IMARA

Capital Securities

(A member of the Botswana Stock Exchange)

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Country:		Botswana
Date	:	15 January 2021

MARKET COMMENTARY

The Domestic Companies Index closed the week ended 15 January 2021 0.01% higher w-o-w at 6,888.83 pts. The Foreign Companies Index remained unchanged at 1,547.29 pts.

Seed Co gained 2.70% to BWP 1.90; while BTCL and Engen lost 1.23% and 0.29% to BWP 0.80 and BWP 10.25, respectively.

Turnover increased to BWP 12.1m on 7.8m shares traded from last week's BWP 10.0m on 11.6m shares. Deals in Letshego dominated volumes and value transacted with contributions of 74.29% and 36.03%, respectively.

The BWP strengthened against the USD (+0.44%) and EUR (+1.63%); while it weakened against the ZAR (-1.10%) and GBP (-0.15%).

98,746 ETF units worth BWP 14.6m changed hands. NEWGOLD and NEWPLAT appreciated by 1.15% and 23.25% to BWP 194.00 and BWP 118.75, respectively; while NEWFUNDS depreciated by 4.28% to BWP 50.10.

Highlights in this week's edition:

- **Sefalana expects a 21% - 23% increase in PBT**
- **G4S appointed an Acting Managing Director**
- **CA Sales listed additional shares**
- **Lucara recovered a 341 carat top white gem diamond**
- **NEWFUNDS declared a distribution**

Price gainers for the week			Price losers for the week		
Company	Price (P)	% change	Company	Price (P)	% change
SeedCo	1.90	2.70%	BTCL	0.80	-1.23%
			Engen	10.25	-0.29%

Volumes		Turnover	BWP	USD
Letshego	5,824,999	Letshego	4,368,749	396,245.56
CA Sales	465,951	Sefalana	2,043,032	185,303.03
Turnstar	230,153	CA Sales	1,742,657	158,058.97
Letlole	220,000	NAP	642,000	58,229.40
Sefalana	218,739	Engen	602,147	54,614.69

Rates	
7 day Bank of Botswana Certificate rate	1.02%
91 day Bank of Botswana Certificate rate	
Bank rate	3.75%
Prime rate	5.25%
Latest inflation (December 2020)	2.20%

Source: Bank of Botswana

Currency	8-Jan-21	15-Jan-21	% change
ZAR	1.392	1.377	-1.10%
USD	0.091	0.091	0.44%
GBP	0.067	0.067	-0.15%
EUR	0.074	0.075	1.63%

Source: Bank of Botswana

Figure 1: Domestic Companies Index

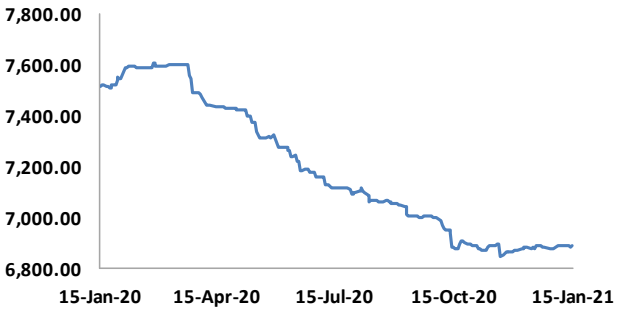


Figure 2: Foreign Companies Index

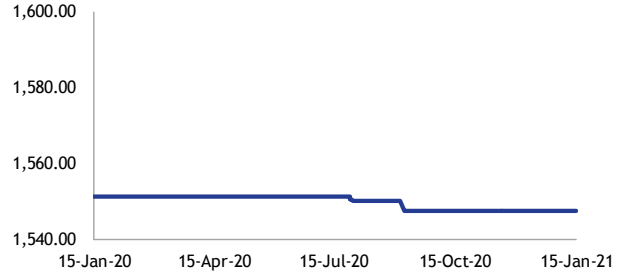
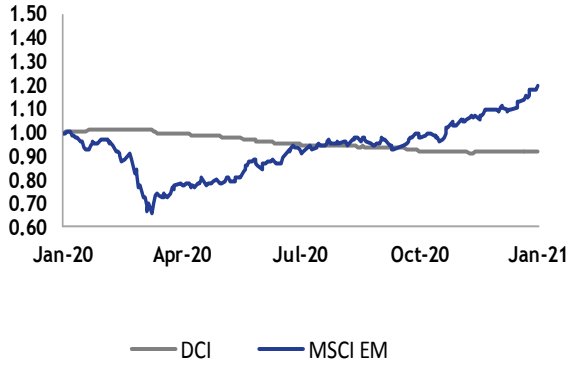


Figure 3: DCI vs MSCI EM Index



Company & Economic News

Sefalana expects a 21% - 23% increase in PBT.
Sefalana expects its profit before tax for the 6 month period ended 31 October 2020 to be between 21% and 23% (approximately BWP 25m and BWP 28m) higher than the comparative period ended 31 October 2019 which amounted to BWP 121.1m. Sefalana will be publishing its consolidated financial results by the end of January 2021. Accordingly, shareholders and investors are advised to exercise caution when dealing in the company's securities until further updates are published.

