

ZSE in the red heading into the fourth quarter...

As has become the norm throughout this year bears remained dominant on the ZSE heading into the fourth quarter to see the market register a third successive quarterly loss year to date. The third quarter proved to have been the worst of the three as the main stream Industrial Index shed a whopping 11.10% resulting in the YTD loss for the benchmark of 18.96% by end of Q3. The first and the second quarter has registered losses of 2.81% and 6.21% respectively as the market succumbed to sell offs that have not been unique to Zimbabwe, but to most emerging markets while ZSE's position has been weakened by the debilitating economic environment in the country. With industry facing a coterie of challenges amongst them lack of cheap funding to retool and refurbish antiquated equipment coupled with power issue which have worsened in recent months competitiveness remains a pipe dream. The recent wave of layoffs, while expected to improve efficiencies on the labour front, have in a way reduced the demand side and consequently the short to medium term outlook is likely to see continued deflationary pressures given the intense competition in retail.

No reprieve for benchmark indices...

Indices

	Previous	Current	Change (pts)	% Change	YTD %
<i>Industrial</i>	132.43	131.45	0.9800	0.74	19.25
<i>Mining</i>	25.15	23.97	1.1800	4.69	66.57

The all too familiar negative returns for benchmark indicators was again the case this week as the market continued to dip with no reprieve. The main stream Industrial Index shed 0.74% for the week settling at 131.45pts. At this level, the industrials have since shed 19.25% from the beginning of the year and is increasingly set to achieve a third successive year of losses after we kicked off the final quarter on a low note. The Mining Index suffered a 4.69% dent that took it to 23.97pts as investors' interest in the resources counters remain subdued in the face of lower global commodities prices in addition to the challenge of recapitalization faced by the local extraction companies.

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Contacts:

EdgetonTsanga 0772277153

Chris Masendeke 0772135234

PheniasMandaza 0772144334

CoreenMadanha 0772144333

Brenda Mwaturura 0782785666

Risers

Symbol	Previous	Current	Change	%Change
ZPI.ZW	0.0080	0.0095	0.0015	18.75
NPKZ.ZW	0.0207	0.0240	0.0033	15.94
CBZ.ZW	0.0883	0.0900	0.0017	1.93
BARC.ZW	0.0432	0.0440	0.0008	1.85
INN.ZW	0.5900	0.6000	0.0100	1.69
ECO.ZW	0.2670	0.2701	0.0031	1.16
NICO.ZW	0.0170	0.0171	0.0001	0.59
CFI.ZW	0.0450	0.0452	0.0002	0.44
BAT.ZW	11.6000	11.6420	0.0420	0.36

Faller

Symbol	Previous	Current	Change	%Change
ASUN.ZW	0.0250	0.0198	0.0052	20.80
MEIK.ZW	0.1000	0.0900	0.0100	10.00
BIND.ZW	0.0150	0.0135	0.0015	10.00
PPC.ZW	1.1000	1.0000	0.1000	9.09
ARTD.ZW	0.0060	0.0055	0.0005	8.33
FIDL.ZW	0.0974	0.0900	0.0074	7.60
EDGR.ZW	0.0750	0.0696	0.0054	7.20
PHL.ZW	0.0850	0.0828	0.0022	2.59
DLTA.ZW	0.8349	0.8150	0.0199	2.38
OKZ.ZW	0.0614	0.0600	0.0014	2.28

* All prices in USD

Losers dominate weekly trades...

