

Monday, 19 June 2017

TOP 10 GAINERS		
Share Name	Closing price	% change
CONSOLIDATED INFRASTRUCTURE	1660	14.88
TRENCOR LTD	3869	11.18
WILSON BAYLY HOLMES-OVCON	14944	10.55
MFACT LTD	3300	10.00
RCL FOODS LTD/SOUTH AFRICA	1540	10.00
NET 1 UEPS TECHNOLOGIES INC	13000	8.33
CASHBUILD LTD	36050	8.26
ALEXANDER FORBES GROUP HOLDI	685	7.87
NOVUS HOLDINGS LTD	750	6.69
PPC LTD	545	5.83

TOP 10 LOSERS		
Share Name	Closing price	% change
ARCELORMITTAL SOUTH AFRICA	540	-12.76
ANGLOGOLD ASHANTI LTD	13831	-10.02
HARMONY GOLD MINING CO LTD	2280	-8.80
ANGLO AMERICAN PLC	16331	-7.90
ACCELERATE PROPERTY FUND LTD	580	-7.64
GOLD FIELDS LTD	4480	-7.05
DELTA PROPERTY FUND LTD	770	-7.00
LONMIN PLC	1117	-6.92
EXXARO RESOURCES LTD	8934	-6.30
OCEANA GROUP LTD	9215	-5.88

GLOBAL EQUITY INDICES		
Indices	% Change	Points
Dow Jones	0.53	21,384
S & P 500	0.06	2,433
Nasdaq	-0.90	6,152
FTSE 100	-0.85	7,464
Nikkei 225	-0.35	19,943
Hang Seng	-1.55	25,626
S & P ASX 200	1.72	5,774

COMMODITIES*		
Name	% Change	Price
Gold	-1.03	\$1,253.73
Platinum	-1.09	\$929.90
Brent Crude Oil	-1.62	\$47.37

CURRENCIES*		
Indices	% Change	Price
\$ / R	1.03	R 12.81
£ / R	0.69	R 16.38
€ / R	1.02	R 14.34

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COMMENTS FOR TOP 40 STOCK MOVEMENTS

The negative performance of technology stocks internationally did not spare our markets, as industrials slid on Monday with Naspers leading laggards. Industrials had a disappointing week as they lost 2.67%, which happened to be the same loss as the TOP40. Resources also garnered negative weekly returns with gold miners having a disappointing week. The gold index fell by 6.78% with the gold price trending lower. On Wednesday, the gold price experienced volatility as markets were awaiting the outcome of the FOMC meeting.

The major blow to local markets came on Thursday when news about the minister of Mineral Resources Mosebenzi Zwane released the government's revised Mining Charter. His department raised the minimum threshold for black ownership of mining companies to 30% from 26%. The main factor that seems to have sent stakeholders and markets into a tail-spin was that resource companies have 12 months to meet the target. This target applies particularly to those companies that have engaged in historical BEE transactions, but have less than a 30% shareholding. The Chamber of Mines, has already come out saying it would challenge the new rules in court.

KEY EVENTS & COMPANY RESULTS

Invicta Holdings Limited

Trading statement for the twelve month period ended 31 March 2017

The holdings company gained 3.56% on Monday on the back of its trading statement. The company advised shareholders that profit attributable to shareholders is expected to increase by between 25% and 30% from the R419 million reported in the previous period. Earnings per share (EPS) and normalized EPS are expected to increase by between 25% and 30% compared to the previous period, while HEPS is expected to increase by between 35% and 40%. Normalised HEPS is expected to increase by 30% and 35%.

Alexander Forbes Group Holdings Limited

Results announcement for the year ended 31 March 2017, final and special cash dividends declaration

The group managed to improve its profitability y/y despite reporting a challenging operating environment. Operating profit (before non-trading and capital items) grew by 3.1% while net profit increased by a substantial 80.1%. The net profit figure, however, includes an extraordinary profit on the sale of the group's partnership investment in Lane Clark & Peacock (LCP). HEPS fell 8.1% y/y as the adjustment on the profit attributable to equity holders caused a decline in headline earnings.

The group also declared a final gross dividend of 23 cents with a special dividend of the same value. The group is more indebted than the previous year as seen by the 1.49% increase in liabilities y/y. However, despite this there is hardly any change in the debt-to-assets ratio y/y. The firm's stock price rose 3.08% on the day of the results release.

Stor-Age Property REIT Limited

Provisional summarised consolidated annual financial statements for the year ended 31 March 2017

The storage company, which listed in November 2015, showed improvements in operational performance in its first full set of annual consolidated statements on Tuesday. Like-for-like occupancy growth of 4000 m² and an increase in the closing rental rate of 12.7% bolstered the firm's revenue. The company generated profit for the year, which was spurred on by positive revenue. The firm also engaged in an acquisition of another storage company, Storage RSA Investments Proprietary Limited (Storage RSA), for a total consideration of R280.3 million.

