



**MARKET PERFORMANCE FOR THE PERIOD 1 JANUARY  
TO 30 SEPTEMBER 2020**

## 1. EQUITY MARKET PERFORMANCE

### 1.1. Analysis of Equity Indices

During the period 1 January to 30 September 2020 the Domestic Company Index (DCI) depreciated by 6.7% in comparison to a decline of 5.0% during the same period in 2019 while the DCI Total Return Index (DCTRI) depreciated by 2.5% in comparison to a decline of 2.6% in the corresponding 2019 period.

The Foreign Company Index (FCI) depreciated by 1.0% on a year to date basis in 2020 compared to a decline of 0.4% over the same period in 2019.

A synopsis of the overall performance of the market is presented in Figure 1.

**Figure 1: Equity Market Performance Statistics**

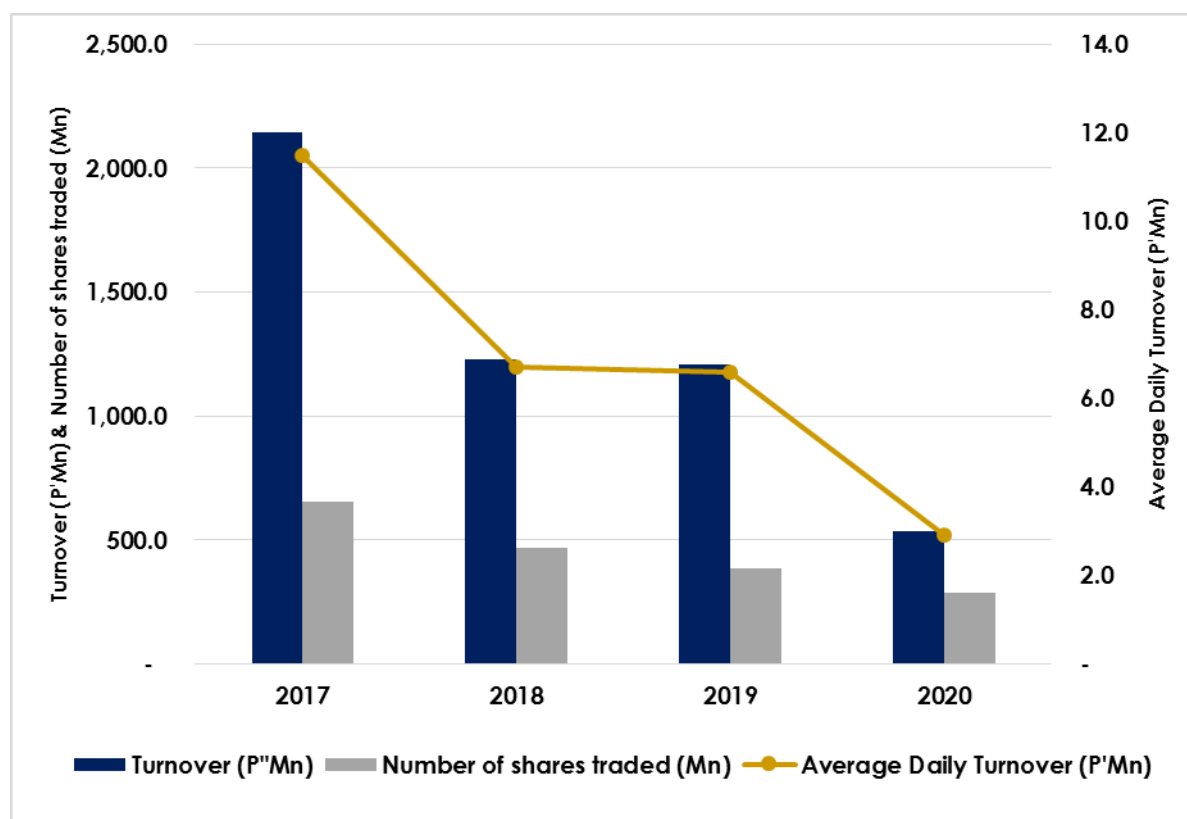
|                                                | Quarter 1<br>2020 | Quarter 2<br>2020 | Quarter 3<br>2020 | 1 Jan to 30<br>Sep 2020 |
|------------------------------------------------|-------------------|-------------------|-------------------|-------------------------|
| <b>Index Performance</b>                       |                   |                   |                   |                         |
| DCI                                            | 7,487.64          | 7,159.66          | 7,001.22          | <b>7,001.22</b>         |
| % Change                                       | (0.1)             | (4.4)             | (2.2)             | <b>(6.7)</b>            |
| DCTRI                                          | 1,737.35          | 1,702.18          | 1,682.64          | <b>1,682.64</b>         |
| % Change                                       | 0.6               | (2.0)             | (1.1)             | <b>(2.5)</b>            |
| FCI                                            | 1,551.35          | 1,551.35          | 1,547.33          | <b>1,547.33</b>         |
| % Change                                       | (0.7)             | -                 | (0.3)             | <b>(1.0)</b>            |
| <b>Liquidity</b>                               |                   |                   |                   |                         |
| Turnover (P' Million)                          | 185.0             | 178.7             | 173.3             | <b>537.0</b>            |
| Average Daily Turnover (P' Million)            | 3.0               | 3.4               | 2.7               | <b>2.9</b>              |
| No. of Shares Traded (Million)                 | 81.7              | 71.7              | 136.2             | <b>289.7</b>            |
| <b>Market Capitalization</b>                   |                   |                   |                   |                         |
| Domestic Companies (P' Million)                | 38,716            | 37,025            | 36,208            | <b>36,208</b>           |
| Foreign Companies (P' Million)                 | 356,918           | 356,421           | 355,594           | <b>355,594</b>          |
| Total (P' Million)                             | 395,633           | 393,446           | 391,802           | <b>391,802</b>          |
| <b>Market Indicators</b> <small>Note 1</small> |                   |                   |                   |                         |
| P/E Ratio (times)                              | 11.9              | 10.7              | 10.7              | <b>10.7</b>             |
| Dividend Yield (%)                             | 6.2               | 5.8               | 4.1               | <b>4.1</b>              |
| Price/Book Value (times)                       | 1.4               | 1.4               | 1.5               | <b>1.5</b>              |

