

Today's highlights

- Vehicle sales: Shifting into overdrive
- Upcoming dividend dates and corporate actions
- Economic calendar – 5 April to 12 April

Talking point: The great Trans Atlantic divide

The story goes that the reason the US never adopted the metric system was not because of some aversion to newfangled ideas (the US was the first to use a metric system for its currency, for instance), but because a ship commissioned to bring back all of the standard weights and measures from France (where the metric system was born) was captured by the British while crossing the Atlantic. In a similar way, monetary policy ideas battle to make the journey across the Ocean today.

The European Central Bank is widely expected to hike rates by 25bps at its policy meeting this week, marking the first hike since the financial crisis of 2008, and would come despite renewed worries about periphery economies within the Eurozone. Despite the US economy appearing to be in ever improving health, there is no such compulsion by Fed chairman Ben Bernanke to move towards a tighter stance, and this much was reiterated in a speech he made yesterday.

Bernanke believes that the current pressures from higher commodity prices are transitory and hence do not require a change in stance yet (that is, to keep rates at close to zero for an extended period and to continue with the \$600bn asset repurchase plan through to June). Nevertheless, he did warn that the Fed's position would change if these proved to be longer lasting.

Certainly the US economy has been on a firmer footing of late, with now even jobs growth starting to look positive again. Bernanke may have reason to revisit his position again soon, and for the right reasons: a strong domestic economy.

Market highlights

US equities ended marginally higher as the market marked time after last week's positive jobs numbers and looked for fresh momentum ahead of a speech by Fed chairman Ben Bernanke.

The JSE was a little higher yesterday in a fairly uneventful day of trading. Resources closed the day higher, but most sectors were flat or lower.

The rand held on to its Friday gains as the forex market awaited Bernanke's comments while bonds continued to trade stronger.

Oil and gold prices rose overnight, the former a response to heightened tensions in North Africa and the Middle East and better growth prospects in the US. Copper prices fell however, mostly in response to Chinese activities in the market.

Key indicators in a nutshell – Monday 4 April 2011

Key indicators	Last price	1 Day	1 Month	1 Quarter	Year date to	1 Year
JSE All Share	32437.77	0.16%	0.27%	0.03%	0.99%	11.78%
S&P 500	1332.87	0.03%	0.14%	4.93%	5.98%	13.14%
Nikkei	9718.89	0.11%	-8.19%	-6.53%	-4.99%	-13.57%
Rand/US \$	6.72	-0.36%	3.09%	-2.07%	-1.43%	7.64%
Rand/GB Pound	10.81	-0.31%	4.05%	-5.19%	-4.67%	2.12%
US\$/Euro	1.42	0.13%	-1.82%	-6.04%	-5.85%	-4.45%
Gold \$/oz.	1434.78	0.46%	1.28%	3.94%	0.94%	27.36%

Company results and updates

Metorex grew its copper output in the March quarter by 8% to 13 344t and its cobalt production by 10% to 1 041t. At Ruashi, copper production grew 20% and cobalt production rose by 10%.

Gold One grew its gold production in the March quarter by 21.9%, to 26 188oz.

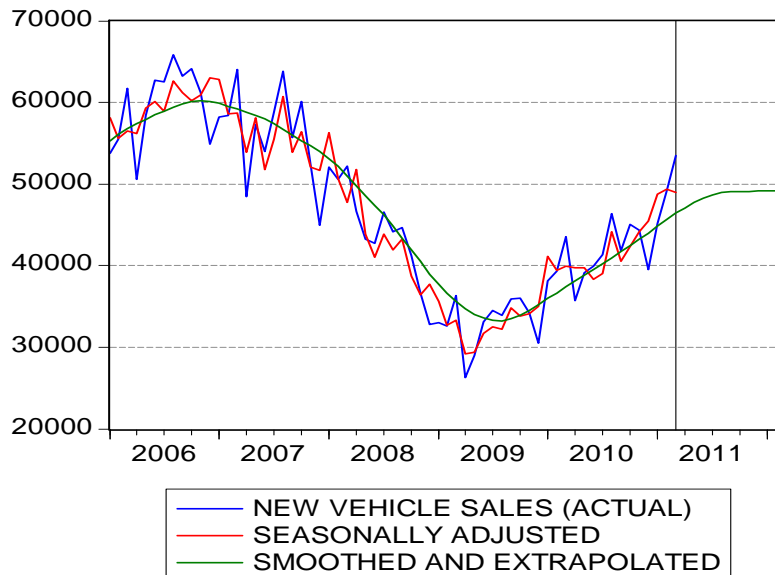
Mazor expects to report a 70% to 80% decline in HEPS for the year to February. Mazor reports on 17 May.

