

Monday, 23 January 2016

TOP 10 GAINERS		
Share Name	Closing price	% change
WOOLWORTHS HOLDINGS LTD	7225	5.51
ASPEN PHARMACARE HOLDINGS LT	30223	3.93
MONDI LTD	29925	3.19
MONDI PLC	29980	2.88
BRITISH AMERICAN TOBACCO PLC	79402	2.41
TIGER BRANDS LTD	39883	1.93
ANGLOGOLD ASHANTI LTD	16377	1.66
REINET INVESTMENTS SA-DR	2729	1.45
INVESTEC PLC	9454	1.36
FORTRESS INCOME FUND LTD	3496	1.25
TOP 10 LOSERS		
Share Name	Closing price	% change
REDEFINE PROPERTIES LTD	1090	-5.05
SAPPI LIMITED	8468	-4.75
BARCLAYS AFRICA GROUP LTD	16300	-4.73
MR PRICE GROUP LTD	15250	-4.30
FIRSTRAND LTD	5160	-3.64
MTN GROUP LTD	12549	-3.45
REMGRO LTD	22001	-3.18
BIDVEST GROUP LTD	16863	-3.09
STANDARD BANK GROUP LTD	14800	-2.45
NEDBANK GROUP LTD	23373	-2.43
GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	-0.32	19,827
S & P 500	0.04	2,271
Nasdaq	0.14	5,555
FTSE 100	-1.90	7,198
Nikkei 225	-0.77	19,138
Hang Seng	-0.22	22,886
S & P ASX 200	-1.16	5,655
COMMODITIES*		
Name	% Change	Price
Gold	1.08	\$1,210.32
Platinum	-0.68	\$978.20
Brent Crude Oil	0.07	\$55.49
CURRENCIES*		
Indices	% Change	Price
\$ / R	-0.61	R 13.60
£ / R	-2.11	R 16.82
€ / R	-1.12	R 14.55

Updated: 14:20 22/01/2017

COMMENTS FOR TOP 40 STOCK MOVEMENTS

Cautious trading dominated local markets this week, as international events were drivers of most market sentiment. The blue-chip TOP40 lost 0.62%, while the All Share slid 0.5%. Resources were one of the few indices giving investors positive returns with gold shares shining. The gold price also rose this week as safe-haven demand increased given events of the past week, particularly Donald Trump's inauguration.

Retailers also gave investors positive returns, albeit marginally positive ones. The general retailers index rose a mere 0.63% with Woolworths rising an impressive 5.51%. A likely reason being that investors believed that the stock was oversold following its recent poor trading update and were buying it up at a low price.

South African mining production data revealed that mining output dropped by 4.2% in November from a year earlier. On a positive note, the number of mine workers who died in South African mines fell to a record low of 73 last year from 77 in 2015. South African headline consumer inflation unexpectedly accelerated to 6.8% y/y in December that data released showed. Statistics South Africa says this is the highest level since February last year when consumer inflation hit 7%. Lastly, the FNB consumer confidence fell to -10 index points in the 4th quarter after recording -3 in the 3rd quarter.

KEY EVENTS & COMPANY RESULTS

Massmart Holdings Limited

Sales Update for the 52 weeks to 25 December 2016

Massmart's total sales for the 52 weeks to 25th December 2016 increased to R91.2 billion, representing a growth of 7.7%. Comparable store sales increased by 5.4%. The group also mentions that there was a slight pick-up in South African sales growth but a continued decline in non-South African sales growth.

The Foschini Group

Financial Results for the year ended 31 December 2015

Sales of The Foschini Group (TFG) for the 9 months to 24 December 2016 increased by 14.5%. TFG International continues to perform in line with management's expectation, with turnover growth of 47.8% in pounds (GBP). Growth for TFG Africa was 9.7% with same store sales growth of 3.7%. Christmas trading was above expectation with sales growth for December up by 14.6%, with TFG International churning a turnover growth of 47.8% in GBP and growth for TFG Africa up by 9.7%.

