HARNESSING THE POWER OF CAPITAL MARKETS
Foreword

Compliments of the New Year to all BSE News Readers, and welcome to the 13th Edition of BSE News!

What would a new year be without some retrospection of the previous one. I think it is safe to say that 2020 has been a game-changer in nearly every facet of modern life. The COVID-19 pandemic took the world by storm after being declared a Public Health Emergency of International Concern in January 2020, and subsequently a pandemic in March 2020 by the World Health Organisation (WHO).

Just ahead of year end, many countries were already experiencing a much harsher second wave of the pandemic. However, we remain comforted by the progress made in developing a vaccine and hope it will add a different colour to our lives in 2021.

On the back of this pandemic we witnessed unprecedented shifts in everyday life; from how we socialise, to how we invest and everything else in between. It is in light of this past year’s events that we have themed this edition of the BSE News, “Harnessing the Power of Capital Markets”. Undoubtedly, it is evident that capital markets have a pivotal role to play in promoting sustenance during economic downturns and subsequently powering economic recovery. Recalling our COVID-19 think-piece entitled “How Companies Can Utilize the Stock Exchange During and Post-COVID-19 Pandemic” we outlined persuasive reasons for any company to seek financial relief through the stock exchange platform. In this edition, we provide insights into how the pandemic has reaffirmed the role and power of the stock exchange.

Drawing from our local capital market, the BSE primary market activity and corporate actions increased tremendously in 2020, indicating an elevated appetite for added and new capital by issuers. For instance, additional share issuances on the domestic board raised capital amounting to BWP 104 million, while additional share issuances on the foreign board raised a total of BWP 87 million.

Additional listings of notes by corporate bond issuers amounted to BWP 465 million. In the same vein, the Government of Botswana has confronted increased expenditure and suppressed in-flows by increasingly raising funding in capital markets as the country’s top sectors being tourism and mining have been devastated by the pandemic. Government of Botswana in September 2020 increased the domestic debt ceiling from BWP15 billion to BWP30 billion and raised the frequency of Treasury Bills and bonds auctions from quarterly to monthly. This is of course a prudent resolve by the Government and it reaffirms the importance of harnessing the power of capital markets through bond issuances, as a way of providing supplementary funding for the Government.

From an advanced markets viewpoint, it has been interesting to see how the pandemic has nudged global bond markets into an overdue radical change - electronic bond trading.

Until recently, western bond markets have been trading mainly through the telephone. Since April 2020 at the peak of the global health crisis and national lockdowns the world over, more bond trading has been taking place electronically due to two main factors; the growing culture of working from home and the volatility of the markets. Articles from professional journals illustrate that as market volatility surged and liquidity was subdued, bid/ask spreads widened, quoted prices became outdated, and so, it became inefficient to call several dealers for quotes. The trajectory for bond trading seems to point to an electronic trading future the benefits of which include reduced trading costs, improved transparency and broadened market access. At the BSE, we have made significant strides in implementing this new-age culture and we expect to go-live with an upgraded automated trading system that can trade bonds in the first half of 2021.

In closing, let me congratulate Lt. Gen. Tebogo Carter Masire on his re-election as the Chairperson of the BSEL Board of Directors, as well as Mr. Basimane Bogopa as the Vice Chairperson of the BSEL Board of Directors. I would also like to congratulate Mr. Basimane Bogopa and Mrs. Pascaline Sefawe for their re-election and election as Chairperson and Vice-Chairperson of the CSDB Board of Directors respectively.

With that being said, remember to continue adhering to the COVID-19 precautionary protocols. Thank you for your patronage, and we hope you enjoy this edition of the BSE News. Your feedback is important to us, therefore feel free to reach out to us on any of our platforms.

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Chief Executive Officer
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Published by:
The Botswana Stock Exchange Limited

Physical Address:
4th Floor, Fairscape Precinct, Plot 70667, Fairgrounds, Gaborone

Postal Address:
Private Bag 00417, Gaborone, Botswana

Website: www.bse.co.bw

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Know Your Stock Market Terms

**Bullion Market** - A forum through which precious metals such as gold, silver, platinum and palladium can be bought and sold.

**Convexity** - The non-linear relationship between change in interest and the price of a bond.

**Cyclical Stock** - A company (stock) that is sensitive to business cycles and whose performance is strongly tied to the performance of the overall economy.

**Debenture** - A loan issued to a corporate or a government entity that is not backed by specific property or collateral, i.e. an unsecured loan.

**Hedge** - A strategy used to reduce the risk of an investment by making an investment in an asset with different risk and return characteristics.

**Industry Bet** - The act of an investor buying or selling stock in an entire industry rather than in only one company in that industry.

**Market Maker** - A person or brokerage firm that buys and sells securities on its own account in order to facilitate the trading of securities more efficiently.

**Market Noise** - Price and volume fluctuations in the market that result from insignificant information and may often lead to a distortion of one’s interpretation of the direction of the market.

**Price Earnings Ratio (P/E)** - A valuation ratio of a company’s current share price compared to its earnings per share.

**Risk Averse** - Describes an investor who seeks out investments that come with fewer risks, in the interest of avoiding losses.

**Short Selling** - The practice of borrowing shares from one party (usually a broker) and selling the same shares to another party. The short seller then buys the shares from the open market at a future date, and returns them to the lender.

**Ticker Symbol** - Also known as a stock symbol, a ticker symbol is a string of letters used to identify a stock, bond, mutual fund or any other type of investment that is traded on the stock exchange.

*Source: Unpacking Jargon, Fourth Edition*
Introduction
In just over a century, the world has seen major viral outbreaks in the form of the 1918-19 Spanish flu, the 2003 SARS outbreak in East Asia, and the 2014-16 Ebola epidemics in West Africa. Just like other public health crisis, Corona virus has not only had severe impacts on health but has also had negative and damaging effects on the global economy (see Table 1).

The effects of a coronavirus on the economy are much closer to those of a full-blown war. In fear of the widespread disease, many governments around the world imposed comprehensive and strict social distancing measures in the form of lockdowns and restricted movements. These polices have come with adverse effects on both the society and economy including the rise in psychological issues, increase in gender based violence incidents and subdued consumption and investment. In a bid to save the economy from total collapse a number of countries started easing the restriction with some countries slowly reopening their economies and some opting for partial lockdowns to protect susceptible populations.

As of 9th December 2020, a total of 68, 161, 156 cases and 1, 555, 898 deaths were registered worldwide. Data from the Centre for Systems Science and Engineering at John Hopkins University shows that the spread of

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Table 1: Impact of COVID-19 relative to previous pandemics

<table>
<thead>
<tr>
<th></th>
<th>No. of Countries</th>
<th>Duration in months</th>
<th>Number of cases</th>
<th>Number of deaths</th>
<th>Fatality rate</th>
<th>GDP Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spanish Flu (1918-19)</td>
<td>187</td>
<td>24</td>
<td>500 million</td>
<td>17-50 million</td>
<td>3-10%</td>
<td>6-13%</td>
</tr>
<tr>
<td>SARS(2003)</td>
<td>8</td>
<td>6</td>
<td>8,096</td>
<td>774</td>
<td>10%</td>
<td>0.5-1%</td>
</tr>
<tr>
<td>Ebola(2014-16)</td>
<td>3</td>
<td>26</td>
<td>28,616</td>
<td>11,310</td>
<td>40%</td>
<td>5-20%</td>
</tr>
<tr>
<td>Coronavirus(2020-)</td>
<td>184</td>
<td>64.6</td>
<td>1.4 million</td>
<td>4%</td>
<td>5-8% (World Economy)</td>
<td></td>
</tr>
</tbody>
</table>
coronavirus in terms of number of cases is quite heterogeneous across countries and regions. At 29 million, the Americas have the largest number of cases, followed by Europe (19 million) and Asia (16 million). Africa, one of the poorest regions in the world has the lowest number of cases at 2.2 million. Even across countries, the number of cases is quite asymmetric with the United states (14.9 million) reporting the largest number of cases, followed by India (9.7 million), Brazil (6.6 million) and Russia (2.5 million). In Africa, South Africa (817 thousands), Morocco (381 thousands), Egypt (118 thousand), Ethiopia (113 thousand) and Tunisia (104 thousand) have reported the most cases (see Figure 1 and Figure 2). Some countries, such as Botswana, has to date reported the smallest number of COVID-19 cases at 12, 058 cases and 36 deaths.

Figure 1: COVID-19 cases by country

Source: Centre for Systems Science and Engineering (CSSE), Johns Hopkins University

Figure 2: COVID-19 cases by region

Source: European Centre for Disease Prevention and Control

1 See the COVID-19 Dashboard at https://coronavirus.jhu.edu/map.html
The economic impact unleashed by the pandemic is hurting economies regardless of the number of cases or GDP stature. A low impact of COVID-19 in terms of number of cases does not necessarily translate into low economic impact. A number of countries especially in Sub-Saharan Africa are experiencing economic downturn despite the number of COVID-19 cases being low. The pandemic, which is a global shock, has led to simultaneous disruptions to both supply and demand in the globally interconnected economy. On the supply-side, infections have reduced labour supply and productivity while lockdowns have also led to supply disruptions. From the demand-side perspective, layoffs and the loss of income (from morbidity, quarantines, and unemployment) and worsened economic prospects have reduced household consumption and firms’ investment. The extreme uncertainty about the path, duration, magnitude and impact of the pandemic pose a vicious cycle of dampening business and consumer confidence and tightening financial conditions, which could lead to job losses and investment.

Globally, the pandemic has resulted in output contraction across many economies. Despite Sub-Saharan Africa countries recording the least number of cases, estimates from the World Bank and other economic agencies suggest that Sub-Saharan Africa will be the most affected economically, mainly due to the structure of their economies, with poor infrastructure and their reliance on primary sectors, agriculture, mining and forestry and so they are particularly impacted by disrupted supply chains and lower demand for their goods and services. The latest updates from the International Monetary Fund, released in October 2020, projects the world economy to shrink by 4.4% this year. While all regions are expected to contract, forecast suggests that advanced economies will record the lowest growth of 5.8%, emerging markets projected at -3.3% and Sub-Saharan Africa -3.0%. The World Bank, on the other hand, projects a much larger decline in the world economy between 5.2% and 8% in 2020. The World Bank anticipate economic activities among advanced economies to shrink 7% in 2020 as domestic demand and supply, trade, and finance have been severely disrupted. Emerging markets and developing economies are expected to shrink by 2.5% and per capita incomes forecasted to decline by 3.6%. Countries such as Spain, Germany, Italy and France will experience a decline of over 7% while USA will experience a decrease of about 6%.

While there is agreement that the world economy will contract this year, economic data from China suggest that the country has already gathered economic recovery pace. This follows China’s central bank injection of liquidity in the economy to support growth and employment after widespread travel restrictions that choked economic activities. In the second quarter of 2020, the world’s second largest economy saw a growth of 4.9% between July and September, compared to the same quarter last year. China’s recovery is mostly driven by a rebound in exports and domestic tourists and travellers. The United States on the other hand experienced two consecutive quarters of decline in GDP from the fourth quarter of 2019. In the second quarter of 2020, economic output in the US declined by 9.1%, the steepest drop given that quarterly GDP in the US has never dropped more than 3%.

Botswana’s economy contract further despite economic relief packages

Data from Statistics Botswana shows that the Botswana’s economy has been badly hurt by the lockdowns and social distancing measures implemented by the government to curb the spread of the disease. Projections of the potential COVID-19 impacts on Botswana’s economy for the 2020 vary widely. However, there is a broad agreement that the Botswana’s economy will shrink given the sudden stop in critical sectors of the economy and the resulting income loss in the informal and SMME sector, combined with adverse effects on financial markets, consumption and investment confidence. In his State of the Nation Address (SONA) 2020, the President of Botswana, stated that the Botswana’s economy will contract by 8.9% in 2020. The slow growth in the Botswana’s economy is attributed to an expected sharp contraction in major sectors such as mining (-24.5%), trade hotels and restaurants (-27.4%), construction (-6%), manufacturing (-3.9%) and transport and communications (-2.5%). The government of Botswana projections suggests a much larger contraction than the initial -5.4% estimates of the IMF and the Moody’s projection of -7%.

