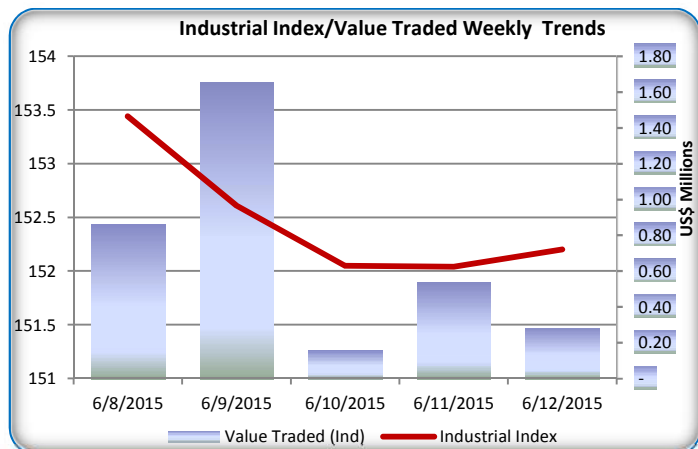
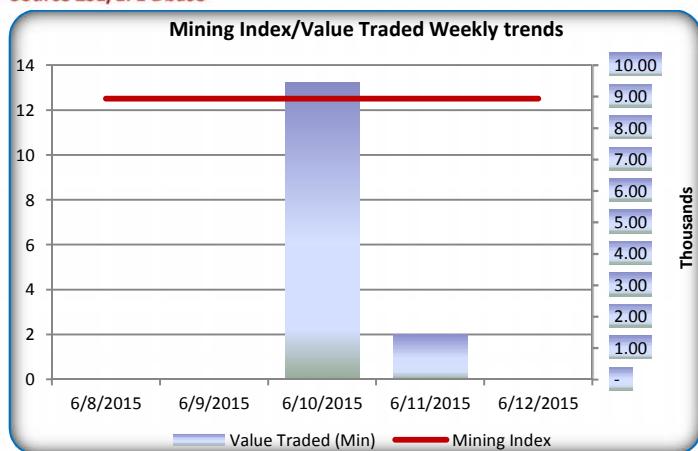


EFE Weekly Market Review 12 June 2015

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	3.49	3.38	3.36
Volume Traded (mn)	28.36	9.02	214.48
Foreign Purchases	1.81	2.35	22.82
Foreign Sales	0.92	2.31	60.44

Source ZSE/EFE Dbase.

New listing and financial results failed to assist the index...

The market welcomed a new listing on the bourse after a dry spell of three years in form of Pro-plastics. This listing came through a dividend in specie as a result of unbundling from the construction and manufacturing company Masimba. The counter's advent at 3cents was not sustained during the week as it closed the week down 50% at 1.5c. The much awaited CFI AGM did not take place following the late distribution of the meeting's documents to shareholders. Seedco released its financials for the year ended March 2015 with an increase in profit after tax of 27% to \$15m and declared a dividend of 1 cent after a very long time since its shareholders last enjoyed their investment in the company. TSL released its half year results which showed that revenue and PBT eased 4% and 44% respectively, attributed to the late start of the tobacco trading session and late disposal of previous year's tobacco stocks.

Market weakness across the board resulted in the main stream Industrial Index shedding a cumulative -0.84% for the week and closed at 152.20. The resultant loss pushed the index below the year opening by a 6.51%.

Index	Level	%Δ	YTD %Δ
Industrial Index	152.20	0.84	6.51
Mining Index	46.54	0.00	35.10

Mining Index on the other hand closed the week flat at 46.54pts having maintained the same level in all four sessions. Year to date the resources have lost 35.10%

Dismal performance persists...

In the second week of June, activity remains subdued although there was a slight positive movement in value traded contradicting a significant positive move in volumes. Value traded was up 3.36%

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Contacts:

