

Banking, Finance and Insurance

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BANKING IN SHORT

Banking news this morning focused on business as Nedbank's headline earnings for the year to December had slipped 25.8%, as consumers came under severe pressure from falling income and job losses. It also set the bar low for growth in 2010 and said it would take longer than expected to flush bad debts from its system; and Liberty Holdings, a wealth management and insurance group, maintained the dividend of 291c per share in a bold statement to the market that it was positive about its prospects despite a slump in earnings. Looking at the economy, the rand slid to its weakest level in almost four months and bond yields traded near five-month lows as power price hikes were below expectations, improving the inflation outlook and boosting the likelihood of a rate cut.

NEWS REVIEWS

NATIONAL ECONOMY

Rand and dollar report

The rand eyed R7.85 against the US dollar in the afternoon session yesterday, tracking a weaker euro. At 15:33, the rand was bid at R7.831 to the dollar from R7.715 at its previous close. It was bid at R10.563 to the euro from R10.464 and was at R11.967 against the sterling from R11.902. The euro was bid at \$1.346 from \$1.354.

BUSINESS DAY (National)

Rand slumps, bond yields fall on rate cut bets

The rand slid to its weakest level in almost four months and bond yields traded near five-month lows as power price hikes were below expectations, improving the inflation outlook and boosting the likelihood of a rate cut. The currency lost as much as 1.8% to R7.8935 a dollar and was bid at R7.8520 at 17:00, the biggest fall among emerging market currencies. The benchmark 13.5% bond due in September 2015 yielded 8.22%, 2 basis points below Wednesday's close.

BUSINESS REPORT (Star)

NATIONAL BUSINESS

Liberty plants flag of hope

Liberty Holdings, a wealth management and insurance group, maintained the dividend of 291c per share in a bold statement to the market that it was positive about its prospects despite a slump in earnings. "The economic outlook for 2010 is positive as the global economy emerges from recession," said embattled Liberty Group CEO, Bruce Hemphill in comments accompanying the company's financial results published Thursday. "However, there is still some uncertainty about economic stability in certain developed economies," he added. Liberty makes a distribution to shareholders through a capital reduction, not strictly a dividend, but it amounts to the same thing with shareholders physically receiving 291c per share held in Liberty.

FIN24.CO.ZA - FINWEEK ; BUSINESS DAY (National), Companies & Markets

Liberty's lapsing policies slash full-year profit

Liberty Holdings' full-year profit plunged after customers allowed policies to lapse, the insurer, which is controlled by Standard Bank, said yesterday. Net income declined from R1.1 billion to R44 million. The average estimate for four analysts was for a loss of R18.4 million. "The year can be characterised by the cost of derisking the balance sheet in the first half and the impact of a significant decline in policyholder persistency," said the company. "The group, however, returned to profitability in the second half of the year, mainly due to persistency not deteriorating and improved financial markets". It has underperformed Sanlam, Discovery and Metropolitan for most of the past 12 years.

BUSINESS REPORT (Star)

Mauritian bank goes on African expansion drive

AfrAsia Bank would open two representative offices in Cape Town and Johannesburg to facilitate business; investment; banking services; and trade flows between India and South Africa, the Mauritius registered bank said yesterday. James Benoit, the Chief Executive of AfrAsia, said it was in talks that, if successfully concluded, could see the company acquire a corporate finance business in South Africa in the next two to six weeks.

BUSINESS REPORT (National)

Nedbank hits sombre growth note

JSE-listed banking group Nedbank set the bar low for growth in 2010 and said it would take longer than expected to flush bad debts from its system. Tom Boardman, Nedbank's outgoing CEO, told shareholders activity in fixed investment would "remain modest" as projects related to the FIFA Soccer World Cup drew to a close. There was also excess capacity in the private sector, he added. "These developments are likely to contain corporate demand for credit, while strong competition will place pressure on margins." Boardman was commenting in notes to Nedbank's full-year earnings ended-December which were published on Thursday. Nedbank reported a 29.8% decrease in headline share earnings of 983c, weaker than rival Absa Group who kicked off the reporting season last week with a 23.5% earnings decrease. Standard Bank, due to report figures next week, said recently earnings would be 20% lower.

