



Botswana Stock Exchange Limited

# NEWS

ISSUE NO. 16 • OCTOBER - DECEMBER 2021

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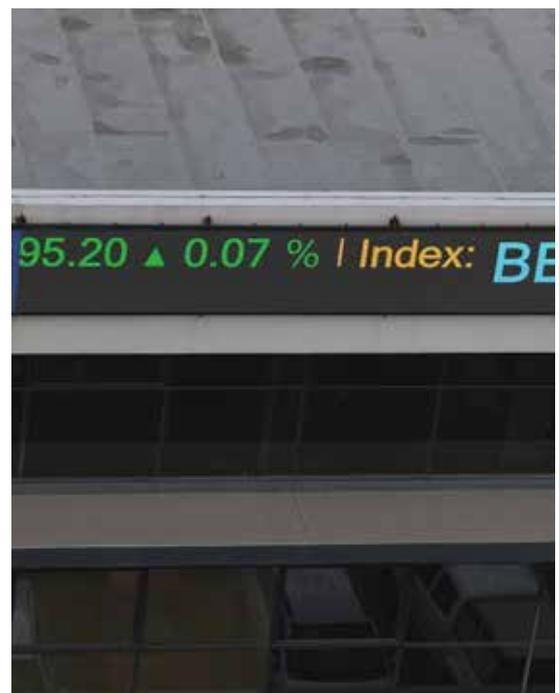
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## *Hello Readers*

**It is my pleasure to welcome you to the 16<sup>th</sup> edition of the BSE Magazine and the last for 2021!**

It is undeniable that we live in an era where the world is increasingly intertwined - for better and for worse. The acceleration in global integration in recent decades has propelled cross-border flows of just about everything to a global scale, from goods and services, financial capital, information and people, to technological developments, cultural exchanges and of course, disease.

The manifestations of globalisation have benefited humanity significantly, yet and still, there is some growing fragility caused by global systemic risks. The 21st century is marked with critical global challenges such as the ongoing pandemic (and the threat of more fatal variants) as well as the ticking timebomb that is climate change. These two crises are evidence of the complexities of globalisation which go beyond being an economic phenomenon. Other consequences of globalisation including income inequalities, financial volatility, disproportional wealth and trades that benefit actors (countries, companies, individuals) differently have created criticism and concern over arbitrary regulation and absent implementation of fair and sustainability policies.

Fortunately, in this case, the solution is in the cause. In order to enable a transformative shift for a more sustainable world of equitable economic prosperity and improved human welfare, a global synergy through globalisation is required. The role of Stock Exchanges in this regard is solidified since the growth and integration of the world capital markets is in fact one of the drivers of globalisation. Stock Exchanges also serve as a platform through which domestic listed entities can expand their footprint beyond their national border, and integrate into foreign markets and the global economy at large.

To elevate its operations to a global standard, the BSE is guided by its vision of becoming a "World Class Securities Exchange". Several notable initiatives such as the upgrading of our technology infrastructure, introduction of new digital platforms, data as a service and leveraging media partnership for global reach are congruent efforts to modernise and internationalise the bourse. Additionally, our determination to drive sustainable economic growth and create value for all relevant stakeholders has afforded us international recognition over the last few years – with the latest being the Best Economic Impact Securities Exchange Africa 2021 Award by Capital Finance International in July 2021.

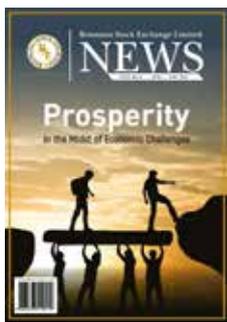
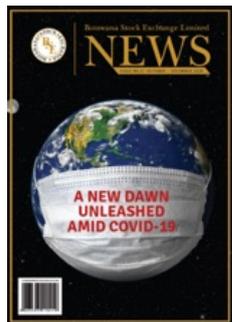
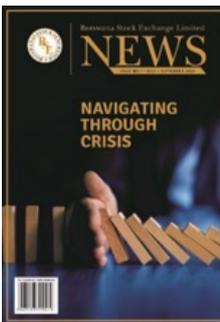
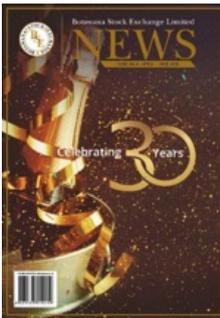
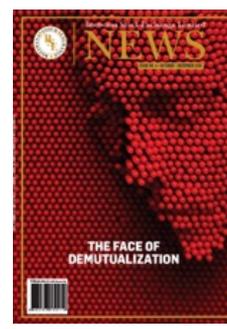
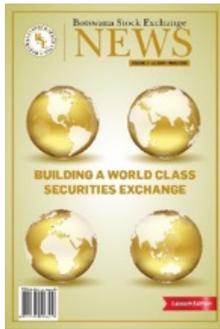
For the benefit of listed entities, investors and the local capital market ecosystem, the BSE has ventured into respective partnerships with CNBC Africa and Bloomberg to promote the visibility and presence of our local capital market to the global business community with the aim of attracting potential issuers and investors to our market. Additionally, we have, in August, been granted approval of the Botswana Depository Receipts rules (BDRs) which will enable local investors to buy shares of foreign companies on the BSE, eliminating the need to access such securities in their home markets. Depository Receipts enhance the international growth and visibility of their international issuers, and that of the Exchanges in which they are listed and traded, while integrating the investor in Botswana into the global securities markets.

With the abovementioned in mind, with this edition of the BSE News themed **Operating Through a Global Lens**, we seek to highlight the opportunities offered by the BSE to domestic entities and investors that aim to internationalise their operations and tap into global securities through the local exchange. Moreover, we profile some of Botswana's most successful multinational companies on their experience and growth story of attaining international and global presence. More importantly, we address the growing pressures of COVID-19 and climate change as outlined above, including the initiatives that the BSE is taking to deliver effective relief.

In honour of this last edition for 2021, let me express my gratitude to our patrons for the continuous support and comradery during this trying year. Additionally, thank you to everyone that has added value to this magazine, through advertising and other means. We are proud and pleased to bring you insightful and relevant content through this platform every quarter. Lastly, as we enter the festive season, I wish you all safety, prosperity and more blessings for the year 2022. Happy reading.

**'Your Partner in Wealth Creation'**

**Thapelo Tsheole**  
Chief Executive Officer



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**MARKET PERFORMANCE FOR THE PERIOD 1 JANUARY TO 31 MAY**

**BSE HOSTS FIRST SESSION OF TSHIPIDI MENTORSHIP PROGRAMME 2021**

**KAZUNGULA – SADC'S BRIDGE TO AFRICA'S FREE TRADE ASPIRATIONS**

**THE RISE OF CROWD FUNDING IN BOTSWANA**

**WORLD BANK FINANCING FOR COVID-19 VACCINE ROLLOUT REACHES \$US2 BILLION**

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# KNOW YOUR STOCK MARKET TERMS

**Capital Loss** - Capital Loss arises if the proceeds from the sale of a capital asset are less than the purchase price. It is the loss incurred when a capital asset (investment or real estate) decreases in value. This loss is not realised until the asset is sold for a price that is lower than the original purchase price.

**Current Yield** - Current Yield is equal to a bond's annual interest payment divided by its current market price.

**Derivative** - A derivative is a security that derives its value from another asset. The asset in which its value depends is called an underlying asset. It is a contract to buy or sell an asset at a future date with a predetermined price.

**Earnings per Share** - This is a measure of the company's profitability from an investor's perspective. It is the portion of a company's profit allocated to each outstanding share of common stock.

**Free Float** - Free float is the number of outstanding shares of stock available for trading by the public. It excludes the shares that are owned by

promoters, company officers, management and various other insiders. Companies with small float are likely to be volatile, since a major trading event may have a substantial impact on the stock price, while companies with bigger float tend to be less volatile.

**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.

**ISIN** - ISIN (International Securities Identification Number) is a unique identification number allotted for each security in the depository system.

**Portfolio** - It is a collection of securities owned by an individual or an institution (such as a mutual fund) that may include stocks, bonds, and money market securities.

**T-Bills** - T-Bill is a short-term money-market instrument issued by the Central Bank. T-Bills are issued at a discount to face value.

Source: Unpacking Jargon, Fourth Edition

**STRONG RESULTS AS LETSHEGO ACCELERATES ITS DIGITAL STRATEGY AND CELEBRATES THE SPIRIT OF AFRICA RISING UP**



MR. ANDREW F. OKAI  
GROUP CHIEF EXECUTIVE LETSHEGO HOLDING LTD

**INTERVIEW WITH LETSHEGO GROUP CEO, ANDREW F. OKAI.**

***In this insightful interview, the BSEL News sits down with Group Chief Executive of Letshego Holdings Limited Group, Mr. Andrew F. Okai to discuss Letshego Group's strong interim results as the group accelerates its digital strategy:***

Andrew F. Okai is the Group Chief Executive of Letshego Holdings Limited Group, a leading pan-African multinational financial services group. Andrew assumed the role in January 2020 and leads the financial services group's phenomenal growth and digital transformation as the continent's leading inclusive finance group.

Letshego Group first opened its doors in Botswana 23 years ago by offering

loans to Government employees. Today, the Group has over 3,000 employees comprising more than 21 nationalities, and has expanded its support to include both public and private sector individuals, as well as Micro and Small Entrepreneurs ("MSEs"). Letshego's footprint stretches across 11 sub-Saharan African markets

The Group is listed on the Botswana Stock Exchange, and a subsidiary listing on the Namibian Stock Exchange. To support Letshego's progress in diversifying its funding mix, Letshego offers debt listings on four bourses on the continent: Botswana Stock Exchange; Johannesburg Stock Exchange; Namibia Stock Exchange and Ghana Stock Exchange.

## ► COMPANY FOCUS

### **Q: What is Letshego Group's purpose and vision, at the core?**

**A:** Letshego's strategy is driven by our purpose - to improve lives. Letshego seeks to make a tangible and sustainable difference in the lives of our customers by developing products that deliver tangible economic value to our customers, and broader communities.

Our Vision is clear – we wish to become a world-class retail financial services organisation that supports individuals and Medium and Small Entrepreneurs to achieve their potential by accessing simple but transformative financial solutions.

Letshego's Transformation strategy is driven by Digitisation - digital technology is no longer a revolution, but quite simply, our new way of life. Our '5 Conversations' – or strategic areas of focus – reiterate our areas of focus in our quest to deliver sustainable value and growth: Product Diversification; Digitalisation; Geographic Rebalancing; Enterprise Agility & Culture, and Shareholder Value.

### **Q: How is Letshego managing to navigate the ongoing COVID-19 pandemic?**

**A:** COVID-19 has presented extra ordinary circumstances for societies and business sectors across the globe, not just in Africa. Letshego continues to prioritise the health and wellbeing of our people and customers, and building mechanisms that support business resilience as we continue to navigate the unusual market conditions. Our digital strategy has enabled us to maintain our support for customers through the pandemic, and provide the platform to continue our expansion of products and solutions for long term customer value and business growth.

Letshego recognises the tangible impact and support that we can provide from a business and community perspective across our markets. Effective collaboration remains the most effective tool in mitigating the downside impact of such a pandemic. Letshego continues to make great strides in supporting national governments, health authorities and economic development hubs to support individuals and small businesses to sustain operations and income and recover from ongoing challenging market conditions.

We remain grateful to our employees for their commitment to working tirelessly and passionately in such tough conditions. Many have lost family members and endured extreme hardships through this time, and we continue to provide our people and their families with much needed emotional, medical and financial support.

Our existing partnerships with Governments, Regulators and suppliers enables us to extend the reach of our support and unity as we manage through this pandemic.

### **Q: Letshego launched an aggressive digital transformation strategy and roadmap. Can you share more about this and where we are now?**

**A:** 2021 saw Letshego commence the second phase of our 6-2-5 execution roadmap – entitled 'Plan 2'. The two-year phase is characterised by increased investment into digital-first initiatives, along with the end-to-end automation of processes and platforms. It is a bold and achievable strategy that will not only transform our business but transform how we engage and interact with our customers, striving to create value for them at every turn.

In the first 6 months of 2021, we have already achieved targeted digital milestones, the most impactful step being our LetsGo Digital Platform going live in 10 markets.

Digitisation not only unlocks operational efficiencies in Robotic Process Automation ("RPA"), but also allows us to bring new products and solutions to market faster – meeting security and regulatory requirements. Our latest launches include LetsGo Insure and LetsGo Pay, our digital account accessible via mobile phones.

All our products will be accessible via our LetGo Mall – an interactive platform that customers can visit on their phones, online or USSD. The LetsGO Mall is in its initial launch stages, and set to expand into a fully interactive community, what we call our LetsGONation.

By the end of 2022, we will be progressed towards 'ecosystems', expanded multi-tier partnerships and digital hubs, all while upskilling and empowering employees and customers with world-class, digital skills that supports sustainable financial inclusion and digital-savvy economies.

### **Q: What was the impetus behind the digital transformation?**

**A:** The impetus is two-fold. On the one hand, we recognise that digital is our new normal – it is now our life, and no longer a revolution or innovation. Technology is evolving rapidly; its important companies seek to identify digital technology that best fits their strategy and vision.

Secondly, digital technology is not an island – it cannot function in isolation. It is imperative that a company's technology and digitisation strategy is fully integrated into the business – and at Letshego, our business is our people. We are actively investing in the people who will drive our development in digitisation – thus empowering our employees with digital skills, recruiting the new specialist skills our business will demand, is imperative for future success.

The growth of our #peoplefirst culture is exciting – we currently have 20 squads managing the execution

of our digital platforms, continuously enhancing productivity through our new ways of working in Enterprise Agility methodologies. Already 97% of our total employee complement has signed up to our new Digital Learning Platform, in partnership with Coursera, where employees can access over 4,000 world-class training and specialist skills curriculums. We also have 30 new specialist technology skills appointed – and this will continue to grow as we build our future-fit organisation.

**Q: How are you supporting entrepreneurs?**

**A:** Entrepreneurs are the engine room of future economic development. In a world where populations are growing, structured employment is no longer common place and technology is driving an increasingly globalised market place – entrepreneurship is an asset.

Africa is known for its unique entrepreneurial traits, overcoming adversities, as well as seizing commercial and economic development opportunities. Letshego is African and thus it only makes sense that we leverage our experience and products to support the growth and prosperity of Micro and Small Entrepreneurs across our markets.

In Botswana we have partnership with the Botswana Innovation Hub and an organisation called, 'These Hands'. This partnership sets to support the establishment of "entrepreneurial hubs, to provide technical and business assistance to budding entrepreneurs, as well as seed capital to create their innovation and launch to market.

We look forward to sharing more on this dynamic segment going forward.

**Q: You have just announced your Group Interim Results – how has Letshego performed**

**A:** Letshego reported strong Group Interim Results, with profits more than 20%, supported by commercial growth in net advances. We are accelerating our digital strategy, with our LetsGo digital platform launching in 10 markets well ahead of initial targets.

Despite the challenging economic environment, Letshego achieved double digit growth for the period, with profit before tax up 23% year on year to P544 million. Profit after tax rose 28% for the same comparative period. Asset quality remains robust with the Group's Loan Loss Ratio (LLR) within target range at 1.4%, and the non-performing loans ratio reducing to 5.6% (H1 2020: 7.9%). Strong performance for the interim period was driven by a 20% growth in net customer advances, totalling P11.1 billion.

Product performance saw double digit portfolio growth in Letshego's primary deduction at source (DAS)

portfolio of 16%. DAS customer numbers increased by 19% to 694k (H1 2020: 586k). The Micro and Small Entrepreneur (MSE) segment remained more sensitive to economic slowdowns with net loan book values dropping 3%. However, MSE profitability improved with recovery and collection efficiencies. Our Mass Mobile portfolio performed well with a portfolio value increase over 200% year on year.

Letshego remains well capitalised at 39% capital adequacy ratio, and has a strong liquidity position to support business growth.

**Q: What is the outlook for Letshego?**

**A:** With the onset of a 'third wave' in many sub Saharan markets, we continue to maintain a proactive stance in adjusting and evolving our Pandemic Response Plans and risk mitigation strategies to meet ever-changing economic environments. These are unusual circumstances, but we continue to build business resilience to navigate the headwinds and challenges going forward.

Letshego's future is bright. We are building a LetsGoNation that empowers our customers with products and solutions that deliver value and social impact, while ensuring that access is constant and accessible, wherever our customers may be located.

