



Local

COMPANY ANNOUNCEMENTS

Second Notice of Scrip Distribution



- FAR issued its second notice concerning the offer to unitholders to receive scrip in lieu of a final distribution of 16.80t/linked unit. If a unitholder elects to receive scrip it will be at a cash distribution conversion price of P2.40/linked unit.
- P2.48 (YTD: +0.81%) PE: 10.9 PB: 1.2 D/Y: 6.77% Mkt Cap: P1,057.8mn

Director's Dealings in Shares



- Sefalana announced that Chandrakant Chauhan, Group Managing Director, bought 50,000 shares at P9.30/share.
- P9.30 (YTD: +3.68%) PE: 11.8 PB: 1.3 D/Y: 4.03% Mkt Cap: P2,331.8mn

Notice to Shareholders



- Cresta gave notice to shareholders who still hold their shares in certificated form that they must dematerialise their holdings by opening a securities account with the Central Securities Depository of Botswana (CSDB). Cresta further advised that shareholders who opened CSDB accounts but have not provided banking details to update their records with their respective stockbrokers.
- P1.32 (YTD: -1.49%) PE: N/A PB: 1.3 D/Y: 0.00% Mkt Cap: P243.7mn

Cautionary Announcement



- Chobe announced that it expects results for the half-year ended 31 Aug 20 to be P147.2mn-P152.4mn (140%-145%) lower than the P105.1mn reported for the comparative period ended 31 Aug 19.
- Chobe intends to publish its half-year results before 1 Nov 20 which will include commentary on the drivers for the reduced performance.
- P9.49 (YTD: -14.50%) PE: 8.7 PB: 2.3 D/Y: 0.00% Mkt Cap: P848.8mn

Director's Dealing in Shares



- Turnstar announced that Gulaam Abdoola, Group Managing Director, bought 132,522 shares at P2.20/share.
- P2.20 (YTD: -21.71%) PE: 8.8 PB: 0.7 D/Y: 4.55% Mkt Cap: P1,258.7mn

Managing Director's Departure



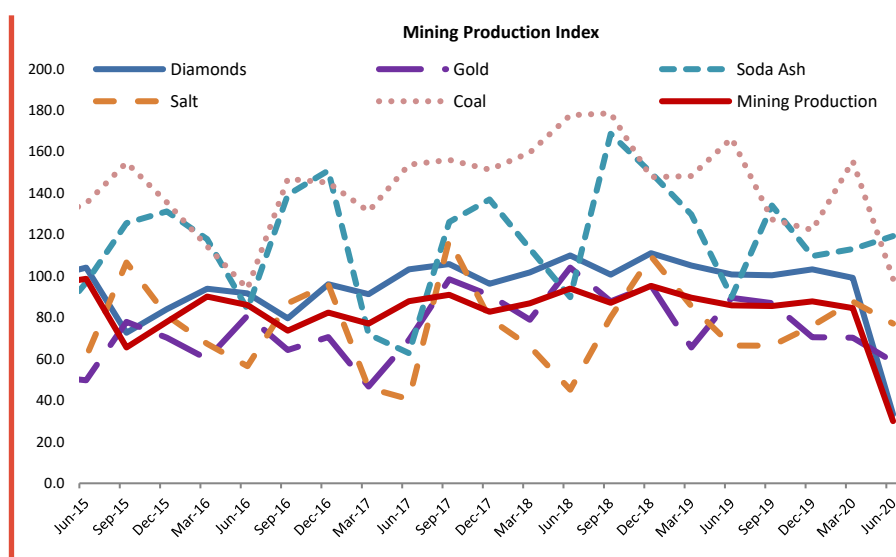
- G4S announced that its Managing Director, Mr Mokgethi Magapa, will be leaving the employ of the company on 31 Dec 20.
- P3.40 (YTD: -2.86%) PE: 13.0 PB: 2.2 D/Y: 0.00% Mkt Cap: P272.0mn

