



**KGORI CAPITAL**  
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# KGORI CAPITAL MARKET WATCH

6 February 2023

## LOCAL

### COMPANY ANNOUNCEMENTS



#### Dealing In Securities by A Director

- Chobe announced that J Gibson sold 1,124 shares at P8.75t/share.
- P8.75 (YTD: +10.62%) PE: 13.1 PB: 2.3 D/Y: 0.00% Mkt Cap: P782.6mn



#### Results of Annual General Meeting (AGM)

- NAP announced the results of its 2022 AGM where all resolutions were passed by 100% votes in favour, except:
  - Ordinary resolution 3: to re-elect J Mynhardt as a Director. 81% voted in favour while 19% voted against.
- P3.50 (YTD: +0.57%) PE: 9.4 PB: 1.4 D/Y: 8.29% Mkt Cap: P2,115.4mn



#### Quarterly Market Update – Dec22

- Shumba released its Dec22 quarterly report where it provided updates on its ongoing projects. Salient points are as follows:
  - Tati Solar Project:
    - The project received formal funding offers/term sheets in the form of equity, debt, and mezzanine from development finance institutions, Commercial Banks, and Private Equity funds.
    - \$124,456 was spent on project development expenditures for the quarter.
- P0.90 (YTD: 0.00%) PE: N/A PB: 2.0 D/Y: 0.00% Mkt Cap: P264.5mn

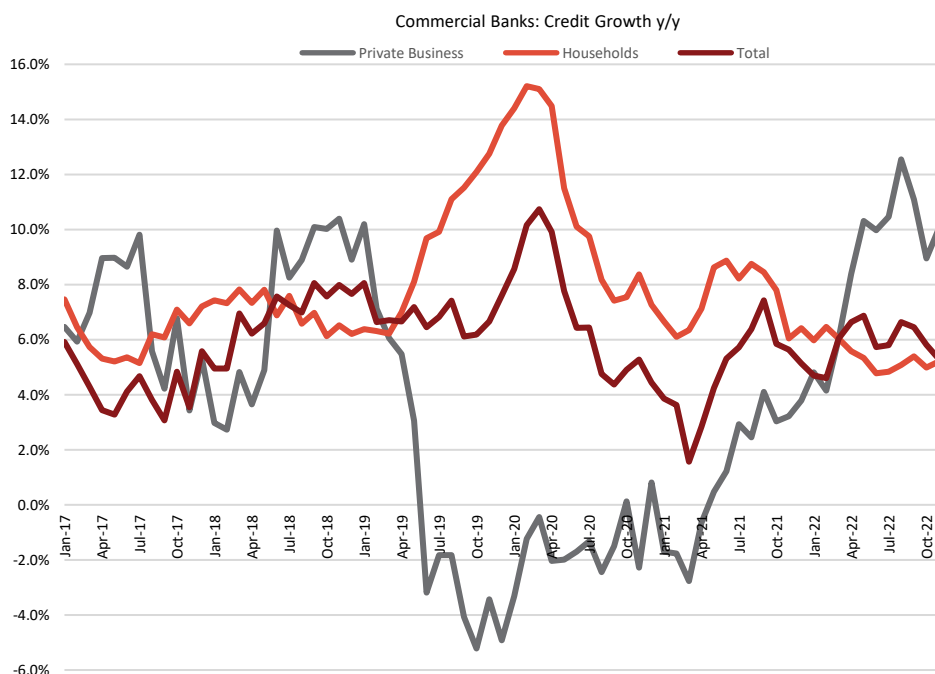


#### Trading Update

- FNBB announced that its profit before tax (PBT) for the 31 Dec 22 interim period will be P87mn-P116mn (15%-20%) higher than the P578mn PBT reported for 30 Dec 21 interim period.
- Results will be published by 16 Feb 23.
- P3.50 (YTD: 0.00%) PE: 9.6 PB: 2.7 D/Y: 7.43% Mkt Cap: P8,903.0mn