EdgetonTsanga 0772277153

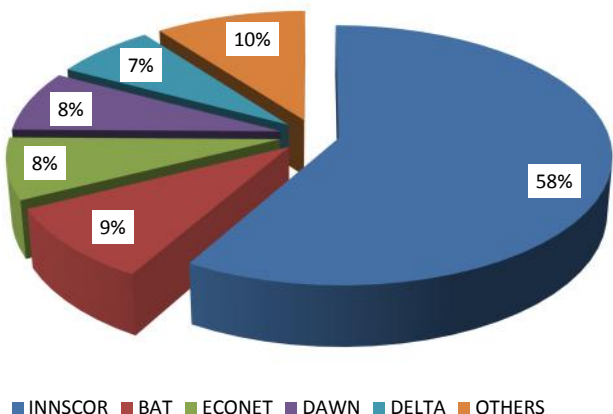
Chris Masendeke 0772135234

Phenias Mandaza 0772144334

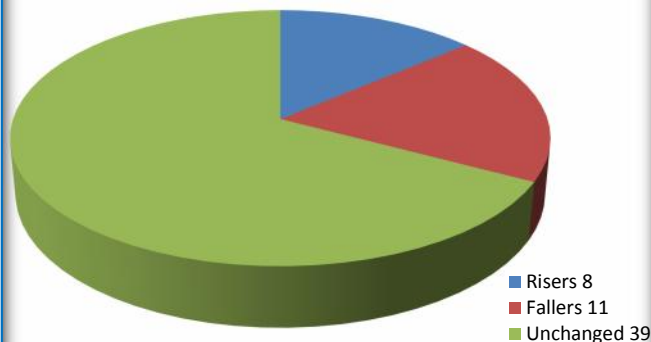
Coreen Madanha 0772144333

Brenda Mwaturura 0782785666

Top Stock Contributors to Weekly Value of Trades



Market Strength



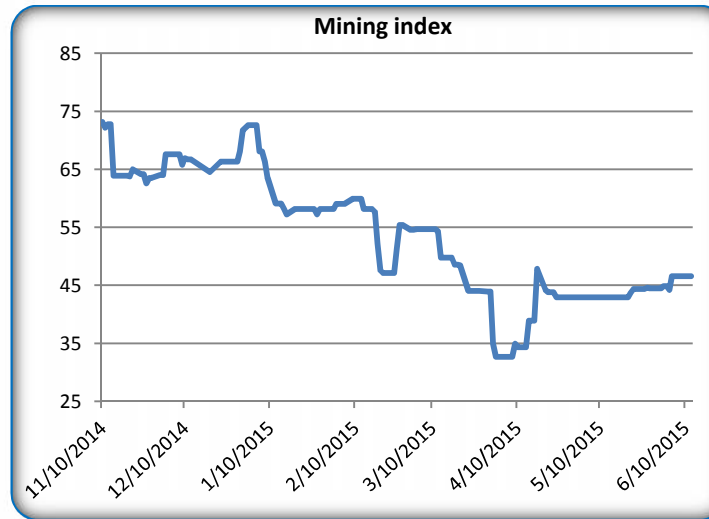
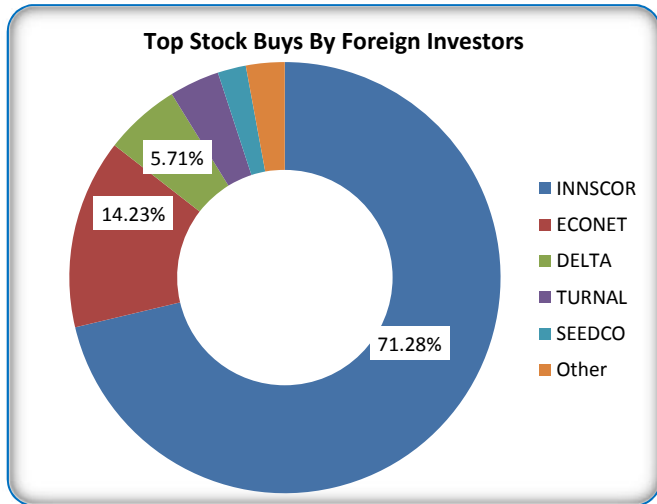
on last week at \$3.49m while volumes moved 214.48% positively to 28.36m. Foreign trades weakened from last week as the purchases declined by 22.82% at \$1.81m while foreign sales moved 60.44% southwards to \$0.92m. Despite their weakened activity, foreign investors still remains the main drivers of the market activity as they have contributed 78.2% of the market's total turnover, 51.8% on the purchases and 26.3% on the sale side of activity. Inncor and Econet were this week's favoured counters by the foreigners as they control 71.28% and 14.23% of the total purchases for the week.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
WILLDALE	0.15	66.67	25.00	MASIMBA	0.60	70.00	0.00
CBZ	10.00	42.86	0.00	PROPLASTIC	1.50	50.00	73.91
PADENGA	10.01	5.37	11.22	P SPEED	1.00	33.33	50.00
COLCOM	25.00	4.17	0.00	F M L	2.30	23.33	37.50
STAR AFRI	1.25	4.17	30.56	TURNAL	1.00	20.00	54.00

