Yemen and Syria and a weaker US dollar, while copper declined on rising Middle East uncertainty.

Key indicators in a nutshell – Monday 21 March 2011

Key indicators	Last price	1 Day	1 Month	1 Quarter	Year date to	1 Year
JSE All Share	30677.08	0.00%	-6.25%	-4.32%	-4.49%	6.49%
S&P 500	1298.38	1.50%	-3.14%	3.49%	3.24%	11.37%
Nikkei	9206.75	0.00%	-15.04%	-11.22%	-9.99%	-14.31%
Rand/US \$	6.93	0.90%	3.55%	-1.40%	-4.43%	5.50%
Rand/GB Pound	11.28	0.52%	2.73%	-6.54%	-8.63%	-1.34%
US\$/Euro	1.42	-0.25%	-4.19%	-7.93%	-5.86%	-4.28%
Gold \$/oz.	1425.48	0.45%	3.03%	2.88%	0.29%	26.60%

Company results and updates

Workforce reported HEPS for the year to December of 6.7c, up from a previous 6.4c.

PPC expects its earnings for the six months to March to decline by at least 30%. PPC reports on 17 May.

Primeserv expects to report a decrease in HEPS for the year to December of between 25% and 35%. Primeserv is due to report by the end of this week.

IFA Hotels expects to report a headline loss per share for the six months to December of between 2c and 4c (from 10.41c in the comparable period in 2009). Results are due out by the end of this month.

Howden Africa reported a 30.6% decline in HEPS for the year to December, to 105.85c. A dividend of 15cps was declared, bringing the total for the year to 27cps.

Masonite reported HEPS for the year to December of 43c, down from a previous 486c.

Kaydav expects to report HEPS of between 3.8c and 4c for the year to December, up from 2.3c reported for the previous year. Kaydav reports by the end of the month.

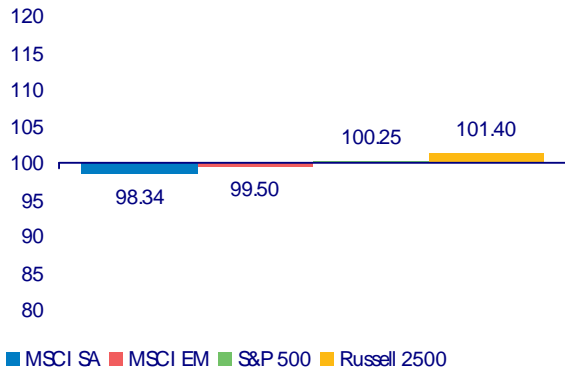
Bonatla expects to report HEPS of between 1.75c and 1.95c for the year to December, from a previous headline loss per share of 0.7c.

Daily ideas

Equity markets: Back to square one

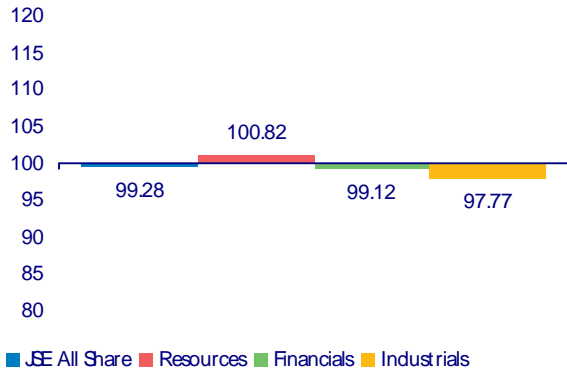
The nuclear cloud hanging over Japan lifted on Friday. Japan can get back to work and begin the rebuilding of its economy sooner rather than later. Relief that the radiation damage to Japan would be limited improved the outlook for the global economy to which equity markets responded very positively over the past two trading days. Equity markets are now back to the levels of 10 March, the day before the Tsunami struck.

