

Local

COMPANY ANNOUNCEMENTS

Results of Annual General Meeting (AGM)



- Minergy announced the results of its 2022 AGM where all resolutions were passed by 100% votes in favour, except:
 - Ordinary resolution 7: Approving the remuneration of non-executive directors for the 30 Jun 22 year end. 88.2% of shareholders voted in favour of the resolution. 11.8% voted against.
 - Ordinary resolution 8: Approving the remuneration of non-executive directors for the 30 Jun 23 year end. 88.2% of shareholders voted in favour of the resolution. 11.8% voted against.
- P0.40 (YTD: -20.00%) PE: N/A PB: N/A D/Y: 0.00% Mkt Cap: P188.0mn

Bond Announcement and Bond Offer Results



- Bond Announcement
 - RDC announced that the settlement date for the RDCP004 bond issuance has changed to 9 Dec 2022 (previously, 7 Dec 22) to match redemption of the maturing RDCP004 bond on 9 Dec 22. The new maturity date will be 9 Dec 23.
- Bond Offer Results
 - RDC announced that it closed a P100.6mn, 1-year Botswana Stock Exchange listed senior unsecured bond at a fixed yield of 8.75%.
- P2.20 (YTD: +2.33%) PE: 2.4 PB: 0.6 D/Y: 4.61% Mkt Cap: P1,668.1mn

Dealings In Securities by Management and Moody's Rating



- Dealings In Securities by Management
 - Letshego announced that K Chiusiwa and N Ndovu sold 276k and 6,160 Letshego shares at P1.25/share respectively.
- Moody's Rating
 - Letshego announced that Moody's affirmed Letshego's issuer rating at Ba3, reducing the group's corporate family rating by one notch from Ba2, reflecting macro-economic challenges in select markets.
 - The outlook on Letshego changed to negative from stable.
- P1.25 (YTD: -10.71%) PE: 4.0 PB: 0.5 D/Y: 12.40% Mkt Cap: P2,686.4mn

Monetary Policy Committee (MPC) Decision



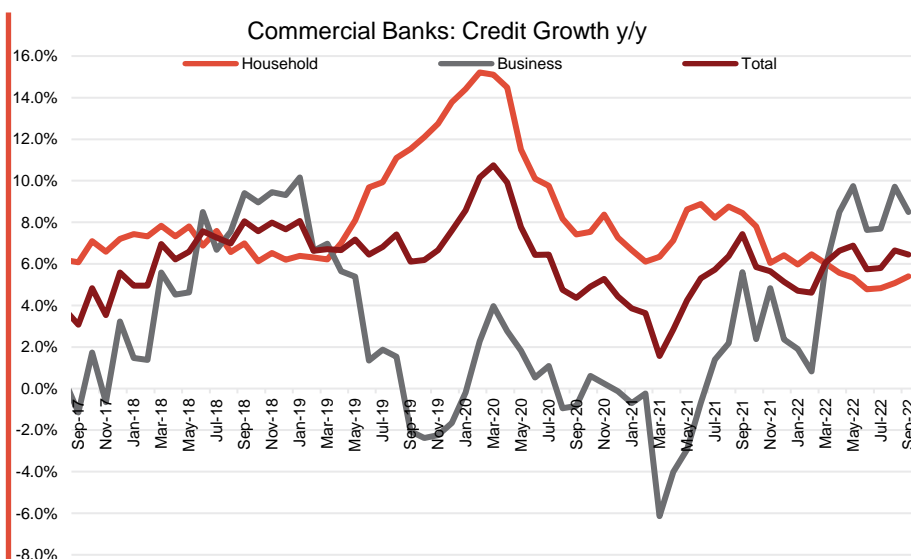
- The Bank of Botswana MPC decided to maintain the Monetary Policy Rate (MoPR) at 2.65%, at its 1 Dec 22 meeting.
- The MPC maintained the MoPR despite inflation trending above its 3-6% objective, with risks remaining tilted to the upside. It expects inflation to drop within its objective range in 3Q24.
- The decision to keep rates on hold is based on expectations for inflation to slow in the medium term due to the dissipating impact of earlier increases in administered prices (base effects), subdued domestic demand, current monetary policy posture, expected decrease in global inflation, and international commodity prices.
- On the other hand, there is significant risk that inflation could remain elevated owing to the potential increase in international commodity prices beyond current forecasts; persistence of supply and logistical constraints to production; the adverse economic and price effects of the ongoing Russia-Ukraine war; and the uncertain Covid-19 profile. The main upside risks to inflation are possible adjustment of administered prices and upward pressure on wages from the increase in public sector salaries.

