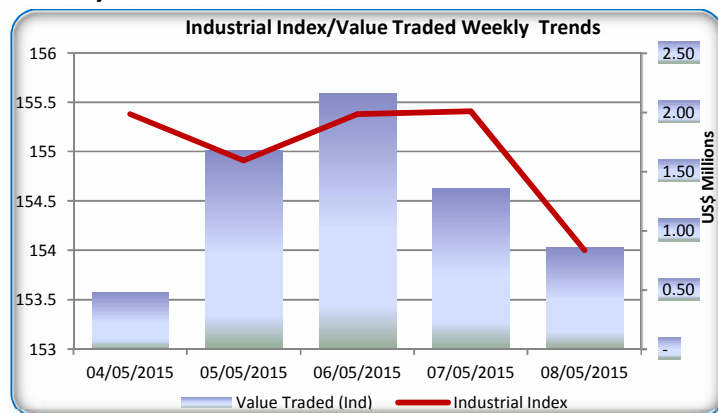
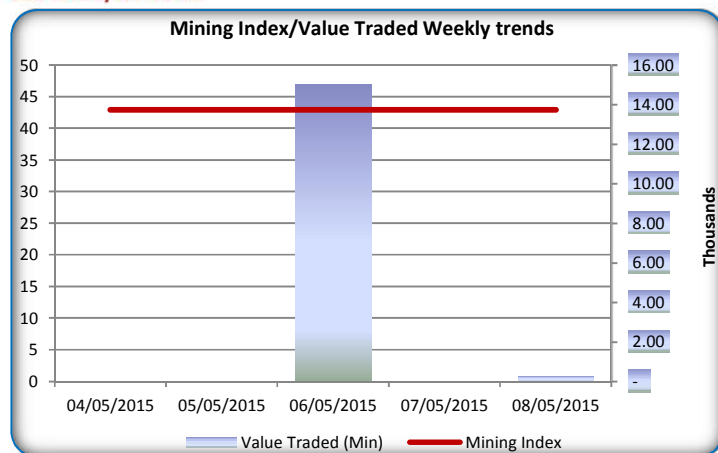


## EFE Weekly Market Review 08 MAY 2015

### Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	6.57	1.25	424.68
Volume Traded (mn)	65.63	11.11	490.90
Foreign Purchases	3.18	0.21	1417.64
Foreign Sales	4.05	0.21	1862.19

Source ZSE/EFE Dbase.

### Market opens May in losses as liquidity remains tight ...

The ZSE found no reprieve in the new month as liquidity constraints continued to weigh down on the market forcing the deficit units to trade lower in its search. The little activity on the corporate calendar also dampened the general mood on the bourse in the past couple of weeks as there is little elsewhere to give impetus to the demand on the market. Pockets of demand however have been seen to emerge in certain blue chip stocks as some investors were drawn by the allure of the dips. Riding on the liquidity constraints buyers have also been taking advantage to bait sellers with prospects of finding same by indicating lower bids.

Index	Level	%Δ	YTD %Δ
Industrial Index	154.00	1.45	5.40
Mining Index	42.93	0.00	40.13

A couple of rising mid-week sessions could not carry the day for the main stream Industrial Index as it eventually succumbed to a cumulative 1.45% decline in the opening week of the month to close at 154.00pts. As a consequence the industrials' year to date loss extended to 5.40% as the bearish mood persists. The Mining Index completed five sessions of flat trading holding at a level of 42.93pts on the back of a combination of stable trades in a couple of sessions and no trades at all in three others took their toll.

### Activity aggregates opens new month higher...

The search for liquidity was largely the man driver for activity aggregates in the week under review with both volumes and values growing more than four fold. Values surged 424% to \$6.57m while volumes grew 490% to 65.63m shares. Surging foreign activity was the cornerstone of the market's buoyancy. Foreign purchases for the week amounted to \$3.18m which was up 1,418% while portfolio disposals went up 1,862% on last week to close at \$4.05m.

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### Contacts:

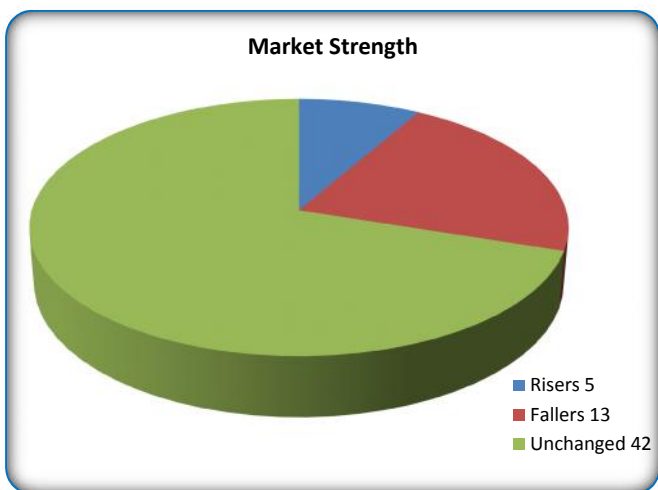
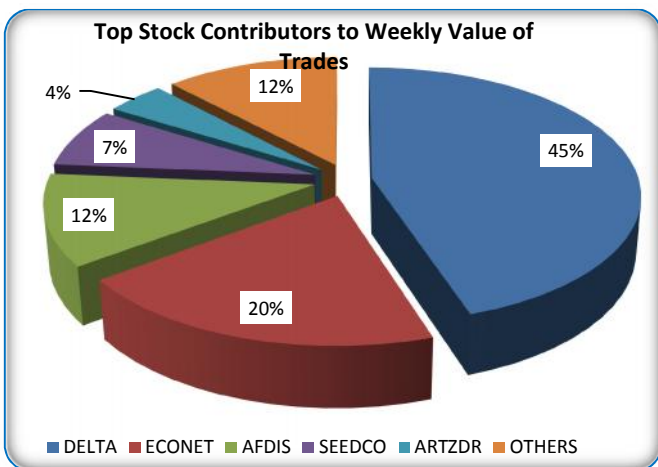
Edgeton Tsanga 0772277153

