

Monday, 4 June 2018

TOP 10 GAINERS		
Share Name	Closing price	% change
ARCELORMITTAL SOUTH AFRICA	250	22,55
FORTRESS REIT LTD-B	1602	16,09
RHODES FOOD GROUP PTY LTD	1990	12,62
NAMPAK LTD	1645	12,59
MONTAUK ENERGY HOLDINGS LTD	9900	10,00
MURRAY & ROBERTS HOLDINGS	1870	8,72
AFRICAN RAINBOW MINERALS LTD	11600	8,53
SIBANYE GOLD LTD	822	8,30
LONG4LIFE LTD	620	7,83
GREENBAY PROPERTIES LTD	138	6,98
TOP 10 LOSERS		
Share Name	Closing price	% change
STEINHOFF INTERNATIONAL H NV	115	-21,23
TONGAAT HULETT LTD	7918	-9,79
TRADEHOLD LTD	1350	-9,70
METAIR INVESTMENTS LTD	1935	-9,62
BRAIT SE	3750	-7,36
BIDVEST GROUP LTD	20480	-6,91
INVICTA HOLDINGS LTD	4285	-6,85
PPC LTD	795	-6,69
CLICKS GROUP LTD	20157	-5,25
INVESTEC LTD	9310	-5,00
GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	-0,71	24 635
S & P 500	0,25	2 735
Nasdaq	1,75	7 554
FTSE 100	-0,19	7 702
Nikkei 225	-0,07	22 466
Hang Seng	0,32	30 890
S & P ASX 200	0,21	6 017
COMMODITIES*		
Name	% Change	Price
Gold	-0,61	\$1 291,12
Platinum	-0,21	\$902,52
Brent Crude Oil	1,47	\$76,43
CURRENCIES*		
Indices	% Change	Price
\$ / R	-1,46	R 12,65
£ / R	-1,89	R 16,91
€ / R	-2,02	R 14,79

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COMMENTS FOR TOP 40 STOCK MOVEMENTS

All share closed higher on Friday after a rocky week for local and global markets. Gains made on Thursday and Friday were enough to help the index close 0.64% firmer for the week despite 3-day consecutive losses earlier in the week. Investor sentiment improved as uptake in riskier assets increased. The top 40 index also recorded modest gains of 0.66% for the week boosted by index heavyweight Naspers which leapt 5.72% on Friday, tracking Tencent's gains in China.

Disappointing economic data provided no reprieve for markets last week as many indicators fell short of expectations. M3 money supply YoY April figure came in with a 6.39% increase, down 0.03% from 6.42% previously recorded. PPI MoM figure for April showed a 1% increase, which is 1.2% more than the recorded figure for the previous period. However new vehicle sales for the month of May were up over 5000 units from April's figure of 36.53 thousand to the current sales of 42.98 thousand for the month.

The rand remains extremely volatile against the dollar as fluctuations continue to persist and are primarily driven by global investor sentiment rather than internal factors. The S&P global ratings report kept South Africa at sub-investment grade which sustained the rand's gains. However the strengthening dollar eventually erased recorded gains and the rand fell 1.56% against the dollar over the week to finish at R12.66 to the dollar by close on Friday.

KEY EVENTS & COMPANY RESULTS

Mr Price Group

Final group results for year ended 31 March 2018

Mr Price announced its final results for period ended 31 March 2018, positive figures saw the share gain 0.80% for the week. CEO, Stuart Bird congratulated the team for the solid performance, he says they have managed to re-focus and deliver after the previous year's under performance. Total revenue was up 8% to R21.3bn with retail sales increasing by 7.6%, 2% more than comparable stores. Cash sales which constitutes 83.7% of total sales also grew by 8.4%. Total profit from operating activities increased by 22.4% to R3.bn. The retailer also announced a 21.1% increase in their HEPS to 1075.4 cents. Final dividend per share however decreased to 414.1 cents, 5.6% lower than the previous comparable period.

Telkom

Group provisional results for year ended 31 March 2018

Telkom released a disappointing set of results. Their financial year was characterised by a tough economic environment, political uncertainty and intense competition as well as the consequent low business and consumer confidence. Group revenue fell flat at R41bn (2017: R40.97bn) supported by a 47.2% increase in its mobile business. EBITDA was down 3.6%, this was attributed to increased labour costs. Profit after tax came in at a mere R3.15mil, a 19.2% decrease from the previous year. Basic earnings per share (BEPS) decreased by 19.6% to 602.3 cents, while headline earnings per share (HEPS) also decreased by 18.4% to 597 cents.

Tongaat Hullet

Audited results for year ended 31 March 2018

Group's operating profit for the period declined by 16.1% to R1.96bn compared to R2.33bn in the previous period. Revenue also saw a decline compared to the previous period, falling by 5.2% to R16.98bn.

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The group reported that their sugar operations were adversely affected by the dynamics of imports into the South African market, low international sugar prices and the impact of the stronger local currency on export realisations. Sugar production reflected a partial recovery from the drought conditions of the 2 previous years which helped improve the total sugar production volume. The group's land conversion and development activities contributed R661mil towards operating profit and as such, further investments were made into infrastructure that underpins future sales of land. Headline earnings decreased by 37% to R617mil while a final dividend of 60 cents per share was declared bringing the total annual dividend to 160 cents per share, down by 140 cents per share as compared to the previous year.

GLOBAL AND WORLD MARKET DEVELOPMENTS

Dow Jones industrial average rose by more than 200 points on Friday to recoup most of the losses recorded earlier in the week, but unfortunately this was not enough as the index still closed in the red, down 0.71%. This was following the Trump administration making good on its plans to impose tariffs on steel and aluminum imports which caused a major drag on the index as investors broadly sold off shares in big manufacturing companies amidst the impact of imposed tariffs. An upbeat employment report showed modest gains in wages and a healthy gain in jobs for the month of May. The report showed a 3.8% unemployment rate, the lowest since April 2000. This positive data boosted overall major US indices, with NASDAQ and S&P gaining 1.75% and 0.25% respectively.

Political crises out of Italy dominated European markets for the majority of the week however there was some reprieve on Thursday morning as markets opened slightly higher indicating signs of a recovery. Most European indices managed to hold on to their modest gains for the remainder of the week but this was not enough to boost the weekly performance of the indices. CAC 40 closed the week marginally higher up 0.56% while the DAX and FTSE 100 lost 1.65% and 0.19% respectively.

Asian stocks rose as upbeat US jobs data release on Friday offset trade war worries, however the markets finished mixed for the week with the Hang Seng recording marginal gains of 0.32% while the Nikkei fell 0.04%. Tencent share price brushed off media reports in China that stated that gaming effects had a negative impact on the Chinese youth. While in Japan, the retail sales numbers for April indicate a rebound in economic activity as consumer spending increases after a slow start in the first quarter.

THE WEEK AHEAD

Earnings releases for JSE listed companies

Company	Date
Brait SE	6-Jun-18
Delta Property Fund Ltd	6-Jun-18
Long4Life Ltd	7-Jun-18

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