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CORONAVIRUS EFFECT ON THE ECONOMY AND ECONOMIC RESPONSE PACKAGES IN BOTSWANA

However, estimates from the World Bank and other economists paint a much bleak future for the Botswana economy. The latest report by the World Bank of October 2020, projects Botswana’s economy to shrink by at least 9.1% in 2020. A New Dawn Unleashed Amid COVID-19 report by Botswana stock exchange projects a much larger contraction of between 14.7% and 19.5%. The report projects that the COVID-19 will have a much larger impacts on the key sectors of the economy, more specifically the diamond and tourism sector. It is envisaged that the mining sector will contract by at least 45% while the tourism sector will shrink by a much larger magnitude of at least 55%. Both external and fiscal pressures will become prominent in 2020, with the overall deficit expected to double from 4% of GDP in 2019 to about 8% this year.

According to the latest national accounts’ data – Gross Domestic product: Second Quarter of 2020, released by Statistics Botswana in September 2020, at P18, 848.7 million, the domestic economy shrank 24% year-on-year in the second quarter of 2020, down from a positive growth rate of 2.7% in the first quarter of 2020.

![Figure 3: GDP Growth](source: Prepared by the Author using Statistics Botswana data)

The steep reduction in the economy was mainly due to contractions in the critical sectors of the economy such as mining (-60.2%), trade hotels and restaurants (-40.3%), construction (-36%) and transport and communications (-16.9%). In contrast, Government, Agriculture and Water and electricity grew sharply in the second quarter of 2020 (see Table 2). Agricultural activity grew by 3% from 0.3% in the first quarter of 2020, mainly boosted by crops (2.1%) and horticultural farming (3.1%). On quarterly basis, the GDP plunged at a record 24.8%, following a downward revised 0.8% fall in the previous quarter.
Despite a well-structured and timely stimulus package having the potential to reverse or prevent the effects of an economic crisis, in some instances stimulus packages might not drive the economy towards the desired positive growth channel. This is because economic hardships or crises are not only about changing demand and supply patterns but might weigh significant on social and psychological structure of a society. For instance, during the 2007 to 2009 financial crisis, the congress responded by passing the Troubled Asset Relief Plan (TARP), which initially planned to buy US $700 billion worth of “troubled assets” from only the financial industry. There is argument that despite this injection, the financial system failed to direct that liquidity towards good investment opportunities. As a result, most of the money circulated within the financial sector instead of supporting the real economy. This left taxpayers with the same hardships, even more unequal economy as compared to before.

Table 2: Botswana Annual Growth Rate (2005 - 2019) for selected sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>GDP growth rate (%)</th>
<th>Sector</th>
<th>GDP growth rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>3</td>
<td>Finance</td>
<td>-11.9</td>
</tr>
<tr>
<td>Mining</td>
<td>-60.2</td>
<td>General government</td>
<td>2.1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2.3</td>
<td>Social and personal services</td>
<td>-13.3</td>
</tr>
<tr>
<td>Water &amp; electricity</td>
<td>0.3</td>
<td>Value added</td>
<td>-25.6</td>
</tr>
<tr>
<td>Construction</td>
<td>-36.0</td>
<td>Taxes on imports</td>
<td>5.9</td>
</tr>
<tr>
<td>Trade, hotels and restaurant</td>
<td>-40.3</td>
<td>Other taxes on products</td>
<td>-25.4</td>
</tr>
<tr>
<td>Transport and communication</td>
<td>-16.9</td>
<td>Subsidies</td>
<td>5.3</td>
</tr>
</tbody>
</table>

Source: Statistics Botswana

Economic Response Strategy

An economic crisis can begin in various ways, from runaway inflation, world war to a worldwide health crisis. Regardless of how the crisis started, there is a general rule of thumb on the most effective way of fixing the crisis: Throw money at it, and plenty of it. In an economic crisis, like the current one, economic agents spend less and a lot less and governments are often forced to intervene via fiscal stimulus measures, with big spending of its own. Despite a well-structured and timely stimulus package having the potential to reverse or prevent the effects of an economic crisis, in some instances stimulus packages might not drive the economy towards the desired positive growth channel. This is because economic hardships or crises are not only about changing demand and supply patterns but might weigh significant on social and psychological structure of a society. For instance, during the 2007 to 2009 financial crisis, the congress responded by passing the Troubled Asset Relief Plan (TARP), which initially planned to buy US $700 billion worth of “troubled assets” from only the financial industry. There is argument that despite this injection, the financial system failed to direct that liquidity towards good investment opportunities. As a result, most of the money circulated within the financial sector instead of supporting the real economy. This left taxpayers with the same hardships, even more unequal economy as compared to before.

Once again as the COVID-19 continues to ravage economies, with most sectors such as mining, travel and tours, as well as most businesses on ice. With most business on ice, various countries have already initiated stimulus packages. However, having learnt from the 2007/9 economic crisis a number of countries have introduced bailouts with strings attached, including commitments to freeze layoffs, limit stock buybacks and in some instances requiring companies to halt raises for executive employees.

In a bid to save its economy from total collapse, on the 27th March 2020 America signed in to law a US$2 trillion coronavirus economic stimulus bill. The legislation aimed at providing financial assistance in the form of relief to individuals and businesses that have been negatively impacted by the coronavirus outbreak. This includes direct payments to individuals, extension of unemployment insurance fund, delayed payments of payroll taxes and loans, small business relief...
and guarantees to bid corporation. In a similar fashion on the 1st of December 2020, Canada’s federal government announced a US$77 billion economic relief package to kick start its economy. The largest economic relief package Canada has ever announced since World War II. It is forecasted that the spending will bring Canada’s deficit to a historic C$38 billion by March 2021. Industries which have been vulnerable to economic shutdowns like tourism, travel and arts will be eligible for a C$1 million, with a 10-year term. The package will also cater for the Canada’s lower and middle income families, who will be paid up to C$1,200 for each child under the age of 6.

Botswana economic response strategy similar to big guys’ strategies

Botswana’s economic response strategy is somehow similar to that of Canada and the United States of America. The difference is only observed in the magnitude, which is somehow understandable given the heterogeneity in the size of economies. In responding to the COVID-19 and to ensure that its economy stays afloat amid COVID-19, Botswana introduced both a monetary and fiscal economic relief package in April 2020. In November 2020, more than Four Billion Pula (P4 billion) was spent on various components of the relief package. Fiscal measures that were put in place included broad-based tax relief (such the provision for deferment of profit taxes payable by businesses; waiver of the Training Levy for six months), a three-month wage subsidy for businesses that have been adversely affected by COVID-19, loan guarantee scheme to support access to bank credit by affected businesses, increasing health and other expenditures directly related to COVID-19, such as treatment, testing, quarantine and contact tracing and repayment holidays for bank loans for adversely affected borrowers. While other countries such as South Africa made lump-sum payments to households (the so-called helicopter money), Botswana provided food baskets for eligible low-income households. Both the extreme social distancing measures, including the lockdowns and the economic relief packages were all implemented with an urgent need to prevent a catastrophic economic collapse that would have dire human, social, and health consequences.

To revive its economy from the coronavirus, Botswana needs a total of 40 billion pula (US$3.4 billion) over the next two and half years. The estimated total cost of an economic recovery and transformation plan (ERTP) is at about P20 billion for the next two and half years. Moreover, it is anticipated that budget deficit for the same period will amount to 20 billion pula. The ERTP will mostly invest on sectors that have been heavily hit by the coronavirus including agriculture, health infrastructure, transport and the tourism sector. Funding for the economic recovery plan and the deficit will be sourced mostly from domestic borrowing, drawing down on government savings, and taxes.

To further reboot the economy and cushion the economy, the government has set up a P1.3 billion industry Support Fund, with an objective of supporting local businesses. On the other hand, the National Development Bank (NDB) established a Fifty Million Pula (P50 million) Agri-Business Stimulus Fund to promote smart farming. The government also aims to support SMMEs via the supply of essential goods and services during the pandemic. Moreover, NDB created a Twenty Million (P20 million) essential services fund to assist businesses with purchase orders financing.

To assist the informal sector, which seems to have been forgotten in the previous relief packages, the government of Botswana, through the Citizen Entrepreneurial Development Agency announced a package relief aimed at resuscitating the informal sector. The package has to date, assisted 3, 873 micro businesses valued P17.6 million and protected 4, 066 jobs. Moreover, the Agency created a COVID-19 Relief Fund, which has assisted 62 businesses at a cost of P35 million.

By Dr. Onkokame Mothobi

Lecturer at University of Botswana, Department of Economics and an Associate Researcher at Research ICT Africa, Cape Town.
In line with the BSE Corporate Social Investment (CSI) Policy called Dipoelo Program, the Exchange has adopted Kareng Primary School in Ngamiland District and Metsimantsho Primary School in Ghanzi District for 3 years, under the Government-driven Adopt-a-School initiative, effective 1st January 2021.

The Adopt-a-School initiative was introduced by the Government of Botswana to facilitate Public-Private sector participation in the delivery of quality education across the country. As a proponent for youth development and empowerment, the BSE has taken full advantage of this initiative by making it our mission to be a conduit for the delivery of quality education in society, in the process contributing to the Sustainable Development Goal (SDG) 4 of Quality Education.

Several considerations determine a student’s academic success, for example the number of students per classroom, the availability of teaching resources for educators and access to learning material and stationery, just to name a few. Our selection process of the schools to adopt involved a methodical needs-assessment of every proposal from the applying schools, based on conditions that affect the delivery and attainment of quality education such as the aforementioned.

The adoption of the two schools follows the conclusion of BSE’s adoption of Kanngwe Primary School, from 2017 to 2020. During this period, the BSE’s efforts contributed to a substantial increase in the pass rate of Kanngwe Primary School from 47% in 2017 to 87% in 2019. It is, henceforth, our goal to yield the same if not better results for Kareng and Metsimantsho Primary Schools during our 3-year tenure.
1. Global Perspectives

Fixed income markets have undergone considerable development over the past two decades, particularly with a shift and concerted policy initiatives towards electronic bond markets, and away from the over-the-counter (OTC) markets which are predominantly phone-based. Reflecting on the innovation and evolution in the fixed income market, Vanguard in 2016 conceded that electronic trading has allowed a more diverse set of participants to enter the market, introducing new sources of liquidity, increasing competition, and reducing transaction costs.

In recent times, the COVID-19 pandemic has also helped to draw attention to electronic bond markets. Reuters, in June 2020, cast light into how the pandemic has propelled old-school traders towards an electronic future, citing a client of a US-based trader with an order of $2.5 billion worth of treasuries who found it near-impossible to trade that quantum in such highly volatile markets owing to the pandemic as dealers refused to quote prices by phone. Consequently, the client resolved to break up the order into smaller chunks and processed them electronically. The key takeaway from this experience was what the traders signalled, according to Reuters, that the traders could not keep up with quoting on the phone with the client adding that “what this crisis has shown us is that really if you weren’t trading electronically, you should be trading electronically”.

In Europe, efforts by MiFID II to improve transparency are credited for boosting electronic trading. According to an estimate by Greenwich Associates, a consultancy that specialises in data, analytics and financial markets insights, as at June 2020 around 45% of European fixed-income market was traded electronically, as against 38% at the same time in 2019. This suggests that COVID-19 could have accelerated the shift towards electronic bond markets, as volatility spiked and a need for liquidity and transparency heightened.

Interestingly, certain markets have never had to debate the value proposition of electronic trading versus OTC markets. The Tel Aviv Stock Exchange (TASE) in Israel stands out as a unique market as corporate bonds and government bonds have been traded electronically on the exchange from its beginning in 1953. Research by Abudy and Wohl (2017), finds that electronic trading at TASE has significantly enhanced competition and efficiencies, consequently lowering spreads and transaction costs. The researchers cite that the limit order book encourages competition among the many dealers, versus the OTC market, which they describe as inherently uncompetitive because of lack of pre-trade transparency.

Furthermore, their assertion is that dealers have high bargaining power and therefore do not fully compete on price, with each marking up the prices knowing that the customer will incur some costs if they shop further and cannot practically search the entire market for the best deal.
This is in comparison to an electronic order book where all prices are visible to everyone all at the same time, encouraging competitiveness in pricing. TASE provides the clients with online access to the exchange without any human intervention such that the clients can see the status of the order book online and submit orders which, through the members, are transmitted immediately to the exchange.

The Korean securities market often serves as a valuable guide to Fon other emerging market countries, and this has been found to be the case even for the bond market. The 1997 Asian financial crisis, the root cause of which was the heavy reliance on short-term foreign capital and over-dependence on the banking system for domestic financing, due to the underdevelopment of the bond market was an impetus for Asian countries to focus their efforts in trying to develop the domestic bond markets. In the case of South Korea, according to Jang, Kim and Kang (2016), the government focused its energies on the development of the exchange market rather than the OTC market due to greater transparency and price discovery function of the exchange market, and this has over time had a distinct impact on the quality of the exchange market in terms of the trading costs and liquidity.

