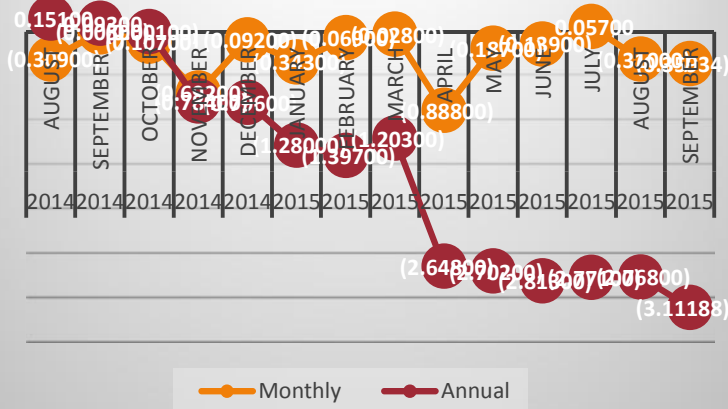


Activity slows to its lowest in six years...

The ZSE registered its slowest month in October of 2015 as the economic slowdown took its toll. Low economy wide demand on the back of tightening disposable incomes continued to weigh on prices with September 2015 inflation statistics showing negative annual inflation of -3.11%, down from the -2.76% recorded at the end of August. The weakening Rand over the review period spurred much of the downward price correction as South Africa remains the major source of imports into the country. With all indications pointing to a slower than anticipated outturn for the country on the economic front, it's no surprise that the stock market had lower takers as investors were taken aback by the gloomy outlook added to the lack of a certain course of action to curtail the economic challenges. Conflicting positions from those in the top echelons of government on key issues relating to costs containment particularly on reduction of the labor force have created even more uncertainty while also threatening to scuttle efforts towards reengagement with the Bretton Woods institutions. The country however recently got a nod from major creditors on its debt repayment plan which is a major step towards reengagement.

Inflation Trends



Sustained deflationary pressures...

Trends as depicted on the graph indicate that the prices have been on a steady fall over the past twelve months though the severity was more pronounced in the month of April 2015. Low industrial production has largely rendered the economy import dependant, using a stronger currency however has seen regular downwards corrections on mostly imported productions creating even more pressure on local industry for recapitalisation.

Zimbabwe at a Glance

Population	13mn	
	2014 est.	2015 Proj.
Revenues (US\$ Bn)	3.93	3.60
Expenditures (US\$ Bn)	4.03	4.10
GDP (PPP billions)	12.1	12.5
GDP Growth	3.5	1.5
Inflation	-0.05	-2%

