



**MARKET PERFORMANCE FOR THE PERIOD 1 JANUARY
TO 30 SEPTEMBER 2024**

1. EXECUTIVE SUMMARY

The market has powered strongly so far this year, as we continue to witness outperformance in trading activity in some asset classes. Overall, the total turnover across Equities, Bonds and Exchange Traded Funds (ETFs) has grown by 5.3% to a record P6.0 Billion compared to P5.7 Billion in the same period last year.

Bonds account for 78.3% of these trades, as the bond trading activity has soared to P4.7 Billion year-to-date from P1.8 Billion in the comparable period. ETFs have recorded an improvement of 53.3% in trading activity, propelled by the outperformance of Gold in global commodities markets, and therefore the inflows into the NewGold ETF on the BSE.

On the Equities front, 2023 was an exceptional year, primarily on account of the historic institutional trade that involved BIHL shares, valued at P2.9 Billion that happened in September 2023. We have always anticipated that it would be challenging to surpass a trade of this magnitude in the short-term on account of a single stock. It is for this reason that the year-to-date equity turnover is overshadowed on a comparative basis. However, if you strip out such an anomalous trade, the year-to-date equity turnover has gone up by 11.1% relative to what it would have been absent last year's historic trade.

While we haven't registered any equity listing so far in the year, there are tangible attempts and progress being made. At least 4 companies that we have been consistently interacting with to advance our listings value proposition have indicated that their governing bodies have passed board resolutions to raise equity capital by way of listing on the BSE. On this note, a few are still undergoing restructuring, consolidations and establishment of holding companies that would become listed entities. The indicative timeframes range from the remaining part of 2024 all the way to early 2026, and the methods being considered are an Initial Public Offering (IPO), a method that improves the market immensely as it brings new investors, vibrancy, attracts new capital and naturally reinforces the value, to both investors and issuers, of taking part in public markets.

Related to this, the 2024 cohort of the Tshipidi Mentorship Programme has graduated and the Programme has inspired and capacitated companies that are registered at the other boards on the BSE, such the Serala Over-The-Counter Board, to commence the requisite preparations for graduation to the Main Board.

The ETF market is destined for significant improvement as well, as some potential ETF issuers have now attained Local Asset Status (LAS) from the Non-Bank Financial Institutions Regulatory Authority (NBFIRA). This milestone is very critical to enable potential issuers to then explore the listings application processes, assisted by their designated advisors. To this end, 11 ETFs have been granted LAS and these ETFs represent various exposures including the S&P500, MSCI World, FTSE 100, Eurostoxx 50, MSCI Japan, and MSCI Emerging Markets, among others. In March 2024, we held a webinar to expand knowledge on Actively Managed ETFs and Actively Managed Certificates, and this has been succeeded by engagements with prospective issuers considering these for Botswana.

The Bond Market has grown exponentially, now comprising of 133 instruments in comparison to 94 in the same period last year. The Sustainable Bond market is also

gaining traction as a few entities have indicated prospective issuances as well as restructuring of their Programme Memorandums to provide for issuances of Sustainable Bonds. Absa Bank, with its inaugural listing in December 2023, and the subsequent tap issuance in February 2024, has become an inspirational story to many, particularly with how the proceeds have created tangible impact in our communities.

According to its Impact Report, the bond's proceeds were deployed into affordable housing and renewable energy projects, to address Sustainable Development Goals (SDGs) number 8 and number 13, being decent work and economic growth and climate action, respectively. The deployment of the proceeds of the bonds have impacted 1,240 lives and created 280 jobs, among other metrics reported. While it is currently the only listed Sustainable Bond, a combination of this inspiring impact story and the innovative services and incentives the BSE provides have without a doubt increased the attention to this debt instrument.

With the aforementioned, the succeeding sections of this report provide more depth in relation to overall market performance and segmental performance.

2. EQUITY MARKET PERFORMANCE

2.1. Analysis of Equity Market Indices

During the period 1 January to 30 September 2024, the Domestic Company Index (DCI) appreciated by 8.1% in comparison to an increase of 12.1% during the corresponding period in 2023 and the Domestic Company Total Return Index (DCTRI) appreciated by 16.5% in comparison to an increase of 20.2% during the corresponding period in 2023.

