



KGORI CAPITAL
INVEST WITH PRIDE

7 August 2023

COMPANY ANNOUNCEMENTS

Results of Annual General Meeting (AGM)



- Turnstar announced the results of its 2023 AGM where all resolutions were passed by 100% more votes in favour except:
 - Ordinary resolution 6: Approving the re-election of B Phirie. 85.32% voted in favour while 14.68% voted against.
 - Ordinary resolution 6 (ii): Approving the re-election of V Tebele. 87.65% voted in favour while 12.35% voted against
- P1.97 (YTD: +11.30%) PE:10.4 PB: 0.6 D/Y: 9.14% Mkt Cap: 1,217.1mn



Notice of Dividend Currency Exchange Rate

- SeedCo announced that Botswana-based shareholders will receive a final dividend of 0.25c/share, utilizing the exchange rate of P13.33 to USD1.00.
- P2.60 (YTD: -3.70%) PE: 26.5 PB: 0.9 D/Y: 1.28% Mkt Cap: P1,023.5mn



New Appointment to The Board

- BIHL announced the appointment of M Sachak as a Non-Executive Director, effective 28 Jul 23.
- P19.55 (YTD: +10.39%) PE: 9.0 PB: 1.6 D/Y: 13.04% Mkt Cap: P5,520.3mn



Distribution Declaration

- NAP announced a final distribution of 15.90t/linked unit. The distribution comprises a dividend of 0.63t and debenture interest of 15.27t/linked unit, payable on 4 Oct 23.
- P3.75 (YTD: +7.76%) PE: 10.8 PB: 1.5 D/Y: 8.27% Mkt Cap: P2,266.5mn

2Q23 Report



- Shumba released its Jun23 quarterly report where it provided updates on its ongoing projects. Salient points are as follows:
 - Tati Solar Project:
 - Shumba plans to issue the Request for Proposal (RFP) to the shortlisted EPC contractors in Aug 23 100MW Tati Solar Project.
 - Morupule South Resources Project:
 - Shumba is working with an interested party to complete the necessary development of the license in preparation for a bulk sample extraction of 500kt of saleable Thermal Coal under the prospecting permit as a precursor for the application of the full mining license.
 - Other Projects
 - Shumba's other prospecting licenses, i.e., the Two Mabesekwa Projects, and the Morupule South Resources Project, have not made much progress during the quarter.
 - Cash Position:
 - At the end of the quarter Shumba had \$42.8k cash on hand (unaudited)
- P0.90 (YTD: 0.00%) PE: N/A PB: 2.6 D/Y: 0.00% Mkt Cap: P264.5mn



Issuance and Listing of Notes Under the Existing P2.5bn Medium Term Note Programme

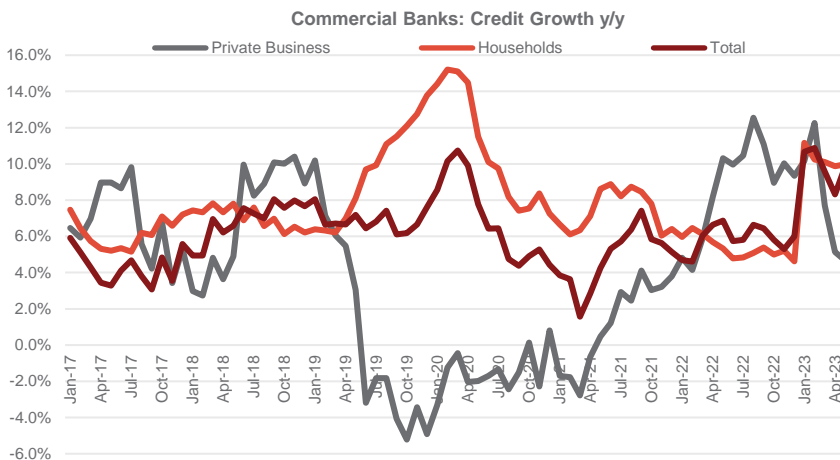
- Letshego has recently added 45 more Fixed Rate Senior Unsecured Notes to its existing P2.5bn Medium Term Note Programme. These new notes have a combined nominal value of P665.1mn and were issued at an average rate of 10.8%.
- P1.10 (YTD : -12.00%) PE: 5.1 PB: 0.4 D/Y: 14.09% Mkt Cap: P2,392.5mn

