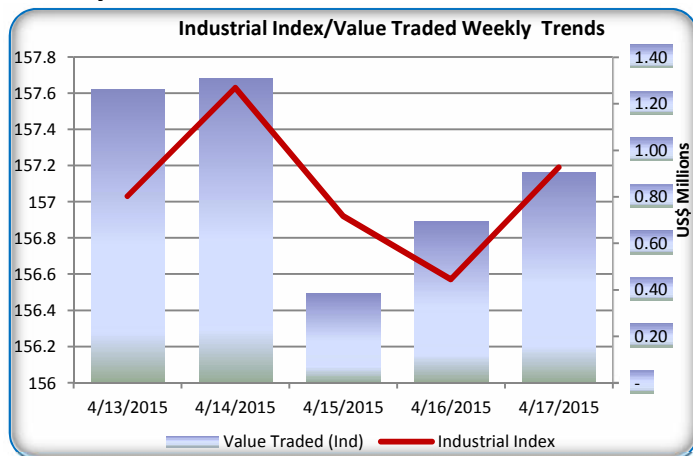
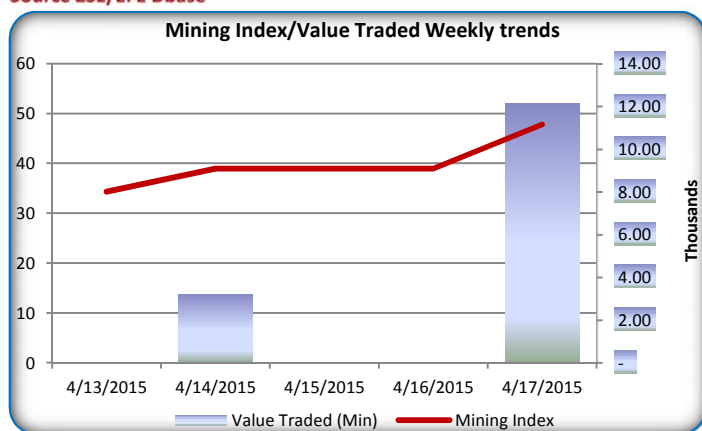


EFE Weekly Market Review 17 April 2015

Weekly Stats



Source ZSE/EFE Dbase



Source ZSE/EFE Dbase

	Current	Previous	% Δ
Value Traded (\$mn)	4.58	15.91	71.24
Volume Traded (mn)	40.69	495.59	91.79
Foreign Purchases	1.95	2.68	27.30
Foreign Sales	1.91	3.29	41.95

Source ZSE/EFE Dbase.

ZSE sustains steady rise albeit thin trades...

The ZSE maintained steady week on week rising momentum though trades remained thin on constrained supply. With most prices having taken a dip at the end of the first quarter, sellers had thinned out on the market and so did the trades. Delta's trading update that came out midweek, pointed to moderate softening of financial results which would not have justified the low prices that prevailed at the time. The beverages group updated that full year revenues were down 6% while for the quarter they dipped 5%. At the same time though the telecommunications industry regulator PORTRAZ, released its fourth quarter trading update highlighting that mobile networks revenues declined 17.9% in the 2014 calendar year while Econet saw a 15.4% dip in revenues for the quarter to December 2014.

A bullish sentiment in market heavy cap stocks saw the main stream Industrial Index edge +0.43% up week on week and closed at 157.19pts while narrowing the year to date decline to -3.44%.

Index	Level	%Δ	YTD %Δ
Industrial Index	157.19	0.43	3.44
Mining Index	47.82	39.38	33.31

Nickel mining house Bindura powered the Mining Index to a 39.38% surge to 47.82pts. Bindura rallied 50% to 4.5c for the week after parent Mwana Africa gave a trading update which highlighted that the all-in sustaining costs in the nickel operations had gone down 36.5% as greater nickel production contributed to lower nickel costs

Activity aggregates end week softer ...

