

## ZSE surges to YTD High...

	Previous	Current	Change	%Change	YTD %
<b>Industrial</b>	160.30	167.98	7.6800	4.79	16.23
<b>Mining</b>	69.21	69.63	0.4200	0.61	19.01

The ZSE rallied for another week as demand continued to firm up across the board amidst constrained supply. Demand, which had previously been confined to selected market heavies where investors were cherry picking, continued to rapidly spread across the board as buyers sought supply. Even improved prices from the recent weeks did little to entice sellers to part with their script as investors held on. As a consequence the Industrial Index closed the week with a cumulative 4.79% to touch a year to date high of 167.98pts while, bringing up a year to date return of 16.23%. The Mining Index was similarly trending northwards garnering a cumulative 0.61% for the week and closing at 69.63pts while, showing a year to date return of 19.01%. The corporate scene saw several companies releasing results which in all cases were relatively better than their last outcomes amongst them Meikles which had an almost breakeven outcome for the year after posting a comprehensive profit of \$0.34m, and Powerspeed which reported a much improved H1 performance posting after tax profits of \$0.5m. Elsewhere, Barclays' long running takeover was completed this week with former major shareholders Barclays Plc announcing that they had sold their entire stake in Zimbabwe's operation to First Merchant Bank of Malawi.

### Weekly Risers

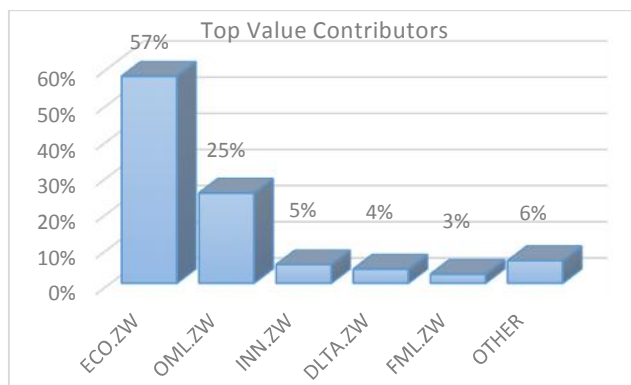
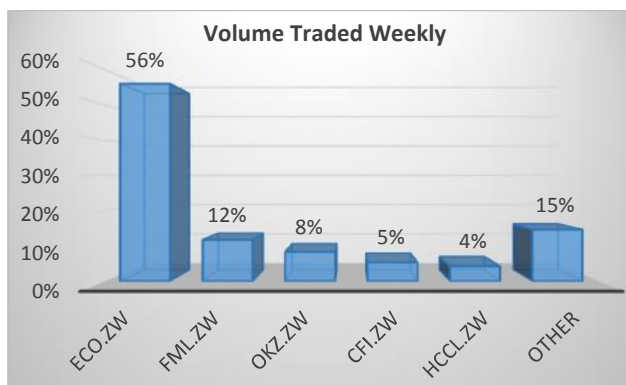
RISERS	PRICE	% Change
MEIK.ZW	0.2500	26.90
ECO.ZW	0.3500	16.67
ZIMW.ZW	0.0396	16.47
HIPO.ZW	0.5225	16.11
FBC.ZW	0.1200	13.21
INN.ZW	0.6000	11.98
SACL.ZW	0.0120	9.09
AXIA.ZW	0.0870	7.41
OKZ.ZW	0.0750	7.14
FML.ZW	0.0799	6.53

Seventeen counters posted gains over the week against a mere three fallers as a positive market breadth of fourteen emerged. Meikles led the market charge with a 26.90% surge that took the diversified group to a year to date high of \$0.2500 as demand continued to soar. Econet sustained its ascendancy with a 16.67% jump to touch a 52 week high of \$0.3500 while, Zimplow ended the week at \$0.0396 having put on 16.47% week-on-week. Sugar manufacturers Hippo added 16.11% after weeks of firming demand with no supply as banking group FBCH put on 13.21% to \$0.1200. Innscor charged 11.98% to \$0.6000 extending its recent surge since the announcement of plans to buyout minorities in subsidiary Colcom. Sugar processing and packaging group enjoyed a rare spat of trades with 9.09% lift taking the group to \$0.0120 while, Axia firmed 7.41% to \$0.0870 amidst growing demand. Retail group OKZIM sustained its post results surges putting on 7.14% to \$0.0750 while, insurance group FML completed the top risers of the week on a 6.53% rebound to \$0.0799.