PRIMETIME FY22 RESULTS – FV ADJUSTMENTS & REVENUE GROWTH DRIVE UP PROFITS

Income Statement P'Mn	FY 22	FY 21	% Δ
Rental revenue	196	178	10%
Operating expenses	(81)	(65)	24%
FX on foreign balances	(1)	(1)	14%
Profit before FV adjustment	115	112	3%
Fair Value (FV) Adjustment	34	(35)	(195%)
Profit from operations	148	76	95%
Finance income	2	1	124%
Finance costs	(63)	(52)	21%
Profit before tax	87	25	244%
Tax	(22)	2	(1,538%)
Profit for the period	65	27	143%
Balance Sheet extract P'Mn	HY 22	HY 21	% Δ
Cash and cash equivalents	28	27	1%
Investment properties	1,647	1,422	16%
Borrowings	944	941	0%
Equity	798	704	13%

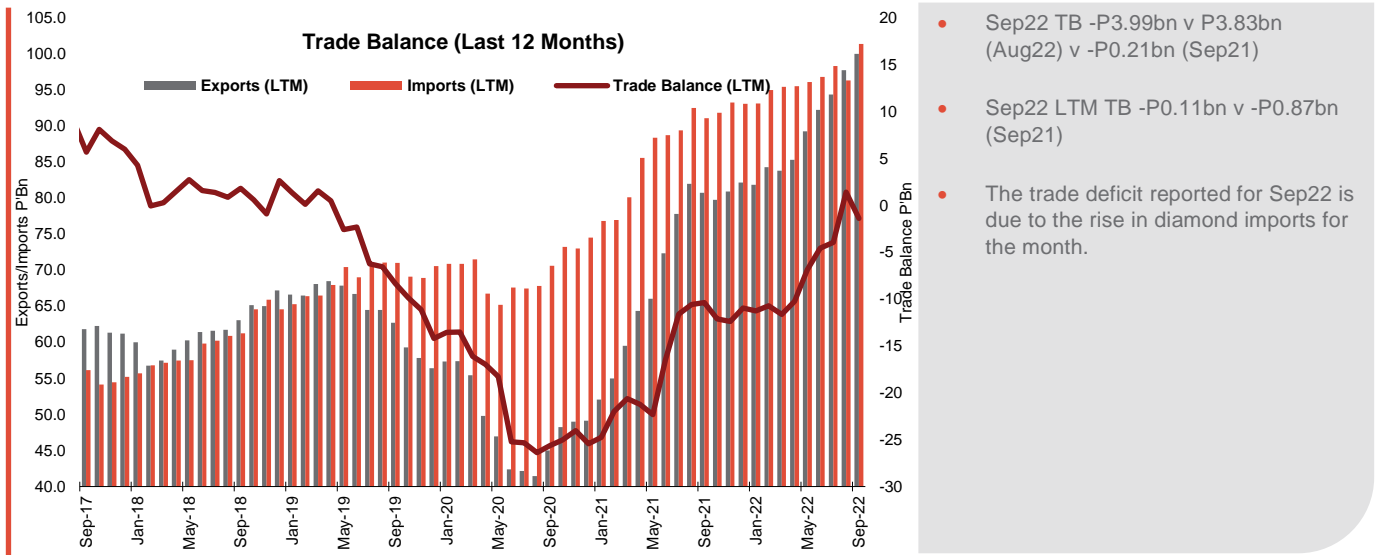
- Revenue +11% due to the opening of Lobatse Junction and reduced vacancy rates in Zambia.
- FV adjustments dropped 2x on improved business conditions in Zambia.
- PAT increased 1.4x due to revenue growth and positive FV Adjustments.
- Final Interest distribution of 4t/linkd unit declared, to be paid in Mar23 with distribution for HY23.
- P1.60 (YTD: -23.81%)
PE: 6.1
PB: 0.5
D/Y: 7.91%
Mkt Cap: P396.1mn

SEP22 CREDIT GROWTH (CG) – CREDIT GROWTH SLOWS



- Sep22 CG 6.4% v 6.6% (Aug22)
- Sep22 Household CG 5.4% v 5.1% (Aug22)
 - Driven by the growth in property, other and credit card loans
- Sep22 Business CG 8.5% v 9.7% (Aug22)
 - Driven by the decline in Parastatals, Mining and Construction sectors.

