

Banking, Finance and Insurance

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BANKING IN SHORT

In Banking news this morning, property was the main focus as the government has set aside R254 million - equal to 25% of the total budget allocated to rural development and land affairs - to resuscitate 200 non-productive commercial farms it handed over to emerging farmers; and five successive months of lower declines in Standard Bank's median house price index indicate that house price growth is improving very slowly, but is likely to turn positive by the second quarter of this year. Looking at the local economy, the Gauteng government is heading for a huge deficit as it has overspent by more than R3 billion in the 2009/2010 financial year; and in business, Glenrand MIB, the insurance broking and employee benefit consulting group, said yesterday that the financial benefits of new business wins should start to flow in the next few months.

NEWS REVIEWS

NATIONAL ECONOMY

Rand and dollar report

The rand firmed in the afternoon session yesterday, tracking a euro recovery against the US dollar. At 15:45, the rand was bid at R7.563 to the dollar from R7.624. It was bid at R10.291 to the euro from R10.336 and at R11.330 against the sterling from R11.404. The euro was bid at \$1.358 from \$1.356.

BUSINESS DAY (National), Companies & Markets

Gauteng heads for huge deficit after it overspends

The Gauteng government is heading for a huge deficit as it has overspent by more than R3 billion in the 2009/2010 financial year. The province's revenue was R56.9 billion, but it has spent R60.3 billion. To finance the deficit, the government would have to cut spending on other programmes and increase its revenue by charging citizens more for services rendered. Delivering his budget speech for the 2010/2011 financial year at the Gauteng legislature yesterday, Finance MEC Mandla Nkomfe said that there was a long-term plan to meet the deficit, which includes hiking licence fees for vehicles, gambling and liquor. Vehicle licensing fees will increase 10%. In the 2010/2011 financial year, the provincial government would receive an equitable share of R45.1 billion and raise R2.8 billion from its own revenue.

BUSINESS DAY (National)

NATIONAL BUSINESS

Black people, women lose out in to positions

Black people and women continue to be grossly under-represented in all directorships and top executive leadership positions of JSE-listed companies, according to a survey released yesterday by Business Unity South Africa. The study showed that of 269 CEO positions, black people occupied 9% and white people 91%. Females accounted for 7% and males 93% of 245 non-executive chairperson positions, and females made up 6% and males 94% of 1 664 non-executive director positions.

BUSINESS DAY (National) ; BUSINESS REPORT (Star)

mCubed in R55 million settlement payment

Investment management company mCubed Holdings said it would make a settlement payment of more than R55 million to an unnamed "regulator", after the collapse of Fidentia Holdings. A widows and orphans trust of more than R1.2 billion collapsed with Fidentia Holdings in 2007. Full details of the settlement "are to be treated as confidential", as "per agreement with the regulator", mCubed's management said in a regulatory filing. Chairperson Jaap du Toit said in a telephone interview yesterday that the company was not allowed to reveal who the regulator was. He added that mCubed was in a process of voluntary liquidation and its only asset was cash. He expected the process might be concluded in six months.

BUSINESS DAY (National), Companies & Markets

Glenrand predicts business upswing

Glenrand MIB, the insurance broking and employee benefit consulting group, said yesterday that the financial benefits of new business wins should start to flow in the next few months. Planned investments in information technology, marketing and process-related improvement initiatives were also progressing well, while progress was being made to reduce the cost base of the group, Glenrand's management said in a regulatory filing. Glenrand lifted broking revenue 2.5% to R258.2 million during the past six months, a period of tough economic times. Interest income decreased 44% to R11.5 million from R20.7 million due to lower interest rates.

BUSINESS DAY (National), Companies & Markets

GENERAL NEWS

Wilderness Holdings had growth plans

Safari group Wilderness Holdings, which plans to become the second listing on the JSE Africa Board, plans to expand bed nights by 19% within two years. It would also double the area it operates in by 2015, CEO Andrew Payne said.