2. Developments in Africa

African capital markets have equally embraced the electronification of bond markets, particularly owing to the extensive development in financial market infrastructure with respect to both trading and settlement systems and also owing to the policy initiatives aimed at modernising African capital markets. Most African stock exchanges started automating their equity markets from the beginning of the 21st century and have followed on with the automation of bond markets, including initiatives to interconnect stock exchanges for participants to trade foreign securities from their home countries. Naturally, African capital markets are small and with the calibre and quantum of investment made in trading and settlement systems, which are mostly used for the nascent equity markets, it’s a compelling case to on-board other securities such as fixed income into these automated platforms.

A brief published by CFA Institute Research Foundation in November 2019, titled “African Capital Markets – Challenges and Opportunities”, details the progress being made by African exchanges in many fronts, including the automation of bonds markets. To highlight a few, the Ugandan Stock Exchange (USE) indicated it is in the process of linking its CSD system to the electronic trading platform to enable trading of government bonds at the USE, an initiative that is aimed at enhancing retail access to government securities through a network of securities brokers. The Johannesburg Stock Exchange (JSE) declared that it has evolved into a sophisticated modern securities market providing fully electronic trading of all listed securities including bonds.

A survey of Southern Africa Development Community (SADC) bond market practises, conducted for SADC Committee of Central Bank Governors in 2020, highlighted that despite the historical practice of bonds trading OTC, trading bonds on the stock exchanges presents an opportunity to deepen the market for government securities. There is a clear consensus from the region’s governors in terms of positioning electronic bond markets as stimulants of secondary market liquidity which is necessary to support fiscal capacity within the region. At their own paces, several SADC countries are exploring deepening their capital markets through automation of bond markets.

3. Developments in Botswana

Historically, the Botswana bond market has operated as a fragmented bond market with government bonds trading OTC and corporate bonds trading on the Botswana Stock Exchange (BSE). A diagnostic study prepared by Investec for Bank of Botswana (2011) recommended that as the BSE was implementing electronic systems, the initiative needed to be fast-tracked and consideration be given to government securities being traded through the BSE’s automated trading system and settled through the CSD system, launched in 2008, in order to facilitate continuous trading and price discovery.

A lot of work has been put into automating the bond market since the introduction of the ATS at the BSE in 2012. While the ATS at the
According to the BSE, the benefits of automating bond markets include (i) pre and post-trade transparency; (ii) real-time information dissemination; (iii) retail investor access to bond markets; (iv) lower transaction costs; (v) price discovery; and (vi) improved liquidity – all of which will result in the overall attractiveness of the Botswana bond market to both domestic and international investors.

4. Final thoughts

To trade or not to trade bonds on the stock exchange? To automate or not to automate bond markets? However the question is posed, there are compelling reasons and abundant evidence for the automation of bond markets and trading bonds on the stock exchange.

In global bond markets, the pandemic has exalted the need for liquidity which is near-impossible to access in OTC markets. Locally, the pandemic has also enabled the acceptance of corporate bonds as collateral by the Central Bank, something which would be a nightmare to undertake without bonds being dematerialized or being electronic. Policymakers are embracing the opportunities brought along by automation and the need to explore the excess capacity presented by the rapid developments and investment in financial markets technology. The inherent nature of electronic bond markets as “sweet pots of liquidity”, given their ability to unite different categories of market participants and investors in one place, cannot be overemphasised. Thus, “if you weren’t trading electronically, you should be trading electronically”.

By Kopano Bolokwe
Head of Product Development
Botswana Stock Exchange

Electronic bond trading activity surges in March

Month-to-month trading volumes on MarketAxess platform

<table>
<thead>
<tr>
<th>Month</th>
<th>Trading Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>November</td>
<td>$600 bn</td>
</tr>
<tr>
<td>December</td>
<td>$650 bn</td>
</tr>
<tr>
<td>2020 April</td>
<td>$680 bn</td>
</tr>
<tr>
<td>February</td>
<td>$750 bn</td>
</tr>
<tr>
<td>March</td>
<td>$800 bn</td>
</tr>
<tr>
<td>April</td>
<td>$700 bn</td>
</tr>
<tr>
<td>May</td>
<td>$600 bn</td>
</tr>
</tbody>
</table>

Source: MarketAxess Corporation
CONTRIBUTION OF THE BSE TO THE SADC REGION AND AFRICAN CONTINENT

The BSE is committed to making strides beyond its borders, to internationalizing the bourse and influencing capital market development for the long-lasting good of the SADC region and the African continent.

Focusing on the SADC Region, the BSE has been a member of the Committee of SADC Stock Exchanges (CoSSE) since its inception in 1997, and was inaugurated as the host of the Secretariat for a 5-year tenure in 2018 - taking over from the Johannesburg Stock Exchange. It is since this appointment that the BSE was able to allegorically kick its efforts into high gear and make some significant headway within the Committee.

Firstly, the BSE as the CoSSE Secretariat successfully facilitated the renewal of the Committee’s 5-Year Strategy. This was an important feat in that CoSSE’s strategic objectives and initiatives are guided and informed by this document, thereby giving the Committee direction and enforcing accountability.

Secondly, the BSE as the Secretariat functions as the mouthpiece for Committee Members to the SADC Secretariat, SADC Sub-Structures and other stakeholders that are pivotal in the advancement of SADC Capital Markets. Official proposals and recommendations are continuously submitted on behalf of Members, either advocating for the removal of obstructive regulations and/or policies, requesting for intervention where required, or requesting funding for CoSSE’s strategic initiatives.

Since assuming the role of CoSSE Secretariat, the BSE has aggressively pursued funding opportunities as they have presented themselves, for the benefit of the committee. We are pleased to announce that we have officially secured funding from three (3) organisations, all of which will be invested into various breakthrough ideas that have the potential to transform the SADC Capital Markets and cultivate thriving and sustainable economies.

CoSSE CHAIRPERSONSHIP RE-ELECTION

On the 20th of October 2020 during their virtual meeting, the members of (CoSSE) re-elected the BSE Limited CEO, Mr. Thapelo Tsheole, as the Chairperson for a 2-year tenure ending in 2022. Mr. Thapelo Tsheole was originally elected CoSSE Chairperson in 2018, following the relinquishing of the position by the Johannesburg Stock Exchange. To date, Mr. Tsheole has been instrumental in the propelling of CoSSE’s mandate. One of his achievements for CoSSE includes leveraging on CoSSE’s access to key players in the capital markets and motivating for the approval for government bonds trading in the secondary market to be centralized at the Exchange.

CoSSE was formed in 1997 with the objective of improving the operational, regulatory and technical underpinnings and capabilities of SADC Exchanges in order to make their securities markets more attractive to both regional and international investors.

The Committee also aims to increase market liquidity and enhance trading in various securities and financial instruments, as well as encourage the development of a harmonized securities market environment within the SADC region. Currently, the membership of the committee comprises of fourteen (14) stock exchanges from thirteen (13) SADC countries.

For more information about CoSSE, visit our website at www.cosse.africa, or contact the Secretariat via telephone at +267 3674421, or email us at cossesecretariat@bse.co.bw.
Regional and Continental Integration

ASEA has close working relations with member exchanges and other fundamental actors within the capital market arena to position the African capital markets as key enablers of economic prosperity on the continent by the year 2025 by pursuing the following objectives:

- Enhancing the visibility of ASEA members at the international level with a view to attract capital inflows to African Capital Markets
- Providing an authoritative information portal on African public markets and provide aggregated statistics and information on African Exchanges
- Being a powerful lobbying and advocacy voice for Member Exchanges
- Promoting market development among Member Exchanges
- Promoting Capacity Building and Training for Member Exchanges
- Initiating Strategic Alliances on behalf of Member Exchanges

Moreover, this presents an undertaking to further elevate capital markets in Africa with the concerted efforts of our industry experts. Established in 1993, ASEA is recognized as a premier association of twenty-seven (27) Securities Exchanges in Africa serving thirty-two (32) economies, that have assembled to develop member exchanges and unlock the potential of African capital markets to meet international best practice and achieve global competitiveness.

On the 24th of November 2020, Mr. Thapelo Tsheole was elected Deputy President of the African Securities Exchanges Association (ASEA). This is an important milestone for BSE Limited, which offers an unprecedented opportunity for us to maximize on this visibility. The BSE has been pursuing a strategy to expand beyond our regional presence, into that of Africa and the globe. Mr Tsheole also serves as the Chairman of the ASEA Market Development Group, which under his leadership since 2016, has, among others, published various flagship reports aimed at deepening African bonds markets, attracting issuers and investors to African exchanges and showcasing the opportunities and challenges in African capital markets.

Members of CoSSE at the 56th Bi-Annual CoSSE Meeting held at Cresta Mowana Lodge, Kasane in Botswana.
MARKET PERFORMANCE
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2020

EXECUTIVE SUMMARY

According to the latest updates from the International Monetary Fund, released in October 2020, the world economy is projected to shrink by 4.4% in 2020. Amid a weaker global output, falling revenues and widening fiscal deficits mainly in an effort to contain the COVID-19 pandemic, growth in Sub-Saharan Africa is set to register a contraction of 3.0%. Domestically, the real gross domestic product (GDP) in the first quarter came out at 2.7% positive growth before a very sharp contraction of 24.0% in quarter two. Third quarter GDP registered a decline of 6.0%. However, the economy is forecast to register an overall decline of 8.9% in 2020 before rebounding to 7.7% in 2021.

On the back of heightened risk aversion and increased volatility, global Initial Public Offerings (IPOs) were down 42.7% in 2020 according to the half year statistics of the World Federation of Exchanges (WFE) relative to the same period in 2019. While the pandemic initially suppressed world markets, majority of the indices have recovered from their 2020 lows. Similarly, most African markets experienced major sell-offs but pulled back from their lowest points progressively. The FTSE ASEA Pan Africa Index (ex. South Africa) ultimately closed the year with a negative return of 1.5%.

Listed companies equally experienced the challenges brought about by the pandemic particularly on the back of national lockdowns and restrictions in movement. Stock markets are usually regarded as a barometer of the economy and it is not surprising that the Domestic Company Index (DCI) declined by 8.2% in 2020, which seems to mirror the anticipated decline of 8.9% in the national economy in 2020. Against this challenging backdrop, the BSE’s disposition has been to consistently explore ways of improving the resilience of the domestic capital market.

While the year ended without any new equity listings, there was tremendous activity in the equity primary market, and in the fixed income market in terms of new bond listings. Additional share issuances on the BSE raised capital amounting to P103.9 Mn and P86.5 Mn on the domestic board and the foreign board respectively. New bonds issued by corporates raised P465 Mn while Government raised a record P5.2 Bn through additional tranches of existing bonds. This remarkable level of activity reaffirms the importance of harnessing the power of capital markets to consistently raise capital. We also credit this level of activity to our efforts of sensitizing the market and issuers as to how companies can utilise the stock exchange during and post-COVID-19 pandemic, which were carried out by way of a well-publicised paper and through virtual interactions especially in the second half of the year.

The outlook for 2021 is extremely hard to quantify, but forecasts of the economic downturn point to a very challenging period for the national economy. In 2020, we aggressively promoted the listings value proposition and it has been heart-warming to note the appetite by several companies to list in the short to medium term. Interestingly, the pandemic has challenged most unlisted companies to restructure and look for avenues of sustainable long term capital, being the stock exchange, which is very important in pandemics such as this that negatively affect solvency and access to traditional finance. Similarly, Government has also increased its Bond Issuance Programme from P15 Bn to P30 Bn, along with increased frequency of auctions. All these positive indications and developments pre-empt that the capital market will continue to be active in 2021 despite the backdrop of a tough economic environment.

We are also proud of the various innovations we implemented in 2020, such as a renewed website and a new MobileApp, and the progress we made towards introducing the new CSD system and an upgraded ATS system. These technology infrastructure developments will significantly transform the landscape going forward, and we equally expect that they will contribute materially to the bottom line.
1.0 MARKET STATISTICS

Figure 1 presents a snapshot of the overall market indicating the number of listed instruments across the three asset classes, the total market value of the three asset classes and the trading activity in these asset classes in 2020 and 2019.

