

## ZSE bear market persists ...

|                   | Previous | Current  | Change   | %Change | YTD %  |
|-------------------|----------|----------|----------|---------|--------|
| <b>All share</b>  | 1,498.24 | 1,369.24 | 128.9915 | 8.61    | 495.12 |
| <b>Industrial</b> | 4,905.74 | 4,502.15 | 403.5903 | 8.23    | 487.49 |
| <b>Mining</b>     | 3,618.74 | 2,878.08 | 740.6581 | 20.47   | 808.89 |
| <b>Top 10</b>     | 965.79   | 867.02   | 98.7642  | 10.23   | 327.78 |

The second week of trading did not bring much respite to the ZSE as the bear market persisted amidst seemingly tight liquidity. All four indices in our analysis were trending southwards with the All Share Index ending the week 8.61% softer at 1369.24pts, weighed down by the market heavies that suffered the brunt of the sell-off to see the Top Ten Index drop 10.23% to settle at 867.02pts. Meanwhile, the local currency continued to lose ground against the greenback on the auction market depreciating 2.5% to see an average rate of 82.5608 while, a commendable aggregate of US \$17.78m exchanged hands.

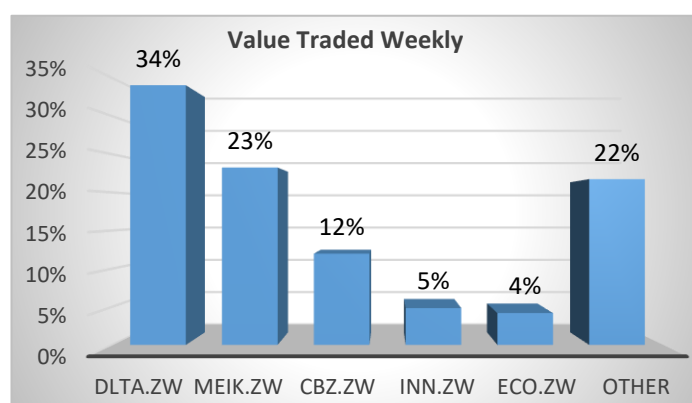
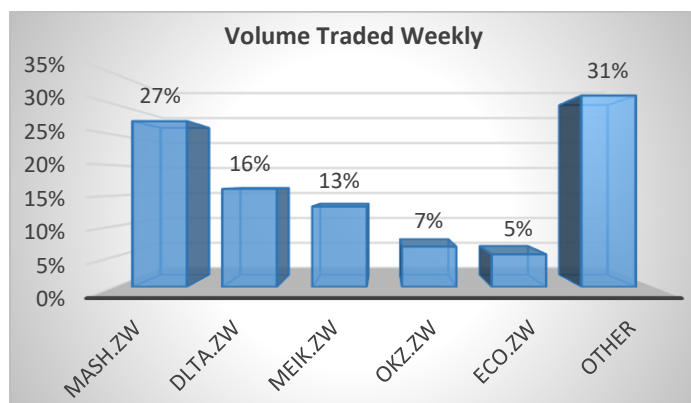
| RISERS         | PRICE   | % Change |
|----------------|---------|----------|
| <b>FIDL.ZW</b> | 0.2795  | 43.70    |
| <b>TSL.ZW</b>  | 4.0800  | 20.00    |
| <b>LACZ.ZW</b> | 5.8800  | 20.00    |
| <b>RIOZ.ZW</b> | 7.5000  | 17.19    |
| <b>ZIMW.ZW</b> | 3.8019  | 10.84    |
| <b>ZBFH.ZW</b> | 13.0000 | 8.33     |
| <b>WILD.ZW</b> | 0.1909  | 6.06     |
| <b>DLTA.ZW</b> | 15.9347 | 2.79     |
| <b>EDGR.ZW</b> | 0.8600  | 0.95     |
| <b>NPKZ.ZW</b> | 1.5000  | 0.67     |