Note 1: Earnings, Dividends and Book Value based on the last audited financial statements

### 1.2. Analysis of Equity Turnover

As at the end of September 2020, BSE had recorded total equity turnover of P537.0 Million from traded volumes of 289.7 Million shares. On quarterly basis, the first quarter of 2020 experienced the highest turnover of P185.0 Million over 81.7 Million traded shares, followed by the second and third quarters of 2020 with equity turnover levels of P178.7 Million and P173.3 Million respectively.

**Figure 2: Trend in Liquidity, Equities: Year-to-September**



During the corresponding period in 2019, the BSE had registered equity turnover of P1, 206.9 Million and a total volume of 387.5 Million shares traded (see Figure 2 & Figure 3).

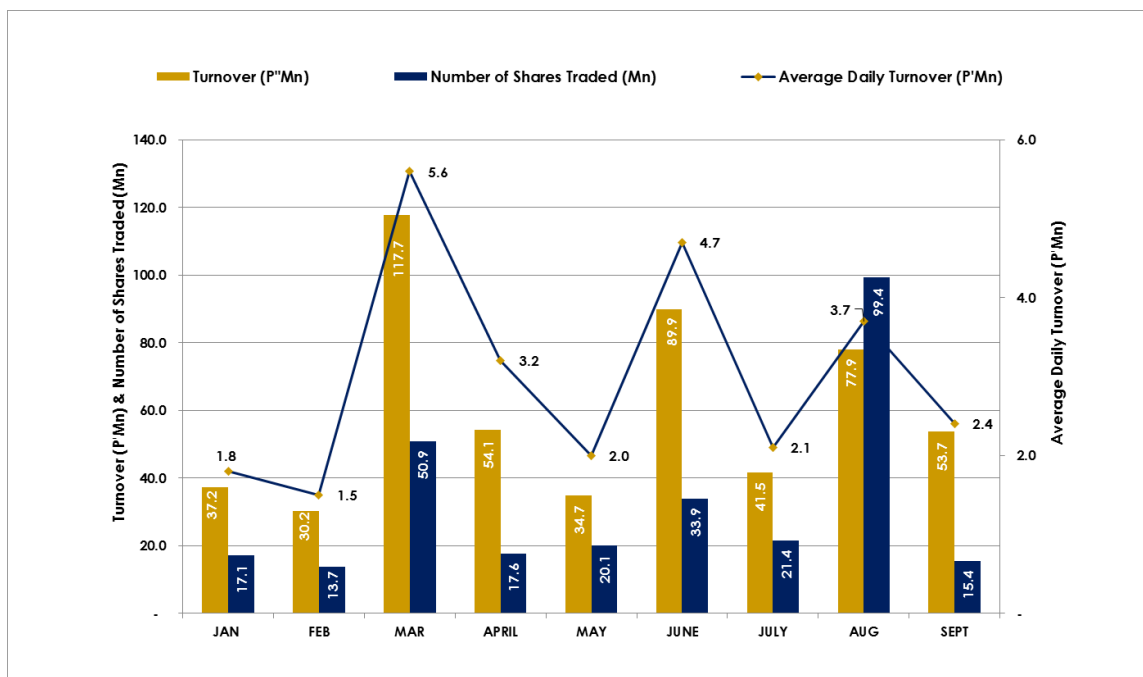
**Figure 3: Liquidity, Year-to-September: 2017-2020**