ZSE Statistics Year To Date

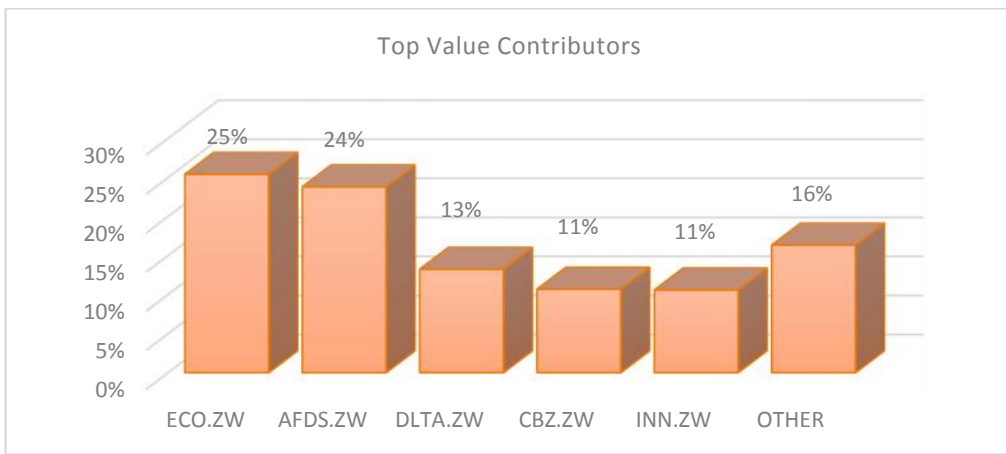
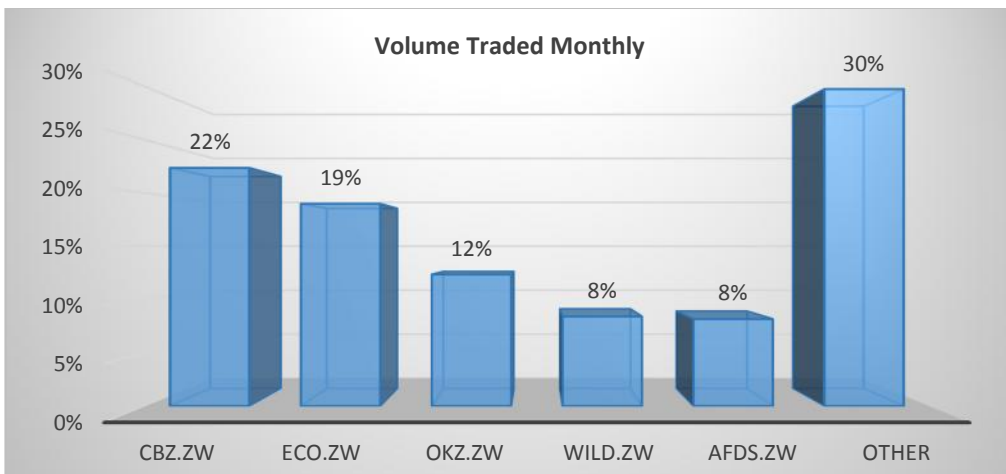
Value (\$Mn)	172.34	
Volume (Millions)	1,763.81	
		Change
Industrial Index	130.83	19.63
Mining Index	24.36	67.13

ZSE Statistics Oct 2015

Value (\$Mn)	15.22	
Volume (Millions)	76.19	
		Change
Industrial Index	130.83	0.83
Mining Index	24.36	3.24

ZSE Review

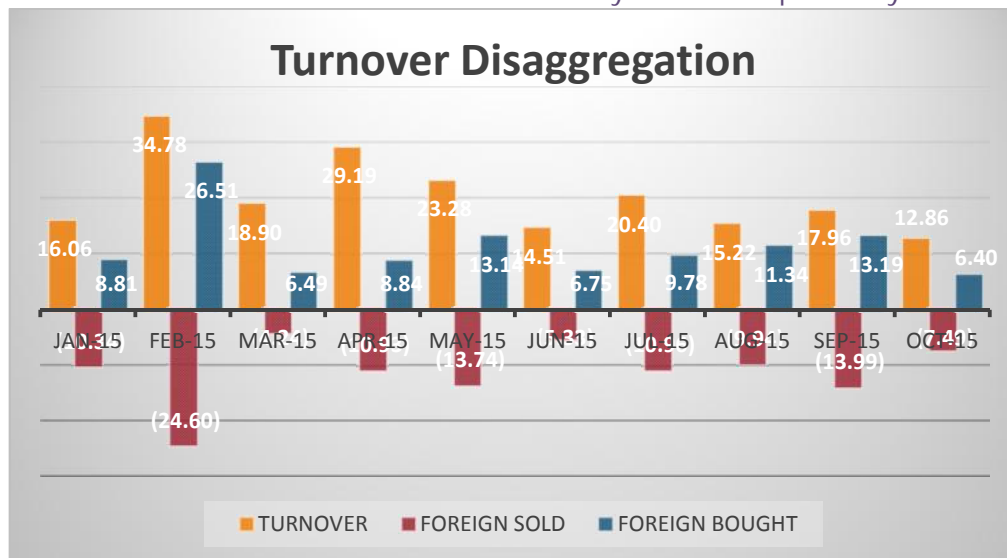
	Previous	Current	Change	%Change	YTD %
Industrial	131.93	130.83	1.1000	0.83	19.63
Mining	24.36	23.57	0.7900	3.24	67.13



