

ZSE in checked recovery as reporting season continues...

The ZSE extended its checked recovery in the week under review as activity remained sustained by swathes of foreign investors' exchanges in the market heavies. The ongoing reporting season gave little impetus to the market despite improved performances in most of those reported. The results however, were a breadth of fresh air to the investors who had long been subjected to a barrage of unpalatable economic reports painting a picture of an uncertain outlook. Amongst those to report refreshing financials were DZLH, Proplastics, and FBCH that all reported improved statistics on all major performance lines. All these however, did little to precipitate a market rebound as liquidity squeezed investors, mostly local based continued to stay away from equities. Elsewhere, the economy remains under pressure with exports statistics indicating that there was a 13% decline with the trade deficit closing the month of February 2016 at \$379.51.

ZSE posts gains...

Indices

	Previous	Current	Change (pts)	% Change	YTD %
<i>Industrial</i>	99.81	99.86	0.0500	0.05	13.05
<i>Mining</i>	19.14	19.22	0.0800	0.42	18.90

The market's nascent recovery saw the benchmark Industrial Index adding 0.05% for the week and closed at 99.86pts with market wide gains driving the charge. The marginal gain only helped the index narrow year to date losses top a mere 13.05% as the year to date returns remain in the red.

Activity returned to the generally subdued resources stocks and with it the Mining Index ticked 0.42% up week on week and closed at 19.22pts. Nickel miners Bindura were the driving force behind the resources index's rebound as demand returned to the counter ahead of the group closing its financial year which ends in March. Year to date the Mining Index sits on a negative return of 18.90%.

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Risers

Symbol	Previous	Current	Change	%Change
WILD.ZW	0.0015	0.0018	0.0003	20.00
ARTD.ZW	0.0100	0.0120	0.0020	20.00
OML.ZW	1.8200	2.0634	0.2434	13.37
OKZ.ZW	0.0311	0.0345	0.0034	10.93
CBZ.ZW	0.1050	0.1100	0.0050	4.76
SACL.ZW	0.0093	0.0095	0.0002	2.15
INN.ZW	0.1800	0.1825	0.0025	1.39
BIND.ZW	0.0095	0.0096	0.0001	1.05
PHL.ZW	0.0600	0.0606	0.0006	1.00
MEIK.ZW	0.0700	0.0706	0.0006	0.86

Faller

Symbol	Previous	Current	Change	%Change
ECO.ZW	0.2500	0.2310	0.0190	7.60
BAT.ZW	11.1472	10.7500	0.3972	3.56
DZL.ZW	0.0690	0.0680	0.0010	1.45

* All prices in USD

Bulls dominant as market gains ...

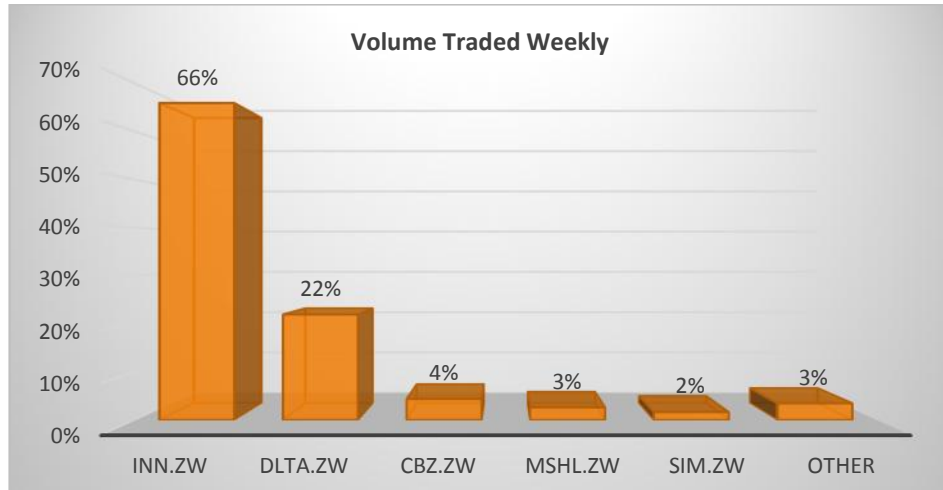
Signs of a rebound in fortunes for the ZSE were underlined by the over-bearing presence of stocks in bullish mood that saw eleven counters close the week in gains against only three fallers to set a positive breadth of eight. Penny stocks led the market charge with the duo of Willdale and ART ZDR leading on identical gains of 20% each and settling at respective prices of \$0.0018 and \$0.0120. Needless to say, heavy cap stocks anchored the gains with multi-listed financial services group Old Mutual emerging the pick of the cherry on a 13.37% surge to \$2.0634 on the back of the surging price on the stock in global markets and more specifically on the local market the stock's increased fungibility limit. Retailers OKZIM, got their gloss back with a 10.93% rebound that took its price to \$0.0345 while, the market started to take notice of CBZ's recent financials with the banking giant rebounding 4.76% and closing the week trading at \$0.1100.