FIN24.CO.ZA - FINWEEK ; BUSINESS DAY (National), Companies & Markets ; TIMES Business Times

Nedbank earnings plummet by 25.8%

Nedbank's headline earnings for the year to December had slipped 25.8%, as consumers came under severe pressure from falling income and job losses, South Africa's third-biggest bank said yesterday. Mike Brown, the Chief Executive-designate at Nedbank said that basic earnings had fallen by 24.7% to R4.8 billion, as credit quality deteriorated during the financial year, with impairments worsening. The bank said that diluted headline earnings a share declined by 29.8% to R9.83. Brown, who will take over as chief executive of Nedbank on Monday, said the results were in line with expectations. "These results were in the middle range of the target range," he noted.

BUSINESS REPORT (Star)

Boardman takes active retirement

Nedbank Group's departing CEO, Tom Boardman, will be spending Monday, the first day of his retirement, in Tunisia, following one of his passions, sustaining the environment, on behalf of the bank. He will remain a non-executive director of the bank after he retires. Nedbank's former chief financial officer, Mike Brown, is the new CEO. "After 38 years of work, I've never taken a sabbatical or a long period off... this might be a shock to my system," Boardman joked in an interview yesterday at the announcement of the bank's results for the year ended 31 December.

BUSINESS DAY (National), Companies & Markets

Harsh market hurts Zurich Insurance SA

Zurich Insurance Company SA recorded a headline loss of 2 245c per share for the year ended December, compared to headline earnings of 1 161c per share the previous year, a decline of 293.4%. It said that the results reflected a continuation of the tough underwriting conditions in the insurance industry.

BUSINESS DAY (National), Companies & Markets

Trade likely to stay tough - Mercantile

Mercantile Bank Holdings CEO Dave Brown said yesterday that he expected trading conditions to remain tough for at least the first half of the calendar year, as the bank reported a 15.8% fall in pre-tax profit to R217.1 million for the year to December. Mercantile sustained an increase in impairments for credit losses of R2.7 million - a relatively small sum, thanks in part to the bank's "niche" focus on business clients, said Brown. "Over the last 18 months the major banks have seen the bulk of their distress in consumer lending, whereas vanilla, traditional business lending has been much less badly affected by the downturn". Non-performing loans and advances rose from 3.8% to 5.4% as a proportion of gross lending, with impairments "well within our parameters" at 0.3%.

BUSINESS DAY (National), Companies & Markets

GENERAL NEWS

Millions lost in scheme as advisers feast

Investors have lost millions in a newly-discovered investment scam, resulting in two government agencies recommending that criminal action be instituted against directors of the so-called Garek scheme. Also considered for prosecution are financial services providers who assisted with marketing the product. A Department of Trade and Industry investigation found that the funds received from the various companies associated with the scheme totalled R179 million, of which R74 million was received from investors and R76.4 million apparently from inter-company deposits. However, R24 million of the amount received was paid to the directors and a further R61 million to brokers or other identifiable individuals and entities.

BUSINESS REPORT (Star)

Finer points of new Companies Act outlined

More flexibility in auditing requirements for businesses in South Africa was unlikely to reduce the work of auditors and accountants, but would make the regulatory burden for smaller businesses more effective, Trade and Industry Minister Rob Davies said yesterday. The requirements for financial reporting for smaller companies had been simplified, he said. They did not need audited financial statements, but financial reporting at "an appropriate lower level." Explaining the finer details of the new Companies Act promulgated by his ministry, Davies said the act would also make directors liable for losses arising from unlawful decisions, while introducing the concept of business rescue schemes, which he described as "the major innovation".

