



KGORI CAPITAL
INVEST WITH PRIDE

15 January 2024

COMPANY ANNOUNCEMENTS

Extension of Non-Renounceable Entitlement Offer



- Tlou announced the extension of the closing date for the non-renounceable entitlement offer, which provides eligible shareholders with the opportunity to acquire 4 new shares for every 11 shares held at an issue price of \$0.035/new share to 31 Jan 24.
- This is to allow extra time for eligible shareholders to take up their entitlements.
- Proceeds from the Entitlement Offer, along with existing funds, will be used to advance the Lesedi power project, covering transmission, substations, drilling, gas operations, and corporate expenses.
- P0.50 (YTD: 0.00%) PE: N/A PB: 1.1 D/Y: 0.00% Mkt Cap: P522.0mn

Execution of Amended Facilities Agreement and Diamond Recovery



- Execution of Amended Facilities Agreement
 - Lucara announced that it has signed the amended documentation relating to the senior secure project financing debt package of \$220mn. The funds, along with projected excess cashflow from Karowe mine operations will be used to develop the underground expansion of the Karowe mine.
- Diamond Recovery
 - Lucara announced the recovery of a 166 carat, Type IIa gem, diamond from its Karowe Diamond Mine.
- P3.90 (YTD: 0.00%) PE: 3.5 PB: 0.5 D/Y: 0.00% Mkt Cap: P1,779.1mn

Notice of Closed Period



- RDC announced that in preparation of its financial results for the full year period ending 31 Dec 23 it had declared a closed period starting from 1 Jan 24 to the day results will be published, which is expected to be around 29 Mar 24.
- P2.40 (YTD: 0.00%) PE: 13.4 PB: 0.6 D/Y: 1.78% Mkt Cap: P1,819.8mn

Notice of Appointment



- Access announced the appointment of S Aisam as the Country Managing Director effective 4 Jan 24
- S Aisam was previously Group Head of Public Sector, Business & Commercial Banking at Standard Bank Group.
- P2.05 (YTD: 0.00) PE: N/A PB: 1.4 D/Y: 10.10% Mkt Cap: P1,486.3mn

Pula Exchange Rate



- The Pula basket weights were maintained at 45% South African Rand and 55% Special Drawing Rights (SDR).
- Additionally, the annual downward rate of crawl was maintained at 1.51%.

BSB HY23 RESULTS – FEE AND COMMISSION INCOME BOOSTS PROFITS

Income Statement P Mn	HY 23	HY 22	% Δ
Interest income	162	149	9%
Interest expense	(96)	(82)	18%
Net-interest income	66	68	(3%)
Fee and commission income	13	7	105%
Fee and commission expense	(2)	(4)	(40%)
Operating Profit	78	71	9%
Staff expenses	(39)	(41)	(5%)
Amortization of Government Grant Income	9	9	1%
Depreciation & Amort	(10)	(9)	8%
Other Income/(expenses)	2	2	37%
Net Impairment reversal of Financial Assets	(4)	(3)	34%
Administrative and General Expenses	(32)	(27)	20%
Profit before taxation	4	2	145%
Tax	(0)	0	(100%)
Profit for the period	3	2	117%

- Interest income +9%, due to an increase in the Monetary Policy (MoPR) rate during the year.
- Interest expense +18% due to the 1.2x increase in deposits due to customers as well as the rise in the MoPR.
- Fee and commission income +1.1x% due to improving savings account performance.
- Advances to customers -7% driven by high interest rates.
- PAT +1.2x% due to significant improvement in Fee and commission income.

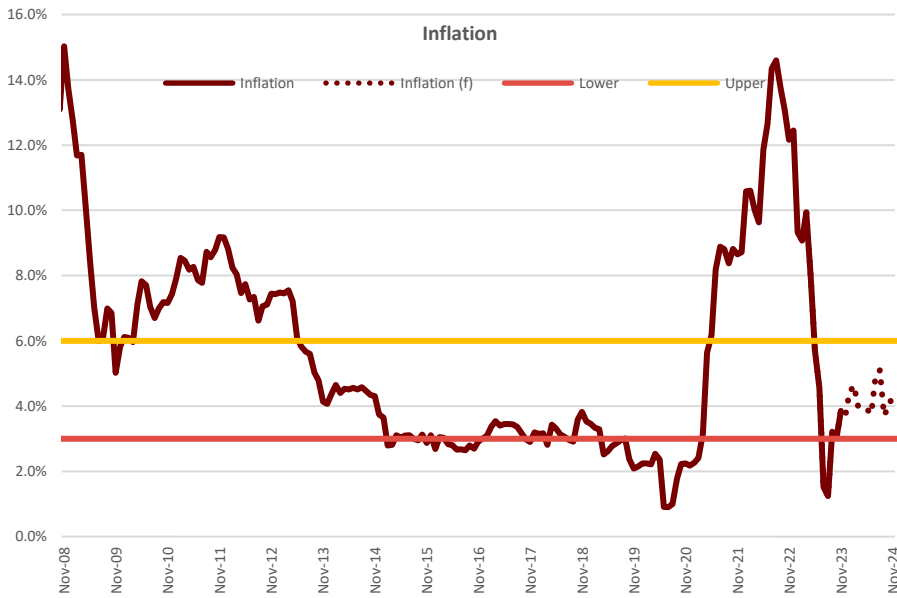
Balance Sheet extract P Mn	HY 23	HY 22	% Δ
Cash and cash equivalents	773	360	115%
Advances to customers	2,338	2,506	(7%)
Deposits due to Customers	97	45	115%
Borrowings	7	27	(76%)
Equity	268	240	12%

