

Monday, 27 February 2017

TOP 10 GAINERS		
Share Name	Closing price	% change
BID CORP LTD	26850	15.73
SHOPRITE HOLDINGS LTD	19322	11.66
MASSMART HOLDINGS LTD	15048	11.26
BALWIN PROPERTIES PTY LTD	825	9.56
INTU PROPERTIES PLC	4754	7.34
ADCOCK INGRAM HOLDINGS LTD	5800	6.81
HAMMERSON PLC	9578	4.10
STEINHOFF INTERNATIONAL H NV	6924	3.65
HOLDSPORT LTD	6198	3.25
CALGRO M3 HOLDINGS LTD	1825	3.11

TOP 10 LOSERS		
Share Name	Closing price	% change
ANGLOGOLD ASHANTI LTD	15320	-11.54
MEDICLINIC INTERNATIONAL PLC	11978	-11.27
IMPALA PLATINUM HOLDINGS LTD	4550	-9.56
IMPERIAL HOLDINGS LTD	16718	-9.29
ROYAL BAFOKENG PLATINUM LTD	3550	-8.97
SOUTH32 LTD	2390	-8.95
ARCELORMITTAL SOUTH AFRICA	1257	-7.91
OCEANA GROUP LTD	10730	-7.11
LONMIN PLC	1952	-7.05
ANGLO AMERICAN PLC	20210	-6.96

GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	0.70	20,764
S & P 500	0.36	2,356
Nasdaq	-0.02	5,814
FTSE 100	-1.05	7,223
Nikkei 225	0.25	19,284
Hang Seng	-0.28	23,966
S & P ASX 200	-1.15	5,739

COMMODITIES*		
Name	% Change	Price
Gold	1.72	\$1,255.85
Platinum	2.27	\$1,026.13
Brent Crude Oil	0.47	\$56.07

CURRENCIES*		
Indices	% Change	Price
\$ / R	0.63	R 12.96
£ / R	0.05	R 16.21
€ / R	1.10	R 13.70

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## COMMENTS FOR TOP 40 STOCK MOVEMENTS

The ALSI ended the week 1.81% lower, dragged down by resources which were, down 5.18% as companies reported lacklustre numbers. Financials and Industrials also ended the week weaker, 0.16% and 1.26% respectively. News of select SA banks colluding to fix the rand continue to weigh on the banking sector. Commodity prices were still at their highs but remain volatile.

## Budget Speech

The budget was focused on consolidating and cleaning up the fiscus, with increased spending in strategic projects that aims to spear head growth. There were significant announcements, included a new tax bracket at 45% affecting individuals earning more than R1.5 million per annum. Dividend withholding tax increased from 15% to 20% and is effective from the 22nd February 2017. A new tax bracket has been introduced for individuals earning more than R1.5 million per annum.

## KEY EVENTS & COMPANY RESULTS

### Shoprite Holdings Limited

#### Unaudited results for the six months ended 31 December 2016

Headline earnings per share (HEPS) rose by 15.5% to 460.0 cents. The group's turnover increased by 14% from R62.519bn to R71.297 bn. Turnover was boosted by strong trading performance during the festive season despite subdued economic conditions. Non-RSA operations grew turnover by 32.3% to 12.877bn. The group increased its store footprint by 147 new stores within South Africa and abroad. A dividend was declared at 180 cents per share, an increase of 15.4% over the previous year.

#### Withdrawal of cautionary announcement

Steinhoff and Shoprite have decided to terminate their negotiations relating to the proposed acquisition of Steinhoff's African retail assets. As soon as the cautionary announcement was released both stocks rallied, with Shoprite and Steinhoff gaining 11.6% and 3.65% respectively for the week.

### Barclays Africa Group Limited

#### Consolidated financial results for the period ended 31 December 2016

Headline earnings in South Africa increased by 2% to R12.2bn and the rest of Africa surged by 17% to R2.8bn. The group's ROE declined to 16.6% from 17%. Revenue grew by 8% to R72.4bn, as net interest income increased by 9% and non-interest income was up 6%. Credit impairments grew 26% to R8.8bn resulting in a 1.08% credit loss ratio from 0.92%. Higher inflation and tighter credit conditions has affected the group's balance sheet. A dividend of 570 cents per share was declared.

### Mondi Limited

#### Full year results for the year ended 31 December 2016

Underlying earnings increased by 3% to 137.8 euro cents per share. Group revenue declined by 2% compared to 2015. Packaging paper was impacted negatively by lower selling prices across most key grades and lower green energy prices. The group completed major projects in 2016 and has made four acquisitions totalling 185 million euros to expand the packaging business. The final dividend per share is 38.19 euro cents.

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**BHP Billiton PLC****Results for the half year ended 31 December 2016**

Underlying basic earning per share (EPS) increased by 692% to 61 US cents and net debt has decreased by 23% to US \$20.057bn. The good performance has been supported by a commodity price rebound and the sale of non-core assets totalling to US \$7bn. There were significant write-offs in the prior period. An interim dividend of 40 US cents per share was declared.