### Weekly Fallers

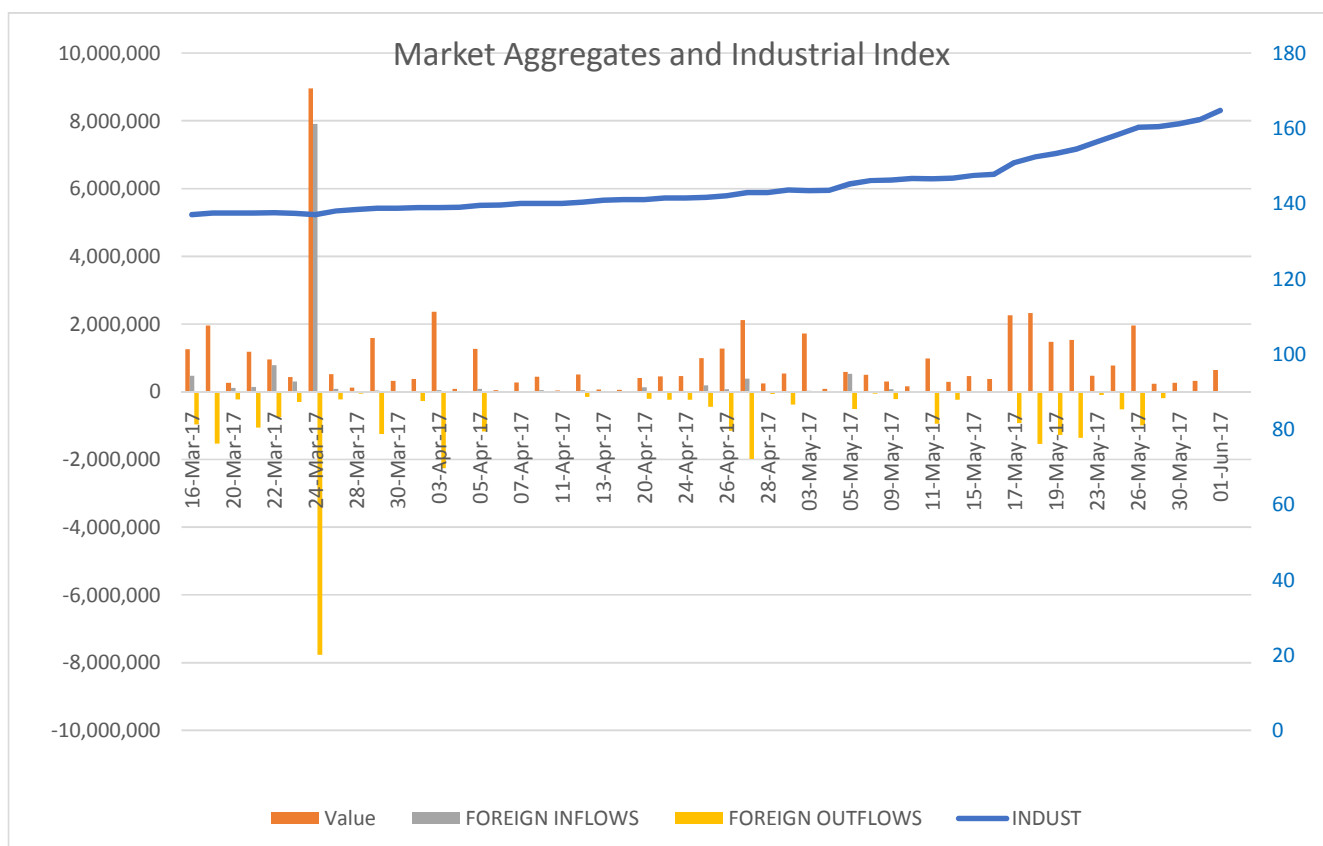
FALLERS	PRICE	% Change
WILD.ZW	0.0035	30.00
HCCL.ZW	0.0233	19.66
ZIMR.ZW	0.0130	13.33