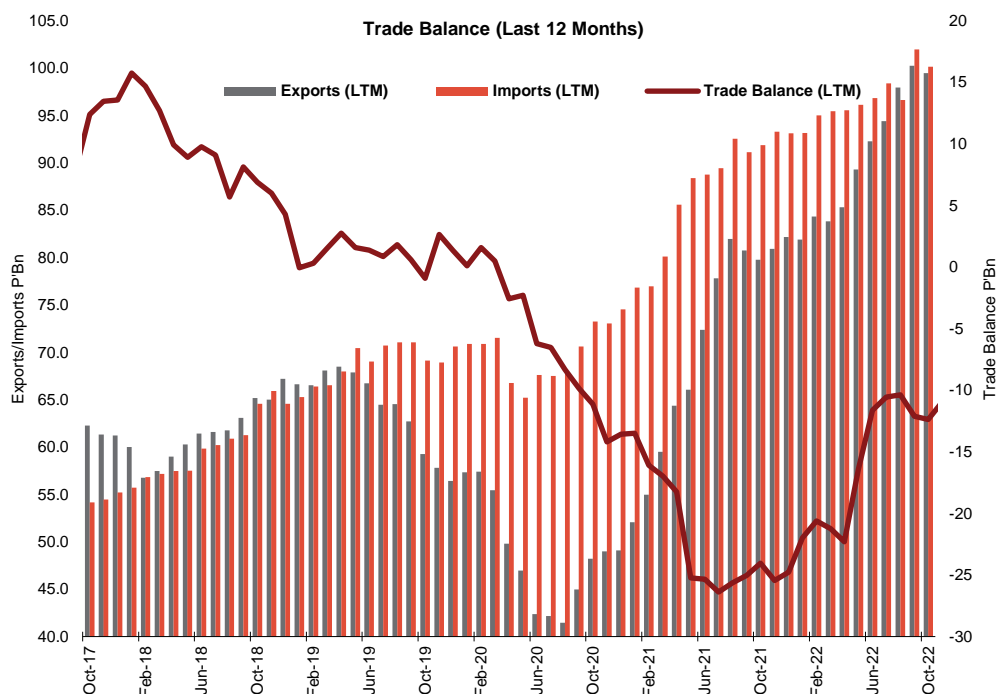


## NOV22 CREDIT GROWTH (CG) – CREDIT GROWTH CONTINUES TO DECLINE



- Nov22 Total CG declined from 5.8% (Oct22) to 5.3%
  - Spurred by a significant contraction in credit uptake by Parastatals (-34.3%) and the Manufacturing sector (-5.2%).
- Nov22 Household CG 5.2% v 5.0% (Oct22)
  - Driven by an increase in personal loans, credit cards and vehicle loans.

## NOV22 TRADE BALANCE (TB) – INCREASE IN DIAMOND EXPORTS LEADS TO SURPLUS



- Nov22 TB P1.41bn v -P2.94bn (Oct22)
- Nov22 LTM TB P2.55bn v -P0.68bn (Oct22)
- The improvement in the trade balance reported for Nov22 is due to a rise in diamond exports.

## REGIONAL

### SOUTH AFRICA

- Dec22 Trade Balance R5.4bn v R5.3bn (e) v R7.3bn (Nov22)
- Jan22 Manufacturing PMI 53.0 v 52.1 (e) v 53.1 (Dec22)
- During the week Eskom implemented Stage 6 load shedding citing high levels of breakdowns in various generating stations.

### ZAR PERFORMANCE

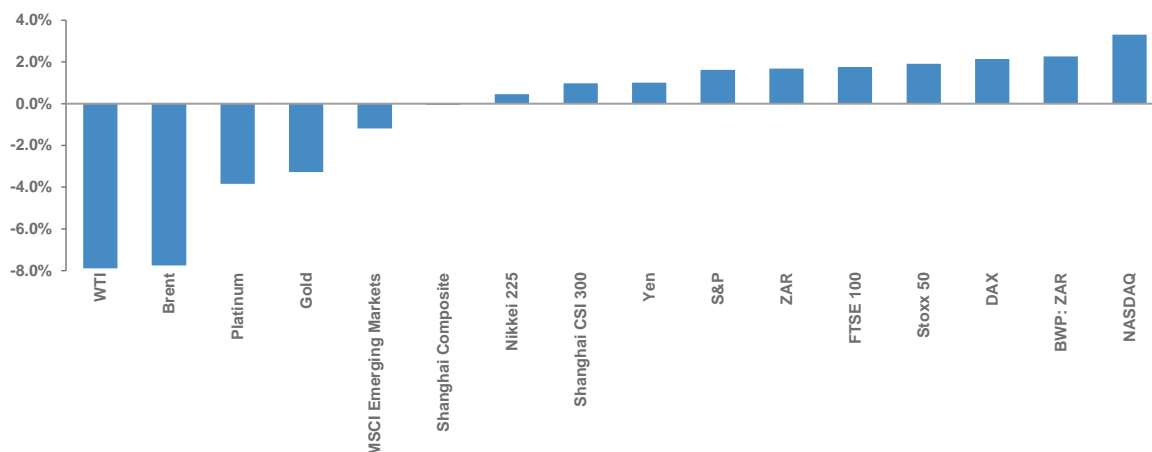
- The South African rand fell against the USD as better-than-expected US job data prompted bets that the Fed will tighten monetary policy more aggressively.
- ZAR 17.48 (WTD: +1.63%) v 17.19 (27 Jan 23)

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# The South African rand weakens against the USD.

