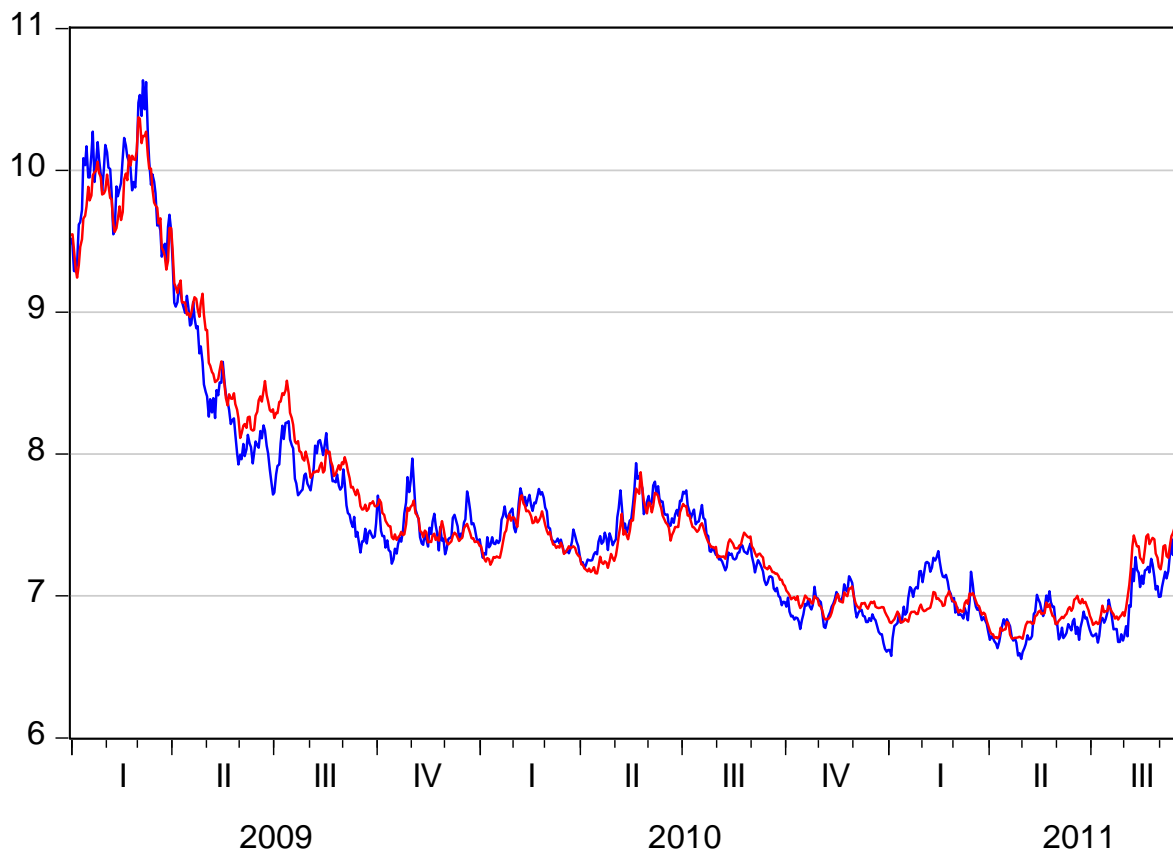


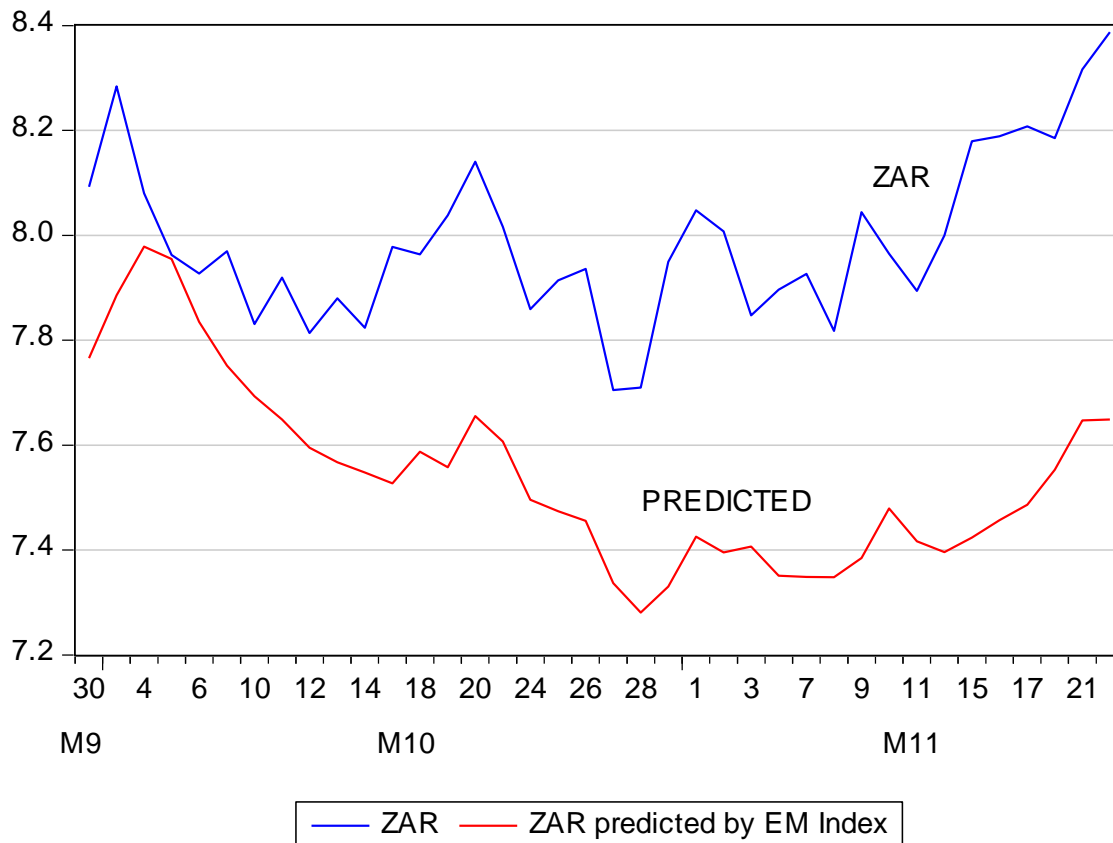
The rand has, as usual, been taking its cue from the direction of global equity markets. However the ZAR/USD is now about 9% weaker than might have been predicted by the level of the MSCI EM Equity Index. As we show the ZAR has tracked this index very closely on a daily basis since 2009 but this quarter has weakened by more than would have been predicted by this model. It would appear that SA specific forces have again entered the market for rands- perhaps the Moody's negative watch or the Secrecy Bill have had some additional influence on the exchange value of the rand influence in addition to global risk aversion- well reflected in global equity markets. SA specific rand weakness is a good reason for preferring Resources of SA Plays- all other things- especially global commodity prices remaining the same