(Sefalana)

G4S appointed an Acting Managing Director.
G4S appointed Mr Hennie Swanepoel as the Acting Managing Director effective 1 January 2021 to 28 February 2021. Having spent the last 35 years in customer driven businesses, with 25 years in the security industry with G4S in senior positions, Hennie brings a wealth of expertise and knowledge to the field and has managed to improve G4S service provision to customers.

(G4S)

CA Sales listed additional shares.
CA Sales issued 71,361 new no par value ordinary shares in settlement of options exercised on 30 September 2020 by participants of the company's existing long-term employee share incentive scheme. The shares were listed on the Botswana Stock Exchange on 14 January 2021. Following the issue of the 71,361 new shares, the company will have a total of 452,206,869 ordinary shares of no par value in issue.

(CA Sales)

Lucara recovered a 341 carat top white gem diamond.
Lucara recovered an unbroken 341 carat top white gem quality diamond from its 100% owned Karowe Diamond Mine in Botswana. The 341 carat diamond was recovered over the holiday period from milling of ore sourced from the south western quadrant of the South Lobe M/PK(S) unit. The recovery of large gem quality diamonds from the M/PK(S) unit of the South Lobe is in line with expectations and historical South Lobe recoveries.

(Lucara)

NEWFUNDS declared a distribution.
NEWFUNDS declared a distribution to holders recorded as such in the register on 22 January 2021, for the month ended 31 December 2020, comprising of 52.6850 cents per ETF unit, payable on 25 January 2021. In accordance with the investment policy of the ETFs, the distribution will be re-invested on behalf of investors via the purchase by the ETF of additional Constituent Securities.

(NewFunds)

COMPANY	Price (BWP)	EPS	P/E Hist	P/BV Hist	Net Div	Div Yield	ROE	ROA	Recommendation
BANKING SECTOR									
ABC	1.98	0.17	11.37	1.27	0.00	0.00%	11.15%	1.44%	**HOLD**
Absa	5.37	0.37	14.64	2.13	0.23	4.31%	14.53%	1.66%	**HOLD**
FNBB	2.20	0.27	8.04	1.56	0.14	6.31%	19.34%	2.31%	**HOLD**
StanChart	1.45	0.40	3.67	0.38	0.17	11.73%	10.45%	0.79%	**BUY**
BBS	1.09	-0.07	N/A	0.99	0.00	0.00%	N/A	N/A	**SPECULATIVE**
OTHER FINANCIAL SERVICES									
Afinitas	0.89	-0.08	N/A	4.68	0.00	0.00%	N/A	N/A	**SPECULATIVE**
BIHL	17.50	1.87	9.37	1.67	1.27	7.26%	17.82%	2.94%	**HOLD**
Letshego	0.75	0.28	2.65	0.36	0.11	14.31%	13.40%	5.72%	**BUY**
FMCG									
Sefalana	9.34	0.79	11.85	1.30	0.35	3.71%	10.95%	6.80%	**BUY**
Choppies	0.60	0.08	7.91	N/A	0.00	0.00%	N/A	5.37%	**HOLD**
CA Sales	3.74	0.27	13.65	1.54	0.06	1.56%	11.31%	5.68%	**HOLD**
AGRICULTURE									
SeedCo	1.90	0.32	5.93	0.95	0.00	0.00%	16.08%	8.44%	**HOLD**
BREWERIES									
Sechaba	20.65	1.17	17.57	3.78	0.52	2.51%	21.53%	20.40%	**HOLD**
TELECOMMUNICATIONS									
BTCL	0.80	0.09	8.44	0.39	0.03	3.62%	4.59%	3.82%	**BUY**
PROPERTY DEVELOPMENT									
Letlole	2.29	0.22	10.28	0.83	0.15	6.34%	8.09%	5.61%	**BUY**
NAP	3.21	0.25	12.99	1.35	0.23	7.16%	10.42%	8.71%	**HOLD**
PrimeTime	2.75	-0.06	N/A	0.95	0.14	5.23%	N/A	N/A	**HOLD**
RDCP	2.15	0.34	6.38	0.53	0.08	3.57%	8.26%	4.81%	**BUY**
FPC	2.47	0.22	11.40	1.23	0.15	6.12%	10.79%	6.55%	**SELL**
Turnstar	2.50	0.16	15.90	0.82	0.09	3.63%	5.16%	3.45%	**HOLD**
CONSUMER SERVICES									
Engen	10.25	0.53	19.52	3.11	1.04	10.11%	15.95%	8.01%	**HOLD**
G4S	3.40	0.26	13.00	2.21	0.00	0.00%	17.00%	12.39%	**HOLD**
TOURISM AND HOSPITALITY									
Cresta	1.30	-0.11	N/A	1.25	0.00	0.00%	N/A	N/A	**HOLD**
Chobe	9.43	-0.17	N/A	2.49	0.00	0.00%	N/A	N/A	**HOLD**
Market Average			**10.77**	**1.56**		**4.06%**	**12.60%**	**6.05%**	

