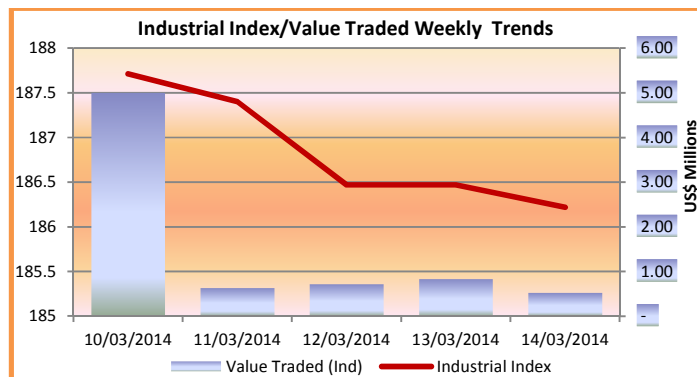
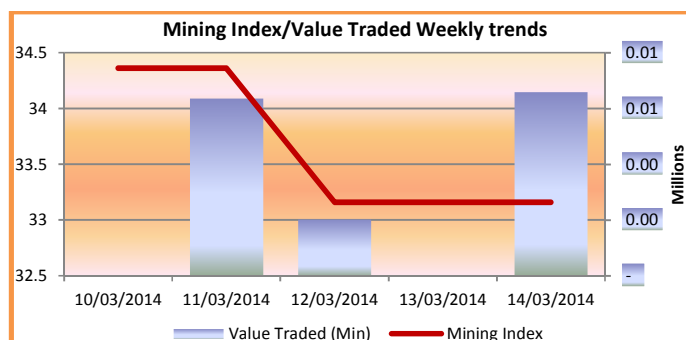


EFE Weekly Market Review 14 March 2014

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	7.80	9.40	17.02
Volume Traded (mn)	42.65	241.50	82.34
Foreign Purchases	4.84	3.77	28.39
Foreign Sales	5.55	4.48	23.67

Source ZSE/EFE Dbase

Market Highlights

ZSE softens on foreign sell off...

Index	Level	%Δ	YTD %Δ
Industrial Index	186.22	1.54	7.87
Mining Index	33.16	9.89	27.58

The emerging trend of net foreign sell offs on the ZSE that closed the week on an eight session trot weighed on the market as stock prices came off. The trend which is in sync with the capital flight that has been seen in Sub Saharan emerging markets, the ZSE has seen a net outflow of circa \$2.0m in the last eight sessions, resulting in dampened demand. Buying on the market that has largely been driven by foreign portfolio investments. The ongoing reporting season that was expected to buoy demand all but confirmed the difficult state of the economy characterised by declining demand and a tight liquidity situation while the challenging micro economic environment is not proffering better prospects in the outlook period. This has heightened calls for an all-encompassing policy shift on the part of authorities to stimulate foreign direct investment and consequently arrest the liquidity challenges.

The main indicators were in the red with the Industrial Index losing -1.54% for the week to 186.22pts as the market's heavy cap stocks buckled under the weight of the mainly foreign sell-off. With only a couple of weeks before the end of the first quarter the main index is already sitting on a negative year to date return of -7.87%. On the other hand the resources index plunged -9.89% and consequently extended its losses to -27.58% as the Mining Index closed the week sitting at 33.16pts.

Econet block trade lifts ZSE turnover...

