



# FIRST (1<sup>ST</sup>) QUARTER REVIEW JANUARY - MARCH 2020

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## LISTED EQUITY COMPANIES

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

There are currently 8 listed companies on the ESE Main Board namely:

- RSSC Limited (34.71%) - Sugar and ethanol products
- SBC Limited (20.36%) – Holding Company
- Swaziland Empowerment Limited (16.66%) – Holding Company
- Greystone Partners (12.67%) – Private Equity
- Nedbank (7.57%) – Banking
- SWAPROP (4.73%) – Real Estate
- Royal Swaziswa Holdings (1.08%) – Hospitality
- Inala Capital (2.22%) – Emerging Markets

There was no new listing in the period under review, the ESE will continue to engage stakeholders in a bid to get more listings (both domestic and foreign).

**TABLE 1: LISTED EQUITY COMPANIES**

	Jan 2020	Feb 2020	Mar 2020
Total companies listed	8	8	8
New entrants/listings	0	0	0
Domestic Companies	8	8	8
Foreign Companies	0	0	0

Source: ESE Trading Statistics, 2020

**TABLE 2: QUARTERLY PERFORMANCE**

EQUITIES	ISIN CODE	RULING PRICE	RULING PRICE	(%) CAPITAL	MKT CAP	MKT CAP %	MKT CAP	MKT CAP %
		DEC '19	MAR '20	GAINS YIELD	DEC '19	DEC '19	MAR '20	MAR '20
Nedbank	SZ0005797904	1180	1230	4,24%	282 039 222	7,36%	293 990 037	7,57%
Royal Swazi Sugar (RSSC)	SZ0005797920	1400	1400	0,00%	1 348 851 280	35,21%	1 348 851 280	34,71%
Swd Empowerment (SEL)	SZE000331015	3418	3500	2,40%	632 330 000	16,51%	647 500 000	16,66%
Swaprop	SZ0005797946	790	790	0,00%	183 743 335	4,80%	183 743 335	4,73%
Swaziswa Holdings	SZ0005797938	600	600	0,00%	41 966 964	1,10%	41 966 964	1,08%
Greystone Partners	SZE000331023	330	347	5,15%	468 060 321	12,22%	492 172 520	12,67%
SBC Limited	SZE000331031	820	820	0,00%	791 218 000	20,65%	791 218 000	20,36%
Inala Capital	SZE000331049	115	120	4,35%	82 793 100	2,16%	86 392 800	2,22%
					3 831 002 222	100,00%	3 885 834 936	100,00%

Source: ESE Trading Statistics, 2020

## MARKET CAPITALISATION

ESE Market Capitalisation ended the 1<sup>st</sup> Quarter with a value of E3.89 billion, reflecting an increase of 1.43% from the previous quarter's close of E3.83. The increase in the market capitalisation was due to share price increases from Nedbank, SEL, Greystone and Inala in the quarter. Year-on-year, the Market Capitalisation realised a 6.54% gain from E3.65 billion in the 1<sup>st</sup> Quarter of 2019 to E3.89 billion at the end of the 1<sup>st</sup> Quarter in 2020.

**GRAPH 1: ESE MARKET CAPITALISATION '19 vs '20**



Source: ESE Trading Statistics 2020

## MARKET INDICATORS

Name of Index	Dec 2019	Jan 2020	Feb 2020	Mar 2020
ESE All Share Price Index	444.29	446.05	449.26	450.65

## COMPARISON OF INDEX PERFORMANCES IN 1<sup>st</sup> Quarter OF 2019 AND 2020

Name of Index	MAR 2019	MAR 2020	% Change
ESE All Share Price Index	422.97	450.65	6.54▲

## MARKET CAPITALISATION IN 1<sup>st</sup> Quarter 2020

	Dec 2019	Jan 2020	Feb 2020	Mar 2020
Market Capitalisation	3 831 002 223	3 846 172 223	3 873 884 121	3 885 834 935

