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# More local companies need to list on the NSX



Namibia Stock Exchange (NSX) CEO, Tiaan Bazuin this week gave Observer Money an update of the performance of the stock exchange, the impact of new legislation and the possibility of more companies listing.

Observer Money (OM): What has been the performance of the NSX in the past year?

Tiaan Bazuin (TB): Selected highlights of the NSX contributions to deepening and diversifying the capital markets in Namibia during 2022 and Performance on the NSX listed companies for the past year (2022) include:

In the capital market, the overall comparative value traded was N\$ 13,782 billion for the year ending December 2022 increasing by 24.5% compared to the previous year.

On 31 December 2022 the total market capitalisation was N\$ 2,268 trillion or US\$ 133 billion for the Main Market excluding the Exchange Traded Funds and the Development Capital Board.

The Local Index decreased with 4% in 2022 (2021: 16% increase) on turnover of N\$ 609 million (2021: N\$ 448 million), all in an illiquid market, while the Overall Index

gained 4% (2021: 28% increase) against the JSE All Share Index which decreased by 1%.

Year-to-date bond trades, nominal value traded N\$ 3,214 million, an increase of 32%

A market steering committee has been established for the purpose of obtaining input in implementing a central securities depository and dematerialising the Namibian capital market.

The number of new listings is good indicators of how many companies want to raise money and have their share capital traded on the exchange. In March 2022 Afritin Mining Ltd listed on the Development Capital Board "DevX" by introduction and 13 new bonds have been issued (inclusive of four green/sustainable bonds). In total we have 50 equity companies listed and 50 bonds as at year end 2022.

(OM): We have not seen a lot of primary listings lately. Are we likely to see any listing in the immediate future?

(TB): One of the reasons that we understood for domestic companies not listing lately, is that they want to attain normalised financial year end results post the covid pandemic.

(OM): It is often said that there is little movement on the NSX and shares that become available are quickly scoped by institutional investors, how can this be changed?

(TB): This can be changed with more domestic companies listing on the exchange, giving clients even institutional investors a wider net of investing into.

(OM): The Namibian economy has gone through recession as well as the pandemic, how did this affect the performance of the NSX?

(TB): While the stock market will generally decline during a recession, there are always going to be some companies that perform well depending on the type of companies, sectors being listed on the Exchange. This is why it's so important to have a diversified portfolio, more domestic companies to list, because even if some of your stocks are taking a hit, others may be doing just fine. An example of the performance of the companies listed on the NSX can be seen in the graph on the Market Capitalisation.

(OM): In terms of primary listing, what have been the best performing companies in the past year?

(TB): With the closing prices, please note current listed companies' vs the previous year.

(OM): What impact will new legislation and proposed legislation regarding the pension fund industry have on the NSX?

(TB): The Financial Institutions and Markets (FIMA) Bill impacts the NSX in various ways, such as demutualization that it proposed and Regulatory framework for the Central Securities Depository. I know the pension industry has given extensive inputs on FIM and am glad the issues are receiving the attention they deserve

\*Is anything else of importance that you may wish to highlight?

30 years since launch of the NSX in September 1992, we are implementing a trading system for bonds to create more liquidity in that market and moving ahead with our license application for the Central Securities Depository with the Namibia Financial Institutions Supervisory Authority (Namfisa).

Work in progress items include revision of the bond trading activities and how they can be amended to accommodate on-market trading and full reporting of trades; clarification and planning for demutualisation as envisaged in the FIMA; additional trading system functionality for bond and derivative trading in conjunction with the CSD project; and World Federation of Stock Exchanges candidacy membership.