

# Weekly Market Report

05 November 2018

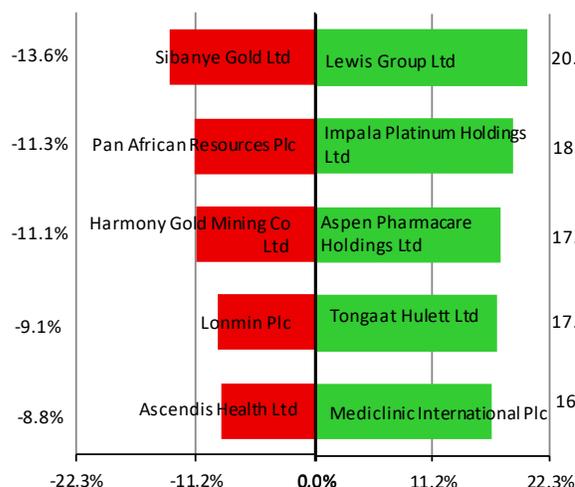
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Key Global Indices	02 Nov 2018 Close	1W% Change	YTD % Change
JSE All Share	54271.19	6.8%	-8.8%
FTSE 100	7094.12	2.2%	-7.7%
DAX 30	11518.99	2.8%	-10.8%
CAC 40	5102.13	2.7%	-4.0%
DJIA	25270.83	2.4%	2.2%
S&P 500	2723.06	2.4%	1.8%
NASDAQ Comp.	7356.99	2.6%	6.6%
Nikkei 225	22243.66	5.0%	-2.3%
Shanghai Comp	2676.48	3.0%	-19.1%
S&P/ASX 200	5849.21	3.2%	-3.6%

## South African Equity Markets

South Africa markets ended higher last week. Impala Platinum Holdings rallied 18.8%, after it reported an increase in platinum production from its Rustenburg mining complex in the third quarter ended September. Pharmaceutical companies, Aspen Pharmacare Holdings and Mediclinic International surged 17.6% and 16.9%, respectively. Naspers soared 13.3%, following reports that the firm will not be penalised in global index rankings for its dual-share structure. On the flipside, Sibanye Gold slumped 13.6%, after the company reported a steep fall in production for the quarter ended September, accompanied by rising costs. Gold Fields declined 6.1%, amid reports that the company is facing a strike at its struggling South Deep mine. The JSE All Share Index advanced 6.8% to close at 54,271.19.

## JSE All Share - Weekly Gainers & Losers



## JSE All Share - Daily Chart



## Top 10 New 52 Week Highs

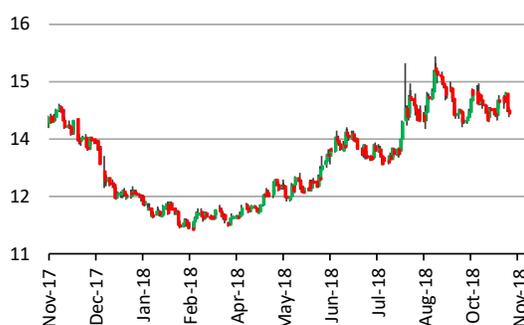
Share	52Week High (ZAR)	1W% Change
Exxaro Resources Ltd	161.75	5.5%
Finbond Group Ltd	4.75	8.8%
PSG Konsult Ltd	10.63	2.9%
Old Mutual Ltd	24.28	6.3%

## Top 10 New 52 Week Lows

Share	52Week Low (ZAR)	1W% Change
Advtech Ltd	13.41	3.5%
Attacq Ltd	14.00	-11.1%
Curro Holdings Ltd	22.51	4.9%
Grindrod Ltd	6.27	-0.2%
Metair Investments Ltd	13.50	10.6%
Naspers Ltd	2362.66	13.3%
Omnia Holdings Ltd	112.01	-1.7%
Rand Merchant Investment Holdings Ltd	33.58	7.1%
Shoprite Holdings Ltd	174.50	2.9%

