



FOURTH (4th) QUARTER REVIEW OCTOBER - DECEMBER 2019

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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 (36.11%) - Sugar and ethanol products
- SBC Limited (20.92%) – Holding Company
- Swaziland Empowerment Limited (16.93%) – Holding Company
- Greystone Partners (11.96%) – Private Equity
- Nedbank (7.17%) – Banking
- SWAPROP (3.77%) – Real Estate
- Royal Swazispa Holdings (1.12%) – Hospitality
- Inala Capital (2.02%) – 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

	Oct 2019	Nov 2019	Dec 2019
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, 2019

TABLE 2: QUARTERLY PERFORMANCE

Source: ESE Trading Statistics, 2019

MARKET CAPITALISATION

ESE Market Capitalisation ended the 4th Quarter with a value of E3.83 billion, reflecting an increase of 1.16% from the previous quarter's close of E3.79. The increase in the market capitalisation was due to share price increases from Nedbank and Swaprop in the quarter. Year-on-year, the Market Capitalisation realised a 5.18% gain from E3.64 billion in the 4th Quarter of 2018 to E3.83 billion at the end of the 4th Quarter in 2019.

GRAPH 1: ESE MARKET CAPITALISATION '18 vs '19



Source: ESE Trading Statistics 2019

MARKET INDICATORS

Name of Index	Sept 2019	Oct 2019	Nov 2019	Dec 2019
ESE All Share Price Index	439.18	440.29	443.17	444.29

COMPARISON OF INDEX PERFORMANCES IN 4th Quarter OF 2018 AND 2019

Name of Index	DEC 2018	DEC 2019	% Change
ESE All Share Price Index	422.42	444.29	5.18 ▲

MARKET CAPITALISATION IN 4th Quarter 2019

	Sept 2019	Oct 2019	Nov 2019	Dec 2019
Market Capitalisation	3 786 902 946	3 796 478 053	3 821 353 223	3 831 002 223

COMPARISON OF MARKET CAPITALISATION IN 1st Quarter 2018 AND 2019

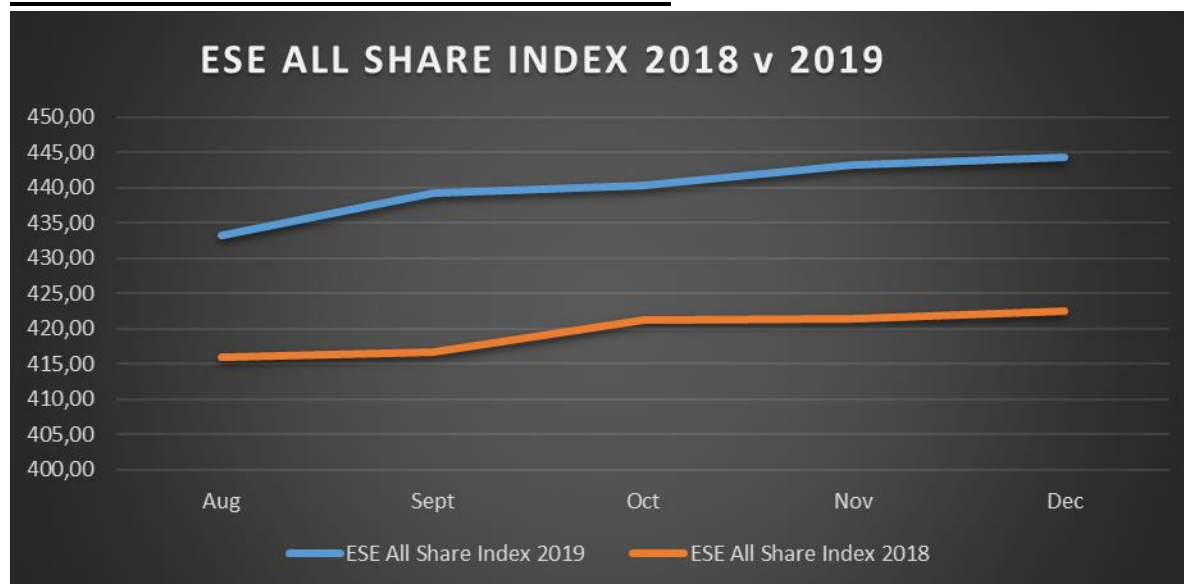
	DEC '18	DEC '19	% Change
Market Capitalisation	3 642 369 566	3 831 002 223	5.18 ▲

Source: ESE Trading Statistics 2019

ESE ALL SHARE INDEX TREND

The ESE All Share Index increased to 444.29, representing a 1.16% increase from the previous quarter's close of 439.18. Trading during the 4th Quarter increased, as evidenced by the share price in Nedbank and Inala Capital. Year on the, the all share index increased from 422.42 to 444.29 reflecting a 5.18% increase.

