

ZSE losses persist into the New Year...

The anticipated new dawn in the New Year proved futile for the ZSE as losses extended further on weakness in market heavies. The first week of 2016 had all the hallmarks of the previous year that was marred by thin and sporadic trades with persistent losses. Reports of changes to the indigenization and economic empowerment framework did little to spur interest in the market as market participants remain skeptical on the implementation of the proposals. The planned policy changes that are meant to improve the attractiveness of Zimbabwe as a destination for foreign direct investment remain a pipe dream without supportive legislative provisions and a clear policy framework. Meanwhile, some companies continued to release financials with most falling far short of inspiring as they struggled to cope with the challenging operating environment. Amongst those to report, Ariston whose revenue declined 5.73%, while, loss for the year before discontinued operations was \$1.7m from a profit of \$0.62m. The collapse was largely attributed to the shrinking economy and high interest rates that continued to strain the group.

Benchmarks in the red for first week ...

Indices

	Previous	Current	Change (pts)	% Change	YTD %
<i>Industrial</i>	114.85	112.16	2.6900	2.34	2.34
<i>Mining</i>	23.70	23.48	0.2200	0.93	0.93

The benchmark indices were all in the red for the first week of 2016 as the market free-fall continued. Industrials lost 2.34% for the week and settled at 112.16pts weighed down by sustained losses in market heavies.

Similarly the relatively inactive Mining Index came off by 0.93% for the first week of trading and ended at 23.48pts. Weighing on the minings cluster was nickel miners Bindura that emerged the sole active stock in the group all week and declined by 1.96% week on week and closed at \$0.0150.

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Risers
ZSE Bears dominate ...

Symbol	Previous	Current	Change	%Change
PROL.ZW	0.0210	0.0240	0.0030	14.29
TURN.ZW	0.0100	0.0110	0.0010	10.00
DZL.ZW	0.0650	0.0685	0.0035	5.38
SIM.ZW	0.1560	0.1600	0.0040	2.56
CBZ.ZW	0.1099	0.1100	0.0001	0.09

The ZSE was evidently stark in bearish mode as thirteen of the twenty seven active stocks posted losses compared to only five risers while, the rest traded stable at previous levels. The movements' distribution gave a negative market breadth of eight that largely contributed to the declines in the benchmarks. Pharmaceutical group Medtech led the market retreat as it let go 75% of its value and closed trading at \$0.0001. Innscor's glitter continued to fade in the new year as the last ditch charge at the end of the final week of 2015 proved a false start. The FMCG conglomerate succumbed 19.9% and closed the week at \$0.2400.

Life assurers Fidelity saw the recent tabloid reports of a boardroom shakeup weigh on price performance as the group lost 9.1% and settled at \$0.1000. Crocodile skin manufacturers Padenga let go 6.86% and closed trading at \$0.0720 while NMB dropped 5.71% to \$0.0330. Notable heavy cap losses were seen in beverages giant Delta that fell 3.51% to a fifty two week loss of \$0.6802 on weakening demand. Multi-listed financial services group Old Mutual failed to weather the losing tide and dropped 2.66% to \$1.9800. Financial services group Barclays was down 1.18% at \$0.0420 as demand softened in the group. Telecoms group Econet completed the market rout with a -0.43% retreat that took it to \$0.2100

