

International News

US FOMC left rates unchanged at 0.00% - 0.25%, saying it would keep them there for as long as necessary.

US MBA Mortgage Applications fell 0.8% w/w in the week of 24 July, as per the Mortgage Bankers Association.

US Wholesale Inventories fell 2.0% m/m in June, as per the US Census Bureau.

US Pending Home Sales rose 16.6% m/m and 12.7% y/y in June, above market, as per the National Association of Realtors.

UK Mortgage Approvals rose to 40,000 in June, above market, as per the Bank of England.

Japan Retail Sales rose 13.1% m/m, but fell 1.2% y/y in June, above market, as per the Ministry of Economy, Trade and Industry.

Local News

While the reputation of the International Monetary Fund has not been seen as favourable, local economic commentators have welcomed the government's intention to borrow from the Bretton Woods institution, arguing that its relatively low rates in the face of the Covid-19 pandemic makes it the ideal lender. Namibia had submitted a request to borrow N\$4.5 billion in an effort to fund its responses to the Covid-19 pandemic. This breaks a 30-year commitment not to borrow from the IMF, which often attaches strict conditionalities to money it lends. Many countries lose their fiscal sovereignty because of the terms of these loans. The institution has made funding available for the pandemic and with that, relaxed some conditions, which countries like Namibia find appealing. Namibia's debt to Gross Domestic Product is expected to reach 69% by the end of the fiscal year while elevated debt levels have always drawn concern from rating agencies Moody's and Fitch. The Bank of Namibia indicated in June that the country's debt to GDP ratio stood at 56.8%. -Namibian Sun

Santam Namibia has committed N\$30 million to clients with Contingent Business Interruption (CBI) extensions in their policies who have incurred losses due to Covid-19. The urgent relief is for clients in the hospitality, leisure and non-essential retail services industries that have CBI cover, Santam said in a media statement issued on Monday. "We understand that the pandemic has caused devastation on individuals, businesses and the overall economy. Therefore, we decided to assist with a substantial contribution to help sustain our policyholders in the most impacted industries," Santam Namibia chief executive officer Franco Feris said. The aim of the relief payment is to support policyholders who are in financial distress and does not serve as indemnity under a policy contract, it said. -Namibian Sun

Namibia's first ever locally grown blueberries are set to hit the foreign market next month. The berries, which are being sold and marketed under the trading name 'Namib Blue', are earmarked for both Namibian and international consumption, with exports to markets across Europe, Asia and the Indian Ocean islands of Mauritius, Maldives and Seychelles expected to begin next month. This yield is the work of local company Mashare Berries Farming, a subsidiary of Mashare Irrigation, which produces a variety of grains and vegetables such as maize, wheat, sorghum, potatoes, onions and cabbages for the local market. Sales and marketing specialist at Mashare Henriette le Grange said their aim remains to supply blueberries locally, however, Namibia's market for the fruit is known to be small. "The aim is to supply locally as many blueberries as the market can absorb, and export the rest. The Namibian market is historically small, but we believe it can increase substantially through the supply of high quality fresh fruit," she said in response to questions by The Namibian. -The Namibian

Renowned chartered accountant and former Allan Gray Managing Director (MD), James Mnyupe has taken a 50 percent pay cut to take over as the economic advisor to President Hage Geingob, Confidentialé can reveal. A well-respected analyst, Mnyupe will be taking over from John Steytler, it is, however, not clear when the President will make the announcement, although indications are that he could be at State House between August and September. Mnyupe confirmed being approached by government saying, "What I can confirm is that I have left my position at Allan Gray to go and serve my country but in what capacity I cannot say for now. I am just happy to serve my country." Mnyupe also confirmed taking a salary pay cut as he makes a jump from the private sector to the public sector. "Yes, I am actually taking a 50 percent pay cut to join Government. I am just excited to serve the country in any role assigned to me." -Confidenté

SA Economic News

South Africa's inflation rate rose for the first time in four months in June as restrictions on household consumption of goods and services were eased. Consumer prices increased 2.2% from a year earlier compared with 2.1% in May, Statistics South Africa said on Wednesday in a statement. That matched the median estimate of 11 economists in a Bloomberg survey. Prices rose 0.5% in the month, the first monthly increase since March.

