

Local

COMPANY ANNOUNCEMENTS



Resignation of Non-Executive Board Member

- Absa announced that Mr Mohamed Osman has resigned from the board of directors with effect from 2 Oct 20. Mr Osman joined the board of Absa in Aug18.
- P5.43 (YTD: -1.27%) PE: 14.8 PB: 2.2 D/Y: 4.60% Mkt Cap: P4,627.2mn



Resignation of Director

- CA Sales announced that Trevor Rogers has resigned as a non-executive director with immediate effect.
- P3.75 (YTD: -0.53%) PE: 13.8 PB: 1.6 D/Y: 1.83% Mkt Cap: P1,695.5mn

Reminder: Notices of Extraordinary General Meeting (EGM)



- Choppies reminded shareholders that it will hold its 2018 EGM on Monday, 19 Oct 20 at 2.30pm via electronic communication. Shareholders will vote on:
 - Approval of financial statements and for the year ended 30 Jun 18 and the directors and auditor's report thereon.
 - Ratify remuneration paid to non-executive directors for the 30 Jun 18 yearend.
 - Ratify remuneration paid to auditors PriceWaterhouseCoopers for the 30 Jun 18 yearend.
 - Ratify donations paid during the 30 Jun 18 yearend.
- Choppies further reminded shareholders that will hold its 2019 EGM on Monday, 19 Oct 20 at 3.30pm via electronic communication. Shareholders will vote on:
 - Approval of financial statements and for the year ended 30 Jun 19 and the directors and auditor's report thereon.
 - Ratify remuneration paid to non-executive directors for the 30 Jun 19 yearend.
 - Ratify remuneration paid to auditors PriceWaterhouseCoopers and Mazars for the 30 Jun 19 yearend.
 - Ratify donations paid during the 30 Jun 19 yearend.
- P0.60 (YTD: -13.04%) PE: N/A PB: N/A D/Y: 0.00% Mkt Cap: P782.2mn



Directors' Dealing in Linked Units

- FAR gave notice that Ramachandran Ottapathu and Farouk Ismail each sold 3mn linked units at P2.48/linked unit to third parties.
- P2.48 (YTD: +0.81%) PE: 10.9 PB: 1.2 D/Y: 6.77% Mkt Cap: P1,057.8mn

Director's Dealing in Shares, Board Changes and Notice of Annual General Meeting (AGM)



- Sefalana announced that Mr Chandrakant Chauhan, Group Managing Director, bought 224k shares at P9.30/share.
- Sefalana also announced the following board changes:
 - Mrs Susanne Swaniker-Tettey, CFO of DeBeers Global Sightholder Sales (Pty) Limited, and Mr Moatlhodi Sebabole, Chief Economist at FNB Botswana, have been appointed to the board.
 - Mr Elias Moyo Dewah and Mr Reginald Mootiemang Motswaiso retired from the board effective 30 Oct 20 as they have completed the maximum permissible tenure on the board in line with Group policy.
 - Dr PHK Kedikilwe, the current board chair, retires effective 30 Oct 20.

- Sefalana also gave notice that it will hold its AGM on 30 Oct 20, at 4pm via Microsoft Teams. Shareholders will vote on:
 - The adoption of the audited financial statements for the year ended 30 Apr 20 together with the directors' and auditor's report thereon.
 - Approving dividends declared for the financial year ended 30 Apr 20.
 - Approving the remuneration of executive and non-executive directors for the year ended 30 Apr 20.
 - Approving auditor remuneration for the financial year ended 30 Apr 20 and approving the appointment of Deloitte and Touche as auditors for the ensuing year.
 - Ratification of appointments of Mrs Susanne Swaniker-Tetty and Mr Moatlhodi Sebabole as directors.
 - Approving the circulation of the 2021 and future annual reports in electronic format only.
- P9.30 (YTD: +3.68%) PE: 11.8 PB: 1.3 D/Y: 4.03% Mkt Cap: P2,331.8mn

Announcement of Rights Offer/Issue to Shareholders



- Olympia stated that it plans to raise P16.5mn by way of a rights issue of 35.82mn offer shares. Shareholders on the register on 13 Oct 20 will take part in the rights issue.
- Offer shares not subscribed for will be taken up by Olympia Capital Holdings Limited.
- The purpose of the rights issue is to retire debt owed to Olympia Capital Holdings Limited. The offer opens on 16 Oct 20 and closes on 20 Nov 20. A circular regarding the rights issue was also released during the week.
- P0.16 (YTD: 0.00%) PE: 2.4 PB: 0.2 D/Y: 0.00% Mkt Cap: P4.6mn