GRAPH 2: ESE ALL SHARE INDEX '18 vs '19



Source: ESE Trading Statistics 2019

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 SEPTEMBER 2019

COMPANY NAME	SHARE PRICE SEP 19	SHARE PRICE DEC 19	(%) GAINS	MKT CAP (SZL)
Nedbank Limited	1155	1180	2,16%	282 039 222
RSSC	1400	1400	0,00%	1 348 851 280
SEL	3418	3418	0,00%	632 330 000
Swaprop	790	790	0,00%	183 743 335
Swazispa Holdings	600	600	0,00%	41 966 964
Greystone Partners	315	330	4,76%	446 784 852
SBC Limited	810	820	1,23%	781 569 000
Inala Capital	105	115	9,52%	79 193 400
TOTAL				3 796 478 053

Source: ESE Trading Statistics, 2019

EQUITY TURNOVER

A total turnover of E143, 392.50 was recorded from a sale of 18, 750 shares over a total of six (6) trades concluded over the 4th Quarter of 2019. In comparison to the 2nd quarter of 2019, turnover decrease by 99.82%, from E82 466 852.00 in the previous quarter to E143 302.50 in the current quarter. Trades conducted in the 4th Quarter were as follows:

TABLE 4: VALUE TRADED SUMMARY 4th Quarter 2019

Company	Number of Shares	Share price (cps)	Emalangeni	Date
RSSC Limited	30 000	1400	420,000.00	03/10/2019
Nedbank Limited	9 977	1180	117,728.60	17/10/2019
SEL Limited	5 000	3418	170,900.00	21/10/2019
Inala Capital	366 700	110	403,370.00	25/10/2019
Inala Capital Limited	473 200	110	520,520.00	06/11/2019
Inala Capital Limited	18 000	110	19,800.00	08/11/2019
Inala Capital Limited	70 700	115	81,305.00	12/11/2019
Inala Capital Limited	71 400	115	82,110.00	25/11/2019
Inala Capital Limited	78 500	115	90,275.00	25/11/2019
SBC Ltd	1 300	810	10,530.00	06/11/2019
Greystone Partners	22 500	330	74,250.00	07/12/2019
Inala Capital Limited	158 500	115	182,275.00	10/12/2019
Greystone Partners	990	330	3,267.00	18/12/2019
SBC Limited	5 000	820	41,000.00	31/12/2019
TOTAL	1 311,767		2 217,331.20	

Source: ESE Trading Statistics, 2019

CORPORATE BONDS

The 4th Quarter of 2019 realised 4 new note issuances (SML 708, SML 709, SML 710 and SML 711) worth SZL22,673,200, SZL 30,000,000 and SZL50,000,000 and SZL 99,458,000 respectively. On the other hand, five (5) bonds matured in the quarter (Fin 206 at SZL 70 million, ICL 207 at SZL 150 million and SML 405 at SZL 15 million, SML 602 at SZL 30,000,000, SML 300 at SZL 50,000,000. This saw the cumulative corporate bonds outstanding as of December 31, 2019 decrease to SZL 1.17 Billion, from the previous quarter's outstanding amount of SZL1.29 Billion. This marked a 9.30% decrease in total bonds outstanding. Year-on-year, total corporate bonds outstanding increased by 0.60%▲.

The Table below shows the listed bonds as at December 31, 2019. (See Corporate Events below for new corporate bond issuances in the period under review).

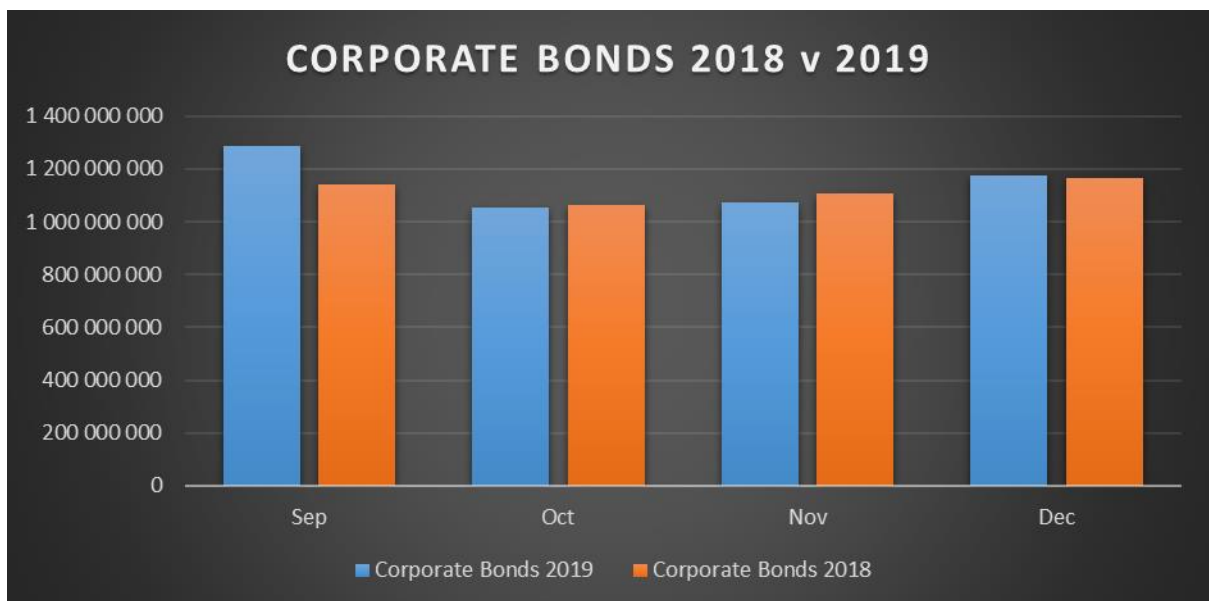
TABLE 5: CORPORATE BONDS AS AT 31 DECEMBER 2019

