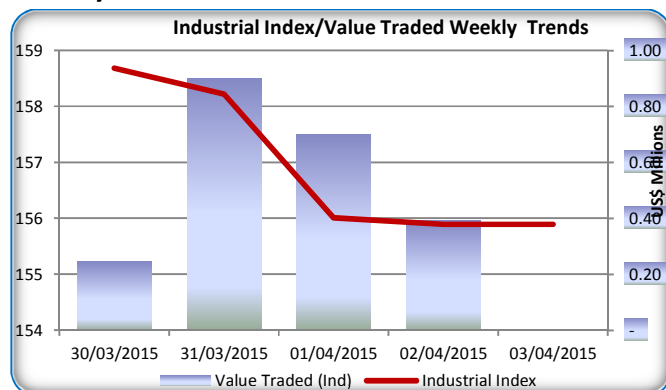
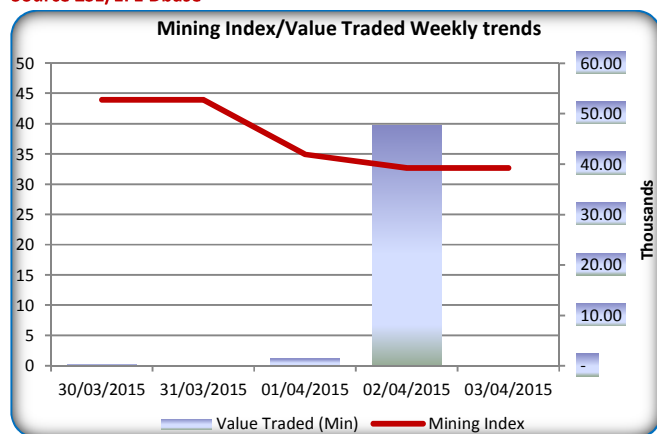


EFE Weekly Market Review 02 April 2015

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	2.32	1.64	41.52
Volume Traded (mn)	33.40	6.94	381.35
Foreign Purchases	1.20	0.25	372.74
Foreign Sales	0.66	0.05	1360.42

Source ZSE/EFE Dbase.

ZSE down as Q1 ends...

The curtain came down on the reporting season which all in all saw mixed performances from the reporting companies as they tried to navigate the challenging operating environment. The bulk of those that came at the end of the period were far from pleasing as losses continued to accumulate while deflationary pressures in the economy remain the main constraint as margins continue to thin out. The week under review also saw the end of the first quarter in which the ZSE main stream Industrial Index lost 2.81% as pressures from the firming dollar coupled with economic policy deficiencies took their toll. The resources cluster continued to be weighed down by recapitalisation issues and the situation was exacerbated by the lower commodity prices making for a gleam outlook, in Q1 the minings shed 38.74%.

For the week, the industrials remained under selling pressure shedding 2.63% and closing at 155.89pts. This decline saw the year to date loss extend to 4.24% with demand remaining very weak.

Index	Level	%Δ	YTD %Δ
Industrial Index	155.89	2.63	4.24
Mining Index	32.67	25.77	54.44

Nickel miners Bindura weighed on the resources as its 31.25% week on week decline saw the Mining Index come off -25.77% to a low of 32.67pts.

Improved activity spurred by return of ...

Despite the week being shorter by one trading session all activity aggregates indicated improvement on last week. A total of \$2.32m exchanged hands over the week which was a 41.52% jump. The gain was buoyed by resurgent foreign activity that saw the spend climbing 372.7% to \$1.2m representing an estimated 52% of the total value expended in the week. On the disposals side there was also a marked improvement as \$0.66m worth of share sales were registered from foreign investors, though a net funds inflow position was maintained.