Key Currencies	02 Nov 2018 Close	1W% Change	YTD % Change
USDZAR	14.2990	-2.1%	15.5%
EURZAR	16.2834	-2.2%	9.6%
GBPZAR	18.5538	-1.0%	11.0%
EURUSD	1.1388	-0.1%	-5.1%
EURCHF	1.1426	0.4%	-2.4%
GBPUSD	1.2970	1.1%	-4.0%
USDJPY	113.20	1.2%	0.5%
USDCHF	1.0035	0.7%	3.0%
AUDUSD	0.7193	1.5%	-7.9%
USDCAD	1.3110	0.0%	4.3%

## Daily USD/ZAR



Key Commodities	02 Nov 2018 Close	1W% Change	YTD % Change
Gold (\$/oz)	1232.89	-0.1%	-5.4%
Silver (\$/oz)	14.76	0.4%	-13.9%
Copper (USD/lb.)	2.81	2.4%	-15.0%
Brent Crude (\$/bls)	72.83	-6.2%	8.9%
Sugar No.11 (USD/lb.)	13.44	-2.9%	-11.3%
Iron Ore 62% Fe (\$/dry MT)	73.41	3.2%	3.7%

## Daily Platinum



## Currencies

The ZAR strengthened against its major peers last week. On the data front, South Africa's M3 money supply rose more than market expectations on a yearly basis in September. On the flipside, South Africa's private sector credit slowed in September, compared to the previous month's reading. Further, unemployment rate climbed in the third quarter of 2018, recording its highest level in 15 years. Manufacturing PMI unexpectedly declined in October, recording its lowest reading since July 2017. Additionally, South Africa posted a trade deficit in September.

For the week, the USD weakened 2.1% against the South African Rand to close at R14.2990. The EUR was 2.2% lower at R16.2834 and the GBP was 1.0% weaker at R18.5538 for the week.

The US Dollar traded mostly higher against its key counterparts last week, following the release of better-than-expected US nonfarm payrolls data for October. Further, the nation's unemployment rate remained unchanged and average earnings advanced during the period. Additionally, private payrolls surpassed investor expectations in October. Also, factory orders recorded a more-than-expected advance in September. In contrast, the ISM manufacturing PMI dropped to a six-month low in October. Additionally, trade deficit widened more than market forecast in September.

The EUR dropped against the USD last week, after flash reading of the Eurozone's gross domestic product rose less than market forecast on a quarterly basis in 3Q18. Further, the Markit manufacturing PMI fell more than market forecast to a 26-month low level in October. Separately, final reading of German manufacturing PMI surprisingly declined in October, marking its lowest level in 29 months. Meanwhile, the nation's consumer price index climbed more-than-expected on a yearly basis in October.

The GBP rose against the USD last week, after the Brexit Secretary, Dominic Raab announced that he expected to strike a deal with Brussels by 21 November. Meanwhile, the Bank of England (BoE) maintained the key interest rate at 0.75%. The BoE Governor Mark Carney warned that a no-deal, no transition Brexit will pose a series of logistical challenges in getting goods through ports. On the data front, UK's manufacturing PMI dropped more than market forecast in October.

## Commodities

Gold prices declined last week, amid strength in the US Dollar. Going ahead, market participants will closely watch the FOMC interest rate decision along with the US Markit services PMI, JOLTS job openings, MBA mortgage applications, consumer credit, the Michigan consumer sentiment index and wholesale inventories for further indication.

Crude oil prices declined last week, due to renewed concerns about an oversupply in global crude oil markets and amid slowing global economic growth. Additionally, the American Petroleum Institute reported that crude oil inventories advanced by 5.7 million bls in the week ended 26 October 2018. Moreover, the US Energy Information Administration reported that crude oil inventories rose by 3.2 million bls last week. Meanwhile, Baker Hughes reported that US oil rig count fell by 1 to 874 last week.

Iron ore traded in positive territory last week, as demand for construction steel rose in China, a nation that consumes more than half the world's iron ore.

