



### MARKET COMMENTARY

The Domestic Companies Index closed the week ended 26 November 2021 in the green by 0.24% w-o-w at 6,992.48 pts. The Foreign Companies Index was relatively flat at 1,549.65 pts.

BOD (+9.09% to BWP 0.12), Letshego (+3.03% to BWP 1.36) and Letlole (+2.45% to BWP 2.51) were the week's top gainers; while Minergy (-2.00% to BWP 0.49), Cresta (-1.83% to BWP 1.07) and PrimeTime (-0.43% to BWP 2.29) were the biggest losers.

Turnover increased significantly to BWP 46.7m on 13.0m shares traded vs. last week's BWP 15.4m on 6.9m shares. Deals in Letshego and Sefalana dominated volumes and value transacted with contributions of 45.20% and 50.53%, respectively.

NewGold appreciated by 3.98% to BWP 193.40; while NewPlat depreciated by 1.33% to BWP 111.50. A total of 7,900 ETF units worth BWP 1.1m changed hands.

The BWP strengthened against the ZAR (+1.79%); while it weakened against the USD (-2.09%), GBP (-0.62%) and EUR (-0.92%).

### Highlights in this week's edition:

- Access Bank (formerly BancABC) completed name change
- FPC listed additional linked units
- SeedCo anticipates H1 22 PBT to decrease by 10% - 15% y-o-y
- RDCP expects to finalise Scheme Offer on or about 9 December 2021
- BTCL appointed Mr. Thato Kewakae to the board
- Letlole AGM notice
- Letlole proposed board changes
- PrimeTime disposed Ghanzi Shopping Centre and Ramotswa Shopping Centre
- Minergy AGM results
- Tlou AGM results
- Lucara 2022 operating guidance
- Shumba published a Circular and EGM notice
- NewGold's Palladium ETF listed on 24 November 2021

Price gainers for the week			Price losers for the week		
Company	Price (P)	% change	Company	Price (P)	% change
BOD	0.12	9.09%	Minergy	0.49	-2.00%
Letshego	1.36	3.03%	Cresta	1.07	-1.83%
Letlole	2.51	2.45%	PrimeTime	2.29	-0.43%
StanChart	1.95	1.56%	G4S	2.99	-0.33%
Chobe	7.36	0.14%	NAP	3.25	-0.31%

Volumes	Turnover	BWP	USD	
Letshego	5,876,751	Sefalana	23,575,331	2,010,975.72
Sefalana	2,494,744	Letshego	7,990,942	681,627.33
FNBB	1,187,139	BIHL	3,864,840	329,670.85
Choppies	622,555	FNBB	2,955,976	252,144.76
Turnstar	363,349	ABSA	1,646,783	140,470.62

Rates	
7 day Bank of Botswana Certificate rate	1.09%
Bank rate	3.75%
Prime rate	5.25%
Latest inflation (October 2021)	8.80%

Source: Bank of Botswana

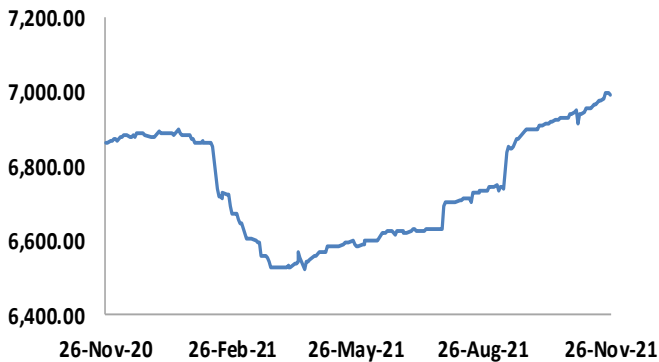
Currency	19-Nov-21	26-Nov-21	% change
ZAR	1.345	1.369	1.79%
USD	0.086	0.085	-2.09%
GBP	0.064	0.064	-0.62%
EUR	0.076	0.075	-0.92%

