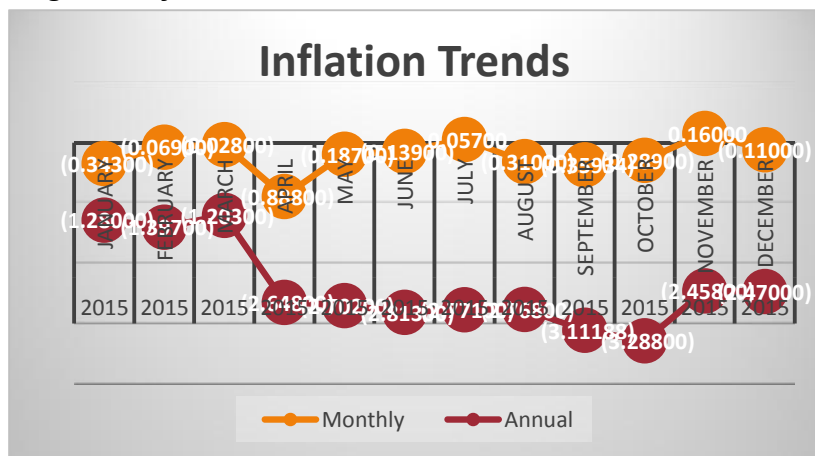


ZSE slumps to monthly loss as New Listing fails to garner a trade...

The ZSE found no reprieve in the new year as the bear market that has stalked the bourse in the past two and half years continued haunting it for the month of January 2016. The selling pressures on the bourse largely coming from foreign players dominated activity against the back drop of weak demand that saw the market slip to one of the largest single month decline since the market dollarised. Blighting the market's allure has been the unabating economic challenges that have created a hostile operating environment for the constituent companies on the bourse thereby dampening the outlook and consequently interest in the local equities. The market's position in January was further weakened by a slow down in corporate activity with very little information coming from the listed companies to inspire activity. The highlight of the market's corporate calendar was the listing of Getbucks Financial Services with the microfinance institution failing to garner a single trade on the bourse from its listing day to the end of January. Meanwhile, the market's top stock Delta updated on its third quarter trading, highlighting declining volumes across all beverages in the same period and lamented the low consumer demand in the economy, with their price reduction strategy seemingly failing to pay off as revenues for the quarter fell 5% and the group is now down 7% for the nine months to December 2015.

Negative Inflation continues...



Deflationary pressures continued to haunt the economy, as the firming USD against most regional currencies leaving many products cheaper as import prices fell in dollar terms. Month on month, the general price levels declined by 0.11% in December 2015 on the November 2015 position. The same trend was poised to be sustained into January 2016 as the USD continued strengthening against regional currencies particularly the Rand.

Zimbabwe at a Glance

Population	13mn	
Unemployment Rate		
	2014 est.	2015 Proj.
Revenues (US\$ Bn)	3.93	3.54
Expenditures (US\$ Bn)	4.03	3.84
GDP (PPP billions)	12.1	13.89
GDP Growth	3.5	1.5
Inflation	-0.05	-2.3

ZSE Statistics Year To Date

Value (\$Mn)	11.35	
Volume (Millions)	61.88	
	Change	
Industrial Index	103.04	10.28
Mining Index	19.53	17.59

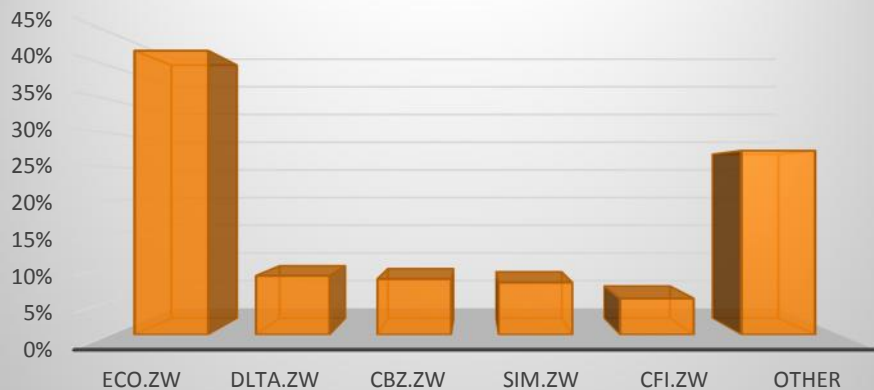
ZSE Statistics Nov 2015

Value (\$Mn)	11.35	
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	Change	
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Mining Index	19.53	17.59

