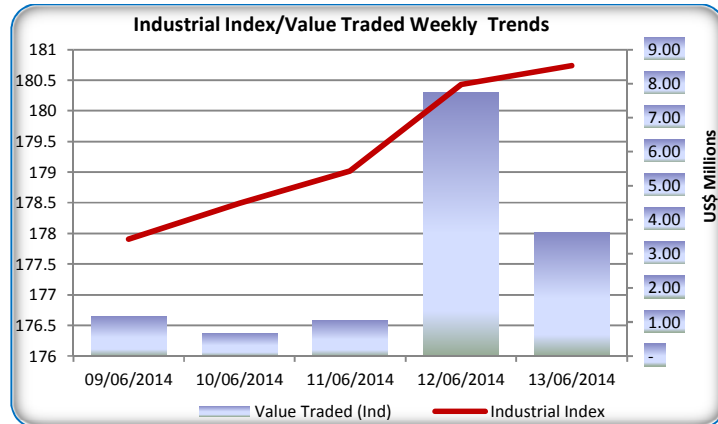
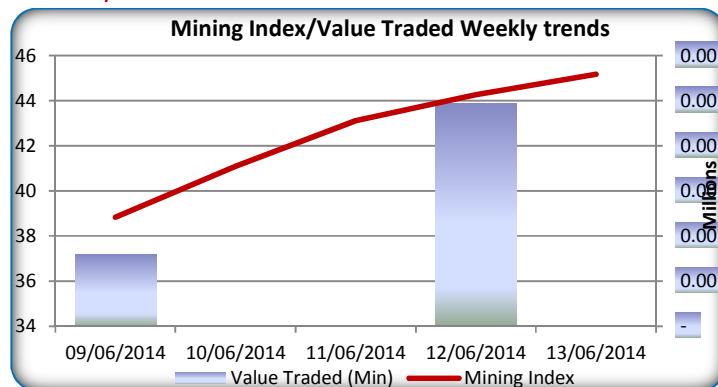


EFE Weekly Market Review 13 June 2014

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	14.37	3.69	289.53
Volume Traded (mn)	87.12	27.48	216.98
Foreign Purchases	7.78	2.19	255.56
Foreign Sales	10.39	2.47	320.34

Source ZSE/EFE Dbase.

Market Highlights

ZSE extends gains as activity improves...

Gains on the ZSE extended for yet another week as sellers drawn by the improved prices re-emerged to spur activity in the market. Equities have seen a resurgence in demand following a hyped talk of policy review to attract foreign investment coupled with the generally undemanding valuations that some of the stocks were trading at following the prolonged weakness in the early part of the year. Even the local investors that have been hamstrung by liquidity constraints and had taken a back seat in participation have in recent weeks emerged as potent participants in the market driving the rally.

Index	Level	%Δ	YTD %Δ
Industrial Index	180.74	1.21	10.58
Mining Index	45.17	16.75	1.35

An early knock in the opening session did little to dent the Industrial Index's fortunes as the main stream index followed that up with four successive gaining sessions to close at 180.74pts after adding +1.21% over the week. The result was a narrowing of the year to date losses to -10.58%

Nickel miners Bindura continued on its purple patch to propel the resources index to a whopping +16.75% advance to 45.17% slushing the index's year to date loss to just -1.35%.

Activity improves as sellers emerge on better prices...

The re-emergence of sellers on improving prices saw the activity indicator aggregates in the black on more value trades. Riding on the improving activity the market churned \$14.4m in weekly value of trades after a +289.5% improvement on the value achieved in the prior year. Similarly volumes got a boost, surging +216.98% to 87.12m shares as block trades in CBZ, Econet and Pearl shored up values and volumes for the week. Turnover disaggregation by investor type indicated that foreign participants dominated activity on the bourse as