![Figure 1: Market Statistics](image)

<table>
<thead>
<tr>
<th>ASSET CLASS</th>
<th>LISTED INSTRUMENTS</th>
<th>MARKET CAP (P'Mn)</th>
<th>TURNOVER (P'Mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>33*</td>
<td>391,222.1</td>
<td>698.6</td>
</tr>
<tr>
<td>Bonds</td>
<td>43</td>
<td>20,586.7</td>
<td>2,756.8</td>
</tr>
<tr>
<td>ETFs</td>
<td>3</td>
<td>654.7</td>
<td>137.2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>79</td>
<td>412,463.5</td>
<td>3,592.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ASSET CLASS</th>
<th>LISTED INSTRUMENTS</th>
<th>MARKET CAP (P'Mn)</th>
<th>TURNOVER (P'Mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>33*</td>
<td>407,874.2</td>
<td>1,810.9</td>
</tr>
<tr>
<td>Bonds</td>
<td>46</td>
<td>17,288.3</td>
<td>2,175.4</td>
</tr>
<tr>
<td>ETFs</td>
<td>3</td>
<td>654.7</td>
<td>196.2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>82</td>
<td>425,817.2</td>
<td>4,182.5</td>
</tr>
</tbody>
</table>

Source: BSE
*Takes into account BBS Limited, registered on the Serala OTC Board.

A total turnover of P3.6 Bn was recorded in 2020 compared to P4.2 Bn in 2019, a decline of 14.1% as noted in Figure 1. This is mainly on account of a 61.4% reduction in equity turnover relative to 2019. Notably, bonds recorded a 26.7% increase in turnover and this is attributable to the high demand for capital especially during an economic downturn, by both corporates and Government. For Botswana, increased amounts of capital through bond issuances are expected given the declining revenue contributions from key sectors, the Government’s objective of sustaining a fiscal deficit for the coming years and also the generally low domestic debt ceiling which provides space for bond issuances.

2.0 EQUITY MARKET PERFORMANCE

2.1 Equity Market Statistics

The performance of local equities reflects, to a larger extent, the trajectory of the local economy. The operational performances of listed companies have been adversely affected by the restrictions imposed to contain the virus, among others, and this translated into lower trading activity as investors rather preferred to trade cautiously.

From a return perspective, The DCI registered a decline of 8.2% in comparison to a decline of 4.6% in 2019 as noted in Figure 2. Notwithstanding, majority of the companies have sustained dividend payouts even amid declining profitability and this has cushioned the adverse performance of share prices, meaning that in terms of total returns the DCI total return index (DCTRI) declined by a lower amount of 3.6%. Thus, while prices were declining on aggregate, investors were still able to benefit from the dividend payouts and this helped to reduce the overall decline in price returns.
On a yearly comparison basis, trading activity has trended much lower in 2020 compared to the previous 3 years as shown in Figure 3.

A further analysis of the monthly evolution of liquidity in 2020 is presented in Figure 4.
MARKET PERFORMANCE FOR THE PERIOD
1 JANUARY TO 31 DECEMBER 2020

2.2 Companies Contribution to Turnover

Figure 5 ranks listed companies by their contribution to turnover or their trading activity in 2020. The top 3 traded companies during the period under review were Letshego (P170.7Mn), FNBB (P81.2 Mn) and Sechaba (P78.0 Mn). The total turnover from these 3 companies accounted for 47.2% of total equity turnover, with the leading counter Letshego accounting for 24.4% of total equity turnover. In comparison to the same period in 2019, the top 3 traded companies accounted for 42.8% of total equity turnover with the leading counter Wilderness accounting for 15.6% of total equity turnover.
Figure 5: Companies Ranked by Turnover on a Quarterly Basis: 2020

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>LETSEGO</td>
<td>41,825,194</td>
<td>19,011,749</td>
<td>62,515,220</td>
<td>47,385,052</td>
<td>170,737,215</td>
</tr>
<tr>
<td>FNBB</td>
<td>32,101,581</td>
<td>23,806,929</td>
<td>17,452,932</td>
<td>7,853,180</td>
<td>81,214,622</td>
</tr>
<tr>
<td>SECHABA</td>
<td>39,328,554</td>
<td>29,426,131</td>
<td>326,566</td>
<td>8,892,728</td>
<td>77,973,979</td>
</tr>
<tr>
<td>SEFALANA</td>
<td>8,441,680</td>
<td>3,586,503</td>
<td>30,650,983</td>
<td>18,788,760</td>
<td>61,467,927</td>
</tr>
<tr>
<td>ABSA</td>
<td>7,774,530</td>
<td>27,706,936</td>
<td>10,853,462</td>
<td>3,516,290</td>
<td>49,851,217</td>
</tr>
<tr>
<td>BIHL</td>
<td>14,124,880</td>
<td>14,689,500</td>
<td>8,999,513</td>
<td>9,780,225</td>
<td>47,594,118</td>
</tr>
<tr>
<td>CHOPPIES</td>
<td>-</td>
<td>-</td>
<td>7,410,302</td>
<td>28,173,838</td>
<td>35,584,140</td>
</tr>
<tr>
<td>CHOBE</td>
<td>4,101,367</td>
<td>5,188,025</td>
<td>6,192,184</td>
<td>2,402,108</td>
<td>17,883,684</td>
</tr>
<tr>
<td>NAP</td>
<td>7,059,504</td>
<td>7,561,826</td>
<td>1,133,258</td>
<td>2,029,039</td>
<td>17,783,428</td>
</tr>
<tr>
<td>SEED Co</td>
<td>4,700</td>
<td>126,370</td>
<td>12,820,858</td>
<td>3,679,145</td>
<td>16,631,072</td>
</tr>
<tr>
<td>CA SALES</td>
<td>318,128</td>
<td>3,556,599</td>
<td>9,685,316</td>
<td>2,171,598</td>
<td>15,731,641</td>
</tr>
<tr>
<td>FPC</td>
<td>52,308</td>
<td>535,680</td>
<td>82</td>
<td>15,052,416</td>
<td>15,640,486</td>
</tr>
<tr>
<td>TURNSTAR</td>
<td>1,678,139</td>
<td>10,551,161</td>
<td>82,874</td>
<td>2,763,596</td>
<td>15,475,770</td>
</tr>
<tr>
<td>LETLOLE</td>
<td>12,139,566</td>
<td>785,269</td>
<td>663,945</td>
<td>1,183,696</td>
<td>14,772,477</td>
</tr>
<tr>
<td>STANCHART</td>
<td>408,268</td>
<td>8,292,115</td>
<td>2,281,901</td>
<td>1,959,709</td>
<td>12,941,193</td>
</tr>
<tr>
<td>ENGEN</td>
<td>3,534,552</td>
<td>7,972,632</td>
<td>941,001</td>
<td>97,199</td>
<td>12,545,385</td>
</tr>
<tr>
<td>MINERGY</td>
<td>17,710</td>
<td>9,523,256</td>
<td>60,601</td>
<td>24,405</td>
<td>9,625,973</td>
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<tr>
<td>BTCL</td>
<td>4,734,905</td>
<td>1,502,419</td>
<td>777,968</td>
<td>2,217,689</td>
<td>9,232,781</td>
</tr>
<tr>
<td>RDCP</td>
<td>4,386,827</td>
<td>503,828</td>
<td>189,726</td>
<td>649,474</td>
<td>5,729,855</td>
</tr>
<tr>
<td>PRIMETIME</td>
<td>2,062,231</td>
<td>1,909,052</td>
<td>46,279</td>
<td>1,587,805</td>
<td>5,605,366</td>
</tr>
<tr>
<td>ABC</td>
<td>333,237</td>
<td>1,105,400</td>
<td>20,282</td>
<td>1,177,648</td>
<td>2,636,568</td>
</tr>
<tr>
<td>CRESTA</td>
<td>480,616</td>
<td>871,740</td>
<td>23,084</td>
<td>112,907</td>
<td>1,488,347</td>
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<tr>
<td>G4S</td>
<td>127,299</td>
<td>23,800</td>
<td>1,367</td>
<td>40,616</td>
<td>193,082</td>
</tr>
<tr>
<td>SHUMBA</td>
<td>-</td>
<td>99,001</td>
<td>5,975</td>
<td>-</td>
<td>104,976</td>
</tr>
<tr>
<td>TLOU</td>
<td>218</td>
<td>-</td>
<td>55,752</td>
<td>-</td>
<td>55,970</td>
</tr>
<tr>
<td>ANGLO</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>45,004</td>
<td>45,004</td>
</tr>
<tr>
<td>LUCARA</td>
<td>13,280</td>
<td>-</td>
<td>7,680</td>
<td>3,068</td>
<td>24,027</td>
</tr>
<tr>
<td>OLYMPIA</td>
<td>-</td>
<td>-</td>
<td>136</td>
<td>12,390</td>
<td>12,527</td>
</tr>
<tr>
<td>A-CAP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,886</td>
<td>9,886</td>
</tr>
<tr>
<td>BOD</td>
<td>65</td>
<td>-</td>
<td>6,816</td>
<td>-</td>
<td>6,881</td>
</tr>
<tr>
<td>AFINITAS</td>
<td>-</td>
<td>-</td>
<td>182</td>
<td>-</td>
<td>182</td>
</tr>
<tr>
<td>INVESTEC</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>185,049,339</td>
<td>178,735,921</td>
<td>173,206,247</td>
<td>161,609,471</td>
<td>698,600,978</td>
</tr>
</tbody>
</table>

Source: BSE
Market Performance

MARKET PERFORMANCE FOR THE PERIOD
1 JANUARY TO 31 DECEMBER 2020

Figure 6 presents the price changes in domestic counters during the period under review; 4 companies (compared to 11 in 2019) registered positive price changes, 18 (compared to 10 in 2019) registered negative price movements and 2 (compared to 3 in 2019) closed the year with share prices back to their end of 2019 levels. From this illustration, the market was generally bearish with increased sell-offs relative to buy positions and typically the impact of sell-offs is the dampening in share price.

However, on the back of the overall decline in market value, the BSE’s relative valuations on a price to earnings (P/E ratio) and price to book (P/B ratio) basis are looking attractive relative to historical levels. The P/E ratio has trended below its 5-year average implying that at the current stock levels which are low, investors would be paying a relatively lesser amount for a stock compared to the earnings coming from that stock. In addition, investors would be paying a relatively lesser amount for a stock compared to what it is worth according to its financials. So these are the pockets of opportunities that investors can take advantage of when prices are coming down. The valuations generally represent attractive levels to enter the market or to increase the holdings.

2.3 Sector Contributions to Performance of the DCI

The overall decline of the DCI was attributable to the reduction in value in 75% of the counters as alluded to in the analysis in price changes. Therefore, consistent with this analysis (see Figure 6), majority of the sectors registered a decline and contributed a negative 12.4 percentage points to the DCI’s depreciation of 8.2% as can be noted in Figure 7. In 2020, the sectors that depreciated the most were the Banking sector, Tourism sector, Retail & Wholesaling sector as well the Agriculture sector (albeit with improvement relative to 2019 with respect to the Agriculture sector).
2.4 Investor Contribution to Equity Turnover

As presented in Figure 8, trading activity was dominated by local investors as was the case in the previous year. Local institutional investors combined with local individual investors accounted for 60.4% of trading activity in 2020 compared to 66.6% in the previous. This indicates that the share of foreign investors in trading activity increased to 39.4% from 33.3%, in 2020 versus 2019 respectively and further analysis indicates that this was primarily on account of net sell-offs by foreigners as the risk aversion heightened due to the pandemic, an observation that was consistent across majority of African markets.
Local individuals’ contribution to turnover reduced in 2020 from 9.9% to 9.5% and so was the value of their monetary net investments which amounted to P66.2 Mn compared to P178.5 Mn in 2019. However, these percentages show a great improvement compared to the previous years, as the average for the past 5 years by local individual investors is amount to 6.7% which is lower the 9.5% for 2020.
3.0 PRIMARY MARKET

During the year under review four domestic companies and six foreign companies undertook various corporate actions, primarily additional share issuances, to raise additional capital. Overall, P190.4 Mn was raised through additional listing of shares as presented in Figure 10.

