

## ZSE Extends gains into the month of May...

Bullish sentiment continued to prevail on the ZSE into the month of May with demand firming up across most of the counters on the board. Spurring the activity was largely resurgent interest from local players who have largely experienced a crowding out on the fixed income market and turned to equities. The highlight of the week on the economic front however came when the central bank announced measures to address the cash shortages that are being experienced in the economy amongst them, the introduction of Bond notes into circulation which will be backed by \$200m facility from regional bank Afreximbank. The notes which will only circulate in Zimbabwe are expected to curtail the continued movement of hard currency out of the system and maintain liquidity in the economy. Skepticism on the notes continues to simmer as memories of the Zimbabwe dollar continue to linger while, there is little guarantee that the printing press will end only at the amount backed by the facility or will go beyond.

### *Bulish Industrials extend gains...*

#### *Indices*

	Previous	Current	Change (pts)	% Change	YTD %
<i>Industrial</i>	105.75	107.03	1.2800	1.21	6.81
<i>Mining</i>	20.16	20.00	0.1600	0.79	15.61

**Source: ZSE/EFE Database**

The main stream Industrial Index piled on the gains bringing it to sixth successive weekly advance after putting on 1.21% in the week under review and ending settled at 105.75pts. Thanks to the gains the benchmark has now narrowed its year to date loss to 6.81% as it recovers from the slump of the first quarter.

The resources eventually saw a movement in the week under review and it shed 0.7% and closed the week at 20.00pts flat following a slump in the price of Bindura. Following the loss the mining's year to date returns sank deeper into the red ending the week at a 15.61% loss.

## In this Weekly

Market Highlights P1

In the News P4

Disclaimer P6

#### Contacts:

EdgetonTsanga 0772277153

Phenias Mandaza 0772144334

Coreen Madanha 0772144333

Brenda Mwaturura 0782785666

**Risers**

Symbol	Previous	Current	Change	%Change
INN.ZW	0.2200	0.2300	0.0100	4.55
DLTA.ZW	0.7000	0.7297	0.0297	4.24
SIM.ZW	0.1320	0.1350	0.0030	2.27
PROL.ZW	0.0275	0.0280	0.0005	1.82
COLC.ZW	0.1500	0.1525	0.0025	1.67
MSHL.ZW	0.0073	0.0074	0.0001	1.37
BAT.ZW	11.7524	11.8000	0.0476	0.41

**Faller**

Symbol	Previous	Current	Change	%Change
TURN.ZW	0.0120	0.0110	0.0010	8.33
HIPO.ZW	0.2200	0.2025	0.0175	7.95
BARC.ZW	0.0295	0.0275	0.0020	6.78
PWS.ZW	0.0230	0.0220	0.0010	4.35
OKZ.ZW	0.0450	0.0431	0.0019	4.22
BIND.ZW	0.0102	0.0100	0.0002	1.96
MASH.ZW	0.0167	0.0165	0.0002	1.20
NTFD.ZW	2.1000	2.0843	0.0157	0.75
DAWN.ZW	0.0161	0.0160	0.0001	0.62
OML.ZW	2.2000	2.1975	0.0025	0.11

\* All prices in USD

**Market posts negative breadth ...**

The market set a negative breadth for the week under review as ten fallers were recorded against seven risers. The weight of the fewer fallers however proved decisive as the main index closed in the black. The market's momentum stocks continued to dominate the risers with FMCG conglomerate Innscor leading the pack on a 4.55% advance that took it to \$0.2300. Beverages giant Delta sustained its rising momentum and maintained firm bids through to the end of the week having put on 4.24% and settling at \$0.07297. Following was Simbisa which advanced 2.27% to \$0.1350 while, firming demand in Proplastics saw the polyvinyl chloride products manufacturer add 1.82% and close at \$0.0280. Demand was also evident in meat processing group Colcom which closed the week at \$0.1525 after putting on 1.67% in gains.