BUSINESS REPORT (National)

Advice on Garek wasn't adequate

Andre van der Merwe, an authorised financial services provider from Uvongo in KwaZulu-Natal, has been ordered to repay a couple from Pretoria their investment of R40 000 plus interest from the date of the investment in the Garek scheme. A Department of Trade and Industry investigation into the scheme said it appeared Van der Merwe had received almost R4.5 million in commission for the sale of shares to the public. Charles Pillai, the ombudsman for financial service providers, ordered Van der Merwe to repay the investment of Pretoria engineer Adolf Jacobus Hare and his wife Christina. Pillai added that there was no evidence that proper documentation had been maintained, including a record of the advice given and disclosures made to the complainants.

BUSINESS REPORT (Star)

Investment banking supplement

Business Report contained a supplement on Investment Banking with the following headings: "Anticipated Q4 recovery failed to materialise"; "Nedbank capital takes on the green market"; and "Africa stands poised to attract increased capital flows as high-yield market evolves".

BUSINESS REPORT (Star)

Auctions supplement

Business Day contained an Auctions supplement with the following headings: "Building, trucking stock and jewellery will attract buyers"; "Historical feature on land with commercial, tourism potential"; "Property auctions boosted by World Cup"; "Keen interest in Fresnaye strip"; "Izintaba crocodile farm near Brits sells for R9 million"; "Theewaterskloof Dam farm has history, potential"; "Two hotels attract lively bidding"; and "United Hotel has strategic location".

BUSINESS DAY (National)

PROPERTY AND HOUSING

Accéntuate sees demand improving

AltX-listed infrastructure and construction group Accéntuate said on Thursday demand from the private sector is on the mend. "There has been a discernible comeback in private sector construction activity," said CEO Fred Platt, adding it will especially benefit the group's Centurion Glass & Aluminium (CGA) business. "Demand in the chemical sector has been steadily increasing too." Accéntuate is involved in the manufacturing and distribution of infrastructural supplies and maintenance, including flooring, glass and aluminium as well as chemical cleaning. The group is also eyeing opportunities offered by the state's infrastructure programme. "The group can take advantage of the opportunities that are presented in the infrastructure development plan as presented by government with emphasis on the upgrading and construction of hospitals, clinics, schools and the public transport sectors.

FIN24.CO.ZA - FINWEEK

NHFC applies to have Sea Kay liquidated

The National Housing Finance Corporation (NHFC) has applied for the liquidation of Sea Kay Holdings and one of its wholly-owned subsidiaries. However, Pieter van der Schyf, an Executive Director and acting Chairperson of Sea Kay, confirmed yesterday that it was opposing the application because it had legal opinion that the actions instituted by the NHFC were factually and legally flawed. The listed mass affordable housing construction company had a reasonable prospect of successfully defeating the application. Delca Maluleke, an NHFC spokesperson, confirmed yesterday that it had launched an application for the liquidation of Sea Kay Holdings. She said the NHFC expected the application to be heard in April.

BUSINESS REPORT (National)

Court rules in favour of Zim farmers

SADC tribunal rulings against the seizure of farms in Zimbabwe should be registered, recognised and enforceable by the South African government, the High Court in Pretoria ordered on Thursday. Judge Garth Rabie ruled in favour of white farmers - represented by AfriForum - who have argued that the seizure of their land without compensation was a human rights abuse. Speaking outside the court, AfriForum's legal representative Willie Spies said the ruling was a "huge" coup for the farmers. "It is a moral victory. The court ruled that Zimbabwe should honour this ruling. They, the farmers, are desperate. The two tribunal rulings - in 2008 and 2009 - also declared that should compensation not be forthcoming, South Africa, as Southern African Development Community (SADC) member could attach Zimbabwe's assets as compensation.

