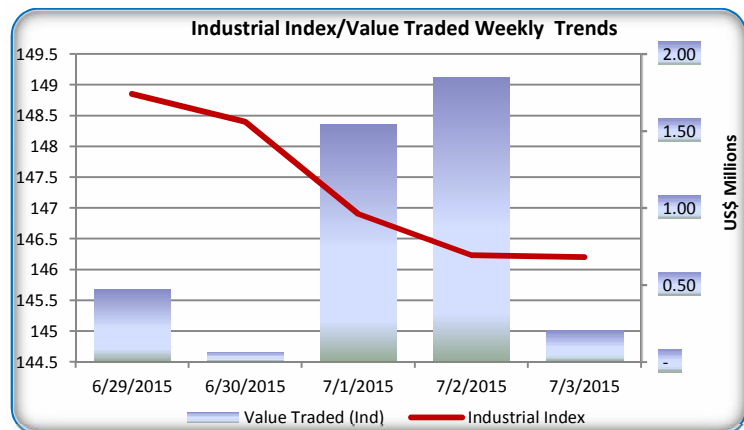
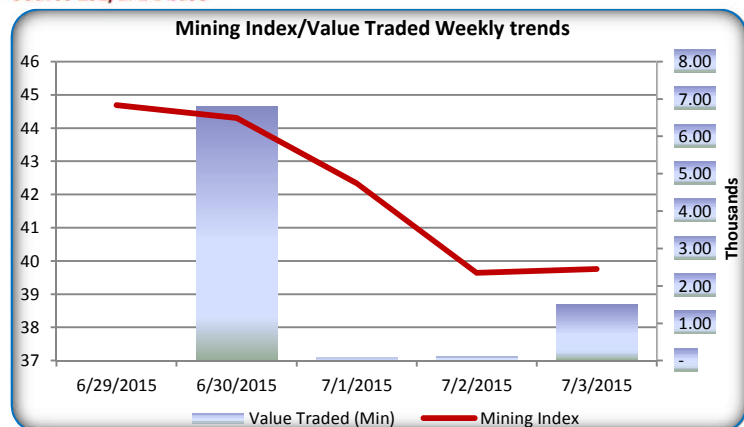


EFE Weekly Market Review 03 July 2015

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	4.13	1.90	117.04
Volume Traded (mn)	61.92	12.48	396.29
Foreign Purchases	2.58	1.04	148.61
Foreign Sales	1.98	0.22	778.98

Source ZSE/EFE Dbase.

Bearish trend persists into H2 as momentum stocks lose ground...

The bear market became firmly entrenched on the ZSE in the week under review as sell offs in market heavy weights pushed prices lower. Most of the market's momentum stocks trended southwards as sellers sought liquidity in the demand constrained market. Diversified telecoms giant Econet were the major casualty of the market selloff as they slumped 12.5% to 35c, its lowest level since October of 2009 (Adjusted for the 10 for 1 share split of 2013). Econet's price performance has been subdued post its full year results to February 2015 that fell below market expectations prompting widespread sell offs. Other momentum stocks to trade softer were Innscor -4.75%, PPC -4.17%, Delta -0.99% and BAT -0.87%.

The falling momentum stocks dragged the main stream Industrial Index lower to 146.20pts having shed a cumulative -1.74% for the week. This week's loss meant that the industrials have lost 10.19% since the beginning of the year.

Index	Level	%Δ	YTD %Δ
Industrial Index	146.20	1.74	10.19
Mining Index	39.76	1.07	44.55

The Mining Index got no reprieve in the week under review as it extended its year to date loss to 44.55% following a -1.07% decline for the week to 39.76pts. Weighing on the minings was Falgold which declined by 68% for the week and closed trading at 0.8c.

Activity Improves as lower prices draw demand...

The softening prices drew in some demand especially in Econet that was the mainstay of the market's trades. Weekly value of trades surged 117.04% to \$4.13m anchored by Econet, Innscor and Dairibord

In this Weekly

Market Highlights P1

Top Picks P4

In the News P5

Upcoming Events P6

Disclaimer P7

Contacts:

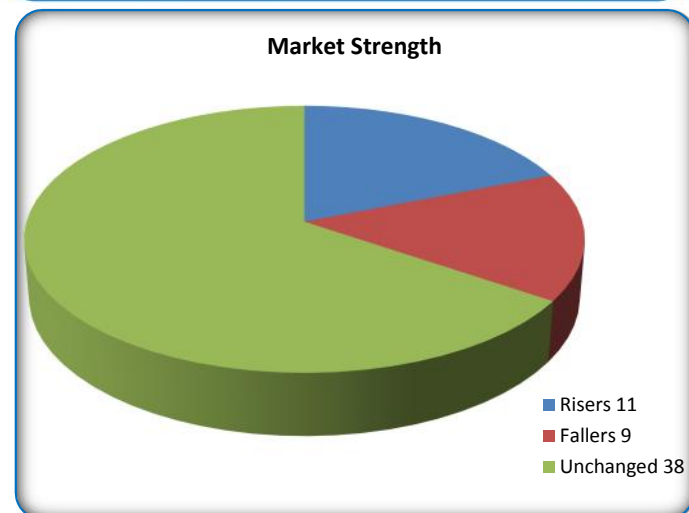
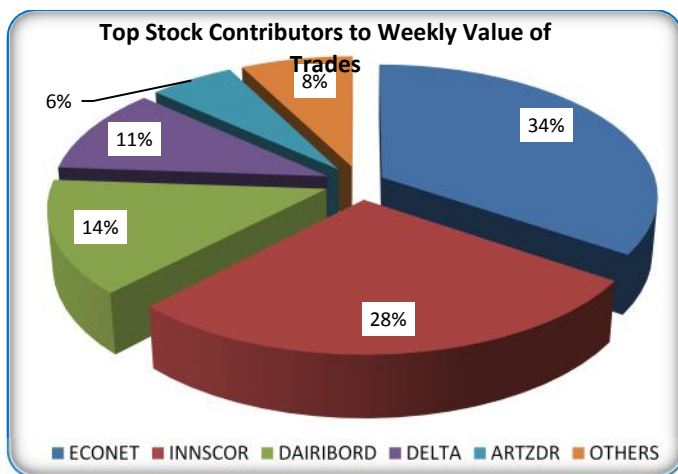
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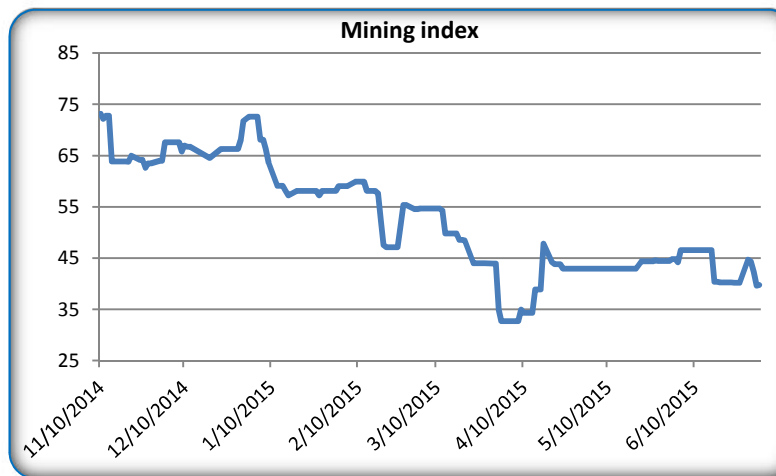
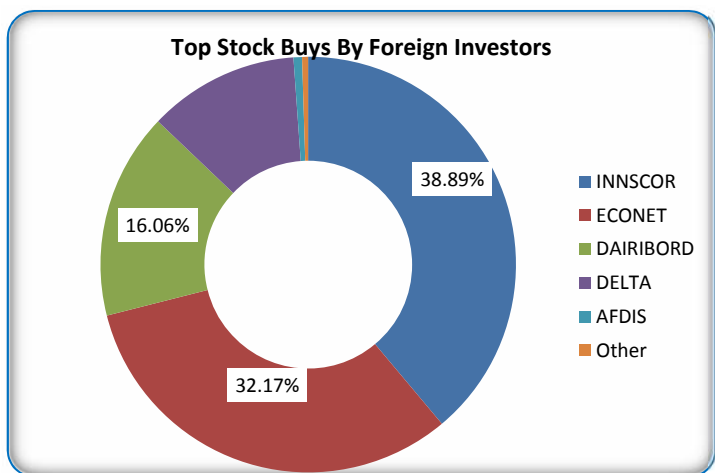
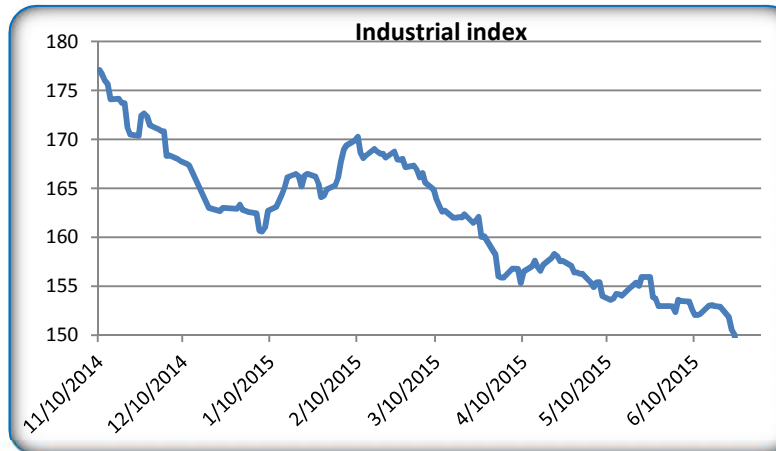
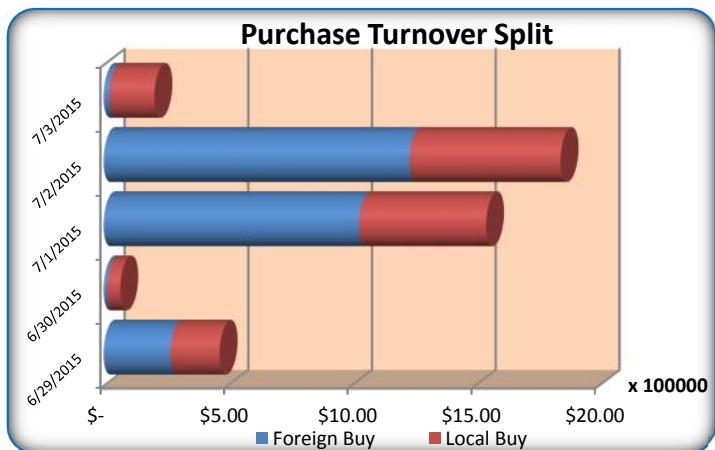
Volumes of the week ballooned 396% to 61.92m shares buoyed by a block trade in ART for 39.0m shares while other notable volumes exchanged hands in Dairibord and Econet. Growing foreign participation propelled weekly trades with inflows surging 148% to \$2.58m while portfolio disposals went up in excess of seven fold to \$1.98m.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
POWERSPEED	2.40	140.00	50.00	FALGOLD	0.80	68.00	0.00
AF SUN	2.50	25.00	38.89	ZIMFLOW	3.00	40.00	77.14
CFI	2.50	25.00	16.67	ECONET	35.00	12.50	53.27
FIDELITY	9.00	20.00	12.50	TURNAL	1.05	12.50	41.67
MEIKLES	8.00	14.29	48.39	COLCOM	22.00	8.33	22.22

