

Weekly Market Report

13 May 2019

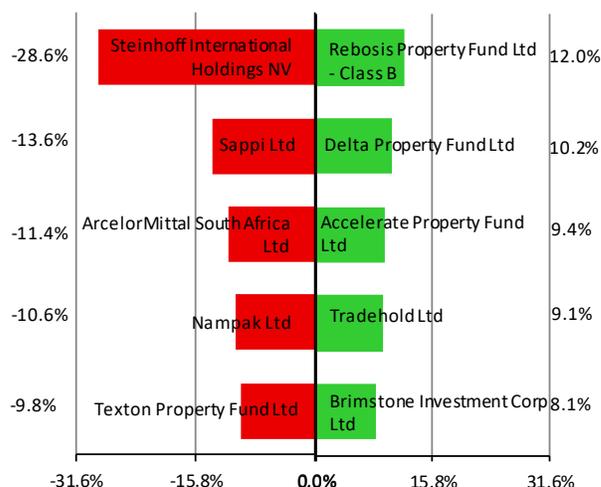
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Key Global Indices	10 May 2019 Close	1W% Change	YTD % Change
JSE All Share	56781	-4.3%	7.7%
FTSE 100	7203	-2.4%	7.1%
DAX 30	12060	-2.8%	14.2%
CAC 40	5327	-4.0%	12.6%
DJIA	25942	-2.1%	11.2%
S&P 500	2881	-2.2%	14.9%
NASDAQ Comp.	7917	-3.0%	19.3%
Nikkei 225	21345	-4.1%	6.6%
Shanghai Comp	2939	-4.5%	17.9%
S&P/ASX 200	6311	-0.4%	11.8%

South African Equity Markets

South African markets ended lower last week, amid ongoing uncertainty over the US-China trade negotiations and due to fears of global economic slowdown. Steinhoff International Holdings plummeted 28.6%, after the company once again delayed the release of its audited 2017 earnings report. Sappi slumped 13.6%, after the firm forecasted a drop in its FY 2019 profits, owing to subdued graphic paper demand. ArcelorMittal South Africa, tanked 11.4%, after the company recorded a decline in its 1Q 2019 sales. On the flipside, Rebois Property Fund rallied 12.0%, after the company renewed nine leases with the Department of Public Works. Further, Delta Property Fund and Accelerate Property Fund jumped 10.2% and 9.4%, respectively. Allied Electronics Corp advanced 8.1%, after the company reported a rise in FY 2019 revenues. The JSE All Share index declined 4.3% to close at 56,781.

JSE All Share - Weekly Gainers & Losers



JSE All Share - Daily Chart



Top 10 New 52 Week Highs

Share	52Week High (ZAR)	1W% Change
Telkom SA SOC Ltd	87.96	-2.4%

Top 10 New 52 Week Lows

Share	52Week Low (ZAR)	1W% Change
Hyprop Investments Ltd	67.00	-3.5%
Invicta Holdings Ltd	25.02	-0.6%
Hammerson Plc	53.50	-5.9%
RDI REIT Plc	22.56	-5.3%
Capital & Regional Plc	3.85	-3.8%
Sappi Ltd	58.49	-13.6%

Key Currencies	10 May 2019 Close	1W% Change	YTD % Change
USDZAR	14.16	-1.3%	-1.3%
EURZAR	15.90	-1.1%	-3.4%
GBPZAR	18.41	-2.6%	0.5%
EURUSD	1.12	0.3%	-2.0%
EURCHF	1.14	-0.2%	1.0%
GBPUSD	1.30	-1.3%	1.9%
USDJPY	109.95	-1.0%	0.2%
USDCHF	1.01	-0.5%	2.9%
AUDUSD	0.70	-0.2%	-0.7%
USDCAD	1.34	-0.02%	-1.6%

Daily USD/ZAR



Key Commodities	10 May 2019 Close	1W% Change	YTD % Change
Gold (\$/oz)	1286.05	0.5%	0.3%
Silver (\$/oz)	14.79	-1.3%	-4.8%
Copper (US\$/lb.)	2.79	-1.4%	5.9%
Brent Crude (\$/bbl)	70.62	-0.3%	31.3%
Sugar No.11 (US\$/lb.)	11.72	-2.4%	-2.6%
Iron Ore 62% Fe (\$/dry MT)	87.48	0.6%	23.9%

Daily Platinum



Currencies

The ZAR ended higher against its major peers last week, as it became clear that the African National Congress would secure a commanding victory in the national elections. On the data front, South Africa's business confidence index improved in April, amid improved domestic economic growth and job outlook. Manufacturing production unexpectedly advanced on an annual basis in March. In contrast, mining production registered its fifth consecutive contraction in March. However, it came in better than market expectations.

