

Weekly Market Report

12 February 2018

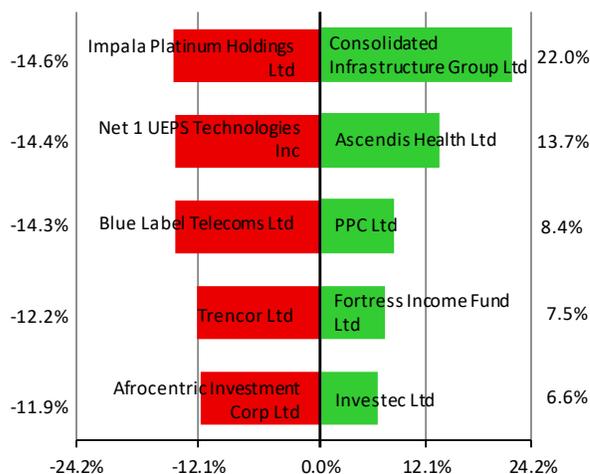
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Key Global Indices	09 February 2018 Close	1W% Change	YTD % Change
JSE All Share	55902.62	-4.7%	-6.1%
FTSE 100	7092.43	-4.7%	-7.7%
DAX 30	12107.48	-5.3%	-6.3%
CAC 40	5079.21	-5.3%	-4.4%
DJIA	24190.90	-5.2%	-2.1%
S&P 500	2619.55	-5.2%	-2.0%
NASDAQ Comp.	6874.49	-5.1%	-0.4%
Nikkei 225	21382.62	-8.1%	-6.1%
Shanghai Comp	3129.85	-9.6%	-5.4%
S&P/ASX 200	5837.97	-4.6%	-3.7%

South African Equity Markets

South Africa markets ended lower last week, tracking the sell off in global equity markets and amid a decline in mining sector companies. Platinum miners, Impala Platinum Holdings and Anglo American Platinum plunged 14.6% and 11.3%, respectively. Peer, Northam Platinum shed 11.8%, as the company stated that it expects an increase in its FY 2017 loss per share. On the contrary, Consolidated Infrastructure Group and Ascendis Health rallied 22.0% and 13.7%, respectively. Real estate companies, Fortress Income Fund, Redefine Properties and Growthpoint Properties climbed 7.5%, 5.1% and 3.9%, respectively. Gold miner, Harmony Gold Mining added 4.3%, as it expects 1H 2018 HEPS to be higher by 40.0% to 60.0% from the same period of the previous year. The JSE All Share Index declined 4.7% to close at 55902.62.

JSE All Share - Weekly Gainers & Losers



JSE All Share - Daily Chart



Top 10 New 52 Week Highs

Share	52Week High (ZAR)	1W% Change
Growthpoint Properties Ltd	28.81	3.9%
Santam Ltd	305.25	-2.6%
Hudaco Industries Ltd	159.00	0.7%

Top 10 New 52 Week Lows

Share	52Week Low (ZAR)	1W% Change
British American Tobacco PLC	745.41	-7.91%
Redefine Properties Ltd	9.66	5.12%
Fortress Income Fund Ltd	21.00	0.47%
Reinet Investments SCA	240.03	-5.95%
Intu Properties PLC	33.75	-6.88%
Resilient REIT Ltd	94.19	0.94%
Sappi Ltd	78.23	-5.70%
Hyprop Investments Ltd	98.00	0.09%
Sibanye Gold Ltd	11.90	-8.77%
Blue Label Telecoms Ltd	10.07	-14.31%

Key Currencies	09 February 2018 Close	1W% Change	YTD % Change
USDZAR	11.9934	-0.8%	-3.1%
EURZAR	14.6933	-2.5%	-1.1%
GBPZAR	16.5929	-2.8%	-0.8%
EURUSD	1.2252	-1.7%	2.1%
EURCHF	1.1512	-0.8%	-1.6%
GBPUSD	1.3827	-2.1%	2.3%
USDJPY	108.80	-1.2%	-3.5%
USDCHF	0.9386	0.8%	-3.7%
AUDUSD	0.7813	-1.5%	0.1%
USDCAD	1.2581	1.2%	0.1%

Daily USD/ZAR



Key Commodities	09 February 2018 Close	1W% Change	YTD % Change
Gold (\$/oz)	1316.65	-1.3%	1.1%
Silver (\$/oz)	16.14	-3.4%	-5.9%
Copper (USD/lb.)	3.03	-4.8%	-8.1%
Brent Crude (\$/bls)	62.79	-8.4%	-6.1%
Sugar No.11 (USD/lb.)	13.67	0.3%	-9.8%
Iron Ore 62% Fe (\$/dry MT)	74.26	2.9%	4.9%

Daily Platinum



Currencies

The ZAR strengthened against its major peers last week, as chances of President, Jacob Zuma resigning as the Head of State increased after reports emerged that Deputy President and ANC head, Cyril Ramaphosa, stated that the party was working to resolve issues around the position of the President of the country and that the party executive committee would discuss the transition of power. On the macro front, business confidence index rose for the third consecutive time to its highest level since 2015 in January. Further, manufacturing production advanced more than market expectations, on a monthly basis in December, driven by a rise in manufacturing activity for iron and steel, metal products motor vehicles parts & accessories.

