



Weekly Financial Markets Highlights

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1.0 Local Equity...

The Domestic Company Index (DCI) ended another week of recoveries posting its largest weekly gain since the third week of June 2021. The DCI was up 0.22% as the value gainers outweighed the losers in the week, shrinking its loss for the year to negative 2.23%. The Domestic Company Total Returns Index (DCTRI) (which benefits from both share value increases and dividends) was up 0.42%, further supported by BTCL and Primetime going ex-dividend earlier in week. For the year, the index has grown 1.37%. The market also noted a marginal decline in the Foreign Company Index, as its value dropped 0.01% but however maintaining its yearly gain at about 0.25%.

In the driving seat of the DCI was the gain in Sechaba, closing 30 thebe up at P16.60/share. Sechaba has received some unfettered support from investors since publishing a positive trading statement in the previous week. The company advised its shareholders in the trading statement that it expects its profit before tax for the 6-month period ended 30 June 2021 to be between 105% and 110% (approximately P40.8mn to P42.8mn) higher than the P38.9m reported for the period ended 30 June 2020. This was a welcome announcement for investors as the company's performance continues to be somewhat guided by the ongoing ban on the sale of liquor in Botswana. Despite the recovery, the stock closed the week with a decline for the year of negative 19.6%.

FNBB was another gainer in the week, claiming back 3 thebe to end the week at an almost 10 month high at P2.25/share. Support for the stock in the last few months has seen it recouping losses made earlier in the year. On a year to date basis, the stock has grown 2.3%. RDCP gained two thebe in the week,

closing at P2.12/linked unit, marginally reducing its decline for the year to negative 1.4%.

Capping gains for the domestic indices was Chobe, losing 5.7% of its value to close the week at P7.50/share, leaving its loss for the year at negative 20.5% (the second largest loser after Turnstar at negative 20.8%).

Meanwhile, CA Sales was down 1.4% in the week to close at P3.65/share, extending its loss for the year to negative 2.4%.

BSE Indices – Week ending 20 August 2021

DCI Close	6,726.07
Weekly Change (%)	+0.22
YTD Change (%)	-2.23
FCI Close	1,551.12
Weekly Change (%)	-0.01
YTD Change (%)	+0.25
DCTRI Close	1,687.53
Weekly Change (%)	+0.42
YTD Change (%)	+1.37

Source: Motswedi Securities, BSE

Market Summary – Week ending 20 August 2021

No. of Shares Trading	3,406,657
Turnover (BWP)	11,703,042
Turnover (USD)*	1,033,379
No. of stocks trading#	12
No. of stocks advancing#	3
No. of stocks declining#	1
No. of stocks unchanged#	19

Source: Motswedi Securities, BSE *US\$/BWP = 0.0883
= Domestic Main Board

COUNTER	20 Aug (t)	13 Aug (t)	Change (%)	YTD (%)
SECHABA ↑	1660	1630	+1.8	-19.6
FNBB ↑	225	222	+1.4	+2.3
RDCP ↑	212	210	+1.0	-1.4
CA SALES ↓	365	370	-1.4	-2.4
CHOBE ↓	750	795	-5.7	-20.5

Source: Motswedi Securities, BSE

2.0 Company Announcements (on BSE X-News)

RDC Properties referred unitholders to the circular issued by the Company on 14 July 2021, and dispatched to Unitholders on the 15 and 16 July 2021 (“the Circular”). Unitholders resolved at the Extraordinary General Meeting, held on 13 August 2021, to increase the stated and debenture capitals of the Company, so as to enable the Bonus Award, and issue of the Bonus Issue Linked Units pursuant thereto. The Company now proceeds with the Bonus Award and the Bonus Issue as contemplated in the Circular. The Company will issue of 88,362,039 new linked units out of accumulated Net Asset Value contained in accumulated profits of the Company. Unitholders registered on the register of the Company on the Record Date will receive one Bonus Issue Linked Unit for every four Linked Units held, at a value of P2.14 per Bonus Issue Linked Unit.

The purpose of the Bonus Award is to ensure no prejudice to current Unitholders by transferring to them a portion of Net Asset Value prior to the Rights Offer contemplated by the Company and subject to a separate announcement, to ensure that Unitholders will benefit from growth in the Net Asset Value to date, even if Unitholders do not choose to follow their rights under the Rights Offer.

No fraction of Linked Units will be allotted and issued. Where the entitlements to Bonus Issue

Linked Units result in a fraction of a Unit, the fraction will be paid in cash as per the indicative example set forth in section 12 of the Circular.

The BSE has granted a listing of the Bonus Issue Linked Units with effect from the commencement of business on 30 August 2021.

The Company is of the view that there is no withholding tax (whether in respect of distribution of dividends or payment of interest) on the Bonus Issue Linked Units nor is capital transfer tax payable on the Bonus Award or Bonus Issue.

RDC Properties further advised unitholders that the Company now proceeds with the Rights Offer details of which were set out in the circular dated 14 July 2021 (“the Circular”).

