



Weekly Financial Markets Highlights

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1.0 The Week in the Local Equities

Liquidity on the BSE has largely improved on a w-o-w basis, as the number of shares traded climbed to 11.95mn worth P50.1mn, from 3.38mn shares traded worth P13.5mn. The liquidity was led primarily by Wilderness as 5.22mn shares traded with a turnover of P32.6mn as the African Wildlife Holdings Partnership minority interest buyout started.

Market Summary – Week ending 07 June, 2019

No. of Shares Trading	11,951,180
Turnover (BWP)	50,100,257
Turnover (USD)*	4,574,154
No. of stocks trading#	17
No. of stocks advancing#	1
No. of stocks declining#	3
No. of stocks unchanged#	20

Source: Motswedi Securities, BSE *US\$/BWP = 0.0913
= Domestic Main Board

For the week, the market had one gain and three losses. Sechaba was the only one picked up by the bulls as the Brewery company's shares gained 1 thebe to close at a twelve-month high of P20.56/share. On the side of the bears, at the top of the week's losers, was Wilderness geared by the share buyout by the African Wildlife Holdings Partnership – lost 5 thebe for the week, to close at P6.25/share. The stock weakened by 0.8%, extending yearly losses to -4.7%. Also taken by the bears was Letshego Holdings, retreating 0.7% to close a single thebe lower to P1.49 as the week's second-best contributor to liquidity. The stock's year to date loss closed at -8.0% - further securing its spot as the second worst performer on the local exchange. The bear's third pick was Primetime,

with the stock's price contracting by 0.3% to end at P2.98/share from P2.99/share the previous week.

COUNTER	07 June (t)	31 May (t)	Change (%)	YTD (%)
SECHABA ↑	2056	2055	+0.0	+2.8
WILD ↓	625	630	-0.8	-4.7
LETSHEGO ↓	149	150	-0.7	-8.0
PRIMETIME ↓	298	299	-0.3	-2.3

Source: Motswedi Securities, BSE

The losses in the week dragged down both the DCI and DCTRI down by 0.08%, extending the year to date losses for the former to -1.67% and the latter to a positive year to date of +0.80%. The FCI was unchanged as there were no price movements registered on the Foreign Equity Board.

BSE Indices – Week ending 07 June, 2019

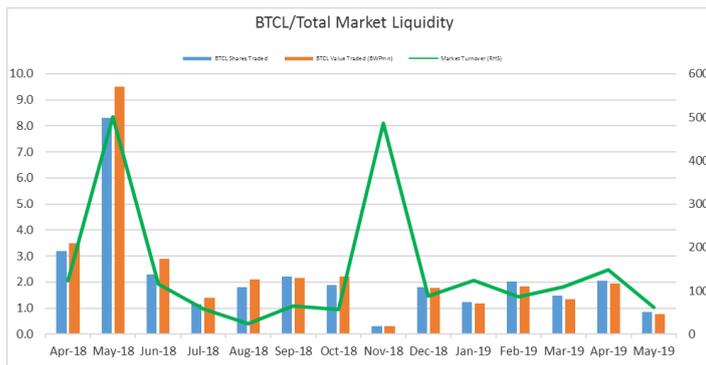
DCI Close	7,720.08
Weekly Change (%)	-0.08
YTD Change (%)	-1.67
FCI Close	1,564.55
Weekly Change (%)	0.00
YTD Change (%)	-0.37
DCTRI Close	1,726.23
Weekly Change (%)	-0.08
YTD Change (%)	+0.80

Source: Motswedi Securities, BSE

2.0 BTCL Remained Constant for the Third Month...

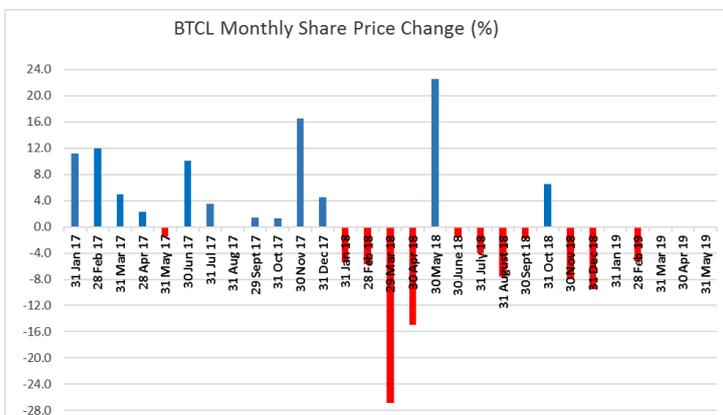
The trend established in the last two months continued with demand for BTCL still fairly thin - as the few investors coming in buying in intermittent huge blocks and then easing off. Fortunately, the demand for the company's shares remained at 90

thebe, with the market forces seemingly almost at par. Concern for the stock's price still hangs heavy in the air. Should the demand for BTCL fail to rise, selling pressure could prove too heavy for the price to hold. Bids that are below the market price appeared regularly at levels 5% lower than the current price which, in essence, was giving an option to the desperate Motswana a way out of their investment.



