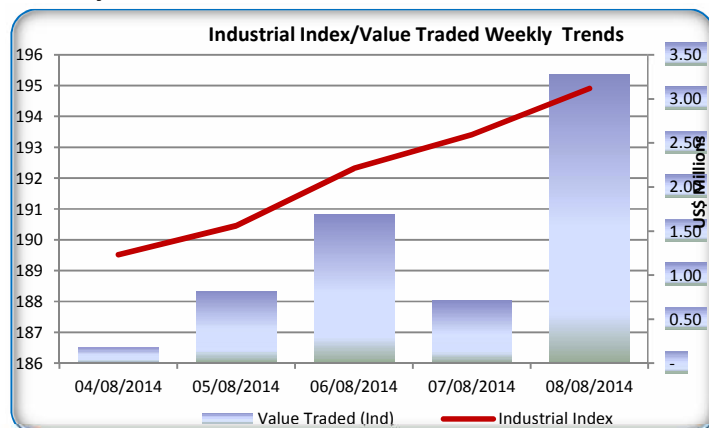
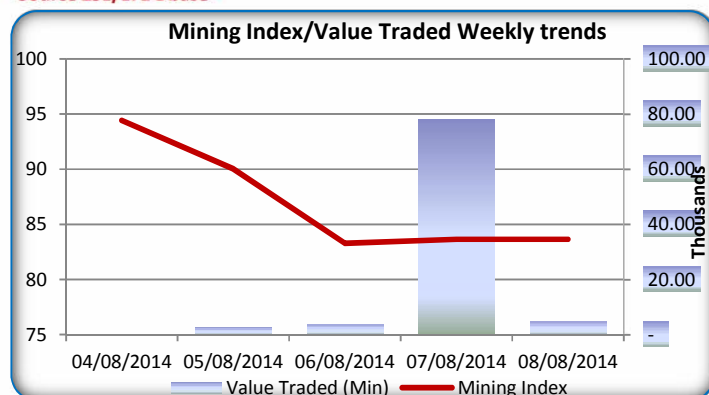


EFE Weekly Market Review 08 August 2014

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	6.85	5.42	26.35
Volume Traded (mn)	80.83	58.21	38.87
Foreign Purchases	4.15	3.07	35.22
Foreign Sales	2.72	1.56	74.23

Source ZSE/EFE Dbase.

Market Highlights

ZSE turns bullish as Zim is set to secure a funding package...

The start of the reporting season for the June reported date got underway this week with some of the performances reemphasising the challenging state of the operating environment. These however seemed to do little to dampen the mood on the ZSE that remained fairly buoyant with the main stream Industrial Index narrowing the year to date loss to just -3.57% by close of call Friday. This feat follows a -2.96% gain registered by the index in the week under review anchored by widespread gains across the bourse to see the main Industrial Index settle at 194.91pts. The market's momentum stocks Delta, Econet and Innscor drove the rally with solid gains of +2.98% +2.08% and +5.25% on resurgent demand to settle at prices of 130c, 73.5c and 80c respectively

Index	Level	%Δ	YTD %Δ
Industrial Index	194.91	2.96	3.57
Mining Index	83.65	11.43	82.68

The resources traded in the counter direction to the industrials weighed down by profit taking in nickel miners Bindura that saw the Mining Index succumb to a -11.43% retreat to settle at 83.65pts. Despite the seemingly hefty loss the minings remain at an attractive 82.68% year to date return which were largely accrued in the recent rally by Bindura. Bindura's soft trading in the week under review however follows an update by parent Mwana that the nickel miners grade concentrate was 14% lower though slightly better prices accrued over the same period.

Values softer despite bullish sentiment...

Activity on the ZSE saw an improvement with demand continuing to improve across the board. An estimated 80.83m shares exchanged hands over the week indicating a 38.87% uplift on prior week and these yielded \$6.85m in values thus indicating a 26.35% uplift on last

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Contacts:

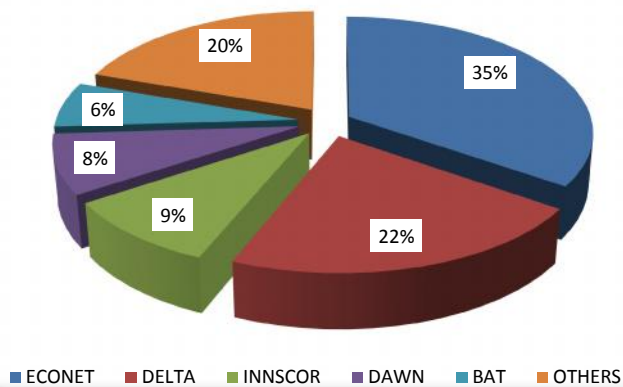
Edgeton Tsanga 0772277153

Chris Masendeke 0772135234

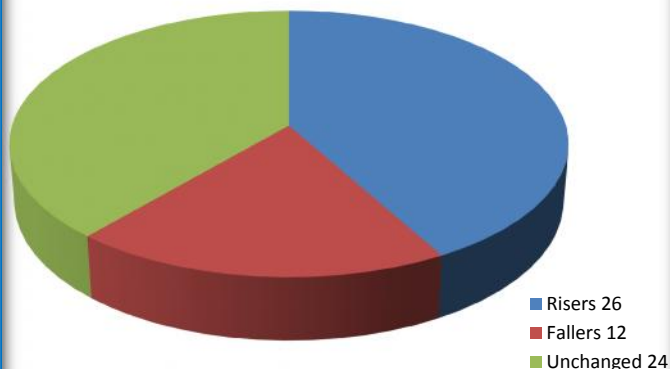
Phenias Mandaza 0772144334

Coreen Madanha 0772144333

Top Stock Contributors to Weekly Value of Trades



Market Strength



week. Foreign investors continued to be the driving force on the demand side as their purchases came in at \$4.15 representing 61% of the total values spurned this week. Portfolio disposals by foreigners amounted to \$2.72m or just 40% of the turnover as the market sustained its continued net funds inflow position with an aggregate of \$1.43m for the week. Foreign demand continued to be skewed towards the ZSE's momentum stocks Econet, Delta and Innscor in which about 97% of the foreign spend was expended.

Top Five Risers

Counter	Price	%Δ	YTD %Δ
RADAR	5.50	175.00	31.25
Willdale	0.20	100.00	100.00
MASIMBA	3.50	48.94	46.15
ARTZDR	0.40	33.33	100.00
ARISTON	0.65	30.00	35.00

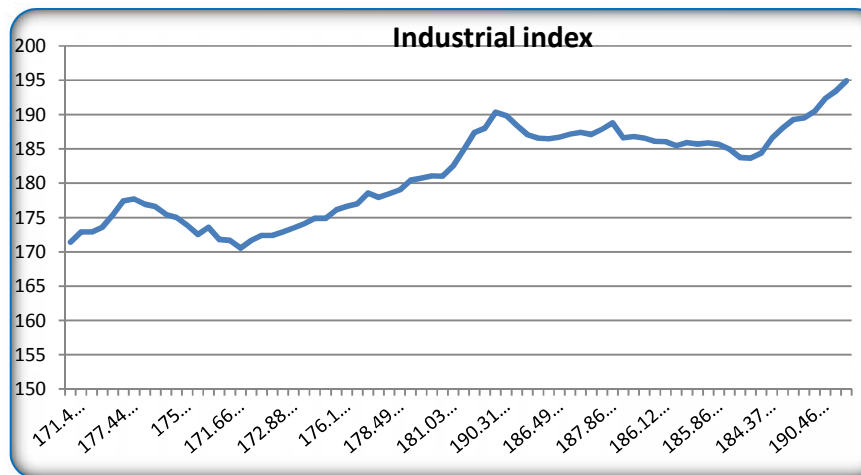
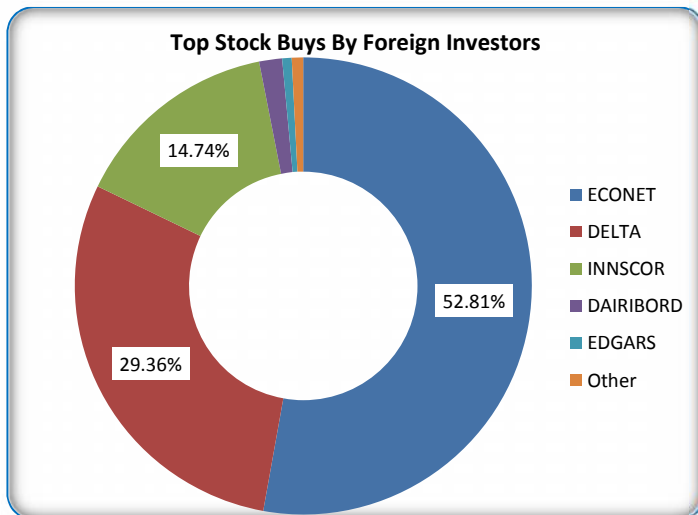
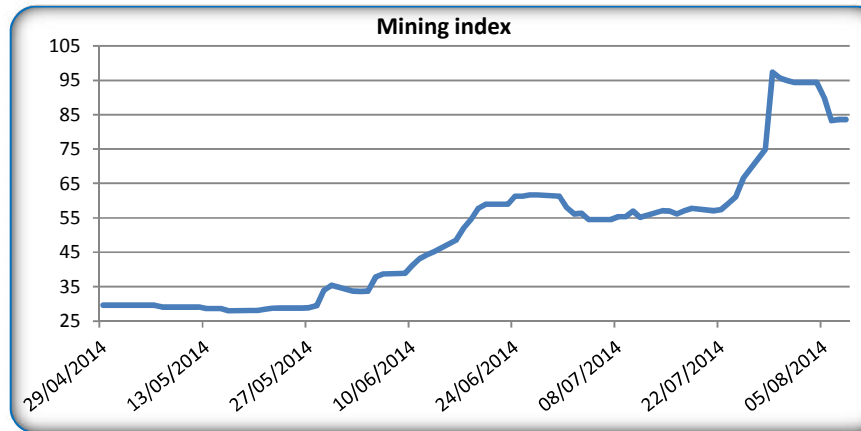
Worst Performers

