

SSX SECOND (2ND) QUARTER REVIEW

2018



APR - JUN 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

	Mar 2017	Apr 2017	May 2017	Jun 2017
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

EQUITY TURNOVER

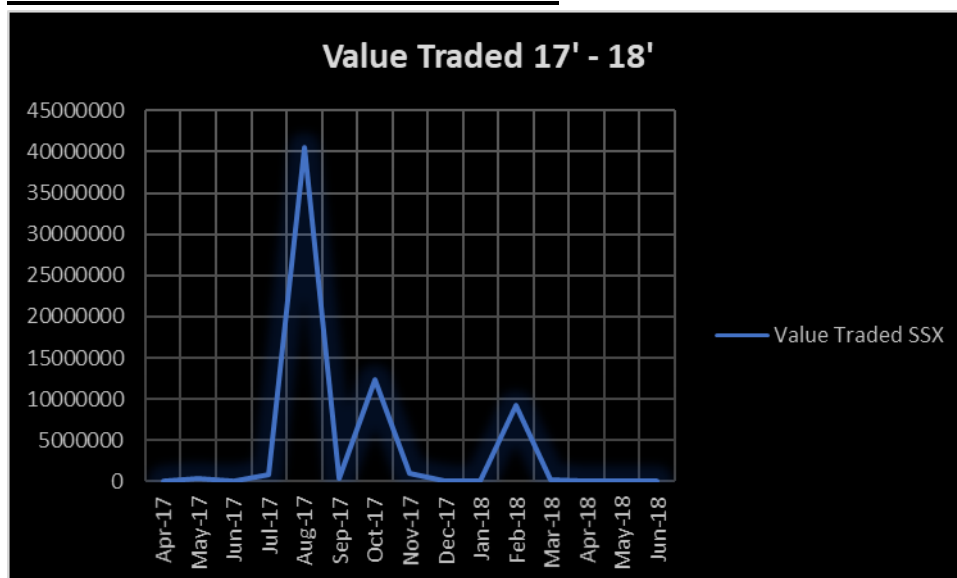
A total turnover of E97,144.71 was recorded from a sale of 24,405 shares over a total of five (5) trades concluded over the 2nd quarter of 2018. In comparison to the 1st quarter of 2018, turnover decreased by a whopping 98.97%, down from E9,474,078.00 in the previous quarter, as investors were anticipating dividend payments from companies whose stock had performed well. Trades conducted in the 2nd quarter were as follows: SBC Ltd (2 Trades) and Greystone Partners LTD (3 Trades).

TABLE 2: VALUE TRADED SUMMARY 2nd QUARTER 2018

Company	Number of Shares	Share price	Emalangen	Date
SBC Ltd	2 000	800	16 000.00	27/04/2018
Greystone	1 000	285	2 850.00	27/04/2018
Greystone	10 000	295	29 500.00	16/05/2018
SBC Ltd	3 000	800	24 000.00	06/06/2018
Greystone	8 405	295	24 794,75	06/06/2018
TOTAL			97 144.75	

Source: SSX Trading Statistics, 2018

GRAPH 1: VALUE TRADED '17 vs '18



Source: SSX Trading Statistics, 2017-18

CAPITAL GAINS COMPARISON ON EQUITY PRICES

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

TABLE 3: SHARE PRICE QUARTER COMPARISON AS AT 30 JUNE 2018

COMPANY NAME	SHARE PRICE JUN 17	SHARE PRICE JUN 18	(%) GAINS	MKT CAP (SZL)
Nedbank Limited	1000	1080	8.00%	258 137 593
RSSC	1370	1400	2.19%	1 348 851 280
SEL	3100	3255	4.90%	602 175 000
Swaprop	545	600	10.09%	139 551 900
Swazispa Holdings	600	600	0.00%	41 966 964
Greystone Partners	235	295	25.53%	418 417 560
SBC Limited	735	800	8.84%	771 920 000

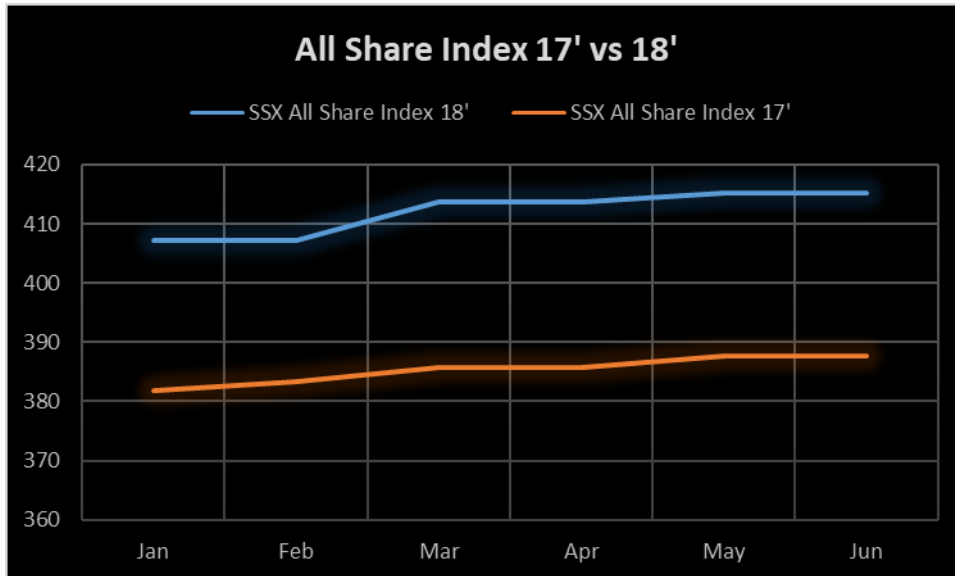
Source: SSX Trading Statistics, 2018

SSX ALL SHARE INDEX TREND

The SSX All Share Index increased to 415.30, representing a 0.40% increase from the previous quarter's close of 413.66. Trading during the 2nd quarter remained rather subdued, as evidenced by the few trades that were brought on to the market. Furthermore, the few trades did not translate into significant increases in the All Share Index, as it increased marginally by 0.40%. The increase in the All Share Index was due

to increases in the prices of two (2) equities, these consisting of a 2.56%▲ increase in the SBC Ltd share price and a 3.51%▲ increase in the Greystone Partners Ltd share price. Year-on-Year, the All Share Index realised a gain of 7.10%▲.

