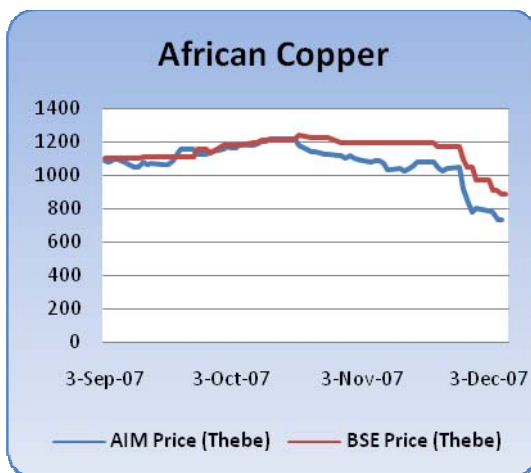


Market Overview

Counter	07 Dec	30 Nov	Change (%)
African Copper ↓	890	978	-9.00
Letshego ↓	1650	1673	-1.37
BIHL ↓	1720	1748	-1.60
Sefalana ↑	375	360	+4.17
Furnmart ↑	1250	1225	+2.04
Discovery Metals ↑	255	250	+2.00

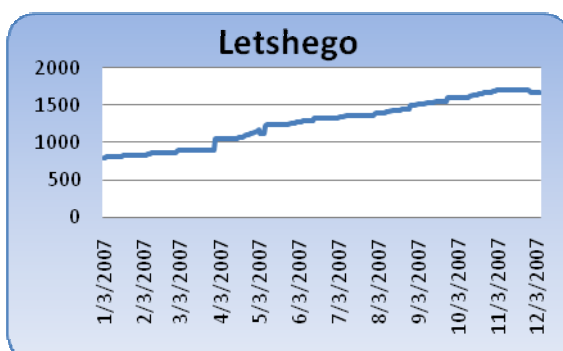
The downward trend witnessed on most of the major domestic counters continued into the week under review. This was fuelled by the continued weakening of the major financial stocks. As a result the DCI ended the trading week at 8904.14 from 8948.21. We believe that the correction in the financial sector is likely to continue through the month of December. There were some notable gains in the non financial stocks but these were not enough to reverse the trend of the DCI. Sefalana gained 4.17% followed by FurnMart at 2.04%. The ACI went down by 0.07% (1.61 points) to close the week at 2387.34 points.

Resource Sector



The foreign board slipped marginally by 0.88 points, as most resource counters ended the week relatively unchanged. African Copper was the main contributor to the slip in the FCI after losing 9% to trade at 890t. The counter has been steadily losing ground for the past three months, but this has not been due to any negative news from the company. We believe that the downward trend in the share price creates a buying opportunity for the counter and therefore reiterate our BUY recommendation. Meanwhile, Aviva Corporation, which has only been listed for two weeks on the BSE, recorded a 1% gain for the whole week to close at 441t.

Financial Sector



The correction in the financial stocks is still to show signs of losing its momentum as most counters closed the week further into the negative region. Letshego shed 1.37% to trade at 1650t, while Barclays gave away 1.14% to settle at 865t. Stanchart weakened by 1% to finish at 1980t. We expect the downward trend in financial stocks to continue, and therefore we maintain our sell recommendation for Barclays, Letshego and Stanchart.

Botswana Stock Exchange Prices, Company Forecasts and Capital Securities' Recommendations

Date 10-Dec-07
Time 10:48:43 AM

Financial Sector	Bid	Offer	Last	Weekly Vol	Rec.	EPS (t)	EY	P/E (h)	P/E (+1y)	Div (h)	Div Yd (h)	Div Yd (+1y)	No Shares	Market Cap.
ABCH	440	0	400	0	Buy	58.20	14.6%	6.9	6.0	0	0.0%	0.0%	132568680	530,274,720
Barclays Bank of Botswana	0	870	865	234,226	Sell	34.42	4.0%	25.1	22.8	230083537	3.1%	2.8%	852161250	7,371,194,813
First National Bank Botswana	280	0	280	155,116	Hold	12.09	4.3%	23.2	14.1	224324000	3.1%	3.5%	2563700000	7,178,360,000
Letshego	1,600	1,650	1,650	20,109	Sell	70.54	4.3%	23.4	20.5	27000000	1.1%	1.2%	151214992	2,495,047,368
Standard Chartered Bank	1,925	1,980	1,980	213,190	Sell	89.56	4.5%	22.1	20.9	167889000	2.9%	3.1%	288062570	5,703,638,886
Total				622,641				31.5	25.0	649296537	2.9%	2.8%	3855138812	22,748,241,067 3,758,009,424
Non-Financials														
BIHL		1,720	1,720	11,209	NONE	114.65	6.7%	15.0	0	105,486,000	2.2%		281070652	4,834,415,214
Chobe	420	440	440	2,516	NONE	25.25	5.7%	17.4	0	5,209,648	1.7%		68548047	301,611,407
Engen	480		480	7,288	NONE	34.01	7.1%	14.1	0	46,319,444	6.0%		159722220	766,666,656
Furnmart	1,250	-	1,250	6,562	NONE	70.47	5.6%	17.7	0	10,832,000	1.9%		45896600	573,707,500
G4S Botswana	2,750		2,750	5,398	NONE	158.83	5.8%	17.3	0	9,360,000	4.3%		8000000	220,000,000
Sefcash	1,375		1,375	100	NONE	64.57	4.7%	21.3	0	33,341,200	11.9%		20330000	279,537,500
MRIB	105	110	105	6,912	NONE	13.12	12.5%	8.0	0	2,351,375	12.4%		18085000	18,989,250
RDCP	350	375	375	4,848	NONE	18.94	5.0%	19.8	0	169,000	0.1%		32372329	121,396,234
RPC Data	55	60	60	1,150	NONE	-7.63	-12.7%	-7.9	0	0	0.0%		31482887	18,889,732
Sechaba	1,690	1,700	1,690	96,607	Buy	94.77	5.6%	17.8	0	113,062,643	5.0%		133014875	2,247,951,388
Sefalana	375		375	288,940	NONE	162.56	43.4%	2.3	0	16,000,000	2.6%		164225140	615,844,275
Turnstar	155	160	155	218,536	NONE	6.78	4.4%	22.9	0	535,393	0.1%		385810579	598,006,397
Total				650,066									1348558329	10,597,015,553
Resource Sector														
A-Cap Resources	460		499	100	Hold								95572578	476,907,164
African Copper	800	890	890	25,645	Buy								128133155	1,140,385,080
African Diamonds	1,050	1,175	1,026	0	Buy								74260038	761,907,990
Aviva	424	442	441	24,751	Hold								78541825	346,369,448
CIC Energy	6,899	8,800	8,849	0	Buy								39351517	3,482,215,739
DiamonEx	210	220	220	121,736	Buy								103298616	227,256,955
Discovery Metals			255	23,757	Buy								92296890	235,357,070
IAMGOLD			5,250	0	Buy								302680746	15,890,739,165
Total				195,989									914135365	22,561,138,611

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