Total USD returns: 10 to 21 March 2011, (10 March = 100)



Source: Bloomberg and Investec Securities

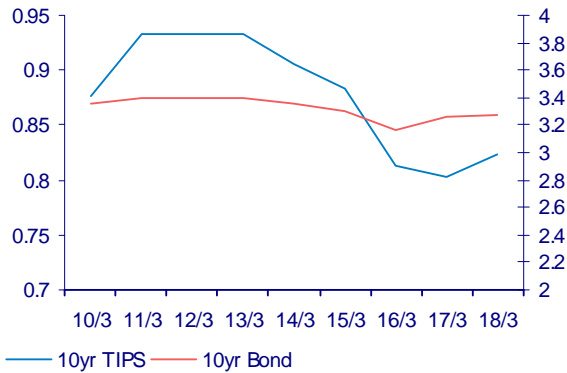
Total rand returns: 10 to 21 March 2011, (10 March = 100)



Source: Bloomberg and Investec Securities

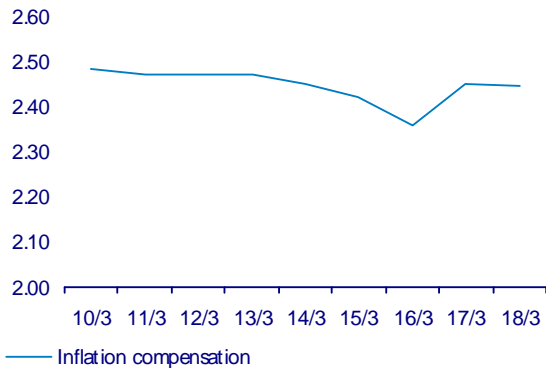
US Treasury Bonds, and especially their inflation protected variety (TIPS), benefitted from their safe have status. This left compensation for bond holders bearing inflation risk largely unchanged. This compensation (or what may be regarded as inflation expectations) is shown in the difference between vanilla bond yields and their inflation protected equivalents.

US Treasury Bond Yields (Inflation Protected LHS), 10 to 21 March 2011



Source: Bloomberg and Investec Securities

Inflation compensation in the US Bond Market, 10 to 21 March 2011

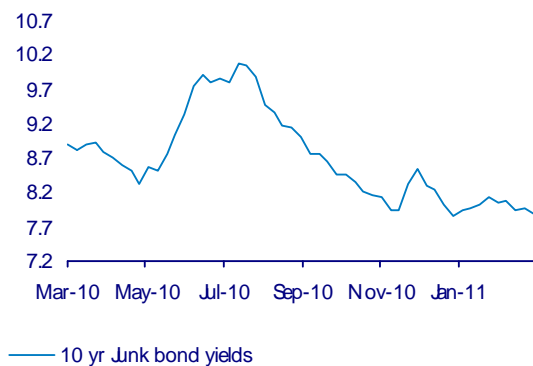


Source: Bloomberg and Investec Securities

While US Treasuries predictably acted as safe havens, so somewhat surprisingly, did US corporate bonds. The high yield, so called Junk Bonds have held up particularly well through the recent turbulence.

US Corporate Bond Yields: Investment grade, 12 month view

Source: Bloomberg and Investec Securities

US Corporate Bond Yields: Junk Bonds, 12 month view

Source: Bloomberg and Investec Securities

The strength of the US corporate bond market reflects well of the balance sheets of the average US non-financial corporation. It also speaks well of the recovery prospects of the US economy. The case for equities, especially those well exposed to the global economy, remains a strong one, given what we have argued are undemanding valuations. And given the dramatic events of the past few weeks the markets are back to where they were and therefore continue to offer value in our judgment. That the markets could absorb all that nature and engineering fallibilities threw at them, might indicate less rather than more risk to the economic and earnings outlook. **Brian Kantor**

Upcoming dividend dates and corporate actions

Share/security	Last day to trade	Ex-dividend	Record date	Pay date	Description	Per share amount/ result
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 – 22 March to 29 March

Wednesday 23 March	Eastern Platinum finals Jasco interims
Thursday 24 March	Litha Healthcare finals
Friday 25 March	Excellerate interims
Monday 28 March	Anglo Platinum AGM

