

Banking, Finance and Insurance

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BANKING IN SHORT

In Banking news this morning, Finance Minister Pravin Gordhan said yesterday that he would address the Central Bank's inflation targeting policy when he unveils the national budget later this month; the real value of the 2010 World Cup will be the money spent in South Africa during the tournament, but the international exposure that SA receives and the long-term effects on the country; and January was the third successive month to show a year-on-year increase in house prices after almost a year of decline, First National Bank's (FNB's) property strategist John Loos said yesterday. Finally, Liliesleaf Farm, once a secret refuge for Nelson Mandela, will now be the site of a R75 million boutique hotel, which is being developed by local hotel magnate and Mantis CEO Adrian Gardiner.

NEWS REVIEWS

NATIONAL ECONOMY

Rand and dollar report

The rand continued to trade in a narrow range of R7.57-R7.61 against the greenback in late afternoon trade yesterday. At 15:40 the rand was bid at R7.568 to the dollar from R7.577. It was bid at R10.531 to the euro from R10.530 and at R12.031 against the sterling from R12.114. The euro was bid at \$1.392 from \$1.387.

BUSINESS DAY (National), Companies & Markets

International exposure key for SA

The real value of the 2010 World Cup will be the money spent in South Africa during the tournament, but the international exposure that SA receives and the long-term effects on the country. On Friday Michael Tatalias, head of the Southern Africa Tourism Services Association (Satsa), told Gauteng business that the television images (from the tournament) will be the most successful story we can tell. Tourist numbers may be lower than had been expected, but the true value will lie in the exposure received, reckons Tatalias. It was originally thought that the spectacle would boost our gross domestic product by 1%, but the current estimate is 0.4% and some are even looking to 0.2%.

FIN24.CO.ZA - FINWEEK

Trade surplus to boost SA

The unexpected trade surplus in December could help to narrow South Africa's current account deficit to much less than previously forecast. Statistics published by the SA Revenue Service (SARS) on Friday showed a surplus of R3.7 billion in December. In November, a trade deficit of R2.5 billion was recorded. The consensus forecast of 12 economists interviewed by Bloomberg was a R0.3 billion deficit. Although the Treasury predicts a current account deficit of 5.7% of the gross domestic product (GDP), the gap is expected to be considerably smaller. On Friday, Rand Merchant Bank said that it had reduced its forecast to 4.5% of GDP for 2009, with a slight weakening to 5% for 2010. Nedbank scaled down its forecast to a deficit of less than 4% of GDP.

FIN24.CO.ZA - FINWEEK

Anglo 'won't confirm or deny' talks with ANCyl

The African National Congress Youth League (ANCyl) yesterday raised the stakes in calls for the nationalisation of mines in South Africa, saying that it had already had a meeting with Anglo American. The league said that it met Anglo Executive Director Godfrey Gomwe last week to discuss its controversial plan for the State to control 60% of new mines. League President Julius Malema said yesterday that Anglo undertook to "engage with our document". He said that it appeared the group had no problem with it, save for the word "nationalisation". Gomwe said yesterday that he would neither confirm nor deny the discussions with the league. However, Anglo spokesperson Pranil Ramchander said "any action that impairs the sector's vitality could have serious economic costs, including further compounding the adverse impact of the global financial crisis on the poor".

BUSINESS DAY (National) ; CITIZEN, Citi Business

PMI shows job losses near end

South Africa was one of a number of countries that yesterday reported a rise in the benchmark purchasing managers index (PMI), a sign that confidence is returning to the beleaguered global manufacturing sector. The University of Stellenbosch's Bureau for Economic Research (BER) said the rebound in the local Kagiso PMI last month implied an end to job losses, after the loss of about a million jobs last year. The index, which troughed at 36.1 in April last year, moved through the neutral 50 level in November, reaching 50.3 that month and 52.5 in December. In January, it edged further into positive territory, scoring 53.6, the highest since April 2008. A figure below 50 reflects contraction in activity and above 50 show expansion. Wire services reported similar increase around the world - a hopeful sign for SA because it implies a rising demand for commodities that the country exports.

