

COMPANY ANNOUNCEMENTS



Cautionary Announcement

- Sefalana announced that the Group's profit before tax for the half-year ended 31 Oct 2020, due to be released end of Jan 2021, would be 21% to 23% (P25mn to P28mn) above those reported for the half-year ended 31 Oct 2019 of P121.1mn.
- P9.34 (YTD: 0.00%) PE: 11.8 PB: 1.3 D/Y: 4.01% Mkt Cap: P2,341.8mn



Appointment of Acting Managing Director

- G4S announced the appointment of Mr Hennie Swanepoel as the acting Managing Director of G4S Botswana Limited, effective 1st Jan 2021 until 28th Feb 21.
- Mr Swanepoel has held several senior positions within G4S, and has 25 years of experience in the security industry.
- P3.40 (YTD: 0.00%) PE: 13.0 PB: 2.2 D/Y: 0.00% Mkt Cap: P272.0mn



Listing of Additional Shares - Settlement of Exercised Options

- CA&S announced the listing of 71 361 no par value shares, bringing the company's total issued shares to 452 206 869, effective 14 Jan 2021.
- P3.74 (YTD: 0.00%) PE: 13.8 PB: 1.6 D/Y: 1.84% Mkt Cap: P1,691.3mn



National Fuel Supply Update

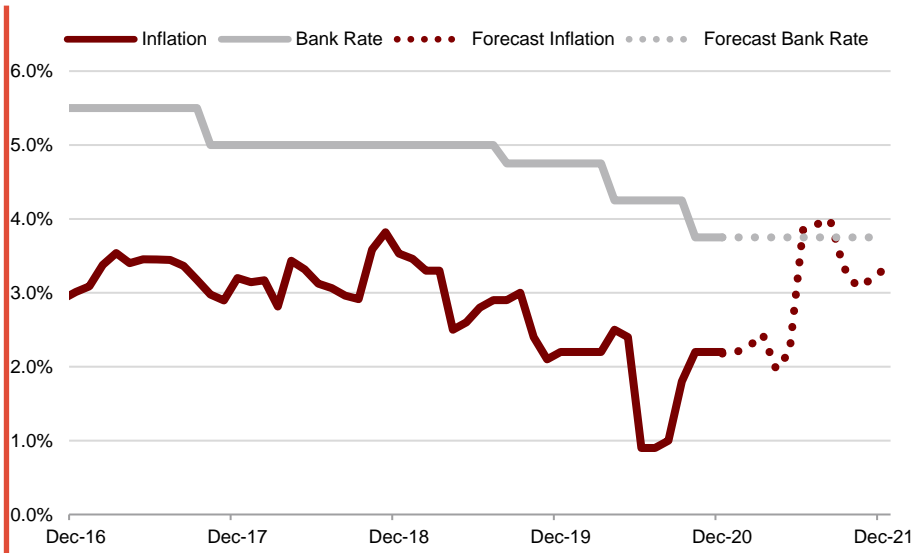
- The Ministry of Mineral Resources Green Technology and Energy Security announced that following the shutdown of three refineries in South Africa, the Ministry and other stakeholders have begun to increase sourcing from alternative suppliers.
- The Ministry stated that it is currently able to meet fuel demand, that back up is available, but that it would only be deployed if the situation deteriorated further.



Recovery of 341-carat Diamond

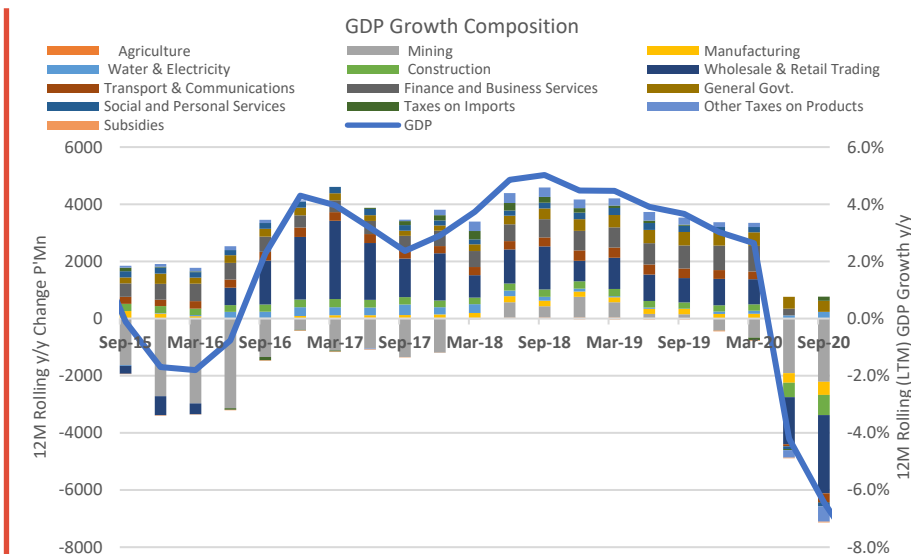
- Lucara announced the recovery of an unbroken 341 carat top white gem quality diamond from its, 100% owned, Karowe Mine.
- The diamond is the 54th diamond greater than 200 carats to be recovered from Karowe since 2015.
- P5.11 (YTD: 0.00%) PE: N/A PB: 0.9 D/Y: 0.00% Mkt Cap: P2,028.1mn

