

Today's highlights

- Good news about home loans and employment
- Upcoming dividend dates and corporate actions
- Company calendar – 13 April to 20 April
- Economic calendar – 13 April to 20 April

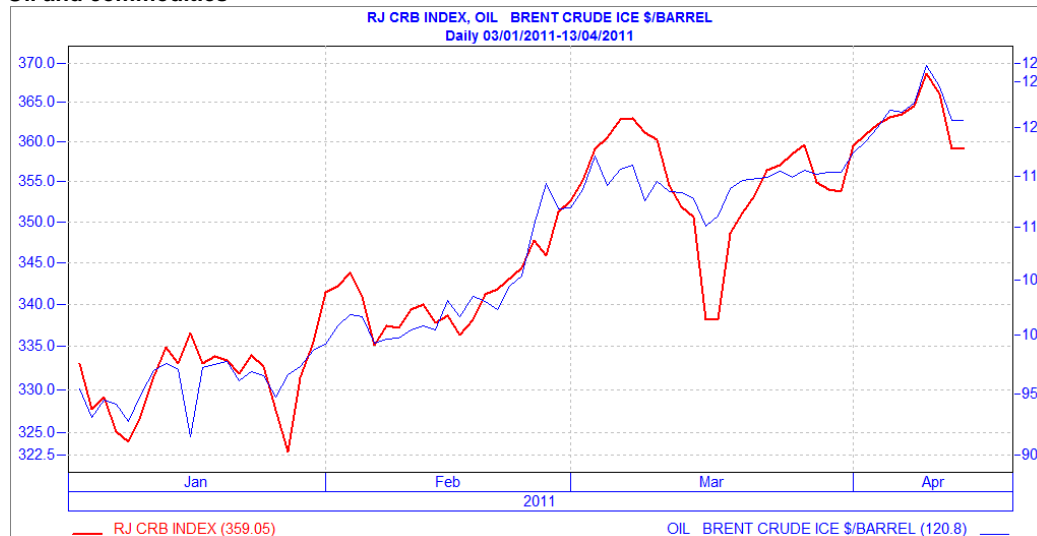
Talking point: No one big thing

Yesterday saw a sharp selloff in commodities, which shook equity markets as well. The decline was remarkable because there was not one single overriding factor that drove the selling on its own. The increase in the severity rating for the nuclear fallout at Fukushima to a maximum level of 7 certainly had an effect. So did the quarterly earnings report of Alcoa, the resources bellwether that always kicks off US earnings season: Alcoa beat earnings estimates, but its sales number were shy of market expectations, sparking worries about the sector's growth outlook.

Growth outlook views came from the Fed (which intimated that the currently high commodity price levels may not last), while the IMF, though leaving its forecast growth rates for 2011 and 2012 unchanged, did express concern about the effect of high commodity prices on global growth. These may also have affected sentiment towards commodities.

One day's price moves of course prove nothing (the fall in commodity prices after the original earthquake in Japan on 11 March was greater); indeed, none of the above bits of news suggest any sea change in the overall commodity story. With commodities and global equities (including US equity futures) up again this morning, it appears that yesterday's moves were overdone. Still, they do remind us that the world economy remains vulnerable, and that markets remain skittish about the outlook.

Oil and commodities



Source: I-Net Bridge

Market highlights

US equities fell overnight as lower commodity prices knocked energy and basic materials stocks. Alcoa reported earnings that were a little ahead of market expectations but its revenue numbers were worse than markets were expecting, while the further warning by Japan about radiation dangers at the Fukushima nuclear plant also spooked global markets.

The JSE fell sharply yesterday, led by heavy selling of resources and other mining shares in response to weaker commodity prices. Banks and industrials were also weaker.

Raised risk aversion levels in bond and currency markets hit both SA bonds and the rand yesterday, but the local currency was off its worst levels later in the day.