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 SML500	SZD000551787	14,50	11-Jan-20	50 000 000,00
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	SZD0005552134	12,00	13-Dec-20	48 257 103,29
Select Limited SML613	SZD0005552142	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 SML701	SZD000552234	12,50	27-Mar-20	51 731 884,59
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	99 458 000,00
FINCORP FIN110	SZD000551796	13,00	24-Jan-20	7 743 750,00
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
TOTAL				1 173 562 952

Source: ESE Trading Statistics, 2019

GRAPH 3: CORPORATE BONDS 4th Quarter 2019



Source: ESE Trading Statistics, 2019

MATURED/REDEEMED CORPORATE BONDS

TABLE 6: MATURED/REDEEMED CORPORATE BONDS

Name	ISIN Code	Coupon	Maturity Date	Nominal Value (SZL)
Select Limited SML 405	SZD000551770	14,00	28-Oct-19	15 000 000,00
Select Limited SML 602	SZD000551984	13,25	10-Nov-19	30 000 000,00
Select Limited SML 300	SZD000551432	9,75	19-Nov-19	50 000 000,00
Inyatsi Construction Limited ICL 207	SZD000551943	10,75	11-Oct-19	150 000 000,00
FINCORP FIN 206	SZD000552175	12,00	07-Oct-19	70 000 000,00
TOTAL				315 000 000,00

Source: ESE Trading Statistics, 2019

NEW CORPORATE BOND ISSUANCES

TABLE 7: NEW CORPORATE BONDS

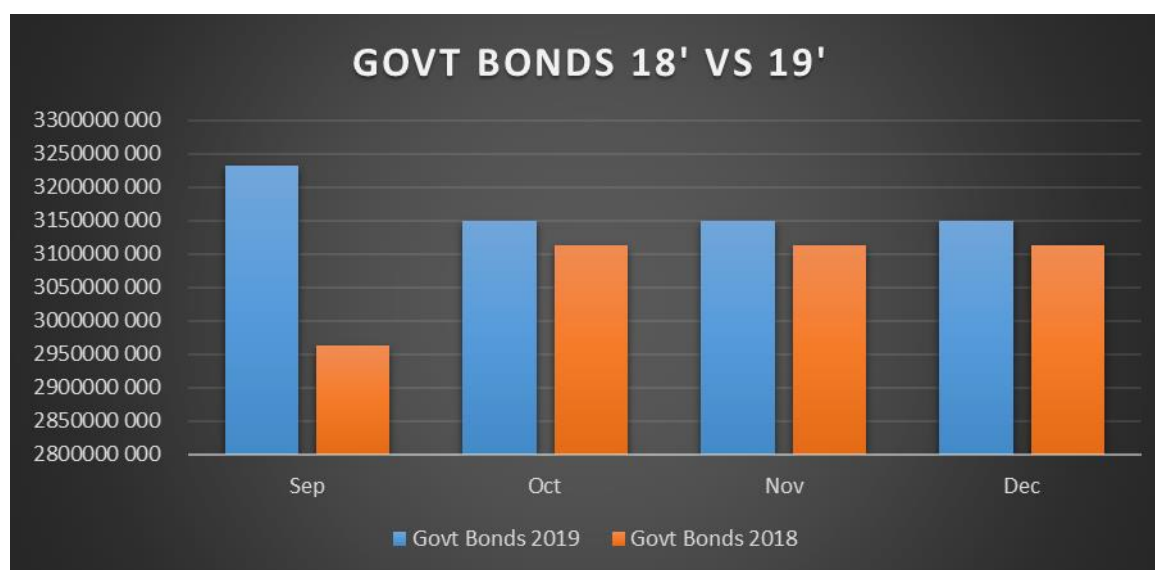
Name	ISIN Code	Coupon	Maturity Date	Nominal Value (SZL)
Select Limited SMLL708	SZD000552323	13,50	28-Oct-22	22 673 200,00
Select Limited SML709	SZD000552331	13,25	10-Nov-20	30 000 000,00
Select Limited SML710	SZD000552349	12,50	19-Nov-24	50 000 000,00
Select Limited SML711	SZD000552356	0,00	28-Nov-21	99 458 000,00
TOTAL				202 131 200,00