Company News

Sasol has agreed to sell the world's biggest oxygen production site in Secunda to France's Air Liquide for about R8.5 billion, as it sheds assets to pay off debts and avoid a rights issue. Sasol, the world's biggest producer of motor fuel from coal, said on Wednesday it had reached an agreement to sell the 16 air separation units, which have a capacity of 42,000 tons per day and produce oxygen for its fuels and chemicals production processes as well as other gases. The move is part of Sasol's drive to sell off assets amid the coronavirus crisis and oil price slump, which have left the company - already struggling following problems at a massive chemicals project in the United States - potentially facing a rights issue of US\$2 billion. Air Liquide, an industrial gases company that has been present at the site since 1979 and already owns and operates one other air separation unit, said it would launch a multi-year plan to modernise the facilities. - Moneyweb

IT firm **EOH** [JSE: EOH] said it is making progress in reducing debt levels, implementing other cost control measures and addressing governance challenges, according to an update to shareholders. The share price lifted more than 13% on the back of a pre-close financial performance update for the six-month period ending 31 July 2020, issued on Wednesday afternoon. The share, which opened at R4.92 on Wednesday, reached a high of R5.60 shortly before markets closed. The share price has lost nearly three-quarters of its value over the past year. The company has been trying to reform its governance structures, this after a probe last year found that it lost nearly R1 billion in fraudulent transactions. A number of executives have left in the wake of the graft reports, including founder Asher Bohbot. Earlier on Wednesday Fin24 reported that the Johannesburg Stock Exchange had fined the company R5 million for errors in its past financial statements. -Fin24

FNB will roll out virtual card functionality to its entire customer base across credit cards, debit cards, fusion cards and business debit cards by October - before the peak annual shopping season, which starts with Black Friday in November. An internal pilot has been followed by a launch to all FirstRand staff on Tuesday. The bank will be the first to roll out these virtual Visa cards to clients in South Africa, but a number of other banks and fintech startups globally already issue digital cards. FNB customers can create as many of these virtual cards in the FNB app as they like. These cards, linked to their existing accounts, do not attract any additional charges. Customers will be able to block, cancel or replace cards from within the app. -Moneyweb

Chemicals company **AECI** is eyeing plant-based protein and recycled energy as its next growth frontier as it grapples with the effect of Covid-19. Mark Dytor, CEO of AECI, said the company was focusing on its core segments in water, agriculture, mining, and chemicals, and is moving forward with its growth strategy, following a restructuring process across all its segments. "We are looking at other sectors, so energy from waste, for instance, is something that is of interest for us [and] protein from crops. Especially with people moving toward a vegetarian-type world, those are different sectors that we are currently looking at," he said after presenting the interim results on Wednesday. He was coy about the details of the upcoming businesses in the sector but he said the company had already earmarked funds for development. In its interim results for the six months ended 30 June, revenue dipped 6% across all its segments, except for one. The plant and animal health segment's revenue grew by 19%. -Fin24

Standard Bank has warned of that interim profits in the six months to end-June could halve after the Covid-19 pandemic weighed on economic activity and prompted relief efforts for clients. SA's hard lockdown in April resulted in a share drop off in transactions and, while activity improved in May and June, it remained below pre-lockdown levels, the banking group said in a trading update. Headline earnings per share (HEPS) to end-June are expected to be between 30% and 50% lower than the previous period's 837.4c, with the group warning the pandemic is not yet over. - Business Day

SADC

Zimbabwe's government signed a US\$3.5 billion deal to compensate White commercial farmers who were evicted from their land two decades ago. The agreement is a turning point in a dispute that tipped the southern African nation's economy into freefall by slashing food production and export income and prompted sanctions from the US and the European Union. The government plans to sell a 30-year bond on international markets to pay for the compensation, according to the agreement it signed with the farmers.