For the week, the USD weakened 0.8% against the South African Rand to close at R11.9934. The EUR was 2.5% lower at R14.6933 and the GBP was 2.8% weaker at R16.5929 for the week.

The US Dollar strengthened against its key counterparts last week. In economic news, the ISM non-manufacturing PMI advanced more than market expectations in January. Moreover, initial jobless claims surprisingly declined to its lowest level in nearly 45 years for the week ended 3 February 2018. In contrast, the US trade deficit widened more than anticipated, to reach its highest level since 2008 in December.

The EUR declined against the USD last week. The European Central Bank President, Mario Draghi, in his speech expressed confidence that the nascent economic recovery across the common currency region would push inflation towards the central bank's 2.0% goal. However, he cautioned that recent volatility in the Euro could risk derailing the inflation progress in the medium-term. On the data front, the seasonally adjusted retail sales declined more than market expectations in December, amid decline in sales of fuel and clothes. Further, investor confidence index unexpectedly dropped in February.

The GBP fell against the USD, as the European Union's chief negotiator, Michel Barnier, stated that a Brexit transition deal may not be in reach at the moment. However, the Bank of England (BoE) kept benchmark interest rate steady at 0.50%. Further, the central bank signalled that borrowing costs could rise sooner than expected and by a somewhat greater degree in order to prevent the Brexit-weakened economy from overheating. Moreover, in its quarterly inflation report, the BoE nudged up Britain's economic growth forecasts to 1.8% for this year, up from its prior estimate of 1.6%.

Commodities

Gold prices decreased last week, as the greenback strengthened against major currencies, leading to a decline in demand for the precious metal. Further, the precious metal remained under pressure due to rise in US treasury yields, amid increasing expectations of higher interest rates in the US. Going ahead this week, traders will keep a close watch on the US Consumer Price Index (CPI) and retail sales data for further direction.

Crude oil prices declined last week, as Baker Hughes reported that the number of active oil drilling rigs in the US increased by 26 to 791 last week, raising concerns about a rise in US oil output. Further, the Energy Information Administration reported that US crude inventories advanced by 1.90 million barrels last week. Further, it also reported that the US crude production averaged above 10.00 million barrels a day to register a new record. Additionally, OPEC member Iran, announced plans to increase production within the next four years by at least 700,000 barrels a day. Meanwhile, the American Petroleum Institute reported that crude oil inventories unexpectedly declined by 1.10 million barrels.

Copper prices traded in negative territory last week, as demand for the commodity declined, due to sharp weekly decline in global equity markets, with the prospect of rising US interest rates denting hopes that surging economic growth would drive up demand. Further, increase in inventories mainly used in construction also weighed on the commodity.

Key Economic News Last Week

Country	News
South Africa	The business confidence index rose to a level of 99.70 in January. The business confidence index had recorded a reading of 96.40 in the previous month.
	The gross gold & forex reserve eased to \$50.50 billion in January. In the prior month, gross gold & forex reserve had registered a level of \$50.72 billion.
	The net gold & forex reserves rose to a level of \$43.59 billion in January, compared with market expectations of an advance to a level of \$43.35 billion. In the prior month, the net gold & forex reserves had registered a level of \$42.93 billion.
	The seasonally adjusted manufacturing production index recorded a rise of 1.1%, on a monthly basis in December, more than market expectations for an advance of 0.5%. The manufacturing production index had registered a revised similar rise in the previous month.
	The gold production dropped 12.4%, on an annual basis in December. In the prior month, gold production had recorded a drop of 8.3%.
	The platinum production slid 1.4% in December on an annual basis. In the prior month, platinum production had climbed 12.35%.
	On an annual basis, mining production rose 0.1% in December, compared with a rise of 6.5% in the previous month. Market expectation was for mining production to rise 6.3%.

