

### COMPANY ANNOUNCEMENTS

#### Bonus Issue to Unitholders, First Announcement of Rights Offer (RO) to Unitholders and Results of Extraordinary General Meeting (EGM)



- Bonus Issue to Unitholders:
  - Following the approval at the recently held EGM, RDC announced that will issue 88 362 039 new linked units out of accumulated net asset value contained in RDC's profits.
  - The record date for participation is 20 Aug 21 and the linked units will be issued on 30 Aug 21.
- First Announcement of RO
  - RDC announced that it seeks to raise P730mn by way of an RO of 339 534 884 linked units.
  - Linked units are offered to unit holders registered as at 20 Aug 21 on the basis of 0.96 RO linked units for every linked unit held at a price of P2.14/RO linked unit.
  - The RO open on Monday, 30 Aug 21, and closes on Friday, 17 Sep 21.
- Results of EGM
  - RDC announced the results of its EGM held on 13 Aug 21, where all resolutions were passed by at least 94.98% votes in favour.
- P2.12 (YTD: -1.40%) PE: 33.7 PB: 0.5 D/Y: 7.01% Mkt Cap: P749.3mn

#### Results of 2020 Annual General Meeting (AGM)



- Engen announced the results of its 2020 AGM where all resolutions were passed by at least 92.07% votes in favour.
- P10.13 (YTD: -1.46%) PE: 16.5 PB: 2.8 D/Y: 7.05% Mkt Cap: P1,618.0mn

#### Third Notice Dividend Currency Exchange Rate for Botswana Register Shareholders (BRS) and Notice to Zimbabwean Resident Shareholders (ZRS) Pursuant to Dividend Announcement



- Third Notice Dividend Currency Exchange Rate for BRS
  - SeedCo advised BRS will be paid in USD if they have provided USD bank details to SeedCo transfer secretaries, the Central Securities Depository Botswana, by 17 Aug 21.
  - Failure to do so will result in BRS being paid their cash dividend in Pula based on a rate of \$1:P10.80. Accordingly, the gross dividend will be P10.48.
- Notice to ZRS Pursuant to Dividend Announcement
  - SeedCo appealed to ZRS to urgently provide nostro banking details to their Zimbabwean transfer secretaries, Corpserve Registrars, in order facilitate payment of dividends.
- P2.70 (YTD: +45.95%) PE: 8.4 PB: 1.1 D/Y: 3.88% Mkt Cap: P1,029.9mn

#### Change of Company Secretary



- Cresta announced that it has appointed Wise Leadership (Pty) Ltd as company secretary effective 19 Aug 21.
- P1.25 (YTD: -3.85%) PE: N/A PB: 1.4 D/Y: 0.00% Mkt Cap: P230.8mn

#### Bank of Botswana (BoB) maintains Bank Rate at 3.75%



- The BoB at its recent Monetary Policy Committee (MPC) meeting left the Bank Rate unchanged at 3.75%.
- The MPC noted that inflation remains elevated due to upward adjustment in fuel prices and VAT, however it sees this as transitory and expects inflation to revert to within its 3-6% objective range in 2Q22.
- In reaching its decision the MPC noted despite short-term adverse developments in the domestic economy occurring against a growth enhancing environment of accommodative monetary conditions, improved water and electricity supply, reforms to improve the business environment and Government's Economic Recovery Transformation Plan, it still expects the economy to operate below full capacity in the medium term.



### Arrival of Pfizer Vaccine and Covid-19 Vaccination Update

- Arrival of Pfizer Vaccine
  - The Ministry of Health and Wellness (MOHW) announced that it received 81.9k doses of the Pfizer vaccine on 19 Aug 21. The consignment is a donation from the US Government to Botswana via COVAX.
- Covid-19 Vaccination Update
  - MOHW announced that Government's vaccination is proceeding well in different areas of Botswana, however it acknowledged that there were some setbacks in the resumption of vaccinations in the Greater Gaborone Area (GGA).
  - Each site in GGA was vaccinating 250-300 people per day versus 100 people per day on normal days. As a result, the 1<sup>st</sup> vaccine doses (Johnson & Johnson and AstraZeneca) for GGA are running short in some sites and are expected to be finished by 23 Aug 21.
  - MOHW will make further communication following the arrival of more vaccine consignments (e.g. 81.9k Pfizer vaccine doses).



