

Local

COMPANY ANNOUNCEMENTS

Bonus Issue Linked Units Update and Cautionary Announcement Update



- Bonus Issue Linked Units Update
 - RDC advised unitholders that technical issues at the Botswana Stock Exchange resulted in delays in crediting bonus issue linked units (BIU) to unitholders. This issue has now been resolved and the BIU will be credited to unitholders by 6 Sep 21.
- Cautionary Announcement Update
 - RDC advised unitholders to exercise caution when dealing with its securities as it entered into an offer and implementation agreement with Tower Property Fund Limited on 6 Sep 21.
- P2.12 (YTD: -1.40%) PE: 42.2 PB: 0.6 D/Y: 7.01% Mkt Cap: P936.6mn

Cautionary Announcement



- FAR Property informed unitholders that its profit before tax (PBT) for the 30 Jun 21 year end will be P8.6mn-P10.3mn (10%-12%) higher than the P86.5mn PBT reported for the 30 Jun 20 year end.
- Results are expected to be published by 30 Sep 21.
- P2.45 (YTD: -0.81%) PE: 10.6 PB: 1.1 D/Y: 6.86% Mkt Cap: P1,096.9mn

Director's Dealings in Shares



- Sefalana announced that the Group Finance Director, M Osman, bought 8,061 Sefalana shares at P9.45/share.
- P9.45 (YTD: +1.18%) PE: 10.9 PB: 1.2 D/Y: 4.23% Mkt Cap: P2,369.4mn

Notice of 2021 Annual General Meeting (AGM)



- BTC will virtually hold its 2021 AGM at 9.00am on 28 Sep 21. Shareholders will vote on:
 - Approving 31 Mar 21 financial statements and the directors' and auditor's report thereon.
 - Approving the final dividend of 8.44t/share.
 - Approving the appointment of B Molefe and T Kewakae as directors.
 - Approving the re-election of L Boakgomo-Ntakhwana and M Letshwitlwa as directors.
 - Approving the re-election of R De Silva and B Molomo as members of the Audit and Risk Committee.
 - Approving directors' remuneration for the 31 Mar 21 year end.
 - Approving auditor's remuneration for the 31 Mar 21 year end, and to confirm the appointment of Deloitte & Touché as auditors for the ensuing year.
- P0.73 (YTD: -10.98%) PE: 5.7 PB: 0.3 D/Y: 11.56% Mkt Cap: P766.5mn

Cautionary Announcement and Trading Update



- Cautionary Announcement
 - LLR advised its unitholders to exercise caution as negotiations with two parties regarding potential transactions are still in progress.
- Trading Update
 - LLR informed shareholders that its profit before tax (PBT) for the 30 Jun 21 year end will be P7.8mn-P15.6mn (10%-20%) lower than the P78.2mn PBT reported for the 30 Jun 20 year end. This is due to a decline in investment property revaluation gains to P7.7mn versus P33.9mn in 30 Jun 20. Revenue and operating profit however have increased by 27% and 37% respectively.
 - Results are expected to be published by 30 Sep 21.
- P2.40 (YTD: +4.80%) PE: 11.0 PB: 0.9 D/Y: 7.24% Mkt Cap: P672.0mn



Final Board Project Sanction for The Karowe Underground Expansion Project

- Lucara announced that it has formally approved the \$534mn expansion of its Karowe mine, following the financial close and satisfaction of all condition's precedent to the \$220mn debt package, announced in Jul21.
- The first \$170mn of the \$220mn debt package will be available in mid-Sep21.
- The \$534mn capital costs for the project will be funded by the \$220mn debt package, projected cash flows from the Karowe mine and C\$41.4mn raised from equity financings.
- P6.10 (YTD: +19.37%) PE: 18.9 PB: 1.1 D/Y: 0.00% Mkt Cap: P2,763.5mn



Briefing on Botswana's Progress on Grey Listing

- The Minister of Finance and Economic Development, Hon. Peggy Serame, announced that Botswana is making efforts to address deficiencies that resulted in Botswana being placed on the Financial Action Task Force (FATF) grey list and EU's blacklist.
- The Minister further announced that Botswana's exit from the FATF grey list and EU's blacklist will be determined by the discussions that will be held at the FATF Plenary in Oct21.

