

Monday, 10 July 2017

TOP 10 GAINERS		
Share Name	Closing price	% change
NET 1 UEPS TECHNOLOGIES INC	14049	7.57
BHP BILLITON PLC	21429	7.33
BID CORP LTD	31900	6.61
NEW EUROPE PROPERTY INVEST	17600	6.37
SOUTH32 LTD	2860	5.73
DELTA PROPERTY FUND LTD	773	5.60
OCEANA GROUP LTD	9599	5.60
ROCKCASTLE GLOBAL REAL ESTAT	3761	5.41
HOLDSPORT LTD	6039	4.79
AECI LTD	11090	4.35
TOP 10 LOSERS		
Share Name	Closing price	% change
TRUSTCO GROUP HOLDINGS LTD	410	-8.07
INVICTA HOLDINGS LTD	5400	-6.90
PPC LTD	497	-6.05
TRENCOR LTD	3476	-6.03
NORTHAM PLATINUM LTD	3813	-5.74
AFRICAN RAINBOW MINERALS LTD	7970	-5.47
HOSKEN CONS INVESTMENTS LTD	12650	-5.19
PALLINGHURST RESOURCES LTD	292	-4.58
CAPITEC BANK HOLDINGS LTD	79445	-4.28
CONSOLIDATED INFRASTRUCTURE	1580	-4.24
GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	0.40	21,372
S & P 500	-0.08	2,418
Nasdaq	-0.23	6,130
FTSE 100	0.38	7,340
Nikkei 225	-0.52	19,929
Hang Seng	-1.64	25,341
S & P ASX 200	-0.31	5,704
COMMODITIES*		
Name	% Change	Price
Gold	-2.50	\$1,210.51
Platinum	-2.55	\$902.23
Brent Crude Oil	-4.14	\$46.75
CURRENCIES*		
Indices	% Change	Price
\$ / R	-2.68	R 13.43
£ / R	-1.60	R 17.31
€ / R	-2.34	R 15.30

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## COMMENTS FOR TOP 40 STOCK MOVEMENTS

The All share index was up 0.56% for the week, with Net 1 UEPS and BHP Billiton leading gains. Financials were up 0.32%, even though the rand weakened to R13.44 against the dollar and finished the week at R13.43. Industrials were 0.46% lower for the week, brought down by Naspers which is significantly under pressure as Tencent has underperformed after a sell-off in global tech companies. The share shed 2.76% for the week. Resources ended the week 3.61% higher, mainly boosted by gains in the platinum and gold prices, even though they retreated towards the end of the week. The top gainers were BHP Billiton and Glencore.

We saw the conclusion of the ANC policy conference that took place, with proposals ranging from land reform to changing the party's leadership structure. The main themes were around uniting ANC members and increasing black participation in the economy, with some proposing a state bank and others proposing for a change in the Reserve bank's mandate. This comes after the public protector's recommendations suggested that the mandate of the Reserve Bank be reviewed. That action has led to the Reserve Bank Governor filing papers with the court to set aside the remedial action and the Minister of Finance following suit in his affidavit. The speaker of Parliament, Baleka Mbete has re-iterated that change to legislation outlining the role of the bank is its sole domain, while rating agencies have praised the work of the institution. The South African Revenue Service is confident that tax revenue will be R1.265trn, higher than the previous year, even though the country is in a technical recession.

## KEY EVENTS & COMPANY RESULTS

### Long4Life Limited

#### Joint cautionary announcement regarding the potential acquisition

The company Long4Life has submitted an interest to acquire Holdsport's entire shareholding. The transaction will result in a share exchange ratio of 10.44 Long4Life shares for every 1 Holdsport ordinary share. General retailers have been significantly under pressure due to low retail sales growth. The index is 10.85% lower year-to-date. Holdsport ended the week 2.36% higher and is currently trading at R60.39 (07/07/2017).

### Compagnie Financiere Richemont

#### Sale of a subsidiary

Richemont has completed the sale of its wholly-owned subsidiary, Shanghai Tang to an Italian entrepreneur. This comes after the company has been missing earnings estimates for three conservative years, with 2016 being its worst year of underperformance. The share is trading below its consensus target price of R129.15. The share ended the week 1.02% lower and is trading at R108.22 (07/07/2017).

### RH Bophelo Limited

#### Pre-listing on the JSE

RH Bophelo intends to raise a minimum of R500m through a private placement offer to selected investors. The company will issue 50 000 000 ordinary shares at R10 per share. The company is looking at acquiring commercially viable infrastructure within the healthcare space. The company seeks to provide healthcare to lower and middle- income earners, who are excluded from the private space. The listing on the main board will be on the 12th July 2017.

## Contact Details

Derick Meintjes  
Email: [Derickm@legae.co.za](mailto:Derickm@legae.co.za)  
Tel: +27 11 722 7330

Private Clients Enquiries  
Email: [privateclients@legae.co.za](mailto:privateclients@legae.co.za)  
Tel: +27 11 722 7343

## New Europe Property Investment Plc

### Conclusion of the Merger

The merger between New Europe Property Investment Plc (NEPI) and Rockcastle Global Real Estate Limited has been approved by both shareholders. The transaction will be implemented on a share swap ratio basis of one NEPI share for every 4.7 Rockcastle shares. The company will be renamed NEPI Rockcastle Plc and will start trading on the 12th July 2017 with the new name on the JSE. NEPI shares ended the week 5.07% higher and the share is currently trading at R176.02 (07/07/2017).

## GLOBAL MARKETS

The S+P 500 ended the week 0.23% higher, as U.S. stocks rebounded from the biggest selloff since May. Bonds fell after strong nonfarm payroll numbers, which came out at 222k which was higher than analyst expectations of 178k. Investors are starting to increasingly price in rising interest rates, as bond yields have climbed around the world after a sell-off in debt this week stoked by a number of central banks stepping up talk of tighter policy conditions. The FTSE 100 was up 0.52% for the week and the Nikkei was 0.52% lower, after North Korea's missile testing weighed on investor sentiments calling into question the established regional geopolitical order. Brent crude after rising earlier in the week to \$49.68 erased those gains to fall to \$46.71 at the end of the week, caused by a 1% increase in oil production in the U.S. to 9.34m barrels per day. The rise in the U.S. output coincides with OPEC exports climbing for a second consecutive month in June. The G-20 meeting was centred around trade, after U.S. President Donald Trump's strong tone on introducing new tariffs and quotas on US steel imports due to unfair trade practices. Trump's stance resulted in a policy victory as leaders agreed to rapidly develop concrete policy solutions that reduce steel excess capacity and promote information sharing. Climate change was also at the centre stage, with the US isolating itself and other members agreeing on climate policies head by French President Macron. For the first time, G-20 leaders agreed on gender equality and that more needs to be done to cut the labour-force participation gender gap.

## THE WEEK AHEAD

### Earnings releases for JSE listed companies

Company	Date
Vodacom Group Limited (VOD)	20-July-17
Capital & Counties Properties (CCO)	21-July-17

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