**Discovery Limited****Unaudited interim results and cash dividend declaration for six months ended 31 December 2016**

Normalised profit from operations up by 13% to R3.4bn and gross inflows under management increased by 12% to R55.2bn, this was after economic headwinds in the UK due to falling exchange and interest rates. Their life business surged by 9% to R1.053bn, compared to the previous period. A dividend of 88 cents was declared.

**Bid Corporation Limited****Unaudited group interim results for six months ended 31 December 2016 and cash dividend declaration**

HEPS is up by 20.3% to 600 cents per share and EPS increased by 20.7% to 600.3 cents. The good performance is supported by organic growth in currencies and from gains in market share. The group's trading profit increased by 15.7% to R2.8bn and the trading margin increased by 4.2% due to operational focus and rebalancing of the portfolio. The group has finalised a number of acquisitions in major regions totalling R495.8m. An interim cash dividend has been declared of 250 cents per share.

**Adcock Ingram Holding Limited****Unaudited results for the six months ended 31 December 2016**

HEPS from continuing operations increased by 52% to 144.9 cents and group turnover increased by 11% to R2.979bn. The group has disposed of its Indian marketing and sales business and its majority stake in the Ghanaian business. OTC turnover surged by 16.2% over the prior period, supported by the increased volumes during the winter season and improving demand in the tender and exports markets. The group has declared a dividend of 63 cents per share.

**Distell Group Limited****Unaudited Group results for the six months ended 31 December and cash declaration**

Group revenue was up 2.4% to R12.5bn and sales volume declined by 3.1%. Headline earnings increased 1.1% to R1.2bn. Domestic market revenue grew 5.1% and sales volumes were down 1.1% in a market environment where the consumer is under pressure and competition has increased in the industry. The group results were supported by further efficiency improvements and cost containment initiatives across the business. The group declared a gross cash dividend of 165 cents per share.

**Liberty Holdings Limited****Financial results for the year ended 31 December 2016**

Headline earning dipped 46.2% to R2.207bn, compared to R4.102bn in 2015. Headline earnings were impacted by the consolidation of the Liberty Two Degrees listed REIT (L2D), of R304m due to an accounting mismatch. The group's financial position remained strong with capital adequacy ratio at 2.95x higher than the regulatory minimum. Management is in the advanced stages of acquiring a life licence in Nigeria. The SA retail operations declined by 40.1% to R1.119bn compared to 2015. The main contributors were the significant strengthening of forwarding looking assumptions. Net customer cash inflows of R1.9bn were below 2015 figures, primarily due to higher value policy surrenders and maturities experienced during 2016. A gross final dividend of 415 cents per share has been declared.

**Glencore****Preliminary results 2016**

Earnings per share (EPS) was up 40% to US\$0.14 and net debt declined by 40% to US\$15.526bn. Glencore's credit rating is currently Baa3(stable) from Moody's and BBB (positive outlook) from Standard & Poor. Management has publicly stated objectives to achieve and maintain strong overall financial strategy to maintain a strong Baa/BBB credit rating. Though volatile, iron ore prices trended higher and gained 0.14% to US\$90.5 in the week. Steel demand supported by Chinese stimulus and higher coking coal prices has led to an increase in demand for higher grade iron ore. Copper underperformed base metals for most of 2016, but the price recovered in the closing months of the year after a fundamental shift in sentiments.

## GLOBAL AND WORLD MARKET DEVELOPMENTS

The Nikkei ended slightly up at 0.17% and the S&P 500 gained 0.08% for the week. Gold was up at US \$1253.65 and Copper futures surged 1.4% higher to US \$2.70. In Europe, on Friday, both banks and miners declined due to disappointing earnings results. The Eurozone PMI was 56.1 up from 54.8 in January, its highest reading before April 2011. In France the composite PMI climbed to a 69-month high of 56.2 in February from 54.1 in January.

US President Trump will make his first major policy address to Congress on Tuesday. It is expected to include details on his infrastructure spending and tax plans but some market participants are worried that a lack of fresh direction could disappoint investors and have an impact on the dollar. In France, while current polls show National Front leader Marine Le Pen losing either to centrist Emmanuel Macron or the right-wing Francois Fillon, investors have not counted her out and many fear that she will lead France out of the Eurozone.

## THE WEEK AHEAD

### Earnings releases for JSE listed companies

	Date
Bidvest Group Limited	27-Feb-17
Sasol Limited	27-Feb-17
Nedbank Group Limited	28-Feb-17
Royal Bafokeng Platinum Limited	28-Feb-17
Cashbuild Limited	28-Feb-17
Blue Label Telecoms Limited	1-Mar-17
MTN Group	2-Mar-17
Exxaro Resources Limited	2-Mar-17
Standard Bank Group Limited	2-Mar-17
Santam Limited	2-Mar-17
Hyprop Investments Limited	3-Mar-17

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