



KGORI CAPITAL
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KGORI CAPITAL MARKET WATCH

5 June 2023

LOCAL

COMPANY ANNOUNCEMENTS



Notice of Annual General Meeting (AGM)

- Access will virtually hold its AGM at 10.00am on 29 Jun 23. Shareholders will vote on:
 - Approving 31 Dec 22 financial statements.
 - Approving the re-election of L Moseithanyane, J Mothabane and J Sebabi as Directors.
 - Approving the P3mn remuneration of Directors for the year ended 31 Dec 22.
 - Approving the appointment of PricewaterhouseCoopers as auditors for the ensuing year and approve their P3mn remuneration for the year ended 31 Dec 22.
- P2.04 (YTD: +0.99%) PE: 180.2 PB: 1.4 D/Y: 11.23% Mkt Cap: P1,479.0mn



Director's Associates Dealings in Shares

- During the week, 3 associates of Turnstar Group Managing Director, G Abdoola, bought 76,113 Turnstar shares at P1.81/share.
- P1.82 (YTD: +2.82%) PE: 9.6 PB: 0.6 D/Y: 9.89% Mkt Cap: P1,041.3mn



Declaration Announcement in Respect of Choppies Rights Offer

- Choppies announced its plans to launch a rights offer for its ordinary shares, with the goal of raising P300mn, which will be used to reduce bank debt, repay certain debts owed to shareholders, and cover offer expenses.
- Major shareholders, holding over 10% of the company's shares, have committed to exercising their rights and subscribing to 260,086,814 shares, valued at approximately P150mn.
- Choppies will make available 520,833,333 ordinary shares for subscription at a price of 57.6t/ per share.
- Shareholders can apply for additional shares beyond their rights.
- Ivygrove and Export Marketing have committed to partially underwrite the rights offer.
- P0.64 (YTD: -1.54%) PE: 7.7 PB: N/A D/Y: 0.00% Mkt Cap: P834.3mn



Auditor Appointment

- Absa announced the appointment of KPMG as its external auditors, replacing Ernst and Young whose term concluded with the FY22 year audit, effective, 1 Jun 23.
- KPMG's appointment is subject to regulatory approval, and shareholders' approval at Absa's Annual General Meeting on 29 Jun 23.
- P5.85 (YTD: +13.37%) PE: 7.4 PB: 1.7 D/Y: 6.64% Mkt Cap: P4,985.1mn

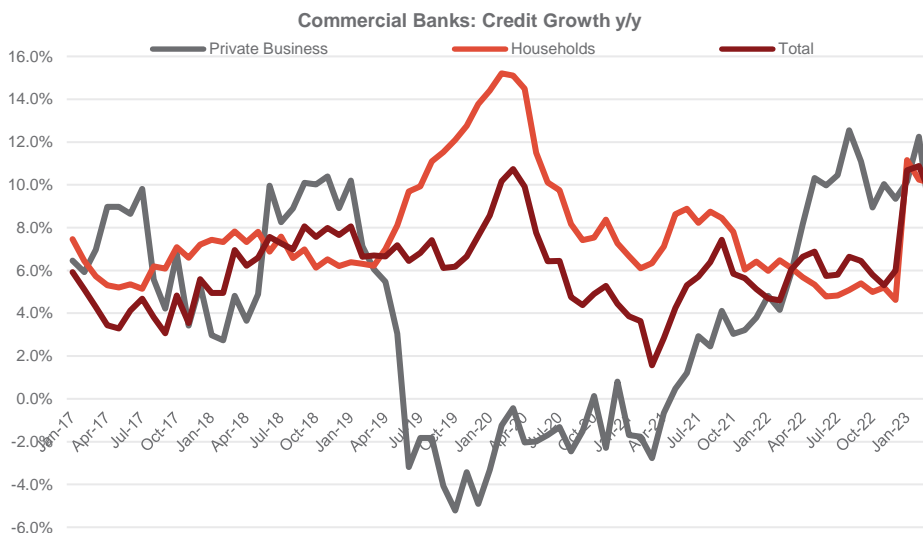
CHOBE FY23 RESULTS – PROFITS RETURN

Income Statement P'Mn	FY23	FY22	% Δ
Revenue	411	118	247%
Other operating income	17	7	139%
Amortisation of intangible assets	(4)	(6)	(29%)
Depreciation	(34)	(34)	(0%)
Other operating expenses	(250)	(133)	88%
Operating profit/(loss)	140	(47)	397%
Finance income	1	0	610%
Finance costs	(4)	(4)	10%
Associate earnings	(1)	(1)	(4%)
Profit before taxation	136	(52)	362%
Tax Credit/(Expense)	(31)	9	(431%)
Profit for the period (PAT)	105	(42)	(346%)