Source: ESE Trading Statistics, 2019

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 December 31, 2019 stood at E3.15 billion and one bond maturing during the period under review. Year-on-year, total government bonds outstanding increased by 1.22%▲. The total outstanding bonds as at December 31, 2019 were as outlined below: -

GRAPH 4: GOVERNMENT BONDS AS AT 31 DECEMBER 2019



Source: ESE Trading Statistics 2019

TABLE 8: ESWATINI GOVERNMENT BONDS AS AT SEPTEMBER 30, 2019

Name	ISIN Code	Coupon	Maturity Date	Nominal Value (SZL)
Swaziland Government SG017	SZG000441157	8,50	31-Oct-20	250 000 000,00
Swaziland Government SG018	SZG000441162	9,25	31-Jan-24	200 000 000,00
Swaziland Government SG022	SZG000441207	Floating	25-Sep-22	150 000 000,00
Swaziland Government SG023	SZG000441215	8,75	30-Nov-20	250 000 000,00
Swaziland Government SG025	SZG000441231	10,00	20-Jun-21	150 000 000,00
Swaziland Government SG026	SZG000441248	Floating	31-Aug-23	150 000 000,00
Swaziland Government SG027	SZG000441256	10,75	31-Oct-26	150 000 000,00
Swaziland Government SG029	SZG000441272	10,50	28-Feb-22	150 000 000,00
Swaziland Government SG030	SZG000441280	10,25	30-Jun-24	150 000 000,00
Swaziland Government SG031	SZG000441322	10,00	31-Jan-25	150 000 000,00
Swaziland Government SG033	SZG000441355	9,25	29-Jun-23	40 000 000,00
Swaziland Government SG034	SZG000441363	9,75	29-Jun-25	40 000 000,00
Swaziland Government SG035	SZG000441371	10,25	29-Jun-28	70 000 000,00
Swaziland Government SG036	SZG000441389	9,00	31-Aug-21	30 000 000,00
Swaziland Government SG039	SZG000441422	9,10	31-Jan-22	100 000 000,00
Swaziland Government SG040	SZG000441430	9,40	31-Jan-24	40 000 000,00
Swaziland Government SG041	SZG000441448	9,85	31-Jan-26	30 000 000,00

Swaziland Government SG042	SZG000441455	10,25	31-Jan-29	50 000 000,00
Swaziland Government SGIFB001	SZG000441297	9,75	31-Jul-22	150 000 000,00
Swaziland Government SGIFB002	SZG000441306	10,00	31-Oct-25	150 000 000,00
Swaziland Government SGIFB003	SZG000441314	10,25	29-Dec-26	150 000 000,00
Swaziland Government SGIFB004	SZG000441348	10,00	29-Mar-28	150 000 000,00
Swaziland Government SGIFB005	SZG000441356	9,75	31-May-26	150 000 000,00
Swaziland Government SGIFB006	SZG000441397	9,50	28-Sep-24	150 000 000,00
Swaziland Government SGIFB007	SZG000441497	7,75	31-Jul-26	100 000 000,00
TOTAL				3 150 000 000,00

Source: ESE Trading Statistics, 2019

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)
Swaziland Government SG020	SZG000441181	8,25	20-Oct-19	82 000 000,00

Source: ESE Trading Statistics, 2019

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)
TOTAL				

Source: ESE Trading Statistics, 2019

ESE MEMBERS

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

	Apr 2019	May 2019	Jun 2019
No. of Stockbroking Firms	2	2	2
No. of Exempt Dealers	4	4	4
No. of Debt Sponsors	1	1	1

Source: ESE Trading Statistics, 2019

CORPORATE EVENTS ON THE ESX

1. Corporate bond FIN 206 worth SZL 70 million matured on 7th October 2019.
2. Corporate bond ICL 207 worth SZL 150 million matured on 11th October 2019.
3. Corporate bond SML 405 worth SZL 15 million matured on 28th October 2019.
4. Corporate bond SML 708 worth SZL 22.6 million Commenced trading on the 5th November 2019
5. Corporate bond SML 709 worth SZL 30 million Commenced trading on the 18th November 2019
6. Corporate bond SML 710 worth SZL 50 million Commenced trading on the 27th November 2019
7. Corporate bond SML 300 worth SZL 50 million matured on 19th November 2019.
8. Corporate bond SML 602 worth SZL 30 million matured on 10th November 2019.

