



Weekly Financial Markets Highlights

Research
Garry Juma
Salome Makgatlhe

Sales
Tshepo Setlhare
Keyshia Tebogo

motswedisecurities



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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 weekly liquidity on the BSE equity market hovered near its 2021 lows. Shares worth P1.37mn traded in the week, just a few steps above the P1.24mn worth of shares that traded in the previous week.

Letlole went ex-dividend on 13 July, meaning investors who are shareholders in the name successfully qualified for the Company's 9.4617-thebe gross distribution on the date. The distribution will be payable in two weeks, beginning on 26 July 2020. This supported the recovery of the Domestic Company Total Returns Index (DCTRI), as the index benefits when dividends/distributions are declared. As it stands, the DCTRI climbed 0.15% for the week, further supported by growth experienced by some market capitalisation heavy weights on the equity market. The index's year to date was at negative 0.39% by the end of the week. The Domestic Company Index does not have the benefit of dividends; as such, the index was up a much smaller 0.07% for the week and ended with a year to date that stood at negative 3.61%.

Demand for Letshego shares remained strong as evidenced by the continued rise in the stock's price, which closed the week at P0.90/share, from the previous week's P0.88/share. The stock has grown 25% in the year and is now trading at its 16-month price high. StanChart made an appearance in the gainers pool for the second week in a row. The stock climbed 2-thebe to close the week at P1.85/share. StanChart has experienced a strong upward trajectory in the year, with a growth so far of 27.6%. Absa recouped the thebe it lost in the previous to close at P4.42/share. The stock is however, still grappling with a year to date decline of negative 17.8%.

Sechaba was on the chopping block for the week, dropping 30 thebe to P16.60/share. The stock was pressured to a more than eight-year low, by the ongoing ban of liquor sales by the Government of Botswana. The liquor ban is going on more than two weeks and is expected to stay until at least the end of July 2021.

BSE Indices – Week ending 16 July 2021

DCI Close	6,630.79
Weekly Change (%)	+0.07
YTD Change (%)	-3.61
FCI Close	1,550.22
Weekly Change (%)	0.00
YTD Change (%)	+0.25
DCTRI Close	1,658.21
Weekly Change (%)	+0.15
YTD Change (%)	-0.39

Source: Motswedi Securities, BSE

Market Summary – Week ending 16 July 2021

No. of Shares Trading	414,198
Turnover (BWP)	1,367,756
Turnover (USD)*	124,055
No. of stocks trading#	13
No. of stocks advancing#	3
No. of stocks declining#	1
No. of stocks unchanged#	19

Source: Motswedi Securities, BSE *US\$/BWP = 0.0907
= Domestic Main Board

COUNTER	16 Jul (t)	09 Jul (t)	Change (%)	YTD (%)
ABSA ↑	442	441	+0.2	-17.8
STANCHART ↑	185	183	+1.1	+27.6
LETSHEGO ↑	90	88	+2.3	+25.0
SECHABA ↓	1630	1660	-1.8	-21.1
SHUMBA ↓	90	95	-5.3	-5.3

Source: Motswedi Securities, BSE

2.0 Company Announcements (on BSE X-News)

Chobe published its annual report for the year ended 29 February 2021. Find it here.

Engen published the results of Fifty Fifth Annual General Meeting of shareholders held virtually through Microsoft teams on 14 July 2021. Seventy-one (71) shareholders were represented, either in person or by proxy, who held in total 149,827,510 ordinary shares, which represented 93.81% of the securities of the Company. All proposed resolutions were passed by the requisite percentage.

Letlole advised Unitholders that the Company is in negotiations with two separate parties for the potential acquisition of their respective properties, which if successfully concluded, may have a material impact on the price of the Company's shares. Accordingly, Unitholders and investors were advised to exercise caution when dealing in the Company's securities.

Letshego confirms it has entered a closed period effective from 1 July 2021. The closed period ends with the Company's publication of its Group Interim Results before or on 30 September 2021. During this period, members of the LHL Board and all staff members are requested to cease trading in Letshego securities to mitigate potential internal trading risks associated with access to unpublished, price sensitive information. Unpublished price sensitive information is defined as information affecting a company, which if released, is likely to materially affect the company's share price. This notice is applicable to brokers and transfer secretaries, who are required to ensure adherence to corporate governance standards and local requirements.

Lucara Diamond Corp. announced that it has signed loan documentation in relation to its previously announced senior secured project financing debt package of US\$220 million (the "Facilities") between Lucara Botswana Proprietary Limited as the Borrower and a syndicate of five, mandated lead arranger. The MLAs are: African Export-Import Bank (Afreximbank), Africa Finance Corp., ING, Natixis, and Societe Generale, London Branch. Afraximbank is acting as Facility Agent in connection with the Facilities. 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. The Facilities, combined with the recently announced equity financings totaling approximately US\$30 million, and projected cash flows from the Karowe open pit mine, during the underground construction period, result in the Karowe Underground Expansion Project being fully financed.

