



KGORI CAPITAL
INVEST WITH PRIDE

KGORI CAPITAL MARKET WATCH

30 January 2023

LOCAL

COMPANY ANNOUNCEMENTS

Dec22 Operational Report and Capital Raise Commitments



TLOU ENERGY

- Dec22 Operational Report
 - Tlou released its Dec22 quarterly report where it provided updates on its ongoing projects. Salient points are as follows:
 - Lesedi Project
 - Total progress as at end of Dec22 was 33%. Zismo is expected to complete the wooden pole works in Feb23.
 - Purpose-built operations facility is expected to be completed during 1Q23.
 - Drilling for the Lesedi 6 production pod expected to commence during 1Q23.
 - Cash Position
 - At the end of the quarter Tlou had ~A\$6.1mn cash on hand.
- Capital Raise Commitments
 - Tlou announced it had received commitments to raise A\$3.1mn through the issue of new fully paid ordinary shares to investors and members of the board at an issue price of A\$0.035.
- P0.50 (YTD: 0.00%) PE: N/A PB: 0.8 D/Y: 0.00% Mkt Cap: P415.4mn

Market Update



minergy LIMITED

- Minergy issued a market update on its HY23 performance:
 - Operational update
 - Minergy reported an improvement in market conditions with related volume increases and pricing opportunities.
 - Financial Effects
 - The increase in demand for coal, high prices and the cost of fuel is expected to contribute to improved financial results for quarter.
 - Other
 - Minergy and its funders will be a part of a Public Private Partnership of the tarring of the Lentsweletau-Medie Road.
 - Minergy has also received approval to connect the Masama Coal Mine to the North South Carrier water system.
 - The Botswana Power Plant tender was awarded to another consortium.
- P0.40 (YTD: 0.00%) PE: N/A PB: N/A D/Y: 0.00% Mkt Cap: P188.0mn

Cautionary Announcement and Closed Period



CHOPPIES
Great value for your money!

- Cautionary Announcement
 - Choppies advised shareholders to exercise caution as it has entered into discussions regarding a possible acquisition of 100% of the issued shares in a Botswana based company, operating a fast-moving consumer goods business.
- Closed Period
 - As a result of the possible acquisition and the above cautionary announcement, Choppies has entered a closed period in terms of the BSE Listings Requirements as of 23 Jan 23 until the full terms of the possible acquisition have been announced.
- P0.67 (YTD: +30.8%) PE: 6.0 PB: N/A D/Y: 0.00% Mkt Cap: P873.4mn



Notice of Annual General Meeting (AGM)

- PrimeTime will hold its AGM at Cresta Lodge Hotel at 3.00pm on 23 Feb 22. Unitholders will vote on:
 - Approving 31 Aug 22 financial statements.
 - Approving the 3.71t/linked unit and the 4.95t/linked unit interim distributions declared during the year.
 - Approving the 4.00t/linked unit final distribution declared during the year.
 - Approving the appointment of M Marinelli, as an Independent Director.
 - Approving the re-election of A Kelly and P Masie as Directors.
 - Approving directors' remuneration for the 31 Aug 22 year end.
 - Approving auditor's remuneration for the 31 Aug 22 year end, and to confirm the appointment Ernst & Young as auditors for the ensuing year.
- P7.93 (YTD: +0.25%) PE: 11.8 PB: 2.1 D/Y: 0.00% Mkt Cap: P709.3mn



Independent Non-Executive Director Appointment

- Access announced the appointment of O Keabetswe as an Independent Non-Executive Director, effective 12 Jan 23.
- Mr Keabetswe is the Chief Investment Officer of Grit Real Estate Income Group.
- P2.02 (YTD: 0.00%) PE: N/A PB: 1.2 D/Y: 11.34% Mkt Cap: P1,464.5mn



Notice of Intent to Merge Tanzania Entities Via Process of Legislated Acquisition

- Letshego announced that the Bank of Tanzania has granted conditional approval of the legislated acquisition process, in which Letshego Bank Tanzania Limited will acquire Letshego Tanzania Limited.
- The purpose of this acquisition is to streamline the company's Tanzania operations, maximizing potential commercial and operational efficiencies and long-term business returns..
- P1.25 (YTD: 0.00%) PE: 4.0 PB: 0.5 D/Y: 12.40% Mkt Cap: P2,666.4mn



Private Placement of Notes

- BSB announced that following the Botswana Stock Exchange's approval, it has privately issued P82,000,000, 5-year Senior Unsecured Floating Rate Notes, maturing 9 Jan 28, with a margin of 636bps added to the relevant Reference Rate, payable semi-annually.



