

International News

US MBA Mortgage Applications fell 8.7% w/w in the week of 19 June, as per the Mortgage Bankers Association.

US FHFA House Price Index rose 0.2% m/m in April, as per the Federal Housing Finance Agency.

Germany IFO Business Climate Index rose 6.5 points to 86.2 in June, above market, as per the Institute for Economic Research.

Japan All Industry Activity Index fell 6.4% m/m in April, as per the Ministry of Economy, Trade and Industry.

Local News

Namibia recorded four new cases of the novel coronavirus (Covid-19), all of which were travellers who recently entered the country, health minister Kalumbi Shangula announced yesterday. This brings the country's total positive cases to 76. Case numbers 73, 74 and 75 are Indian nationals who travelled to Namibia on 17 June. Case number 73 is a 46-year old woman, case number 74 is a 30-year-old woman and case number 75 is a 19-year-old woman. "[They] travelled from India via South Africa," Shangula told The Namibian. He said the three women travelled from India through South Africa and fall in categories of those permitted in Namibia. The three are said to have shown no symptoms of the virus but were placed in quarantine, as per protocol, according to Shangula. All three are in satisfactory condition. -The Namibian

The Namibian Ports Authority (Namport) handled over one million tonnes of cargo along the trans-national corridors during the last financial year, which was a 30% increase from 2018/2019. Corridor-volumes recorded in the past financial year ending 31 March show cargo volumes along the Walvis Bay-Ndola-Lubumbashi Development Corridor increased by 4% from 718,086 tonnes (2018/2019) to 743,646 (2019/2020). The Trans-Kalahari Corridor saw a 42% jump from 35,375 tonnes (2018/19) to 50,368 tonnes (2019/20); while a decrease of 24% was recorded on cargo moved through the Trans-Cunene Corridor from 31,410 tonnes (2018/19) to 23,762 tonnes (2019/2020). More cargo was handled through the Trans-Oranje Corridor which recorded an increase of 205,835 tonnes from 1,785 tonnes in 2018/19 to 207,620 tonnes in 2019/20. The total cargo through all the corridors led to an average increase of 30% from 2018/19 to 2019/20. -The Namibian

Namibia improves on peace index. Namibia has moved up eight places on the Global Peace Index for 2020, making it one of the ten most peaceful countries in sub-Saharan Africa. The index measures the peacefulness of 163 countries with a range of measures, including the level of violent crimes and homicide rate, military spending, deaths from conflict and terrorism, as well as an estimated economic cost of violence. The results revealed that peace has deteriorated in 80 countries while improving in 81. Namibia was ranked 53rd globally with an overall score of 1.861. The country moved up eight places from last year. Among sub-Saharan countries Namibia was ranked eighth. -The Namibian Sun

N\$102m school project in Chinese firm's hands. Long-awaited renovations to one of the oldest schools in the Kavango East Region - Linus Shashipapo Secondary School - have commenced, with the main contractor on the N\$102 million project confirmed as China Jiangxi International (Namibia). The school has a rich history, with a number of ministers, politicians and well-known business personalities having been taught in its classrooms. The Chinese firm, a local subsidiary of China Jiangxi International, which, according to an internet search also has a similar operations in Kenya and South Sudan, among other countries, specialises in building, construction, transport, real estate development, mining, hotels, restaurants, exports and investments. The African Development Bank (AfDB) is funding the project. When contacted for comment, consulting general manager of the Construction Industry Federation (CIF), Bärbel Kirchner, said: "It is very sad that we still have foreign companies involved in the space where Namibian-owned companies should operate. "How can this be tolerated when local contractors, without any doubt, have the capacity and the experience, yet are being left by the wayside?" -The Namibian Sun

SA Economic News

South African Finance Minister Tito Mboweni delivered a grim assessment of the nation's finances in a special adjustment budget that forecast a deep recession and plunging tax revenue. Gross domestic product is forecast to shrink 7.2% this year, the most in almost nine decades, and the consolidated budget deficit is expected to surge to 15.7%. While gross debt-to-GDP is to peak at 87.4% in four years, investors were cheered by a pledge to cut spending and bring borrowing under control. "We have accumulated far too much debt; this downturn will add more," Mboweni said Wednesday in a speech to lawmakers in Cape Town. "Our Herculean task is to stabilize debt." Yields on benchmark 10-year government bonds fell as much as 16 basis points to a two-week low. The rand weakened as Mboweni spoke, before erasing most of the decline.

