

Market Comment 27.05.2016

| Index | Previous | Today | Move pts | Change % |
|-------------------|----------|--------|----------|----------|
| Industrial | 105.12 | 104.43 | 0.69 | 0.66 |
| Mining | 25.54 | 25.54 | 0.00 | 0.00 |

SOURCE: ZSE

Heavies weigh on the ZSE in weekending session...

Bearish sentiment prevailed in the market on Friday to see the Industrial Index close softer as the market's momentum stocks lost traction. The weakness in heavies saw the industrials succumb 0.66% and end the session at 104.43pts while the Mining Index remained stable at 25.54pts. Brick manufacturers Willdale topped the shakers of the day on a 10% slump to trade at \$0.0018, its long running low end of the spread. Innscor headlined the heavy cap shakers coming off 4.50% and ending at \$0.2000 as it continues to rerate since the unbundling of Axia. Profit takers continued to hover in Delta with the group succumbing 1.39% to \$0.7100 with Econet falling 1.14% as the market remains in suspense awaiting the release of its results to February 2016. Other losses of the day were seen in Meikles and Hippo that were in marginal losses of 0.36% and 0.22% to trade at \$0.0780 and \$0.2000 respectively.

Fourteen stocks were active for the day and yielded \$1.0m in values from the trading of 1,592,924 shares. Two stocks registered gains compared to seven fallers as the market set a negative breadth of five counters. Delta was by far the most liquid stock of the day after claiming the lion's shares on both volumes and values at 82.71% and 92.85% respectively. Foreign play dominated the portfolio disposals having claimed 87.67% of the sales compared to 12.33% in purchases as the market continues in capital flight. Meanwhile, CFI's full session of trading saw the stock register no trades though it was well bid with the best bid in the market reflecting at \$0.0650 which is 7.3% above the last price the stock traded before its suspension.

| Market Snapshot | Today | Previous | Change |
|---------------------------|---------------|---------------|---------|
| Market Cap US\$ | 2,874,242,189 | 2,892,624,199 | 0.64 |
| Turnover US\$ | 1,007,489 | 61,655 | 1534.08 |
| Foreign buys US\$ | 124,250 | 0 | 0 |
| Foreign sales US\$ | 932,132 | 59,095 | 1477.34 |
| No. of trades | 45 | 14 | 221.43 |
| Volume | 1,592,924 | 101,908 | 1463.10 |

| Gainers | Price | Change | % Change |
|----------------|--------|--------|----------|
| OML.zw | 222.00 | 3.75 | 1.72 |
| MSHL.zw | 0.75 | 0.01 | 1.35 |



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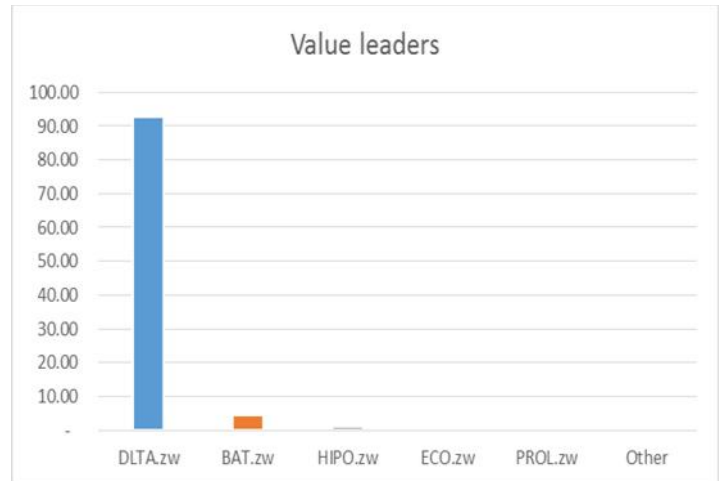
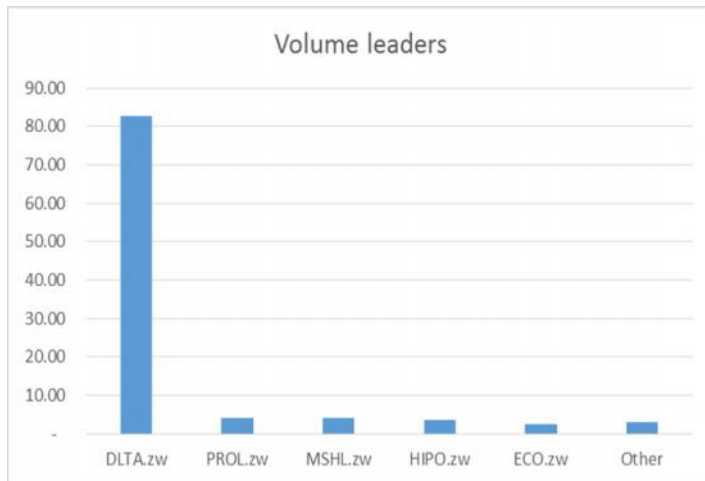
EFE RESEARCH – MARKET COMMENT

27.05.16

| Losers | Price | Change | %Change |
|----------------|--------------|-------------|--------------|
| WILD.zw | 0.18 | 0.02 | 10.00 |
| INN.zw | 20.06 | 0.94 | 4.48 |
| SACL.zw | 0.84 | 0.01 | 1.18 |
| DLTA.zw | 71.00 | 1.00 | 1.39 |
| ECO.zw | 22.16 | 0.26 | 1.16 |

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Volume and value drivers



Dividend Monitor

| Counter | LDR | Rate | Payment Date |
|------------------------|----------|-------|--------------|
| BAT | 13.05.16 | 0.44c | 27.05.16 |
| Delta Special Dividend | 27.05.16 | 0.95c | 31.05.16 |
| Delta Final Dividend | 10.06.16 | 2.35c | 14.06.16 |
| ZPI | 03.06.16 | 1.2c | 07.06.16 |

Upcoming Events

| Company | Event | Venue | Time | Date |
|---------|-------|---|----------|----------|
| FML | AGM | Royal Harare Golf Club | 14.30hrs | 9.06.16 |
| RTG | AGM | RTG Hotel, Jacaranda rooms 2&3, Harare | 12.00hrs | 15.06.16 |
| RIOZIM | AGM | Head office RioZim, 1 Kenilworth Harare | 10.30hrs | 23.06.16 |
| Pearl | AGM | Royal Harare, Golf Club, Harare | 14.30hrs | 31.05.16 |
| Zimplot | AGM | 36 Birmingham Road, Harare | 10.00hrs | 02.06.16 |

Cautionaries

| Company | Issue Date | Subject |
|---------|------------|---|
| Innscor | 22.01.16 | Approved the unbundling and separate listing of the company's Specialty Retail and Distribution Business. Discussions may have material effect on the company's stocks price. |
| Nicoz | 28.04.16 | Discussions that may lead to transactions which may have an impact on the share price |
| Ariston | 05.01.15 | Discussions that may have material effect on the company's stocks price |
| Hwange | 07.03.15 | Discussions that may lead to transactions which may have an impact on the share price |