

### **Domestic Markets**

Local financial markets finished the year in line with the prevailing uncertainties over the global economic growth outlook. The All Share index recorded a return of -2.45% in December, to close 2011 in positive territory of 2.6%. The FINI30 was the top performing tradable index at -1.35%, followed by the INDI25 -2.43%. The RES20 recorded -5.17% for the month.

Development Capital which gained 63.2% was the best performer in 2011, supported by Technology that posted a return of 25.7%. Life assurance, Food producers and Software and Computer services were top performers over all the reporting periods. Gold mining's poor performance of -11.13% in the last month of 2011, left it with an annual return of 6.9%.

In December, foreigners were net bond buyers of R2.5bn and net equity sellers of R1.7 bn. Total net inflows for 2011 came to R30.2bn, with net bond inflows of R47.4bn which boosted the SA bond market. The All Bond Index was the best performing asset class for the year at +8.8%, with the Money Market which underperformed the riskier equities for the quarter (+0.47% vs -2.45%), but outperformed over the year (+5.8% vs 2.6%).

The SAVI, which measures equity volatility, surged from 21.7 at the beginning of 2011 to a high of 34.1 in October. With the year coming to an end, volatility dropped back to 27.0. High volatility has also been seen in the currency market.

The South African Rand continues to be volatile by news out of Europe. Rand weakness kept bonds on the backfoot as worries intensified over the inflation outlook in the medium term. Bonds however, managed to maintain

composure when November headline CPI recorded 6.1% (slightly better than expected), pushing above the 6% upper target. USDZAR closed the year at 8.09, losing 22% y/y.

### **International market**

Concerns about the financing needs of the indebted Euro zone continue to put strain on the 17-nation currency. The euro weakened to a decade low versus the Japanese Yen. German Chancellor Angela Merkel will meet early in 2012 in Berlin with French President Nicolas Sarkozy to discuss solutions for the debt crisis.

The MSCI Emerging market index fell 18.2% in 2011, with the MSCI World Index which performed much better with a return of -5.0%. In the emerging markets, the MSCI China was the best performer for the month at +2.5%, while MSCI Russia recorded -10.6%. All emerging markets trended down in 2011, with MSCI India losing more than third of its value at -37.2%.

Silver spot in US dollar terms declined by 10.3% in December followed by Platinum which decreased by 10.5%. Gold spot in US dollar terms also declined by 10.3%, but reached an annual return of +10.1% to close at \$1564.

Amongst the industrial metals, Nickel and Copper were the only metals returning positive numbers of +7.9% and 2.0% respectively. Aluminium was the best performer for the year with -19.9%.

Brent crude oil traded lower during December, ending the year with a return of +13.2%, closing at \$107.22 a barrel.

# Pan-African Asset Management

Real Numbers – December 2011



## MONTH TO . . . Dec-11 JSE / FTSE INDICES - TOTAL RETURNS

1	Support services	6.59%
2	Life Assurance	6.36%
3	<b>Technology</b>	<b>4.45%</b>
4	Software & Computer Services	4.18%
5	<b>Small Cap</b>	<b>3.79%</b>
6	Food producers	3.38%
7	Industrial Transportation	3.03%
8	<b>Property Unit Trusts</b>	<b>3.03%</b>
9	Non Life Assurance	2.68%
10	<b>Fledling</b>	<b>2.46%</b>
11	Industrial metals	2.11%
12	Chemicals	2.07%
13	<b>Financials</b>	<b>1.91%</b>
14	<b>Financial 15</b>	<b>1.89%</b>
15	<b>Property Loan Stock</b>	<b>1.77%</b>
16	Travel & Leisure	1.58%
17	Healthcare Equipment & Services	1.55%
18	Equity Investment Instruments	1.42%
19	<b>Mid Cap</b>	<b>1.28%</b>
20	Banks	0.99%
21	<b>Healthcare</b>	<b>0.67%</b>
22	Food & Drug Retailers	0.37%
23	Fixed Line Services	0.17%
24	Industrial Engineering	0.14%
25	<b>Industrials</b>	<b>-0.15%</b>
26	Pharmaceuticals	-0.25%
27	Electronic & Electronic Equipment	-0.50%
28	Forestry & Paper	-0.60%
29	General Industrials	-0.77%
30	Construction & Materials	-0.90%
31	<b>Oil &amp; Gas</b>	<b>-0.93%</b>
32	General Retailers	-1.26%
33	<b>Telecomms</b>	<b>-1.27%</b>
34	<b>Consumer Services</b>	<b>-1.30%</b>
35	Mobile Telecomms	-1.32%
36	<b>Financial &amp; Industrial 30</b>	<b>-1.35%</b>
37	<b>Weighted All Share</b>	<b>-1.38%</b>
38	General Financials	-1.51%
39	<b>SA Industrials</b>	<b>-1.73%</b>
40	Beverages	-2.29%
41	<b>Weighted Top 40</b>	<b>-2.30%</b>
42	<b>Capped All Share</b>	<b>-2.39%</b>
43	<b>Industrial 25</b>	<b>-2.43%</b>
44	<b>All Share</b>	<b>-2.45%</b>
45	Household Goods	-2.71%
46	Media	-2.98%
47	<b>Capped Top 40</b>	<b>-3.08%</b>
48	<b>Top 40</b>	<b>-3.22%</b>
49	<b>Platinum &amp; Precious Metals</b>	<b>-3.27%</b>
50	<b>Consumer Goods</b>	<b>-3.59%</b>
51	<b>Resource 20</b>	<b>-5.17%</b>
52	<b>General Mining</b>	<b>-5.37%</b>
53	<b>Basic Materials</b>	<b>-5.67%</b>
54	Mining	-6.29%
55	Personal Goods	-7.88%
56	<b>Venture Capital</b>	<b>-8.73%</b>
57	<b>Gold Mining</b>	<b>-11.13%</b>
58	<b>Development Capital</b>	<b>-29.85%</b>

