



# FOURTH (4<sup>TH</sup>) QUARTER REVIEW OCTOBER - DECEMBER 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:

Company	SECTOR	Market Cap %	Market Cap
Nedbank Limited	Banking	7.11%	298,770,363
Royal Eswatini Sugar Corporation (RES)	Sugar & Ethanol	34.83%	1,464,467,104
Swd Empowerment (SEL)	Holding Company	15.40%	647,500,000
Swd Property Investments (SWAPROP)	Real Estate	4.37%	183,743,335
Swazispa Holdings Limited	Hospitality	1.00%	41,966,964
Greystone Partners Limited	Private Equity	16.40%	689,764,707
SBC Limited	Holding Company	18.59%	781,569,000
Inala Capital Limited	Emerging Markets	2.31%	97,191,900
		100.00%	4,204,973,373

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**

	Sep 2020	Oct 2020	Nov 2020	Dec 2020
Total companies listed	8	8	8	8
New entrants/listings	0	0	0	0
Domestic Companies	8	8	8	8
Foreign Companies	0	0	0	0

Source: ESE Trading Statistics, 2020

## MARKET CAPITALISATION

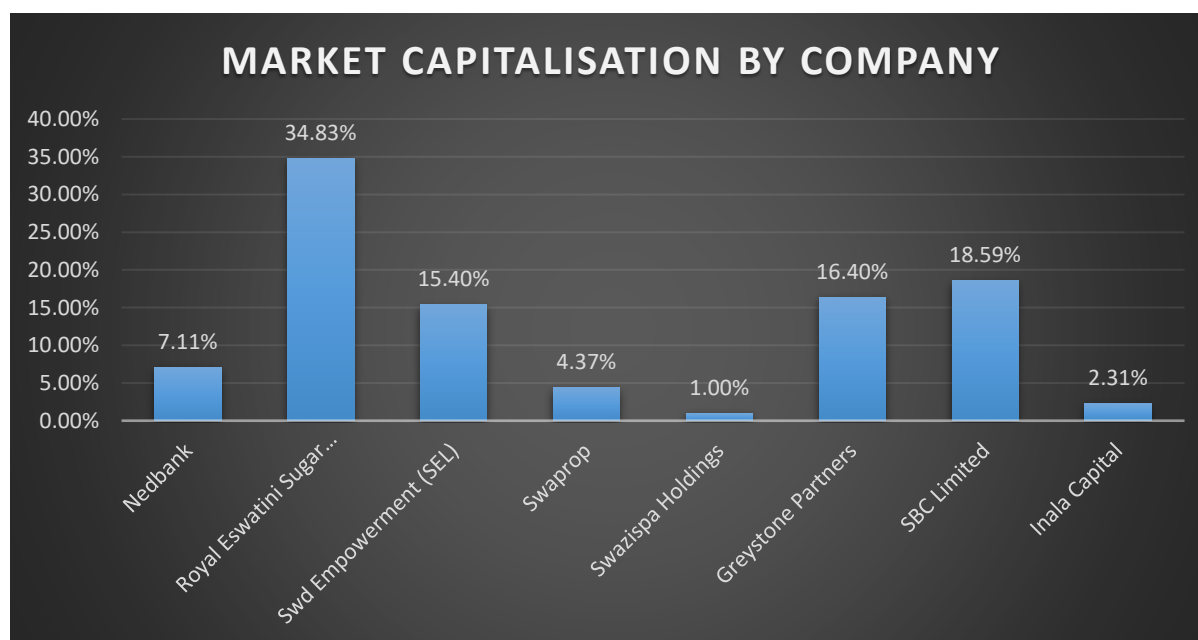
ESE Market Capitalisation ended the 4<sup>th</sup> Quarter with a value of E4.20 billion, reflecting an increase of 7.59% from the previous quarter's close of E3.91 billion. The increase in the market capitalisation was due to share price increases from SBC Limited, Inala Capital, and the further issuance of shares by Greystone Partners Limited during the quarter. Year-on-year, the Market Capitalisation realised a 9.76% gain from E3.83 billion in the 4<sup>th</sup> Quarter of 2019 to E4.20 billion at the end of the 4<sup>th</sup> Quarter in 2020.

