



## International News

**US MBA Mortgage Applications** fell 2.2% w/w in the week of 15 November, as per the Mortgage Bankers Association.

**Japan All Industry Activity Index rose** 1.5% m/m in September, as per the Ministry of Trade and Industry.

## Local News

**Construction council to play match-making.** Namibia's construction industry federation will be matching contractors with projects according to their sizes to ensure that tenderpreneurs or agents who do not add any value are cut out. This was revealed by Bärbel Kirchner, the consulting general manager of the Construction Industries Federation (CIF), when she explained the outcome of a construction conference which was held in Windhoek last week. She said their overall aim is to align the current economic and fiscal environment and its impact on the construction sector. "We zoomed in on the necessity of immediately establishing a construction council in the interest of better regulation in our industry," Kirchner stated. The construction industry has been declining by 12% annually on average since 2015, shedding its workforce from 65,000 to 47,000 by 2018, with the informal sector affected the most. – The Namibian

**Tax breaks needed to save Namdeb.** Namdeb says it is in discussions with government to look at a possible tax break as it plans to mine beyond 2023, which is the envisaged year when its mines will stop operating. The miner currently pays a 10% royalty on turnover and a 55% corporate tax on profits generated. The diamond industry's mining royalties to the government were recorded at N\$1.15 billion during the 2017/18 fiscal year. Shedding light on Namdeb's future in the face of its impending closure, its CEO Riaan Burger said it was having discussions with the government to forge a way forward. The miner has in the past made a similar request to have its taxes slashed, more recently after the global financial crisis in 2008 that saw it retrench. – Namibian Sun

**Quick response to blackout.** NamPower yesterday said it had contingency measures in place to prevent a reoccurrence of Tuesday night's power failure in most of Namibia. By yesterday afternoon, the utility had restored power supply to all its customers and was on track to repair the damaged Kokerboom-Aries 400 kV power line near Keetmanshoop before the end of the day. The minister of mines and energy, Tom Alweendo, assured the public that the situation was under control and no further blackouts were expected. A malfunctioning transformer on the power line supplying electricity from South Africa plunged the central, northern and coastal parts of Namibia into darkness for more than an hour on Tuesday night. All towns north of Windhoek and along the coast were without power from 23:09. – Namibian Sun

**Another Fishgate 'kingpin' falls.** Fishcor board chairperson James Hatuikulipi has resigned from the state-owned fishing enterprise amid the ongoing fallout over an alleged bribery scandal involving hundreds of millions of dollars. Board member Dr Bennett Kangumu has been appointed as chairman of the board in the meantime. However, Fishcor CEO Mike Nghipunya remains in his job, despite the possibility of him interfering in the unfolding probe into a scandal that has rocked both Iceland and Namibia's reputations on the world stage. Fishcor is at the centre of the allegations involving Iceland's biggest seafood company, Samherji, paying between N\$150 million and N\$2.5 billion in bribes to Namibian politicians and officials to get their hands on what has been described as Namibia fishing quota "goldmine". – Namibian Sun

## Company News

**Lewis Group's bet** on the middle-class when buying United Furniture Outlets (UFO) has paid off as the stores have increased cash purchases for a company that traditionally relied on credit sales. It now plans to increase the number of its stores from 39 to 70 within three to four years, it said on Wednesday. The purchase of UFO two years ago has enabled Lewis to reduce its sales on credit to 58% of turnover, down from 70% historically. "We believe we have made significant inroads into diversification," Lewis CEO Johan Enslin said. "UFO is making a significant contribution to the group's turnover figures," he said. UFO added R22m to Lewis's operating profit of R211m, which grew 8.9% during the six months to September. – Business Day

