

	14- Jan -13	17-Jan-14	% Δ
ZSE Industrials	189.20	189.04	0.08
ZSE Mining	33.61	33.61	0.00
Volume Traded (mn)	1.64	10.45	535.51
Value Traded (US\$ mn)	0.56	0.59	4.86
Market Cap (US\$ mn)	5,305.40	5,267.63	0.71
Foreign Purchases (US\$ mn)	0.219	0.143	34.45
Foreign Sales (US\$ mn)	0.046	0.395	751.04

Market retreats on uninspiring economic data ...

The ZSE failed to hold on to earlier gains paring 0.08% to 189.04pts. Trades have been volatile but the market has predominantly been weighed over by fallers. Today's session wiped off yesterday's shaky gains as bearish sentiment returned to the fore. There was an equal distribution of 3 counters either side as trades took a somewhat mixed flair. Apparel retail groups OK and Truworths shed 0.05% and 0.25% to 19.45c and 4c respectively as lack of demand in the economy continues to bite spontaneously exerting pressure on margins much to the chagrin of retailers. Elsewhere the minings index failed to take off for the sixth successive session remaining at 33.61pts. Mining stocks have been less active in the current month with wide bid-ask spreads on board while in most calls little or no trading occurred in the cluster.

Today's losses were further worsened by the national trade statistics released by Zimstats which showed a widening trade deficit of \$4.2b in the year to December 2013 which is up 16% on the comparable period in 2012. Imports in the period amounted to \$7.7b while exports totalled \$3.5b resulting in a net deficit of \$3.2b. The widening trade gap has exacerbated the tight liquidity in the market as it drains out the little cash available in the economy. In the wake of low expectations investors have generally taken to the sidelines. Local investors, have been caught with tight flows in line with the broader economy while foreigners have taken a stance of caution leading to weaknesses on the bourse.

Value traded remained weak though rising 5% on yesterday to \$0.59m on volumes of 10.45m shares which is 535% up on prior level. Week to date average daily turnover stands at \$0.57m which is a far cry from the year to date average of \$2.3m. Though we expect a recovery in average daily turnover to over \$1m we envisage a daily outturn which is below the current YTD average based on limited foreign inflows as tapering of the quantitative easing in the developed world coupled with constrained liquidity in the economy takes their toll. In today's session foreign flows resulted in a net outflow of \$0.26m. Foreign purchases were a disappointing 21% of the overall turnover.

Elsewhere among the risers were Fidelity and TA which gained 11% and 6% respectively to 10c and 8.5c. Old Mutual regained the lost ground to cap the risers on a 0.01% improvement to 242.01c. Econet was stable at 62c while Meikles was stable at 20c after reporting yesterday that they have taken government to task over a deposit which they value at \$89m lodged with the RBZ.

***Market Cap is Inclusive of Econet Class A

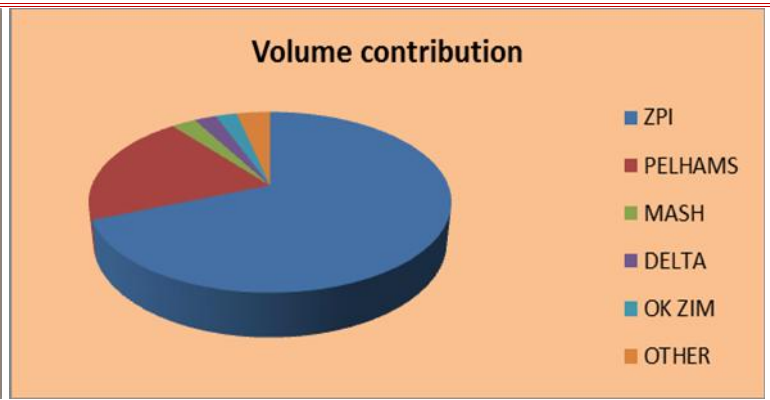
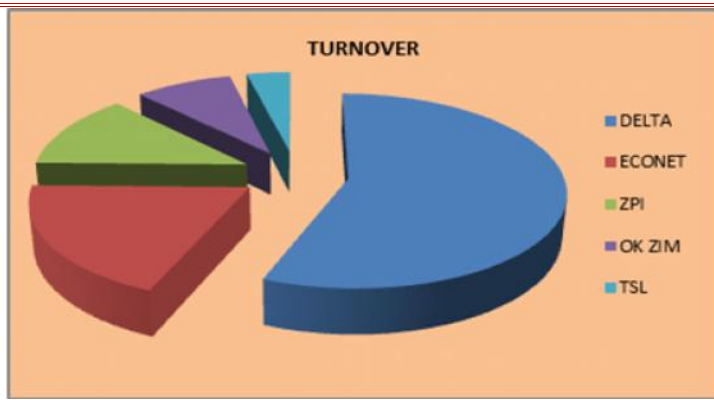
Shares

Top Risers

	Stock Name	Price	% Δ	YTD Δ %
1	FIDELITY	10.00	11.11	23.14
2	TA	8.50	5.99	39.34
3	OLDMUTUAL	242.01	0.00	4.34
4				
5				

Top Fallers

	Stock Name	Price	% Δ	YTD Δ %
1	MASIMBA	4.00	2.44	38.46
2	TRUWORTHS	4.00	0.25	4.76
3	OK	19.49	0.05	2.55



DIVIDEND MONITOR

Company	Dividend Type	Div Amount	Record date	Payment Date
TSL	Final	0.3c	14.02.14	14.03.14

UPCOMING EVENTS

Company	Event	Venue	Date & Time
CAFCA	AGM	54, Lytton Road, Workington Harare	20.02.14 12.00Hrs
CBZ	FY13 Results Presentation	Steward Room, Meikles Hotel	26.02.14 15.00Hrs
MASHHOLD	AGM	ZB life towers	27.02.14 12.00Hrs
ART	AGM	202 Seke Road, Graniteside Harare	28.02.14 11.00Hrs

CAUTIONARIES

ISSUE DATE

NMB	7 th Feb 2014	Profit warning, impairment on loans to result in a net loss position
AFRICAN SUN	6 th Dec 2013	Discussions on mandatory offer to minorities by Lengrah Investments
TSL	29 th Jan 2014	discussions with Chemco on a conversion of debt to equity on amt owed
PGI	4 th Dec 2013	Negotiations that may have material effect on the future of the company

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