MARKET PERFORMANCE FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2024

1.0 EXECUTIVE SUMMARY

The stock market has been an epitome of resilience and growth, despite the domestic economy sliding into a technical recession in 2024. Local statistics indicate that the country's real domestic product (GDP) declined by 0.5% in the second quarter of 2024, and by 4.3% in the third quarter, as contraction in the diamond market deepened. Government has cautioned that the contraction in GDP in 2024 could be greater than 1.7% should additional risks materialise.

Looking to the BSE, there has been remarkable growth across various indicators in 2024, which has underpinned the resilience of local corporates and their contribution to domestic economic output. The total size of the equity market has grown by P88.7 Billion or 14.8% as at end of year, mainly driven by a 15.0% growth in the foreign equity market capitalization. Meanwhile, domestic companies added P6.1 Billion to their total size, a growth of 12.4% in market capitalization. As at year end, the top gainer on the BSE was a foreign company. CA Sales led the bourse with gains of 77.8% in its share price, with another foreign company among the top 5 gainers being Investec with gains of 31.3%.

By and large, any improvement in the trading levels of dual listed companies such as these ones is a positive indication of improving liquidity and vibrancy in the local market. To this end, the BSE has done extensive work in this regard to import foreign stocks' liquidity into the local market and even lure market-makers onto the BSE to promote a consistent flow of liquidity. This largely explains the outperformance of the Foreign Company Index which appreciated by 15.0% in 2024, ahead of the Domestic Company Index appreciation of 12.5%. With these observations, and that all stocks have traded in the year and contributed to the total equity turnover in different capacities, with a large number of stocks recording double-digit growth in share prices, it is evident that the market continues to deepen, to be inclusive and be more vibrant.

The noticeable resilience and growth of the BSE in 2024 underscores the critical role of stock markets in economic development, particularly by facilitating capital allocation and enhancing liquidity, which in turn stimulates investment and economic expansion. In the year, significant amounts of capital have been raised by both Government and private sector using instruments listed on the BSE. Similarly, capital has been returned to shareholders, including Government, and bondholders through dividends and interest. The rebound of the domestic economy will, to a significant extent, be influenced by enacting policies that strengthen stock market infrastructure and ecosystem and unlock efficiencies to harness the desired growth and inclusivity aspirations, which could eventually translate into long-term economic gains. On this note, the BSE will continue to be harnessed to play a much deeper and impactful role to drive Botswana's economic transformation and sustainable economic growth.

2.0 EQUITY MARKET PERFOMANCE

2.1 Analysis of Equity Market Indices

During the period 1 January to 31 December 2024, the Domestic Company Index (DCI) appreciated by 12.5% in comparison to an increase of 15.6% during the corresponding period in 2023. Similarly, the Domestic Company Total Return Index (DCTRI) appreciated by 22.6% slightly below the 25.5% growth observed during the same period in 2023.

Meanwhile, the Foreign Company Index (FCI) registered an increase of 15.0% on a year-to-date basis in 2024, significantly lower than the remarkable increase of 57.7% recorded during 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 31 Mar 2024 (Q1 2024)	1 Apr – 30 Jun 2024 (Q2 2024)	1 Jul – 30 Sep 2024 (Q3 2024)	1 Oct – 31 Dec 2024 (Q4 2024)	1 Jan – 31 Dec 2024
Index Performance					
DCI	**9,096.18**	**9,374.57**	**9,653.37**	**10,049.10**	**10,049.10**
% Change	**1.9**	**3.1**	**3.0**	**4.1**	**12.5**
DCTRI	**2,827.85**	**3,040.15**	**3,202.93**	**3,371.26**	**3,371.26**
% Change	**2.9**	**7.5**	**5.4**	**5.3**	**22.6**
FCI	**2,472.89**	**2,944.35**	**2,957.98**	**2,834.15**	**2,834.15**
% Change	**0.3**	**19.1**	**0.5**	**(4.2)**	**15.0**
Liquidity					
Turnover (P' Million)	**393.7**	**409.1**	**214.3**	**643.0**	**1,660.1**
Average Daily Turnover (P' Million)	**6.4**	**6.6**	**3.4**	**10.9**	**6.7**
No. of Shares Traded (Million)	**76.1**	**156.3**	**64.4**	**131.8**	**428.6**
Market Capitalization					
Domestic Companies (P' Million)	**48,840.49**	**50,335.29**	**51,832.85**	**53,985.20**	**53,985.20**
Foreign Companies (P' Million)	**552,175.10**	**657,593.88**	**660,670.64**	**632,850.89**	**632,850.89**
Total (P' Million)	**601,015.59**	**707,929.17**	**712,503.49**	**686,836.09**	**686,836.09**
Market Indicators					
P/E Ratio (times)	**12.7**	**11.2**	**10.8**	**12.5**	**12.5**
Dividend Yield (%)	**6.0**	**6.6**	**6.1**	**5.7**	**5.7**
Price/Book Value (times)	**1.4**	**1.7**	**1.9**	**1.95**	**1.95**

