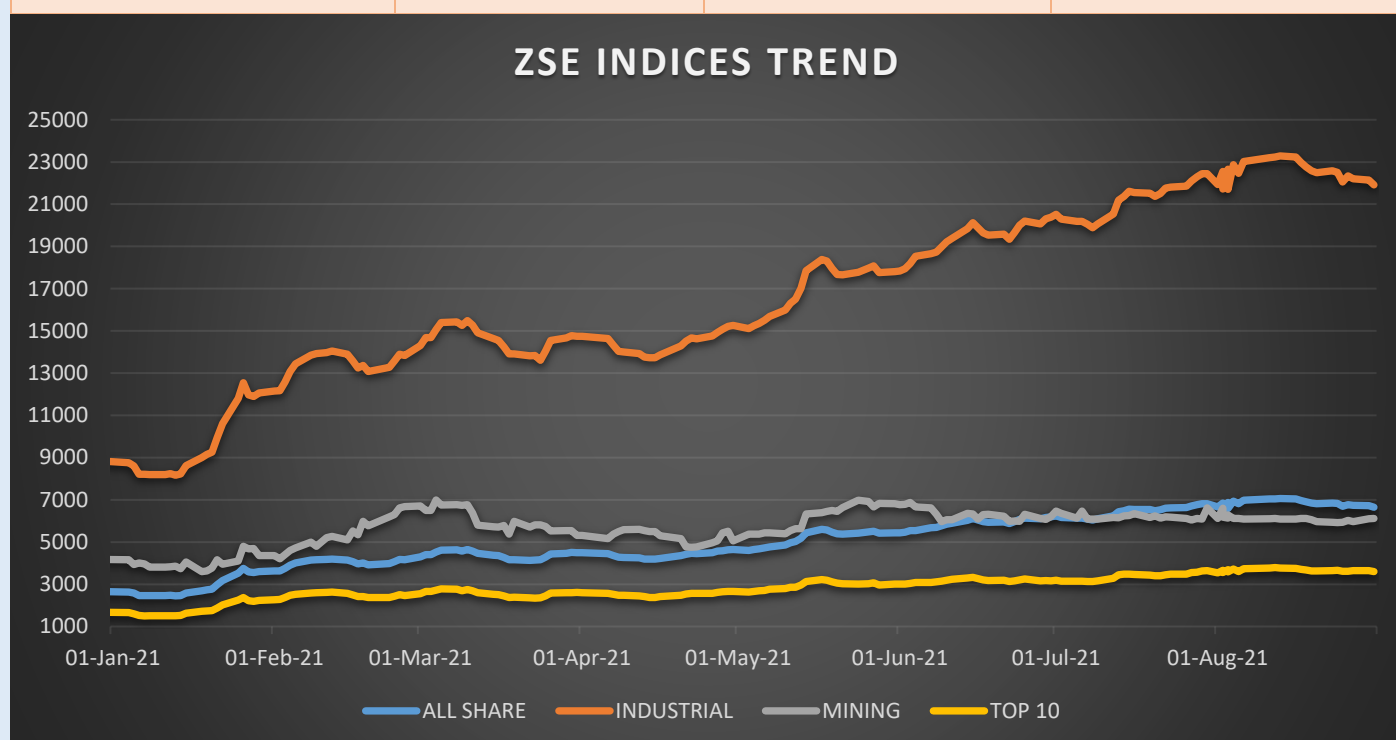


MARKET REVIEW...

The market capped the month of August in losses amidst selling pressure and liquidity constraints in the economy. The mainstream All-Share Index declined 2.43% to 6652.31pts reducing its YTD by 153% despite reaching a record high of 7060.72pts on the 13th of August. The Industrial Index retreated 2.36% to end the month at 21922.43pts while, the Blue Chips Index slipped 1.23% to 3595.05pts weighed down mainly by Innscor and CBZ. The Mining Index took the greatest knock of 7.63% to close the month at 6115.85pts.

