

Banking, Finance and Insurance

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BANKING IN SHORT

In Banking news this morning, Economic Development Minister Ebrahim Patel will officially release his department's strategic plan this morning, after mounting pressure came from the opposition for the release of the document, which has already been described as "protectionist"; and South Africa has covered its foreign borrowing needs for the coming year, scooping up \$2 billion without any fanfare on global markets this week on terms that show investors have confidence in its policies and growth path. Looking at business, Santam's full-year profit rose 49% after the value of its investments surged; and Sasfin's headline earnings for the six months to December last year slipped 27% to R48 million, hit by an economy still feeling the lag effect of the global financial crisis, the bank said yesterday.

NEWS REVIEWS

NATIONAL ECONOMY

Rand and dollar report

The rand was firmly placed in the afternoon session yesterday tracking a stronger euro with fiscally troubled Greece very much at the fore. At 15:32, the rand was bid at R7.524 to the dollar from R7.595. It was bid at R10.265 to the euro from R10.338 and was at R11.306 against sterling from R11.394. The euro was bid at \$1.365 from \$1.361.

BUSINESS DAY (National), Companies & Markets

SA worried about UK recovery

Sought: British investors for South Africa's power industry and electricity producers. In London on Tuesday Dr Rob Davies, Minister of Trade and Industry, said that investment opportunities arising from government's new Industrial Policy Action Plan (IPAP2), as well as the role that private entities can play in the country's electricity provision, will be high on the agenda when South African and British business representatives meet in the City on Wednesday. The meeting forms part of President Jacob Zuma's first state visit to Britain, and will be attended by almost 400 business people from both countries, Davies said. The recession has somewhat negatively impacted trade relations with Britain, one of South Africa's top five trading partners and the country's biggest investor.

FIN24.CO.ZA - FINWEEK

SA clinches record bond deal

South Africa has successfully raised \$2 billion in dollar-denominated bonds, Treasury Director General Lesetja Kganyago said on Tuesday night. The amount is the largest ever raised by South Africa and completes funding for the 2010/11 fiscal year, he said. The bond is a 10 year one, maturing 9 March 2020. The coupon is 5.5% - the lowest coupon South Africa has ever negotiated in the US dollar market. This translates into a yield of 197 basis points above the US benchmark of 352 basis points. The interest rate South Africa will pay is 5.59% per annum. The bond has been distributed 59% into the US, 33% to Europe, 4% to Asia and 0.7% to Latin America. The bond was lead managed by Deutsche Bank and Standard Bank and co-led by Nedbank. Kganyago said that what was significant was that of the three banks involved in the deal, only one was foreign.

FIN24.CO.ZA - FINWEEK

Patel to table economic development plan

Economic Development Minister Ebrahim Patel will officially release his department's strategic plan this morning, after mounting pressure came from the opposition for the release of the document, which has already been described as "protectionist". Democratic Alliance (DA) Trade and Industry spokesperson Pierre Rabie said that the plan - snippets of which he has gleaned from leaks from the department - was "a clear signal that the minister has no grip on economic policy and would rather rely on apartheid-style protectionism as a means to allay underlying problems, such as labour market rigidities and failing parastatals". Patel's spokesperson, Zubeida Jaffer, confirmed the release of the plan but said the minister would appear before the economic development and trade and industry portfolio committees this morning, at which point he was likely to be interrogated on it.

BUSINESS REPORT (Star)

Confident investors fund SA's borrowing needs

South Africa has covered its foreign borrowing needs for the coming year, scooping up \$2 billion without any fanfare on global markets this week on terms that show investors have confidence in its policies and growth path. A Treasury official told Business Day yesterday that recent economic figures suggested that SA could grow faster than it projected in the budget last month, making further borrowing this year look unlikely. "The market response to this bond ... suggests that the world's capital markets are expressing confidence in SA's future growth path," said Lungisa Fuzile, head of asset and liability management at the Treasury.

BUSINESS DAY (National)

Motlanthe rejects additional lifestyle audits

While the mechanisms to combat corruption, including lifestyle audits by the South African Revenue Services (SARS), were in place, what was needed now was the resolve to enforce them in such a way as to convince South Africa that the government was determined to combat corruption, Deputy President Kgalema Motlanthe said yesterday. Answering questions in the National Assembly, he faced a barrage of tough inquiries about perceptions that the government was merely paying lip service to the idea of fighting corruption. President Jacob Zuma last week rejected the suggestion of a lifestyle audit.

