

Monday, 11 September 2017

TOP 10 GAINERS		
Share Name	Closing price	% change
PPC LTD	635	16.51
CHOPPIES ENTERPRISES LTD	300	13.21
SOUTH32 LTD	3247	7.52
DATATEC LTD	6028	7.15
CAXTON AND CTP PUBLISHERS AN	1329	6.75
CASHBUILD LTD	39999	6.74
SIRIUS REAL ESTATE LTD	1057	5.49
ANGLOGOLD ASHANTI LTD	13763	5.28
STEINHOFF INTERNATIONAL H NV	6565	5.28
CAPITAL & REGIONAL PLC	978	4.04

TOP 10 LOSERS		
Share Name	Closing price	% change
TIGER BRANDS LTD	37421	-6.43
RCL FOODS LTD/SOUTH AFRICA	1420	-6.58
SIBANYE GOLD LTD	1909	-6.70
CLOVER INDUSTRIES LTD	1483	-6.73
RAUBEX GROUP LTD	2124	-6.84
THE FOSCHINI GROUP LTD	14200	-8.33
VODACOM GROUP LTD	16499	-9.35
NOVUS HOLDINGS LTD	650	-12.75
CALGRO M3 HOLDINGS LTD	1325	-13.62
RHODES FOOD GROUP PTY LTD	2004	-14.76

GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	-0.68	21,798
S & P 500	-0.41	2,461
Nasdaq	-1.07	6,360
FTSE 100	-0.82	7,378
Nikkei 225	-2.12	19,275
Hang Seng	-1.02	27,668
S & P ASX 200	-0.91	5,673

COMMODITIES*		
Name	% Change	Price
Gold	1.61	\$1,346.59
Platinum	0.01	\$1,007.60
Brent Crude Oil	1.95	\$53.78

CURRENCIES*		
Indices	% Change	Price
\$ / R	0.14	R 12.92
£ / R	-1.64	R 17.04
€ / R	-1.16	R 15.53

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## COMMENTS FOR TOP 40 STOCK MOVEMENTS

The All Share closed 1.4% lower, with financials coming off more than 2% as the Rand strengthened in the week. Resources were not spared as they lost 1.66%, with gold stocks the only real shining light. This is on the back of a higher gold price as global anxiety over North Korea's nuclear plans persists. Retail stocks also came under pressure as they dropped by 2.79%, with the index reaching a one month low on Thursday.

PPC Ltd. gained 16.51% in the week when it was revealed that the African unit of the Canadian insurer Fairfax Financial Holdings Ltd. had made an offer to buy a stake in PPC, on condition that PPC had agreed to a merger with AfriSam. Fairfax's Africa unit is prepared to purchase R2 billion in shares priced at R5.75 each. In addition, Aliko Dangote, Africa's richest man, is among those considering counter-offers for PPC that could signal a bidding contest for South Africa's largest cement maker.

African Rainbow Capital Investments, listed on Thursday. It raised over R4 billion and closed at R8.40 for the week. The company is run by former Sanlam heavy-weights Johan van Zyl and Johan van der Merwe with both serving as ARC Investments co-chief executives. Van der Merwe said the company had more acquisitions in the pipeline and would continue to invest in the financial services sector.

## KEY EVENTS & COMPANY RESULTS

### RMB Holdings Limited

#### Audited summary financial results, board changes and cash dividend declaration for the year ended 30 June 2017

The firm's normalised earnings increased 7% while profit grew by 9% y/y. Normalised earnings per share amounted to 578.5 cents per share which is 6.64% higher than the previous period. The firm also reported that their core investment, FirstRand, produced a good performance despite the challenging economic climate. FirstRand increased normalised earnings by 7% and delivered an ROE of 23.4%. Dividends for the year distributed to shareholders increased by 11% to 327 cents per share.

### Spur Corporation Limited

#### Condensed consolidated results and cash dividend declaration for the year ended 30 June

The chain restaurant owner reported that franchised restaurant sales in South Africa grew by 4.4%. However, headline earnings declined by 18.4% while headline earnings from continuing operations decreased by 25.9% to R135.1 million. Sales in the last quarter were also impacted by a racially charged incident between customers in a Spur outlet south of Johannesburg that spread on social media. The total dividend has been reduced by 5.7% to 132 cents per share for the year.