	JULY	AUGUST	(%) CHANGE
ALL SHARE INDEX	6818.29	6652.31	-2.43
MINING	6621.17	6115.85	-7.63
INDUSTRIAL	22452.92	21922.43	-2.36
TOP 10	3639.99	3595.05	-1.23



ZSE/EFE Estimates

Winners and Fallers for the month...

RISERS				FALLERS			
Symbol	Current	Change	%Change	Symbol	Current	Change	%Change
GBZW.ZW	8.3000	2.5252	43.73	SACL.ZW	1.8431	0.7862	29.90
ECO.ZW	37.7183	7.5768	25.14	GBH.ZW	1.8934	0.4858	20.42
CSZL.ZW	19.4021	3.3668	21.00	ZIMP.ZW	2.8000	0.7000	20.00
TSL.ZW	48.8853	5.8853	13.69	TRUW.ZW	2.0000	0.3929	16.42
SEED.ZW	78.0000	9.0000	13.04	INN.ZW	91.5696	17.8205	16.29
EDGR.ZW	3.5000	0.2002	6.07	NMB.ZW	13.8857	2.6143	15.84
ZBFH.ZW	80.0000	3.0000	3.90	CBZ.ZW	80.0000	15.0000	15.79
ZIMW.ZW	15.0665	0.5223	3.59	MMDZ.ZW	0.2654	0.0485	15.45
FCA.ZW	3.1231	0.1078	3.58	MASH.ZW	2.9520	0.5366	15.38
NTS.ZW	10.8000	0.3540	3.39	AXIA.ZW	21.7464	3.8766	15.13

ZSE/EFE Estimates

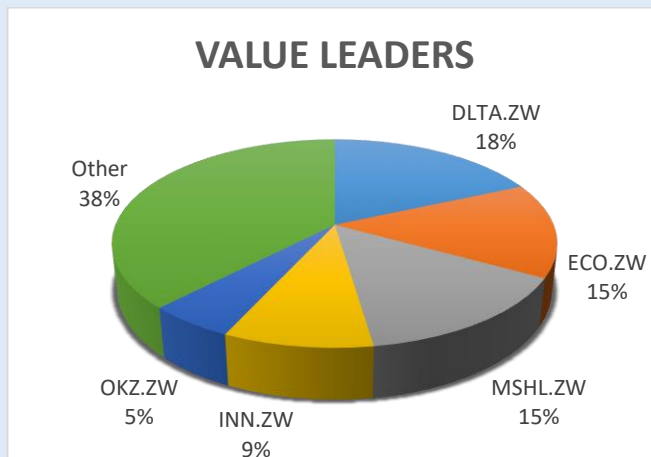
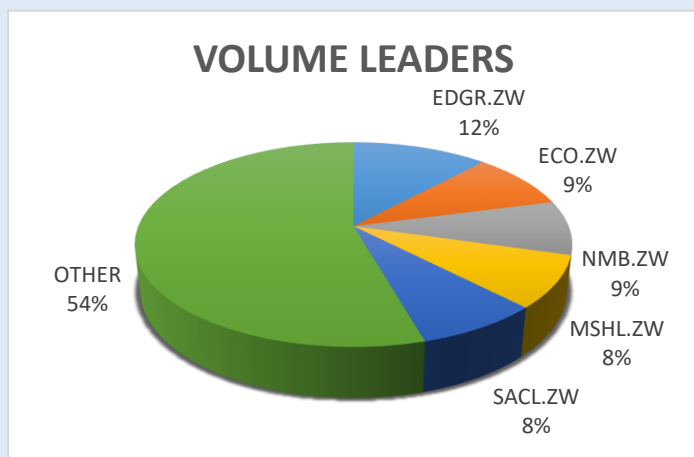
Financial services group Getbucks headlined the winners of the month on a 43.73% surge to \$8.3000 on retail demand, followed by Econet which jumped a cumulative 25.14%, closing at a price of \$37.7183 having touched a high of \$40.0000 in the month. Econet spin off, Cassava SmarTech soared 21.00% month on month to end at \$19.4021 while, TSL jumped 13.69% to \$48.8853. SeedCo Limited put on 13.04% to \$78.0000 as clothing retailer Edgars rose 6.07% to \$3.5000. Bankers ZB Financial Holdings charged 3.90% to \$80.0000, Zimplot rose 3.59% to \$15.0665 as banking group First Capital added 3.58% to \$3.1231. NTS capped the top ten winners of the month on a 3.39% gain to close pegged at \$10.8000.