| Liquidity <sup>Note</sup>           | 2017    | 2018    | 2019    | 2020         |
|-------------------------------------|---------|---------|---------|--------------|
| Equity Turnover (P' Million)        | 2,144.4 | 1,231.3 | 1,206.9 | <b>537.0</b> |
| Average Daily Turnover (P' Million) | 11.5    | 6.7     | 6.6     | <b>2.9</b>   |
| No. of Shares Traded (Million)      | 655.6   | 470.7   | 387.5   | <b>289.7</b> |

Note: Year to 30<sup>th</sup> September

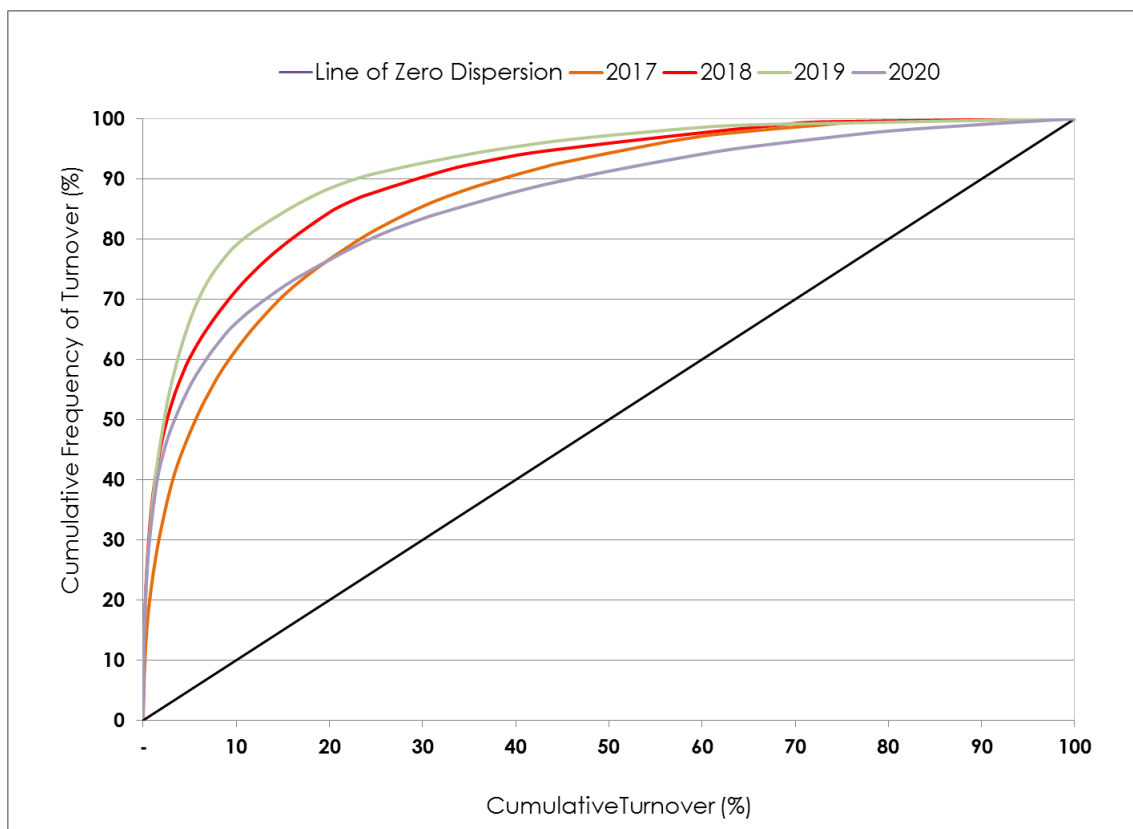
As shown in Figure 4, on a monthly basis the month of March 2020 recorded the highest equity turnover of P117.7 Million and 50.9 Million shares traded shares followed by June (P89.9 Million and 33.9 Million shares traded). The month of August had the most traded number of shares at 99.4 Million generating the third highest monthly turnover of P77.9 Million.

