



KGORI CAPITAL
INVEST WITH PRIDE

29 January 2024

COMPANY ANNOUNCEMENTS



Notice of Appointment

- BTCL announced the appointment of M K Magapa as its Board Chairperson effective 22 Jan 24.
- M K Magapa previously served as Managing Director at G4S.
- P0.83 (YTD: 0.00%) PE: 5.5 PB: 0.4 D/Y: 10.55% Mkt Cap: P871.5mn



Botala Energy

Environmental Approval for Commercial Development Of Serowe CBM Project

- Botala announced that their Serowe CBM gas project, Project Naledi has been granted environmental approval to proceed with commercial development.
- P0.82 (YTD: 0.00%) PE: N/A PB: 0.0 D/Y: 0.00% Mkt Cap: P135.5mn



Notice of Early Redemption

- Absa announced that following the approval of Bank of Botswana, it will exercise the call option to redeem P102,590,000 Subordinated Tier 2 Capital Notes (with stock code BBB018), under its P2bn domestic medium term note programme on 14 Feb 24.
- Noteholders are informed that the interest payment scheduled for 14 Feb 24, will be disbursed Noteholders listed in the register on the same date.
- P6.38 (YTD: +0.47%) PE: 7.6 PB: 1.9 D/Y: 8.53% Mkt Cap: P5,436.8mn



TLOU ENERGY

Dec23 Operational Report

- Tlou released its Dec23 quarterly report where it provided updates on its ongoing projects. Salient points are as follows:
 - Lesedi Project:
 - First gas been flared from the Lesedi 6 production pod.
 - Lesedi 4 pod is dewatering in line with expectations.
 - The 66kV overhead transmission line is effectively complete.
 - Electrical substations are approximately 37% complete
 - At the end of the quarter Tlou had ~A\$0.73m cash on hand (unaudited).
- P0.50 (YTD: 0.00%) PE: N/A PB: 1.1 D/Y: 0.00% Mkt Cap: P522.0mn



Lelepe La Rona Limited

Cautionary Announcement Update

- LLR advised unitholders to exercise caution as the sale the Red Square residential flats is currently in Phase 1 of the transaction.
- Phase 1 involves the conclusion of Sale Agreements with sitting tenants in line with all relevant regulations.
- P2.70 (YTD: 0.00%) PE: 7.5 PB: 0.8 D/Y: 7.31% Mkt Cap: P756.0mn



Notice of Appointment

- Access announced the appointment of O Mothooagae as an Independent Non-Executive Director effective 1 Jan 24
- O Mothooagae is the Founder and CEO of Stencil Technologies.
- P2.05 (YTD: 0.00%) PE: N/A PB: 1.4 D/Y: 10.10% Mkt Cap: P1,486.3mn



Business Update (BU)

- Chobe announced that it will release a BU on 9 Feb 24 on X-News based on shareholder and analyst questions sent to info@chobeholdings.com by 1 Feb 24.
- P14.89 (YTD: +0.27%) PE: 9.5 PB: 3.1 D/Y: 4.03% Mkt Cap: P1,331.8mn

SEFALANA HY24 RESULTS – IMPROVED REVENUES DRIVE UP PROFITS

Income Statement PMn	HY24	HY23	% Δ
Revenue	4 683	4 501	4%
Cost of sales	(4 347)	(4 188)	4%
Gross Profit	336	312	7%
Other Income and gains	28	21	32%
Administrative expenses	(153)	(137)	11%
EBITA	211	197	7%
Amortization	(3)	(3)	(6%)
Investment income	17	18	(1%)
Finance costs	(11)	(12)	(10%)
Shares of results of associate	(10)	(4)	167%
Profit before taxation	205	195	5%
Tax	(50)	(53)	(5%)
Profit for the period (PAT)	154	142	9%

Balance Sheet extract P Mn	HY24	HY23	% Δ
Cash and cash equivalents	698	664	5%
PPE	990	871	14%
Trade and other payables	1 111	862	29%
Borrowings	105	107	(2%)
Equity	2 371	2 228	6%

- Revenue +4% driven due to improved revenues in their trading and manufacturing segments.
- Cost of sales +4% due to supply chain and procurement challenges (load shedding in South Africa and higher raw material costs)
- Admin expenses +11% due to the opening of new stores.
- PAT +9% due to improved revenues
- Interim dividend of 12t/share declared, payable on 23 Feb 24
- P11.50 (YTD: +0.26%)
PE: 9.2
PB: 1.2
D/Y: 5.39%
Mkt Cap: P2,883.4mn