Star Africa topped the laggards' list for the month of August as it slumped 29.90% to \$1.8431, recording a year-to-date gain of 582.63%. Trailing was General Beltings which dipped 20.42% to settle at \$1.8934 as Zimpapers followed thereafter having dropped 20.00% to end at \$2.8000. Apparel retailer Truworths trimmed 16.42% to \$2.0000 while, conglomerate Innscor shed 16.29% to end at \$91.5696. The duo of banking groups in NMB and CBZ let go 15.84% and 15.79% to close at \$13.8857 and \$80.0000 respectively. Medtech went down 15.45% to \$0.2654 while, Mashonaland slipped 15.38% to \$2.9520. Axia completed the fallers' pack on a 15.13% dip to \$21.7464. A total of thirty stocks completed the month in the red against sixteen risers, to register a negative breath of fourteen.

Volume and Value leaders...

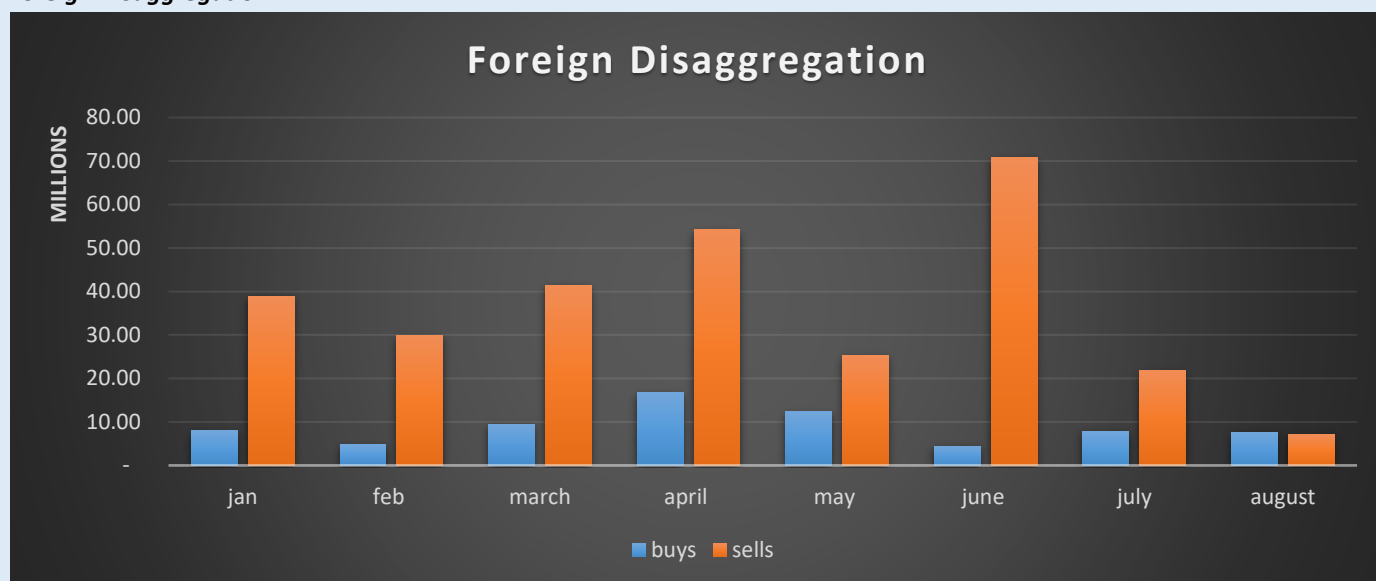
	Jul-21	Aug-21	Change	%Change
Values	2 921 334 846,10	3 461 272 875,75	539 938 029,65	18,48
Volumes	181 010 800	147 232 100	33 778 700	18,66

