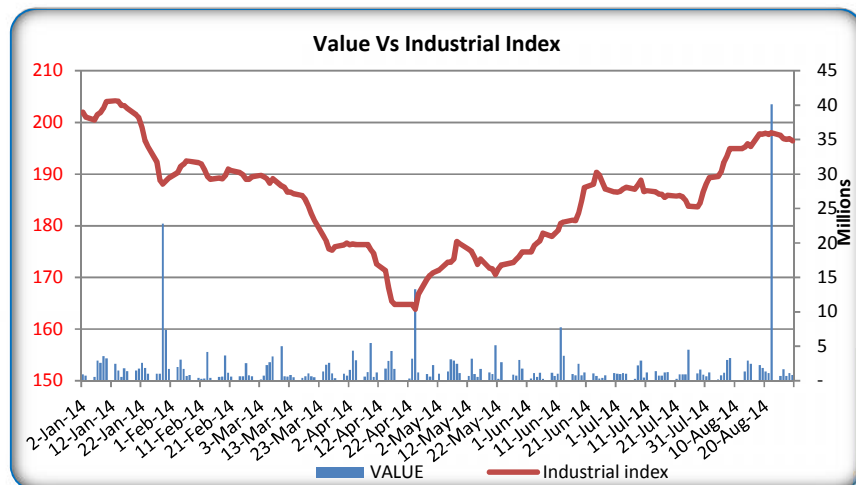
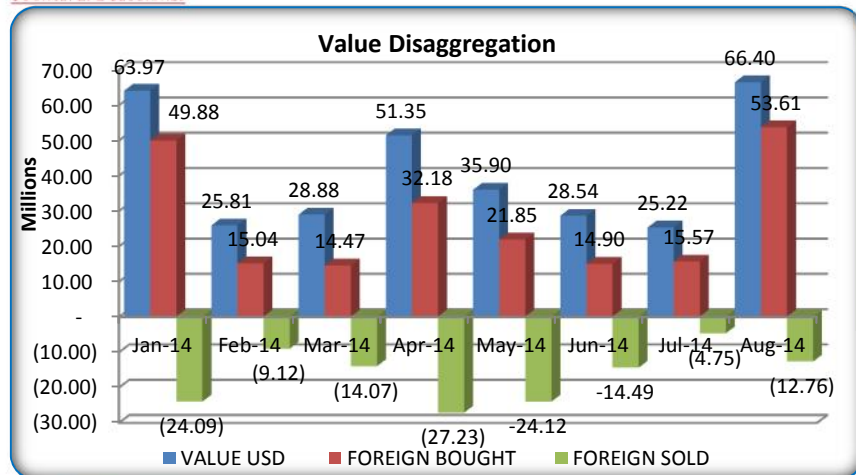


INDEX	30-Jul-14	31-Aug-14	AUG Mvt	YTD Mvt
Industrials	186.54	196.43	5.30%	-2.82%
Minings	95.65	104.80	9.57%	128.87%

