

Monday, 12 December 2016

TOP 10 GAINERS		
Share Name	Closing price	% change
STEINHOFF INTERNATIONAL H NV	7488	18.33
GROUP FIVE LTD	2656	14.83
MASSMART HOLDINGS LTD	13120	13.10
TRUSTCO GROUP HOLDINGS LTD	360	12.50
OMNIA HOLDINGS LTD	18400	12.47
ASSORE LTD	24088	12.10
TRUWORTHS INTERNATIONAL LTD	7950	11.70
RAUBEX GROUP LTD	2451	10.41
BIDVEST GROUP LTD	17585	10.25
RMB HOLDINGS LTD	6689	8.94

TOP 10 LOSERS		
Share Name	Closing price	% change
SIBANYE GOLD LTD	2401	-18.19
HARMONY GOLD MINING CO LTD	2955	-6.49
PAN AFRICAN RESOURCES PLC	290	-6.45
GOLD FIELDS LTD	4114	-5.43
INVESTEC AUSTRALIA PROPERTY	1325	-5.36
ANGLOGOLD ASHANTI LTD	15095	-5.21
RCL FOODS LTD/SOUTH AFRICA	1215	-5.00
PALLINGHURST RESOURCES LTD	410	-4.65
CHOPPIES ENTERPRISES LTD	278	-4.14
DISTELL GROUP LTD	15046	-4.10

GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	2.23	19,550
S & P 500	1.93	2,241
Nasdaq	1.32	5,394
FTSE 100	2.32	6,910
Nikkei 225	5.96	3,195
Hang Seng	1.36	18,765
S & P ASX 200	2.14	5,561

COMMODITIES*		
Name	% Change	Price
Gold	0.07	\$1,172.46
Platinum	3.09	\$944.63
Brent Crude Oil	-0.50	\$54.19

CURRENCIES*		
Indices	% Change	Price
\$ / R	3.19	R 13.67
£ / R	2.60	R 17.31
€ / R	2.37	R 14.69

Updated: 07:45 12/12/2016

COMMENTS FOR TOP 40 STOCK MOVEMENTS

The All Share followed global markets higher recording it's best weekly gain in nearly five months. The week had very few company events however Steinhoff posted strong quarterly results leading the market higher. Sibanye Gold was the weakest performer of the week following the announcement of a \$2.2bn acquisition of a US platinum miner and a possible rights issue in 2017. Financials and retailers benefited from a stronger Rand on the back of the country avoiding credit rating downgrades at the beginning of December. During the middle of the week the rally in the currency was halted by the European Central Bank announcing an extension to it's quantitative easing. This led to a reversal in the Rand's gains as a sell off of emerging market currencies began. The Rand ended the week only 0.21% weaker against the dollar at R13.77. Local economic data saw a weak mining production number (-2.9% Y-o-Y) pressured by a sharp decline in Platinum (-12%) and Manganese ore (-10.5%) production. The South African GDP growth was down to 0.2% in the third quarter, down from the 3.3% recorded in the second quarter.

KEY EVENTS & COMPANY RESULTS

Murray & Roberts Holdings Limited

Trading statement

Murray & Roberts expects basic earnings per share (EPS) and basic HEPS for the six months ended 31 December 2016 to be more than 20% lower than the reported for the previous comparative reporting period.

Sanlam Limited

Operational Update – December 2016

The group reported that new business volumes rose by 11% to R195 billion for the first 10 months of the 2015 financial year. Normalised headline earnings per share (HEPS) were down 8% and diluted HEPS decreased by 9% compared to the first 10 months of the 2015 financial year. Sanlam Emerging Markets achieved overall new business growth of 67%, supported by a weaker average Rand exchange rate and the impact of corporate activity. Excluding corporate activity, new business volumes increased by some 50%. Overall net fund inflows of R32 billion were up from the R11 billion achieved in the comparable 10-month period in 2015, with most businesses contributing to the higher net inflows.

