

Monday, 27 November 2017

TOP 10 GAINERS		
Share Name	Closing price	% change
TRUSTCO GROUP HOLDINGS LTD	789	46.38
NET 1 UEPS TECHNOLOGIES INC	18000	24.57
IMPALA PLATINUM HOLDINGS LTD	4500	21.10
STADIO HOLDINGS PTY LTD	848	17.29
BARLOWORLD LTD	14403	8.95
DIS-CHEM PHARMACIES PTY LTD	3469	8.78
REUNERT LTD	7040	8.31
TRANSACTION CAPITAL	1529	8.21
KUMBA IRON ORE LTD	31511	7.27
CLICKS GROUP LTD	16800	7.14

TOP 10 LOSERS		
Share Name	Closing price	% change
NIVEUS INVESTMENTS LTD	999	-20.08
ARROWHEAD PROPERTIES LTD	650	-14.92
MURRAY & ROBERTS HOLDINGS	1291	-14.05
BALWIN PROPERTIES PTY LTD	500	-12.74
ASCENDIS HEALTH LTD	1501	-12.32
ARCELORMITTAL SOUTH AFRICA	480	-9.43
MEDICLINIC INTERNATIONAL PLC	9561	-8.07
DELTA PROPERTY FUND LTD	663	-7.92
OCTODEC INVESTMENTS LTD	1731	-6.43
CONSOLIDATED INFRASTRUCTURE	310	-6.06

GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	0.42	23,558
S & P 500	0.65	2,602
Nasdaq	1.41	6,889
FTSE 100	0.39	7,410
Nikkei 225	0.89	22,551
Hang Seng	2.29	29,866
S & P ASX 200	0.42	5,983

COMMODITIES*		
Name	% Change	Price
Gold	-0.31	\$1,288.37
Platinum	-1.04	\$942.04
Brent Crude Oil	1.82	\$63.86

CURRENCIES*		
Indices	% Change	Price
\$ / R	-1.13	R 14.16
£ / R	-2.10	R 18.88
€ / R	-2.43	R 16.90

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COMMENTS FOR TOP 40 STOCK MOVEMENTS

The All Share ended the week marginally higher at 0.04% in line with other major global markets and had a positive weekly gain of 0.33%. Retailers were the best major performing index gaining 3.97%, with recently listed Stadio Holdings Limited rising the most by 17.29%. The RESI rose by 2.87% for the week with Impala Platinum being the top performer gaining 21.10% for the same period. The INDI declined in the week as heavyweight, Naspers, lost 2.18%. Tencent's share price rose over 2% on Tuesday, driving Naspers to an all-time high of R4100.02.

The rand depreciated to a low of R14.16 on Friday following Standard & Poor's decision to downgrade South Africa to junk status, while Moody's put the country on review. Fitch affirmed the country's credit rating on Thursday with a stable outlook.

KEY EVENTS & COMPANY RESULTS

Liberty Holdings Limited

Operational update for the nine month period ended 30 September 2017

Group long-term insurance indexed new business grew by 6% compared to the prior period supported by Liberty Corporate new business sales. The capital adequacy ratio of the Group's main life subsidiary, Liberty Group Limited, increased to 3.26 times the regulatory minimum at 30 September 2017, above the upper end of the target range. The assets under management (AUM) for the STANLIB South Africa business increased by 3.55%, while for the Rest of Africa business the AUM increased by 7.84%. The company expects operating conditions to remain challenging given the context of a poor outlook for economic growth.

PPC Limited

Unaudited condensed consolidated financial statements for six months ended 30 September 2017

Group revenue rose by 1% to R5188 million while profit for the period jumped by a substantial 424% relative to the previous period. A lower foreign exchange loss and finance costs and higher investment income led to higher profit in the period. Net profit attributable to shareholders increased by 188% to R294 million, leading to a 54% rise in eps and a 36% increase in heps.