GRAPH 2: SSX ALL SHARE INDEX '17 vs '18

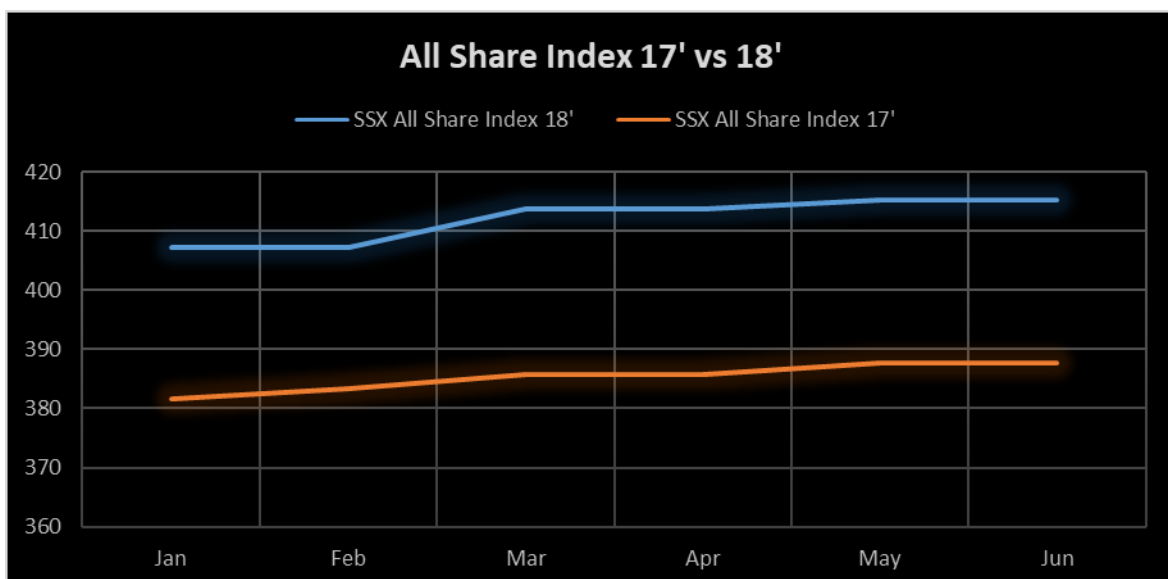


Source: SSX Trading Statistics 2018

MARKET CAPITALISATION

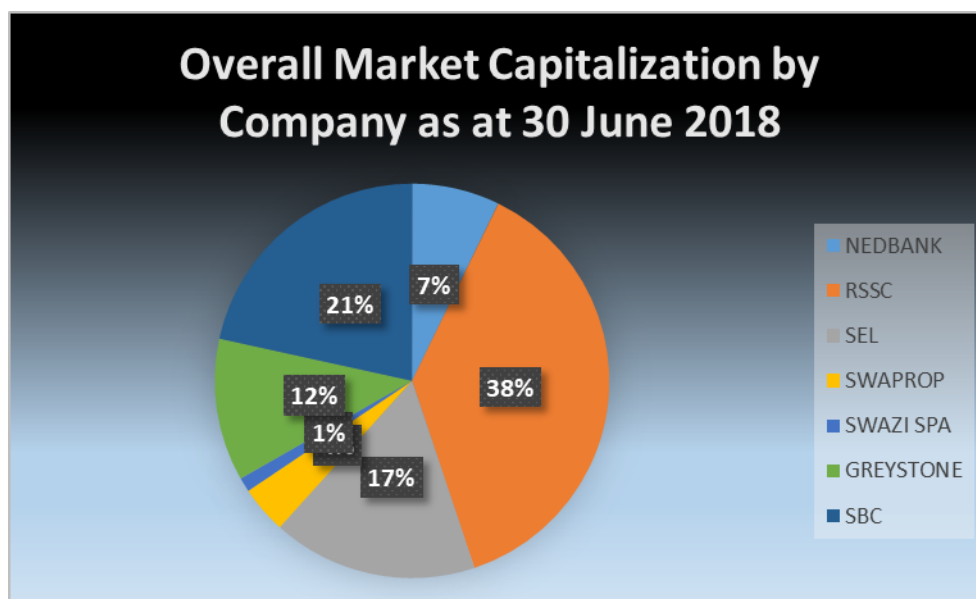
SSX Market Capitalisation ended the 2nd quarter with a value of E3.581 billion. This saw the market capitalisation increase by 0.40%, from the previous quarter’s close of E3.567 billion. Growth in the market capitalisation was attributable to gains in the share prices of SBC Ltd (2.56%▲), and Greystone Partners Ltd (3.51%▲). Year-on-year, the Market Capitalisation realised a 7.10% gain from E3.344 billion in the 2nd quarter in 2017 to E3.581 billion at the end of the 2nd quarter in 2018.

GRAPH 3: SSX MARKET CAPITALISATION '17 vs '18



Source: SSX Trading Statistics 2018

GRAPH 4: OVERALL MARKET CAPITALISATION BY COMPANY AS AT 30 JUNE 2018



Source: SSX Trading Statistics 2018

TABLE 4: MARKET CAPITALISATION QUARTER COMPARISON

Company Name	Q1 2018	Q2 2018
Royal Swaziland Sugar Corporation (RSSC)	39%	38%
Nedbank	7%	7%
Swaziswa Holdings	1%	1%
SWD Empowerment Limited (SEL)	16%	17%
SWAPROP	4%	4%
Greystone Partners Limited	11%	12%
SBC Limited	22%	21%

Source: SSX Trading Statistics 2018

RSSC continues to have the highest market capitalisation figure, commanding a 38%, even though it lost 1% share of the overall market capitalisation of listed entities. SEL and Greystone Partners gained 1%, while SBC Limited lost 1%. 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.

