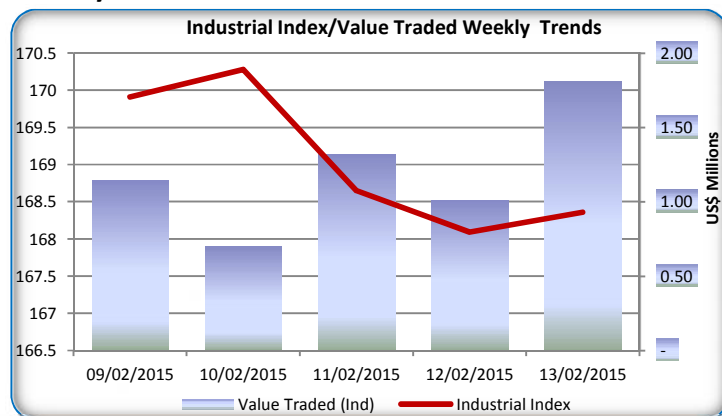
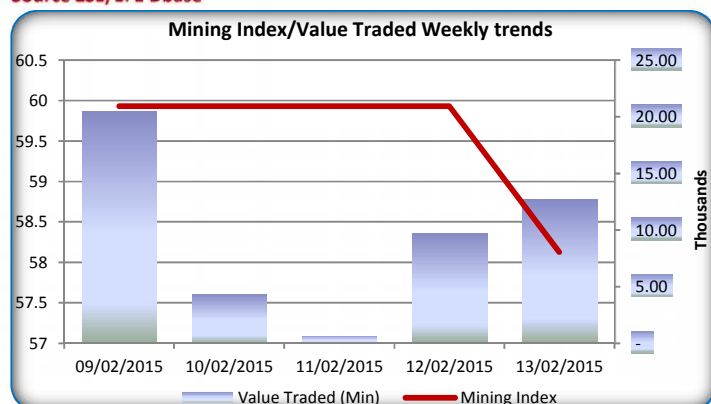


EFE Weekly Market Review 13 February 2015

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	6.02	8.07	25.38
Volume Traded (mn)	43.60	18.22	139.22
Foreign Purchases	3.50	6.46	45.85
Foreign Sales	3.49	5.08	31.24

Source ZSE/EFE Dbase.

Reporting season fails to give ZSE a cheer...

The onset of the reporting season, which was heralded by spirits manufacturers Afdis' interim numbers to December 2014, failed to give the market a cheer as the main indicators trended southwards in the week under review. Afdis' numbers which went against the grain with improvements being recorded on the volumes, margins and earnings front, against an economic backdrop of deflationary pressures, failed to spur the market to better performances. In the reported period Afdis' volumes were up 20%, operating at improved gross margins 50% to see them post earnings of \$1.9m which were 48% up on prior year outturn.

It was however the 2015 Monetary Policy Statement themed 'Rebalancing the economy through Competitiveness and Compliance' that hogged the limelight keeping the excitement in check by re-emphasizing the various challenged bedeviling the economy.

Index	Level	%Δ	YTD %Δ
Industrial Index	168.36	0.60	3.42
Mining Index	58.13	1.52	18.94

Weakening demand saw the Industrial Index lose a cumulative 0.6% for the week to settle at 168.36% while narrowing the year to date gains to just 3.42%. The resources on the other hand gave up 1.52% for the week to settle at 58.13pts as nickel miners Bindura failed to hold on to prior week gains to rest at its support price of 5c

Activity declines as foreign participation falls...

A slowdown in foreign participation saw the market spin a lower value of \$6.0m which was 25% lower than last week. The foreign spend at \$3.50m was down 46% on last week while the equities disposals by foreign investors amounted to \$3.49m as the market established an almost even balance of payments indicating a marginal \$0.01m net inflow position. Volumes of the week got a flattering 139% boost from block trades in property concern Mash that saw over 24m shares exchanging hands in various trades over the week.

