



Morning Market Commmen

Thursday 12th March, 2015:

The correctioncould be running out of steam. Garzarelli recommended buying into weakness about a week ago, believing the bull market to be intact. Although the S&P 500 Index and the Nasdaq both dipped by 0.2% last night, the Russell 2000 Index of smaller shares rose by 0.6% and most emerging markets in south America rose too. Apple shares fell 2%, down for the 5th consecutive day as iWatch copies are already showing up in China!

European shares pumped yesterday, up 2.3%, helped by the much weaker euro.. and even the FT100 gained 0.3%.

Asian markets are up nicely, helped by an unexpected rate cut by S Korea to a record low 1.75%. Its currency hit a new low. Aussie is up 1% this morning (BHP -0.5%), Shanghai is up 1.3%, with v strong banks (Finance Ministry apparently wants to convert up to 1 trillion yuan of junk debt into municipal bonds and China is preparing to overhaul its bloated and inefficient SOE's (state-owned enterprises)). Maybe we should be doing the same with ours!! The Hang Seng is +0.4% (Tencent -0.4%), the Indian Sensex is +0.7% and the Nikkei +1.3%.

The JSE ALSI gave up another 335 points, -0.6% yesterday (-1234 on Monday and Tuesday) to 51,753, although Fin & Ind fell just 0.2%, but Resources fell -2.7%. New highs included Mondi, while 14 new lows included Kumba, Lonmin, Assore, ARM, Aquarius, Afrox, PPC Impala, Barlows, Angloplats and M&R.

The US 10-year yield gave up 3 basis points to 2.10% as investors sold equities and bought bonds (flight to less risky investments), while the SA government R186 bond yield due in 11/12 years came down 9 basis points to 7.90% (higher price), as the juicy yield of almost 8%, along with the very weak currency, attracted buying, especially with Germany's 10-year down at another record low of 0.21% and Holland's at 0.25%, Italy at 1.1% etc.

The dollar gained further by almost 2% to another 12 year high v the euro at \$1.05 from \$1.07 yesterday, and also up vs the pound at \$1.493 from \$1.507. The rand finally gained a bit at 12.28 to the dollar from 12.37, up too at 18.30 from 18.61 vs the pound, up at 12.90 to the euro from 13.22 and...up versus the Aussie at 9.32 from 9.40. So far this year

the Brazilian real is down about 15% versus the dollar and the Turkish lira is down 11.5%. Countries with higher current account deficits have done worse.

S&P 500 futures are up 0.2% this morning. Oil is up \$1.0 at \$57.81, even though the world oil market is reportedly oversupplied by 1m to 1.5m barrels of crude per day, while Gold is down \$10 at \$1154, with Platinum down \$15 at \$1121 (stong \$ hurting despite pickup in European economy). Apparently Greece asked Germany for 160 billion euros for World War II reparations!! I guess they have to try everything and anything!

TOE CRUNCHERS

The fastest balls ever bowled



1. Shoaib Akhtar	161.3km/h	Newlands, 2003
2. Brett Lee	161.1km/h	Napier, 2005
2. Shaun Tait	161.1km/h	Lord's, 2010
4. Jeff Thomson	160.4km/h	WACA, 1975
5. Andy Roberts	159.5km/h	WACA, 1975
6. Fidel Edwards	157.7km/h	Newlands, 2003
7. Mitchell Johnson	156.8km/h	MCG, 2013
8. Mohammad Sami	156.4km/h	Sharjah, 2003
8. Shane Bond	156.4km/h	Centurion, 2003
10. Dale Steyn	155.7km/h	Wankhede Stadium, 2011
10. Lasith Malinga	155.7km/h	Wankhede Stadium, 2011

courtesy of Avior Capital Markets

Kind Regards

Paul Hansen

Director: Retail Investing

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