

APRIL 2019 MONTH-END REPORT

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OVERVIEW

The Eswatini Stock Exchange aims to enable companies to list and investors to trade in securities. Our vision is striving to be the most functional Stock Exchange in Africa. To achieve our vision we seek to adhere to our core values: Passion, respect, integrity discipline and execution.

This April 2019 report gives a synopsis of the following:

- ❖ Listed Companies
- ❖ Market Capitalisation
- ❖ All Share Index
- ❖ Capital Gains
- ❖ Equity Turnover
- ❖ Corporate Bonds and Government Bonds
- ❖ ESE Members
- ❖ Corporate News

LISTED EQUITY COMPANIES

There are currently 7 listed companies on the ESE Main Board namely:

1. Royal Swaziland Sugar Corporation Limited
2. Nedbank Swaziland Limited
3. SBC Limited
4. Swaziland Empowerment Limited
5. Swaziland Property Investment Limited (SWAPROP)
6. Greystone Partners Limited
7. Royal Swazi Spa Holdings Limited

There were no new listings in the period under review, however the ESE continues to engage stakeholders in a bid to get more listings (both domestic and foreign).

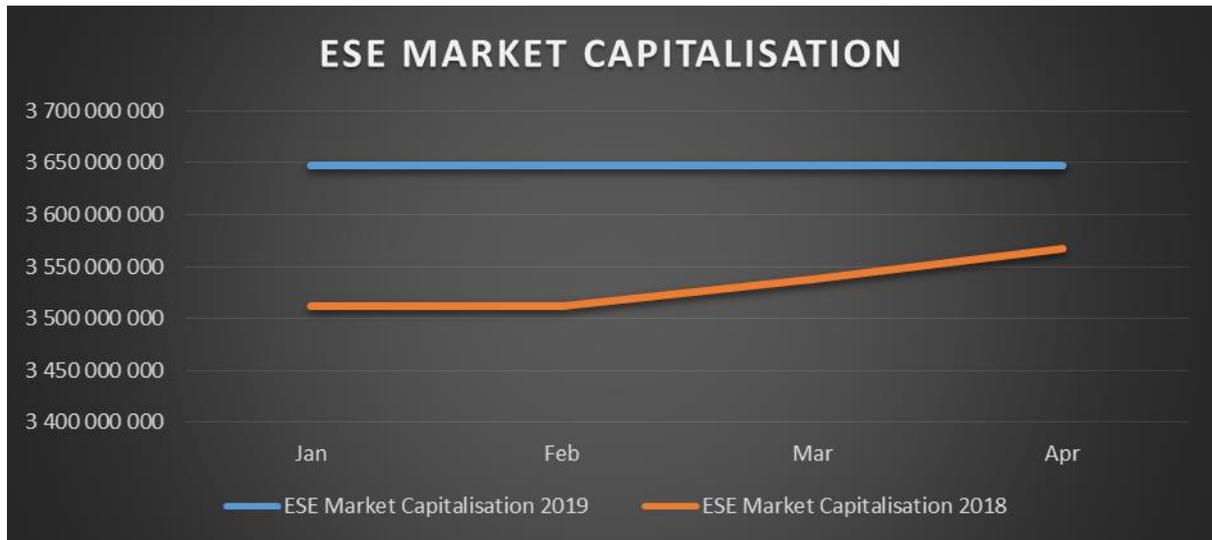
TABLE 1: LISTED EQUITY COMPANIES

	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019
Total companies listed	7	7	7	7	7
New entrants/listings	0	0	0	0	0
Domestic Companies	7	7	7	7	7
Foreign Companies	0	0	0	0	0

