



Key Market Performance Drivers monthly charts

November 2009



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Introduction to Key Market Performance Drivers monthly charts

The Advantage Key Market Performance Drivers (KMPD) has proved to be an invaluable resource and is one of the publications that we are truly proud of. The generation of the content of KMPD has proven to be a formidable task and as such we have decided to amend the format of the publication slightly. Only on a quarterly basis will we distribute a comprehensive version of the KMPD, which covers an in-depth analysis of the economic indicators and performance drivers for global as well as local markets. For the two inter-quarter months, we will prepare a shortened version of the KMPD that will set out the main charts that are a common feature of our KMPD publication together with short notes on selected charts.

Herewith is the November edition of the KMPD monthly charts.

Regards
Advantage Asset Managers

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The logo for Advantage Asset Managers features a stylized orange Greek letter alpha (α) followed by the word "advantage" in a bold, lowercase sans-serif font. Below this, the words "asset managers" are written in a smaller, lowercase sans-serif font.

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Style analysis

Value has lost its footing over the one and three months to end November 09. Momentum, followed by growth, pulled ahead.

		1m to Nov 09	3m to Nov 09	12m to Nov 09	36m to Nov 09	20 years to Nov 09
Value	Dividend Yield	2.2%	4.1%	42.8%	17.0%	9.8%
	Earnings to Price	-1.6%	-2.9%	10.8%	5.2%	9.7%
	CF to Price	-3.2%	-5.3%	21.1%	10.0%	11.3%
	Sales to Price	-3.0%	-2.1%	8.7%	0.7%	13.1%
	BV to Price	-2.4%	-4.1%	-16.6%	-8.9%	10.3%
	EBITDA to EV	-0.3%	0.1%	3.7%	3.1%	15.9%
	EBITDA to Price	-3.9%	-4.8%	3.6%	1.4%	9.9%
	Composite Value	-3.0%	-5.5%	9.6%	4.9%	13.8%
Growth	Earnings Growth	-0.5%	-3.6%	1.7%	10.9%	2.8%
	Sales Growth	0.9%	-2.9%	10.0%	10.3%	2.6%
	R o E	0.6%	-0.4%	4.8%	8.5%	-1.8%
	IBES 12m Growth	0.7%	-2.2%	-31.6%	-10.1%	0.1%
	Composite Growth	0.1%	-4.7%	7.1%	11.5%	3.2%
Momentum	M 6mth ST	1.8%	3.6%	23.3%	13.6%	1.4%
	M 6mth	-0.1%	2.7%	-3.8%	9.0%	3.5%
	M 12mth	0.8%	5.8%	-5.5%	5.3%	4.2%
	FY1 Revisions	-0.4%	0.7%	-20.4%	7.3%	7.8%
	FY2 Revisions	2.0%	0.1%	-14.8%	4.0%	3.6%
Misc	Market Cap	1.6%	-1.0%	18.6%	8.1%	-4.0%
	Beta	-0.7%	-6.1%	13.7%	-1.7%	-4.9%
	Debt to Equity	0.8%	-2.7%	-15.0%	-0.6%	1.6%
	Income to Sales	0.6%	-7.1%	15.6%	12.7%	-5.0%
	Stability of EG	-0.9%	0.1%	3.8%	3.2%	-3.8%
	Foreign Exposure	-0.2%	-7.4%	-10.0%	3.0%	-2.0%

Source: Style Research and Advantage Asset Managers

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Market performance concentration – three months to November 2009

The opportunity set (ALSI) has narrowed substantially from last month's observation. Also note that just over 50 of the top performing shares make up 52% of the total market cap.

3 months to Nov 2009																	
1	CRM	42.77%	30	BRN	14.40%	58	WHL	9.22%	87	SWIX	5.3%	116	ASA	0.59%	145	BSR	-5.06%
2	SPG	36.05%	31	GFI	14.11%	59	SHP	9.09%	88	BEL	5.26%	117	NHM	0.56%	146	BDM	-5.19%
3	CAT	30.06%	32	PAP	13.89%	60	ANG	8.71%	89	MND	5.16%	118	PGR	0.53%	147	PET	-5.64%
4	MTA	29.03%	33	CFR	13.28%	61	OCT	8.66%	90	GRT	5.00%	119	KIO	0.20%	148	RBX	-5.88%
5	AGL	27.60%	34	MVG	13.28%	62	All Share	8.5%	91	AFR	4.77%	120	ABL	0.10%	149	ATNP	-5.96%
6	PAM	27.06%	35	Resource 2l	13.2%	63	MPC	8.33%	92	SA Listed Prop	4.5%	121	MET	0.10%	150	NPK	-6.65%
7	HCI	24.83%	36	HAR	13.05%	64	SNT	8.33%	93	EMI	4.51%	122	PHM	0.08%	151	MTN	-6.82%
8	CLS	23.89%	37	ADH	12.69%	65	SLM	8.05%	94	AVI	4.36%	123	OMN	0.00%	152	FOS	-6.87%
9	TRE	23.81%	38	AFX	12.58%	66	SYC	7.90%	95	FPT	4.28%	124	ADR	0.00%	153	AEG	-7.08%
10	DDT	22.27%	39	MKL	12.29%	67	RLO	7.87%	96	Mid Cap	4.1%	125	UCS	0.00%	154	WEZ	-7.44%
11	PSG	22.24%	40	ZED	12.20%	68	DTC	7.87%	97	TBS	3.93%	126	CVN	0.00%	155	WBO	-7.49%
12	OCE	21.84%	41	SFN	11.76%	69	CPL	7.87%	98	LBH	3.57%	127	ARI	-0.15%	156	ILV	-8.02%
13	SAB	21.83%	42	SUR	11.46%	70	TRU	7.81%	99	JDG	3.55%	128	NED	-0.25%	157	APK	-9.09%
14	COM	21.70%	43	FBR	11.16%	71	BVT	7.76%	100	Small Cap	3.3%	129	EXX	-0.42%	158	GRF	-9.82%
15	CLI	21.49%	44	CMP	10.84%	72	AFE	7.65%	101	GDF	3.26%	130	HLM	-0.71%	159	MUR	-10.97%
16	ESR	20.92%	45	IPL	10.82%	73	RMH	7.52%	102	HYP	3.22%	131	JSE	-1.15%	160	ACL	-12.07%
17	LON	19.28%	46	MNP	10.81%	74	CLH	7.12%	103	CSB	2.91%	132	RDF	-1.27%	161	LBT	-12.58%
18	ILA	19.23%	47	ART	10.74%	75	SHF	6.95%	104	DAW	2.88%	133	ATN	-1.81%	162	TWP	-13.85%
19	ALT	17.87%	48	FSR	10.74%	76	RES	6.90%	105	Financial 15	2.8%	134	SSK	-1.96%	163	TKG	-14.03%
20	OML	17.61%	49	AMS	10.43%	77	Industrial 2:	6.9%	106	MDC	2.15%	135	LEW	-1.97%	164	AVU	-14.36%
21	NTC	17.02%	50	MSM	10.32%	78	Fledgling	6.8%	107	BLU	1.85%	136	BAW	-2.25%	165	EQS	-15.35%
22	BCX	16.67%	51	AIP	10.24%	79	VKE	6.80%	108	BAT	1.75%	137	HPB	-2.38%	166	SIM	-15.56%
23	APN	16.24%	52	SUI	9.92%	80	SAC	6.77%	109	TON	1.59%	138	SBK	-3.29%	167	HVL	-16.67%
24	IVT	15.62%	53	CML	9.87%	81	SAP	6.69%	110	SOL	1.26%	139	PPC	-3.45%	168	DGC	-17.93%
25	DSY	15.37%	54	NPN	9.84%	82	KGM	6.68%	111	RBW	1.21%	140	INP	-3.64%	169	MRF	-18.12%
26	BIL	15.21%	52% of total market cap			83	REI	6.33%	112	ACP	0.99%	141	INL	-3.96%	170	MTX	-23.50%
27	SNU	15.16%	55	HPA	9.36%	84	PIK	6.10%	113	ARL	0.96%	142	MML	-4.05%	171	DRD	-30.07%
28	HDC	14.88%	56	Top 40	9.4%	85	GND	6.06%	114	VOD	0.87%	143	IMP	-4.45%	172	KEH	-32.42%
29	PMM	14.45%	57	SPP	9.29%	86	SWIX Top 4	5.7%	115	REM	0.60%	144	FWD	-5.06%			

Source: Barra, Deutsche Securities and Advantage Asset Managers

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Key	
Size	Sector
Large Cap	Resources
Mid Cap	Financials
Small Cap	Industrials

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Market performance concentration – 12 months to November 2009

The opportunity set narrows again slightly. However, active managers in general should still outperform over this period based on the available opportunities that remain.

12 months to November 2009																	
1	ESR	111.1%	30	MVG	57.3%	59	AGL	38.2%	87	Top 40	29.0%	116	SAC	19.6%	145	SOL	4.3%
2	ALT	108.9%	31	WHL	55.0%	60	TRU	37.5%	88	SWIX	28.8%	117	RBX	19.4%	146	MUR	1.9%
3	DTC	99.1%	32	FWD	53.4%	61	NPK	36.7%	89	HDC	27.6%	118	GRF	19.3%	147	GRT	0.7%
4	CMP	96.6%	33	JSE	52.8%	62	INL	35.9%	90	NED	27.4%	119	SA Listed Prop	17.8%	148	SIM	0.0%
5	PSG	95.3%	34	CRM	52.5%	63	MET	35.5%	91	RLO	27.1%	120	OMN	17.7%	149	HVL	-1.0%
6	NHM	91.0%	35	FBR	52.1%	64	INP	34.9%	92	ACP	26.8%	121	LBH	17.5%	150	BSR	-2.2%
7	TON	89.1%	36	HCI	50.2%	65	VKE	34.0%	93	SWIX Top 40	26.7%	122	PGR	16.6%	151	MTA	-2.6%
8	PAM	86.5%	37	TRE	49.2%	66	SAB	33.8%	94	SYC	26.1%	123	ATNP	16.1%	152	HLM	-2.9%
9	SHF	83.3%	38	GND	48.5%	67	MDC	33.2%	95	ARL	25.6%	124	OCT	15.9%	153	HAR	-4.1%
10	CML	81.6%	39	ANG	48.5%	68	SPP	33.0%	96	MKL	25.5%	125	MTN	15.5%	154	UCS	-5.5%
11	APN	81.6%	40	SNT	48.3%	50% of total market cap		97	TBS	25.5%	126	SBK	15.0%	155	DAW	-6.1%	
12	NPN	81.3%	41	CSB	47.2%	69	EXX	32.6%	98	ACL	24.9%	127	MML	13.9%	156	EQS	-10.3%
13	BRN	78.0%	42	JDG	46.8%	70	BIL	32.2%	99	Small Cap	24.4%	128	ATN	13.8%	157	DRD	-10.8%
14	KIO	77.1%	43	DSY	45.2%	71	AEG	32.0%	100	HPA	24.1%	129	ABL	13.7%	158	SAP	-10.9%
15	SUR	76.2%	44	MPC	45.1%	72	Resource 20	31.9%	101	RES	23.7%	130	ZED	11.0%	159	PET	-12.4%
16	OML	75.0%	45	AIP	44.4%	73	Industrial 25	31.5%	102	GDF	23.2%	131	WBO	10.8%	160	AVU	-16.1%
17	SFN	74.9%	46	SLM	42.5%	74	PAP	31.4%	103	Fledgling	22.5%	132	SUI	10.8%	161	HPB	-17.4%
18	LON	74.5%	47	ILV	42.0%	75	PMM	31.4%	104	COM	22.4%	133	MSM	10.6%	162	WEZ	-19.1%
19	DDT	74.3%	48	SHP	41.8%	76	BCX	31.3%	105	REI	22.2%	134	AFX	9.6%	163	LBT	-25.6%
20	MRF	72.4%	49	CLI	41.5%	77	MTX	31.0%	106	EMI	21.7%	135	FSR	9.6%	164	BDM	-30.5%
21	CLS	71.6%	50	IMP	41.2%	78	CAT	30.9%	107	TKG	21.4%	136	BAW	9.4%	165	TWP	-35.1%
22	ILA	66.3%	51	Mid Cap	40.9%	79	LEW	30.7%	108	RBW	21.2%	137	RMH	9.4%	166	DGC	-35.2%
23	IPL	65.7%	52	APK	40.6%	80	BVT	30.6%	109	Financial 15	21.1%	138	ADR	9.0%	167	BEL	-35.3%
24	AMS	64.2%	53	OCE	40.5%	81	GFI	30.6%	110	KGM	21.0%	139	BLU	8.9%	168	KEH	-51.0%
25	NTC	62.7%	54	CPL	40.5%	82	AFE	30.6%	111	IVT	21.0%	140	PPC	8.5%	169	CVN	-55.0%
26	BAT	60.0%	55	FOS	39.7%	83	All Share	30.3%	112	FPT	21.0%	141	AVI	7.4%	170	SNU	-60.0%
27	ARI	59.5%	56	MND	38.4%	84	RDF	30.3%	113	CLH	20.9%	142	PHM	7.2%	171	SPG	-60.6%
28	MNP	59.1%	57	CFR	38.4%	85	PIK	30.2%	114	REM	20.6%	143	SSK	5.9%	172	VOD*	-3.1%
29	ADH	58.3%	58	AFR	38.3%	86	ASA	29.7%	115	HYP	19.6%	144	ART	5.8%			

