

JANUARY MONTH-END REPORT

2018



JANUARY 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 Alternative Board.

TABLE 1: LISTED EQUITY COMPANIES

	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017
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
No. of Broking Firms	2	2	2	2	2
No. of Exempt Dealers	4	4	4	4	4
No. of Debt Sponsors	1	1	1	1	1

Source: SSX Trading Statistics, 2018

EQUITY TURNOVER

The month of January 2018 with a quiet start to the year recorded a turnover of SZL 68,064.00 recorded from a sale of 11,541 shares. The total number of trades brought on to the exchange were four (4). In comparison to last month's trades, this marked a drastic decrease of 68.4% in revenue for the month of January. The drastic decrease in trading revenue, although the number of trades was double, was due to larger transactions taking place during the two trades that happened in December, and less in terms of the quantity of shares during the month of January.

TABLE 2: VALUE TRADED OVER THE MONTH IN EQUITY COMPANIES

<i>Company</i>	<i>Number of Shares</i>	<i>Share Price</i>	<i>Emalangen</i>	<i>Date</i>
Greystone Partners	1,016	275	2,794.00	10/01/18
SBC Limited	3,000	780	23,400.00	10/01/18
SBC Limited	4,160	780	32,448.00	15/01/18
Greystone Partners	3,365	280	9,422.00	15/01/18
Total	11,541		68,064.00	

Source: SSX Trading Statistics, 2018

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 3: SHARE PRICE YEARLY COMPARISON AS AT 31 JANUARY 2018

Company	Jan 31, 2017	Jan 31, 2018	Capital Gains Yield
NEDBANK	970	1080	11.34%
RSSC	1355	1400	3.32%
SEL	3050	3100	1.64%
SWAPROP	545	600	10.09%
Swazi Spa	600	600	0%
Greystone Partners	220	280	27.27%
SBC Ltd	735	780	6.12%

Source: SSX Trading Statistics, 2018

SSX ALL SHARE INDEX TREND

The The SSX All-Share Price Index changed by 0.20% between December and January, from 406.45 to 407.25. This was due to an increase in the price of Greystone Partners Ltd. Year-on-year, the All Share Index inched up by 6.5%. This increase was due to the increase in share prices of NEDBANK, RSSC, SWAPROP, Greystone Partners, SBC and SEL respectively.

MARKET CAPITALISATION

Share prices between December and January changed by 0,20% which saw the Market Capitalisation go from SZL 3.505 billion to SZL 3.511 Billion. This increase was due to an increase in Greystone Partners Ltd Market Capitalisation. Year-on-year, the market capitalisation increased by 6.5%.

CORPORATE BONDS

As at January 31st 2018, total Corporate Bonds were valued at SZL 1.019 billion. This marked an increase of 1% in total Corporate Bonds outstanding between December and January. This was due to the commencement of trading of FIN 201 on the January 19th 2018. Year-on-year, this marked a 32.97% increase in total corporate bonds outstanding.

GOVERNMENT BONDS

Total Government Bonds outstanding increased to SZL 2.607 billion as at February 28th 2018. Between January and December there was an increase of 0.14% due to a new issuance of E150 million, and another bond matured worth E146 million. Year-on-year, this marked a 20.5% increase on total bonds outstanding.

CORPORATE NEWS

1. There was a Corporate Bond issued by FINCORP, FIN201 worth E10 million, which commenced on January 19th 2018.
2. There was a Government Bond, SG011 worth E146 million which matured on January 31st 2018.
3. There was a Government Bond issue, SGIFB003 worth E150 million which commenced trading on the SSX on January 31st 2018.

OTHER ACTIVITIES

ETF ROADSHOW

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.

LATEST UPDATES ON SSX AUTOMATION

The SSX started off the year with anticipation of a good year ahead as the automation process is still well under way with hopes of it being finalised before the end of the first quarter.

Escrow Systems finished the integration of the SSX ATS with the CBS CSD during the second week of January 2018.

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 Task Owned by	Expected Date
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	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 Brokers 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 amounted to US\$ 11,000 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.

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 have promised to deliver the solution within 10 days of commencement.

We plan to launch the new system on the 1st of March 2018 hence the FSRA’s financial support on this remaining component will be greatly appreciated. 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	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	01/03/2018	01/03/2018	Pending

As concerted efforts are made to go live on 1 March 2018, thus the legislation that provides for the electronic trading of shares needs to be speeded up. The statutory instruments must be amended accordingly to support for the electronic trading of stocks. 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.

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.

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