BUSINESS DAY (National), Companies & Markets

10 strategic objectives for finance in the WC

In what he said was the first Democratic Alliance (DA) provincial government budget, the MEC for Finance announced that R33 billion would be spent this year on the 10 strategic objectives outlined by Premier Helen Zille. Finance, Economic Development and Tourism MEC Alan Winde said that the Western Cape is serious about being held accountable and will ensure that every rand is spent wisely.

CAPE TIMES

eThekweni municipality billing system

Problems with the eThekweni Municipality's billing system could see revenue being lost from the municipality's coffers. An internal audit report released last year showed that some consumers were invoiced based on their estimated consumption for extended periods without any actual meter readings. The audit also found weaknesses in the maintenance and update of customer accounts.

MERCURY

PROPERTY AND HOUSING

Santam to sponsor Energy Efficiency Forum

Short-term insurer Santam has agreed to co-sponsor the Energy Efficiency Forum for commercial property, which is run by the City of Cape Town, Eskom and the South African Property Owners' Association (SAPOA). The Energy Efficiency Forum provides owners and managers of commercial and public buildings with a platform for practical, shared learning and collective action. Efficient use of electricity has become increasingly important in view of steeply rising electricity tariffs and the medium-term shortage of SA's electricity supply. The need to reduce operating costs, the risk of future power cuts and carbon emissions all add up to the urgent need for a concerted effort to improve energy efficiency, particularly for the larger electricity users. The next forum meeting is scheduled for 9 March 2010.

CAPETOWN.GOV.ZA

Joburg in development dispute

City of Johannesburg and the Gauteng Development Tribunal are awaiting a Constitutional Court decision as to whether the two bodies can independently approve new property developments in and around the city. This follows after the City of Johannesburg asked the South Gauteng High Court to terminate the development tribunal's right to make such approvals. After the court rejected the request, the council took the issue to the Court of Appeal, which directed the matter to the Constitutional Court. The Constitutional Court reserved judgement on the matter on Thursday. According to the City of Johannesburg, development tribunals' right to approve property developments, as per the Development Facilitation Act (DFA), is unconstitutional.

FIN24.CO.ZA - FINWEEK

Karkloof gets the nod

The Karkloof Spa near Pietermaritzburg is the only African property among the 37 new additions to the Relais & Chateaux 2010 Guide of exclusive hotels and resorts around the world. It joins the 25 Relais & Chateaux members in Africa and the Indian Ocean islands an a total of 480 members properties in 58 countries. Among the latest additions are 17 European properties, six in the Americas and six in Asia and Oceania.

BUSINESS DAY (National)

Tariff hikes could knock retail back

Expected increases in municipal rates and Eskom's tariff hikes would slow growth in the retail economy, listed shopping mall owner Hyprop warned yesterday. Mike Rodel, Hyprop's Chief Executive, said there was a possibility the tariff hikes would pose a threat to Hyprop's business because rental increases caused by higher rates could decrease the number of new tenants, while the viability of existing tenants could also be placed under pressure. Rodel said that the major problems were likely to arise from independent retailers, particularly restaurants, which were big users of power. He said 17% of the gross revenue of Hyprop collected came from electricity and utility costs, which it recovered from tenants and paid over directly to utilities.

BUSINESS REPORT (National)

Hyprop reports 6.5% distribution growth

JSE-listed retail property fund Hyprop grew its total distribution by 6.5% to 328c a combined unit in the 2009 financial year, compared with 308.4c a share the year before. This was in line with CEO Mike Rodel's earlier announcements that the group would achieve distribution growth of between 6% and 8% in 2009, despite the difficult trading conditions. The property fund's shopping centre's had contributed 95% of distributable earnings from investment property, compared with a 93% contribution the year before. Total revenue from shopping centres increased by 20% year-on-year, while total property expenses increased by 26%, mainly as a result of an increase in gross lettable area and increases in municipal rates and electricity costs, stated Hyprop. Meanwhile, vacancies at the group's investment properties increased to 4.5%, compared with 3.3% the year before.