SEP22 TRADE BALANCE (TB) – TRADE DEFICIT RETURNS



Regional SOUTH AFRICA

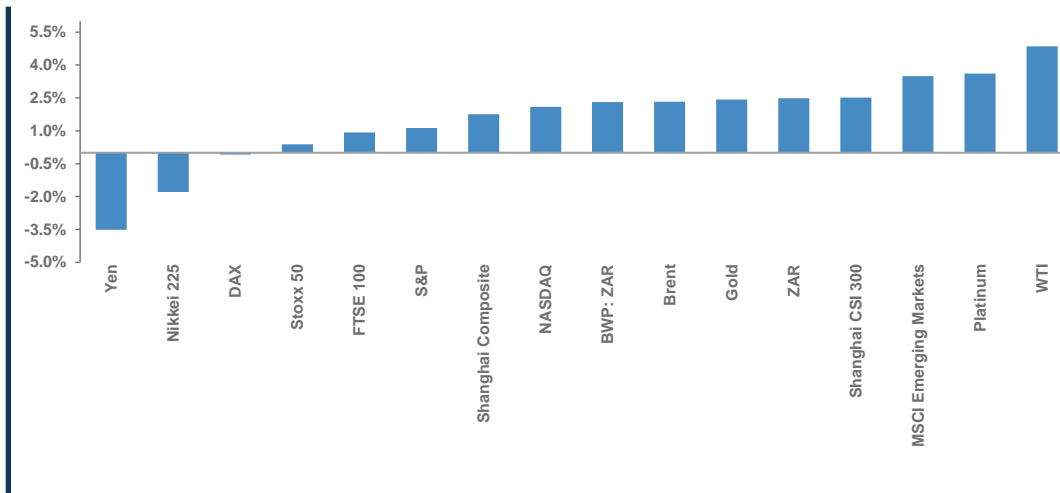
- Oct22 Trade Balance -R4.3bn v R14.7bn (e) v R26.2bn (Sep22)
- Nov22 Manufacturing PMI 52.6 v 50.5 (e) 50.0 (Oct22)
- 3Q22 Unemployment 32.9% v 33.5% (e) 33.9% (2Q22)
- During the week Eskom announced that Stage 2 load shedding will be implemented until further notice, citing high levels of breakdowns and the limited emergency generation reserves.

ZAR PERFORMANCE

- The South African rand slumped against the USD as better-than-expected US job data prompted bets that the Fed will tighten monetary policy more aggressively.
- ZAR 17.51 (WTD: +2.48%) v ZAR 17.08 (25 Nov22)

International

INTERNATIONAL SNAPSHOT – 2 DEC 22 WEEKLY PERFORMANCE



- Oct22 Preliminary Industrial Production m/m -2.6% v -1.8% (e) v -1.7% (Sep22)
- Oct22 Jobless Rate y/y 2.6% v 2.5% (e) v 2.6% (Sep22)
- Oct22 Final Manufacturing PMI 49.0 v 50.7 (Sep22)
- Japanese equities closed the week lower after US Fed Chairman Jerome Powell signaled a slowing of the Fed's aggressive interest rate hikes.
- Nikkei 225: 27,778 (WTD: -1.79%), Yen: 134.31 (WTD: -3.51%)



- Eurozone Nov22 Final Manufacturing PMI 47.1 v 47.3 (e) v 46.4 (Oct22)
- France Nov22 Final Manufacturing PMI 48.3 v 49.1 (e) v 47.2 (Oct22)
- Germany Nov22 Final Manufacturing PMI 46.2 v 46.7 (e) v 45.1 (Oct22)
- UK Nov22 Final Manufacturing PMI 46.5 v 46.2 (e) v 46.2 (Oct22)
- European markets closed the week mixed as hotter-than-expected US jobs data fueled fears that the Fed will have to keep policy tighter for longer, on one hand and investor optimism on the other, driven by the release of positive manufacturing data.
- DAX: 14,529 (WTD: -0.08%), Stoxx50: 3,978 (WTD: +0.39%), FTSE100: 7,556 (WTD: +0.93%)



- Nov22 Official Manufacturing PMI 48.0 v 49.0 (e) v 49.2 (Oct22)
- Nov22 Caixin Manufacturing PMI 49.4 v 48.9 (e) v 49.2 (Oct22)
- Chinese stocks closed higher on the back of bullish investor sentiment fueled by relaxed Covid-19 restrictions in some districts as well as the Fed's signal of a slowing rate hike cycle.
- SHSZ300: 3,871 (WTD: +2.52%), SHCOMP: 3,156 (WTD: +1.76%)



- 26 Nov 22 Initial Jobless Claims 225 v 235k (e) v 241k (19 Nov 22)
- Nov22 ΔNon-Farm Payrolls 263k v 200k (e) v 284k (Oct22)
 - Unemployment rate 3.7% v 3.7% (e) v 3.7% (Oct22)
 - Labour Force Participation Rate 62.1% v 62.3% (e) v 62.2% (Oct22)
- Nov22 Final US Manufacturing PMI 47.7 v 47.6 (e) v 50.4 (Oct22)
- 3Q22 Second Estimate Annualised GDP 2.9% v 2.8% (e) v -0.6% (2Q22)
- US equities finished the week higher following the Fed's dovish signals.
- NASDAQ: 11,462 (WTD: +2.09%), S&P 500: 4,072 (WTD: +1.13%)

COMMODITIES



- Δ US Crude Inventories -12,581k bbl. (25 Nov 22) v -2,908k bbl. (e) v -3,690k bbl. (18 Nov 22)
- Δ US Oil Rigs 0; 784 (2 Dec 22) v 784 (25 Nov 22)
- Δ North American Oil Rigs +1; 979 (2 Dec 22) v 978 (25 Nov 22)
- Oil prices closed higher following a larger than expected drawdown in US crude inventories.
 - WTI: \$79.98 (WTD: +4.85%)
 - Brent Crude: \$85.57 (WTD: +2.32%)



- Precious metals closed the week in the green driven by falling US treasury yield.
 - Gold: \$1,798 (WTD: +2.43%)
 - Platinum: \$1,019 (WTD: +3.61%)



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