

ANNUAL REPORT

2017



JANUARY - DECEMBER 2017

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LISTED EQUITY COMPANIES

There were no new Equity listings in the period under review. Listed companies remained at 7 (seven) on the SSX Main Board and none on the Alternative Board. The Debt counter saw Government issuing its inaugural E2 billion Infrastructure Bond and a E2 billion Plain Vanilla Bond in May 2017, while on Corporate Debt issuance, Inyatsi Construction Group Holdings (Pty) Limited listed a E200 million Medium Term Note (MTN) Programme in September 2017 and the Swaziland Development Finance Corporation Limited (FINCORP) and Select Limited each listed E300 million MTN Programmes in October 2017, respectively.

TABLE 1: LISTED EQUITY COMPANIES

	Dec 2017
Total Equity companies listed	7
New entrants/listings	0
Domestic Companies	7
Foreign Companies	0
Total Corporate Debt Companies	4
Total Government Debt	2
No. of Stockbroking Firms	2
No. of Exempt Dealers	4
No. of Debt Sponsors	1

Source: SSX Trading Statistics, 2017

EQUITY TURNOVER

Trading during the course of 2017 was rather unpredictable. The year experienced lows of SZL8,720 during the 1st quarter of 2017, while highs of SZL40,401,117 were recorded during the 3rd Quarter of 2017. Overall, the total value of trades brought to the exchange amounted to SZL56,876,740, realised from a total of 8,560,248 shares.

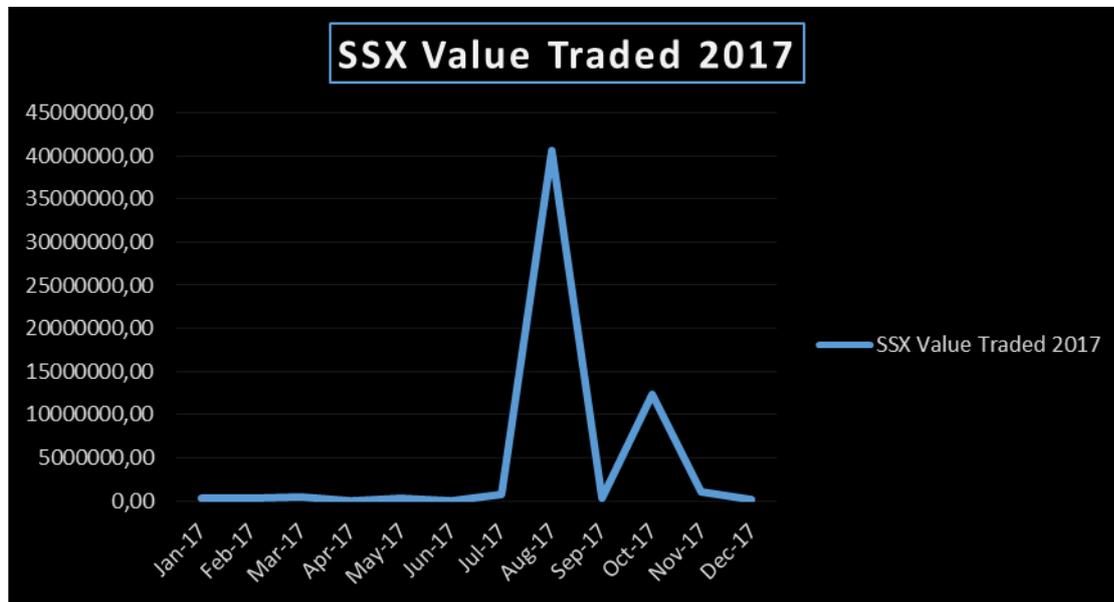
A bulk of the trades were attributable to SWAPROP, which accounted for 73% of all trades brought to the exchange this year. This was because SWAPROP sold a considerable stake to a private company in August. SWAPROP's total revenue increased by E2.3 million. Revenue in the prior year was affected by the negative straight lining of leases adjustment when an anchor tenant converted their 15 year lease into a 3 year lease. During the year the Group's occupancy levels were high and rental income before straight lining of leases adjustment had increased from E14.8 million to E16.6 million. The Group expenditure increased as a result of increased operational costs. Against this backdrop the distribution of E10.0 million for the year was above that declared last year of E8.5 million.