Lucara Diamond Corp. announced that it has closed its previously announced bought deal financing (the "Offering") as well as the previously announced concurrent private placement (the "Concurrent Private Placement" and together with the Offering, the "Financing") for aggregate gross proceeds of approximately C\$41.4 million. Pursuant to the Offering, a total of 33,810,000 common shares of the Company ("Common Shares"), including 4,410,000 Common Shares issued pursuant to the over-allotment option, which was exercised in full, were sold at a price of C\$0.75 per Common Share, for aggregate gross proceeds of approximately C\$25.4 million. The Common Shares issued pursuant to the Offering were offered by way of a

short form prospectus filed in British Columbia, Alberta, Manitoba, Ontario and Quebec. The Offering was conducted through a syndicate of underwriters comprised of BMO Capital Markets and Scotia Capital Inc. Pursuant to the Concurrent Private Placement, a total of 21,347,733 Common Shares were sold at a price of C\$0.75 per share for additional aggregate gross proceeds of approximately C\$16 million, which included an investment by Nemesia S.à.r.l. No commission or other fee was paid to the underwriters in connection with the sale of Common Shares pursuant to the Concurrent Private Placement. The Common Shares issued pursuant to the Concurrent Private Placement are subject to a statutory hold period in Canada expiring on November 16, 2021. The Financing is subject to final approval by the Toronto Stock Exchange. The net proceeds of the Financing will be used for working capital to support the development and ongoing operation of the Karowe diamond mine, including the Karowe Underground Expansion Project as described in the Company's press release of July 12, 2021.

Lucara Diamond Corp. announced the recovery of a 62.7-carat fancy pink diamond from its 100% owned Karowe Diamond Mine located in Botswana (image attached). The diamond has been given the name "Boitumelo" meaning "Joy" in Setswana. This impressive diamond, measuring 26x17x16mm is described as a high-quality, fancy pink, Type IIa gem and was recovered from direct milling of ore sourced from the EM/PK(S) unit of the South Lobe. A superb, 22.21-carat fancy pink gem of similar quality was also recovered during the same production period along with two additional pink gems of similar colour and purity weighing 11.17, and 5.05 carats. The 62.7-carat Boitumelo diamond represents the largest fancy pink gem to be recovered in Botswana

and one of the world's largest rough pink diamonds on record.

Minergy Limited provided the market with this voluntary update as it has entered a closed period. The closed period will end when the full year results for the year ended 30 June 2021 are released, which is expected to be during the week of 27 September 2021. Minergy will update the market by means of a cautionary announcement, which will be followed by the full year results and commentary. This update is aimed at supplementing the commentary released with the publication of the interim results for the six months ended 31 December 2020 completing the full year update. This update also provides a high-level update on the six-month period ending 30 June 2021 ("the last six-month period").

The last six-month period is characterised by two distinct chapters:

- The first two months were heavily impacted by extraordinarily high rainfall in Botswana as tropical storm Eloise moved through region, resulting in interrupted operations from pit flooding, impassable roads, and other related operational challenges;
- A stable production environment during the following four months yielded increased production volumes, albeit just short of nameplate capacity, as well as an increase in sales in an exceedingly receptive and bullish market.

A further achievement in the last six-month period was the commissioning of additional water management infrastructure, being the dewatering circuit and filter press, where water recovery has exceeded expectations.

These achievements were reached, notwithstanding short-term funding constraints arising from a delay in finalising funding that impacted Minergy's ability to move beyond breakeven and nameplate capacity volumes. Read the entire announcement [here](#).

Sechaba Brewery Holdings Limited wishes to formally advise its Shareholders that Ms. Myra Sekgororoane, Mr. Bafana Molomo and Mr. Thabo Matthews have resigned from its Board of Directors effective 30 June 2021 for personal reasons. Mr. Molomo has been on the Board since 25 September 2015 and recently served as Chairperson from 1 January 2020. Mr. Matthews joined the Board on 6 March 2015 as an independent non-executive director. He was appointed as Chairman of the Board on 25 September 2015 and later relinquished this position to take up that of Managing Director on the 1 January 2020. Ms. Sekgororoane joined the Board on 29 October 2014 as an independent non-executive director. The SBHL Board thanks them for their services to SBHL during the period and wishes them well in their future endeavours.

BOARD ASSIGNMENTS:

Chairperson of the Board / Nominations Committee

Following the resignation of Bafana Molomo, Tabuya Tau takes on the Board Chairmanship with effect from 1 July 2021. Mrs. Tau joined the Board on the 1 January 2020 as an independent, non-executive director. She thus relinquishes the position of chairperson of the Finance and Audit Committee. The Chairperson of the Board of Director also chairs the Nominations Committee.

Chairman of the Finance and Audit Committee

Following the above changes, Boitumelo Paya takes on the Chairmanship of the Finance and Audit Committee with effect from 1 July 2021. Ms. Paya

joined the Board on 1 March 2021 as an independent non-executive director.

