Local

COMPANY ANNOUNCEMENTS

Cautionary Announcement

- Sefalana announced that its Profit Before Tax (PBT) for the year ended 24 Apr 22 would be P35mn-P44mn (12%-15%) higher than the P290mn PBT reported for the year ended 25 Apr 21.
- Results will be released by 30 Jul 22.
- P9.50 (YTD: +0.53%) PE: 12.4 PB: 1.2 D/Y: 4.21% Mkt Cap: P2,381.9mn

Results of Extraordinary General Meeting (EGM) and Closed Period Announcement

- LLR announced the results of its EGM where all resolutions were passed by 95.67% or more votes in favour.
- P3.00 (YTD: +17.65%) PE: 12.0 PB: 1.0 D/Y: 6.14% Mkt Cap: P840.0m

Results of Noteholder Extraordinary General Meeting (EGM) and Issue of Amended and Restated Pricing Supplements

- Results of Noteholder EGM
  - FNBB announced the results of its 2022 Noteholder EGMs pertaining to the FNBB006, FNBB009, FNBB010 and FNBB011 Floating Rate Notes (FRNs), where all resolutions were passed by 100% votes in favour.
- Issue of Amended and Restated Pricing Supplement
  - FNBB issued Amended and Restated Pricing Supplements of FNBB006, FNBB009, FNBB010 and FNBB011 FRNs detailing the following adjusted rates based on the new Monetary Policy Rate (MoPR):
    - FNBB006: 5.26% (1.65% + 3.61%), which will apply on 11 May 22.
    - FNBB009: 5.21% (1.65% + 3.56%), which will apply on 8 Jun 22.
    - FNBB010: 6.26% (1.65% + 4.61%), which will apply on 2 Jun 22.
    - FNBB011: 6.76% (1.65% + 5.11%), which will apply on 15 Jun 22
- P2.65 (YTD: +10.00%) PE: 8.6 PB: 2.2 D/Y: 21.45% Mkt Cap: P6,996.2mn

Issue of Additional Shares

- Tlou announced that on 12 Jul 22, it issued 6,250 ordinary shares as a result of options being exercised.
- P0.50 (YTD: 0.00%) PE: N/A PB: 0.7 D/Y: 0.00% Mkt Cap: P300.1mn

Closed Period Announcement

- Engen announced that it has begun preparing results for the 30 Jun 22 interim period and has declared a closed period from 1 Jul 22 until results are published on or before 23 Sep 22.
- P10.71 (YTD: +3.48%) PE: 6.6 PB: 2.5 D/Y: 11.43% Mkt Cap: P1,710.6mn

Cautionary Announcement

- Chobe advised its shareholders to exercise caution as it has entered into negotiations to conduct a significant transaction.
- P7.55 (YTD: +3.42%) PE: N/A PB: 2.6 D/Y: 0.00% Mkt Cap: P675.3mn

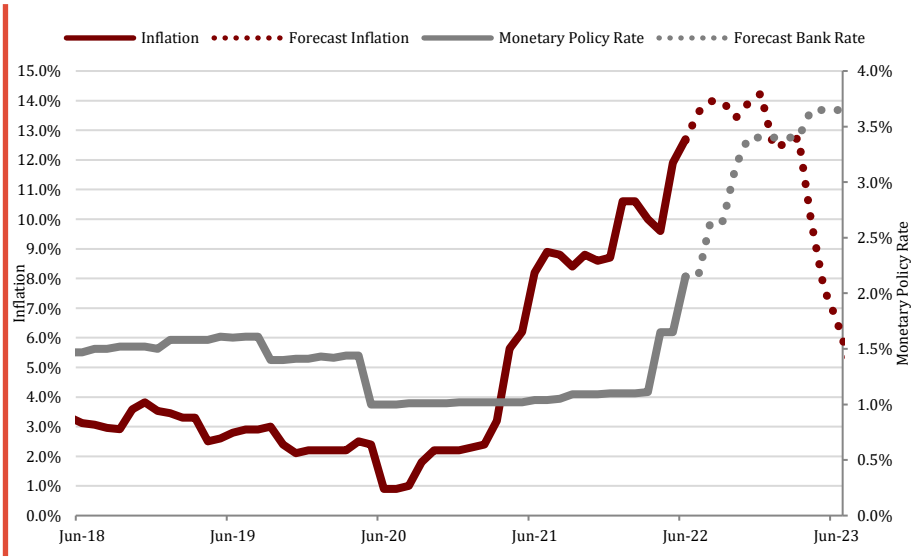
Interest Distribution to Linked Unitholders

