

Industrials slip again as ZSE trades remain thin...

Bearish performance early in the week weighed on the Industrial Index as it swung back into the red in the week under review. The market continued to tumble in mostly thinly traded sessions as demand remained elusive in selected stocks while those that came off significantly in recent weeks suffered from supply constraints. The onset of the reporting season however seems to have breathed some life into the demand side though investors are largely cherry picking in the market's top stocks where bids have been firming though supply remains constrained owing the low prices unattractive to sellers. Banking stocks' results continued to filter into the market with Barclays Bank of Zimbabwe updating the market on the 2015 performance in which their bottom line was 41% lower at \$3.9m. Meanwhile, on the economic front the IMF is reported to have confidence that Zimbabwe would meet set targets under the staff monitoring program but raised concerns on the growing internal debt as government strives to meet some of its obligations.

Industrials slip...

Indices

	Previous	Current	Change (pts)	% Change	YTD %
<i>Industrial</i>	99.40	98.80	0.6000	0.60	13.97
<i>Mining</i>	19.14	19.14	0.0000	0.00	19.24

The market's benchmark Industrial Index swung back into weekly loses after last week's reprieve and closed the week under review down 0.60% at 98.80pts. Gains seen in the prior week proved unsustainable as selling pressure remained sustained in selected stocks and consequently the industrials extended year to date losses to 13.97%.

Inactivity in the resource extraction cluster saw the Mining Index close the week flat at 19.14pts with the constituent stocks remaining unperturbed by the recent ninety day directive for diamond miners in the Chiadzwa fields to cease operations as none of the listed entities have exposure in the particular area. Year to date losses for the minings remain high at 19.24% in just the first couple of months into 2015.

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Risers

Symbol	Previous	Current	Change	%Change
SACL.ZW	0.0080	0.0093	0.0013	16.25
DLTA.ZW	0.5325	0.5525	0.0200	3.76
OKZ.ZW	0.0350	0.0353	0.0003	0.86
OML.ZW	1.8000	1.8030	0.0030	0.17
ECO.ZW	0.2300	0.2301	0.0001	0.04

Faller

Symbol	Previous	Current	Change	%Change
FML.ZW	0.0220	0.0200	0.0020	9.09
CBZ.ZW	0.1100	0.1000	0.0100	9.09
SIM.ZW	0.1400	0.1311	0.0089	6.36
BARC.ZW	0.0340	0.0320	0.0020	5.88
NTFD.ZW	2.5500	2.4500	0.1000	3.92
BAT.ZW	11.4379	11.0000	0.4379	3.83
SEED.ZW	0.8225	0.8000	0.0225	2.74
HIPO.ZW	0.3490	0.3395	0.0095	2.72
INN.ZW	0.1840	0.1800	0.0040	2.17
EDGR.ZW	0.0550	0.0540	0.0010	1.82

* All prices in USD

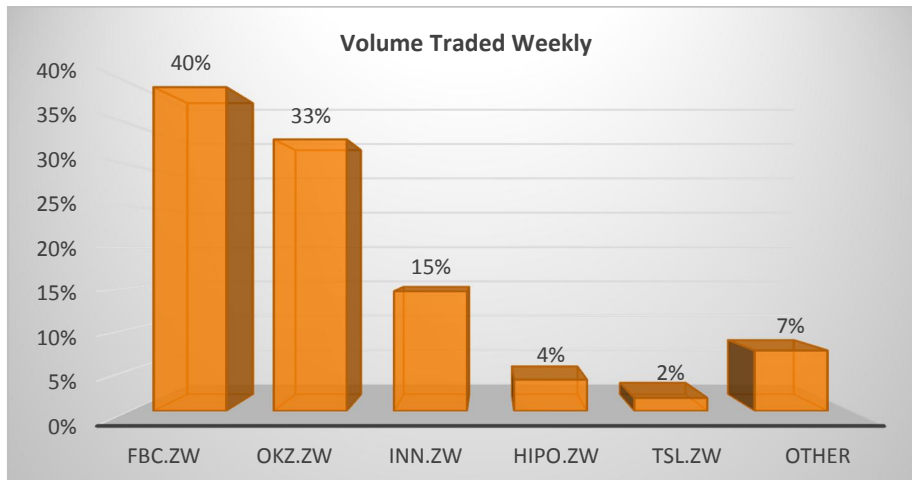
Bears remain dominant ...