The downside was led by construction allied products manufacturer Turnall that succumbed 8.33% and ended the week at \$0.0110 with sugar producers Hippo following on a 7.95% retreat to \$0.2025. Bankers Barclays dropped 6.78% as its swings continued amidst uncertainty surrounding the future shareholding structure of the group following public announcement of intention to sell out by major shareholders Barclays Plc. Losses were also seen in Powerspeed and OKZIM with the duo letting go 4.35% and 4.22% and leaving them trading at \$0.0220 and \$0.0431. Property group Mash declined 1.20% to \$0.0165 on weak demand as food processing giant National foods dropped 0.75% to \$2.0843 in an active trading week for the group were volumes sailed across the board.

Soft trading over the week was also seen in Dawn which let go 0.62% and closed at \$0.0160. Old Mutual completed the fallers of the week as the hype surrounding the upliftment of shares across markets loses its gloss from delayed implementation.

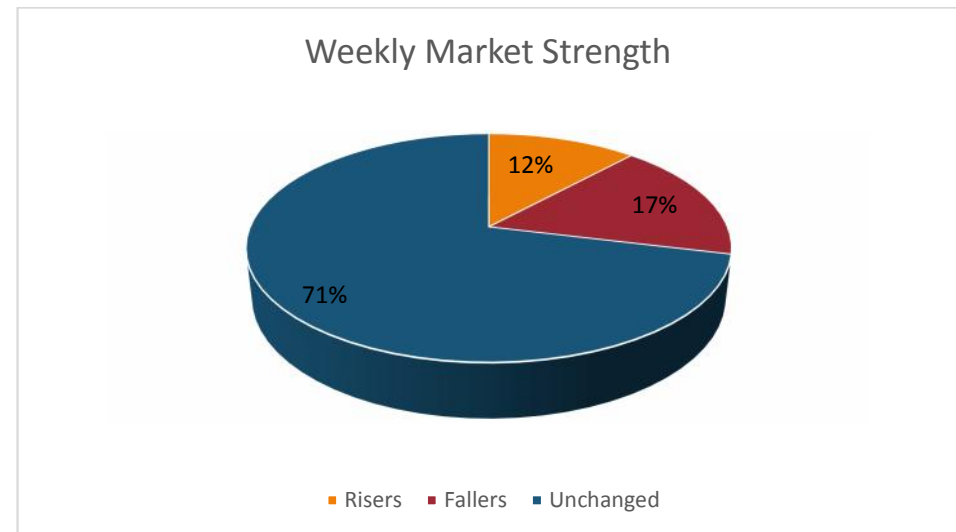
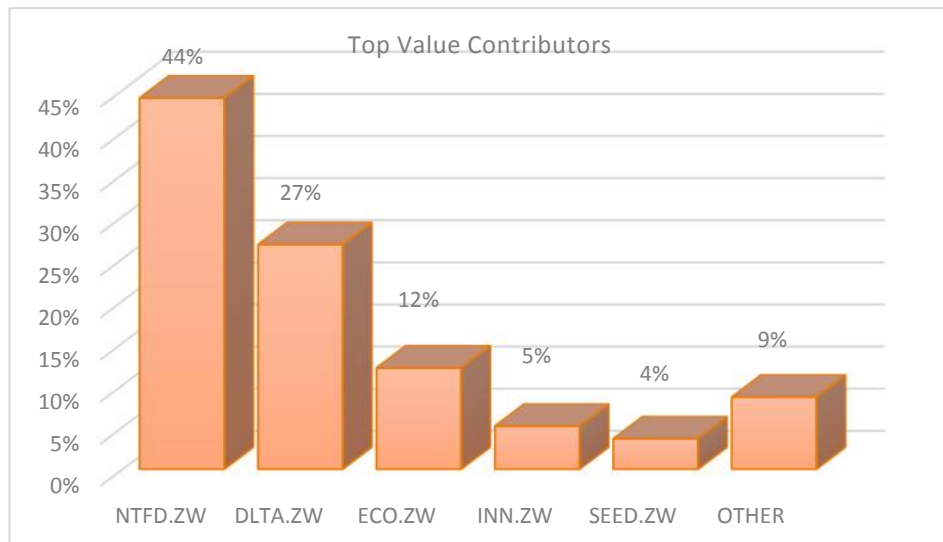
Market Aggregates and Statistics

**Market turnover aggregates**



	<i>Previous</i>	<i>Current</i>	<i>Change</i>	<i>%Change</i>
<i>Values</i>	5,858,053.21	3,055,936.12	2,802,117.09	47.83
<i>Volumes</i>	70,874,782	8,344,060	62,530,722.00	88.23

Trading activity for the week slowed down with the values of trades coming off by 47.83% to \$3.06m while, volumes exchanged fell 88.23% and ended at \$70.87pts. Values of the week were driven by National Foods, Delta and Econet which contributed a combined 73% of the weekly aggregate. Driving the volumes of the week were trades in Nicoz Diamond and Econet which accounted for 25% and 13% respectively to the total shares traded.



