



Weekly Financial Markets Highlights

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1.0 Local Equity...

The Domestic Company Index (DCI) clocked its sixth consecutive week of losses, declining by 0.6% owing to the wave of losses cascading through the market. The index's year to date was at negative 4.6% by the week's end, which is a significant change when compare to the DCI's 1.64% positive movement from the same period in the prior year. Granted, the previous year's growth was before COVID hit the local market. The decline in the DCI was mirrored to a lesser extent by the Domestic Company Total Returns Index (DCTRI). The index, which takes into account the changes in the total returns of stocks, i.e. price appreciation/depreciation plus dividends and interest, was down negative 3.9% on a year to date basis, supported by Primetime and FNBB going ex-dividend in the week.

Chobe lost 5 thebe of its value, closing the week priced at P9.25/share, with a year to date loss of negative 1.9%. It seems shareholders in the name are willing to let go of their positions in the stock at any price they can get. Sechaba was on the chopping block as well, with the brewery company declining 40 thebe in the week to close valued at P17.75/share -- this being more than a eight [8] year low price for the stock. The stock's year to date closed the week at negative 14%. Sechaba, as well as Chobe, are both in sectors that have been gravely affected by the outbreak of the coronavirus, and we have seen in the last couple of months these effects trickling down into their respective share prices.

Letshego, the leader of liquidity in the week, dropped 7 thebe to P0.68/share. International selling pressure continues to plague the stock, spilling over from the prior year. The losses in the week flipped the stock's yearly position from positive to negative in one fell swoop. For the year thus far, Letshego's

year to date stands at negative 9.3% (previous week: 4.2%)

BTCL made its first move in the market since late January 2021. The stock's price dropped a single thebe to close at P0.69/share, finally succumbing to selling market pressure.

Other losses in the week include Primetime, dropping 1 thebe to P2.66/linked-unit, and Turnstar dropping 2 thebe to P1.98/linked-unit,

In the array off losses in the week, Letlole La Rona registered the equity market's first price gain in three weeks. The stock closed the week up 1 thebe at P2.31/linked-unit. With a year to date climb of 0.9% so far, Letlole is the only stock in the property sector that has posted gains in the year.

Market Summary – Week ending 19 March, 2021

No. of Shares Trading	11,610,035
Turnover (BWP)	11,517,012
Turnover (USD)*	1,049,200
No. of stocks trading#	13
No. of stocks advancing#	1
No. of stocks declining#	6
No. of stocks unchanged#	16

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

COUNTER	19 Mar (t)	12 Mar (t)	Change (%)	YTD (%)
LETLOLE ↑	231	230	+0.4	+0.9
LETSHEGO ↓	68	75	-9.3	-5.6
SECHABA ↓	1775	1815	-2.2	-14.0
BTCL ↓	69	70	-1.4	-15.9
TURNSTAR ↓	198	200	-1.0	-20.8
CHOBEB ↓	930	925	-0.5	-1.9
PRIMETIME ↓	266	267	-0.4	-3.3

Source: Motswedi Securities, BSE

BSE Indices – Week ending 19 March, 2021

DCI Close	6,560.42
Weekly Change (%)	-0.64
YTD Change (%)	-4.64
FCI Close	1,550.93
Weekly Change (%)	0.00
YTD Change (%)	+0.24
DCTRI Close	1,599.22
Weekly Change (%)	-0.14
YTD Change (%)	-3.93

Source: Motswedi Securities, BSE

2.0 Company Announcements and Financial Results

Choppies published their interim group results for 2021 in the week. The Group posted a profit of P37.73mn from the previous comparative period's loss of P139.2mn, owing to the Group's restructuring efforts from the non-performing regions. Group revenue levels dipped 9% in the period as a result of the declined disposable income of end-consumers as the COVID-19 outbreak rages on, as well as weakened currency translations. All but one of the Continued Operations regions, being Namibia, registered a slight decline in revenue, while EBITDA levels were improved in all but the Botswana region. Notwithstanding the dip in performance, Botswana remains the largest contributor to the Group's top line. Despite the improvement in performance, the company still posted negative equity in the period, as retained loss from the current and previous periods increased, as well continued currency weaknesses in Zambia and in Zimbabwe. Given the carried forward negative equity, it is not surprising that the Group declared no dividend for the period.

