

SAFM Market Update

Siki Mgabadel

Reserve Bank hosts its first-ever cyber-security conference

SIKI MGABADELI: Good evening and welcome to the SAfm Market Update with Moneyweb. My name is Siki Mgabadel.

Shoprite came out with their 53-week results today, reporting a 15% increase in trading profit. After-tax profit was up 17.2%, their turnover up 14.4%. So we are seeing quite a big difference between their increase in revenue and increase in profit. Whitey Basson, CEO of Shoprite, explains that to us this evening.

And we'll be looking at the Consumer Credit Index. It increased slightly to 47.1 in the second quarter from 46.5 in the first quarter. That's according to TransUnion, the credit- and information-managing business that compiles the report. The CCI is based on a 100-point scale where 50 is the break-even level between improvement and the deterioration of credit health.

We are also going to be looking at the business of eventing, and our guest today believes that every event should be a production that showcases a brand's personality and leaves an impression on all those people who are in attendance. But what sets events apart from each other? That's what we are going to be talking about.

Maudi Lentsoane of Lehumo Capital is watching the markets for us this evening. But first your business news headlines.

In your business news this evening Reserve Bank governor Lesetja Kganyago says that the central bank has established a special forum of all South Africa's major financial institutions to put together contingency measures to protect South Africa's critical financial infrastructure from a prolonged cyber attack. He was speaking at the first-ever cyber-security conference organised and hosted by the bank. The governor says the Financial Sector Regulation Bill, which is currently before parliament, will make the bank responsible for ensuring the safety and soundness of financial institutions, not just overseeing their regulation.

Shares in logistics and automotive group Imperial fell for a third straight day after the group said its operating profit will probably decline in the year through June, with trading conditions across the business expected to remain challenging. Imperial said today the outlook for the financial year indicates single-digit revenue growth and a moderate decline in operating profit from continuing operations. Profit on that basis gained 3% to R6.4bn in the 12 months through June.

Construction firm Aveng nearly halved its headline loss per share in the year to June, helped by the improved financial performance at its Grinaker LTA business on completion of loss-making contracts. The company says the headline loss per share for the year to June fell 48% to 75.2c/share – that's compared with the 144.3c/share at the end of June 2015.

Insurer Liberty Holdings will place a portion of its property portfolio in a real estate invest trust that will list its shares on the Johannesburg Stock Exchange this year. The REIT, which will be overseen by the company's money-management unit, Stanlib, will probably have a net asset value of R10bn. Liberty says the listing is not expected to impact Liberty's share price because properties are held to benefit policyholders.

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