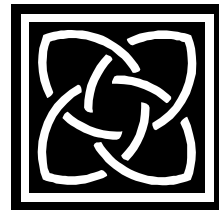


FFO SECURITIES (PTY) LTD

Authorised User of the JSE Limited



TRADE IDEA FOR TODAY

29 October 2018

The JSE Top 40 Index (J200) has corrected by more than 17% from its peak in late August 2018. The current market sell-off has been developing for two months as Global Equities Markets have corrected and Emerging Market Assets were sold aggressively on the back of tightening in US monetary policy and a strong US Dollar. Coupled with this, South Africa is also experiencing significant political and economic headwinds. We have witnessed a technical recession in the first half of 2018, with downward revisions in the outlook for economic growth and continued high unemployment, along with ailing government finances. Business confidence has hit rock bottom and consumer spending is under huge pressure with rising fuel and electricity prices, and the recent VAT Hike.

But, for long-term investors, this type of market correction creates great buying opportunities in JSE Listed companies at cheap valuations. In the chart below, we can see that the market is very close to levels seen 3 years ago at an index level of 42300. The momentum indicator is also in highly oversold territory.



Below is the performance of the underlying Top 40 companies for the past two months. We have identified 5 companies that we feel present buying opportunities at current prices.

Long-term investors buying in these correction phases of the market will benefit from buying quality stocks at good entry levels, enhancing long-term returns.

<u>JSE Top 40 Constituents Performance:</u>		Closing Price	Closing Price	2 Months	Recommendation
		31-Aug-18	26-Oct-18	Performance	
Share Code	Share Name				
BTI	British American Tobacco PLC	712.33	668.67	-6.13%	
BIL	BHP Billiton PLC	315.02	279.52	-11.27%	
CFR	Compagnie Richemont	130.52	102.97	-21.11%	Buy
AGL	Anglo American PLC	296.73	298.90	0.73%	
NPN	Naspers -N-	3 265.77	2 559.00	-21.64%	
FSR	Firststrand	70.70	62.11	-12.15%	
VOD	Vodacom	126.39	117.95	-6.68%	
SLM	Sanlam	79.34	69.52	-12.38%	
MTN	MTN Group	88.99	84.00	-5.61%	
OMU	Old Mutual Ltd	30.40	22.32	-26.58%	
SOL	Sasol	576.00	475.00	-17.53%	
MNP	Mondi PLC	409.91	330.75	-19.31%	
CPI	Capitec	1 002.75	961.18	-4.15%	
SHP	Shoprite	204.00	182.84	-10.37%	
DSY	Discovery	175.21	150.00	-14.39%	
REM	Remgro	214.41	182.61	-14.83%	
RMH	RMB Holdings	84.30	71.90	-14.71%	
NED	Nedbank	277.98	235.55	-15.26%	
BID	Bidcorp	313.59	263.08	-16.11%	Buy
NRP	Neppi Rockcastle	140.00	125.84	-10.11%	
GRT	Growthpoint	25.44	22.94	-9.83%	
INP	Investec PLC	96.77	86.87	-10.23%	
MEI	Mediclinic International	94.50	65.39	-30.80%	Buy
BVT	Bidvest	216.00	179.00	-17.13%	
SBK	Standardbank	186.34	159.65	-14.32%	
ABG	ABSA Group	162.55	144.80	-10.92%	
MRP	Mr Price	225.34	222.19	-1.40%	
WHL	Woolies	54.22	48.25	-11.01%	
RNI	Reinet Investments	284.90	247.23	-13.22%	
ANG	Anglogold	117.90	146.07	23.89%	
SAP	Sappi	100.39	80.24	-20.07%	
TBS	Tiger Brands	286.27	256.66	-10.34%	
APN	Aspen	291.42	142.08	-51.25%	Buy
RDF	Redefine	10.35	9.59	-7.34%	
MND	Mondi Ltd	410.20	333.23	-18.76%	
CLS	Clicks Group	203.00	173.50	-14.53%	Buy

TFG	The Foschini Group	174.59	155.34	-11.03%
TRU	Truworths	86.04	78.04	-9.30%
NTC	Netcare	29.35	23.36	-20.41%
LHC	Life Healthcare	26.66	23.66	-11.25%
SPP	Spar Group	205.00	171.36	-16.41%
INL	Investec Ltd	96.17	85.74	-10.85%

Disclaimer:

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