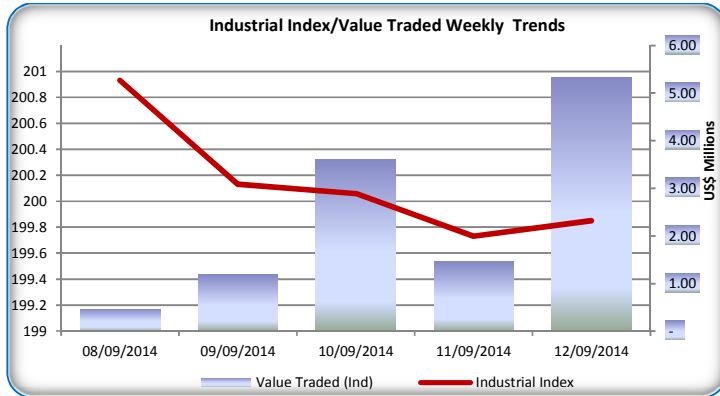
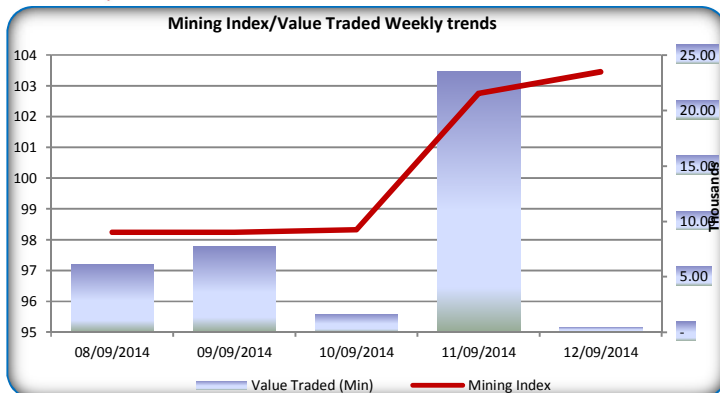


EFE Weekly Market Review 12 September 2014

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	12.17	7.95	53.03
Volume Traded (mn)	65.59	48.29	35.83
Foreign Purchases	3.96	4.68	15.53
Foreign Sales	9.35	2.56	265.22

Source ZSE/EFE Dbase.

Market Highlights

ZSE pegged back on post rally profit taking in heavies ...

The ZSE traded softer in the week under review as profit takers took the opportunity to crystallise returns following a mammoth rally that saw some heavies set new highs. The week was also highlighted by a coterie of corporate events including the release of financial results and annual general meetings in which a pronounced trend of declining revenues and margins emerged in most updates save for a select few companies like Natfoods and Colcom whose performances rode on successfully rejiggered operations driving efficiencies to maintain competitiveness in highly price sensitive markets infested by a proliferation of many new players both locally and imported products.

Policy makers also took the opportunity to address economic agents in an attempt to unpack the results of the recent escapades on state visits to China. The icing on the cake at national level however turned out to be the Medium Term Fiscal Policy review by the minister of finance that all but rehashed the dire state of the economy with the current year growth forecast being reviewed downwards to 3.1% from 6%. This revision was prompted by the underperformance of such sectors like mining that is now forecasted to grow negatively by -1.9% against an original forecast positive growth of 10.9%.

Index	Level	%Δ	YTD %Δ
Industrial Index	199.85	0.71	1.12
Mining Index	103.45	1.58	125.92

Profit taking in market heavies saw the main stream Industrial Index shed a cumulative -0.71% to fall below the psychological 200pts mark after just four sessions of holding above same to settle at 199.85pts by close of Friday's call. With the loss industrial's' negative YTD returns extended to -1.12%. Minings were however buoyant adding +1.58% to close at 103.45pts riding on a resurgent Bindura that added 1% to 8.99c.

CBZ block trade propels turnover...