TURNSTAR HY21 RESULTS – REVENUE AND EARNINGS IMPACTED BY COVID-19 LOCKDOWNS

Income Statement P'Mn	HY 21	HY 20	% Δ
Rental revenue	122	134	-9%
Other income	1	2	-22%
Operating expenses	-62	-58	6%
Profit before interest and taxation	62	78	-21%
Finance costs	-14	-17	-16%
Profit before FX adjustment	47	61	-22%
Net FX Adjustment	-4	9	-146%
Profit before tax	43	70	-38%
Tax	-1	-2	-15%
Profit for the period	42	68	-39%
Balance Sheet extract P'Mn	HY 21	HY 20	% Δ
Cash and cash equivalents	35	18	96%
Investment properties	2,444	2,378	3%
Borrowings	610	614	-1%
Deferred taxation	216	219	-2%
Equity	1,742	1,648	6%

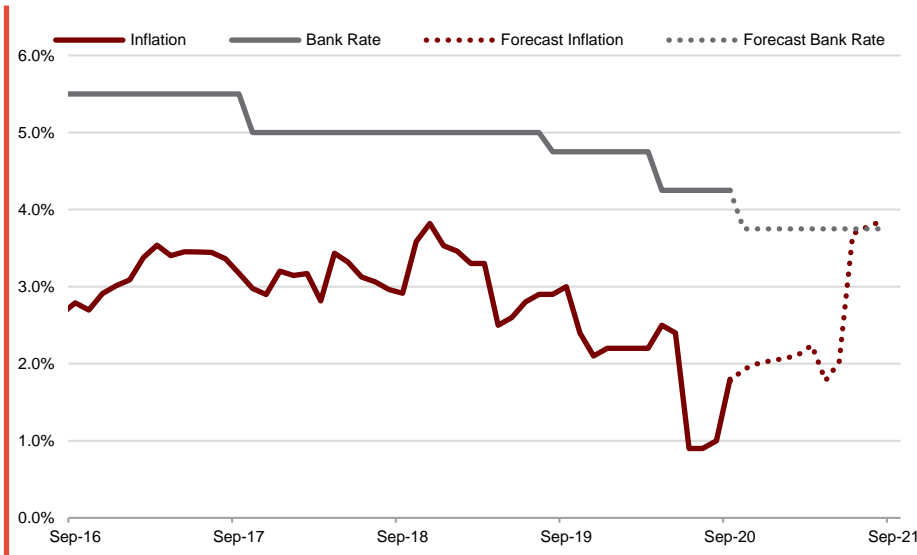
- Revenues -9% due to P12mn in rental concessions given to commercial tenants who did not operate during the first lockdown in Botswana.
- Turnstar operations negatively impacted by COVID-19 related lockdowns in Botswana, Tanzania and Dubai.
- Interim distribution of 10t/linked unit declared payable on 9 Dec 20.
- P2.20 (YTD: -21.71%)
PE: 8.8
PB: 0.7
D/Y: 4.55%
Mkt Cap: P1,258.7mn

2Q20 INDICES OF MINING PRODUCTION (IMP) – COVID-19 IMPACTS PRODUCTION



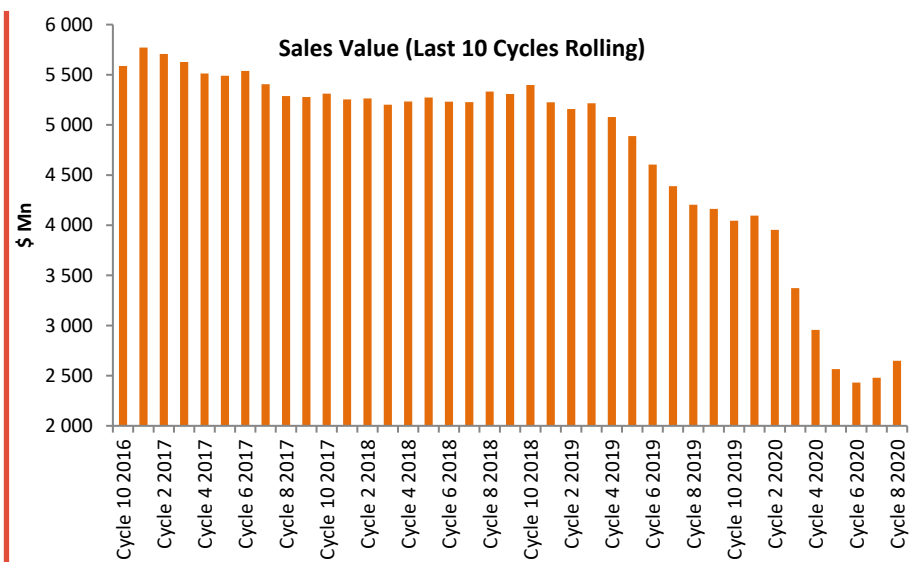
- 2Q20 IMP 30.0 v 84.6 (1Q20) v 85.9 (2Q19)
- Due mainly to decline in diamond production which declined 67.0% q/q. The decline was as a result of a planned strategy by miners to reduce bulky production in order to align production with trading conditions. COVID-19 contributed to weak demand for diamonds as it forced countries to impose travel restrictions resulting in sightholders being unable to purchase and sell the commodity.