A broad based selloff in commodities followed worries about Japan's nuclear crisis and concerns about global growth. Copper and gold saw their biggest falls in a month, while oil fell \$3/barrel in US trade.

Key indicators in a nutshell – Tuesday 12 April 2011

Key indicators	Last price	1 Day	1 Month	1 Quarter	Year date to	1 Year
JSE All Share	32239.87	-1.75%	3.42%	-0.75%	0.38%	9.82%
S&P 500	1314.16	-0.78%	0.76%	2.19%	4.49%	10.03%
Nikkei	9555.26	-1.69%	-6.82%	-9.11%	-6.59%	-14.72%
Rand/US \$	6.74	-0.84%	2.04%	1.13%	-1.74%	7.62%
Rand/GB Pound	10.93	-0.29%	1.13%	-1.75%	-5.69%	1.95%
US\$/Euro	1.45	-0.26%	-3.95%	-9.31%	-7.53%	-6.74%
Gold \$/oz.	1453.77	-0.65%	2.57%	4.84%	2.28%	26.39%

Company results and updates

Allied Technologies expects its HEPS for the year to February to decline by between 11% and 16%. Results are due out on 20 April.

Aquarius Platinum is to acquire 74% of SA PGM business Afarak for US\$109.7m, by way of a cash consideration of US\$70.2m and the issue of 6.8m Aquarius shares.

Consolidated Infrastructure grew its diluted HEPS for the six months to February by 13% to 4.08c.

Dorbyl expects to report a decline in HEPS of at least 20% for the year to March.

Paladin capital expects to report HEPS, on a recurring basis, of between 11.9c and 12.3c for the year to February, a decrease of between 36.3% and 38.3%. Paladin reports today.

Palabora Mining hoisted an average 28 903t of ore a day from its underground mine in the March quarter, 8% lower than in the previous quarter and in the March quarter of 2010. Refined copper output rose 23% to 14 800t in the quarter, compared with the March quarter in 2010.

Daily ideas

Good news about home loans and employment

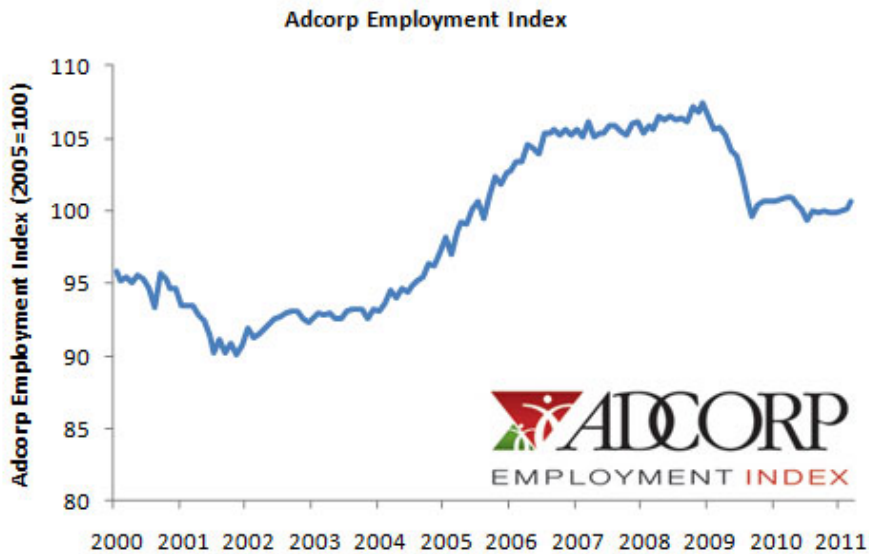
In a previous note on the state of the SA economy we pointed to the weakness in bank lending and the slowing growth in the money supply, particularly in the supply of Reserve Bank cash to the banks and the public. This indicated to us that while the SA business cycle was firmly in an upswing phase, the pace of recovery was not accelerating.

