

## Industrials in the black as reporting season continues...

The ZSE was in the black for the weekly performance as the reporting season continued in earnest this week with modest financials filtering into the market though these failed to inspire sustained demand in the market. Amongst those to report were Truworths as well as Innscor and its related companies Colcom and Natfoods were fair performances given the operating environment were reported. Meanwhile the IMF has revised Zimbabwe's growth forecast down to 1.4% from the Ministry of Finance and Economic Development target of 2.7% after taking into consideration the current economic trajectory that is driven by slowing demand and deflationary pressures. The group also commended the country for successfully completing the staff monitored program while urging same to exercise fiscal discipline to enable the country to repay its foreign debt a precondition for funding from the institution.

### *Industrials rebound on renewed demand...*

#### Indices

	Previous	Current	Change (pts)	% Change	YTD %
<i>Industrial</i>	98.80	99.81	1.0100	1.02	13.10
<i>Mining</i>	19.14	19.14	0.0000	0.00	19.24

It was a rising week for the main stream Industrial Index that closed just shy of the psychological 100pts mark at 99.81pts having added 1.02% in gains for the week. The gain saw the market's year to date retreat narrow to 13.10% as momentum slowly swings to the bulls on the back of resurgent demand in market heavies notably Delta and Econet. The surprisingly modest financials filtering into the market also helped ease investor nerves on the outlook perception.

It was another low key week for the resources stocks as with limited trades resulting in the Mining Index closing the week flat at 19.14pts, a level that the stock has held in eleven sessions. Weak commodity prices and an uncertain operating environment in Zimbabwe fraught with policy inconsistency has seen little interest in mining counters emerging on the bourse.

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**Risers**

Symbol	Previous	Current	Change	%Change
ZIMR.ZW	0.0125	0.0150	0.0025	20.00
FML.ZW	0.0200	0.0220	0.0020	10.00
ECO.ZW	0.2301	0.2500	0.0199	8.65
CBZ.ZW	0.1000	0.1050	0.0050	5.00
DLTA.ZW	0.5525	0.5625	0.0100	1.81
BAT.ZW	11.0000	11.1472	0.1472	1.34
OML.ZW	1.8030	1.8200	0.0170	0.94

**Faller**

Symbol	Previous	Current	Change	%Change
OKZ.ZW	0.0353	0.0311	0.0042	11.90
NICO.ZW	0.0161	0.0150	0.0011	6.83
BARC.ZW	0.0320	0.0300	0.0020	6.25
NTFD.ZW	2.4500	2.4113	0.0387	1.58
SIM.ZW	0.1311	0.1295	0.0016	1.22
SEED.ZW	0.8000	0.7927	0.0073	0.91
HIPO.ZW	0.3395	0.3370	0.0025	0.74
PPC.ZW	0.7700	0.7675	0.0025	0.32

\* All prices in USD

**Heavies drive the market rebound ...**

The risers and fallers distribution for the week was in a modest negative breadth of one stock as declines were seen in eight stocks compared to seven gainers. The weighting of the gaining stocks however sufficed to swing the market into the black at week end. Insurance allied group ZHL and FML led the market charge after putting on 20% and 10% to see them close the week trading at \$0.0150 and \$0.0220 respectively. Heavies however anchored the weekly resurgence with diversified telecoms group ECONET emerging the pick of the cherry with an 8.65% surge to \$0.2500 in a week-ending block trade as the recent surging demand came to a head. Banking group CBZ enjoyed a rebounding week of trading with a 5% improvement in price that took it to \$0.1050. Beverages giant Delta also helped the same rising cause as the group added 1.81% to see it end the week trading at \$0.5625. Cigarette manufacturers BAT were in a 1.34% surge that saw it close the week at \$11.1472. Multi-listed financial services group Old Mutual completed the risers of the week as the group rose in tandem with the group's surge in other markets notably JSE and LSE following news that the group would dispose some of its entities.