SEP20 INFLATION – CONTINUES TO TREND BELOW OBJECTIVE RANGE



- Sep20 CPI y/y 1.8% v 1.7% (Kgori) v 1.0% (Aug20)
- Inflation continues to trend below the BoB's 3%-6% objective range.
- Inflation increased 0.8% driven by public transport price increases which resulted in Transport Services inflation registering 12.4% m/m growth which pushed Transport inflation to 3.2% m/m.

DE BEERS CYCLE 8 SALES – SOME DEMAND STABILITY RETURNS



- Cycle 8 2020 Sales \$467mn v \$334mn (Cycle 7 2020) v \$297mn (Cycle 8 2019)
- 12-month Sales Growth y/y -37.0% v -21.2% (Cycle 8 2019)
- De Beers continued to run sights on an extended basis with Sight 8 2020 taking place between 21 Sep 20 and 9 Oct 20.
- De Beers stated that they see a steady improvement in demand for rough diamonds, with cutters and polishers increasing their purchases as retail orders come through ahead of the key holiday season. The sales demand trends are encouraging but it is still early days.

Regional

SOUTH AFRICA

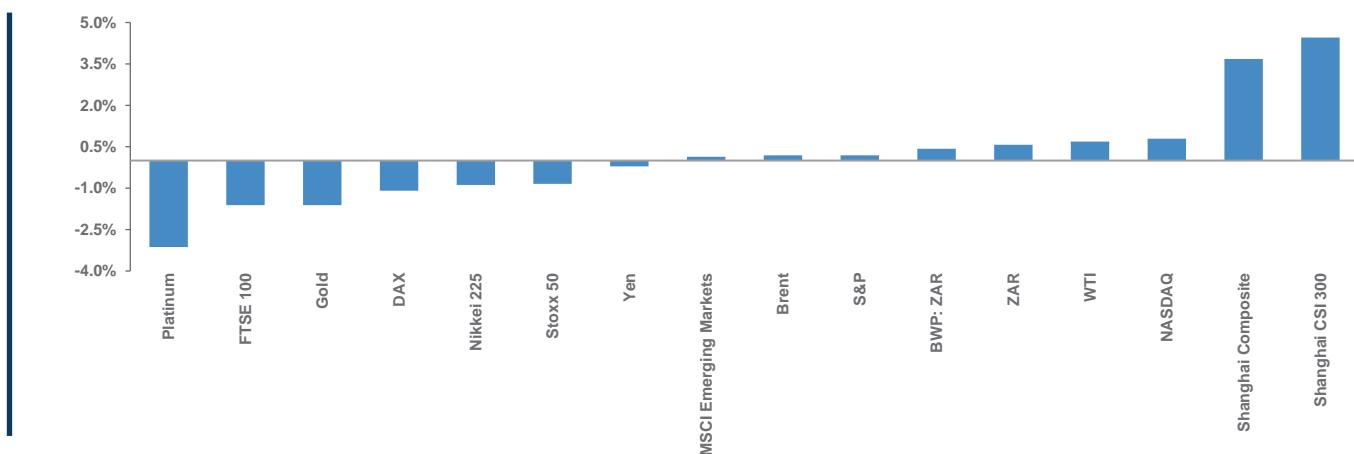
- Aug20 Retail Sales m/m 4.0% v 1.9% (e) v 0.6% (Jul20)
- Aug20 Manufacturing Production m/m 3.6% v 4.2% (e) v 5.9% (Jul20)
- Aug20 Mining Production m/m 6.8% v 3.4% (e) v 20.3% (Jul20)
- President Cyril Ramaphosa unveiled the Government's Economic Reconstruction and Recovery Plan. The plan has four priority interventions:
 - An infrastructure investment drive which is aimed at unlocking R1trn in fixed investment spending in a variety of sectors;
 - Improved energy supply, where the aim is for South Africa to achieve energy security within two years;
 - A reindustrialisation drive, which encourages businesses to buy "South Africa";
 - Extended social grants, where the President stated that the Social Relief of Distress Grant, which was introduced at the start of the pandemic, will be extended for another three months.