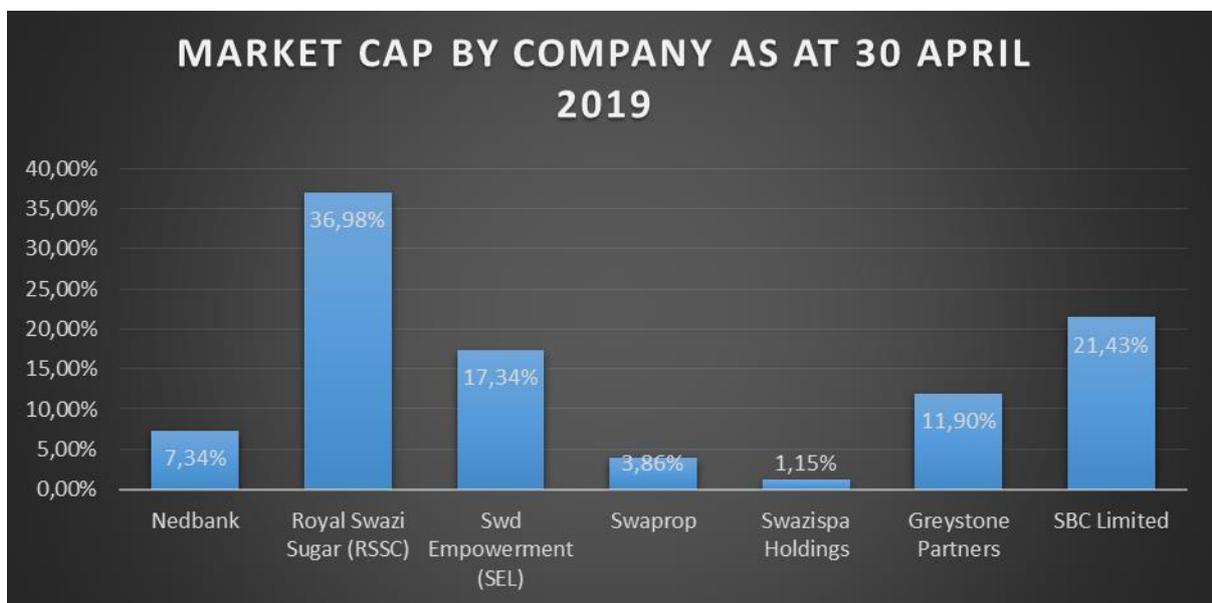
Source: ESE Trading Statistics, 2019

MARKET CAPITALISATION

The local equity markets' values show the market capitalisation between March and April 2019 remained flat at SZL3.647 billion. Year-on-year (April 2018 and April 2019), the market capitalisation realised a 2.25% gain from SZL 3.566 billion to SZL 3.647 billion.