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## INTERNATIONAL SNAPSHOT – 3 FEB 23 WEEKLY PERFORMANCE



- Dec22 Preliminary Industrial Production y/y -0.1% v -1.0% (e) v 0.2% (Nov22)
- Dec22 Jobless Rate 2.5% v 2.5% (e) v 2.5% (Nov22)
- Jan23 Final Manufacturing PMI 49.8 v 48.9 (Dec22)
- Japanese equities closed higher for the week following strong corporate earnings reports from the US.
- Nikkei 225: 27,509 (WTD: +0.46%), Yen: 131.19 (WTD: +1.01%)



- Eurozone Jan23 Final Manufacturing PMI 48.8 v 48.8 (e) v 47.8 (Dec22)
- France Jan23 Final Manufacturing PMI 50.5 v 50.8 (e) v 49.2 (Dec22)
- Germany Jan23 Final Manufacturing PMI 47.3 v 47.0 (e) v 47.1 (Dec22)
- UK Jan22 Final Manufacturing PMI 47.0 v 46.7 (e) v 45.3 (Dec22)
- The Bank of England (BoE) Monetary Policy Committee met during the week and decided to increase the Bank Rate by 50bps to 4.00%.
- The European Central Bank (ECB) Governing Council (GC) met during the week and decided on the following:
  - To increase the main refinancing operations rate, the marginal lending facility rate, and the deposit facility rate by 50bps to 3.00%, 3.25% and 2.50% respectively.
  - To continue reinvesting principal repayments received under its asset purchase program until end of Feb23.
  - To continue reinvesting principal repayments under its pandemic emergency purchase program to at least the end of 2024.
- European markets ended the week in the green following the release of stronger economic data.
- DAX: 15,476 (WTD: +2.15%), Stoxx50: 4,258 (WTD: +1.91%), FTSE100: 7,902 (WTD: +1.76%)



- Jan23 Official Manufacturing PMI 50.1 v 50.1 (e) v 47.0 (Dec22)
- Jan23 Caixin Manufacturing PMI 49.2 v 49.8 (e) v 49.0 (Dec22)
- Chinese markets closed largely higher following the release of strong economic data.
- SHSZ300: 4,142 (WTD: +0.97%), SHCOMP: 3,263 (WTD: -0.05%)



- 28 Jan 23 Initial Jobless Claims 183k v 195k (e) v 186k (21 Jan 23)
- Jan23 ΔNon-Farm Payrolls 517k v 188k (e) v 223k (Dec22)
  - Unemployment rate 3.4% v 3.6% (e) v 3.5% (Dec22)
  - Labour Force Participation Rate 62.4% v 62.3% (e) v 62.3% (Dec22)
- Jan23 Final Manufacturing PMI 46.9 v 46.8 (e) v 46.2 (Dec22)
- The US Federal Reserve Open Market Committee met during the week and decided to increase the Fed fund rate by 25bps to 4.50% - 4.75%.
- US equities ended the week higher driven by better-than-expected corporate earnings.
- NASDAQ: 12,007 (WTD: +3.31%), S&P 500: 4,136 (WTD: +1.62%)



- $\Delta$ US Crude Inventories 4,140k bbl. (3 Feb 23) v -195k bbl. (e) v 533k bbl. (27 Jan 23)
- $\Delta$ US Oil Rigs -12; 759 (3 Feb 23) v 771 (27 Jan 23)
- $\Delta$ North American Oil Rigs -10; 1,008 (3 Feb 23) v 1,018 (27 Jan 23)
- Oil prices fell last week, owing to the surprise build-up of crude inventories.
  - WTI: \$73.39 (WTD: -7.89)
  - Brent Crude: \$79.94 (WTD: -7.75%)



- Precious metals closed in the red on the back of a stronger USD.
  - Gold: \$1,865 (WTD: -3.27%)
  - Platinum: \$977 (WTD: -3.84%)

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# Oil prices decline driven by an increase in inventories

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