



Weekly Financial Markets Highlights

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1.0 Local Equity...

The BSE equity market posted its highest level of weekly liquidity in the year (thus far), recording 14.61mn shares crossing with a worth of P14.39mn, which was traded across 13 stocks. Letshego was the epitome of liquidity for the week, trading the most shares at 13.20mn (P10.03mn) with each share going through the market at P0.76 each – this being unchanged from the prior week’s closing value. The stock has a very wide reaching and diverse shareholding, which has translated into it being one of the most liquid stocks on the Exchange. In 2020, the stock alone, traded 24% of the total equity market turnover on the BSE. As the stock’s price was not changed in the day, its YTD performance remained stagnant for the week, at +5.6%.

The property sector of the Exchange was on the defensive in the week, as two companies in the sector posted losses. Primetime dropped 3 thebe to close the week valued at P2.70/linked-unit. This loss adding to the stock’s existing negative movement in the year, which now cumulatively stands at negative 1.8%. Turnstar was the property stock to lose in the week, giving back 2.9% of its value to the market to close worth P2.38/linked-unit.

Lucara Diamonds posted a gain of 24.8% in the week, to close valued at P7.00/share, ahead of the Company’s 2020 yearend financial results which are anticipated on the 22nd February 2021. This gain was likely supported by the anticipation of a recovery in the diamond market in the medium term. As recent as two weeks ago, the Company recovered a 378-carat diamond in its Karowe mine in Botswana, adding to a growing list of significant gems in the region.

As would be expected, given the negative price movements in the week, the Domestic Company Index (DCI) closed the week 0.13% down, given the relevant Board posted only losses for the week. The Domestic Company Total Returns Index (DCTRI), on the hand, depreciated 0.06% during the week, cushioned by the return of dividends in the market. To this end, Sefalana went ex-dividend on the 10th February 2021; the dividend will become payable on the 24th February 2020. The DCI and the DCTRI now have YTD’s of negative 0.39% and negative 0.22% respectively. The Foreign Company Index climbed 0.16% in the week, supported by the gain in Lucara. The index’s YTD currently stands at 0.22% by the close of the week.

Market Summary – Week ending 12 February, 2021

No. of Shares Trading	14,605,438
Turnover (BWP)	14,390,745
Turnover (USD)*	1,326,827
No. of stocks trading#	11
No. of stocks advancing#	0
No. of stocks declining#	2
No. of stocks unchanged#	21

Source: Motswedi Securities, BSE *US\$/BWP = 0.0922
= Domestic Main Board

COUNTER	12 Feb (t)	05 Feb (t)	Change (%)	YTD (%)
LUCARA ↑	700	561	+24.8	+24.8
PRIMETIME ↓	270	273	-1.1	-1.8
TURNSTAR ↓	238	245	-2.9	-4.8
BBS ↓	107	109	-1.8	-1.8

Source: Motswedi Securities, BSE

BSE Indices – Week ending 12 February, 2021

DCI Close	6,852.84
Weekly Change (%)	-0.13
YTD Change (%)	-0.39
FCI Close	1,550.71
Weekly Change (%)	+0.16
YTD Change (%)	+0.22
DCTRI Close	1,661.01
Weekly Change (%)	-0.06
YTD Change (%)	-0.22

Source: Motswedi Securities, BSE

2.0 Company Announcements and Financial Results

Letlole La Rona published their interim financial results for the period ended 31 December 2021 in the day. The company's revenue line improved 27%, supported by the growth in rental income which can be largely attributed to an increase in the company's property investments portfolio in the period. Also supporting the increase in revenue was the sustained average escalation rate (reported as 7% by the Company). A line that grew significantly on the expenses was the provision for credit loss allowances, which does not come as much of a surprise, as the company noted a marked increase in tenants who fell behind on their rentals in the period. Investment properties were up 26%, as the Company added 6 acquisitions to the portfolio, bolstering it up to P0.96bn. Holistically, the Company's investments, climbed to P1.03bn. The Company's overall performance for the period was hampered by the ongoing pandemic, but was resilient nonetheless with Profit before tax dropping by a slight 4.4% to P32.8mn. On a good note for shareholders, the company declared a 7.9thebe

interim distribution for the period, which will become payable on the 10th of March 2020.

