

Monday, 17 July 2017

TOP 10 GAINERS		
Share Name	Closing price	% change
NASPERS LTD-NSHS	271200	9,59
PALLINGHURST RESOURCES LTD	318	8,90
MR PRICE GROUP LTD	16800	8,66
CHOPPIES ENTERPRISES LTD	325	8,33
MURRAY & ROBERTS HOLDINGS	1445	7,20
GRINDROD LTD	1200	7,14
ASSORE LTD	20799	6,96
PSG GROUP LTD	25574	6,77
GOLD FIELDS LTD	4904	6,54
FORTRESS INCOME FUND LTD	3778	6,27
TOP 10 LOSERS		
Share Name	Closing price	% change
NET 1 UEPS TECHNOLOGIES INC	13017	-7,35
ASTRAL FOODS LTD	13950	-4,88
NAMPAK LTD	1890	-4,06
PPC LTD	477	-4,02
IMPALA PLATINUM HOLDINGS LTD	3520	-3,85
DATATEC LTD	5920	-3,52
ITALTILE LTD	1255	-3,39
ROYAL BAFOKENG PLATINUM LTD	3256	-2,69
ASPEN PHARMACARE HOLDINGS LT	28187	-2,64
CALGRO M3 HOLDINGS LTD	1680	-2,61
GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	0,72	21569
S & P 500	1,12	2452
Nasdaq	2,30	6295
FTSE 100	0,37	7378
Nikkei 225	0,95	20119
Hang Seng	4,14	26389
S & P ASX 200	1,08	5765
COMMODITIES*		
Name	% Change	Price
Gold	1,31	\$1 228,37
Platinum	1,27	\$918,56
Brent Crude Oil	4,54	\$48,83
CURRENCIES*		
Indices	% Change	Price
\$ / R	2,65	R 13,04
£ / R	1,21	R 17,05
€ / R	2,17	R 14,93

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## COMMENTS FOR TOP 40 STOCK MOVEMENTS

South African markets ended the week stronger. The All Share Index gained 3.27% for the week, in spite of the stronger rand. The rand gained 2.65% for the week, trading at R13.04 against the US Dollar on Friday. The firmer Rand came on the back of disappointing US economic data and the policy commentary from US Federal reserve that caused the Dollar to lose ground. US consumer price inflation slowed to 1.6% in June from 1.9% in May. Consumer spending was also weaker than expected, with retail sales falling 0.2% in June, compared to expectations of a 0.1% rise. The firmer Rand also followed comments from the US Federal Reserve that the plan to raise interest rates might be reassessed if inflation rate remains muted. Rand hedges closed the week in the red as they suffered higher rand strength.

The stronger Rand propelled financials and retailers. The financial index was up 3.12% for the week, with PSG Group being the biggest gainer up 6.77%. General retailers were up 2.08%, with Mr Price leading the gains with an overall five-day gain of 8.66%. It was a positive week for gold as well, as the drop in bond yields and the weaker dollar helped the metal to gain. The Gold price rose to a two-week high of \$1228.37 on Friday, gaining 1.31% for the week. Losses among miners were capped by firmer commodity prices. Resources rebounded following the statement from government, which backtracked on the implementation of the revised 2017 mining charter. The resources minister gave a written undertaking not to apply the proposed provisions of the newly reviewed Mining Charter, pending judgement in the interdict application from the Chamber of Mines. Assore gained 6.96% for the week, followed by Gold Fields up 6.54%. Brent crude oil added 4.54% to \$48.83 a barrel. The industrial index also ended the week firmer gaining 3.81%, boosted by Naspers gaining 9.59%.

## KEY EVENTS & COMPANY RESULTS

### MTN Group Limited

#### Trading statement for the six months ended 30 June 2017

The group expects to report an improvement of at least 20% in both headline earnings per share (HEPS) and earnings per share (EPS) for the six-month period ended 30 June 2017, compared with a headline loss per share of 271c and attributable loss per share of 301c reported in the prior comparable period. The negative performance in the prior period was mainly attributable to non-recurring costs with the Nigeria regulatory fine of 474cps included in these costs. The professional fees related to the fine were 73cps. The other losses include 136cps from MTN's 51% equity interest in Nigeria Tower InterCo B.V. which were mainly due to unrealised losses on US Dollar-denominated loans.

### Kumba Iron Ore Limited

#### Updated trading statement for the six months ended 30 June 2017

The company expects headline earnings for the period to be between R4.37 million and R4.74 million. Basic earnings is expected to be between R4.36 million and R4.72 million. HEPS is likely to be between R13.70 and R14.85, an increase of between 46% and 58%. Basic EPS is expected to be between 1364c and 1479c, an increase of between 47% and 59%. Reported headline earnings and basic earnings for the comparative period were R3.01 million and R2.97 million respectively, while reported HEPS and EPS for the comparative period were 941c and 930c respectively. The increase in earnings for the period is largely attributable to higher export iron ore prices, partially offset by the stronger Rand/US\$ exchange rate.