**Figure 4: Monthly Equity Turnover - 2020**



It can be noted from the Lorenz Curve in Figure 5 that during the period under review turnover was relatively stable compared to the same periods in the previous three years. This is supported by the lower coefficient of variation of turnover of 1.8 in 2020 in comparison to 3.7 in 2019, 3.9 in 2018 and 3.3 in 2017.

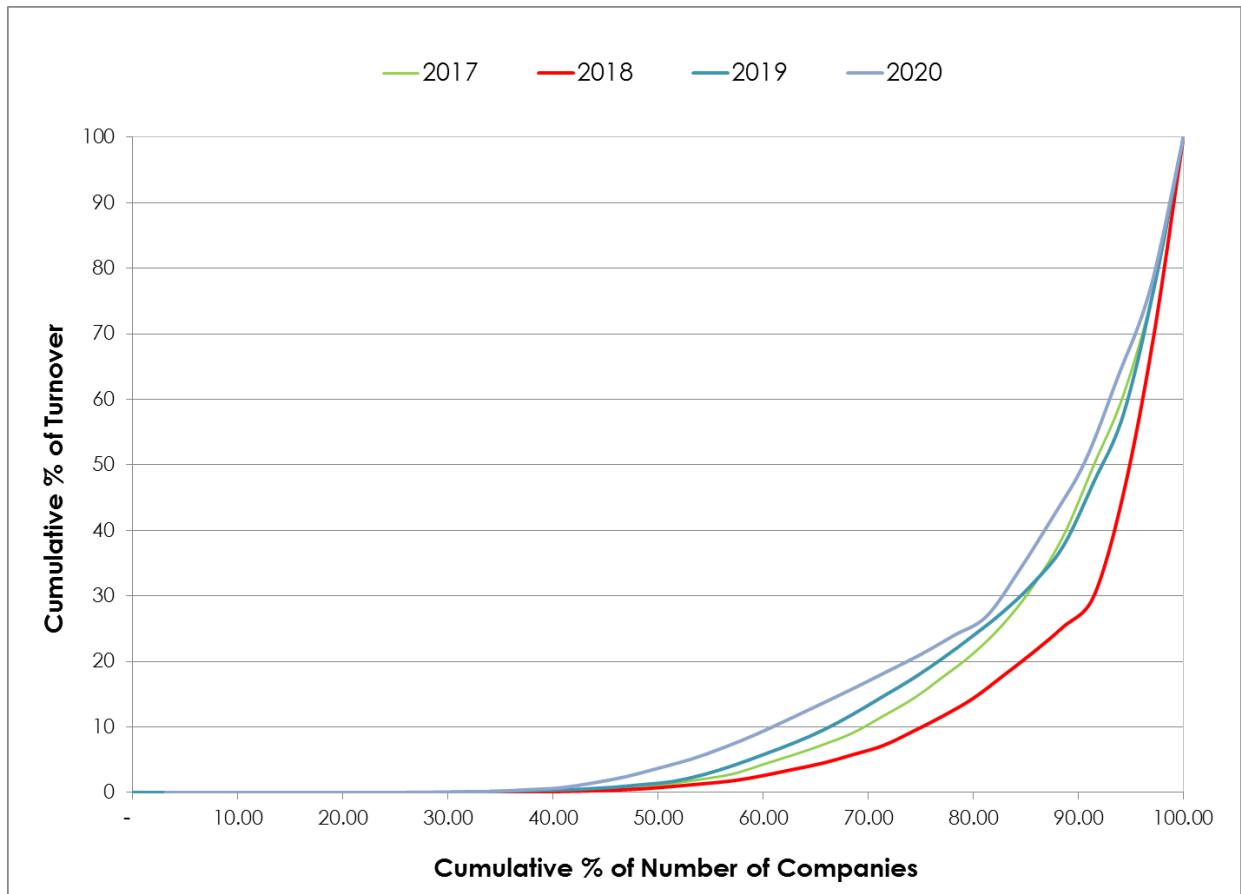
**Figure 5: Stability of Equity Turnover (A): 1 January to 30 September**



The Lorenz Curve in Figure 6 demonstrates that equity turnover was less concentrated on a few counters and widely spread among a larger number of companies relative to the corresponding periods of the previous three years.