- PrimeTime announced that it will offer unitholders the option to receive scrip in lieu of the cash distribution of 4.95t/linked unit in respect to its 30 Aug 22 year end.
- Scrip will be offered at P1.85/linked unit for every single linked unit currently held by a unitholder.
- The scrip offer opens on 25 Jul 22 and closes on 12 Aug 22 with the listing of additional scrip distribution units on 19 Aug 22.
- The cash distribution is payable 19 Aug 22.
- P1.85 (YTD: -11.90%) PE: 9.1 PB: 0.6 D/Y: 5.40% Mkt Cap: P452.6mn

Notice to Noteholders of BBS012 Floating Rate Note (FRN)

- BBS announced that as a result of Bank of Botswana's (BoB) rate changes, it will make the following amendments to its BBS012 FRN Pricing Supplement (PS), effective 28 Apr 22 where:
  - The Reference Rate will be changed from the Bank Rate to the Monetary Policy Rate.
  - Approving the Amended and Restated PS for its Floating Rate Notes.
- P0.48 (YTD: -39.24%) PE: N/A PB: 0.5 D/Y: 0.00% Mkt Cap: P234.0mn

JUN22 INFLATION – INFLATION CONTINUES TO ELEVATE



- Jun22 Inflation was 12.7% v 11.7% (Kgori) v 11.9% (May22)
- The main drivers of inflation were Transport and Food inflation. Transport inflation was driven by increases in public transport prices whilst Food inflation was driven by a surge in Bread and cereals inflation.
- Inflation continued to trend above Kgori expectations due to much higher-than-expected Transport and Food Inflation.
- We expect inflation to accelerate in the short term as the Jun22 statistics did not factor in the 28 Jun 22 increase in pump prices. We expect inflation to decelerate and fall within the BoB's objective range in 4Q23.
- We expect the BoB to raise interest rates by another 125bps in 2022 to combat spurring inflation.

Regional

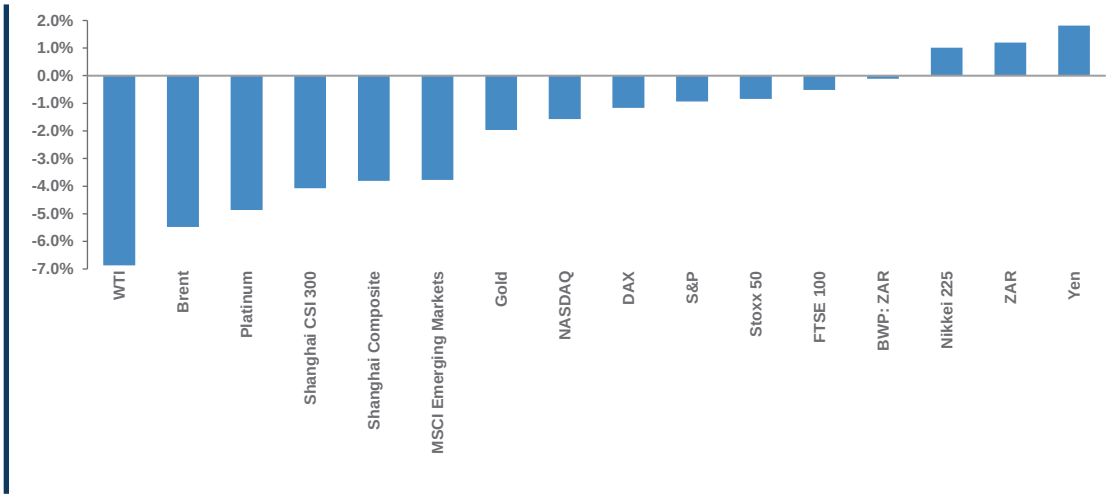
SOUTH AFRICA

- May22 Manufacturing Production m/m -0.2% v 1.5% (e) v -5.7% (Apr22)
- May22 Mining Production m/m 0.7% v 2.0% (e) v -3.6% (Apr22)
- May22 Retail Sales m/m -1.0% v 0.6% (e) v 0.6% (Apr22)
- During the week Eskom implemented Stage 4 load shedding due to the emergency repairs conducted at Kendal, Tutuka and Majuba power stations.