**Nepi Rockcastle**, the most valuable landlord on the JSE, said on Wednesday an extended process of disposing of its Romanian office portfolio should bump up its distribution growth to 6.5% for the year to end-December. The property company, which focuses on central and Eastern Europe and has a market value of R76.4bn, had previously forecast 6% growth in distribution per share. The company announced in July it would dispose of its Romanian office interests to intensify its focus on retail. The four buildings to be sold had a book value of €309.2m (R5bn) as of the end of December 2018. Nepi said on Wednesday that the disposal was under way, and the exclusivity granted to AFI Europe had been extended until mid-December. Net operating income had risen 19.2% for its nine months to end-September, with like-for-like net operating income growth of 6.3%. – Business Day

Cement-maker **PPC** said on Wednesday a weak building market in SA and hyperinflation in Zimbabwe resulted in a double-digit decline in revenue for its six months to end-September. The group is planning to ramp up cost-cutting efforts in SA, having reported a 12% decline in revenue to about R4.95bn in its half-year. Headline earnings per share slumped 71.4% to 6c. Excluding Zimbabwe, where inflation has risen to about 150%, group revenue would have declined 1%, PPC said on Wednesday. Volumes had declined by 30%-35% in Zimbabwe, with revenue halving, with that division also subject to regular power outages. PPC has a presence in SA, Botswana, Democratic Republic of Congo, Ethiopia, Rwanda and Zimbabwe. The company fared better in Rwanda and the Democratic Republic of the Congo (DRC), seeing revenue growth of 28% and 26% respectively. – Business Day

**Naspers's** Netherlands-based subsidiary **Prosus** dialled up its appeal for Just Eat shareholders to reject a rival bid from Takeaway.com on Wednesday, as a December 11 deadline for its own offer looms. Prosus, which owns a range of internet-based businesses, says Takeaway continues to underestimate the value of the online delivery platform, saying shareholders should consider the future of the company in an increasingly competitive and hostile operating environment. Without substantial further investment, Just Eat will continue to underperform, the company said. On Wednesday, Takeaway declared the offer period for its all-share bid open, though the financial terms of the document remain unchanged from August. According to Reuters, the Takeaway offer values Just Eat at 698p or £4.76bn (about R90bn). The offer also runs until 11 December and will be declared unconditional on 31 January if 75% of Just Eat shareholders tender their shares. Prosus offered 710p per share in cash for Just Eat. – Business Day

The share price of Johann Rupert's investment holding company **Remgro** was on track for its best performance in over six years on Wednesday, after notifying the market after trading closed on Tuesday that it intends to distribute its 28% stake in RMB Holdings to shareholders. In morning trade Remgro's share price was up 5.31% to R194.50, having earlier risen as much as 8.2%. It was on track for its best day since June 2013. In a separate announcement, RMB Holdings said on Tuesday it would distribute its R130bn shareholding in FirstRand to shareholders. RMB's share price was 4.53% to R86.93, having earlier risen as much as 5.6%. – Business Day

## SA Economic News

**South Africa's annual inflation rate dropped more than forecast to the lowest in almost nine years in October, providing some room for the central bank to ease policy.** Consumer-price growth slowed to 3.7% compared with 4.1% in September, Statistics South Africa said on Wednesday. The latest print marks 31 consecutive months in which inflation has remained within the central bank's target band of 3% to 6%. The median estimate of 14 economists in a Bloomberg survey was 3.9%.

## SADC

**Zambia's** central bank and the government agreed that 4.4 billion kwacha (US\$310 million) the state owed the institution be converted into securities, Governor Denny Kalyalya said. The state borrowed the money from the Bank of Zambia at a time when the country was emerging from an electricity crisis and economic strain, and as elections in 2016 approached. The loans peaked at 5.3 billion kwachas in July 2016, but were marked as zero in August this year on the bank's balance sheet as a result of the deal. "We had been in conversation with the government in terms of how they were going to make good on their indebtedness that they had to the central bank," Kalyalya told reporters Wednesday in Lusaka, the capital. "This is a matter which has been of great concern. We reached an agreement where they converted that exposure for securities." Zambia has been struggling with rapidly escalating debt costs and repeated budget deficits. That's put pressure on the government's finances and the state owed suppliers more than 20 billion kwacha in areas in June.

