Monday, 30 October 2017

TOP 10 GAINERSA1A1:C37		
Share Name	**Closing price**	**% change**
LONMIN PLC	1801	13.99
IMPALA PLATINUM HOLDINGS LTD	3700	13.08
SOUTH32 LTD	3711	10.64
HARMONY GOLD MINING CO LTD	2442	9.85
EOH HOLDINGS LTD	10545	7.67
FINANCIERE RICHEMONT-DEP REC	13032	6.10
BRITISH AMERICAN TOBACCO PLC	93142	5.96
ANGLO AMERICAN PLATINUM LTD	38722	5.10
ARCELORMITTAL SOUTH AFRICA	620	5.08
SIBANYE GOLD LTD	1786	5.06
TOP 10 LOSERS		
Share Name	**Closing price**	**% change**
MPACT LTD	2525	-6.27
ALLIED ELECTRONICS COR-A SHR	1200	-5.81
STADIO HOLDINGS PTY LTD	610	-5.72
TRUSTCO GROUP HOLDINGS LTD	500	-5.66
MEDICLINIC INTERNATIONAL PLC	11000	-4.98
ADVTECH LTD	1735	-4.93
HOSKEN CONS INVESTMENTS LTD	12350	-4.26
JSE LTD	13104	-4.22
MMI HOLDINGS LTD	1856	-4.18
OCTODEC INVESTMENTS LTD	2226	-4.01
GLOBAL EQUITY INDICES		
Indices	**% Change**	**Points**
Dow Jones	0.45	23,434
S & P 500	0.23	2,581
Nasdaq	1.09	6,701
FTSE 100	-0.24	7,505
Nikkei 225	2.57	22,008
Hang Seng	-0.17	28,439
S & P ASX 200	-0.06	5,903
COMMODITIES*		
Name	**% Change**	**Price**
Gold	-0.56	$1,273.35
Platinum	-0.77	$916.77
Brent Crude Oil	4.66	$60.44
CURRENCIES*		
Indices	**% Change**	**Price**
$ / R	-3.25	R 14.10
£ / R	-2.88	R 18.53
€ / R	-1.79	R 16.37
	Updated:13:51	28/10/2017

COMMENTS FOR TOP 40 STOCK MOVEMENTS

The All Share ended the week in the green as it followed global markets. The rand significantly weakened against the dollar, shedding 3.25% for the week, after Minister of Finance Malusi Gigaba's mid-term budget speech on Wednesday. The medium statement provided a bleak picture of the economy and provided very little in the form of clear proposals on the way forward. Industrials had weekly gains of 2.47%, mainly boosted by rand-hedges as they found support in the weaker rand. Resources ended the week higher, despite softer precious and base metal prices. Resources gained 2.27% for the week and Financials dipped 1.82% for the week. The All share index had weekly gains of 1.56%.

Medium Term Budget Policy Statement

This was the first medium-term budget statement delivered by the Minister of Finance Malusi Gigaba. The budgetary statement was keenly watched by local and international investors given the high levels of political and economic policy uncertainty in the country. The National Treasury has cut the 1.3% growth expectation for 2017 to 0.7% citing lacklustre growth as a result of continued deterioration in business and consumer confidence, sluggish investment and heighten risks as indicated in the low credit ratings. The National Treasury expects expenditure to grow by an annual average of 7.3%, from R1.6 trillion in 2017/2018 to R1.9 trillion in 2020/2021, increasingly crowding out spending on services. Minister Gigaba has authorised R5.2bn in bailouts to SAA to prevent the bankrupt airline from defaulting on its debt. An amount of R13.7bn has now been allocated to forestall calls against guaranteed debt by creditors of SAA and The South African Post Office. The recapitalisation of the two SOE's will be financed by a sale of portion of the Telkom stake to avoid a breach of the expenditure ceiling but the government will have an option to buy back the shares at a later stage.

KEY EVENTS & COMPANY RESULTS

Clicks Group Limited

Preliminary reviewed condensed consolidated results for the year ended 31 August 2017

Group turnover grew by 10.9% to R26.8bn compared to R24.2bn in the same comparable period, supported by selling price inflation and good retail sales growth. Retail health and beauty sales, including Clicks and the franchise brands of The Body Shop, GNC and Claire's, increased by 14.7% and comparable store sales grew by 8.4%. The group opened 111 new stores, including 80 stores through the outsourcing agreement with Netcare Group, increasing the store footprint to 622. Clicks Clubcard increased active membership to 7 million, with the loyalty programme accounting for 77.4% of sales. UPD increased growth from Clicks and private hospital groups. The board has declared a final gross dividend of 234 cents.