- SBC LTD (21%) – Holding Company
- SWD Empowerment Limited (17%) – Holding Company
- Greystone Partners (12%) – Private Equity
- Nedbank (7%) – Banking
- SWAPROP (4%) – Real Estate
- Swaziswa Holdings (1%) – Hospitality

MARKET INDICATORS

Name of Index	Mar 2018	Apr 2018	May 2018	Jun 2018
SSX All Share Price Index	413.66	413.66	415.30	415.30

COMPARISON OF INDEX PERFORMANCES IN 2ND QUARTER OF 2017 AND 2018

Name of Index	Jun 2017	Jun 2018	% Change
SSX All Share Price Index	387.78	415.30	7.10 ▲

MARKET CAP. IN 2ND QUARTER 2018

	Mar 2018	Apr 2018	May 2018	Jun 2018
Market Capitalisation	3,538,161,651	3,566,836,651	3,581,020,297	3,581,020,297

COMPARISON OF MARKET CAPITALISATION IN

2ND Quarter 2017/2018

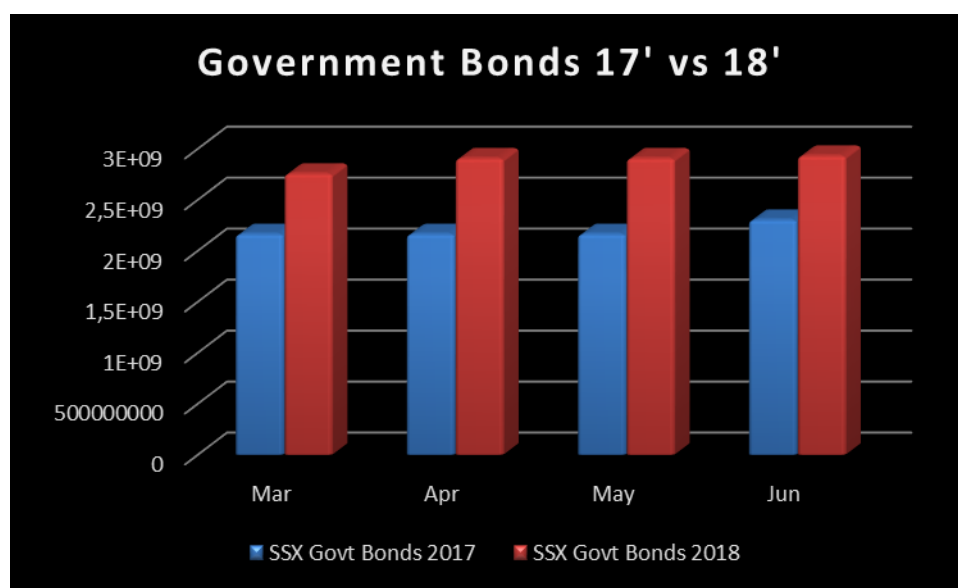
	Jun '17	Jun '18	% Change
Market Capitalisation	3,343,707,404	3,581,020,297	7.10 ▲

Source: SSX Trading Statistics 2018

GOVERNMENT DEBT

During the period under review, Government through the Central Bank of Swaziland (CBS) maintained 18 bonds with different maturities, ranging from 3, 5, 7 and 10 years. The total outstanding bonds as at June 30, 2018 stood at E2.932 billion, reflecting a 6.35%▲ increase from the total outstanding as at the end of the 1st quarter of 2018 which stood at E2.757 billion. Year-on-year, total government bonds outstanding increased by 27.3%▲. This significant increase saw government raise an additional E300 million in the local bond market, through Infrastructure bonds SGIFB004 and SGIFB005 whose nominal values stood at E150 million each, respectively. During the course of the 2nd quarter of 2018, government bond SG021 matured, whose value was E125 million. The total outstanding bonds as at June 30, 2018 were as outlined below:-

GRAPH 5: GOVERNMENT BONDS AS AT 30 JUNE 2018



Source: SSX Trading Statistics, 2018

TABLE 5: SWAZILAND GOVERNMENT BONDS AS AT JUNE 30, 2017

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
SGIFB005	SZG000441356	9yrs	9.75	31-May-26	150 000 000
TOTAL					2 932 000 000

Source: SSX Trading Statistics 2018

MATURED/REDEEMED GOVERNMENT BONDS

TABLE 6: MATURED/REDEEMED GOVERNMENT BONDS

Bond Name	ISIN Code	Coupon	Maturity Date	Nominal Value (SZL)
SG021	SZG000441199	8.25	30-June-18	125 000 000

Source: SSX Trading Statistics 2018

NEW GOVERNMENT BOND ISSUANCES

TABLE 7: NEW GOVERNMENT BOND ISSUANCES

Bond Name	ISIN Code	Coupon	Maturity Date	Nominal Value (SZL)
SGIFB004	SZG000441348	10.00	29-Mar-28	150 000 000
SGIFB005	SZG000441356	9.75	31-May-26	150 000 000

Source: SSX Trading Statistics 2018

CORPORATE BONDS

The Table below shows the listed bonds as at June 30, 2018. (See Corporate Events below for new corporate bond issuances in the period under review).

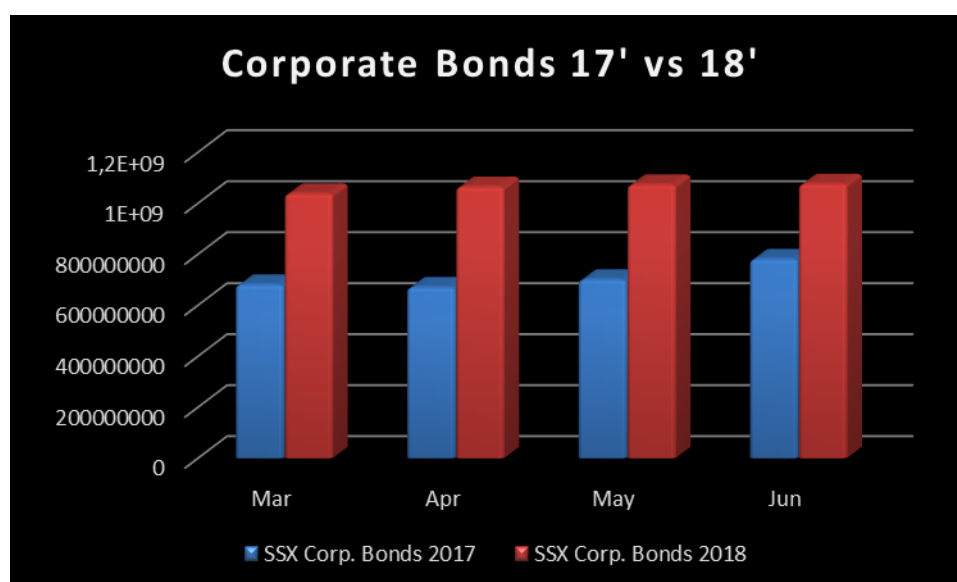
TABLE 8: CORPORATE BONDS AS AT 30 JUNE 2018