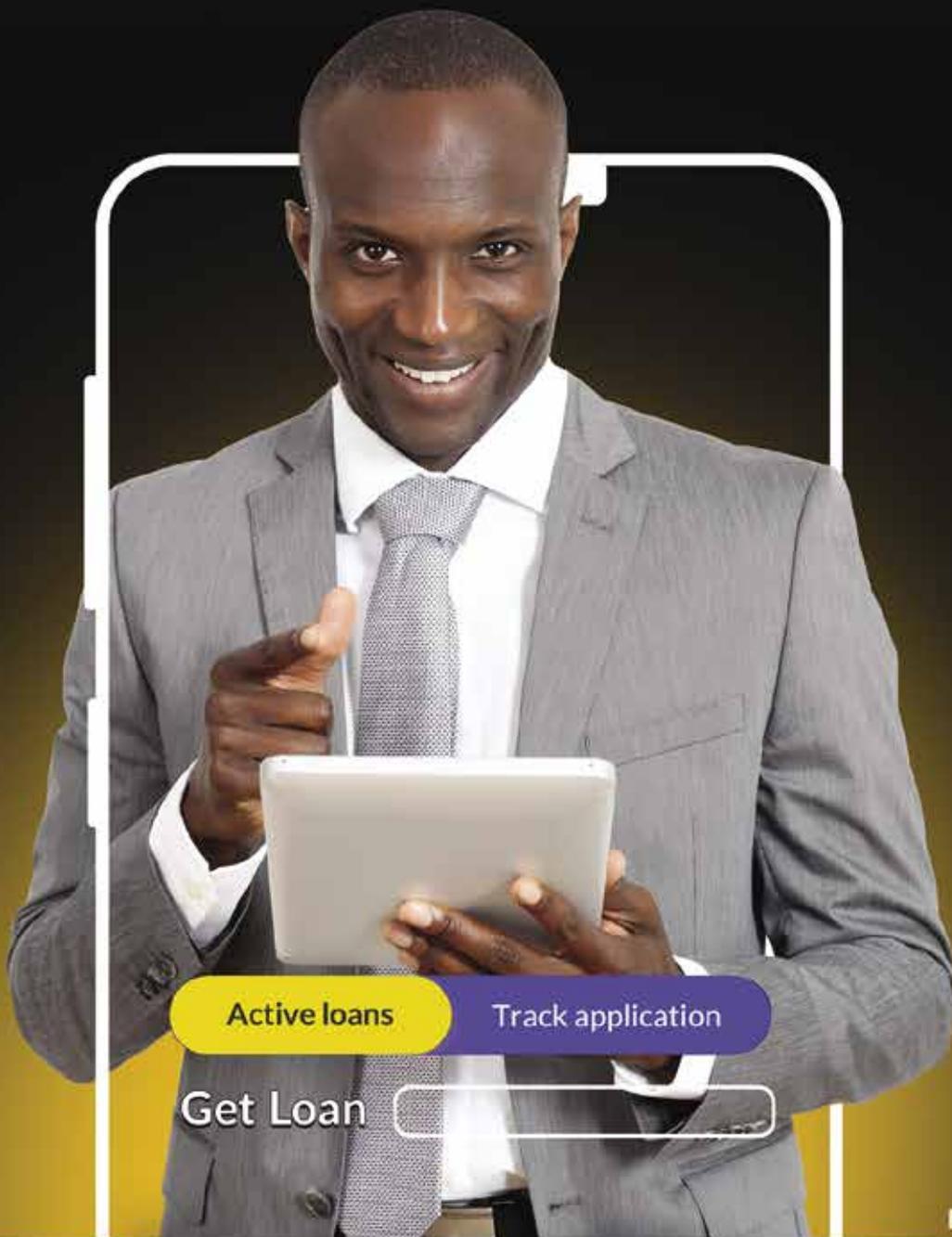
The LetsGo digital platform is now live, with the foundations in place to support our LetsGo Mall vision of an interactive online community of like-minded Africans, that connect, engage, purchase, supply and grow in a safe and secure environment.

Plan 2 will see further investment into digital technology, building further systems automation to support our future vision. We are on track to achieve our 5-year plan of over 3 million Enterprise Active Customers, over 80% digital adoption of transactions and applications, and more than 20% Return on Equity for our shareholders.

I would like to take this opportunity to thank our customers, the Group Board, employees, our public and private sector partners, shareholders and funders for the invaluable level of support and confidence committed to Letshego. Without this support, we could not have achieved the success we celebrate today. We thank all our stakeholders for their ongoing partnership, and look forward to continuing our quest to improve lives by increasing access to simple, affordable and appropriate solutions, that deliver a sustainable social impact.

We invite you to join our movement, as we build our LetsGoNation.

**#LetsGoDigitalNation**



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# CREDIT INFORMATION BILL – A GAME CHANGER FOR THE FINANCIAL SERVICES SECTOR

BY MBONGENI MGUNI



It is agreed upon that the economic growth lies partly in making affordable finance available to the local market, which supports innovation, productive capacity and the aggregate demand that sustains various sectors.

Institutions that provide finance, whether they are banks or hire-purchase retail entities, make their credit decisions based on risk assessments of clients, which in turn rely on the information available in the market on those clients.

However, for many years in Botswana, credit information sharing has been a voluntary affair. Financial institutions subscribed to credit bureaus have chosen to provide this data, whilst others such as unions conducting deductions at source, have been reluctant to sign on - viewing information sharing as an additional bureaucratic burden.

Analysts say the result of such an operating environment in the financial sector has been a higher risk with attendant higher debt costs attached and the trend of over-indebtedness among individual consumers. The phenomenon of 'zero-net pay' has emerged in recent years, particularly within the civil service wherein some workers find themselves penniless at the end of the month due to owing multiple formal and informal creditors ranging from banks to unions to savings cooperative societies (metshelo).

The Financial Stability Council which comprises the Finance and Development Ministry; the Bank of Botswana; the Non-Bank Financial Institutions Regulatory Authority and the Financial Intelligence Agency; estimated in May that households' outstanding loans to banks, microlenders and other financial institutions amounted to nearly P50 billion, a significant figure that highlights the need for greater information sharing and regulation.

The recently tabling of the Credit Information Bill in Parliament promises to standardise information sharing in the financial services sector, requiring the various lenders active in the local market to register on centralised data platforms and share information. Credit bureaus' activities have also been regularised and their establishment formally placed under the Bank of Botswana's supervision.

Finance and Economic Development Minister — Peggy Serame recently briefed Parliament on the importance of the Credit Information Bill in the evolution of the financial services sector.

***“The enactment of the Credit Information Bill is expected to make credit cheaper and more accessible through the reduction of risk and ultimately the costs incurred by the lender.” she said. “It will also reduce over-indebtedness, as complete information on a borrower will be readily available.”***

According to the Minister, one of the challenges posed by the lack of comprehensive credit information, (both negative and positive), is the inability to assess the risk of potential borrowers, resulting in higher interest rates to cover the risk, as well as the banks' reduced willingness to extend new credit. This situation also promotes borrowing from multiple lenders, which creates over-indebtedness.

Among its clauses, the new Bill outlines the obligations of data providers to submit consumer information to credit bureaus. This entails submitting accurate, up-to-date, relevant and complete information. Quite importantly, the Bill also makes it mandatory for data providers to access credit reports from credit bureaus before extending credit to a data subject.

## ► FEATURE

In an age where consumers are eager to know how their personal information is handled and shared, the Credit Information Bill spells out the permitted purposes for which consumer information can be accessed and used, and instances when consumer consent is required or not required. The period for which consumer information may be retained is also detailed, and other clauses spell out the supervisory action to be taken against credit bureaus who violate the data security provisions.

For TransUnion Botswana, the country's leading credit bureau, the Credit Information Bill could not have come sooner. For TransUnion, the failure by the country's various financial institutions to fully share information has meant incomplete profiles of borrowers are being generated, leading to higher risks and costs for lenders.

***"Data sharing should be broadened to not only include data from lenders but also insurance, telecommunications, retail and any other entities that provide goods and services to consumers so as to obtain a more comprehensive view of a consumer's financial commitments,"*** TransUnion Africa Chief Executive Officer, Kabelo Ramaselwana previously said.

He added, ***"Non-credit data such as utility, burial society and even housing data enables lenders to make better-informed decisions when extending credit to consumers."***

***"It will also allow consumers who have traditionally not been very credit active to build up a profile and be able to access the formal lending market."***

Presently, TransUnion's database covers the banks and other major issuers of credit in the market, but the credit bureau has been among those pushing for greater coverage through the enactment of legislation such as the Credit Information Bill.

***"We are still at a poor stage of data sharing in the market, and on a scale of one to five, I would say we are at about two."***

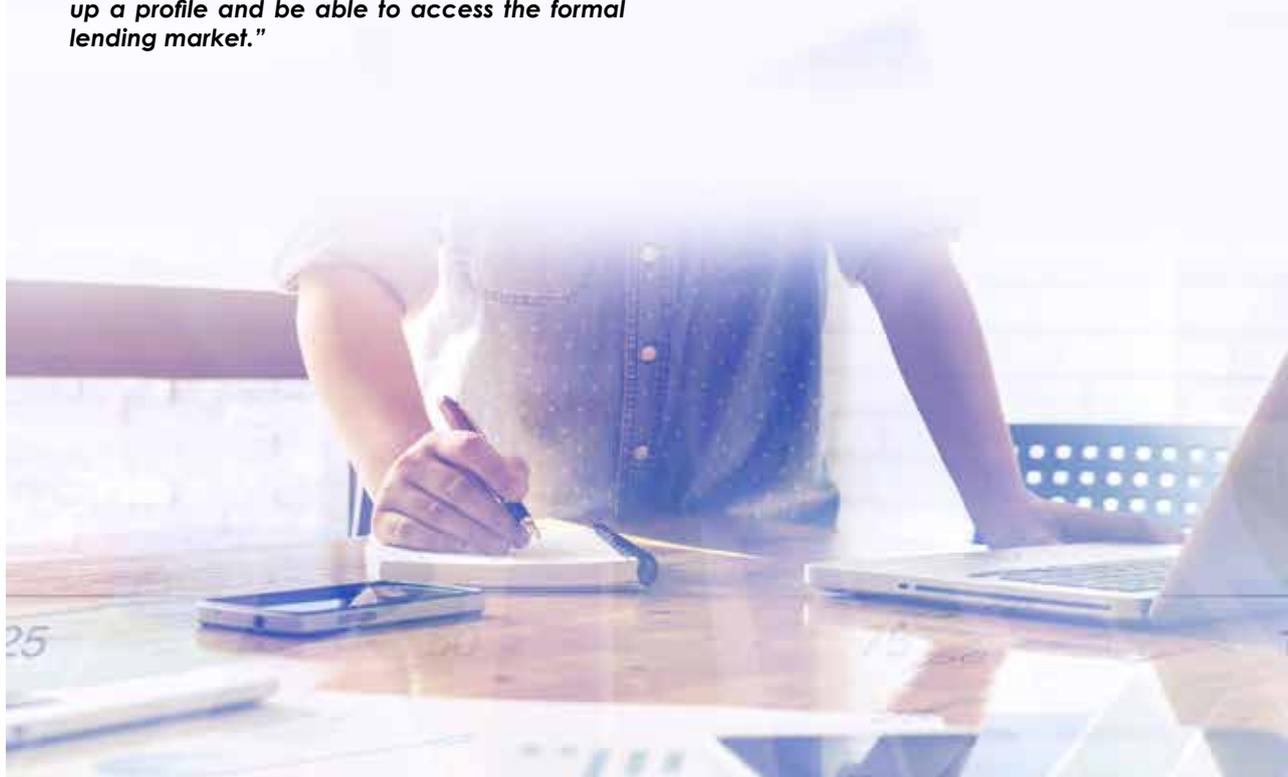
***"Many entities were not aware of why and how they should share data."***

***"Unions working with deduction at source say they do not see the need, but we are trying to show them that someone at GEMVAS can go elsewhere and get more credit."***

***"We are pushing quite a number of entities to come on board and share information, like the microlenders who already use some of these services."***

***"We have said we need that information so that the market has a full picture."***

The tabling of the Credit Information Bill is also expected to provide a further incentive for investment in the financial services sector by assuring them of data sharing standards backed up by legislation. The reduction of risk in credit extension is the cherry on top for investors in a sector that has been among the fastest-growing in the country in the past decade.



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# BSE HOSTS GRADUATION CEREMONY 2021 TSHIPIDI MENTORSHIP PROGRAMME MENTEES



**On 10th September, the BSE facilitated a virtual Graduation Ceremony for the graduates of the 2021 BSE Tshipidi Mentorship Programme.**

The Tshipidi Mentorship Programme is a strategic initiative introduced by the BSE in 2019, as a way of grooming companies that could potentially raise capital, improve governance and leverage from increased publicity through the stock market in the short-to-medium-term. The objective of the TMP is to provide practical training to potential issuers through a comprehensive and interactive programme that covers the key themes necessary to position a company to list on the BSE. The programme is administered by the experts within the listing ecosystem and seeks to bring the potential issuers closer to the listing's advisers, investors and leaders of already-listed companies.

From a pool of sixty-five applications, the BSE admitted eleven companies due to capacity and health considerations brought forth by the COVID-19 pandemic. These companies represent a wide array of sectors including hospitality, financial services, property, security, energy, etc.

## GRADUATES OF THE 2021 BSE TSHIPIDI MENTORSHIP PROGRAMME

 <p><b>Staywell Hotels</b> (Hospitality)</p>	 <p><b>Total Eclipse</b> (Investment Advisory)</p>	 <p><b>Precision Vehicle Tracking &amp; Recovery</b> (Security)</p>	
 <p><b>FIMA Enterprises</b> (Financial Services)</p>	 <p><b>VTM Security</b> (Security)</p>	 <p><b>Maison Properties</b>(Property)</p>	 <p><b>Tempest Gold</b> (Property)</p>
 <p><b>Sycamon</b> (Property)</p>	 <p><b>Kalahari Energy</b> (Energy)</p>	 <p><b>Floritec</b> (Medical Consumables)</p>	 <p><b>Maxwell Dichi Enterprises</b> (Video Production)</p>

# THE TICANO JOURNEY!

***Ticano was set up in 2015 to make a meaningful contribution to the development of the SME and Supply Chain, by providing access to Impact Oriented Finance. The industries supported range across healthcare, food services, education, power and infrastructure, oil and FMCG.***

Ticano is a true epitome of a visionary business operating in Botswana but with a global view and adherence to international standards. The vision is rooted in a client-centric model, strong management, robust risk management, and commitment to corporate governance. In the past year, the company opened offices in Maun (the Northwest Region) and Palapye (Central Region) and launched online solutions to reach out to more SMEs and reducing the distance between them and access to capital, helping people build communities of opportunity that break barriers to success.

As the world weathers the storm that is the COVID-19 pandemic and rebuilds brick by brick, there will be a need for collaborative financial inclusion strategies across the sector. Where many traditional lenders may only see risk in supporting projects in low- to middle-income communities, we see an opportunity to create a positive financial impact by providing: -

## **Strategic Financing:**

Delivering capital to projects that help ensure access to high-quality health care and education, healthy foods, inclusive housing, co-op development and innovative solutions.

## **Supplier Development Program Incubation:**

To mitigate the financial challenges between SMEs, Suppliers, Logistics and Procuring Entities by paying for everything across the supply chain and shortening the payment cycle through Invoice Discounting solutions.

We work tirelessly to ensure good projects often overlooked by traditional financial institutions get the investments they need.



# FROM BOTSWANA TO THE REST OF THE WORLD

BY VICTOR BAATWENG



Although Botswana's successful companies differ widely in their geographic and sector focus, what they have in common is the imagination to see the global village's unmet needs as opportunities for growth and expansion. To many, if not all of them, business growth and long-term commitment to both the local and global economy is a pre-requisite to build businesses of meaningful scale. We look at some of the local businesses that now operate through a global lens, with much focus on those that are, or once traded their securities at the Botswana Stock Exchange (BSE).

## LETSHEGO GROUP (Financial Services)

Letshego Holdings Limited or the Letshego Group was incorporated in 1998 and is headquartered in Gaborone. The group has been publicly listed on the Botswana Stock Exchange since 2002 and is rated one of the largest indigenous groups, with a market capitalisation of approximately P4 billion, placing it in the top 40 listed sub-Saharan African companies (except for South Africa), with an agenda focused on inclusive finance.

The group's primary product/service at the time of incorporation was micro financing to government employees. In 2015 the company's aspirations to grow into the banking space in Botswana were squashed following refusal by the central bank to award it a banking license. However, the pan African financial entity put its disappointment behind a few years later obtaining a deposit taking license in neighbouring Namibia. The company also refocused its energies on the business it knows better diversifying its product offering into funding small businesses and tapping into the unbanked market in other African countries including Nigeria, Rwanda, Ghana, Tanzania, Kenya, Eswatini, Lesotho, Mozambique, Namibia, and Uganda

Apart from the BSE listing, Letshego made subsequent listings including a subsidiary listing on the Namibian stock exchange, and bond listings on both the Ghana and Johannesburg Stock exchanges.

In terms of recent growth, the group highlighted in notes accompanying its financial results for the year ended 31 December 2020 that it is accelerating its digital transformation through the launch of a new app-led 'LetsGo' digital platform in key markets – Botswana and Nigeria. 'LetsGo' is seen as an integral catalyst for the Botswana birthed financier to achieve its vision to be a world-class financial services organisation. At the Stock

exchange, during the period 1 January to 31 July 2021, Letshego's securities were rated the top traded (P67.2 Million).

## SEFALANA GROUP (Fast Moving Consumer Goods)

Sefalana Holdings Limited or Sefalana Group is regarded as one of the major players in the fast-moving consumer goods (FMCG) sector in Botswana. Apart from FMCG, the group's business interests span in commercial motors, manufacturing, properties, and government contracts. While it was birthed in Botswana, the group has since made it clear that it pins its hope on the outside markets as trading conditions in the home country continue to pose challenges. The Botswana Stock Exchange Limited (BSEL) listed retailer in its 2018 Annual report chronicled how cautious they are about the local market despite delivering healthy profits over the years. The group has operations in Namibia, Lesotho, South Africa, Zambia and most recently Australia. The company's financials show that Botswana operations are responsible for 51 percent of the group's profits. Sefalana Namibia, which has now become an important market for the group, contributed 31 percent of revenue and 27 percent of profit to the whole group for the six months ended October 2020 while the four stores in Lesotho were also a good show, delivering a P2 million profit. Still in foreign markets, the investment made in 2017 when the group invested R250 million in a South African consortium continues to perform well. The consortium owns 16 stores across South Africa, with plans to acquire several existing chains to grow the number of stores. The BSE market performance report for the period 1 January to 31 July lists Sefalana as the third most traded company at P50 Million in turnover.

