

06-Jun-14 09-Jun-14 % Δ

Industrials skid an 11 day rally despite demand remaining firm ...

ZSE Industrials	178.58	177.91	0.38
ZSE Mining	38.69	38.83	0.36
Volume Traded (mn)	4.30	11.28	162.09
Value Traded (US\$ mn)	0.25	1.18	376.54
Market Cap (US\$ mn)	5,102.76	5,193.34	1.78
Foreign Purchases (US\$ mn)	0.000	1.113	100.00
Foreign Sales (US\$ mn)	0.000	0.000	0.00

Industrial stocks snapped an 11 day rally which fared as the longest rising streak in the year, in week opening trades. The index softened 0.38% to 177.91pts dragged by losses in heavy weight Delta which managed to reverse the gains in fellow heavy cap Econet. Delta came off 1.7% to 115c while Econet went up 1.45% to 70c. Econet last traded at this level exactly 52 weeks ago before trading lower throughout 2013 to date. The resurgence in demand in the telecoms group has also assisted in lessening the mainstream index loss from -18.9% to a current loss of just -11.9%. Despite the weakening of the index in today's session we envisage an early rebound as demand remains visible in heavy cap stocks.

Overall only 17 counters from a total 64 were active in the session. From the active stocks 3 traded either ways with the remainder of 11 stocks trading unchanged. 2 out of the 4 listed mining stocks were active with 1 faring either softer or firmer. Falgold shed an epic 50% of its value to 1.5c having traded stable at a price of 3c since the beginning of May. However reports in the previous weeks said the gold miner has been entangled in payment issues with a supplier despite the amount reported being negligible. Bindura managed to overwrite the loss in Falgold after posting a 5.7% gain to 2.75c. This resulted in a 0.36% gain in the mining index to 38.83pts.

Dawn was the only other faller to complete the set on a 5.26% decline to 1.5c. Meikles was 2.7% firmer to close at 19c extending the fine run into a fresh trading week. Innscor closed bids and offers only at 73c and 74c respectively. OK was stable at 18.51c pursuant to reporting weaker financials for the year to March 2014. The retailer is planning a CAPEX expense of \$6m to be expended on refurbishments in the current financial year. Old Mutual was also stable at 248.2c.

Value traded improved to just over \$1m following a dismal week closing outturn on Friday emanating from a drastic foreign participation which touched a record low. Today's session saw firmer bids in heavies again failing to attract supply. Retailers OK carried the day on a 5m shares exchange valued at \$0.925m. The trade that had foreigners on one side which is the buy side accounted for 79% of the aggregate turnover. However demand in top stocks Innscor and Econet remained firm despite failure to entice sellers as envisaged by higher bids and the scraps exchanged. Foreigners closed net buyers after splurging \$1.1m in shares where 83% of the total spend was in OK. Foreign purchase disaggregation showed foreign inflows accounting for 93% of the total turnover while no sells were attributable to foreigners which is a similar scenario to the previous call.

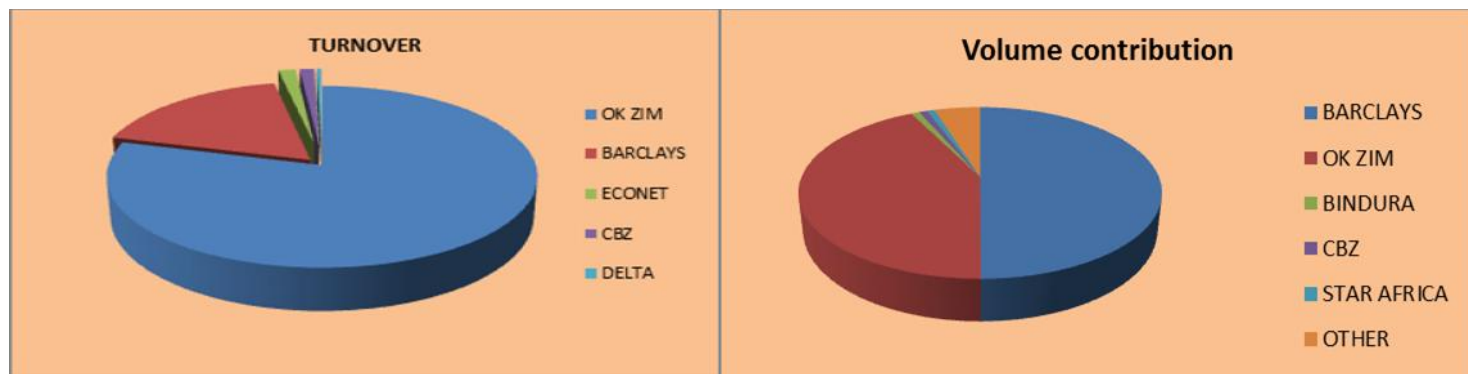
*****Market Cap is Inclusive of Econet Class A Shares**

Top Risers

	Stock Name	Price	% Δ	YTD Δ %
1	BINDURA	2.75	5.77	37.50
2	MEIKLES	19.00	2.70	0.00
3	ECONET	70.00	1.45	16.67
4				
5				

Top Fallers

	Stock Name	Price	% Δ	YTD Δ %
1	FALGOLD	1.50	50.00	70.00
2	DAWN	0.90	5.26	10.00
3	DELTA	115.00	1.71	17.92
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
OKZIM	FINALS	OK MART FUNCTIONS ROOM, 30 CHIREMBA RD, HILLSIDE	05/06/2014	1600HRS
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

Disclaimer:

This document has been prepared by EFE Securities (Private) Limited (EFE), for the information of its clients. Although the statements of fact in this report have been obtained from sources that the company believes to be reliable, we do not guarantee their accuracy, and any such information may be incomplete or condensed. All opinions and estimates included in this report constitute the company's judgment as of the date of this report and are subject to change without notice. The securities discussed and mentioned in this report may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors they believe necessary. This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. EFE and any of the individuals preparing this report may at any time have a long and/ or short position in any securities of companies in this report. In addition EFE may from time to time perform investment banking or other services for, or solicit investment banking or other business from any entity mentioned in this report. May at times buy and sell shares on an agency or principal basis to its clients. Shares may rise or fall and investors may end up with a reduced amount from their initial capital invested. Additional information on recommended securities is available on request.