The Foreign Company Index (FCI) registered a notable increase of 20.0% in comparison to an appreciation of 57.8% in the corresponding period in 2023.

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

Figure 1: Equity Market Performance Statistics

	1 Jan to 30 Sep 2023	1 Jan to 30 Sep 2024
Index Performance		
DCI	8,662.2	9,653.4
% Change	12.1	8.1
DCTRI	2,632.8	3,202.9
% Change	20.2	16.5
FCI	2,463.3	2,958.0
% Change	57.8	20.0
Liquidity		
Turnover (P' Million)	3,798.7	1,017.1
Average Daily Turnover (P' Million)	20.4	5.5
No. of Shares Traded (Million)	475.0	297.8
Market Capitalization		
Domestic Companies (P' Million)	46,441.8	51,832.9
Foreign Companies (P' Million)	550,336.4	660,578.5
Total (P' Million)	596,778.1	712,411.4
Market Indicators		
P/E Ratio (times)	9.6	10.8
Dividend Yield (%)	5.6	6.1
Price/Book Value (times)	1.4	1.9

2.2. Comparative Analysis of Equity Turnover

Total equity turnover amounted to P1.0 Billion which translates to an Average Daily Turnover of P5.5 Million during the period under review. The current year-to-date performance surpasses the historic 4-year trend save for 2023, where the BSE recorded the highest amount of turnover in history worth P3.8 Billion. This record-breaking milestone was attributable to the BIHL transaction that amounted to P2.9 Billion on 4 September 2023, constituting the highest ever single counter, single trade in the history of the Exchange.

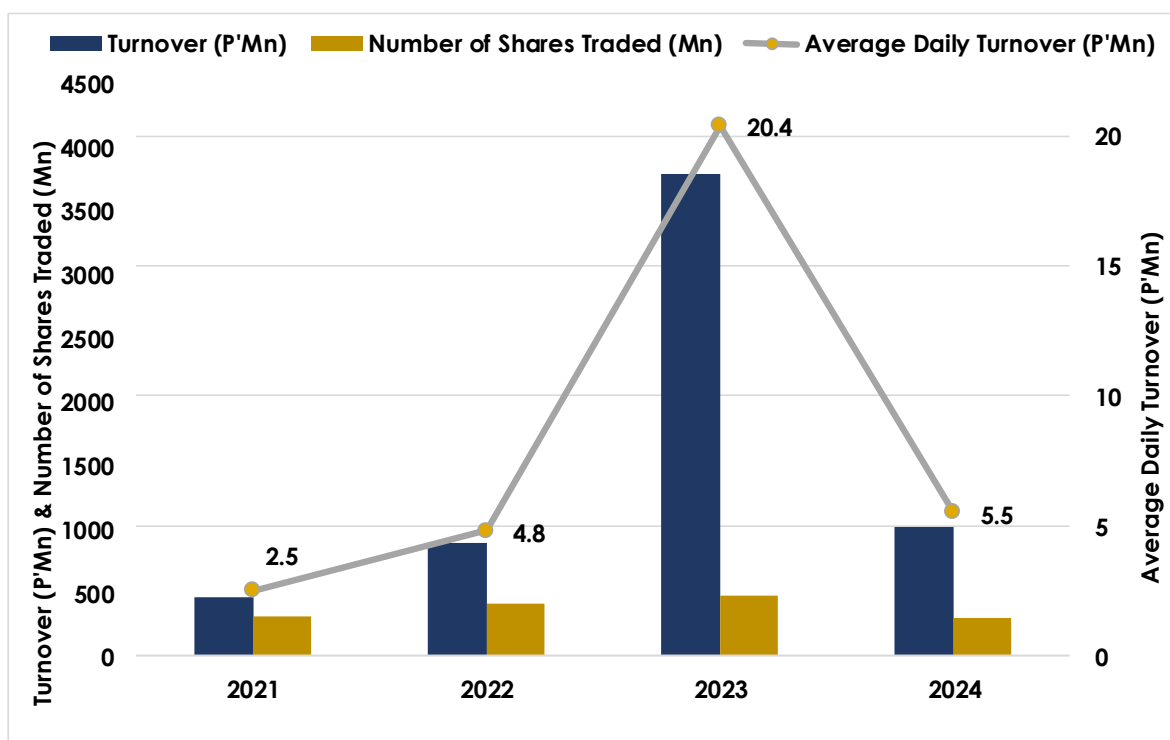
The total market capitalisation has risen by 19.4% in 2024 relative to the corresponding period in 2023.

