

Monday, 13 November 2017

TOP 10 GAINERS		
Share Name	Closing price	% change
NIVEUS INVESTMENTS LTD	944	48.25
TRENCOR LTD	5040	15.86
STADIO HOLDINGS PTY LTD	811	15.86
ASSORE LTD	34354	10.34
NOVUS HOLDINGS LTD	734	8.74
MR PRICE GROUP LTD	19259	8.65
ANGLOGOLD ASHANTI LTD	13954	8.30
HARMONY GOLD MINING CO LTD	2635	7.20
SIBANYE GOLD LTD	2034	4.31
NET 1 UEPS TECHNOLOGIES INC	13000	4.00
TOP 10 LOSERS		
Share Name	Closing price	% change
CONSOLIDATED INFRASTRUCTURE	833	-25.63
ARCELORMITTAL SOUTH AFRICA	597	-10.63
PPC LTD	670	-10.31
STEINHOFF INTERNATIONAL H NV	5600	-9.39
TRUSTCO GROUP HOLDINGS LTD	476	-9.33
MURRAY & ROBERTS HOLDINGS	1443	-8.61
MPACT LTD	2320	-7.20
LONMIN PLC	1300	-7.14
ITALTILE LTD	1251	-7.00
CHOPPIES ENTERPRISES LTD	280	-6.67
GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	-0.50	23,422
S & P 500	-0.21	2,582
Nasdaq	-0.20	6,751
FTSE 100	-1.68	7,433
Nikkei 225	0.63	22,681
Hang Seng	1.81	29,121
S & P ASX 200	1.17	6,029
COMMODITIES*		
Name	% Change	Price
Gold	0.41	\$1,275.07
Platinum	0.89	\$929.45
Brent Crude Oil	2.34	\$63.52
CURRENCIES*		
Indices	% Change	Price
\$ / R	-1.07	R 14.38
£ / R	-2.18	R 19.02
€ / R	-1.54	R 16.77

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COMMENTS FOR TOP 40 STOCK MOVEMENTS

The All Share started the week on a good note but there was a downward turn in investor sentiments towards the end of the week, which erased some of those gains. The index had weekly gains of 0.23%. Resources had a good week, posting weekly gains of 2.46% supported by a surge in base metals and a solid performance in platinum. Brent crude reported weekly gains of 2.34% supported by the efforts of the Saudi Arabian Prince Mohammed bin Salman trying to curb corruption in the country, assisting Sasol to finish the week 3.5% higher. Financials were 0.4% higher for the week and Industrials were the only index that finished in the red although Naspers pared some of the losses. Naspers was up 2.05% for the week on the back of a rally in Tencent. The weak rand provided little support for rand-hedges despite weakening by 1.07% for the week against the greenback. Industrials shed 0.35% for the week.

KEY EVENTS & COMPANY RESULTS

Telkom SA SOC Limited

Group interim results for the six months ended 30 September 2017

Group HEPS declined by 7.4% to 303.9 cents compared to 328.2 cents in the comparable period, mainly as a result of lower revenue. Basic EPS was down by 7% to 316.9 cents compared to 340.9 cents in the comparable period. The group's performance was negatively impacted by a slowdown in ICT spend by corporate businesses and the public sector. The mobile business continued on its growth trajectory, with revenue increasing by 43.2% on a comparable period basis. The strong mobile growth was underpinned by an expansion of the network, distribution and the launch of innovative products which were well received by customers. The board declared an interim dividend of 181.1 cents, which is down by 9.9% on a comparable period basis.

Compagnie Financiere Richemont SA

Unaudited consolidated results for the six month period ended 30 September 2017

Group sales grew by 10% (actual exchange rates) to €5.61bn compared to €5.09bn in the comparable period. Gross profit increased by 13% boosted by non-recurrence of the inventory buy-backs and improved manufacturing capacity absorption. All major product categories posted solid growth, particularly jewellery. European sales increased by 3% partly affected by the increasing strength in the euro. The UK posted double digit growth and moderate growth in the major markets. Asia Pacific sales grew by 25%, mostly led by mainland China, Hong Kong and Macau. Jewellery and watch sales were particularly strong on a y/y basis in the region.