Company News

African Bank posts loss after R614m Covid-19 profit hit. African Bank Holdings, the entity that arose from one of SA's biggest banking collapses, slipped into a loss in its half year to end-March, after making adjustments for Covid-19 that hit group after-tax profit by R614m. The group's subsidiary, African Bank, reported a net loss after tax of R311m, from profit of R69m previously, as it braces for the deteriorating creditworthiness of its customer base as a result of Covid-19. The group is also preparing for future insurance claims. The group has made a R550m provision for higher credit impairments, while its insurance entity has also made a provision of R303m. These adjustments negatively affected after tax profits by R614m. Excluding this adjustment, the bank would have recorded a profit after tax of R85m. -Business Day

Brait's net asset value halves due to Covid-19. Investment group Brait, whose largest shareholder is Christo Wiese, said on Wednesday that its net asset value (NAV) per share had halved due to Covid-19, which does not take into account the effects of a share issuance in February. The group's NAV per share fell to R8.27 in the year to end-March, from R41.80 in the year-earlier period. NAV per share fell from R38 to R17.46 after the issuance of 848-million new shares in February as part of a R5.6bn equity raise; NAV per share fell further after the group took into account the effects of the pandemic. The group, which reported a loss of R15.96bn in the year to end-March, from a loss of R11.26bn previously, said on Wednesday that the businesses within its portfolio were seeking to reduce costs and preserve cash, though the effect of the pandemic remained uncertain. Brait's biggest investment, Virgin Active, accounted for 42% of its portfolio at the end of March. -Business Day

Intu Properties finds trouble in the UK. One of Britain's biggest mall operators wants its lenders to cut it yet more slack instead of calling in administrators. Given Intu Properties Plc's terrible track record, it's hard to see why creditors should opt for more of the same when they have the chance to take the keys. Intu owns some of the UK's biggest shopping centres, has £4.5 billion pounds (\$5.6 billion) of net debt and a byzantine capital structure with borrowings piled onto individual sites as well as the group as a whole. The pandemic shut most of the retail sector, making it even harder for tenants to afford the rent. While non-essential shopping is now permitted in the UK, any recovery will come too late and too slowly to generate sufficient cash for Intu to cut its debts and stay within its banking covenants. The company wants its main lenders — the big four UK clearing banks plus Bank of America Corp, Credit Suisse Group AG and UBS Group AG — to accept a so-called standstill agreement suspending covenant tests for as long as 18 months and amending repayment terms. Matters come to a head on Friday when an existing covenant breach waiver expires. There's no sign yet of any breakthrough. -Moneyweb

Sun International gets Chilean offer for 50.1% stake. Sun International, the owner of South Africa's Sun City resort, has received an offer for a 50.1% stake in the hotel and casino operator from Chilean investment firm Nueva Inversiones Pacifico Sur (IPS), lifting its shares by 22%. IPS' R22 a share offer comes as Sun plans to raise R1.2 billion through a rights issue to boost liquidity and strengthen its balance sheet after the coronavirus lockdown. Chile's IPS said in a statement on Wednesday that its proposed part-cash offer also includes a bridge loan of up to R1.2 billion to Sun International, which is preparing to reopen its resorts after the lockdown. It said the offer, which values the stake at R1.5 billion, represented a premium of 44.26% to Sun's 22 June closing share price of R15.25. Shares in Sun International jumped 22.13% to R18.10 after the offer was announced. -Moneyweb

SADC

Tanzania's current account deficit narrowed to US\$40.5 million in April from a deficit of US\$44.4 million in the previous month according to the Dar es Salaam-based central bank. The shortfall on goods and services trade was US\$5.3m compared to a deficit of US\$63.3m in March.

