

ZSE slides as reporting season starts...

The start of the reporting season for the September reported date was heralded by the market’s top capitalized stock in Delta and with it brought pressure to bear on the market due to the below par financials. Deflationary pressures in the operating environment that have largely been talked about in mythical fashion haunted the beverages giant as reported revenues and margins suffered. Delta reported a moderate 8% decline in revenues and a 19% fall in attributable earnings weighed down by price cuts that were partly induced by the deflationary pressures and partly by ever mounting competition from product imported from the region that of late has been gaining competitive advantage on the back of the stronger currency in the local economy. The weight of the economic pressures was however borne even more by OKZIM as the retail giant saw operating margins succumbing 75.7% while attributable income fell 71.6%, again with margins suffering from downward review of prices.

Indices slide further...

Indices	Previous	Current	Change (pts)	% Change	YTD %
Industrial	129.45	125.43	4.0200	3.11	22.95
Mining	22.33	22.33	0.0000	0.00	68.86

The main stream Industrial Index succumbed to one of its biggest single week decline year to date of 3.11% or 4.02pts and settled at a 5 year low of 125.43pts, the last time the index was below this level was in July of 2010. The unprecedented down turn on the ZSE that started after the July 2013 elections has since claimed 22.95% of the market’s value year to date; from its peak of 233.18pts on the 1st of August 2013 the market has lost 46.21%.

The Mining Index completed a week of flat trading holding at the 22.33pts level in all five sessions with very limited activity in the constituent stocks.

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Risers

Symbol	Previous	Current	Change	%Change
FIDL.ZW	0.1180	0.1400	0.0220	18.64
ARIS.ZW	0.0040	0.0045	0.0005	12.50
SIM.ZW	0.1432	0.1550	0.0118	8.24
NICO.ZW	0.0150	0.0152	0.0002	1.33
MSHL.ZW	0.0099	0.0100	0.0001	1.01
BAT.ZW	11.9000	12.0127	0.1127	0.95
OML.ZW	2.1600	2.1675	0.0075	0.35
PPC.ZW	0.9700	0.9725	0.0025	0.26

Faller

Symbol	Previous	Current	Change	%Change
INN.ZW	0.5950	0.4100	0.1850	31.09
CFI.ZW	0.0588	0.0524	0.0064	10.88
FML.ZW	0.0220	0.0200	0.0020	9.09
OKZ.ZW	0.0600	0.0560	0.0040	6.67
PHL.ZW	0.0800	0.0750	0.0050	6.25
NTFD.ZW	2.8433	2.7717	0.0716	2.52
SEED.ZW	0.9775	0.9675	0.0100	1.02
ECO.ZW	0.2500	0.2480	0.0020	0.80
DLTA.ZW	0.8100	0.8099	0.0001	0.01

* All prices in USD

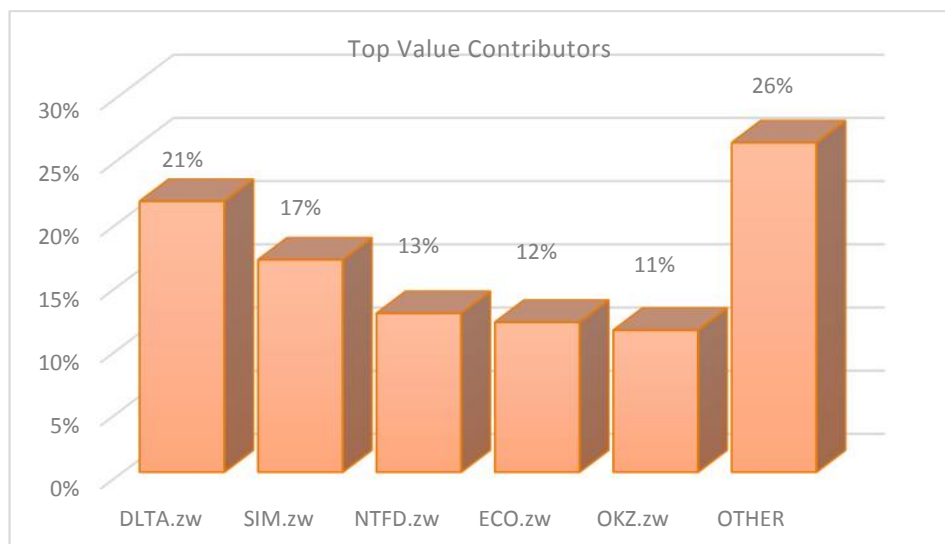
Market heavies weigh on the market...

