



# Key Market Performance Drivers Monthly Charts

January 2010



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# Introduction to Key Market Performance Drivers monthly charts

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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 January 2010 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 "advantage" is the phrase "asset managers" in a smaller, lowercase sans-serif font.

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# Market performance concentration – three months to January 2010

The opportunity set (ALSI and SWIX) has widened again. Furthermore, a higher number of shares account for 50% of the total market cap

3 months to Jan 2010																	
1	MTX	43.49%	30	IVT	9.57%	59	WHL	4.52%	87	All Share	1.4%	116	CDZ	-1.38%	145	RBX	-6.39%
2	KIO	37.70%	31	PET	9.23%	60	OCE	4.13%	88	ADH	1.37%	117	DTC	-1.45%	146	SFN	-6.53%
3	GIJ	37.47%	32	SHP	9.14%	61	ARL	3.85%	89	CRM	1.15%	118	TON	-1.49%	147	FWD	-6.56%
4	BRN	36.69%	33	BVT	8.34%	62	TRE	3.75%	90	RDF	1.09%	119	REI	-1.49%	148	DRD	-6.68%
5	NHM	34.10%	34	ASA	7.82%	63	KEH	3.68%	91	HYP	0.84%	120	IPL	-1.55%	149	JSE	-6.77%
6	SNU	20.84%	35	RMH	7.82%	64	Small Cap	3.4%	92	Industrial 25	0.8%	121	GRT	-1.58%	150	HLM	-6.81%
7	COM	20.00%	36	PPC	6.53%	65	RES	3.37%	93	MND	0.68%	122	AFE	-1.65%	151	NPK	-6.82%
8	EXX	19.77%	37	CAT	6.38%	66	OMN	3.36%	94	CLH	0.31%	123	LEW	-1.85%	152	MTN	-6.85%
9	BAT	19.50%	38	SLM	6.17%	67	CPL	3.24%	95	MET	0.23%	124	ATN	-2.05%	153	BDM	-7.32%
10	WEZ	19.17%	39	AMS	6.13%	68	DDT	3.06%	96	PMM	0.16%	125	PHM	-2.33%	154	HCI	-7.53%
11	EOH	18.53%	40	CMH	6.10%	69	NED	3.04%	97	JDG	0.14%	126	AFX	-2.43%	155	FOS	-7.77%
12	CFR	17.64%	41	SSK	6.04%	70	MDC	3.00%	98	SPG	0.00%	127	ATNP	-2.59%	156	MRF	-7.80%
13	BCX	17.23%	42	SPP	6.01%	71	Financial 15	2.9%	99	SUR	0.00%	128	AGL	-2.74%	157	OML	-7.85%
14	KGM	16.02%	43	SHF	5.88%	72	DAW	2.82%	100	SNT	0.00%	129	ILA	-2.87%	158	HAR	-8.28%
15	TBS	15.67%	44	MVG	5.63%	73	FFA *	2.56%	101	VKE	-0.02%	130	SOL	-2.97%	159	GFI	-11.39%
16	LON	15.06%	45	BIL	5.60%	74	AFR	2.41%	102	ALT	-0.19%	131	CBH	-3.36%	160	BLU	-11.61%
17	CML	14.95%	46	OCT	5.38%	75	SWIX Top 40	2.2%	103	PIK	-0.28%	132	ART	-3.67%	161	SIM	-12.20%
18	NTC	14.56%	47	SAC	5.36%	76	VOD	2.12%	104	SAB	-0.31%	133	MSM	-3.75%	162	BEL	-12.39%
19	PFG	13.56%	48	ACP	5.33%	50% of total market cap			105	DSY	-0.32%	134	ANG	-3.78%	163	HPB	-12.77%
20	IMP	13.31%	49	SYC	5.25%	77	AIP	1.97%	106	RBW	-0.37%	135	ILV	-4.59%	164	MML	-13.92%
21	SAP	12.91%	50	EMI	5.18%	78	HPA	1.85%	107	ABL	-0.37%	136	INL	-4.72%	165	WBO	-14.05%
22	PGR	12.90%	51	ZED	5.06%	79	APN	1.81%	108	MPC	-0.59%	137	HVL	-4.77%	166	AEG	-14.97%
23	HDC	12.46%	52	PAP	4.91%	80	FPT	1.81%	109	LBH	-0.83%	138	NPN	-5.08%	167	EQS	-16.00%
24	KAP	11.87%	53	PAM	4.83%	81	Top 40	1.8%	110	MNP	-0.89%	139	TRU	-5.78%	168	GND	-16.53%
25	SBK	10.85%	54	FSR	4.83%	82	SA Listed Prop	1.7%	111	ACL	-1.03%	140	LBT	-6.10%	169	ESR	-16.67%
26	DCT	10.72%	55	FBR	4.81%	83	Resource 20	1.6%	112	GDF	-1.03%	141	MTA	-6.25%	170	AVU	-18.64%
27	ARI	9.88%	56	RLO	4.69%	84	SWIX	1.6%	113	Mid Cap	-1.1%	142	INP	-6.25%	171	GRF	-20.60%
28	CMP	9.73%	57	Fledgling	4.7%	85	SUI	1.49%	114	REM	-1.32%	143	DGC	-6.29%	172	TKG	-24.57%
29	CLS	9.70%	58	CSB	4.57%	86	AVI	1.44%	115	ADR	-1.34%	144	BAW	-6.33%	173	MUR	-29.90%
												174	BSR	-30.47%			

\* FFA (Fortress) listed on 22/10/09

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

Source: Barra, Deutsche Securities and Advantage Asset Managers

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# Market performance concentration – 12 months to January 2010

12 months to January 2010																	
1	NHM	192.0%	30	EXX	61.1%	59	Financial 15	41.1%	87	KGM	29.4%	116	AFE	20.6%	145	SUI	4.8%
2	BRN	169.2%	31	ALT	60.8%	60	RMH	40.3%	88	Small Cap	29.4%	117	PPC	20.4%	146	WBO	3.6%
3	KIO	142.1%	32	IPL	60.6%	61	TRE	39.3%	89	LEW	29.2%	118	ABL	20.3%	147	AVU	3.6%
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6	MTX	107.3%	35	APN	59.2%	64	AIP	38.4%	92	FOS	28.8%	121	ACP	19.6%	150	GRF	2.5%
7	CMP	103.9%	36	HCI	57.0%	65	BAW	38.0%	93	Fledgling	28.1%	122	GDF	19.2%	151	GRT	2.5%
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9	DTC	95.6%	38	TON	53.7%	45% of total market cap			95	CAT	27.3%	124	MET	18.6%	153	SAP	-1.8%
10	KAP	88.5%	39	AGL	52.7%	67	BIL	36.5%	96	ESR	27.3%	125	RBW	17.6%	154	ANG	-2.2%
11	PAM	86.8%	40	INP	52.7%	68	ACL	36.1%	97	VKE	26.3%	126	ARL	17.2%	155	AFX	-3.1%
12	BAT	86.4%	41	ASA	52.0%	69	BVT	36.1%	98	TRU	26.0%	127	MDC	16.2%	156	MUR	-4.7%
13	LON	84.5%	42	BCX	50.8%	70	SPP	35.9%	99	ATN	25.9%	128	CLH	16.0%	157	TKG	-5.3%
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														174	KEH	-44.3%	

\* Returns for Fortress and Vodacom are partial returns, (from 22/10/09 and 18/5/09 to end December respectively)

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

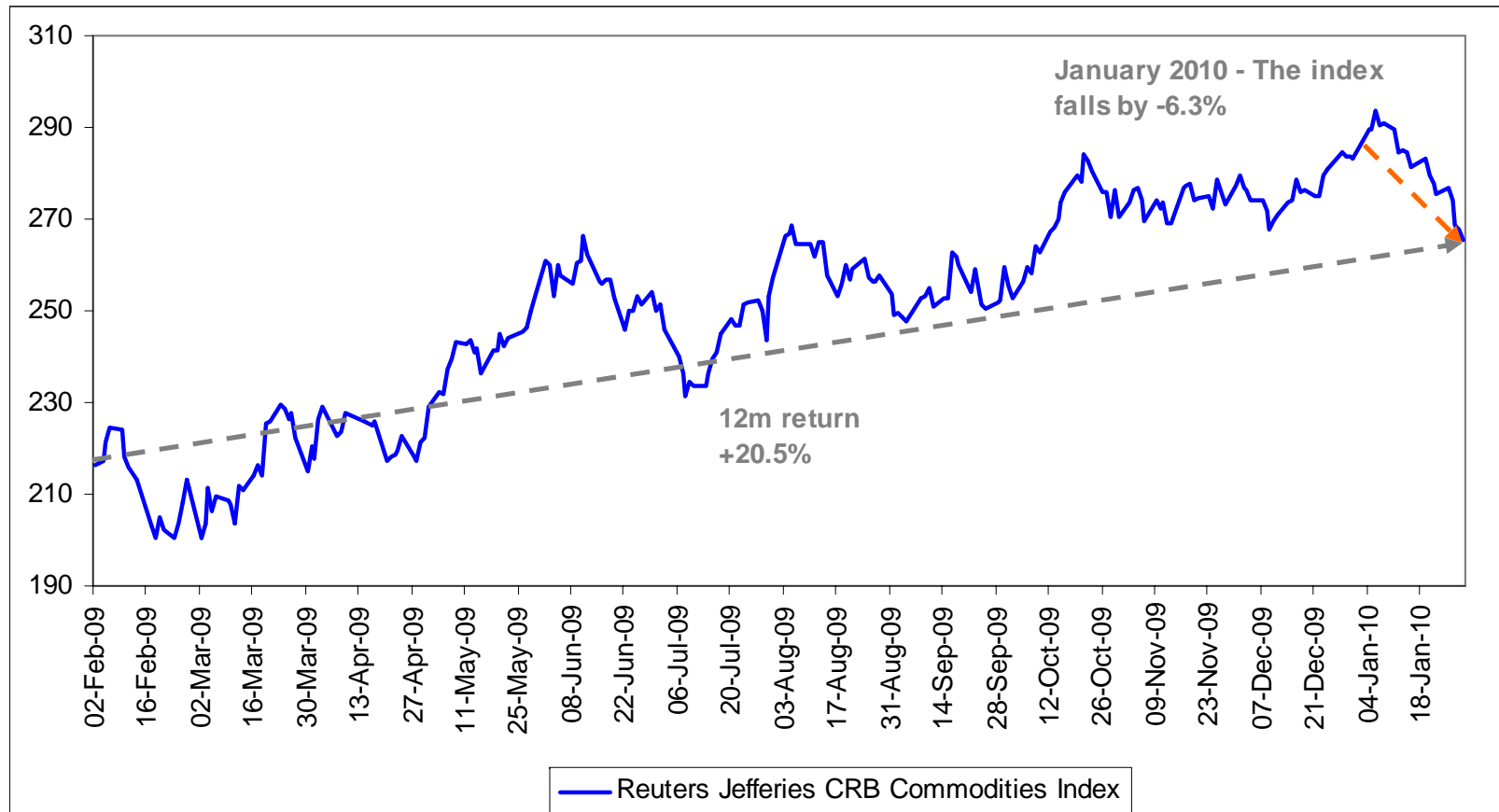
Source: Barra, Deutsche Securities and Advantage Asset Managers

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# Reuters Jefferies CRB Commodities index