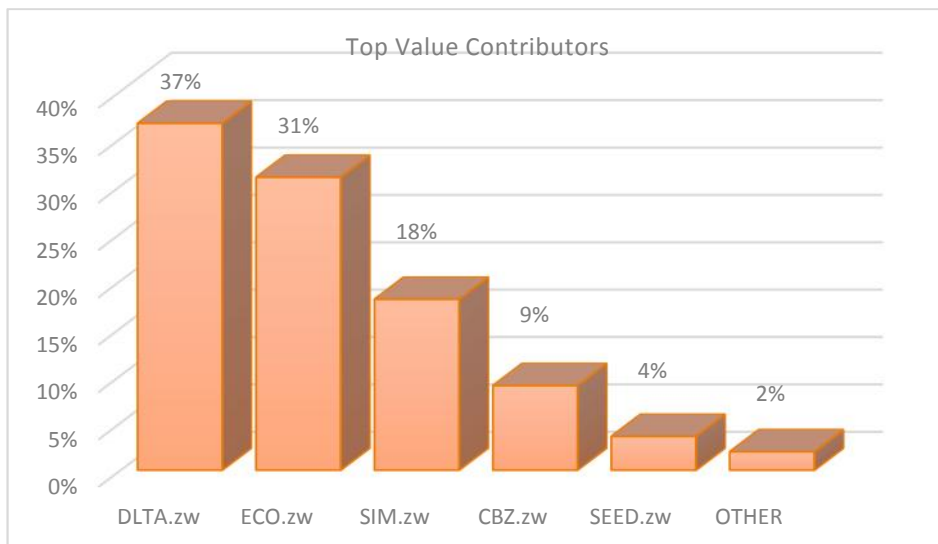
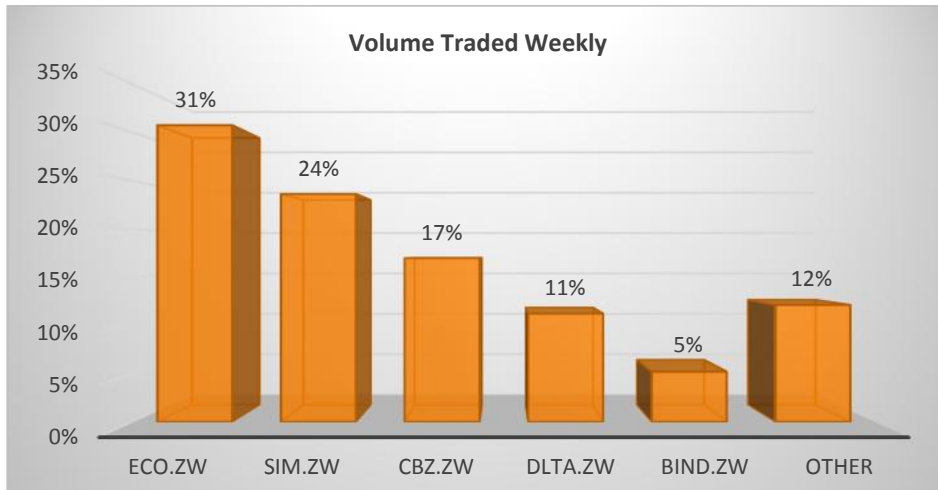
The market losses were mitigated by gains in five stocks led by Proplastics that firmed 14.3% and settled at \$0.0210. Construction allied group Turnall followed in the risers list having put on 10% and found its shares exchanging hands at \$0.0110. Dairibord enjoyed a market rebound firming 5.38% and settling at \$0.0685. Food processing group Simbisa was 2.56% to the good on resurgent demand and settled at \$0.1600 while, CBZ completed the market risers as the financial services group posted a marginal 0.09% climb to \$0.1100.

Faller

Symbol	Previous	Current	Change	%Change
MMDZ.ZW	0.0004	0.0001	0.0003	75.00
INN.ZW	0.2996	0.2400	0.0596	19.89
FIDL.ZW	0.1100	0.1000	0.0100	9.09
PHL.ZW	0.0773	0.0720	0.0053	6.86
NMB.ZW	0.0350	0.0330	0.0020	5.71
PEAR.ZW	0.0230	0.0220	0.0010	4.35
FML.ZW	0.0230	0.0220	0.0010	4.35
DLTA.ZW	0.7050	0.6802	0.0248	3.52
OML.ZW	2.0341	1.9800	0.0541	2.66
BIND.ZW	0.0153	0.0150	0.0003	1.96

