

Tuesday, 2 May 2017

TOP 10 GAINERS		
Share Name	Closing price	% change
MEDICLINIC INTERNATIONAL PLC	14102	14.68
ASCENDIS HEALTH LTD	2499	10.09
NIVEUS INVESTMENTS LTD	4045	9.18
AFRIMAT LTD	2999	9.05
LIFE HEALTHCARE GROUP HOLDIN	2873	8.78
NETCARE LTD	2651	8.65
EOH HOLDINGS LTD	14145	8.00
AFROCENTRIC INVESTMENT CORPO	640	7.56
ALEXANDER FORBES GROUP HOLDI	644	7.51
BLUE LABEL TELECOMS LTD	1694	7.49
TOP 10 LOSERS		
Share Name	Closing price	% change
GOLD FIELDS LTD	4375	-15.56
GROUP FIVE LTD	1560	-9.51
SIBANYE GOLD LTD	2705	-9.41
ANGLOGOLD ASHANTI LTD	15119	-8.73
IMPALA PLATINUM HOLDINGS LTD	4295	-7.91
HARMONY GOLD MINING CO LTD	2898	-7.77
MASSMART HOLDINGS LTD	12923	-7.61
GRINDROD LTD	1202	-7.61
ARCELORMITTAL SOUTH AFRICA	750	-7.18
PIONEER FOODS GROUP LTD	16486	-6.73
GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	1.91	20,941
S & P 500	1.51	2,384
Nasdaq	2.32	6,048
FTSE 100	1.26	7,204
Nikkei 225	3.09	19,197
Hang Seng	2.38	24,615
S & P ASX 200	1.76	5,924
COMMODITIES*		
Name	% Change	Price
Gold	-1.26	\$1,268.28
Platinum	-2.69	\$946.19
Brent Crude Oil	-0.74	\$52.05
CURRENCIES*		
Indices	% Change	Price
\$ / R	-1.90	R 13.37
£ / R	-2.92	R 17.32
€ / R	-3.36	R 14.56

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## COMMENTS FOR TOP 40 STOCK MOVEMENTS

Local markets followed other international markets higher with positive returns on most major local indices. The Industrial index touched its highest level in a month on Friday as Mediclinic International's share price rally helped the index increase by 3.78%. Financial shares also gained as the rand declined over the course of the week which boosted rand hedge stocks on the index. Resource shares performed modestly amidst declines in gold and platinum prices, but fared better as compared to their disappointing performance in the previous week.

Banking giants Standard Bank and Nedbank joined their peer First National Bank in cutting their economic outlook for the country mentioning concerns around poor growth prospects for business confidence and investment. The negative outlook came as the Reserve bank released their composite leading business cycle indicator for February, which came in at 1.1% higher than the previous month. The indicator is important as it is seen as a projection of the country's economic growth ahead.

Further economic data released in the week related to the decline in y/y private credit extension growth. The decline suggests consumers and businesses face economic pressures limiting credit demand while credit supply continues to be constrained by excessive consumer indebtedness.

## KEY EVENTS & COMPANY RESULTS

### Mediclinic International plc

#### Abu Dhabi regulatory update

The healthcare group released a regulatory update after Sheikh Mohamed bin Zayed Al Nahyan ordered the waiving of a 20% co-payment for holders of the Thiqa medical insurance card when receiving treatment at private healthcare facilities in Abu Dhabi. The Health Authority Abu Dhabi introduced a 20% co-payment for Thiqa patients using private healthcare facilities on the 1st of July 2016. In Mediclinic's interim statement in November the company said that it expected the co-payment system to cost the company 150 million United Arab Emirates Dirham in the current financial year. The company's share price gained a substantial 17.51% in London trade on Thursday. It became the best performer in South African markets on Friday as it rose 13.30% on the day and 14.68% for the week.

### Redefine International Plc.

#### Interim results for the six months ended 28 February 2017

The property company's earnings were only 3.03% better than the comparable period in the previous year with underlying earnings per share coming in at 1.35 pence, in line with guidance. The weighted average cost of debt reduced to 3.3% while interest cover improved to 3.1 times.

Operationally the company completed disposals totaling £95.0 million at an average premium of 12.4% to the August 2016 market value, 40 new leases were completed in the period for a gross annual rent of £2.2 million while occupancy increased to 98.0%. The company said that even amidst political and economic un-

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certainty, they were focused on strategic priorities and the fundamentals of their business. The company's share price rose 2.86% on the day of the release of the results.

