



Weekly Financial Markets Highlights

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September 10, 2021

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1.0 Local Equity...

In a historic moment for the Botswana Stock Exchange (BSE), two Exchange Traded Funds (ETFs) listed on the Exchange in the week. The two ETFs are managed by Cloud Atlas Investing and are aptly named Cloud Atlas S&P Africa Sovereign Bond Fixed Income and Cloud Atlas AMI Big50 ex-South Africa. The Cloud Atlas S&P Africa Sovereign Bond Fixed Income portfolio offers investors access to listed African Hard Currency Bonds by tracking an index developed in conjunction with S&P which offers investors a basket of quality credit-rated, high-yielding, and long-dated debt issued by African Sovereign countries. The portfolio consists of USD bonds issued by: Egypt, Ghana, Kenya, Morocco, Namibia, Nigeria, and South Africa, paying approximately 6.8% yield per annum in USD.

Whereas, the Cloud Atlas AMI Big50 ex-South Africa portfolio offers investors exposure to African equity, ex- South Africa, and tracks 15 sectors across 14 different countries. The portfolio is designed to reflect a liquid basket of constituents for investors looking for Pan African exposure without the hassles of deciding what to buy. It provides investors with the benefit of being exposed to the growth potential of the continent's stock markets. The portfolio consists of stocks from Botswana, BRVM (Ivory Coast), Egypt, Ghana, Kenya, Mauritius, Morocco, Nigeria, Tunisia.

Trading activity was up on the BSE equity market, with 4.09mn shares valued at P8.89mn, comparing quite favourably with the previous weeks, 1.68mn shares worth P5.5mn that traded. The market losers marginally outweighed the gainers in the week, as is evident in the Domestic Company Index (DCI) declining a small 0.01% in the week, extending its loss for the year at negative 2.01%. The Domestic

Company Total Returns Index (DCTRI) also dropped 0.01%, marginally compressing its growth for the year to +1.59%.

The ongoing RDC Properties rights offer is closing in the coming week (17 September 2021). Interested unitholders are reminded to send in their acceptance forms before the elapse of the aforementioned deadline to RDC Properties' transfer agent, PricewaterhouseCoopers Advisory Services Proprietary Limited.

BSE Weekly Price Movements

COUNTER	10 Sep (t)	03 Sep (t)	Change (%)	YTD (%)
LETSHEGO ↑	110	107	+2.8	+52.8
STANCHART ↑	191	190	+0.5	+31.7
CHOBE ↓	735	740	-0.7	-22.1
BTCL ↓	73	74	-1.4	-11.0
TURNSTAR ↓	190	200	-5.0	-24.0

Source: Motswedi Securities, BSE

BSE Indices – Week ending 10 September 2021

DCI Close	6,740.78
Weekly Change (%)	-0.01
YTD Change (%)	-2.01
FCI Close	1,548.83
Weekly Change (%)	0.00
YTD Change (%)	+0.10
DCTRI Close	1,691.22
Weekly Change (%)	-0.01
YTD Change (%)	+1.59

Source: Motswedi Securities, BSE

Market Summary – Week ending 10 September 2021

No. of Shares Trading	4,087,608
Turnover (BWP)	8,893,183
Turnover (USD)*	812,837
No. of stocks trading#	14
No. of stocks advancing#	2
No. of stocks declining#	3
No. of stocks unchanged#	18

