

### COMPANY ANNOUNCEMENTS



#### Acquisition of Seed Co Limited (SCL) by Seed Co International Limited (SCIL)

- SCIL informed shareholders that it had secured a controlling block in SCL (35%) through a Primary Offer, at consideration of 1 SCIL share for 0.98 SCL shares.
- SCIL notified shareholders of its intentions to acquire the remaining shares through a Secondary Offer, at 1 SCIL for 0.98 SCL shares. The offer opens on 27 Jan 2021 and closes on 2 Mar 2021.
- P2.00 (YTD: +8.11%) PE: 11.0 PB: 1.0 D/Y: 0.00% Mkt Cap: P762.9mn



#### Results of Annual General Meeting (AGM)

- NAP announced the results of its 2020 AGM, held on 22 Jan 2021, where all five resolutions were passed with at least 99.7% of votes in favour. Prior to the meeting, the following resolution was withdrawn:
  - Resolution 6: Place linked units equal to an aggregate of 15% of the number of linked units in issue at any time under the control of directors for the acquisition of immovable property.
- P3.21 (YTD: 0.00%) PE: 13.0 PB: 1.4 D/Y: 7.88% Mkt Cap: P1,940.1mn



#### Appointment of Independent Non-Executive Director

- StanChart announced the appointment of Ms Rapelang Rabana as an independent non-executive director.
- Ms Rapelang is a seasoned entrepreneur with 15 years of experience in digital transformation innovation, with recognition from the World Economic Forum, and holds a Master of Science in Property Studies.
- P1.45 (YTD: 0.00%) PE: 3.7 PB: 0.4 D/Y: 12.68% Mkt Cap: P432.6mn



#### Recovery of 378 carat Top White Gem Diamond

- Lucara announced the recovery of an unbroken Type Ila 378 carat gem quality top white diamond from its 100% owned Karowe Mine in Botswana.
- The diamond is the 2<sup>nd</sup> 300+ carat gem quality diamond to be recovered this year from the Karowe Mine.
- P5.61 (YTD: +9.78%) PE: N/A PB: 1.0 D/Y: 0.00% Mkt Cap: P2,226.6mn

#### Quarterly Operational Update

- Tlou Energy released an operational update for the quarter ending 31 Dec 2020:
  - Project Finance:
    - The company is seeking \$10mn to develop Phase 1 of the Lesedi Project, which includes the construction of a 100km transmission line, grid connection, and generation of 2MW of electricity.
    - The company is seeking ~\$20mn for Phase 2 of the Lesedi Project which includes expansion of the 2MW Lesedi Project up to 10MW and will include drilling more gas wells, and purchasing additional electricity generating assets.
    - Tlou announced it expects to relay further details of the deal in 1Q21, following completion of technical and risk assessment.
    - Tlou announced it is considering purchasing land for gas and solar development, conducting preparatory work on the transmission line, and beginning drilling operations prior to the closing of the Phase 1 and Phase 2 financing.
  - Ministerial Site Visit and Government Support
    - Tlou announced it has received a delegation from the Ministry of Mineral Resources Green Technology and Energy Security (MMGE), including Minister Lefoko Moagi, at the Lesedi Project.



- The company shared that MMGE had committed to fast track the development of the Coal Methane Bed project, for which the 100MW tender negotiations would start in Feb 2021.
  - Tlou announced it had successfully signed a pilot Power Purchasing Agreement (PPA) and Grid Connection Agreement with the Botswana Corporation (BPC) for 2MW of power from the Lesedi Project.
  - Tlou announced the detailed design for the ~100km transmission line has been completed, and that requests to tender for the construction of the line had been sent to qualified parties in Dec 2020, with bids and awards expected 2Q21.
  - The company announced that gas continued to flow sustainably at Lesedi 4P, but that flows were not expected to increase materially until dewatering of the well had occurred.
- P0.33 (YTD: 0.00%) PE: N/A PB: 0.4 D/Y: 0.00% Mkt Cap: P169.4mn

