



Local

COMPANY ANNOUNCEMENTS

Signed 10MW Power Purchase Agreement (PPA) and Notice of Annual General Meeting (AGM)



- Signed 10MW PPA
 - Tlou announced that it has signed a 10MW PPA with Botswana Power Corporation (BPC), where BPC will purchase 10MW of power generated at Tlou's Lesedi power project for an initial 5-year period.
- Notice of AGM
 - Tlou will hold its 2021 AGM at 10.00am (AEST) on 24 Nov 21, at BDO offices in Queensland, Australia. Shareholders will vote on:
 - Approving 30 Jun 21 financial statements and the directors', auditor's and remuneration reports thereon.
 - Approving the re-election of G Gabaake as a Director.
 - Approving the issuance of 75mn shares issued on 25 Mar 21 at AUD0.063/share.
 - Approving the 10% equity placement.
 - Approving the issuance of performance rights to C Cloonan and G Gabaake.
- P0.50 (YTD: +51.52%) PE: N/A PB: 0.7 D/Y: 0.00% Mkt Cap: P300.1mn

Cautionary Announcement



- RDC advised its unitholders to exercise caution as negotiations for a cross-border acquisition in Zambia are still in progress.
- P2.15 (YTD: 0.00%) PE: 35.8 PB: 0.6 D/Y: 6.00% Mkt Cap: P949.9mn

Notice of Annual General Meeting (AGM)



- FNB will hold its 2021 AGM virtually at 1.00pm on Wednesday 3 Nov 21. Shareholders will vote on:
 - Approving 30 Jun 21 financial statements and the directors' and auditor's reports thereon.
 - Approving dividends declared for the 30 Jun 21 year end.
 - Re-electing D Ncube, J Macaskill and S Thapelo as directors.
 - Ratifying the appointment of M Marinelli and A Petkar as directors.
 - Approving fees paid to non-executive directors for the 30 Jun 21 year end.
 - Re-appointing Deloitte and Touche as auditors for the ensuing year and approving remuneration paid to auditors for the 30 Jun 21 year end.
- P2.49 (YTD: +13.18%) PE: 9.2 PB: 1.6 D/Y: 22.09% Mkt Cap: P6,333.8mn

Arrival of Johnson & Johnson (J&J) Vaccines



- The Ministry of Health and Wellness announced that it has received 72 000 J&J vaccine doses. The consignment is part of the 1 152 654 vaccine doses that have been secured through the African Vaccine Acquisition Trust Facility.

Botswana Delisted from the Financial Action Task Force (FATF) Grey List



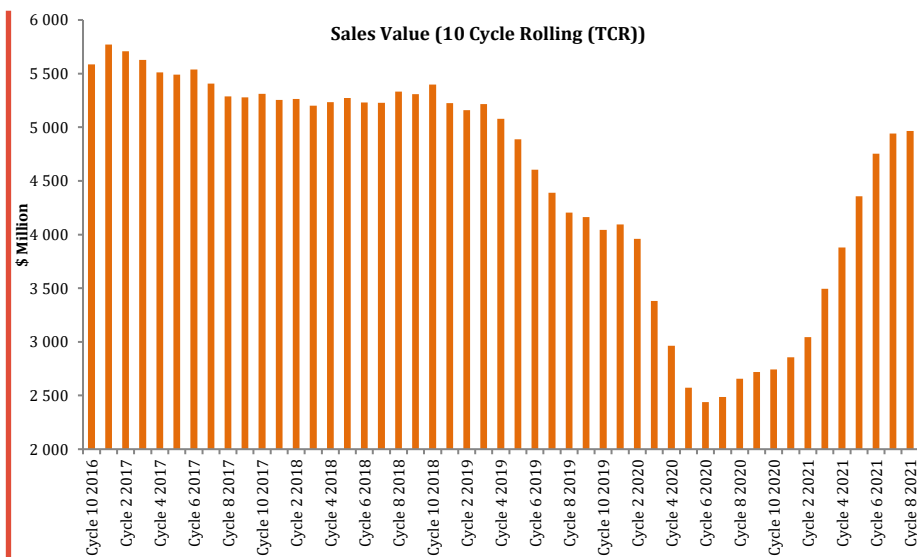
- The Minister of Finance and Economic Development, Hon. Peggy Serame, announced that Botswana was removed from the FATF grey list during the FATF plenary held on 21 Oct 21. FATF cited Botswana's full implementation of the Financial Action Plan as the reason for its removal.