Overall Index

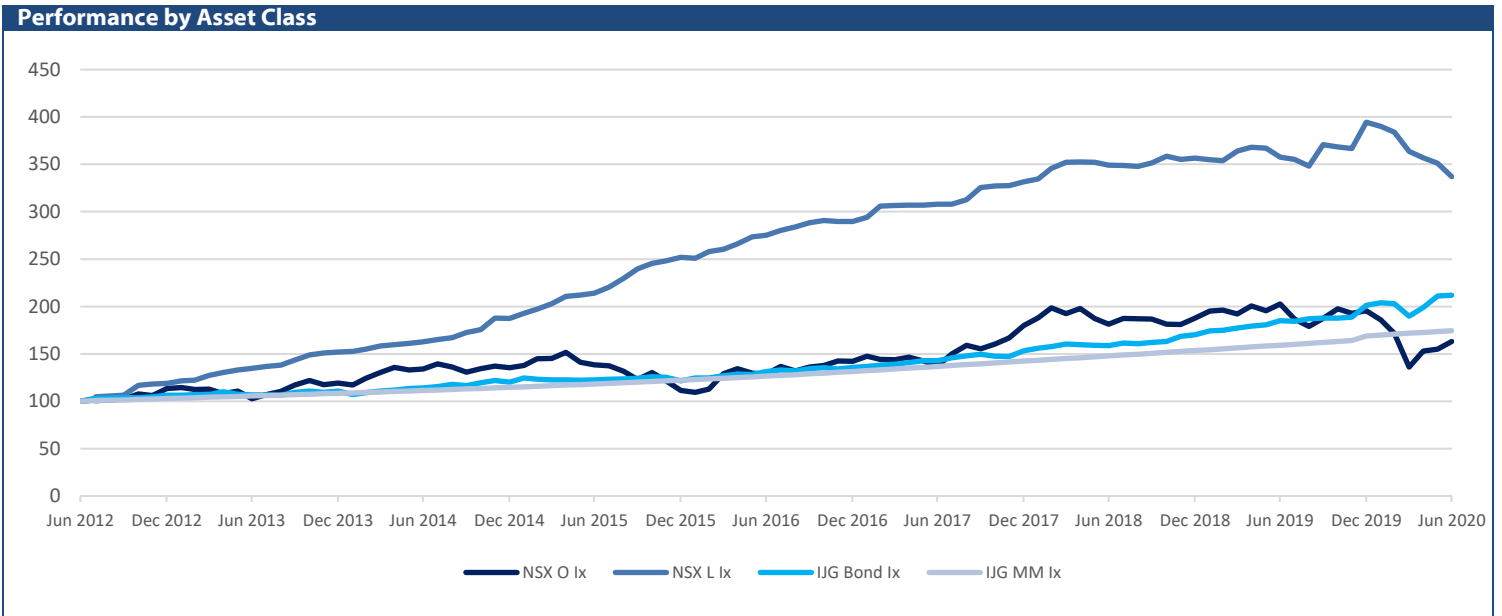
| Ticker | Shares Traded | Current Price (c) | Net Change | d/d % | mtd % | ytd % | 52Wk High | 52Wk Low |
|--------|---------------|-------------------|------------|--------|---------|---------|-----------|----------|
| ANM | 8,500 | 42,162 | (91.0) | (0.22) | 5.06 | 5.71 | 42,529 | 21,095 |
| AOX | 85,511 | 1,700 | 22.0 | 1.31 | (2.80) | (20.97) | 2,280 | 1,505 |
| B2G | | 11,264 | 27.0 | 0.24 | 19.47 | 109.72 | 11,264 | 71 |
| CGP | | 1,349 | - | - | (3.57) | (11.54) | 1,604 | 1,000 |
| BWL | 165,223 | 7,030 | 307.0 | 4.57 | 0.70 | (36.24) | 12,422 | 5,530 |
| FNB | 10,000 | 2,300 | - | - | (27.63) | (31.16) | 3,349 | 2,015 |
| FST | 329,765 | 4,145 | 95.0 | 2.35 | 8.91 | (34.00) | 6,927 | 3,343 |
| IVD | | 3,487 | 84.0 | 2.47 | 0.98 | (40.83) | 6,567 | 2,711 |
| KFS | | 707 | (13.0) | (1.81) | (5.61) | (25.58) | 980 | 456 |
| LHN | | 270 | - | - | (1.46) | (17.93) | 348 | 230 |
| MEP | 26,660 | 6,070 | - | - | 6.04 | (21.34) | 7,780 | 5,211 |
| MIM | 105,592 | 1,775 | 17.0 | 0.97 | 0.80 | (18.73) | 2,235 | 1,372 |
| NAM | | 61 | - | - | - | 10.91 | 65 | 55 |
| NBK | | 11,494 | 121.0 | 1.06 | 12.44 | (46.36) | 25,124 | 7,306 |
| NBS | | 3,499 | - | - | - | (27.51) | 4,836 | 2,590 |
| NHL | | 160 | - | - | - | - | 160 | 160 |
| OCS | | 7,032 | (188.0) | (2.60) | (1.39) | 14.25 | 7,450 | 4,904 |
| OMM | | 1,188 | (51.0) | (4.12) | (1.33) | (39.57) | 2,075 | 959 |
| ORY | | 1,740 | - | - | (0.51) | (14.03) | 2,060 | 1,730 |
| PNH | | 1,095 | - | - | (0.45) | 6.41 | 1,100 | 1,000 |
| SILP | | 12,780 | - | - | - | (0.08) | 12,791 | 12,780 |
| SLA | | 6,505 | 116.0 | 1.82 | 10.37 | (17.76) | 8,408 | 4,544 |
| SNB | | 11,807 | 526.0 | 4.66 | 12.99 | (29.85) | 19,330 | 8,441 |
| SNO | | 750 | - | - | 0.13 | (18.48) | 980 | 725 |
| SNM | 5,500 | 27,000 | - | - | 0.75 | (6.94) | 30,883 | 22,475 |
| SRH | 9,893 | 10,390 | 284.0 | 2.81 | (2.58) | (17.49) | 15,835 | 10,028 |
| TRW | | 3,326 | 73.0 | 2.24 | (2.21) | (32.40) | 6,382 | 2,490 |
| TTO | | 495 | 17.0 | 3.56 | 35.25 | (18.85) | 1,050 | 161 |
| VKN | | 713 | (26.0) | (3.52) | (7.28) | (63.25) | 2,121 | 484 |

