

Monday, 28 August 2017

TOP 10 GAINERS		
Share Name	Closing price	% change
PPC LTD	487	18.49
ASCENDIS HEALTH LTD	2151	16.59
IMPERIAL HOLDINGS LTD	20850	13.33
TRUSTCO GROUP HOLDINGS LTD	430	13.16
EXXARO RESOURCES LTD	12480	11.43
AFRICAN RAINBOW MINERALS LTD	10433	9.36
KUMBA IRON ORE LTD	20649	9.06
SHOPRITE HOLDINGS LTD	21729	8.58
AFRICAN OXYGEN LTD	2151	7.55
NET 1 UEPS TECHNOLOGIES INC	13560	7.19
TOP 10 LOSERS		
Share Name	Closing price	% change
ANGLOGOLD ASHANTI LTD	11800	-12.38
NOVUS HOLDINGS LTD	650	-12.16
METAIR INVESTMENTS LTD	1838	-7.64
MURRAY & ROBERTS HOLDINGS	1340	-7.46
CURRO HOLDINGS LTD	3848	-6.15
PAN AFRICAN RESOURCES PLC	230	-5.74
GOLD FIELDS LTD	5422	-5.29
STEINHOFF INTERNATIONAL H NV	6130	-5.08
CAPITAL & COUNTIES PROPERTIE	4424	-5.06
RESILIENT REIT LTD	12600	-4.69
GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	0.64	21,814
S & P 500	0.72	2,443
Nasdaq	0.79	6,266
FTSE 100	1.06	7,401
Nikkei 225	0.16	19,424
Hang Seng	3.53	28,003
S & P ASX 200	-0.38	5,704
COMMODITIES*		
Name	% Change	Price
Gold	0.19	\$1,294.39
Platinum	-0.32	\$979.10
Brent Crude Oil	1.78	\$52.58
CURRENCIES*		
Indices	% Change	Price
\$ / R	0.91	R 13.06
£ / R	1.07	R 16.81
€ / R	0.03	R 15.56

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COMMENTS FOR TOP 40 STOCK MOVEMENTS

The JSE All Share reached a record high this week as the proliferation of company results got market participants buzzing. The index returned 2.44% to investors for the week with resources being one of the best performing major indices. Markets also reacted to scandals and a shareholder revolt during the week. Steinhoff was one of the major losers in the week on the back of fraud allegations. The company later made a statement rejecting the claims. Also, Anglo-Australian mining giant, BHP Billiton, said it would exit its underperforming U.S. shale oil and gas business, pleasing shareholders who had called for a sale.

Cement company PPC had a good week as it increased by 18.49% despite falling 7.59% on Friday after a proposed merger with its rival AfriSam was cancelled. AfriSam didn't give reasons for the cancellation of negotiations. Media giant Naspers broke the R3000 mark this week and has returned 49.45% to investors year-to-date with Naspers CEO believing that the assets are actually worth more than investors think.

KEY EVENTS & COMPANY RESULTS

Steinhoff

Retail group shares tumble on balance sheet forgery claims

The shares of the group declined heavily when it was reported that German prosecutors were investigating at least 4 individuals associated with the retailer, including group chief executive Markus Jooste, for suspected balance sheet fraud. The group rejected the claims stating that the substantial facts and allegations made by the magazine are wrong or misleading. The claims come at an inopportune time for Steinhoff as they plan to list Steinhoff Africa Retail Limited (Star) on the main board of the JSE before the end of September.

AngloGold Ashanti Limited

Report for the six months ended 30 June 2017

Despite improved production relative to the previous comparable period, the firm still recorded an adjusted headline loss of \$93m for the period. Capital expenditure increased by \$136m with increased expenditure in continental Africa of \$80m, while net debt rose by 3% to \$2.151bn. Shares of the gold producer slumped 2.59% on the day of the report's release.

Bidvest Group Limited

Trading statement for the financial year ended 30 June 2017

HEPS is expected to be between 4% and 6% higher than previous comparable period. Basic EPS from continuing operations is anticipated to be 100% – 110% higher than the previous comparable period. The difference in the increase between HEPS and EPS is mainly due to fair value capital gains arising from an increase in the market values of associate companies Adcock Ingram Holdings Limited and Comair Limited. Results for the year end 30 June 2017 was released this morning.

Sasol Limited

Audited financial results for the year ended 30 June 2017

The performance chemicals business reported a 2% increase in sales volumes while base chemicals sales volumes increased by 3%. The HEPS and EPS y/y

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performance displayed opposing performance. HEPS fell 15% while EPS rose 54%, with the prior year EPS negatively impacted by the R9.9 billion partial impairment of their Canadian shale gas assets. The board declared a gross final dividend of R7.80 per share with the firm's share price rising marginally by 0.57% on the day of the results release.

Advtech Limited

Interim results for the six months ended 30 June 2017

The education group's revenue rose 22% with the resourcing division showing most revenue growth, followed by the tertiary division while the schools division grew revenue the least. The firm cited that the difficult economic climate and unsettled socio-political environment affected enrolment as families in the group's schools have been emigrating. The board declared an interim gross dividend of 15 cents per share.

African Rainbow Minerals Limited

Trading statement in respect of the financial year ended 30 June 2017

Headline earnings have been positively affected by an increase in the average US Dollar commodity prices realised for all of the commodities which African Rainbow Minerals (ARM) produces. HEPS are expected to increase by between 229% and 245% compared to the previous corresponding financial year. Basic EPS is expected to increase to between 695 cents and 745 cents. ARM has also recorded a nominal provision value of R417 million with regard to the Silicosis and tuberculosis class action.

