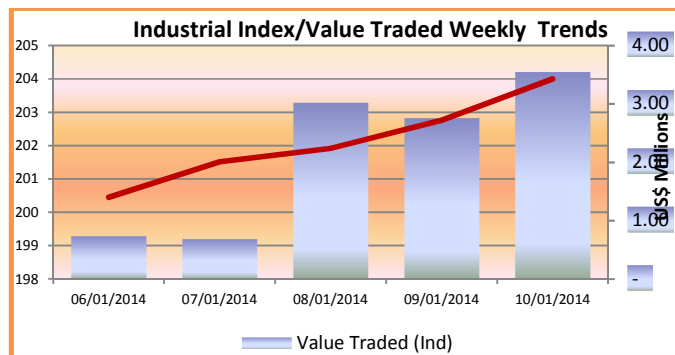
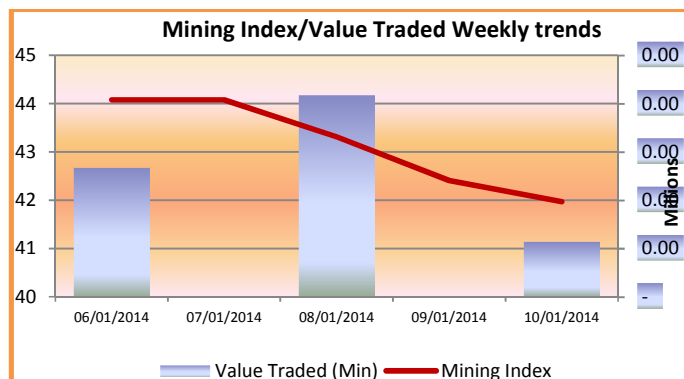


EFE Weekly Market Review 10 January 2014

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	10.84	3.29	229.31
Volume Traded (mn)	35.23	11.18	215.11
Foreign Purchases	6.44	0.31	1947.75
Foreign Sales	3.59	0.37	860.66

Source ZSE/EFE Dbase

Market Highlights

ZSE Gains in first full week of trading...

After a slow start to the first full week of trading on the ZSE since the turn of the New Year activity gradually improved on the bourse as players continued their cherry picking approach in the market heavy weights. As the liquidity situation continues in a strained position focus is slowly shifting towards the central bank's first monetary policy statement since the stepping down of Dr Gideon Gono at the end of his term as governor of the apex bank. Little is however expected from the central bank due to the absence of capacity to affect and influence monetary direction though a glimmer of hope vests in the provisions from the fiscal policy aimed at re-establishing the participation of the central bank in the money markets and some semblance of lender of last resort.

Index	Level	%Δ	YTD %Δ
Industrial Index	204.00	1.47	0.93
Mining Index	41.97	8.34	8.34

The market followed the rising activity with four successive gains for the industrials helping reverse losses seen in the early days of the year to close the week with a +1.47% gain and putting year to date return by close of the first seven sessions at +0.93% for the Industrial Index. The resources woes continued into the new year and this week the Mining Index fell -8.34% and settled at 41.97pts as Bindura, Falgold and Rio Zim lost ground in early trades of the year.

Activity Picks Up...

The ZSE has quickly got down to business as turnover surged +229.31% for the week and closing at \$10.84m on sustained foreign demand in market heavy weights Econet, Delta and Innscor. As already alluded to foreign purchases drove much of the liquidity at \$6.44m represented 59% of the total value traded in the week. Foreign disposals amounted to \$3.59 after an 860% improvement from last week and were 33% of the week's total value.