Table 1: SSX Trading Statistics 2017

	<i>Nedbank</i>	<i>SBC</i>	<i>Greystone</i>	<i>Swazispa</i>	<i>SWAPROP</i>	<i>RSSC</i>	<i>SEL</i>	<i>Total</i>
Jan-17	220514,50	36690,00			95375,00			352579,50
Feb-17	124160,00		244195,60		8720,00			377075,60
Mar-17	19800,00		399813,05				62000,00	481613,05
Apr-17	27720,00		11411,60					39131,60
May-17	20820,00		203867,20		68128,00	13700,00		306515,20
Jun-17								0,00
Jul-17	116280,00	203867,00	498964,00					819111,00
Aug-17	28098,00	24701,00	147877,00		40401177,00			40601853,00
Sep-17		235743,00	112673,00					348416,00
Oct-17	360500,00	11897401,00	146610,00					12404511,00
Nov-17	43200,00	26910,00	281590,00		600204,00	79415,00		1031319,00
Dec-17	27615,00				87000,00			114615,00
TOTAL								56876739,95

Source: SSX Trading Statistics 2017

Graph 1: Value Traded Summary 2017

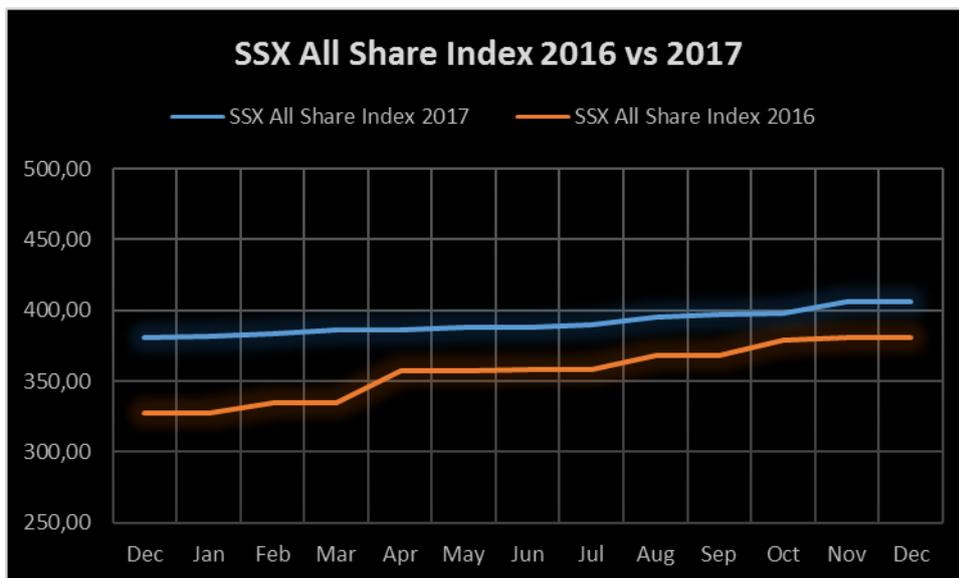


Source: SSX Trading Statistics 2017

SSX ALL SHARE INDEX TREND

The SSX All Share Index grew by 6.89% year-on-year. This marked a 57% decrease from 2016’s year-on-year All Share Index Growth. The highest gains were seen during the 4th quarter when SWAPROP share price increased from 545cps to 600cps. The All Share Index was further enhanced by the capital appreciation in the Nedbank share price, from 1030cps to 1080cps. As seen in the graph below, the slowest growth in the All Share Index was during the 1st Quarter of 2017, which was characterized by increased volumes in trading, albeit at subdued prices.

Graph 2: All Share Index 2016 vs 2017



Source: SSX Trading Statistics 2017

SSX MARKET CAPITALISATION

The SSX has made significant strides during the course of 2017. Although no new equities listings were seen during the year, other significant achievements were realized. These included an increase of 6.86% Market Capitalization while an over 20% increase in the local Corporate Bond market was achieved. The significant increase in the Corporate Bond market signifies that the market is realizing increased value in being able to raise additional funding from the Capital Markets. It is also worth noting that the Market Capitalization of all listed companies surpassed the E 3.5 billion mark during the course of 2017.

Graph 3: Market Capitalisation 2016 vs 2017



Source: SSX Trading Statistics 2017

SHARE PRICE PERFORMANCE

The company with the largest capital appreciation during the course of 2017 was Greystone Partners Limited. 2017 saw Greystone's share price appreciate by 40%. This was a reflection of the amount of trading that happened on the Greystone stock. Given that 36.2% of the trades that took place during the year were attributable to Greystone Partners alone, it was expected that it would see considerable gains. Greystone Partners was followed by Nedbank, which recorded a 17.39% gain, and followed by SWAPROP at 10.09% which is a significant difference. SBC Limited trailed SWAPROP and recorded a share appreciation of 6.12%. RSSC lagged behind SBC Limited with a capital appreciation of 3.32%, while Swaziswa Holdings remained flat.

