



Weekly Financial Markets Highlights

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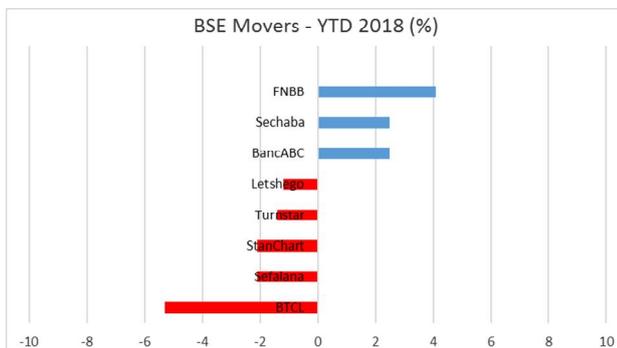
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1.0 BTCL Registered Lowest Quarterly Loss...

BTCL's share price was quite stable in March, as it closed the month not having moved from its opening price of 90 thebe. For the month of March, 1.48mn shares changed ownership with a value of P1.33mn. A decrease from the previous months 2mn shares that traded worth P1.84mn.

As the quarter ended on the 31st March, BTCL registered its third consecutive quarter on quarter loss – the latest quarter amounting to -5.3%. The Domestic Companies Index (DCI) gained 0.43% during the same quarter. However, it is encouraging to note that since listing, this is the smallest quarterly loss BTCL has endured and most of these losses were incurred in February 2019 alone. The table below shows the top market movers during the first quarter of 2019.

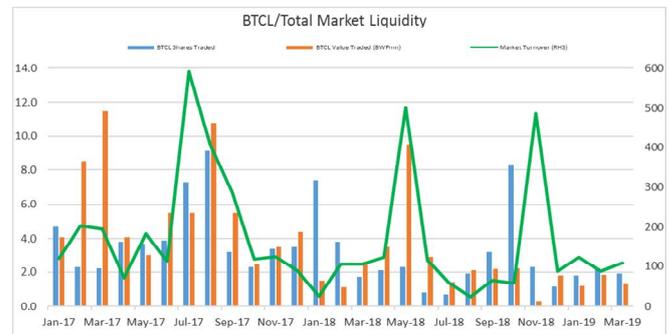


Source: Motswedi Securities, BSE



Source: Motswedi Securities, BSE

For the month, the total market's turnover increased from P86.84mn to P108.56mn. However, BTCL's contribution to the market liquidity fell to 1.2% from 2.1% in the previous month.



Source: Motswedi Securities, BSE

In terms of quarterly participation, BTCL was less liquid for the quarter just ended, with a total of 4.8mn shares with a value of P3.10mn being traded. The entire market traded P318.69 worth of shares during the same period. This was a slight step back from the previous quarter's 4mn shares that traded with a value of P4.29mn.

The share price is stable – why?

BTCL's share price has kept at 90 thebe for the month under review. The points noted below explain the price stability:

>Active demand for BTCL

The influx of sellers that had put pressure on the price in the previous month was abated by an increase in buyers in the market. The trend that has established itself in the market in the history of BTCL's listing, is that investors find the share price of BTCL desirable when it falls to 90 thebe or below. As such the share price has held at its 12 month low price.

>Year-end dividend

BTCL has a history of declaring a large dividend payout with its full year financial results. In 2017, the company declared 11.09 thebe to its investors, in 2018 the company declared 9.70 thebe, and investors are now looking forward to a similar outcome.

The beginning of April 2019 signaled the beginning of BTCL's closed period, which in simpler terms means that the Board members of BTCL, the staff members of BTCL and their immediate families are not allowed to transact in the company's shares, up until the full year financials of the company are released. We expect the results to be out on or before the 30th June 2019. With the company's a good dividend payout policy which states that the telecommunications giant will payout between 50%-65% of earnings subject to financial position of the company, investment strategy, future capital requirements, availability of cash and other factors that the Board may consider. Given this, investors will be holding out on selling in anticipation of the dividend payment expected with the release of the full year financial results. Against this background we expect some continued stability in the share price of BTCL pending the release of the financial results.

2.0 BSE Performance for the Week...

A spectacular start to the second quarter it was for the Exchange in the form liquidity as the market traded 9mn shares, with a 2019 record turnover of P82.2mn. BIHL took the market by storm, as 3.45mn of the insurance company's shares traded on the exchange, with a turnover of P59.78mn. The trades were executed across two days, in which one of them was BIHL's largest single day trade for the year at P39mn, and the second largest trade to

cross the stock exchange so far this year. The largest trade was by Furnmart during its share buyback process in its road to delisting when it traded P65mn in early January.

Market Summary – Week ending 05 April, 2019

No. of Shares Trading	9,038,100
Turnover (BWP)	82,185,491
Turnover (USD)*	7,741,873
No. of stocks trading#	18
No. of stocks advancing#	0
No. of stocks declining#	2
No. of stocks unchanged#	22

Source: Motswedi Securities, BSE *US\$/BWP = 0.094
= Domestic Main Board

As has become a common occurrence in our market, it was yet another week full of negative movements. The uncertainty surrounding Letshego, in specific reference to the happenings at the executive level of the group has spooked investors, so much so that they are willing to take a hit when cashing in their investment in the company. Letshego lost 2 thebe for the week, thereby extending its year to date loss to 2.5% (second only to BTCL at -5.3%), to close at P1.58.

