



**KGORI CAPITAL**  
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# KGORI CAPITAL MARKET WATCH

17 May 2021

Local

## COMPANY ANNOUNCEMENTS



Lucara Diamond

### Voting Results from Annual General Meeting (AGM)

- Lucara announced the results of its AGM, held on 11 May 21, where all three resolutions were passed with at least 94.10% of votes in favour.
- P7.00 (YTD: +36.99%) PE: N/A PB: 1.2 D/Y: 0.00% Mkt Cap: P2,779.2mn

### Additional Listing of Shares

- CA&S announced that it will acquire 5.05% of Pack 'n Stack for R23.4mn.
- CA&S will settle the amount the amount by issuing 4 624 590 ordinary shares in aggregate to the sellers, comprising of ~1% of total issued share capital in CA&S on 12 May 2021.
- The total issued ordinary shares after the transaction will be 456 831 459.
- P3.70 (YTD: -1.07%) PE: 9.9 PB: 1.4 D/Y: 2.05% Mkt Cap: P1,690.3mn



### Trading Notice

- PrimeTime announced that its consolidated Profit Before Tax (PBT) for the six months ended 28 Feb 21 is expected to be approximately P26.5mn (71%) lower than the PBT reported for the interim period ended 29 Feb 20 because of period end foreign exchange conversions on a US dollar denominated inter-company loan.
- PrimeTime further announced that its operating profit for the period is down by less than 3%.
- The interim financial results are expected to be published by 31 May 21.
- P2.49 (YTD: -9.45%) PE: N/A PB: 0.9 D/Y: 6.00% Mkt Cap: P609.2mn



### Renaming of Government Bonds Listed on The Botswana Stock Exchange (BSE)

- The BSE announced that the Joint Ministry of Finance and Economic Development and Bank of Botswana Technical Bond Auction Committee have decided to change the following bond codes for the BSE listed government bonds to align them with international practice:
  - BW007 has been renamed to BOTSGB0325.
  - BW011 has been renamed to BOTSGB0931.
  - BW012 has been renamed to BOTSGB0640.
  - BW013 has been renamed to BOTSGB0623.
  - BW014 has been renamed to BOTSGB0929.
  - BW015 has been renamed to BOTSGB0943.

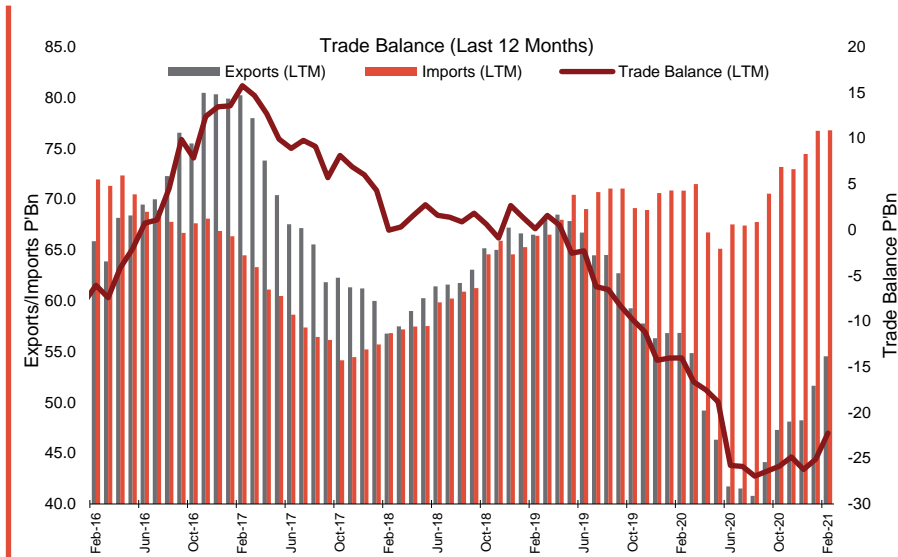


### Inauguration of the Kazungula Bridge

- The President of Botswana, His Excellency Dr. Mokgweetsi Masisi and Zambian President, His Excellency Edgar Lungu presided over the official opening of the USD260mn Kazungula Bridge on 10 May 21.
- The 923-meter road and rail bridge that runs across the Zambezi River is expected to boost trade and commerce between the two countries and increase economic activities and prospects of other countries in the SADC region.