Table 2: Share Price Performance

COMPANY YEAR 2017	16-Dec	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Gain
Nedbank	920	970	970	990	990	1000	1000	1020	1030	1030	1030	1080	1080	1080	17.39%
Royal Swazi Sugar (RSSC)	1355	1355	1355	1355	1355	1370	1370	1370	1370	1370	1370	1400	1400	1400	3.32%
Swd Empowerment (SEL)	3050	3050	3050	3100	3100	3100	3100	3100	3100	3100	3100	3100	3100	3100	1.63%
Swaprop	545	545	545	545	545	545	545	545	545	545	545	600	600	600	10.09%
Swaziswa Holdings	600	600	600	600	600	600	600	600	600	600	600	600	600	600	0.00%
Greystone Partners	200	220	230	235	235	235	235	235	266	266	270	275	275	280	40%
SBC limited	735	735	735	735	735	735	735	735	765	765	770	780	780	780	6.12%

Source: SSX Trading Statistics 2017

DIVIDEND DECLARATIONS

Dividends during the course of 2017 were rather scant. Trailblazers in terms of declarations of dividends were Swaziland Empowerment Limited (SEL) and RSSC, who issued 2 dividend payments, respectively. SEL issued a generous 393cps during the 1st quarter, while the 3rd quarter dividend was 158cps. RSSC issued two dividend payments in successive quarters, 96.63cps during the 2nd quarter, while 53.50cps was issued during the 3rd quarter of 2017. Other dividends paid came from SWAPROP, with a 21.53cps dividend during the 2nd quarter, while the remainder of the companies issued their dividends during the 4th quarter. Nedbank paid out a 125cps payment, while Swaziswa paid 158cps, Greystone paid 2.30cps, and SBC LTD paid out 26cps.

SSX FEE STRUCTURE

2016				
Equities Sustaining fees	Fixed Income Sustaining Fees	Pricing Supplements	Application Fees	Total
475 165	422 675	7 000	68 500	973 340
2017				
Equities Sustaining fees	Fixed Income Sustaining Fees	Pricing Supplements	Application Fees	Total
475 165	402 175	28 500	73 250	979 090

OTHER ACTIVITIES

SITUATION REPORT FOR SSX AUTOMATION PROJECT AS AT 31 DECEMBER 2017

The SSX is still conducting parallel runs, that is, trading at the SSX is done both on the newly acquired Automated Trading System (ATS) effective February 1, 2017, and manually via a call over system with trading sessions conducted between 12.00pm to 12.30pm on week days. The ATS and complimentary systems for stockbrokers, transfer secretaries, broker-dealers, and regulator's surveillance will officially go-live once the following outstanding works are complete:

1. SSX Interface with MTN for Mobile Trading

- Creation of Mobile App for Mobile Trading, USSD Code for Mobile Money transact ability and the MTN SMS gateway.

2. SSX ATS Integration with CBS CSD

- Interface between the SSX Automated Trading System (ATS) with the CBS Central Securities Depository (CSD) for clearing and settlement.

Escrow Systems finished the integration of the SSX ATS with the CBS. What is outstanding is the integration of the SSX ATS with MTN for mobile trading and settlement using mobile wallets.

The project is made up of a number of components that were broken down for manageability purposes but when integrated they will serve the entire objective of the project. The following table outlines the various components of our project and the latest status of each:

Component	Entities Involved	Status	Outstanding		Expected Date
			Task	Owned by	
Installation of the Trading System (ATS)	SSX and Escrow Systems	Completed	-	-	-
Installation and Setup of Conventional Settlement System	Escrow Systems, Montran instructed by CBS and SSX	Completed	-	-	-
USSD Trading Platform	Escrow Systems and MTN	Completed	-	-	-

Payments interface to mobile wallets (MTN Money)	Escrow Systems and MTN	Completed awaiting testing with MTN	MTN	16/02/2018
Mobile Settlement	Escrow and Montran Instructed by CBS and SSX	Not yet commenced awaiting decision on quotation	SSX/FSRA	23/02/2018
Onboarding of Registers	Escrow and CBS	Stockbrokers and Transfer Secretaries to provide required information.	SSX	28/02/2018

In summary we are nearing completion of our project albeit of some setbacks that we are currently ironing out with Transfer Secretaries and Stockbrokers with respect to minimum KYC details required by the CBS to open an account. We also continue to pursue MTN for a tangible testing plan and quicker turnaround times from their teams.

Montran sent a quotation after the completion of discussions on scope of work and integration specifications between Montran and Escrow Systems. This is for customizing the CSD to handle settlement and deliver for mobile based transactions. Once the FSRA pays for the cost of this interface, the CBS would engage Montran accordingly, and they are expected to start their scope of works in March 2018.

The mobile settlement module is currently not available on the CBS CSD System and needs to be incorporated to support our strategy of extending access to the capital market and to the general population. This will also promote direct market access by investors and the lower end of the economy like students hence making our market affordable.

Escrow Systems have already developed and deployed the investor facing end of mobile trading and the missing link is the settlement component. Montran has promised to deliver the solution within 10 days of commencement.