2Q23 Business Expectations Survey (BES)



- The Bank of Botswana (BoB) released the 2Q23 BES. Highlights from the survey are as follows:
 - Firms were less optimistic over trading/business conditions in 2Q23 when compared to 1Q23.
 - Firms expect that as central banks continue to hike and or maintain elevated interest rates it will result in tight access to credit.
 - Firms expect inflation will ease during 2Q23 due to relatively lower fuel prices but will remain above BoB's 3-6% objective range.
 - Firms hold the opinion that trading/business conditions will improve in 3Q23 through to the 12-month period ending June 2024. Improvements expected to reflect domestic economic recovery from COVID-19 and its associated restrictions, along with the implementation of expansionary fiscal policy.
 - Firms project GDP growth of 4.2% in 2023. Inflation is expected to trend downwards but remain above the BoB's 3-6% objective range in both 2023 and 2024.

MAY23 CREDIT GROWTH (CG) – CREDIT GROWTH PICKS UP



- May23 CG y/y 9.9% v 8.3% (Apr23) vs 6.9% (May22)
 - Increase in total credit due to a sharp rise in credit uptake by parastatals.
- May23 Private Business CG y/y 4.7% v 5.1% (Apr23) v 10.3% (May22)
 - This slowdown was due to a contraction in credit uptake by the Trade, Business Services, Manufacturing and Finance sectors.
- May23 Household CG y/y 10.0% v 9.9% (Apr23) v 5.3% (May22)
 - Uptick due to an increase in "Other" credit uptake

REGIONAL

SOUTH AFRICA

- Jun23 Trade Balance -R3.5bn v R5.0bn (e) v R9.6bn (May23)
- Jul23 Manufacturing PMI 47.3 v 47.6 (Jun23)
- During the week, Eskom eased the intensity of daytime load shedding from Stage 2 to 1 owing to 'a slight improvement in the generation capacity'.

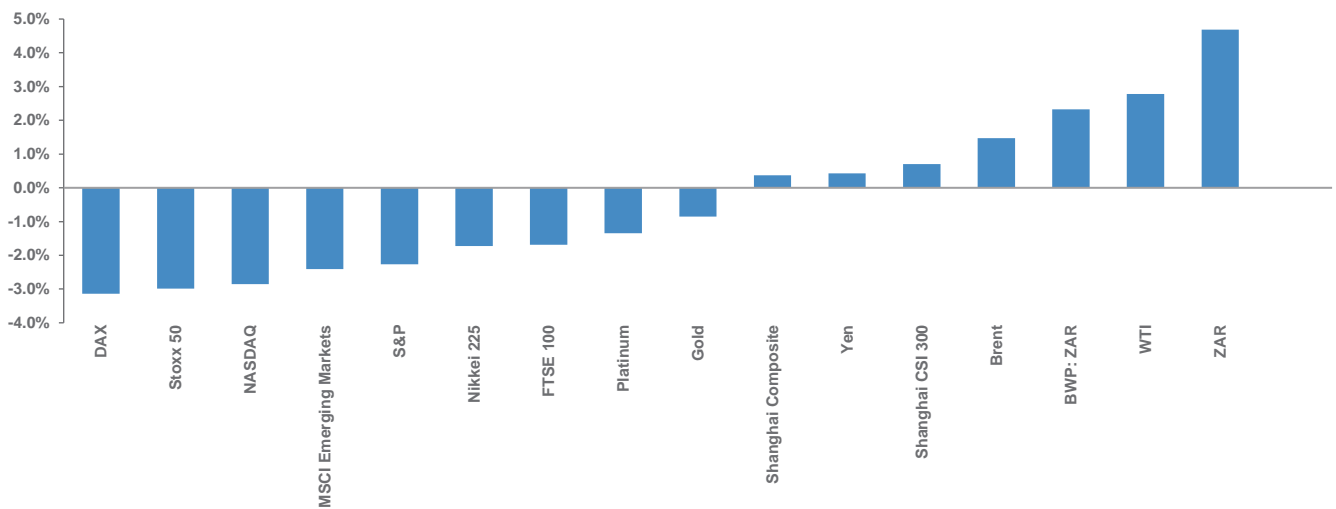
ZAR PERFORMANCE

- The ZAR weakened against the USD amid concerns over global economic growth and a US credit rating downgrade.
- ZAR 18.46 (WTD: +4.69%) v 17.63 (28 Jul 23)

Rand weakens against the US Dollar on risk-off sentiment.

