

Monday, 16 April 2018

TOP 10 GAINERS		
Share Name	Closing price	% change
MONTAUK ENERGY HOLDINGS LTD	7053	21.58
LEWIS GROUP LTD	4740	9.85
SOUTH32 LTD	3298	9.35
FORTRESS REIT LTD-B	1584	8.12
CLIENTELE LTD	2000	8.11
ARCELORMITTAL SOUTH AFRICA	307	8.10
DATATEC LTD	2130	8.07
INTU PROPERTIES PLC	3750	7.39
RESILIENT REIT LTD	6340	6.79
BHP BILLITON PLC	25031	6.56
TOP 10 LOSERS		
Share Name	Closing price	% change
STEINHOFF INTERNATIONAL H NV	216	-30.32
HARMONY GOLD MINING CO LTD	2535	-11.98
ASCENDIS HEALTH LTD	966	-11.38
HAMMERSON PLC	8114	-11.04
BALWIN PROPERTIES PTY LTD	550	-9.84
STADIO HOLDINGS PTY LTD	468	-9.13
CARTRACK HOLDINGS LTD	1700	-8.11
CASHBUILD LTD	43400	-6.67
SAPPI LIMITED	7600	-6.48
INVICTA HOLDINGS LTD	4841	-5.91
GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	1.79	24 360
S & P 500	1.99	2 656
Nasdaq	2.77	7 107
FTSE 100	1.13	7 265
Nikkei 225	0.73	21 836
Hang Seng	0.28	30 315
S & P ASX 200	0.56	5 841
COMMODITIES*		
Name	% Change	Price
Gold	0.53	\$1 343.46
Platinum	-0.29	\$929.75
Brent Crude Oil	4.66	\$71.85
CURRENCIES*		
Indices	% Change	Price
\$ / R	0.15	R 12.08
£ / R	-0.68	R 17.21
€ / R	0.03	R 14.90

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COMMENTS FOR TOP 40 STOCK MOVEMENTS

The All Share ended the week in positive territory lifted by resource stocks. Miners such as BHP Billiton and Anglo American PLC recorded gains of 6.56% and 6.33%, respectively. Oil rallied over the course of the week, with Brent reaching a 6-month high of \$72.58 per barrel on Friday. Mining production figures for February were also released showing production increases of 3.1% y/y and 0.9% m/m. The main contributors to the increase was diamond production (contributing 2.0 percentage points), iron ore (1.5 percentage points) and manganese ore (contributing 1.0 percentage point).

Banks retreated mainly dragged lower by Barclays, which sank 5.36%. Retailers declined marginally by 0.93%, despite Lewis rising by 9.85%. Based on Friday's share price, the share is up 79.72% YTD. Listed property largely traded sideways, despite Fortress and Resilient rising by 8.12% and 6.79%, respectively. Resilient told stakeholders that results of an independent review had found no evidence of executive misconduct or breaches of governance rules and policies by the company, its executives and the Siyakha Trusts.

KEY EVENTS & COMPANY RESULTS

Steinhoff International Holdings N.V.

Stock continues to plunge

The former JSE heavyweight sank to an all time low of R2.16 on Friday, in a week where it announced the sale of 200 million Steinhoff Africa Retail Limited (STAR) shares. The company raised gross proceeds of R3.75 billion from the placing and took its interest in STAR from 76.81% to 71.01%. STAR's share price edged up slightly on the day of the announcement of the placing. In recent times, STAR has tried to distance itself from its struggling parent company. Further, Steinhoff confirmed this week that it had paid Christo Wiese €325m during October and November 2017 for Shoprite shares, a short period before the firm's stock price began its collapse. The firm's share price has declined by 97.76% from its peak on the 31st of March 2016.

Hammerson plc

Klépierre S.A. withdraws offer for Hammerson

The French property company made a statement on Friday, confirmed by Hammerson, that it had decided to no longer pursue its intention to buy the UK-based property development and investment company. Klépierre mention that their chairman, Jean-Marc Jestin, met with his Hammerson counterpart, David Tyler, and made an increased proposal to Hammerson. The offer was for 635 pence per share for the entire issued and to be issued share capital of Hammerson. Hammerson rejected the new offer. Its share price fell 8.32% on the back of this news.