**GRAPH 1: ESE MARKET CAPITALISATION Q4 2019 vs Q4 2020**



Source: ESE Trading Statistics 2020

**GRAPH 2: ESE MARKET CAPITALISATION BY COMPANY**



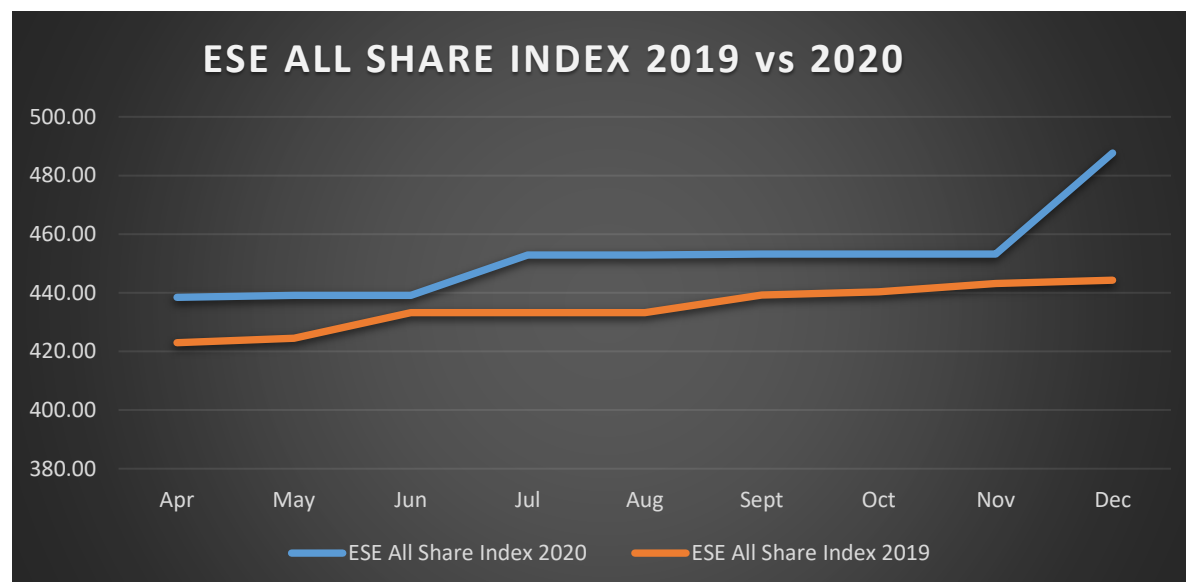
Source: ESE Trading Statistics 2020

### **ESE ALL SHARE INDEX TREND**

The ESE All Share Index increased to 487.66, representing a 7.59% increase from the previous quarter's close of 453.24. Trading during the 4<sup>th</sup> Quarter increased as evidenced by the share price in Inala Capital and SBC Limited. The main reason for the change in the All-Share Index can be attributed to Greystone Partners Limited issuing more shares

to raise capital. Year-on-year, the All-Share Index increased from 444.29 to 487.66 reflecting a 9.76% increase.

**GRAPH 3: ESE ALL SHARE INDEX TREND 2019 vs 2020**



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 2: SHARE PRICE QUARTER COMPARISON AS AT 31<sup>st</sup> DECEMBER 2020**

COMPANY	30 Sep 2020	31 Dec 2020	GAIN	MARKET CAP (E)
Nedbank	1250	1250	0.00%	298 770 363
Royal Eswatini Sugar Corporation (RES)	1520	1520	0.00%	1 464 467 104
Swd Empowerment (SEL)	3500	3500	0.00%	647 500 000
Swaprop	790	790	0.00%	183 743 335
Swazispa Holdings	600	600	0.00%	41 966 964
Greystone Partners	300	300	0.00%	425 509 383
SBC Limited	780	810	3.85%	752 622 000
Inala Capital Limited	130	135	3.85%	93 592 200
				4,204,973,373

Source: ESE Trading Statistics, 2020

**TABLE 3: QUARTERLY PERFORMANCE**

EQUITIES	PRICE	PRICE2	(%)CAPITAL	MKT CAP	MKT CAP3	MKT CAP %
	SEP '20	DEC '20	GAINS YIELD	SEP '20	DEC '20	DEC '20
Nedbank	1250	1250	0.00%	298,770,363	298,770,363	0.00%
Royal Eswatini Sugar Corporation (RES)	1520	1520	0.00%	1,464,467,104	1,464,467,104	0.00%
Swd Empowerment (SEL)	3500	3500	0.00%	647,500,000	647,500,000	0.00%
Swaprop	790	790	0.00%	183,743,335	183,743,335	0.00%
Swazispa Holdings	600	600	0.00%	41,966,964	41,966,964	0.00%
Greystone Partners	300	300	0.00%	425,509,383	689,764,707	62.10%
SBC Limited	780	810	3.85%	752,622,000	781,569,000	3.85%
Inala Capital	130	135	3.85%	93,592,200	97,191,900	3.85%
				3,908,171,349	4,204,973,373	7.59%

Source: ESE Trading Statistics, 2020

## EQUITY TURNOVER

A total turnover of SZL401,906.10 was recorded from a sale of 42 876 shares over a total of eighteen (18) trades concluded over the 4<sup>th</sup> Quarter of 2020. In comparison to the 4<sup>th</sup> Quarter of 2019, turnover decreased exponentially by -81.87%, from SZL2,217,331.20 to SZL401,906.00 in the 4<sup>th</sup> Quarter 2020. The 4<sup>th</sup> Quarter turnover of SZL401,906.00 showed a 98% decrease from the 3<sup>rd</sup> Quarter's turnover of SZL17,787,014.01. Trades conducted in the 4<sup>th</sup> Quarter were as follows:

**TABLE 4: VALUE TRADED SUMMARY 4<sup>th</sup> QUARTER 2020**

COMPANY	NUMBER OF SHARES	SHARE PRICE (CPS)	TRADE VALUE (SZL)	DATE
Inala Capital	6 600	130	8 580.00	2020/10/06
Nedbank Limited	2 776	1250	34 700.00	2020/10/12
Greystone	1 000	300	3 000	2020/11/02
Inala Capital	47 000	130	61 100	2020/11/06
SEL Limited	2 000	3500	70 000	2020/11/06
Inala Capital	3 000	130	3 900	2020/11/11
SEL Limited	3 000	3500	105 000	2020/11/23
Inala Capital	5 000	130	6 500	2020/11/23
SBC Limited	4 080	780	31 824	2020/11/25
Greystone Partners	7 000	300	21 000	2020/11/30
SBC Ltd	500	780	3 900.00	2020/12/07
SBC Ltd	1 000	780	7 800.00	2020/12/10
SBC Ltd	971	810	7 865.10	2020/12/10
Inala Capital	5 000	135	6 750.00	2020/12/10
Greystone Partners	3 129	300	9 387.00	2020/12/10
Greystone Partners	2 000	300	6 000.00	2020/12/17
Nedbank Ltd	600	1 250	7 500.00	2020/12/24

