

Weekly Market Report

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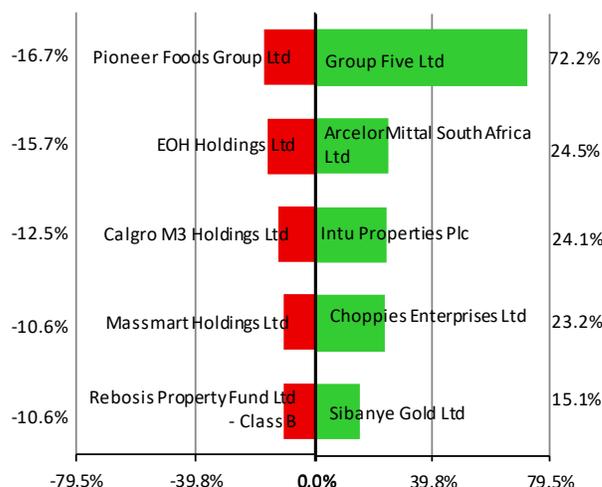
08 October 2018

Key Global Indices	05 October 2018 Close	1W% Change	YTD % Change
JSE All Share	54409.47	-2.3%	-8.6%
FTSE 100	7318.54	-2.6%	-4.8%
DAX 30	12111.90	-1.1%	-6.2%
CAC 40	5359.36	-2.4%	0.9%
DJIA	26447.05	0.0%	7.0%
S&P 500	2885.57	-1.0%	7.9%
NASDAQ Comp.	7788.45	-3.2%	12.8%
Nikkei 225	23783.72	-1.4%	4.5%
Shanghai Comp	2821.35	0.0%	-14.7%
S&P/ASX 200	6185.49	-0.4%	2.0%

South African Equity Markets

South African markets ended lower last week. Food and beverage company, Pioneer Foods Group plummeted 16.7%, even though the company stated that it expects an increase in its FY 2018 HEPS and EPS. Technology company, EOH Holdings plunged 15.7%, after the company announced a sharp drop in its FY 2018 HEPS. Retailers, Massmart Holdings and Cashbuild declined 10.6% and 8.6%, respectively. On the flipside, construction & engineering company, Group Five rallied 72.2%, despite recording a drop in its FY 2018 revenues. The firm's executive management have implemented strong actions to assess the ongoing financial position of the group. Intu Properties surged 24.1%, following reports that its largest shareholder, John Whittaker, is considering taking the company private. The JSE All Share Index declined 2.3% to close at 54,409.47.

JSE All Share - Weekly Gainers & Losers



JSE All Share - Daily Chart



Top 10 New 52 Week Highs

Share	52Week High (ZAR)	1W% Change
Anglo American Plc	335.83	1.2%
Anglo American Platinum Ltd	500.00	4.5%
BHP Billiton Plc	326.73	2.7%

Top 10 New 52 Week Lows

Share	52Week Low (ZAR)	1W% Change
Aspen Pharmacare Holdings Ltd	160.50	-1.6%
Attacq Ltd	14.26	0.1%
Arrowhead Properties Ltd	5.20	-1.1%
Barloworld Ltd	114.41	-7.1%
Blue Label Telecoms Ltd	4.91	-0.8%
Coronation Fund Managers Ltd	47.51	-7.1%
Cashbuild Ltd	260.11	-8.6%
Growthpoint Properties Ltd	22.20	-1.8%
Hyprop Investments Ltd	86.95	-4.7%
Imperial Holdings Ltd	161.03	-6.9%

Key Currencies	05 October 2018 Close	1W% Change	YTD % Change
USDZAR	14.7685	4.4%	19.3%
EURZAR	17.0160	3.7%	14.6%
GBPZAR	19.3859	5.2%	15.9%
EURUSD	1.1524	-0.7%	-4.0%
EURCHF	1.1437	0.3%	-2.3%
GBPUSD	1.3120	0.7%	-2.9%
USDJPY	113.72	0.0%	0.9%
USDCHF	0.9920	1.0%	1.8%
AUDUSD	0.7052	-2.4%	-9.7%
USDCAD	1.2939	0.2%	2.9%