Price movements were recorded in nineteen counters with fallers outstripping risers. Eleven of the counters traded in the negative and only eight trading firmer. Bricks making company Willdale led the risers as they moved 66.67% up to end the week at 0.15 cents. CBZ was second as they added 42.86% to settle at 10 cents for the week. Crocodile skin producers Padenga traded 5.37% firmer on last week to 10.01 cents; Colcom was up 4.17% at 25 cents, with Star Africa completing the top five as they traded 4.17% firmer at 1.25.

The top shakers for the week were led by construction company Masimba that shed 70% to 0.6c while the newly listed Proplastics followed after shedding a loss of 50% to trade at 1.5c. Powerspeed dropped 33.33% to trade at 1c, FML and Turnall completed the top five fallers as they eased 23.33% and 20% to end the week at 2.30c and 1c respectively.

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

In the News...

Proplastics debuts on ZSE

PROPLASTICS, a former subsidiary of Masimba Holdings Limited, yesterday made its debut on the Zimbabwe Stock Exchange (ZSE) when 60 000 shares were traded at 3 cents each.

<https://www.newsday.co.zw/2015/06/09/proplastics-debuts-on-zse/>

Capacity utilization reaches 39 percent

The manufacturing sector has recorded a 1,9 percentage increase in capacity utilisation to 39% driven by activities in the beverages and construction sectors, the Confederation of Zimbabwe Industries(CZI) has said.

<https://www.newsday.co.zw/2015/06/09/capacity-utilisation-reaches-39/>

Coca-cola launches Schweppes Novida

The new product was launched in Harare on Tuesday.Coca-Cola Zimbabwe senior franchise brand manager TakundaJunda said the new product was tried and tested and had done well in other markets.“The introduction of Schweppes Novida into the Zimbabwean market is part of global strategic move to meet the ever-changing consumer demands and taste,” Junda said

<https://www.newsday.co.zw/2015/06/10/coca-cola-launches-schweppes-novida/>

Consumer council blasts ok grand challenge

The Consumer Council of Zimbabwe (CCZ) has accused the organisers of the just-ended OK Grand Challenge Jackpot Promotion of taking consumers for granted by allegedly failing to provide coupons at some of their branches due to information technology (IT) problems.

<https://www.newsday.co.zw/2015/06/10/consumer-council-blasts-ok-grand-challenge/>

Tobacco farmers earn \$430 million

Zimbabwe tobacco farmers have so far earned nearly \$430 million from the sale of 145,5 million kilogrammes (kg) of flue cured tobacco since the beginning of the current marketing season in March this year, official figures show.

<http://www.dailynews.co.zw/articles/2015/06/10/tobacco-farmers-earn-430-million>

African Sun return to profitability

Listed hospitality concern African Sun Limited (ASL) recorded a profit of \$850 519 in the six months to March 2015, compared to a loss of \$1,4 million in the prior period, due to increased foreign tourists arrivals.

<http://www.dailynews.co.zw/articles/2015/06/10/african-sun-return-to-profitability>

Zim Gold production up 50pc

Zimbabwe’s total gold deliveries surged by nearly 50 percent to 1 546,16kilogrammes (kg) in March 2015, from 1 040,49 kg recorded in March 2014, figures from the African Development Bank (AfDB) reveal.

<http://www.dailynews.co.zw/articles/2015/06/10/zim-gold-production-up-50pc>

Zim banks shun corporate-AfDB

Zimbabwe’s financial services now prefer lending to individuals in favour of risky corporate borrowers, the African Development Bank (AfDB) has said.

<http://www.dailynews.co.zw/articles/2015/06/10/zim-banks-shun-corporates-afdb>

CFI Holdings begins verification

CFI Holdings has begun the verification process at Saturday Retreat after completing the registration of 9 000 housing stands last month, group spokesperson Panganayi Hare has said.

<https://www.newsday.co.zw/2015/06/10/cfi-holdings-begins-verification/>

Zim collects \$1.65m tourism Vat

Hard-hit Zimbabwe government collected a total of \$1,65 million from value added tax (VAT) on non-resident tourist accommodation in the four months to April this year, a top official has revealed.

