

Monday, 20 November 2017

TOP 10 GAINERS		
Share Name	Closing price	% change
NIVEUS INVESTMENTS LTD	1250	32.42
SPAR GROUP LIMITED/THE	18887	13.44
TRUSTCO GROUP HOLDINGS LTD	539	13.24
NET 1 UEPS TECHNOLOGIES INC	14450	11.15
NASPERS LTD-N SHS	384500	8.59
DISCOVERY LTD	16050	7.27
GREENBAY PROPERTIES LTD	266	6.40
TRUWORTHS INTERNATIONAL LTD	7340	6.27
MTN GROUP LTD	13161	5.82
THE FOSCHINI GROUP LTD	14699	5.68
TOP 10 LOSERS		
Share Name	Closing price	% change
CONSOLIDATED INFRASTRUCTURE	330	-60.38
ARCELORMITTAL SOUTH AFRICA	530	-11.22
STADIO HOLDINGS PTY LTD	723	-10.85
EOH HOLDINGS LTD	8749	-10.42
NOVUS HOLDINGS LTD	661	-9.95
DATATEC LTD	5700	-9.81
OCEANA GROUP LTD	8000	-9.80
SIBANYE GOLD LTD	1844	-9.34
MEDICLINIC INTERNATIONAL PLC	10400	-9.18
BID CORP LTD	28320	-8.79
GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	-0.27	23,358
S & P 500	-0.13	2,579
Nasdaq	0.47	6,783
FTSE 100	-0.70	7,381
Nikkei 225	-1.25	22,397
Hang Seng	0.27	29,199
S & P ASX 200	-1.20	5,957
COMMODITIES*		
Name	% Change	Price
Gold	1.36	\$1,292.42
Platinum	2.42	\$951.93
Brent Crude Oil	-1.26	\$62.72
CURRENCIES*		
Indices	% Change	Price
\$ / R	2.71	R 14.00
£ / R	2.87	R 18.49
€ / R	1.71	R 16.49

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## COMMENTS FOR TOP 40 STOCK MOVEMENTS

The All Share had weekly gains of 0.59% supported by a surge in industrials. The index started the week in the red, dragged down by resources as China's industrial production missed market expectations affecting mining and energy stocks globally. The data raised concerns on whether the Chinese economy will be able to keep up demand for commodities. The negative sentiments continued throughout the week despite commodities trading higher, resources shed 4.77% for the week. Whilst industrials rose 3.03% for the week, boosted by a surge in Naspers as Tencent reported positive numbers, the stock was up 8.59% for the week, recording new highs. Financials found support from rand strength later in the week, the rand was up 2.71% for the week against greenback due to dollar weakness. Financials had weekly gains of 1.42%.

## KEY EVENTS & COMPANY RESULTS

### Vodacom Group Limited

#### Interim result for the six months ended 30 September 2017

Group revenue increased by 4.6% to R42bn compared to R40.2bn in the comparable period. Group service revenue grew by 2% to R34.7bn compared to R33.97bn in the comparable period, boosted by an increase in customer gains in South Africa and gains in data and M-Pesa revenue. South African operations grew revenue by 7.7% to R33.9bn, supported by stronger device sales. International operations saw a decline in both revenue and service revenue, which was down 5.2% and 4.8% respectively. The group was able to increase its customer base by 11.8%, to just over 71 million customers, with South Africa adding 2.9 million customers for the period. The group successfully concluded the acquisition of a 34.94% strategic stake in Safaricom and completed a listing of a 25% stake in Vodacom Tanzania. The board declared an interim dividend of 390 cents.

### Lewis Group Limited

#### Unaudited interim results for the six months ended 30 September 2017

Revenue decreased by 3.2% to R2.66bn compared to R2.76bn in the comparable period, as other revenue declined by 9.8%. It was as a result of lower credit sales and changes to the insurance offering in the prior periods which has limited annuity income. Merchandise sales are up 5% to R1.3bn compared R1.2bn in the comparable period, driven by new merchandise ranges and increased promotional activity across trading brands. Comparable store sales grew by 7.3% and operations outside South Africa contributed 24.3% of merchandise sales. HEPS was 15.8% lower to 163.9 cents compared to 194.8 cents in the comparable period and debtor costs declined by 11.5% supported by an increase in collection rates and by better management of the debtor's book. An interim dividend of 100 cents was declared.

### Brait SE Limited

#### Unaudited interim results for the six months ended 30 September 2017

The company reported a basic headline loss per share of 1577 cents, down 78% compared to 887 cents in the comparable period. Portfolio investments declined by 31% to R40.02bn compared to R58.14bn in the comparable period. NAV per share declined by 37% to R66.62 compared to R105.06 in the comparable period. The Virgin Active investment continues to produce positive results, with revenue and EBITDA increasing by 5% and 2% respectively on a constant currency basis. The company disposed 36 non-core UK traditional clubs, of which 35 of clubs were sold to Nuffield Health. New Look had a disappointing performance, with revenue declining by 4.5% in pound terms, on a comparative period basis. Like-for-like sales were down 8.6% due to product positioning and being late for certain trends.

