



KGORI CAPITAL
INVEST WITH PRIDE

17 June 2024

COMPANY ANNOUNCEMENTS



Dealings In Securities by Director

- Chobe announced the purchase of 319 shares at P15.32/share, for a total value of P4,887.08 by J Gibson.
- P15.32 (YTD : +3.16%) PE: 9.3 PB: 3.0 D/Y: 5.22% Mkt Cap: P1,370.2mn



Resignation of an Independent Non-Executive Director

- Stanchart announced the resignation of T Pheko as an Independent Non-Executive Director effective 10 Jun 24.
- P6.50 (YTD : +22.64%) PE:6.3 PB: 1.6 D/Y: 15.85% Mkt Cap: P1,939.3mn



Circular to the Shareholders

- Turnstar cautioned shareholders that it has entered into a conditional agreement to acquire a commercial letting enterprise from GHG and its two underlying assets. Key details of the transaction include:
 - The properties comprise of Lotsane Junction Mall.
 - GHG holds 14% interest Turnstar's issued share capital.
 - G Abdoola, Turnstar's Managing Director, is a shareholder and director in GHG.
 - The acquisition price is P3.3mn less than the open market valuation of Lotsane Junction Mall, benefiting Turnstar.
 - The transaction is subject to the satisfaction or waiver of several conditions' precedent.
- Turnstar will host a General Meeting at the Centre Management Offices in Game City Gaborone, on 05 Jul 24 at 12pm. Shareholders will vote on:
 - Approving the related party transaction of acquiring Lotsane Junction mall and the Properties thereunder.
 - Approving Directors Authority, authorising any Director of Turnstar be authorised to do all necessary things, sign all required documents and agreements, and ensure the execution of all task's incidental to the implementation of ordinary resolution 1.
- P1.93 (YTD: -1.03%) PE:7.5 PB: 0.6 D/Y: 10.36% Mkt Cap: P1,104.3mn



Notice of Appointment of a New BSE Sponsor

- Choppies announced the appointment of Motswedi Securities replacing Stockbrokers Boswana as its new BSE Sponsor effective 13 Jun 24.
- P0.51 (YTD: +6.25%) PE:5.5 PB: 7.6 D/Y: 3.14% Mkt Cap: P930.5mn



Renewal of Cautionary

- PrimeTime reissued cautionary announcements regarding a potential corporate action, which may lead to RDC proposing a partial offer to PrimeTime's linked unitholders, pending unitholder support and approval. As of now, PrimeTime has not received any offer from RDC. If such an offer is made, the PrimeTime board will evaluate it accordingly.
- P1.60 (YTD : -8.05%) PE: 5.1 PB: 0.5 D/Y: 2.69% Mkt Cap: P422.9mn

Quarterly Business Expectations Survey and Monetary Policy Decision



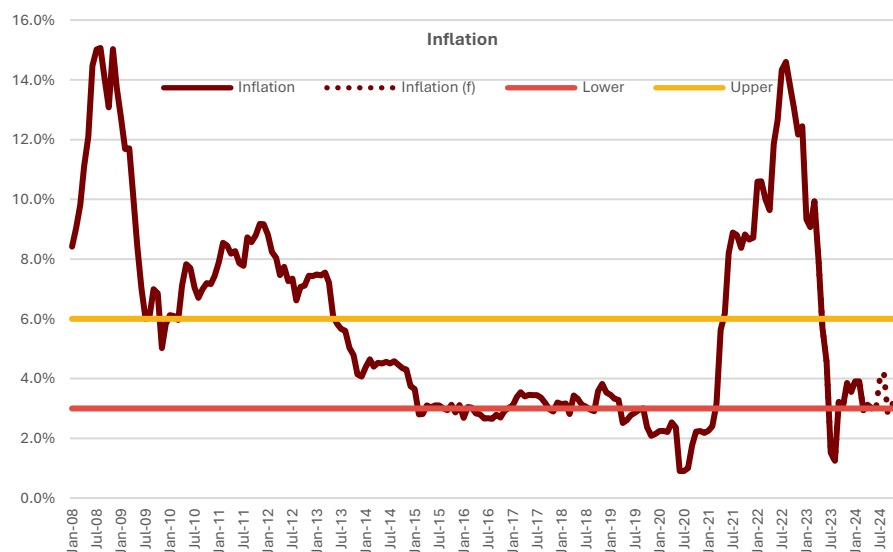
- BOB released the Mar 24 quarterly business expectations survey. Salient points from the report are as follows:
 - Firms are less optimistic about business conditions for 1Q24 compared to 4Q23.
 - Businesses expect inflation to remain within the 3-6% range in 2024 and 2025.
 - Anticipated improvement in "Mining & Quarrying", "Manufacturing", "Agriculture, Retail, Accommodation, Transport & Communications" and "Finance, Professional and Admin. Activities" sectors is expected to positively impact the domestic economy in 1Q24.
 - Firms anticipate lending rates to rise across all markets (Domestic, South Africa, and Elsewhere) following the maintenance of relatively high interest rates by central banks.
 - Moreover, Firms expect cost pressures to be higher in 1Q24, mainly due to supply constraints from geopolitical tensions.
- Monetary Policy Decision
 - The Bank of Botswana MPC cut the Monetary Policy Rate (MoPR) by 25 basis points from 2.4% to 2.15% at its meeting on 13 Jun 24.
 - Headline inflation was 3.1% in Apr 24 and is projected to remain within the 3-6% objective range in the medium term.
 - GDP grew by 2.7% in 2023, compared to 5.5% in 2022, due to subdued performance across most sectors of the economy, including the mining sector.
 - The central Bank's decision to decrease the rate is based on the outlook that the economy is expected to operate below full capacity in the short term and therefore not generate demand-driven inflationary pressures.
 - The central bank changed its inflation risk outlook to "Balanced" from "Skewed to the upside".
 - The current state of the economy and the outlook for both domestic and external economic activity provide scope to ease monetary policy.