Glencore plc

Russian government announcement regarding privatisation of shares in Rosneft

Glencore confirmed that the company is in the final stages of striking a deal to buy a 19.5% slice of Rosneft for €10.2bn (£8,6bn), as part of a consortium with the Qatar Investment Authority, Glencore's biggest shareholder. Glencore itself will be the junior partner, investing just €300m for a 0.54% stake. Key to the deal is an agreement for Glencore to sell 220,000 barrels of Rosneft's oil a day over the next five years.

Sibanye Gold Limited

Sibanye Gold announced an agreement to buy American platinum and palladium producer Stillwater Mining Co. The company will pay \$18/share, a 20% premium, that will be financed via a \$2.7 billion bridge loan facility provided by Citi and HSBC. It further plans to raise at least \$750m equity, via a rights issue and raise

Contact Details

Derick Meintjes
Email: Derickm@legae.co.za
Tel: +27 11 722 7330

Private Clients Enquiries
Email: privateclients@legae.co.za
Tel: +27 11 722 7343

new capital markets debt with the objective of maintaining its dividend policy and preserving its long term financial flexibility, post the transaction-close, according to management.

Steinhoff International Holdings N.V

Results for the quarter ended 30 September 2016

The group’s total revenue for the third quarter increased by 12.1% to €3.4 billion. With 61% of the group’s revenue earned in Europe and the United Kingdom, while 32% of revenue is earned in Africa, mostly in South Africa. The group reported a 12.5% increase in operating margin to €327million representing an operating profit margin of 9.7% for the group as a whole. Revenue of the household goods retail segment increased by 13.6% to €2.2 billion for the quarter ended 30 September 2016 and operating profit rose by 10.1% to €241 million in the quarter. General Merchandise retail segment improved revenue by 18.0% to €895 million, when adjusted for currency fluctuations relating mostly to the South African rand, the general merchandise segment increased sales by 26.3% in constant currency during the quarter.

GLOBAL AND WORLD MARKET DEVELOPMENTS

Global markets ended the week positively, with all three major US indices achieving record highs over the week as the Trump rally continued. In Europe the key economic event was the ECB president announcing an extension to the quantitative easing (QE) program to the end of 2017 rather than March next year. The bank surprised the market however, by scaling back the bond buying program to €60bn from €80bn. ECB President Mario Draghi also indicated that the bank could extend or increase the size of QE if necessary. The Italian referendum was surprisingly smoothly digested despite the result adding to speculation that a referendum around Italy exiting the Eurozone could follow. European indices ended strong with the FTSE and DAX adding over 3% and 6% respectively. The Australian economy contracted 0.5% for the quarter dragging the yearly growth figure down to 1.8%, this was the first negative reading in more than 5 years. Japan also posted a weaker than expected GDP number with the economy only expanding 0.3% for the third quarter. China reported its trade balance for November as a surplus of \$44.61bn, compared with a surplus of \$46.3bn expected. Exports rose 0.1% beating the 5% decline expected and imports jumped 6.7% which was well above the decline of 1.3% forecasted. The Chinese figures reported showed a huge jump in the importation of iron ore, up 13% on a month on month basis sending the commodity up 4.97% for the week. The Copper price surged to an 18 month high on an intraday basis last week as Chinese imports of the red metal soared 31% in November compared to October.

THE WEEK AHEAD

Earnings releases for JSE listed companies

Company	Date
PPC Limited	13-Dec-16

Disclaimer:

Legae Securities (Pty) Ltd is a member of the JSE Limited and all investment management services as provided are regulated by the provisions of the Securities Services Act, No 36 of 2004 or any replacement act or acts and that all dealings are subject to the Rules, Directives, practice and usage of the JSE Ltd. This information is not advice as defined and contemplated in the Financial Advisory and Intermediary Services Act, 37 of 2002, as amended. Past investment returns are not indicative of future returns. Legae Securities (Pty) Ltd shall not be liable for any actions taken by any person based on the correctness of this information.