

02-Jun-14 03-Jun-14 % Δ

Industrials gains stretch to 8 sessions in a row amid improved trades..

The mainstream index extended gains to 8 successive sessions after closing 0.68% firmer at 176.10pts. The prevailing rally has reduced the industrials year to date loss to -12.87% having widened to a variance of -18.9% in late April. Supporting the upwards trajectory in the session were gains in heavy caps whose demand could not, in part, be fully matched. 5 out of the 7 risers were heavies anchored by seesawing sugar producer Hippo that recovered 10% which was lost in the prior session to close at 55c. The group recently reported constrained financials as revenues dipped 15% in the full year to \$136,1m which was on the back of increased competition from imports.

TSL recovered 3.45% to 30c however remaining at a loss of -21.05% on its year opening levels. Innscor shot up 1.4% to 72c which is -10% shy of its year opening levels against reports that its bread making unit Bakers Inn which is operating at 85% capacity is battling dwindling demand in market. However Innscor plans a \$24m additional expenditure for 4 additional bread productions lines by 2018 at its Harare Graniteside plant. Econet which is also facing a decline in voice demand capped the top risers on a 1.4% gain to 67.03c. Seedco went up 0.42% to 72.5c to sustain a positive growth while Meikles soured 9% to 17.99c.

The mining index swayed back to losses on a 0.5% decline to 33.54pts. The loss was the back of a 6% shrink in Hwange to 4.51c. Bindura was stable at 2.2c while the other mining stocks were inactive. Turnall was the worst performer among the 3 fallers easing 33% to 2c. Bankers CBZ tumbled 0.07% to 14.99c to cap the set. Willdale which recently completed a capital raise which was however undersubscribed at a rate of 14.77% closed bids only at 0.1c. Lafarge was bids and offers only after reports that the cement manufacturer expects to construct 1000 housing units at a cost of \$0.002m.

Value traded recovered to levels above the psychological \$1m at \$1.1m on the back of a resurgence in foreign participation. Foreigners accounted for 54% of the overall turnover at \$0.64m in inflows splurged mainly in FBC and Delta. Delta was the most sought after stock by value accounting for 34% of the total spend. Foreigners were however more active on the sell side in relative terms realizing \$0.65m which resultantly led to a net foreign outflow position.

ZSE Industrials	174.91	176.10	0.68
ZSE Mining	33.71	33.54	0.50
Volume Traded (mn)	5.32	8.11	52.58
Value Traded (US\$ mn)	0.34	1.19	252.77
Market Cap (US\$ mn)	5,076.69	5,069.36	0.14
Foreign Purchases (US\$ mn)	0.076	0.641	743.58
Foreign Sales (US\$ mn)	0.057	0.653	1051.23

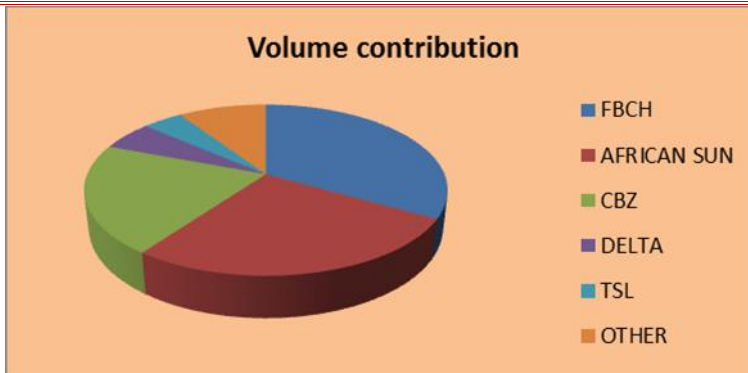
***Market Cap is Inclusive of Econet Class A Shares

Top Risers

	Stock Name	Price	% Δ	YTD Δ %
1	HIPPO	55.00	10.00	38.90
2	MEIKLES	17.99	9.03	5.32
3	TSL	30.00	3.45	21.05
4	INNSCOR	72.00	1.41	10.00
5	ECONET	67.03	1.41	11.72

Top Fallers

	Stock Name	Price	% Δ	YTD Δ %
1	TURNAL	2.00	33.33	60.00
2	HWANGE	4.51	6.04	49.89
3	CBZ	14.99	0.07	0.07
4				
5				



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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