

Industrials slip back into the red...

Zimbabwe’s economic policies returned to haunt the business fraternity as the 1st of April deadline for the withdrawal of operating licenses as threatened by the indigenization ministry drew near. Though the minister reportedly backed down from the threat of withdrawing licenses forthwith but hinted to a process that non-compliant firms will be subjected to, the handling of such delicate developments have a bearing on the attractiveness of the country as an investment destination. Authorities would therefore be better advised to consider the fact that the same foreign investors have other opportunities equally viable as those in Zimbabwe but with a less hostile operating environment. The indigenization debate clearly stole the limelight overwhelming the fairly decent financials that continued to filter into the market, especially when taken in light of the prevailing environment. Notable amongst those that reported this week was crocodile skins producers Padenga that saw improved profitability despite a marginal decline in revenues. Even perennial loss makers like Turnall did well to turn from a huge loss position and post a modest \$106,938 profit for the year. It was not all rosy though in the reporting companies as the likes of ZHL and African sun suffered another year of losses in 2015.

Industrials trek back into the red...

Indices

	Previous	Current	Change (pts)	% Change	YTD %
<i>Industrial</i>	98.18	97.80	0.3800	0.39	14.85
<i>Mining</i>	19.53	19.53	0.0000	0.00	17.59

Persistent selling pressure in market heavy weights dragged the benchmark industrial index into the red as it shed 0.39% and settled at 97.80pts. Following the loss for the week, the index’s year to date losses extended to 14.85%.

It was another week of inactivity for the minings cluster which closed flat at 19.53pts and as a result maintained the year to date loss position of 17.59%. Stocks in the cluster have faced a myriad of challenges key amongst them recapitalization and global commodity price slow down.

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Risers

Symbol	Previous	Current	Change	%Change
ZBFH.ZW	0.0250	0.0300	0.0050	20.00
PHL.ZW	0.0605	0.0701	0.0096	15.87
NICO.ZW	0.0150	0.0160	0.0010	6.67
OKZ.ZW	0.0345	0.0367	0.0022	6.38
OML.ZW	2.0800	2.2025	0.1225	5.89
SACL.ZW	0.0095	0.0100	0.0005	5.26
ECO.ZW	0.2416	0.2500	0.0084	3.48
ZIMR.ZW	0.0175	0.0180	0.0005	2.86
INN.ZW	0.1829	0.1870	0.0041	2.24
SEED.ZW	0.6350	0.6400	0.0050	0.79

Faller

Symbol	Previous	Current	Change	%Change
HIPO.ZW	0.3370	0.2509	0.0861	25.55
DAWN.ZW	0.0200	0.0161	0.0039	19.50
EDGR.ZW	0.0540	0.0500	0.0040	7.41
BARC.ZW	0.0300	0.0280	0.0020	6.67
NTFD.ZW	2.2000	2.1000	0.1000	4.55
PPC.ZW	0.7000	0.6975	0.0025	0.36

* All prices in USD

Bulls dominant as market gains...

An air of bullish tendencies continued to pervade the ZSE in the week under review as the market breadth continued to be positive notwithstanding the loss in the benchmark index. The continued declines in prices on the bourse have gradually pushed most of the valuations on these stocks into attractive positions while, the reporting season has also shown that some of the pressure prices had been overdone. Twelve counters were in week on week gains compared to six fallers leaving a positive market breadth of six.

Agricultural industrial concern Hippo led the market losses after succumbing 25.5% and settling at \$0.2509. After several weeks of inactivity on lack of demand in property concern Dawn, the stock eventually traded 19.5% lower at \$0.0161 where demand was established. Apparel retailers Edgars came off 7.41% and settled at \$0.0500 while, banking group Barclays shed 6.67% to follow and settled at \$0.0280. Heavy cap losses were seen in food processing and packaging giant Natfoods that retreated 4.55% to \$2.1000 and in cement manufacturers PPC that completed the weekly fallers on a 0.36% decline and closed the week trading at \$0.6975.

Investors gave a cheer to ZBFH's stellar 2015 financial performance and saw the financial services group advance 20% and ended the week at \$0.0300 and was also well bid at \$0.0350. Similarly, investors were charmed by Padenga's financials and rewarded the group with a 15.87% uplift in price to \$0.0701. Retail giant OKZIM was also in recovery mode adding 6.38% to \$0.0367 while, Old Mutual added 5.89% and closed at \$2.2025. Heavy cap gains were seen in Econet, Innscor and SeedCo that put on 3.48%, 2.24% and 0.79% to end the week trading at \$0.2500, \$0.1870 and \$0.6400 respectively.

