

Monday, 21 August 2017

TOP 10 GAINERS		
Share Name	Closing price	% change
GRINDROD LTD	1265	12.34
PPC LTD	411	9.31
MASSMART HOLDINGS LTD	11855	7.35
AFRICAN OXYGEN LTD	2000	6.72
SUPER GROUP LTD	3830	6.39
NET 1 UEPS TECHNOLOGIES INC	12650	5.42
ASSORE LTD	23920	4.92
NASPERS LTD-N SHS	290000	4.90
TRANSACTION CAPITAL	1456	4.75
MTN GROUP LTD	12610	4.69
TOP 10 LOSERS		
Share Name	Closing price	% change
LONMIN PLC	1414	-6.79
CURRO HOLDINGS LTD	4100	-6.50
TRUSTCO GROUP HOLDINGS LTD	380	-6.17
FAMOUS BRANDS LTD	11575	-6.05
NORTHAM PLATINUM LTD	4353	-5.98
BRAIT SE	5900	-5.92
INVICTA HOLDINGS LTD	4950	-5.35
PAN AFRICAN RESOURCES PLC	244	-5.06
MEDICLINIC INTERNATIONAL PLC	12214	-5.02
BRITISH AMERICAN TOBACCO PLC	80615	-4.95
GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	-0.84	21,675
S & P 500	-0.68	2,425
Nasdaq	-0.63	6,217
FTSE 100	0.07	7,315
Nikkei 225	-1.31	19,470
Hang Seng	0.61	27,048
S & P ASX 200	0.95	5,747
COMMODITIES*		
Name	% Change	Price
Gold	0.44	\$1,295.04
Platinum	-0.49	\$980.21
Brent Crude Oil	-2.15	\$50.98
CURRENCIES*		
Indices	% Change	Price
\$ / R	1.87	R 13.22
£ / R	3.15	R 17.00
€ / R	2.57	R 15.53

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## COMMENTS FOR TOP 40 STOCK MOVEMENTS

The All Share finished in the red on Friday, shedding off some of the weekly gains to end the week up 0.33%. Financials were up 0.23%, on the back of rand strength, which strengthened 2.36% for the week against the greenback. Towards end of week, the Chinese stock Tencent supported a rally in JSE heavy-weight Naspers after it released strong second quarter results, beating all analyst estimates, helping Naspers to finish the week 4.9% higher. Industrial were 0.81% higher for the week, Naspers being the main contributor. Gold and platinum prices were little changed, as inflation has been stubbornly low in developed markets and with eased tensions between the U.S. and North Korea. Gold and platinum were 0.4% and 0.72% lower for the week respectively, affecting Resources which shed 0.23% for the week. Retail sales m/m for the month of June came at 0.2% beating consensus analyst estimates of 0.1% and constant retail sales y/y for June came at 2.9% above the analyst estimate of 2.4%, showing a gradual recovery in consumer spending.

## KEY EVENTS & COMPANY RESULTS

### Comair Limited

#### Further trading statement

The company expects EPS to be between 49% and 68% (62 and 70 cents per share) higher compared to the prior period. HEPS is expected to be between 85% and 104% (67 and 75 cents per share) higher compared to prior period. The results were mainly boosted by the recovery incurred in dollar dominated aircraft debt due to rand weakness and non-recurring losses on oil hedges in the prior period.

### Harmony Gold Mining Company Limited

#### Trading statement

HEPS is expected to increase to between 276 and 320 cents, which is between 25% and 45% higher than the headline earnings of 221 cents in the prior year. EPS are expected to decrease to between 65 and 109 cents, which is between 50% and 70% lower due to the impairment charge from a reduction in the life of the mine and the provision for the silicosis class action of R917m.

### Curro Holdings Limited

#### Results for the six months ended 30 June 2017

Revenue increased by 24% to R1.09bn and operational EBITDA is up 24% to R322m. The group's HEPS increased by 22% to 26.9 cents and basic EPS is up 24% to 27.2 cents. The Stadio investment was the sole underperformer and the company is looking into introducing a separate listing for the investment. This option has been put forward since Stadio is a player in the tertiary education space and thus not in line with the group's core assets or strategy. The company has added 12 schools to its footprint while the number of campuses increased by 5 in the six months.

### Grindrod Limited

#### Trading statement

The company expects the loss for the six months to be between R77m and R97m, improvement of between 91% and 93% compared to the prior year's loss of R1.12bn. The headline loss is expected to be between R119m and R139m, an improvement of between 64% and 69% compared to the prior year's loss of R381m. The disposal of the rail assembly business resulted in impairment losses of R255m meaningfully impacting headline earnings.

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**Northam Platinum Limited****Trading statement and trading update**

The platinum producer expects the loss per share to be between 167.8 and 196 cents, compared to the loss of 145.3 cents in the prior year while the headline loss per share is estimated to be between 167.3 and 196.3 cents, compared to the loss of 140.9 cents in the prior year. The losses were heavily impacted by higher Zambezi Platinum preference share dividends. Despite difficult conditions during the period, the group's total operating profit is expected to be higher than the previous period as a result of improved operational performance and well contained costs.

**Anchor Group Limited****Unaudited interim results for the six months ended 30 June 2017**

Group turnover was up 21% to R245m compared to R202m in the prior period and adjusted HEPS was down 39% to 22 cents, from 35.9 cents in the prior year. Assets under management grew by 8% to R49.4bn compared to R45.8bn in the prior period supported by growth in the corporate and institutional markets. Earnings were significantly hurt by a 60% increase in operating expenses, which resulted in a contraction in operating margins.