BIHL FY23 RESULTS –SALE OF FSG DRIVES UP PROFITS

Income Statement P'Mn	FY 23	FY22	% Δ
Net insurance service result	286	278	3%
Investment service result	315	(121)	(360%)
Other expenses relating to insurance operations	(16)	(13)	21%
Net result from life insurance operations	586	143	309%
Net investment income	285	126	126%
Revenue from contracts with customers	296	260	14%
Interest income using the effective interest rate (EIR)	4	4	6%
Other interest income from investment contracts	203	245	(17%)
Fair value (losses)/gains from derivatives instrument	(12)	(5)	132%
Change in fair value of investment contract liabilities	(32)	84	(138%)
Change in fair value of external investors' liabilities	88	37	142%
Net changes in investment contract benefits	(291)	(282)	3%
Administration expenses	(214)	(204)	5%
Finance cost on leases	(1)	(1)	(29%)
Sales remuneration	(37)	(64)	(42%)
Impairment losses	(11)	(5)	119%
Profit before share of profit of associates, joint ventures and other income	864	338	156%
Share of profit of associates and joint ventures	79	216	(64%)
Profit on sale of associate	142	0	
Profit before Tax	1,084	554	96%
Tax	(303)	(105)	187%
Profit for the period	782	449	74%
Balance Sheet extract P'Mn	FY 23	FY22	% Δ
Cash and cash equivalents	171	401	(57%)
Associates & JVs	1,758	1,910	(8%)
Financial assets FVTPL	14,935	15,412	(3%)
Insurance contract liabilities	8,004	7,551	6%
Investment contract liabilities	3,599	3,299	9%
Equity	3,638	3,795	(4%)

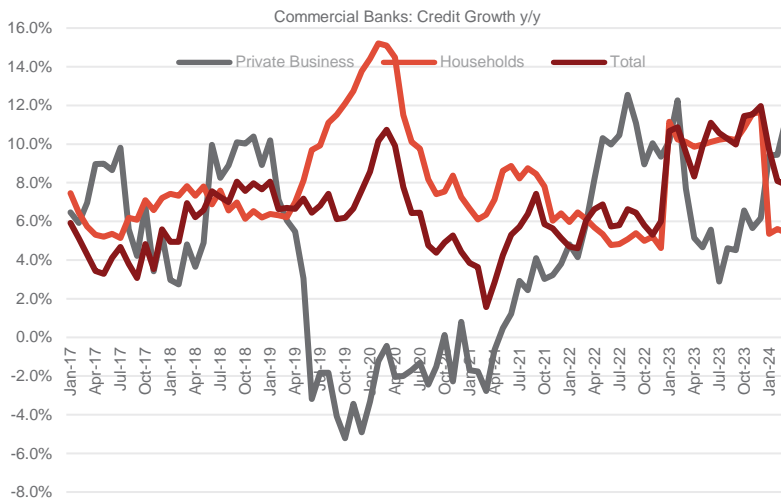
- Net result from life insurance +309%, driven by higher investment returns earned during the year owing to positive fair value gains across assets backing insurance contracts and IFRS 9 Investment Contract.
- Share of profit of associates and joint ventures -64%, due to the underperformance of Letshego.
- PAT +74%, driven by increased profits and the sale of FSG (Profit on sale of associate).
- Final dividend of 110t/share declared. Payable 25 Apr 24.
- P20.31 (YTD: +1.50%)
PE: 7.4
PB: 1.6
D/Y: 9.21%
Mkt Cap: P5,785.7mn

