



25-Aug-14 26-Aug-14 % Δ

## Equities remain uninspired as the reporting season kicks off...

ZSE Industrials	196.87	196.73	0.07
ZSE Mining	105.13	104.36	0.73
Volume Traded (mn)	12.63	4.50	64.38
Value Traded (US\$ mn)	1.65	0.70	57.82
Market Cap (US\$ mn)	197.52	196.87	0.33
Foreign Purchases (US\$ mn)	0.390	0.399	2.27
Foreign Sales (US\$ mn)	1.258	0.068	94.56

Bearish sentiment persisted on the stock market as both the benchmark index and the mining index lost points in the mid-week session. The Industrial index screeched to a 3 day skid after paring 0.07% to close at 196.73 points as the market warms up to a reporting season that we anticipate to offer less in fundamental terms against a general plunge in aggregate demand. Technically though we expect those companies which rejiggered operations through realignment of their cost function to emerge profitable however within conservative levels.

The Mining Index retreated 0.73% to close at 104.34 points as sellers in Rio followed suit in surrendering their offer after a collapse in the bid price in the previous session. The decline in the counter is a culmination of a below expectation earnings for the half year dragged by operating units Renco and ENR. Bindura was stable at 9.25c and continued to drive volumes at that level ahead of tomorrow's AGM. Banking stocks were generally stable with previous session's riser CBZ erasing the gains to close at 12c. ABCH however went up 2.86% to 72c after Monday's Monetary policy statement announcement by RBZ.

\*\*Market Cap is Inclusive of Econet Class

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#### Top Risers

	Stock Name	Price	% Δ	YTD Δ %
1	LAFARGE	65.00	8.33	40.91
2	POWERSPEED	1.70	6.25	5.56
3	CFI	2.40	4.35	33.33
4	ABCH	72.00	2.86	22.03
5	HIPPO	77.00	2.67	14.46

Innscor was the major heavy cap loser after shedding 1.28% to 77c to drag the market lower. Overall there were 5 fallers relative to 10 risers in the session. ZPI fell 16.67% to 1c while peer property entity Mashhold weakened 3.85% to 2.5c. General Beltings was the worst performer easing 25% to 0.03c. Lafarge went up 8.3% to 65c to top the risers set. Trailing was Powerspeed which notched 6.25% to 1.7c. CFI gained 4.35% to 2.4c while heavy cap Hippo was 2.67% firmer at 77c by close of call.

#### Top Fallers

	Stock Name	Price	% Δ	YTD Δ %
1	G/BELTINGS	0.03	25.00	20.00
2	ZPI	1.00	16.67	23.08
3	CBZ	12.00	7.69	20.00
4	MASHHOLD	2.50	3.85	23.08
5	INNASCOR	77.00	1.28	3.75

Other market indicators likewise tumbled as they failed to find support in a losing market. Overall value traded came off -58% to \$0.7m while volume traded in a similar fashion softened -64% to 4.5m shares. Traditional value drivers Delta and Econet led value traded contributors on a collective 64% contribution. Bindura maintained appearance in the top 5 traded stocks by value as the stock becomes more liquid on rebound. Foreign inflows were marginally up at \$0.39m with purchases spread in cherry picked blue chip Econet, Delta and Seedco. Foreign outflows came off a much steeper 95% to \$0.07m with disposals in CBZ alone.

Elsewhere Masimba reported a decline in revenue and profitability in the six months to June due to lower contribution by the construction unit. The group realised a loss of -\$0.34m compared to a profit of \$0.098m in comparable period last year.



#### DIVIDEND MONITOR

Company	Dividend Type	Div Amount	Record date	Payment Date
BAT	Interim	30c	22.08.14	22.09.14
OLD MUTUAL	Interim	2.45p	26.09.14	31.10.14
CBZ	Interim	0.183c	06.09.14	16.09.14

#### UPCOMING EVENTS

Company	Event Type	Location	Date	Time
MASIMBA	INTERIMS	44 TILBURY RD WILLOWVALE HARARE	27/08/2014	1200HRS
BNC	AGM	CHAPMAN GOLF CLUB HARARE	28/08/2014	0930HRS
FBC Holdings	INTERIMS	Cresta lodge	28/08/2014	1230HRS
COTTOCO	AGM	RAINBOW TOWERS, JACARANDA	29/08/2014	1130HRS
ZIMPLOW				

#### CAUTIONARIES

Company	Issue Date	Subject
AFRICAN SUN	6 <sup>th</sup> DEC 2013	Discussions on mandatory offer to minorities by Lengrah Investments
Nicoz & ZHL	11 <sup>th</sup> Apr 2014	Negotiations over acquisitions and disposal respectively, of a business
FALGOLD	21 <sup>st</sup> MAY 2014	Negotiations that may have material effect on the company's stocks price
HUNYANI	22 <sup>nd</sup> MAY 2014	Negotiations that may have material effect on the company's stocks price
BINDURA	13 <sup>th</sup> JUNE 2014	H2 Profit expected to substantially higher than H1 outturn
TAH	24 <sup>th</sup> JUNE 2014	Negotiations that may have material effect on the company's stocks price
COTTOCO	24 <sup>th</sup> JUNE 2014	Negotiations that may have material effect on the company's stocks price
ASTRA	23 <sup>rd</sup> June 2014	Possible Offer to minorities by new major shareholders Hermister investments

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