### Supplementary Budget Request

- The Minister of Finance and Economic Development (MFED), Hon. Peggy Serame, in her address to Parliament during the week, presented the case for requesting a Supplementary Budget (SB) for the 2021/2022 financial year:
  - Since the Budget Speech in May21, the domestic economic outlook has weakened due to the evolution of Covid-19 and the associated restrictions of movements imposed to combat its spread. As a result, revenue and economic growth forecasts have been revised downwards and budget deficits widened for the remainder of NDP11 i.e. up to Mar23.
  - Contributions to the Covid-19 Pandemic Relief Fund stood at P3.14bn (P2.00bn initially seeded from Government plus an additional P1.00bn approved in Sep20 plus P0.14bn in contributions from the general public, private sector and development partners). To date P3.00bn has been spent on employee wage subsidy, medical supplies including vaccines, food hampers, financial support to diaspora, grain reserves, psycho-social support as well as safety, health and environmental requirements.
  - MFED is seeking a SB of P2.49bn to be financed as follows:
    - P0.41bn from Special Funds.
    - P2.08bn to be reallocated from development expenditure. Government plans to withdraw warrants for projects which have not commenced, however if Covid-19 persists unabated there is a chance that ongoing projects will be suspended in the future.
  - The SB will be allocated as follows:
    - P1.16bn for the Ministry of Tertiary Education, Research, Science and Technology. P0.40bn will be used for new students to meet admission requirements and the remainder (P0.76bn) will be used for tuition fees and allowances.
    - P1.13bn for Ministry of Health and Wellness (MOHW) for procurement of medical supplies, mainly vaccines and associated medical items such as syringes, needles and surgical masks.
    - P0.20bn for the Ministry of Defence, Justice and Security to cover costs of deploying and sustaining the Botswana Defence Force troops in Mozambique.

## Regional

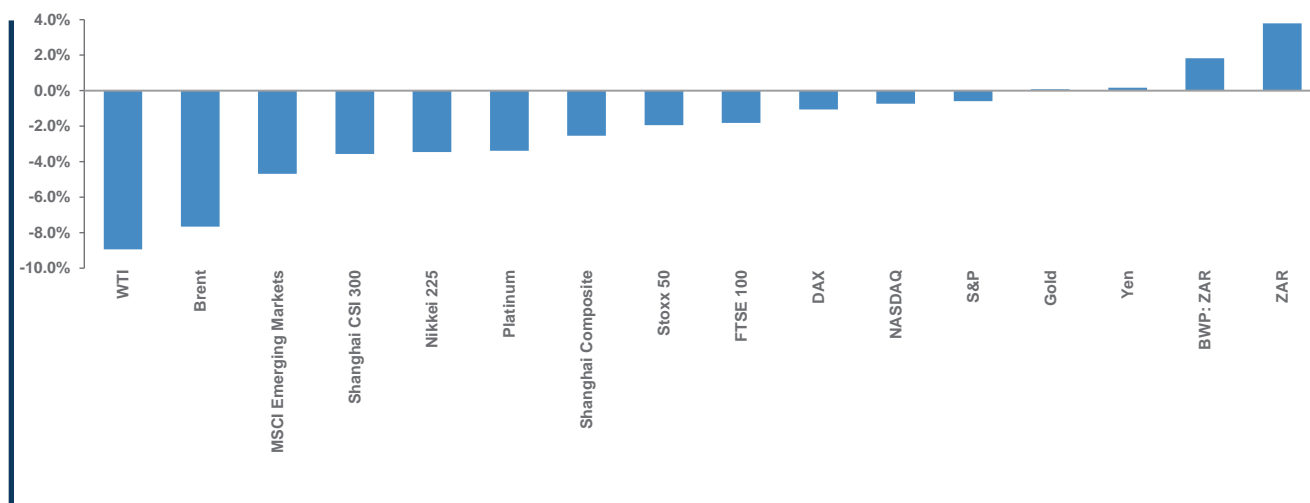
### SOUTH AFRICA

- Jul21 CPI y/y 4.6% v 4.7% (e) v 4.9% (Jun21)
- Jun21 Retail Sales m/m 0.6% v -0.5% (e) v 2.3% (May21)