Commodities 'wobble' in January 2010, although the 12 month return to end January remains strong at 20.5%

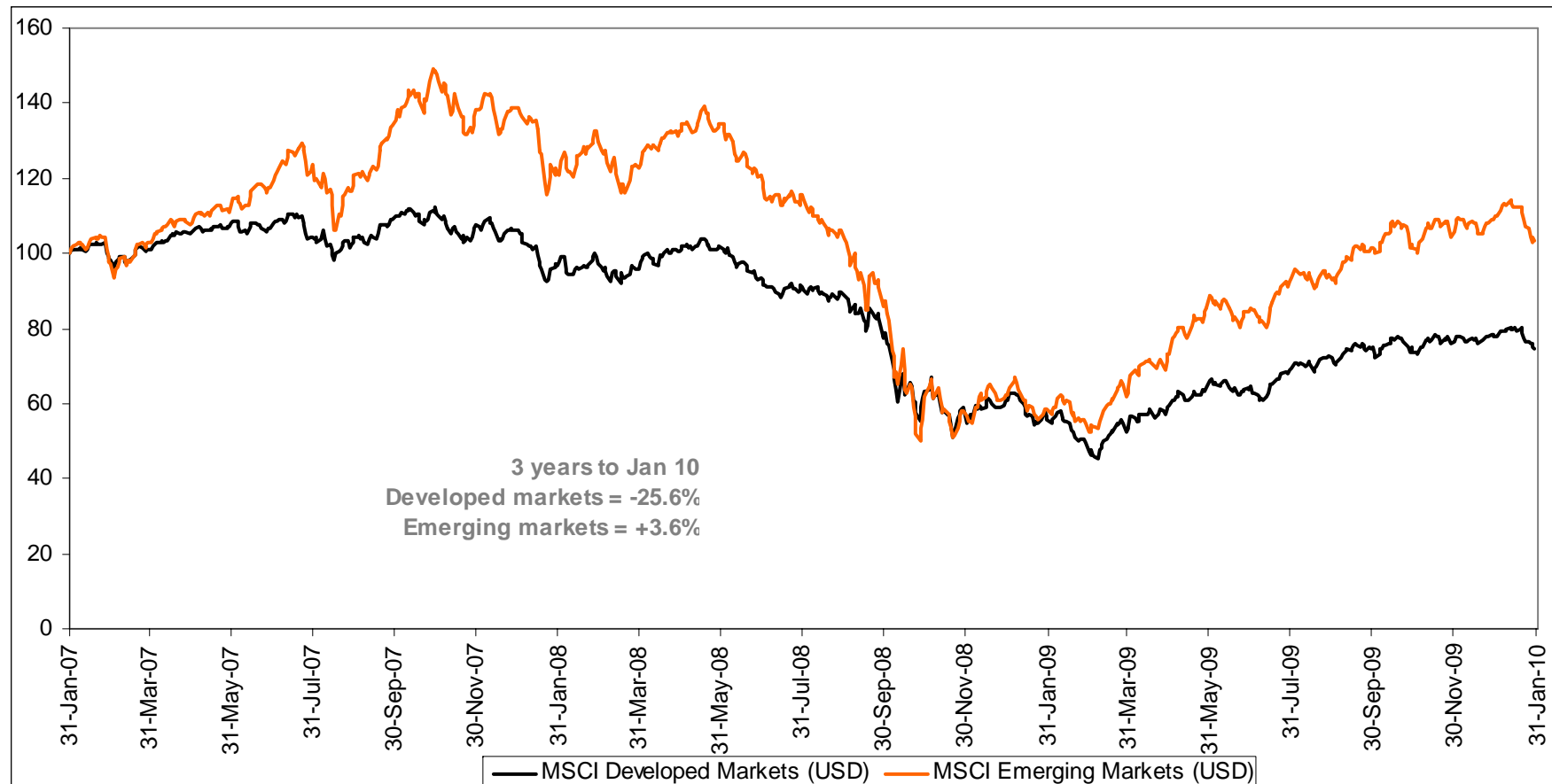


Source: Inet and Advantage Asset Managers

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# MSCI developed and emerging markets – 36 months to January 2010

The positive return of emerging markets over the three years remains, although a dip was experienced at the end of January 2010

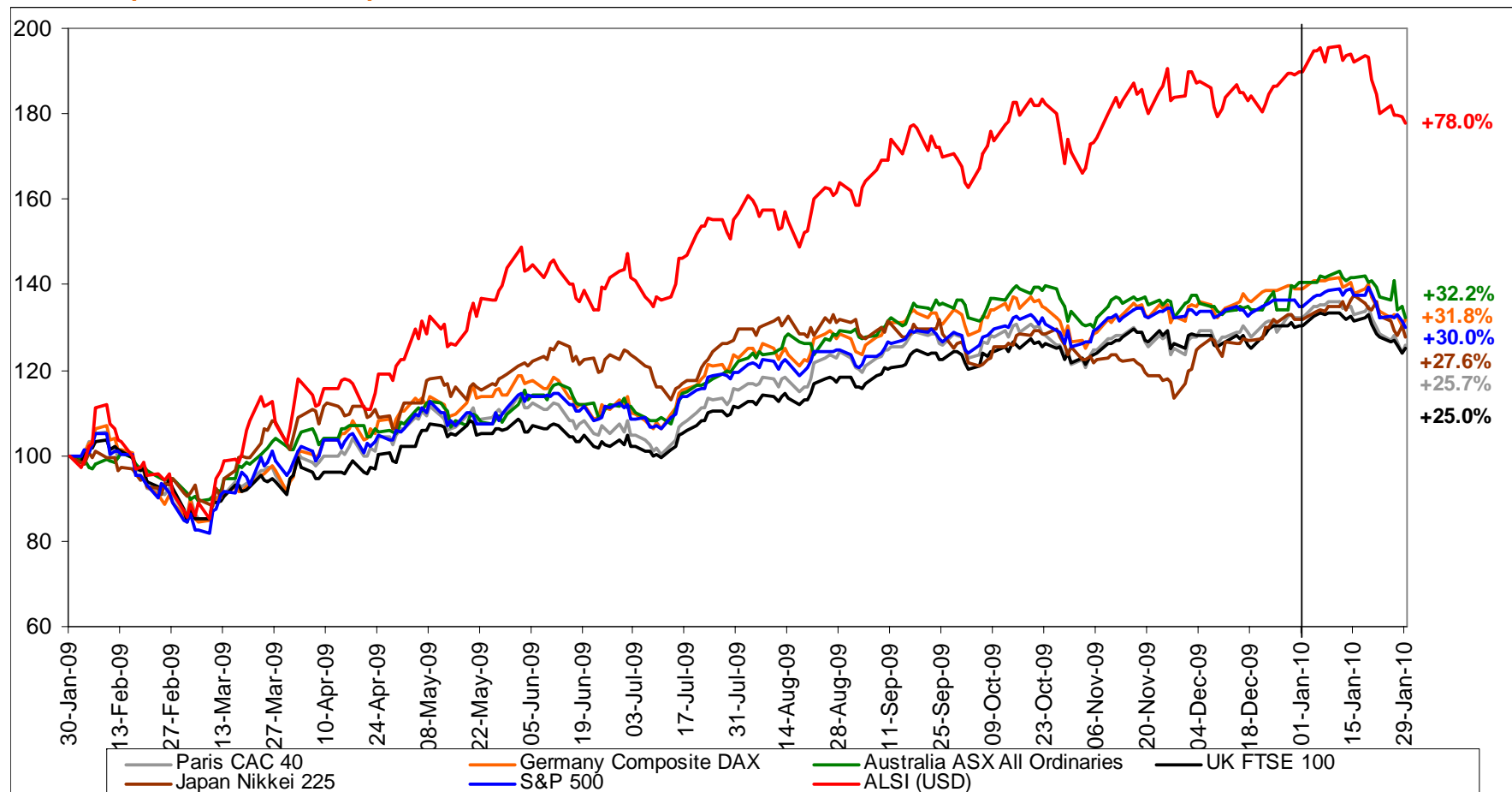


Source: MSCI Barra and Advantage Asset Managers

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# Developed Equity – 12 months to January 2010

While the 12 month period shows strong positive returns for the displayed indices, January 2010 has seen all the indices lose performance, including the star performer depicted – the ALSI in USD

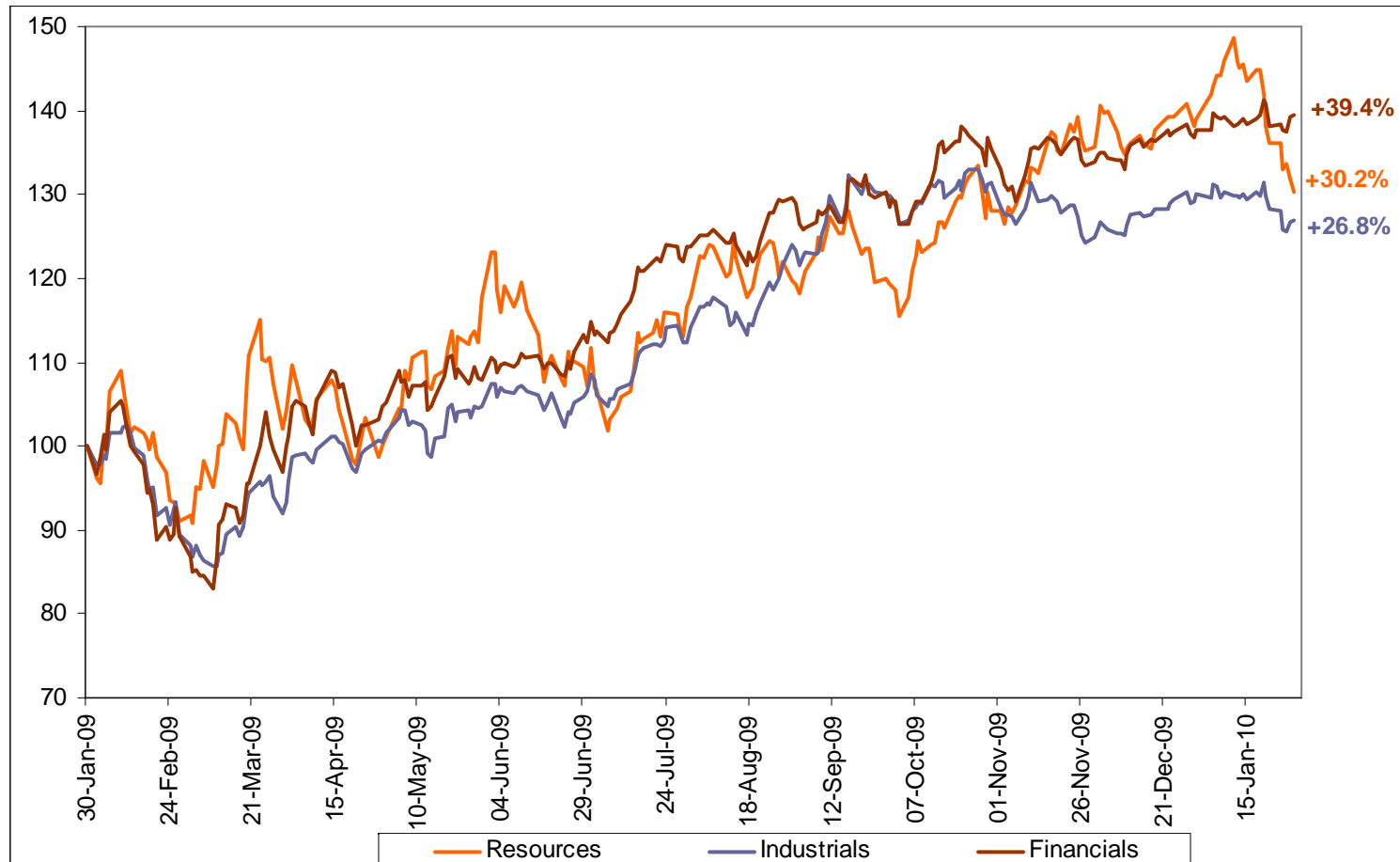


Source: Inet and Advantage Asset Managers

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# Sectors – 12 months to January 2010

