

Today's highlights

- Vehicle sales: Why a strong rand is good
- Upcoming dividend dates and corporate actions
- Company calendar – 7 March to 11 March
- Economic calendar – 7 March to 11 March

Talking point: Mixed signals on the US jobs front

The US nonfarm payrolls numbers for February came in slightly below forecasts, rising by 192 000 (against Bloomberg forecasts of 196 000), but were still good enough to confirm that the recovering trend in the US economy was still intact. The unemployment rate also fell slightly, to 8.9% from 9%.

Most other indicators of growth appear strong in the US, including the key ISM surveys for manufacturing and services. In most other circumstances this might encourage the Fed to signal more definitively when it might end its quantitative easing programme. However, as is the case elsewhere, recent data readings are taking a back seat to the unfolding hostilities in Libya and the worries of new civil unrest in other North African and Middle East countries; as well as the effect these could have on oil, and in turn, on global growth.

Market highlights

US equities stumbled on Friday, as a new bout of fighting in Libya and rumours of protests in Saudi Arabia boosted oil prices and overshadowed any good news that might have emanated from a mildly positive February jobs report.

The JSE ended slightly lower on Friday with a decline in mining shares offsetting gains in banks and industrials.

Bonds weakened on Friday but the rand continued its positive tone as the euro hit four month highs against the US dollar.

Oil prices surged a near 30 month high on Friday on intense fighting in various Libyan cities while gold also rose on a weak US dollar and demand for safe haven assets. Copper prices slipped.

Key indicators in a nutshell – Friday 4 March 2011

Key indicators	Last price	1 Day	1 Month	1 Quarter	Year date to	1 Year
JSE All Share	32337.06	-0.04%	-0.46%	2.15%	0.68%	16.81%
S&P 500	1330.06	0.74%	2.00%	8.74%	5.76%	18.88%
Nikkei	10693.66	1.02%	2.26%	5.18%	4.54%	4.30%
Rand/US \$	6.87	0.83%	4.25%	0.27%	-3.59%	9.01%
Rand/GB Pound	11.18	0.64%	3.67%	-3.30%	-7.79%	1.21%
US\$/Euro	1.40	-0.20%	-1.21%	-4.98%	-4.29%	-2.03%
Gold \$/oz.	1429.77	0.93%	6.97%	0.43%	0.59%	25.43%

Company results and updates

AVI reported a 30% gain in HEPS for the six months to December, to 152c. An interim dividend of 50cps was declared, up 28%.

Sasol reported a 22% rise in HEPS for the six months to December, to 1297c. An interim dividend of 310cps was declared, up 11%.

Gijima has reached a settlement with the Department of Home Affairs over a disputed contract and withdrawn its previous cautionary. The settlement is expected to shave 27.99c off headline earnings for the six months to December and Gijima expects to report a headline loss per share of between 27.5c and 28.5c for the period. Results are due out on Wednesday.

Amalgamated Appliances reported diluted HEPS for the six months to December of 12.5c, an increase of 9.6%. A distribution per share of 4cps was declared.

Rex Trueform grew its HEPS for the six months to December by 46.2% to 106.7c.

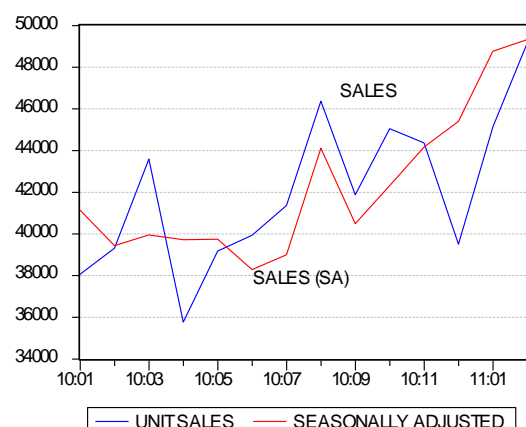
Excellerate expects to report an increase in HEPS for the six months to December of between 34% and 44%. Results are due out on 25 March.

Daily ideas

Vehicle sales: Why a strong rand is good

It was another big month for unit vehicle sales in February. On a seasonally adjusted basis sales were ahead of the January numbers, which in turn were well up on December.