The ZAR is an emerging equity market currency- where global equities go the rand will follow. Fair (EM) Value for the ZAR/USD R7.64 Vs 8.38



Source; I-net Bridge and Investec Wealth and Investment

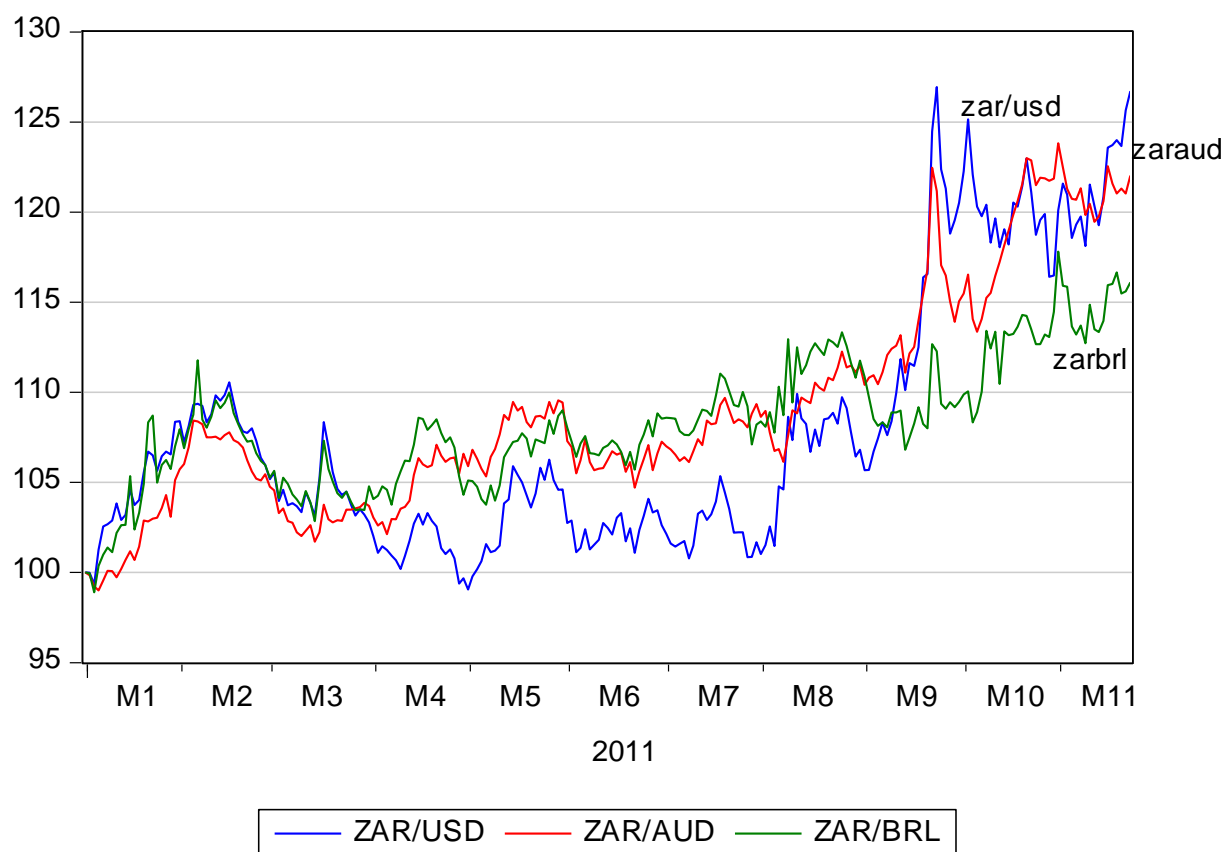
The ZAR this quarter



Source; I-net Bridge and Investec Wealth and Investment

The rand has also weakened against the Aussie dollar and the Brazilian Real this year, as we show below losing 25% of its USD value. 22% of its value in Australia and 15% weaker in Brazil since January 1st 2011

The rand VS the USD, the AUD and the BRL



Source; I-net Bridge and Investec Wealth and Investment