JAN24 GOVERNMENT BOND 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	400	100%	3,193%	3,756%	-56bps
BOTSTB0724	6M T-Bill	530	430	81%	3,277%	4,040%	-76bps
BOTSGB0125	12M T-Bill	800	900	113%	3,400%	5,250%	-185bps
BOTSGB0929	5-Yr Bond	100	100	100%	6,700%	7,000%	-182bps
BOTSGB0635	11-Yr Bond	133	133	100%	8,045%	8,515%	-65bps
BOTSGB0943	19-Yr Bond	200	200	100%	8,405%	8,695%	-29bps
Total		2 163	2 163	100%			

- 100% of the total P2.163bn bond auction was allotted.
- Bond stop-out yields continue to decrease at the short end of the curve.

REGIONAL

SOUTH AFRICA

- Dec23 CPI y/y 5.1% v 5.2% (e) v 5.5% (Nov23)
- Dec23 PPI y/y 4.0% v 4.3% (e) v 4.6% (Nov23)
- The South African Reserve Bank (SARB) Monetary Policy Committee met during the week and maintained the Repurchase Rate at 8.25%
- During the week, Eskom announced Stage 2 load shedding due to increased demand.

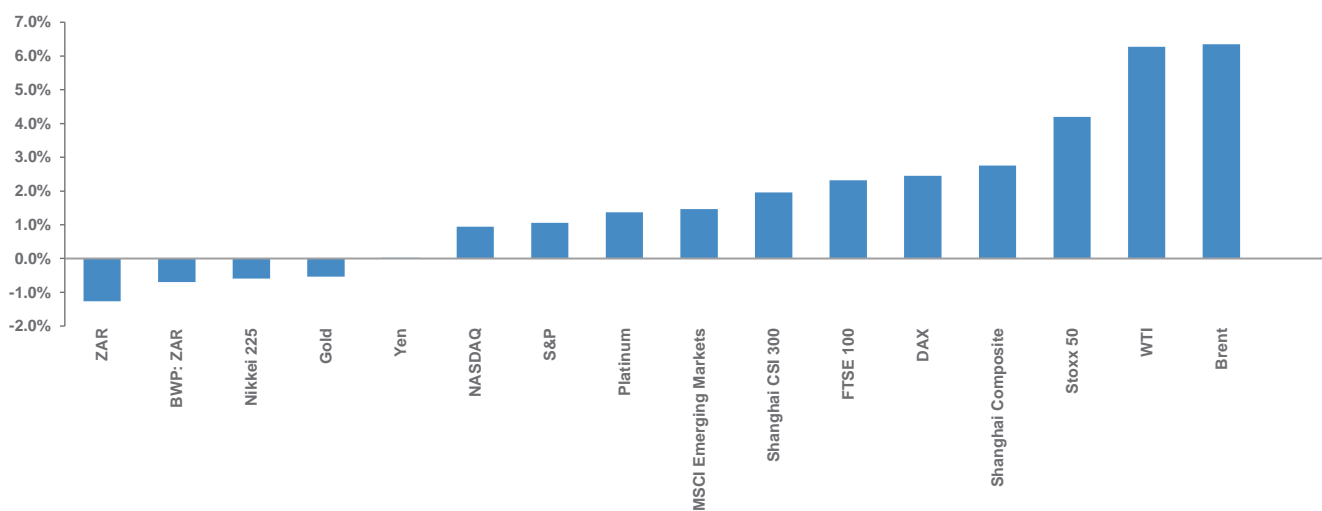
ZAR PERFORMANCE

- The ZAR strengthened against the USD following the SARB's decision to maintain the repurchase rate.
- ZAR 18.79 (WTD: -1.27%) v 19.03 (19 Jan 24)

Rand strengthens against the US Dollar.