Trading Statement for the Half Year Ended 31 July 2020



- Turnstar advised that its profit before tax (PBT) for the half year ended 31 Jul 20 will be approximately P43.2mn or P26.5mn (38%) lower than the P69.7mn PBT reported for the half year ended 31 Jul 19.
- The decline in profitability is due to lockdowns imposed in Botswana, Tanzania and Dubai negatively affecting tenants resulting in lower rental revenues as Turnstar granted substantial rental concessions.
- P2.25 (YTD: -19.93%) PE: 11.1 PB: 0.8 D/Y: 4.00% Mkt Cap: P1,287.3mn

Circular to Unitholders – Scrip Distribution



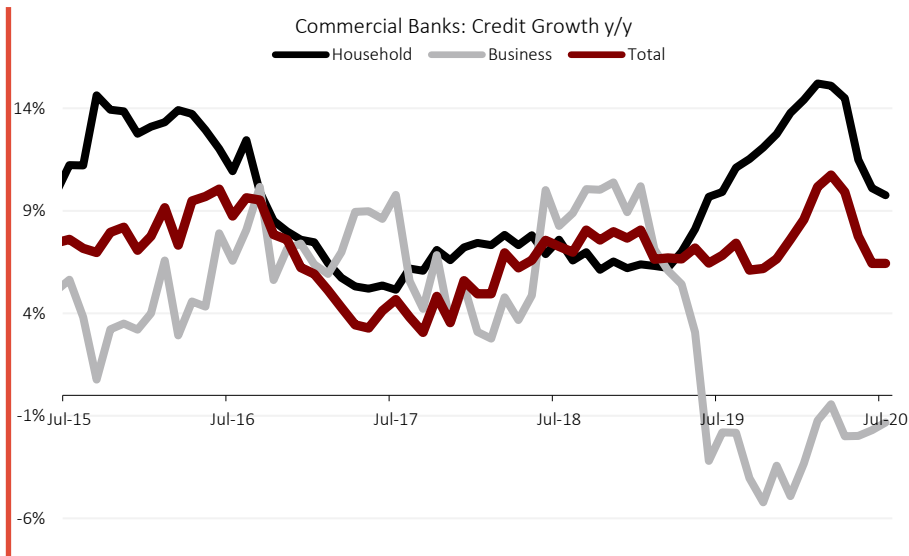
- FAR released a circular regarding its proposed scrip distribution in lieu of cash. The reason for the scrip offer is to bolster FAR's project pipeline by retaining cash in the business.
- The scrip offer opens on 12 Oct 20 and closes on 6 Nov 20.
- P2.48 (YTD: +0.81%) PE: 10.9 PB: 1.2 D/Y: 6.77% Mkt Cap: P1,057.8mn

Bank Rate Cut to 3.75%



- The Bank of Botswana (BoB) Monetary Policy Committee (MPC) met on 8 Oct 20 and cut the Bank Rate by 50bps to 3.75%.
- The main reason for the cut is that despite short-term adverse developments in the economy occurring against a potentially supportive environment which includes accommodative monetary conditions, reforms to further improve the business environment, concerted efforts by the Government to mitigate the impact of COVID-19 as well as the likely impact of the Economic Recovery and Transformation Plan; it is projected that the economy will operate below full capacity in both the short and medium term.

JUL20 CREDIT GROWTH (CG) – DECELERATION TEMPERS



- Jul20 CG y/y 6.4% v 6.4% (Jun20)
- Jul20 Household y/y CG 9.8% v 10.1% (Jun20)
- Jul20 Business y/y CG -1.3% v -1.7% (Jun20)
- Increase in business CG driven by Parastatals (+31.6%), Trade (+11.6%) and Finance (+23.8%).

