

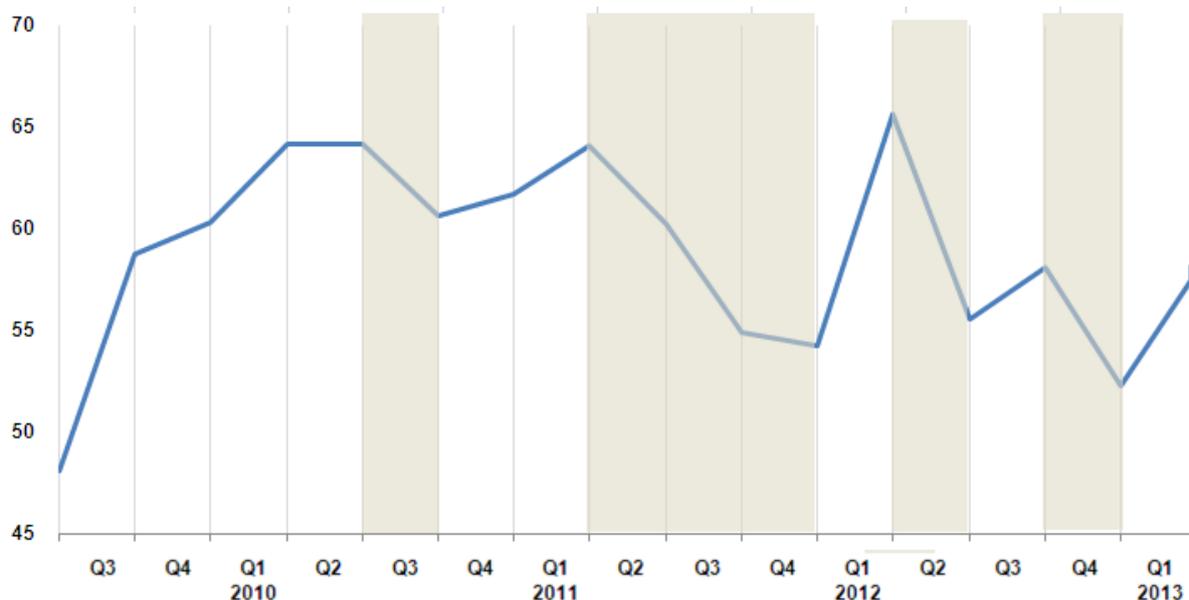
**For more information please contact:**

Malcolm Riley, Merchantec Capital  
Tel: 011 325 6363  
[malcolm@merchantec.co.za](mailto:malcolm@merchantec.co.za)

**SA CEOs believe JSE All Share to reach a new record in 2013**

The Merchantec CEO Confidence Index strengthened in the first quarter of 2013, rising by 11.5% from 52 to an overall score of **58** points. The Basic Materials sector experienced the greatest increase in confidence, rising by 22.9% from 48 to 59 points and the Technology sector experienced the second highest increase, rising by 20.8% from 53 to 64 points. Overall sentiment increased in all sectors while marginal increases were experienced by the Financials, Industrials and Consumer Goods sectors with 1.7%, 1.8% and 4.0% respectively.

**Merchantec CEO Confidence Index**



**Q1**

**60% of CEOs are positive that the JSE All Share will reach a new high by the end of 2013.** It was noted by some CEOs that a large portion of the market capitalisation of the index comprises multinational corporations that generate revenue and profits in Africa and other international locations and as such the JSE All Share index may not be entirely correlated to the performance of the domestic economy. CEOs also indicated that the positive outlook for the JSE All Share would be dependent on job creation and the prevention of political corruption.

**Basic Materials** experienced the second highest overall level of confidence and recorded the highest increase in confidence for the first quarter of 2013 of 22.9% from 48 to 59 points. This normalisation could represent a recovery from the recent mining disruptions that were caused by labour disputes. With a 43.5% increase in confidence regarding the availability of debt/equity capital and a 38.9% increase in confidence in economic conditions, CEOs in this sector are particularly bullish about their own companies' prospects.

**Technology** experienced the highest overall level of confidence and showed the second highest increase in confidence rising by 20.8% from 53 to 64 points. The improvement in sentiment was primarily driven by a 34.1% increase in confidence in relation to economic conditions as well as a 26.7% increase in confidence in the availability of debt/equity capital for the sector.

Overall confidence in economic conditions increased by 19.5% quarter on quarter, to a score of 49, the largest increase of all components of the Index. This positive sentiment was driven by CEOs representing the Basic Materials, Consumer Services, Industrials and Technology sectors. Whilst confidence in economic conditions for Consumer Goods was 2.3% lower.

For a copy of the first quarter 2013 Merchantec CEO Confidence Index Report or for previous quarterly reports, please email Malcolm Riley at [malcolm@merchantec.co.za](mailto:malcolm@merchantec.co.za).

### **More about the Merchantec CEO Confidence Index**

The Merchantec CEO Confidence Index, which consists of five components, collates views from CEOs of top South African companies and therefore provides a leading indicator into how business leaders perceive local market conditions and the economy going forward.

The Merchantec CEO Confidence Index is a copyright report prepared quarterly by Merchantec Capital. The survey collates responses from over 150 top CEOs, primarily from the listed environment.

### **About Merchantec Capital**

Merchantec Capital is a leading independent corporate finance and research company and an approved Designated Adviser and Sponsor to AltX and JSE Limited Main Board companies. Merchantec Capital provides integrated equity and financial advisory services to listed and corporate clients alike. Our diversified service offering includes in-depth equity research, purchase price allocations and option valuations.