### Clover Industries Limited

#### Updated trading statement

The company is finalising the approval and release of its financial results for the year ended 30 June 2017 and shareholders are advised that HEPS is expected to be between 65% and 67% lower than that reported for the year ended 30 June 2016. EPS is expected to be between 54% and 56% lower than the previous corresponding period.

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## Sanlam Limited

### Interim financial statements for the six months ended 30 June 2017

The Sanlam CEO expressed satisfaction at the company's results despite it recording an 18% drop in headline earnings in its six months to end-June, compared to the previous period in 2016. New business volumes and net fund inflows declined by 4% and 13%, respectively. The Sanlam Personal Finance business experienced the biggest decline in net flows, as they declined by a significant 54% y/y.

## African Rainbow Minerals Limited

### Provisional Results for the year ended 30 June 2017

The miner, chaired by Patrice Motsepe, revealed a massive 204% jump in headline earnings and a 240% increase in HEPS compared to the previous corresponding period. The increase was mainly as a result of higher US Dollar prices realised for all the commodities in ARM's portfolio relative to the previous corresponding year. The company also declared its highest dividend to date. It declared a dividend of 650 cents per share, which is 189% higher than the previous period. Chief Executive Officer Mike Schmidt recently revealed in an interview that ARM is in the early stages of examining two copper operations outside of Africa and is also looking at acquisition opportunities in platinum and iron ore.

## Rhodes Food Group Holdings Limited

### Trading update and trading statement for the ten months ended July 2017

Group turnover for the 10 months ended July 2017 increased by 9.9% over the prior period. Regional turnover increased by 21.1% with organic growth of 13.9%. The group also benefited from the acquisitions of Pakco and Ma Baker which have been consolidated for 4 months in this period. The group's international business was adversely impacted by the strengthening of the Rand which gained 11.8% against the group's basket of trading currencies over the period. International turnover for the ten months declined by 21.9% over the prior period. Management expects headline earnings for the current financial year to decline by between 17% and 27%.

## GLOBAL AND WORLD MARKET DEVELOPMENTS

Geopolitical tensions, Mario Draghi's press conference, the U.S debt limit as well as the Hurricane Irma were some of the issues that market participants had to contend with in the week. Last Sunday's 6th nuclear test by North Korea caused anxiety among investors with Asian and European markets closing in the red at the start of the week. The U.S. said it would seek a vote on a draft United Nations Security Council resolution on North Korea, as it pushes for fresh sanctions against the regime after the recent nuclear test.

The Euro advanced and most stocks gained as market participants reacted to ECB President Mario Draghi's comments in Frankfurt on Thursday. Draghi did mention the strength of the Euro, saying the central bank is monitoring how it's affecting inflation and growth in the Euro zone. The European Central Bank left its key interest rates unchanged with the refi rate staying at 0% and the rates on the deposit and marginal lending facilities at -0.4% and 0.25%, respectively. The ECB also signalled no reduction in its quantitative easing program.

Friday saw the U.S House of Representatives approve a bill to raise the debt ceiling, fund the federal government through 8 December and provide \$15bn for relief from Hurricane Harvey. The debt ceiling is a cap on how much money the U.S is allowed to borrow to pay its bills. The approval came with Hurricane Irma having hit the Caribbean on Thursday and it later made landfall in Florida. Major U.S insurance stocks traded lower ahead of Hurricane Irma's landfall in Florida before rebounding on Friday but, closed lower for the week. XL Group and RenaissanceRe fell 4.92% and 6.35%, respectively.

## THE WEEK AHEAD

### Earnings releases for JSE listed companies

Company	Date
Rand Merchant Investment Holdings Ltd	11-Sep-17
AVI Ltd	11-Sep-17
Attacq Ltd	12-Sep-17
Ascendis Health Ltd	13-Sep-17
Impala Platinum Holdings Ltd	14-Sep-17
Aspen Pharmacare Holdings Ltd	14-Sep-17

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