Daily ideas

Vehicle sales: Shifting into overdrive

March 2011 turned out to be another strong month for new vehicle sales both domestically and for exports. Sales in SA rose to 53 478 units while exports were a record 29 254. On a seasonally adjusted basis, domestic sales kept up with sales in February 2011 and the industry remains on track to sustain sales of new vehicles at a monthly rate of around 50 000. Seasonal adjustments are always complicated by Easter holiday influences in March and April and so a still clearer picture will have to wait until April sales volumes are released.

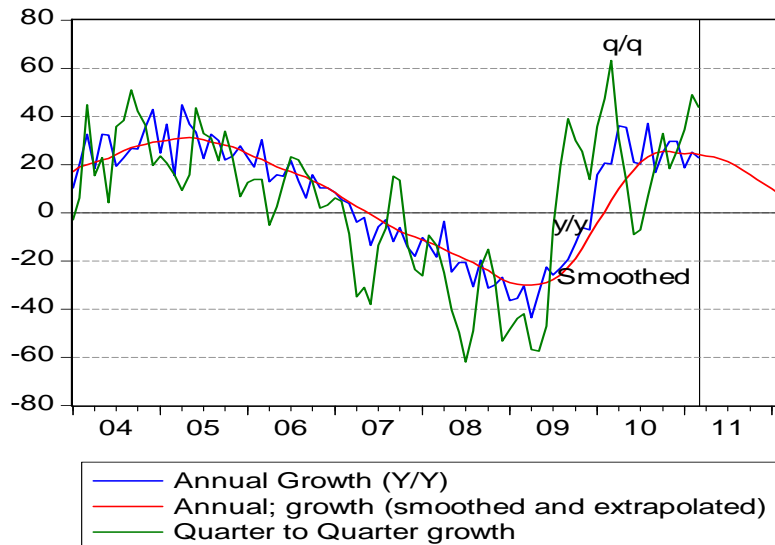
SA new vehicle sales in units



Source: NAAMSA and Investec Wealth and Investment

The underlying growth in new vehicle sales appears to have reached something of a peak at about the 23% year on year rate of growth. Growth rates in vehicles can be expected to slow down as the year on year comparisons become more demanding. Growth rates in new vehicles sales are now approximating the pace realised at the end of the previous boom in 2006-07.

The new vehicle cycle (annual growth rates)



Source: NAAMSA and Investec Wealth and Investment

It is of interest to note that sales of heavy trucks and buses in March 2011 were up by 298 units or 21.4% on a year before. Thus it is not only households that are adding to their stock of new vehicles, but firms are doing so too. This indicates a recovering appetite for fixed investment spending in SA that to date has been the weakest component of domestic spending. The banks, short of mortgage business, have clearly welcomed the opportunity to provide credit for vehicle purchases; though no doubt the balance sheets of the motor manufacturers have also been put to work facilitating sales. **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
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
Howden	8 April	11 April	15 April	18 April	Cash Dividend	R0.15
Iliad	8 April	11 April	15 April	18 April	Cash Dividend	R0.20
Metair	8 April	11 April	15 April	18 April	Cash Dividend	R0.65
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
Tradehold	8 April	11 April	15 April	18 April	Rights issue	298.94835 TDHN per 100 TDH
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
Sanlam	19 April	20 April	29 April	5 May	Cash Dividend	R1.15
Miranda NPLs	28 April	29 April	6 May	9 May	Rights take up	1 MMHN converts to 1 MMH at R0.73
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
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	13 May	16 May	20 May	23 May	Cash Dividend	R0.2415
CIL	13 May	16 May	20 May	23 May	Consolidation	1 new CIL per 10 old CIL
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
Brait NPLs	20 May		27 May	30 May	Rights take up	1 right converts to 1 BAT at R16.50
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
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

SBR002	3 June	6 June	10 June	15 June	Interest	R1.45
Freeworld	9 June	10 June	17 June	21 June	Minority offer	R12 per share tendered
JOZI03	9 June	10 June	17 June	21 June	Interest	R14.90