## In the news...

---

### **Econet launches massive consumer promotion**

Zimbabwe's biggest telecommunication service provider, Econet Wireless yesterday launched its biggest ever consumer promotion, 7X, which will see customers getting 700% free bonus airtime every day. <http://www.herald.co.zw/econet-launches-massive-consumer-promotion/>

### **Bank lending rates to decline to 15pc**

The Reserve Bank of Zimbabwe will introduce non-negotiable certificates of deposit to re-direct idle funds to productive sectors of the economy. <http://www.herald.co.zw/bank-lending-rates-to-decline-to-15pc-200m-afreximbank-facility-an-export-stimulant/>

### **Zim needs economic transformation programme-IMF**

The International Monetary Fund has stressed that Zimbabwe should move fast to implement a comprehensive economic transformation programme saying there is no time to waste. <http://www.herald.co.zw/zim-needs-economic-transformation-programme-imf/>

### **Govt to raise stake in Hwange**

Government is on the verge of increasing its stake in Hwange Colliery Company Limited (HCCL) significantly after the coal miner said it is at an advanced stage of converting Government debt into equity. <http://www.herald.co.zw/govt-to-raise-stake-in-hwange/>

### **Multi currency rtgs payment systems to go live in june**

The Reserve Bank of Zimbabwe (RBZ) says a multi-currency Real Time Gross Settlement (RTGS) payment system will go live next month with three other currencies joining the platform. <https://www.newsday.co.zw/2016/05/06/multi-currency-rtgs-payment-system-go-live-june/>

### **Masimba Holdings drive Marimba housing project**

THE Infrastructure Development Bank of Zimbabwe (IDBZ) has handed over the \$2 million Marimba housing project to one of its contractors, Masimba Holdings. <https://www.newsday.co.zw/2016/05/05/masimba-holdings-drive-marimba-housing-project/>

### **Nampak profits up 755pc**

Paper and packaging concern Nampak Zimbabwe saw its profit after tax growing by 755% to \$1,48 million in the six months to March 31, 2016 driven by cost containment measures and efficiency at its plants. <https://www.newsday.co.zw/2016/05/03/nampak-profits-755/>

### **Construction sector depressed**



Members of the Zimbabwe Stock Exchange

ZIMBABWE'S construction sector remained depressed in the first quarter of the year, with a number of projects being suspended due to lack of funding, NewsDay has established. <https://www.newsday.co.zw/2016/05/05/construction-sector-depressed/>

**Millers import 160,000t of maize**

THE Grain Millers' Association of Zimbabwe (GMAZ) has imported 160 000 metric tonnes of maize and is expecting to get an additional 250 000 metric tonnes in the next 90 days to ease the food crisis induced by drought. <https://www.newsday.co.zw/2016/05/06/millers-import-160-000t-maize-expect-250-000t/>



Members of the Zimbabwe Stock Exchange

This document has been prepared by EFE Securities (Private) Limited (EFE), for the information of its clients. Although the statements of fact in this report have been obtained from sources that the company believes to be reliable, we do not guarantee their accuracy, and any such information may be incomplete or condensed. All opinions and estimates included in this report constitute the company's judgment as of the date of this report and are subject to change without notice. The securities discussed and mentioned in this report may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors they believe necessary. This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. EFE and any of the individuals preparing this report may at any time have a long and/ or short position in any securities of companies in this report. In addition EFE may from time to time perform investment banking or other services for, or solicit investment banking or other business from any entity mentioned in this report. EFE may at times buy and sell shares on an agency or principal basis to its clients. Shares may rise or fall and investors may end up with a reduced amount from their initial capital invested. Additional information on EFE's recommended securities is available on request.