

07-Oct-14 08-Oct-14 % Δ

## ZSE drops further in the red as heavies loosen...

|                           |         |         |        |
|---------------------------|---------|---------|--------|
| ZSE Industrials           | 190.82  | 190.35  | 0.25   |
| ZSE Mining                | 89.16   | 88.39   | 0.86   |
| Volume Traded (mn)        | 5.92    | 5.44    | 8.19   |
| Value Traded (US\$ mn)    | 1.52    | 2.99    | 96.94  |
| Market Cap (US\$ mn)      | 5,564.1 | 5,519.6 | 0.80   |
| Foreign Purchases(US\$mn) | 0.956   | 2.819   | 194.97 |
| Foreign Sales (US\$ mn)   | 0.051   | 0.420   | 719.97 |

The equities market slid further into the negative territory in the mid-week session as heavies tumbled on deeper profit taking and selloffs triggered by weak first half financial performance across the ZSE listed stocks. The mainstream index closed 0.25% softer almost slipping past the 190 points after closing marginally up at 190.35 points. The index is now trailing year opening levels by -5.82% following a profit on-slaught which saw heavies, some which touched all-time highs in the third quarter, weaken as investors crystallised profits while closing positions against a bleak outlook.

In the session Econet maintained strong demand however rising modestly by 1.42% to 79.21c as it cautiously ticks towards its all-time high of 85c against strong foreign interest. The telecoms group's performance comes ahead of its interims to August presentation expected soon. OK managed to salvage yesterday's losses but only in part as it added 2.57% to close today's callover at 17.95c. The two heavy cap gains came short in overturning the losses which were mainly attributed to Delta and Seedco among others which continued to trend bearish. Delta pared -.079% to 125c while Seedco regressed -2.48% to 78c. In the past 2 sessions Seedco has shed -15.4% to reverse a prior year to date gain.

The mining index was 0.86% down to 88.39 points on the back of Rio Zim's retreat of -10% to 18c. The gold miner was the only active resource stock in the session with others retaining previous closing quotes. African Sun was the session's worst performer coming off -28.6% to 1.5c while ZPI eased -9% to 1.1c. TSL was 7.73% weaker at 23.99c by close of call today. Overall eight counters softened compared to four risers sustaining a negative market breadth. Active stocks pared marginally to 25 from 27 stocks yesterday. Afdis was the session's top performer adding 6.09% to 35.01c to assume a steady growth trajectory post reporting an impressive full year performance while FML scratched a mere 1 percent to close at 4.04c

Value traded remained firm on improved demand in heavy cap Econet which has dominated trading in value terms since the week commenced. Increased foreign purchase in the stock contributed to a 97% increase in value traded to \$2.61m. Econet was responsible for 46% of the aggregate purchases while Delta's selloffs has also attracted increased activity as the stock generated 29.4% of the total spend. Zimplow continued to drive volumes in successive special bargains with the one executed today generating \$0.386m which was a contribution of 13%. Foreign inflows went up 195% to \$2.82m while outflows surged 720% to \$0.42m to reverse a net foreign outflow position attained yesterday.

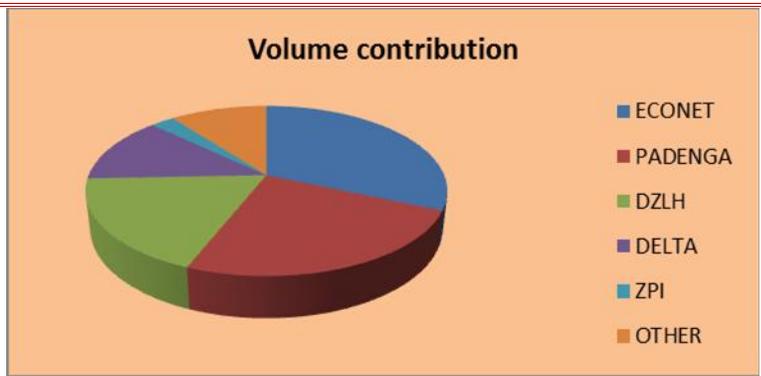
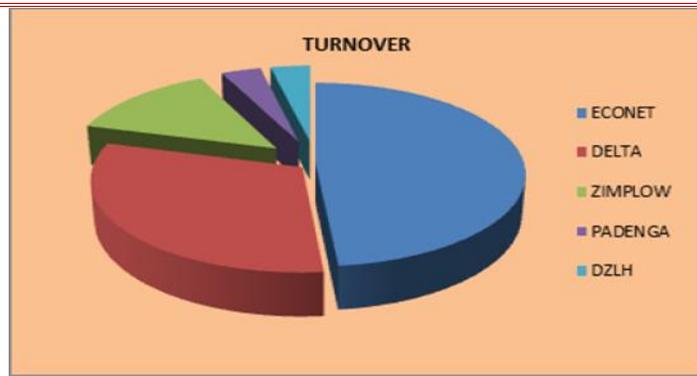
\*\*Market Cap is Inclusive of Econet Class A Shares

### Top Risers

|   | Stock Name   | Price | % Δ  | YTD Δ % |
|---|--------------|-------|------|---------|
| 1 | AFDIS        | 35.01 | 6.09 | 16.70   |
| 2 | OK           | 17.95 | 2.57 | 10.25   |
| 3 | ECONET       | 79.21 | 1.42 | 32.02   |
| 4 | FIRST MUTUAL | 4.04  | 1.00 | 49.50   |
| 5 |              |       |      |         |

### Top Fallers

|   | Stock Name  | Price | % Δ  | YTD Δ % |
|---|-------------|-------|------|---------|
| 1 | African Sun | 1.50  | 28.6 | 15.38   |
| 2 | RioZim      | 18.00 | 10.0 | 45.45   |
| 3 | ZPI         | 1.10  | 9.09 | 15.38   |
| 4 | TSL         | 23.99 | 7.73 | 36.87   |
| 5 | SEEDCO      | 78.00 | 2.48 | 13.33   |



#### DIVIDEND MONITOR

| Company    | Dividend Type | Div Amount | Record date | Payment Date |
|------------|---------------|------------|-------------|--------------|
| OLD MUTUAL | Interim       | 2.45p      | 26.09.14    | 31.10.14     |
| NATFOODS   | Final         | 5.18c      | 26.09.14    | 10.10.14     |
| INNSCOR    | Final         | 0.7c       | 26.09.14    | 10.10.14     |
| COLCOM     | final         | 1.89c      | 26.09.14    | 10.10.14     |

#### UPCOMING EVENTS

| COMPANY | EVENT | VENUE                              | DATE     |
|---------|-------|------------------------------------|----------|
| AFDIS   | AGM   | LOMANGUNDI ROAD, STAPLEFORD HARARE | 05.11.14 |

#### 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 |
| COTTCO      | 24 <sup>th</sup> JUNE 2014 | Negotiations that may have material effect on the company's stocks price |

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