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The firm cited that the acquisitions made in the period (of which Storage RSA is one), were made in line with their strategy of pursuing value-adding acquisitions and strengthen their position in the storage industry. The property company's share price rose 1.91% on the day of the result's release, but rallied to an all-time high on Thursday of R12.49.

Brait SE

Audited results announcement for the year ended 31 March 2017

The group's value of total assets fell 38.56% y/y with the New Look investment declining the most. The audited net asset value (NAV) per share at 31 March 2017 is R78.15, which is 42.6% lower than the previous comparable period. This decline in the NAV includes the negative effect of the appreciation of the Rand relative to the Pound over the year. The firm made an investment loss, which led to an overall loss of R15.85 billion for the year. Brait also proposed an ordinary share bonus issue, or alternatively, cash dividend of R 0.7815 per ordinary share. This proposition is subject to shareholder approval at the upcoming Annual General Meeting. The stock rose 2.38% despite the results.

Peregrine Holdings Limited

Reviewed condensed consolidated provisional results for year ended 31 March 2017 and change to board of directors

The financial services group reported basic profit attributable to shareholders of R489.92 million, which is 13% lower than the previous period. This led to declines in headline earnings and HEPS of 15% y/y and 17% y/y, respectively. The group's board has resolved to restructure the group by transferring to Sandown Capital Proprietary Limited all the surplus balance sheet investments within the group. The restructure will also result in Sandown Capital Proprietary Limited being separately listed with the shares in the listing being unbundled to Peregrine Holdings shareholders. Furthermore, the board has decided to delay the hiring of the new CEO until there is certainty regarding the restructure. The market reacted positively to the results as the group's share price rose by 1.7% on the day.

British American Tobacco p.l.c.

First half pre-close trading update 2017

The tobacco maker's share price declined 0.33% despite them citing that their business continued to perform well. They expect market share to grow, driven by their Global Drive Brands. Full year volume is expected to outperform the industry. The company also reported that if exchange rates remain the same for the remainder of the year, there would be an adverse transactional impact on operating profit of 2% for both the first half and the full year. For translation, this would be a tailwind on operating profit of approximately 13% for the half year and 7% for the full year. Furthermore, first half EPS is expected to benefit from a significant translational foreign exchange tailwind of around 14%.

Naspers Limited

Trading statement

Naspers expects core HEPS to be between 33% and 39% higher than the prior period. HEPS is expected to increase by between 4% and 10% from the prior period. While EPS is expected to be between, 181% and 187% higher compared than the prior period. The company's stock rose by a marginal 0.44% on the day of the statement's release.

GLOBAL AND WORLD MARKET DEVELOPMENTS

Stock markets in the United States began the week in negative territory as technology shares came off for a second day, with the Nasdaq (which has a number of technology company listings) coming off 0.5%. Major "tech" firms like Apple, Alphabet, Facebook, Microsoft and Amazon declined on Monday, with some market participants blaming the fall in tech stocks on investors believing that the stocks had become overvalued and thus shifted their investments to other sectors. The tech sector has been one of the best performing sectors in the U.S market this year. The Nasdaq ended the week lower falling -0.9% while the S&P and Dow Jones rose by 0.53% and 0.06%, respectively.

Markets also looked forward to the FOMC meeting during the week, with many expecting a rate hike. The Fed increased the Fed funds rate by 25 basis points, with the FOMC stating that the labor market had continued to strengthen and business spending has continued to expand. The FOMC anticipates begin reducing its \$4.5 trillion balance sheet this year but provided no start date.

In Europe, governments in the region gave Greece a credit lifeline worth \$9.5 billion and sketched new detail on possible debt relief as the IMF finally offered assistance. However, it will not disburse the money yet. It wants the Euro zone to offer sufficient extra detail on possible debt relief in 2018. The pan-European Stoxx 600 ended Friday higher, but that could not stop it from ending the week in negative territory falling 0.46%.

THE WEEK AHEAD**Earnings releases for All share listed companies**

Company	Date
Invicta Holdings Ltd	20-June-17
Capital Appreciation Ltd	20-June-17
RECM & Calibre Ltd	20-June-17
Trans Hex Group Ltd	20-June-17
Safari Investments RSA Ltd	21-June-17
Stratcorp Ltd	22-June-17
Distribution and Warehousing Network Ltd	22-June-17
M Fitec International Ltd	22-June-17
BSI Steel Ltd	22-June-17
Naspers Ltd	23-June-17
Gold Brands Investments Ltd	23-June-17
WG Wearne Ltd	23-June-17
Avior Capital Markets Pty Ltd	23-June-17
RBA Holdings Ltd	23-June-17

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