* All prices in USD

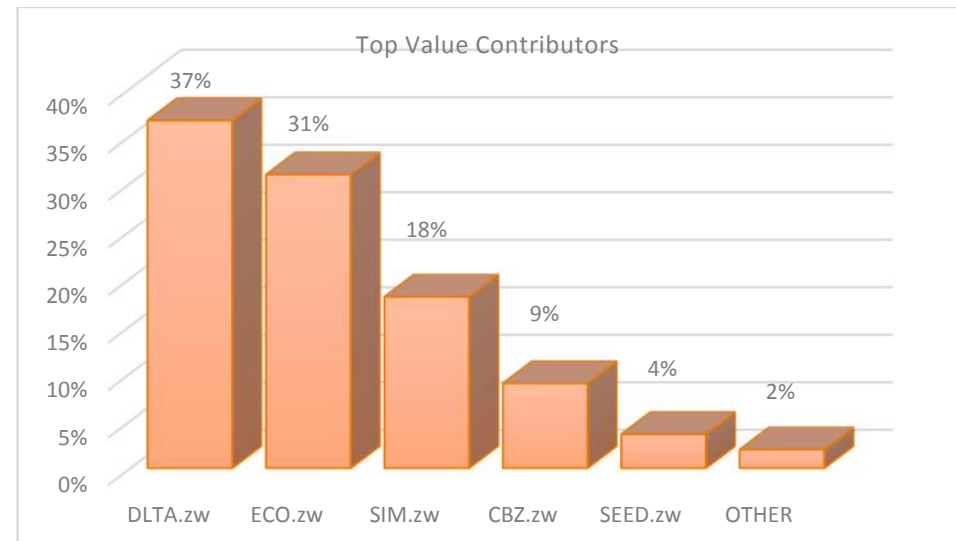
Market Aggregates and Statistics



Market turnover aggregates

	Previous	Current	Change	%Change
Values	1,115,802.90	3,361,348.92	2,245,546.03	201.25
Volumes	13,480,408	16,058,701	2,578,293.00	19.13

The market's top stocks though trending southwards were the most active stocks for the week driving the top aggregates. Values of the week ballooned 201.25% to \$3,361,348.92 as post festive season activity improves. Delta and Econet were the top drivers of the aggregate on contributions of 37% and 31% respectively. The volume of shares traded grew by 19.13% to 16,058,901 shares and these were anchored by telecoms group Econet that accounted for 31% while Simbisa and CBZ made the other notable contributions of 24% and 17% respectively..



In the news...

Ariston Holdings records loss

ARISTON Holdings' recorded loss after tax of \$1,7 million for the year-ended September 30, 2015 compared to \$1,5 million in 2014.

www.newsday.co.zw/2016/01/08/ariston-profit-after-tax-up/

Blanket Mine gold output surges 2,5%

GOLD output at Caledonia Mining Corporation's subsidiary, Blanket Mine went up by 2,5% to 42 806 ounces in 2015 compared to the same period in 2014.

www.newsday.co.zw/2016/01/07/blanket-mine-gold-output-surges-25/

Non-life insurers' after tax profit declines by more than half

PROFIT after tax for non-life insurers declined by more than half for the nine months ending September 30, 2015.

www.newsday.co.zw/2016/01/06/non-life-insurers-after-tax-profit-declines-by-more-than-half/

Money supply up

THE Reserve Bank of Zimbabwe (RBZ) has reported an increase in money supply to 7,5% for the month of November on the back of improved confidence in the banking sector.

www.newsday.co.zw/2016/01/05/money-supply-up/

Manufacturing sector stutters in 2015

The manufacturing sector stuttered in 2015 weighed down by the influx of cheap products, antiquated machinery, power outages and unavailability of cheap long-term financing for retooling.

www.newsday.co.zw/2015/12/31/manufacturing-sector-stutters-in-2015/

Commodities slump to continue in 2016'

Zimbabwean mining companies must brace for a further plummet in commodity prices on the international market this year, a World Economic Forum (Wef) report has said.

www.dailynews.co.zw/articles/2016/01/04/commodities-slump-to-continue-in-2016

RBZ calls for limited govt expenditure

The Reserve Bank of Zimbabwe (RBZ) says government must enforce measures to limit its capital expenditures or risk remaining in a negative fiscal deficit.

www.dailynews.co.zw/articles/2016/01/05/rbz-calls-for-limited-govt-expenditure

SA firm eyes two Zim insurers

South African insurer Hollard has reportedly set its eyes on acquiring a majority stake in two Zimbabwean insurance companies Hamilton Insurance (Hamilton) and Cell Funeral Assurance (Cell)

www.dailynews.co.zw/articles/2016/01/08/sa-firm-eyes-two-zim-insurers



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