We showed that the housing market leads the credit market – higher house prices both encourage home owners to spend and borrow more and encourage entrants to the housing market. Higher house prices also mean larger mortgage bonds issued by the banks.

We suggested that what was needed to add momentum to the housing and credit markets market was growth in employment. Get a good job and the credit to buy a house and a car will likely follow.

In this regard the news from both the job and home loan markets in March, released this week by the leading employment agency Adcorp and the bond originator Ooba, was very encouraging. Ooba reported via I-Net Bridge that the number of bond applications in March had reached a three year high, that the average number of bond application in March was the highest level recorded since May 2008 and 36% higher than the average monthly application intake recorded in 2010. Not only applications but approved home loans were also strongly up and represented the highest value of approved home loans since October 2008. Yet these much improved volumes of potential bond business were still only 36% of the application volumes recorded at the peak of the market in May 2007.

Adcorp monitors the labour market very comprehensively and reported in its March Employment Report that in February employment in the formal sector was up 7.3% on a year before while informal employment grew by 2.0% “, the first time since January 2006 that the formal sector drew workers out of informal employment..” Its Index of Employment, having moved sideways, is now pointing higher.



Source: Adcorp Holdings Limited

The numbers that make up the Adcorp Index are indicated in the table below:

Employment by Type

Occupation	Employment Mar 2011	Percentage change vs. Feb 2010*
Unofficial sector	6,132,367	2.04
Official sector	12,970,794	7.28
Typical (permanent, full-time)	9,148,597	9.55
Atypical (temporary, part-time)	3,822,197	3.70
- of which agencies	994,226	9.94
Total	19,103,161	5.57

* Annualized

The business of Adcorp is to find jobs for workers, something it has proved very successful at but whose success has inspired a Cosatu led thrust to close its business down. In its latest Quarterly report it makes the following observations about temporary work:

Analysis

One of the most extraordinary developments in international labour markets in recent years is the growth of temporary staffing. Since January 2000, when Adcorp first compiled these statistics for South Africa, traditional permanent employment has declined by 20.9% (representing 1.9 million people) and temporary, contract and other forms of “atypical” employment has increased by 64.1% (representing 2.4 million people). In other words, all of South Africa’s employment growth over the past decade – and then some – has been of a temporary nature. It is no doubt incorrect to use the term “temporary” to describe an enduring phenomenon that has been observed consistently for more than 25 years. Clearly there is nothing “temporary” about temporary employment, except in the limited sense that a particular temporary job may not last permanently or indefinitely.