<b>Greystone Partners</b>	1 500	300	4 500.00	2020/12/31
	<b>42 876</b>		<b>401 906.10</b>	

Source: ESE Trading Statistics, 2020

## CORPORATE BONDS

The 4<sup>th</sup> Quarter of 2020 realised 6 new note issuances (SML807, SML808, SML809, SML810, SML714 and SML715) worth SZL 40 million, SZL 28 million, SZL 13 million, SZL 42 million, SZL 30 million and SZL 4 million, respectively. On the other hand, 4 bonds that matured during the quarter (FIN205, SML408, SML504 and SML505 worth E 6.34 million, E 10 million, E 10 million and E 26 million, respectively. This saw the cumulative corporate bonds outstanding as of December 31, 2020 increase to SZL1.25 billion, from the previous quarter's outstanding amount of SZL1.24 billion. This marked a 1% increase in total corporate bonds outstanding. Year-on-year, total corporate bonds outstanding increased by 6.62%.

## NEW CORPORATE BOND ISSUANCES

**TABLE 5: NEW CORPORATE BONDS**

NAME	ISIN CODE	COUPON	TRADING DATE	NOMINAL VALUE SZL
Select Limited SML807	SZD000552521	11.50	14-10-2020	40 000 000,00
Select Limited SML714	SZD000552554	10.50	18-11-2020	30 000 000,00
Select Limited SML808	SZD000552539	12.00	11-11-2020	28 200 000,00
Select Limited SML715	SZD000552562	12.00	03-12-2020	4 000 000,00
Select Limited SML809	SZD000552547	12.00	03-12-2020	13 000 000,00
Select Limited SML810	SZD000552570	11.30	04-12-2020	42 045 021,10
				<b>154 245 021.10</b>

Source: ESE Trading Statistics, 2020

## MATURED/REDEEMED CORPORATE BONDS

There were eight (8) bonds that matured in the 4<sup>th</sup> Quarter. Please see below table.

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

NAME	ISIN CODE	COUPON	MATURITY DATE	NOMINAL VALUE SZL
Select Limited SML506	SZD000551952	13.50	28-10-2020	17 000 000,00
Select Limited SML600	SZD000551960	13.50	28-10-2020	9 000 000,00
Select Limited SML709	SZD000552331	13.25	10-11-2020	30 000 000,00
Select Limited SML507	SZD000551994	13.50	17-11-2020	2 000 000,00
Select Limited SML601	SZD000551978	13.50	17-11-2020	9 000 000,00
Select Limited SML612	SZD000552133	12.00	13-12-2020	48 257 103,29
Select Limited SML603	SZD000552018	13.00	20-12-2020	20 100 000,00
Select Limited SML604	SZD000552026	13.00	20-12-2020	10 000 000,00
				<b>145 357 103.30</b>

