

Weekly Market Report

www.afrifocus.co.za

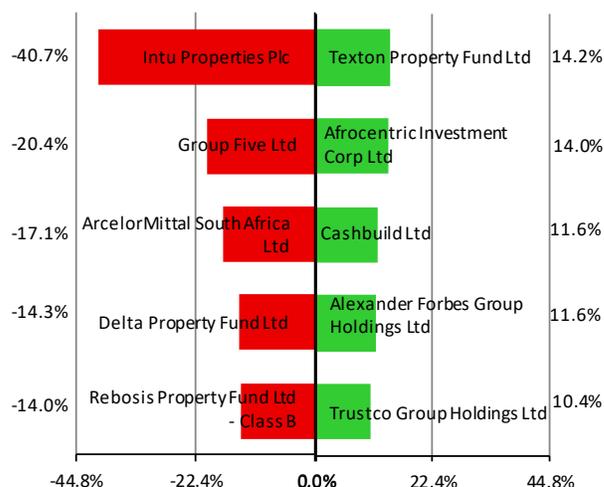
03 December 2018

Key Global Indices	30 Nov 2018 Close	1W% Change	YTD % Change
JSE All Share	50663.94	-0.1%	-14.9%
FTSE 100	6980.24	0.4%	-9.2%
DAX 30	11257.24	0.6%	-12.9%
CAC 40	5003.92	1.2%	-5.8%
DJIA	25538.46	5.2%	3.3%
S&P 500	2760.17	4.8%	3.2%
NASDAQ Comp.	7330.54	5.6%	6.2%
Nikkei 225	22351.06	3.3%	-1.8%
Shanghai Comp	2588.19	0.3%	-21.7%
S&P/ASX 200	5667.16	-0.9%	-6.6%

South African Equity Markets

South Africa markets ended lower last week. Real estate company, Intu Properties plunged 40.7%, following the announcement that a group of investors has decided against buying the property group. Construction and engineering company, Group Five slumped 20.4%, after Ghanaian power company, Cenpower Generation terminated its contract with the company to complete the \$410.00 million Kpone power station in Tema, Ghana. PPC plummeted 10.6%, despite reporting a substantial rise in its 1H 2018 revenues and HEPS. On the flipside, Texton Property Fund and Afrocentric Investment Corp. surged 14.2% and 14.0%, respectively. Further, real estate company, Arrowhead Properties soared 10.3%, despite the company reporting a drop in its FY 2018 dividend. The JSE All Share Index declined 0.1% to close at 50,663.94.

JSE All Share - Weekly Gainers & Losers



JSE All Share - Daily Chart



Top 10 New 52 Week Highs

Share	52Week High (ZAR)	1W% Change
Capitec Bank Holdings Ltd	1138.19	1.9%
Grand Parade Investments Ltd	3.00	19.05%
PSG Konsult Ltd	11.00	8.1%

Top 10 New 52 Week Lows

Share	52Week Low (ZAR)	1W% Change
Ascendis Health Ltd	3.50	-13.1%
Arrowhead Properties Ltd	3.32	10.3%
Cie Financiere Richemont SA	88.74	-1.5%
Clientele Ltd	13.00	6.3%
Delta Property Fund Ltd	4.42	-14.3%
Glencore Plc	49.63	1.6%
Intu Properties Plc	19.76	-40.7%
Kumba Iron Ore Ltd	244.14	-11.6%
MAS Real Estate Inc	19.00	4.4%
Oceana Group Ltd	65.84	-10.1%

Key Currencies	30 Nov 2018 Close	1W% Change	YTD % Change
USDZAR	13.8699	0.1%	12.0%
EURZAR	15.6999	-0.1%	5.7%
GBPZAR	17.6881	-0.4%	5.8%
EURUSD	1.1317	-0.2%	-5.7%
EURCHF	1.1309	0.0%	-3.4%
GBPUSD	1.2749	-0.5%	-5.7%
USDJPY	113.57	0.5%	0.8%
USDCHF	0.9979	0.1%	2.4%
AUDUSD	0.7306	1.0%	-6.4%
USDCAD	1.3292	0.4%	5.7%

Daily USD/ZAR



Key Commodities	30 Nov 2018 Close	1W% Change	YTD % Change
Gold (\$/oz)	1220.52	-0.2%	-6.3%
Silver (\$/oz)	14.22	-1.0%	-17.1%
Copper (USD/lb.)	2.78	0.4%	-15.8%
Brent Crude (\$/bbl)	59.46	1.1%	-11.1%
Sugar No.11 (USD/lb.)	12.84	3.0%	-15.3%
Iron Ore 62% Fe (\$/dry MT)	64.98	-11.1%	-8.2%

Daily Platinum



Currencies

The ZAR traded mostly higher against its major peers last week. On the data front, South Africa's annual producer price index (PPI) climbed more-than-expected in October. In contrast, the nation's consumer confidence index declined in the third quarter of 2018. Also, trade deficit widened to a 10-month high in October. Further, private sector credit demand rose less than market forecast on a yearly basis in October.