Economic Calendar - Week Ahead

	Monday, February 12, 2018	Tuesday, February 13, 2018	Wednesday, February 14, 2018	Thursday, February 15, 2018	Friday, February 16, 2018
South Africa	-	Unemployment Rate (Dec)	Retail Sales (Dec)	Bloomberg Feb. South Africa Economic Survey	Bloomberg Feb. South Africa Economic Survey

South African Corporate News

Company Name	News
Accelerate Property Fund	The company announced that the construction work on the redevelopment and expansion of Fourways Mall to a Super Regional centre of approximately 178 000.00m2, continues to proceed according to schedule. Further, the company announced that it will no longer pursue the proposed acquisition of Polish light industrial and logistics portfolio.
Adcorp Holdings	The company announced the appointment of Mr Tebogo Paul Moeketsi as its Non-Executive Director with effect from 5 February 2018.
Anglo American Platinum	The company, in its FY 2017 trading update, stated that it expects HEPS to be at least 20.0% higher compared with the corresponding period of the previous year at 143.00c per share. Further, it also expects EPS to be at least 20.0% higher from the same period of the preceding year.
Aveng	The company announced that its independent Non-Executive Director, Mr Peter John Erasmus has passed away on 4 February 2018.
Brikor	The company announced the appointment of Mr Allan Pellowas an independent Non-Executive Director of the company with effect from 6 February 2018. Further, Laura Craig has been appointed as the interim finance director with effect from 6 February 2018.
Capitec Bank Holdings	The company addressed incorrect conclusions of the Viceroy report and stated that they are fundamentally flawed and misleading. Further, the company confirmed that its loan book reconciles and denied any misrepresentation of the loan book. Additionally, it confirmed that there is no overstatement of loan book and that no adjustment is required.
Gold Fields	The company, in its FY 2017 trading statement, stated that it expects HEPS to be in the range of \$0.23 to 0.26, which is 0.0% to 12.0% lower compared with the corresponding period of the previous year and basic loss per share is expected to be 110.0% to 125.0% lower from the prior period to \$0.22 to \$0.25.
Grit Real Estate Income Group	The company, in its unaudited result for three months ended December 2017, revealed that its revenue significantly advanced from the same period of the preceding year to R7.92 million. Its diluted EPS stood at 8.39c, compared with 7.48c recorded in the corresponding period of the previous year. Further, the company has declared dividend of 6.07c per share.
Harmony Gold Mining	The company, in its 1H 2018 trading statement, indicated that it expects HEPS to be in the range of 210.00c to 240.00c, which is 40.0% to 60.0% higher, compared with the corresponding period of the previous year.
Heriot REIT	The company, in its 1H18 results, revealed that its rental income stood at 199.09 million and diluted EPS stood at 31.71c.
Hospitality Property Fund	The company announced the resignation of independent Non-Executive Director, Ms Linda de Beer, who also served as the lead independent Director and the Chair of the Audit & Risk Committee.
Hulamin	The company, in its FY 2017 trading statement, indicated that it expects, both EPS and HEPS to be in the range of 100.00c to 112.00c. Further, the company stated that its operating profit for the 2017 financial year is expected to be below that of the prior year, mainly impacted by the significantly stronger domestic currency.
Investec	The company announced that its Chief Executive Officer (CEO), Stephen Koseff and Managing Director, Bernard Kantor will step down from their roles on 1 October 2018. Further, Fani Titi and Hendrik du Toit will be appointed as joint CEOs of the company, with effect from 1 April 2018.
Italtile	The company, in its 1H 2018 results, revealed that its revenue advanced 36.1% from the same period of the preceding year to R2.83 billion. Its diluted EPS stood at 48.40c, compared with 50.10c recorded in the corresponding period of the previous year. Further, the company has announced an interim dividend of 17.00c per share.
Kumba Iron Ore	The company, in its FY 2017 trading statement, stated that it expects HEPS to be in the range of R29.13 and R31.27, which is an increase of 7.0% to 15.0% compared with the previous year. Further, basic EPS is expected to be in the range of R36.94 and R39.65, which is an increase of 37.0% to 47.0% compared with the prior year.
Liberty Holdings	The company, in its FY 2017 trading statement, stated that basic EPS and HEPS are expected to be 40.0% to 55.0% higher, compared with the corresponding period of the previous year.
Mr Price Group	The company announced the appointment of Brenda Niehaus as an independent Non-Executive Director to the board of Directors, with immediate effect.