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
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
SML606	SZD000552048	11,75	04-May-20	24 200 000
SML607	SZD000552034	12,50	06-Jun-20	5 000 000
FIN102	SZD000551564	11,50	16-Jan-19	30 000 000
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
FIN200	SZD000551927	12,50	05-Oct-18	70 000 000
FIN201	SZD000552000	13,75	09-May-20	10 000 000
FIN202	SZD000552034	14,00	30-Mar-23	48 000 000
FIN203	SZD000552040	11,75	04-May-20	24 200 000
FIN204	SZD000552084	12,50	06-Jun-21	5 000 000
ICL206	SZD000551935	10,75	01-Oct-18	50 000 000
ICL207	SZD000551943	10,75	11-Oct-19	150 000 000
TOTAL				1 075 688 778

Source: SSX Trading Statistics, 2018

GRAPH 6: CORPORATE BONDS 2ND QUARTER 2018



Source: SSX Trading Statistics, 2018

The 2nd quarter of 2018 realised 5 notes maturing, these being SML400, SML401, FIN010, FIN106 and FIN113. SELECT LTD returned to the market in the second quarter to raise an additional E24.2 million and E5 million through SML606 and SML607, while an additional E48 million, E24.2 million and E5 million were raised in the second quarter by FINCORP with Notes FIN202, FIN203 and FIN204. This saw the cumulative corporate bonds outstanding as of June 30, 2018 increase to E1.076 Billion, from the previous quarter's outstanding amount of E1.038 Billion. This marked a 3.67% ▲ increase in total bonds outstanding. Year-on-year, total corporate bonds outstanding increased by 37.73%▲.

MATURED/REDEEMED CORPORATE BONDS

TABLE 9: MATURED/REDEEMED CORPORATE BONDS

Bond Name	ISIN Code	Coupon	Maturity Date	Nominal Value (E)
SML400	SZD000551646	10.00	04-May-18	11 130 000
SML401	SZD000551654	12.50	08-Apr-18	20 000 000
FIN010	SZD000551507	10.30	01-Apr-18	10 000 000
FIN106	SZD000551678	10.00	04-May-18	20 000 000
FIN113	SZD000551878	11.85	29-Jun-18	7 229 800
TOTAL				68 359 800

Source: SSX Trading Statistics, 2018

NEW CORPORATE BOND ISSUANCES

TABLE 10: NEW CORPORATE BONDS

Bond Name	ISIN Code	Coupon	Maturity Date	Nominal Value (E)
SML606	SZD000552048	11.75	04-May-20	24 200 000
SML607	SZD000552076	12.25	06-Jun-20	5 000 000
FIN202	SZD000552034	14.00	30-Mar-23	48 000 000
FIN203	SZD000552040	11.75	04-May-20	24 200 000
FIN204	SZD000552084	12.50	06-Jun-21	5 000 000
TOTAL				106 400 000

Source: SSX Trading Statistics, 2018

CORPORATE EVENTS ON THE SSX

1. Corporate bonds SML400 and FIN010 matured during the month of April 2018.
2. Corporate bonds SML401 and FIN106 matured during the month of May 2018.
3. FIN203 and SML606 worth E24.2 million each, commenced trading in the month of May 2018.
4. The SSX Staff was invited to attend the Royal Swazi Spa Annual General Meeting which was held at the Royal Swazi Convention Centre on May 24, 2018.
5. Corporate bond FIN113 worth E7,229,800 matured during the month of June 2018.
6. FIN204 and SML607 worth E5 million each, commenced trading in the month of June 2018.
7. Government Infrastructure Bond SGIFB004 worth SZL150 million commenced trading on the SSX in the month of April 2018.
8. Government Infrastructure Bond SGIFB005 worth SZL150 million commenced trading on the SSX in the month of June 2018.

9. Government bond SG021 worth SZL125 million matured in the month of June 2018.

SSX MEMBERS

Two (2) Stockbroking companies 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 recognised as a Debt Sponsor for Swaziland Government Bonds by the SSX. This is:-

- The Central Bank of eSwatini (CBS)

ECONOMIC BRIEF

Inflation

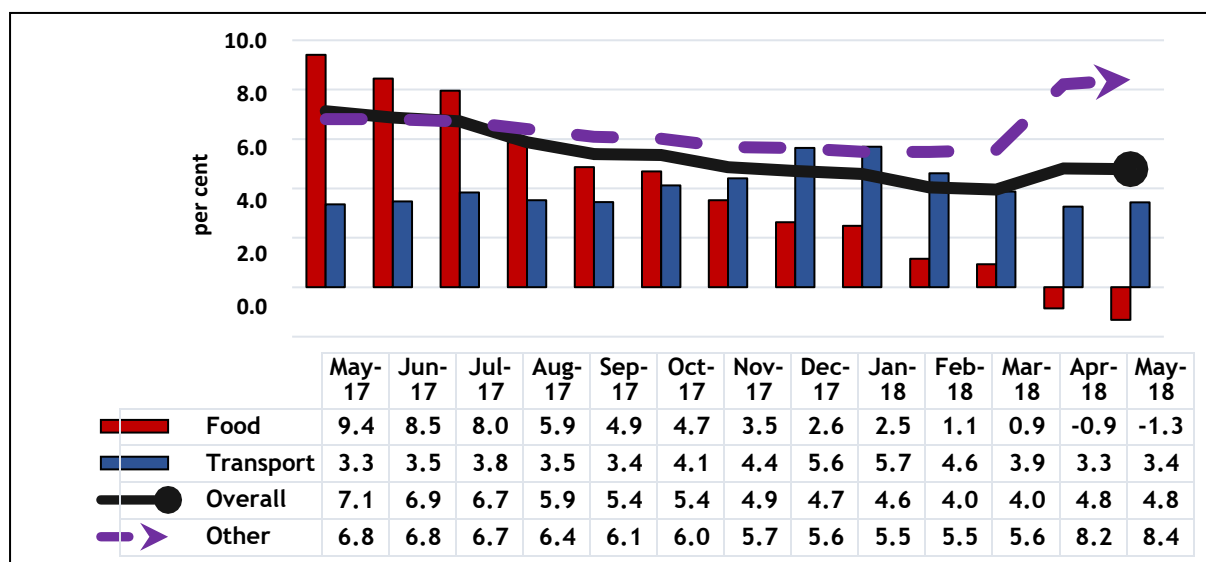
The country's annual consumer inflation was unchanged at 4.8 per cent in May 2018 same as it was the previous month. Food prices continued to fall on a year-on-year basis, recording a deflation of 1.3 per cent in May 2018 from a deflation of 0.9 per cent in April. Food items that recorded annual decreases included; 'cereal products', 'oils and fats', 'fruits' and 'sugar and confectionery products'. In addition to food, other categories that recorded year-on-year decreases were 'communication' and 'clothing, and footwear, which recorded a deflation of 2.3 and 2.0 per cent, respectively.

