



KGORI CAPITAL
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KGORI CAPITAL MARKET WATCH

29 May 2023

LOCAL

COMPANY ANNOUNCEMENTS

Listing of Additional Shares – Settlement of Options Exercised, Results of Annual General Meeting (AGM), Odd-Lot Offer and Notice of General Meeting (GM)

- Listing Of Additional Shares – Settlement of Options Exercised
 - CA Sales announced that it issued 1 632 904 new ordinary shares in settlement of options exercised on 12 May 23 by participants of the CA Sales Holdings Share Incentive Trust.
 - Following the share issuance, CA Sales' total issued share capital consists of 474 970 082 ordinary shares.
- Results of AGM
 - CA Sales announced the results of its 2022 AGM, where all resolutions were passed by 91.30% or more votes in favour, except:
 - Ordinary resolution number 10: Non-binding advisory vote on CA Sales remuneration policy, 80.21% voted in favour while 19.79% voted against.
 - Ordinary resolution number 7: To appoint F Britz as a member of the audit and risk committee, 69.87% voted in favour while 30.13% voted against.
 - Ordinary resolution number 1: To re-elect J Holtzhausen as Director, 79.40% voted in favour while 20.60% voted against.
- Odd-Lot Offer
 - CA Sales announced its plan to reduce administrative costs by offering an Odd-lot Offer to minority shareholders who hold less than 100 shares each, allowing minority shareholders to sell their investment without incurring transaction costs.
 - This will help rationalize their shareholding base and minimize ongoing expenses.
- Notice of GM
 - CA Sales will virtually hold its AGM at 10.00am on 26 Jun 23. Shareholders will vote on:
 - Approving the Resolutions in order for CA Sales to repurchase Shares in terms of the Odd-lot Offer.
- P5.20 (YTD: +23.22%) PE: 9.0 PB: 1.6 D/Y: 2.13% Mkt Cap: P2,469.8mn



Results of Annual General Meeting (AGM)

- RDC announced the results of its 2022 AGM, where all resolutions were passed by 100% votes in favour.
- P2.25 (YTD: +1.35%) PE: 9.3 PB: 0.6 D/Y: 4.51% Mkt Cap: P1,706.0mn



Cautionary Announcement

- Chobe announced that its profit before tax for the 28 Feb 23-year end will be P185.0mn- P190.2mn (3.6x-3.7x) higher than the P51.8mn loss before tax reported for 28 Feb 22 year end.
- Results will be published before 31 May 23.
- P9.40 (YTD: +18.64%) PE: 14.0 PB: 2.4 D/Y: 0.00% Mkt Cap: P840.7mn



Funding Update

- Minergy announced that it has signed a term sheet for funding offered by its main funder, the Minerals Development Company Botswana (MDCB).
- The facility terms are subject to legal review, due diligence, and final documentation, along with approval and execution of financing agreements by the MDCB.



- The funding will be used to repay the arrears of the Jarcon trade account, with the goal of completing the disbursement of funds by 30 Jun 23.
- P0.40 (YTD: 0.00%) PE: N/A PB: N/A D/Y: 0.00% Mkt Cap: P188.0mn

Notice of Annual General Meeting (AGM)



- Olympia will virtually hold its AGM at 11.00am on 30 Jun 23. Shareholders will vote on:
 - Approving 31 Dec 22 financial statements.
 - Approving the re-election of C Obura and P Wamae as Directors.
 - Approving the appointment of O Mothibatsela as a Director.
 - Approving the remuneration of Directors for the year ended 31 Dec 22.
 - Approving the appointment of Mazars as auditors for the ensuing year and approve their remuneration for the year ended 31 Dec 22.
- P0.26 (YTD: 0.00%) PE: 5.6 PB: 0.3 D/Y: 0.00% Mkt Cap: P16.7mn

Director's Associate Dealings in Shares



- During the week, an associate of Turnstar Group Managing Director, G Abdoola, bought 3,536 Turnstar shares at P1.81/share
- P1.81 (YTD: +2.36%) PE: 9.6 PB: 0.6 D/Y: 9.94% Mkt Cap: P1,035.6mn