SOURCE: EFE SECURITIES/ZSE



SOURCE: EFE SECURITIES

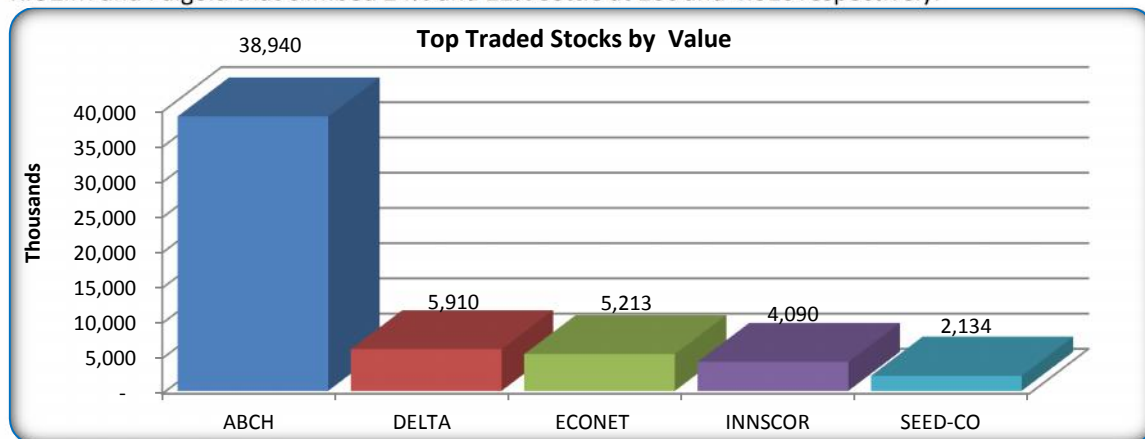


SOURCE: EFE SECURITIES

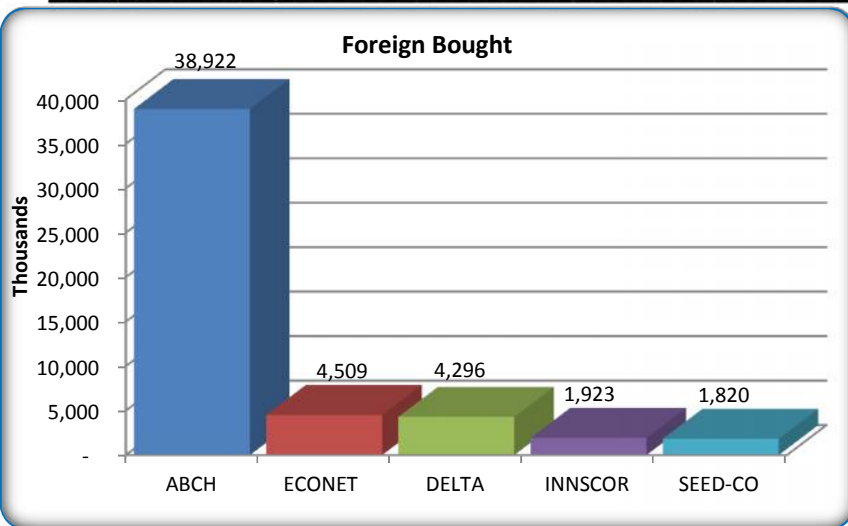
Bullish sentiment drives the ZSE higher...

Widespread gains emerged across the bourse as an overly bullish sentiment pervaded the ZSE in the eighth month of the year to sustain the recent surge. The main stream Industrial Index garnered 5.3% for the month and closed at 196.43pts which is just -2.82% shy of its year opening levels as the market rebounds. The market gains rode on the much hyped state visit to China by Zimbabwean president where several agreements were signed that are expected to be a major stride towards jump starting the faltering economy. Concerns over the economy sliding into deflation were put to rest in the month under review as statistics for the month of July released in August indicted that inflation had turned into the positive after the first six months had seen the economy record consecutive negative monthly inflation figures.

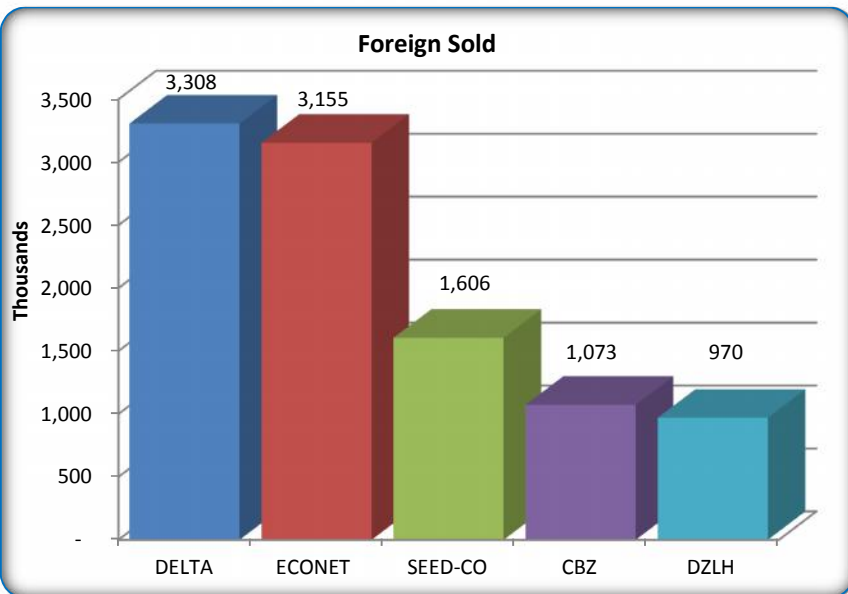
The Mining Index continued on its purple patch as gains spread to all four listed entities in the cluster on news of revamping of operations following successful retooling. The index was thus up +9.57% at 104.80pts as the year to date return rose to an impressive 128.87%. Bindura that has been the cornerstone of the recent surge had the smallest growth of 6% for the month while coal miners Hwange led the minings charge for the month with a 46% upsurge to 8c. Gains were also seen in RIOZIM and Falgold that climbed 24% and 22% settle at 26c and 4.01c respectively.