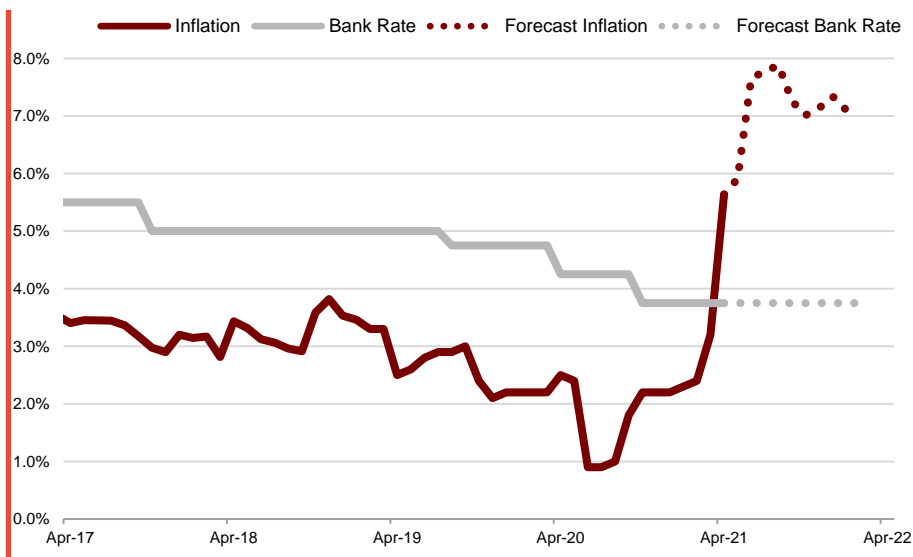


## FEB21 TRADE BALANCE (TB) – TRADE SURPLUS DECLINES



- Feb21 TB P13.94mn v P1.48bn (Jan21)
- Feb21 LTM TB -P22.25bn v -P25.10bn (Jan21)
- Decrease in TB on a monthly and LTM basis is attributed to the drop in diamond exports.

## APR21 INFLATION – WITHIN THE OBJECTIVE RANGE



- Apr21 CPI y/y 5.6% v 3.8% (Kgori) v 3.2% (Mar21)
- Inflation accelerated on account of Transport inflation which registered growth of 5.9% m/m due to the increase in the fuel levy by P1.00 implemented in Apr21. Other contributors included Housing (+3.7% m/m), Food (+2.9% m/m) and Miscellaneous (+5.0% m/m).
- We expect the BoB to keep the Bank Rate unchanged over the next 12 months to support economic growth.

# Regional

## SOUTH AFRICA

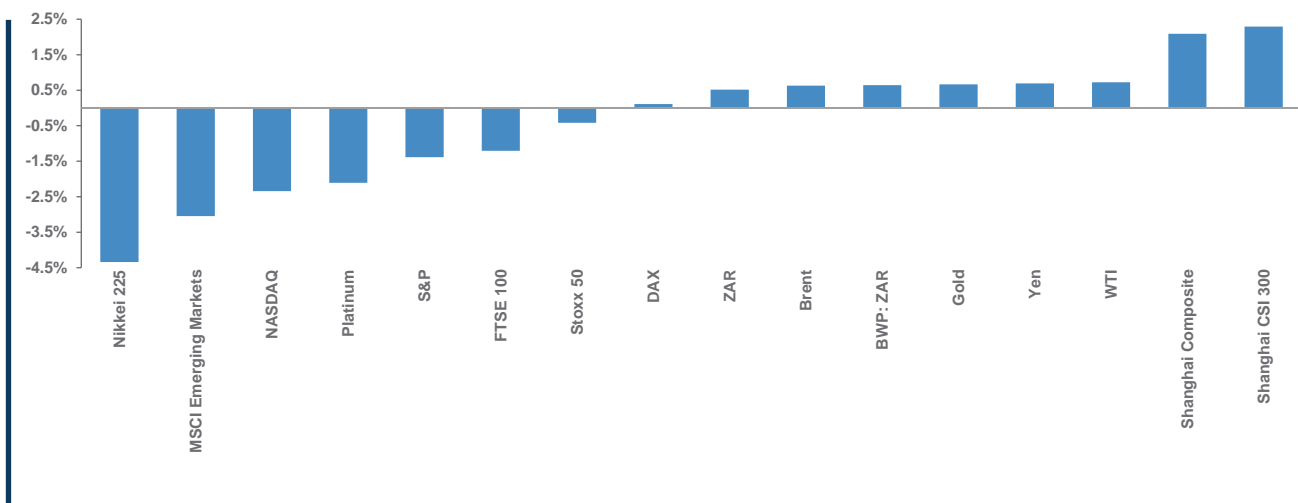
Mar21 Manufacturing Production m/m 3.4% v 0.8% (e) v -1.1% (Feb21)

