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Weekly Market Report

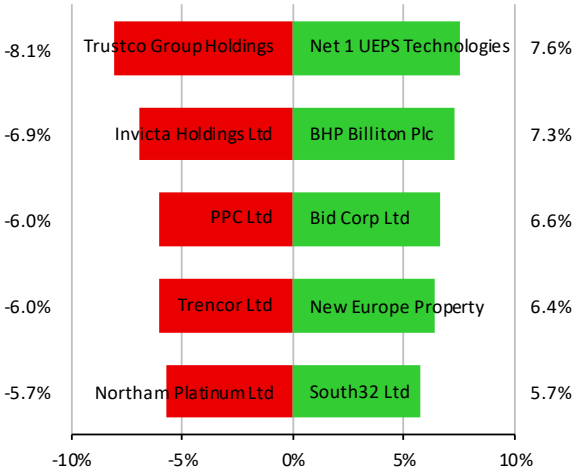
10 July 2017

Key Global Indices	7 July 2017 Close	1W% Change	YTD % Change
JSE All Share	51900.26	0.6%	2.5%
FTSE 100	7350.92	0.5%	2.9%
DAX 30	12388.68	0.5%	7.9%
CAC 40	5145.16	0.5%	5.8%
DJIA	21414.34	0.3%	8.4%
S&P 500	2425.18	0.1%	8.3%
NASDAQ Comp.	6153.08	0.2%	14.3%
Nikkei 225	19929.09	-0.5%	4.3%
Shanghai Comp	3217.96	0.8%	3.7%
S&P/ASX 200	5703.57	-0.3%	0.7%

South African Equity Markets

South Africa markets ended higher last week, boosted by a rally in resources sector stocks. Resources giant, BHP Billiton surged 7.3% for the week. Information technology major, Net 1 UEPS Technologies Inc. jumped 7.6%. Real estate firms, New Europe Property Investments, Delta Property Fund and Rockcastle Global Real Estate Company advanced 6.4%, 5.6% and 5.4% respectively. On the flip side, investment holding firms, Invicta Holdings, Trencor and Hosken Consolidated Investments plunged 6.9%, 6.0% and 5.2%, respectively. Mining giants, Northam Platinum and African Rainbow Minerals slumped 5.7% and 5.5%, respectively. Meanwhile, the governing party, African national Congress, has suggested the idea of nationalising the central bank but stated that its independence should be guaranteed. The JSE All Share Index advanced 0.6% last week to close at 51,900.26.

JSE All Share - Weekly Gainers & Losers



JSE All Share - Daily Chart

Top 10 New 52 Week Highs

Share	52Week High (ZAR)	1W% Change
Bid Corp Ltd	322.99	0.0%
Clicks Group Ltd	142.89	-0.2%
Capitec Bank Holdings Ltd	832.72	-0.2%
New Europe Property Investments PLC	180.99	0.6%
Trustco Group Holdings Ltd	4.64	-3.5%

Top 10 New 52 Week Lows

Share	52Week Low (ZAR)	1W% Change
AngloGold Ashanti Ltd	124.27	-0.6%
Life Healthcare Group Holdings Ltd	24.83	-2.2%
Pan African Resources PLC	2.21	0.4%
Sun International Ltd/South Africa	52.27	-0.7%
Spur Corp Ltd	27.42	-2.0%
Woolworths Holdings Ltd/South Africa	60.03	-1.9%

Key Currencies	7 July 2017 Close	1W% Change	YTD % Change
USDZAR	13.3842	2.4%	-2.5%
EURZAR	15.2572	2.1%	5.7%
GBPZAR	17.2542	1.3%	1.9%
EURUSD	1.1401	-0.2%	8.4%
EURCHF	1.0986	0.3%	2.5%
GBPUSD	1.2890	-1.0%	4.5%
USDJPY	113.92	1.4%	-2.5%
USDCHF	0.9640	0.6%	-5.3%
AUDUSD	0.7601	-1.1%	5.3%
USDCAD	1.2876	-0.7%	-4.1%