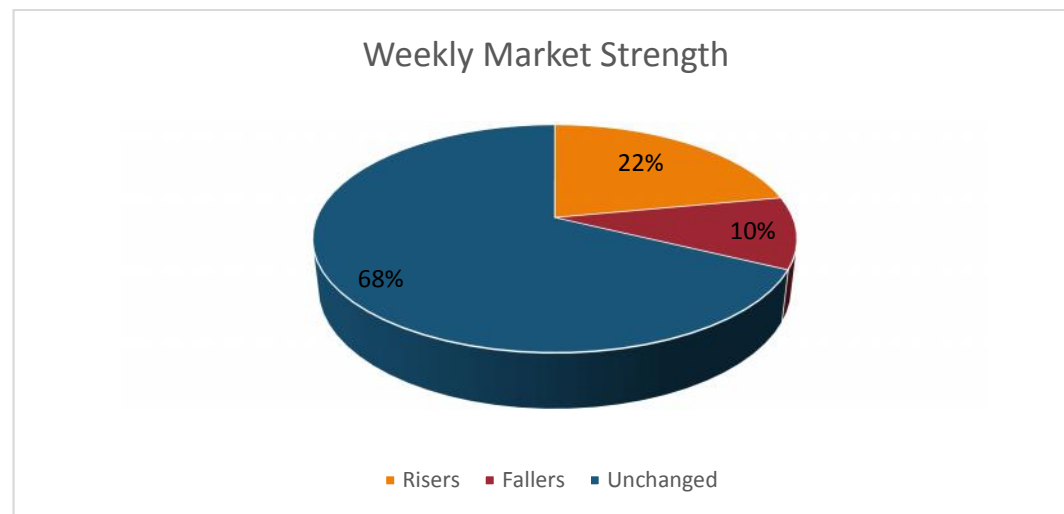
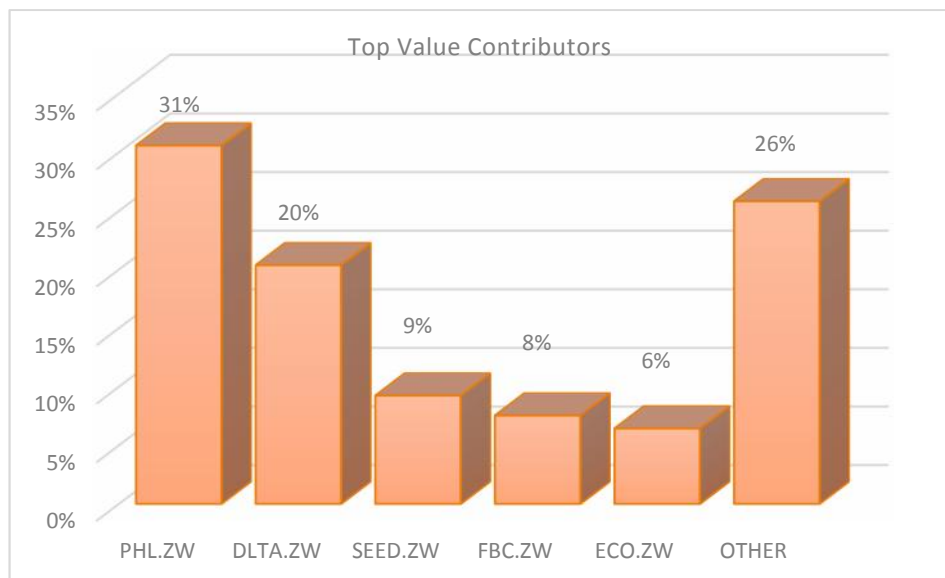
Market Aggregates and Statistics

Market turnover aggregates



	Previous	Current	Change	%Change
Values	3,045,468.00	2,407,184.85	638,283.15	20.96
Volumes	12,430,096	24,537,860	12,107,764.00	97.41

The market saw lower values being exchanged in the market compared to last week despite improving bids across the board. Value of trades were 21% softer on previous week at \$2.4m owing largely to depressed supply in selected stocks as sellers hold back deeming current prices unattractive. Top value drivers for the week emerged to be Padenga 31%, Delta 20%, SeedCo 9% and FBCH 8%. Volumes of the week grew 97.41% to 24.5m shares propped up by a block trade in Padenga which saw the agri-business account for 49% of the aggregate. Other notable volume drivers were FBCH with 12% and Edgars also claiming 12% of the aggregate.