### Notice of Annual General Meeting (AGM)

- PrimeTime gave notice that it will hold its 2020 AGM on 24 Feb 2021 via MS Teams. Shareholders will vote on:
  - Adopting audited financial statements for the year ended 31 Aug 2020.
  - Approve distributions for the year ended 31 Aug 2020.
  - Re-electing Cross Kgosiile and Alexander Kelly as directors.
  - Approving remuneration paid to directors for the year ended 31 Aug 2020.
  - Re-appointing Deloitte and Touche as auditors for the ensuing year and approving auditor's remuneration for the year ended 31 Aug 2020.
- P2.73 (YTD: -0.73%) PE: N/A PB: 0.9 D/Y: 6.59% Mkt Cap: P667.9mn



### Quarterly Market Update – 31 Dec 2020

- Shumba issued its quarterly market update for the quarter ended 31 Dec 2020 where it highlighted that:
  - It generated \$191.6k of revenue and incurred \$101.0k in administration expenses and \$162.9k in trading costs resulting in net cash outflow of \$72.2k.
  - Cash and cash equivalents at the end of the quarter amounted to \$337k.
  - That there were no mining development activities with regard to any licenses it holds.
  - The COVID-19 pandemic continued to have an adverse impact on Shumba during the quarter. Activity across the 3 jurisdictions it operates in reduced due to lockdowns imposed during the quarter.
- P0.95 (YTD: 0.00%) PE: 9.2 PB: 2.2 D/Y: 0.00% Mkt Cap: P278.2mn



### Cautionary Announcement

- Cresta advised shareholders to exercise caution as the proposed transaction regarding the Phakalane Golf Estate Hotel has still not received approval from the Competition and Consumer Authority and as such the effective date of the transaction is now expected to be 1 Mar 2021.
- P1.30 (YTD: 0.00%) PE: N/A PB: 1.3 D/Y: 0.00% Mkt Cap: P240.0mn



### Appointment of Independent Non-Executive Directors to the Board

- LLR announced the following independent non-executive director appointments:
  - Ms Onthatile Tiny Ogotseng, current Head of Legal and Company Secretary at the Sir Ketumile Masire Teaching Hospital, effective 25 Jan 2021.
  - Ms Mmametsi Setlhare, current Head of Audit Services at Debswana Diamond Company, effective 15 Jan 2021.
  - Mr Sedireng Serumola, current Managing Director of the Diamond Trading Company Botswana, effective 25 Jan 2021.
- P2.29 (YTD: 0.00%) PE: 10.3 PB: 0.8 D/Y: 7.04% Mkt Cap: P641.2m

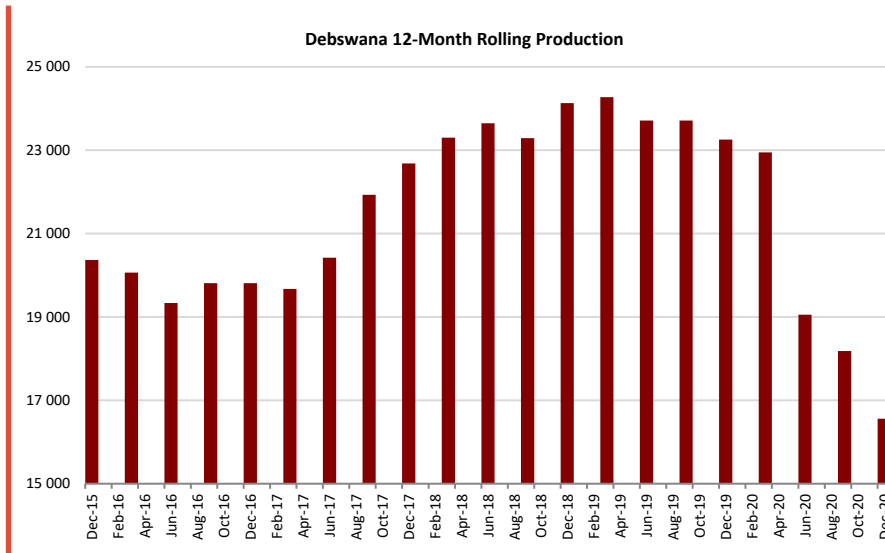


### Extension of Curfew

- Following rising cases of Covid-19 in the country, the Government of Botswana extended the restriction of movement between 8pm to 4am, which was set to expire on 31 Jan 2020, to 28 Feb 2021.
- Sale of alcohol along with public consumption of alcohol will remain suspended during the extension.