ZAR PERFORMANCE

- The ZAR weakened on waning optimism that US lawmakers are nearing an agreement on a further stimulus package.
- ZAR 16.56 (WTD: +0.56%) v 16.47 (9 Oct 20)

International

INTERNATIONAL SNAPSHOT – 16 OCT 20 WEEKLY PERFORMANCE



- Aug20 Industrial Production m/m 1.0% v 8.7% (Jul20)
- Sep20 PPI y/y -0.8% v -0.5% (e) v -0.6% (Aug20)
- Japanese equities fell as investor optimism surrounding another round of US fiscal stimulus diminished.
- Nikkei 225: 23,411 (WTD: -0.89%), Yen: 105.40 (WTD: -0.21%)



- Eurozone Aug20 Industrial Production m/m 0.7% v 0.8% (e) v 5.0% (Jul20)
- France Sep20 CPI y/y 0.0% v 0.1% (e) v 0.2% (Aug20)
- Germany Sep20 CPI y/y -0.2% v -0.2% (e) v 0.0% (Aug20)
- European equities fell as France, Spain and UK re-imposed restrictions to curb a jump in COVID-19 outbreaks.
- DAX: 12,909 (WTD: -1.09%), Stoxx50: 3,245 (WTD: -0.84%), FTSE100: 5,920 (WTD: -1.61%)



- Sep20 CPI y/y 1.7% v 1.9% (e) v 2.4% (Aug20)
- Sep20 PPI y/y -2.1% v -1.8% (e) v -2.0% (Aug20)
- Sep20 Exports y/y 9.9% v 10.0% (e) v 9.5% (Aug20)
- Sep20 Imports y/y 13.2% v 0.4% (e) v -2.1% (Aug20)
- Chinese equities rose as investor confidence regarding the Chinese economy increased following reports that sales during the previous week's Golden Week holiday more than doubled versus 2019.
- SHSZ300: 4,792 (WTD: +4.45%), SHCOMP: 3,336 (WTD: +3.68%)



- 10 Oct 20 Initial Jobless claims 898k v 825k (e) v 845k (3 Oct 20)
- Oct20 Preliminary UoM Sentiment 81.2 v 80.5 (e) v 80.4 (Sep20)
- Sep20 Industrial Production m/m -0.6% v 0.5% (e) v 0.4% (Aug20)
- US equities closed higher on the back of a rally in Tech shares whom investors believe will still prosper even if another US fiscal stimulus is not agreed.
- NASDAQ: 11,672 (WTD: +0.79%), S&P 3,484 (WTD: +0.19%)