For the week, the USD strengthened 0.1% against the South African Rand to close at R13.8699. The EUR was 0.1% lower at R15.6999 and the GBP was 0.4% weaker at R17.6881 for the week.

The US Dollar strengthened against its key counterparts last week. Data indicated that the US consumer confidence index deteriorated in November. Additionally, advance goods trade deficit widened more than market forecast in October. On the flipside, the nation's annualised gross domestic product advanced in line with market expectations on a quarterly basis in 3Q 2018. Meanwhile, the Federal Reserve's (Fed) November meeting minutes revealed that the authorities had opened the debate on when to pause further interest rate hikes. Separately, the Fed Chairman, Jerome Powell indicated that the central bank's policy rate was "just below" neutral, hinting at a potential moderation in the pace of policy tightening.

The EUR dropped against the USD last week, amid ongoing concerns over Italy's budget deficit. On the macroeconomic front, Eurozone's consumer price index (CPI) advanced in line with market expectations on an annual basis in November. Separately, German consumer confidence index deteriorated in December. Additionally, the CPI advanced less-than-expected on an annual basis in November. Moreover, monthly retail sales unexpectedly declined in October.

The GBP fell against the USD in the previous week, amid worries over whether British Prime Minister, Theresa May's Brexit deal will get approved by the UK Parliament. Data revealed that UK's net consumer credit rose less than market expectations in October. Meanwhile, the nation's mortgage approvals registered an unexpected advance in October.

Commodities

Gold prices declined last week, as strength in the US Dollar dented demand for the precious yellow metal. Going ahead, market participants will closely watch the US Fed Chairman, Jerome Powell's testimony before the joint economic committee of Congress, the US ISM manufacturing, construction spending, ADP employment change data, trade balance, durable goods orders, Markit manufacturing and services PMI along with the change in non-farm payrolls, wholesale inventories, consumer credit and the Michigan consumer sentiment index for further direction.

Crude oil prices advanced last week. Meanwhile, the American Petroleum Institute reported that crude oil inventories advanced by 3.5 million bbls to 442.7 million bbls in the week ended 23 November 2018. Additionally, the US Energy Information Administration reported that crude oil inventories rose by 3.6 million bbls last week. Moreover, Baker Hughes reported that US oil rig count rose by 2 to 887 last week.

Iron ore prices traded in negative territory last week, amid escalating fears of an economic slowdown in China.

Key Economic News Last Week

Country	News
	The consumer confidence index slipped to 7.00 in 3Q 2018. In the prior quarter, the index had registered a level of 22.00.
	The PPI advanced 6.9% on an annual basis in October, compared to a rise of 6.2% in September.
South Africa	Private sector credit demand growth slowed to 5.82% on a yearly basis in October, compared to a growth of 6.27% in September.
	Growth in M3 money supply eased to 5.99% on an annual basis in October, compared to a rise of 7.00% in the prior month.
	Trade deficit widened to R5.55 billion in October, compared to a revised deficit of R3.83 billion in September.

Economic Calendar - Week Ahead

	Monday, Dec 03, 2018	Tuesday, Dec 04, 2018	Wednesday, Dec 05, 2018	Thursday, Dec 06, 2018	Friday, Dec 07, 2018
	Naamsa Vehicle Sales (Nov)	Gross Domestic Product (3Q18)	-	Current Account to GDP (3Q18)	Gross Gold & Forex Reserve (Nov)
	PMI Manufacturing (Nov)	-	-	Current Account Balance (3Q18)	Net Gold & Forex Reserve (Nov)
South Africa	-	-	-	BER Consumer Confidence (4Q18)	-
	-	-	-	Electricity Production (Oct)	-
	-	-	-	Electricity Consumption (Oct)	-

