



**KGORI CAPITAL**  
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# KGORI CAPITAL MARKET WATCH

13 July 2020

Local

## COMPANY ANNOUNCEMENTS

### Non-Renounceable Entitlement Offer – Closing Soon



- Tlou advised BSE and ASX shareholders that they should have received their entitlement and acceptance forms to participate in the offer.
- The closing date for the offer is 13 Jul 20
- P0.80 (YTD: 0.00%) PE: N/A PB: 0.7 D/Y: 0.00% Mkt Cap: P360.1mn

### Closed Period Announcement, and Disciplinary and Criminal Charges Against CEO



- LLR announced a closed period for the preparation of its 30 Jun 20 financial yearend. The closed period is effective from 1 Jul 20 until the date when yearend financial statements are published.
- LLR announced that following the conclusion of an independent forensic investigation into the issues relating to LLR's Long-term Incentive Plan (LTIP), it has instituted disciplinary proceedings against Mr. Chukuni Shenjere-Mutiswa and laid criminal charges with the Serious Crimes Squad at the Botswana Police.
  - The forensic investigation covered all relevant company policies.
  - A committee comprising 3 non-executive directors who were appointed post the conclusion of the LTIP have been appointed to institute disciplinary process on behalf of LLR.
    - The committee has engaged 3 independent labour practitioners to constitute a disciplinary panel and conduct the hearing. 1 of the practitioners will chair the disciplinary panel and the other 2 will be members of the panel.
    - In addition, an independent secretariat has been appointed to record the proceedings and provide general secretarial services to the panel.
- P2.30 (YTD: +2.22%) PE: 12.1 PB: 0.9 D/Y: 7.01% Mkt Cap: P644.0mn

### Results of 2019 Annual General Meeting (AGM)



- All resolutions were passed at Letshego's 2019 AGM by 97%-100% votes in favour with the exception of:
  - Resolution 3a, the re-election of Hannington Karuhanga as director. 28.36% of shareholders voted against the resolution, 2.77% abstained and 57.87% voted in favour.
  - Resolution 3c, the re-election of Runa Alam as director. 18.88% of shareholders abstained from voting and 78.06% voted in favour.
  - Resolution 3g, the appointment of Phillip Odera as director. 18.88% of shareholders abstained from voting and 78.06% voted in favour.
  - Resolution 3h, the appointment of Ronald Hoekman as director. 18.88% of shareholders abstained from voting and 78.06% voted in favour.
  - Resolution 4a, the approval of director remuneration for the 31 Dec 19 yearend. 35.19% of shareholders voted against the resolution, 3.35% abstained and 60.92% voted in favour.
  - Resolution 4b, the approval of the director remuneration structure for the 31 Dec 20 yearend. 35.78% of shareholders voted against the resolution, 3.35% abstained and 60.33% voted in favour.
  - Resolution 7, the renewal of the share buy back mandate. 20.03% of shareholders voted against the resolution and 79.97% voted in favour.
  - Special Resolution 1, the reduction in stated capital pursuant to the share buy back mandate. 20.03% of shareholders voted against the resolution and 79.97% voted for the resolution.
- P0.63 (YTD: -11.27%) PE: 2.2 PB: 3.8 D/Y: 19.05% Mkt Cap: P1,350.7mn

## Notice of Annual General Meeting (AGM)



- Chobe will hold its AGM at the Avani Gaborone Hotel at 5pm on 11 August 2020. Shareholders will vote on:
  - Adopting the 29 Feb 20 audited financial statements together with the directors' and auditor's report thereon.
  - Approving the zero distribution of dividends.
  - Re-electing A.C. Dambe, K Ledimo and J.M. Nganunu-Macharia as directors.
  - Appointing J.K. Gibson and S.D.S Fernando as directors.
  - Approving auditor's remuneration for the 29 Feb 20 yearend and appointing PriceWaterhouse Coopers as auditors for the ensuing year.
- P10.50 (YTD: -5.41%) PE: 9.7 PB: 2.5 D/Y: 0.00% Mkt Cap: P939.1mn

