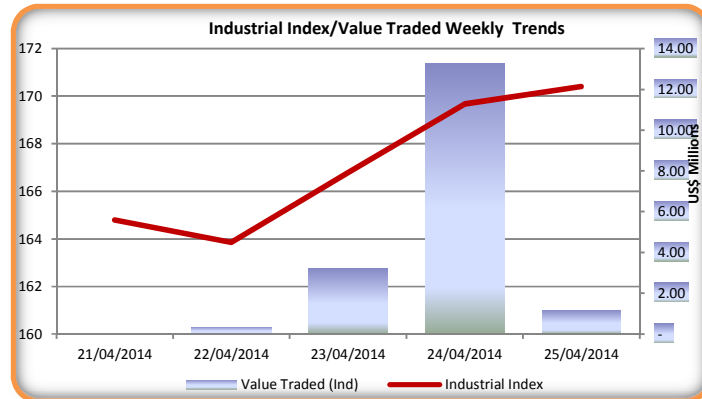
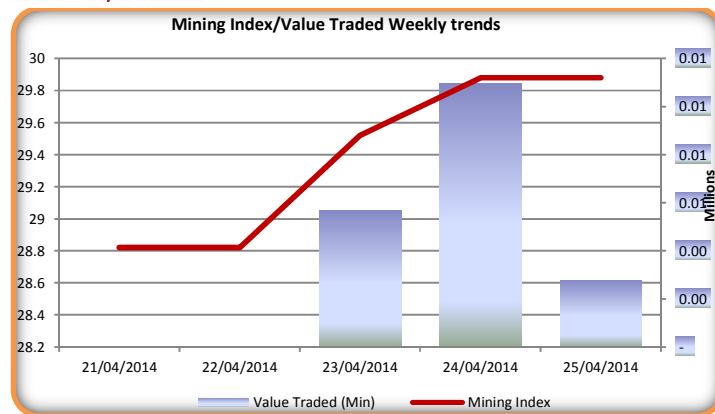


EFE Weekly Market Review 25 April 2014

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	18.07	10.73	68.34
Volume Traded (mn)	62.44	69.26	9.85
Foreign Purchases	14.32	5.63	154.48
Foreign Sales	7.09	6.36	11.42

Source ZSE/EFE Dbase.

Market Highlights

ZSE in post-holiday rebound on increasing potential policy shift...

The ZSE saw a post-holiday rebound as the market recovers from the pre-easter slump which saw several market heavies register new 52 week lows. Spurring the market rebound was the growing sentiment of a policy shift on the part of government as various government ministers echoed same at numerous forums in recent days. In admitting to the need to redress policy issues so as to attract foreign investment with particular reference to the indigenization and empowerment regulations, a first step towards arresting the economic haemorrhage has been made, though success greatly depends on the production and announcement of full policies.

Index	Level	%Δ	YTD %Δ
Industrial Index	170.40	3.40	15.69
Mining Index	29.88	3.68	34.75

Gains in market heavy weights mainly trading on a rebound saw the main stream Industrial Index gain +3.4% to 170.40pts. This saw the industrial index narrow its year to date losses to -15.69%.

A spate of activity in the resources after prior week inactivity saw the Mining Index put on +3.68% to 29.88pts. The index however remains with a huge year to date loss of -34.75%

Foreign investors buy into dips driving value higher...

The week under review saw the conclusion of the AICO unbundling with the sale of a volume of circa 7.1m shares in SeedCO to Vilmorin & Cie, who are the new major shareholders and technical partners in same. With this sale weekly turnover got a boost with the value of trades surging +68.34% to \$18.07m though volumes were 9.85% lower owing to the trades being confined to higher value stocks.

Foreign demand drove much of the weekly activity after the SeedCo purchases resulted in foreign inflows for the week growing 154.48% to