4Q22 Business Expectations Survey (BES)

- The Bank of Botswana (BoB) released the 4Q22 BES. Highlights from the survey are as follows:
 - Firms were optimistic about economic activity in 4Q22 compared with 3Q22 and anticipate tight access to credit across all markets on account of rising interest rates due to tightening by BoB.
 - Firms expect cost pressures to remain high in 4Q22, mainly due to supply constraints arising from the Russia-Ukraine war.
 - Firms expect the economy to grow by 4.4% in 2022.
 - Firms expect GDP to increase by 3.8% and 3.9% in 4Q22 and 1Q23, respectively.
 - Firms expect inflation to remain above the BoB's 3-6% medium-term objective range in 2022 and 2023.
 - Overall, firms expect business conditions to improve in 4Q22.



Pula Exchange Rate

- The Pula basket weights were maintained at 45% South African Rand and 55% Special Drawing Rights (SDR).
- Additionally, the annual downward rate of crawl was changed to 1.51%. This is to be implemented as of 1 Jan 23.

SEFALANA HY23 RESULTS – RISE IN REVENUES DRIVES UP PROFITS

Income Statement P'Mn	HY 23	HY 22	% Δ
Revenue	4,501	3,488	29%
Cost of sales	(4,188)	(3,250)	29%
Gross Profit	312	238	31%
Other Income and gains	21	13	64%
Administrative expenses	(137)	(106)	29%
EBITA	197	145	35%
Amortization	(3)	(3)	10%
Investment income	18	26	(31%)
Finance costs	(12)	(13)	(2%)
Shares of results of associate	(4)	(3)	29%
Profit before taxation	195	153	28%
Tax	(53)	(64)	(16%)
Profit for the period	142	89	59%
Balance Sheet extract P'Mn	HY 23	HY 22	% Δ
Cash and cash equivalents	664.1	411.6	61%
PPE	870.8	795.6	9%
Trade and other payables	963.2	806.6	19%
Borrowings	106.7	108.4	(2%)
Equity	2,227.5	2,018.0	10%

- Revenue +29% driven by strong growth from retail business in Namibia (+23%), Lesotho (+19%) and Botswana (+35%).
- PAT +59% due to improved revenue.
- Cash +61% following the receipt of the final tranche of the South African preference share investment.
- Interim dividend of 12t/share declared, payable on 22 Feb 23.
- P9.67 (YTD: +0.10%)
PE: 8.8
PB: 1.1
D/Y: 6.20%
Mkt Cap: P2,424.5mn

GOVERNMENT JAN23 BOND 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
BOTSTB0523	3M T-Bill	500	335	67%	4.524%	4.371%	15bps
BOTSTB0823	6M T-Bill	500	450	90%	5.436%	5.371%	6bps
BOTSTB0124	12M T-Bill	1,000	950	95%	5.650%	5.300%	35bps
BOTSGB0527	5-Yr Bond	200	200	100%	8.000%	8.170%	-17bps
BOTSGB0943	20-Yr Bond	200	200	100%	8.900%	8.800%	10bps
Total		2,400	2,135	89%			

- 89% of the total P2.4bn bond auction was allotted.
- The 5 and 10-Yr bonds were fully allocated.
- Bond stop-out yields generally increased, except for the 5-Yr bond which decreased 17bps.

REGIONAL

SOUTH AFRICA

- Dec22 PPI y/y 13.5% v 13.9% (e) v 15.0% (Nov22)
- The South African Reserve Bank Monetary Policy Committee met during the week and increased the Repurchase Rate by 0.25% to 7.25%
- During the week, Eskom implemented Stage 5 load shedding citing high levels of breakdowns of various generating stations.