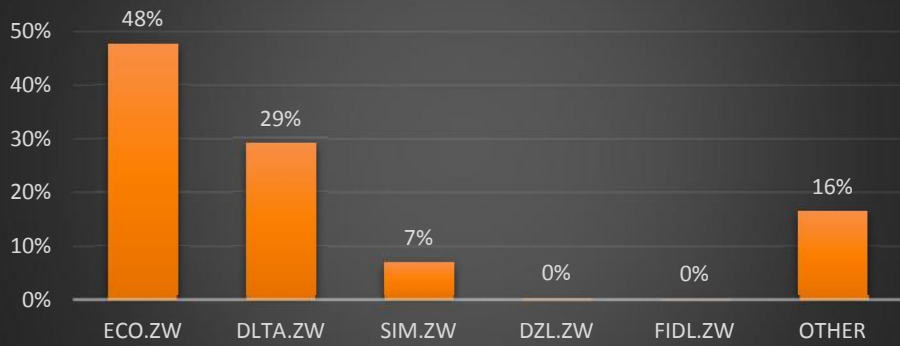
ZSE Review

	Previous	Current	Change	%Change	YTD %
Industrial	114.85	103.04	11.8100	10.28	10.28
Mining	23.7	19.53	4.1700	17.59	17.59

Volume Drivers Jan 2016



Value Drivers Jan 2016

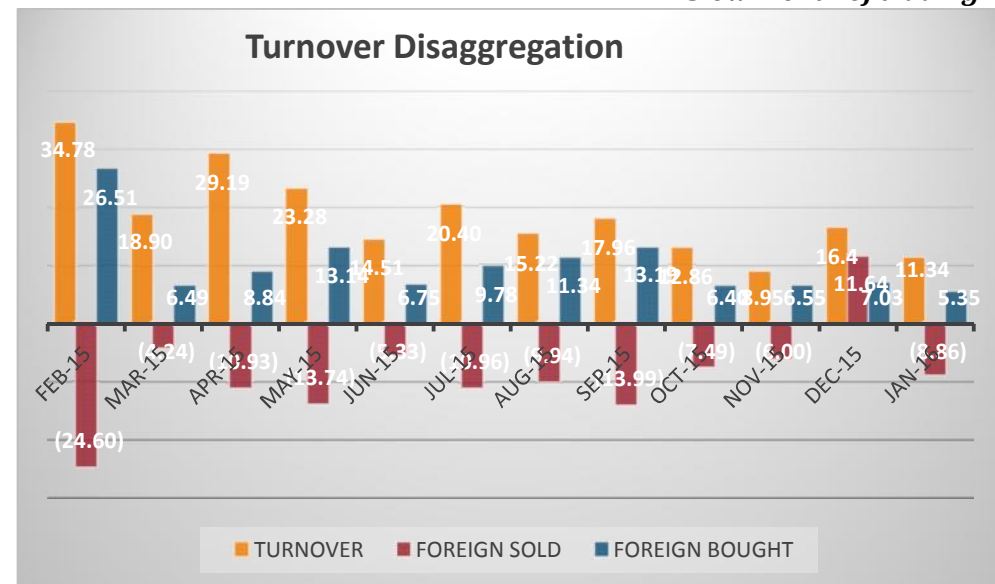


Record decline as two and half year bear market extends...