Banking group CBZ saw a block trade of 34m shares exchange hands as local's splurged on the financial stock while foreigners exited the group whose

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Contacts:

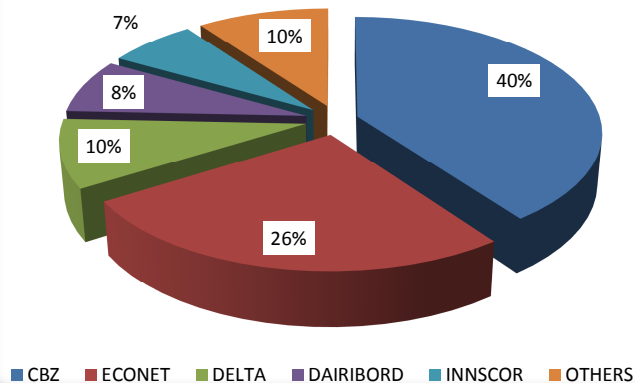
Edgeton Tsanga 0772277153

Chris Masendeke 0772135234

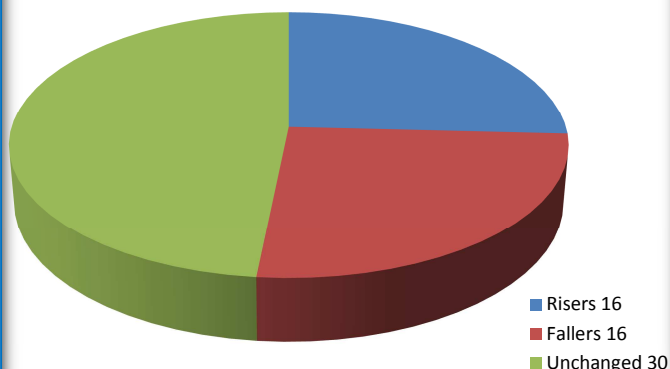
Phenias Mandaza 0772144334

Coreen Madanha 0772144333

Top Stock Contributors to Weekly Value of Trades



Market Strength



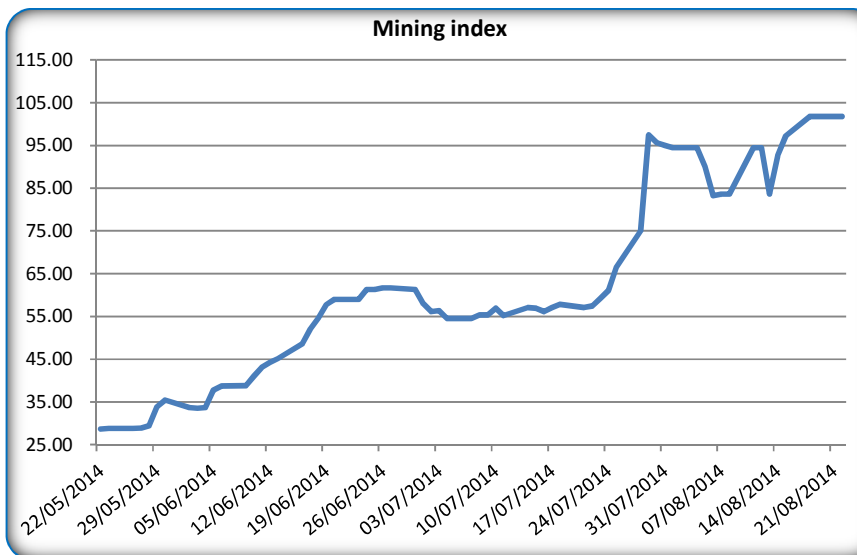
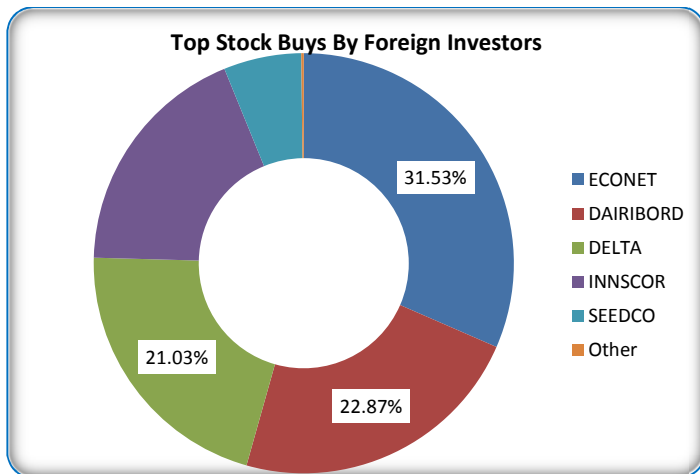
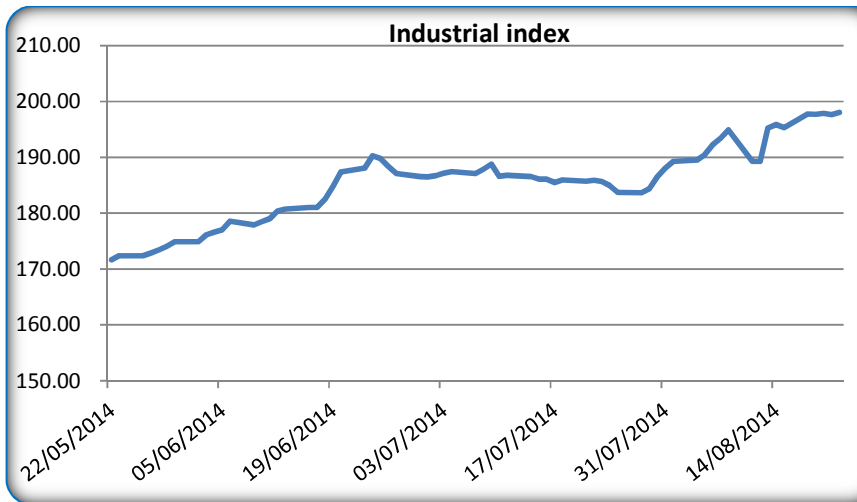
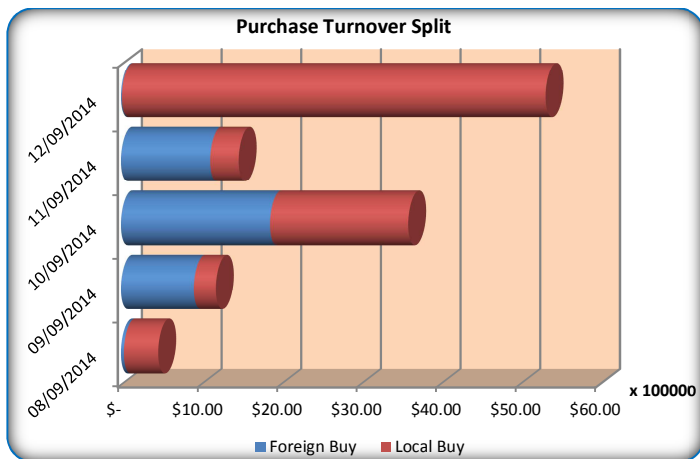
financials have continually raised eyebrows around the levels of provisioning for non-performing loans. Weekly value of trades therefore got a 53% boost from the said CBZ trade to close the week at an estimated \$12.2m with CBZ alone accounting for 40% of the total value expended on the bourse. The volumes aggregate was similarly 35.83% up courtesy of the CBZ block which on its own represented 52% of the total shares traded. The market was in a net funds outflows position after fifteen successive weeks of net foreign buying; for the week foreigners divested \$9.35m worth of shares against only \$3.96m worth of purchases leaving a net outflow of \$5.39m. CBZ was the top stock divested from by foreigners while top buys were Econet, DZLH and Delta.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