ENGINEERINGNEWS.CO.ZA ; BUSINESS REPORT (Star)

Hyprop plans a revamp of prime assets

Property loan stock company Hyprop Investments plans to focus on refurbishing prime assets in its portfolio this year and on reducing vacancies. Releasing the group's results yesterday, CEO Mike Rodel said that Hyprop planned to refurbish its Hyde Park shopping centre and to renovate and extend the Mall of Rosebank. Both are among the group's prime properties in Johannesburg. "We are currently at planning stages for all these redevelopments," Rodel said, adding that the other challenge was to reduce vacancies in the portfolio which stood at 4.5%. For the year to end-December, the group posted a 6.5% increase in total distributions per combined unit to 328c, while total assets rose 14% to R10.8 billion.

BUSINESS DAY (National), Companies & Markets

State intervenes over idle farms

Government has set aside R254 million - equal to 25% of the total budget allocated to rural development and land affairs - to resuscitate 200 non-productive commercial farms it handed over to emerging farmers. During a media briefing of cabinet's economic cluster, Minister of Rural Development and Land Affairs Gugile Nkwinti confirmed this is in line with government's new approach to land redistribution. In the last 15 years the state has bought and redistributed 5.9-million hectares of farmland, but Nkwinti said about 90% of this is no longer productive. As a result, Nkwinti said government's emphasis is no longer on reaching the target of redistributing 30% of all agricultural land by 2014. Aside from the fact that government does not have the money required to meet this target by the prescribed date, the focus is on giving emerging farmers the support they need.

FIN24.CO.ZA - FINWEEK

Turnaround in housing market slow

Five successive months of lower declines in Standard Bank's median house price index indicate that house price growth is improving very slowly, but is likely to turn positive by the second quarter of this year. The index for last month was released yesterday. Standard Bank property analyst Johan Botha said that in spite of the economy emerging from recession, important drivers of spending such as household income, debt and employment did not point to a rapid turnaround in the housing market. "The nature of the recovery in economic activity and the lack of demand in the early phases of the upswing mean that the property market could possibly be one of the last sectors to improve this year".

BUSINESS DAY (National) ; TIMES Business Times

Foreigners' land buying 'a recipe for chaos'

Foreigners were buying land in South Africa at three times the rate of the government, a situation that was a "recipe for chaos", Rural Development and Land Affairs Minister Gugile Nkwinti said yesterday. He was addressing a parliamentary cluster briefing on economic and employment sectors. "Foreigners are buying land three times more than the government in the country; that is partly why we have to look at the system in SA," Nkwinti said that while outlining further details of the government's review of its land tenure policy. "It's inevitable because at some point we will end up not having land as a country. So we will look at the quantities and at some point we will make this information available".

BUSINESS DAY (National)

Property supplement

Business Day, Companies and Markets, contained a property supplement with the following headings: "Estate agents report market is picking up"; "Electricity increase means owners, tenants will need to work together"; "Development market: a long way yet to full recovery"; and "Property company JHI confident of retail recovery".

BUSINESS DAY (National), Companies & Markets

OIL NEWS

Oil Report

In London, Brent crude for April delivery added \$1.21 to \$78.10 a barrel (R3.72 a litre) in the afternoon, from a high of \$78.24.

US crude for April delivery rose \$1.08 to \$79.78, after touching a high of \$79.88.

BUSINESS REPORT (Star)

Demand from Opec countries might fall this year

Demand for Organisation of Petroleum Exporting Countries (Opec) crude might decline by 100 000 barrels a day this year as stockpiles were higher than the five-year average and the global economy was weak, the United Arab Emirates oil minister said yesterday. Mohamed Al-Hamli said in Abu Dhabi that demand for crude produced by Opec could fall this year after declining last year by 2.3-million barrels to 28.7-million barrels a day. "Oil price stability has been achieved despite weakness in the global economy and unfavourable market fundamentals," he said. Prices are fluctuating between \$70 and \$80 a barrel, "a level that is acceptable to producers, which at the same time does not dampen prospects for recovery".