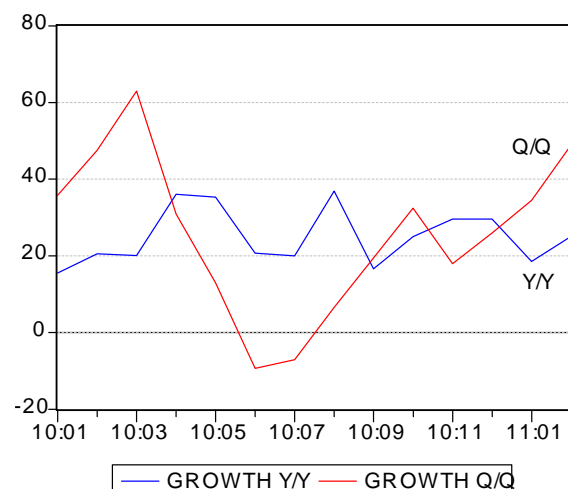
Unit Vehicle sales Actual and Seasonally Adjusted



Source: NAAMSA and Investec Wealth and Investment

Year on year growth in unit sales has remained in the plus 20% range. However the quarter to quarter growth rates, which are not dependent on base effects, have surged ahead and are now running well above a 40% per annum rate.

Growth in unit vehicle sales

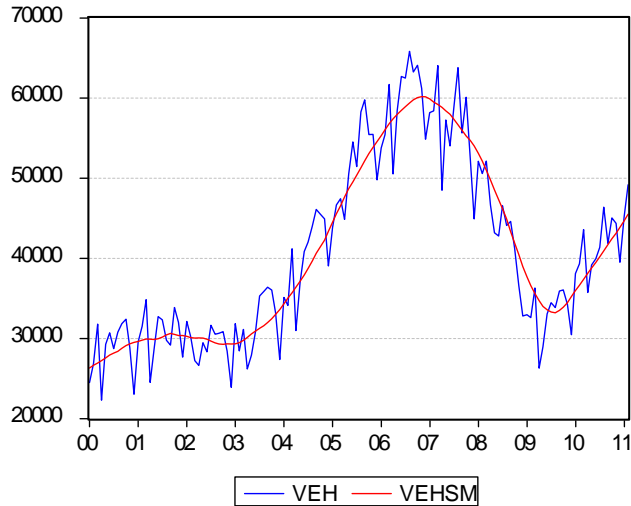


Source: NAAMSA and Investec Wealth and Investment

The Industry is now well on its way to a plus 50 000 unit sale year, still well below the cyclical peak of 60 000 units achieved in 2006. One might have expected sales to date to have added some va va voom to bank credit. However bank lending is much more dependent on housing prices and sales have not (yet?) responded in anything like the extent that vehicle sales have to lower interest rates as well as the stronger rand and more attractive terms.

Perhaps the banks should take a lesson from the motor dealers and their manufacturers on how to stimulate demand for credit. Innovative financial arrangements have clearly helped sell motor vehicles. To quote Naamsa: *"Attractive special incentive packages offered by a number of manufacturers/importers during the month of February 2011 also contributed to the rise in sales volumes"*. Innovations in housing finance might also help sell homes and the credit that comes with a more lively housing market.