## COMPARISON OF MARKET CAPITALISATION IN 1<sup>st</sup> Quarter 2019 AND 2020

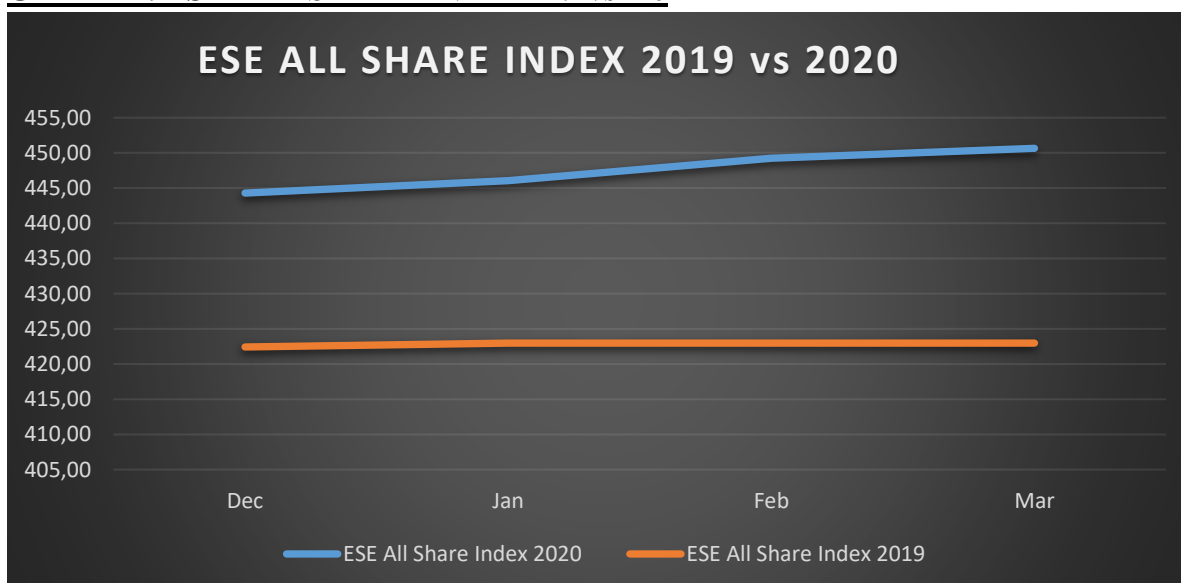
	MAR '19	MAR '20	% Change
Market Capitalisation	3 647 149 892	3 885 834 935	6.54%▲

Source: ESE Trading Statistics 2020

## ESE ALL SHARE INDEX TREND

The ESE All Share Index increased to 450.65, representing a 1.43%▲ increase from the previous quarter's close of 444.29. Trading during the 1<sup>st</sup> Quarter increased, as evidenced by the share price in Nedbank, SEL, Greystone and Inala Capital. Year on the, the all share index increased from 422.97 to 450.65 reflecting a 6.54% increase.

## GRAPH 2: ESE ALL SHARE INDEX '19 vs '20



Source: ESE Trading Statistics 2020

## 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 31<sup>st</sup> MARCH 2020**

COMPANY NAME	SHARE PRICE DEC 19	SHARE PRICE MAR 20	(%) GAINS	MKT CAP (SZL)
Nedbank Limited	1180	1230	4.24%	293 990 037
RSSC	1400	1400	0,00%	1 348 851 280
SEL	3418	3500	2.40%	647 500 000
Swaprop	790	790	0,00%	183 743 335
Swazispa Holdings	600	600	0,00%	41 966 964
Greystone Partners	330	347	5.15%	492 172 520
SBC Limited	820	820	0.00%	791 218 000
Inala Capital	115	120	4.35%	86 392 800
<b>TOTAL</b>				<b>3 885 834 935</b>

Source: ESE Trading Statistics, 2020

### EQUITY TURNOVER

A total turnover of E574,807.20 was recorded from a sale of 346,598 shares over a total of nine (9) trades concluded over the 1<sup>st</sup> Quarter of 2020. In comparison to the 1<sup>st</sup> quarter of 2019, turnover increased by 23.85%, from E465 119.80 in the previous quarter to E574 807.20 in the current quarter. Trades conducted in the 1<sup>st</sup> Quarter were as follows:

**TABLE 4: VALUE TRADED SUMMARY 1<sup>st</sup> Quarter 2020**

Company	Number of Shares	Share price (cps)	Emalangeni	Date
Inala Capital Limited	119 800	115	137,770.00	08/01/2020
Greystone Partners	1 800	330	5,940.00	27/01/2020
SEL	1 334	3500	46,690.00	27/01/2020
Greystone Partners	17 000	347	58,990.000	04/02/2020
SBC Limited	1 700	820	13,940.00	04/02/2020
Inala Capital Limited	117 000	120	141,240.00	13/02/2020
Inala Capital Limited	97 500	120	117,000.00	03/03/2020
Greystone Partners	2 000	347	6,940.00	03/03/2020
Nedbank Limited	3 764	1230	46,297.20	10/03/2020
<b>TOTAL</b>	<b>346 598</b>		<b>574,807.20</b>	

Source: ESE Trading Statistics, 2020

## CORPORATE BONDS

1<sup>st</sup> Quarter of 2020 realised 5 new note issuances (FIN300, FIN301, FIN302, SML800 and SML801) worth SZL5 119 375, SZL 20 584 658, 20 584 658, 50 000 000 and SZL 50,000,000 respectively. On the other hand, two (2) bonds matured in the quarter (SML500 at SZL 50 million and FIN110 at SZL 7 743 750.00. This saw the cumulative corporate bonds outstanding as of March 31, 2020 increase to SZL 1.29 Billion, from the previous quarter's outstanding amount of SZL1.17 Billion. This marked a 9.99% increase in total bonds outstanding. Year-on-year, total corporate bonds outstanding increased by 10.35%▲.