DEC23 GOVERNMENT T-BILL AUCTION RESULTS – STOP-OUT YIELDS CONTINUE TO DECLINE

Bond	Description	Total Amount Offered (PMn)	Total Amount Allocated (PMn)	Allocation Ratio	Stop out Yield	Previous Auction Stop Out Yield	Δ Stop Out Yield
BOTSTB0424	3M T-Bill	400	300	75%	3.756%	4.371%	-62bps
BOTSTB0724	6M T-Bill	370	470	127%	4.040%	4.552%	-51bps
Total		770	770	100%			

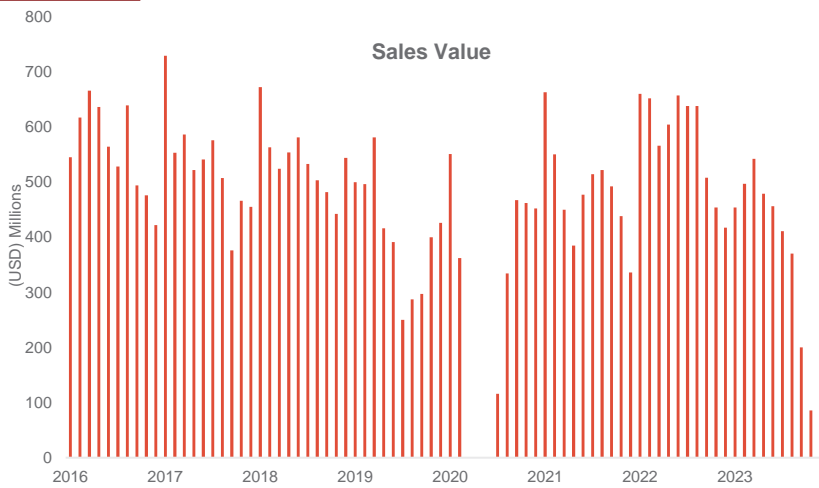
- 100% of the total P0.77bn bond auction was allotted.
- Bond stop-out yields continue to decrease at the short end of the curve.

NOV23 INFLATION – INFLATION TICKS UP BUT REMAINS WITHIN BoB OBJECTIVE RANGE



- Nov23 Inflation was 3.9% v 4.2% (Kgori) v 3.1% (Oct23).
- Group indices were generally stable between October and November 2023 with changes less than 1.0% month on month.
- On a m/m basis, CPI declined by 0.03%.
 - The largest changes were in Food & non-alcoholic Beverages (+0.7%) and Transport (-0.7%).
- The MoPR was cut by 25bp in Dec23 from 2.65% to 2.4%.

DE BEERS (DB) CYCLE 10 SALES 2023 – DIAMOND SALES CONTINUE TO SLOW DOWN



- DB Cycle 10 2023 Sales \$130mn v \$86mn (Cycle 9 2023) v \$417mn (Cycle 10 2022).
- Sales rose by 51.2% c/c but declined by 68.8% lm y/y.
- Yearly 2023 sales \$3.6bn vs \$5.8bn (2022)
- Annual sales declined by 37.4%
- Continued macroeconomic challenges, coupled with China's slow retail sector recovery, lead De beers to continue with its strategic decision to reduce the availability of their rough diamonds.

SOUTH AFRICA

- Nov23 Manufacturing Production m/m 0.8% v 0.7% (e) v -0.1% (Oct23)
- Dec23 Manufacturing PMI 50.9 v 48.2 (Nov23)
- During the week, Eskom announced Stage 1 and 2 load shedding until further notice due to a loss of generation capacity of 3 generation units and delays in the return to service of 2 generation units.

