

EFE Weekly Market Review 15 August 2014

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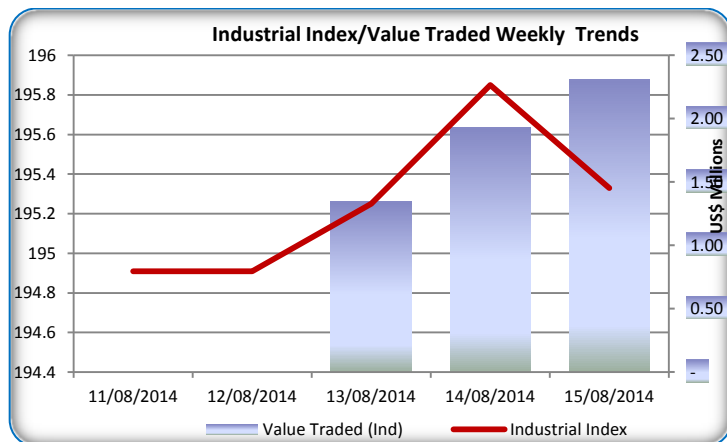
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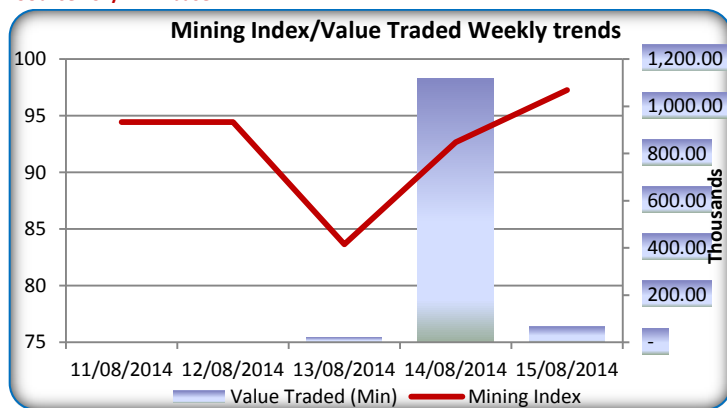
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Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	6.89	8.42	18.20
Volume Traded (mn)	46.81	80.83	42.09
Foreign Purchases	2.92	4.15	29.51
Foreign Sales	3.57	2.93	21.88

Source ZSE/EFE Dbase.

Market Highlights

ZSE maintains rising momentum in holiday shortened week...

The ZSE was in a buoyant mood in a holiday shortened week only to be dampened in the final session by news of a downgraded economic growth forecasts for Zimbabwe. The latest Business Forecast Report by Business Monitor International slashed Zimbabwe's economic growth forecast to 1.7% from 3.1%. The downgrade is attributed to the weak domestic demand that is exacerbated by the country's failure to attract foreign capital on the overbearing influence of the implementation of empowerment regulations in Zimbabwe. The reporting season that is just kicking off for the June reported season has also slightly dampened the mood on the bourse with BAT and CBZ, two of the three to report so far presented lower financials while Barclays was the only one to report improved performances.

Index	Level	%Δ	YTD %Δ
Industrial Index	195.33	0.22	3.36
Mining Index	97.28	16.29	112.45

The late slump in the ZSE minimised the weekly return on the bourse to a marginal 0.22% as the industrial Index closed the week at 195.33pts and narrowing the year to date losses just -3.36%. The Mining Index was back to winning ways buoyed by nickel miners Bindura, that helped the resources to a +16.29% uplift to 97.28pts. The gain further consolidated the index's impressive year to date performance to a return on 112.45%.

Limited trading in shorter week yields lower aggregates...

Activity aggregates were softer relative to the immediate past week though the current week was two trading sessions shorter than its comparative. An estimated 46.8m shares exchanged hands in the week under review yielding \$6.9m in value. Both values and volumes were lower than the prior week dropping by respective margins of 18.2% and 42.1%. The mix of funding was skewed towards local

Contacts:

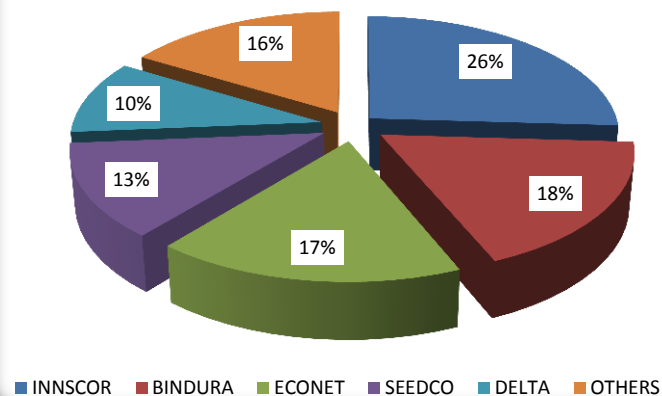
Edgeton Tsanga 0772277153

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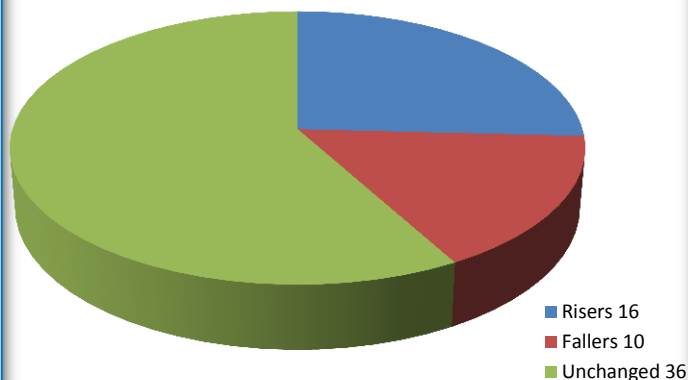
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Top Stock Contributors to Weekly Value of Trades



Market Strength



investors who accounted for 58% of the total value that exchanged hands over the week. Foreign portfolio disposals were on the increase rising 21.88% to \$3.57m as a net foreign funds outflow position was set over the week. Innscor, Bindura and Econet were the market favourites after accounting for 26%, 18% and 17% of the total funds expended on the bourse. The other reasonably liquid stocks were SeedCo and Delta with contributions to turnover of 13% and 10%. The market's momentum stocks were the favourites amongst foreigners were a combined 79.21% of the total funds invested by foreign players found a home.

Top Five Risers

Counter	Price	%Δ	YTD %Δ
NTS	2.50	47.06	0.00
WILLDALE	0.25	25.00	150.00
BINDURA	8.50	21.43	325.00
STAR AFR	2.50	19.05	150.00
NMBZ	4.50	12.50	30.77

