



Weekly Financial Markets Highlights

Research
Garry Juma
Salome Makgatlhe

Sales
Tshepo Setlhare
Keyshia Tebogo

motswedisecurities



June 04, 2021

Plot 113, Unit 30,
Kgale Mews,
Gaborone

P/Bag 00223,
Gaborone
Botswana.

Tel: 267-3188627
Cell: (+267) 72108088
Fax: 267-3188629

Email: motswedi@motswedi.co.bw
Website: www.motswedi.co.bw

1.0 Local Equity...

The Domestic Company Index (DCI) was back on track in the week just ended, recovering 0.18% as a result of the gainers more than proportionately outweighing the losers. This follows the 0.13% loss that the index endured in the previous week, which broke a four week gaining streak. Given the recovery, the DCI continued to shrink its year to date losses, closing the week lighter at negative 4.11%. In the absence of any stocks going ex-dividend in the week, the Domestic Company Total Returns Index (DCTRI), recovered the same percentage as the DCI. The index's loss for the year dropped to negative 0.98% -- its lowest level since February 2021. The Foreign Company Index (FCI) was unchanged in the week, maintaining its growth of 0.23% for the year, given that there were no trades registered on the relevant BSE Board.

The market noted a single gainer in the name of Letshego in the week. The stock was up 3 thebe, supported by strong demand coming from investors, to end the week valued at P0.85/share. Investors are likely buying into the stock as it remains relatively undervalued with a P/Bv of about 0.4x and likely enticed by dividend yield standing at 13.3%. The gain in the week has made the stock the second best gainer in the domestic equity market at 18.1% -- after SeedCo's yearly gain of 45.9%.

On the end of the losers was Chobe, continuing its decline after the publishing of financial results that showed the impact of a difficult year. As the Company's operating environment remains difficult, despite the lifting of some movement restrictions, investor sentiment remains on the low end for the Company's shares. At the closing of the trading week, Chobe had dropped 5 thebe to be valued at

P8.10/share. This is the third consecutive week of losses for the Company. For the year, Chobe's share price has dropped 14.1%.

COUNTER	28 May (t)	21 May (t)	Change (%)	YTD (%)
LETSHEGO ↑	85	82	+3.7	+18.1
CHOBE ↓	810	815	-0.6	-14.1

Source: Motswedi Securities, BSE

BSE Indices – Week ending 04 June, 2021

DCI Close	6,596.61
Weekly Change (%)	+0.18
YTD Change (%)	-4.11
FCI Close	1,550.85
Weekly Change (%)	0.00
YTD Change (%)	+0.23
DCTRI Close	1,648.39
Weekly Change (%)	+0.18
YTD Change (%)	-0.98

Source: Motswedi Securities, BSE

Market Summary – Week ending 04 June, 2021

No. of Shares Trading	2,095,405
Turnover (BWP)	4,140,863
Turnover (USD)*	390,069
No. of stocks trading#	9
No. of stocks advancing#	1
No. of stocks declining#	1
No. of stocks unchanged#	21

Source: Motswedi Securities, BSE *US\$/BWP = 0.0942
= Domestic Main Board

2.0 Company Announcements

Minergy announced changes to its Board of Directors. Mr. André Bojé, a non-executive director, will retire from the Board as of 31 May 2021. André was the inaugural Chief Executive Officer (“CEO”) of Minergy when it listed on the Main Board of the Botswana Stock Exchange in 2017, bringing with him a unique understanding of the potential that the Masama Coal Project presented. With decades of experience in the industrial coal sector he led Minergy’s transition from an explorer into a developer, setting down the required foundations to become a fully operational coal mine in record time. His depth of experience and market knowledge, not only of coal, but also of the listed space, ensured that an experienced production ready management team was put in place at Minergy. Minergy’s team embodies all of the necessary skills and expertise required to successfully operate a coal mining operation, and to transfer vital skills into Botswana.

Mr. Leonard Makwinja has been appointed as an Independent Non-executive Director, effective 1 June 2021. Read his brief curriculum vitae [here](#). Changes to the Audit and Risk Committee (“ARCO”) include Mr. Cross Kgosiile taking over as Chairman of the committee. In line with best practice corporate governance, with Mr. Cross Kgosiile’s appointment as ARCO Chairman, Mr. Mokwena Morulane, the Chairman of the Board, steps down as Chairman of ARCO but remains a committee Member. Mr. Leutlwetse Tumelo remains a committee Member, and Mr. Claude de Bruin steps down as a committee Member.

Chobe announced the appointment of Myra T. Sekgororoane to the Board effective from 20 May 2021 subject to confirmation at the Annual General Meeting. Read her brief CV [here](#).

Anglo American Capital plc (the “Company”) announced the early results of its invitation to holders of its (i) US\$750,000,000 5.375 per cent. Senior Notes due April 2025 guaranteed by Anglo American plc2 (ISIN: US034863AV24 (Rule 144A) / USG0446NAQ72 (Reg S)) (“April 2025 US Dollar Notes”); (ii) US\$650,000,000 4.875 per cent. Senior Notes due May 2025 guaranteed by Anglo American plc (ISIN: US034863AP55 (Rule 144A) / USG0446NAJ30 (Reg S)) (“May 2025 US Dollar Notes” and, together with the April 2025 US Dollar Notes, the “US Dollar Notes”) and (iii) €600,000,000 1.625 per cent. Guaranteed Notes due September 2025 guaranteed by Anglo American plc (ISIN: XS1686846061) (the “Euro Notes” and, together with the April 2025 US Dollar Notes and May 2025 US Dollar Notes each being a “Series”, and any notes within any such Series being the “Notes”) to tender Notes for purchase by the Company for cash (each such invitation an “Offer” and together, the “Offers”), on the terms of, and subject to the Offer Cap and the Acceptance Priority Levels and the other conditions contained in, a tender offer memorandum dated 17 May 2021 (the “Tender Offer Memorandum”).

