

Tuesday, 29 May 2018

TOP 10 GAINERS		
Share Name	Closing price	% change
HUDACO INDUSTRIES LTD	15997	8.82
MURRAY & ROBERTS HOLDINGS	1720	7.43
BRAIT SE	4048	5.17
FAMOUS BRANDS LTD	10800	5.06
MR PRICE GROUP LTD	26050	4.85
INVICTA HOLDINGS LTD	4600	4.55
STANDARD BANK GROUP LTD	20684	4.47
CAPITEC BANK HOLDINGS LTD	87350	4.41
LIBERTY TWO DEGREES	789	3.82
LONG4LIFE LTD	575	3.79

TOP 10 LOSERS		
Share Name	Closing price	% change
ARCELORMITTAL SOUTH AFRICA	204	-19.69
STEINHOFF INTERNATIONAL H NV	146	-18.89
LEWIS GROUP LTD	3450	-15.85
LONMIN PLC	712	-15.44
MASSMART HOLDINGS LTD	12000	-14.29
SIBANYE GOLD LTD	759	-12.66
BARLOWORLD LTD	14005	-11.92
ROYAL BAFOKENG PLATINUM LTD	2243	-9.15
DISTELL GROUP LTD	12351	-8.65
REBOSIS PROPERTY FUND LTD	766	-8.26

GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	0.30	24 789
S & P 500	0.43	2 725
Nasdaq	1.27	7 448
FTSE 100	-0.62	7 730
Nikkei 225	-2.09	22 451
Hang Seng	-1.14	30 588
S & P ASX 200	-0.90	6 033

COMMODITIES*		
Name	% Change	Price
Gold	0.86	\$1 304.18
Platinum	1.59	\$901.38
Brent Crude Oil	-2.92	\$76.22

CURRENCIES*		
Indices	% Change	Price
\$ / R	2.47	R 12.46
£ / R	3.66	R 16.59
€ / R	3.38	R 14.54

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COMMENTS FOR TOP 40 STOCK MOVEMENTS

The local market ended the week in positive territory on Friday, but did not manage to produce weekly gains. The All-share index was up 0.38% on Friday, but down 1.54% for the week. The Top 40 gained 0.39% on Friday and shed 1.46% for the week. On Friday, S&P ratings agency kept its outlook on South Africa as stable and held its credit rating on ZAR-denominated government bonds at sub-investment grade with a stable outlook. The ratings agency cited strengthening business and investor confidence following the appointment of Ramaphosa as president. The rand strengthened against the Dollar, trading at 12.46/\$ up 2.45% for the week. Financials finished in the red, following the Rand strength. Financials were also boosted by Capitec gains, up 4.77% on the day, despite the report from Vice-roy. Industrials were up 0.57% on Friday, supported by rand hedges. Resources were down 5.05% for the week, on the back of weaker commodity prices. Platinum miners suffering the most. Lonmin lost as much 15.44% for the week. Massmart was among the biggest losers for the week down 14.29%, on the back of disappointing trading update. The loss weighed on the retail sector, the sector recovered and reported gains of 3.63% on Friday, but lost 0.56% for the five-days.

On May 24 2018, the monetary policy committee of the South African Reserve Bank, decided to keep the repo rate unchanged at the current rate of 6.5%, which was in line with market expectations. The policymakers stated that the current rate is appropriate given the state of the economy and the inflation trajectory. Stats SA released the Consumer Price Index for April on 23 May, indicating an increase of 4.5% year-on-year, compared to 3.8% in March. The rise in inflation was mainly driven by the increase in alcohol, fuel and sugary beverages prices.

KEY EVENTS & COMPANY RESULTS

Mediclinic International Plc

2018 Full Year Results and Proposed Final Cash Dividend

The group reported an increase in revenue of 4% to GBP2 870, up by 3% in constant currency term. Mediclinic Southern Africa accounted for 31% of the Group's revenues (FY17: 28%). Revenue in Southern Africa increased by 5% to ZAR15 106m (FY17: ZAR14 367m). Adjusted EBITDA was up 3% to GBP515m, flat in constant currency terms. An operating loss of GBP288m was reported, down from an operating gain of GBP362 (180% variation). This was mainly impacted by the following exceptional items: recognition of impairment charges on Hirslanden properties of GBP84m and intangible assets of GBP560m; accelerated amortisation of GBP23m relating to the rebranding of the Al Noor hospitals to Mediclinic; loss on disposal of certain non-core businesses in Mediclinic Middle East of GBP7m; and the release of a pre-acquisition provision of GBP9m in Switzerland.

The Group recorded an earnings loss of GBP492m in FY18 (FY17: earnings of GBP229m). Adjusted earnings increased by 1% to GBP221m (FY17: 220m). Earnings were impacted by the impairment charge amounting to GBP109m on Spire equity investment and other exceptional items. The proposed final dividend per share is 4.70 pence (FY17: 4.70 pence), resulting in a total dividend for the year of 7.90 pence (FY17: 7.90 pence). Headline earnings was down 11.4% from GBP229m to GBP203m. Headline Earnings per Share (HEPS) dropped from 31.0 pence to 27.6 pence. The Group disposed of the following companies that were part of the Middle East segment during the year: Lookwow One Day Surgery Company LLC and the following, branches of Mediclinic Hospitals LLC: Mirfa, Ajman, Hamdan Pharmacy, Sanaya and ICAD.