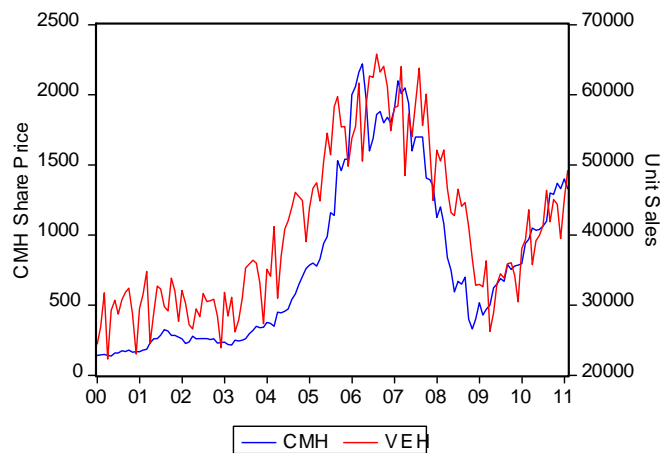
Unit Vehicle Sales 2000 to 2011



Source: NAAMSA and Investec Wealth and Investment

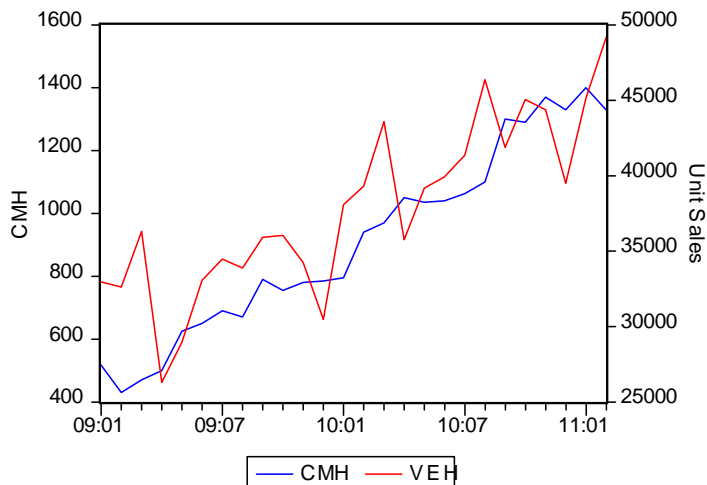
It may be seen below how closely Combined Motor Holdings (CMH), a specialised motor dealer, tracks the vehicle cycle. Sometimes the share price leads and at other times it slightly lags the new vehicle market. The share market, it would appear, was therefore somewhat favourably surprised by current sales with the share price lagging behind sales in February 2011. It is of interest to note that the share market in this case displays no willingness at all to look beyond current sales. All that appears to matter for the market value of CMH are current sales and so presumably current earnings. Cyclically adjusted sales or earnings have apparently had no influence on the CMH share price.

The CMH share price and new vehicle sales 2000- 2011



Source: NAAMSA, I-Net Bridge and Investec Wealth and Investment

The CMH share price and new vehicle sales 2009- 2011



Source: NAAMSA, I-Net Bridge and Investec Wealth and Investment

The SA motor industry is also benefitting from very strong growth in export volumes. To quote Naamsa again: “Exports of South African produced motor vehicles during February, 2011 at 25 129 vehicles had registered a significant improvement of 10 997 units or 77.8% compared to the 14 132 vehicles exported during February last year. In light of a revival in demand for South African produced motor vehicles in foreign markets, industry export sales were expected to reach 300 000 units in 2011”.

The strong rand has boosted domestic sales by helping the dealers to become competitive with attractive prices for a larger share of household and business budgets. The rand is strong because the global economy has recovered, boosting demand for vehicles and components exported from SA.