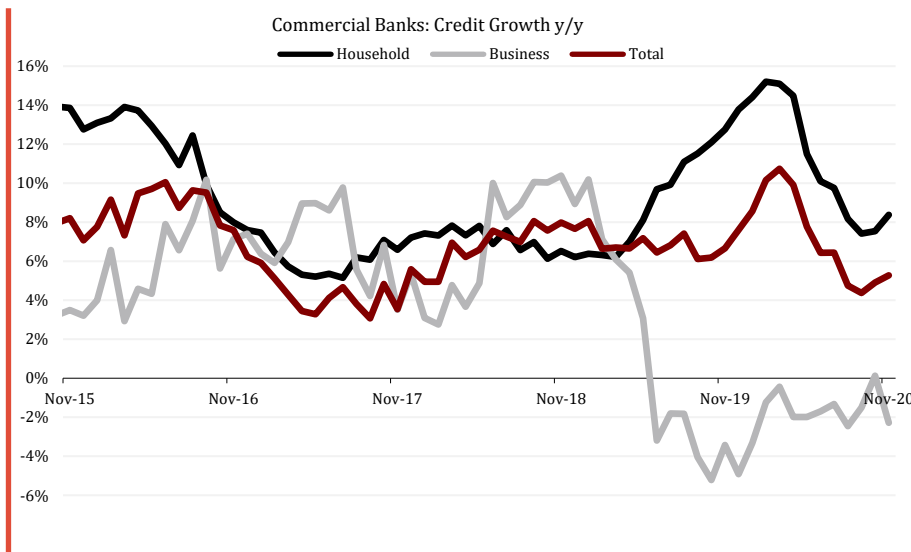


## 4Q20 DEBSWANA DIAMOND PRODUCTION (DDP) – VOLUMES DROPPED FURTHER



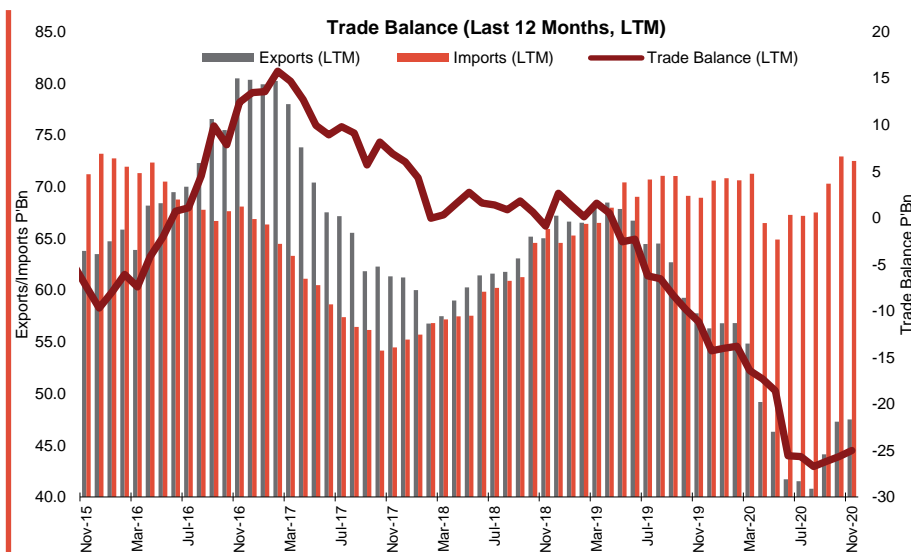
- Anglo American (AA) released 4Q20 diamond production data.
- DDP 4,263k ca v 4,827k ca (3Q20) v 5,888k ca (4Q19)
- 4Q20 DDP declined 28% versus 4Q19, due to planned treatment of lower grade material at Jwaneng (where production declined 56%), a slower start in Orapa following maintenance, and power interruptions.
- AA revised full year production guidance to 32-34mn ca from 33-35mn ca due to ongoing operational challenges, trading conditions, and lower production from South Africa.

