

Monday, 3 July 2017

TOP 10 GAINERS		
Share Name	Closing price	% change
AFRICAN RAINBOW MINERALS LTD	8431	18.30
KUMBA IRON ORE LTD	17121	17.26
ASSORE LTD	19486	16.40
ROYAL BAFOKENG PLATINUM LTD	3418	11.34
HOSKEN CONS INVESTMENTS LTD	13342	9.23
ANGLO AMERICAN PLC	17552	9.03
EXXARO RESOURCES LTD	9300	7.63
INVICTA HOLDINGS LTD	5800	6.91
GLENCORE PLC	4901	6.40
SOUTH32 LTD	2705	6.12
TOP 10 LOSERS		
Share Name	Closing price	% change
OMNIA HOLDINGS LTD	13100	-9.44
PALLINGHURST RESOURCES LTD	306	-7.27
SIBANYE GOLD LTD	1505	-7.10
ANGLOGOLD ASHANTI LTD	12800	-6.64
PAN AFRICAN RESOURCES PLC	236	-5.60
DISTELL GROUP LTD	13701	-5.28
ALEXANDER FORBES GROUP HOLDI	695	-4.92
OCEANA GROUP LTD	9090	-4.09
OCTODEC INVESTMENTS LTD	2302	-4.08
CITY LODGE HOTELS LTD	14013	-4.02
GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	-0.21	21,350
S & P 500	-0.61	2,423
Nasdaq	-1.99	6,140
FTSE 100	-1.50	7,313
Nikkei 225	-0.49	20,033
Hang Seng	0.37	25,765
S & P ASX 200	0.10	5,721
COMMODITIES*		
Name	% Change	Price
Gold	-1.20	\$1,241.61
Platinum	-0.46	\$925.87
Brent Crude Oil	6.60	\$48.77
CURRENCIES*		
Indices	% Change	Price
\$ / R	-1.14	R 13.08
£ / R	-3.23	R 17.00
€ / R	-2.96	R 14.92

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COMMENTS FOR TOP 40 STOCK MOVEMENTS

Resources were in major focus in the week as global commodity prices increased and the Rand depreciated. The RESI gained 4.45% with diversified miners gaining the most. The iron ore and oil price gained significantly over the week. Iron ore increased to levels last seen more than a month ago assisting Kumba iron ore to gain by a substantial 17.26%. Oil traded higher after U.S. shale explorers paused record drilling expansion. The oil price increase came in a week where Norway said it would completely stop the use of both oil and paraffin to warm buildings from 2020 onwards. This makes it the first country in the world to ban the use of gas to heat buildings.

The gold price dipped, bucking the trend in the commodity universe. This affected gold miners as the gold index fell by 3.81%. Sibanye Gold fell 6.64%, making it the worst performer on the index. Further, the index has fared dismally over the first half of the year, losing 13.21%. Interestingly, this occurred in the same period that the gold price has been increasing and the dollar index has been falling.

Statistics SA released PPI figures that showed that the annual percentage change in the PPI for final manufactured goods was 4.8% in May 2017. This is an increase of 0.5% from the April 2017 figure. The main contributors to the annual rate of 4.8% were food products, tobacco products and beverages.

KEY EVENTS & COMPANY RESULTS

Invicta Holdings Limited

Preliminary audited summarised consolidated results for the year ended 31 March 2017

The holdings company released audited results that reflected improved operating performance in the period concerned. The results are in line with the firm's latest trading statement. The firm's revenue grew 8.4% y/y, operating profit increased by 35.9%, profit attributable to ordinary shareholders increased by 25.7% while HEPS was up 37.3%. The Capital Equipment segment contributed the most to revenue in the period and grew by 10.5% y/y. Despite the positive results the firm's share price fell 0.46% on the day of the results release.

Omnia Holdings Limited

Audited results for the year ended 31 March 2017

The group's profitability has declined y/y on the back of weaker performance from the Mining and Chemicals divisions, due to a general slowdown in those sectors. This led to lower group revenue which fell by 3%, with the decline also contributing to a negative 2% change in gross profit y/y. HEPS declined 7% with a slight decrease in the weighted average number of shares in issue. The firm reduced their debt substantially with net debt eliminated at year-end and a net cash position of R90 million. The board has declared a final gross cash dividend of 180 cents per share.