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



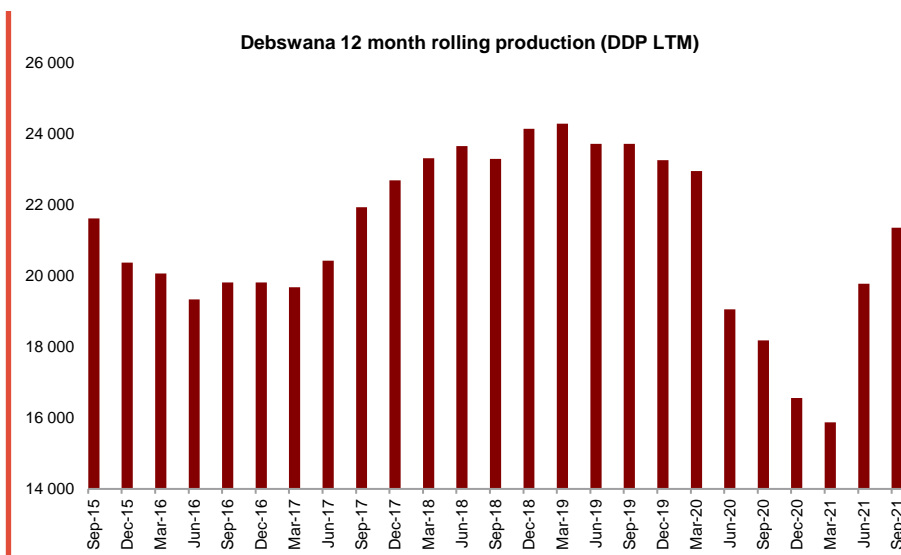
- The BoB Monetary Policy Committee (MPC) left the Bank Rate unchanged at 3.75% at its 21 Oct 21 MPC meeting.
- The MPC maintained the Bank Rate despite inflation trending above its 3-6% objective as it viewed elevated inflation as transitory and expects inflation to drop within its objective range in 2Q22.
- The MPC also noted that 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.

DE BEERS' (DB) CYCLE 8 SALES 2021 – DIAMOND SALES NEARING PEAK



- DB Cycle 8 2021 Sales \$490mn v \$522mn (Cycle 7 2021) v \$467mn (Cycle 8 2020)
- DB Cycle 8 2021 Sales TCR \$4,965mn v \$2,656 (Cycle 8 2020)
- DB continued to implement a flexible approach to rough diamond sales with Cycle 8 being extended beyond its normal weeklong duration.
- DB stated that the demand for both rough diamonds and diamond jewellery remains positive, however demand for rough diamonds is anticipated to be impacted by the closure of polishing factories in India for the Diwali holiday.

3Q21 DEBSWANA DIAMOND PRODUCTION (DDP) – STRONG RECOVERY CONTINUES



- Anglo American (AA) released 3Q21 diamond production data.
- 3Q21 DDP 6,403k ca v 5,727k ca (2Q21) v 4,827k ca (3Q20)
 - 11.8% increase in DDP v 2Q21 due to planned treatment of higher-grade ore at Jwaneng.
- 3Q21 DDP LTM 21,353k ca v 18,184k ca (3Q20)
- AA tightened 2021 De Beers production guidance to ~32mn ca from 32mn-33mn ca, due to continuing operational challenges, subject to the extent of any further Covid-19 related disruptions.

Regional

SOUTH AFRICA

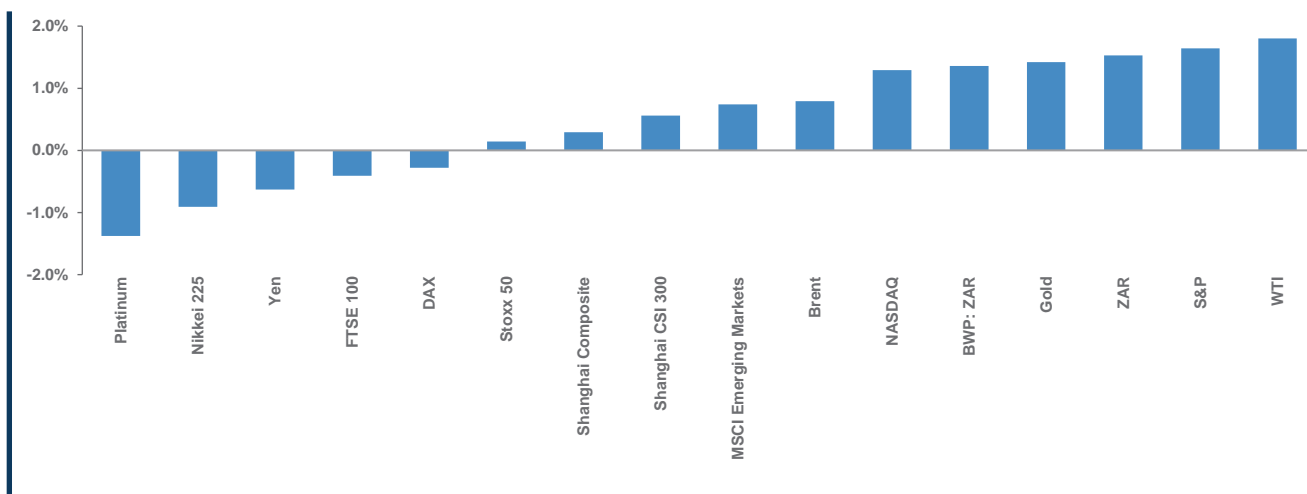
- Sep21 CPI y/y 5.0% v 5.0% (e) v 4.9% (Aug21)