BUSINESS DAY (National)

NATIONAL BUSINESS

Business confidence on the up

Business confidence improved in February, according to the Business Confidence Index (BCI) released by the SA Chamber of Commerce and Industry (Sacci) on Wednesday. The BCI increased by 1.8 index points between January and February 2010, registering 83 in February 2010. This was 1.5 points below the February 2009 level. "The BCI has performed as expected in February 2010 with business confidence responding to positive medium-term economic developments," Sacci said. Despite fewer sub-indices having a positive impact on the BCI in February 2010 than in January 2010, lower liquidations data and increased manufacturing output had a significant impact, Sacci added. However, the negative influence of international trade through both import and export volumes continued to weigh on the local business environment, it said.

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

Santam shines in second half

After a challenging first half, Santam had a better second half, resulting in "a pleasing overall performance for 2009", the company said yesterday as it released its results for the year to December. It said that full-year profit rose 49% after the value of its investments surged. The country's largest short-term insurer said that in line with the industry as a whole, under writing margins came under considerable pressure, particularly in the first six months. The group delivered headline earnings of R1.022 billion, up 55% from 2008. Net income increased to R1.04 billion from R724 million a year earlier. It raised its total dividend 8.4% to R4.66.

BUSINESS REPORT (Star) ; BUSINESS DAY (National), Companies & Markets ; CITIZEN, Citi Business

Sasfin's earnings slide on lag effect

Sasfin's headline earnings for the six months to December last year slipped 27% to R48 million, hit by an economy still feeling the lag effect of the global financial crisis, the bank said yesterday. Headline earnings a share sagged 32% year-on-year due to the dilatory effect of a capital injection from the International Finance Corporation (IFC). Last year the IFC invested \$30 million in Sasfin to enable it to spread lending to small and medium enterprises. The investment consisted of a loan of \$10 million, \$10 million trade finance guarantee and up to \$10 million in equity investment, enabling the IFC to hold up to 12% of Sasfin.

BUSINESS REPORT (Star) ; BUSINESS DAY (National), Companies & Markets

Developmental finance is too distant - Busa, Cosatu

Both Business Unity SA (Busa) and the Congress of South African Trade Unions (Cosatu) said yesterday that the structure of the financing mechanisms at development finance institutions (DFIs) needed to be reconsidered to make it easier for emerging businesses to gain access to loans. The two organisations were particularly concerned that the terms of financing at DFIs should be less stringent than those of private banks. Cosatu said that the institutions should be restructured "to ensure that they promote a developmental agenda rather than operating on the basis of risk assessment, similar to private capitalist banks". MPs and other organisations yesterday took part in the trade and industry portfolio committee's deliberations and public hearings on the industrial policy action plan.

BUSINESS REPORT (Star)

Absa's cellphone banking grows

Absa Bank's Digital Channels yesterday said its cellphone banking customers had increased during the past year by 113% to 1.5-million, while internet banking customers had grown by 11% to 1.1-million.

BUSINESS DAY (National), Companies & Markets

GENERAL NEWS

Banks deny they will pay to convert taxis

A fight is brewing between the Transport Department and banks over who will bear the cost of upgrading panel vans that were illegally converted into taxis. George Mahlalela, the new Director-Department of Transport, claimed last week that all the banks that had financed illegal conversion had agreed to finance the upgrades. "In many ways, the taxi industry has been a victim of circumstances. For taxi operators who bought them for cash, that (the upgrade) will be at their own expense. All those banks are on board for those vehicles they financed," he said.

BUSINESS REPORT (National)

Sanral secures R16bn funding

The South African National Roads Agency Limited (Sanral) had raised R15.9 billion of funding for the expansion and upgrade of toll roads, it said yesterday. The funding would partly be used for the Gauteng Freeway Improvement Project, which the agency plans to complete before the World Cup. Sanral said its second bond auction for this year under its domestic medium-term note programme had raised R837 million. The bonds carry a full guarantee from the government.

BUSINESS REPORT (National) ; BUSINESS DAY (National) BUSINESS DAY (National), Companies & Markets ; PRETORIA NEWS

SARS seizes couples luxury cars

The South African Revenue Services (SARS) has taken three vehicles worth nearly R17 million belonging to a Durban couple whose taxes were not in order, the Mercury newspaper reported yesterday. On Tuesday, SARS took possession of Sbu and Shawn Mpisane's Rolls-Royce Phantom convertible, valued at about R7 million, and two Lamborghinis valued at about R4.5 million and R5 million, the Mercury said. It is believed that the Mpisane's owed SARS about R50 million and it is not known how much of that has been paid.