Source: Bank of Botswana



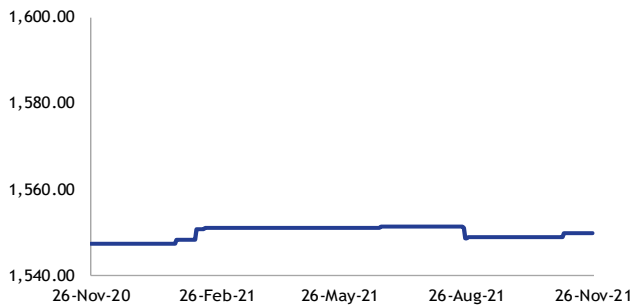
## Company & Economic News

Figure 1: Domestic Companies Index



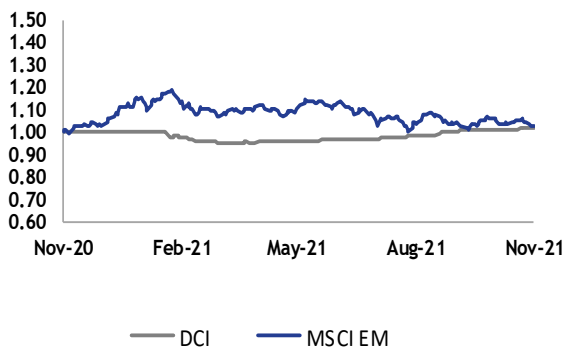
(BancABC)

Figure 2: Foreign Companies Index



(FPC)

Figure 3: DCI vs MSCI EM Index



### Access Bank (formerly BancABC) completed name change.

The Board of Access Bank Botswana Limited (formerly African Banking Corporation of Botswana Limited [T/A BancABC]) informed its shareholders that all the regulatory formalities for the change of name have been completed. The bank has accordingly been issued with a new certificate of incorporation by the Companies and Intellectual Property Authority (CIPA) and consequently with a Banking license by the Bank of Botswana effective 8 November 2021. The bank will therefore start trading on the Botswana Stock Exchange as Access Bank Botswana Limited, under the BSE Code "Access" effective 29 November 2021.

### FPC listed additional linked units.

FPC advised unitholders that the Botswana Stock Exchange Limited has approved the listing of 12,625,368 new linked units in the company, for trading on the Botswana Stock Exchange, on and with effect from the 22 November 2021. The number of issued linked units increased from 447,710,838 to 460,336,206.

**SeedCo anticipates H1 22 PBT to decrease by 10% - 15% y-o-y.** SeedCo expects its profit before tax from continuing operations for the half year ended 30 September 2021 to be approximately 10% to 15% (between USD 0.3m and USD 0.5m) lower than the profit before tax from continuing operations amounting to USD 3.0m for the corresponding period ended 30 September 2020 mainly due to the non-recurrence of once-off non-core income recorded last year. Accordingly, investors were advised to exercise caution when dealing with the securities of Seed Co International Limited. The unaudited abridged financial statements will be released before the end of December 2021.

(SeedCo)

### RDCP expects to finalise Scheme Offer on or about 9 December 2021.

RDCP advised unitholders that at the general meeting of shareholders of Tower Property Fund on 24 November 2021, called to consider and, if deemed fit, pass the resolutions to authorise and approve the Scheme Offer and delisting, all resolutions were passed on a poll by the requisite majorities. Assuming no Court approval or review of the Scheme, finalisation of the Scheme is expected to take place on or about 9 December 2021.