Source: Motswedi Securities, BSE *US\$/BWP = 0.0914
= Domestic Main Board

2.0 Company Announcements (on BSE X-News)

BancABC published its interim unaudited financial results for the six months ended 30 June 2021. Net interest income was pressured in the period due to the lower bank rate in H1 2021, in comparison to H1 2020. Credit impairments were up 252% as a result of an increase in non-performing loans in the retail portfolio. Putting further pressure on the impairment line were enhancements made to the bank's Expected Credit Loss model, which was adopted in the latter part of 2020. Non-interest revenue was up, driven by a 172% climb in trading income on the back of good margins and volumes. Meanwhile digital income supported the 54% climb in net fees and commission income in the period. Expenses were up in the period as a result of deliberate cost increases in areas such as the marketing spend to support some of the growth initiatives. This is expected to increase further in H2 2021 as the bank intends on bringing a number of projects to market, which have been incubated over the last two years. Loans and advances were down 1% reflecting caution on credit extensions. Deposits from customers were up 9%, although marginally down from its year-end position. Despite a capital adequacy of 22% (well above the required minimum of 12.5%), the bank made no dividend declaration in the period, maintaining its dividend yield at 0%. The

Company's PE is at 15.6x and PBv is at 1.2%. Access Bank Plc and Atlas Mara and ABCH announced an agreement for Access Bank Plc to acquire the full 78.15% shareholding of ABCH in BancABC Botswana in April 2021. Good progress has been made and all required regulatory approvals are in place for the transaction, with the transaction expected to close by September 30 subject to closure of conditions precedent between ABCH and Access Bank PLC.

BTCL hereby give notice that the 2021 Annual General Meeting will be held by means of audio or audio and visual communication (Microsoft Teams) in Gaborone, Botswana on Tuesday, 28 September 2021 at 09:00hrs. Find the agenda in the 2021 Annual Report [here](#).

Far Properties unitholders hereby advise that the Group profit before tax for the 12 months ended 30 June 2021 will be between 10-12 % (approximately P8.60mn to P10.30mn) higher than those reported for the comparative period ended 30 June 2020, which amounted to P86.48mn. The Far Property Company Limited will be publishing its Audited Consolidated financial result of the Group for the 12 months ended 30 June 2021 before end of September 2021. Accordingly, unitholders and investors are advised to exercise caution when trading in the company's securities until the year-end results are announced.

FNBB published their 2021 full year financial results in the week. The bank's interest income was down 15% pressured by a number of factors, including the reduced bank to 3.75% (from the previous year-end's 4.25%), a 7% drop in advances to customers, and a change in the advances portfolio mix. Putting further pressure on interest income was a decline in

the cash and investment portfolio, as a result of a reduction in risk free rates and lower yields across investment securities. Interest expense was down 22% due to an 8% reduction in the deposits from customers as well as the decrease in the Bank Rate. Worthy of note, was the 43% decline in credit impairments driven by a reduction in gross advances, normalisation of impairments and the reduction in loan defaults. Non-interest income was flat year-on-year with a marginal increase of 1% driven by 7% growth in service fee and card commission income and capped by a 30% foreign exchange revenue squeeze. Employee benefits costs increased by 6% year-on-year, with a voluntary separation programme offered during the year. Cost-to-income for the year was at 51.9%, a slight increase from the previous year's 47.9%. Ultimately, profit before tax declined 1% to P918mn from P927mn in the previous year. Despite the flat performance, FNBB declared a final dividend of 49 thebe. This was an ordinary dividend of 9 thebe and a special dividend of 40 thebe, as the bank rebalanced its capital portfolio. The Bank's PE as at 10 September 2021 was 8.4x, with a PBv of 1.5x, and a recently hiked nett dividend yield of 22.1%.

Letlole La Rona wishes to advise Unitholders that further to the Cautionary Announcement that was published on the 6th of August 2021, the negotiations with the two parties on the potential transactions are still in progress. The successful conclusion of these negotiations may have a material impact on the price of the Company's shares. Unitholders and investors are therefore advised to continue exercising caution when dealing in the Company's securities until such a time that the outcome of the negotiations is communicated by the Company.

Letlole La Rona advises unitholders that the Company is currently finalising its audited results for the financial year ended 30 June 2021. The Company's Board of Directors hereby announces that the Company is expecting profit before tax (from continuing operations) for the year ended 30 June 2021 to be between 10% and 20% (P7.8mn and P15.6mn) below the prior year's profit of P78.2mn.