Balance Sheet P'Mn	FY23	FY22	% Δ
Cash and cash equivalents	131	18	647%
PPE	217	213	1%
Advance travel receipts	58	53	9%
Equity	369	264	39%

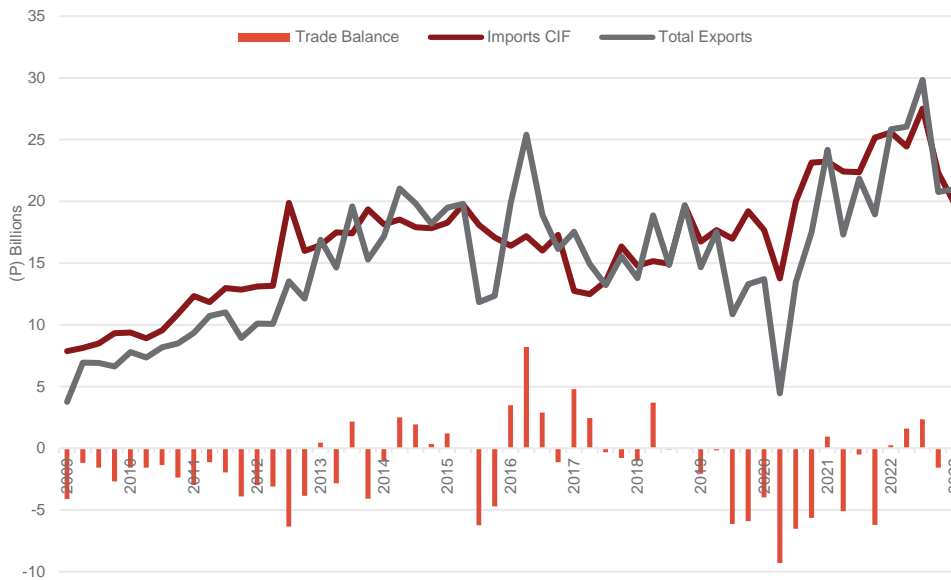
- Revenue 2.5x due to the increase in occupancy levels driven by the ease in international and local travel restrictions.
- Other Operating expenses +88% in line with increased activity during the year.
- Profits reported for the period on account of higher revenues.
- Dividend declared of 60t/share, payable 27 Jun 23.
- P9.50 (YTD: +20.10%)
PE: 8.1
PB: 2.3
D/Y: 6.32%
Mkt Cap: P849.7m

MAR23 CREDIT GROWTH (CG) – CREDIT GROWTH RISES IN 1Q23



- Mar23 CG y/y 9.6% v 6.0% (Dec22)
 - q/q Rise driven by an increase in credit uptake by Households, which was offset by a slowdown in credit uptake by Private Business.
- Mar23 Private Business CG y/y 8.4% v 9.3% (Dec22)
 - This was due to a sharp decline in credit uptake by the Construction and Finance sectors.
- Mar23 Household CG 10.1% v 4.6% (Dec22)
 - Driven by an uptick in property and motor vehicle

1Q23 TRADE BALANCE (TB) – WEAKENING RAND LEADS TO LOWER IMPORT BILL



- 1Q23 TB P1.09bn v -P1.57bn (4Q22) v P0.25bn (1Q22)
- 1Q23 Imports : P19.9bn v P22.3bn (4Q22) v 25.6bn (1Q22). Representing q/q and y/y contractions of 10.9% and 22.3% respectively. Mainly due to exchange rate effects as the Pula significantly strengthened against the Rand over the quarter and more so the year.
- 1Q23 Exports: P21.0bn v P20.8bn (4Q22) v P25.8bn (1Q22). Resulting in a q/q appreciation of 1.1% and a y/y contraction of 18.8%. Results are consistent with both the cyclical nature of diamond sales (Q4 tends to be quieter) and lower outlook for 2023.