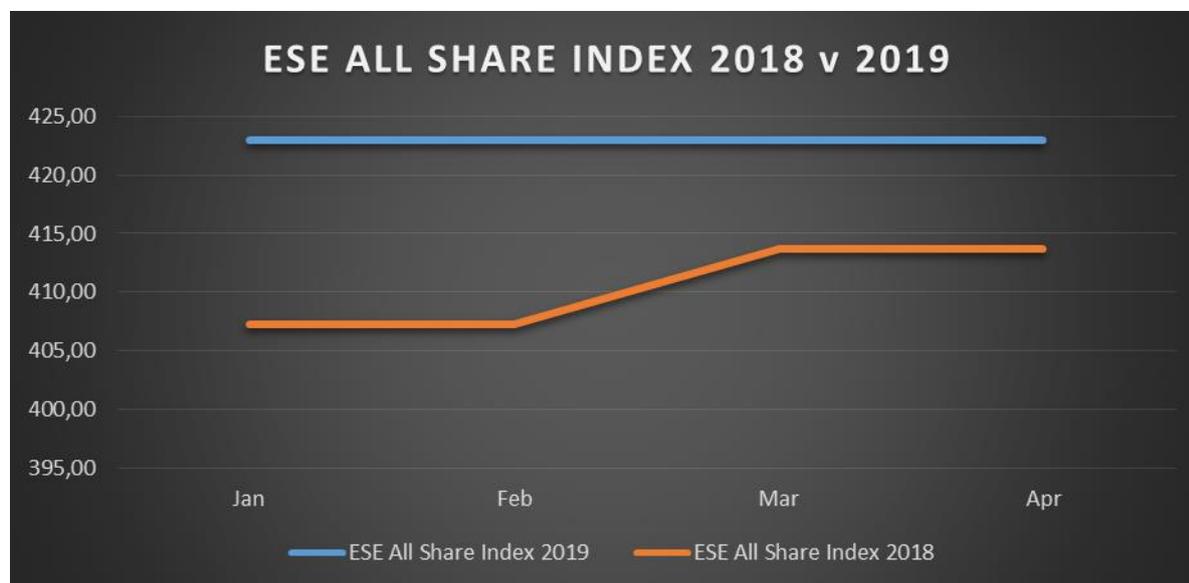
Source: ESE Trading Statistics, 2019



Source: ESE Trading Statistics, 2019

ESE ALL SHARE INDEX TREND

The ESE All-Share Price Index between March and April remained flat at 422.97. Year-on-year, the all share index increased by 2.25% from 413.66 to 422.97.



Source: ESE Trading Statistics, 2019

CAPITAL GAINS COMPARISON ON EQUITY PRICES

Below are the listed companies and their respective share prices (cents per share) compared on a yearly basis:

TABLE 2: SHARE PRICE YEARLY COMPARISON AS AT 30 APRIL 2019

Company	April 30, 2018	April 30, 2019	Capital Gains Yield
NEDBANK LTD	1080	1120	3.70%
RSSC LTD	1400	1400	0.00%
SEL LTD	3255	3418	5.01%
SWAPROP LTD	600	605	0.83%
Swazi Spa Holdings LTD	600	600	0.00%
Greystone Partners LTD	285	306	7.37%
SBC LTD	800	810	1.25%

Source: ESE Trading Statistics, 2019

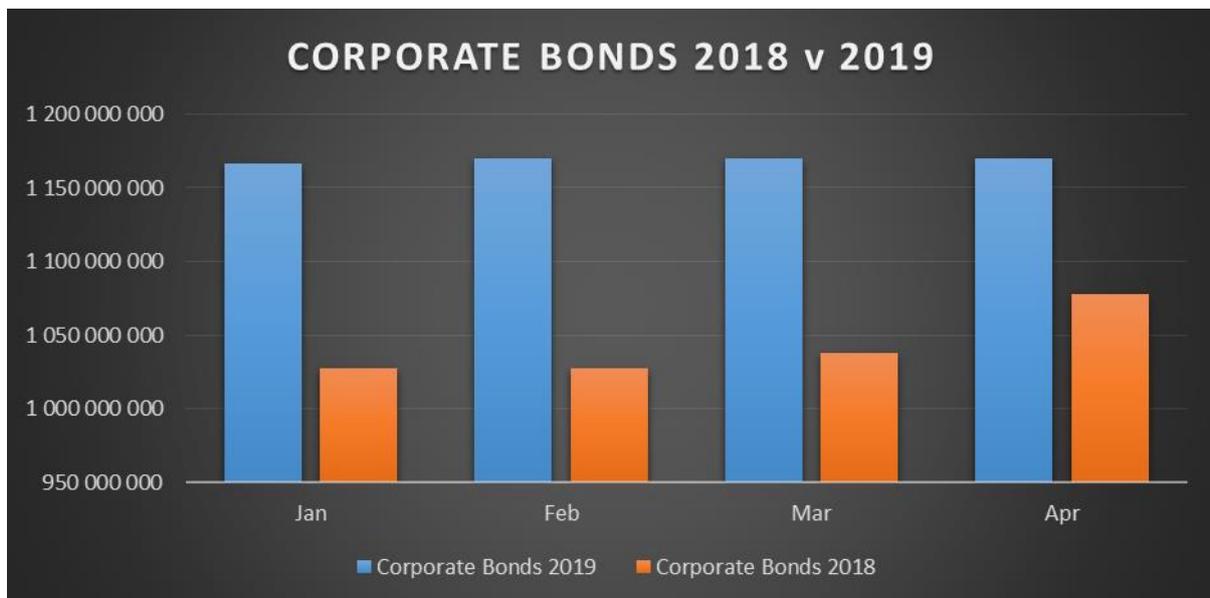
SEL Ltd and Greystone Partners Ltd were trailblazers, followed by SBC Ltd, Nedbank Ltd, and SWAPROP Ltd.

