

Date: 11 August 2010

USD-ZAR 7.2350/3350
 GBP-USD 1.5720/90
 GOLD \$1198.00

EUR-ZAR 9.4400/5400
 USD-JPY 84.90/85.85
 ALLSHARE 27 917.70

GBP-ZAR 11.4300/5300
 AUD-USD 0.8990/9090
 DJI 10 644.25

EUR-USD 1.3020/65
 R157 7.5800%
 3M JIBAR 6.585%

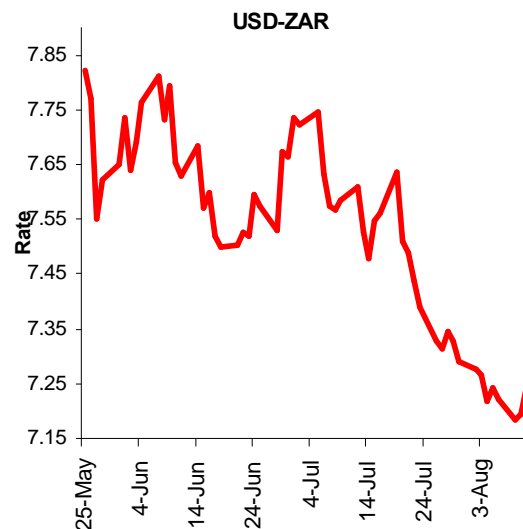
Time (GMT)	Country	Event	Month	Exp	Prior
09:00	SA	Eskom Bond Auction (ES23 - R500mn)			
11:00	SA	Manufacturing y/y	Jun	7.10%	7.90%
08:30	GB	ILO unemployment	Jun		7.80%
	GB	BoE to present quarterly inflation report			
12:30	US	International trade	Jun	-42.5bn	-42.3bn
18:00	US	US Federal budget	Jul	-170.0bn	-180.7bn

Today's Talking Point

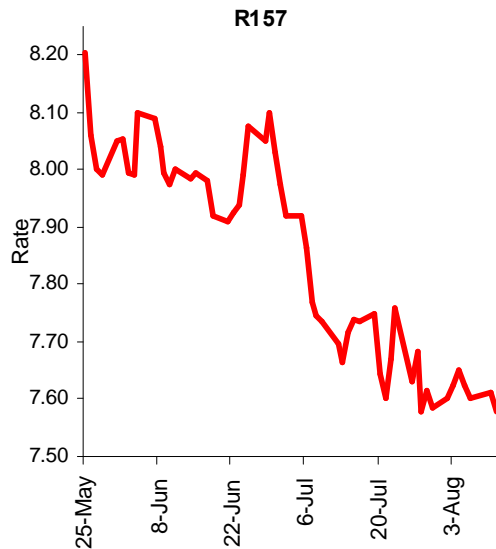
Rand price of oil moderating and limiting the potential petrol price hike in September: The rand price of crude oil spiked in early Aug setting the scene for a petrol price increase in September. While this is still likely to materialise, the extent of any price gains could be far smaller than originally thought. A 10-20c/l petrol price hike in September would only take 95 unleaded Octane prices in Gauteng to around R8.30/l, a small increase m/m and still well below the price in May of R8.72/l. The strength in the rand is acting an effective shock-absorber to rising offshore commodity prices, something which will stand the local economy in good stead unless the authorities decide to intervene to keep the currency weaker.

Rand Update

For all the bears that had feared a slowdown in the global economy, the move back towards quantitative easing will not have come as much of a surprise. The softer growth outlook painted by the Fed could bode negatively for equity market sentiment. It goes without saying that a downturn in stock markets will be accompanied by a drop in global levels of risk appetite. It is ironic that a policy action taken to reassure investors of the growth outlook for the US economy could in fact land up doing the exact opposite. For emerging markets, this would imply that the phase of upbeat sentiment may have passed for now and that they are all in line for a period of consolidation and retreat. Those riskier trades are already on the back foot this morning as Asian stocks trade lower on the expectation that Wall St will have another difficult trading session. The VIX has rose marginally to 22.37 yesterday and indications are that it could rise further through the remaining trading sessions of the week. According to Reuters data (bid chart), the ZAR strengthened slightly against the USD on Tuesday, closing at R7.1950 from R7.1845 on Monday. The ZAR gained ground vs. EUR and GBP, ending at R9.4809 vs. the EUR from R9.5065 on Monday, while finishing at R11.4062 vs. the GBP from R11.4234.



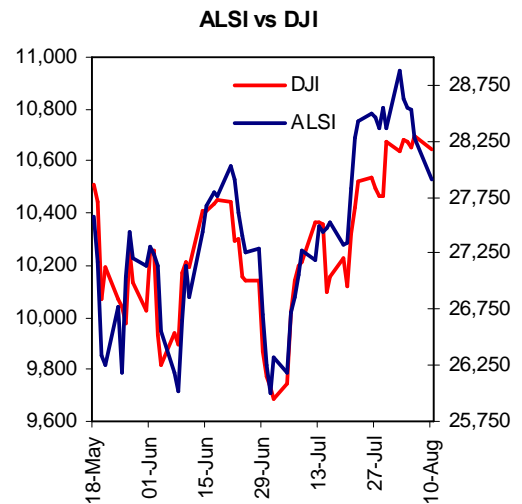
Bond Update



It was a relatively quiet session for most of the session during yesterday's trade, however, trade picked up later in the session and bonds strengthened following a shift lower on equity markets and a rotation into safe haven bonds on the back of some weaker than expected US economic data. Overnight offshore US Treasuries have rallied, which is likely to be supportive of the domestic bond market. The US Fed indicated last night it will leave its monetary stimulus programmes intact which has fueled speculation that the Fed will look to restart its asset purchase programmes more aggressively in the months ahead. This will help keep rates lower for longer in the US and should ensure investors continue to buy into local bond market as they look for higher yield. Overall at the close the key benchmark R157 yield closed at 7.61% vs a previous close of 7.60%, while the longer dated R186 ended the session at 8.53% vs Friday's close of 8.50%.

JSE Update

SA stocks retreated for the fifth consecutive trading session allowing certain technical indicators to turn even more bearish than they already are. Downside momentum is strengthening and last night's FOMC decision and statement is unlikely to alleviate the pressure. If anything, the decision on the part of the Fed to implement a fresh round of monetary stimulation only confirms that the global economic recovery is under threat, that it cannot proceed without further stimulus efforts and that investors may need to position themselves for the possibility that the global economic recovery is not a fundamentally sustainable one. With Asian equity markets under pressure this morning and with Wall St futures in the red, the downside bias reflected on the daily and weekly charts is expected to extend through the remainder of the week. The fact that the USD is now staging a recovery on a reversal of risk appetite and a rotation back towards safe haven US assets, metal prices are also expected to edge lower on the day to keep resources and miners on the defensive. The saving grace for the rand hedge and dual listed stocks is likely to be the weaker rand, but this on its own is unlikely to be enough to propel the JSE back into the green.



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.