FNBB FY21 RESULTS – DECLINE IN ADVANCES SINKS PROFITS

Income Statement P'Mn	FY 21	FY 20	% Δ
Interest income	1,409	1,649	(15%)
Interest expense	(242)	(311)	(22%)
Net interest income	1,167	1,338	(13%)
Impairment of advances	(241)	(421)	(43%)
Net interest income after impairment	926	917	1%
Non-interest income	1,206	1,199	1%
Income from operations	2,132	2,116	1%
Operating expenses	(566)	(576)	(2%)
Employee benefit costs	(648)	(613)	6%
Profit before taxation	918	927	(1%)
Tax	(233)	(231)	0%
Profit for the period	685	696	(2%)
Balance Sheet extract P'Mn	FY 21	FY 20	% Δ
Cash and cash equivalents	5,471	4,698	16%
Advances to customers	13,642	14,687	(7%)
PPE	571	601	(5%)
Customer deposits	21,396	23,172	(8%)
Equity	3,927	3,598	9%

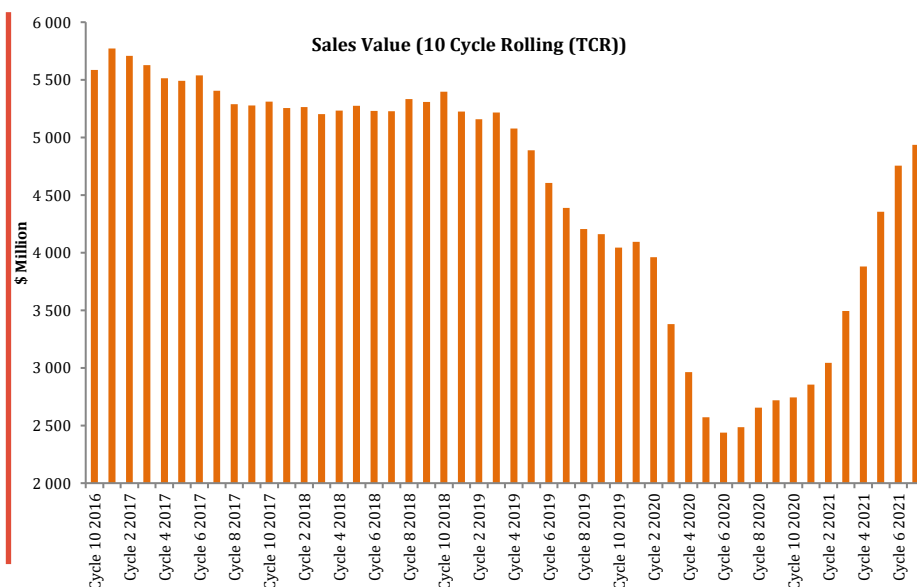
- Interest income -15% due to the Bank Rate reduction, 7% decline in advances, change in the advances portfolio mix and the fall in cash and investment portfolio interest income due to the reduction in risk free rates and lower yields across investment securities for a portion of the year.
- Interest expense -22% due to an 8% decrease in deposits and the Bank Rate reduction.
- Impairments -43% driven by a reduction in gross advances, normalisation of impairments and the reduction in loan defaults.
- Employee benefit costs +6% due to the voluntary separation programme offered in FY21.
- PAT -2% due to lower interest income and higher employee benefit costs.
- Final dividend of 9t/share and a special dividend of 40t/share declared, payable on 8 Oct 21.
- P2.25 (YTD: +2.27%)
PE: 8.4
PB: 1.5
D/Y: 24.44%
Mkt Cap: P5,723.3mn

BANCABC HY21 RESULTS – BANK RATE CUT AFFECTS PROFITS

Income Statement P'Mn	HY 21	HY 20	% Δ
Interest Income	335	377	(11%)
Interest expense	(141)	(148)	(5%)
Net Interest Income	194	229	(15%)
Expected credit loss (ECL)	(7)	(2)	252%
Net trading income	24	9	172%
Net fee & commission income	51	33	54%
Operating income	262	269	(3%)
Personnel expenses	(75)	(72)	4%
General & admin expenses	(58)	(50)	15%
Depreciation & amortisation	(23)	(22)	2%
Other operating expenses	(29)	(39)	(24%)
Profit before taxation	77	86	(10%)
Tax	(25)	(34)	(24%)
Profit for the period (PAT)	51	52	(2%)
Balance Sheet extract P'Mn	HY 21	HY 20	% Δ
Cash and cash equivalents	99	368	(73%)
Loans to customers	6,087	6,156	(1%)
Borrowed funds	708	871	(19%)
Deposits from customers	6,515	5,972	9%
Equity	1,222	1,134	8%

