

## ZSE in false start as new month commences...

A rallying start to the new month faltered in the penultimate sessions of the week to see the market succumb to yet another loss. Spats of demand largely buoyed by foreign buying emerged earlier in the week to breathe some excitement into the market though it was weathered as the week progressed. Consequently trades subsided to the now common levels of less than \$500,000 worth per session and with it the market trended south. The corporate scene was awash with activity this week highlighted by the BNC annual general meeting where all former Mwana Africa proxies on the nickel miner’s board were removed as the new major shareholders in the latter move to have their interests fully represented in the group and subsidiaries. Fellow mining group Zimplats reported a 21% drop in output for its F15 financial year owing to the collapse at its Bimha mine that resulted in loss of production. Meanwhile interest in local investments continued to show from foreigners with Africa’s richest man, Mr Dangote, visiting the country while Tanzanian multi-national Bakhresa Group is reportedly set to acquire the entire shareholding of Blue Ribbon Industries after creditors approved its proposed \$40 million capital injection.

### Losses extend...

#### Indices

|            | Previous | Current | Change (pts) | % Change | YTD % |
|------------|----------|---------|--------------|----------|-------|
| Industrial | 135.53   | 134.85  | 0.6800       | 0.50     | 17.16 |
| Mining     | 35.34    | 32.97   | 2.3700       | 6.71     | 54.02 |

Despite the ray of interest by foreign investors in Zimbabwe and the equities market, the selloff prevailed to see the main stream Industrial Index shed 0.5% and settle at 134.85pts. Cumulatively the industrials have since lost 17.16% since the beginning of the year as uncertainties in the local economy combined with the global markets decline to drive the index lower.

The mining stocks were similarly trading softer with the Mining Index shedding 6.71% over the week and settling at 32.97pts. The minings have however been largely undone by the depression in the global commodities markets coupled with long running recapitalization issues.

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**Risers**

| Symbol  | Previous | Current | Change | %Change |
|---------|----------|---------|--------|---------|
| TURN.ZW | 0.0090   | 0.0100  | 0.0010 | 11.11   |
| DAWN.ZW | 0.0163   | 0.0166  | 0.0003 | 1.84    |
| BAT.ZW  | 11.5500  | 11.6767 | 0.1267 | 1.10    |
| DLTA.ZW | 0.8435   | 0.8474  | 0.0039 | 0.46    |
| NMB.ZW  | 0.0360   | 0.0361  | 0.0001 | 0.28    |
| INN.ZW  | 0.5949   | 0.5950  | 0.0001 | 0.02    |
|         |          |         |        |         |
|         |          |         |        |         |
|         |          |         |        |         |
|         |          |         |        |         |

**Fallers**

| Symbol  | Previous | Current | Change | %Change |
|---------|----------|---------|--------|---------|
| RADR.ZW | 0.0300   | 0.0248  | 0.0052 | 17.33   |
| ZIMR.ZW | 0.0120   | 0.0100  | 0.0020 | 16.67   |
| ZIMW.ZW | 0.0300   | 0.0250  | 0.0050 | 16.67   |
| NICO.ZW | 0.0160   | 0.0140  | 0.0020 | 12.50   |
| BIND.ZW | 0.0280   | 0.0250  | 0.0030 | 10.71   |
| MEIK.ZW | 0.1200   | 0.1100  | 0.0100 | 8.33    |
| OKZ.ZW  | 0.0748   | 0.0700  | 0.0048 | 6.42    |
| FML.ZW  | 0.0213   | 0.0200  | 0.0013 | 6.10    |
| CBZ.ZW  | 0.0940   | 0.0900  | 0.0040 | 4.26    |
| ECO.ZW  | 0.2800   | 0.2702  | 0.0098 | 3.50    |