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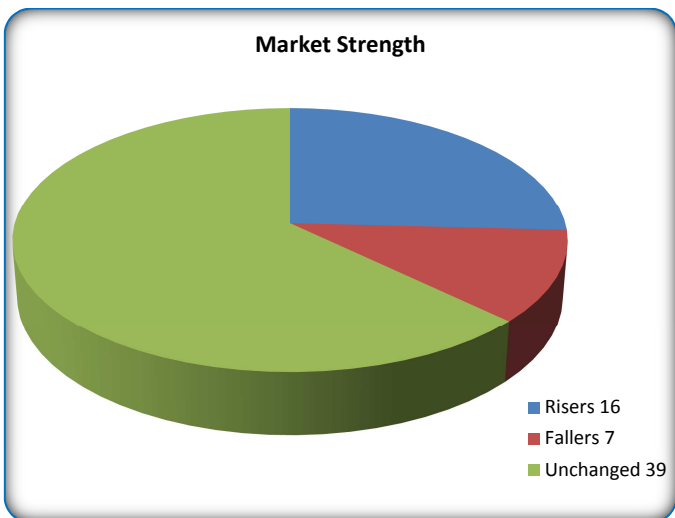
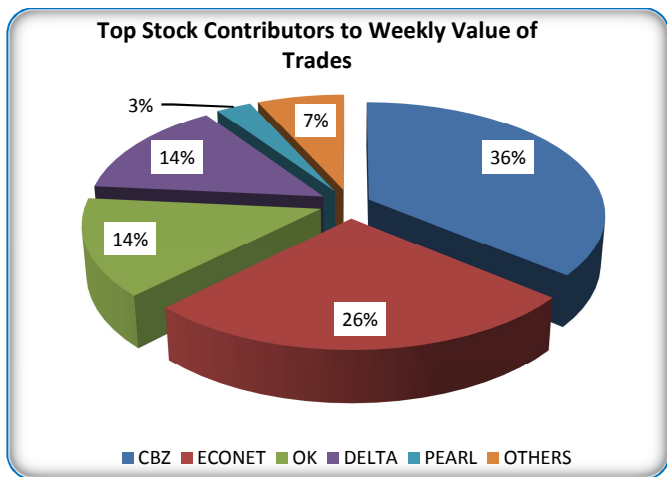
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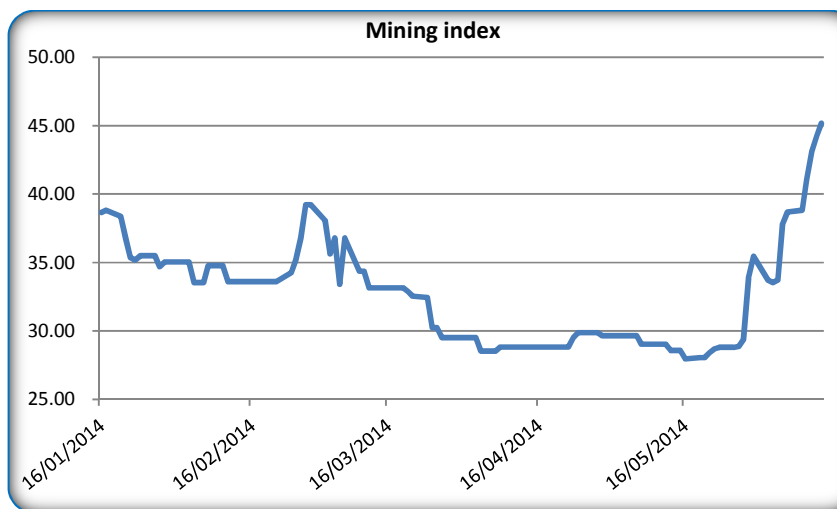
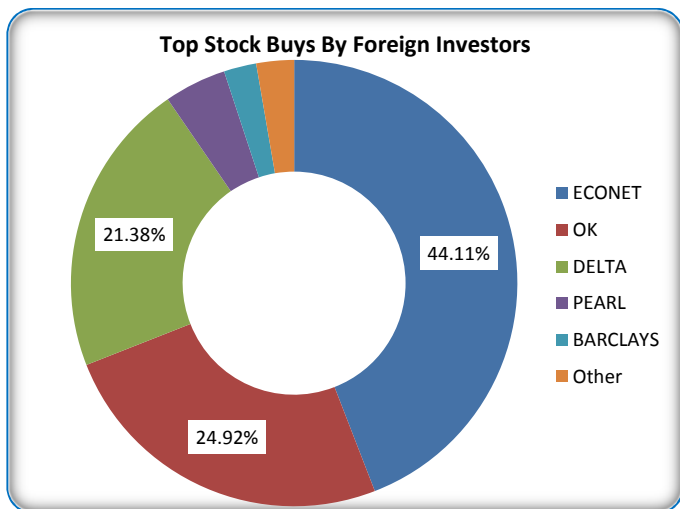
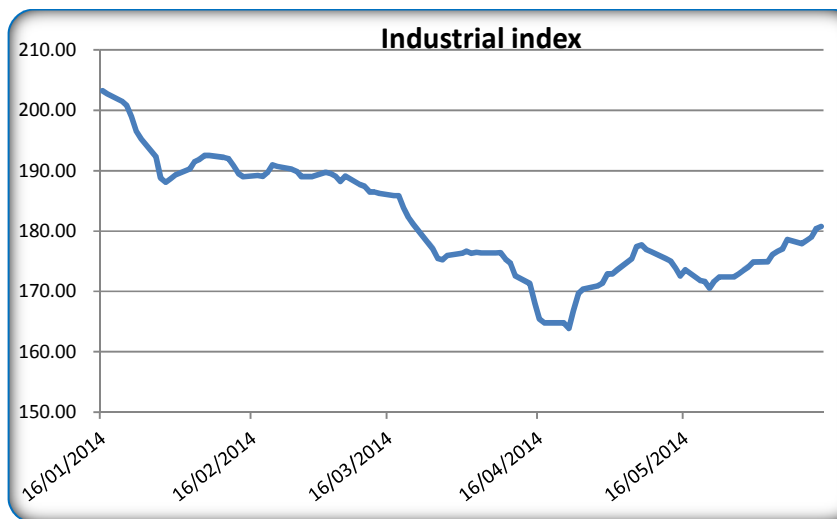
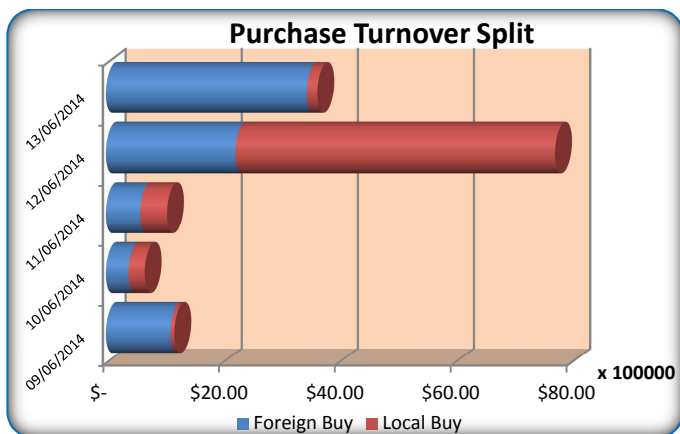
purchases stood at \$7.78m having surged 255.56% and represented 54% of the total value of trades for the week. Foreign inflows were even more dominant on the sell side contributing 72% of the total portfolio disposals leaving the market in a net funds outflow position of \$2.61m. Banking group CBZ topped the trades charts on the back of a special bargain of 34m shares in the stock at its prevailing price of 15c to yield \$5.1m in value culminating in a 36% contribution to the overall value of trades. Other notable trades were seen in Econet with a 26% contribution to the value of trades, OKZIM 14% and Delta 14%.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
MASIMBA	1.50	36.36	76.92	FALGOLD	2.00	33.33	60.00
BINDURA	3.30	26.92	65.00	WILLDALE	0.08	20.00	20.00
ZHL	0.90	20.00	37.93	DAWN	0.90	5.26	10.00
RTG	1.10	10.00	31.25	PADENGA	8.00	3.61	0.00
MEIKLES	20.00	8.11	5.26	ABCH	70.00	2.78	18.64

