

Tuesday, 19 June 2018

| TOP 10 GAINERS | | |
|------------------------------|---------------|----------|
| Share Name | Closing price | % change |
| AFRICAN RAINBOW CAPITAL INVE | 700 | 14.46% |
| TRADEHOLD LTD | 1420 | 10.69% |
| STEINHOFF AFRICA RETAIL LTD | 1752 | 10.12% |
| ASTRAL FOODS LTD | 28200 | 9.43% |
| PAN AFRICAN RESOURCES PLC | 140 | 6.87% |
| AVI LTD | 10700 | 6.72% |
| STENPROP LTD | 2140 | 6.50% |
| SIRIUS REAL ESTATE LTD | 1160 | 6.14% |
| DISTELL GROUP HOLDINGS LTD | 13010 | 5.92% |
| BID CORP LTD | 27113 | 4.98% |

| TOP 10 LOSERS | | |
|------------------------------|---------------|----------|
| Share Name | Closing price | % change |
| BRIMSTONE INVESTMENT - N SHS | 1099 | -11.29% |
| NET 1 UEPS TECHNOLOGIES INC | 12500 | -9.70% |
| ALEXANDER FORBES GROUP HOLDI | 547 | -9.21% |
| LEWIS GROUP LTD | 2986 | -8.55% |
| SIBANYE GOLD LTD | 924 | -8.51% |
| SIBANYE GOLD LTD | 15136 | -8.08% |
| HUDACO INDUSTRIES LTD | 550 | -7.69% |
| ACCELERATE PROPERTY FUND LTD | 33200 | -7.52% |
| CASHBUILD LTD | 610 | -7.38% |
| ARROWHEAD PROPERTIES LTD | 706 | -7.09% |

| GLOBAL EQUITY INDICES | | |
|-----------------------|----------|--------|
| Indices | % Change | Points |
| Dow Jones | -1.32 | 24 987 |
| S & P 500 | -0.30 | 2 774 |
| Nasdaq | 1.14 | 7 747 |
| FTSE 100 | -1.61 | 7 580 |
| Nikkei 225 | -2.62 | 22 278 |
| Hang Seng | -5.03 | 29 501 |
| S & P ASX 200 | 0.79 | 6 102 |

| COMMODITIES* | | |
|-----------------|----------|------------|
| Name | % Change | Price |
| Gold | -1.06 | \$1 282.18 |
| Platinum | -2.09 | \$880.45 |
| Brent Crude Oil | -1.46 | \$74.77 |

| CURRENCIES* | | |
|-------------|----------|---------|
| Indices | % Change | Price |
| \$ / R | -3.75 | R 13.85 |
| £ / R | -2.51 | R 18.28 |
| € / R | -2.37 | R 16.04 |

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COMMENTS FOR TOP 40 STOCK MOVEMENTS

Local markets ended the week lower in line with global markets, as renewed trade war concerns between China and the US weighed on emerging markets. China decided to retaliate against the US's decision to impose tariffs on \$50bn of Chinese imports. The JSE All-share index closed down 1.43% on Friday and down 0.97% for the week. The Top 40 ended down 1.63% with 1.07% weekly losses. Dollar strength weighed on the Rand ending the week down 1.86%. The Rand was trading at R13.41/\$. Fitch ratings agency affirmed South Africa's credit rating of BB+ and maintained a stable outlook on the economy. The update added little value to the Rand. Banks were amongst biggest losers down 3.94% on Friday weighed by the weaker Rand. Standard bank led the losses down 5.23%, followed by FirstRand down 4.3%. Resources were down 2.19% on Friday, on the back of falling oil prices following concerns of oversupply and the US-China trade war. Industrials also finished lower, down 0.11% for the week.

KEY EVENTS & COMPANY RESULTS

Alexander Forbes Group Holdings Limited

Results announcement for the year ended 31 March 2018 and final cash dividend declaration

Profit from operations (before non-trading and capital items) was up 5%, key growth business divisions were Group Risk, up 14%, Investments gained 12% while growth in Retail Insurance and Consulting and retirements was up 7% and 6% respectively. Despite the operational revenue growth we saw a decrease in HEPS down 16.8% to 44.4 cents, this was largely attributable to the disposal of Lane Clark & Peacock in December 2016 the group says. There was a 5% increase in annual dividend to 42 cents per share (18 cents interim and 24 cents final) as well as increased assets under administration and under management, up 3.5% to R357bn for the year. Group CEO, Andrew Darfoor, says he is pleased with the results and they indicate strong signals of a real tangible improvement across key areas which will bring the group to their Ambition 2022 strategy. Darfoor however acknowledges that the "fix-it" stage of their recovery is not yet complete and believes it will take another two years to reach their desired goals.

