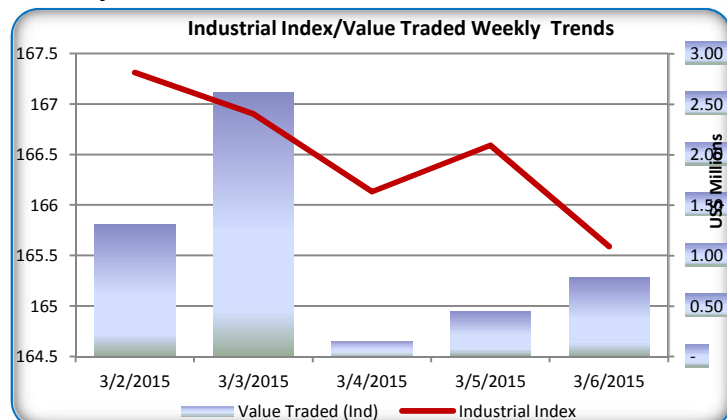
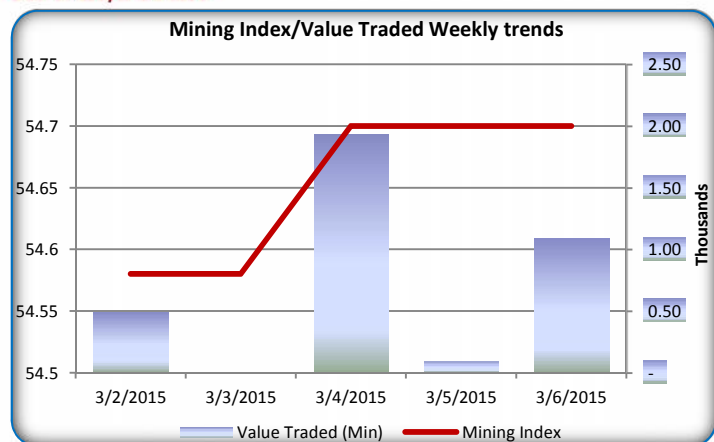


## EFE Weekly Market Review 06 March 2015

### Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
<b>Value Traded (\$mn)</b>	5.91	3.48	69.86
<b>Volume Traded (mn)</b>	66.54	21.63	207.61
<b>Foreign Purchases</b>	2.24	1.36	64.26
<b>Foreign Sales</b>	2.85	1.73	64.69

Source ZSE/EFE Dbase.

### ZSE softer as reporting season gathers momentum...

The ZSE completed a rather slow month opening week despite the increased momentum in the reporting season that saw Innscor and its related listed subsidiaries Colcom and Natfoods publishing their interim numbers. All three experienced pressures at the revenue line attributable to the economy wide deflationary pressures that have been evidenced by a dearth in demand. The ongoing restructuring at Innscor seems far from bearing fruit as the rest of the group's main performance lines trended southwards. Colcom however, bucked the trend with all lines below the revenue line showing gains and notably operating profit going up 22% and closed with an EPS of 1.69c up 40%.

The reporting season failed to inspire gains in the market as the main stream Industrial Index fell 0.94% short of its week opening level and closed at 165.59pts. This week's losses saw the industrials' year to date returns narrow down to 1.72%.

Index	Level	%Δ	YTD %Δ
<b>Industrial Index</b>	165.59	0.94	1.72
<b>Mining Index</b>	54.70	1.23	23.72

The resources index closed the week in the red at 54.7pts after shedding 1.23% and in the process extending the year to date losses to 23.72pts.

### Demand rebound drives activity...

A return of demand in selected stocks saw all market performance aggregates trending northwards. The volume of shares traded in the week surged 207.6% on last week to 66.54m shares and in the process yielding \$5.9m in value of trades. The market's foreign component also enjoyed an increase in activity with the spend going up 64.3% on last week to \$2.24m while portfolio disposals were up 64.69% at \$2.85m to see the market maintain the net funds outflow position. Weekly volumes were boosted by a block trade in property concern Dawn that sailed through the market at a premium price of

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### Contacts:

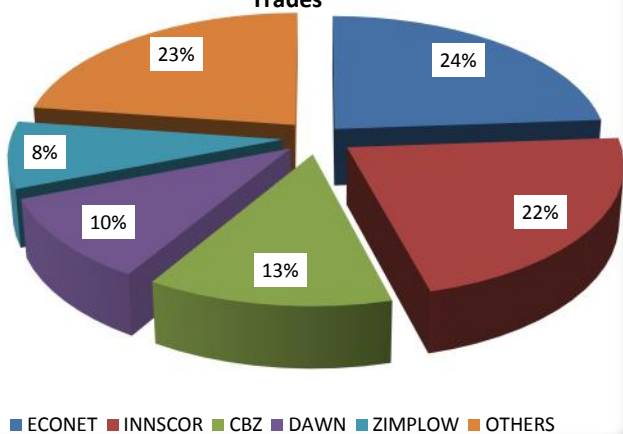
EdgetonTsanga 0772277153

Chris Masendeke 0772135234

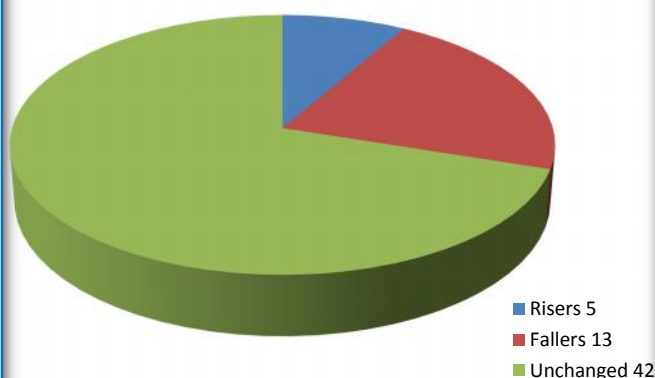
Phenias Mandaza 0772144334

Coreen Madanha 0772144333

**Top Stock Contributors to Weekly Value of Trades**



**Market Strength**



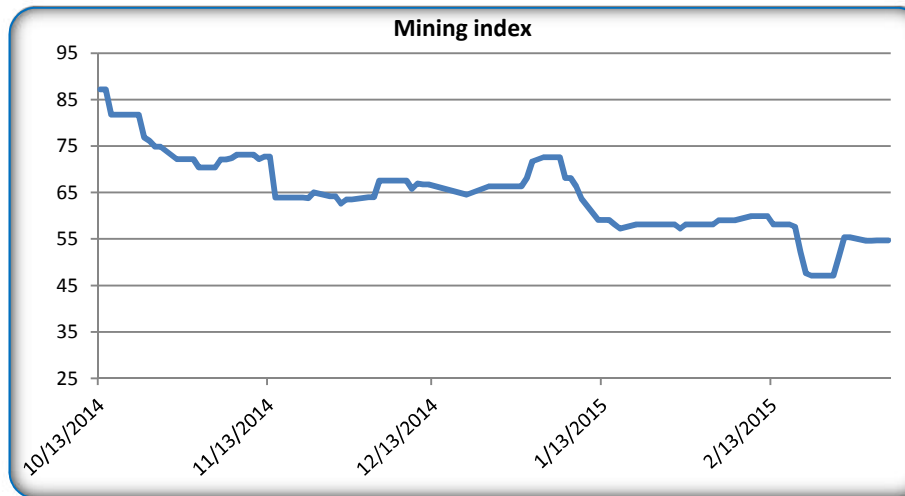
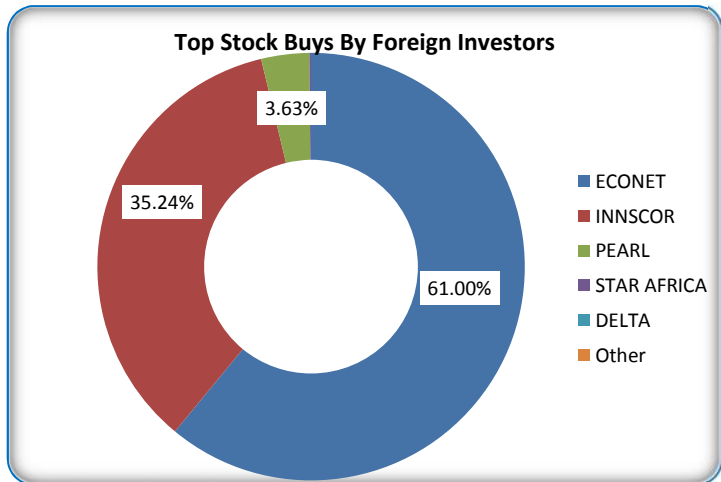
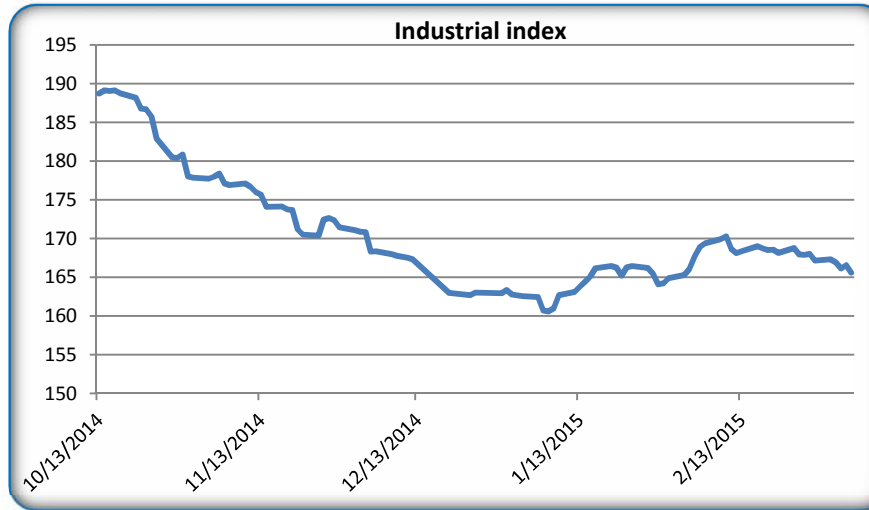
1.47c for a parcel of 41.8m shares to yield \$0.62m representing 10% of the week's total value of trades. This, however, could not suffice to make them the top traded stock for the week with Econet, Innscor and CBZ coming ahead as the market's favourites after making respective contributions to turnover of 24%, 22% and 13%. The distribution was however slightly more spread than in previous weeks as we saw stocks outside of the top five value drivers accounting for 23% of total value

