



Money Market

The average money market rates were as follows:

Call	1 month	3 months	6 months	12 months
5.42%	6.20%	6.40%	6.49%	6.84%

Bank of Namibia Bond tender results:

N\$23m was tendered for the N\$20m **GC18** on offer; N\$20m was allotted at a W.A YTM of 8.37%.

N\$30.6m was tendered for the N\$20m **GC24** on offer; N\$20m was allotted at a W.A YTM of 8.33%.

The following secondary bond trades were reported to the NSX: N\$5m GC24 at a yield of 8.52% from 8.65%.

Results of BoN TB tenders held last week:

N\$341.6m worth 364-Day TBs were tendered for the N\$150m on offer; N\$150m was allotted at a W.A. discount rate of 6.48%.

The **SARB** allotted the following Treasury Bills:

	Amount Allotted	Average discount rate	Previous week's rate	Spread on previous week
3-month TB	R3.825 billion	6.40%	6.46%	-6bps
6-month TB	R1.075 billion	6.35%	6.41%	-6bps
9-month TB	R875 million	5.92%	6.39%	-47bps
12-month TB	R475 million	6.26%	6.29%	-3bps

Source: I-net Bridge

SSS Bond Averages as at 20 August 2010:



Source: SSS Research

Exchange Rates

The Euro fell to a one-month low against the Dollar after an ECB official suggested monetary policy should remain loose until next year. The US Dollar gained some strength after global investment sentiment turned sour on the back of a series of weakening US economic data. The Rand managed to hold its ground against the USD, limiting the losses, while other major currencies showed more weakness against the Dollar.

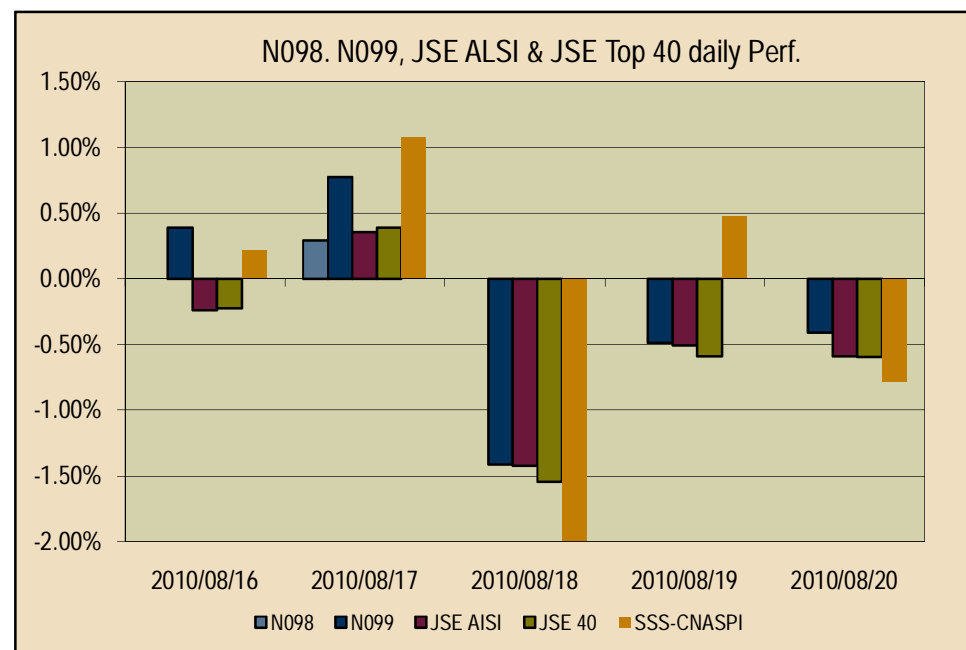
	Value	w-o-w	m-o-m	y-t-d	y-o-y
ZAR/USD	7.33	0.46%	-1.20%	-0.91%	-6.10%
ZAR/GBP	11.36	-0.08%	-0.51%	-4.25%	-11.56%
USD/EUR	1.27	-0.47%	-1.68%	-11.41%	-11.42%
USD/GBP	1.55	-0.45%	0.62%	-4.07%	-5.91%
JPY/USD	85.68	-0.70%	-2.01%	-7.88%	-9.26%

Commodities

The selloff in oil continued during the week with economic data releases surprising to the down side and bearish US DOE inventory data recorded. Precious metals, however, gained as investor sentiment deteriorated.

