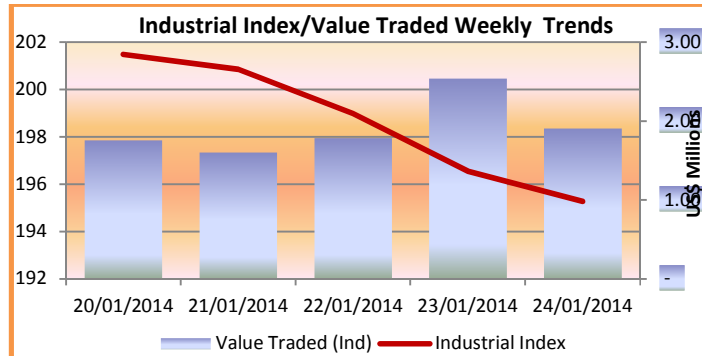
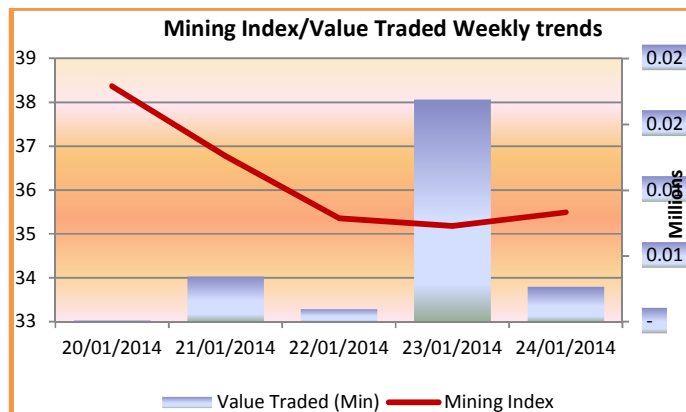


EFE Weekly Market Review 24 January 2014

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	9.70	9.67	0.32
Volume Traded (mn)	22.76	46.22	50.76
Foreign Purchases	6.79	5.41	25.45
Foreign Sales	6.98	6.88	1.50

Source ZSE/EFE Dbase

Market Highlights

Bearish sentiment persists on the ZSE...

More depressing economic statistics emerged this week as the Zimbabwe Revenue Authority reported an 18% negative variance from budget on the revenue collections for the fourth quarter. As a result national revenue collections for the year 2013 were 6% off the mark. This depressing revenue background as well as a not so bright outlook of same continues to raise more questions on the prospects for delivery on the many fiscal policy promises. Further to this was the continually falling inflation that has raised the ire of deflation in the economy weighing heavily on market trends as sell off appeared in market heavy weights.

Index	Level	%Δ	YTD %Δ
Industrial Index	195.27	3.68	3.39
Mining Index	35.49	8.58	8.58

Top capitalised stocks on the bourse were in a slide weighing on the main stream industrial index that fell -3.68% for the week and closed the week at 195.27pts. The heavy losses saw the year to date return drop into the red to -3.39% as bearish sentiment increased on the bourse. Similarly, the mining index trended down wards after dipping -8.58% for the week closing at 35.49pts weighed down losses in Bindura and Hwange

Foreign participation drives activity

Foreign participation continued to dominate activity on the market as local participants remain largely on the side-lines. Inflows for the week as represented by the purchases amounted to \$6.79m being a 25% improvement on the outcome from last week. Foreign sales were also 1.5% better than the value sold last week at \$6.98m. These inflow and outflow aggregates dominated at 70% and 72% respectively of the total value spurned last week of \$9.7m. Volumes however were 50.76% lower at 22.76m shares as trades were largely confined to the market heavies with higher prices per share dominated the trading.

In this Weekly

Market Highlights P1

Top Picks P4

Upcoming events P4

In the News P5

Upcoming Events P6

Disclaimer P7

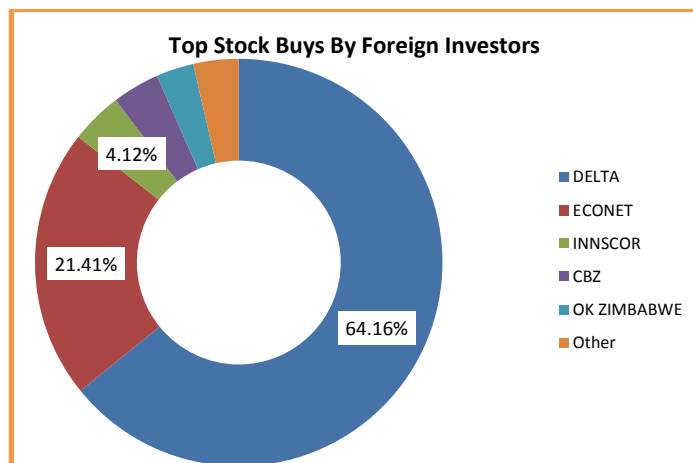
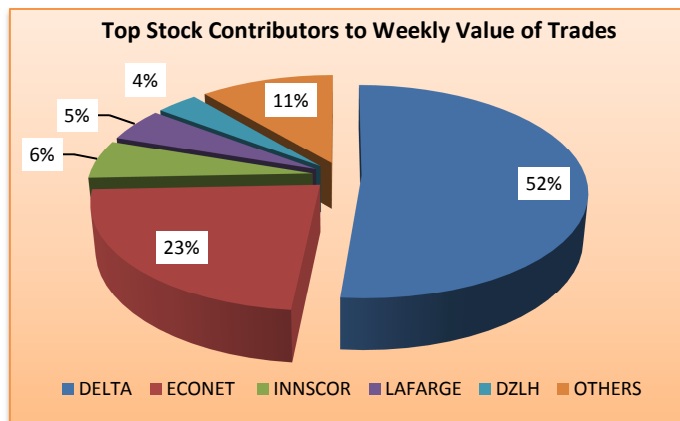
Contacts:

Edgeton Tsanga 0772277153

Chris Masendeke 0772135234

Phenias Mandaza 0772144334

Coreen Madanha 0772144333



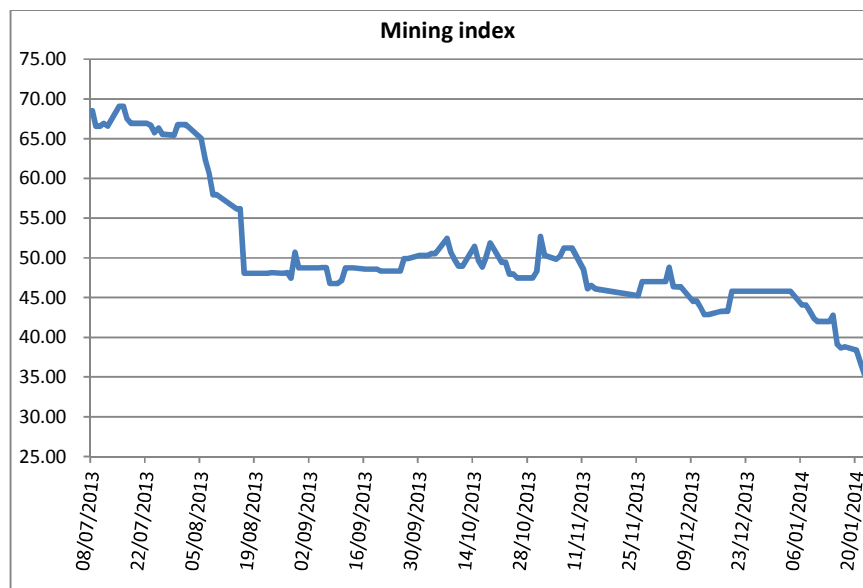
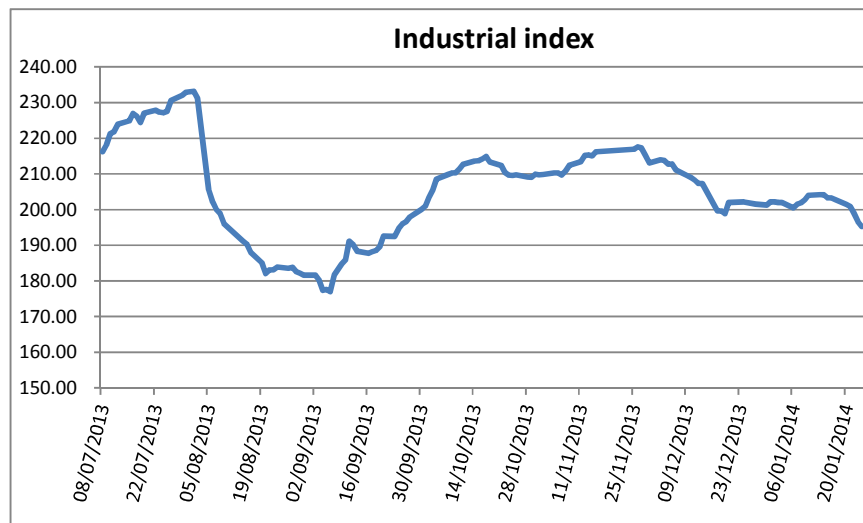
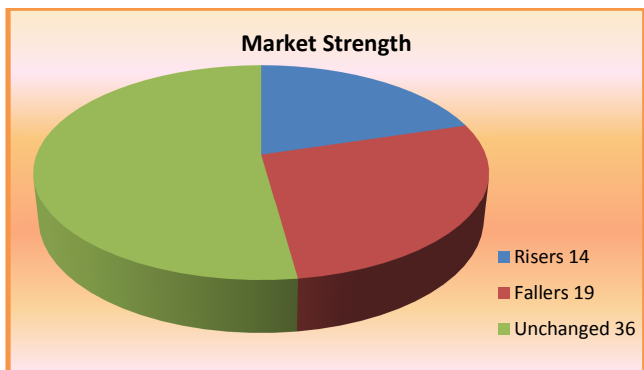
Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
ART ZDR	0.40	33.33	100.00	RTG	1.20	25.00	25.00
FALGOLD	6.00	20.00	20.00	ZHL	1.05	25.00	27.59
TA HLDS	6.50	8.33	6.56	BINDURA	1.30	23.53	35.00
PADENGA	8.50	6.25	6.25	AICO	4.70	14.55	21.67
MEIKLES	20.70	6.15	8.95	FML	10.00	9.09	25.00