## TURNSTAR HOLDINGS (Property)

In 2011 Turnstar Holdings started a journey to actively scout for opportunities outside Botswana in a move aimed at spreading its risks across the globe. The company has been listed on the Botswana Stock Exchange since 2002. It now owns eight properties in Botswana, 4 in Tanzania and 1 in Dubai. This is inclusive of premium retail shopping centres, multi-residential estates, and office buildings. In Botswana the company's property portfolio include amongst other Game City shopping Centre in the capital Gaborone, Nzano Shopping Centre, in Francistown, Fairgrounds Office Park, Mogoditshane, Supa Save Mall, Turnstar House, Main Mall, offices in Commerce Park, Mogoditshane Flats, Hyundai Warehouse and Tapologo Estate. Given the good profits made over the years in

Botswana, the BSE quoted company acquired its first office building in Dubai in May 2017. The building is situated in the heart of Majan, a prime location between Al- Basari and Dubai Legends, with the City of Arabia exactly opposite. Before Dubai, Turnstar made a stop in Tanzania where it acquired Mlimani City Property in the year 2011 at P564.103 million. The Tanzanian property includes a conference centre with a full range of facilities and amenities which played host to the African leg of the prestigious World Economic Forum (WEF). To date the company is generally classified as the most diversified property company on the BSE with property assets valued at over P2.3 billion. The BSE market performance report for the period 1 January to 31 July places it as the tenth most traded company with a turnover of P12.5 million.

**CRESTA MARAKANELO (Hospitality)**

Cresta Marakanelo can easily be classified as the most successful hospitality company in the country. But its story goes beyond Botswana borders. This is because ever since its incorporation in 1987, the hotelier grew its presence with 11 hotels in Botswana, 1 hotel in Lusaka, Zambia and lately one in the luxurious Capetown city in South Africa. At the same time, its sister Company Cresta Hotels operates 5 hotels in Zimbabwe.

The company listed on the Botswana Stock Exchange in 2010 with its majority shareholders being the Botswana Government, through its investment arm Botswana Development Company (BDC), and Cresta Holdings Botswana. BDC's partner in Cresta Marakanelo - Cresta Holdings Botswana is on the other hand owned by Masawara Plc, a Jersey Registered Company listed on the London Stock Exchange's AIM. The company boasts of an investment portfolio that extends from Botswana to Zambia, South Africa and Zimbabwe with a portfolio that spans the Hospitality, Insurance, Investment Management and Agrochemical sectors.

A look into Cresta Marakanelo recent financial performance shows a mixed bag of fortunes. In 2020, the company was affected by the effects of covid-19 containment measures, reporting a 50 percent decline in its interim revenue. Fast forward to 2021, the company shareholders have however been advised that its unaudited consolidated loss before tax for the six months ended 30 June 2021 is estimated to have reduced by between 15 to 25 percent (P6.6 million to P10.6 million) compared to the loss before tax of P42.5 million reported for the six months ended 30 June 2020. The company says the improvement in performance in the current year is mainly due to uninterrupted trading throughout the period. Meanwhile the BSE's market report shows that Cresta's turnover reached P30, 309.90 during the period January – August 2021.

**PRIMETIME (Property)**

This property outfit has made an undertaking in the past: It will continue to pursue a policy of risk diversification by seeking investments elsewhere in the Southern African region.

The dream to expand beyond Botswana borders by PrimeTime goes as far as back as 2012 as reflected in its annual report. The company directors noted in the 2012 annual report that growing competition in the property investment industry as well as lack of new opportunities in Botswana called for diversification of investment outside the country.

But before that, this BSE quoted variable loan stock company went on to deliver some of its key projects such as Prime Plaza located in the heart of the new CBD. A few years before that (2007), PrimeTime listed a 13-property portfolio born out of Time Projects with an initial market capitalisation of P193 million on the local bourse. Its first regional reach was made in March 2012 when PrimeTime Property Holdings Limited was registered in Zambia. Another regional expansion was made, this time around in Mauritius in the year 2015. True to its promise, the company made its first South African acquisition in Riverside Junction in Johannesburg in 2019 turning it into a true regional company birthed in Botswana. The BSE has reported the company's total turnover at P 19,250,241.22 in the market performance report of January-August 2021.

**WHAT'S THE BEEF?**

Besides our Diamonds, Botswana has the best beef on offer and through our products present and future we believe that we should be able to share a piece of this goodness with the rest of the globe.

It is with this in mind that we have teamed up with various farmers and other stakeholders in the Agricultural value chain who previously have not had a valuable platform to sell their produce to create win-win solutions for all. When you buy our products you are not just doing your taste buds a huge favour but are now a valuable participant in the quest to diversify and industrialise our economy. We are grateful.

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**TUNE INTO**

# BSE RADIO SHOWS



## Topics of the year

### January- March

- › Importance of Financial Literacy
- › Things to consider when investing
- › The Role of the Stockbroker
- › Share Ownership

### July- September

- › Introduction to ETFs
- › BSE Publication & Ticker
- › Regulatory Environment
- › Monitoring Your Investment

### April- June

- › Listing Boards
- › Tshipidi Mentorship Program
- › Process of Listing
- › Bonds

### October - December

- › Role of Registered Advisors
- › X-News
- › BSE Affiliations

## CATCH US ON ANY OF OUR RADIO SHOW

**Monday:**  
063 -0635  
RB1 > Sefalana sa Papadi

**Friday:**  
1610-1615  
RB2 > Automatic Drive

**Thursday:**  
1430-1445  
RB2 > Understanding Stock Markets

**Friday:**  
1730-1735  
RB2 > Tsele le Tsele

# MARKET PERFORMANCE FOR THE PERIOD 1 JANUARY TO 31 AUGUST 2021

## 1. EQUITY MARKET PERFORMANCE

### 1.1 Analysis of Equity Market Indices

During the period 1 January to 31 August 2021 the Domestic Company Index (DCI) depreciated by 2.0% in comparison to a decrease of 5.9% during the same period in 2020 and the Domestic Company Total Return Index (DCTRI) appreciated by 1.6% in comparison to a decrease of 2.4% in the corresponding 2020 period

The Foreign Company Index (FCI) appreciated by 0.1% on a year to date basis in 2021 compared to a decline of 0.8% over the same period in 2020.

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

**Figure 1: Equity Market Performance Statistics**

	Quarter 1 2021	Quarter 2 2021	Quarter 3 2021 Note 1	1 Jan - 31 Aug 2021
<b>Index Performance</b>				
DCI	6,528.39	6,622.38	6,742.18	6,742.18
% Change	(5.1)	1.4	1.8	(2.0)
DCTRI	1,591.41	1,654.83	1,691.58	1,691.58
% Change	(4.4)	4.0	2.2	1.6
FCI	1,550.93	1,551.29	1,548.83	1,548.83
% Change	0.2	0.0	(0.2)	0.1
<b>Liquidity</b>				
Turnover (P' Million)	113.78	178.9	112.5	405.1
Average Daily Turnover (P' Million)	1.8	2.9	2.7	2.5
No. of Shares Traded (Million)	87.5	153.2	39.8	280.5
<b>Market Capitalization</b>				
Domestic Companies (P' Million)	33,820.3	34,272.6	34,892.6	34,892.6
Foreign Companies (P' Million)	356,140.9	356,252.9	356,087.7	356,087.7
Total (P' Million)	389,961.2	390,525.5	390,980.3	390,980.3
<b>Market Indicators</b> <small>Note 2</small>				
P/E Ratio (times)	12.3	12.7	12.6	12.6
Dividend Yield (%)	4.3	4.3	4.4	4.4
Price/Book Value (times)	1.5	1.3	1.3	1.3

**Note 1: Quarter 3 as at 31 August 2021**

**Note 2: Earnings, Dividends and Book Value based on the last audited financial statements**

## ▶ MARKET PERFORMANCE

### 1.2 Analysis of Equity Turnover

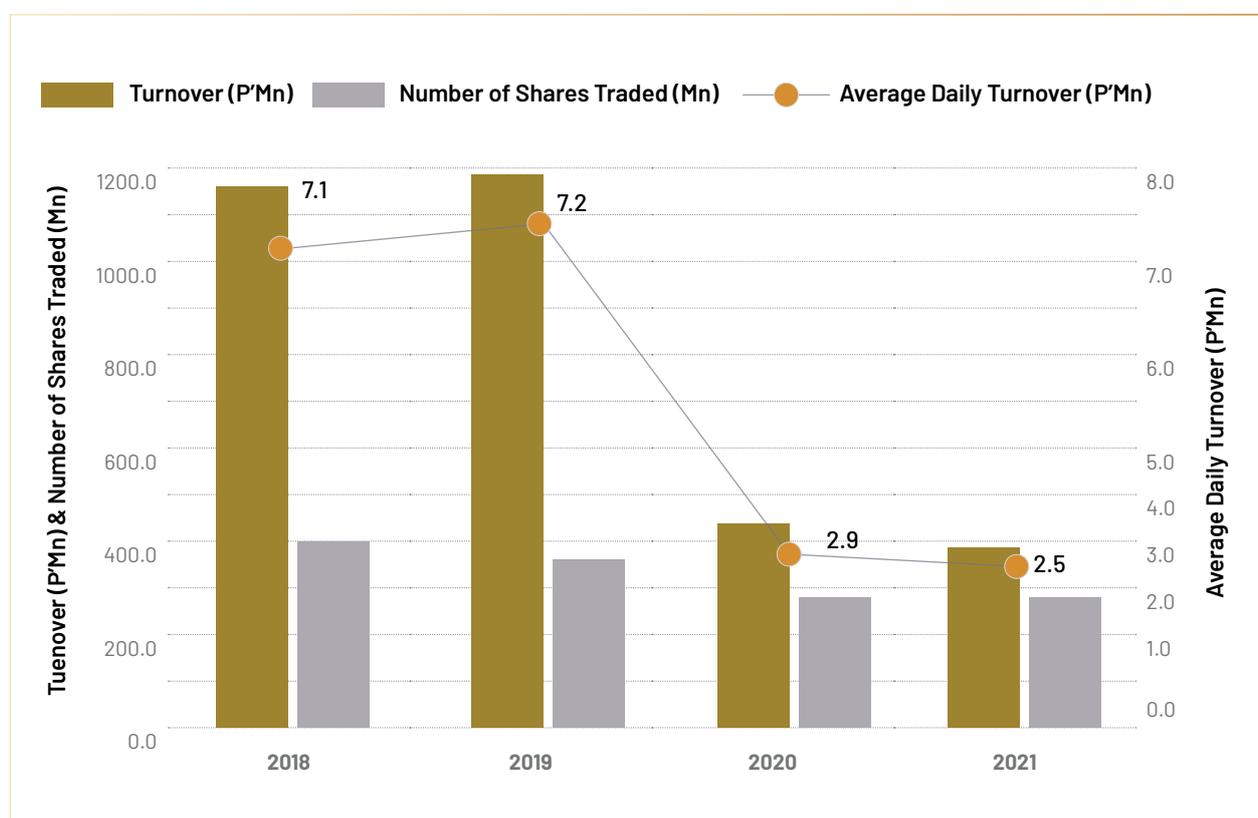
As at the end of August 2021, a total equity turnover of P405.1 Million was recorded from traded volumes of 280.5 Million shares compared to P483.3 Million recorded from 274.3 Million shares in 2020. On a monthly basis, June experienced the highest turnover followed by July during the period under review. Figure 2 and Figure 3 present liquidity trends between 2018 and 2021 on a year-to-date basis.

**Figure 2: Liquidity: 2018-2021**

Liquidity <sup>Note 3</sup>	2018	2019	2020	2021
Equity Turnover (P' Million)	1,166.8	1,175.4	483.3	405.1
Average Daily Turnover (P' Million)	7.1	7.2	2.9	2.5
No. of Shares Traded (Million)	443.6	378.2	274.3	280.5

**Note 3: Year to 31 August**

**Figure 3: Trend in Liquidity, Equities: 2018-2021**



The top 3 traded companies during the period under review were Letshego (P73.5 Million), FNBB (P57.8 Million) and Sefalana (P53.7 Million). The total turnover from these 3 companies accounted for 45.7% of total equity turnover, with the leading counter Letshego accounting for 18.1% of total equity turnover. In comparison to the same period in 2020, the top 3 traded companies accounted for 51.9% of total equity turnover with the leading counter Letshego accounting for 25.4% (P122.7 Million) of total equity turnover. The rankings of companies by turnover thus far in 2021 is shown in Figure 4.

Figure 4: Companies Ranked by Turnover (BWP): Year-to-31 August 2021

COMPANY	Q1	Q2	Q3	Total
	Turnover	Turnover	Turnover	Turnover
LETSHEGO	40,190,885.58	11,305,171.38	22,002,551.62	73,498,608.58
FNBB	3,421,008.39	36,927,433.95	17,433,622.17	57,782,064.51
SEFALANA	7,658,579.67	18,627,842.81	27,372,527.84	53,658,950.32
SECHABA	3,604,632.51	14,094,794.40	24,268,151.30	41,967,578.21
BIHL	2,992,463.55	31,064,932.50	4,306,190.00	38,363,586.05
ABSA	1,642,100.59	20,686,577.06	4,600,192.87	26,928,870.52
PRIMETIME	18,026,687.92	1,123,130.75	100,422.55	19,250,241.22
STANCHART	15,476,283.50	3,496,289.55	89,470.89	19,062,043.94
AFINITAS	-	14,637,026.08	-	14,637,026.08
TURNSTAR	7,584,426.09	3,255,745.03	1,689,306.42	12,529,477.54
NAP	2,946,049.86	7,833,621.09	425,750.00	11,205,420.95
BTCL	3,172,301.05	3,827,396.83	1,239,361.17	8,239,059.05
CHOBE	304,922.58	1,142,724.86	4,174,186.25	5,621,833.69
RDCP	45,526.25	4,800,086.52	687,300.66	5,532,913.43
CHOPPIES	608,990.40	3,888,219.60	253,680.60	4,750,890.60
CA SALES	3,123,954.68	594,342.10	596,638.50	4,314,935.28
LETLOLE	975,300.22	224,805.13	1,617,318.05	2,817,423.40
ENGEN	1,089,176.71	445,537.66	677,160.11	2,211,874.48
ABC	20,825.64	360,223.38	449,442.18	830,491.20
LUCARA	38,207.03	105,083.00	425,262.64	568,552.67
SEED Co	69,126.80	344,494.00	67,929.30	481,550.10
OLYMPIA	253,806.24	1,476.68	-	255,282.92
MINERGY	212,709.60	3,066.40	-	215,776.00
FPC	98,625.43	81,403.70	948.15	180,977.28
TLOU	77,447.00	-	-	77,447.00
G4S	59,511.00	-	-	59,511.00
CRESTA	30,309.90	-	-	30,309.90
SHUMBA	-	-	17,516.70	17,516.70
BOD	3,449.52	-	3,740.56	7,190.08
A-CAP	-	-	-	-
ANGLO	-	-	-	-
INVESTEC	-	-	-	-
<b>TOTAL</b>	<b>113,727,307.71</b>	<b>178,871,424.46</b>	<b>112,498,670.53</b>	<b>405,097,402.70</b>

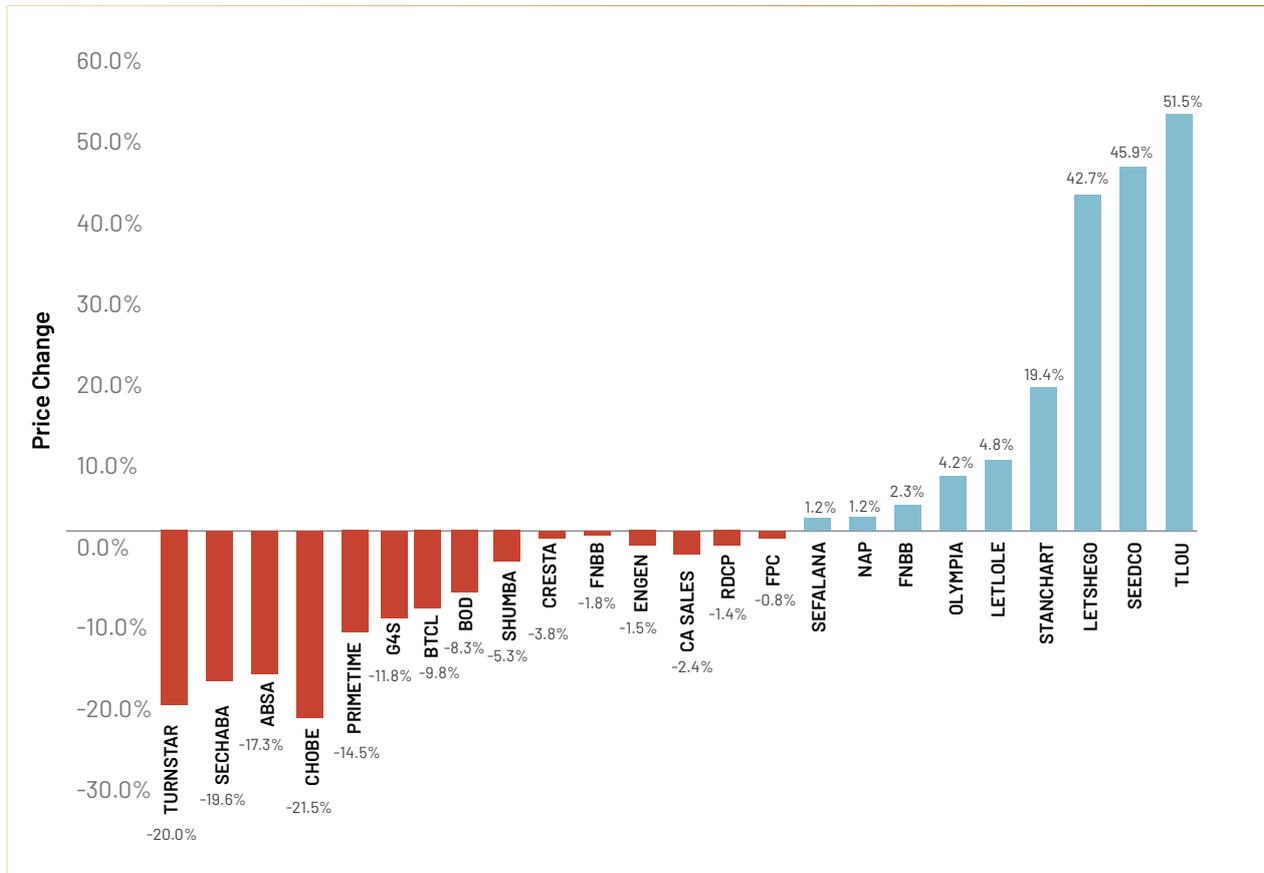
**Note 4: Quarter 3 as at 31 August 2021**

Figure 5 shows the share price performance of listed companies during the review period. Of the 30 listed companies, 14 depreciated in share price, 10 appreciated in share price while 6 experienced no share price change.