Source: ESE Trading Statistics, 2020

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

**TABLE 6: CORPORATE BONDS AS OF 31<sup>st</sup> DECEMBER 2020**

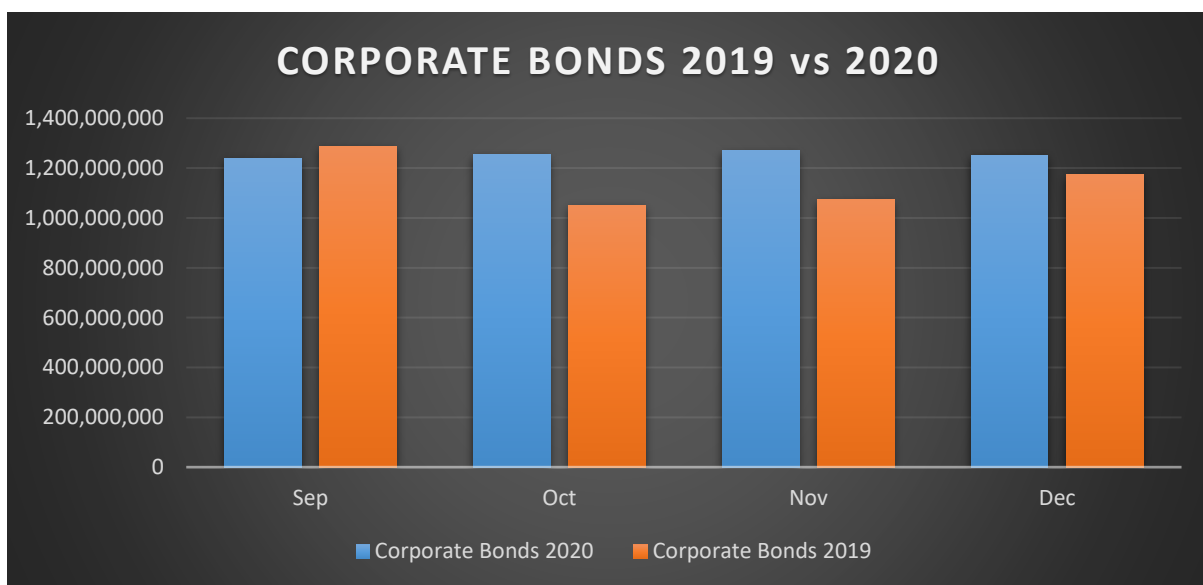
NAME	ISIN CODE	COUPON	MATURITY DATE	NOMINAL VALUE SZL
Select Limited SML501	SZD000551804	12.50	24-Feb-22	8,859,200.00
Select Limited SML508	SZD000552158	12.00	06-Aug-21	1,130,000.00
Select Limited SML605	SZD000552042	13.25	10-Apr-21	21,920,000.00
Select Limited SML607	SZD000552075	12.50	06-Jun-21	5,000,000.00
Select Limited SML609	SZD000552109	13.75	03-Aug-23	30,000,000.00
Select Limited SML610	SZD000552117	13.50	06-Aug-23	17,540,627.04
Select Limited SML611	SZD000552125	13.00	30-Oct-23	31,500,050.00
Select Limited SML613	SZD000552141	Floating	08-Apr-22	30,000,000.00
Select Limited SML614	SZD000552158	12.25	29-Jun-21	6,735,000.00
Select Limited SML700	SZD000552224	Floating	19-Feb-21	42,809,000.00
Select Limited SML702	SZD000552240	12.00	06-May-22	59,840,000.00
Select Limited SML703	SZD000552273	12.30	08-May-22	9,000,000.00
Select Limited SML704	SZD000552281	12.50	19-Jul-22	12,630,000.00
Select Limited SML705	SZD000552299	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	6-Sep-22	9,790,000.00
Select Limited SML708	SZD000552323	13.50	28-Oct-22	22,673,200.00
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 SML712	SZD000552489	11.00	30-Jun-21	51,200,000.00
Select Limited SML713	SZD000552505	11.50	06-Jul-23	7,097,037.92
Select Limited SML714	SZD000552554	10.50	10-Nov-23	30,000,000.00
Select Limited SML715	SZD000552562	12.00	17-Nov-23	4,000,000.00
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
Select Limited SML802	SZD000552422	11.00	16-Apr-23	20,000,000.00
Select Limited SML803	SZD000552448	11.00	16-Apr-23	30,000,000.00
Select Limited SML804	SZD000552455	10.75	4-May-22	30,221,111.00
Select Limited SML805	SZD000552497	12.00	4-Jul-23	15,000,000.00
Select Limited SML806	SZD000552513	11.50	28-Jul-23	17,848,322.82
Select Limited SML807	SZD000552521	11.50	14-Oct-23	40,000,000.00
Select Limited SML808	SZD000552539	12.00	28-Oct-23	28,200,000.00
Select Limited SML809	SZD000552547	12.00	17-Nov-23	13,000,000.00
Select Limited SML810	SZD000552570	11.30	13-Dec-22	42,045,021.10
FINCORP FIN202	SZD000552034	14.00	30-Mar-23	48,000,000.00
FINCORP FIN204	SZD000552083	12.50	6-Jun-21	5,000,000.00
FINCORP FIN207	SZD000552182	12.00	17-Oct-21	6,000,000.00
FINCORP FIN208	SZD000552190	12.00	8-Nov-21	9,000,000.00



<b>FINCORP FIN209</b>	SZD000552208	12.00	23-Nov-21	11,001,972.00
<b>FINCORP FIN210</b>	SZD000552216	Floating	16-Jan-24	30,000,000.00
<b>FINCORP FIN211</b>	SZD000552265	12.00	4-May-22	47,600,000.00
<b>FINCORP FIN300</b>	SZD000552372	12.25	29-Jan-23	5,119,375.00
<b>FINCORP FIN301</b>	SZD000552380	12.25	10-Feb-21	70,200,000.00
<b>FINCORP FIN302</b>	SZD000552398	12.50	10-Oct-22	20,584,658.00
<b>FINCORP FIN303</b>	SZD000552430	10.00	7-Apr-21	20,000,000.00
<b>FINCORP FIN304</b>	SZD000552463	10.75	4-May-22	30,221,111.00
<b>FINCORP FIN305</b>	SZD000552471	11.00	30-Jun-21	60,000,000.00
				<b><u>1,251,269,902.59</u></b>

Source: ESE Trading Statistics, 2020

#### **GRAPH 4: CORPORATE BONDS 4<sup>th</sup> QUARTER 2020**



Source: ESE Trading Statistics, 2020

#### **GOVERNMENT DEBT**

During the period under review, Government through the Central Bank of Eswatini (CBE) maintained 26 bonds with different maturities, ranging from 3, 5, 7, 8, 9, and 10 years. Total outstanding bonds decreased from E 5.33 billion in the 3<sup>rd</sup> Quarter to E 5.05 billion as of December 31, 2020. The decrease in value of bonds trading was due to the large nominal value of the two (2) bonds that matured compared to the value of the eight (8) reopenings during the period under review. Year-on-year, total government bonds outstanding increased by 60%. The total bonds reopening as of December 31, 2020 were as outlined below: -