Daily USD/ZAR



Key Commodities	05 October 2018 Close	1W% Change	YTD % Change
Gold (\$/oz)	1203.63	1.1%	-7.6%
Silver (\$/oz)	14.65	-0.4%	-14.6%
Copper (USD/lb.)	2.76	-1.5%	-16.3%
Brent Crude (\$/bls)	84.16	1.7%	25.9%
Sugar No.11 (USD/lb.)	12.63	12.8%	-16.7%
Iron Ore 62% Fe (\$/dry MT)	65.30	0.0%	-7.7%

Daily Platinum



Currencies

The ZAR weakened against its major peers last week. The World Bank has lowered South Africa's growth forecasts to 1.0% in 2018 from 1.4% earlier. Further, growth forecasts for 2019 was downgraded to 1.3% from 1.8% and to 1.7% from 1.9% for 2020. On the data front, South Africa's Markit manufacturing PMI unexpectedly declined in September, marking its lowest level in 14 months. Further, new vehicle sales dropped on an annual basis in September. Additionally, net gold & forex reserves registered a decline in September. On the flipside, the nation's electricity consumption registered an advance on a yearly basis in August. Moreover, gross gold & forex reserves advanced in September.

For the week, the USD strengthened 4.4% against the South African Rand to close at R14.7685. The EUR was 3.7% higher at R17.0160 and the GBP was 5.2% stronger at R19.3859 for the week.

The US Dollar strengthened against its key counterparts last week. Data indicated that the US Markit manufacturing PMI advanced in line with market expectations in September. Additionally, ADP employment change climbed more than market forecast to a seven-month high level in September. Further, final reading of Markit services PMI registered a rise in September. Moreover, unemployment rate declined more-than-expected in September, recording its lowest level since 1969. In contrast, the nation's non-farm payrolls rose less than market expectations in September. Moreover, the nation's trade deficit widened in August.

The EUR dropped against the USD last week. On the macroeconomic front, the Eurozone's Markit manufacturing PMI fell to a two-year low level in September. Moreover, monthly retail sales registered an unexpected decline in August. In contrast, the region's Markit services PMI advanced in line with market forecast in September. Separately, German retail sales registered an unexpected decline on a monthly basis in August, recording its second consecutive drop.

The GBP rose against the USD last week, after the European Union Brexit negotiators indicated that a divorce deal with Britain was very close. On the data front, the UK's Markit manufacturing PMI recorded an unexpected rise in September.

Commodities

Gold prices rose last week, as the safe-haven metal got a boost amid concerns surrounding Italy's plans to tackle budgetary deficit. Going ahead, market participants will closely watch the US consumer price index, initial jobless claims, monthly budget statement, the NFIB business optimism index and the Michigan consumer sentiment index for further directions.

Crude oil prices advanced last week, as investors assessed the prospect of tighter crude oil market ahead of the imposition of US sanctions against Iran's crude exports, that are set to be implemented next month. Further, Baker Hughes reported that US oil rig count fell by 2 to 861 in the week ended 05 October 2018. Meanwhile, the American Petroleum Institute reported that crude oil inventories advanced by 907,000 bls last week. Additionally, the US Energy Information Administration reported that crude oil inventories rose by 8.0 million bls last week.

Copper prices traded in negative territory last week, as growth in China's manufacturing sector slowed in September, raising concerns over demand from the world's top industrial metals consumer.

Key Economic News Last Week

Country	News
South Africa	The manufacturing PMI unexpectedly dropped to 43.20 in September. In the previous month, the manufacturing PMI had recorded a reading of 43.40.
	New vehicle sales slid 1.9% on a yearly basis in September, less than market expectations. New vehicle sales had dropped 2.5% in the prior month.
	Gross gold & forex reserve rose to a level of \$50.39 billion in September. In the previous month, gross gold & forex reserve had recorded a reading of \$49.80 billion.
	Net gold & forex reserves fell to a level of \$42.23 billion in September. In the prior month, the net gold & forex reserves had registered a reading of \$42.40 billion.
	Electricity production slid 0.4% on a yearly basis in August. Electricity production had registered a rise of 2.2% in the prior month.