The news from the labour and housing market must be regarded as encouraging, but not yet encouraging enough to lead the Reserve Bank to become less cautious about the state of the economy. As the IMF suggested, and as we have done, any early move to higher interest rates would be highly premature. Hopefully also the SA government will leave what is working well in the labour market (the demand for and supply of temporary employment) well alone. **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
Advtech	14 April	15 April	21 April	26 April	Cash Dividend	R0.025
Advtech	14 April	15 April	21 April	26 April	Capital reduction	R0.11
Afrox	14 April	15 April	21 April	26 April	Cash Dividend	R0.08
Cashbuild	14 April	15 April	21 April	26 April	Cash Dividend	R1.57
Glenrand MIB	14 April	15 April	21 April	26 April	Scheme of arrangement	R2 a share
Brait	14 April	15 April	21 April	26 April	Rights issue	3 rights per 1 BAT
Anglo Plat	19 April	20 April	29 April	3 May	Name change	Anglo American Platinum
Nail and Nail N	19 April	20 April	29 April	3 May	Cash dividend	R0.176
Netcare Prefs	19 April	20 April	29 April	3 May	Cash dividend	R3.4161
Oando Oil	19 April	20 April	29 April	31 August	Cap issue	1 OAO for every 4 OAO held
Oando Oil	19 April	20 April	29 April	31 August	Cash dividend	R0.1177702
SBR003	19 April	20 April	29 April	3 May	Interest	R1.41
Sanlam	19 April	20 April	29 April	10 May	Cash Dividend	R1.15
Brait	28 April	29 April	6 May	9 May	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
Tradehold NPLs	28 April	29 April	6 May	9 May	Rights take up	1 TDHN converts to 1 TDH at R6.26
Beige NPLs	6 May	9 May	13 May	16 May	Rights take up	1 BEGN converts to 1 BEGP2 at R1 a share
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
Cipla Medpro	6 May	9 May	13 May	16 May	Cash Dividend	R0.06
Mvela Resources	6 May	9 May	13 May	16 May	Scheme of arrangement	9.5980 NHM per 100 MVL
Afgri	12 May	13 May	20 May	23 May	Cash Dividend	R0.2415
Brait	12 May	13 May	20 May	23 May	Rights issue	3 rights per 1 BAT
CIL	12 May	13 May	20 May	23 May	Consolidation	1 new CIL per 10 old CIL
Simmer and Jack	12 May	13 May	20 May	23 May	Unbundling	47.72727 VIL in addition to every 100 SIM
White Water Resources	12 May	13 May	20 May	23 May	Name change	Goliath Gold (GGM)
UCS	12 May	13 May	20 May	23 May	Unbundling	34 BCX per 100 UCS
JSE	20 May	23 May	27 May	30 May	Cash Dividend	R2.10
Spanjaard	20 May	23 May	27 May	30 May	Cash Dividend	R0.16
Basil Read	27 May	31 May	3 June	6 June	Cash Dividend	R0.30
Capital Shopping	27 May	31 May	3 June	21 June	Cash Dividend	R1.15355
ELB	27 May	31 May	3 June	6 June	Cash Dividend	R0.15
ELB Prefs	27 May	31 May	3 June	6 June	Cash Dividend	R0.06

Brait NPLs	3 June	6 June	10 June	15 June	Rights take up	1 right converts to 1 BAT at R16.50
SBR002	3 June	6 June	10 June	15 June	Interest	R1.45
Freeworld	9 June	10 June	17 June	tbc	Minority offer	R12 per share tendered
JOZI03	9 June	10 June	17 June	21 June	Interest	R14.90
Brait NPLs	17 June	20 June	24 June	27 June	Rights take up	1 right converts to 1 BAT at R16.50
Capitec	17 June	20 June	24 June	27 June	Cash Dividend	R2.05

Source: JSE

Company calendar – 13 April to 20 April

Thursday 14 April	Aveng interims Clicks interims Business Connexion interims Gold Fields H1 resource and reserves statement Investec Property Fund lists on JSE
Friday 15 April	Evraz Steel quarterlies
Monday 18 April	Pick 'n Pay finals
Tuesday 19 April	SABMiller quarterly update Datacentrix finals DRDGold March quarterlies
Wednesday 20 April	Altech finals BHP Billiton March quarterly production and exploration report

Source: I-Net, Company updates

Economic calendar – 13 April to 20 April

Date	International	South Africa
Wednesday 13 April	EMU – February Industrial production [12h00] US – March Retail sales [14h30] US – Fed Beige Book [20h00]	
Thursday 14 April	US – Initial jobless claims for previous week [14h30] US – March PPI [14h30]	
Friday 15 April	China – Q1 GDP China – March CPI China – March PPI China – March Fixed asset investment China – March Retail sales China – March Industrial production Japan – February Industrial production final EMU – February Foreign trade [12h00] US – March CPI [14h30] US – April Empire State survey [14h30] US – February TIC data [15h00] US – March Industrial production [15h15] US – April Consumer sentiment prelim [15h55]	
Monday 18 April	US – April NAHB survey [16h00] EMU – April Consumer confidence prelim [17h00]	
Tuesday 19 April	Germany – April PMI flash [10h30] EMU – April PMI flash 11h00] EMU – February Balance of payments [11h00] US – March Housing starts [14h30]	
Wednesday 20 April	Japan – March Trade balance Germany – March PPI [09h00] UK – MPC minutes [11h30] UK – March Public sector finances [11h30] US – March Existing home sales [16h00]	March CPI [11h00]