Resources were in the lead, yet lost 12.4% from 11 January to end below Financials over the 12 months

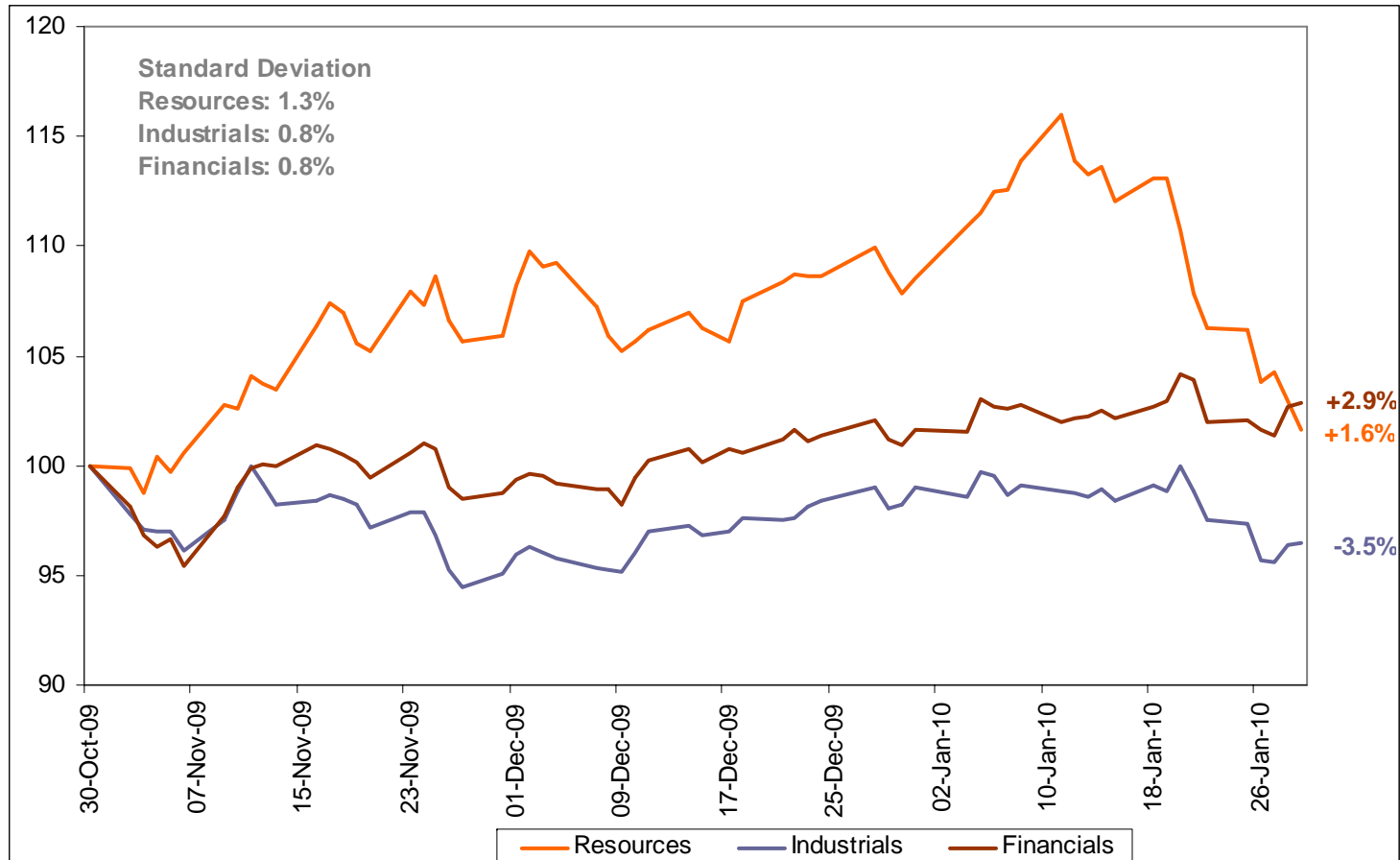


Source: Inet and Advantage Asset Managers

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# Sectors – three months to January 2010

January's resource tumble is very clear in this three month chart with specific shares that struggled including DRD Gold, Anglo, Gold Fields, Anglo Gold and Anglo Plats

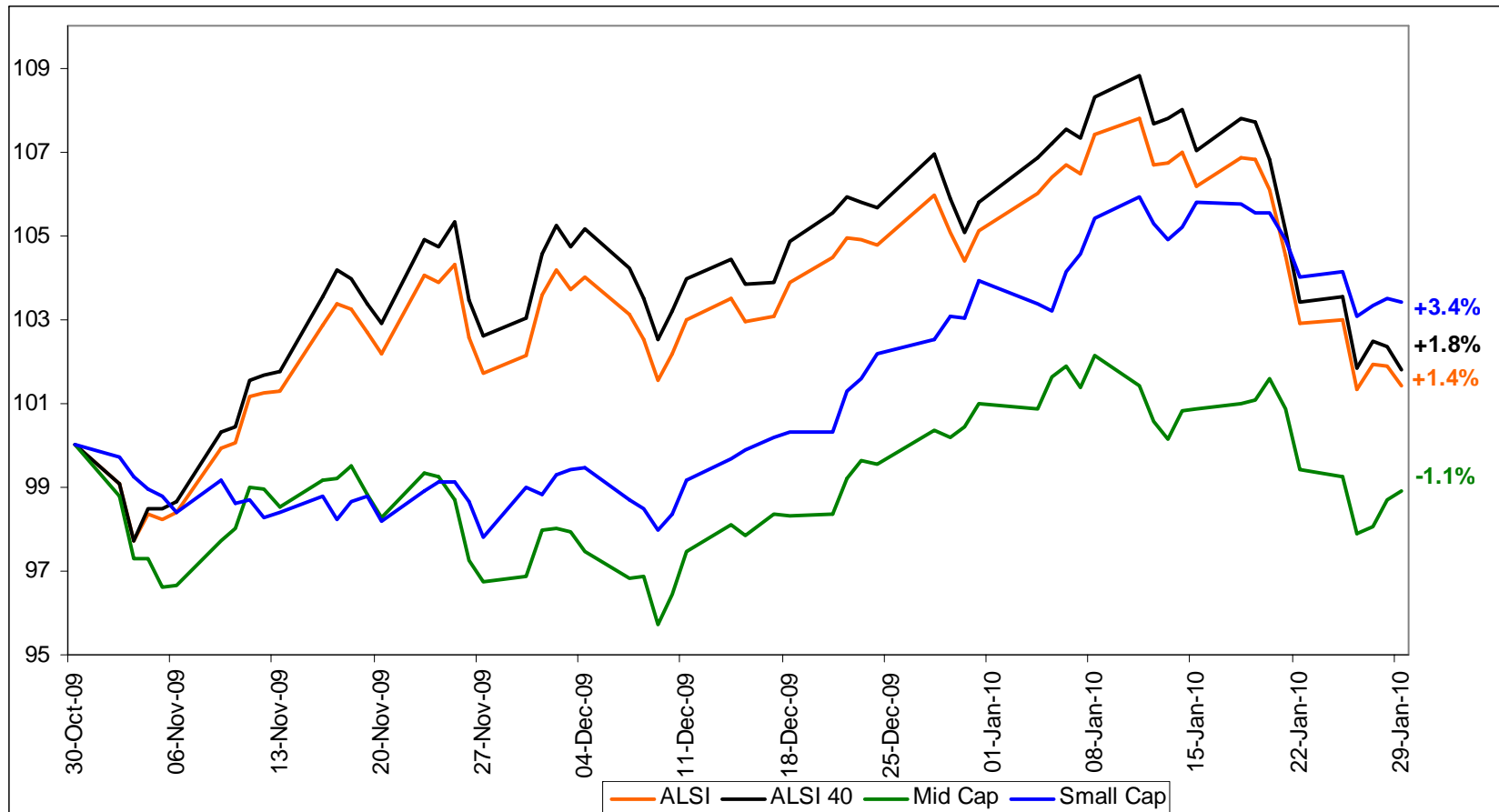


Source: Inet and Advantage Asset Managers

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# Size – three months to January 2010

As resources tumbled in January, they dragged the ALSI 40, and the ALSI along with them. Small caps received the opportunity they needed and flew to first place

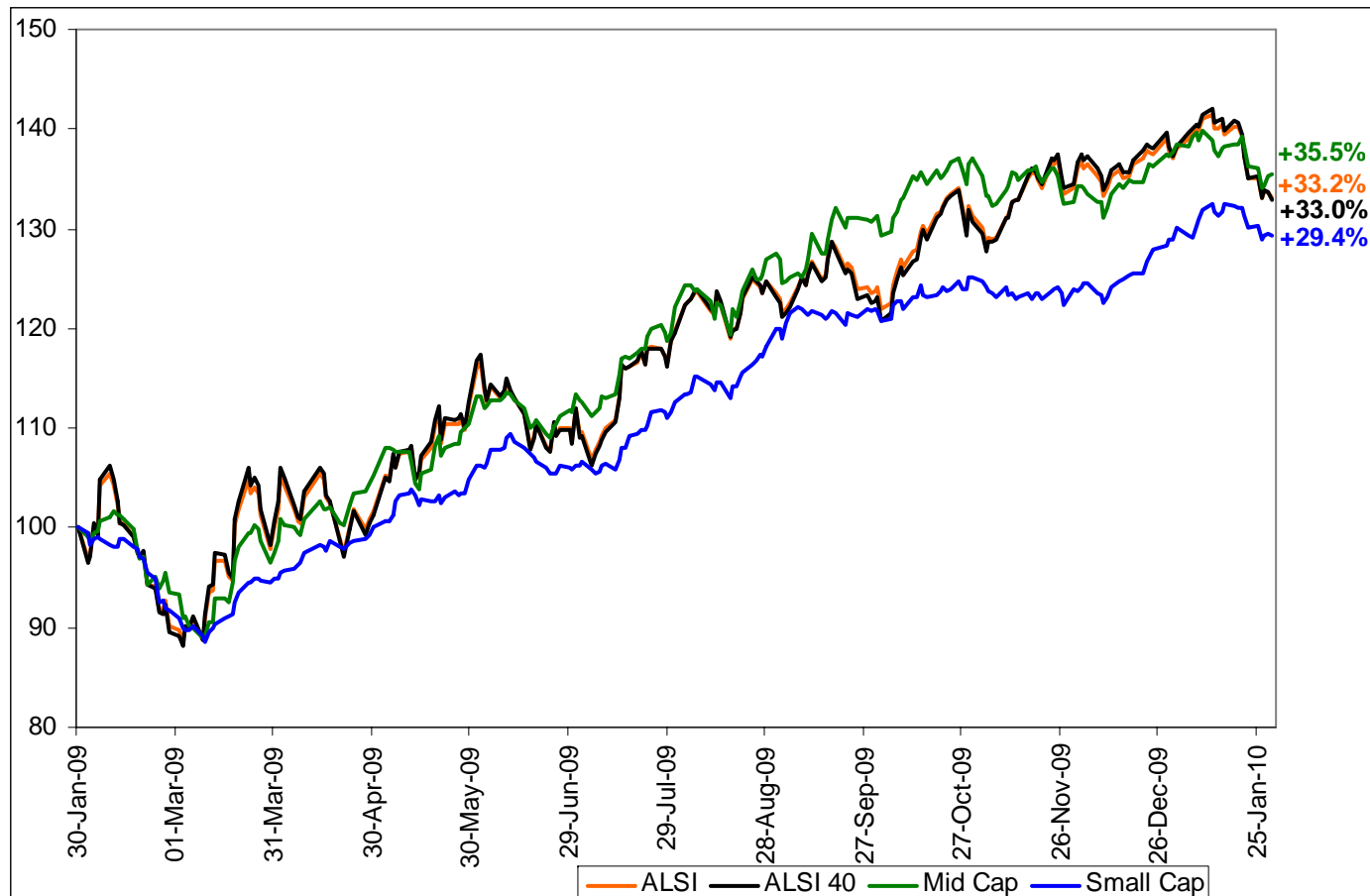


Source: Inet and Advantage Asset Managers

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# Size – 12 months to January 2010