(RDCP)



### **BTCL appointed Mr. Thato Kewakae to the board.**

BTCL appointed Mr. Thato Kewakae to the Board as an Independent Non-Executive Director. Mr Kewakae is experienced in leading growth in private sector businesses, in consultancy and providing support services for government and the private sector. He has served as Managing Director at Cabling for Africa (Pty) Ltd and has worked as the Information Systems Manager at the Botswana Institute for Development Policy Analysis (BIDPA). His most recent post was Chief Operations Officer at Botswana Post, where he previously also served as Chief Information Officer. Mr Kewakae has previously served on the Botswana Housing Corporation Board and was part of the Finance/Audit and HR Committees. He graduated from the University of Botswana with Master of Business Administration and also holds a Bachelor of Engineering (Computer Science) from Birla Institute of Technology in India. He has also successfully completed the Executive Development Program at the University of Stellenbosch in Cape Town and a Project Management Course at Wits University.

*(BTCL)*

### **Letlole AGM notice.**

Letlole is to hold its AGM by means of audio or audio visual communication on 14 December 2021 at 14:30hrs for the purpose of transacting ordinary business.

*(Letlole)*

### **Letlole proposed board changes.**

Letlole advised unitholders that it has nominated the following people to the Board of Directors of LLR which will be subject to resolutions of the shareholders at the AGM:

- Mr Gregory Pearson
  - Business Management degree holder from Kingston University in the United Kingdom and is a member of the Chartered Management Institute. He is a founder member and CEO of Gateway Real Estate Africa, a specialist real estate developer operating across eleven African countries.
- Mr Khuto Balosang
  - Graduate of Management Information Systems with a specialization in Information Systems and Quantitative Analysis from the University of Nebraska at Omaha. Prior to establishing a management consulting business, Mr Balosang worked in various senior positions at Debswana Diamond Company, being promoted to Group Systems Manager until his departure at the end of 2011.
- Mr Mooketsi Maphane
  - Currently serves as a director on the board of the Botswana Qualifications Authority where he is responsible for Human Resources. He holds a Master of Science in Industrial and Organisational Psychology from Springfield College in the USA, as well as a Bachelor of Arts in Psychology (Cum Laude) from the Hawaii Pacific University in the USA and is registered with the Botswana Health Professional Council.
- Mr Donald Borthwick
  - Chartered Accountant (South Africa) and holds a B Comm Hons degree in Financial Management. He is the owner and a director of Hodari Africa Proprietary Limited, a company specialising in property development, property investment and project management. Hodari Africa develops industrial, commercial, retail and residential properties in South Africa and Africa both for on-sale to institutions and to retain as investments.

The company further announced that Ms Onthatile Tiny Ogotseng, Ms Mmametsi Setlhare and Mr Sedireng Serumola have resigned as independent non-executive directors of the company effective from 3 December 2021. Mr Fred Selolwane advised the Board that he will not offer himself for re-election at the company's AGM set for 14 December 2021 and will retire from the Board effective at the conclusion of the AGM.

*(Letlole)*

### **PrimeTime disposed Ghanzi Shopping Centre and Ramotswa Shopping Centre.**

PrimeTime announced that it has agreed terms for the disposals of Lot 29 Ghanzi Township and Tribal Lot 3273 Ramotswa, known as Ghanzi Shopping Centre and Ramotswa Shopping Centre, respectively, and all conditions precedent in the Sale



Agreement have been met. The purchaser, New African Properties, offered a consideration of BWP 45 million gross of agent's commission and other transaction costs payable in cash on transfer.

(PrimeTime)

#### **Minergy AGM results.**

Minergy published the results of its AGM held on 24 November 2021. All resolutions were passed by the required majority.

(Minergy)

#### **Tlou AGM results.**

Tlou published the results of its AGM held on 24 November 2021. All resolutions tabled were duly passed.

(Tlou)

#### **Lucara 2022 operating guidance.**

Lucara published the following operating guidance for 2022 (all amounts in USD unless otherwise stated).