Gains were also seen in sugar processing and packaging group Star African that added 2.15% to \$0.0096 following news that the group had successfully disposed its logistics unit Blue Star Logistics. Conglomerate Inncor added 1.39% and ended the week at \$0.1825 as demand returned to the group and in the process emerging one of the top traded stocks for the week. Bindura was in a 1.05% jump that helped lift the mining Index while, Padenga and Meikles completed the market's risers on gains of 1% and 0.86% to \$0.0606 and \$0.0706 respectively.

The market's losses in three stocks were dominated by heavies Econet and BAT that held back the bourse. Telecoms group Econet led with a 7.6% retreat to its now established resistance level of \$0.2310 to reverse prior week gains. Cigarette manufacturers BAT continued to suffer from subdued demand and shed 3.56% for the week settling at \$10.7500. DZL completed the shakers on a 1.45% drop to \$0.0680 as its recent financials failed to get the market's nod.

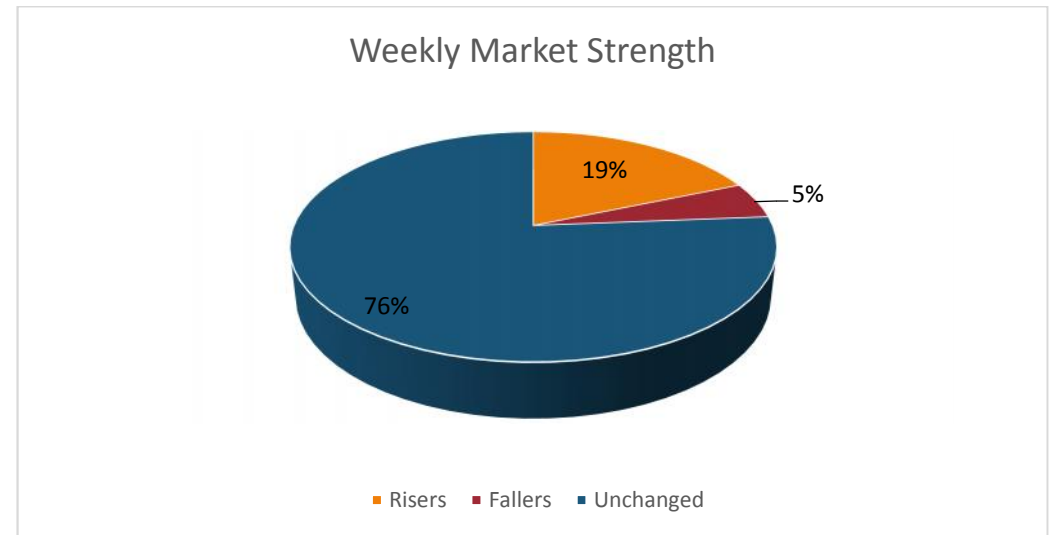
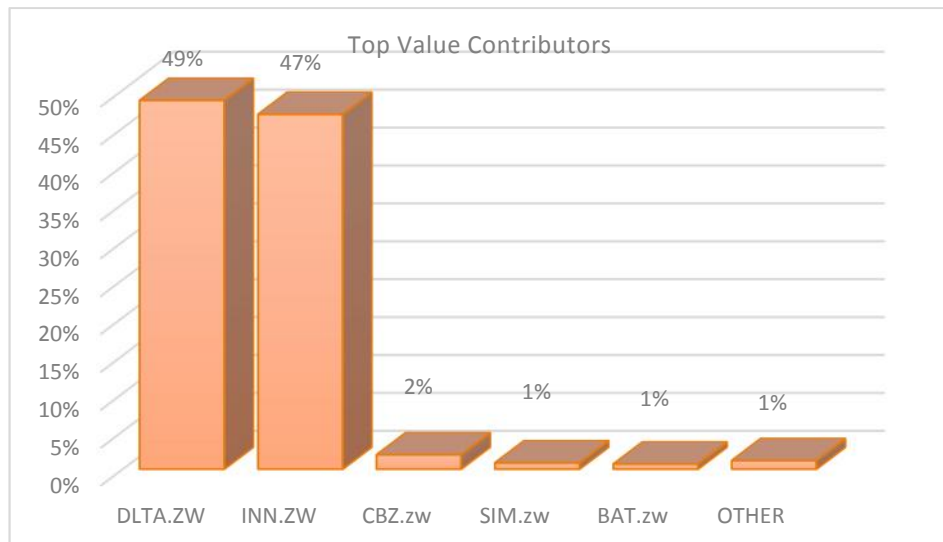
Market Aggregates and Statistics

