

Weekly Market Report

10 June 2019

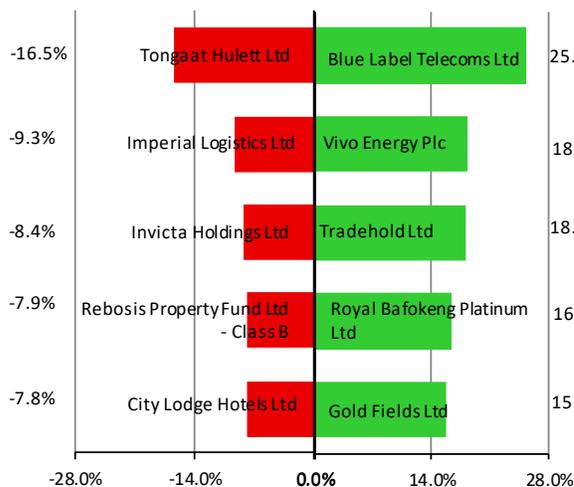
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Key Global Indices	07 June 2019 Close	1W% Change	YTD % Change
JSE All Share	58100	4.4%	10.2%
FTSE 100	7332	2.4%	9.0%
DAX 30	12045	2.7%	14.1%
CAC 40	5364	3.0%	13.4%
DJIA	25984	4.7%	11.4%
S&P 500	2873	4.4%	14.6%
NASDAQ Comp.	7742	3.9%	16.7%
Nikkei 225	20885	1.4%	4.3%
Shanghai Comp	2828	-2.4%	13.4%
S&P/ASX 200	6444	0.7%	14.1%

South African Equity Markets

South African (SA) markets ended higher last week. Blue Label Telecoms, Vivo Energy and Tradehold surged 25.4%, 18.3% and 18.0%, respectively. Gold Fields rallied 15.8%, after the firm announced that it sold its shareholdings in two of its non-core investments, Maverix Metals and Red 5, to pay down debt. On the flipside, Tongaat Hulett plummeted 16.5%, after auditing firm, PwC, initiated an investigation on the group's FY 2018 financials, amid mounting operational challenges. Further, Imperial Logistics dropped 9.3%, after reports indicated that the firm would write down R1.40 billion of its SA Consumer Packaged Goods subsidiary. Food and beverage company, RCL Foods declined 7.0%, as the company indicated that it expects a drop in its FY 2019 earnings, due to poor performance of its sugar and chicken business. The JSE All Share Index advanced 4.4% to close at 58,100.

JSE All Share - Weekly Gainers & Losers



JSE All Share - Daily Chart



Top 10 New 52 Week Highs

Share	52Week High (ZAR)	1W% Change
Sirius Real Estate Ltd	12.52	4.6%
Fortress Income Fund Ltd	21.00	0.3%
Investec Australia Property Fund	14.32	2.8%
AngloGold Ashanti Ltd	227.00	14.6%
Gold Fields Ltd	77.12	15.8%

Top 10 New 52 Week Lows

Share	52Week Low (ZAR)	1W% Change
Zeder Investments Ltd	3.37	0.3%
Invicta Holdings Ltd	24.00	-8.4%
Omnia Holdings Ltd	41.56	-1.7%
Massmart Holdings Ltd	61.00	-4.6%
Hammerson Plc	48.88	5.6%
RDI REIT Plc	18.81	-0.9%
Peregrine Holdings Ltd	16.61	-0.3%
City Lodge Hotels Ltd	97.00	-7.8%
Capital & Regional Plc	3.10	-4.6%
Intu Properties Plc	16.06	-2.8%

Key Currencies	07 June 2019 Close	1W% Change	YTD % Change
USDZAR	14.95	2.5%	4.2%
EURZAR	16.95	4.0%	3.0%
GBPZAR	19.05	3.4%	4.0%
EURUSD	1.13	1.5%	-1.2%
EURCHF	1.12	0.2%	-0.5%
GBPUSD	1.27	0.9%	-0.1%
USDJPY	108.19	-0.1%	-1.4%
USDCHF	0.99	-1.3%	0.5%
AUDUSD	0.70	0.9%	-0.7%
USDCAD	1.33	-1.8%	-2.7%