BUSINESS REPORT (National) ; CITIZEN, Citi Business

Gordhan to address CPI targets

Finance Minister Pravin Gordhan said yesterday that he would address the Central Bank's inflation targeting policy when he unveils the national budget later this month. He did not say if the announcement would be the government's proposal or changes to the policy already agreed with the central bank. The ruling African National Congress (ANC) party's labour union and communist allies want the Reserve Bank's mandate broadened, saying it is currently too focused on controlling inflation, leading to relatively high interest rates they say have worsened the plight of the poor. The ANC agreed with its leftist allies last year to review the mandate of the central bank and possibly widen it to include job and economic growth indicators.

FIN24.CO.ZA - FINWEEK ; BUSINESS DAY (National) ; TIMES Business Times ; CITIZEN, Citi Business

PMI hits 2010 with a bang

The Kagiso Purchasing Managers Index (PMI) - which measures manufacturing activity - entered 2010 with a bang. The index increased for the sixth month in a row to 53.6 index points during January from 52.5 in December 2009, Kagiso said yesterday. At its low of 36.1 points in April 2009, the PMI had fallen by 26.7 index points from the February 2007 peak of 62.8. "The January 2010 reading means that the PMI has already recovered by 17.5 index points from the trough," said Andre Coetzee, head of fixed income at Kagiso Securities. January was the sixth consecutive month that the PMI increased and also represented the third month in a row above the important 50 mark that divided manufacturing expansion from contraction.

FIN24.CO.ZA - FINWEEK ; BUSINESS DAY (National) ; TIMES Business Times

NATIONAL BUSINESS

'Female entrepreneurs too timid'

Women who see an opportunity to start their own businesses seem wary of approaching banks to raise capital. Financiers who spoke to Fin24.com said they continue to see a low level of applications from women entrepreneurs. A number of venture capital firms also indicate that less than 15% of applications come from women. The general view is that women tend to be too conservative about going into business for themselves. Colette Symanowitz, local entrepreneur and founder of online MBA community MBACoconnect said, anecdotal evidence seems to underscore this. "A lot of men they want to build big businesses from the outset, whereas women tend to go into businesses which are complementary to their lifestyle," she said. This would involve women building up skills and experience in a particular industry, and then opting to go on their own when they felt comfortable.

FIN24.CO.ZA - FINWEEK

BlackRock buys Liberty Int stake

The world's biggest money manager, BlackRock, made a surprising move last week by acquiring a substantial stake in UK shopping centre owner Liberty International. According to a Stock Exchange News Service (Sens) announcement on Friday, BlackRock bought a 5% stake in Liberty (31-million shares) at 50 pence per share on Wednesday. Founded by SA assurance tycoon Donald Gordon in the early 1980s, Liberty International has long been a sought-after investment vehicle for South African investors wanting exposure to the UK property market. However, British property prices have been pummelled by the global financial crisis, with some properties being devalued by over 50%. On Monday, BlackRock kept mum on its reasoning for concluding the transaction, saying it did not comment on individual share transactions.

FIN24.CO.ZA - FINWEEK

Portfolio committee marks four key health areas

The Portfolio Committee on Health has four priorities this year: monitoring the private health care sector closely, pushing for the National Health Insurance (NHI), regulating traditional healers and ensuring South Africa is ready for health emergencies during the World Cup. Chairperson Bev Goqwana said yesterday that the committee would conduct an oversight study to understand what was happening in the private health care sector. "It claims to be best and that the public health care sector is collapsing," he said. "We need to look into their workings, what patients they are handling, what medicines they are using and quality management".

BUSINESS REPORT (Star)

Makalani to lift its earnings

Financial company Makalani was expected to report headline earnings per linked unit for the six months to December of between R3.67 and R4.21, an increase of between 37% and 57% from a year earlier. The soon to be de-listed financing company attributed the increase to the low base reported in the comparative six months to December 2008 following the write-downs of equity investments during that period.