Standard Chartered Bank of Botswana commenced the preparation of the full year Financial Statements for the period ended 31st December 2020, and the process will continue for a period that will not extend beyond 31st March 2021, by which date the final results will have been published. In compliance with Botswana Stock Exchange Listing rules, and as a matter of good corporate governance, SCBB hereby declares a closed period effective 1st January 2021 to the date the final results are published. During the closed period SCBB Directors, management and staff are prohibited from dealing in SCBB shares as they could be or deemed to have been aware on unpublished price sensitive information.

Turnstar, in compliance with the recommendations of the King III code regarding the rotation of nonexecutive Directors, announced the retirement of Mrs Peo Pillar, from the Board of Directors. Mrs Pillar has served on the Turnstar Board since 2011, and was the Chairperson of the Audit & Risk committee, at the time of her retirement.

Lucara Diamond Corp. announced that it will be publishing its 2020 Year End Results on the 22nd February 2021 after market close in North America. The Company will host a conference call and webcast to discuss the results on the 23rd February 2021 at 7:00 a.m. Pacific, 10:00 a.m. Eastern, 3:00 p.m. UK, 4:00 p.m. CET.

3.0 Foreign Exchange...

The US dollar was heading towards its first weekly loss in three weeks against its trading partners, pressured by a few catalysts, including the

disappointing US jobs data which were weaker than expected as well as the anticipated US stimulus package. The stimulus package is tagged at US\$1.9 trillion and is largely expectant to pass through Congress with very little changes. The package, of course, has resulted in a weakened US dollar across the board.

The weakening dollar gave some support to the emerging market currencies as is seen in the slight climb in the South African rand and the Botswana pula, against the US dollar. The euro, yen and the pound were also beneficiaries of the weak dollar, to mention a few.

Domestic Exchange rates

Currency	12 Feb	05 Feb	Change (%)	YTD (%)
US\$/BWP ↓ 	0.0922	0.0909	1.43	-2.02
ZAR/BWP ↑ 	1.3494	1.3628	-0.98	1.50
EUR/BWP ↓ 	0.076	0.076	0.00	-9.52
GBP/BWP ↓ 	0.0668	0.0665	0.45	-6.96
JPY/BW ↓ 	9.66	9.6000	0.63	-5.57
CNH/BWP ↓ 	0.5927	0.5892	0.59	-9.75

Source: Bank of Botswana

4.0 Commodities...

Gold prices were in line to close the week with gains locked in. The metal in the week was supported by a lower US dollar which was weakened by expectations that the US stimulus package will be passed in Congress this month. This led investors to dive for the commodity in order to use it as a buffer against the anticipated increase in inflation. Capping gold's gains for the week were the US jobs weekly data which noted a slight dip in jobless claims from the prior week.

Spot gold prices managed to reach a high of US\$1,842.89/oz. in the week, but settled at 4

US\$1820.68/oz. and posting 0.36% gains by mid-afternoon trading on Friday. Silver was up 0.48% in the week, trading at around US\$27.05/oz. Elsewhere, platinum prices rose in the week, surpassing a 6 year high, to peak over US\$1,268.88/oz. on expectations that demand for the commodity will recover soon. The metal was up 8.52% at US\$1,225.11/oz. for the day at the time of writing.

Brent crude oil was up 2.28%, at the time of writing, in line to post gains for the week, despite having reached a one-year high midweek. Oil lost steam following a reduced demand forecast published by the OPEC. The commodity in the last few weeks has been supported by ongoing production cuts by OPEC and other non-member producers, in a bid to curb the ongoing oversupply in the market.

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