

Tuesday, 18 April 2017

TOP 10 GAINERS		
Share Name	Closing price	% change
PSG GROUP LTD	25294	13,00
PEREGRINE HOLDINGS LTD	2809	9,30
CHOPPIES ENTERPRISES LTD	350	7,69
FIRSTRAND LTD	4814	7,46
CAPITEC BANK HOLDINGS LTD	77100	7,23
CORONATION FUND MANAGERS LTD	6526	6,98
BRAIT SE	8349	6,93
JSE LTD	13200	6,76
LIBERTY HOLDINGS LTD	10568	6,61
REMGRO LTD	21754	6,56

TOP 10 LOSERS		
Share Name	Closing price	% change
NET 1 UEPS TECHNOLOGIES INC	14200	-13,36
KUMBA IRON ORE LTD	18664	-13,05
GROUP FIVE LTD	1709	-8,17
ARCELORMITTAL SOUTH AFRICA	890	-7,77
LONMIN PLC	1861	-7,37
RCL FOODS LTD/SOUTH AFRICA	1405	-6,33
ASSORE LTD	24394	-6,16
ANGLO AMERICAN PLC	19663	-5,73
GLENCORE PLC	5173	-5,69
AFRICAN RAINBOW MINERALS LTD	9518	-5,40

GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	-0,57	20 538
S & P 500	-0,71	2 339
Nasdaq	-0,83	5 829
FTSE 100	0,33	7 328
Nikkei 225	-2,35	18 355
Hang Seng	-0,05	24 262
S & P ASX 200	0,57	5 890

COMMODITIES*		
Name	% Change	Price
Gold	2,82	\$1 290,10
Platinum	5,20	\$987,94
Brent Crude Oil	0,85	\$55,71

CURRENCIES*		
Indices	% Change	Price
\$ / R	4,78	R 13,32
£ / R	3,36	R 16,76
€ / R	4,15	R 14,19

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## COMMENTS FOR TOP 40 STOCK MOVEMENTS

South African markets ended the shortened week broadly higher ending up 1.12%, and continuing to recover from the political storm that followed the cabinet reshuffle more than two weeks ago. Most notably, the banks bounced back 6% to end a three week decline although they remain largely in the red on a 1 month basis. The rand, which bottomed out at R13.95/\$ earlier this week recovered to 13.42/\$ at JSE close on Thursday, as the dollar weakened in response to softer economic data and a statement from President Donald Trump indicating that the US currency is over valued. Although EM currencies continue to benefit from narrowed inflation differentials against their DM peers fuelling a carry trade, event risk attached to the rand are likely to be a recurring theme before political resolutions are reached. In commodity news, gold stocks continued their rally, benefiting from a higher gold price. Retail sales decreased by 1.7% YoY, largely in line with expectations and easing from a 2.3% drop in January. Sales declined the most for textiles, clothing, footwear and leather goods, recording a 7.6% drop in sales. Mining production rose 4.6% on an annual basis beating market expectations, boosted by rising production of platinum group metals(47.2%) and iron ore (20.9%).

## KEY EVENTS & COMPANY RESULTS

### Zeder Investments Limited

#### Summary preliminary group results for the year ended 28 February 2017

The sum of the parts analysis (SOTP) value went up 23.1% to 853cps. Revenue for the food, beverages and related services amounted to R8311m, for agri inputs: R1314m and agri production: R584m. Recurring headline earnings (the sum of its effective interest in each of its underlying investments) were up 0.5% and a final gross dividend of 11cps was declared which represents a 22.2% increase.

The group bought rights to the management agreement from PSG Group in exchange for 207 661 758 shares, representing a 12% interest. No base management fee has been payable to PSG since 1 September 2016. The rights acquired are valued at R1.45bn, and was accounted for as a non-recurring headline expense. The value is a once off payment.

### PSG Group Limited

#### Trading statement

PSG's SOTP value per share as at 28 February 2017 was R240.87, 29% higher than the previous reporting period. The group expects headline earnings per share (HEPS) to increase between 49.4% and 50.9%. Recurring headline earnings is expected to be 16.8% and 18% higher. PSG continues to use the SOTP value and recurring headline per share benchmarks to provide a realistic and transparent approach to evaluating PSG.

