



KGORI CAPITAL
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KGORI CAPITAL MARKET WATCH

26 June 2023

LOCAL

COMPANY ANNOUNCEMENTS



Board Appointments

- Shumba announced the appointment of T Bolokwe as an Executive Director.
- Furthermore, P Beeharry and J Goordah have also been appointed to the board following the resignation of D Chumum and A Rungassamy.
- P0.90 (YTD: 0.00%) PE: N/A PB: 2.6 D/Y: 0.00% Mkt Cap: P264.5mn



Results of Entitlement Offer

- Tlou reported the closure of its entitlement offer, generating around A\$6.58mn, with A\$1.58mn contributed by existing holders and A\$5mn by the underwriter, resulting in a total uptake of approximately 61.8% of the available shares.
- P0.50 (YTD: 0.00%) PE: N/A PB: 1.1 D/Y: 0.00% Mkt Cap: P512.3mn



Board Appointment

- Sefalana announced the appointment of K Jefferis as its Non-Executive Director, effective 1 Jul 23.
- Mr Jefferis is a Development Macroeconomist and a financial sector specialist.
- He was previously appointed to the Board of Sefalana in Apr14 and resigned in 2020 in order to take up a senior position in the Government of Botswana.
- P9.85 (YTD: +1.97%) PE: 9.0 PB: 1.1 D/Y: 5.28% Mkt Cap: P2,469.7mn



Dealing in Securities by Related Party, Dividend Distribution, Unclaimed Distribution

- Dealing in Securities by Related Party
 - LLR announced that GRIT Services sold 18,911,932 shares at P2.50/share.
- Dividend Distribution
 - LLR declared a final interim dividend distribution of 10.63t/share for the period ending 30 Jun 23.
- Unclaimed Distributions
 - LLR advised unitholders to collect any outstanding distributions before 31 Dec 23, as distributions that have been unclaimed for more than three years by 1 Jan 24, will be forfeited to the company and will no longer be owed to the unitholders.
- P2.50 (YTD: -28.16%) PE: 7.0 PB: 0.8 D/Y: 7.90% Mkt Cap: P700.0mn



Domestic Medium Term Note Programme

- Access announced that the Botswana Stock Exchange has given it approval to list its P2bn Domestic Medium Term Note Programme.
- The programme was issued on 31 May 23 and allows the bank to issue tranches of notes totalling P2bn dominated in either the Pula or USD.
- P2.04 (YTD: +0.99%) PE: 180.2 PB: 1.4 D/Y: 11.23% Mkt Cap: P1,479.0mn



Dealing in Securities by Directors

- Choppies reported the trades that occurred as shareholders exercised their rights to subscribe for ordinary shares as part of the company's rights offer:
 - F Ismail sold a total of 65,836,702 rights at 1t/right.
 - R Ottapathu bought a total of 66,206,326 rights at 1t/right.
- P0.64 (YTD: -1.54%) PE: 7.7 PB: N/A D/Y: 0.00% Mkt Cap: P834.3mn



Trading Update

- SeedCo announced that its final Earnings Per Share (EPS) for the year ended 31 Mar 23 will be 0.54c-0.90c (30%-50%) lower than the 1.80c EPS reported for the same period last year.
- P2.70 (YTD: 0.00) PE: 60.7 PB: 0.9 D/Y: 0.00% Mkt Cap: P1,062.8mn