## Overall Index

Ticker	Shares Traded	Current Price (c)	Net Change	d/d %	mtd %	ytd %	52Wk High	52Wk Low
ANM	269	38928	-447.00	-1.14	0.69	20.79	40800	27297
AOX		2210	27.00	1.24	5.24	-19.64	2998	1934
B2G		5383	34.00	0.64	6.22	29.09	5882	3403
CGP	16,016	1529	2.00	0.13	-1.29	-1.35	1607	1527
BWL	5,581	12451	0.00	0.00	3.23	8.14	13692	10678
FNB	3,300	3340	1.00	0.03	-0.09	-16.91	4025	3081
FST	1,282	6750	-105.00	-1.53	3.37	3.42	7140	5504
IVD		8431	-67.00	-0.79	-1.87	6.72	9460	7371
KFS		970	0.00	0.00	8.99	-9.35	1100	756
LHN		332	0.00	0.00	0.00	-14.87	393	332
MEP		7500	-8.00	-0.11	5.66	24.73	7533	5348
MIM		2164	49.00	2.32	7.13	26.33	2164	1537
NAM		55	0.00	0.00	-1.79	-14.06	64	55
NBK	1,260	24305	429.00	1.80	6.05	-11.53	29130	21492
NBS		4833	0.00	0.00	-0.02	3.96	4899	4533
NHL		160	0.00	0.00	0.00	-11.11	180	160
OCS		6249	49.00	0.79	-6.72	-15.42	8200	6200
OMM	6,430	2032	35.00	1.75	3.41	-9.29	2403	1743
ORY		2025	0.00	0.00	-0.25	0.71	2060	1950
PNH		1029	0.00	0.00	0.00	-6.45	1100	1028
SILP		12790	0.00	0.00	0.00	5.45	12790	12129
SLA	3,667	8408	144.00	1.74	5.67	5.36	8469	6886
SNB	1,493	17907	150.00	0.84	3.23	0.47	20677	16466
SNO		900	0.00	0.00	1.12	1.12	900	890
SNM	8,000	29010	-932.00	-3.11	2.73	-3.62	33975	27806
SRH	197	13657	6.00	0.04	0.86	-28.18	20200	11025
TRW	675	5360	15.00	0.28	0.06	-39.16	9200	4984
TTO		800	-79.00	-8.99	-15.79	-49.24	1600	568
VKN		1930	-8.00	-0.41	-0.21	-1.28	2150	1778

<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		25661	305.00	1.20	-3.53	42.83	26646	15469
NGNGLD		20469	26.00	0.13	-5.02	17.35	22289	15815
NGNPLD		25660	270.00	1.06	-3.46	44.07	26624	15487
NGNPLT		13158	118.00	0.90	-3.93	17.88	14249	10571