### Pick n Pay Stores Limited

#### Trading statement

HEPS, diluted HEPS, basic earnings per share (EPS) and diluted basic EPS will all increase between 15% and 20% respectively. This signals an improved financial performance for the 2017 financial period. Greater operating efficiency is evident in the strong discipline on costs, more centralised supply chain and higher productivity in stores. The share price went up fractionally after the release of the statement which is contrary to what analysts expected, as the earnings growth was below market forecasts. Analysts have noted that Pick n Pay may be struggling to drive their revenues compared to Shoprite which is currently doing well. As a result, a hold recommendation is given.

## Contact Details

Derick Meintjes  
Email: [Derickm@legae.co.za](mailto:Derickm@legae.co.za)  
Tel: +27 11 722 7330

Private Clients Enquiries  
Email: [privateclients@legae.co.za](mailto:privateclients@legae.co.za)  
Tel: +27 11 722 7343

## Mediclinic International Limited

### Full year 2017 trading update

MEI's two largest platforms, Switzerland and Southern Africa all performed in line with expectations during the 2017 financial period. Conversely, the Abu Dhabi business underperformed for the year, impacted by a major regulatory change in addition to certain business and operational challenges. Revenue in Switzerland was up 3.5%, with patient bed days marginally lower, and revenue per bed day increasing 3%. The EBITDA margin is expected to be around 20%. Revenue in Southern Africa was up 6.8% with inpatient bed days and revenue per day increasing 0.9% and 5.8% respectively, proving resilient against a continued weak macro-economic environment. EBITDA margin is expected to decrease slightly to 21%, from 21.4% the preceding year.

## GLOBAL AND WORLD MARKET DEVELOPMENTS

Global markets ended the week mostly in the red with the Nikkei leading the losses, down 2.35% as the yen appreciated against the dollar, hurting Japanese exporters.

US crude oil inventories have registered their biggest weekly fall so far this year, dropping 2.16m barrels in the week ended 7 April 2017, above expectations of a 0.087m rise. Opec released its monthly report on Wednesday stating that it sees US production rising by 540k barrels a day this year, a sharp 200k b/d increase from just last month. The report also signalled the group could see a slow draw down in global stocks.

Initial jobless claims slipped 1k to a seasonally adjusted 234k for the week ended 8 April. This is the third straight weekly decline in claims and left them not too far from a 44 year low of 227k in February. Producer price inflation ticked down 0.1% in March snapping 6 months of gains. As expected, energy was the main contributor to the decline, down 2.9%. Overall prices for goods fell only 0.1% on rising prices for food and core goods.

In the UK, consumer prices rose 2.3% YoY, the same pace as in February, boosted by rising cost of food, alcohol and tobacco, clothing and footwear. This was the highest level in more than three years and questions whether the Bank of England should raise interest rates. Partly to blame is the fall in the pound since the Brexit vote, making import costs rise. UK's unemployment rate has remained at 4.7%, in line with expectations. The number of people unemployed fell by 45k to 5.6m. Average weekly earnings including bonuses increased by 2.3%, the same as in January.

In Asian markets, China's consumer prices advanced 0.9% for the year, almost meeting the expectations of 1%. On a monthly basis, CPI declined 0.3%. The lower CPI reading was attributed by lower food prices which fell 1.96% in March. Vegetable prices dropped the most by 7.9% from the previous period. The Chinese PPI rate slowed down for the first time in seven months in March, up 7.6% from 7.8% as iron ore and coal prices tumbled, pressured by fears that Chinese steel production is outweighing demand. Export growth accelerated 16.4% in March to \$180.6bn, while imports growth remained at double digit levels increasing 20.3% to \$156.7m. A pick up in external demand, surging import prices and a stable domestic economy boosted these figures. China's overall trade surplus totalled \$23.93bn in March, while the trade surplus with the US rose to \$17.74bn in March from 10.64bn the previous month. US president Trump and Chinese president Xi agreed to a 100 day plan for trade talks aimed at boosting US exports and reducing the US trade deficit with China.

## THE WEEK AHEAD

### Earnings releases for JSE listed companies

Company	Date
Dis-chem Pharmacies Ltd (DCP)	17-Apr-17
PSG Group Ltd (PSG)	18-Apr-17
Astrapak Ltd (APK)	19-Apr-17
Pick n Pay Stores Ltd (PIK)	19-Apr-17
Sun International Ltd (SUI)	19-Apr-17
Clicks Group Ltd (CLS)	21-Apr-17
Trencor Ltd (TRE)	24-Apr-17
Rebosis Property Fund (REB)	24-Apr-17