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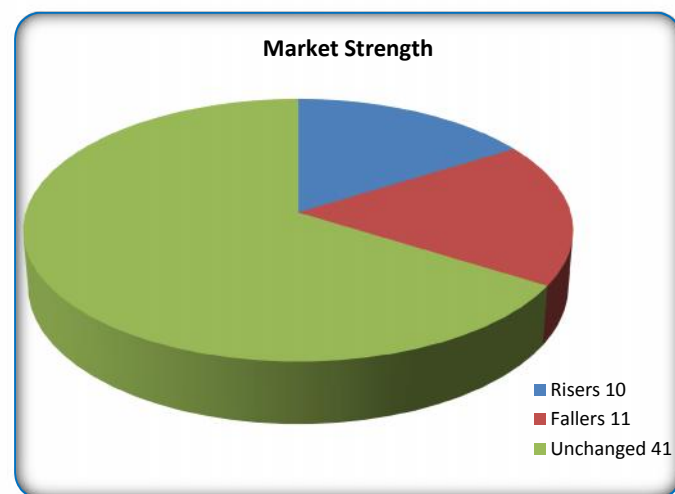
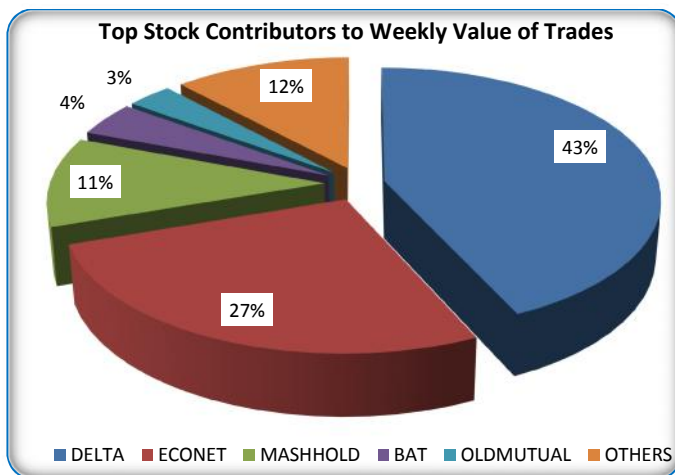
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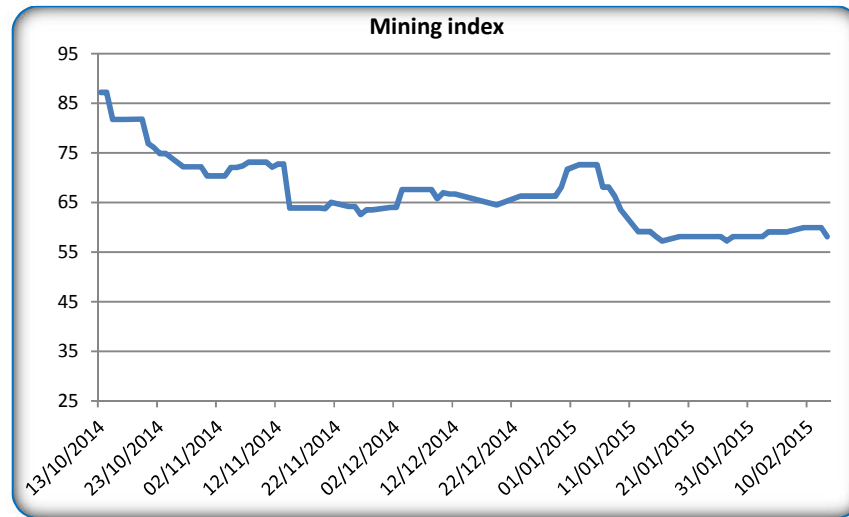
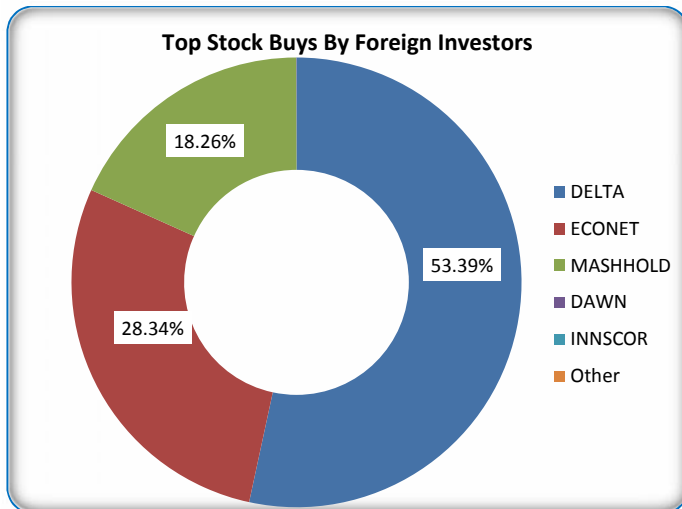
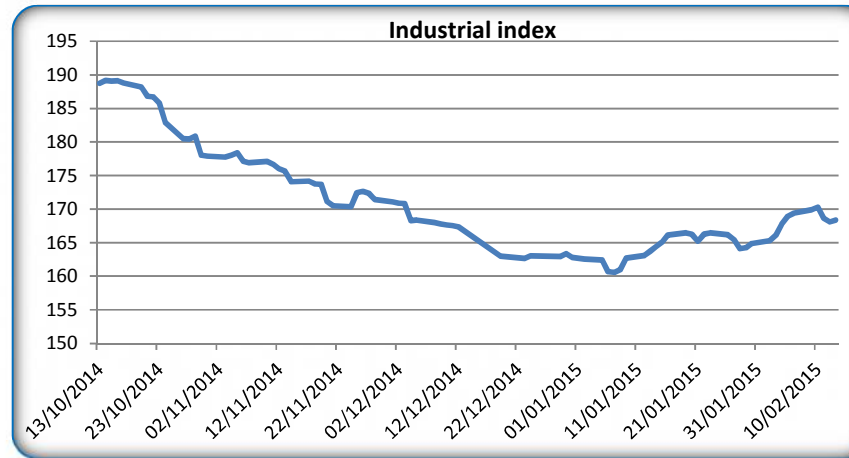
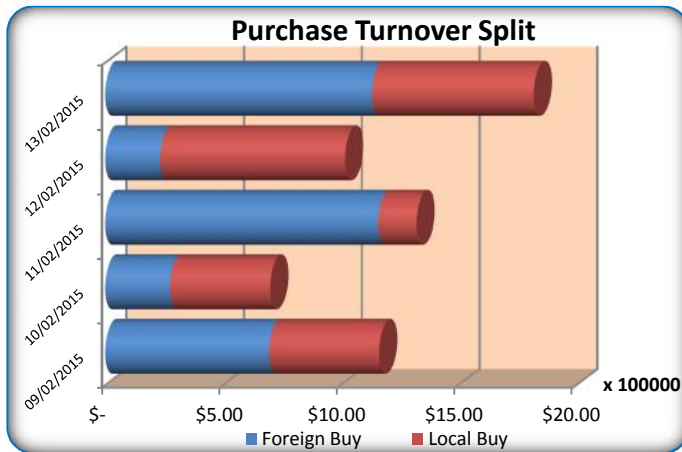
The top value drivers for the week emerged to be Delta 43%, Econet 27% and Mash 11%. Foreign demand exhibited a skew to the same three stocks in the same order with a combined contribution of 99.98% to the total foreign spend for the week.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
RADAR	3.00	50.00	14.29	WILDALE	0.18	28.00	10.00
POWERSPEED	2.20	22.22	37.50	LAFARGE	40.00	20.00	27.27
BARCLAYS	4.50	12.50	76.47	FIDELITY	6.00	20.00	25.00
EDGARS	9.00	12.50	7.14	CAFCA	40.00	20.00	20.00
ZPI	1.20	9.09	71.43	MASIMBA	1.30	13.33	43.48

