

Local

COMPANY ANNOUNCEMENTS



Withdrawal Of Cautionary

- Chobe withdrew its previous cautionary announcements relating to a significant transaction as it has terminated any and all negotiations to conduct the transaction.
- P7.90 (YTD: +8.22%) PE: 11.8 PB: 2.1 D/Y: 0.00% Mkt Cap: P706.6mn



Trading Statement

- BTC announced that it expects its profit before tax (PBT) for half year ended 30 Sep 22 to be P73.1mn to 76.9mn (73%-77%) lower than the P99.7mn PBT reported for the half year ended 30 Sep 21.
- The contributors to the decline in PBT were driven by the once-off provision for organisational restructuring and an exponential increase in costs associated with the replacement of stolen copper cables.
- Results will be published on or before 31 Dec 22.
- P0.78 (YTD: +4.00%) PE: 5.8 PB: 0.4 D/Y: 11.17% Mkt Cap: P819.0mn

Dealings In Securities by Management



- Letshego announced that T Muteiwa sold 79,021 Letshego shares at P1.25/share.
- P1.25 (YTD: -10.71%) PE: 4.0 PB: 0.5 D/Y: 12.40% Mkt Cap: P2,686.4mn

Dec22 Monetary Policy Report (MPR)

- The Bank of Botswana (BoB) released its Dec22 MPR. Salient points are as follows:
 - The BoB expects inflation to remain above its 3-6% objective range in the near term. Inflation is expected to fall from 4Q22 and revert to within the objective range in 3Q24. Overall, risks to the inflation outlook are assessed to be skewed to the upside
 - The Ministry of Finance expects GDP to expand by 4.2% in 2022 as growth in both the non-mining and mining sectors improve. The economy is anticipated to continue operating below its potential in the medium term. However, economic recovery will be supported by the prevailing accommodative monetary conditions, improvements in the diamond industry and water and electricity supply; reforms to further improve the business environment and government interventions against Covid-19, including vaccine rollouts and the implementation of the ERTIP initiatives, among others.
 - The South African rand is expected to depreciate against the US dollar and the SDR in the next four quarters due to poor economic fundamentals (weak economic growth, high public debt, and high budget deficit), recurring labour strikes, power supply constraints, as well as poor performing state-owned enterprises, which may limit the growth of domestic economic output in the forecast period.
 - International oil prices are expected to fall in the medium term. The projected slowdown in oil prices considers continued Chinese lockdowns, given that China is a major importer and consumer of crude oil, fears of a global recession, continued appreciation of the US dollar, which could hurt oil demand, as well as the use of alternative energy sources and the actions of the world's major central banks, which have repeatedly hiked interest rates to combat elevated inflation.
 - Global food prices are expected to trend downwards in the short term but remain relatively high. However, the anticipated relatively high food prices mainly reflect increased demand and cost push pressures arising from supply disruptions caused by the Covid-19 pandemic and the Russia-Ukraine war.



Regional

SOUTH AFRICA

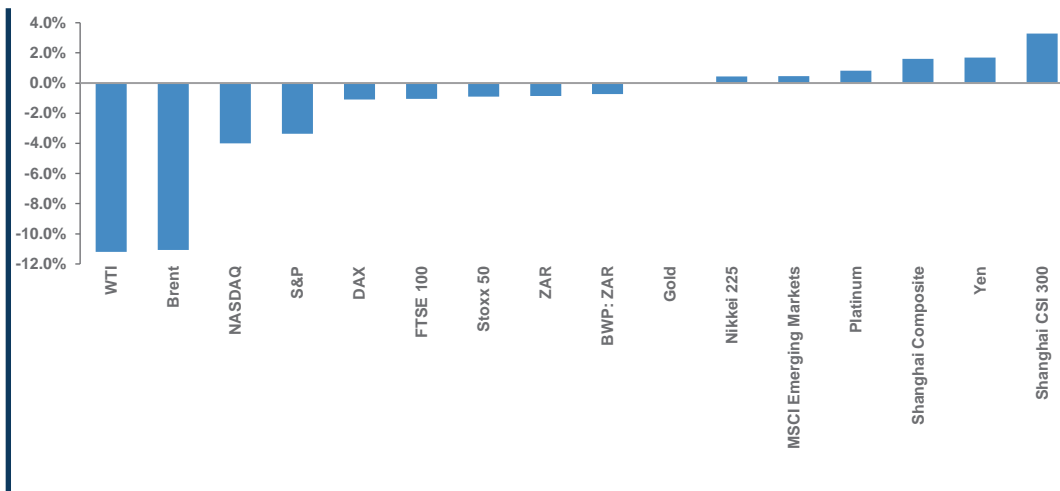
- Oct22 Manufacturing production SA m/m -6.3% v -0.4% (e) v 5.0%(Sep22)
- 4Q22 Consumer Confidence -8 v -25 (e) -20.0 (3Q22)
- 3Q22 GDP q/q 1.6% v 0.4% (e) -0.7% (2Q22)
- During the week Eskom announced the implementation of stage 6 loadshedding, citing high levels of breakdowns of various generating stations.