¹ Prices quoted in Australian cents. ² Prices quotes in Canadian Dollars. Source: Bloomberg, NSX, IJG

ETF's

| Ticker | Volume Traded | Current Price (c) | Net Change | d/d % | mtd % | ytd % | 52Wk High | 52Wk Low |
|--------|---------------|-------------------|------------|-------|-------|-------|-----------|----------|
| ENXPLD | | 34,780 | -1888.00 | -5.15 | 6.98 | 32.08 | 42,103 | 20,059 |
| NFNAMA | | 1,481 | 14.00 | 0.95 | 0.00 | 6.32 | 1,510 | 1,206 |
| NGNGLD | | 30,398 | 64.00 | 0.21 | 4.65 | 51.21 | 31,080 | 19,119 |
| NGNPLD | | 34,647 | -2184.00 | -5.93 | 6.54 | 31.53 | 41,805 | 20,059 |
| NGNPLT | | 14,793 | -485.00 | -3.17 | 5.96 | 11.82 | 15,278 | 9,841 |
| SXNEMG | | 4,913 | 43.00 | 0.88 | 4.96 | 15.95 | 4,958 | 3,547 |
| SXNWDI | | 5,178 | -13.00 | -0.25 | 0.76 | 17.02 | 5,235 | 3,854 |
| SXNNDQ | | 9,966 | 7.00 | 0.07 | 1.53 | 44.96 | 10,412 | 6,214 |
| SXN500 | | 5,378 | -2.00 | -0.04 | 0.94 | 19.35 | 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 | 4.945 | R2023 | 4.850 | 10 | 105.476 | 103.246 | 1.131 |
| GC22 | 5.520 | R2023 | 4.850 | 67 | 104.806 | 104.471 | 1.364 |
| GC23 | 5.740 | R2023 | 4.850 | 89 | 111.532 | 108.986 | 2.741 |
| GC24 | 7.831 | R186 | 7.540 | 29 | 112.410 | 109.390 | 3.325 |
| GC25 | 7.750 | R186 | 7.540 | 21 | 105.333 | 102.888 | 3.758 |
| GC26 | 7.990 | R186 | 7.540 | 45 | 104.721 | 102.276 | 4.376 |
| GC27 | 8.020 | R186 | 7.540 | 48 | 100.200 | 99.893 | 4.955 |
| GC30 | 9.592 | R2030 | 9.230 | 36 | 90.539 | 90.232 | 6.329 |
| GC32 | 10.330 | R213 | 9.690 | 64 | 93.636 | 91.047 | 6.712 |
| GC35 | 11.671 | R209 | 10.710 | 96 | 85.158 | 84.793 | 7.256 |
| GC37 | 12.277 | R2037 | 11.115 | 116 | 80.727 | 80.363 | 7.367 |
| GC40 | 12.682 | R214 | 11.000 | 168 | 81.943 | 79.123 | 7.259 |
| GC43 | 13.268 | R2044 | 11.495 | 177 | 77.027 | 76.643 | 7.350 |
| GC45 | 13.520 | R2044 | 11.495 | 202 | 74.256 | 73.878 | 7.307 |
| GC50 | 13.509 | R2048 | 11.440 | 207 | 76.734 | 76.341 | 7.351 |
| GI22 | 4.490 | | | | 123.619 | 122.345 | 2.080 |
| GI25 | 4.490 | | | | 121.186 | 121.004 | 4.455 |
| GI29 | 5.975 | | | | 99.987 | 99.796 | 6.829 |
| GI33 | 6.700 | | | | 88.140 | 86.759 | 8.997 |
| GI36 | 6.990 | | | | 80.950 | 80.762 | 10.285 |
| Eurobond | 5.054 | 10YUSBond | 0.574 | 448 | 101.858 | 100.529 | 1.184 |
| Eurobond 2 | 5.090 | 10YUSBond | 0.574 | 452 | 102.049 | 100.722 | 4.482 |
| NAM01 | 5.970 | R2023 | 4.850 | 112 | 106.532 | 104.807 | 2.045 |