**Figure 10:** Equity Primary Market Activity: 2020

<table>
<thead>
<tr>
<th>Domestic Company</th>
<th>Amount (P'Mn)</th>
<th>Foreign Company</th>
<th>Amount (P'Mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minergy</td>
<td>42.8</td>
<td>Botswana Diamonds</td>
<td>11.7</td>
</tr>
<tr>
<td>RDCP</td>
<td>7.2</td>
<td>Lucara Diamonds</td>
<td>0.2</td>
</tr>
<tr>
<td>SeedCo</td>
<td>1.6</td>
<td>CA Sales</td>
<td>11.0</td>
</tr>
<tr>
<td>FAR Property</td>
<td>52.3</td>
<td>Anglo</td>
<td>14.4</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL RAISED</strong></td>
<td></td>
<td><strong>84.5</strong></td>
</tr>
</tbody>
</table>

In the bond market, Government continued to be highly active in terms of issuing additional tranches of existing bonds to raise more capital. In total Government raised P5.2 Bn. Equally, there were five new corporate bonds listed in 2020 which raised a total of P465.0 Mn.

**Figure 11:** Equity Primary Market Activity: 2020

<table>
<thead>
<tr>
<th>Government Bonds</th>
<th>Amount (P'Mn)</th>
<th>Corporate Bonds</th>
<th>Amount (P'Mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BW007</td>
<td>989.0</td>
<td>RDCF002</td>
<td>40.1</td>
</tr>
<tr>
<td>BW011</td>
<td>500.0</td>
<td>RDCF003</td>
<td>12.0</td>
</tr>
<tr>
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<td>BW015</td>
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<td></td>
<td><strong>TOTAL RAISED</strong></td>
<td></td>
<td><strong>464.9</strong></td>
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</tbody>
</table>

There were no equity delistings but seven bonds were redeemed during the year.
4.0 BOND MARKET PERFORMANCE

Activity in the bond market has been phenomenal compared to last year, and this continues to raise the profile of the bond market as a platform for raising long term capital. In a way, the pandemic has helped to increase the need for cash, as issuers found the need to improve their solvencies, fund recurring expenditure, and the need to take advantage of emerging opportunities such as acquisitions and new developments.

Trading activity amounted to approximately P2.8 Bn from approximately P2.2 Bn in 2019, an increase of 26.7%. This was mainly on account of trading activity in Government bonds which accounted for 92% of total turnover. The bond market ended the year with 43 bonds listed with a market capitalization of P20.6 Bn, representing an increase of 19.1% over 2019.

As it stands Government bonds are traded over-the-counter (OTC) and this method of trading is usually associated with higher level of inefficiencies including lower levels of liquidity especially that the bonds are mainly accessible to institutional investors with commercial banks as participants or dealers. It is pleasing to note that the BSE and BoB have made significant progress with respect to moving the trading of bonds to the Automated Trading System (ATS) at the BSE. Once trading is conducted in the ATS, the bond market will fully open to retail investors and to brokers. Currently there are over 95,000 investor accounts at the BSE and this represents a large pool of participants compared to only the few institutions that trade OTC. With its many benefits, including investor access, transparency, price discovery, the trading of Government bonds at the BSE is an immense opportunity to increase liquidity and participation in the bond market and to further increase the turnover levels we have seen in 2020.
5.0 THE EXCHANGE TRADED FUND (ETF) MARKET

Given the uncertainly and volatility that characterised financial markets in 2020, Gold which is considered a safe haven in times of crisis was expected to perform well in global commodity markets. This explains the performance of the NewGold ETF which appreciated by 29.7% in 2020 albeit trading fewer units compared to 2019. Generally, ETFs registered a decline in trading activity amounting to 30.1% compared to 2019 but 2 of the 3 ETFs finished the year with positive returns as NewFunds also advanced by 4.3% over the year.

![Figure 13: ETF Market Statistics: 2019 and 2020](image-url)
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**X-NEWS**

*X-News* is an information portal that provides real-time information on BSE listed companies to the market. Information made available on X-News include, all Press Announcements, Prospectuses, Pre-listing Statements and Circulars as per the BSE Listings Requirements.

Subscribers to the X-News Service are afforded the luxury of receiving the latest market news updates. All news updates on the service are sent to subscribers, therefore assisting investors to make informed, financial decisions.

The cost of the X-News Service is BWP4, 000.00 (local fee) and USD800 (international fee) per year. Renewals for the service are conducted every year on or before December 31st.

For more information, please contact the Product Development at productdev@bse.co.bw or call (+267) 367 4418
BSE REVISES AND LAUNCHES
NEW MARKET DATA PRODUCTS

Effective January 1st 2021, the revised and newly introduced BSE Data Products will be launched. We will be offering an extensive range of reliable and transparent market data products that include real-time, index, and historical data. This decision was motivated by the identified demands and needs of capital market participants and end-users.

BSE recognises its role in promoting price discovery, informed market participation and provision of free market data to the general public. Furthermore, the BSE continues to prioritise maintaining a balance between the dissemination of fundamental, free, easily accessible information and value-added, more granular information that has commercial value.

The global trend continues to show us that data extraction is fast moving from being a background activity to a primary operation in its own right. Data monetisation now generates significant revenue and the majority of profits for some Exchanges. Since global markets have progressively integrated and data having more value than ever before, emerging markets are recognising the value proposition in data analytics and commoditisation. As a for-profit organisation following demutualisation, the BSE agrees with profiting from one of a stock exchange’s most important assets, that is, data generated on our platform, all the while continuing the crucial obligation of promoting price discovery and fair information distribution in our market.

For subscription, contact: Productdev@bse.co.bw. Visit: www.bse.co.bw
Both companies, which are listed on the domestic Main Board, had requested to host an Open Bell Ceremony to acknowledge milestones in their journey as great service providers to the people of Botswana and significant contributors to the growth of the country’s economy. BTCL, which has been listed on the local bourse since 2016, were celebrating their 40th Anniversary under the theme, ‘Economic Inclusion is Key to New National Value Frontiers’ while BIHL, which has been listed since 1991, were recognising their 45th Anniversary in operation.

Commenting on their 40th Anniversary, the BTCL Board Chairperson, Lorato Boakgomo-Ntakhwana said, “BTC indeed Ke Ya Rona. We are an indigenous home-grown brand, the brainchild of Batswana, owned by Batswana. When we were established in 1980, we were set up for one purpose and one purpose only; to ensure Batswana lived connected wherever and whenever they may be. Hence, on behalf of the BTCL Board of Directors, I am proud to say we have not deviated from this mandate in our 40 years of existence, despite all the challenges”. For his part, the BSE CEO, Mr. Thapelo Tsheole, lauded and congratulated BTCL for their efforts in being one of the major telecommunications service providers in the country and for paving the way for future State-Owned Entity (SOE) listings by virtue of them having been the first. “Without stating the obvious, BTCL is one of the many success stories that we have witnessed in recent years at the BSE. BTCL is the first SOE to be privatised and listed on the national stock exchange and their listing has induced conversation with Government to pave the way for other SOEs to utilise the BSE as a capital-raising platform and promote citizen economic empowerment. I believe that here on, our partnership with BTCL will grow and continue to blossom well into the future. As with everyone else, we wait to see what the future holds in store for BTCL as we look ahead with great optimism to the next 40 years of service.”

Two days later on 4th November, BIHL facilitated a similar Ceremony to acknowledge their 45th Anniversary. In attendance were their board members, all senior management from all their subsidiaries and members of the media to join in the festivities of this auspicious occasion. During her remarks, the Group CEO, Ms. Catherine Lesetedi said, “Our 45th Anniversary is an incredible milestone for us for which we are excited. This achievement is indicative of our heritage as the Group, our Subsidiaries and Associates as well as our legacy of excellence over the years. We are honoured and proud to have such talented employees who have served the company with unwavering dedication as well as the partnerships we have established with various organisations throughout our history.” In his remarks, the BSE CEO, Mr. Thapelo Tsheole, thanked BIHL for their contributions that they have made towards the development of Botswana’s capital markets in recent years. “It is no secret that the BSE and BIHL have nurtured a fruitful partnership in various BSE market development initiatives. Some notable contributions have included participation and sponsorship in the Annual BSE Listings & Investment Conference since 2016, participation in the BSE Open Days, participation in the BSE Health & Investment Drive and recently, a prominent sponsor for the recently held 23rd Annual African Securities Exchanges Association (ASEA) Conference that took place in Kasane during November 2019. I believe that here on, our engagements with BIHL will continue to flourish for the mutual benefit of our market and
BTCL and BIHL Host BSE Opening Bell Ringing Ceremony

Popular with the general public, the BSE has been facilitating the Opening Bell Ceremony since 2018 on a monthly basis to act as a platform to signify the opening of trading. Since its inception, the BSE has been utilising this event to invite various dignitaries and speakers to deliberate on several issues that are pertinent to the growth of Botswana’s capital markets. Further, the Opening Bell Ceremony avails an opportunity for the Exchange or listed entities to make news announcements, celebrate corporate milestones and create awareness about the operations of the BSE.

Botswana’s economy as a whole. As such, I would like to take this moment to convey my deepest congratulations to the BIHL Board, Management and Staff for their incredible journey through the past four and a half-decade.”
The Botswana Insurance Holdings Limited (BIHL) Group commemorated its 45th anniversary since first opening doors to serve Batswana on the 1st of November 1975, continuing to engineer legacies across the financial services space. The milestone was duly recognised with the ceremonial bell ringing at the Botswana Stock Exchange (BSE) on the 4th of November 2020 in the presence of key stakeholders of the Group.

It was a morning of festivity, celebration, and pride in the story of a once young lone bull that today commands the attention, respect and recognition of hundreds of thousands in the region. With 29 years listed on the BSE, the BIHL Group remains the largest diversified financial services group in Botswana, and a true force to be reckoned with even in the region, striving year after year to deliver true, sustainable impact for and with Batswana.

Said The BIHL Group Chairman, Batsho Dambe-Groth, "Any time that we join our colleagues at the BSE is a privilege and an honour, for it indeed symbolises our relationship and commitment to the thousands of shareholders and stakeholders we so proudly serve every day. Our heritage is because of them, and our future is engineered with their interests and wellbeing in mind. It is only fitting that we recognise this here, at the BSE, for it is the work of Mr. Thapelo Tsheole and his team that fuels our growth and commitment to the capital markets. There are thousands of hands, hearts and minds that contribute to our growing legacy, and we are 45 years stronger together."

A proudly Botswana organisation, the BIHL Group has delivered great strides in its growth from when it sold its very first life policy in 1977 to its BSE listing in 1991, and to present day 2020, now offering a diverse range of products and services varying from short term insurance to asset management services as the largest financial services group in the country. Through its 3 key Subsidiaries - Botswana Life, BIFM and BIC - as well as its Associates – Letshego, Nico Malawi and FSG Limited - the Group has been privileged to achieve unrivalled market-leading growth over the years, serving generations of Batswana and engineering the legacies across the country for 45 golden years.

Continued the BIHL Group CEO, Catherine Lesetedi, "Our journey to serve as the Group is only beginning - for excellence is not a destination it is a continuous journey and a process of nonstop improvement. Always growing, always learning, always enhancing to become more agile, more empowered, more efficient and more effective. Our culture is one of togetherness, of tomagano. We stand together to celebrate our past, our evolving present, and our much-fought-for future. Despite the challenges the world has imposed upon us during times of social distancing and isolation, nothing can keep our hearts apart. Nothing can break our spirit, just as nothing has for decades yet. We are united in heart and harmony, in passion and resilience. We are, in every way, 45 years stronger together."

We stand proudly as a nation that has come so far and that still has more to do, more to show, more to deliver. We are #45YearsStrongerTogether.
GROWTH, WEALTH AND SUCCESS: THE BSE AT THE CENTRE OF IT

The Botswana economy is set to undergo a multi-billion transformation following years of weakening economic growth. As policy makers scramble to coordinate the ambitious economic recovery and transformation plan (ERTP) that will spur growth, harnessing the power of the stock market must be central to the agenda.

The discovery of diamonds in the late sixties resulted in one of the world’s most remarkable transformation, with economic growth in double digits for a period spanning over 40 years. The revenue from diamond exports were used to fund free education, health and other social welfare programmes. The country is now classified as an upper middle-income country, and usually scores well in most indexes used to assess African countries.

Despite the remarkable progress made over the years, Botswana is yet to wean itself off the dependence on diamond exports, and the vulnerabilities of a resource led economy has been laid bare by external shocks such as the 2008 financial crisis and the current Covid-19 pandemic, with the latter causing the worst output contraction in the country’s history.

