

Weekly Market Report

09 September 2019

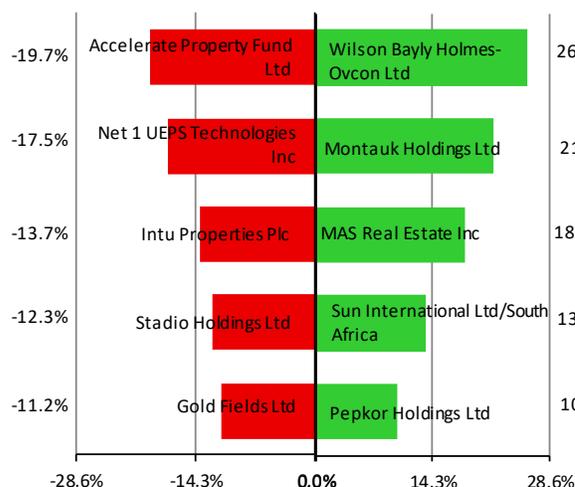
www.afrifocus.co.za

Key Global Indices	06 Sep 2019 Close	1W% Change	YTD % Change
JSE All Share	55591	0.6%	5.4%
FTSE 100	7282	1.0%	8.2%
DAX 30	12192	2.1%	15.5%
CAC 40	5604	2.3%	18.5%
DJIA	26797	1.5%	14.9%
S&P 500	2979	1.8%	18.8%
NASDAQ Comp.	8103	1.8%	22.1%
Nikkei 225	21200	2.4%	5.9%
Shanghai Comp	3000	3.9%	20.3%
S&P/ASX 200	6647	0.7%	17.7%

South African Equity Markets

South African markets ended higher last week. Wilson Bayly Holmes-Ovcon rallied 26.0%, after the company recorded an increase in its FY 2019 revenue. MAS Real Estate surged 18.3%, after the company registered a substantial rise in its FY 2019 EPS. Moreover, the firm acquired Prime Kapital (PK). Sun International advanced 13.4%, following upbeat income in 1H 2019. However, the gaming and hospitality group revealed its plans to conduct a comprehensive review of its flagship Sun City Hotel, after income from the hotel dropped during the same period. On the flipside, Accelerate Property Fund plunged 19.7%. Further, Net 1 UEPS Technologies and Intu Properties declined 17.5% and 13.7%, respectively. Gold Fields dropped 11.2%, after the firm sold its entire stake in London-listed miner, Hummingbird Resources Plc. The JSE All Share index advanced 0.6% to close at 55,591.

JSE All Share - Weekly Gainers & Losers



JSE All Share - Daily Chart



Top 10 New 52 Week Highs

Share	52Week High (ZAR)	1W% Change
Fortress Income Fund Ltd	22.00	1.4%
Impala Platinum Holdings Ltd	91.04	0.6%
Anglo American Platinum Ltd	935.00	-5.6%
Northam Platinum Ltd	80.22	-3.6%

Top 10 New 52 Week Lows

Share	52Week Low (ZAR)	1W% Change
Rebosis Property Fund Ltd - Class B	0.31	8.8%
Grindrod Ltd	4.08	5.0%
Hudaco Industries Ltd	105.00	-2.3%
Hyprop Investments Ltd	57.83	-8.4%
MAS Real Estate Inc	15.22	18.3%
Fortress Income Fund Ltd	9.62	-4.2%
Attacq Ltd	10.72	9.9%
EPP NV	16.59	-2.5%
City Lodge Hotels Ltd	78.00	-4.2%
Old Mutual Ltd	17.12	0.9%

Key Currencies	06 Sep 2019 Close	1W% Change	YTD % Change
USDZAR	14.81	-2.6%	3.2%
EURZAR	16.33	-2.1%	-0.8%
GBPZAR	18.19	-1.5%	-0.7%
EURUSD	1.10	0.4%	-3.8%
EURCHF	1.09	0.03%	-3.2%
GBPUSD	1.23	1.0%	-3.7%
USDJPY	106.92	0.6%	-2.5%
USDCHF	0.99	-0.3%	0.4%
AUDUSD	0.68	1.7%	-2.9%
USDCAD	1.32	-1.0%	-3.4%

