



**KGORI CAPITAL**  
INVEST WITH PRIDE

24 July 2023

## COMPANY ANNOUNCEMENTS

### Cautionary Announcement



- Karowe Underground Expansion Project Update (UGP)
  - Lucara announced the extension of the duration of their UGP, extending commencement of underground production from H2 2026 to H1 2028.
  - Lucara further announced that the project's forecast costs will increase by 28% to \$683mn from \$547mn originally expected.
  - Lucara announced that the reason for the delay in production and increase in costs is due to a slower than expected ramp up in sinking rates as they experienced technical issues.
- P5.03 (YTD: -22.62%) PE: 3.2 PB: 0.5 D/Y: 0.00% Mkt Cap: P2,286.5mn

### Director's Associate Dealings In Shares



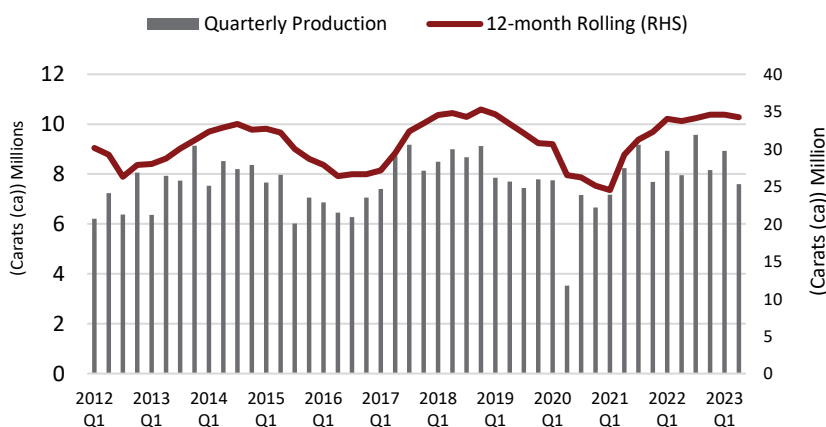
- Turnstar announced the purchase of its company shares by Mrs H.A. Abdoola for a total value of P19,359.60. Mrs H.A. Abdoola is an associate of the Group's Managing Director Mr G. H. Abdoola.
- P1.96 (YTD: +10.73%) PE: 10.4 PB: 0,6 D/Y: 9.18% Mkt Cap: P1,121.4mn

### Board Member Appointment



- Sechaba announced the appointment of Ms.G T. Dibotelo as a Non-Executive Independent Director.
- Ms G.T. Dibotelo is currently Letshego's Group Head of Legal & Governance and was previously Botswana Stock Exchange's Head of Legal Services and Board Secretary.
- P20.10 (YTD: +1.41%) PE: 9.9 PB: 2.3 D/Y: 9.86% Mkt Cap: P2,223.4mn

## 2Q23 DEBSWANA DIAMOND PRODUCTION (DDP) – HIGHER GRADE ORE TREATMENT DRIVES DPP UP



- Anglo American (AA) released 2Q23 diamond production data
- 2Q23 DDP 5,829k ca v 6,899k ca (1Q23) v 5,521k ca (2Q22)
  - 5.6% increase in DDP v 2Q22 driven by the planned treatment of higher grade ore at Orapa mine. This was partially offset by lower output at the Jwaneng mine due to planned maintenance.
- 2Q23 DDP LTM 25,156k ca v 23,344k ca (2Q22)
- AA 2023 De Beers production guidance remained unchanged at 30-33mn ca, subject to trading conditions.

## REGIONAL

### SOUTH AFRICA

- Jun23 CPI y/y 5.4% v 5.5% (e) v 6.3% (May23)
- The South African Reserve Bank (SARB) Monetary Policy Committee met during the week and decided to leave the repo rate unchanged at 8.25%.
- During the week, Eskom escalated load shedding to Stage 4 amid increased plant breakdowns.