Over 12 months the output looks very different, with mid caps in the lead, and small caps lagging

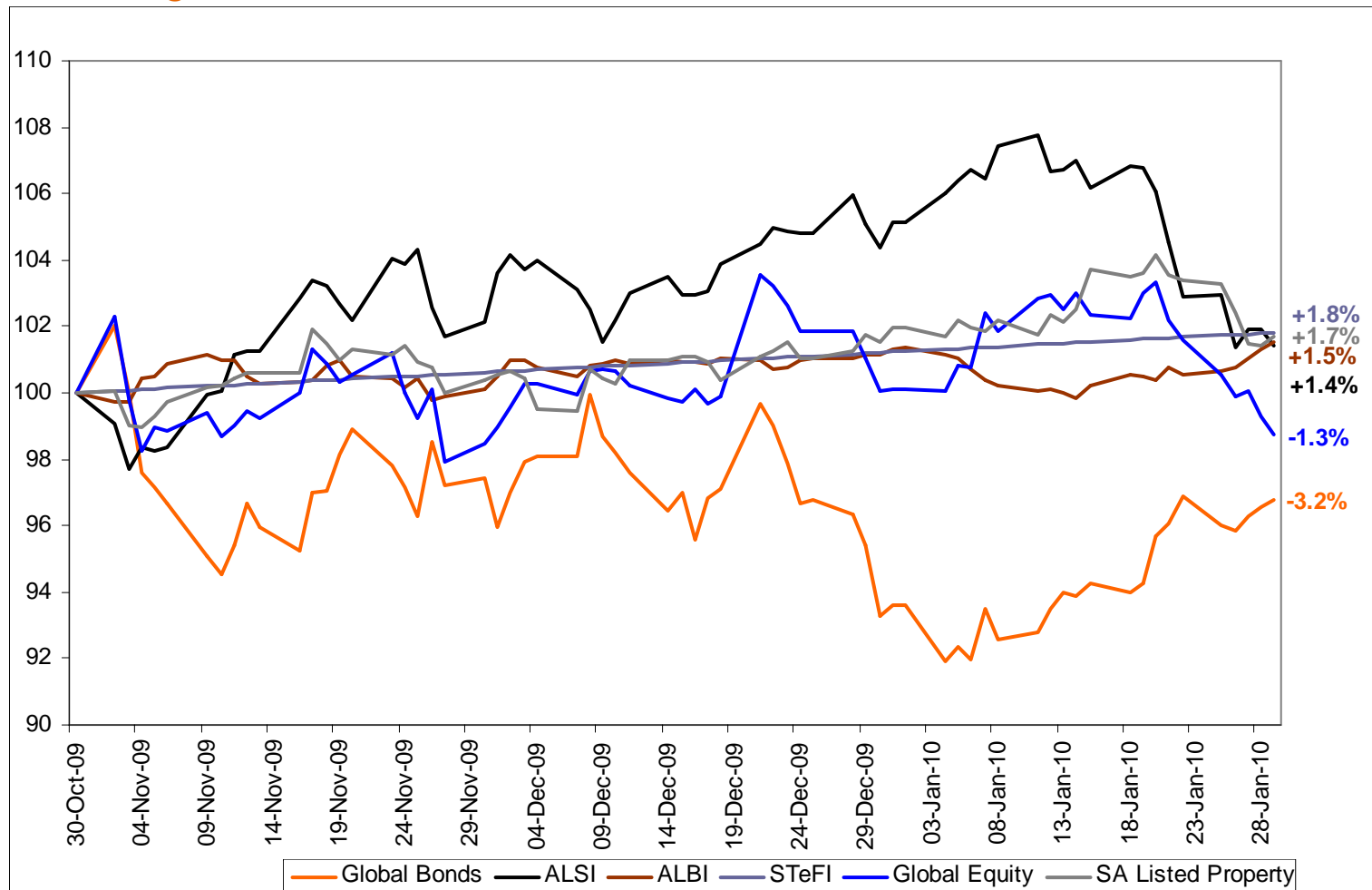


Source: Inet and Advantage Asset Managers

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# Asset classes – three months to January 2010

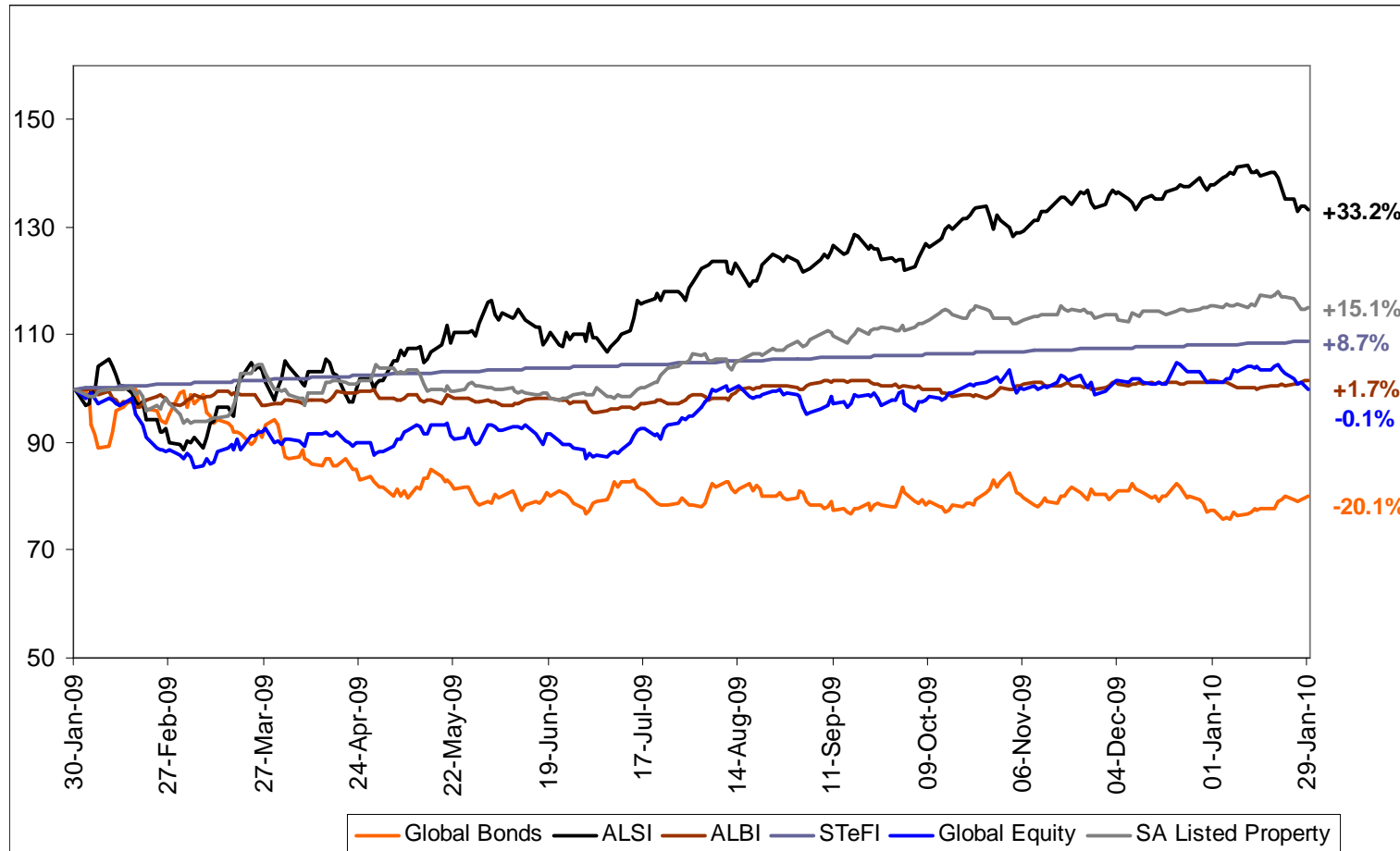
The ALSI was ahead, yet the January resources dip helped pull it down and now it lags the other local indices



Source: Inet and Advantage Asset Managers

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# Asset classes – 12 months to January 2010

