



Unum Market Commentary: Global Equities Mixed As G20 Commences

The overall performance of South African shares were weaker on Thursday, with the All Share Index shedding 157 points or 0.30% to close at 51737 while the Top 40 Index shed 95 points or 0.20% to close at 45703. On the day, a stronger Rand weighed on heavyweights such as Naspers (-2.57%) and Richemont (-1.30%) while supporting Financial stocks which were higher by over 1%. The property index was also an out-performer, rebounding by nearly 2% after Nepi Rockcastle updated the market on the recently released Viceroy report, claiming that the report contains material errors, builds on incorrect assumptions, made unsubstantiated claims, and is grossly misleading.

In terms of the major sectors, the Resources 10 added 0.36%, the Industrial 25 shed 0.97% (weighed down by Naspers) while the Financial 15 added 1.03% on the back of a strong local currency.

In Europe, stocks closed flat to up with the DAX losing a marginal 0.01% after Germany's biggest lender Deutsche Bank's office were raided by authorities in relation to the Panama Papers case. While the DAX lagged, the FTSE100, and CAC40 added 0.49% and 0.46% respectively, led by Saffran and EssilorLuxottica.

In the United States, markets closed lower, giving up some of the previous session's gains. The Dow Jones Industrial Average shed 27% or 0.11%, the S&P500 5 points or 0.21% down while the Nasdaq Composite closed lower by 0.25%, led lower by Western Digital (5.46%) and Netease (-4.25%).

This morning in Asia, stocks trade in mixed territory with the Nikkei lower by 0.16%, while the Hang Seng and Shanghai Composite is higher by 0.36% and 0.16% respectively.

Company News

Vukile Property Fund - Unaudited Condensed Consolidated Interim Results For The Six Months Ended 30 September 2018

Highlights

7.5% increase

- In dividends in line with guidance to 78.10 cents per share

Gathering significant momentum in Spain

- Investment properties increased to c.EUR900 million from EUR308 million following the acquisition of 5 dominant shopping centres
- Castellana* listed on the junior board in Madrid on 25 July 2018

- Positive benefits of diversification with a solid pipeline of opportunities * Castellana Properties SOCIMI S.A, a 97.5% held Spanish subsidiary of the Vukile group

Impressive asset management result from Castellana - 11 retail parks acquired in June 2017 now fully let post yield enhancing asset management initiatives - Organic growth in the value of investment properties of 8.8% relative to acquisition price - Full strength, experienced team now in place

Solid operating performance in southern Africa - Like for like net income growth of 5.1%

- Retail reversions still positive at +4.3% in difficult trading conditions
- Retail vacancies maintained at 3.4% with 87% tenant retention
- Portfolio rent to sales ratio remains ahead of industry averages

Strong capital market support

- Gearing at 38% with 94% of debt hedged - Corporate long-term credit rating upgraded to A+(ZA)
- Raised R1.6 billion in over-subscribed book-build in July 2018 - Raised R825 million in domestic medium term note programme

Name	Last	Daily	1 Week	1 Month	YTD
BHP Billiton Ltd (AUS)	30.69	-0.94%	-2.73%	-4.72%	3.79%
Rio Tinto Ltd (AUS)	73.28	0.04%	-4.56%	-4.08%	-3.34%
South32 Ltd (AUS)	3.1	-1.27%	-1.90%	-14.36%	-11.17%
Facebook Inc	138.68	1.40%	5.28%	-8.64%	-21.41%
Amazon.com Inc	1,673.57	-0.25%	11.42%	4.73%	43.10%
Netflix Inc	288.75	2.16%	11.56%	-4.32%	50.42%
Alphabet Inc Class A	1,094.58	0.26%	6.26%	0.37%	3.91%
Anglo American PLC (UK)	1,611.00	3.28%	2.69%	-3.83%	3.97%
Glencore PLC (UK)	293.3	2.43%	4.54%	-8.01%	-24.79%
BHP Group PLC (UK)	1,531.00	1.75%	0.72%	-2.01%	0.56%
Alibaba Group Holdings Ltd	156.28	-1.92%	3.96%	9.84%	-9.37%
Tencent Holdings Ltd	313.8	0.45%	7.62%	17.38%	-22.81%

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