Source: Barra, Deutsche Securities and Advantage Asset Managers

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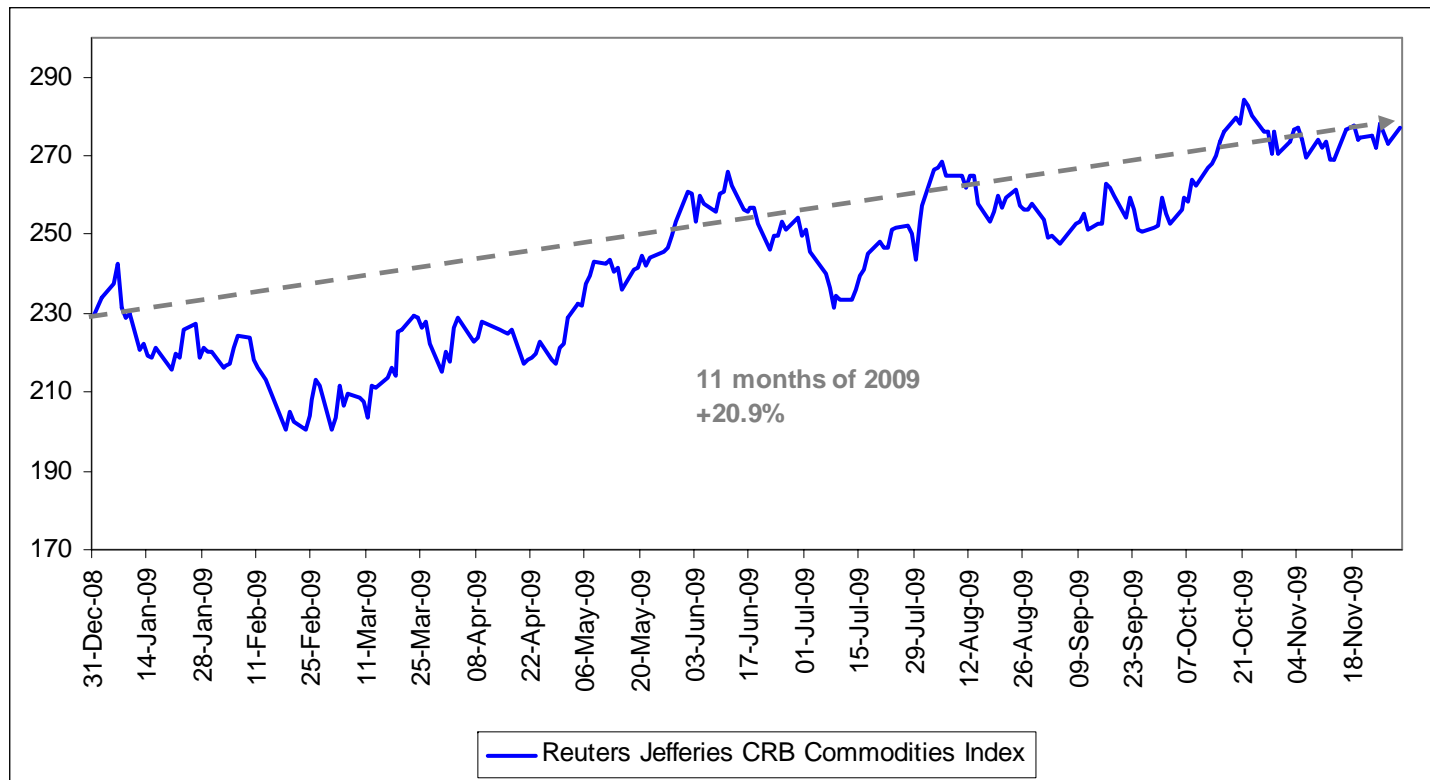
Key	
Size	Sector
Large Cap	Resources
Mid Cap	Financials
Small Cap	Industrials

* Return for Vodacom is a partial return, reflects period from 18/5/09 since listed to end November 2009

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Reuters Jefferies CRB Commodities index

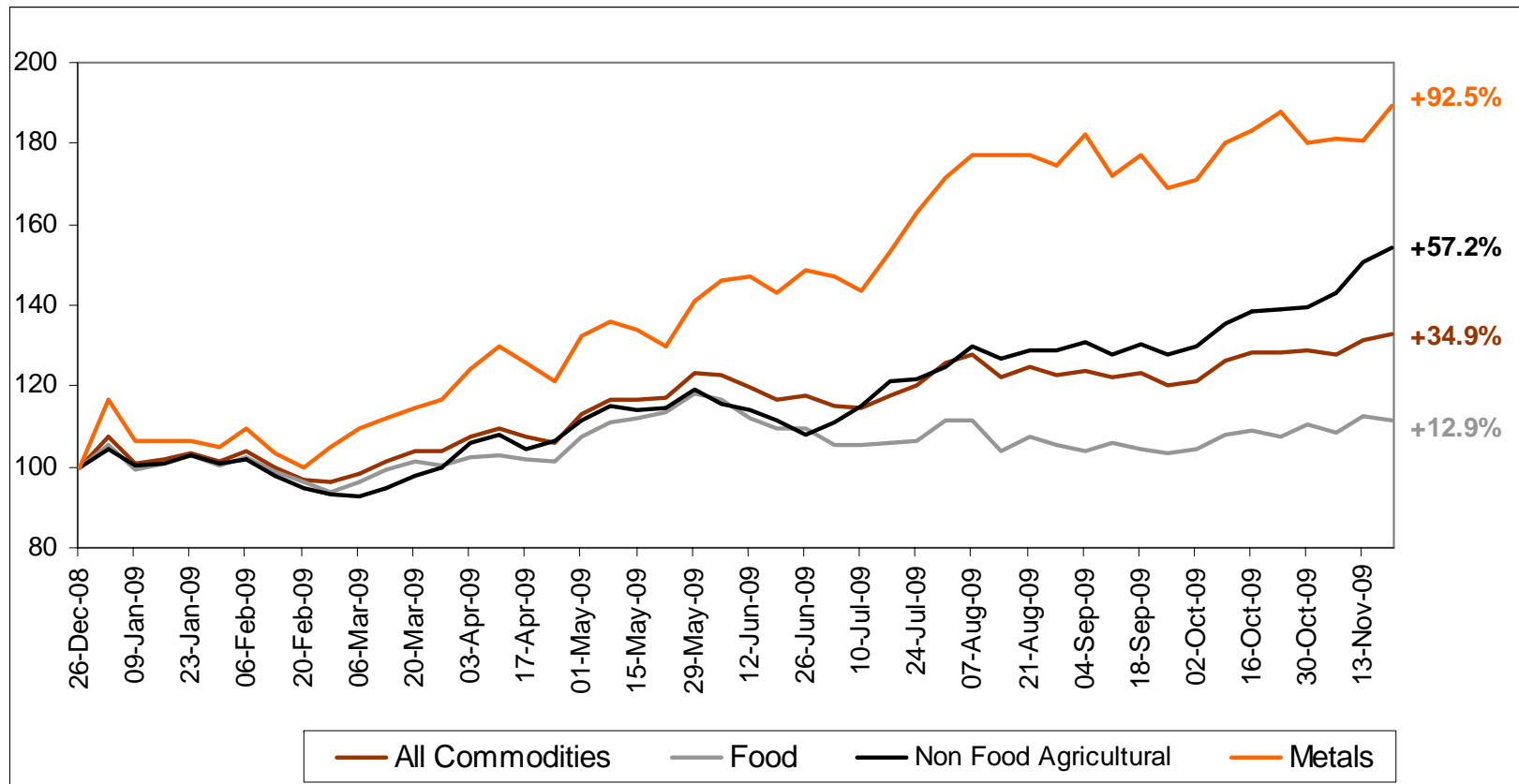
One month shy of a full 2009 – the CRB Commodities index is appearing sound with a 20.9% gain over the 11 month period to end November 2009.



Source: Inet and Advantage Asset Managers
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Economist commodity indices

Metals continue to run ahead, although positive rises are seen in the other displayed commodity indices as well.

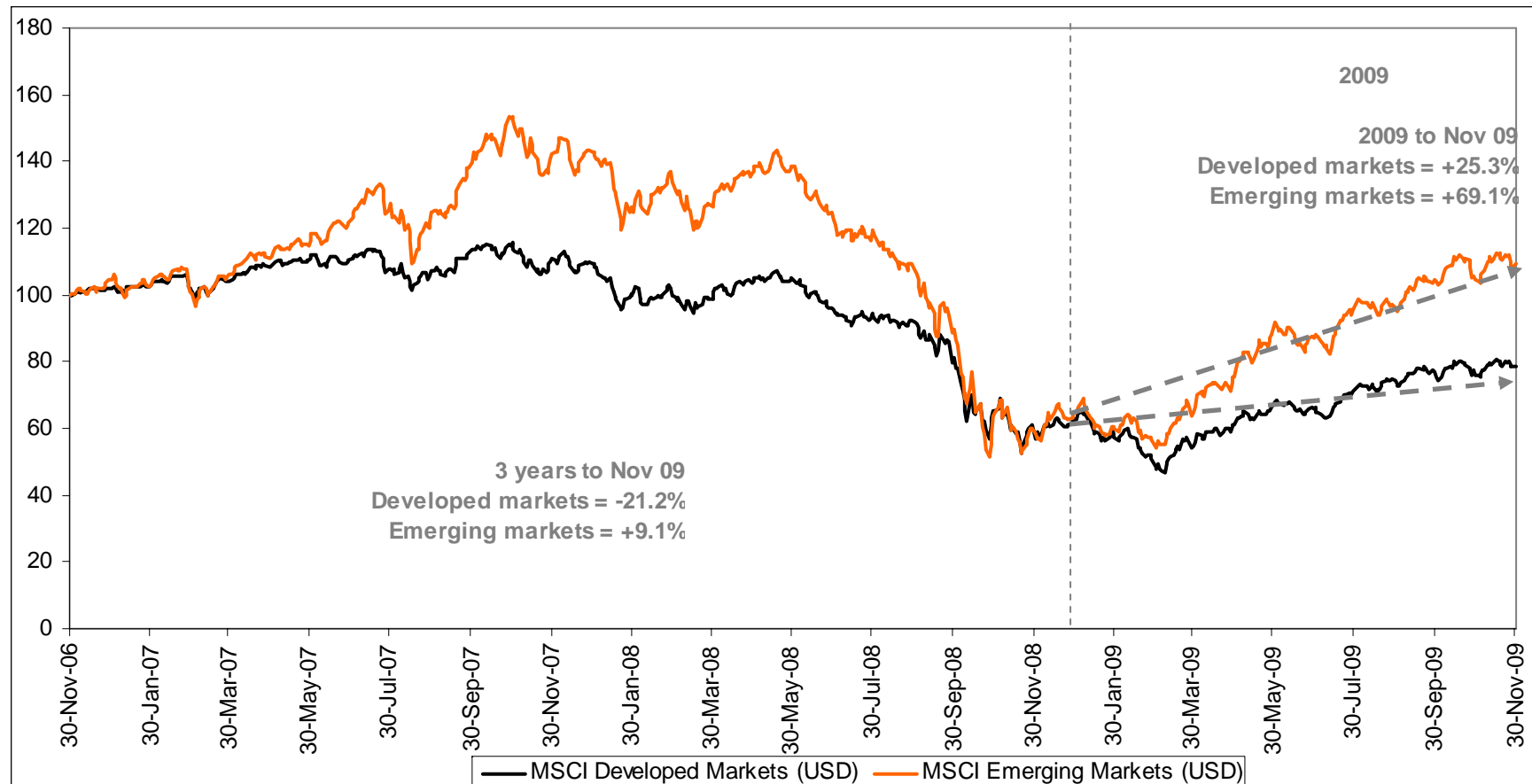


Source: Inet and Advantage Asset Managers

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MSCI developed and emerging markets – 36 months to November 2009

Emerging markets continue to fly. While developed markets have experienced good growth in 2009, relative to emerging markets, this growth is muted.