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## Woolworths Holdings Limited

### Trading update and trading statement: 52 weeks ended 25 June 2017

The group reported a 3% increase in sales for the 52 weeks ended 25 June 2017. Growth in the second half was impacted by increasingly difficult trading conditions in both South Africa and Australasia. Woolworths South Africa's clothing and general merchandise sales went up by 1.4%, with price movement of 6.6%. Sales in comparable stores declined by 0.9%, with retail space growing by 2.2%. Growth in the second half of the year was slower, as a result of significant political and economic upheaval and its impact on the consumer. Woolworths South Africa's food sales' growth remained above market expectation throughout the period and increased by 8.6%, with price movement of 8.4%. Growth in the second half of the year was lower than in the first half, impacted by lower inflation. Sales in comparable stores grew by 4.6%, with retail space growing by a net 7.6%. David Jones' sales increased by 1% in Australian Dollar terms. The termination of the Dick Smith electronics concession last year impacted growth by 1%. Sales in comparable stores declined by 0.7%, with retail space declining by a net 0.8%. Whilst relevant market share has grown, sales growth slowed in the second half, as falling consumer confidence resulted in lower footfall. Country Road Group sales increased by 5.1% in Australian Dollar terms and showed a marked improvement in the second half, notwithstanding the difficult trading conditions. Sales in comparable stores declined by 0.4%. Retail space declined by a net 1.9%, and the inclusion of newly-acquired Politix added 3.7%. The Woolworths Financial Services debtors' book reflected year-on-year growth of 3.3%, with an impairment rate for the twelve months ended 30 June 2017 of 6.3% (2016: 5.7%).

The group expects that EPS for the 52-week ended 25 June 2017 will be substantially higher than the previous comparable period, due to the profit on disposal by David Jones of its Market Street property in Sydney, as well as the benefit of a lower effective tax rate. HEPS and adjusted diluted HEPS, which exclude the profit on disposal referred to above, are expected to be lower than the prior year. EPS for the period ended 2016 was 454.2c, and it is expected to be between 545c and 590.5c. HEPS was 455.6c in 2016 and it is expected to be between 410c and 432.8c. Adjusted diluted HEPS was 453.4c in 2016 and it is expected to be between 408.1c to 430.7c.

## GLOBAL AND WORLD MARKET DEVELOPMENTS

US stocks traded at record highs and the Dollar fell after the release of retail sales, inflation data and comments that were made during the week by the Federal Reserve chair on policy normalisation. The Dow Jones Industrial average hit an all-time high of 21569, gaining 0.72% for the week. The S&P 500 also hit an all-time high of 2452 on Friday, with an overall weekly gain of 1.12%. Core consumer prices, which exclude food and energy, went up 1.7% in June, remaining unchanged from May's annual increase. This signals a lower gross domestic product, as consumers are adding modest support to the economy. The inflation and retail numbers reinforced the view that the Federal Reserve might not follow through with the four rate hikes which were expected this year. US retail sales dipped 0.2% in June, which indicated that consumers had little appetite despite an upbeat economic outlook, and consumer sentiment fell a further 2 points. Energy stocks rallied as Brent crude oil rose 4.63% for the week to \$48.83 a barrel. The price was pushed up by the talks around growing oil demand, which could potentially help the global oil glut. US treasury yields dropped following the released inflation data and the unexpected fall in retail sales, which fuelled doubts about the further interest rate increase this year. The 10-year US yield was down 3 basis points at 2.32% on Friday and was down 7 basis points for the week. The Dollar fell as much as 0.6% on Friday against a weighted basket of currencies. The Euro gained 0.54% against the US Dollar to \$1.146. The Yen gained 1.23% against the Dollar to ¥112.65. In Europe the Stoxx 600 index edged up 0.2% higher, with an overall weekly gain of 1.8%. The Eurozone government bond were higher, with the yield on the 10-year German Bund yield closing at 1 basis point lower. Chinese stocks declined amid concerns that policies to reduce leverage in Asia's biggest economy will curb earnings. The Shanghai composite index lost 1.5% on Friday. The Hang Seng index managed a five-day gain of 4.07%. China's June exports rose 11.3%, better than anticipated and imports rose 17.2%. The increase in imports were largely driven by iron ore and other commodities, while exports were supported by stronger global demand. It reported a trade surplus of \$42.77 billion.

## THE WEEK AHEAD

### EARNINGS RELEASES FOR JSE LISTED COMPANIES

Company	Date
Shoprite Holdings Limited (SHP)	18-Jul-17
Vodacom Group Limited (VOD)	20-Jul-17
Anglo American Platinum Ltd (AMS)	20-Jul-17