

30-May-14 02-Jun-14 % Δ

Industrials scratch gains in a quiet week and month opening session

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The equities market commenced both the month and the week on a sluggish note posting a marginal 0.01% gain to 174.91pts in depressed trades. Typical of week opening sessions activity dipped drastically to touch a 27 day low of \$0.34m which is an adverse variance of 83% from a year to date average daily turnover of \$2m and an 81% decline on prior session. The dearth in daily turnover value usually directly varies with foreign inflows which is an indicator of continual foreign dominance on the market.

In the session foreign inflows took a huge swipe of 94% off Friday's levels to \$0.076m while foreign outflows came off 95.3% to \$0.057m. Aggregately foreigners were net buyers at \$0.002m on minor values exchanged in NMB and Econet among other stocks. Foreign inflow contribution to turnover dipped to 38% as activity in value stocks, which are usually foreign traded, also plunged. Delta which usually drives value traded on foreign spend saw a negligible 484 shares exchange hands at constant price level. Overall African Sun was the most sought after stock contributing 24% to turnover.

The Mining Index came off 4.88% to 33.71pts on the back of a 0.91% decline in Bindura to 2.18c and a 21% knock in Rio Zim to 15c. Rio Zim which is the country's largest value added minerals exporter recently said it will lobby for a possible upgrade of Empress Nickel Refinery to become a platinum refinery. Overall market breadth turned negative as fallers outnumbered risers by 5 as 9 gained compared to 4 fallers. However much of the fallers were light weights with the exception of Old Mutual which shrunk a marginal 0.01% to 248.2c and Hippo which eased 9% to 50c.

The topside was however anchored by 3 heavycaps out of the 4 rising stocks. ABCH topped the set on a 2.86% gain to 72c as the group moves to sell a stake to Atlas Mara. In the latest notice to shareholders the pan African banking group said that regulatory and other approvals are currently being sought. Innsor went up 1.4% to 71c against reports that its unit Bakers Inn is recording a decline in demand which is so far down 12% compared to last year at a daily average of 0.85m units. Seedco gained 0.28% to 72.2c while Econet capped the set on a 0.17% upsurge to 66.1c

TAH was the worst performer coming off 31.25% to 5.5c Meikles was down 2.9% to 16.5c. Pearl came 1.6% to 2.46c while PPC gave up 0.49% to 210c. Barclays was down 0.57% to 3.5c despite reports that the local unit will access up to \$100m in offshore credit lines to support businesses in Zimbabwe though a conservative approach to lending will be pursued. Meanwhile the gains in industrials now spans 7 days and is gaining traction on positive rhetoric regarding the indigenisation policy though proposed reviews are yet to be billed into law. However the overall economy remains depressed posing minimal upside to the equities in the short run.

	30-May-14	02-Jun-14	% Δ
ZSE Industrials	174.89	174.91	0.01
ZSE Mining	35.44	33.71	4.88
Volume Traded (mn)	15.27	5.32	65.17
Value Traded (US\$ mn)	1.79	0.34	81.26
Market Cap (US\$ mn)	5,054.39	5,076.69	0.44
Foreign Purchases (US\$ mn)	1.264	0.076	93.99
Foreign Sales (US\$ mn)	1.198	0.057	95.27

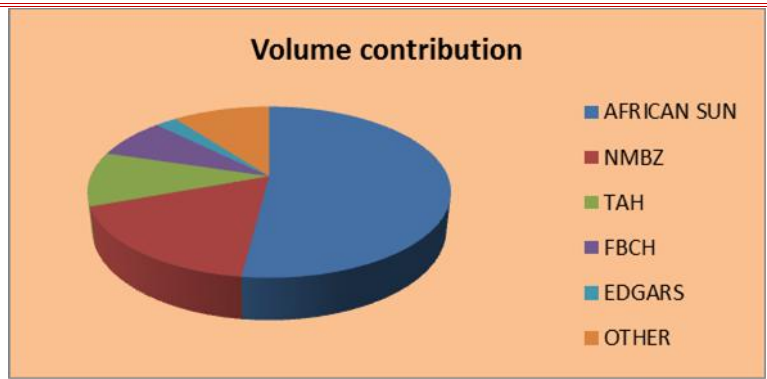
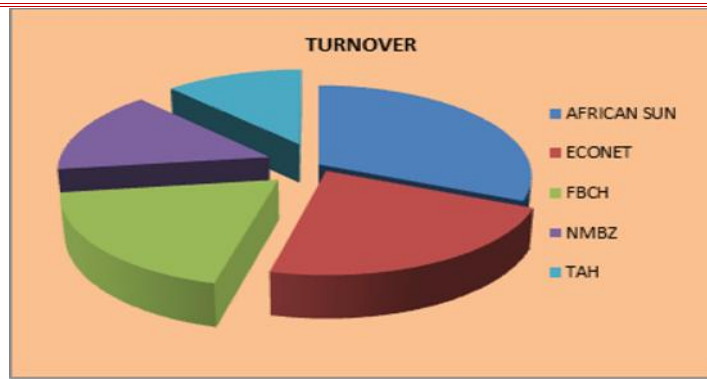
***Market Cap is Inclusive of Econet Class A Shares

Top Risers

	Stock Name	Price	% Δ	YTD Δ %
1	ABCH	72.00	2.86	22.03
2	INNSCOR	71.00	1.41	11.25
3	SEEDCO	72.20	0.28	19.78
4	ECONET	66.10	0.17	10.17
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Top Fallers

	Stock Name	Price	% Δ	YTD Δ %
1	TA	5.50	31.25	9.84
2	RioZim	15.00	21.05	54.55
3	HIPPO	50.00	9.09	44.46
4	MEIKLES	16.50	2.94	13.16
5	PEARL	2.46	1.60	5.38



DIVIDEND MONITOR

Company	Dividend Type	Div Amount	Record date	Payment Date
ECONET	Final	1.29c	18.04.14	25.07.14

UPCOMING EVENTS

COMPANY	EVENT	VENUE	DATE	TIME
FML	AGM	FML PARK 100 BORROWDALE ROAD	03/06/2014	1430HRS
BANCABC	AGM	FAIRGROUND OFFICE PARK GABORONE	03/06/2014	
OKZIM	FINALS	OK MART FUNCTIONS ROOM, 30 CHIREMBA RD, HILLSIDE	05/06/2014	1600HRS
LAFARGE	AGM	MANRESSA CLUB ACTURUS	06/06/2014	1130HRS
RTG	AGM	RAINBOW TOWERS	11/06/2014	1200HRS
ZPI	AGM	206 SAMORA MACHEL AVE	18/06/2014	1200HRS
FBC	AGM	ROYAL HARARE GOLF CLUB	26/06/2014	1200HRS
MASIMBA	AGM	HEAD OFFICE, 44 TILBURY ROAD, WILLOWVALE	26/06/2014	1200HRS

CAUTIONARIES

ISSUE DATE

AFRICAN SUN	6 th Dec 2013	Discussions on mandatory offer to minorities by Lengrah Investments
PGI	4 th Dec 2013	Negotiations that may have material effect on the future of the company
DAWN PROPERTIES	23 rd Mar 2014	Negotiations are underway over disposal of one of its hotel properties
WILLDALE	6 th May 2014	To approve rights issue
NICOZ & ZHL	11 th Apr 2014	Negotiations over disposal and acquisitions respectively, of a business
FALGOLD	21 st May 2014	Negotiations that may have material effect on the company's stocks price

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