



13-Oct-14 14-Oct-14 % Δ

ZSE foregoes gains after a single session as weakness persists...

| | | | |
|--------------------------|---------|---------|-------|
| ZSE Industrials | 189.16 | 189.05 | 0.06 |
| ZSE Mining | 87.17 | 81.76 | 6.21 |
| Volume Traded (mn) | 7.55 | 8.06 | 6.84 |
| Value Traded (US\$ mn) | 2.53 | 0.95 | 62.42 |
| Market Cap (US\$ mn) | 5,469.0 | 5,470.7 | 0.03 |
| Foreign Purchases(US\$m) | 0.542 | 0.235 | 56.68 |
| Foreign Sales (US\$ mn) | 0.806 | 0.581 | 27.96 |

The ZSE failed to hold on to yesterday's gains coming off -0.06% to 189.05 points. Though the shave was marginal, that the market is broadly in weakness was clear as offers across board collapsed to accommodate even lower bids. However measuring by breadth the market appeared strong as 8 counters went up compared to 4 fallers. This was drawn from total active counters numbering 21. Though fallers numbered less compared to risers their weight proved to carry the day as two heavy cap counters weighed on the index. These were Econet and Hippo which came off 0.13% and 2.86% to 77.9c and 68c respectively. Econet has been outstanding and resistant in the current bear market coming off at a moderate rate compared to the overall market.

The Mining Index shed a pricey -6.21% as Bindura completed its first trade since it started trading under the central securities depository (CSD) 8 sessions ago. The nickel miner fell -7.89% to 7c after 45 sessions of trading ahead. Other resources counters were inactive in the session. Rio Zim saw its offer price collapse to 20c while buyers were stuck at 15c. Hwange whose competitor Makomo is doing well and now controls a larger market share was offers only at 8c. Hwange is chasing production of 300,000 tones of coal per months upon installation of the additional equipment while Makomo is currently producing beyond that level.

Meanwhile the decline on the ZSE is against a series of weak industry reports in the past weeks. The CZI recently reported a decline in capacity utilisation to 36% from 39.6% in 2013, while a jobs data by the ZCTU says a total of 4000 jobs have been lost between January and September. The Zimstat also highlighted the persistent deflationary pressures as prices weakened by 0.06 percentage points to 0.09% in September year on year. In terms of trade the country's trade deficit in the nine months to September was reported at \$2.84b from imports of \$4.65b and exports of \$1.81b. Conclusively macro developments have dampened the ZSE as there is no sign of economic recovery in sight at the present moment.

In the session ZHL shed -20% to 0.8c and topped the overall fallers set. Cottco led the risers as it added 37.2% to 0.7c while ZPI went up 9% to 1.2c. FML revived its recovery bid as it topped 5c from a gain of 8.7% over yesterday. Star Africa went up 8.3% to 1.95c while CFI rose 3.7% to 2.8c. Seedco retained demand as its share price went up 1.25% to 81c and was the sole heavy cap riser. Value traded came off -62% to \$0.95m while volumes surged 6.8% to 8.06m shares. Delta was the top traded stock by value as it contributed 41% to turnover and was followed by Econet. Truworthis claimed top position in volume contribution after a parcel of 4.5m shares went through. Foreign inflows came off -57% to \$0.23m while foreign outflows came in at \$0.578m to sustain a net foreign outflow position.

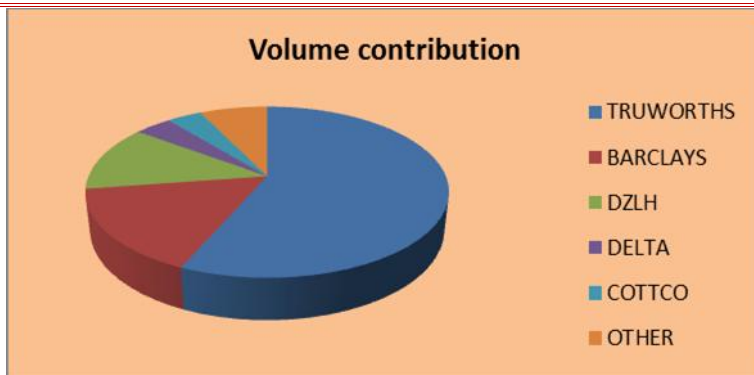
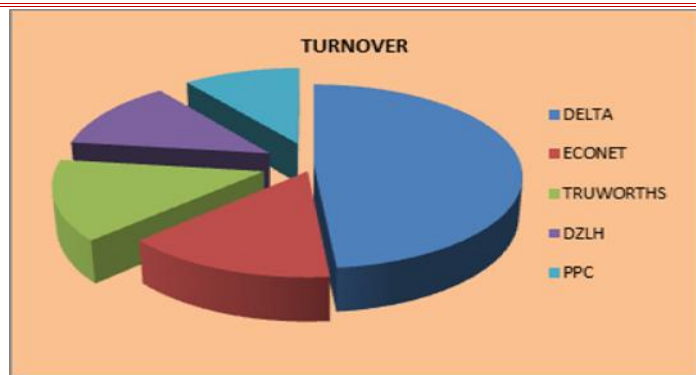
**Market Cap is Inclusive of Econet Class A Shares

Top Risers

| | Stock Name | Price | % Δ | YTD Δ % |
|---|--------------|-------|------|---------|
| 1 | COTTCO | 0.70 | 37.2 | 88.33 |
| 2 | ZPI | 1.20 | 9.09 | 7.69 |
| 3 | FIRST MUTUAL | 5.00 | 8.70 | 37.50 |
| 4 | STAR AFRICA | 1.95 | 8.33 | 95.00 |
| 5 | CFI | 2.80 | 3.70 | 22.22 |

Top Fallers

| | Stock Name | Price | % Δ | YTD Δ % |
|---|------------|-------|------|---------|
| 1 | ZHL | 0.80 | 20.0 | 24.46 |
| 2 | BINDURA | 7.00 | 7.89 | 250.0 |
| 3 | HIPPO | 68.00 | 2.86 | 24.46 |
| 4 | ECONET | 77.90 | 0.13 | 29.83 |
| 5 | | | | |



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 | Lomagundi Road, Stapleford Harare | 05.11.14 |
| MEIKLES | AGM | Mirabelle Ground Floor, Meikles Hotel Harare | 16.10.14 |
| NATFOODS | AGM | | 04.11.14 |
| INNSCOR | STRATEGY | Cresta lodge, Harare | 16.10.14 |

CAUTIONARIES

| Company | Issue Date | Subject |
|-------------|----------------------------|--|
| AFRICAN SUN | 6 th DEC 2013 | Discussions on mandatory offer to minorities by Lengrah Investments |
| Nicoz & ZHL | 11 th Apr 2014 | Negotiations over acquisitions and disposal respectively, of a business |
| FALGOLD | 21 st MAY 2014 | Negotiations that may have material effect on the company's stocks price |
| HUNYANI | 22 nd MAY 2014 | Negotiations that may have material effect on the company's stocks price |
| BINDURA | 13 th JUNE 2014 | H2 Profit expected to substantially higher than H1 outturn |
| TAH | 24 th JUNE 2014 | Negotiations that may have material effect on the company's stocks price |
| COTTCO | 24 th JUNE 2014 | Negotiations that may have material effect on the company's stocks price |

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