Source: JSE

Economic calendar – 5 April to 12 April

Date	International	South Africa
Tuesday 5 April	Japan – March PMI services and composite Germany – March PMI services and composite [10h55] EMU – March PMI services and composite [11h00] UK – March PMI services [11h30] EMU – February Retail sales [12h00] US – March ISM nonmanufacturing [16h00] US – FOMC minutes	
Wednesday 6 April	UK – February Industrial production [11h30] EMU – Q4 GDP final [12h00]	
Thursday 7 April	Japan – BoJ MPC meeting Germany – February Industrial production [13h00] EMU – ECB meeting and rate decision [13h45] UK – BoE MPC meeting and rate decision [14h00] US – Initial jobless claims for previous week [14h30] US – February Consumer credit [21h00]	March Gold and forex reserves [08h00] February Manufacturing output [12h00]
Friday 8 April	Japan – February Current account Germany – February Foreign trade [09h00] UK – March PPI [11h30] US – February Wholesale trade [16h00]	
Monday 11 April		
Tuesday 12 April	Germany – March CPI final [09h00] Germany – April ZEW Business survey [12h00] UK – March CPI [11h30] US – February International trade [14h30]	

Sources: Bloomberg, StatsSA, SA Reserve Bank

Key market indicators – Monday 4 April 2011

Indices	Last price	1 Day	1 Month	1 Quarter	Year to date	1 Year
JSE All Share	32437.77	0.16%	0.27%	0.03%	0.99%	11.78%
JSE Fini 15	8241.88	-0.55%	3.29%	-0.41%	0.86%	2.12%
JSE Indi 25	26958.61	0.01%	2.13%	0.15%	0.62%	19.64%
JSE Mining	37830.45	0.79%	-2.76%	0.15%	1.71%	7.82%
JSE Resi 20	57723.43	0.63%	-2.90%	1.16%	2.52%	9.63%
S&P 500	1332.87	0.03%	0.14%	4.93%	5.98%	13.14%
DJI	12400.03	0.19%	1.16%	6.06%	7.10%	13.48%
NASDAQ	2789.19	-0.01%	-0.34%	4.03%	5.14%	16.09%
Nikkei	9718.89	0.11%	-8.19%	-6.53%	-4.99%	-13.57%
Hang Seng	24150.58	1.46%	4.45%	2.04%	4.84%	12.14%
FTSE 100	6016.98	0.12%	0.20%	0.05%	0.77%	4.74%
CAC 40	4042.92	-0.29%	-0.44%	3.24%	6.26%	0.22%
DAX	7175.33	-0.06%	-0.70%	2.87%	3.78%	15.07%
ASX-ORD	4984.70	0.61%	1.67%	2.59%	2.84%	1.19%
JSE All Share (in US\$)	4830.57	-0.19%	3.37%	-2.04%	-0.46%	20.31%
MS EM Index	1193.13	0.68%	5.83%	2.41%	3.63%	16.15%
MS World Index	1345.62	0.31%	-0.48%	4.37%	5.12%	11.01%

Currencies	Last price	1 Day	1 Month	1 Quarter	Year to date	1 Year
Rand/US \$	6.72	-0.36%	3.09%	-2.07%	-1.43%	7.64%
Rand/GB Pound	10.81	-0.31%	4.05%	-5.19%	-4.67%	2.12%
Rand/Euro	9.54	-0.15%	1.20%	-7.75%	-7.29%	2.90%
Rand/Aus \$	6.96	-0.16%	0.64%	-3.68%	-2.91%	-4.44%
Yen/ US \$	84.13	-0.10%	-2.09%	-3.58%	-3.59%	11.54%
Swiss Franc/US \$	0.92	0.08%	0.98%	0.99%	1.25%	14.24%
US \$/Euro	1.42	0.13%	-1.82%	-6.04%	-5.85%	-4.45%
US \$/GB Pound	1.61	-0.12%	0.91%	-3.47%	-3.21%	-5.20%
US \$/Aus \$	1.04	0.17%	-2.27%	-1.44%	-1.30%	-11.18%
Nominal Effective Exchange Rate (2000 = 100)	77.88	-0.44%	-1.32%	4.48%	4.34%	-2.32%

	Last price	1 Day	1 Month	1 Quarter	Year to date	1 Year
Commodities						
Gold \$/oz.	1434.78	0.46%	1.28%	3.94%	0.94%	27.36%
Platinum/oz.	1787	1.22%	-2.11%	1.94%	0.96%	6.94%
Brent Crude \$/bbl	120	1.21%	5.17%	28.92%	26.65%	43.06%

Fixed income	Closing yield %
SA R157	7.70
US 2 YEAR	0.77
US 10 YEAR	3.42
UK 2 YEAR	0.80
UK 10 YEAR	3.73
EURO 2 YEAR	1.82
EURO 10 YEAR	3.37

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