Daily USD/ZAR



Key Commodities	07 June 2019 Close	1W% Change	YTD % Change
Gold (\$/oz)	1340.86	2.7%	4.6%
Silver (\$/oz)	15.03	3.2%	-3.3%
Copper (US\$/lb.)	2.63	-0.5%	-0.1%
Brent Crude (\$/bbl)	63.29	2.1%	17.6%
Sugar No.11 (US\$/lb.)	12.50	3.3%	3.9%
Iron Ore 62% Fe (\$/dry MT)	97.36	-1.6%	37.9%

Daily Platinum



Currencies

The ZAR weakened against its major peers last week, after data indicated that the SA economy contracted in 1Q 2019. Additionally, the SACCI business confidence index registered a drop in May. Separately, the ratings agency, Moody's released a statement indicating that it expects an interest rate cut by the South African Reserve Bank in July this year. The agency also added that SA looked set to enter a technical recession.

For the week, the USD strengthened 2.5% against the South African Rand to close at R14.95. The EUR was 4.0% higher at R16.95 and the GBP was 3.4% stronger at R19.05 for the week.

The US Dollar weakened against its key counterparts last week, following a weaker-than-expected non-farm payrolls report for May, which supported the case for the Federal Reserve (Fed) to ease interest rates in the near future. Meanwhile, the ISM manufacturing PMI unexpectedly slowed, whereas its services sector index came in stronger than expected for May. Payroll data firm ADP estimated that the US economy added the lowest number of private sector jobs in nine years for May. Separately, the Fed Beige Book report for April through mid-May, described the US economy as expanding at a modest pace overall. The Fed Chairman, Jerome Powell, stated that the central bank would "act as appropriate" to sustain the economic expansion.

The EUR advanced against the USD last week. On the data front, the Eurozone's gross domestic product (GDP) came in line with investor expectations in 1Q 2019. On the other hand, retail sales dropped on a monthly basis in April. The region's annual consumer price index (CPI) fell to its lowest rate since April 2018 in May. Meanwhile, German manufacturing PMI declined in line with market forecast in May. Separately, the European Central Bank kept all the main interest rates unchanged at its latest monetary policy meeting and pledged to keep rates unchanged at least through the first half of 2020.

The GBP rose against the USD last week. Data revealed that UK's Markit services PMI climbed to a 3-month high level in May. Meanwhile, construction PMI unexpectedly dropped in May, marking its sharpest decline since March 2018. Also, Markit manufacturing PMI fell more than market forecast in May. Separately, the British Prime Minister, Theresa May, officially stepped down as Leader of the governing Conservative party.

Commodities

Gold prices rose last week, as the US Dollar weakened across the board, following the release of weaker-than-expected non-farm payrolls report for May. Going ahead, market participants will closely watch the US CPI, JOLTS job openings, mortgage applications, advance retail sales, Michigan consumer sentiment index and industrial production data for further direction.

Crude oil prices advanced last week, amid hopes that major oil producers would continue their crude oil production cuts beyond this month's expiration. Moreover, Baker Hughes reported that US oil rig count fell by 11 to 789 last week. Meanwhile, the American Petroleum Institute reported that crude oil inventories advanced by 3.50 million bbls in the week ended 31 May 2019. Additionally, the US Energy Information Administration reported that crude oil inventories rose by 6.80 million bbls last week.

Copper prices traded in negative territory last week, pressured by global growth concerns, amid ongoing trade tensions.

Key Economic News Last Week

Country	News
South Africa	Annualised GDP dropped 3.2% on a quarterly basis in 1Q 2019, compared with a rise of 1.4% in the previous month.
	The manufacturing PMI unexpectedly dropped to 45.40 in May, compared with a level of 47.20 in the prior month.
	The SACCI business confidence index unexpectedly eased to 93.00 in May, compared with 93.70 in the previous month.
	Vehicle sales declined 5.7% to 40,506.00 units on a yearly basis in May.
	Current account deficit widened to 2.9% of GDP in 1Q 2019, compared with a deficit of 2.2% in the previous quarter.
	Electricity consumption rose 1.6% on an annual basis in April, compared with a drop of 2.8% in the previous month.
	Annual electricity production advanced 1.8% in April, compared with a decline of 2.9% in the previous month.
	Gross gold & forex reserves fell to a level of \$48.33 billion in May, compared with \$49.54 billion in the prior month.

