



# Weekly Financial Markets Highlights

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## 1.0 Local Equity...

The market opened the week by trading the largest single transaction ever traded in the entire history of the Botswana Stock Exchange (BSE). At over BWP1bn, or BWP1,070,845,563.06 to be exact, this translated to just over US\$95mn. This transaction marked the official change of majority share ownership of BancABC Botswana from Atlas Mara Limited to Access Bank Plc. Now that the formal trade of shares has occurred, we expect that the name change approved by shareholders at the September 2021 EGM, will be coming into effect in the next few weeks. Meanwhile, the bank's rebranding strategy is expected to be completed by the close of the fourth quarter of 2021.

Letshego took charge of the liquidity in the week, as the stock rallied on, advancing 1.7% extending its lead of the gainers to 69.4%. Demand for Letshego remains quite high in the market, which is the main driver of the stock's climb in the last few months. Letshego currently has an outstanding interim dividend of 7.30 thebe (gross) that investors are also aiming to qualify for before the ex-dividend date of 03 November 2021.

BTCL noted its second week of gains on the BSE, as demand for the stock drove its price to P0.71/share. Appetite appears to have returned for BTCL, with investors finding appeal in the stock's low valuation. The stock, however, has a long way to go to recover its losses for the year, which by the week's end had shrank to negative 13.4%.

There were a myriad of other price movers noted in the week, of which at the end, resulted in the Domestic Company Index (DCI) climbing 0.13% while the Domestic Company Total Returns Index (DCTRI) up 0.62%. Movements in the DCI are wholly

dependent on the movement in market capitalisation on the Domestic Board, and therefore move when the share price movements occur. Meanwhile, the movements of the DCTRI benefit from both, the movement in market capitalisation on the Domestic Board as well as dividends declared in that Board. As is such, the DCTRI was additionally supported by Absa and Engen, going ex-dividend in the week. By the close of the week, the DCI carried a growth for the year of 0.59%, while the DCTRI's growth was much higher at 8.79%. The Foreign Company Index was unmoved in the week, having registered no price movements, thus no change in market capitalisation, and therefore maintained its year to date growth at 0.10%.

### BSE Indices – Week ending 15 October 2021

<b>DCI Close</b>	<b>6,920.03</b>
Weekly Change (%)	+0.13
YTD Change (%)	+0.59
<b>FCI Close</b>	<b>1,548.83</b>
Weekly Change (%)	0.00
YTD Change (%)	+0.10
<b>DCTRI Close</b>	<b>1,811.11</b>
Weekly Change (%)	+0.62
YTD Change (%)	+8.79

Source: Motswedi Securities, BSE

### Market Summary – Week ending 15 October 2021

No. of Shares Trading	<b>587,680,871</b>
Turnover (BWP)	<b>1,127,808,840</b>
Turnover (USD)*	<b>100,374,987</b>
No. of stocks trading#	<b>16</b>
No. of stocks advancing#	<b>6</b>
No. of stocks declining#	<b>1</b>
No. of stocks unchanged#	<b>17</b>

Source: Motswedi Securities, BSE \*US\$/BWP = 0.0890  
# = Domestic Main Board

### BSE Weekly Price Movements

COUNTER	15 Oct (t)	08 Oct (t)	Change (%)	YTD (%)
BTCL ↑	71	69	+2.9	-13.4
LETLOLE ↑	245	240	+2.1	+7.0
LETSHEGO ↑	122	120	+1.7	+69.4
RDCP ↑	215	212	+1.4	0.0
ENGEN ↑	1035	1030	+0.5	+0.7
SECHABA ↑	1665	1660	+0.3	-19.4
TURNSTAR ↓	180	190	-5.3	-28.0
BASBI* ↑	7970	7510	+6.1	+6.1
NEWGOLD* ↑	18600	18300	+1.6	-3.0
BAMIB50* ↓	610	626	-2.6	+1.7

Source: Motswedi Securities, BSE

\* = Exchange Traded Fund

## 2.0 Company Announcements (on BSE X-News)

**Banc ABC Botswana** advised its Shareholders as at 11 October 2021, that completion of the transaction has now taken place following conclusion of all regulatory approvals and customary conditions and that Access Bank PLC now holds 78.15% of the outstanding share capital of BancABC Botswana previously held by African Banking Holdings Limited (ABCH). Access Bank PLC (NSE: ACCESS) is a leading full-service commercial bank operating through a network of more than 600 branches and service outlets, spanning three continents, 12 countries and over 40 million customers which is more than the population of 82% of African countries. The Bank employs 28,000 thousand people in its operations in Nigeria, Sub-Saharan Africa and the United Kingdom, with representative offices in China, Lebanon, India and the UAE.