- Net Interest income -11% due to the 100bps Bank rate cut.
- Impairments increased 2.5x due to the marginal increase in non-performances in the retail portfolio due to financial strain of Covid-19 and ECL model enhancements adopted in the latter part of 2020.
- Net trading income increased 1.7x on the back of good margins and volumes.
- Net fee and commission income +54% due to the increase in digital income.
- Other operating expenses -24% due to cost containing measures
- PAT -2% due to lower interest income.
- Cash and cash equivalents -73% due to -19% reduction in borrowed funds.
- No dividend declared.
- P1.98 (YTD: 0.00%)
PE: 15.6
PB: 1.2
D/Y: 0.00%
Mkt Cap: P1,435.5mn

DE BEERS' (DB) CYCLE 7 SALES 2021 – DIAMOND SALES CONTINUE TO RISE



- DB Cycle 7 2021 Sales \$515mn v \$514mn (Cycle 6 2021) v \$334mn (Cycle 7 2020)
- DB Cycle 7 2021 Sales TCR \$4,935mn v \$2,486 (Cycle 7 2020)
- DB continued to implement a flexible approach to rough diamond sales with Cycle 7 being extended beyond its normal weeklong duration.
- DB stated that it continues to see increased demand for rough diamonds driven by demand for polished diamonds in key US and China consumer markets. The sentiment in the diamond industries midstream continues to be positive.

Regional

SOUTH AFRICA

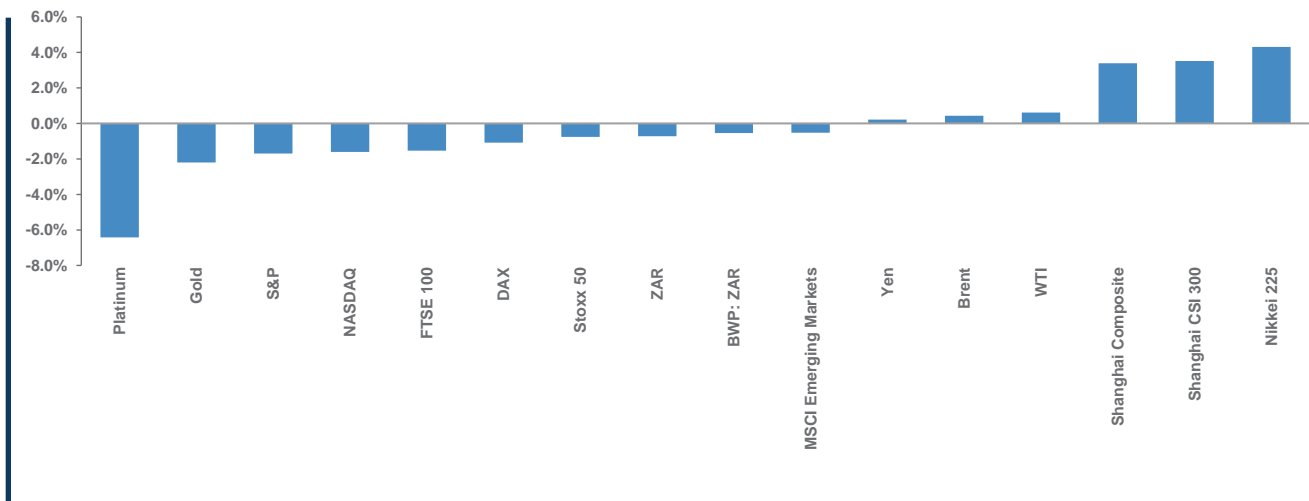
- 2Q21 GDP q/q 1.2% v 0.9% (e) v 1.0% (1Q21)
- Jul21 Manufacturing Production m/m -8.0% v -3.7% (e) v -1.3% (Jun21)
- 3Q21 BER Consumer Confidence -10 v -13 (2Q21)