The Table below shows the listed bonds as at March 31, 2020. (See Corporate Events below for new corporate bond issuances in the period under review).

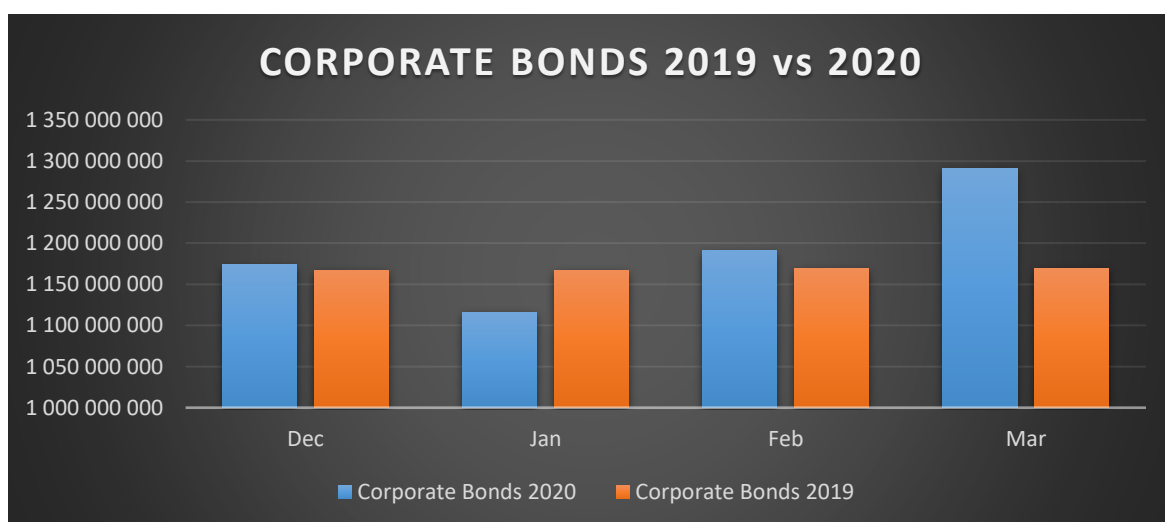
**TABLE 5: CORPORATE BONDS AS AT 31<sup>st</sup> MARCH 2020**

Name	ISIN Code	Coupon	Maturity Date	Nominal Value (SZL)
Select Limited SML406	SZD000551812	13,00	07-Apr-20	20 000 000,00
Select Limited SML408	SZD000551886	13,33	04-Jul-20	10 000 000,00
Select Limited SML501	SZD000551804	12,50	24-Feb-22	8 859 200,00
Select Limited SML502	SZD000551837	13,50	16-Apr-20	30 500 000,00
Select Limited SML503	SZD000551845	14,00	09-Jun-20	50 000 000,00
Select Limited SML504	SZD000551894	13,25	04-Jul-20	10 000 000,00
Select Limited SML505	SZD000551919	13,50	28-Jul-20	26 000 000,00
Select Limited SML506	SZD000551950	13,50	28-Oct-20	17 000 000,00
Select Limited SML507	SZD000551992	13,50	17-Nov-20	2 000 000,00
Select Limited SML508	SZD000552159	12,00	06-Aug-21	1 130 000,00
Select Limited SML600	SZD000551968	13,50	28-Oct-20	9 000 000,00
Select Limited SML601	SZD000551976	13,50	17-Nov-20	9 000 000,00
Select Limited SML603	SZD000552018	13,00	20-Dec-20	20 100 000,00
Select Limited SML604	SZD000552026	13,00	20-Dec-20	10 000 000,00
Select Limited SML605	SZD000552042	13,25	10-Apr-21	21 920 000,00
Select Limited SML606	SZD000552026	11,75	04-May-20	24 200 000,00
Select Limited SML607	SZD000552076	12,50	06-Jun-21	5 000 000,00
Select Limited SML609	SZD000552100	13,75	03-Aug-23	30 000 000,00
Select Limited SML610	SZD000552118	13,50	06-Aug-23	17 540 627,04
Select Limited SML611	SZD000552126	13,00	30-Oct-23	31 500 050,00
Select Limited SML612	SZD000552134	12,00	13-Dec-20	48 257 103,29
Select Limited SML613	SZD000552142	Floating	08-Apr-22	30 000 000,00
Select Limited SML614	SZD000552159	12,25	29-Jun-21	6 735 000,00
Select Limited SML700	SZD000552226	Floating	19-Feb-21	42 809 000,00
Select Limited SML702	SZD000552242	12,00	06-May-22	59 840 000,00