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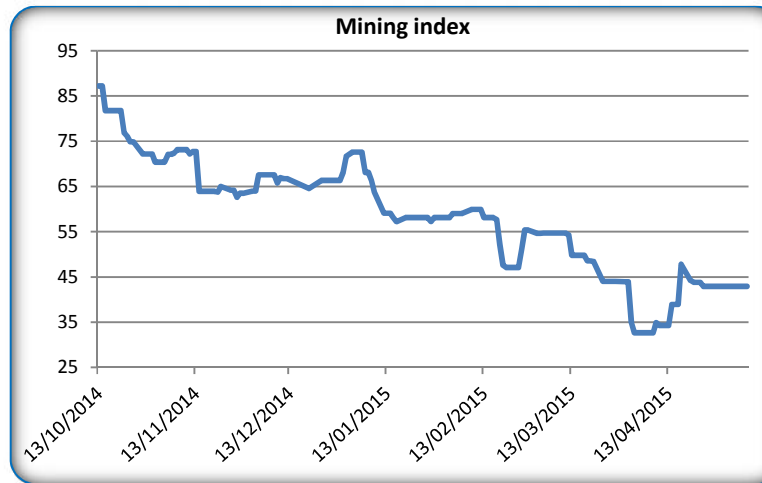
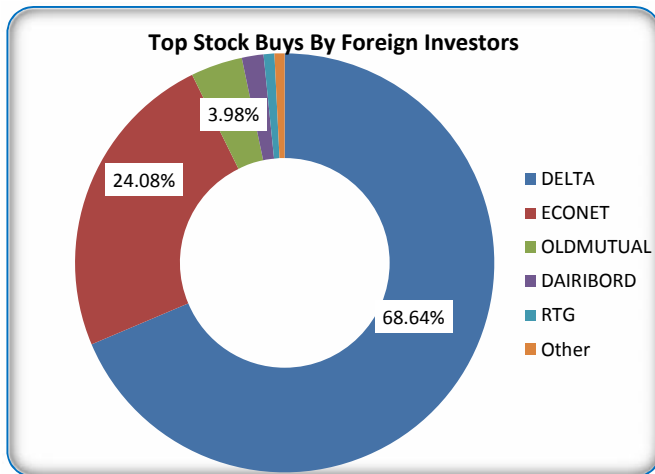
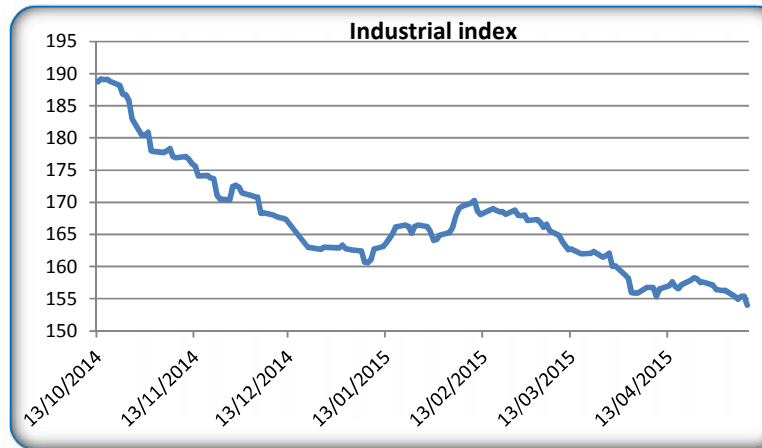
The market's top capitalised stocks Delta and Econet were the most liquid for the week as 45% and 20% of the total funds invested over the week found a home in the two. Afdis also registered a respectable 12% of the weekly turnover in trades as the spirits manufacturers experienced a rare spat of activity something that is attributable to the tightly nature of the stock.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
ARTZDR	0.60	100.00	100.00	RTG	1.10	26.67	31.25
STAR AFRIC	1.40	40.00	22.22	FIDELITY	7.00	23.91	12.50
OK	11.00	10.00	4.35	ZPI	0.80	20.00	14.29
CFI	2.10	5.00	30.00	ARISTON	0.40	20.00	33.33
BARCLAYS	4.10	2.50	60.78	DAWN	1.50	6.25	42.86