We plan to launch the new system mid-March 2018 so that we meet the proposed first day of Swazi Mobile trading on the SSX on April 1, 2018. The proposed roll out plan is in the following table of events:-

Task	Responsibility	Start Date	End Date	Status
Preparation of register data for onboarding	Stockbrokers and Transfer Secretaries	07/02/2018	16/02/2018 - first draft for testing 28/02/2018 - final file for onboarding	In progress
Onboarding	Escrow Systems	19/02/2018	19/02/2018 - Mock onboarding 28/02/2018 - final onboarding	Pending
Mobile Settlement, development, testing and commissioning	Montran	13/02/2018	23/02/2018	Pending
Testing integration to mobile wallet	MTN and Escrow	13/02/2018	16/02/2018	Pending
Market Wide Mock Run (end to end)	All players	26/02/2018	28/02/2018	Pending
Launch	SSX	23/03/2018	23/03/2018	Pending

As concerted efforts are made to go live on March 23, 2018, thus the legislation that provides for the electronic trading of shares needs to be expedited. The statutory instruments must be amended accordingly to support for the electronic trading of securities. Direct market access processes are also underway with MTN.

The Go Live date will also be agreed after the following things are completed:

- i. Finalisation and publication of the trading rules.
- ii. Finalisation and publication of the Fees & Levies structure.
- iii. Issuance of a Directive by the Regulator about Dematerialisation of securities
- iv. Issuance of a Public Notice by the Exchange about the Dematerialisation of securities

Lastly, all the market participants were informed that the parallel run will continue until further notice thus, until when all the above outstanding business issues are addressed.

SSX NEW OFFICE PREMISES

From the beginning of January 2017, the SSX moved into its new premises on the East Wing, 3rd Floor of Ingcamu Building. This marks part of the steps FSRA is taking towards ensuring that the SSX achieves full operational autonomy. The

new office premises will be able to house all SSX staff, and will feature a trading floor for the public without internet access to view and also post trades on the trading system. Office Partitioning is expected to be finished by end of March 2018 in readiness for the official launch of the ATS and Swazi Mobile's IPO.

UPDATING OF SSX LISTINGS REQUIREMENTS AND RULE BOOK

The SSX has engaged the services of a consultant to update and harmonize its Listings Requirements with those of the JSE. This is an effort to enable the exchange to introduce new products in a drive to add liquidity and depth to the market. In addition to the aforementioned, this is in line with a regional (CoSSE) initiative to minimize a disparity in the Listings Requirements of regional stock exchanges. Furthermore, the updating of Listings Requirements and Trading Rules will enable the automated trading of listed securities on the SSX Automated Trading System (ATS) and the clearing and settlement of same on the CBS Central Securities Depository (CSD).

The consultancy has undertaken the following activities in order to deliver on the objectives of the assignment:

- To review and revise all Listings Requirements and accompanying Schedules;
- To review and revise all Rules and accompanying Directives;
- To review and revise the SSX Fee Structure;
- To review and revise the Addendum to the GMSLA;
- To draft a Form for purchasing proprietary information by Market Data Vendors (MDVs) to improve the liquidity and attractiveness of our small national stock exchange; and
- To draft an Insider Trading Policy for SSX and FSRA personnel

The SSX working together with the Consultant will have to consult all stakeholders on their expectations and requirements with regard to the assignment at hand. He will then write a Stakeholder consultation report.

He will then circulate draft Listings Requirements and Schedules, Rule Book and Directives, Fee Structure, Global Master Securities Lending Agreement (GMSLA) and Addendum to all participants. Incorporate Stakeholder comments on draft before writing a draft to be presented to the FSRA Board and SSX.

Finally, he will incorporate the Board's comments before writing the final draft to be sent to the Ministries of Commerce, Finance and Justice for review.

This assignment is expected to be completed by end of April 2018.

52ND CoSSE (COMMITTEE OF SADC STOCK EXCHANGES) MEETING

The Manager SSX represented the SSX in this year's 52nd CoSSE Meeting where various topical issues were discussed aimed at deepening liquidity and increasing visibility of SADC stock markets. This event was hosted by Malawi Stock Exchange on September 22, 2017 at Sunbird Mount Soche Hotel in Blantyre, Malawi.

Mr John Kamanga, the CEO of Malawi Stock Exchange (MSE) welcomed all delegates and expressed that the MSE was pleased to host CoSSE before calling upon Mr Augustine Chithenga, Chairman of the MSE to address the members. He mentioned that the Malawi Stock Exchange was in the process of automating its trading system. He advised that the MSE would occasionally seek guidance from member exchanges that are already on an automated platform to share their experiences and expertise.

Mr Chithenga also welcomed all members present and wished them a pleasant stay in Malawi. He thanked and recognised the companies that provided financial sponsorship to the MSE towards some of the scheduled activities that would make hosting the CoSSE meeting a success.