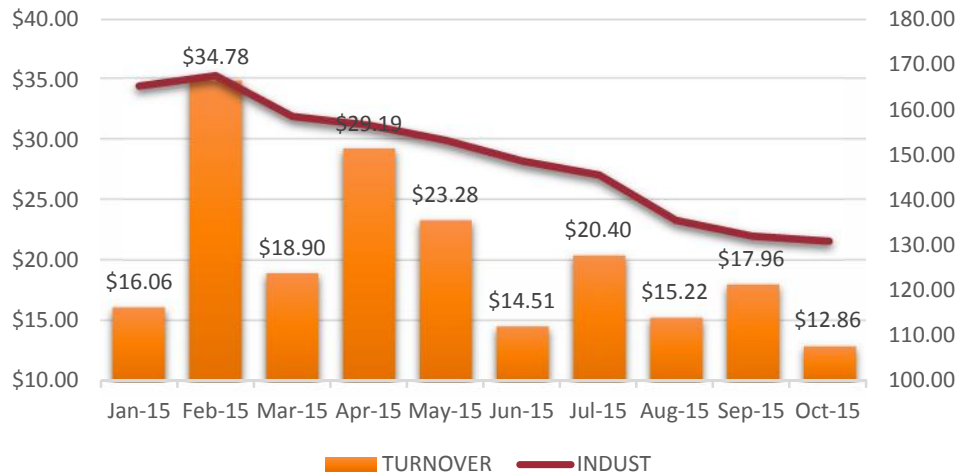
Indices in losses...

The now all too familiar story of losses played out in the month of October though the severity has somewhat reduced as some sellers start holding back citing untenable prices. The main stream Industrial Index lost 0.83% in the month and closed at 130.83pts – a level that leaves the index down 19.63% year to date. The resources were similarly trending south as seen in the Mining Index's 3.24% decline to 23.57pts with the depressed global commodity prices dampening the outlook for an industry that is already reeling under the pressures of recapitalization.

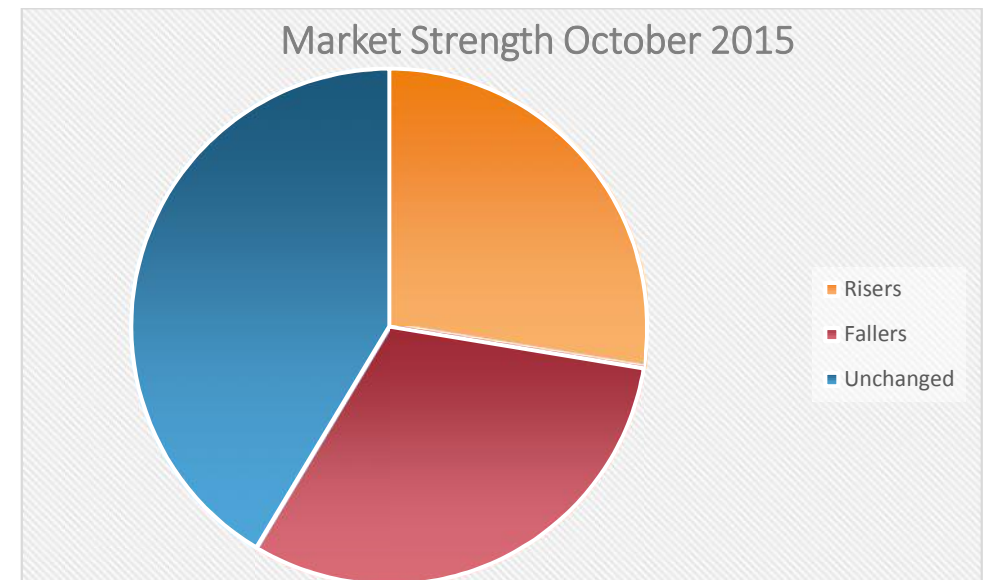
Monthly turnover slips to six year low...



The market saw trades shrink to their lowest in six years as thin trades dominated most of the trading sessions. Value of trades at \$12.86m could only surpass outturns from the first three months into dollarization that is way back in 2009 February, March and April where turnover figures of \$2.5m, \$3.0m and \$11.6m were recorded as trading in the dollarized environment found its footing.