Only three counters ended the week in the red with brick manufacturers Willdale leading the slide on a 30% decline that took it to \$0.0035 while, coal miners Hwange followed on a 19.66% decline to \$0.0233. Insurance group ZHL slipped 13.33% and ended at \$0.0130 on waning demand.

**Econet drives market activity...**


	Previous	Current	Change	%Change
<b>Values</b>	4,732,727.79	2,901,360.59	1,831,367.20	38.70
<b>Volumes</b>	25,047,926.00	8,859,888.00	16,188,038	64.63

The market witnessed a rather slower trading week activity wise owing largely to the constrained supply as the market was generally firmly bid. The value of trades went down 38.7% and ended at \$2.9m with the aggregate being anchored by Econet and Old Mutual which claimed a combined 82% of the aggregate. Volumes of the week were down 64.63% with the top driver of the aggregate having accounted for 56% of the same.



## In the News

ECONET Wireless Zimbabwe has experienced a nearly 10% drop in profit after tax to \$36,18 million for its financial year ending February 28, with the voice segment witnessing a fall due to lower spending. <https://www.newsday.co.zw/2017/06/01/econet-10-profit-drop/>

BARCLAYS Plc has sold its majority stake in its Zimbabwean operation to Malawi's First Merchant Bank (FMB), putting an end to months of a fierce bidding war to take over one of the country's iconic financial institutions. <https://www.newsday.co.zw/2017/06/01/malawian-bank-snaps-barclays-zim/>

THE number of slaughtered pigs slumped by 7,5% in the first quarter of 2017 due to the prevailing cash crisis and high costs of production, an industry official has said. <https://www.newsday.co.zw/2017/06/01/pork-production-slumps-75/>

THE retail sector is this year expected to experience a 1,9% decline to 0,8% growth compared to last year largely on the back of the low demand and a prolonged deflationary period, the Reserve Bank of Zimbabwe (RBZ) has said. <https://www.newsday.co.zw/2017/06/01/retail-sector-decline/>

NICHOLAS Vingirai, through his investment vehicle, Transnational Holdings Limited (THL), has taken control of Mashonaland Holdings (Mashold) following the appointment of his crony, Michael Mahachi, as chairman of the property investment and development concern. <http://www.financialgazette.co.zw/nicholas-vingirai-takes-control-of-mashonaland-holdings/>

THE National Social Security Authority (NSSA) will not increase its shareholding or make any further investments in other insurance companies on the Zimbabwe Stock Exchange (ZSE) to avoid competition with its now-subsiary, NicozDiamond. <http://www.financialgazette.co.zw/nssa-to-focus-on-nicozdiamond/>

EMBATTLED banker, Nicholas Vingirai, is seeking government intervention to rescue a deal in which he is expected to increase his shareholding in banking group, ZB Financial Holdings Limited (ZBFHL), from whose board he was booted out at a recent shareholder meeting. <http://www.financialgazette.co.zw/vingirai-seeks-government-help-on-zb-board-coup/>

FIDELITY Life Assurance recorded a dip in net insurance premiums last year as the deepening economic crisis took its toll. <https://www.theindependent.co.zw/2017/06/02/fidelity-life-net-premiums-decline/>

Econet Wireless Zimbabwe today announced its financial results for the year ended 28 February 2017, showing a resilient performance underpinned by "a robust business model and an innovative and pioneering spirit". <https://www.theindependent.co.zw/2017/05/31/econet-shows-resilience-face-headwinds/>



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## EFE RESEARCH – Weekly Market Review Weekending 02.06.2017

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