MAY24 INFLATION - INFLATION REMAINS FLAT



- May24 Inflation was 3.0% v 3.1% (avg. Kgori Models) v 3.1% (Apr24).
- Inflation is projected to remain flat in June24. For the year, inflation it is projected to peak in 3Q24 due to base effects.
- On a month-on-month basis, CPI rose by 0.3%. The greatest m/m increases were in Alcoholic Beverages & Tobacco (+1.2%/m), Transport (+0.6%/m) and Clothing & Footwear (+0.5%/m)
- The BoB decided to cut the MoPR by 25bp to 2.15%

MAR24 CREDIT GROWTH (CG) – CREDIT GROWTH INCREASES



- Mar24 CG y/y 7.9% v 8.1% (Feb24) vs 9.6% (Mar23)
 - Decline driven by a slowdown in credit uptake by Households.
- Mar24 Private Business CG y/y 11.2% v 9.4% (Feb24) v 7.7% (Mar23)
 - Credit uptake by the Private Business sector has grown strongly over 1Q24 following the BoB's decision to cut interest rates in Dec23.
- Mar24 Household CG y/y 5.4% v 5.6% (Feb24) v 10.1% (Mar23)
 - Year on year downturn due mainly to normalisation of data after BBS was granted a commercial bank license in Jan23.

REGIONAL

SOUTH AFRICA

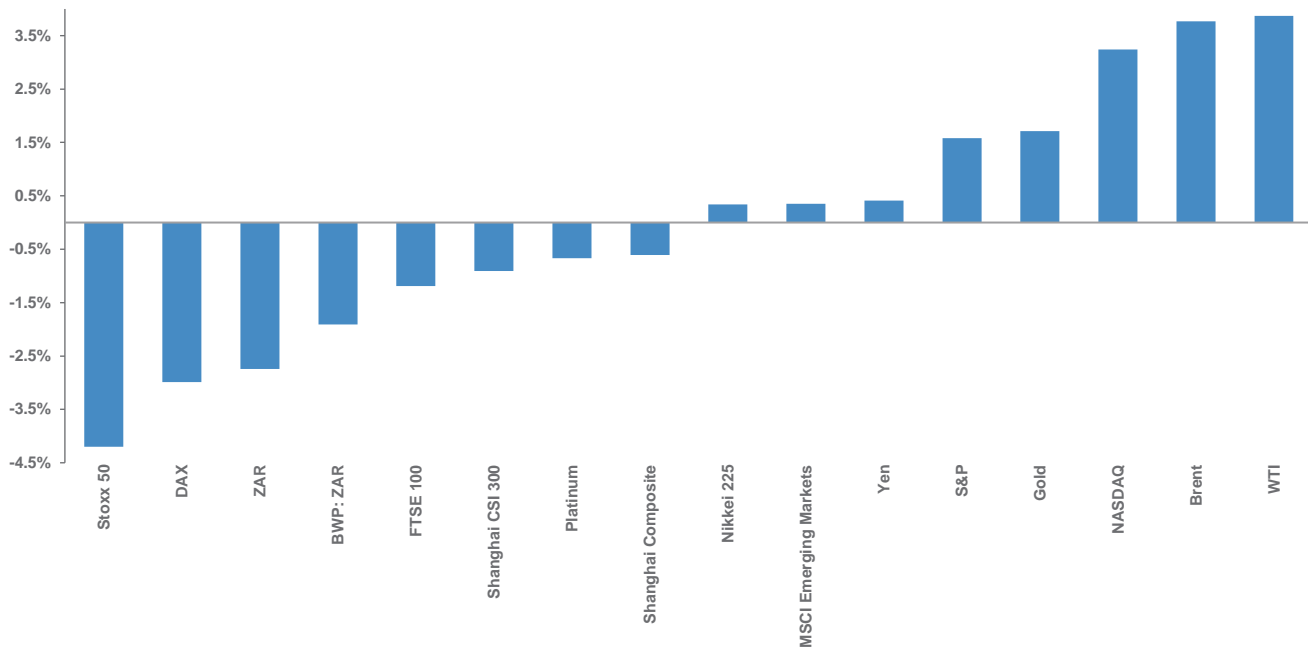
- Apr24 Manufacturing Prod m/m 5.2% v 1.9% (e) v 2.5% (Mar24)