COLCOM	30.00	36.36	36.36	TURNAL	2.00	33.33	60.00
NATFOODS	275.00	19.57	37.50	ARISTON	0.50	28.57	50.00
NTS	2.00	17.65	20.00	Willdale	0.20	20.00	100.00
CBZ	14.00	16.67	6.67	AFR SUN	2.00	13.04	25.93
RTG	1.40	12.00	12.50	BARCLAYS	3.51	12.25	20.23

Delta, Innscor and Econet; the three most capitalised stocks on the market that succumbed to profit taking dragged the market lower after retreating -3.63%, -3.31% and -1.20% to settle at 132.99c, 73c and 83c respectively. Econet failed to hold on to its all-time high of 85c as profit takers cashed in resulting in them overwhelming the buyers. Top shakers for the week however were led by construction allied group Turnall that shed -33.3% to 2c as the market anticipates increased free float in the wake of the exit by major shareholders FBCH. Penny stocks Ariston and Willdale were to follow after shedding -28.57% and -20% to respective prices of 0.5c and 0.2c.

Tourism group African Sun was similarly down shedding -13.04% to 2c following news last week of potential deal breaking shareholder disagreements. Bankers Barclays weakening demand saw the group shed -12.5c and close the week at 3.51c. Mitigating the losses however were chat topping performances from Colcom and Natfoods that rallied +36.36% to 30c and +19.57% to 275c respectively as the market gave a nod to their impressive finals where both revenues and profits went up.

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...