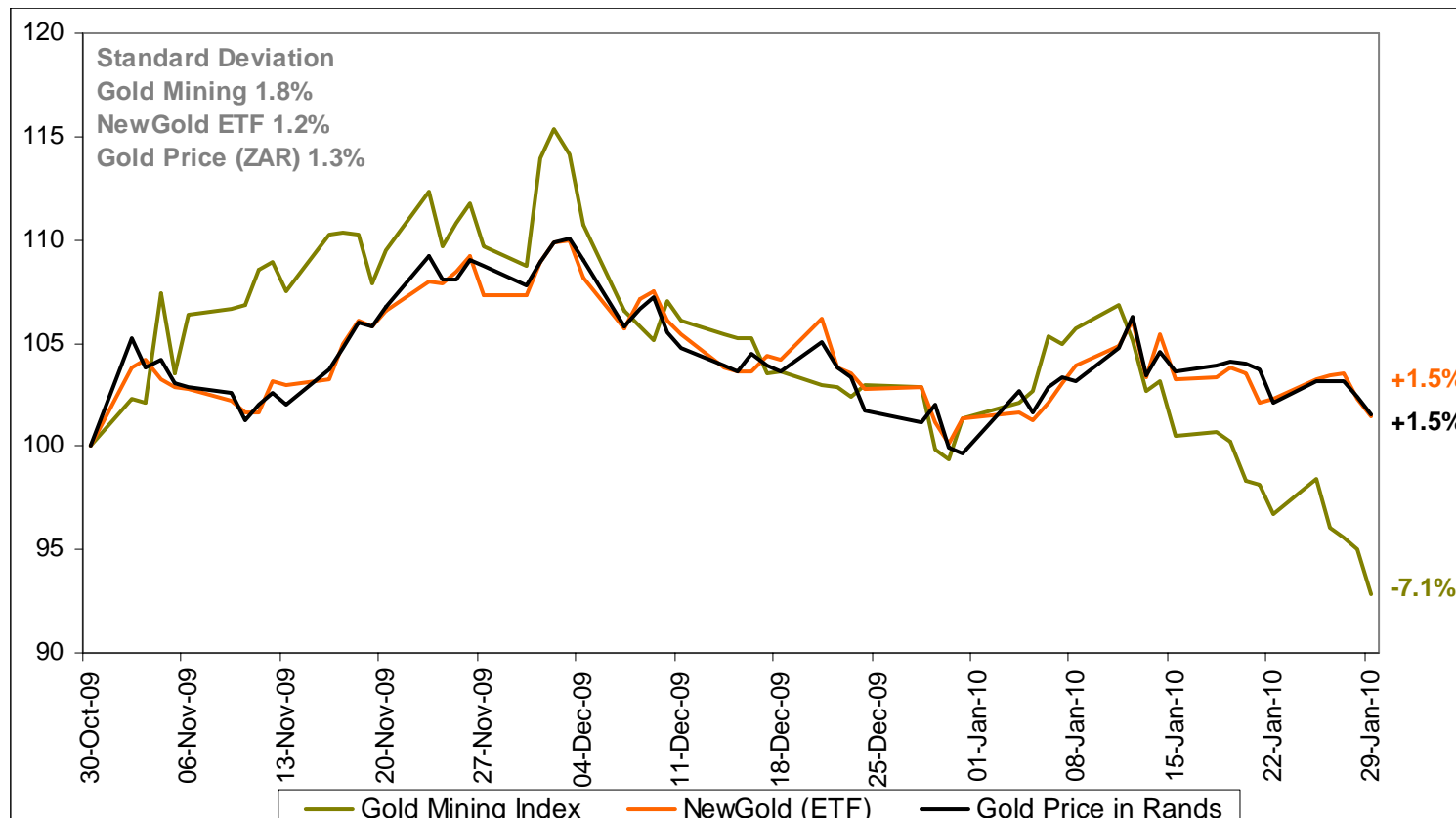


Source: Inet and Advantage Asset Managers

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# Gold – three months to January 2010

Gold miners just cannot seem to keep their heads above water...

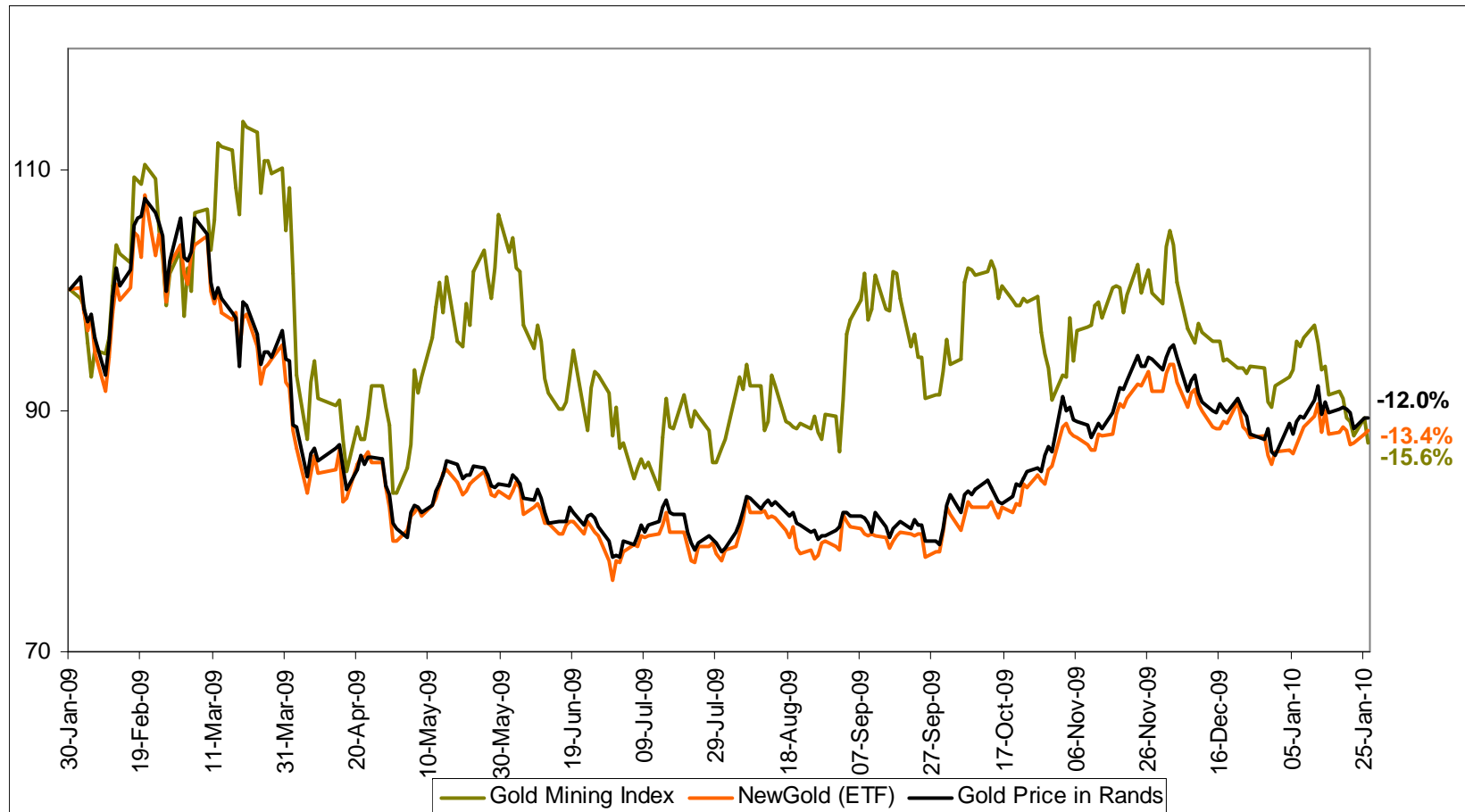


Source: Inet and Advantage Asset Managers

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# Gold – 12 months to January 2010

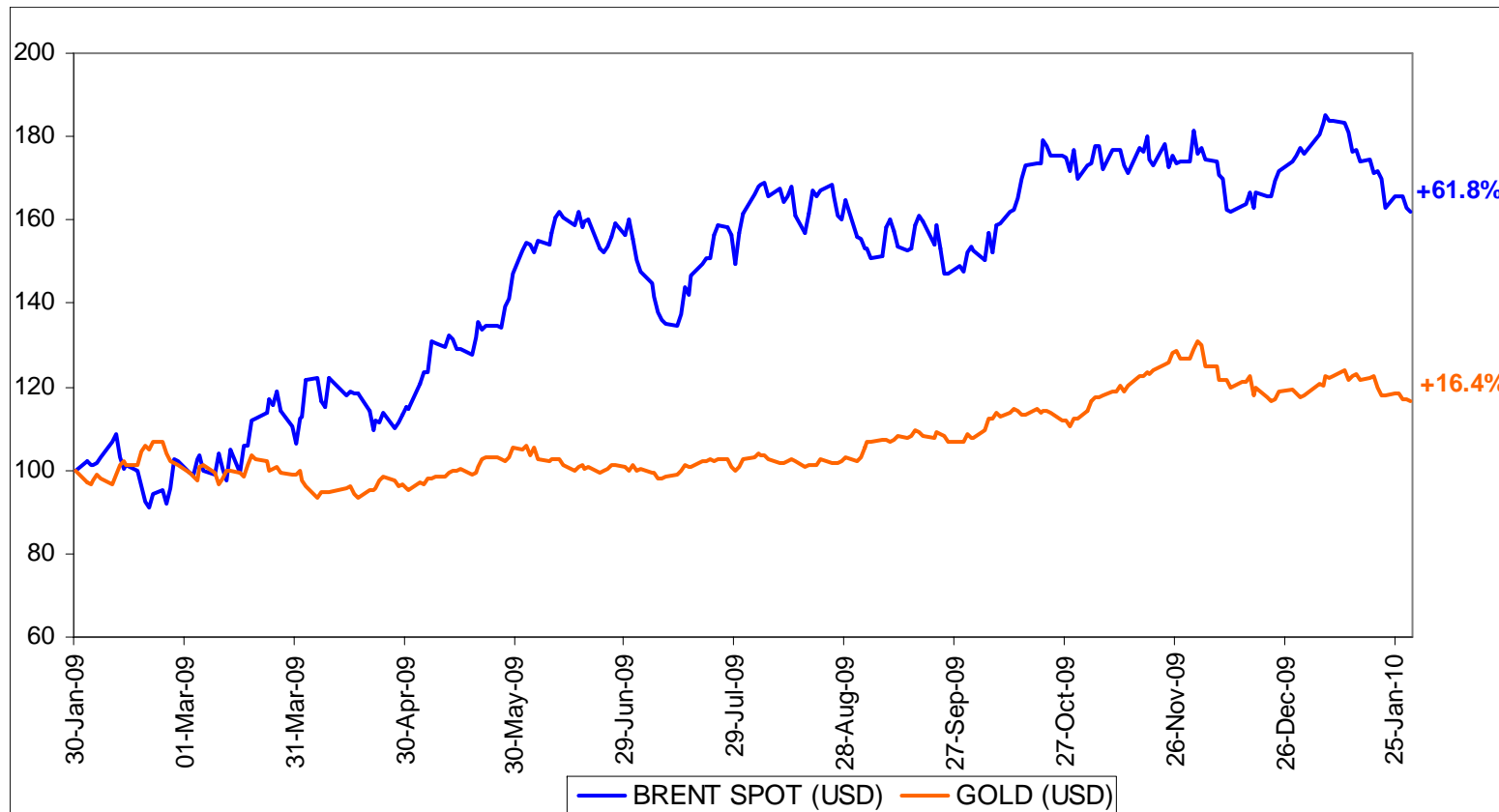
In contrast to Q4 09, gold miners fared well over the year, even though the monthly returns have been choppy. Anglo Gold was the top performing gold mining stock over the period



Source: Inet and Advantage Asset Managers

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# Gold vs. oil – 12 months to January 2010