**TABLE 7: GOVERNMENT BONDS REOPENINGS AS OF 31<sup>ST</sup> DECEMBER 2020**

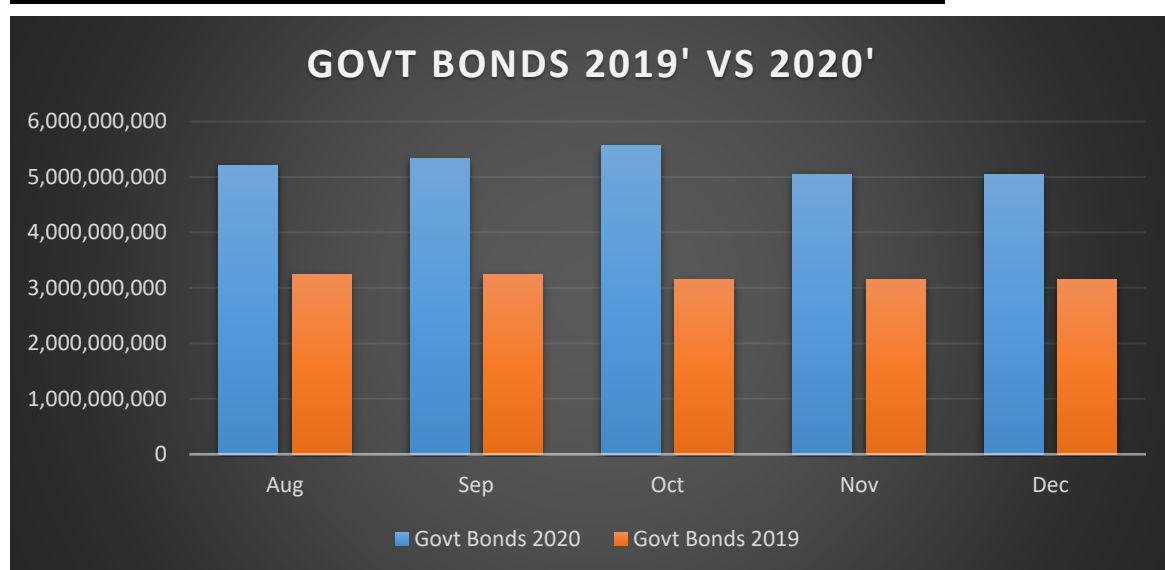
NAME	ISIN CODE	COUPON	REOPEN DATE	NOMINAL VALUE SZL
Swaziland Government SG035	SZG000441371	10,25	30-10-2020	80 580 000,00
Swaziland Government SG040	SZG000441439	9,40	30-10-2020	23 024 000,00
Swaziland Government SG047	SZG000441520	10,50	30-10-2020	86 590 000,00
Swaziland Government SG035	SZG000441371	10,25	30-11-2020	1 570 000,00
Swaziland Government SG040	SZG000441439	9,40	30-11-2020	2 835 000,00
Swaziland Government SG041	SZG000441448	9,40	30-11-2020	12 130 000,00
Swaziland Government SG047	SZG000441520	10,50	30-11-2020	9 821 000,00
				<b>261 550 000,00</b>

Source: ESE Trading Statistics 2020

**TABLE 8: MATURED/REDEEMED GOVERNMENT BONDS**

NAME	ISIN CODE	COUPON	MATURITY DATE	NOMINAL VALUE SZL
Swaziland Government SG017	SZG000441157	8.50	30-10-2020	251 100 000,00
Swaziland Government SG023	SZG000441215	8.75	30-11-2020	326 390 100,00
				<b>577 490 100,00</b>

Source: ESE Trading Statistics 2020

**GRAPH 5: GOVERNMENT BONDS AS OF 31<sup>ST</sup> DECEMBER 2020**

Source: ESE Trading Statistics 2020

**TABLE 9: ESWATINI GOVERNMENT BONDS AS OF 31<sup>ST</sup> DECEMBER 2020**

NAME	ISIN CODE	COUPON	MATURITY DATE	NOMINAL VALUE SZL
Swaziland Government SG018	SZG000441165	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 SG025	SZG000441231	10.00	20-Jun-21	178,050,000.00
REOPENING 1 SG025			20-Jun-21	169,240,000.00
Swaziland Government SG026	SZG000441249	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
REOPENING 3 SG035			29-Jun-28	7,190,000.00
REOPENING 4 SG035			29-Jun-28	28,200,000.00
REOPENING 5 SG035			29-Jun-28	10,000,000.00
REOPENING 6 SG035			29-Jun-28	80,580,000.00
REOPENING 7 SG035			29-Jun-28	1,570,000.00
Swaziland Government SG036	SZG000441389	9.00	31-Aug-21	45,000,000.00
REOPENING 1 SG036			31-Aug-21	0.00
Swaziland Government SG039	SZG000441421	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	SZG000441439	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

REOPENING4 SG040			31-Jan-24	0.00
REOPENING5 SG040			31-Jan-24	23,409,000.00
REOPENING6 SG040			31-Jan-24	22,049,000.00
REOPENING7 SG040			31-Jan-24	23,024,000.00
REOPENING8 SG040			31-Jan-24	2,835,000.00
Swaziland Government SG041	SZG000441447	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
REOPENING5 SG041			31-Jan-26	5,090,000.00
REOPENING6 SG041			31-Jan-26	58,660,000.00
REOPENING7 SG041			31-Jan-26	60,000,000.00
REOPENING8 SG041			31-Jan-26	40,010,000.00
REOPENING9 SG041			31-Jan-26	50,230,000.00
Swaziland Government SG042	SZG000441454	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 SG047	SZG000441520	10.50	29-May-30	12,180,000.00
REOPENING1 SG047			29-May-30	28,430,000.00
REOPENING2 SG047			29-May-30	28,189,000.00
REOPENING3 SG047			29-May-30	86,590,000.00
REOPENING4 SG047			29-May-30	9,821,000.00
Swaziland Government SGIFB001	SZG000441298	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	SZG000441355	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	SZG000441496	7.75	31-Jul-26	24,220,000.00
REOPENING 1			31-Jul-26	100,000,000.00
				<b>5,049,334,000.00</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  
ESW 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 10: ESE MEMBERS**