### ZAR PERFORMANCE

- The ZAR weakened for the week as investors dumped riskier assets for US treasuries where yields surged on account of strong US inflation data and US rate hike expectations.
- ZAR 14.130 (WTD: +0.52%) v 14.057 (7 May 21)

# International

## INTERNATIONAL SNAPSHOT – 14 MAY 21 WEEKLY PERFORMANCE



- Mar21 Trade Balance ¥983.1bn v ¥787.7bn (e) v524.2bn (Feb21)
- Japanese equities closed in the red for the week, following the release of strong US inflation data which stroked fears of a rate hike by the federal reserve.
- Nikkei 225: 28,084 (WTD: -4.34%), Yen: 109.35 (WTD: +0.69%)



- Eurozone Mar21 Industrial Production m/m 0.1% v 0.8% (e) -1.2% (Feb21)
- France Apr21 Final CPI y/y 1.2% v 1.3% (e) v 1.3% (Mar21)
- Germany Apr21 Final CPI y/y 2.0% v 2.0% (e) v 2.0% (Mar21)
- European equities closed the week mixed, with Eurozone and UK equities closing lower following the release of positive inflation data spiking fears of a Central Bank rate hike. German Equities closed in the green following the rise in auto stocks.
- DAX: 15,417 (WTD: +0.11%), Stoxx50 4,017 (WTD: -0.42%), FTSE100: 7,044 (WTD: -1.21%)



- Apr21 CPI y/y 0.9% v 1.0% (e) v 0.4% (Mar21)
- Apr21 PPI y/y 6.8% v 6.5% (e) v 4.4% (Mar21)
- Chinese equities closed higher for the week following the rise in healthcare and energy stocks.
- SHSZ300: 5,111 (WTD: +2.29%), SHCOMP: 3,490 (WTD: +2.09%)



- 8 May 21 Initial Jobless Claims 473k v 490k (e) v 507k (1 May 21)
- Apr21 CPI y/y 4.2% v 3.6% (e) v 2.6% (Mar21)
- May21 Preliminary UoM Sentiment 82.8 v 90.0 (e) v 88.3 (Mar21)
- US equities closed in the red for the week, due to the rise in Treasury yields, following strong inflation data which prompted expectations for interest rate hikes.
- NASDAQ: 13,430 (WTD: -2.34%), S&P 4,174 (WTD: -1.39%)

## COMMODITIES

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- $\Delta$ US Crude Inventories -426k bbl. (May 7 21) v -2,201k bbl. (e) v 7,990k bbl. (30 Apr 21)
- $\Delta$ US Oil Rigs +5; 453 (14 May 21) v 448 (7 May 21)
- $\Delta$ North American Oil Rigs +9; 512 (14 May 21) v 503 (7 May 21)
- Oil prices rose for the week due to a drop in US inventories and positive demand outlook.
  - WTI: \$65.37 (WTD: +0.72%)
  - Brent Crude: \$68.71 (WTD: +0.63%)



- Precious metals closed mixed for the week, with Gold closing higher due to a pullback of the dollar.
- Platinum closed in the red for the week due to the undersupply of the metal as global economic recovery fueled a surge in demand.
  - Gold: \$1,843 (WTD: +0.67%)
  - Platinum: \$1,229 (WTD: -2.11%)



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