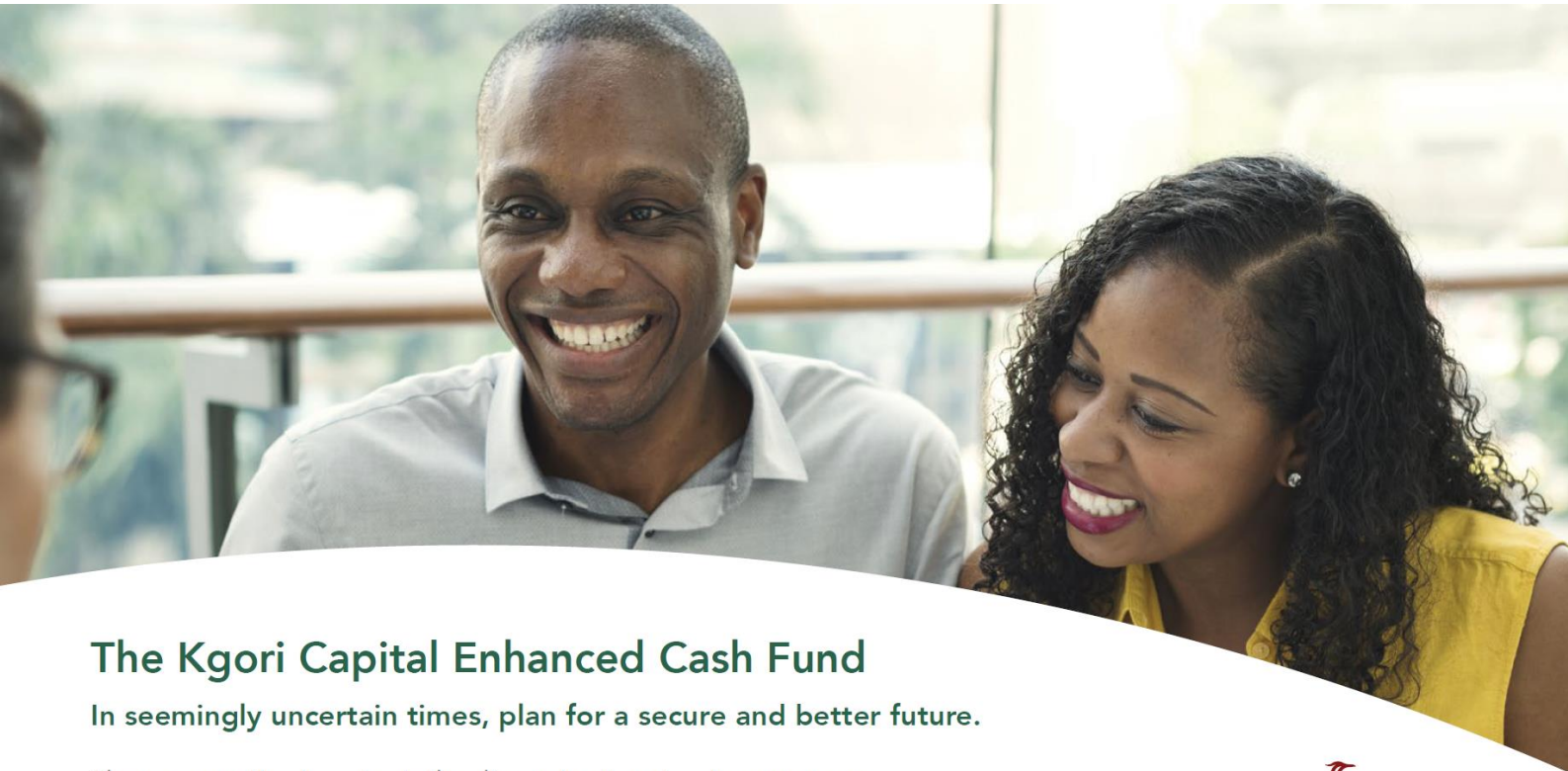
COMMODITIES



- ΔUS Crude Inventories -3,818k bbl. (9 Oct 20) v -2,136k bbl. (e) v +501k bbl. (2 Oct 20)
- ΔUS Oil Rigs +13; 282 (16 Oct 20) v 269 (9 Oct 20)
- ΔNorth American Oil Rigs +13; 362 (16 Oct 20) v 349 (9 Oct 20)
- Global oil prices were supported by a larger than expected drawdown in US crude inventories, however the rise in prices was capped by the uncertain demand outlook on account of rising COVID-19 cases.
 - WTI: \$40.88 (WTD: +0.69%)
 - Brent Crude: \$42.93 (WTD: +0.19%)



- Precious metals declined on the back of a strong US dollar caused by waning optimism that another round of fiscal stimulus will be agreed by lawmakers in the US.
 - Gold: \$1,899 (WTD: -1.61%)
 - Platinum: \$893 (WTD: -3.13%)



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