



COMPANY ANNOUNCEMENTS

Circular to Shareholders, Operational Update and Resignation of CFO

- Minergy issued a circular to shareholders during the week. Salient points from the circular are as follows:
 - An EGM will be held electronically via Microsoft Teams at 10am on 18 Feb 2021.
 - The Purpose of the EGM is to consider and pass the following resolutions:
 - **Special Resolution 1:** To approve a share placing of up to 195 312 500 new ordinary shares and P0.64/share.
 - **Special Resolution 2:** Subject to Resolution 1 passing, to allow Directors to allot and issue the Share Placing on a non-pre-emptive basis.
 - **Special Resolution 3:** To authorise Category 1 Conversion of the Debenture Agreement with Minerals Development Company Botswana (Pty) Ltd (MDCB) – a convertible option under Further Facility 2 amounting to P62.5mn.
 - **Ordinary Resolution 4:** To grant directors authority to do all things necessary to effect resolutions 1,2,3 and 4 as passed in the EGM.
 - Impact of approval of Placing and Category 1 Conversion:
 - Access to funding to meet production and profitability targets; share placing proceeds to provide for capital expenditure of P60mn, payment of overdue creditors (P42mn), and early payment of the Funding Facilities, conditional on MDCB approval.
 - If the Placing is not subscribed for in full, Further Facility 2 proceeds to provide for capital expenditure of P40mn, working capital requirements, prepayment of overdue creditors (P22.5mn), and MDCB would have Category 1 Conversion rights.
 - Impact of approval of the Category 1 Conversion and non-approval of the Placement:
 - Access to partial funding for production and profitability.
 - Significant risk that debt will not be serviced, and covenants will be breached.
 - Impact of approval of the Placement and non-approval of the Category 1 Conversion:
 - Delay in access to funds and working capital shortfalls.
 - Failure to meet production goals, capital expenditure requirements, and to repay creditors.
 - Impact of non-approval of both the Share Placing and the Category 1 Conversion:
 - Risk of impacting the going concern status of Minergy.
 - Inability to service debt, breach in covenants, and possible foreclosure by funders.
- Minergy issued an operational update on its 1H 2021 performance:
 - Coal sales recovered well following the relaxation of lockdown restrictions. Sales volumes have since remained constant in 1H 2021, however due to the use of a mobile crusher the sales mix was negatively impacted as finer product was produced.
 - Minergy was shortlisted by Eskom to supply the Tutuka Power Station in South Africa with thermal coal.
 - Stage 2 of the Coal Handling and Processing Plant (CHPP) was completed and commissioned and is expected result in significant efficiencies, improved product particle distribution, reduction in double handling material processing costs, improved water management and stability in supply.
 - Completion of Stage 4 of the CHPP, rigid screening and stock handling section, is expected to be completed by the end of FY2021 and will provide added benefits of savings in material handling processing costs, availability of supply and less handling of the product.
- Minergy also announced its Chief Financial Officer, Mr. Van Staden, has resigned and has taken up an offer from a regional miner, and is currently serving his three months' notice.
- P0.80 (YTD: 0.00%) PE: N/A PB: 8.7 D/Y: 0.00% Mkt Cap: P376.0mn





Announcement of Closed Period

- Engen announced that it has commenced the preparation of financial results for the year ended 31 Dec 2020. Accordingly, it announced a closed period from 1 Jan 2021 until the date it publishes its financial results (on or around 29 Mar 2021).
- P10.25 (YTD: -0.29%) PE: 19.5 PB: 3.1 D/Y: 10.93% Mkt Cap: P1,637.2mn



Announcement of Execution of Power Purchasing Agreement

- Tlou announced the execution of a pilot power purchasing agreement with the Botswana Power Corporation (BPC) for the first 2MW of power from the Lesedi Project. Negotiations for the rest of the 100MW contract will commence in Feb 2021.
- P0.33 (YTD: 0.00%) PE: N/A PB: 0.4 D/Y: 0.00% Mkt Cap: P169.4mn

Regional

SOUTH AFRICA

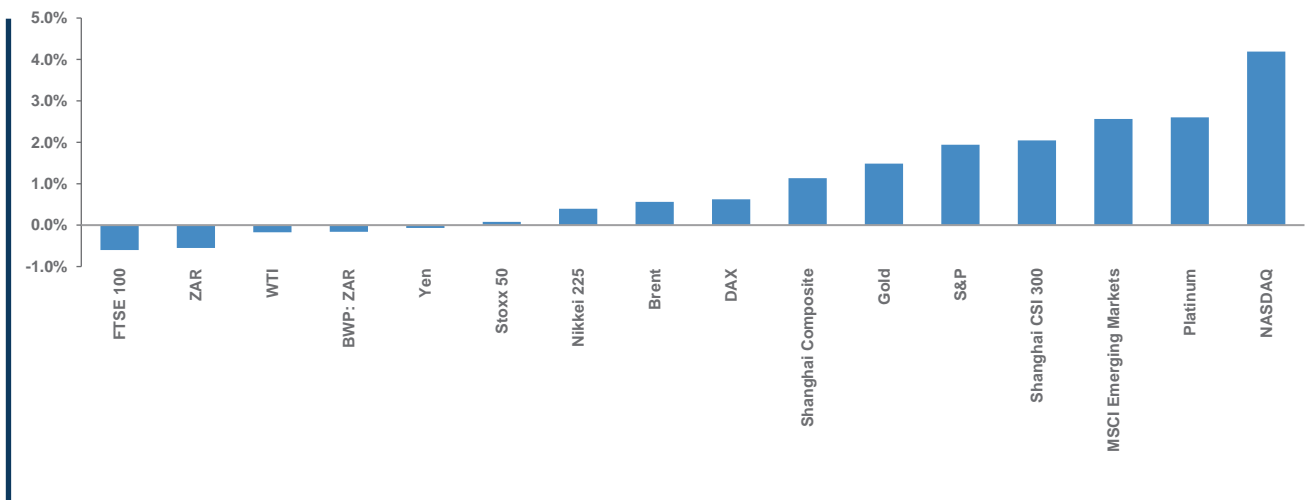
- Dec20 CPI y/y 3.1% v 3.1% (e) v 3.2% (Nov20)
- Nov20 Mining Production m/m -5.7% v 0.8% (e) v -0.3% (Oct20)
- Nov20 Platinum Production y/y -16.1% v 2.0% (Oct20)
- Nov20 Manufacturing Production NSA m/m 1.5% v -1.3% (e) v 2.6% (Oct20)
- The South African Reserve Bank (SARB) Monetary Policy Committee voted 3:2 to maintain the Repo Rate at 3.5% citing medium-low inflation expectations and tepid economic growth.