BUSINESS REPORT (Star)

GENERAL NEWS

UD Trucks SA to build left-hand driver vehicles

Nissan Diesel South Africa, which changed its name yesterday, plans to start assembling left-hand drive trucks at its plant in Rosslyn, a move that is related to the expansion of its foot print in Africa. The company which will now be known as UD Trucks Southern Africa, has also severed with Absa on the financing of truck purchases and established a new alliance with WesBank, the vehicle and asset finance house of listed banking group FirstRand.

BUSINESS REPORT (National)

Impairments likely to recur, survey predicts

The property, banking and automotive sectors are likely to experience further goodwill write-offs in the next 18 to 24 months as uncertain economic conditions continue. This is according to an Ernst & Young survey released yesterday, titled 'Impairment Reporting: Improving Stakeholder Confidence'. The survey says that 47% of investors, analysts and lenders thought impairments reported during the past two years were lower than expected. The professional services firm surveyed 170 users of financial statements across 32 countries, finding that 90% of the respondents indicated that forecasting cash flows in the next 12 to 18 months would be very challenging.

BUSINESS REPORT (Star)

PROPERTY AND HOUSING

Suburbs note black buying power

Black people and other previously disadvantaged groups are now responsible for half of all suburban property transactions. Between 2005 and 2009 black buyers in suburban areas increased from 23% to 29.5%, according to First National Bank's (FNB's) property barometer for the fourth quarter of 2009, which was published last week. In contrast, the percentage of white buyers over the same period declined from 57% in 2005 to 50.3%. The numbers of coloured and Indian buyers remained almost unchanged at 7.3% and 13% respectively. John Loos, property analyst at FNB's home loan division, said the escalation in black buyers' demand for housing in suburban areas is being driven by the relatively strong growth in their disposable income, which comes off a low base compared with the other race groups.

FIN24.CO.ZA - FINWEEK

City Lodge finds further favour

A steep price to earnings multiple has not deterred some asset managers from taking an interest in City Lodge, but others cautioned the hotel group's prospects - with the 2010 FIFA World Cup looming - may be overhyped. Asset management firm, Vesact, added City Lodge to its core portfolio on Thursday. Verstact's Paul Theron told clients he was upbeat about City Lodge's prospects, saying "We believe that the 2010 and 2011 financial results will show steady improvement!". City Lodge has expanded its capacity ahead of the soccer showpiece to 53 hotels and 6 629 rooms. Shareholders who consider investing in City Lodge should keep the group's recent strong price run - despite tough economic conditions weighing on the leisure industry - in mind.

FIN24.CO.ZA - FINWEEK

Sun forecasts lower earnings

Hotel and leisure group Sun International advised on Friday that basic and headline earnings per share for the six months ended 31 December 2009 are expected to be between 20% and 30% lower than the 350c and 351c per share for the previous corresponding period, respectively. Diluted adjusted headline earnings per share are expected to be between 35% and 45% lower than the 334c per share of the previous corresponding period. Excluding adjustments relating to foreign exchange rate movements, adjusted headline earnings per share are expected to be between 25% and 35% lower than the previous period, the group said.

FIN24.CO.ZA - FINWEEK

HCI betting on Gold Reef jackpot?

Empowerment giant Hosken Consolidated Investments (HCI) and gaming group Gold Reef Resorts got tongues wagging at the weekend by issuing cautionary notices on Friday evening. While the cautionaries were issued separately, the fact that HCI already holds a 23% stake in Gold Reef led to immediate speculation that the empowerment company was set to pitch for a bigger stake, or outright control of the gaming group. HCI last year bumped up its stake in Gold Reef by buying out certain of the company's empowerment shareholders. HCI, however, was not the only major new shareholder to emerge at Gold Reef in 2009. In May last year one of Gold Reef's main shareholders, Casinos Austria International Holding GmbH, sold its 20.6% shareholding in the gaming group to "a leading South African fund manager". The fund manager was largely believed to be Allan Gray.