### ZAR PERFORMANCE

- The ZAR weakened against the dollar during the week as investors were spooked by US Fed minutes which showed that most board members agree on tapering monetary policy in the next few months.
- ZAR 14.73 (WTD: +3.80%) v 14.73 (13 Aug 21)

## INTERNATIONAL SNAPSHOT – 20 AUG 21 WEEKLY PERFORMANCE



- 2Q21 Preliminary GDP q/q 0.3% v 0.1% (e) v -0.9% (1Q21)
- Jul21 National CPI y/y -0.3% v -0.4% (e) v -0.5% (Jun21)
- Japanese equities closed the week lower over investor concern about the turmoil in Afghanistan, China's economic outlook and increased prospects that the US Fed will taper its quantitative easing program sooner than expected.
- Nikkei 225: 27,013 (WTD: -3.45%), Yen: 109.78 (WTD: +0.17%)



- Eurozone 2Q21 Preliminary GDP q/q 2.0% v 2.0% (e) v 2.0% (1Q21)
- Germany Jul21 PPI y/y 10.4% v 9.2% (e) v 8.5% (Jun21)
- European equities closed in the red for the week due to investor concerns regarding China's growth trajectory and expectations that the US Fed will taper its quantitative easing program sooner rather than later.
- DAX: 15,808 (WTD: -1.06%), Stoxx50: 4,148 (WTD: -1.94%), FTSE100: 7,088 (WTD: -1.81%)



- Jul21 Industrial Production y/y 6.4% v 7.9% (e) v 8.3% (Jun21)
- Jul21 Retail Sales y/y 8.5% v 10.9% (e) v 12.1% (Jun21)
- Chinese equities plummeted for the week following reports that Chinese authorities issued draft rules to tighten the Chinese internet industry as well as lower-than-expected industrial production and retail sales releases.
- SHSZ300: 4,769 (WTD: -3.57%), SHCOMP: 3,427 (WTD: -2.53%)



- 14 Aug 21 Initial Jobless Claims 348k v 364k (e) v 377k (7 Aug 21)
- Jul21 Retail Sales Advance m/m -1.1% v -0.3% (e) v 0.7% (Jun21)
- Jul21 Industrial Production m/m 0.9% v 0.5% (e) v 0.2% (Jun21)
- US equities ended the week down following the release of US Fed minutes which indicated that most board members are in favour of tapering their quantitative easing program sooner rather than later.
- NASDAQ: 14,715 (WTD: -0.73%), S&P: 4,442 (WTD: -0.59%)

## COMMODITIES

---



- $\Delta$ US Crude Inventories -3,233k bbl. (13 Aug 21) v -1,627k bbl. (e) v -448k bbl. (6 Aug 21)
- $\Delta$ US Oil Rigs +3; 503 (20 Aug 21) v 500 (13 Aug 21)
- $\Delta$ North American Oil Rigs -5; 659 (20 Aug 21) v 664 (13 Aug 21)
- Oil prices plummeted during the week despite the continued drawdown in US crude inventories, due to demand uncertainty following weak data releases from China and the continued spread of the Covid-19 Delta variant.
  - WTI: \$62.32 (WTD: -8.94%)
  - Brent Crude: \$65.18 (WTD: -7.66%)



- Early week gains in precious metals were wiped away following the release of US Fed minutes which indicated that rates are likely to rise sooner than investors initially expected.
    - Gold: \$1,781 (WTD: +0.08%)
    - Platinum: \$997 (WTD: -3.39%)
-



## 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](http://www.kgoricapital.com)

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

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