This is further evidenced by the top 3 traded companies in terms of value accounting for 49% (P265.8 Million) of total equity turnover. These companies were Letshego (P123.3 Million), FNBB (P73.4 Million), and Sechaba (P69.1 Million).

**Figure 6: Stability of Equity Turnover (B): 1 January to 30 September**



In comparison to the same period in 2019 (Year-to-September) the top 3 traded companies accounted for 53% of total equity turnover. The rankings of companies by turnover thus far in 2020 is shown in Figure 7.

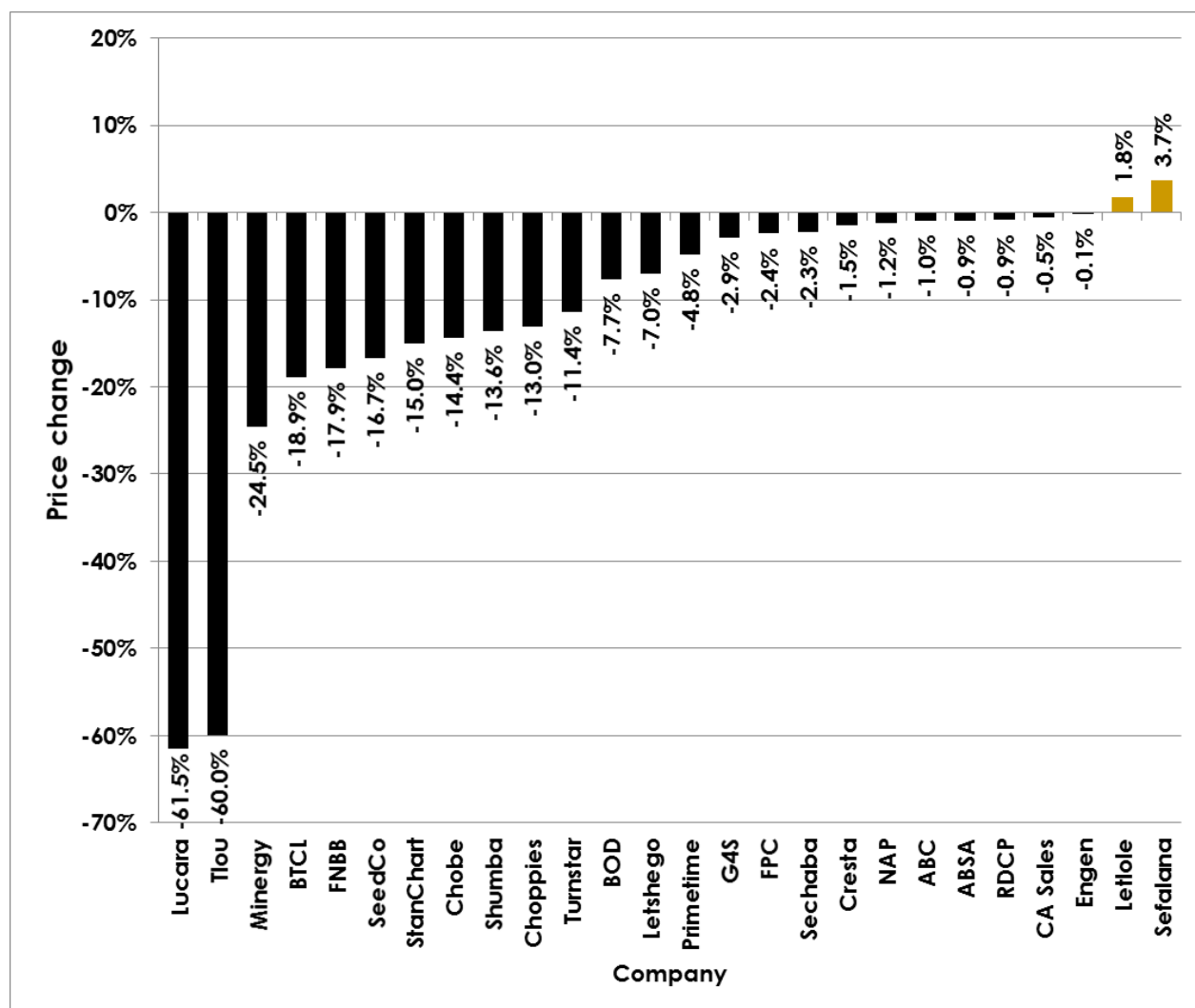
**Figure 7: Companies Ranked by Turnover (BWP): Year-to-September 2020**