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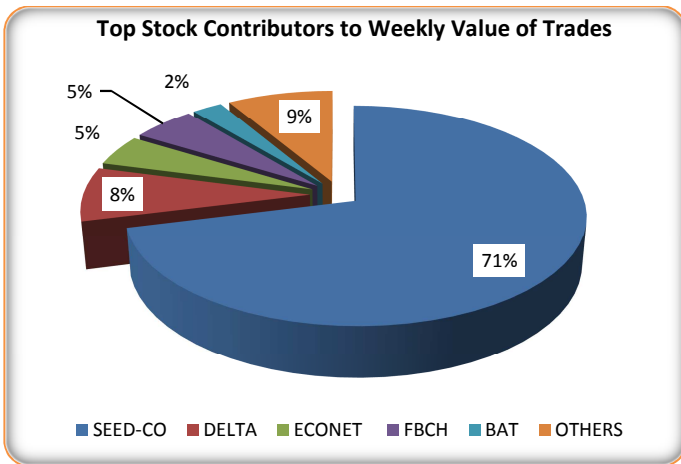
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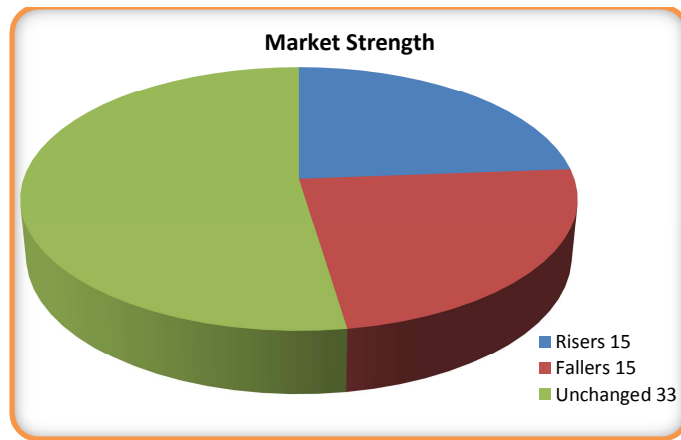
Chris Masendeke 0772135234

Phenias Mandaza 0772144334

Coreen Madanha 0772144333



\$14.32m. Foreign portfolio disposals were up by 11.4% to \$7.09m leaving the market in a net foreign inflow of \$7.23m for the week. As expected SeedCO dominated the value contributions for the week at 71% of the total while other notable trades were to be seen in Delta 8%; Econet 5% and FBCH also with 5%.



