

Local

COMPANY ANNOUNCEMENTS



Trading Update and Abandonment of the Consolidation Transaction of Seed Co Limited (SCL) Under Seed Co International Limited (SCIL)

- Trading Update
 - SCIL announced that it expects the profit before tax (PBT) for the year ended 31 Mar 21 to be ~40%-50% (\$4.2mn-\$5.2mn) higher than the \$10.4mn PBT declared for the year ended 31 Mar 20. The PBT increase is driven by increased sales volumes.
 - Abandonment of Consolidation Transaction of SCL Under SCIL
 - SCIL also announced that it could not secure the exchange controls approval regarding the acquisition of the remaining SCL shares not held by it from the Zimbabwean Exchange Control authorities. SCIL and SCL will continue to operate as 2 separately listed entities.
 - SCIL further announced that its shares will resume trading on the Zimbabwe Stock Exchange main board, effective 21 Jun 21.
- P2.70 (YTD: +45.95%) PE: 8.3 PB: 1.4 D/Y: 0.00% Mkt Cap: P1,029.9mn



Issue Of New Shares

- Shumba announced that it has issued 493,462 shares in settlement of an obligation of \$41,700 incurred by the company for development of its assets to non-existing shareholders. The shares will be listed on 14 Jun 21, resulting in an increase of Shumba's share capital to 293,558,550 ordinary shares.
- P0.95 (YTD: 0.00%) PE: 7.3 PB: 2.4 D/Y: 0.00% Mkt Cap: P278.4mn



Board Member Appointment

- Absa announced the appointment of Mr Daniel Neo Moroka as an Independent Non-Executive Director and Board Chairman, effective 1 Jul 21. This appointment follows the resignation of former Board Chairman Mr Oduetse Motshidisi on 12 Aug 20.
 - Mr Moroka is currently the resident director of the De Beers Group of Companies and Chairman of De Beers Global Sight Holder Sales in Botswana.
- P4.42 (YTD: -17.84%) PE: 12.7 PB: 1.6 D/Y: 6.00% Mkt Cap: P3,766.6mn



Notice of Annual General Meeting (AGM)

- BancABC will virtually hold its AGM at 9am on 28 Jul 21. Shareholders will vote on:
 - Approving 31 Dec 20 annual report, financial statements and the directors' and auditor's report thereon.
 - Approving auditor's remuneration paid to KPMG Botswana for the year ended 31 Dec 20.
 - Approving directors' remuneration for year ended 31 Dec 20.
 - Approving the re-election of Mrs Lorato Nthando Moseithanyane, Mr Jacob Mooketsi Mothabane and Mrs Beatrice Hamza-Bassey.
 - Ratifying the appointment of Mr John Bosco Sebabi.
- P1.98 (YTD: 0.00%) PE: 15.4 PB: 1.2 D/Y: 0.00% Mkt Cap: P1,435.5mn



Bank Rate Maintained at 3.75%

- The Bank of Botswana (BoB) Monetary Policy Committee (MPC) kept the Bank Rate unchanged at 3.75%.
- Despite a grim outlook on domestic growth, the MPC kept rates unchanged due to the accommodative monetary conditions, improvements in water and electricity supply, reforms to further improve the business environment and Government interventions against Covid-19, including vaccine rollouts, and the implementation of Economic Recovery and Transformation Plan and the Industry Support Facility.
- BoB expects inflation to revert within the objective range in 2Q22 following its breach of the objective range to 6.2% in May.

Regional

SOUTH AFRICA

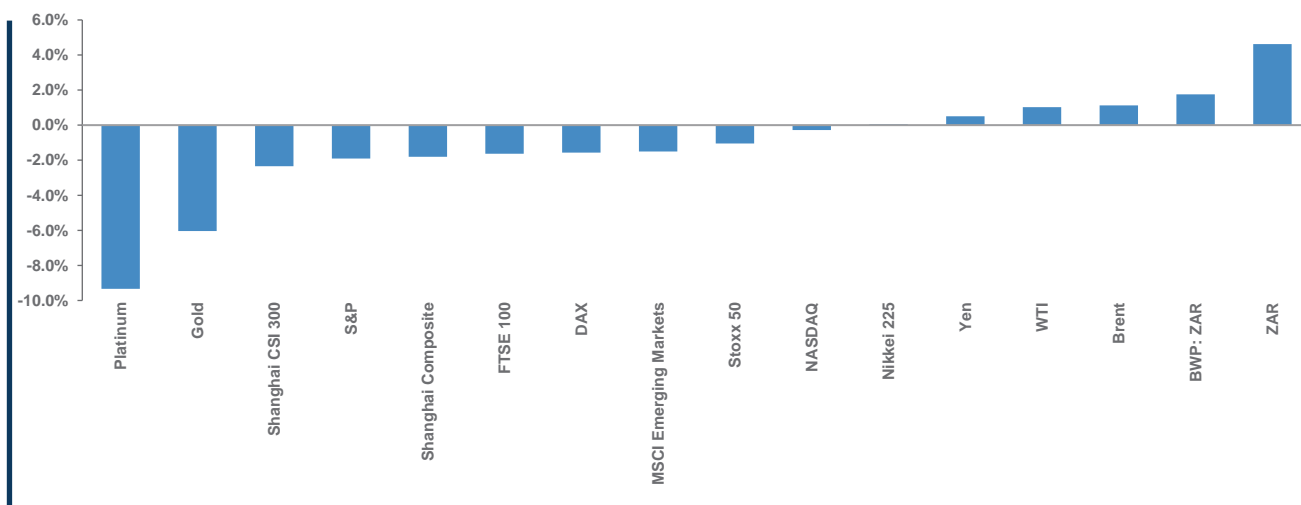
- Apr21 Retail Sales m/m -0.8% v 1.5% (e) v -4.5% (Mar21)
- President Cyril Ramaphosa announced South Africa's move to level 3 lockdown from 15 Jun 21 due to a surge in Covid-19 cases.