CA Sales announced the acceptance of options by a number of Executive Directors of major subsidiaries in terms of the company share incentive scheme. The full announcement can be found [here](#).

Investec plc’s issued capital consists of 696,082,618 Ordinary Shares of GBP0.0002 each (the “Ordinary Shares”), as at 31 May 2021. Of these, no Ordinary Shares are held exclusive of voting rights in Treasury at the date of this announcement and therefore the total number of voting rights in Investec plc is 696,082,618. The figure of 696,082,618 Ordinary Shares may be used

by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest, or a change to their interest, in Investec plc.

Anglo American Plc announces that as at 6pm on 31 May 2021, the issued share capital of the Company was 1,363,118,080 ordinary shares of US\$0.54945 each. No shares are held in Treasury, therefore the total number of voting rights in the Company is 1,363,118,080. This information may be used by shareholders (and others with notification obligations) as the denominator for the calculations by which they will determine whether they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

RDCP announced the results of its 25th Annual General Meeting of Unitholders held virtually at 08h30 on 27 May 2021. All resolutions proposed at the meeting were approved by the requisite majority of votes.

Sechaba Brewery Holdings published its 2020 Annual Report. Find it [here](#).

G4S published its 2020 Annual Report. Find it [here](#).

BBS Limited ("BBSL") Shareholders and other stakeholders are informed that Justice Michael Leburu of the Gaborone High Court has confirmed the Interim Order of Friday 30 April 2021 secured by a BBSL Shareholder Mr. Derek Brink to enable the 2020 Annual General Meeting ("AGM") to proceed after attempts by former Board Members to stop the meeting. The Interim Order was returnable on 03 June 2021 and it not being contested by the former Board Members led to its confirmation. This means

that decisions taken at the 2020 AGM such as the appointment of the new BBSL Board are final. Once again, BBSL would like to thank its Shareholders, stakeholders, and well-wishers for their very strong support when corporate governance matters which arose during the month of April 2021 were being addressed.

3.0 Foreign Exchange...

The dollar reversed the losses noted in the week on Friday to reach a multi week high against several of its trading partners. This gain in the dollar was its largest gain since April 2021, and was supported by the overnight jump in the US Treasury yields following the release of better than expected US employment data. This also sparked hope that the non-farm payrolls data will also be strong once published later on Friday. These are all positive signs that the US economy is rebounding and well on its way to recovery. However, a recovery increases concerns that inflation would rise and such would result in an early withdrawal of the US Federal Reserve's stimulus. This concern lingered despite the repeated attempts by the Fed's officials allaying them. The Fed views this anticipated increase in inflation, to be transitory and short lived while the US economy reopens, and as such intends to maintain its stance.

Domestic Exchange rates

Currency	04 June	28 May	Change (%)	YTD (%)
US\$/BWP ↑ 	0.0942	0.0939	0.32	0.11
ZAR/BWP ↓ 	1.2856	1.2977	-0.93	-3.30
EUR/BWP ↑ 	0.0778	0.0771	0.91	-7.38
GBP/BWP ↑ 	0.0668	0.0662	0.91	-6.96
JPY/BWP ↑ 	10.38	10.3100	0.68	1.47
CNH/BWP ↑ 	0.6034	0.5979	0.92	-8.12

Source: Bank of Botswana

4.0 Commodities...

Oil prices paused just before touching US\$72 per barrel during Friday afternoon trading, hovering near a two-year high supported by the Organization of the Petroleum Exporting Countries (OPEC) and its allies keeping their supply cuts intact as well as a recovering global economy increased demand levels for oil and oil products as economies reopen. Also fuelling oil prices was a weekly report from the US Energy Information Administration (EIA), showing that US crude inventories declined more than expected in the prior week. These gains were however capped by concerns of the unequal rollout of the coronavirus vaccinations around the globe. Oil prices were up about 2.8% for the week by mid-afternoon trading, and were on track for its second weekly gain.

Gold touched a two week low during Friday trading, pressured by the overnight recovery of the US dollar. Gold prices were down 1.8% (by mid-afternoon trading) for the week, carrying a year to date loss of negative 2%.

Silver was on the track to post its largest week on week loss since the beginning of March 2021, having dropped about 0.5%. Meanwhile, platinum slipped about 0.6% in the week.

Disclaimer:

The views expressed in this research note reflect the views of Motswedi Securities (Proprietary) Limited based on the information available at its disposal at the time of writing and may change without notice, and is provided for information purposes only. While Motswedi Securities (Proprietary) Limited has taken all reasonable steps in carefully preparing the document, it does not take any responsibility for any action that may be taken on the basis of the information contained herein. Each recipient of it is advised to undertake its own analysis and evaluation of the terms and contents hereof, and obtain independent advice as appropriate, before acting in any way upon the information contained herein. Accordingly, this document is not intended, and no part of this document should be read, as constituting, in any way, an offer or other solicitation for the purpose of the purchase or sale of any of the securities referred to herein. This document may not be reproduced, distributed or published, in part or in whole, by any recipient for any purposes without the authorization of Motswedi Securities (Proprietary) Limited.