

Monday, 15 January 2018

TOP 10 GAINERS		
Share Name	Closing price	% change
NET 1 UEPS TECHNOLOGIES INC	16945	18,87
SUN INTERNATIONAL LTD	6800	12,38
ANGLO AMERICAN PLC	29808	11,03
SOUTH32 LTD	3825	8,66
BHP BILLITON PLC	27959	7,74
MPACT LTD	2770	7,24
CAXTON AND CTP PUBLISHERS AN	1178	7,09
TRUSTCO GROUP HOLDINGS LTD	950	6,74
NOVUS HOLDINGS LTD	648	6,58
GLENCORE PLC	6940	6,44

TOP 10 LOSERS		
Share Name	Closing price	% change
DATATEC LTD	3150	-44,26
STEINHOFF INTERNATIONAL H NV	622	-29,32
FORTRESS REIT LTD-B	3598	-12,07
RESILIENT REIT LTD	12900	-11,78
NEPI ROCKCASTLE PLC	18112	-11,17
BRAITSE	3985	-10,71
GREENBAY PROPERTIES LTD	220	-10,20
ASCENDIS HEALTH LTD	1456	-9,00
BALWIN PROPERTIES PTY LTD	480	-6,80
TRADEHOLD LTD	1700	-5,50

GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	2,01	25 803
S & P 500	1,57	2 786
Nasdaq	1,74	7 261
FTSE 100	0,70	7 779
Nikkei 225	0,63	23 654
Hang Seng	1,94	31 413
S & P ASX 200	-0,85	6 070

COMMODITIES*		
Name	% Change	Price
Gold	1,37	\$1 337,64
Platinum	2,58	\$994,32
Brent Crude Oil	3,33	\$69,87

CURRENCIES*		
Indices	% Change	Price
\$ / R	-0,44	R 12,37
£ / R	-1,66	R 16,99
€ / R	-1,80	R 15,09

Updated:20:55 14/01/2018

COMMENTS FOR TOP 40 STOCK MOVEMENTS

The market's sensitivity to corporate governance failures again came to the fore as rumours surfaced that Viceroy Research was releasing a report on a South African company. Aspen felt the brunt of these rumours which were then followed by property counters such as Resilient, Nepi Rockcastle and Greenbay properties. On Thursday, the companies fell by 4.37%, 5.15% and 5.33%, respectively. The FSB has said it may investigate trades linked to Viceroy rumours. The All share rose by 0.61% for the week as resources rallied higher by 5.95%. Financials were under pressure falling by 1.38% while retailers also dipped into the red, declining 0.54%. The currency was volatile, strengthening to R12.30/\$ in afternoon trade on Monday before weakening to R12.54/\$ the following day as news that the ANC NEC would not discuss the removal of President Jacob Zuma disappointed investors.

KEY EVENTS & COMPANY RESULTS

Schroder European Real Estate Investment Trust PLC

Schroder European REIT secures new key tenant at Metromar shopping centre

The trust, which targets growth regions in continental Europe, agreed a new anchor lease with Urban Planet at its Metromar Shopping Centre in Seville, Spain. Urban Planet is one of Spain's leading leisure specialists. The lease is for a period of 5 years with an option for a further 5 years. This is Urban Planet's first leisure centre in the region and it aims to commence trading in 2018. Urban Planet has a record of producing, managing and implementing innovative leisure experiences linked to physical activity. There was muted reaction to the news though, with the firm's share price rising by a mere 0.28% on the day of the news release.

Aspen Pharmacare Holdings Limited

Share price plunges on rumoured Viceroy report

The company had to issue a statement after its share price plunged by as much as 12.58% as at 12.57 pm on Tuesday afternoon. Viceroy Research was responsible for writing a report that unearthed improper corporate conduct at Steinhoff and has been rumoured to be investigating Aspen for possible accounting irregularities in its 2017 financial year. Aspen's CEO Stephen Saad said full-year earnings were "completely clear" and that the company had nothing in common with retailer Steinhoff. In 2017, the Competition Commission decided not to pursue an investigation into excessive pricing of cancer medicines on Aspen as the case could not be sustained against them.

Steinhoff International Holdings N.V.

The retail group's woes continue as ECB sells its bonds

The company's shares slumped to a low of R7.55 on Tuesday on the back of news that the European Central Bank (ECB) sold its shares. The bond sale comes after Moody's downgraded the firm in December. The company has lost 86.37% (as at 12 January 2018) since its CEO resigned on the 5th of December 2017. The firm is also reportedly selling its private jet, which it said it took delivery of in April last year. Further, the firm has recently said that it requires "significant near-term liquidity" with former CFO Ben Le Grange the latest executive to resign from the company. The bond downgrade and ECB bond sale do not bode well for the company given its liquidity constraints, as this may eventually put its core-assets at risk.