The market continued in an overly bearish trajectory as ten stocks traded in the red compared to five risers leaving a negative weekly market breadth of five counters. Insurance allied group FML led the market retreat on a 9.1% drop to \$0.0200 while banking giant CBZ followed on a similar decline of 9.1% to \$0.1000. The latter failed to hold at previous levels despite an improved financial performance for the full year to December 2015 as demand remained elusive for the stock. Fast foods group Simbisa continued to lose its glitter with the group shedding 6.36% for the week and settling at \$0.1311. Poor financial results coupled with news of a planned divestment by parent Barclays Plc saw the bankers Barclays Bank of Zimbabwe close the week down 5.88% with its shares exchanging hands at \$0.0320. Food processing and packaging group Natfoods' recent lack of demand culminated in the group shedding 3.92% and settling at \$2.4500. Cigarette manufacturer's BAT fell 3.83% to \$11.0000 despite the company's recent fair set results in which they awarded shareholders a dividend of \$0.44 per share.

Innsco was down 2.17% at \$0.1800 as the group repeated its cautionary to shareholders on the proposed transaction to unbundle the specialized retail operations. Losses were also seen in SeedCO down 2.74% at \$0.8000, Hippo shedding -2.72% to \$0.3395, and Edgars coming off 1.82% and closing at \$0.0540. Despite the overly bearish color, evidence of resurgent demand was seen in selected heavies with Delta being the undoubted pick after rising 3.76% to \$0.5525 and went out well bid. Old Mutual put on 0.17% and settled at \$1.803 while Econet added 0.04% to \$0.2301 with both stocks also closing well bid. OKZIM recovered 0.86% on resurgent demand to \$0.0353. Top gains for the week were recorded in sugar refining and packaging group Star Africa that surged 16.25% week on week and closed at \$0.0093.

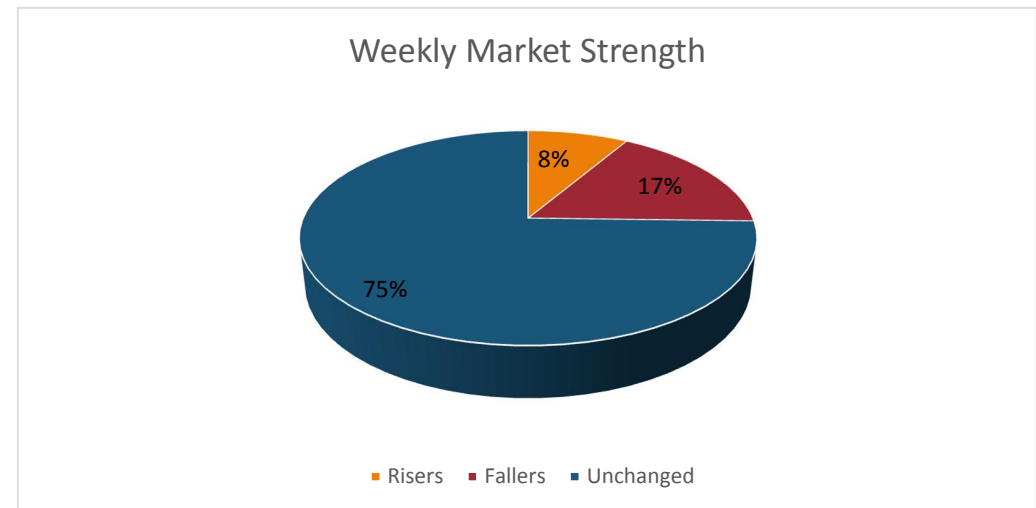
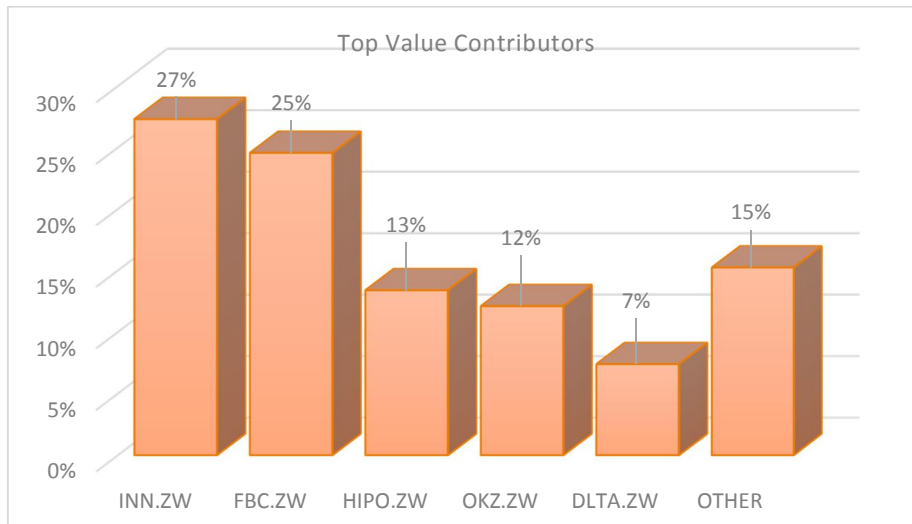
Market Aggregates and Statistics