Sechaba Brewery Holdings Limited is pleased to announce the appointment of Ms. Mabu Nteta to the position of Managing Director with effect from 1 July 2021. Mabu replaced Thabo Matthews who had resigned with effect from 30 June 2021. Her appointment has been approved by the SBHL Board of Directors and at the Annual General Meeting

RDC Properties published a circular relating to the proposal of the following:

- i. The proposed acquisition of issued shares of Tower Property Fund not already owned by RDC, and the potential subsequent delisting of Tower;
- ii. A distribution of dividend and interest to Unitholders, in respect of the trading of RDC for the period ending 30 June 2021;
- iii. A Bonus issue award of up to 88,362,039 new linked units in the Company, to the Qualifying Unitholders, of 1 Bonus Issue Linked Unit for every 4 linked units held;
- iv. A rights offer of up to 341,121,495 new linked units in the Company to the Qualifying Unitholders;
- v. The extension of the borrowing powers of the Directors, as set out in Article 20.1 of the Constitution; and,
- vi. The amendment to certain provisions of the PAM Management Agreement.

The Company also gave notice of an Extraordinary General Meeting of the Unitholders to be held by way of electronic participation at Plot 5624, Lejara Road, Broadhurst Industrial Sites, Gaborone Botswana at 11am, on Friday 13 August 2021 for the purposes of considering and, if deemed fit, passing,

with or without modifications the above proposals (i. – vi.).

Investec plc announced herein the final results of its invitation to holders of its £400,000,000 4.500 per cent. Notes due 2022 (ISIN: XS1227242630) (the “Notes”) to tender such Notes for purchase by the Company for cash (the “Offer”). The Offer was made on the terms and subject to the conditions contained in a tender offer memorandum dated 6 July 2021 prepared by the Company, and was subject to the offer restrictions set out in the Tender Offer Memorandum. Capitalised terms used in this announcement but not defined have the meanings given to them in the Tender Offer Memorandum. The Expiration Deadline for the Offer was 4.00 p.m. (British Summer Time) on 13 July 2021. As announced in the Company's indicative results announcement earlier today, as at the Expiration Deadline, £260,007,000 in aggregate nominal amount of the Notes had been validly tendered for purchase pursuant to the Offer. The Company announced that, conditional upon satisfaction (or waiver) of the New Financing Condition, it has decided to accept valid tenders of Notes pursuant to the Offer, with a Final Acceptance Amount equal to £200,000,000. All Tender Instructions will be accepted subject to a Scaling Factor of 76.237 per cent subject to adjustments, as applicable.

3.0 Foreign Exchange...

Botswana's annual inflation rate jumped to 8.2% in June 2021, from the previous month's reported annual inflation rate of 6.2%. Driving the climb in inflation in June 2021 was the Transport index group, which noted a rise of 3.8% supported by the increase in the purchase of vehicles. Further driving inflation in the month was the Housing, Water, Electricity, Gas & Other Fuels index group, which

increased by 1.5% attributed to the rise in domestic water tariffs, which were effected on 1 June 2021. Other contributors to the rise in the June 2021 inflation was the Food & Non-Alcoholic Beverages index group, up 0.9%, and Miscellaneous Goods & Services index group, up 0.6%.

At 8.2%, the annual inflation rate is well above the Bank of Botswana's target range of 3% and 6% and is at its highest levels since February 2012. Inflation is expected to get higher for July 2021 - spurred by the upward adjustment in fuel prices recently implemented in the month. This will also likely have the knock on effect of increasing pricing in some of the other index groups.

Domestic Exchange rates

Currency	16 Jul	09 Jul	Change (%)	YTD (%)
US\$/BWP ↑ 	0.0907	0.0913	-0.66	-3.61
ZAR/BWP ↓ 	1.319	1.3089	0.77	-0.79
EUR/BWP ↑ 	0.0768	0.0772	-0.52	-8.57
GBP/BWP ↑ 	0.0656	0.0663	-1.06	-8.64
JPY/BW ↓ 	9.98	10.0500	-0.70	-2.44
CNH/BWP ↑ 	0.5866	0.5932	-1.11	-10.67

Source: Bank of Botswana

The local unit in the week took direction from the strengthened US dollar. The dollar headed towards its best week of gains in almost a month, supported by investor concerns around US interest rates rising faster than expected.

4.0 Commodities...

Oil prices were in line to make their steepest weekly drop by Friday mid-afternoon trading, since May 2021. Prices in the week were pressured by an anticipated increase in the supply of oil by the Organisation of Petroleum Exporting Countries to meet the growth in demand, as more economies

around the globe open up. In a report published by OPEC in the week, the collective noted that it expects demand for oil to return to pre-pandemic levels in 2022, driven primarily by the US, China and India (some of the world's largest oil consumers). To an extent, the continued spread of the coronavirus has also weighed on prices in the last few weeks. Losses in oil prices were capped by the large decline in US crude stockpiles for the eighth week. Brent crude was trading at around US\$73.89 per barrel, down about 2.2% for the week at the time of writing.

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