MMI Holdings Limited

Operational update for three months ended 30 September 2017

Headline earnings, which include the full impact of market-related gains on earnings, are up 54% versus 1Q17. Basic earnings are up 51%. Diluted core headline earnings are down 4% on 1Q17. The Momentum Retail new business volumes are up 2% y/y while new business for Momentum Corporate is down 22% y/y. The International's new business is down 4% y/y. The company expects a poor operating environment moving forward.

Tsogo Sun Holdings Limited

Condensed unaudited consolidated interim financial statements for the six months ended 30 September 2017

The company's total income increased by a mere 1% for the 6 months with net gaming win revenue declining by 3%. There was a 1% decline in slots win and a 9% reduction in tables win. Profit for the period grew by 25% and the improvement can be partly explained by the R28 million income tax credit recorded in the period. The debt-to-equity ratio has improved this period relative to the previous period, it has declined from 1.66 to 1.77. An interim gross cash dividend from income reserves of 32 cents per share was declared, which is 6% down y/y.

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Coronation Fund Managers**Reviewed preliminary condensed consolidated financial results for the year ended 30 September 2017**

Total AUM rose by 2.5% for the full year, while average AUM declined by 3.5% over the period, contributing to the decline in revenue of 3.1%. The decrease in variable expenses resulted in an overall decline of 4.2% in total expenses. Due to the variable cost nature of Coronation's business model, the impact of a decline in revenue on profits was dampened. However, the combination of these factors resulted in a 2.3% decline in diluted heps to 437.5 cents.

Life Healthcare**Results for the year ended 30 September 2017, scrip distribution and cash dividend alternative and trading statement**

The hospital group increased its revenue significantly by 26.8% consisting mainly of a 4.3% increase in Southern African revenue. HEPS is down 56.8% with the group's earnings having been impacted by the one-off items related to the Alliance Medical acquisition and the further impairment of the investment in Poland. The firm also had strong cash inflow from operating activities as reflected by a 21.9% increase in operational cash flow.

Rhodes Food Group**Preliminary audited summarised consolidated results and cash dividend declaration for the year ended 1 October 2017**

Group turnover increased by 10.8%, however, there was lower international revenue. The regional segment accounted for 80% of group revenue. In addition, the group's gross profit margin was lower at 27% mainly due to the currency impact and slower sales in the International division. Headline earnings were 19.1% lower at R237 million, while diluted heps decreased by 27% to 93.4 cents, in line with the trading statement issued on 30 October 2017. The stock rose 1.8% as a result of the result's release.

Netcare**Summarised audited group results for the year ended 30 September 2017**

Group revenue decreased by 9.6% to R34 125 million. Currency conversion contributed R3650 million to this decline. Normalised profit before taxation decreased 30.6% to R2 675 million. Also, adjusted heps from continuing operations reduced by 24.6% to 149.6 cents. Total shareholders' equity decreased 31.9% to R8 862 million, affected by currency fluctuations and the after-tax impact of the exceptional items.

Mr Price Group**Group results for the 26 weeks ended 30 September 2017, cash dividend declaration and board committee appointment**

The increased profitability of the company can largely be attributed to improved performance by the apparel business. Further, diluted basic EPS and diluted headline EPS both increased by 20% y/y. The liquidity position of the firm is strong as the firm's current ratio and debt-equity ratio are 3.23 and 0.33, respectively. Thus, the firm has R3.23 of assets to pay for R1 of debt and debt makes up 33% of the capital structure of the firm.

Astral Foods Limited**Audited summary consolidated results and dividend declaration for the year ended 30 September 2017**

The company released a set of impressive results, with stable prices for poultry products during the winter months together with materially lower feed raw material costs in the 2nd half of the financial year being the main drivers for the profits for the year. The Poultry business was the largest contributor to revenue and operating profit. The company mentions that the increase in heps of 96.8% to 1 899 cents per share can be attributed to the recovery in poultry profits during the 2nd half of the financial year. Both the eps and heps figures are in line with expectations as communicated in the firm's most recent trading statement.

