

Local

COMPANY ANNOUNCEMENTS



Results of Annual General Meeting (AGM)

- Tlou announced the results of its 2022 AGM where all resolutions were passed by 93.61% or more votes in favour.
- P0.50 (YTD: 0.00%) PE: N/A PB: 0.7 D/Y: 0.00% Mkt Cap: P300.1mn



Bond Announcement

- RDC announced its intention to issue a further tranche of senior unsecured notes with a capped nominal value of P100mn under its P500mn Medium Term Note Programme on the Botswana Stock Exchange.
- The proceeds from the new issue will be used to redeem the P75mn RDCP004 notes.
- P2.20 (YTD: +2.33%) PE: 2.4 PB: 0.6 D/Y: 4.61% Mkt Cap: P1,668.1mn



Cautionary Announcement

- Chobe announced that its profit before tax for the 31 Aug 22 interim period will be P130.9mn-132.3mn (4.7x) higher than the P28.2mn loss reported for the 31 Aug 21 interim period.
- Results will be published on or before 5 Nov 22.
- P7.70 (YTD: +5.48%) PE: N/A PB: 2.6 D/Y: 0.00% Mkt Cap: P688.7mn



3Q22 Results

- Lucara announced that it will release its 3Q22 results on 2 Nov 22.
- P5.65 (YTD: -13.08%) PE: 4.2 PB: 0.7 D/Y: 0.00% Mkt Cap: P2,562.7mn



Dealing In Shares by a Director

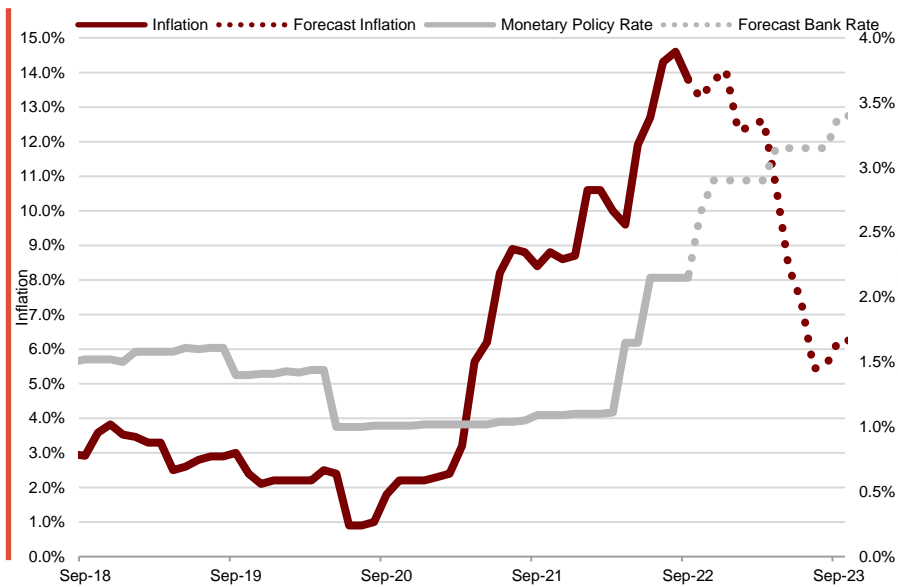
- Choppies announced that R Ottapathu bought 1,302,354 shares at P0.62/share.
- P0.62 (YTD: +3.33%) PE: 5.6 PB: N/A D/Y: 0.00% Mkt Cap: P808.2mn



Monetary Policy Committee (MPC) Decision

- The Bank of Botswana MPC decided to maintain the Monetary Policy Rate (MoPR) at 2.65%, at its 20 Oct 22 meeting in order to support economic growth.
- The MPC maintained the MoPR despite inflation trending above its 3-6% objective, with risks remaining tilted to the upside. It expects inflation to drop within its objective range in 3Q24.
- Overall, the MPC projects that the economy will operate below full capacity in the short to medium term and, therefore, not creating any demand-driven inflationary pressures.
- The projected elevated inflation in the short term is primarily due to supply-side factors and related second-round effects and entrenched expectations (including, through price adjustments by businesses, contractors, and property owners), while demand remains modest.

SEP22 INFLATION – INFLATION REMAINS ELEVATED



- Sep22 Inflation 13.8% v 13.8% (Kgori) v 14.6% (Aug22)
- Transport inflation declined 3.5% m/m on account of the P1 decrease in petroleum pump prices implemented during the month. However, annual Transport inflation remained high, coming in at 36.2% y/y.
- We continue to expect inflation to remain elevated but gradually reduce and sustainably trend within the BoB's objective range from 4Q24.
- We expect another 75bps of rate hikes in 2022 as the central bank attempts to reign in stubbornly high inflation.