Daily USD/ZAR



Key Commodities	06 Sep 2019 Close	1W% Change	YTD % Change
Gold (\$/oz)	1506.82	-0.9%	17.5%
Silver (\$/oz)	18.12	-1.2%	16.6%
Copper (USd/lb.)	2.62	3.3%	-0.6%
Brent Crude (\$/bls)	61.54	3.9%	14.4%
Sugar No.11 (USd/lb.)	11.02	-1.1%	-8.4%
Iron Ore 62% Fe (\$/dry MT)	93.61	7.9%	32.6%

Daily Platinum



Currencies

The ZAR strengthened against its major peers last week, after South Africa's economic growth rebounded on a quarterly basis in 2Q 2019. In contrast, the nation's manufacturing industry sentiment slid back into contraction in August, signaling that the surprise recovery in July was unsustainable. Moreover, current account deficit deteriorated in 2Q 2019.

For the week, the USD weakened 2.6% against the South African Rand to close at R14.81. The EUR was 2.1% lower at R16.33 and the GBP was 1.5% weaker at R18.19 for the week.

The US Dollar mostly weakened against its key counterparts last week, after the August US non-farm payrolls missed market estimates. However, average hourly earnings recorded its largest increase since February this year. Further, the ISM manufacturing sector activity contracted for the first time in three years in August. In contrast, US private employers' payrolls advanced at the fastest pace in four months in August, led by large gains in service-sector jobs, while initial jobless claims remained near historic lows last week. Further, the ISM non-manufacturing index accelerated in August, as new orders rose to their highest level since February amid trade worries. Separately, the Federal Reserve, in its latest Beige Book report, indicated that the US economy grew at a modest pace in recent weeks, while manufacturing and agriculture remained two weak spots.

The EUR advanced against the USD last week, after the Eurozone economy expanded in line with market expectations on a quarterly basis in 2Q 2019. On the macroeconomic front, Eurozone's manufacturing PMI registered a steady reading in August. Also, services PMI surpassed market expectations in August. However, the Eurozone's retail sales dropped on a monthly basis in July. Separately, German manufacturing PMI slightly dipped in August and industrial production unexpectedly fell for a second consecutive month on a monthly basis in July.

The GBP rose against the USD last week, after lawmakers voted to prevent British Prime Minister, Boris Johnson, from taking UK out of the European Union without a deal on 31 October. Data revealed that UK's manufacturing PMI unexpectedly fell to a seven-year low and services PMI declined more-than-expected in August. Moreover, the Markit construction PMI surprisingly slid in the same month.

Commodities

Gold prices declined last week, as hopes of a thaw in US-China trade ties spurred demand for riskier assets and dampened demand for the safe-haven yellow metal. Going ahead, market participants will closely watch the US consumer price index, retail sales and consumer credit change, along with the JOLTS job openings and Michigan consumer sentiment index for further direction.

Crude oil prices advanced last week, after the US Energy Information Administration reported that crude oil inventories dropped by 4.8 million bls in the week ended 30 August 2019. Additionally, Baker Hughes reported that US oil rig count fell by 4 to 738 last week, recording its third consecutive decline. Meanwhile, the American Petroleum Institute reported that crude oil inventories advanced by 401,000 bls in the week ended 30 August 2019. Separately, over the weekend, Saudi Arabia announced that there would be no change in its OPEC policy as Prince Abdulaziz bin Salman was made the new Energy Minister for the world's biggest crude exporter.

Copper prices traded in positive territory last week, following optimism that the upcoming Sino – US trade talks could relieve some pressure on the global economy.

Key Economic News Last Week

Country	News
South Africa	Annualised GDP expanded 3.1% on a quarterly basis in 2Q 2019, compared with a revised drop of 3.1% in the prior quarter.
	The Absa Purchasing Managers' Index dropped to 45.70 in August, compared with a reading of 52.10 in the prior month.
	New vehicle sales eased 5.1% on a yearly basis in August. New vehicle sales had fallen 3.7% in the previous month.
	The IHS Markit's composite PMI climbed to 49.70 in August, compared with 48.40 in the previous month.
	Current account deficit widened to 4.0% of GDP in 2Q 2019, compared with a deficit of 2.9% in the previous quarter.
	Electricity consumption fell 1.9% on a yearly basis in July, compared with a drop of 1.5% in the prior month.
	Annual electricity production slid 0.6% in July, compared with a rise of 0.1% in the previous month.
	Net gold and forex reserves rose to \$44.23 billion in August, from \$43.91 billion in July.