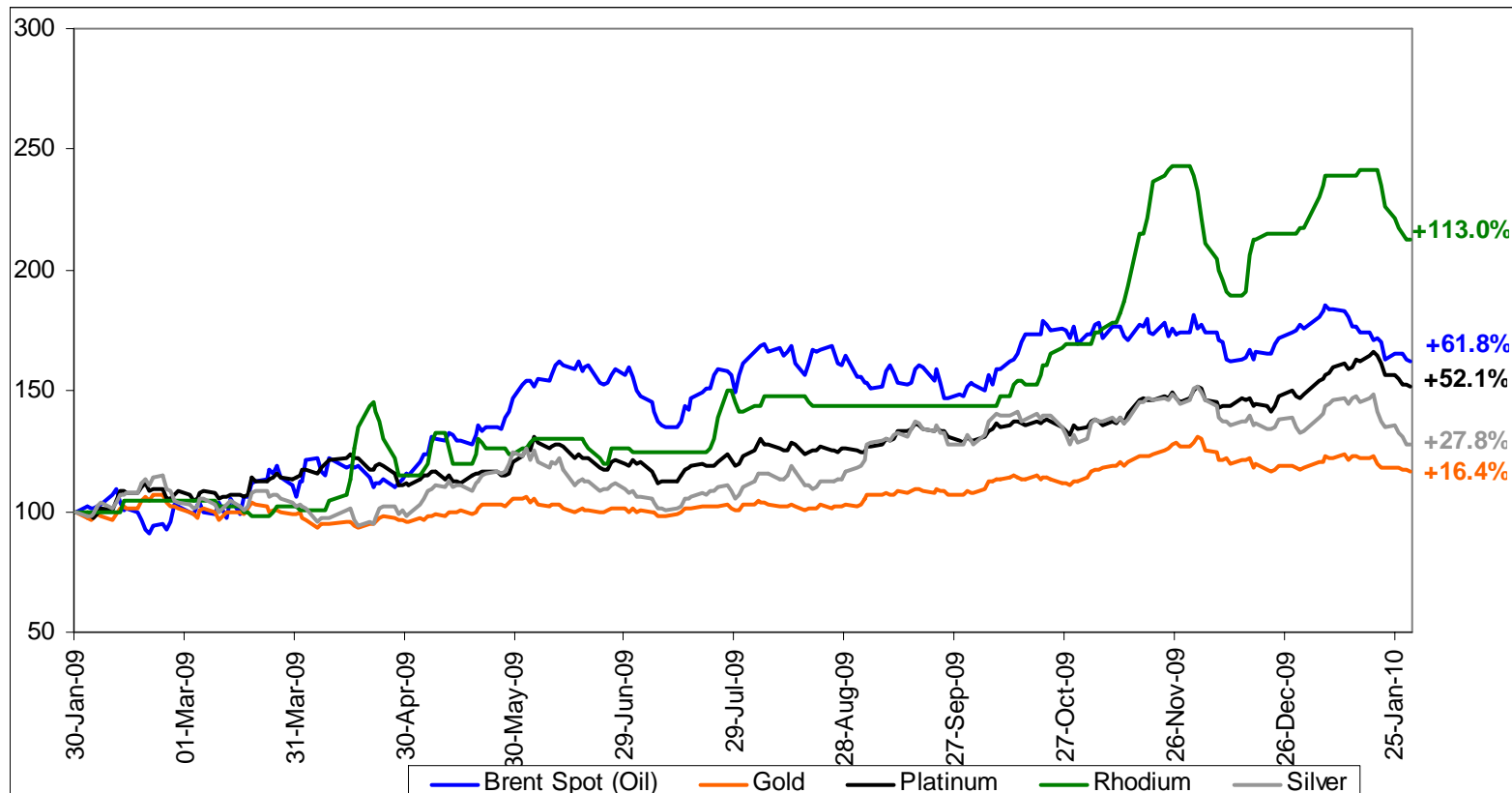


Source: Inet and Advantage Asset Managers

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# Commodities – 12 months to January 2010

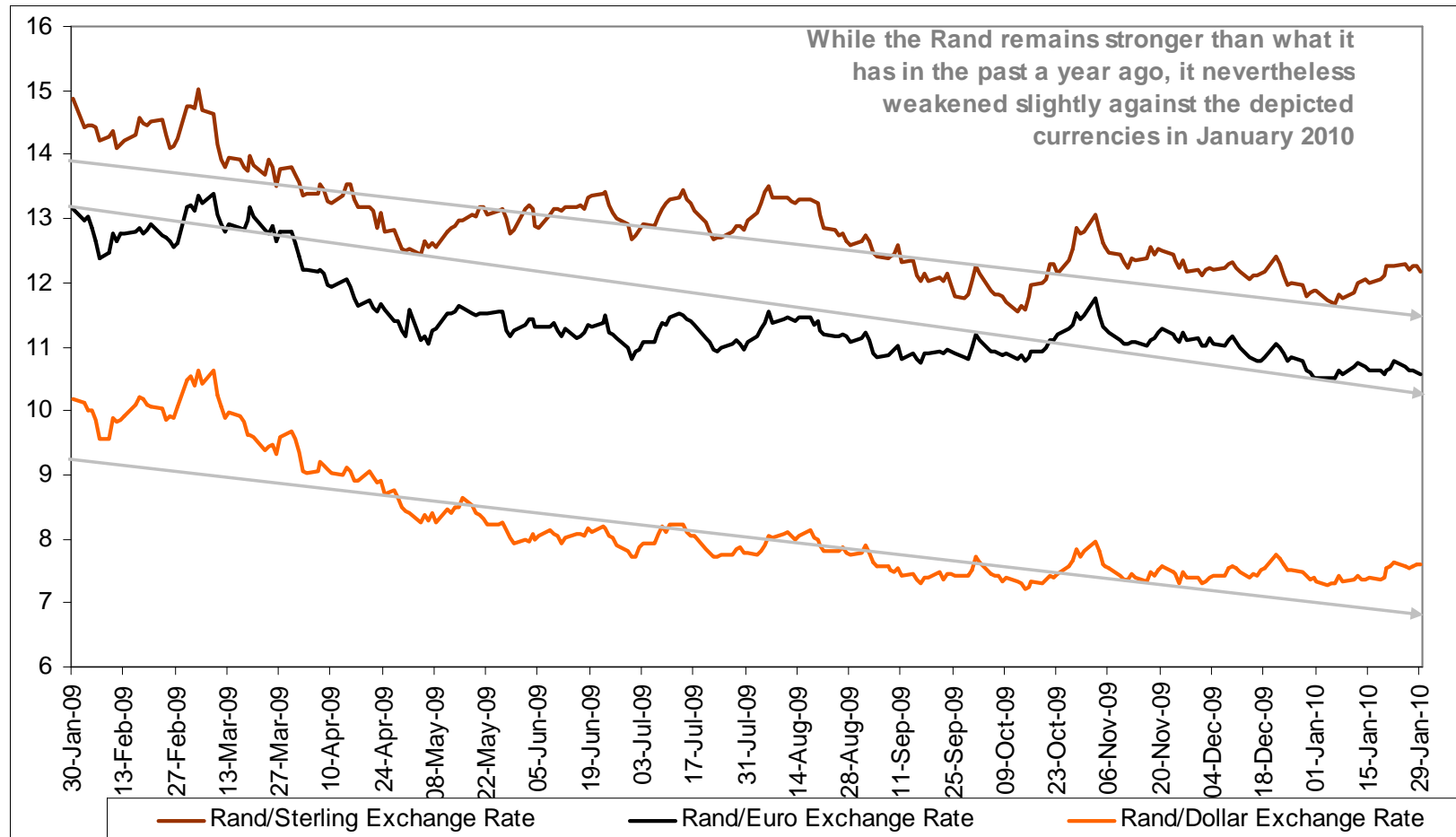
Rhodium's losses from 2008 seem forgotten as the commodity powers ahead. All the commodities depicted have seen positive gains.



Source: Inet and Advantage Asset Managers

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# Exchange rate – ten years to January 2010

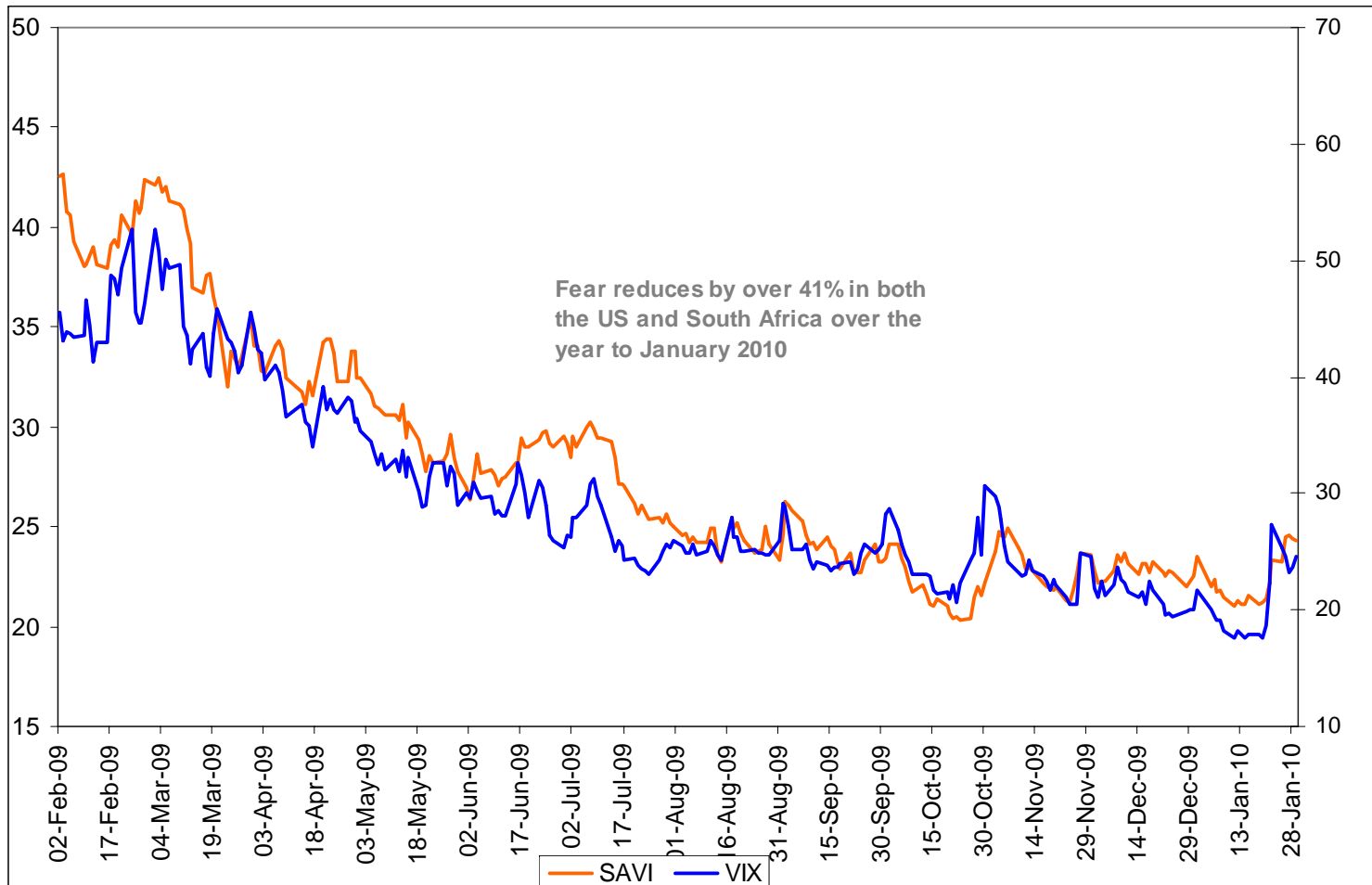


Source: Inet and Advantage Asset Managers

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# SAVI-VIX – 12 months to January 2010