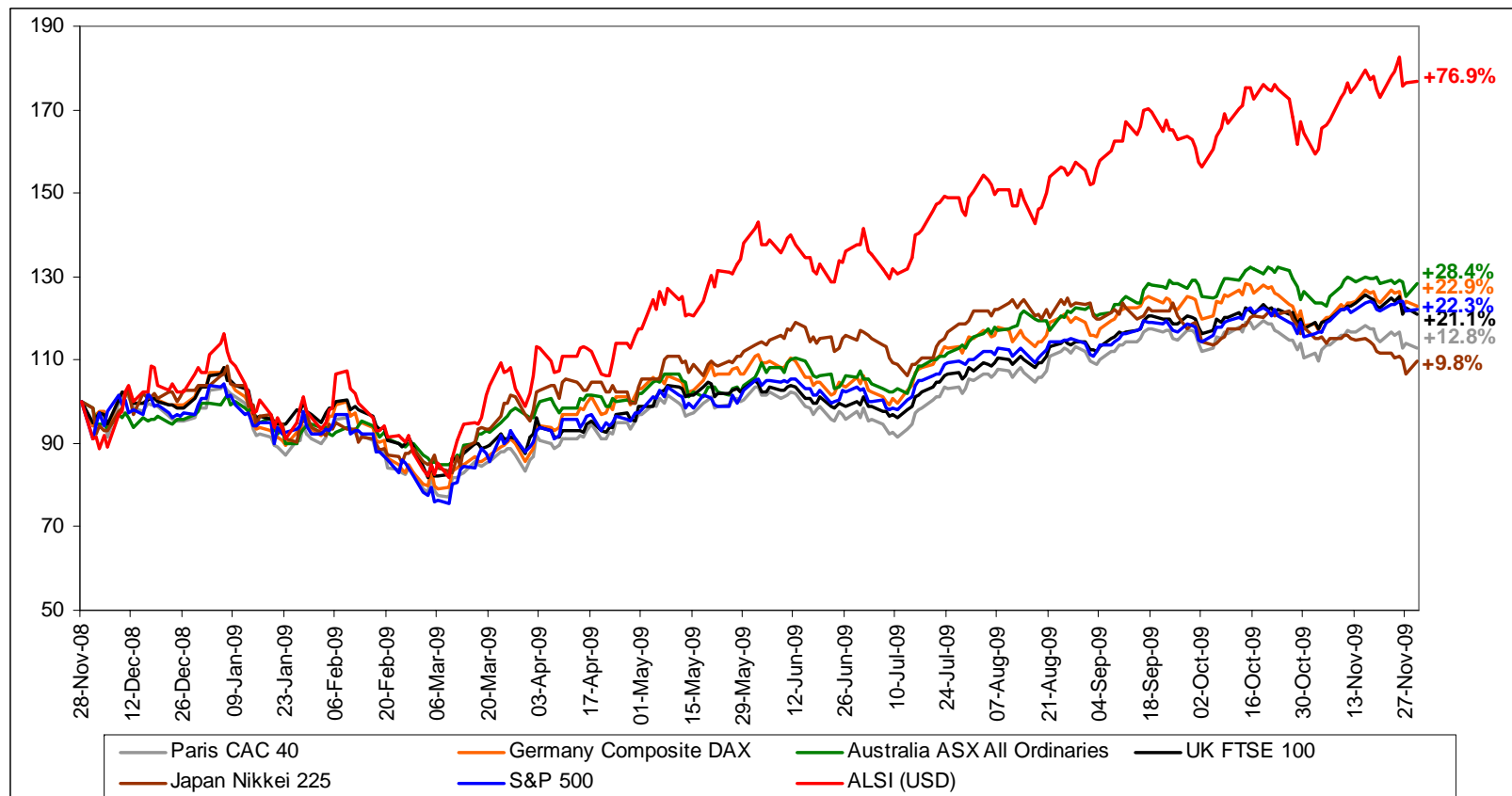
Source: MSCI Barra and Advantage Asset Managers

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Developed equity – 12 months to November 2009

While the global equity markets displayed good positive signs of growth (with the exception of the S&P 500) it is being dwarfed by the phenomenal performance of the ALSI (in USD terms). The significant strength of the rand during 2009 has helped spur the ALSI's USD performance.

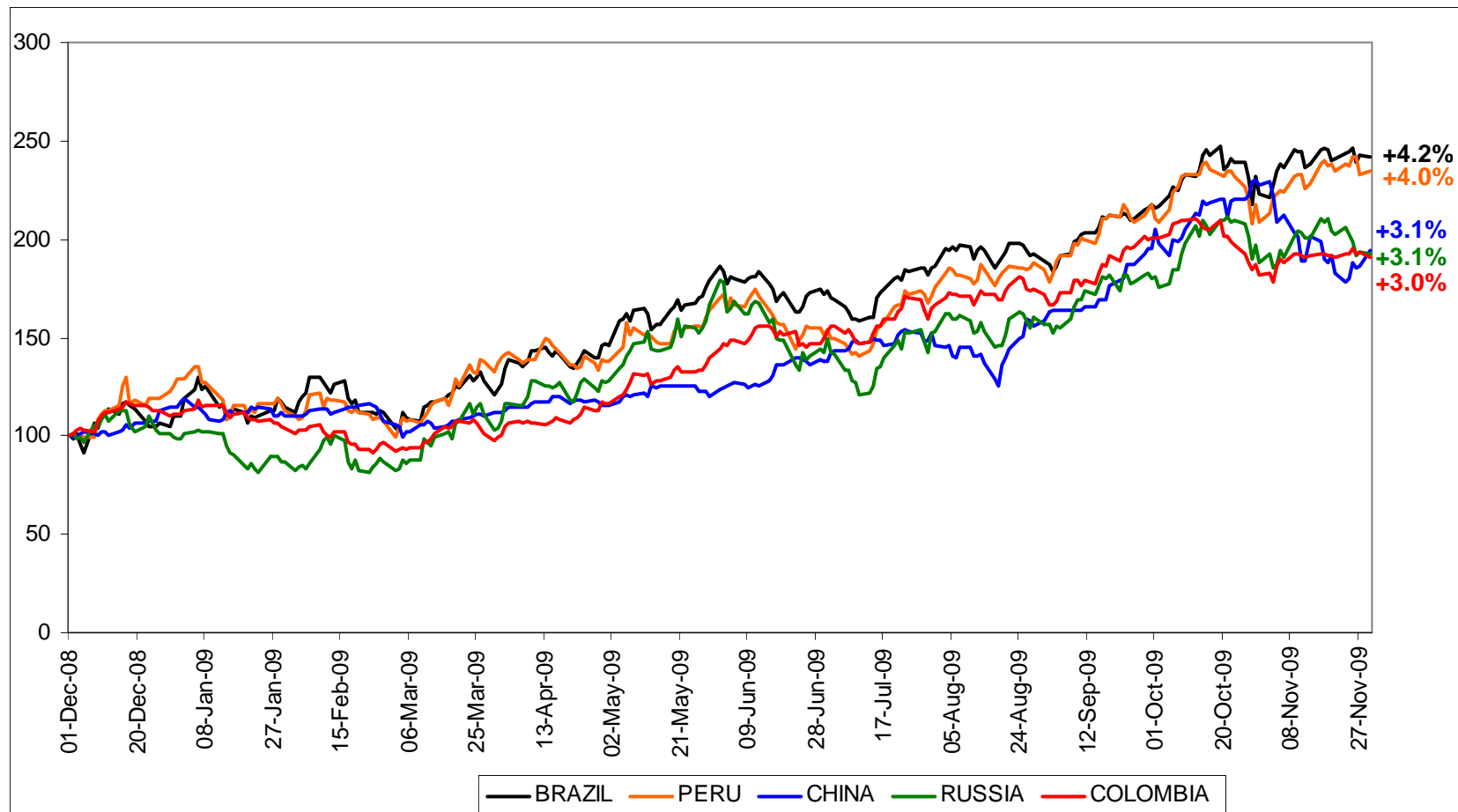


Source: Inet and Advantage Asset Managers

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Emerging markets – 12 months to November 2009

The most significant contributors to the performance of emerging markets over the past year were Brazil, Peru, China, Russia and Colombia.

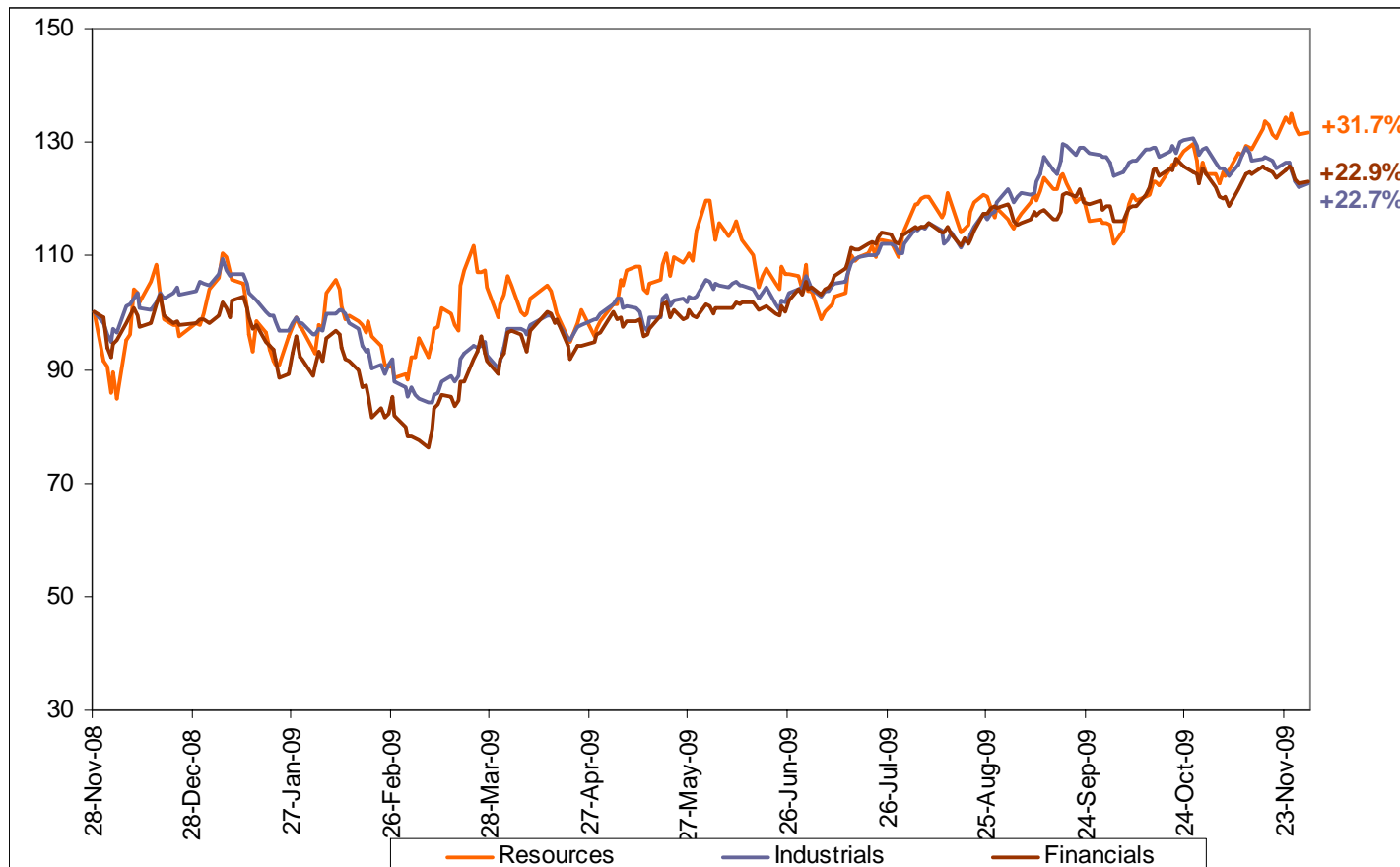


Source: Inet and Advantage Asset Managers

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Sectors – 12 months to November 2009

Resources experienced a strong November and are again ahead of the financials and industrials sectors by a comfortable margin.