Twenty stocks saw price changes for the week with a distribution of eleven risers and nine fallers. Despite establishing a weekly positive breadth of 2 stocks the weighting of the shakers took the market down. Falgold's 68% decline saw the gold miners lead the bears while earth moving equipment distributor Zimflow followed after coming off 40% to 3c. Econet and Turnall posted identical losses of 12.5% and closed the week trading at 35c and 1.05c respectively. Meat processing and packaging group Colcom completed the top weekly shakers on a drop of 8.33% to 22c as demand remained subdued.

The bulls of the week were led by Powerspeed which rallied 140% to 2.4c on resurgent demand while tourism group African Sun followed on a 25% surge to 2.5c. Diversified group CFI added 25% to 2.5c on rising interest in the group. Life assurers Fidelity were up 20% at 9c while Meikles closed the week at 8c having added 14.29% despite releasing a lacklustre audited set of results to March 2015 in the same week. The group was in an operating loss of \$10m and posted a loss for the year of \$34.5m largely dragged by discounts on the treasury bills issued to them by government in lieu of a long outstanding debt.

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
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

In the News...

Essar pulls out of Zim

AN Indian investor has pulled out of the Zimbabwe Iron and Steel Company (Zisco) and stopped engagement with government on the planned revival of the Redcliff-based steel producer due to complications involving the steel-maker's global debts...

<http://www.financialgazette.co.zw/essar-pulls-out-of-zim-zisco-risks-collapse/>

\$20 million boost for ZB Bank

ZB Financial Holdings (ZBFH) has secured \$20 million to boost the capital base of its flagship unit, ZB Bank Limited, the group said yesterday.

<https://www.newsday.co.zw/2015/07/03/20m-boost-for-zb-bank/>

Pension contributions to NSSA up 43pc

Contributions to the National Pension Scheme administered by the National Social Security Authority (Nssa) went up last year by 43 percent, from \$173,4 million in 2013 to \$248,3 million in 2014.