9. Corporate bond SML 711 worth SZL 99.5 million Commenced trading on the 6th December 2019

10. Swaziland Government Bond, SG020 worth SZL 82 million matured on 20th October 2019.

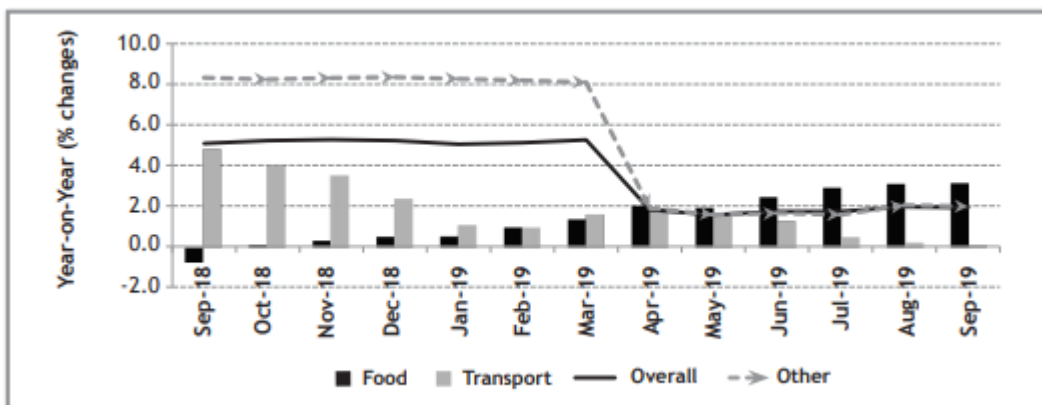
ECONOMIC BRIEF

INFLATION

Inflationary pressures remained modest in the third quarter of 2019. This was largely due to a sustained freeze on all administered prices which include electricity, water and fuel. The overall consumer price inflation averaged 1.9 per cent in the quarter ended September 2019 compared to an average of 1.7 per cent in the previous quarter. This slight increase in consumer inflation was largely due to increases in the price indices for ‘food and non-alcoholic beverages’ and ‘education’. Food inflation maintained a gradual upward trend increasing to an average of 3.0 per cent in the quarter ended September 2019 from 2.1 per cent in the quarter ended June 2019. This acceleration was largely due to increases in the prices of ‘bread and cereals’, ‘fish and seafood’ and ‘milk, cheese and eggs’ amongst other food products. The price index for ‘education’, on the other hand, grew by an average of 8.7 per cent in the quarter under review, from an average of 6.9 per cent in the previous quarter. The increase mainly resulted from a 12.2 per cent year-on-year hike in tertiary institutions’ tuition fees effected during the period under review.

The above increases were partially counteracted by decreases in the price indices for ‘housing and utilities’ and ‘transport’. The ‘housing and utilities’ index further declined to an average of 0.2 per cent in the quarter ended September 2019 from 0.5 per cent in the previous quarter. The deceleration in the housing and utilities’ index was due to a decrease in the year-on-year growth rate for prices of ‘water supply’ and ‘liquid fuels’ broadly in line with the freeze in water supply tariffs. Of note is that water tariffs are usually effected in the third quarter of the calendar year, hence the effects of the freeze in water tariffs were more evident in the quarter under review. Similarly, transport inflation slowed to an average of 0.3 per cent in the quarter under review, from an average of 1.6 per cent in the previous quarter. Like other administered prices, fuel prices remained unchanged during the quarter under review and were relatively lower than those of the previous year. Core inflation, which is CPI excluding food and non-alcoholic beverages, auto-fuel and energy, remained unchanged at 1.8 per cent in the quarter ended September 2019, same as it was in the previous quarter. Other analytical series reflect that ‘CPI excluding administered prices’ rose to 2.3 per cent in the quarter under review from 2.0 per cent in the previous quarter while ‘CPI excluding housing and utilities’ accelerated to 2.9 per cent from 2.4 per cent.