ZSE/EFE estimates



ZSE/EFE estimates

Activity aggregates were mixed in the month as replicated in volumes that succumbed 18.66% to see 147.32m shares exchange hands with turnover rising 18.48% to \$3.46bn. Edgars led the volume aggregates as it accounted for 12% of the outturn while, Delta, Econet and Masimba drove the month's turnover as the trio claimed 18%, 15% and 15% in that order. The Old Mutual Exchange Traded Fund traded 4.71m units which were 46.73% lower than the volumes traded in July, declaring its first dividend of \$0.0173. On the VFEX, SeedCo International and Padenga ended the month at respective prices of \$0.1800 and \$0.2550.

Foreign Disaggregation...

ZSE/EFE Estimates

Foreigners were net sellers in the month as outflows dipped 45.96% to \$247.41bn while, inflows dropped 20.81% to close at \$178.18bn

Financial Results...
Econet Abridged results for the year ended 28 February 2021

Current Price	\$34.3000		
	2021zwl\$ (bn)	2020zwl (bn)	Change
Revenue	34.90	28.20	23.80%
EBITDA	18.00	10.84	66.00%
PAT	0.84	(5.70)	85.33%
EPS (cents)	35.00	(237.00)	85.23%
Dividend (Cents)	0.60		
PERx	18x		

ZSE/EFE estimates

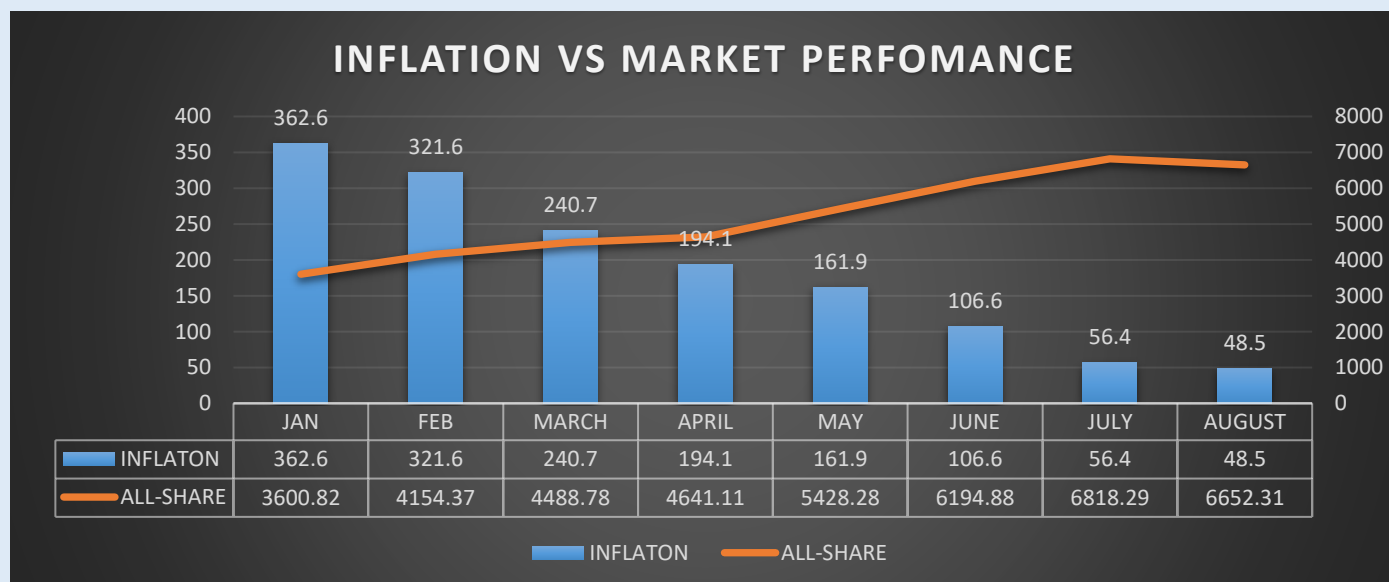
- Revenue went up 23% to \$34.9bn
- Subscribers increased by 2% to 12.9m
- Voice traffic increased by 3% points in the period under review
- Data traffic increased by 5% points
- Net Exchange losses for the Telecom giant decreased by 46% to close at \$13.7bn
- Improved operational efficiencies and continued cost containment, measure yielded positive results for the firm
- The firms' balance sheet was bolstered by a 7% investment in Liquid Telecommunication Jersey(LTJ)

