

# SSX FIRST (1<sup>st</sup>) QUARTER REVIEW

# 2018



## JAN - MAR 2018

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## LISTED EQUITY COMPANIES

There were no new listings in the period under review. Listed companies remained at 7 (seven) on the SSX Main Board and none on the SME Board.

**TABLE 1: LISTED EQUITY COMPANIES**

	Dec 2017	Jan 2018	Feb 2018	Mar 2018
Total companies listed	7	7	7	7
New entrants/listings	0	0	0	0
Domestic Companies	7	7	7	7
Foreign Companies	0	0	0	0
No. of Broking 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, 2018

## EQUITY TURNOVER

A total turnover of SZL9,474,078 was recorded from a sale of 2 327 732 shares, which reflects a 680.23% increase from last year's 1<sup>st</sup> quarter whereby SZL1,214,268.15 was recorded from a sale of 341,490 shares. In comparison to the 4<sup>th</sup> quarter of 2017, turnover increased by 411.17%, up from SZL1,853,411. The stark increase in trade values was due to higher volumes of trades being conducted throughout the 1<sup>st</sup> quarter, which were as follows: SEL LTD (1 Trade), SBC LTD (6 Trades) and Greystone Partners LTD (5 Trades).

**TABLE 2: VALUE TRADED SUMMARY 1<sup>st</sup> QUARTER 2018**

Company	Number of Shares	Share price	Emalangeni	Date
Greystone Partners Ltd	1 016	275	2 794	10/01/2018
SBC Ltd	3 000	780	23 400	10/01/2018
SBC Ltd	4 160	780	32 448	15/01/2018
Greystone Partners Ltd	3 365	280	9 422	15/01/2018
SBC Ltd	500	780	3 900	05/02/2018
Greystone Partners Ltd	1 750 000	280	4 900 000	12/02/2018
SBC Ltd	550 000	780	4 290 000	12/02/2018
Greystone Partners Ltd	3 000	285	8 550	01/03/2018
SBC Ltd	3 400	800	27 200	01/03/2018
SEL Ltd	4 500	3255	146 745	21/03/2018
SBC Ltd	3 100	800	24 800	29/03/2018
Greystone Partners Ltd	1 691	285	4 819	29/03/2018
<b>TOTAL</b>	<b>2 327 732</b>		<b>9 474 078</b>	

Source: SSX Trading Statistics, 2018

## CAPITAL GAINS COMPARISON ON EQUITY PRICES

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Below are the listed companies and their respective share prices (cents per share) on an annual movement, compared on an end of quarter basis:

**TABLE 3: SHARE PRICE QUARTER COMPARISON AS AT 31 MARCH 2018**

COMPANY NAME	SHARE PRICE MARCH 2017	SHARE PRICE MARCH 2018	(%) GAINS	MKT CAP (SZL)
Nedbank Limited	990	1080	9.09%	258 137 593
RSSC	1355	1400	3.32%	1 348 851 280
SEL	3100	3255	5%	602 175 000
Swaprop	545	600	10.09%	139 551 900
Swazispa Holdings	600	600	0%	41 966 964
Greystone Partners	235	285	21.28%	404 233 914
SBC Limited	735	800	8.43%	771 920 000
<b>TOTAL</b>				<b>3 566 836 651</b>