FIGURE 5: INFLATION TRENDS AND COMPONENTS; SEPTEMBER 2018 - SEPTEMBER 2019

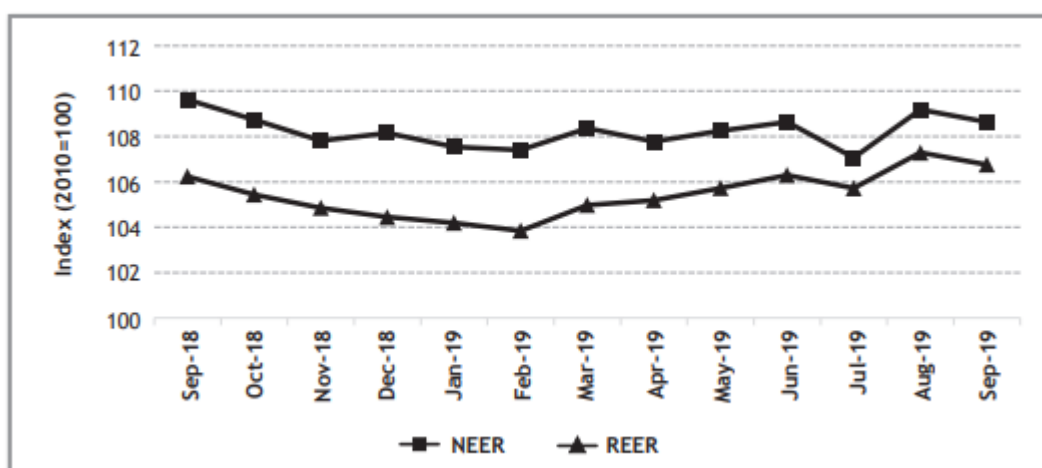


Source: Central Bank of Eswatini

EXCHANGE RATES

During the third quarter of 2019, the external value of the Lilangeni/Rand continued to weaken against the US Dollar. The domestic unit averaged E14.67 to the US Dollar from an average of E14.31 in the second quarter of 2019. The local unit weakened due to low risk appetite for emerging market assets resulting from growing concerns about global growth following the release of poor than expected economic growth in some of the major world economies. A large bond and equities outflow in South Africa in the quarter in anticipation of a credit downgrade by Moody’s, the instability at Eskom, renewed US-China trade tension and poor economic growth in South Africa further put pressure on the Lilangeni/Rand. The local unit ended the quarter under review at E15.18 to the US Dollar, E18.67 to the Pound Sterling and E16.61 to the Euro.

FIGURE 6: MONTHLY LILANGENI'S NEER/REER INDICES; SEPTEMBER 2018 - SEPTEMBER 2019



Source: Central Bank of Eswatini

OTHER ACTIVITIES

ESWATINI AGRICULTURAL AND DEVELOPMENT ENTERPRISE – VUSELA MEETING, 2nd OCTOBER 2019, ESWADE HQ, SPHOFANENI

The Manager ESE and Market & Product Development Officer visited the Eswatini Agricultural and Development Enterprise (ESWADE) in their offices in Siphofaneni. This was a short meeting where we as Eswatini Stock Exchange were presenting the funding methods that the exchange offers to companies that might be in need of long-term capital. We presented the option of listing equity and debt (revenue bond).

ESWATINI BUSINESS DELEGATION MEETING – 10th OCTOBER 2019, ROYAL VILLAS, EZULWINI

The delegation focuses on exploring market opportunities in the country and includes a business seminar, B2B meetings and site visits. It is organised by the Southern African – German Chamber of Commerce and Industry, in cooperation with the Eswatini Investment Promotion Authority.

This visit is a follow up to the "ONE STOP SHOP INVESTMENT AND TRADE SEMINAR" held on 30 April 2019 at the Chamber offices where Minister Khumalo, highlighted the Kingdom's readiness to do business and gave an overview of the various global companies that have conducted business in the Kingdom for decades.

COMPANIES IN ATTENDANCE

1. Airbus Defence and Space
2. Dunlop Industrial Products
3. Frazer Solar
4. The Federal Republic of Germany (German Missions in South Africa, Lesotho and Eswatini).
5. Germany Trade and Invest
6. Ikhona Africa
7. Messe Frankfurt
8. Siemens
9. Thyssenkrupp Industrial Solutions
10. TUV Rheinland Inspection Services (Pty) Ltd

ESWATINI CIVIL AVIATION AUTHORITY – VUSELA MEETING, 18th OCTOBER 2019, MATSAPHA INTERNATIONAL AIRPORT, MATSAPHA

The Manager ESE and Market & Product Development Officer visited the Eswatini Civil Aviation Authority in their offices in Matsapha International Airport. This was a short meeting where we as Eswatini Stock Exchange were presenting the funding methods that the exchange offers to companies that might be in need of long-term capital. We presented the option of listing equity and debt (revenue bond).

2nd ESWATINI ECONOMIC CONFERENCE – 23rd – 25th OCTOBER 2019, ROYAL SWAZISPA CONVENTION CENTER, EZULWINI

The conference was jointly organised by the Eswatini Economic Policy Analysis & Research Centre (ESEPARC), the Central Bank of Eswatini (CBE), and the University of Eswatini (UNESWA). It was held on October 23 – 25, 2019 at the Royal Swazi Spa, Ezulwini in Eswatini.

The Eswatini Economic Conference's intended purpose is to bring together economic policy-makers, researchers, development practitioners, captains of industry, development partners, and other Eswatini stakeholders to dialogue on economic policy issues in Eswatini.

The conference provides a platform to discuss successes, lessons learned, and to identify gaps preventing Eswatini from attaining its developmental objectives, including the implementation of the country's development plans and strategies.

