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Economic Indicators

	USD	Euro	Move
Rand	8.44	11.2	5.33%
Pula	7.78	10.3	0.30%
Kenya	86.2	114	-1.74%
Kwacha	5195	6855	-1.07%
Naira	156	207	0.06%

	Nov	Dec	Move
Gold (\$)	1715	1715	-1.22%
Oil (\$)	111	109	-1.80%

Move is % change monthly against USD

Top 10 JSE Equity Buys 2012

	Share Code	Entry Price	Closing Price
1	ABL	3878	3220
2	ADR	2745	2990
3	AFX	1860	2349
4	ASR	24400	40740
5	DSY	5020	6219
6	JDG	4825	4500
7	MTN	13740	17760
8	NTC	1425	1965
9	SAB	31000	38944
10	SBK	11034	11888

Prices in SA cents

JM BUSHHA Funds Returns

Fund Name	3 Years
CashPlus	6.85%
BondPlus	12.52%
Real Return	12.28%
Absolute AllClass	14.85%
Absolute Aggressive	14.26%
Diversified Equity ⁽¹⁾	16.72%
Communities Fund	N/A
Global Investor	N/A
Afro Fund	12.28%

Returns are annualised
(1) 20 months returns

Research Team

Chief Investment Officer
Joseph M Busha

Economic Research
Limakatso Lehobo

Investment Research
Anthony Hall
Joseph Busha
Patrick Serere
Sybrandt du Preez

Contact Details

Tel: +0027 11 325-2027/8
Fax: +0027 11 325-2047
invest@jmbusha.com
www.jmbusha.com

Global economy hangs on

The global economy again hangs on the edge - with financial decisions (on taxes, spending, etc – termed the “fiscal cliff”) in the United States of America taking centre stage at the start of 2013. Zambia cuts three zeros from its currency – calling it rebasing. It could learn from Zimbabwe, which did the same many times until the introduction of a multi-currency system that excluded its own currency. As advice, the only solution is increased domestic production and consumption of domestic products, good governance structures and less expenditure on big cabinet luxuries.

Investment markets: Equity market surprises

The overall South African equity market reached new highs in 2012, buoyed by industrial, retail and financial shares. The JSE closed 22.71% up for the calendar year 2012. Out of our Top 10 Buys for 2012, only two performed poorly: ABL (-5.83%) and JDG (-7.22%). The rest were up with double digit returns – ASR (94.00%), NTC (46.10%), AFX (45.00%), DSY (42.96%), SAB (37.57%), MTN (23.56%), and SBK (20.38%). The entry prices were taken in March 2012.

Economic Activities

Good rains only started falling around the Christmas holidays in Zimbabwe, and we hope there will not be dry spells during this planting season. The country has had many dry seasons over the last decade worsening the poverty levels there.

Regionally, signs of any economic activity and direction will be clear only after January. In SA, the President’s 8th January Statement might give clues. In Zimbabwe, the attention will be more on politics than the economy. Hopefully at the end of it all, there will be more construction of factories and industrial zones’ developments than building of shopping malls.

Social and Political Developments: Mr. Zuma triumphs

In the last edition of this newsletter, we mentioned that President Zuma is likely to retain his position and he did. It was a joyous, triumphant moment for him and his supporters. **But did Mr. Zuma win or was it those who wanted to protect their jobs / self-interests, or the ANC political system, or the political elite and business sections of our class-divided society that won?** Did you see the multitude of SA companies displaying their banners, products and services and courting the attention of the ANC? Amazing!

So President Zuma, secretary general Mr. Gwede Mantashe, and Chairperson Ms. Baleka Mbete were re-elected. Incoming into the top six echelons of the ANC were Mr. Cyril Ramaphosa (deputy president), Mr. Zweli Mkhize (treasurer general) and Ms. Jessie Duarte (deputy secretary general).

Much has been said about President Zuma’s touch with SA society and communities. But the defeat of the ANC by the IFP in the Nkandla ward elections recently may provide an interesting analysis. Nkandla is President Zuma’s home village, where he is building the much publicised R200-R250 million residential home for himself. **So what does the vote of the people of Nkandla imply – does the IFP represent their interests better than the ANC? Are the people of Nkandla not happy with their man-of-the people President Zuma or the ANC itself?** These are just questions, which need simple answers.

The ANC will win the 2014 elections in SA. But before then, what will happen in Kenya and Zimbabwe? Both are holding general and presidential elections this year. And it’s not clear who the victors will be. Zimbabwe will be interesting as new parties have emerged. **MDC and ZANU PF seem to be the same coin-** each gives heads or tails in a flip with no other possibilities. They cannot take Zimbabwe forward. We believe a new governing party in Zimbabwe will cause a new, morally responsible world order to emerge. The so-called super powers have dismally failed to lead and create a financially and morally better world for all of us to live in.

Parting Words of Wisdom

“Fortune favours the brave” – A known saying.

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

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