FIN24.CO.ZA - FINWEEK

House prices still on the up

January was the third successive month to show a year-on-year increase in house prices after almost a year of decline, First National Bank's (FNB's) property strategist John Loos said yesterday. He said, "This reflects a modest start to 2010, but more importantly an improving trend," he said. Loos's comments followed the release of FNB's House Price Index which showed a further acceleration in year-on-year inflation, from a revised 2.3% in December to 3.1% in January 2010. However, there were little changes to his expectation that price inflation would not go further than single-digits "with a household sector still under significant financial pressure, and the belief that interest rates are at or near to the bottom".

FIN24.CO.ZA - FINWEEK ; BUSINESS REPORT (Star) ; TIMES Business Times

Liliesleaf Farm to become boutique hotel

Liliesleaf Farm, once a secret refuge for Nelson Mandela, will now be the site of a R75 million boutique hotel, which is being developed by local hotel magnate and Mantis CEO Adrian Gardiner. In 1961, Liliesleaf, which is in Rivonia, was purchased by Navain - a front company - for the South African Communist Party (SACP) and evolved into the headquarters of Umkhonto we Sizwe, the military wing of the African National Congress. A memorandum of understanding to develop, manage and market the new hotel has been signed with Liliesleaf Trust CEO Nicholas Wolpe, with construction scheduled to start in June.

BUSINESS DAY (National)

Emira Property embarks on revamp of portfolio

Listed property unit trust Emira Property Fund is busy rationalising its portfolio, redeveloping certain property assets and disposing of noncore properties to reinvest in other properties. Emira recently approved a R300 million redevelopment plan, including the Podium Office Park in Pretoria. The fund is disposing of 14 noncore properties in its portfolio. Two, Howick Gardens in Midrand and Nampak building in Denver, have been sold, and the sale of the others is being negotiated. CEO James Templeton said yesterday that the funds from the sale of noncore assets would be ploughed back into the portfolio to improve returns for Emira participatory interest holders.

BUSINESS DAY (National), Companies & Markets

OIL NEWS

Oil Report

Brent crude oil rose 87c to \$72.33 a barrel (R3.42 a litre) in London yesterday afternoon.

In New York, light crude climbed 90c to \$73.70 a barrel.

BUSINESS REPORT (Star)

INTERNATIONAL ECONOMY & BUSINESS

Doubt prevails as Davos closes

The world's foremost gathering of business and government leaders wrapped up a five-day meeting Sunday with widespread agreement that a fragile recovery is under way, but no consensus on what's going to spur job growth and prevent another global economic meltdown. In a group of big egos and many power players attending the annual World Economic Forum, there was even some humility and a realisation that overcoming the first global financial crisis is uncharted territory. The gathering of some 2 500 VIPs in this Swiss alpine resort saw much spirited debate on whether more regulation is needed for the financial industry, how to boost sagging global unemployment, and finding ways to ensure the nascent recovery is kept on course through 2010.

FIN24.CO.ZA - FINWEEK

Close tiger farms - World Bank

China and other Asian nations should shut privately-run tiger farms as they are inhumane and fuel demand for the endangered big cat's bones and skin, the World Bank said on Thursday. The call came as governments from 13 countries where tigers exist in the wild met in Thailand to discuss their conservation and how to boost tiger numbers. Tiger farms are found principally in China, as well as Laos, Vietnam and Thailand. Owners claim rearing the cats in captivity will help reduce the illegal trade in tiger parts which are used in traditional medicine, but environmentalists say it only stimulates further smuggling.

NEWS24.COM - NEWS 24

Canada sees profitable Olympics

Despite the worst economic crisis since the Great Depression, Canada is expecting a windfall return on its billions of dollars spent to host the 2010 Winter Games next month. However, critics say that organisers are hiding much of the indirect costs of hosting the event, and are waiting to see if key post-Games tourism actually pans out. The Vancouver Organising Committee (Vanoc) has arguably learned from past money-losing Games and kept a tight lid on the costs of constructing venues. "However, even if there are no operational cost overruns, there were a lot of policy decisions that were made to leverage the Games and those all come at a cost," University of British Columbia researcher Rob VanWynsberghe told AFP.