The top gainer was Tlou with a 51.5% growth in share price, followed by Seed Co and Letshego with gains of 45.9% and 42.7% respectively. Chobe experienced the biggest decline in share price of 21.5% followed by Turnstar and Sechaba with declines of 20.0% and 19.6% respectively.

## ▶ MARKET PERFORMANCE

Figure 5: Share Price Performance: 1 January – 31 August 2021



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

### 1.3 Investor Contribution to Equity Turnover

As can be observed in Figure 6, local companies contributed 64.0% to total equity turnover or P259.3 Million in monetary terms while local individuals contributed 6.9% or P27.9 Million in monetary terms during the period under review. Foreign companies contributed 23.0% or P93.2 Million to total equity turnover while foreign individuals and brokers contributed 6.0% (P24.5 Million) and 0.1% (P0.2 Million) to equity turnover respectively.

Figure 6: Investor Contribution to Turnover: 1 January – 31 August 2021

Investor Category	Turnover (Pula)	Equity Turnover Contribution
Foreign Companies	93,196,042.91	23.0%
Foreign Individuals	24,507,182.18	6.0%
Local Individuals	27,916,963.99	6.9%
Local Companies	259,279,984.22	64.0%
Brokers	197,229.41	0.1%
<b>Total</b>	<b>405,097,402.70</b>	<b>100.0%</b>

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

ETFs turnover thus far in 2021 amounted to P70.9 Million in comparison to P98.7 Million generated during the same period in 2020. In terms of volume, ETFs traded 408,345 units in 2021.

The NewFunds and NewPlat ETF prices gained 12.8% and 12.9% respectively while NewGold ETF price declined by 3.6% so far in 2021.

Figure 7 summarises the comparable ETF performance for 2020 and 2021 on a year-to-date basis.

**Figure 7: Performance of ETFs: Year-to-31 August 2021**

Indicator	1 Jan – 31 August 2020			1 Jan – 31 August 2021		
	NewGold	NewPlat	NewFunds	NewGold	NewPlat	NewFunds
Turnover (P' Million)	59.0	39.7	0.0073	59.9	11.0	0.0133
Units Traded	343,083	381,878	154	316,474	91,638	233
Price Change	42.9%	(7.5%)	(10.7%)	(3.6%)	12.9%	12.8%

## 3.0. BOND MARKET PERFORMANCE

As can be observed in Figure 8 the value of bonds traded during the period under review was P1.7 Billion compared to P834.2 Million traded during the same period in 2020.

**Figure 8: Analysis of the Bond Market Performance**

	1 Jan – 31 August 2020	1 Jan – 31 August 2021
<b>Value Traded (P' Mn)</b>		
Government Bond Turnover (P' Mn)	832.6	1,523.6
Corporate Bond Turnover (P' Mn)	1.6	139.8
<b>TOTAL</b>	<b>834.2</b>	<b>1,663.4</b>
<b>Market Capitalisation (P' Bn)</b>		
Government Bond Market Cap (P' Bn)	14.0	16.7
Corporate Bond Market Cap (P' Bn)	5.3	5.7
<b>TOTAL</b>	<b>19.3</b>	<b>22.4</b>
<b>Number of Bonds Listed</b>		
Government Bonds	7	7
Corporate Bonds	38	39
<b>TOTAL</b>	<b>45</b>	<b>46</b>

As at end of August 2021, the market capitalisation of listed bonds stood at P22.4 Billion.

# BSE MARKET DATA PRODUCTS

## PRICE LIST

### SCHEDULE 1: MARKET DATA PRODUCTS

No.	Product Code	Product Name	Local Fee (BWP)	International Fee (USD)	Billing Frequency
1.	REAL	Real Time Feed	25,000	6,000	Annually
2.	LIVE_PRICES	Live Stock Prices Feed	10,000	5,000	Annually
3.	REP	Snapshot/replay channel	10,000	3,000	Annually
4.	DMR(.XLS)	Daily Market Report (.XLS)	5,000	1,000	Annually
			5,000 redistribution	1,000 redistribution	Annually
5.	DMR(PDF)	Daily Market Report (PDF)	Free	Free	Free
6.	HDMR	Historical Daily Market Reports	500 each year	100 each year	As per request
7.	HEMI	Historical Equity Market Indices	200 each year	50 each year	As per request
8.	HMD	Historical Market Database	500 each year	100 each year	As per request
9.	HEPI	Historical Equity Price Information	200 each year	100 each year	As per request
10.	ETFs	Historical ETFs Trading Statistics	100 each year	50 each year	As per request
11.	BONDS	Historical Bond Trading Statistics	100 each year	100 each year	As per request
12.	BBI	Botswana Bond Index	25,000	5,000	Annually
			25,000 redistribution	5,000 redistribution	Annually
13.	HBBI	Historical BBI levels	200 each year	100 each year	As per request
14.	HGovY	Historical Government Bond Yields	100 each year	50 each year	As per request
15.	WMR	Weekly Market Report	100	20	Weekly
16.	MMR	Monthly Market Report	500	100	Monthly
17.	MSD	Monthly Stock Data	500	100	Monthly
18.	BQR	Broker Quarterly Rankings	500	100	Quarterly
19.	INDEX-DATA	Data to be used for index calculation	20,000	10,000	Annually
20.	INDEX-CALC	In-house calculation of client specific indices	25,000	15,000	Annually
21.	INDEX-LICE	Index licensing	20,000	10,000	Annually
22.	CUST-DATA	Customized data and reports	Min. 1,200 Max 2,500	500	Per report or request
23.	FREE-FLOAT	Free Float Analysis Report	2,500	500	Per request
<b>CSD REPORTS</b>					
24.	ITAR	Investor Turnover Analysis Report	500	200	Per request
25.	HOR	Holders of Records/Share Register	1.00 per record (Min. 250 Max. 1,000)	200	Per request
26.	SHAR	Shareholdings Analysis Report	500	200	Monthly
27.	DTRADE	Detailed Trade Report	100	200	Per request

## ► BSE MARKET DATA PRODUCTS

28.	DTRANSFER	Detailed Transfer Report	1.00 per record (Min. 250 Max.1,000)	200	Per request
<b>X-NEWS</b>					
29.	X-NEWS	BSE X-News Email Alerts	4,000	800	Annually
<b>MARKET INFORMATION</b>					
30.	BSEH	BSE Investor Handbook	Free	Free	Annually
31.	BSEN	BSE News	Free	Free	Quarterly
32.	TICKER	Data Display Screen	2,500	250	Per advert
33.	TRUSTS	Publishing unit trusts NAVs on DMR	7,500	1,000	Annually
<b>34. MARKET INFORMATION ACCESSIBLE THROUGH THE MOBILE APP</b>					
<b>34.a REAL -TIME DATA</b>					
	DMR	Daily Market Report (.XLS)			
	INDEX	Indices data			
	X-NEWS	BSE X- News Email Alerts			
	TRADSUM	Trade Summary			
	EQUITY	Details of listed equity instruments			
	BONDS	Details of listed bond instruments			
	BOARDS	Constituents of various boards	Individuals: 2,000	Individuals: 200	Annually
	CORPEVE	Corporate events calendar			
	EQSTATS	Equity statistics	Institutions: 5,000	Institutions: 1,000	
	BONSTATS	Bond statistics			
	STATUS	Market Status			
	SESSIONS	Market Sessions			
	TRADSTAT	Trading Status			
	BIDS-OFFERS	Bids and Offers			
	SECTOR	Sector Summaries			
<b>34.b EOD DATA</b>					
	DMR	Daily Market Report (PDF)			
	INDEX	Indices data			
	TRADSUM	Trade Summary			
	EQUITY	Details of listed equity instruments			
	BONDS	Details of listed bond instruments			
	BOARDS	Constituents of various boards	FREE		
	CORPEVE	Corporate events calendar			
	EQSTATS	Equity statistics			
	BONSTATS	Bond statistics			
	STATUS	Market Status			
	TRADSTAT	Trading Status			

## ► BSE MARKET DATA PRODUCTS

### SCHEDULE 2: DESCRIPTIONS OF MARKET DATA PRODUCTS

No.	Product Code	Product Name	Description
1.	<b>REAL</b>	Real time feed	Live market data. (Available real-time)
2.	<b>LIVE_PRICES</b>	Live Stock Prices Feed	Live, stock-specific prices only. (Available in 2021)
3.	<b>REP</b>	Snapshot/replay channel	Delayed market data (15 minutes). (Available with a 15-minutes delay)
4.	<b>DMR (CSV)</b>	Daily Market Report (.XLS)	End of day summary of listed equities; equity market capitalization; listed bonds; equity volumes and turnover by counter and market as a whole; equity indices; bond index levels; exchange-traded funds; X-News; dividends payment schedule.  Daily Market Report Redistribution – Agreement to redistribute the DMR (.XLS) as provided by BSE or with alteration.  (Published daily)
5.	<b>DMR (PDF)</b>	Daily Market Report (PDF)	End of day summary of listed equities; equity market capitalization; listed bonds; equity volumes and turnover by counter and market as a whole; equity indices; bond index levels; exchange-traded funds; X-News; dividends payment schedule  (Published daily)
6.	<b>HDMR</b>	Historical Daily Market Reports	Historical DMR: End of day summary of listed equities; equity market capitalization; listed bonds; equity volumes and turnover by counter and market as a whole; equity indices; bond indices; exchange-traded funds; X-News; dividends payment schedule  (Available from 2002)
7.	<b>HEMI</b>	Historical Equity Market Indices	Daily historical equity indices (market cap. Total cap, free-float indices), current and discontinued.  (Available from 1989)
8.	<b>HED</b>	Historical Equity Database	Historical daily equity database, currently listed counters and delisted counters. Includes date, market capitalization, closing price, securities issues, last dividend paid, volume traded, value traded, EPS, PE, DY, BVPS, PBV,  (Available from 1999)
9.	<b>HEPI</b>	Historical Equity Price Information	Historical daily equity price information, currently listed counters and delisted counters. Counter specific.  (Available from 1999)
10.	<b>ETFs</b>	Historical ETFs Trading Statistics	Daily data on Exchange Traded Funds: trade date, price, volume, value
11.	<b>BONDS</b>	Historical Bond Trading Statistics	Listed bonds trade data; bond code, trade date, settlement date, bond number, price, yield to maturity, coupon rate, seller, buyer, volume, settlement amount. Also include nominal amounts in issue, trade date by month.  (Available from 2008)
12.	<b>BBI</b>	Botswana Bond Index Series	Daily Bond Index information: bond code, issue date expiry date, coupon, tenure, TTM, FV/Amount in issue, yield, dirty price, clean price, weight, modified duration, duration, convexity, index levels for BBI composite, BBI-Fixed, Govt and Corp  Redistribution of BBI is when a subscriber passes on the BBI to their client, as is or with modifications.  (Published daily)

## ► BSE MARKET DATA PRODUCTS

13.	<b>HBBIS</b>	Historical BBIS levels	Daily historical index levels of bond indices, namely BBI composite, BBI-Fixed, Govt and Corpl  (Available from 2010)
14.	<b>HGovY</b>	Historical Government bond yields	Daily historical yields of all government bonds  (Available from 2010)
15.	<b>WMR</b>	Weekly Market Report	Performance of the market and listed counters: index changes (DCI, FCI, DCTRI), total market volume, total market value, domestic market cap, foreign market cap, total market cap, top 5 trade counters by volume and value, price changes (monetary and percentages), exchange traded funds price changes ((monetary and percentages).  (Available every Friday)
16.	<b>MMR</b>	Monthly Market Report	Performance of the market and listed counters: index changes (DCI, FCI, DCTRI), total market volume, total market value, domestic market cap, foreign market cap, total market cap, top 5 trade counters by volume and value, price changes (monetary and percentages), exchange traded funds price changes ((monetary and percentages)  (Available last business day of the month)
17.	<b>MSD</b>	Monthly Stock Data	Individual counter data and analysis showing closing price, volume, turnover, line graph of share performance (EOM)*  (Available monthly)
18.	<b>BQR</b>	Broker Quarterly Rankings	Ranks brokers performance on equity and bond market volumes and value traded on a quarterly basis. Includes  (Available quarterly)
19.	<b>INDEX-DATA</b>	Data to be used for index calculation	Usage of real-time, delayed and EOD market data for the creation or calculation of indices by external party
20.	<b>INDEX-CALC</b>	In-house calculation of client specific indices	In-house calculation of customized indices as per client specifications
21.	<b>INDEX-LICE</b>	Index licensing	Usage of underlying indices data and/or existing indices for creation of products and services
22.	<b>CUST-DATA</b>	Customized data and reports	Creation of reports and data sets by BSE as per client's specific requirements, for data that does not readily under any of the existing categories and products. Charged based on the effort required to produce and customize the data and reports.
23.	<b>FREE-FLOAT</b>	Free-Float Analysis Report	Internal analysis of the free float registers of primary listed issuers at a particular point in time. Contains information on public and non-public shareholding and key-persons analysis of shareholding in listed counters.
<b>CSD REPORTS</b>			
24.	<b>ITAR</b>	Investor Turnover Analysis Report	Monthly analysis of investor contribution to turnover on a monthly basis; counter, investor category (broker, foreign individual, foreign resident, foreign junior, foreign company, local individual, local junior, market-maker), value traded per investor category (both buy and sell), total value traded per counter, percentage contribution to turnover by investor category.  (Available last business day of the month)
25.	<b>HOSR</b>	Holder of Records/ Share Register	Daily information on holders of listed securities.  (Available on request, only to NTS)
26.	<b>SHAR</b>	Shareholdings Analysis Report	Monthly information on the domiciles of the shareholders in each listed security and the balances held, by investor categories (broker, foreign individual, foreign resident, foreign junior, foreign company, local individual, local junior, market-maker), therefore shows the balances held, market value of securities, client suffix/investor category, security code, nationality, country.

## ► BSE MARKET DATA PRODUCTS

27.	<b>DTRADE</b>	Detailed Trade Report	Daily information of buyers and sellers; counter, trade date, CSD reference, settlement date, client ID, client names, order side (B/S), quantity, price
28.	<b>DTRANSFER</b>	Detailed Transfer Report	Information on securities transfers; security ID, investor ID, account holder, security name, type of transfer, serial no., quantity, CSD reference, transfer date
<b>X-NEWS</b>			
29.	<b>X-NEWS</b>	BSE X-News Email Alerts	Real-time intra-day market and company announcements and corporate actions alerts directly to the subscriber's email inbox.
MARKET INFORMATION (AVAILABLE FOR DOWNLOAD ON <a href="http://www.bse.co.bw">www.bse.co.bw</a> )			
30.	<b>BSEH</b>	BSE Handbook	Acts as an investor guide and contains the following information per listed company:  Corporate information: year of listing, name of CEO and directors, business line, top 5 shareholders, location of headquarters.  5-year trending of share price  3-year summary on: balance sheet, income statement and financial ratios (EPS, DY, PE, NAV, PBV, dividend payout), market information (DPS, share price, issued price and market capitalization)  (Advertising rates provided separately)
31.	<b>BSEN</b>	BSE News	Quarterly magazine published by the BSE covering BSE activities, articles on capital markets and the general economy, adverts by various institutions and other pertinent subjects.  (Advertising rates provided separately)
32.	<b>TICKER</b>	Data Display Screen	Display of adverts (4m*1m screen) on the BSE data display screen located at the CBD, Gaborone.  (2 minutes 30 seconds per hour)
33.	<b>TRUSTS</b>	Publishing unit trusts NAVs on DMR	Publishing unit trust information on DMR: net asset value, effective annual yield and nominal annual rate.
<b>34. MARKET INFORMATION ACCESSIBLE THROUGH THE MOBILE APP (REAL-TIME &amp; EOD)</b>			
	<b>DMR</b>	Daily Market Report (.XLS & PDF)	End of day summary of listed equities; equity market capitalization; listed bonds; equity volumes and turnover by counter and market as a whole; equity indices; bond indices; exchange-traded funds; X-News; dividends payment schedule
	<b>INDEX</b>	Indices data	Date, index name, opening, closing
	<b>TRADES</b>	Detailed trades	Bid, Offer, Highs
	<b>X-NEWS</b>	BSE X- News Email Alerts	Date announced, time, subject, security, logo, link to PDF
	<b>TRADSUM</b>	Trade Summary	Date, turnover, volume, number of trades
	<b>EQUITY</b>	Details of listed equity instruments	Instrument ID, issued quantity, CFI code, short name, board, instrument type, issued date, logo, ISIN, local asset status, listing status, trading currency, instrument sub type, issuer
	<b>BONDS</b>	Details of listed bond instruments	Instrument ID, nominal value, coupon type, coupon rate, maturity date, time to maturity, CFI code, short name, board, instrument type, issued date, logo, ISIN, local asset status, trading currency, instrument sub type, issuer
	<b>BOARDS</b>	Constituents of various boards	Board name, instruments ID
	<b>CORPEVE</b>	Corporate events calendar	Date announced, type, pay rate, start date, ex-date, record date, pay date, end date
	<b>EQSTATS</b>	Equity statistics	Date, instrument ID, opening, closing, last traded price, high, low, turnover, volume, number of trades, change
	<b>BONSTATS</b>	Bond statistics	Number of transactions, instrument ID, opening dirty price, closing dirty price, last traded price, modified duration, last traded yield, turnover, volume, convexity,

## ► BSE MARKET DATA PRODUCTS

<b>STATUS</b>	Market Status	Indicates whether the market is open or closed
<b>SESSIONS</b>	Market Sessions	Indicates the various session the market is trading in
<b>TRADSTAT</b>	Trading Status	Indicates the trading status of an instrument, Instrument ID, status, start date, end date
<b>BID_OFFER</b>	Bids and Offers	Shows all bids and offers per counter
<b>SECTORS</b>	Sector Summaries	Summaries of trades per sector



# BSE'S ALLURE BRIGHTENS FOR LOCAL FIRMS DISTRESSED BY COVID-19

BY MBONGENI MGUNI

More local companies are looking at the Botswana Stock Exchange (BSE) for sustainable long-term capital, particularly as the COVID-19 pandemic dries up traditional funding channels such as bank finance, experts have noted.

