

ZSE rebounds as local currency continues to falter...

	Previous	Current	Change	%Change	YTD %
All share	164.05	166.75	2.7000	1.65	14.02
Industrial	545.75	554.86	9.1100	1.67	13.90
Mining	262.69	262.50	0.1900	0.07	15.28
Top 10	146.16	149.67	3.5100	2.40	3.21

The ZSE broke its losing run in the week under review as demand started to emerge for local equities amidst seemingly cheap valuations in USD terms as the local unit continued to slide. The local unit which launched in late February at par with the USD has since slid to rate of USD1: ZWL 12.8878 on the interbank market, while indications for the parallel market have the greenback exchanging hands at as high as USD 1: ZWL16. With the ZSE having moved in counter step to the exchange rate, the market is now capitalised at ZWL\$21.70bn equating to USD1.68bn; relatively cheap for a market that topped USD\$5bn market capitalisation at the peak of its powers and also trading in US dollars. With the resurgent demand the All Share Index firmed 1.65% and ended the week at 166.75pts while, the Industrial Index added 1.67% and closed at 554.86pts. The Top Ten Index advanced 2.40% as heavies anchored the market gains while, the Mining Index slipped 0.07% and closed at 262.50pts.

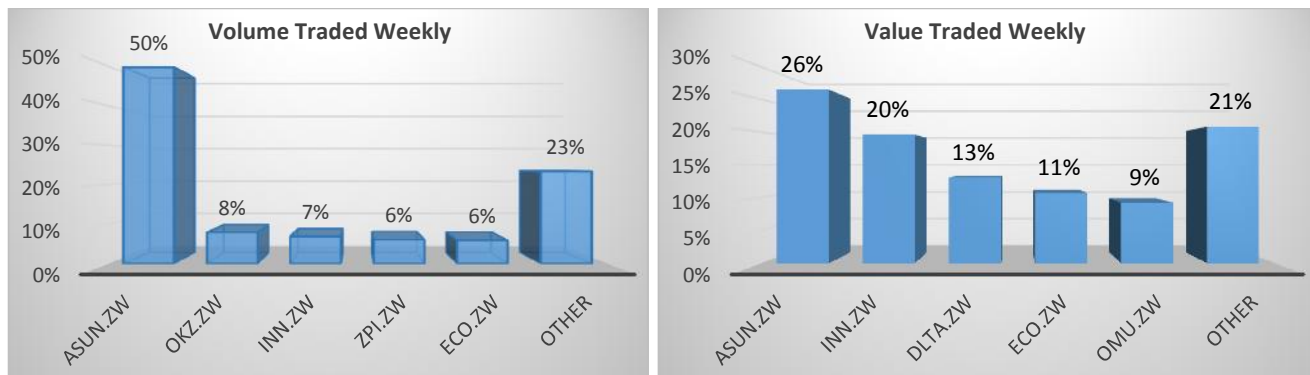
RISERS	PRICE	% Change
OMU.ZW	25.0418	39.80
ARIS.ZW	0.0784	19.88
SIM.ZW	0.6500	13.78
MEIK.ZW	1.2000	7.14
PROL.ZW	0.4000	5.26
DZL.ZW	0.3100	3.33
TSL.ZW	0.7400	2.24
LACZ.ZW	1.1993	1.64
OKZ.ZW	0.3215	1.55
ASUN.ZW	0.3500	1.45
FALLERS	PRICE	% Change
AFDS.ZW	1.6000	11.11
SEED.ZW	1.3600	6.21
ZIMW.ZW	0.4700	6.00
ECO.ZW	1.1701	2.49
FCA.ZW	0.0683	2.43
PPC.ZW	2.0500	2.38
CSZL.ZW	1.2206	2.35
AXIA.ZW	0.3850	1.79
DLTA.ZW	2.9000	1.19
BIND.ZW	0.1100	0.18

Fourteen counters were in the risers set for the week against ten fallers as a positive market breadth was established. Headlining the market charge was dually listed insurance group Old Mutual which surged 39.80% to \$25.0418 as its price seemingly rose in tandem with the weakening currency. Agricultural aligned group Ariston firmed 19.88% and settled at \$0.0784 as demand surged in the group. Fast Foods group Simbisa rebounded 13.78% and ended the week at \$0.6500 while, diversified group Meikles was 7.14% firm at \$1.2000. Pro-Plastics was up 5.26% at \$0.4000 while, Dairibord firmed 3.33% and ended at \$0.3100.

Other gains for the week were recorded in TSL which added 2.24% week on week and closed at \$0.7400 on sustained demand while, cement manufacturers Lafarge added 1.64% and closed at \$1.1993. Retailers OKZIM put on 1.55% to \$0.3215 as leisure group African ticked up 1.45% on the rebound to \$0.3500, to complete the top risers of the week.

