

**motswedi**securities  
(pty) Ltd



A Member Of The Botswana Stock Exchange

# Weekly Financial Markets Highlights 13 July 2018

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## 1. BSE Equity Performance...

The local exchange was ablaze with activity, as only 5 out of 24 counters listed on the Domestic Board did not trade. Local microlender, Letshego Holdings, was once more leading the trades, with 2,567,288 shares trading out of a total of 6,619,049 – equating to 39% of the total week’s volume.

The last day to buy in to BTCL, in order to qualify for the dividends, has ended together with the week. The flat financials the company released as well as the dividend declared were already accounted for by investors, as is seen by the muted reaction both have brought about. However, we expect the share price to take a slight knock into the new week, as investors discard the shares for profit taking.

Lucara investors seem keen to cash in their gains, as the diamond miner dropped 15 thebe by the week’s end, taking it to a cumulative loss of 97 thebe in the first two weeks of July. The company’s stock has year to date lost 18.4%. Despite the company continuing to find diamonds in Botswana, the limelight “Lesedi La Rona” shone on them remains unmatched, seen as the counter continues to nosedive.

The DCI ended the week 0.21% lighter, led by the losses in Choppies and BIHL, closing at 8,381.63. The DCTRI followed suit as well, shedding 0.16% to close at 1,779.74. The FCI, unloaded as a few points as well, falling to 1,569.50, on the back of the losses incurred in Lucara diamonds.

## Market Summary – Week ending 13 July, 2018

No. of Shares Trading	<b>6,619,049</b>
Turnover (BWP)	<b>16,737,211</b>
Turnover (USD)*	<b>1,633,552</b>
No. of stocks trading#	<b>19</b>
No. of stocks advancing#	<b>2</b>
No. of stocks declining#	<b>4</b>
No. of stocks unchanged#	<b>17</b>

Source: Motswedi Securities, BSE \*US\$/BWP = 0.0976  
# = Domestic Main Board

## Major Movers– Week ending 13 July, 2018

COUNTER	13 July (t)	06 July (t)	Change (%)	YTD (%)
CHOBE ↑	1001	1000	+0.1	+9.2
FNBB ↑	223	222	+0.5	-4.3
LUCARA ↓	1550	1565	-1.0	-18.4
CHOPPIES ↓	244	250	-2.4	0.8
BIHL ↓	1748	1750	-0.1	-5.7
ENGEN ↓	1047	1048	-0.1	-1.2
SEFALANA ↓	893	894	-0.1	-8.4

Source: Motswedi Securities, BSE

## BSE Indices – Week ending 13 July, 2018

<b>DCI Close</b>	<b>8,381.63</b>
Weekly Change (%)	-0.21
YTD Change (%)	-5.40
<b>FCI Close</b>	<b>1,569.50</b>
Weekly Change (%)	-0.02
YTD Change (%)	-0.34
<b>DCTRI Close</b>	<b>1,779.74</b>
Weekly Change (%)	-0.16
YTD Change (%)	-2.43

Source: Motswedi Securities, BSE

## 2. Foreign Exchange...

The rand against all odds, was the best performing against the dollar among the emerging market currencies on Thursday, rallying to almost 2% to trade at R13.28/\$ by early evening. Unfortunately, the rand fell slightly on Friday and was trading at R13.31/\$ by midafternoon. The dollar currently has safe haven status amidst the ongoing tariff tensions between US and China after the Trump administration threatened China with a further \$200bn worth of goods with no retaliation threat from China.

The local unit, at the expense of being pegged to the SDR by 55% lost ground to the rand, however gaining against the other major currencies.

### Domestic Exchange rates

Currency	13 July	06 July	Change (%)	YTD (%)
US\$/BWP 	0.0976	0.0967	0.93	-3.65
ZAR/BWP 	1.2914	1.3112	-1.51	2.79
EUR/BWP 	0.0837	0.0826	1.33	-1.30
GBP/BWP 	0.0741	0.0731	1.37	-0.58
JPY/BW 	10.98	10.7	2.62	-3.85
CNH/BWP 	0.652	0.6367	2.40	-1.29

Source: Bank of Botswana

## 3. Commodity Market...

After being boosted by several counts of supply disruptions, Brent Crude's price has fallen almost 5% in the week just ended. On the back foot of the fall, was the reopening of the Libyan ports which closed on 14 June and will be supplying 850,000 barrels of oil per day, and the possibility of Iran (the third largest producer in the OPEC) continuing to supply oil despite the US sanctions that have imposed on them. The US have indicated that they would consider waiving the sanctions to some of

Iran's crude buyers after a few nations suggested they may disregard the sanctions.

The trade war between the US and China has overall depressed the commodities market as all the metals are trading in the red with the base metals leading with US\$6,173/tonne and US\$14,055/tonne for copper and nickel; while gold, silver and platinum showed some resistance trading around US\$1,240.90/oz., US\$15.83/oz., and US\$ 834.00/oz. respectively.

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The part that follows has nothing to do with legal indemnity or avoiding any suits. The market is seeing more red than you would expect in a slaughter house, I have seen a cat fall into a bucket of red paint and it still wouldn't compare. Its value town out there, valuations are scraping the floor harder than the knee caps of your favorite adult performer on all fours. Buy the dip, they say, and this doesn't only apply when you are prepping to watch your favorite team with the boys, but the market as well.