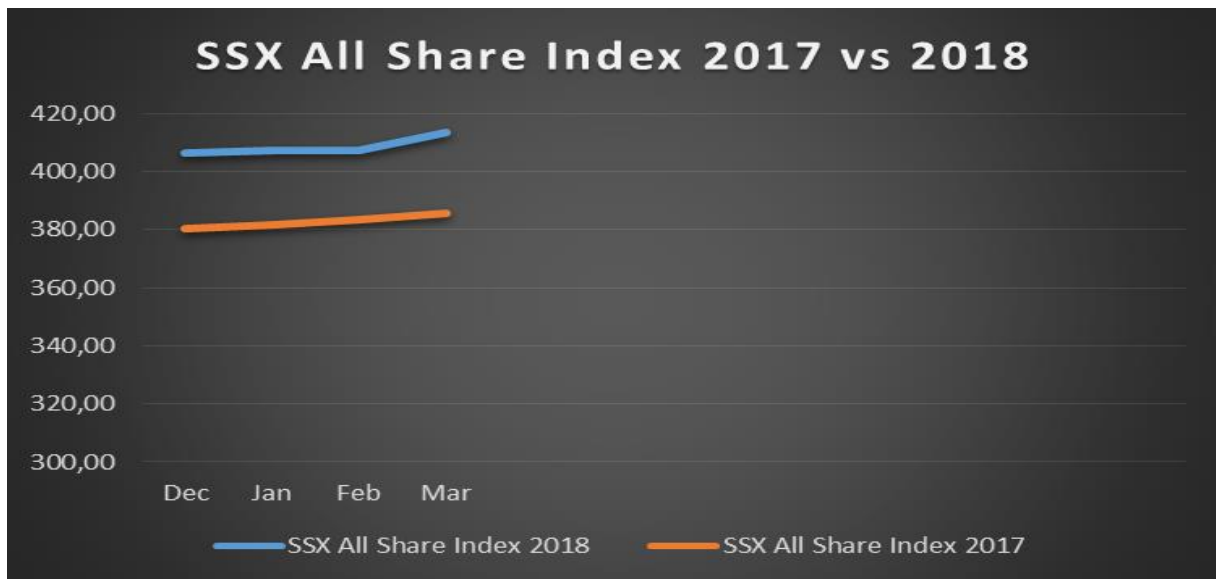
Source: SSX Trading Statistics, 2018

## SSX ALL SHARE INDEX TREND

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The SSX All Share Index increased to 413.66, representing a 1.77% increase from the previous quarter's close of 406.45. Trading during the 1<sup>st</sup> quarter had great volumes in comparison to the 4<sup>th</sup> quarter of 2017, with Greystone Partners recording the biggest gain in the quarter. The increase in the All Share Index was driven by increases in the prices of four (6) equities, these consisting of a 21.28% increase in Greystone Partners share price, a 10.09% increase in SWAPROP price, a 9.09% increase in Nedbank share price, a 8.43% increase in SBC share price, a 5% increase in SEL share price and a 3.32% increase in RSSC share price. Year-on-year, the All Share Index realised a gain of 7.21% from a close 385.83 at end of the 1<sup>st</sup> quarter of 2017.

**GRAPH 1: SSX ALL SHARE INDEX '17 vs '18**



Source: SSX Trading Statistics 2018

## **MARKET CAPITALISATION**

SSX Market Capitalisation ended the 1<sup>th</sup> quarter with a value of SZL3.567 billion, reflecting an increase of 1.77% from the previous quarter's close of SZL3.504 billion. Growth in the market capitalisation was attributable to gains in the share prices of Greystone Partners share price (21.28%), SWAPROP (10.09%), Nedbank (9.09%), SBC LTD (8.43%), SEL (5%) and RSSC (3.32%). Year-on-year, the Market Capitalization realised a gain of 7.21% from SZL3.327 billion at end of the 1<sup>st</sup> quarter of 2017.

**GRAPH 2: SSX MARKET CAPITALISATION '17 vs '18**



Source: SSX Trading Statistics 2018

**TABLE 4: MARKET CAPITALISATION QUARTER COMPARISON**

Company Name	Q4 2017	Q1 2018
Royal Swaziland Sugar Corporation (RSSC)	39%%%	39%
Nedbank	7%	7%
Swazispa Holdings	1%	1%
SWD Empowerment Limited (SEL)	16%	16%
Swaziland Property Investments (SWAPROP)	4%	4%
Greystone Partners Limited	11%	11%
SBC Limited	22%	22%

Source: SSX Trading Statistics 2018

RSSC continues to have the highest market capitalisation figure, commanding a 39% share of the overall market capitalisation of listed entities. RSSC has maintained the 39% weight, as other share prices increased marginally during the 1<sup>st</sup> quarter. RSSC's business is that of processing sugar and ethanol products located in the north-eastern Lowveld. RSSC has two sugar mills in Simunye and Mhlume as well as an ethanol plant. There were no changes in the market capitalizations of listed firms which necessitated a change in their weighting.