|                  | <b>Q1</b>          | <b>Q2</b>          | <b>Q3</b>          | <b>TOTAL</b>       |
|------------------|--------------------|--------------------|--------------------|--------------------|
| <b>COMPANY</b>   | <b>Turnover</b>    | <b>Turnover</b>    | <b>Turnover</b>    | <b>Turnover</b>    |
| <b>LETSHEGO</b>  | 41,825,194         | 19,011,749         | 62,515,220         | <b>123,352,163</b> |
| <b>FNBB</b>      | 32,101,581         | 23,806,929         | 17,452,932         | <b>73,361,442</b>  |
| <b>SECHABA</b>   | 39,328,554         | 29,426,131         | 326,566            | <b>69,081,252</b>  |
| <b>ABSA</b>      | 7,774,530          | 27,706,936         | 10,853,462         | <b>46,334,928</b>  |
| <b>SEFALANA</b>  | 8,441,680          | 3,586,503          | 30,650,983         | <b>42,679,167</b>  |
| <b>BIHL</b>      | 14,124,880         | 14,689,500         | 8,999,513          | <b>37,813,893</b>  |
| <b>NAP</b>       | 7,059,504          | 7,561,826          | 1,133,258          | <b>15,754,588</b>  |
| <b>CHOBE</b>     | 4,101,367          | 5,188,025          | 6,192,184          | <b>15,481,576</b>  |
| <b>LETLOLE</b>   | 12,139,566         | 785,269            | 663,945            | <b>13,588,780</b>  |
| <b>CA SALES</b>  | 318,128            | 3,556,599          | 9,685,316          | <b>13,560,043</b>  |
| <b>SEED Co</b>   | 4,700              | 126,370            | 12,820,858         | <b>12,951,928</b>  |
| <b>TURNSTAR</b>  | 1,678,139          | 10,951,161         | 82,874             | <b>12,712,174</b>  |
| <b>ENGEN</b>     | 3,534,552          | 7,972,632          | 941,001            | <b>12,448,186</b>  |
| <b>STANCHART</b> | 408,268            | 8,292,115          | 2,281,901          | <b>10,982,284</b>  |
| <b>MINERGY</b>   | 17,710             | 9,523,256          | 60,601             | <b>9,601,568</b>   |
| <b>CHOPPIES</b>  | -                  | -                  | 7,410,302          | <b>7,410,302</b>   |
| <b>BTCL</b>      | 4,734,905          | 1,502,419          | 777,968            | <b>7,015,291</b>   |
| <b>RDCP</b>      | 4,386,827          | 503,828            | 189,726            | <b>5,080,381</b>   |
| <b>PRIMETIME</b> | 2,062,231          | 1,909,052          | 46,279             | <b>4,017,561</b>   |
| <b>ABC</b>       | 333,237            | 1,105,400          | 20,282             | <b>1,458,919</b>   |
| <b>CRESTA</b>    | 480,616            | 871,740            | 23,084             | <b>1,375,440</b>   |
| <b>FPC</b>       | 52,308             | 535,680            | 82                 | <b>588,070</b>     |
| <b>G4S</b>       | 127,299            | 23,800             | 1,367              | <b>152,465</b>     |
| <b>SHUMBA</b>    | -                  | 99,001             | 5,975              | <b>104,976</b>     |
| <b>TLOU</b>      | 218                | -                  | 55,752             | <b>55,970</b>      |
| <b>LUCARA</b>    | 13,280             | -                  | 7,680              | <b>20,960</b>      |
| <b>BOD</b>       | 65                 | -                  | 6,816              | <b>6,881</b>       |
| <b>AFINITAS</b>  | -                  | -                  | 182                | <b>182</b>         |
| <b>OLYMPIA</b>   | -                  | -                  | 136                | <b>136</b>         |
| <b>A-CAP</b>     | -                  | -                  | -                  | <b>-</b>           |
| <b>ANGLO</b>     | -                  | -                  | -                  | <b>-</b>           |
| <b>INVESTEC</b>  | -                  | -                  | -                  | <b>-</b>           |
| <b>TOTAL</b>     | <b>185,049,339</b> | <b>178,735,921</b> | <b>173,206,247</b> | <b>536,991,507</b> |