Market turnover aggregates



	<i>Previous</i>	<i>Current</i>	<i>Change</i>	<i>%Change</i>
Values	5,164,544.39	4,899,094.60	265,449.79	5.14
Volumes	31,518,994	19,225,544	12,293,450.00	39.00

Trading activity was sustained at more or less the same levels as last week with only a marginal 5.14% variance from last week in value of trades that closed at \$4.90m. Volumes however, dipped 39% to 19.2m as interest was largely confined to the higher value stocks. Innscor and Delta drove the volumes and values of the week with combined contributions of 88% and 96% respectively.



In the news...

FBC holdings profits up

FBC Holdings Limited has experienced a 269,4% jump in its profit for the year to \$18,1 million in 2015 after the group disposed of its non-banking unit and an improved its brand, which lured more deposits. <https://www.newsday.co.zw/2016/03/17/fbc-holdings-profit/>

CABS assets surpass \$1bn

Old Mutual's mortgage lending unit Central African Building Society (Cabs) total asset base increased by 22 percent to \$1 billion from \$852 million in the year to December 2015 mainly driven by a 27 percent growth in deposits. <https://www.dailynews.co.zw/articles/2016/03/18/cabs-assets-surpass-1bn>

EDGAR's profits down

Zimbabwe Stock Exchange-listed clothing retailer Edgars Stores (Edgars) says its profits declined to \$4 million in the 52 weeks to January 2016 from \$5,1 million last year due to depressed demand in the economy. <https://www.dailynews.co.zw/articles/2016/03/17/edgars-profits-down>

Hwange board members resign

Two Hwange Colliery Coal Limited (HCCL) board members representing British businessman Nicholas van Hoogstraten's interests have resigned, as the company's trading position and fundamentals continue to deteriorate. <https://www.dailynews.co.zw/articles/2016/03/16/hwange-board-members-resign>

Zim remains in deflation

Deflationary pressures in Zimbabwe continue to persist with the country's annual inflation marginally shedding 0,03 percentage points to negative 2,22 percent in February from negative 2,19 percent recorded in January 2016, official data shows. <https://www.dailynews.co.zw/articles/2016/03/16/zim-remains-in-deflation>

Dairibord targets volumes liquidity crunch bites

Listed milk processor Dairibord Holdings Ltd says the company is seeking volumes growth in order to improve profitability in the face of tight liquidity conditions and dwindling disposable incomes in FY16. <http://www.theindependent.co.zw/2016/03/18/dairibord-targets-volumes-liquidity-crunch-bites/>

Zim NPLs decline

Non-Performing Loans (NPLs) are expected to marginally decline by 5% in 2016 with the acquisition of some of the bad debts by the Zimbabwe Asset Management Company (Zamco) playing an integral role in the resuscitation of distressed companies, the Zimbabwe National Chamber of Commerce (ZNCC) has said. Cottco, Cairns foods, RioZim and Border Timbers are some of the companies that have had their debts assumed by Zamco. <http://www.theindependent.co.zw/2016/03/18/zim-npls-decline/>

Property sector faces bleak future

ZB Financial Holdings projects a bleak future for the property sector warning profitability could be weighed down by dwindling margins as the market struggles to pay rents. <https://www.newsday.co.zw/2016/03/16/property-sector-faces-bleak-future/>

Simbisa intensify regional expansion

SIMBISA Brands Limited says it will strategically invest in growth opportunities despite challenges faced in markets where it operates in. <https://www.newsday.co.zw/2016/03/15/simbisa-intensify-regional-expansion-drive/>

StarAfrica sells logistics unit

CONGLOMERATE starafriacorporation has disposed its logistics unit Bluestar Logistics (BSL) to a local private firm for \$1,5 million with effect from February 5, the company has said. <https://www.newsday.co.zw/2016/03/15/starafrika-sells-logistics-unit/>

Cotton prices continue plummeting

The year 2016 is likely going to be the worst cotton marketing season since the global financial crisis in 2008 in light of the subdued global prices of cotton lint.

<http://www.herald.co.zw/cotton-prices-continue-plummeting/>

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