Figure 2: Comparison in Liquidity: 2021-2024

Liquidity ^{Note 1}	2021	2022	2023	2024
Equity Turnover (P' Million)	462.5	882.3	3,798.7	1,017.1
Average Daily Turnover (P' Million)	2.5	4.8	20.4	5.5
No. of Shares Traded (Million)	300.4	405.4	475.0	297.8

Note 1: Year to 30th September

Figure 3: Trend in Liquidity, Equities: Year-to-30th September



Source: BSE

2.3. Companies Ranked by Turnover

The top 3 traded companies during the period under review were Sechaba (P193.0 Million), Access (P139.8 Million) and CA Sales (P102.6 Million). The total turnover from

these 3 companies accounted for 42.8% of total equity turnover, with the leading counter Sechaba accounting for 19.0% of total equity turnover.

In comparison to the same period in 2023, the top 3 traded companies accounted for 85.1% of total equity turnover with the leading counter BIHL accounting for 77.2% (P2.9 Billion) of total equity turnover.

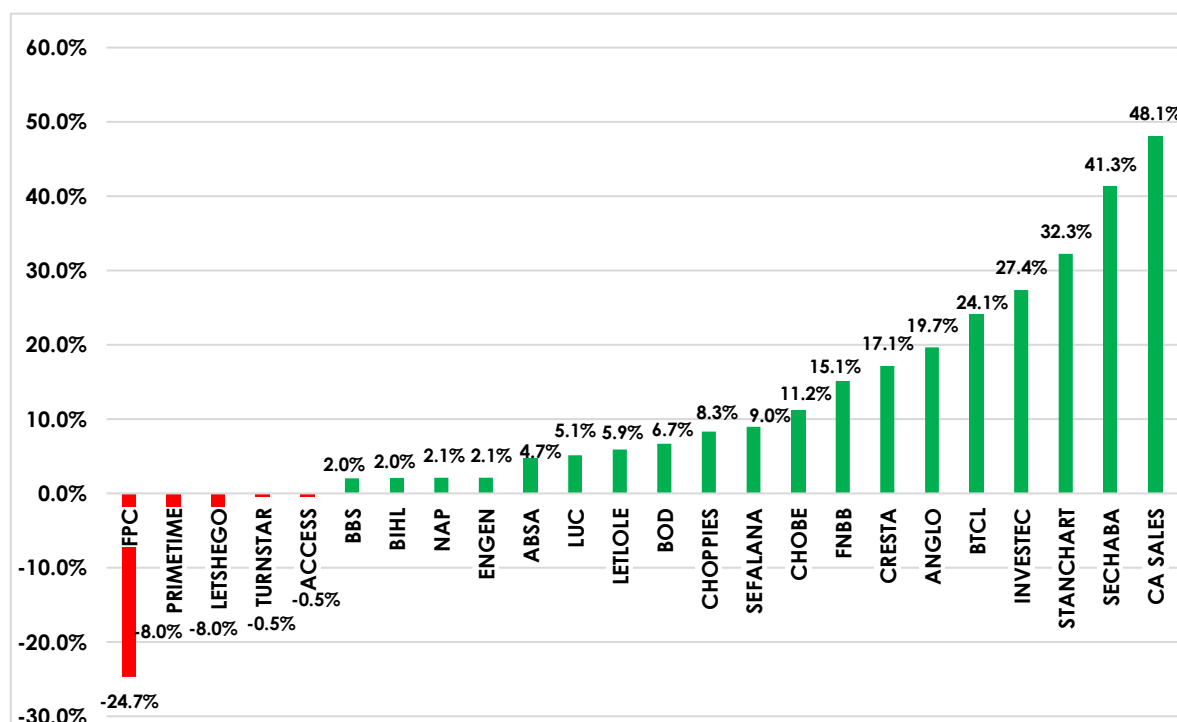
It is quite impressive that all 32 stocks on the BSE have traded so far in the year.

