

Monthly News Letter

Investment & Economic Matters



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Economic Indicators

	USD	Euro	Move
Rand	14.29	16.03	-1.40%
Pula	10.70	12.00	-0.37%
Kenya	101.12	113.49	0.32%
Kwacha	12.71	14.27	4.94%
Naira	359.70	404.60	-0.15%
	Feb	Mar	Move
Gold (\$)	1292.38	1283.53	-0.68%
Oil (\$)	68.39	72.80	6.45%

Move is % change monthly against USD

Top 10 JSE Equity Buys 2019

	Share Code	Entry Price	Target Price
1	AECI	83.51	135.41
2	HYP	81.50	127.04
3	ARL	159.93	237.34
4	BAW	115.14	160.54
5	INL	79	108.45
6	ABG	161.82	213.65
7	SUR	22.30	28.62
8	PFG	84.43	106.50
9	MNP	309.57	367.76
10	JSE	165.56	184.83

Prices in SA Rands

JM BUSH A Funds Returns

Fund Name	5 years
CashPlus	7.81%
BondPlus	9.11%
Real Return	6.45%
Absolute AllClass	7.31%
Absolute Aggressive	7.11%
Diversified Equity	5.17%
Communities Fund	8.94%
Global Investor	
Afro Fund	6.45%*

* Same as Real Return

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South African and Global Economy

The IMF in the month of April announced that they have lowered their growth rate for South Africa's GDP for the year 2019 from 1.4% to 1.2%, placing the country among the worst performers in the sub-Saharan Africa. The IMF also depreciated the projected 2020 GDP expansion from 1.7% to 1.5%. This means that the IMF projections are lower than SARB, in which the Governor Lesetja Kganyago announced that they expect SA's GDP growth for 2019 to average 1.3%, down from the bank's January projection of 1.7%. The banks forecast for 2020 was a growth rate of 1.8%, down from 2%. All these projections are still above the 2018 GDP expansion of 0.8% and the IMF said "the projected recovery reflects modestly reduced but continued policy uncertainty in the South African economy after the May 2019 elections.". The fund projected that real GDP growth in sub-Saharan Africa would average 3.4% in 2019, meaning South Africa will be growing at less than half the average rate. According to the report only Angola, which is recovering from recession, is expected to be lower than the South African GDP growth in 2019.

Investment Markets – Major indices end on the green

The market ended positive with major indices including the JSE All Share ending on the green at 3.66%. Financials ended up with the FINI 15 ending the month at 5.31%. Industrials increased with the INDI25 closing the month at 6.46% and resources went down as for the month of March with the RESI20 Index ending at -2.02%. On company news, Pick n Pay delivered turnover growth of 9.6% in the 53 weeks of the 2019 financial year. On a comparable 52-week basis, turnover increased by 7.1%, with like-for-like turnover growth of 4.8%. With selling price deflation of 0.3% over the year, the Group achieved like-for-like volume growth of 5.1%. Sasol reported a 1% decline YoY in 3Q19 oil equivalent production, Performance chemicals declined by 7%, Base chemicals increased by 4%, Energy grew by 4%, EPI went down by 9% and coal remained flat on YoY basis.

Regional Economic Updates – Zimbabwe

Zimbabwe's annual inflation rate for the month gained 7.27 percentage points to 66.8% with Food and Non-Alcoholic beverages inflation at 78.55% while the Non-food inflation rate was 61.19%. This comes after a widening disparity between the official exchange rate and the parallel market. Currently the interbank rate closed at \$3.28 vs. the parallel market rate of between \$4.95 - \$5.05. The bond cash rate is at \$3.50-\$3.80. The IMF forecasts Zimbabwe's inflation to remain in double digits till the end of the year at +40%. This is against initial forecasts from the Ministry of Finance, which are targeting a drop to single digit inflation by October 2019. On the other hand activity on the Zimbabwe Stock Exchange has started to improve with turnover rising 64.5% in April to ZWL\$116.5million from ZWL\$70.8million in March. However returns are still negative and alpha likely remains in export linked stocks as well as defensive stocks like Delta beverages, Innscor and National foods.

Social and Political Updates – Moving into the elections

The institute of race relations came out with their statistical measure to predict the 8th May election results. They conducted a poll on the 27th of April and the 4th of May, on a 70% turnout model, a scenario considered plausible for this year's election is the ANC polling at 53%, while the DA was 24% —an increase from the 22.23% it received in 2014. The EFF would increase to 14% from the 6.35% it received at the last national election. The IRR reported that this is the most fluid election by far particularly between the ANC and EFF.

Parting Words of Wisdom

"The wheel of progress revolves relentlessly and all the nations of the world take their turn at the field-glass of human destiny. Africa will not retreat! Africa will not compromise! Africa will not relent! Africa will not equivocate! And she will be heard! Remember Africa!" Robert Mangaliso Sobukwe

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

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