14 November 2012

The JSE and futures closed in negative territory tracking world markets lower due to the US fiscal cliff, tax increases and spending cuts that go into effect in 2013 and concerns about Greece’s financial problems. The rand was softer due to a weaker euro, albeit off its intraday low. The euro picked up on rumours that Greece was getting more money, but the rumour was denied, and the euro slipped lower again, with the rand following suit. The bond market remained on the back foot in late trade, tracking the rand weakness.

The relatively good times of 2012 for the local automotive industry, are unlikely to continue next year, credit information company TransUnion warned. Major dealer groups had seen financial results improve, with new new-vehicle sales up by 10% compared to 2011, continuing cost control and a decline in bad debt. “But all is not rosy as dealer confidence levels are decreasing when compared to those seen over the past 18 months,” said Carel Martin, spokesman for TransUnion Auto Information Solutions. “There is good reason for this, as consumer debt continues to grow and reports indicate that households are experiencing further strain.” Other factors which could pressure the industry included rising fuel prices, toll fees for Gauteng drivers, and stabilising vehicle sales volumes.

The 16% electricity tariff hike every year for the next five years is unavoidable, Public Enterprises Minister, Malusi Gigaba, said yesterday. “It [the tariff increase] is not fair, but it is necessary,” Gigaba said. “Given the challenges that we have... we need to ask South Africans to bare the collective pain to fund this build programme and go through this painful process.” In October, Eskom submitted an application to the National Energy Regulator of SA for a 16% tariff hike every year for the next five years. Platinum supplies from SA, the world’s largest source of the metal, are forecast to fall to their lowest level in 11 years because of strikes at platinum mines. In its 2012 interim report, Johnson Matthey said South African supplies are predicted to fall 12% to 4.25 million oz. The platinum review, Johnson Matthey said South African because of strikes at platinum mines. In its 2012 interim metal, are forecast to fall to their lowest level in 11 years. The 16% electricity tariff hike every year for the next five years is unavoidable, Public Enterprises Minister, Malusi Gigaba, said yesterday. “It [the tariff increase] is not fair, but it is necessary,” Gigaba said. “Given the challenges that we have... we need to ask South Africans to bare the collective pain to fund this build programme and go through this painful process.” In October, Eskom submitted an application to the National Energy Regulator of SA for a 16% tariff hike every year for the next five years. Platinum supplies from SA, the world’s largest source of the metal, are forecast to fall to their lowest level in 11 years because of strikes at platinum mines. In its 2012 interim report, Johnson Matthey said South African supplies are predicted to fall 12% to 4.25 million oz. The decline stems from the strikes that have left platinum mines, safety stoppages as well as the closure of marginal mines by junior companies. The strikes and safety stoppages accounted for at least 300,000oz, Johnson Matthey said. Looking ahead to 2013, it said a recovery from SA was unlikely.

Marketable values included rising fuel prices, toll fees for Gauteng drivers, and stabilising vehicle sales volumes.

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**Market update**

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