The ZSE powered to its top aggregated monthly turnover after registering \$66.4m worth of trades as trades rode on the block trade in ABCH done in fulfilment of conditions leading to the takeover of ADC and BancABC respectively by London AIM listed Atlas Mara which saw the financial services group account for 59% of the funds invested on the bourse in August. ZSE momentum stocks completed the monthly value drivers with Delta, Econet Innscor and SeedCo making contributions of 9%, 8%, 6% and 3% respectively



SOURCE EFE SECURITIES



SOURCE EFE SECURITIES

Foreign spend hits top year to date figures on ABCH trade....

Aggregate foreign spend for the month of August topped \$53.61m buoyed by the aforementioned block trade in ABCH as Atlas Mara concluded transactions that will see it establish its footprint in the SADC region with operations in five countries. As a consequence ABCH dominated the foreign purchases with Econet, Delta and Inncor being the other highly sought after stocks by foreign investors. In contrast foreign portfolio disposals stood at \$12.76m creating an overly net foreign funds inflow position on the bourse.

Top Gainers	30-Jul-14	31-Aug-14	Jun % Mvt	YTD % Mvt
Willdale	0.10	0.25	150.00	150.00
RADAR	2.02	5.00	147.52	37.50
ARTZDR	0.30	0.60	100.00	200.00
HUNYANI	2.50	5.00	100.00	150.00
HWANGE	4.80	7.00	45.83	22.22
ARISTON	0.50	0.70	40.00	30.00
HIPPO	60.00	75.00	25.00	16.69
STAR AFRICA	2.01	2.50	24.38	150.00
RioZim	21.00	26.00	23.81	21.21
FALGOLD	3.30	4.01	21.52	19.80

Market wide gains drives market higher...

Upward momentum was sustained in the month under review as gains were anchored by the market heavies that enjoyed firm demand. Amongst the heavy caps to drive the gains were Delta and Old Mutual that put on 7% and 6% to 135c and 2.8c respectively. Telecoms group Econet extended its impressive year to date performance for the year with a 6% gain to 76.1c bringing the year to date return to 27% by the end of August. Four stocks registered triple digit growth to lead monthly gains and these were topped by brick makers Willdale that rode on news of improved capacities to 60% following its recent recapitalisation exercise, resultantly the brick maker added 150% and closed trading at 0.25c. Radar and ARTZDR were to follow on gains of 147.52% and 100% to see them trade at 5c and 0.6c respectively. Packaging group Hunyani rallied 100% to 5c as the requisite stakeholder approvals were obtained at various EGM's for the merging of NAMPAC business interests that is to be followed with a rebranding of the group to Nampak Zimbabwe Limited. Coal miners Hwange were similarly on the up after adding +45.83% to 7c as the group rode on news of the group taking delivery of new equipment to boost operations. Agro-based groups Ariston and Hippo were up -40% and 25% at 0.7c and 75c on a new spate of demand.

Top Shakers	31-Jul-14	31-Aug-14	Jul % Mvt	YTD % Mvt
MASIMBA	2.35	1.50	36.17	76.92
NMBZ	6.00	4.20	30.00	35.38
G/BELTINGS	0.04	0.03	25.00	62.50
PIONEER	5.00	4.00	20.00	33.33
DAWN	1.00	0.80	20.00	20.00
AFRICAN SUN	2.80	2.30	17.86	14.81
COTTCO	0.95	0.80	15.79	86.67
FIRST MUTUAL	7.00	6.00	14.29	25.00
TA	16.02	14.00	12.61	129.51
ZIMPAPERS	0.80	0.70	12.50	12.50

Eighteen stocks traded softer in the month under review with the worst performance coming in from construction allied group Masimba that succumbed to a 36.17% sell off as its rising momentum in the prior month was snuffed out by the poor financials on the back of an underperforming construction book. Banking group NMBZ dropped -30% to 4.2c to follow while general beltings was up 25% at 0.03c. Pioneer and Dawn Properties were down by similar margins of 20% to trade at 4c and 0.8c respectively.

Comment and Outlook

The market has powered ahead with gains for the third successive month maintaining a resilient upward trend though of course this has largely been a recovery from the slump experienced earlier in the year that saw the industrials touch a low of 163.85pts on the 22nd of April. The index has since been on a rebound as updates from companies indicated that the severity of performance declines in the face of the challenges in the economy had been over hyped. We believe that market performance is likely to remain positive in the ensuing month anchored by financial updates from companies. Once again the recent rising momentum will likely expose the market to the vagaries of profit taking but the now established trend of flight to quality is likely to see the indicators establish resistance to maintain a steadily rising trend.

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