ZAR PERFORMANCE

- The ZAR weakened against the USD as data showing slower-than-expected Chinese economic growth and rising US treasury yields dented risk sentiment.
- 14.83 (WTD: +1.53%) v 14.60 (15 Oct 21)

International

INTERNATIONAL SNAPSHOT – 22 OCT 21 WEEKLY PERFORMANCE



- Oct21 Preliminary Manufacturing PMI 53.0 v 51.5 (Sep21)
- Sep21 National CPI y/y 0.2% v 0.2% (e) -0.4% (Aug21)
- Sep21 Trade Balance -¥622.8bn v -¥530.4bn (e) v -¥637.2bn (Aug21)
- Japanese equities closed the week lower on the back of elevated inflation concerns and pending national elections.
- Nikkei 225: 28,805 (WTD: -0.91%), Yen: 113.50 (WTD: -0.63%)



- Eurozone Oct21 Preliminary Manufacturing PMI 58.5 v 57.1 (e) v 58.6 (Sep21)
- France Oct21 Preliminary Manufacturing PMI 53.5 v 54.0 (e) v 55.0 (Sep21)
- Germany Oct21 Preliminary Manufacturing PMI 58.2 v 56.6 (e) v 58.4 (Sep21)
- European equities closed the week mixed amid concerns over prolonged elevated inflation and the outcome of China Evergrande's outstanding interest payment to bondholders on the one hand and strong corporate earnings on the other.
- DAX: 15,543 (WTD: -0.28%), Stoxx50: 4,189 (WTD: +0.14%), FTSE100: 7,205 (WTD: -0.41%)



- 3Q21 GDP SA q/q 0.2% v 0.4% (e) v 1.3% (2Q21)
- Sep21 Retail Sales y/y 4.4% v 3.5% (e) v 2.5% (Aug21)
- Sep21 Industrial Production y/y 3.1% v 3.8% (e) v 5.3% (Aug21)
- Chinese equities closed in the green on the back of positive investor sentiment following China Evergrande's settlement of its outstanding bond interest payment.
- SHSZ300: 4,960 (WTD: +0.56%), SHCOMP: 3,583 (WTD: +0.29%)



- 16 Oct 21 Initial Jobless Claims 290k v 297k (e) v 296k (9 Oct 21).
 - Sep21 Industrial Production m/m -1.3% v 0.1% (e) v -0.1% (Aug21)
 - Oct21 Preliminary Manufacturing PMI 59.2 v 60.5 (e) 60.7 (Sep21)
 - US equities rose for the week following the continued release of upbeat corporate earnings and declining Covid-19 cases.
 - NASDAQ: 15,090 (WTD: +1.29%), S&P: 4,545 (WTD: +1.64%)
-

COMMODITIES



- ΔUS Crude Inventories -431k bbl. (15 Oct 21) v 1,283k bbl. (e) v 6,088k bbl. (8 Oct 21)
- ΔUS Oil Rigs -1; 542 (22 Oct 21) v 543 (15 Oct 21)
- ΔNorth American Oil Rigs -5; 706 (22 Oct 21) v 711 (15 Oct 21)
- Oil prices closed the week higher driven by oil supply shortfalls following the OPEC+ decision to withhold supply.
 - WTI: \$83.76 (WTD: +1.80%)
 - Brent Crude: \$85.53 (WTD: +0.79%)



- Gold ended the week higher on the back of investor concerns that rising inflation could erode purchasing power of the USD. Platinum closed the week in the red on account of slowed car production due to the rise in Covid-19 cases.
 - Gold: \$1,793 (WTD: +1.42%)
 - Platinum: \$1,044 (WTD: -1.38%)
-



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.