Daily USD/ZAR

Currencies

The ZAR weakened against its major peers last week, after South Africa's ruling party, the African National Congress proposed to nationalise the South African Reserve Bank (SARB). Moreover, the central bank has stated that the SARB's shareholding has no bearing on its policy or regulatory role and that "any notion that a change in the shareholding of the SARB will amount to a higher degree of control over the central bank is incorrect". Meanwhile, the International Monetary Fund (IMF) has warned that the nations' economy is extremely vulnerable to external shocks and funding shortfalls, even as it maintained its 2017 growth forecast for the nation at 1%. Moreover, IMF added that there is a little room for fiscal and monetary policy instruments to boost the economy. In economic news, the nation's Barclays manufacturing PMI contracted in June. Additionally, Standard Bank PMI entered into contraction territory in June, reaching its weakest level since April 2016, amid a decline in employment, output and new orders. Whereas, SACCI business confidence index recorded a rise from a 7-month low in the same month. For the week, the USD strengthened 2.4% against the South African Rand to close at R13.3842. The EUR was 2.1% higher at R15.2572 and the GBP was 1.3% stronger at R17.2542 for the week.

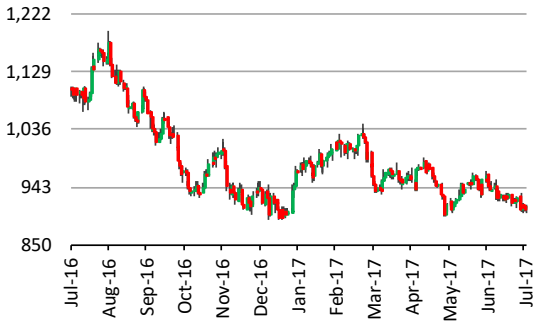
The US Dollar strengthened against its key counterparts last week, after the US non-farm payrolls registered a stronger-than-expected rise in June. Further, ISM manufacturing PMI expanded to its strongest level since August 2014 in June. Moreover, ISM non-manufacturing PMI surprisingly advanced in the same month. Whereas, unemployment rate unexpectedly rose in June. Meanwhile, minutes of the FOMC's latest monetary policy meeting revealed that the Fed will start the process of reducing its $4.5 trillion balance sheet as early as September.

The EUR declined against the USD last week. The ECB's June meeting minutes revealed that policymakers discussed ending the central bank's extraordinarily stimulatory monetary policy, but decided against it out of fear of causing market turmoil, as economic recovery in the Eurozone had yet to result in higher inflation. On the data front, Eurozone's final Markit manufacturing PMI unexpectedly rose to its strongest level in 74 months in June.

The GBP weakened against the USD, after data indicated that UK's monthly manufacturing production painted a gloomy picture for May and monthly industrial production surprisingly declined in the same month. Further, Markit manufacturing and services PMI reached their lowest levels in 3 months and 4 months, respectively.

Key Commodities	7 July 2017 Close	1W% Change	YTD % Change
Gold ($/oz)	1212.46	-2.3%	5.7%
Silver ($/oz)	15.43	-7.2%	-3.5%
Copper (USd/lb.)	2.64	-2.3%	5.3%
Brent Crude ($/bls)	46.71	-4.2%	-17.8%
Sugar No.11 (USd/lb.)	14.15	2.5%	-27.5%
Iron ore ($/dry MT)	62.80	-3.3%	-20.4%

Daily Platinum



Commodities

Gold prices fell last week, as strength in the greenback after stronger than forecast US jobs data for June raised the chances of another interest rate hike by the US Federal Reserve (Fed), thereby denting demand for the safe haven asset. Going ahead this week, traders will keep a tab on the Fed Chair, Janet Yellen's speech along with the US consumer price inflation, Michigan preliminary consumer confidence index and retail sales for further cues.

Crude oil prices declined last week, after Russia ruled out any further reduction in crude oil supply other than ones already agreed. Further, oil prices dropped after OPEC's oil exports advanced by 450,000 barrels per day to 25.92 million barrels in June. Moreover, increased drilling activity in the US raised concerns of a supply glut, thereby weighing on the commodity. Meanwhile, the American Petroleum Institute (API) reported that crude oil inventories registered a more-than-expected decline of 5.8 million barrels for the week ended 30 June 2017. The US Energy Information Administration (EIA) reported that domestic crude supplies declined by 6.3 million barrels for the same week.