NEWS24.COM - NEWS 24 TIMESLIVE.CO.ZA - TIMES LIVE; SAFM NEWS @ 13:00; EWN.CO.ZA; BUSINESS DAY (National); PRETORIA NEWS; CITIZEN (Second Edition); THE TIMES

World Cup: 73% of rooms booked

Nearly three-quarters of the hotel rooms marketed by FIFA for the World Cup in South Africa have been booked, organisers said Thursday. MATCH, which provides accommodation services for FIFA, says 73% of their rooms have been reserved, with just over 100 days until the competition, said Irvin Khoza, Chairperson of the Local Organising Committee. "The report we received from MATCH is satisfying," Khoza told a news conference. MATCH reached deals with hotels across South Africa to market 48 000 rooms during the World Cup, which runs 11 June to 11 July. Many bed and breakfasts and some large hotel chains like Hyatt decided not to work with MATCH, because they did not want to have to set aside big blocks of rooms months before the tournament.

FIN24.CO.ZA - FINWEEK

OIL NEWS

Oil Report

Brent crude oil lost \$1.81 at \$76.28 a barrel (R3.76 a litre) in London. In New York, sweet light crude shed \$2 to \$78 a barrel.

BUSINESS REPORT (Star)

INTERNATIONAL ECONOMY & BUSINESS

HSBC rides high on a wave of optimism

Optimism ahead of its full-year results drove HSBC higher as the blue chips changed course and firmed up last night. The stock rose by 2.5% or 17.2p to 717.8p, with Bank of America Merrill Lynch saying that the figures, which are due next week, could lead to consensus upgrades. The broker expects to hear of \$17.2 billion in pre-tax profits (before own debt revaluation), against a consensus estimate of \$15.2 billion. The difference is down to Merrill's bad debt forecast of \$25.1 billion, which is lower than the market expectations of just above \$26 billion. "With bad debt trends improving in 2010 versus the second half of 2009, we think the [market estimate] of \$21.3 billion of bad debts in 2010 is too bearish," the broker said, repeating its "buy" recommendation and 975p target price. "We are 30% above consensus in 2010 and would expect the 2009 figures to drive upgrades."

INDEPENDENT.CO.UK

Bidders line up as HSBC puts its £2bn train set up for sale

HSBC has put its train leasing company up for sale with a £2 billion price tag. The bank's decision to auction off its rail division now — after shelving a sale in 2008 — signals a significant improvement in the buyout market, which has been bolstered by new bank lending recently. Private equity insiders said that Bridgepoint's £955 million sale of Pets at Home to KKR last month was a turning point in the buyout market, which froze when banks stopped backing highly leveraged acquisitions in 2008. While infrastructure deals have held up much better than private equity transactions since the credit crunch, asset prices have been muted. BAA lost £277 million on the forced sale of Gatwick last year. HSBC's own advisory arm and NM Rothschild, which was brought in when the bank first tried to sell its rail business, have been appointed to run the sale.

BUSINESS.TIMESONLINE.CO.UK

Northern Rock guarantee will be gone in May

The Government cleared the way for a sale of Northern Rock's "good bank" yesterday, saying the state guarantee on deposits would end on 24 May. The guarantee has been in place since 2007, when it was brought in to stave off a run on the bank after news that it had called on emergency funds from the Bank of England saw savers queuing outside Northern Rock branches to withdraw their money. The Government described yesterday's move as "an important milestone in Northern Rock's return to the independent commercial sector". The guarantee must be removed before this takes place to ensure that the Rock's new owner does not have an unfair commercial advantage. After 24 May, the bank's one million savers will still be eligible for the Government's deposit protection scheme, which covers retail deposits of up to £50 000 per person per institution.

INDEPENDENT.CO.UK

FTSE 100's buoyant banks counter housebuilder slide

Investors breathed a sigh of relief after Ben Bernanke, Federal Reserve Chairperson, told US Congress that interest rates would stay low, which led the large-caps up for the first time in three days. Propping up the blue-chips were financials with Lloyds Banking Group and HSBC leading the charge. HSBC ticked up 17.2 to 717.8p as expectation mounted over its full-year results next week, with pre-tax profits anticipated to come in at over \$11 billion (£7 billion) as it sees improving trends in bad debts, according to an analyst poll. Although analysts believe the bank could be hit hard by the proposed changes to banks' capital requirements, Credit Suisse said it believed HSBC "can manage through the next BIS proposals given capital earnings generation over the next three years, scope for potential disposals and the likely capital raise associated with the proposed Shanghai listing."