DEC20 INFLATION (TB) – CONTINUES TO TREND BELOW OBJECTIVE RANGE



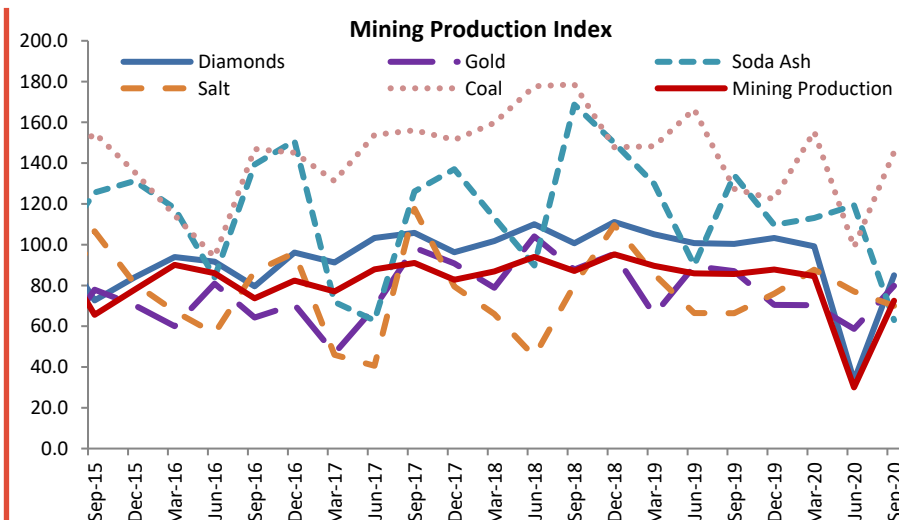
- Inflation was 2.2% v 2.3% (Kgori) v 2.2% (Nov20)
- Inflation slightly lower than Kgori expectation due to moderation in Food inflation as most Food components experienced low or negative month-on-month inflation.
- Inflation expected to trend below the Bank of Botswana's (BoB) objective range until 2Q21.
- We expect the BoB to keep the Bank Rate unchanged over the next 12 months.

3Q20 GDP – ECONOMY STILL STRUGGLING DESPITE STRONG QUARTERLY GROWTH



- 3Q20 GDP y/y 24.1% v -24.8% (2Q20)
- 3Q20 GDP LTM y/y -6.4% v -4.2% (2Q20)
- GDP rebounded strongly on quarterly basis with strong positive growth in most sectors. However, on an LTM basis, GDP growth declined further into negative territory due to below trend value added in Mining, Manufacturing, Construction, Wholesale & Retail, Transport and Communication and Finance and Business services.

3Q20 INDICES OF MINING PRODUCTION (IMP) – STRONG QUARTERLY RECOVERY



- 3Q20 IMP 72.5 v 30.0 (2Q20) v 85.6 (3Q19)
- IMP recovered in 3Q20, mostly a result of increased mining operations following the lifting of Covid-19 containment restrictions.
- The strong recovery was driven by the Diamond sector which increased production by 155.3% q/q, however on yearly basis diamond production was down 17.7%.
- Gold and Coal are the only positive contributors to IMP on a year-on-year basis.

