

Local

COMPANY ANNOUNCEMENTS

Resignation from Board of Directors



- Turnstar announced the retirement of Mrs Peo Pillar from the board. Mrs Pillar served on the Turnstar board since 2011 and was the Chairperson of the Audit and Risk Committee at her time of retirement.
- P2.38 (YTD: -4.80%) PE: 9.6 PB: 0.8 D/Y: 4.20% Mkt Cap: P1,361.7mn

Release of 2020 Yearend Results



- Lucara announced that it will release its 2020 yearend results on Monday, 22 Feb 21.
- Lucara will host a conference call and webcast to discuss the results on Tuesday, 23 Feb 21, at 3pm UK.
- P7.00 (YTD: +36.99%) PE: N/A PB: 1.3 D/Y: 0.00% Mkt Cap: P2,778.3mn

Announcement of Plan to Delist and Notice of General Meeting



- Afinitas advised shareholders that it has distributed a circular indicating its intention to delist from the Venture Capital Board of the BSE and provide shareholders with the opportunity to exit their positions in the company.
- Notice of General Meeting
 - Afinitas gave notice that it will hold a general meeting on Friday, 5 Mar 21, at 10am via MS Teams. Shareholders will vote on:
 - Special Resolution 1: Approving the termination of Afinitas' listing on the BSE Venture Capital Board subject to approving the Exit Opportunity Resolution.
 - Special Resolution 2: Subject to Special Resolution 1 being approved, approving Afinitas to provide existing public shareholders the opportunity to exit their position for a cash consideration of 1.49 US cents/share.
- Afinitas plans to delist on 21 Apr 21 and has already secured an irrevocable undertaking from Allan Gray, which holds 34.96% of Afinitas shares on behalf of clients, to vote in favour of the delisting and exit opportunity resolutions at the General Meeting.
- P0.89 (YTD: 0.00%) PE: N/A PB: 4.6 D/Y: 0.00% Mkt Cap: P190.4mn

Receipt of Environmental Authorisation for the Tati Solar Project and Issue of New Shares



- Shumba announced that it has received the Environmental Authorisation for the Tati Solar Project from the Department of Environmental Affairs in Francistown.
- Shumba also announced that it has issued 269,995 shares in settlement of short-term obligations of P244,281 due to institutional shareholders. The shares will be listed on 15 Feb 21 resulting in an increase of Shumba's share capital to 293,065,088 shares.
- P0.95 (YTD: 0.00%) PE: 9.2 PB: 2.2 D/Y: 0.00% Mkt Cap: P278.2mn

4Q20 Botswana Expectations Survey (BES)



- Bank of Botswana (BoB) released the results of its 4Q20 BES. Firms were less pessimistic about economic activity in 4Q20 compared to 3Q20 and COVID-19 containment efforts negatively affected business operations in 4Q20.
- Firms expect:
 - Access to credit to remain tight across all markets.
 - Cost pressures to rise in 4Q20, reflecting the anticipated increase in some input costs.
 - Inflation to be stable and remain within the BoB's medium term objective range of 3%-6% in 2020 and 2021.
 - It will take more than one year from 4Q20 for their businesses to recover from the impact of COVID-19.

LLR HY21 RESULTS – EARNINGS FLAT DUE TO TENANT FAILURES AND ADMIN EXPENSES

Income Statement P'Mn	HY 21	HY 20	% Δ	
Rental revenue	49	38	29%	<ul style="list-style-type: none"> • Revenue +29% driven by recent property acquisitions. • Credit loss allowance 7x higher due to tenant failures caused by the pandemic. • Net finance costs +44% due to lower finance income on account of a lower cash balances. • Profit for the period -5% due to increased credit allowance, admin expenses and lower FV Adjustment. • LLR will cautiously continue its local and regional expansion strategy.
Recoveries	1	1	-25%	
Other income	0	0	694%	
Movement in credit loss allowance	-2	0	962%	
Property expenses	-5	-4	3%	
Admin expenses	-14	-10	44%	
Operating profit	30	25	19%	
Net finance costs	-7	-5	44%	
Share of profit from equity investments	1	3	-66%	
Profit before FV adjustment	25	25	-1%	
FV Adjustment	8	11	-21%	<ul style="list-style-type: none"> • Interim distribution declared of 7.905t/linked unit, payable on 26 Feb 21. • P2.29 (YTD: 0.00%) PE: 10.5 PB: 0.8 D/Y: 7.35% Mkt Cap: P641.2mn
Profit before taxation	33	36	-7%	
Tax	-4	-5	-20%	
Profit for the period	29	31	-5%	
Balance Sheet extract P'Mn	HY 21	HY 20	% Δ	
Cash and cash equivalents	59	226	-74%	
Investment properties	958	761	26%	
Investment in associate	42	41	2%	
Borrowings	234	237	-1%	
Equity	783	759	3%	

