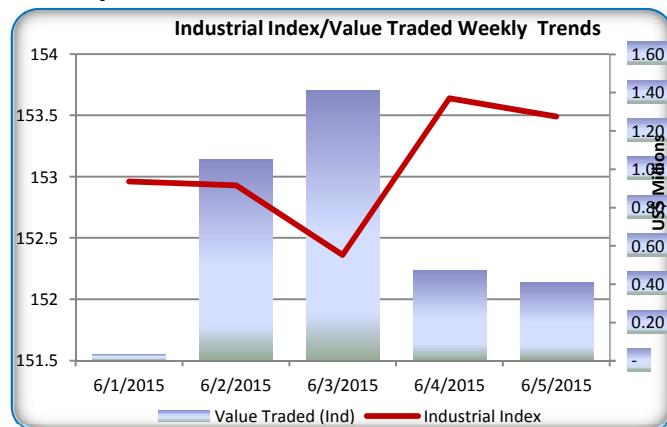
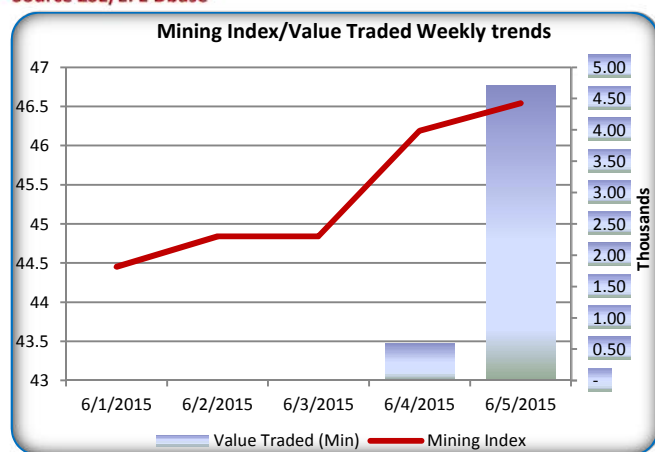


EFE Weekly Market Review 05 June 2015

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	3.38	3.92	13.81
Volume Traded (mn)	9.02	14.39	37.33
Foreign Purchases	2.35	2.84	17.21
Foreign Sales	2.31	2.73	15.38

Source ZSE/EFE Dbase.

Corporate actions inspired gains drive market higher...

The market was in a rising first week of the month as supply constraints in selected counters saw bids being improved in an attempt to lure sellers. A flurry of corporate actions inspired interest in selected counters with the pick amongst them being FMCG conglomerate Inscor which anchored the weekly gains on a 14.92% upsurge that left its shares trading at a year to date high of 70.1c. The gain follows the group's announcement that its board had approved the unbundling of its Quick Service Restaurant Business into a separately listed company via a dividend in specie to its existing shareholders. Meanwhile, the central bank's efforts to demonetise the Zimbabwe Dollar are reported to be at an advanced stage with the bank having set prices at which they will buy from the public the old national currency.

The Industrials closed the first week of the month on the uptick buoyed by firming market heavies. Week on week the Industrial Index added 0.35% and closed at 153.49pts. The gain for the week helped narrow down the year to date loss for the index to 5.71%.

Index	Level	%Δ	YTD %Δ
Industrial Index	153.49	0.35	5.71
Mining Index	46.54	4.70	35.10

The Mining Index was in a buoyant mood this week adding +4.7% to 46.54pts as RIOZIM continued to surge on further reports that the miner's gold mine Cam and Motor was already operational even before the capital raise for its restart had not yet been concluded. Despite the recent surges the Mining Index still trails its year opening levels by 35.1%

Subdued activity in new month...

A dearth of sellers continued to depress trading activity on the market as the market continues to exhibit firming demand in the usual

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Contacts:

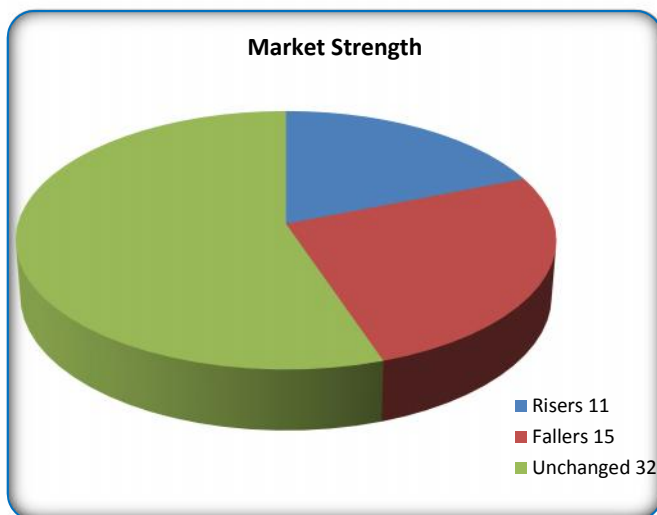
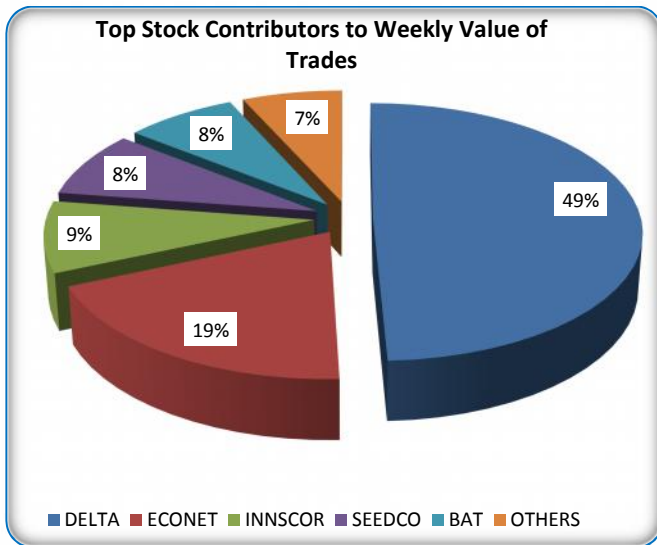
Edgeton Tsanga 0772277153

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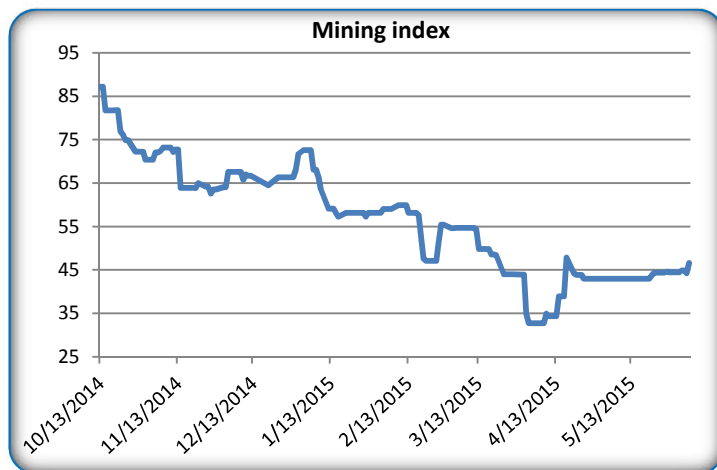
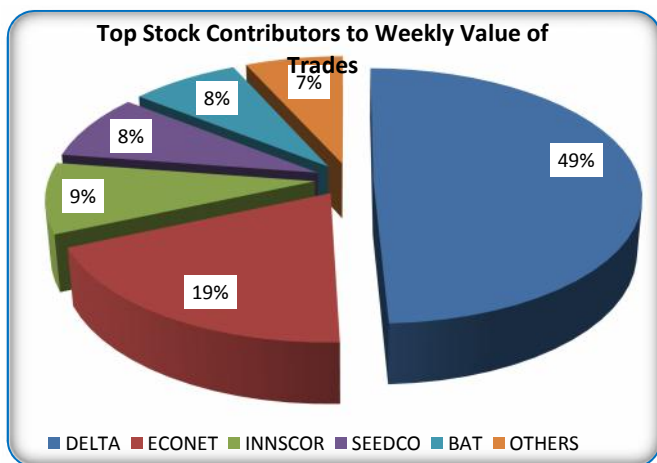
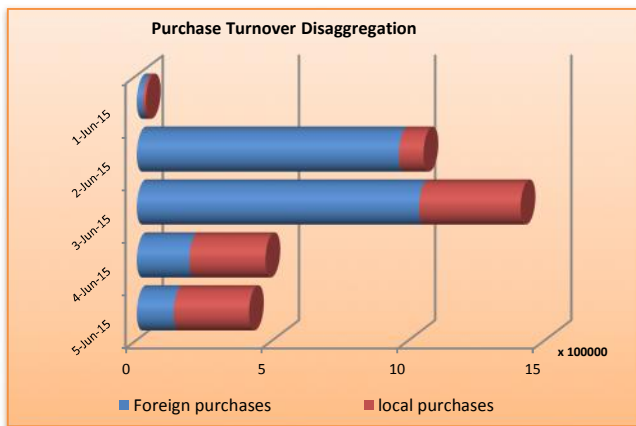
value and volume drivers. All activity aggregates trended southwards for the week as most of the sessions traded very thinly. The value of trades was down 13.81% on last week at \$3.38m while the volume of shares traded came down 9.02%. Foreign participation was also depressed as inflows came down 17.21% to \$2.35m while outflows were down 15.38% to \$2.31m. Foreign investors however remain the main drivers of the market activity as their contribution to the market activity on the buy side stood at 70% while on the disposals they accounted for 68%. Delta, Econet and SeedCO were the favourite buys by foreigners while the same trio also dominated the disposals.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
NAMPAK	3.50	600.00	16.67	CBZ	7.00	30.00	0.00
RIOZIM	12.50	38.89	16.67	ZPI	0.80	20.00	30.00
TURNAL	1.25	25.00	7.41	MASIMBA	2.00	20.00	14.29
ARTZDR	0.60	20.00	100.00	NICOZ	1.10	15.38	13.04
HWANGE	4.00	17.65	16.67	STAR AFRICA	1.20	14.29	15.38