The above decreases were offset by increases in the price indices for 'housing and utilities' and 'transport'. The price index for housing and utilities grew by 13.9 per cent in May 2018 from 13.3 per cent the previous month. The increase was largely due to 13.7 per cent increase in water tariffs effected over the month under review. Transport inflation, on the other hand, rose by 0.2 of a percentage point to 3.4 per cent in May, largely due to a 40 cents per litre increase in fuel prices effected in May 2018.

On month-on-month basis, inflation grew at a lower rate of 0.3 per cent in May 2018 compared to a significant increase of 3.6 per cent the previous month. Notable month-on-month increases in May 2018 were observed in the price indices for ‘housing and utilities’, ‘transport’ and ‘clothing and footwear’.

Core inflation, which is measured as the CPI excluding food and non-alcoholic beverages, auto-fuel and energy, remained elevated, recording 7.3 per cent in May 2018 from 7.1 percent in April 2018. On month-on-month rates, core inflation grew modestly by 0.4 per cent in May 2018 compared to the 4.9 per cent growth recorded the previous month.

Inflation Trends: May 2017 to May 2018



Source: www.centralbank.org.sz, 2018

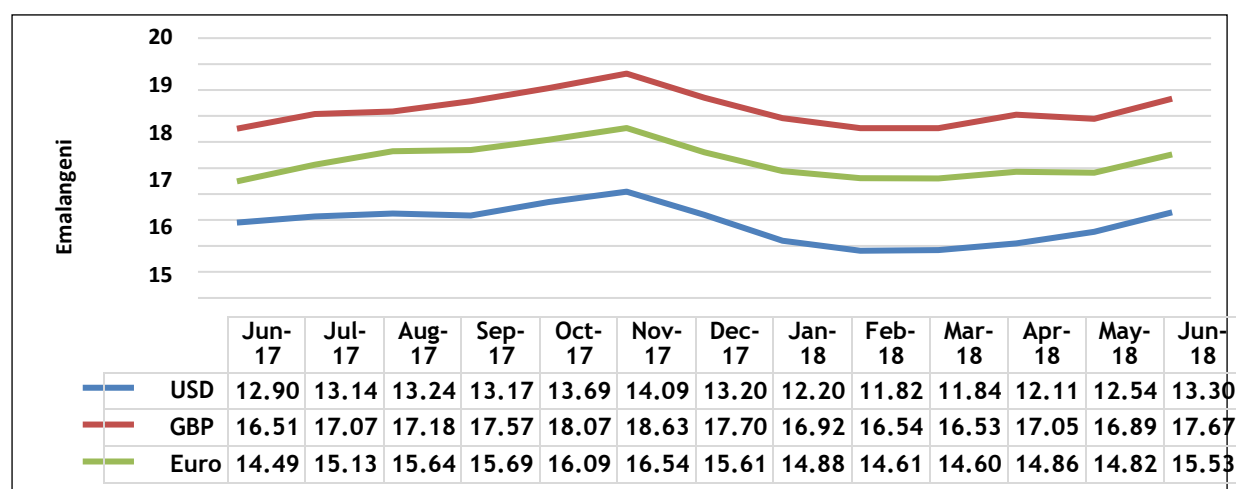
Exchange Rates

During the month of June 2018, the Lilangeni depreciated against major currencies extending its previous losses. The weakening in the domestic unit continues to be influenced by domestic and global factors, which tend to affect the anchor economy (South Africa) to which the domestic currency is pegged. Against the US dollar, the Lilangeni depreciated by 6.04 per cent to average of E13.30. The weakness in the local currency was largely due to the worsening in the current account deficit and weak economic growth in South Africa, which came in lower than market expectation hence prompting a Rand sell off in the period under review.

Fuelling further losses of the Rand has been the positive economic outlook in the US coupled with a renewal and intensification of the US trade protectionism policy on steel

and aluminium imports which put pressure on emerging market economies. Subsequently, the local unit depreciated by 4.6 per cent against the Pound Sterling to average E17.67 compared to the previous month. Against the Euro, the local unit depreciated by 4.7 per cent to average E15.53 compared to the previous month following the news that the European Central Bank (ECB) would soon start discussions to phase out its the quantitative easing (QE). The Lilangeni closed the month under review weaker at E13.69 to the US dollar, E17.96 to the Pound Sterling and E15.94 to the Euro.

Average Exchange Rates: June 2017 to June 2018.



Source: www.centralbank.org.sz, 2018

OTHER ACTIVITIES

RETIREMENT FUNDS BREAKFAST SEMINAR

The SSX staff together with the Escrow Team attended this event hosted by Fiduciary Trusteeship Services at the Royal Swazi Spa on April 11, 2018. The keynote speaker was Ms Sara Mezui-Engo, Manager Alternative Investments at the Government Institutions Pension Fund of Namibia. Among Panelists attending were Mr Sandile Dlamini, CEO at Financial Services Regulatory Authority; Ms Jolly Mokorosi, Professional Trustee and Mr Andrew Le Roux, Executive Director at Montigny Group and President of the Federation of Swaziland Employers & Chamber of Commerce.

The SSX staff exhibited at the event while the Escrow Systems team presented on the updates of the Automation Project and the CEO, FSRA highlighted that the SSX will now be able to trade more products on the automated platform, which could not be traded while under the Manual Call over System due to their nature, such as ETFs, REITs, etc.

WORKSHOP ON UPDATES ON THE AUTOMATION OF THE SSX TRADING PLATFORM AND INVESTOR ACCOUNT OPENING – PARLIAMENT

On April 12, 2018 the SSX staff held a workshop for both Houses of Parliament to educate them on how to open Investment accounts and the dematerialisation process as the SSX moves towards the automated trading platform. This meeting was well attended by Senators, Members of Parliament, Stockbrokers, Transfer Secretaries and Mobile Network Operator. The SSX was also accompanied by the Escrow Systems team who presented on the updates on the Automation Project and also assisted with technical clarifications.