The terms of the Rights Offer are as follows:

The Company seeks to raise approximately BWP730,000,000, by way of a Rights Offer of 339,534,884 linked units (“the Rights Offer Linked Units”). The Rights Offer Linked Units are offered to Unitholders recorded on the register at the close of business on Friday 20 August 2021 (“the Record Date”) on the basis of approximately 0.96 Rights Offer Linked Unit for every Linked Unit held, at a price of BWP2.14 per Rights Offer Linked Unit.

The Rights Offer Linked Units will, when issued and fully paid, rank pari passu in all respects with the linked units now in issue.

Any allocation of Rights Offer Linked Units that would result in fractional entitlements will not be issued, but will be paid out in cash for the benefit of the unitholder to whom the fraction is to be issued.

As appears from section 3.1 and 3.3.6 hereof, certain of the major Unitholders of the Company have signed irrevocable unconditional letters of commitment and undertaking in terms of which such Unitholders will subscribe for Rights Offer Linked Units that have not been subscribed for.

The Botswana Stock Exchange has given its in principle approval to the Rights Offer, and the listing of the renounceable letters of allocation and the subsequent listing Rights Offer Linked Units.

RDC Properties further published the results of the Extra Ordinary General Meeting of unitholders held Virtually on 13 August 2021. 70 Unitholders were represented, either in person or by proxy, who held in total 346,036,576 Linked units, which represented 97.90% of the securities of the Company. At the Extra Ordinary General Meeting of the unitholders of RDC Properties Limited held on 13 August 2021, the all the resolutions proposed at the meeting were approved by the requisite majority of votes.

SeedCo International issued a third notice dividend currency exchange rate for Botswana register shareholders in the week. Further to the 1st Notice issued on 30 June and the 2nd notice in the form of a Circular issued on 22 July 2021, regarding the dividend with a scrip and cash option with a Dividend Record Date of 17 August 2021 and Settlement Date of 26 August 2021, the Company wishes to advise as follows:

- Shareholders on the Botswana Share Register will be paid in USD if they have provided their USD bank account details to the Company, care of the Botswana Transfer Secretaries, the Central Securities Depository Botswana (“CSDB”), by the Record Date.

- Shareholders on the Botswana Share Register who do not have USD bank accounts or who have not provided their USD bank account details to the Company by the Record Date will be paid the cash dividend in Botswana Pula based on the prevailing mid exchange rate on the Record Date, as determined by reference to Seed Co International Limited’s bank, Stanbic Bank of Botswana Limited, being BWP10.80 to USD1.00. Accordingly, the gross dividend will be 10.48 thebe per share. A net cash dividend payment will be made after the deduction of applicable withholding taxes imposed in accordance with Botswana taxation laws.

Shareholders are advised that everything else pertaining to the scrip or cash dividend remains as announced in the Circular that was issued by the Company on 22 July 2021.

3.0 Foreign Exchange...

The US dollar reached a nine-month high in the week, as investor concerns in tandem with the global coronavirus cases. This had the effect of making the safe haven appeal of the greenback against its trading partners, more especially the emerging market currencies. Further supporting the dollar was the US Federal Reserve minutes highlighting that the US lawmakers were considering tapering the pandemic induced stimulus later this year (which is earlier than was anticipated by the market at large).

Meanwhile, closer to home, the Bank of Botswana decided to maintain the Bank Rate at 3.75%. This is despite the annual inflation rate rising to 8.9% in July 2021, from 8.2% in June 2021 – well above the Bank’s medium-term objective range of 3 – 6%. The increase in inflation in July was attributed to the upward adjustment in domestic fuel prices in July

2021. The Central Bank has further noted that the inflation levels are temporary and are expected to return within range in Q2 of 2022 once the VAT upward adjustment from Q2 2021 has been fully absorbed in the inflation calculations.

While maintaining the bank rate at 3.75%, the Central Bank has also noted that it stands ready to take any action should the economy require it. In the same statement, the Central Bank projected that the economy will operate below full capacity in the short to medium term and, thus not expect any further inflationary pressures to be created.

Domestic Exchange rates

Currency	20 Aug	13 Aug	Change (%)	YTD (%)
US\$/BWP ↑ 	0.0883	0.0896	-1.45	-6.16
ZAR/BWP ↓ 	1.3463	1.3278	1.39	1.26
EUR/BWP ↑ 	0.0756	0.0764	-1.05	-10.00
GBP/BWP ↑ 	0.0648	0.065	-0.31	-9.75
JPY/BW ↓ 	9.69	9.8900	-2.02	-5.28
CNH/BWP ↑ 	0.5746	0.5808	-1.07	-12.50

Source: Bank of Botswana

4.0 Commodities...

Oil prices were headed for a weekly loss of over 6% by Friday afternoon trading, pressured by freshly imposed lockdowns in a number of countries around the world enduring a spike in COVID-19 Delta variant cases. The lockdowns are expected to impact oil demand in the various economies, which may have a knock on effect of harming the level of economic activities and growth forecasts in the near future. Countries that have refreshed lockdowns include Japan, China, and Australia among others. The price of the Brent crude futures was near their lowest since around early May 2021, at US\$66.65 per barrel, with a growth for the year of 29%.

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