ZAR PERFORMANCE

- The ZAR edged higher as ANC and DA reached a coalition deal. Investors are optimistic that the involvement of business-friendly DA will help with effective economic management.
- ZAR 18.39 (WTD:-2.74%) v ZAR 18.90 (07 Jun 24)

The South African rand strengthened against the USD.

INTERNATIONAL SNAPSHOT– 14 JUNE 24 WEEKLY PERFORMANCE



- Apr24 Final Industrial Production m/m -0.9% v -0.1% (Mar24)
- 1Q24 Final GDP q/q -0.5% v -0.5% (e) v 0.1% (4Q23)
- May24 PPI y/y 2.4% v 2.0% (e) v 1.1% (Apr24)
- The Bank of Japan (BoJ) Monetary Policy Committee (MPC) met during the week and decided to:
 - Maintain its interest rate at a range of 0%-0.10%.
 - Reduce its purchase amount of Japanese government bonds.
- Japanese markets closed the week in the green following the Bank of Japan's decision to delay publishing details of a reduction in its bond buying program.
- Nikkei 225: 38,815 (WTD: +0.34%), Yen: 157.40 (WTD: +0.41%)



- Eurozone Apr24 Industrial Production y/y -3.0% v -2.0% (e) v -1.2% (Mar24)
- France May24 Final CPI y/y 2.3% v 2.2% (e) v 2.2% (Apr24)
- Germany May24 Final CPI y/y 2.4% v 2.4% (e) v 2.4% (Apr24)
- UK Apr24 Industrial Production m/m -0.9% v -0.1% (e) v 0.2% (Mar24)
- Euro stocks plummeted over the week on the back of increasing political risks in France
- DAX: 18,002 (WTD: -2.99%), Stoxx50: 4,839 (WTD: -4.20%), FTSE100: 8,147 (WTD: -1.19%)



- May24 CPI y/y 0.3% v 0.4% (e) v 0.3% (Apr24)
- May24 PPI y/y -1.4% v -1.5% (e) v -2.5% (Apr24)
- Chinese stocks declined over the week following the release of weak domestic economic data.
- SHSZ300: 3,542 (WTD: -0.91%), SHCOMP: 3,033 (WTD: -0.61%)



- 8 Jun 24 Initial Jobless Claims 242k v 225k (e) v 229k (1 Jun 24)
- May24 CPI y/y 3.3% v 3.4% (e) v 3.4% (Apr24)
- Jun24 Preliminary UoM Sentiment 65.6 v 72.0 (e) v 69.1 (May24)
- The US Federal Reserve Open Market Committee met during the week and decided to:
 - Maintain the Fed fund rate between 5.25%-5.50%.
 - Continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities.
- US stocks closed higher following the release of cooler than expected inflation data increasing the probability of an interest rate cut by the Fed in the future.
- NASDAQ: 17,689 (WTD: +3.24%), S&P 500: 5,432 (WTD: +1.58%)



- Δ US Crude Inventories 3,730k bbl (7 Jun 24) v -886k bbl (e) v 1,233 bbl (31 May 24)
- Δ US Oil Rigs -4; 590 (14 Jun 24) v 594 (7 Jun 24)
- Δ North American Oil Rigs +13; 750 (14 Jun 24) v 737 (7 Jun 24)
 - Oil prices increased on the back of solid outlooks for crude and fuel demand.
 - WTI: \$78.45 (WTD: +3.87%)
 - Brent Crude: \$82.62 (WTD: +3.77%)



- Precious metals closed the week mixed as gold prices rose on the back of cooling US inflation but platinum declined on the back of weaker economic data.
 - Gold: \$2,333 (WTD: +1.71%)
 - Platinum: \$961 (WTD: -0.67%)

Oil prices increase on improved demand outlooks.



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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, S Noor,
MS Sibanda, AA Wellio-Moyo

Reg No BW00000988897

