

### **Domestic Markets**

South Africa's private sector showed lower demand for credit for a fourth consecutive month, recording -1.12% y-o-y. M3 money supply slowed to 0.57% y-o-y in January after analysts expected an increase of 1.9%. In addition the better than expected consumer inflation data for January paved the way for bonds to move into investors favour. The All Bond Index posted a positive return of 2.02%, after gaining ground as the energy regulator Nersa allowed only a 24.8% tariff increase instead of the 35% Eskom had been hoping to get.

Within the maturity sectors, the 7-12 years bonds was the best performing sector with a return of +2.3% for the month and +4.1% for the quarter. The shorter dated 1-3 years bonds sector was the worst performer for the month, while the 3-7 years posted a +7.7% return for the year.

Despite the fact that the GDP for the last quarter of 2009, surprised on the upside with a strong 3.2% q/q annualised compared to the 2.6% expectation, the All Share index managed to gain 0.37% for the month. Within the tradable indices, the best performance came from the Industrial 25 (INDI25), which posted a return of 1.17%. The Financial 15 (FINI15) returned 0.61%, while the worst performing tradable index was the Resources 20 (RESI20), with a negative return of 0.98%. Over the past 12 months the FINI15 had the highest return of 61.7%, followed by the INDI25 (+51.2%), while the worst performer was the RESI20 with a return of 41.4%.

### **International Markets**

The current volatility stems from renewed risk aversion, uncertainty and the lower liquidity levels that prevail. The dollar gained ground against the Euro to a new nine-month high and the pressure on the Euro-zone continued as fiscal woes about Greece and fellow EU member countries such as Portugal, Ireland, Italy and Spain gained momentum.

In addition the US Federal Reserve unexpectedly hiked its lending rate. This decision did not only boost the dollar, but also put pressure on the dollar-priced oil, which in turn saw demand shrinking. US crude oil stockpiles rose by 3.1 million barrels compared to an average forecast of 1.8 million barrels.

However improving manufacturing data across regions suggest sustained growth for 2010. Inventories level was managed to all time lows during the crisis.

Both developed and emerging markets have driven the performance of the MSCI World Equity Index to close at +1.4% for the month. Among the selected equity indices, the MSCI Bovespa index rose 5.2%. Chile, the world's top copper producer, got hit by an 8.8-magnitude earthquake. This resulted in an improvement in the copper price after the shutdown of 5 copper mines. The MSCI Index of Asian shares rose 1.2%. MSCI Turkey index however ended -12.4%. The Nasdaq gained 4.2%.

Foreigners were net buyers of R2.5bn of equities and net buyers of R6.1bn of bonds.

# Pan-African Asset Management

## Real Numbers – February 2010



MONTH TO . . . Feb-10

### JSE / FTSE INDICES - TOTAL RETURNS

Development Capital	17.58%
Industrial Transportation	12.39%
Industrial metals	11.13%
<b>Technology</b>	<b>9.96%</b>
Software & Computer Services	9.96%
General Retailers	9.24%
<b>Property Loan Stock</b>	<b>6.65%</b>
<b>Consumer Services</b>	<b>6.60%</b>
Media	6.52%
Industrial Engineering	5.22%
Food & Drug Retailers	5.05%
Life Assurance	5.03%
Pharmaceuticals	4.35%
<b>Mid Cap</b>	<b>3.87%</b>
Non Life Assurance	3.46%
<b>Health care</b>	<b>3.30%</b>
<b>Property Unit Trusts</b>	<b>3.14%</b>
<b>Venture Capital</b>	<b>2.09%</b>
Mobile Telecomms	1.75%
General Financials	1.74%
<b>Telecomms</b>	<b>1.73%</b>
Equity Investment Instruments	1.69%
Healthcare Equipment & Services	1.65%
<b>Small Cap</b>	<b>1.43%</b>
<b>SA Industrials</b>	<b>1.42%</b>
<b>Industrials</b>	<b>1.34%</b>
<b>Industrial 25</b>	<b>1.17%</b>
Support services	1.15%
<b>Financials</b>	<b>1.09%</b>
Fixed Line Services	1.08%
<b>Weighted All Share</b>	<b>1.01%</b>
<b>Financial &amp; Industrial 30</b>	<b>0.61%</b>
<b>Financial 15</b>	<b>0.61%</b>
Construction & Materials	0.39%
<b>Capped All Share</b>	<b>0.39%</b>
<b>All Share</b>	<b>0.37%</b>
<b>Weighted Top 40</b>	<b>0.32%</b>
Food producers	0.09%
Chemicals	0.03%
<b>General Mining</b>	<b>-0.16%</b>
<b>Top 40</b>	<b>-0.18%</b>
Travel & Leisure	-0.19%
<b>Capped Top 40</b>	<b>-0.19%</b>
<b>Basic Materials</b>	<b>-0.45%</b>
General Industrials	-0.87%
Mining	-0.88%
<b>Resource 20</b>	<b>-0.98%</b>
<b>Gold Mining</b>	<b>-0.99%</b>
<b>Fledling</b>	<b>-1.14%</b>
Personal Goods	-1.50%
<b>Oil &amp; Gas</b>	<b>-1.76%</b>
Banks	-1.83%
Household Goods	-1.85%
<b>Consumer Goods</b>	<b>-3.21%</b>
<b>Platinum &amp; Precious Metals</b>	<b>-3.94%</b>
Forestry & Paper	-4.04%
Electronic & Electronic Equipment	-4.77%
Beverages	-5.08%