<b>Karowe Mine (all amounts in US Dollars)</b>	<b>Full Year 2022</b>
Diamond revenue	\$185 million to \$215 million
Diamond sales	300,000 carats to 340,000 carats
Diamonds recovered	300,000 carats to 340,000 carats
Tonnes mined - Ore	3.1 million to 3.5 million
Tonnes mined - Waste 1.5 million to 2.1 million	
Tonnes processed - Ore 2.6 million to 2.8 million	
Total operating cash costs per tonne processed (including (a) to (b) below):	\$29.50 to \$33.50
(a) Cash cost per tonne mined (ore and waste)	\$5.75 to \$6.25
(b) Cash cost per tonne processed	\$12.00 to \$13.00
Botswana G&A expenses, including sales and marketing, per tonne processed	\$3.50 to \$4.00
Tax rate	0%
Average exchange rate - USD/Pula	11.0

(Lucara)

#### **Shumba published a Circular and EGM notice.**

Shumba is to hold an EGM on 10 December 2021 virtually via Microsoft Teams at 11:00 am (Mauritius time) to consider and if thought fit, to adopt, with or without amendment, the following resolutions:

- Special Resolution 1:
  - To seek shareholder approval by way of a special resolution (which requires at least 75% approval by Shareholders present in person or by proxy) for the proposed Reorganisation which includes inter alia the capitalisation of intra group loans through the issuance of new shares in Shumba Energy (Botswana) and the distribution of such Shares to Shareholders, and the issuance of new shares in Shumba Energy (Botswana) to maintain the Botswana Partner's minority shareholding at 10% and the delisting of Shumba Energy (Mauritius) from the Foreign Equity Main Board of the BSE and the listing of Shumba Energy (Botswana) on the Domestic Equity Main Board of the BSE. Shareholders will therefore own a direct interest in the Botswana domiciled holding company, Shumba Energy (Botswana), which shares will then be listed on the Domestic Equity Main Board of the BSE while the shares in Shumba Energy (Mauritius) will be delisted from the Foreign Equity Main Board of the BSE and subsequently that company and its foreign domiciled subsidiaries will be wound up. The Reorganization will not change the proportional interest of any Shareholders in the core business and assets of the Shumba Group, which remain fundamentally unchanged by this Reorganisation.



- Ordinary Resolution 1:
  - any director of the company be and is hereby authorised to do all such things, sign all documents as may be necessary for, or incidental to, the implementation of special resolution number 1, hereby ratifying and confirming all such things already done and documentation already signed.
- Ordinary Resolution 2:
  - the waiver of rules as per Chapter 14 (the Delisting Rules) of the BSE Equity Listing Requirements by the minority shareholders of the company.
- Ordinary Resolution 3:
  - the company capitalise intra group loans through the issuance of new shares in Shumba Energy (Botswana) and the distribution of such Shares to Shareholders, and the issuance of new shares in Shumba Energy (Botswana) to maintain the Botswana Partner’s minority shareholding at 10%.

*Kindly find attached the Shumba Circular to Shareholders for your perusal.*

*(Shumba)*

**NewGold’s Palladium ETF listed on 24 November 2021.**

NewGold announced that the Botswana Stock Exchange (the “BSE”) has approved the secondary listing of NewGold’s Palladium exchange traded fund. The secondary listing will be effective from 24 November 2021, whereby investors with access to the Botswana Stock Exchange can acquire NewGold Palladium exchange traded fund securities. Copies of the Listing Prospectus for the NewGold Palladium exchange traded fund are available on the Absa Index and Structured Solutions website, <https://aiss.absa.africa/>