Zimbabwean President Emmerson Mnangagwa warned his government will tackle "malpractices" that have undermined his government's efforts to end an economic crisis. The comments echo remarks Mnangagwa made two weeks ago, when he blamed private business for the country's economic woes. "We shall not allow a situation where our people live in chronic insecurity, lack and deprivation," Mnangagwa said Wednesday in a televised speech in the capital, Harare. "It has become apparent that in our midst there are wolves in sheep's clothing. The end is coming."

Overall Index

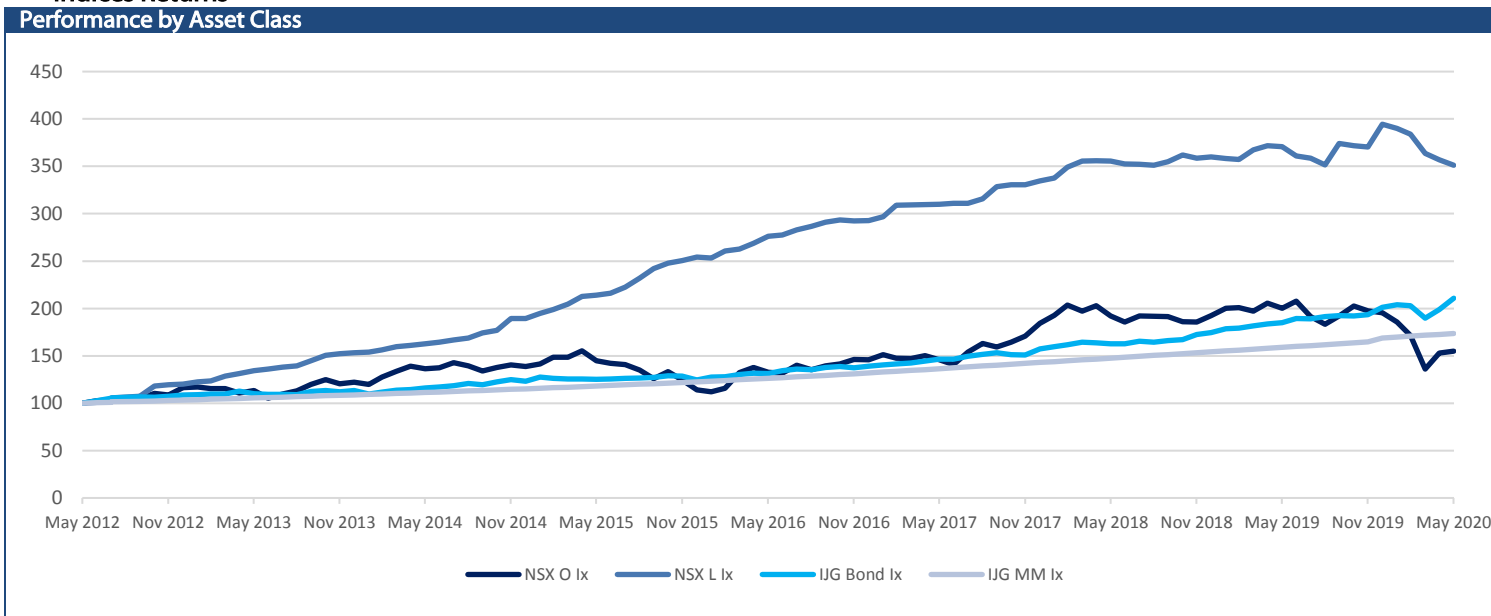
Ticker	Shares Traded	Current Price (c)	Net Change	d/d %	mtd %	ytd %	52Wk High	52Wk Low
ANM		39,618	(768.0)	(1.90)	8.38	(0.67)	42,529	21,095
AOX		1,706	-	-	5.31	(20.69)	2,314	1,505
B2G		9,336	127.0	1.38	2.88	73.82	10,526	71
CGP		1,400	-	-	-	(8.20)	1,604	1,300
BWL		8,000	301.0	3.91	17.20	(27.44)	12,915	5,530
FNB		3,199	-	-	(1.57)	(4.25)	3,349	3,081
FST		3,959	134.0	3.50	(1.35)	(36.96)	6,987	3,343
