

Monday, 19 March 2018

TOP 10 GAINERS		
Share Name	Closing price	% change
LEWIS GROUP LTD	4226	10.02
NEPI ROCKCASTLE PLC	13500	9.57
AFRICAN RAINBOW CAPITAL INVE	635	8.55
CAPITEC BANK HOLDINGS LTD	91846	7.78
PSG KONSULT LTD	950	6.74
AFRICAN OXYGEN LTD	3199	6.74
LIBERTY HOLDINGS LTD	13600	6.57
AFRICAN RAINBOW MINERALS LTD	11460	6.55
MMI HOLDINGS LTD	2266	6.14
GLENCORE PLC	6408	5.92
TOP 10 LOSERS		
Share Name	Closing price	% change
EOH HOLDINGS LTD	5062	-30.66
ASCENDIS HEALTH LTD	969	-19.25
NOVUS HOLDINGS LTD	388	-14.91
LONMIN PLC	950	-12.68
IMPALA PLATINUM HOLDINGS LTD	2407	-12.22
PAN AFRICAN RESOURCES PLC	110	-11.29
BRAIT SE	3685	-9.77
PPC LTD	720	-9.66
DATATEC LTD	2374	-9.32
SUN INTERNATIONAL LTD	5950	-8.66
GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	-1.44	24 971
S & P 500	-0.97	2 760
Nasdaq	-0.83	7 498
FTSE 100	-0.54	7 186
Nikkei 225	0.97	21 677
Hang Seng	1.63	31 502
S & P ASX 200	-0.23	5 949
COMMODITIES*		
Name	% Change	Price
Gold	-0.92	\$1 311.70
Platinum	-1.97	\$946.54
Brent Crude Oil	-0.64	\$65.07
CURRENCIES*		
Indices	% Change	Price
\$ / R	-1.36	R 11.98
£ / R	-1.68	R 16.65
€ / R	-1.08	R 14.70

Updated: 17:22 16/03/2018

COMMENTS FOR TOP 40 STOCK MOVEMENTS

The All Share followed global markets lower, sliding 1.73% for the week. Volatility and trade war concerns contributed to the dip in commodity prices. Industrials ended the week lower, down 3.02%, dragged lower by Naspers. EOH was smashed 30.66% for the week after the company released a disappointing trading statement and investors were also concerned with corporate governance issues as the former CEO Asher Bohot has been appointed non-executive chairman of the board. Financials were down 0.42% for the week, weighed by the rand as it gave up 1.35% for the week against the greenback. Resources were marginally lower, down 0.05% for the week, despite commodity prices being under pressure. Diversified miners pared some of the losses. General retailers lost 2.68% for the week.

The BER business confidence jumped 11 points from 34 to 45, showing increased business confidence since Cyril Ramaphosa was elected president of the ANC and sworn in as president of South Africa. Though the figure is below the 50 point mark, it shows a drastic change in sentiment and improved outlook. The manufacturing production y/y figure for January was in line with market expectations at 2.5%, though higher than the previous reading of 2%. The m/m was lower than market expectations down 1.6%.

KEY EVENTS & COMPANY RESULTS

Old Mutual Plc

Financial results for the year ended 31 December 2017

The group's operating performance was above expectations, with adjusted operating profit up 22% to £2bn compared to £1.7bn in the prior period. In constant currency terms it was up 7%. The upbeat performance benefited from a profit made on the sale of UK asset management business and the joint venture with Kotak in India. Basic EPS was up 61% to 19.3 pence compared to 12 pence in the prior period and the adjusted NAV per share came in at 242.3 pence compared to 228.6 pence in the prior period. The emerging markets business grew its profits by 46% to R10bn from R7bn in the prior period. It was primarily driven by higher actual returns in South Africa and Zimbabwe. The wealth business' adjusted operating profit grew by 40% to £363m compared to £260m in the prior period. The company declared a second interim dividend of 3.57 pence.

