

ZSE Industrials in flat return as stocks trade mixed...

The market capped a mixed week of trading; having opened on a slow note, trades improved as the week wore on. Highlighting the market was the Delta second quarter trading update in which management lamented the depressed aggregate demand in the operating environment resulting in the group reporting contrasting volume performances across its beverage categories for the second quarter. Resultantly Delta's revenues in the second quarter were down 6% while for the half year to September these were down 8%. However, there was a breadth of fresh air towards the end of the week as news filtering into the market is that Zimbabwe received strong endorsement, at a meeting held on the sidelines of the ongoing IMF/World bank Annual Meetings in Lima Peru, among its international creditors in support of its strategy to clear the arrears to the three preferred creditors; the International Monetary Fund, World Bank and the African Development Bank. Meanwhile the government promised to tackle the incessant power outages dampening industry by exploring alternative forms of energy targeting to start by harnessing solar energy.

A flat outturn for the Industrials...

Indices

	Previous	Current	Change (pts)	% Change	YTD %
<i>Industrial</i>	131.45	131.45	0.0000	0.00	19.25
<i>Mining</i>	23.97	23.57	0.4000	1.67	67.13

The benchmark Industrial Index was in a surprise flat outturn week on week as late rebounds in selected market heavies helped it recover losses suffered earlier in the week. Consequently, the industrials closed flat at 131.45pts and as a result retained the same year to date loss of 19.25% as the one that was reported last Friday. Elsewhere, the Mining Index sank deeper into the red after shedding 1.67% to 23.57pts as demand remains heavily subdued with investors shying away as global commodity prices remain subdued. The minings have since lost 67.13% year-to-date and seems headed for its worst annual outturn as we slowly draw to the end of the year.

In this Weekly

Market Highlights P1

In the News P4

Disclaimer P7

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Risers

Symbol	Previous	Current	Change	%Change
CBZ.ZW	0.0900	0.1000	0.0100	11.11
PHL.ZW	0.0828	0.0900	0.0072	8.70
ARTD.ZW	0.0055	0.0057	0.0002	3.64
ZIMR.ZW	0.0110	0.0111	0.0001	0.91
EDGR.ZW	0.0696	0.0700	0.0004	0.57
BAT.ZW	11.6420	11.7000	0.0580	0.50
SEED.ZW	0.9900	0.9920	0.0020	0.20

Faller

Symbol	Previous	Current	Change	%Change
WILD.ZW	0.0018	0.0002	0.0016	88.89
FML.ZW	0.0210	0.0200	0.0010	4.76
DAWN.ZW	0.0173	0.0166	0.0007	4.05
BIND.ZW	0.0135	0.0130	0.0005	3.70
OML.ZW	2.4500	2.4000	0.0500	2.04
TSL.ZW	0.1750	0.1725	0.0025	1.43
HIPO.ZW	0.3900	0.3850	0.0050	1.28
DLTA.ZW	0.8150	0.8125	0.0025	0.31
ECO.ZW	0.2701	0.2700	0.0001	0.04

* All prices in USD

Losers dominate despite flat industrial return...