The motor industry is providing very convincing evidence that the strong rand is not only good for domestic consumers – it is also proving very good for domestic motor and component manufacturers. It is time for industrial policy in SA to recognise the evidence. A weak rand, whatever its cause (weak global markets or policies that discourage foreign investment in SA) is not good for business. A strong rand is. **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
Absa Prefs	4 March	7 March	11 March	14 March	Cash Dividend	R28.876
Anglo Platinum	4 March	7 March	11 March	14 March	Cash Dividend	R6.83
Absa	4 March	7 March	11 March	14 March	Cash Dividend	R2.30
AngloGold Ashanti	4 March	7 March	11 March	18 March	Cash Dividend	R0.80
Assore	4 March	7 March	11 March	14 March	Cash Dividend	R2
BHP Billiton	4 March	7 March	11 March	31 March	Cash Dividend	USD0.46
British American Tobacco	4 March	7 March	11 March	5 May	Cash Dividend	R9.352098
Digicore	4 March	7 March	11 March	14 March	Cash Dividend	R0.03
Distell	4 March	7 March	11 March	14 March	Cash Dividend	R1.24
Emira	4 March	7 March	11 March	14 March	Interest	R0.5521
Gold Fields	4 March	7 March	11 March	14 March	Cash Dividend	R0.70
Hospitality A	4 March	7 March	11 March	14 March	Interest	R0.6033
Hospitality B	4 March	7 March	11 March	14 March	Interest	R0.3845
Hudaco	4 March	7 March	11 March	4 April	Cash Dividend	R2.35
Imperial	4 March	7 March	11 March	4 April	Cash Dividend	R1.50
Panprop	4 March	7 March	11 March	14 March	Interest	R0.7404
RMB Holdings	4 March		7 March	14 March	Unbundling	1 Rand Merchant Insurance Holdings per RMH
Paracon	4 March	7 March	11 March	14 March	Cash Dividend	R0.10
Simeka Business Group	4 March	7 March	11 March	14 March	Name change	Morvest Business Group (MOR)
SBR002	4 March	7 March	11 March	15 March	Interest	R1.41
Sovereign NPLs	4 March		11 March	14 March	Rights take up	1 SOVN converts to 1 SOV at R4.75 a share
Woolworths	4 March	7 March	11 March	31 March	Cash Dividend	R0.505
City Lodge	11 March	14 March	18 March	22 March	Cash Dividend	R1.24
Capevin	11 March	14 March	18 March	22 March	Cash Dividend	R1.72
Discovery	11 March	14 March	18 March	22 March	Cash Dividend	R0.42
Fortress A	11 March	14 March	18 March	22 March	Interest	R0.508
Fortress B	11 March	14 March	18 March	22 March	Interest	R0.0604
Fountainhead	11 March	14 March	18 March	22 March	Rights issue	16.73288 FPTN per 100 FPT
Grindrod	11 March	14 March	18 March	22 March	Cash Dividend	R0.27
Grindrod Prefs	11 March	14 March	18 March	22 March	Cash Dividend	R3.86
Growthpoint	11 March	14 March	18 March	22 March	Scrip dividend	R0.693 per share or shares
Growthpoint	11 March	14 March	18 March	22 March	Interest	R0.63836
JOZI03	11 March	14 March	18 March	22 March	Interest	R14.83
Kagiso Media	11 March	14 March	18 March	22 March	Cash Dividend	R0.50
Kumba Iron Ore	11 March	14 March	18 March	22 March	Cash Dividend	R21

Massmart	11 March	14 March	18 March	22 March	Cash Dividend	R2.52
Rolfes	11 March	14 March	18 March	22 March	Cash Dividend	R0.05
Shoprite	11 March	14 March	18 March	22 March	Cash Dividend	R0.88
Truworths	11 March	14 March	18 March	22 March	Cash Dividend	R1.28
Capitec Prefs	17 March	18 March	25 March	28 March	Cash Dividend	R3.4377
Foschini Prefs	17 March	18 March	25 March	28 March	Cash Dividend	R0.065
Hypop	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
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
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
Anglo American	25 March	28 March	1 April	28 April	Cash Dividend and reinvestment plan	R2.8906
Bidvest	25 March	28 March	1 April	4 April	Cash Dividend	R2.25
Sasfin	25 March	28 March	1 April	4 April	Cash Dividend	R0.49
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
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
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
Steinhoff	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)
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 – 7 March to 11 March

Tuesday 8 March

Royal Bafokeng Platinum finals
Old Mutual finals
Uranium One finals
FirstRand interims
Paracon AGM
Hyprop shareholder meeting to approve Attfund deal

Wednesday 9 March

MTN finals
MMI interims
Gijima interims

Thursday 10 March

Sanlam finals
Dawn interims

Source: I-Net, Company updates

Economic calendar – 7 March to 11 March

Date	International	South Africa
Monday 7 March	Japan – January Coincident indicator US – January Consumer credit [21h00]	
Tuesday 8 March	Japan – January Current account Germany – January Industrial orders [13h00]	
Wednesday 9 March	UK – January Trade balance [13h00] Germany – January Industrial production [14h00]	
Thursday 10 March	Japan – Q4 GDP 2 nd estimate EMU – ECB monthly bulletin Germany – January Foreign trade [10h00] UK – January Industrial production [11h30] UK – BoE MPC rate announcement [14h00] US – January International trade [14h30] US – Initial jobless claims for previous week [14h30] US – Q4 Flow of funds [18h00]	January Manufacturing output [13h00]
Friday 11 March	China – February CPI China – February PPI China – February Fixed asset investment China – February Retail sales China – February Industrial production Germany – February CPI final [10h00] US – February Retail sales [14h30] US – March Consumer sentiment prelim [15h55]	