INTERNATIONAL

INTERNATIONAL SNAPSHOT– 4 AUG 23 WEEKLY PERFORMANCE



- Jul23 Final Manufacturing PMI 49.6 v 49.4 (Jun23)
- Jun23 Preliminary Industrial Production m/m 2.0% v 2.4% (e) v -2.2% (May23)
- Jun23 Jobless Rate m/m 2.5% v 2.6% (e) v 2.6% (May23)
- Jun23 Retail Sales m/m -0.4% v -0.7% (e) v 1.4% (May23)
- Japanese equities closed in the red as caution prevailed across Asia after a surprise cut on the US credit rating weighed on sentiment.
- Nikkei 225: 32,193 (WTD: -1.73%) Yen: 141.76 (WTD: +0.43%)



- Eurozone Jul23 Final Manufacturing PMI 42.7 v 42.7 (e) v 43.4 (Jun23)
- France Jul23 Final Manufacturing PMI 45.1 v 44.5 (e) v 46.0 (Jun23)
- Germany Jul23 Final Manufacturing PMI 38.8 v 38.8 (e) v 46.0 (Jun23)
- UK Jul23 Final Manufacturing PMI 45.3 v 45.0 (e) v 45.3 (Jun23)
- The Bank of England (BoE) Monetary Policy Committee met during the week and decided to increase the Bank Rate by 25bps to 5.25%.
- European markets ended the week with losses due to risk-off trades, triggered by Fitch Ratings' downgrade of US sovereign debt as well as the release of lower-than-expected corporate earnings reports.
- DAX: 15,952 (WTD: -3.14%) Stoxx50: 4,333 (WTD: -2.99%) FTSE100: 7,564 (WTD: -1.69%)



- Jul23 Official Manufacturing PMI 49.3 v 48.9 (e) v 49.0 (Jun23)
- Jul23 Caixin Manufacturing PMI 49.2 v 50.1 (e) v 50.5 (Jun23)
- Chinese stocks ended the week in the green, following the release of stronger-than-expected corporate earnings reports.
- SHSZ300: 4,021 (WTD: +0.70%) SHCOMP: 3,288 (WTD: +0.37%)



- 29 Jul 23 Initial Jobless Claims 227k v 225k (e) v 221k (22 Jul 23)
- Jul23 Final Manufacturing PMI 49.0 v 49.0 (e) v 46.3 (Jun23)
- Jul23 Δ Non-Farm Payrolls 187k v 200k (e) v 185k (Jun23)
 - Unemployment rate 3.5% v 3.6% (e) v 3.6% (Jun23)
 - Labour Force Participation Rate 62.6% v 62.6% (e) v 62.6% (Jun23)
- US equities ended the week lower following the release of lower-than-expected corporate earnings reports as well as credit rating downgrade.
- NASDAQ: 13,909 (WTD: -2.85%), S&P 500: 4,478 (WTD: -2.27%)

COMMODITIES



- Δ US Crude Inventories -17,049kk bbl. (28 Jul 23) v -777k bbl. (e) v -600k bbl. (21 Jul 23)
- Δ US Oil Rigs -5; 659 (4 Aug 23) v 664 (28 Jul 23)
- Δ North American Oil Rigs -10; 847 (4 Aug 23) v 857 (28 Jul 23)
 - Oil prices increased during the week as Saudi Arabia extended its oil production cut by 1mn barrels per day for Sep23.
 - WTI: \$82.82 (WTD: +2.78%)
 - Brent Crude: \$86.24 (WTD: +1.47%)



- Precious metals closed the week in the red due to a stronger dollar.
 - Gold: \$1,943 (WTD: -0.85%)
 - Platinum: \$926 (WTD: -1.35%)

Oil prices rise on the back of an extended supply cut by Saudi Arabia.



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