- SBC LTD (22%) – Holding Company
- SWD Empowerment Limited (16%) – Holding Company
- Greystone Partners (11%) – Private Equity
- Nedbank (7%) – Banking
- SWAPROP (4%) – Real Estate
- Swazispa Holdings (1%) – Hospitality

## MARKET INDICATORS

Name of Index	Dec 2017	Jan 2018	Feb 2018	Mar 2018
SSX All Share Price Index	406.45	407.25	407.25	413.66

## COMPARISON OF INDEX PERFORMANCES IN 1<sup>ST</sup> QUARTER OF 2017 AND 2018

Name of Index	Mar 2017	Mar 2018	% Change
SSX All Share Price Index	385.83	413.66	7.21 ▲

## MARKET CAP. IN 1<sup>ST</sup> QUARTER 2018

	Dec 2017	Jan 2018	Feb 2018	Mar 2018
Market Capitalization	3,504,680,005	3, 511,771,828	3,511,771,828	3,566,836,651

## COMPARISON OF MARKET CAPITALIZATION IN

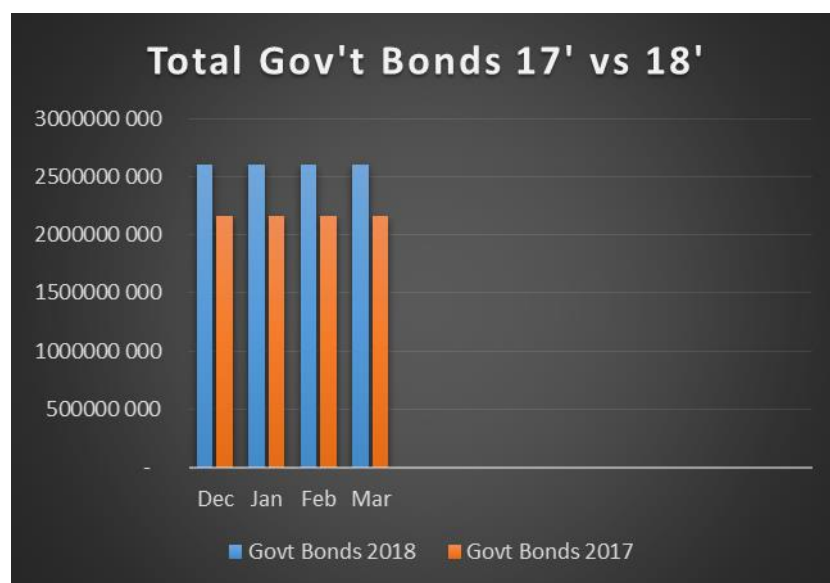
1<sup>st</sup> Quarter 2017/2018

	Mar '17	Mar '18	% Change
Market Capitalization	3,326,865,262	3,566,836,651	7.21 ▲

## GOVERNMENT DEBT

During the period under review, Government through the Central Bank of Swaziland (CBS) maintained 18 bonds (4 Infrastructure and 14 Plain Vanilla) with different maturities, ranging from 3, 5, 7 and 10 years. The total outstanding bonds as at 31 March, 2018 stood at SZL 2.907 billion. This saw the total government bonds outstanding increase by 11.68% from the previous quarter's close of SZL 2.603 billion. The increase was due to government issuing additional bonds in the market, SG031 worth SZL150 million and SGIFB004 worth SZL150 million. During the course of the 1<sup>st</sup> quarter of 2018 one government bond matured, SG011 worth SZL146 million. Year-on-year, this reflects a 34.40% as they stood at SZL 2.163 billion as at 31 March, 2017. The total outstanding bonds as at 31 March, 2018 are as outlined below:-

