

Monday, 7 August 2017

TOP 10 GAINERS		
Share Name	Closing price	% change
SIBANYE GOLD LTD	1830	12.89
IMPALA PLATINUM HOLDINGS LTD	3884	10.97
LONMIN PLC	1592	10.56
CASHBUILD LTD	38870	9.02
OLD MUTUAL PLC	3603	7.65
NORTHAM PLATINUM LTD	4700	7.28
FINANCIERE RICHEMONT-DEP REC	11849	7.28
KUMBA IRON ORE LTD	20530	7.28
PSG KONSULT LTD	915	7.02
ASSORE LTD	22435	6.89

TOP 10 LOSERS		
Share Name	Closing price	% change
NOVUS HOLDINGS LTD	725	-8.23
AFRIMAT LTD	2499	-7.44
LIBERTY HOLDINGS LTD	10550	-7.31
ANGLOGOLD ASHANTI LTD	12263	-6.67
PEREGRINE HOLDINGS LTD	2785	-6.39
EOH HOLDINGS LTD	10230	-4.88
GRINDROD LTD	1172	-4.87
TELKOM SA SOC LTD	6315	-3.87
NET 1 UEPS TECHNOLOGIES INC	12500	-3.85
BALWIN PROPERTIES PTY LTD	636	-3.64

GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	1.02	22,053
S & P 500	0.15	2,476
Nasdaq	-0.21	6,361
FTSE 100	1.93	7,510
Nikkei 225	-0.04	19,952
Hang Seng	2.16	27,563
S & P ASX 200	0.31	5,721

COMMODITIES*		
Name	% Change	Price
Gold	-0.95	\$1,257.61
Platinum	3.62	\$969.16
Brent Crude Oil	0.11	\$52.28

CURRENCIES*		
Indices	% Change	Price
\$ / R	-3.19	R 13.46
£ / R	-2.57	R 17.55
€ / R	-3.35	R 15.83

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COMMENTS FOR TOP 40 STOCK MOVEMENTS

The All Share had a stellar week reaching 4 record highs, with the last on Friday. A weaker rand bolstered rand-hedge stocks. Financials rose 2.33% starting August positively after a strong July. Resources gained the most amongst the major local indices as they rose 3.03%. Sibanye Gold gained 12.89% as news of its restructuring plans, which could affect up to 7400 jobs, made headlines. Sibanye's move follows AngloGold Ashanti, which in June said it could cut 8500 jobs as it restructures its South African mines. Impala Platinum also enjoyed double digit returns amid a rise in the platinum price and news that Zimplats' revenue rose in the 1st quarter.

KEY EVENTS & COMPANY RESULTS

Liberty Holdings Limited

Financial results for the six months ended 30 June 2017

Total revenue has declined by 5.19%, while basic earnings per share has fallen by 14.75%. A combination of hard operating conditions and operational issues resulted in a decline of headline earnings. In line with the group's interim dividend policy of paying 40% of the prior full year dividend, the board has declared a gross interim dividend of 276 cents per share. The group's share price dipped 6.06% on the day of the results release and was one of the worst performers on the All Share this week, losing 7.31%.

Mondi plc

Half-yearly results for the six months ended 30 June 2017

Underlying operating profit for the half-year 2017 of EUR497 million was down 6% compared to the first half of 2016. Sales volume growth and higher prices were more than offset by higher costs. In addition, currency movements only had a minimal negative effect on underlying operating profit. Acquisitions made in the period include a 100% acquisition of Excelsior Technologies Limited and an acquisition of Smurfit Kappa Recycling CE, s.r.o. for a consideration of EUR1 million on a debt and cash-free basis. The firm's share price fell 2.64% on the day of the results release, despite not having moved significantly over the month (0.24% decline).

MTN Group Limited

Reviewed condensed consolidated financial results for the six months ended 30 June 2017

Group revenue grew 6.7% underpinned by a 10.8% growth in Nigerian revenue and a 5.2% improvement in South African service revenue growth. Data revenue increased by 31.9% with the firm citing improved quality and capacity of data networks in key markets. The firm's future data revenue may be affected as consumers have complained about high data prices, in recent times. Acting chairperson of Icasa told parliament last week that high data costs remained a concern. In addition, an interim dividend of 250 cents was declared by the board.

Nedbank

Condensed consolidated interim financial results for the six months ended 30 June 2017

The banking giant released results that revealed a marginal fall in profit for the period despite a rise in both net interest income and non-interest revenue.

