

Industrials extend losses ahead of reporting season...

	Previous	Current	Change	%Change	YTD %
Industrial	139.38	136.97	2.4100	1.73	5.23
Mining	60.73	60.73	0.0000	0.00	3.79

Mounting selling pressure in heavy caps took its toll on ZSE leaving the benchmark Industrial Index in the red for another week. The industrials shed 1.73% and settled at 136.97pts as the index extended its year to date losses to 5.23%. The weakness in the market comes amidst the announcement of the monetary policy by the Central Bank where the Governor of the Reserve Bank introduced a \$70mn nostro stabilisation facility to deal with delays in processing of outgoing payments. Meanwhile, the tight fiscal space that has been hugely crowded out by the recurrent expenditure mostly in the form of the wage bill was again the subject of debate as the parliamentary portfolio committee on Finance and Economic developments recommended a restructuring of the civil service with an aim of reducing the wage bill to 70% of budget. The committee believes that the move would free up some \$700m for government to use in other obligations.

Weekly Risers

RISERS	PRICE	% Change
ZBFH.ZW	0.0622	11.87
TSL.ZW	0.1900	5.56
CFI.ZW	0.1055	2.93
COLC.ZW	0.3600	2.86
PHL.ZW	0.1700	1.49
PPC.ZW	0.5850	0.86
MASH.ZW	0.0201	0.50

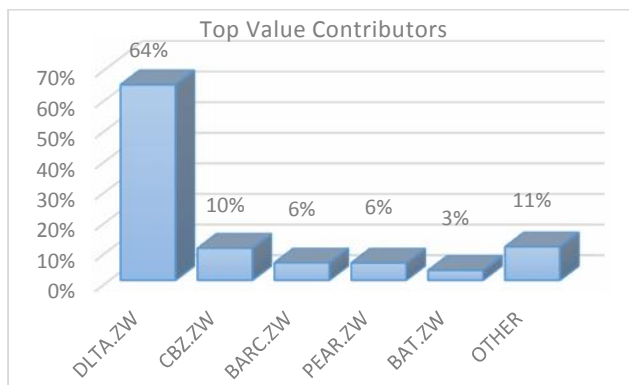
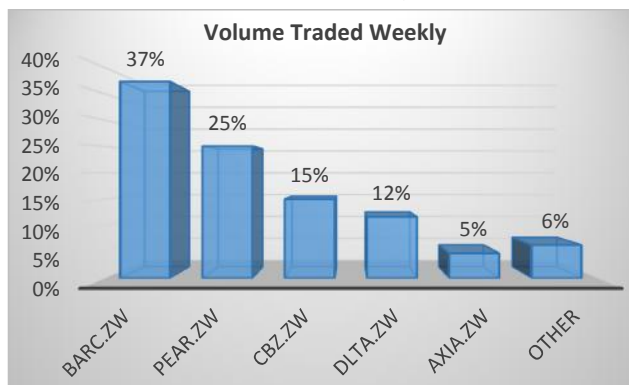
It was a rather tepid trading week with only eleven counters seeing price movements as risers dominated at a count of seven against four fallers. Despite the skew towards the risers in the distribution, the dominance of heavy caps in the fallers set swayed the market into the red. ZBFH top performed for the week as the financial services group garnered 11.87% and touched \$0.0622 on firm demand. Diversified group TSL, that released a fair set of results in the prior week got investors' nod on their numbers as the group put on 5.56% and settled at \$0.1900. CFI and Colcom were up 2.93% and 2.86% as the ended the week at respective prices of \$0.1055 and \$0.3600. Crocodile skin producers Padenga saw its recent strong demand maintain it in the black with a 1.49% charge that took it to \$0.1700. Firm local demand coupled with the firming Rand spurred dually listed cement manufacturers PPC to a 0.86% lift as it ended trading at \$0.5850. Property concern, MASH, completed the risers on a 0.50% lift to \$0.0201.