Anglo American Platinum

Trading statement for the six months ended 30 June 2017

The mining company released a statement that revealed negative expected y/y performance in relation to headline earnings, HEPS, basic earnings and EPS. All the measures mentioned above are expected to be at least 20% lower than the comparative reporting period for the six months ended 30 June 2016. The firm cites the expected decrease in headline earnings and basic earnings on a stronger rand. The firm will publish a further trading statement closer to the release of its interim financial results which will be released on the 24th July 2017.

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Anglo Gold Ashanti Limited

Restructure of South African operations to ensure viability

The gold mining firm angered trade unions with its decision to restructure its South African operations, which it said could impact the employment of approximately 8500 jobs. The firm said that in order to ensure long-term sustainability for its local operations, it would place on care and maintenance the Kopanang mine and the Savuka section of the TauTona mine. AngloGold would also evaluate the feasibility of integrating elements of the 60-year old TauTona mine into the neighbouring Mponeng mine. Systemic challenges at their mines are cited as the reason that are driving the restructure. The firm's stock price fell 4.29% on the day of the news release.

Tsogo Sun Holdings Limited

Update on the proposed acquisition of certain gaming businesses from Niveus Investments Limited

The update is in relation to Tsogo's proposed acquisition of the shares in Niveus Invest 19 Limited (Gameco), the holding company of certain gaming businesses in the Niveus group. Tsogo revealed that in addition to the completion of a due diligence investigation (in respect of Gameco), they had concluded an agreement together with Niveus, Hosken Consolidated Investments Limited (HCI) which records the terms of the proposed transaction. The transaction is subject to the fulfilment of a number of conditions, one of which is that the Gameco shareholders (including HCI and Niveus) holding no less than 345 000 100 Gameco shares on aggregate irrevocably undertake to dispose of their shares to Tsogo in accordance with the terms of the proposed transaction. Tsogo's consideration for the transaction is 80% cash and 20% in Tsogo ordinary shares.

GLOBAL AND WORLD MARKET DEVELOPMENTS

Stock markets in the United States began the week relatively flat as the Dow Jones increased slightly in value while the S&P closed at the same level it opened at. The tech heavy Nasdaq fell 0.29%, with a fall in technology stocks contributing to its decline. Economic data released revealed that May durable goods orders were down 1.1% after falling 0.9% in April. However, excluding transportation, orders managed to edge up 0.1%. The rest of the week proved to be volatile in stock markets as the U.S Senate's postponed vote on the health care bill and Janet Yellen's remarks in London were some of the events that weighed on investors.

The Senate delayed the vote on the health care bill (aimed at overhauling the Affordable Care Act) until after the holiday on July 4th. This postponement further calls into question President Donald Trump's efficacy in implementing his domestic plans. President Trump convened a meeting in the White House on Tuesday afternoon, in an attempt to convince reluctant Republicans about voting for the bill. While in an address in London, Fed chair Janet Yellen gave no indication that her plans for continued monetary policy tightening had changed while acknowledging that some asset prices did seem "high". She also mentioned that the Fed had learnt lessons from the financial crisis and that the banking system is much stronger.

In commodities, oil had the longest run of gains in six months after U.S. shale explorers paused a record drilling expansion. Crude futures fell into a bear market the previous week due to fears that rising global supply is offsetting cuts from the OPEC and its partners. Despite the week's price rally, Bank of America Corp. cut its outlook on oil prices for this year and the following year. Bank of America lowered its 2017 and 2018 WTI forecasts citing a continuing rise in oil output and disappointing demand.

THE WEEK AHEAD

EARNINGS RELEASES FOR ALL SHARE LISTED COMPANIES

Company	Date
Anchor Group Ltd	04-July-17
Middle East Diamond Resources Ltd	04-July-17
Keaton Energy Holdings Ltd	05-July-17
Global Asset Management Ltd	05-July-17
Ichor Coal NV	06-July-17
M Fitec International Ltd	06-July-17
Safari Investments RSA Ltd	06-July-17
Stratcorp Ltd	06-July-17
Avior Capital Markets Pty Ltd	07-July-17

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