MTN Group Limited

Quarterly update for the period ended 30 September 2017

The Group subscribers declined marginally by 0.7% q/q to 230.2 million, largely driven by lower reported subscribers in Nigeria as the company continues to refine its active subscriber definitions and the disconnection of approximately 750 000 subscribers in Uganda as a result of regulatory SIM registration requirements. Active MTN mobile money customers grew by 10.6% q/q to 19.8 million. Voice traffic grew by 9% and data traffic continued to show strong growth, up by 125% y/y. On a constant currency basis, group revenue grew by 6.9%, with group service revenue up 7.4%. MTN South Africa recorded data and digital services revenue which increased by 21% and 27.7% respectively, supported by strong prepaid perfor-

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mance and by a continued recovery of the postpaid consumer segment.

Adcorp Holdings Limited

Trading statement and operational update for the half year ended 31 August 2017

The company expects a basic loss per share of between 110 cents and 132 cents compared to basic EPS of 78.4 cents. The company expects a headline loss per share of between 38 cents and 45 cents compared to HEPS of 77.5 cents. Trading across the group has been stable and revenue growth has been relatively flat when compared to the prior period. Revenue declines in the support services and training business were offset by positive contributions from industrial and financial services. African operations continue to make losses and a review of the medium-long term prospects culminated in a decision to exit the businesses. The group has managed to receive firm commitments from funders for a R1bn facility, as it will enable the group to consolidate and refinance all of its debt as part of the new restructuring process.

GLOBAL MARKETS

Global markets continued their bullish trend with the US markets once again reaching record highs. The S&P 500 recorded a seventh consecutive weekly gain, its best stretch in nearly three years. The index had weekly gains of 0.23% boosted by good third quarter earnings from the industrial sector as Caterpillar, 3M and General Motors produce better-than-expected results. The health care sector lagged as investors were disappointed in the sales trends of some major drug makers. News that Amazon had filed for drug distribution licenses in several states also weighed on the sector. The technology-heavy Nasdaq Composite index had weekly gains of 1.09% supported by better-than-expected earnings from Microsoft, Amazon, Alphabet and Intel. The US economy has seen gradual growth in the last few quarters, with an annualized rate of 3% for the third quarter, in line with the previous quarter and showing resilience despite the effects of the hurricanes experienced in August and September.

Corporate earnings, central bank moves and political instability were all key drivers of European stocks during the week. The STOXX Europe 600 Index ended the week higher, with technology and consumer stocks assisting the index towards the ended of the week. Germany's DAX reached record highs on the back off good economic news and a string of positive earnings, with weekly gains of 1.74%. The FTSE 100 ended the week flat, shedding 0.24% for the week, affected by pound weakness as concerns about the Brexit process lingered. The ECB announced that it will halve its bond-buying programme to €30bn from €60bn a month from January through September 2018, or longer, until inflation is revived. The ECB left its guidance on interest rates unchanged. In Spain, Prime Minister Mariano Rajoy on Friday ousted Catalan's President Carles Puigdemont and dissolved his government after it declared independence.

Japanese stocks continued on an upward trajectory, marking seven weeks of gains. The Nikkei had weekly gains of 2.57% mainly boosted by yen weakness. Prime Minister Shinzo Abe's Liberal Democratic Party (LDP) and its coalition partner, Komieto, posted a landslide victory at the lower house general elections on Sunday, October 22. The victory was an in-kind endorsement for pursuing Abenomics and a yield curve control policy. In China, the Communist Party concluded its 19th Congress, a new seven member Politburo Standing Committee was introduced with no clear successor to President Xi. Analysts have interpreted this development as President Xi cementing power for the foreseeable future.

THE WEEK AHEAD

Earnings releases for JSE listed companies

Company	Date
Famous Brands Limited (FBR)	30-Oct-17
Purple Group Limited (PPE)	1-Nov-17
Foschini Group Limited (TFG)	2-Nov-17
Adcorp Holdings Limited (ADR)	2-Nov-17