## Regional SOUTH AFRICA

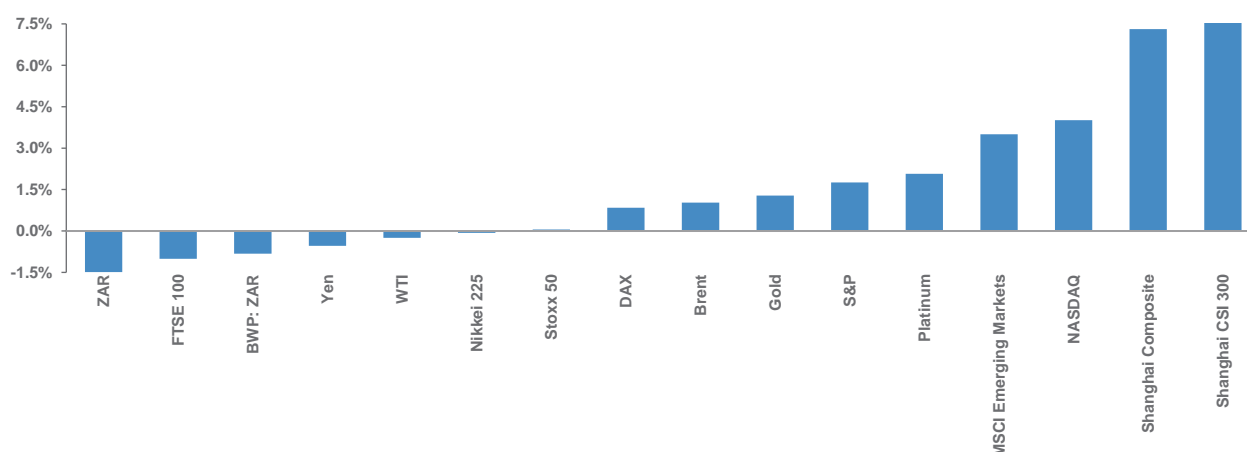
- Apr20 Manufacturing Production y/y -49.4% v -43.3% (e) v -5.5% (Mar20)
- 2Q20 Consumer Confidence -33 v -22 (e) v -9 (1Q20)

### ZAR PERFORMANCE

- The ZAR strengthened following US Dollar weakness brought on by the continued increase in US coronavirus cases.
- ZAR 16.79 (WTD: -1.49%) v 17.04 (3 Jul 20)

## International

### INTERNATIONAL SNAPSHOT – 10 JUL 20 WEEKLY PERFORMANCE



- Jun20 PPI y/y -1.6% v -2.0% (e) v -2.8% (May20)
- May20 Labour Cash Earnings y/y -2.1% v -1.0% (e) v -0.7% (Apr20)
- May20 Household Spending y/y -16.2% v -11.8% (e) v -11.1% (Apr20)
- The rally earlier in the week was cancelled by investor cautiousness following the continued increase in US coronavirus cases.
- Nikkei 225: 22,291 (WTD: -0.07%), Yen: 106.93 (WTD: -0.54%)



- Eurozone May20 Retail Sales y/y -5.1% v -6.5% (e) v -19.6% (May20)
- France May20 Industrial Production m/m 19.6% v 15.4% (e) v -20.6% (Apr20)
- German May20 Industrial Production m/m 7.8% v 11.1% (e) v -17.5% (Apr20)
- European equities finished the week in positive territory as stronger economic data allayed investor fears of continued lacklustre economic growth in 2H20. However, the UK FTSE100 closed lower due to climbing coronavirus cases for key trade partners i.e. Japan, US and Hong Kong.
- DAX: 12,634 (WTD: +0.84%), Stoxx50: 3,296 (WTD: +0.06%), FTSE100: 6,095 (WTD: -1.01%)





- Jun20 CPI y/y 2.5% v 2.5% (e) v 2.4% (May20)
- Jun20 PPI y/y -3.0% v -3.2% (e) -3.7% (May20)
- Chinese equities closed higher due to increased retail liquidity caused by the Chinese central bank easing relending and rediscount rates.
- SHSZ300: 4,753 (WTD: +7.55%), SHCOMP: 3,383 (WTD: +7.31%)



- 4 Jul 20 Initial Jobless claims 1,314k v 1,375k (e) v 1,413k (27 Jun 20)
- Jun20 PPI y/y -0.2% v 0.4% (e) v 0.4% (May20)
- US equities closed higher on account of states reopening efforts and positive reports regarding Gilead Science's Remdesivir treatment.
- NASDAQ: 10,617 (WTD: +4.01%), S&P 3,185 (WTD: +1.76%)

## COMMODITIES

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- ΔUS Crude Inventories +5,654k bbl. (3 Jul 20) v -3,189k bbl. (e) v -7,195k bbl. (26 Jun 20)
- ΔUS Oil Rigs -5; 258 (10 Jul 20) v 263 (3 Jul 20)
- ΔNorth American Oil Rigs +3; 284 (10 Jul 20) v 281 (3 Jul 20)
- Gains in global oil prices were tempered by increased coronavirus cases in the US. Brent crude, the international benchmark, closed higher after the International Energy Agency revised its forecast for crude demand higher.
  - WTI: \$40.55 (WTD: -0.25%)
  - Brent Crude: \$43.24 (WTD: +1.03%)



- Precious metals finished the week on a positive note following the continued rally in coronavirus case globally, especially the US.
  - Gold: \$1,799 (WTD: +1.28%)
  - Platinum: \$828 (WTD: +2.07%)



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