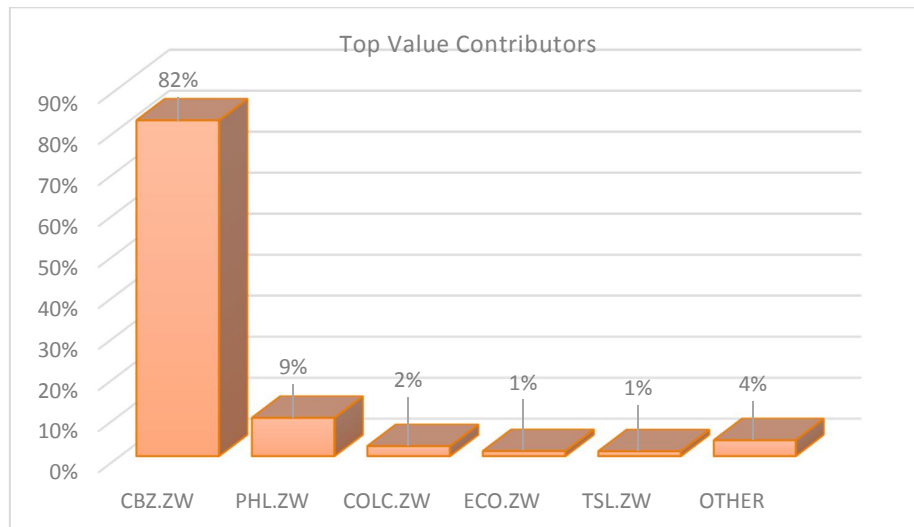
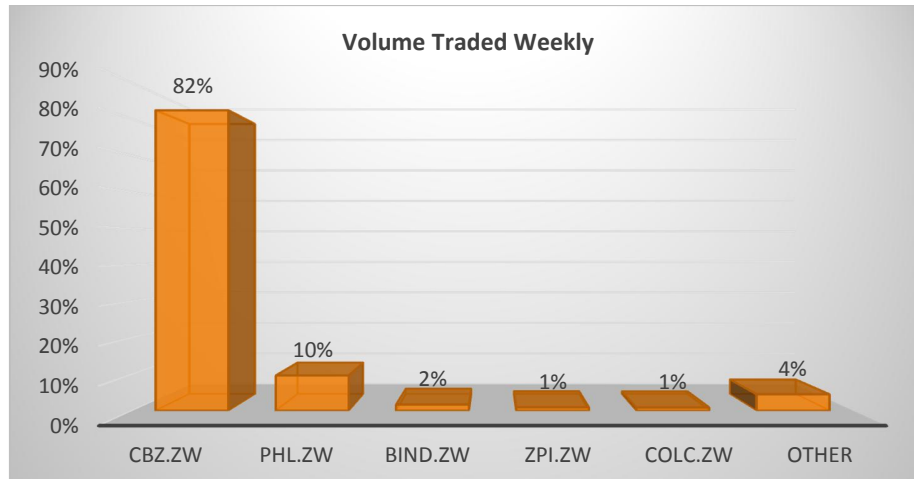
Soft trading was the order of the week as thirteen stocks closed lower week on week while nine registered gains and eight traded stable in the thirty active stocks for the week. Weakness remained evident in the market's blue chips with notable losses being seen in SeedCO, OKZIM, OML, Delta and PPC. SeedCO that had managed to ride out market selloffs in the previous months has lately seen weak demand and this week came off 0.59% to \$0.9900. Multi-listed financial services group Old Mutual came off 1.61% and closed at \$2.4500 while retail group OKZIM shed 2.28% and settled at \$0.0600 remaining with depressed demand. Beverages group Delta retreated 2.38% and closed the week at a low of \$0.8150. Cement manufacturers PPC retreated 9.1% as its local price dropped in response to the weakening price of the stock in South Africa.

Top losses for the week were seen in African Sun which came off 20.8% and closed the week at \$0.0198. Meikles and Bindura followed after shedding identical losses of 10% to \$0.0900 and \$0.0135. Other loses were seen in ART and Fidelity that came off 8.33% and 7.60% closing the week at \$0.0055 and \$0.0900.

Demand returns selectively...