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

Tiger Brands Limited

Unaudited group results and dividend declaration for the six months ended 31 March 2018

The group reported a decrease in revenue of 4% to R15.7bn. Revenue was negatively impacted by price deflation of 2.7% and an overall volume decline of 1.6%. Gross profit margin was up 80 basis points at 33.3%, compared to the previous comparable period, mainly benefiting from the stronger Rand and lower raw material costs. Operating income declined by 8% to R2.0bn, but the domestic food businesses delivered a steady performance. The group's overall performance was negatively affected by the Home and Personal Care division, as well as Deciduous Fruit and the outbreak of listeriosis found in the meat products. The Value Added Meat Products (VAMP) recall and related costs amounted to R365m net of initial insurance claims. Profit before tax from continuing operations decreased by 18% to R1.9 billion. Excluding the VAMP recall costs of R365 million, equivalent to 15% of HEPS. Earnings per share from total operations declined by 17% to 859 cents (2017: 1 036 cents) and HEPS from total operations decreased by 16% to 870 cents. The group declared an unchanged interim dividend of 378 cents per share.

Famous Brands Limited

Provisional Summarised Results for the year ended 28 February 2018.

The group reported a revenue increase of 23%, from R5.720m to R7.023m. The South African business division performed better across the value chain, followed by the AME region with the UK being the worst performer, due to the poor performance of the Gourmet Burger Kitchen business. The value of Gourmet Burger Kitchen business in the UK recognized an impairment of R373m and the group made provisions worth another R33m for potential store closures. Revenue from the manufacturing division across the group was up by 23% to R7bn, mainly driven by volume growth. The food services sector in the UK market continued to face difficulties, with businesses subject to notably higher property rates and increased labour and food costs. Wimpy UK revenue in Rand terms reported for the period decreased to R102m (2017: R105m), primarily as a function of the foreign currency translation. Operating profit declined by 20% to R15m (2017: R19m), while the operating margin reduced to 15.0% (2017: 18.1%). HEPS was down 8%, to 393 cents from 428 cents. No dividend was declared.

GLOBAL AND WORLD MARKET DEVELOPMENTS

The US market ended the week mostly lower on Friday, but managed to produce weekly gains. This was on the back of geopolitical tensions, after the US President cancelled the June 12 2018 Summit with North Korean leader Kim Jong Un. The S&P 500 ended the week down 0.2%, but was up 0.3% for the week. The Dow Jones Industrials also ended 0.2% lower on Friday, with a weekly gain of 0.4%. The Nasdaq on the other hand ended the week 0.2% higher, with 1.2% weekly gain supported by the tech sector. Energy Stocks suffered the biggest losses this week amid a drop in crude oil prices. The sector was down 2.6% on Friday, with an overall weekly loss of 4.5%. Oil prices were weighed by concerns that the production might be pushed higher, as Opec and Russia are considering easing supply curbs to offset Venezuela and Iran supply disruptions. Brent crude oil prices declined by 3.2% on Friday, trading at \$76.31 a barrel. Real estate and utilities led the gains on Friday, each up 0.4%, gaining 3.1% and 2% for the week respectively.

Asian stocks followed the US markets finishing the week in the red. The Nikkei 225 dropped by 2.1 % for the week, weighed down by energy stocks. The South Korean Kopsi gained 0.8%, after the summit cancellation announcement. Japan's Topix index was down 0.1% on Friday, with the energy stocks leading the losses, down 3.3%. Hang Seng was down 1.1% for the week. Australia's ASX 200 index shed 0.6% on Friday, with Billiton down 4.5% on the day. European stocks ended the week mostly higher; apart from Spain and Italy where political tensions drove the stocks and bond prices lower. Spain caught market participants' attention after the call of a motion of no confidence in the government by the opposition party. Spain Ixex dropped by 1.8% and the Spanish 10-year bond yield was up 1.5%. Italy FTSE IMB index shed 4.5% for the week. The Roman 10-year bond yield was up by 5 basis points to 2.5%. The Stoxx 600 index rose 0.1% on Friday, trimming the weekly loss to 0.9%. The UK FTSE 100 index gained 0.2% on Friday. France CAC rose 0.7%, while the France CAC 40 dropped 0.1%.

Gold prices strengthened on Friday, following geopolitical tensions, up by 0.9% for the week trading at \$1304.43/oz. This was the biggest weekly gain since March. US gold futures for June delivery remained unchanged trading at \$130.440. The dollar index was up 0.4% on Friday, against major peers. The dollar was up 0.2% against the Yen, trading at ¥109.34. The Euro was weaker against the dollar, down 0.5% trading at \$1.16.

THE WEEK AHEAD

Earnings releases for JSE listed companies

Company	Date
Delta Property Fund Ltd	28-May-18
Telkom SA SOC Ltd	28-May-18
Reunert Ltd	28-May-18
Tongaat Hulett Ltd	28-May-18
Nampak Ltd	30-May-18
SPAR Group Ltd	30-May-18
Vukile Property Fund Ltd	30-May-18
Long4Life Ltd	31-May-18
Mr Price Group Ltd	01-Jun-18
Life Healthcare Group Holdings	01-Jun-18

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