Market heavies Delta, Hippo and Natfoods weighed on the industrials as they lost traction on weakening demand. Delta shed 0.86% to 115c, Hippo fell 4.18% to 46c and Natfoods lost 5.88% to 320c. Brick manufacturers Willdale led the fallers for the week with a 28% decline to 0.18c while cement manufacturers Lafarge followed with a 20% decline to 40c. Fidelity and Cafca were in similar declines of 20% and closed the week trading at respective prices of 6c and 40c. Construction allied group Masimba completed the top shakers with a -13.3% decline to 1.3c as reports emerged that the group plans to unbundle the plastics division to spur its growth.

Mitigating the losses for the week were declines led by penny stocks Radar and Powerspeed that gained 50% and 22.2% to 3c and 2.2c respectively. Barclays continued on its purple patch after adding +12.5% 4.5c while apparel retailers Edgars notched a similar gain of 12.5% and closed the week at 9c. Property ZPI completed the top risers of the week with gains of 9.1% to 1.2c on sustained demand. Meanwhile Afdis remained stable at 45c in the wake of its results while a repeat cautionary to shareholders by Bindura on their capital raise to fund the smelter restart saw the nickel miner shed 1.96% and closed the week trading at 5c.

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

In the News...

ABCH TAH delisted

ABC, TA Holdings shares delisted from Zimbabwe Stock Exchange following their respective take overs by Atlas Mara and Masawara plc. <http://www.herald.co.zw/abc-ta-holdings-delisted/>

Trojan mine smelter to resume operations

BNC Trojan mine smelter is now expected to resume operation in the second half of 2015 instead of the first half of the year, as initially planned. <http://www.herald.co.zw/trojan-mine-smelter-to-resume-operations/>

Afdis profit up 47%

African Distillers recorded a 47% jump in profit to \$1,9m during the half year ended 31 Dec 2014 , as volumes increased by 20 per cent. <http://www.herald.co.zw/afdis-profit-up-47pc/>

Govt avails \$100m for RBZ capitalization

Govt has capitalized RBZ to the tune of \$100m in a development that will usher confidence in the economy and restore the bank's lender of last resort function. <http://www.herald.co.zw/govt-avails-100m-for-rbz-capitalisation/>

NAMPAK ZIMBABWE invests in expansion

Nampak Zimbabwe has so far invested \$5m since its inception towards expansion, and upgrading its business units, a move expected to increase volumes. <http://www.herald.co.zw/nampak-zim-invests-in-expansion/>

PG Converts debentures to Equity

Struggling PG Industries Zimbabwe Limited plans to convert \$7.1m debentures into equity <http://www.dailynews.co.zw/articles/2015/02/13/pg-converts-debentures-to-equity>

Interbank Market resumes

Zimbabwe has introduced a \$200m interbank market, six years after the facility was abolished. <http://www.dailynews.co.zw/articles/2015/02/12/interbank-market-resumes>

British Investors Explore Zim opportunities

A nineteen member british delegation led by- Invest Africa- is in the country to explore investment opportunities. <http://www.dailynews.co.zw/articles/2015/02/12/british-investors-explore-zim-opportunities>

Zim Host Seed Congress

Local seed houses have said they were ready to host 2015 Africa Seed Trade Association (AFTSA) in Victoria Falls next month. <https://www.newsday.co.zw/2015/02/10/zim-host-seed-congress/>

Up Coming Events

COMPANY	EVENT	VENUE	DATE	TIME
CAFCA	AGM	Head Office 54 Lyton Road ,Workington,Harare	19.02.15	12.00HRS
RIOZIM	EGM	NO.1 Kenilworth Road,Highlands,Harare	19.02.15	09.00HRS
ART	AGM	202 Seke Road,Head Office,Graniteside,Harare	27.02.15	14.00HRS
ARISTON	AGM	306 Hillside Road,Head Office ,Boardroom,Harare	18.02.15	14.30HRS
CBZH	ANALYST BRIEFING	Stewart Room, Meikles Hotel	25.02.15	15.00HRS
Mashonaland	AGM	19 th Floor, ZB Life Towers, 77 Jason Moyo, Harare	26.02.15	12.00HRS
Powerspeed	AGM	Powerspeed Complex, Graniteside, Harare	17.02.15	11.00HRS
NICOZ DIAMOND	ANALYST BRIEFING	7 TH Floor Insurance Centre, 30 S Machel Ave, Harare	25.02.15	15.00HRS

CAUTIONARIES

Company	Issue Date	Subject
AFRICAN SUN	6 th DEC 2013	Discussions on mandatory offer to minorities by Lengrah Investments
TAH	24 th JUNE 2014	Negotiations that may have material effect on the company's stocks price
RIOZ	11 TH DEC 2014	Proposed Rights issue awaiting shareholder consent
Masimba	15 JAN 2015	Repeat Notice of possible transactions with potential impact on share values
BNC	31 ST DEC 2014	Capital raising for Smelter Restart project is still in progress

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