

DIAMONDS & DOGS

Jamie Carr's picks of the week

Diamond Mix Telematics

This doughty little scrapper may well be buzzing along below the radar screen of most investors, but its ability to tough out a dismal year suggests that it could well be worth a look. Mix offers a range of fleet management and vehicle tracking products, which are up and running everywhere from Siberia to Sudan, covering pretty much all the bases both climatically and politically. It operates in 111 countries, and it may be worth dipping into another just in case the curse of Nelson covers telematics as well as cricket.

The group is a rand hedge, which has been a disaster of late but which will help if the currency ever returns to its long-term trend of weakness.

In SA, thanks to the innovation and resourcefulness of our world-class criminal sector, it has a dream market in which to flog vehicle tracking services, while its products can also help commercial users make significant savings on the fuel bill. Mix has soaked up the impact of a brutal trading year, and it looks well set to thrive if and when the global economy rebounds. ■



Dog Omnia

Unfortunately for Omnia, which was coming off an exceptional year to March 2009, market conditions led to the chemical services provider getting squeezed vigorously from a number of directions. Firstly, the group found itself stuck with a mighty pile of fertiliser due to unusual buying patterns in the previous year, and a fall in commodity prices. Further rand strength meant that this had to be written down by R350m. The company came under pressure across the board, and under the circs it is not surprising that Omnia's earnings dropped by 89%.

At least it remained in the black, however, and generated R1bn of cash. There are positive signs of life returning to most of its primary markets. Omnia is demonstrating its faith in the prospects of the local agricultural and mining sectors with a R1,4bn investment in a second nitric acid complex. This is a decent sized punt to ensure that it can produce the raw materials it needs when the market bounces back, and shows the company's optimism about its future. ■