INTERNATIONAL

INTERNATIONAL SNAPSHOT – 26 JAN 24 WEEKLY PERFORMANCE



- Jan24 Preliminary Manufacturing PMI 48.0 v 47.9 (Dec23)
- Jan24 Tokyo CPI y/y 1.6% v 2.0% (e) v 2.4% (Dec23)
- Japanese stocks ended the week in the red following hawkish comments by the BOJ.
- Nikkei 225: 35,751 (WTD: -0.59%), Yen: 148.12 (WTD: +0.02%)



- Eurozone Jan24 Preliminary Manufacturing PMI 46.6 v 44.7 (e) v 44.4 (Dec23)
- France Jan24 Preliminary Manufacturing PMI 43.2 v 42.5 (e) v 42.1 (Dec23)
- Germany Jan24 Preliminary Manufacturing PMI 45.4 v 43.7 (e) v 43.3 (Dec23)
- UK Jan24 Preliminary Manufacturing PMI 47.3 v 46.7 (e) v 46.2 (Dec23)
- The European Central Bank (ECB) Governing Council (GC) met during the week and decided on the following:
 - To maintain refinancing operations rate, the marginal lending facility rate, and the deposit facility rate at 4.50%, 4.75% and 4.00% respectively.
 - To continue to reinvest, in full, the principal payments from maturing securities purchased under the Pandemic Emergency Purchase Programme (PEPP) during the first half of 2024. Over the second half of the year, it intends to reduce the PEPP portfolio by €7.5bn/month on average.
 - To discontinue reinvestments under the PEPP at the end of 2024.
- European markets concluded the week in the green following the ECB's decision to hold interest rates and strong regional and US economic data.
- DAX: 16,961 (WTD: +2.45%), Stoxx50: 4,635 (WTD: +4.20%), FTSE100: 7,635 (WTD: +2.32%)



- The Peoples Bank of China maintained the 1-year and 5-year Loan Prime Rates at 3.45% and 4.20% respectively.
- China stocks closed the week in the green following the release of new supportive policies by the government.
- SHSZ300: 3,334 (WTD: +1.96%), SHCOMP: 2,910 (WTD: +2.75%)



- 20 Jan 24 Initial Jobless Claims 214k v 200k (e) v 189k (13 Jan 24)
- Jan24 Preliminary Manufacturing PMI 50.3 v 47.6 (e) v 47.9 (Dec23)
- 4Q23 Advance GDP Annualized q/q 3.3% v 2.0% (e) v 4.9% (3Q23)
- US equities ended the week in the green following the release of stronger than expected economic data.
- NASDAQ: 15,455 (WTD: +0.94%), S&P 500: 4,891 (WTD: +1.06%)

COMMODITIES



- ΔUS Crude Inventories -9,233k bbl (19 Jan 24) v -908k bbl (e) v -2,492k bbl (12 Jan 24)
- ΔUS Oil Rigs +1; 621 (26 Jan 24) v 620 (19 Jan 24)
- ΔNorth American Oil Rigs +8; 851 (26 Jan 24) v 843 (19 Jan 24)
 - Oil prices rose during the week due to strong economic growth in the US and increased optimism over China's recovery.
 - WTI: \$78.01 (WTD: +6.27%)
 - Brent Crude: \$83.55 (WTD: +6.35%)



- Precious metals closed the week mixed amid strong global economic growth and weak US Dollar
 - Gold: \$2,019 (WTD: -0.54%)
 - Platinum: \$916 (WTD: +1.37%)

Oil prices rise on strong economic growth



KGORI CAPITAL
INVEST WITH PRIDE

General Disclaimer

All information, recommendations or opinions contained in this document are not intended to provide exhaustive treatment of any subject dealt with and must be weighed solely as one factor in any investment or other decision made by or on behalf of any user of the information contained herein. Such user should consult its own investment or financial or other advisors before making any decision. Whilst all care is taken by Kgori Capital in the preparation of the contents hereof, no warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such recommendation or information is given or made by Kgori Capital in any form or manner whatsoever. The information in this document is not intended to and does not constitute financial, tax, legal, investment, consulting or other professional advice, and Kgori Capital does not purport to act in any way as a financial advisor. Kgori Capital shall not be responsible and disclaims all liability for any loss, liability, damage (whether direct or consequential) of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of any information, opinion, recommendation, or service contained in or provided through this document. All portfolio performance data is calculated by Kgori Capital. Performance is analysed and computed utilising true daily weighted methodology. Where this document contains statements or information which relate to projections, forecasts or hypothetical data, users should be advised that these are predictions and that actual performance may differ markedly. Users should also be aware that short term performance can be volatile and past performance is not necessarily a good indication or guideline of future performance. As the performance of financial markets fluctuates and is not guaranteed, an investor may not get back the full amount invested.

1st Floor Exponential,
Plot 54351, CBD, Gaborone

T +267 3915 990
F +267 3915 980

PO Box 1253 ABG,
Sebele, Gaborone

www.kgoricapital.com

Directors KI Melamu, AM Ndzinge, S Noor,
MS Sibanda, AA Wellio-Moyo

Reg No BW00000988897