The top three stocks by market cap Delta, Econet and Innscor emerged the market favourites dominating the total value of trades for the week and accounted for a combined estimate of 81% of the total value of traded last week. Delta was by far the most sought after stock as \$4.4m exchanged hands in the group which is over 52% of the total value traded last week. The same heavy weights weighed on the market with Delta shedding -7.91% to 128c, Econet dropping -2.44% to 60c and Innscor closing at 75.01c after falling -6.24% over the week.

Market lights weights however dominated the market losses for the second week running with tourism RTG that traded 25% softer by end of the week at 1.2c. Insurance group ZHL was also down 25% at 1.05c while Mwana Africa's trading update advising of an increase in nickel production at BNC's Trojan Mine could not save Bindura from losses that traded -23.53% lower at 1.3c. Completing the top fallers for the week were losses in AICO of 14.55% to 4.7c and First Mutual that shed -9.1% to 10c. AICO's losses came ahead of the close of the rights offer which found huge market interest on the sweetener of a dividend in specie of the seed SBU SeedCO.

Market gains for the week were led by stationery group ART ZDR that added 33.3% to 0.4c while gold miners Falgold followed with a 20% uplift to 6c. Completing the gainers were the Trio of TA, Padenga and Meikles that added +8.33%, +6.25%, and +6.15% to 6.5c, 8.5c and 20.7c.

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 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.
Hippo		Growing capacity utilization and production with complementary firming demand both locally and internationally and the fairly higher than the traditional averages commodity prices
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
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

Zimra misses 2013 revenue target

THERE is urgent need for Government to look at investments that bring capital and create employment in the economy after a lacklustre revenue performance in the period to December 2013. With external budget support a virtual non-starter, finding alternative revenue lines will be painstaking for an economy that has caught a feverish cold.

<http://www.herald.co.zw/zimra-misses-2013-revenue-target/>

Starafrika's plant nears completion

SUGAR processor starafrika says it will resume raw sugar refining in May when it expects to have completed installation of its Harare refinery plant, imported from India, by the end of April this year. The refinery operations were suspended to pave way for the installation of the new plant with the site preparations completed.

<http://www.herald.co.zw/starafricas-plant-nears-completion/>

Trust Bank liquidation postponed

Zimbabwe's High Court has postponed Trust Bank (Trust)'s liquidation process to February 18 following a successful challenge by the financial institution's lawyers.

<http://www.dailynews.co.zw/articles/2014/01/23/trust-bank-liquidation-postponed>

Gulliver seeks investors

Distressed Gulliver Consolidated Limited (Gulliver) seeks investors to help turn around its waning fortunes.

<http://www.dailynews.co.zw/articles/2014/01/24/gulliver-seeks-investors>

Mwana to ramp up Zim mines

Aim-listed Mwana Africa Plc (Mwana) plans to ramp up production at its Zimbabwe-based gold and nickel mines following a strong performance in 2013.

<http://www.dailynews.co.zw/articles/2014/01/23/mwana-to-ramp-up-zim-mines>

Econet concludes Altech deal

Econet Wireless Global (Econet) has concluded a \$55 million deal to acquire an 8,6 percent stake in Liquid Telecom (Liquid).

<http://www.dailynews.co.zw/articles/2014/01/20/econet-concludes-altech-deal>

200m kg of tobacco expected

Tobacco farmers are expected to deliver at least 200 million kg of tobacco this marketing season, which begins next month.

<http://www.herald.co.zw/200m-kg-of-tobacco-expected/>

Up Coming Events

Company	Event	Venue	Date & Time
ARISTON	AGM	Royal Harare Golf Club	14 02 2014 1400Hrs

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

This document has been prepared by EFE Securities (Private) Limited (EFE), for the information of its clients. Although the statements of fact in this report have been obtained from sources that the company believes to be reliable, we do not guarantee their accuracy, and any such information may be incomplete or condensed. All opinions and estimates included in this report constitute the company's judgment as of the date of this report and are subject to change without notice. The securities discussed and mentioned in this report may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors they believe necessary. This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. EFE and any of the individuals preparing this report may at any time have a long and/ or short position in any securities of companies in this report. In addition EFE may from time to time perform investment banking or other services for, or solicit investment banking or other business from any entity mentioned in this report. EFE may at times buy and sell shares on an agency or principal basis to its clients. Shares may rise or fall and investors may end up with a reduced amount from their initial capital invested. Additional information on recommended securities is available on request