## Key Economic News Last Week

Country	News
South Africa	South Africa posted a trade deficit of R2.95 billion in September, compared to a revised surplus of R8.77 billion in August.
	Private sector credit growth slowed to 6.3% on a yearly basis in September. In the previous month, the private sector credit had advanced 6.7%.
	M3 money supply growth rose more-than-expected to 7.0% on an annual basis in September. M3 money supply had risen 6.95% in the previous month.
	Unemployment rate registered a rise to 27.5% in 3Q18, more than market expectations. Unemployment rate had registered a reading of 27.2% in the previous quarter.
	Electricity production slid 0.8% on a yearly basis in September. Electricity production had recorded a drop of 0.4% in the prior month.
	Electricity consumption advanced 0.3% on a yearly basis in September. Electricity consumption had registered a rise of 1.2% in the prior month.
	The manufacturing PMI unexpectedly fell to a level of 42.40 in October, less than market expectations. In the prior month, the manufacturing PMI had registered a level of 43.20.
New vehicle sales unexpectedly advanced 1.7% on a yearly basis in October, compared to a fall of 1.9% in the previous month.	

## Economic Calendar - Week Ahead

	Monday, Nov 05, 2018	Tuesday, Nov 06, 2018	Wednesday, Nov 07, 2018	Thursday, Nov 08, 2018	Friday, Nov 09, 2018
South Africa	-	-	Gross Gold & Forex Reserve (Oct)	Mining Production (Sep)	-
	-	-	Net Gold & Forex Reserve (Oct)	Gold Production (Sep)	-
	-	-	SACCI Business Confidence Index (Oct)	Platinum Production (Sep)	-
	-	-	-	Manufacturing Production Index (Sep)	-

## South African Corporate News

Company Name	News
<b>Acision</b>	The company, in its 1H 2018 results, revealed that its revenue rose to R322.76 million from R266.96 million in the same period of the preceding year. Its diluted EPS stood at 35.30c, compared with 28.60c recorded in the corresponding period of the previous year. The company has declared an interim dividend of 25.00c per share. Separately, the company announced Modi Hlobo as an independent non-executive director of Acision, with the effective date being 29 October 2018.
<b>BHP Billiton</b>	The company announced that it has completed the sale of its interests in the Eagle Ford, Haynesville and Permian Onshore US oil and gas assets to BP America Production Company for a gross consideration of \$10.50 billion. BP paid one-half of the gross consideration at completion, with the balance being payable in six equal instalments over a six-month period, the first instalment to be paid one month after completion. Net proceeds of the sale of BHP's entire interests in the Eagle Ford, Haynesville, Permian and Fayetteville Onshore US assets are \$10.40 billion.
<b>Comair</b>	The company announced that Ms Wrenelle Doreen Stander has been appointed as an Executive Director with the designation Executive Director – Airline Operations, with effect from 1 November 2018.
<b>Famous Brands</b>	The company, in its 1H 2018 results, indicated that its revenue rose to R3.58 billion from R3.40 billion posted in the corresponding period of the previous year. Its diluted loss per share stood at 570.00c compared with a diluted EPS of 171.00c recorded in the same period of the preceding year. The company has not declared an interim dividend for the period.
<b>FirstRand</b>	The company announced that it has received approval from the JSE Limited (JSE) in respect of its amended programme memorandum dated 1 November 2018. The terms and conditions have been updated and thus allowing the company the ability to issue notes which are subordinated notes and capable of qualifying as regulatory capital.
<b>Hyprop Investments</b>	The company announced Indie Engelbrecht's resignation as a Director, the Chairperson of the audit and risk committee and as a member of the remuneration and nominations committee with effect from 30 November 2018.
<b>Impala Platinum Holdings</b>	The company, in its 1Q 2019 production report, revealed a 9.0% improvement in lost-time injury frequency rate from the end of FY 2018. The company achieved its highest first quarter mill tonnage of 3.15 million tonnes since FY 2013. Gross tonnes milled increased by 1.9% to 6.87 million tonnes compared with the same period of the preceding year. Further, gross refined platinum production during the quarter advanced by 8.2% to 369,000.00oz compared with the corresponding period of the previous year.
<b>Ingenuity Property Investments</b>	The company announced that Mrs Joan Solms has resigned as an Executive Director with effect from 30 November 2018.
<b>Montauk Holdings</b>	The company, in its 1H 2018 trading statement, indicated that the company expects HEPS to be between 8.06c and 8.76c, which is 15.7% to 25.7% higher compared with the same period of the preceding year. Further, the company expects EPS to be in the range of 7.84c to 8.54c, an 11.4% to 21.3% increase compared with the corresponding period of the previous year.
<b>MTN Group</b>	The company, in its quarterly update for the period ended 30 September 2018, stated that total subscribers increased quarter-on-quarter (QoQ) by 2.50 million to 2,254.00 million. The company reported that its data revenue advanced 23.9% and its service revenue rose 10.0%. Further, the EBITDA margin expanded to 43.2% in the first nine months of the year, up 4.7% from the same period of the preceding year, driven by the strong growth in revenue and cost optimisation efforts.
<b>Raubex Group</b>	The company, in its 1H 2018 results, revealed that its revenue declined 4.0% from the same period of the preceding year to R4.48 billion. Its diluted EPS stood at 35.60c, compared with 134.00c recorded in the corresponding period of the previous year. The company has declared an interim dividend of 12.00c per share.
<b>SA Corporate Real Estate</b>	The company announced that Ms Ursula Fikelepi has been appointed as an independent Non-Executive Director and member of the Investment Committee and Social, Ethics & Environmental Committee of SA Corporate with effect from 30 October 2018.
<b>Shoprite Holdings</b>	The company, in its operational update for the quarter ended September 2018, stated that the company's turnover increased by 0.4% and the number of customers served advanced by 1.6%. Supermarkets RSA, the company's primary business, grew sales by 1.7% during a period which saw continued low inflation with more than 11,607 items in September remaining cheaper than they were a year ago. The company opened 15 supermarkets in the quarter and will open a further 41 new supermarkets before the end of December 2018.
<b>Texton Property Fund</b>	The company, in its FY 2018 results, revealed that its revenue dropped to R588.91 million, from R598.83 million in the same period of the preceding year. Its diluted loss per share stood at 33.36c, compared with EPS of 82.76c recorded in the corresponding period of the previous year. The company has declared a dividend per share of 41.36c. Separately, the company announced that Ms Shelley Thomas has been appointed as an independent Non-Executive Director with immediate effect.
<b>Tharisa</b>	The company announced the appointment of Joh. Berenberg, Gossler & Co. KG as its Joint Corporate Broker with immediate effect.

