



KGORI CAPITAL
INVEST WITH PRIDE

28 August 2023

COMPANY ANNOUNCEMENTS



Trading Statement

- StanChart announced that its profit before tax (PBT) for the 30 Jun 23 interim period will be P166mn-P173mn (2.3x-2.4x) higher than the P71mn PBT reported for 30 Jun 22 interim period.
- Results will be published before 30 Sep 23.
- P4.56 (YTD: +58.89%) PE: 6.7 PB: 1.2 D/Y: 14.96% Mkt Cap: 1,360.5mn



Board Appointment and Resignation of An Executive Director

- Board Appointment
 - FNBB announced the appointment of Dr M Mbo as an Executive Director to the FNBB board, following his appointment as Chief Financial Officer (CFO), effective 17 Aug 23.
- Resignation of An Executive Director
 - FNBB announced the resignation of L Woodford as an Executive Director from the FNBB board following the end of his term as CFO, effective 17 Aug 23.
 - Mr Woodford has since assumed the role of FNBB Director of Credit.
- P3.90 (YTD: +11.43%) PE: 9.8 PB: 2.9 D/Y: 7.18% Mkt Cap: 9,920.4mn



Recovery Of 692 Carat (ca) White Gem Diamond and Extension of Working Capital Facility

- Recovery of 692ca White Gem Diamond
 - Lucara announced the recovery of a 692.3ca Type IIa white diamond from its Karowe Mine.
- Extension of Working Capital Facility
 - Lucara announced that it has extended its \$50mn senior secured working capital facility deadline, and a deferral to 1 Nov 23 of the requirement to place \$52.9mn in a cost overrun reserve account by 2 Sep 23.
 - Lucara also gained a \$15mn liquidity guarantee from shareholder Nemesia. Lucara will issue shares as fees for this support.
- P5.00 (YTD: -23.08%) PE: 2.6 PB: 0.6 D/Y: 0.00% Mkt Cap: P2,272.9mn



New Appointment to the Board

- New Appointment to the Board
 - BIHL announced the appointment of E Elias to its Board of Directors, effective 22 Aug 23.
- Trading Statement
 - BIHL announced that its profit before tax (PBT) for the 30 Jun 23 interim period will be P272mn-P323mn (80%-95%) higher than the P340mn PBT reported for 30 Jun 22 interim period.
 - The increase was driven by the sale of its FSG stake and strong investment returns.
 - Results will be published during the week beginning 28 Aug 23.
- P19.65 (YTD: +10.95%) PE: 9.0 PB: 1.6 D/Y: 12.98% Mkt Cap: P5,548.6mn



Acquisition Of Additional 25% Shareholding in JTTM Properties and Update on Sale Of Red Square Residential Flats

- Acquisition Of Additional 25% Shareholding in JTTM Properties
 - LLR advised unitholders to exercise caution as it has entered into a Sale of Linked Units Agreement with Botswana Railways Organisation (BRO) and JTTM Properties to buy 37,950 linked units, which is a 25% stake in JTTM.
 - This comes after LLR acquired 32.79% ownership in JTTM through linked units in Nov21.
 - When this transaction is completed, LLR will own the majority of JTTM, with a total ownership of 57.79%.
 - The transactions finalisation depends on certain conditions outlined in the Sale of Linked Units Agreement being met.
- Update on Sale Of Red Square Residential Flats
 - LLR announced that it is still in the process of concluding Sales Agreements with potential buyers of the Red Square residential flats.
- P2.50 (YTD: -28.16%) PE: 7.0 PB:0.8 D/Y: 7.90% Mkt Cap: P700.0mn



Dealing In Securities by A Related Party, Results of Annual General Meeting (AGM) and Significant Trade in Company's Securities

- Dealing In Securities by A Related Party
 - Chobe announced that on 22 Aug 23, African Finance Holdings (AFH) sold 9mn shares at 14.75t/share.
- Significant Trade in Company's Securities
 - Chobe announced that the Botswana Public Officers Pension Fund (BPOPF) acquired 8.2mn of the 9mn shares that were sold by AFHL on 22 Aug 23.
 - As a result of the above trade, AFH holds 22.30% shareholding Chobe while BPOPF, through its various asset managers, holds 26.35% shareholding in the Company.
- Results of AGM
 - Chobe announced the results of its 2023 AGM where all resolutions were passed by 100% votes in favour except:
 - Ordinary resolution 4(a): To re-elect K Ledimo as a Director. 82.4% voted in favour while 17.6% voted against.
 - Ordinary resolution 7: Approval of auditors' remuneration for the year ended 28 Feb 23. 87.7% voted in favour while 12.3% voted against.
 - Ordinary resolution 8: Approval of non-binding remuneration policy. 69% voted in favour, 17.6% voted against, while 13% abstained.
- P14.75 (YTD: +86.47%) PE: 12.6 PB: 3.6 D/Y: 4.07% Mkt Cap: 1,319.2mn