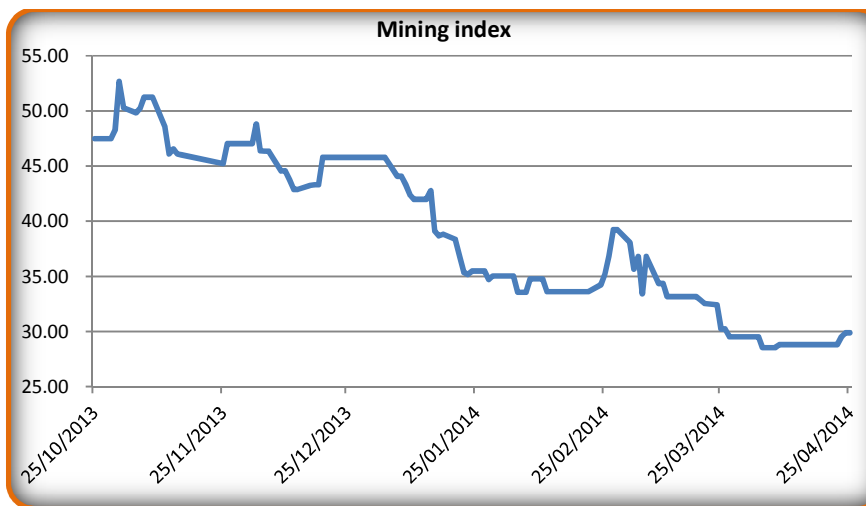
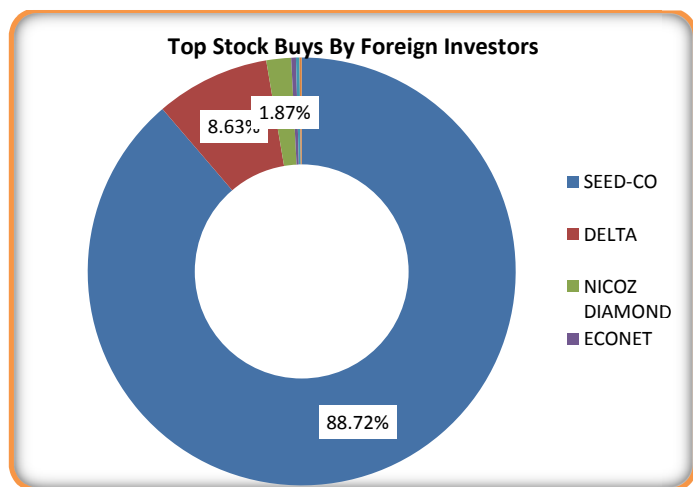
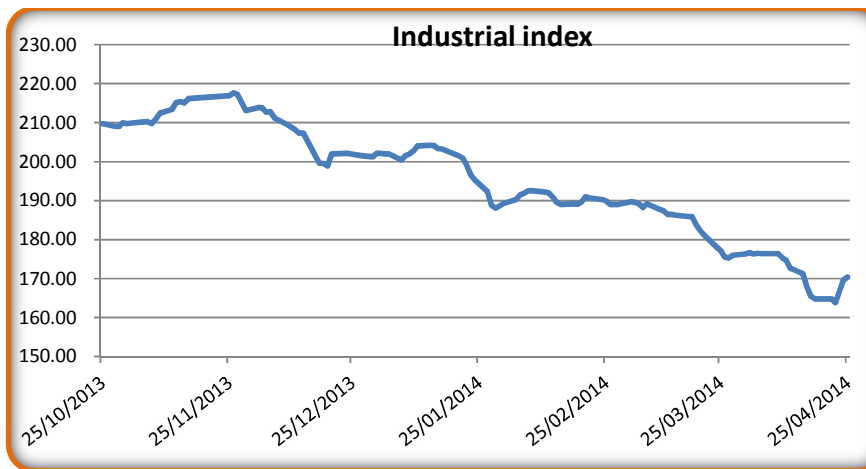
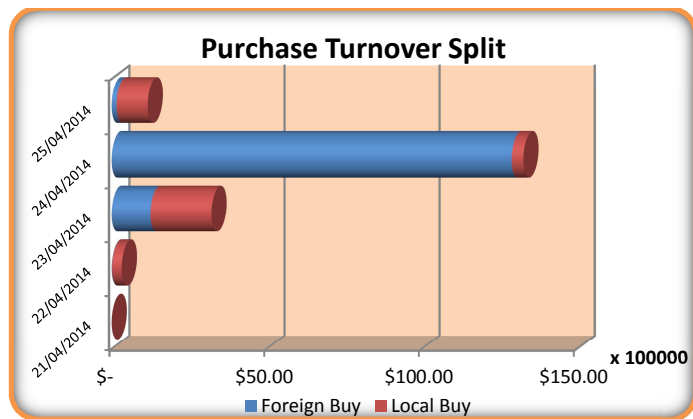
Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
MASH	2.50	19.05	23.08	ART ZDR	0.10	75.00	50.00
SEED-CO	75.51	12.87	16.10	MASIMBA	1.00	66.67	84.62
COTTCO	0.90	12.50	85.00	TRUWORTH	1.50	57.02	64.29
OK ZIM	20.00	11.11	0.00	TURNALL	3.00	25.00	40.00
HWANGE	6.00	9.09	33.33	PADENGA	6.60	13.16	17.50

The risers and fallers spectrum had a total of thirty stocks which were evenly balanced at a count of fifteen apiece, with the heavy caps rebound seeing the market to gains for the week. Chief amongst the heavy cap gainers were Delta on +5.71% to 111c, Innscor with a +5.06% gain to 62.5c, Old Mutual that added +3.67% to 254c and Econet which added +3.39% to 61.

Top gains for the week were however seen in property group Mash that led with a +19.05% rally to 2.5c while SeedCO followed after normal trades closed the week sailing at 75.51c a price that is +12.87% higher. COTTCO, OKZIM and Hwange completed the top gainers after closing at 0.9c, 20c and 6c having added +12.5%, 11.11% and 9.09% in that order.

Market light weights ART ZDR anchored the market losses after shedding -75% to 0.1c while Masimba followed after shaving off 66.7% of its value to 1c. Apparel retailers Truworths dropped -57.02% to a low of 1.5c. Struggling construction allied group Turnall traded 25% lower at 3c while Padenga completed the top fallers for the week after shedding -13.16% to a new 52 week low of 6.6c.

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

Seed Co completes Vilmorin transaction

Seed Co completed its transaction with Vilmorin & Cie after a special deal worth just above \$7 million was pushed through during ZSE trades yesterday. A special bargain of 7 149 407 at 99,25c was conducted in the counter by brokers Inter Horizon selling to Imara completing the sale of the now unbundled Aico's stake to Vilmorin & Cie.