\* All prices in USD

**Market remains bearish ...**

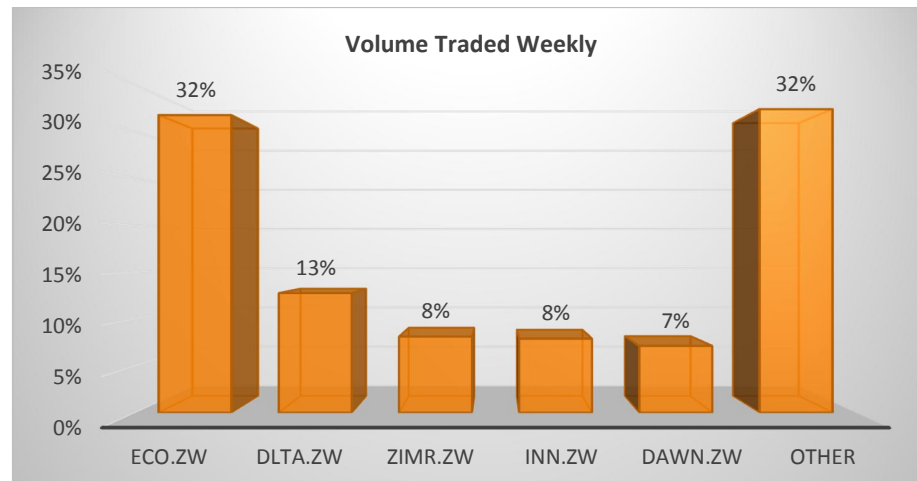
Twelve stocks closed the week softer relative to the prior week against only six risers to leave the market with a negative breadth of six. Penny stocks led the losses of the week with highly illiquid Radar topping on 17.33% decline in a rare trade that left the group trading at \$0.0248. Insurance group ZIMRE followed after coming off 16.67% to \$0.0100 while Zimplow dipped by a similar margin and traded at \$0.0250. Another Insurance group Nicoz Diamond also trended south shedding 12.5% and closed the week at \$0.0140; and nickel miners Bindura came off 10.71% and settled at \$0.0250 in the wake of wholesale boardroom changes.

Heavy cap losses of the week were seen in telecoms group Econet that shed 3.5% to a new low of \$0.2702; the group's loss saw it breach its recent resistance level of \$0.2800 as investors sold off on news that mobile operators revenues declined 14% in Q1 to \$188.54 million. Conglomerate Meikles' recent surge faltered this week as demand subsided and resulted in the group shedding 8.33% to close the week trading at \$0.1100. Retail group OKZIM which is expected to be affected by the deflationary pressures in the economy and slowing demand across the economy dropped 6.42% and closed trading at \$0.0700. Financial services group CBZ succumbed to selling pressure and eased 4.26% taking its price to \$0.0900.

**Penny stocks lead the risers...**

Gains for the week were led by construction allied group Turnall that put on 11.11% to \$0.0100 while hotel property group DAWN followed on a 1.84% charge to \$0.0166. Sustained bidding in cigarette manufacturers BAT saw the group add 1.10% and closed the week at \$11.6767 with demand remaining firm. Beverages giant Delta was in a 0.46% rise to \$0.8474 while another heavy cap Inncor added a marginal 0.02% to \$0.5950 on a surprise resurgence in demand. Financial services group NMB was the only other riser for the week adding 0.28% to \$0.0361 as demand remained fairly firm in the group following the release of its interim numbers to June 2015 in which basic EPS more than doubled to \$0.86c.

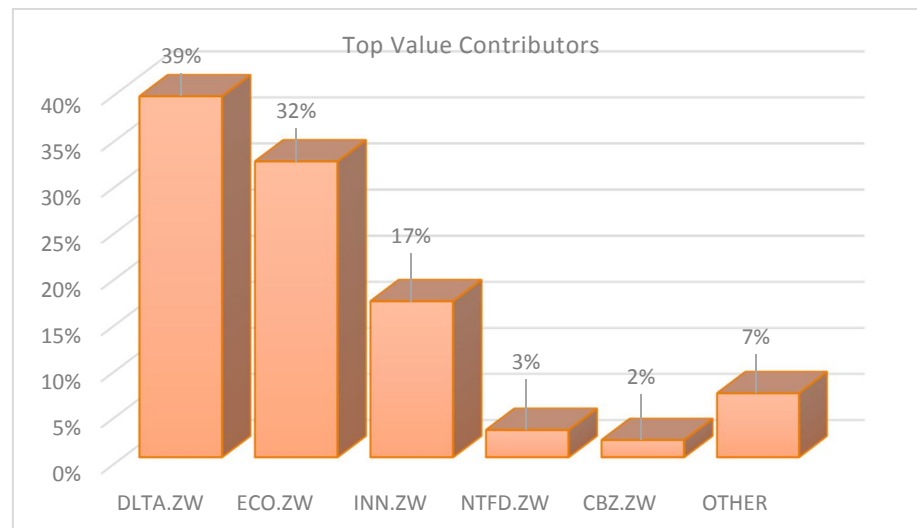
## Market Aggregates and Statistics



### Market turnover Aggregates

|         | Previous     | Current      | Change       | %Change |
|---------|--------------|--------------|--------------|---------|
| Values  | 3,058,669.30 | 5,269,647.41 | 2,210,978.11 | 72.29   |
| Volumes | 16,382,255   | 19,050,964   | 2,668,709.00 | 16.29   |

Weekly activity aggregates reflected a significant improvement buoyed largely by the surge in foreign demand earlier in the week. The market saw an estimated \$5.3m worth of trades sailing through which was a marked 72.29% increase on the prior week outturn. The top value leaders for the week were the three top stocks by market capitalization Delta, Econet and Innscor that made respective contributions of 39%, 32% and 17% while the rest of the market shared the remaining 12%. Volumes of the week went up 16.29% to 19,050,964 with leading contributions coming from Econet 32%, Delta 13% and ZHL that accounted for 8%.