IVD		3,355	(245.0)	(6.81)	10.33	(43.07)	6,659	2,711
KFS		760	(1.0)	(0.13)	8.57	(20.00)	1,012	456
LHN		297	-	-	(0.67)	(9.73)	370	230
MEP		5,559	(162.0)	(2.83)	(5.81)	(27.96)	7,780	5,211
MIM		1,800	(5.0)	(0.28)	4.41	(17.58)	2,235	1,372
NAM		61	-	-	(6.15)	10.91	65	55
NBK		10,612	(322.0)	(2.94)	7.43	(50.48)	25,949	7,306
NBS		3,500	-	-	(8.85)	(27.49)	4,840	3,500
NHL		160	-	-	-	-	160	160
OCS		6,665	(62.0)	(0.92)	12.79	8.29	7,400	4,904
OMM		1,165	(26.0)	(2.18)	3.74	(40.74)	2,200	959
ORY		1,749	-	-	-	(13.59)	2,060	1,749
PNH		1,100	-	-	10.00	6.90	1,100	1,000
SILP		12,780	-	-	(0.09)	(0.08)	12,791	12,129
SLA		5,882	(113.0)	(1.88)	3.98	(25.64)	8,408	4,544
SNB		10,371	(152.0)	(1.44)	2.07	(38.39)	20,222	8,441
SNO		829	-	-	(1.43)	(9.89)	980	775
SNM		28,363	363.0	1.30	5.05	(2.24)	31,109	22,475
SRH		10,783	(131.0)	(1.20)	4.21	(14.37)	16,400	10,055
TRW		3,658	40.0	1.11	12.14	(25.65)	7,250	2,490
TTO		260	(7.0)	(2.62)	(3.70)	(57.38)	1,050	161
VKN		743	(29.0)	(3.76)	20.42	(61.70)	2,121	484

