

Tuesday, 15 May 2018

TOP 10 GAINERS		
Share Name	Closing price	% change
NET 1 UEPS TECHNOLOGIES INC	12700	22,39
REBOSIS PROPERTY FUND LTD	840	6,46
PSG KONSULT LTD	1005	6,01
NASPERS LTD-N SHS	319912	5,95
ALLIED ELECTRONICS COR-A SHR	1414	5,92
SUN INTERNATIONAL LTD	6323	5,38
NEDBANK GROUP LTD	30700	5,32
EXXARO RESOURCES LTD	11740	5,29
AFRIMAT LTD	2990	4,91
DIS-CHEM PHARMACIES PTY LTD	3189	4,90
TOP 10 LOSERS		
Share Name	Closing price	% change
CORONATION FUND MANAGERS LTD	6892	-7,05
HARMONY GOLD MINING CO LTD	2435	-7,06
EOH HOLDINGS LTD	3520	-9,37
BRAIT SE	3757	-11,85
TRENCOR LTD	3301	-13,13
IMPALA PLATINUM HOLDINGS LTD	1892	-14,51
DATATEC LTD	1907	-15,95
STEINHOFF INTERNATIONAL H NV	160	-16,23
SIBANYE GOLD LTD	888	-17,78
LONMIN PLC	804	-21,02
GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	2,34	24 831
S & P 500	2,41	2 728
Nasdaq	2,68	7 403
FTSE 100	2,96	7 725
Nikkei 225	1,70	22 849
Hang Seng	5,09	31 522
S & P ASX 200	0,80	6 133
COMMODITIES*		
Name	% Change	Price
Gold	0,39	\$1 319,40
Platinum	1,46	\$924,93
Brent Crude Oil	0,68	\$76,69
CURRENCIES*		
Indices	% Change	Price
\$ / R	2,25	R 12,27
£ / R	2,21	R 16,63
€ / R	1,94	R 14,67

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## COMMENTS FOR TOP 40 STOCK MOVEMENTS

The market has been significantly driven by currency movements over the past few weeks. Friday's positive close recorded the third consecutive session of gains for the local index which managed to end the week higher gaining 1.34% in total. Top 40 also managed to end the week firmer, up 1.87% boosted by Naspers' significant trade volumes throughout the week which dominated the market.

Disappointing economic data release provided poor trading conditions as the figures did little to aid the local market. Figures released for Foreign Exchange Reserves, SACCI Business Confidence indicator, Gold mining, Mining production and Manufacturing production were all well below expectation. Foreign exchange reserves edged down to \$49.54 billion in April from the \$49.98 billion recorded a month earlier. Gold production was down 18% year-on-year for period ended March 2018. Manufacturing production figures for the year-on-year period ended March 2018 showed a decline of 1.3%. Despite what may seem like a contractionary state of affairs, economists still have positive outlook regarding the growth potential of SA. The rand managed to break through the R12.30/\$ mark in what has been a volatile trading week which saw the range of the local currency widen between R12.75/\$ and R12.30/\$.

The rand managed to reach a three-week high against the dollar during Friday's trading session as the local unit benefitted from a retreat in the US dollar which was weakened after the release of underwhelming inflation data from the US. Despite the fact that the rand has faced notable losses against the dollar in recent weeks, its relatively strong performance in relation to many of its emerging market peers supports a positive broader outlook for the local currency.

## KEY EVENTS & COMPANY RESULTS

### Naspers

#### Sale of stake in Indian Ecommerce company

Naspers has undoubtedly dominated trade this week, the stock was up 5.95%. The market has been rife with speculation that the funds from the sale of its entire 11.18% stake in Flipkart (India's largest ecommerce company) are flowing back to SA markets. This theory has been met with criticism and has ultimately been discredited as there is little evidence to back it up. Naspers has confirmed that the proceeds from the disposal will be used to reinforce their balance sheet and will be invested over time to accelerate the growth of Naspers' classifieds, online food delivery and fintech businesses globally. The proceeds, they believe, will also give them free cash to pursue other exciting growth opportunities as and when they arise.