Copper prices traded in negative territory last week, after copper inventories in LME warehouses advanced 47% to 213,900 tonnes since 28 June 2017, after inflows into mostly Asian depots. Moreover, the biggest producer of copper, Chile's Antofagasta Minerals was facing potential strikes from workers at its Zaldivar mine and by supervisors at Centinela.

Key Economic News Last Week

Country	News
South Africa	In June, the Barclays manufacturing PMI fell to a level of 46.70, compared to a level of 51.50 in the prior month.
	On a yearly basis, new vehicle sales advanced 0.9% in June. In the prior month, new vehicle sales had fallen 2.6%.
	Standard Bank PMI dropped to a reading of 49.0 in June from 50.2 in the previous month.
	In June, the SACCI business confidence index recorded a rise to 94.90. The index had registered a reading of 93.20 in the previous month.
	On an annual basis, the electricity consumption rose 3.4% in May. The electricity consumption had climbed 0.1% in the prior month.
	The electricity production recorded a rise of 4.6% on a yearly basis, in May. In the previous month, the electricity production had advanced 0.8%.
	In June, the net gold & forex reserves unexpectedly climbed to a level of $42.24 billion, compared to market expectations of a drop to $41.97 billion. The net gold & forex reserves had registered a level of $42.02 billion in the prior month.

Economic Calendar - Week Ahead

	Monday, July 10, 2017	Tuesday, July 11, 2017	Wednesday, July 12, 2017	Thursday, July 13, 2017	Friday, July 14, 2017
South Africa	-	Manufacturing Production (May)	BER Consumer Confidence (1Q)	Mining Production (May)	-
	-	-	-	Gold Production (May)	-
	-	-	-	Platinum Production (May)	-