Sources: Bloomberg, StatsSA

Key market indicators – Friday 4 March 2011

Indices	Last price	1 Day	1 Month	1 Quarter	Year to date	1 Year
JSE All Share	32337.06	-0.04%	-0.46%	2.15%	0.68%	16.81%
JSE Fini 15	8023.36	0.55%	-2.42%	1.53%	-1.81%	3.02%
JSE Indi 25	26494.32	0.37%	-0.03%	-0.18%	-1.11%	21.15%
JSE Mining	38703.82	-0.51%	-0.95%	4.92%	4.06%	18.07%
JSE Resi 20	59071.87	-0.63%	0.25%	6.20%	4.92%	19.99%
S&P 500	1330.06	0.74%	2.00%	8.74%	5.76%	18.88%
DJI	12169.88	-0.72%	1.06%	7.11%	5.12%	17.05%
NASDAQ	2784.67	-0.50%	1.28%	7.31%	4.97%	22.10%
Nikkei	10693.66	1.02%	2.26%	5.18%	4.54%	4.30%
Hang Seng	23408.86	1.24%	-2.09%	0.74%	1.62%	12.13%
FTSE 100	5990.39	-0.24%	-0.16%	3.81%	0.32%	8.26%
CAC 40	4020.21	-1.00%	-1.14%	7.23%	5.66%	4.62%
DAX	7178.90	-0.65%	-0.07%	3.23%	3.83%	23.39%
ASX-ORD	4958.60	1.14%	1.24%	3.75%	2.30%	4.53%
JSE All Share (in US\$)	4710.22	0.79%	3.77%	2.42%	-2.94%	27.34%
MS EM Index	1138.48	0.98%	0.28%	1.07%	-1.12%	17.80%
MS World Index	1348.44	-0.27%	1.18%	8.33%	5.34%	16.51%

Currencies	Last price	1 Day	1 Month	1 Quarter	Year to date	1 Year
Rand/US \$	6.87	0.83%	4.25%	0.27%	-3.59%	9.01%
Rand/GB Pound	11.18	0.64%	3.67%	-3.30%	-7.79%	1.21%
Rand/Euro	9.59	0.61%	3.05%	-4.64%	-7.83%	7.05%
Rand/Aus \$	6.96	0.65%	4.01%	-2.21%	-2.90%	-2.50%
Yen/ US \$	82.31	0.07%	-1.00%	0.44%	-1.46%	7.62%
Swiss Franc/US \$	0.93	0.67%	1.50%	6.09%	0.94%	15.32%
US \$/Euro	1.40	-0.20%	-1.21%	-4.98%	-4.29%	-2.03%
US \$/GB Pound	1.63	0.04%	-0.42%	-3.45%	-4.05%	-7.19%
US \$/Aus \$	1.01	-0.13%	-0.26%	-2.53%	0.86%	-10.76%
Nominal Effective Exchange Rate (2000 = 100)	76.48	0.48%	-2.71%	2.63%	6.25%	-5.48%

	Last price	1 Day	1 Month	1 Quarter	Year to date	1 Year
Commodities						
Gold \$/oz.	1429.77	0.93%	6.97%	0.43%	0.59%	25.43%
Platinum/oz.	1842.5	0.93%	0.49%	6.87%	4.10%	16.76%
Brent Crude \$/bbl	115.72	1.42%	13.64%	27.39%	22.13%	47.28%

Fixed income	Closing yield %
SA R157	7.85
US 2 YEAR	0.68
US 10 YEAR	3.49
UK 2 YEAR	0.86
UK 10 YEAR	3.72
EURO 2 YEAR	1.75
EURO 10 YEAR	3.30

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