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#### Economic Indicators

	USD	Euro	Move
Rand	9.04	11.82	0.07%
Pula	8.01	10.47	1.65%
Kenya	82.3	107	-4.41%
Kwacha	5300	6936	2.34%
Naira	158	206	2.60%

	Mar	Apr	Move
Gold (\$)	1606	1453	-9.53%
Oil (\$)	111	100	9.91%

*Move is % change monthly against USD*

#### Top 10 JSE Equity Buys 2013

	Share Code	Entry Price	Target Price
1	DTC	4905	6760
2	DSY	6219	8450
3	JDG	4500	5941
4	OML	2449	3147
5	NPN	54320	69268
6	GRT	2450	3074
7	AEG	3066	3835
8	MTN	17760	21689
9	MMI	2217	2637
10	NED	18800	22304

*Prices in SA cents*

#### JM BUSHUA Funds Returns

Fund Name	3 Years
CashPlus	6.61%
BondPlus	11.92%
Real Return	12.16%
Absolute AllClass	14.81%
Absolute Aggressive	13.00%
Diversified Equity <sup>(1)</sup>	19.63%
Risk Averse Fund	13.15%
Global Investor	N/A
Afro Fund	12.16%

*Returns are annualised*  
**(1) 24 months returns**

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#### Stagflation?

Inflationary pressure is set to slightly decline on further drop in petrol, diesel and paraffin prices in the first week of May. Nonetheless, the weaker Rand, wide account deficit and higher wage settlements remain as upside risks for inflation (currently at 5.9%), still stuck at the upper end of the inflation target.

#### Investment markets

Bond prices rallied in April to record highs in SA. German government 10-year bond yields fell to 1.16% after the European Central Bank (ECB) cut its rate to 0.5%. South African government benchmark bond, R186, maturing on 21 December 2026 yield fell 65 basis points to 6.72% as foreign investors pick emerging market bonds.

SA money market rates drifted lower too. The levels of interest rates in developed economies and now in some emerging markets are a worry to retirement funds (pensioners) as returns on fixed-income investments are dwindling fast. Taking taxes and other administrative costs, very little financial benefit is left for retirees. The future of retail (personal) banking accounts is in question as account holders are paying for receiving salaries and transactions costs only – with no return on balances.

If there are no changes to economic management at governments level worldwide and responsible management of the entire financial system, we could see massive destruction of value in investments in the next five years or sooner.

#### Economic Activities

The manufacturing sector continues to decline in SA – from a high of 22% in 1980 to about 15% in recent years shedding jobs along the way. The mining sector is still in trouble as reflected by the performance of listed resources shares on the JSE.

Zambia has followed the footsteps of Botswana by value-add services in the mining sector, and it is paying off. Following the ban of international sale of gemstones, Kagem (75% owned by UK-based Gemfields) realised about US\$15.2 million from a local gemstone auction.

While Zambia has reassured its citizens that it has reserved 700,000 tonnes of maize to distribute to areas facing starvation due to floods or drought, Zimbabwe needs 150,000 tonnes more. We acknowledge that Zimbabwe has been affected by many drought seasons since the 1980's – but still the country has no tangible programmes / plans to alleviate poverty. Farmers unions are asking government to peg producer maize price 35.60% up at \$400 per tonne from \$295 last year. Milk production has increased drastically to 70 million litres from 55 million last year but still short of the required national demand of 120 million litres. **The changing climate conditions will be a game changer in food production for many.**

#### Social and Political Developments: The African Dream?

At seminars, conference and African Presidents' inauguration ceremonies, one is likely to hear the following: "**It's Africa's time**" or "**Africa is a resource-rich continent**" or "**Africa is a sleeping economic giant**" and so on.

From 1997-2007 more Non-Profit Organisations (NPOs) or Non-Governmental Organisation (NGOs) were registered in Zimbabwe than start-up / new entrepreneurial companies. That should have worried any responsible and accountable government.

Now there is some interesting developments in M'zansi (South Africa), where anyone is forming an organisation – political or social movement - such as Agang; the Citizen Movement; SA DNA; and SA First - ostensibly to save South Africa from collapsing morally and economically. When the socio-economic situation was deteriorating in Zimbabwe, the government blamed everyone who was not part of them.

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

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So when an aeroplane flies over the skies of a sovereign state like South Africa, one would imagine all relevant authorities would know where the plane is from, what it would be carrying, where it would be landing, how long it would be on the ground for and to which destination it would fly to from there. *Right?* Not in SA. A plane lands safely, the occupants are welcomed, treated like royalty and then blamed for landing and being treated that way by the host country. **Someone does not know something.**

**So the dream of a sleeping economic giant, a rising continent of Africa will not happen if us, the Africans - refuse to learn from past mistakes and other people's experiences; acquire knowledge; be independent, responsible and accountable for our actions or inactions and stop the "blame-the-others" "after-the-event" game including blaming those from India, Europe, America, China, Asia and Australasia for our shortcomings.** Let us be curious, we must want to know our destiny and be in charge of the process.

***Parting Words of Wisdom***

***"Be curious always! For knowledge will not acquire you: you must acquire it".***  
**Sudie Back**