Twenty six counters saw price movements this week, fifteen of which were fallers while eleven traded firm. Manufacturing and Packaging group Nampak rebounded from a shock slump last week with a 600% surge to 3.5c while RIOZIM followed after jumping 38.89% to 12.5c Construction allied group Turnall was up 25% at 1.25c as ART added 20% to 0.6c while Hwange completed the risers with a 16.67% gain to 17.65.

The top shakers for the week were led by banking group CBZ that shed 30% to 7c while the duo of ZPI and Masimba followed after shedding identical losses of 20% to trade at 0.8c and 2c respectively. Short term insurers Nicoz came off 15.38% to 1.1c while sugar processing and packaging group Star Africa dropped 14.29% to 1.2c; Star Africa is currently trading under cautionary.

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
TSL	Attractive valuation and successfully completed a rationalization exercise with the results of impressive financial results coming up

In the News...

ZSE sets up bourse for SME growth

THE Zimbabwe Stock Exchange (ZSE) board has given the bourse the green light to contribute to a revolving fund meant to assist companies list on its junior market, the exchange has said. <https://www.newsday.co.zw/2015/06/05/zse-sets-up-bourse-for-sme-growth/>

Low global prices hit local sugar industry

THE local sugar industry is reeling from low global prices stemming from surplus stocks and is seeking alternative markets, a unit of sugar producer Tongaat Hulett said yesterday. <https://www.newsday.co.zw/2015/06/05/low-global-prices-hit-local-sugar-industry/>

Delta, Econet join Africa's top firms

ZIMBABWE Stock Exchange-listed companies Delta and Econet Wireless have earned a place among top 250 companies in Africa, a new report has shown, underlying the duo's strength despite the tough economic environment obtaining... <https://www.newsday.co.zw/2015/06/03/delta-econet-join-africas-top-firms/>

Innscor to unbundle restaurant unit

INNMSCOR Africa Limited is set to unbundle its quick service restaurant unit to be separately listed on the Zimbabwe Stock Exchange (ZSE), the company said yesterday. <https://www.newsday.co.zw/2015/06/03/innscore-to-unbundle-restaurant-unit/>

Steward bank launches correspondence banking

Steward Bank has introduced the correspondence banking concept, adding to its existing range of innovations in the Zimbabwean banking industry. <https://www.newsday.co.zw/2015/06/02/steward-bank-launches-correspondence-banking/>

Pearl Properties records decrease in revenue

Pearl Properties has recorded a 3,15% decline in revenue to \$2,898 million for the four months ending April 30 2015 from the prior year due to liquidity challenges besetting the economy. <https://www.newsday.co.zw/2015/06/02/pearl-properties-records-decrease-in-revenue/>

Dairibord to commission milk equipment

DAIRIBORD Zimbabwe Holdings Limited (DZHL) says it plans to commission a \$4 million sterilized milk plant in Chipinge as part of efforts to boost production of its long shelf life product. <https://www.newsday.co.zw/2015/06/02/dairibord-to-commission-milk-equipment/>

ZIMRE blames loss position on poor performance

ZIMRE Holdings Limited (ZHL) recorded a \$3,5 million loss during the year ending December 2014 after a profit of \$1,5 million in the previous year. <https://www.newsday.co.zw/2015/06/01/zimre-blames-loss-position-on-poor-performance/>

