

Recovering micro-lender leads community stock picks

Is it time for troubled Capitec competitor to shine?

JOHANNESBURG - Blue Financial Services is the leader seven months into the *Moneyweb* Community stock picks competition. The informal competition allows community members to test their stock-punting skills by choosing the share they think is most likely to perform over a year.

The choice of reader Ben Mathekga, Blue Financial has more than doubled in price so far this year. The troubled micro-lender has yet to return to profitability, but its most recent results were perhaps not quite as bad as some investors were expecting. The share has risen steadily this year from 25c to 55c.

In second place is another micro-finance company, the low-profile Namibian company Trustco. A relatively new listing, Trustco sunk to a low of 25c last year, but has since recovered handsomely to its current price of 90c. Even at this price, Trustco does not look terribly expensive. It has a dividend yield of 4.3% and a price-to-earnings multiple of 4.6.

Base-metal miner Metorex is in third place with a return of 44%. Its price received a boost this year when it received an offer from Vale, and later Jinchuan.

Market commentator Magnus Heystek is in fourth place with his choice of Standard Bank's Silver Linker, exchange-traded note (ETN), which tracks the price of silver.

Original article

<http://www.moneyweb.co.za/mw/view/mw/en/page295165?oid=549116&sn=2009+Detail>