EQUITY TURNOVER

The month of April 2019 did not have any (0) trades which resulted to zero (0) in total value traded.

CORPORATE BONDS

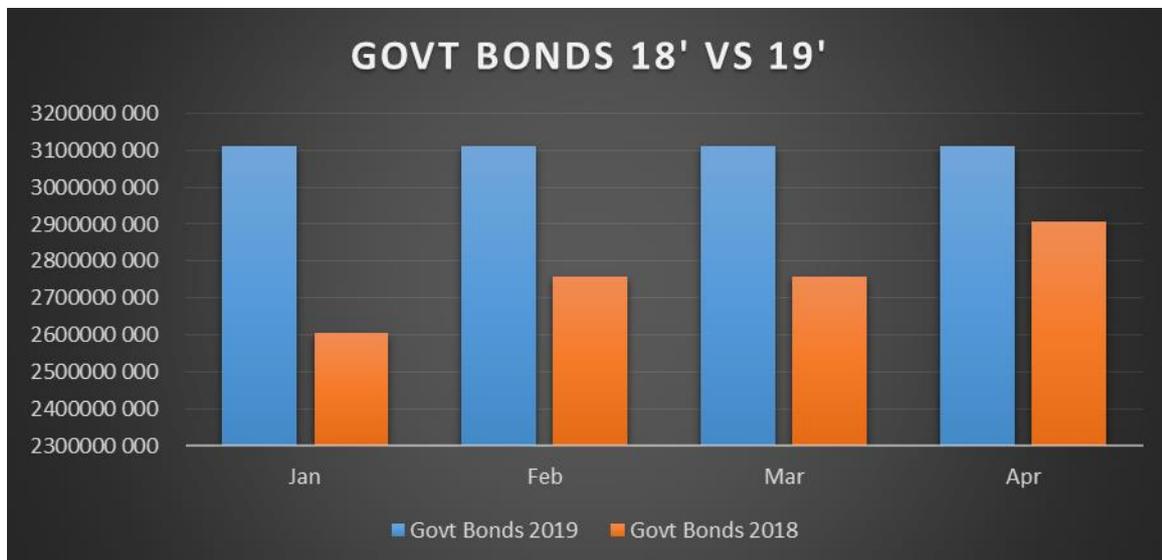
As at April 30, 2019 total Corporate Bonds value stood at SZL1.251 billion. There were two (2) bonds that commenced trading in the month of April 2019 SML701 and SML613 respectively. Year-on-year, bond activity marked a 16.1% increase in the overall total corporate bonds trading on the ESE.



Source: ESE Trading Statistics, 2019

GOVERNMENT BONDS

Total Government Bonds remained at SZL3.112 billion as at April 30, 2019. There were no new issuance, maturities or trading activities. Year-on-year, this marked a 7.05% increase in the total government bonds.



Source: ESE Trading Statistics, 2019

ESE MEMBERS

In the period under review ESE had the following Members:

Stockbroking Firms

Swaziland Stockbrokers Limited
African Alliance Eswatini Securities Limited

Exempt Dealers

Nedbank Swaziland
Swaziland Development and Savings Bank
First National Bank Swaziland
Standard Bank Swaziland

Debt Sponsors

Central Bank of Eswatini

TABLE 3: ESE MEMBERS

	Jan 2019	Feb 2019	Mar 2019	April 2019
No. of Stockbroking Firms	2	2	2	2
No. of Exempt Dealers	4	4	4	4
No. of Debt Sponsors	1	1	1	1

Source: SSX Trading Statistics, 2019

CORPORATE NEWS

1. Corporate bond SML701 worth SZL51 million commenced trading on the 11th April 2019.
2. Corporate bond SML613 worth SZL30 million commenced trading on the 22nd April 2019.