Listed on the Nigerian Stock Exchange since 1998, Access Bank is a diversified financial institution, which combines a strong retail customer franchise

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and digital platform with deep corporate banking expertise and proven risk management and capital management capabilities. The Bank services its various markets through five business segments: Personal, Business, Operations and IT, Commercial and Corporate & Investment Banking.

The Bank has over 900,000 shareholders, including several Nigerian and International Institutional Investors, and has enjoyed what is arguably Africa's most successful banking growth trajectory in the last 18 years. Following its merger with Diamond Bank in March 2019, Access Bank became one of Africa's largest retail banks by retail customer base.

As part of its continued growth strategy, Access Bank is focused on mainstreaming sustainable business practices into its operations. The Bank strives to deliver sustainable economic growth that is profitable, environmentally responsible, and socially relevant, helping customers to access more and achieve their dreams.

In 2020, Access Bank joined the list of top 500 most valuable banks in the world, displacing 3 other Nigerian banks to become number 14 out of 19 African banks that made the list of 500 in 2020. The Company is now working on the rebranding strategy to become Access Bank Botswana, which is expected to complete in the fourth quarter of 2021. Shareholders are accordingly so advised.

**Anglo American plc** announces that it has purchased 162,735 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 was dated 07 October 2021.

**Statistic Botswana** published the CPI figures for September 2021 in the week. The annual inflation rate stood at 8.4% in September 2021, down from the 8.8% recorded in August 2021. Driving the annual inflation in September 2021 was the Transport group at 4%, the Housing, Water, Electricity, Gas & Other Fuels at 1.5%, and the Food & Non-Alcoholic Beverages at 0.9%.

### 3.0 Foreign Exchange...

The US dollar stuttered in the week, as investors cashed in their profit following an ongoing rally that started mid-September. Driving the rally were investors betting that the US Federal Reserve would announce the start of the tapering of its asset buyback programme next month. Minutes from the Feds meeting last month, released this week, further confirmed that the stimulus tapering would likely begin by the middle of next month.

#### Domestic Exchange rates

Currency	15 Oct	08 Oct	Change (%)	YTD (%)
US\$/BWP = 	0.0890	0.0885	0.56	-5.42
ZAR/BWP ↓ 	1.3150	1.3245	-0.72	-1.09
EUR/BWP ↑ 	0.0767	0.0766	0.13	-8.69
GBP/BWP = 	0.0651	0.0651	0.00	-9.33
JPY/BW ↑ 	10.1500	9.9000	2.53	-0.78
CNH/BWP ↑ 	0.5726	0.571	0.28	-12.81

Source: Bank of Botswana

### 4.0 Commodities...

**Oil** prices were set to close their sixth straight week of gains, supported by an anticipated supply deficit in the coming few months as a result of spiking gas and coal prices, making oil products more attractive. At these levels, Brent prices are at their highest levels since October 2018. Further supporting oil prices in the week is a global recovery that seems to be moving faster than the energy being produced.

This was driven by an increase in demand, following the sharp drop caused by the COVID-19 pandemic in the prior year. The OPEC+ collective, have also decided not to increase output to match the increasing demand. Instead, OPEC+ are sticking to their plan to gradually increase output over the coming months as previously agreed by the members. The US Department of Energy also noted in the previous week that they do not have intentions of tapping into the country's reserves to cover any shortfall in supply. At the time of writing, Brent was trading at around US\$84.80 per barrel.

**Gold** prices were in line to close their best week in five months with a growth of about 1.22%, supported by the retreat in the US dollar and US Treasury yields. At the time of writing, gold was trading at around US\$1,778.57/oz. Silver and platinum were up for the week as well, with a growth of 2.47% and 2.20% respectively.

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