### BONDS, FIXED INTEREST & INTERNATIONAL- TOTAL RETURNS

7-12 years	2.31%
12+ years	2.28%
<b>All bond index</b>	<b>2.02%</b>
3-7 years	1.57%
0-3 years	0.87%
<b>Money market</b>	<b>0.60%</b>

MSCI world equity index (rands)	2.44%
J P Morgan global bond index (rands)	0.47%
US\$ appreciation vs Rand	0.98%
Euro appreciation vs Rand	-0.71%

3 MONTHS TO . . . Feb-10

### JSE / FTSE INDICES - TOTAL RETURNS

1 <b>Venture Capital</b>	<b>32.8%</b>
2 <b>Development Capital</b>	<b>24.7%</b>
3 <b>Technology</b>	<b>16.0%</b>
4 Software & Computer Services	16.0%
5 Food & Drug Retailers	14.9%
6 Industrial metals	14.9%
7 General Retailers	13.5%
8 Healthcare Equipment & Services	10.2%
9 Support services	10.0%
10 Food producers	9.6%
11 <b>Consumer Services</b>	<b>9.1%</b>
12 Industrial Transportation	9.0%
13 Non Life Assurance	8.7%
14 Equity Investment Instruments	8.5%
15 Banks	8.2%
16 <b>Property Loan Stock</b>	<b>7.4%</b>
17 <b>Healthcare</b>	<b>7.3%</b>
18 Personal Goods	6.9%
19 <b>Property Unit Trusts</b>	<b>6.2%</b>
20 <b>Mid Cap</b>	<b>6.1%</b>
21 Household Goods	6.0%
22 <b>Small Cap</b>	<b>6.0%</b>
23 Pharmaceuticals	5.5%
24 <b>Financials</b>	<b>5.3%</b>
25 <b>Financial 15</b>	<b>5.1%</b>
26 Media	4.0%
27 General Financials	3.4%
28 <b>Platinum &amp; Precious Metals</b>	<b>3.3%</b>
29 <b>Industrials</b>	<b>2.9%</b>
30 <b>Financial &amp; Industrial 30</b>	<b>2.4%</b>
31 <b>Weighted All Share</b>	<b>2.2%</b>
32 <b>Fledling</b>	<b>1.9%</b>
33 Travel & Leisure	1.7%
34 General Industrials	1.6%
35 Industrial Engineering	1.5%
36 <b>Industrial 25</b>	<b>1.3%</b>
37 <b>Weighted Top 40</b>	<b>1.1%</b>
38 Life Assurance	0.6%
39 <b>SA Industrials</b>	<b>0.4%</b>
40 Forestry & Paper	0.4%
41 Electronic & Electronic Equipment	0.3%
42 <b>Capped All Share</b>	<b>-0.1%</b>
43 <b>All Share</b>	<b>-0.3%</b>
44 Chemicals	-0.7%
45 <b>Capped Top 40</b>	<b>-1.0%</b>
46 <b>Top 40</b>	<b>-1.4%</b>
47 <b>Consumer Goods</b>	<b>-1.4%</b>
48 <b>Oil &amp; Gas</b>	<b>-3.0%</b>
49 Construction & Materials	-3.2%
50 <b>Basic Materials</b>	<b>-4.1%</b>
51 <b>General Mining</b>	<b>-4.5%</b>
52 <b>Resource 20</b>	<b>-5.0%</b>
53 Mining	-5.2%
54 Mobile Telecomms	-5.8%
55 <b>Telecomms</b>	<b>-6.0%</b>
56 Beverages	-8.4%
57 Fixed Line Services	-10.1%
58 <b>Gold Mining</b>	<b>-15.5%</b>