The rankings of companies by turnover thus far in 2024 is shown in Figure 4.

Figure 4: Companies Ranked by Turnover (BWP): Year-to-30th September 2024

COMPANY	Q1	Q2	Q3	1 JAN - 30 SEP 2024
	TURNOVER	TURNOVER	TURNOVER	TURNOVER
SECHABA	132,233,557.07	22,179,021.32	38,605,113.34	193,017,691.73
ACCESS	6,199,779.47	119,727,719.88	13,864,211.28	139,791,710.63
CA SALES	69,087,491.43	18,891,305.23	14,653,103.20	102,631,899.86
FNBB	36,856,752.44	32,873,597.15	13,589,250.37	83,319,599.96
SEFALANA	32,328,361.82	17,230,489.90	24,985,948.75	74,544,800.47
LETSHEGO	6,945,926.35	49,217,726.38	3,577,927.15	59,741,579.88
BIHL	9,512,717.73	34,219,746.30	11,734,044.00	55,466,508.03
TURNSTAR	29,027,574.72	10,319,779.48	8,677,400.53	48,024,754.73
ABSA	21,474,197.39	16,184,887.98	6,785,900.54	44,444,985.91
INVESTEC	1,458,715.20	10,844,268.10	19,953,256.30	32,256,239.60
ENGEN	6,402,961.51	8,350,555.47	11,482,958.89	26,236,475.87
CHOPPIES	1,117,070.25	5,960,202.48	13,376,335.44	20,453,608.17
NAP	10,228,405.18	8,884,016.56	1,302,721.64	20,415,143.38
LETLOLE	3,114,928.00	5,746,859.56	11,124,041.50	19,985,829.06
ANGLO	-	19,437,188.91	469,110.00	19,906,298.91
CHOBE	5,491,320.85	5,625,165.83	5,231,867.52	16,348,354.20
BTCL	6,170,454.49	3,823,145.69	5,685,747.70	15,679,347.88
RDCP	2,130,456.00	10,506,079.20	876,016.80	13,512,552.00
STANCHART	2,442,286.52	3,602,196.38	6,492,758.67	12,537,241.57
PRIMETIME	3,809,602.33	2,174,870.90	305,131.20	6,289,604.43
FPC	3,877,038.00	791,992.80	360.00	4,669,390.80
SEED Co	3,008,701.50	587,349.00	184,408.00	3,780,458.50
BBS	255,875.77	349,587.97	490,896.00	1,096,359.74
G4S	433,307.00	429,404.15	12,798.80	875,509.95
CRESTA	65,734.51	179,033.98	419,076.99	663,845.48
LUCARA	2,730.00	535,723.50	35,235.40	573,688.90
SHUMBA	9,729.00	185,080.50	128,301.30	323,110.80
TLOU	909.00	25,958.00	185,119.00	211,986.00
OLYMPIA	5,417.36	168,802.14	-	174,219.50
MINERGY	10,578.40	41,108.80	31,782.00	83,469.20
BOD	6,185.44	17,309.76	11,774.24	35,269.44
BOTALA	2,841.30	-	10,609.98	13,451.28
TOTAL	393,711,606.03	409,110,173.30	214,283,206.53	1,017,104,985.86

Figure 5: Share Price Performance: 1 January – 30 September 2024



Note 2 : Companies that did not experience share price movement are excluded from graph

Similarly, there is continued share price momentum overall as 19 of the 32 companies have registered share price appreciation.

2.4. Investor Contribution to Equity Turnover

As can be observed in Figure 6, most of the trading activity was driven by institutional investors, with local companies and foreign companies contributing 76.8% and 15.4% respectively to total equity turnover.

