

Local

COMPANY ANNOUNCEMENTS



24-month Extension to HB Antwerp (HB) Supply Agreement

- Lucara announced that it has entered into a 24-month extension of its supply agreement with HB to Dec 2022 for diamonds larger than 10.8 carats from its Karowe Diamond Mine in Botswana.
- The agreement which was initially entered into in Jul 2020 has exposed Lucara to a broader marketplace, thus generating regular cash flow based on final polished sales.
- P7.00 (YTD: +36.99%) PE: N/A PB: 1.2 D/Y: 0.00% Mkt Cap: P2,779.2mn



Immediate Halting of BBS Limited (BBS) Securities from Trading on the BSE

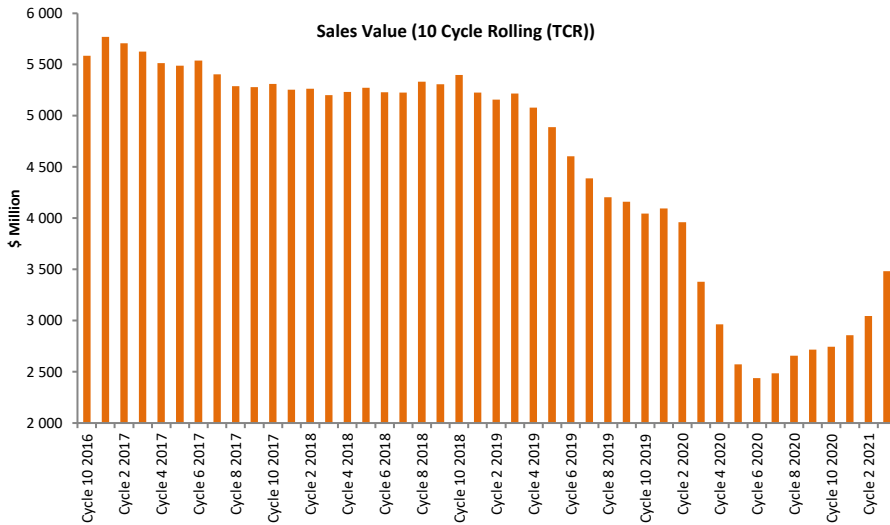
- On 7 Apr 2021, the BSE announced the immediate suspension of BBS from trading, pending clarification of recent developments relating to BBS Board of Directors and Senior Management.
- The BSE will lift the trade halt once full details relating to the allegations are published in an announcement on X-News.

BANCABC FY20 RESULTS – HIGHER IMPAIRMENTS AND STABLE EXPENSES SUBDUE EARNINGS

Income Statement P'Mn	FY 20	FY 19	% Δ
Interest Income	712	744	(4%)
Interest expense	(290)	(332)	(13%)
Net Interest	422	412	2%
Expected credit loss / impairment	(4)	16	(124%)
Net trading income	28	13	114%
Net fee & commission income	95	111	(15%)
Operating income	541	552	(2%)
Personnel expenses	(154)	(155)	(1%)
General & Admin expenses	(129)	(128)	0%
Depreciation & Amortization (D&A)	(46)	(38)	22%
Other operating expenses (OOE)	(87)	(80)	9%
Profit before taxation	125	151	(17%)
Tax	(32)	(30)	7%
Profit for the period (PAT)	93	121	(23%)
Balance Sheet extract P'Mn	FY 20	FY 19	% Δ
Cash and cash equivalents	384	77	398%
Loans to customers	6,001	6,436	(7%)
Deposits from customers	6,566	6,974	(6%)
Equity	1,178	1,085	9%

- Revenue -4% due to 100bps policy rate cuts in 2020 and 7% decline in loan book.
- Interest expense -13% due to improved funding mix and 6% decline in deposits.
- Expected credit losses increased due to loan restructuring measures and customer repayment holidays.
- D&A +22% due to amortisation of capitalised technology infrastructure projects.
- OOE +9% due to costs incurred to support working from home arrangements.
- PAT -23% due to increases in impairments and stable expenses.
- No dividend declared.
- P1.98 (YTD: 0.00%)
PE: 15.8
PB: 1.2
D/Y: 0.00%
Mkt Cap: P1,435.5mn

