

Monday, 20 February 2017

TOP 10 GAINERS		
Share Name	Closing price	% change
MURRAY & ROBERTS HOLDINGS	1540	39,87
KAP INDUSTRIAL HOLDINGS LTD	918	15,47
TRUWORTHS INTERNATIONAL LTD	8900	10,34
RAUBEX GROUP LTD	2499	8,84
CONSOLIDATED INFRASTRUCTURE	2370	8,22
CLOVER INDUSTRIES LTD	1908	8,10
PALLINGHURST RESOURCES LTD	465	7,39
METAIR INVESTMENTS LTD	2422	7,03
MMI HOLDINGS LTD	2617	6,51
CHOPPIES ENTERPRISES LTD	350	6,06

TOP 10 LOSERS		
Share Name	Closing price	% change
LONMIN PLC	2100	-9,76
ASPEN PHARMACARE HOLDINGS LT	28882	-6,03
ANGLO AMERICAN PLATINUM LTD	32759	-5,92
REDEFINE INTERNATIONAL PLC	608	-5,88
IMPALA PLATINUM HOLDINGS LTD	5031	-5,33
WOOLWORTHS HOLDINGS LTD	6958	-5,26
STEINHOFF INTERNATIONAL H NV	6680	-4,98
ROYAL BAFOKENG PLATINUM LTD	3900	-4,88
SCHRODER EUROPEAN REAL ESTAT	1723	-4,17
SASOL LTD	37450	-4,02

GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	1,75	20 624
S & P 500	1,51	2 351
Nasdaq	1,82	5 839
FTSE 100	0,57	7 300
Nikkei 225	-1,08	19 249
Hang Seng	1,73	24 122
S & P ASX 200	0,60	5 795

COMMODITIES*		
Name	% Change	Price
Gold	0,73	\$1 234,17
Platinum	0,27	\$1 001,15
Brent Crude Oil	0,43	\$55,83

CURRENCIES*		
Indices	% Change	Price
\$ / R	2,20	R 13,05
£ / R	3,10	R 16,20
€ / R	2,04	R 13,85

Updated: 07:30 20/02/2017

COMMENTS FOR TOP 40 STOCK MOVEMENTS

South African markets struggled to find traction during the week declining 0.88%, as the stronger rand took the shine off offshore stocks. The rand touched R12.90/\$ for the first time since August 2015, holding back some industrial and resource shares, which declined 1.46% and 2.65% respectively. Banking stocks managed to keep above water despite the Competition Commission finding evidence of collusion between some of the banks in the forex market. Consumer prices in SA rose 6.6% YoY, below market expectations of 6.7% as prices increased at a slower pace for food and non-alcoholic beverages. Analysts said that dismal domestic growth prospects, a stronger rand and moderating inflation should support an unchanged interest rate stance.

KEY EVENTS & COMPANY RESULTS

Woolworths Holdings Limited

Unaudited interim group results 25 December 2016

Group sales increased by 6.7% to R37.8bn despite difficult trading conditions in both South Africa and Australia. Clothing and general merchandise sales grew by 3.5% and food sales grew by 9.5%. EPS increased by 36%, which includes the R1.7m profit on disposal by David Jones. HEPS declined by 2.4%. A cash dividend was declared of 133cps, maintaining the dividend of the previous period.

KAP Industrial Limited

Unaudited results for the six month ended 31 December 2016

KAP reported a 24% rise in first-half profit to R1.1bn despite subdued economic conditions. Revenue increased 10% to R9bn. The results were driven primarily by organic growth and market share gains which are the result of recent technology investments, improved efficiencies and increased integration across the group. Operating profit before capital items was up 24% to R1.1bn as the operating margin increased to 12.3% from 11% as a result of divisional integration benefits, continued operational streamlining and recent capital investments. HEPS was up by 18% to 25.2c. The group has declared no dividend.

Kumba Iron Ore Limited

Audited provisional annual financial results

HEPS rose 131% to 2730c. The group said higher iron ore prices, as well its own drive to cut costs by reducing the amount of waste mined, contributed to the improvement in earnings. Total revenue amounted to R40.8bn, a rise of 13%, mainly as a result of the increase in average realised free on board iron ore prices (2016: US\$64/tonne; 2015: US\$53/tonne). Two fatalities were reported. No dividend was declared.

Impala Platinum Holdings Limited

Trading statement

HEPS for the year ended 31 December 2016 are expected to be a loss of between 65c to 79c. EPS are expected to decrease between 48c and 58c compared to the previous figure of 31c. The decline is due to the insurance compensation received from the 14 shaft fire incident in January 2016.