TELEGRAPH.CO.UK

Treasury clears £1.3bn RBS bonus pot

The Government has cleared Royal Bank of Scotland to pay its 17 200 investment bankers £1.3 billion in bonuses despite losses for the year reaching £5 billion across the group. The performance awards equate to £75 000 each and will lift total average earnings to £150 000. In discussions with UK Financial Investments, the body responsible for managing taxpayers' bank stakes, RBS insisted it had to reward staff after a record year for the investment bank. The division is expected to make £6 billion of profits this year. RBS, 84pc owned by the state after £53.5 billion of taxpayer support, is hoping its low compensation-to-income ratio will prove it is demonstrating restraint. Barclays paid out 38pc of its investment banking income to staff, who took home an average of £191 000 each. RBS will post a ratio today of just 28pc.

TELEGRAPH.CO.UK

Royal Bank of Scotland announces £3.6bn of losses

Royal Bank of Scotland (RBS) has announced losses for 2009 of £3.6 billion, after struggling with billions of pounds of bad loans. The figure is lower than the £5 billion loss many experts were expecting and is well below the £24 billion it lost in 2008. The UK taxpayer owns 84% of RBS after the government bailed out the bank at the end of 2008. RBS is the second major UK bank to report 2009 results, after Barclays announced record profits of £11.6 billion.

NEWS.BBC.CO.UK

Scottish financial sector 'to lose 12 000 jobs'

Scotland's financial services sector will be forced to shed more than 12 000 jobs this year as the economy struggles to emerge from recession, an expert analysis has predicted. The Fraser of Allander Institute warned the worst is yet to come for the country's banking workers, as unemployment levels will lag behind any economic recovery. About 4 000 financial services jobs were lost last year, but the institute's latest forecast claims a total of 16 500 will have gone by the end of 2010. This equates to about one in seven of the 90 000 staff currently working in the sector and appears to contradict Alex Salmond's claim the collapse of Scotland's two largest banks has not been disastrous. Following mass redundancies at the Royal Bank of Scotland and Bank of Scotland, the First Minister hailed the arrival north of the Border of firms like Tesco Personal Finance and Esure.

TELEGRAPH.CO.UK

Pound at 9-month low against dollar

Sterling fell to a nine-month low against the dollar and an 11-month low against the yen on Thursday, dented by concerns that the Bank of England could extend asset purchases under quantitative easing. Increased risk aversion among investors due to worries about Greece's indebtedness and the possibility of credit rating downgrades on Greek debt also lifted the dollar and yen broadly and weighed on sterling further. The pound has been under pressure since Bank of England Governor Mervyn King said earlier this week that further quantitative easing may be needed, a view echoed on Wednesday by Monetary Policy Committee member Adam Posen.

UK.REUTERS.COM

Allianz lifts dividend as income, profits rise

Allianz, Europe's biggest insurance company, said yesterday that it planned to raise its dividend 17% after reporting a fourth-quarter profit. Allianz, along with other European insurers, is increasing dividend payouts to woo investors as it struggles to return to record earnings amid the global economic slowdown. Net income from continuing operations, which excludes the sale of Dresdner Bank last year was €1.09 billion, compared with a €145 million loss reported a year earlier, the Munich-based insurer said yesterday. Analysts expected a profit of €1.12 billion. Allianz, led by CEO Michael Diekmann, returned to a profit last year after investment writedowns and the sale of Frankfurt-based Dresdner to Commerzbank resulted in a loss of €2.44 billion in 2008.