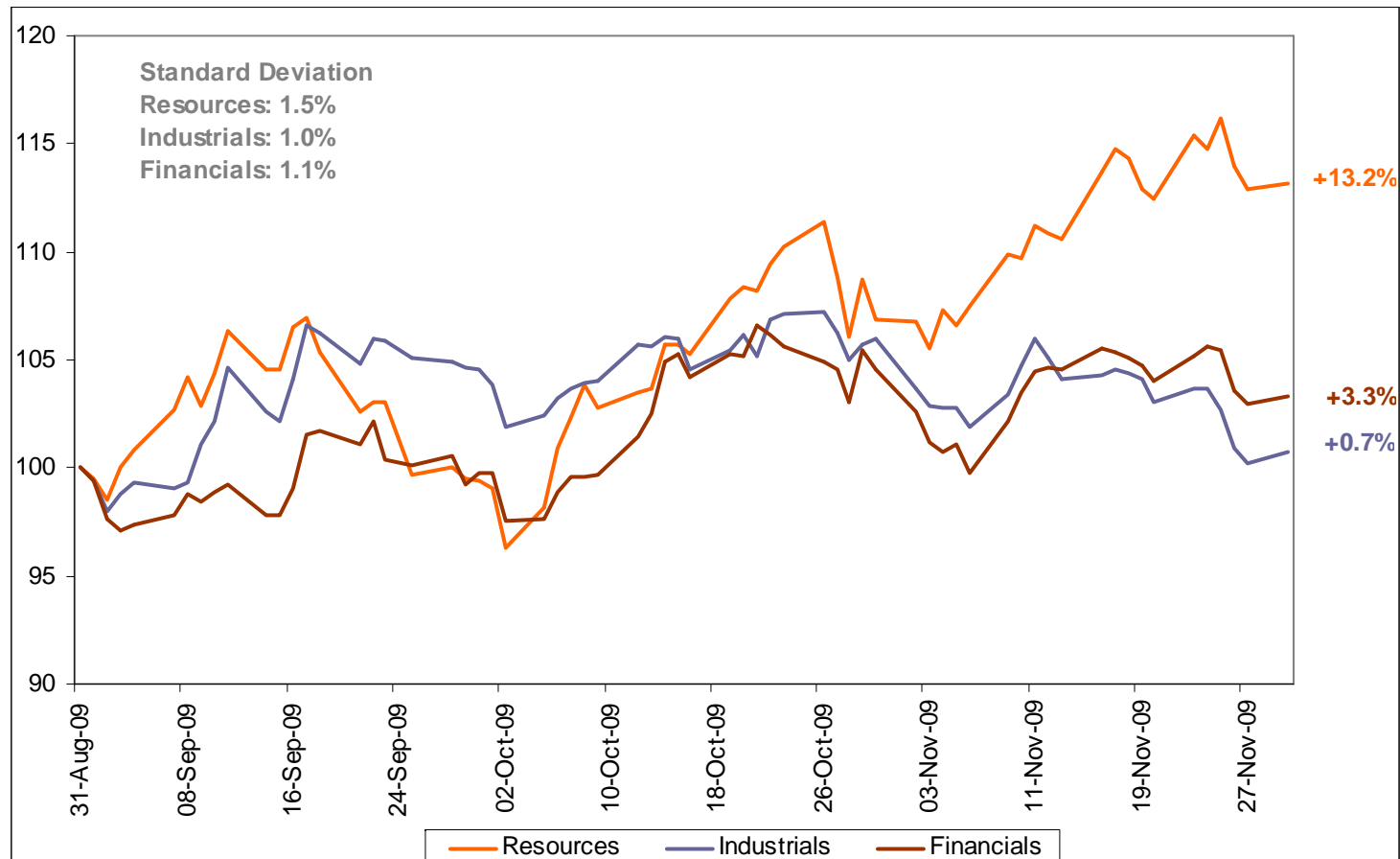


Source: Inet and Advantage Asset Managers

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Sectors – three months to November 2009

After a previously sound period, industrials are behind and lagging resources, and to a lesser extent financials.

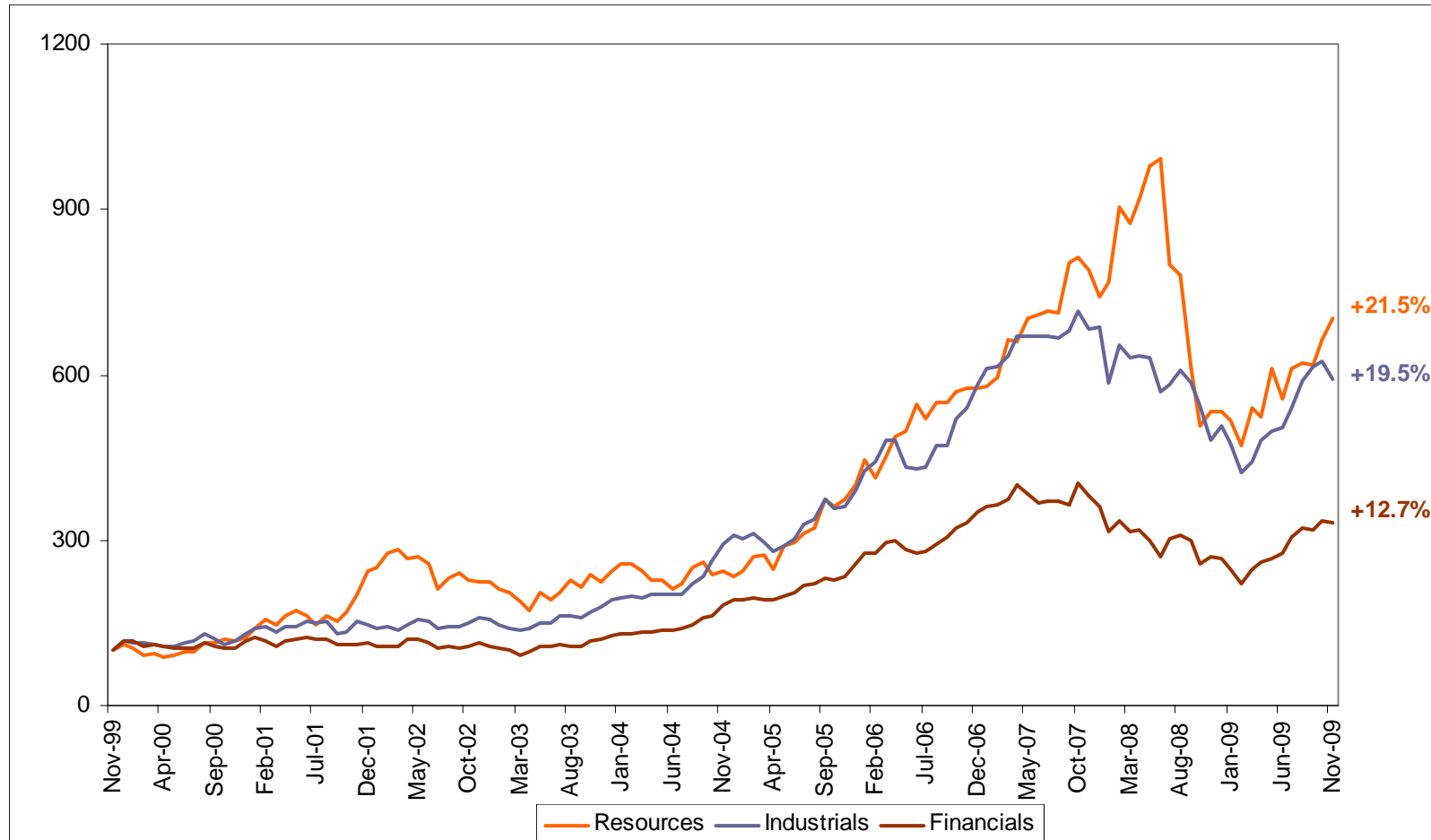


Source: Inet and Advantage Asset Managers

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Sectors - ten years to November 2009

The downturn in industrials in November has provided the booster resources needed to widen the gap of outperformance that it had just begun to create at the end of October 2009.



Source: Inet and Advantage Asset Managers

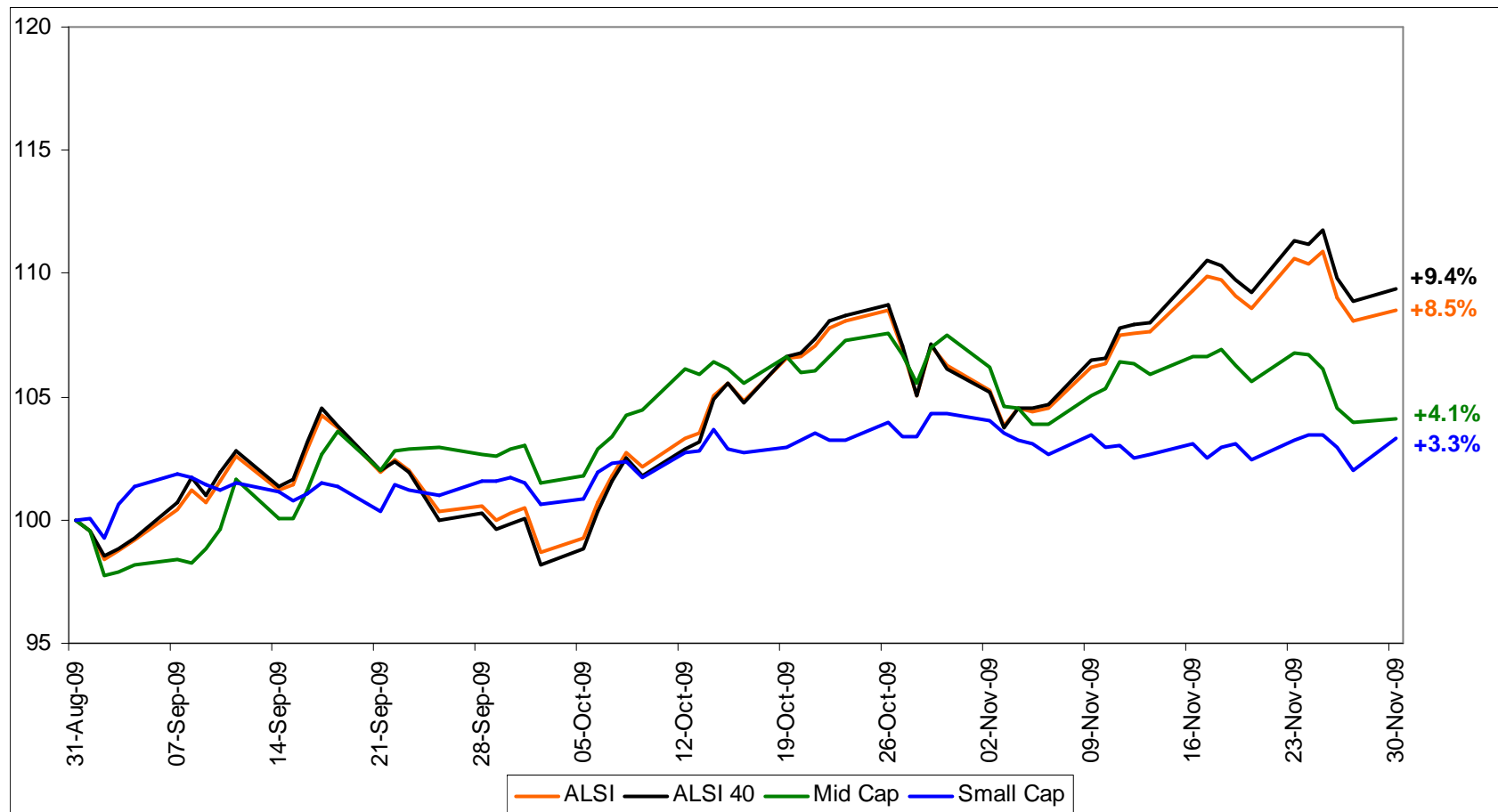
Note: Annualised returns shown on chart

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Size – three months to November 2009

Mid caps are no longer ahead and large cap shares have run ahead, with strong resource returns contributing to this performance.

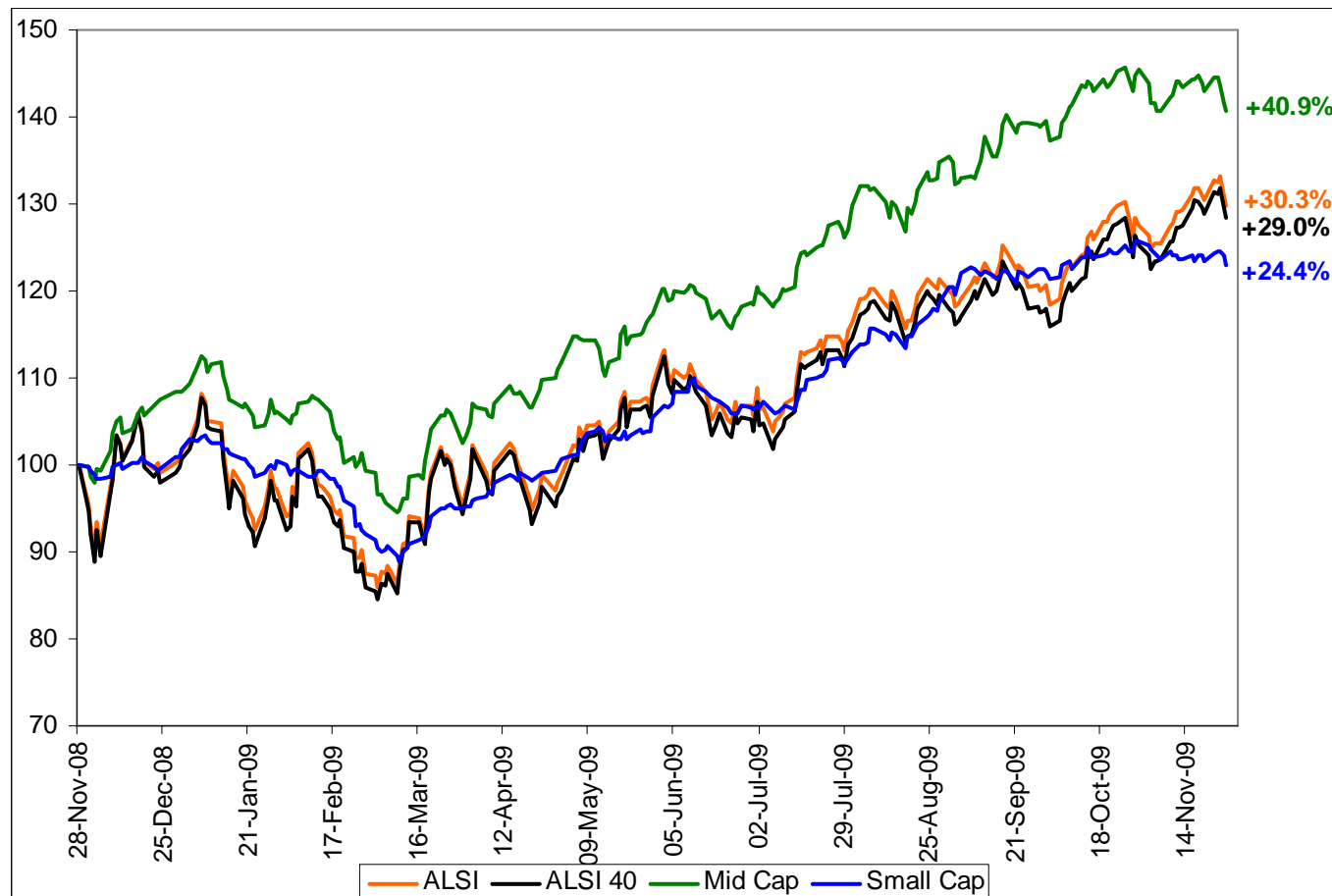


Source: Inet and Advantage Asset Managers

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Size – 12 months to November 2009

While it has lost ground over the three months, over the year mid caps remain ahead – Altech, Datatec, PSG, Northam, Tongaat and Palamin drove the returns.