Due to the impact of the Covid-19 pandemic on the property market, the revaluation gains of investment property were moderate, amounting to P7.7 million when compared to the prior year figure of P33.9 mn. Revenue and operating profit remain on an upward trajectory with an increase of 27% and 37% respectively, above the prior year. The Company's cash position remains strong as the decline in profit is due to lower revaluation gains, which do not have an impact of the cash flow of the Company. As a result, the Company has been able to successfully maintain its distribution to shareholders, with the distribution in the current year being 8% above the prior year distribution. The Company will be publishing its audited financial results for the year ended 30 June 2021 on or before 30 September 2021. Accordingly, shareholders and investors are advised to exercise caution when trading in the Company's securities until the results are announced

RDC Properties provided an update announcement in respect of bonus issue linked units. The Company notifies Unitholders that technical delays at Botswana Stock Exchange (BSE) ,have resulted in the Bonus Issue Linked Units not being credited to securities accounts of Unitholders timeously. The issue has now been resolved and the Bonus Issue Linked Units will be credited to and reflect in the securities accounts of Unitholders in the Central Securities Depository of Botswana system today

Monday 6 September 2021 and such Linked Units are available for trade as of today Monday 6 September 2021. Queries may be addressed to the BSE telephone (267) 3674400 or email listings@bse.co.bw attention Mr. T. Mmolai.

RDC Properties unitholders are referred to the circular issued on 14 July 2021 and dispatched to Unitholders by the Company (“the Circular”) and to the cautionary announcement issued by the Company on 24 August 2021. Unitholders are hereby advised that on 6 September 2021 the Company and Tower Property Fund Limited (“Tower”) entered into an offer and implementation agreement (the “Implementation Agreement”) setting forth the pre-conditions, terms of and timelines for the making of the Scheme Offer and Standby General Offer (collectively, the “Offers”) as defined in the Circular. Tower has accordingly issued a cautionary announcement, in this regard, on the Johannesburg Stock Exchange news service. The process to implement, inter alia, the Rights Offer and Offers, continues to progress in line with the timetable detailed in the Circular. The Directors advise Unitholders to continue to exercise caution in dealing in securities of the Company until such time as the outcome of the Offers is known.

Anglo American plc announces that it has purchased 184,703 of its ordinary shares of US\$0.54945 each on Exchange (as defined in the Rules of the London Stock Exchange) from Goldman Sachs International as part of its buyback programme announced on 29 July 2021. This purchase is dated 3 September 2021.

Anglo American plc announces that it has purchased 209,397 of its ordinary shares of US\$0.54945 each on Exchange (as defined in the

Rules of the London Stock Exchange) from Goldman Sachs International as part of its buyback programme announced on 29 July 2021. This purchase is dated 6 September 2021.

Anglo American plc announces that it has purchased 177,930 of its ordinary shares of US\$0.54945 each on Exchange (as defined in the Rules of the London Stock Exchange) from Goldman Sachs International as part of its buyback programme announced on 29 July 2021. This purchase is dated 7 September 2021.

Anglo American plc announces that it has purchased 157,989 of its ordinary shares of US\$0.54945 each on Exchange (as defined in the Rules of the London Stock Exchange) from Goldman Sachs International as part of its buyback programme announced on 29 July 2021. This purchase is dated 8 September 2021.

Anglo American plc announces that it has purchased 179,995 of its ordinary shares of US\$0.54945 each on Exchange (as defined in the Rules of the London Stock Exchange) from Goldman Sachs International as part of its buyback programme announced on 29 July 2021. This purchase is dated 9 September 2021.