BUSINESS DAY (National)

PROPERTY AND HOUSING

Experience another great stay in Umhlanga

Opening in May 2010, Southern Sun's new Garden Court Umhlanga hotel will charm the KwaZulu-Natal travel experience. Whether in the region for business or leisure, guests will be assured of the definitive Garden Court experience where a great stay starts and ends with a great day. With a fresh, contemporary design concept incorporating the area's inherent influence, the new hotel (located in close proximity to the Umhlanga Gateway complex and nearby beaches) will encapsulate Garden Court's brand essence of a rejuvenated hotel experience. Southern Sun is Africa's leading hotel, providing world-class accommodation across all markets and offering the widest distribution of hotels in Africa in major urban centres and key leisure destinations.

NEWS REVIEWS

The new StayEasy Pietermaritzburg: ahead of time

Feedback from guests shows StayEasy by Southern Sun is the brand of choice for many travellers seeking contemporary, affordable accommodation in key secondary locations. The StayEasy brand provides a practical solution to the need for quality accommodation without the unwanted extras. From the 15 March 2010 travellers up and down to KwaZulu-Natal will find this at the new StayEasy in Pietermaritzburg. This is due to the hotel being structurally completed and approved more than two weeks prior to the planned opening date, guests can be assured that all the final touches will be in place before the opening.

NEWS REVIEWS

New talks to look at 'various options' for Sea Kay

Sea Kay Holdings was withdrawing the cautionary announcement it issued in January, the financially distressed listed mass affordable housing company said yesterday, but said it had entered into new discussions that might have an effect on the price of its share if they were successfully concluded. In January Sea Kay issued an almost identical cautionary announcement related to a previous cautionary published in December. An executive director of the company explained at the end of January that it issued a cautionary announcement on 7 December because of talks taking place about a takeover by a big construction company, but those talks were terminated a week earlier. However, the executive said fresh talks with another company about a possible takeover or cash injection had commenced, adding that the parties were looking at "various options".

BUSINESS REPORT (National)

Sun City dimmed by profit eclipse

Sun City, once the flagship development in Sun International's gaming and hotel portfolio, looked a pale shadow of itself in the six months to end-December 2009. The resort, developed as a homeland-based gaming mecca during SA's apartheid years, appeared to come under severe operational strain during the six months to end-December 2009. Sun International's divisional report showed that while Sun City's revenues were down marginally to R583 million, earnings before interest, taxation, depreciation and amortisation (Ebitda) slumped by nearly a quarter to R68 million. On an operating profit basis, Sun City generated a mere R3 million - a hefty 90% down on last year's R32 million. Sun International CEO David Coutts-Trotter confirmed much of the operating profit was wiped out by depreciation and amortisation charges.

FIN24.CO.ZA - FINWEEK

Kruger Park rooms not sold

Only about 10% of the accommodation available in the Kruger National Park has been booked by World Cup accommodation agent Match, an official said on Monday. "Very little" of the accommodation previously reserved for Match had been sold, South African National Parks tourism and marketing manager Glenn Phillips told Sapa. So far they had about 50 bookings, through Match, in Skukuza and 16 bookings in three other camps. Match is a company contracted by FIFA to provide ticketing, accommodation and event information technology for the World Cup. Sanparks agreed to have 30% of its inventory marketed for the World Cup through official FIFA ticketing and accommodation agents. "There were to be specific release periods if the inventory was not sold on time by Match," Phillips said.

FIN24.CO.ZA - FINWEEK

Gauteng lacks cash for housing target

Gauteng Finance MEC Mandla Nkomfe might have impressed the legislature this week when he announced a R12 billion allocation for building houses in the next three years, but the Department of Housing said it is not enough to meet demand. Local government and housing acting head of department Mongezi Mnyani said yesterday that while the department welcomed the budget, the amount was not enough to deliver the necessary 200 000 units a year. Gauteng has a target of eradicating all identified informal settlements by 2014. The province is the most populous in the country, with more than 10.5-million residents, and people continue to migrate to Gauteng in search of a better life.