Regional

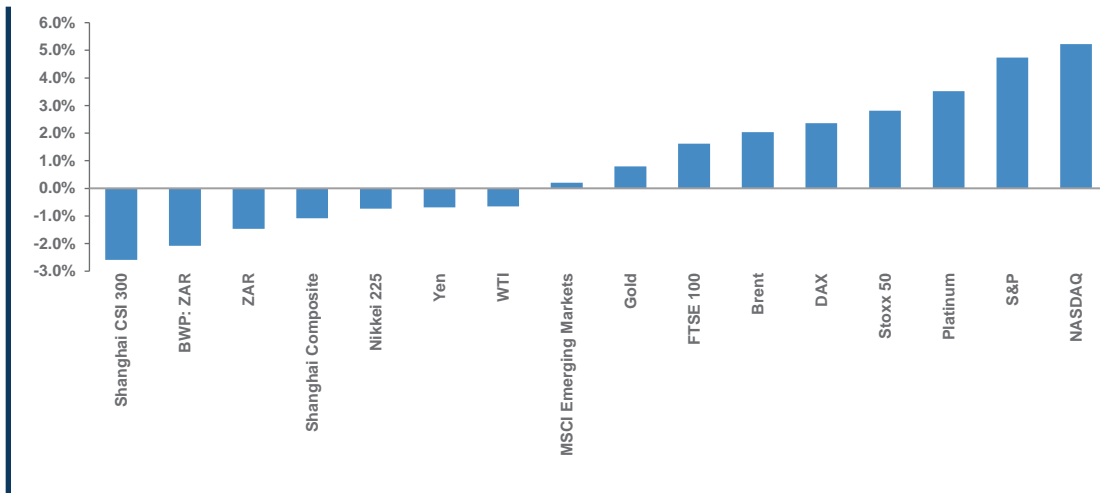
SOUTH AFRICA

- Sep22 CPI y/y 7.5% v 7.6% (e) v 7.6% (Aug22)
- Aug22 Retail Sales m/m -1.8% v 0.4% (e) v -0.1% (Jul22)
- During the week Eskom implemented Stage 3 loadshedding due to breakdowns at various power stations.

ZAR PERFORMANCE

- The South African rand strengthened this week on higher precious metals prices.
- ZAR 18.09 (WTD: -1.47%) v 18.36 (14 Oct 22)

INTERNATIONAL SNAPSHOT – 21 OCT 22 WEEKLY PERFORMANCE



- Aug22 Final Industrial Production m/m 3.4% v 2.7% (Jul22)
- Sep22 National CPI y/y 3.0% v 2.9% (e) v 3.0% (Aug22)
- Sep22 Trade Balance -¥2,094bn v -¥2,154.7bn (e) v -¥2,820bn (Aug22)
- Japanese equities fell for the week on concerns that the Fed's aggressive rate hikes could lead to a recession.
- Nikkei 225: 26,891 (WTD: -0.74%), Yen: 147.65 (WTD: -0.69%)



- Eurozone Sep22 Final CPI y/y 9.9% v 10.0% (e) v 9.1% (Aug22)
- France Oct22 Business Confidence y/y 102 v 101 (e) v 102 (Sep22)
- Germany Sep22 PPI y/y 45.8% v 45.4% (e) v 45.8% (Aug22)
- UK Sep22 CPI y/y 10.1% v 10.0% (e) v 9.9% (Aug22)
- European markets ended the week higher following the British Government's fiscal U-turn and the resignation of the Liz Truss as British Prime Minister.
- DAX: 12,731 (WTD: +2.36%), Stoxx50: 3,477 (WTD: +2.81%), FTSE100: 6,970 (WTD: +1.62%)



- The People's Bank of China maintained the 1-year and 5-year loan prime rate at 3.65% and 4.30% respectively.
- Chinese stocks closed lower on account of the delayed release of economic data, as well as President Xi Jinping's decision to stick to his Zero-Covid policy whilst as the same time stating no significant economic stimulus measures to bolster the ailing property sector.
- SHSZ300: 3,743 (WTD: -2.59%), SHCOMP: 3,039 (WTD: -1.08%)



- 15 Oct 22 Initial Jobless Claims 214k v 233k (e) v 226k (8 Oct 22)
- Sep22 Industrial Production m/m 0.4% v 0.1% (e) v -0.1% (Aug22)
- US equities were boosted by the prospect of a slower pace of interest rate increases and the release of strong corporate earnings.
- NASDAQ: 10,860 (WTD: +5.22%), S&P 500: 3,753 (WTD: +4.74%)

COMMODITIES



- Δ US Crude Inventories -1,725k bbl. (14 Oct 22) v 1,322k bbl. (e) v 9,879k bbl. (7 Oct 22)
- Δ US Oil Rigs +2; 771 (21 Oct 22) v 769 (14 Oct 22)
- Δ North American Oil Rigs -4; 981 (21 Oct 22) v 985 (14 Oct 22)
- Oil prices closed mixed as investors worried about the possibility of an economic recession, which may depress energy demand on one hand and Russia-Ukraine war driven supply constraints on the other.
 - WTI: \$85.05 (WTD: -0.65%)
 - Brent Crude: \$93.50 (WTD: +2.04%)



- Precious metals rose for the week due to a weaker USD.
 - Gold: \$1,658 (WTD: +0.80%)
 - Platinum: \$935 (WTD: +3.52%)



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