Telecoms group Econet emerged the most liquid stock in the week under review following the block trade of circa 5m shares that sailed at the stock's year to date high of 67c to help the stock yield \$3.6m in total value traded this week. With total value of trades coming in at \$7.8m for the week, Econet alone

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Contacts:

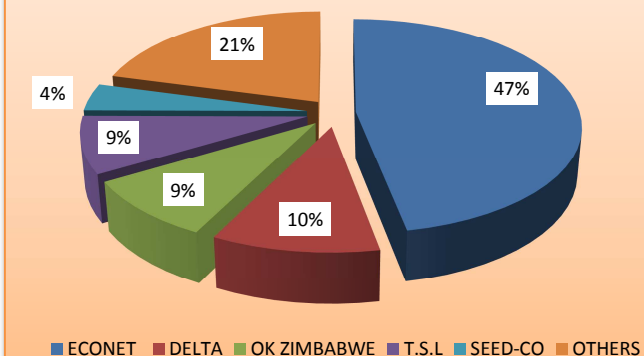
Edgeton Tsanga 0772277153

Chris Masendeke 0772135234

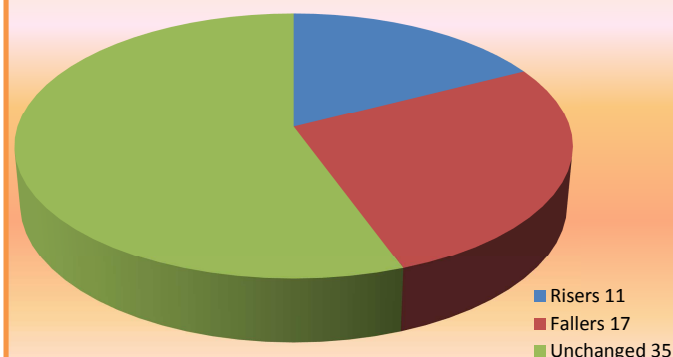
Phenias Mandaza 0772144334

Coreen Madanha 0772144333

Top Stock Contributors to Weekly Value of Trades



Market Strength



accounted for an estimated 47% of the total weekly value traded. Values however were down -17.02% on a week on week basis following an 82% fall in the total volume of shares traded to 42.65m shares. Weekly foreign turnover aggregates recorded gains with purchases rising +28% to \$4.84m while foreign divestments were up 23.7% at \$5.5m leaving the market in a net outflow position of \$643,340.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
STAR AFRICA	0.95	18.75	5.00	N.M.B	4.00	20.00	38.46
NICOZ	1.50	11.11	7.14	TURNALL	4.00	20.00	20.00
DAWN	0.72	10.77	28.00	N.T.S	1.70	15.00	32.00
AFDIS	33.00	6.45	10.00	HWANGE	5.31	11.50	41.00
EDGARS	12.50	4.17	3.22	MASIMBA	2.50	10.39	23.08

Apart from Econet other market favourites were Delta, OKZIM and TSL in which investments with respective contributions to value traded of 10%, 9% and 9% were made. Testifying to the weakness, fallers dominated the weekly winners and losers spectrum with seventeen stocks taking a knock while eleven were up. Amongst the fallers were some top stocks on the bourse including Delta and Econet that pared 0.5% and 3% to close the week trading at 121.99c and 64.99c respectively. Innscor dropped 4% to 72c weighed down by the recent interim results in which group attributable earnings declined 18.9% to \$16.1m.

NMB slid further this week shedding 20% to 4c in trades ahead of the release of its 2013 year end financials which management has already warned will be lower than last year owing to certain write-offs. Turnall that was down by a similar margin of 20% also followed and closed trading at 4c. NTS and Hwange were down 15% and 11.5% at 1.7c and 5.31c while construction group Masimba completed the top fallers for the week after retreating -10.39% and closing the week trading at 2.5c. Mitigating the losses were gains in lightweights Star Africa, Nicoz and Dawn amongst others. Star Africa was up +18.75% at 0.95c, Nicoz Diamond firmed +11.1% to 1.5c following the release of its 2013 full year results. Property group Dawn added +10.77% to 0.72c as the group recovers from the slide it experienced earlier in the year.

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

Insurance industry agrees pay rise

Conrad Mwanawashe Business Reporter THE insurance industry has agreed on a 4 percent pay rise which will see the lowest paid worker earning \$546. The pay rise is for the period between January...

<http://www.herald.co.zw/insurance-industry-agrees-pay-rise/>

Will Art benefit from the shareholder facility?