Index and Turnover Trends 2015


Top value drivers for the month were Econet 25%, Afdis 24% and DLTA 13%. Volumes of the month fell 40% to 63.8m shares in sync with the slow activity while the main drivers were CBZ -22% and Econet - 19%. A top trade of the month was seen in spirits manufacturers Afdis where a cumulative volume of circa 5.4m shares traded over the month, a mean feat for the tightly held group that saw it feature amongst the top volume (5th) and value (2nd) drivers for the review period.

Market Strength October 2015

Risers

Symbol	Previous	Current	Change	%Change
FIDL.ZW	0.0900	0.1105	0.0205	22.78
CBZ.ZW	0.0840	0.1000	0.0160	19.05
AFDS.ZW	0.5000	0.5875	0.0875	17.50
ARIS.ZW	0.0020	0.0023	0.0003	15.00
ZPI.ZW	0.0080	0.0090	0.0010	12.50
NMB.ZW	0.0320	0.0360	0.0040	12.50
ZIMR.ZW	0.0110	0.0120	0.0010	9.09
CFI.ZW	0.0452	0.0490	0.0038	8.41
WILD.ZW	0.0018	0.0019	0.0001	5.56
FML.ZW	0.0210	0.0220	0.0010	4.76

Despite the negative monthly outturn, there were spats of demand that came into the market on the back of a dearth in sellers resulting in market giving a mixed risers and fallers' distribution for the month. Declines for the month numbered eighteen against sixteen fallers setting a negative breadth of two stocks. Penny stocks dominated the top shakers for the month with news group Zimpapers leading on a 20% retreat to \$0.0080. Hoteliers RTG closed the month 19% softer at \$0.0081 while construction allied group Turnall was down 15.79% at \$0.008.

Fallers

Symbol	Previous	Current	Change	%Change
ZIMP.ZW	0.0100	0.0080	0.0020	20.00
RTG.ZW	0.0100	0.0081	0.0019	19.00
TURN.ZW	0.0095	0.0080	0.0015	15.79
NTS.ZW	0.0200	0.0170	0.0030	15.00
COLC.ZW	0.2400	0.2107	0.0293	12.21
NICO.ZW	0.0170	0.0150	0.0020	11.76
OML.ZW	2.4900	2.2000	0.2900	11.65
PPC.ZW	1.0900	0.9700	0.1200	11.01
HIPO.ZW	0.3900	0.3523	0.0377	9.67
TSL.ZW	0.1750	0.1600	0.0150	8.57

* All prices in USD

Losses were also seen in several market heavies including Old Mutual which tumbled 11.65% to \$2.2000 as local price tracked the softening price on the LSE and JSE. Dually listed cement manufacturers PPC also dipped 11.01% and closed the month at \$0.9700. Other notable losses for the month were in DELTA and SeedCo, with the former letting go 1.2% of its value as it ended the month trading at \$0.8200 while the latter succumbed to selling pressure and eased 1.97% to \$0.9800. Colcom failed to hold on to the price of 24c after the stock went ex div and lost 12.21% to \$.2107.

Meanwhile, the gainers of the month were led by life assurance group Fidelity that scaled higher as investors gave a nod to their debt for land swap with CFI. In the month under review Fidelity added 22.78% and settled at \$0.1105. Bankers CBZ was in a rebound of sorts recovering 19.05% of its value and closed at \$0.1000. Spirits manufacturers Afdis was the pick of the cherry having surged 17.5% over the month to set a new all-time high of \$0.5900 before settling at \$0.5875 by month end. Ariston, ZPI and NMB followed after adding 15%, 12.5% and 12.5% and ended trading at \$0.0023, \$0.0090 and \$0.0360 respectively. Heavy weight gains were seen in Innscor, BAT and ECONET. FMCG conglomerate Innscor rose 2.46% to \$0.6045 as investors bought in to gain exposure ahead of a proposed unbundling of the quick service restaurants business from the group. Cigarettes manufacturers BAT, reputed for its hefty dividends payouts added 1.72% and closed at \$11.8000 while telecoms group ECO firmed by a marginal 0.19% and settled at \$0.2675 as spats of demand reemerged in the wake of the post results sell off.

Meanwhile, the market awaits the first listing on the ZSE since its automation in the form of Simbisa Brands, spinoff of the quick service restaurant business from Innscor.



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