Regional

SOUTH AFRICA

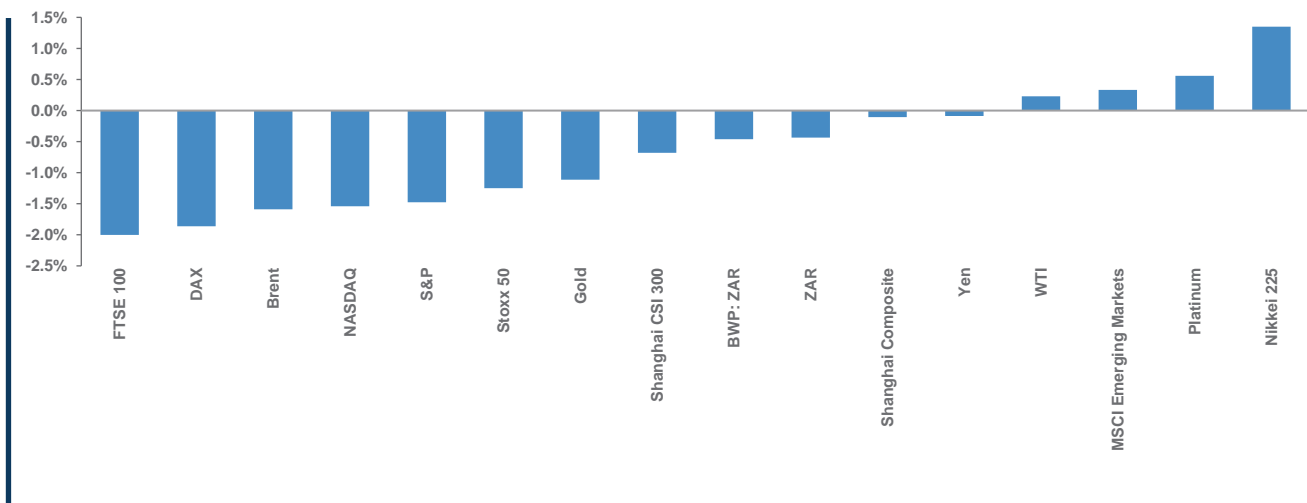
- Nov20 Manufacturing Production NSA y/y -3.5% v -2.2% (e) v -3.4% (Oct20)
- Nov20 Manufacturing Production NSA m/m 1.5% v -1.3% (e) v 2.6% (Oct20)

ZAR PERFORMANCE

- The ZAR traded stronger on the back of the announcement by President Cyril Ramaphosa that South Africa had secured 20mn vaccine doses for 2021 and that close to 1.5mn doses would be delivered by the end of Jan and Feb 2021 from Astrazeneca.
- ZAR 15.23 (WTD -0.44%) v 15.29 (8 Jan 20)

International

INTERNATIONAL SNAPSHOT – 15 JAN 21 WEEKLY PERFORMANCE



- Dec20 PPI y/y -2.0% v -2.2% (e) v -2.3% (Nov20)
- Japanese equities rallied following the announcement by US President-Elect Joe Biden that he intends to introduce a \$1.9trn stimulus package to support the economy.
- Nikkei 225: 28,519 (WTD +1.35%), Yen: 103.85 (WTD -0.09%)



- Eurozone Nov20 Industrial Production SA m/m 2.5% v 0.2% (e) v 2.13% (Oct20)
- France Dec20 Final CPI y/y 0.0% v 0.0% (e) v 0.0% (Nov20)
- European equities performed poorly for the week due to pessimism over stricter lockdowns in Germany and France, resurgence of Covid-19 in China, and slow vaccine rollouts in Europe.
- DAX: 13,788 (WTD -1.86%), Stoxx50: 3,560 (WTD -1.25%), FTSE100: 6,736 (WTD -2.00%)



- Dec20 PPI y/y -0.4% v -0.7% (e) v -1.5% (Nov20)
- Dec20 CPI y/y 0.2% v 0.1% (e) v -0.5% (Nov20)
- Dec20 Trade Balance \$78.2bn v \$72.0bn (e) v \$75.4bn
- Chinese equities ended the week on a cautious low, following Covid-19 resurgence in the country, and slow vaccine rollouts in heavily affected global markets.
- SHSZ300: 5,458 (WTD -0.68%), SHCOMP: 3,566 (WTD -0.10%)



- 9 Jan 21 Initial Jobless claims 965k v 789k (e) v 784k (2 Jan 21)
- Dec20 CPI y/y 1.4% 1.3% (e) v 1.2% (Nov20)
- Dec20 Final PPI Demand m/m 0.4% 0.3% (e) v 0.1% (Nov20)
- Dec20 Industrial Production m/m 1.6% 0.5% (e) v 0.4% (Nov20)
- US equities were down ahead of a tense inauguration, as the second impeachment of President Donald Trump threatened to delay the implementation of President-Elect Joe Biden's agenda on Covid-19 and stimulus distribution.
- NASDAQ: 12,999 (WTD -1.54%), S&P 3,768 (WTD -1.48%)

COMMODITIES



- ΔUS crude inventories -3,248k bbl. (8 Jan 21) v. -1,931k bbl. (e) v -8,010k bbl. (1 Jan 21)
- ΔUS Oil Rigs +13; 373 (15 Jan 21) v. 360 (8 Jan 21)
- ΔNorth American Oil Rigs +57; 534 (15 Jan 21) v. 477 (8 Jan 21)
- Oil prices reflected caution in the market on account of slow global vaccine distributions and short-term stricter lockdowns in Europe.
 - WTI: \$52.36 (WTD +0.23%)
 - Brent Crude: \$55.10 (WTD -1.59%)



- Gold was down for the week on market expectations that US President-Elect Joe Biden's stimulus package will be watered down by the US Congress, while platinum closed in the green due to anticipated supply shortages.
 - Gold: \$1,828 (WTD -1.11%)
 - Platinum: \$1,075 (WTD +0.56%)



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