The weakly bears were led by retail group OKZIM that shed 11.99% and settled at \$0.0311 albeit thin volumes in the trades involved. Short term insurers Nicoz followed on a 6.83% retreat that took it to \$0.0150. Banking group Barclays continued to suffer from the pressures arising from the possibility of losing the international brand status following announcement that its parent and holding company Barclays Plc had relegated it to a non-core asset and was looking to divest; consequently the group lost 6.25% and settled at \$0.0300. Natfoods Simbisa and SeedCO all suffered price declines in the face of weak demand and came off 1.58%, 1.22% and 0.91% to settle at \$2.4113, \$0.1295 and \$0.7927 respectively.

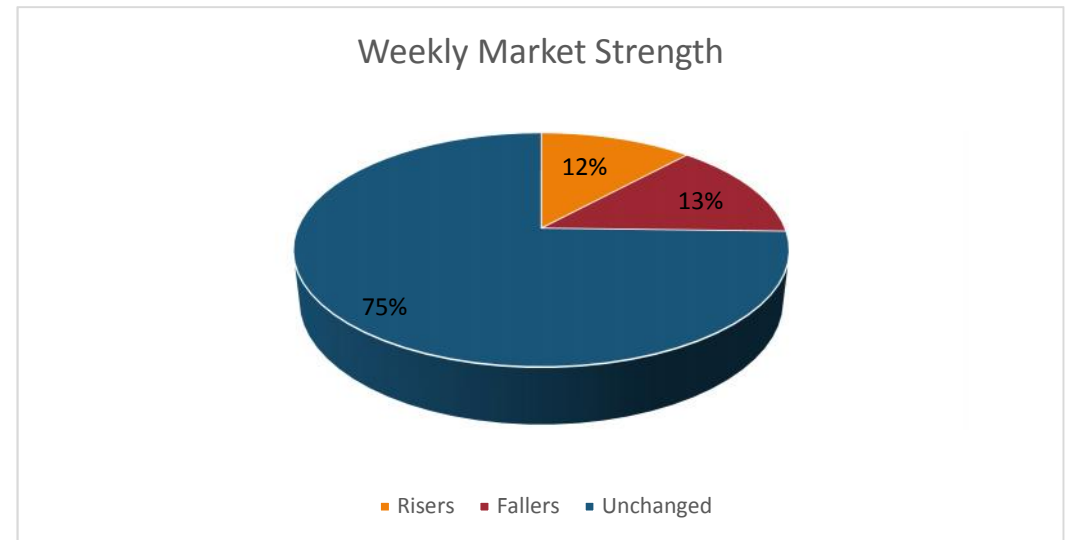
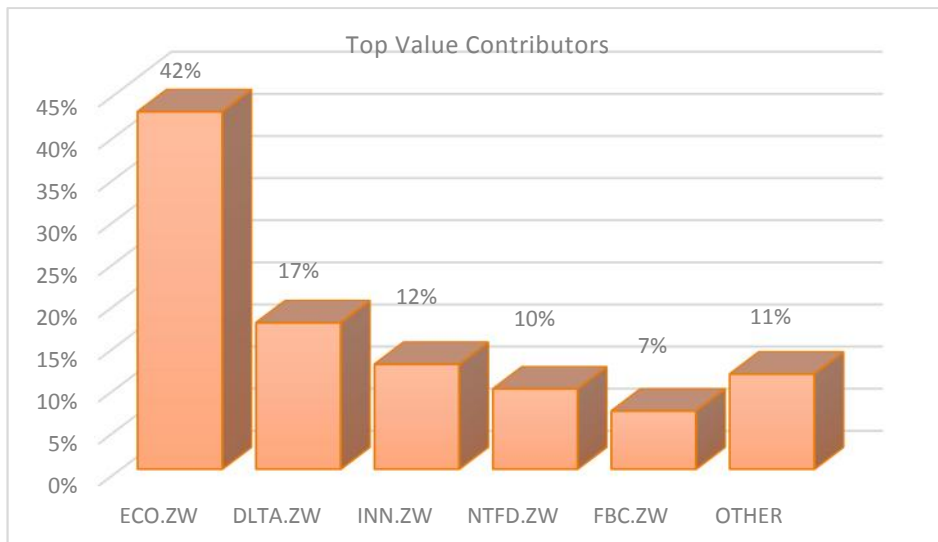
Market Aggregates and Statistics