	Oct 2020	Nov 2020	Dec 2020
No. of Stockbroking Firms	2	3	3
No. of Exempt Dealers	4	4	4
No. of Debt Sponsors	1	1	1

Source: ESE Trading Statistics, 2020

## **CORPORATE EVENTS ON THE ESE**

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1. Corporate bond SML807 worth SZL 40 million commenced trading in the month of October 2020.
2. Government bonds SG035 worth SZL 80 million, SG040 SZL 23 million and SG047 worth SZL 86 million commenced trading in the month of October 2020.
3. Corporate bond SML506 worth SZL 17 million and SML600 worth SZL 9 million matured trading in the month of October 2020.
4. Government bond SG017 worth SZL 251 million matured trading in the month of October 2020.
5. Corporate bonds SML714 and SML808 worth SZL30 million and SZL28.2 million commenced trading in the month of November 2020.

6. Government bonds SG035, SG040, SGO41 and SG047 at SZL1.57 million, SZL2.84 million, SZL12.13 million and SZL9.82 million respectively re-opened in the month of November 2020.
7. Corporate bond SML507 worth SZL2 million, SML601 worth SZL9 million and SML709 worth SZL30 million matured during the month of November 2020.
8. Government bond SG023 worth SZL326, 390, 100 matured during the month of November 2020.
9. Corporate bond SML715 worth SZL 4 million commenced trading in the month of December 2020.
10. Corporate bond SML809 worth SZL 13 million commenced trading in the month of December 2020.
11. Corporate bond SML810 worth SZL 42 million commenced trading in the month of December 2020.
12. Corporate bond SML612 worth SZL 48 million, SML603 worth SZL 20 million and SML604 worth SZL 10 million matured trading in the month of December 2020.

## **ECONOMIC BRIEF**

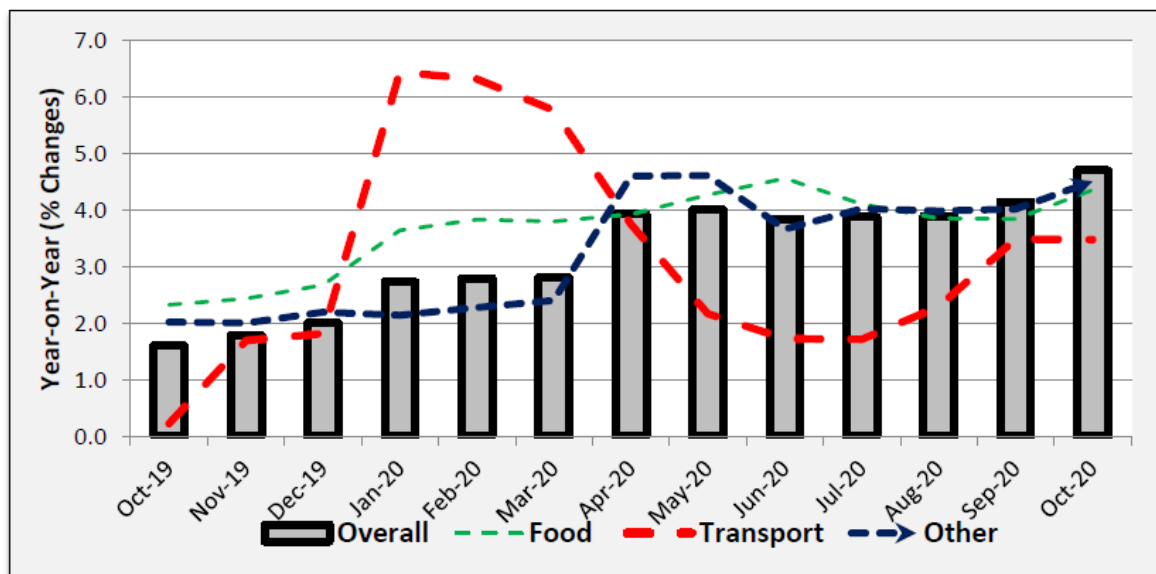
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### **INFLATION**

The annual consumer price inflation accelerated to 4.7 per cent in October 2020 from 4.1 per cent in September 2020. The increase is mainly attributed to increases in the price indices for 'housing and utilities' and 'food and non-alcoholic beverages. The 'housing and utilities' index grew by 6.4 per cent in October 2020 compared to 5.9 per cent in the previous month. The increase was mainly due to a 7.9 per cent year-on-year increase in prices for 'actual rentals for housing'. Food inflation was also higher at 4.4 per cent in October 2020 compared to 3.8 per cent the previous month. Increases in the prices of rice, bread, vegetables, sugar products and 'fish and sea food products' were the main contributors to the upsurge in food inflation. In addition, the price indices for 'furnishing, household equipment and maintenance' and 'recreation and culture' increased by 2.1 and 4.2 percentage points, respectively, during the period under review.

The above increases were slightly offset by decreasing rate of growth in the price index for 'health care'. Following an uptrend during the peak of the COVID-19 pandemic (i.e. July and August 2020), price increases in the 'health care' category eased to 2.7 per cent in October 2020 from 3.6 per cent in September 2020. The slowdown mainly benefited from a moderation in prices of 'pharmaceutical products' in the period under review.