Select Limited SML703	SZD000552275	12,30	08-May-22	9 000 000,00
Select Limited SML704	SZD000552283	12,50	19-Jul-22	12 630 000,00
Select Limited SML705	SZD000552291	11,50	29-Jul-21	7 004 216,71
Select Limited SML706	SZD000552307	Floating	30-Aug-22	15 000 000,00
Select Limited SML707	SZD000552315	12,25	06-Sep-22	9 790 000,00
Select Limited SML708	SZD000552323	13,50	28-Oct-22	22 673 200,00
Select Limited SML709	SZD000552331	13,25	10-Nov-20	30 000 000,00
Select Limited SML710	SZD000552349	12,50	19-Nov-24	50 000 000,00
Select Limited SML711	SZD000552356	0,00	28-Nov-21	78 500 000,00
Select Limited SML800	SZD000552406	12,25	11-Jan-23	50 000 000,00
Select Limited SML801	SZD000552414	12,25	27-Mar-21	50 000 000,00
FINCORP FIN111	SZD000551820	13,00	06-Apr-20	20 000 000,00
FINCORP FIN112	SZD000551845	13,75	09-Jun-20	50 000 000,00
FINCORP FIN201	SZD000552000	13,75	09-May-20	10 000 000,00
FINCORP FIN202	SZD000552034	14,00	30-Mar-23	48 000 000,00
FINCORP FIN203	SZD000552040	11,75	04-May-20	24 200 000,00
FINCORP FIN204	SZD000552084	12,50	06-Jun-21	5 000 000,00
FINCORP FIN205	SZD000552091	11,85	06-Jul-20	6 338 938,32
FINCORP FIN207	SZD000552183	12,00	17-Oct-21	6 000 000,00
FINCORP FIN208	SZD000552191	12,00	08-Nov-21	9 000 000,00
FINCORP FIN209	SZD000552200	12,00	23-Nov-21	11 001 972,00
FINCORP FIN210	SZD000552218	Floating	16-Jan-24	30 000 000,00
FINCORP FIN211	SZD000552267	12,00	04-May-22	47 600 000,00
FINCORP FIN300	SZD000552372	12,25	29-Jan-23	5 119 375,00
FINCORP FIN301	SZD000552380	12,25	10-Feb-21	70 200 000,00
FINCORP FIN302	SZD000552398	12,50	10-Oct-22	20 584 658,00
<b>TOTAL</b>				<b><u>1 289 033 340,36</u></b>

Source: ESE Trading Statistics, 2020

### GRAPH 3: CORPORATE BONDS 1<sup>ST</sup> Quarter 2020



Source: ESE Trading Statistics, 2020

## MATURED/REDEEMED CORPORATE BONDS

**TABLE 6: MATURED/REDEEMED CORPORATE BONDS**

Name	ISIN Code	Coupon	Maturity Date	Nominal Value (SZL)
Select Limited SML 500	SZD000551787	14,50	11-Jan-20	50 000 000,00
FINCORP FIN 110	SZD000551796	13,00	24-Jan-20	7 743 750,00
<b>TOTAL</b>				<b>57 743 750,00</b>

Source: ESE Trading Statistics, 2020

## NEW CORPORATE BOND ISSUANCES

**TABLE 7: NEW CORPORATE BONDS**

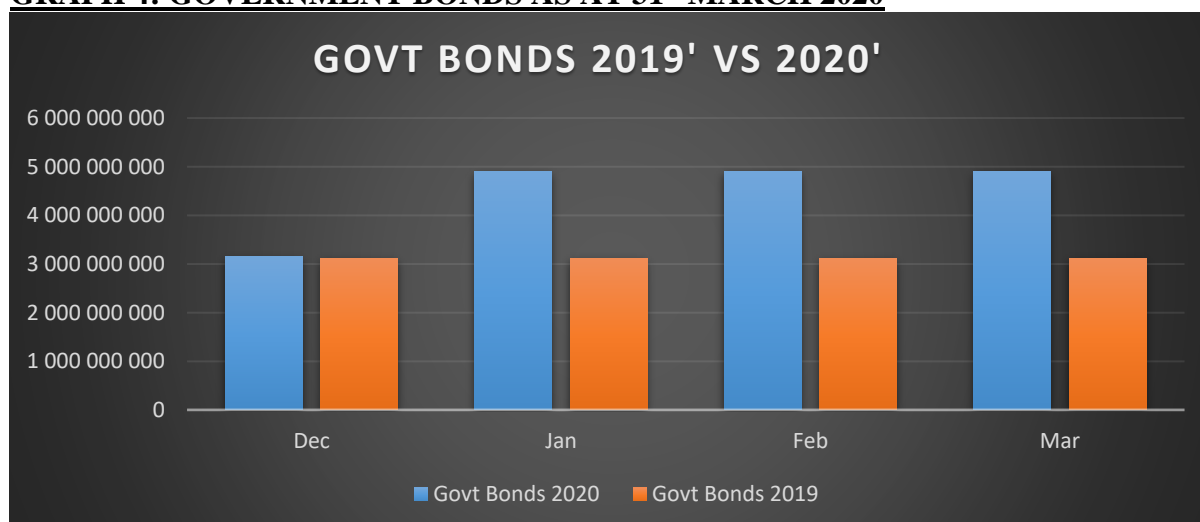
Name	ISIN Code	Coupon	Maturity Date	Nominal Value (SZL)
FINCORP FIN 300	SZD000552372	12,25	29-Jan-23	5 119 375,00
FINCORP FIN 301	SZD000552380	12,25	10-Feb-21	70 200 000,00
FINCORP FIN 302	SZD000552398	12,50	10-Oct-22	20 584 658,00
Select Limited SML800	SZD000552406	12,25	11-Jan-23	50 000 000,00
Select Limited SML801	SZD000552414	12,25	27-Mar-21	50 000 000,00
<b>TOTAL</b>				<b>195 904 033,00</b>