Economic Calendar - Week Ahead

	Monday, October 08, 2018	Tuesday, October 09, 2018	Wednesday, October 10, 2018	Thursday, October 11, 2018	Friday, October 12, 2018
South Africa	BER Consumer Confidence (3Q18)	-	SACCI Business Confidence Index (Sep)	Manufacturing Production Index (Aug)	-
	-	-	-	Mining Production (Aug)	-
	-	-	-	Gold Production (Aug)	-
	-	-	-	Platinum Production (Aug)	-

South African Corporate News

Company Name	News
Alexander Forbes Group Holdings	The company announced that Mr DJ de Villiers has been appointed as the Chief Executive Officer (CEO) and Director of the company, with effect from 1 November 2018. Separately, the company announced that Ms N Ford-Hoon has resigned as the company's Chief Financial Officer (CFO) with effect from 31 December 2018.
Ascendis Health	The company announced the appointment of Mr Johannes George Sebelela as an independent Non-Executive Director with effect from 2 October 2018.
Conduit Capital	The company, in its FY 2018 results, revealed that its income from insurance operations stood at R977.30 million from R750.83 million in the same period of the preceding year. Its diluted EPS stood at 20.0c, compared with a loss of 35.2c recorded in the corresponding period of the previous year.
DataTec	The company, in its 1H 2019 trading statement, revealed that the company expects HEPS to be between \$0.50 and \$1.00. Further, the company expects EPS to be in the range of \$0.50 to \$1.00. The company had a strong start to the financial year, achieving a solid operational performance across all divisions with the reshaping of Westcon International and central cost reductions proceeding according to plan.
EOH Holdings	The company, in its FY 2018 results, stated that its revenue increased to R16.34 million from R15.13 million posted in the corresponding period of the previous year. Its diluted EPS fell to 196.00c from 771.00c recorded in the same period of the prior year. The company will not be declaring a dividend for FY 2018.
Group Five	The company, in its FY 2018 results, stated that its revenue decreased to R7.35 billion from R9.96 billion posted in the corresponding period of the previous year. Its diluted loss per share stood at 13.91c from 8.89c recorded in the same period of the prior year. The company has not declared a final dividend for the period.
Harmony Gold Mining Company	The company announced that it has reached a three-year wage agreement with the National Union of Mineworkers, UASA and Solidarity, effective from 1 July 2018.
Hyprop Investments	The company announced that Pieter Prinsloo, the CEO of the company has resigned, with effect from 31 January 2019. He will be succeeded by Morne Wilken on 27 December 2018.
Intu Properties	The company announced that Ian Burke has become a member of its Remuneration Committee with immediate effect, and will become Chairman of the Remuneration Committee from the date of the company's next Annual General Meeting in May 2019 in place of Lady Louise Patten who has indicated to the Board that she will be stepping down from the Board and as Chairman of the Remuneration Committee at the next AGM.
Investec	The company announced that Stephen Koseff, CEO and Bernard Kantor, Managing Director have stepped down from their respective roles as of 1 October 2018. Further, Fani Titi and Hendrik du Toit have been appointed as Joint CEOs of the Group.
Kaap Agri	The company announced that Isaac Chalumbira has been appointed as a Non-Executive Director with effect from 19 September 2018.
Long4life	The company announced the acquisition of the entire issued share capital of Chill dated 28 November 2017, shareholders of the company are advised that the final purchase consideration amounts to R481.0 million which was settled 75.0% in cash and 25.0% in the company's ordinary shares.
MAS Real Estate	The company announced that Morné Wilken has tendered his resignation as a Director and CEO of the company.
Massmart Holdings	The company announced that Deutsche Securities Proprietary Limited has resigned as its Sponsor with effect from 31 October 2018. JP Morgan Equities South Africa Proprietary Limited has been appointed as Sponsor to the company with effect from 1 November 2018.
Northam Platinum	The company announced that wage negotiations at its Zondereinde mine with the representative union, the National Union of Mineworkers, have been concluded. The three-year agreement provides for increases in basic wages for entry level underground employees of R1000.00 in the first year, R1,100.00 in the second year, and R1,200.00 in the third year, and a R200.00 annual increase in housing/living out allowances over the three-year period.
Novus Holdings	The company announced the appointment of Mr. Harry Todd as CFO and Executive Director of the Group, effective 01 October 2018. Additionally, the Board has identified Ms. Keshree Alwar, currently Group Financial Manager, as CFO designate and appoints Ms. Alwar as an alternate director to Mr. Todd. Kilgetty Statutory Services (Pty) Ltd has been replaced by Ms. Melonie Brink as the Group Company Secretary with effect from 1 October 2018.

