



Weekly Financial Markets Highlights

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1.0 The Week in the Local Equities

The woeful day when BTCL falls in value came to be during the week, ahead of the company's full year 2019 financial results next week. The stock has been relatively stable price for three and a half months, but has, unfortunately, succumb to the selling pressure in the market. The company on Thursday, released a trading statement foretelling its shareholders of the expected decline in profit before tax of between P53mn and P66mn, for their year ended 31 March 2019. Though, there has been no reasoning pinpointed as yet behind the losses, investors are likely to continue holding out in the hopes of receiving the dividend payment that is expected to be announced with the release of the full year financial results. Following the ex-dividend date, BTCL's share price may feel some accelerated pressure. Thus resulting in more value loss. At this point in time, however, investors have opted to cash in their investment in the telecoms giant at a thebe lower, being 89 thebe. The dip in the price increases the stock's year to date loss by -1.1% to -6.3%.

COUNTER	21 June (t)	14 June (t)	Change (%)	YTD (%)
CHOBE ↑	1060	1051	+0.9	+1.0
CRESTA ↑	181	180	+0.8	+0.8
G4S ↓	350	359	-2.5	-3.8
BTCL ↓	89	90	-1.1	-6.3
MINERGY ↓	105	106	-0.9	-0.9

Source: Motswedi Securities, BSE

The market had a few first time movers for the year. Cresta Marakenelo was one of the second best performer for the week with a contribution to liquidity that saw the stock gain a thebe to close at P1.21/share. Shareholders of the hotelier are seemingly offloading some of their investments just a few weeks after the Group concluded their

property buyout transactions with the Botswana Development Corporation and fellow listed company Letlole La Rona. With its successful completion, Cresta now has ownership of six of the properties in which the hotel operates out of a total of twelve

Chobe appeared on the gainers list for the second consecutive week, highlighting just how in-demand the stock is. In the prior comparative week, Chobe gained a single thebe, in this week however, the stock made a much clearer move by gaining 9 thebe, to close the week at P10.60/share. This translates to a value gain of 0.9% for the stock. The stock has a fairly consistent dividend yield, well above the market's, at 5.7% and demand for the stock has been strong enough to keep it on the rise with a year to date gain of 1% so far.

Market Summary – Week ending 21 June, 2019

No. of Shares Trading	11,276,175
Turnover (BWP)	50,895,092
Turnover (USD)*	4,748,512
No. of stocks trading#	15
No. of stocks advancing#	2
No. of stocks declining#	3
No. of stocks unchanged#	19

Source: Motswedi Securities, BSE *US\$/BWP = 0.0933
= Domestic Main Board

The Wilderness buyout has supported the market now for the third consecutive week. The number of shares traded increased from 3.9mn in the previous week to 11.27mn. The total turnover increased accordingly from P21.54mn to P50.9mn. In the first week of June 11.95mn shares traded worth P50.1mn. We expect one more week of the local market being led by the Safari Company as it nears its departure date from the local bourse.

BSE Indices – Week ending 21 June, 2019

DCI Close	7,656.22
Weekly Change (%)	-0.03
YTD Change (%)	-2.49
FCI Close	1,564.55
Weekly Change (%)	0.00
YTD Change (%)	-0.37
DCTRI Close	1,714.08
Weekly Change (%)	-0.03
YTD Change (%)	+0.09

Source: Motswedi Securities, BSE

The domestic indices, which are the DCI and the DCTRI, retreated by 0.03% as a result of the losers outweighing the gainers for the week. The DCI remained firmly in the negative year to date space, closing the week at -2.49, while the DCTRI dipped slightly to a year to date of 0.09%. The Foreign Board registered no price movements and thus no movements for the FCI.

2.0 Company News

BTCL released a trading statement towards the weeks end expressing that the company expects a decline in profit before tax of between 20-25%, of which translates to decline of between P53mn-P66mn for the year ended 31 March 2019. This put the range of profit before tax for the company at between P198mn and P211mn for the year. The financial result are expected on Wednesday or early morning Thursday next week.