BUSINESS DAY (National)

INTERNATIONAL ECONOMY & BUSINESS

HSBC down 7% after earnings, dragging down HK shares

Hong Kong shares fell on Tuesday as selling triggered by disappointing HSBC earnings dominated trading, while China stocks edged down on profit-taking after a recent rally. Shares of HSBC fell about 7% to a session low of HK\$80.60 in Hong Kong, its lowest in more than two weeks. Europe's biggest bank missed expectations for 2009 profit on rising bad debts with profit of \$7.1 billion compared with \$9.3 billion in 2008, short of the \$11.4 billion forecast in a Thomson Reuters poll. HSBC shares, the most actively traded on Tuesday, steadied at HK\$80.95 by the lunch break, down 6.6%. Brokers said investors were switching to Chinese financial shares after HSBC's disappointing results. "HSBC was out of our (buying) consideration while Chinese insurers and banks appeared to be better bets as many of them are still under valued," said Patrick Yiu, a Director at CASH Asset Management.

REUTERS.COM

Bumper year for Britain's £10 million banker

Stuart Gulliver was yesterday named as the highest-paid identifiable banker in London, with a £10 million package for 2009. HSBC's head of investment banking was one of five senior executives of the bank who together were paid £38.5 million in salary and bonuses, its annual report disclosed. Gulliver, who has worked for HSBC for 30 years, admitted to feeling "uncomfortable" about being singled out and pledged to give some of the money to charity. His rewards were because of a bumper year for the investment banking division, which trebled profits to \$10.5 billion amid strong markets and plentiful deals. Gulliver received a £9 million bonus and £800 000 in base pay, as well as other payments, which tipped him over the £10 million mark. Three colleagues, also in the investment bank, were paid total packages of £9.3 million, £9 million and £4.3 million.

BUSINESS.TIMESONLINE.CO.UK

HSBC pays top bankers more than £9bn each

Two of HSBC's most senior investment bankers were paid more than £9 million each last year, despite the public backlash against bonuses, as the bank recorded pre-tax profits of £6.9 billion. Stuart Gulliver, who runs HSBC's global banking and markets business, received £15.3 million, making him the bank's best paid employee, followed by head of global markets Samir Asaf, who took home a bonus worth more than £9 million. Average pay for the 28 000 staff working in banking and markets came in at £110 000, far less than the investment banking operations of rivals Barclays and Royal Bank of Scotland, which made average payouts of £191 000 and £175 000 respectively. Group pre-tax profits at HSBC fell by nearly a quarter to £4.7 billion as a result of bad debt charges, with the bank's US operations continuing to act as a drag on earnings.

TELEGRAPH.CO.UK

Banks raise pay as UK efforts to cut compensation fall

Chancellor of the Exchequer Alistair Darling urged pay restraint and moderation from UK banks, and still they raised compensation. Barclays Capital, the investment-banking unit of Barclays Plc, increased its pay and bonuses per employee by about 93% in 2009, according to company filings. Royal Bank of Scotland Group Plc, the UK's biggest government-owned bank, raised total compensation per employee by about 73% last year. Of the UK's three largest banks, HSBC Holdings Plc was the only one where pay declined slightly in its investment bank. "The banks are just paying lip-service to what they think politicians and the public want to hear while carrying on as normal," said Chris Roebuck, a visiting professor at Cass Business School in London. "The apparent changes they've made to compensation are just an exercise in smoke and mirrors."

