

# Absa lists NewPalladium on Botswana Stock Exchange

Absa has expanded its precious metal investment options on Botswana Stock Exchange (BSE) by listing NewPalladium exchange-traded funds ETF.



Source: ©Pexels <https://www.pexels.com>

NewPalladium was first listed on the ETF sector of the Johannesburg Stock Exchange on 27 March 2014 and has since been secondary listed on the Namibia Stock Exchange.

It tracks the Palladium price and enables investors to invest in a listed instrument (structured as a debenture) in which each security is equivalent to approximately 1/100 ounces of real Palladium held in a secured stockpile in custody with global custodian ICBC in London UK.

Since launch, NewPalladium has grown to over R400m assets under management due to its healthy returns and investor appetite.

It is now the third precious metal in South Africa, Namibia and Botswana through which institutional and retail investors can securely invest directly in palladium bullion, with the added benefit of minimal administrative fees.

Absa previously introduced the NewGold and NewPlat ETFs on the BSE.

## Supporting the richness of Africa

The Southern African Development Community (SADC) is home to some of the world's best precious metals and stones and is one of the largest exporters of the minerals to the global market.

"Introducing another precious metal ETF in another African country is strengthening the support for local resources on the continent," says Michael Mgwaba, head of exchange-traded products at Absa Corporate and Investment Banking.

"It's Absa's belief that a good economy requires a vibrant capital market underpinned by innovative financial products," he adds.

"Absa has set a very good foundation in listing such products in various African markets by using products that are indigenous and precious to the SADC as the basis of the tools developed to deepen the African markets," Mgwaba explains.

## Fastest growing investment funds

ETFs are among the fastest growing investment funds in major markets across the world.

In addition, their attractiveness lies in their low costs, tax efficiency and stock-like features. In 2021, ETFs globally reached over \$9tn in assets under management.

"This shows that more and more investors are using ETFs in their investment portfolios to complement existing investment strategies.

"We believe the introduction of alternative investments such as the precious metals funds using ETFs will increase investor confidence to look beyond traditional asset classes and consider the richness of our African continent when choosing asset classes to invest in," says Mgwaba

For more, visit: <https://www.bizcommunity.com>