Govt eyes \$2bn from diaspora

GOVERNMENT is working on attracting Zimbabweans living in the Diaspora to invest into the country as it moves to tap into the market with a potential of contributing close to \$2 billion to Gross Domestic Product. <https://www.newsday.co.zw/2015/06/05/govt-eyes-2bn-from-diaspora/>

Positive impact of bond coins

Just over six months ago, on December 18 2014, we marked the advent of an important event in the economic history of Zimbabwe. The Reserve Bank of Zimbabwe (RBZ) introduced bond coins into the economy, mainly to alleviate the acute shortage of small division currency in the economy. <https://www.newsday.co.zw/2015/06/05/positive-impact-of-bond-coins/>

FMHL operating profits up 1 090pc

Listed financial services group First Mutual Holdings Limited (FMHL)'s operating profit surged by 1 090 percent to over \$1 million in the first four months to April 2015 due to cost cutting measures and rationalisation of branches. <http://www.dailynews.co.zw/articles/2015/06/04/fmhl-operating-profits-up-1-090pc>

Econet declares \$15m dividend

Zimbabwe's largest mobile telecommunications company by subscriber base, Econet Wireless (Econet), will pay out a whopping \$15 million to shareholders this year. <http://www.dailynews.co.zw/articles/2015/06/02/econet-declares-15m-dividend>

Mash holdings occupancies down 6pc

Mashonaland Holdings (Mashholdings) says its property occupancies slumped by six percentage points to 79 percent in the half year to March 31, 2015, on the back of declining economic conditions in Zimbabwe. <http://www.dailynews.co.zw/articles/2015/06/02/mash-holdings-occupancies-down-6pc>

Nicoz gross premium flat at \$11.1m

Listed short-term insurer NicozDiamond Insurance Limited (Nicoz)'s gross premium written (GPW) for the four months to April 2015 remained almost flat at \$11,16 million compared to same period last year. <http://www.dailynews.co.zw/articles/2015/06/01/nicoz-gross-premium-flat-at-11-1m>

First Mutual lowers rentals charges

ZSE listed First Mutual Holdings (FMH) has reviewed rentals paid by its tenants downward to increase occupancy levels and circumvent voids in its property business. <http://www.theindependent.co.zw/2015/06/05/first-mutual-lowers-rental-charges/>

ZSE listing rule reforms on cards

SWEEPING reforms to the Zimbabwe Stock Exchange (ZSE)'s listing requirements are on the cards with a new statutory instrument to regulate the local bourse on the cards, the business digest has learnt. <http://www.theindependent.co.zw/2015/06/05/zse-listing-rule-reforms-on-cards/>

Zim assets most valuable: Mwana Africa

Mwana Africa considers Zimbabwean assets to be the most important to the multi-commodity group's portfolio because they hold the best financial opportunity. <http://www.herald.co.zw/zim-assets-most-valuable-mwana/>

Hippo valley revenue up 8pc

Hippo Valley Estate Limited revenue for the year ended 31 March rose by 8 percent to \$146.8m compared to \$136.1m in the same period last year on the back of significant recovery in the local market sales volumes. <http://www.herald.co.zw/hippo-valley-revenue-up-8pc/>

Meikles elected WEF regional finalist

Zimbabwe's Meikles Limited has made the cut in this year's World Economic Forum Global Growth Companies regional finalist. <http://www.herald.co.zw/meikles-elected-wef-regional-finalist/>

RioZim to set up gold plant

Mining firm, RioZim says it is planning to set up a processing plant for its newly re-opened Cam and Motor gold mine this year at a cost of \$10m. <http://www.herald.co.zw/riozim-to-set-up-gold-plant/>

Up Coming Events DIVIDEND MONITOR

COMPANY	DIV TYPE	DIV AMOUNT	RECORD DATE	PAYMENT DATE
OLD MUTUAL	Final	9.21c	20.04.15	29.05.15
PEARL	Final	0.555c	05.06.15	24.06.15
PADENGA	Final	0.3c	10.04.15	04.05.15
ZPI	Final	0.012c	24.04.16	08.05.15
NICOZ	Final	0.05c	08.05.15	19.05.15

UPCOMING EVENTS

COMPANY	EVENT	VENUE	DATE	TIME
PEARL	AGM	Royal Harare Golf Club	29.05.15	1430hrs
PADENGA	AGM	Harare Royal Golf Club	29.05.15	0815hrs
LAFARGE	AGM	Manresa Club Arcturus Road, Harare	05.06.15	1130hrs
CFI	AGM	Harare Roya Golf Club	10.06.15	1100hrs

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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