COVID-19, which has only intensified since it was first recorded on local soils in March 2020, has led traditional financiers such as banks to tighten their risk assessments and credit output, as both corporate and retail debtors have suffered a knock in their ability to service loans. Credit growth to businesses has generally been contracting, going as far back as mid-2019, with the situation worsening after the onset of COVID-19. Bank of Botswana figures show that credit growth to businesses, including parastatals and government entities, went from a contraction of 1.02 percent in January 2021 to six percent in May 2021, suggesting both the low appetite for credit by businesses and weaker output of the same by banks.

The trends are confirmed by the latest Business Expectations Survey from the Bank of Botswana, which indicates that most firms would prefer to finance their business operations mainly from retained earnings and loans. Most local firms also expect borrowing costs to increase in the year to June 2022, although interest rates are presently at historically low levels.

***“Retained earnings as a source of finance was more prevalent among Manufacturing, Trade, Hotels, Restaurants, Transport and Communications, and Mining and Quarrying sectors,” the Business Expectations Survey noted, adding: “In contrast,***

***most of the firms in the Finance and Business Services sector planned to fund their businesses through loans.”***

In this environment, the allure of the BSE as a provider of well-structured, long-term capital has brightened, as revealed by the Exchange's Chief Executive Officer, Thapelo Tsheole, recently. Speaking at a webinar on Unlocking Botswana's Investment Potential, Tsheole said the pandemic had challenged many unlisted companies to restructure and look for avenues of sustainable long-term capital, which is important in pandemics such as COVID-19 that negatively affect solvency and access to traditional finance. As a result, the BSE anticipates several near-term listings on the various boards available to the local market.

***“From a listing's perspective, the BSE is working hard to boost liquidity as it anticipates a ‘strong pipeline’ of new domestic equity listings including multinationals,” he said. “These listings are expected before the end of 2021 and will serve to increase turnover and volume levels and ultimately increase the number of listed companies on the bourse.”***

However, the BSE has not been sitting and waiting for the listings to come forward. Instead, the Exchange has continued aggressive marketing of its listings proposition, taking some of its activities online due to the pandemic as well as sprucing up its technological backbone to support the campaign. These activities include virtual engagements with listed companies to discuss concerns, production of a listings value proposition and listings guide, partnerships with Bloomberg and CNBC Africa as

well as the continuing rollout of the Tshipidi Mentorship Programme- where SMEs are handheld towards a possible listing.

The Tshipidi Mentorship Programme, which recently held its third session of 2021, is important in helping non-listed SMEs prepare for a debut on the BSE. The second session featured executives from Deloitte & Touche as well as the Botswana Accountancy Oversight Authority and Grant Thornton, facilitating comprehensive presentations on 'The Journey from Going Private to Public', as well as Corporate Finance, Corporate Governance, Financial & Integrated Reporting.

The concepts were introduced and unpacked for the participants to gain a deeper appreciation of capital structure, financial advisory engagement, leadership and board composition, audit, risk and reporting. The third session equally featured impactful presentations and dialogue, with experts taking the mentees through topics such as Initial Public Offer success factors, how to make a successful investor pitch and others. However, it is in technology that the BSE expects to drive further expansion for the Exchange. Tsheole said the BSE has embarked on projects that will pave the way for improvements to its current technological infrastructures to streamline its processes.

"These projects include the implementation of a new clearing & settlement system that comes with new functionalities such as securities borrowing and lending, management of the Settlement Guarantee Fund, IPO processing, E-Voting for listed entities, repo management and online investor access.

***"Furthermore, to complement this new CSD system, the BSE will also be upgrading the current Automated Traded System to increase capacity that will ensure that our trading system can handle larger trades. "The upgrading of this system supports our strategy to grow the market and increase the average daily turnover levels to P18.0 million per day. "Both of these projects are expected to be concluded before the end of the year."***

The BSE also has other initiatives to ease the listing process for its various asset classes like equity and debt. One of these is forming a panel of registered advisers such as legal and corporate, which give potential "listees" guidance on who to approach when they want to kickstart a listing. "We are aware that there are a lot of entities in Botswana such as family-run businesses that initially may be intimidated to list, but with these advisers who can engage and educate the market, we believe more issuances can take place," BSE Head of Listings and Trading, Tsametse Mmolai told the recent Botswana Bond Market Roundtable. The revision of the listing rules for equities and bonds also means potential listees can look forward to internationally aligned frameworks with local market-sensitive applications.

COVID-19 has emerged as a significant disruptor for the local business environment. Besides seeking avenues for capital, companies view listings on the BSE as key to scaling up their profiles, enhancing their governance and boosting their competitiveness both during and after the pandemic.



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# PROCESS OF LISTING ON THE BOTSWANA STOCK EXCHANGE

The process of listing a company on the BSE begins with appointing a Sponsoring Broker from one of the licensed brokers. All submissions and applications to the BSE for a listing are submitted through a Sponsoring Broker.

The Sponsoring Broker also assists the applicant with assembling a team of advisors who will be involved in the process of listing and these include:

- 】 Lawyers;
  - 】 Reporting accountants;
  - 】 Corporate finance experts;
- Auditors

**STEP 1:** Issuer meets with and appoints a Sponsoring Broker whose duty is to facilitate the listing process, acting as a conduit between the Issuer and the BSE.

**STEP 2:** Sponsoring Broker assists the issuer in appointing a team of advisors on the transaction being, lawyers, reporting accountants, auditors, corporate finance advisers, etc.

**STEP 3:** Issuer makes the first submission to the BSE, through the Sponsoring Broker. BSE evaluates the submission and responds within five (5) working days.

**STEP 4:** If there are amendments to be made to the first submission, the Issuer is required to re-submit the application with amendments. Again, the BSE responds within five (5) working days from the date of each re-submission.

- 】 If the Issuer applies for waivers in respect of the Equity Listing Requirements, the application and recommendation shall be made to the BSE Board and a response from the Board will be provided within an additional five (5) working days.
- 】 This submission and evaluation process is repeated until the submission is compliant with the BSE Listings Requirements.

**STEP 5:** Once the submission is fully compliant, the Issuer submits the final documents for formal consideration. BSE responds within two (2) working days of the submission with a formal approval to list.

**STEP 6:** BSE Board's provisional approval is obtained. A provisional listing approval is a "green light" for the applicant to commence the offer process while working towards satisfying conditional requirements, if any, in order to earn a permanent listing.

- 】 After a provisional approval of listing has been granted, the applicant will have to undertake a series of events in order to issue the shares. The applicant is expected to adhere to the time table of events which are outlined in the BSE Equity Listings Requirements.

Simultaneously, following provisional approval, the

administrative processes are instituted in preparation for the listing. These include, but are not limited to, transfer secretary administration and internal BSE system administration to create the security and prepare for listing.

**STEP 7:** The listing takes place on the BSE and the security begins to trade on the effective listing date.

**STEP 8:** The Issuer is required to maintain compliance with the BSE Listings Requirements on an on-going basis once listed.

For a simplified guide to listing on the BSE, please visit the **BSE website – [www.bse.co.bw](http://www.bse.co.bw)**.



## A GUIDE TO LISTING ON THE BOTSWANA STOCK EXCHANGE (EQUITY SECURITIES)

For more information on the process of listing on the BSE, please contact the Market Development Department via e-mail on [marketdev@bse.co.bw](mailto:marketdev@bse.co.bw).

# BSE LISTED COMPANIES BY SECTOR

## Financial Services and Insurance



## Security Services



## Retail and Wholesale



## Agriculture



## Property



## Telecommunications



## Banking



## Tourism



## Energy



## Mining



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*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 Announcement, 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 services are sent to subscribers, therefore assisting investors to make informed, financial decisions.

The cost of the X-News service is **BWP 4,000.00** (local fee) and **USD800** (International fee) per year. Renewals for the service are conducted every year on or before December 31<sup>st</sup>.

For more information, please contact the Head of Product Development at [productdev@bse.co.bw](mailto:productdev@bse.co.bw) or call (+267) 367 4418

# ONE ON ONE WITH THAPELO TSHEOLE - CEO OF THE BSE



The BSE continues to vigorously pursue innovative products and services in line with its strategic plan and with its vision of becoming a World Class Securities Exchange. We sit down with the CEO, Mr. Thapele Tsheole to discuss among others, his leadership in transforming the local bourse, and the outlook.

► **How can domestic investors insulate themselves from the negative effects of global influences on the local capital markets?**

The trends we are seen stock markets in various part of the world caused, in part, by the economic implications of the COVID-19 pandemic has shifted the risk appetite of investors, including local investors. In our market, we have experienced a decline in equity trading as a result of increased risk aversion and also as result of the dwindling disposable income given the evolution of the cost of living in the past year. Statistics from our market performance report for the period 1 January to 30 August 2021 indicate that total equity turnover recorded year-to-date amounts to P405.1 Million compared to P483.3 Million in the corresponding period in 2020.

Understandably, the consequences of this pandemic induced crises cannot be completely avoided given to how converged the world economies are. However, there are practical strategies that local investors can employ to minimize the ripple effects of global financial shocks on their investments and I will mention the most important one – portfolio diversification

Investors must diversify their investment portfolios. Empirical evidence has demonstrated that diversification helps to mitigate risks and maximize returns when funds are allocated across different asset classes, different, industries and different companies that tend to perform differently under varying circumstances. Looking at our market, while the market in general has depreciated by 2%, certain companies within the DCI have done exceptionally well with returns of more than 40% a stock, while other have not done so well. In addition, the Exchange Traded Funds (ETFs) have done very well, delivering returns that can cushion one's portfolio if it is diversified. Bonds consistently deliver periodic coupon payouts and in general these are the opportunities that local investors can tap on to cushion their portfolios against shocks induced by the local economy that have affected the stock market.

► **How is the local market performing in light of the current global challenges?**

The local equity market continues to gain momentum since April 2021 as DCI has registered an appreciation of 1.4% and 1.8% in Quarter 1 and Quarter 2 respectively. In a similar vein, the Domestic Company Total Return Index (DCTRI) which accounts for dividends paid followed a similar trajectory of gains that are reversing the losses recorded in the last year. Year-to-August 2021, the DCTRI has appreciated by 1.6% since.

Further, the local equity market experienced the most trading activity during the second quarter of 2021 registering a turnover of P178.9 Million compared to P113.7 Million in the first quarter. In the first 2 months of the third quarter trading activing amounted to P112.5 Million, possibly well poised to surpass the levels registered in the first quarter. Possibly, these are indications of renewed interest and risk appetite given how the companies have adapted to the crisis to continue to create value which has positively impact the traction in the DCI.

Bond market activity also continues to soar as the local bourse has registered four new corporate bond listings and one government bond listing thus far in 2021. Government and Corporates continue to utilize the Stock Exchange as a gateway to raise additional capital through these new listings and re-opening of existing bonds. As at 30 August 2021 total bond turnover amounted to P1.7 Billion in comparison to P834.2 Million during the corresponding period in 2020.

The ETF market also continues to impress. While the NewGold ETF is down 3.6% on a year-to-August basis, the NewPlat ETF and NewFunds ETF have posted returns of 12.9% and 12.8% respectively. NewPlat, in particular, has a strong in quarter 2 with returns of 32.3% which is worth mentioning having spoken about the diversification opportunities offered by the various investment products on the BSE.

I am very excited that we are experiencing historic moments in terms of ETFs here on the BSE; on September 8 we listed 2 new pan-African ETFs from Cloud Atlas Investing. This first is the Cloud Atlas S&P African Sovereign Bond ETF that offers USD exposure to 6 sovereign bond markets in Africa and pays coupons semi-annually. The second is the Cloud Atlas Big50 excluding South Africa ET which offers exposure to the top 50 primary listed companies across the African continent and pays dividends quarterly. These are the first pan-African ETFs to be listed on any stock exchange other than the JSE – and for us it was the first ever that we listed 2 ETFs in one day. A remarkable vote of confidence in the capacity of our local investors, the operations and infrastructure at the BSE and the issuer-welcoming regulation in our market. These qualities bode well for us in continuing to promote and lure ETFs to our bourse.

► **How has the BSE's vision to become a "World Class Securities Exchange" materialised since the implementation of the 2017-2021 BSE Strategy?**

To obtain world-class status at anything, consistency, competitiveness, commitment and focus are some of the key ingredients. The BSE has developed a clear roadmap of efficiently resourced strategic initiatives which have garnered us a considerable and reputable presence within the global stock market arena.

## ► INTERVIEW

Just ahead of commencing the strategic plan, we became an Affiliate of the World Federation of Exchanges (WFE) and a Partner Exchange of the UN's Sustainable Stock Exchanges (SSE) Initiative in 2016 and this was a deliberate springboard into a network of highly recognized stock exchanges, avalanche of research information, publicity and visibility platforms as well as adaptation to global practice in order to improve competitiveness. In 2018, we were designated a Recognized Stock Exchange status by Her Majesty's Revenue & Customs (HMRC), a development that has appropriately positioned the BSE to continually attract investments and issuers from UK.

In the African continent we also gained significant prominence through the continental and the regional associations. In particular, I was elected to the ASEA Executive Committee in 2016 and to the Vice Presidency in 2020, and have been elected Chairman of the Committee of SADC Stock Exchange (CoSSE) since 2018. These developments have significantly propelled the BSE brand recognition and brought us much closer to the global issuer and investor community, vendors and other stakeholders. They have afforded opportunities to participate in global events to profile and showcase the investment potential and opportunities in the BSE and Botswana and to bring home the lessons vital to the realization of our vision.

To facilitate the realization of our vision, we have deployed various activities to build domestic investor capacity and promote financial education and inclusiveness, particularly with the retail investors. This has helped in growing our retail investor from 28,000 in 2015 to 98,000 in 2021. In the process, we were recognized by SRP and awarded the Best Educational Initiative Africa Award in 2019. More recently, we won the Best Economic Impact Securities Exchange Africa 2021 by Capital Finance International. We continue to leverage enabling partnerships and we have entered into strategic partnerships with Bloomberg and CNBC Africa. These initiatives have been partly enabled by our well-established notability, but are expected to increase and broaden our reach as we endeavor to improve our global competitiveness.

As part of our strategy to transform the BSE into a world-class securities exchange, we continue to enhance our technological capability around our operating systems to align with the trailblazing Exchanges in the world and embrace digital technology as a growth path. Since 2020, we have successfully launched our newly designed website, and a mobile application which now offer investor-friendly data analytics tools and also provide access to market data. We are in the final stages of launching a new CSD system with new services and

capability that will hugely enhance the viability of our subsidiary that operates the CSD systems. We will also be launching a world-class ATS which will open a new and big opportunity being the ability to electronically trade bonds and the ability for local investors to access government bonds on the stock exchange.

There is a lot to mention and this has been significantly covered in the media and publicised to our issuers, investors and stakeholders. However, I just to highlight that the biggest in our major achievements during 2017-2021 have been the demutualisation of the BSE and the subsequent conversion of a Company limited by shares now owned by Government, Brokers and BSE Staff through an ESSOP. These are achievements on our own, but most importantly they are enablers that have improved our image in the eyes of our stakeholders, improved the commitment of staff and improved the operational efficiencies in the market. It is with these achievements that we will develop a more commercially oriented strategic plan for the period 2022-2026, which should further increase the viability and vibrancy of the BSE and contribution to stakeholder value creation.

### ► **What are the forthcoming initiatives in the BSE's pipeline that aim to advance its internationalization strategy?**

Currently, the all-inclusive partnerships with Bloomberg and CNBC Africa aim to bring vibrancy to our capital market by significantly increasing the visibility of the Exchange and listed companies. The crux of these partnerships to promote the BSE's value proposition to prospective issuers and investors to attract listings and investors. Furthermore, we are looking to introduce a Stock Market Simulator using virtual stock exchange technology that imitates the real-life workings of a live stock market on a computer so that a player may practice trading stocks without financial risk. We are excited about the new products for which the regulatory framework has been approved, these being Commercial Paper and Botswana Depository Receipts. We are excited about the listings we are promising which should be on the bourse before year.

We are currently in the process of developing the 2022-2026 corporate strategy and as I have mentioned the strategy will encapsulate elements that define the newly transformed BSE, especially to reflect its commercial focus and pathways for further growth. By way of completing the demutualisation process we are looking to enable the Botswana Stock Exchange Limited to become a listed company on the Botswana Stock Exchange in the near term.



## BSE's NEW WEBSITE AND MOBILE APPLICATION

### DID YOU KNOW?

**The Botswana Stock Exchange (BSE) has a newly designed website and mobile application. A new website was necessary to create a more user-friendly, browsing experience for current and prospective clients with respect to accessing market information.**

Some of the notable new features of this site include a stock market ticker displaying real-time price & indices movements, a watchlist function to monitor selected securities, an optimized search engine for easy navigation and integrated social media buttons, amongst others.

