

WHAT A WEEK

Manufacturing surges 2.4% while house prices dip in real terms

THE GOOD ...

■ SOUTH Africa's manufacturing output grew 2.4% year on year in volume terms in January, unchanged from December, said Statistics South Africa.

■ Automotive parts maker Metair posted a 38% rise in headline earnings per share in the year to December, from the previous corresponding period.

■ The latest February statistics released by independent ATM deployer Spark ATM Systems show that consumer spending and trading conditions are gradually stabilising, following a significant drop-off in withdrawal values from December 2011 to January 2012.

■ Uranium One reported adjusted earnings per share of 12c for the year ended December from a loss of 1c a year ago.

■ MMI Holdings, the financial services group that includes Metropolitan and Momentum, reported a 4% increase in core headline earnings to R1.294-billion for the six months to December.

■ Black-controlled and -managed

investment company Brimstone reported an increase in basic headline earnings per share to 176.3c for the year ended December 2011 from 172.7c a year ago.

■ Offshore accounts bought R1.6-billion worth of SA shares last week and sold bonds for the first time in seven weeks, off-loading R339-million in local debt, JSE data showed.

■ KAP International reported a 22% increase in headline earnings per share for the six months ended December 31.

■ South Africa's biggest furniture maker, Steinhoff International, reported a 48% jump in first-half profit, helped by acquisitions and favourable currency swings.

■ Stock exchange operator JSE Ltd said strong revenue performance and tight operating cost control for the year ended December 31 led it to expect headline earnings per share to be up to 34% higher than the previous year.

■ Aspen Pharmacare, the southern hemisphere's biggest generic

drugs maker, booked a 22% rise in first-half profit as strong demand in its Asia-Pacific unit offset higher funding costs on its debt.

■ Packaging company Mpact reported a four-fold increase in underlying earnings after being spun out of Mondi Group.

■ Standard Bank, Africa's largest lender, reported a 21% rise in full-year profit helped by a decline in bad debts.

THE BAD ...

■ THE board of the Development Bank of South Africa on Friday announced the resignation of CEO Paul Baloyi, who leaves "to pursue personal interests". Baloyi joined the bank in 2006. TP Nchocho has been appointed acting CEO from April 1.

■ Ferrochrome company Merafe Resources reported a decline in diluted headline earnings per share to 6c for the year ended December 2011 from 11c a year

ago. Merafe's revenue and operating income is primarily generated from the Merafe Chrome Venture, the market leader in ferrochrome, with a total installed capacity of 1.98 million tons of ferrochrome a year. Merafe's earnings from the venture were lower than the prior year primarily as a result of a decrease of 13% in Merafe's share of ferrochrome sales and above-inflationary increases in production costs. (See *Share of the Week*, page 4, *Money&Careers*)

■ Eastern Platinum Mines recorded a net loss attributable to equity shareholders of \$0.08 a share in the year ended December 31 compared to earnings of \$0.02 a share a year ago.

■ House prices in the South African residential property market continued to show relatively low nominal growth on a year-on-year basis last month, according to Absa Home Loans.

In real terms, house prices deflated further in January this year, based on headline consumer price inflation of 6.3% in

the month. House prices in real terms take into account the effect of CPI. The residential property market is still impacted by economic and confidence factors affecting the household sector.

■ Diversified financial services group Sanlam reported a 1% decline in normalised headline earnings per share from 251.5c to 248.7c for the year to the end of December.

"2011 was as challenging as we had anticipated and the year ahead will not be an easy one either. We are facing many challenges, including global economic uncertainty and a raft of regulatory changes," said Sanlam CEO Johan van Zyl.

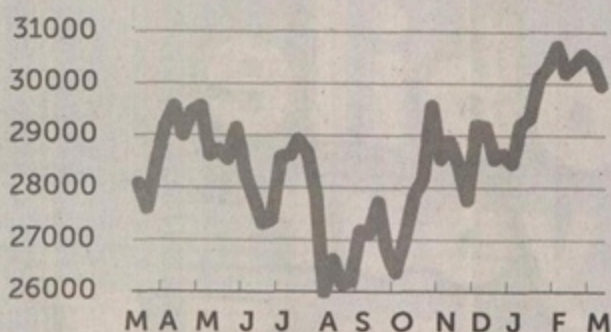
■ Tile and sanitaryware manufacturer Ceramic Industries said headline earnings declined 26.9% to R64.5-million for the six months ended January 31. The company said trading conditions in the building and construction industries in both South Africa and Australia remained subdued, featuring low levels of public and private sector investment.

