



# Weekly Financial Markets Highlights

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## 1.0 The Week in Local Equities...

Volumes dropped in the week, vis-à-vis the previous week, with liquidity dropping right along with them. The total number of shares changing ownership on the local bourse was 1.3mn, with the turnover at P4.35mn – coming down from the prior week's 5.4mn shares valued at P12.83mn.

For yet another week, BTCL finds itself in the list of market losers. The stock lost 4 thebe in the week, dropping to a 12 month low of P0.86/share. This loss pushed the stock's yearly movement further into the red, with a year to date loss of -9.5% -- now firmly leading the losers on the domestic board. The further decline in the share price is unexpected given that the stock went ex-dividend last week Friday. The 4.5% lost in the week, was the largest week-on-week loss recorded for the stock thus far.

The other mover for the week, was Chobe, gaining a single thebe to its historic high of P11.30/share. This is another climb in the stock that shows strong support for the stock. The stock has been and currently is we sought out by many investors, as can be evidenced by its continuing growth. The stock's year to date growth stands at 1.8% as at Friday.

Barclays Bank, officially changed its colours from blue to red on Monday and are now operating under the name Absa Bank Botswana Limited. This has been long underway, since the shareholders of the bank approved the name change back in June 2019. There are still some remaining i's to be dotted and t's to be crossed with the bank's transition, more specifically with respect to the stock's listing. We await to hear when the bank's trading name on the BSE will also change.

## Market Summary – Week ending 14 February, 2020

No. of Shares Trading	<b>1,286,555</b>
Turnover (BWP)	<b>4,354,143</b>
Turnover (USD)*	<b>396,662</b>
No. of stocks trading#	<b>16</b>
No. of stocks advancing#	<b>1</b>
No. of stocks declining#	<b>1</b>
No. of stocks unchanged#	<b>21</b>

Source: Motswedi Securities, BSE \*US\$/BWP = 0.0911  
# = Domestic Main Board

COUNTER	14 Feb (t)	07 Feb (t)	Change (%)	YTD (%)
CHOBE ↑	1130	1129	+0.1	+1.8
BTCL ↓	85	89	-4.5	-10.5

Source: Motswedi Securities, BSE

## BSE Indices – Week ending 14 February, 2020

<b>DCI Close</b>	<b>7,589.31</b>
Weekly Change (%)	-0.10
YTD Change (%)	+1.26
<b>FCI Close</b>	<b>1,551.35</b>
Weekly Change (%)	0.00
YTD Change (%)	-0.71
<b>DCTRI Close</b>	<b>1,752.23</b>
Weekly Change (%)	-0.04
YTD Change (%)	+1.43

Source: Motswedi Securities, BSE

## 2.0 Company Announcements and Financial Results

**Letlole** declared an interim distribution, together with their interim half year financial results. The interim distribution is comprised of a dividend of 0.05 thebe per linked unit and interest of 7.14 thebe/linked unit. The ex-dividend date is the 26th of

February 2020, with a payment date on or around the 10th March 2020.

**StanChart's** noted two changes to its Board. The first being the retirement of the Board Chairman, Professor Bojosi Otlhogile, and the resignation of an executive director, Mr Richard Etemesi.

**BBS** informed the public that the draft financial statements for the period ended December 2018, of which will now be subjected to quality assurance processes and internal governance processes. The audited financial results are expected to be ready by the end of February 2020.

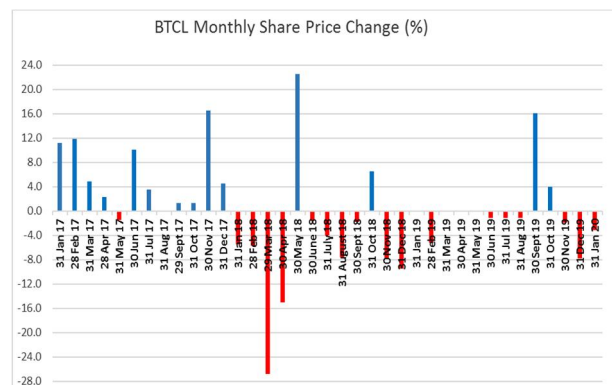
**Barclays** hereby advises its shareholders that it has obtained approval from the Companies and Intellectual Property Authority for the change of name, and has been issued with a new certificate of incorporation. The company will now operate under the name Absa Bank Botswana Limited.