Counter	Price	%Δ	YTD %Δ
NMBZ	4.00	33.33	38.46
STAR AFRI	2.10	19.23	110.00
BINDURA	7.00	16.67	250.00
AFRI SUN	2.30	14.81	14.81
COLCOM	24.00	9.13	9.09

Market gains were led by the highly illiquid group Radar that rallied +175% in rare trades to settle at 5.5c by the close of the week. Brick makers Willdale were to follow after doubling its value to 0.2c in the wake of reports of improving capacities following the recent recapitalisation of the group. Another construction allied group Masimba was to follow after putting on +48.94% to 3.5c. Completing the top gainers for the week were the duo of ART ZDR and ARISTON that put on +33.3% and 30% to close the week trading at 0.4c and 0.65c respectively.

Soft trading was however seen in NMBZ that shed -33.3% and closed the week at 4c on weakening demand. Star Africa were to follow retreating -19.23% to 2.1c on profit taking after its recent rally. Other losers for the week included African Sun that came off -14.81% to 2.3c and meat processing and packaging group Colcom that lost -9.13% and closed at 24c.

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
Properties Pearl &	: Mash; ZPI Property companies on the local bourse have all been relatively discounted relative to the regional comparatives with the investment case largely being vested in the lower rental rates relative to regional comparatives. These have been steadily improving and are expected to continue improving with better changes in the economy
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...

CBZ net profit drops 20pc

The country's largest bank, CBZ Holdings says it remains on solid ground in spite of the 20 percent drop in profitability for the half year to June.

<http://www.herald.co.zw/cbz-net-profit-drops-20pc/>

BNC concentrate output dips 14pc

Bindura Nickel Corporation nickel in concentrate production for the first quarter to June dipped 14 percent after mining was temporarily suspended due to maintenance work on the underground mobile equipment.

<http://www.herald.co.zw/bnc-concentrate-output-dips-14pc/>

Atlas Mara, ABCH deal nears completion

Atlas Mara Co-Nvest Limited (Atlas Mara)'s acquisition of banking group ABC Holdings (ABCH) is nearing completion, with the minimum threshold for the voluntary public offer for shares in African Development Corporation (ADC) having been satisfied.

<http://www.dailynews.co.zw/articles/2014/08/07/atlas-mara-abch-deal-nears-completion>

Tetrad, creditors in crunch meeting

TETRAD Investment Bank (TIB) will have a crunch meeting with creditors today in which the troubled financial institution wants to push for a deferment of claims pending the finalisation of a recapitalisation exercise.

<https://www.newsday.co.zw/2014/08/08/tetrad-creditors-crunch-meeting/>

Art seeks \$3,5 million

Zimbabwe Stock Exchange-listed group Art Corporation (Art) is seeking nearly \$3,5 million for recapitalisation.

<http://www.dailynews.co.zw/articles/2014/08/06/art-seeks-3-5-million>

'Delta Beverages not complying with indigenisation regulations'

DELTA Beverages workers yesterday told Parliament that their employer has not yet complied with the indigenisation regulations which compel companies to cede 10% shares to employees.