Mr Chithenga highlighted the shared vision on the role of capital markets in the growth and development of the respective economies. These meetings underpin the region's determination to facilitate the emergence of well-functioning financial markets in the region. He continued to say that the issues to be discussed in the CoSSE meeting will go a long way in building and sustaining CoSSE member exchanges. He emphasised that exchanges are trusted engines in the capital markets because they serve as connectors between investors and issuers. CoSSE plays an important role in promoting the SADC block as a destination for capital raising and investment. It is worth noting that within CoSSE we have markets that are young, vulnerable and constrained, lacking the required resources to fulfill the role of operating and developing capital markets. A collective and cooperative action is therefore necessary for CoSSE to register a meaningful impact in the region. Mr Chithenga continued by saying that the key issue demanding collective attention is the transformation of our markets and systems, so that as a region we will be better positioned to stand up to the demands of modern, world class investors. There is a need to thrive to interface with larger and modern exchanges to mobilise international capital. All these changes are vital in attracting international investors into the region.

In closing, Mr Chithenga recalled that SADC demands the highest standards of excellence, integrity, commitment and dedication from its securities' markets. He continued in saying that the investing public and SADC securities markets deserve nothing less and expect that issues to be discussed will aim to:

- a) Enforce compliance with internationally accepted market standards and practices;
- b) Sustain effective and flexible regulatory environments;
- c) Encourage and promote informed investment decision making; and

d) Maximise our use of resources.

The CoSSE Chairperson, Ms Zeona Jacobs urged members to uphold the integrity of CoSSE and maintain cooperation of the group by collectively and continuously promoting and positioning CoSSE as a viable investment for SADC. In an attempt to highlight the need for stock markets to be relevant and pro-active, she mentioned that Mozambique's economy is growing because of the mining of natural gas and urged the BVM to become actively engaged in this initiative. She alerted the members that the Secretariat has engaged with the SADC central banks and other relevant SADC structures in order to understand the policymakers' plans for the capital markets. She further asked the members to take what will be discussed in the meeting and incorporate it in their strategies, to enable us to grow our markets.

She mentioned that the Chairmanship will be up for re-election at the next CoSSE meeting that is scheduled for March 2018 in Lesotho. Nominations will be submitted at the next meeting and the votes will be tallied, and the new Chairman elected towards the end of that meeting. She then presented her Chairman's report on all the CoSSE activities during her tenure as CoSSE Chairman, which report touched on the following:-

Study: Intra-SADC Trade on Exchanges

The CoSSE Chair and Secretariat commissioned a consultant (The Economist Corporate Network (ECN)) to conduct a study to determine the nature of cross-border securities trade in SADC. The results were to indicate whether there is sufficient activity to justify a technological solution for order routing in SADC. This study was also a follow-up to the SADC Broker's Networking Session that was held in December 2016.

Member exchanges were expected to provide data by filling in a standardised template. Moreover two-to-three brokers were to be interviewed for their insights on the trading environment. However, research showed that only two exchanges (Mauritius and Mozambique), representing <1% of total market capitalisation in SADC, were able to provide detailed cross-border transaction information, and none of the brokers contacted were able to provide a comprehensive record of SADC cross border trades. An approach was therefore adopted relying on proxy data (balance of payments from regional national banks) to indicate the level and direction of cross-border trade.

It was requested that the study be shared with CoSSE and that the matter be further discussed by CoSSE. TB suggested that a special CoSSE meeting be called at the upcoming ASEA Conference in Egypt in November - members agreed to the suggestion. The CoSSE Secretariat to make the necessary arrangements for members (attending ASEA) to meet in Egypt in November 2017, and send the

study to all members. She also agreed to arrange a webinar session whereby the consultant can present the findings in detail to CoSSE.

CISNA CMS (Capital Markets Sub-committee) projects' submissions by CoSSE

The Chair notified members that the CISNA CMS projects' documentation was sent to all CoSSE members for their direct input. There was however no input provided to CISNA CMS which was very disappointing. She urged members to be active and participate in relevant and/or required (from CoSSE) capital markets' projects undertaken by CISNA. This demonstrates a collaborative effort on CoSSE's part and it is a good start towards harmonisation and integration within SADC. Members will still try and submit their inputs to CISNA CMS if it is still required.

CoSSE Portal

The Secretariat has commissioned a web specialist to update and upgrade the CoSSE Portal and the JSE sponsored the first annual fee of R400 (excluding tax) towards hosting a permanent CoSSE domain. Members were therefore encouraged to upload new content on the portal so as to keep the portal updated at all times. The new CoSSE website will be shared once it has been fully upgraded. It was also noted that CoSSE members will be required to contribute to the annual hosting costs from September 2018 (upon renewal).

As part of an ongoing 'information sharing' initiative, the Chair commended the member exchanges that have represented CoSSE at the other SADC meetings (CISNA, CCBG, etc.). She thanked the Swaziland Stock Exchange (SSX) for delivering a CoSSE update at the CISNA meetings in Swaziland and Trop-X for presenting CoSSE's Bond Proposal to the CCBG Financial Markets sub-committee (FMS) in the Seychelles. Updates of these meetings were shared with CoSSE.

