



KGORI CAPITAL
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KGORI CAPITAL MARKET WATCH

11 April 2023

LOCAL

COMPANY ANNOUNCEMENTS



Notice of End of Closed Period

- Letshego announced the end of its closed period, following the publication of its 31 Dec 22 yearend financial results.
- P1.20 (YTD: -4.00%) PE: 5.5 PB: 0.5 D/Y: 12.92% Mkt Cap: P2,578.9mn



Results of Special General Meeting (SGM)

- Sefalana announced the results of its SGM where all resolutions were passed by 100% votes in favour.
- P9.74 (YTD: +0.83%) PE: 8.9 PB: 1.1 D/Y: 5.34% Mkt Cap: P2,442.1mn



Response to Media Article

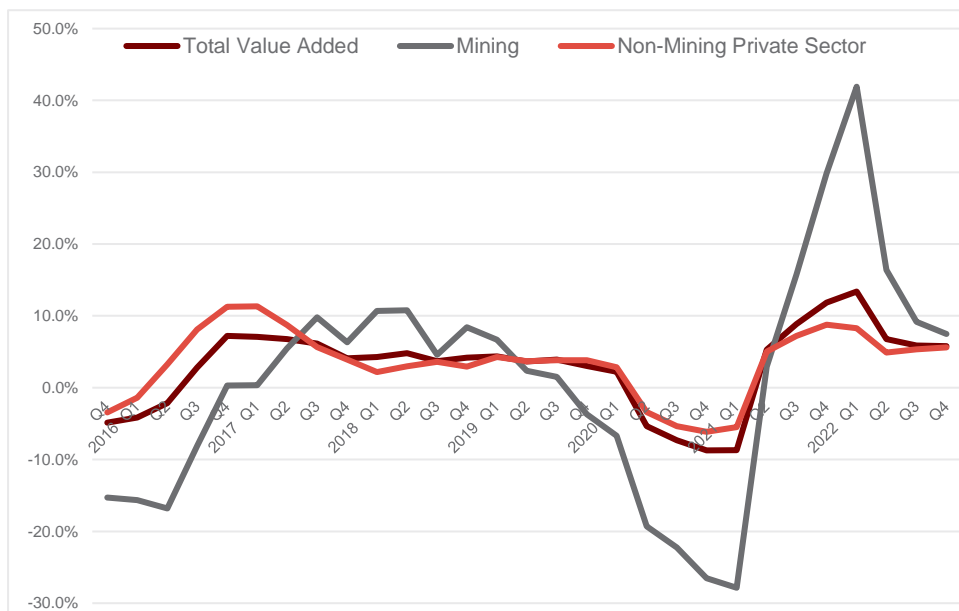
- LLR announced that it has launched an enquiry into a matter regarding an article published by Business Weekly on 30 Mar 23 which cited a confidential proposed asset management contract and fee structure by Grit which was submitted to the previous Board of Directors during the 2019/2020 financial period.
- P3.16 (YTD: -9.20%) PE: 8.9 PB: 1.0 D/Y: 6.06% Mkt Cap: P884.8mn

SHUMBA HY22 RESULTS – LOSSES DEEPEN

Income Statement \$'Mn	HY 22	HY 21	% Δ
Revenues	-	334	(100%)
Cost of sales	-	(275)	(100%)
Gross Profit	-	59	(100%)
Operating expenses	(586)	(271)	117%
Employee costs	(79)	(86)	9%
Operating losses	(628)	(298)	111%
Finance Cost	(289)	(258)	12%
Loss Before Tax	(917)	(556)	65%
Taxation	-	-	0%
Loss for the period	(917)	(556)	65%
Balance Sheet extract \$'Mn	HY 22	HY 21	% Δ
Cash and cash equivalents	43	747	(94%)
Exploration assets	12 804	15 123	(15%)
Borrowings	3 942	3 730	6%
Equity	10 273	10 838	(5%)