BUSINESSWEEK.COM

Lloyds pledges to stay true to broker market

Nigel Stockton, Sales Director of mortgages at Lloyds Banking Group, has reaffirmed the lenders commitment to intermediaries after its results showed it grew its mortgage business in 2009 by focussing on branches. Gross new mortgage lending at the group totalled £35 billion in 2009, representing a market share of 24%. The firm's results show it continued to make good progress in building its mortgage business in a contracting market by focussing on the prime sector through its branch network rather than brokers. However, Stockton said, "We are committed to the broker market and 60% of our business comes from it. We have the biggest distribution in the intermediary sector. In the next few months brokers will see further evidence of our commitment with investment in systems. And BM Solutions remains the number one lender when it comes to buy-to-let business."

MORTGAGESTRATEGY.CO.UK

RBS accused over funding for tar sands 'blood oil'

Royal Bank of Scotland (RBS) stands accused of "cashing in on blood oil" from tar sands just days after the taxpayer-owned bank was battered by the £1.3 billion bonus scandal. The bank denied the charge, maintaining that it has "very limited direct involvement" in such projects and pointing to its role as a leading arranger of finance for renewable power schemes. Although Canada's tar sands contain quantities of recoverable oil second only to Saudi Arabia, the extraction is highly controversial, and green groups claim it damages local habitats and boosts global climate change. In total, UK banks have underwritten 17% of all the tar sands-related deals in the last three years, according to research by groups including the World Development Movement and the think-tank Platform.

INDEPENDENT.CO.UK

Budget rift over windfall from bankers' bonus tax

A £1.5 billion tax windfall from bankers' bonuses has opened up a new rift between Gordon Brown and Alistair Darling. The Prime Minister and the Chancellor are at odds about how much of the overnment's extra tax revenues to pay off Britain's record deficit and how much to fund pre-election giveaways. Darling has told Brown that the lion's share of any extra money must be used to curb the deficit instead of creating political "dividing lines" with the Conservatives. For this year only, any bonus payment of more than £25 000 attracts a 50% tax. When the bonus tax was announced in December, the Treasury estimated it would raise only £550 million overall. However, the final revenue figure is set to be considerably higher. HSBC announced yesterday that it will pay around £234 million in bonus taxes for rewards to its investment bankers.

TELEGRAPH.CO.UK

Citi denies bank Egg sale report

Citigroup Inc said on Sunday that its online banking business Egg was not for sale, after a British newspaper reported the firm had held talks with trade buyers and a private equity firm. A spokesperson for Citi UK consumer said Egg was not at the moment for sale. The response was prompted by a Mail on Sunday report which cited industry sources as saying the bank was looking to sell Egg, just three years after buying it. The newspaper report also quoted Virgin Money sources as saying they were aware the bank was up for sale, but said they would not be interested in a deal. The newspaper report also quoted Virgin Money sources as saying they were aware the bank was up for sale, but said they would not be interested in a deal.

UK.REUTERS.COM

\$1bn fees bonanza as the Pru seals biggest deal

Three banks handling Prudential's \$21 billion rights issue will share a record \$600 million in fees, it emerged yesterday, as the insurer secured a transforming takeover to become the largest international player in the Asian markets. Credit Suisse, JP Morgan Cazenove and HSBC will take the lion's share of the \$1 billion costs associated with the Pru's cash call, the largest in history. The fundraising forms part of the Pru's \$35.5 billion acquisition of AIA, the Asian division of AIG, which was confirmed yesterday. The deal, more than 15 months in the making, is the biggest takeover of an Asian company by a British predator and the largest deal ever done by an insurance group, surpassing AIG's \$22.7 billion deal for American General in 2001.

BUSINESS.TIMESONLINE.CO.UK

Revaluation boosts UK builder

British house builder Persimmon reported a healthy full-year pretax profit boosted by a one-off release after the revaluation of its land values. It reported a pretax profit of £77.8 million compared with a \$780 million loss in 2008. This includes a write-up of £74.8 million, based on the re-evaluation of the value of its land. Persimmon said it would make further write-ups if there was no significant deterioration in house prices.