It was a risers' week that registered a positive market breadth of ten stocks with several heavy caps weighing in with gains. Amongst the top cap gainers were Econet that cemented its YTD top performer status with a +4.35% jump to 72c to bring up a 20% return since the turn of the New Year. Innscor and its associate Natfoods put on +2.73% and 2.38% to aid the same cause while the dually listed duo of Old Mutual and PPC also added their weight with marginal gains of 0.93% and 0.14% to 250.5c and 216c.

Construction allied group Masimba was the top gainer for the week adding +36.36% to close at 1.5c while nickel miners Bindura followed after adding +26.92% to 3.3c. Bindura's gains were also cemented by a profit warning at the end of the week where better returns are expected on the back of resumption and ramping up of operations at Trojan mine. Insurers ZHL were in 20% uplift to 0.9c while RTG and Meikles completed the top gainers for the week after adding +10% and +8.11% to close the week trading at 1.1c and 20c. Losses were however seen in amongst others: Falgold -33.3% to 2c, Willdale -20% to 0.08c and Dawn that shed -5.26% and closed at 0.9c.

Market statistics



Top Picks

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 pay-out. It is our opinion that BAT should be considered for attractive cash flows from their dividend pay-out
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.
Innscor	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
Properties Mash; Pearl & 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...

CTC goes after Econet

The Competitions and Tariffs and Commission has started gathering information, which may result in a fully fledged investigation on alleged uncompetitive behaviour by Econet Wireless... <http://www.herald.co.zw/ctc-goes-after-econet/>

China-Africa Fund to acquire stake in Cottco

THE China-Africa Development Fund, China's largest private equity fund focusing on African investments, has moved to buy a significant shareholding in Cottco Holdings Ltd through its wholly-owned subsidiary China-Africa Cotton... <http://www.herald.co.zw/china-africa-fund-to-acquire-stake-in-cottco/>

RTG optimistic of sustained revenue growth

HOTEL group Rainbow Tourism Group (RTG) sees sustained revenue growth in 2014 after a 7% growth in receipts in the first four months of the year to April in the same period last year, the company said.

