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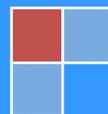
# Weekly Financial Markets Highlights

## 16 November 2018

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## 1. BSE Weekly Market Performance...

Another huge deal reverberated through the exchange during the week under review after 22.3mn Sechaba shares worth P423.7mn traded on the BSE. This is now the biggest deal to pass through the exchange so far this year. Only two deals of this magnitude have passed through the exchange this year with the NAP deal worth P286mn which occurred on the 30th of May 2018 being the first. The largest deal to grace through the exchange so far in the BSE history occurred on the 15th of June 2016 after P494.2mn NAP shares exchange hands. This transaction came after shareholders gave the nod through an EGM which occurred on the 27th of September 2018 for sale of 10.1% of the issued shares in KBL and Beverage Manufactures and the repurchase by Sechaba of 22.3mn shares representing 16.8% of Sechaba issued shares.

According to an announcement released by the company on the 16<sup>th</sup> of November, the shares that Sechaba has bought back from AB Inbev Africa are to be delisted once the shares have settled on the 16<sup>th</sup> November (the same day the circular was released). The companies issued securities will then decrease to 110,616,859; subsequently its market capitalization will fall to 2,212.34mn from 2,660.30mn.

RDCP gained an additional thebe this week, as it closed at P2.22 per share. FNBB, still reaping the benefits of a fantastic financial year, also gained a thebe to end the week trading at P2.36. The bank is now the only financial services company listed on the Botswana Stock Exchange to have a positive year to date at 1.3% by the weeks end.

COUNTER	16 November (t)	09 November (t)	Change (%)	YTD (%)
FNBB ↑	1050	1040	+1.0	+14.5
RDCP ↑	221	220	+0.5	-6.0
BTCL ↓	114	110	-3.5	-40.2
LETSHEGO ↓	181	182	-0.5	-3.7

Source: Motswedi Securities, BSE

CA Sales was the biggest loser for the week, falling 5.2% as the share lost 30 thebe to close at P5.80 per share. The stock was not the only one to see some red this week, joining the bloodbath was Turnstar losing 4 thebe during the week's last trading day, to reach a 12 month low of P2.98 as well as extend its losses to 9.4%. BBS and BTCL both lost a thebe each to close at P1.16 and P1.09 respectively, investors of both pushing for the profit taking route.

### Market Summary – Week ending 16 November, 2018

No. of Shares Trading	<b>30,049,349</b>
Turnover (BWP)	<b>463,359,050</b>
Turnover (USD)*	<b>43,416,743</b>
No. of stocks trading#	<b>12</b>
No. of stocks advancing#	<b>2</b>
No. of stocks declining#	<b>3</b>
No. of stocks unchanged#	<b>19</b>

Source: Motswedi Securities, BSE \*US\$/BWP = 0.0937  
# = Domestic Main Board

For the week, the market traded 30mn shares worth P463mn with 12 stocks trading, 13 when we include BBS which is listed on the Serala OTC Board. The DCI lost 0.25% to extend its year to date to -10.68% dragged by losses in SeedCo, Turnstar, BBS and BTCL. The DCTRI followed suit, as it lost 0.12% pushing its yearly losses higher to 5.38%. The FCI was unchanged as there

were no price movements on the Foreign Equity Board.

#### BSE Indices – Week ending 16 November, 2018

<b>DCI Close</b>	<b>7,913.69</b>
Weekly Change (%)	-0.28
YTD Change (%)	-10.68
<b>FCI Close</b>	<b>1,572.08</b>
Weekly Change (%)	0.00
YTD Change (%)	-0.18
<b>DCTRI Close</b>	<b>1,726.06</b>
Weekly Change (%)	-0.12
YTD Change (%)	-5.38

Source: Motswedi Securities, BSE

#### 2. Banc ABC IPO Still Open...

The offer period for the Banc ABC shares will be open for one more week – the closing date is penned down at 23 November. Each share is being sold at P2.00 and is open to both citizens and non-citizens of Botswana, unlike the case with the BTCL IPO back in 2016. The company has not set a minimum investment per investors but has advised clients that they will only accept one application per client.

#### 3. Furnmarts Delisting...

A week after cautioning investors of their intention to delist, Furnmart released a circular to put forth their reason behind the decision by the directors. The company noted that they will be unable to comply with the revised BSE listing requirement that will come into effect on the 1st of January 2018, and will require all listed companies to have a minimum free float of 30%, coming from 20% in the current BSELR. Furnmart raised the concern that only 3.04% of the company's shares have traded in

the last 6 years, with only 0.02% attributed to this current financial year. The company has summed this to the negative sentiment investors have towards the furniture industry, more notably in South Africa. The company also mentioned that they require more flexibility and a less governance driven management style in order to remain relevant and seize opportunities to minimize its volatility in terms of performance. The company will be offering to buy back its shares at P0.65 per share, which is at a 10% premium to its current price of P0.55 per share.

#### 4. Foreign Exchange

The Sterling got knocked down this week, as a number of resignations were tendered in by Britain's ministers a few hours after the draft Brexit agreement was revealed. The first to resign was the Brexit minister, Dominic Raab, who did so in protest of the draft agreement with the European Union. Three more ministers are said to have followed suit soon thereafter. A credit rating cut is also looming over the outcome of Brexit. S&P Global have threatened to further cut Britain's AA credit rating again should its departure not be amicable. As such, the British sterling experienced drop on Thursday, losing almost 2% to the US Dollar.

#### Domestic Exchange rates

Currency	16 November	09 November	Change (%)	YTD (%)
US\$/BWP ↑ 	0.0937	0.0938	-0.11	-7.50
ZAR/BWP ↓ 	1.3283	1.3281	0.02	5.73
EUR/BWP ↑ 	0.0826	0.0827	-0.12	-2.59
GBP/BWP ↓ 	0.0732	0.0719	1.81	-1.78
JPY/BW ↓ 	10.62	10.69	-0.65	-7.01
CNH/BWP ↑ 	0.6497	0.6515	-0.28	-1.64

Source: Bank of Botswana

The local unit, also made some headway against the sterling, gaining a solid 1.81%. The pula also gained a sight 0.2% against the rand, while losing against the major currencies.

## 5. Commodities

**Oil** started the week on the down foot, as a result of oversupply and the threat of global demand for the commodity slowing down more so from those countries whose currency has weakened to the US dollar. It was announced, however, on Monday that Saudi Arabia would cut down its production levels by half a million barrels per day in December and subsequently the entire OPEC cartel and its partners may possibly reduce their output by around 1 million barrels per day. The talks of cutting down supply will take place on the 6<sup>th</sup> of December at OPEC's next full meeting. At the writing of this report, Brent was on the recovery however still trading at a 4% loss, closing for the week at US\$67.63 per barrel.

**Gold** prices hit a one week high, primarily supported by the disorder going on with regards to the Brexit divorce agreement with the European Union. Investors flocked for the yellow metal to get some reprieve gloomy global outlook. The precious metal, at the time of writing, was at US\$1,216.31 per ounce. Silver and Platinum, on the other hand, were trading down at US\$14.27 per ounce and US\$840.36 per ounce.

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