

23-Oct-14 24-Oct-14 % Δ

## Equities lurch in the red as heavy cap stocks surrender value..

ZSE Industrials	185.77	182.90	1.54
ZSE Mining	74.88	74.88	0.00
Volume Traded (mn)	1.78	0.62	64.97
Value Traded (US\$ mn)	0.48	0.26	44.67
Market Cap (US\$ mn)	5,403.8	5,403.2	0.01
Foreign Purchases(US\$mn)	0.166	0.006	96.42
Foreign Sales (US\$ mn)	0.195	0.192	1.27

The week closing session provided no reprieve as stocks gravitated southwards following a weak financial performance by market leaders Econet for the interim period to August 2014. The Industrial Index softened -1.54% to 182.9 points in one of the widest inter-day losses in the year. The telecoms counter likewise shed a pricey -6.49% to 72c to trim its year to date gains to 20% which is a relatively better performance compared to the Industrial index which is now 9.5% in the negative on the same base.

Econet reported a 4.2% growth in revenue to \$392.3m driven by data and overlay services which contributed 14% to revenue. In the comparable period data and overlay services contributed 9% to the topline. These services which include Ecocash, Steward Bank, data are the innovative items with which Econet sought to unlock value from their significant network investments. EBITDA and PAT were however below last year as the former went down -8.3% to 155m dragged by lower margins and a dearth in traditional revenue driver voice which fell by 8%.

The low sentiment in Econet emanating from the weak performance ignited an across market weakness as momentum stock and heavy cap Delta eased -1.6% to 123c. Delta had managed to hold at 125c which is its previous closing price, for ten successive sessions. Another top cap Innscor which has already been on a decline sequentially shed a further -1.52% to 65c. The 3 heavy caps anchored the overall four losers in the session which compared to only two risers to sustain a negative market breadth which now spans thirteen sessions from an overall nineteen sessions so far in October.

ZB was the worst performer in the session as it came off 50.7% to 2.71c. On the top side was Radar which rebounded 50% to 3c following a loss in yesterday's session. Another shaker in the prior session Old Mutual regained 2% to overturn yesterday's loss to 255c. The recovery is against positive trading in other markets where the financial services group is listed. Across market bids continued to weaken as sentiment further plummet. Counters like BAT, Rio Zim and Hippo also saw their bids come off.

Meanwhile the economy remains on an auto cruise with minimal fiscal support solicited. The worsening commodity prices globally worsen the already dampened economic growth prospects for Zimbabwe. It is widely believed that attention is currently diverted towards internal fissures in the ruling party as alleged factions position themselves ahead of the elective congress in December. In the session value traded came off -45% to \$0.26m from a volume of 0.62m shares. Foreign inflows came off -96.5% to \$0.006m while outflows declined -1.27% to \$0.19m. the mining index was unchanged at 74.88 points

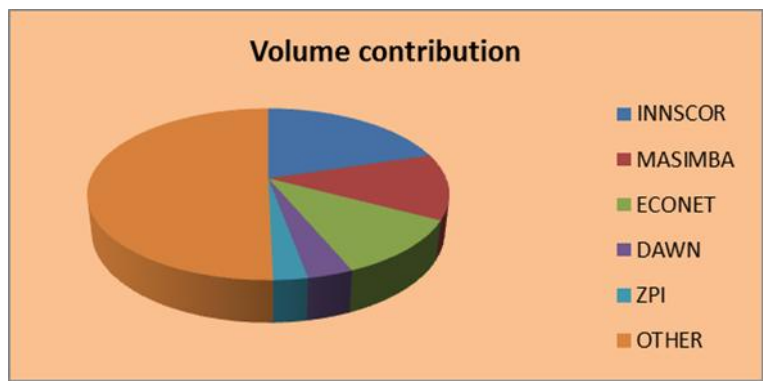
\*\*Market Cap is Inclusive of Econet Class A Shares

### Top Risers

	Stock Name	Price	% Δ	YTD Δ %
1	RADAR	3.00	50.0	62.50
2	OLDMUTUAL	255.00	2.00	0.79
3				
4				
5				

### Top Fallers

	Stock Name	Price	% Δ	YTD Δ %
1	ZBFH	2.71	50.7	12.21
2	ECONET	72.00	6.49	20.00
3	DELTA	123.00	1.60	12.21
4	INNSCOR	65.00	1.52	18.75
5				



#### DIVIDEND MONITOR

Company	Dividend Type	Div Amount	Record date	Payment Date
OLD MUTUAL	Interim	2.45p	26.09.14	31.10.14

#### UPCOMING EVENTS

COMPANY	EVENT	VENUE	DATE
AFDIS	AGM	Lomagundi Road, Stapleford Harare	05.11.14
NATFOODS	AGM		04.11.14
COLCOM	AGM		14.11.14
RADAR	AGM	7 <sup>th</sup> Floor, Charter House, Bulawayo	20.11.14

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

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