REGIONAL

SOUTH AFRICA

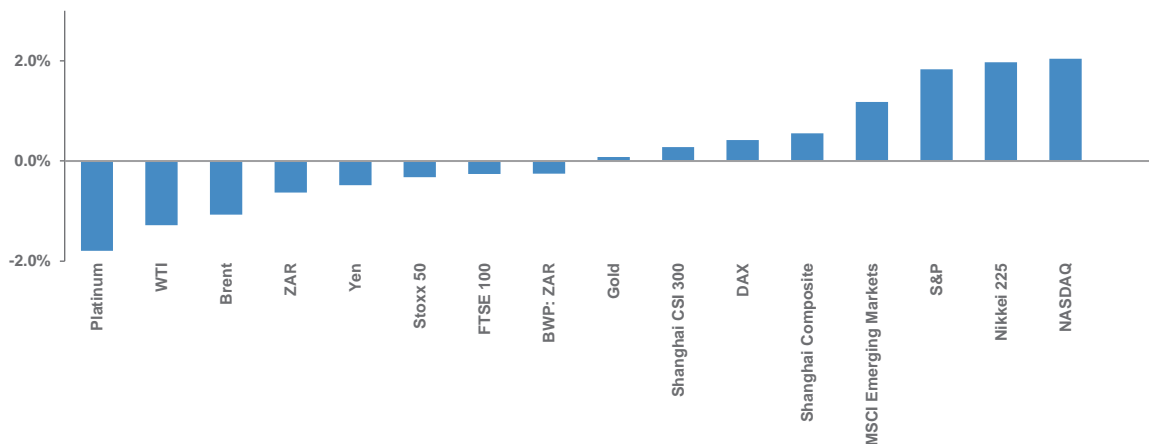
- Apr23 Trade Balance R3.5bn v R0.5bn (e) v R6.3bn (Mar23).
- May23 Manufacturing PMI 49.2 v 49.2 (e) v 49.8 (Apr23).
- During the week Eskom declared Stage 6 load shedding due to breakdowns in multiple generation units.

ZAR PERFORMANCE

- The ZAR strengthened against the USD on mounting bets of a US interest-rate pause in Jun23.
- ZAR 19.53 (WTD: -0.63%) v 19.65 (26 May 23)

Rand weakness slightly improves.

INTERNATIONAL SNAPSHOT – 2 JUN 23 WEEKLY PERFORMANCE



- May23 Final Manufacturing PMI 50.6 v 49.5 (Apr23)
- Apr23 Preliminary Industrial Production m/m -0.4% v 1.4% (e) 1.1%(Mar23)
- Apr23 Jobless Rate 2.6% v 2.7% (e) v 2.8% (Mar23)
- Japanese equities closed higher for the week as US default fears ease.
- Nikkei 225: 31,524 (WTD: +1.97%), Yen: 139.92 (WTD: -0.48%)



- Eurozone May23 Final Manufacturing PMI 44.8 v 44.6 (e) v 45.8 (Apr23)
- France May23 Final Manufacturing PMI 45.7 v 46.1 (e) v 45.6 (Apr23)
- Germany May23 Final Manufacturing PMI 43.2 v 42.9 (e) v 44.5 (Apr23)
- UK May23 Final Manufacturing PMI 47.1 v 46.9 (e) v 47.8 (Apr23)
- Concerns over China's economic recovery and the US congressional approval of a deal to raise the nation's debt ceiling resulted in mixed closures for European markets at the end of the week.
- DAX: 16,051 (WTD: +0.42%), Stoxx50: 4,324 (WTD: -0.32%), FTSE100: 7,607 (WTD: -0.26%)



- May23 Official Manufacturing PMI 48.8 v 49.5 (e) v 49.2 (Apr23)
- May23 Caixin Manufacturing PMI 50.9 v 49.5 (e) v 49.5 (Apr23)
- Chinese stocks ended the week on a positive note as Fed officials indicated their intention to maintain interest rates at the upcoming meeting.
- SHSZ300: 3,862 (WTD: +0.28%), SHCOMP: 3,230 (WTD: +0.55%)



- 27 May 23 Initial Jobless Claims 232k v 235k (e) v 230k (20 May 23)
- May23 ΔNon-Farm Payrolls 339k v 195k (e) v 294k (Apr23)
 - Unemployment rate 3.7% v 3.5% (e) v 3.4% (Apr23)
 - Labour Force Participation Rate 62.6% v 62.6% (e) v 62.6% (Apr23)
- May23 Final Manufacturing PMI 48.4 v 48.5 (e) v 50.2 (Apr23)
- US equities ended the week in the green following the release of strong jobs data and the passage of the debt ceiling bill in the Senate.
- NASDAQ: 13,241 (WTD: +2.04%), S&P 500: 4,282 (WTD: +1.83%)



- Δ US Crude Inventories 4,489k bbl. (26 May 23) v -1,350k bbl. (e) v -12,456k bbl. (19 May 23)
- Δ US Oil Rigs -15; 696 (2 Jun 23) v 711 (26 May 23)
- Δ North American Oil Rigs -5; 793 (2 Jun 23) v 798 (26 May 23)
- Oil prices declined during the week following the release of weak China economic data.
 - WTI: \$71.74 (WTD: -1.28%)
 - Brent Crude: \$76.13 (WTD: -1.07%)



- Precious metals closed mixed during the week on the back of a weaker USD on one hand and concerns over China's economic recovery on the other.
 - Gold: \$1,948 (WTD: +0.08%)
 - Platinum: \$1,008 (WTD: -1.79%)

Oil prices decline over fears of weak demand from China.



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