Group Five Limited

Unaudited interim group results for the six months ended 31 December 2017

The construction company's results revealed its continued struggles as it reported a R759 million loss for the period. Revenue declined to R4.98 billion from the restated figure of R10.759 billion for June 2017. The Engineer, Procure and Construct (EPC) segment was the biggest drag on revenue, as the segment declined by 35.4%. The firm also reported a loss per share of 773 cents and declared no dividends for the period. The firm's total assets have declined to R6.921 billion from R7.599 billion in 2017 (8.92% decline). The firm's net asset value dropped from R24.82 in June to R18.05 for December. To reduce further possible cash outflows the firm has had to restructure the company in the period and is set to continue

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with more changes in the 2nd half of 2018.

Kaap Agri

Drought doesn't stop group from improving performance

The company released a voluntary trading update for the 6 months ended 31 March 2018 on Thursday, that showed the company had increased revenue by 5.1% as compared to the previous comparable financial period. Like-for-like sales grew by 2.9%. The growth in the value of business transacted was driven mainly driven by a 17.1% increase in the number of transactions. The company also reported that non-Agri retail sales continued to show strong growth despite subdued consumer spending and low economic growth. The company's stock increased slightly by 0.73% on the day of the update's release.

Growthpoint Properties Limited

REIT expands into Poland

The company made a voluntary announcement on Thursday that through a wholly-owned subsidiary, Growthpoint Properties International (Pty) Limited, they would buy between €120m and €150m worth of new ordinary shares of Griffin Premium Re.. N.V. (GPRE). GPRE has agreed to allocate shares subject to Growthpoint's and its associates' total direct or indirect shareholding being less than 30.0% of the fully diluted share capital of GPRE. Further conditions of the deal include the passing at the general meeting of GPRE to be held on 26 April 2018 of resolutions approving the issue of the new shares, the exclusion or limitation of pre-emptive rights in this respect as well as the receipt by Growthpoint of an underwriting fee equal to 1.5%. Another condition is new shares being allotted and validly issued at the offer price of €1.57, as fully paid ordinary shares in the capital of GPRE.

South32 Limited

Set to appeal Colombia damages ruling

The mining company is set to appeal a Colombian Constitutional Court ruling that it needs to pay damages to communities negatively affected by waste emissions from its Cerro Matoso nickel operations in the country. According to a summary of the ruling Cerro Matoso had to reapply for its mining licence because the licensing in place did not reflect constitutional standards of environmental protection. The company has disagreed with the judgment and has said it "categorically rejects the conclusions reached by the court without any technical-scientific support that proves a relationship between people's health and the operation of the company". Despite the ruling the company gained 9.35% for the week, however this was in line with other resource stocks which ended the week higher.

GLOBAL MARKET DEVELOPMENT

U.S stock markets closed the week higher as trade fears eased slightly, but the geo-political environment continued to remain volatile. First quarter results from JP Morgan, Citi Group and Wells Fargo were all released on Friday. JP Morgan reported a 35% rise in profits with the bank receiving a boost from a lower income tax expense as it fell by \$240 million. Citigroup's revenue and EPS were \$18.872 billion and \$1.68 per share, beating some analyst expectations. However, the results were unable to stop the stock's decline as it fell 1.55%. Wells Fargo fared the worst of the aforementioned banks as it declined by 3.42% despite reporting preliminary net income and diluted EPS that rose by 5.36% and 8.74%, respectively.

European stocks rose higher over the week, with the pan-European STOXX 600 rising by 1.17%. The FTSE 100 gained 1.13%. The top performer on the index was software solutions provider Micro Focus International which rose 15.11%. Reports suggest part of its rise can be attributed to activist investor, Elliott Management Corp having built up a position in the firm. Tesco also rose significantly (14.12%) as it released results that revealed revenues for the year rose by 1.3% to £57.5 billion, while UK like-for-like sales were 2.2% higher.

Asian markets ended the week higher, in line with other global markets. On Tuesday, Asian markets were appreciative of Chinese president's Xi Jinping's outline of broad market opening measures. He mentioned lowering import tariffs for autos and other products, as well as enforcing legal intellectual property of foreign firms. They are likely to open lower this week, as the U.S, U.K and France launched missile attacks against Syria over the weekend.

THE WEEK AHEAD

Earnings releases for JSE listed companies

Company	Date
PSG Group Ltd	18-Apr-18
Pick n Pay Stores Ltd	19-Apr-18
Clicks Group Ltd	19-Apr-18

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