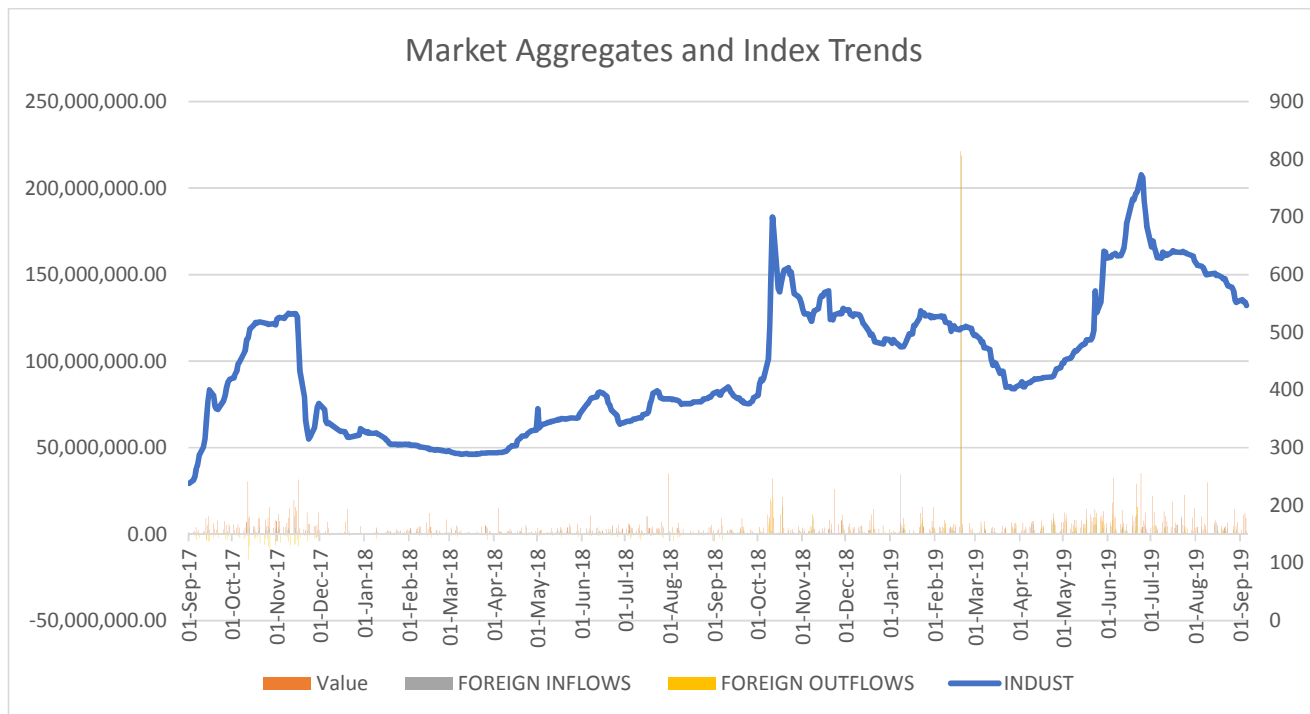
Market losses were led by spirits manufacturers Afdis that succumbed 11.11% and settled at \$1.6000 as agriculture focused group SeedCO fell 6.21% and closed the week at \$1.36. Earth moving equipment distributors Zimplow a declined 6% and closed at \$0.4700 while, Econet was 2.49% softer at \$1.1701 as selling pressure continued to take its toll on the telecoms giant. Financial services group FCA shed 2.43% to \$0.0683 on weak demand while, regional cement manufacturers PPC dropped 2.38% and settled at \$2.0500.

Activity aggregates thin despite block trade in African Sun...



	Previous	Current	Change	%Change
Values	41,681,420.59	38,827,754.84	2,853,665.75	6.85
Volumes	193,231,300.00	59,664,236	133,567,064	69.12

Weekly activity aggregates were thinner for the week as volumes came in at 69% softer at 59.66m while, a lower margin of decline was recorded in the spend at 6.85% to \$38.83m. The highlight of the week’s trading was a block trade in African Sun which accounted for 50% of the weekly volumes traded while, driving 26% of the spend. Other notable value drivers for the week were Inncor that accounted for 20% and Delta which claimed 13% of same.



In the News

ZIMBABWE'S largest distributor and retailer of new tyres and tubes, National Tyre Service Limited (NTS) says it experienced reduced demand in the first quarter of the year as businesses and consumers adjusted to the challenging economic environment. <https://www.newsday.co.zw/2019/09/nts-records-low-demand/>

TURNALL Holdings Limited (THL) expects liquidity constraints to adversely impact on demand for the firm's products in the second half of the year. <https://www.newsday.co.zw/2019/09/liquidity-constraints-to-hurt-turnall-products/>

IN anticipation of rising energy costs and the challenge of sustainable supply across Africa, regional cement maker PPC is considering implementing solar photovoltaic (PV) at its factories starting with its factories in Bulawayo and Colleen Bawn (West Nicholson). <https://www.newsday.co.zw/2019/09/ppc-turns-to-solar-as-power-cuts-bite/>

Zimbabwe has so far generated US\$526 million from this year's tobacco crop, whose output has surpassed the record set last year. <https://www.herald.co.zw/tobacco-rakes-in-us526m/>

Old Mutual Zimbabwe has said its financials for the half-year to June 30, 2019 have been prepared on a historical cost accounting basis in view of high inflation that has been prevailing in the country. <https://www.herald.co.zw/old-mutual-financials/>



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