BUSINESS DAY (National)

Deal gives Mantis Group 'a global presence'

Boutique hotel company Mantis Group has partnered with US sales and marketing group Preferred Hotels in a bid to boost the group's global presence. Preferred Hotels represents 700 properties around the world and its extensive sales channels - as well as being included in the US group's membership programme called IPrefer - will open new markets for the Mantis Group. Preferred Hotels has for some time sought an increased presence in Africa and SA. The deal with Mantis will give the group access to 12 five-star hotels and lodges in SA and two in Rwanda.

BUSINESS DAY (National), Companies & Markets

OIL NEWS

Oil Report

Brent crude oil rose \$1.02 to \$79.20 a barrel (R3.73 a litre) in London. In New York, light crude oil was up \$1.17 to \$80.85 a barrel.

BUSINESS REPORT (Star)

INTERNATIONAL ECONOMY & BUSINESS

HSBC appoints John Crompton head of equity capital

HSBC Holdings PLC said yesterday that it has appointed John Crompton Global Head of Equity Capital Markets, effective April 2010. Crompton will be based in London and will report to Kevin Adeson, Head of Global Capital Financing. He joins from UK Financial Investments Ltd., or UKFI, the company set up to manage the UK government's investments in financial institutions.

ONLINE.WSJ.COM

HSBC backs Brazil Festival as focus shifts

HSBC Holdings Plc, Europe's largest bank, is backing a summer festival of Brazilian music and arts at London's Southbank Centre as it focuses on fast-growing Latin America after profit declines at units in Europe and the Middle East. Concerts by Gilberto Gil and Maria Bethania and a talk by soccer-player-turned-activist Socrates are highlights of the Festival Brazil, organizers said last month. HSBC, which wouldn't disclose the cost of the sponsorship, is looking to boost business in Asia and Latin America. The event runs from 19 June through 5 September. Another HSBC unit is supporting Design Miami and Design Miami/Basel this year. Full-year net income at London-based HSBC, reported on 1 March, missed analyst estimates after costs for bad loans climbed and profit fell in Europe and the Middle East.

BLOOMBERG.COM

Maputo to get water upgrade

A Mozambican fund will carry out a R980 million water infrastructure upgrade in Maputo, Fundo de Investment e Património do Abastecimento de Agua said yesterday the project would take 18 months and was being financed by European institutions and government. Mozambique aims to provide 70% of its 21-million people with safe drinking water by 2015.

BUSINESS REPORT (National)

AIB £2.4bn loss is just the start of its problems

A pre-tax loss for 2009 of £2.4 billion from Allied Irish Banks as its bad debts nearly tripled to £4.8 billion amid a continued downturn in the country's property sector, is likely to be far from the end of the problems facing the Irish lender. Reporting its full-year results on Tuesday, AIB said lost £2.4 billion last year, versus a £944 million profit in 2008, as the outlook for the Irish property sector continued to darken, with losses expected to rise. New Managing Director Colm Doherty, presenting AIB's annual results for the first time, could offer few positive comments and said things could well get worse for the bank. The collapse of Irish real estate market hit AIB with £3.3 billion in impairments in 2009, equal to about three-quarters of its total impairments, while UK loans account for 15pc of the bank's problem assets.

TELEGRAPH.CO.UK

Lloyds job cuts anger Unite union

Lloyds Banking Group has been criticised by the Unite union following the announcement that the bank is cutting a further 370 jobs in wealth and international, group operations and group executive operations. Lloyds has plans to cut 15 000 posts throughout the year. The union has also been told that Capita (will cut 390 jobs in Bristol.

REUTERS.COM

RBS Coutts relocates co-CIO from London to Hong Kong

RBS Coutts, the private banking unit of RBS, has relocated its Co-Chief Investment Officer Nick Cringle to Hong Kong from London, following other global private banks that have moved top executives to Asia. "Nick's relocation reflects the importance of Asia as one of the world's fastest growing high net worth markets," said Nick Pollard, CEO for RBS Coutts Asia in a statement. RBS Coutts's Asian unit faced an upheaval last year when more than a quarter of the staff at its Singapore office resigned. Private banks and boutique firms are vying to tap the growth of millionaires in Asia. High net-worth individuals' wealth in Asia-Pacific is seen climbing 8.8% a year for the next 10 years, according to Merrill Lynch/Capgemini.

