



	27- Jan -13	28-Jan-14	% Δ
ZSE Industrials	192.31	188.82	1.81
ZSE Mining	35.49	34.71	2.20
Volume Traded (mn)	4.86	1.90	61.00
Value Traded (US\$ mn)	1.04	1.05	0.71
Market Cap (US\$ mn)	5,445.41	5,417.64	0.51
Foreign Purchases (US\$ mn)	0.298	0.773	159.07
Foreign Sales (US\$ mn)	0.122	0.500	309.31

ZSE's bearish trend persists on broad economic weaknesses...

True to Margaret Thatcher's aphorism on the indomitability of market forces, the ZSE has gradually curved in to fundamental weaknesses prevalent in the general economy. Yes you can't buck the markets; this is true considering the price correction that has since taken center stage on the ZSE. On a cumulative basis the mainstream index has shed 7.1% to 188.82 pts year to date with today's loss of 1.8% being the biggest daily loss in the year. The industrial index has recorded losses in 11 consecutive sessions to date as selloff persists across board. However heavy cap stocks have exacerbated the depth of losses with Delta alone coming off an unprecedented 16.5% since January the 2nd, 2014. In today's session Delta assisted in dragging the industrials lower softening 6% to 116.98c. The mining index remains loss stricken tumbling a further 2.2% to 34.71 pts. The loss was on the back of a reduced offer in RioZim of 28c.

It is against a background of low economic expectations that the ZSE is losing ground. Structurally the economy is battling a possible deflation, low broad money supply, constrained aggregate demand and a shrinking national purse. However a couple of measures meant to buttress national revenues through a new tax regime have been instituted and is expected to yield better returns in light of a wide negative variance in the revenues of the preceding year. Therefore as the market heads towards the reporting season we expect a selected number of listed companies to report stable bottom line profits with limited growth on the back of declining aggregate demand.

4 counters were on the downside while only 2 added value among the 16 active counters in the session. Cafca was the worst performer easing 13% to 26c while Hippo and Pearl shrunk 5% and 2% to 90c and 2.6c respectively. Among the risers were Barclays and Innscor which rose 7% and 1% to 4.26c and 75.63c in that order. Econet was stable at 60c while overallly both offers and bids were dropped lower. Foreign participation improved from yesterday with inflows of \$0.77m against outflows of \$0.5m resulting in a net foreign inflow of \$0.22.

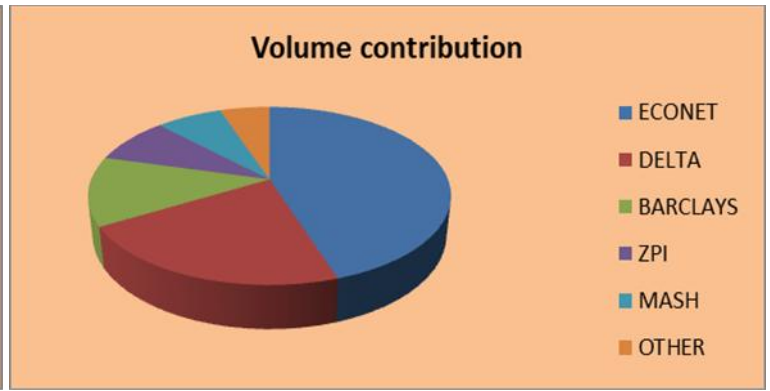
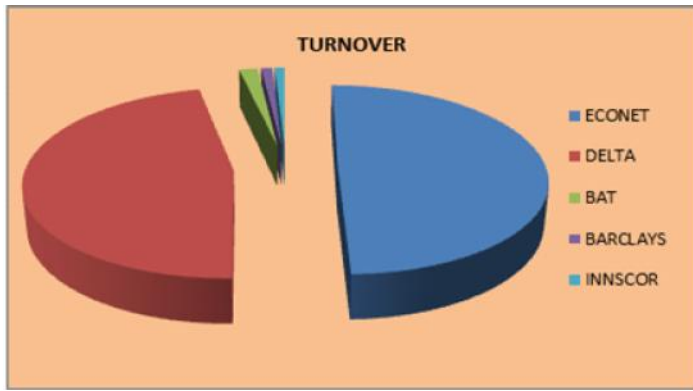
*** Market Cap is Inclusive of Econet Class A Shares

Top Risers

	Stock Name	Price	% Δ	YTD Δ %
1	BARCLAYS	4.26	6.50	3.18
2	INNSCOR	75.63	0.77	5.46
3				
4				
5				

Top Fallers

	Stock Name	Price	% Δ	YTD Δ %
1	CAFCA	26.00	13.33	7.14
2	DELTA	116.98	6.04	16.50
3	HIPPO	90.00	5.26	0.02
4	PEARL	2.60	1.89	0.00
5				



DIVIDEND MONITOR

Company	Dividend Type	Div Amount	Record date	Payment Date
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UPCOMING EVENTS

Company	Event	Venue	Date & Time
MASHHOLD	AGM	ZB life towers	27.02.14 12.00Hrs
ARISTON	AGM	Royal Harare Golf Club	14.02.14 14.00Hrs
CAFCA	AGM	54, lytton Road, Workington Harare	20.02.14 12.00Hrs

CAUTIONARIES

Company	ISSUE DATE	Description
AFRICAN SUN	6TH Dec 2013	Discussions on mandatory offer to minorities by Lengrah Investments
PGI	4TH Dec 2013	Negotiations that may have material effect on the future of the company

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