ZAR PERFORMANCE

- The ZAR weakened for the week following the release of data which revealed that US inflation surged in Jun22, increasing investor expectations that the Federal Reserve may need to continue raising interest rates to combat inflation.
- ZAR 17.08 (WTD: +1.20%) v 16.87 (8 Jul 22)

INTERNATIONAL SNAPSHOT – 15 JUL 22 WEEKLY PERFORMANCE



- May22 Final Industrial Production m/m -7.5% v -1.5% (Apr22).
- May22 Core Machine Orders m/m -5.6% v -5.5% (e) v 10.8% (Apr22).
- Jun22 PPI y/y 9.2% v 8.9% (e) v 9.3% (May22).
- Japanese equities closed in the green on following the landslide victory by the ruling Liberal Democratic Party.
- Nikkei 225: 26,788 (WTD: +1.02%), Yen: 138.57 (WTD: +1.81%)

- Eurozone May22 Industrial Production m/m 0.8% v 0.3% (e) v 0.5% (Apr22).
- France Jun22 Final CPI y/y 5.8% v 5.8% (e) v 5.2% (May22).
- Germany Jun22 Final CPI y/y 7.6% v 7.6% (e) v 7.9% (May22).
- UK May22 Manufacturing Production m/m 1.4% v 0.0% (e) v -0.6% (Apr22).
- European markets finished the week in the red driven by investor concerns over continued elevated US inflation as well as the uncertainties surrounding the Russia-Ukraine war.
- DAX: 12,865 (WTD: -1.16%), Stoxx50: 3,477 (WTD: -0.84%), FTSE100: 7,159 (WTD: -0.52%)

- Jun22 CPI y/y 2.5% v 2.4% (e) v 2.1% (May22)
- Jun22 PPI y/y 6.1% v 6.0% (e) v 6.4% (May22)
- 2Q22 GDP q/q -2.6% v -2.0% (e) v 1.4% (1Q22)
- Chinese shares closed lower as weaker-than-expected China growth data and the continued rise in Covid-19 cases weighed on investor sentiment.
- SHSZ300: 4,249 (WTD: -4.07%), SHCOMP: 3,477 (WTD: -0.84%)

- 9 Jul 22 Initial Jobless Claims 244k v 235k (e) v 235k (2 Jul 22)
- Jul22 Preliminary UoM Sentiment 51.1 v 50.0 (e) v 50.0 (Jun22)
- Jun22 CPI y/y 9.1% v 8.8% (e) v 8.6% (May22)
- Jun22 Industrial Production m/m -0.2% v 0.1% (e) v 0.0% (May22)
- US equities closed lower following the release of higher inflation data, increasing investors' expectations that the Fed will continue its aggressive monetary tightening.
- NASDAQ: 11,452 (WTD: -1.57%), S&P 500: 3,863 (WTD: -0.93%)

COMMODITIES

- ΔUS Crude Inventories 3,254k bbl. (8 Jul 22) v -467k bbl. (e) v 8,234k bbl. (1 Jul 22)
- ΔUS Oil Rigs +4; 756 (15 Jul Jun 22) v 752 (8 Jul 22)
- ΔNorth American Oil Rigs +20; 947 (15 Jul 22) v 927 (8 Jul 22)
- Oil prices closed lower due to the surprise buildup of US crude inventories, rising Covid-19 cases in China which could affect demand, and the prospect of a global recession.
  - WTI: $97.59 (WTD: -6.87%)
  - Brent Crude: $101.16 (WTD: -5.48%)

- Precious metals closed lower due to a stronger USD which dented demand.
  - Gold: $1,708 (WTD: -1.97%)
  - Platinum: $851 (WTD: -4.86%)

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