## In the news...

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### **CBZ unveils \$10m SMEs facility**

Zimbabwe's largest financial services group by asset base, CBZ Holdings (CBZ), has unveiled a \$10 million facility to stimulate and support growth in the small-to-medium enterprises (SMEs) and micro finance sectors. <http://www.dailynews.co.zw/articles/2015/09/03/cbz-unveils-10m-smes-facility>

### **Shake up at BNC**

Mwana Africa Plc. is set to restructure its gold and nickel mining portfolios to reflect the interests of its Chinese shareholder, China International Mining Group Corporation. This follows the ouster of five Bindura Nickel Corporation (BNC) board members at the annual general meeting yesterday.

<http://www.herald.co.zw/shake-up-at-bnc/>

### **Rainbow honored for promoting domestic tourism**

Rainbow Tourism Group has been honored for promoting domestic tourism following its extensive investment in the local markets with the group receiving the Zimbabwe Council for Tourism Achievement in Marketing Award at the inaugural Havergal Marketing Tourism Achievers Awards

<http://www.herald.co.zw/rainbow-honoured-for-promoting-domestic-tourism/>

### **Cabinet Okays Dangote deal**

Cabinet has unanimously endorsed Nigerian billionaire Aliko Dangote's decision to invest in Zimbabwe's critical economic sectors, with his high-powered technical team expected in Harare on Monday to conclude the deals. <http://www.herald.co.zw/cabinet-okays-dangote-deal/>

### **Tobacco exports up 49pc**

Zimbabwe tobacco exports surged by 49 percent to \$347 million this week from the sale of 65 million kilograms (kgs) up from \$231 million recorded in the prior period, official statistics show. <http://www.dailynews.co.zw/articles/2015/08/31/tobacco-exports-up-49pc>

### **Wellesley-Wood leaves Mwana Africa**

Mwana Africa Plc (Mwana)'s non-executive director, Mark Wellesley-Wood, has resigned from the London-listed firm and is likely to be succeeded by a Chinese national, Ching Fung Hung, at the company's annual general meeting slated for September 29.

<http://www.dailynews.co.zw/articles/2015/08/31/wellesley-wood-leaves-mwana-africa>

### **ZB Holdings looking for land banks**

ZB HOLDINGS is in discussion with various councils throughout the country for land to venture into low-cost housing, an executive has said.

<https://www.newsday.co.zw/2015/09/04/zb-holdings-looking-for-land-banks/>

### **Tanzanian firm given nod to buy Blue Ribbon**

BLUE Ribbon Industries (BRI) creditors on Wednesday approved the takeover of the company by a Tanzanian industrial conglomerate, Bakhresa Group, a move that would revive the food processor.

<https://www.newsday.co.zw/2015/09/03/tanzanian-firm-given-nod-to-buy-blue-ribbon/>

### **Cottco MD Chihuri forced out**

Collins Chihuri has stepped down as managing director of Cottco after opting out of the new dispensation ushered in by turnaround strategy, group executive chairman Douglas Ncube has said.

<https://www.newsday.co.zw/2015/09/02/cottco-md-chihuri-forced-out/>

### **FBC after tax profit up by 22pc**

FBC Holdings has recorded a 22,3% growth in after-tax to \$8,2 million for the half-year-ended June 30 2015 despite the group's reduced risk appetite in a market characterised by high interest rates and high risk of default.

<https://www.newsday.co.zw/2015/08/31/fbc-after-tax-profit-up-by-22/>

### **Meikles battles for retail market share**

ZIMBABWE Stock Exchange-listed hotel and retail giant, Meikles, has dropped prices for most of its products as competition for market share intensifies against the backdrop of dwindling disposable incomes.

<http://www.financialgazette.co.zw/meikles-battles-for-retail-market-share/>

### **Turnall reduces debt**

ZIMBABWE Stock Exchange-listed Turnall Holdings Limited, whose fortunes have been troubled in recent years, last week vowed to clear its debt by 2017 after borrowings for the half year to June 30, 2015 declined to US\$4 million, from US\$7,6 million during the comparable period the previous year.

<http://www.financialgazette.co.zw/turnall-reduces-debt/>



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## EFE RESEARCH – Weekly Market Review Weekending 04.09.15

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