DE BEERS' (DB) CYCLE 3 SALES 2021 – SALES MEET EXPECTATIONS



- DB Cycle 3 2021 Sales \$440mn v \$550mn (Cycle 2 2021)
- DB Cycle 3 2021 Sales TCR \$3,484mn v \$3,380mn (Cycle 3 2020)
- DB continued to implement a flexible approach to rough diamond sales, with sales being in line with expectations.
- Market sentiment and overall industry conditions remain positive; however, the industry still faces lockdown challenges in Europe and Mumbai which subsequently led to the closure of the Bharat Diamond Bourse in India.

Regional

SOUTH AFRICA

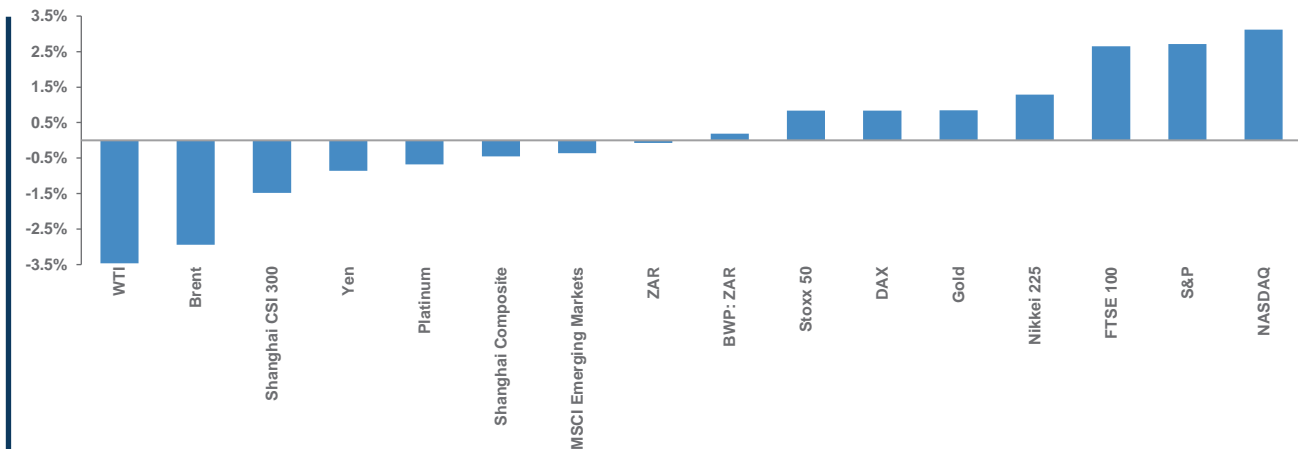
- Mar21 SACCI Business Confidence 94.0 v 94.0 (e) v 94.5 (Feb21)
- Feb21 Manufacturing Production m/m -1.2% v 0.4% (e) v 0.0% (Jan21)
- Fuel prices in South Africa rose as fuel levy increases kicked in on 7 Apr as announced by Finance Minister in the February Budget.

ZAR PERFORMANCE

- The ZAR strengthened against the USD for the week, following the dovish signals from the US Federal Reserve that pushed investors into higher yielding assets.
- ZAR 14.61 (WTD: -0.08%) v 14.62 (1 Apr 21)

International

INTERNATIONAL SNAPSHOT – 9 APR 21 WEEKLY PERFORMANCE





- Feb21 Trade Balance ¥524.2bn v ¥471.8bn (e) v -¥130.1bn (Jan21)
- Mar21 Consumer Confidence Index 36.1 v 35.5 (e) v 33.9 (Feb21)
- Japanese equities closed higher for the week due to bullish investor sentiments over the recovery of the US economy following increased vaccine rollouts, the rise in US Treasury yields and strong US inflation data.
- Nikkei 225: 29,768 (WTD: +1.29%), Yen: 109.67 (WTD: -0.86%)