The narrow economic base has also resulted in feeble economic growth, besieged by soaring unemployment among young people, widening inequality and a weak private sector which is characterised by small and fragmented businesses. Attempts to bolster the private sector have faced myriad challenges, ranging from lack of technical skills, collaboration and inefficient access to markets.

Still, Botswana’s biggest opportunity for future growth might lie in taking advantage of the Botswana Stock Exchange (BSE), which has over the years proved that it is well positioned to be the medium of growth, wealth creation and ultimately success for the private sector. Wherever you look in the world, the most advanced economies have well-functioning stock markets that have been used to encourage innovation and efficiently allocate capital used in seizing investment opportunities and spurring growth in the process.

Though the BSE, like most African stock exchanges, remains small and dominated by few large corporates, there are valuable lessons to be learned which could be used by policymakers to take advantage of the enormous benefits offered by stock markets. It is not accidental that many of the major businesses operating in the country are listed on the BSE. In fact, those companies that have expanded beyond Botswana borders are listed companies.

Besides the ability to raise capital for business expansion, stock exchanges give individuals a chance to invest directly in large corporations. This is important for a country like Botswana where inequality has become a vexing problem, where citizens feel disenfranchised and excluded from the mainstream economy. For a larger part, the burden has been on the BSE to woo citizens to the stock market, but with concerted efforts from all pockets of society, the spread of wealth through buying shares of companies is not only a step towards closing the inequality gap, but a major step in economic inclusion.

Indeed, we have seen this play out in 2016 where the government and the BSE undertook a coordinated approach to enhance citizen participation in the stock exchange. The end result was one of the country’s biggest initial
public offering (IPO) of state-owned Botswana Telecommunications Limited (BTCL) which ushered in a record number of citizen investors.

Fortunately, many factors still work in favour of increasing citizen participation in the stock market. For starters, the BSE’s has a sterling reputation of integrity, ensuring that citizens will be buying into companies that have been properly vetted. Secondly, many of the listed domestic stocks are trading below P10 ($1) a piece with strong fundamentals, including the blue-chip companies that are leaders in their respective industries. The recent digitisation of the domestic bourse has also made it easy to keep track of trades through the website, an interactive app, social media and the long running public education that the BSE has been a custodian of.

Stock exchanges are critical to driving innovation and rewarding talent. In mature markets, early private equity investors pour money into new ventures in the hope of cashing in big when the company finally lists to publicly trade its shares. History is replete with many lessons of founders turned into instant millionaires and billionaires after an IPO.

In Botswana, attracting local businesses to the stock market is a delicate and painstaking exercise, but necessary if the private sector is to grow. Given the generous funding schemes offered by government backed financial institutions, many of the businesses do not even consider listing, even the most established. Perhaps it could explain the high failure rate of domestic businesses or collapse of businesses when the founders are no longer alive due to absence of a rigid corporate structure found in quoted companies.

Getting listed on the stock exchange is one of the opportunities that can steer a business towards growth, wealth and ultimately further success as already evidenced by the listed companies on the BSE. This works because listed companies are required to display the highest standards of corporate governance, while bringing together a board of directors with diverse skills to undertake strategies that will enhance their competitive advantage in the market.

By listing, private companies not only create wealth for others who want to buy in their companies, but also can be used as incentive to drive performance in companies. Start-ups are known to attract and retain talented workers through offering share incentives, which becomes even more valuable when the company lists. Some minted millionaires and billionaires were not actually founders but early workers who got rewarded with shares after helping the company to grow, leading it to an IPO.

Furthermore, business owners can harness the power of the stock exchange to protect their legacies while getting ahead of competitors. While development finance institutions and banks might offer affordable credit terms, this usually comes with binding personal guarantees which can result in the owners losing their assets should the business fail to meet its obligations. Listing helps spread this risk and protect owners. Besides that, listed companies tends to have staying power, ability to wither economic crunches and have lived on beyond their founders thus creating generational legacies.

Stock markets have allowed for companies to grow bigger through efficiently raising capital, which some use to acquire other companies, especially start-ups. This is important in any economy as the thrill of being acquired by a huge company spurs innovation in start-ups. By putting the BSE at the centre of the country’s economic transformation, policymakers and other stakeholders stand to reap the benefits of an efficient stock exchange that could unlock various opportunities through value chains that might not be immediate to the naked eye, from closing the inequality gap to stoking private equity space in search of capital gains through listing, and beyond that, driving innovation and success by capitalising on opportunities.

By Obonye Modiakgotla
Business reporter at Sunday Standard and The Telegrapher
INTRODUCING
THE NEW BSE WEBSITE AND MOBILE APPLICATION

Visit the BSE website and also download the mobile application to access comprehensive market data on one of Africa’s foremost stock exchanges as well as insights into business investing in Botswana.

www.bse.co.bw
### TOPICS OF THE YEAR

**January - March**
- The process of investing on the BSE
- Unpacking issues surrounding the primary and secondary market
- Financial instruments offered by the BSE
- The process of investing in Bonds in Botswana.

**April - June**
- Breakdown of the products offered by the BSE:
  - Bonds
  - Equities
  - ETFs
- Dividends
- Listing Requirements

**July - September**
- Listing process and the various players that are associated with the listing value chain.
- Registered Advisors.
- The advisor’s role in the listing process.

**October - December**
- Importance of Financial Literacy.
- The Role of the Stockbroker.
- Monitoring Your Investment.
- FAQs at the BSE.

### CATCH US ON ANY OF OUR RADIO SHOWS

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<td>RB1</td>
<td>Sefalana sa Papadi</td>
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<td>1610-1615</td>
<td>RB2</td>
<td>Automatic Drive</td>
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<td>1430-1445</td>
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<tr>
<td>Friday</td>
<td>1730-1735</td>
<td>RB2</td>
<td>Tsele le Tsele</td>
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1. OVERVIEW OF THE BOTSWANA STOCK EXCHANGE (BSE OR THE EXCHANGE) AS A NATIONAL NUMBERING AGENCY (NNA)

a) The BSE is the recognised NNA for issuing instrument identifiers for Botswana, as authorized by the Association of National Numbering Agencies (ANNA), a global governing body that coordinates the work of the NNAs. As of current the BSE is a Partner to ANNA and is thriving towards becoming a full Member of ANNA.

b) As a Partner to ANNA and as the country’s NNA, the BSE has a crucial role in the financial markets of Botswana, as well as global markets, to accept the registration information, directly from Issuers of new financial instruments such as Equity, Debts and Money Markets instruments, and then to issue identifiers that uniquely identify these instruments.

2. INSTRUMENT IDENTIFIERS ISSUED BY THE BSE

a) As a Partner, the BSE has been receiving full support from ANNA on all activities relating to the issuance of Instrument Identifiers. Currently the BSE assigns International Securities Identification Numbers (ISINs) only and uploads them to the ANNA Service Bureau database on a regular basis in accordance with the ANNA Guidelines.

b) The BSE endeavors to generate an ISIN, on behalf of the Issuers of financial instruments, within a period of 24 hours or the next business day, on the condition that all the correct supporting documentation is provided at the same time as the request. This service of allocating ISINs to the Issuers of financial instrument is not applicable during non-trading days on the BSE such Saturdays, Sundays and Public Holidays.

c) In future the BSE shall issue other instrument identifiers such as Classification of Financial Instruments (CFIs) and Financial Instrument Short Names (FISNs), Legal Entity Identifiers (LEIs) and Market Identifier Codes (MICs) in order to meet the conditions for applying for ANNA full membership.

d) The Exchange allocates each instrument identifier based on a specific ISO Standard Identifier.

3. BSE OBLIGATIONS IN RELATION TO ISSUING INSTRUMENT IDENTIFIERS

a) After each new financial instrument is registered with the BSE, and issued an ISIN, the BSE is required to maintain the validity of the registration data in the ANNA database. ANNA maintains the consolidated global database of all ISINs worldwide. The BSE take on this role for the benefit of Botswana’s national economy and to support the free flow of financial information and capital throughout global markets.

b) The BSE collect registration data, including issuer information, type of instrument, its terms, and countries where it will be traded.

c) The BSE gathers additional financial identifiers from other sources to enrich the identification of the instrument.

• Contribute identifiers, data and updates to the global database maintained by the ANNA Service Bureau.
Feature

- Validate registration data and maintain its accuracy over time.
- Provide ISINs and CFIs to users on request.

4. BSE’S OBLIGATION TO PAY PARTNERSHIP ANNUAL FEES

a) In terms of the ANNA guidelines, the BSE has an obligation to pay the annual partnership fee of EUR4000 in 2020, following a resolution to extend ANNA Annual Fess to ANNA Partners, which was passed at ANNA Extra Ordinary Meeting held on Mumbai India in November 2018.

b) The consequences of non-payment of Partnership Fee can be detrimental to the BSE’s integrity, such that if there is no payment to ANNA, the BSE will be non-compliant with the ANNA guidelines which will result in the ANNA Partnership being suspended and subsequently terminated by the ANNA at a General Meeting. Further, non-compliance of ANNA directives by the BSE will also be reported to the Regulator of the Exchange by ANNA for further action.

c) The Annual Sustaining Fee charge is effective immediately. Any changes to the fee structure due to periodic reviews total number of active and new ISINS issued, shall be communicated accordingly to the market by the BSE.

6. ABOUT INTERNATIONAL SECURITIES IDENTIFICATION NUMBERS (ISINS)

a) International Securities Identification Number (ISIN) is a twelve (12) character alpha-numeric code that uniquely identifies a financial instrument, across the world. It has fast become the standard securities identification number code in the world.

b) ISIN constitutes of three parts. It starts with a two letter country code. In the case of Botswana, the country code is BW. The country code is according to the ‘ISO 3166-1 alpha-2’ standard. The country code is followed by a nine (9) character alpha-numeric national security identification code assigned to a financial instrument by the BSE. This is followed by a single character check digit, which will validate the ISIN code.

c) To obtain an ISIN from the BSE, an Issuer of a new financial instrument must qualify without getting into the many rules of an ISIN code, an Issuer must have proper documentation and accurate information about the financial instrument in order to obtain the ISIN. For instance, if a public company is seeking to raise capital from the BSE Market and needs ISIN code, a public prospectus document is needed. On the other hand, if the company is private and seeking capital, in most cases they will need to have a Pre-Listing Statement written in order to obtain the ISIN codes. In cases of Collective Investments Schemes, Fund Fact Sheets are provided to the BSE in order to obtain ISINs.

d) Let us take BW00000002527 divided into three parts BW-0000000252-7 as a typical example of an ISIN code:

i. First two letter (BW) of the ISIN code refers to the country code in which the Issuer of a new financial instrument is incorporated, and in this case in Botswana.

ii. The next nine digits (0000000252) identify a specific financial instrument and act as a unique identifier.

iii. The final character (7) also referred to as the ‘check digit’. The check digit is used to help ensure the authenticity of the ISIN.
### COMPANIES AND YEAR OF LISTING ON THE BSE

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<td>FNB</td>
<td>1990</td>
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<td>1991</td>
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<td>RDC Holdings Limited</td>
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GLOBAL DEPOSITORY RECEIPTS (GDRs) & COMMERCIAL PAPER (CP) WORKSHOP 2021

Date: 09 February 2021  |  Time: 09h00 – 12h45  |  Venue: Virtual (Microsoft Teams)

In an effort to further develop the Botswana capital market through tailored financial market training programmes, the Botswana Stock Exchange (BSE) is currently working towards introducing Botswana Depository Receipts and promoting the listing and trading of Commercial Paper on the BSE.

Who Should Participate:

- Registered Advisors
- Brokers & Dealers
- Custodians
- Issuers
- Investment Institutions
- Institutional & Retail Investors
- Trustees & Asset Consultants
- The General Public

What to look forward to (GDRs):

- Global GDRs landscape
- Role of GDRs in promoting liquidity
- The differences between GDRs and other instruments
- Regulatory & Investment considerations for GDRs
- GDR opportunities for Botswana

What to look forward to (CP):

- Global CP landscape
- Role of CP in capital markets
- The difference between CP and other instruments
- Structuring CP
- Regulatory & Investment Considerations for CP
- CP opportunities for Botswana

Workshop Fees:

- Corporates (Per Delegate)- BWP1,000.00
- Brokers (per Delegate)- BWP750.00
- Individual (Per Delegate)- BWP600.00
- Corporates (2 Delegates) BWP1,500.00
- Brokers (2 Delegates)- BWP1,000.00

Certificates will be issued for the attendance of the Workshop.