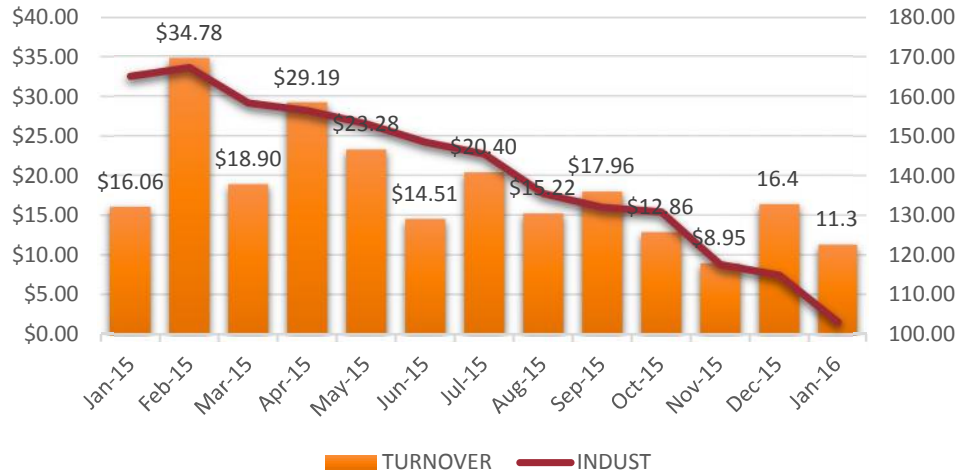
The ZSE succumbed to one of its worst month on month movements in January 2016 as the benchmark Industrial Index closed at 103.04pts following a 10.28% monthly decline which bettered the record of 10.15% set in November of 2015. The decline has since left the ZSE Industrial Index hovering at levels last seen in the early days of dollarization when the benchmark had just been rebased and the market was still finding its footing with liquidity being a key constraint to activity back then. The Mining Index was undone by lack of interest in the now mostly undercapitalized sector resulting in the index shedding 17.59% to a low of 19.53pts.

Slow month of trading...

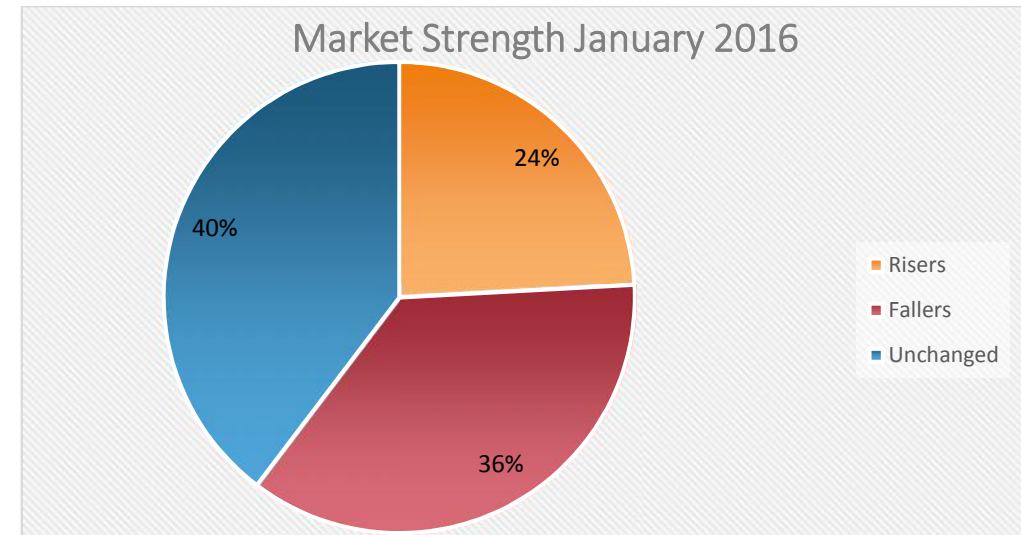
Turnover Disaggregation



Trading activity continued to be dampened on the bourse with the value of trades opening the year at \$11.34m as the sustained foreign sell off took its toll. Foreign buys stood at an estimated \$5.35m compared to portfolio disposals of \$8.86m to leave the market in a net outflow position of \$3.51m.