### GRAPH 4: GOVERNMENT BONDS AS AT 31 MAR 17' vs 18'



Source: SSX Trading Statistics, 2018

**TABLE 5: SWAZILAND GOVERNMENT BONDS AS AT 31 MARCH 2018**

Bond Code	ISIN Code	Tenure	Coupon	Redemption Date	Nominal Value (SZL)
SG016	SZG000441140	5yrs	8.25	31-Aug-18	150 000 000
SG017	SZG000441157	7yrs	8.50	31-Oct-20	250 000 000
SG018	SZG000441162	10yrs	9.25	31-Jan-24	200 000 000
SG020	SZG000441181	5yrs	8.25	20-Oct-19	82 000 000
SG021	SZG000441199	3yrs	8.25	30-Jun-18	125 000 000
SG022	SZG000441207	7yrs	Floating	25-Sep-22	150 000 000
SG023	SZG000441215	5yrs	8.75	30-Nov-20	250 000 000
SG024	SZG000441223	3yrs	9.50	31-May-19	200 000 000
SG025	SZG000441231	5yrs	10.00	20-Jun-21	150 000 000
SG026	SZG000441248	7yrs	Floating	31-Aug-23	150 000 000
SG027	SZG000441256	10yrs	10.75	31-Oct-26	150 000 000
SG029	SZG000441272	10yrs	10.50	28-Feb-22	150 000 000
SG030	SZG000441280	7yrs	10.20	30-Jun-24	150 000 000
SG031	SZG000441322	7yrs	10.00	31-Jan-25	150 000 000
SGIFB001	SZG000441297	5yrs	9.75	31-Jul-22	150 000 000
SGIFB002	SZG000441306	8yrs	10.00	31-Oct-25	150 000 000
SGIFB003	SZG000441314	9yrs	10.25	29-Dec-26	150 000 000
SGIFB004	SZG000441348	10yrs	10.00	29-Mar-28	150 000 000
<b>Total (SZL)</b>					<b>2 907 000 000</b>

## CORPORATE BONDS

The Table below shows the listed bonds amounting to SZL1,037,648,578 as at 31 March, 2018. (See Corporate Events below for new corporate bond issuances in the period under review).

**TABLE 6: CORPORATE BONDS AS AT 31 MARCH 2018**

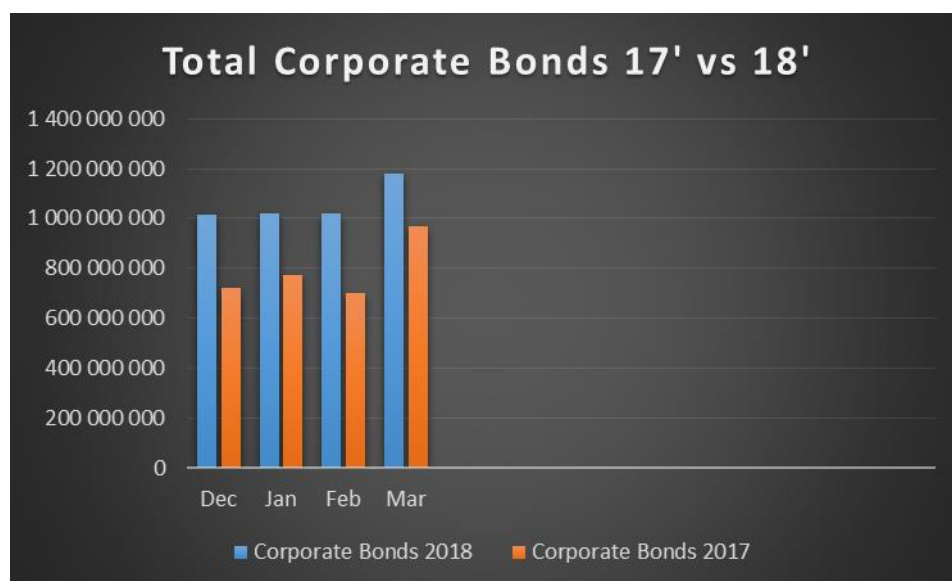
Bond Code	ISIN	Coupon	Redemption Date	Nominal Value (SZL)
NWR202	SZD000551333	10.50	30-Oct-18	30 100 000
SML300	SZD000551432	9.75	19-Nov-19	50 000 000
SML303	SZD000551531	14.00	06-Aug-18	15 000 000
SML304	SZD000551541	11.50	19-Feb-19	40 000 000
SML400	SZD000551646	12.50	08-Apr-18	11 130 000
SML401	SZD000551645	10.00	04-May-18	20 000 000
SML402	SZD000551662	10.79	04-May-19	44 000 000
SML403	SZD000551694	13.50	13-May-19	5 000 000
SML404	SZD000551747	14.00	30-Aug-19	15 000 000
SML405	SZD000551770	14.00	28-Oct-19	15 000 000
SML406	SZD000551812	13.00	07-Apr-20	20 000 000
SML407	SZD000551861	12.25	29-Jun-19	6 000 000
SML408	SZD000551886	13.33	04-Jul-20	10 000 000
SML409	SZD000551901	11.75	28-Jul-18	2 309 824
SML500	SZD000551787	14.50	11-Jan-20	50 000 000
SML501	SZD000551804	12.50	24-Feb-22	8 859 200
SML502	SZD000551837	13.50	16-Apr-20	30 500 000
SML503	SZD000551845	14.00	09-Jun-20	50 000 000
SML504	SZD000551894	13.25	04-Jul-20	10 000 000
SML505	SZD000551919	13.50	28-Jul-20	26 000 000
SML506	SZD000551950	13.50	28-Oct-20	17 000 000
SML507	SZD000551992	13.50	17-Nov-20	2 000 000
SML600	SZD000551968	13.50	28-Oct-20	9 000 000
SML601	SZD000551976	13.50	17-Nov-20	9 000 000
SML602	SZD000551984	13.25	10-Nov-19	30 000 000
SML603	SZD000552018	13.00	20-Dec-20	20 100 000