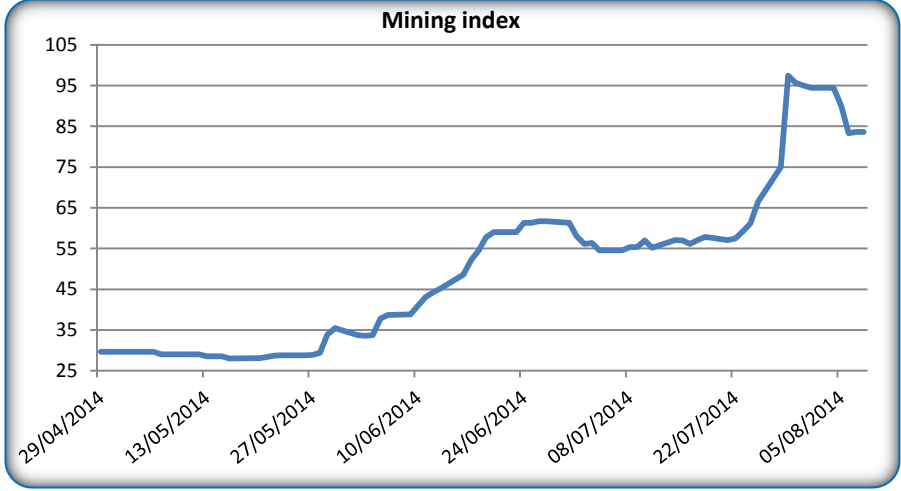
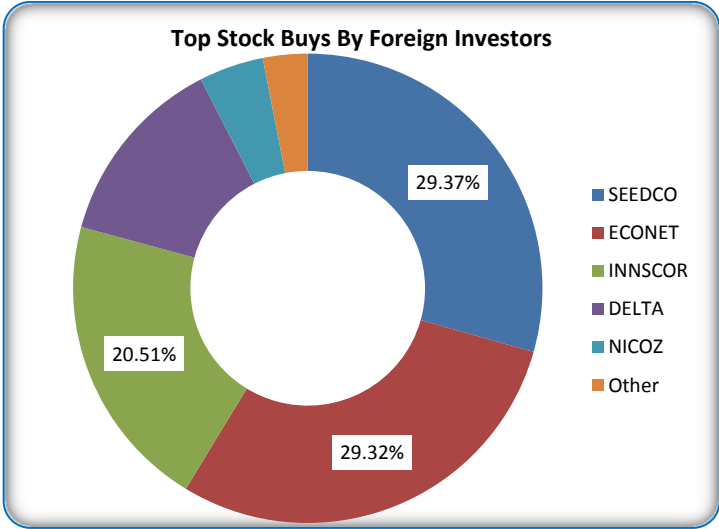
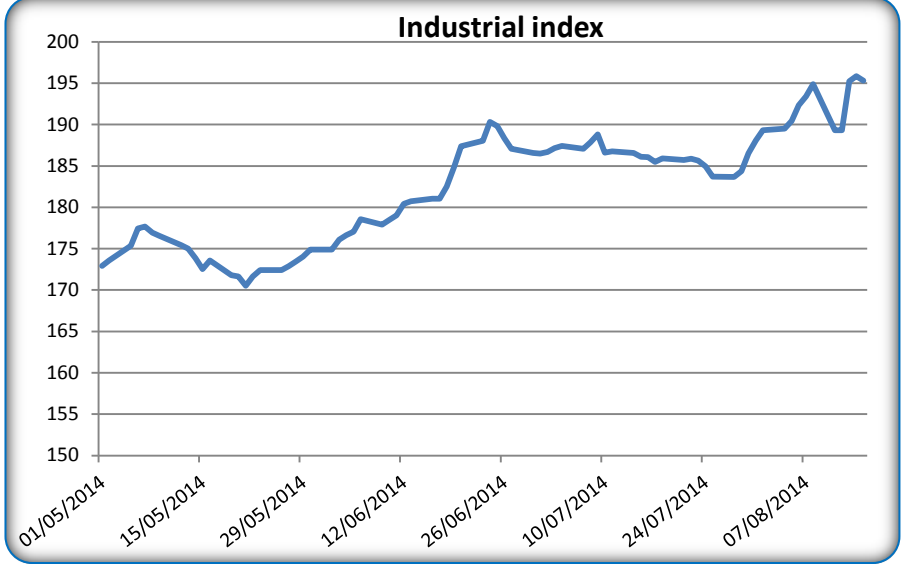
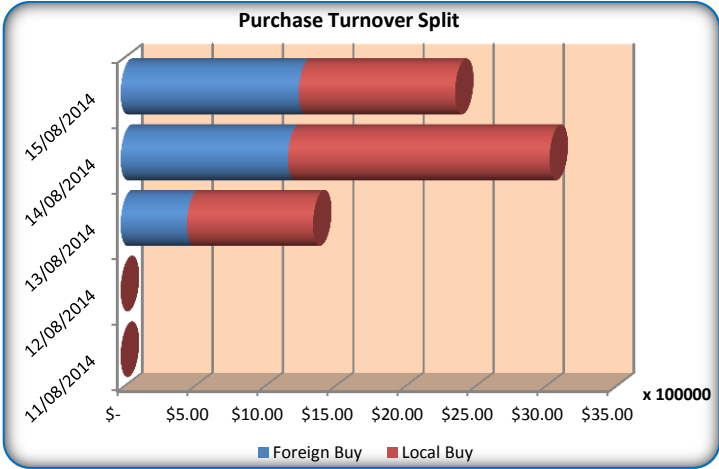
Worst Performers

Counter	Price	%Δ	YTD %Δ
MASIMBA	3.00	14.29	53.85
AFRI SUN	2.00	13.04	25.93
DAWN	1.00	13.04	0.00
CFI	2.30	8.00	36.11
TURNAL	4.15	7.78	17.00

Tyre trading and distribution company, NTS was the market's top performer after rallying 47.06% top 2.5c in a rare trade for the group while brick makers Willdale were to follow after adding +25% to 0.25c. New market favourite Bindura maintained its impressive run on a rebound of +21.43% to 8.5c bringing its year to date return to 325% as fellow turnaround candidate Star Africa put on +19.05% to 2.5c. Completing the top gains for the week was banking group NMBZ that was up +12.5% week on week and settled at 4.5c. Econet was the other notable top riser having touched a year to date high of 75.01c before settling at 75c bringing its weekly gain to 2.04%.

Ten stocks traded lower by the close of the week with construction allied group Masimba leading after shedding -35 to 3c while Tourism group African Sun was -13.04% softer at 2c. Property concern Dawn was down -13.04% for the week and settled at 1c as CFI and Turnal completed the losses for the week after shedding 8% and 7.9% at 2.3c and 4.15c respectively.