REUTERS.COM

UK regulators set to approve Metro Bank

Regulators are set to authorise US entrepreneur Vernon Hill's Metro Bank venture in Britain, though the final green light to begin taking deposits is still pending, sources close to the matter said. One of the sources said yesterday that the bank had been handed a "minded to authorise" letter from the Financial Services Authority, but the final authorisation was still pending an injection of capital. A second source said proof of funding could come as soon as this week. A Metro Bank spokesperson confirmed the bank was still awaiting the final go-ahead. She declined to comment further. Metro is one of a string of new entrants seeking to break into Britain's battered retail banking sector. Start-ups including Panmure Gordon (PMR.L) venture Walton & Co, which is still awaiting regulatory approval, are lining up alongside businesses like Richard Branson's Virgin Money.

REUTERS.COM

FSA chief wants to scrutinise banks' profits

Financial regulators are planning to scrutinise the profits investment banks make from client trading to ensure that "casino" activities are not being concealed as customer business. The authorities fear that banks will try to avoid the crackdown on high-risk proprietary trading, where banks gamble with their own money, by hiding it within the market making functions offered as general client service. Evidence of large profits or losses from client positions would alert regulators to concealed "prop trading", Lord Turner of Ecchinswell, chairman of the Financial Services Authority, told the Treasury Select Committee on Tuesday. Large capital charges would then be levied against those operations to act as a deterrent.

TELEGRAPH.CO.UK

Fast services sector growth in Britain

British services from banking to publishing grew at the fastest pace in three years last month as the economy emerged from recession, according to figures issued yesterday. An index based on replies from about 700 service companies jumped 58.4 from 54.5 in January, the Chartered Institute of Purchasing and Supply and Markit Economics said in London. The median forecast of 29 economists was 55. A reading above 50 signals expansion.

BUSINESS DAY (National)

Standard Chartered posts record profit

Standard Chartered made a seventh consecutive record annual profit of \$3.38 billion last year, up 4% on 2008, the UK-based bank reported yesterday. Stronger wholesale banking earnings offset an increase in provisions for bad loans and other credit risks. Impairment losses rose from \$1.3 billion to \$2 billion, although the bank said the impairment rate fell in the second half.

BUSINESS REPORT (Star) ; BUSINESS DAY (National), Companies & Markets

Pound gains, UK consumer confidence up

The pound snapped its long run of declines against the dollar in 16 months yesterday, as UK consumer confidence rose last month to a two-year high and services expanded at the fastest pace in three years. The pound rose against 15 of its 16 most-traded peers as Nationwide Building Society's gauge of sentiment increased to 80, compared with economist estimates of 73. The euro was little changed against the dollar, after Greece outlined €4.8 billion of spending cuts and tax hikes to convince investors that the nation can tame the EU's biggest budget gap.

BUSINESS REPORT (Star)

Zimbabwe stock exchange strained by new policy

Zimbabwe's stock exchange has become one of the first casualties of a knock in confidence brought on by the country's newly-adopted indigenisation policy. The procedure requires local and international firms with a value of more than \$500 000 dollars to transfer 51% ownership to black Zimbabweans. Chief Executive Officer of the stock exchange, Emmanuel Munyukwi, says volumes traded have plummeted from an average \$2 million to \$500 000. Under the new law, there will be penalties of up to five years' imprisonment for leaders of companies that failed to comply and also a fine of US\$500 000. It was expected that companies will start giving reports on their shareholding structures within 45 days, after which they may face those penalties. President Robert Mugabe has defended the regulations, saying they were intended to correct what he described as 'historical imbalances'.

NEWS24.COM - NEWS 24

Zim reviews laws on ownership

Zimbabwe's unity government is reviewing the rules forcing foreign-owned firms to sell a majority stake to locals, a cabinet minister said yesterday, adding that the regulations were published prematurely. The regulations came into effect on Monday and gave foreign-owned companies - including banks and mines - 45 days to submit proposals on how they planned to sell 51% of their shares to black Zimbabweans within the next five years. "Those regulation were published prematurely," Welshman Ncube, Industry and Commerce Minister said. He said the rules had not been submitted to a cabinet committee for debate on their legality and whether they were consistent with government policy.

PRETORIA NEWS ; STAR

Bank of China to keep "reasonable" pace of lending

Bank of China will maintain a reasonable pace of lending this year, Li Lihui, the president of the country's fourth-largest lender by assets, said in remarks reported yesterday. Li told the official Xinhua news agency that Bank of China would pay particular attention to credit risk with a view to promoting the bank's long-term, sustainable growth. His comments chime with the directives of the China Regulatory Banking Commission, which has lowered its 2010 lending target to about 7.5 trillion yuan from a record 9.6 trillion yuan last year, when banks rushed to pump up growth at the government's behest. "In 2009 the pace of lending was not normal. It was meant to meet special demands in a special time of financial crisis," Xinhua paraphrased Li as saying.