Weekly Fallers

FALLERS	PRICE	% Change
ECO.ZW	0.1700	15.00
BARC.ZW	0.0230	8.00
DLTA.ZW	0.8200	3.90
PEAR.ZW	0.0340	1.73

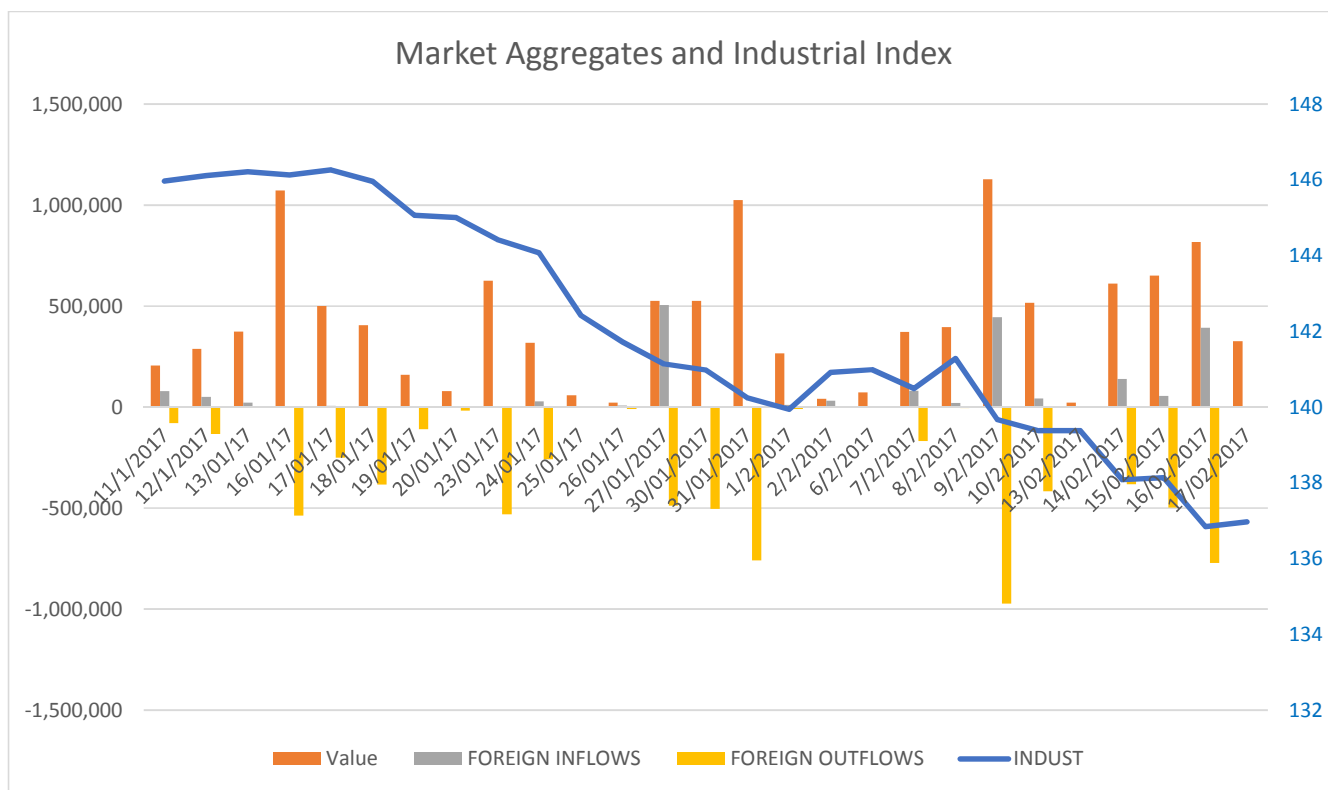
Only four counters found their prices lower than the prior week's closing levels with the leading faller emerging as Econet that succumbed 15% and settled at \$0.1700. Barclays followed with an 8% decline that took its price to \$0.0230. The market's top stock by market capitalisation, Delta succumbed to sustained selling pressure and eased 3.90% for the week as it found its price pegged at \$0.8200. The last of the faller for the week was property concern Pearl that came off by 1.73% for the week and settled at \$0.0340. There was no movement in prices for the mining counters which were all inactive with the only movement seen in the cluster being the firming bid in RioZim.