### BONDS, FIXED INTEREST &

12+ years	0.90%
3-7 years	0.81%
<b>All bond index</b>	<b>0.72%</b>
7-12 years	0.67%
0-3 years	0.63%
<b>Money market</b>	<b>0.47%</b>

MSCI world equity index (Rand)	-0.63%
J P Morgan global bond index (rands)	0.40%
US\$ appreciation vs Rand	-0.61%
Euro appreciation vs Rand	-4.16%
Euro appreciation vs US\$	-3.62%

## 3 MONTHS TO . . . Dec-11 JSE / FTSE INDICES - TOTAL RETURNS

1	Food & Drug Retailers	20.3%
2	<b>Oil &amp; Gas</b>	<b>18.6%</b>
3	Life Assurance	16.9%
4	Industrial metals	16.1%
5	General Retailers	15.5%
6	Food producers	13.6%
7	Industrial Transportation	13.3%
8	Personal Goods	13.1%
9	<b>Technology</b>	<b>12.1%</b>
10	Software & Computer Services	11.4%
11	<b>Consumer Services</b>	<b>10.8%</b>
12	<b>Consumer Goods</b>	<b>10.5%</b>
13	Chemicals	9.8%
14	<b>Financial 15</b>	<b>9.6%</b>
15	Equity Investment Instruments	9.4%
16	Beverages	9.2%
17	<b>SA Industrials</b>	<b>9.2%</b>
18	<b>Financial &amp; Industrial 30</b>	<b>9.1%</b>
19	<b>Industrial 25</b>	<b>9.0%</b>
20	<b>Financials</b>	<b>8.7%</b>
21	General Industrials	8.5%
22	<b>Top 40</b>	<b>8.4%</b>
23	<b>Capped Top 40</b>	<b>8.4%</b>
24	<b>All Share</b>	<b>8.4%</b>
25	<b>Capped All Share</b>	<b>8.4%</b>
26	<b>General Mining</b>	<b>8.3%</b>
27	<b>Weighted Top 40</b>	<b>8.3%</b>
28	Travel & Leisure	8.3%
29	<b>Weighted All Share</b>	<b>8.3%</b>
30	<b>Mid Cap</b>	<b>8.2%</b>
31	Industrial Engineering	8.1%
32	<b>Industrials</b>	<b>7.9%</b>
33	Banks	7.8%
34	<b>Resource 20</b>	<b>7.7%</b>
35	Mobile Telecomms	7.4%
36	<b>Small Cap</b>	<b>6.8%</b>
37	<b>Telecomms</b>	<b>6.7%</b>
38	<b>Fledling</b>	<b>6.1%</b>
39	<b>Basic Materials</b>	<b>5.8%</b>
40	<b>Property Unit Trusts</b>	<b>5.7%</b>
41	Household Goods	5.6%
42	Mining	5.5%
43	Pharmaceuticals	5.4%
44	General Financials	5.3%
45	<b>Healthcare</b>	<b>5.1%</b>
46	Construction & Materials	4.9%
47	Healthcare Equipment & Services	4.7%
48	Electronic & Electronic Equipment	3.2%
49	Non Life Assurance	3.1%
50	<b>Property Loan Stock</b>	<b>3.1%</b>
51	Support services	1.7%
52	<b>Gold Mining</b>	<b>0.7%</b>
53	Media	0.4%
54	<b>Development Capital</b>	<b>0.0%</b>
55	<b>Platinum &amp; Precious Metals</b>	<b>-0.8%</b>
56	Forestry & Paper	-1.7%
57	Fixed Line Services	-9.3%
58	<b>Venture Capital</b>	<b>-14.8%</b>