*(NewGold)*



## RATINGS

COMPANY	Price (BWP)	EPS	P/E Hist	P/BV Hist	Net Div	Div Yield	ROE	ROA	Recommendation
<b><u>BANKING SECTOR</u></b>									
ABC	1.98	0.12	15.93	1.18	0.00	0.00%	7.37%	1.03%	HOLD
Absa	4.64	0.49	9.44	1.67	0.34	7.22%	17.73%	1.95%	HOLD
FNBB	2.49	0.27	9.24	1.61	0.51	20.43%	17.45%	2.42%	HOLD
StanChart	1.95	0.06	31.69	0.55	0.15	7.59%	1.73%	0.12%	BUY
BBS	0.79	0.06	13.20	0.72	0.00	0.00%	5.46%	0.76%	SPECULATIVE
<b><u>OTHER FINANCIAL SERVICES</u></b>									
BIHL	17.50	1.68	10.41	1.60	0.65	3.71%	15.40%	2.74%	HOLD
Letshego	1.36	0.33	4.17	0.57	0.14	10.61%	13.57%	5.25%	BUY
<b><u>FMCG</u></b>									
Sefalana	9.45	0.87	10.92	1.18	0.37	3.92%	10.81%	6.67%	ACCUMULATE
Choppies	0.60	0.06	9.55	N/A	0.00	0.00%	N/A	4.81%	HOLD
CA Sales	3.65	0.46	7.98	1.34	0.06	1.76%	16.84%	8.88%	ACCUMULATE
<b><u>AGRICULTURE</u></b>									
SeedCo	2.70	0.33	8.17	1.08	0.11	3.89%	13.26%	8.09%	HOLD
<b><u>BREWERIES</u></b>									
Sechaba	16.70	1.76	9.49	2.40	0.38	2.27%	25.25%	23.83%	BUY
<b><u>TELECOMMUNICATIONS</u></b>									
BTCL	0.74	0.13	5.74	0.34	0.08	10.55%	5.95%	4.46%	BUY
<b><u>PROPERTY DEVELOPMENT</u></b>									
Letlole	2.51	0.20	12.82	0.89	0.16	6.23%	6.96%	4.84%	BUY
NAP	3.25	0.27	12.16	1.37	0.25	7.59%	11.27%	9.52%	HOLD
PrimeTime	2.29	-0.18	N/A	0.78	0.09	3.73%	N/A	N/A	HOLD
RDCP	2.15	0.06	35.76	0.64	0.08	3.81%	1.78%	1.03%	BUY
FPC	2.45	0.21	11.50	1.17	0.16	6.54%	10.16%	6.76%	SELL
Turnstar	2.00	0.17	11.65	0.67	0.16	8.17%	5.77%	3.93%	HOLD
<b><u>CONSUMER SERVICES</u></b>									
Engen	10.36	1.34	7.72	2.61	1.04	10.01%	33.76%	19.83%	HOLD
G4S	2.99	0.02	194.00	2.21	0.18	6.07%	1.14%	0.71%	REDUCE
<b><u>TOURISM AND HOSPITALITY</u></b>									
Cresta	1.07	-0.34	N/A	1.52	0.00	0.00%	N/A	N/A	REDUCE
Chobe	7.36	-0.62	N/A	2.32	0.00	0.00%	N/A	N/A	HOLD
<b>Market Average</b>			<b>21.58</b>	<b>1.28</b>		<b>5.17%</b>	<b>11.67%</b>	<b>5.88%</b>	

## DIVIDEND SCHEDULE

	Declared	Period	Gross Dividend (thebe)	Gross interest (thebe)	Last day to register	Payable
Turnstar	28-Oct-21	Interim	1.08	7.919	30-Nov-21	10-Dec-21