Regional

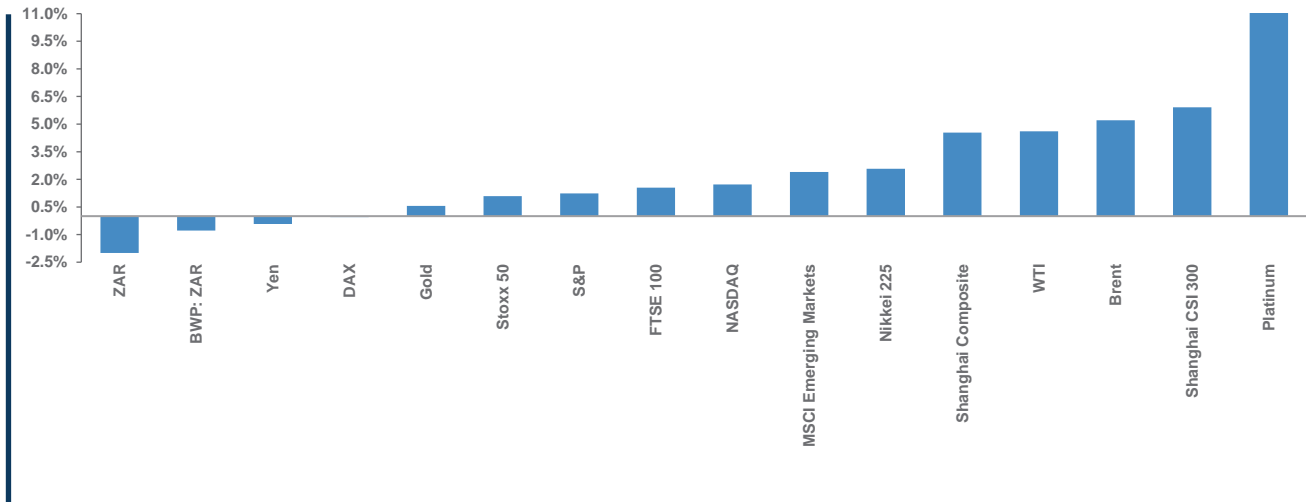
SOUTH AFRICA

- Dec20 Manufacturing Production m/m -0.1% v -0.6% (e) v -0.6% (Nov20)
- Jan21 SACCI Business Confidence 94.5 v 93.0 (e) v 93.4 (Dec20)

ZAR PERFORMANCE

- The ZAR traded stronger for the week as hopes increased that the US will pass additional fiscal stimulus and progress is made on vaccine distribution globally.
- ZAR 14.55 (WTD -2.00%) v 14.84 (5 Feb 21)

INTERNATIONAL SNAPSHOT – 12 FEB 21 WEEKLY PERFORMANCE



- Jan21 PPI y/y -1.6% v -1.6% (e) v -2.0% (Dec20)
- Dec20 Labour Cash Earnings y/y -3.2% v -4.8% (e) v -1.8% (Nov20)
- Japanese equities rallied on increased hopes of a recovery in the economy as vaccine rollouts begin and the number of daily COVID-19 cases falls.
- Nikkei 225: 29,520 (WTD: +7.56%), Yen: 104.94 (WTD: -0.43%)



- Eurozone Feb21 Sentix Investor Confidence -0.2 v 2.0 (e) v 1.3 (Jan21)
- France Dec20 Industrial Production m/m -0.8% v 0.4% (e) v -0.7% (Nov20)
- Germany Dec20 Industrial Production m/m 0.0% v 0.3% (e) v 1.5% (Nov20)
- European equities closed the week in the green on investor hopes that the US will be able to implement another round of fiscal stimulus.
- DAX: 14,050 (WTD: -0.05%), Stoxx50: 3,696 (WTD: +1.09%), FTSE100: 6,590 (WTD: +1.55%)



- Jan21 CPI y/y -0.3% v 0.0% (e) v 0.2% (Dec20)
- Jan21 PPI y/y 0.3% v 0.3% (e) v -0.4% (Dec20)
- Chinese equities gained for the week as investor outlook increased on continued global vaccine rollout and expectations of additional fiscal stimulus in the US.
- SHSZ300: 5,808 (WTD: +5.91%), SHCOMP: 3,655 (WTD: +4.54%)



- 6 Feb 21 Initial Jobless claims 793k v 760k (e) v 812k (30 Jan 21)
- Jan21 CPI y/y 1.4% v 1.5% (e) v 1.4% (Dec20)
- Feb21 Preliminary UoM Sentiment 76.2 v 80.9 (e) v 79.0 (Jan21)
- US equities rallied for the week as more companies reported solid earnings and on increased expectations that lawmakers are getting closer to implementing another round of fiscal stimulus.
- NASDAQ: 14,095 (WTD: +1.73%), S&P 3,935 (WTD: +1.23%)

COMMODITIES



- Δ US crude inventories -6,645k bbl. (5 Feb 21) v -177k bbl. (e) v -994k bbl. (29 Jan 21)
- Δ US Oil Rigs +5; 397 (12 Feb 21) v 392 (5 Feb 21)
- Δ North American Oil Rigs +10; 573 (12 Feb 21) v 563 (5 Feb 21)
- Oil prices rallied as US crude inventories continued to decline and optimism that the demand side will be supported by the proposed fiscal stimulus in the US.
 - WTI: \$59.47 (WTD +4.61%)
 - Brent Crude: \$62.43 (WTD +5.21%)



- Gold prices gained on increased investor expectation that the US will implement another round of fiscal stimulus. Platinum price rocketed on expectations that supply will remain constrained.
 - Gold: \$1,824 (WTD: +0.56%)
 - Platinum: \$1,256 (WTD +11.29%)



KGORI CAPITAL

INVEST WITH PRIDE

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