



## International News

**US Housing Starts** fell 4.0% m/m in July, as per the US Census Bureau.

**US University of Michigan Sentiment Index** fell 6.3 points to 92.1 in August.

**Eurozone Trade** surplus fell from a revised €19.6 billion in May to €17.9 billion in June, as per Eurostat.

**Japan Trade Balance** shifted from a revised surplus of ¥589.6 billion in June to a deficit of ¥249.6 billion in July, as per the Ministry of Finance.

## Local News

**Mandatory spending strangles government – Moody's.** Namibia is unable to effectively reduce the debt burden and control excessive spending as at least 80% of such expenditure is required by law, says credit ratings Moody's Investment Service. The ratings agency said in a report issued last week that the high government wage bills in Namibia and South Africa continue to limit the government's ability to be flexible in their spending, while still maintaining a negative 2019 outlook for these and other sub-Saharan African countries. According to Moody's, Namibia, Mauritius, South Africa and Ghana have the highest level of mandatory spending, mainly provided for by law or government regulations, which require alternative laws to be passed before such expenditures can be adjusted. – The Namibian

**Judgement reserved on flour packaging fight.** Two fierce rivals in Namibia's consumer foods market, Namib Mills and Bokomo Namibia, will have to wait until early next year to hear which one of them has won a High Court case about the packaging used for their flour products. Having heard oral arguments in the case over the course of three days in the Windhoek High Court last week, deputy judge president Hosea Angula reserved his judgement, and postponed the matter to 19 February next year for the delivery of his decision. – The Namibian

**Defence spends half a billion without approval.** The ministry of defence spent about N\$491.7 million for three consecutive financial years without the approval of Treasury. This is in direct contravention of the State Finance Act of 1991. The financial years in question are 2014/15, 2015/16 and 2016/17. These findings are contained in the ministry's audit report for 2017/18 which was submitted to the National Assembly by finance minister Calle Schlettwein last month. – Market Watch

**N\$4.3 billion Ongos Valley Project answer for Windhoek's growing population.** With Windhoek's annual urbanisation rate currently at about 4%, the N\$4.3 billion housing development of the Ongos Valley Project intends to make a significant contribution to the capital city's population, which is expected to exceed 645,000 people by 2030. The Ongos Valley Project, which is slated to become a self-sustaining residential and commercial centre for civil servants, young professionals and hardworking Namibians, aims to provide over 30,000 housing units when it is completed during the next five years. – New Era

## SA Economic News

**South African banks are concerned that some of their customers will get away with not having to repay their debt.** President Cyril Ramaphosa earlier this week signed the National Credit Amendment Bill into law, setting the groundwork for over-indebted consumers to have payments suspended, in part or full, for as many as 24 months, or even scrapped if their financial situation has been found to have worsened. The bill was opposed by the banking industry, clothing retailers who provide credit and the opposition Democratic Alliance as it would drive up the cost of loans for low-income earners, restrict lending and encourage bad behavior from borrowers.

## Company News

Botswanan budget retailer **Choppies Enterprises** says it plans to sell its stores in SA as growth stutters and unemployment soars in Africa's most advanced economy. The company, whose stock is currently suspended from trading on its primary bourse in Botswana, as well as on the Johannesburg stock exchange, operates 88 stores in SA. "Exiting the South African market is the appropriate strategic decision for the company," it said in a statement after completing a strategic review of its business. "Choppies has commenced a process which may result in the divestment of Choppies Supermarkets SA (Pty) Ltd in whole or in part." – Business Day

**Discovery**, whose share price has been knocked by the advancement of the controversial National Health Insurance (NHI) Bill, says while the legislation's restriction of SA's medical schemes would be counterproductive, it would not be a death knell for the industry. Discovery's valuation has declined by almost a third over the past two months, partly on concerns about what the NHI will mean for private healthcare operators once fully implemented. The bill, tabled in parliament earlier in August, paves the way for the establishment of a central NHI fund that will purchase services on behalf of the entire population. Medical schemes will ultimately be limited to offering cover for benefits not provided by the fund. – Business Day

The showdown between **Old Mutual** and its CEO, Peter Moyo, continued on Friday only because of the stubbornness of the JSE-listed financial services company's directors, advocate Dali Mpofu told the Johannesburg high court. Moyo, who was at the helm for two years, was fired by the insurance company in June over a breakdown in trust and a conflict of interest linked to NMT Capital, says Old Mutual. At the heart of the breakdown is the payment of ordinary dividends by NMT, co-founded by Moyo, in July 2018 without first paying Old Mutual its preferential dividends and preferential capital. Old Mutual has shares in NMT. Despite the court ruling that reinstated Moyo in late July, the CEO was prevented from performing his duties when he arrived back at work on 2 August. Old Mutual has asked the court for leave to appeal against a judgment that reinstated Moyo as CEO. – Business Day