DIVIDEND SCHEDULE

	Declared	Period	Gross Dividend (thebe)	Gross interest (thebe)	Last day to register	Payable
PrimeTime	15-Dec-20	Final		3.14	17-Mar-21	29-Mar-21
BTCL	18-Dec-20	Interim	3.13		03-Feb-21	15-Feb-21
RDCP	30-Dec-20	Interim	0.075	3.745	16-Apr-21	28-Apr-21
NEWFUNDS	14-Jan-21	Monthly		ZAR 52.6850 cents	19-Jan-21	25-Jan-21

RATINGS

Company	08-Jan-21	15-Jan-21	Volumes	Value	% change	YTD % change	Mkt Cap (BWP Mn)	Mkt Cap (USD Mn)
DOMESTIC BOARD								
ABC	1.98	1.98	-	-	0.00%	0.00%	1,435.50	130.63
ABSA	5.37	5.37	10,887	58,463	0.00%	-0.19%	4,576.11	416.43
BIHL	17.50	17.50	17,857	312,498	0.00%	0.00%	4,941.49	449.68
BTCL	0.81	0.80	147,104	118,335	-1.23%	-2.44%	840.00	76.44
Chobe	9.43	9.43	22,452	211,722	0.00%	0.00%	843.42	76.75
Choppies	0.60	0.60	187,119	112,271	0.00%	0.00%	782.18	71.18
Cresta	1.30	1.30	22,948	29,832	0.00%	0.00%	240.03	21.84
Engen	10.28	10.25	58,746	602,147	-0.29%	-0.29%	1,637.15	148.98
FNBB	2.20	2.20	8,756	19,263	0.00%	0.00%	5,596.14	509.25
FPC	2.47	2.47	22,032	54,419	0.00%	0.00%	1,105.85	100.63
G4S	3.40	3.40	-	-	0.00%	0.00%	272.00	24.75
Letlole	2.29	2.29	220,000	503,800	0.00%	0.00%	641.20	58.35
Letshego	0.75	0.75	5,824,999	4,368,749	0.00%	4.17%	1,608.03	146.33
Minergy	0.80	0.80	-	-	0.00%	0.00%	375.98	34.21
NAP	3.21	3.21	200,000	642,000	0.00%	0.00%	1,940.11	176.55
Olympia	0.24	0.24	-	-	0.00%	0.00%	15.44	1.41
PrimeTime	2.75	2.75	8,811	24,230	0.00%	0.00%	672.79	61.22
RDCP	2.15	2.15	-	-	0.00%	0.00%	759.91	69.15
Sechaba	20.65	20.65	25,544	527,484	0.00%	0.00%	2,284.24	207.87
SeedCo	1.85	1.90	212	403	2.70%	2.70%	724.76	65.95
Sefalana	9.34	9.34	218,739	2,043,032	0.00%	0.00%	2,341.79	213.10
StanChart	1.45	1.45	120,000	174,000	0.00%	0.00%	432.61	39.37
Turnstar	2.50	2.50	230,153	575,383	0.00%	0.00%	1,430.38	130.16
Venture Capital								
Afinitas	0.89	0.89	-	-	0.00%	0.00%	190.41	17.33
FOREIGN BOARD								
Anglo	244.95	244.95	-	-	0.00%	0.00%	333,883.41	30,383.39
CA Sales	3.74	3.74	465,951	1,742,657	0.00%	0.00%	1,691.25	153.90
Investec	53.67	53.67	-	-	0.00%	0.00%	17,115.62	1,557.52
Shumba	0.95	0.95	-	-	0.00%	0.00%	278.16	25.31
Tlou Energy	0.33	0.33	-	-	0.00%	0.00%	169.38	15.41
Venture Capital								
A-Cap	0.39	0.39	-	-	0.00%	0.00%	340.04	30.94
BOD	0.12	0.12	28,746	3,450	0.00%	0.00%	86.55	7.88
LUC	5.11	5.11	-	-	0.00%	0.00%	2,028.14	184.56
SERALA OTC BOARD								
BBS	1.09	1.09	-	-	0.00%	0.00%	531.32	48.35
DCI	6,888.10	6,888.83	7,346,359	10,378,031	0.01%	0.14%	35,687.52	3,247.56
FCI	1,547.29	1,547.29	494,697	1,746,106	0.00%	0.00%	355,592.54	32,358.92
NEWFUNDS	52.34	50.10	6	301	-4.28%	-4.28%	5.15	0.47
NEWGOLD	191.80	194.00	38,652	7,498,868	1.15%	1.15%	413.3	37.61
NEWPLAT	96.35	118.75	60,088	7,135,422	23.25%	23.25%	236.21	21.50

Source: BSE

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