For the week, the USD weakened 1.3% against the South African Rand to close at R14.16. The EUR was 1.1% weaker at R15.90 and the GBP was 2.6% lower at R18.41 for the week.

The US Dollar weakened against most of its key counterparts last week, as trade tensions rose, after the US lifted tariffs on \$200.00 billion worth Chinese goods to 25.0% from 10.0% earlier. In economic news, US consumer prices rose less-than-expected on an annual basis in April. Further, trade deficit widened in March. On the other hand, JOLTS job openings rebounded more than expected in March, recording its biggest gain in a year, indicating that demand for workers remains healthy in a tight labour market.

The EUR advanced against the USD last week, after the Eurozone's investor morale climbed to its highest level since November 2018 in May, on account of easing concerns of a slowing global economy and receding fears of a disorderly Brexit. Retail sales came in better-than-expected on an annual basis in March. Meanwhile in Germany, services PMI rose to its highest level since September 2018 in April. Seasonally adjusted industrial production surprisingly rose on a monthly basis in March, indicating sustained economic resilience. Separately, the European Commission slashed the Eurozone's 2019 growth forecast, amid uncertainty over trade conflicts and the UK's withdrawal from the European Union (EU).

The GBP declined against the USD last week. The British housing market continued to remain in doldrums in April. The RICS gauge of house prices remained steady in April, staying at its worst level in nearly eight years. In contrast, UK economic growth picked up in 1Q 2019 and retail sales surpassed investor expectations on an annual basis in April. Separately, the UK Prime Minister, Theresa May, is planning to re-introduce her thrice-defeated EU withdrawal agreement for a vote before the EU parliamentary elections, scheduled on 23 May.

Commodities

Gold prices advanced last week, as rising trade tensions between the US and China prompted a risk-off sentiment and boosted demand for the safe-haven yellow metal. Going ahead, investors will keep a close watch on the US retail sales, industrial production, housing starts, building permits and the Michigan State consumer sentiment index, for further directions.

Crude oil prices declined last week, amid concerns that an escalating Sino-US trade dispute could result in a global economic slowdown. Further, the Energy Information Administration (EIA) reported that US crude inventories unexpectedly fell by 3.96 million bbls last week. Also, Baker Hughes reported that the number of active oil rig counts fell by 2 to 805 in the previous week. Meanwhile, the American Petroleum Institute (API) reported that crude oil inventories rose by 2.81 million bbls last week. Separately, the EIA announced that US crude oil production is expected to rise by 1.49 million bbls per day (bpd) in 2019 to average 12.45 million bpd, whereas global oil demand growth forecast was slashed by 20,000.00 bpd to 1.38 million bpd.

Iron ore prices traded in positive territory last week, amid renewed supply concerns, after further disruptions were reported at Vale's Brucutu mine in Brazil.

Key Economic News Last Week

Country	News
South Africa	Net gold & forex reserves unexpectedly dropped to a level of \$43.25 billion in April. The net gold & forex reserves had recorded a reading of \$43.27 billion in the previous month.
	In April, gross gold & forex reserves recorded an unexpected drop to a level of \$49.54 billion. Gross gold & forex reserves had registered a level of \$49.68 billion in the previous month.
	Gold production slid 17.7% on a yearly basis in March. In the previous month, gold production had dropped 20.6%.
	Annual platinum production registered a drop of 0.5% in March. Platinum production had advanced 17.8% in the previous month.
	Mining production eased 1.1% on an annual basis in March, compared to a revised fall of 8.1% in the previous month.
	Manufacturing production index unexpectedly advanced 1.2% on a yearly basis in March. In the prior month, the manufacturing production index had climbed by a revised 0.5%.
	In March, seasonally adjusted monthly manufacturing production index unexpectedly rose 0.8%. The manufacturing production index had dropped by a revised 2.0% in the prior month.