Balwin Properties Limited**Interim results for the six months ended 31 August 2017**

The firm's revenue increased by 19% y/y as a result of the higher selling prices at their upmarket developments with the average selling price per unit up 23%. However, profit fell 7%. eps and heps both declined by 5% to 35 cents from 37 cents (H1: FY17) for the reporting period. The company has increased their assets by 16.53% y/y with current assets making up 98.17% of total assets. A dividend of 10 cents per share has been declared, in line with the board's dividend policy of distributing 30% of after-tax profit to shareholders.

Barloworld Limited**Preliminary audited year-end results for the 12 months to 30 September 2017**

The company reported no significant changes to its revenue and operating profit, while heps increased by 16% y/y. Cash generat-

ed from operations is down 23% y/y with cash flows impacted by increased net investment in leasing assets and vehicle rental fleet of R2.9 billion. Total assets employed in the group increased by R302 million driven by the investments above together with the improved cash position (at the end of the period) of the group. The company declared a dividend of 390 cents per share, representing a dividend cover ratio of 2.5 times.

Pioneer Food Group Limited

Summarised consolidated financial statements for the year ended 30 September 2017

The food producer recorded a poor set of results with revenue falling 5%, earnings down 57% and adjusted heps down by 50%. The company cites constrained trading conditions and an unfavorable procurement position until May 2017 on maize, (following the severe drought in the northern part of South Africa during the 2015/16 season) as part of the reasons for the poor financial performance. However, the company was operationally cash generative, with net cash generated from operations up 45%. This outcome was caused by a major decrease in commodity prices (especially maize), which resulted in a release of working capital of R752 million.

GLOBAL AND WORLD MARKET DEVELOPMENTS

The S&P index and Nasdaq closed at all time highs on a half-day session on Friday. The Dow ended the week at 23,557.99, close to its all time high. Friday marked Black Friday which is the day after Thanksgiving, that is seen as the beginning of the Christmas shopping season. Retailers such as GAP and Macy's had their shares rise on Friday, as investors seemed to bet on a strong holiday season for the retailers based on the positive consumer response to Black Friday. Technology stocks also increased in value on the day led by Amazon. Other tech stocks that closed higher were Hewlett Packard Enterprise (1.68%), Micron Technology Inc. (1.1%) and Facebook Inc. A-class shares (1.06%). For the week, overall, the S&P gained 0.65%, the Nasdaq was up 1.41% and the Dow Jones increased by 0.42%.

European stock markets ended the week mixed with the German DAX rising by 0.39% on Friday, the U.K FTSE down -0.1% and the French CAC40 closing 0.2% higher. All the above indices gave back weekly positive returns for investors. EDF/Electricite de France rose by 5.6% on Thursday (making it one of Europe's best performers), after reports emerged that France's finance ministry was looking at various restructuring options for the firm. One possible option is spinning off of EDF's nuclear power-generation activities. Thyssenkrupp, the industrial component maker posted record elevator orders, contributing to its highest order intake in five years. The firm also said that it still aims to sign a contract with Tata Steel in early 2018. British airline EasyJet benefitted from news, on Wednesday, that the Chancellor of the Exchequer planned to extend a freeze of short-haul Air Passenger Duty. This news came after the airline soared on the back of the release of its full-year results the previous day.

Asian markets closed the week higher with the Hang Seng, Nikkei and Shanghai Composite up 0.53%, 0.12% and 0.06% respectively. Tuesday's news of China's steps to rein in the market for online micro-lenders, saw a number of U.S-listed Chinese financial firms lose value. A top-level Chinese government body issued an urgent notice to provincial governments urging them to suspend regulatory approval for the setting up of new internet micro-lenders. The multi-department body also told local regulators to restrict granting of new approvals for micro-loan firms to conduct lending across regions.

THE WEEK AHEAD

Earnings releases for JSE listed companies

Company	Date
Tiger Brands Ltd	27-Nov-17
Invicta Holdings Ltd	27-Nov-17
Lonmin PLC	28-Nov-17
Omnia Holdings Ltd	28-Nov-17
Nampak Ltd	28-Nov-17
Naspers Ltd	29-Nov-17

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