### BONDS, FIXED INTEREST &

7-12 years	4.3%
<b>All bond index</b>	<b>3.5%</b>
3-7 years	3.2%
12+ years	3.2%
0-3 years	2.2%
<b>Money market</b>	<b>1.4%</b>

MSCI world equity index (Rand)	7.4%
J P Morgan global bond index (rands)	-0.2%
US\$ appreciation vs Rand	-0.3%
Euro appreciation vs Rand	-3.4%
Euro appreciation vs US\$	-3.2%

# Pan-African Asset Management

Real Numbers – December 2011



## CALENDAR YEAR TO . . . Dec-11 JSE / FTSE INDICES - TOTAL RETURNS

1	Development Capital	63.2%
2	Food & Drug Retailers	26.9%
3	Technology	25.7%
4	Beverages	23.0%
5	Software & Computer Services	21.6%
6	Life Assurance	20.8%
7	General Retailers	19.6%
8	Food producers	17.2%
9	Equity Investment Instruments	16.8%
10	Industrial Engineering	16.8%
11	Industrial metals	16.2%
12	Oil & Gas	15.4%
13	Consumer Goods	14.7%
14	Non Life Assurance	13.6%
15	Mobile Telecomms	12.8%
16	Property Unit Trusts	12.2%
17	Healthcare Equipment & Services	11.4%
18	Telecomms	11.2%
19	Industrial 25	10.5%
20	Financial & Industrial 30	9.7%
21	SA Industrials	9.2%
22	Healthcare	8.8%
23	Consumer Services	8.6%
24	Property Loan Stock	7.7%
25	Financials	7.4%
26	Gold Mining	6.9%
27	Financial 15	6.6%
28	General Industrials	5.7%
29	Personal Goods	5.55%
30	Pharmaceuticals	5.5%
31	Mid Cap	4.7%
32	Banks	4.5%
33	Weighted All Share	4.3%
34	Weighted Top 40	4.1%
35	Capped Top 40	3.4%
36	Capped All Share	3.0%
37	All Share	2.6%
38	Top 40	2.2%
39	Fledgling	2.2%
40	Small Cap	1.1%
41	Chemicals	0.7%
42	Industrial Transportation	-2.0%
43	Household Goods	-3.0%
44	Industrials	-3.4%
45	Electronic & Electronic Equipment	-4.6%
46	Forestry & Paper	-5.5%
47	Venture Capital	-5.7%
48	Resource 20	-6.7%
49	General Financials	-7.6%
50	Media	-8.2%
51	Basic Materials	-8.3%
52	Mining	-9.6%
53	General Mining	-10.6%
54	Travel & Leisure	-11.4%
55	Support services	-18.9%
56	Fixed Line Services	-20.5%
57	Construction & Materials	-23.5%
58	Platinum & Precious Metals	-26.0%

### BONDS, FIXED INTEREST &

7-12 years	10.2%
3-7 years	10.2%
0-3 years	8.9%
All bond index	8.8%
12+ years	6.0%
Money market	5.8%

MSCI world equity index (Rand)	15.8%
J P Morgan global bond index (rands)	30.7%
US\$ appreciation vs Rand	21.9%
Euro appreciation vs Rand	18.3%
Euro appreciation vs US\$	-3.2%