	Value	w-o-w	m-o-m	y-t-d	y-o-y
Gold	1 229.70	1.17%	3.07%	11.18%	28.93%
Platinum	1 544.75	1.46%	0.15%	5.70%	23.88%
Copper	7 205.00	0.07%	2.93%	4.38%	17.38%
Oil	74.45	-0.63%	-4.18%	-4.66%	0.57%

Equity Markets



Source: I-Net; SSS Research

	Value	w-o-w	m-o-m	y-t-d	y-o-y
NSX Overall	733.78	-1.16%	-7.18%	-4.94%	11.45%
NSX Local	162.97	0.30%	2.20%	5.30%	3.18%
SSS-CNASPI	437.49	-1.03%	-5.90%	5.84%	19.86%
JSE ALSI	26 989.63	-2.38%	-5.05%	-2.45%	8.48%
JSE Top 40	23 921.25	-2.54%	-5.57%	-4.30%	6.54%
Res 20	45 523.19	-4.15%	-5.98%	-10.89%	-0.01%
Financials	19 883.97	-1.06%	-6.61%	2.88%	12.13%
Industrials	27 050.72	-1.33%	-3.37%	4.09%	15.77%
Property Loan	1 370.58	-0.14%	1.91%	13.92%	18.70%

Source: I-Net, SSS Research

The **NSX Local Index** closed 0.3% higher at 162.97 as BVN increased 0.7% to 746c and NBS traded 0.7% higher at 725c, the move in both counters were on relatively light volumes. The **NSX Overall Index** closed the week 1.16% lower at 733.78pts. The **JSE ALSI** fell 2.38% to close the week at 26,989.63pts.

Macroeconomic News

According to the **NCPI, annual inflation** stepped up to 4.6% in July from 4.3% in June on the back of higher food and housing & utilities inflation. Annual inflation averaged 6.0% over the last 12 months compared to 6.3% in the year-ended June 2010. On a monthly basis NCPI accelerated to 1.2% after increasing with 0.06% in June 2010.

Recorded building plans passed at constant 2005 prices in South Africa in June improved to 9.5% y-o-y from -29.9% y-o-y in May. It bucks the -35.7% seen in April and is the best reading this year. Only two other months were positive namely, 1.1% in February and 0.3% in March. The number is positive for the economic outlook as it comes off the -22.2% recorded for the whole of

SA retail trade sales at constant (2008) prices for June increased 7.4% y-o-y after a revised 4.5% (4.6%) growth in May. Seasonally adjusted retail trade sales rose 1.8% in June 2010 compared with May 2010. This followed month-on-month changes of 1.3% in May 2010 and -0.2% in April in 2010. The main contributors to the increase of 4.9% were retailers in textiles, clothing, footwear and leather goods (8.5% and contributing 1.7 percentage points), general dealers (4.5% and contributing 1.7 percentage points) and retailers in household furniture, appliances and equipment (18.1% and contributing 0.9 of a percentage point).

Company News

FNB Namibia expects its audited earnings for the year ended 30 June 2010 to be at least 20% higher than the comparative period. It said the prior year's earnings were adversely affected by the unrealised losses on equity portfolios in the insurance operations. In addition, a more favourable impairment charge on advances in the banking group was reported in the year under review. Headline earnings and HEPS for the year ended 30 June 2010 are likely to be between 20% and 25% higher than the prior year.

SA Corporate Real Estate Fund reported on that distributions for the six months ended June 2010 were 14.24 cents per unit compared with 14.45 cents per unit reported a year ago. The period under review was characterised by a decline in vacancies from 8.0% of gross leasable area at 31 December 2009 to 6.7% at 30 June 2010, primarily due to a decrease in industrial vacancies (3.4%). The group said the sale of a large vacant industrial property after June had lowered industrial vacancies to 1.3%. Retail vacancies remained stable (8.3%), while office vacancies increased by 6% to 19.4%.