To coincide with new website, the BSE also introduced a mobile application to suit the needs of clients-on-the-go in accessing market information and interacting with the Exchange. The mobile app carries most of the features that are part of the website and will act as an easier channel for users to buy customized data to meet their diverse requirements. The mobile app can be downloaded from the App Store & Google Play Store.

Given their modernized look and feel, as well as the interactive functionalities, the new website and the mobile app are expected to significantly increase the visibility of the BSE, including listed companies, products and services, the reach of market data and the vibrancy in the stock market.



**URL: [www.bse.co.bw](http://www.bse.co.bw)**

For more information on the BSE website and mobile application, please contact the Market Development Department via **e-mail on: [marketdev@bse.co.bw](mailto:marketdev@bse.co.bw)**



# THE WORLD FEDERATION OF EXCHANGES PUBLISHES FIRST-HALF 2021 MARKET HIGHLIGHTS.

## Key highlights

The data for the first half of 2021 confirms the growth trend that we observed at the end of 2020, with many indicators reaching record levels, particularly in the Americas. The roll-out of the Covid-19 vaccines, the additional stimulus packages approved by governments, the savings accumulated during the pandemic, and an increased confidence in the economic recovery boosted the markets.

## Compared with H2 2020:

- › **Domestic market capitalisation** increased 6.5%
- › **The value** of share trading and the number of trades increased 10% and 8.2%, respectively.
- › **The capital raised through IPOs** registered an increase of 83.7%. The average size of an IPO almost doubled.
- › **Exchange traded derivatives** volumes rose 18%.

## Compared to H1 2020:

- › **Domestic market capitalisation** rose 34.3%
- › **The value** of share trading and the number of trades went up 16.9% and 18.8%, respectively
- › **The capital** raised through IPOs recorded an increase of 426.9%. The number of IPO listings went up 118.9%. The average size of an IPO increased 141%
- › **Exchange traded derivatives** volumes rose 36%.
- › **According** to the WFE's statistics, the key trends of H1 2021 are as follows:

## Equities

- › **Domestic market capitalisation** increased 6.5% compared to December 2020, surpassing the 116 USD billion mark for the first time.
- › **Equity markets** reached record levels of value traded (78 USD trillion) and volumes traded (21.6 billion trades). In March alone markets added 4.85 USD trillion.

- › **The capital** raised through IPOs registered an increase of 83.7% relative to H2 2020, setting new records in the Americas (252.5 USD billion) and EMEA regions (45.8 USD billion).
- › **While globally** there was a decline of 6.2% in the number of listings, the average size of an IPO increased by 96%, to 372.75 USD million/IPO.
- › **The Americas** led the positive trend in IPOs, with the region listing a record of 256 IPOs in H1 2021. In June 2021 alone, NYSE listed 17 IPOs, which raised 157.8 USD billion. This set a new record in the average size of an IPO in the Americas (986.21 USD million/IPO), significantly larger than the previous record of 363.71 USD million/IPO registered in H2 2020
- › **A record** in capital raised monthly through IPOs was established by NYSE in May 2021 (24.55 USD billion). This level of capital raised by IPO in one month was not seen on the world markets since Saudi Aramco's listing on the Saudi Stock Exchange (Tadawul) in December 2019.
- › **Non-IPO listings** were also at record-high levels globally (1,113) and in the Americas (115) and APAC (839). EMEA recorded 159, below its previous record of 390 reported in H2 2017.
- › **Capital** raised by already listed companies reached new heights of 403.46 USD billion globally and in the Americas (125.75 USD billion).

## Exchange traded derivatives (ETDs)

- › **Derivatives** trading rose for all contract types except currency futures and ETF futures, and in all regions: volumes rose 18% compared to H2 2020 amounting to a record 29.24 billion contracts traded. Volumes of interest rate and ETF options increased 68.6% and 44.8% respectively.
- › **National Stock Exchange of India** recorded the highest volume of stock index options (5.19 billion contracts).
- › **Single stock** futures contracts traded on B3-Brasil Bolsa Balcão surged by 749.1%, relative to H1 2020.

Source: World Federation of Exchanges website.



# UNDERSTANDING BOTSWANA DEPOSITORY RECEIPTS – PART 1 OF 2

BY KOPANO BOLOKWE  
*BSE HEAD OF PRODUCT DEVELOPMENT*

This piece intends to broaden the knowledge and increase awareness about Botswana Depository Receipts, an investment instrument or product which can now be listed and traded on the BSE following the approval of the Listings Requirements by the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) in August 2021. Part 2 of this series will be featured on the 17<sup>th</sup> edition of BSE News and will cover the process of listing Botswana Depository Receipts, the documents required, contents of those documents and the continuing obligations once the listing has occurred.

## **1. Please explain what Global Depository Receipts are and how they work?**

Understanding what Global Depository Receipts (GDRs) are is very critical and forms the is for understanding what Botswana Depository Receipts (BDRs) are.

A Global Depository Receipt or GDR is an investment instrument that represents shares of a foreign company. By way of illustration, a GDRs is an investment instrument trading on the BSE that has been issued by Company XYZ that is listed in a stock exchange outside Botswana. In this instance, and by way of demonstration of how GDRs work, the shares of Company XYZ do not leave the country where Company XYZ is listed but in Botswana these shares are represented by receipts which are listed and traded on the BSE. If we use actual names of companies, this means that if GDRs of Microsoft are listed on the BSE investors in Botswana can invest in Microsoft through GDRs (which will be referred to as BDRs because of the explanation below) without the need to go and buy the actual shares of Microsoft on NASDAQ in United States of America.

## **2. Do GDRs and DRs mean the same thing?**

The name Global Depository Receipt or GDR and the name Depository Receipt or DR speak to the same thing fundamentally. However, it is that word that you put in front of the name Depository Receipt that defines the locality of the issuance and the type of such an issuance. In terms of the locality this is to answer the question “are the Depository Receipt, which are represented by actual shares, coming into the local stock exchange or going to a foreign stock exchange?”. With respect to the type of DR this is to answer the question “are these Depository Receipt issued by the company whose shares are represented by the DR or are they issued by some other entity or intermediary without the involvement of the company whose shares are represented by the DR?”. So, the word Global in Global Depository Receipts tends to generalise and mean that the DRs are issued into an international or global market, that is, away from the home exchange where the underlying securities are listed.

Having said that, you will note that the DRs issued from shares of a company outside USA into a USA stock exchange would be called American Depository Receipts; those issued by any foreign company such as Microsoft on the BSE would be called Botswana Depository Receipts, those issued by a Botswana company on the Nigerian Stock Exchange would be called Nigerian Depository Receipts. The practice is to brand the issuance of the DRs using the name of the country where these DRs are listed and traded. This explanation and illustration will be useful in understanding why we have what we call Botswana Depository Receipts here on the BSE.

### 3. What types of DRs are there?

There are 2 types of DRs which are Sponsored DRs and Un-sponsored DRs. On one hand, Sponsored DRs are issued with the involvement of the underlying company whose shares are represented by the DRs. In this case, if we use Microsoft as an example, it is the company Microsoft that makes a deliberate decision and takes action to issue DRs into the international market. On the other hand, Un-sponsored DRs are issued without the involvement of the underlying company whose shares are represented by the DRs. In this instance, an entity such as a depository whose main function is to provide custody for investment securities, would buy shares in the public market just like any investor would, hold these shares in custody and then issue DRs onto a stock exchange in a different market.

### 4. What are Botswana Depository Receipts?

We will use shares now going forward to further unpack this notion of DRs. I have explained that the name of a country that you put before the words Depository Receipts or DRs defines the place where the DRs are being listed and traded and this place is not the place where the underlying shares are listed. In this case and as noted in the definition of GDRs the shares are always that of a foreign company. This means that we cannot have a company in Botswana issuing DRs in Botswana.

Now, as a way of providing local investors and other international investors the ability to buy shares of a foreign company directly here in Botswana, the BSE looked to this notion of DRs by creating a regulatory framework that supports this initiative. As the DRs will be listed and traded on the BSE, these DRs will be known as Botswana Depository Receipts or BDRs. Through BDRs, if Amazon as an example decides it wants to establish a shareholder base in Botswana through a Sponsored DR program, it will issue and list BDRs of Amazon on the BSE. Investors will then be able to buy Amazon by way of DRs. Further, if investors in Botswana develop appetite for Amazon shares which is not listed on BSE, they can arrange with a depository or an intermediary that has custody operations to buy shares of Amazon on NASDAQ in USA, and then issue BDRs of Amazon in Botswana to be listed and traded on the BSE.

Under the existing regulatory framework which is the BDRs Listings Requirements, companies that are already listed on the BSE cannot issue BDRs – the reason being that the shares of such companies are already available on the BSE. However, a company that is operating in Botswana as a subsidiary of a foreign company that is listed in a foreign country can work with its listed parent company to issue BDRs in Botswana. This is good for strengthening the brand of the subsidiary in Botswana, and for allowing customers, employees and stakeholder of the subsidiary to participate in its economic prospects indirectly by buying the BDRs of the parent company. This is one of the benefits of BDRs to investors.

### 5. What are the other benefits and risks of Botswana Depository Receipts?

To the investors, the additional benefits of BDRs are as follows:

- ▶ BDRs offer local investors access to global investment opportunities without having to bear most of the trading and custodial costs which are normally associated with such cross-border transactions
- ▶ Investors are buying shares of a foreign listed company in their local market, of which they are aware of the processes and are familiar with trading, clearance and settlement procedures
- ▶ BDRs facilitate diversification into non-Botswana securities without many of the obstacles investors may have in purchasing and holding securities outside of the local market
- ▶ BDRs allow easy comparison to securities or similar companies trading on the BSE
- ▶ Distributions such as dividends can be paid out in foreign currency and the BDR itself can be listed and traded in foreign currency
- ▶ Right to receive distributions such as dividends accruing to the underlying shares represented by the BDRs
- ▶ BDRs enhance accessibility of research and of price and trading information of the underlying security
- ▶ Ability to exercise the voting rights directly under Sponsored BDR programs

To the issuers, the BDRs enable issuers to:

- ▶ Access and raise capital outside the issuer's home market
- ▶ Build the issuer's visibility and Botswana and internationally
- ▶ Broaden and diversify issuer shareholder base, potentially increasing liquidity
- ▶ Increased opportunity to positively impact local share price as a result of global demand/trading driven by BDRs
- ▶ Utilise BDRs to facilitate strategic corporate transactions such as mergers and acquisitions
- ▶ Develop stock option plans and stock purchase plans for employees outside the issuer's home market

There are potential risks associated with investing in BDRs, as is the case with other investment instruments or products. These are:

- ▶ As the underlying securities are listed in regulated foreign stock exchanges, BDRs are automatically exposed to the impact of the regulation of such foreign stock exchanges. Any regulatory action imposed on the underlying company or the foreign stock exchange may or may not affect the market for BDRs in Botswana

## ► BSE FOCUS

- 1 The BDRs will be exposed to the foreign exchange rate volatility. This is because the underlying securities are denominated in a foreign currency and the same applies to distribution made (dividends and coupon payments)
- 1 Under Unsponsored BDRs, investors exercise their voting rights through the intermediary or the depository and not directly

### 6. *With the approval of BDR Listings Requirements, what does this mean for the BSE and our market participants?*

One of our strategic initiatives at the BSE is to improve the vibrancy and liquidity of our market by increasing and diversifying the kind of products listed on the Exchange, as well as by diversifying our issuer base. The need to introduce BDRs fulfils this purpose but most importantly it fulfils the purpose of offering investors choice and access to opportunities that they otherwise would never access. Remember, it also benefits as I have outlined.

As I have illustrated, BDRs will begin to offer investors access to many companies listed across the stock exchanges around the world, doing so with less onerous requirements as noted from the benefits outlined above. This a milestone for the BSE as it is among the few stock exchanges in Africa, about three, that have the regulatory framework for the listing and trading of Depository Receipts. The implementation of the BDR Listings Requirements therefore is an enabler of the growth of the domestic capital market and an important catalyst in bringing the BSE onto the global securities markets arena and these milestones are instrumental in realising the BSE's vision of "becoming a world-class securities exchange".

It is pleasing to note the interest and the engagement from market participants about this investment product. Companies and investment banks have enquired and requested for training on this product and the modalities of listing it and this gives hope that we will begin to see the listings of BDRs in the short to medium term. Investors are excited about the benefits of this products. Other intermediaries such as custodian banks are impressed by the prospects of expansion in the services they offer. Generally, this is a product that will involve the entire listings and trading ecosystem and potentially bring new learnings, networks and new activities to the participants in the ecosystem, elevating our market to the status of our competitive international counterparts in this respect.



# CLOUD ATLAS DUAL-LISTS TWO ETFs ON THE BSE

Effective 8 September 2021, BSE welcomed the dual-listings of two Exchange Traded Funds (ETFs) by Cloud Atlas.

The two ETFs issued by means of introduction are;

- Cloud Atlas S&P African Sovereign Bond ETF** - The portfolio offers investors access to listed African Hard Currency Bonds by tracking an index developed in conjunction with S&P which offers investors a basket of quality credit-rated, high-yielding, and long-dated debt issued by African Sovereign countries. The portfolio consists of USD bonds issued by: Egypt, Ghana, Kenya, Morocco, Nigeria, and South Africa, paying a ~6.8% yield per annum in USD.

## Now listed on the Botswana Stock Exchange

Ticker: BASBI  
 ISIN: ZAE000297354  
 Listing: Secondary listing  
 Status: Local asset  
 Category: Africa Fixed Income US Dollar Denominated  
 Underlying liquidity: U\$ 200 million per day

A NBIFRA approved local asset Exchange Traded Fund by Cloud Atlas Investing tracking the S&P Africa Hard Currency Sovereign Bond Select Index.  
 Proudly bought to you by **MOTSWEDI SECURITIES**.

Cloud Atlas (RF) Pty is a registered CISA manager (no. 1043) with the FSCA and runs the Cloud Atlas Scheme, a Collective Investment Scheme in Securities.  
 Email: invest@cloudatlasinvesting.co.za | Tel: +2710-203-9157 | Disclaimer: www.cloudatlasinvesting.com/disclaimer  
 1st floor Victoria Gate West, Hyde Park Lane, Corner Jan Smuts and William Nicol, Hyde Park, 2196

## AFRICAN SOVEREIGN BOND SALIENT DETAILS

The Cloud Atlas S&P African Sovereign Bond ETF will be tracking Hard Currency Bonds (USD and EUR) offering long-term attractive yields. The portfolio consists US Dollar Bonds issued by the Governments of Egypt, Ghana, Kenya, Morocco, Namibia, Nigeria, and South Africa.

**Why BASBI?**

1. Exposure to US Dollar-denominated Government Bonds issued by credit-worthy African countries.
2. Access to the Sovereign Bonds of six other countries in a single price-point, with liquidity on the local exchange as well as the other exchanges.
3. Use to seek higher yield in hard currency and customize your allocations.

Index Name	Data as at 31 August 2021
Effective Date	S&P Africa Hard Currency Sovereign Bond Select Index (USD)
Currency Code	Nov 20, 2020
Market Value Outstanding (USD)	USD
No Of Constituents	US\$ 21,983.66 million
Countries represented	19
Weighted Average Coupon	Egypt, Ghana, Kenya, Morocco, Nigeria, South Africa
Weighted Average Price	6.41%
Yield To Maturity	98.73
Effective Duration	6.50%
Option Adjusted Spread	10.69
Standard deviation (3yrs; 5 years)	501.97
Total Carbon Emissions (Tons - 2016)	18.57%; 15.03%
Share code and ISIN	781.06 million (2.18% of global share)
Global Fund classification	TICKER: BASBI and ISIN: ZAE000297354
Distribution frequency	Africa Fixed Income US Dollar Denominated
Annual fee	Semi-annually
	50bps management fee

## BULLETIN

- Cloud Atlas Big50 ex-South Africa** - The Big50 portfolio offers investors exposure to African equities, ex-South Africa, and tracks 15 sectors across 14 different countries. The portfolio is designed to reflect a liquid basket of constituents for investors looking for Pan African exposure without the hassles of deciding what to buy. It provides investors with the benefit of being exposed to the growth potential of the continent's stock markets. The portfolio consists of stocks from Botswana, BRVM (Ivory Coast), Egypt, Ghana, Kenya, Mauritius, Morocco, Nigeria, Tunisia.

**Cloud Atlas**  
 INVESTING

Now listed on the  
**Botswana Stock Exchange**

Ticker: BAMIB50  
 ISIN: ZAE000242582  
 Listing: Secondary listing  
 Status: Local asset  
 Category: Africa Equity Local Currency Denominated  
 Underlying liquidity: US\$ 8 million per day

Be part of the **African Growth** Strategy

A NBIFRA approved local asset Exchange Traded Fund by Cloud Atlas Investing tracking the AMI Big50 ex-SA Index.  
 Proudly bought to you by **MOTSWEDI SECURITIES**.

Cloud Atlas (RF) Pty is a registered CISCA manager (no. 1045) with the FSCA and runs the Cloud Atlas Scheme, a Collective Investment Scheme in Securities.  
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**Cloud Atlas**  
 INVESTING

## AFRICAN EQUITY FUND SALIENT DETAILS

Africa's first continental ETF offering direct access to primary listed African companies across a variety of countries. Africa has the world's youngest population and is endowed with an abundance of natural resources, these conditions are ripe for a long-term investment pay-off. The Cloud Atlas AMI Big50 ex-SA ETF comfortably gives investors access to the attractive valuations in the African equity markets, investing across sectors in Botswana, BRVM (Ivory Coast), Egypt, Ghana, Kenya, Mauritius, Morocco, Nigeria, and Tunisia.

