

05-Jun-14 06-Jun-14 % Δ

ZSE Industrials	177.04	178.58	0.87
ZSE Mining	37.79	38.69	2.38
Volume Traded (mn)	7.44	4.30	42.17
Value Traded (US\$ mn)	1.16	0.25	78.65
Market Cap (US\$ mn)	176.63	177.04	0.23
Foreign Purchases (US\$ mn)	0.734	0.000	100.00
Foreign Sales (US\$ mn)	0.727	0.000	100.00

ZSE in record rally despite a sharp plunge in turnover...

The week closing session embraced firmer gains to cap successive weekly upsurge. On assuming a 0.87% gain in today's session to 178.58pts the Industrial Index set a record bull run spanning 11 sessions with the momentum likely to spill into the coming week undeterred. The prolonged absence of sellers at current levels has ignited pressure on the buy side prompting an upwards redress in prices of mainly heavy caps.

Hippo added 18.18% to 65c while OK went up 2.27% to 18.51c after reporting a subdued performance for the full year to March. Revenue was flat recording a 0.9% gain to \$483.7m while earnings before interest, tax depreciation and amortization (EBITDA) came off 11.8% to \$19.8m. The group said it leveraged on in-store brands, promotions and improved product offering to maintain market share as postulated by volumes increase. Going forward the company forecasts subdued business activity to continue into the next financial year.

Overall 5 heavies featured among the 10 risers without a single faller among such. Only ZHL and Dairibord constituted the day's fallers resulting in a market breadth of +8 stocks. Firm demand in telecoms Econet saw an upsurge of 1.25% to 69c to cap a fine run in the week from which the stock gained a cumulative 4.6%. Seedco and Innscor which both featured among risers in the previous session extended gains adding 0.69% and 0.6% to 73c and 73.5c. Turnall which shed value yesterday recovered by 20% to 2.1c while Fidelity gained 7.43% to 7.52c.

The Mining Index rallied 2.38% to 38.69pts on gains in Bindura which surged 4% to 2.6c. The nickel miner has rallied the index the most among resource counters and is currently up 30% year to date compared to losses in all other peer counters which are trailing their year opening levels. The Mining Index touched a low of -39% on its year opening levels which have since been reduced to just -15.5% anchoring on Bindura's upsurge. Hwange was stable after reports that government which is the major shareholder has reviewed its recent proposal to the effect of intending to vote out the current management.

Value traded came off 78.65% to a paltry \$0.25m as foreigners shun the local bourse. Foreigners were inactive participants on either buy or sell side which might point to a lack of supply in heavy cap stocks as the market closed net buyers with active firm bids visible on board. Today's turnover was the worst in 65 sessions with trades in duo heavies Delta and Econet anchoring the paltry trades. In our view sellers are holding on to portfolios inspired by a proposed reviews in indigenisation legislation which might help the economy rebound on improved foreign direct inflows successively having a domino effect on the ZSE.

***Market Cap is Inclusive of Econet Class A Shares

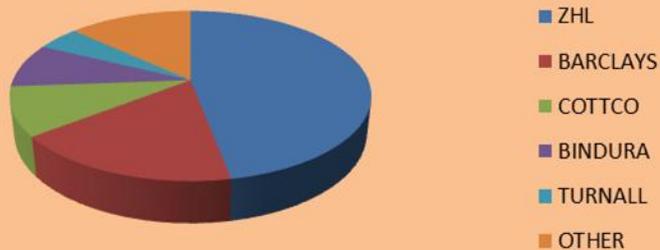
Top Risers

	Stock Name	Price	% Δ	YTD Δ %
1	TURNAL	2.10	20.00	58.00
2	HIPPO	65.00	18.18	27.79
3	FIDELITY	7.52	7.43	42.20
4	BINDURA	2.60	4.00	30.00
5	OK	18.51	2.27	7.45

Top Fallers

	Stock Name	Price	% Δ	YTD Δ %
1	ZHL	0.75	16.67	48.28
2	DAIRIBORD	8.20	3.53	45.33
3				
4				
5				

Volume contribution



TURNOVER



DIVIDEND MONITOR

Company	Dividend Type	Div Amount	Record date	Payment Date
ECONET	Final	1.29c	18.04.14	25.07.14

UPCOMING EVENTS

COMPANY	EVENT	VENUE	DATE	TIME
OKZIM	FINALS	OK MART FUNCTIONS ROOM, 30 CHIREMBA RD, HILLSIDE	05/06/2014	1600HRS
RTG	AGM	RAINBOW TOWERS	11/06/2014	1200HRS
ZPI	AGM	206 SAMORA MACHEL AVE	18/06/2014	1200HRS
FBC	AGM	ROYAL HARARE GOLF CLUB	26/06/2014	1200HRS
MASIMBA	AGM	HEAD OFFICE, 44 TILBURY ROAD, WILLOWVALE	26/06/2014	1200HRS

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
FALGOLD	21 st May 2014	Negotiations that may have material effect on the company's stocks price

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