

Ferra Asset Management

April 2010 report

Market overview

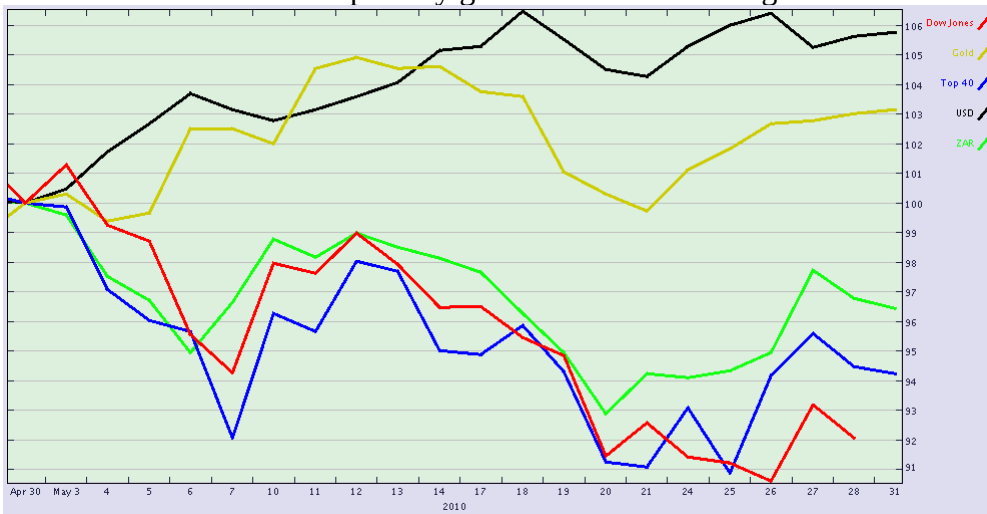
Sell in May and go away held up in 2010, with the top 40 index down nearly 6 and the Dow Jones nearly 8% during this time.

Index	Change in May	Change at worst level
JSE Top 40	-5.7%	-10.6%
Spot gold	3.2%	-1.8%
Dow Jones	-7.9%	-11.2%
USD index	5.8%	0.0%
Spot ZAR	-3.7%	-9.6%



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As before, markets were spooked by sovereign debt worries in Europe and economic growth prospects, which drove share prices higher earlier on in 2010, are now much more subdued. Despite this, and the virtual absence of inflation, commodities continue to thrive as a safe haven and especially gold and silver are doing well at the moment.



The most dramatic session during May was the 6th, when the Dow dropped a gigantic 1,000 points (roughly 10%) in a few minutes time. In the midst of the panic a number of key US tickers, such as Proctor & Gamble, plummeted 37% while Accenture dropped from more than \$40 to just 4c! Many trades executed at these levels were later on reversed by the relevant exchanges, who are allowed to do so under the 'Manifest Error' clause.

As can be seen in the hourly chart to the right, the index managed to regain most of its losses and ended the session just 3.2% down. Volatility remains high and commodities remain attractive investments currently.