SML604	SZD000552026	13,00	20-Dec-20	10 000 000
FIN010	SZD000551507	10,30	01-Apr-18	10 000 000
FIN102	SZD000551564	11,50	16-Jan-19	30 000 000
FIN106	SZD000551678	10,00	04-May-18	20 000 000
FIN107	SZD000551686	10,79	04-May-19	35 000 000
FIN108	SZD000551721	12,50	08-Jul-19	21 676 004
FIN110	SZD000551796	13,00	24-Jan-20	7 743 750
FIN111	SZD000551820	13,00	06-Apr-20	20 000 000
FIN112	SZD000551845	13,75	09-Jun-20	50 000 000
FIN113	SZD000551878	11,85	29-Jun-18	7 229 800
FIN200	SZD000551927	12,50	05-Oct-18	70 000 000
FIN201	SZD000552000	13,75	09-May-20	10 000 000
ICL206	SZD000551935	10,75	01-Oct-18	50 000 000
ICL207	SZD000551943	10,75	11-Oct-19	150 000 000
<b>Total (SZL)</b>				<b>1 037 648 578</b>

Source: SSX Trading Statistics, 2018

**GRAPH 5: CORPORATE BONDS 1<sup>ST</sup> QUARTER 2017 vs 2018**



Source: SSX Trading Statistics, 2018

The 1<sup>st</sup> quarter saw Select Limited returning to the market via its SML604 issuance of SZL10 million. This saw the cumulative corporate bonds outstanding as of 31 March 2018 increase to SZL 1.038 billion, from the previous quarter's outstanding amount of SZL1.01 billion. This marked an increase of 2.77% increase in the total bonds outstanding. Year-on-year, total corporate bonds outstanding increased by 54.46% as they stood at SZL 672 million as at the end of March 2017. No bonds matured in the 1<sup>st</sup>

quarter.

## NEW BOND ISSUANCES

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**TABLE 8: NEW CORPORATE BONDS**

Bond Name	ISIN Code	Coupon	Maturity Date	Nominal Value (SZL)
FIN201	SZD000552000	13,75	09-May-20	10 000 000

Source: SSX Trading Statistics, 2018

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## SSX MEMBERS

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Two (2) stockbroking firms are currently licensed as Dealing Members of the SSX. These are:-

- Swaziland Stockbrokers Limited (SSL)
- African Alliance Swaziland Securities Limited (AASSL)

Four (4) banks are currently recognised as Exempt Dealers by the SSX. These are:-

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

One (1) institution is recognized as a Debt Sponsor for Swaziland Government Bonds by the SSX. This is:-

- The Central Bank of Swaziland (CBS)

## CORPORATE EVENTS ON THE SSX

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- SEL declared an interim dividend of E23,865,000 (twenty-three million, eight hundred and sixty-five thousand Emalangeni) comprising 129 (one hundred and twenty nine) cents per share to ordinary shareholders registered as such in the Company's share register at the close of business on or before 7 March 2018. Payment of dividend was expected to be no later than the 14th March 2018.
- There was a Corporate Bond issued by FINCORP, FIN201 worth E10 million which commenced trading on 19 January 2018.

