

## ZSE dips as year on year inflation touches -3.11%...

It was a subdued week of trading as bears dominated for yet another week to drive the market lower. The soft trading comes in the wake of the September 2015 inflation figures which reflected the continued deflationary pressures which has in part been exacerbated by the weakening Rand, the currency of the source market for most of the country's imports. Year on year inflation for the month of September 2015 was shown to have shed a further 0.34 percentage points to -3.11% weighed down by negative movements in food, beverages, clothing, housing, maintenance and communication. Meanwhile, Econet released its interim numbers to August 2015 in which total revenue fell 17.7% to \$323.0m and its EBITDA came off 21% and closed \$122.5m as the impact of the tariff cut imposed by the regulators on voice calls took their toll in performance. Similar to the other companies that reported in recent weeks the challenges in the economy headlined by subdued demand were cited as contributory to the telecoms group's lower performance.

### *Mixed outturn for indices...*

#### Indices

	Previous	Current	Change (pts)	% Change	YTD %
<i>Industrial</i>	131.45	131.08	0.3700	0.28	19.48
<i>Mining</i>	23.57	23.68	0.1100	0.47	66.98

There was a mixed outturn on the benchmarks with the industrials being on the downswing while the minings enjoyed a rising week. The gains in the Mining Index were anchored by coal miners Hwange that rode out reports that operations had stalled at its Chaba mine following a payment stalemate with contractor Mota-Engil to post a 2.94% gain to \$0.0350. Resultantly, the resources index edged 0.47% higher to 23.68pts. The benchmark Industrial Index succumbed to soft trading in mainly mid-tier stocks to shed 0.28% and closed the week at 131.08%. As the final quarter of the year continues to progress the market is increasingly set for a heavy losing year as the industrials are sitting on a year to date loss of 19.48% while, the minings are down 66.98% with virtually no prospects of a stimuli for a market rebound.

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**Risers**

Symbol	Previous	Current	Change	%Change
AFDS.ZW	0.5000	0.5800	0.0800	16.00
ZIMR.ZW	0.0111	0.0120	0.0009	8.11
MEIK.ZW	0.0900	0.0950	0.0050	5.56
HCCL.ZW	0.0340	0.0350	0.0010	2.94
DLTA.ZW	0.8125	0.8225	0.0100	1.23
FML.ZW	0.0200	0.0202	0.0002	1.00
CFI.ZW	0.0452	0.0456	0.0004	0.89
BAT.ZW	11.7000	11.8000	0.1000	0.85
ECO.ZW	0.2700	0.2701	0.0001	0.04

**Faller**

Symbol	Previous	Current	Change	%Change
RTG.ZW	0.0100	0.0080	0.0020	20.00
PHL.ZW	0.0900	0.0760	0.0140	15.56
NTS.ZW	0.0200	0.0170	0.0030	15.00
NICO.ZW	0.0171	0.0150	0.0021	12.28
CBZ.ZW	0.1000	0.0900	0.0100	10.00
OML.ZW	2.4000	2.2069	0.1931	8.05
ZPI.ZW	0.0095	0.0090	0.0005	5.26
PPC.ZW	1.0000	0.9500	0.0500	5.00
BARC.ZW	0.0440	0.0432	0.0008	1.82
MSHL.ZW	0.0100	0.0099	0.0001	1.00

