

Date: 02nd March 2010

USD-ZAR 7.5866/6979
 GBP-USD 1.4875/979
 GOLD \$1116.30

EUR-ZAR 10.2860/4005
 USD-JPY 89.075/505
 ALLSHARE 27 026.02

GBP-ZAR 11.3477/4683
 AUD-USD 0.8945/9027
 DJI 10 403.79

EUR-USD 1.3493/575
 R157 8.180%
 3M JIBAR 7.175%

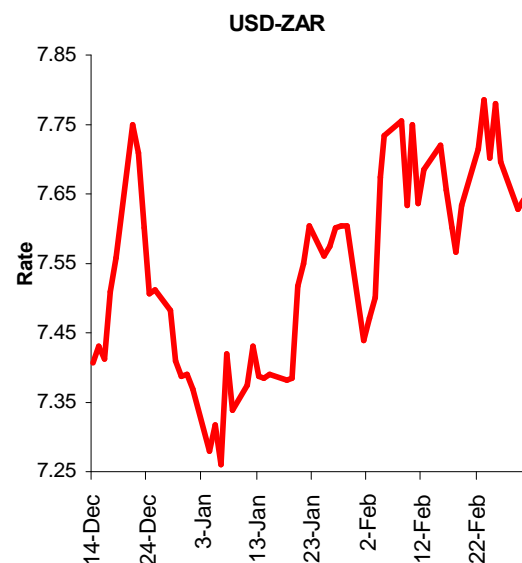
Time (GMT)	Country	Event	Month	Exp	Prior
09:00	SA	Vehicle Sales	Feb		15.50%
09:00	SA	Bond Auction (R204 - R1000mn; R208 - R1100mn)			
10:00	EZ	PPI m/m	Jan		0.10%
	US	Treasury Sec Geithner at House Financial Services Committee on future of housing finance			
00:00	US	Vehicle sales	Feb	10.7mn	10.78mn

Today's Talking Point

Vehicle sales (Feb): Due to base effects, low interest rates and a gradual recovery in consumer spending, vehicle sales are expected to show a steady improvement throughout 2010. Jan data was the first sign of this improvement and although the Feb data is likely to see y/y growth retreat a decent positive y/y growth is anticipated given that Feb 2009 was a particularly weak month of sales. However, the data is not expected to improve by the extent to which it did last month given that consumers who wanted to register their cars in the New Year will have largely done so. Nevertheless, a recovery in the data will be encouraging given that vehicle sales act as somewhat of a leading indicator to growth and consumer spending.

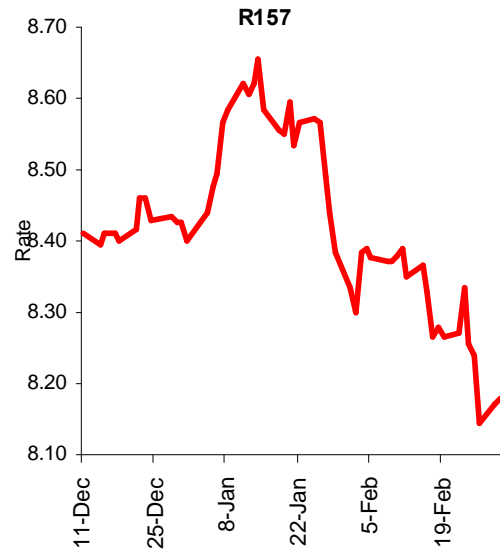
Rand Update

Notwithstanding difficulties in the EUR, the ZAR has strengthened further again responding favourably to the movements in global stock markets. The correlation between the likes of the VIX and the ZAR remains strong and again the point is made that the correlation to the likes of the EUR is not strong at all. On a trade weighted basis, the ZAR strengthened impressively overnight to take the year-to-date appreciation up to 1.5% reflecting underlying ZAR strength and resilience. This impressive resilience may be taking many off-guard, especially with the concerns over Greece still doing the rounds and the outlook for equity markets far from certain. Perhaps the only factor counting against further ZAR strength this morning are the weaker Wall St futures and the muted gains on Asian bourses. The issue of rate hikes has come back into focus as Australia lifted rates yet again to take their policy rate up to 4.0% in another move to remove excessive monetary accommodation. According to Reuters data (bid chart), the ZAR strengthened against the USD yesterday, closing at R7.6275 from R7.696 on Friday. The ZAR also gained ground on the EUR and GBP, closing at R10.3421 against the EUR on Monday from R10.4835 on Friday, while ending at R11.4216 against the GBP from R11.6769 at the end of last week.