### BONDS, FIXED INTEREST & INTERNATIONAL- TOTAL RETURNS

7-12 years	4.1%
<b>All bond index</b>	<b>3.5%</b>
12+ years	3.3%
3-7 years	3.2%
0-3 years	2.2%
<b>Money market</b>	<b>1.8%</b>

MSCI world equity index (rands)	2.9%
J P Morgan global bond index (rands)	-1.0%
US\$ appreciation vs Rand	3.9%
Euro appreciation vs Rand	-5.7%

# Pan-African Asset Management

## Real Numbers – February 2010



### CALENDAR YEAR TO ... Feb-10 JSE / FTSE INDICES - TOTAL RETURNS

1	Venture Capital	45.9%
2	Software & Computer Services	17.1%
3	Technology	17.1%
4	Industrial metals	15.4%
5	Development Capital	12.0%
6	Food & Drug Retailers	8.5%
7	General Retailers	6.5%
8	Property Loan Stock	6.0%
9	Property Unit Trusts	3.9%
10	Industrial Engineering	3.9%
11	Food producers	3.4%
12	Life Assurance	2.8%
13	Support services	2.7%
14	Personal Goods	2.69%
15	Banks	2.4%
16	General Financials	2.4%
17	Financials	2.3%
18	Consumer Services	2.2%
19	Financial 15	2.1%
20	Industrial Transportation	2.0%
21	Mid Cap	1.7%
22	Equity Investment Instruments	1.5%
23	General Industrials	1.2%
24	Small Cap	0.9%
25	Financial & Industrial 30	-0.5%
26	Fledling	-1.2%
27	Chemicals	-1.2%
28	Industrials	-1.2%
29	SA Industrials	-1.3%
30	Weighted All Share	-1.6%
31	Travel & Leisure	-1.7%
32	Pharmaceuticals	-1.8%
33	Industrial 25	-1.9%
34	Healthcare	-2.2%
35	Weighted Top 40	-2.5%
36	Healthcare Equipment & Services	-2.8%
37	Capped All Share	-3.0%
38	All Share	-3.1%
39	Forestry & Paper	-3.5%
40	Capped Top 40	-3.6%
41	Media	-3.7%
42	Top 40	-4.0%
43	Consumer Goods	-4.0%
44	Non Life Assurance	-4.2%
45	Mobile Telecomms	-5.0%
46	Electronic & Electronic Equipment	-5.1%
47	Telecomms	-5.2%
48	Oil & Gas	-5.4%
49	Basic Materials	-6.5%
50	General Mining	-7.1%
51	Construction & Materials	-7.3%
52	Resource 20	-7.3%
53	Mining	-7.6%
54	Household Goods	-7.9%
55	Platinum & Precious Metals	-8.2%
56	Beverages	-8.5%
57	Gold Mining	-9.3%
58	Fixed Line Services	-10.4%

### BONDS, FIXED INTEREST & INTERNATIONAL- TOTAL RETURNS

7-12 years	3.0%
3-7 years	2.3%
All bond index	2.3%
0-3 years	1.5%
12+ years	1.3%
Money market	1.2%

MSCI world equity index (rands)	1.1%
J P Morgan global bond index (rands)	4.3%
US\$ appreciation vs Rand	3.9%
Euro appreciation vs Rand	-0.1%