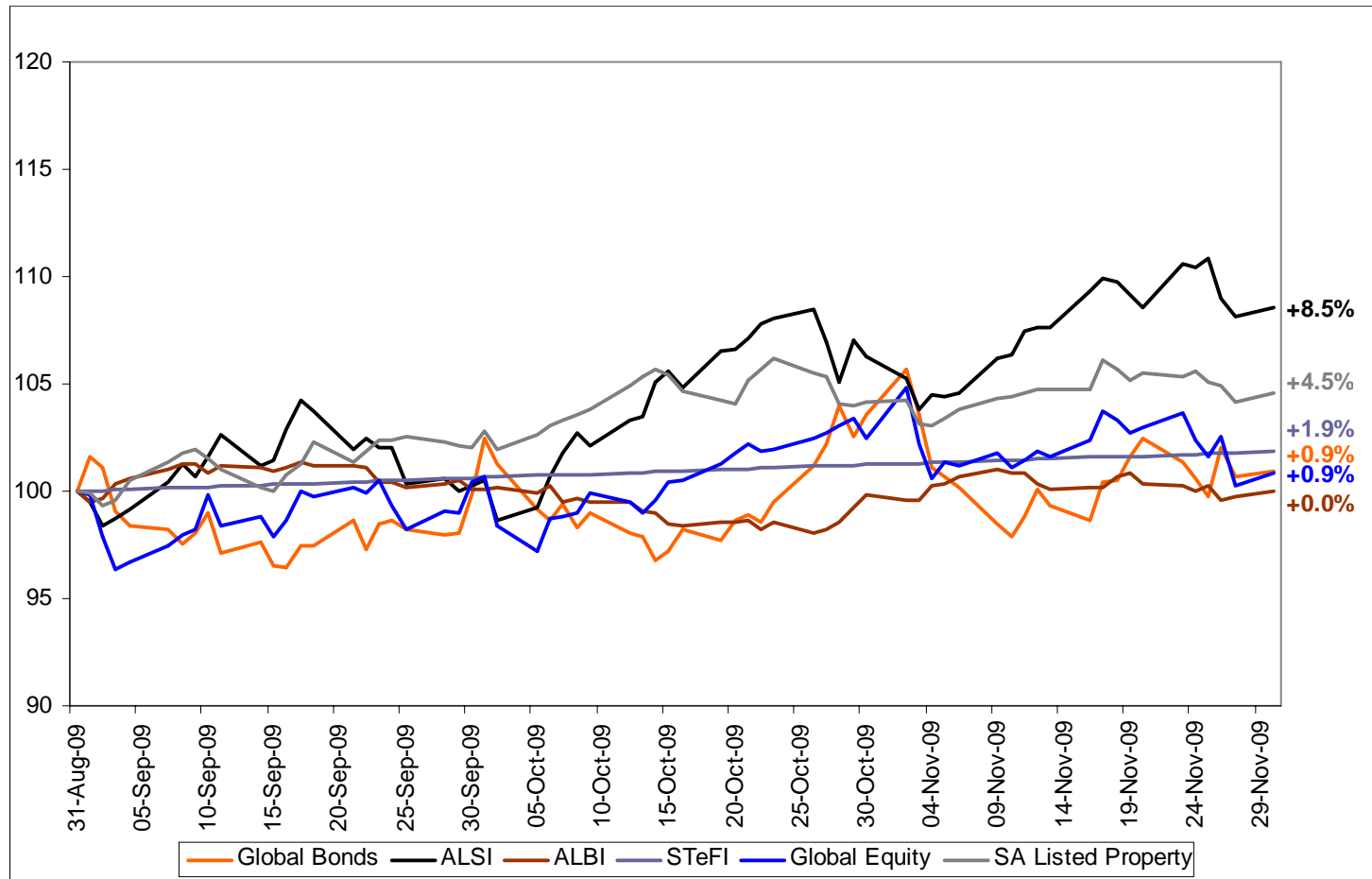


Source: Inet and Advantage Asset Managers

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Asset classes – three months to November 2009

While local bonds were flat, local equities continue to lead the asset classes.

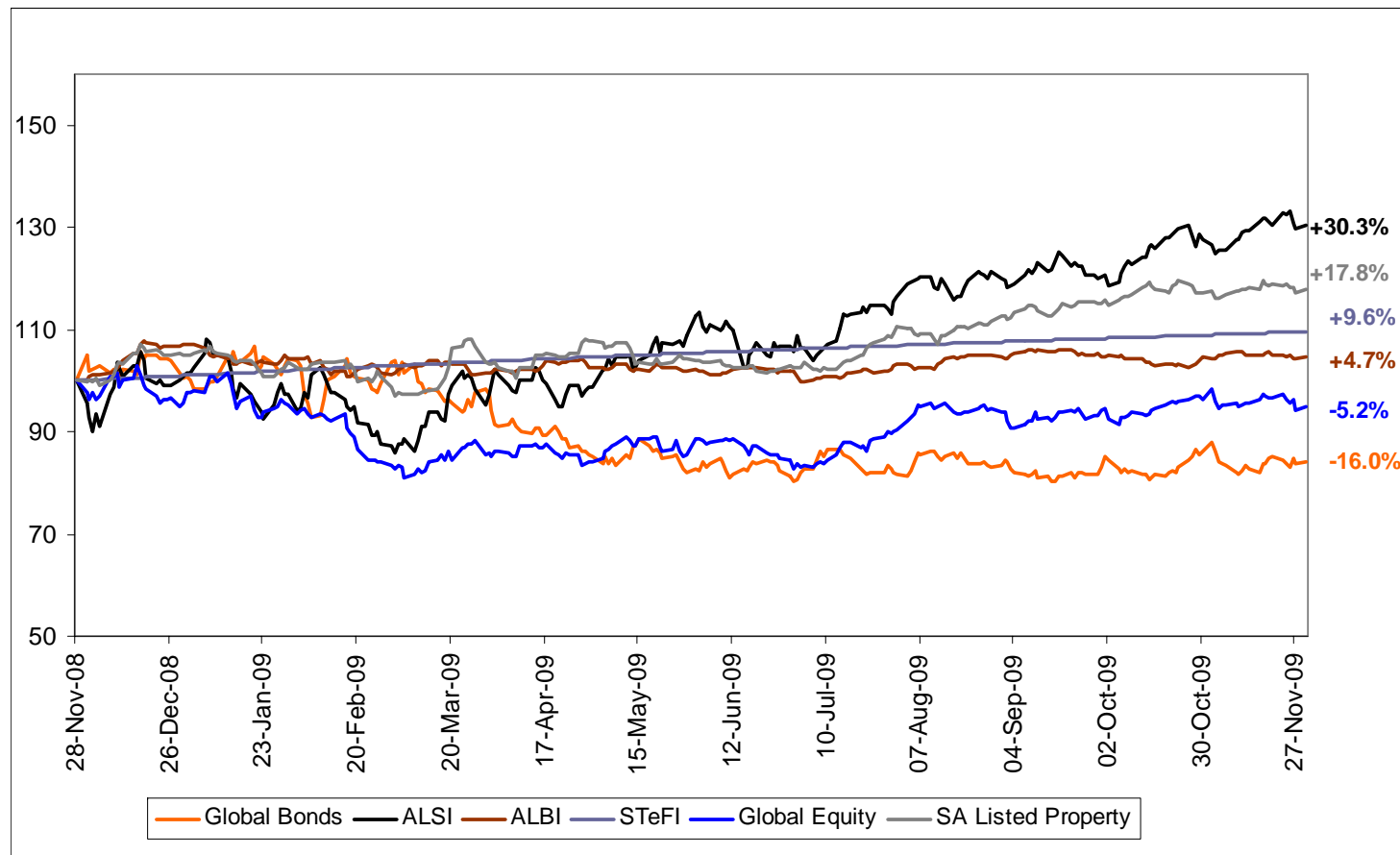


Source: Inet and Advantage Asset Managers

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Asset classes – 12 months to November 2009

Overall, the domestic asset classes perform well relative to the global asset classes (in ZAR terms) – although the ALSI specifically and to a lesser extent listed property, are the asset classes that flourished.

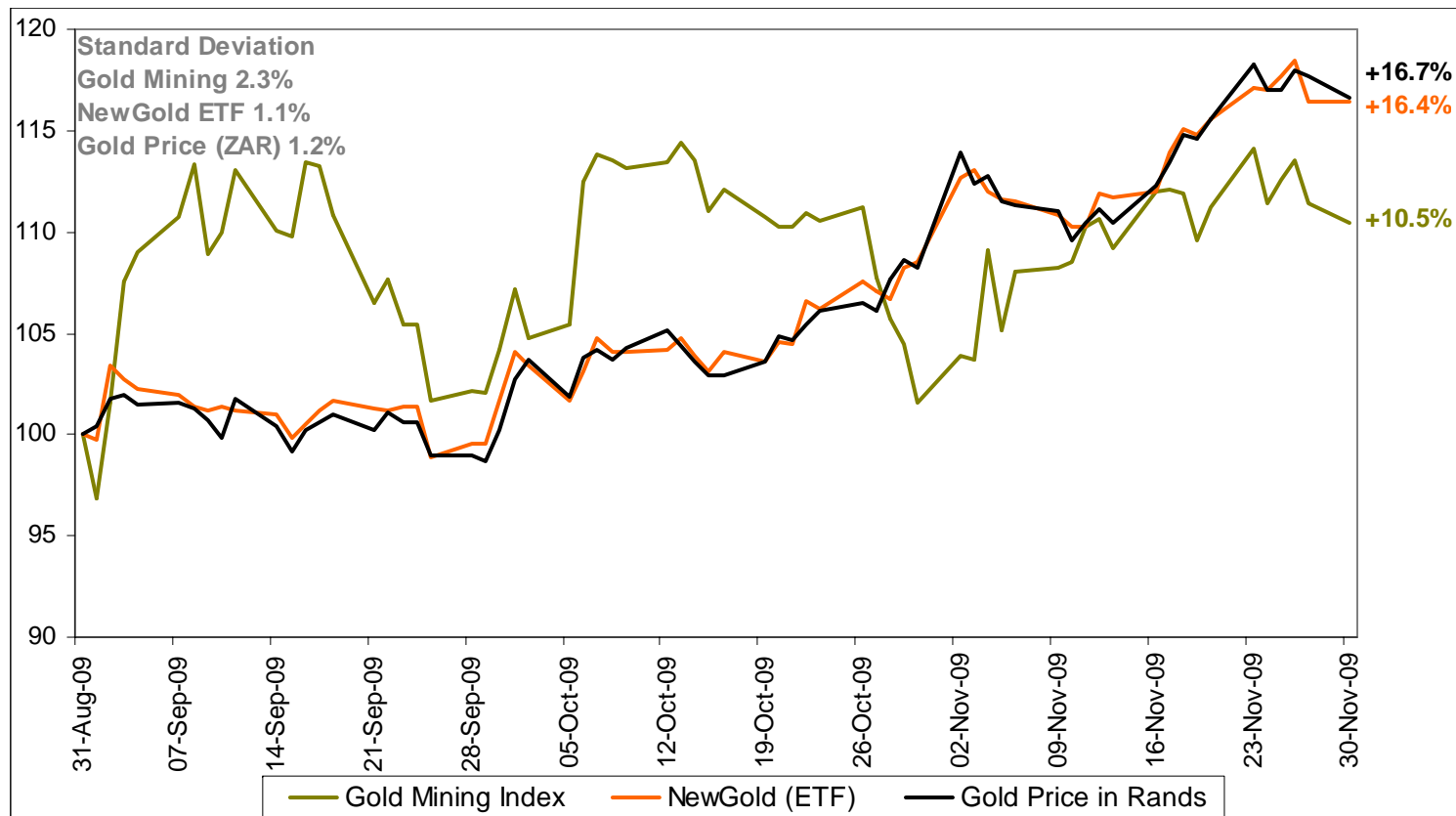


Source: Inet and Advantage Asset Managers

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Gold – three months to November 2009

Gold mining has shown some recovery in November, although the extent has not been sufficient to bring it on par with the gold price (ZAR) and the ETF.



Source: Inet and Advantage Asset Managers

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Gold – 12 months to November 2009

Gold mining remains ahead, although at higher volatility levels.