It was a subdued week of trading as the dearth in sellers took its toll on the market that saw market wide bids failing to be satisfied over the week. A total of \$4.6m exchanged hands over the week up 71.24% on last week while volumes fell 91.8% to 40.69m shares as this week's trades were largely skewed towards the market's higher value stocks. Turnover disaggregation by investor type pointed to a dominant

In this Weekly

Market Highlights P1

Top Picks P4

In the News P5

Upcoming Events P6

Disclaimer P7

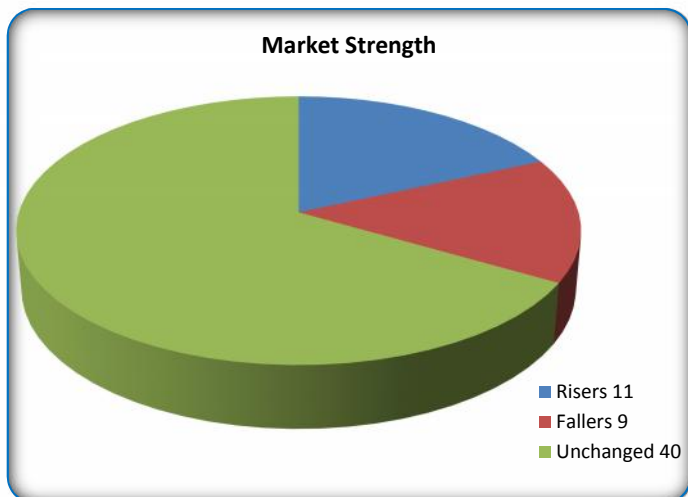
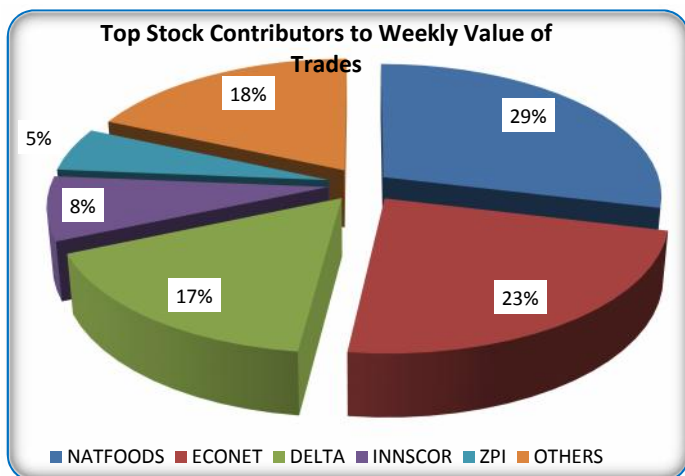
Contacts:

Edgeton Tsanga 0772277153

Chris Masendeke 0772135234

Phenias Mandaza 0772144334

Coreen Madanha 0772144333



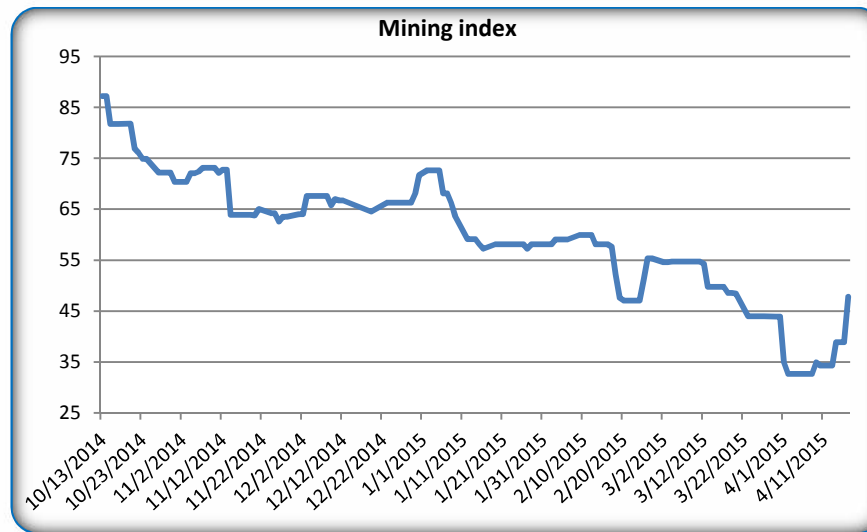
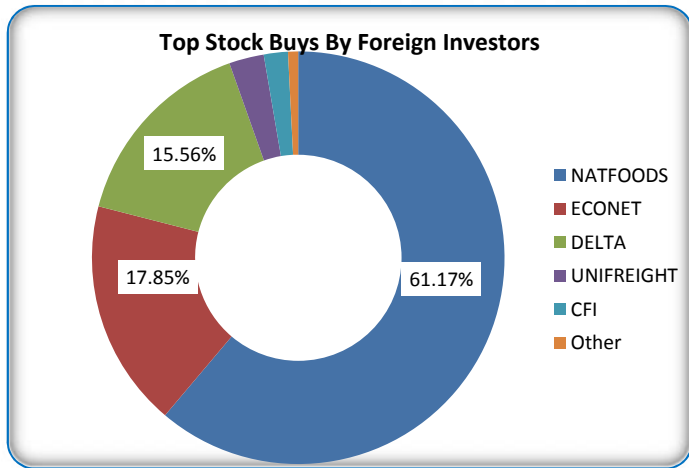
contribution of local investors to liquidity on the market as the foreign spend came off 27.3% to \$1.95m while foreign portfolio disposals came in at \$1.91m after coming off 41.95% on last week. Food processing and packaging group Natfoods emerged the market's top traded stock for the week after 29% of the market's total value was invested in the group while the usual market drivers Econet, Delta and Innscor also registered notable trades at respective contributions of 23%, 17% and 8%.

Top Five Risers				Worst Performers			
Counter	Price	%Δ	YTD %Δ	Counter	Price	%Δ	YTD %Δ
BINDURA	4.50	50.00	29.69	STAR AFRI	1.00	28.57	44.44
DAWN	1.51	37.27	43.81	MASIMBA	2.00	11.11	13.04
ZPI	1.05	31.25	50.00	MASHHOLD	2.40	11.11	11.11
CFI	1.21	22.22	59.67	MEIKLES	10.00	6.98	35.48
FIDELITY	9.20	20.73	15.00	BARCLAYS	3.80	5.00	49.02

A bullish trend pervaded the market with eleven counters recording weekly gains against nine declining stocks. Anchoring the gains were rises in market heavies Delta, Old Mutual, Innscor and Natfoods. Delta was up 1.45% at 105c riding on their aforementioned fourth quarter trading update while Old Mutual gained 2.46% to 251.02c as investors piled in ahead of the stock going ex div next week. Innscor was in a 2.52% rebound to 57c on resurgent demand, while Natfoods that top traded for the week was also up +5.33% to 316c. Property groups Dawn and ZPI led the industrials charge for week with rises of 37.27% and 31.25% to close at 1.51c and 1.05c respectively. CFI added +22.2% to 1.21c while it closed the week at firmly bid at 1.4c as demand remained solid in the group.

Sugar refiners and packagers Star Africa led the market losses with a 28.57% retreat to 1c while Masimba and Mash followed with identical losses of 11.1% to 2c and 2.4c respectively. Meikles continued to see its price under pressure shedding 6.98% to 10c as they continue to dominate the news on the matter regarding its deposit with the central bank. Bankers Barclays completed the top shakers with a 5% drop to 3.8c.

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

In the News...

NMBZ secures US\$37m offshore credits

Dual-listed financial services group NMB Zimbabwe Holdings (NMBZ) is set to secure \$37 million in offshore credits earmarked for on-lending to industry and various sectors of the economy, a top company official has said.

<http://www.dailynews.co.zw/articles/2015/04/16/nmbz-secures-37m-offshore-credits>

Delta in profit warning

Beverages manufacturer Delta Corporation (Delta) has warned of lower profits for the full year to March 2015, citing “changes in the sales mix and the deliberate strategies to preserve volumes”.