Company	19-Nov-21	26-Nov-21	Volumes	Value	% change	YTD % change	Mkt Cap (BWP Mn)	Mkt Cap (USD Mn)
<b>DOMESTIC BOARD</b>								
ABC	1.98	1.98	216,749	429,163	0.00%	0.00%	1,435.50	121.30
ABSA	4.65	4.64	354,536	1,646,783	-0.22%	-13.75%	3,962.55	334.84
BIHL	17.50	17.50	220,848	3,864,840	0.00%	0.00%	4,941.49	417.56
BTCL	0.74	0.74	64,405	47,660	0.00%	-9.76%	777.00	65.66
Chobe	7.35	7.36	23,347	171,789	0.14%	-21.95%	657.38	55.55
Choppies	0.60	0.60	622,555	373,533	0.00%	0.00%	782.18	66.09
Cresta	1.09	1.07	39,207	41,951	-1.83%	-17.69%	201.25	17.01
Engen	10.35	10.36	73,769	763,849	0.10%	0.78%	1,653.12	139.69
FNBB	2.49	2.49	1,187,139	2,955,976	0.00%	13.18%	6,333.81	535.21
FPC	2.45	2.45	84,522	207,079	0.00%	-0.81%	1,127.82	95.30
G4S	3.00	2.99	216,954	650,692	-0.33%	-12.06%	240.00	20.28
Letlole	2.45	2.51	151,201	378,598	2.45%	9.61%	700.00	59.15
Letshego	1.32	1.36	5,876,751	7,990,942	3.03%	88.89%	2,915.90	246.39
Minergy	0.50	0.49	82,577	40,463	-2.00%	-38.75%	234.99	19.86
NAP	3.26	3.25	307,010	999,578	-0.31%	1.25%	1,970.33	166.49
Olympia	0.26	0.26	9,375	2,438	0.00%	8.33%	16.73	1.41
PrimeTime	2.30	2.29	260,381	598,363	-0.43%	-16.73%	562.70	47.55
RDCP	2.15	2.15	91,511	196,749	0.00%	0.00%	949.89	80.27
Sechaba	16.70	16.70	21,796	363,993	0.00%	-19.13%	1,847.30	156.10
SeedCo	2.70	2.70	-	-	0.00%	45.95%	1,062.85	89.81
Sefalana	9.45	9.45	2,494,744	23,575,331	0.00%	1.18%	2,369.37	200.21
StanChart	1.92	1.95	116,166	226,524	1.56%	34.48%	581.78	49.16
Turnstar	2.00	2.00	363,349	726,698	0.00%	-20.00%	1,144.31	96.69
<b>FOREIGN BOARD</b>								
Anglo	244.95	244.95	-	-	0.00%	0.00%	333,895.77	28,214.19
CA Sales	3.65	3.65	110,303	402,606	0.00%	-2.41%	1,667.43	140.90
Investec	53.67	53.67	-	-	0.00%	0.00%	17,115.62	1,446.27
Shumba	0.90	0.90	1,059	953	0.00%	-5.26%	264.46	22.35
Tlou Energy	0.50	0.50	-	-	0.00%	51.52%	300.10	25.36
<b>Venture Capital</b>								
A-Cap	0.39	0.39	-	-	0.00%	0.00%	340.04	28.73
BOD	0.11	0.12	12,778	1,516	9.09%	0.00%	85.99	7.27
LUC	6.50	6.50	-	-	0.00%	27.20%	2,939.19	248.36
<b>SERALA OTC BOARD</b>								
BBS	0.79	0.79	-	-	0.00%	-27.52%	385.09	32.54
DCI	6,975.63	6,992.48	12,878,892	46,252,991	0.24%	1.64%	36,468.26	3,084.46
FCI	1,549.62	1,549.65	124,140	405,075	0.00%	0.15%	356,268.56	30,133.43
<b>NEWFUNDS</b>								
NEWFUNDS	58.98	58.98	-	-	0.00%	12.69%	5.898	0.50
NEWGOLD	186.00	193.40	2,700	522,180	3.98%	0.83%	570.53	48.21
NEWPLAT	113.00	111.50	5,200	579,800	-1.33%	15.72%	340.075	28.74
NEWPALL	-	243.59	-	-	-	0.00%	24.359	2.06
BAMIB50	5.70	5.70	-	-	0.00%	-5.00%	54.00	4.56
BASBI	79.70	79.70	-	-	0.00%	6.13%	225.30	19.04

Source: BSE



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