Issuance of New Shares

- Shumba announced that it issued 1,137,455 new ordinary shares in settlement of an obligation amounting to \$75.2k incurred by the company for development of its assets.
- The holders are existing shareholders.
- Shumba's new share capital will consist of 294,978,819 ordinary shares.
- P0.90 (YTD: 0.00%) PE: N/A PB: 2.6 D/Y: 0.00% Mkt Cap: P264.5mn



Monetary Policy Committee (MPC) Decision

- The Bank of Botswana MPC decided to maintain the Monetary Policy Rate (MoPR) at 2.65%, at its 24 Aug 23 meeting.
- The MPC maintained the MoPR with inflation projected to fall within the BoB's 3-6% range in May 24.
- The Central Bank forecasts have inflation remaining below the 3% lower bound until 1Q24.
- According to BoB, the risks to inflation are assessed to be balanced.
- The decision to keep rates on hold is based on expectations that inflation will remain within the Bank's objective range into the medium term, albeit closer to the upper bound. BoB highlight the dissipating impact of administered prices (base effects) and the lack of demand-driven inflationary pressures due to the economy operating below full capacity as the main drivers of their forecast.

GOVERNMENT AUG23 BOND AUCTION RESULTS – OVERALLOCATION AT THE LONG-END

Bond	Description	Total Amount Offered (PMn)	Total Amount Allocated (PMn)	Allocation Ratio	Stop out Yield	Previous Auction Stop Out Yield	Δ Stop Out Yield	
BOTSTB1023	3M T-Bill	450	350	78%	5.646%	5.582%	6bps	<ul style="list-style-type: none"> 71% of the total P1.7bn bond auction was allotted. The 3M T-bill, 6M T-bill and 4-Yr bond were under allocated.
BOTSTB0124	6M T-Bill	450	55	12%	6.685%	6.585%	10bps	
BOTSGB0527	4-Yr Bond	300	158	53%	7.950%	7.850%	10bps	
BOTSGB0931	8-Yr Bond	300	442	147%	8.650%	8.550%	10bps	<ul style="list-style-type: none"> Bond stop-out yields generally increased across all tenors.
BOTSGB0940	17-Yr Bond	200	200	100%	8.900%	8.750%	15bps	
Total		1,700	1,205	71%				

REGIONAL

SOUTH AFRICA

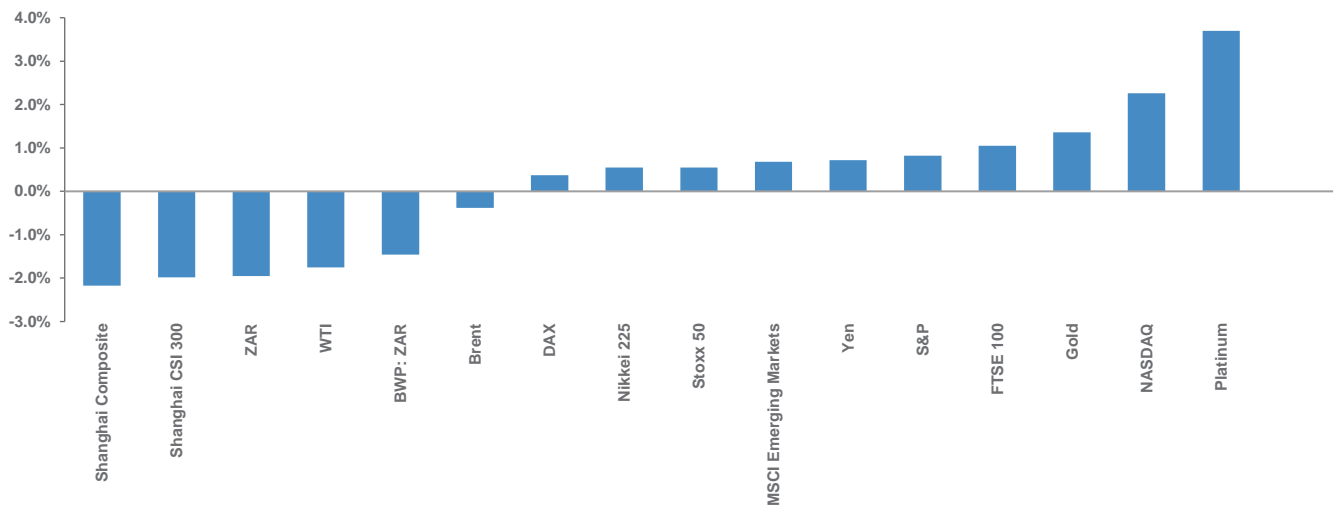
- Jul23 CPI y/y 4.7% v 4.9% (e) v 5.4% (Jun23)
- During the week, Eskom kept load shedding intensity at Stage 1 during daytime and Stage 3 in the evening.