REUTERS.COM

Standard Chartered profit rises

Asia-focused Standard Chartered PLC reported yesterday a 4.7% rise in full-year net profit, helped by strength in its wholesale banking operations, and said its core businesses are off to a good start in 2010 after a "particularly pleasing" performance in January. "We've started the year strongly, with both wholesale and consumer banking businesses with a very good momentum, and profit and income were ahead of January 2009," Chief Executive Officer Peter Sands said. However, the UK lender cautioned that it sees continued challenges in the Middle East and South Asia markets, due in part to political uncertainties in Pakistan and Dubai's debt problems. Standard Chartered, which derives more than 90% of its income from emerging markets in Asia, Africa and the Middle East, is widely believed to have one of the highest exposures to Dubai among banks globally.

ONLINE.WSJ.COM

Credit Suisse Group Finance sells Samurai bonds

Credit Suisse Group Finance (Guernsey) Ltd has sold 50 billion yen (\$563.5 million) of five-year Samurai bonds, lead manager Credit Suisse Securities said on Wednesday. The firm, a unit of Credit Suisse Group AG (CSGN.VX) (CS.N), sold 31.5 billion yen in fixed-rate bonds and 18.5 billion yen in floating-rate bonds. The coupon for the fixed-rate bonds was set at 53 basis points above yen swaps, while the coupon for the floating-rate bonds is 68 basis points above three-month yen Libor. Samurai bonds are yen bonds issued in Japan by non-Japanese entities.

REUTERS.COM

US stocks rise on merger activity

US stocks ended higher as more corporate takeover activity signaled that the economy is recovering. Merger activity lifted stocks again on Tuesday after also boosting the market on Monday. CF Industries made another offer for fertiliser maker Terra Industries. Terra agreed last month to be sold to Norway's Yara for \$4.1 billion. The Dow Jones industrial average is up 2 points at 10 406. The Standard & Poor's 500 index is up 3 at 1 118. The Nasdaq composite has risen 7 to 2 281. Two stocks rose for every one that fell on the New York Stock Exchange. Trading volume rose to 1.1-billion shares from 967-million Monday.

FIN24.CO.ZA - FINWEEK

Greek bonds extend rally on deficit-cutting plans

Greek bonds rallied for a fourth day after Prime Minister George Papandreou announced plans to reduce Europe's biggest deficit. The pound snapped its longest losing streak against the dollar since 2008. The yield on the 10-year Greek government bond declined 13 basis points to 6.01% at 10:17 in London. The pound strengthened after six days of losses. Futures on the Standard & Poor's 500 Index were little changed. The MSCI Emerging Markets Index extended a four-day rally, the longest this year. The Stoxx Europe 600 Index slipped 0.1% as companies from Adidas AG to Holcim Ltd. reported earnings that disappointed investors. Greece announced an additional 4.8 billion euros (\$6.6 billion) of budget cuts, including higher taxes and reduced salaries for civil servants, after European Union leaders called for greater austerity measures before considering aid.

BLOOMBERG.COM

Chilean insurers brace for quake bill

The earthquake that killed more than 700 people in Chile last week may be the most expensive for insurers since 1994 and the second-costliest for the industry in history. The 8.8 magnitude quake levelled buildings, knocked out power lines and damaged 1.5-million homes, officials said. The damage might cost insurers between \$2 billion and \$8 billion, according to estimates from catastrophe-modeller AIR Worldwide and Eqecat. Insurance premiums made up 4.1% of Chile's gross domestic product in 2008.

BUSINESS REPORT (Star)

Pawnshops fill bank loan gap in Russia

Russia's central bank is suggesting that pawnshops are taking advantage of the credit crunch in boosting their lending by 18%. The bank said in its annual report yesterday that pawnshops proved to be the only source of credit for many individuals and small companies last year as rates on some bank loans reached 25% a month. Pawnshops charge about 15% a month.

BUSINESS REPORT (Star)

INDICATORS

Rand - Dollar \$	7.4909	(+0.0861)
Rand - Sterling £	11.2648	(+0.0484)
Rand - Euro €	10.2236	(+0.0266)
JSE Allshare	27683.7	(+311.73)
Gold	1136.5	(+10.00)
Platinum	1580.0	(+18.00)
Brent Crude Oil	79.2	(+1.02)

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