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
Properties Pearl &	: Mash; ZPI	Property companies on the local bourse have all been relatively discounted relative to the regional comparatives with the investment case largely being vested in the lower rental rates relative to regional comparatives. These have been steadily improving and are expected to continue improving with better changes in the economy
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...

Zim's economic forecast downgraded further

International economic think-tank, Business Monitor International (BMI), has become the latest institution to cut Zimbabwe's economic growth outlook for this year, amid acute power supply constraints, massive company closures and a weak domestic demand.

<http://www.dailynews.co.zw/articles/2014/08/15/zim-s-economic-forecast-downgraded-further>

ZPC misses power target

Zimbabwe Power Company (ZPC) has missed its power production target by 4,05 percent from the initial 4758,13 GWh to 4565,41 GWh during the first half of the year due to a number of challenges.

<http://www.dailynews.co.zw/articles/2014/08/15/zpc-misses-power-target>

OM projects gloomy Zim outlook

Insurance giant Old Mutual plc (OM) says its Zimbabwean prospects are subdued due to the country's economic downturn.

<http://www.dailynews.co.zw/articles/2014/08/14/om-projects-gloomy-zim-outlook>

Zim import bill nears \$10bn

Zimbabwe's import bill is set to reach \$10 billion by year-end as imports continue to balloon against declining exports, economists have warned.

<http://www.dailynews.co.zw/articles/2014/08/14/zim-import-bill-nears-10bn>

Zim mining sector feels economic heat

Shares in mining companies operating in Zimbabwe are falling sharply amid a deepening crisis triggered by President Robert Mugabe's landslide victory in last year's presidential election.

<http://www.dailynews.co.zw/articles/2014/08/13/zim-mining-sector-feels-economic-heat>

CBZ seeks investors for Mauritius fund

Financial group CBZ Holdings (CBZ) is seeking investors to inject money into its Mauritius-based fund. The CBZ Global Fund (CBZGF), set up to pool capital to finance low-cost housing and energy projects, is part of the group's new business initiatives.

<http://www.dailynews.co.zw/articles/2014/08/11/cbz-seeks-investors-for-mauritius-fund>

Kansai to wholly acquire Astra

Japanese coatings company Kansai Plascon Limited (Kansai) is set to wholly acquire Astra Industries Limited (Astra) after revealing plans to buy out minority shareholders.

<http://www.dailynews.co.zw/articles/2014/08/11/kansai-to-wholly-acquire-astra>

Hwange set to treble output by year end

HWANGE Colliery Company Limited (HCCL) expects monthly output to reach 500 000 tonnes by year end on the back of delivery of new equipment and output

<https://www.newsday.co.zw/2014/08/14/hwange-set-treble-output-year-end/>

Foreign investors spur ZSE turnover volume

AN estimated 80,33 million shares exchanged hands on the Zimbabwe Stock Exchange (ZSE) last week up 38,87% from the previous week driven by foreign investor

<https://www.newsday.co.zw/2014/08/13/foreign-investors-spur-zse-turnover-volume/>

Hwange refurbishment halfway through: ABB

SWISS technology company ABB has completed about half the refurbishment work on Hwange thermal and Kariba South hydro power stations. The refurbishment exercis...

<http://www.herald.co.zw/hwange-refurbishment-halfway-through-abb/>

Meikles Mega eyes Gweru

Zimbabwe Stock Exchange-listed group Meikles Limited's retail arm, Meikles Mega Market will soon open a branch in Gweru as it looks to extend its forays further into...

<http://www.herald.co.zw/meikles-mega-eyes-gweru/>

Up Coming Events

BNC	AGM	CHAPMAN GOLF CLUB HARARE	28/08/2014	0930HRS
SEEDCO	AGM	SEEDCO ADMIN BLOCK STAPLEFORD HARARE	20/08/2014	1200HRS
NTS	AGM	BOARD ROOM CNR CRISSP/SEKE	20/08/2014	1430HRS

CAUTIONARIES

ISSUE DATE

AFRICAN SUN	6 th Dec 2013	Discussions on mandatory offer to minorities by Lengrah Investments
PGI	4 th Dec 2013	Negotiations that may have material effect on the future of the company
DAWN PROPERTIES	23 rd Mar 2014	Negotiations are underway over disposal of one of its hotel properties
WILLDALE	6 th May 2014	To approve rights issue
NICOZ & ZHL	11 TH Apr 2014	Negotiations over disposal and acquisitions respectively, of a business

Notes

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