Remgro Limited

Unaudited results for the six months ended 31 December 2017 and cash dividend declaration

Earnings decreased by 20.8% to R4.13bn compared to R5.22bn in the comparable period, mainly due to lower fair value adjustments as well as an impairment of Mediclinic's investment in Spire. The company's NAV per share grew by 5.7% to R265.84 compared to R236 in the comparable period, supported by good results in the both the insurance and banking investments. The RCL investment had a positive contribution to earnings, contributing 56.6% towards the company's headlines earnings, mainly due to a change in the business model, lower feed prices and improved realisations. An interim dividend of 204 cents was declared.

EOH Holdings Limited

Trading statement

Revenue is expected to be approximately R8.4bn, reflecting an increase of about 16%, indicating a market-share increase. EBITDA from continuing operations is expected to be between R980m and R1.04bn, reflecting a decline of between 5% and 10%. HEPS is expected to decrease by between 20% and 30% compared to 438 cents in the comparable period and EPS (net of after tax, once-off charges and

Contact Details

Derick Meintjes
Email: Derickm@legae.co.za
Tel: +27 11 722 7330

Private Clients Enquiries
Email: privateclients@legae.co.za
Tel: +27 11 722 7343

disposal) is expected to decline by between 85% and 90% compared to 439 cents in the comparable period. The company expects market conditions to improve and better performance from under-performing units.

AVI Limited

Interim group results for the six months ended 31 December 2017

HEPS grew by 7.5% to 325.6 cents compared to 302.9 cents in the prior period and basic EPS was up 6.8% to 326.2 cents compared to 305.4 cents in the prior period. Group revenue was up 2.3% to R7.3bn compared to R7.1bn in comparable period, boosted by volume growth in the Spitz business, with consumers responding positively to stable selling prices. However, sales volume decreased in some food and beverage categories due to several years of above inflation price increases. Entyce beverages revenue grew by 2.6% to R2.04bn compared to the comparable period, while operating margin came in at 20.8% compared to 19.6% in the prior period. The beverage business was supported by a good performance in the tea segment due to selling price increases. Though the coffee segment underperformed mainly due to significant pressure on mixed instant volumes from sustained aggressive competitor activity. An interim dividend of 175 cents was declared.

GLOBAL MARKETS

Global markets resumed their bearish trend as global trade tensions weighed on sentiment. Investors continued to worry about the retaliation following the previous week's announcement of new US tariffs on steel and aluminium imports. The S&P 500 closed off the week higher breaking a four-day losing streak. The index was 1.24% lower for the week, as financial stocks lending margins were squeezed by lower interest rates and material stocks also performed poorly. Markets were also unsettled by the dismissal of Secretary of State Rex Tillerson, widely viewed as a free trade advocate within the administration. This comes after Larry Cohn's resignation as the US President Donald Trump's economic adviser, creating instability in the president's administration. The newly appointed economic adviser to President Donald Trump, Larry Kudlow added to the woes when in his public appearance advocated for a stronger dollar and hard stance on China. US inflation figures were all in line with market expectations, and retail sales missed market expectations. Investors have already priced in a rate hike in March but with lower retail number the pace of the interest rate hikes is set to be less aggressive than anticipated.

European equities ended the week mixed amid disappointing inflation numbers for the Eurozone and political uncertainty around the prospects of a trade war. European equities began the week higher but reversed those early gains as investor sentiments turned more negative, as UK Prime Minister Theresa May's assertion that Russia was connected to the chemical poisoning of the former spy on British soil, coupled with news of softer than expected economic data. Meanwhile, the ECB signalled that it would continue with its monetary policy as inflation has been below the 2% target. The UK FTSE 100 lost 0.84% for the week and the German DAX gained 0.36% for the week.

Asian equities ended the week higher despite the long simmering real estate scandal resurfacing during the week, raising fresh questions around the ability of the Prime Minister Abe to weather the storm. Labour unions in Japan negotiated a 2.16% increase in monthly pay, which disappointed many observers as it was below the 3% target. This is in an effort to boost consumption so as to achieve the BOJ's 2% inflation target. The Hang Seng and Nikkei had weekly gains of 1.63% and 0.97%, respectively.

THE WEEK AHEAD

Company	Date
Advtech Limited (ADH)	19-Mar-18
Sun International Limited (SUI)	19-Mar-18
Master Drilling Group Limited (MDI)	20-Mar-18
Group Five Limited (GRF)	22-Mar-18

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