Eswatini Economic Conference Learning Objectives.

- To promote policy dialogue and evidence-based policy planning and implementation.
- To provide an environment to foster dialogue and the free exchange of ideas and innovative thinking amongst local researchers, policy-makers, captains of industry, development partners, and the broader Eswatini, regional, continental, and international community in Eswatini.
- To stimulate and increase research on economic and policy issues related to the development of the Kingdom of Eswatini.
- To provide an opportunity for Eswatini's researchers, postgraduate students, and Emaswati in the diaspora, to disseminate research findings as well as share information with local policymakers and the broader Eswatini society on the work they do about the country.

SWAZI EMPOWERMENT LIMITED - ANNUAL GENERAL MEETING, 25th OCTOBER 2019, EWSC HQ, EZULWINI

The Eswatini stock exchange members attended the Annual General meeting for Swazi Empowerment Limited (SEL), a listed company at the exchange. Financial Highlights were; dividend per share of 211 cents paid to shareholders which was down from the previous year of 351 cents per share, Revenue decreased by 7.35%, Operating expenses up by 47.55%, and a decrease in profits by 6.16%. The Acting MTN CEO Mr. Nhleko was also in attendance to report on the performance of MTN and its development since another player will soon be joining the market. Resolutions approved by the shareholders at the meeting were; the reappointment of PricewaterhouseCoopers (PwC) as the external auditors, keeping the name Swazi Empowerment Limited, reappointment of Directors. Shareholders were also given details of some of the Seven projects that SEL has undertaken this current financial year and shareholders were invited to attend some of the unveilings for these projects.

NGWENYA TOWN BOARD – VUSELA MEETING, 8th NOVEMBER 2019, NGWENYA VILLAGE TOWNSHIP

The Manager ESE and Market & Product Development Officer visited the Ngwenya Town Board in their offices in Ngwenya. This was a short meeting where we as Eswatini Stock Exchange were presenting the funding methods that the exchange offers to companies that might be in need of long-term capital. We presented the option of listing equity and debt (revenue bond). We have been visiting other town boards with huge developments coming up. The goal for this exercise is to get to know the developers for these projects and set up meetings where we can explain and entice them to consider raising their capital for their development projects through the Eswatini Stock Exchange.

MCHALAGENI DEVELOPERS – VUSELA MEETING, 8th NOVEMBER 2019, NGWENYA BORDER GATE

The Manager ESE and Market & Product Development Officer visited Mchalageni Township Developers in their offices in Ngwenya Border Gate. This was a detailed meeting where we as Eswatini Stock Exchange were presenting the funding methods that the exchange offers to companies that might be in need of long-term capital. We presented the option of listing equity and debt (revenue bond). We have been visiting other town with huge developments coming up such as Mchalageni Township Development next to the border gate in Ngwenya. Mchalageni has already started selling plots and some plots have been developed. There is still a lot of funding that will be required to set up the infrastructure such as roads, shopping complex, sewage, telephone and electricity lines. The goal for this exercise is to get to know the developers for these projects and then entice them to consider raising their capital for their development projects through the Eswatini Stock Exchange.

KWALUSENI ROADSHOW, 23rd NOVEMBER 2019, OK SHOPPING COMPLEX, KWALUSENI

The Eswatini Stock Exchange team in partnership with FSRA and Ombudsman hosted a roadshow at the OK Foods shopping complex in Kwaluseni, Matsapha. The main goal for this event was to educate both the buy and sell side. Unfortunately, it was an extremely hot and humid day which limited the number of people that came to the show. We had a short presentation on the workings of the stock exchange and how all Emaswatini can invest in the stock exchange through equity or bonds. The main message we were trying to get out was the account creation so that investors can enjoy our automated trading system by using the USSD code *470#.

NATIONAL CYBERSECURITY AWARENESS EVENT: ROYAL VILLAS AT 7:30am, 28 NOVEMBER 2019

Monitoring and Surveillance Officer and Administrative Officer represented the Exchange at the closing ceremony of the National Cybersecurity Monthly long awareness organised by Eswatini Communications Commission. In attendance were stakeholders from Ministry of ICT, Parliamentarians and Industry players. Emphasis was made on securing our systems from

all hacking that might happen. Encrypting documents, securing passwords being cybersmart always. In attendance was

ASSOCIATION OF NATIONAL NUMBERING AGENCIES (ANNA) EXTRA-ORDINARY AGM, MONTEVIDEO, URUGUAY. 27th – 29th NOVEMBER 2019

The ESE sent a representative to attend the above mention AGM and workshop. The main mandate for attending this event was to enable the ESE to be readmitted as a member of ANNA. After voting by ANNA members in attendance, the ESE was successfully readmitted as a member of ANNA. Some of the issues discussed at the AGM include the following:

1. Review of Ordinary General Meeting action items Frankfurt.
2. New Belgian Company Law and impact on ANNA.
3. ANNA Service Bureau Future State – Status and decision.
4. Update on subsidiaries (ASB, DSB and OTC Engine).
5. ANNA Service Bureau.
6. Status of ISO and ISO standards.
7. Reports from Working Groups, Task Forces and Regional Groups.

