

**Monthly News Letter**  
Investment & Economic Matters



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**Economic Indicators**

	USD	Euro	Move
Rand	14.50	16.27	2.96%
Pula	10.75	12.06	1.66%
Kenya	100.80	113.04	0.81%
Kwacha	12.12	13.61	0.75%
Naira	360.23	404.98	0.11%
	Feb	Mar	Move
Gold (\$)	1313.32	1292.38	-1.59%
Oil (\$)	66.03	68.39	3.57%

*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 BUSHUA Funds Returns**

Fund Name	5 years
CashPlus	7.24%
BondPlus	9.03%
Real Return	6.24%
Absolute AllClass	6.90%
Absolute Aggressive	6.38%
Diversified Equity	4.55%
Communities Fund	8.94%
Global Investor	
Afro Fund	6.24%*

\* Same as Real Return

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**South African and Global Economy**

In the global markets stocks continued to recover, this comes after performing poorly in the last quarter, with the US stocks in particular ending on a good note for the first quarter of 2019. This was mainly driven by the progress made in terms of the Sino-US trade talks. China produced better than expected manufacturing data which simmered growing concerns on the country's economy. Chinese shares also saw an upswing of more than 1.5% in Japan, Hong Kong and South Korea. On Europe side the anxiety around Brexit continues as the exit deal has been extended. The SA Reserve Bank has kept interest rates unchanged at 6.75% and prime at 10.25%. South Africa was relieved to escape a ratings downgrade by Moody's on Friday, March 29. National Treasury and the SARS officials on March 6 2019 confirmed that it is going ahead with its plans to implement an 'expat tax' amendment to the South African Income Tax Act by March 1 2020.

**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 0.82%. Financials going down with the FINI 15 ending the month at -5.05%. Industrials increased with the INDI25 closing the month at 3.07% and resources went up as well for the month of March with the RESI20 Index ending at 2.94%. On company news, Tencent published its 4Q18 results with revenue up 28% YoY to CNY84.9bn), and adj. net income growth of 13% YoY to CNY19.7bn, overall online games revenue was broadly flat YoY at CNY24.2bn in 4Q (3Q: -4%), online ad revenue grew by 38% YoY in 4Q to CNY17.0bn (3Q: +47%). Exxaro reported a 1% increase in FY18 core EBITDA to R7.3bn, 12% growth in revenue to R25.5 billion, headline earnings per share (HEPS) rose to R26.72 a share from 502 cents for 2017, while adjusted core HEPS still showed 7% growth to R21.59 from R20.11 last year.

**Regional Economic Updates – Zimbabwe**

Zimbabwe Stock Exchange All Share Index lost 16.64% for the First quarter of 2019 as investors sold off amid waning foreign confidence and limited participation of local buyers. Foreign buyers continue to sell out of the bourse following the adoption of a new currency framework, which resulted in the devaluation of RTGS dollars. From a 1:1 exchange rate with the US Dollar equity investments are now treated as ZWL currency, which officially is trading at \$3.01. The rate is expected to stabilise around \$3.50. Foreign trades were mainly concentrated in Delta, Cassava, Econet, Innscor and Simbisa. Participation from local institutional investors is limited as the market is in park mode awaiting the announcement of an interest rate policy by the central bank. It is expected that the central bank will raise the bank rate to between 15-20%. Annual year on year inflation is currently at 59.39% and interest rates are capped below 15% resulting in a negative interest rate environment.

**Social and Political Updates- The Bosasa scandal**

The Bosasa investigation continue with the former chief operation officer Angelo Agrizzi sitting at the state capture commission of inquiry where he revealed many corrupt acts by political leaders of the country. Agrizzi detailed how Bosasa paid tens of millions as bribes to the politically connected to win favour ahead of lucrative tender deals. The commission's chairman Raymond Zondo interrogated Agrizzi about reports that the ruling party the (ANC) had accepted donations from Bosasa despite the company being implicated in wrongdoing in a Special Investigating Unit report. Agrizzi confirmed these allegations that he is aware of large cheques of between R10m to R12m being made to the top 6 of the party.

**Parting Words of Wisdom**

"In many ways, the stock market is like the weather in that if you don't like the current conditions all you have to do is wait a while." – Low Simpson

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

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