<http://www.dailynews.co.zw/articles/2015/07/02/pension-contributions-to-nssa-up-43pc>

Falgold sells off Venice Mine

FALCON Gold Mine has sold off its majority shareholding in Venice Mine near Kadoma to an unnamed investor who will inject \$4 million to kick start production following closure in 2002, New Dawn president and chief executive Ian Saunders said yesterday.

<https://www.newsday.co.zw/2015/07/01/falcon-gold-sells-off-majority-shareholding/>

HCCL to approve debt to equity conversion

HWANGE Colliery Company Limited will hold an extraordinary general meeting (EGM) to give more details about the conversion of \$78 million government debt to equity, a move that would free the coalminer's balance sheet and allow the company to borrow from banks.

<https://www.newsday.co.zw/2015/07/01/hccl-shareholders-to-approve-debt-to-equity-conversion/>

Rio Tinto exits Zimbabwe

RIO Tinto Group , the world's second-largest mining company, is exiting Zimbabwe after selling its 78 percent stake in Murowa diamond mine to its former local unit, RioZim Ltd. Terms weren't disclosed.

<http://www.financialgazette.co.zw/rio-tinto-exits-zimbabwe/>

Govt approves Blue Ribbon takeover

GOVERNMENT has approved the planned acquisition of troubled milling and food processing firm, Blue Ribbon Industries (BRI) by Bakhresa Group of Tanzania. Bakhresa, the largest miller in Tanzania with operations in east and southern Africa, will inject about US\$40 million for the acquisition of a 75 percent stake in BRI and its subsidiaries.

<http://www.financialgazette.co.zw/govt-approves-blue-ribbons-takeover/>

CFI narrows loss seeks to resolve legacy debt

CFI Holdings narrowed its loss to \$3,7 million for the half-year ended March 31 from \$5,5 million in the comparable period in 2014 after the group halved its operating loss before depreciation, impairment and financing costs.

<https://www.newsday.co.zw/2015/07/01/cfi-narrows-loss-seeks-to-resolve-legacy-debt/>

HCCL to develop new mines

Hwange Colliery Company Limited may consider a joint venture to develop new mines at Western Areas Coalfields in Hwange, its managing director, Thomas Makore, said.

<http://www.herald.co.zw/hwange-colliery-to-develop-new-mines/>

Zimpapers poised for growth, profitability

Zimbabwe Newspapers is firmly poised for growth and further dominance of the media industry after reversing its 2014 full- year loss to profitability.

<http://www.herald.co.zw/zimpapers-poised-for-growth-profitability/>

Unifreight to spend \$7m on fleet upgrade

Unifreight Africa Limited will spend \$7 million this year on upgrading its current fleet to meet market demands at the same time consolidating its presence within the region.

<http://www.herald.co.zw/unifreight-to-spend-7m-on-fleet-upgrade/>

Ecocash moves \$11bn in four years

Econet Zimbabwe says its financial services platform, EcoCash has cumulatively transacted over \$11 bln in the last 3 and half years.

<http://www.herald.co.zw/ecocash-moves-11bn-in-four-years/>

Tobacco marketing season to close July 2015

Tobacco Industry and Marketing Board chief executive, Andrew Matibiri yesterday said this year's marketing season will close on July 15 and mop up sales will be carried out in August.

<http://www.herald.co.zw/tobacco-marketing-season-to-close-on-july-15/>

Fbc to raise \$15m

Fbc Holdings will soon go to the market to raise \$15 million through a five year bond to cut down on cost of fund.

<http://www.herald.co.zw/fbc-to-raise-15m/>

Up Coming Events DIVIDEND MONITOR

COMPANY	DIV TYPE	DIV AMOUNT	RECORD DATE	PAYMENT DATE
ECONET	Final	0.31c	17.07.15	24.07.15
SEEDCO	Final	1c	26.06.15	29.07.15

UPCOMING EVENTS

COMPANY	EVENT	VENUE	DATE	TIME
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CAUTIONARIES

COMPANY	ISSUE DATE	SUBJECT
MASIMBA	May-15	Notice of EGM to approve unbundling of SBU into separate companies
RIOZIM	Mar-15	Company seeking regulatory approvals to proceed with rights issue
DAWN	Apr-15	Compiling offer to minorities as major shareholders now control 61% of shares
STAR AFRICA	Apr-15	Negotiations underway that may have a material impact on its share value

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