Afinitas informed shareholders that the loss for the financial year ended 31st December 2020 is likely to be 8090% greater than the loss reflected in the comparative period to December 2019, which in number terms is an increase in the loss of between USD593k and USD667k. The loss before tax for the period ended 31st December 2019 was USD741k. The abridged audited annual financial statements for the twelve months ended 31st December 2020 will be released to the market on or before 31st March 2021. Accordingly, shareholders are advised to exercise caution when dealing in the Company's securities until such time that these are published.

BancABC advised shareholders that the consolidated Profit Before Tax (PBT) for the year ended 31 December 2020 will approximately be between 12% to 22% (P18mn and P33mn) lower than that reported for the year ended 31st December 2019, which amounted to P152mn. Accordingly, shareholders are advised to exercise caution when dealing in the Group's securities until the full financial results are published on or before 31 March 2021.

G4S advised shareholders that the profit before tax for the year ended 31 December 2020 will be approximately 43% (P12m) lower than the P27.8m reported for the year ended 31 December 2019. The Financial Results for the year ended 31 December 2020 are expected to be released on or before 31 March 2021, wherein full details will be provided. The information contained in this announcement represents a preliminary assessment made by the Board based on the information made available to the Board as at the date hereof. The actual results of the Group for the financial year ended 31 December 2020 may be different from what is disclosed herein. Shareholders are advised to

continue exercising caution when dealing with the company's securities, until a full announcement is made.

Cresta referred shareholders to the separate cautionary notices published on 29 December 2020, 28 January 2021 and 26 February 2021 and are advised that the lease and acquisition of certain furniture, fittings and equipment related to Phakalane Golf Estate Hotel & Convention Centre, will no longer proceed, as certain conditions precedent to the Lease Agreement have not been concluded. The agreements have therefore lapsed. Caution is no longer required when dealing in the Company's shares.

Cresta advised shareholders that the audited consolidated profit before tax ("PBT") of Cresta Marakanelo Limited ("the Company") for the year ended 31 December 2020, is estimated to be 320% to 340% (P98mn to P104mn) lower than the PBT of P30.6 million reported for the year ended 31 December 2019. The decline in profitability is as a result of the impact of the COVID-19 pandemic on the travel and tourism industry as well as the impact of the closure of the hotels for normal operations from 2 April 2020 to 4 June 2020. The audited financial statements for the year ended 31 December 2020 will be released by 31 March 2021. Accordingly, Shareholders are advised to exercise caution when dealing in the Company's securities until a full announcement is made.

RDC Properties advised shareholders that the profit before tax for the year ended 31 December 2020 will be approximately between 80% and 90% or P129.7 million to P145.9mn lower than the P162.1mn reported for the period ended 31 December 2019. The main reasons for the decrease are

management's conservative approach to the valuation of the investment property portfolio in the current period (effect of circa P110.0mn or 70%) and a reduction of income from hospitality properties due to the challenging operating conditions in the extended Covid-19 national lockdowns in Botswana. The nature of the Group portfolio, diversified by geographical area has enabled the company to mitigate the impact of fair value adjustments on the portfolio. Acquisitions in South Africa and the USA in Q1 2020 have been accretive and supported the Group. The information contained in this announcement represents only a preliminary assessment made by the Board based on the information made available to the Board as at the date hereof. Full details will be provided upon the release of the final audited financial results for the period, which will be released by end of March 2021, and the actual results may differ from those disclosed herein.