2.2 Comparative Analysis of Equity Turnover

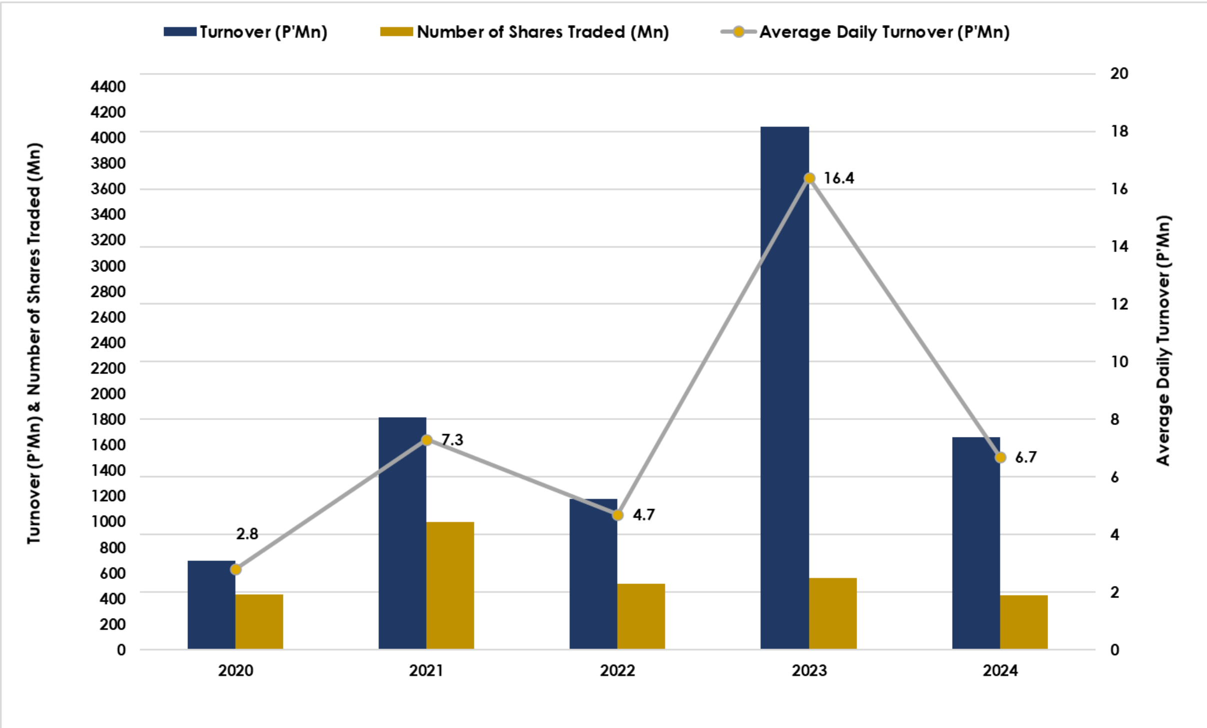
On a year-to-date basis, the BSE has recorded the turnover of P1.66 Billion which amounts to an average turnover of P6.7 Million per day, compared to the historic P4.1 Billion, averaging P16.4 Million per day, which was on account of the P2.9 Billion BIHL trade executed on 4 September 2023 that propelled the 2023 turnover to record levels.