HEAVYWEIGHTS

	PRICE	CHANGE
BAT	37701	1.87% ▼
SABMILLER	30730	0.23% ▼
BHP BILLITON	23826	2.14% ▼
ANGLO	30707	2.83% ▼
MTN	14200	3.28% ▲

Graphic: FIONA KRISCH Source: I-NET BRIDGE % over 1 week

JSE TOP 40 INDEX



Graphic: FIONA KRISCH Source: I-NET BRIDGE

ASPEN PHARMACARE



Graphic: FIONA KRISCH Source: I-NET BRIDGE

RAND/DOLLAR EXCHANGE



Graphic: FIONA KRISCH Source: I-NET BRIDGE

GLOBAL WRAP

Positive US figures set scene for gains

EUROPEAN share prices rose on Friday, backed by stronger-than-expected US jobs data, which reaffirmed confidence in the strength of the world's biggest economy and opened the door to market gains this week.

US employment grew solidly for the third month running, with 227 000 jobs added last month, about 10% more than expected. Data from the US and emerging markets has become a key driver for European companies as lacklustre domestic growth — underscored on Friday by weaker-than-expected industrial output from France, Italy and Britain — leaves them looking abroad for higher profits. (See *Bull's Eye*, page 16)

The index of top 50 eurozone

blue chips rose 0.5% on Friday, edging back up towards half-year peaks scaled last month.

A successful bond swap by Greece, striving to meet the terms of its international bailout and avoid a chaotic default, also supported sentiment on Friday.

The Euro STOXX volatility index, a gauge of investor risk aversion, fell to one-week lows, but stayed twice as high as historic troughs set in 2005, before the global financial crisis.

The broad FTSE Eurofirst 300 index, which spans beyond the eurozone, closed up 0.4%.

In the US, the S&P 500 was trading at 1 374, a level last seen in June 2008, before Lehman's collapse cratered markets, but still 200 points below its record high in October 2007. — Reuters

ON THE JSE

Upbeat news spurs third straight rise

SOUTH African stocks managed their third straight session in the black on Friday, cheered by lower-than-expected power-price increases and a court dismissal of a bid to unwind Walmart's \$2.4-billion acquisition of Massmart. Positive US jobs data also helped lift prices.

The Top 40 index added 0.43% to 30 101 and the All Share index climbed 0.5% to end the week at 33 926. For the Top 40, the 30 100 level is starting to look technically important. It has found recent support at that level. A clear break through it next week could signal a retest of its record highs.

Miners remained under pressure as gold fell 1% after robust US jobs data cut demand for

what is normally regarded as a safe-haven investment. Gold Fields lost 1.32% to R109.

"Investors are diversifying away from miners," said Xoli Mokoena, a dealer at Global Trader. "The risk is huge. You've got the rand at play and the gold which has plunged. You don't want to get in there. It's too erratic at the moment."

MTN Group, Africa's biggest telecoms group, added over 2%, building on momentum from Wednesday when it jacked up its dividend cover.

Friday's biggest blue-chip gainer was insurer Sanlam, which closed almost 3% higher at R32.17.

Advancers outnumbered decliners 185 to 97 and 79 shares were unchanged. — Reuters

COMMODITIES

Copper up 2% on China easing hopes

COPPER rose almost 2% on Friday, spurred by a successful bond swap in Greece, reassuring job data from the US and expectations that China could ease monetary policy further and boost demand for metals.

Benchmark copper on the London Metal Exchange (LME) closed at \$8 490/ton, up almost 2% from Thursday's close.

China's annual consumer inflation slowed to a 20-month low at 3.2% in February, and factory output and retail sales also cooled more than forecast, giving policymakers ample room to further loosen monetary policy to support growth.

Further monetary easing steps in China, which cut its bank's reserve requirement ra-

tios in November and February, could help boost demand for industrial metals, analysts said.

Brent crude oil rose 41c to \$125.85 a barrel, on pace to post a 2% weekly gain, the sixth weekly rise in seven weeks.

Gold rebounded in heavy trade on Friday as the metal took heart from gains in crude oil after the encouraging US non-farm payrolls report.

"Gold is showing a lot of resilience and it may rebound as emerging-market demand is gradually reviving," said James Steel, chief commodity analyst at HSBC.

On Friday, spot gold gained 0.5% to \$1 708.29/oz. Silver rose 0.9% to \$34.14/oz. Platinum was down 0.5% at \$1 649.49/oz. — Reuters