Cherry picking emerged for a selection of stocks with some resurgent demand led by property group ZPI that jumped 18.75% to \$0.0095. Packaging group Nampak added 15.94% and settled at \$0.0240 while resurgent demand in banking group CBZ saw the financial services group add 1.93% and closed the week at a price of \$0.0900. Barclays was similarly up adding 1.85% to \$0.044 on resurgent demand and closed the week firmly bid. Heavy cap gains of the week were seen in Innscor up 1.69% at \$0.6000, Econet firming 1.16% to \$0.2701 and BAT which added a marginal 0.36% and closed the week at \$11.6420

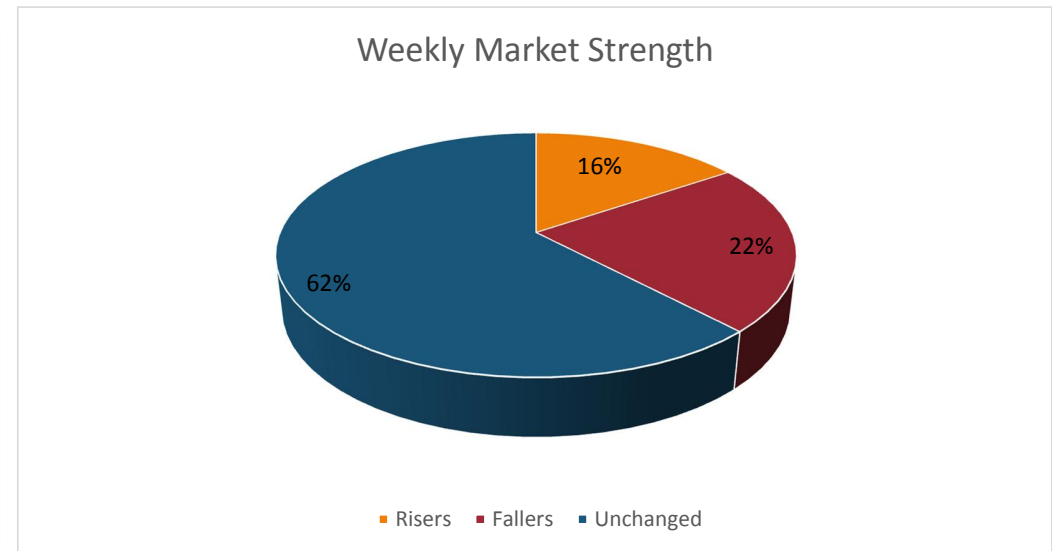
Market Aggregates and Statistics



Market turnover Aggregates

	Previous	Current	Change	%Change
Values	2,883,988.59	2,006,371.22	877,617.37	30.43
Volumes	17,744,200	23,490,669	5,746,469.00	32.39

Activity aggregates reflected a mixed outturn with values declining 30.43% to \$2.0m while volumes of the week were up 32.39% to 23.49m shares. The value and volume drivers of the week digressed from the usual heavy cap dominance with none of the top five capitalized stocks getting any slot. CBZ and Padenga top traded on both aggregates with the duo accounting for combined 92% and 91% to volumes and values respectively.



In the news...

Delta slashes beer prices

Beverages has reduced the price of its mainstream brands to stimulate demand in the wake of waning disposal income.

<https://www.newsday.co.zw/2015/10/01/delta-slashes-beer-prices-2/>

Star Africa seeks funds for plant upgrade

Diversified conglomerate starafriacorporation Limited will spend \$300 000 for remedial work to upgrade the remaining part of the Goldstar Sugars Harare plant in line with recommendations made by an independent sugar technology consultancy firm from South Africa.

<https://www.newsday.co.zw/2015/10/01/starafrika-seeks-funds-for-plant-upgrade/>

RioZim moves to revive Cam and Motor mine

Resources group RioZim has placed orders with a Chinese firm for the manufacture of a plant with capacity of processing up to 2 500 tonnes of ore per day, as it moves to revive Cam and Motor Mine.

<https://www.newsday.co.zw/2015/09/30/riozim-moves-to-revive-cam-motor-mine/>

Chinese rebrand Mwana Africa

London-listed Mwana Africa Plc (Mwana) is rebranding to Asa Resources Group Plc to reflect the new Chinese shareholding structure.