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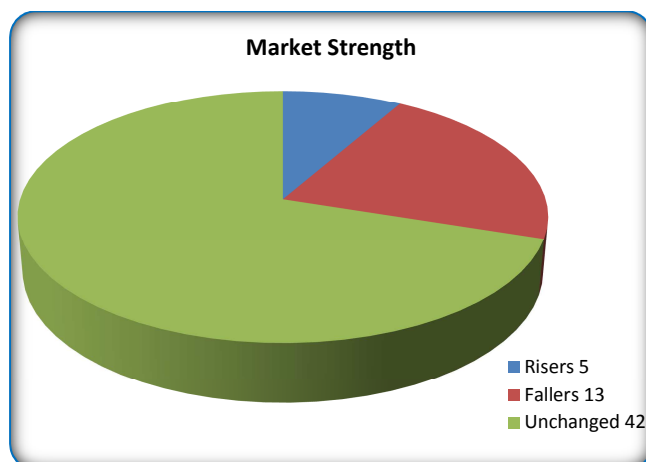
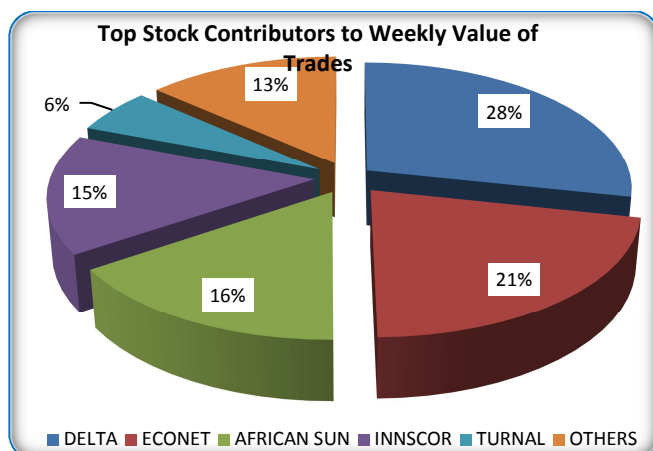
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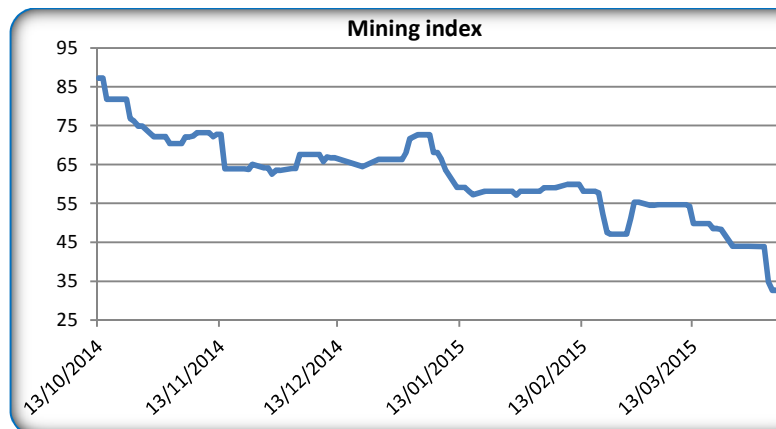
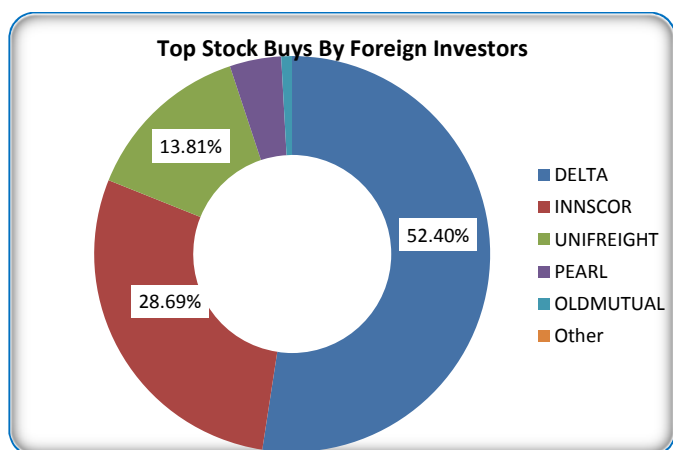
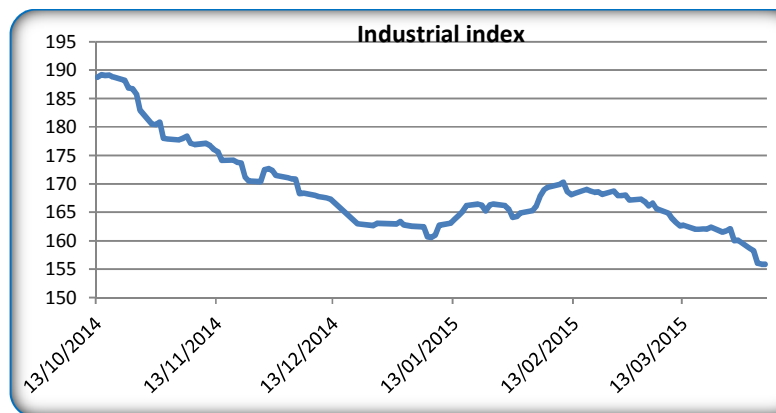
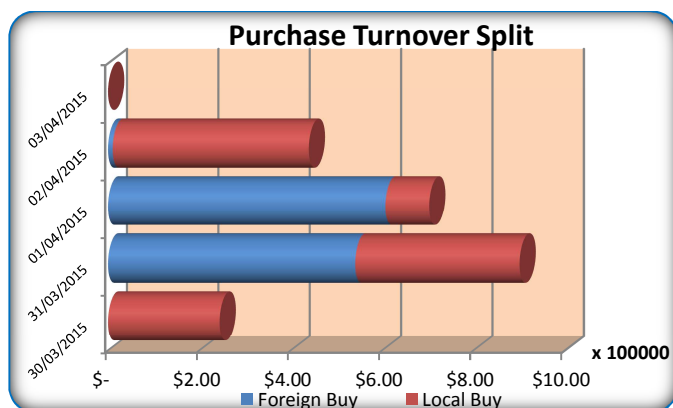
With rising uncertainty in the operating environment the demand skew remained largely towards the market's blue chips as investors sought more stable investment options. Delta and Econet were the favourites for the week accounting for an estimated 49% of the weekly total. A block trade in African Sun of 14.3m shares representing 1.72% of the outstanding shares in the tourism group valued at circa \$360,000 or 16% of weekly value, propelled the hotelier to the top traded stocks charts which also included Innscor that accounted for 15%.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
AFRI SUN	2.51	39.44	39.44	Willdale	0.09	50.00	55.00
ASTRA	4.50	12.50	12.50	FML	3.00	40.00	40.00
DAWN	1.00	5.26	4.76	CFI	1.00	33.33	66.67
PADENGA	10.00	4.17	11.11	BINDURA	2.75	31.25	57.03
OLDMUTUAL	252.0	1.61	7.69	OK	10.0	16.67	13.04