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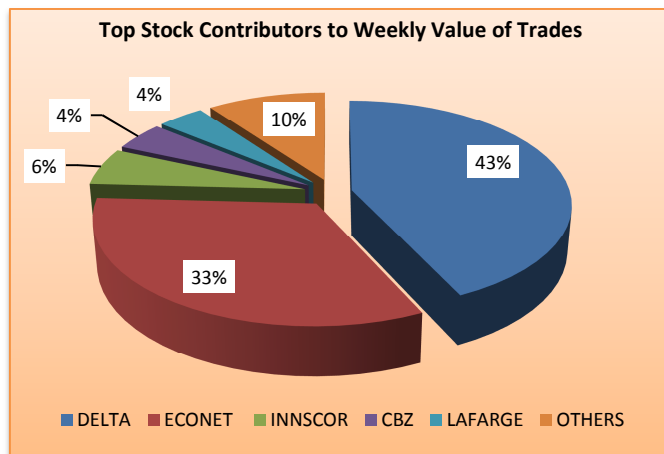
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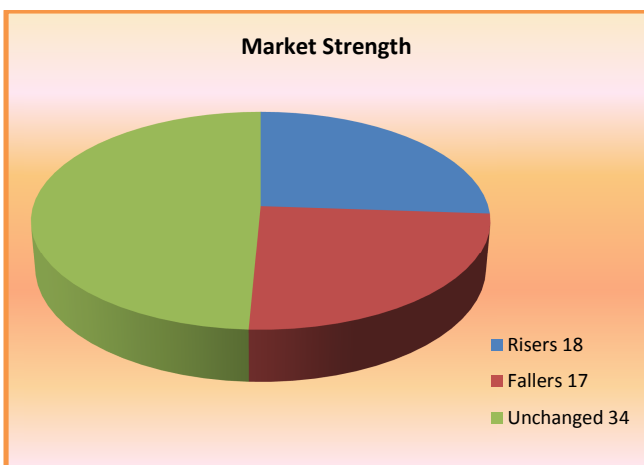
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Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
ART ZDR	0.40	100.00	100.00	PELHAMS	0.05	50.00	50.00
FML	8.90	11.25	11.25	FALGOLD	4.00	20.00	20.00
BAT	1,280.00	6.67	6.67	Z.P.I	1.05	19.23	19.23
ECONET	63.00	5.00	5.00	PSPEED	1.50	16.67	16.67
NATFOODS	210.00	5.00	5.00	BINDURA	1.75	12.50	12.50

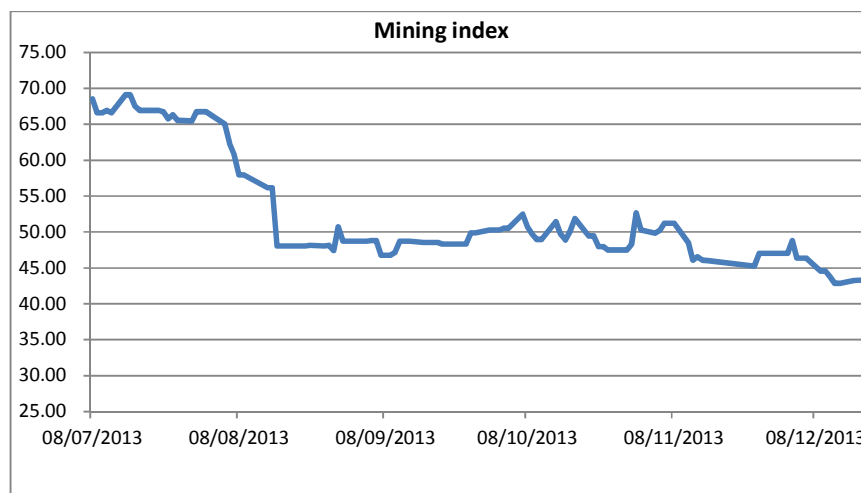
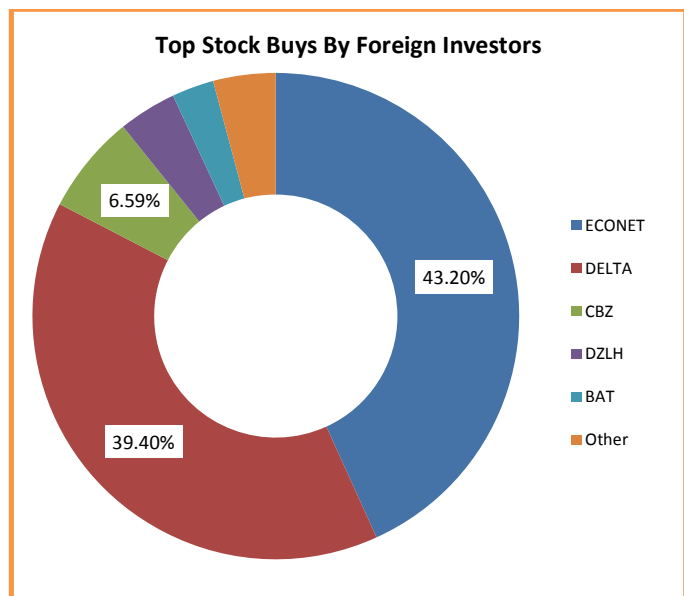
Delta and Econet dominated weekly trades accounting for a combined 76% of the total value in the week under review. Forty five stocks saw trades over the week and of these thirty five were in the risers and fallers spectrum with the distribution almost evenly distributed as gainers numbered eighteen compared to seventeen fallers. Market heavies however drove much of the weekly gains with the market's top most stocks Delta and Econet chipping in with +1.43% and 5% gains to close the week trading at 142c and 63c respectively to anchor the weekly gains.