<http://www.dailynews.co.zw/articles/2015/04/16/delta-in-profit-warning>

Mobile revenues down 18pc

Zimbabwean mobile operators' revenues in 2014 tumbled by 18 percent to \$907,3 million from \$1,1 billion recorded prior year on the back of a weakening economy and lower disposable incomes.

<http://www.dailynews.co.zw/articles/2015/04/16/mobile-revenues-down-18pc>

Tobacco farmers earn US\$75m

Tobacco farmers have so far earned \$75 million from the sale of 28,4 million kilogrammes (kg) of the golden leaf since the opening of the 2015 selling season last month.

<http://www.dailynews.co.zw/articles/2015/04/14/tobacco-farmers-earn-75m>

BNC nickel sales surge

Bindura Nickel Corporation's (BNC) Trojan Nickel Mine recorded a 49% increase in nickel sales to 2 072 tonnes in the fourth quarter for the financial year ended March 2015 compared to the previous quarter buoyed by a \$7 million investment in new equipment.

<https://www.newsday.co.zw/2015/04/17/bncs-nickel-sales-surge/>

RBZ to pay Meikles US\$56.6 million

Meikles Limited should get \$56,6 million from the debt owed by the Reserve Bank of Zimbabwe (RBZ) instead of \$90,8 million after the Finance ministry prescribed that only 5% interest will be permitted on creditors balances, a legislator has said.

<https://www.newsday.co.zw/2015/04/16/rbz-to-pay-meikles-566-million/>

OK promises bigger, better grand challenge

One of the country's biggest retailers, OK Zimbabwe Limited, will have a bigger and better Grand Challenge this year, marketing manager Tendai Makomva has said.

<https://www.newsday.co.zw/2015/04/17/ok-promises-bigger-better-grand-challenge/>

Inflation rate gains in March

THE year-on-year inflation rate for the month of March gained 0,19 percentage points on February figures to -1,20%, latest statistics from Zimbabwe National Statistics Agency (Zimstats) have shown. In February annual inflation was -1,40%.

<https://www.newsday.co.zw/2015/04/16/inflation-rate-gains-in-march/>

High Court orders Econet to join NEC

Econet Wireless has lost a case at High Court in which it was contesting demands by communication industry employment council to register and pay subscriptions to the council.

<http://www.herald.co.zw/high-court-orders-econet-to-join-nec/>

Up Coming Events

COMPANY	EVENT	VENUE	DATE	TIME
BAT	AGM	Head Office, 1 Manchester Rd, Southerton	26.04.15	1000HRS
CBZ	AGM	Great Indaba Room, Crowne Plaza	30.04.15	1500HRS
ZIMPLOW	AGM	Head Office, Northridge Park, Borrowdale, Hre	04.05.15	10.00HRS
BARCLAYS	AGM	Meikles Hotel, Palm Court, Harare	06.05.15	15.00HRS

CAUTIONARIES

Company	Issue Date	Subject
Masimba	15 JAN 2015	Repeat Notice of possible transactions with potential impact on share values
RIOZ	5 TH MAR 2015	Comapany seeking regulatory approvals to proceed with the rights issue

This document has been prepared by EFE Securities (Private) Limited (EFE), for the information of its clients. Although the statements of fact in this report have been obtained from sources that the company believes to be reliable, we do not guarantee their accuracy, and any such information may be incomplete or condensed. All opinions and estimates included in this report constitute the company's judgment as of the date of this report and are subject to change without notice. The securities discussed and mentioned in this report may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors they believe necessary. This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. EFE and any of the individuals preparing this report may at any time have a long and/or short position in any securities of companies in this report. In addition EFE may from time to time perform investment banking or other services for, or solicit investment banking or other business from any entity mentioned in this report. EFE may at times buy and sell shares on an agency or principal basis to its clients. Shares may rise or fall and investors may end up with a reduced amount from their initial capital invested. Additional information on EFE's recommended securities is available on request.