BUSINESS DAY (National), Companies & Markets

Wounded European banks lick crisis scars

Europe's banks showed the scars of the financial crisis yesterday as Royal Bank of Scotland (RBS) posted a big loss as bad debts rose and Credit Agricole was hit by losses in Greece, but both groups said prospects were brighter for this year. RBS, which is now 84% owned by the UK government after a series of bailouts during the crisis, posted a £6.2 billion loss for last, the largest in Europe, as bad debts almost doubled to £13.9 billion. However, the bank said impairments had peaked and its investment bank arm, GBM, made a hefty profit, sending its shares 7.7% higher in morning trade. "The results send a lot of positive signals... impairment trends look better than I generally expected," said analyst Joseph Dickerson at Execution.

BUSINESS REPORT (Star)

Business investment falls at record rate

Business investment in Britain fell by a record 24.1% year-on-year in the last three months of 2009, casting doubt on whether fourth-quarter GDP will be revised higher when a fresh estimate is published on Friday. The Office for National Statistics said on Thursday that business investment fell 5.8% to £27.121 billion in the final quarter of 2009, giving the steepest annual fall since records began in 1967. The figures were much lower than analysts had forecast and are likely to dampen hopes for an upward revision to total Q4 GDP on Friday, which the ONS estimated last month to have grown 0.1%, slower than most economists had expected.

UK.REUTERS.COM ; BUSINESS REPORT (Star)

Cost of having a child now over £200 000

The cost of raising a child in Britain has surpassed £200 000 for the first time, an annual survey has found, with state education and childcare posing the biggest headaches. Figures published by insurance group LV reveal the average parent is likely to have shelled out £201 809 per child by the time it reaches the age of 21. That's an increase of 4% over the past year and 43% since the survey was launched in 2003. The rise in costs comes despite three in four struggling parents (77%) reporting they had cut back on spending because of the recession. The first year of a child's life drained the family purse by £9 152 alone, the report said. Childcare, nursery fees, after-school and holiday clubs accounted for the biggest slice of the overall total, coming in at £54 696.

UK.REUTERS.COM

Regional banks boost Credit Agricole

Credit Agricole, France's largest bank by number of branches, yesterday reported a fourth successive quarterly profit as earnings from asset management and consumer banking outweighed a loss at the investment bank. Net income was £433 million in the final three months of last year, compared with a £309 million loss a year earlier, the Credit Agr, which is based in Paris, said yesterday. Earnings compare with analysts' median estimate of £467 million. Profit climbed 26% in the fourth quarter from a year earlier, bolstered by an improvement in equity markets and client flows.

BUSINESS DAY (National), Companies & Markets

Spotlight on Greek ratings hits euro

Warnings that Greece's debt ratio may be cut within a month hit the euro yesterday amid fresh fear of contagion as Greece struggles to reduce the largest European Union (EU) budget deficit. The euro hit a nine-month low versus the dollar, and weakened to a one-year low against the yen. Stocks fell globally after Moody's Investors Services and Standard & Poor's (S&P) said they would cut Greece's rating. S&P said late on Wednesday that it might lower its BBB+ rating by month-end, while Moody's Investors Service said yesterday it might cut the country's A2 grade in a few months. The warnings further complicate efforts by Athens to persuade investors that it can slash its fiscal shortfall from last year's 12.7% of gross domestic product.

BUSINESS DAY (National)

Brazil Central Bank raises banking requirements

In a first step toward tighter monetary policy, Brazil's central bank Wednesday raised banking reserve requirements on term deposits to 15% from 13%. Central Bank President Henrique Meirelles said the changes were necessary to neutralize the impact of excess liquidity brought by reserve requirement reductions made in 2008, amid the onslaught of the global financial crisis. The monetary authority had cut the amount of cash banks must keep in reserve to free up nearly 100 billion Brazilian reais (\$54.95 billion) in liquidity as part of an effort to maintain local credit supply. With Brazil's economy now in recovery mode, the central bank is starting to rein in the stimulative measures. In addition to the increase in reserve requirements, the bank also restored additional charges on cash and term deposits to 8% from 5% and 4%, respectively.