FIN24.CO.ZA - FINWEEK

Gates pledges \$10 billion for vaccines

Microsoft co-founder Bill Gates pledged \$10 billion over the next decade to research and deliver vaccines to the world's poorest countries. Increased vaccination could save more than eight million children by 2020, said the entrepreneur-turned-philanthropist, announcing the commitment by the Bill and Melinda Gates Foundation he heads with his wife. However, he added that money was needed and called on governments and the private sector to do more. "We must make this the decade of vaccines," said Gates at the World Economic Forum (WEF) in Davos. "Vaccines already save and improve millions of lives in developing countries. Innovation will make it possible to save more children than ever before."

FIN24.CO.ZA - FINWEEK

UK property market recovers

British house prices made a strong start to the year, rising for the ninth successive month in January, home-loans provider Nationwide said on Friday. Prices jumped 1.2% in January from December and by 8.6% compared with January 2009, Nationwide said in its latest monthly house-prices survey. The monthly increase in January 2010 was more than double the 0.5% rise that was recorded in December. The average value of a home in Britain stood at £163 481 in January - a level last seen in August 2008, according to Nationwide. "House prices strengthened their upward momentum at the start of 2010," said Nationwide economist Martin Gahbauer. He added, "Unless there is a fall in property values in February, annual house price inflation is likely to move into double-digit territory next month for the first time since May 2007."

FIN24.CO.ZA - FINWEEK

Obama sets ambitious jobs goal

President Barack Obama said he wants to double exports over the next five years, supporting 2-million American jobs. The doubling is do-able, the job increase is debatable. Obama has outlined several paths to expanding exports: his administration is launching a national export initiative to help farmers and small businesses who want to sell their goods abroad; it is working to reform export control laws that stifle sales of technology that might have military uses; and it is pushing both international and bilateral free trade agreements. "The more products we make and sell to other countries, the more jobs we support right here in America," Obama said in one of the few instances of his State of the Union address last week where he received hearty applause from Republicans.

FIN24.CO.ZA - FINWEEK

Derwent London names Wisniewski as finance chief

Property developer Derwent London said yesterday that Damian Wisniewski has today formally been appointed as finance director. He succeeds Chris Odum who intends to retire.

MARKETWATCH.COM

Deutsche ETFs gain appeal

Demand seems to be on the up for Deutsche Bank's X-tracker exchange-traded funds (ETFs) - which follow various global indices - after the financial services group made some sizeable new issuances. Deutsche Bank issued six million new units for its DBX-World ETF on Friday. On Monday, it issued three million units for the MSCI Japan index ETF, as well as six million units for its DBX-US product. Issuers of ETFs list and delist units in line with market demand. "The volumes aren't big enough to be institutional investors, so what I think you are seeing is demand from retail investors," said Mike Brown of trading platform etfSA.

FIN24.CO.ZA - FINWEEK

HSBC considers China bank bid

British bank HSBC is considering a bid for a major Chinese bank to reinforce its presence in the country as other foreign lenders retrench, the Sunday Telegraph reported, citing unnamed sources. The Telegraph said HSBC, wants to buy a majority stake in one of China's big three lenders - ICBC, Bank of China, or China Construction Bank. Any deal would have to wait until China relaxes current rules limiting foreign banks' stake in local lenders to 20 percent, and is expected to involve an asset swap with HSBC's Hong Kong operation, as well as the sale of its holding in China's Bank of Communications, the paper said. HSBC's global head of strategy, Antonio Simoes, has moved from London to Hong Kong to help prepare for a possible bid, joining Chief Executive Mike Geoghegan, the Telegraph added. HSBC declined to comment.

UK.REUTERS.COM

Irish bad bank scheme hits EU delay

Ireland's "bad bank" scheme faces further delays as European Union approval is not expected until the end of February at the earliest, the Sunday Business Post newspaper reported, citing unnamed European Commission sources. An Irish finance ministry spokesperson said he had no comment on the report. Earlier this month, Irish government officials said they were confident the National Asset Management Agency (NAMA) would have by February the approval needed to allow it to buy risky property loans with a combined book value of €80 billion between February and the third quarter.