Anglo American plc published a notice relating to its amounts per ordinary share in Sterling and Euros. Further to the announcement of 29 July 2021 of a dividend of 251 US cents per ordinary share (comprising an interim dividend of 171 US cents per ordinary share and a special dividend of 80 US cents per ordinary share), the equivalent of the total dividend detailed above, in Sterling is 182.113 pence per share and in Euros is 211.963 Euro cents per share based on exchange rates of US\$1=£0.725551

and US\$1=€0.844475. The US\$:£/€ conversion rates were determined by the actual rates achieved by Anglo American buying forward contracts for those currencies during the two working days preceding this announcement, for delivery on the dividend payment date. As announced on 29 July 2021, the equivalent of the dividend in South African Rand is 3720.82400 cents per ordinary share, based on an exchange rate of US\$1: R14.8240, taken on Wednesday, 28 July 2021. The payment date of the dividend for shareholders on the UK principal register is Friday, 24 September 2021 and for shareholders on the South African branch register is Monday, 27 September 2021.

Anglo American plc announces that it has purchased 189,000 of its ordinary shares of US\$0.54945 each on Exchange (as defined in the Rules of the London Stock Exchange) from Goldman Sachs International as part of its buyback programme announced on 29 July 2021. This purchase is dated 10 September 2021.

Investec Limited is pleased to advise shareholders that its ordinary shares will be traded on A2X with effect from 16 September 2021 (the “A2X listing date”). Investec Limited will retain its listing on the Johannesburg Stock Exchange (JSE), the Namibia Stock Exchange (NSX) and the Botswana Stock Exchange (BSE) and its issued share capital will be unaffected by the secondary listing on A2X. Investec Limited’s ordinary shares will be available to be traded on the JSE, NSX, BSE and A2X from the A2X listing date. A2X is a licensed stock exchange authorised to provide a secondary listing venue for companies and is regulated by the Financial Sector Conduct Authority and Prudential Authority, South African Reserve Bank in South Africa in terms of the Financial Markets Act 19 of 2012.

Investec plc and Investec Limited

Lucara Diamond Corp. is pleased to announce that the Board of Directors has formally approved the Karowe underground expansion project (the “UGP”), following the Financial Close and satisfaction of all Conditions Precedent pursuant to the previously announced senior secured project financing debt package of US\$220 million (the “Facilities”) signed July 12, 2021 (link to news release). The Facilities include two tranches: A project finance facility of US\$170 million to fund the development of the underground project, and a US\$50 million working capital facility to re-finance the Company’s existing debt and to support on-going operations.

3.0 Foreign Exchange...

The US dollar dropped on Friday as risk sentiment improved for emerging market currencies following news of a discussion between US President Joe Biden and Chinese leader Xi Jinping for the first time in seven months. Adding further pressure to the dollar was the uncertain timeline around when the US Federal Reserve will begin tapering its bond purchases, and ultimately increasing interest rates.

Domestic Exchange rates

Currency	10 Sept	03 Sep	Change (%)	YTD (%)
US\$/BWP ↑ 	0.0914	0.0907	0.77	-2.87
ZAR/BWP ↓ 	1.2966	1.3118	-1.16	-2.47
EUR/BWP ↑ 	0.0773	0.0764	1.18	-7.98
GBP/BWP ↑ 	0.066	0.0656	0.61	-8.08
JPY/BWP ↑ 	10.04	9.9800	0.60	-1.86
CNH/BWP ↑ 	0.5883	0.5852	0.53	-10.42

Source: Bank of Botswana

Meanwhile, the local unit traded up against a number of its trading partners, supported by improved appetite for riskier assets.

4.0 Commodities...

Oil prices rallied on Friday, to close the week 0.43% up, supported by supply concerns in the US following the landing of Hurricane Ida, almost two weeks ago in the US Gulf. As a result of the hurricane, about 75% of the oil production from the US Gulf was shut down, this being about 1.4mn barrels per day removed from the oil market since late August 2021. Further supporting oil prices were the growing hopes that US-China trade will improve following news that a call between US President Joe Biden and China's President Xi Jinping. However, capping gains for the week was comments coming from China, that it would release its crude oil reserve to supplement high feedstock costs for refiners. In the week ahead, markets will be focused on revisions of the demand outlook for 2022 from OPEC and the International Energy Agency.

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