**Why BAMIB50?**

- Exposure to primary listed companies across the African continent.
- Access to the sectors and companies driving Africa's growth at a single price-point, with liquidity on the local exchange as well as the other exchanges.
- Use to seek allocation to frontier and emerging markets for long-term capital appreciation.

	<b>Data as at 31 August 2021</b>
Index Name	AMI Big50 ex-South Africa Index
Effective Date	Dec 31, 2010
Currency Code	USD
Market Value Outstanding (USD)	US\$ 107,704 million
No Of Constituents	50
Countries represented	Botswana, BRVM, Egypt, Ghana, Kenya, Morocco, Nigeria, Tunisia
Weighted Average Dividend Yield	3.46%
Weighted Average PE ratio (12m Fwd)	12.72
Standard deviation (3yrs; 5 years)	17.4%; 37.4%
Total Carbon Emissions of countries (Tons - 2016)	426.35 million (1.19% of global share)
Share code and ISIN	TICKER: BAMIB50 and ISIN: ZAE000242582
Global Fund classification	Africa Equity Local Currency Denominated
Distribution frequency	Quarterly
Annual fee	50bps management fee + 35bps safe custody fee

Cloud Atlas Limited was incorporated in South Africa on 14 May 2013 for the sole function of managing the Cloud Atlas ETF's. Their ETFs are passive ETFs meaning they seek to track the performance of an underlying Index and are not actively managed on a day-to-day basis to beat the performance of an Index. The Cloud Atlas ETFs will track selected Indices by investing in the underlying Securities from which such Index is derived. Each CA Participatory Unit is backed by actual holdings.

To celebrate this milestone, the BSE hosted a virtual Opening Bell Ceremony on the 9th of September 2021 where over 200 participants attended, and the Managing Director of Cloud Atlas, Mr. Maurice Madiba, delivered the Official Remarks. Commenting on this historic listing, CEO, Thapelo Tsheole said, **"I am overwhelmed by the resounding and positive response to our market by issuers especially now when markets are still battling recovery. This goes to show that our efforts to grow the number and diversity of our issuer base is bearing fruit. We welcome the 2 ETFs from Cloud Atlas Limited and look forward to a dynamic market"**.

# INVESTING IN PRECIOUS METAL ETFs: THE SAFE HAVEN DURING A CRISIS

BY PORTIA NKANI



The global precious metal market was valued at USD 182.1 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 9.0 percent in revenue from 2020 to 2027. Demand for the product in jewellery application is likely to emerge as an influential factor for the industry growth over the forecast period; this is according to the market analysis report of 2020 by the India and U.S based market research firm, Grand View Research.

The research note shows that the industrial application segment led the market and accounted for more than a 44.0 percent share of the global volume in 2019. The segment growth is largely attributed to the growth of the electrical and electronics sector, wherein much of the silver commodity is used for various purposes.

The jewellery segment is the second-largest application of the product. The sector, despite its turbulent times, is likely to create healthy prospects for the global precious metals industry over the forecast period. The steady consumption traits in the gold jewellery sector of China and India who are the largest consumers of these precious metals; is likely to remain a key driver in the upcoming years.

Precious metals have long been considered prudent investment instruments, especially for those investors considering to reduce risk by owning an asset that can retain value in times of high rising inflation. Investing in physical metal is one way to invest in precious metals, but this is not accessible for many people as the cost of entry can be high, and there is the prerequisite for safe storage.

Exchange-Traded Funds (ETFs) have thus become the best way to purchase precious metals. This way, the investor only needs to buy shares in the fund, with the precious metal ETF's rate of return tracing the underlying metal price.

Gold is the most prominent metal as many people consider physical ownership of gold to hedge against cyclic economic downturns or even economic collapse. Research shows that the demand for gold as an investment outweighs its demand for industrial uses more so if you consider owning jewellery as a form of investment. This type of demand contrasts sharply with other precious metals. The industrial demand for silver is twice as high as its demand for investment, the opposite of gold. For platinum, the industrial demand was around ten times the need for investment due to many different end-users.

Notwithstanding, gold and silver prices have increased since 2019 and throughout 2021, but when compared against price indices for five other precious metals, research shows these two did not grow as fast as the prices of iridium and, especially, rhodium. This price rise has been attributed to rhodium's use in automotive catalytic converters required to meet strict emission requirements imposed by many countries, along with a constriction in supply.

Meanwhile, an ETF Strategist, Nerina Visser has urged Africa to spread its idle capital into exchange-traded funds as an opportunity to diversify investment instruments and help manage the liquidity.

## ► FEATURE

She says today, ETFs remain a crucial asset on stock exchanges as large investors go for commodities to supplement their investments, particularly the Gold commodity. Michael Nkwaba, ETF Products Head at Absa Bank, Botswana, says investing in New Gold is investing in gold; there is a lot of demand for the product. According to the Absa product brainer, "Investing in New Gold is more relevant given the Covid-19 challenge. We have seen gold reaching a year-to-year mark of USD2000 in 2020. Botswana is the highest with assets under management of gold and more countries are knocking on Botswana doors to benchmark on the product."

Since listing the gold product under ETF in the BSE in 2010, the product has grown by approximately 152 percent since 2010. It has generated revenue over 10 percent annually, with more than BWP600 thousand invested in the instrument by retail investors.

Given the uncertainty and volatility that characterised financial markets in 2020, gold which is considered a haven asset in times of crisis, was expected to perform well in global commodity markets. This explains the BSE's 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, while 2 of the 3 ETFs finished the year with positive returns as NewFunds also advanced by 4.3% over the year, according to the 2020 market performance report.

Recorded in the market performance for January –July 2021, the ETFs' turnover amounted to P70.1 Million compared to P98.7 million generated during the same period in 2020. In terms of volume, they traded 402,544 units in 2021. The NewFunds and NewPlat ETF prices each gained 8.3% and 32.3%, while NewGold ETF price declined by 5.6% so far in 2021.

Botswana is the second country after South Africa where Absa ETFs are actively trading including in terms of assets under management. ETFs provide retail and institutional investors with the opportunity for an easy, convenient and cost-effective way to access various assets and diversify investment portfolios.



# A FIRST IN BOTSWANA AS BOOKBINDER BUSINESS LAW ANNOUNCES SEVEN NEW PARTNERS.

Bookbinder Business Law is pleased to announce the appointment of seven new partners with effect from 1 August 2021.

In the initial step of the implementation of the firm's succession plan, Kelebileone Malefo, Tefo Gaongalelwe, Olebile Daphney Muzila, Obakeng Lebotse, Tebogo Mapitse, and Imaan Kader have been elected partners. This talented group of young, citizen attorneys includes three partners from the firm's experienced dispute resolution department, and three partners from its multi-disciplinary corporate department.

Also joining the Firm as a partner is Andre Bell, a seasoned corporate and commercial attorney with over 20 years' experience in senior legal roles. Andre brings a wealth of corporate commercial experience and is recognised as a leading project finance, energy, and banking attorney.

In a first for the Botswana market, Bookbinder Business Law now boasts nine partners whose specialist and diverse knowledge is dedicated to unlocking value for clients. The promotion of the new partners is demonstrative of the firm's commitment to diversity and succession planning.

Commenting on the promotions, Founding Partner, Jeffrey Bookbinder said, "It's wonderful that six of the new partners are young Botswana citizens who have the desire, experience and ambition to take our firm forward to become the modern global business that it has the full potential to be. All new partners are working together towards acquiring 100 percent equity in the firm, and I have every faith in their ability to take it further."

Kelebileone Malefo commented: "Jeffrey is an inspiring leader who has built up a hugely successful legal practice and his mentorship means a lot to everybody at BBL. All of the new partners greatly admire his vision and determination, and, with his ongoing support, we look forward to taking the firm to the next level."

In the dispute resolution department, Kelebileone has extensive experience in commercial litigation, arbitration, as well as general advisory and regulatory work.

Tefo Gaongalelwe has advised clients in complex disputes in the areas of employment and labour, insolvency and restructuring, and intellectual property.

Olebile Daphney Muzila's key practice areas are commercial litigation, insolvency and restructuring, as well as employment and labour.

In the corporate department, Tebogo Mapitse provides legal advice to a variety of clients including international and locally listed companies, as well as clients in the broadcasting, property, and fast-moving consumer goods sectors.

Imaan Kader has extensive corporate experience and has advised local and international companies, and a variety of private and listed corporations, on a variety of issues.

Obakeng Lebotse's key practice areas are corporate, banking and finance, as well as debt capital markets.

### About Bookbinder Business Law

*Bookbinder Business Law is a Botswana-based full-service corporate and commercial firm set apart by our holistic perspective and stellar client service. The firm is internationally recognised as a leading multi-disciplinary practice and has an established history advising local and international companies across all industries on a multitude of transactions and business challenges. Our clients have access to unrivalled experience and knowledge, helping them to take their own businesses forward, confident they have straight-talking legal support from the best legal minds in the business.*

For more information about Bookbinder Business Law visit <https://bookbinderlaw.co.bw>.



OLEBILE DAPHNEY MUZILA



IMAAAN KADER



TEBOGO MAPITSE



ANDRE BELL



TEFO GAONGALELWE



OBAKENG LEBOTSE



KELEBILEONE MALEFO

## ▶ MARKET DEVELOPMENT

# BSE PARTNERSHIP WITH CNBC AFRICA CONTINUES TO FLOURISH

Under its efforts to profile the market on the international stage, the BSE continued its ongoing partnership with CNBC Africa to bring vibrancy to our local capital markets by engaging in activities that aimed at showcasing the Exchange and listed companies to the global business community.

The second phase of this partnership kicked off with an insightful interview with current sponsors, Absa Bank Botswana Limited and Sefalana Holding Company Limited, on 1st September 2021 on CNBC Africa at 1400hrs, in which the main discussion was primarily focused on Botswana's investment environment, the value proposition of the BSE and economic outlook.

In terms of the areas of discussion for the sponsors, the below was covered;

### **Absa Bank Botswana Limited:**

- › Supporting SMEs - ESD Programme
- › The Fourth Industrial Revolution - Do Hackathons help with the development
- › The role of SCI in the National agenda/ National development

### **Sefalana Holding Company Limited:**

- › Main drivers behind 47 years of success.
- › Main personal highlights of being listed on the BSE
- › Group's Expansion Strategy
- › Group's 10-year outlook

In facilitating this discussion, the BSE was represented by the CEO, Mr. Thapelo Tsheole, while Absa Bank Botswana Limited was represented by Mr. Leroy Klein, Chief Risk Officer and Sefalana Holding Company Limited was represented by their Group Managing Director, Mr. Chandra Chauhan. The other sponsor for this segment is SeedCo International Limited.

**BOOSTING LIQUIDITY ON THE BSE**

Meet Our Speakers

**Mr. Thapelo Tsheole**  
BSE CEO

**Ms. Keabetswe Pheko-Moshagane**  
Absa Bank Botswana Limited MD

**Mr. Chandra Chauhan**  
Sefalana MD

The Broadcast will be on  
**CNBC AFRICA DSTV Channel 410**

**1<sup>st</sup> SEPTEMBER 2021**  
1400hrs to 1500hrs CAT

Sponsored by:

**SEED-CO**  
The African Seed Company

# LIVE WEBINAR WITH RAZIA KHAN: UNLOCKING BOTSWANA & AFRICA'S TRUE POTENTIAL – ATTRACTING INVESTMENT

As the global business community is still reeling from the socio-economic effects of the COVID-19 pandemic, the Botswana Stock Exchange (BSE) organized an insightful webinar with Chief Economist & Head of Research for Africa & the Middle East from Standard Chartered Bank, Ms. Razia Khan to discuss matters pertinent to the recovery of African financial markets on 10th August, 2021 on the Zoom platform under the theme, **Unlocking Botswana & Africa's True Potential – Attracting Investment.**

To supplement this discussion, the BSE also invited the Chief Economist from First National Bank of Botswana Limited, Mr. Moatlhodi Sebabole and Economist from Absa Bank of Botswana Limited, Ms. Naledi Madala, to provide insights on how foreign direct investment can be fostered from a local context.

The key discussion points from this webinar included – Situational analysis of the global environment, performance of African Markets relative to global markets, Botswana's Prospects, current trends, future prospects & opportunities, etc.

The Chief Executive Officer of the BSE, Mr. Thapelo Tsheole, delivered the Welcome Remarks with the Head of Market Development, Ms. Thapelo Moribame, delivered the key takeaways & closing remarks.



**LIVE  
WEBINAR**



**WITH RAZIA KHAN: UNLOCKING  
BOTSWANA & AFRICA'S TRUE POTENTIAL  
– ATTRACTING INVESTMENT**



**DATE:** 10<sup>th</sup> August, 2021 **TIME:** 1400hrs – 1530hrs  
**PLATFORM:** Zoom  
**PROGRAMME DIRECTOR:** Mr. Kgotla Segwe

**14:00-14:10:** Welcome Remarks; Mr. Thapelo Tsheole (CEO, BSE)

**14:10-15:10: UNLOCKING BOTSWANA & AFRICA'S TRUE POTENTIAL – ATTRACTING INVESTMENT**

- Situational Analysis – Current State
- Performance of African Markets Relative to Global Markets • Botswana's Prospects
- Current Trends • Future Prospects & Opportunities

**Speaker:**

- 1. Ms. Razia Khan** (Chief Economist & Head of Research – Africa & Middle East, Standard Chartered Bank)

**Discussants:**

- 2. Mr. Moatlhodi Sebabole** (Chief Economist, First National Bank of Botswana Limited)
- 3. Ms. Naledi Madala** (Economist, Absa Bank of Botswana Limited)

**15:10-15:20:** Question & Answers

**15:20-15:30:** Closing Remarks & Key Takeaways; Ms. Thapelo Moribame (Head of Market Development, BSE)

**Meet Our Speakers**



**Mr. Thapelo Tsheole**  
CEO, BSE



**Ms. Razia Khan**  
Chief Economist & Head of Research  
– Africa & Middle East, Standard  
Chartered Bank



**Ms. Naledi Madala**  
Economist, Absa Bank  
of Botswana Limited



**Mr. Moatlhodi Sebabole**  
Chief Economist, First  
National Bank of Botswana  
Limited



**Ms. Thapelo Moribame**  
Head of Market  
Development, BSE

Please click on the link to register:  
[https://us02web.zoom.us/webinar/register/WN\\_gkyGIXrbQ9GyHfVfVYPSA](https://us02web.zoom.us/webinar/register/WN_gkyGIXrbQ9GyHfVfVYPSA)

## BSE HOSTS MEDIA TRAINING WORKSHOP

On 19th August 2021, the BSE conducted a virtual media training workshop with all local media houses to sensitize local business reporters on important financial reporting concepts in a bid to improve the current state of financial reporting in the country. These concepts included interpreting economic and financial indicators, understanding company financial statements, mining ideas from sources, ethics and integrity, amongst a few. This training was facilitated by CNBC Business Reporter, Ms. Fifi Peters, as well as the BSE and market participants in the ecosystem of capital markets who covered topics such as regulation, market development, capital market products, asset management and the role of stockbroking.

Due to the health restrictions governing the COVID-19 pandemic, this virtual workshop was conducted on Microsoft Teams from 0900hrs to 1200hrs.



### FIFI PETERS | PROFILE

Fifi is an award winning financial journalist who specialises in African and global financial markets.

She is an anchor at CNBC Africa. An economist at heart, Fifi obtained her BA Degree in Economics & Journalism from Rhodes University in 2010. She also holds certificates in Finance, Law and Media from the SA Institute of Financial Markets (SAIFM), the London School of Economics (LSE) and the Gordon Institute of Business Science (GIBS), respectively.

Fifi has worked in some of the most reputable financial newsrooms in South Africa including the Business Day and Financial Mail.

As a conference facilitator and MC, Fifi has moderated discussions for government entities and private sector companies in Africa as well as multilateral institutions including the United Nations Industrial Development Organisation.

She has also facilitated conversations at the World Economic Forum in Davos, Switzerland. Fifi is currently studying towards a CFA Level 1 certificate.

## ► CAPACITY BUILDING INITIATIVES



### 2021 LISTINGS REQUIREMENTS REFRESHER VIRTUAL WORKSHOP

**23 September 2021** | **08H45 – 13h00** | **Virtual (ZOOM)**

**Overview:**  
The Annual Listings Requirements Refresher Workshop is aimed at developing the listed Capital Markets through educating market participants. The workshop provides guidance on what listed companies are expected to comply with and provides an opportunity for these entities or those considering listing on the BSE to understand the fundamentals of financial markets regulation and corporate governance implications.

**Who Should Participate?**

- Compliance Officers
- Company Secretaries
- Sponsors
- BSE Registered Advisers
- Other Market Participants

**FACILITATORS:**



**Tsametse Mmolai**  
BSE Head Of Listings & Trading

Mr. Mmolai has over 15 years of experience in the Financial Services and Capital Markets Industry in Botswana. At the BSE, he oversees the listing and trading operations of the Exchange.

He has attended Compliance and Financial Regulation programs at institutions such as the U.S. Securities and Exchange Commission, the International Centre for Parliamentary Studies in London, England, as well as the University of Cape Town.

He has graduated from the George Washington University School of Business with a Capital Markets Post Graduate Certificate under the IFC - Milken Institute Capital Markets Program which included a four months attachment at Verde Partners in New York in the Capital Markets division of the Global Alternative Asset Management Firm.



**Gorata Dibotelo**  
BSE Head Of Legal Services & Board Secretary

Miss Dibotelo has experience and practical understanding of the commercial legal and regulatory regime in Botswana. She has adapted well to immaculate dispensation of corporate governance duties and is equipped with strong analytical and research skills gained from my experience working in one of Botswana's leading corporate commercial firms and from the national stock exchange.