To download the Booking Form, click HERE. Space is limited. Please book at the earliest opportunity.

For more information, contact productdev@bse.co.bw or call 3674421.

Facilitators:

- **Kopano Bolokwe**
  Head of Product Development
  Botswana Stock Exchange
  Kopano is tasked with developing and promoting the introduction of new products to deepen the capital markets and improve liquidity. DRs and CP being among such products to be introduced on the BSE. Kopano has undertaken internship at Market Axess Corporation in New York focusing on emerging and frontier debt markets as part of his training during the IFC-Milken Institute Capital Markets Program. He is a CAIA charterholder and holds an MBA.

- **Richard Fisher**
  Head of Global Sales
  RemoraTech
  Richard worked at Bloomberg for over 14 years, mainly managing the electronic trading business across Middle East and Africa before joining RemoraTech, a fintech in Silicon Valley focusing on Africa, as Head of Global sales. Richard holds a Bachelor’s Degree in E-Commerce Technologies and a Master’s Degree in Information Technology in E-commerce from the University of Bradford.

- **Mark Kamugisha**
  Head of Product Remoratech
  Mark has worked with TP-ICAP, Citibank, Barclays Bank and Bloomberg. With extensive Sub-Saharan experience, he has worked in Ghana, Kenya, Mauritius, Nigeria, South-Africa, Tanzania and Uganda in foreign exchange markets, fixed income markets, financial analysis and operations. Mark holds a Bachelor of Engineering from the University of Nottingham and a Diploma in Financial Markets from ACI.
The global economy has been greatly affected by the COVID-19 pandemic with the world’s economy projected to decline by 4.5% in 2020, according to the latest report from the Organisation for Economic Co-operation and Development (OECD). The effects of the lockdowns which were introduced in many countries across the globe had a significant impact on economic growth. Reports of further lockdowns and restrictions in the US and some countries in Europe are expected to further impact the global economy. Reports of a breakthrough in COVID-19 vaccine is a welcome development, although it shall take some time until the global economy can recover to pre-COVID era. Against this background, the global economic outlook remains uncertain and growth prospects will depend on several factors such as availability of the vaccines to the larger global population, the extent of any new COVID-19 outbreaks as well as the duration and effectiveness of both fiscal and monetary policy interventions by various governments across the globe.

Most countries are projected to record a negative growth in GDP numbers in 2020 with the exception of China which is the only country in the world projected to show a positive GDP growth. The IMF projects China’s economy to grow by a modest 1.8% due to a quicker recovery than expected and due to growth in exports.

Closer to home, we saw recently South Africa’s credit ratings being downgraded deep into the junk territory after Moody’s Investors Service joined Fitch Ratings in lowering the country’s credit ratings. S&P however, kept its assessment of South Africa’s foreign-currency debt three levels below investment grade, with a stable outlook. The cut by Moody’s takes South Africa two notches below investment grade status, while Fitch’s brings it three levels below. Both also maintained negative outlooks, which means the next move would also likely be down. The downgrade will further weaken South Africa’s economy which is still affected by the effects of the COVID-19 pandemic. The downgrade will not only push South Africa’s borrowing costs up, but will also negatively impact its fiscal framework. To cover the funding gap, the government might be forced to either cut expenditure on social programmes or increase tax — moves which are unpopular and will further reduce disposable incomes. A slowdown in SA’s economy is not good news for Botswana and other members under SACU as this may result in a decline in SACU revenue, possibly further impacting on Botswana fiscal position.

Credit extension shrinks year-on-year

Credit growth by commercial banks in Botswana in the year was significantly hampered by the outbreak of the coronavirus pandemic. The latest statistics published by the Bank of Botswana show that the growth in credit extension in Q2 2020 back-trailed in July 2020 and August 2020. Overall credit growth by commercial banks in August 2020 declined to 4.8% y/y, from 7.4% y/y recorded in the same period last year. The decline in credit growth in August 2020 y/y was underpinned by a drop in both the business and household sectors, with the respective changes standing at -0.9% y/y and -8.2% y/y. The low interest rate environment is, however, not having the desired effect of boosting credit growth and this can chalk down
to prudency by lenders. They are weary of the possible deterioration of their loan book, spurred by the uncertainty stemming from the impact of the coronavirus pandemic on business and household incomes.

The business sector has noted a steady decline in credit extension since the beginning of April 2020, which is understandable, given that this was the beginning of the lockdown period when economic activity came to a near standstill. As such, the decline is not altogether surprising given that mining was down to a growth of 13% y/y growth in August 2020 from 135.9% in the same period in the prior year; agriculture declined by 14.8% y/y from a growth of 30.3% y/y; and manufacturing reduced by 48.6% from a reduction of11.2%.

On the other hand, the Trade and Hospitality sector and the Finance sector improved from decline of 16.1% and 23.4% y/y to growth of 10.4% and 21.6% y/y respectively. This is not surprising as the Trade and Hospitality sector likely required the funding to stay afloat. Credit growth for the business sector as at August 2020, stood at negative0.9% y/y from 1.7% in the same period last year. Household credit declined to 8.2% y/y in August 2020, from 11.0% from the same period in 2019. This is also owing to the coronavirus pandemic, which has destabilised disposable incomes and slowed down the local economy.

Monetary Policy Continues to be Accommodative

The Bank of Botswana’s Monetary Policy Committee (MPC) maintained its accommodative monetary policy stance during its last meeting on the 8th October 2020; wherein the MPC cut the bank rate by 50bps, from 4.25% to 3.75%. This was the second rate cut implemented by the Bank of Botswana, the first having been implemented on 30th April 2020. The Bank of Botswana has thus far cut the bank rate by 100 bps in 2020. This may well be the last rate cut the MPC implements for the year, as we believe there is now very little room for another downwards adjustment. Supporting this is the improved optimism by domestic market–oriented firms, according to the Business Expectations Survey (BES) published for Q3 2020. Business conditions are expected to improve in Q3 2020 and the next 12 months after that.

The Domestic Equity Market feels the pinch of the COVID-19 outbreak

The third quarter of 2020 was plagued by a series of losses on the domestic equity board. Fifteen stocks sunk in value, putting some surmountable pressure on the domestic indexes, which dropped for the second consecutive quarter. The losses were relatively contained by the two stocks which gained during the quarter.
The impact of the COVID-19 pandemic on the market comes out clearly in the cascading DCI m/m changes as seen by the graphs below, led by the value loss in BTCL. This was more a reflection of the stock’s shareholding structure, more than the company’s performance, which is largely retail-inclined. As has become a notable outcome, the retail environment was hit by a decline in disposable income, resulting in the general slowdown of the local economy.

A number of the domestic companies, including Absa, BTCL, and StanChart, have taken to preserving their cash reserves, by not declaring dividends/distributions. While the move is prudent, and quite understandable, the Total Returns index, i.e. DCTRI, is reaping the outcomes of non-existent declarations. This was the second consecutive q/q loss, although less than the prior at negative 1.1% (Q2 2020: negative 2.0%); comparatively in line with the negative 2.0% in Q3 2019. Liquidity remained fairly depressed in the third quarter of 2020, in line with the previous quarters of the year. Volume and value traded in Q3 2020 was at 136mn and P173mn. Volumes increased by almost double from the previous quarter, but given that value was more or less unchanged, it indicates a somewhat undervalued market.

The low liquidity in the market was under-toned by the near disappearance of equity demand from investors. Sentiment also shows an inclined preference for the safer investments on the BSE as shown by increased activity in NewGold Exchange Traded Fund (which tracks the performance of gold) as well as government bonds. Government bonds are usually considered a safe bet given that the investment is essentially backed by the State.

It is evident that the year 2020 has been a bit of a challenge in as far as liquidity and capital appreciation is concerned, and we expect this trend to continue, at least until the year ends. These levels of illiquidity are at all their lowest in over 10 years.

[Continues on page 47]
BancABC’s Premier Online Corporate Banking Platform

We understand your focus is on sustainable business growth. That is why we have a platform to manage your transactions from anywhere, which allows you to view Real-time Balances, execute Bulk Payments and Collections, Manage Payroll as well as View and Download User Audit Trails.
Banking
Most of the banking stocks made losses in the quarter, pressured by the low interest rate environment (bank rate now at 3.75%), impacting on margins coupled with a decline in transaction volumes. As the economic environment does not seem to be responding to the accommodative monetary policy, we expect the bank rate to remain at these low levels at least for the short to medium term. Key to survival in the market includes finding innovative platforms to tap in to support revenue. With this in mind, we largely expect to see the introduction of new products and corporate deals to support the low interest rate environment.

FNBB switched from being the best gainer in Q3 2019 to one of the biggest losers in Q3 2020, with a year-to-period loss of negative 17.9%. The bank’s financial performance was fairly stable for full year 2020, with profit before tax at P695.8mn (2019: P732.5mn) despite an increased impairment ratio (which was revised to provide for the uncertainty of COVID-19). Loans and advances to customers declined 8% in the year to P14.7bn, while deposits from customers increased 18% to P23.2bn. This ominous performance reflected somewhat in the stock’s performance, which registered a slight decline of 2.5% in the third quarter, closing at P2.34/share.

Absa’s interim financial results for the period ended 30 June 2020 highlighted a modest 4% increase in net interest income on the back of a growth in the loan book. Net fee and commission income, was down 4% due to overall reduced activity and a decline in margins. Total income for the period was down marginally at P803.9mn for the period, from the prior comparative period’s P809.7mn. Impairments increased to P178.5mn due to bank restructuring about P1bn of their loan book as a result of the COVID-19 impact. Impairments stood at 1.3% of the overall loan book, and are expected to increase for the full year. Profit after tax for the period was down 70% to P9.7mn (2019: P298.8mn). Loans and advances to customers grew 7% year-on-year while customer deposits grew 8%, both driven by the retail and business banking portfolio growth. Prudency was at the forefront of thinking, as they withheld dividends for the period. The company share price was unchanged over the quarter, at P5.45/share, but still dragged with a loss of negative 0.9% by end of Q3 2020.
**BSE Equity Market: Company Highlights**

**Banc ABC**'s unaudited interim financial results noted an increase of 19% in net interest income to P229mn from the prior comparative period. Interest income increased by 3% while interest expense shrank 15%. Primary to the improved interest income is improved traffic through the Bank’s technological advances, including the use of the Banks online platform. Impairment provisions for the period increased to P2mn, from the previous comparative period’s impairment release of P4.8mn. The impairment rise being on the back of deterioration of the Bank’s SME lending book. Net trading income improved 278% to P8.8mn. This is encouraging, as it signifies an element of recovery for the segment, from the previously reported figures in the last comparative period (2019: H1 P2.3mn). Net fee and commission income on the other hand dropped by 33% to P33.1mn, from P49.5mn, as a result of an overall reduction in transaction volumes and discount measures, according to the management of the Bank. This led to an improved profit before tax of P72.9mn (2019: P66.3mn). The loan book increased 3.6% y/y to P6.2mn, likely as a result of the current accommodative monetary policy. The stock’s price remained unchanged at P2.00/share, stuck at its 2018 IPO price, which is quite in line with expectations given the illiquidity of the stock.

**Financial Services**

**BIHL**’s first half financial results were relatively flat, boosted by a significant increase in the share of profits from associates and joint ventures, although the other business lines also saw a marginal increase in H1 2020, compared to the H1 2019. The stock’s trading levels were on the low end for the quarter, while the price was stuck at P17.50/share.

**Letshego**’s share price performance was on the back end for yet another quarter, down 5.7% from the previous quarter. This came as a result of sombre financial numbers for the half year. As a micro-lender, the operating environment is similar to that of a bank, with risk being slightly higher, although the salary deduction code and exposure to government employees gives Letshego some comfort. Again the second leg of the Botswana civil servants’ salary increments may be positive for the group. The stock was the picture of liquidity in the quarter, trading well over P62mn.

**Telecommunications**

**BTCL** is experiencing a shortage in demand for the stock, which has decidedly put some selling pressure on the shares. The share price continued to cascade lower and breach historic lows. Liquidity for the stock continued to shrink q/q as 0.92mn shares worth P0.78mn traded during Q3 2020 from 1.73mn shares worth P1.50mn in Q2 2020. The demand/supply dynamics for the stock remained unbalanced, with the supply pulling heavier.