Economic Calendar - Week Ahead

	Monday, Sep 09, 2019	Tuesday, Sep 10, 2019	Wednesday, Sep 11, 2019	Thursday, Sep 12, 2019	Friday, Sep 13, 2019
South Africa	-	Manufacturing Production Index (Jul)	SACCI Business Confidence Index (Aug)	Mining Production (Jul)	-
	-	-	BER Business Confidence Index (3Q 2019)	Gold Production (Jul)	-
	-	-	-	Platinum Production (Jul)	-

South African Corporate News

Company Name	News
African Oxygen	The company announced that Mr. Hendrik Odendaal has been appointed as the company's replacement Audit Partner with immediate effect.
Ascendis Health	The company announced that Mark Sardi has been appointed as Chief Executive Officer (CEO) and Executive Director, with effect from 14 October 2019.
Aspen Pharmacare Holdings	The company, in its FY 2019 trading statement, indicated that it expects its EPS to be between 566.40c and 615.70c compared with 1,231.30c recorded in the same period of the preceding year and its HEPS likely to be between 1,203.70c and 1,259.00c.
Assore	The company, in its FY 2019 results, indicated that its revenue rose to R8.14 billion from R7.80 billion posted in the corresponding period of the previous year. Its diluted EPS increased 15.9% from the same period of the prior year to 5,751.00c. The company declared a final dividend of R14.00 per share.
Bidvest Group	The company, in its FY 2019 results, indicated that its revenue rose to R77.15 billion from R76.96 billion posted in the corresponding period of the previous year. Its diluted EPS decreased 1.4% from the prior year to 1,116.40c. The company declared a final dividend of 318.00c per share.
Brimstone Investment Corp	The company, in its 1H 2019 results, revealed that its revenue rose 51.8% from the same period of the preceding year to R2.08 billion. Its diluted loss per share stood at 64.40c, compared with 117.70c recorded in the corresponding period of the previous year.
Capitec Bank Holdings	The company, in its 1H 2019 trading statement, stated that it expects its HEPS to be between R25.11 and R25.75, compared with R21.28 recorded in the same period of the previous year. The company also expects its EPS to be between R25.04 and R25.68, compared with R21.22 posted in the corresponding period of the preceding year.
Cashbuild	The company, in its FY 2019 results, stated that its revenue increased to R10.82 billion from R10.21 billion posted in the corresponding period of the previous year. Its diluted EPS rose 2.0% from the same period of the prior year to 1,880.60c. The company declared a final dividend of 420.00c per share. Separately, the company announced that Mr. S Fourie retired as Chairman of the Board of Directors, with effect from 3 September 2019. However, Mr. Fourie will remain as an Independent Non-executive Director of the Board until the firm's Annual General Meeting, which is to be held on 25 November 2019, where he is due to retire by rotation and will not offer himself for re-election as a Director. Additionally, the Board announces the appointment of Mr. AGW Knock, currently an Independent Non-executive Director of Cashbuild, as Chairman of the Board, with effect from 3 September 2019.
DataTec	The company announced that its subsidiary, Logicalis Group, purchased a 70.0% interest in a Cisco systems integrator and managed services business in Portugal, Cilnet, which increases Logicalis' Cisco technical expertise for the Iberian region and complements the existing Spanish operation with data centre, collaboration, networking, infrastructure and managed services capabilities, expanding the offering to the region. Additionally, Logicalis Germany, acquired Orange Networks, a Microsoft services business focused on Microsoft cloud and managed services, with Germany wide presence including Hamburg, Munich, Offenbach and Dusseldorf. This acquisition advances Logicalis Germany to Microsoft Gold Certified Partner status and enhances its hybrid cloud offering.
Discovery	The company, in its FY 2019 results, stated that its net insurance premium revenue increased to R37.44 billion from R32.33 billion posted in the corresponding period of the previous year. Its diluted EPS rose 14.0% from the same period of the prior year to 1,001.10c.
DRDGOLD	The company, in its FY 2019 results, stated that its revenue increased to R2.76 billion from R2.49 billion posted in the same period of the previous year. Its diluted EPS rose to 11.50c from 1.50c reported in the prior year. The company declared a final cash dividend of 20.00c per share.
ENX Group	The company announced that Gary Neubert has been appointed as the CEO, with effect from 1 September 2019.
EPP N.V.	The company, in its 1H 2019 results, revealed that its net property income advanced to €71.84 million from €66.21 million posted in the same period of the preceding year. Its diluted EPS stood at 4.00c, compared with 10.00c recorded in the corresponding period of the previous year. The company declared an interim dividend of 5.80c per share.
FirstRand	The company, in its FY 2019 results, stated that its net interest income before impairment of advances rose to R60.46 billion from R49.10 billion posted in the corresponding period of the previous year. Its diluted EPS rose 6.0% from the same period of the prior year to 497.30c. The company declared a gross dividend of 291.00c per share.
Fortress REIT	The company, in its FY 2019 results, stated that its revenue dropped to R3,628.43 million from R3,633.40 million posted in the corresponding period of the previous year. Its diluted HEPS rose to 104.02c from 19.71c reported in the prior year, for both A and B class shares.