¹ Prices quoted in Australian cents. ² 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		32,290	-305.00	-0.94	-1.01	22.62	42,103	20,059
NFNAMA		1,491	-2.00	-0.13	2.62	7.04	1,510	1,206
NGGLD		28,825	266.00	0.93	2.12	43.39	31,080	18,473
NGNPLD		32,016	-251.00	-0.78	-3.15	21.54	41,805	20,059
NGNPLT		13,497	-367.00	-2.65	-4.11	2.03	14,833	9,841
SXNEMG		4,716	-43.00	-0.90	6.82	11.31	4,759	3,547
SXNWDM		5,163	-72.00	-1.38	2.26	16.68	5,235	3,854
SXNNDQ		9,819	-102.00	-1.03	5.29	42.82	9,925	6,072
SXN500		5,475	32.00	0.59	2.97	21.50	5,550	3,980

Indices Returns



* Based to 100

Namibian Bonds

Government Bonds	YTM	Benchmark	Benchmark YTM	Premium Last Trade	All-In-Price	Clean Price	Modified Duration
GC21	5.105	R2023	5.010	10	104.779	103.292	1.223
GC22	5.910	R2023	5.010	90	103.671	104.175	1.398
GC23	5.890	R2023	5.010	88	110.460	108.762	2.831
GC24	7.900	R186	7.500	40	111.326	109.312	3.415
GC25	7.880	R186	7.500	38	104.049	102.418	3.845
GC27	7.900	R186	7.500	40	100.053	100.513	4.863
GC30	9.710	R2030	9.130	58	89.055	89.516	6.134
GC32	10.328	R213	9.585	74	92.751	91.025	6.804
GC35	11.715	R209	10.715	100	83.967	84.513	6.947
GC37	12.156	R2037	11.050	111	80.537	81.084	7.085
GC40	12.615	R214	11.035	158	81.385	79.505	7.376
GC43	13.118	R2044	11.365	175	76.943	77.519	7.053
GC45	13.336	R2044	11.365	197	74.341	74.908	7.022
GC50	13.351	R2048	11.305	205	76.681	77.270	7.054
GI22	4.490				123.450	122.597	2.173
GI25	4.490				121.019	121.292	4.462
GI29	5.975				99.711	99.998	6.755
GI33	6.700				87.838	86.915	9.090
GI36	6.990				80.650	80.933	10.073
Eurobond	5.128	10YUSBond	0.679	445	101.282	100.473	1.276
Eurobond 2	4.851	10YUSBond	0.679	417	102.684	101.853	4.584
NAM01	6.500	R2023	5.010	149	104.745	103.813	2.130
NAM02	5.310	R2023	3.625	169	99.956	100.035	0.008
NAM03	6.610	R2023	5.010	160	113.609	109.495	2.565
NAM04	9.280	R186	7.500	178	109.911	105.619	4.308
Corporate Bonds – Fixed							
BW25	6.075	R2023	5.010	245	103.941	100.522	0.144
NMP20	4.955	R2023	5.010	-6	104.250	100.357	0.080
IFC21	5.167	R2023	5.010	16	103.651	103.517	0.739
FNBX21	6.460	GC22	5.910	55	106.679	105.126	1.242
BWRj21	6.010	GC21	5.105	91	103.628	102.141	1.218
FBNX27	6.610	GC22	5.910	70	108.576	106.106	1.574
NWC22	6.860	R2023	5.010	185	106.172	104.573	1.648
BWFH22	6.510	R2023	5.010	150	109.211	105.906	1.881
BWFK22	6.550	R2023	5.010	154	108.437	107.507	2.121
BWFi23	6.310	R2023	5.010	130	109.054	106.975	2.783
DBN23	5.660	R2023	5.010	65	113.863	88.549	2.969
NEDNAM01	8.820	GC24	7.900	92	111.025	106.757	3.176
NEDX2030	7.995	GC25	7.880	12	111.701	108.457	3.624
Corporate Bonds – Floating							
BWJi20	5.717	3 month JIBAR	3.917	180	100.099	100.005	0.227
BWJd21	5.767	3 month JIBAR	3.917	185	99.591	100.050	0.069
BWJL21G	5.417	3 month JIBAR	3.917	150	100.274	100.005	0.196
BWJh22	5.737	3 month JIBAR	3.917	182	100.742	100.093	0.147
BWJK22	5.787	3 month JIBAR	3.917	187	100.617	100.047	0.155
BWJi24	5.417	3 month JIBAR	3.917	150	99.911	100.028	0.016
BWJ1e27	6.067	3 month JIBAR	3.917	215	100.713	100.067	0.149
BWJ2e27	3.917	3 month JIBAR	3.917	0	100.505	100.071	0.151
DBN20	5.817	3 month JIBAR	3.917	190	100.401	100.013	0.180
FNBj21	5.917	3 month JIBAR	3.917	200	101.035	100.062	0.101
FBNj27	6.417	3 month JIBAR	3.917	250	99.912	100.024	0.013
ORYJ22	6.117	3 month JIBAR	3.917	220	100.693	100.064	0.152
SBNA21	5.517	3 month JIBAR	3.917	160	101.504	100.083	0.051
SBKN20	5.667	3 month JIBAR	3.917	175	101.095	100.052	0.083
SBNA22	5.967	3 month JIBAR	3.917	205	100.543	100.022	0.163
NEDNAM02	6.667	3 month JIBAR	3.917	275	101.144	100.061	0.101
NEDJ2028	6.667	3 month JIBAR	3.917	275	100.514	100.013	0.173



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