South African Corporate News

Company Name	News
Net 1 UEPS Technologies	The company announced that it has entered into an agreement to acquire a 5.0% additional stake in Bank Frick & Co. AG. Further, Bank Frick & Co. will reinvest the proceeds from the sale of stake in order to establish and accelerate the expansion of a dedicated team focused on the development and various applications of blockchain technology. Separately, the company, in its 2Q18 results, revealed that its revenue declined 2.0% from the same period of the preceding year to \$148.42 million. Its diluted EPS stood at \$0.17, compared with \$0.35 recorded in the corresponding period of the previous year.
Netcare	The company announced that its independent Non-Executive Director and Chairperson, Mr Meyer Kahn has formally informed the board that he will be retiring as the Chairperson with effect from 31 March 2018. Further, Mrs Thevendrie Brewer, will assume the role of Chairperson of the company with effect from 1 April 2018.
Northam Platinum	The company, in its FY 2017 trading statement, stated that it expects loss per share to be in the range of 77.70c to 90.70c compared with the loss per share of 64.80c reported in the previous year. Further, the headline loss per share is estimated to range between 77.60c and 90.50c, compared with headline loss per share of 64.70c in the previous year.
Onelogix Group	The company, in its 1H18 results, revealed that its revenue advanced 13.9% from the same period of the preceding year to R1.15 billion. Its diluted EPS stood at 39.20c, compared with 16.10c recorded in the corresponding period of the previous year. Further, the company announced an interim dividend of 6.00c per share.
Pan African Resources	The company announced that its negotiation with ASA Resource Group for acquiring certain of the assets and liabilities has been terminated and therefore, the shareholders are no longer required to exercise caution when dealing in the company's shares.
Pioneer Food Group	The company, in its trading update for the three months ending 31 December 2017, stated that the total volumes increased by 5.2%. However, its turnover decreased by 2.4%, due to sales price deflation in soft commodities.
PSG Group	The company announced that Theodore de Klerk has resigned as Steinhoff's representative on the company's boards of Directors with immediate effect.
Quantum Foods Holdings	The company, in its 4M 2018 trading update, stated that the feeds business performed satisfactorily with the external feed sales volumes growing by 11.7%. However, the feed requirement from the farming operations of the company declined, due to lower hen numbers amid the spread of Avian Influenza.
Regergen	The company cautioned its shareholders to continue to exercise caution when dealing in its securities as the company is in discussions with various parties to secure offtake agreements
Sappi	The company, in its 1Q 2018 results, stated that its revenue increased to \$1.33 billion from \$1.31 billion posted in the corresponding period of the previous year. Its diluted EPS significantly fell from the same period of the prior year to 11.00c. For FY 2018, the firm expects capital expenditure of approximately \$500.00 million.
Schroder European Real Estate Investment Trust	The company announced that it has agreed terms for City BKK to surrender its lease at the Hamburg office asset in Germany, in return for a cash payment to the company of EUR3.9 million.
Sea Harvest Group	The company, in its FY 2017 trading statement, stated that it expects HEPS to be in the range of 99.00c to 113.00c, which is significantly higher compared with the previous year. Further, it expects EPS to be in the range of 110.00c to 124.00c, which is an increase between 28.0% to 44.0% from the same period of the preceding year.
Sibanye Gold	The company in its FY 2017 operating update, stated that its gold production was 43,600kg, which was higher than the guidance provided in the 3Q 2017 operating result. Further, the total capital expenditure for the year was R3.40 billion. Separately, the company announced that it has received approval from the South African competition authorities for the previously announced transaction relating to Drdgold Limited.
Steinhoff Africa Retail	The company, in its trading update for the three months ended 31 December 2017, announced that the revenue increased 15.5%, from the same period of the previous year to R18.40 billion. Further, the company increased its market share and reported strong revenue growth of 12.1% and like-for-like sales growth of 7.4% during the period.
The Spar Group	The company, in its trading update for 17 week ended 27 January 2018, stated that its sales increased 7.0% from the same period of the preceding year to R31.60 billion. Further, its sales in South Africa increased by 7.9%, which were positively impacted by the newly acquired S.Buys pharmaceutical business.
Universal Partners	The company, in its 1Q 2018 results, revealed that its revenue significantly advanced from the same period of the preceding year to £195,595.00. Its headline loss per share stood at 0.29p, compared with 0.24p recorded in the corresponding period of the previous year.

Technical Alerts



Name	Ticker	Currency	Last Close	% Chg	Signal
Anglogold Ashanti Ltd	ANG SJ	ZAr	11948	-7.89%	Lower Bollinger crossunder
Anglo American Plc	AGL SJ	ZAr	27000	-5.13%	Lower Bollinger crossunder
Trencor Ltd	TRE SJ	ZAr	4300	-12.23%	Stochastic indicates oversold
African Rainbow Minerals Ltd	ARI SJ	ZAr	11700	-7.86%	Stochastic indicates oversold



Name	Ticker	Currency	Last Close	% Chg	Signal
Kumba Iron Ore Ltd	KIO SJ	ZAr	33077	-4.12%	MA 20D crossunder
Northam Platinum Ltd	NHM SJ	ZAr	4285	-11.78%	MA 20D crossunder
Consolidated Infrastructure Group Ltd	CIL SJ	ZAr	450	21.95%	Upper Bollinger crossover
Alexander Forbes Group Holdings Ltd	AFH SJ	ZAr	699	1.30%	Stochastic indicates overbought

Research Disclosure

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