



27-Nov-14 28-Nov-14 % Δ

## Weakness persists as budget fails to stimulate gains on the ZSE ...

	27-Nov-14	28-Nov-14	% Δ
ZSE Industrials	172.37	171.45	0.53
ZSE Mining	63.49	63.49	0.00
Volume Traded (mn)	3.20	2.36	26.21
Value Traded (US\$ mn)	2.86	0.85	70.08
Market Cap (US\$ mn)	4,897.7	4,889.7	0.16
Foreign Purchases(US\$mn)	0.000	0.152	0.00
Foreign Sales (US\$ mn)	2.579	0.380	85.27

As the market considered the National Budget presented yesterday, stocks weakened further in the week ending as well as month closing session. The mainstream index skid 0.53% to close at 171.45 points as the minister of finance presented a bloated fiscus statement with a total expense of \$4.1b largely accruing to recurrent expenditure. A budget deficit of \$0.015m is anticipated against the backdrop of tight national revenues. The benchmark GDP growth is projected at 3.2% in sync with IMF's own targets and -50% wide off the ZIMASSET's projections.

Though scoring a positive market breadth of +7 stocks, overweight retail counter OK among 2 others, maintained a general dearth following yesterday's decline easing -11.1% to 12c. In a recent paper we opined that OK was trading at near full value post its interims and we placed a accumulate or buy in weakness recommendation. At 12c OK has set a new 52 low. Dawn, following prior losses and post interims softened -10% to close at 0.9c. The property concern together with Mash reported weaker moderated financials while attributing the decline to lower property management fees as well and high voids. Padenga which completed the set, took a breather of -2.17% to 9c after a couple of bullish sessions.

Momentum stocks Delta and Econet were stable in the session just as government reduced excise duty on alcoholic beverages by 500basis points to 40%. In contrast the voice tariff excise increases introduced in the mid term budget are likely to take full impact in the remaining half year of telecoms Econet. Star Africa gained 20% to 1.8c as government highlighted that the sugar import ring fence will be delayed for 6 months a period which Star Africa will have to reestablish capacities to cater for mainly the industrial grade sugar demand.

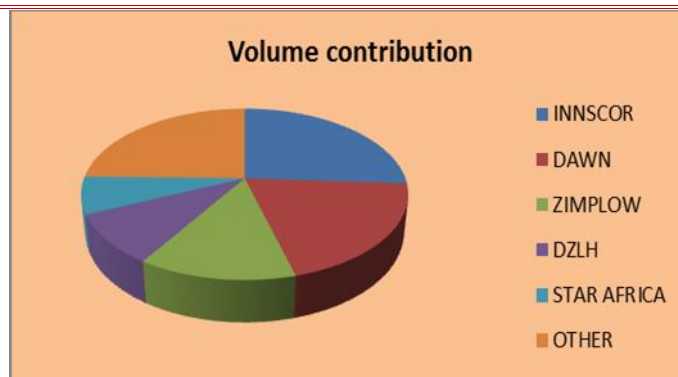
### Top Risers

	Stock Name	Price	% Δ	YTD Δ %
1	FIDELITY	9.00	20.0	30.82
2	STAR AFRICA	1.80	20.0	80.00
3	ZBFH	3.60	15.8	67.57
4	RTG	1.60	14.3	0.00
5	AFDIS	42.00	10.5	40.00

Fidelity went up 20% to 9c while ZB gained a similar margin recouping to 3.6c. RTG gained 14.3% to 1.6c while AFDIS thundered to an all time high of 42c which is a gain of 42%. In our post full year results paper we placed a 1 year target price of 48.5c for the wine making entity. Value traded came off 70% to \$0.85m while volumes declined -26% to 2.36m shares. Foreigners parted with \$0.38m worth of shares while adding \$0.15m on the buying side. The mining index was unaltered at 63.49 points as Bindura's quote shifted assymmetrically with bids going up to 5.2c while offers shied away to 6c. The miner is due to release its interims in the coming weeks.

### Top Fallers

	Stock Name	Price	% Δ	YTD Δ %
1	OK	12.00	11.1	12.50
2	DAWN	0.90	10.0	10.00
3	PADENGA	9.00	2.17	12.50
4				
5				



## DIVIDEND MONITOR

COMPANY	Dividend Type	Div Amount	Record date	Payment date
Delta	Interim	US 1.35 cents	05 Dec 14	10 Dec 14
Econet	Interim	US 0.61cents	07 Nov 14	28 Dec 14

## UPCOMING EVENTS

COMPANY	EVENT	VENUE	DATE	
TRUWORTHS	AGM	Prospect Park, Seke Road Harare	27.11.14	0900HRS
PPC	AGM	Michalangelo Hotel, Sandton, SA	08.12.14	1000HRS

## 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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