Shumba advised its shareholders that the Group expects to shortly release unaudited results for the 6 months ended 31 December 2020, which will reflect a reduction in the loss before tax recognized as compared to the corresponding period ended 31 December 2019. The expected loss before tax for the six months ended 31 December 2020 will be an improvement on the loss before tax of USD1 586 175 for the comparative six months ended 31 December 2019 by approximately USD1 151 412, representing a change of approximately 73%. This variance has been a result of the cost cutting measures that the company has adopted because of the COVID-19 pandemic. The directors started an initiative of reducing expenditure across board which includes amongst other deferment of planned expenditures. The information in the trading

statement has not been reviewed by Shumba's independent auditors.

Tlou Energy Limited announced that it has successfully raised gross proceeds of approximately £2.625 million (~AUD 4.725 million) pursuant to a placing of 75,000,000 new ordinary shares of no par value at an issue price of £0.035 (~AUD 0.063) per share ("Placing Shares"). Funds raised will go towards development of Tlou's Lesedi project including construction of transmission lines to connect the Lesedi power project in Botswana to the existing electricity grid at the town of Serowe. The transmission line is a key piece of infrastructure required to transition Tlou to being a power producer and is expected to considerably reduce future funding risk for the Company. In addition, the Company has received tender responses for the construction of the transmission line. With this funding now in place, the Company can proceed to award and sign contracts with the successful tenderer and commence work as soon as possible. While construction of the transmission line proceeds, Tlou will also continue its negotiations with other financiers for further development of the Lesedi project. This additional funding package would primarily be directed towards substations, additional generation capacity and drilling.

3.0 Foreign Exchange...

Botswana's sovereign credit rating for 2021 was affirmed by S&P, as noted by the Bank of Botswana on Friday (19 Mar. 2021). The country's sovereign credit rating for long and short term foreign and local currency sovereign credit was confirmed at "BBB+/A-2" while the outlook was maintained at negative. Understandably, possible risks stemming from the ongoing COVID-19 outbreak was the main driver of the abovementioned ratings, as well as their

impact on the country's economic and fiscal performance in the coming year. S&P noted that ratings for Botswana largely depend on international developments that include, among others, the trajectory of the COVID-19 pandemic, vaccination rates and related extent of future human and goods movement restrictions which could influence the demand for diamonds.

Domestic Exchange rates

Currency	19 Mar	12 Mar	Change (%)	YTD (%)
US\$/BWP ↑ 	0.0911	0.0908	0.33	-3.19
ZAR/BWP ↓ 	1.3447	1.3552	-0.77	1.14
EUR/BWP ↑ 	0.0764	0.0759	0.66	-9.05
GBP/BWP ↑ 	0.0655	0.065	0.77	-8.77
JPY/BWP ↑ 	9.92	9.8800	0.40	-3.03
CNH/BWP ↑ 	0.5935	0.5894	0.70	-9.62

Source: Bank of Botswana

Botswana published its 2021 headline annual inflation rate in February 2021, which stood at 2.4%, being a marginal improvement from the January 2021 rate of 2.3%. The sectors owing to the improved annual inflation rate for February 2021 was the Housing, Water, Electricity, Gas & Other Fuels at 1.3%, and Food & Non-Alcoholic Beverages at 0.5%. Meanwhile, the sectors that noted changes in the month include Housing, Water, Electricity, Gas & Other Fuels, Transport, and Communication; all of which noted a modest movement of +0.1%.

4.0 Commodities...

Brent crude oil prices slumped in the week, declining a steep 8.5% during mid-afternoon trading. This was the sixth straight day of losses for the commodities as demand concerns flared once again as a fresh wave of the coronavirus hits Europe. A number of countries in the Eurozone have pressed pause on

the distribution of the AstraZeneca Covid-19 vaccine on concerns of the drug's probable side effects, while some have imposed lockdowns. Extending the losses was a report by the EIA, which showed an increase in US crude inventories for the fifth week in a row last week.

The precious metals were on track to post gains for the week, with gold edging 0.92% higher on concerns of higher inflation levels, more so after the approval by the US Senate of the US\$1.9 trillion stimulus bill in the prior week. The yellow metal's gains were however capped by the rising US Treasury yields, and the resultant rise in the US dollar. As at mid-afternoon trading, silver was up 0.96% for the week, while platinum was up 0.62%.

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