ONLINE.WSJ.COM

Bank of America hires Merrill Lynch Veterans

With new regulations cutting into revenue and profits at large banks, it looks like Bank of America and others are responding by putting more of an emphasis on the investment banking side of the business, which has been the key revenue and profit generator for the banks over the last year. In response to that focus, Bank of America hired back two former Merrill Lynch employees who had left the company before and after they were acquired by BofA. Returning are Sam Chapin and Todd Kaplan, who had been senior investment bankers at Merrill for a number of years. Chapin had been at Merrill for 26 years while Kaplan had worked there for 22 years. Chapin had left just before the takeover of Merrill Lynch by Bank of America, while Kaplan left in November, 2009.

AMERICANBANKINGNEWS.COM

House tweaks fee on US finance firms

US House of Representatives legislators may retool President Barack Obama's proposed \$90 billion fee on the 50 biggest financial firms, according to a spokesperson for the House ways and means committee. One idea under discussion would base the fee in income rather than balance sheet calculations as proposed by Obama Matthew Beck, the committee spokesperson, said on Wednesday. "The committee expects to discuss a number of approaches are to ensure American taxpayers are made whole for their extraordinary assistance to financial institutions in recent years," Beck said yesterday.

BUSINESS REPORT (Star)

Wall Street bonuses shoot up

Wall Street bonuses climbed 17% in 2009 to \$20.3 billion as many of the investment banks that were bailed out at US taxpayer expense reported blowout profits. The announcement on Tuesday by New York Comptroller Thomas DiNapoli was likely to outrage many Americans who are barely getting by. And it happened on the same day that private economists reported a plunge in consumer confidence - a blow to hopes that spending by shoppers would help speed up an economic recovery. "Wall Street is vital to New York's economy, and the dollars generated by the industry help the state's bottom line," DiNapoli said. "But for most Americans, these huge bonuses are a bitter pill and hard to comprehend. ... Taxpayers bailed them out, and now they're back making money while many New York families are still struggling to make ends meet."

FIN24.CO.ZA - FINWEEK

Morgan Stanley's Mack concerned about politics

Morgan Stanley Chairperson John Mack said on Wednesday he is disappointed that decisions coming from the Obama administration are being motivated by politics. "I'm not here to bash the administration, but I'm really disappointed," Mack said while speaking at public forum at Queens University of Charlotte hosted by Hugh McColl, a former chairperson and chief executive of Bank of America. "Every decision can't be a political decision. Whatever happened to doing what's right?" Mack asked. He shared his concern about the sentiment coming from Washington and that the focus is too much on politics than on meaningful industry reform.

REUTERS.COM

BOJ Yamaguchi ready to act on deflation

Bank of Japan Deputy Governor Hirohide Yamaguchi said the central bank was ready to act to beat deflation, leaving room for more monetary easing amid a steady drumbeat of government pressure for BOJ steps to support the economy. But Yamaguchi offered few clues on what exactly the Bank of Japan might do beyond keeping interest rates near zero. While Japan struggles with weak domestic demand, which Yamaguchi described it as the root of the deflation problem, exports have been rebounding. Japanese exports marked their third-biggest annual rise on record in January, trade data showed, allaying concerns that China's moves to rein in lending may choke off demand there and put a brake on Japan's economic recovery.

UK.REUTERS.COM

Growth to pass 8%, surveys says

India's economic growth might surpass 8% in the coming financial year, Finance Ministry projections showed yesterday, allowing scope for a reduction in stimulus measures that would help the nation restrain its debt burden. "The recovery creates scope for a gradual roll-back of some of the measures undertaken over the last 15 to 18 months," the ministry said in an annual economic survey.

BUSINESS REPORT (Star)

INDICATORS

Rand - Dollar \$	7.8520	(-0.1340)
Rand - Sterling £	12.0073	(-0.0892)
Rand - Euro €	10.5994	(-0.1014)
JSE Allshare	26731.9	(-201.23)
Gold	1094.5	(-8.50)
Platinum	1514.0	(+10.00)
Brent Crude Oil	76.3	(-1.81)

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