The market's top capitalized stocks dominated the weekly losers to drive the market lower. Innscor was the major casualty shedding 31.09% to \$0.4100 as the group continues to rerate in the aftermath of the unbundling of the quick service restaurant business. In contrast the FMCG conglomerate's prodigy Simbisa continued to scale higher closing 8.24% firmer at \$0.1550. OKZIM came unstuck after its dismal interims and slipped 6.67% to \$0.0560. Low demand in Natfoods saw the food processing and packaging group come off 2.52% and settling at \$2.7717, while SeedCo's recent lull extended with a 1.02% drop to \$0.9675.

Also amongst the heavy cap losers were Econet and Delta; the former was down by a marginal 0.8% and closed the week trading at \$0.2480 with scrappy offers reflecting on the board at this level, while a distant bid was showing at 20c. Beverages giant Delta whose interim financials reflected modest declines in the major line items closed the week down by a marginal 0.01% at \$0.8099. The other shakers of the week were CFI, FML and Padenga that shed 10.88%, 9.1% and 6.25% as they closed trading at \$0.0524c, \$0.0200 and \$0.0750 respectively.

Eight stocks registered gains for the week with Fidelity emerging the pick of cherry as the life assurer powered to an 18.64% rally and saw its stock exchange hands at \$0.1400 with demand remaining firm. Agriculture based group Ariston was similarly upbeat as it added 12.5% to see it touch \$0.0045. Short term insurers Nicoz Diamond was up 1.33% as demand reemerged. Masimba traded at \$0.0100 having firmed 1.01%. Conglomerates BAT, Old Mutual and PPC were the only heavy cap risers for the week as investors took flight to quality. Sustained demand in Bat pushed the cigarrate manufacturers 0.95% higher to \$12.0127 while the multi listed financial services group Old Mutual added 0.35% and settled at \$2.1675. Regional cement manufacturers PPC completed the rising pack ona 0.26% climb to \$0.9725.

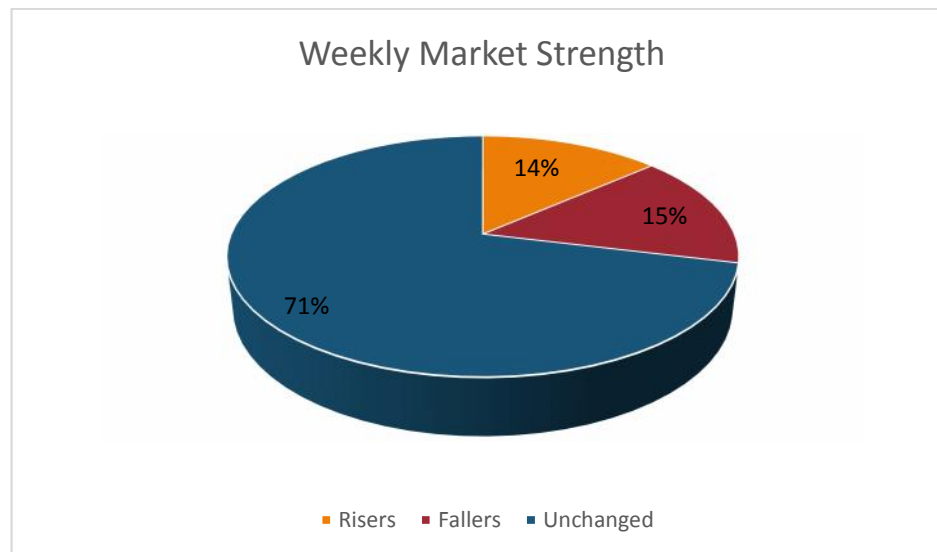
Market Aggregates and Statistics



Market turnover aggregates

	Previous	Current	Change	%Change
Values	4,540,620.71	2,348,586.06	2,192,034.65	48.28
Volumes	15,119,157	20,002,447	4,883,290.00	32.30

Trades continued to thin out for another week with the value of trades falling 48.28% to \$2.3m. Trades were modestly distributed amongst the top traded stocks with Delta driving the highest value at 21% of the aggregate, Simbisa accounting for 17% while Natfoods, Econet and OKZIM saw 13%, 12% and 11% respectively. Volumes of the week were up 32.3% as trades were seen in lower value stocks with OKZIM and Simbisa being the major drivers of the aggregate at respective contributions of 33% and 19%.