Fuel Price Adjustment

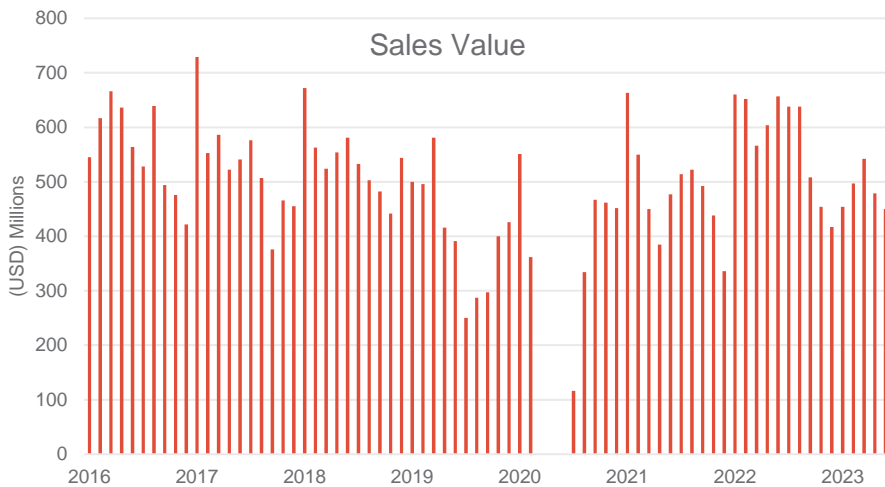
- BERA announced decreases in pump prices for petrol, diesel and illuminating paraffin effective 21 Jun 23, as follows:
 - Unleaded Petrol 93 will decrease by 22t/litre.
 - Unleaded Petrol 95 will decrease by 14t/litre.
 - Diesel 50 ppm will decrease by 227t/litre.
 - Illuminating paraffin will decrease by 241t/litre.

SHUMBA FY22 RESULTS – LOSSES INCREASE

Income Statement \$000s	FY 22	FY 21	% Δ
Revenues	488	662	(26%)
Cost of sales	(423)	(568)	(25%)
Gross Profit	64	94	(31%)
Other Income	32	33	0%
Operating expenses	(1,611)	(618)	161%
Employee costs	(137)	(201)	(32%)
Operating earnings	(1,652)	(692)	139%
Finance income	-	1	0%
Finance Cost	(558)	(505)	10%
Profit/(loss) before Tax	(2,210)	(1,196)	85%
Taxation	(31)	(0)	0%
Profit (Loss) from continuing operations	(2,241)	(1,197)	87%
Exchange difference on translating foreign operations	(3,544)	2,447	(245%)
Profit (Loss) from continuing operations	(5,785)	1,250	(563%)
Balance Sheet extract \$000s	FY 22	FY 21	% Δ
Cash and cash equivalents	468	18	2 477%
Exploration assets	13 718	15 492	(11%)
Borrowings	4 617	3 710	24%
Equity	7 637	12 433	(39%)

- Operating expenses increased by 161% due to the development of the Tati Solar Project.
- Losses increased on the back of increased operating expenses and lower revenues.
- P0.90 (YTD: 0.00%)
PE: N/A
PB: 1.9
D/Y: 0.00%
Mkt Cap: P264.5mn

DE BEERS' (DB) CYCLE 5 SALES 2023 – DIAMOND SALES SLOW DOWN



- DB Cycle 5 2023 Sales \$450mn v \$657mn (Cycle 5 2022) v \$479mn (Cycle 4 2023)
- Sales contracted 6.1% c/c and 31.5% y/y.
- Demand for diamonds was relatively soft during the 5th cycle and post the JCK Las Vegas trade show, with the ongoing global macroeconomic challenges continuing to dampen diamond demand.
- This was the lowest 5th cycle sales post the Covid-19 pandemic.

REGIONAL

SOUTH AFRICA

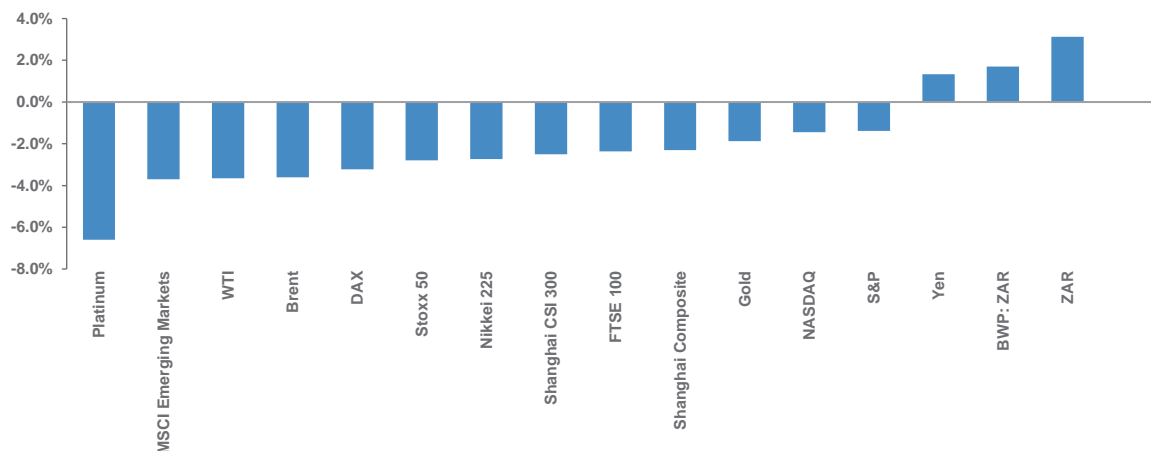
- May23 CPI y/y 6.3% v 6.5% (e) v 6.8% (Apr23)
- During the week, Eskom maintained their previous load shedding schedule of Stage 3.

