Local

COMPANY ANNOUNCEMENTS

Notice to Shareholders

- BIHL announced that it has entered into a transaction which involves the sale of Botswana Life Insurance's 37.62% shareholding in Funeral Services Group.
- The transaction was executed through an auction, which resulted in BIHL achieving a cash consideration of P250mn, of which P240mn will be paid in cash on closing and the balance will be paid in cash within 10 months of closing.
- The buyer is not a related party to BIHL or any entity in the BIHL Group and its details will be disclosed in due course.
- P17.55 (YTD: +0.29%) PE: 12.6 PB: 1.5 D/Y: 4.05% Mkt Cap: P4,955.6mn

Trading Statement

- CA Sales' headline earnings per share (HEPS) for the interim period ended 30 Jun 22 will be 28.95c-31.03c (39%-49%) higher than the 20.83c HEPS reported for the interim period ended 30 Jun 21. HEPS increased mainly due to the improved trading environment.
- CA Sales' earnings per share (EPS) for the interim period ended 30 Jun 22 will be 29.35c-31.29c (51%-61%) higher than the 19.44c EPS reported for the interim period ended 30 Jun 21. EPS increased mainly as a result of a once-off goodwill impairment entry of R6.6m in the prior year.
- Results are expected to be released on or about 5 Sep 22.
- P3.65 (YTD: 0.00%) PE: 7.7 PB: 1.2 D/Y: 2.53% Mkt Cap: P1,684.2mn

Private Listing of Notes

- Stanbic announced that following the Botswana Stock Exchange's approval, it has privately issued the following tranches of Notes:
  - SBBL072 – P105,720,000 Tier II, Subordinated Unsecured Floating Rate Notes, maturing 7 Jul 32 with a margin of 5.60% over the Monetary Policy Rate (MoPR) and a call option date of 7 Jul 27.
  - SBBL073 – P110,000,000 Tier II, Subordinated Unsecured Fixed Rate Notes, maturing Jul 32, with a fixed rate of 8.50% per annum payable semi-annually.

Wearing of Masks Outdoors

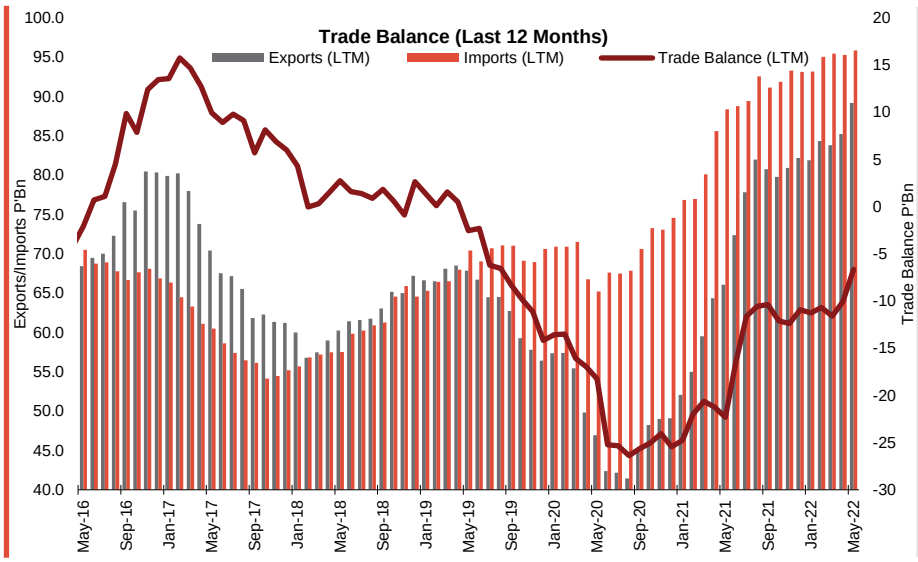
- The Ministry of Health and Wellness announced that wearing of masks in outdoor areas will no longer be mandatory, effective 2 Aug 22.

GOVERNMENT JUL22 T-BILL AUCTION RESULTS – UNDER ALLOTMENT CONTINUES

Bond	Description	Total Amount Offered (PMn)	Total Amount Allocated (PMn)	Allocation Ratio	Stop out Yield	Previous Auction Stop Out Yield	Δ Stop Out Yield
BOTSTB1122	3M T-Bill	500	650	130%	3.253%	3.086%	17bps
BOTSTB0223	6M T-Bill	500	150	30%	3.888%	3.801%	9bps
BOTSGB0823	12M T-Bill	500	195	39%	4.250%	3.000%	125bps
Total		**1,500**	**995**	**66%**			

- 66% of the total P1.5bn T-bill auction was allotted
- The 3M T-Bill, was allotted 1.3x
- The 12M, 3M and 6M T-Bills registered a 125bps,17bps and 9bps increase in stop out yields, respectively.

MAY22 TRADE BALANCE (TB) – 12 MONTH (LTM) BALANCE CONTINUES TO IMPROVE



- May22 TB P0.48bn v - P0.28bn (Apr22) v -P2.92bn (May21)
- May22 LTM TB -P6.67bn v -P22.31bn (May21)
- The trade surplus reported for Apr22 is due to the growth in diamond exports for the month.
- May22 LTM TB rose due to a resurgence in diamond exports over the past 12 months.