In yet another shock to investors, **Sasol** delayed the release of its full-year earnings report by a month to provide time for the completion of a probe into cost overruns and start-up delays at its near-R200bn Lake Charles chemical plant (LCCP) in the US. In reaction, the Sasol share price tanked as much as 16% on Friday, before recouping most of the losses to close 4.7% lower at R265, wiping off more than R8bn of shareholder equity. – Business Day

Shares in **Truworths** slumped to a nine-year low on Friday morning after the fashion retailer reported a 74% slide in profits amid difficult trading environments in SA and the UK. The group's shares slipped 4.3% to R55.40 in early trade, the worst level since August 2010. In its results for the year ended June 2019, released late on Thursday, Truworths said after-tax profits fell 74.1% to R691m, as compared with R2.66bn in 2018. Headline earnings per share were 8.5% lower from R6.12 in June 2018 to R5.60 in June 2019. As Truworths warned in a trading statement two weeks ago, a continuously tough trading environment in the UK hit the profitability of its Office shoes chain there, resulting in a £97m (R1.79bn) impairment charge on the business. The group said trading profit decreased 80.5% to R492m as a result of this. – Business Day

## SADC

The World Bank, Norway and German development bank KfW will give **Mozambique** US\$100 million for a transmission link with Malawi, the nation's mineral resources and energy ministry said. The 218-kilometer (135-mile) 400 kV line will run between the provinces of Tete and Phombeya, according to an emailed statement. The World Bank will give US\$42 million, KfW US\$34 million and Norway US\$24 million for the 142 kilometers on Mozambique's side. "The interconnection between Mozambique and Malawi provides access to the regional market, enabling the large energy projects in Mozambique to become viable," Mineral Resources and Energy Minister MaxTonela said while signing the financing agreement with KfW in Maputo, the capital.

## Overall Index

Ticker	Shares Traded	Current Price (c)	Net Change	d/d %	mtd %	ytd %	52Wk High	52Wk Low
ANM	22,743	31419	101.00	0.32	-10.76	-2.51	40800	27297
AOX		2039	3.00	0.15	-4.00	-25.85	3160	2014
B2G		5633	147.00	2.68	19.70	35.08	5882	3059
CGP	65,533	1600	-1.00	-0.06	0.00	3.23	1694	1540
BWL		11155	26.00	0.23	-7.32	-3.12	13692	10951
CLN		2258	-42.00	-1.83	-1.83	24.48	2375	1370
FNB		3339	0.00	0.00	-0.27	-23.14	4495	3339
FST		5716	55.00	0.97	-7.43	-12.43	7140	5504
IVD	28,300	7624	24.00	0.32	-6.97	-3.49	10531	7501
KFS		860	0.00	0.00	-8.51	-19.63	1100	860
LHN		342	0.00	0.00	-1.72	0.29	399	341
MEP		5544	-13.00	-0.23	-7.14	-7.80	9799	5348
MIM		1597	6.00	0.38	-5.73	-6.77	1972	1537
NAM		64	0.00	0.00	0.00	0.00	64	64
NBK	1,041	21754	-599.00	-2.68	-9.79	-20.81	29130	21492
NBS		4650	0.00	0.00	-3.79	0.00	4900	2395
NHL		160	0.00	0.00	0.00	-11.11	180	160
NUSP		1030	0.00	0.00	0.00	-6.36	1100	1030
OCS		6990	63.00	0.91	2.78	-5.39	8963	6700
OMM	85,000	1797	9.00	0.50	-6.50	-19.78	2403	1760
ORY		2032	0.00	0.00	0.89	1.06	2032	1950
SILP		12790	0.00	0.00	0.00	5.45	12790	12129
SLA		6990	0.00	0.00	-6.36	-12.41	8469	6886
SNB		17401	51.00	0.29	-3.09	-2.37	20677	15568
SNM	999	28356	-229.00	-0.80	-3.97	-5.79	33975	27806
SRH		13935	-50.00	-0.36	-9.81	-26.72	22359	13935
TRW		5357	-433.00	-7.48	-14.32	-39.19	9200	5357
TTO		630	-65.00	-9.35	-10.00	-60.03	1600	590
VKN		1870	42.00	2.30	-0.95	-4.35	2157	1828

<sup>1</sup> Prices quoted in Australian cents. <sup>2</sup> Prices quotes in Canadian Dollars. Source: Bloomberg, NSX, IIG

## ETF's

Ticker	Volume Traded	Current Price (c)	Net Change	d/d %	mtd %	ytd %	52Wk High	52Wk Low
ENXPLD		21668	14.00	0.06	1.81	20.61	22623	12860
NGNGLD		21679	-186.00	-0.85	13.39	24.29	21977	15774
NGNPLD		21601	56.00	0.26	1.17	21.28	22541	12826
NGNPLT		12487	-37.00	-0.30	3.33	11.87	12808	10571