Figure 8 shows the share price performance of listed companies during the period under review. Of the 32 listed companies, 24 experienced share price declines, 2 companies experienced share price increases while 6 had no share price changes. The companies that experienced share price increases were Sefalana and Letlole, which gained 3.7% and 1.8% respectively.

The bottom three companies that experienced share price declines were Lucara, Tlou and Minergy which declined by 61.5%, 60.0%, and 24.5% respectively.

**Figure 8: Share Price Performance: 1 January – 30 September 2020**



Note : Companies that did not experience share price movement are excluded from graph

### 1.3. Investor Contribution to Equity Turnover

As can be noted in Figure 9, local companies contributed 56.9% to total turnover and this is equivalent to P305.7 Million in monetary terms while local individuals contributed 6.4% of total turnover recorded during this period or P34.3 Million in monetary terms. Foreign companies contributed 32.0% or P171.9 Million to equity turnover while foreign individuals and brokers contributed 4.5% (P24.1 Million) and 0.2% (P0.8 Million) to equity turnover

respectively. Figure 10 shows the analysis of investor contribution to turnover on a quarterly basis.

**Figure 9: Investor Contribution to Turnover: 1 January – 30 September 2020**

| Investor Category   | Turnover (Pula)       | Equity Turnover Contribution |
|---------------------|-----------------------|------------------------------|
| Foreign Companies   | 171,913,730.73        | 32.0%                        |
| Foreign Individuals | 24,149,748.91         | 4.5%                         |
| Local Individuals   | 34,348,976.57         | 6.4%                         |
| Local Companies     | 305,731,305.66        | 56.9%                        |
| Brokers             | 847,745.03            | 0.2%                         |
|                     | <b>536,991,506.90</b> | <b>100.0%</b>                |

Source: CSDB

**Figure 10: Investor Contribution to Turnover (%): Q1, Q2 and Q3 2020**

| Investor Category   | 2020         |              |              |
|---------------------|--------------|--------------|--------------|
|                     | Quarter 1    | Quarter 2    | Quarter 3    |
| Foreign Companies   | 28.3         | 24.5         | 43.7         |
| Foreign Individuals | 0.9          | 3.0          | 9.8          |
| Local Individuals   | 7.3          | 5.4          | 6.5          |
| Local Companies     | 63.3         | 66.9         | 39.8         |
| Brokers             | 0.1          | 0.1          | 0.2          |
| <b>TOTAL</b>        | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |

Source: CSDB

## 2. COMPARATIVE PERFORMANCE OF THE BSE WITH SELECTED MARKETS

**Figure 11: Comparative Performance with other Indices: 1 January to 30 September 2020**

| Index     | Index Change (%) |                 |
|-----------|------------------|-----------------|
|           | Local Currency   | US Dollar Terms |
| JSE TOP40 | -1.5             | -17.6           |
| SEMDEX    | -30.7            | -36.6           |
| DCI       | -6.7             | -14.9           |
| MSCI EM   | -2.9             | -2.9            |

Source: Bloomberg, BSE



As can be observed in Figure 11 above, compared to the SEMDEX which lost 30.7% of its value, the DCI performed relatively better declining by 6.7% so far in 2020 in local currency terms. The index tracking the top 40 listed JSE companies by market value had the best performance declining by 1.5% while the MSCI Emerging market index declined by 2.9% over the period.

In US Dollar terms the SEMDEX lost 36.6% due to the 5.9% depreciation of the Mauritian Rupee against the US Dollar. Similarly, the JSE and DCI declined by 17.6% and 14.9% respectively due to the 16.1% and 8.2% depreciation of the Rand and Pula respectively against the greenback during the period under review.