Notwithstanding, the current turnover remains consistent with historical averages, suggesting a resilient baseline level of market activity. This is observed in Figure 2 where the turnover amounted to P1.82 Billion and P1.18 Billion in 2021 and 2022 respectively.

Figure 2: Liquidity: 2020-2024

Liquidity	2020	2021	2022	2023	2024
Equity Turnover (P' Million)	698.6	1,816.0	1,177.6	4,085.8	1,660.1
Average Daily Turnover (P' Million)	2.8	7.3	4.7	16.4	6.7
No. of Shares Traded (Million)	430.4	997.2	513.3	561.5	428.6

Figure 3: Trend in Liquidity, Equities: Year-to-31 December



Source: BSE

2.3 Companies Ranked by Turnover

The top 3 traded companies during the period under review were Sechaba (P338.2 Million), CA Sales (P164.5 Million) and FNBB (P162.4 Million). The total turnover from these 3 companies accounted for 40.1% of total equity turnover, with the leading counter Sechaba accounting for 20.4% of total equity turnover.

In comparison to the same period in 2023, the top 3 traded companies accounted for 80.7% of total equity turnover with the leading counter BIHL accounting for 72.6% (P3.0 Billion) of total equity turnover.

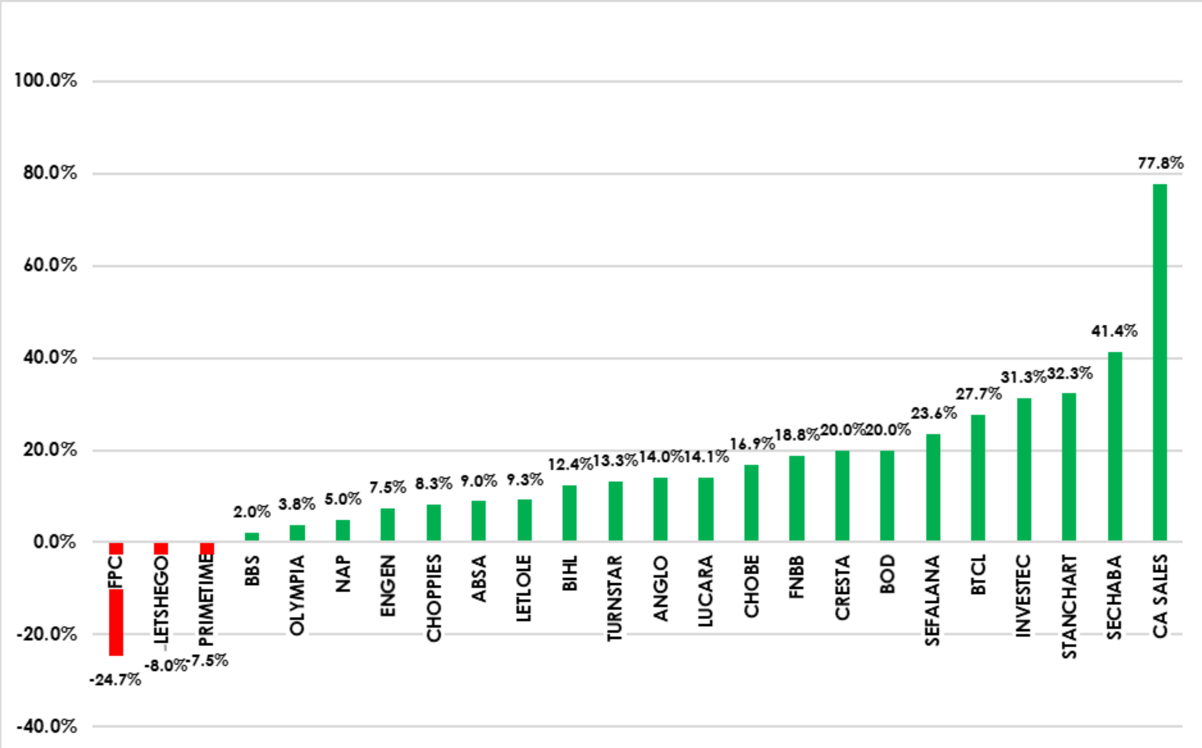
The rankings of companies by turnover thus far in 2024 is shown in Figure 4.