In the news...

NMB mobilizes \$60m credit lines

NMB Bank Limited has mobilised \$60 mln in line of credits for on-lending to various sectors of the economy mainly the manufacturing and SME sectors.

<http://www.herald.co.zw/nmb-mobilises-60m-credit-lines/>

I will make way-Blue Ribbon ceo

Blue Ribbon Industries (BRI) chief executive Mike Manga has refuted claims by workers that he played a part in attempts to derail \$40 mln investment in the milling company.

<http://www.herald.co.zw/i-will-make-way-blue-ribbon-ceo/>

Blanket mines output up 11pc

Gwanda-based gold producer Blanket Mine's output rose 11% to 10 927 ounces in the three months to September 30, 2015 from 9 890 ounces in the prior comparable period.

<http://www.herald.co.zw/blanket-mines-output-up-11pc/>

National budget set for 26th of this month

Finance and Economic Development Minister Patrick Chinamasa will present the 2016 National Budget on the 26th of this month. Chinamasa has his work well cut out for him, as he will need to pronounce measures to ensure the economy grows at a faster rate next year, especially initiatives to rejuvenate the manufacturing industry

<http://www.herald.co.zw/national-budget-set-for-26th-this-month/>

Dairibord rules out contract farming

Dairibord Zimbabwe Limited (DZL) has ruled out contract farming for raw materials needed to produce its Maheu brand in the 2015/16 cropping season.

<http://www.herald.co.zw/dairibord-zim-limited-rules-out-contract-farming/>

Choppies to open five more shops

Choppies Zimbabwe plans to open 5 more shops by December bringing the total number of branches in the country to 29. The group last Friday opened two shops in Mabvuku and Warren Park while another shop started operations in Bulawayo.

<http://www.herald.co.zw/choppies-to-open-five-more-shops/>

Delta net income declines by 20%

Delta Corporation saw its net income decline by 20% to \$35 733 000 in the six months ended September 30 on low revenue attributed to declining consumer spending in a harsh economic environment.

<https://www.newsday.co.zw/2015/11/13/delta-net-income-declines-by-20/>

Submillers Zim unit to cut costs prices after sales fall

SABMiller's Zimbabwean affiliate Delta Corp plans to cut costs and reduce the price of some products after reporting a decline in beer and soft drink sales, the company said on Wednesday.

<https://www.newsday.co.zw/2015/11/12/sabmillers-zimbabwe-unit-to-cut-costs-prices-after-sales-fall/>

Storm brew at ZHL

A STORM is brewing at Zimre Holdings Limited (ZHL) as it emerged yesterday that the company appointed to select the new chief executive officer is linked to the financial services group's single largest individual shareholders.

<https://www.newsday.co.zw/2015/11/10/storm-brews-at-zhl/>

Simbisa debuts on Zse

SIMBISA Brands Limited debuted on the Zimbabwe Stock Exchange (ZSE) on Friday becoming the second Innscor Africa Limited unit to list on the bourse in five years.

<https://www.newsday.co.zw/2015/11/09/simbisa-debuts-on-zse/>

Seedco in bid to help farmers get correct data

Zimbabwe's largest seed producer, SeedCo, yesterday donated two computers to the Meteorological Services Department in an effort to capacitate farmers with reliable weather data.

<http://www.dailynews.co.zw/articles/2015/11/13/seedco-in-bid-to-help-farmers-get-correct-data>

Delta unveils all new golden pilsener packing

SABMiller's Zimbabwe unit will be unveiling new, state-of-the-art packaging material for Golden Pilsener to keep pace with the world beer packaging trends.

<http://www.dailynews.co.zw/articles/2015/11/12/delta-unveils-all-new-golden-pilsener-packaging>

Timb rakes in \$7m from tobacco levy

The Tobacco Industry Marketing Board (TIMB) has so far received \$7 million in tobacco levy from farmers across the country.

<http://www.dailynews.co.zw/articles/2015/11/10/timb-rakes-in-7m-from-tobacco-levy>

SECZ probes NMB bank Zimre deal

The Securities Commission of Zimbabwe (Secz) is looking into whether NMB Bank and Zimre Holdings Ltd (Zimre) as well as a consortium of the Rudland brothers — Simon and Hamish — played by the book when the financial institution underwrote the group's US\$15 million rights offer early this year.

<http://www.theindependent.co.zw/2015/11/13/secz-probes-nmb-bank-zimre-deal/>



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