### 3. PERFORMANCE OF EXCHANGE TRADED FUNDS (ETFs)

ETF turnover over the period amounted to P99.1 Million, a 55% decrease from the P180.1 Million generated during the same period in 2019. The number of units traded decreased from 1.3 Million units in 2019 to 0.73 Million units in 2020.

As for price returns, the NewGold ETF price gained 35.9% while NewPlat and NewFunds ETF prices declined 7.5% and 7.3% respectively so far in 2020

Figure 12 summarises the comparable ETF performance for 2019 and 2020 on a year to date basis.

**Figure 12: Performance of ETFs: Year-to-September**

| Indicator             | 1 Jan – 30 September 2019 |         |          | 1 Jan – 30 September 2020 |         |          |
|-----------------------|---------------------------|---------|----------|---------------------------|---------|----------|
|                       | NewGold                   | NewPlat | NewFunds | NewGold                   | NewPlat | NewFunds |
| Turnover (P 'Million) | 150.19                    | 29.9    | 0.02     | 59.3                      | 39.7    | 0.013    |
| Units Traded          | 1,014,683                 | 338,362 | 392      | 344,383                   | 381,878 | 278      |
| Price Change          | 22.0%                     | 15.9%   | 7.6%     | 39.5%                     | -7.5%   | -7.3%    |

### 4. BOND MARKET PERFORMANCE

As shown on Figure 13 the value of bonds traded during the year-to-September 2020 period was P1.99 Billion, compared to P1.43 Billion traded during the same period in 2019. During this period the following corporate bond listings occurred:

- RDCP002 – Listed 26<sup>th</sup> March 2020; Nominal amount P40.2 Million; Floating coupon rate (Bank rate+300bps)

- RDCP003 – Listed on 26<sup>th</sup> March 2020; Nominal amount P12.0: Floating coupon rate (Bank rate+220bps)
- LHL006 (additional tranches) – Listed 19 June 2020; Nominal amount P20.68 Million
- BDC004 – Listed 29<sup>th</sup> September 2020; Nominal amount P162.14 Million; Fixed coupon rate (8.00%)

**Figure 13: Analysis of the Bond Market Performance**

|                                       | 1 Jan – 30 Sep<br>2019 | 1 Jan – 30 Sep<br>2020 |
|---------------------------------------|------------------------|------------------------|
| <b>Value Traded (P'Mn)</b>            |                        |                        |
| Corporate Bond Turnover (P' Mn)       | 27.9                   | 1.64                   |
| Government Bond Turnover (P' Mn)      | 1,399.8                | 1,986.5                |
| <b>TOTAL</b>                          | <b>1,427.7</b>         | <b>1,988.2</b>         |
| <b>Market Capitalisation ( P' Bn)</b> |                        |                        |
| Corporate Bond Market Cap (P' Bn)     | 5.3                    | 5.33                   |
| Government Bond Market Cap (P' Bn)    | 11.2                   | 13.99                  |
| <b>TOTAL</b>                          | <b>16.5</b>            | <b>19.2</b>            |
| <b>Number of Bonds Listed</b>         |                        |                        |
| Government Bonds                      | 7                      | 6                      |
| Corporate Bonds                       | 39                     | 39                     |
| <b>TOTAL</b>                          | <b>46</b>              | <b>45</b>              |

Bank of Botswana (BoB) held three (3) bond auctions so far in 2020. At its first bond auction on 28 February 2020 BoB issued additional tranches of the following bonds: BW013 (P300 Mn allotted); BW014 (P400.0 Mn allotted); and BW015 (P95.0 Million allotted). The total amount raised through the re-opening was P795 Million.

At its second auction on 29 May 2020 additional tranches of the following bonds were issued by BoB: BW012 (P336.0 Million allotted); BW013 (P381.0 Million allotted); and BW014 (P628.0 Million allotted). From this bond auction, a total amount of P1, 345 Million was raised.

At its third bond auction on September 3<sup>rd</sup> 2020 Government raised P1, 830 Million from reopening the following bonds: BW013 (P365.0 Million allotted); BW007 (P434.0 Million); BW014 (P948.0 Million allotted) and BW015 (P83.0 Million Allotted).

Thus far Government has raised P3,970 Million through bonds listed on the BSE. As at end of September 2020, the market capitalisation of listed bonds stood at P19.2 Billion.