\* All prices in USD

***Bearish sentiment dominate...***

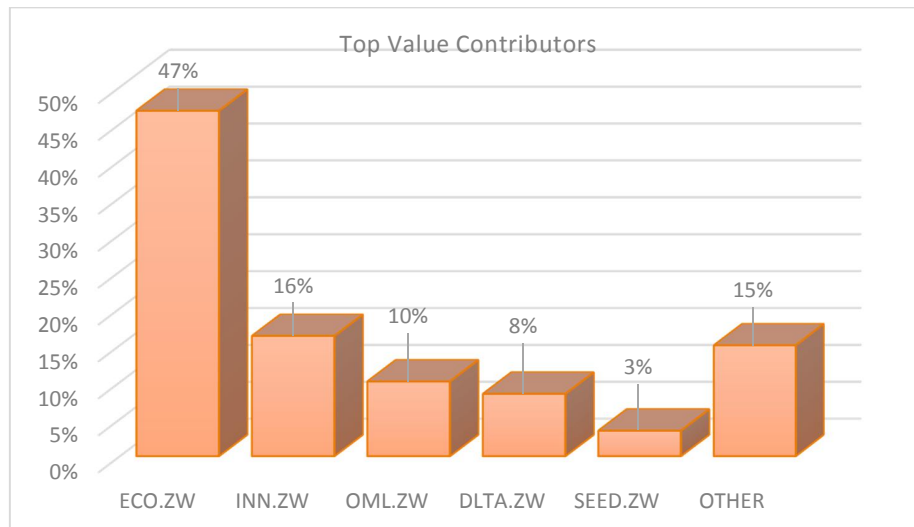
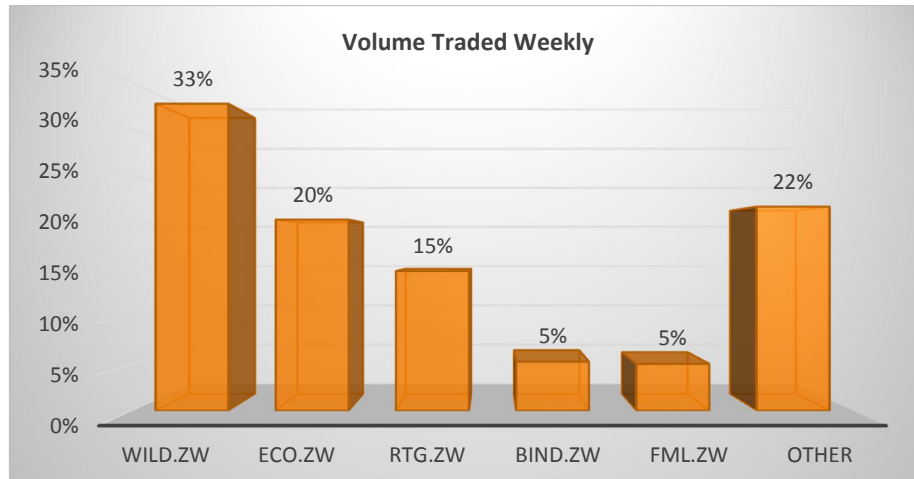
A total of twenty three stocks registered price changes from their week opening levels with bears once again dominating at a count of fourteen against only nine that exhibited bullish traits. Hotelier's RTG led the fallers of the week on a 20% decline that took its price to \$ 0.0080 while, crocodile skin producers Padenga followed after shedding 15.56% and closed the week at \$0.0760. Tyre manufacturers NTS fell 15% and touched \$0.0170 as sellers obliged to demanded price while short term insurers Nicoz diamond retreated 12.28% to \$0.0150. CBZ's rising streak in recent weeks was brought to a halt as the banking giant headed south on a 10% decline to \$0.0900.

Top heavy cap losses for the week were seen in Old Mutual, PPC and Barclays. Multi-listed financial services stock Old Mutual succumbed to subdued demand and fell 8.05% and closed the week at \$2.2069 where demand could be established. Regional cement manufacturers PPC traded 5% softer at \$0.95 while, banking group Barclays was 1.82% lower at \$0.0432.

***Heavies dominate gains albeit marginally...***

Most heavies closed the week with improved bids with the supply drying up as sellers find current prices abhorrent for trades. Spirits manufacturers Afdis topped the gainers of the week with a 16% surge to \$0.5800 while insurers Zimre jumped 8.11% and closed at \$0.0120. Beverages giant Delta was 1.23% up at \$0.8225 closing out well bid as renewed demand remains evident in the group. Insurance group FML added 1% for the week and was at \$0.0202 by end of week. CFI traded 0.89% firmer at \$0.0456 as shareholders met for an EGM to approve a land for debt swap. Cigarette manufacturers BAT touched \$11.8000 on firming demand while investors threw caution to the wind on Econet with firm demand seeing the group to a 0.04% uplift to a volume weighted average price of \$0.2701