South African Corporate News

Company Name	News
Accelerate Property Fund	The company, in its 1H 2018 results, stated that its revenue increased to R636.04 million from R633.23 million posted in the corresponding period of the previous year. Its diluted EPS fell to 32.41c from 32.74c recorded in the same period of the prior year.
Allied Electronics Corporation	The company announced that Dr Phumla Mnganga has been appointed as an independent Non-Executive Director and member of the Altron Social and Ethics Committee with effect from 1 February 2019.
ArcelorMittal South Africa	The company announced that Mr Ramesh Kothari has tendered his resignation as a Non-Executive Director, with effect from 30 November 2018. Further, it announced the appointment of Mr Raman Karol, as a Non- Executive Director, with effect from 01 December 2018.
Arrowhead Properties	The company, in its FY 2018 results, stated that its revenue increased to R2.51 billion from R2.17 billion posted in the corresponding period of the previous year. Its diluted loss per share stood at 19.08c. The company has declared a total dividend of 74.10c per share compared with 87.52c per share recorded in the same period of the preceding year.
Bidvest Group	The company, in its trading update for the four months to October 2018, stated that the operating performance, year to date, has been solid despite sluggish economic growth, political instability and waning business confidence in South Africa. Almost all divisions achieved trading result growth, with a strong focus remaining on cash generation and ensuring an acceptable shareholder return. Progress on the company's Freight's R1.00 billion Liquified Petroleum Gas project is on schedule and civil work is progressing well.
Grand Parade Investments	The company announced that Mohsin Tajbhai has been appointed as an Executive Director with effect from 28 November 2018.
Hospitality Property Fund	The company announced that Mr Jacques Booysen, a Non-Executive Director has resigned from the Board Of Directors with effect from 1 December 2018.
Huge Group	The company, in its 1H 2018 results, stated that its revenue fell to R214.56 million from R401.38 million posted in the same period of the preceding year. Its basic EPS stood at 28.46c compared with 47.40c recorded in the corresponding period of the previous year. Meanwhile, in its 1H 2018 trading statement, the company indicated that it expects EPS to be between 26.50c and 29.07c per share, which is 55.0% to 70.0% higher than the previous year. Further, it expects HEPS to be between 26.74c and 29.60c per share, which is 40.0% to 55.0% higher than the prior year.
Kaap Agri	The company, in its FY 2018 results, indicated that its revenue advanced to R6.55 billion from \$6.42 billion posted in the same period of the preceding year. Its diluted EPS stood at 346.90c, compared with 339.35c in the prior year. The company has declared a gross final dividend of 84.70c per share for the period.
Lonmin	The company, in its FY 2018 results, indicated that its revenue advanced to \$1.35 billion from \$1.17 billion posted in the same period of the preceding year. Its diluted EPS stood at 14.80c. The company has not declared a final dividend for the period.
MMI Holdings	The company confirmed the retirement of Mr Sydney Allan Muller as a Non-Executive Director with effect from 26 November 2018.
Nampak	The company, in its FY 2018 results, stated that its revenue decreased to R17.31 billion from R17.40 billion posted in the corresponding period of the previous year. Its diluted EPS rose to 75.70c from 36.50c recorded in the same period of the prior year.
Naspers	The company, in its 1H 2018 results, stated that its revenue rose to \$3.34 billion from \$3.11 billion posted in the same period of the preceding year. Its diluted EPS stood at 783.00c compared with 248.00c recorded in the corresponding period of the previous year.
Nedbank Group	The company announced the re-appointment of Mr Rob Leith as a Non-Executive Director with effect from 1 January 2019.
New Frontier Properties	The company, in its FY 2018 results, stated that its rental income fell to R17.52 million from R19.28 million posted in the same period of the preceding year. Its basic loss per share stood at 0.482c compared with EPS of 0.002c recorded in the corresponding period of the previous year. Additionally, it announced that Mrs Marelise de Lange has resigned as Non-Executive Director with effect from 26 November 2018 and Mr Rob Becker has been appointed as a Non-Executive Director of the company with effect from 28 November 2018.
Old Mutual	The company announced the resignation of Ingrid Johnson as Non-Executive Director with effect from 30 November 2018.
Omnia Holdings	The company, in its 1H 2018 results, revealed that its revenue advanced 12.0% from the same period of the preceding year to R8.65 billion. Its diluted loss per share stood at 131.00c. The company has declared an interim dividend of 75.00c per share compared with 200.00c per share recorded in the corresponding period of the previous year.