Sources: Bloomberg

Key market indicators – Tuesday 12 April 2011

Indices	Last price	1 Day	1 Month	1 Quarter	Year to date	1 Year
JSE All Share	32239.87	-1.75%	3.42%	-0.75%	0.38%	9.82%
JSE Fini 15	8219.58	-0.63%	4.21%	-1.69%	0.59%	1.28%
JSE Indi 25	26629.31	-1.07%	1.93%	-0.34%	-0.61%	17.92%
JSE Mining	37765.77	-2.92%	4.28%	-0.71%	1.53%	5.64%
JSE Resi 20	57424.82	-3.04%	3.83%	-0.11%	1.99%	7.02%
S&P 500	1314.16	-0.78%	0.76%	2.19%	4.49%	10.03%
DJI	12263.58	-0.95%	1.82%	4.32%	5.93%	11.51%
NASDAQ	2744.79	-0.96%	1.07%	0.27%	3.46%	11.85%
Nikkei	9555.26	-1.69%	-6.82%	-9.11%	-6.59%	-14.72%
Hang Seng	23976.37	-1.34%	3.13%	-0.62%	4.08%	7.96%
FTSE 100	5964.47	-1.47%	2.33%	-1.43%	-0.11%	3.35%
CAC 40	3976.60	-1.54%	1.22%	0.80%	4.52%	-1.83%
DAX	7102.91	-1.42%	1.74%	0.48%	2.73%	13.65%
ASX-ORD	4990.20	-1.47%	5.39%	3.28%	2.96%	0.35%
JSE All Share (in US\$)	4786.35	-2.58%	5.53%	0.37%	-1.37%	18.18%
MS EM Index	1177.31	-1.91%	6.21%	1.22%	2.25%	12.77%
MS World Index	1333.85	-1.10%	1.43%	2.73%	4.20%	9.04%

Currencies	Last price	1 Day	1 Month	1 Quarter	Year to date	1 Year
Rand/US \$	6.74	-0.84%	2.04%	1.13%	-1.74%	7.62%
Rand/GB Pound	10.93	-0.29%	1.13%	-1.75%	-5.69%	1.95%
Rand/Euro	9.74	-1.09%	-1.87%	-8.03%	-9.20%	0.49%
Rand/Aus \$	7.03	-0.25%	-1.05%	-3.31%	-3.89%	-3.76%
Yen/ US \$	83.60	1.23%	-2.06%	-0.63%	-2.98%	11.44%
Swiss Franc/US \$	0.90	1.08%	3.61%	7.84%	4.19%	18.82%
US \$/Euro	1.45	-0.26%	-3.95%	-9.31%	-7.53%	-6.74%
US \$/GB Pound	1.63	0.56%	-1.04%	-3.13%	-3.95%	-5.46%
US \$/Aus \$	1.04	0.51%	-3.28%	-4.72%	-2.13%	-10.71%
Nominal Effective Exchange Rate (2000 = 100)	77.60	0.59%	-1.20%	2.71%	4.72%	-1.86%

13 April 2011

dailyview

	Last price	1 Day	1 Month	1 Quarter	Year to date	1 Year
Commodities						
Gold \$/oz.	1453.77	-0.65%	2.57%	4.84%	2.28%	26.39%
Platinum/oz.	1773	-0.53%	-0.62%	-1.61%	0.17%	3.99%
Brent Crude \$/bbl	120.8	-2.94%	6.51%	23.80%	27.49%	42.94%

Fixed income	Closing yield %
SA R157	7.78
US 2 YEAR	0.78
US 10 YEAR	3.51
UK 2 YEAR	0.62
UK 10 YEAR	3.71
EURO 2 YEAR	1.86
EURO 10 YEAR	3.45

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