South African Corporate News

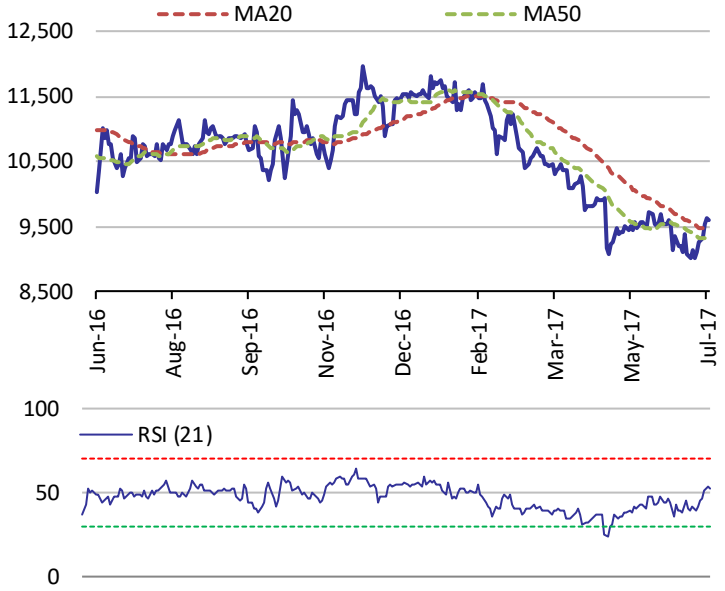
Company Name	News
Adcorp Holdings	The company announced that Mr Samuel Sithole and Mr Ngange Nongogo have been appointed as Non-Executive Directors of the company with effect from 4 July 2017. Mr Sithole is also appointed as a member of the company's Remuneration and Nominations Committee and Mr Nongogo a member of the Investment Committee both with immediate effect.
AEP Energy Africa	The company announced that Messrs Thabo Leeuw, Sello Moloko and Oliver Petersen have been appointed as Non-Executive Directors to the board with immediate effect.
Alexander Forbes Group Holdings	The company announced that Naidene Ford-Hoon is appointed as Group Chief Financial Officer, Christian Schaub as Group Chief Human Resources Officer and Thabo Mashaba who is assuming a new role of Group Chief Empowerment & Transformation Officer. All appointments are effective from 1 September 2017. The company also announced that Mr. Moses Kgosana has resigned as a Non-Executive Director from the board with effect from 3 July 2017.
Assore	The company announced that Mr. Christopher John Cory has retired as an Executive Director and Chief Executive Officer of the company with effect from 30 June 2017. Further, Mr. Charles Edward Walters has been appointed as an Executive Director and Chief Executive Officer with effect from 1 July 2017.
Attacq	The company announced that Louis van der Watt has resigned as the Non-Executive Director with effect from 1 July 2017.
Brimstone Investment Corporation	The company, in its 1H 2017 trading statement, stated that it expects to report a basic headline loss per share, which represents a decrease of more than 100.0% compared with 1H 2016, amid downward fair value adjustments to its investments.
Finbond Group	The company announced that it entered into an agreement to acquire 75% of Blake Enterprises LLC in the United States of America with effect 1 July 2017.
Huge Group	The company announced that the appointment of Mr Craig Lyons as an Independent Non-Executive Director with effect from 3 July 2017.
Impala Platinum Holdings	The company announced that Dr. Nkosana Moyo has resigned as an independent Non-Executive Director of the Board with immediate effect.
JSE	The company announced that Leanne Parsons, alternate Executive Director responsible for JSE Information Services, has decided to step down from the Executive Committee and from the Board effective 31 December 2017. Further, the company also announced that it had taken a number of initiatives that will result in annualised cost savings of approximately R170.0 million which will be fully realised from 2019 onwards. These include reduction in the company's technology operating expenditure by a minimum of R70.0 million over a two-year period and a consultation process which could result in the retrenchment of approximately 60 people from the company's current full-time staff complement during 2017.
Kumba Iron Ore	The company announced the appointment of Mr Bothwell Mazarura as Chief Financial Officer and Executive Director, effective 1 September 2017.
Life Healthcare Group Holdings	The company announced that Adv. Mahlape Sello and Ms Audrey Mothupi have been appointed as independent Non-Executive Directors of the company with effect from 3 July 2017.
Massmart Holdings	The company announced that Mr Chris Seabrooke will retire from the Board as an independent Non-Executive Director, the Deputy Chairman, Chairman of the Remuneration Committee and member of the Nomination Committee with effect from 31 December 2017.
New Frontier Properties	The company announced that Mrs Marelise de Lange has been appointed as a Non-Executive Director to the board, with effect from 5 July 2017.
Niveus Investments	The company announced the appointment of Francine-Ann Du Plessis, Mike Joubert and Wessel van der Merwe as Independent Non-Executive Directors of the company for the purposes of Unbundling.
Sibanye Gold	The company announced that it has appointed Chris Bateman as Executive Vice President, US Region. In addition to heading up the region and leading the team at the Stillwater Operations, Chris will also join the company's Executive Committee.
Sirius Real Estate	The company announced that it has completed acquisition of Berlin-Mahlsdorf II and Grasbrunn for a combined total acquisition cost of €24.5 million.
Transnet Soc	The company, in its FY 2017, reported that its revenue increased by 5.3% to R65.50 billion from R62.20 billion posted in the corresponding period of the previous year.
Wescoal Holdings	The company announced that Bothwell Anesu Mazarura will step down as Chief Financial Officer (CFO) and Executive Director on 31 August 2017.

Technical Snapshot

BUY **Naspers Ltd (NPN:SJ)**

Stochastic indicator shows the stock is "oversold". Hence, a "Buy" is recommended on technical indicators.

SELL **Oceana Group Ltd (OCE:SJ)**



Stochastic indicator shows that the stock is "overbought". Hence we recommend a "Sell" on technical grounds.

Technical Alerts

Bullish Alerts

Name	Ticker	Currency	Last Close	% Chg	Signal
Liberty Two Degrees	L2D SJ	ZAr	975	2.52%	MA 20D crossover
Holdsport Ltd	HSP SJ	ZAr	6039	4.79%	MA 20D crossover
PPC Ltd	PPC SJ	ZAr	497	-6.05%	Stochastic indicates oversold
Balwin Properties Ltd	BWN SJ	ZAr	643	-3.60%	Stochastic indicates oversold

Bearish Alerts

Name	Ticker	Currency	Last Close	% Chg	Signal
Clover Industries Ltd	CLR SJ	ZAr	1690	2.11%	MA 20D crossunder
Aspen Pharmacare Holdings Ltd	APN SJ	ZAr	28950	0.84%	MA 20D crossunder
Bid Corp Ltd	BID SJ	ZAr	31900	6.61%	Upper Bollinger crossover
Peregrine Holdings Ltd	PGR SJ	ZAr	2974	2.94%	Stochastic indicates overbought