ZAR PERFORMANCE

- The ZAR weakened against the USD as investor pessimism rose over expectations that the major central banks will raise rates higher to tamp down inflation.
- ZAR 18.75 (WTD: +3.12%) v 18.19 (16 Jun 23)

Rand weakens against the US Dollar.

INTERNATIONAL SNAPSHOT – 23 JUN 23 WEEKLY PERFORMANCE



- Apr23 Final Industrial Production m/m 0.7% v -0.4% (Mar23)
- May23 National CPI y/y 3.2% v 3.2% (e) v 3.5% (Apr23)
- Japanese equities closed lower during the week over fears of future interest hikes by major central banks.
- Nikkei 225: 32,782 (WTD: -2.74%), Yen: 143.70 (WTD: +1.33%)



- Eurozone Jun23 Preliminary Manufacturing PMI 43.6 v 44.8 (e) v 44.8 (May23)
- France Jun23 Preliminary Manufacturing PMI 45.5 v 45.3 (e) v 45.7 (May23)
- Germany Jun23 Preliminary Manufacturing PMI 41.0 v 43.5 (e) v 43.2 (May23)
- UK Jun23 Preliminary Manufacturing PMI 46.2 v 46.8 (e) v 47.1 (May23)
- The Bank of England (BoE) Monetary Policy Committee met during the week and decided to increase the Bank Rate by 50bps to 5.00%.
- European markets closed in the red over fears of more aggressive interest rate hikes by major central banks.
- DAX: 15,830 (WTD: -3.23%), Stoxx50: 4,272 (WTD: -2.80%), FTSE100: 7,462 (WTD: -2.37%)



- The People's Bank of China (PBOC) reduced the one-year and five-year loan prime rates by 10bps to 3.55% and 4.20% respectively.
- Chinese stocks ended the week in the red primarily due to ongoing concerns about decelerating economic growth and apprehensions regarding potential interest rate increases by major central banks.
- SHSZ300: 3,864 (WTD: -2.51%), SHCOMP: 3,198 (WTD: -2.30%)



- 17 Jun 23 Initial Jobless Claims 264k v 259k (e) v 264k (10 Jun 23)
- May23 Preliminary Manufacturing PMI 46.3 v 48.5 (e) v 48.4 (Apr23)
- US equities ended the week in the red over fears of future interest rate hikes major central banks.
- NASDAQ: 13,493 (WTD: -1.44%), S&P 500: 4,348 (WTD: -1.39%)



- Δ US Crude Inventories -3,831k bbl. (16 Jun 23) v 18k bbl. (e) v 7,919k bbl. (9 Jun 23)
- Δ US Oil Rigs -5; 682 (23 Jun 23) v 687 (16 Jun 23)
- Δ North American Oil Rigs +5; 851 (23 Jun 23) v 846 (16 Jun 23)
- Oil prices declined during week due to negative outlooks over demand, primarily driven by ongoing concerns about decelerating global economic growth.
 - WTI: \$69.16 (WTD: -3.65%)
 - Brent Crude: \$73.85 (WTD: -3.60%)



- Precious metals closed in the red during the week driven by a stronger USD.
 - Gold: \$1,921 (WTD: -1.88%)
 - Platinum: \$922 (WTD: -6.60%)

Oil prices drop driven by slow economic growth concerns.



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