South African Corporate News

Company Name	News
Hosken Consolidated Investments	The company announced the appointment of Ms. Nqobani Mkhwanazi as a Non-Executive Director, with immediate effect.
Hospitality Property Fund	The company announced that its Company Secretary has been changed from HPF Management Proprietary Limited to HPF Properties Proprietary Limited, with effect from 2 September 2019.
Hyprop Investments	The company, in its FY 2019 results, revealed that its revenue advanced 3.3% from the same period of the preceding year to R3.22 billion. Its diluted EPS stood at 64.50c, compared with 1,015.00c recorded in the corresponding period of the previous year. The company declared a final dividend of 359.30c per share.
Impala Platinum Holdings	The company, in its FY 2019 results, stated that its revenue increased to R48.63 billion from R35.85 billion posted in the corresponding period of the previous year. Its diluted EPS stood at 203.00c compared with loss per share of 1,486.00c in the same period of the prior year.
Libstar Holdings	The company, in its reviewed 1H 2019 results, stated that its revenue increased to R4.62 billion from R4.41 billion posted in the corresponding period of the previous year. Its diluted EPS rose 8.0% from the same period of the prior year to 19.70c.
MAS Real Estate	The company, in its FY 2019 results, stated that its revenue advanced to €70.07 million from R43.41 million posted in the corresponding period of the previous year. Its diluted EPS rose to 8.63c from 2.92c reported in the same period of the prior year. Separately, the company announced that it has entered into an agreement with PK to purchase PK's effective economic interest in PKM CEE Investments Limited, comprising an effective 20.0% participation in the Investment JV, less the interest cost on the participation funding that is provided by MAS, together with the PK group's property management platform which provides management services in respect of the real estate investment property portfolio of the Investment JV. Additionally, the company indicated that as a part of the deal, Martin Slabbert and Victor Semionov will be appointed as the CEO and Chief Operating Officer of MAS, respectively, for a period of three years.
Massmart Holdings	The company announced that Chief Financial Officer, Mr. Abdool-Samad is appointed to serve as a member of Massmart's Risk Committee, with effect from 1 August 2019. Also, CEO Mr. Slape is appointed to serve as a member of the company's Risk Committee along with Social and Ethics Committee with effect from 1 September 2019. Further, the company announced the resignation of Mr. Joseph Ralebepa as the group Company Secretary, with effect from 31 December 2019.
Momentum Metropolitan Holdings	The company, in its FY 2019 results, stated that its net income fell to R68.64 billion from R75.30 billion posted in the corresponding period of the previous year. Its diluted EPS rose to 151.60c from 88.10c reported in the same period of the prior year.
Old Mutual	The company, in its 1H 2019 results, stated that its revenue increased to R100.22 billion from R67.87 billion posted in the corresponding period of the previous year. Its diluted EPS fell 54.1% from the same period of the prior year to 125.10c. The company declared an interim dividend of 45.00c per share.
RCL Foods	The company, in its FY 2019 results, revealed that its revenue advanced 5.5% from the same period of the preceding year to R25.89 billion. Its diluted loss per share stood at 12.50c, compared with EPS of 104.10c recorded in the previous year. The company declared a final gross cash dividend of 10.00c per share.
Reunert	The company announced the appointment of Mr. Alex Darko to the Board as an independent Non-Executive Director, with effect from 1 October 2019. He will also serve as a member of the Audit, Remuneration, and Social, Ethics and Transformation committees.
RMB Holdings	The company, in its FY 2019 results, stated that its revenue increased to R10.42 billion from R9.09 billion posted in the corresponding period of the previous year. Its diluted EPS rose 17.0% from the same period of the prior year to 706.90c. The company declared a final dividend of 198.00c per share. Separately, the company announced the appointment of Mr. Udo Lucht as an alternate Non-Executive Director to the Board, with effect from 3 September 2019.
Royal Bafokeng Platinum	The company announced that Mr. Udo Lucht has been appointed as a Non-Executive Director, with effect from 1 September 2019. Further, the company indicated that Chairperson of the Audit & Risk Committee, Ms. Louisa Stephens, has been appointed as a member of the Remuneration and Nominations Committee, with effect from 1 September 2019.
SA Corporate Real Estate	The company, in its 1H 2019 results, indicated that its revenue fell to R1.13 billion from R1.17 billion posted in the corresponding period of the previous year. Its diluted EPS increased 54.6% from the same period of the prior year to 13.85c.
Sanlam	The company, in its 1H 2019 results, reported that its net income advanced 84.2% from the same period of the preceding year to R81.10 billion. Its diluted EPS stood at R1.64, compared with R2.45 recorded in the corresponding period of the previous year.