First Capital Bank Abridged results for the year ended 31 December 2020

Current Price	\$3.4319		
	2020zwl\$(bn)	2019zwl\$(bn)	Change
Revenue	3.38	2.47	36.84%
PBT	0.90	(0.49)	82.60%
PAT	0.47	(0.73)	36.00%
EPS (cents) Basic	21.89	(33.98)	35.60%
PERx	13.6x		

ZSE/EFE estimates

- Total deposits grew by 331% to \$4bn (Local deposits grew by 298% while, foreign grew by 3.7bn).
- Local deposits deployed into loans which grew by 2.79% to 2.3bn.
- Costs to income ratio improved from 95% to 50%.
- Funded income grew 695% driven by increased loans and advances.
- Non-performing loans stood at 0.16% lower than 0.22% for the comparable period.

Economic Outlook...


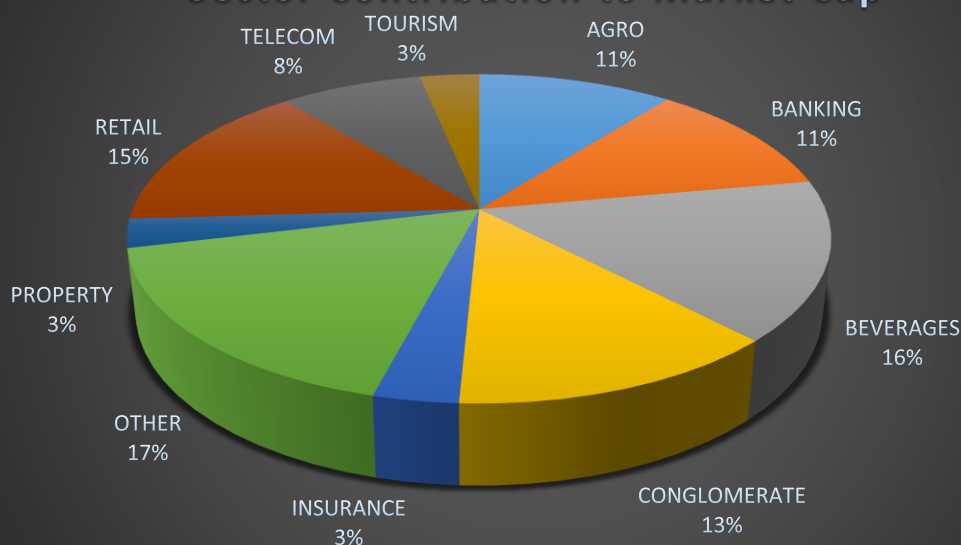
ZSE/EFE ESTIMATES

The nation has been recovering from different shocks such as inflation, run away exchange rates, shortage of foreign currency and declining capacity utilisation. However the economic outlook for this year looks quite promising evidenced by the review of economic growth from 7.4% to 7.8%. The revision was necessitated by the good agricultural outturn, firming international prices for commodities, stable local exchange rates and declining inflation rate. The nation is expecting to record harvest of 2.3 metric tonnes of grain this year as announced by the Finance Ministry in the fiscal policy. The country is expecting to receive normal to above normal rainfall as indicated by the Meteorological Services Department,

Development on the parallel exchange market remain a cause of concern given that the difference between the parallel exchange rate and the auction rate have been increasing. This is likely to scupper the prospects of economic stability in the medium to long term.