The top performer for the week however turned out to be ART that doubled its price to 0.4c in a rare trade where 1.2m shares exchanged hands. Insurers First Mutual followed as it continued its steady recovery adding +11.25% and closing the week at 8.9c. BAT and NatFoods completed the top gainers for the week after rising +6.67% and 5% closing at 1280c and 210c respectively.

Holding back the market gains were losses led by furniture and home appliance retail group Pelhams that halved its price to 0.5c. Gold miners Falgold followed after shedding 20% to close at 4c. Property concern ZPI was down -19.23% to 1.05c while Powerspeed was down -16.67% and closed trading at 1.5c. Completing the top gainers for the week were losses seen in Bindura that fell -12.5% and settled at 1.75c.

Market statistics



Top Picks

African sun		The tourism group completed a restructuring exercise in 2011 which saw them post a first profitable full year outturn in 2012. With a well-focused structure going into 2013 African Sun is well placed to consolidate on the performance
BAT		Established itself as one of the consistent performers on the local bourse. It is operating at a mature stage of its business as seen in its high and attractive dividend payout. It is our opinion that BAT should be considered for attractive cash flows from their dividend payout
Dairibord		Driven by a portfolio of strong SBU's and an attractive brand portfolio that can hold its own against imports in the local market. With the concerted effort to re-establish the national herd the future can only be better for Dairibord.
Delta		The beverages Giant enjoys huge market dominance and has consistently maintained a steady growth in volumes and revenues. As the market's top stock, a solid performer, Delta is an undoubted consideration for any investor because of the limited downside
Econet		The dominant mobile phone operator in the country enjoys huge discounts to its regional comparatives while the fact that it is a consistent performer adds to its allure.
Hippo		Growing capacity utilization and production with complementary firming demand both locally and internationally and the fairly higher than the traditional averages commodity prices
Innskor		The group enjoyed steady growth in revenues over the years and looks well placed to continue enjoying steady growth going forwards. It is one group that has positioned itself well to benefit from any improvement in economic activity and disposable incomes in particular
Meikles		The conglomerate has had stunted performances since dollarization with its interims to September showing the first signs of a turnaround. With the second largest retail group in their portfolio as well as some of the top hotelier properties in their portfolio the group is clearly heavily discounted. Now that the results are coming we believe its only a matter of time before the group stakes its claim again as one of the top stocks on the local bourse
Properties Pearl &	: Mash; ZPI	Property companies on the local bourse have all been relatively discounted relative to the regional comparatives with the investment case largely being vested in the lower rental rates relative to regional comparatives. These have been steadily improving and are expected to continue improving with better changes in the economy
National Foods		As the leading food processing and packaging group in the country has been on a capacity increase drive and should continue to enjoy and consolidate on benefits of its rationalization exercise as well as improving efficiencies. The group can also benefit from synergies that could be drawn from their strategic partnership with top shareholders and leading South African food processing and packaging group Tiger Brands.
OKZM		As one of the leading retail groups in Zimbabwe OK led the way in refurbishment of outlets, As more outlets are refurbished and others added to their portfolio we believe the margins will continue to improve
Old Mutual		The dually listed giant trades at a huge discount to its price on either the JSE or London stock Exchange. We believe there is potential upside benefits should market be liberalized scrip become tradable across markets. For the short term however Old mutual's attraction is in its consistency is paying dividends
TSL		Attractive valuation and successfully completed a rationalization exercise with the results of impressive financial results coming up

In the News

We paid our fees, Telecel insists

Telecel Zimbabwe (Private) Limited (Telecel) insists that it has paid its licence renewal fees to the government, but was “let down” by one of its bankers in the remittance of the funds...<http://www.dailynews.co.zw/articles/2014/01/10/we-paid-our-fees-telecel-insists>

Zim FDI nosedives

The Zimbabwe Investment Authority (ZIA) approved foreign investment projects worth nearly \$700 million last year, down from close to \$1 billion recorded in 2012.