Deputy President of the House of Senate, Senator Ngomyayona Gamedze highlighted in his Welcome Remarks that they were looking forward to this new technology that is set to change the Exchange trading landscape as the country moves towards realising the King’s Vision 2022.

Every representative of the Members of the Exchange and others who will be dealing directly with the ATS had a chance to workshop the Parliamentarians on their duties/operations. The enthusiasm and questions from both Houses of Parliament showed that they are upbeat about the imminent go-live of the ATS.

In his Closing Remarks, Speaker of the House of Assembly, Honourable Themba Msibi expressed his appreciation to everyone for attending and the positive spirit displayed by all at the event. He highlighted that this initiative was also good for financial inclusion purposes.

COMMERCE INDZABA – UNIVERSITY OF SWAZILAND

On April 12, 2018 the SSX was also represented at the Annual Commerce Indzaba held at the University of Swaziland, Kwaluseni Campus. Companies were represented at this Indzaba, and the SSX had a stall, which students visited to source out more information about the SSX, and enquire about career opportunities available in the Finance space.

Students were excited to learn more about the SSX and its operations as well as the well anticipated automated trading platform which is expected to be launched in the coming months.

7TH ASEA BAFM CAPACITY BUILDING SEMINAR

The SSX Manager represented the Exchange at the 7th ASEA Building African Financial Markets (BAFM) Capacity Building Seminar hosted by Nairobi Securities Exchange (NSE) on April 19 – 20, 2018 at Villa Rosa Kempinski Hotel, Nairobi, Kenya. Mr Mangaliso Lushaba from the Capital Markets Development Division represented the Regulator at the same Seminar.

The theme was “Adaptive Innovation as a Lever for the Growth and Sustainable Development of African Financial Markets”. Speakers were from all spheres of the globe and presented on topics covering Disruptive technologies that are reshaping the future of

African financial markets, with M-Akiba as a case in point; Blockchain as the future of finance; RegTech on leveraging technology in the effective risk management and regulation of African financial markets and FinTech as an enabler for sustainable development. Building blocks for innovative markets as a guide for managing cyber risk was also deliberated on as almost all global markets have been targets for cybercrimes in recent years.

The seminar was a good learning platform for all financial markets players, whether in money markets or capital markets.

SSX AUTOMATION WORKING PARTY COMMITTEE

Whilst the Escrow Systems team was on the ground in Swaziland, a working party committee was formed comprising of members of the Exchange, namely Transfer Secretaries (PwC and KPMG), Stockbrokers (African Alliance and Swaziland Stockbrokers Limited), the Central Bank and Mobile Network Operator (MTN). This team met three times to run through the sprints set out for each party to have achieved before the go-live date of the automated trading platform. This party continues to work hand in hand via emails and skype for communications and updates until the integration with the CBS and mobile settlement with MTN is finalised.

JOB EVALUATION, GRADING AND PERFORMANCE MANAGEMENT WORKSHOP

The FSRA commissioned Deloitte Advisory Services to do a Job Evaluation, Grading and Performance Management exercise using the Paterson Job Evaluation Methodolgy. Take aways from the workshop which was facilitated by Ms. Debbie Hayter on May 2, 2018 were:

- Job Descriptions or Job Profiles should be detailed, but not too detailed to look like a standard operating procedure.**
- On Experience and Qualifications, it is all about what is required for the relevant job. Separate people from the job information, it is purely about the job.**
- On Job Evaluation or Job Grading, she mentioned that this does not equate to pay. Jobs of the same complexity should have the same pay. More complex jobs should get a higher pay than less complex jobs. Volume does not equate to higher pay, so long as the complexity is the same. But if they do more with an additional complexity, then there should be a higher pay.**
- Job Evaluation should not change just because a job has changed. It is not a negotiation forum.**
- It is not a hold-all for-all remuneration decision. A Job grade cannot solve a salary issue.**

Job Evaluation is not a means to reward performance, but Pay/Salary rewards performance.

- Separate Pay against Grading. Do not grade a job based on salary. A job grade cannot resolve a salary issue.

- On Fairness, staff should be satisfied that the job descriptions have been done competently and fairly. As Consultants, they grade Job Content, not Job Titles. She emphasised that Job Titles are problematic, as sometimes you give a person a Title just to please them and some are given lower titles than what they are supposed to be. Thus, Job Title Standardisation is needed.

- Job Description is an approach to align remuneration.

- Job Evaluation fails by not communicating job descriptions with staff.

- Manager SSX and Ombudsman of Financial Services will be graded independently of the FSRA.

A Job Evaluation Committee was set up whose role is to interpret the Paterson Job Evaluation Methodology which has 6 decision bands and 6 sub-grading. It was trained on all these. Difficulty emanates from not knowing in which band a job sits, looking at the Organisational Design helps.

FSRA INDUSTRY DAY AT NEW MALL PARKING, MBABANE

The SSX staff in partnership with all FSRA-regulated entities participated in an Industry Day in Mbabane on May 12, 2018. This saw the SSX team educate the people of Hhohho district about the services and products offered by the SSX.

SSX JOB EVALUATION INTERVIEWS

Deloitte Job Architecture Specialist, Ms Candice Karam-Collins conducted interviews of all SSX staff Job Descriptions so as to get a clear understanding of the job contents, tasks, role allocations, reporting structure, etc. to enable her to craft proper job descriptions of all positions.

LISTING PROSPECTING BY PAVILLION COURIERS

On May 16, 2018 the owners of Pavillion Couriers, Mr Sandile Simelane and his wife Ms Thuli Dlamini-Simelane visited the SSX offices to learn about the different options of listing on the SSX, the pros and cons between equities and debt instruments and the Advisory Team needed when bringing a listing on the Exchange. They want to diversify their portfolio by venturing into property development.

SCHOOLS ON EDUCATIONAL TOURS

SSX personnel co-presented with the Central Bank staff to Commercial Students from Baha'i High School who were accompanied by their teachers. The purpose of the event was primarily to provide career guidance to high school students from Grade 10-12. However, for the SSX this served as an opportunity to educate them about the operations of the SSX, extend financial education on capital markets and SSX brand awareness and inform them about the desired knowledge, skills and attributes from prospective employees looking to join the SSX.