Source: ESE Trading Statistics, 2020

## GOVERNMENT DEBT

During the period under review, Government through the Central Bank of Eswatini (CBE) maintained 24 bonds with different maturities, ranging from 3, 5, 7, 8, 9, and 10 years. Total outstanding bonds as at March 31, 2020 stood at E4.90 billion and two bonds maturing during the period under review. Year-on-year, total government bonds outstanding increased by 62.81%▲. The total outstanding bonds as at March 31, 2020 were as outlined below: -

**GRAPH 4: GOVERNMENT BONDS AS AT 31<sup>st</sup> MARCH 2020**



Source: ESE Trading Statistics 2020



**TABLE 8: ESWATINI GOVERNMENT BONDS AS AT MARCH 31, 2020**

Name	ISIN Code	Coupon	Maturity Date	Allocated Amount (SZL)
Swaziland Government SG017	SZG000441157	8,50	31-Oct-20	100 000 000,00
REOPENING1 SG017			31-Oct-20	100 000 000,00
REOPENING2 SG017			31-Oct-20	51 100 000,00
Swaziland Government SG018	SZG000441162	9,25	31-Jan-24	100 000 000,00
REOPENING 1 SG018			31-Jan-24	100 000 000,00
REOPENING 2 SG018			31-Jan-24	23 440 000,00
REOPENING 3 SG018			31-Jan-24	300 000 000,00
Swaziland Government SG022	SZG000441207	Floating	25-Sep-22	96 035 000,00
Swaziland Government SG023	SZG000441215	8,75	30-Nov-20	250 000 100,00
REOPENING 1 SG023			30-Nov-20	76 390 000,00
Swaziland Government SG025	SZG000441231	10,00	20-Jun-21	178 050 000,00
REOPENING 1 SG025			20-Jun-21	169 240 000,00
Swaziland Government SG026	SZG000441248	Floating	31-Aug-23	178 650 000,00
Swaziland Government SG027	SZG000441256	10,75	31-Oct-26	171 650 000,00
REOPENING 1 SG027			31-Oct-26	100 500 000,00
REOPENING 2 SG027			31-Oct-26	592 548 000,00
Swaziland Government SG029	SZG000441272	10,50	28-Feb-22	129 260 000,00
REOPENING 1 SG029			28-Feb-22	0,00
Swaziland Government SG030	SZG000441280	10,25	30-Jun-24	134 495 000,00
Swaziland Government SG031	SZG000441322	10,00	31-Jan-25	150 000 000,00
REOPENING 1SG031			31-Jan-25	400 000 000,00
Swaziland Government SG033	SZG000441355	9,25	29-Jun-23	95 150 000,00
REOPENING 1SG033			29-Jun-23	60 000 000,00
REOPENING 2SG033			29-Jun-23	43 100 000,00
REOPENING 3SG033			29-Jun-23	0,00
Swaziland Government SG034	SZG000441363	9,75	29-Jun-25	18 000 000,00
REOPENING 1 SG034			29-Jun-25	50 000 000,00
REOPENING 2 SG034			29-Jun-25	53 000 000,00
REOPENING 3 SG034			29-Jun-25	0,00
Swaziland Government SG035	SZG000441371	10,25	29-Jun-28	16 690 000,00
REOPENING 1 SG035			29-Jun-28	50 070 000,00
REOPENING 2 SG035			29-Jun-28	39 410 000,00
Swaziland Government SG036	SZG000441389	9,00	31-Aug-21	0,00
Swaziland Government SG039	SZG000441422	9,10	31-Jan-22	2 230 000,00
REOPENING1 SG039			31-Jan-22	10 000 000,00
REOPENING2 SG039			31-Jan-22	45 000 000,00
REOPENING3 SG039			31-Jan-22	6 170 000,00
Swaziland Government SG040	SZG000441430	9,40	31-Jan-24	3 010 000,00
REOPENING1 SG040			31-Jan-24	30 000 000,00
REOPENING2 SG040			31-Jan-24	51 150 000,00
REOPENING3 SG040			31-Jan-24	60 000 000,00
Swaziland Government SG041	SZG000441448	9,85	31-Jan-26	3 000 000,00
REOPENING1 SG041			31-Jan-26	25 000 000,00