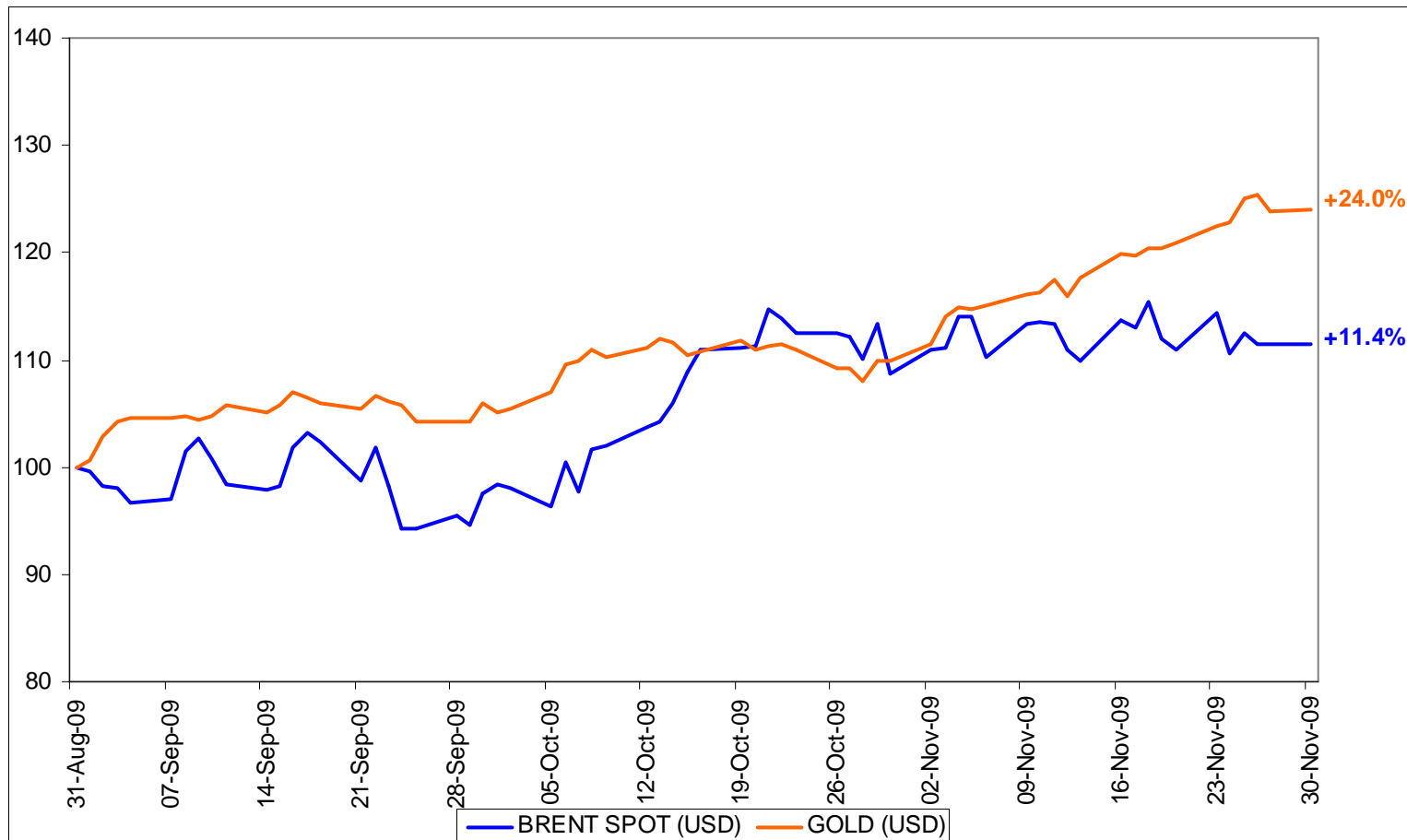


Source: Inet and Advantage Asset Managers

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Gold versus. oil – three months to November 2009

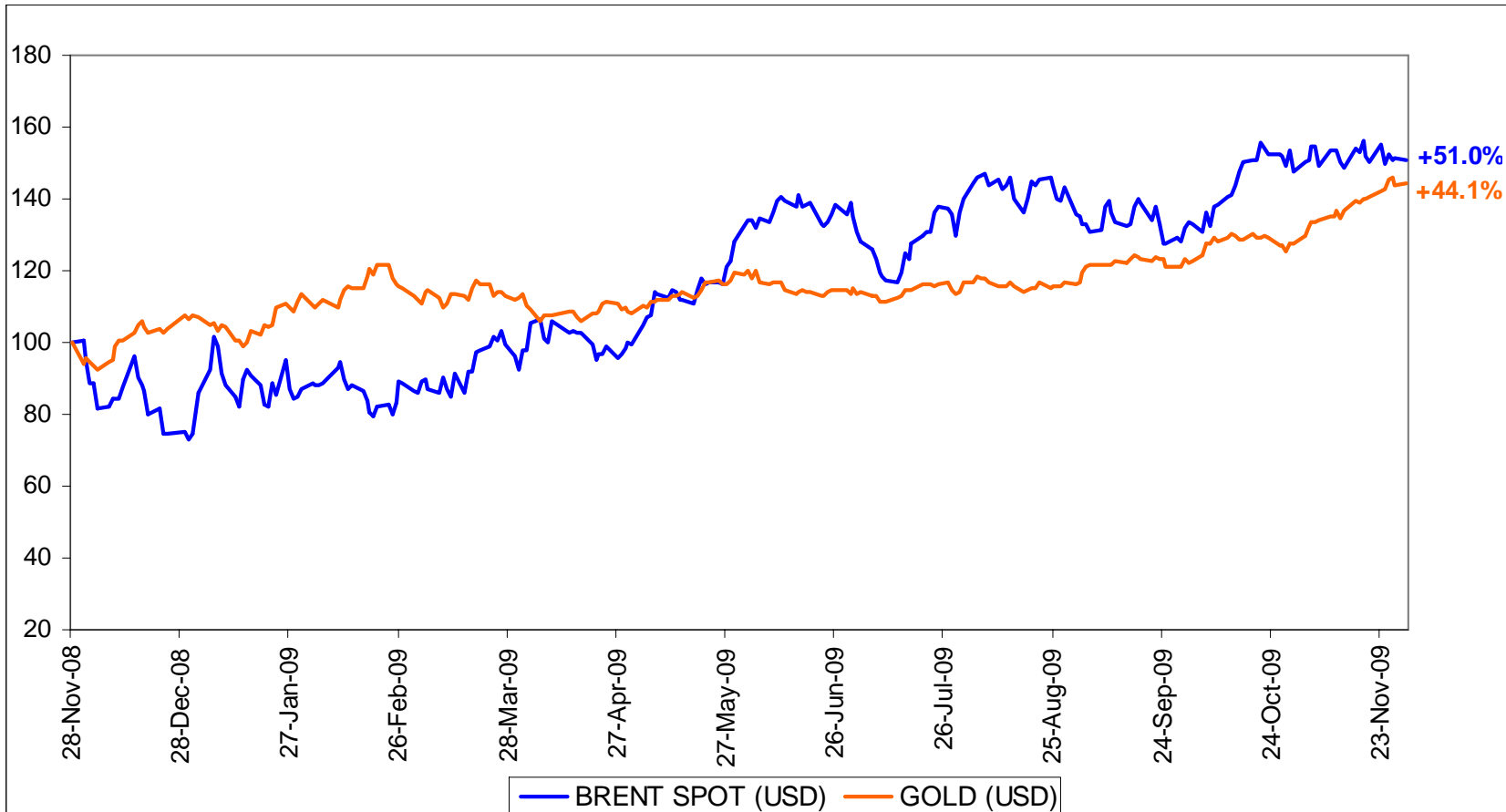
Poised to peak during October, oil recedes and over the period to end November 2009, gold continues to push ahead.



Source: Inet and Advantage Asset Managers

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Gold versus oil – 12 months to November 2009

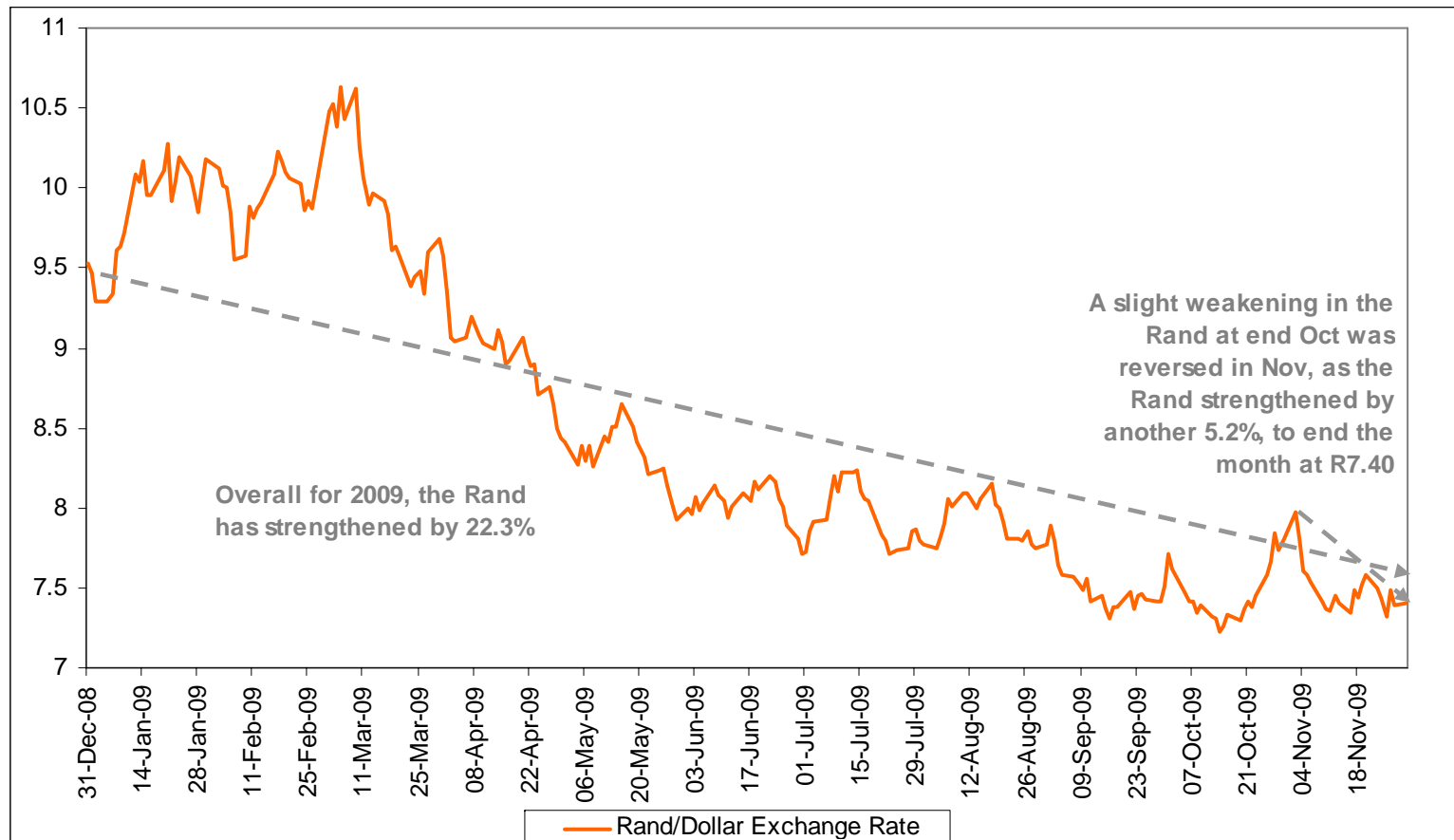


Source: Inet and Advantage Asset Managers

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Exchange rate - 2009 to November 2009