Economic Calendar - Week Ahead

	Monday, May 13, 2019	Tuesday, May 14, 2019	Wednesday, May 15, 2019	Thursday, May 16, 2019	Friday, May 17, 2019
South Africa	-	Unemployment Rate (1Q 2019)	Retail Sales (Mar)	-	-

South African Corporate News

Company Name	News
Allied Electronics Corp	The company, in its FY 2019 results, revealed that its revenue rose 6.6% from the same period of the preceding year to R15.72 billion. Its diluted EPS stood at 175.00c compared with 108.00c recorded in the corresponding period of the previous year. The company declared a dividend of 44.00c per share.
AngloGold Ashanti	The company, in its 1Q 2019 operational update, stated that its gold production stood at 752.00koz compared with 824.00koz in the same period of preceding year, supported by solid production performances at Geita, Iduapriem, Tropicana and Kibali mines. All in sustaining costs stood at \$969.00/oz compared with \$963.00/oz in the same quarter, while net debt stood at \$1.78 billion compared with \$1.77 billion recorded in the same period of prior year. Further, for FY 2019, the firm expects its production to be between 3.25Moz and 3.45Moz.
Anheuser-Busch Inbev	The company announced in its 1Q 2019 results, that its revenue rose by 5.9% to \$12.59 million compared with \$13.10 million in the corresponding period of the previous year. The company's EPS was 1.80c compared with 0.52c.
ArcelorMittal South Africa	The company, in its 1Q 2019 operational update, indicated that total sales dropped 10.1% to 1.05 million tonnes in comparison with the same period last year. Liquid steel production remained flat. The capacity utilisation during the period decreased to 80.0% compared with 85.0% in the comparable period, as a result of the restart of the Vaal Melt shop.
Arrowhead Properties	The company announced in its updated guidance and trading statement, that after taking into account the effect of Edcon's proposed recapitalisation and restructuring program, it expected its dividend for the year ending 30 September 2019 to be 57.73c per share, excluding any contribution attributed to its holding of shares in Reboasis Income Fund Limited. Furthermore, the company's direct property portfolio has traded well, and in line with expectations, in difficult circumstances.
AVI	The company announced that Mrs. Neo Phakama Dongwana has resigned as a Non-Executive Director with effect from 7 May 2019.
Ayo Technology Solutions	The company announced that Abdul Malick Salie has resigned as an Executive Director, with effect from 6 May 2019.
BHP Group	The company announced that BHP Group Limited and BHP Group Plc have been served with legal proceedings filed in the Business and Property Courts of Liverpool, England. BHP intends to defend the claim in relation to the Samarco dam failure on 5 November 2015.
Clover Industries	The company, in its FY 2019 operational and trading update, stated that the company continues to increase its market share in various categories on the back of marketing investment and additional trade support, despite challenges in retail and fast-moving consumer goods sector. Moreover, the firm expects its EPS to be 182.70c higher, compared with the same period of the previous year. Also, the company expects HEPS to be 180.50c more than the corresponding period of the prior year.
DataTec	The company, in its FY 2019 trading statement, indicated that the company expects HEPS to be \$0.70, compared with the same period of the previous year. Further, the company expects EPS to be \$5.50, which is 73.0% lower compared with the corresponding period of the preceding year.
DRDGOLD	The company, in its 1Q 2019 operational update, indicated that gold production increased by 15.0% to 1,279.00 kg, compared with 1,111.00 kg in the corresponding period in the prior quarter. Further, gold sales rose by 10.0% to 1,250.00 kg from 1,137.00 kg in the previous quarter. Overall yield increased by 4.0% compared with the previous quarter, due to higher grade material being processed at FWGR, as well as improved yield at Ergo Mining Proprietary Limited. Separately, the company announced that Ms. Prudence Lebina has been appointed as an independent Non-Executive Director, with effect from 03 May 2019.
Equites Property Fund	The company announced in its FY 2019 results, that its gross property revenue stood at R766.16 million compared with R573.70 million in the corresponding period of the previous year. The company's diluted EPS was 148.80c compared with 225.40c. The firm's NAV per share growth stood at 10.2%, increasing the NAV per share to R16.92.
Famous Brands	The company, in its FY 2019 trading statement, indicated that the company expects HEPS to be between 265.00c and 329.00c, which is 16.0% to 33.0% lower compared with the same period of the previous year. Moreover, the company expects loss per share to be in the range of 432.00c to 528.00c compared with the corresponding period of the prior year.
Harmony Gold Mining Company	The company announced that one of its employees was fatally injured in a mining related accident at its Bambanani mine in the Free State and has tragically succumbed to his injuries. An investigation into the accident is underway.
Indluplace Properties	The company announced in its 1H 2019 results, that its total revenue stood at R318.33 million compared with R334.72 million in the corresponding period of the previous year. The company's diluted EPS was 35.25c compared with 45.19c. Further, the company declared a dividend of 37.49c per share.
Intu Properties	The company announced Dushyant Sangar as its Chief Investment Officer. He currently holds the post of Corporate Development Director at the company.