UK.REUTERS.COM

New terms in JPMorgan-Sempra buy

JPMorgan Chase only wants the non-US operations of RBS Sempra, Royal Bank of Scotland's commodities unit, having previously entered talks to buy the whole business, energy news service SparkSpread reported. The change comes after US government earlier this month proposed tough new rules for the banking sector which would prevent lenders from running their own trading operations. JP Morgan and RBS are now discussing a deal under which RBS would sell its 5% stake in RBS Sempra's US operation back to Sempra Energy, its partner in the joint venture, SparkSpread said. That would leave JP Morgan clear to buy the unit's European operations, the publication added, citing unnamed industry sources.

UK.REUTERS.COM

US bailout spurs risk - watchdog

The US taxpayer-funded rescue programme set up to save banks from collapse during the financial crisis makes future reckless behaviour more likely, the government's bailout watchdog said in a quarterly report. A quarterly report to Congress on the \$700 billion Troubled Asset Relief Programme, or TARP, made available in draft form late on Saturday, said financial firms seen as too big to fail before 2008 have only grown larger as they feasted on subsidies from the bailout programme.

UK.REUTERS.COM

Warning to Greece over tax and wages

Greece will be told this week to cut public sector wages and improve tax collection under a European Union initiative to prevent its financial troubles from destabilising the eurozone. The European Commission will recommend on Wednesday that Greece's socialist government should "cut average nominal wages, including in central government, local governments, state agencies, and other public institutions", according to a draft proposal. It comes as Francois Fillon, French Premier, outlined plans in an interview in Le Figaro newspaper over the weekend to tackle his country's budget deficit, and concerns about Portugal, which disturbed financial markets last week by disclosing that its 2009 deficit was higher than expected at 9.3% of gross domestic product.

FINANCIAL TIMES (London)

Europe set to be worse hit by loans drought

The eurozone is likely to be significantly worse affected than the US economy by the drying up of bank lending, according to research published by the European Central Bank just days before its next interest-setting meeting. The results of a study into the links between bank lending and eurozone growth could strengthen the hands of those on the ECB's 22-strong governing council urging caution as it unwinds emergency measures taken to shore up the financial system. ECB data on Friday showed that bank lending to eurozone business contracting at an ever faster pace, while banks continued to tighten credit standards.

FINANCIAL TIMES (London)

Morgan Stanley to recruit hundreds of traders

Morgan Stanley plans to boost its under-performing securities business by hiring several hundred traders over the next few years in an effort to close the gap with Wall Street rivals, according to the new Chief Executive James Gorman. The securities business is crucial to Gorman's strategy of reviving Morgan Stanley's fortunes after a loss-making 2009 by marrying a strong investment bank with a large US retail brokerage operation. Gorman, who took over as Chief Executive from John Mack in January, told Financial Times that Morgan Stanley's sales and trading unit had failed to reach many of the investors and companies who wanted to do business with the bank.

FINANCIAL TIMES (London)

Crucial stage in battle for Siam City

The battle for control of Thailand's Siam City Bank is expected to enter a crucial stage this week when interested parties, including HSBC, submit final bids for the lender. People familiar with the matter said that HSBC was likely to face stiff competition from Thanachart, a local lender that is 49% owned by Canada's Bank of Nova Scotia, and Korea Development Bank when bids close today. The potential buyers are bidding for a government-held 47.58% stake in Thailand's bank, with bids expected to top \$800 million. The Thai government has said that no new full-service banking licences will be granted in the foreseeable future, making Siam City the last chance for overseas investors such as HSBC and KDB to buy in to a relatively under-banked market.

FINANCIAL TIMES (London)

Banca Leonardo in €70 million exit

Banca Leonardo, the Italian investment bank, is shutting its private equity division and writing down the value of its holding by €70 million after deciding that there were not enough investment opportunities. The exit illustrates the continued difficulties of the private equity industry in the wake of the global financial crisis. Several large private equity deals in Italy have produced huge losses, including Candover's €1.7 billion purchase of the yacht maker Ferretti. Banca Leonardo's private equity business was considerably smaller, but it will return €259 million to its shareholders as a result of its exit from the industry.