Minergy has appointed Mr. Morne du Plessis as its Chief Executive Officer (effective on the 1st of August 2019) following the retirement of Mr. Andre Boje on the 31st July 2019. Mr. du Plessis was the Chief

Financial Officer of the company before he was bumped up to interim Chief Executive Officer in mid-May. Other key appointments include the Financial Manager Mr. Julius Ayo, General Manager of Mining Mr. Siyani Makwakwago, and Safety, Health and Environment (“SHE”) Manager Mr. Herbert Kebafetotse.

Wilderness is expected to leave both the BSE where it has its primary listing and the JSE where it is secondarily listed on the commencement of trading on the 3rd of July. The results of the offer show that AWH received acceptances amounting to 29.7% of the total issued shares. Following the delisting of the company, the shareholding will be set out as below:

Shareholder	Total number of Shares held	% of issued Shares
AWH	131,137,348	55.1
The Rise Fund	80,697,582	33.9
Keith Vincent	9,884,701	4.2
Botswana Public Officers Pension Fund	10,611,727	4.5
Other minority shareholders*	5,845,222	2.5
Total	238,176,580	100

* Shareholders holding less than 1,000,000 Shares each, representing approximately 0.4% of the total issued Shares.

3.0 Foreign Currency...

The pound started the week on the backfoot as support grew for UK Prime Minister candidate, Boris Johnson. The concern herein lies in that Boris Johnson, has expressed that should the Brexit deadline elapse (Oct. 31) without an agreed divorce deal from the European Union, Britain should leave either way. A no deal Brexit would be quite disastrous for the pound as is already apparent with the unit on its sixth-week losing streak against the euro. Concerns grew further as Germany EU affairs minister floated comments that the withdrawal agreement drawn up by the European Union is likely not to change, even with a new PM for the UK.

An additional contributor to the decline in the pound was the unanimous vote by the Bank of England's policymakers to keep the interest rates stable at 0.75%. Instead, the policymakers revised their Q2 projected growth figures from the 0.2% made in the prior week to zero.

The dollar weakened for the week as well, after the US Federal Reserve was not opposed to cutting interest rates as soon as next month. For now, the interest rates were left unchanged in its range of 2.25% to 2.5%. Speculators have priced in three rate cuts for the year by the Federal Reserve, the first of which will be instigated during the Fed's meeting in July.

Domestic Exchange rates

Currency	21 June	14 June	Change (%)	YTD (%)
US\$/BWP ↓ 	0.0933	0.0919	1.52	0.11
ZAR/BWP ↑ 	1.3428	1.3645	-1.59	-0.10
EUR/BWP ↓ 	0.0827	0.0815	1.47	1.47
GBP/BWP ↓ 	0.0736	0.0725	1.52	0.27
JPY/BW ↓ 	10.01	9.96	0.50	-2.63
CNH/BWP ↓ 	0.6414	0.6374	0.63	0.05

Source: Bank of Botswana

The local unit, on the back of several losses by the major currencies, gained in the range of 0.5% to 1.52% - the smallest of the gains coming from the Japanese Yuan and the largest gains from the dollar and the pound.

4.0 Gold has regained its shine...

Amidst the concerns of the US Federal Reserve possibly cutting interest rates, the precious metals harnessed some support. Leading the metals with gains of almost 3% was gold, reaching a more than 5-year high during the session but closing slightly below at US\$1,394.77. Also lending support to the

metal was falling yields, and geopolitical tensions in the Middle East. The week just ended was one of the bullion's best weeks in over 3 years as well the fifth week of consecutive gains.

Silver reached a 3 month high during the week of US\$15.42/oz, but however was trading slightly lower at the time of writing at around US\$15.37/oz. It's worth noting that this is the metals largest weekly gain for the year so far. Platinum for the week dipped slightly by 1.23% to trade on Friday at US\$803.66/oz.

Oil closed the week with gains of over 6%, as concerns that the US military would initiate an attack on Iran, which would result in supply disruptions from the Middle East. The attack would be considered retaliatory by the US Government after Iran shot down a drone of theirs flying over Iran. This is an escalation of already existing tensions between the two nations since the US sanctioned Iran and concurrently their oil exports. Oil, at the time of writing, was trading at US\$65.38 per barrel.

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