South African Corporate News

Company Name	News
Sasol	The company referred to its earlier announcement regarding the delay in announcement of the company's FY 2019 results, which were due to be released on 19 August 2019 and that the Board expected to release them on 19 September 2019. Further, the firm stated that the Board has resolved to commission additional work under the independent review and to stipulate for in-depth investigation into certain aspects contemplated under the original scope. The Board is focused on resolving this as soon as possible and all efforts are being made to get to a swift outcome without compromising the integrity of the processes underway.
Sea Harvest Group	The company, in its FY 2019 results, indicated that its revenue surged 86.0% to R1.87 billion, compared to the corresponding period of the previous year. Its basic EPS rose to 61.10c from 47.70c reported in the prior year.
Sibanye Gold	The company announced that the Constitutional Court of South Africa has delivered judgment on the applications for leave to appeal and direct access by the Greater Lonmin Community (GLC), in which the GLC sought to essentially set aside the acquisition of Lonmin Plc by Sibanye-Stillwater. The Con Court dismissed, without costs, the application for leave to appeal as it bore no reasonable prospects of success, and dismissed the application for direct access as the GLC had not made a case that was sufficiently in the interests of justice for it to be heard directly by the Con Court.
Sirius Real Estate	The company announced that it has completed the acquisition of an office building in Bochum from Hausser-Bau GmbH, for a total consideration of €6.70 million, including acquisition costs reflecting an EPRA net initial yield of 5.5%.
Steinhoff Investment Holdings	The company announced that Mr. Theodore de Klerk has been appointed as an Executive Director, with effect from 30 August 2019. Further, Dr. Hugo Nelson has been appointed as a Non-Executive Director and member of the Audit and Risk Committee of the company, with effect from 30 August 2019. Also, Prof. Alexandra Watson has been appointed as a member and Chairperson of the Audit and Risk Committee of the company, with immediate effect.
Sun International	The company, in its 1H 2019 results, stated that its income increased to R5.60 billion from R5.47 billion posted in the corresponding period of the previous year. Its diluted EPS fell 0.8% from the same period of the prior year to 132.00c. Separately, the company announced that Mr. Tapiwa Ngara has been appointed as an alternate Non-Executive Director to Mr. S. Sithole on the Board, with effect from 16 September 2019.
Trencor	The company, in its 1H 2019 trading statement, revealed that it expects loss/earnings per share for the current period to be between loss per share of 15.00c and EPS of 10.00c, compared with EPS of 2,478.00c recorded in the same period of the previous year. The company expects its headline loss per share to be between 5.00c and 25.00c, compared with the loss per share of 724.00c during the same period last year.
Trustco Group Holdings	The company announced that Ms. Amanda Bruyns has given the board 30 days' notice of her resignation as the Company Secretary, from 31 August 2019. Her last day will be 27 September 2019. Further, the company approved the appointment of Mrs. Heleen Steyn as an acting Company Secretary of Trustco.
Wilson Bayly Holmes	The company, in its FY 2019 results, stated that its revenue increased to R40.61 billion from R35.03 billion posted in the same period of the previous year. Its diluted EPS declined to 938.50c from 1,533.80c reported in the prior year. The company declared a final gross dividend of 190.00c per share.

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.