Compagnie Financiere Richemont SA

Trading update for the third quarter ended 31 December 2017

The company reported that it experienced higher total sales in the 3rd quarter on

Contact Details

Derick Meintjes
 Email: Derickm@legae.co.za
 Tel: +27 11 722 7330

Private Clients Enquiries
 Email: privateclients@legae.co.za
 Tel: +27 11 722 7343

both a constant exchange rate basis and if actual exchange rates are used. On a constant exchange rate basis total sales were up 7%, while they were up 1% when applying actual exchange rates. The Middle East and Africa as well as the Asia Pacific region performed the best in the period. Retail sales recorded growth of 13%, underpinned by the performances of Jewellery Maisons and Specialist Watchmakers. Jewellery Maisons delivered the strongest sales progression, with an 11% increase while Specialist Watchmakers' performance improved by 1%. The Group's net cash position at 31 December 2017 amounted to EUR 5.1 billion, down 1.96% y/y.

Invicta Holdings Limited

Voluntary announcement regarding the acquisition of Shamrock Handling Concepts (Pty) Limited

Invicta announced that its subsidiary Hulumani Marketing (Pty) Ltd had acquired 100% of Shamrock (Pty) Ltd, with the deal coming into effect on the 2nd of January 2018. Shamrock supplies forklifts and machines in niche markets. The firm says that the acquisition entrenches its position as one of the leading firms in the materials handling industry.

Bidvest Group Ltd

Bidvest Financial Services buys Cannon Asset Management

The financial services division of Bidvest announced the acquisition of Cannon Asset Management for an undisclosed amount. Cannon will operate as a separate business in the division. The MD for financial services, Japie van Niekerk, mentioned that the acquisition is part of the company's efforts to expand its financial services business. The acquisition of Cannon comes after the announcements of Bidvest Bank's acquisition of First Data Holdings and Bidvest Financial Services' acquisition of a majority shareholding in FinGlobal. The Group's share price fell 0.72% on the day of the announcement.

GLOBAL MARKET DEVELOPMENTS

Most global equity markets ended the week in the green. In the U.S all three major stock indices closed at record highs. Friday marked the beginning of the banks' earnings season, with J.P Morgan Chase, Wells Fargo and PNC Financial reporting their quarterly numbers. J.P Morgan reported a net income of \$4.2 billion and an EPS of \$1.07. They also mentioned that the impact of the U.S. tax reform was a significant item in the quarter. Further, chief financial officer Marianne Lake confirmed that their equities business was negatively impacted by Steinhoff. Wells Fargo's fourth-quarter 2017 adjusted earnings of 97 cents per share improved from the prior-year quarter earnings of 96 cents. Their net interest income in the quarter came in at \$12.3 billion, down 1% on a year-over-year basis. Regional lender PNC Financial Services' net income attributable to diluted common shares rose to \$2.01 billion in the fourth quarter ended Dec. 31, from \$973 million a year earlier. Its EPS rose to \$4.18 from \$1.97.

In Europe, the pan-European STOXX 600 finished 0.31% higher on Friday and 0.29% higher for the week. Shares in GKN Plc rocketed up 26.24% after the engineering firm revealed that it had rejected a £7 billion takeover bid from Melrose. It was the best performer on the STOXX 600 for the day and the week. Sentiment in European markets also improved due to German coalition party leaders reaching a breakthrough in preliminary talks to form a new government after elections in September failed to produce an overall winner.

In Asia, the Hang Seng and Shenzhen composite index both ended the week higher, with Monday seeing the opening of the Shenzhen-Hong Kong Stock Connect. This is similar to the existing Shanghai-Hong Kong Stock Connect, which was launched in late 2014. Investors in Hong Kong will be able to buy Shenzhen-listed stocks and in return Chinese investors will have access to shares listed in Hong Kong.

THE WEEK AHEAD

Earnings releases for JSE listed companies

Company	Date
Heriot Reit Ltd	20-Jan-18

Disclaimer:

Legae Securities (Pty) Ltd is a member of the JSE Limited and all investment management services as provided are regulated by the provisions of the Securities Services Act, No 36 of 2004 or any replacement act or acts and that all dealings are subject to the Rules, Directives, practice and usage of the JSE Ltd. This information is not advice as defined and contemplated in the Financial Advisory and Intermediary Services Act, 37 of 2002, as amended. Past investment returns are not indicative of future returns. Legae Securities (Pty) Ltd shall not be liable for any actions taken by any person based on the correctness of this information.