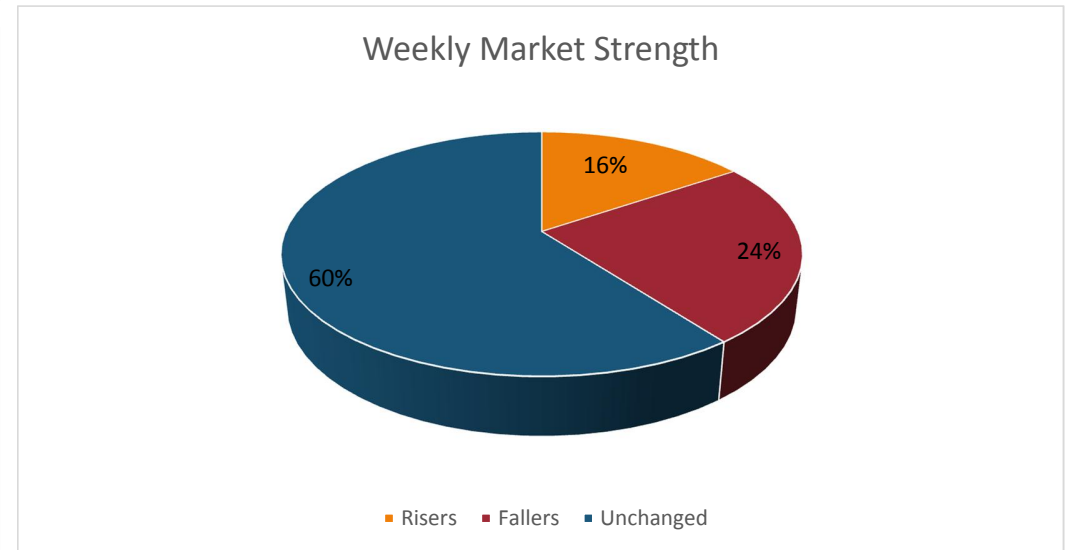
## Market Aggregates and Statistics



### Market turnover aggregates

	Previous	Current	Change	%Change
Values	4,782,254.81	809,372.39	3,972,882.42	83.08
Volumes	22,376,346	6,880,373	15,495,973.00	69.25

Market activity slumped in the week under review with supply thinning out in the usual volume and value drivers. Volumes of the week were down 69.25% at 6,880,373 shares, with the total being anchored by Willdale, Econet and RTG that accounted for 33%, 20% and 15% respectively. Values of the week were similarly heavily subdued shedding 83.08% and settling at \$809,372.39. Top trades for the week were seen in Econet 47%, Innscor 16% and Old Mutual 10%



## In the news...

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### **Innscor to unbundle units**

Innscor Africa Limited shareholders will hold an extraordinary general meeting on November 2 to approve the unbundling of its Quick Service Restaurant (QSR) unit and unlock shareholder value. Shares of the QSR business, to be named Simbisa Brands Limited, will list on the Zimbabwe Stock Exchange (ZSE) on November 6.

<https://www.newsday.co.zw/2015/10/13/innscor-to-unbundle-units/>

### **Truworths records 3.6% decrease in sales**

TRUWORTHS Limited group merchandise sales were 3,6% lower for the year to July 12 at \$21,1 million due to low spending by customers.

<https://www.newsday.co.zw/2015/10/12/truworths-records-36-decrease-in-sales/>

### **Mtamangira quits Hwange**

Prominent lawyer Farai Mutamangira has stepped down as Hwange Colliery Company Limited (HCCL) board chairman to pursue other pressing commitments, the company has announced.

<http://www.dailynews.co.zw/articles/2015/10/12/mutamangira-quits-hwange>

### **Furniture manufacturing sector operating at 30% capacity**

THE furniture-manufacturing sector is operating at 30% capacity due to delays by government in coming up with legislation reducing duty on raw materials, the sector's umbrella body has said.

<https://www.newsday.co.zw/2015/10/14/furniture-manufacturing-sector-operating-at-30-capacity/>

### **Cairns set to come out of Judicial management**

Cairns Holdings could be taken out of judicial management by end of this month when all payments due to the company's creditors and former shareholders are expected to have been completed.

<http://www.herald.co.zw/cairns-set-to-come-out-of-judicial-management/>

### **Econet profit slumps**

The country's biggest mobile service provider Econet Wireless recorded a 52 percent drop in profit after tax to \$ 23.8 million for the half year ending August 31 from \$ 49.6 million same period last year. <http://www.herald.co.zw/econet-profit-slumps/>

### **Industry calls for tax incentives**

Zimbabwe must introduce tax breaks to emerging companies as a way of boosting the country's economic growth, a leading industrial body has said.

<http://www.dailynews.co.zw/articles/2015/10/14/industry-calls-for-tax-incentives>

### **Zim targets new capital**

Finance minister Patrick Chinamasa says the agreement between Zimbabwe and international lenders on the repayment of the country's \$1,8 billion arrears will pave way for long-term financing to Zimbabwe.

<http://www.dailynews.co.zw/articles/2015/10/13/zim-targets-new-capital>

### **Operations at Hwange Chaba mine resume**

Operations at Hwange Colliery Company Ltd's (HCCL) Chaba concession resumed this week after Mota Engel, the Portuguese company contracted to mine the area, went on a week-long production strike demanding outstanding debts, business digest has established.

<http://www.theindependent.co.zw/2015/10/16/operations-at-hwange-chaba-mine-resume/>



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