## 12 MONTHS TO . . . Dec-11 JSE / FTSE INDICES - TOTAL RETURNS

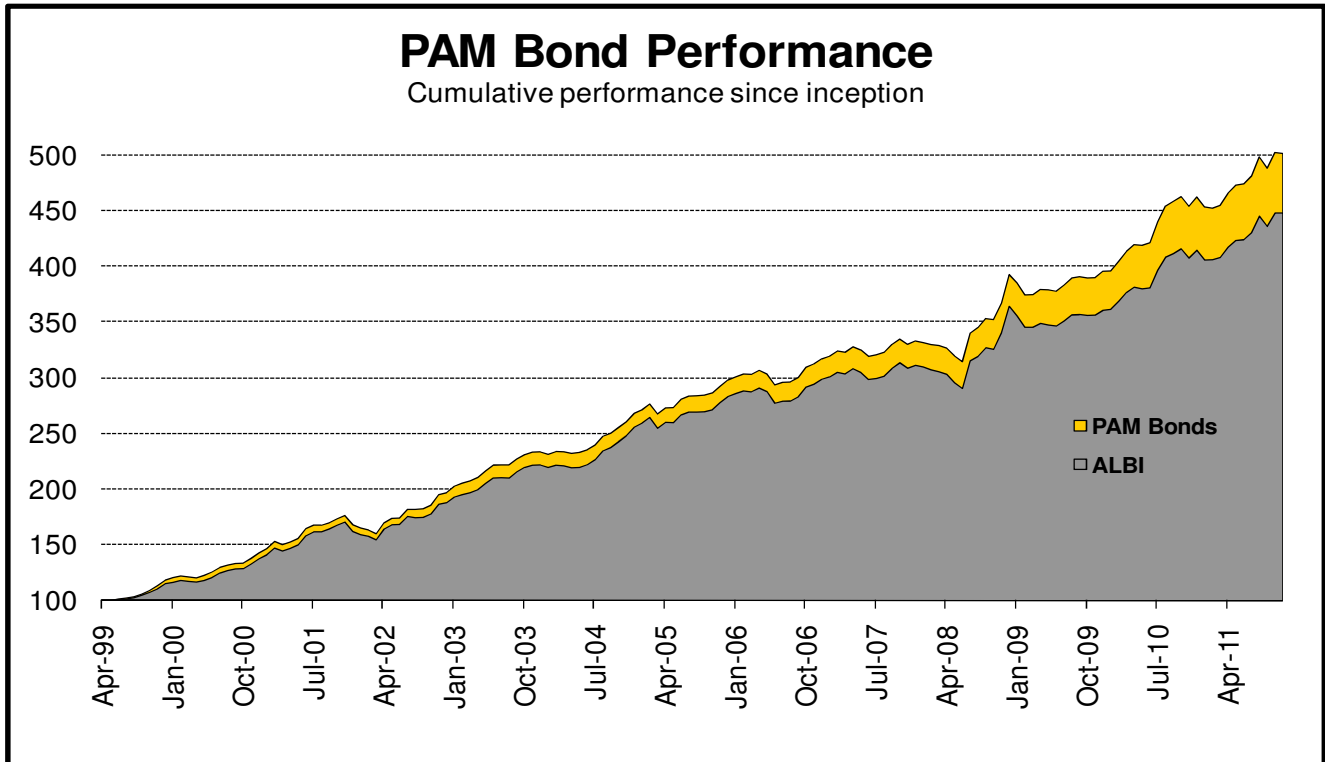
1	Development Capital	63.2%
2	Food & Drug Retailers	26.9%
3	Technology	25.7%
4	Beverages	23.0%
5	Software & Computer Services	21.6%
6	Life Assurance	20.8%
7	General Retailers	19.6%
8	Food producers	17.2%
9	Equity Investment Instruments	16.8%
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11	Industrial metals	16.2%
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16	Property Unit Trusts	12.2%
17	Healthcare Equipment & Services	11.4%
18	Telecomms	11.2%
19	Industrial 25	10.5%
20	Financial & Industrial 30	9.7%
21	SA Industrials	9.2%
22	Healthcare	8.8%
23	Consumer Services	8.6%
24	Property Loan Stock	7.7%
25	Financials	7.4%
26	Gold Mining	6.9%
27	Financial 15	6.6%
28	General Industrials	5.7%
29	Personal Goods	5.55%
30	Pharmaceuticals	5.5%
31	Mid Cap	4.7%
32	Banks	4.5%
33	Weighted All Share	4.3%
34	Weighted Top 40	4.1%
35	Capped Top 40	3.4%
36	Capped All Share	3.0%
37	All Share	2.6%
38	Top 40	2.2%
39	Fledgling	2.2%
40	Small Cap	1.1%
41	Chemicals	0.7%
42	Industrial Transportation	-2.0%
43	Household Goods	-3.0%
44	Industrials	-3.4%
45	Electronic & Electronic Equipment	-4.6%
46	Forestry & Paper	-5.5%
47	Venture Capital	-5.7%
48	Resource 20	-6.7%
49	General Financials	-7.6%
50	Media	-8.2%
51	Basic Materials	-8.3%
52	Mining	-9.6%
53	General Mining	-10.6%
54	Travel & Leisure	-11.4%
55	Support services	-18.9%
56	Fixed Line Services	-20.5%
57	Construction & Materials	-23.5%
58	Platinum & Precious Metals	-26.0%

### BONDS, FIXED INTEREST &

7-12 years	10.2%
3-7 years	10.2%
0-3 years	8.9%
All bond index	8.8%
12+ years	6.0%
Money market	5.8%

MSCI world equity index (Rand)	15.8%
J P Morgan global bond index (rands)	30.7%
US\$ appreciation vs Rand	21.9%
Euro appreciation vs Rand	18.3%
Euro appreciation vs US\$	-3.2%

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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