Figure 4: Companies Ranked by Turnover (BWP): 1 January – 31 December 2024

COMPANY	Q1	Q2	Q3	Q4	Total
	Turnover	Turnover	Turnover	Turnover	Turnover
SECHABA	132,233,557.07	22,179,021.32	38,605,113.34	145,168,600.59	338,186,292.32
CA SALES	69,087,491.43	18,891,305.23	14,653,103.20	61,833,919.20	164,465,819.06
FNBB	36,856,752.44	32,873,597.15	13,589,250.37	79,091,029.01	162,410,628.97
ACCESS	6,199,779.47	119,727,719.88	13,864,211.28	7,593,904.08	147,385,614.71
SEFALANA	32,328,361.82	17,230,489.90	24,985,948.75	51,236,339.50	125,781,139.97
LETLOLE	3,114,928.00	5,746,859.56	11,124,041.50	85,749,923.27	105,735,752.33
BIHL	9,512,717.73	34,219,746.30	11,734,044.00	41,207,242.34	96,673,750.37
LETSHEGO	6,945,926.35	49,217,726.38	3,577,927.15	26,214,146.50	85,955,726.38
ABSA	21,474,197.39	16,184,887.98	6,785,900.54	40,473,245.04	84,918,230.95
TURNSTAR	29,027,574.72	10,319,779.48	8,677,400.53	21,849,980.51	69,874,735.24
NAP	10,228,405.18	8,884,016.56	1,302,721.64	21,766,754.73	42,181,898.11
INVESTEC	1,458,715.20	10,844,268.10	19,953,256.30	7,377,985.88	39,634,225.48
ENGEN	6,402,961.51	8,350,555.47	11,482,958.89	12,070,021.39	38,306,497.26
ANGLO	-	19,437,188.91	469,110.00	6,054,967.39	25,961,266.30
CHOPPIES	1,117,070.25	5,960,202.48	13,376,335.44	4,449,684.20	24,903,292.37
CHOBE	5,491,320.85	5,625,165.83	5,231,867.52	7,156,777.65	23,505,131.85
BTCL	6,170,454.49	3,823,145.69	5,685,747.70	3,733,803.20	19,413,151.08
RDCP	2,130,456.00	10,506,079.20	876,016.80	5,621,860.80	19,134,412.80
STANCHART	2,442,286.52	3,602,196.38	6,492,758.67	3,446,319.29	15,983,560.86
PRIMETIME	3,809,602.33	2,174,870.90	305,131.20	8,216,391.30	14,505,995.73
FPC	3,877,038.00	791,992.80	360.00	391,325.40	5,060,716.20
SEED Co	3,008,701.50	587,349.00	184,408.00	222,936.00	4,003,394.50
G4S	433,307.00	429,404.15	12,798.80	1,155,317.10	2,030,827.05
BBS	255,875.77	349,587.97	490,896.00	520,299.00	1,616,658.74
CRESTA	65,734.51	179,033.98	419,076.99	284,075.32	947,920.80
LUCARA	2,730.00	535,723.50	35,235.40	33,803.40	607,492.30
SHUMBA	9,729.00	185,080.50	128,301.30	11,754.00	334,864.80
TLOU	909.00	25,958.00	185,119.00	8,589.00	220,575.00
OLYMPIA	5,417.36	168,802.14	-	59.40	174,278.90
MINERGY	10,578.40	41,108.80	31,782.00	1,343.60	84,812.80
BOD	6,185.44	17,309.76	11,774.24	7,164.26	42,433.70
BOTALA	2,841.30	-	10,609.98	6,889.64	20,340.92
TOTAL	393,711,606.03	409,110,173.30	214,283,206.53	642,956,451.99	1,660,061,437.85

Source: BSE

Figure 5: Share Price Performance: 1 January – 31 December 2024



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

Figure 5 shows the share price performance of listed companies during the period under review. Of the 32 listed companies, including BBS registered on the Serala OTC Board, 21 recorded positive share price movements, indicating strong market sentiments across majority of counters. The highest gainer was CA Sales at 77.8% share price appreciation, followed by Sechaba and Stanchart with gains of 41.4% and 32.3% respectively.