Delta dominates values in tepid trades...



	Previous	Current	Change	%Change
Values	2,589,916	2,427,302.67	162,613.43	6.28
Volumes	19,305,599	16,161,832.00	3,143,767	16.28

Trading remains relatively dull on the ZSE evidenced by the weak aggregates as the daily averages struggle to surpass the half a million dollar mark. For the week under review a cumulative \$2.43m worth of trades were recorded, down 6.28% on the previous week outcome, with Delta and CBZ emerging by far as the most liquid stocks on the bourse. Likewise, volumes of the week were down 16.28% at 16.16m shares driven mainly by Barclays and pearl that made respective contributions to the aggregate of 37% and 25%. Capital flight remains the order of the day as weekly inflows totalling \$0.59m against foreign portfolio disinvestments of \$1.65m.



In the news:**TIMB readies 2017 tobacco marketing season**

Zimbabwe's tobacco marketing season will begin next month, the Tobacco Industry and Marketing Board (Timb) has said, a move expected to inject foreign currency into the economy. <https://www.newsday.co.zw/2017/02/17/timb-readies-2017-tobacco-marketing-season/>

Banking sector profitability jumps to \$181.1m

Banking sector profitability was up by nearly half to \$181,06 million in the year ended December 31 on lower loan provisions and realignment of cost structures, the Reserve Bank of Zimbabwe (RBZ) has said. <https://www.newsday.co.zw/2017/02/17/banking-sector-profitability-jumps-1811m/>

Nicholas Vingirai flexes muscles within ZB

BANKER, Nicholas Vingirai, has embarked on a restructuring of financial services group, ZB Financial Holdings Limited (ZFHL), after assuming a 26 percent shareholding last year. <http://www.financialgazette.co.zw/nicholas-vingirai-flexes-muscle-within-zb/>

NSSA prepares offer to Nicoz Diamond minorities

THE National Social Security Authority (NSSA) is proceeding with plans to buy out minorities in Zimbabwe's largest short term insurer, NicozDiamond, in which it last year increased its shareholding to 44.9 percent. <http://www.financialgazette.co.zw/nssa-prepares-offer-to-nicozdiamond-minorities/>

RBZ sets up \$70m nostro stabilization facility

The Reserve Bank of Zimbabwe governor John Mangudya has arranged a nostro stabilisation facility of \$70 mLn, which will be disbursed to banks by the end of this month. <http://www.herald.co.zw/rbz-sets-up-70m-nostro-stabilisation-facility/>

Potraz to introduce mobile network promotions framework

The Postal and Telecommunications Regulatory Authority of Zimbabwe will soon introduce a framework to govern promotions by mobile network operators. Last year, various mobile network operators' promotions for voice calls, short messaging services and over the top services were suspended. <http://www.herald.co.zw/potraz-to-introduce-mobile-network-promotions-framework/>

Ecocash reduces mastercard withdrawals by 20%

Econet Wireless Zimbabwe's mobile money platform, EcoCash has reduced its monthly foreign withdrawal limit on MasterCards by 20% to \$400, as the country's foreign currency position worsens. <https://www.newsday.co.zw/2017/02/13/ecocash-reduces-mastercard-withdrawals-20/>

Nestle powder milk production up 125%

Nestle Zimbabwe says production volumes for its Cremora milk powder brand increased 125% last year following the introduction of Statutory Instrument 64 of 2016. Corporate communications and public affairs manager Farai Munetsi said this has also created more employment across value chains.

<http://www.herald.co.zw/nestle-powder-milk-production-up-125-percent/>

Seedco in drive to dominate east africa

SeedCo expects to reduce the dominance of government-owned Kenya Seed Company after it opened a second plant in the East African country's Trans Nzoia county last week. Trans Nzoia county is found in Kenya's former Rift Valley Province, 380km North West of Nairobi close to the Ugandan border.

<http://www.herald.co.zw/seed-co-in-drive-to-dominate-east-africa/>



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