**Figure 1: Inflation Trends: October 2019 to October 2020**



Source: Central Statistical Office and Central Bank of Eswatini

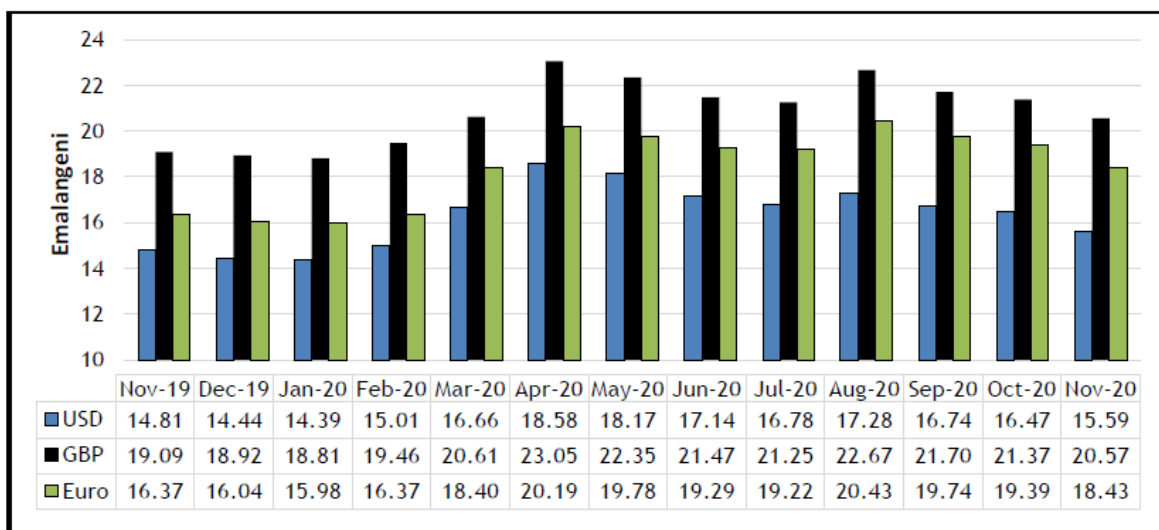
On month-on-month rates, consumer inflation rose to 0.5 per cent in October 2020 from 0.4 per cent in the previous month. This was driven by increases in the price indices for ‘housing and utilities’, ‘household furniture and maintenance’ and ‘recreation and culture’ that grew by 0.6, 1.8 and 4.4 percentage points, respectively. However, the month-on-month inflation was moderated by decreases in the price indices for ‘transport’ and ‘clothing and footwear’, which fell by 1.2 and 0.5 of a percentage point, respectively, during the same period under review.

Core inflation, which is measured as the CPI excluding food and non-alcoholic beverages, auto-fuel and energy, further increased to 5.0 per cent in October 2020 from 4.5 per cent in September 2020. On month-on-month basis, core inflation rose by 0.5 per cent in October 2020 compared to 0.2 per cent recorded in the previous month.

**EXCHANGE RATES**

During the month of November 2020, the Lilangeni/Rand appreciated against the major trading partners’ currencies. The Rand has since extended its previous gains especially against the continuously weakening US Dollar, reflecting improved investor sentiments towards emerging markets, which are to a large extent linked to the outcome of the November US elections. The Biden win drove investors towards higher-yielding assets, which supported demand for the Rand. Further, the appreciation of the local unit is attributed to the strong build-up of market optimism around the prospect of a viable Covid-19 vaccine, which bolstered investor risk appetite for emerging market economies’ assets and also bodes well for improved global economic recovery outlook.

Figure 7: Average Exchange Rates: November 2019 to November 2020.



Source: Central Bank of Eswatini

Regionally, the positive Purchasing Managers Index (PMI) data for the South African manufacturing sector as well as the South African Reserve Bank's decision to leave interest rates unchanged in the face of the accommodative monetary policy in advanced economies, supported the Rand performance. Compared to the month of October 2020, the Lilangeni/Rand appreciated on average by 5.4 per cent, to reach E15.59 (up from E16.47) against the US Dollar and against the Pound Sterling and the Euro, the local unit strengthened by 3.8 per cent and 5.0 per cent averaging of E20.57 and E18.43 in November 2020 respectively.

The local unit's strong performance was despite rating agencies Fitch and Moody's decision to downgrade South Africa's long-term sovereign debt credit rating to junk status. The local unit opened the month of October 2020 at 16.41 to close the month of November at 15.24 to the US dollar. To the Euro and Pound Sterling the local unit opened the month of October at 19.16 and 21.18 respectively to close the month of November 2020 at 18.26 and 20.32 respectively.

## OTHER ACTIVITIES

The period under review found the Exchange under lockdown following the Covid-19 pandemic and the Regulator's subsequent decision on 26 March 2020 for staff to work from home. Notwithstanding, staff remained earnestly engaged in facilitating trades and effecting other work and finding programmes to improve and develop the Exchange.



## **INALA CAPITAL LIMITED AGM – HAPPY VALLEY HOTEL 28 OCTOBER 2020**

The first Annual General Meeting of Inala Capital Limited (“the Company” or “Inala”) was held on Wednesday, 28 October 2020 at Happy Valley Hotel, Ezulwini, Eswatini at 10h00.

## **APPOINTMENT AND INDUCTION OF NEW ESE BOARD – 10 NOVEMBER AND 2 DECEMBER 2020 RESPECTIVELY**

In a new milestone, it pleases the ESE to formally announce the setting up and appointment of ESE Board members. The new ESE Board appointment is one in a number of steps to be taken as the ESE formally implements its strategic objective of fully Demutualising from the FSRA.