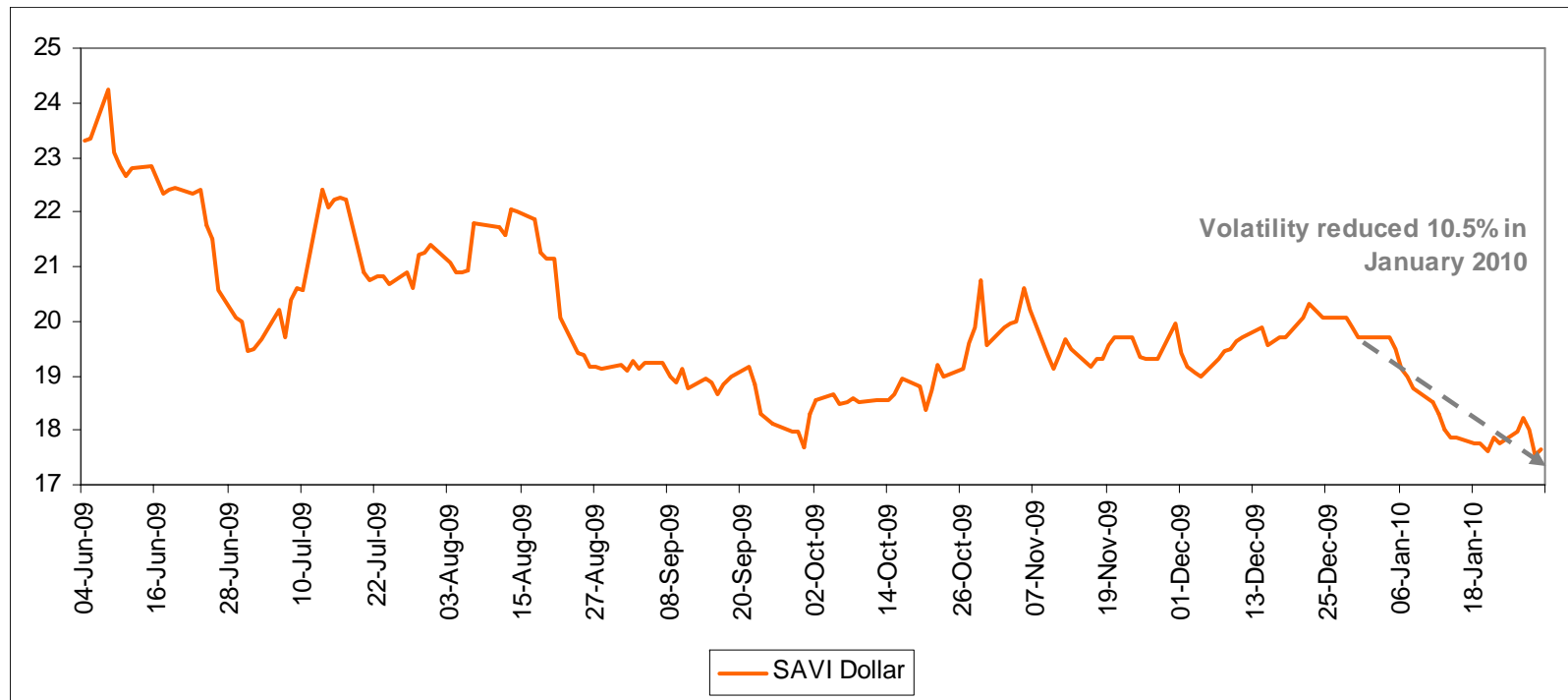
Volatility experienced a slight rise towards the end of January 2010, although it remains at low levels overall



Source: Inet and Advantage Asset Managers

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# SAVI dollar – Since inception to January 2010

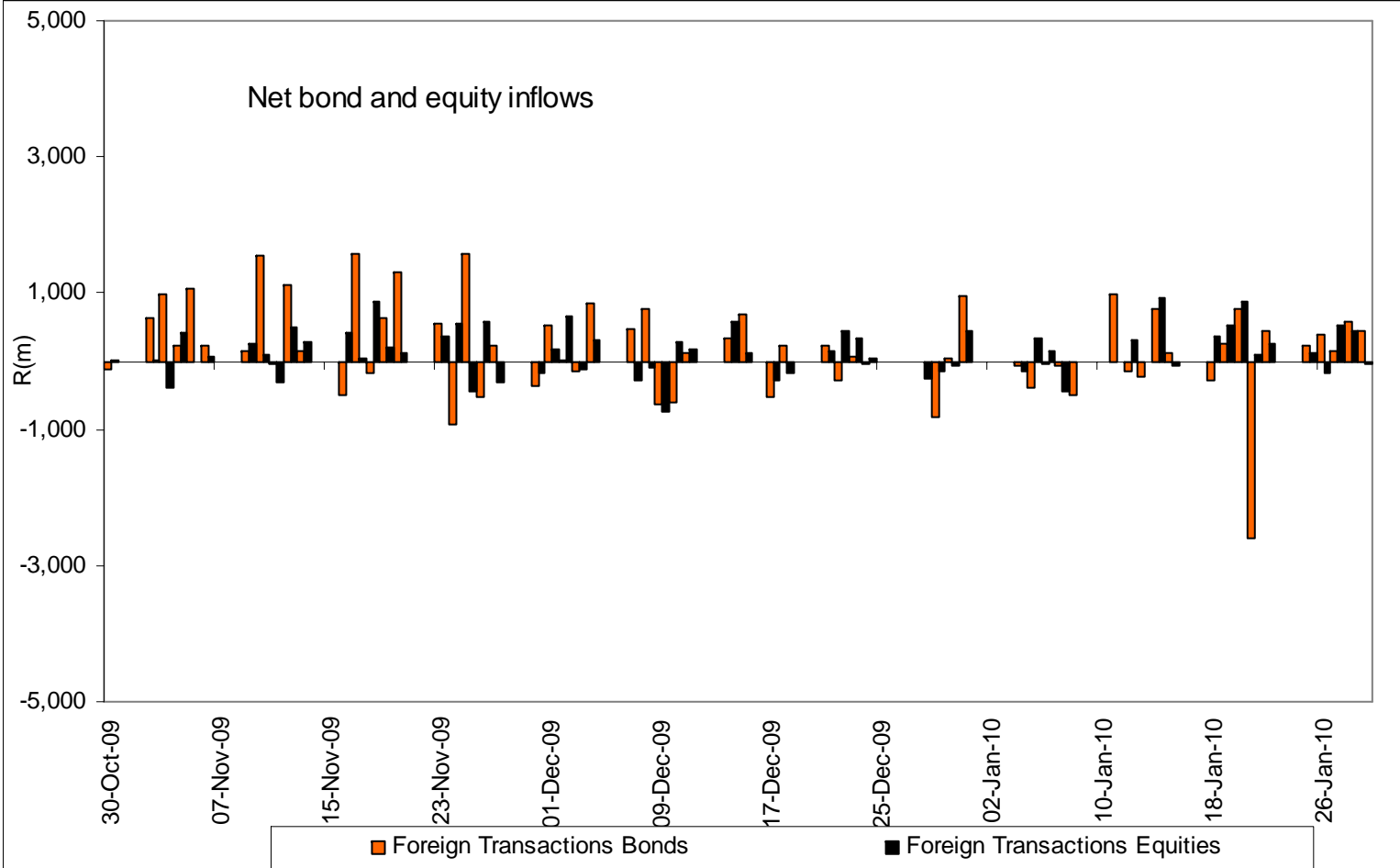


90 day forward looking implied volatility index based on the dollar-rand exchange rate. Interpretation: the higher the index, the more fear in the market. Index can be used in conjunction with the SAVI.

Source: Inet and Advantage Asset Managers

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# Foreign transactions – three months to January 2010