**Tourism**

**Chobe** lost ground in the first two months of the third quarter, losing in overall 9.5% which is a relatively highly q/q loss when compared to the 8.7% noted in Q2 2020. Sentiment for the stock is generally on the low end during this era of COVID-19, as cases globally continue to increase, and cross border restrictions remain intact. The tourism and hospitality sector, together with all the other sectors that feed from it, were some of the hardest hit in Botswana’s economy during the COVID-19 pandemic and will probably take quite some time to recover.

**Cresta** lost ground as well in the third quarter, understandably so, as the stock entered the negative territory in terms of price movements with a loss thus far of negative 2.2%. The company’s half year financial results showed a reflection of the impact of the COVID-19 outbreak in the tourism and hospitality sector. The Group’s revenue declined 50% during the period to P93mn, compared to the previous comparative period’s revenue figure of P188mn. Majority of the revenue was likely garnered in Q1 2020 as the Group’s hotels in Botswana were closed for normal operations from 1 April 2020 to 4 June 2020.
Retail & Wholesale

Choppies lost 13% in value in the first two weeks after the trading suspension was lifted on the BSE, and stayed flat to the end of the third quarter. Choppies’ 20 -month trading suspension was lifted by the BSE with effect from the 27th of July 2020. This is after the retail giant finally released its long awaited audited financial results on the 24th July 2020. The JSE suspension, on the other hand, was lifted much later in November 2020.

Sefalana was the only stock that has gained throughout all three quarters of the year, with the gains in the third quarter marginally improving the stock’s year-to-date performance to +3.7%. Sefalana was the second most actively traded stock in the third quarter, driven by a host of profit taking exercise from its investors, more especially since they received their dividends in the last week of August 2020.

Sechaba’s performance for the half year period was severely impacted by the containment measures implemented by the Botswana Government, which included the restrictions and/or regulations on the sale of alcoholic beverages, as well as movement restrictions. The holding company, as such, did not declare an interim dividend for the half year period. The stock had lost 2.3% of its value by the end of Q3 2020. Sechaba is a holding company that owns 49.9% in two associates, namely Kgalagadi Breweries (KBL) and Coca Cola Beverages Botswana (CCBB). As such their performance relates directly from both companies. Share of results from associates for the half year ended 30 June 2020 were slashed by 58% to P40.2mn, as compared to the previous comparative period, 30 June 2019 (P96.6mn).

This came about as a result of declined volumes from both associates. KBL’s volumes declined 40%, impacted directly by the Government ban on the sale of alcohol; while CCBB’s volumes dropped a much smaller 7.1% - with sharp declines experienced in the second quarter of the year.

Property

Letlile is one of the handful of stocks that retain a year-to-date performance that’s positive for the year 2020, despite a retraction of 1.7% in the third quarter under review. The Company’s financials were, by and large, supported by the disposal of the hotels to Cresta back in June 2019, as can be noted by a 17% increase in profit after tax. The company’s name also made a number of appearances in the local headlines. According to the local newspapers and a number of company announcements, there is ongoing spat between the former Chief Executive Officer (whose contract was terminated in the Q3 2020) and the Company’s Board of Directors relating to the Company’s Long-term Incentive Plan.

NAP’s performance for the financial year ended 2020 proved the company’s resilience in this challenging environmental though it could be said that better part of the company’s performance came from the first nine months of the year, which happen to have been before the coronavirus became a pandemic. The stock was the most traded in the property sector in the quarter, clocking a marginal share value loss of negative 0.9%. A lot of the stock’s appeal stems from the near zero gearing position and generally stable distribution yield (as at 30 Sept. 2020: 7.4%).

Primetime’s share price was down 4.5% for the quarter, to become the highest loser in the sector after Turnstar. The Group’s half year performance was impressive, and the full year numbers are likely to be severely hampered by its second half performance. Primetime’s gearing is relatively high at about 50%, which may likely increase, given the uncertainty of the business environment, among others, rent deferrals. On a year-to-date basis, the stock is carrying a slightly higher loss of negative 4.8%.
**Energy**

Engen published their interim financial results for the half year ended 30 June 2020. The company noted a 15% decline in revenue for the period to P1.15bn (2019: P1.35bn), due to movement restrictions in Botswana, as well as decline in global crude oil prices. In the period, the Group disclosed that the oil industry received a margin increase from the Government. The slate payable to Government was P172.6mn as at 30 June 2020, versus the under recovery position of P29.4mn as at 31 December 2019. Cost of sales were contained in the period, declining by 11%; gross profit declined 47% to P77.2bn (2019: P145.8bn), with the gross profit margin was down to 6.7%. Expenses were marginally contained as well, resulting in an operating profit of P33.2bn (2019: P89bn). Profit before tax at P29.7mn (2019: P87.2), Earnings per share down to 10 thebe (2019: 38.3 thebe), and a net dividend yield of 10%. Engen declared an interim gross dividend of 18 thebe per share for the period, payable to shareholders registered in the company’s books on the 16th October 2020.

**Mining (Domestic)**

Minergy saw demand for coal plunge, which forced the Group’s production levels to decline as well, more especially as coal prices remain suppressed. The financial impact of having to cover fixed overhead costs has eaten away at the little funds the Group managed to raise earlier in the year, which unfortunately arm twists them into seeking additional capital. Despite all the above, in the quarter, the stock only lost 2.4% of its value in the quarter, declining to P0.83/share.

**Agribusiness**

SeedCo published stellar financial results for the year ended 31 March 2020. As it seems, SeedCo experienced a surge in sales in the second half of the year, as would be expected. The Group’s revenue climbed 19%, propped up by an increase in maize-seed sales volumes that improved due to maize commodity prices. This, further supported by improved rainfall in a number of regions the company operates. However, the improvement was capped by an unfavourable currency translation of the Zambian Kwacha to the reporting currency. The gross profit margin was relatively unchanged, hovering at around 48.9%; while the price earnings ratio stood at 7.7x, and the earning per share increased to 2.86 thebe from 1.75 thebe. Finance costs increased by a large margin of about 58% - the Group citing delayed settlement of receivables from major Government customers as the cause. As such, the Group relied on their bank’s facilities that added to the increased debt to operational income ratio to 3.27x. The Group expects the full impact of the COVID-19 pandemic to reflect in its current ongoing financial year, given the restrictions of movement in various countries of operation. The stock spent the entire quarter with its fungibility between the BSE and the Zimbabwe Stock Exchange (ZSE) suspended by the Ministry of Finance and Economic Development (MFED) of the Republic of Zimbabwe. As a solution, the MFED established a subsidiary, the Victoria Falls Stock Exchange Limited (“VFEX”) where dual-listed companies including Seed Co International Limited, would be allowed to list their shares for trading in United States Dollars. This was established in the first week of November 2020. Nonetheless, the stock’s price was not spared in the quarter and lost 4.6%, arguably lower than would have been expected, given the lesser liquidity.
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The BSE offers a wide variety of market data packages for a holistic view of the market and enhanced investment decision-making through insights into the growth, liquidity and performance of BSE listed instruments.

For more information, please email the Product Development Department at productdev@bse.co.bw or call (+267) 367 4400
BSE TEAM GIVES THANKS
at Annual BSE Christmas Party
As you turn your dreams into goals, and goals into business reality in these challenging times, we invite you to visit us at the BSE so we can discuss how we can together harness your goals and the power of Capital Markets to create jobs and a better future for Botswana and Africa! Happy New Year!

The year 2020 was truly a year of revelation. The lessons that 2020 taught us will make us stronger, wiser and appreciate the gift of life. I wish everyone a blessed and healthy 2021. Ngwaga o Mosha!

Despite 2020 and all its woes we made it to the other side intact. If there is one thing 2020 taught us is that we can survive almost anything. What a great lesson. Here is to a bright and beautiful new year.

I never expected 2020 to be as turbulent as it turned out to be. But what is life without uncertainty really? It is during these setbacks, which similarly bear opportunity, that we are challenged to introspect, re-adjust and re-map the way forward. With the resilience from 2020, lets transit to 2021 with renewed optimism and make the best of the new year.

Happy New year.

The BSE TEAM
Let this new beginning signify a chapter filled with pages of success and joy scripted in hard work. Wishing the BSE family and our valued stakeholders a very happy and successful year ahead.

Rosinah Tshoganetso | Listings Specialist

We have nothing to fear for the future, except as we shall forget the way the Lord has led us in our past history. As long as you are still here, there is more ahead of you, if you will put your trust in the Lord. Happy New Year!

Billy Kgati | Trading and Surveillance Specialist

Merry Christmas and Happy New Year!!
Wishing you a season of peace, joy and love! I pray this season brings you unending bliss, peace that transcends your soul and laughter for all your days.

Ambrosia Khupe | CSD Assistant

May this New Year bring more opportunities to grow and be successful. We turned every challenge into an opportunity in the previous year. May the impossible be possible for all of us in 2021. Wishing you and your loved ones a Happy New Year.

Rhea Oremeng | CoSSE Coordinator

If I were to describe 2020 in a sentence, it would be ‘we are spiritual beings on a human journey.’ We are more than the summation of our egos, successes, failures, roles and problems. For this new season, I pray that as we all seek fortune and prosperity, we begin to do so spiritually. May 2021 bring you inner peace, joy and positivity.

Mogolodi George | Network and IT Security Graduate Trainee

May happiness, wealth and health be at your home for the year 2021. I hope that this New Year brings you all the happiness you deserve. Merry Christmas and a Happy New Year 2021!
2021 HOORAAYYYY!!!
May the stars shine upon your life. May gorgeous flowers blossom your life. May God bless and protect you all through the year. Wishing you all a happy New Year.

We can all agree that COVID-19 increased the time we spend inside, not only in our houses but in our hearts and minds too. As we usher in 2021 filled with much uncertainty, shift your focus from what you cannot control to what you can. Remember, lockdowns and restrictions do not dictate your inner environment or tarnish the solace it can provide. Happy New Beginnings. Smile more, laugh more, love more and most importantly, forgive yourself and others more.

Cheers to the new year!
Warmest thoughts and best wishes for a happy new year. May Peace, Love and Prosperity follow you always. Happy 2021!

Shaken, not moved. – in a nutshell, that was our year. Through dedication, hard work and resilience, we have demonstrated that we can maneuver through any challenge to reach our desired goal. It is with this in mind that I would like to take this opportunity to thank our valued stakeholders for their continued support and to wish them a Merry Christmas and a prosperous 2021!

Happy New Year to all our stakeholders. Wishing you a year full of blessings and new adventures. 2020 has been a turning point, a year of resilience and I hope we have all learned some important lessons. I hope this year turns out to be the best year of your life and your family too. May it bring you much joy and fun. May you find peace, love, and success. Sending my heartiest new year wish for you!

We can all agree that COVID-19 increased the time we spend inside, not only in our houses but in our hearts and minds too. As we usher in 2021 filled with much uncertainty, shift your focus from what you cannot control to what you can. Remember, lockdowns and restrictions do not dictate your inner environment or tarnish the solace it can provide. Happy New Beginnings. Smile more, laugh more, love more and most importantly, forgive yourself and others more.
2020, What a year!

But through it all we thank God for our health and life. We have been tested and we prevailed. Looking forward to the year 2021, and wishing the BSEL excellence in attaining its desired results. Merry Xmas and Happy new year!!

Through a challenging year, we have managed to navigate new landscape together. May the new season bring you and your family prosperity, blessings, positive changes, and everything that your heart desire.

Cheers to a happy new year!!
God bless us all.

The BSE team has once again demonstrated unity and team work as they faced the challenges and uncertainties brought by the Covid 19 pandemic. Against all the odds the team has shown strength and commitment towards delivering the BSE mandate and fulfilling the responsibilities of their various roles. I am very pleased to have been part of the BSE team during this challenging time and look forward to many more exciting and life changing moments as part of such an exceptional team.

Dineo Maroba | Executive Assistant to the CEO

Sebele Tlhabiwe | Business Systems Specialist

Refilwe Ponatshego | Accountant

Tsaone Jacob | Human Resources Administrator
A GUIDE TO LISTING ON THE BOTSWANA STOCK EXCHANGE (EQUITY SECURITIES)

A GUIDE TO LISTING ON THE BOTSWANA STOCK EXCHANGE (EXCHANGE TRADED FUNDS)

A GUIDE TO LISTING ON THE BOTSWANA STOCK EXCHANGE (FIXED-INCOME DEBT SECURITIES)

A GUIDE TO REGISTRATION ON THE BOTSWANA STOCK EXCHANGE SERALA OVER-THE COUNTER (OTC) BOARD MANUAL

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Download these guidelines at www.bse.co.bw/how-to-list/

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