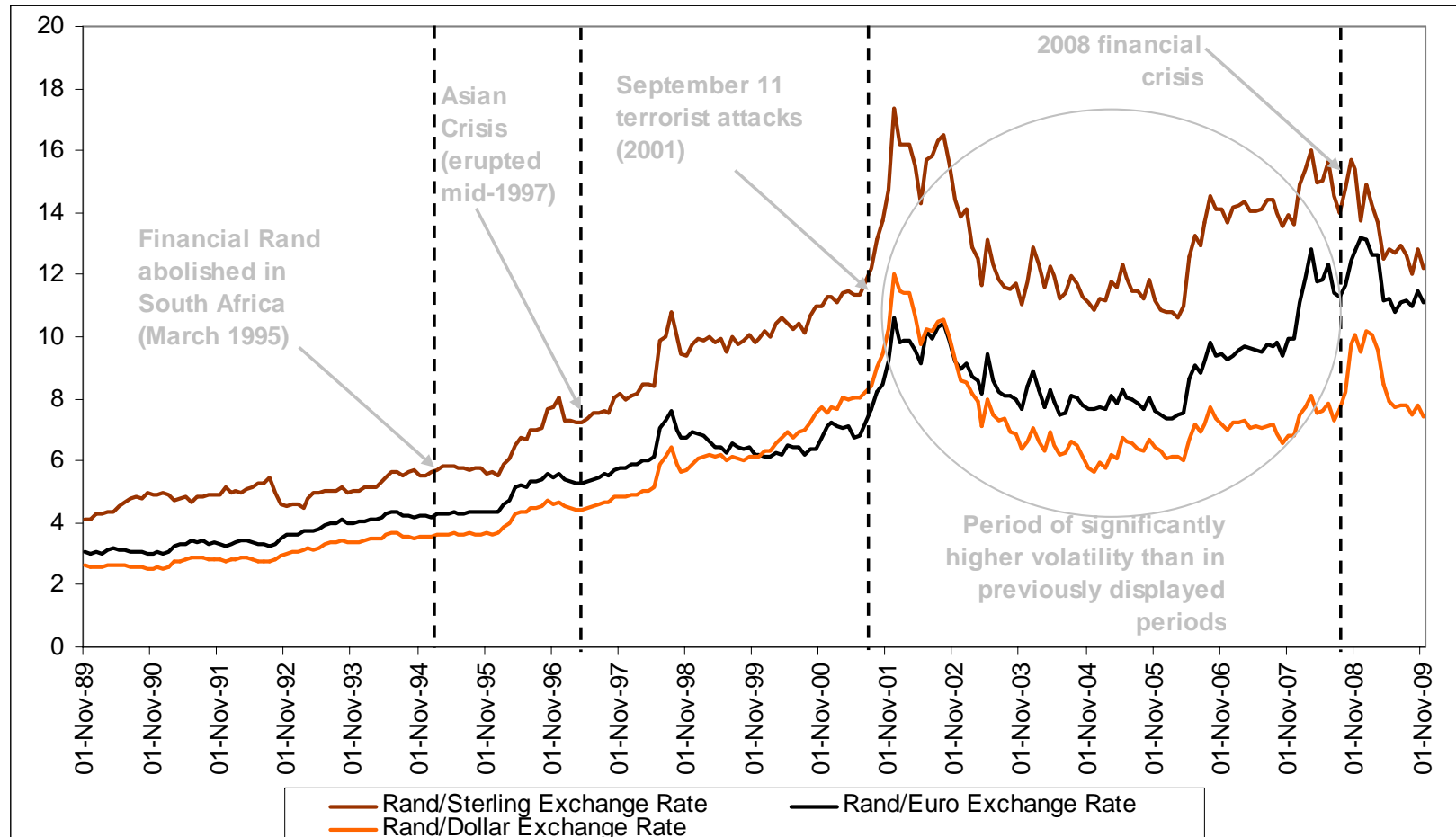
After October's slight weakening, November again turned the tables and the rand strengthened by another 5.2% during the month.



Source: Inet and Advantage Asset Managers

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Exchange rate – ten years to November 2009

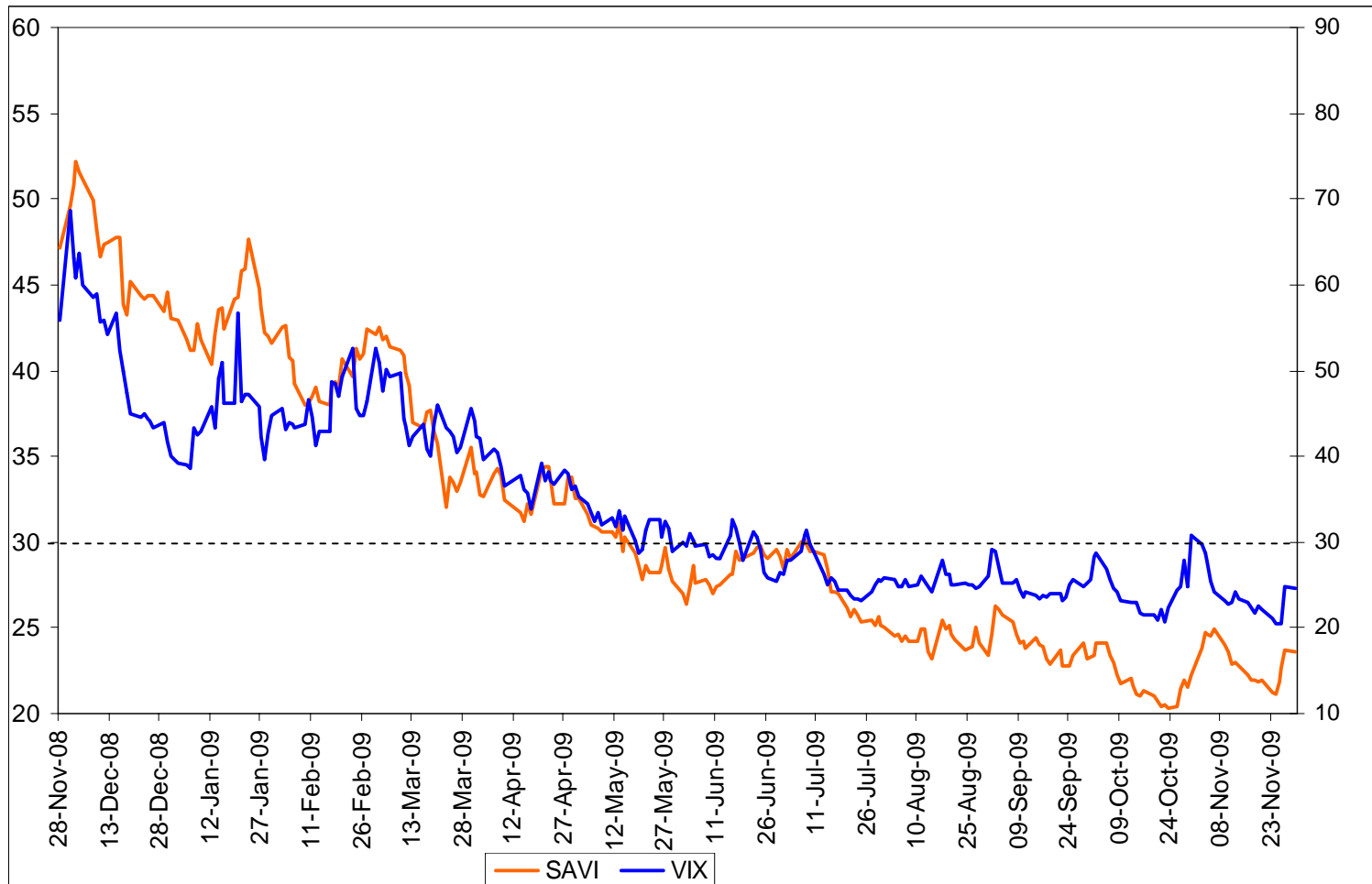


Source: Inet and Advantage Asset Managers

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SAVI-VIX – 12 months to November 09

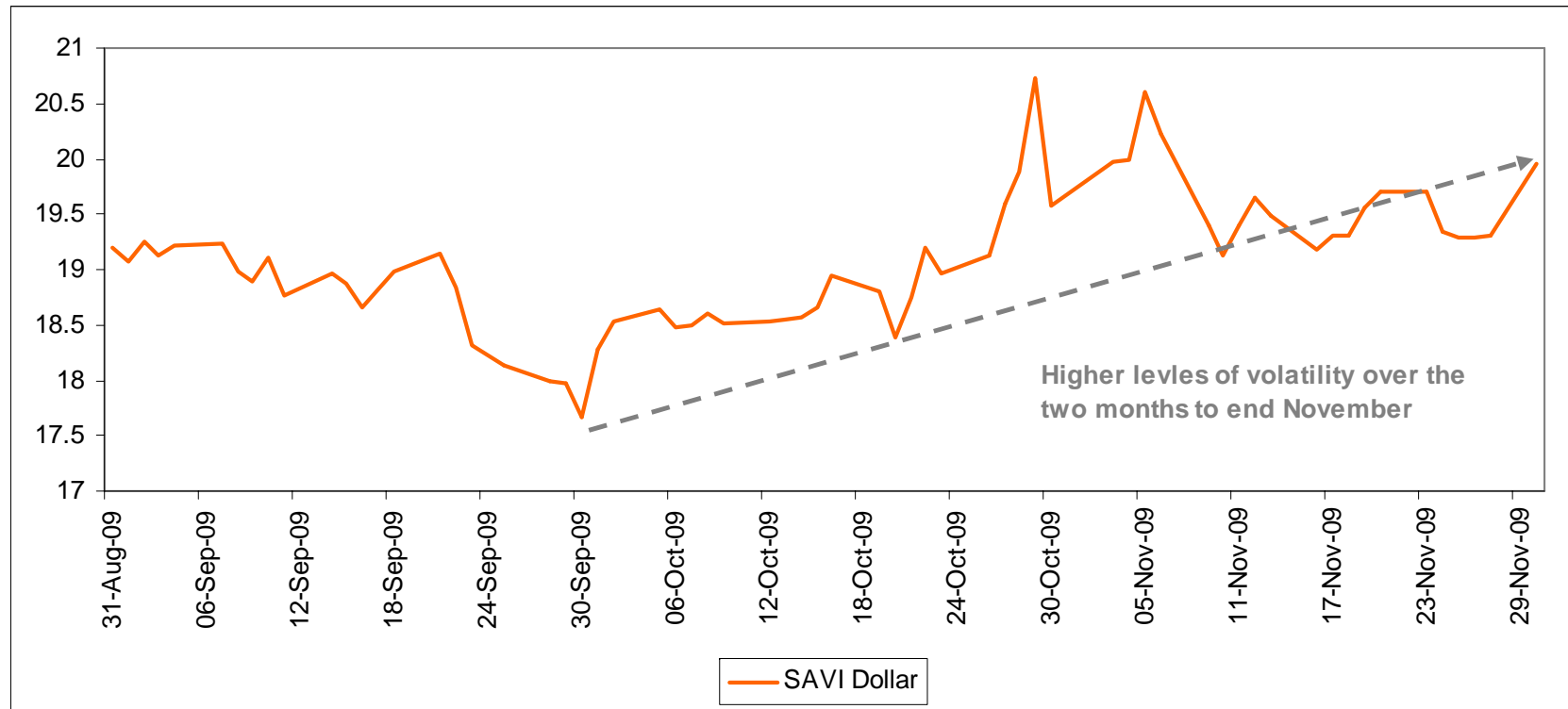
Lower volatility levels remain in place in both the US and SA markets.



Source: Inet and Advantage Asset Managers

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SAVI dollar – three months to November 2009



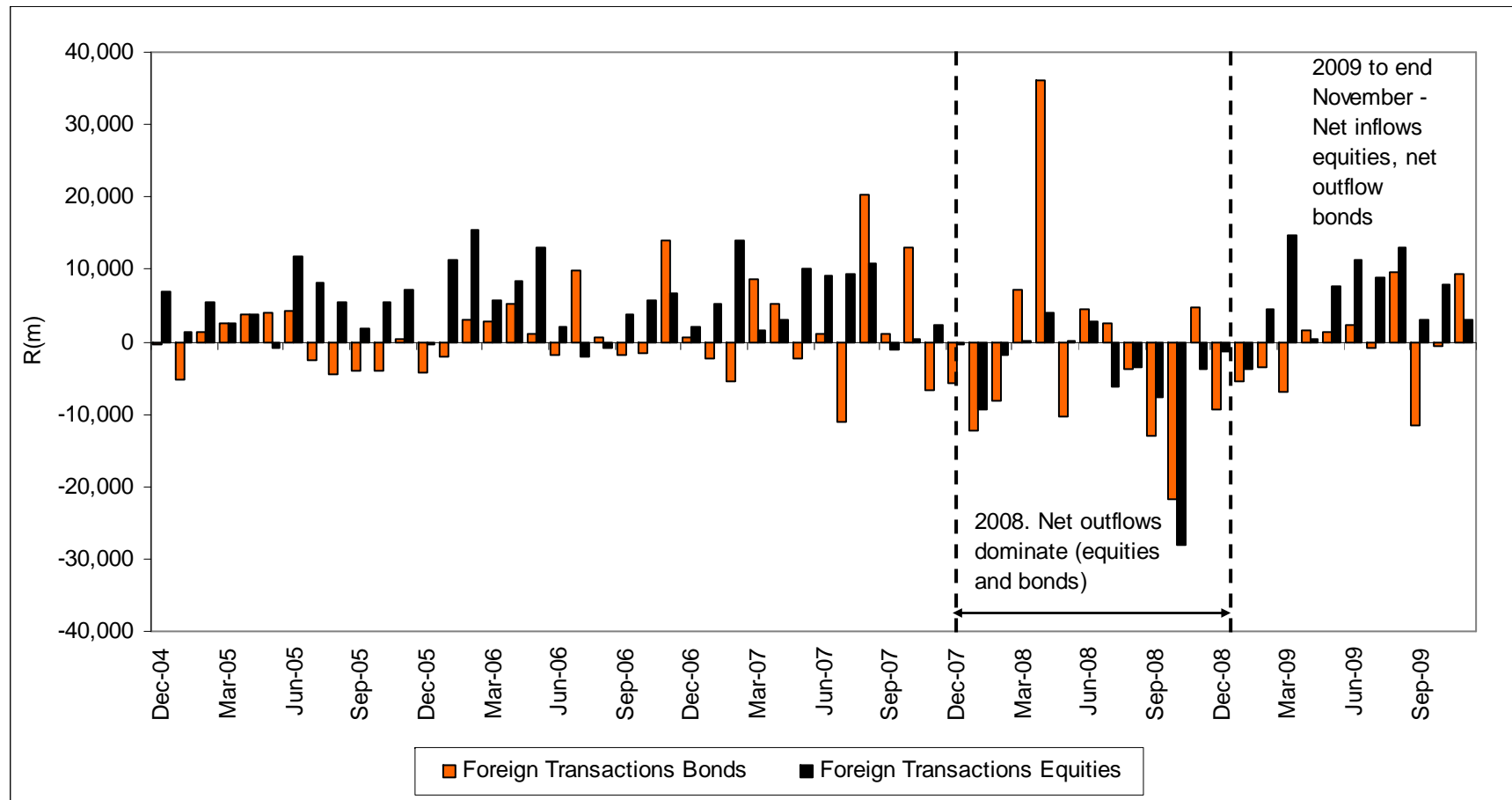
90 day forward looking implied volatility index based on the dollar-rand exchange rate. Interpretation: the higher the index, the more fear in the market. Index can be used in conjunction with the SAVI.

