



# Weekly Financial Markets Highlights

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## 1.0 The Week in the Local Equities...

The market traded 92.5mn shares in the week worth around P230.14mn with most of the stocks on the domestic main board fairly liquid. Leading the week in trades was Far Properties, more commonly known as FPC, boosting market liquidity quite significantly, with a flat 92mn shares trading, valued at P227.24mn. According to an announcement released by the company, the trades in the FPC were by two (2) of the founding directors, Mr Ramachandran Ottapathu and Mr Farouk Ismail selling to a third party. Reasons for the partial divestiture of the two largest shareholders were not noted as yet.

### Market Summary – Week ending 09 August, 2019

No. of Shares Trading	<b>92,553,852</b>
Turnover (BWP)	<b>230,142,756</b>
Turnover (USD)*	<b>20,989,019</b>
No. of stocks trading#	<b>15</b>
No. of stocks advancing#	<b>3</b>
No. of stocks declining#	<b>2</b>
No. of stocks unchanged#	<b>18</b>

Source: Motswedi Securities, BSE \*US\$/BWP = 0.0912  
# = Domestic Main Board

The local market for the week noted more gainers than losers. Leading the gainers was Sefalana, trading up 5 thebe higher to P8.60/share. This gain was step one in the stock recovering its share price losses in the year after publishing relatively pleasing financial results for their full financial year 2018/2019. Sefalana's year to date performance currently stands at -2.1%.

The demand for Letlole has put it on the gainers list for the 7<sup>th</sup> consecutive week. This time, climbing 3 thebe higher to P2.10/share. The gains for week

extended the stock year to date growth of the stock – now closing in on a 20% market growth at 19.3%. Also gaining on the grounds of overwhelming demand was Chobe, with the market forces pushing the stock's price a thebe higher to P10.63/share. This price increase is reflective of a 52 week high for the stock. Chobe closed the day sporting a small, but very significant year to date growth of 1.2%.

COUNTER	09 August (t)	02 August (t)	Change (%)	YTD (%)
SEFALANA ↑	860	855	+0.6	-2.1
LETLOLE ↑	210	207	+1.4	+19.3
CHOBE ↑	1063	1062	+0.1	+1.2
BTCL ↓	87	88	-1.1	-8.4
FPC ↓	247	248	-0.4	-1.2

Source: Motswedi Securities, BSE

The market noted two losses for the week. FPC lost a thebe to touch a 52 week price low of P2.47/share - extending ever so slightly its year to date loss to -1.2%. The other loser for the week, was BTCL, taking a single step back to close a thebe lower at 87thebe. The telecom's share price is still overwhelmed by the selling pressure, which is likely to continue now that the stock is trading ex-dividend.

Closing the week with no price differences from the prior week was Barclays. After up-ticking midweek by 3 thebe, with the price climbing to P5.25/share, the bank unfortunately gave back the gains as the week closed. The bank closed the week, unchanged at P5.22/share.

The domestic indices made some headway for the week, working to erase the losses stamped onto their year to dates. The DCI, together with the

DCTRI gained 0.05% for the week to close the week trading at 7,560.99pts and 1,697.65 pts, respectively. The total returns index is expected to gain more in the next week, as a number of stocks turn ex-dividend. The FCI, on the hand, remained unchanged at 1,564.55pts with no trades recorded on the board.

#### BSE Indices – Week ending 09 August, 2019

<b>DCI Close</b>	<b>7,560.99</b>
Weekly Change (%)	+0.05
YTD Change (%)	-3.70
<b>FCI Close</b>	<b>1,564.55</b>
Weekly Change (%)	0.00
YTD Change (%)	-0.37
<b>DCTRI Close</b>	<b>1,697.65</b>
Weekly Change (%)	+0.05
YTD Change (%)	-0.87

Source: Motswedi Securities, BSE

#### 2.0 Company News & Financial Results...

**BIHL** published a trading statement on Friday. The trading statement was to notify their shareholders of the expectation of reduced earnings before tax for the Group's interim period ended 30 June 2019. The statement notes that the reduction in earnings will range from P78mn to P110mn, from the previous comparative period's earnings before tax of P314mn. This has been attributed to fair value adjustments in respect to the Group's associates. The financial results are expected to be published after the 2nd of September 2019.

**Turnstar** released an announcement in the week, notifying stakeholders of the retirement of Mr Ishmael Nshkzhogwe, as a Director. His retirement



was with effect from 29th July 2019, and was announced at the Company's Annual General meeting, held on the 29th July 2019.

**Raven** is under threat of a forced delisting by the Botswana Stock Exchange for failure remedy various non-compliances with the BSE Listing Requirements. According to the notice posted by the BSE, stakeholders have been given twenty one (21) days from the date of the notice (09 August 2019) to make representation to the BSE on the proposed delisting for consideration. If no representations have been brought forth by the stipulated time period, the BSE will issue a delisting order.

#### 3.0 The US Federal Reserve Cuts Interest Rates...

Safe haven buying supported the Japanese Yen for the week, emanating from the recently escalated trade war between the two superpowers - China and the US. The country has warned, however, that should the unit continue with the current growth, it had no qualms with intervening to protect its economy. The concern surrounding it, is that if the Yen gets stronger against its trading partners, it will very likely hurt its exports - of which the country is reliant.

#### Domestic Exchange rates

Currency	09 August	02 August	Change (%)	YTD (%)
US\$/BWP ↓ 	0.0912	0.0922	-1.08	-2.15
ZAR/BWP ↑ 	1.3691	1.3472	1.63	1.86
EUR/BWP ↓ 	0.0815	0.0831	-1.93	0.00
GBP/BWP ↓ 	0.0751	0.0761	-1.31	2.32
JPY/BW ↓ 	9.66	9.87	-2.13	-6.03
CNH/BWP ↑ 	0.6449	0.6416	0.51	0.59

Source: Bank of Botswana

The pula traded mixed in the week. The unit gained the most against the rand, with 1.63%, and lost the most against the yen, with 2.13%.

#### **4.0 Precious Metals Rise across the Board...**

All three precious metals tracked, i.e. gold, silver, and platinum, were set to end the week on a good note. This would be the best week for gold in over 3 years, having touched a 6-year high midweek (of US\$1,510.46/oz) however declining towards the end of the week to end at US\$1,496.89/oz. This, of course is a direct outcome of the safe haven buying that has been triggered by escalation of the trade war earlier on in the week, together with a weakened economic outlook. With the trade war seemingly not ending any time soon, central banks across the globe are compelled to shift to a dovish monetary policy to combat the growing fears of an economic slowdown. For the week, gold extended yearly gains by 3.89% to 17%.

Silver breached the US\$17 an ounce mark as well, for the first time in over a year on Wednesday. The run however, lost steam by the week's end, with silver trading around US\$16.91/oz, after gaining 4.36% for the week. Platinum also closed the week on a positive note, with gains of 2.17%, to trade around US\$863.27/oz.

Where, the precious metals, got the boost of the week, oil retracted 4.57% - cutting its yearly growth to 10%, to trade at around US\$59.06 per barrel at the time of writing. The main driver of the decline was a report published by the US Energy Information Administration, which showed an unexpected increase in US crude inventories of 2.4mn barrels in the last week as opposed to the expected decline of 2.8mn barrels. Also supporting the decline was the

escalation of the trade war, which raised concerns of a shrinkage in demand for the commodity.

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