They also got to be guided on the Undergraduate degrees to pursue post high school and the career paths to take in the Finance and Accounting fields in terms of Academic and Professional qualifications to pursue after their undergraduate degrees to open doors to the myriad of job opportunities in these fields. The SSX managed to reach out to an estimated 50 students on this day.

FSDIP CAPITAL MARKETS WORKING GROUP MEETING

The SSX staff together with the FSRA, Central Bank of Swaziland, Ministry of Finance and the private sector have selected individuals within the respective offices who will represent them in the implementation of a 3-year strategy plan which runs until 2020. This initiative is supported by the World Bank Group in a bid to grow the Swaziland Economy and increase the speed of the financial sector development. The four pillars of focus are financial stability, inclusion, diversity and modernisation. The Meeting of the working group was held at the Central Bank of Swaziland on May 22, 2018.

FSRA FIRST BI-ANNUAL 2018 CAPITAL MARKETS MEETING

On May 23, 2018 the SSX Staff attended the first Bi-Annual Breakfast meeting of all companies regulated by the FSRA Capital Markets Development Division. The CEO, Mr. Sandile Dlamini touched on a number of key issues pertaining to capital markets in the country. He emphasised the importance and the need for more Public-Private Partnerships, highlighting the need for industry innovation in the different sectors like manufacturing and agricultural products diversity.

On the 50% Local Asset requirement, he mentioned that the Investment Schedule Amendment will be passed by Parliament before it dissolves. It will be staggered over 24 months, with 40% after one year and 10% in the next year.

He also reported about the shift to Risk-based Supervision of the industry by the FSRA, where they will focus more on high risk areas in an entity and thrive to mitigate all inherent risks.

The 2018 High School Essay Competition will be launched this month and he urged all market participants to join in on the efforts of the FSRA with regards to educating the public on the Capital Markets Development Division and the Financial Markets as a

whole. The tentative areas of focus during the competition will be on how we can use technology to grow the economy, and the important role that must be played by the Capital Markets Development Division to grow the economy and that the expected GDP growth of at least 5% is what we should all be focused on achieving.

There was also the announcement of the launch of BSA Version 4 whose training of industry participants has been conducted over the past two weeks and the BSA V4.0 deployment closure meeting is tomorrow, June 8, 2018 at Mountain Inn starting at 9:00 AM.

The CEO also highlighted on progress made on the SSX automation project and that the official launch is expected before Parliament dissolves.

STAFF ATTACHMENTS, JOHANNESBURG, SOUTH AFRICA

Two SSX staff, were attached to South African Stock Exchanges and Clearing and Settlement House, Strate from June 4 - 8, 2018. The team visited three Exchanges; Johannesburg Stock Exchange, 4 Africa Exchange and ZAR X.

The latter two Exchanges are among the four new Exchanges, with A2X and Equity Express Securities Exchange (EESE) that have been licenced by the Financial Sector Conduct Authority (FSCA) in South Africa, and the former being the renowned JSE. Takings from these attachments, were learning more about the processes of the Exchanges, and efficient processes that have been adopted, that can and will assist the Swaziland Stock Exchange as it grows, and moves to an automated trading platform. A greater understanding was gained as far as the two SSX members' job descriptions were concerned, and these lessons will also contribute positively as they undertake their daily activities

Strate was also visited, where a deeper understanding of what clearing houses do was gained, from the technical side of things as well as from an operations point of view, as these two are the driving divisions of a clearing house.

JOB EVALUATION, GRADING AND PERFORMANCE MANAGEMENT POST MORTEM MEETING

The FSRA commissioned Deloitte Advisory Services to do a Job Evaluation, Grading and Performance Management exercise using the Paterson Job Evaluation Methodology. This was facilitated by Ms. Debbie Hayter.

The Job evaluation committee met on 11 June 2018, to get feedback on the Deloitte Advisory Services, from the interviews held in May as well as the Job evaluations and grading of the different job titles in the organisation.

The results were revealed to the committee and how the grading system was done. Some job titles were given new Titles, to clearly distinguish them from similar titles in a different Job category. It was emphasized as to the level of confidentiality of these results, and the sensitivity around these. Heads of Departments to share these with the relevant employees as soon as they have been approved.

4TH PENSION FUNDS INVESTMENT AND MANAGEMENT FORUM, ROYAL SWAZISPA CONVENTION CENTRE, EZULWINI

The Manager Stock Exchange represented the SSX at this event on June 21, 2018. The Minister of Finance stated that Pension Funds should be invested locally, and that is why the Local Asset Requirement (LAR) has been increased from 30% to 50%. Industry participants then requested that as a foundation/basis for this requirement, there should be effective regulation which has to come with an enabling legislation, the Local Asset Status (LAS), which will be used by the ETF companies who want to do inward listings (cross-listings) to apply for local asset status in order for them to be considered as a local asset where investments by local pension funds are concerned.

In other countries Local Asset Status applications are submitted by the Exchange or Pension Fund Administrators on behalf of their pension funds, after screening the scheme/product. There are no formal regulations regarding LAS requirements, but they are requested to highlight the following which forms the basis of whether to grant or deny local asset status:

- Whether these investments by pension funds will create economic activity and development in eSwatini.
- How will Citizens of eSwatini benefit from participating in these ventures.
- Funds raised from investors including pension funds to be used to finance the projects which will be in eSwatini's interest.
- Are there significant Employment and social benefits associated with these ventures.

The Minister also encouraged participants to focus on where their savings are invested to improve employment levels and standards of living of eSwati.

He also highlighted that eSwatini's reliance on trade within SACU affects the country adversely when SACU receipts decline thus, with the dwindling of customs revenue, government has to increase domestic taxes.

In closing he mentioned that government is instituting measures to reduce capital expenditure thus making debt reduction a major policy objective.

Since it is clear that eSwatini will be facing a bad economic environment, participants mentioned that deepening of the financial markets is imperative. This need Investment Unusual for there to be Development Unusual.

Participants also requested government to issue longer-dated bonds following global trends since short-term bonds are a challenge in terms of the turn-around interest payment obligations.

They also lamented laziness in people's approach to understand financial markets, risk and governance issues, stating that people have a silo mentality whereby a person concentrates on what concerns his/her work and clouds out other aspects/fields of knowledge that affect his/her job. Thus, we need to educate ourselves to understand these basic financial principles like cost of capital, GDP, interest rates, exchange rates, inflation rates, etc. Understanding these is a process of developing salience and learning.