Source: Motswedi Securities

BTCL's contribution to the overall market liquidity in the month of May, took a slight step back to 1.2% from 1.3% in the previous month. This is a fairly consistent contribution despite the number of shares that traded in the month falling sharply as compared to the previous one. It is, however, well in line with the whole market's liquidity which also experienced a sharp decline.



Source: Motswedi Securities

Focus is now on the upcoming publishing of BTCL's full year 2019 financial results. Expectations are that the company will publish flat financial results, given the tough operating environment and that the last two published sets of financial results were along the same lines. If the numbers for the financial year just ended continue to be flat or show a large deviation from the previous year's numbers, BTCL's stock may feel accelerated selling pressure. The likelihood would be that the investors would hold out for as long as the stock trades cum-dividend, that is, before the shareholders have qualified for the dividend. Following which, sellers will be on the influx. The results are expected to be published before the end of June.

3.0 Company Announcements

Barclays released a circular to all shareholders to put to a vote, the resolution to change the bank's name from Barclays to Absa. The resolution is among others to be voted on by the shareholders at the bank's AGM to be held on the 27th June 2019.

Choppies concluded a transaction in Zimbabwe that changed the shareholding of their operation's in the nation. Last year, the company was embroiled in a dispute with one of their shareholders. Nanavac Investments, trading as Choppies Supermarkets Zimbabwe, houses the Zimbabwean trading activities of the Choppies Group. Prior to completion of the Nanavac Transaction, Choppies held 93% of the economic interest and 49% of the equity in Nanavac Investments while the Mphokos held a 7% economic interest and 51% of the equity. Following completion of the Nanavac Transaction, Choppies now holds 100% of the economic interest and equity in Nanavac Investments.

4.0 UK PM's Last Day in the Office...

The week has ended and so has the tenure of the UK Prime Minister, Theresa May. After succumbing to the pressures of her government, Mrs May tendered her resignation two weeks ago, and is on her way out of office. It has been three years that May has failed to deliver a concrete Brexit withdrawal agreement. One might ask why it failed – the Irish border backstop. The race is on for who will succeed Theresa May as the incoming PM. There are three front runners currently - all of which need to reopen the withdrawal agreement negotiations with the European Union to try and avoid a no-deal Brexit. The tricky part will be deciding on what to do about the Irish border backstop which was for all intents and purposes the reason why May's attempted divorce deals were declined by the lawmakers.

The pound broke through the no deal Brexit slump that has been hovering above it since Theresa May resigned from her post, and made some headway to reach a seven day high in the second half of the week. Support was primarily sourced from a slightly weakened US Dollar among US Federal Reserve interest rate cut worries loomed.

The rand reversed gains for the week as internal disagreement between the ruling party, that is the African National Congress (ANC), weighed heavy on the unit. The party has been divided on deciding on whether the country's central bank should put in more effort to improve jobs and economic growth. The first quarter number released a number of weeks ago showed that South Africa's economy had contracted by 3.2%.

Domestic Exchange rates

Currency	07 June	31 May	Change (%)	YTD (%)
US\$/BWP ↓ 	0.0913	0.0918	-0.54	-2.04
ZAR/BWP ↑ 	1.3755	1.3578	1.30	2.34
EUR/BWP ↓ 	0.081	0.0825	-1.82	-0.61
GBP/BWP ↓ 	0.0719	0.0728	-1.24	-2.04
JPY/BW ↓ 	9.9	10	-1.00	-3.70
CNH/BWP ↓ 	0.6335	0.6363	-0.44	-1.19

Source: Bank of Botswana

By and large, the pula weakened against all but one of its trading partners during the week.

5.0 Oil Falls Over 2%...

Oil was pressured for the week, fueled by concerns of slowing economic growth globally. The ongoing trade war between the world two super powers, i.e. China and the US, has effectively began to affect the demand of the commodity adversely, having crept below the US\$60 threshold during the week. Oil earlier in the year gained support from the OPEC+ cuts that commenced on the first January and is due to at the end of June. Oil prices recovered towards the end of week, cutting back on losses of almost 2%, spurred by comments made by Saudi Arabia's Energy Minister that suggested the OPEC cartel is unlikely to increase input at their next meeting at the end of the month or early July. Brent crude was trading at US\$63.29/bbl by the weeks ending, sporting a weekly change of 1.86%.

Safe haven demand has seen gold break through the US\$1,300 circuit, now trading solidly at US\$1,317.30 per barrel. The trade war between the US and China, is still ongoing which continues to be threat to global growth and now the US have threatened tariffs on Mexico -further heightening geopolitical tensions. These tensions developed concerns that the US Federal Reserve would be cutting the interest rate. This, of course, dampened

demand for the dollar of which gold is priced in and as a result made the yellow metal cheaper as well the preferred option of the two investment classes. The yellow metal edged over 2% higher week on week, to end at US\$1,340.86/oz.

Silver and Platinum also traded positively on a week on week basis, closing 2.95% and 1.68% up respectively. Silver closed at US\$15.02/oz and Platinum at US\$807.04/oz.

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