British American Tobacco Plc

First half pre-close trading update 2018

British American Tobacco released their first half pre-close statement this week, ahead of their closed period set to commence on 26 June 2018. The company said that the business continues to perform well and trade is in line with their expectations. There has been a strong adjusted revenue growth from their Strategic Brand Portfolio and continued strong market share growth. Significant currency gains are expected to boost EPS growth by 9% for the first half of the year and a total of 6% by the financial year end assuming exchange rates remain within forecasted average. Trading in key markets continues to reflect decreased industry volumes with conditions remaining particularly challenging in GCC, Russia, South Africa, Malaysia and France, however the disposal of shares related to the Natural American Sprint transaction will keep revenue growth in line with expectations. Lastly, the groups vapour business continues to grow and their Vype ePen3 is on track for launch in the UK for quarter 3.

Steinhoff International Holdings N.V.

Steinhoff disposal of Kika/Leiner's

Steinhoff international wants to sell the properties owned by Austrian retailer Kika-Leiner, the flagship store in central Vienna which was bought shortly after the Steinhoff crises erupted in December. The business has reportedly placed signifi-

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cant cash demands on the wider Group and is currently making a loss. The Group has accepted a conditional offer from SIGNA Holding GmbH (purchaser), which offer is subject to the submission of final transactional documents. If the offer becomes unconditional the consideration will be nominal agreed value of enterprise subject to the agreed necessary adjustments. Following the disposals, the Group and Kika-Leiner will have no claims, receivables or other liabilities to each other and any cash demands on the Group from Kika-Leiner will now cease. Purchaser has reserved the right to conduct their own due diligence. Acquisition is expected to be finalised by the end of July 2018 with the conclusion of the deal expected by the end of September 2018.

Sibanye Gold Limited

Announcement following loss of life of yet another worker

Sibanye's share price continues to plummet this week, losing 8.51%, bringing this figure to a total drop of 42% for the year. This as mine deaths spike as another loss of life was reported at their South African operations. Sibanye claims that workers are not following rules and procedure and that they are largely to blame for the spike in fatal incidents where a staggering 19 people have lost their lives since January 2018. This figure accounts for over a third of all reported South African mining deaths this year with growing criticism from government and unions. James Wellsted, Sibanye's Spokesperson, goes on to say that these deaths are baffling to management and that he believes a lot of it is behavioural and due to people taking unwarranted risks and not following safety procedure. Sibanye, which is South Africa's largest gold mining employer operating some of the country's deeper mines, is appealing to government and unions to help get workers to comply with procedures. There was an arranged 'safety summit' last month to discuss the issues. Unions are demanding for the full closure of all Sibanye's mines in South Africa while they allow for a full safety inspection.

GLOBAL MARKET DEVELOPMENTS

Global markets ended in the red, with the Dow leading the losses. Global markets showed little reaction to the weekend's G-7 meeting. Leaders of the G-7 members appeared to have agreed on rules based on a final statement at the end of the two day summit where Trump refused to sign the joint statement, creating further uncertainty over trade. Trump and North Korean leader Kim Jong Un signed a broad statement Tuesday that calls for a firm and unwavering commitment to complete denuclearization of the Korean peninsula, after their historic summit in Singapore-the first ever meeting between a sitting U.S. president and a North Korean leader. US inflation rose at the fastest pace in more than 6 six years, rising 0.2% in May after also rising 0.2% in April. The Labour Departments reported that gasoline and shelter were the largest contributors to the rising CPI. The Federal Reserve raised US interest rates on Wednesday, to increase its target for the fed-funds rate to a range of 1.75% to 2%. The Fed described the US jobs market as strong and said economic activity had been rising at a solid rate. This is the seventh increase since 2015. The Fed move came after a two-day meeting where its members discussed the robust state of the US economy and the potential impact of a trade war amid rising tension between the US and its largest trading partners.

The European Central Bank announced on Thursday that it will bring to an end the €2.5 trillion bond buying programme it has undertaken since the Eurozone debt crisis. Bond purchases are currently running at a maximum of €30 billion per month, but will be lowered to €15 billion per month from September, before being completely stopped at the end of December 2018.

In the UK, CPI came in at 2.4% for the month of May, which is the joint lowest level for the index since March 2017 but in line with expectations. The CPI inflation is expected to resume its downward trend in Q3 as food and core goods inflation continue to normalise. This sent the British Pound deeper in the red.

In Asia, Trump set tariffs of \$50 billion on Chinese goods, having laid out a list of more than 800 strategically important imports from China that would be subject to a 25% tariff starting on 6 July. China's retaliation list was increased more than six-fold from a version released in April, but the value was kept at \$50 billion. In Japan, interest rates were kept unchanged at -0.1% and the Bank of Japan downgraded its view on inflation, signalling that it will lag well behind its US and European peers in rolling back crisis-era stimulus

THE WEEK AHEAD

Earnings releases for JSE listed companies

| Company | Date |
|------------------------------|-----------|
| PPC Ltd | 18-Jun-18 |
| PPC Ltd | 18-Jun-18 |
| Brait SE | 19-Jun-18 |
| Accelerate property Fund Ltd | 20-Jun-18 |
| Naspers Ltd | 22-Jun-18 |

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