



23-May-14 27-May-14 % Δ

### Market opens firm in holiday shortened week...

The holiday shortened week started on a positive note posting firm gains of 0.28% to propel the industrials index to 172.88pts. The gains comes on the back of deafening noise around the indigenisation policy which is now speculated to be nearing reversal as government ponders favourable policy routes to attract foreign direct inflows. The proposed two models are the Production Sharing Model (PSM) and the Joint Empowerment Investment Model (JEIM) which will be enforced instead of the 51% local shareholding initially pursued. However the proposed amendment is yet to be put to law in a move that is likely to boost foreign investments into the economy.

Heavies led the gains as Natfoods added 4.5% to 210c while Seedco went up 1.4% to 71.01c. BAT which said their volumes for the first four months of the year are down a marginal 1% compared to last year at an AGM which ran concurrently with the callover gained 2.4% to 1075c in the session. The company said their premium Dunhill brand's profitability remains positive pursuant to a fine performance since introduction to the local market last year. Delta and Innscor were stable at 115c and 69c respectively. FML and associate property concern Pearl also fared stable at 6.5c and 2.95c in that order ahead of the two's AGMs. FML recently said they have sought to improve industrial space uptake through partitioning of industrial properties so as to attract SMEs.

TA was the top performer rising 10% to 5.5c while clothing retail Edgars gained 1.7% to 12.2c. Overall there were 5 risers compared to only 3 fallers in the session. The downside was anchored by two heavies though collectively failing to overturn gains. Old Mutual lost 1.4% to 246.5c while Econet suffered a 0.05% dent to 64c. The telecoms giant loss comes amid sensational reports by the press that Potraz alleges Econet only paid \$50m in cash of the 137.5m licensing fee. In its full year results the group said the license renewal had a major impact on the cash flow as well as the working capital strategy. However the company's cash from operations went up 86% to \$401m in the full year to 2014. Hippo was stable despite the local unit's operating profit going down 55% to \$286m. ZB was offers only at 7c after the group said it will close down its non-performing Asset Management and Stockbroking arm.

Value traded came off 68% to \$0.86m while volumes went up 26% to 7.42m. Delta was the most traded stock by value accounting for 40% of the aggregate value while CBZ closely followed on a 26.1% contribution. Foreigners inflows receded to a paltry \$106 while outflows were 90% softer at \$0.022m resulting in a net outflow of \$0.02m. the mining index gained 0.03% to 28.82pts against a firm bid of 1.4c in Bindura. Hwange however lost 1.96% to 5c.

	23-May-14	27-May-14	% Δ
ZSE Industrials	172.40	172.88	0.28
ZSE Mining	28.81	28.82	0.03
Volume Traded (mn)	5.87	7.42	26.25
Value Traded (US\$ mn)	2.69	0.86	67.97
Market Cap (US\$ mn)	4,986.62	4,999.64	0.26
Foreign Purchases (US\$ mn)	2.400	0.000	100.00
Foreign Sales (US\$ mn)	2.364	0.225	90.48

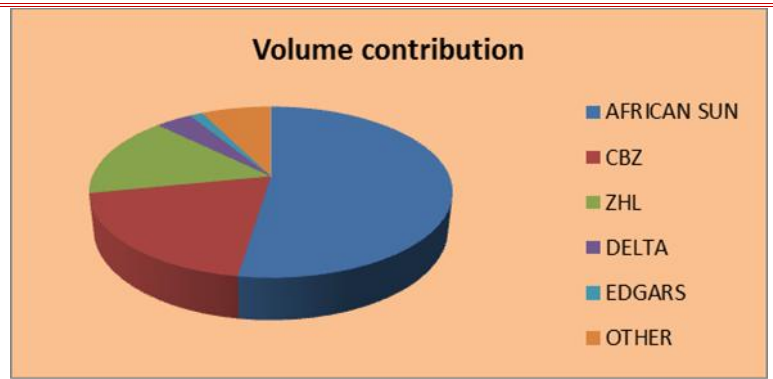
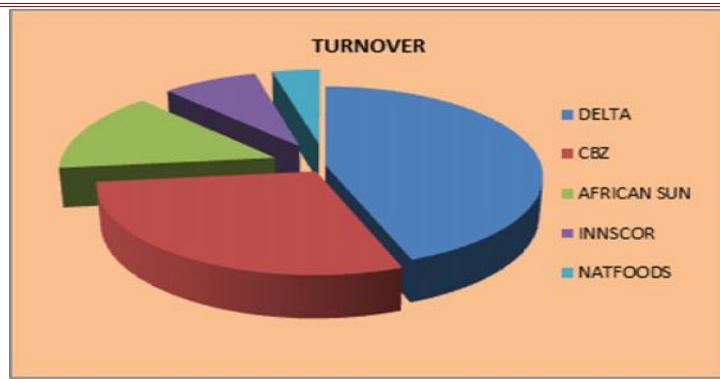
### \*\*\*Market Cap is Inclusive of Econet Class A Shares

#### Top Risers

	Stock Name	Price	% Δ	YTD Δ %
1	TA	5.50	10.00	9.84
2	NATFOODS	210.00	4.48	5.00
3	BAT	1075.00	2.38	10.42
4	EDGARS	12.20	1.67	0.74
5	SEEDCO	71.01	1.44	21.10

#### Top Fallers

	Stock Name	Price	% Δ	YTD Δ %
1	HWANGE	5.00	1.96	44.44
2	OLDMUTUAL	246.50	1.40	2.57
3	ECONET	64.00	0.05	6.67
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
RIO ZIM	AGM	1 Kenilworth Road Highlands Harare	28.05.14
PEARL	AGM	FML Park 100 Borrowdale Road	07.06.14
EDGARS	AGM	Edgars Training Auditorium	29.05.14
FML	AGM	FML Park 100 Borrowdale Road	03.06.14
RTG	AGM	Rainbow Towers Hotel	11.06.14
BANCABC	AGM	Fairground Office Park Gaborone	03.06.14
LAFARGE	AGM	Manressa Club Arcturus	06.06.14
NICOZ DIAMOND	AGM	Nicoz Diamond Auditorium	29.05.14

#### CAUTIONARIES

#### ISSUE DATE

AFRICAN SUN	6 <sup>th</sup> Dec 2013	Discussions on mandatory offer to minorities by Lengrah Investments
PGI	4 <sup>th</sup> Dec 2013	Negotiations that may have material effect on the future of the company
DAWN PROPERTIES	23 <sup>rd</sup> Mar 2014	Negotiations are underway over disposal of one of its hotel properties
WILLDALE	6 <sup>th</sup> May 2014	To approve rights issue
NICOZ & ZHL	11 <sup>th</sup> Apr 2014	Negotiations over disposal and acquisitions respectively, of a business
FALGOLD	21 <sup>st</sup> May 2014	Negotiations that may have material effect on the company's stocks price

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