<http://www.dailynews.co.zw/articles/2015/10/01/chinese-rebrand-mwana-africa>

EU backs Zim debt strategy

The European Union (EU) says it supports Zimbabwe's debt repayment strategy and will facilitate for "progressive" discussions with creditors at the upcoming multilateral lenders meetings in Lima, Peru.

<http://www.dailynews.co.zw/articles/2015/09/29/eu-backs-zim-debt-strategy>

Natfoods to invest \$9m in mills upgrade

National Foods Limited will invest about \$9 mln in the current financial year towards upgrading its maize and flour mills, stockfeed and FMCG platforms to improve efficiencies, chief executive Mike Lashbrook said.

<http://www.herald.co.zw/natfoods-to-invest-9m-in-mills-upgrade/>

Govt policy on milk imports beneficial

Kwekwe dairy company Dendairy is targeting a turnover of \$32 mln this year up from the \$24 mln it reported last year. Company director Daryl Archibald told a delegation of ambassadors, embassy officials and officials from lending agencies touring companies in Kwekwe, Gweru and Bulawayo that milk production had been growing 30% year on year.

<http://www.herald.co.zw/govt-policy-on-milk-imports-beneficial/>

Meikles expects firm performance

Meikles Limited expects a solid performance in the coming years when a number of initiatives begin to pay off. Among the initiatives currently underway is the expansion at the group's tea producer, Tanganda, which will have 800 hectares of macadamias, 500 hectares of avocado pears and 400 hectares of coffee in addition to tea by the end of this season. <http://www.herald.co.zw/meikles-expects-firm-performance/>

Econet mulls listing liquid telecomms

Econet Wireless Group is considering a separate listing next year for subsidiary Liquid Telecom on an as yet unnamed major exchange in Europe, founding chairman Strive Masiyiwa has said. The leading data, voice and internet service provider is widely considered the largest operator of fibre and business satellite services in Africa.

<http://www.herald.co.zw/econet-mulls-listing-liquid/>

Colcom to increase pig output capacity

Colcom Holdings Ltd says it expects to increase pig production by 27% in the first quarter of 2016 following the commissioning of a new production facility.

<http://www.herald.co.zw/colcom-to-increase-pig-output-capacity/>

Innscor appoints Quick Service Restaurant CEO

Innscor Africa Limited has appointed Basil Dionisio as chief executive officer of the soon to be unbundled Quick Service Restaurant (QSR) business.

<https://www.newsday.co.zw/2015/09/29/innscor-appoints-quick-service-restaurant-ceo/>

FBC bank opens sme departments

FBC Bank Limited has set up departments in Harare and Bulawayo to cater for the needs of the small-to-medium enterprises (SMEs) as it taps into the sector that accounts for over 70% of employment in Zimbabwe.

<https://www.newsday.co.zw/2015/09/28/fbc-bank-opens-sme-departments/>

Zim receives \$100m boost from EU

Zimbabwe and the European Union has signed five financial agreements amounting to €89 million (\$97,9 million) under a fund by the European bloc to support the country's efforts in implementing crucial political and economic reforms.

<https://www.newsday.co.zw/2015/09/29/zim-receives-100m-boost-from-eu/>

Radar Holdings revenue declines by 17%

RADAR Holdings Limited has recorded a 17% decline in revenue to \$6 864 047 for the full year ended-June 30 2015, due to reduction in sales volumes.

<https://www.newsday.co.zw/2015/09/28/radar-holdings-revenue-declines-buy-17/>

Sino- Zim slashes cement prices

GWERU-based cement company, Sino Zimbabwe, has reduced the price of its cement products by 20 percent to increase market share, General manager, Wang Yong, said they had reduced the price of PC15 cement from US\$10 to US\$8 per 50 kg bag.

<http://www.financialgazette.co.zw/sino-zim-slashes-cement-prices/>

Proplastics plans major plant upgrades

PROPLASTICS, the producer of piping products which staged a surprise listing on the Zimbabwe Stock Exchange (ZSE) in June, is to carry out significant capital expenditure projects in Zimbabwe.

<http://www.financialgazette.co.zw/proplastics-plans-major-plant-upgrades/>



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