South African Corporate News

Company Name	News
Pepkor Holdings	The company, in its FY 2018 results, stated that its revenue increased to R64.17 billion from R57.85 billion posted in the corresponding period of the previous year. Its diluted EPS fell to 83.3c from 132.6c recorded in the same period of the prior year. The board has declared a final dividend of 27.8c per ordinary share.
Remgro	The company announced that Mr Anthony Edward Rupert has been appointed as a Non-Executive Director with effect from the close of business on 29 November 2018.
Shoprite Holdings	The company announced that Ms A M le Roux has been appointed as an independent Non-Executive Director and as member of the Audit and Risk Committee with immediate effect. Further, Dr ATM Mokgokong, currently an independent Non-Executive Director and member of the Social & Ethics Committee has been appointed as Chairperson of the Social & Ethics Committee with immediate effect. Prof. S A Zinn, currently an independent Non-Executive Director, has been appointed to the Social & Ethics, Nomination and Remuneration Committees with immediate effect.
Sun International	The company announced that Ms Zimkhitha Zatu was appointed as an independent Non-Executive Director and as an additional member to the company's audit committee with effect from Friday 23 November 2018.
Texton Property Fund	The company announced that Mr Marius Muller had been appointed as its Interim Chief Executive Officer (CEO). Further, Messrs Pragalathan Dhanapalan Naidoo, Non-executive Chairman of Texton, Trurman Michael Zakhe Zuma, Independent Non-Executive Director and John Alastair Legh, Non-executive Director, would not be making themselves available for re-election as Directors at the annual general meeting of the company in November 2018.
Tharisa	The company, in its FY 2018 results, stated that its revenue increased to \$406.27 million from \$349.44 million posted in the corresponding period of the previous year. Its diluted EPS stood at 18.00c, compared with 22.00c in the previous year. The company has declared a final dividend of 2.00c per share.
Value Group	The company announced that its Company Secretary, iThemba Governance and Statutory Solutions Proprietary Limited, has changed its name to FluidRock Advisory Proprietary Limited.
Vodacom Group	The company announced that Ms Thoko Mokgosi-Mwantembe and Mr Ronald Schellekens have resigned as Directors and will step down from the board with effect from 31 December 2018.
Vukile Property Fund	The company, in its 1H 2018 results, stated that its gross property revenue increased to R1.26 billion from R0.94 billion posted in the corresponding period of the previous year. Its diluted EPS fell to 102.00c from 137.00c recorded in the same period of the prior year. The company has declared an interim dividend of 78.10c per share, which is 7.5% higher compared with the corresponding period of the preceding year.

Research Disclosure

NOTICE TO US INVESTORS

This report was prepared, approved, published and distributed by Afrifocus Securities (Pty) Ltd located outside of the United States (a “non-US Group Company”). This report is distributed in the U.S. by LXM LLP USA, a U.S. registered broker dealer, on behalf of Afrifocus Securities (Pty) Ltd only to major U.S. institutional investors (as defined in Rule 15a-6 under the U.S. Securities Exchange Act of 1934 (the “Exchange Act”) pursuant to the exemption in Rule 15a-6 and any transaction effected by a U.S. customer in the securities described in this report must be effected through LXM LLP USA.

Neither the report nor any analyst who prepared or approved the report is subject to U.S. legal requirements or the Financial Industry Regulatory Authority, Inc. (“FINRA”) or other regulatory requirements pertaining to research reports or research analysts. No non-US Group Company is registered as a broker-dealer under the Exchange Act or is a member of the Financial Industry Regulatory Authority, Inc. or any other U.S. self-regulatory organization.

Analyst Certification. Each of the analysts identified in this report certifies, with respect to the companies or securities that the individual analyses, that (1) the views expressed in this report reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this report. Please bear in mind that (i) Afrifocus Securities (Pty) Ltd is the employer of the research analyst(s) responsible for the content of this report and (ii) research analysts preparing this report are resident outside the United States and are not associated persons of any US regulated broker-dealer and that therefore the analyst(s) is/are not subject to supervision by a US broker-dealer, and are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with US rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Important US Regulatory Disclosures on Subject Companies. This material was produced by Analysis Afrifocus Securities (Pty) Ltd solely for information purposes and for the use of the recipient. It is not to be reproduced under any circumstances and is not to be copied or made available to any person other than the recipient. It is distributed in the United States of America by LXM LLP USA and elsewhere in the world by Afrifocus Securities (Pty) Ltd or an authorized affiliate of Afrifocus Securities (Pty) Ltd. This document does not constitute an offer of, or an invitation by or on behalf of Afrifocus Securities (Pty) Ltd or its affiliates or any other company to any person, to buy or sell any security. The information contained herein has been obtained from published information and other sources, which Afrifocus Securities (Pty) Ltd or its Affiliates consider to be reliable. None of Afrifocus Securities (Pty) Ltd accepts any liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are made as of the date of this document. Emerging securities markets may be subject to risks significantly higher than more established markets. In particular, the political and economic environment, company practices and market prices and volumes may be subject to significant variations. The ability to assess such risks may also be limited due to significantly lower information quantity and quality. By accepting this document, you agree to be bound by all the foregoing provisions.

LXM LLP USA assumes responsibility for the research reports content in regards to research distributed in the U.S. LXM LLP USA or its affiliates has not managed or co-managed a public offering of securities for the subject company in the past 12 months, has not received compensation for investment banking services from the subject company in the past 12 months, does not expect to receive and does not intend to seek compensation for investment banking services from the subject company in the next 3 months. LXM LLP USA has never owned any class of equity securities of the subject company. There are not any other actual, material conflicts of interest of LXM LLP USA at the time of the publication of this research report. As of the publication of this report LXM LLP USA, does not make a market in the subject securities.