FINANCIAL TIMES (London)

Obama tables \$3.8 trillion budget

US President Barack Obama proposed a \$3.8 trillion fiscal 2011 budget yesterday. The plan for the year from 1 October calls for \$100 billion in new stimulus spending and projects a record \$1.6 trillion deficit for this year. This forecast represents 10.6% of US gross domestic product, the biggest by that measure since World War II. The shortfall would be limited in part by imposing more than \$800 billion in higher taxes and fees on those earning more than \$250 000 a year, banks that benefited from bailouts and the oil, gas and coal sectors. The spending blueprint sent to Congress reflects the administration's struggle to boost the economy and create jobs while tightening the government's belt to reduce future deficits.

BUSINESS REPORT (Star) ; BUSINESS DAY (National) ; TIMES Business Times

Russian economy slips by nearly 8%

Russia's economy contracted 7.9% last year, statistics showed yesterday, after the economic crisis ended years of strong growth and showed up its failure to reform. Moscow had forecast a contraction of 8.5%. Economists expect Russia to return to modest growth this year.

BUSINESS REPORT (Star)

Swiss want franc to rise slowly

Switzerland's Central Bank acts to weaken the franc when its advance against the euro accelerates, rather than trying to fix a set price, according to Commerzbank. "The Swiss National Bank is interested in the speed of the franc's appreciation and not in a particular level," a team of analysts led by Ulrich Leuchtmann in Frankfurt wrote yesterday. "Until Friday afternoon it stood by as prices were moving in the area around Sfr1.4650 to Sfr1.4680 without retracting. Only a renewed downward trend in the early evening caused the SNB intervention".

BUSINESS DAY (National)

Argentines 'to tap central bank'

Argentinian President Cristina Fernandez de Kirchner might seek changes to the central bank's charter to allow the government to tap the institutions reserves, La Nacion said yesterday. Fernandez Kirchner and her husband, Legislator Nestor Kirchner, want to be able to use the reserves to help create jobs or finance infrastructure projects, the Buenos Aires-based newspaper said, without saying where it obtained the information.

BUSINESS DAY (National)

Thailand to reduce stimulus

The Bank of Thailand said yesterday that it might start pulling back monetary stimulus this year as the region leads the world economic recovery.

"Sometime this year perhaps there will be a change toward moving away from the very accommodative monetary policy because the need is no longer there," governor Tarisa Watanagase said. "Countries in this part of the world will exit faster than those countries which still have problems, especially in the financial sector".

BUSINESS DAY (National)

Bank of England weighs recovery

The Bank of England may this week pause its £200 billion bond purchase plan and keep open the option of expanding it further as officials assess if the economic recovery is too anaemic to last. The bank will halt spending with newly created money for the first time since it began the quantitative easing programme in March last year, according to the median of 51 forecasts in a survey. The central bank will release its decision on Thursday afternoon.

BUSINESS DAY (National)

Kenya's inflation rate fell 4.7%

Kenya's inflation rate fell to 4.7% in January as the price fell to 4.7% in January as the price of maize, a staple, declined, official figures showed yesterday. Inflation slowed from 5.3% in December, the Kenya National Bureau of Statistics said. Prices rose 0.1% in the month, with maize prices dropping 3.6%. Kenya's central bank left its key interest rate unchanged at a record low of 7% on 26 January, as inflation eased and economic growth gathered pace after four rate cuts last year. The bank said it saw no inflationary threat.

BUSINESS DAY (National)

INDICATORS

Rand - Dollar \$	7.5285	(+0.0314)
Rand - Sterling £	11.9824	(+0.1467)
Rand - Euro €	10.4744	(+0.0475)
JSE Allshare	26487.5	(-188.47)
Gold	1086.5	(+8.00)
Platinum	1520.0	(+8.00)
Brent Crude Oil	72.3	(+0.87)

The figures quoted are from the close of business yesterday, along with any movement, either up or down, from the previous day.