**Primetime's** final interest distribution comprising interest of 2.00 thebe per linked unit in respect of the year ended 31 August 2019 has been declared payable. In addition, an interim interest distribution comprising interest of 6.32 thebe per. linked unit in respect of the year ended 31 August 2020 (covering the 4-month period to 31 December 2019) has been declared payable. The two payments combined, being 8.32 thebe per. linked unit (gross), will be paid together on the 23<sup>rd</sup> March 2020.

### 3.0 BTCL loses 3.2% in January...

The year did not start on a good note for BTCL, the stock's price continued its three-year long streak of losing in the first month of the year. The stock lost 3 thebe in the month of January 2020 to close at P0.92/share. BTCL's year to date as at the end of

January was -3.2%. Compared to the same period in 2019, the stock was unchanged during the first month of the year. However, in 2018 BTCL lost -5.4% of its value in January.



Source: Motswedi Securities calculations

BTCL is now trading ex-dividend and in the absence of any new and exciting news on BTCL we expect the stock to remain under selling pressure mainly from small investors. Investors are now looking up to the next full year financials for the year ended 31 March 2020.

BTCL traded 1.04mn shares worth P984, 030 in January 2020. The entire market traded P37.15mn shares in January 2020. This is marginally higher than 589,042 shares worth P579, 799 which traded in December 2020. Against this background BTCL contribution to overall liquidity increased to 2.6% in January 2020 from 0.4% in December 2019.

The increased activity in BTCL in the month can be chalked down to the January effect being in full effect – which could also be the reason why the share price decline came as no surprise. The January effect is a market anomaly, wherein shareholders sell out their positions in order to cash in their gains. In the case of BTCL, investors were cashing in their investments

to pay for other obligations, e.g. paying for school fees, etc.

It is interesting to note that, although the share price is feeling some selling pressure, there is some buying in small quantities in the market. However, the buyers, are very few and far apart, and unfortunately not enough to mop up the excess supply in the market.

BTCL may continue to feel some continued selling pressure until the next financial results for the year ended 31 March 2020. The market will be looking closely for any trading updates from the company regarding the next financials for the year ended 31 March 2020. History have shown that a positive trading update tend to improve investors sentiment on the stock, resulting in increase in the demand for the shares.

#### 4.0 Currency Exchange: Brexit Day...

The dollar was at a four month high against its competitors, almost near levels of the October 2019 highs. The unit has found some sound support in recent times, given that the unit itself has some high yielding qualities, given its resistance in tough times. Spurring this drive was the increasing concerns of the spread of the coronavirus, more especially amongst those people who are getting infected without having been to China. Also supporting the dollar in the week was some strong jobs data coming in from the US, which gave some strength to the unit, which in turn weakened its relative trading partners.

The local unit, together with other emerging market currencies, are on the receiving end of the dollar climb, meaning they declined for the week.

#### Domestic Exchange rates

Currency	14 Feb	07 Feb	Change (%)	YTD (%)
US\$/BWP ↓ 	0.0911	0.0914	-0.33	-3.19
ZAR/BWP ↓ 	1.3587	1.3599	-0.09	2.20
EUR/BWP ↑ 	0.0841	0.0832	1.08	0.12
GBP/BWP ↓ 	0.0698	0.0706	-1.13	-2.79
JPY/BW ↓ 	10	10.05	-0.50	-2.25
CNH/BWP ↑ 	0.6366	0.6376	-0.16	-3.06

Source: Bank of Botswana

#### 5.0 Coronavirus continues shake down commodity prices...

Oil was markedly on the rise, with the commodity set to close the week with some greens to pocket, for the first time in six (6). The commodity has been suffering primarily from since the outbreak of the coronavirus which has been reported to be under control. Also supporting prices in the week are the expectations that OPEC and its allies, commonly known as OPEC+, will be implementing further production cuts, to the tune of 600,000 barrels per day. This would be a continuation of the production cuts that were implemented in January 2019. Demand for the commodity in the nation has weakened quite significantly since the year began, and investors are factoring this well into the price which has a current yearly movement of -15%.

The precious metals were also set to gain in the week, with gold, silver, and platinum gaining 0.40%, 0.10%, and 0.66% respectively.

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