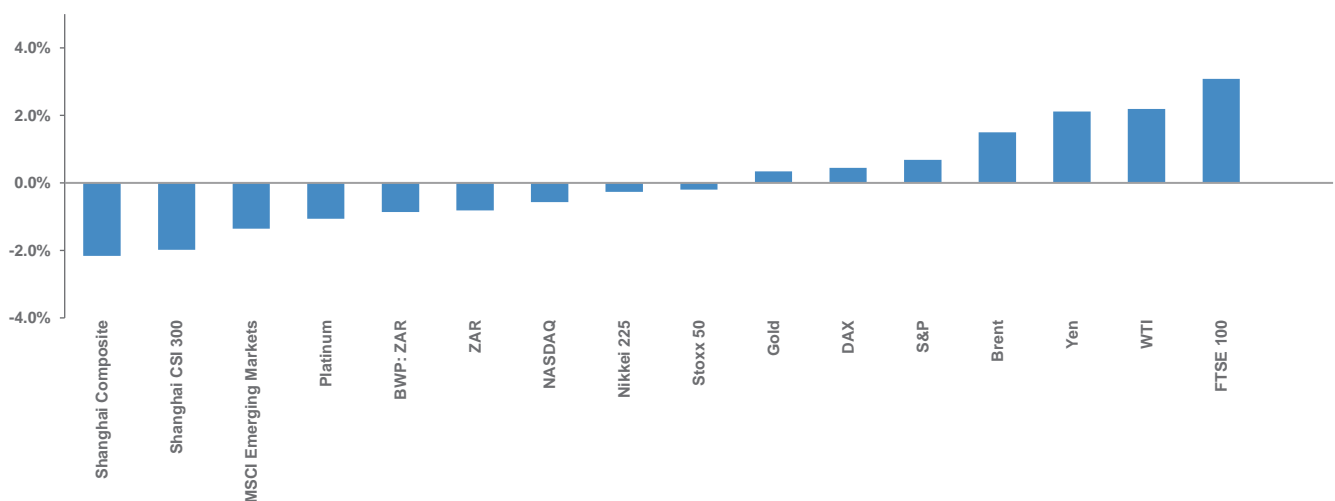
### ZAR PERFORMANCE

- The ZAR strengthened against the USD as cooling inflation numbers from the US lowered likelihood of further US rate hike.
- ZAR 17.96 (WTD: -0.82%) v 18.11 (14 Jul 23)

# Rand continues to strengthen against the US Dollar.

## INTERNATIONAL

### INTERNATIONAL SNAPSHOT– 21 JUL 23 WEEKLY PERFORMANCE





- Jun23 National CPI y/y 3.3% v 3.2% (e) v 3.2% (May23)
- Japanese equities closed in the red following weaker than expected US technology company earnings and a pullback in US jobless claims that increased speculation of more rate hikes in 2023.
- Nikkei 225: 32,304 (WTD: -0.27%) Yen: 141.73 (WTD: +2.11%)



- Eurozone Jun23 Final CPI y/y 5.5% v 5.5% (e) v 6.1% (May23)
- Germany Jun23 PPI y/y 0.1% v 0.0% (e) v 1.0% (May23)
- UK Jun23 CPI y/y 7.9% v 8.2% (e) v 8.7% (May23)
- European markets closed mixed following lower than expected UK inflation that strengthened investor sentiment that the rate hiking cycle is peaking while on the other hand weaker GDP data from China dampened investor sentiment.
- DAX: 16,177 (WTD: +0.45%) Stoxx50: 4,391 (WTD: -0.20%) FTSE100: 7,664 (WTD: +3.08%)



- 2Q23 GDP y/y 6.3% v 7.1% (e) v 4.5% (2Q22)
- Chinese stocks ended the week in the red as June GDP numbers came in weaker than expected, raising more concerns about China's economic recovery.
- SHSZ300: 3,822 (WTD: -1.98%) SHCOMP: 3,168 (WTD: -2.16%)



- 15 Jul 23 Initial Jobless Claims 228k v 240k (e) v 237k (08 Jul 23)
- Jun23 Industrial Production m/m -0.50% v 0.0% (e) v -0.20% (May23)
- US equities ended the week mixed following a spate of stronger than expected corporate earnings from US big banks along with easing UK inflation while on the other hand a large drop in large cap technologies stocks dragged the Nasdaq weekly performance.
- NASDAQ: 14,033 (WTD: -0.57%) S&P 500: 4,505 (WTD: +0.69%)

## COMMODITIES



- ΔUS Crude Inventories -708kk bbl. (14 Jul 23) v -2,368.60k bbl. (e) v +5,9465k bbl. (07 Jul 23)
- ΔUS Oil Rigs -6; 669 (21 Jul 23) v 675 (14 Jul 23)
- ΔNorth American Oil Rigs -6; 856 (21 Jul 23) v 862 (14 Jul 23)
  - Oil prices increased again during the week boosted by China's pledge to support economic growth and tighter supply from Russia.
  - WTI: \$77.07 (WTD: +2.19%)
  - Brent Crude: \$81.07 (WTD: +1.50%)



- Precious metals closed the week mixed as cooling global inflation increased investor speculation of a peaking rate hike cycle while on the other hand, Platinum experienced weak demand from China.
  - Gold: \$1,962 (WTD: +0.34%)
  - Platinum: \$966 (WTD: -1.07%)

# Oil prices rise as supply continues to tighten.



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