South African Corporate News

Company Name	News
Jubilee Metals Group	The company, in its 1Q 2019 operational update, indicated that it reported a 57.0% increase from the previous quarter in operational earnings at R58.85 million. Further, the company recorded 54.0% increase in combined quarterly revenue at R119.90 million.
Kaap Agri	The company, in its 1H 2019 results, stated that its revenue rose to R4.39 billion from R3.41 billion posted in the corresponding period of the previous year. Its diluted EPS stood at 222.98c compared with 219.80c in the same period of the prior year. The company has declared a dividend of 33.50c for the period.
Kibo Energy	The company, in its update on its Benga Power Plant Project in Mozambique, announced that it is advancing the development of its 65.0% owned Benga Power Plant Project in Joint Venture with Mozambique energy company, Termoelétrica de Benga S.A, with a view to constructing and operating a 150-300 MW coal-fired power station with feedstock provided by regional coal producers. In line with this, the company has presented the Definitive Feasibility Study for the Project to the Ministry of Energy and EDM, Mozambique's publicly owned electricity company. Additionally, under the terms of the existing MOU, power purchase agreement discussions with EDM continue to progress as do those with potential private off-takers.
Lonmin	The company, in its 2Q 2019 production and business update, revealed that its platinum sales rose to 146,459.00 oz compared with 140,533.00 oz recorded in the corresponding period of prior year. Refined platinum production rose 16.0% compared with the same period of preceding year at 142,260.00 oz. Further, the firm stated that operating profit for 1H 2019 stood at \$70.00 million compared with operating loss of \$32.00 million in the same period of previous year.
Massmart Holdings	The company announced that its Chief Executive Officer, Guy Hayward, has decided to step down from his role before the end of 2019.
Mondi	The company, in its 1Q 2019 trading update, stated that its underlying EBITDA rose 16.0% and stood at EUR471.00 million compared with the same period last year, whereas like for like sales volume were marginally lower than the comparable prior in the year period. Fibre packaging benefited from higher average kraft paper selling prices, whereas corrugated packaging and industrial bags benefited from higher selling prices. Separately, the firm stated that the boards of Mondi Limited and Mondi Plc announced that all resolutions relating to the approval of the simplification of the existing Mondi Group structure from the current dual listed company structure into a single holding company structure under Mondi Plc, including the scheme of arrangement proposed by Mondi Limited, have been approved at the Annual General Meetings of Mondi Limited and Mondi Plc.
Montauk Holdings	The company, in its FY 2019 results, stated that its revenue increased by 9.0% to \$118.98 million from \$109.15 million posted in the corresponding period of the previous year. Its EPS fell to 14.58c from 16.18c recorded in the same period of the prior year.
MTN Group	The company, in its 1Q 2019 update, revealed that its group service revenue rose 10.0% to R33.21 billion. Further, group subscribers rose to 236.60 million compared with 220.89 million during the same period last year. Further, active data subscribers increased to 81.30 million.
Naspers	The company announced that Ms. Manisha Girotra will be appointed as an independent Non-Executive Director of Naspers after the listing of the firm's subsidiary, NewCo, on the Euronext Amsterdam Exchange. She will also serve on the board of NewCo, post its listing, and as a member of the Naspers and NewCo Audit Committees.
NEPI Rockcastle	The company referred to the previous announcement by South Africa's Financial Services Conduct Authority (FSCA), regarding the investigation in relation to a potential breach of section 81 of the Financial Markets Act No. 19 of 2012, relating to possible false and misleading reporting and stated that the case has now been closed. Further, the FSCA found no substance in the allegations that the company intentionally and negligently made false statements in respect of the past or future performance, being the 31 December 2017 financial statements. Later on, the FSCA stated that it had closed its investigation in respect of possible insider trading related to the company (Section 78 of the FMA), with no issue raised against the company.
Net 1 UEPS Technologies	The company, in its 3Q 2019 results, stated that its revenue decreased to \$86.48 million from \$162.72 million posted in the corresponding period of the previous year. Its diluted loss per share stood at \$0.96 compared with EPS of \$0.57 in the same period of the prior year.
Netcare	The company, in its 1H 2019 trading update, stated that the company expects its EPS to be between 69.90c and 97.80c and HEPS to be between 79.30c and 82.40c. Further, the firm expects its adjusted HEPS from continuing operations to be between 82.30c and 86.80c.
Oceana Group	The company, in its 1H 2019 results, stated that its revenue increased to R3.56 billion from R3.45 billion posted in the corresponding period of the previous year. Its diluted EPS fell 20.6% from the same period of the prior year to 227.10c. The company declared an interim dividend of 123.00c per share.
Pepkor Holdings	The company, in its 1H 2019 trading statement, indicated that it expects its EPS to be between 48.70c and 55.90c, which is between 34.4% and 54.4% higher, compared with the same period of the previous year. Also, the company expects HEPS to be between 48.60c and 55.80c, which is between 34.1% and 54.1% higher than the corresponding period of the prior year.