In the news...

Zimpapers returns to profitability

A decrease in operating expenses following the full implementation of cost reduction initiatives saw the country's largest media house bounce back to profitability in the year to December 31, 2015.

<http://www.herald.co.zw/zimpapers-returns-to-profitability/>

RTG records flat revenue

Hospitality group Rainbow Tourism Group (RTG) recorded flat revenue performance in the 2015 full year results in comparison to 2014, closing the year on \$30.6 mln. Despite the flat performance RTG registered growth in occupancy and foreign business.

<http://www.herald.co.zw/rtg-records-flat-revenue/>

Getbucks interest income up 26pc

GetBucks Financial Services reported a 26% increase in interest income in the six months to December at \$3.3 mln from \$2.81 mln in the same period in 2014 but a spike in operating expenses saw profitability drop to \$1.99 mln from \$2.13 mln.

<http://www.herald.co.zw/getbucks-interest-income-up-26pc/>

Hwange seeks to cut down labour costs

Coal miner Hwange Colliery Company is looking at cutting down labour costs in an exercise that will see the company abolishing majority of senior positions, sending some workers on early retirement, putting some on unpaid leave and outsourcing more functions.

<http://www.herald.co.zw/hwange-seeks-to-cut-down-labour-costs/>

RioZim loss falls 52pc

RioZim's net loss fell 52% to \$8.2 mln in the year to December 2015 driven by profitability in gold mining operations, despite prevailing low bullion prices. Profitability was hit by a double whammy, a \$9 mln loss at its nickel refinery, which dragged down the bottom line, and a 14% dip in revenue at \$56.6 mln.

<http://www.herald.co.zw/riozim-loss-falls-52pc/>

Zimplow turnover slumps

Zimplow Limited's turnover for the 12 months to December 31, 2015 was 15% down at \$30 mln from \$35 mln of the prior period as result of subdued demand at Mealie Brand and prevailing difficult global environment.

<http://www.herald.co.zw/zimplow-turnover-slumps/>

Padenga Holdings expects solid performance

Crocodile skins and meat producer, Padenga Holdings, expects a more solid performance this year based on an excellent crop of crocodiles on the ground coupled with "good" cash and working capital management.

<http://www.herald.co.zw/padenga-holdings-expects-solid-performance/>

Olivine restructures

Olivine Industries is currently going through a restructuring exercise following changes in its shareholding. The restructuring exercise has claimed the scalps of top executives at the firm including chairman Narottam Somani and managing director Jonas Mushagari.

<http://www.herald.co.zw/olivine-restructures/>

Old Mutual sets June deadline separation details

OLD Mutual Zimbabwe has set June as the deadline to release a timeframe and details towards finalisation of the group's managed separation of its business units.

<https://www.newsday.co.zw/2016/04/01/old-mutual-sets-june-deadline-separation-details/>

Tobacco season starts on a high note

THE tobacco selling season began yesterday, with the golden leaf selling for \$4,50 per kg, almost double last year's opening price of \$2,50 per kg

<https://www.newsday.co.zw/2016/03/31/tobacco-season-starts-high-note/>

Property sector subdued

The property sector is subdued due to the illiquid conditions and harsh operating environment which has spawned increasing levels of rental defaults, market players have said.

<https://www.newsday.co.zw/2016/03/29/property-sector-subdued/>

ZB registers 191% profit increase

ZB Financial Holdings has registered a 191% increase in its profit for the year to \$8,94 million in the year ended December 31, 2015 attributed to a reduction in expenses recoveries of bad debts, the group has said.

<https://www.newsday.co.zw/2016/03/24/zb-registers-191-profit-increase/>

Listed firms scramble to pay dividend

Zimbabwe Stock Exchange-listed companies are scrambling to declare dividends despite the worsening economic and liquidity situation in the country.

<https://www.dailynews.co.zw/articles/2016/03/30/listed-firms-scramble-to-pay-dividend>



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