REOPENING2 SG041			31-Jan-26	41 000 000,00
REOPENING3 SG041			31-Jan-26	34 000 000,00
REOPENING4 SG041			31-Jan-26	0,00
Swaziland Government SG042	SZG000441455	10,25	31-Jan-29	10 900 000,00
REOPENING1 SG042			31-Jan-29	45 500 000,00
REOPENING2 SG042			31-Jan-29	38 627 000,00
REOPENING3 SG042			31-Jan-29	34 090 000,00
REOPENING4 SG042			31-Jan-29	12 130 000,00
Swaziland Government SGIFB001	SZG000441297	9,75	31-Jul-22	42 320 000,00
Swaziland Government SGIFB002	SZG000441306	10,00	31-Oct-25	222 020 000,00
Swaziland Government SGIFB003	SZG000441314	10,25	29-Dec-26	54 402 000,00
Swaziland Government SGIFB004	SZG000441348	Floating	29-Mar-28	130 400 000,00
Swaziland Government SGIFB005	SZG000441356	9,75	31-May-26	111 820 000,00
Swaziland Government SGIFB006	SZG000441397	9,50	28-Sep-24	40 000 000,00
Swaziland Government SGIFB007	SZG000441497	7,75	31-Jul-26	24 220 000,00
<b>TOTAL</b>				<b>4 903 767 100,00</b>

Source: ESE Trading Statistics, 2020

## MATURED/REDEEMED GOVERNMENT BONDS

There was no government bond that matured during the quarter under review.

Name	ISIN Code	Coupon	Maturity Date	Nominal Value (SZL)

Source: ESE Trading Statistics, 2020

## NEW GOVERNMENT BOND ISSUANCES

There were no new government bonds that commenced trading during the quarter under review.

Name	ISIN Code	Coupon	Maturity Date	Nominal Value (SZL)
<b>TOTAL</b>				

Source: ESE Trading Statistics, 2020

## **ESE MEMBERS**

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In the period under review ESE had the following Members:

### **Stockbroking Firms**

**Swaziland Stockbrokers Limited**  
**African Alliance Eswatini Securities Limited**

### **Exempt Dealers**

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

### **Debt Sponsors**

**Central Bank of Eswatini**

**TABLE 9: ESE MEMBERS**

	<b>Jan 2020</b>	<b>Feb 2020</b>	<b>Mar 2020</b>
<b>No. of Stockbroking Firms</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>No. of Exempt Dealers</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>No. of Debt Sponsors</b>	<b>1</b>	<b>1</b>	<b>1</b>

*Source: ESE Trading Statistics, 2020*

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## **CORPORATE EVENTS ON THE ESE**

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- 1. Corporate bond SML500 worth SZL 50 million matured trading on the ESE in January 2020.**
  - 2. Corporate bond FIN110 worth SZL 7,743,750 matured trading on the ESE in January 2020.**
  - 3. Corporate bond FIN300 worth SZL 5 119 375.00 Commenced trading on the 29<sup>th</sup> January 2020.**
  - 4. Corporate bond FIN301 worth SZL 70 200 000.00 Commenced trading on the 10<sup>th</sup> February 2020.**
  - 5. Corporate bond FIN302 worth SZL 20 584 658.00 Commenced trading on the 10<sup>th</sup> February 2020.**
  - 6. Corporate bond SML800 worth SZL 50 000 000.00 Commenced trading on the 31<sup>st</sup> March 2020.**
  - 7. Corporate bond SML801 worth SZL 50 000 000.00 Commenced trading on the 27<sup>th</sup> March 2020.**
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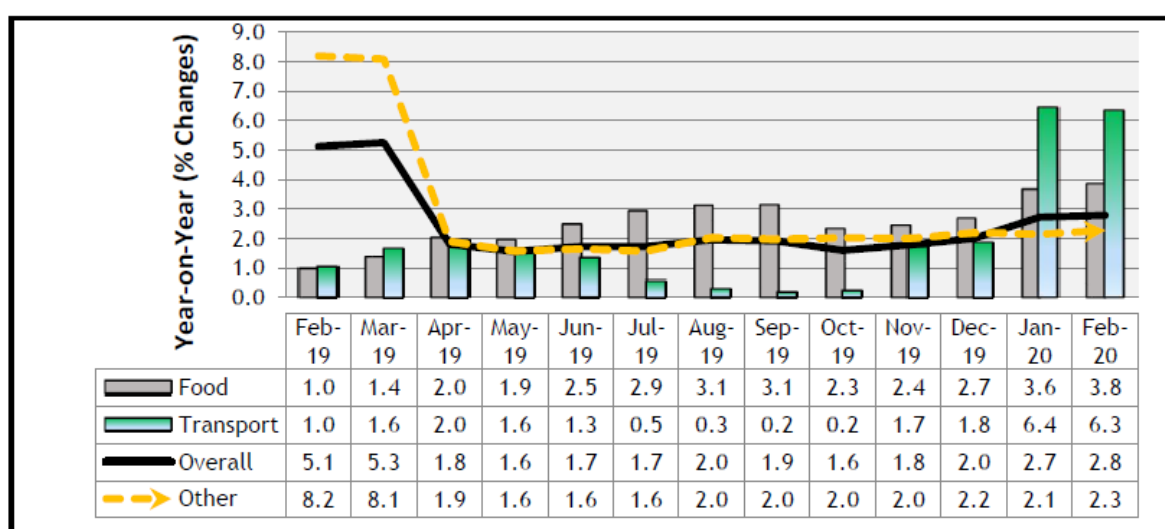
## ECONOMIC BRIEF