Market turnover aggregates



	<i>Previous</i>	<i>Current</i>	<i>Change</i>	<i>%Change</i>
Values	1,094,350.68	1,468,434.35	374,083.67	34.18
Volumes	15,115,000	15,214,996	99,996.00	0.66

The market enjoyed improved trades for the week mainly in the higher value stocks resulting in the value of trades surging 34.18% to \$1.47m. Anchoring the trades for the week were Innscor and FBCH that accounted for a combined 52% of the weekly total value of trades. Volumes of the week were in a marginal 0.66% lift to 15.2m shares driven by FBC and OKZIM that contributed 73% of the total volumes traded this week.



In the news...

Art restructuring pays off

Zimbabwe Stock Exchange-listed diversified group Art Corporation (Art) says its restructuring exercise has started paying dividends after the company recorded growth in turnover and sales volumes in four months to January this year.

<https://www.dailynews.co.zw/articles/2016/03/03/art-restructuring-pays-off>

CBZ submits \$28m NPLs to Zamco

CBZ Holdings has forwarded \$28 million non-performing loans (NPLs) to a government-created special purpose vehicle, which houses secured non-performing loans.

<https://www.newsday.co.zw/2016/03/04/cbz-submits-28m-npls-zamco/>

Cairns secures \$4m loan to fund staff cut

Cairns has secured a \$4 mln bank loan to be used partly to finance a staff rationalisation exercise to reduce operating costs. The staff cut, however, is despite a promise by new investor, Takura Capital that it was not going to retrench after taking over.

<http://www.herald.co.zw/cairns-secures-4m-loan-to-fund-staff-cut/>

Pricing structures need adjustment

Zimbabwe should realign pricing structures in line with economic developments locally and internationally, a senior banker has said. Barclays Bank Zimbabwe (BBZ) managing director George Guvamatanga said pricing structures in Zimbabwe need to be readjusted to speak to developments on the ground.

<http://www.herald.co.zw/pricing-structures-need-adjustment/>

Astra eyes bigger market share

Kansai Plascon Africa's Zimbabwean unit, Astra Industries is targeting to grow its market share by the end of the year from the current 50% driven by investments made towards improving efficiencies.

<http://www.herald.co.zw/astra-eyes-bigger-market-share/>

Radar records 17 percent drop in revenue

: Brick manufacturer, Radar Holdings' revenue for the half-year period to December 31, 2015 was down 17% to \$3 mln compared to the previous comparative period.

<http://www.herald.co.zw/radar-records-17-percent-drop-in-revenue/>

Dawn properties to acquire Makasa Sun Hotel

Dawn Properties is set to acquire 50 percent of Makasa Sun Hotel property in Victoria Falls from Barclays Bank of Zimbabwe while negotiations are ongoing for the other half from Barclays Pension Fund.

<http://www.herald.co.zw/dawn-properties-to-acquire-makasa-sun-hotel/>

Atlas Mara eyes Barclays Africa units

BancABC Zimbabwe's parent company, Atlas Mara Plc (Atlas Mara), is likely to emerge as the front runner to acquire Barclays Plc African assets.

<https://www.dailynews.co.zw/articles/2016/03/03/atlas-mara-eyes-barclays-africa-units>

Ariston in debt to equity deal

Ariston Holdings expects to conclude the conversion of \$5,5 million debt into equity within two months, bringing an end to a transaction, which has been going on for some time at the horticultural concern.

<https://www.newsday.co.zw/2016/03/01/ariston-debt-equity-deal/>

We are here to stay-Barclays

BARCLAYS Zimbabwe said yesterday the bank was here to stay on a day in which its parent company downgraded it to a non-core division and announced plans to sell the unit.

<https://www.newsday.co.zw/2016/03/02/we-are-here-to-stay-barclays/>

Strict conditions to list on ZEEM

The Zimbabwe Stock Exchange (ZSE) says companies that exit the main bourse will only be allowed to join the soon-to-be launched secondary bourse after three years of delisting.

<https://www.newsday.co.zw/2016/03/03/strict-conditions-list-zeem/>

CBZ spends \$50m this Agric season

CBZ Holdings has spent \$50 million this year on contract farming and its funding will increase in future, an executive has said.

<https://www.newsday.co.zw/2016/02/29/cbz-spends-50m-agric/>