ASEA Update

(i) African Exchanges Linkages Project: The Chair briefly touched on two big projects that are currently being piloted by ASEA (African Stock Exchanges Association) in collaboration with the AfDB. The African Exchanges Linkages Project has received funding from the AfDB and once it takes off, CoSSE may easily take advantage and connect to the project. The project is co-founded by the Nigeria Stock Exchange, JSE (CoSSE member), Casablanca Stock Exchange, and the Nairobi Stock Exchange (as regional hubs) and since its inception the Stock Exchange of Mauritius (CoSSE member) and BVRM have come on board.

(ii) ASEA SME Project: A working group, called the ASEA SME Facilitation Working Group, was formed to position African Capital Markets in the SME space, as a source to raise capital. The group's mandate will also include identifying the challenges for exchanges in setting up SME boards. The group is chaired by the JSE and though in its initial stage, it has seen some traction.

Funding for CoSSE - meeting with the EU

The Chair reported that the Secretariat had, in the past year, met with the EU (European Union), DBSA (Development Bank Southern Africa), FinMark Trust and the AfDB (African Development Bank) to seek funding support for CoSSE initiatives. All funding requests to these donors that have not yielded substantial results due to the following:

- The AfDB has been non-responsive since its last communication to CoSSE that it will only consider funding when the SOR (Smart Order Routing) system is ready to be implemented throughout the region's exchanges.
- FinMark has been non-responsive since it last funded the CoSSE training (July 2016) and the Broker Network session (December 2016). The Secretariat had tried to reach out again to FinMark for further engagement but to no avail.
- The DBSA only provides loans on infrastructure development initiatives/projects in the region.
- The CoSSE Chair and Secretariat recently engaged the EU to present CoSSE's history and strategic projects to stimulate CoSSE's funding request to the EU (via SADC Secretariat). CoSSE was still awaiting feedback from the SADC Secretariat.

The Chair further allowed presentations to be made by the following companies:-

PRESENTATION BY MR ROBERT FISH - SADC EXCHANGES' DATA DISSEMINATION AND COMMUNICATIONS TOOL SOLUTIONS

Mr Robert Fish, Commodities Market Development Lead for Africa at Thomson Reuters presented their Eikon platform to the members. He demonstrated that the platform would be useful for CoSSE in the following ways:

- To provide global exposure for content due to the large number of users on their database. A proposal was made to have a CoSSE page.
- To provide a platform for communication amongst members CoSSE member exchanges and their broker communities through Eikon "Messenger" which is a free application offered by Thomson Reuters.
- Building of local applications.

- **Calculations of Indices.**

Members agreed that the Eikon platform may be beneficial to smaller exchanges which may not necessarily attract interest in their own respect. It was noted that there was a need to consider building information for the SADC Exchanges to ensure that the smaller ones are not left out if we are to create a CoSSE page.

It was agreed that CoSSE should determine how these terminals are being used for capital markets, in the SADC region, and which exchanges are already on the Thomson Reuters Eikon platform.

PRESENTATION BY MR AMIR KHAN - SADC STOCK EXCHANGES' DATA DISSEMINATION AND COMMUNICATIONS TOOL SOLUTIONS

Mr. Amir Khan, CEO of Infotech gave a presentation of their MARLIN platform which offers a market dissemination and orders Routing System to CoSSE. A demonstration of the system capabilities was explained to the members.

It was noted that the Marlin system did not have a lot of users and would therefore not be of benefit to CoSSE, when compared to the Reuters system.

It was noted after all the presentations that unfortunately Bloomberg was unable to formally present their data dissemination solution to CoSSE. CoSSE principles will however deliberate the Thomson Reuters and Bloomberg offerings at their meeting in Egypt. The Secretariat will then engage the two vendors with CoSSE's decision on how to proceed forward.

PRESENTATION BY THE SADC BANKING ASSOCIATION - PROPOSED SETTLEMENT MODELS FOR CROSS BORDER CURRENCY FLOWS

Mr Arthur Cousins gave a presentation on the proposed settlement models for cross border currency flows. He indicated that as part of the financial integration, the SADC Banking Association has embarked on a SADC transactions' settlement project that involves the setting up of SIRESS to foster cross country trading by easing cross country payment processes - SIRESS is a SADC regional RTGS. The operational model of SIRESS was developed under a MoU signed with CoSSE in May 2013 and the model involves the following stages:

- 1) Buyer and seller place orders via brokers/primary dealers
- 2) Trades that are cleared are routed to the SADC SSS (Securities Settlement System "example/proposed name")
- 3) Based on SSI'S (instruction) the SADC SSS notifies the respective CSD'S