Economic Calendar - Week Ahead

	Monday, June 10, 2019	Tuesday, June 11, 2019	Wednesday, June 12, 2019	Thursday, June 13, 2019	Friday, June 14, 2019
	-	Manufacturing Production Index (Apr)	Retail Sales (YoY) (Apr)	Mining Production (Apr)	-
	-	Manufacturing Production s.a. (Apr)	Retail Sales (MoM) (Apr)	Gold Production (Apr)	-
	-	-	-	Platinum Production (Apr)	-
South Africa	-	-	-	Iron Ore Production Index (Apr)	-
	-	-	-	Diamond Production Index (Apr)	-
	-	-	-	Chromium Production Index (Apr)	-
	-	-	-	Coal Production Index (Apr)	-

South African Corporate News

Company Name	News
Adcorp Holdings	The company announced that Mr. Mncane Mthunzi and Mr. Paul Moeketsi have resigned as Non-Executive Directors, with effect from 6 June 2019.
Alexander Forbes Group Holdings	The company, in its FY 2019 trading statement, revealed that the company expects its EPS to be between 21.00c and 22.20c. Additionally, HEPS is likely to be between 31.50c and 33.50c. Further, the company also incurred a cost of R50.00 million on the termination of an IT contract, which impacted earnings.
Aspen Pharmacare Holdings	The company announced that it completed the divestment of its Nutritionals Business to the Lactalis Group for a gross consideration of €740.00 million. The company also confirmed that it received proof of payment of the gross consideration from the Lactalis Group and expects all the funds to be in its bank accounts within the next few days. The estimated net cash inflows from the transaction, after payment of transaction related taxes, the buy-out of minority shareholders and the payment of transaction costs, will be approximately €635.00 million and the financial effects remain in line with the company's expectations.
Bidvest Group	The company, in its business update for ten months to April 2019, revealed that trading profit continued to grow at a slower pace than previous year. The company's growth and investment aspirations, both locally and internationally remained steady and it continues to invest in its existing businesses. However, the investment portfolios have delivered lower returns due to weak equity markets.
Consolidated Infrastructure Group	The company, in its 1H 2019 results, indicated that its revenue fell to R1.19 billion from R1.30 billion posted in the corresponding period of the previous year. Its diluted loss per share stood at R4.56 compared with R6.13 recorded in the same period of the prior year.
Coronation Fund Managers	The company announced that Ms. Nazrana Hawa has been appointed as Company Secretary, with effect from 13 August 2019.
Curro Holdings	The company announced that Ms. Dimakatso Sylvia Kutu has been appointed as Company Secretary, with effect from 1 July 2019.
Delta Property Fund	The company, in its FY 2019 results, indicated that its rental income rose to R1.58 billion from R1.56 billion posted in the corresponding period of the previous year. Its diluted EPS stood at 39.80c, compared with 112.26c recorded in the same period of the prior year. The company declared a dividend of 15.99c per share.
Emira Property Fund	The company announced that Ms. Jasandra Nyker was appointed to the Board of Directors as an independent Non-Executive Director on 22 May 2019.
Famous Brands	The company announced that Mr. Alexander (Alex) Maditse has been appointed as an independent Non-Executive Director to the Board of Directors, with effect from 1 August 2019.
Gemgrow Properties	The company announced that Gemgrow and Cumulative Properties Limited, a wholly-owned subsidiary of Gemgrow, have concluded three separate sale of rental enterprise agreements on 3 June 2019 pursuant to which, subject to the fulfilment of various conditions precedent, the company and Cumulative will dispose to Columbia Falls Property Proprietary Limited, as a going concern, the rental enterprises comprising East London Vincent Office Park, Department of Forestry and Water, Citizens Building, FB Motors and Philippi Court for an aggregate disposal consideration of circa R195.00 million.
Huge Group	The company, in its FY 2019 results, indicated that its revenue rose to R432.66 million, from R401.38 million posted in the same period of the previous year. Its diluted EPS stood at 56.55c, compared with 47.40c recorded in the prior year. The company has declared a gross cash dividend of 12.50c per share.
Intu Properties	The company announced that Robert Allen has been appointed as Chief Financial Officer (CFO), with effect from 10 June 2019. Further, Barbara Gibbes, who has been acting as interim CFO, will resume her duties as Director of Finance with effect from 10 June 2019.
Kumba Iron Ore	The company announced that Group Finance Director, Mr. Stephen Pearce, stepped down as Non-Executive Director of the Board and member of the Human Resources and Remuneration Committee, with effect from 31 May 2019. Further, Group Director-Strategy and Business Development, Mr. Duncan Wanblad, joined the Board as a Non-Executive Director, with effect from 31 May 2019.
Mix Telematics	The company announced that Anthony (Tony) Welton, has informed the Board of his intention to retire, with effect from 30 September 2019.
Motus Holdings	The company announced that Mrs. Kerry Ann Hitzinger-Cassel has been appointed as an Executive Director to the Board of Directors, with effect from 1 July 2019.