Chinamasa's Mid-term fiscal policy review highlights

Tax evaders given six-month amnesty to disclose and repay tax obligation Finance minister proposes to empower Zim to pursue individuals...

<https://www.newsday.co.zw/2014/09/12/graphic-chinamasas-mid-term-fiscal-policy-review-highlights/>

Govt to complete Chinese power joint venture

THE joint venture between government and China Africa Sunlight Energy Private Limited is expected to be completed soon...

<https://www.newsday.co.zw/2014/09/12/govt-complete-chinese-power-joint-venture/>

Belgium largest tobacco export market for Zimbabwe

BELGIUM has become the largest tobacco export market for Zimbabwean tobacco overtaking South Africa, statistics show...

<https://www.newsday.co.zw/2014/09/10/china-largest-tobacco-export-market-zimbabwe/>

Effective marketing, perception management needed for FDI

GOVERNMENT is reviewing a strategy for the cotton industry meant to increase competitiveness and enhance the value chain in the five-year period up to 2019...

<https://www.newsday.co.zw/2014/09/10/government-reviewing-strategy-cotton-industry/>

'Tourism needs structured financing to rehabilitate'

THE tourism sector needs structured financing to rehabilitate, re-tool and re-kit the infrastructure to enhance its competitiveness,...

<https://www.newsday.co.zw/2014/09/10/tourism-needs-structured-financing-rehabilitate/>

Banking sector turning to mobile banking, e-commerce

THE country's banking sector is fast turning to mobile banking and electronic commerce as IT redefines the traditional financial services sector...

<https://www.newsday.co.zw/2014/09/09/banking-sector-turning-mobile-banking-e-commerce/>

Border Timbers disposes of loss-making subsidiary

BORDERS Timbers Limited has disposed its of 100% equity interest in a subsidiary to a local company saying the business was no longer profitable...

<https://www.newsday.co.zw/2014/09/05/border-timbers-disposes-loss-making-subsiary/>

Zim pays China unbudgeted \$180m

Zimbabwe has paid China an unbudgeted \$180 million towards loans owed to the Asian economic giant. Finance minister Patrick Chinamasa said the payment is part of Zimbabwe's effort to improve relations between the two countries. This comes as the Treasury chief, along with President...

<http://www.dailynews.co.zw/articles/2014/09/11/zim-pays-china-unbudgeted-180m>

Anglo's Unki plans \$100m capex

Anglo American Platinum (Anglo)' Zimbabwe unit Unki Mine plans to spend \$100 million on capital projects, including employees' houses...

<http://www.dailynews.co.zw/articles/2014/09/10/anglo-s-unki-plans-100m-capex>

Policy uncertainty weighs down Zim

Zimbabwe's uncertain policy environment remains a concern despite the country improving in global competitiveness ratings, a latest World Economic Forum (Wef) said...

<http://www.dailynews.co.zw/articles/2014/09/09/policy-uncertainty-weighs-down-zim>

'CSD a game changer for local markets'

The introduction of the Central Securities Depository (CSD) is expected to significantly improve the liquidity crisis in Zimbabwe, analysts say...

<http://www.dailynews.co.zw/articles/2014/09/10/csd-a-game-changer-for-local-markets>

Zim needs policy certainty: US

Zimbabwe must set predictable policies and respect property rights for it to benefit from the growing Information Communication Technology (ICT) in Africa, United States envoy Bruce Wharton said...

<http://www.dailynews.co.zw/articles/2014/09/10/zim-needs-policy-certainty-us>

Zimplats commits \$10m to community schemes

Zimbabwe's largest platinum producer Zimplats has set aside \$10 million for the Community Share Ownership Trust (CSOT), with government yet to approve the miner's indigenisation plan...

<http://www.dailynews.co.zw/articles/2014/09/09/zimplats-commits-10m-to-community-schemes>

Up Coming Events

NMBZ	AGM	4th Floor, Unity Court, Corner 1st Street/ Kwame Nkrumah Avenue	22 Sept 2014	1000AM
Hippo	AGM	Meikles Hotel, Harare	22 Sept 2014	1200PM
Pioneer	EGM	1 Hood Road, Corner Hood/Hermes Road, Southerton	23 Sept 2014	1000AM
FBCH	EGM	Main Longue, Royal Harare Golf Club	26 Sept 2014	1230PM
Star Africa	AGM	Head Office, 45 Douglas Road, Workington	29 Sept 2014	1130AM

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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