Source: Inet and Advantage Asset Managers

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Foreign transactions - monthly to November 09

While flows have returned to bonds, overall 2009 has still seen a net outflow from these assets.

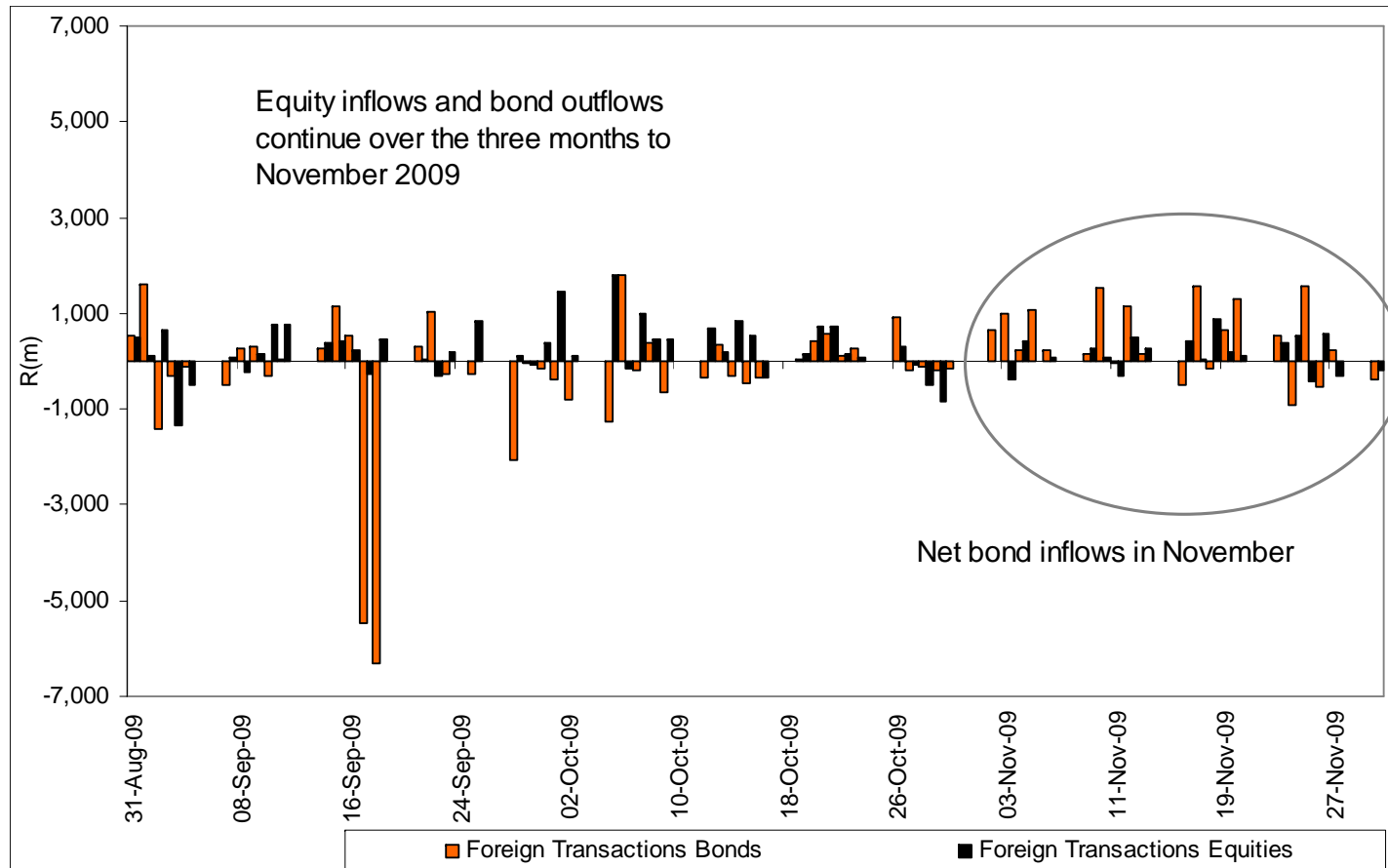


Source: Inet and Advantage Asset Managers

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Foreign transactions – three months to November 2009

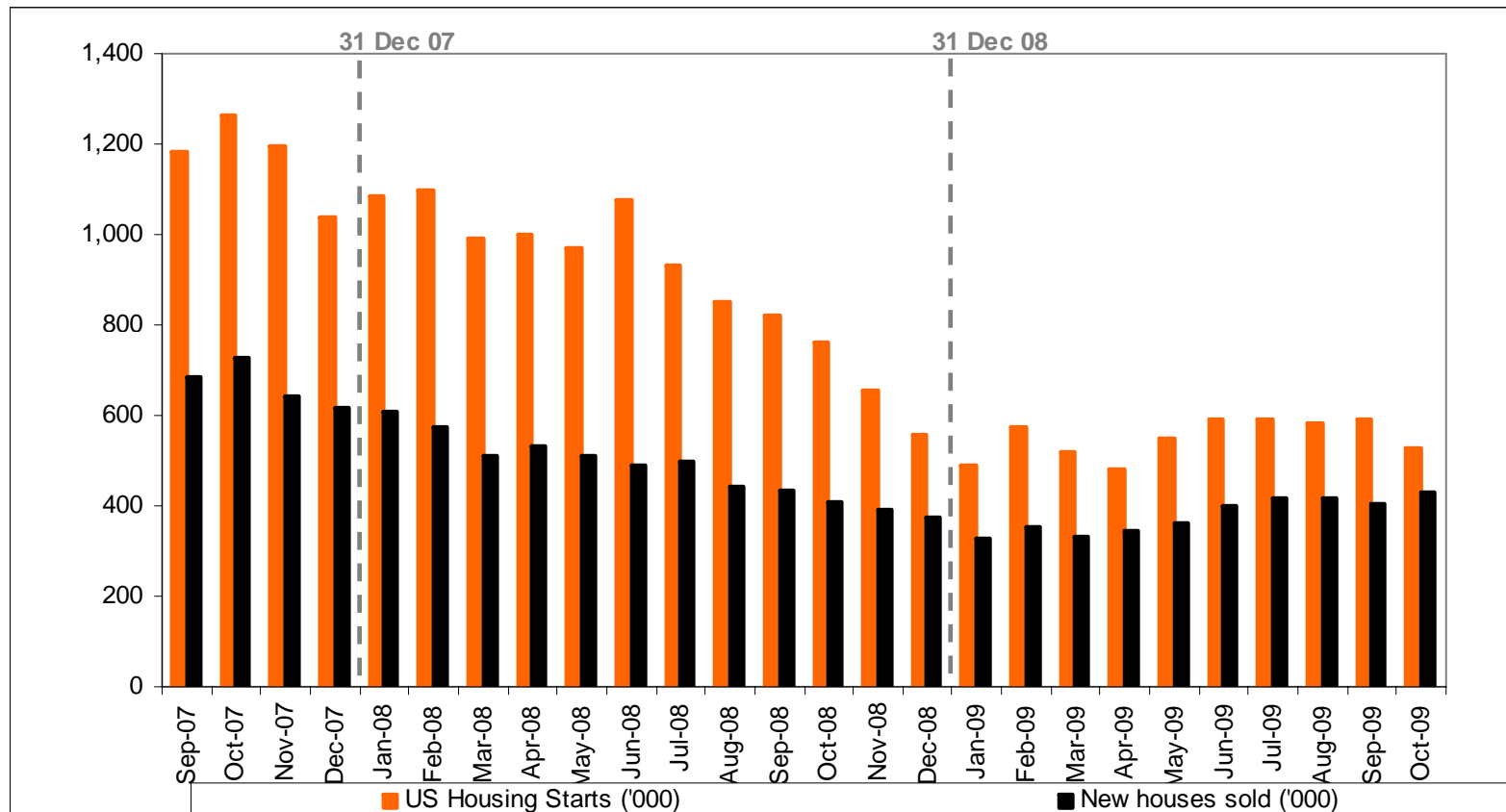
November was a month of strong inflows into bonds by foreigners.



Source: Inet and Advantage Asset Managers
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US housing market

Nothing to really write home about – Positive messages continue to be withheld.



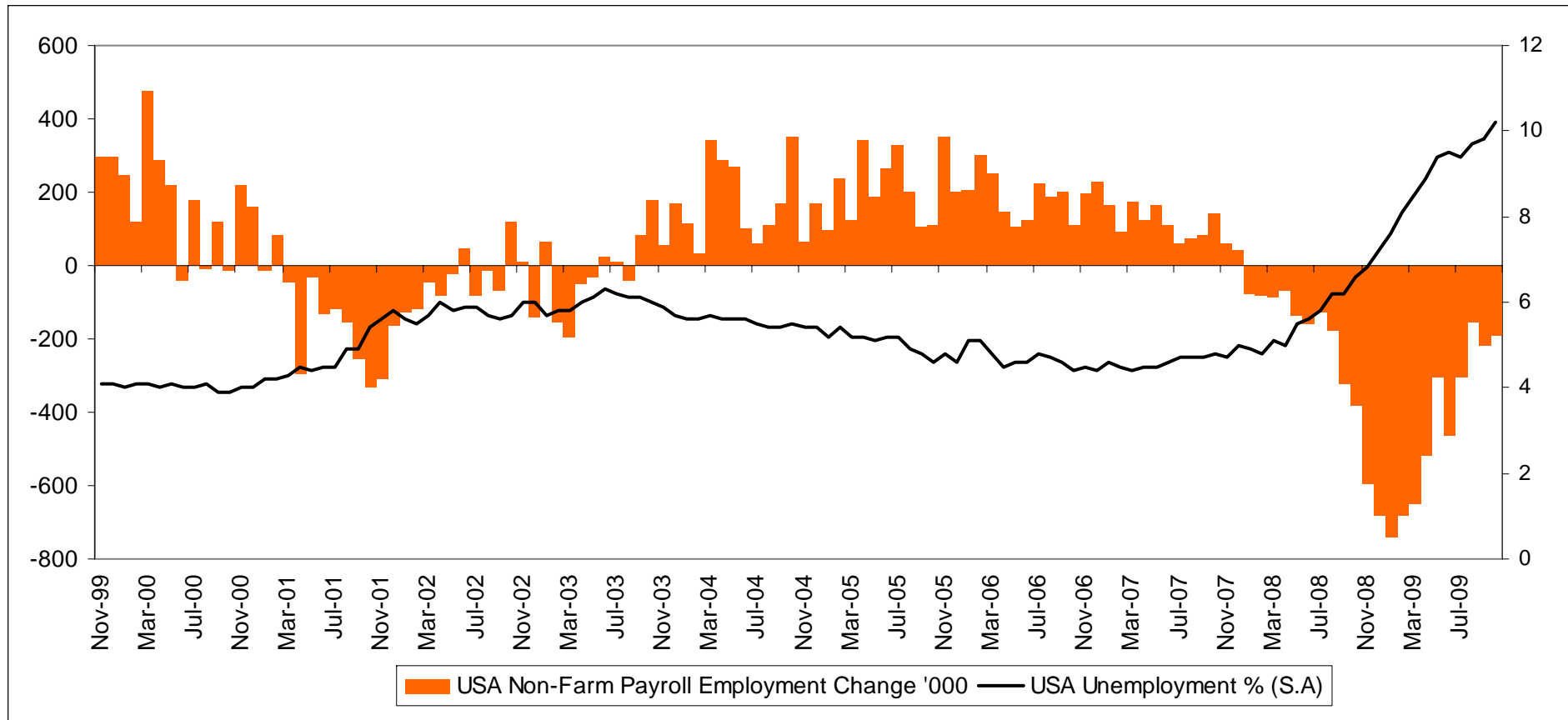
* Data is delayed by a month.

Source: Inet and Advantage Asset Managers

complexity simplified

US – payroll and unemployment

The numbers are not sending signals of a full blown recovery yet



* Data is delayed by a month.

Source: Inet and Advantage Asset Managers

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End of Key Market Performance Drivers monthly charts for November 2009

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Thank you

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