ZAR PERFORMANCE

- The South African Rand strengthened against the USD on mounting worries over a slowdown in the US and on hopes that China's economy would pick up pace following an easing of Covid-19 restrictions.
- ZAR 17.35 (WTD: -0.86%) v ZAR 17.51 (2 Dec 22)

International

INTERNATIONAL SNAPSHOT – 9 DEC 22 WEEKLY PERFORMANCE



- 3Q22 Final GDP q/q -0.2% v -0.3% (e) 1.1% (2Q22)
- Nov22 Final Composite PMI 48.9 v 51.8 (Oct22)
- Oct22 Trade Balance -¥1,875bn v -¥1,825bn (e) v -¥1760bn (Sep22)
- Japanese equities closed the week higher, buoyed by the relaxation of Covid-19 restrictions in China and a softer economic contraction in Japan than previously estimated in 3Q22.
- Nikkei 225: 27,901 (WTD: +0.44%), Yen: 136.56 (WTD: +1.68%)



- Eurozone 3Q22 Final GDP q/q 0.3% v 0.2% (e) 0.8% (2Q22)
- France Nov22 Final Composite PMI 48.7 v 48.7 (e) v 50.2 (Oct22)
- Germany Oct22 Industrial Production m/m -0.1% v -0.6% (e) 1.1% (Sep22)
- UK Nov22 Final Composite PMI 48.2 v 48.3 (e) v 48.2 (Oct22)
- European markets ended the week lower, weighed down by concerns of a possible global recession.
- DAX: 14,371 (WTD: -1.09%), Stoxx50: 3,943 (WTD: -0.89%), FTSE100: 7,477 (WTD: -1.05%)



- Nov22 PPI y/y -1.3% v -1.5% (e) v -1.3% (Oct22)
- Nov22 CPI y/y 1.6% v 1.6% (e) v 2.1% (Oct22)
- Chinese stocks closed higher on the back of bullish investor sentiment fueled by relaxed Covid-19 restrictions.
- SHSZ300: 3,998 (WTD: +3.29%), SHCOMP: 3,207 (WTD: +1.61%)



- 3 Dec 22 Initial Jobless Claims 230k v 230k (e) v 225k (26 Nov 22)
 - Dec22 Preliminary UoM Sentiment 59.1 v 57.0 (e) v 56.8(Nov22)
 - Nov22 PPI Final Demand y/y 0.3% v 0.1% (e) v 0.3% (Oct22)
 - US equities finished the week lower following the release of hotter than expected economic data signaling that the Fed would keep interest rates higher for longer.
 - NASDAQ: 11,005 (WTD: -3.99%), S&P 500: 3,934 (WTD:-3.37%)
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COMMODITIES



- ΔUS Crude Inventories -5,186k bbl. (2 Dec 22) v -2,989k bbl. (e) v -12,581k bbl. (25 Nov 22)
 - ΔUS Oil Rigs -4; 780 (9 Dec 22) v 784 (2 Dec 22)
 - ΔNorth American Oil Rigs +3; 982 (9 Dec 22) v 979 (2 Dec 22)
 - Oil prices closed lower following a larger than expected drawdown in US crude inventories.
 - WTI: \$71.02 (WTD: -11.20%)
 - Brent Crude: \$76.10 (WTD: -11.07%)
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- Gold closed in the red driven by higher US Treasury yields. Platinum closed the week in the green on the back of a weaker USD.
 - Gold: \$1,797 (WTD: -0.02%)
 - Platinum: \$1,028 (WTD: +0.83%)



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