FNBB consolidated gains for the week, taking a step back from its 2019 high to end the week a thebe less at P2.54. The bank continues to lead the gainers on the exchange, sporting a yearly growth thus far of 3.7%.

COUNTER	05 April (t)	29 March (t)	Change (%)	YTD (%)
LETSHEGO ↓	158	160	-1.3	-2.5
FNBB ↓	254	255	-0.4	+3.7

Source: Motswedi Securities, BSE

The DCI managed to hold onto its yearly gains of 0.27%, despite the knocks of the week which weakened the index by 0.16% for it to close the week at 7,872.81 points. The DCTRI garnered forth, as it continued to pack on the gains courtesy of BIHL going ex-dividend on Friday. The index added 0.29% to its yearly gains during the week to close at 1,735.83 points. The FCI remained unchanged at 1,566.26 points, still sporting its yearly loss of 0.26%.

BSE Indices – Week ending 05 April, 2019

DCI Close	7,872.81
Weekly Change (%)	-0.16
YTD Change (%)	+0.27
FCI Close	1,566.26
Weekly Change (%)	0.00
YTD Change (%)	-0.26
DCTRI Close	1,735.83
Weekly Change (%)	+0.29
YTD Change (%)	+1.36

Source: Motswedi Securities, BSE

3.0 Company Announcements

BBS was put on Halt (H) by the Exchange this week as a result of its failure to publish their financial results within the stipulated three month period as noted in the BSE Listing Requirements. The company has explained that the reason behind this is because the company's year-end had moved from March 31 to December 31 post its demutualisation completed mid-2018. The management of the company have expressed that the company is financially sound and that they expect their audit to be completed by no later than the 31st May 2019. This means, up until they

release their financial results, the company will remain on the halt status.

G4S was this week moved to the Default Board of the Botswana Stock Exchange. Although no formal communique has been released by the company, the reason behind the counter's movement is their failure to publish their full year financial results in the stipulated 3 months after the year end.

4.0 Foreign Currency...

The pound spent the better part of the week on the back foot, fueled by concerns of the possibility of a no deal Brexit, more especially as the UK Parliament rejected the Prime Minister's Brexit deal the Friday prior. A comeback was attempted midweek after an announcement made by Prime Minister Theresa May that there are ongoing cross party discussions with the Labor party, i.e. the opposition, which could be interpreted as Britain maintaining a solid relationship with the European Union post Brexit. The pound's direction however, still remained uncertain as the Brexit extension date creeps closer and closer.

The dollar weakened as well for the week as a result of US services sector data was released and was much lower than expected, at more than a 19 month low. The dollar's next move will be determined by the US non-farm payrolls data which will be released Friday, providing indicative strength of US economy. If the data comes out weaker than expected, the dollar will likely be pressured as such giving support to dollar denominated asset classes, such as the metals.

Domestic Exchange rates

Currency	05 April	29 March	Change (%)	YTD (%)
US\$/BWP ↓ 	0.0942	0.0927	1.62	1.07
ZAR/BWP ↑ 	1.327	1.3529	-1.91	-1.27
EUR/BWP ↓ 	0.0838	0.0825	1.58	2.82
GBP/BWP ↓ 	0.0718	0.0709	1.27	-2.18
JPY/BW ↓ 	10.52	10.26	2.53	2.33
CNH/BWP ↓ 	0.6319	0.6241	1.25	-1.44

Source: Bank of Botswana

On the other hand, the pula pocketed gains for the week against the major trading currencies, extending further gains in only the euro. Losses were wiped out and turned positive in the dollar, and the yen, with both closing the week with a year to date growth of 1.07% and 2.53% respectively.

5.0 Commodities...

Oil ran an impressive race this week, with prices driving more than 1.2% higher to reach its 2019 high of US\$69.40 per barrel. The prices were buoyed by the production cuts still ongoing, led by the Organisation of Petroleum Exporting Countries (OPEC) and well supported by non-OPEC members including Russia. The collective, agreed to reduce supply by 1.2mn barrels per day, in the last meeting they had back in December 2018. Adding to this were the unanticipated production cuts from a number of the OPEC members, including de-facto leader Saudi Arabia and US sanctions currently in place against Iran and Venezuela. The supply reduction was countered by production of US oil continuing to increase in the market, with inventories as reported by the Energy Information Administration earlier on this week, rising by 7.2mn barrels – much more than was expected.

Brent crude closed the week a slight step down from its year high at US\$69.25 per barrel.

Gold lost some shine this week, falling 0.28% for the week, as a result of the relatively stronger dollar and equities. The yellow metal ended the week at US\$1,288.79 per ounce.

Silver closed the week at US\$15.15 per ounce with a ytd loss of -2%, while platinum closed off the week as the biggest gainer of the three precious metals, at US\$905.23 per ounce and the only metal with a positive year to date of 14%.

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