The Bidvest Group Limited

Trading statement

HEPS for continuing operations are expected to be between 508c to 512c, relative to 489c for the prior comparative period, which represents an increase of between

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4% – 5%. Basic EPS is anticipated to be 37%-42% higher. These results are due to fair value capital gains arising from an increase in the market values of associate companies, Adcock Ingram Ltd and Comair Ltd.

Murray & Roberts Holdings Limited

Trading statement

MUR expects diluted and basic HEPS and EPS to decline between 65% and 75%, and between 74% and 63% respectively. The decline is due to persistent low commodity and energy prices, with a major impact expected in the oil and gas platform. On the contrary, MUR shares rocketed 39.87% for the week which is likely caused by Coronation's sale of all its shares of Murray & Roberts.

EOH Holdings Limited

Trading statement

EOH expects EPS to be between 430c and 448c, reflecting an increase of between 20% and 25%. HEPS is expected to increase between 20% and 25%.

Anglo American Platinum Limited

Summarised preliminary audited consolidated financial results for the year ended 31 December 2016

AMS reported that headline earnings had increased to R1.9bn and HEPS was 713c. The group expects to receive R1.25bn from asset sales during the course of the year. \$100m from customer pre-payments, the cash from its mines, as well as reduced expenditure to contribute towards lowering net debt to below R5bn. Free cash flow was R3.5bn and net debt had fallen to R7.3bn from R12.8bn. AMS had a profit of R696m for the year compared to R12.4bn. The group has not declared a dividend since 2011 and will not do so until it is sure it can pay sustainable returns.

Gold Fields Limited

Unaudited results for the year ended 31 December 2016

Gold Fields reported operating mine cash flow of \$424m in 2016 and a net profit of \$163m compared to a net loss of \$242m for the previous period, and a normalised earnings of \$191m versus a loss of \$45m in 2015. The group intends to spend R2.3bn at the mine to bring it to steady state production of 495 000 Oz a year from 2022. A final dividend was declared of 60cps, bringing the total return to shareholders to 110cps. In terms of outlook, attributable equivalent gold production for 2017 is expected to be between 2.10 million ounces and 2.15 million ounces, unchanged from the updated guidance provided for 2016. The Australian region is expected to produce around 910,000 ounces with reduced ounces at the four mines largely due to a change in mining mix across these dynamic operations which affect grade and tonnage.

Santam Limited

Trading statement

Santam expects HEPS to decrease between 39% and 44% and EPS to be between 44% to 49% lower. This decrease is due to a normalisation of the net underwriting results and the significantly lower returns, mainly due to the strengthening of the rand in 2016.

GLOBAL AND WORLD MARKET DEVELOPMENTS

Global markets ended the week in positive territory with the Nasdaq leading the gains. Janet Yellen said in her speech on Tuesday that waiting too long to raise interest rates would be unwise as economic growth continues and inflation rises. Even though the Fed expects to hike gradually and to keep the policy accommodative, getting rates back to normal levels is important and hikes will be considered ahead. Consumer prices in the US rose 2.5% YoY, above market expectations of a 2.4% increase, mainly boosted by gasoline prices. Crude oil inventories went up by 9.53m barrels in the week ended 20 February 2017 following a 13.83m increase. Manufacturing production increased 0.2% in January. Healthy consumer spending and a recovery in the oil sector have supported recent gains in manufacturing. Initial jobless claims increased by 5k to 239k in the week ended 11 February, below market expectations of 245k. In the UK, consumer prices rose by 1.8% , following a 1.6% gain the previous month. This is the highest inflation since June 2014, mainly boosted by rising cost fuel. In Asian markets, Chinese consumer prices advanced 2.5% YoY, driven by a faster increase in cost of food and non-food. In January, the politically sensitive food prices increased by 2.7% while non-food cost rose 2.5%. Producer prices expanded 6.9% YoY, following a 5.5% rise in December. Costs went up for most categories, including means of production (9.1%), namely extraction (31%), raw material (12.9%) and processing (5.9%); and consumer goods (0.8%).

THE WEEK AHEAD**Earnings releases for JSE listed companies**

Company	Date
Super Group Ltd (SPG)	20-Feb-17
AngloGold Ashanti Ltd (ANG)	21-Feb-17
Shoprite Holdings Ltd (SHP)	21-Feb-17
Imperial Holdings Ltd (IPL)	21-Feb-17
Murray & Roberts Holdings Ltd (MUR)	22-Feb-17
Adcock Ingram Holdings Ltd (AIP)	22-Feb-17
Glencore PLC (GLN)	23-Feb-17
British American Tobacco PLC (BTI)	23-Feb-17
Mondi Ltd (MND)	23-Feb-17
Barclays Africa Group Ltd (BGA)	24-Feb-17
Massmart Holdings Ltd (MSM)	24-Feb-17

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