Leading losses of the week were seen in hoteliers RTG that fell -26.67% to 1.1c while life assurers Fidelity followed with a -23.91% decline to 7c. ZPI and Ariston also weighed on the market when they closed with an identical 20% decline week on week that saw their prices touch 0.8c and 0.4c respectively. Hotel property group Dawn completed the top shakers with a -6.25% decline to 1.5c as the market continues to await the offer to minorities from the company's new major shareholders. There were also some heavy weight casualties that dragged the market lower including BAT -5.17% softer at 1100c, Econet -5.12% down at 46.49c, Natfoods shedding 5.06% to 300c while SeedCO succumbed to weak demand letting go 1.05% to 94c

Mid-tier and small cap stocks dominated the risers with ART leading on a 100% rise to 0.6c its offer to minorities price. Star Africa added 40% on resurgent demand while OKZIM closed at 11c having added 10%. CFI was up 5% at 2.1c while Barclays completed the top risers of the week with a 2.5% rise that saw them close the week exchanging hands at 4.1c.

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

## **In the News...**

### **RioZim awaits rights issue approval**

RIOZIM Limited is still waiting for regulatory approval for its \$10 million rights issue and expects a favourable response within the next two months.

<https://www.newsday.co.zw/2015/05/08/riozim-awaits-rights-issue-approval/>

### **Mushore makes it to Meikles board**

MEIKLES Limited has appointed James Mushore as one of the company's board members. In a statement, Meikles said Mushore, a chartered accountant-turned banker with over 30 years' experience, was instrumental in the setting up of National Merchant Bank of Zimbabwe (NMB) in 1993, the first indigenous merchant bank.

<https://www.newsday.co.zw/2015/05/08/mushore-makes-it-to-meikles-board/>

### **China gets lions share of tobacco exports**

CHINA has accounted for more than half of Zimbabwe's tobacco exports in 2015, latest statistics have shown, as the Asian giant took top gong from Belgium which ruled the roost in the comparable period last year.

<https://www.newsday.co.zw/2015/05/04/china-gets-lions-share-of-tobacco-exports/>

### **Bank loans uptake slows**

The banking sector recorded a low loans uptake as a result of high lending rates as corporate clients in the sector slumped, figures from the Reserve Bank of Zimbabwe show.

<http://www.dailynews.co.zw/articles/2015/05/07/bank-loans-uptake-slows>

### **Broad money supply up 11.6pc**

Zimbabwe's broad money supply increased by 11,6 percent between January 2014 and January 2015, from \$3,88 billion last year to \$4,34 billion, on the back of growth in banking sector deposits, statistics from the central bank show.

<http://www.dailynews.co.zw/articles/2015/05/04/broad-money-supply-up-11-6pc>

### **Zim maize production tumbles**

Zimbabwe's maize production for the 2014/15 agricultural season is forecast to decline by over 500 000 tonnes to 950 000 tonnes due to a prolonged dry spell, a latest Food and Agriculture Organisation (FAO) report has shown.

<http://www.dailynews.co.zw/articles/2015/05/07/zim-maize-production-tumbles>

### **Telecel gets reprieve**

THE cancellation of Telecel Zimbabwe's operating licence by the Post and Telecommunications Regulatory Authority (Potraz) was yesterday suspended by the High Court giving hope to over 800 employees who were set to lose their jobs by end of month.

<http://www.theindependent.co.zw/2015/05/08/telecel-gets-reprieve/>

### **Brainworks offer to close next week**

Brainworks Capital Management's offer to African Sun Ltd minorities, which opened last month will close next week. The offer opened April 20,2015 and is scheduled to close on the 11<sup>th</sup> of May as the equity investment firm bids for Afsun control.

<http://www.herald.co.zw/brainworks-offer-to-close-next-week/>

## Up Coming Events

COMPANY	EVENT	VENUE	DATE	TIME
ZIMFLOW	AGM	Head Office, Northridge Park, Borrowdale, Hre	04.05.15	10.00HRS
BARCLAYS	AGM	Meikles Hotel, Palm Court, Harare	06.05.15	15.00HRS
NMB	AGM	4 <sup>TH</sup> Floor Unity Court, Harare	21.05.15	10.00HRS
ASTRA	AGM	Auditorium at AstraPark, Highlands, Harare	20.05.15	12.00HRS
DAIRIBORD	AGM	Mirabelle Room, Meikles Hotel, Harare	28.05.15	11.30HRS

## CAUTIONARIES

Company	Issue Date	Subject
Masimba	15 JAN 2015	Repeat Notice of possible transactions with potential impact on share values
RIOZ	5 <sup>TH</sup> MAR 2015	Company seeking regulatory approvals to proceed with the rights issue
DAWN	20 APRIL 2014	Company Compiling an offer to minorities as major shareholders Brainworks now control 61.65%
ART	21 <sup>ST</sup> APRIL 2014	Offer to minority date extended to 30 April 2015
Star Africa	23 <sup>rd</sup> April 2015	Company in negotiations that can have a material impact of value of shares

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