## NOV20 CREDIT GROWTH (CG) – HOUSEHOLDS SUPPORT CREDIT GROWTH



- Nov20 CG y/y 5.3% v 4.9% (Oct20)
- Nov20 Household CG y/y 8.4% v 7.5% (Oct20)
- Nov20 Business CG y/y -2.3% v 0.1% (Oct20)
- Contributors to the business decline were Mining (fell to -10.2% y/y from -3.0% y/y in Oct20); Trade (fell to -1.4% from 4.7% in Oct20), and Agriculture (fell to -16.2% from -12.7% in Oct20)

## NOV20 TRADE BALANCE (TB) – IMPORT REDUCTIONS EASE DETERIORATION IN TRADE BALANCE



- Nov20 TB -P1.9bn v -P2.3bn (Oct20)
- Improvement in TB due to substantial declines in total imports to P6.9bn from P8.25bn in Oct20.
- Nov20 LTM TB -P25.01bn v -P25.65bn (Oct20)

## SEFALANA HY20 RESULTS – RETAIL CONTINUES TO SUPPORT REVENUES

Income Statement P'Mn	HY 20	HY 19	% Δ
Revenue	2 912	2 847	2%
Cost of sales	-2 697	-2 663	1%
<b>Gross Profit</b>	<b>215</b>	<b>183</b>	<b>17%</b>
Other Income and gains	20	13	60%
Administrative expenses	-97	-90	8%
<b>EBITA</b>	<b>139</b>	<b>106</b>	<b>31%</b>
Amortization	-3	-3	-7%
Investment income	23	28	-19%
Finance costs	-10	-8	24%
Shares of results of associate	0	-1	-128%
<b>Profit before taxation</b>	<b>149</b>	<b>122</b>	<b>22%</b>
Tax	-35	-34	3%
<b>Profit for the period</b>	<b>113</b>	<b>87</b>	<b>30%</b>
Balance Sheet extract P'Mn	HY 20	HY 19	% Δ
Cash and cash equivalents	405	506	-20%
Property, plant and equipment	749	640	17%
Trade and other payables	699	726	-4%
Equity	1 871	1 775	5%

- Revenue +2%; driven by Manufacturing (+26.7%), Lesotho Retail (+30.9%) and Namibia Retail (+5.5%).
- Gross margin expanded to 7.4% versus 6.4% (1H19) due to increased sales contribution from groceries in Botswana.
- Profit for the Period was up 30% due to expansion in gross profit margin.
- Interim dividend of 10t/share declared, payable on 12 Feb 2021.
- P9.34 (YTD: 0.00%)  
PE: 10.4  
PB: 1.3  
D/Y: 4.01%  
Mkt Cap: P2,341.8mn