Key fundamentals for investment risk analysis were discussed looking at the current issues in pension portfolio management, risk and investment strategies within the context of regulatory changes.

It was emphasized that Trustees should know the characteristics and complexities of asset allocation. They cannot leave it to chance, they just have to have investment expertise. Diversification in asset classes is imperative – agriculture, technology, property, fast moving consumer goods (FMCGs), and any sector of the economy where there are pockets of investment opportunities, or else, use SDGs as a way of investment opportunities in various goals/industries.

Trustees need to write down their interests in the investment mandate, start practising Impact Investing since commercial return is only enough to convince your principals for short-term but long-term investing is beneficial to the owners of the money. Thus Trustees must positively influence the financial, natural, intellectual, manufacturing, social and human capitals so that they think differently about the way decisions are made. Currently, decision making is dragged for longer than necessary.

Trustees should seek more training, and focus should be on individual skills and expertise. Above all, everybody must consider him/herself a Scholar of Investment Management, leaning does not stop.

FIRST NATIONAL BANK (FNB) SHAREHOLDER ANNOUNCEMENT

The milestone announcement was made by FirstRand's Strategic Expansion Executive, Samantha Balsdon at the Royal Villas Hotel, over a high profile breakfast session on June 22, 2018. This was attended by the Minister of Finance, Financial Services Regulatory Authority CEO, Central Bank of Eswatini Governor's representative, Swaziland

Revenue Authority Commissioner General, Swaziland Stock Exchange staff, representatives from the business community and other notable persons in the country's financial services industry.

Pending the formalities and approvals which FNB must undergo, the bank hopes to list on the Swaziland Stock Exchange before the end of this year, in a move that will add much needed vibrancy to the local bourse. The bank will sell the shares through its listing on the exchange and plans to empower ordinary emaSwati with the minimum twenty per cent (20 %) public float of its shares.

ASEA DISRUPTIVE TECHNOLOGY WORKING GROUP WEBEX MEETING

On June 28, 2018, the SSX joined this WG's first WEBEX meeting hosted by Mr. David Irungu from the Nairobi Securities Exchange which is also the permanent ASEA Secretariat. Mr. Waggema was managing the group on behalf of the Chair, Mr. Geoffrey Odundo, the CEO of NSE. This was attended by other Stock Exchanges in; Nairobi, Casablanca, JSE to name a few.

Matters discussed included meeting times of this working group, which should be at least four times in a year or quarterly. Members were encouraged to study the 4th Industrial Revolution and the potential disruptive technologies thereof and take a leading role with the Block chain, Crypto currency, Artificial Intelligence phenomenon than to ignore it as the world is moving in that direction. It was further alluded that the new technology will increase Integration efforts of member exchanges, and increase the liquidity of the emerging exchanges as well as increase the reach that the exchanges can achieve.

Members were encouraged to indigenise product offerings and also match product launches to the preparedness and appetite of the local market.

Members added that more education and making information available is needed, and members are encouraged to take this with high interest as it will make the working group more vibrant. Other members added that there is a need to also include other members of the exchanges (such as Stockbrokers, CSDs and Regulators of Financial Markets in the working groups, either as strategic members or partners.

An upcoming conference on Block Chain was announced, that will take place in Mauritius, and members to be sent the official invite as soon as dates have been finalised. Members would work on trying to subsidize these trainings for all ASEA members.

To sum it all, Exchanges have to be leading in terms of Disruptive Technologies instead of waiting to be disrupted.

The Member Exchanges of the Working Group are as follows:

1. Mr. Mohamed Saad, CIO, Casablanca Stock Exchange
2. Mr. Tshwantsho Matsena, CIO, Johannesburg Stock Exchange

3. Mr. Adekunle Ewuosho, Head Market Services, Nigerian Stock Exchange
4. Mr. Phil Daka, Lusaka Stock Exchange
5. Mr. Moussa Davou, BRVM
6. Mr. Emmanuel Alao, VP of Business Innovation, FMDQ Securities Exchange
7. Mr. Kopano Mogorosi, Head of IT Botswana Stock Exchange
8. Mr. Khaled Amer, IT Director, Egyptian Exchange
9. Ms. Joyce Dlamini, Manager Swaziland Stock Exchange
10. Mr. Irungu Waggema, Head of Information Technology, Nairobi Securities Exchange

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The Central Bank reported that draft papers on Repurchase Agreements and Retail Bonds have been prepared and submitted to their Legal Department for review. It is expected that these will be operational within the current fiscal year.

ANTI-CORRUPTION SEMINAR HOSTED BY THE FEDERATION OF SWAZILAND EMPLOYERS & CHAMBER OF COMMERCE (FSE & CC)

The Manager Stock Exchange represented the SSX at this event on June 29, 2018 at Royal Villas, eZulwini. The Keynote Speaker was Professor and Advocate Thuli Madonsela, Chair of Social Justice Stellenbosch University, Founder of Thuma Foundation, former South African Public Protector and Member of Transparency International's Anti-Corruption Council who delved deep on how to promote good corporate governance and combat corruption in the Public Sector. She mentioned that since the African Union (AU) has declared 2018 as our Anti-Corruption Year, it has boosted the political will of all African countries thus, in eSwatini we need to revise our Corruption Act.

She mentioned that the cost of corruption was that it gives opportunities to the wrong people who unfortunately, are not the most able. It prevents democracy, erodes public trust, a threat to social cohesion, calls for the survival of the unfittest and compromises law enforcement.

She emphasised that we should practise EPIC Leadership which calls for leaders to be Ethical, Purpose-driven, Impact Conscious and Committed to serve.

SSX personnel co-presented with the Central Bank staff, on different dates, to Commercial Students from Mhlatane High School, Bulunga High School and Ekuphakameni Central High School who were accompanied by their teachers. The purpose of these tours are primarily to provide career guidance to high school students from Grade 10-12. However, for the SSX this served as an opportunity to educate them about the operations of the SSX, extend financial education on capital markets and SSX brand awareness and inform them about the desired knowledge, skills and attributes from prospective employees looking to join the SSX.

They also got to be guided on the Undergraduate degrees to pursue post high school and the career paths to take in the Finance and Accounting fields in terms of Academic and Professional qualifications to pursue after their undergraduate degrees to open doors to the myriad of job opportunities in these fields. The SSX managed to reach out to an estimated 80 students on scheduled days.

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