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
UNIFREIGHT	3.00	50.00	50.00	ZPI	1.00	16.67	42.86
ZIMPAPERS	1.00	42.86	42.86	FIDELITY	5.00	16.67	37.50
ARISTON	0.80	14.29	33.33	FBCH	7.00	12.50	12.50
HWANGE	4.10	2.50	14.58	STAR AFRICA	1.60	10.61	11.11
SEEDCO	105.5	0.48	8.76	TURNAL	1.40	6.67	3.70

The weekly movers comprised of eighteen stocks with shakers clearly dominating at a count of thirteen against only five fallers as the market established a negative breadth of eight counters. Weighing on the market were losses in market heavies as all top three stock by market cap traded softer with Econet being the heaviest hit after shedding 2.7% to 50.11c while Innscor and Delta came off 1.69% and 0.87% to 58c and 114c. ZPI and Fidelity were however the top shakers for the week after identical losses of 16.67% saw them close trading at 1c and 5c respectively. Financial services group FBCH followed after shedding -12.5% and settled at 7c. Star Africa and Turnall completed the top losses on retreats of 10.61% and 6.67% and closed trading at 1.6c and 1.4c.

The five gainers for the week were led by transport and logistics group Unifreight that added 50% and closed the week at 3c. Zimpapers and Ariston were up 42.86% and 14.29% respectively as they closed trading at 1c and 0.8c. Coal miners Hwange added 2.5% to 4.1c on news the group had secured \$31m for retooling to boost coal production. SeedCo put on +0.48% and ended at 105.5c on solid demand.

Market statistics



## Top Picks

BAT	Established itself as one of the consistent performers on the local bourse. It is operating at a mature stage of its business as seen in its high and attractive dividend pay-out. It is our opinion that BAT should be considered for attractive cash flows from their dividend pay-out
Dairibord	Driven by a portfolio of strong SBU's and an attractive brand portfolio that can hold its own against imports in the local market. With the concerted effort to re-establish the national herd the future can only be better for Dairibord.
Delta	The beverages Giant enjoys huge market dominance and has consistently maintained a steady growth in volumes and revenues. As the market's top stock, a solid performer, Delta is an undoubted consideration for any investor because of the limited downside
Econet	The dominant mobile phone operator in the country enjoys huge discounts to its regional comparatives while the fact that it is a consistent performer adds to its allure.
Innscor	The group enjoyed steady growth in revenues over the years and looks well placed to continue enjoying steady growth going forwards. It is one group that has positioned itself well to benefit from any improvement in economic activity and disposable incomes in particular
National Foods	As the leading food processing and packaging group in the country has been on a capacity increase drive and should continue to enjoy and consolidate on benefits of its rationalization exercise as well as improving efficiencies. The group can also benefit from synergies that could be drawn from their strategic partnership with top shareholders and leading South African food processing and packaging group Tiger Brands.
OKZM	As one of the leading retail groups in Zimbabwe OK led the way in refurbishment of outlets, As more outlets are refurbished and others added to their portfolio we believe the margins will continue to improve
Old Mutual	The dually listed giant trades at a huge discount to its price on either the JSE or London stock Exchange. We believe there is potential upside benefits should market be liberalized scrip become tradable across markets. For the short term however Old Mutual's attraction is in its consistency is paying dividends
TSL	Attractive valuation and successfully completed a rationalization exercise with the results of impressive financial results coming up