### Sibanye-Stillwater

#### Fatal incident

Sibanye share price took a heavy knock following previous week's underground fatalities where a total of 13 miners were trapped underground at the firm's Masakhane shaft following seismic activity. Of the 13 workers, seven succumbed to their injuries and the six remaining employees are in a stable condition in hospital. Sibanye CEO, Neal Froneman said the company and the Department of Mineral Resources will be conducting a comprehensive investigation into the incident to prevent similar occurrences. Meanwhile, unions have raised concern over safety levels at the mining company as confirmed deaths have soared to 31 this year alone.

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**Altron**

**Final results year ended 28 February 2018**

The company revenue from continuing operations increased by 6% to R14.7 billion and operating profit increased by 1% for the year to R421 million, HEPS also recorded a slight increase of 4% to 119 cents per share. The board has considered its dividend policy and intends on adopting a 2.5 times cover going forward. An interim dividend will be declared for the period ending 31 August 2018. Altron provides end-to-end solutions for its customer base and prides itself in organic growth that is supplemented by strategic acquisition. Their recent expansionary expenditure includes, Altech Netstar, the building of a Microsoft practice focusing on cloud computing and the acceleration of their cybertech offering which will leverage off its competitive advantage in both SA and UK markets.

**Net1UEPS**

**Quarterly results March 2018**

Company hosted a conference call to review its results for the third quarter for its 2018 financial year end. They reported a 10% increase in revenue which amounted to \$163 million. EPS was \$0.95 and HEPS was \$0.52, this after an adjustment related to its Cell C investment was taken into account. The company is still looking forward to being released from the South African social grants payments contract, the conclusion of which is scheduled for the end of September 2018. They believe that this will free them up to refocus their skills and expertise in delivering services to the unbanked community of not only South Africa but other emerging counties as well. This has been welcomed news by many investors as share price soared up 22.38% for the week.

**GLOBAL AND WORLD MARKET DEVELOPMENTS**

The US markets finished the week in the green on Friday with all three major indices reporting gains. The Dow was up 2.34%, S&P gained 2.41% and NASDAQ added 2.68%. This rally was after release of moderate inflation data and was despite the oil price peak which followed President Trump’s decision to exit the Iran nuclear accord. CPI rose 0.2% in April, this figure is close to the Fed’s mandate for an annual basis increase but market remains calm as long as inflation does not accelerate out of control. Oil prices finished at their highest level since late 2014 following Trump’s decision to withdraw from nuclear accord and instate sanctions on Iran. Analysts predict that this move will negatively impact oil output with an estimated loss of 500 000 barrels a day.

UK market opened firmer on Tuesday following a UK public holiday, FTSE 100 managed to gain 2.96% for the shorted week, this saw the index obtain a new three and a half month high. UK’s blue chip stocks also enjoyed positive movements as the London benchmark gained 2.1% for the week making this the seventh consecutive week of reported gains for the index. The weaker pound still tends to bolster equity markets as a large number of the listed firms are multinational companies making most of their revenue and earnings outside the region. The pound lost 0.1% for week and is now down 4.5% for the past month alone as its being sold off due to a string of disappointing economic data. Last week saw the Bank of England’s (BOE) monetary committee release their interest rate decision. Inflation rate report sets out a detailed economic analysis and inflation projection upon which the monetary policy committee bases its interest rate decision on. As expected, the BOE announced on Thursday that they have taken the decision to keep rates unchanged.

Most Asian markets ended the week off on a positive note with Hang Seng and Nikkei both reporting healthy gains of 5.09% and 1.7% respectively. News that buoyed the three main indices on Wall Street appear to have extended gains into Asia. Tokyo stocks leapt on Friday led by gains in high-tech stocks. As the company earnings results season is drawing to a close investors are likely to start trading based on the results of each firm which will give Asian markets stronger sense of direction. Some of the major stocks making headlines are Panasonic, which reported its full-year net profit surged 58%, the stock saw a rally of 4.86% on the back of these results. Tokyo Electron and industrial robot maker Fanuc each gained 2.47% while energy and petroleum- linked shares also enjoyed a strong session.

**THE WEEK AHEAD**

**Earnings releases for JSE listed companies**

Company	Date
Vodacom Group Ltd	14-May-18
Investec Ltd	17-May-18
DataTec Ltd	17-May-18
Investec PLC	17-May-18
Long4Life Ltd	17-May-18
Cie Financiere Richemont SA	18-May-18

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