Members of the new ESE Board are as follows,

1. Professor Mike Matsebula – Chairman of the Board, Former CEO, Eswatini Sugar Association
2. Ms Philile Nxumalo (Member), GM: Finance, CBE (Deputy Chair)
3. Professor Annette Jackson (Member), Consultant, Marketing
4. Ms Nonhlanhla Nxumalo (Member representing the Ministry of Finance), Senior Finance Officer, Ministry of Finance
5. Mr Panuel Gwebu (Member), Chief Compliance Officer, FNB

Following the Board’s appointment, the Chartered Governance Institute of Southern Africa, an international company with local presence, was engaged to conduct the Board’s induction. Covered during the induction were, among other things; corporate governance principles, the role of the board, the market committee and the listings environment.

## **APPROVAL OF ESW SECURITIES DEALING MEMBERSHIP - 16 NOVEMBER 2020**

At an ESE Market Committee meeting held on 16 November 2020, the Market Committee members unanimously approved ESW Securities as the 3<sup>rd</sup> Securities Dealing Member on the Stock Exchange.

ESW Securities is a subsidiary of Eswatini Investments Group (ESWIG). The approval by the Market Committee follows the necessary mandated approval by the Financial Services Regulatory Authority (FSRA).

ESW Securities offices are located at the:

4<sup>th</sup> Floor, Sibekelo Building 2, Mbabane Office Park  
Mhlambanyatsi road  
Mbabane, Eswatini

## **APPROVAL OF NEW AUTHORISED DEALERS REPRESENTATIVE (ADR) – 16 NOVEMBER 2020**

Further to the Approval of ESW securities as a Dealing Member on the ESE, Mr Rangarirai R. Mtungwazi was approved as an Authorised Dealers Representative (ADR) on behalf of ESW Securities.

Mr Ayanda Matsebula, on the other hand, was also approved as the new ADR representing African Alliance Eswatini Securities Limited (AAESL).

Both ADRs were granted approval following a first mandatory approval by the FSRA.

## **APPLICATION FOR APPROVAL FOR LISTING – ESW INVESTMENT GROUP E1 BILLION MTN PROGRAMME – 16 DECEMBER 2020**

ESW Investment Group submitted a letter dated 03 December 2020 on the subject matter. The ESE Market Committee, at its meeting held on 16 December 2020, granted conditional approval for listing of ESW Investment Group’s E1 Billion Medium Term Note Programme. ESW Investment Group was also reminded to submit the Part II documents in the manner and form specified in paragraphs 5.8 and 16.12 of the ESE Listings Requirements.

Also noteworthy, prior to commencement of the meeting, the Committee appointed its first Chair and Deputy Chair. To serve as Chair, the Committee elected Mr Nhlanhla Mthethwa, Manager (Investments and Domestic Markets) at the Central Bank of Eswatini. As Deputy Chair, the Committee appointed Mr Vusi Nkabindze, Partner at SNG Grant Thornton Eswatini.

## **GREYSTONE PARTNERS COMPLETION OF SHARE SWAP – 22 DECEMBER 2020**

Following all approvals as were outlined by the FSRA, the Market Committee and other relevant statutes that Greystone need to comply with, the Company then notified the Eswatini Stock Exchange (“ESE”) that the swap as was proposed had been completed.

As a way of reminder, Greystone (“or the Company”) acquired 20.1% of the shares in Lojaf (Pty) Limited from African Alliance Advisory (Pty) Limited, and 64.2% of the shares in General Africa Foods (Pty) Limited from African Alliance Securities Trading (Pty) Limited, paying through a swap by issuing shares in Greystone to African Alliance Advisory (Pty) Limited and African Alliance Securities Trading (Pty) Limited for their respective holdings.

The swap transaction informed that African Alliance Advisory (Pty) Limited subscribed for 19 596 409 shares and African Alliance Securities Trading (Pty) Limited subscribed for 68,488,699 shares in Greystone. Consequent to the subscription African Alliance Securities Trading (Pty) Ltd transferred all its holding in Greystone to African Alliance Advisory (Pty) Limited. The resultant shareholder therefore in Greystone is African Alliance Advisory (Pty) Limited who holds shares totalling 88 085 105 in the Company. Form L reflecting the share capital increase of Greystone, Form C and Prospectus as lodged with the Registrar of Companies have also been submitted to the ESE.

**SWAZISPA HOLDINGS LIMITED AGM – CONVENTION CENTER 30 DECEMBER 2020**

On the 30<sup>th</sup> December 2020, the Swazispa Holdings Limited held its AGM at the Convention Centre, Ezulwini. The resolutions made included the following:

1. To receive and adopt the annual financial statements of the Company for the year ended 31 December 2019;
2. To re-appoint PwC as the Company’s auditors;
3. To ratify and confirm fees paid to the non-executive directors;
4. To approve fees payable to the non-executive directors for the ensuing year;
5. To approve fees payable to the members of the audit and risk committee in respect of the year ending 31 December 2021; and,
6. To place the unissued shares for the time being in the capital of the Company under the control of the directors, who shall be authorised to allot such shares at such prices, on such terms and conditions and at such times as they deem fit, subject to the provisions of the Companies Act, 2009, and the rules and requirements of the Eswatini Stock Exchange.

In order for these resolutions to be adopted, the support of more than 50% of the voting rights exercised on the resolution by members present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution was required, and the motions were carried.

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