



Weekly Financial Markets Highlights

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1.0 The January Effect Hits the Exchange...

The month of January has seen a number of stocks taking a hit while others receiving gains. Profit taking at the forefront of the beckoning. The starter month saw 6 of the companies listed on the Botswana Stock Exchange trade down and 5 trade up. The climbers were led by an ongoing buy back program at Furnmart, where the company hiked its price by 10 thebe for the purpose of delisting at a later date. The retreaters had the Sefalana Group's stock at the helm, closing the month 8 thebe lighter - to the group's 12 month low of P8.70.

Counter	Price Change	% Change
SEFALANA	(8)	(0.91)
G4S	(4)	(1.10)
PRIMETIME	(2)	(0.66)
BARCLAYS	(1)	(0.19)
NAP	(1)	(0.31)
CA Sales	(1)	(0.26)

Source: Motswedi Securities, BSE

Counter	Price Change	% Change
FNBB	1	0.4
LETSHEGO	1	0.62
RDCP	1	0.45
ABC	5	2.50
FURNMART	10	18.18

Source: Motswedi Securities, BSE

For the week, Letshego was the most actively traded stock, moving a little over 1.2mn shares across the board. The stock had traded 3 thebe down by Friday - back to its year opening price of P1.62 per share. The stock had shot up on the first trading day of the year as spillover demand from the previous year drove it up. Suffice it to say, demand for group's stock has slowed as can be seen by the reversal of gains. The group recently rescinded its banking application from the Central Bank as was reported by the local newspapers in the second week of the year, explanations of which

were not given. A possible change in strategy perhaps from the Group's new managing director. A close second to the microfinance company in terms of volume for the week was Barclays, crossing some 1.2mn shares at the unchanged price of P5.21. Investors in the bank have been on the profit taking end for the last couple months which unfortunately has seen the stock give back gains garnered over the years.

FNBB kicked off the week by recording its first yearly growth when it gained a thebe to touch a 52 week rolling high of P2.46. The stock had a tremendous 2018, as it finished the year as the only financial institution to have bagged some positive growth. Its run began in the fourth quarter of the year and has seemingly continued into the new year. The bank just went into closed period in January and has noted that we should expect their interim result by the end of February. Demand remains strong for stock, albeit, it has waned some.

COUNTER	01 February (t)	25 January (t)	Change (%)	YTD (%)
FNBB ↑	246	245	+0.4	+0.4
LETSHEGO ↓	162	165	-1.8	0.0
ENGEN ↓	1039	1040	-0.1	-0.1
PRIMETIME ↓	302	303	-0.3	-1.0

Source: Motswedi Securities, BSE

Market Summary – Week ending 01 February, 2019

No. of Shares Trading	3,572,634
Turnover (BWP)	10,791,416
Turnover (USD)*	1,046,767
No. of stocks trading#	14
No. of stocks advancing#	1
No. of stocks declining#	3
No. of stocks unchanged#	21

Source: Motswedi Securities, BSE *US\$/BWP = 0.0970
= Domestic Main Board

BSE Indices – Week ending 01 February, 2019

DCI Close	7,866.97
Weekly Change (%)	-0.10
YTD Change (%)	+0.19
FCI Close	1,570.28
Weekly Change (%)	-0.00
YTD Change (%)	-0.00
DCTRI Close	1,715.86
Weekly Change (%)	-0.10
YTD Change (%)	+0.19

Source: Motswedi Securities, BSE

Despite all the numerous losses hitting the exchange, the Domestic Company Index has held resilient at 7,866.97 - holding onto yearly gains garnered in the first few days of the year - with a year to date of 0.19%. The Domestic Company Total Returns Index was in tandem with the Domestic Company Index, sporting yearly gains of 0.19%. On the other hand, we have the Foreign Company Index, which gave back miniscule gains on Tuesday, closing at 1,570.28 points with an insignificant yearly loss of 0.0013%.

2.0 Company Announcements

Furnmart released an announcement on Monday that they have pushed back their delisting date - from the 29 of January to the 20 February. The reason behind the move was to allow for all those shareholders that still hold share certificates time to dematerialise their shares and participate in the buy back by the company. Investors have until the 7 of February to have completed the process, otherwise the remainder of the share buyback process will be done when the company has delisted from the Stock Exchange.

3.0 Foreign Currency...

The dollar struggled this week, stressed by the US Federal Reserve's dovish behaviour with regards to its monetary policy. Following their two day meeting this week, the Fed announced that it would not be raising interest rates this year as the concerns for the US's economic outlook continued to grow. The Fed did note, however, that it was not opposed to using a number of alternate tools to assist the US economy if need be, among those making adjustments to its balance sheet.

Domestic Exchange rates

Currency	01 February	25 January	Change (%)	YTD (%)
US\$/BWP ↓ 	0.0970	0.0955	1.57	-4.24
ZAR/BWP ↑ 	1.2903	1.307	-1.28	2.71
EUR/BWP ↓ 	0.0848	0.0844	0.47	0.00
GBP/BWP ↑ 	0.074	0.0728	1.65	-0.71
JPY/BW ↓ 	10.56	10.49	0.67	-7.53
CNH/BWP ↓ 	0.6543	0.6474	1.07	-0.94

Source: Bank of Botswana

On the back of the dollar's weakened state, the pula rose over 1% against a number of its trading currencies, only trading down against the rand. The weakness to the rand has brought down the unit's year to date growth down to 2.71% - it is however, still the currency in which the pula has strengthened against this year so far.

4.0 Commodities Markets

Oil prices were on a steady climb in the week just ended, as they rose over 3% to close at US\$60.94 per barrel. Supporting the commodity, were a number of catalysts including the sanctions that the US slapped on Venezuela's oil industry this week,

ongoing US sanctions on Iran, ongoing trade talks between the US and China, as well as agreed supply cuts by the members of the Organisation of Petroleum Exporting Countries. Crude's rally soldiered despite reports that came in showing that the US has added more rigs to its ever increasing count. The US, has now become the world's biggest produce of crude after the nation surpassed the levels of Saudi Arabia and Russia back in November 2018, as it produces 11.9mn barrels per day and is set to produce more with the new additions.

Gold downticked on Friday, on news that the trade talks between the US and China were going well. The US President as well as the Chinese President have pencilled in a date for next week to come to a complete trade agreement. The yellow metal closed at US\$1,321.88 per ounce.

Silver was marginally lower at US\$16.00 per ounce by the week's end.

Platinum climbed slightly higher to US\$824.10 per ounce.

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