It was another bearish week as thirteen counters closed softer against only five risers for the week. Heavy knocks were seen in brick manufactures Willdale and insurance group FML that shed 50% and 40% to close the week trading at respective prices of 0.09c and 3c. Agro Industrial concern CFI came off 33.3% and settled at 1c while retailers OKZIM concluded the top industrial shakers with a -16.67% decline to 10c. Market heavies were its main undoing as weak demand saw Delta come off 5.05% to 103.5c, Innscor lose 4.35% to 55c, SeedCO let go 2.83% to 103c while Econet retreated 1.96% to 50c.

Leading the five risers for the week was tourism group African Sun that rallied 39.44% to 2.51c as bidders pushed for the rare block that sailed in the market. Astra and Dawn put on 12.5% and 5.26% to 4.5c and 1c respectively. Noteworthy is the fact that major shareholders in all three top gainers have intentions to buyout minorities in them and have either already tabled offers or made clear indications of doing same all at premium prices to current prices. Padenga and Old Mutual concluded the top gainers for the week as the market cheered their impressive financials in the just ended reporting season.

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 in paying dividends
TSL	Attractive valuation and successfully completed a rationalization exercise with the results of impressive financial results coming up

In the News...

\$12.7m boost for Fidelity Life housing project

Fidelity Life Assurance of Zimbabwe is expected to complete the servicing of stands at its housing project ahead of schedule, buoyed by the \$12,7 million raised, board chairman Lawrence Tamayi has said.

<https://www.newsday.co.zw/2015/04/02/127m-boost-for-fidelity-life-housing-project/>

Fbc moves to stem loan defaults

FBC Holdings plans to reduce its non-performing loans (NPLs) to below 10% this year adding that its book was secured, group chief executive officer John Mushayavanhu said yesterday.

<https://www.newsday.co.zw/2015/03/31/fbc-moves-to-stem-loan-defaults/>

Masimba loss widens

MASIMBA Holdings Limited widened its loss to \$552 423 for the year ended December 31 2014 from \$60 412 in 2013 as revenue tumbled weighed down by the harsh economic environment.

<https://www.newsday.co.zw/2015/03/31/masimba-loss-widens/>

NMB returns to profitability

NMBZ Holdings posted an attributable profit of \$1,6 million in the full year to December 31 2014 from a loss position in 2013 after containing non-performing loans and implementing a new credit system

In the same period last year, the group posted a loss of \$3 321 823.

<https://www.newsday.co.zw/2015/03/30/nmb-returns-to-profitability/>

Munyeza resigns as Brainworks plans African Sun takeover

African Sun Limited (ASL) chief executive Shingi Munyeza has resigned with immediate effect, as private equity firm Brainworks Capital Management (BCM) plans a total takeover of the listed hospitality group.

<http://www.dailynews.co.zw/articles/2015/04/01/munyeza-resigns-as-brainworks-plans-asl-takeover>

Barclays bank to increase offshore lines of credit

Barclays Bank Zimbabwe is looking forward to increase its offshore lines of credit to US\$150m by end of first half with a view of providing affordable funding for its customers.

<http://www.herald.co.zw/barclays-bank-to-increase-offshore-lines-of-credit/>

Govt to convert Hwange Colliery debt to equity

Govt will convert Hwange Colliery's debt to the state into equity under the coal miner's proposed US\$88m rights offer meant to reduce debts and recapitalize the company.

<http://www.herald.co.zw/govt-to-convert-hwange-colliery-debt-to-equity/>

Proplastics to list separately on ZSE

Masimba Holdings will unbundle its plastic manufacturing division into stand alone and thereafter listed on the Zimbabwe Stock Exchange in an effort to unlock shareholder value.

<http://www.herald.co.zw/proplastics-to-list-separately-on-zse/>

ZB loss driven by heavy restructuring costs

ZB Financial Holding loss for the year ended Dec 2014 catapulted a massive 2 902 percent to \$9.9 million, mainly resulting from heavy restructuring costs.

<http://www.herald.co.zw/zb-loss-driven-by-heavy-restructuring-costs/>

Up Coming Events

COMPANY	EVENT	VENUE	DATE	TIME
BAT	AGM	Head Office, 1 Manchester Rd, Southerton	26.04.15	1000HRS
CBZ	AGM	Great Indaba Room, Crowne Plaza	30.04.15	1500HRS

CAUTIONARIES

Company	Issue Date	Subject
Masimba	15 JAN 2015	Repeat Notice of possible transactions with potential impact on share values
RIOZ	5 TH MAR 2015	Comapany seeking regulatory approvals to proceed with the rights issue

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