Source: I-Net, Company updates

Economic calendar – 22 March to 29 March

Date	International	South Africa
Tuesday 22 March	UK – February CPI [11h30] UK – February Public sector finances [11h30]	
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]	
Monday 28 March	Germany – February Retail sales [09h00] US – February Personal income [14h30] US – February Pending home sales [16h00]	
Tuesday 29 March	Japan – February Unemployment Japan – February Retail sales Germany – March CPI prelim [09h00] UK – Q4 GDP final [11h30] UK – February M4 money supply [11h30] UK – Q4 Balance of payments [11h30] US – January Case Shiller home price index [15h00] US – March Consumer confidence [16h00]	February Trade [14h00]

Sources: Bloomberg, StatsSA, SA Reserve Bank

Key market indicators – Monday 21 March 2011

Indices	Last price	1 Day	1 Month	1 Quarter	Year to date	1 Year
JSE All Share	30677.08	0.00%	-6.25%	-4.32%	-4.49%	6.49%
JSE Fini 15	7769.81	0.00%	-5.25%	-3.75%	-4.91%	-4.53%
JSE Indi 25	25227.11	0.00%	-5.77%	-5.86%	-5.84%	9.19%
JSE Mining	36073.80	0.00%	-8.24%	-3.76%	-3.02%	6.68%
JSE Resi 20	55201.44	0.00%	-7.21%	-2.26%	-1.95%	9.13%
S&P 500	1298.38	1.50%	-3.14%	3.49%	3.24%	11.37%
DJI	12036.53	1.50%	-2.29%	4.36%	3.96%	11.66%
NASDAQ	2692.09	1.83%	-4.93%	0.92%	1.48%	12.58%
Nikkei	9206.75	0.00%	-15.04%	-11.22%	-9.99%	-14.31%
Hang Seng	22685.22	1.73%	-2.65%	-1.34%	-1.52%	6.35%
FTSE 100	5786.09	1.19%	-4.95%	-2.78%	-3.10%	2.54%
CAC 40	3904.45	2.47%	-5.97%	-0.59%	2.62%	-0.86%
DAX	6816.12	2.28%	-7.96%	-3.70%	-1.42%	13.37%
ASX-ORD	4734.10	0.39%	-5.81%	-2.64%	-2.33%	-2.94%
JSE All Share (in US\$)	4389.97	0.00%	-3.79%	-6.50%	-9.54%	11.35%
MS EM Index	1110.15	1.05%	-0.16%	-1.26%	-3.58%	10.85%
MS World Index	1307.42	1.58%	-3.84%	2.84%	2.14%	9.25%

Currencies	Last price	1 Day	1 Month	1 Quarter	Year to date	1 Year
Rand/US \$	6.93	0.90%	3.55%	-1.40%	-4.43%	5.50%
Rand/GB Pound	11.28	0.52%	2.73%	-6.54%	-8.63%	-1.34%
Rand/Euro	9.84	0.68%	-0.74%	-9.24%	-10.13%	1.08%
Rand/Aus \$	6.96	0.19%	4.20%	-2.34%	-2.93%	-3.37%
Yen/ US \$	81.21	-0.78%	2.55%	3.18%	-0.12%	11.40%
Swiss Franc/US \$	0.91	-0.49%	4.91%	5.83%	3.25%	16.84%
US \$/Euro	1.42	-0.25%	-4.19%	-7.93%	-5.86%	-4.28%
US \$/GB Pound	1.63	-0.47%	-0.82%	-5.19%	-4.28%	-6.49%
US \$/Aus \$	1.01	-1.00%	0.62%	-0.92%	1.69%	-8.42%
Nominal Effective Exchange Rate (2000 = 100)	74.54	0.00%	-0.66%	7.19%	9.02%	0.32%

	Last price	1 Day	1 Month	1 Quarter	Year to date	1 Year
Commodities						
Gold \$/oz.	1425.48	0.45%	3.03%	2.88%	0.29%	26.60%
Platinum/oz.	1722	-0.03%	-6.74%	-0.09%	-2.71%	5.68%
Brent Crude \$/bbl	114.64	0.70%	11.19%	23.55%	20.99%	43.12%

Fixed income	Closing yield %
SA R157	7.88
US 2 YEAR	0.65
US 10 YEAR	3.35
UK 2 YEAR	0.72
UK 10 YEAR	3.55
EURO 2 YEAR	1.56
EURO 10 YEAR	3.16

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