SWAZI PLAZA EXHIBITION, 5th – 7th DECEMBER 2019, CORPORATE PLACE, MBABANE

The Eswatini Stock Exchange team in partnership with FSRA and Ombudsman hosted an exhibition at the Swazi Plaza on the Corporate Place side in Mbabane. The main goal for this event was to educate both the buy and sell side. Unfortunately, it was extremely cold on the days we were there, and these limited the number of people that came to the stall even though we were indoor. We had presentations on the workings of the stock exchange and how all Emaswati can invest in the stock exchange through equity or bonds. The main message we were trying to get out was the account creation so that investors can enjoy our automated trading system by using the USSD code *470#.

56th BI-ANNUAL COSSE MEETING TO BE HELD ON 23RD NOVEMBER 2019, KASANE, BOTSWANA

The Manager ESE and Senior Legal and Compliance Officer attended this conference where it was noted that members made suggestions to the CoSSE Strategy, even though these were slow in coming. There was reorganisation of the existing subcommittees to improve participation across members There was also introduced a new subcommittee responsible for Research and Development. Most relevant, ESE was included to participate in the following Working Committees: Financial Inclusion Working Committee; Legal, Advocacy & Regulation Working Committee; Research, Market & Product Development Working Committee; and, Capacity Building Working Committee. Since most of the ESE staff members are fairly new,

that participation by ESE in these committees will capacitate and necessitate staff growth and learning. It was concluded that all sub-committees were to populate the Annual Targets scorecard with their respective projected targets relating to their relevant strategic objectives to be achieved through the 2020-2024 strategy period. Sub-Committees were also requested to make submissions by the 28th of February 2020, which will then be reviewed and approved at the 57th CoSSE Meeting in March 2020.

23RD ASEA MEETING HELD FROM THE 24TH - 26TH NOVEMBER 2019, AT KASANE, BOTSWANA

Manager ESE and Senior Legal and Compliance Officer attended the African Stock Exchanges Association (ASEA) Conference in Kasane Botswana. The theme of the Conference was “Building Resilient African Capital Markets”. On the first day there was the ASEA Executive committee meeting, the ASEA General Assembly Meeting and signing of ASEA-CFA MoU.

On the second and third days a number of subjects were discussed. One of these was on the issue of Green Bonds. Green bonds are used exclusively to fund projects that have environmental and/or climate benefits. It was illustrated that estimates are that the global green bonds market will be valued at US\$1 trillion by 2020, and that these may exhibit stronger resilience to volatility because of their size, novelty, diversified investment focus and the more likely participation of long-term investors. Certainly, an alternative vehicle which the ESE should look into, and likely to enhance ESE’s image if they were to be introduced. The subject of Small and Medium Enterprises (SMEs) also received attention. This being important as SMEs not only create new jobs (contributing up to 60% of the world’s employment), but create thriving private sectors, expand the tax base, contribute to innovation, drive entrepreneurship and enhance competition and productivity. Exchanges were encouraged to promote listing of SME’s to ensure that these have access to public funding and diversify its ownership base. While access to funding opportunities was the main reason cited for listing on the capital markets, other advantages included improving their profile, enhancing their governance and improving their attractiveness for debt financing among others. There were also very interesting presentations on the M-Makiba bond in Kenya. It was demonstrated that this product was fairly successful in bringing a new broad-based retail investor group into the market for a government paper. Studies showed that 85% of customers had never bought a bond before and buyers were distributed across virtually all of Kenya’s 47 counties. Most of the investors (84%) really liked the product and were likely to recommend it to someone else and 80% of those who invested were likely to invest again, if the product was issued today. This is definitely the trend that Eswatini should pursue in order to grow the Capital Markets industry.

During the last day of the conference an MoU was signed between ASEA and Global Reporting Initiative (GRI). GRI is an independent international organization that has pioneered sustainability reporting. GRI provides guidance to stock exchanges on sustainability reporting standards, by recommending that listed companies to report on environmental, social and governance (ESG) issues, and going a step further by providing model guidance to participating companies. We also had a meeting with GRI staff and the ASEA secretariat where ESE, together with the Ghana Stock Exchange, and the Nairobi Stock Exchange were nominated for

inclusion in the program to train on ESG/ Sustainability reporting. This training will take part in three phases beginning in 2020-2023, with the first phase commencing in January 2010. Participation by the ESE will be fully funded by GRI and ESE greatly being included in this programme.

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