<http://www.herald.co.zw/seed-co-completes-vilmorin-transaction/>

Econet, Western Union to integrate systems

ECONET Wireless has entered into a commercial arrangement with global money transfer agency Western Union that will enable people to send money from abroad to account holders of its mobile money transfer platform EcoCash.

<http://www.herald.co.zw/econet-western-union-to-integrate-systems/>

Zim trade deficit drops

Zimbabwe's trade deficit in the first quarter was near flat compared to the same period last year dropping 2.72 percent to \$822,19 million reflective of slow spending in the economy in light of the liquidity crisis.

<http://www.herald.co.zw/zim-trade-deficit-drops/>

Kaukonde ups stake in Willdale

Businessman Mr Ray Kaukonde has increased his shareholding in brick maker Willdale Limited ahead of the recapitalisation of the group. Mr Kaukonde upped his interest in the Zimbabwe Stock Exchange-listed brick manufacturer from 13 percent to about 23 percent.

<http://www.herald.co.zw/kaukonde-ups-stake-in-willdale/>

Old Mutual declares \$10m dividend

Old Mutual Zimbabwe has declared a \$10 million dividend for its shareholders for the year ended December 2013. The group in the same period posted positive results recording a 2000 percent increase in profit.

<http://www.herald.co.zw/old-mutual-declares-10m-dividend/>

Fidelity sets up SPV for \$5m bond

Fidelity Life Assurance of Zimbabwe Limited has setup a wholly-owned special purpose vehicle ring-fenced for the development and its \$5 million bond issue. The sole purpose of the SPV; Athena Estates (Private) Limited is to mobilise funding and service the proposed Fidelity Southview Park Residential Development.

<http://www.herald.co.zw/fidelity-sets-up-spv-for-5m-bond/>

Belgium passes China as major Zim tobacco buyer

Belgium has overtaken China as the major buyer of Zimbabwe's tobacco. The Asian economic giant, which has traditionally been the top importer of Zimbabwean tobacco, has dropped to fourth position.

<http://www.dailynews.co.zw/articles/2014/04/24/belgium-passes-china-as-major-zim-tobacco-buyer>

335 lose jobs as ZB Bank, Steward Bank rationalise operations

THE Zimbabwe Banking and Allied Workers' Union (Zibawu) has said ZB Bank and Steward Bank are in the process of terminating jobs of 335 employees as the two institutions embark on rationalisation of their operations.

<https://www.newsday.co.zw/2014/04/24/335-lose-jobs-zb-bank-steward-bank-rationalise-operations/>

US returns to ZITF after long absence

Martin Kadzere in BULAWAYO The number of countries participating at this year's 55th edition of the Zimbabwe International Trade Fair has marginally increased to 19 with the United States of America ...

<http://www.herald.co.zw/us-returns-to-zitf-after-long-absence/>

Belgium tops tobacco buyers' list

Belgium is the biggest buyer of Zimbabwean tobacco so far this year with 3,4 million kilogrammes worth \$9,1 million having been exported to that country to date, the Tobacco Industry and Marketing Bo...

<http://www.herald.co.zw/belgium-tops-tobacco-buyers-list/>

World Bank calls for reforms unit

Business Reporter Government must consider establishing a dedicated technical team to drive implementation of economic reforms that bring about sustained growth, the World Bank has said.

<http://www.herald.co.zw/world-bank-calls-for-reforms-unit/>

Fidelity sets up SPV for \$5m bond

Business Editor Fidelity Life Assurance of Zimbabwe Limited has setup a wholly-owned special purpose vehicle ring-fenced for the development and its \$5 million bond issue. The sole purpose of the SPV...

<http://www.herald.co.zw/fidelity-sets-up-spv-for-5m-bond/>

ZPC deal hangs in balance

Martin Kadzere Senior Business Reporter ZIMBABWE Power Company may re-tender bids for Hwange Thermal Power Station expansion, nearly a year after naming China Machinery Engineering Company as the win...

<http://www.herald.co.zw/111613/>

Up Coming Events

Company	Event	Venue	Date & Time
Willdale	AGM	Admin Block, Tenerife Factory, Mt Hampden	06.05.14
Zimplow	AGM	North End Park, Northridge, Borrowdale	05.05.14

CAUTIONARIES

ISSUE DATE

Company	Issue Date	Description
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 amount owed
PGI	4th Dec 2013	Negotiations that may have material effect on the future of the company

Notes

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