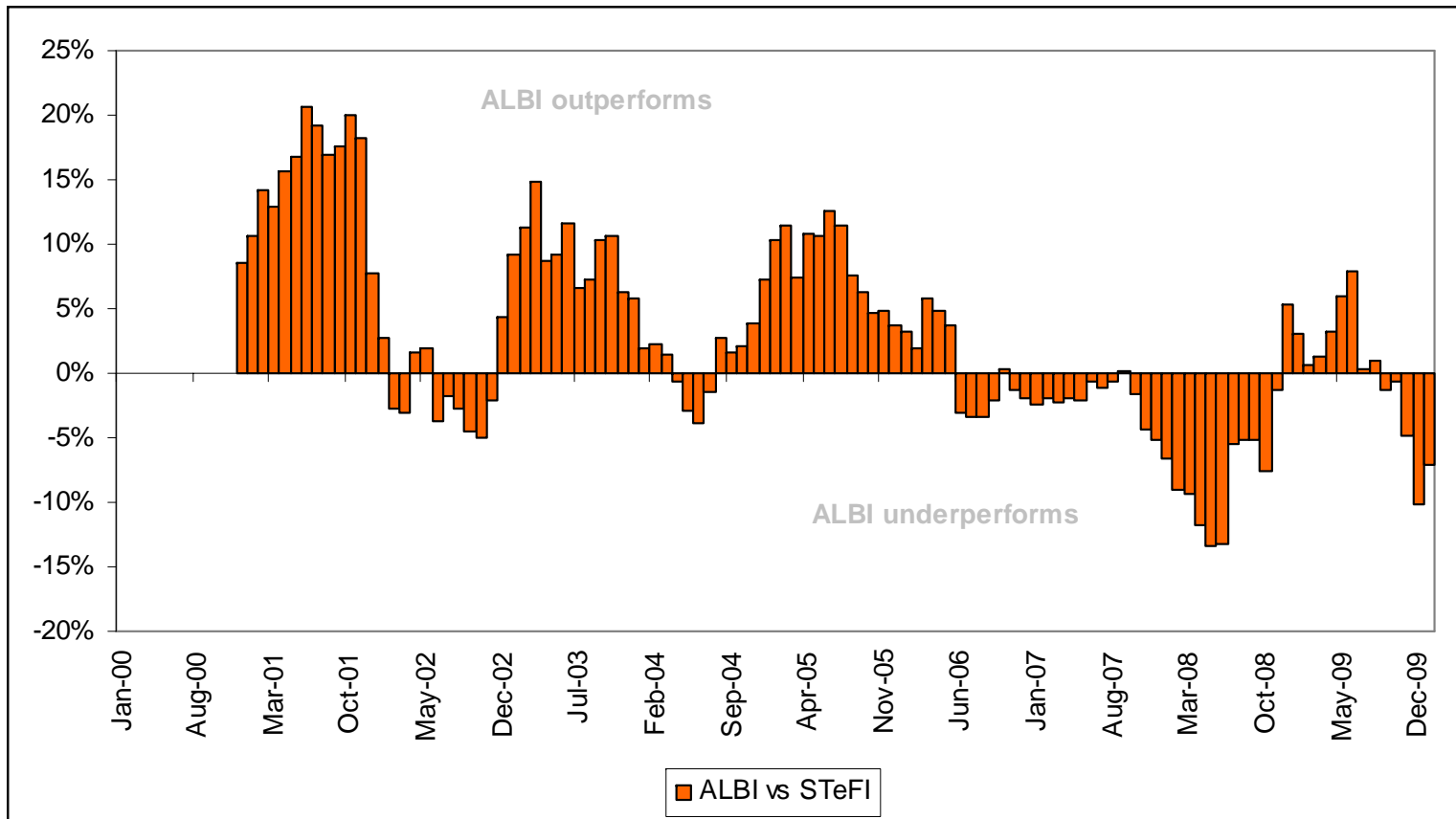


Source: Inet and Advantage Asset Managers

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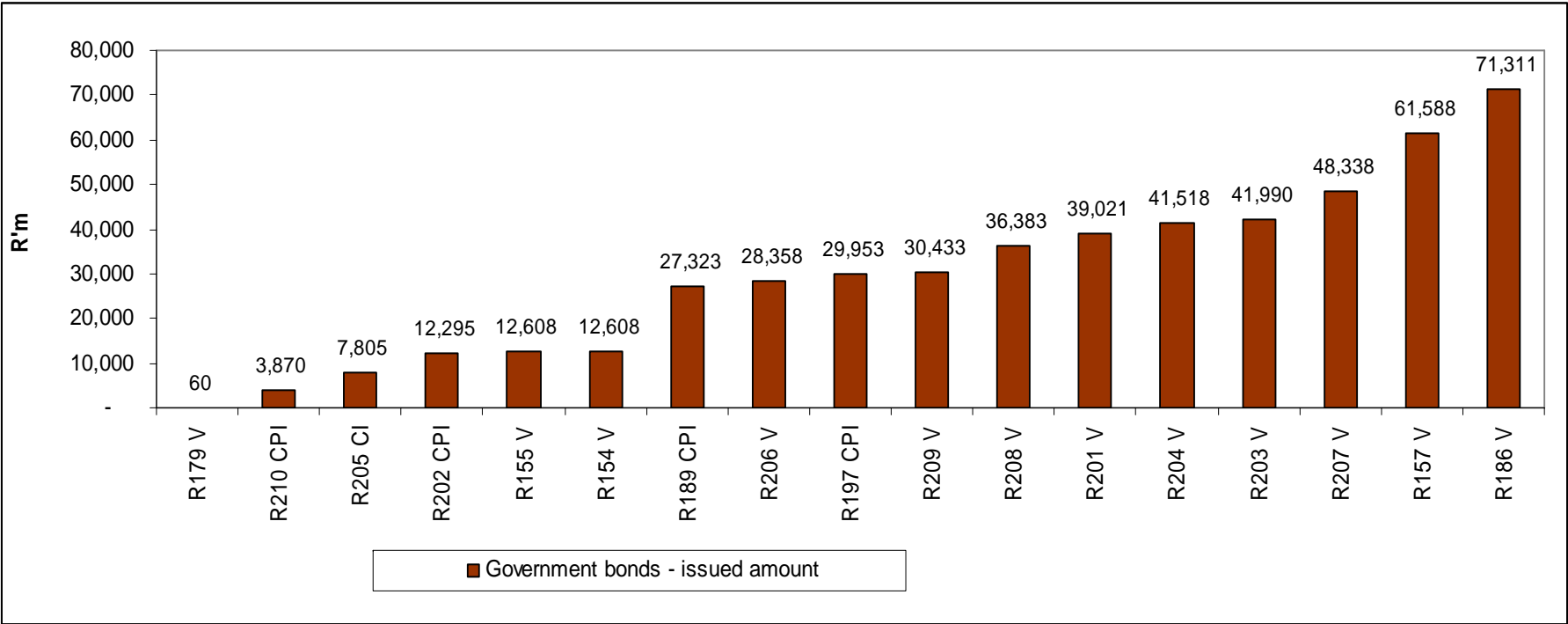
# Bonds vs. cash – 12 month rolling active Jan 00-Jan 10

12 month rolling active return of the ALBI vs. STeFI – bonds have largely underperformed cash over the past three years



Source: Inet and Advantage Asset Managers  
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# Government bonds – amounts in issue



\* Data from Bond Exchange updated as at 4 Feb 2010

Key	
V	Vanilla
CPI	CPI
CI	Customised instrument

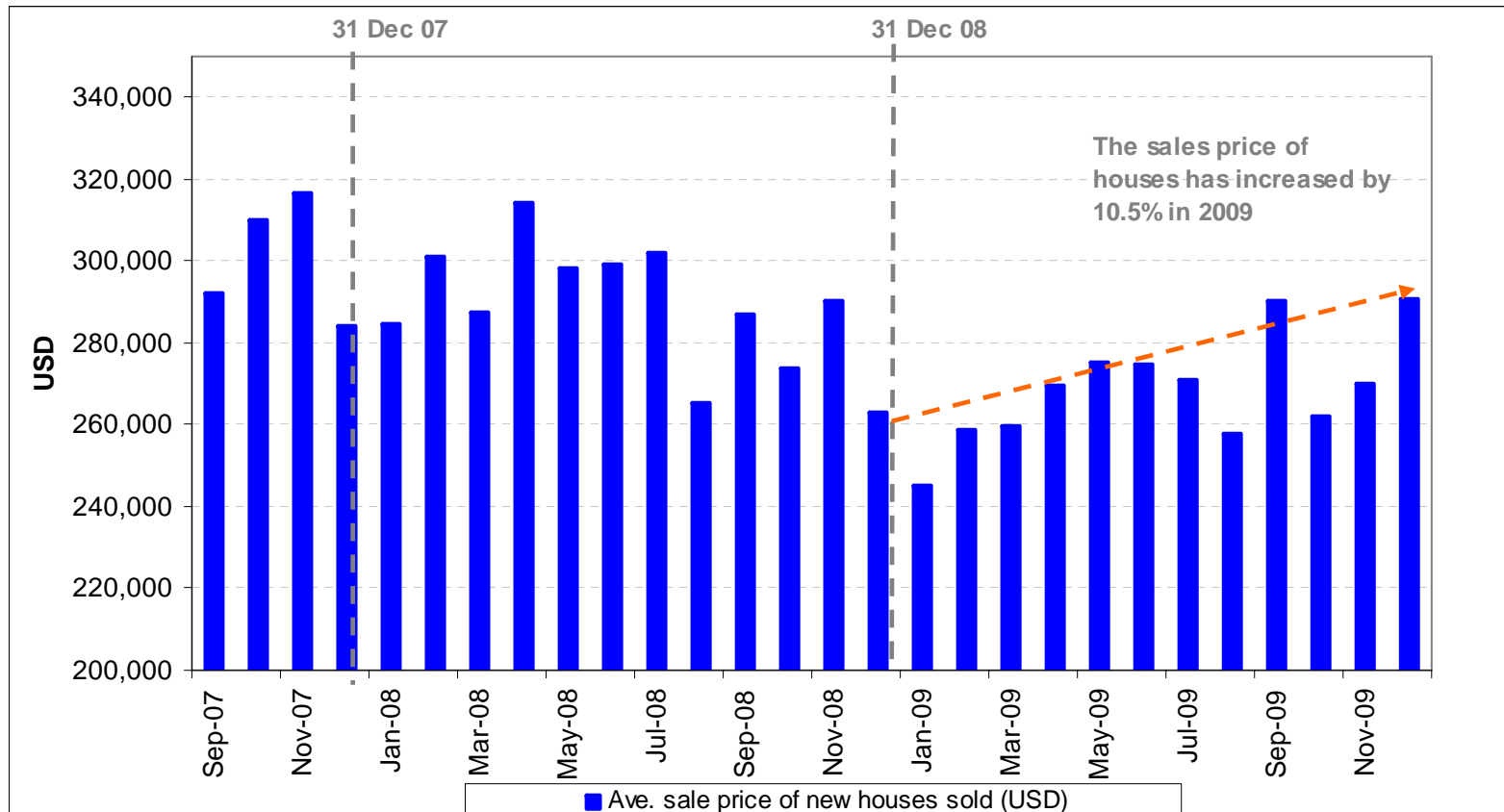
Source: Bond Exchange South Africa and Advantage Asset Managers

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# US housing – Average sales price

While the housing market has not seen a full recovery, there are some signs of improvement filtering through



Source: Inet and Advantage Asset Managers

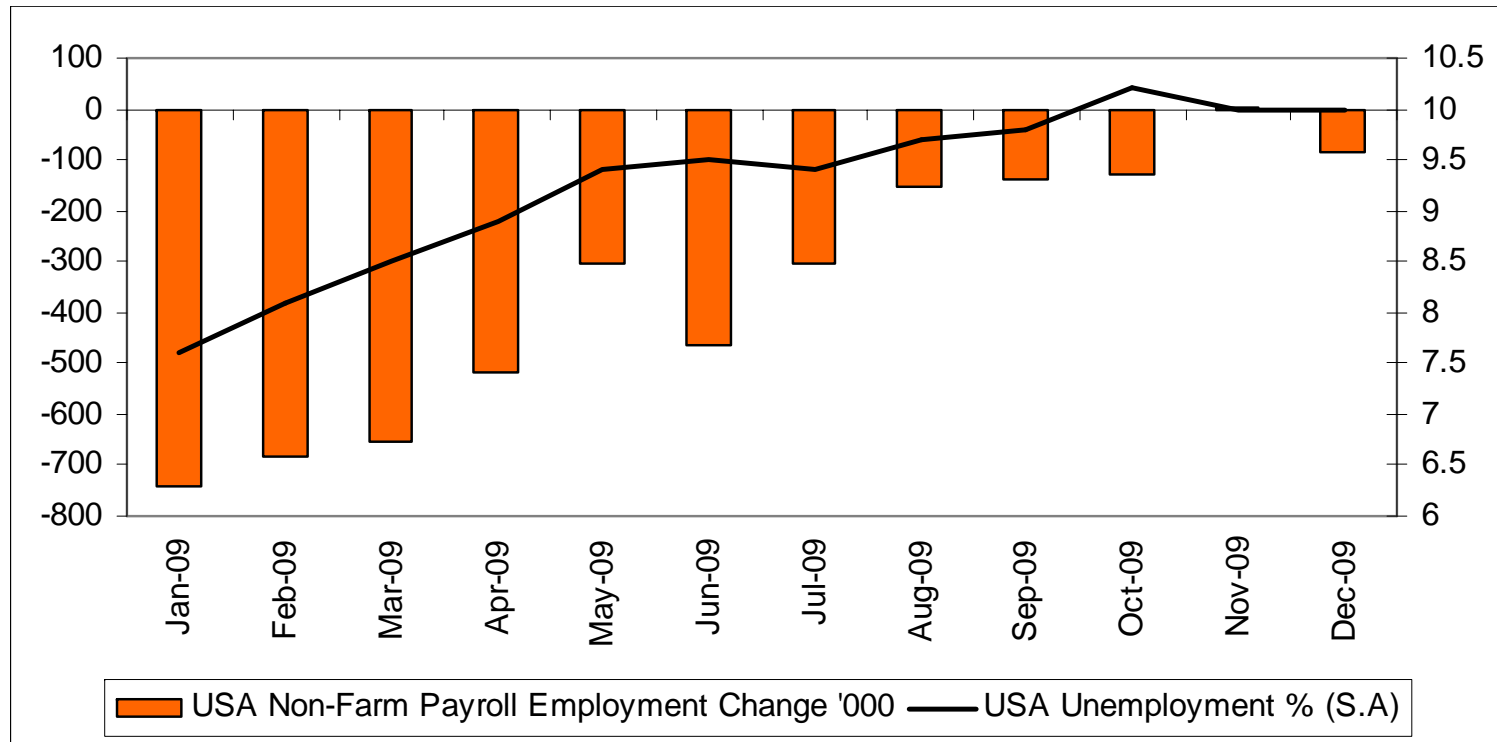
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# Data is delayed by a month.

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# US – payroll and unemployment

Unemployment has ceased climbing over the past few months but remains high



\* 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 January 2010

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# Disclaimer

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Advantage accordingly accepts no responsibility for any loss and/or damage whatsoever which may arise from the use of and/or reliance on any information contained in this presentation.



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