### INFLATION

The country's annual consumer inflation maintained a gradual upward trend, increasing to 2.8 per cent in February 2020 compared to 2.7 per cent in January 2020. Inflationary pressures emanated from the price indices for 'food and non-alcoholic beverages', 'clothing and footwear' and 'household furniture and maintenance'. Food inflation rose to 3.8 per cent in February 2020 from 3.6 per cent in the previous month, mainly driven by increases in the prices for 'bread and cereals', 'milk, cheese and eggs' and 'oils and fats'. Similarly, the price index for 'clothing and footwear' grew by 0.8 of a percentage point, while the price index for 'household furniture and maintenance' grew by 0.5 percentage point during the period under review.

The above increases were partially counteracted by decreasing rates of growth in the price indices for 'transport' and 'health care'. Following a significant increase in the 'transport' index to 6.4 per cent in January 2020 (due to an increase in public transport fares), it slightly slowed to 6.3 per cent in February 2020. This mainly benefitted from decreases in the prices for 'purchase of vehicles' and 'spare parts and accessories for personal transport equipment'. The index for 'health care' declined by 0.3 of a percentage point to record 1.0 per cent in February 2020, owing to decreases in the prices for 'medical products, appliances and equipment', 'pharmaceutical products and 'other medical products. Additional deflationary pressures emanated from the 'housing and utilities' index that remained flat during the period under review.

**Figure 2: Inflation Trends: February 2019 to February 2020**



Source: Central Statistical Office and Central Bank of Eswatini

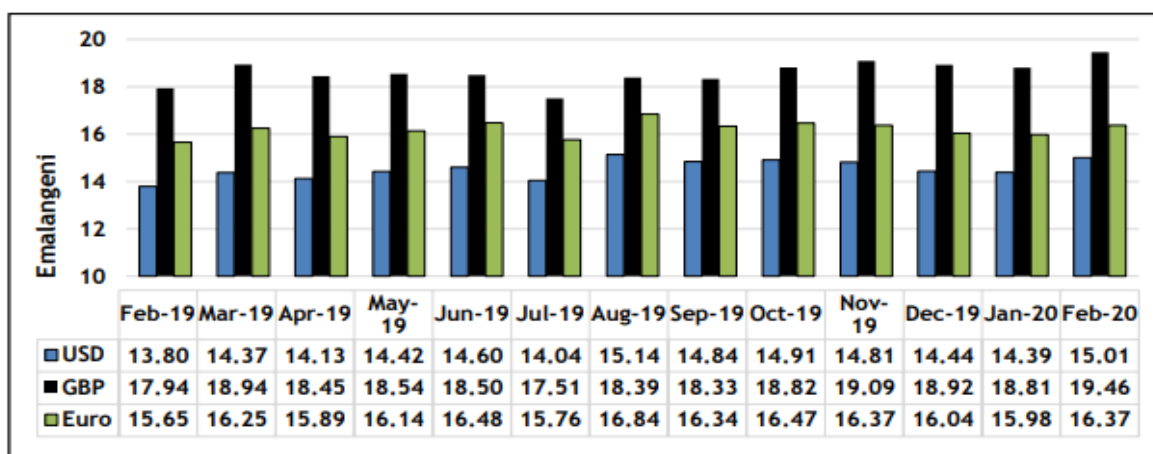
On month-on-month basis, consumer inflation increased by 0.7 per cent in February 2020 compared to 0.6 per cent in the previous month. The ‘education’ index increased by 6.8 per cent in February 2020, after recording no change in the previous month. This increase was partially offset by slower increases in the price indices for ‘transport’ and ‘food and non-alcoholic beverages’.

Core inflation, which is CPI excluding volatile items such as food, fuel and energy, increased to 2.9 per cent in February 2020, from 2.8 per cent in January 2019, broadly in line with increases in the prices of both ‘goods’ and ‘services’. On month-on-month basis, core inflation increased to 1.2 per cent in February 2020 from 0.4 per cent the previous month.