Figure 6: Investor Contribution to Turnover: 1 January – 30 September 2024

Investor Category	Turnover (Pula)	Equity Turnover Contribution
Foreign Companies	156,862,766.33	15.4%
Foreign Individuals	18,238,506.86	1.8%
Local Individuals	59,926,718.18	5.9%
Local Companies	780,792,851.13	76.8%
Brokers	1,284,143.36	0.1%
Total	1,017,104,985.86	100.0%

Source: CSDB

3. EXCHANGE TRADED FUNDS (ETFs) MARKET

The NewGold ETF has outperformed its 2023 performance with the price of spot gold reaching record highs over the period under review, which positively elevated the price of the NewGold ETF on the BSE by 31.1% year-to-date. Similarly, the NewPlat ETF registered a price increase of 5.8%.

The NewGold ETF has traded 788,738 units, while the NewPlat ETF has traded 524,649 units of which 41% and 82% of these respective trades occurred during the third quarter of 2024.

The Africa Domestic Bond Fund (ADBF) ETF has dropped by 6.3% so far in 2024.

Overall, the total value of ETFs traded has increased by 53.3% to P305.0 Million in 2024 from P198.9 Million in the corresponding period in 2023. Further, the total value of ETFs traded during the period under review has transcended the total value of ETFs traded during the full 2023 year (P215.6 Million).

Figure 7 summarises the comparable ETF performance for 2023 and 2024 on a year-to-date basis.

Figure 7: Performance of ETFs: Year-to-30th September

ETF		Turnover (P'Mn)	Units Traded	Price Change (%)
NewGold	2024	240.6	788,738	31.1
NewPlat		64.4	524,649	5.8
NewPall		-	-	-
ADBF		0.002	19	(6.3)
Total		305.0	1,313,406	
NewGold	2023	124.8	512,441	11.1
NewPlat		73.6	625,264	11.2
NewPall		-	-	-
ADBF		0.4	3,755	(8.5)
Total		198.9*	1,142,465*	

* total figures include the trades from delisted ETFs

4. BOND MARKET PERFORMANCE

The bond market has witnessed incredible growth, with bond trading more than doubling in the period under review, led by a 165.6% rise in the trading of Government bonds which constitute 83.7% of bond market capitalization.

Corporate bond trades have approximately quadrupled in comparison to the corresponding period in 2023. Total trades amounted to P4.7 Billion compared to P1.8 Billion in the same period in 2023. This has eclipsed the total bonds trades for the entire 2023 which amounted to P3.0 Billion.

At the close of September, the number of listed debt instruments totalled 133 and comprised of 7 Government Bonds, 98 Corporate Bonds, 27 Commercial Papers and 1 Sustainable Bond.

The increased awareness and capacity building around the issuance of Sustainable Bonds, is gradually translating into tangible results. At least 2 big banks are at an advanced stage of coming to market to raise sustainable capital, as the rate of creation of eligible assets has rapidly picked pace.

This is a commendable development as they will benefit from fee incentives on the BSE by way of a 25% discount on initial listing fees and annual sustaining fees. With some of the recent sustainable finance development initiatives, the BSE has now positioned itself as a one-stop-shop for sustainable finance, with services and products that extensively support ESG Investing, ESG Disclosures, ESG Ratings and a regulatory framework that is anchored on international best practice while sufficiently accommodating local market nuances.

Figure 8: Analysis of Bond Market Performance

CATEGORY	2023	2024
LIQUIDITY (P'Mn)		
Government Bonds	1,717.0	4,560.4
Corporate Bonds	38.5	153.6
Commercial Paper	-	-
Sustainable Bonds	-	1.0
TOTAL	1,755.5	4,715.0
MARKET CAPITALIZATION (P'Bn)		
Government Bonds	21.3	30.3
Corporate Bonds	4.3	4.6
Commercial Paper	0.6	1.2
Sustainable Bonds	-	0.08
TOTAL	26.2	36.2
NUMBER OF BONDS LISTED		
Government Bonds	7	7
Corporate Bonds	64	98
Commercial Paper	23	27
Sustainable Bonds	-	1
TOTAL	94	133

Source: BSE