Regional

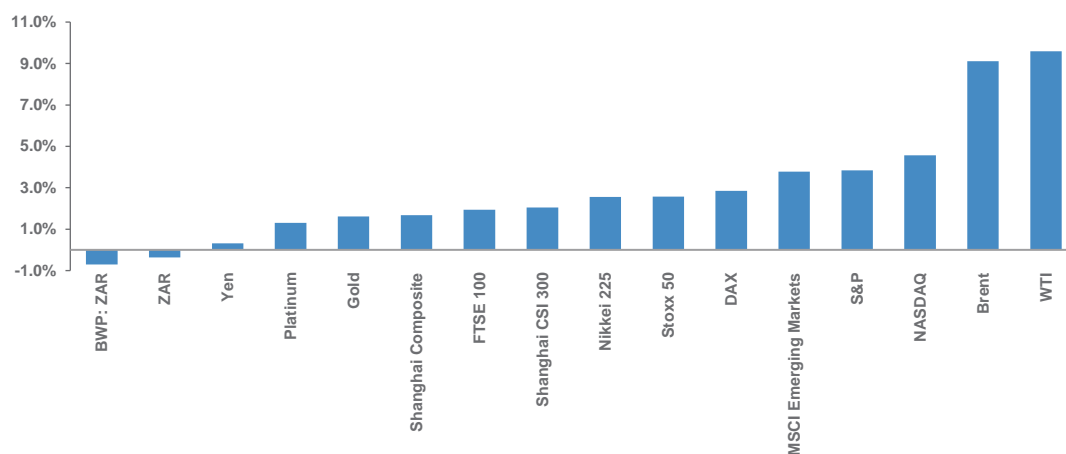
SOUTH AFRICA

- Sep20 SACCI Business Confidence 85.7 v 85.8 (Aug20)
- Sep20 Standard Bank South Africa PMI 46.0 v 49.4 (e) v 45.3 (Aug20)
- Sep20 Absa Manufacturing PMI 58.3 v 55.5 (e) v 57.3 (Aug20)

ZAR PERFORMANCE

- The ZAR strengthened on increased risk-on sentiment after US President Donald Trump said he wanted a bigger stimulus package than what either the Democrats or Republicans are offering.
- ZAR 16.47 (WTD: -0.37%) v 16.53 (2 Oct 20)

INTERNATIONAL SNAPSHOT – 9 OCT 20 WEEKLY PERFORMANCE



- Aug20 Labour Cash Earnings y/y -1.3% v -1.2% (e) v -1.5% (Jul20)
- Sep20 Services PMI 46.9 v 45.0 (Aug20)
- Japanese equities 5increased on hopes that US lawmakers are closing in on stimulus package agreement.
- Nikkei 225: 23,620 (WTD: +2.56%), Yen: 105.62 (WTD: +0.31%)



- Eurozone Aug20 Retail Sales m/m 4.4% v 2.5% (e) v -1.8% (Jul20)
- France Aug20 Industrial Production m/m 1.3% v 1.7% (e) v 3.8% (Jul20)
- Germany Aug20 Industrial Production m/m -0.2% v 1.5% (e) v 1.4% (Jul20)
- European equities rallied on continued positive company announcements and hopes that a US stimulus package will be agreed.
- DAX: 13,051 (WTD: +2.85%), Stoxx50: 3,273 (WTD: +2.58%), FTSE100: 6,017 (WTD: +1.94%)



- Sep20 Caixin services PMI 54.8 v 54.3 (e) v 54.0 (Aug20)
- Chinese equities closed in the green on hopes that lawmakers in the US are close to agreeing a stimulus package.
- SHSZ300: 4,681 (WTD: +2.04%), SHCOMP: 3,272 (WTD: +1.68%)



- 3 Oct 20 Initial Jobless claims 840k v 820k (e) v 849k (26 Sep 20)
- Sep20 ISM Services Index 57.8 v 56.2 (e) v 56.9 (Aug20)
- US equities closed higher on hopes that US policy makers are close to agreeing another fiscal stimulus package to further support the economy.
- NASDAQ: 11,580 (WTD: +4.56%), S&P 3,477 (WTD: +3.84%)

COMMODITIES



- ΔUS Crude Inventories +501k bbl. (2 Oct 20) v -881k bbl. (e) v -1,980k bbl. (25 Sep 20)
- ΔUS Oil Rigs +3; 269 (9 Oct 20) v 266 (2 Oct 20)
- ΔNorth American Oil Rigs +8; 349 (9 Oct 20) v 341 (2 Oct 20)
- Global oil prices jumped on increased expectations that lawmakers in US will be able to pass a stimulus package which would shore up oil demand.
 - WTI: \$40.60 (WTD: +9.58%)
 - Brent Crude: \$42.85 (WTD: +9.12%)



- Precious metals closed higher due to a weaker US dollar and expectations that yields on developed market government bonds will remain lower for longer.
 - Gold: \$1,930 (WTD: +1.61%)
 - Platinum: \$893 (WTD: +1.30%)



KGORI CAPITAL

INVEST WITH PRIDE

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