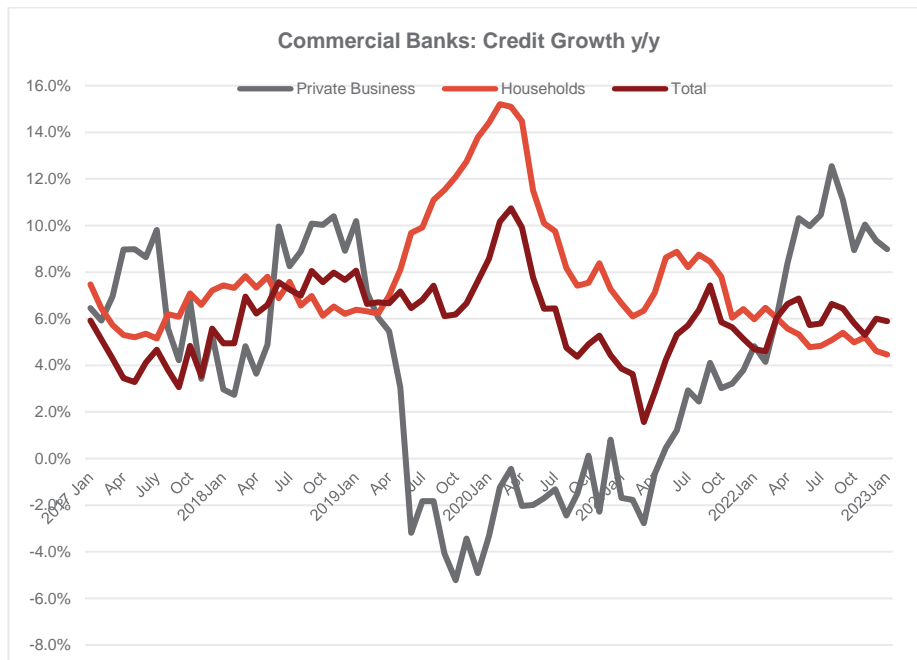
- Operating expenses rose 1.2x due to costs incurred in the development of the renewable energy business.
- Finance cost +12% due to +6% increase in borrowings.
- Loss reported for the period +65% due to reporting no revenues and higher operating expenses.
- Cash and cash equivalents -94% on the back of higher borrowings and higher operating expenses.
- No dividends declared.
- P0.90 (YTD: 0.00%)
PE: N/A
PB: 2.0
D/Y: 0.00%
Mkt Cap: P264.5mn

4Q22 GDP – REAL GDP INCREASES AT A SLOWER PACE



- Real GDP registered growth of 5.8% (y/y) in 2022 v 11.8% (2021)
- Growth was driven by strong performances in both the mining sector (7.5%) and Non-Mining Private Sector (5.6%)
- All sectors of the economy recorded positive y/y growth.
- The fastest growing sectors were Diamond Traders (17.6%), Manufacturing (8.2%) and Mining (7.5%)
- We project Real GDP growth to slow down to a range of 3.8% - 4.0% in 2023.

JAN23 – CREDIT GROWTH CONTINUES TO DECLINE



- Jan23 CG y/y 5.9% v 6.0% (Dec22) v 4.7% (Jan22)
 - Driven by a significant slowdown in credit uptake by households and private businesses.
- Jan23 Private Business CG y/y 9.0% v 9.3% (Dec22) v 4.8% (Jan22)
 - Driven by a contraction in credit uptake by the Manufacturing and Business Services sectors.
- Jan23 Household CG 4.5% v 4.62% (Dec22) v 6.4% (Jan22)
 - Driven by a large slowdown in “other” personal loans.

REGIONAL

SOUTH AFRICA

- Mar23 Final Manufacturing PMI 48.1 v 49.5 (e) v 48.8 (Feb23)