## Namibian Bonds

Government Bonds	YTM	Benchmark	Benchmark YTM	Premium Last Trade	All-In-Price	Clean Price	Modified Duration
GC20	7.567	GT364/26Apr19	7.446	12	103.190	100.410	0.621
GC21	8.112	R2023	7.410	70	101.882	99.270	1.906
GC22	8.180	R2023	7.410	77	101.974	101.207	2.127
GC23	8.596	R2023	7.410	119	103.826	100.844	3.333
GC24	8.985	R186	8.375	61	109.655	106.116	3.847
GC25	8.970	R186	8.375	60	100.784	97.920	4.279
GC27	9.145	R186	8.375	77	94.615	93.914	5.385
GC30	9.772	R2030	9.070	70	89.264	88.563	6.658
GC32	10.244	R213	9.305	94	94.285	91.252	6.970
GC35	10.669	R209	9.735	93	91.949	91.116	7.687
GC37	10.767	R2037	9.850	92	90.841	90.009	7.981
GC40	11.207	R214	9.970	124	91.958	88.656	7.916
GC43	11.140	R2044	10.015	113	91.383	90.506	8.350
GC45	11.527	R2044	10.015	151	87.086	86.222	8.272
GC50	11.817	R2048	10.000	182	87.991	87.092	8.231
GI22	4.200				121.825	120.358	2.922
GI25	4.700				117.464	117.056	5.195
GI29	5.827				98.740	98.311	7.427
GI33	6.381				88.618	87.028	9.492
GI36	6.740				81.294	80.872	10.688
Eurobond	3.816	10YUSBond	1.554	226	105.154	103.519	2.036
Eurobond 2	5.113	10YUSBond	1.554	356	102.333	100.714	5.157
NAM01	8.530	R2023	7.410	112	101.337	99.210	2.733
NAM02	7.545	R2023	6.700	85	103.039	101.640	0.771
NAM03	9.010	R2023	7.410	160	103.959	103.405	3.201
NAM04	10.175	R186	8.375	180	102.199	101.621	4.839
<b>Corporate Bonds - Fixed</b>							
BWFh19	7.705	R2023	7.410	30	99.874	100.019	0.016
FNBX19	7.837	GC20	7.567	27	103.332	100.377	0.201
SBKN24	7.360	R2023	7.410	-5	103.087	100.251	0.179
NMP19N	6.490	R2023	7.410	-92	103.419	100.734	0.226
NWC20	8.025	R2023	7.410	62	103.471	100.645	0.641
BW25	8.475	R2023	7.410	178	101.175	101.202	0.897
NMP20	7.355	R2023	7.410	-6	102.351	101.762	0.883
IFC21	7.567	R2023	7.410	16	104.941	103.387	1.449
FNBX21	8.730	GC22	8.180	55	106.514	103.435	1.894
BWRj21	9.017	GC21	8.112	91	100.144	97.533	1.896
FBNX27	8.880	GC22	8.180	70	107.313	103.340	2.184
NWC22	9.260	R2023	7.410	185	103.679	100.690	2.263
BWfH22	8.910	R2023	7.410	150	101.475	101.527	2.459
BWfK22	8.950	R2023	7.410	154	105.193	102.814	2.690
DBN23	8.060	R2023	7.410	65	98.619	88.484	3.480
NEDNAM01	9.905	GC24	8.985	92	103.950	103.505	3.782
NEDX2030	9.085	GC25	8.970	12	109.483	104.757	4.027
<b>Corporate Bonds - Floating</b>							
BWJj19	8.583	3 month JIBAR	6.833	175	100.511	99.993	0.183
BWJi20	8.633	3 month JIBAR	6.833	180	101.439	100.008	0.086
BWJd21	8.683	3 month JIBAR	6.833	185	100.643	99.998	0.170
BWJL21G	8.333	3 month JIBAR	6.833	150	99.523	100.016	0.055
BWJh22	8.653	3 month JIBAR	6.833	182	99.953	100.003	0.005
BWJK22	8.703	3 month JIBAR	6.833	187	99.881	100.005	0.013
BWJ1e27	8.983	3 month JIBAR	6.833	215	99.926	100.003	0.008
BWJ2e27	6.833	3 month JIBAR	6.833	0	99.944	100.003	0.008
DBN20	8.733	3 month JIBAR	6.833	190	101.907	100.005	0.039
FNBj19	8.633	3 month JIBAR	6.833	180	100.348	99.994	0.201
FNBj21	8.833	3 month JIBAR	6.833	200	100.356	99.993	0.200
FBNj27	9.333	3 month JIBAR	6.833	250	101.262	100.009	0.114
ORY19	8.533	3 month JIBAR	6.833	170	99.907	100.004	0.011
SBNA21	8.433	3 month JIBAR	6.833	160	100.819	100.017	0.152
SBKN20	8.583	3 month JIBAR	6.833	175	100.511	99.993	0.183
SBNA22	8.883	3 month JIBAR	6.833	205	102.116	100.002	0.021
NEDNAM02	9.583	3 month JIBAR	6.833	275	100.386	99.992	0.200
NEDJ2028	9.583	3 month JIBAR	6.833	275	102.167	100.003	0.032

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