## Regional

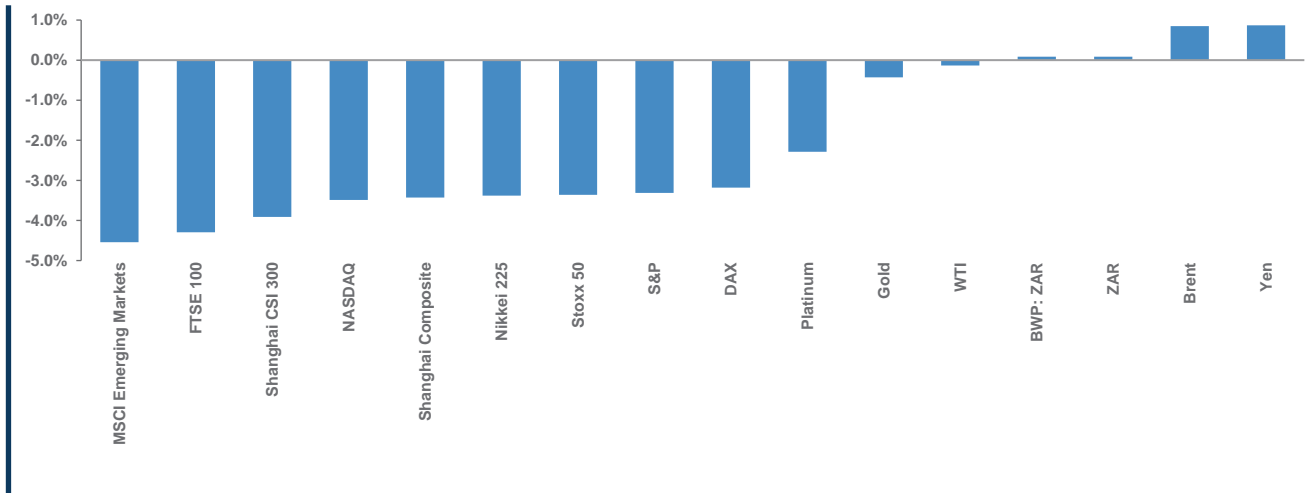
### SOUTH AFRICA

- Dec20 PPI y/y 3.0% v 3.1% (e) v 3.0% (Nov20)
- Dec20 Private Sector Credit 3.55% v 3.50% (e) v 3.38% (Nov20)
- Dec20 Trade Balance R32.0bn v R30.0bn (e) v R35.3bn (Nov20)
- Health Minister, Zweli Mkhize, announced that the first 1mn vaccines would leave India on 31 Jan 2021 for South Africa, and that SA had secured an additional 20mn vaccines from Pfizer, bringing the total doses secured up to 40mn.

### ZAR PERFORMANCE

- The South African Rand traded flat for the week as investors weigh progress on implementing another round of US fiscal stimulus.
- ZAR 15.16 (WTD +0.09%) v 15.15 (22 Jan 21)

## INTERNATIONAL SNAPSHOT – 29 JAN 21 WEEKLY PERFORMANCE



- Dec20 Preliminary Industrial Production y/y -3.2% v -3.1% (e) v -3.9% (Nov20)
- Jan21 Tokyo CPI y/y -0.5% v -0.9% (e) v -1.3% (Dec20)
- Dec20 Retail Sales y/y -0.3% v -0.5% (e) v 0.7% (Nov20)
- Japanese equities plunged for the week following lacklustre results releases for US Tech companies.
- Nikkei 225: 27,663 (WTD -3.38%), Yen: 104.68 (WTD +0.87%)



- Eurozone Jan21 Final Consumer Confidence -15.5 v -13.8 (Dec20)
- Germany Jan21 Preliminary CPI y/y 1.0% v 0.7% (e) v -0.3% (Dec20)
- France 4Q20 Preliminary GDP q/q -1.3% v -4.0% (e) v 18.5% (3Q20)
- European equities sank for the week, driven by concerns about COVID-19 vaccine rollout delays and increased cases of the COVID19 variant.
- DAX: 13,433 (WTD -3.18%), Stoxx50: 3,481 (WTD -3.36%), FTSE100: 6,407 (WTD -4.30%)



- Dec20 Industrial Profits y/y 20.1% v 15.5% (Nov20)
- Chinese equity markets closed lower due to tighter liquidity domestically, poor results releases by US Tech firms and the continued increase in COVID-19 cases globally.
- SHSZ300: 5,552 (WTD -3.91%), SHCOMP: 3,483 (WTD -3.43%)



- 23 Jan 21 Initial Jobless claims 847k v 875k (e) v 914k (15 Jan 21)
- 4Q20 Final GDP Annualized q/q 4.0% v 4.2% (e) v 33.4% (3Q20)
- The Federal Reserve Open Market Committee maintained the Federal Funds Rate at 0.00%-0.25% citing moderation in economic activity and employment.
- US equities plunged for the week following poor earnings releases from Tech bellwethers and uncertainty regarding the implementation of another round of fiscal stimulus.
- NASDAQ: 13,070 (WTD -3.49%), S&P 3,714 (WTD -3.31%)

## COMMODITIES

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- $\Delta$ US crude inventories -9,910k bbl. (22 Jan 21) v. 376k bbl. (e) v 4,352k bbl. (15 Jan 21)
- $\Delta$ US Oil Rigs +6; 384 (29 Jan 21) v. 378 (22 Jan 21)
- $\Delta$ North American Oil Rigs +8; 558 (29 Jan 21) v. 550 (22 Jan 21)
- Oil prices reflected caution in the market, and a longer period to recovery as the new Covid variant spread across new markets, and vaccine production and efficacy faced obstacles.
  - WTI: \$52.20 (WTD -0.13%)
  - Brent Crude: \$55.81 (WTD +0.85%)



- Precious metals sank for the week, despite increased bearishness in the global market on account of a strong Dollar as investors preferred to place money in the safe haven Dollar as they assessed the impact of the new variant of COVID-19 on the expected recovery in global economic activity.
  - Gold: \$1,848 (WTD -0.43%)
  - Platinum: \$1,078 (WTD -2.28%)



## KGORI CAPITAL

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