Index and Turnover Trends Annualized


Turnover distribution reflected a skew towards the heavy cap stocks which claimed the lion's share of the trades with Econet being the market favorite. The diversified telecoms group accounted for an estimated 48% of the month's total trades in value while, other notable drivers of value emerged to be beverages giant Delta and Simbisa that has contributions of 29% and 7% to the aggregate. Likewise, volumes of shares traded took the same skew with Econet, Delta, CBZ and Simbisa emerging the top driver of the aggregate

Market Strength January 2016

Risers

Symbol	Previous	Current	Change	%Change
SACL.ZW	0.0060	0.0080	0.0020	33.33
CFI.ZW	0.0500	0.0606	0.0106	21.20
TURN.ZW	0.0100	0.0110	0.0010	10.00
PROL.ZW	0.0210	0.0230	0.0020	9.52
PWS.ZW	0.0220	0.0240	0.0020	9.09
ECO.ZW	0.2109	0.2297	0.0188	8.91
NICO.ZW	0.0151	0.0162	0.0011	7.28
DZL.ZW	0.0650	0.0690	0.0040	6.15
NMB.ZW	0.0350	0.0360	0.0010	2.86
NTFD.ZW	2.6218	2.6700	0.0482	1.84

The monthly risers and fallers spectrum was evidently dominated by the shakers with their count of 21 stocks representing 36% of the listed counters thereby accounting for the unprecedented record loss of 10.28% in the month. The market declines were widespread across most of the sectors of the bourse with the top weighted market heavies dominating the shakers to drive the market down. Twenty one stocks closed the month trading at lower prices compared to their year opening levels while, fourteen gained with remaining twenty seven holding at their closing prices.

Fallers

Symbol	Previous	Current	Change	%Change
MMDZ.ZW	0.0004	0.0002	0.0002	50.00
BIND.ZW	0.0153	0.0100	0.0053	34.64
INN.ZW	0.2996	0.2070	0.0926	30.91
WILD.ZW	0.0020	0.0015	0.0005	25.00
DLTA.ZW	0.7050	0.5289	0.1761	24.98
OKZ.ZW	0.0500	0.0400	0.0100	20.00
OML.ZW	2.0341	1.6999	0.3342	16.43
FBC.ZW	0.0700	0.0600	0.0100	14.29
TSL.ZW	0.1594	0.1375	0.0219	13.74
FIDL.ZW	0.1100	0.0950	0.0150	13.64

* All prices in USD

Persistent selling pressure in the market defined the southwards trending in the indices with prices further dipping as investors sold at lower demanded prices in search of liquidity. Conglomerate Innscor emerged the major victim to the ZSE bloodbath resulting in the group wiping 30.91% of its value in the month's sell off to close trading at \$0.2070. Innscor's continuous slide followed the unbundling of its quick service restaurant business Simbisa that secured a separate listing on the bourse.

Similarly, losses were recorded in the market's biggest stock by market capitalization, Delta, which shed 24.98% of its value and was trading at \$0.5289 by the end of the month. Likewise, Old mutual and OKZIM traded softer shedding 16.43% and 20% and settled at \$1.6999 and \$0.0400 respectively on weakening demand. Leading the month's loses were seen in the Pharmaceutical group Medtech that fell 50% to \$0.0002 while, resources stocks Bindura followed after shedding 34.64% to settle at \$0.0040 and \$0.0340 respectively. Other notable monthly losses were seen in Willdale (-25%), FBC (-14.29%) , TSL (13.74%) and Fidelity (-13.64

The top gainers of the month were led by the sugar packaging firm Star Africa that added 33.33% and settled at \$0.008. CFI was in a rebound recovering 21.20% of its value and closed at \$0.0606. Turnall surged 10% over the month to trade at \$0.0110. Proplastics and Powerspeed followed after adding 9.52% and 9.29% to trade at \$0.0023 and \$0.024 respectively. Heavy weight gains were only seen in Econet and National Foods as the former rose 8.91% to \$0.2297 as investors bought into the dip of the stock price experienced to the end of last year. Millers, National Foods, reputed for its dividends payouts added 1.84% and closed at \$2.67. The other counters to make the top ten risers of January were Nicoz Diamond, DZL and NMB that augmented 7.28% to \$0.0162, 6.15% to \$0.0690 and 2.86% to \$0.036 respectively.



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