BUSINESS DAY (National), Companies & Markets

UK banks raise pay despite mass fury

UK Finance Minister Alistair Darling last year urged British banks to apply pay restraint and moderation, and still they raised compensation. Barclays Capital, the investment banking unit of Barclays, increased its pay and bonuses per employee by about 93% last year, company filings show. Royal Bank of Scotland (RBS) raised its total compensation per employee by about 73% last year. HSBC Holdings was the only one of the three largest banks where pay declined slightly in its investment bank. Banks are under scrutiny from governments worldwide to reduce compensation amid public anger about trillions of taxpayer dollars used to bail our lenders during the credit crisis.

BUSINESS REPORT (Star)

RBS to Sell Colombia Unit to Bank of Nova Scotia

Royal Bank of Scotland Group Plc, Britain's biggest government-controlled lender, agreed to sell its Colombia investment-banking business to Bank of Nova Scotia. The sale of RBS Colombia to Canada's third-biggest lender is subject to approval from regulators, the bank said today in a filing on the website of Colombia's financial regulator. Scotiabank didn't disclose the price and said the deal isn't financially material to the company. The Toronto-based bank, which has sought to increase its Latin American presence, has operations in about 50 countries, including Mexico, Chile and Peru. The acquisition would be Scotiabank's first in Colombia, the lender said in a separate statement. RBS Colombia ranks 17th in assets of the South American country's 18 banks. The unit offers deposit, loan and capital-markets products to corporate and commercial customers in Colombia.

BUSINESSWEEK.COM

Euro falling to real value - IMF

The euro's recent decline on the foreign exchange markets is taking the European shared currency toward its real value, the International Monetary Fund said on Monday. "The recent real depreciation of the euro has moved it towards its fundamental value," the IMF said in a paper presented to a finance officials' meeting of the Group of 20 industrialised and developing countries in Seoul over the weekend. The dollar is "still somewhat overvalued" but has moved "closer to its medium-run equilibrium," the Washington-based institution said. The IMF noted that "some" emerging economies continued to resist the appreciation of their currencies. "While this may be appropriate in some cases, it contributes to delaying the normalisation of monetary policy and complicates global rebalancing in others," the paper said.

FIN24.CO.ZA - FINWEEK

Euro hits nine-month low against the dollar

The euro yesterday slumped to its lowest level against the dollar in more than nine months as the shared euro-zone currency was plagued by concerns about the Greek debt crisis, traders said. Elsewhere, the pound pulled back from 10-month lows against the dollar reached on Monday. In London morning deals, the European single currency tumbled to \$1.3436, reaching a level last seen on 18 May last year. It later recovered slightly to \$1.3495, down from \$1.3556 in New York late on Monday.

BUSINESS DAY (National)

Buffett mum about successors

Billionaire Warren Buffett says once he is gone, Berkshire Hathaway's managers and board members will make sure the company continues to be run as it has been because they believe it is special. The 79-year-old chairperson and CEO mostly evaded questions about his successors during an appearance on CNBC, but he did offer a few new clues. Buffett has said the plan to replace him includes splitting his job into three parts - chief executive officer, chief investment officer and chairperson. Buffett said on Monday that Berkshire's investment duties would likely be split among three different managers who would report to the next CEO. Those investment managers will be in charge of Berkshire's roughly \$60 billion stock portfolio and its other investments.

FIN24.CO.ZA - FINWEEK

AIG to halve Fed debt with Asia sale

American International Group (AIG) will more than halve its debt to the Federal Reserve with the \$35.5 billion sale of American International Assurance (AIA) to Prudential. The troubled insurer, which survived the 2008 credit crunch with a \$182.3 billion bailout from taxpayers, said that it would use the \$25 billion cash component of the purchase price to immediately pay off a large chunk of its \$48 billion borrowing from the Federal Reserve Bank of New York. AIG plans to sell the \$10.5 billion in Pru equity, equity-linked securities and preference shares it will get from the deal as soon as the lock-up period ended, and use the money raised to make further repayments to the Fed. It did not specify the terms of the lock-up.