## Namibian Bonds

Government Bonds	YTM	Benchmark	Benchmark YTM	Premium Last Trade	All-In-Price	Clean Price	Modified Duration
GC20	7.300	GT364/26Apr19	7.212	9	101.151	100.337	0.387
GC21	7.970	R2023	7.295	68	100.369	99.605	1.724
GC22	8.065	R2023	7.295	77	104.354	101.286	1.877
GC23	8.388	R2023	7.295	109	102.366	101.493	3.226
GC24	8.930	R186	8.320	61	107.139	106.103	3.781
GC25	8.936	R186	8.320	62	98.985	98.147	4.208
GC27	9.206	R186	8.320	89	96.545	93.740	5.130
GC30	9.791	R2030	9.065	73	91.401	88.596	6.407
GC32	10.399	R213	9.285	111	91.244	90.356	7.023
GC35	10.743	R209	9.735	101	93.955	90.624	7.416
GC37	10.923	R2037	9.865	106	92.243	88.911	7.675
GC40	11.153	R214	10.000	115	90.065	89.098	8.120
GC43	11.522	R2044	10.095	143	91.172	87.665	7.910
GC45	11.780	R2044	10.095	168	87.885	84.430	7.891
GC50	11.884	R2048	10.075	181	90.187	86.592	7.945
GI22	4.400				120.786	120.354	2.712
GI25	4.600				119.949	118.307	4.945
GI29	5.554				102.608	100.887	7.204
GI33	6.145				90.059	89.592	9.548
GI36	6.390				86.142	84.447	10.573
Eurobond	3.479	10YUSBond	1.745	173	104.061	103.771	1.832
Eurobond 2	4.746	10YUSBond	1.745	300	102.910	102.575	5.049
NAM01	8.415	R2023	7.295	112	99.732	99.596	2.589
NAM02	7.430	R2023	6.695	73	105.126	101.204	0.528
NAM03	8.895	R2023	7.295	160	106.739	103.539	2.954
NAM04	10.120	R186	8.320	180	105.144	101.804	4.595
<b>Corporate Bonds – Fixed</b>							
NWC20	7.910	R2023	7.295	62	101.107	100.437	0.410
BW25	8.360	R2023	7.295	167	103.472	100.935	0.690
NMP20	7.240	R2023	7.295	-6	104.374	101.325	0.632
IFC21	7.452	R2023	7.295	16	107.156	103.028	1.260
FNBX21	8.615	GC22	8.065	55	103.853	103.306	1.731
BWRj21	8.875	GC21	7.970	91	98.820	98.055	1.715
FBNX27	8.765	GC22	8.065	70	104.789	103.313	2.038
NWC22	9.145	R2023	7.295	185	101.599	100.891	2.113
BWFFH22	8.795	R2023	7.295	150	104.088	101.641	2.325
BWFK22	8.835	R2023	7.295	154	102.937	102.964	2.442
BWFi23	8.595	R2023	7.295	130	101.630	100.388	3.183
DBN23	7.945	R2023	7.295	65	98.784	83.994	3.231
NEDNAM01	9.850	GC24	8.930	92	106.812	103.522	3.535
NEDX2030	9.051	GC25	8.936	12	107.013	104.748	3.971
<b>Corporate Bonds – Floating</b>							
BWJi20	8.600	3 month JIBAR	6.800	180	99.345	100.005	0.073
BWJd21	8.650	3 month JIBAR	6.800	185	100.718	99.985	0.159
BWJL21G	8.300	3 month JIBAR	6.800	150	99.637	100.002	0.042
BWJh22	8.620	3 month JIBAR	6.800	182	100.078	100.030	0.234
BWJK22	8.670	3 month JIBAR	6.800	187	99.976	100.000	0.003
BWJi24	8.300	3 month JIBAR	6.800	150	101.147	99.988	0.107
BWJ1e27	8.950	3 month JIBAR	6.800	215	100.024	99.999	0.237
BWJ2e27	6.800	3 month JIBAR	6.800	0	100.018	100.000	0.239
DBN20	8.700	3 month JIBAR	6.800	190	99.762	100.001	0.026
FNBJ21	8.800	3 month JIBAR	6.800	200	100.448	99.991	0.190
FBNJ27	9.300	3 month JIBAR	6.800	250	101.310	99.986	0.102
ORY19	8.500	3 month JIBAR	6.800	170	100.000	100.000	0.000
SBNA21	8.400	3 month JIBAR	6.800	160	100.858	99.986	0.141
SBKN20	8.550	3 month JIBAR	6.800	175	100.596	99.988	0.172
SBNA22	8.850	3 month JIBAR	6.800	205	99.903	100.000	0.010
NEDNAM02	9.550	3 month JIBAR	6.800	275	100.486	99.989	0.189
NEDJ2028	9.550	3 month JIBAR	6.800	275	102.197	99.996	0.021



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