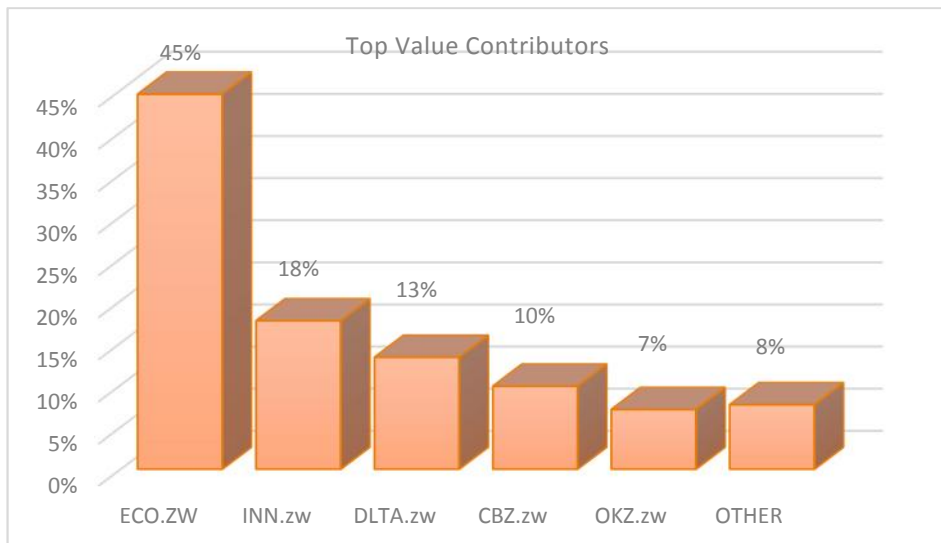
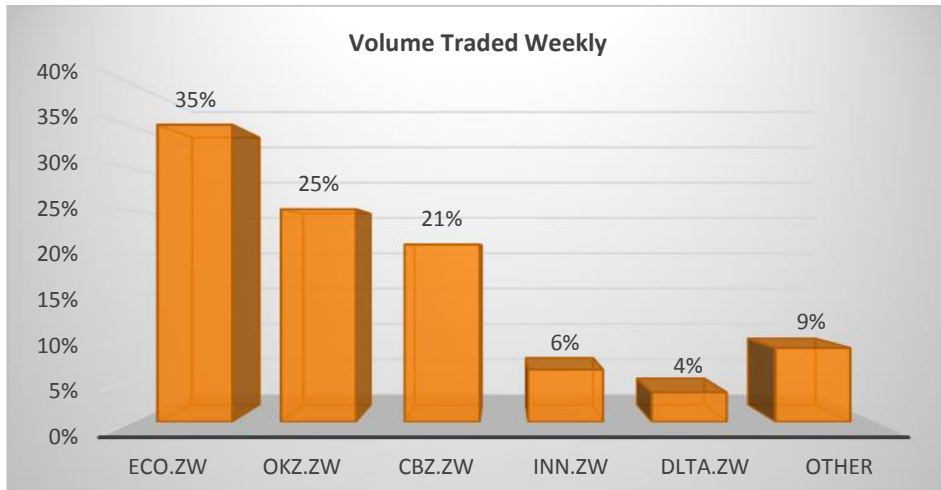
Selective trading characterized the trading week with nine fallers emerging out of the sixteen movers for the week. Despite rebounds in selected heavies on the final day of the week, their earlier losses proved the setback to a weekly positive return. Marginal weekly losses in top capitalized stocks were recorded in Econet down 0.04% at \$0.2700 and Delta's 0.31% decline that took their price to \$0.8125. Hippo's fortunes continued wane as the sugar producer fell 1.28% to \$0.3850 while TSL traded 1.43% softer at \$0.1725. Multi-listed financial services group Old Mutual came off 2.04% and settled at \$2.4000 while nickel miners Bindura closed the week down 3.7% to \$0.0130.

Weekly top losses were seen in brick manufacturers Willdale that came off 88.89% and settled at \$0.0002 as prolonged periods of non-activity that saw seller of a paltry parcel obliging to the low demanded price. Insurance group FML dipped 4.76% to \$0.0200 and property group Dawn came off 4.05% and settled at \$0.0166. The other shaker of the week was mining group Bindura that shed 3.7% and settled at \$0.0130

CBZ headlines the gains on resurgent demand...

CBZ topped the risers for the week as it sustained its surge with a 11.11% uplift that took its price to 10c as twelve months high. Padenga followed on an 8.7% gain to \$0.0900 while ART closed the week 3.64% firmer at \$0.0057c on resurging demand. Other gains of the week were seen in insurance group ZHL that put on 0.91% and ended at \$0.011, apparel retailers Edgars enjoyed a rising week after jumping 0.57% to \$0.0700 and cigarette manufacturers BAT put on 0.50% to \$11.7000 as demand remains firm in the group. SeedCO completed the risers of the week with a marginal 0.20% gain to \$0.9920

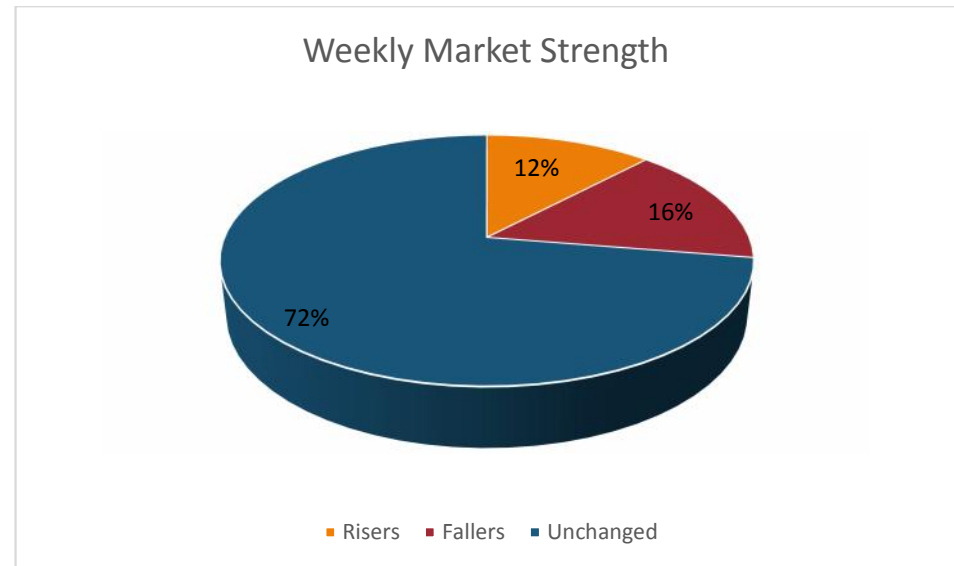
Market Aggregates and Statistics



Market turnover Aggregates

	Previous	Current	Change	%Change
Values	2,006,371.22	4,782,254.81	2,775,883.60	138.35
Volumes	23,490,669	22,376,346	1,114,323.00	4.74