South African Corporate News

Company Name	News
Novus Holdings	The company, in its FY 2019 trading statement, reported that the company expects its EPS to be higher by at least 155.0%, compared with an EPS of 22.00c in the same period of the preceding year. The company anticipates HEPS to be lower by at least 41.0%, compared to HEPS of 102.90c in the prior year.
Oando	The company announced that the Federal High Court of Lagos granted the company's Group Chief Executive, Adewale Tinubu and Deputy Group Chief Executive, Omamofe Boyo, an Injunction Restraining the Securities and Exchange Commission from Executing Sanctions. Separately, the company announced the resignations of its Non-Executive Directors, Chief Sena Anthony and Mr. Oghogho Akpata from the Board of Directors, with effect from June 3, 2019.
Oceana Group	The company announced that Elton Bosch will be the new CFO and Executive Director of the company, with effect from 17 June 2019.
Omnia Holdings	The company announced that Mr. Rod Humphris has decided to step down as Chairman of the Board immediately. Mr. Ralph Havenstein, who has been the Lead Independent Director, will succeed Mr. Humphris.
RCL Foods	The company, in its FY 2019 trading statement, reported that the company expects its HEPS and EPS to be lower by at least 20.0%, compared with the same period of the preceding year, mainly due to decline in sugar and chicken business.
Sanlam	The company, in its operational update for four months to 30 April 2019, stated that its new business volumes rose by 7.0% to R72.00 billion compared with the previous year and its diluted HEPS declined by 40.0%. The company expects that its new business growth potential will remain under pressure during the remaining period of FY 2019.
Sirius Real Estate	The company announced that it has completed the acquisition of a business park in Teningen, North of Freiburg, for €6.50 million, including acquisition costs, reflecting an EPRA net initial yield of 8.3%. The vendor is the Ascom Group, a Swiss healthcare solution provider. Notarised on 22 March 2019, the acquisition has been funded from existing cash resources.
Spur Corporation	The company announced that Ms. Nazrana Hawa has tendered her resignation as Company Secretary, with effect from 31 July 2019. Additionally, the firm announced the appointment of Prof. Shirley Zinn and Ms. Cora Fernandez as independent Non-Executive Directors, with effect from 17 June 2019.
Stadio Holdings	The company announced that Ms. R Kisten has resigned as an independent Non-Executive Director, with effect from 6 June 2019. Accordingly, Ms Kisten has also resigned as Chairperson and member of the Remuneration and Nominations committee, and as member of the Audit and Risk committee of the company.
Sygnia	The company, in its 1H 2019 results, indicated that its revenue rose to R229.27 million from R207.31 million posted in the corresponding period of the previous year. Its diluted EPS stood at 30.02c compared with 24.72c recorded in the same period of the prior year. The company declared a total dividend of 25.00c per share.
Tiger Brands	The company announced the appointment of Mr. Monwabisi Fandeso as independent Non-Executive Director, with effect from 1 July 2019.
Trustco Group Holdings	The company, in its FY 2019 trading statement, stated that its group revenue is expected to be between NAD1.34 billion and NAD1.48 billion, compared with the corresponding period of the previous year. Its basic EPS is likely to come between 71.00c and 75.00c, while HEPS is expected to be between 70.00c and 75.00c, compared with 27.19c of the previous year.

Research Disclosure

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