## **In the News...**

### **Innscor half year profit declines**

Innscor Africa Limited's half year net profit to December 2014 sharply decline due to efficiencies emanating from the group's bloated structures, the company said. The group has since restructured to ensure sustainable long term growth through addressing shortcomings and inefficiencies inherent in the existing business models.

<http://www.herald.co.zw/innscor-half-year-profit-declines/>

### **Fidelity life starts allocating stands**

Fidelity Life says it is well on course to start allocation of housing stands under its Southview Park project this month with servicing of the stands set for completion by the year end. <http://www.herald.co.zw/fidelity-life-starts-allocating-stands/>

### **Hwange gets nod to make rights offer**

Hwange Colliery Company Ltd has been given a nod by the major shareholders to undertake a rights offer to raise funds to cover debt, well placed source have said. <http://www.herald.co.zw/hwange-gets-nod-to-make-rights-offer/>

### **Meikles complies with Zse directive**

Meikles Limited has complied with the directive from Zimbabwe Stock Exchange to address concerns raised mainly around the balances held by Reserve Bank of Zimbabwe.

<http://www.herald.co.zw/meikles-complies-with-zse-directive/>

### **NMB snaps up 40pc Zhl stake**

NMB Bank Limited (NMB) has acquired a 40,16 percent stake in Zimre Holdings Limited (ZHL) after taking up nearly 82 percent unsubscribed shares in the insurance group's \$15 million rights issue.

<http://www.dailynews.co.zw/articles/2015/03/03/nmb-snaps-up-40pc-zhl-stake>

### **Mauritius firm snaps up 59.4pc Zimplot stake**

Mauritius-based Sino Properties (Proprietary) Limited (Sino Properties), is now the majority shareholder in Zimplot after snapping up a 59,4 percent stake in the agro-industrial concern. <http://www.dailynews.co.zw/articles/2015/03/02/mauritius-firm-snaps-up-59-4pc-zimplot-stake>

### **IMF ready to finance Zim**

THE International Monetary Fund (IMF) says it is ready to help Zimbabwe financially once the country shows commitment to clear its arrears to multilateral and bilateral financial institutions, head of mission and assistant director Domenico Fanizza told Parliament yesterday.

<https://www.newsday.co.zw/2015/03/05/imf-ready-finance-zim/>

### **HCCL closes recapitalization deals**

Hwange Colliery Company Limited (HCCL) has successfully closed two capitalisation transactions worth \$31,2 million with the company expected to take delivery of equipment by April as it moves towards the projected 450 000 tonnes monthly output.

<https://www.newsday.co.zw/2015/03/04/hccl-closes-recapitalisation-deals/>

### **BNC \$20m bond offer complete**

Mwana Africa subsidiary Bindura Nickel Corporation (BNC) has completed its \$20 million bond issue, a key step towards the restart of the existing Bindura Smelter and Refinery.

<https://www.newsday.co.zw/2015/03/04/bncs-20-million-bond-offer-complete/>

## Up Coming Events

COMPANY	EVENT	VENUE	DATE	TIME
TSL	AGM	28 S Mazorodze Road, Southerton Harare	11.03.15	12.00HRS
NICOZ DIAMOND	ANALYST BRIEFING	7 <sup>TH</sup> Floor Insurance Centre, 30 S Machel Ave, Harare	13.03.15	15.00HRS
FGOLD	AGM	Cnr 14 <sup>th</sup> Ave/J Tongogara KPMG building, Bulawayo	20.03.15	10.00HRS

## CAUTIONARIES

Company	Issue Date	Subject
AFRICAN SUN	6 <sup>th</sup> DEC 2013	Discussions on mandatory offer to minorities by Lengrah Investments
TAH	24 <sup>th</sup> JUNE 2014	Negotiations that may have material effect on the company's stocks price
Masimba	15 JAN 2015	Repeat Notice of possible transactions with potential impact on share values
BNC	31 <sup>ST</sup> DEC 2014	Capital raising for Smelter Restart project is still in progress
RIOZ	5 <sup>TH</sup> MAR 2015	Company seeking regulatory approvals to proceed with the rights issue

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