| NAM03 | 6.450 | R2023 | 4.850 | 160 | 109.743 | 109.680 | 2.589 |
| NAM04 | 9.320 | R186 | 7.540 | 178 | 105.428 | 105.368 | 4.425 |
| Corporate Bonds – Fixed | | | | | | | |
| BW25 | 5.915 | R2023 | 4.850 | 240 | 99.693 | 100.201 | 0.051 |
| IFC21 | 5.007 | R2023 | 4.850 | 16 | 104.293 | 103.218 | 0.647 |
| FNBX21 | 6.070 | GC22 | 5.520 | 55 | 107.809 | 105.249 | 1.152 |
| BWRj21 | 5.850 | GC21 | 4.945 | 91 | 104.404 | 102.174 | 1.126 |
| FBNX27 | 6.220 | GC22 | 5.520 | 70 | 109.883 | 106.420 | 1.485 |
| NWC22 | 6.700 | R2023 | 4.850 | 185 | 107.126 | 104.608 | 1.556 |
| BWFH22 | 6.350 | R2023 | 4.850 | 150 | 105.467 | 105.988 | 1.790 |
| BWFK22 | 6.390 | R2023 | 4.850 | 154 | 109.458 | 107.572 | 2.031 |
| BWFi23 | 6.150 | R2023 | 4.850 | 130 | 110.174 | 107.259 | 2.694 |
| DBN23 | 5.500 | R2023 | 4.850 | 65 | 114.779 | 87.768 | 2.879 |
| NEDNAM01 | 8.751 | GC24 | 7.831 | 92 | 106.782 | 106.871 | 3.086 |
| NEDX2030 | 7.865 | GC25 | 7.750 | 12 | 113.055 | 108.832 | 3.537 |
| Corporate Bonds – Floating | | | | | | | |
| BWJi20 | 5.500 | 3 month JIBAR | 3.700 | 180 | 100.674 | 100.029 | 0.135 |
| BWJd21 | 5.550 | 3 month JIBAR | 3.700 | 185 | 100.160 | 100.021 | 0.221 |
| BWJL21G | 5.200 | 3 month JIBAR | 3.700 | 150 | 100.816 | 100.023 | 0.103 |
| BWJh22 | 5.520 | 3 month JIBAR | 3.700 | 182 | 99.698 | 100.049 | 0.053 |
| BWJK22 | 5.570 | 3 month JIBAR | 3.700 | 187 | 99.650 | 100.036 | 0.061 |
| BWJi24 | 5.200 | 3 month JIBAR | 3.700 | 150 | 100.461 | 100.032 | 0.168 |
| BWJ1e27 | 5.850 | 3 month JIBAR | 3.700 | 215 | 99.665 | 100.041 | 0.056 |
| BWJ2e27 | 3.700 | 3 month JIBAR | 3.700 | 0 | 99.788 | 100.041 | 0.057 |
| DBN20 | 5.600 | 3 month JIBAR | 3.700 | 190 | 100.978 | 100.023 | 0.087 |
| FNBj21 | 5.700 | 3 month JIBAR | 3.700 | 200 | 99.953 | 100.007 | 0.008 |
| FBNj27 | 6.200 | 3 month JIBAR | 3.700 | 250 | 100.558 | 100.031 | 0.163 |
| ORYJ22 | 5.900 | 3 month JIBAR | 3.700 | 220 | 101.295 | 100.036 | 0.059 |
| SBNA21 | 5.300 | 3 month JIBAR | 3.700 | 160 | 100.273 | 100.033 | 0.202 |
| SBKN20 | 5.450 | 3 month JIBAR | 3.700 | 175 | 100.073 | 100.013 | 0.234 |
| SBNA22 | 5.750 | 3 month JIBAR | 3.700 | 205 | 101.132 | 100.023 | 0.069 |
| NEDNAM02 | 6.450 | 3 month JIBAR | 3.700 | 275 | 99.947 | 100.007 | 0.008 |
| NEDJ2028 | 6.450 | 3 month JIBAR | 3.700 | 275 | 101.171 | 100.021 | 0.080 |



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