<http://www.dailynews.co.zw/articles/2014/01/10/zim-fdi-nosedives>

TSL to acquire logistics firm

Diversified group TSL Limited (TSL) says it plans to acquire a transport and logistics business through a share swap deal within the next two months.

<http://www.dailynews.co.zw/articles/2014/01/10/tsl-to-acquire-logistics-firm>

EcoCash targets diaspora

Zimbabwe's largest wireless network operator Econet plans to commercially launch remittance services between locals and residents in South Africa (SA) under its mobile money transfer platform, EcoCash...<http://www.dailynews.co.zw/articles/2014/01/09/ecocash-targets-diaspora>

Steward Bank in branch closure

Steward Bank (Steward) is closing some of its outlets under a “branch consolidation exercise”. The financial institution — currently with 20 branches — has already shut four units and one more this January but could not project how many more would be closed...<http://www.dailynews.co.zw/articles/2014/01/07/steward-bank-in-branch-closure>

World Bank rules out Zim bailout

The World Bank has insisted that it will not extend any financial assistance to Zimbabwe under the Highly Indebted Poor Country (HIPC) facility unless the country clears its arrears in excess of \$6,1 billion... <http://www.dailynews.co.zw/articles/2014/01/05/world-bank-rules-out-zim-bailout>

FMHL targets above inflation growth rate

First Mutual Holdings Limited is this year targeting a growth rate above inflation (estimated at about 1,5 percent) and overall market growth for its businesses as it seeks to consolidate its position among top performers in the life and insurance business, a senior official said...<http://www.herald.co.zw/fmhl-targets-above-inflation-growth-rate/>

ADC opts against board changes

ABC Holdings Limited majority shareholder, ADC Mauritius will not be bringing any immediate changes to the Pan African group's board as expected after increasing its shareholding in the group and offering to buy out minorities...<http://www.herald.co.zw/adc-opts-against-board-changes/>

ZSE most attractive bourse in Africa :world bank

THE Zimbabwe Stock Exchange (ZSE) is currently the most attractive bourse in Africa, the World Bank (WB) has revealed. Speaking to The Financial Gazette's Companies & Markets, WB country finance ... <http://www.financialgazette.co.zw/zse-most-attractive-bourse-in-africa-world-bank/>

Zim year-end investments plunge

THE Zimbabwe Investment Authority (ZIA) (ZIA) has approved investment projects worth \$685,9 million for the full year ended December 2013 compared with \$929,9 million recorded in prior year with the country continuing to underperform as a foreign investment destination...<https://www.newsday.co.zw/2014/01/10/zim-year-end-investments-plunge/>

Interfin to update shareholders on fate

SHAREHOLDERS of Interfin Financial Services, the parent company of the troubled Interfin Bank Limited, will later this month know the fate of the bank amid indications that the bank's depositors may assume control of the financial institution...<https://www.newsday.co.zw/2014/01/09/interfin-update-shareholders-fate/>

Tongaat Hulett fails to pay sugarcane farmers

JOHANNESBURG Stock Exchange-listed Tongaat Hulett's Zimbabwe operation Triangle (Pvt) Ltd is embroiled in a row with sugarcane out-growers over non-payment of delivered sugarcane worth millions of dollars...<http://www.theindependent.co.zw/2014/01/10/tongaat-hulett-fails-pay-sugarcane-farmers/>

Up Coming Events

Company	Event	Venue	Date & Time
NATIONAL BUDGET	PRESENTATION	PARLIAMENT	19 DEC 2013
AICO	EGM	SAZ BUILDING NORTHRIDGE	20 DEC 2013 1100HRS
CAUTIONARIES	ISSUE DATE		
AFRICAN SUN	6 TH April 2013	Discussions on Mandatory offer to minorities by Lengrah Investments	
PGI	4 TH Dec 2013	Negotiations that may have material effect on the future of the company	
WILLDALE	27 TH Nov 2013	Ongoing Negotiations with a potential Investor	
AFDIS	7 TH Nov 2013	\$5m rights issue proposed and was approved by shareholder	

Notes

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