- Eurozone Feb21 PPI y/y 1.5% v 1.3% (e) v 0.4% (Jan20)
- Eurozone Apr21 Investor Confidence Index 13.1 v 6.7 v 5.0 (Mar 21)
- Germany Feb21 Industrial Production m/m -1.6% v 1.5% (e) v -2.0% (Jan21)
- France Feb21 Manufacturing Production m/m -4.6% v 1.0% (e) v 3.3% (Jan21)
- European equities closed in green due to bullish investor sentiments surrounding global recovery due to increased rollout of vaccines.
- DAX: 15,234 (WTD: +0.84%), Stoxx50: 3,979 (WTD: +0.83%), FTSE100: 6,916 (WTD: +2.65%)



- Mar21 CPI y/y 0.4% v 0.3% (e) v -0.2% (Feb20)
- Mar21 PPI y/y 4.4% v 3.6% (e) v 1.7% (Feb20)
- Chinese equities closed in red for the week on account of PPI data fueling concerns that Chinese policy makers could tighten their monetary stance.
- SHSZ300: 5,035 (WTD: -1.48%), SHCOMP: 3,451 (WTD: -0.45%)



- 3 Apr 21 Initial Jobless Claims 744k v 680k (e) v 728k (26 Mar 21)
- Mar21 PPI Final Demand y/y 4.2% v 3.8% (e) v 2.8% (Feb20)
- The Federal Reserve released minutes from its March meeting in which officials indicated that the easy policy would stay in place until stronger inflation and employment outcomes are achieved.
- US equities closed higher for the week driven by the surge in tech stocks and recovery of the US economy following an increase in vaccine rollouts as well as rising Treasury yields.
- NASDAQ: 13,900 (WTD: +3.12%), S&P 4,129 (WTD: +2.71%)

COMMODITIES



- ΔUS Crude Inventories -3,522k bbl. (2 Apr 21) v -1,638k bbl. (e) v -876k bbl. (26 Mar 21)
- ΔUS Oil Rigs +2; 432 (9 Apr 21) v 430 (2 Apr 21)
- ΔNorth American Oil Rigs -9; 490 (9 Apr 21) v 499 (2 Apr 21)
- Oil prices declined due to higher supply and weaker demand caused by the rise in Covid-19 cases in several countries.
- WTI: \$59.32 (WTD: -3.47%)
- Brent Crude: \$62.95 (WTD: -2.94%)



- Gold closed in the green due to the declined dollar, which was driven by the Fed's dovish policy stance. Platinum closed lower as investors preferred higher yielding US Treasuries to non-yielding platinum.
- Gold: \$1,744 (WTD: +0.84%)
- Platinum: \$1,205 (WTD: -0.67%)



KGORI CAPITAL

INVEST WITH PRIDE

General Disclaimer

All information, recommendations or opinions contained in this document are not intended to provide exhaustive treatment of any subject dealt with and must be weighed solely as one factor in any investment or other decision made by or on behalf of any user of the information contained herein. Such user should consult its own investment or financial or other advisors before making any decision. Whilst all care is taken by Kgori Capital in the preparation of the contents hereof, no warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such recommendation or information is given or made by Kgori Capital in any form or manner whatsoever. The information in this document is not intended to and does not constitute financial, tax, legal, investment, consulting or other professional advice, and Kgori Capital does not purport to act in any way as a financial advisor. Kgori Capital shall not be responsible and disclaims all liability for any loss, liability, damage (whether direct or consequential) of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of any information, opinion, recommendation, or service contained in or provided through this document. All portfolio performance data is calculated by Kgori Capital. Performance is analysed and computed utilising true daily weighted methodology. Where this document contains statements or information which relate to projections, forecasts or hypothetical data, users should be advised that these are predictions and that actual performance may differ markedly. Users should also be aware that short term performance can be volatile and past performance is not necessarily a good indication or guideline of future performance. As the performance of financial markets fluctuates and is not guaranteed, an investor may not get back the full amount invested.

1st Floor Exponential,
Plot 54351, CBD, Gaborone

PO Box 1253 ABG,
Sebele, Gaborone

T +267 3915 990
F +267 3915 980

www.kgoricapital.com

Directors: KI Melamu, AM Ndzinge, S Noor, MS Sibanda
Reg No: BW00000988897

Kgori Capital (Pty) Ltd is an authorised financial services provider.