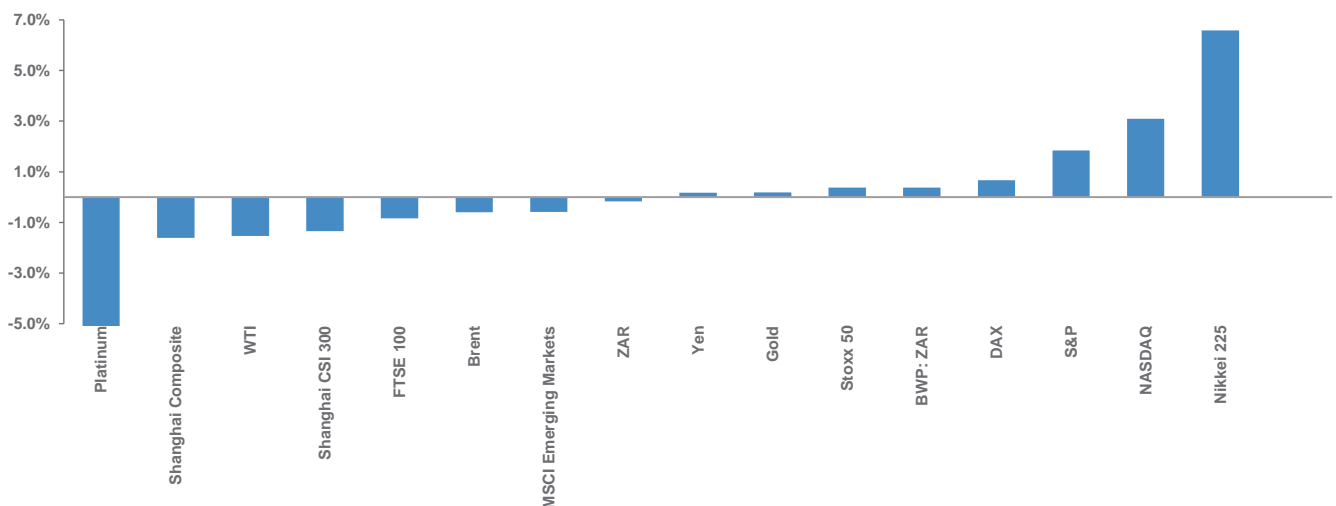
ZAR PERFORMANCE

- The ZAR strengthened against the USD as investors held on to the belief that the Fed will ease its monetary policy stance following the release of higher-than-expected inflation figures.
- ZAR 18.65 (WTD: -0.17%) v 18.69 (05 Jan 24)

Rand strengthens against the US Dollar.

INTERNATIONAL

INTERNATIONAL SNAPSHOT – 12 JAN 24 WEEKLY PERFORMANCE



- Nov23 Trade Balance - ¥724.1bn v - ¥533.0bn (e) v - ¥472.8bn (Oct23)
- Dec23 Tokyo CPI y/y 2.4% v 2.5% (e) v 2.7% (Nov23)
- Japanese stocks ended the week in the green due to receding bets for an end to the Bank of Japan's negative rate policy at its next meeting.
- Nikkei 225: 35.577 (WTD: +6.59%). Yen: 144.88 (WTD: +0.17%)



- Eurozone Nov23 Unemployment Rate 6.4% v 6.5% (e) v 6.5% (Oct23)
- France Dec23 CPI Final y/y 3.7% v 3.7% (e) 3.5 (Nov23)
- Germany Nov23 Industrial Production m/m -0.7% v 0.3% (e) v -0.3% (Oct23)
- UK Nov23 Industrial Production m/m 0.3% v 0.3% (e) v -1.3% (Oct23)
- European markets concluded the week mixed following the release of mixed corporate earnings reports.
- DAX: 16,705 (WTD: +0.66%), Stoxx50: 4,480 (WTD: +0.37%), FTSE100: 7,625 (WTD: -0.84%)



- Dec23 CPI y/y -0.3% v -0.4% (e) v -0.5% (Nov23)
- Dec23 PPI y/y -2.7% v -2.6% (e) v -3.0% (Nov23)
- Dec23 Trade Balance \$75.34bn v \$74.95bn (e) v \$68.39bn (Nov23)
- Dec23 Exports y/y 2.3% v 1.5% (e) v 0.5% (Nov23)
- Dec23 Imports y/y 0.2% v -0.5% (e) v -0.6% (Nov23)
- China stocks closed the week in the red amid renewed concerns about weak demand and deflationary pressure.
- SHSZ300: 3,284 (WTD: -1.35%), SHCOMP: 2,882 (WTD: -1.61%)



- 6 Jan 24 Initial Jobless Claims 202k v 210k (e) v 203k (29 Dec 23)
- Dec23 CPI y/y 3.4% v 3.2% (e) v 3.1% (Nov23)
- US equities ended the week in the green following the release of mixed earnings data from major companies on expectations that the Fed will ease its monetary policy.
- NASDAQ: 14,973 (WTD: +3.09%), S&P 500: 4,784 (WTD: +1.84%)

COMMODITIES



- ΔUS Crude Inventories 1,338k bbl (05 Jan 24) v -199k bbl (e) v -5.503k k bbl (29 Dec 23)
- ΔUS Oil Rigs -2; 619 (05 Jan 24) v 621 (5 Jan 24)
- ΔNorth American Oil Rigs +86; 832 (05 Jan 24) v 746 (5 Jan 24)
 - Oil prices closed the week in the red after a surprise increase in US crude inventories raised concerns over demand.
 - WTI: \$72.68 (WTD: -1.53%)
 - Brent Crude: \$78.29 (WTD: -0.60%)



- Precious metals closed the week mixed, gaining momentum on the back of rising tensions in the Middle East and weaker US dollar.
 - Gold: \$2,049 (WTD: +0.18%)
 - Platinum: \$912 (WTD: -5.45%)

Oil prices decline due to uptick in crude inventories.



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