Truworths International reported a 12% increase in diluted HEPS to 370.4 cents for the 52 weeks ended June 28 2010 from 331.3 cents a year ago. The company declared a final cash dividend of 98 cents per share, up 18% from a year ago, while total dividends amounted to 200 cents - 17% more than the prior period. The group said it had delivered a satisfactory performance for the period under review, despite global economic challenges which impacted on the domestic trading environment. Revenue increased 9% to R7.659 billion from R7.014 billion. Truworths' gross margin of 55.3% was slightly higher than the prior period, where it was 54.9%. Operating margin was maintained at 34.0% with operating profit increasing 12% to 2360 million rand.

Grindrod reported a 10% decline in diluted HEPS to 94.9 cents for the six months ended June 2010 from 105 cents a year ago. An interim dividend of 27 cents per share was declared, compared with 30 cents at the half-way stage a year ago. Revenue was 20% higher at R14.88 billion, while operating profit before interest and tax was down 19% at R527.6 million. Attributable profit was 10% lower at R435.5 million. The group said the decline in earnings was mainly due to a stronger Rand/US Dollar exchange rate, which was on average 18% stronger than in 2009, and no ship sale profits compared to a profit of R152 million in the prior period. However, stronger dry bulk markets and interest earned on cancelled ship new-building contracts in H1 2010, reduced their impact.

MTN reported adjusted headline earnings per share up 20.6% to 438.6 cents for the six months ended June 2010. Basic HEPS increased by 4% to 432.1 cents compared to June 30 2009. Group revenue decreased by 2.2% to R56 billion while EBITDA decreased by 1.1% to R24.2 billion. The group said that continued investment in mobile data solutions, accessibility of 3G handsets and aggressive 3G rollout had enabled the group to increase data revenues by 46% to R2.9 billion from the previous period. Group subscribers were up 11.4% since December 31, 2009 to 129.2 million. MTN declared a maiden interim dividend of 151 cents per share.

Remgro said that its board had approved the unbundling of 30.215 million shares of **Trans Hex Group**. The shares equate to 28.49% of the entire issued share capital of Trans Hex to Remgro's ordinary shareholders and "B" ordinary shareholders by way of a distribution in the ratio of 5.85 Trans Hex shares for every 100 Remgro ordinary shares or "B" ordinary shares held by shareholders on the unbundling record date in September.

Massmart advised that for the 52 weeks to 27 June 2010 basic EPS are expected to be between 547.4 cents and 577.8 cents. HEPS are expected to be between 552.4 cents and 582.6 cents. Headline earnings before foreign exchange are expected to be between 610.5 cents and 642.2 cents. Headline earnings are seen at between R1108.1 billion and R1168.5 billion from R1207.1 billion in 2009, a 3.2% decline.

BHP Billiton confirmed that it has made an approach to Potash Corporation of Saskatchewan (PotashCorp) regarding a possible acquisition of PotashCorp at a price of US\$130 per common share. PotashCorp is the world's largest fertiliser company by capacity, producing the three primary crop nutrients - potash, phosphate and nitrogen. As the world's leading potash producer, it is responsible for about 20% of global capacity, the company says on its website.

Santam said that it expects its EPS and HEPS for the six months ended June 2010 to be between 75% and 85% higher than those of the prior corresponding period mainly due to a substantial improvement in the underwriting performance.



Company Details

Telephone	+264 (61) 254 194	
Fax	+264 (61) 254 193	
Address	4 Koch St. Klein Windhoek P. O. Box 3970 Windhoek, Namibia	
Website	www.sss.com.na	
Managing Director	Andrew Jansen	aj@sss.com.na
Research	Emile van Zyl	ez@sss.com.na
	Ngoni Bopoto	nb@sss.com.na
	Romé Mostert	rm@sss.com.na
Dealing	Kobus Thorburn	kt@sss.com.na
	Lyndon Sauls	ls@sss.com.na
Money Market	Bruce Hansen	bh@sss.com.na
	Shinine Jansen	sj@sss.com.na
	Amanda Meyer	am@sss.com.na
Finance	Alexia Tjiroze	at@sss.com.na
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