<http://www.dailynews.co.zw/articles/2015/06/10/zim-collects-1-65m-tourism-vat>

Delta pays out dividend

Leading beverages concern Delta Corporation will today reward its shareholders with a final dividend of \$28,4 million.

<https://www.newsday.co.zw/2015/06/10/delta-pays-out-dividend/>

ZSE revised listing rules now complete

The Zimbabwe Stock Exchange (ZSE) is expecting the revised listing requirements to be gazetted soon after they were approved by the Securities and Exchange Commission of Zimbabwe early this year.

<http://www.dailynews.co.zw/articles/2015/06/10/zse-revised-listing-rules-now-complete>

Mwana founding CEO booted out

Mwana Africa founding Chief executive MrKaalaMpinga has become the fifth director to leave the multi-commodity miner only after a day the key shareholder took over as chairman.

<http://www.herald.co.zw/mwana-founding-ceo-booted-out/>

Cheap milk imports hurt Zim dairy industry

An influx of cheap imported milk products on the market is negatively affecting the local dairy industry, a representative body of the sector has said.

<http://www.herald.co.zw/cheap-milk-imports-hurt-zim-dairy-industry/>

Raw sugar producer price drops 8pc

The producer price of raw sugar in Zimbabwe this year has decreased by 8 percent to \$517 per tonne from last year's closing price, an official has said.

<http://www.herald.co.zw/raw-sugar-producer-price-drops-8pc/>

Agri-seeds to increase sales by 50 percent

Agri-seeds Zimbabwe is expecting to increase its sales by at least 50 percent in volume and value terms this year following its proposed acquisition by the JSE listed ZAAD Investments Limited's seeds manufacturing subsidiary Klein Karoo Saad Bemarking.

<http://www.herald.co.zw/agri-seeds-to-increase-sales-by-50-percent/>

ART posts \$651,000 operating profit

Amalgamated Regional Trading (ART) posted an operating profit of \$651 000 for the half year ended March 31 2015 compared to a loss of \$266 000 last year attributed to an increase in sales volumes.

<https://www.newsday.co.zw/2015/06/12/art-posts-651-000-operating-profit/>

RBZ buries zimdollar

The Zimbabwean dollar will be decommissioned from the formal system beginning June 15, the Reserve Bank of Zimbabwe (RBZ) said yesterday putting to rest chances of the revival of the banished local unit.

<https://www.newsday.co.zw/2015/06/12/rbz-buries-zimdollar/>

SeedCo takes over Prime Seeds

Seed Co Limited has acquired 100 percent stake in Prime Seeds Limited , one of the biggest vegetable seeds growers in the country.

<http://www.herald.co.zw/seed-co-takes-over-prime-seeds/>

RTG remains bullish of recovery

Revenue at Rainbow Tourism Group Limited for the five months to May retreated by 14 percent on prior year to \$7.6 million while rooms sold dropped by 12 percent.

<http://www.herald.co.zw/rtg-remains-bullish-of-recovery/>

Up Coming Events DIVIDEND MONITOR

COMPANY	DIV TYPE	DIV AMOUNT	RECORD DATE	PAYMENT DATE
OLD MUTUAL	Final	9.21c	20.04.15	29.05.15
PEARL	Final	0.555c	05.06.15	24.06.15
PADENGA	Final	0.3c	10.04.15	04.05.15
ZPI	Final	0.012c	24.04.16	08.05.15
NICOZ	Final	0.05c	08.05.15	19.05.15

UPCOMING EVENTS

COMPANY	EVENT	VENUE	DATE	TIME
PEARL	AGM	Royal Harare Golf Club	29.05.15	1430hrs
PADENGA	AGM	Harare Royal Golf Club	29.05.15	0815hrs
LAFARGE	AGM	Manresa Club Arcturus Road, Harare	05.06.15	1130hrs
CFI	AGM	Harare Roya Golf Club	10.06.15	1100hrs

CAUTIONARIES

COMPANY	ISSUE DATE	SUBJECT
MASIMBA	May-15	Notice of EGM to approve unbundling of SBU into separate companies
RIOZIM	Mar-15	Company seeking regulatory approvals to proceed with rights issue
DAWN	Apr-15	Compiling offer to minorities as major shareholders now control 61% of shares
STAR AFRICA	Apr-15	Negotiations underway that may have a material impact on its share value

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