Regional

SOUTH AFRICA

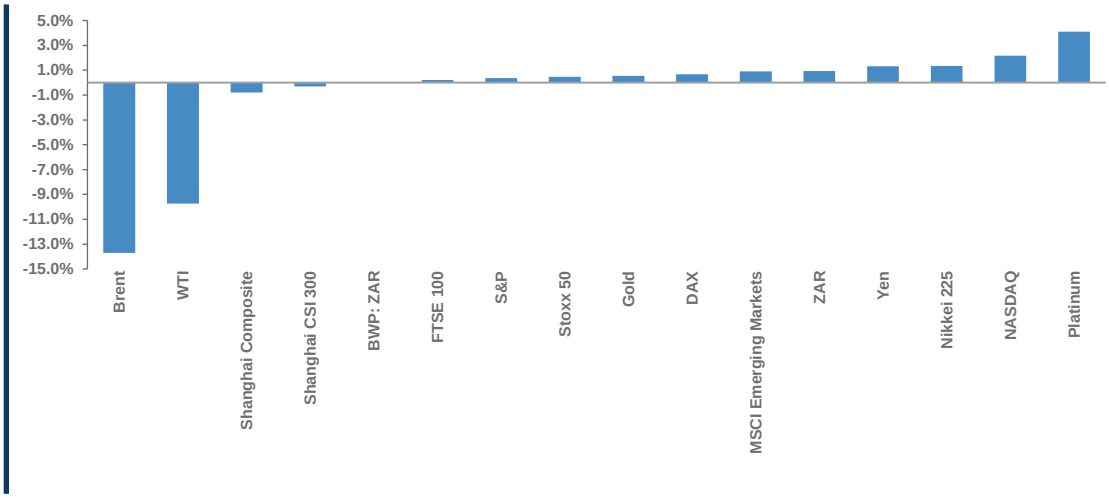
- Jul22 Manufacturing PMI 47.6 v 50.3 (e) v 52.2 (Jun22)
- During the week Eskom implemented stage 4 load shedding due to delays in returning a generation unit to service each at Arnot, Koeberg and the Kusile power stations, as well as the unplanned breakdowns of a generation unit each at Camden, Grootvlei, Lethabo, Majuba and Medupi, and two units at Hendrina power stations.

ZAR PERFORMANCE

- The ZAR weakened for the week following the release of a stronger than expected US jobs report.
- ZAR 16.78 (WTD: +0.92%) v 16.62 (29 Jul 22)

International

INTERNATIONAL SNAPSHOT – 5 AUG 22 WEEKLY PERFORMANCE



- Jul22 Final Manufacturing PMI 52.1 v 52.7 (Jun22)
- Japanese equities closed in green following the release of strong corporate earnings as well as stronger than expected US jobs data.
- Nikkei 225: 28,176 (WTD: +1.35%), Yen: 135.01 (WTD: +1.31%)

- Eurozone Jul22 Final Manufacturing PMI 49.8 v 49.6 (e) v 52.1 (Jun22)
- France Jul22 Final Manufacturing PMI 49.5 v 49.6 (e) v 51.4 (Jun22)
- Germany Jul22 Final Manufacturing PMI 49.3 v 49.2 (e) v 52.0 (Jun22)
- UK Jul22 Final Manufacturing PMI 52.1 v 52.2 (e) v 52.8 (Jun22)
- The Bank of England (BoE) Monetary Policy Committee met during the week and decided to increase the Bank Rate by 50bps to 1.75%.
- European markets finished the week higher following the release of strong US corporate earnings.
- DAX: 13,574 (WTD: +0.67%), Stoxx50: 3,725 (WTD: +0.47%), FTSE100: 7,440 (WTD: +0.22%)

- Jul22 Official Manufacturing PMI 49.0 v 50.3 (e) v 50.2 (Jun22)
- Jul22 Caixin Manufacturing PMI 50.4 v 51.5 (e) v 51.7 (Jun22)
- Chinese shares closed lower after US House Speaker Nancy Pelosi visited the democratically governed island of Taiwan, escalating investor concerns on US-China tensions.
- SHSZ300: 4,157 (WTD: -0.32%), SHCOMP: 3,227 (WTD: -0.81%)

- 30 Jul 22 Initial Jobless Claims 260k v 260k (e) v 254k (23 Jul 22)
- Jul22 Final Manufacturing PMI 52.2 v 52.3 (e) v 52.7 (Jun22)
- Jul22 ΔNon-Farm Payrolls 528k v 250k (e) v 398k (Jun22)
    - Unemployment rate 3.5% v 3.6% (e) v 3.6% (Jun22)
    - Labour Force Participation Rate 62.1% v 62.2% (e) v 62.2% (Jun22)
- US equities closed higher following the release strong US corporate earnings as well as strong US jobs report.
- NASDAQ: 12,658 (WTD: +2.15%), S&P 500: 4,145 (WTD: +0.36%)

COMMODITIES

- ΔUS Crude Inventories 4,467k bbl. (29 Jul 22) v -798k bbl. (e) v -4,523k bbl. (22 Jul 22)
- ΔUS Oil Rigs -3; 764 (5 Aug 22) v 767 (29 Jul 22)
- ΔNorth American Oil Rigs -4; 967 (5 Aug 22) v 971 (29 Jul 22)
- The OPEC+ met during the week and decided on an output hike of a 100k barrels a day from Sep22.
- Oil prices closed lower as traders worried about the possibility of an economic recession later this year, which may depress energy demand.
  - WTI: $89.01 (WTD: -9.74%)
  - Brent Crude: $94.92 (WTD: -13.72%)

- Safe haven precious metals closed the week in the green on account of rising concern of a slowdown in global economic activities and escalation in US China tension.
  - Gold: $1,776 (WTD: +0.54%)
  - Platinum: $936 (WTD: +4.10%)

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, AA Wellio-Moyo

Reg No BW00000988897