A late increase in activity saw values surge 138.35% for the week over last week and closed at \$4.78m anchored by volume trades in Econet which accounted for 45% of the weekly outturn. Other notable trades were seen in Innscor, Delta and CBZ that accounted for 18%, 13% and 10% respectively. Volumes of the week were 4.74% softer at 22,376,346 buoyed by Econet, OKZIM and CBZ that made respective contributions to the aggregate of 35%, 25% and 21%.



In the news...

Econet retrenches 100 as revenue declines

Zimbabwe's largest telecoms operator by subscribers Econet Wireless has retrenched 100 employees as it seeks to streamline operations in view of declining revenues. <http://www.herald.co.zw/econet-retrenches-100-as-revenue-declines/>

Brainworks pursues Mauritius listing

Brainworks Capital Management says it has made significant progress towards listing in Mauritius in a process, the investment firm hopes will be completed by the end of this month. <http://www.herald.co.zw/brainworks-pursues-mauritius-listing/>

Govt \$20m injection secures ZB's capital

The \$20 mln fresh capital injection by one of ZB Holdings major shareholders early this year has helped to secure the group's capital position, group chief executive officer Mr Ron Mutandagayi has said. <http://www.herald.co.zw/govts-20m-injection-secures-zbs-capital/>

Cottco considers govt proposal

Cottco Holdings Limited (Cottco) shareholders are meeting next month to consider government's proposal to take over the struggling company's debt and convert it to equity. <http://www.dailynews.co.zw/articles/2015/10/06/cottco-considers-govt-proposal>

Regional currencies depreciation expose local industries

Zimbabwe's manufacturers say the continued depreciation of regional currencies is worrying as it further exposes local industries to the threat of cheap imports <http://www.herald.co.zw/regional-currencies-depreciation-exposes-local-industries/>

Mwana Africa mum over \$20m bond

Mwana Africa has not responded to calls by holders of Bindura Nickel Corporation's \$20 mln bond for the release of security guarantees amid concerns of falling nickel prices <http://www.herald.co.zw/mwana-africa-mum-over-20m-bond/>

CTC investigates Innskor again

In spite of an earlier objection from the Competition and Tariff Commission, listed conglomerate Innskor Africa acquired a 29% stake in stock feed producer Profeeds. <http://www.herald.co.zw/ctc-investigates-innskor-again/>

ZB gets the nod in Mozambique

ZB Holdings has reportedly obtained approval from regulatory authorities in Mozambique to establish a reinsurance business, paving the way for it to spread its tentacles in the fast growing economy. <http://www.herald.co.zw/zb-gets-the-nod-in-moza/>

Hippo Valley, Seedco lead in capital expenditure

Listed firms Hippo Valley, SeedCo and Padenga were the leading companies in capital expenditure in the early years of dollarisation. This put them in good stead to now sweat their assets and yield significant dividends for their shareholders. <http://www.herald.co.zw/hippo-valley-seed-co-lead-in-capital-expenditure/>

Lafarge mulls concrete roads

Lafarge Holcim Zimbabwe is exploring the feasibility of establishing concrete roads in the country based on expertise and availability of technical support within the Lafarge group. <http://www.herald.co.zw/lafarge-mulls-concrete-roads/>

Banks slash interest rates

Zimbabwe's exports to South Africa declined 37.3% as the South African rand dipped to an all-time low in the month of August. <http://www.herald.co.zw/banks-slash-interest-rates/>

Delta Beverages volumes down 2%

Delta Beverages' total volumes were down 2% for the six months ended September 30 due to the challenging environment attributed to depressed aggregate demand, the company said yesterday. <https://www.newsday.co.zw/2015/10/08/delta-beverages-volumes-down-2/>

AAG oppose Zimre stake sale

THE Affirmative Action Group (AAG) has requested the government to reverse the sale of its Zimre Holdings (ZHL) stake to a consortium led by Simon and Hamish Rudland. <https://www.newsday.co.zw/2015/10/08/aag-opposes-zimre-stake-sale/>

StarAfrica upbeat on new Sugar import tax

SUGAR producer StarAfricacorporation expects to enjoy the positive impact of a new sugar import tax regime in the next quarter of its financial year as demand for the local product is seen booming when imported stock runs out, an official has said. <http://www.theindependent.co.zw/2015/10/09/starafrika-upbeat-on-new-sugar-import-tax/>



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