Market turnover aggregates



	Previous	Current	Change	%Change
<b>Values</b>	1,468,434.35	5,164,544.39	3,696,110.04	251.70
<b>Volumes</b>	15,214,996	31,518,994	16,303,998.00	107.16

Weekly activity improved significantly on last week with values ballooning 251.7% to \$5.16m buoyed largely by Econet weekending block trade of 8.75m odd shares to see the group account for 42% of the aggregate. Other value drivers were Delta and Inncor that accounted for 17% and 12% of the value traded this week. Similarly volumes of the week were in ascendency surging 107.2% to 31.52m shares with top drivers of the aggregate emerging to be Econet - 28%, NTS - 19% and FBC - 19%.



## In the news...

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### **Innskor profit up 23%**

INNSCOR Africa Limited's profit after tax increased by 23% to \$15,9 million in the half year ended December 31, 2015 from the previous year attributed to a growth in volume, efficient cost of sales and operating cost management. <https://www.newspday.co.zw/2016/03/11/innskor-profit-23/>

### **IMF slashes Zim's economic growth target**

The International Monetary Fund (IMF) has slashed Zimbabwe's economic growth forecast to 1,4 percent this year against Finance minister Patrick Chinamasa's 2,7 percent growth target. <https://www.dailynews.co.zw/articles/2016/03/10/imf-slashes-zim-s-economic-growth-target>

### **Econet ventures into security industry**

Zimbabwe's largest mobile telecommunications group Econet Wireless has ventured into the security industry following the launch of its 'connected home' service that brings together security and energy management under a single internet-based platform. <https://www.dailynews.co.zw/articles/2016/03/10/econet-ventures-into-security-industry>

### **Border timbers out of the woods**

Border Timbers Ltd (BTL), whose US\$6 million debt was absorbed by Zimbabwe Asset Management Corporation (Zamco), is now operating profitably. As a result the company is likely come out of judicial management soon should creditors give the greenlight next month, businessdigest can reveal. <http://www.theindependent.co.zw/2016/03/11/border-timbers-out-of-the-woods/>

### **Barclays bank to evaluate portfolio**

Barclays Bank Zimbabwe is in the process of evaluating its portfolio while investing in lucrative products and markets which have potential to grow the bank's bottom line, managing director George Guvamatanga said. <http://www.herald.co.zw/barclays-bank-to-evaluate-portfolio/>

### **Meikles in mega expansion drive**

Meikles Limited has lined up various expansion projects across its entities which are aimed at increasing its revenue base. This comes after the group successfully concluded negotiations with government over amounts owed to it by the Reserve Bank of Zimbabwe. <http://www.herald.co.zw/meikles-in-mega-expansion-drive/>

### **Old Mutual shares surge on break up bid talk**

Anglo-South Africa financial services company Old Mutual said it was considering all options in a strategic review with speculation of a break-up and takeover bids for its assets sending its shares soaring. <http://www.herald.co.zw/old-mutual-shares-surge-on-break-up-bid-talk/>

### **Truworths profit up**



Members of the Zimbabwe Stock Exchange

Clothing retailer, Truworths saw its group merchandise sales for the six months ended January 10, 2016 rising by 6,6% to \$11 million from the same period last year attributed to increased sales at its unit, Topics. <https://www.newsday.co.zw/2016/03/10/truworths-profit-up/>

**FBC bank introduces self service technology to clients**

FBC Bank Limited has introduced a new mobile phone application aimed at providing self-service to increase convenience to its customers. <https://www.newsday.co.zw/2016/03/07/fbc-bank-introduces-self-service-technology-clients/>

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