ZAR PERFORMANCE

- The ZAR traded stronger for the week driven by USD weakness as global markets anticipated further stimulus in the US following the inauguration of Joe Biden as US President.
- ZAR 15.15 (WTD -0.55%) v 15.23 (15 Jan 21)

International

INTERNATIONAL SNAPSHOT – 22 JAN 21 WEEKLY PERFORMANCE





- Dec20 Final National CPI y/y -1.3% (e) v -0.9% (Nov20)
- Jan21 Preliminary Manufacturing PMI 49.7 v 50.0 (Dec20)
- At its Jan 2021 meeting, the Bank of Japan (BOJ) Policy Board (PB):
 - Maintained its short-term policy rate at -0.10% and target yield for 10-year JGBs at 0.00%.
 - Maintained the upper limit for ETFs and J-REITS at ¥12trn and ¥180bn respectively.
 - Maintained the amounts outstanding for commercial paper and corporate bonds at ¥2trn and ¥3trn respectively.
 - Extended, by 1 year, the deadlines for loan disbursements under the Fund-Provisioning Measure to Stimulate Bank Lending and the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth.
- Japanese equity gained for the week on market enthusiasm that US lawmakers will pass additional fiscal stimulus measures to boost economic growth.
- Nikkei 225: 28,631 (WTD +0.39%), Yen: 103.78 (WTD -0.07%)



- Eurozone Jan21 Preliminary Manufacturing PMI 54.7 v 54.4 (e) v 55.2 (Dec20)
- Germany Jan21 Preliminary Manufacturing PMI 57.0 v 57.2 (e) v 58.3 (Dec20)
- France Jan21 Preliminary Manufacturing PMI 51.5 v 50.5 (e) v 51.1 (Dec20)
- At its Jan 2021 meeting, the European Central Bank (ECB) Governing Council:
 - Maintained interest rates on refinancing, lending, and deposits at 0.00%, 0.25% and -0.50%, respectively.
 - Maintained asset purchases under the Pandemic Emergency Purchase Program (PEPP) at €1,850bn which it expects to continue until at least Mar 2022.
 - Maintained net repurchases under the asset purchase programme at €20bn per month.
- European equities closed mixed as hopes of increased US fiscal stimulus were tempered by increased restrictions implemented effected in Europe to control the spread of Covid-19.
- DAX: 13,874 (WTD +0.63%), Stoxx50: 3,602 (WTD +0.08%), FTSE100: 6,695 (WTD -0.60%)



- 4Q20 GDP y/y 6.5% v 6.2% (e) v 4.9% (3Q20)
- Dec20 Industrial Production y/y 7.3% v 6.9% (e) v 7.0% (Nov20)
- Dec20 Retail Sales y/y 4.6% v 5.5% (e) v 5.0% (Nov20)
- Chinese equities closed higher for the week supported by a Central Bank liquidity injection of 278bn yuan and expectations of increased fiscal stimulus in the US.
- SHSZ300: 5,570 (WTD +2.05%), SHCOMP: 3,607 (WTD +1.13%)



- 16 Jan 21 Initial Jobless claims 900k v 935k (e) v 965k (9 Jan 21)
- Jan21 Preliminary Manufacturing PMI 59.1 v 56.5 (e) v 57.1 (Dec20)
- US equities ended the week on a high on expectations of further fiscal stimulus by the incoming Biden administration.
- NASDAQ: 13,543 (WTD +4.19%), S&P 3,841 (WTD +1.94%)

COMMODITIES



- ΔUS crude inventories 4,352k bbl. (15 Jan 21) v. -1,739k bbl. (e) v -3,248k bbl. (8 Jan 21)
- ΔUS Oil Rigs +5; 378 (22 Jan 21) v. 373 (15 Jan 21)
- ΔNorth American Oil Rigs +16; 550 (22 Jan 21) v. 534 (15 Jan 21)
- Oil prices ended the week marginally weaker on concerns over surging global Covid-19 cases, stringent lockdowns in Europe and Hong Kong, and the unexpected buildup in US crude inventories.
 - WTI: \$52.27 (WTD -0.17%)
 - Brent Crude: \$55.41 (WTD -0.56%)



- Precious metals gained for the week due to a weaker dollar which was pulled down by expectations of increased fiscal stimulus from the incoming Biden administration in the US.
 - Gold: \$1,856 (WTD +1.49%)
 - Platinum: \$1,103 (WTD +2.60%)



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