### **EXCHANGE RATES**

During the month of February 2020, the Lilangeni/Rand suffered great losses and depreciated against the major trading partners. Against the US Dollar, the Lilangeni/Rand depreciated by 4.31 per cent reaching an average of E15.01 per US Dollar. The Lilangeni/Rand fell under the pressure of the fast spreading coronavirus COVID-19 and the growing concerns on South Africa’s credit ratings. While the spread of the virus to the other parts of the world especially outside China has negative effects on Emerging Market currencies including the Rand, the unfavourable performance of South Africa’s economy aggravated the Rand losses. The ongoing cuts in electricity supply that shrank economic activity especially in key sectors of the economy prompted a downward review of South Africa’s economic outlook by Moody’s, intensifying fears of a possible downgrade of South Africa’s sovereign credit rating to a junk status. Against the Euro, the Lilangeni/Rand depreciated and traded at an average of E16.37 from E15.98 in the previous month. The Lilangeni/Rand weakened against the Sterling Pound and traded at an average of E19.46 from E18.81 recorded in February 2020.

**Figure 7: Average Exchange Rates: February 2019 to February 2020.**



Source: Central Bank of Eswatini

The Lilangeni/Rand will continue to take the pressure as the global economy struggles amid the spread of COVID-19. The South African budget speech delivered in February 2020 as market experts see it, failed to live up to market expectations as it did not improve the negative investor sentiments toward the economy, instead it raised more speculation of a credit ratings downgrade by Moody's to be heard in March 2020 which remains a risk on the Lilangeni/Rand. The Lilangeni/Rand ended February 2020 at E15.60 to the US Dollar, E20.09 to the Pound Sterling and E17.15 to the Euro.

## **OTHER ACTIVITIES**

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### **GLOBAL REPORTING INITIATIVE – HILTON GARDEN HOTEL (6<sup>th</sup> FEBRUARY 2020)**

In adopting the World Federation of Exchanges Sustainability Principles, the Eswatini Stock Exchange (ESE) acknowledges the important role markets play in enabling the transition to an inclusive and sustainable global economy.

This was said by Global Reporting Initiative Director Douglas Kativu during a workshop held at the Hilton Garden Inn last Friday. He said the exchanges, given their central role in financial markets, could shape the understanding, appreciation and integration of environmental, social, and governance (ESG) issues in capital markets pursuant to long term health and resilience of the markets as well as sustained returns growth.

Sustainability principles identified the need to educate and build the capacity of investors, issuers and market participants on ESG risks and opportunities. Kativu said enhanced accountability and transparency by listed companies would engender trust and confidence of investors critical for resilient capital markets, and sustained returns and growth. "Listed companies will enhance their competitiveness with regards to improved operational efficiencies, risk management, innovation and market access. Collaborating with GRI will provide opportunities for ASEA and member exchanges to enhance their knowledge and capacity of GRI sustainability," he added.

Meanwhile, Financial Services Regulatory Authority Acting Chief Executive Officer Gugu Makhanya stated that the African Securities Exchanges Association (ASEA) and the Global Reporting Initiative (GRI) which was a leading organisation in sustainability reporting, were collaborating to enhance the integration of ESG issues and disclosure within African Capital Markets. She said the partnership would support the development of ESG Disclosure Guidance by ASEA exchanges, which would apply to listed companies in their markets. Not only that but they will also facilitate training and capacity building of listed companies on sustainability

reporting. “The collaboration supports and gives effect to ASEA’s Sustainability Roadmap and World Federation of Exchanges (WFE) sustainability principles,” she said.

**DEMATERIALIZATION – MINISTER OF FINANCE (10<sup>th</sup> FEBRUARY 2020)**

Every deposited, registered or listed security shall be dematerialised within 18 months. This was disclosed by Minister of Finance, Neal Rijkenberg, through Legal Notice No. 44 of 2020 under the Security Act of 2010. Rijkenberg said this would happen 18 months from February 10, 2020. All deposited, registered or listed security shall be dematerialised by August 10, 2021.

**NATIONAL FINANCIAL INCLUSION STRATEGY FOR 2017-2022 MID-TERM EVALUATION; MOUNTAIN INN MBAABNE (4-6 MARCH 2020)**

The Centre for Financial Inclusion together with the Ministry of Finance, invited industry players to make contributions on the Mid Term evaluation for the National Financial Inclusion Strategy. An action Plan was given to stakeholders to implement as well as findings discussed on how far each stakeholder had gone with the Action Plan, difficulties and challenges faced. Regulators (Central Bank of Eswatini & Financial Services Regulatory Authority), FinMark Trust, Gender Unit, and Government were all represented.

**EASE OF DOING BUSINESS INDUSTRY CONSULTATIONS; Happy Valley Hotel (08 March 2020), Esibayeni Lodge (09 March 2020)**

Industry participants from different sectors assembled to discuss issues pertaining to the Ease of Doing business. The two sessions were graced with the presence of Honourable members of Parliament, Banking, Regulators, Small Business owners, members of the public as contributors on how Ease of Doing business is affected in the local economy and the efforts done towards improving the current rating of Eswatini.

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