Tendai Murwira My Two Cents A fortnight ago, Art Corporation finally came to the market after spending more than a year issuing a series of cautionary statements...

<http://www.herald.co.zw/will-art-benefit-from-the-shareholder-facility/>

Fidelity sees \$30m return on project

Happiness Zengeni Business Editor FIDELITY Life Assurance has anchored its growth on Southview Park, a property development project, confident it will deliver a \$30 million windfall if all the 5 974 ...

<http://www.herald.co.zw/fidelity-sees-30m-return-on-project/>

TSL expects tobacco boon

Tinashe Makichi Business Reporter ZIMBABWE Stock Exchange-listed TSL Limited is expecting an increase in the volumes of tobacco from its contracted farmers this year, despite the fluctuation of...

<http://www.herald.co.zw/tsl-expects-tobacco-boon/>

Meikles in gold mining joint venture

Meikles Limited's mining arm, Meikles Centar Mining Private Limited has signed a partnership agreement with a local mining firm DGL Investments (Imviga) intending to buy 51 percent equity in the comp...

<http://www.herald.co.zw/meikles-in-gold-mining-joint-venture/>

Nicoz Diamond eyes revenue alignment

NICOZ Diamond says it will this year focus on revenue and cost alignment after witnessing a slow start to the year. Managing director Mrs Grace Muradzikwa told analysts on Friday that the group would...

<http://www.herald.co.zw/nicoz-diamond-eyes-revenue-alignment/>

SECZ calls on asset managers to act

Business Reporter Asset management companies in Zimbabwe are passive and often times neglect their role of raising alarm where listed companies make decisions which are not in the interest of investo...

<http://www.herald.co.zw/secz-calls-on-asset-managers-to-act/>

Edgars targets tighter cost control

Golden Sibanda Senior Business Reporter Edgars Stores is targeting tighter cost control and wider customer choice to maintain growth and profitability in 2014 but expects a more difficult operating e...

<http://www.herald.co.zw/edgars-targets-tighter-cost-control/>

ZSE reviews listing requirements

THE Zimbabwe Stock Exchange (ZSE) has begun consultations for the first draft of the new listing requirements issued on Monday.

<https://www.newsday.co.zw/2014/03/13/zse-reviews-listing-requirements/>

Gold earnings slump 20pc

Zimbabwe's total gold earnings slumped 20 percent to \$626 million last year from \$783 million realised in 2012, latest Chamber of Mines (CoM) figures reveal...

<http://www.dailynews.co.zw/articles/2014/03/13/gold-earnings-slump-20pc>

Govt closes CBZ account

Government has closed its CBZ Bank (CBZ) account, a move the financial institution said will not affect its business...

<http://www.dailynews.co.zw/articles/2014/03/11/govt-closes-cbz-account>

Lafarge misses revenue target

Lafarge Cement Zimbabwe (Lafarge) missed its \$90 million revenue target by 24,8 percent to record \$67,6 million in the year to December 2013 due to reduced local and export sales volumes...

<http://www.dailynews.co.zw/articles/2014/03/09/lafarge-misses-revenue-target>

Up Coming Events

UPCOMING EVENTS

Company	Event	Venue	Date & Time
AFRICAN SUN	AGM	Ophir Room, 1 st Floor Crown Plaza Hotel	21.03.14 11:00 Hrs
FALGOLD	AGM	KPMG Building Cnr 14 th Ave/J Tongogara St Byo	21.03.14 10:00 Hrs

CAUTIONARIES

ISSUE DATE

NMB	7 th Feb 2014	Profit warning, impairment on loans to result in a net loss position
AFRICAN SUN	6 th Dec 2013	Discussions on mandatory offer to minorities by Lengrah Investments
TSL	29 th Jan 2014	Discussions with Chemco on a conversion of debt to equity on amountt owed
PGI	4 th Dec 2013	Negotiations that may have material effect on the future of the company

Notes

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