PPC Limited

Trading statement

The group's EBITDA is expected to increase by 3% to 6% compared with the previous period, whilst net profit attributable to shareholders is expected to increase by 180% to 200% compared to the previous period. Basic EPS is expected to be between 19 cents (45% higher) and 21 cents (60% higher) compared to 13 cents in the prior period. HEPS is expected to be between 18 cents (30% higher) and 20 cents (40% higher) compared to 14 cents in the prior period. The improved profitability performance was supported by the rest of Africa cement business segment due to robust growth in Rwanda and Zimbabwe and also due to a significant reduction in finance costs.

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MR Price Group Limited

Trading statement for the 26 weeks ended 30 September 2017

Basic EPS is expected to be between 434.2 cents (20% higher) and 452.3 cents (25% higher) compared to 361.8 cents in the prior period. Basic HEPS is expected to be between 434.8 cents (20% higher) and 452.9 cents (25% higher) compared to 362.3 cents in the prior period.

GLOBAL MARKETS

Global markets recorded modest losses, with US stocks breaking an eight week streak of weakly gains. Fading hopes for a tax reform took a large toll on small-caps, which stand to benefit more from faster US growth and lower tax rates as they are more exposed to the domestic market. Financials underperformed on the delay of tax cuts. Investors grew more defensive as they favoured consumer staples, which posted good gains for the week. Energy stocks had a good start in the week, after oil prices rose in response to the arrests of numerous Saudi Arabian officials and members of the royal family. Oil prices later erased those gains as news came out that there might be a rise in US inventories. The S&P 500 and Dow shed 0.21% and 0.5% respectively for the week. Russian President Vladimir Putin and US President Donald Trump have agreed to support a political reconciliation in Syria with the participation of President Bashar Al-Assad, while maintaining the existing two-nation communication channels used to fight the Islamic State. US President Donald Trump has also come under attack for saying that he believes Russian President Vladimir Putin's denials of his country's involvement in meddling in the US elections, which was against what the US intelligence had suggested.

Most European stock indices lost ground during the week as investor sentiment was hurt by lacklustre corporate earnings and uncertainty over whether the US will be able to pass tax reforms. Third quarter earnings came to a close as the majority of the stocks on the STOXX Europe 600 Index have reported and the earnings upside surprises were at their lowest levels since the second quarter of 2016. All major European indices ended the week in the red, with the FTSE 100 and the DAX shedding 1.68% and 2.61% for the week, respectively. The Eurozone is set to grow at its fastest pace in a decade rising 2.2% in 2017. The European Commission revised its forecast upward from 1.7%, citing growth in job creation, lessened political uncertainty and an upswing in business investment. The Commission surprisingly cut UK's growth forecast to 1.5% for 2017, down from 1.8% previously, citing Brexit-related uncertainty. The 2018 growth forecast is 1.3%, falling to 1.1% in 2019. Reasons for the slowdown are based on assumptions of weak business investment and moderation in household spending.

Japanese stocks continue to trend higher, posting a ninth consecutive weekly gain that lifted the benchmark Nikkei 225 stock average to a 26-year high earlier in the week. The yen was modestly stronger, slightly above ¥113 against the dollar. Currently, Japanese stocks, on average, are priced below their valuations compared to other developed markets. Third quarter earnings are on track for the largest increase of all major markets and recent data shows that 62% of TOPIX companies beat their earnings estimates, largely provided by cyclical companies. The Nikkei posted weekly gains of 0.63%. Chinese exports rose 6.9% y/y in October, missing market expectations of 7.1%. Imports rose 17.2% y/y in October, higher than market expectations of 17%. On Friday, China announced new rules allowing US banks and securities firms to own 51% stakes in financial services joint ventures. Some analysts suggest that China's reasons for opening up ownership in the financial sector is to boost foreign direct investment into the country as the figure has been declining over the years, forcing the country to have high debt levels.

THE WEEK AHEAD

Earnings releases for JSE listed companies

Company	Date
Datatec Limited (DTC)	13-Nov-17
Lewis Group Limited (LEW)	13-Nov-17
Vodacom Group Limited (VOD)	13-Nov-17
Spar Group Limited (SPP)	15-Nov-17
Sappi Limited (SAP)	16-Nov-17
Investec Limited (INL)	16-Nov-17
Peregrine Holdings Limited (PGR)	16-Nov-17

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