<http://www.theindependent.co.zw/2014/06/13/rtg-optimistic-sustained-revenue-growth/>

WB cuts Zim's growth prospects

THE World Bank has cut Zimbabwe's economic growth rate forecasts to just 2 percent on mounting evidence of weak foreign direct investment, liquidity constraints and lack of policy clarity... <http://www.herald.co.zw/wb-cuts-zims-growth-prospects/>

EcoCash taps into Diaspora remittances

CONET Wireless Zimbabwe has partnered with WorldRemit to provide a new international remittance services to its mobile money transfer service, EcoCash.

<https://www.newsday.co.zw/2014/06/12/ecocash-taps-diaspora-remittances/>

Barclays invests over \$0,5m in training programme

BARCLAYS invested more than \$500 000 in graduate trainee programmes in Zimbabwe last year as an initiative to capacitate young adults entering the banking sector.

<https://www.newsday.co.zw/2014/06/09/barclays-invests-05m-training-programme/>

Cafca to pursue exports

ZIMBABWE stock exchange listed manufacturer and supplier of cables and allied products, Cafca, says it now has capacity for exports during the second half of the year.

<http://www.financialgazette.co.zw/cafca-to-pursue-exports/>

ZSE pushes for quarterly reporting

THE Zimbabwe Stock Exchange (ZSE) plans to make it mandatory for listed companies to publish quarterly results, in a new set of rules meant to increase transparency, the Financial Gazette's Companies & Markets has learnt.

<http://www.financialgazette.co.zw/zse-pushes-for-quarterly-reporting/>

Hwange seeks ZESA nod in US\$10m deal

HWANGE Colliery Company Limited, the country's largest coal producer, has approached power producer, ZESA Holdings, for a guarantee to secure a US\$10 million loan from local financial institutions.

<http://www.financialgazette.co.zw/hwange-seeks-zesa-nod-in-us10m-deal/>

Mwana Africa needs \$27m to restart smelting plant

MWANA Africa will require at least \$26,5 million to restart its smelting plant at Bindura Nickel Corporation, the Pan African mining company announced yesterday.

<http://www.herald.co.zw/mwana-africa-needs-27m-to-restart-smelting-plant/>

BAT Zim eyes more growth

BRITISH American Tobacco Plc plans to invest more capital towards its Zimbabwean business despite earlier reports that the company is planning to divest its business operations, a company official has said.

<http://www.herald.co.zw/bat-zim-eyes-more-growth/>

Up Coming Events

ZPI	AGM	206 SAMORA MACHEL AVE	18/06/2014	1200HRS
PIONEER	AGM	PIONEER BOARDROOM, HEAD OFFICE SOUTHERTON,	26/06/2014	1000HRS
FBC	AGM	ROYAL HARARE GOLF CLUB	26/06/2014	1200HRS
MASIMBA	AGM	HEAD OFFICE, 44 TILBURY ROAD, WILLOWVALE	26/06/2014	1200HRS
FIDELITY LIFE	AGM	BOARDROOM, 7TH FLOOR, FIDELITY HOUSE	26/06/2014	1200HRS
ZBFH	AGM	ZB HOUSE, 46 SPEKE AVENUE	27/06/2014	1030HRS
GBH	AGM	CERNOL CHEMICALS BOARDROOM, WILLOWVALE	27/06/2014	1130HRS
ZIMPAPERS	AGM	BOARDROOM, 6TH FLOOR, HERALD HOUSE	27/06/2014	1200HRS
HWANGE	AGM	BOARDROOM, 7TH FLOOR, COAL HOUSE	30/06/2014	1030HRS
ZHL	AGM	NICOZ DIAMOND AUDITORIUM, 7TH FL INSURANCE CENTRE	30/06/2014	1230HRS
MEDTECH	AGM	BOARDROOM, STAND 619 , RUWA	30/06/2014	1500HRS

CAUTIONARIES

ISSUE DATE

AFRICAN SUN	6 th Dec 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
DAWN PROPERTIES	23 rd Mar 2014	Negotiations are underway over disposal of one of its hotel properties
WILLDALE	6 th May 2014	To approve rights issue
NICOZ & ZHL	11 TH Apr 2014	Negotiations over disposal and acquisitions respectively, of a business

Notes

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