<https://www.newsday.co.zw/2014/08/08/delta-beverages-complying-indigenisation-regulations/>

Afreximbank closes off \$150m for Econet

The African Export-Import Bank (Afreximbank) successfully closed a US\$150 million financing facility for Econet Wireless Global Limited, Mauritius, to enable the company to fund its expansion programme.

<http://www.herald.co.zw/afreximbank-closes-off-150m-for-econet/>

Barclays H1 profit after tax doubles

BARCLAYS Bank of Zimbabwe Limited's profit after tax more than doubled to \$1,7 million in the half year ended June 30 from the same period last year, spurred by the growth in income.

<https://www.newsday.co.zw/2014/08/07/barclays-h1-profit-tax-doubles/>

RBZ hopes to arrest deflation

The Reserve Bank of Zimbabwe (RBZ) says the country will soon emerge out of deflation due to an increase in broad money supply into the economy.

<http://www.dailynews.co.zw/articles/2014/08/07/rbz-hopes-to-arrest-deflation>

RM Insurance rebrands

RM Insurance has rebranded to Old Mutual Insurance Company (Private) Limited as part of efforts to align the firm with its parent company Old Mutual Zimbabwe (Old Mutual).

<http://www.dailynews.co.zw/articles/2014/08/04/rm-insurance-rebrands>

Delta to invest \$590 000 in sorghum production

Beverage manufacturer, Delta Corporation says it will invest at least \$590 000 for the production of 2 000 tonnes of sorghum during the 2014/ 15 cropping season.

<http://www.herald.co.zw/delta-to-invest-590-000-in-sorghum-production/>

Bank failures result of weak supervisory framework: Report

BANK failures and the increase in non-performing loans has been exacerbated by a weak supervisory framework to rein in errant bankers, a new report has shown.

<https://www.newsday.co.zw/2014/08/07/bank-failures-result-weak-supervisory-framework-report/>

How the ZSE could turn indigenisation policy into a broad-based policy

Officially recognised remittances by Zimbabwean diaspora netted \$1,8 billion in 2013. The figure excludes Rand and Pulas sneaked into the country stashed under the seats of cross-border buses

<http://www.thezimmail.co.zw/2014/08/08/how-the-zse-could-turn-indigenisation-policy-into-a-broad-based-policy/>

2014 good for ZSE- SECZ

THE Securities and Exchange Commission of Zimbabwe (SECZ) has predicted less delisting on the local bourse on the back of a projected 6.4 percent Gross Domestic Product (GDP) growth pronounced by Finance Minister Patrick Chinamasa in his 2014 National Budget presentation.

<http://www.thebusinessconnect.co.zw/index.php/main-news/88-2014-good-for-zse-secz>

Cairns eyes 35pc growth

CAIRNS Foods is targeting a 35 percent growth in the market share of its chocolate business buoyed by improved capacity utilisation. The company's acting chief executive officer Mr Jeremiah Kwenda told The Herald Business in an interview that the group also aims to increase capacity utilisation from the current average of 40 percent across its divisions.

<http://www.herald.co.zw/cairns-eyes-35pc-growth/>

Mobile, internet transactions rise

THE value of mobile and internet-based transactions rose by 44,61 percent in June from the previous month as the wave of electronic payments continue gathering momentum.

<http://www.herald.co.zw/mobile-internet-transactions-rise/>

Up Coming Events

FALGOLD	EGM	1 st FLOOR KPMG HOUSE 133 J TONGOGARA ST BYO	13/08/2014	1000HRS
BNC	AGM	CHAPMAN GOLF CLUB HARARE	28/08/2014	0930HRS
SEEDCO	AGM	SEEDCO ADMIN BLOCK STAPLEFORD HARARE	20/08/2014	1200HRS
NTS	AGM	BOARD ROOM CNR CRISSP/SEKE	20/08/2014	1430HRS

CAUTIONARIES

ISSUE DATE

AFRICAN SUN	6 th Dec 2013	Discussions on mandatory offer to minorities by Lengrah Investments
PGI	4 th Dec 2013	Negotiations that may have material effect on the future of the company
DAWN PROPERTIES	23 rd Mar 2014	Negotiations are underway over disposal of one of its hotel properties
WILLDALE	6 th May 2014	To approve rights issue
NICOZ & ZHL	11 TH Apr 2014	Negotiations over disposal and acquisitions respectively, of a business

Notes

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