Sibanye Gold Limited

Proposed acquisition of Stillwater Mining Company antitrust condition satisfied

Sibanye Gold announced that Stillwater and itself had received early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The effect of the early termination is that the antitrust condition required for the transaction has now been satisfied. The transaction is expected to close in the

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2nd quarter of 2017 and remains subject to approval by various parties.

Clover Industries Limited

Trading update and Trading Statement

Clover advised its shareholders that December volumes tracked markedly lower than the comparative period. All categories with the exception of UHT and fermented products reported lower volumes than in the comparative 6-month period mainly as a result of negative consumer sentiment. Furthermore, HEPS for the period is expected to be between 15.7% and 25.7% lower than HEPS reported for the comparative period.

South32 Limited

Quarterly report December 2016

Some highlights of the production summary are below:

- first-half alumina output fell 2% y/y,
- energy coal production was down 8% y/y, and
- first-half zinc output was up 1% y/y, as was the production of aluminum and nickel.

The miner also reported that it invested \$8.2M in exploration of which \$1.5M was capitalised. The exploration focused on metallurgical coal, manganese and silver in Australia, and nickel in Colombia.

GLOBAL AND WORLD MARKET DEVELOPMENTS

Most of the world had their eyes fixed on Donald Trump's inauguration which was held on Friday, in Washington DC. Donald Trump became the 45th President of the United States amid protests against his inauguration. Donald Trump's inaugural speech as president was largely seen as disappointing by some political pundits, with some labelling it as baked with "dumbness and xenophobia". However, U.S markets found some good from his speech as some U.S indices like the Dow closed higher following days of being in the red. The S&P and Nasdaq performed better than the Dow giving the investor 5-day returns of 0.04% and 0.14%, respectively.

There was also company specific news during the week that market participants took note of. Target retreated after it became the latest company to cut its forecast for 4th quarter sales and profits, as a result of a holiday shopping season which was weaker than many traditional retailers were expecting. The discounter said that traffic levels at its stores were disappointing in November and December. American Express quarterly profit fell 8.2% as the credit card issuer boosted spending on marketing and promotion to fend off rising competition. Net income attributable to common shareholders fell to \$825 million in the fourth quarter. IBM reported a 1.3% decline in quarterly revenue. The computer hardware company was hurt by a stronger dollar and continued weakness in the company's traditional hardware division.

Janet Yellen made important statements on Thursday about what she adjudged to be the health of the U.S economy. She doesn't see the U.S. economy at risk of overheating and doesn't expect growth to increase soon. These comments suggest the central bank is sticking to its plan of raising interest rates gradually in the months ahead. Given that her speech came a day before the inauguration of Donald Trump as U.S. president, she did say that future alterations in fiscal policy were just one of the many uncertainties that the Fed would have to deal with as it strategizes its monetary moves in the months ahead.

In Europe, the STOXX 600 and FTSE had a bad run this week as they lost 0.92% and 1.9%, respectively. Particularly on Tuesday, stocks fell after UK Prime Minister Theresa May delivered a speech which charted a course toward a clean break with the European Union. One of the things she mentioned was that Britain will not seek to "hold on to bits of [EU] membership" and the country also will not seek to adopt models that are enjoyed by other countries. Mrs. May also said her government will try work towards a 'bold and ambitious' free trade agreement with the EU and would seek to remove all sorts of possible trade barriers.

In Asia, Chinese equities rose on Friday in response to data that China's GDP grew 6.7% for the full year in 2016, with the Shanghai Composite and CSI 300 gaining 0.54% and 0.69% respectively. GDP also grew at an annual rate of 6.8% in the three months to December in real terms, down from 6.9% in Q4 2015. Asian markets were mixed during the week with international news flows affecting investor sentiment. The Hang Seng lost 0.71% while the Nikkei only managed to post returns of 0.34%.

THE WEEK AHEAD

Earnings, Sales and Revenue Releases for JSE listed companies

Company	Date
Anglo American Platinum Ltd (AMS)	26-Jan-17
Kumba Iron Ore Ltd (KIO)	26-Jan-17
Hudaco Industries Ltd	27-Jan-17

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