OTHER ACTIVITIES

SADC INDUSTRIAL DEVELOPMENT AND TRADE TOGETHER WITH SADC FINANCE, INVESTMENT AND CUSTOMS – 11th APRIL 2019:

9th ANNUAL COMMERCE INDABA-CAREER FAIR – 11th APRIL 2019:

Two members of the Exchange attended the function stated in the subject line at UNESWA. This is annual event where companies from different local industries exhibit for students from the Commerce Faculty at UNESWA. Students were educated on career opportunities, mission of the exchange, operations and the mandate of the exchange. Students got to witness the different products offered by the exchange and the new automated environment that the exchange is operating on now.

ESE OPERATIONS AND LATEST DEVELOPMENTS FOR SENATORS AT SIBANE HOTEL, EZULWINI – 16th APRIL 2019:

The Eswatini Stock Exchange (ESE) hosted the 3rd annual Eswatini Stock Exchange operations and latest developments for Senators on Tuesday April 16th, 2019 at the Sibane

Hotel, Ezulwini. The event started at 8:00am with registration and tea as Senators were welcomed to the event by ESE staff members. The event was opened by a short prayer followed by welcome remarks made by the Financial Services Regulatory Authority (FSRA) Acting Chief Executive Officer, Ms. Thuli Nkwanyana where she stated that she was wearing two hats, one as the Regulator of the ESE for oversight purposes and also as the CEO of the ESE for management and administrative purposes. She then shared with delegates a brief history of how the ESE ended up housed under the FSRA.

The meeting was officially opened by the Minister of Finance, Honourable Neal Rijkenberg, who was represented by Minister of Tourism and Environmental Affairs Moses Vilakati. In his elaborate speech, he started by mentioning that having such events was crucial to the development of the ESE as it helps all Senators to take stock of how far we have moved towards creating a platform where companies list their securities to finance their operations and expansions, and where institutional and retail investors get exposure to listed securities to diversify their portfolios.

ESE had just played host to the 55th Committee of SADC Stock Exchanges meeting which sought to promote industrialisation and infrastructure development in enhancing regional integration. Likewise, this forum sought to extend this spirit of joint efforts towards regional integration that will guide the compass of our region into the direction of stronger competitiveness and economic development of the SADC region. He further mentioned that the meeting was privileged to be graced with a high level fora of expertise from the region and the international community and hoped that CoSSE will work creatively, proactively and effectively in assessing and addressing risk to the securities markets, the public and other market participants, and that the older and more mature markets would share their experiences and resources with the emerging partners in a spirit of equality and common destiny.

He also mentioned that many regulatory efforts are viewed through the lens of investor protection. It is through this lens that exchanges evaluate the duties of securities issuers to disclose meaningful information to potential investors so that they can make informed investment decisions, and the duties of market participants to treat investors fairly when transacting in securities. Through the investor protection lens, we also determine the appropriate risk-based methods to monitor compliance with those duties and to enforce them.

An Effective Regulation promotes Capital Market Development which leads to Economic Development. In the Capital Markets Sphere, a jurisdiction's institutional and regulatory policy framework can strongly influence capital market development and give confidence and trust to the listed companies and the investing public. Thus, Regulators must advocate a regulatory framework for our economies' financial markets that conforms to international best practices. Progress toward integration of capital markets on a regional basis will help spur accelerated economic integration goals in other areas. The harmonization of stock market regulations and trading practices that would accompany any regionalization of exchanges could deepen regional integration more broadly in policy areas such as foreign exchange, taxation, accounting standards, corporate governance and legal practices. As such, when reflecting back 22 years ago when CoSSE was established in 1997, one can see that financial markets have undergone or experienced major changes which is very encouraging, especially the increase in bond market activities. He further mentioned that CoSSE is also aiming to develop the region's bond as well as other securities markets, and he implored exchanges to continue encouraging national authorities to actively issue government securities on the region's exchanges. To this end, the ESE have been requesting the House of Senators to consider the new legislation that the ESE will be bringing to Parliament soon.