Converserly, 3 companies experienced share price declines, with FPC leading the losses at 24.7% decreace. Letshego and Primetime also recorded declines of 8.0% and 7.5% respectively. The remaining 8 counters showed no change in share price.

2.4 Investor Contribution to Equity Turnover

In 2024, trading activity was predominantly driven by local investors with local companies accounting for 77.2% of the total equity turnover and local individuals contributing 11.6%. This marks a significant shift from the corresponding year in 2023, when foreign companies played a dominant role, contributing 54.4% to total equity turnover.

Figure 6 shows breakdown of investor contributions to turnover in 2024.

Figure 6: Investor Contribution to Turnover: 2024

Investor Category	Turnover (Pula)	Equity Turnover Contribution	
		2024	2023
Foreign Companies	157,241,369.98	9.50%	54.40%
Local Companies	1,281,920,483.89	77.20%	44.00%
Local Individuals	191,927,269.81	11.60%	1.10%
Foreign Individuals	27,545,655.02	1.70%	0.60%
Brokers	1,426,659.17	0.10%	0.00%
Total	**1,660,061,437.85**	**100.00%**	**100.00%**

Source: CSDB

3.0 EXCHANGE TRADED FUNDS (ETFs) MARKET

During the period under review, total ETF turnover amounted to P449.38 Million, a significant increase of 108.4% from P215.6 Million registered during the corresponding period in 2023. This was recorded from 2,134,568 units traded thus far in comparison to 1, 209 913 units during the same period in 2023.

In terms of price change, the NewGold ETF and NewPlat ETF gained 33.5% and 4.8% while the ADBF ETF lost 9.9% in 2024. The price in NewPall ETF remains unchanged.

The comparative performance for 2024 and 2023 is shown in Figure 7.

Figure 7: Performance of ETFs: Year-to-31 December

ETF		Turnover (P'Mn)	Units Traded	Price Change (%)
NewGold	2024	304.96	981,971	33.5
NewPlat		144.41	1,152,499	4.8
NewPall		-	-	-
ADBF		0.01	98	-9.9
Total		**449.38**	**2,134,568**	
NewGold	2023	141.56	579,689	16
NewPlat		73.59	625,464	13.5
NewPall		-	-	-
ADBF		0.004	3,755	-8.5
Total		**215.60***	**1,209,913***	

* Total figures include the trades from delisted ETFs

4.0 BOND MARKET PERFORMANCE

Bond turnover reached P5.7 Billion, reflecting a significant increase of 93.8% from P3.0 Billion traded during the same period in 2023. As at December 2024, the listed debt instruments comprised of 7 Government Bonds, 97 Corporate Bonds, 15 Commercial Papers and 1 Sustainable Bond with a total market capitalisation of P38.2 Billion.

Figure 8: Analysis of Bond Market Performance

CATEGORY	2022	2023	2024
LIQUIDITY (P'Mn)			
Government Bonds	1,771.4	2,876.4	5,557.7
Corporate Bonds	124.0	87.6	181.0
Commercial Paper	-	-	-
Sustainable Bonds	-	-	4.5
TOTAL	**1,895.4**	**2,964.0**	**5,743.1**
MARKET CAPITALIZATION (P'Bn)			
Government Bonds	20.7	22.8	32.0
Corporate Bonds	3.9	4.4	5.0
Commercial Paper	0.1	1.2	0.9
Sustainable Bonds	-	0.05	0.08
TOTAL	**24.7**	**28.5**	**38.2**
NUMBER OF BONDS LISTED			
Government Bonds	7	7	7
Corporate Bonds	35	86	97
Commercial Paper	2	28	15
Sustainable Bonds	-	1	1
TOTAL	**44**	**122**	**120**