ZAR PERFORMANCE

- The ZAR strengthened against the dollar during week on the back of better-than-expected GDP figures.
- 14.21 (WTD: -0.73%) v 14.31 (3 Sep 21)

International

INTERNATIONAL SNAPSHOT – 10 SEP 21 WEEKLY PERFORMANCE



- 2Q21 Final Annualised GDP q/q 1.9% v 1.6% (e) v -4.2% (1Q21)
- Jul21 Trade Balance ¥622.3bn v ¥634.5bn (e) v ¥648.6bn (Jun21)
- Jul21 Labour Cash Earnings y/y 1.0% v 0.4% v 0.1% (Jun21)
- Japanese equities closed the week in the green on bullish investor optimism following the release of stronger than expected GDP data, stimulus hopes and reports of a call between Joe Biden and Xi Jinping which lifted expectations for increased trade between the economies.
- Nikkei 225: 30,382 (WTD: +4.30%), Yen: 109.94 (WTD: +0.21%)



- Eurozone Sep21 Sentix Investor Confidence 19.6 v 19.7 (e) v 0.0 (Aug21)
- France Jul21 Industrial Production m/m 0.3% v 0.4% (e) v 0.6% (Jun21)
- Germany Jul21 Industrial Production m/m 1.0% v 0.8% (e) v -1.0% (Jun21)
- The European Central Bank Governing Council met during the week and decided the following:
 - Maintained the interest rates on main refinancing operations, the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50% respectively.
 - Maintained the envelope of its pandemic emergency purchase program at €1.85tn until at least Mar22.
 - Maintained monthly purchases under its asset purchase program at €20bn.
- European equities closed in the red over investor concerns of slower than expected economic growth due to the spread of the Covid-19 Delta variant and uncertainty over whether the US Fed will still move ahead with tapering its quantitative easing programme despite a slowdown in US job growth.
- DAX: 15,610 (WTD: -1.09%), Stoxx50: 4,170 (WTD: -0.75%), FTSE100: 7,029 (WTD: -1.53%)



- Aug21 CPI y/y 0.8% v 1.0% (e) v 1.0% (Jul21)
- Aug21 PPI y/y 9.5% v 9.0% (e) v 9.0% (Jul21)
- Aug21 Trade Balance \$58.3bn v \$53.2bn (e) v \$56.6bn (Jul21)
- Aug21 Exports y/y 25.6% v 17.3% (e) v 19.3% (Jul21)
- Aug21 Imports y/y 33.1% v 26.9% (e) v 28.1% (Jul21)
- Chinese equities rose for the week on the back of bullish investor sentiment following positive Sino-US talks.
- SHSZ300: 5,014 (WTD: +3.52%), SHCOMP: 3,703 (WTD: +3.39%)



- 4 Sep 21 Initial Jobless Claims 310k v 335k (e) v 345k (28 Aug 21)
- Aug21 PPI Final Demand y/y 8.3% v 8.2% (e) v 7.8% (Jul21)
- US equities ended the week in the red following the release of rising PPI data which indicated inflation may not be as transitory as investors expected.
- NASDAQ: 15,115 (WTD: -1.61%), S&P: 4,459 (WTD: -1.69%)

COMMODITIES



- ΔUS Crude Inventories -1,528k bbl. (3 Sep 21) v -4,365k bbl. (e) v -7,169k bbl. (27 Aug 21)
- ΔUS Oil Rigs +6; 503 (10 Sep 21) v 497 (3 Sep 21)
- ΔNorth American Oil Rigs -3; 646 (10 Sep 21) v 649 (3 Sep 21)
- Oil prices closed the week higher on account of supply disruptions in the US Gulf Coast caused by Hurricane Ida.
 - WTI: \$69.72 (WTD: +0.62%)
 - Brent Crude: \$72.92 (WTD: +0.43%)



- Precious metals closed the week lower driven by a stronger USD.
 - Gold: \$1,788 (WTD: -2.20%)
 - Platinum: \$961 (WTD: -6.43%)



KGORI CAPITAL

INVEST WITH PRIDE

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