He also touched on the issue of foreign exchange control, regulatory and tax frameworks in that there is broad agreement that they must also be harmonized before financial markets can actually link up. More specifically, this would involve harmonizing not only stock market regulations, listing requirements, and trading, clearing, and settlement procedures, but also transaction fees, accounting standards, corporate governance standards, disclosure requirements, common standards for stockbrokers, and national rules for capital gains and withholding taxes. More importantly, there should be a liberalised framework of capital flows across national borders within SADC.

ESE was further implored to not forget Micro, Small and Medium Enterprises (MSMEs) as they are major catalysts in the development of world economies, as they constitute a major part of industrial activity. Let us educate and encourage them to list on SME platforms to facilitate equity capital raising for SMEs. New initiatives, such as permitting the listing of SMEs without an IPO so as to give an exit route for initial investors and give the company much-needed visibility must also be considered.

ESE was further encouraged not to forget the millennials, high school and university students in their Financial Inclusion Programs, these young investors out there can find it difficult to start investing as they deal with limited funds or lack of knowledge about how investing in the stock market works and on top of that, face a market that is more interested in advertising to them than educating them as to what may be the best options to consider. Educating them and kindling the interest in investing on capital markets is key as by no means should that hold young investors back from getting into the market. They should educate themselves and find the best investment vehicle to suit their particular needs.

Mr. Michael Mgwaba the Head of Exchange Traded Products at ABSA South Africa was invited to the event as a main speaker to present the benefits of having Exchange Traded Funds in a Stock Exchange such as ESE. Mr. Mgwaba has worked with numerous other exchanges in Africa to introduce EFTs and help those exchanges list ETFs. An ETF is a type of fund that owns underlying assets and divides ownership of those assets into shares. In other words, an ETF can own hundreds or thousands of stocks across various industries, or it could be isolated to one particular industry or sector. For example, the banking ETF would contain all the banks within the industry. An ETF is called an exchange-traded fund since it's traded on an exchange just like stocks. In other words, investors buy and sell an ETF with its price fluctuating over time. The price of an ETF's shares will change throughout the day as they are bought and sold. As a result, there can be the potential for a loss to investors if the sale price is lower than the purchase price. There are various types of ETFs available to investors that can be used for income generation, speculation, price increases, and to hedge or partly offset risk in an investor's portfolio. ETFs provide lower average costs since it would be expensive for an investor to buy all the stocks in an ETF individually. Investors only need to execute one transaction to buy and one transaction to sell, which leads to fewer broker commissions since there are only a few trades being done by investors. Brokers typically charge a commission for each trade. Some brokers even offer no-commission trading on certain low-cost ETFs reducing costs for investors even further. An ETF's expense ratio is the cost to operate and manage the fund. ETFs typically have low expenses since they track an index. For example, if an ETF tracks the S&P 500 index, it might contain all 500 stocks from the S&P making it a passively-managed fund and less time-intensive. However, not all ETFs track an index in a passive manner.

Senators were very involved during the event as they frequently stopped proceedings to ask

questions and to get further clarity wherever there was something unclear. Senators were mainly interested on how the ESE plans to educate the nation and promote financial inclusion to all four regions of the country. Members of the House of Senate were interested to find out how the ETFs will benefit pension funds in the country as there is a new regulation that requires pension funds to invest 50 percent of their capital in the country.

Senate President Lindiwe Dlamini made the closing remarks for the event where she thanked the ESE team for taking the time to educate Senators. She further mentioned that “We have learnt a lot and in our capacity as representatives of the people, we are ready to take the baton from ESE as ambassadors to encourage politicians, companies and the nation as a whole to effectively participate in the local stock exchange.” The ESE was further encouraged to keep on educating the nation and help them realise the different investment opportunities and funding opportunities available to both companies and investors. Furthermore, the ESE was congratulated on changing the exchange name to reflect the Country’s name and the newly launched ATS & CSD trading platforms. The new trading system and the new products the ESE will be introducing (ETFs) will encourage liquidity and enable people to trade wherever they are. The House of Senate was further encouraged to look at the new legislation that will be brought to parliament with urgency as they are now familiar with the workings of the ESE.

===== END OF REPORT =====