ZAR PERFORMANCE

- The ZAR weakened for the week on account of bearish investor sentiments, following heavier lockdown restrictions in South Africa as well as the US Fed's sooner-than-expected rate hike projections.
- ZAR 14.35 (WTD: +4.63%) v 13.72 (11 Jun 21)

International

INTERNATIONAL SNAPSHOT – 18 JUN 21 WEEKLY PERFORMANCE



- May21 National CPI y/y -0.1% v -0.2% (e) v -0.4% (Apr21)
- Apr21 Final Industrial Production m/m 2.9% v 2.5% (Mar21)
- The Bank of Japan (BoJ) Monetary Policy Committee (MPC) met on 18 Jun 21 and decided the following:
 - Maintained the short-term policy interest rate at -0.1%, long-term interest rate at 0.0% and the 10-Year JGB target yield at 0.0%.
 - Extended the duration of its pandemic relief program by six months until Mar 22.
- Japanese equities closed flat for the week as optimism around accelerated vaccinations in Japan was diminished by the prospect of rate hikes in US.
- Nikkei 225: 28,964 (WTD: +0.05%), Yen: 110.21 (WTD: +0.50%)



- Eurozone May21 Final CPI y/y 2.0% v 2.0% (e) v 2.0% (Apr21)
- France May21 Final CPI y/y 1.4% v 1.4% (e) v 1.4% (Apr21)
- Germany May21 Final CPI y/y 2.5% v 2.5% (e) v 2.5% (Apr21)
- European equities closed the week in the red on account of increased hawkishness from the US Fed regarding its expectation of the future interest rate path.
- DAX: 15,448 (WTD: -1.56%), Stoxx50: 4,083 (WTD: -1.05%), FTSE100: 7,017 (WTD: -1.63%)



- May21 Industrial Production y/y 8.8% v 9.2% (e) v 9.8% (Apr21)
- May21 Retail Sales y/y 12.4% v 14.0% (e) v 17.7% (Apr21)
- Chinese equities closed the week in the red, weighed down by Sino-West tensions as well as investor concerns about lofty valuations in the context of the US Fed raising rates sooner than expected.
- SHSZ300: 5,102 (WTD: -2.34%), SHCOMP: 3,525 (WTD: -1.80%)





- 12 Jun 21 Initial Jobless Claims 412k v 360k (e) v 375k (5 Jun 21)
- May21 Industrial Production m/m 0.8% v 0.7% (e) 0.1% (Apr21)
- The Federal Reserve Open Market Committee (FOMC) met during the week and decided the following:
 - Maintain the target range for its benchmark policy rate unchanged at 0.00%-0.25%.
 - Maintain its monthly quantitative easing programme at \$80bn for treasuries and \$40bn for agency mortgage-backed securities.
 - In terms of economic projections, more FOMC members see a higher interest rate path in 2022 and 2023.
- US equities traded weaker following FOMC economic projections indicating more hawkishness from FOMC members.
- NASDAQ: 14,030 (WTD: -0.28%), S&P: 4,166 (WTD: -1.91%)

COMMODITIES



- ΔUS Crude Inventories -7,355k bbl. (11 Jun 21) v -2,687k bbl. (e) v -5,241k bbl. (4 Jun 21)
- ΔUS Oil Rigs +9; 470 (18 Jun 21) v 461 (11 Jun 21)
- ΔNorth American Oil Rigs +33; 587 (18 Jun 21) v 554 (11 Jun 21)
- Oil prices closed higher for the week on rising demand expectations, supported by continued global economic recovery.
 - WTI: \$71.64 (WTD: +1.03%)
 - Brent Crude: \$73.51 (WTD: +1.13%)



- Precious metals closed in the red for the week, dented by a strengthening US dollar, following the release of interest projections by the US Fed indicating more hawkishness from its members.
 - Gold: \$1,764 (WTD: -6.04%)
 - Platinum: \$1,043 (WTD: -9.34%)



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