| FALLERS        | PRICE   | % Change |
|----------------|---------|----------|
| <b>BIND.ZW</b> | 2.8999  | 26.52    |
| <b>ECO.ZW</b>  | 5.4878  | 22.33    |
| <b>HIPO.ZW</b> | 10.8000 | 20.00    |
| <b>ZPI.ZW</b>  | 0.7200  | 20.00    |
| <b>CSZL.ZW</b> | 5.5810  | 19.46    |
| <b>SIM.ZW</b>  | 6.4963  | 18.23    |
| <b>DZL.ZW</b>  | 4.7000  | 17.54    |
| <b>FBC.ZW</b>  | 10.5000 | 17.54    |
| <b>CBZ.ZW</b>  | 20.5522 | 14.37    |
| <b>AXIA.ZW</b> | 4.2526  | 13.98    |

Meanwhile, bears continued to rule the market amidst constrained liquidity, and this was underlined by the thirty-one fallers for the week against eleven risers as a weekly negative breadth was established. Nickel miners Bindura emerged the top casualty of the market crush with a 26.52% drop week on week to \$2.8999. Econet followed with a 22.33% slide that took it to \$5.4878 as the duo of Hippo and ZPI chipped in with identical 20% declines that set them at \$10.8000 and \$0.7200, respectively. Cassava closed the week 19.46% lower at \$5.5810, having touched a low of \$4.9900 in the final session amidst sustained selling pressure.

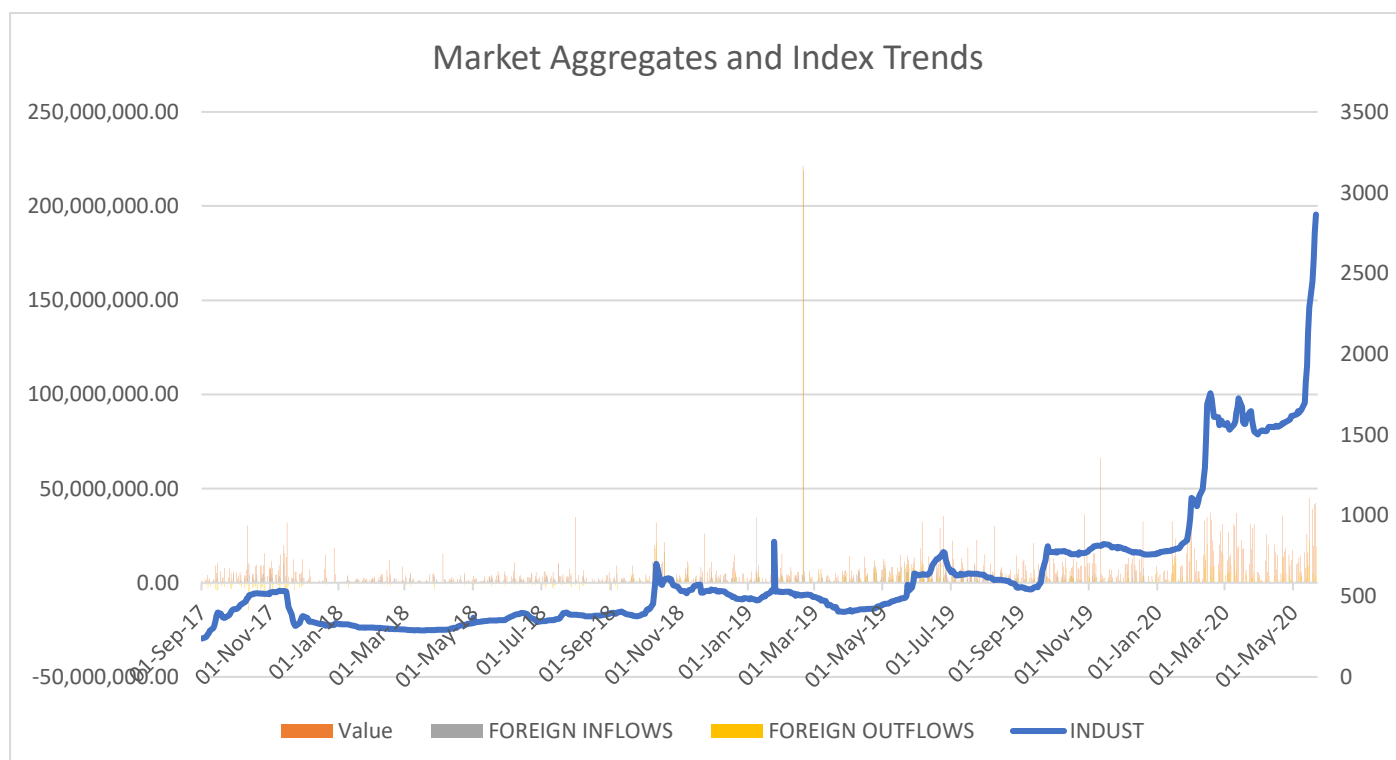
Other top losses for the week were seen in fast foods group Simbisa that went down 18.23% and settled at \$6.4963 while, Dairibord came off 17.54% and closed at \$4.7000. Banking groups FBCH and CBZ were 17.54% and 14.37% softer as they closed the week at respective prices of \$10.5000 and \$20.5522. Completing the top shakers for the week was Axia which succumbed 13.98% and closed at \$4.2526. Loss mitigation had an improved count of stocks this week at eleven, though their weighting ensured their gains did little to change market direction. Fidelity headlined the risers on a 43.70% surge that took it to \$0.2795 while, TSL followed with a 20% rise to \$4.0800. Lafarge went up 20% and settled at \$5.8800 with Rio Zim adding 17.19% as it rebounded from last week's slump and settled at \$7.5000. Earth moving equipment distributors Zimplot put on 10.84% and closed the week at \$3.8019 while, ZB Financial Holdings group went up 8.33% to \$13.0000. Other gains were seen in Willdale +6.06%, Delta +2.79%, Edgars +0.95% and Nampak which firmed +0.67%.