## South African Corporate News

Company Name	News
<b>The Bidvest Group</b>	The company announced that following a comprehensive tender process, PWC, with Mr Craig West as the designated registered audit partner, has been nominated as the new external auditor effective 28 November 2018.
<b>Wilderness Holdings</b>	The company, in its 1H 2018 results, revealed that its revenue rose to P779.95 million from P704.95 million in the same period of the preceding year. Its diluted EPS stood at 58.64 thebe, compared with 41.92 thebe recorded in the corresponding period of the previous year.
<b>Zeder Investments Limited</b>	The company announced that Coronation Asset Management Proprietary Limited has acquired a beneficial interest in the securities of the company, such that the total of all beneficial interests held by it amounts to 5.9% of the company's total issued ordinary share capital.

## Technical Alerts



Name	Ticker	Currency	Last Close	% Chg	Signal
Consolidated Infrastructure Group Ltd	CIL SJ	ZAr	368	8.24%	MA 20D crossover
JSE Ltd	JSE SJ	ZAr	16498	2.30%	MA 20D crossover
Sibanye Gold Ltd	SGL SJ	ZAr	930	-13.57%	Stochastic indicates oversold
Liberty Two Degrees	L2D SJ	ZAr	710	-2.34%	Stochastic indicates oversold



Name	Ticker	Currency	Last Close	% Chg	Signal
Assore Ltd	ASR SJ	ZAr	30670	2.50%	MA 20D crossunder
Kumba Iron Ore Ltd	KIO SJ	ZAr	29191	5.79%	MA 20D crossunder
Trencor Ltd	TRE SJ	ZAr	3070	9.17%	Upper Bollinger crossover
Reunert Ltd	RLO SJ	ZAr	8174	6.92%	Stochastic indicates overbought

## Research Disclosure

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