BHP Billiton PLC

Results for the year ended 30 June 2017

The firm managed to make an attributable profit of \$5.9 billion compared to an attributable loss of \$6.4 billion in the previous period. \$1.3 billion of additional productivity gains were delivered with total annualised productivity gains, being more than \$12 billion accumulated over the last five years. There was a 58% jump in net operating cash flow in comparison to the previous year, with free cash flow recorded at US\$12.6 billion. All operating assets were free cash flow positive, with the firm citing that this reflects continued improvements in both productivity and capital efficiency. The dividend policy provides for a minimum 50% pay-out with the minimum payment for the 2nd half of the 2017 financial year being 33 U.S cents per share.

Imperial Holdings Limited

Preliminary summarised audited results for the year ended 30 June 2017

The results revealed a slight 1% increase in revenue, but significant declines in HEPS and EPS. This is in spite of achieving a record operating profit of R6.5 billion with operating margin from continuing operations at 5.2% slightly up on the prior year. The firm managed to reduce its leverage reflected by the reduction in net debt to equity from 73% to 71%. A final cash dividend of 330 cents per share has been declared, bringing the full year dividend to 650 cents per share. The results follow news, 2 weeks ago, that Imperial bought a British automotive dealer group Pentagon Motor Holdings for R493 million through wholly owned vehicle division Motus.

Shoprite Holdings

Results for the year ended 2 July 2017

The retail giant generated turnover growth of 8.4%, with the core South African supermarket operation, which represents 72% of total sales and 79% of trading profit, recording sales growth of 8.0%. Trading profit also grew an impressive 11.6%, given the economic pressures facing consumers in the firm's reporting period. Diluted HEPS rose 11.9% with the board increasing dividends to shareholders which increased 11.5% y/y to 504 cents. The company's share price rallied on the day, rising by 8.01%.

Group Five

Audited group results for the year ended 30 June 2017

The group reported a disappointing set of results as it posted a 21.73% drop in revenue, an operating loss of R654 million and an 853 fully diluted cents loss per share. The revenue decline was mainly as a result of a 25% decrease in revenue from the Engineering & Construction cluster. The group also reported that they have a nil gearing ratio and R2.3 billion cash balance, but this balance is 17% lower than in December 2016. The group's recently appointed CEO mentioned in the media that the firm needed a "culture shake-up" after the delivery of the results.

Ascendis

Trading statement

The pharmaceutical company reported an impressive set of results which were cheered by the market, as the company's stock rose 14.92%. With regard to its continuing operations, the firm expects headline earnings to increase by between 129% and 149%

with HEPS expected to rise by between 54% and 66%. While, the firm expects headline earnings for its operations to increase by between 101% and 121% with HEPS expected to rise by between 34% and 46%.

Adcock Ingram Holdings Limited

Group annual results for the year ended 30 June 2017 and cash dividend declaration

The group posted positive results as their operations were profitable as compared with the previous year. Turnover increased by 7% to R5936 million compared to the previous year and all business units recorded improvements in turnover. Gross profit margins improved from 36.6% in 2016 to 37.8% in the current year. Cash generated from operations amounted to R767.9 million impacted in the main by an increased working capital demand of R233.9 million. The Board has declared a final dividend of 76 cents per share for the year ended 30 June 2017 out of income reserves.

Woolworths Holdings Limited

Audited group results for the 52 weeks ended 25 June 2017, cash dividend declaration and board changes

The Group's sales increased by 3% with the company citing difficult trading conditions in South Africa and Australia. Food sales increased by 8.6% with comparable store sales increasing by 4.6%. The Clothing and General Merchandise sales increased by 1.4% whilst comparable stores sales fell 0.9%. David Jones and Country Road Group saw sales rise by 1% and 5.1%, respectively. The Woolworths Financial Services debtors book grew by 3.3%, reflecting the tight credit environment and the impact of new credit affordability assessment regulations on both new and existing customer growth.

GLOBAL AND WORLD MARKET DEVELOPMENTS

U.S markets were shaky at the beginning of the week. Most major U.S indices were down with little economic news expected during the week ahead of Federal Reserve's Jackson Hole symposium where Janet Yellen and Mario Draghi were expected to appear on Friday. Both central bankers spoke on Friday and they delivered consecutive warnings against dismantling tough post-crisis financial rules that the Trump administration blames for stifling U.S. growth.

European markets closed lower Friday with basic resources being one of the few sectors to remain in the black, buoyed by higher copper prices. Auto stocks were also higher after Fiat said that it would assess any offer for the Italian-American car maker. In Asia, Japanese stocks rebounded on Friday despite inflation ticking higher. Overall consumer prices in Japan advanced 0.4% y/y in July, in line with expectations and unchanged from the June reading. Core inflation, which excludes food prices, advanced an annual 0.5%.

THE WEEK AHEAD

Earnings releases for JSE listed companies

Company	Date
Bidvest Group Limited	28-Aug-2017
Texton Property Fund Ltd	28-Aug-2017
Super Group Limited	28-Aug-2017
RCL Foods Limited	29-Aug-2017
Sibanye Gold Limited	30-Aug-2017
Assore Limited	30-Aug-2017
Growthpoint Properties Limited	30-Aug-2017
Santam Limited	30-Aug-2017
Distell Group Limited	30-Aug-2017
Impala Platinum Holdings Limited	30-Aug-2017
Hyprop Investments Ltd	01-Sep-2017

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