## Activity aggregates improve on Delta and Meikles block trades...



|                | Previous       | Current        | Change        | %Change |
|----------------|----------------|----------------|---------------|---------|
| <b>Values</b>  | 153,550,900.60 | 251,227,344.00 | 97,676,443.40 | 63.61   |
| <b>Volumes</b> | 17,923,100     | 33,376,700     | 15,453,600    | 86.22   |

The weekly market aggregates were much improved on the prior week despite the trading week being shorter owing to the two day holidays. Volumes traded ballooned 86.22% and closed at 33,376,700 shares and these were driven by Mashonaland Holdings 27%, Delta 16% and Meikles 13%. Values traded surged 63.61% and closed at \$251,227,344 with the main drivers turning out to be Meikles and Delta that claimed a combined 57% of the aggregate.



**In the News**

Listed cables manufacturer CAFCA Limited managed to boost exports over the nine months to June 30, 2020, to 207 tonnes notwithstanding a decline in production volumes during the last three months due to the Covid-19 pandemic. <https://www.herald.co.zw/cafca-exports-defy-lockdown/>

Zimbabwe Stock Exchange-listed entity Hippo Valley Estates, which was last year embroiled in corporate governance issues, has appointed corporate governance expert Canaan Dube and three others to its board of directors. <https://www.herald.co.zw/hippo-valley-ropes-in-governance-guru/>

The increasing use of foreign currency in local transactions saw First Capital Bank Zimbabwe record a 10 percent increase in foreign currency deposits, acting MD Ciaran McSharry told the annual general meeting AGM held Thursday last week. <https://www.herald.co.zw/first-capital-bank-records-growth-in-forex-deposits/>

PADENGA Holdings, one of the biggest exporting companies in Zimbabwe, aims to achieve revenue of US\$30 million by the end of this year, compared to average annual revenue of US\$23 million it has recorded for the past five years. <https://www.newsday.co.zw/2020/08/padenga-aims-for-us30m-revenue-by-year-end/>

SUGAR producer Hippo Valley recorded an 8% decline at 49 425 tonnes during the quarter ended June 2020 from 53 997 tonnes during the same period last year following a reduction in sugarcane milling caused by National Railways of Zimbabwe (NRZ) logistical challenges. <https://www.newsday.co.zw/2020/08/nrz-struggles-hit-hippo-valley-sugar-production/>

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