She is well versed with the operation Botswana legal regime enabling her to acclimatize to any legal, compliance and regulatory environment and also has a keen interest and passion for academic and development in regulatory aspects of commercial law. Miss Dibotelo was involved in the Demutualization of the BSE and the implementation of transition. She greatly contributed to Rules and Policies which are expected to enhance regulation of Capital Markets in Botswana.



**Kopano Bolokwe**  
BSE Head Of Product Development

Mr Bolokwe joined the BSE in 2011 and has over twelve years industry experience attained in investment brokerage, investment management and the stock exchange serviced in both Botswana and South Africa. Mr Bolokwe is primarily tasked with developing and promoting the introduction of new products to deepen the capital markets and improve liquidity on the BSE.

He holds a Degree in Finance and a Masters of Business Administration from the University of Botswana. Mr Bolokwe has completed the Registered Persons Exams (RPE) under the South African Institute of Financial Markets (SAIFM), a Management Development Programme (MDP) and an Executive Development Program (EDP) at the Stellenbosch Business School. He is a charterholder of the Chartered Alternative Investment Analysts (CAIA) program and a level three candidate in the Chartered Financial Analyst (CFA) program.

He has graduated from the George Washington University School of Business with a Graduate Certificate in Capital Markets and subsequently undertaken graduate internship at Market Access Corporation in New York, United States of America, focusing on emerging and frontier debt markets as part of his training during the International Finance Corporation-Milken Institute Capital Markets Program. Mr Bolokwe is a Board Member of Okavango Diamond Company.

**What will you learn?**

- A general overview of BSE Listings Requirements and general principles
- The BSE's powers, discretion, censure and penalties
- Cautionary announcements, material price sensitive information
- Continuous obligations
- Directors' and associates' dealings
- Corporate Governance
- Transactions and Related Party Transactions
- X-News & Publications
- ESG Reporting
- Becoming a BSE Registered Advisor

**Fees**

- Corporates (Per Delegate) – **BWP1,140.00**
- Corporates (2 Delegates) – **BWP1,710**
- Brokers (Per Delegate) – **BWP855**
- Brokers (2 Delegates) – **BWP1,140**
- Individual (Per Delegate) – **BWP684**

**(VAT inclusive)**

**To download the Booking Form, click HERE. Space is limited. Please book at the earliest opportunity. For more information, contact [listings@bse.co.bw](mailto:listings@bse.co.bw) or call 3674428**

### 2021 BSE VIRTUAL WORKSHOP - DISCUSSION OF THE NEW MEMBERS RULES AND THE RULES REGULATING MARKET MAKERS

**Date: 26 August 2021** | **Time: 09h00 – 14h00** | **Venue: Virtual (Microsoft Teams)**

#### Overview:

The Workshop will be hosted in line with the BSE's strategic initiative of developing the market through educating market participants on the BSE Regulatory Framework. The workshop is geared at sensitizing the participants about the new BSE Members Rules. Further, it will also be a refresher on the Rules Regulating Market Makers on the BSE covering general compliance with the Rules.

Who Should Participate	What will you learn?	Who Should Participate
<ul style="list-style-type: none"> <li>Brokers</li> <li>Dealers</li> <li>Market Makers</li> <li>Potential special members of the BSE</li> <li>Any other persons interested in learning about how to become brokers, dealers and market makers on the BSE:</li> </ul>	<ul style="list-style-type: none"> <li>General Provisions of the Members Rules</li> <li>Provisions on Authorisations and Approvals</li> <li>Members Conduct of business, Market conduct, client's assets, supervision and enforcement provisions</li> <li>Members Financial Resources Requirements</li> <li>General provisions of Market Making Rules</li> <li>Criteria for registration of Market Makers</li> <li>Obligation of Market Makers</li> <li>Provisions on Pricing – Maximum spreads</li> <li>Provisions of sanctions and termination</li> </ul>	<p>Brokerage and Market Making Firms (per delegate) – BWP 500.00 Other</p> <p>Corporates (per Delegate) – BWP 350.00 Any other person interested in attending – BWP 350.00</p> <p><b>The fees are VAT inclusive</b></p>

**To Please book at the earliest opportunity. For more information, contact [listings@bse.co.bw](mailto:listings@bse.co.bw) or call 3674429**



## 2021 VIRTUAL BOND MARKET ROUND TABLE

# THEME: "DEEPENING THE BOND MARKET TO SUPPORT ECONOMIC RECOVERY & TRANSFORMATION"

**18th August, 2021**



**LIVE**



**Live on Zoom**

[Click Here to Register](#)





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## BSE ADVOCATES FOR FINANCIAL EDUCATION

At the BSE, we strongly believe that each and every individual needs to be capacitated with the necessary education and skills to maneuver through this constant-changing financial landscape. It is with this in mind that we stress the importance of financial education from a grass-root level to ensure that we cultivate a culture of saving & investing to promote financially responsible behavior amongst Batswana.

### BSE & CSDB BOARD MEMBERS:



My name is **Lt. Gen. Tebogo C. Masire** and I support the promotion of Financial Education.



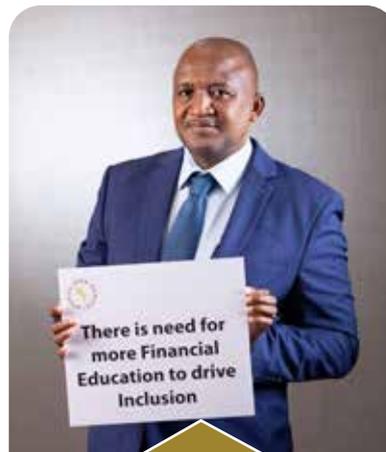
My name is **Basimane Bogopa** and I support the promotion of Financial Education



My name is **Davis Tele** and I support the promotion of Financial Education



My name is **Sethunya Makepe-Garebatho** and I support the promotion of Financial Education



My name is **Professor Onkutlwile Othata** and I support the promotion of Financial Education

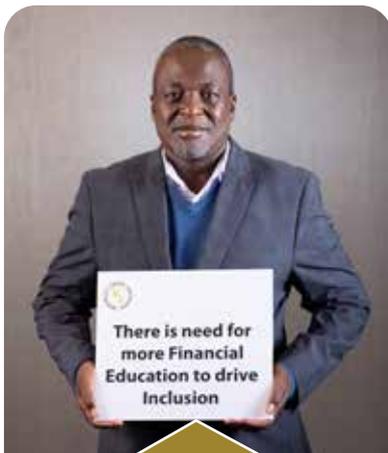


My name is **Itumeleng Mareko** and I support the promotion of Financial Education

► FINANCIAL LITERACY AND INCLUSION



My name is **Vincent Baituti** and I support the promotion of Financial Education



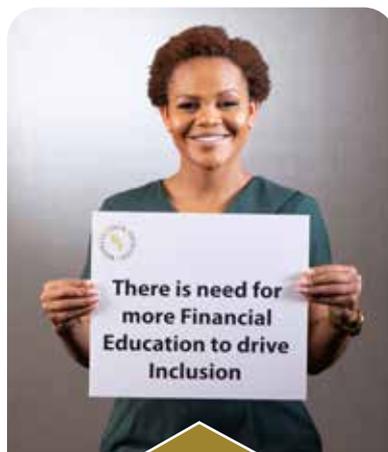
My name is **Lame Gare** and I support the promotion of Financial Education



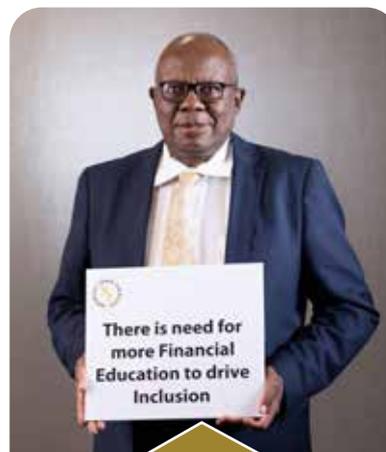
My name is **Pascaline Sefawe** and I support the promotion of Financial Education



My name is **Ogone Mothoagae** and I support the promotion of Financial Education



My name is **Kelebogile Kewagamang** and I support the promotion of Financial Education



My name is **Norman Moleele** and I support the promotion of Financial Education



My name is **Thapelo Tsheole** and I support the promotion of Financial Education



# CoSSE INVESTS IN DEVELOPING THE SADC GREEN FINANCE MARKET



Across Africa, sustainable development has gained momentum, and capital markets are well-positioned to drive the agenda. At a regional level, the Committee of SADC Stock Exchanges (CoSSE) is excited to have the opportunity to work with FSD Africa on accelerating the uptake of green bonds to finance sustainable green projects in the SADC region.

To address the climate crisis, multilateral organisations have emerged to expedite the attainment of a green and sustainable future through concerted initiatives. Prominent coalitions include the Paris Agreement Treaty, the United Nations Sustainable Development Goals (UN SDGs), and the Sustainable Stock Exchanges (SSE) Initiative. Of the 14 Exchanges in CoSSE, seven are partners of the SSE Initiative, namely Stock Exchanges of Botswana (BSE), Dar es Salaam (DSE), Johannesburg (JSE), Mauritius (SEM), Namibia (NSX), Seychelles (MERJ) and Zimbabwe (ZSE). That being so, these Exchanges committed to the following statement: "We voluntarily commit, through dialogue with investors, companies and regulators, to promoting long-term sustainable investment and improved environmental, social and corporate governance disclosure and performance among companies listed on our exchange."

Furthermore, the BSE, DSE, NSX and SEM are signatories of the Marrakesh Pledge, which is a continental coalition dedicated to fostering green finance in Africa and enabling an effective shift towards a low carbon economy.

According to research, out of all the regions, Africa is the most vulnerable and will be the most severely affected by the deleterious effects of climate change. This is due to the climatic challenges connected to the geographical position of the continent, as well as weak infrastructures and lack of capacity to effectively combat climate change while equipping populations with resilient mitigation strategies. The United Nations Environment Programme (UNEP) indicated that by 2020, between 75 and 250 million people on the continent are to encounter water shortages due to increasing temperatures. The UNEP further projects that Africa's annual GDP will decline by

2 percent to 4 percent due to climate change by 2040. The increased occurrence of reduced yields in rain-fed agriculture, droughts, heatwaves and flash floods in the SADC region are empirical evidence of global warming and a call-to-action.

To be a part of the solution, SADC Stock Exchanges are investing in the mainstreaming of green financial markets through the SADC Green Finance Programme. The main benefits of a functioning green bond market include;

- 】 attracting new listings;
- 】 satisfying environmental, social and governance (ESG) requirements;
- 】 meeting a growing investor and issuer demand;
- 】 improving investor diversification;
- 】 enabling direct investment in social impact activities and;
- 】 bringing a competitive edge to the market.

Although the concept of green financing is relatively nascent in the region, SADC has the second-mover advantage of learning from the pioneers and adopting tried & tested models and policies with added improvements.

Green-finance markets in the continent are more active in what are said to be Africa's economic hubs, namely South Africa, Nigeria and Kenya. Several green bond issuances have occurred in these respective economies over the years, with the largest sale in the continent of USD200 million coming from the JSE in South Africa, in 2020. The burgeoning of green financing across the continent depends on the implementation of several components, of which the SADC Green Bond Programme aims to facilitate.

Chief among these is the regulatory component which will facilitate the establishment of a robust legal and regulatory framework to enforce transparency and compliance from issuers. Component 2 focuses on developing a pipeline of issuances for both sovereigns and corporates and

## ► SADC REGION

demonstration transactions. Since listing a green bond will be a novelty for most issuers, the component makes a provision for specific guiding steps to support the issuers in developing green bond frameworks and facilitating verification and reporting processes.

The third component of the programme will support capacity building and market education to ensure wider uptake of green finance and, most importantly, to ensure that best practice for labelling green financial products is understood. The component will facilitate training and help organise workshops/roundtables targeting potential issuers, investors and other relevant stakeholders.

The fourth and final component will facilitate the undertaking of a demand study to comprehensively gauge the demand for green bonds in the SADC region and understand the existing and estimated future investment potential.

As this programme gains traction, we are eager to reap quantifiable progress in the otherwise embryonic nature of the green bond market in SADC and Africa at large. The importance of the green bond market is to harness the significant role that financial markets can play in addressing the global climate change crisis. This is an opportune and critical time for SADC Stock Exchanges, particularly as governments start to pursue infrastructure development at a larger scale. Although green bonds are a relatively small slice of the global bond market, they are proving to be effective in improving companies' environmental footprint, thereby potentially catalysing climate change.

## About CoSSE



The Committee of SADC Stock Exchanges which was formed in 1997 is a collective and cooperative body of the 14 stock exchanges in the Southern African Development Community (SADC) region. CoSSE is charged with the responsibility to accelerate the development of the SADC capital markets through cooperation and collaboration between SADC stock exchanges and other key SADC institutions and stakeholders. CoSSE Secretariat has close working relations with the SADC Secretariat, and SADC Structures such as the Committee of Central Bank of Governors (CCBG), Committee of Insurance, Securities and Non-Banking Financial Authorities (CISNA), the Committee of Ministers of Finance and Investment (CoMFI) and the Committee of Senior Treasury Officials (CoSTO).

For more information about CoSSE, visit the website at [www.cosse.africa](http://www.cosse.africa) or contact the Secretariat via telephone at **(+267) 3674421** or email at [cossesecretariat@bse.co.bw](mailto:cossesecretariat@bse.co.bw)

## BSE SOCIAL MEDIA ICONS:

*By virtue of being a disclosure-based entity, the Botswana Stock Exchange (BSE) advocates for open channels of communication and information dissemination with all our stakeholders. As such, the BSE is active on the following social media platforms to engage with followers around the world at all times;*

 Botswana Stock Exchange  @TheOfficialBSE

 Botswana Stock Exchange  Botswana Stock Exchange

 Botswana Stock Exchange

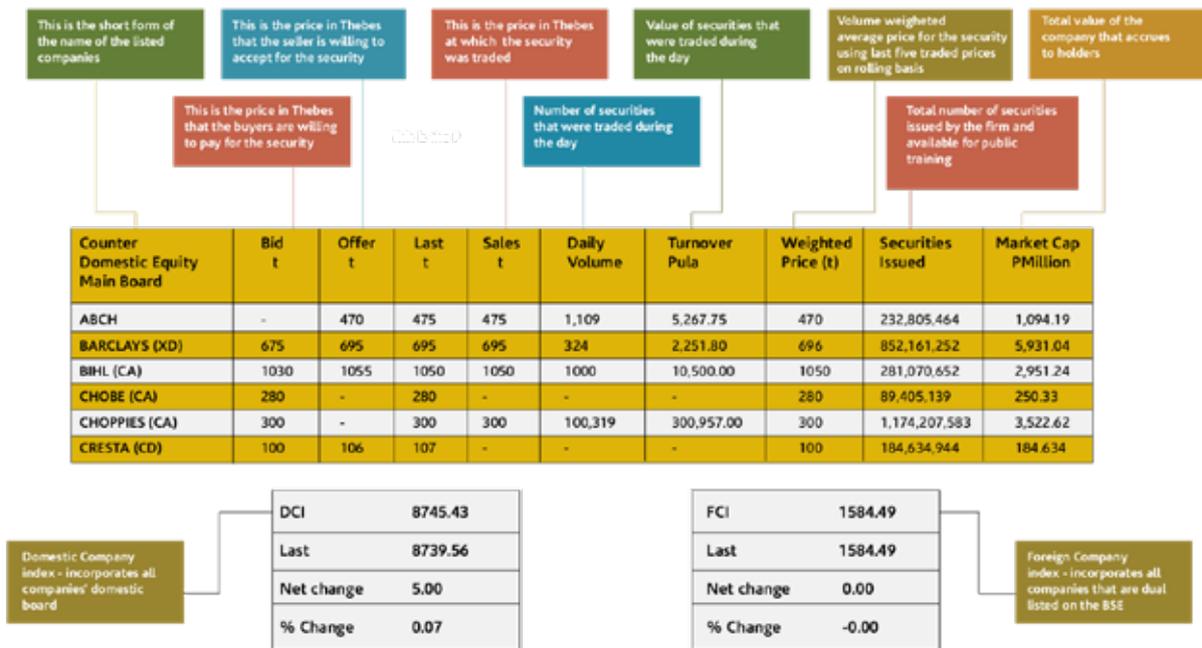


# KEEPING TRACK OF YOUR INVESTMENT

You can keep track of your investments through Annual Reports, BSE X-News, Newspaper share tables on local newspapers, stock market radio and television programs and the BSE website.

## BSE Daily Market Report

The BSE issues the daily market report at the end of every trading day, and the report contains data fields that should be understood.



**Column 1** – short form name of the listed company

**Column 2** – Bid – the price in thebe that the buyer is willing to pay for the security

**Column 3** – Offer – the price in thebe that the seller is willing to accept for the security

**Column 4** - Last the last price at which the security was traded

**Column 5** – Sales – the price (or range) at which the security was traded during the week.

**Column 6** – Volume – the number of securities that were traded during the week.

**Column 7** – Securities Issued – the total number of securities issued by the firm or available to the public for trading

**Column 8 – Market Capitalisation** – the total value of the company that accrues to the holders/owners of the particular security

**DCI: Domestic Company Index** – incorporates any company which is primary listed on the BSE

**FCI: Foreign Company Index** - incorporates companies that are dual listed on the BSE

# BECOME A BSE REGISTERED ADVISER

Only Advisers approved by the BSE and recorded on the 'BSE Register for Registered Advisers' may act as an adviser for an issuer for listing related matters or an applicant applying to list on the BSE.

- › Sponsors and Sponsoring Brokers
- › Legal Advisers
- › Property Valuers
- › Reporting Accountants
- › Auditors
- › Corporate Finance Advisers

For more information, please email the Listings and Trading Department at [listings@bse.co.bw](mailto:listings@bse.co.bw) or call (+267) 367 4400

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