



BoE
PERSONAL STOCKBROKERS

PRIVATE CLIENT Morning Meeting Notes

Steve Meintjes, Barbara Price-Hughes,
Ron van der Bos, Likhapha Seliane,
Kate Gerber, Vernon Reddy

Thursday, October 26, 2000

Markets

JSE * - Potter, Greg

The South African market followed world trends yesterday. There was no buying, only basket trading of futures. Where there was a lack of support on the buying side, there was a demand for Anglos. Harmony opened on aggressive selling. The Gold price hit its lowest point in thirteen months. The market continued to be bearish.

Companies

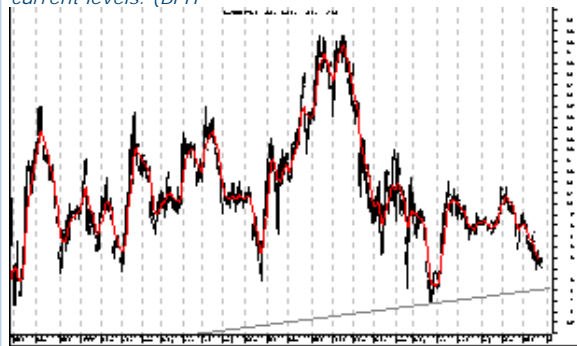
LEGVEN * (Buy) [490 cps] - van Heerden, Leon

Legven has earned 21c for the first 3 quarters putting it in a strong position to meet or beat its target of 26c for the year. Moneybroking declined from 85% of its earnings in the first quarter to 60% and is expected to decline to below 30% next year and lower thereafter. The response from public service entities to its new insourcing business model which aims to empower the clients operationally has been encouraging but no contracts are likely to be signed until after the local government elections on Dec 5th. The stock is on a PE (F) of 12.3 which, although a little higher than the FINI, warrants a BUY given the faster growth expected.

SAB * (Hold) [4415 cps] - van Zyl, Wynand

There is a general negative sentiment amongst offshore investors with regard to SAB's ability to implement its plans. This may make it difficult to place shares which makes acquisitions unlikely at the present rand rate. SAB is no longer viewed as a "Blue Chip" company and its investment rating is driven by hard currency investors who hold roughly a third of the stock and regard its projected performance in \$ eps growth as below par. It is generally felt that the only way to address currency risk is through a merger.

Comment: (Technical) there is a supporting trendline at R42 R42 and no strength indicating any change of trend as yet but the recent move down from R51.40 could easily reverse and take the price between R47 -R49 making it a HOLD at current levels. (BPH)



UAM [59 cps] - Likhapha Seliane

UAM's subsidiary Protocol Publishing's liquidation will have a negative impact on the stock. However, the group holds a mish-mash of media investments. These include its 13.5% interest in Nextcom which is a third cellular license bidder. It has a stake in Y-FM which is the fastest growing local youth radio station in Gauteng with a listenership of about 1.5 million. These are the main strongholdings. The stock is not on our radar screen but it is worth watching.

Snippets

GREENWICH - Lucas, Warwick

Greenwich announced that it is one third of the way through a share buyback. The buyback is earnings, but not asset enhancing. A good idea if they can't think of anything else to do with the cash. NEUTRAL.

GLOHOLD - Lucas, Warwick

This sad remainder of Housewares will be taken off the market at 10c. Following after Mascon and coming before Homechoice (now 108c), perhaps the next time you are offered a mail order listing and want to buy, lie down until the feeling goes away.

NSI - Lucas, Warwick

The forays into internet gaming and index spread betting are experimental, let someone else take the chance.

OAKFIELDS - Lucas, Warwick

After a record 8 (yes eight) years of losses, this lame horse has to be shot. Best asset is a tax loss of 26c/share, which is worth 3.5c.

PROPERTY STOCKS - van der Bos, Ron

Stocks within the PLS and PUT sectors have over recent weeks reached new one year highs. This is because many believe that we are not at the bottom of the interest rate cycle. With the volatility in the equity market, many investors may have been looking for defensive stocks. Also, new investment products have entered the property market. These have all put upward pressure on the stocks prices. Certain property investment houses over the past three months have sold out their investments. Whatever one's view of the interest rates going forward over the next year, we feel that capital appreciation over the next year will be limited. We also feel that the stocks that were previously considered marginal are now offering value, so this may be a good time to switch. See the latest update. Picks are Capital, Cenprop, Panprop and Redefine.

UNIFER - Meintjes, Steve

Forward Dividend Yield is 7%.

TRANSHEX - Ashton, Hilton

Transhex is rumoured to have found a 218 carat stone at Saxondrift which we estimate to be worth, at say \$15 000 per carat, around 5% of total turnover.

POLITICS - Landman, JP

For Thabo Mbeki to say the Zimbabwe land grabs "cannot be condoned" is equivalent to a thunderous denunciation and indicates the ANC feels Mugabe must go.

* denotes BoE Securities Research # Prices current when published

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