

Monday, 23 July 2018

TOP 10 GAINERS		
Share Name	Closing price	% change
EOH Holdings Ltd	4237	30,57
ArcelorMittal South Africa Ltd	304	24,59
DataTec Ltd	2419	13,62
Massmart Holdings Ltd	11479	8,97
Cie Financiere Richemont SA	11883	6,43
PPC Ltd	704	6,02
Discovery Ltd	15826	5,75
Dis-Chem Pharmacies Ltd	2851	5,59
Accelerate Property Fund Ltd	580	5,45
Vodacom Group Ltd	13132	5,42

TOP 10 LOSERS		
Share Name	Closing price	% change
Brimstone Investment Corp Ltd	900	-7,69
Curro Holdings Ltd	2951	-7,43
Caxton and CTP Publishers and Print	1074	-7,33
Northam Platinum Ltd	3500	-7,28
Shoprite Holdings Ltd	20735	-7,02
Pan African Resources PLC	135	-6,90
Lewis Group Ltd	2777	-6,50
Lonmin PLC	664	-6,48
Impala Platinum Holdings Ltd	1849	-6,33
Afrimat Ltd	2375	-6,13

GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	0,15	25 058
S & P 500	0,02	2 802
Nasdaq	-0,07	7 820
FTSE 100	0,22	7 679
Nikkei 225	-1,02	22 366
Hang Seng	-0,96	28 266
S & P ASX 200	-0,14	6 233

COMMODITIES*		
Name	% Change	Price
Gold	-0,72	\$1 232,03
Platinum	0,38	\$826,95
Brent Crude Oil	1,55	\$72,95

CURRENCIES*		
Indices	% Change	Price
\$ / R	-1,39	R 13,41
£ / R	-0,70	R 17,62
€ / R	-1,57	R 15,73

Updated:17:55 22/07/2018

COMMENTS FOR TOP 40 STOCK MOVEMENTS

The JSE recorded a positive week of trade with broad-based gains. Local markets capitalised on the weakened US dollar which boosted local equities and commodities. The All share managed to make gains of 1.11% while the Top 40 was up 1.31%. Movements were largely driven by relatively positive local economic data that came out.

Inflation figures came out on Wednesday and we saw a slight contraction of 0.2% from the previous year's figure of 4.4%. Retail sales figures also surprised markets as there was a 1.9% year-on-year growth. Furniture and household equipment boosted the overall retail sales figure by 14.4%, general retail stocks rallied on the back of this news, the index gained a total of 2.1% for the week. The SARB prime and repo rate came in unchanged which was in line with market expectation. The prime rate still sits at 10% while the repo rate is 6.5%. Analysts do not foresee an adjustment to these figures in the near future.

The local currency came close to breaking the 13.00 USD/ZAR barrier when it reached session lows of R13.10 to the dollar earlier on in the week. However the rand was unable to sustain these gains and eventually retreated, losing a total of 1.93% against the dollar last week.

KEY EVENTS & COMPANY RESULTS

Anglo American PLC

Production report for the second quarter ended 30 June 2018

Anglo was pleased to release an upbeat Q2 production report last week, showing a steady growth in production and a positive forward outlook for the remainder of their financial year. There was a 6% increase in total production of copper and metallurgical coal which indicates the company's consistent efforts in driving efficiency and productivity from their well-established asset base. Other highlights included De Beers' increased diamond production of 3%. Copper production increased by 12% to 158 000 tons despite a major disruption in operations at a key plant due to a scheduled maintenance. Platinum and palladium production were however unchanged while Kumba iron ore production showed a slight increase of 2%. This was driven by good performance at Kolomela plant. Although the Group's own managed plants showed a marginal decrease in production, joint ventures and strategically acquired plants were able to compensate for the lower production. Going forward, the Group intends to prioritise growth and investment in mineral discovery, where there has already been a 38% increase in exploration and evaluation expenditure to support this strategy.

Truworths International Limited

Trading update for the 52-week period ended 1 July 2018

In what has undoubtedly been a tough economic environment for the majority of retailers, Truworths has managed to report marginal growth in their retail sales for the year. Retail sales for the Group (excluding their UK based segment) were up 0.8% with cash sales increasing by 2.6%. There was a 1% increase in newly opened accounts for the year with the Group's active accounts increasing by 2% showing growth for the first time since 2016. Diluted headline earnings per share for the current period are expected to come in at between 601 and 615 cents per share. This would be a decrease of between 7% -9% from the previous comparable period.

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EOH Holdings

Appointment of new CEO

The EOH share price saw a 30.57% spike last week as the appointment of their new CEO was announced. The notice was posted on Thursday morning naming Stephen van Coller as the new CEO. Van Coller has previously held key positions at MTN, Barclays and Deutsche Bank, he is expected to take on his new position on the 1st of September 2018. This announcement comes as part of the Group's new strategy to reconfigure itself into two distinct businesses, namely EOH and NEXTEC. Van Coller is a senior business executive and an accountant by profession and has extensive business knowledge and experience. The Group is confident that his background in African markets and technology, coupled with his financial acumen, makes him the ideal person to lead EOH into its new chapter.

GLOBAL AND WORLD MARKET DEVELOPMENTS

High volatility set the tone for the week in US markets with most of the major indices ending the week in the green, posting marginal gains. Second quarter earnings reports provided much direction for the markets in what was a relatively muted week in terms of trade volumes. Positive earnings results cancelled verbal threats from Trump which would have fuelled the already escalating trade war. The dollar did however slump to its lowest levels since May 2018, this was also a result of Trump's commentary where he expressed his unhappiness with the Federal Reserve Bank's tightening policy, he says this will reverse the hard work done by his administration to grow the economy.

UK-EU Brexit talks are well underway. The negotiations have not been seamless as several key members of cabinet have already resigned in an attempt to display their staunch opposition to Prime Minister Theresa May's "soft exit strategy". The UK's new white paper should allow negotiations over the terms of its future relationship with the European Union to move forward yet we could see relations between the two deteriorate before they improve. The relatively muted corporate earnings growth, poor economic growth and heightened political risks remain ongoing challenges for the region. This has resulted in another week of flat trading with major indices only managing to make marginal gains. FTSE 100 gained 0.22% while the German Dax was up 0.16% , the French Cac reported losses of 0.69%

Asian markets were choppy for the greater part of the week following mixed trade from the different regions. The Chinese local currency skidded to one-year lows on Friday, this was believed to be a result of the escalating trade wars. There were several channels through which the weakened Chinese currency affected broader Asian markets as it challenges the competitiveness of other economies in the region. The weaker currency also raises fears of capital flowing out of China and disrupting the markets. These effects were already evident as most of the major indices finished in the red for the week. Japan's Nikkei lost 0.99% while Hong Kong's Hang Seng slipped 0.96%. In mainland China, the Shanghai Composite was the only major index to post gains, the index was up 1.62%. There is a general consensus that the possibility of a full-blown trade war will become a likely reality.

THE WEEK AHEAD

Company	Date
Hammerson PLC	24-Jul-2018
Kumba Iron Ore Ltd	24-Jul-2018
AECI Ltd	25-Jul-2018
Anglo American Platinum Ltd	26-Jul-2018
Intu Properties PLC	26-Jul-2018
British American Tobacco PLC	26-Jul-2018
ArcelorMittal South Africa Ltd	27-Jul-2018

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