In the month under review, the nation received an SDR payment of US\$961m which is expected to be a game changer as it increased the foreign currency reserves of the country. When properly utilised they could assist the country to improve the situation arising from the foreign currency shortages. As indicated by the MoFED, sectors that will stand to benefit from the fund are health, agriculture and Education.

Sector Contribution to Market Cap



TOP 20 Market Capitalisation Report

31-Aug-21

Industrials

COMPANY	SHORT	LISTING	NO OF SHARES	MARKET CAP
	NAME	STATUS	GLOBAL	(RTGS\$)
Delta Corporation Limited	DLTA.zw	Active	1,292,111,555.00	112,271,443,802.79
Econet Wireless Zimbabwe Limited	ECO.zw	Active	2,590,576,832.00	103,254,175,139.12
Innsco Africa Limited	INN.zw	Active	569,876,450.00	55,321,839,149.01
CBZ Holdings Limited	CBZ.zw	Active	522,661,465.00	41,814,694,248.98
National Foods Holdings Limited	NTFD.zw	Active	68,400,108.00	35,568,056,160.00
Hippo Valley Estates Limited	HIPO.zw	Active	193,020,564.00	33,778,598,700.00
Meikles Limited	MEIK.zw	Active	257,559,929.00	22,240,510,216.22
OK Zimbabwe Limited	OKZ.zw	Active	1,275,914,289.00	20,417,946,001.15
FBC Holdings Limited	FBC.zw	Active	671,949,927.00	20,076,721,503.88
British American Tobacco Zimbabwe Limited	BAT.zw	Active	20,633,517.00	18,982,835,640.00
First Mutual Holdings Limited	FML.zw	Active	690,143,060.00	16,990,493,965.53
Dairibord Holdings Limited	DZL.zw	Active	358,000,858.00	14,663,715,143.68
Axia Corporation Limited	AXIA.zw	Active	552,150,308.00	12,031,299,996.29
African Sun Limited	ASUN.zw	Active	1,423,931,480.00	11,388,319,190.74
Nampak Zimbabwe Limited	NPKZ.zw	Active	755,648,101.00	9,823,425,313.00
GetBucks Microfinance Bank Limited	GBZW.zw	Active	1,163,118,377.00	9,753,561,774.01
Masimba Holdings Limited	MSHL.zw	Active	241,653,707.00	9,175,252,939.60
African Distillers Limited	AFDIS.zw	Active	118,389,793.00	8,879,234,475.00
Lafarge Cement Zimbabwe Limited	LACZ.zw	Active	80,000,000.00	7,466,664,000.00
First Capital Bank Limited	FCA.zw	Active	2,159,814,929.00	7,437,106,726.52