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Nedbank's managed operations generated headline earnings growth of 6.7% and delivered an ROE of 17.6%. The Corporate and Investment Banking (CIB) as well as Retail and Business Banking (RBB) contributed significantly to the headline earnings of the group. Further, CIB maintained an ROE of above 20% underpinned by improved credit losses, while RBB delivered an improved ROE and good headline earnings growth. The banks' share price only rose by 0.34%, but majority shareholder Old Mutual saw a 2.42% rise in its share price on the day.

Hudaco Industries Limited

Acquisition of trading assets and liabilities of EB TSA Proprietary Limited & MMD Steel Products Close Corporation

The firm is to acquire the trading assets and liabilities of Eternity, a leading supplier of batteries, high frequency chargers, and related battery management equipment. The purchase consideration will be a multiple of the average annual profit after tax of Eternity for the 3 years ending 31 July 2020. Shareholders have committed to deliver a minimum of R28 million net trading assets on the effective date, with the assets producing R21 million net profit after taxation in Eternity's last financial year. This is Hudaco's 2nd acquisition this year following the Dished End acquisition. The market seemed to appreciate the acquisition as Hudaco's share price increased by 2%.

AngloGold Ashanti Limited

Trading Statement for the half year ended 30 June 2017

The company advised shareholders that they expect a headline loss per share of between 19 cents and 23 cents. The impairment of certain South African assets and provisions for potential retrenchment costs were some of the factors that weighed on earnings. Operationally, production is expected to be 0.17% higher than the previous period. Furthermore, during the period AngloGold Ashanti began a consultation process with employees with respect to the restructuring of certain of its South African business units in order to ensure the viability of its South African business as a whole. The firm's share price only rose by 0.01%.

Royal Bafokeng Platinum Limited

Condensed consolidated interim results for the six months ended 30 June 2017

The platinum miner's revenue fell 3.2% y/y as a result of a 9.8% y/y decrease in the average rand basket price of platinum per ounce. This affected gross operating margin meaningfully as it contracted from 11.4% previously to 0.7% for this period. The firm made a headline loss per share of 15.3 cents which is in line with their latest trading statement. The firm also increased debt on their books as they successfully raised R1.2 billion through the placement of convertible bonds and secured R2 billion debt facilities. This funding solution was done to secure the ramp-up of the Styldrift I project to 150 000 tonnes per month (ktpm). The stock rose 2.54% on the day of the result's release.

Pick n Pay Stores Limited

Business and trading statement

With regard to their business update, the group reported that they had delivered on their 1st stage strategy. Key actions in their 2nd second stage include permanent price reductions across more than 1300 fresh and grocery products and modernisation of the group's Smart Shopper loyalty programme amongst others.

The firm also reported that they expect HEPS and EPS for the 26 weeks to 27 August 2017 to be down 20% compared to the previous corresponding period. These expectations were based on the preliminary assessment of the cost of the voluntary severance programme (vsp) embarked on by the Group in April. The vsp was initiated as a means to improve efficiency and productivity by reducing roles and functions across the company.

Bidvest Group

Voluntary announcement: acquisition of Noonan by Bidvest

The firm, headed by Lindsay Peter Ralphs, announced that they had bought Irish-based Noonan from Alchemy Partners for an enterprise value consideration of EUR175 million. Noonan is a provider of strategic outsourcing and employs more than 13 000 people. Bidvest's rationale for the acquisition is that it's in line with their intention to expand their presence beyond South Africa. Further, they mention that Noonan's business model and geographic presence would be complementary to their services division. Bidvest's share price fell marginally by 0.77% on the day of the results release.

GLOBAL AND WORLD MARKET DEVELOPMENTS

In a week where the Dow reached record levels, most global markets ended in positive territory. The Dow traded above the 22000 level for the first time on Wednesday, despite only managing to gain 0.2%. Apple helped the index make some of its gains, as the technology giant reported strong iPad and iPhone sales and better-than-expected profits in its fiscal third quarter. The Dow ended the week 1.2% higher. The FTSE climbed 1.95% in a week that saw the Bank of England (BoE) leave its bank rate at 0.25% while

it maintained the size of its asset purchase program. The BoE downgraded its economic growth projections for 2017 to 1.7% from 1.9% and for 2018 to 1.6% from 1.7%. In Asia, most major stock markets gained positive weekly returns, however, the Nikkei 225 fell 0.04%. The index didn't begin the week on a good footing as it fell 0.2%. It bounced back on the following two days, but found no cheer at the tail-end of the week with disappointing data on service sector growth and news of a cabinet reshuffle by Prime Minister Shinzo Abe weighed on investors.

THE WEEK AHEAD

Earnings releases for JSE listed companies

Company	Date
Merafe Resources Ltd	07-Aug-17
Mpact Ltd	08-Aug-17
Fortress Income Fund Ltd	10-Aug-17

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