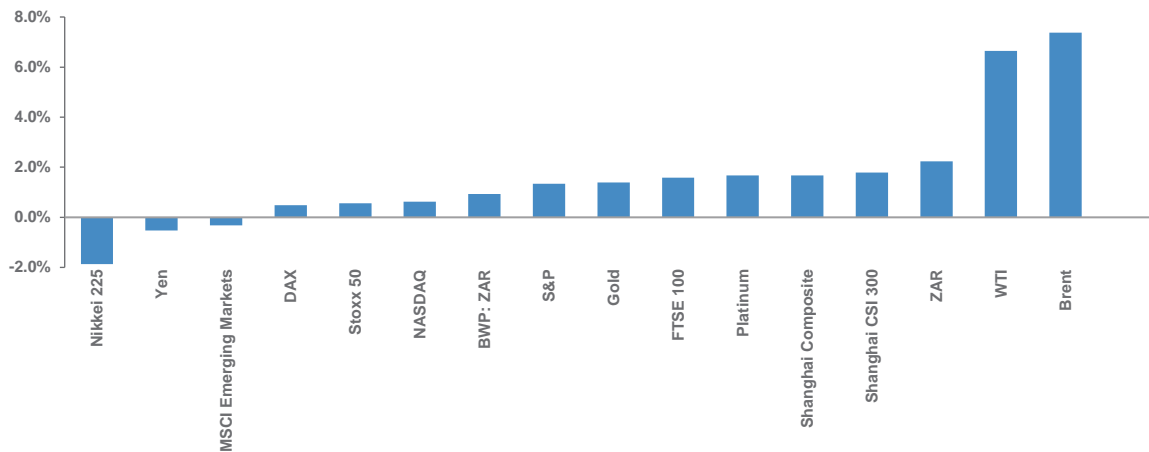
ZAR PERFORMANCE

- The ZAR weakened against USD following the release of strong US jobs data, which fuelled expectations of a recession and continued interest hikes by the US Fed.
- ZAR 18.20 (WTD: +2.24%) v 17.80 (31 Mar 23)

The South African rand weakened against the USD.

INTERNATIONAL

INTERNATIONAL SNAPSHOT – 7 APR 23 WEEKLY PERFORMANCE



- Mar23 Final Manufacturing PMI 49.2 v 48.6 (Feb23)
- Japanese equities closed weaker for the week on declining global risk appetite due to hawkish Fed expectations following the release of stronger-than-expected US jobs data.
- Nikkei 225: 27,518 (WTD: -1.87%), Yen: 132.86 (WTD: -0.53%)



- Eurozone Mar23 Final Manufacturing PMI 47.3 v 47.1 (e) v 48.5 (Feb23)
- France Mar23 Final Manufacturing PMI 47.3 v 47.7 (e) v 47.4 (Feb23)
- Germany Mar23 Final Manufacturing PMI 44.7 v 44.4 (e) v 46.3 (Feb23)
- UK Mar23 Final Manufacturing PMI 47.9 v 48.0 (e) v 49.3 (Feb23)
- European markets closed in the green as concerns over the banking sector ease.
- DAX: 15,598 (WTD: +0.49%) Stoxx50: 4,309 (WTD: +0.56%), FTSE100: 7,742 (WTD: +1.59%)



- Mar23 Manufacturing PMI 50.0 v 51.4 (e) v 51.6 (Feb23)
- Mar23 Composite PMI 57.8 v 55.0 (e) v 55.0 (Feb23)
- Chinese equities closed the week stronger on investor optimism over continued recovery of the economy.
- SHSZ300: 4,123 (WTD: +1.79%), SHCOMP: 3,328 (WTD: +1.67%)



- 1 Apr 23 Initial Jobless Claims 228k v 200k (e) v 246k (25 Mar 23)
- Mar23 ΔNon-Farm Payrolls 236k v 230k (e) v 326k (Feb23)
 - Unemployment rate 3.5% v 3.6% (e) v 3.6% (Feb23)
 - Labour Force Participation Rate 62.6% v 62.5% (e) v 62.5% (Feb23)
- Mar23 Final Manufacturing PMI 49.2 v 49.3 (e) v 47.3 (Feb23)
- US equities ended the week in the green as concerns over the banking sector continue to ease.
- NASDAQ: 12,088 (WTD: +0.62%), S&P 500: 4,105 (WTD: +1.34%)

COMMODITIES



- ΔUS Crude Inventories -3,739k bbl. (31 Mar 23) v -1,662k bbl. (e) v 7,489k bbl. (24 Mar 23)
- ΔUS Oil Rigs -4; 751 (7 Apr 23) v 755(31 Mar 23)
- ΔNorth American Oil Rigs -16; 878 (7 Apr 23) v 894(31 Mar 23)
- OPEC+ oil producers agreed to slash output by 2mn barrels a day, effective May23.
- Oil prices rose as OPEC+ producers unexpectedly announced that they would cut world output.
 - WTI: \$80.70 (WTD: +6.65%)
 - Brent Crude: \$85.12(WTD: +7.38%)



- Precious metals closed the week in the green driven by falling US treasury yields.
 - Gold: \$2,008 (WTD: +1.39%)
 - Platinum: \$1,012 (WTD: +2.12%)

Oil prices rise



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