- 4) The respective CSD's advise the settlement agents of the buyers and sellers
- 5) The respective settlement agents receive and compare instructions from their clients
- 6) Settlement agents commit to settlement
- 7) On settlement day SADC SSS instructs sellers CSD's to change ownership and sends cash settlement claim to SIRESS
- 8) On settlement day SADC SSS sends the claim to SIRESS
- 9) On settlement day SADC SSS instructs CSD's to RVP and DVP
- 10) Post settlement CSD'S send statement of holdings and SIRESS send advices of Debit/Credit

He further indicated that the SADC Banking Association stands ready to work with CoSSE if and should CoSSE wish to do so. He however, requested that should CoSSE decide that such a request is inappropriate at this stage or if CoSSE prefers to do embark on a different route, to please notify the SADC Banking Association as soon as possible. This matter will be also be discussed by CoSSE principles at the special CoSSE meeting in Egypt in November 2017.

PRESENTATION BY MS CATHERINE GITONGA - EDUTAINMENT CHALLENGE

Ms Catherine Gitonga, founder and CEO of Smart Youth Investments Limited presented their Edutainment (Education and entertainment) challenge to the members. This Edutainment challenge is a financial literacy program targeting young adults, using a platform called Smart Stock Trader. The platform provides a simulation using virtual money and real-time feed to educate participants on financial market instruments. Some notable Exchanges that have run with the program include; the Dar es Salaam Stock Exchange, Nairobi Stock Exchange and Uganda Stock Exchange.

Malawi Stock Exchange and Mozambique Stock Exchange expressed interest to engage with Smart Youth Investments Limited further. Escrow Systems will provide this platform to the Swaziland Stock Exchange.

In closing, the Chair reported that the next meeting will be held in Lesotho, in March 2018. The secretariat will liaise with the CEO of Maseru Securities Market (MSM) and advise on the date. Re-elections for the CoSSE Chairmanship and Vice-Chairmanship will be held at this meeting.

ANNUAL CONSTRUCTION INDZABA, MANZINI

The SSX team attended the 3rd Construction Indzaba hosted by the Construction Industry Council (CIC) held at the Mavuso Trade Centre, Manzini, on October 5, 2017. This was a meeting for the construction industry's stakeholders, which sought to discuss various topics arising within the industry which needed to be addressed such as project financing and regulations.

As the SSX seeks to increase the menu of products listed on the Exchange, it was an opportune time to share with the Construction Industry, especially property companies the avenue of raising capital through the listing of Real Estate Investment Trusts (REITs) on the about to go-live automated platform of the SSX. It is hoped that the King will soon give his assent to the all-important Sectional Titles Bill by promulgating it into an Act.

COLLABORATED EDUCATIONAL AND BRAND VISIBILITY ROADSHOW

The SSX staff in partnership with FSRA and OMBUDSMAN, participated in a Roadshow in Nhlngano on November 11, 2017. This saw the SSX team educate the people of Shiselweni district about the services offered by the SSX. The next one is planned for Piggs Peak in February 2018.

EXCHANGE TRADED FUNDS (ETFs) SEMINAR

The SSX staff successfully facilitated an ETF Seminar which was hosted at Sibane Hotel at Ezulwini Valley. This event was hosted on November 13, 2017. The speakers were Mr. Michael Mgwaba, Head of Exchange Traded Products at Barclays Africa/ABSA, Mr. Maurice Madiba, Founder and CEO of Cloud Atlas Investing (South Africa) and Mr. Joseph M. Busha, Founder and CEO of J M Busha Capital and Owner of Swaziland Stockbrokers Limited. The ETF Seminar was a huge success which saw various leaders from different industries showing great interest in the future prospects of the SSX and the introduction of ETFs into the local market. Subsequent ETF Seminars are planned for the first quarter of 2018 as requested by industry participants.

Due to the huge appetite shown by the buy side on ETF uptake, two additional South African firms, SANLAM SA and African Alliance SA have had meetings with the SSX staff, expressing their desire to list their various global ETFs and funds.

Mr. Michael Mgwaba, promised to come back beginning of 2018 to conduct an Institutional Investors Roadshow meant to educate the market on the different products which they offer for a tentative cross-listing and to gauge the overall appetite from investors for the listing of ETFs on the SSX.

From a survey that the SSX conducted immediately after this Seminar, most Institutional Investors showed a huge appetite for the Equities ETFs, especially the ABSA's NewFunds S&P GIVI SA Top 50 Exchange Traded Fund. It is highly

likely that it would be the first to be listed on the SSX immediately after automation.

LISTING PROSPECTING MEETING WITH AFRICAN ALLIANCE SWAZILAND

Due to the huge appetite shown by the buy side on ETF uptake after the ETF Seminar held two weeks ago, the General Manager Asset Management, Mr Victor Langa, accompanied by Mr Grant Cullens, CEO of African Alliance Asset Management SA, Mr Phesheya Dlamini and Mr Manqoba Ndzinisa came for a meeting on November 27, 2017 to discuss with the SSX staff a possible ETF listing, expressing their desire to list their various global ETFs and funds on the SSX. They promised to send their Listing Proposal beginning of 2018.