South African Corporate News

Company Name	News
Phumelela Gaming & Leisure	The company, in its FY 2018 results, stated that its income stood at R1.6 billion from R1.5 billion posted in the corresponding period of the previous year. Its diluted HEPS stood at 154.23c from 160.36c recorded in the same period of the prior year. The Board has declared a final gross cash dividend of 62.0c for the period.
Pioneer Foods Group	The company, in its FY 2018 trading statement, indicated that it expects HEPS to be between 541.30c and 582.30c, a 32.0% to 42.0% increase compared to the same period of the previous year. Further, the company expects EPS to be in the range of 573.70c to 612.80c, 47.0% to 57.0% higher compared to the corresponding period of the preceding year.
Redefine Properties	The company announced that Sindi Zilwa has been appointed as an independent Non-Executive Director to the Board of directors with effect from 2 November 2018.
Resilient REIT	The company advised shareholders that due to the Board's decision to early adopt mandatory audit firm rotation, the external audit services provided by Deloitte & Touché have been terminated by mutual agreement with effect from 30 November 2018.
Sanlam	The company announced that the Standard Bank of South Africa Limited has been appointed as sponsor to the company on the JSE Limited with effect from 1 October 2018.
Texton Property Fund	The company, in its FY 2018 results, revealed that its revenue stood at R588.91 million compared with R588.83 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.
Tongaat Hulett	The company, in its 1H 2018 trading statement, indicated that the company expects HEPS and EPS to be between 230.00c and 252.00c, a 60.0% decrease compared with the corresponding period of the previous year. Further, the company expects operating profit to be at least 40.0% lower compared with the same period of the preceding year.
Zeder Investments	The company, in its 1H 2018 trading statement, revealed that it expects HEPS to be between 29.90c and 30.70c, a 595.3% to 614.0% increase compared with the same period of the previous year. Further, the company expects EPS to be in the range of 26.80c to 27.80c, an increase of between 262.2% and 275.7% from the corresponding period of the preceding year.

Technical Alerts



Name	Ticker	Currency	Last Close	% Chg	Signal
Wilson Bayly Holmes-Ovcon Ltd	WBO SJ	ZAr	16002	4.19%	MA 20D crossover
Brimstone Investment Corp Ltd	BRN SJ	ZAr	940	-4.08%	MA 20D crossover
Clicks Group Ltd	CLS SJ	ZAr	16300	-6.86%	Lower Bollinger crossunder
Caxton And CTP Publishers and Printers Ltd	CAT SJ	ZAr	906	-9.31%	Stochastic indicates oversold



Name	Ticker	Currency	Last Close	% Chg	Signal
Redefine International Plc/Isle Of Man	RPL SJ	ZAr	611	-0.97%	MA 20D crossunder
ArcelorMittal South Africa Ltd	ACL SJ	ZAr	406	24.54%	Upper Bollinger crossover
Sibanye Gold Ltd	SGL SJ	ZAr	986	15.05%	Stochastic indicates overbought
Investec Australia Property Fund	IAP SJ	ZAr	1300	4.00%	Stochastic indicates overbought

Research Disclosure

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