**Famous Brands Limited****Voluntary performance update 5 months period ended 31 July 2017**

The group's sales increased by 6.3%, boosted by a solid performance in the Logistics and Manufacturing business. The South African segment of the business grew by 7%, while like-for-like sales grew by 1.8% but the rest of Africa and Middle East sales were down 0.2%. UK sales increased by 12.1% compared to the prior period, while like-for-like sales declined by 2.6%. The group anticipates that trading conditions in the local and international markets will remain challenging as the consumer remains under pressure.

**Standard Bank Group Limited****Interim results for the six months ended 30 June 2017**

The group's total revenue declined by 1% period on period to R49.3bn, driven primarily by weaker non-interest revenue which decreased 7%. HEPS grew by 11% to 756 cents supporting an interim dividend per share of 400 cents, up 18% based on the comparable period last year. The group remains well capitalized with a CET1 ratio of 13.7% compared to 13.2% in the prior period while total capital adequacy ratio improved to 16.2%, compared to 15.9% in the prior year. Group return on equity improved to 16.1% from 14.4% in the prior period and net interest margin expanded by 22bps to 349bps driven by higher average interest rates and funding margin.

**RCL Foods Limited****Trading statement-year ended 30 June 2017**

The company expects headline loss per share to be between 31.5% and 41.6% compared to 98.5 cents in the prior period and EPS is expected to be between 133.6% and 150% higher compared to 24.4 cents in the prior period. There was an impairment charge of R123.8m in the current period from the chicken business unit relating to plant redundancy and equipment as part reducing chicken volumes.

**City Lodge Hotels Limited****Reviewed group preliminary results for the year ended 30 June 2017**

Total revenue grew by 1.8% to R1.52bn, assisted by an inflationary increase in room rates. Total operating costs increased by 5% resulting in a decrease in the normalized EBITDA margin to 40.6% and normalized headlines earnings decreased by 3.1% to R362.2m. The company expects trading environment and occupancies to remain under pressure. The board has approved and declared a final dividend of 228 cents per ordinary shares.

**Harmony Gold Mining Company Limited****Results for the year ended 30 June 2017**

Revenue was up 5% to R19.3bn as a result of stable y/y production and the inclusion of realized gains on rand gold hedges of R728m. HEPS up 35% to 298 cents and net debt decreased by 18% to R887m due to cost cutting measures and a good gold price received. Gold production at the Hidden Valley mine increased by 31% due to obtaining full ownership at the end of October 2016. The company is in the process of negotiations regarding the silicosis and tuberculosis class action and a provision of R917m has been estimated. A final dividend of 35 cents has been declared.

## Exxaro Resources Limited

### Interim results for six month period ended 30 June 2017

Group Revenue was up 10% to R10.7bn and net operating profit was up 35% to R2.9bn, mainly due to the higher contribution from coal operations driven by improved coal sale prices and higher Eskom commercial volumes at Grooteegeluk based on demand from Eskom's Medupi power station. HEPS increased by 185% to 882 cents and attributable EPS was up 135%, supported by the inclusion of equity-accounted investments in associates and joint ventures. The company has concluded the repurchase of shares to the pursuant following unwinding of the existing BEE transaction. An interim dividend of 300 cents has been declared.

## GLOBAL MARKETS

Global markets resumed their bearish trend as investors cautiously monitored economic conditions globally and eagerly watched for clues regarding interest rate hikes by the US Federal Reserve and ECB stimulus slow down. The Fed during their policy meeting had mixed responses as inflation has been stubbornly low but they have been vocal with reducing its swollen balance sheet. Analysts don't foresee a rate hike this year. Wall street was rattled during the week by talk that another top official, economic adviser Gary Cohn, was upset by Trump's remarks on the Charlottesville violence and was thinking about quitting. This comes after a number of top executives quit on President Trump's advisory panel after his comments on white supremacists and neo-Nazi issue. The S&P 500 shed 0.18% for the week on the back of uncertainty in the President Trump's administration. The FTSE had weekly gains of 0.19%, as the UK posted good inflation and retail numbers. Core CPI y/y for the month of July posted 2.4% below analyst estimates of 2.5% and retail sales y/y for July was 1.5% beating analyst expectations of 1.2%, show a gradual recovery in consumer spending and reducing the probability of a rate hike in 2017 by the Bank of England. The DAX had weekly gains of 1.26% following from the FTSE and the DAX was up 1.05% for the week. Asian markets ended the Friday session in the red following global markets but weekly gains were mixed with the Nikkei shedding 1.31% for the week dragged down by a strong yen due to dollar weakness affecting exporters. The Hang Seng index had weekly gains of 0.61% on the back of a rally in technology stocks as Tencent and Alibaba posted strong results for the second quarter helping the sector to trade higher.

## THE WEEK AHEAD

### Earnings releases for JSE listed companies

Company	Date
Basil Read Holdings Ltd (BSR)	29-Aug-16
ADvtech Ltd (ADH)	30-Aug-16
Sasol Ltd (SOL)	30-Aug-16
AngloGold Ashanti Ltd (ANG)	30-Aug-16
Transpaco Ltd (TPC)	31-Aug-16
Aveng Ltd (SPG)	31-Aug-16
Imperial Holdings Ltd (IPL)	31-Aug-16
Shoprite Holdings Ltd (SHP)	31-Aug-16
African Energy Partners Ltd (AEY)	31-Aug-16
Pembury Lifestyle Group Ltd (PEM)	01-Sep-16
Murray & Roberts Holdings Ltd (MUR)	01-Aug-16
Brimstone Investment Corporation Ltd (BRT)	01-Aug-16
Grinrod Ltd (GND)	01-Aug-16

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