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### Economic Indicators

	USD	Euro	Move
Rand	11.98	13.36	-0.80%
Pula	9.82	10.94	-0.70%
Kenya	96.45	107.52	7.35%
Kwacha	7.26	8.10	-2.0%
Naira	198.88	221.73	-0.1%

  

	Mar	Apr	Move
Gold (\$)	1179.6	1187.1	1.1%
Oil (\$)	56.0	64.91	6.2%

*Move is % change monthly against USD*

### Banking with the Rogue Traders

The month of May saw the Banking sector rocked by allegations of currency rigging involving some of the heavyweights of the industry in an investigation that has been in process for 2 years. Currency rigging, to highlight the criminality, is the process of fixing prices in relation to Bids, Offer and Bid-Offer spreads in currency trading in order to eliminate competition and artificially inflate the cost of trading between any pair of currencies. As it stands, six banks have paid \$5 Billion in fines already and five have pleaded guilty to currency rigging. In South Africa, banks under investigation are BNP Paribas SA, Citi, Barclays Group Africa, and JP Morgan SA. At the time of the probe announcements, the JSE FINI15 index saw a drop of 80 basis points, indicating just how fragile the system is amidst increasing scrutiny of the industry.

### Top 10 JSE Equity Buys 2015

	Share Code	Entry Price	Target Price
1	MDC	10065	13481
2	SNT	21500	27837
3	DCT	350	447
4	OML	3470	4290
5	NED	24900	30319
6	AGL	21533	25961
7	SHF	5940	7126
8	ILV	2450	2893
9	LBH	12269	14419
10	LHC	2450	2893

### Prices in SA cents

### JM BUSHUA Funds Returns

Fund Name	3 Years
CashPlus	6.13%
BondPlus	8.96%
Real Return	11.07%
Absolute AllClass	15.26%
Absolute Aggressive	13.55%
Diversified Equity	20.40%
Communities Fund	N/A
Global Investor	N/A
Afro Fund	11.07%*

\* Same as Real Return

### Investment Markets- A Healthy 'Correction'?

The JSE All Share Index saw a sell off during May, with cumulative losses amounting to about 4%. This was marked by nine straight losing sessions, a spectacle last scene in September of 1998. The underperformance was driven by weakness across all sectors, with commodities leading the way. The major gold players saw decreases of over 20% on the back of weaker gold prices and on-going wage negotiations in the sector, while uncertainty over Greece and hawkish a Fed didn't help matters. The banking sector also took a knock after the SARB indicated that a rate hike is on the cards later in the year, and the probe regarding foreign currency price fixing worsened matters. Nonetheless, the sell off can be viewed as a welcome 'correction', and possibly following a 'Sell in May and go away' market myth. The market is still up 6% for the year and buying opportunities will emerge with further losses.

### Economic Activities – waiting for the “Superpowers”

The recent MPC meeting saw the SARB leave the repo rate unchanged at 5.75%. This is despite upside risks to inflation including electricity tariff increases, high wage settlements and a weak exchange rate. And while inflation might remain within the 3-6% band, one can only see it breaking through in the next 12-18 months. The faltering economy is also bearing the brunt of weak commodity prices, which are having adverse effects on the current account. And the demise of Africa's second largest economy gained further support as newly released unemployment data for the first quarter of 2015 indicating that unemployment now stands at 26.4%. With little positives to highlight, much of the focus will switch to the US, Europe and China, in the hope that at least one of them can initiate a move that offers some respite to the local economy.

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### Social and Political Developments - When will Africa rise?

In Nigeria, President Muhammadu Buhari, aged 72, gets a second chance to be President of the country after a short stint as Commander in Chief of the Armed Forces in 1984/5. The problems he faces now are different from those in 1985 – today the challenges include tackling fuel shortages, unemployment and militants Boko Haram? He promises to fight and defeat the militants, and make Nigeria prosper. That is welcome, and we wish him, Nigeria and Africa all the best in his work to make things better. He has got our moral support.

Yes, we have few countries that are working in unity towards better lives for its people. But leadership problems in Lesotho (where former prime minister is seeking refugee elsewhere), Madagascar, Burundi (where people are protesting about the President's desire to stand for re-election), Libya (where seeds of anarchy were planted by foreign forces) and so do not give much hope. So Africa's triple problems *i.e.*, – “Leaderlessness, Hunger and Diseases” continue to plague the continent. And so until unifying, visionary, inspiring African leaders emerge – the misery will continue. **Africa will rise only when a few men and women of Africa stand up against the current flow of things (status quo) and change the way of managing African economies.**

### Parting Words of Wisdom

"In matters of style, swim with the current; in matters of principle, stand like a rock." – Thomas Jefferson

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

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