Change of Company Secretary, Withdrawal of Charge and Renewal of Cautionary



- Change of Company Secretary
 - Choppies announced the appointment of BP Consulting Services as its new company secretary, effective 1 May 23, following the resignation of DPS Consulting Services.
- Withdrawal of Charge
 - Choppies announced that the charge made against it by Botswana Accountancy Oversight Authority arising from alleged non-compliance by the Group with standards of corporate governance during the financial years 2017, 2018, 2019 and 2020 has been withdrawn.
- Renewal of Cautionary
 - Choppies announced that it is still in negotiations to acquire 76% of the issued shares in Kamoso Group, a company operating in the fast-moving consumer goods business.
- P0.64 (YTD: -1.54%) PE: 7.7 PB: N/A D/Y: 0.00% Mkt Cap: P834.3mn

Board Appointments and Retirement



- G4S announced the appointment of B Molefe as its Finance Director.
- Ms Molefe is the former Finance Manager of Sidilega and Chief Executive Officer of the Botswana Public Officers Pension Fund.
- G4S further announced the appointment of W Ramaphoi as its Non-Executive Independent Director, effective 10 May 23, following the retirement of L Mosethenyane as its INED on 9 May 23.
- P2.62 (YTD: -1.13%) PE: N/A PB: 1.9 D/Y: 0.00% Mkt Cap: P209.6mn

GOVERNMENT MAY23 BOND AUCTION RESULTS – ALLOCATION IMPROVES

Bond	Description	Total Amount Offered (PMn)	Total Amount Allocated (PMn)	Allocation Ratio	Stop out Yield	Previous Auction Stop Out Yield	Δ Stop Out Yield
BOTSTB0823	3M T-Bill	500	650	130%	5.582%	5.582%	0bps
BOTSTB1123	6M T-Bill	700	550	79%	6.585%	6.585%	0bps
BOTSGB0527	5-Yr Bond	200	291	146%	7.850%	7.980%	-13bps
BOTSGB0635	10-Yr Bond	100	122	122%	8.650%	-	-
BOTSGB0943	20-Yr Bond	100	87	87%	8.900%	8.750%	15bps
Total		1,600	1,700	106%			

- The P1.6bn bond auction was over-allotted.
- The newly issued 10-Yr Bond and 3M T-bill were over allocated.
- Bond stop-out yields increased at the long end of the curve, however the 5-Yr Bond stop-out yield decreased by 13bps.

REGIONAL

SOUTH AFRICA

- Apr23 CPI y/y 6.8% v 7.0% (e) v 7.1% (Mar23).
- Apr23 PPI y/y 8.6% v 9.0% (e) v 10.6% (Mar23).
- The South African Reserve Bank (SARB) Monetary Policy Committee voted to increase the repo rate by 50bps to 8.25%.
- During the week Eskom escalated load shedding to Stage 4 during the day and Stage 5 in the evenings until further notice.