LISTING PROSPECTING MEETING WITH SANLAM SWAZILAND

The SSX staff was invited for a meeting by the Investments Officer, Mr Mpumelelo Ngcamphalala who was joined by the Business Development Manager of SANLAM Swaziland, Mr. Ndumiso Mngoma on November 29, 2017. The discussions were on prospects of listing some ETFs on the SSX namely, the SATRIX MSCI World, SATRIX Emerging Markets and SATRIX S&P 500. They promised to send their Listing Proposal beginning of 2018.

CoSSE CAPACITY BUILDING WEBINAR ON EXCHANGE TRADED FUNDS (ETFs)

The CoSSE Capacity Building and Visibility sub-committee where the Manager SSX is a member, organised the inaugural Webinar on ETFs for all CoSSE Member Exchanges on December 11, 2017, which was facilitated by Ms. Nerina Visser, CFA. For the SSX staff, this webinar built on the knowledge which had already been gained during the successful ETF Seminar above.

21ST ASEA (AFRICAN SECURITIES EXCHANGE ASSOCIATION) ANNUAL CONFERENCE

The CEO and Manager SSX represented the SSX in this year's 21st ASEA Annual Conference where the theme was "Africa Mapping the Future" where various topical issues were discussed aimed at increasing liquidity on African stock markets and the introduction of Green Bonds in local markets. This event was hosted by the Egyptian Exchange from November 19 - 21, 2017 at The Nile Ritz-Carlton Hotel in Cairo, Egypt.

SSX BUSINESS STRATEGY SESSIONS FACILITATED BY MR. DEREK HENDRICKS

The SSX staff crafted the SSX Business Strategy with the assistance of Strategic Leadership & Strategy Development Specialist, Mr. Derek Hendrikz from November 30 till December 2, 2017. During these sessions, the team came up with the Business Strategy and Scorecard, Core Process Construct as well as the three strategic projects being Process Efficiency, Revenue Generation and Market Growth.

The SSX staff is yet to analyse the processes to be followed under each strategic project to finalise the Business Strategy document which will then be presented to EXCO and subsequently to the Board.

LISTING PROSPECTING MEETING WITH FNB SWAZILAND, FIRSTRAND AND RAND MERCHANT BANK

The SSX staff was invited to a meeting by the CEO of FNB Swaziland, Mr. Dennis Mbingo who was joined by the CFO and representatives from FirstRand Bank Limited and Rand Merchant Bank (RMB) on December 4, 2017. The discussions were on prospects of listing on the SSX to participate in the Citizens Empowerment initiative once the Citizens Empowerment Bill has been promulgated into an Act. They promised to send their Listing Proposal beginning of 2018.

PUBLIC DEBT SYMPOSIUM ON STRENGTHENING LOCAL CURRENCY DEBT MARKETS IN AFRICA, CAPE TOWN, SA

The Executive Secretary of The Collaborative Africa Budget Reform Initiative (CABRI), on recommendation from the Johannesburg Stock Exchange (JSE) invited and partially sponsored the Manager SSX to participate in the inaugural Public Debt Symposium on strengthening local-currency debt markets in Africa. The 2017 Symposium held from December 5-6, focused on strategies to develop and strengthen local-currency debt markets. This event was made possible through the generous support of Rand Merchant Bank, a division of FirstRand Bank Limited.

This important event brought together heads of public debt offices in Africa, representatives of central banks, commercial banks, development banks, stock exchanges and other market participants, to consider pressing issues within African debt markets.

CABRI's engagements with debt officials throughout Africa have shown that perennial, and at times, extraordinary budgetary pressures have led to a rise in public debt, potentially compromising fiscal sustainability. This is made worse by

increasing debt-service costs due to exchange rate and rollover (maturity) risks. Debt managers in Africa have prioritised the development of local-currency bond markets as a source of long-term financing and to reduce the vulnerability associated with foreign-currency borrowing.

The Public Debt Symposium provided a unique opportunity for stakeholders on the continent to exchange information and experiences in market development with peers, and strengthen the CABRI platform for debt managers.

The Swazi market still has a vacuum for Retail Bonds, which have to have an affordable nominal value of at most E1,000.00 for the general public to participate and for financial inclusion purposes and economic development in general.

LISTING PROSPECTING MEETING WITH TIBIYO INSURANCE GROUP AT SWAKI HEAD OFFICE, EZULWINI

The SSX staff was invited to a meeting by the Managing Director (MD) of Tibiyo Insurance Group, Mr Jonathan Magongo who was joined by their Board Member, Mr Alex Mngomezulu on December 13, 2017. The discussions were on prospects of listing part of their property portfolio on the SSX in the coming year.

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