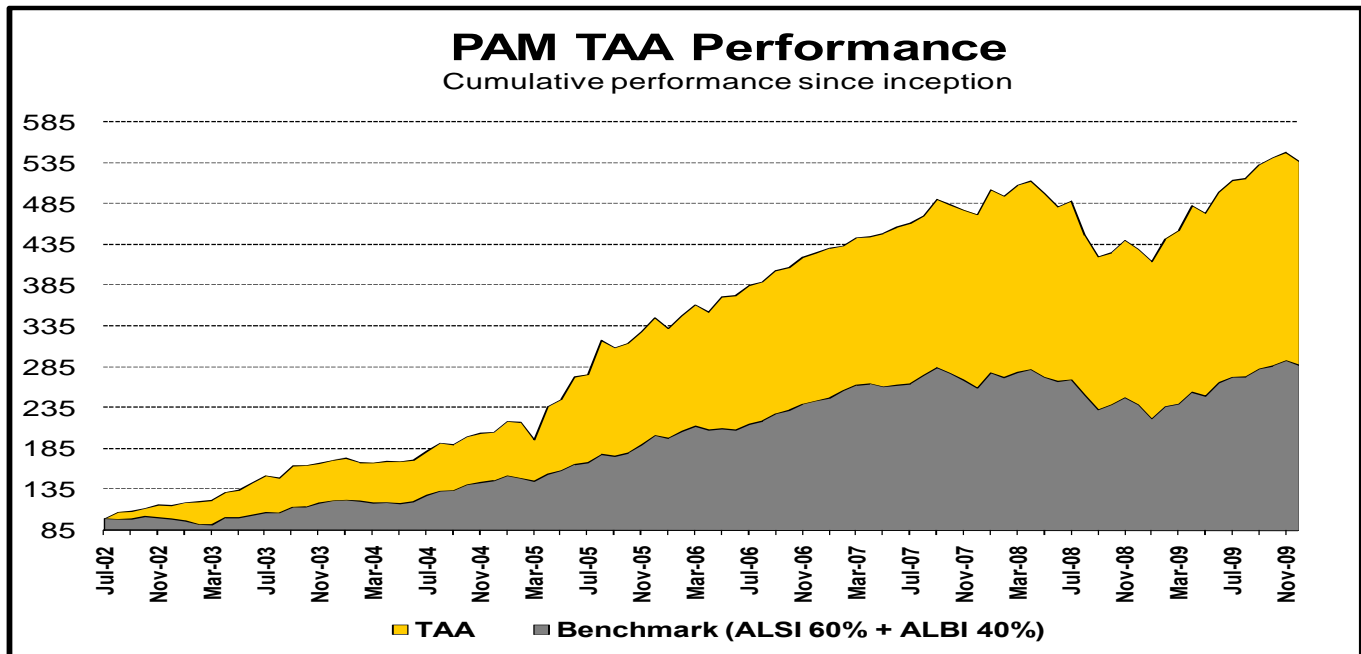
### 12 MONTHS TO ... Feb-10 JSE / FTSE INDICES - TOTAL RETURNS

1	Software & Computer Services	104.5%
2	Technology	104.5%
3	Personal Goods	92.69%
4	Industrial Transportation	86.6%
5	Media	84.5%
6	Life Assurance	77.7%
7	Household Goods	77.2%
8	General Financials	74.1%
9	Platinum & Precious Metals	70.4%
10	General Mining	67.1%
11	Forestry & Paper	66.9%
12	Venture Capital	65.6%
13	Banks	65.2%
14	Support services	65.1%
15	Consumer Services	64.6%
16	Pharmaceuticals	64.5%
17	Financial 15	61.7%
18	Industrial metals	58.4%
19	General Retailers	58.3%
20	Financials	58.0%
21	Healthcare	55.4%
22	Financial & Industrial 30	55.2%
23	Consumer Goods	53.6%
24	Food & Drug Retailers	52.7%
25	Industrial 25	51.2%
26	SA Industrials	51.0%
27	Mid Cap	50.4%
28	Capped All Share	48.9%
29	Industrial Engineering	48.4%
30	All Share	48.3%
31	Top 40	48.2%
32	Weighted All Share	48.1%
33	Weighted Top 40	48.0%
34	Capped Top 40	48.0%
35	Basic Materials	47.5%
36	Mining	46.1%
37	Electronic & Electronic Equipment	45.2%
38	Industrials	43.7%
39	Healthcare Equipment & Services	43.5%
40	Small Cap	43.1%
41	Resource 20	41.4%
42	Fledling	41.2%
43	Beverages	40.9%
44	Chemicals	40.4%
45	Equity Investment Instruments	38.0%
46	General Industrials	36.4%
47	Non Life Assurance	35.7%
48	Food producers	33.9%
49	Travel & Leisure	33.2%
50	Mobile Telecomms	33.1%
51	Telecomms	29.6%
52	Property Unit Trusts	27.4%
53	Property Loan Stock	24.5%
54	Construction & Materials	22.9%
55	Oil & Gas	15.3%
56	Fixed Line Services	2.1%
57	Gold Mining	-17.6%
58	Development Capital	-28.8%

### BONDS, FIXED INTEREST & INTERNATIONAL- TOTAL RETURNS

Money market	8.2%
3-7 years	7.7%
0-3 years	7.6%
7-12 years	7.5%
All bond index	6.8%
12+ years	4.6%

MSCI world equity index (rands)	18.5%
J P Morgan global bond index (rands)	-16.1%
US\$ appreciation vs Rand	-23.6%
Euro appreciation vs Rand	-17.0%



Note: All returns are expressed in Rands unless indicated otherwise. Returns include income wherever possible. Consequently the FTSE/JSE total return indices and the BESSA total price indices are used in calculating monthly returns, which are compounded for the longer periods.

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