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## Life Healthcare Group Holdings Limited

### Trading statement

Revenue is expected to increase to between R20.01bn (22% higher) and R21.33bn (30% higher) compared to R16.40bn in the prior period, due to the inclusion of Alliance Medical. EPS is expected to decrease to between 57.6 cents (60% lower) and 69.2 cents (52% lower) compared to 144.1 cents in the prior period. HEPS is expected to decrease to between 71.6 cents (60% lower) and 86 cents (52% lower) compared to 179.1 cents in the prior period. EPS and HEPS were heavily impacted by the acquisition of Alliance Medical and impairment of the investment in Poland.

## Netcare Limited

### Trading statement

The group's earnings are expected to be between 130% and 135% lower (R2.16bn and R2.24bn) and EPS is expected to be between 130% and 135% lower (R81m and R161m). HEPS is expected to be between 5% and 10% lower (5.9 cents and 11.9 cents), due to weaker trading conditions in the UK operations and the non-cash items.

## Naspers Limited

### Trading statement

The company expects core HEPs to be between 62% (132 US cents) and 67% (142 US cents) higher compared to 212 US cents in the comparable period. EPS is expected to be between 94% (121 US cents) and 99% (128 US cents) higher compared to 129 US cents in the comparable period.

## Mediclinic International Limited

### 2017/2018 Interim results and declaration of interim cash dividend

Group revenue grew by 10% to £1.41bn compared to £1.28bn in the comparable period, supported by modest revenue growth in Southern Africa. Underlying EBITDA increased by 5% to £232m compared to £220m in the comparative period and underlying EPS decreased by 12% to 11.3 pence compared to 12.8 pence in the comparative period, mainly due to the performance of the Hirslanden and Middle East operating divisions and the decline in Spire's earnings contribution. An interim dividend of 3.2 pence was declared.

## GLOBAL MARKETS

Global markets resumed its bearish trend as investors cautiously monitored economic conditions globally and eagerly watched for clues regarding an interest rate hike by the US Federal Reserve in December. In the US, CPI y/y for the month October was in-line with market expectations of 2% and the m/m figure was also in line with market expectations of 0.2%. PPI y/y for October was at 2.8%, which was higher than the market expectation of 2.4% and the m/m number was at 0.4%, higher than market expectations of 0.1%. The bad inflation data increases the likelihood of the US Federal Reserve to increase interest rates in December. Retail sales m/m for October was at 0.2% higher than the market expectation of 0%. Retail sales excluding automobile and gas for October was in line with the market expectation of 0.3% increase. During the week, General Electric fell 7.2% after the company announced that it was halving its dividend. The company further dipped 5.7% the following day, as energy and materials stocks led broader declines on the back of poor Chinese data. The Republicans in the house passed the tax plan that would cut corporate tax to 20%, investors were little moved by the progress made as they keep an eye on significant hurdles that lie ahead in the Senate. The S&P 500 and Dow Jones shed 0.13% and 0.27% for the week, respectively.

European equities ended the week lower, as a result of disappointing corporate earnings and euro strength. UK core CPI y/y for the month October was at 2.7% lower than market expectations of 2.8% and retail sales m/m for October were better than expected at 0.1% higher compared to a market expectation of a 0% increase. The FTSE 100 shed 0.7% due a decline in commodity stocks and a strong pound. The UK Prime Minister is set to get the green light from ministers on Monday to increase her Brexit divorce bill in an attempt to narrow the gap of EU's €60bn estimate in order to break the deadlock in talks. Some among her camp are insisting that they keep some money in reserves to use as a bargaining chip when the UK negotiates a final trade deal with the EU next year. German coalition talks collapsed as parties were unable to agree on migration and energy terms, with the Free Democratic party (FDP) walking out of the marathon negotiations. This increases uncertainty in Europe's powerhouse nation as the German Chancellor Angela Merkel faces prospects of forming a minority government or fresh elections. The German DAX and CAC had weekly losses of 1.02% and 1.14%, respectively.

Japanese stocks declined for the week ending a nine week stretch of consecutive gains. The Nikkei shed 1.25% for the week affected by yen strength and profit taking. The yen gained 1.28% against the dollar, ending the week around the ¥112/\$ level. Japan's GDP for the third quarter grew by 1.4% missing market expectations of 1.5%, though the economy is showing gradual signs of a recovery. PPI y/y for October came in at 3.4% beating market expectations of 3.1% increase, showing positive signs of an uptake in inflation.

China released their industrial production y/y figure for October, which was at 6.2% lower than market expectations of 6.5%, showing signs of a slowdown in demand resulting in a sell-off in global commodities. Retail sales also missed market expectations of a 13.7% increase, with the retail sales actually growing by 13%.

## THE WEEK AHEAD

### Earnings releases for JSE listed companies

Company	Date
MR Price Group Limited (MRP)	20-Nov-17
Netcare Limited (NTC)	20-Nov-17
NEPI Rockcastle Plc (NRP)	20-Nov-17
Pioneer Foods Group Limited (PFG)	20-Nov-17
Barloworld Limited (BAW)	20-Nov-17
Rhodes Food Group Limited (RFG)	21-Nov-17
Coronation Fund Managers Limited (CML)	21-Nov-17
Life Healthcare Group Holdings Limited (LHC)	21-Nov-17
Tsogo Sun Holdings Limited (TSH)	22-Nov-17
PPC Limited (PPC)	23-Nov-17

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