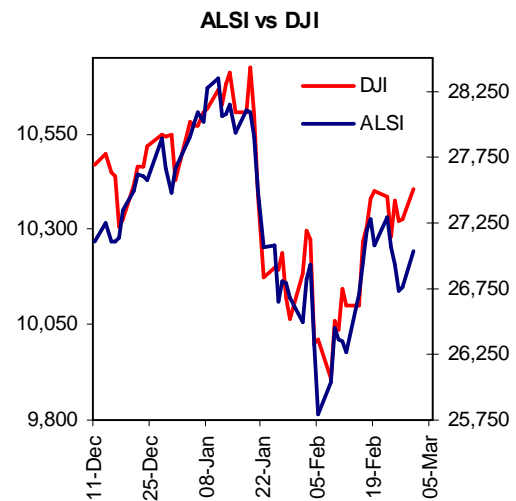
Bond Update

Although the latest round of PMI data might add to the belief that rates do not need to be reduced further as economic growth is on a path of recovery, the recovery appears to be more a function of replenishment of inventories and export demand from the likes of China. That the consumption side of the economy remains soft, vs. the production sector is only likely to prolong the time until the SARB will lift rates again, probably well into 2011. Today will see the release of the car sales data for the month of Feb which may well show a sustained recovery in passenger car sales as purchases at the start of 2010 continue to come through strongly. However, one questions whether a double digit growth rate (as was the case in Jan) is sustainable going forward given that household balance sheets remain weak, which has limited the access of many to credit. Overall, the R157 closed weaker on Monday with the yield last bid higher at 8.170% vs. the previous close of 8.145%, while the R186 similarly was last bid weaker with the yield higher at 8.975% vs. Friday's close of 8.965%. The latest turnover stats show that foreign investors turned net sellers of local bonds for the first time in 5 sessions with the outflow amounting to R0.45bn. This follows the net weekly inflows of R4.1bn and R2.2bn respectively over the past two weeks.



JSE Update

Strength in the ZAR capped some of the major exporters' gains yesterday, but overall with Wall St in the green and financials and industrials on the front foot, the domestic bourse finished higher. At the close of trade the JSE ALSI was up 1.0%. Resources managed to add 0.6% despite gold and platinum stocks losing 0.7% and 0.1% respectively. Financials climbed 0.7% as banks strengthened 1.7%, while industrials pushed 1.5% higher. US stocks extended their gains as sentiment remained fairly upbeat throughout the trading day. The markets awaited the news of a bailout program for Greece, while acquisition activity between AIG and a UK based insurer kept local stocks buoyed. At the close the Dow Jones was up 0.8%, while the S&P had gained 1.0%. Asian markets were mixed overnight. The Nikkei had strengthened 0.5% as the Japanese jobless rate was shown to fall under 0.5% in Jan, while Aussie stocks were up 0.3% as the RBA hiked its key cash rate to 4.00% amid positive growth prospects. Meanwhile at the time of writing the Hang Seng and Shanghai composite had fallen 0.8% and 0.6% respectively.



With Compliments from IQuad Group Limited

Incorporating the specialists in investment incentives, treasury risk management, business optimisation and verification and audit services.



This report is provided on a complimentary basis by IQuad Group Limited and is prepared by Econometrix Treasury Management (Pty) Ltd. www.e-treasury.co.za

DISCLAIMER: IQuad Limited (IQuad) obtains information for its analyses from sources, which it considers to be reliable, but IQuad does not guarantee the accuracy or completeness of its analyses or any information contained therein. IQuad makes no warranties, expressed or implied as to the results obtained by any person or entity from use of its information and analyses, and makes no warranties or merchantability or fitness for a particular purpose. In no event shall IQuad be liable for indirect or incidental, special or consequential damages, regardless of whether such damages were foreseen or unforeseen. IQuad shall be indemnified and held harmless from any actions, claims, proceedings, or liabilities with respect to its information and analyses. Clients should be fully aware of the risks involved in trading stock market related products. All illustrations, forecasts or hypothetical data is for illustrative purposes only and is not guaranteed.

The information contained in this communication does not constitute an offer, advertisement or solicitation for investment, financial or banking services. It is for informative purposes and not intended to constitute advice in any form, including but not limited to investment, accounting, tax, legal or regulatory advice. The information therefore has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient.