



Local

COMPANY ANNOUNCEMENTS

Seeking Carbon Neutrality



- Tlou announced that it is working towards being the first carbon neutral baseload power project in Botswana. Tlou has already negotiated land access and leasing agreements with relevant landholders for the power generation facility and new field operations camp. Tlou has taken recent steps to acquire additional land for carbon sequestration.
- Carbon sequestration involves storing carbon dioxide from the atmosphere so that it potentially reduces its contribution to global warming.
- P0.50 (YTD: +51.52%) PE: N/A PB: 0.6 D/Y: 0.00% Mkt Cap: P256.6mn

Results of Extraordinary General Meeting (EGM)



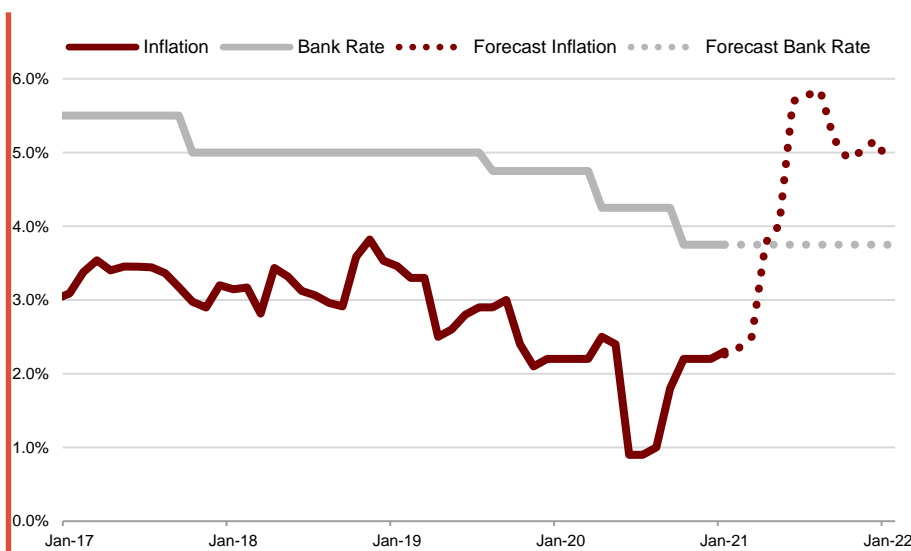
- Minergy released the results of its EGM where all resolutions were passed by at least 99.6% votes in favour.
- P0.80 (YTD: 0.00%) PE: N/A PB: 8.7 D/Y: 0.00% Mkt Cap: P376.0mn

Issue of Supplementary Programme Memorandum and Bond Announcement



- BHC announced that it has issued a Supplementary Programme Memorandum dated 19 Jan 21.
- BHC further advised that it has issued P100mn of Senior Unsecured Fixed Rate Notes, maturing on 16 Feb 21, at par with an annual interest rate of 7.75%.

JAN21 INFLATION – CONTINUUES TO TREND BELOW OBJECTIVE RANGE



- Jan21 CPI y/y 2.3% v 2.2% (Kgori) v 2.2% (Dec20)
- Inflation increased slightly due to Health inflation increasing 0.6% to 2.2% in Jan21.
- We expect inflation to substantially increase due to expected increases in fuel prices which will impact Transport inflation. Fuel prices should increase by an additional P1.50 (~19.0%) in order to cater for the proposed increase in the fuel levy from P0.12 to P1.12 plus under-recoveries. Transport inflation makes 23.4% of the inflation basket, hence the expected increase in fuel prices (which we expect to be implemented in Apr21) will drive Transport inflation to a peak of 16.5% in 3Q20 and Headline inflation to 5.8%.

Regional

SOUTH AFRICA

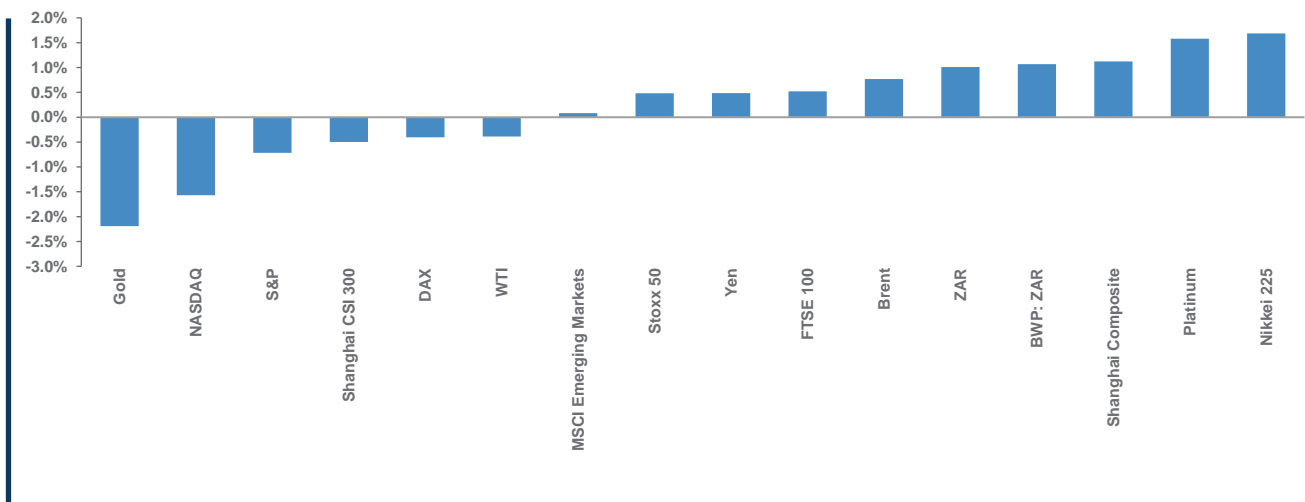
- Jan21 CPI y/y 3.2% v 3.3% (e) v 3.1% (Dec20)
- Dec20 Retail Sales m/m -0.8% v 0.5% (e) v 0.2% (Nov20)

ZAR PERFORMANCE

- The ZAR weakened for the week as investors dumped emerging market assets for US treasuries where yields ticked up on expectation that the inflation and rate in the US will increase.
- ZAR 14.69 (WTD: +1.01%) v 14.55 (12 Feb 21)

International

INTERNATIONAL SNAPSHOT – 19 FEB 21 WEEKLY PERFORMANCE



- 4Q20 Preliminary GDP q/q 3.0% v 2.4% (e) v 5.3% (3Q20)
- Dec20 Final Industrial Production m/m -1.0% v -0.5% (Nov20)
- Jan21 National CPI y/y -0.6% v -0.7% (e) v -1.2% (Dec20)
- Japanese equities rallied on a better-than-expected GDP release and investor optimism that the global economy is on track for a recovery in 2021.
- Nikkei 225: 30,018 (WTD: +1.69%), Yen: 105.45 (WTD: +0.49%)



- Eurozone 4Q20 GDP q/q -0.6% v -0.7% (e) v -0.6% (4Q20)
- France Feb21 Preliminary Manufacturing PMI 55.0 v 51.5 (e) v 51.6 (Jan21)
- Germany Feb21 Preliminary Manufacturing PMI 60.6 v 56.5 (e) v 57.1 (Jan21)
- European equities closed the week slightly in the green as an early week rally driven by progress made on European vaccinations was tempered by investor concerns that inflation may run "to hot" causing interest rates to rise.
- DAX: 13,993 (WTD: -0.40%), Stoxx50: 3,713 (WTD: +0.48%), FTSE100: 6,624 (WTD: +0.52%)



- Chinese equities closed mix as investors dumped mainland equities for Hong Kong listed shares due to US imposing bans on some mainland Chinese securities.
- SHSZ300: 5,779 (WTD: -0.50%), SHCOMP: 3,696 (WTD: +1.12%)



- 13 Feb 21 Initial Jobless claims 861k v 773k (e) v 848k (6 Feb 21)
- Jan21 Retail Sales Advance m/m 5.3% v 1.1% (e) v -1.0% (Dec20)
- Feb21 Preliminary Markit Manufacturing PMI 58.5 v 58.8 (e) v 59.2 (Jan21)
- US equities fell for the week driven by investor expectations that the proposed \$1.9tn fiscal stimulus will cause inflation and domestic rates to rise.
- NASDAQ: 13,874 (WTD: -1.57%), S&P 3,907 (WTD: -0.71%)

COMMODITIES



- Δ US crude inventories -7,257k bbl. (12 Feb 21) v -2,426k bbl. (e) v -6,645k bbl. (5 Feb 21)
- Δ US Oil Rigs +0; 397 (19 Feb 21) v 397 (12 Feb 21)
- Δ North American Oil Rigs -4; 569 (19 Feb 21) v 573 (12 Feb 21)
- Oil prices closed mixed as an early week rally driven by the closure of refineries in Texas and continuing declines in US crude inventories was moderated by weak US Jobless claims numbers which indicated the demand side may not recover as strongly as investors had previously hoped.
 - WTI: \$59.24 (WTD: -0.39%)
 - Brent Crude: \$62.91 (WTD +0.77%)



- Gold prices fell for the week as investors preferred higher yielding US bonds. Platinum gained for the week as investors expect a wider supply-demand deficit as the global economy recovers in 2021.
 - Gold: \$1,784 (WTD: -2.19%)
 - Platinum: \$1,276 (WTD +1.58%)



KGORI CAPITAL

INVEST WITH PRIDE

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