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Regional inflation remain high

Regional inflation figures remain on an upward trend with Malawi battling high inflation of 23.6% and Zambia at 9.4%. Zimbabwe's deflation continued unabated for the fourth consecutive month posting a decline of 0.1% in real prices. The International Monetary Fund (IMF) projects Zimbabwe's inflation to remain low and warned that deflation would haunt the country's economy.

Investment markets

Equity markets posted new highs again in the month of July with South Africa's FTSE JSE All Share index gaining 0.9%. The resources counters drove the gains, with the RES10 rising 5.1% on the back of broadly higher commodity prices. Financial stocks edged up 0.4% for the month while industrials bucked the upward trend, posting a loss of 1.4%. The sentiment in the investment markets was again set by comments and actions of central banks globally, with indications of economic recovery, albeit at a painfully slow pace.

Economic Activities

South Africa's Monetary Policy Committee increased interest rates by 25 basis points on the backdrop of threatening inflationary pressures despite slow economic growth. Inflation is expected to remain above the 6% upper target band this year. New vehicle unit sales for July declined 1.5% year on year, better than expected supported by strong car rental buying, despite a weak economy and tightening interest rates.

Zimbabwe tobacco sales reached 210 million kilograms topping the 200 million kilogram mark for the first time since 2001. Zimbabwe is facing a maize deficit of at least 400 000 metric tonnes and is likely to start importing as early as December. Meanwhile, Zimbabwe's government has said it cannot guarantee fixed pay dates for civil servants

USA sets the agenda for Africa – a continuous tragedy

It's another African heads of states' summit arranged by a non-African government to discuss African developmental needs. US President, Mr. Barack Obama has invited 50 of the 53 heads of states to discuss business opportunities, peacekeeping, food security and power programmes between Africa and America. African heads of states get excited about this. They do not initiate anything themselves but just sit in office waiting for solutions to African problems to be provided by the West or East in most cases. After 200 school girls were abducted in Nigeria and as in many other past problematic occurrences – summits are held in France or somewhere in Europe. It is a sad continuous tragedy that the people elected for office to lead African states have no solutions themselves.

Lesotho is still finding coalition government activities a problem. President Zuma visited Lesotho during the last week of July to offer some help, and we hope some progress was achieved in solving the Kingdom's matters for the benefit of the Basotho people.

Back in SA, President Zuma still faces the investigation on the R240 million plus development of his private home. We believe the sooner this is resolved, the better for SA so that he can focus on social challenges of unemployment, housing and education. He needs to help the Gauteng provincial government that is debating EFF's dress code and not the NDP. Our advice is that – let EFF wear the overalls of which they will get tired. Do not help them break the promises they made to their members, those who voted for them

Parting Words of Wisdom

"You can't debate satire. Either you get it or you don't". **Michael Moore**

Lesotho • Namibia • South Africa • Swaziland • Zambia • Zimbabwe

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Economic Indicators

	USD	Euro	Move
Rand	10.70	14.33	-0.66%
Pula	8.88	11.91	-0.93%
Kenya	87.80	117.6	0.23%
Kwacha	6.13	8.21	2.70%
Naira	162	217	0.63%

	Jun	Jul	Move
Gold (\$)	1326	1283	-3.4%
Oil (\$)	112	106	-5.6%

Move is % change monthly against USD

Top 10 JSE Equity Buys 2014

	Share Code	Entry Price	Target Price
1	Mediclinic	7600	13328
2	A. Rainbow	18900	25936
3	Discovery	8450	11568
4	Crookes Br	6600	8997
5	Old Mutual	3279	4319
6	Anglo	22900	28440
7	Group Five	4054	5010
8	AECI	12500	15130
9	Barclays	13225	15917
10	MTN	21702	25701

Prices in SA cents

JM BUSHHA Funds Returns

Fund Name	3 Years
CashPlus	6.08%
BondPlus	8.84%
Real Return	13.43%
Absolute AllClass	16.27%
Absolute Aggressive	15.28%
Diversified Equity	23.87%
Risk Averse Fund	11.68%
Global Investor	N/A
Afro Fund	13.43%

Returns are annualised

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