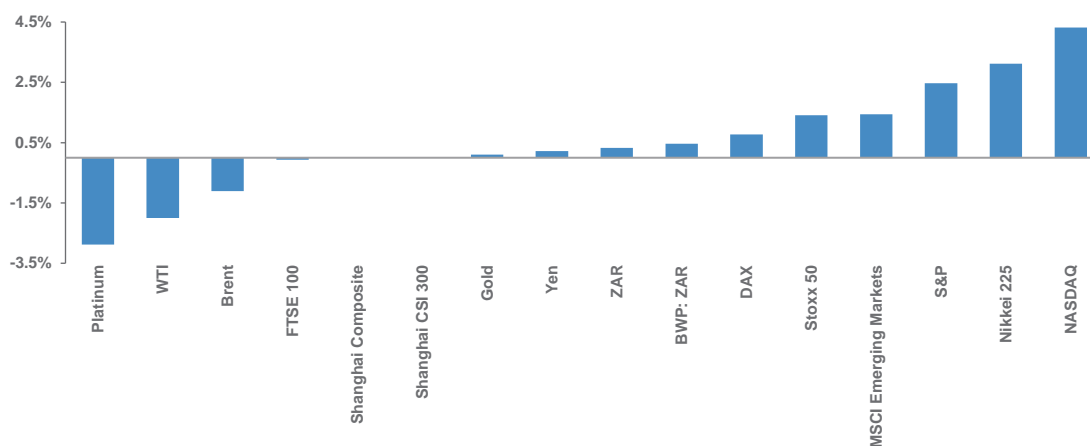
ZAR PERFORMANCE

- The South African rand fell against the US dollar due to Eskom's pessimistic outlook on load-shedding, which is expected to affect production.
- ZAR 17.19 (WTD: +0.33%) v 17.13 (13 Jan 23)

The South African rand weakens against the USD.

INTERNATIONAL

INTERNATIONAL SNAPSHOT – 27 JAN 23 WEEKLY PERFORMANCE



- Jan22 Preliminary Manufacturing PMI 48.9 v 48.9 (Dec22)
- Jan22 Tokyo CPI y/y 4.4% v 4.0% (e) v 3.9% (Dec22)
- Japanese equities closed higher for the week as fears about a possible recession in the US economy were soothed by the release of better-than-expected GDP data.
- Nikkei 225: 27,383 (WTD: +3.12%), Yen: 129.88 (WTD: +0.22%)



- Eurozone Jan23 Preliminary Manufacturing PMI 48.8 v 48.5 (e) v 47.8 (Dec22)
- France Jan23 Preliminary Manufacturing PMI 50.8 v 49.5 (e) v 49.2 (Dec22)
- Germany Jan23 Preliminary Manufacturing PMI 47.0 v 48.0 (e) v 47.1 (Dec22)
- UK Jan22 Preliminary Manufacturing PMI 46.7 v 45.5 (e) v 45.3 (Dec22)
- European markets ended the week in the green following the release of stronger economic data, while UK equities closed lower following the release of weaker corporate earnings.
- DAX: 15,150 (WTD: +0.77%), Stoxx50: 4,178 (WTD: +1.41%), FTSE100: 7,765 (WTD: -0.07%)



- Chinese markets are closed for the Lunar New Year holiday.
- SHSZ300: 4,182 (WTD: 0.00%), SHCOMP: 3,265 (WTD: 0.00%)



- 21 Jan 23 Initial Jobless Claims 186k v 205k (e) v 192k (14 Jan 23)
- Jan23 Preliminary Manufacturing PMI 46.8 v 46.0 (e) v 46.2 (Dec22)
- 4Q22 Advance GDP Annualized q/q 2.9% v 2.6% (e) v 3.2% (3Q22)
- Jan23 Final UoM Sentiment 64.9 v 64.6 (e) v 59.7 (Dec22)
- US equities ended the week higher driven by the release of stronger economic data and better than expected corporate earnings.
- NASDAQ: 11,622 (WTD: +4.32%), S&P 500: 4,071 (WTD: +2.47%)



- Δ US Crude Inventories 533k bbl. (20 Jan 23) v 704k bbl. (e) v 8408k bbl. (13 Jan 23)
- Δ US Oil Rigs 0; 771 (27 Jan 23) v 771 (20 Jan 23)
- Δ North American Oil Rigs +6; 1018 (27 Jan 23) v 1,012 (20 Jan 23)
- Oil prices fell last week, owing to increased Russian oil supply to meet increased Chinese demand.
 - WTI: \$79.68 (WTD: -2.00%)
 - Brent Crude: \$86.66 (WTD: -1.11%)



- Gold closed in the green spurred by bets on a less hawkish Fed, while Platinum closed in the red on the back of a stronger USD.
 - Gold: \$1,928 (WTD: +0.10%)
 - Platinum: \$1,016 (WTD: -2.88%)

Mixed signals for precious metals



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