

Economic Indicators

	USD	Euro	Move
Rand	14.33	16.29	-3.64%
Pula	10.61	11.62	-2.65%
Kenya	101.01	115.6	-0.53%
Kwacha	9.60	10.99	-11.28%
Naira	198.99	227.89	-0.10%

	March	April	Move
Gold (\$)	1232.75	1293.53	4.93%
Oil (\$)	39.60	48.13	21.5%

Move is % change monthly against USD

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Leicester's "Coronation"

Undoubtedly the best investment return anyone could have made in the past 9 months was to punt on Leicester City winning the Barclays Premier League. A R10 bet placed last August would have paid you R50 000 in May. An annualized return of 6667% would have even made the most loyal MMM investor drop their jaws in awe. As "Coronation" beckons for Leicester City, back home the same word is not associated with joy and anticipation. South Africa's largest private fund manager, Coronation has found the going tough. They recently announced that they expect headline earnings to be down 10%. Assets under management came down from R 636 bn end of March 2015 to R 606 bn end of March 2016, a decline close to 5%. From a retail perspective, Coronation continues to lose market share. In the first quarter of 2016, net flows for Coronation declined by 3.1% whilst asset managers which are affiliated with banks and life Insurers and are able to cross-sell like Absa and Discovery had net flows up 4.9% and 6.8% respectively. However it is not all doom for Coronation, as its unit price grew by 2% as compared to a market average of 1.4%. This is a sign for possible future positive net flows.

Top 10 JSE Equity Buys 2016

	Share Code	Entry Price	Target Price
1	BGA	144	160
2	OML	38	46
3	SLM	58	70
4	IPL	121	180
5	CPI	481	565
6	TSH	23	35
7	NED	187	211
8	MDC	121	135
9	INL	103	129
10	FSR	42	51

Prices in SA Rands

JM BUSHHA Funds Returns

Fund Name	5 Years
CashPlus	6.32%
BondPlus	7.71%
Real Return	9.36%
Absolute AllClass	11.49%
Absolute Aggressive	10.90%
Diversified Equity	13.63%**
Communities Fund	8.41%
Global Investor	N/A
Afro Fund	9.36%*

* Same as Real Return

**4 year return

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Investment Markets-Resources lifting up the JSE

Following a strong rally in March, the JSE All share closed in the green again in April up 1.35%. Resources were up 12.55% driven by higher metal and gold prices. Kumba, despite production volumes and export sales falling, was up 45% as it tracked the recovery in the iron ore price which was up 23%. Industrials and Financials were down 1.39% and 2.46% respectively. Mpact was down 10.3% following the competition commission's recommendation to the tribunal that the deal to acquire Remade can only go through if the combined unit continues to supply other companies with recyclable paper and plastics.

Regional Economic Updates- Zimbabwe's liquidity crunch

The Rand strength against the Dollar has cushioned consumers from higher price increase in fuel as international petroleum products increase by 40c/l. The petrol price will therefore increase by 12c while diesel will decrease by 2c. Paraffin will decrease by 9c/l which is good news for the poor as winter creeps in. LPG gas will decline by 5c/kg. In Zimbabwe, the Reserve Bank is still printing Treasury Bills to honour its debts. This continued issuance is one of the reasons behind the tight liquidity conditions prevailing. Local companies' advise that the internal Real Time Gross Settlement within Zimbabwe is taking 48 hours to clear funds and EFT is taking up to three weeks. The central bank has advised that it is putting in place stringent and prudent measures to plug illicit financial outflows, as it emerged that close to \$2 billion was smuggled out of the country last year by individuals and companies, contributing to the liquidity crisis. According to the World Bank deflation will continue this year due to low aggregate demand and inflation will only peak up next year at 1.2% and 2.0% the year after.

Social and Political Updates- Parties gear up for local government elections

The month of April was the month of political party manifestos for the upcoming local elections. If the stadium attendance was anything to go by, then the ANC has a lot more to worry about than they have envisioned. The EFF which has been gaining numbers since its inception, filled Orlando stadium to its capacity and beyond and vocalized promises which appeal to the less fortunate. Another highlight of this month was the DA's court victory in the review of President Zuma's corruption charges. This could see Zuma being charged with 783 charges of corruption, fraud and racketeering.

Parting Words of Wisdom

"The problem with political jokes is they get elected" - Henry Cate VII

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

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