EFE TOP FIVE PICKS	DESCRIPTION
Delta Corporation Limited	<p>Market Cap – \$108.9bn Current Price- \$83.5140</p> <p>The beverages group is the top capitalised stock on the ZSE, recently acquires the Mutare Bottlers in a bid to expand its sparkling beverages operations in the country and increase its market share. The brewer’s South African operations have taken off and we see potential in the niche opaque beer market as lockdown restrictions ease. Overcoming the challenges arising from the COVID 19 induced lockdowns underlined DLTA’s solid performance as the stabilizing exchange rate under the auction system and a stable inflation outlook placed the group on firm footing for strong future performance.</p>
Econet Wireless Zimbabwe	<p>Market Cap - \$88.6bn Current Price- \$34.2147</p> <p>Is the biggest mobile network operator in the country both by customers and network expand. The shift in business trends towards working remotely presents a good opportunity for the company as their clients tap into this space for both data and voice products. The telecom giant recently released a good set of financials in which they reported a profit for its FY21 results against a loss for the prior comparable period. The group published at trading update in which the management advised of a continued positive trajectory in revenues and market share.</p>
Innscor Africa Limited	<p>Market Cap - \$53.2bn Current Price- \$93.4660</p> <p>The light manufacturing group, parent to several powerhouses on the Zimbabwe Stock Exchange has been the most effective in terms of value creation for shareholders on the market. The group maintains its product line diversity and extensive value chain which is set to continue to drive its market and price leadership in various markets that it operates.</p>
Meikles Africa Limited	<p>Market Cap – \$23.7bn Current Price - \$93.6839</p> <p>Meikles has largely restructured, and its focus is mainly on agriculture and food retail. Following the disposal of Meikles Hotel, the group has effectively recalibrated the business as a consumer services and horticulture concern. The group’s Pick n Pay stores have been defensive given that supermarkets have remained open throughout the pandemic-induced lockdowns and the group’s agricultural produce is export oriented giving them a buffer on the foreign currency purse. Meikles has also proven itself to be a good dividend play on the market</p>
Seed-Co Zimbabwe Limited	<p>Market Cap - \$18.6bn Current Price - \$75.0517</p> <p>SeedCo limited is likely to emerge as post-Covid winner because of the rising food security threat and its market leadership as a seed supplier for country’s staple food (maize). This has been supported by improved rainfall on the continent that follows consecutive droughts, prompting demand for seeds both in Zimbabwe and in the region since the start of the 2020/21 agriculture season.</p>

In the News

1. The month saw a merger deal between Dairibord and Dendairy collapse. The deal was first announced in July 2020 and merger would have created a monopoly in the market, while also creating a dairy powerhouse in the region. Dairiboard was hoping to gain a competitive advantage by leveraging Dendairy strategic investments and access to global markets. The deal is said to have collapsed due to disagreement in the shareholding percentages between the two companies. The collapse of the deal saw Dairiboard stock price fall by approximately 15% as at 30 August. However, Dairibord is currently involved in a joint venture deal which was launched by Zimplats and Palmine holdings which seeks to boost milk by 25m litres by year 2026. Dairibord is still pursuing a milk supply and joint venture agreement with Tavistock.
2. The Finance Minister launched the Zimbabwe Mercantile exchange (ZMX) an agriculture commodities trading platform with electronic warehousing and receipting capabilities. The commodities exchange market is aimed at helping farmers access better markets, reducing warehousing costs and reduce post harvesting losses. The automated system also provides the features such as the options and futures. The market can currently trade up to 18 commodities.
3. National Tyre Services Trading Update to June 30, 2021 -New tyre volumes increased by 162% compared to the same period last year, driven by stock availability and focused marketing initiatives. Overall unit performance grew by 163% during the period under review. Volumes grew by 75% compared to the same period last year due to increasing demand from retreading customers. Trucking operations improved during the period under review when compared to the same period last year. A 160% growth in tubes volumes was recorded in the period under review when compared to the prior period due to the high demand of tubes from the agriculture.
4. African Sun completed Dawn Properties deal: African Sun says it has fulfilled all the conditions precedent relating to the acquisition of the entire issued ordinary shares of Dawn Properties Limited. The group last year offered to buy 100% stake in Dawn Properties, through a share swap that entails issuance of 616 126 718 new African Sun ordinary shares to Dawn shareholders. The shares would be issued at a swap ratio of one African Sun ordinary share for every 3.988075946 Dawn ordinary shares. At the close of the first offer period in January 2021, African Sun had managed to acquire 91.17% of the ordinary shares of Dawn Properties while the remaining 8.83% was acquired through legal means. As a result, all Dawn shareholders who have accepted the offer will now be granted African Sun Limited shares in accordance with the terms of the transaction
5. SeedCo International in 17% maize seed decline: Dual-listed regional seed company Seed Co International has reported a 17% decline in maize seed sales in Nigeria and Kenya's bimodal seasons as compared to the same period last year largely due to droughts in Kenya and floods in Nigeria. Vegetable seed sales in Zambia, Tanzania, South Africa, Kenya and Malawi were also 15% below prior year figures due to excessive rains in southern Africa that slowed down vegetable planting.



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