### **Anglo American plc**

#### **Production Report for the first quarter ended 31 March 2017**

Rough diamond production increased by 8% compared with Q1 in 2016. This reflected the contribution of Gahcho Kué Mine in Canada, as well as increases in response to improved trading conditions. Platinum production increased by only 1% whereas copper production decreased by 3%. Iron ore production from Kumba increased by 17% due to improved mining productivity at Sishen, and higher throughput at Kolomela. Production of South African and Colombian export thermal coal increased by 6% driven by higher productivity across most South African mines while nickel production decreased by 12% due to unplanned maintenance of Barro Alto's electric furnaces, impacting throughput.

### **Anglo American Platinum Limited**

#### **Production Report for the first quarter ended 31 March 2017**

Total platinum production was up 1% with strong performances from Mogalakwena offsetting operational challenges at Amandelbult. Refined platinum production increased by 121% compared to Q1 in 2016. This is despite production having been materially impacted by a Section 54 safety stoppage at the Precious Metal Refinery. The rise in refined platinum production contributed to increased sales volumes for the quarter of 26%.

### **Kumba Iron Ore Limited**

#### **Kumba Iron Ore Limited production and sales report for the quarter ended 31 March 2017**

Sishen mine production increased by 31% as compared to the same period last year due to improved mining productivity which resulting in higher plant throughput. Kolomela mine production increased by 3% compared to Q1 in 2016 propelled by higher plant throughput. Export sales rose by 7% compared to Q1 in 2016 while total finished product stocks were 3.2Mt in line with the optimum level of approximately 3Mt.

## **GLOBAL AND WORLD MARKET DEVELOPMENTS**

Most global stock markets enjoyed positive returns this past week, partly as a result the 'relief rally' that lifted markets following Emmanuel Macron's 1st round victory in the French elections. Markets cheered the former investment banker's victory (he is seen as pro-business and has stated his support for a 'stronger European Union'.) The EURO STOXX 600 enjoyed a 2.37% 5-day return while France's CAC 40 returned 4.11%. The Euro (relative to the dollar) rose sharply on the back of Macron's victory, but was dragged down by the European Central Bank (ECB) signaling no move on its forward guidance on Thursday. The ECB made no changes to interest rates, as expected, but said that it could increase the size or lengthen the duration of its asset-buying programme. This indicates continued dovish monetary policy moving forward by the central bank.

In line with other global markets, U.S markets gained over the week. A profusion of U.S company earnings were released with technology stocks rising on some positive earnings. Amazon beat both revenue and earnings per share estimates (EPS), which assisted the stock to rise to its weekly high of \$946.04 on Friday. Alphabet Inc. also managed to beat revenue and adjusted earnings expectations (including average Bloomberg consensus estimates) with Alphabet Inc. class A and class C shares reaching weekly highs of \$935.31 and \$916.20, respectively. Poor economic data released on Friday was coupled with poor performance in stock markets and a fall in U.S Treasury yields. The data showed that growth in U.S GDP (q/q annualized) and consumption expenditure slowed in the 1st quarter coming in at 0.7% and 0.3%, respectively.

President Trump's tax reforms also came into focus in the week. The Trump administration is proposing a reduction in the number of tax brackets from 7 to just 3. The tax rates applicable to each tax bracket start at 10% for the lowest and increase to 35% for the highest. The administration also plans to eliminate tax deductions barring a few, such as mortgage interest and charitable contribution deductions. Furthermore, the administration plans to cut the corporate tax rate to 15% from 35%. There was no major stock market reaction to the Trump's administration reformed tax plan as major indices closed relatively flat on the day.

Most Asian stock markets started the week stronger as they benefited from the positive sentiment following the 1st round of the French elections. The Chinese Shanghai Composite Index was one of the few major indices to decline over the week amid jitters surrounding regulators coming down harder on riskier forms of financing and speculation. President Xi Jinping also made a speech about financial stability, calling for increased efforts to repel systemic risks to help maintain financial security, according to the official news agency Xinhua. The Shanghai Composite made a 5-day loss of 0.58%.

## THE WEEK AHEAD

### EARNINGS RELEASES FOR JSE LISTED COMPANIES

Company	Date
Octodec Investments Ltd	02-May-17
Holdsport Ltd	02-May-17
Dis-Chem Pharmacies Ltd	03-May-17
Redefine Properties Ltd	04-May-17
Equites Property Fund Ltd	04-May-17

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