ZAR PERFORMANCE

- The ZAR regained against the USD following the release of cooling inflation data indicating a possible ease in monetary policy by the SARB.
- ZAR 18.63 (WTD: -1.95%) v 19.00 (18 Aug 23)

Rand strengthens against the US Dollar on inflation data.

INTERNATIONAL SNAPSHOT – 25 AUG 23 WEEKLY PERFORMANCE



- Aug23 Tokyo CPI y/y 2.9% v 3.0% (e) v 3.2% (Jul23)
- Aug23 Preliminary Manufacturing PMI 49.7 v 49.6 (Jul23)
- Japanese equities closed in the green following the release of positive economic data.
- Nikkei 225: 31,624 (WTD: +0.55%), Yen: 146.44 (WTD: +0.72%)



- Eurozone Aug23 Preliminary Manufacturing PMI 43.7 v 42.7 (e) v 42.7 (Jul23)
- France Aug23 Preliminary Manufacturing PMI 46.4 v 45.0 (e) v 45.1 (Jul23)
- Germany Aug23 Preliminary Manufacturing PMI 39.1 v 38.8 (e) v 38.8 (Jul23)
- UK Aug23 Preliminary Manufacturing PMI 42.5 v 45.0 (e) v 45.3 (Jul23)
- European markets ended the week with gains as weak economic data prompted bets that the region's central bank will pause its rate-hike campaign.
- DAX: 15,632 (WTD: +0.37%), Stoxx50: 4,236 (WTD: +0.55%), FTSE100: 7,339 (WTD: +1.05%)



- The Peoples Bank of China reduced it's 1-yr loan prime rate by 10bps to 3.45% and maintained the 5-yr loan prime rate at 4.20%.
- Chinese stocks ended the week in the red, on weak economic sentiment despite the monetary policy ease.
- SHSZ300: 3,709 (WTD: -1.98%), SHCOMP: 3,064 (WTD: -2.17%)



- 19 Aug 23 Initial Jobless Claims 230k v 240k (e) v 240k (12 Aug 23)
- Aug23 Final UoM Sentiment 69.5 v 71.2 (e) v 71.2 (Jul23)
- Aug23 Preliminary Manufacturing PMI 47.0 v 49.0 v 49.0 (Jul23)
- US equities ended the week higher following comments from Fed Chairman Jerome Powell that signaled a pause on a hawkish Fed.
- NASDAQ: 13,591 (WTD: +2.26%), S&P 500: 4,406 (WTD: +0.82%)



- Δ US Crude Inventories -6,134k bbl. (18 Aug 23) v -2,873k bbl. (e) v -5,960k bbl. (11 Aug 23)
- Δ US Oil Rigs -10; 632 (25 Aug 23) v 642 (18 Aug 23)
- Δ North American Oil Rigs -9; 822 (25 Aug 23) v 831 (18 Aug 23)
 - Oil prices declined on concerns surrounding a decrease in demand as well as rising supply.
 - WTI: \$79.83 (WTD: -1.75%)
 - Brent Crude: \$84.48 (WTD: -0.38%)



- Precious metals closed the week in the green due to a weaker dollar.
 - Gold: \$1,915 (WTD: +1.36%)
 - Platinum: \$948 (WTD: +3.70%)

Oil prices decline on concerns surrounding a decrease in demand.



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