South African Corporate News

Company Name	News
Rebosis Property Fund	The company, in its FY 2019 trading statement, indicated that it expects its distributable income to be 52.0% to 62.0% lower compared with the same period of last year, due to an increase in the cost of debt on renewing expiring facilities, as a result of the higher loan to value level and slow growth in net property income. Further, dividend per A share is expected to grow by 5.0%, whereas dividend per B share is expected to be between 22.00c and 24.00c. Separately, the company announced that the weighted average lease expiry profile of the company's office portfolio has reduced over time as a result of lease agreements that have expired. Further, the company stated that its renewal process, nine leases were successfully concluded for a total gross lettable area of 62,354 m ² .
Redefine Properties	The company, in its 1H 2019 results, stated that its revenue increased to R4.39 billion from R3.93 billion posted in the corresponding period of the previous year. Its diluted EPS fell to 43.80c from 88.20c recorded in the same period of the prior year. The company has declared an interim dividend of 49.19c per share compared with 47.30c per share recorded in the corresponding period of the preceding year.
Sappi	The company, in its 2Q 2019 results, indicated that its revenue rose 0.5% from the corresponding period of the previous year to \$1.50 billion. Its diluted EPS fell 31.6% from the same period of the prior year to 13.00c.
Shoprite Holdings	The company announced that Mr. EC Kieswetter, an independent Non-Executive Director, has commenced his role as the Commissioner of the South Africa Revenue Service on 1 May 2019. As a result of his new role, he has tendered his resignation as a Director of Shoprite Holdings on 30 April 2019. Consequently, he has also resigned as Lead Independent Director, Chairperson of the Remuneration Committee and Member of the Nominations Committee of Shoprite Holdings. Separately, the company announced that Prof. S A Zinn, currently an independent Non-Executive Director, has been appointed as Lead Independent Director and as Chairperson to the Remuneration Committee of Shoprite Holdings with immediate effect.
Sibanye Gold	The company, in its 1Q 2019 operating update, reported that its gold production fell to 143,278.00 oz compared with 291,500.00 oz in the same period of the prior year. Its 4E platinum group metal production also fell 7.9% to 263,508.00 oz from last year. Further, Section 189 restructuring process at SA gold operations are well in advance and expected conclusion is by mid May 2019.
Transaction Capital	The company announced that Mr. Ronen Goldstein will resign as Financial Director with effect from 31 May 2019. Further, Mr. Sean Doherty has been appointed as an Executive Director of the company, in the capacity as Chief Financial Officer with effect from 1 June 2019.
Value Group	The company, in its FY 2019 results, stated that its revenue rose by 11.0% from the corresponding period of the previous year to R2.78 billion. Its diluted EPS stood at 83.70c compared with 54.80c in the same period of the prior year.
Vivo Energy	The company, in its 1Q 2019 trading update, stated that volumes of 2.44 billion litres were 7.0% higher on a yearly basis, with volume growth resulting from good underlying growth in the company's existing fifteen Shell-branded markets and one month of contribution from the eight new Engen-branded markets and the additional sites in Kenya. In March, the one month of the new combined Group, volumes were 13.0% higher year-on-year basis than its standalone performance the previous year. With the full contribution from the new markets for the rest of 2019, the company expects volume growth to be in line with full year guidance of low to mid double-digit percentage growth.

Research Disclosure

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