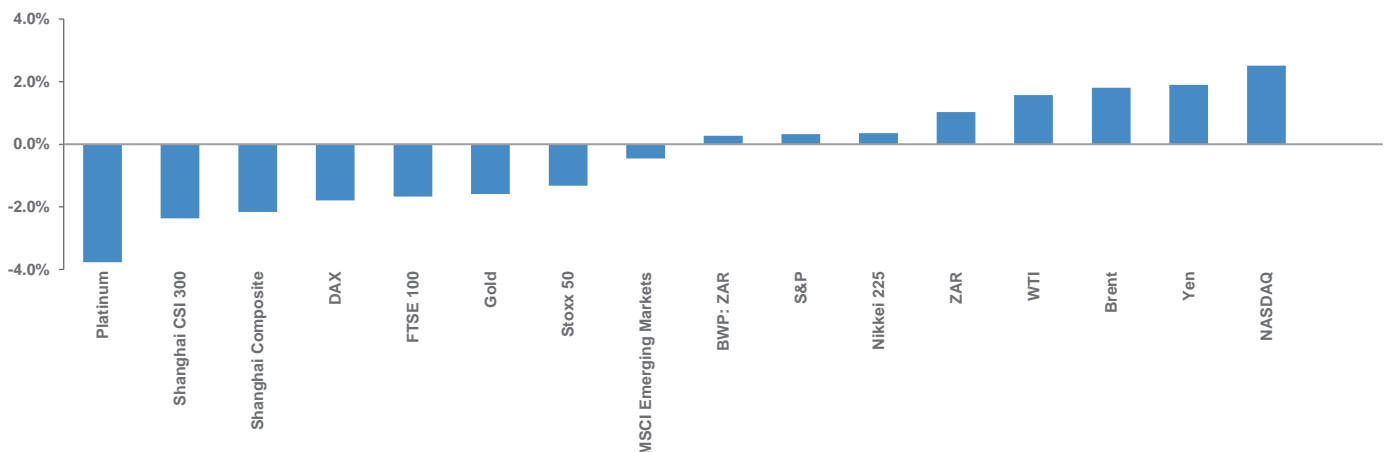
ZAR PERFORMANCE

- The ZAR weakened against the USD driven by increased investor expectations of interest-rate hikes by the Fed as well as the continued unabated load-shedding in the country.
- ZAR 19.65 (WTD: +1.03%) v 19.45 (19 May 23)

Rand weakness continues despite increase in interest rates.

INTERNATIONAL

INTERNATIONAL SNAPSHOT – 26 MAY 23 WEEKLY PERFORMANCE



- May23 Preliminary Manufacturing PMI 50.8 v 49.5 (Apr23)
- Mar23 Core Machine Orders m/m -3.9% v 0.4% (e) v -4.5% (Feb23)
- May23 Tokyo CPI y/y 3.2% v 3.4% (e) v 3.5% (Apr23)
- Japanese equities closed higher for the week following the release of eased inflation data as well as positive US corporate earnings.
- Nikkei 225: 30,916 (WTD: +0.35%), Yen: 140.60 (WTD: +1.90%)



- Eurozone May23 Preliminary Manufacturing PMI 44.6 v 46.0 (e) v 45.8 (Apr23)
- France May23 Preliminary Manufacturing PMI 46.1 v 46.0 (e) v 45.6 (Apr23)
- Germany May23 Preliminary Manufacturing PMI 42.9 v 45.0 (e) v 44.5 (Apr23)
- UK May23 Preliminary Manufacturing PMI 46.9 v 48.0 (e) v 47.8 (Apr23)
- European markets closed in the red for the week as fears of US debt default grow.
- DAX: 15,984 (WTD: -1.79%), Stoxx50: 4,338 (WTD: -1.32%), FTSE100: 7,627 (WTD: +0.03%)



- The People's Bank of China (PBOC) maintained the one-year and five-year loan prime rates at 3.65% and 4.30% respectively.
- Chinese stocks closed off the week in the red as sluggish economic recovery continues to weigh on investor sentiment.
- SHSZ300: 3,851 (WTD: -2.37%), SHCOMP: 3,213 (WTD: -2.16%)



- 20 May 23 Initial Jobless Claims 229k v 245k (e) v 225k (13 May 23)
- May23 Preliminary Manufacturing PMI 48.5 v 50.0 (e) v 50.2 (Apr23)
- May23 Final UoM Sentiment 59.2 v 58.0 (e) v 63.5 (Apr23)
- 1Q23 Annualised Second Estimate GDP q/q 1.3% v 1.1% (e) v 1.1% (4Q22)
- US equities ended the week in the green following the release of positive corporate earnings.
- NASDAQ: 12,976 (WTD: +2.51%), S&P 500: 4,205 (WTD: +0.32%)

COMMODITIES



- ΔUS Crude Inventories -12,456k bbl. (19 May 23) v 932k bbl. (e) v 5,040k bbl. (12 May 23)
- ΔUS Oil Rigs -9; 711 (26 May 23) v 720 (19 May 23)
- ΔNorth American Oil Rigs -7; 798 (26 May 23) v 805 (19 May 23)
- Oil prices gained during the week following a surprise drawdown of US crude oil inventories.
 - WTI: \$72.67 (WTD: +1.57%)
 - Brent Crude: \$76.95 (WTD: +1.81%)



- Precious metals declined over the week on the back of a stronger USD.
 - Gold: \$1,946 (WTD: -1.59%)
 - Platinum: \$1,026 (WTD: -3.77 %)

Oil prices gain momentum over the week on the back of lower US inventories.



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1st Floor Exponential,
Plot 54351, CBD, Gaborone

T +267 3915 990
F +267 3915 980

PO Box 1253 ABG,
Sebele, Gaborone

www.kgoricapital.com

Directors KI Melamu, AM Ndzinge, S Noor,
MS Sibanda, AA Wellio-Moyo

Reg No BW00000988897