BUSINESS.TIMESONLINE.CO.UK

Citigroup's Pandit the lowest paid bank chief

One Wall Street banking boss, Citigroup's Chief Executive Vikram Pandit, has embraced austerity by turning down a bonus and receiving a modest \$128 750 in remuneration for 2009. While still an eminently survivable wage, Pandit's package amounted to a sharp pay cut by any terms. His compensation was down 99.7% on his 2008 haul of \$38.2 million. Back then, much of his pay was made up of share awards that have since sunk in value. His drop in income, of course, reflects that fact that Citigroup had an abominable financial crisis. Citi was up to its neck in subprime homeloans and mortgage-related securities. The bank only survived with the help of \$45 billion from American taxpayers. Citi lost \$1.6 billion during 2009 but has staggered back onto its feet and recently raised sufficient funds to repay the public.

GUARDIAN.CO.UK

India to retain 51% stakes in state-run firms

India plans to retain at least a majority stake in government-controlled companies as it accelerates asset sales to raise 400 billion rupees (\$9 billion) in the financial year starting next month. "I am not going for any strategic sale," Finance Minister Pranab Mukherjee said in an interview with Bloomberg-UTV in New Delhi on 28 February. "I am not going below 51%." Mukherjee increased the amount he will seek to raise through asset sales from 250 billion rupees for the year ending 31 March in a budget proposal unveiled on 26 February as he aims to shrink the deficit to 5.5% of gross domestic product from a 16-year high of 6.9%. The government sold stakes in India's biggest power generator and an energy explorer as the benchmark Sensitive Index posted its best year in 18 in 2009.

BLOOMBERG.COM

Commonwealth, ANZ Bank match RBA's rate rise

Commonwealth Bank of Australia and Australia & New Zealand Banking Group Ltd. will raise borrowing costs at the same pace as the central bank's increase today, after drawing criticism in December for increasing loan rates too fast. The standard variable home-loan rate at Commonwealth Bank, Australia's largest lender, will rise a quarter of a percentage point to 6.86 percent a year on 5 March, it said in a statement. ANZ Bank said its standard rate will rise to 6.91% on the same day after the Reserve Bank of Australia raised its benchmark interest rate by 25 basis points to 4%. Commonwealth Bank, Westpac Banking Corp. and ANZ Bank in December outpaced the central bank's quarter-point increase, citing higher funding costs stemming from the financial crisis.

BUSINESSWEEK.COM

Inflation falls down to 31%

Annualised inflation in the Democratic Republic of Congo (DRC) was 31% in the fourth week of February, down from 38.7% in mid-February, the central bank said late on Monday. Last month, the bank said Congo was on target to bring down inflation to 15% by the end of the year. "We are very happy that inflation is coming down and we think it means we can reach our year-end target of 15%," said Jean-Louis Kayembe, Director-General of the central bank's Monetary Policy Committee. The rate in the last week of February showed the second consecutive fall in inflation, figures for which the central bank provides fortnightly.

BUSINESS REPORT (Star)

Foundations still being laid for dual listings

Dual listings for the JSE Africa board was never going to be an easy sell and a great deal of work on the exchange so far had been about laying down foundations, Maureen Dlamini, Head of the Africa Board, said yesterday. She was commenting on wilderness Safaris' recent announcement that it intended to become the second company to list on the Africa board on 8 April and the Botswana Stock Exchange. Also on the board is Namibian financial services company Trustco.

BUSINESS DAY (National), Companies & Markets

INDICATORS

Rand - Dollar \$	7.5770	(+0.0809)
Rand - Sterling £	11.3132	(+0.1101)
Rand - Euro €	10.2502	(+0.0811)
JSE Allshare	27371.9	(+345.90)
Gold	1126.5	(+12.50)
Platinum	1562.0	(+14.00)
Brent Crude Oil	78.1	(+1.08)

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