- There was a Government Bond, SG011 worth E146 million which matured on 31 January 2018.
- There was a Government Infrastructure Bond issue, SGIFB003 worth E150 million which commenced trading on the SSX on 31 January 2018.

## **OTHER ACTIVITIES**

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### **ETF ROADSHOW – JANUARY 31 – FEBRUARY 2, 2018**

From January 31st to February 2nd 2018, the SSX staff together with Mr. Michael Mgwaba, Head of Exchange Traded Products at Barclays Africa/ABSA, successfully ran an institutional investors road show educating the market on the different products which they offer for a tentative cross listing and gauging the overall appetite from investors for the listing of ETFs on the SSX.

### **INVESTMENT SEMINAR HOSTED BY J M BUSHA CAPITAL – FEBRUARY 26, 2018**

The SSX team attended the annual Investment Seminar hosted by JM Busha Capital where financial market insights were shared among industry participants, all aimed at finding ways to develop this very important sector of the Swazi economy.

### **53RD CoSSE MEETING IN LESOTHO, MASERU – MARCH 22, 2018**

The Manager SSX represented the SSX at this meeting which was hosted by the Maseru Securities Market (MSM). This meeting was officially opened by the Deputy Governor of the Central Bank of Lesotho, Dr Makhethu who was standing in for the Governor, Dr Adelaide Retselisitsoe Matlanyane as they are tasked with the mandate of developing the Exchange or Capital Markets in Lesotho.

In his address, he emphasised that CoSSE as part of the Finance and Investment Protocol (FIP) should play an active role in cooperation, sharing of knowledge and expertise in the capital markets ecosystem. FIP wants to see more cross-listings and for Exchanges to work closely with the Committee of Senior Treasury Officials (CoSTO).

He thanked Malawi Stock Exchange (MSE), Botswana Stock Exchange (BSE) and Johannesburg Stock Exchange (JSE) for the notable support they extended in the development of MSM.

He reminded members that CoSSE was started as an independent body but was then incorporated into the SADC structures, thus all activities and reporting lines should be respected as per SADC structures.

He decried that the attention given to stock markets is not impressive or sufficient at governmental and national level, thus, more attention is required.

The CoSSE Chairperson, Ms Zeona Jacobs mentioned that CoSSE has a mandate to integrate her markets and maybe in future, have a single currency. Exchanges are yet to

come up with feasible financial methodologies of achieving this interconnectivity goal, but first, liberalisation of Exchange Controls has to be done before regional integration can prosper.

She emphasized the importance of CoSSE representation in all CoMFI, CISNA and CCBG Meetings since staying present at these meetings gives CoSSE a chance to be given some airtime to voice out requests from these principals, while also learning what exchanges need to do to meet their required regulatory standards, among other issues.

She concluded by encouraging individual stock exchanges to submit articles for publishing on CoSSE and ASEA portals, magazines and websites.

Other issues deliberated on included the various activities happening in all the 12 Member Exchanges within the SADC region and what an exchange can learn from sister exchanges.

### **BANKING, ASSET MANAGEMENT, FINANCE AND INVESTMENT BUSINESS FORUM – MARCH 22-23, 2018**

The SSX staff attended this event which was hosted by Africa Trusted Business Solutions at the Royal Swazi Spa, which saw the team being part of various discussions over the two days relating to innovations in the business development spectrum, especially the imminent go-live of the SSX Automated Trading Platform and a platform to market the exchange, in general. Current state on the BRICS countries, new investment strategies for pension funds and asset managers and the role of the Ombudsman of Financial Services in all of this were also deliberated on.

### **UPDATING OF LISTINGS REQUIREMENTS AND RULE BOOK**

The SSX staff working alongside the Consultant and Legal Representative commenced on the final review and cross-checking exercise of the draft Listings Requirements and Schedules and the draft Rule Book and Directives to the Rules. This task started in the beginning of March and is expected to be completed by the end of the second quarter. As soon as this process is completed the SSX will be sending them out for public comment for a month's period.

### **SSX AUTOMATION PROJECT**

The SSX is still conducting parallel runs, that is, trading at the SSX is done both on the 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 brokers, 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.**

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